

بنك الأردن دبي الإسلامي
Jordan Dubai Islamic Bank
Solid Principles, Innovative Solutions



Annual Report 2014



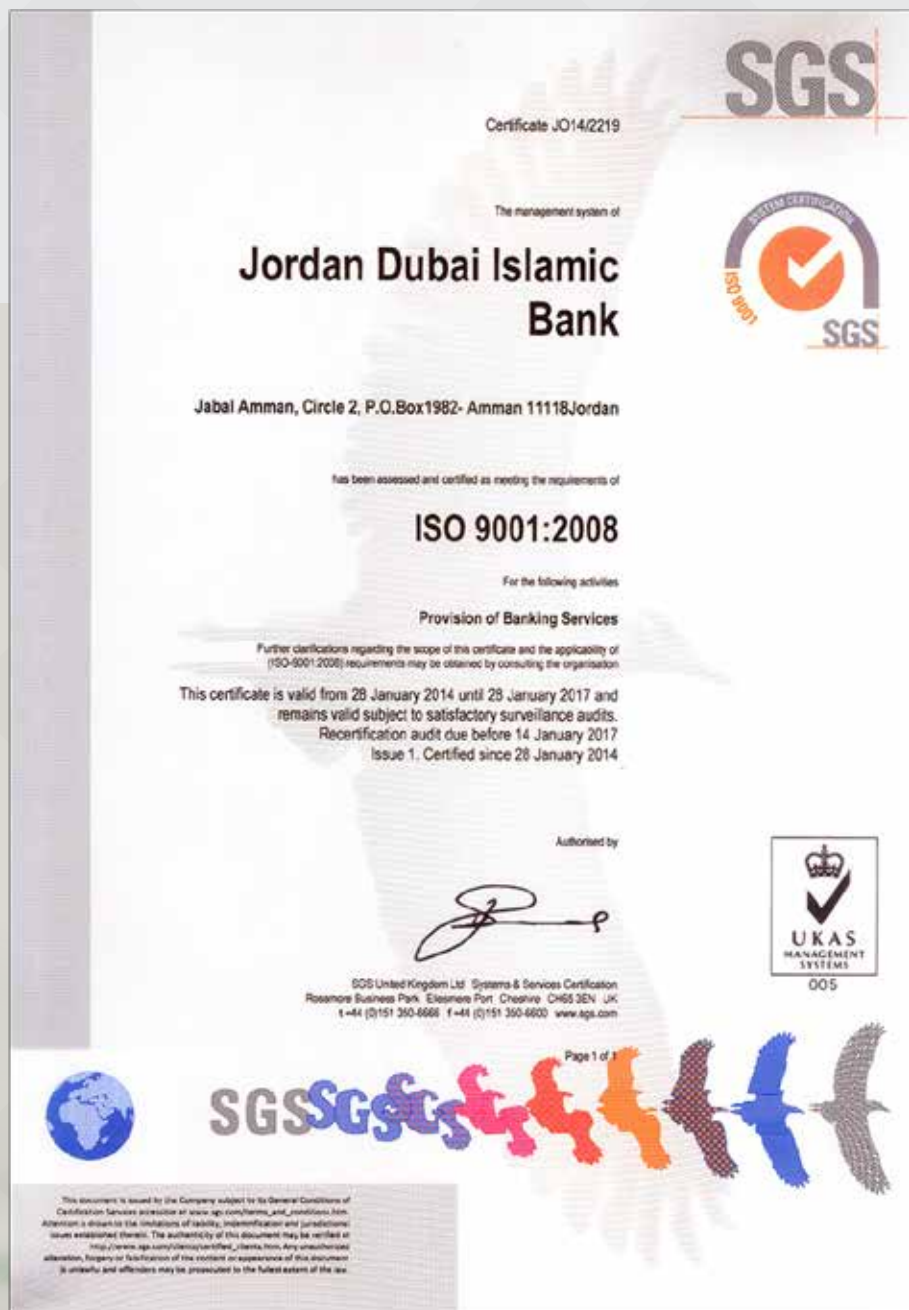
His Majesty
King Abdullah II Bin Al Hussein



His Royal Highness
Prince Al Hussein Bin Abdullah II
Crown Prince

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**ISO 9001:2008 Certificate in
Management system
from SGS Global - UK**



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

Mohamed Saeed Al Sharif Representative of Mesc Investment Company	Chairman
Dr. Faysal Abdel Razzaq AL Hyari Representative of Orphans Fund Development Foundation	Deputy Chairman
Mr. Mohamed Salem AL Falasi Representative of Mesc Investment Company	Member
Mr. Lo'ay Munir Suhwail Representative of Social Security Corporation/Investment Unit of the Social Security Corporation	Member until 31/8/2014
Mr. Emad Jamal Ahmad Kodah Representative of Social Security Corporation/Investment Unit of the Social Security Corporation	Member from 1/9/2014
Dr. Omar Mohammad Al Zu'bi Representative of Jordan Ministry of Finance	Member until 7/6/2014
Dr. Izzeddin Muhy Eddin Kanakrieh Representative of Jordan Ministry of Finance	Member from 8/6/2014
Mr. Shahm Munib AL Wir Representative of FCP Fund	Member
Mr. Raslan Nouri Deiranieh In His Personal Capacity	Member
Mr. Saleh Yacoub Mohammad Hussein In His Personal Capacity	Member from 30/11/2014
Mr. Jaafar Salim Badwan In His Personal Capacity	Member from 30/11/2014
Dr. Waleed A. AL Nassan In His Personal Capacity	Member from 30/11/2014
Dr. Omar Mashhoor AL Jazy In His Personal Capacity	Member from 30/11/2014

Board of Directors



Mr.
Mohamed Saeed AL Sharif
Chairman



Dr.
Faysal Abdel Razzaq AL Hyari
Deputy Chairman



Mr.
Mohamed Salem AL Falasi
Member



Mr.
Emad Jamal Ahmad Kodah
Member



Dr.
**Izzeddin Muhy Eddin
Kanakrieh**
Member



Mr.
Shahm Munib AL Wir
Member



Mr.
Raslan Nouri Deiranieh
Member



Mr.
**Saleh Yacoub Mohammad
Hussein**
Member



Mr.
Jaafar Salim Badwan
Member



Dr.
Waleed A. AL Nassan
Member



Dr.
Omar Mashhoor AL Jazy
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" (Al Haj Ahmad)
Deputy CEO
Chief of Treasury & Investment



Dr.
Haitham Marouf Hamad Jouher
Deputy CEO
Chief of Corporate Excellence



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 &
Corporate Strategies



Mr.
Ajoud Sharafaldeen Ali Al Rousan
Head of Internal Audit



Mr.
Masoud Ismail Masoud Sakfal-Hait
Head of Legal &
Board Secretariat



Jordan Dubai Islamic Bank Top Management



Message of the Chairman

In the Name of Allah the Most Gracious the Most Merciful

**Peace, mercy and blessings of Allah be upon you,
Praise be to Allah, and peace and blessings on the Last
of the Prophets, Prophet Muhammad and his family and
companions,**



Dear Shareholders,

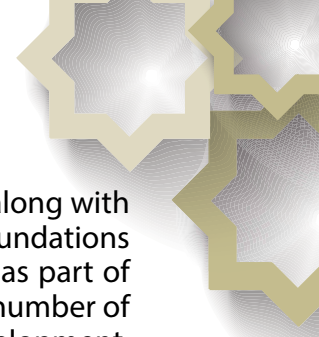
On behalf of my colleagues the board members, I proudly submit the fifth annual report of Jordan Dubai Islamic Bank, which displays the Bank's achievements and accomplishments throughout the past fiscal year.

Esteemed Shareholders,

The harsh economic and political conditions witnessed across the region have continued to take its toll on the Jordanian economy as a whole and the banking sector in particular. However, we, as Board of Directors of Jordan Dubai Islamic Bank along with the executive management, have set the needed plans and working mechanisms to ensure continuity of the Bank's progress and promote its status as a pioneer institution with strong fiscal solvency. This has ultimately had a positive impact on the Bank, where it continued and for the fifth consecutive year to achieve significant growth percentages in its operations, which reflected on the net profit growth after tax deduction to reach up to 31%. The increase came as part of the Bank's client base expansion and their trust in the level of services provided, whereby the total assets growth reach up to 24% and the depositors' accounts grew by 32%, while the portfolio funds percentage reached 24%. Moreover, the Bank has maintained the highest Capital Adequacy Ratio in the banking sector in Jordan at 44.33%.

During 2014, the bank continued its progress towards additional qualitative achievements to promote and affirm its strength, whereby it ensured the implementation of advanced levels of banking technology through the diversity of Islamic services and products and operational efficiency while abiding by international quality standards and presenting an integrated banking system and solutions that abide by the provisions of Islamic Shari'a within high quality modern standards and in line with the international best practices. The Bank has also been keen on applying Principles of Corporate Governance, and through the tireless efforts of the Bank's management and its employees, its endeavours have culminated in achieving more successes and accomplishments that are represented by the development of performance rates, the enhancement of operational and financial indicators. Moreover, the Bank received Arab, regional and international awards for its persistence in applying international best practices and gaining recognition for its success, achievements and commitment towards maintaining best and up-to-date banking standards.

While we reap the result of our hard work and sincere efforts to rise with this leading institution to new horizons of excellence, we believe in the Bank's ability and its distinctive capabilities to continue to assume leading positions in the Islamic banking field, while



relying on our well-established values derived from the provisions of the Shari'a along with adopting a strategic approach that is based on professional institutional work foundations and the loyalty and efforts of the management and staff. We will also continue, as part of our social responsibility, to work on a specialized strategic program to support a number of social initiatives that serve the society and contribute in achieving sustainable development, as well as creating a positive impact on local communities on the long term.

Last but not least, we would like to thank the Central Bank of Jordan for its effective supervisory role, which is vital to ensure the safety and stability of the banking system and the provision of an economic investments attracting environment.

We would also like to extend our thanks to the Bank's loyal clients and shareholders, for their constant support and trust, in addition to our staff who are the backbone of the Bank, and for their efforts and dedication in serving the Bank. I would also like to assure our shareholders and clients that the Bank will continue in its path to implement international best banking practices and stay in line with the provisions of Shari'a. We will also continue to achieve best results and take part in the national economy and the society at large.

We ask Allah to help us work for the interest of this institution and the service of our beloved country under the leadership of His Majesty King Abdullah II Bin Al-Hussein may Allah protect him.

Peace be upon you,

Mohamed Saeed AL Sharif
Chairman of the Board



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 17 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:** Jordan Dubai Islamic Bank provides comprehensive Shari'a compliant financing products that include direct financial solutions such as Murabaha, and Ijara, in addition to indirect solutions, such as documentary credits and letters of guarantee.

Moreover, the Bank offers innovative financial solutions that are in line with the Islamic Banking Systems, which cover large and medium enterprises working in various economic sectors, with a focus on exceptional services and full understanding of clients' financial needs.

- **VIP Clients Services "SAFWA":** We, at JDIB, are proud to be the first Islamic bank in Jordan to provide affluent banking that follows the provisions of Islamic Shari'a for our VIP clients.

At JDIB, our customer is our main focus, which is why we strive to develop and excel to bring only the best Islamic financial services to our customers, through the Safwa Centers available in different branches.

Through this service, our dedicated Relationship Manager can answer all our clients' inquiries and help them complete their financial transactions with ease and precision. The Bank has also signed strategic partnerships with leading companies in the Jordanian market, in order to offer preferential rates for services and banking products.

- **Financing Services:** JDIB provides a creative selection of financial retail products that follow the provisions of Islamic Shari'a, specifically designed to fulfill the needs of various sectors.

Services that are in accordance with the Murabaha system, include:

- Personal financing to purchase products such as furniture, electric appliances and construction materials.
- Auto financing program that allows you to own a new or used car according to financing conditions.
- Hajj and Omra financing in addition to Ijara financing (travel finance), as well as covering marital and study expenses through a contract of mutual benefit between the Bank and the client.
- Purchase of residential lands and farms.
- Al Yusur Program: Through this program, that is considered a Shari'a-compliant solution, clients can settle all outstanding liabilities with traditional banks and refinance with Jordan Dubai Islamic Bank

• Lease-To-Own Home financing products competitive Ijarah rates include:

- Financing the purchase of apartments and prefabricated houses
- Financing the purchase of land in order to build on as well as farms financing
- Financing commercial offices such as clinics and engineering offices
- Refinancing owned real estate

• Accounts and Deposits Services: These services include current and saving accounts in addition to Children's Saving Account "Kanzu" and deposits of different types.

• Electronic Banking Services: The Bank aims to offer the latest methods of communication and facilitate its clients' transactions, through a number of e-channels that include ATMs, internet banking, phone banking, mobile banking along with SMS services. Additionally, the Bank has a call center that answers all the clients inquiries regarding their accounts, products and promotions offered, as well as receiving any complaints and following up on them to ensure best services are being provided.

• Cards: Through the Bank, clients will receive a free visa electron card enabling them to perform a number of actions such as cash withdrawal and inquiring about their account among other services.

The bank also provides visa charge cards in both silver and gold, which are designed to meet your different purchasing needs and can be used locally and internationally.

• Treasury and Investment Services: The Bank offers current and potential clients innovative and customized Shari'a compliant financing and risk management solutions which include: exchange of foreign currencies, exchange of foreign currencies based on promise and contracts of swaps as well as the composite 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	Abdali	Sulaiman Al Nabulsi Str.	-	-	4602100	4602407	220
Jabal Amman	2nd Circle- Jabal Amman	Islamic scientific College St.	-	-	4602100	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
Al-Zarqa'	-	36 Mecca Street	Al-Kurdi	-	05/3758111	05/3758102	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
Irbid	-	Al Hashemi	Al-Rosan	-	02/7201800	02/7201814	10
Irbid	-	-	City Center	-	02/7201808	02/7201809	8
Total							333

• Capital investment Size

Total investments in the budget for the year 2014 reached 658 million Jordanian Dinars, which include the Bank's portfolio of direct and indirect financing and fixed and other traded assets, noting that the Bank's authorized capital is 100 million Dinars and shareholders' equity stood at 130 million Dinars as of 31/12/2014.

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

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

Mr. Mohamed Saeed AL Sharif/ Chairman of the Board/ Representative of Mesc Investment Company

Date of Birth: 05/06/1965

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

Professional Certification: CPA from the Board of Accountants / Virginia States, USA, 1994

Experience: CEO DIB Capital Limited since 2010 until present.
Financial Director, Dubai Islamic Bank (1999 - 2010).
Occupied various posts at UAE Central Bank (14/10/1986 - 31/08/1999).

Board Memberships: Editor-in-Chief of the Islamic Economics Journal.
Chairman of the Board of Directors of Dubai Islamic Bank, Pakistan.
Board Member of Khartoum Bank, Sudan.
Board Member of the Liquidity Management Center, Bahrain.
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.

Dr. Faysal Abdel Razzaq AL Hyari/ Deputy Chairman/ Representative of Orphans Fund Development Foundation

Qualifications: PHD in Economics, Leicester University, UK 1990.
Master's Degree Economics of Public Policy, Leicester University, UK 1987.
Bachelor's Degree in Economics and Statistics, University of Jordan 1979.

Experience: General Manager of Orphans Fund Development Foundation
Financial and Economic Advisor to the Chancellor of the Exchequer from 2002 until 2007.
Full-time Financial Expert from 1997 until 2002/ Technical Team for restructuring of Royal Jordanian and emanating companies
Director of the Directorate of Studies, Research and Information / General Budget Department from 1992-1997.
Head of investment committee and investors' issues/ Ministry of Finance.
Part-time lecturer, researcher at the Strategic Studies Center / University of Jordan.
Head of Studies and Research / General Budget Department from 1990 until 1992.
Budget Organizer/General Budget Department from 1979 until 1986.
External Examiner of Masters' Theses / Economics Department/University of Jordan.



Current Board Memberships:	Board Member of the National Company for the Manufacture of Electric Cables & 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 Paper and Cardboard Factories Company. Board Member of the Jordan National Shipping. Board Member of Awqaf Fund Development Foundation. Board Member of Aqaba Railway Corporation.

Mr. Mohamed Salem AL Falasi/ Member of the Board of Directors/ Representative of Mesc Investment Private Shareholding Company

Date of Birth:	03/05/1964
Qualifications:	MBA Leicester University / UK. BS Computer Science, University of Arkansas / USA 1985-1991.
Professional certifications:	BAI Finance Diploma. Strategy and Innovation Diploma. IATA Program, Geneva – Switzerland Airlines 1996 -1997.
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 from 1996-1998. Commercial Officer, Emirates Airlines, Dubai 1993-1996.

Mr. Emad Jamal Ahmad Kodah/ Member of the Board of Directors/ Representative of Social Security Corporation / Investment Unit for the Social Security Corporation

Date of Birth:	03/05/1961
Qualifications:	Masters degree from Sul Ross State University – Texas 1985. Bachelor of Administrative Sciences from Yarmouk University – Irbid 1984.
Professional Experience:	Chief Investment Officer/ Social Security Investment Fund. Head of the Treasury Department/ Social Security Investment Fund.

