



His Majesty
King Abdullah II Bin Al Hussein



His Royal Highness
Prince Al Hussein Bin Abdullah II
Crown Prince

TABLE OF CONTENTS

Jordan Dubai Islamic Bank	8
Board of Directors	12
Sharia Supervisory Board	15
Executive Management	16
Chairman's Message	18
Corporate Governance Guide for Jordan Dubai Islamic Bank	20
The Board of Director's Report for 2015 (Disclosure requirements as per the Financial Securities Commissions instructions)	48
Bank's Organizational Structure	67
Sharia Supervisory Board Report	196
Independent Auditors' Report	108
Financial Statements	110
Notes to the Financial Statements	116
Branches	194

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

Mohammad Saeed Al Sharif Representative of Mesc Investment Company	Chairman from 26/10/2013
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 from 1/5/2012
Mr. Emad Jamal Ahmad Kodah Representative of Social Security Corporation/ Investment Unit of the Social Security Corporation	Member from 1/9/2014
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 from 15/9/2014
Mr. Raslan Nouri Deiranieh In His Personal Capacity	Member from 29/1/2009
Dr. Waleed A. AL Nassan In His Personal Capacity	Member from 29/1/2015
Dr. Omar Mashhoor AL Jazy Representative of Mesc Investment Company	Member from 29/1/2015 until 22/4/2015 In His Personal Capacity from 23/4/2015 until now Representative of Mesc Investment Company
Mr. Samer Bahjat Helal Haddad Representative of Mesc Investment Company	Member from 23/4/2015
Mr. Yanal Rushdi Ahmad Etsebna Representative of Mesc Investment Company	Member from 23/4/2015

Board Members resigned during the year 2015

Mr. Jaafar Salim Badwan In His Personal Capacity	Member from 29/1/2015 until 22/4/2015
Mr. Saleh Yacoub Mohammad Hussein In His Personal Capacity	Member from 29/1/2015 until 22/4/2015

Board of Directors



Mr.
Mohammad 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



Dr.
Waleed A. AL Nassan
Member



Dr.
Omar Mashhoor AL Jazy
Member



Mr.
**Samer Bahjat Helal
Haddad**
Member



Mr.
**Yanal Rushdi Ahmad
Etsebna**
Member



Sharia Supervisory Board



Prof. Doctor
Hussein Hamed Hassan
Chairman and Executive Member



Prof. Doctor
Ali Mohyiddin Al Quradaghi
Member



Prof. 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
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
Mr. Rami Reyad Hassan Al Kailani	Head of Information Technology
Mr. Munir Mohammad Fayyad Farouneyah	Head of Sharia Supervisory

Executive Management resigned during the year 2015

Mr. Abdullah Abdelhadi Abdullah Soboh	Head of Project Management Office
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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



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



Mr. Rami Reyad Hassan Al Kailani
Head of Information Technology



Mr. Munir Mohammad Fayyad Farouneyah
Head of Sharia Supervisory



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 blessing on the Last of the
Prophets, Prophet Muhammad and his family and companions,**

Dear Shareholders,

On behalf of Jordan Dubai Islamic Bank Board Members, I proudly submit the annual report of 2015 which displays the Bank's achievements and accomplishments throughout the past fiscal year.

Distinguished Shareholders,

The Board of Directors of Jordan Dubai Islamic Bank adopted, through clear mechanisms and action plans, strategies that meet the needs and requirements of shareholders, customers, and regulatory related parties. These strategies included several periodic reviews to introduce ongoing improvements positively reflected on the Bank, its results and achievements in line with its strategic plan emanating mainly from the vision and mission of the Bank and its values through its adoption of the basic concepts of the corporate excellence in accordance with the international standards.

This corporate excellence resulted in clear outcomes to our branches which grew from one branch in 2010 to turn into a network of branches across the Kingdom to reach 21 branches by the end of 2015. In designing them, we paid attention to combine modernity with the Islamic character to reflect the vision and mission of the Bank which we look forward to deliver to all our customers. In addition, the Bank's business exponentially grown significantly and reflected on the growth of its net profit which amounted 71% after tax through a steady increase in the Bank's customers base as a result of their increasing confidence in the Bank's high quality services and products and its commitment to build a lasting partnership with its customers, a partnership that takes into account the interests of all parties as it is based on deep understanding of the needs and aspirations of the Bank's customers, and aims at providing a unique Islamic banking experience in accordance with the international best practices.

The total assets also achieved positive consistent growth rates by 19% in addition to an increasing positive growth in the depositors' accounts balance by 27% while the funding portfolio grew by 12%. The Bank also maintained the highest capital adequacy in the Jordanian banking sector by 47%, and managed during the year to reduce the non-performing loans from 2.4% to 1.5%, the lowest ratio in the Jordanian banking sector after as a result of its successful efforts and follow-ups in significantly reducing the non-performing loans by 33%.

The results of the Bank's business in 2015 were the fruitful result of its sincere efforts to achieve the desired goals and the application of the best mechanisms that have undergone continuous revisions and improvements to complete the Bank's progress towards excellence and more qualitative achievements to enhance the sustainability of the outstanding performance and

durability of the banking performance of the Bank. The Bank was keen to apply advanced banking technology levels by diversifying the Islamic services and products in addition to the efficient operation that maintained the international quality standards in providing an integrated system of banking solutions aligned with the Islamic Sharia (Law) and within high quality modern frameworks in line with international best practices, in addition to the Bank's implementation of the corporate governance principles.

It is worth mentioning that the efforts and endeavors of the Bank's Management and staff have culminated into winning many national, regional and international awards in recognition and honor of the Bank's successes and achievements were the Bank was honored with 15 awards in many aspects related to the banking business. These awards included the best practices of the corporate governance in Jordan, best trademark of Islamic bank in Jordan, and the award of the best Islamic commercial bank in the Levant, among many others.

The achievements were realized in spite of the harsh economic and political conditions witnessed across the Arab Region and the neighbourhood which have continued to take its toll on the Jordanian economy as a whole and the banking sector in particular, where these effects have been monitored and hedged on an ongoing basis thus resulting in a clear positive impact on the achieved results.

We in Jordan Dubai Islamic Bank build on the strategic approach based on the all professional corporate work which is supported by the efforts and sincerity of the Management and qualified staff of the Bank. As part of our social responsibility, we will continue to support community initiatives that serve the Jordanian Society issues and contribute to the achievement of sustainable development and creation of long-term positive impact on the local community.

Last but not least, we would like to thank the Central Bank of Jordan and the concerned supervisory bodies for their 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 customers and shareholders, for their constant trust, in addition to our Executive Management and staff for their professional efforts and dedication in serving the Bank.

As part of our responsibility, I would also like to assure our customers and shareholders that the Bank will continue in its path to implement the international best banking practices in accordance with the Islamic Sharia (Law). We will also continue to achieve best results and achievements, to meet the needs of the national economy and local community.

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 of Directors

Jordan Dubai Islamic Bank Corporate Governance Manual 2015





Contents

The subject:

Introduction

Article 1: definitions

Article 2: Dissemination of the corporate governance manual

Article 3: composition of the Board of Directors

Article 4: Board 's meetings

Article 5: Board 's duties and responsibilities

Article 6: Limits of responsibilities and accountability

Article 7: Boad's committees

Article 8: Sharia Supervision Board

Article 9: Consistence

Article 10: Consistence of Board Members

Article 11: consistence of top executive management members

Article 12: consistence of Sharia Supervision Board Members

Article 13: Assessment of Bod and Sharia Board members

Article 14: remuneration of directors and Sharia Board members' fees

Article 15: Conflict of Interests

Article 16: Internal Audit

Article 17: Sharia internal audit

Article 18: External Audit

Article 19: Risks Management

Article 20: Compliance Department

Article 21: Stakeholders Rights

Article 22: Disclosure and Transparency

Article 23: Miscellaneous



The Board of Directors of Jordan Dubai Islamic Bank approved the Corporate Governance Guide on 22/10/2015 as per the confirmation of the Corporate Governance Committee.

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

- Executive Committee

Mr. Muhamad Saeed Al Sharif	Chairman of the Committee
Dr. Waleed A. AL Nassan	Deputy Chairman
Mr. Shahm Al Wir	Member
Mr. Ziad Kokash	Secretary General
The committee held 6 meetings during 2015 and were attended by all members	

- Audit Committee

Mr. Raslan Deiranieh	Chairman of the Committee
Dr. Faisal Hayyari	Deputy Chairman
Mr. Imad Al-Qdah	Member
Dr. Ezeddin Kanakriyah	Member
Mr. Masoud Saqf Al Hait	Secretary General
The committee held 6 meetings during 2015 and were attended by all members	

- Corporate Governance and Compliance Committee

Mr. Muhamad Saeed Al Sharif	Chairman of the Committee
Dr. Ezeddin Kanakriyah	Deputy Chairman
Dr. Omar Mashhoor AL Jazy	Member
Mr. Mohamad Al Falasi	Member
Mr. Ahmad Al Tartir	Secretary General
The committee held 2 meetings during 2015 and were attended by all members	

- Risk Management Committee

Dr. Faisal Hayyari	Chairman of the Committee
Mr. Imad Al-Qdah	Deputy Chairman
Mr. Mohamad Al Falasi	Member
Mr. Ziad Kokash	Secretary General
The committee held 4 meetings during 2015 and were attended by all members	

- Nominations and Compensation Committee

Dr. Waleed A. AL Nassan	Chairman of the Committee
Mr. Shahm Al Wir	Deputy Chairman
Dr. Omar Mashhoor AL Jazy	Member
Dr. Haitham Johar	Secretary General
The committee held 4 meetings during 2015 and were attended by all members	

***The Board of Directors held 8 meetings during 2015**

Introduction:

This corporate governance manual has been prepared in line with the directives of the Islamic Banks' corporate governance No (61/2015) issued by the Central Bank of Jordan dated May 12, 2015 as well as the corporate governance principles issued by the Organization for Economic Cooperation & Development (OECD) and the directions issued by Basle Committee with a view to reinforce the corporate governance in the banking institutions and in conformity with the applicable banking best practices in a manner to coincide with the Bank's needs and policies.

The application of the corporate governance within the bank provides a basis for the future corporate development and performance; supports confidence in the bank's activities and dealings and enables the bank to successfully contribute to the Jordan banking system development which would upgrade efficiency of the National Economy and create an atmosphere of assurance to both the shareholders and dealers.

This Manual is based on a number of key principles that will effectively contribute to the application of the best practices of the corporate governance within the bank, most notably:

- Fairness in dealing with all stakeholders like: depositors, shareholders, funders, bank employees, control authorities
- Transparency and disclosure in a manner to enable related parties from evaluating the bank's position and financial performance.
- Accountability in the relationship between the bank's executive management and the Board of Directors; the Board of Directors and the shareholders; the Board of Directors and other related parties.
- Responsibility in terms of clear segregation between responsibilities and delegation of powers

Article 1: Definitions

The following words and phrases shall have, wherever remunerated in this Manual shall have the meanings ascribed thereto hereunder as follows:

Phrase	Definition
Corporate governance	The regulation that guides and manages the bank aiming to define and achieve the bank's corporate objectives, to safely manage its operations and safeguard interests of the depositors and investment accounts holders and to comply with the due liability vis-à-vis shareholders and other stakeholders and the bank's commitment to the bank's policies and internal regulations.
Consistence	Provision of certain requirements among the bank's Board members, its top executive management and members of the Supervision Board of the bank.



Phrase	Definition
Board (BOD)	Board of Directors of the bank
Board	Sharia Supervision Board of the bank
Stakeholders	Any party of interest in the bank like the depositors or holders of investment accounts or shareholders or employees or debtors or dealers or the concerned control authorities.
Major shareholder	The person holding 5% or more of the bank's capital whether directly or indirectly
Executive director	Board director satisfying requirements set forth in this Manual later on.
Independent Member	Board of director member who has the needed requirements as per the mentioned in this manual.
Top executive management	Includes the general manager of the bank, deputy general manager, CFO, operations manager, risk management manager, internal audit manager, director of Sharia internal audit department, treasury manager (investment), compliance officer in addition to any bank employee assuming executive authority equal to any of the authorities of any of the aforementioned and reports directly to the general manager without contravening the human capital policies.

Article 2: Dissemination of Corporate Governance Manual

Jordan Dubai Islamic Bank shall disseminate its manual on its website and in any other way suitable to introduce the public to it. The Bank discloses in its annual report the corporate governance manual and the information that concern the stakeholders including the Manual as well as extent of commitment to apply its provisions.

Article 3: Composition of the Board of Directors

- a- Number of the Board members should not be less than eleven
- b- None of the members may be an executive director
- c- Number of independent directors may not be less than four
- d- The conditions to be met and satisfied by the independent directors are as follows:
 - 1) He was/is not an executive director on the Board during the three years preceding the date these corporate governance directions to the Islamic Banks issued by the Central Bank came into force.
 - 2) He was not employed by the bank or by any of its subsidiaries during the three years preceding the date these corporate governance directions to the Islamic Banks issued by the Central Bank of Jordan came into force.

- 3) He is not related to any of the other Board members or any member of the Board of directors of bank's subsidiaries or one of the major shareholders in the bank in any kinship up to the second degree.
- 4) He has no relatives among the members of the top executive management of the bank or any member of the top executive management of the bank's subsidiaries up to the second degree.
- 5) He is not a partner or employee of the external auditor of the bank or a partner or employee during the three years preceding the date of his/her election member of the Board and he has no kinship with the partner in charge of the audit process up to the first degree.
- 6) He is not a major shareholder in the bank or proxy of a major shareholder or an ally to a major shareholder in the bank or his/her contribution with the ally contribution would constitute an amount equal to a major shareholder's share or a major shareholder in one of the bank's subsidiaries.
- 7) He has not assumed membership of the bank's Board of director or its subsidiaries or a Board director for more than eight consecutive years.
- 8) He or any company in which he is a director of its Board or owner thereof or a major shareholder therein has not received a trust from the bank in excess of 5% of the subscribed capital of the bank and he is not a guarantor of a trust from the bank of value in excess of that percentage.
- 9) He is well and highly qualified and experienced in financial and banking matters.

Article 4: Meetings of the Board of Directors

- a) Members of the Board shall attend the Board's meetings in person, if can't, the director may express his/her viewpoint through the phone or videoconference having obtained consent of the chairman of the Board but without having the right to vote or sign the minutes of meeting.
- b) The bank shall record minutes of meetings of the Board and its committees comprehensively and accurately as well as any reservations raised by any member. The bank shall properly maintain such minutes of meetings.
- c) The top executive management adequate time prior to the Board's meeting shall produce complete and accurate information to the directors and the chairman shall verify such information.