Board Memberships:

Acting investment Director / Social Security Investment Fund's Manager.

Acting Chief Executive / Social Security Investment Fund.

Head of foreign portfolio investments and operations / Central Bank of Jordan.

Head of the International Department of the Treasury, investments and operations / Central Bank of Jordan.

Vice Chairman of the Central Accounting Department / Central Bank of Jordan.

Member of the Board of Directors of Jordan Post 2007-2010.

Member of the Board of Jordan Kuwait Bank 2007-2013.

Member of the Board of Directors of Al-Daman For Investment Company 2004-2005.

Mr. Izzeddin Muhy Eddin Kanakrieh/ Member of the Board of Directors/ Representative of Jordan Ministry of Finance

Date of Birth: 13/09/1960

Qualifications: PHD in finance from Amman Arab University/ Jordan 2010.

Master's degree in finance and accounting sciences from the Arab Academy for Financial and Banking Sciences/ Jordan 1997.

BA in Economics from Yarmouk University/ Jordan 1984

Professional Experience:

Accountant in the armed forces 1984-1986.

Financial Analyst for the public treasury accounts and public expenditure/ Ministry of Finance 1986-1993.

Accountant and analyst of the energy sector accounts and crude oil in the Cash Management Directorate at the Ministry of Finance 1986-1993.

Head of credits and energy in the Cash Management Directorate from 1993 until 2000.

Director of Cash Management Directorate at the Ministry of Finance from 2001 until 2005.

Assistant Secretary-General for Financial Affairs in the Ministry of Finance from 2005 until 2007.

Secretary General of the Ministry of Finance 2007-2012.

Director-General of the Income and Sales Tax Department 2014.

Secretary General of the Ministry of Finance for the second time from 05/06/2014 until present.

Mr. Shahm Munib AL Wir/ Member of the Board of Directors / Representative of FCP Fund

Qualifications: Bachelor's Degree of Political Sciences with honors - Harvard University.

Ph.D. in Law from the Faculty of Law at Virginia University .



Experience: Partner at Al Fursan Group.
Worked at Plimpton & Debevoise in New York, one of the leading attorney companies in the world, where he spent 6 years 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 Nouri Deiranieh/ Member of the Board of Directors/ In his Personal Capacity

Date of Birth: 17/11/1963

Qualifications: Master's Degree in Accounting, University of Jordan 1992.
Bachelor's Degree in Accounting and Computer Science, Yarmouk University 1985.

Professional Certification: Orange Certificate in Finance and Control, ESCP-Paris University.

Experience: Chief Financial Officer, Orange Jordan from May 2001 until present.
Director of Treasury Department, Jordan Telecommunications 1998 - 2001.
Head of Foreign Investment Department, 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.

Mr. Saleh Yacoub Mohammad Hussein/ Member of the Board of Directors/ In his Personal Capacity

Date of Birth: 25/06/1949

Qualifications: BA in Economics and Statistics from the University of Jordan 1970.
Specialization Diploma in DESS graduate of the Sorbonne - Paris 1976/1977 - Finance and Economy
Diploma of the International Institute of Public Administration. Paris - Finance and Economics 1976/1977.

Experience: Worked as an employee and then as director of the Department of Foreign Relations of the Central Bank of Jordan, which include investment credits and

Board Memberships:

remittances operations, bills receivable, loans and correspondent banks.

Expert and adviser portfolio manager at the Central Bank of the United Arab Emirates from 1986 until 1992.

CEO of the Department of open market operations and public debt in the Central Bank of Jordan 1996-2000.

Advisor to the Securities Commission of Jordan and CEO of the Securities Depository Center 1999.

Resident adviser to the International Monetary Fund for Investment and Foreign Relations of the Palestinian Monetary Authority 1995-1996.

Deputy Governor of the Central Bank of Jordan from 2000 until 2004.

Member of the Council of the Social Security Corporation from 2000 until 2004.

Member of the Board of Directors of Zara 2001-2004.

Member of the committee that prepared the investment criteria of the Social Security Investment Committee 2004.

Member of the Board of Directors of Jordan Cement Company in 2004 and Chairman of the Audit Committee of the Board.

Member of the Board of Directors of Jordan Commercial Bank from 2004 until 2008 and Chairman of the Audit Committee of the Board.

Member of the Board of Directors of the Deposit Insurance Corporation management since 29/12/2013 until present.

Body Member of Model Company for micro finance emanating from the The Jordanian Hashemite Fund For Human Development starting from early 2013 until present.

Chairman of Hikma's Financial Services Authority since 2005 until present.

Mr. Jaafar Salim Badwan/ Member of the Board of Directors/ In his Personal Capacity

Qualifications:

PHD in Business Administration.

Master's Degree in Economy.

Bachelor's Degree in Economic Planning.

Financial Services Authority (FSA) - UK.

Experience:

CEO - RJA Consultants since 2012 until present.

Treasury and Capital Market Director - Tourism Development and Investment Company 2009-2011.

Director General of the Department of Treasury and Investment - Bahrain Islamic Bank - Chairman of the instruments and member of the Strategic Investment Commission 2008-2009.

Managing Director of the Treasury and the Financial Market - member of the Strategic Investment Commission - Bank Alkhair 2006-2008.



Head of capital markets - Member of the Strategic Investment Commission - National Bank of Abu Dhabi 1997-2006.

Chairman of the Capital Market Department - member in the Committee on the proportion of assets to liabilities by «ALCO» - Abu Dhabi Investment Company 1995-1997.

Senior Investment Manager - Treasury – member in the Investment Commission - Central Bank of the UAE 1991-1994.

Deputy Director - Commercial Department - Member in the Investment Commission - Kuwait International Investment Company 1987-1991.

Assistant Manager - Marketable Securities Department - Kuwait Investment Company 198-1987.

Dr. Waleed A. AL Nassan/ Member of the Board of Directors/ In his Personal Capacity

Qualifications:

PHD in Philosophy/ France.

Master's Degree in Business Administration.

Bachelor's Degree in Accounting from Yarmouk University – Jordan 1984.

Financial Services Authority (FSA) - UK.

Experience:

CEO / Deputy Chairman of the Board, EFG – Hermes Jordan since 2010.

CEO/ Member of the Board of Directors of Awraq Investments (a wholly owned subsidiary of the Cairo Amman Bank) Jordan.

Supervisor of the Islamic banking unit, Cairo Amman Islamic banking Unit 2003-2005.

CEO, Department of Research and investment, Cairo Amman Bank, Jordan 1994- 2005.

Finance Assistant Professor at the Arab Academy for Banking and Financial Sciences 1991-1993.

Finance Lecturer at the University of Jordan / Jordan 1990-1991.

Dr. Omar Mashhoor AL Jazy/ Member of the Board of Directors/ In his Personal Capacity

Qualifications:

Doctorate in International Commercial Arbitration Law from the University of Kent in the United Kingdom in 1999.

Master's Degree of International Trade and Comparative Law from London Guildhall University in 1994.

Bachelor's of Law from the University of Jordan in 1992.

Experience:

Managing Partner at Al-Jazy & Co. (Advocates and Legal Consultants).

International trade lawyer and expert in commercial transactions and the law of arbitration.

Part-time lecturer and teacher in various academic institutes in Jordan.

Representative of the Jordanian Government in

Board Memberships:

international trade law of the United Nations Commission.

President of the Eisenhower Fellowship Association.

Member of the Board in the Military Credit Fund (MCF) Armed Forces Bank.

Member of the National Dialogue Committee that drafted the electoral law and the law of political parties
Jordanian member of the Alliance for Legal Action (ELA)
Chairman of the founding committee of the Arab Intellectual Property, Mediation, and Arbitration Society (ASIP).

A member of the Judicial Reform Commission, headed by Jordanian Minister of Justice.

Registered partner in the project on the settlement of disputes in international trade and investment and intellectual property.

Former member of the committee that developed the draft law to the multi Jordanian Transport forms.

Counselor for the Economic and Social Commission for Western Asia (ESCWA) to prepare drafts on regulations about shipping and license multiple forms of transport operations in Jordan.

Member of the Board of Directors of Queen Rania Foundation, which is chaired by Her Majesty the Queen as honorary head.

Member of the Board of Directors of Abdul Hameed Shoman Foundation.

Member of the Board of Directors of Aqaba Development Corporation.

Member of the Board of Directors of the Jordanian Insurance Commission.

Former member of the Council of Jordan Authority (JAED).

Member of the Board of Directors of Aqaba Airports Company.

Member of the Board of Directors of the Health Care Accreditation Council (HEAC).

Vice Chairman of the Jordanian Society for the gubernatorial administration in companies.

Member of the Board of Directors of the Jordanian Transparency Society.



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

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

Date of Birth: 1932

Qualifications: PHD 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.
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 and 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: PHD 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 Kuwait, Singapore, KSA & UAE.

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 (Al Haj Ahmad), CFA 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, and Chartered Financial Analyst (CFA) designation from the CFA Institute Foundation in the United States - Virginia.

Dr. Haitham Marouf Hamad Jouher Deputy CEO, Chief of Corporate Excellence

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, 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's 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 the Head of Retail Banking Group - Syria.

Mr. Taj holds a Bachelor's 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 Bachelors 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 to 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's degree in Accounting from University of Jordan.

Mr. Ajoud Sharafaldeen Ali Al Rousan, CPA
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 to 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's degree in Law from University of Jordan.

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

Shareholders and Number of Shares Owned by Each Compared to Previous Year					
Name	Nationality	Percentage of Contribution	Number of Shares	Percentage of Contribution	Number of Shares
		31/12/2013		31/12/2014	
Mesc Investment Co.	Jordanian	52.0000%	52,000,000	52.0000%	52,000,000
FCP FUND	Cayman Islands	6.8976%	6,897,587	9.6580%	9,658,019
Social Security Corporation	Jordanian	5.9677%	5,967,651	5.9677%	5,967,651
Jordanian Ministry of Finance	Jordanian	5.5500%	5,550,000	5.5500%	5,550,000

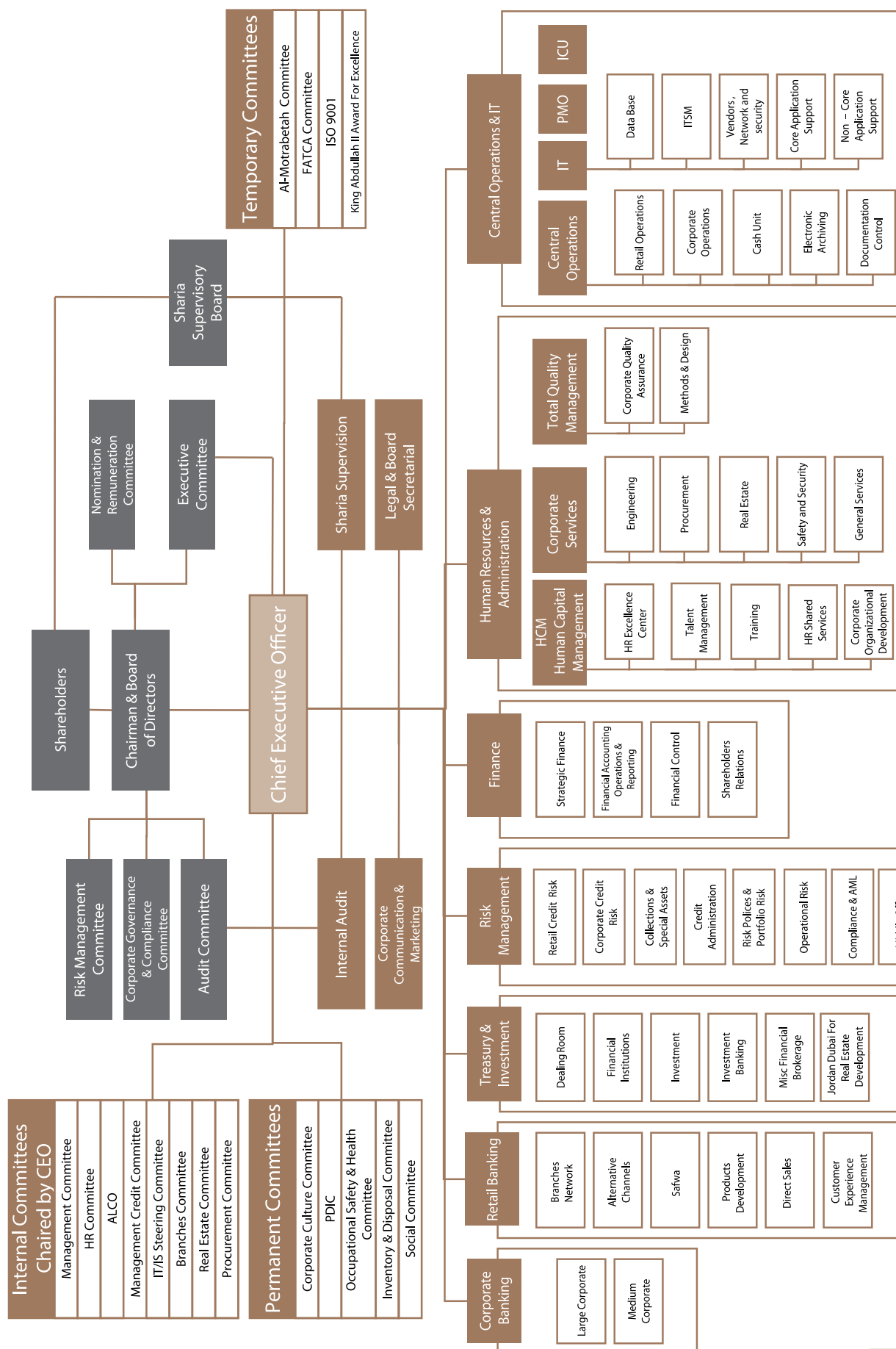
JDIB Competitive position within the banking sector

The Bank's facilities portfolio has increased in the by local market from 1.93% to 2.36%, where by the facilities portfolio increased 88 million Dinars (24%) as compared to 2% of the banking sector. Moreover, the Bank's assets size increased to 129 million Dinars (24%) as compared to 5% with the Banking sector, which represents a share of 6% of the rise in the entire banking sector. While on the deposits level, the Bank's deposits increased with a value of 117 million Dinars and at a percentage of 32%.



**Most Innovative Islamic Bank in Jordan 2014
From Global Banking & Finance Review / UK**

Organizational Structure 2014





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	282	5
Higher Diploma	6	0
Community College Diploma	13	1
Diploma	8	0
Tawjihi (high school)	5	1
Lower than High School	14	0
Total	357	7

Rehabilitation and training programs for the Bank's employees:

Category	Number of Programs	No. of Participants 994	General Description of the Program's Goals
Preparation of operations' models of the commercial department program (credit, guarantees and insurance policies) of private banking department clients.	3	37	The program aims to: - Introduce staff to the documentary credits and related parties and used terms. - Introduce the types of documents and how to formulate the terms of letters of credit - Correct erroneous concepts and practices and familiarize participants with international delivery conditions and types of bank guarantees - Access to bank credits and special forms of guarantees and bills receivable and show how to use them
Awareness on the FATCA Law course	2	69	This program aims to identify the Bank's management staff and branch managers with the FATCA law along with its importance
Cross sales and customer service skills course	2	24	The training course aims to develop sales skills necessary for sales staff and customer service unit, which will give them detailed knowledge of the sales skills necessary and offer new ways to process the sale of products
workshop about Policies and procedures for handling incoming and outgoing mail	2	39	The workshop aims to develop policies and procedures for outgoing and incoming mail, and to familiarize participants with the new mechanism to be applied at the Bank
Cross sales and customer service skills program	1	31	This training program is aimed to identify staff with customer service skills and standardize them in the Bank and introduce them to cross sale skills
workshop about policies and procedures for cash handling operations	1	37	This workshop is designed to familiarize participants with the policies and procedures adopted and approved with respect to the circulation of cash
Workshop about policies and procedures of the payment and release of mortgage on vehicles	1	39	This workshop is designed to familiarize participants with the policies and procedures adopted and approved concerning the payment and release of mortgage on vehicles.
Induction Course	2	38	This program aims to familiarize participants with their rights, obligations and customer service skills, operational risks and legal aspects of the business and banking controls