Article 5: Duties and Responsibilities of the Board

- a- The Board shall oversee and follow-up the top executive management's performance and ensure integrity of the bank's financial situations and its solvency. It shall adopt proper policies and procedures to oversee and control the bank's performance.
- b- The Board shall define the strategic objectives of the bank and instruct the executive management to set a strategy to achieve these objectives, approve it together with any business plan in line with the strategy.
- c- The Board shall endorse a policy to monitor and review the executive management performance through setting the key performance indicators (KPIs) to determine and measure and monitor performance and progress in the realization of the corporate objectives.
- d- The Board shall ensure that the policies and action plans are provided to the bank including all activities and in line with the related regulations and are circulated to all administrative levels and being regularly reviewed.
- e- The Board shall determine the corporate values of the bank; set clear lines of responsibility and



accountability to all bank's activities and shall establish a high culture of ethical, integrity and professional conduct standards among the members of the bank.

- f- The Board shall assume liability for integrity of all bank's operations including the financial situations; liability for implementing requirements set forth by the Central Bank as well as the requirements of the other regulatory and control authorities and shall observe the stakeholders and that the bank is managed and governed by the framework of regulations and policies of the bank and the effective control is in place at all times over the bank's activities including those entrusted with external parties.
- g- The Board shall, based on recommendations made to it by the competent committee, appoint the audit manager and head of the risk management, compliance officer and accept their respective resignations.
- h- The Board shall adopt internal control regulations; review them annually and make sure the internal auditor and external auditor reviews the structure of these regulations at least once a year. The Board shall include within the annual report of the bank evidence for efficiency of such regulations.
- i- The Board shall ensure independence of the external account auditor at all times.
- j- The Board shall ensure independence of the Sharia Supervision Board members from commencement and at all times in accordance with the conditions to be outlined herein.
- k- The Board shall adopt and oversee implementation of a strategy to the risk management. The proposed strategy includes level of risk appetite and ensures that the bank will be prone to high risks. The Board should be familiar with the operating business environment of the bank and the associated risks; to ensure presence of tools and substrate to the risk management in the bank able to determine, measure, control and oversee all kinds of risks faced by the bank.
- l- The Board shall ensure that the adequate MIS are in place and reliable covering all bank activities.
- m- The Board shall verify that the bank's credit policy includes assessment of type of corporate governance to the companies' dealers not least the public joint stock companies so that the risks to the dealers may be assessed by strengths and weaknesses in accordance with their exercising in the governance field.
- n- The Board shall make sure that the bank adopts proper social initiatives in the field of environment protection, health and education and observes provision of funding to the small and medium-sized businesses at appropriate prices and terms.
- o- The Board shall take procedures adequate to create a clear segregation between the shareholders' authorities who own influential interests on one hand and the executive management on the other with a view to promote the sound corporate governance. It shall find proper mechanisms to eliminate impacts of shareholders who own the influential interests through the following, for example but not limited to:
 - 1) None of the shareholders who possess influential interest may hold a job with the top executive management
 - 2) The top executive management shall derive its authority only from the Board and shall work within the delegation granted to it by the Board.
- p- The Board shall adopt the organizational structure of the bank setting out the admin hierarchy including the committees of the Board, supervision board and executive management.
- q- The Board shall define the banking operations that require consent provided no expansion therewith shall be observed in a manner that does not compromise the Board's regulatory role. It shall not delegate executive authorities including authority to grant credit to the Board's director severally including the chairman provided the authority structure should be amended to achieve the same.

r- Duties of the Secretary of the Board are as follows:

- 1- Attend all Board's meetings; record all deliberations, suggestions, objections and reservations and the way to vote on draft decisions of the Board.
- 2- Define dates of meetings in coordination with the chairman
- 3- Ensure members of the Board sign the minutes of meetings and decisions
- 4- Follow up implementation of the decisions passed by the Board and follow up addressing any topics not brought up in the previous meeting
- 5- Keep records and documents of the Board's meetings
- 6- Take necessary procedures to ensure draft decisions intended to be passed by the Board are in harmony with the regulations
- 7- Prepare for the ordinary general meetings and cooperate with the Board's committees
- 8- Provide the Central Bank with the proper declarations signed by the members of the Board
- s- Members and committees of the Board shall have direct communication with the executive management and secretary of the Board and facilitating their undertaking of the duties and tasks vested in them including outsourcing, when needed, and at the expense of the bank in coordination with the chairman while making sure none of the members may affect the decisions of the executive management but through deliberations held within the meetings of the Board of its committees.
- t- The Board shall undertake the following:
 - 1- Ensure presence of suitable Sharia Supervision Board and Sharia Controls regulation including the internal Sharia regulatory system through ensuring that there is an effective Sharia supervision independent from the bank units.
 - 2- Verify that all banking activities are undertaken in accordance with the provisions of Islamic principles, in particular Sharia opinions and Sharia decisions issued by the supervision board.
 - 3- Ensure the supervision board is provided with adequate necessary and on a timely basis with the aim to assist it to exercise their duties and assignments represented in verifying extent of bank's commitment to the provisions and principles of Islamic principles and making an independent opinion in this regard.
 - 4- Ensure having opinion of the supervision board pertaining to all contracts, transactions, agreements and products, services, investment policies, dividend distribution, loss charging, set aside revenues on the investment account and mechanism to dispose of Islamic noncompliant income.
 - 5- Adopt policy to regulate relations between the bank/shareholders and holders of investment accounts provided it is reviewed by the supervision board and committed to disseminate the policy on the bank's website.
 - 6- Adopt the policies and procedures manual relating to the compliance with the provisions of Islamic principles provided the manual shall at least include the following:
 - a- A mechanism to bring subjects before the supervision board for Sharia opinion and/or Supervision board decisions thereabout.
 - b- Manual/procedures of Supervision board business
 - c- Mechanism to ensure compliance with the Sharia opinions or decisions issued by the Supervision board
 - d- A mechanism to facilitate communication between the different bank units and customers with the Supervision board
 - 7- Ensure presence of a mechanism to provide the bank customers, upon request, with explanation to any Sharia opinion issued by the Supervision board.
 - 8- Commit to disseminate Sharia opinions and decisions issued by the Supervision board on the bank's website and in case of bringing up a product or service or adopting a remedy or



mechanism pertaining to the product or service for which Sharia opinions and decisions have been issued, they shall be disseminated within a period of no more than six months from the bringing up/adoption date.

- 9- Ensure compliance with the control standards issued by the accounting and auditing organization for the Islamic financial institutions.
- u- The chairman of the Board shall, at minimum, assume the following:
 - 1- Keen to establish constructive relations between the Board and the executive management within the bank.
 - 2- Keen to establish constructive relations between the Board and Supervision board on one and the Supervision board and executive management of the bank
 - 3- Encourage constructive criticism of issued addressed in general and those having different viewpoints between the members. Encourage discussions and voting on such issues.
 - 4- Ensure that all previous minutes of meetings are received by the Board directors and agendas are delivered adequate period before convention of any meeting. The agenda shall include adequate written information about the subjects to be discussed in the meeting. Service of agenda is the responsibility of the secretary of the Board.
 - 5- Ensure a charter regulating the Board business is in place
 - 6- Discuss exhaustively the strategic and important issues in the Board's meetings
 - 7- Provide the directors, when elected, with the provisions of laws relating to the bank's activities and relevant instructions of the Central Bank including these instructions as well as manual showing the director's rights, responsibilities, duties together with the duties, tasks and assignments of the secretary.
 - 8- Provide every director with adequate summary of the bank's business upon appointment or upon request.
 - 9- With the help of the legal counsel of the bank, deliberate with any new member about tasks and responsibilities in particular those pertaining to the legal and regulatory requirements and possible access to independent specialized technical advice when necessary
 - 10- Meet the needs of directors in connection with upgrading their experience and continued learning. The new director shall be given the chance to attend orientation programs that would observe the director's banking background and provided such program should, as minimum, include the following subjects:
 - a- The bank's organizational structure, corporate governance and the professional Code of conduct and ethics.
 - b- Corporate objectives and the bank's strategic plan and adopted policies.
 - c- Bank's financial situations
 - d- Risk structure of bank and its risk management framework.
 - e- Legal controls
- v- Each director shall assume, as minimum, the following:
 - 1- Be familiar with the Islamic banking business-related regulations and principles and the bank's operating environment; keep abreast of the developments taking place as well as the external updates that are related to its business including appointment requirements for employments of the top executive management of the bank.
 - 2- Attend meetings of the Board and its committees, as the case may be, and the general assembly meetings
 - 3- Not to disclose any confidential information of the bank or use it for his/her own interest or interest of others.
 - 4- In all transactions made with any other company in which he/she has a personal interest,

the interest of the bank shall prevail. Never take the business opportunities of the bank for your own interest. Avoid conflict of interests and disclose any conflict of interest to the Board in details when present while committing not to be present or not to take part in the decision passed during the meeting in which this subject is discussed and deliberated. Such disclosure should be recorded in the minutes of Board's meeting.

Article 6: Limits of liability and accountability

- a- The Board of Directors shall adopt clear limits of liability, accountability, commitment and binding therewith in all Board levels within the bank.
- b- The Board shall ensure that the organizational structure clearly reflects lines of responsibility and authority provided it includes at least the following regulatory levels:
 - 1- Board of Directors
 - 2- Sharia Supervision Board
 - 3- Separate departments of risks, compliance, internal audit, Sharia internal audit don't exercise daily executive activities.
 - 4- Units/employees not participants in the daily operations of the bank activities (such as credit audit officers and Middle Office employees)
- c- The Board shall ensure that the top executive management assumes their responsibilities pertaining to the daily operation management of the bank and contributes to the application of the corporate governance, it delegates authorities to the officers, establishes an effective Board structure that would enhance accountability and implements tasks and missions of the various business activities and fields in conformity with the policies and procedures approved by the Board as well as the resolutions and Sharia opinions issued by the Supervision board.
- d- The Board shall adopt regulatory and Sharia controls to hold accountable the top executive management.
- e- Notwithstanding the provisions of the Companies' Law, the combination between the positions of chairman and general manager shall be prohibited and the chairman or any of the Board's directors or major shareholders may not have kinship with the general manager below the fourth degree.
- f- The general manager shall, in addition to the provisions of regulations, undertake the following:
 - 1- Develop the strategic orientation of the bank
 - 2- Implement the bank's strategies and policies
 - 3- Carry out the decisions of the Board of Directors
 - 4- Implement and comply with the resolutions and Sharia opinions issued by the Supervision board
 - 5- Provide guidance to implement short and long term business plans
 - 6- Communicate vision, mission and strategy of the bank to the staff members
 - 7- Notify the Board of all important aspects of the bank's operations
 - 8- Manage the day-to-day operations of the bank

Article 7: Board of Directors Committees

The Board of Directors shall form committees from among its members and determines their objectives and delegates authorities to them in accordance with a charter setting out the same. These committees shall submit periodic reports to the Board. Existence of such committees may not relieve the Board as whole from assuming its liabilities. The Board shall form, as minimum, the following committees:

**a) Corporate Governance & Compliance:**

- 1- The committee is composed at least of three members (two independent at least) including the chairman. The committee shall assume guiding and overseeing the preparation of the corporate governance manual, update and control its implementation.
- 2- Through its chairman, the committee has authority to access any information from the executive management in addition to being entitled to call upon any executive officer or director to attend its meetings provided this is provided for in writing in the committee charter that includes duties and responsibilities of the committee.
- 3- The committee shall assume the following assignments:
 - Organize the relationship between the bank and shareholders and ensures the necessary disclosure reports are issued.
 - Produce periodic reports to the Board about extent of compliance with the corporate governance practices on the part of the bank.
 - Work and coordinate with the Board's other committees to promote the corporate governance in the bank and ensure transparent activity of committees before the Board
 - Promote concepts of transparency and disclosure
 - Supervise practices of the corporate governance of the bank and ensures presence of all corporate governance basic substrates.
 - It is the responsibility of the committee to ensure compliance in accordance with the policies, procedures and requirements of the Cental Bank of Jordan and the other legislative authorites including anti-money laundering and terrorist financing requirements
 - Oversee the preparation of compliance policy, the annual plan and updating it and increase awareness of the compliance issues within the bank.
 - Review compliance policies and strategies; anti-money laundering and terrorist financing at the bank and approve the same by the Board. It is the responsibility of the bank executive management to implement these strategies in addition to develop policies and procedures for managing the different kinds of non-compliance risks.
 - Keep abreast of the rapid developments and the increasing complications arising to the compliance department inside the bank; submit periodic reports to the Board about those developments.
 - Evaluate effectiveness degree whereby the bank manages the (noncompliance risks) and release periodic reports to the Board of Directors about extent of compliance of the bank before the regulatory authorities.
 - Ensure presence of an effective internal regulatory system to implement the compliance policies and verify good performance thereof.

b) Audit Committee (AC)

- 1- Subject to the provisions of the Banks Law, this committee shall be formed of at least three members most of them including the chairman of the committee are independent.
- 2- All members of the committee are holders of scientific qualifications and have proper practical experience in the accounting or financial or any other discipline or related similar fields. In case of lack of the proper Islamic Bank-related experience they are subjected to suitable training programs in the accounting, audit and controls standards and Islamic standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the standards issued by the Islamic Financial Services Board (IFSB).
- 3- Subject to the provisions of the Banks Law concerning the duties and authorities of the

committee, the latter shall review the following matters:

- a- Scope, results and adequacy of internal and external audit of the bank
- b- Accounting issues of material impace on the bank's financial statements.
- c- The internal control systems in the bank
- 4- Provides recommendations to the Board relating to the external auditor, his/its termination, remuneration and any other contracting –related conditions in addition to evaluate its independence taking into account any other activities assigned to him/her beyond the audit scope.
- 5- The committee shall have authority to access any information from the executive management and is entitled to call upon any Board member to attend its meetings provided the same is set forth in its charter.
- 6- The committee meets with the external auditor and internal auditor and the compliance officer at least once a year without the attendance of any member from the top executive management.
- 7- It reviews and controls procedures whereby the employee may confidentially notify of any error in the financial reports or any legal violations or any other matters. The committee ensures necessary arrangements for independent investigation and make sure results of investigation are objectively pursued and addressed.
- 8- The committee ensures ability of the external auditor to audit commitment of the bank to the Sharia controls and within the conditions provided for in the engagement letter signed with him/it and makes sure he is undertaking the same.

c) Nomination & Remuneration Committee (NRC)

- 1- This NRC shall be formed of three members and independent members are not less than two including the head of the NRC
- 2- The NRC assumes the following tasks:
 - a- Identify the persons qualified to enroll in the Board's membership taking into account abilities and qualifications of nominated persons. Further, in case of renomination several times, number of attendance cases, his effective participation in the Board's meetings shall be taken into consideration.
 - b- Identify the persons qualified to joint the Supervision board membership taking into account the abilities and qualifications of nominated persons. It observes that the Supervision board member should possess the juristic faculty conversant in understanding sedulous speech and able to work hard on jurisprudential matters and deduction on emerging issues. Further, he is characterized by foresight and diligence, familiar with people's customs and conditions, watchful to their tricks in counterfeiting and talking the other way round portraying illegal as legal. He should be versed in the country traditions and customs in order to undertand intention of the poller. Further, in case of renomination several times, number of attendance cases, his effective participation in the Supervision board meetings shall be taken into consideration.
 - c- Nominates the qualified persons to the Board to joint the top executive management
 - d- Ensures the Board members and members of Supervision board attend workshops or sumposiums on the banking subjects not least the risk management, corporate governance and latest developments in the Islamic Banking business.
 - e- Define whether the member satisfies the independent member capacity taking into account the least conditions prescribed herein. Review the same annually.
 - f- Follow specific and approved bases in evaluating the performance of the Board , Supervision board and the general manager so that the performance evaluation standard is objective.