Review of the policies and procedures for cash management operations	1	48	This program aims to familiarize participants with the procedures to be followed with cash, targeting officials and cashiers of each Bank
The application of the final FATCA law models - the first and the second groups	2	94	This program aims to familiarize participants with the final models for the application of FATCA law, the program targets branch managers and customer services staff, sales staff, call center and Safwa staff
Team building activity - Wadi Rum	1	5	This activity aims to utilize diversity in experience, references and energies of human capital from the existing senior management and middle management levels in order to achieve harmony required to increase competitiveness and raise productivity, especially in light of the increasing challenges in the market and the expansion of the size of the Bank's businesses.
Training program for quality of service / Mystery Shopper	6	104	This program aims to increase opportunities for improvement within the mystery shopper report, as part of the Bank's keenness to provide a unique service to customers and colleagues in its various branches and departments, reflecting the positive and bright image of the bank and its staff.
Comprehensive Training on Banking Simulators System program	2	34	This program aims to ensure the effectiveness and continuity of the rehabilitation and training process of the concerned regarding BANKS system, and for the purposes of getting the best practices and applications on the system
Policy and procedures for retail financing program	1		This program aims to explain the details of retail funds policies and procedures, so as to ensure the activation of the related policy and procedures as needed, and ensure proper understanding and application by the staff involved.
Display and pay bills electronically service program	3	129	This program aims to disseminate knowledge among branch staff regarding displaying and paying bills electronically through the Mobile Banking service, whereby its features can be obtained through payment of bills electronically through JDIB Mobile application.
Meeting to discuss the evacuation plan of the Jordan Dubai Islamic Bank for security reasons	1	16	The meeting was held in order to respond to crises and emergencies, whether to prepare for them or anticipate or deal with them and to ensure the provision of comprehensive protection of the Bank's employees. A comprehensive plan has been set to deal with disasters and emergencies, which the General administration building could be exposed to, and includes how to evacuate the building in case of emergency and to take all necessary actions to ensure their safety and their tranquility, stability and security.
workshop about changing the bank account opening procedures according to FATCA law	7	68	As part of the Bank's continuous quest to abide by the FATCA law requirements resulting in doing the necessary changes in the Bank's operations, which include the process of opening an account for all customers (companies and individuals), there have been changes to the account opening models's for retail and corporate banking, in addition to changing the account opening mechanism on the basic banking system and the creation of new tasks especially those related to necessary data for the purposes of making sure that the client's status is according to FATCA law
Introductory workshop to the new building (Abdali)	2	123	Raise awareness about the move to the administration building - Abdali project in terms of distribution of offices and labour policy in open areas where it was held for all the bank's employees.
workshop to explain the policy and procedures of transfers and salaries	1	59	This workshop aims to train branches staff on the issuance of new remittance mechanism according to the new policies and procedures and rearrange roles in the process of issuing money orders between branches and the Central Operations Department



Date of Compliance:
April 20, 2014

Payment Card Industry Data Security Standard (PCI DSS)

Certificate of Compliance

Awarded to:
Jordan Dubai Islamic Bank

Level 1 Service Provider

Service(s) Covered:

Payment Processing-POS
Payment Processing-Internet
Issuer Processing
Account Management
Back Office Services
Payment Processing-ATM
Payment Gateway / Switch
Data Preparation
Fraud & Chargeback Services
Clearing & Settlement

Certificate ID: A30CO2-20042014

This is to certify that Jordan Dubai Islamic Bank has successfully completed an assessment by Trustwave against the Payment Card Industry Data Security Standard v2.0 (PCI DSS).

Conditions of issuing:

1. Trustwave has issued this certificate to indicate that the aforementioned company's card holder environment has been provisionally validated against the Payment Card Industry Data Security Standard v2.0 (PCI DSS) as of the Date of Compliance as stated above.
2. This certificate is subject to validation conditions as laid out within the PCI DSS audit and assessment procedures, and is subject to final acceptance by the relevant acquirer and/or card scheme(s). Any queries please contact Trustwave at Compliance-QA@trustwave.com. This certificate covers a one year period beginning from the Date of Compliance.
3. This certificate shall not warrant or guarantee to any third party that Jordan Dubai Islamic Bank's card holder environment is invulnerable to attack or compromise. Accordingly, in no event shall Trustwave be liable to any third party in the event of loss or damage caused by any failure or breach of Jordan Dubai Islamic Bank's systems or payment applications.
4. This certificate is issued by Trustwave as a commercial representation of work complete, and is not officially sanctioned by either the SSC or any card scheme making up said body.

Michael Aminzade, VP Global Compliance & Risk Services – EMEA / APAC Date: April 20, 2014

**Payment Card Industry Data Security
Standard (PCI DSS) USA**

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 to the Bank's high capital adequacy and liquidity ratio that the bank enjoys. The Board of Directors' Risk Management Committee determines the parameters for risk strategies and policies which are adopted by the Board of Management. From an operational standpoint, Risk Management at the Bank is done by a specialized department with qualified cadres in line with the directives of the Board and the strategy of the Bank. This department works on applying best international practices in risk management (Basel II & III) in accordance with the requirements and directives of the Central Bank of Jordan and confidentiality of Jordan Dubai Islamic Bank.



Since its start-up in 2010, Jordan Dubai Islamic Bank sought to implement the expanding methodology consistently and gradually, as its branch network continued to increase steadily to include up to 17 branches spread around the Kingdom in the present day, offering an integrated system of banking solutions compliant with Islamic Shari'a within modern standards.

The Bank's achieved growth in total assets during 2014 increased by 24.5% compared to 2013.

Here are further achievements of the Bank in 2014:

1. Corporate Banking

The Corporate Banking Department of the Bank continued to lead the Bank's performance and profitability in 2014 for the 5th consecutive year by creating a diversified portfolio of new clients in the large and medium-sized sector, despite the prevalent difficult economic and political conditions in the region that has affected various economic sectors both directly and indirectly.

The quality of services provided by the department to its customers, and their ability to understand their financial needs by providing convenient services and products in line with Islamic Shari'a has reflected in strong growth in the portfolio of direct and indirect facilities which increased by 177% in four years, within a variety of economic sectors and distributed to a group of dealers in various fields of industry, trade, services, energy, real estate, and governmental institutions among others.

2. Retail Banking

Jordan Dubai Islamic Bank has been, since inception, steadily increasing its branch network, bringing the number to 17 branches in Amman, Irbid, and Zarqa. Each of these branches offers a full range of services and products compatible with the provisions of Islamic Shari'a to meet the needs and wants of a large segment of customers, including auto finance, murabaha personal financing, lease-to-own home financing. The Bank also offers current accounts, savings and investment deposits with flexible conditions, in addition to a range of modern services such as online banking, Visa Electron cards, Visa Gold cards and Classic visa cards for monthly settlements.

The Bank continued executing the strategic plans that aim at delivering the bank's Islamic Sharia compliant Banking services to all spectrum of the society using the latest technologies in order to provide high quality services via its network of branches and direct sales staff, and to maintain the high level of services and focus on quality and dealing professionally with clients in order to expand customers base and support sales activities, along with continuing the improvement and development of electronic banking services to best serve its customers.

Safwa centre was launched in the Bank's branch in Al Madina Almunawara Street, in addition to the branches in Shmeisani and Al Bayder. These are specialized centres in providing banking services for VIP customers, as the Bank has focused on strengthening its relationship with VIP customers through offering excellent personalized services that combine well-established Islamic values with modern technology and innovation in advanced banking business.

Electronic banking services: the Bank has always been keen to provide the latest tools for its customers in order to carry out their banking transactions with ease 24 hours a day via the

Bank's electronic channels which include ATM machines, online banking, SMS services, land line services and mobile banking. In addition to that, the Bank also has a call centre service which offers assistance to customers regarding to their accounts, as well as the products and services offered by the Bank. The call centre also deals with, and follows up on complaints to ensure providing its customers with the best services.

Banking cards: The Bank provides its clients with free VISA Electron cards, which allow the clients to use many services on their accounts, such as cash withdrawal, cash inquiry, and others.

Both types of monthly payment cards, regular and gold, are also offered at the Bank. These cards have been designed to suit the purchasing needs of the clients, and can be used in and outside Jordan.

The online banking services department increased its network of outdoor ATM machines in several important locations spread throughout the Kingdom, including:

- King Hussein Medical Centre
- Cozmo – 7th circle
- Avenue Mall – Swefieh
- Selected TOTAL gas stations

More ATM machines will be installed throughout 2015 in locations that serve a large segment of the Bank's customers and non-customers.

Clients also get the service of viewing and paying their bills electronically through Mobile Banking service; for registered companies via Central Bank. Work has also been done in order to update the online banking service to stay updated with the latest technological development that has occurred in this field.

In terms of deposits, the Bank has succeeded in expanding its customer base, with the number of accounts exceeding 39,000. This has been achieved due to the diverse and innovative current and investment accounts launched by the Bank, and the distribution of the highest returns compatible with the provisions of Islamic Sharia.

3. Treasury and Investment

The Treasury and Investment Department worked on:

- Effectively manage the Bank's assets and liabilities and maintain the liquidity necessary to meet the needs of the Bank at all times
- Work on the optimal use of the Bank's excess liquidity by investing in international agencies and Murabaha agencies and capital markets
- Management of risks dealing in foreign currency exchange markets, the risk of market rates of return in cash market, and the risk of dealing in the capital markets as to ensure the highest possible return for the Bank with the least risks
- Expand the network of relationships with global correspondent banks to meet the needs of the Bank and its customers at the lowest possible cost
- Offering brokerage services in accordance with the provisions of Islamic Shari'a through its wholly-owned holding company of the Bank, Misc.
- Providing trading and investment services to customers in foreign currency exchange markets.
- Providing trading and investment services to customers in regional and international warrants market.



- Opening new accounts with several international banks to facilitate the smooth flow of the Bank's work
- The Treasury and Investment Department works on managing the Bank's subsidiary companies, which are:
 1. MISC for Financial Brokerage
 2. Jordan Dubai Real Estate Company
 3. Al Fayd for Real Estate Investments Company

4. Corporate Excellence Department

Corporate Excellence was keen to understand and study the needs and expectations of all stakeholders, and sought to meet them and start to engage in the development and innovation processes, pursuing a variety of means and tools applied to Human Capital Department and Corporate services Department and Total Quality Management Department.

1 – Human Capital Management:

Human Capital Management has worked to entrench the principles of JDIB Corporate Culture in alliance with JDIB strategies for the years 2012 - 2014, Including:

- A culture of Excellence.
- Strengthen internal identity of the bank.
- Ensure sustainable implementation of the business.
- Training and development supporting staff needs
- Competitive Incentive and reward systems
- Implementing principles of justice , transparency and equality.
- Building external & internal two-way communication channels.
- Comprehensive medical insurance coverage for the employees and their families.
- Staff preferential pricing and bundling of bank's products and services.
- Enriching the sense of team spirit among employees and establishing a concept of shared loyalty among employees towards the bank.
- Promoting the concept of 'Staff Engagement' and loyalty among employees by focusing more on communication and participation, also creating the opportunity for career development, perseverance, commitment in offering the best, and participation within/ or out of the job duties.
- Developing JDIB's Authority Matrix which created balance and defined roles and responsibilities very clear for more transparency and accountability in the process of making any decision. This is considered as a court document that frames the implementation of Quality Management System to increase awareness towards a more reliable and flexible management system. This can be done through determining the responsibilities of each department to improve the systems used, which in turn builds strategies according to the approved organizational structures and develop a more flexible and programmed decision making.
- Human Capital Management has consistently focused on implementing electronic applications and on automating operations to ensure efficiency of all related operations applied; such as:
 - MENAITECH System through which performance's planning and evaluation are done electronically; it helps employees accomplish their goals and follow up on them.
 - Automation of all personnel operations, their applications and expenses through the Human Capital Management Systems: Help Desk (ITSM), MENA ME System and MENA SMS.
 - Developing a specific mechanism for calculating sales employees' incentives for a

more productive and efficient performance.

- Establishing an IT & Service Center for the Human Capital Management in 2014 to ensure effective follow-up services provided to employees in a timely manner.

Human capital management was also keen to increase stability of the internal talents and invest in human capital available through the following:

- Career Path and Succession Planning Program which increased the number of internal recruitment opportunities to hit a number of 212 opportunities during the past 3 years.
- Creating a new generation of leaders of 23 employees qualified to supervise and manage.
- Implementing the Functional Replacement Plan for the year 2014 in the bank where the candidates' number reached 54 employees in different departments by 15.2%. Employees were deployed to training programs as well as involving them in different decision making committees and projects according to this plan. The percentage of training and development for candidates in the Functional Replacement Plan, 42% of the training programs.
- Adopting the Evaluation System in the Functional Replacement Plan to ensure better results and efficiency.
- Conducting an evaluation 360 within the Functional Replacement Plan to include 3 major aspects (personal skills, leadership skills, performance).
- Implementing 2334 internal and external training programs during 2014 tackling many topics related to the Bank's business in order to improve the quality of service offered. Besides, designing and conducting leadership training programs in order to equip leaders with the necessary skills that enable them to effectively handle their work, to realize the Bank's strategic objectives and ensure the effectiveness of the training process.

Human Capital management has received three awards during the year 2014

Employer of The Year – MENA 2014 Dubai

- Employer of The Year – MENA 2014 in recognition of the Bank's distinguished strategies and policies that seek to improve numerous concepts of corporate culture, skills building and development, employees' training, social responsibility taking into account the best standards of health, safety, transparency, justice and equality among employees for the ideal practice of corporate governance.



HR Champion of Change – MENA 2014 Dubai

- HR Champion of Change – MENA 2014 in recognition of Deputy CEO, Chief of Corporate Excellence contribution to developing a performance-driven culture at JDIB, where people drive high levels of employee performance, engagement and shared goals to better serve their customers..





Best Talent Management Practice – MENA 2014 Dubai

- Best Corporate Governance
Jordan - MENA2014 Third place:
in recognition of the leadership, strategic thinking and key management decisions that benefited the bank.



2 – Total Quality Management

The Quality Management system was founded in Jordan Dubai Islamic Bank to provide instruction and guidance within the Bank to perform operations effectively and to promote continuous improvement and monitoring of quality and safety for all banking services and products according to the highest standards of excellence. The system is managed by the Quality Management Department through an integrated action system.

Through studying and analyzing the needs and expectations of all stakeholders to meet their needs in applying institutional standards of excellence, overall quality, and with constant concern for the involvement of stakeholders to contribute to the development and innovation process, the Quality Management Department undertakes the following aspects:

- Study and document the design and conduct of operations.
- Consolidate the concepts of organizational excellence in line with the corporate culture.
- Develop policies and procedures to regulate all operations at the Bank.
- Follow the best international practices and standards in the field of comprehensive quality and organizational excellence.
- Management of institutional quality to ensure the provision of banking services and products at the highest quality and with excellent standards.

Proceeding with the Bank's core values, it was emphasized that quality cannot be achieved without knowledge. That's why the Bank relies on credible policies and procedures that are easy and convenient to apply. There was an interest in applying these standards within the concept of participation in business performance depending on joint capacities of both management and staff at the Jordan Dubai Islamic Bank, in order to improve quality and increase productivity on an ongoing basis within the working teams. This will minimize operations path while maintaining high standards of performance and constant competitiveness, reduce customer's complaints, and also lead to administrative commitment at the Bank. It is therefore the integration of efforts and activities of working departments and the various divisions in the Bank teaming up together for quality that corresponds with the needs and desires of customers.

The Bank obtained numerous awards and certificates including 9001 ISO certificate as a result of applying of the institutional strategy of excellence in the field of comprehensive quality management. The department follows the best international standards in the field of quality and its integration within all stages of implementing the Bank's operations to ensure continuous improvement, and that is by perpetuating communication through studying and analyzing opinions of customers and all interested parties at the Bank.

3- Corporate Services Department

The Corporate Services Department implemented many goals in order to continue implementing the strategic plan for Jordan Dubai Islamic Bank (2012 – 2014) as follows:

- Implementing operations for the general administration department and the main branch in Abdali area within special provisions according to the latest designs and advanced

technology, being in line with the Bank's future needs as well as meeting the expectations of customer service. An open area policy was adopted to utilize the use of all the space and energy, and to add a spirit of cooperation between staff.

- Preparing the general administration building with modern technologies for the data center and telecommunications, security systems, and the application of protection standards at Bank data level, either through observational cameras system or by the implementation of security policy and public safety. It was keen to achieve green building standards when implementing the Bank's projects both in the general administration building and its branches.
- Automation of operations through the use of advanced systems in managing fixed assets, stationery and maintenance.
- Construction of the Bank's 17 branches and providing them with machinery and equipment.
- Saving on financial expenses during the past years which resulted in an impressive increase in the Bank's earnings.

5. Corporate Communications and Marketing Department

Based on the strategic plan by the Corporate Communications and Marketing Department, the Bank sought to meet the needs of stakeholders through careful consolidation of corporate identity, design, and management of marketing campaigns for various products and services. The department is working to promote a positive image for Jordan Dubai Islamic Bank through merging between various modes of marketing, communication and brand management, among other activities in an effective way to achieve the Bank's objectives and reflect its vision and mission with honesty and transparency.

The department was also keen to continuously measure the community's impression of the Bank, which was implemented through a variety of sources such as questionnaires and field studies in coordination with specialized companies.

Contribution in Corporate Social Responsibility :

In terms of the Bank's commitment to develop the Jordanian community, the Bank is Eager to continue the approach followed in the past years which focused on strengthening its role in improving local community and participate in its development, by contributing to the provision of financial and incorporeal support to community initiatives in the areas of education, humanitarianism and social development, which came out of the Bank's values and vision, and aims to serve all segments of society.