- g- Provide information and briefs about the background of certain important bank topics to the Board members and Supervision board members, upon request. Ensures that they continuously identify the latest subjects relating to the Islamic banking business.
- h- Ensures that there is the remuneration granting policy in place to the bank Board members and this policy is revised periodically and applied according to the committee recommendations to determine salary of the general manager and the remaining top executive management other remuneration and benefits.
- i- Ensures that the succession plan of the top executive management is in place.

d) Risk Management Committee

- 1- This committee is formed by at least 3 Board members provided among them one independent member. Members from the top executive management may joint its membership.
- 2- The committee shall assume the following tasks:
 - a- Review the risk management framework of the bank
 - b- Review the bank's risk management strategy before being endorsed by the Board
 - c- Keep abreast of developments that would affect the risk management and submit periodic reports thereabout to the Board.
 - d- Verify absence of variations between actual risks taken by the bank and risk appetite approved by the Board.
 - e- Set up proper circumstances to identify material effect risks and any activities undertaken by the bank that would expose it to greater risks than the risk appetite; submit reports to the Board accordingly and follow treatment thereof.

e) Executive Committee:

- a- The executive committee shall be formed by a Board's decision. Its members should not be less than three elected from among the Board members who are adequately experienced in the bank's business. It exercises authorities in accordance with those entrusted with it by the Board of Directors.
- b- Through its chairman, the committee has the authority to access any information from the executive management and shall be entitled to call upon any Board member or executive officer to attend its meetings provided the same is provided for in writing in its charter that outlines tasks and responsibilities of the committee.
- c- The committee shall assume the following assignments:
 - 1- General oversight and review the performance against the budget and strategy
 - 2- Control the bank's performance and activities of the executive management; conduct periodic review to the performance compared to the budget and strategy as approved by the Board.
 - 3- Take the fiduciary and investment decisions that are beyond the authority of the executive management; submit recommendations/reports to the Board accordingly; review and approve the financing and investment proposals pursuant to the authorities vested in it by the Board of Directors.
 - 4- Review and approve the bank's policies and new products
 - 5- Continuous review of the bank's management performance

Article 8: Sharia Supervision Board

- Subject to Article 58 of the Banks Law No. 28 of 2000, as amended, the bank shall commit to:

- 1) Appoint the Supervision board members upon recommendations made to it by the Board of Directors and upon submissions of the Nomination and Remuneration Committee for a term of four renewable years.
- 2) A letter of engagement between the bank and Supervision board shall be signed whereby scope of the Supervision board business, duties and remuneration are determined.
- 3) Supervision board meetings:
 - a- The committee meets periodically to make periodic reviews and follow legal commitment of the bank's operations provided its meetings may not be less than six a year. It also meets with the Board of Directors, audit committee and external auditor at least twice a year (every six months) to discuss issues of joint interest.
 - b- The Supervision board members shall attend such meetings in person. If not, the member may express his/her opinion through the phone or videoconference having obtained consent of the chairman of the committee. He/she is entitled to vote or sign the minutes of meeting. The member may lose this right in any of the following cases:
 - 1- If failed to attend personally without acceptable excuse
 - 2- If the personal attendance rate of the member is less than 50% of the Supervision board meetings
 - c- Minutes of meetings should be recorded in full and accurately in addition to any reservations raised by any member. The bank keeps all these minutes properly.
 - d- The top executive management and adequate time before the Supervision board meeting shall provide accurate and complete information to the Supervision board members. The chairman of the Supervision board shall verify such information.
- 4) The Supervision board shall prepare manual for procedures to include the internal procedures, disciplines and responsibilities and regulates its relations with the Board and executive management as well as the reporting mechanism to be submitted to the management, Board and shareholders, its methodology in legal control and mechanism of convening its meetings.
- 5) The Supervision board shall observe the Sharia environment – taking into account Article 53/a of the Banks Law No. 28 of 2000, as amended- and legislations in the Kingdom.
- 6) Code of Conduct of the bank shall apply to the Supervision board members.
- 7) To ensure independence of the member, the following, as minimum, shall be met:
 - a- He/she has not received any funding whether to him/her or to his/her family members up to the second degree from the bank or from any of its subsidiaries.
 - b- He/she was not employed by the bank or by any of its subsidiaries during the two years preceeding the appointment date
 - c- He/she has not been member in any Sharia Supervision Board with any other Islamic Bank licensed in the Kingdom and not member in any Sharia Supervision Board for more than four financial institutions that don't accept deposits and operating in the Kingdom, subject to no conflict of interests.
 - d- He/she is not member on the bank's Board of Directors or owner of a company with whom the bank is dealing with the exception of the transactions arising due to services and/or normal business the bank renders to its dealers provided they are governed by the same conditions the similar transactions are subject to with any other party and without any preferential terms.
 - e- He/she is not related to any member of the bank's Board of Directors or any person in the



top executive management in the bank in any kinship up to the second degree. He/she does not receive any salary or amount or remuneration or benefits or gifts from the bank save the remuneration received in consideration of his/her membership in the Supervision board or in consideration of any additional works assigned to him/her but does not affect his/her independence.

- f- He/she is not a shareholder in the bank or proxy of a major shareholder or an ally to a major shareholder in the bank or his/her contribution with the ally contribution would constitute an amount equal to a major shareholder's share or a major shareholder in one of the group owning the bank.
- 8) The Supervision board member should strive to achieve the following:
 - a- Establish justice and fairness among the stakeholders
 - b- Act in a manner allowing him/her to preserve his/her honesty and integrity
 - c- Takes into account the technical aspects for legal commitment only when taking the decision
 - d- Regard the different opinions between the various jurisprudential doctrines and variance of experience between the coworkers in the Supervision board.
- 9) The Supervision board shall assume Sharia opinions and Sharia control as follows:
 - a- Control the bank business and activities in terms of conformity and non-contravention with the Islamic provisions, follow-up and review operations to verify they are free of any Sharia prohibitions.
 - b- Express opinion and approve all contracts, transactions, agreements, products, services and investment policies and the policy that regulates the relationship between the shareholders and the investment account holders including dividend distribution, loss charging, set aside revenues on the investment account and mechanism to dispose of Islamic noncompliant income.
 - c- Endorse charging any losses resulting from any bank operations concerning the investment account holders.
 - d- Make and express opinion on extent of bank's compliance with the Islamic provisions and principles. The Supervision board also:
 - 1- Review and adopts the annual Sharia audit report and file it to the audit committee
 - 2- Release semi-annual/annual report about the Sharia compliance. This report includes effectiveness of the internal Sharia controls and any soft points in the Sharia controls system and internal legal control of material impact. The semi-annual report is submitted to the Board of Directors while the annual one to the shareholders general assembly both copied to the Central Bank.
 - e- Review and approves the policies and guidance relating to the Islamic provisions
 - f- Provide advice to the parties rendering services to the bank like the auditors, certified public accountants and consultants.
 - g- Ensure adequacy and effectiveness of the internal legal control in the bank
 - h- Ensure adequacy and effectiveness of the internal Sharia audit department through reviewing the internal Sharia audit reports and response of the management thereto and submits directions to the internal Sharia audit department
 - i- Coordinate with the corporate governance and compliance committee and audit committee to ensure compliance of the bank with the Islamic provisions and principles.
 - j- Any proposal for Sharia training necessary to the bank staff members.
 - k- Identify all reports including review of compliance with the Islamic provisions and principles including the reports by the Central Bank, auditor and responses of the management thereon.
 - l- Attend meetings of the shareholders general assembly and read report by the Sharia

Supervision Board by its head or whoever he/she may designate from the Supervision board members.

- m- Make opinion on the memorandum of association and articles of association and ensure they are in harmony with the Islamic provisions and principles.
- n- Make submissions to the Board of Directors on appointment/dismissal of the Sharia internal audit manager.
- 10) Head of the Sharia internal audit department should be appointed as Supervision board Secretary.
- 11) The Secretary shall assume the following duties:
 - a- Attend all Supervision board meetings; record all deliberations, proposals, objections and reservations and method of voting on Supervision board draft decisions.
 - b- Determine dates of Supervision board meetings in coordination with the head of the Supervision board and communicate the same to the members.
 - c- Prepare for the Supervision board meetings; receive Sharia inquiries from all organizational units paving the way for submitting them to the Supervision board.
 - d- Ensure all members have signed the minutes of meetings and decisions
 - e- Follow-up the implementation of Sharia opinions and decisions taken by the Supervision board and brief the Sharia internal audit department and the compliance department for action and follow discussion of any topic brought forward from the previous meeting.
 - f- Keep meetings' records and documents of the Supervision board
 - g- Write down name of the member absent from the meeting showing whether excused or not and state the same in the minutes of meeting.
 - h- Provide the Central Bank with the proper declarations signed by the Supervision board members
- 12) The Supervision board shall have free access to any information and activities of the bank and to communicate with any employee within the bank. It shall be delegated with all authorities and powers to perform the duties and tasks entrusted with it as required, including summon of any employee.
- 13) If the need be, and having obtained consent of the Board, the Supervision board may resort to outsourcing at the expense of the bank to help it undertake the tasks vested in it to the fullest.

Article 9: Consistence

Members of the Board of Directors and members of the Supervision board and top executive management shall have the utmost integrity, credibility, competence, experience and ability to commit and dedicate time to the bank's business. It is the responsibility of the Board and NRC to ensure the same.

Article 10: Consistence of Board Members

- a- The Board shall adopt an effective policy to ensure consistence of its members provided such policy should encompass the minimum standards, requirements and conditions to be met by the nominated and appointed member provided this policy should be reviewed when needed. Adequate procedures and regulations should be set to ensure all members satisfy the appropriate standards at all times. The bank should provide the Central Bank with a copy of the policy approved by the Board.



- b- Whoever holds chairmanship or membership of the Board of Directors shall meet the following conditions:
 - 1- Not less than 25 years old
 - 2- He/she is not a member on the Board of Directors of another bank within the Kingdom or its general manager or regional manager or employed by it unless such other bank is a subsidiary
 - 3- He/she is not a lawyer or legal counsel or auditor of the bank
 - 4- Holding the first university degree as minimum whether in economy or finance or accounting or business administration or any other similar discipline. The NRC may consider addition of other disciplines if coupled with bank-related business experience.
 - 5- He/she is not a government employee or any other public official institution unless he/she is its representative.
 - 6- He/she is not a member in Board s of directors of more than five public joint stock companies within the Kingdom in his/her personal capacity in some and representative of a legal person in the others.
 - 7- He has experience in the bank business, finance or similar fields of no less than five years. He is familiar with the banking activities compliant with the Islamic provisions.
- c- The Central Bank may make objections to the nomination of any person to the membership of the bank's Board of Directors should it find that he/she doesn't meet any of the conditions set forth in clause (b) above.
- d- Whoever holds chairmanship or membership of the Board shall sign a declaration (in accordance with the annexed form No. (1)) to be kept with the bank copied to the Central Bank annexed with the member's C.V.
- e- The chairman of the Board shall make sure the Central Bank is notified of any material information that may negatively affect the consistence of the members.

Article 11: Consistence of Top Executive Management Members

- a- The Board shall adopt a policy to ensure consistence of members of the top executive management in the bank provided such policy should encompass the minimum standards, requirements and conditions to be met by the member. The Board should review this policy from time to time. Adequate procedures and regulations should be set to ensure all members satisfy the consistence standards at all times. The bank should provide the Central Bank with a copy of the policy
- b- The Board shall appoint a general manager characterized by integrity, technical competence and banking experience. The prior consent of the Central Bank should be obtained before appointment
- c- To have consent of the Board when appointing any member of the top executive management in the bank
- d- The Board shall endorse the succession plan to the members of the top executive management. The Board shall review the plan one a year at least.
- e- The Board shall notify the Central Bank of any material information that may negatively affect consistence of the members
- f- Whoever appointed in the top executive management shall meet the following conditions:
 - 1- He/she is not a member on the Board of Directors of any other bank inside the Kingdom unless it is a subsidiary
 - 2- Should be full time dedicated to the bank business

- 3- Holder of the first university degree as minimum in economy or finance or accounting or business administration or any other similar discipline that is related to the bank business
- 4- He/she has experience in bank's business and related businesses of no less than five years except for the position of the general manager for which experience is no less than ten years.
- 5- Among the experience set out in the previous clause, at least two years in the Islamic banks field otherwise the member of the top executive management shall undergo a comprehensive qualifying program in the Islamic banks field, accounting standards, audit and legal controls and standards issued by the the accounting and auditing organization for the Islamic financial institutions and the standards issued by the Islamic Financial Services Board (IFSB) for no less than three months.
- g- No objection letter should be obtained from the Central Bank prior to appointment of any member in the top executive management and thus the bank should, before appointment of any member in the top executive management, have the C.V of the nominated person annexed with the scientific documents and certificates, experience certificates and good conduct certificate and other supporting documents. The nominee is asked to sign the declaration exhibit No.2 and the bank should provide the Central Bank with a copy of the declaration together with the relevant C.V.

Article 12: Consistence of the Sharia Supervision Board

- a- The Board shall adopt an effective policy to ensure consistence of members of the Sharia Supervision Board provided such policy should encompass the minimum standards, requirements and conditions to be met by the nominated appointed member. The Board should review this policy when needed. Adequate procedures and regulations should be set to ensure all members satisfy the consistence standards at all times. The bank should provide the Central Bank with a copy of the captioned policy approved by its Board of Directors.
- b- Whoever holds chairmanship or membership of the Board shall meet the following conditions:
 - 1- He/she is a holder of the bachelor degree in Islamic Sciences, Islamic jurisprudence, principles or Islamic economy or Islamic financing.
 - 2- He/she has experience of no less than 3 years in issuing Sharia opinions and Islamic provisions and/or experience in teaching or scientific research of no less than four years following graduation.
- c- The Central Bank may object nomination of any person to the membership of the Board of Directors of the bank if found not meeting any of the conditions outlined in clause (b) above.
- d- Whoever holds chairmanship or membership of the Supervision board shall sign the declaration in exhibit 3 to be kept with the bank copied to the Central Bank and annexed with the members' C.V.
- e- The chairman of the Board shall notify the Central Bank of any material information that may negatively affect the consistence of the Supervision board members.
- f- If the need be to appoint members of the Supervision board of those residents abroad, the number is stipulated not to exceed half of the number of the Supervision board members.