Examples on the Jordan Dubai Islamic Bank's contributions to local community service:

Educational and religious initiatives:

- Cover the education of university students in collaboration with Aman Fund for the Future of Orphans.
- Volunteer with INJAZ institution in order to transfer skills and experiences to school and university students through encouraging the Bank's employees to volunteer and give educational lectures entitled (Money and Banking)
- Support students in Quran competitions in cooperation with religious centers as well as participation in honoring outstanding students.
- Support Hadith and the Biography of the Prophet Muhammad (Sirah) competitions.
- Support Umrah trips for the winners of Quran competitions in cooperation with the Islamic Charity Center Society.
- Support the Scientific Research Award initiative which is organized by Jordanian universities.



Pioneers School Students Visiting Jordan Dubai Islamic Bank.



The Bank employees volunteering with Injaz

Humanitarian and health initiatives:



Our employees visiting King Hussein Cancer Center

- Support medical and health activities for charities that provide health assistance in poor and underprivileged areas.
- Support institutions and associations concerned with individuals with special needs.
- Donate to projects concerned with supporting homes of poor and less fortunate families in the camps to protect them from snow and winter.
- Support the maintenance and renovation of a school project (Saad bin Abi Waqas public school) in Zarqa area to provide adequate clean environments for the students of the school
- In cooperation with the Clothing Bank/ Jordan Hashemite Charity Organization, the Bank adopted Eid al-Fitr clothing project for orphans, poor families and elderly, where the Bank's employees volunteered to help children in the selection of Eid Al Fitr clothes and visited nursing homes to inspect their conditions and to distribute clothes. This is in addition to supporting in-kind donations projects by placing donation boxes in the general administration building and the main branch to collect in-kind donations such as clothes, shoes and games from the Bank's employees and customers.
- Support the King Hussein Cancer Foundation in the coin collection program.
- Visiting Children at the King Hussein Cancer Center the Bank employees visited the center and distributed gifts in order to spread joy and draw a smile on the Childrens' faces.
- Food parcels distribution initiative, which included the purchase of food parcels during the holy month of Ramadan and distributing them to poor families in cooperation with the Orphans Fund Development Foundation.
- Supporting the Jordanian Hashemite Fund for Human Development programs by purchasing promotional materials for the Bank as part of community development of the Fund's programs.



Renovating Saad Bin Abi Waqqas School



Visiting orphans in cooperation with the clothes Bank



Visiting Al Zahra'a Center for elderly people

Supporting sports initiatives:



Supporting Sports initiatives

- Supporting sports activities for associations, charities, other institutions and schools as well as supporting the Asian Football Championship for the Deaf in collaboration with HRH Prince Ali Bin Al Hussein Deaf Club, in addition to sponsoring the Little League championship for several schools.

Environmental initiatives:

The Bank contributed in the second campaign to plant one million trees in Palestine for the cultivation of olive and fruit trees. It also adopted the lighting of the Seventh Circle area, which is one of the most important and vital areas in capital Amman. This initiative came in order to increase the aesthetic beauty of the city for its citizens and visitors.

This participation came under the responsibility of the Bank and its environmental initiative of the community in street lighting where electricity is used effectively, in addition to increasing the lighting in the area to achieve traffic safety.



JDIB colors enlightens 7th Circle Area



JDIB colors enlightens 7th Circle Area

6. Risk Management Department

The Risk Management Department continued to apply special requirements of credit rating system to prepare for the transition from standard methods to advanced measurement techniques (F-IRB). The department adopted the application of methodologies related to managing operational risks by applying RCSA (Risk Control Self-Assessment) with various departments of the bank, and started to apply policies for data collection on operational losses.

The department managed a PCI DSS (Payment Card Industry Data Security Standard) project, which made the Bank win a global certificate on the 20th of April 2014.

The department completed the development of an integrated strategy for information security at the bank through completing and preparing for the development of information security policies, and that is within the best accepted practices and in line with international standards for quality.

The application of the US Tax Compliance Act (FATCA) was completed by preparing an integrated system of policies and procedures for opening accounts, as well as an electronic check on all accounts that were opened since the inception of the bank. The first report on the US taxes during the second quarter of this year will be issued.

7. Internal Audit Department

The Internal Audit Department assessed the effectiveness and efficiency of JDIB internal control systems and issued the necessary reports to reduce the risk to an acceptable level and improve operations in line with Central Bank of Jordan (CBJ) regulations.



**Best Islamic Bank in Jordan 2014
from Global Banking & Finance Review / UK**



Furthermore, a risk based internal audit plan was prepared and approved by the Board Audit Committee and was fully achieved during the year 2014. Moreover, the internal audit department came up with value-added recommendations to improve the internal control systems of the bank in addition to follow-up all relevant observations issued by the internal audit, external audit and central bank of Jordan (CBJ) according to specific timeframe for rectification. The department also coordinated with external auditors to make sure that they carry out their duties and responsibilities in an efficient and effective manner. The Board Audit Committee was informed on the results of the audit work and the achievements of the annual audit plan on a regular basis.

Additionally, The internal audit department is adopting state of art electronic Audit Management System called (Auto Audit) which was originally developed by Thomson Reuters Company. The main purpose is to automate all internal audit processes from planning stage until the issuance of final audit report and electronically following up the achievement of corrective actions and resolve the audit observations according to the agreed upon timeframe. This system is significantly contributing in improving the quality of internal audit services and processes.

To maintain continuous development and improvement programs, the internal audit department provided its staff with needed professional trainings and qualifications to keep up with latest updates and releases issued by the American Institute of Internal Auditors (IIA).

8. Central Operations & Information Technology Department

The Department of central Operations and Information Technology is considered to be the backbone and support Department of the bank as it interprets Top Management's decisions and Administrative decisions related to support Retail, Corporate and Treasury units' strategy. This is achieved by the sane adaptation and implementation of Bank's different resources such as human resources, systems, technology, and policies and procedures in order to achieve Bank's strategic goals to increase profits, reduce costs while maintaining an exquisite customer service level.

To continue to play its above role, it provides suggestions and advice to Business Departments regarding the best optimal technological solutions to save time and efforts. It also actively participates in the process of developing new products and services.

Central Operations Department

To protect the confidentiality and privacy to staff loans a thorough coordination with Human Capital Management Department and Information Technology Department was done in order to create a new HR Branch on the core banking System to transfer around 230 staff Ijara and Murabaha transactions from Main Branch to the new HR Branch.

In compliance with Central Bank of Jordan regulations regarding the creation and implementation of IBAN, the Central Operations Department was able to oversee this project within the time frame set by Central Bank of Jordan and arranged to go live with IBAN on 2/2/2014. Also, a new procedures for new opened accounts for Companies under Establishment were implemented to ensure that proper controls are in place.

By coordinating with Retail Department and Information Technology Department a new mechanism was implemented on the Core Banking System that allowed for the JOD 3 commission on all ATM out of the country cash withdrawals to be part of the direct amount booked on customers' account. Also and in line with Central Bank of Jordan regulation a new check's security feature - Hologram - was implemented.

Our VISA correspondent bank was changed from Dubai Islamic Bank to Al Ahli bank by coordinating with Treasury Department. In addition, and by coordinating with Finance Department and Information Technology Department full review of all internal accounts used by bank's different departments and units was conducted that resulted in the automated closure of around 2000 internal accounts with zero balance and no transactions of more than six months. This project's objective is to increase control on such accounts and close the unused ones to protect Bank's interests.

Information Technology Department

In the domain of electronic banking services (E-services), the following services were applied: (SMS / Mobile Banking / Internet Banking / EfawateerCom).

In addition, the Jordan Dubai Islamic Bank was the first bank in the region, as stated by Microsoft, to apply the principle of virtual devices, which is based on the latest Microsoft Virtualization technology of PCs.

The department has worked on re-engineering file servers to accommodate more than one application and database while retaining the highest levels of confidentiality and continuity. The application of the virtual file server principle is based on the latest technology by Oracle and Sun companies (Server Virtualization), which aims to limit and reduce the Bank's expenses for Oracle licenses and to reduce electricity consumption by activating the same applications on three servers instead of fifteen.

In addition, the application of central data storage (EMC SAN for centralized storage) was completed to protect and provide information easily in case of hardware failures. On the other hand, to automatically provide copies for all data on the site (SAN-SAN Replication), and create a new branch for human resources at the banking system special for the staff of Jordan Dubai Islamic Bank.

Project Management Office achievements for the Year 2014:

Through the implementation of the strategic plan set for the years 2012-2014, the project management office managed 41 projects during the year 2014, which are either in progress, new projects, or projects according to business requirements or by the central Bank's requirement.

In this regard, fifteen projects were completed and put into practice, as the following:

- Modernization of banking systems to the modern version (Update 9) to keep pace with many additional features in the regulations which will also improve work by following the latest versions in operating systems and databases.
- Project to obtain PCI DSS certification, which requires many secret levels in the security and protection of information to protect it from internal and external intrusions as well as continuous renewal of this certification for three years to come.



- Keep up with technology evolution by applying electronic payment of bills through linkage with the Central Bank (E-Fawatercom EBPPS).
- Apply an International Bank Account Number IBAN
- To increase the security of the Bank and its assets, a project was implemented to link the Bank and its branches cameras with public security.
- Apply Investment Certificates Of Deposit ICD.

9. Achievements of the Sharia Supervisory Department

The department derives its strength from the existence of a supervisory board with outstanding banking credentials at the level of the Islamic world. The department is vigilant in applying the laws of the Sharia Supervisory Board in all the Bank's activities by monitoring and checking all businesses and conducting a comprehensive study for contracts forms and policies, products, work procedures and transactions execution.

The Shari'a Supervisory Department continued to communicate effectively with the Shari'a Supervisory Board to view all developments and detailed issues to get relevant answers and Fatawa and to ensure its implementation by relevant departments.

In order to continue the department's plan within the Banks strategy, the department showed great interest in educating the Bank's staff by conducting several educational courses in coordination with the Training Department to improve work performance of staff within Sharia laws, in addition to answering all telephone and electronic staff inquiries and to provide necessary business advice to meet with the requirements of customers.

The department contributed to raise the level of trust and confidence among the Banks customers by answering their questions about applying the Sharia law in all business transactions as well as any other questions related to Islamic banking.

The department is seeking excellence through its ambition to be the first to issue Islamic Sukuk in the Hashemite Kingdom of Jordan.

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 estate whose ownership has devolved to the Bank for unpaid debts in the amount of JD 113 thousand, noting that its value on our records is JD 57,000, which achieves capital gains due to this sale of JD 56,000.

The Time Sequence for Realized Profits or Losses ,Earnings by Tax, Shareholders Equity and Earnings Per Share Since the Establishment of The Bank :

Statement/Year	2012 JOD	2013 JOD	2014 JOD
Operating Profits	14,486,460	17,305,945	18,261,362
Earnings (loss) before tax	761,906	2,170,312	2,700,831
Shareholders' Equity	127,059,464	129,315,082	130,452,868
Earnings per share	0,023	0,015	0,019
Share price	0,92	0,84	0,95

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

Most Important Results of Transactions	2013	2014
Credit Commissions	3,320,764	3,875,279
Net profits (losses) before tax	2,170,312	2,700,831
Net profits (losses) after tax	1,470,591	1,922,813
Most important budget items		
Total Assets	528,462,073	657,799,676
Finance and Investment	389,743,416	490,266,648
Total Customer Deposits	366,931,924	484,107,569
Number of Shares	100,000,000	100,000,000
Some Financial Ratios		
Return on assets average	%0,29	%0,32
Return on shareholders' equity	%1,15	%1,48
Operation expenses/operation revenues	%75	%68
Shareholders' equity / total Assets	%24,5	%19,8
Off Balance Sheet Items		
Letters of credit	11,387,133	8,536,778
Guarantees	4,630,439	5,006,452
Acceptances	5,202,647	199,476



**The Coronation & Golden Medal
(Wise Management)
from Tatweej Academy Dubai**

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

The Bank succeeded in its first four years in imposing its presence as an Islamic Bank in the banking sector in general, and in the Islamic banking sector in particular, through achieving ambitious growth rates which reflects the strategic direction studied to meet the needs of the community and in accordance with the Bank's vision and mission.

The Bank longs for strengthening and maintaining its position well-established as a Banking institution and seeks to play a leading role in serving the Jordanian economy, and to promote Islamic banking as an option to meet the aspirations of an important and growing sector in the Jordanian society. The bank strives to achieve its goals by offering more services and products in line with the Islamic Sharia, as well as meeting the needs of other sectors that represent future investment to the Jordanian Government and contribute to the development of economy on the national level, such as small and medium enterprises, renewable energy sector, as well as geographic expansion by opening new branches, and expanding the ATM machines networks.

Corporate Excellence strategic long/short term goals were designed to achieve a sustainable future for the bank through economic performance, environmental impact, and community contributions. To achieve the strategic goals JDIB adopted a corporate culture which focused on raising employees' awareness and highlighting the importance of integrating sustainability aspects into the daily operations, effective management in building internal and external change management was adopted to achieve the targeted performance, after building systematic criteria for innovation for all parties. Empowering staff to achieve personal and institutional goals and to create a clear vision for change and build the leadership capacity necessary to align stakeholders, commit to the change and carry it forward to the bank across time, challenges and resistance.

These strategies were adopted to achieve many primary purposes based on the sustainability of excellent performance and according to the best international standards of excellence, which includes:

- 1- delivery of ever-improving value to customers and stakeholders,
- 2- Performance Management which pursue ever-higher levels of overall organizational and individual performance,. High-performance work results in improved service for customers and other stakeholders
- 3- Strong orientation to the future and a commitment to improvement, innovation, and organizational sustainability. by creating an environment for empowerment, agility, and learning in developing of future leaders,
- 4- improvement of overall organizational effectiveness and capabilities
- 5- Competitive and collaborative environment. to help in detecting and reducing threats, which shorten reaction time, and identifies opportunities.
- 6- A cross-trained and empowered workforce.
- 7- Promote the added value and the escalating levels of performance through continuous improvement mechanisms and systematic innovation
- 8- contributing to organizational sustainability

Human Capital Management team was keen to successfully achieve 2012-2014 strategies



by obtaining impressive results building JDIB unique Culture which was a large part of the success in transforming JDIB that helped in achieving its goals and the employee engagement. As a result of the tremendous efforts and initiatives adopted by the bank, our 2013 employee satisfaction/engagement survey showed a remarkable result in employee satisfaction/engagement survey (92.3%)

Human Capital Management 2015-2017 strategies were designed to achieve a sustainable future for the bank through economic performance, environmental impact, and community contributions. Engaging employees through fostering a corporate culture and mobilizing change management through executive leadership; making strategy a continual process and part of all staff's daily work; aligning the organization with the strategy; and translating the strategy into operational terms.


The role of the Total Quality Management Department to achieve several strategic goals for the next three years are as follows:

- Improve communication and formal communication system within the Bank among departments.
- Identify the added value at each department for all processes.
- Study and improve the process flow and re-engineering..
- Develop policies and procedures for all bank operations.
- Coordinate with the Retail Banking Department to apply Customer Relations Management System CRM.
- Gain the bank customers as strategic partners through collecting their feedback .
- Maintain existing customers and attracting new customers.
- Evaluate the overall situation of the Bank to find out the satisfaction level for services and products, and services provided by the staff.
- Raise efficiency in delivering services at the Bank.
- Apply King Abdullah II Award for Excellence standards.
- Commit to standard excellence within the specific requirements of ISO standards.

It is here where the department's strategy came from, to ensure moving to the next stage which is the follow-up and control phase, and to ensure excellence in performance for Bank services and products .

As for future development of the Department of Corporate Services in providing institutional support for the implementation of goals and various projects according to an integrated system of joint plans of the various departments of the Bank to ensure the achievement of these goals with high quality, a strategic plan was built consistent with the strategic objectives of the Bank as a whole, in order to ensure future implementation of the projects and plans at the Bank and to support all departments and meet their needs. This strategy was built under the following main topics:

- Save the general and administrative departments expenses within the best use of resources.
- Real estate property management to ensure a decent public appearance and a bright image for branches and departments of the Bank.
- Provide security and safety requirements within the various buildings and property of the Bank according to best international standards and practices.
- Real estate portfolio management and marketing to ensure the best possible return.
- Plan and implementation of branching processes and providing all the necessary requirements.
- Provide all possible services to better banking services.
- Educate staff on health and safety matters.



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- Real estate portfolio management and marketing to ensure the best possible return.
- Plan and implementation of branching processes and providing all the necessary requirements.
- Provide all possible services to better banking services.
- Educate staff on health and safety matters.

Providing a continued approach for the Bank to meet the financing needs of customers, the Department of Corporate Services seeks to continue to excel in its customers service in a modern manner which consistent with the provisions of our religion. And through the work of a dedicated team in this area, the department will continue to meet customer needs in the corporate sector through packages of financing solutions, banking services and outstanding products. A savings account for companies will be implemented as the first Islamic Bank to offer this service in Jordan, in addition to the corporate internet services, and the introduction of new banking products that meet the purposes of clients.

Regarding the targeted sectors, it will continue to channel various sectors of the Jordanian economy from government and semi-government public sector institutions, and large companies, with focusing on financing sectors related to energy and the expanding medium-sized companies.

As for the Department of Retail Banking, the strategy focused for the coming years on the following key points:

Continuing to provide the best services to customers

- Conduct trainings at the highest levels and adding all that is new in the science of the provision of services.
- Re-examine business processes and evaluating and modifying work as designed to reduce clients' time and effort while ensuring the Bank's rights.
- Broaden the base of electronic services and providing all that is new in the world of banking technology.

Maximizing revenue and profits

By focusing on several key factors in order to maximize revenue and profits including:

- Continue to focus on sales and promotion of branches and through direct sales.
- Launch products with highly competitive new services.
- Optimization of cross-selling.



Expanding Customer Base

- Building strong relationships between branches and clients, which focuses on the presence and covering new geographic areas that has no bank presence
- Continue the spread of ATMs.
- Expand the direct sale team

A strategic plan for the Department of Risk Management was prepared for the next period (2015-2017), in order to develop and strengthen the work of the Risk Management Department in general, where the plan contains a number of key themes including:

1. Applying best practices related to the decisions in order to achieve the overall concept of effective risk management by adopting acceptable level of risk and applying advanced methods of credit, market and operational risk management in addition to the development of self-assessment of capital and model tests of stressful situations.
2. Promoting and developing a control system on credit portfolio by expanding the functions of the department of credit management in addition to developing processes of granting credit by reviewing the used models as well as the credit policy of the Bank.
3. Preparing and developing effective reporting system. This aims at conducting the required surveillance operations effectively as one of the main reasons for the success of the Bank's Risk Management departments, by having an effective reporting system that helps in conducting surveillance operations and takes appropriate action.
4. Spreading the culture of risk management through developing internal training programs aimed at enhancing knowledge and spreading the culture of risk management.

The total amount of audit fees of the Bank and its subsidiaries is 58,000 Jordanian dinars.

Number of securities owned by the members of the Board of Directors and senior management

The number of securities owned by members of the Board of Directors as in 31/12/2014					
Name of representative of the legal entity	Nationality	Name of representative of the legal person	Nationality	Number of shares held by legal entity	% Percentage of shares held in the bank's capital
Mohamed Saeed AL Sharif	UAE	Mesc brokerage company	Jordanian	52.000.000	52.0000%
Mohamed Salem AL Falasi	UAE	Mesc brokerage company			
Shahm Munib AL Wir	Jordanian	FCP FUND	Cayman Islands	9.658.019	9.6580%
Izzeddin Muhy Eddin Kanakrieh	Jordanian	Ministry of Finance - Jordan	Jordanian	5.550.000	5.5500%
Emad Jamal Ahmad Kodah	Jordanian	Social security Investment Fund	Jordanian	5.967.651	5.9677%
Faysal Abdel Razzaq AL Hyari	Jordanian	Orphans Fund Development Corporation	Jordanian	3.436.197	3.4362%

The number of securities owned by members of the Board of Directors and senior management

Board member name (representing personal described)	Nationality	Number of shares owned by a member of the Board of Directors	Percentage of shares held in the bank's capital %
Raslan Nouri Deiranieh	Jordanian	1.780	0.0018%
Saleh Yacoub Mohammad Hussein	Jordanian	1.000	0.0010%
Jaafar Salim Badwan	Syrian	1.500	0.0015%
Waleed A. AL Nassan	Jordanian	1.000	0.0010%
Omar Mashhoor AL Jazy	Jordanian	1.500	0.0015%

* There is no ownership for relatives of the Board Members.

* There is no ownership for the companies controlled by members of the Board of Directors, except as noted above.

* There is no ownership for any of the senior management members or their relatives or companies controlled by them.



Benefits and rewards enjoyed by Members of Senior Management

Employee name	Title	Annual salaries and bonuses	Transportation expenses	Travel expenses and per diem	Total
Sami "Husam Eddin" Al-Afghani	Chief Executive Officer	3.6496	5160	0	311656
Mohammad Mohammad Al-Haj Ahmad	Deputy CEO Chief of Treasury & Investment	139920	3300	0	143220
Taj Omran Khomosh	Deputy CEO Chief of Retail Banking	126855	3300	0	130155
Rami Ziad Al-Khayyat	Deputy CEO Chief of Corporate Banking	126525	3300	0	129825
Haitham Marouf Jouher	Deputy CEO Chief of Corporate Excellence	125115	3300	0	128415
Hani Mohammed Subhi Al-Zrari	Deputy CEO Chief of Operations & Information Technology	121800	3300	0	125100
Ziad Said Kokash	Deputy CEO Chief of Risk Management	118650	3300	0	121950
Ibrahim Salah Samha	Deputy CEO Chief of Finance & Corporate Strategies	118890	3300	0	122190
Ajoud Sharafaldeen Al-Rusan	Head of Internal Audit	119760	3300	0	123060
Masoud Ismail Sakfal-Hait	Head of Legal & Board Secretariat	94670	3300	0	97970
Iman Abd Al-Majeed Afaneh	Head of Corporate Communication and Marketing Department	10350	0	0	10350
Total		1409031	34860	0	1443891

Bonuses spent in 2014 were 145,000 dinar

Donation and charity initiatives offered by the Bank during the year 2014

No.	Donation Party	Description	Amount
1	Jordanian Association to support the people of Gaza	Donating for the project to cover tin homes in the Gaza refugee camp to protect it from winter	2000
2	Prince Ali Bin Al-Hussein Club Deaf - Amman	Support the club in the Asian Cup football for the Deaf	1600
3	Jordan Medical Aid for Palestinians	Donating for Medical projects in Hittin and Jerash camp	3000
4	Ibn Sina Association for Cerebral Palsy	Donating for the children at the association	300
5	Islamic Center Association / Hittin camp center	Donating for Quran and Hadith competitions to by support Umrahtrips for winners	1500
6	Underprivileged Families Housing Association	Donating for the maintenance of Saad bin Abu Waqqas School in Zarqa	3000
7	Jordan Hashemite Charity Organization	Supporting and donating for t Eid al-Fitr clothing project for orphans and poor families - supporting project of clothing the elderly for a year to an elderly home in Jordan	10400
8	Jordan Medical Aid for Palestinians	Donating for medical projects	1600
9	King Hussein Cancer Center KHCC	Coin boxes programs Buying gifts for sick children at King Hussein Cancer Center and visiting them	1298
10	Islamic Associations & Organizations Council	Supporting Quran competitions	1400
11	Jordan star Charity Society	Donating to charity activities by helping poor families	300
12	Orphans Fund Development Foundation	Donating to the project of distributing of food parcels in the month of Ramadan for poor families and orphans	10000
13	Prince Ali Bin Al-Hussein Club Deaf	Iftar for employees at the club	1000
14	Saad bin Muaz Association	Donating for activities	500
15	Hadith-Turath Association	Sponsoring Quran and Hadith competitions	2000
16	Mayar International Schools	Sponsoring little league championship	300
17	Cambridge High School	Sponsoring little league championship	300
Total		40498	



**Most Innovative Retail Bank
Jordan 2014 From Global Banking
& Finance Review - UK**



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:






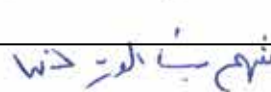



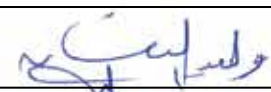

The Bank is committed to the enforcement of strict requirements of security and safety in accordance with the best international and regulatory standards, and this is checked routinely and continuously.

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 of the Board of Directors, CEO and Head of Financial Department

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 2015.

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

Chairman Mohamed Saeed AL Sharif / Representative of Mesc Investment Company	
Deputy Chairman Dr. Faysal Abdel Razzaq AL Hyari / Representative of Orphans Fund Development Foundation	
Member Mohamed Salem AL Falasi / Representative of Mesc Investment Company	
Member Emad Jamal Ahmad Kodah / Representative of Social Security Corporation/Investment Unit of the Social Security Corporation	
Member Izzeddin Muhy Eddin Kanakrieh / Representative of Jordan Ministry of Finance	
Member Shahm Munib AL Wir / Representative of FCP Fund	
Member Raslan Nouri Deiranieh	
Member Saleh Yacoub Mohammad Hussein	
Member Jaafar Salim Badwan	
Member Dr. Waleed A. AL Nassan	
Member Dr. Omar Mashhoor AL Jazy	

3- We, the undersigned, declare the validity, accuracy and completeness of the information and data in the annual report 2014.

Chairman

Mohamed Saeed ALSharif



Chief Executive Officer

Sami "Husam Eddin" Sabri Al Afghani



Deputy CEO

Chief of Finance & Corporate Strategies
Ibrahim Salah Mohammad Samha





In the Name of Allah, Most Gracious, Most Merciful

ANNUAL REPORT OF SHARIA SUPERVISORY BOARD FOR JORDAN DUBAI ISLAMIC BANK FOR THE YEAR 31/12/2014

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 31/12/2014. 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 31/12/2014 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 31/12/2014, 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 31/12/2014 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 Banks revenues.

G. The Board replied to inquiries presented to it and issued the necessary Fatwas (Sharia opinion); and the Banks 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 25, 2015

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





Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel: 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me



**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 2014 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 Auditing Standards for Islamic financial Institutions. 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 2014 and its financial performance and cash flows for the year then ended in accordance with AAOIFI.

Emphasis of Matter

As disclosed in note (56) to the consolidated financial statements, legal expenses amounting to JD 2,202,737 (2013: JD1,500,000) were recorded during 2014, and the amount was changed to 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
29 January 2015





**Best Domestic Commercial Bank
(Middle east) in 2014 from
CPI Financials / Dubai**



Financial Statements



JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	31 December 2014 JD	31 December 2013 JD
Assets			
Cash and balances with Central Banks	4	137,179,320	112,003,406
Balances at banks and financial institutions	5	3,198,303	3,862,588
International wakala investments	6	16,147,487	-
Financial assets at fair value through profit or loss	7	1,213,803	424,854
Deferred sales receivables and other receivables-net	8	291,822,562	236,996,523
Unconverted loans-net	9	124,045	183,783
Financial assets at fair value through unrestricted investment accounts	10	6,319,392	1,141,307
Investment in associate	11	367,253	362,729
Local wakala investments	12	8,142	8,142
Ijara muntahia bittamleek assets-net	13	166,825,519	143,187,633
Investment in properties	16	7,438,445	7,438,445
Property and equipment-net	14	19,668,689	16,095,934
Intangible assets	15	1,326,185	1,542,050
Deferred tax assets	C/23	534,815	1,291,812
Other assets	17	5,625,716	3,922,867
Total Assets		657,799,676	528,462,073
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY			
Liabilities			
Banks and financial Institutions accounts	18	88,121	1,001,598
Customers' current accounts	19	70,149,488	73,233,657
Cash margin accounts	20	16,492,279	15,058,783
Borrowed funds	21	-	1,255,277
Income tax provision	A/23	21,021	-
Other provisions	22	84,603	84,603
Other liabilities	24	23,374,657	12,231,418
Total Liabilities		110,210,169	102,865,336
Unrestricted Investment Accounts			
Unrestricted investment accounts	25	413,958,081	293,698,267
Fair value reserve – net	27	(647,180)	(238,342)
Profit equalization reserve related to unrestricted investment accounts	28	-	465,481
Income tax provision for profit equalization reserve	28	-	199,492
Total equity of unrestricted investment accounts		413,310,901	294,124,898
Investment Risk Fund			
Investment risk fund	26	2,186,468	-
Tax provision for investment risk fund	26	1,639,270	2,156,757
Shareholders' Equity			
Paid in capital	29	100,000,000	100,000,000
Share discount	29	(1,100,000)	(1,100,000)
Statutory reserve	30	20,637,922	20,367,839
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	8,671,610	7,018,880
Total Shareholders' Equity		130,452,868	129,315,082
Total Liabilities, Unrestricted Investment Accounts and Shareholders' Equity		657,799,676	528,462,073

The accompanying notes from 1 to 57 form part of these consolidated financial statements

JORDAN DUBAI ISLAMIC BANK CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 JD	2013 JD
Deferred sales revenues	32	20,042,859	16,932,255
Ijara muntahia bittamleek revenues	33	13,441,262	11,576,341
Local wakala investments profits	34	-	7,054
International wakala investments profits	35	15,492	7,416
Profit from financial assets at fair value through unrestricted investment accounts	36	206,965	834,269
(Loss) from financial assets at amortized cost	37	(19,021)	(150,696)
Profit from investment in associate	11	11,273	25,782
Foreign currencies revaluation losses	38	(55,982)	(5,748)
Other income		653	-
Legal expenses	56	(2,202,737)	(1,500,000)
Excess In other provisions		16,643	-
Revenues from unrestricted investments		31,457,407	27,726,673
Profit equalization reserve	28	1,450,000	(1,450,000)
Share of unrestricted investment accounts holders'	39	(15,195,735)	(11,275,827)
Investment risk fund	26	(4,718,610)	(2,772,668)
Bank's share of revenues from unrestricted investments as a mudarib and rab mal	40	12,993,062	12,228,178
Bank's self financed revenues	41	698,117	725,894
Gain from foreign currencies	42	637,889	527,745
Banking services revenues	43	3,875,279	3,320,764
Other revenues	44	57,015	503,364
Total income		18,261,362	17,305,945
Employees' expenses	45	(8,232,706)	(7,618,994)
Depreciation and amortization	14&15	(1,976,571)	(1,826,363)
Ijara muntahia bittamleek assets depreciation - self financed	33	(531,085)	(546,797)
Excess in deferred sales receivables and other receivables provision	8	767	1,000
Excess in other provisions	22	-	50,000
Profit paid on wakala bank		-	(114,939)
Other expenses	46	(4,820,936)	(5,079,540)
Total expenses		(15,560,531)	(15,135,633)
Profit for the year before tax		2,700,831	2,170,312
Income tax expense	B/23	(778,018)	(699,721)
Profit for the year		1,922,813	1,470,591
		JD / Fils	JD / Fils
Basic and diluted earnings per share	47	0/019	0/015

The accompanying notes from 1 to 57 form part of these consolidated financial statements

Financial Statements

**JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

	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 2014								
Beginning balance	100,000,000	(1,100,000)	20,367,839	1,943,336	785,027	300,000	7,018,880	129,315,082
Profit for the year	-	-	-	-	-	-	1,922,813	1,922,813
Shareholders share of profit equalization reserve (reversal)	-	-	-	-	(785,027)	-	-	(785,027)
Transfers to reserve	-	-	270,083	-	-	-	(270,083)	-
Balance as at 31 December 2014	100,000,000	(1,100,000)	20,637,922	1,943,336	-	300,000	8,671,610	130,452,868
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
Profit for the year	-	-	-	-	-	-	1,470,591	1,470,591
Shareholders share of profit equalization 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

- Retained earnings balance as at 31 December 2014 includes an amount of JD 534,815 (2013: JD 1,087,327) 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 2014 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 57 form part of these consolidated financial statements

JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 JD	2013 JD
Cash flows from operating Activities			
Profit for the year before tax		2,700,831	2,170,312
Adjustments for non monetary items:			
Depreciation and amortization		1,976,571	1,826,363
Profit from investment in associate		(11,273)	(25,782)
Investment risk fund		4,718,610	2,772,668
Profit equalization reserve		(1,450,000)	1,450,000
(The excess) of deferred sales receivable and other receivables provision		(767)	(1,000)
(Excess) in other provisions		(16,643)	(50,000)
Unrealized loss of financial assets at fair value through profit or loss		135,537	175,998
Loss on sale of property and equipment		852	5
(Gain) on sale of repossessed asset against debts		(55,514)	(165,691)
Cash flows from operating activities before changes in operating assets and liabilities		7,998,204	8,152,873
Changes in assets and liabilities:			
(Increase) Decrease in restricted balances at banks and financial institutions		708	(492,317)
Decrease (Increase) in financial assets at fair value through profit or loss		(924,486)	1,078,565
Decrease (Increase) in deferred sales receivables and other receivables		(55,937,344)	24,787,867
Decrease in unconverted loans		59,738	61,499
Decrease in local wakala investments		-	444,821
Increase in Ijara muntahia bittamleek assets		(23,637,886)	(46,952,966)
(Increase) Decrease Investment in properties		-	(7,438,445)
Decrease (Increase) in other assets		(2,080,218)	7,365,840
(Decrease) Increase in customers' current accounts		(3,084,169)	14,783,699
Decrease (Increase) in cash margin accounts		1,433,496	(2,257,817)
Decrease in other provision		-	(2,032)
Increase in other liabilities		11,143,239	2,354,922
Net cash from (used in) operating activities before income tax paid		(65,028,718)	1,886,509
Income tax paid		(1,930,806)	(495,552)
Net cash from (used in) operating activities		(66,959,524)	1,390,957
Cash Flows from Investing Activities			
(Purchase) sell financial assets at fair value through unrestricted investment accounts – net		(5,586,923)	19,058,631
(Purchase) of intangibles assets		(366,420)	(378,237)
(Purchase) of property and equipment		(4,967,893)	(4,732,246)
Proceeds from sale of repossessed asset against debts		449,524	505,945
(Increase) sale of international wakala investments		(16,147,487)	9,217,000
Net cash from (used in) from investing activities		(26,619,199)	23,671,093
Cash Flows from Financing Activities			
Increase in unrestricted investment accounts		120,259,814	45,235,393
(Decrease) in borrowed funds		(1,255,277)	(536,840)
Net cash from financing activities		119,004,537	44,698,553
Net increase in cash and cash equivalents		25,425,814	69,760,603
Cash and cash equivalents, beginning of the year		114,372,079	44,611,476
Cash and cash equivalents, end of the year	48	139,797,893	114,372,079

The accompanying notes from 1 to 57 form part of these consolidated financial statements



**Best Islamic Banking Brand
Jordan 2014 from
Global Brands Magazine Award / UK**



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. (1/2015) held on 29 January 2015 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. (1/2015) held on 25 January 2015.