Article 13: Performance Appraisal of Supervision board Members

- a- The Board shall create a system for appraisal of its works and members provided it encompasses as minimum the following:
 - 1- Set specific objectives and determine role of Board in achieving the measurable objectives



- 2- Determine the key performance indicators that may be deduced from the strategic plans and goals and use them to measure the Board's performance
 - 3- Periodic communication between the Board of Directors and the shareholders
 - 4- Periodic meetings of the Board of Directors with the top executive management
 - 5- Role of the member in the Board's meetings; compare its performance to that of the other members' performance. Feedback should be obtained from the concerned member with a view to improve the appraisal process.
- b- NRC shall evaluate annually the Board's business as whole and its committees and members provided the NRC shall notify the Central Bank of the result of such evaluation.
 - c- The Board shall evaluate the Supervision board and its members' performance in accordance with a predetermined evaluation by the NRC and encompasses setting the KPIs to include the Supervision board and its members' performance evaluation standards through the role of the member in the Supervision board meetings; comparison of his/her performance with that of the Supervision board other members. Feedback of the concerned member should be obtained in order to improve the appraisal process. The evaluation system should include also extent of the Supervision board's achievement of its duties and tasks and effectiveness of the Sharia control system in the bank.
 - d- The Board shall evaluate performance of the general manager on annual basis in accordance with the predetermined evaluation by the NRC and encompasses setting the KPIs. The performance evaluation standards of the general manager include the financial and admin performance of the bank, commitment to apply the legal controls approved by the bank, extent of achievement of his/her the bank's medium and long term strategies and plans, provided the committee shall notify the Central Bank of the evaluation results.
 - e- The Board shall adopt a system to measure performance of the bank members other than the members of the Board of Directors and the general manager provided such system should include, at minimum, the following:
 - 1- The system provides proper weighing to measure the performance commitment to the risks management framework and application of the internal controls and the regulatory requirements.
 - 2- Total of income or profit is not the only element to measure performance; however, other elements to measure performance of members like the risks associated with the basic operations and customer's satisfaction wherever applicable should be taken into consideration.
 - 3- Not to exploit influence and conflict of interests

Article 14: Financial Remunerations of Directors and Supervision board Members' Fees

- 1- The Board shall set procedures to determine remuneration of its members based on the approved evaluation system.
- 2- The Board shall set procedures to determine board members' fees based on the approved evaluation system.
- 3- NRC of the bank shall set the financial remuneration policy to the directors characterized by objectivity and transparency. The policy should be adopted and approved by the Board and the Central Bank is provided with a copy thereof.
- 4- The financial remuneration policy shall provide, at minimum, the following elements:
 - a- Set and prepared to maintain the members of experience, skills and competency and keep them stimulated motivated and to upgrade their performance.

- b- Designed to make sure it will be utilized in a way to affect the solvency and reputation of the bank
- c- It takes into account the risks, liquidity and profits situation and timing
- d- Granting remuneration may not be based only on the current year performance but but also based on his/her performance in the medium and long term (3-5 years)
- e- It reflects the bank's goals, values and strategy
- f- Form of remunerations are defined in the form of fees, salary, allowances, bonuses or share options or any other benefits
- g- It compasses possible postponement of payment of reasonable rate of remuneration and such rate together with the postponement period are determined based on nature of business, risks and activities of the concerned member.
- h- No financial remuneration to the members of the regulatory and control departments will be granted (risk management, audit, compliance and others) based on results of departments' activities under control.

Article 15: Conflict of Interests

- 1- Members are asked to avoid conflict of interests
- 2- The Supervision board shall approve a policy and procedures to address conflict of interests
- 3- The Board shall adopt policies and procedures for transactions of stakeholders to include definition of stakeholders taking into account the regulations, transactions conditions, approval procedures and control mechanism over such transactions. These policies and procedures may not be passed over and encroached.
- 4- The control regulatory departments in the bank shall ensure that the stakeholders' transactions are undertaken and processed in accordance with the approved policy and procedures. The audit committee reviews and controls all these transactions and introduces them to the Board of Directors.
- 5- The Board shall ensure that the top executive management implements the approved policies and procedures.
- 6- The Board shall adopt controls for information circulation movement between the different departments and such controls would prevent personal exploitation.
- 7- The Board shall adopt and circulate policies and charter of professional conduct to all members to include as minimum the following:
 - a- No department may exploit any internal information in the bank for their own personal interest
 - b- Rules and procedures regulating transactions with the stakeholders.
 - c- Cases from which conflict of interest may arise.
- 8- The Board shall ensure that the executive management enjoys high integrity in exercising its business and avoids conflict of interest.

Article 16: Internal Audit

- 1- The Board shall ensure that the internal audit department in the bank is able to undertake the following tasks, as minimum:
 - a- Verify provision of and compliance with adequate internal audit and control systems to the bank and subsidiaries' activities
 - b- Verify compliance with the bank's internal policies and international standards and related regulations.



- c- Audit the financial and administrative financial matters so that it is possible to ensure that the major information about the financial and administrative matters is accurate and provide reliance and proper timing.
 - d- Review compliance with the corporate governance manual
 - e- Review validity and universality of the stress testing in agreement with the methodology approved by the Board .
 - f- Ensure accuracy of applicable procedures for the Internal Capital Adequacy Assessment Process (ICAAP).
- 2- The Board ensures and enhances dependence of the internal auditors giving them a suitable position in the career ladder of the bank. It ensures they are qualified enough to undertake their duties including the right of access to all records and information and communicate with any employee in the bank to enable them to perform the tasks vested in them and to prepare their reports without any external interference.
 - 3- The Board shall take necessary actions to enhance effectiveness of internal audit through the following:
 - Give necessary importance to the audit process and establish the same in the bank.
 - Continue correcting audit notes
 - 4- The audit committee should verify provision of adequate resources and trained number of human personnel qualified to the internal audit department,
 - 5- The audit committee shall verify that the internal audit staff members are rotated on auditing the bank activities every three years as maximum.
 - 6- The audit committee shall verify that the internal audit personnel are not assigned to any executive assignments.
 - 7- The audit committee shall verify that all bank activities are audited including the outsourced activities
 - 8- The Board shall adopt the internal audit charter that includes tasks, authorities and responsibilities of the audit department and circulate it within the bank.
 - 9- The Board shall verify that the internal audit department is under the direct supervision of audit committee and reports directly to the audit committee and the general manager.
 - 10- The audit committee in coordination with the nomination and remuneration committee shall evaluate performance of the internal audit personnel; determine their remuneration in line with the human capital policies.

Article 17: Sharia Internal Audit

- 1- The Supervision board shall ensure that the Sharia internal audit in the bank is able to undertake the following tasks and duties, as minimum:
 - a- Check and evaluate adequacy and effectiveness of the Sharia internal control system of the bank
 - b- Pursue compliance of the bank management with the legal aspects, Sharia opinions and decisions issued by the Supervision board.
 - c- Set the annual Sharia audit plan to be approved by the Supervision board and implement its items
 - d- Check receivables and finances that are classified under non-operating facilities or those decided to be written off funded from the joint investment accounts in order to verify absence of encroachment or default on the part of the bank.
 - e- Limitation of earnings contravening the Islamic principles and disposing of them in accordance with the Supervision board's decisions.

- f- Verify that executive management complies with the policy that regulates relations between the shareholders and investment account holders, in particular distribution bases of dividends.
- 2- The Board shall ensure and enhance independence of Sharia internal auditors giving them a suitable position in the career ladder of the bank. It ensures they are qualified enough to undertake their duties including the right of access to all records and information and communicate with any employee in the bank to enable them to perform the tasks vested in them and to prepare their reports without any external interference.
 - 3- The Board shall take necessary actions to enhance effectiveness of Sharia internal audit through the following:
 - Give necessary importance to the Sharia audit process and establish the same in the bank.
 - Continue correcting Sharia audit notes
 - 4- The Board shall verify provision of adequate resources and qualified number of human personnel to the Sharia internal audit department and that they are well trained. The personnel in the department should, as minimum, meet the following requirements:
 - a- A related university degree and familiar with the Islamic financial transaction principles, respective conditions of each contract and reasons of termination
 - b- Familiar with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
 - 5- The Board shall verify that the Sharia internal audit personnel are rotated to audit the bank activities every three years as maximum
 - 6- The Board shall verify that the Sharia internal audit personnel are not assigned to any executive assignments.
 - 7- The Board shall verify that all bank activities are legally audited including the outsourced activities
 - 8- The Board shall adopt the internal audit charter that includes tasks, authorities and responsibilities of the Sharia audit department and circulate it within the bank.
 - 9- The Board shall verify that the Sharia internal audit department is under the direct supervision of the Supervision board and reports directly to the chairman of the Supervision board copied to the audit committee.
 - 10- The Supervision board in coordination with the nomination and remuneration committee shall evaluate performance of the Sharia internal audit personnel; determine their remuneration in line with the human capital policies.

Article 18: External Audit

- 1- The Board shall ensure that the external auditor is regularly rotated between the audit offices and their subsidiaries or allied or associated companies in any way every seven years as maximum as of the election date.
- 2- The seven years period is calculated on the application commencement as of 2010
- 3- The first year (at rotation) of the new office shall be joint with the old office
- 4- The former office may not be re-elected before the lapse of at least two years from the last election to it in the bank unlike the joint audit duty
- 5- The Supervision board shall verify that the external auditor has audited adequacy and effectiveness of the Sharia internal control system in the bank.
- 6- The audit committee shall annually verify independence of the external auditor
- 7- The Board shall take proper actions to address weaknesses in the internal control systems or any other soft points demonstrated by the external auditor.



Article 19: Risk Management

- 1- The risk management should monitor compliance of the bank's executive managements with the risk appetite levels
- 2- The Board shall verify the irregularities at the risk appetite levels are addressed, including holding the concerned top executive management accountable for these irregularities.
- 3- The Board shall ensure that the risk management department periodically undertakes stress testing to measure the bank's ability to tolerate shocks and face the elevated risks. The Board should have a key role in adopting the used assumptions and scenarios and to discuss testing results and adopt actions to be taken based on the results.
- 4- The Board shall approve the internal evaluation methodology to the bank's capital adequacy so that it is universal and effective and able to determine all risks including the legal ones that the bank is likely to face and it takes into account the bank's strategic plan and capital plan. The methodology should periodically be reviewed and its application verified. It should be verified that the bank maintains a capital adequate to meet all faced risks.
- 5- The Board, prior to approval of any activity expansion, shall take into account the resulting risks and competence and qualifications of the risk management department personnel.
- 6- The Board should ensure independence of the risk management department in the bank through submitting its reports to the risk management committee and granting the department authorities and powers necessary to be able access information from the bank's other departments and cooperate with the other committees to undertake the respective duties.
- 7- The Board shall adopt the risk appetite charter of the bank:
- 8- Duties of the risk management departments, as minimum, are as follows:
 - a- Review the risk management framework before the Board's approval
 - b- Implement the risk management strategy in addition to setting the risk management policies and procedures to manage all kinds of risks.
 - c- Setting methodologies to determine and measure and control each kind of the risks.
 - d- Submit reports to the Board through the risk management committee copied to the top executive management including information about the actual risk profile for all bank activities compared to the risk appetite; follow up addressing the negative deviations.
 - e- Verify that the risk measurement mechanisms are integrated with the used management information systems
 - f- Study and analyze all risk types faced by the bank
 - g- Make recommendations to the risk management committee about the bank's exposures to risks; record exemptions from the risk appetite levels
 - h- Provide necessary information about the bank risks to be used for disclosure purposes

Article 20: Compliance Department

- 1- The Board shall ensure independence of compliance department to include the Sharia compliance department; ensure continuous staffing it with adequate and well-trained personnel
- 2- The Board shall adopt a policy to ensure the bank's compliance with the related legislations, Sharia opinions and decisions issued by the Supervision board; review the policy periodically and verify its application.
- 3- The Board shall adopt tasks and responsibilities of the compliance department

- 4- The compliance department reports to the Board or the corporate governance and compliance committee and the Supervision board copied to the general manager.

Article 21: Rights of Stakeholders

- 1- The Board shall provide a specific mechanism to ensure communication with the stakeholders through disclosure and to provide information of significance about the bank activities to the stakeholders through the following:
 - a- General assembly meetings
 - b- Annual report
 - c- Quarterly reports containing financial information, in addition to reports of Board's about trading shares of the bank, its financial position during the year.
 - d- The bank's website
 - e- Shareholders' relation division
- 2- The Board shall ensure appropriation of part of the website to include explanation and clarifications to the stakeholders and encourage them to attend the general assembly meetings and vote therein as well as dissemination of meetings-related documents including the full text of convocation and minutes of meetings.
- 3- The Board shall provide and designate part of the website to include clarifications about rights of the investment account holders and disseminates the policy that regulates their relations with the shareholders to include quantitative and qualitative disclosures.

Article 22: Disclosure & Transparency

- 1- The Board shall ensure dissemination of financial and non-financial information of concern to the stakeholders
- 2- The annual report of the bank should encompass a text to the effect that the Board is responsible for the accuracy and adequacy of the financial statements of the bank and the information contained in that report, adequacy of the internal control systems and Sharia control systems.
- 3- The Board shall ascertain compliance of the bank with the disclosures determined by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and compliance with the disclosures issued by the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in case Islamic Standards are not made available and directions of the Central Bank and other related regulations. It shall make sure that the executive management is familiar with the changes to the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Financial reporting Standards.
- 4- The Board shall ensure the annual report of the bank and its quarterly reports include disclosure paving the way for the current or potential shareholders identify the operation results and the financial position of the bank.
- 5- The Board and Supervision board shall ensure that the annual report of the bank includes disclosures paving the way for the current or potential investment account holders identify operation results and the legal financial situation of the bank.
- 6- The Board shall ensure that the annual report includes, as minimum, the following:
 - a- Summary of the organizational structure of the bank
 - b- Summary of the tasks and responsibilities of the Board committees and any authorities delegated to the committees by the Board.



- c- The information that concerns the stakeholders set out in the corporate governance manual of the bank and extent of compliance with the manual.
- d- Information about each member of the Board in terms of respective qualifications, experience and his share in the bank's capital and whether he is an independent or not and his/her membership in the Board's committees, date of appointment and any other memberships in the Board s of other companies, remuneration of all forms received from the bank for the previous year as well as the funding granted to him/her from the bank and any other operations made between the bank and the member or the parties related to him/her.
- e- Information about each member of the Supervision board in terms of qualifications, experience, date of appointment, positions held currently outside the bank.
- f- Information about the risk management department including structure, nature of operations and developments made to it.
- g- Frequency of meetings of the Board, committees and the Supervision board and how many times attended these meetings.
- h- Names of independent members of the Board, top executive management and Supervision board during the year.
- i- Summary about granting remuneration policy of the bank showing and disclosing all forms of remunerations granted to the Board members discretely, fees of the Supervision board members discretely, remunerations of all forms granted to the top executive management discretely for the previous year.
- j- Names of shareholders holding 1% or more of the capital while determining the ultimate beneficial owners of these shares or any part thereof and demonstrating whether any of these contributions are mortgaged wholly or partly.
- k- Declarations by all Board members and Supervision board members that the member has not received any benefits through his/her work with the bank that has not been disclosed whether such benefits are financial or in-kind and whether personal or to any related party, for the past year.