(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.

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 2014 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 2013 are consistent with those of the previous financial year.

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 2014 as follows:

	Percentage
Unrestricted investment accounts share	%51
Equity shareholder's share	%34
Investment risk fund share	%15

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:

- 30% to 40% of the minimum balance of JD saving accounts.
- 20% 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 and distributed dividends 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 Bay'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.

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.

- The Bank discloses pledges and limitations that are imposed by contractual relations between investments account shareholders and shareholders equity if any.

On 19 December 2013, the board of directors approved the reclassification of investments in subsidiary "Jordan Dubai Real Estate Investment" and its related subsidiary "Al Faied for Real Estate Investment" from self financed funds to joint financed funds, and no gains has resulted from the process. The total net assets for both companies JD 99,502 and JD 4,986 respectively.

Investment Risk Fund

The Bank appropriates 15% (2013: 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.

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 transfered to Zakat Fund.

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.

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 15% (2013: 10%) of net revenues from jointly financed accounts and are transferred to the investment risk fund in accordance with the provisions of Article (55) of the Banks Law and compared with provisions 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:

	2014 JD	2013 JD
Cash on hand	7,115,979	5,484,324
Cash and balances with Central Bank of Jordan:		
Current accounts	97,473,984	82,122,300
Statutory cash reserve	32,589,357	24,396,782
Total	137,179,320	112,003,406

Except for the statutory cash reserve, there are no other restricted cash accounts as at 31 December 2014 and 31 December 2013.

(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	
	2014 JD	2013 JD	2014 JD	2013 JD	2014 JD	2013 JD
Current and on -Demand accounts	667,454	1,222,417	2,530,849	2,640,171	3,198,303	3,862,588
Total	667,454	1,222,417	2,530,849	2,640,171	3,198,303	3,862,588

The restricted balances amounted to JD 491,609 as at 31 December 2014 (492,317 at 31 December 2013 JD).

(6) INTERNATIONAL WAKALA INVESTMENTS

Matures	Joint	
	2014 JD	2013 JD
Within a month	10,705,900	-
Month to three months	3,545,000	-
Three to six months	1,896,587	-
Total	16,147,487	-

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

	Joint	
	2014 JD	2013 JD
Quoted shares	1,213,803	424,854
Total	1,213,803	424,854

(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

	Joint		Self financed		Total	
	2014 JD	2013 JD	2014 JD	2013 JD	2014 JD	2013 JD
Individuals (retail)						
Purchase orderer Murabaha	81,055,017	57,332,633	620,045	784,283	81,675,062	58,116,916
Ijara Muntahia Beltamleek - receivables	799,613	118,543	-	-	799,613	118,543
Other receivable	-	-	93,375	292,472	93,375	292,472
Real estate funds	22,437,661	3,855,363	-	-	22,437,661	3,855,363
Corporate						
International Murabaha	7,753,754	15,654,737	-	-	7,753,754	15,654,737
Purchase orderer Murabaha	196,013,094	159,540,362	-	-	196,013,094	159,540,362
Ijara Muntahia Beltamleek - receivables	586,544	4,214,748	-	-	586,544	4,214,748
Governmental and public section	21,350,996	25,549,458	-	-	21,350,996	25,549,458
Other receivable	-	-	64,600	14,664	64,600	14,664
Total	329,996,679	266,265,844	778,020	1,091,419	330,774,699	267,357,263
Less: deferred revenues	31,190,659	23,697,341	65,854	83,027	31,256,513	23,780,368
Suspended revenues	395,255	394,515	-	-	395,255	394,515
Impairment provision	7,299,995	6,184,716	374	1,141	7,300,369	6,185,857
Deferred sales receivable, other assets – Net	291,110,770	235,989,272	711,792	1,007,251	291,822,562	236,996,523

The non- performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables amounted to JD 12,370,512 representing 2.49% as at 31 December 2014 of deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables (31 December 2013: JD 16,521,629 representing 4.02%).

The non- performing deferred sales receivables, other receivables, and the Ijara Muntahia Beltamleek receivables net of the suspended revenues amounted to JD 11,975,257 representing 2.41% as at 31 December 2014 of deferred sales receivable, other receivables, and the Ijara Muntahia Beltamleek receivables, (31 December 2013: JD 16,127,114 representing 3.92%).



The balance of the fund investment risk, according to the Banking Law, paragraph (55) amounted to JOD 9,486,463 as of December 31, 2014, compared to JOD 6,184,716 as of December 31, 2013. Provision for impairment of the jointly financed facilities which is calculated based on portfolio (watch list) amounted to JD 107,307 and the provision calculated based on "individual customer" amounted to JD 7,192,688 as at 31 December 2014 (31 December 2013: JD 44,238 and JD 7,986,887 respectively).

The deferred sales receivables, other receivables, and other facilities granted to and guaranteed by the Government of Jordan amounted to 21,350,996 representing 6.45% of the total deferred sales receivables, other receivables and facilities as at 31 December 2014 (31 December 2013: JD 25,549,458 representing 9.55%).

Suspended revenues

	Joint					
	31 December 2014			31 December 2013		
	Retail JD	Corporate JD	Total JD	Retail JD	Corporate JD	Total JD
Beginning balance	10,508	384,007	394,515	2,849	276,053	278,902
Add: Suspended revenues for the year	21,742	170,884	192,626	9,812	150,640	160,452
Less: suspended revenues reversed to revenues	1,683	190,203	191,886	1,381	42,686	44,067
Less: suspended revenues written off	-	-	-	772	-	772
Ending balance	30,567	364,688	395,255	10,508	384,007	394,515

(9) UNCONVERTED LOANS - NET

	Self financed					
	31 December 2014			31 December 2013		
	Retail JD	Corporate JD	Total JD	Retail JD	Corporate JD	Total JD
Gross unconverted loans	102,741	1,169,498	1,272,239	98,425	1,233,552	1,331,977
Less:						
suspended revenues	-	7,112	7,112	-	7,112	7,112
Impairment provision	-	1,141,082	1,141,082	-	1,141,082	1,141,082
Net unconverted loans	102,741	21,304	124,045	98,425	85,358	183,783

Movement on Unconverted Loans Impairment Provision – Self Financed

	Corporate	
	31 December 2014 JD	31 December 2013 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 2014 (31 December 2013: 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, 2014 and December 31, 2013.

Impairment provision of the self financed facilities amounted to JD 25,217 as at 31 December 2014 calculated based on individual customer (31 December 2013: JD 59,880).

Suspended Revenues

	Self financed		
	Retail JD	Corporate JD	Total JD
31 December 2014			
Beginning balance	-	7,112	7,112
Add: Suspended revenues during the year	-	-	-
Deduct: suspended revenues transferred to revenues	-	-	-
Ending Balance	-	7,112	7,112
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



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

	Joint	
	2014 JD	2013 JD
Quoted Investments:		
Shares	3,340,246	1,034,533
Islamic Sukuk	2,872,372	-
Total quoted investment	6,212,618	1,034,533
Unquoted Investments		
Shares	106,774	106,774
Total unquoted financial assets at fair value unrestricted investment	106,774	106,774
Total Financial Assets At Fair Value Through Unrestricted investment accounts	6,319,392	1,141,307

Financial assets stated at cost for which fair value cannot be measured reliably amounted to JD 106,774 as of 31 December 2014 (2013: JD 106,774).

(11) INVESTMENT IN ASSOCIATE

Investment in associated company (joint)

	Percentage of ownership	Country	Principal activity	2014 JD	2013 JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	367,253	362,729

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

	Joint	
	2014 JD	2013 JD
Beginning balance	362,729	336,947
Share of profit	13,472	30,705
Share of taxes	(2,198)	(4,923)
Dividends received	(6,750)	-
Ending balance	367,253	362,729

Share of associates assets and liabilities:

	Joint	
	2014 JD	2013 JD
Total assets	411,696	422,565
Total liabilities	44,443	59,836
Net assets	367,253	362,729
Total revenues	245,132	311,915

(12) LOCAL WAKALA INVESTMENTS

	Joint	
	2014 JD	2013 JD
Local Wakala Investments	8,142	8,142
Total	8,142	8,142



(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 2014									
Ijara Muntahia Bittamleek assets-Real Estate	184,456,500	(29,847,080)	154,609,420	3,651,708	(391,870)	3,259,838	188,108,208	(30,238,950)	157,869,258
Ijara Muntahia Bittamleek assets-Machines	14,312,552	(5,356,291)	8,956,261	-	-	-	14,312,552	(5,356,291)	8,956,261
Total	198,769,052	(35,203,371)	163,565,681	3,651,708	(391,870)	3,259,838	202,420,760	(35,595,241)	166,825,519
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

- The accrued Ijara installments amounted to JD 1,386,157 as at 31 December 2014 (31 December 2013: JD 4,333,291) were presented under deferred sales receivables and other receivables (Note 8).

- The non-performing Ijara Muntahia Bittamleek amounted to JD 292,133 representing 0.2% as at 31 December 2014 (31 December 2013: JD 4,154,440 representing 2.9%).

(14) PROPERTY AND EQUIPMENT, NET

2014	Land JD	Buildings JD	Equipment, furniture & fixtures JD	Vehicles JD	Computers JD	Total JD
Cost:						
At 1 January 2014	2,432,937	1,224,996	7,117,851	204,035	1,554,792	12,534,611
Additions	-	-	199,200	22,429	166,108	387,737
Disposals	-	-	132,117	-	96,954	229,071
At 31 December 2014	2,432,937	1,224,996	7,184,934	226,464	1,623,946	12,693,277
Accumulated depreciation:						
At 1 January 2014	-	448,057	2,740,816	143,692	800,665	4,133,230
Depreciation	-	24,499	1,054,300	26,793	288,694	1,394,286
Disposals	-	-	131,183	-	96,937	228,120
At 31 December 2014	-	472,556	3,663,933	170,485	992,422	5,299,396
Net book value	2,432,937	752,440	3,521,001	55,979	631,524	7,393,881
Payments on purchasing of property and equipment	-	-	-	-	637,111	637,111
Projects under construction	-	10,369,207	882,240	-	386,250	11,637,697
Net property and equipment	2,432,937	11,121,647	4,403,241	55,979	1,654,885	19,668,689
2013						
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	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

Fully depreciated property and equipment amounted to JD 579,850 as of 31 December 2014 (2013: JD 833,255).

The estimated total cost to complete projects under construction amounts to JD 2,960,281 as at 31 December 2014, which represent the decoration and furnitures cost for the new head office located in Al-Abdali.



(15) INTANGIBLE ASSETS

	Computers & Software	
	2014 JD	2013 JD
Balance At 1 January	1,542,050	1,698,222
Additions	366,420	378,237
Amortization	582,285	534,409
Balance At 31 December	1,326,185	1,542,050

(16) INVESTMENT IN PROPERITIER

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

	31 December 2014			31 December 2013		
	Joint JD	Self financed JD	Total JD	Joint JD	Self financed JD	Total JD
Begining Balance	7,438,445	-	7,438,445	-	-	-
Additions	-	-	-	7,438,445	-	7,438,445
Balance Ending	7,438,445	-	7,438,445	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 2014 and 2013. There were no revenues resulted from the conversion. The conversion was made using the book value which was an approximate to the fair value on the conversion date.

(17) OTHER ASSETS

The details of this item are as follows:

	2014 JD	2013 JD
*Al-Motrabetah Investment Company receivables	-	1,224,575
Checks under collection	7,548	7,548
Repossessed assets by Bank against debts	3,790,484	1,347,099
Prepaid expenses	889,270	627,296
Accrued revenues	112,585	88,600
Stationary and printing materials	43,495	52,347
Income tax deposit	187,056	185,531
Transactions in transit	46,565	30,909
Others	548,713	358,962
Total	5,625,716	3,922,867

* 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:

	2014			2013
	Repossessed real estates JD	Repossessed equipments JD	Total JD	Total JD
Beginning balance	1,052,395	294,704	1,347,099	8,451,697
Additions	-	2,820,099	2,820,099	691,317
Disposal	(82,010)	(311,347)	(393,357)	(357,470)
	-	16,643	16,643	-
Transfer between assets (Note 16)*	-	-	-	(7,438,445)
Ending Balance	970,385	2,820,099	3,790,484	1,347,099

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 2014

(18) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

	2014			2013
	Inside the Kingdom JD	Outside the Kingdom JD	Total JD	Total JD
Current accounts	-	88,121	88,121	1,001,598
Total	-	88,121	88,121	1,001,598



(19) CUSTOMERS' CURRENT ACCOUNT

	31 December 2014				
	Retail JD	Corporate JD	Small and medium companies JD	Public and governmental sectors JD	Total JD
Current accounts	51,058,334	5,560,048	11,666,096	1,865,010	70,149,488
Total	51,058,334	5,560,048	11,666,096	1,865,010	70,149,488

	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

- Public sector accounts inside the Kingdom as at 31 December 2014 amounted to JD 1,865,010 representing 2.66% of the total customers' current accounts (31 December 2013: JD 4,726,597 representing 6.45%).

- The restricted accounts as at 31 December 2014 amounted to JD 1,961,737 representing 2.80% of the total customers' current accounts (31 December 2013: JD 3,698,524 representing 5.05%).

- The dormant accounts as at 31 December 2014 amounted to JD 3,616,522 (31 December 2013: JD 2,291,089).

(20) CASH MARGIN ACCOUNTS

	2014 JD	2013 JD
Margins against deferred sales receivables and finances	15,247,003	12,963,071
Margins against indirect facilities	1,041,328	1,847,214
Other margins	203,948	248,498
Total	16,492,279	15,058,783

(21) BORROWED FUNDS

	2014 JD	2013 JD	Total instalments	Remaining instalments	Last instalments date
European Investment Bank loan – fifth loan – part two	-	1,305,278	One instalment	One instalment	2017
Less: Investments financed by the European Investment Bank	-	50,001			
Net Borrowed funds	-	1,255,277			

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). Borrowed funds were paid during 2014 and receivable from Al-Motrabetah Investment Company was collected.

(22) OTHER PROVISIONS

The details of this item are as follows:

	Beginning balance JD	Provided during the year JD	Used during the year JD	Reversed to revenues JD	Ending balance JD
2014-					
End of service indemnity	23,818	-	-	-	23,818
Lawsuits provision	60,785	-	-	-	60,785
Total	84,603	-	-	-	84,603
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

(23) INCOME TAX PROVISION

A- Income tax provision

the movement of income tax provision as follows

	2014 JD	2013 JD
Begging balance	-	-
Income tax expense for the year	32,575	-
Deduct: prior years settlements	(11,554)	-
Ending balance	21,021	-



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

	2014 JD	2013 JD
Income tax expense	(778,018)	(699,721)
Total	(778,018)	(699,721)

- The Bank obtained a final settlement from Income tax and sales tax department until the year 2012.
- The Bank made its tax filing for the year ended 2013 to Income tax and sales tax department and its still under auditing and reviewing .
- The Bank subsidiaries made their tax filings for the years 2011,2012,2013 to Income tax and sales tax department and they are still under auditing and reviewing.