Article 23: General Provisions

- 1- The chairman of the Board shall invite the Central Bank to attend the general assembly meeting adequate time before the meeting to enable nomination of its representative.
- 2- The chairman of the Board shall provide the Central Bank with the general assembly minutes of meetings within a period not exceeding five days from the date the Companies General Controller or his designate has endorsed the minutes of meeting.
- 3- The Bank shall notify the Central Bank at least 30 days before the general assembly meeting date of its intention to nominate the external auditor to be elected or re-elected by the general assembly.
- 4- The bank shall notify the Central Bank at least 30 days before the general assembly meeting date of its intention to nominate the Supervision board member to be elected or re-elected by the general assembly
- 5- The Bank shall notify the Central Bank of the number of shares mortgaged by the bank shareholders holding 1% or more of the capital and of the mortgagee.
- 6- The bank shall provide the Central Bank with the information relating to the members of the Board and its committees, members of the Supervision board, members of the top executive management in accordance with the annexed formats (4/1, 4/2, 4/3 , 4/4) semi-annually and whenever a change takes place to them.

- 7- The bank shall provide the Central Bank with information relating to members of the Board s of directors and the top executive managements of its subsidiaries and affiliates within and abroad the Kingdom in accordance with the annexed formats (5/1, 5/2, 5/3) semi-annually or when a change takes place.

Board of Directors Report

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

البنك الإسلامي الأردني
Jordan Dubai Islamic Bank





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

Since its establishment in 2010, Jordan Dubai Islamic Bank 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 customers' 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 21 branches spreading all over the Kingdom and offering a suite of modern Sharia compliant financial solutions, including but not limited to:

Auto and personal finance and shares acquisition finance through Murabaha, and housing finance through Ijara Muntahia Bittamleek (lease ending in ownership) as well as financing the purchase of land, commercial offices and clinics. The Bank also provides Ijara services such as financing travel and education.

On the other hand, the Bank provides current accounts services, savings accounts, children's saving account "KANZY", 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, and Signature Visa Cards for SAFWA customers. As for corporate banking, the Bank offers diversified financial and Islamic services and products for large and medium-sized enterprises. All this and more is provided by the Bank so that the Bank pursues its approach to fulfill its customers' needs and gain their satisfaction; going forward in its quest for innovation and modernity.

The Main Services and Products Offered by Jordan Dubai Islamic Bank

• Corporate Banking Services:

Jordan Dubai Islamic Bank provides comprehensive Sharia compliant financing products that include direct financial solutions such as Murabaha, and Ijara, as well as indirect solutions, such as Documentary letters of credits and letters of guarantee. It also offers innovative financial solutions under the umbrella of the Islamic Banking Systems that cover large and medium companies working in various economic sectors with a focus on distinctive service and understanding of the customers' financial needs.

• Retail Banking Services:

VIP Services "SAFWA": Jordan Dubai Islamic Bank is the first Islamic bank in Jordan that provides Sharia compliant banking services to its VIP customers. Jordan Dubai Islamic Bank is keen that SAFWA customers enjoy innovative world-class services through the five SAFWA Centers at the Bank's branches. This service provides special relation manager to assist the customers finalize their banking transactions accurately and easily.

The Bank also signed strategic partnerships with leading institutions in the Jordanian Market to provide special privileges and discounts for SAFWA customers.

• **Financing Services:** The Retail Banking Services Department provides a diversified personal financing products that follow the provisions of Islamic Sharia, specifically designed to fulfill the various needs of the customers. Our products include:

• Financing products that are in accordance with the Murabaha system:

- Personal financing to purchase products such as furniture, electric appliances and building materials.
- Auto financing programs to own a new or second-hand car according to easy financing conditions.
- Financing travel expenses to perform Hajj and Omra in addition to the expenses of tourism trips, as well as covering wedding and study expenses through a contract of mutual benefit between the Bank and the client.
- Purchase of residential lands and farms.
- Al Yusr Program: Through this program, the clients can settle all outstanding liabilities with traditional banks and refinance them with Jordan Dubai Islamic Bank in accordance with the Islamic Sharia.
- Shares Murabaha Financing: A financin solution which provide customers with the opportunity to invest in Amman Stock Exchange by shares of companies compliant with the sharia laws.

• Financing products in accordance with lease to own system:

- 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 "KANZY" and investment deposits / term deposit of different types.

In addition, Safe Boxes service was also added to enable the customers to keep their precious belongings in a safe place, available in two main branches (Abdali Branch and Wasfi Al Tal Branch).

• **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:** The Bank provides free-of-charge visa electron cards that enable the client perform a number of services on their accounts such as cash withdrawal and inquiries about their account among other services.

The bank also provides the monthly payment cards, both normal and gold cards, which are designed to meet the different purchasing needs of customers and can be used locally and internationally. In addition the new (Visa Signature) card which is designed especialy to SAFWA clients. This Card provides its holder with exclusive privileges and advantages such as entry of the VIP lounges in 500 airports all over the world, in addition to many services, offers, and discounts all over the world.



• **Treasury and Investment Services:** The Treasury and Investment Department provides the Bank's different departments and customers with normal and innovative Sharia compliant financial services that help invest cash surpluses and manage financial risks facing the bank and customers.

Such services include:

1. Exchange of foreign currencies.
2. Exchange of foreign currencies based on promise.
3. Investment in international agencies and Murabaha
4. Investment in international instruments and local and regional shares.
5. Provide the service of investing in the Investment Certificates of Deposit issued by the Bank to the customers.
6. Provide the service of organizing and managing the issuance of instruments for the local companies, in addition to the provision of the prospectus service.

JDIB geographic locations and number of employees in each branch

Branch	District Name	Street	Building	Building No.	Telephone	Fax	Number of Employees
Headquarter	Abdali Abdali Project	Suleiman Al Nabulsi Str.	-	-	4602100	4602407	249
Main Branch	Abdali Abdali Project	Suleiman Al Nabulsi Str.	-	-	4602100	4602728	10
Jabal Amman	2 nd Circle – Jabal Amman	Islamic Scientific College	-	-	4602100	4602723	10
Al-Bayader	Al-Rawnaq / Wadi Essir	Hosni Sober	Mahmoud Bin Zakariiah Abzakh	33	4602100	4602711	10
Al Madina Al Monawarah	Assalam / Tela' Al Ali	Al Madinah Al Monawarah	Jordan properties	121	4602100	4602712	11
Shmeisani	Abdali Area	Elia Abu Madi	Wael Abu Hamdan	6	4602100	4602713	10
Al Wehdat	Al-Oudeh / Yarmouk Area	Prince Hassan	Eid Al-Fayez Building	313	4602100	4602714	9
Al Khaldi	Al Radwan Quarter / Zahran Area	Ibn Khaldoun	Khalidi Medical Plaza	38	4602100	4602719	5
Khalda	Khalda Neighborhood / Tela Al Ali Area	Amer Bin Malek	-	49	4602100	4602720	6
Al Jubaiha	Sweileh	Queen Rania Al Abdullah	-	-	4602100	4602722	7
Al Sweifiyeh	Al Sweifiyeh	Abdul Rahim Al Haj Mohammad	Hijazi Plaza	70	4602100	4602718	5
Taj Mall	Abdoun	Prince Hashem Bin Al Hussein Intersection	Taj Mall	-	4602100	4620721	10
Irbid	-	Al Hashmi	Al Rousan Building	-	4602100	4602715	10

Irbid	-	-	City Center	-	4602100	4602727	9
Zarqa	New Zarqa	36 Mecca Street	Al Kurdi Complex	-	4602100	4602716	10
Sahab	King Abdullah II Bin Al Hussein Industrial City	Banks Street	-	-	4602100	4602724	5
North Hashmi	North Hashmi	Batha' Street	-	-	4602100	4602725	5
Jabal Al Hussein	Jabal Al Hussein	Khalid Bin Al Walid Street	-	203	4602100	4602726	8
Marj Al Hamam	-	Al Bakri Circle	-	-	4602100	4602729	7
Istiqlal Mall	-	Istiqlal Street	-	-	4602100	4602730	9
Abu Nseir	-	Abu Nseir Main Street	-	-	4602100	4602731	7
Wasfi Al Tal Street	-	Wasfi Al Tal	Walid Abbasi Complex	106	4602100	4602732 4602109	12
Total							424

• Capital investment Size

Total investments in the budget for the year 2015 reached 780 Million Dinars, which include the Bank's portfolio of direct and indirect financing and fixed and other current assets, noting that the Bank's authorized capital is 100 million Dinars and shareholders' equity stood at 134 million Dinars as of 31/12/2015.

JDIB Subsidiaries

The Treasury and Investment Department manages the Bank's subsidiaries;

1. MISC for Financial Brokerage Company, which started operations in 2011 with a capital of 750,000 Jordanian Dinars. its capital reached two million Jordanian Dinars by the end of 2015. Its main activity is financial brokerage at Amman Exchange. It is fully owned by JDIB. The Company is located in Jabal Amman, next to the Islamic Scientific College, and the number of staff is (7).
2. Jordan Dubai Properties for Reconstruction. Established in October 2012 with a capital of 100,000 Jordanian Dinars, and is fully owned by JDIB. It owns Al Faied Real Estate Investments which was established in 2012 with a capital of 20,000 Jordanian Dinars with 100% ownership.

**Members of the Board of Directors and an introductory brief on each of them:****Mr. Mohammad Saeed Ahmad Abdullah Al Sharif / Chairman of the Board of Directors representative of MESK Investment Private Shareholding Company.**

Date of birth:	5/6/1965
Qualifications:	Master degree in Accounting from the American Catholic University, USA in 1991. Bachelor degree in Accounting / Economy from the UAE University in 1986.
Professional Certificates:	CPA from the Board of Accountants, State of Virginia, United States of America in 1994.
Professional Experience:	Head of Investment Banking Services, Dubai Islamic Bank from 2014 till the date. CEO of Limited Capital DIB from 2010 to 2014. Financial Director at Dubai Islamic Bank from 1999 to 2010. He occupied many posts at the Central Bank of the U.A.E. from 14/10/1986 to 31/8/1999.
Board Membership:	Editor-in-Chief of the Islamic Economics Magazine. Chairman of the Board of Directors of Dubai Islamic Bank, Pakistan. Chairman of the Board of Directors of Khartoum Bank, Sudan. Chairman of the Board of Directors of Modern Real Estate Development Co., Egypt. Board of Directors member of DIB Bank Limited, Kenya (under licensing) Board of Directors Member of the Liquidity Management Center, Bahrain. Board of Directors Member of Tamweel Company, UAE. Board of Directors Member of DIYAR Development Company, UAE.

Dr. Faysal Abdel Razzak Mousa Al Hyari / Deputy Chairman/ Representative of Orphan's Fund Development Foundation

Date of birth:	30/12//1955
Qualifications:	PhD in Economics, Leicester University, UK 1990. Master Degree in Economics of Public Policy, Leicester University, UK 1987. Bachelor Degree in Economics and Statistics, University of Jordan 1979.
Professional Experience:	General Manager of Orphans Fund Development Foundation Financial and Economic Advisor to the Minister of Finance from 2002 to 2007. Full-time Financial Expert from 1997 to 2002/ Technical Team for the privatization of Royal Jordanian Airlines and emanating companies. Director of the Directorate of Studies, Research and Information / General Budget Department from 1992 to 1997. Technical participating expert in most privatization projects.

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 to 1992.
Budget Organizer/General Budget Department from 1979 to 1986.
External Examiner of Masters' Theses / Economics Department/ University of Jordan.

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

Mr. Mohammad Salem Seif AL Falasi/ Member of the Board of Directors and Representative of MESK Investment Private Shareholding Company

Date of Birth:	03/05/1964
Qualifications:	Master degree in Business Administration from Leicester University / UK. Bachelor degree in Computer Science from University of Arkansas / USA, 1985-1991.
Professional Certificates:	Finance Diploma Certificate from the Institute of Banking Management. Diploma Certificate in Strategy and Innovation. Airlines Management Certificate, IATA, Geneva – Switzerland, 1996 -1997.
Professional Experience:	Deputy CEO, Head of Central Operations / Dubai Islamic Bank from 2011 to date. Deputy CEO, Head of Direct Sales and Alternative Channels, Emirates NBD, from 2005 to 2011. Head of Alternative Channels, Emirates NBD, from 2005 to 2009. Regional Manager, Emirates Airlines, Kingdom of Saudi Arabia, from 2002 to 2005. Oman Area Manager, Emirates Airlines, from 2000 to 2002. Libya Area Manager, Emirates Airlines, from 1998 to 2000. Riyadh Area Manager, Emirates Airlines, from 1996 to 1998. Officer at the Commercial Department, Emirates Airlines, from 1993 to 1996.

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

Date of Birth:	03/05/1961
Qualifications:	Master degree from Sul Ross State University – Texas, 1985. Bachelor degree in Administrative Sciences from Yarmouk University – Irbid 1984.
Professional Experience:	Head of Investment Department / Social Security Investment Fund, from 2009 to 2015. Head of the Treasury Department/ Social Security Investment Fund from 2003 to 2008. Acting Projects Department Manager / Social Security Investment Fund from 2012 to 2015 Acting CEO / Social Security Investment Fund from 2004 to 2006. Head of investments portfolio / Central Bank of Jordan. Deputy of Head of the Central Accounting Department / Central Bank of Jordan.
Board Membership:	Member of the Board of Directors of Jordan Post from 2007 to 2010. Member of the Board of Directors of Jordan Kuwait Bank from 2007 to 2013. Member of the Board of Directors of Al-Daman for Investment Company from 2004 to 2006.

Dr. Izzeddin MuhyEddin Yassin 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 degree in finance and accounting sciences from the Arab Academy for Financial and Banking Sciences/ Jordan 1997. Bachelor degree 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, 1993-2000. Director of Cash Management Directorate at the Ministry of Finance, 2001-2005. Assistant Secretary-General for Financial Affairs in the Ministry of Finance, 2005-2007. 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 Elias Al Wir / Member of the Board of Directors / Representative of FCP Fund

Date of Birth:	28/12/1976
Qualifications:	Bachelor's Degree of Political Sciences with honors Harvard University Ph.D. in Law from the Faculty of Law, Virginia University.
Professional Experience:	Partner at Al Fursan Group. (Investment group specialized in the private ownership investments) Worked for Plimpton & Debevoise in New York, one of the leading law firms in the world, where he spent 6 years focusing on mergers and acquisitions in the United States of America and the Middle East and consultation business and investment market transactions.
Board Membership:	Board of Directors Member of Fursan Capital Partners. Board of Directors Member of Shamsuna for Renewable Energy Solutions. Board of Directors Member of Siniora Food Industries Company Board of Directors Member of Zlatimo Sweets. Executive Committee Member of National Bank of Iraq. Honorary President of Harvard Arab Alumni Association. Member of the Advisory Council of Beirut Institute. Member of the Board of Trustees of Shoman Foundation and the Baccalaureate School – Amman. Associate Lawyer and Member of the New York Bar Association.

Mr. Raslan Nouri Raslan 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. Orange Certificate in Finance and Control, ESCP University. Bachelor's Degree in Accounting and Computer Science, Yarmouk University, 1985.
Professional Experience:	Deputy CEO of Orange Jordan, and Chief Financial Officer, Orange Jordan from 2001 until present. Director of Treasury Department, Jordan Telecommunications, 1998 - 2001. Head of Foreign Investment Department, Central Bank of Jordan.
Board Membership:	Chairman of the Board of Directors of Dimensions Digital Data Development Company. Member of Jordan Association of Management Accountants Board of Directors Member of Jordan Press Foundation, (Al Rai) formerly. Chairman of Board of Directors of Light Speed Company, Bahrain, formerly. Board of Directors Member of Jordan Metal Company.

**Dr. Waleed Ali Shehadeh AL Nassan/ Member of the Board of Directors/ In his Personal Capacity**

Date of birth:	10/05/1962
Qualifications:	Business Administration Executive Program, Faculty of Business Administration, Harvard University, 2003. PhD in Philosophy in Financing/ Wales University, United Kingdom, 1989 Master's Degree in Business Administration, Wales University, United Kingdom, 1985. Bachelor's Degree in Accounting, Yarmouk University, Jordan, 1984.
Professional Experience:	CEO / Vice- Chairman of the Board of Directors, 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, from 2005 to 2010. Supervisor of the Islamic Banking Unit, Cairo Amman Bank, from 2003 to 2005. Executive Director of Research and Investment Department, Cairo Amman Bank, Jordan from 1994 to 2005. Assistant Professor / Finance, Faculty of Business Administration, University of Jordan, from 1993 to 1994. Lecturer / Finance, Arab Academy for Banking and Financial Sciences, from 1991 to 1993.

Dr. Omar Mashhoor Haditha AL Jazi/ Member of the Board of Directors/ Representative of MESK Investment Private Shareholding Company

Date of birth:	1/10/1969
Qualifications:	PhD in International Commercial Arbitration Law, University of Kent, United Kingdom, 1999. Master Degree in International Trade and Comparative Law, London Guildhall University, 1994. Bachelor degree in Law, University of Jordan, 1992.
Professional Experience:	Managing Partner at Al-Jazi & Co. (Solicitors 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. Former representative of the Government of Jordan in the United Nations Commission on International Trade Law (UNCITRAL) President of the Eisenhower Fellowship Association. President of the Jordanian Arbitrators Association. Head of the Board of Amman Arab University. Member of the Permanent Court of Arbitration at the International Court of Justice, Hague. Former 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 the international trade, investment and intellectual property.
Former member of the committee that developed the draft law of the multi forms of Jordanian Transport.
Counselor for the Economic and Social Commission for Western Asia (ESCWA) to prepare drafts on regulations about shipping and licensing multiple forms of transport operations in Jordan.
Member of the Board of Directors of Queen Rania Foundation for Education and Development, which is chaired by Her Majesty Queen Rania Al Abdullah as an honorary chairman.
Member of the Board of Directors of Abdul Hameed Shoman Foundation.
Member of the Board of Directors of Aqaba Development Corporation.
Former Member of the Board of Directors of Jordan Insurance Regulatory Commission.
Former member of the Board of Directors of Jordan Authority (JAED).
Former Member of the Board of Directors of Aqaba Airports Company.
Former Member of the Board of Directors of the Health Care Accreditation Council (HEAC).
Vice-Chairman of the Board of Directors of Jordan Association of Corporate Governance.
Member of the Board of Directors of Jordan Association of Transparency.

Board Membership:**Mr. Samer Bahjat Helal Haddad / Member of the Board of Directors / Representative of MESK Investment Private Shareholding Company**

Date of Birth:	01/05/1978
Qualifications:	Master degree in Accounting from Amman Arab University – Jordan 2003 Bachelor Degree in Accounting/Economics from Amman Applied University 2000.
Professional Experience:	Deputy CEO, King Abdullah II Special Operations Training Center (KASOTC), 2015- till present. Head of Finance Department, King Abdullah II Special Operations Training Center (KASOTC), 2012-2015.
Board Membership:	Chairman of Board of Directors of MISC Investment Private Shareholding Company. Chairman of Board of Directors of Al Helal Islamic Investments Private Shareholding Company



Mr. Yanal Rushdi Ahmad Tsibneh / Member of the Board of Directors / Representative of MESK Investment Company

Date of Birth:	04/10/1966
Qualifications:	Bachelor Degree in Business Administration and Marketing from California State University, Sacramento 1990.
Professional Experience:	Assistant General Manager, at Specialty Malls Investment CO. Amman 2004-2014. Deputy General Manager, Sales & Marketing Manager at Marhaba Service-Meet & Assist Service, Amman 2000-2004. Treasury, Dealing room-Section Head Bank of Jordan, Amman 1992-1997. Manager, Oxford Street (Department Store), Sacramento 1990-1992.

Names and Positions of the Executive Management and an Introductory Brief on 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 an 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, Kingdom of Saudi Arabia & United Arab Emirates.

Mr. Sami Al Afghani holds a master degree in Business Administration, Northrop University- USA, in 1986 and a bachelor degree in Civil Engineering, University of Southern California USA, in 1984.

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, Head of Treasury and Investment bringing extensive experience of 20 years in banking and investments. He started his career in the Foreign Investment Department at the 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. He participated in the establishment of Jordanian mutual funds in the field of monetary and financial markets.

Mr. Mohammad holds Master degree in Accounting from the University of Jordan in 1996 and a bachelor degree in Accounting from Yarmouk University in 1987. He also obtained the Chartered Financial Analyst (CFA) certificate from the CFA Institute, the United States of America- 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, Head 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, Kuwait, Saudi Arabia, and Jordan, such as Head of HR and Administration at Sheikh Saif bin Zayed Al Nahyan’s private Office - United Arab Emirates, and Burgan Bank in Kuwait and Jordan Kuwait Bank. He currently occupies the position of Deputy CEO Head of Corporate Excellence (Human Resources capital management, corporate services, and total quality management).

Dr. Haitham obtained bachelor degree in 1994, master degree in 2001, and PhD degree in Political Sciences, Management and international relations from Concordia, Horizons and Warnborough Universities in Canada, France and the United Kingdom. He also obtained the ISO 9001 certificate from SGS Institute in London in 2014 and EFQM certificate from King Abdullah II Center for Excellence in Jordan, as well as the European Foundation for Quality Management in Belgium in 2015.

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

Mr. Rami Al Khayat joined the Bank on 01/03/2010 as Deputy CEO, Head 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 degree in Banking from the Arab Academy for Financial and Banking Sciences in 1995 and a bachelor degree in Accounting from Yarmouk University in Jordan in 1994.

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

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

He started his career as Head of Transfers and Foreign Currency Exchange Department at Cairo Amman Bank and then moved on to work at Citibank in the position of Head of Internal Control Unit. He then moved to Dubai to work at Dubai Islamic Bank as Head of International Project Support Unit. Mr. Hani currently occupies the position of Deputy CEO, Chief of Central operations.

Mr. Hani holds a bachelor degree in Economics from Yarmouk University in Jordan in 1985.

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

Mr. Taj Komosh joined the Bank on 05/02/2012 as Deputy CEO, Head of Retail Banking with extensive experience of 20 years in Retail Banking. He worked as Sales Manager at Standard Chartered Bank and Marketing Manager at Mashreq Bank, Qatar. He then moved to hold the position of manager of the Arab Bank Branches in Syria and an area manager at the Arab Bank / Jordan. After that, he moved to work at the Arab Bank, Syria as the Retail Banking Manager.

Mr. Taj holds a bachelor degree in Business Administration and Political Sciences from the University of Jordan in 1995.

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

Mr. Ziad Kokash joined the Bank on 16/09/2012 as Deputy CEO, Head of Risk Management with a 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 degree in Financial Management from the Arab Academy for Banking and Financial Sciences in 2006 and bachelor degree in Banking and Financial Sciences from Yarmouk University, Jordan in 1992.

Mr. Ibrahim Salah Mohammad Samha / Deputy CEO, Chief of Finance and Corporate Strategies

Mr. Ibrahim Samha joined the Bank on 21/03/2013 as Deputy CEO, Head of Finance and Corporate Strategies 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 master degree in Finance and Banking Sciences from the Institute of Banking Studies in 2005 and a bachelor degree in Accounting from University of Jordan in 1994.

Mr. Ajwad Sharafaldeen Ali Al Rousan, CPA, CISA / Head of Internal Audit

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

Mr. Ajwad holds master degree in Accounting and Finance from the Arab Academy for Banking Sciences in 1997 and a bachelor degree in Accounting from Aleppo University, Syria in 1992. He also holds the Certified Public Accountant “CPA” certificate from Illinois State Board of Accountancy, USA in 1999 and a Certified Information Systems Auditor Certificate “CISA”/USA in 2001.

Mr. Masoud Ismail Masoud Sakf al-Hait / Head of Legal Department and Board Secretariat

Mr. Masoud Sakf al-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 career 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 degree in Law from University of Jordan, in 1992.

Mr. Rami Riad Hassan Al Kilani / Head of Information Technology

Mr. Rami Al Kilani joined the Bank on 02/10/2011 as senior manager, deputy of Information Technology Manager with extensive experience of 21 years in the information technology. He started his career as systems analyst at the Housing Bank and then moved to work to Cairo Amman Bank as Head of Banking Applications Support Department. Later, he joined Audi Bank as the Head of Information Technology.

Mr. Rami Al Kilani holds a bachelor degree in the Computer Engineering from Ahliyya Amman University, in 1993.



Mr. Muneer Mohammad Fayyad Ferunyeh / Head of Sharia Supervision

Mr. Muneer Ferunyeh joined the Bank on 01/08/2010 as sharia auditor with extensive experience of 20 years in the Islamic banking and sharia auditing. He occupied many position in Jordan Islamic Bank, the latest was senior auditor at the Internal and Sharia Audit Department.

Mr. Munir Faruniyeh holds master degree in the Financial and Banking Sciences, Islamic Banks from the Arab Academy for Financial and Banking Sciences, bachelor degree in Financial and Banking Sciences from Yarmouk University in 1993, as well as the Certified Sharia Advisor and Auditor (CSAA) certificate from The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.

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

Major Shareholders and Number of Shares Owned by Each Compared to the Previous Year					
Name	Nationality	Percentage of contribution	Number of shares	Percentage of contribution	Number of shares
		31/12/2014		31/12/2015	
MESK Investment Company	Jordanian	52.0000 %	52,000,000	52.0000 %	52,000,000
FCP FUND	Cayman Islands	9.6580 %	9,658,019	978.5249 %	9,785,249
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

The shares mortgaged by the shareholders holding (1%) or more of the Bank's capital, the mortgagee, and the final beneficiary as on 31/12/2015					
Name	Nationality	Percentage of contribution	Mortgaged shares	Number of shares	Final beneficiary
MESK Investment Company	Jordanian	52.000 %	0	52,000,000	Themselves
FCP FUND	Cayan Islands	9.7852 %	0	9,785,249	Themselves
Social Security Corporation	Jordanian	5.9677 %	0	5,967,651	Themselves
Jordanian Ministry of Finance	Jordanian	5.5500 %	0	5,550,000	Themselves
Orphan's Fund Development Foundation	Jordanian	4.9187 %	0	4,918,657	Themselves
Abdul Rahman bin Abdullah bin Abdul Rahman Al Hilayel	Saudi	2.9636 %	0	2,963,639	Himself
Zaina Sa'ad Khalaf Al Tal	Jordanian	1.0293 %	0	1,029,342	Herself
Tamara Sa'ad Khalaf Al Tal	Jordanian	1.0293 %	0	1,029,341	Herself



JDIB Competitive position in the banking sector

The Bank's facilities portfolio has increased in the local market from 2.36% to 2.45%, whereby the facilities portfolio increased 61 million Dinars (13%) compared to 9% of the banking sector. Moreover, the Bank's assets size increased to 122 million Dinars (19%) compared to 5% with the banking sector, which represents a share of 5% of the rise in the entire banking sector. While on the deposits level, the Bank's deposits increased by 128 million Dinars and at a percentage of 27%.

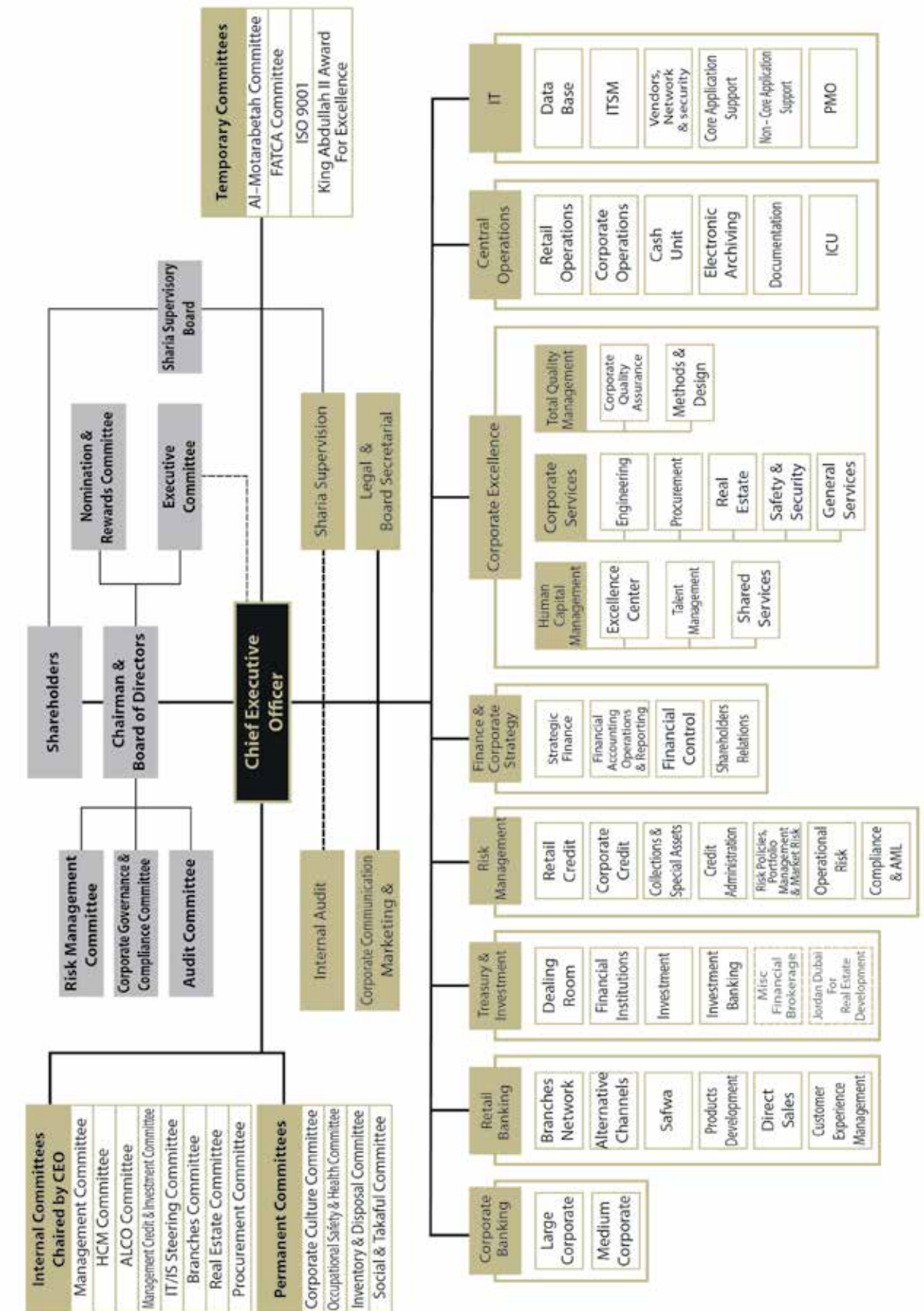
There is no government protection or privileges enjoyed by the Bank or any of its products under the laws and regulations or others. Moreover, there are no patents or franchise rights obtained by the Bank.