C- Deferred tax assets/liabilities

	2014					2013
	Balance Beginning JD	Released during the year JD	Additions during the year JD	Ending balance JD	Deferred tax JD	Deferred tax JD
Deferred tax assets - self financed						
End of services indemnity provision	23,818	-	-	23,818	8,336	7,145
Lawsuits provision	60,785	-	-	60,785	21,275	18,236
Impairment for repossessed assets	343,441	-	-	343,441	120,204	103,032
Impairment for credit facilities	1,100,000	-	-	1,100,000	385,000	330,000
Accumulated losses	2,096,381	2,096,381	-	-	-	628,914
Total	3,624,425	2,096,381	-	1,528,044	534,815	1,087,327
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

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

	2014		2013	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	1,087,327	-	1,991,533	-
Additions during the year*	76,402	-	-	-
Amortized during the year	(628,914)	-	(904,206)	-
Ending balance	534,815	-	1,087,327	-

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

	2014		2013	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	204,485	-	-	28,215
Additions during the year*	-	-	204,485	-
Amortized during the year	(204,485)	-	-	(28,215)
Ending balance	-	-	204,485	-

* Deferred taxes were calculated using a rate of 35 % (future on enacted tax rates) in accordance with the income tax law no 34 for the year 2014 which is effction from 1 January 2015

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

	2014 JD	2013 JD
Accounting profit (loss)	2,700,831	2,170,312
Non-taxable profit	1,503,239	873,409
Non-deductible expenses	982,456	1,608,971
Accumulated losses/ previous year	2,258,959	5,165,330
Tax losses	(78,911)	(2,259,456)
Refer to		
Bank stand alone profit (loss)	108,584	(2,096,381)
Subsidiaries (losses)	(187,495)	(163,075)
Statutory tax rate	30%	30%
Tax rate for subsidiaries	24%	24%
Effective tax rate	28.80%	32.24%

(24) OTHER LIABILITIES

	2014 JD	2013 JD
Accrued expenses	1,042,130	3,177,163
Issued cheques	1,655,733	1,371,022
AI – Mutarabetah Company - deposits	650,975	2,332,100
Shareholders and customers deposits	1,823,919	569,541
Customer's share of profit from unrestricted investments	5,736,425	4,097,116
Brokerage payables	8,738	11,941
Temporary deposits	11,708,329	38,092
Others	748,408	634,443
Total	23,374,657	12,231,418

**(25) UNRESTRICTED INVESTMENT ACCOUNTS**

	Retail JD	Corporate JD	Small and medium companies JD	Public and governmental sectors JD	Total JD
2014-					
Saving accounts	24,345,132	1,461,839	347,137	-	26,154,108
Term accounts	255,425,678	64,925,215	14,692,144	37,565,201	372,608,238
Total	279,770,810	66,387,054	15,039,281	37,565,201	398,762,346
Depositor's share from investment's revenues	10,479,851	2,618,785	589,950	1,507,149	15,195,735
Total unrestricted investment accounts	290,250,661	69,005,839	15,629,231	39,072,350	413,958,081
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
Depositor's share from investment's 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

Unrestricted investment accounts share of profit is calculated as follows:

- 30% to 40% of the minimum balance of saving accounts in JD.
- 20% 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 profit on the Jordanian Dinar for the the year 2014 is 4.25% (4.40% for the last year).
- The percentage of profit on USD for the year 2014 is (1.03%) (1.19% for the last year).
- Unrestricted investment accounts for public sector amounted to JD 39,072,350 as at 31 December 2014, which represents 9.43% of the total unrestricted investment accounts (31 December 2013: JD 19,139,491 which represents 6.52% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 410,552 as at 31 December 2014 (31 December 2013: JD 173,628).

(26) INVESTMENT RISK FUND

	31 December 2014 JD	31 December 2013 JD
Beginning balance	6,184,716	4,247,854
Additions: transferred from unrestricted investment accounts revenues during the year	4,718,610	2,772,668
Less: Bad debts	3,544	4,006
Deductions: provision for income tax	1,413,319	831,800
Ending balance	9,486,463	6,184,716

The investment risk fund balance will be transferred to the Zakat fund in case of liquidation.

The Central Bank of Jordan increased the percentage to 15% starting from 1 January 2014 (2013: 10%).

Investment risk fund balance is distributed as follows:

	31 December 2014 JD	31 December 2013 JD
Year end balance	9,486,463	6,184,716
Against Ijara Muntahia Beltamleek receivable	113,893	1,580,117
Against deferred sales receivables	7,186,102	4,604,599
Remaining balance	2,186,468	-

* 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 2014 JD	31 December 2013 JD
Beginning balance	2,156,757	1,820,509
Income tax on transferred revenues from investment accounts	1,413,319	831,800
Less: Income tax paid	1,930,806	495,552
Ending balance	1,639,270	2,156,757

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

- Tax returns for 2013 were filed but still not reviewed by income and sales tax department.

**(27) FAIR VALUE RESERVE – NET – JOINT**

	Financial assets at fair value through unrestricted investment accounts			
	2014			2013
	Shares JD	Sukuk JD	Total JD	Total JD
Beginning balance	(238,342)	-	(238,342)	65,835
Unrealized gains (losses)	(337,309)	(86,288)	(423,597)	(300,052)
Gains on sale of financial assets (losses)	14,759	-	14,759	(32,340)
Deferred tax liabilities	-	-	-	28,215
Ending balance	(560,892)	(86,288)	(647,180)	(238,342)

(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:

	2014		2013	
	Shareholders JD	Unrestricted investment accounts* JD	Shareholders JD	Unrestricted investment accounts* JD
Beginning balance	785,027	664,973	-	-
Additions	-	-	940,302	859,699
Reversals	(785,027)	(664,973)	(155,275)	(194,726)
Ending balance	-	-	785,027	664,973

* Gains reserve rate returned to the owners of co-investment balance shows the net after subtracting the income tax due.

(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 2014 & 31 December 2013.

The additional shares were issued at a discount which amounted to 1,100,000 as of 31 December 2014 and 31 December 2013.

(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	2014	2013	Note
	Amount/ JD	Amount/ JD	
Statutory reserve	20,637,922	20,367,839	Law
General banking risk reserve	300,000	300,000	Central Bank regulations

(31) RETAINED EARNINGS

	2014 JD	2013 JD
Beginning balance	7,018,880	5,765,320
Profit for the year	1,922,813	1,470,591
Transferred to statutory reserve	(270,083)	(217,031)
Ending balance	8,671,610	7,018,880

- As of 31 December 2014, the returned earnings include an amount of JD 534,815 representing deferred tax assets self financed and according to the Central Bank of Jordan, this amount is not available for distribution (31 December 2013: JD 1,087,327).

(32) DEFERRED SALES REVENUES

	31 December 2014		31 December 2013	
	Joint JD	Self financed JD	Joint JD	Self financed JD
Retail				
International Murabaha	5,952,830	43,121	3,565,158	56,441
Real estate fund	2,129,559	-	313,121	-
Corporate				
International Murabaha	26,242	-	1,180,660	-
Murabaha Purchase orderer	11,934,228	-	11,873,316	-
Total	20,042,859	43,121	16,932,255	56,441

**(33) IJARA MUNTAHIA BELTAMLEEK REVENUES**

	31 December 2014		31 December 2013	
	Joint JD	Self financed JD	Joint JD	financed Self JD
Ijara Muntahia Beltamleek – real state	43,910,982	654,996	33,307,535	649,842
Ijara Muntahia Beltamleek – equipments	10,033,634	-	3,977,572	-
Depreciation for Ijara Muntahia Beltamleek assets	(40,503,354)	(531,085)	(25,708,766)	(546,797)
Total	13,441,262	123,911	11,576,341	103,045

(34) LOCAL WAKALEH INVESTMENT PROFITS

	Joint	
	2014 JD	2013 JD
Local Wakala investment profits	-	7,054
Total	-	7,054

(35) INTERNATIONAL WAKALEH INVESTMENT PROFITS

	Joint	
	2014 JD	2013 JD
International Wakala investment profits	15,492	7,416
Total	15,492	7,416

(36) GAINSONFINANCIALASSETSATFAIRVALUETHROUGHUNRESTRICTED INVESTMENT ACCOUNTS

	Joint	
	2014 JD	2013 JD
Stock dividends	74,738	36,699
Gain on sale of financial assets	89,147	605,968
Islamic Sukuk profit	43,080	191,602
Total	206,965	834,269

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

The details of this item are as follows:

	Joint							
	31 December 2014				31 December 2013			
	Realized gains JD	Unrealized losses JD	Dividends JD	Total JD	Realized gains JD	Unrealized losses JD	Dividends JD	Total JD
Shares	122,485	(135,537)	17,699	4,647	4,120	(175,998)	41,790	(130,088)
Total	122,485	(135,537)	17,699	4,647	4,120	(175,998)	41,790	(130,088)
Less								
Contract commissions	23,668	-	-	23,668	20,608	-	-	20,608
Total	98,817	(135,537)	17,699	(19,021)	(16,488)	(175,998)	41,790	(150,696)

(38) FOREIGN CURRENCIES REVALUATION PROFITS

	Joint	
	2014 JD	2013 JD
Foreign currencies revaluation profits (losses)	(55,982)	(5,748)
Total	(55,982)	(5,748)

(39) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDER'S

	2014 JD	2013 JD
Customers		
Saving accounts	249,180	259,945
Term accounts	14,946,555	11,015,882
Total	15,195,735	11,275,827



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

	2014 JD	2013 JD
Bank's share as Mudarib	10,226,262	5,996,016
Bank's share as Rab Mal	2,766,800	6,232,162
Total	12,993,062	12,228,178

(41) BANK SELF FINANCED REVENUES

	Note	2014 JD	2013 JD
Unconverted loans profits*		-	19,611
Ijara Muntahia Beltamleek revenues	33	654,996	649,842
Deferred sales revenues	32	43,121	56,441
Total		698,117	725,894

* 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 Piasters 0.415 for every share.

(42) GAIN FROM FOREIGN CURRENCIES

	2014 JD	2013 JD
Trading in foreign currency	637,889	527,745
Total	637,889	527,745

(43) BANKING SERVICES REVENUES

	2014 JD	2013 JD
Indirect facilities commissions	1,036,260	965,739
Direct facilities commissions	1,604,786	1,223,812
Other commissions	1,234,233	1,131,213
Total	3,875,279	3,320,764

(44) OTHER REVENUES

	2014 JD	2013 JD
Gain from sales of fixed assets (losses)	(852)	(5)
Gain from sales of repossessed assets	55,514	165,691
Other revenues	2,353	337,678
Total	57,015	503,364

(45) EMPLOYEE'S EXPENSES

	2014 JD	2013 JD
Salaries, benefits, allowances and bonuses	6,848,465	6,299,294
Bank's contribution for social security	655,042	599,716
Medical expenses	347,775	344,774
Training	67,146	79,278
Insurance expenses	47,496	42,881
Other employee's expenses	266,782	253,051
Total	8,232,706	7,618,994

(46) OTHER EXPENSES

	2014 JD	2013 JD
Rent and key money	722,587	658,562
Stationary and printing materials	197,295	171,900
Telecommunications	298,445	266,945
Utilities	408,018	339,299
Travel and transportation	191,340	217,424
Marketing and advertising	489,097	415,309
Subscription and fees	216,207	185,200
Cleaning expenses	207,932	249,541
Licences and governmental fees	155,994	102,037
Board of directors meetings expenses	46,631	45,952
Information technology expenses	588,940	386,625
Security and insurance expenses	218,987	174,975
Donations	41,035	53,911
Management and consulting fees	510,563	1,218,465
Professional fees	60,320	46,013
Board of directors remuneration	37,225	42,205
Hospitality Expenses	47,040	50,479
Money transportation expenses	98,271	108,263
Others	285,009	346,435
Total	4,820,936	5,079,540

**(47) EARNINGS PER SHARE**

	2014 JD	2013 JD
Profit (loss) for the year	1,922,813	1,470,591
Weighted average number of shares	100,000,000	100,000,000
	JD/ Fils	JD/ Fils
Basic and diluted earnings per share	0/019	0/015

(48) CASH AND CASH EQUIVALENTS

	2014 JD	2013 JD
Cash balances with CBJ maturing within three months	137,179,320	112,003,406
Add: cash at banks and financial institutions maturing within three months	3,198,303	3,862,588
Less: banks and financial institutions accounts maturing within three months	(88,121)	(1,001,598)
Less: restricted balance (note 5)	(491,609)	(492,317)
Total	139,797,893	114,372,079

(49) 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.

	Main shareholders JD	Senior management JD	Board of directors JD	Dubai Islamic Bank* JD	Shari'a Supervisory Board members JD	31 December 2014 JD	31 December 2013 JD
Statement of financial position items							
Balances at banks and financial institutions	-	-	-	465,500	-	465,500	707,498
Unrestricted investments accounts and current accounts	30,625,151	544,664	50,346	-	2,987	31,223,148	22,879,839
Deferred sales receivables	-	136,661	-	-	9,500	146,161	232,617
Ijarah Muntahia Bitamleek - Assets	-	1,114,055	-	-	-	1,114,055	1,168,909
Banks and financial institutions accounts	-	-	-	-	-	-	120,649
Off financial position items							
Letters of guarantees	117,000	-	-	-	-	117,000	266,500
Statement of Income items						31 December 2014 JD	31 December 2013 JD
Dividends	1,370,527	8,608	691	-	86	1,379,912	1,512,997
Salaries and bonuses	-	1,588,891	37,225	-	28,360	1,654,476	1,434,481
Transportation	-	-	125,200	-	11,344	136,544	166,141
Management and consulting fees	-	-	-	296,958	-	296,958	989,859

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

The lowest and highest received Murabaha percentage was 2.66% and 5.69% respectively. Financing rate for Ijarah Muntahia Bitamleek was 3.81%.

The lowest profit rate was 0.59% and the highest profit rate was 4.58%.

Executive management salaries and benefits for the year amounted to JD 1,588,891 as at 31 December 2014 (31 December 2013: JD 1,363,916).



(50) 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.

(51) 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.

(51/ A) Credit Risk

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

	2014		
	Joint JD	Self financed JD	Total JD
Balances with Central Banks	-	130,063,341	130,063,341
Balances at banks and financial institutions	-	3,198,303	3,198,303
International Wakala investments	16,147,487	-	16,147,487
Deferred sales receivables and other receivables			
Retail	196,204,958	3,907,030	200,111,988
Real estate financing	40,446,895	-	40,446,895
Corporate	199,612,098	64,600	199,676,698
Public and governmental sectors	18,412,500	-	18,412,500
Unconverted loans			
Retail	-	102,741	102,741
Corporate	-	21,304	21,304
Local Wakala investment			
Corporate	-	-	-
Public and governmental sector	8,142	-	8,142
Sukuk			
Financial assets at fair value through unrestricted investments accounts	2,872,372	-	2,872,372
Other assets	-	187,056	187,056
Total	473,704,452	137,544,375	611,248,827
Off statement of financial position items:			
Letters of guarantees	-	5,006,452	5,006,452
Letters of credits	-	8,536,778	8,536,778
Acceptances	-	199,476	199,476
Unutilized limits	45,471,422	-	45,471,422
Total	519,175,874	151,287,081	670,462,955



	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

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:

2014	Joint						Self financed						
	Retail JD	Real-estate financing JD	Corporate JD	Public and government sectors JD	International Wakala investment JD	Sukouk JD	Total JD	Retail JD	Real-estate financing JD	Corporate JD	Banks and financial institutions JD	Total JD	Grand total JD
Low risk	2,364,565	2,078,943	6,848,643	21,350,996	-	-	32,643,147	43,329	-	1,110,133	-	1,153,462	33,796,609
Acceptable risk	209,297,625	42,586,995	189,057,970	8,142	16,147,487	2,872,372	459,970,591	4,029,216	-	94,175	3,198,303	7,321,694	467,292,285
Past due:													
Up to 30 days	412,978	43,608	343,468	-	-	-	800,054	-	-	-	-	-	800,054
From 31 to 60 days	29,619	15,262	9,656	-	-	-	54,537	683	-	-	-	683	55,220
Watch list	76,054	-	7,535,266	-	-	-	7,611,320	119	-	640	-	759	7,612,079
Non performing:													
Substandard	56,098	-	1,727,955	-	-	-	1,784,053	1,243	-	494	-	1,737	1,785,790
Doubtful	246,663	-	117,355	-	-	-	364,018	889	-	4	-	893	364,911
Loss	117,319	-	10,099,913	-	-	-	10,217,232	1,203	-	28,652	-	29,855	10,247,087
Total	212,158,324	44,665,938	215,387,102	21,359,138	16,147,487	2,872,372	512,590,361	4,075,999	-	1,234,098	3,198,303	8,508,400	521,098,761
Less: Deferred revenue	15,683,118	4,219,043	8,350,002	2,938,496	-	-	31,190,659	65,854	-	-	-	65,854	31,256,513
Less: Suspended revenue	30,567	-	364,688	-	-	-	395,255	-	-	7,112	-	7,112	402,367
Less :Impairment provision	239,681	-	7,060,314	-	-	-	7,299,995	374	-	1,141,082	-	1,141,456	8,441,451
Net	196,204,958	40,446,895	199,612,089	18,420,642	16,147,487	2,872,372	473,704,452	4,009,771	-	85,904	3,198,303	7,293,978	480,998,430

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



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: Deferred revenue	10,437,031	343,769	8,703,563	4,212,978	23,697,341	83,027	-	-	-	83,027	23,780,368
Less: Suspended revenue	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.