There is no decisions issued by the government of international organizations that have material effect on the Bank's activities, products, or competition capability.

The international quality standards applied in the Bank:

- 1. The international Standard Certificate (PCI DSS) for the application of the best international standards related to the information technology security in the banking cards transactions.**
- 2. The ISO-9001:2008 certificate for the application of the international quality standards by SGS Company with the accreditation of UKAS, the United Kingdom.**
- 3. The ISO-27001:2013 of the information security by SGS Company with the accreditation of UKAS, the United Kingdom**

Organization Structure 2015



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

Qualification	JDIB Employees	MISC Employees
PhD	1	0
Master	24	0
Bachelor	351	5
Higher diploma	4	0
Community college diploma	7	1
Diploma	13	0
Tawjihi (High school)	11	1
Lower than high school	13	0
Total	424	7

Rehabilitation and training programs for the Bank's employees:

Category	No. of programs	No. of participants	General description of the program's goals
Workshop to explain the policy and procedures of transfers and salaries	4	182	This program aims to disseminate knowledge among branch staff on the transfers policies and procedures, and train them on the mechanism of issuing transfers in accordance with the new policies and procedures.
Training program for quality of service / mystery shopper results	4	138	This training course aims at developing the staff skills on excellence in customers service and focus on the customers care and retaining concept.
Education program on the work approved policies and procedures	3	180	The program aims to educate the staff on the approved work policies and procedures and the mechanism of accessing these policies to improve the services provided to customers.
Sharia education program	4	161	This course aims at developing the staff skills in the field of the sharia banking and providing them with the basics and foundations that help them serve the customers properly and to avoid sharia violations in performing the transactions.
Sales and cross sales skills	1	39	This program was held in order to develop the skills of the branches and direct sales staff and introduce them to the proper sales basics and customer service in accordance with the highest quality standards.
Workshop to explain computerized system to automate the credit procedures approvals	3	156	For the purposes of disseminating knowledge among the Bank's staff and facilitate and increase the effectiveness of the procedures of granting financing to individuals.
Training course on the electronic archiving system	1	49	Train the new employees of the electronic archiving system and brief explanation to the system function.
Holding the new staff training and qualifying program (Induction (2015 Program	20	102	With the aim of qualifying the new employees and providing all information and support necessary for them to ensure their integration into the work environment and achieve the expected performance of them.

Category	No. of programs	No. of participants	General description of the program's goals
Certified manager training course	1	10	In order to find leaders capable to shape the future and turn it into reality and help the leaders achieve the goals of the Bank and provide them with the necessary skills that enable them to perform their work in a professional manner.
Extinguishing training course	2	40	The workshop aims to provide the staff with the knowledge and basic skills that enable them to deal with emergency situations.
First aid training course	2	40	The workshop aims to provide the staff with the knowledge and basic skills that enable them to deal with emergency situations.
Training course on the skills of discovering forgery and counterfeit in the paper currency and documents	1	34	In order to provide the tellers (cashiers) in the Bank with the skills and knowledge that help them detect counterfeited documents and signatures, local and international currencies.
Sukuk customers financing by Murabaha	1	180	To answer all inquiries of the Bank's departments about the National Bonds Corporation and its products.
Workshop on Al Qard Al Hasan	1	6	To identify the characteristics of this product and its features.
Workshop on the Islamic credit cards	1	16	To identify the characteristics of the Islamic credit cards and its advantages and target market.
Introductory workshop on the product of shares financing by Murabaha	1	128	To identify the advantages of shares financing by Murabaha and its sharia aspects.
The small and medium enterprises forum, the road to the economic growth	1	3	To shed light on the role of small and medium enterprises in achieving economic and social development.
Fraud and investigating the counterfeiting crimes of the credit cards	1	5	To identify the theoretical and practical concepts of credit cards and electronic services and a better knowledge of procedures of detecting fraud on credit cards.
Self-management skills development of the future managers	1	1	To identify ways of gaining self-confidence, persuasion strategies, and influencing others.
Pricing banking services and evaluating the sales activities in the financing banks and institutions	1	2	To know the most important components of investing funds with banks and the sources of funds of the commercial banks, the methods of pricing the banking services and the factors influencing them, and the benefits of banking services.
Time management	1	4	To introduce them to the importance of time and how to manage their time and develop their skills in planning their business while increasing their knowledge in setting priorities and how to use the time efficiently.
Building professional taskforces	1	6	To identify the role of the taskforce in the success of the organization and the basics of forming a successful taskforce.



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.

The Bank's Policy of Granting Incentives

Bank adopts a clear policy in granting incentives which aims to achieve distinctive results by promoting the culture of excellence and high performance among employees, which contributes to the attraction of outstanding competencies with the experience and high qualifications as well as retaining the existing competencies, support and develop them to improve the organization and increase its competitiveness.

The incentives are distributed to the employees on an annual basis and based on the annual performance evaluation and the achievement of the objectives identified at the beginning of the year. The system of granting the incentives is transparent and fair and in accordance with human capital policies and the corporate governance instructions.

The Bank's achievements in 2015:

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 21 branches spreading all over the Kingdom in the present day, offering an integrated system of banking solutions compliant with Islamic Sharia within modern standards. The Bank achieved growth in total assets during 2015 which reached 15.7% compared to 2014.

Here are further achievements of the Bank in 2015:

1. Corporate Banking

The Corporate Banking Department of the Bank continued to grow in 2015 and expand the customers base despite the prevalent difficult economic and political conditions in the region that have affected various economic sectors by creating a diversified portfolio of new customers in the large and medium-sized sector in various economic fields.

In cooperation with the Treasury Department, the year 2015 witnessed the launch of the Investment Saving Account for companies, which is the first of its kind in Islamic banks in Jordan.

The Corporate Banking Services Department was awarded by the Financial (Banker Middle East) the Award "Best Corporate Bank – Levant 2015".

2. Retail Banking

Jordan Dubai Islamic Bank has been, since inception, steadily increasing its branch network, bringing the number to 21 branches in Amman, Irbid, and Zarqa. Each of these branches offers a full range of services and products compatible with the provisions of Islamic Sharia to meet the needs and wants of a large segment of customers, including auto finance, Murabaha personal financing, and Financing (lease to own). 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, as well as the Visa Signature Cards for SAFWA customers.

In addition, Safety Boxes Service was also added to enable the customers to keep their precious belongings safely in two main branches (Abdali Branch and Wasfi Al Tal Branch).

The Bank also automated the retail financing operations starting by the product of auto financing so as to achieve efficiency and speed in completing the operations of granting the financing requests. The Murabaha financing operations will also be automated for other products.

The Bank continued implementing its strategic plans that aim at delivering the bank's Islamic Sharia compliant Banking services to all segments 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 center started offering its services in the Bank's branch in Al Abdali and Wasfi Al Tal Street, in addition to the branches in Al Madinah Al Munawarh, Shmeisani and Al Bayder. These are specialized centers 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 center service which offers assistance to customers regarding their accounts, as well as the products and services offered by the Bank. The call center 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, among others.

The Bank also provides the two types of monthly payment cards, regular and gold, which were tailored to meet the different purchasing needs of the customers and could be used inside and outside Jordan, in addition to the new Signature Visa Cards which were designed to SAFWA customers and they provide their holders with exclusive privileges and advantages such as entry



to the VIP lounges in 500 airports all over the world, in addition to many other services, offers, and discounts all over the world.

The Online Banking Services Department increased its network of outdoor ATM machines in several important locations spreading all over the Kingdom, including:

- Izmir Mall, North Hashmi
- Abdali, Headquarter Building
- National Gas Station, Abu Nseir
- Selected TOTAL gas stations (Abdoun, Wadi Saqra, Sports City)
- Almadina Furniture Center, Zarqa.

More ATM machines will be installed throughout 2016 in locations that serve a larger segment of the Bank's customers and non-customers.

In terms of deposits, the Bank has succeeded in expanding its customer base, with the number of accounts exceeding 64000. 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:

1. Effectively manage the Bank's assets and liabilities and meet the needs and requirements of the Bank's different departments in all currencies at all times.
2. Management of risks when 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
3. Expand the network of relationships with global correspondent banks to meet the needs of the Bank and its customers at the lowest possible cost.
4. Offering brokerage services in accordance with the provisions of Islamic Sharia through its wholly-owned holding company of the Bank, MISC.
5. Providing trading and investment services to customers in foreign currency exchange markets.
6. Providing trading and investment services to customers in regional and international warrants market.
7. Opening new accounts with several international banks to facilitate the smooth flow of the Bank's work.
8. Structure and launch the product of investment deposit certificates in the Jordanian Dinar and the US Dollar.
9. Structure and launch the product of saving account for the companies and firms with unique privileges and traits.

The Treasury and Investment Department manages the Bank's subsidiaries:

1. MISC Investment Company
2. Jordan Dubai Real Estate Company
3. Al Fayd for Real Estate Investments Company

4. Corporate Excellence Department

Jordan Dubai Islamic Bank was keen to institutionalize the corporate excellence culture by adopting the basic concepts of excellence in accordance with European standards and King Abdullah II Award for Excellence, which means the promotion of the principle of leadership through vision, mission, integrity, building a sustainable future, flexible management, quick adaptation to change, exploitation of creativity and the innovation, development of corporate capacity, added value for the benefit of customers, and the sustainability of impressive results.

The Bank's Leadership adopted the corporate values and corporate governance standards, based on the instructions of the Corporate Governance issued by the Central Bank of Jordan inside and outside the Bank, in an effort of the Bank's Leadership to develop and enhance the Bank's reputation and standing by defining the powers and responsibilities, separation of powers, and adherence to the principles of integrity, transparency and a code of conduct.

As part of this sustainable concept of excellence, the Management of Jordan Dubai Islamic Bank worked on to achieve mutual benefit between the corporate goals of the Bank and the personal goals for the employee, developing the capabilities of all employees, promoting the principle of justice, equality, interaction, and equal opportunities, and appreciate them in a manner motivating and developing their commitment and enabling them to employ their skills and knowledge for the benefit of the Bank.

The Corporate Excellence Department applied the sustainable concept of excellence through a real partnership with employees and their involvement in the development processes and sustainable innovation by applying methods and tools that have been successfully applied by the Human Capital Management Department, the Corporate Services Department, and the Total Quality Management Department, which clearly helped open effective communication channels to come out with new promising ideas to be tested and revised, and the allocation of financial and human resources.

A. Human Resources Department:

As the Bank's Management believes that the distinguished corporations take care of and appreciate their staff, it adopted the corporate culture strategy that achieve mutual benefit between the corporate goals of the Bank and the personal goals for the employee, developing the capabilities of all employees, promoting the principle of justice and equal opportunities, to motivate and empower the employees.

Human Resources Department is also keen to motivate, encourage, monitor and follow up the implementation of the goals systematically and periodically in line with European standards of excellence, the European Foundation for Quality Management (EFQM), which helps achieve sustainable goals at distinctive levels.

Therefore, the Human Resources Department promoted the concept of change management and introduction of concepts related to the change leadership in line with the vision and mission of the Bank, through:

- Creation of employees empowerment culture to achieve the personal and corporate goals.
- Establishment of work plans and procedures to develop and complete the achievements.



- Enhancement of the corporate culture at the Bank and the high performance culture.
- Creation of motivating work environment.
- Enhancement of the ongoing education and development where the Bank adopted the educated organizational culture which focuses on transfer of knowledge among the employees in addition to innovation and creativeness award which aims at finding and developing new ideas and methods to encourage the corporate creativeness and development.
- Succession and career path programs which aim at implementing the strategic work plan of the Bank by helping the employees achieve their own work plan, and encourage the employee's progress in the future, enhance the employee's capability to respond to the changing environmental requirements and increase the employee's morals.
- The qualitative practical or theoretical training programs.
- Development of new competitive benefits to the leaders and employees in accordance with the quality, transparency and competency standards.
- Application of incentives and bonus schemes.
- Understanding, expecting, and meeting the needs of stakeholders and their opportunities.
- Ongoing achievement of the goals to meet the needs of all stakeholders, at the short and long term within our operational environment.
- Application of the communication and interaction methodology which aims at understanding the employees interaction needs, then using the suitable strategies and tools.

In 2015, the Human Resources Department achieved many tasks, including:

- Recruitment of 106 employees (males and females) in the Bank's different departments in 2015, 9 of them were at the administrative level.
- Delegating 39 employees (males and females) with higher positions tasks in 2015 in the Bank's different departments.
- Implementing the succession plan of the Bank as the candidates in 2015 succession plan reached 47 employees distributed on the Bank's different departments by 11%, they were sent in training programs with a focus on the training and practical development, in addition to their involvement in the different decision-making committees and different projects.
- Conducting an evaluation 360 within the succession plan to include 3 major aspects (interpersonal skills, leadership skills, performance).
- Holding 50 internal training courses 2015 for 956 employees from the Bank's different departments and sections.
- Holding 150 local training courses 2015 for 233 employees from the Bank's different departments and sections.
- Designing and conducting leadership qualification and training programs in order to equip leaders with the necessary skills that enable them to effectively handle their work, and acquire them with the leadership skills necessary to achieve the Bank's strategic objectives and build the Islamic banking taskforce and programs to ensure the effectiveness of the training process.
- Conducting employees satisfaction studies to collect the employees opinions and stand on many issues such as: the internal identity, employees engagement, change management, and the effectiveness of communication channels, where a percentage of 93% was achieved against the targeted percentage of 92%.
- Provide incentives and bonuses system competitive to other operating local banks.
- Adopting the corporate culture as well as enhancing the principle of career engagement through the ongoing development of the employees through the permanent targeting of their improvement opportunities while creating new opportunities for recruitments and internal transfers, develop the career path and encourage the employees to join the Bank's internal committees to develop their decision-making and engagement capabilities, and to involve

them in the different committees which are 17 committees with more than 45 employees.