The following table shows the distribution of the fair value of collaterals on deferred sales and other receivables:

2014	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	Grand total JD
Low risk	2,364,565	2,078,943	6,848,643	21,350,996	32,643,147	43,329	-	1,110,133	1,153,462	33,796,609
Acceptable risk	178,459,844	27,070,217	31,255,518	-	236,785,579	3,803,599	-	-	3,803,599	240,589,178
Watch list	42,618	-	7,535,138	-	7,577,756	-	-	-	-	7,577,756
Non performing:										
Substandard	9,395	-	1,011,057	-	1,020,452	-	-	-	-	1,020,452
Doubtful	103,679	-	115,528	-	219,207	-	-	-	-	219,207
Loss	52,302	-	2,155,956	-	2,208,258	-	-	-	-	2,208,258
Total	181,032,403	29,149,160	48,921,840	21,350,996	280,454,399	3,846,928	-	1,110,133	4,957,061	285,411,460
Comprising of:										
Cash margin	2,364,565	2,078,943	6,848,643	-	11,292,151	43,329	-	1,110,133	1,153,462	12,445,613
Real-estate	130,526,465	27,070,217	38,083,119	-	195,679,801	3,259,838	-	-	3,259,838	198,939,639
Vehicles and machinery	48,141,373	-	3,990,078	-	52,131,451	543,761	-	-	543,761	52,675,212

3) sukuk

The following table illustrates sukuk grading under financial assets at fair value through unrestricted investment accounts holder in accordance with foreign grading institutions.

Classification grade	Grading institution	31 December 2014 JD	31 December 2013 JD
Baa1	Moody's	732,043	-
B+	S&P's	699,287	-
Not Rated	-	1,441,042	-
Total		2,872,372	-

4) 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	130,063,341	-	-	-	-	-	130,063,341
Balances at banks and financial institutions	667,454	834,201	781,997	336,137	561,654	16,860	3,198,303
International Wakala investments	-	16,147,487	-	-	-	-	16,147,487
Deferred sales receivable and other receivable							
Retail	200,111,988	-	-	-	-	-	200,111,988
Real-estate financing	40,446,895	-	-	-	-	-	40,446,895
Corporate	195,468,330	4,208,368	-	-	-	-	199,676,698
Public and governmental sectors	18,412,500	-	-	-	-	-	18,412,500
Unconverted loans							
Retail	102,741	-	-	-	-	-	102,741
Corporate	21,304	-	-	-	-	-	21,304
Local Wakala investment	-	-	-	-	-	-	-
Public and governmental sectors	8,142	-	-	-	-	-	8,142
Sukuk							
Within financial assets at fair value through unrestricted investment accounts	-	2,872,372	-	-	-	-	2,872,372
Other assets	187,056	-	-	-	-	-	187,056
Total / 2014	585,489,751	24,062,428	781,997	336,137	561,654	16,860	611,248,827
Total / 2013	489,527,686	950,600	824,319	358,343	502,306	4,603	492,167,857

* 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 3,766,404 as of 31 December 2014 (2013: JD 3,830,057).

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 10,660,762 as of 31 December 2014 (2013: JD 26,794,503).

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

2014	Financial JD	Industrial JD	Trade JD	Real-estate JD	Retail JD	Public and governmental sectors JD	Total JD
Balances with Central Banks	130,063,341	-	-	-	-	-	130,063,341
Balances at banks and financial institutions	3,198,303	-	-	-	-	-	3,198,303
International Wakala investments	16,147,487	-	-	-	-	-	16,147,487
Deferred sales receivable and other receivables	7,753,754	94,850,716	97,072,228	40,446,895	200,111,988	18,412,500	458,648,081
Unconverted loans	-	21,304	-	-	102,741	-	124,045
Local Wakala investments	-	-	-	-	-	8,142	8,142
Sukuk within financial assets at fair value through unrestricted investment accounts	2,872,372	-	-	-	-	-	2,872,372
Other assets	187,056	-	-	-	-	-	187,056
Total / 2014	160,222,313	94,872,020	97,072,228	40,446,895	200,214,729	18,420,642	611,248,827
Total / 2013	127,446,513	62,671,507	99,258,469	37,902,119	143,544,627	21,344,622	492,167,857

(51/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. Taking 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:

2014 currency	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Dollar	-	-	-
Euro	568	568	568
Sterling pound	7	7	7
Japanese Yen	329	329	329
Other currencies	7,576	7,576	7,576
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

Concentration in foreign currencies risks:

	31 December 2014					
	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Assets						
Cash and balances with Central Bank	5,555,583	2,048,372	51,877	-	27,619	7,683,451
Balances at Banks and financial institutions	964,009	629,195	94,972	121,620	869,524	2,679,320
Deferred sale receivables	22,440,040	-	663,085	-	-	23,103,125
International Wakala Investment	14,250,900	1,896,587	-	-	-	16,147,487
through unrestricted investment accounts	2,920,567	-	-	-	-	2,920,567
Other assets	42,703	2,782	-	-	-	45,485
Total assets	46,173,802	4,576,936	809,934	121,620	897,143	52,579,435
Liabilities						
Banks and financial institution's accounts	4,559	-	-	-	-	4,559
Customer's accounts (current, saving, term)	34,011,773	4,557,123	808,740	115,042	745,628	40,238,306
Cash margins accounts	243,547	4,105	-	-	-	247,652
Other liabilities	11,764,948	4,353	1,053	-	-	11,770,354
Total liabilities	46,024,827	4,565,581	809,793	115,042	745,628	52,260,871
Net concentration in current year's financial position	148,975	11,355	141	6,578	151,515	318,564
Contingent liabilities outside current year's financial position	9,239,635	422,595	-	-	353,517	10,015,747
	31 December 2013					
	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Total Assets	50,309,877	3,222,307	1,068,285	299,830	1,295,745	56,196,044
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



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:

2014 Indicator	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Amman stock market	227,702	60,690	167,012
Foreign markets	-	-	-
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	-	-	-

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.

(51/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:

2014	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	88,121	-	-	-	-	-	-	88,121
Customers' current accounts	70,149,488	-	-	-	-	-	-	70,149,488
Cash margins accounts	8,851,278	145,654	-	7,665,390	-	-	-	16,662,322
Borrowed funds	-	-	-	-	-	-	-	-
Income tax provisions	21,021	-	-	-	-	-	-	21,021
Other provisions	84,603	-	-	-	-	-	-	84,603
Other liabilities	9,017,357	13,580,926	258,792	517,582	-	-	-	23,374,657
Unrestricted investment accounts	101,037,485	118,029,483	86,233,707	113,943,432	-	-	-	419,244,107
Total	189,249,353	131,756,063	86,492,499	122,126,404	-	-	-	529,624,319
Total assets maturities as expected	197,403,494	60,492,103	66,930,002	65,014,287	86,844,153	160,120,763	20,994,874	657,799,676
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 institution's accounts	1,001,598	-	-	-	-	-	-	1,001,598
Customer's 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

**Second: Off-financial position items**

	Until year	
	2014 JD	2013 JD
letters of credit and acceptances	8,736,254	16,589,780
Guarantees	5,006,452	4,630,439
Unutilized limits	45,471,422	47,503,800
Total	59,214,128	68,724,019

(52) SEGMENT INFORMATION**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	2014	2013
Total revenues (joint and self financed)	8,130,364	16,337,275	1,649,730	(1,287,937)	21,529,972	21,528,613
Investment risks fund share of joint Investment accounts revenues	-	-	-	(4,718,610)	(4,718,610)	(2,772,668)
Profit equalization reserve	-	-	-	1,450,000	1,450,000	(1,450,000)
Results of segment's operations	8,130,364	16,337,275	(1,649,730)	(4,556,547)	18,261,362	17,305,945
Undistributed expenses	(1,795,993)	(656,003)	(642,835)	(12,465,700)	(15,560,531)	(15,135,633)
Profit for the year before tax	6,334,371	15,681,272	(2,292,565)	(17,022,247)	2,700,831	2,170,312
Tax credit	-	-	-	(778,018)	(778,018)	(699,721)
Profit for the year	6,334,371	15,681,272	(2,292,565)	(17,800,265)	1,922,813	1,470,591
					2014	2013
Segments' assets	198,483,196	245,404,883	32,688,773	-	476,576,852	377,207,368
Undistributed assets	-	-	-	181,222,824	181,222,824	151,254,705
Total assets	198,483,196	245,404,883	32,688,773	181,222,824	657,799,676	528,462,073
Segments' liabilities	357,770,460	76,899,003	66,634,957	-	501,304,420	381,679,145
Undistributed assets	-	-	-	26,042,388	26,042,388	17,467,846
Total liabilities	357,770,460	76,899,003	66,634,957	26,042,388	527,346,808	399,146,991
					2014	2013
Capital expenditure					5,334,313	5,110,483
Depreciation and amortization					1,976,571	1,826,363



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 2014			31 December 2013		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Total assets	632,040,600	25,759,076	657,799,676	525,821,902	2,640,171	528,462,073
Total revenues	21,467,779	62,193	21,529,972	20,272,816	1,255,797	21,528,613
Capital expenditure	5,334,313	-	5,334,313	5,110,483	-	5,110,483

(53) 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 2014 JD"000	31 December 2013 JD"000
Basic capital items	126,227	121,632
Paid in capital	100,000	100,000
Share premium	(1,100)	(1,100)
Statutory reserve	20,638	20,368
Voluntary reserve	1,943	1,943
Retained earning	8,137	5,727
Repossessed assets by Bank	(970)	(1,052)
Intangible assets	(1,326)	(1,542)
The Bank's share in the banks and financial institutions capital (50%)	(166)	(47)
The bank's share in the capital of insurance companies (50%)	-	-
Bank's share in the investment risk fund	(929)	(2,665)
Additional capital	1,730	1,852
Fair value reserve	(280)	(122)
General banking risk reserve	2,176	2,021
The Bank's share in the banks and financial institutions capital (50%)	(166)	(47)
The Bank's share in the capitals of insurance companies (50%)	-	-
Total regulatory capital	127,957	123,484
Total risk weighted assets	288,793	275,755
Capital adequacy ratio (%)	44.31%	44.78%
Basic capital ratio (%)	43.71%	44.11%



(54) 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 2014	Within one year JD	More than year JD	Total JD
Assets			
Cash and balances with Central Bank	137,179,320	-	137,179,320
Balances at Banks and financial institutions	3,198,303	-	3,198,303
International Wakala investments	16,147,487	-	16,147,487
Financial assets at fair through profit and loss	1,213,803	-	1,213,803
Deferred sale receivables and other receivables, net	198,861,008	92,961,554	291,822,562
Unconverted loans-net	124,045	-	124,045
Financial assets at fair value through unrestricted investment accounts	3,447,020	2,872,372	6,319,392
Within financial assets carried at amortized cost - net	-	-	-
Investment in associate	367,253	-	367,253
Local Wakala investments	8,142	-	8,142
Ijara Muntahia Beltamleek assets, net	18,514,628	148,310,891	166,825,519
Investment in properities	7,438,445	-	7,438,445
Property and equipment - net	-	19,668,689	19,668,689
Intangible assets	-	1,326,185	1,326,185
Deferred tax assets	534,815	-	534,815
Other assets	2,805,617	2,820,099	5,625,716
Total assets	389,839,886	267,959,790	657,799,676
Liabilities and unrestricted investment account's equity			
Banks and financial institution's accounts	88,121	-	88,121
Customer's current accounts	70,149,488	-	70,149,488
Cash margins accounts	16,492,279	-	16,492,279
Borrowed funds	-	-	-
Income tax prorision	21,021	-	21,021
Other provisions	84,603	-	84,603
Fair value reserve – net	(647,180)	-	(647,180)
Profit equalization reserve unrestricted investment accounts	-	-	-
Income tax provision / profit equalizer reserve	-	-	-
Deferred tax liabilities	-	-	-
Other liability	23,374,657	-	23,374,657
Unrestricted investment accounts	413,958,081	-	413,958,081
Investment risk fund	-	2,186,468	2,186,468
Provision of investment risk fund tax	1,639,270	-	1,639,270
Total liabilities , unrestricted investment account's and shareholder's equity	525,160,340	2,186,468	527,346,808
Net	(135,320,454)	265,773,322	130,452,868

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 - net	-	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 institution's accounts	1,001,598	-	1,001,598
Customer's 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 account's and shareholder's equity	397,847,331	1,299,660	399,146,991
Net	(72,044,090)	201,359,172	129,315,082



(55) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)

A- Contingent credit commitments.

	2014 JD	2013 JD
Letters of credit	8,536,778	11,387,133
Acceptances	199,476	5,202,647
Letter of guarantees:		
Payment	3,245,475	3,527,497
Performance	1,693,429	681,353
Others	67,548	421,589
Unutilized limits	45,471,422	47,503,800
Total	59,214,128	68,724,019

B- Contractual commitments.

	2014 JD	2013 JD
Consulting contracts	296,958	989,859
Total	296,958	989,859

Contractual commitments mentioned above mature within one year.

(56) LAWSUITS AGAINST THE BANK

The Bank is defendant in number of lawsuits amounted to JD 131,475 as at 31 December 2014 (31 December 2013: JD 162,615). 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 November 2013, the Bank decided to enter into legal proceedings against a legal case in the Federal Court 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. The Federal Court of New York State issued its resolution on 21 August 2014 in favour of the Bank in which the Bank was released from the court order in the mentioned legal proceedings.

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

2,202,737 during 2014 and (1,500,000 during 2013) , are necessary to defend the interests of the common pool rather than the Mudarib (shareholders) interest alone.

(57) COMPARATIVE FIGURES

Some of 2013 balances were reclassified to correspond with 2014 presentation. The reclassifications did not have any effect on profit and equity.



**Best Corporate Governance
Jordan 2014 from
CFI / UK**



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. Ezeddin Kanakriyah

Deputy Chairman

Mr. Shahm Al Wir

Member

Mr. Ziad Kokash

Secretary General

The committee held 1 meeting during 2014

- Corporate Governance and Compliance Committee

Mr. Muhamad Saeed Al Sharif

Chairman of the Committee

Dr. Faisal Hayyari

Deputy Chairman

Dr. Ezeddin Kanakriyah

Member

Mr. Osama Al-Natsheh

Secretary General

The committee held 2 meetings during 2014

- Audit Committee

Mr. Raslan Deiranieh

Chairman of the Committee

Mr. Imad Al-Qdah

Deputy Chairman

Mr. Mohamad Al Falasi

Member

Mr. Masoud Saqf Al Hait

Secretary General

The committee held 4 meetings during 2014

- Nominations and Compensation Committee

Mr. Raslan Deiranieh

Chairman of the Committee

Mr. Muhamad Saeed Al Sharif

Deputy Chairman

Mr. Shahm Al Wir

Member

Dr. Haitham Johar

Secretary General

The committee held 4 meetings during 2014

- Risk Management Committee

Dr. Faisal Hayyari

Chairman of the Committee

Mr. Mohamad Al Falasi

Deputy Chairman

Mr. Imad Al-Qdah

Member

Mr. Ziad Kokash

Secretary General

The committee held 4 meetings during 2014

***The Board of Directors held 8 meetings during 2014**

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 it's 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-whenver 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

General Management Al Abdali

Suleiman Al Nabulsi Street - Main Branch

P.O. Box 1982, Amman 11118, Jordan

Tel: 064602200

Fax: 064647821

Al Madina:

Al Madina Al Monawara Street
Building Number 121
Tel: 065507444
Fax: 065507442

Khalda:

Amer Bin Malek Street
Building Number 49
Tel: 064602100
Fax: 065512526

Al Bayader:

23 Hosni Sober Street
Mahmoud Bin Zakaria Abzagh Building
Tel: 065803131
Fax: 065803140

Jabal Al Hussein:

Khaled Bin Al Walid Street
Building Number 203
Tel: 064602100
Fax: 065639093

Al Wehdat:

Madaba Street – Building Number 313
Tel: 064602100
Fax: 064702841

Al Abdali Development Project

P.O. Box 1982, Amman 11118, Jordan
Tel: 064602100
Fax: 064602407

Sweifieh:

Abdulrahman Haj Mohamad Street
Wadi Al Seer Area Sweifieh District, Building 70
Tel: 065810241
Fax: 065824121

Al Jubaiha:

Queen Rania Al Abdullah Street
Beside Lubna Furniture Store
Tel: 065301315
Fax: 065344084

AL Hashmi Al Shamali:

Al Bathaa Street - Building Number 97
Tel: 064602100
Fax: 065069526

Sahab:

King Abdullah II Bin Al Hussein Industrial City
Tel: 064602100
Fax: 064024057

Irbid:

Al Hashmi Street
Al Rawsan Building Number 6
Tel: 027201800
Fax: 027253052

Jabal Amman:

Jabal Amman – 2nd Circle
Al Koliyah Al Elmiyah Al Islamiyah Street
P.O. Box 1982, Amman 11118, Jordan
Tel: 064602100
Fax: 064642216

Al Khalidi:

Ibn Khaldoun Street - Plaza Al Khalidi Center
in front of Al Khalidi Hospital, Building Number 38
Tel: 064602100
Fax: 064630837

Abdoun:

Taj Mall
Tel: 5931451- 065931390
Fax: 065931835

Shmeisani:

Al Thaqafeh Street
Wael Abu Hamdan Building Number 6
Tel: 065630555
Fax: 065630550

Al Zarqa:

Street 36 next to Safeway
Al Kurdi Plaza Complex
Tel: 064602100
Fax: 053858388

Irbid:

City Center
Tel: 027201808
Fax: 027201809

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