- Ensure the availability of competencies, resources and opportunities for the employees to maximize their contributions in the Bank pursuant to the manpower plan where a meeting is held at the beginning of each year with the heads of the Bank's departments to identify the needs of these departments from human resources to implement the approved plans and identify the skills required to implement these works. Such requirements are defined and studied to ensure the optimal utilization of the current manpower both qualitatively and quantitatively based on predicting the supply and demand and the work load in each department (Manpower Planning).
- Design creativity and innovation award to honor the innovative and creative employees, and to provide methods and techniques that will affect the improvement of processes and services and to provide innovative products to the customers.
- Activate the SMS service on Mena ITech human resources system where the circulars are send via mobiles to the employees.
- Activate the application on smart phones so that the employees can have access to the approved medical network at any time.

B. Total Quality Department

The work of the Total Quality Department operates under the umbrella of the Corporate Excellence Department which is based on the European Foundation for Quality Management Standards (EFQM) in accordance with a well-defined business strategy covering all stakeholders with the Bank. The Bank designed work mechanisms in line with standards set by the European Foundation for Quality Management; nine standards of excellence were adopted by the Bank and they include leadership standards, strategy, partnership and resources, human resources, operations, results of dealers, results of the staff, the results of the community, and the main results.

This stage included the adoption of the department work standards after the application of quality management system at the Bank, which significantly helped in providing direction and guidance within the Bank and had a positive impact on the implementation of all processes effectively in the Bank as a whole, including all banking services provided and directed to all customers, which are executed within the range of organized easy, rapid, and high quality operations in accordance with the principle of excellence, as well as the focus on the interdepartments processes (services provided to the internal customers), which positively affect the service provided to external customers.

The Department's scope of work could be summarized in two themes, internal theme and external theme, as follows:

First Theme: Internally

- Improving the formal communication and interaction system between all departments in the Bank.
- Defining the added values of each department for all operations.
- Studying and restructuring the operations, and improving the operations flow.
- Developing policies and procedures for all operations of the Bank.

Second Theme: Externally

- having the customers as a strategic partner in the Bank by collecting information from them.
- Retaining the existing customers and attracting new customers by maintaining outstanding levels of performance.



- Evaluating the overall situation of the Bank to find out the satisfaction of the customers with services, products, and services provided by employees.
- Increasing the efficiency of the services provision at the Bank.
- Applying the standards of King Abdullah II Award for Excellence.
- Complying with the Excellence standards in accordance with the ISO requirements.

As the quality at Jordan Dubai Islamic Bank is based on a wide range of solutions that have been translated through creative products and services in full harmony with financing and financial needs of the Bank's customers, we have been careful to provide these banking services and products through an integrated system of simplified procedures and in accordance with the principle of perfection which is based on established quality and high credibility to meet the needs of the Bank's customers to create a real and growing partnership, with a constant emphasis that quality cannot achieve without knowledge. Therefore, the Bank relies on credible policies and procedures that are easy and convenient to apply, and derived at the same time from knowledge, teachings and regulations laid down in the Holy Quran and in the Sunna of Prophet Mohammad. It has been asserted in this guide on these elements and basic standards in the process of managing the total quality to achieve the Bank's vision and mission, and to continue with this institutional approach so that the Bank can achieve its strategic goals which are based on well-established work principles, so as to ensure the introduction of new concept of modern Islamic banking services in Jordan, and to generate added value and lucrative returns through the finest high quality and credible banking services, stemming from the absolute belief of the Bank that meeting the aspirations of its customers and bringing added value to them is the key of the Bank's success.

C. Corporate Services Department

As part of the Bank's strategic plan for the years 2015-2017 and the role of the Corporate Services Department to provide services and solutions for all departments and branches of the Bank, while rationalizing the expenditures, and the optimal use of available resources and the preservation of the environment, and for the purposes of controlling and rationalizing the expenditures by reducing the electricity expenses, the project of benefiting the energy solar was launched to reduce the electricity increasing costs by generating electricity from sunlight as a new technology used all over the world, as the opportunities of the Kingdom's productivity from the sunlight is high because of its location on the sunbelt.

In addition, the Department's works have been automated by providing automated systems for the fixed assets, stationary, and maintenance. As part of the Department future plans, the Department will provide central warehouses to the Bank and its branches organized in accordance with state of the art archiving systems.

on the environmental level, the wastes were separated and the paper was recycled, and the treatment plant was put into operation for the optimal utilization of resources and conservation of environment.

The department also worked on raising the awareness of the employees and introducing them to safety and health issues by holding two workshops on the first aid and fire extinguishing in the presence of Civil Defense.

5. Corporate Communications and Marketing Department

Based on the Bank's strategic plan, the Corporate Communications and Marketing Department, sought to meet the needs of stakeholders through careful consolidation of corporate identity, design and management of marketing campaigns for the Bank's various products and services. The Department is working on promoting the positive image of Jordan Dubai Islamic Bank through merging between various modes of marketing, communication and trademark management, press interviews and conferences, 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 is also keen to continuously measure the community's impression of the Bank, which was implemented through a variety of sources such as community satisfaction questionnaires and surveys in coordination with specialized companies.

In 2015, Jordan Dubai Islamic Bank achieved its aspirations and vision by obtaining a number of international awards as a result of the efforts of the Bank's departments in cooperation with the Corporate Communications and Marketing Department:

1. Best commercial Islamic bank Levant 2015, from the Islamic Business & Finance - Dubai
2. Best Corporate Bank Levant 2015, from the Islamic Business & Finance – Dubai.
3. The World Business Leader 2015, from the World Confederation of Business, USA.
4. Best Trademark for an Islamic Bank Jordan 2015, from the World Union of Arab Bankers, the Banking Executive Magazine, UAE.
5. The Golden Award of Excellence for Social Responsibility, from the Arab Organization for Social Responsibility, UAE.
6. The BIZZ Award in Business Excellence, the Inspirational Company from the World Confederation of Business, USA.
7. Best CSR Islamic Bank Jordan 2015, from the Global Banking and Finance Review, UK.
8. Best Islamic Banking CEO Jordan 2015, from the Global Banking and Finance Review, UK.
9. Best Islamic Banking Jordan 2015, from the Global Banking and Finance Review, UK.
10. Best Corporate Governance Jordan 2015, from the Capital Finance International CFI, UK.
11. Best Corporate Banking Brand Jordan 2015, from Global Brands Magazine Awards 2015, UK.
12. Most Innovative Islamic Banking Jordan 2015, from the Global Brands Magazine Awards 2015, UK.
13. Most Innovative Investment Banking Brand, Jordan 2015, from the Global Brands Magazine Awards 2015, UK.
14. ISO – 9001: 2008 Certificate in Management System from SGS Global –credited by UKAS, UK.
15. ISO 27001:2013 Certificate information security SGS Global – credited by UKAS, UK.

The Bank's Contribution in the Local Community Service:

As part of its commitment to develop the Jordanian community, the Bank continued the approach it followed in the past years which focused on strengthening its role into 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, humanitarian and social development, which came out of the Bank's values and vision, and aims to serve all segments of society.

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

Educational and religious initiatives:

- participating in the First Islamic Banking Forum of the University Jordan in order to interact with the students and the conference participants, and distribute promotional materials on the services of the Bank.
- Sponsoring the book (the Shrines, Tombs and Old Mosques in Jordan) in cooperation with Dar Al Orouba for Publication, Distribution, and Advertising.
- Sponsoring a documentary film on the city of Jerusalem.
- Sponsoring a campaign during the Holy month of Ramadan with Conservation of the Holy Quran Society.
- Donating for the educations of a number of orphans in cooperation with Al-Aman Fund for the Future of Orphans.
- Sponsoring the Seventh Conference on Traffic Safety with Jordan Traffic Institute / Training Programs Fund.

Humanitarian and health initiatives:

- Supporting King Hussein Cancer Foundation by purchasing the greeting cards for the occasion of Eid al-Adha from the Center's children paintings.
- Donating to charitable projects during the Holy Month of Ramadan in cooperation with the Jordan Star Charity for Deaf persons.
- Donating to buy food parcels in the Holy Month of Ramadan in collaboration with the Food Bank.
- Donating to buy Eid Clothing for the orphans in cooperation with the Jordanian Charity Association to Support (Gazans) in Jordan.
- Donating to the projects of King Hussein Cancer Center in STAR program in order to complete the construction of the new building of King Hussein Cancer Center to accommodate a larger number of patients.
- Donating to activities organized by Sa'ad Bin Mu'ath Charitable Society.
- Purchasing Food parcels in cooperation with the Orphans Fund Development Foundation.
- Donating to Tkiyet Um Ali Projects, including serving food initiative in Ramadan Iftar to the needy fasting families.
- Distributing Eid gifts to the disabled children with disabilities in collaboration with Ibn Sina Cerebral Palsy Society.
- Serving Ramadan Iftar for the orphans at Princess Taghreed Foundation for the Development of Arts and Crafts.
- Distributing jacket to each student at (That Al Sawari) School in cooperation with the Charity Clothing Bank / Jordanian Hashemite Charity Organization.
- Distributing Eid clothing to the poor families in cooperation with the Charity Clothing Bank/ Jordanian Hashemite Charity Organization.
- Distributing dates and water in the streets of the capital Amman to the fasting people at the time of Iftar during the Holy Month of Ramadan.

Supporting Sports Initiatives:

- Sponsoring the Children Football Championship in collaboration with the Arab Model School.
- Supported the football team within the activities of the Little League 2015 in collaboration with Cambridge schools.
- Sponsorship of Amman International Tennis Championships in cooperation with the Jordan Tennis Federation.



JDIB Staff planting trees initiative



Distributing Dates & Water in Ramadan on the fasting people at Iftar time



Distributing food parcels in cooperation with the food Bank



Distributing Eid clothes on needy families with the clothing Bank



Sponsoring basketball tournament for children

6. Risk Management Department

In 2015, the Risk Management Department updated the general framework for risk management and had it approved by the Board of Directors where it adopted the concept of comprehensive risk management “Framework Management Risk Enterprise” which is based on the corporate governance upon which risk management strategy is built to include the operations managing all types of risks faced by the Bank and identify the capital management methodology in accordance with the best practices and Basel decisions.

The corporate governance of the Bank was updated and approved, as well as the regulations of the Board of Directors Committees as stated in the approved guideline, in addition to the establishment of a Sharia Compliant Unit reporting to the Compliance and Anti-money Laundry Department.

The application of US Tax Compliance Act (FATCA) was completed and the necessary reports were provided to the United States Internal Revenue Service (IRS).

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

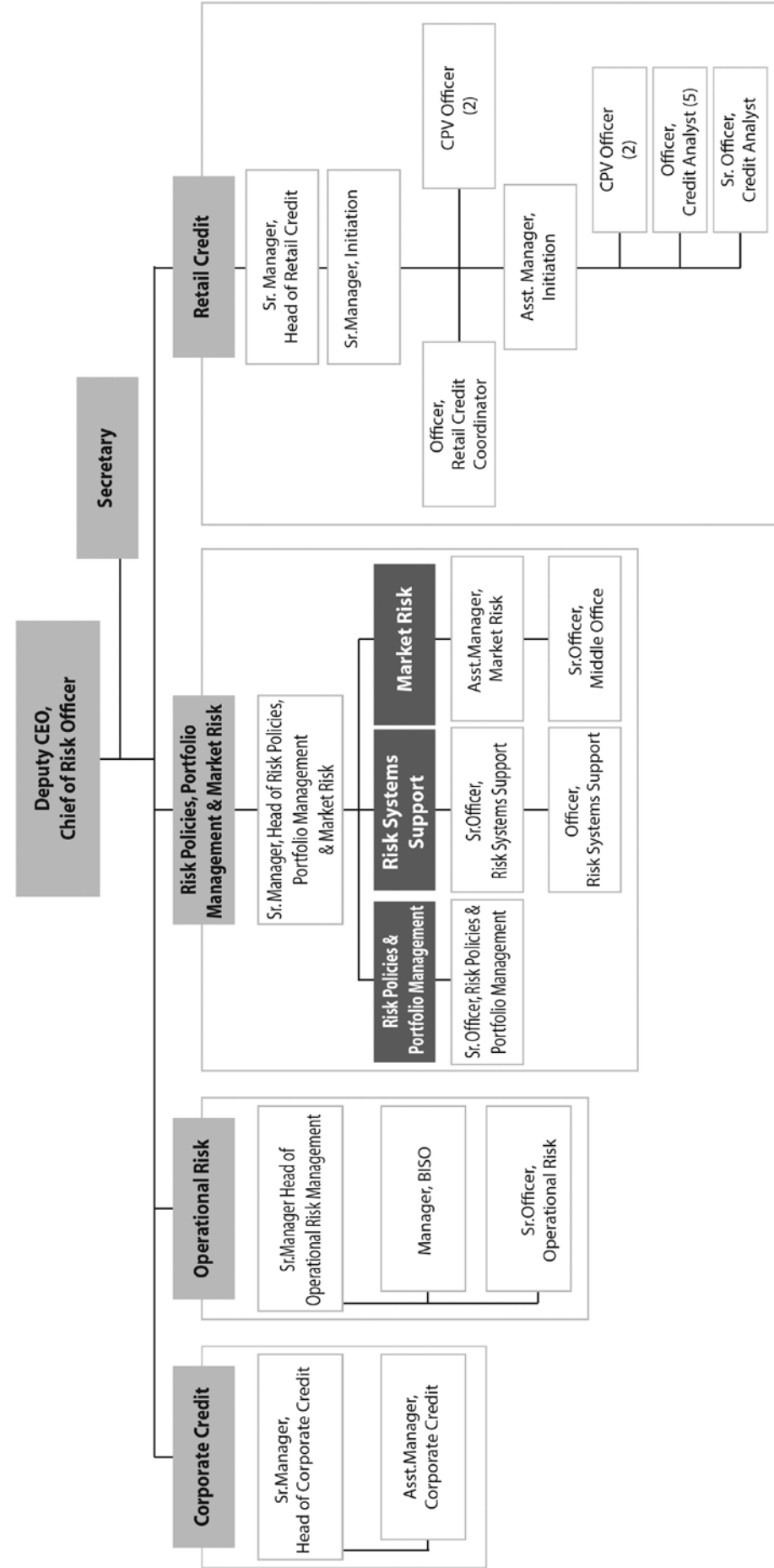
The Department managed the Payment Card Industry Data Security Standard (PCI DSS) project within the third version 3.1 and obtained the global certificate which represents the Bank's fulfillment of the requirements of this standard. The Department also developed an integrated strategy for information security at the Bank by completing the preparation and development of information security policies as part of the best recognized practices in line with international standards in the field of information security. The ISO 27001:2013 Certificate on the Information Security International Standards was renewed.

The Market Risks Department Tasks were activated in 2015 in accordance with the best practices, and the procedures of the Central Office were updated.

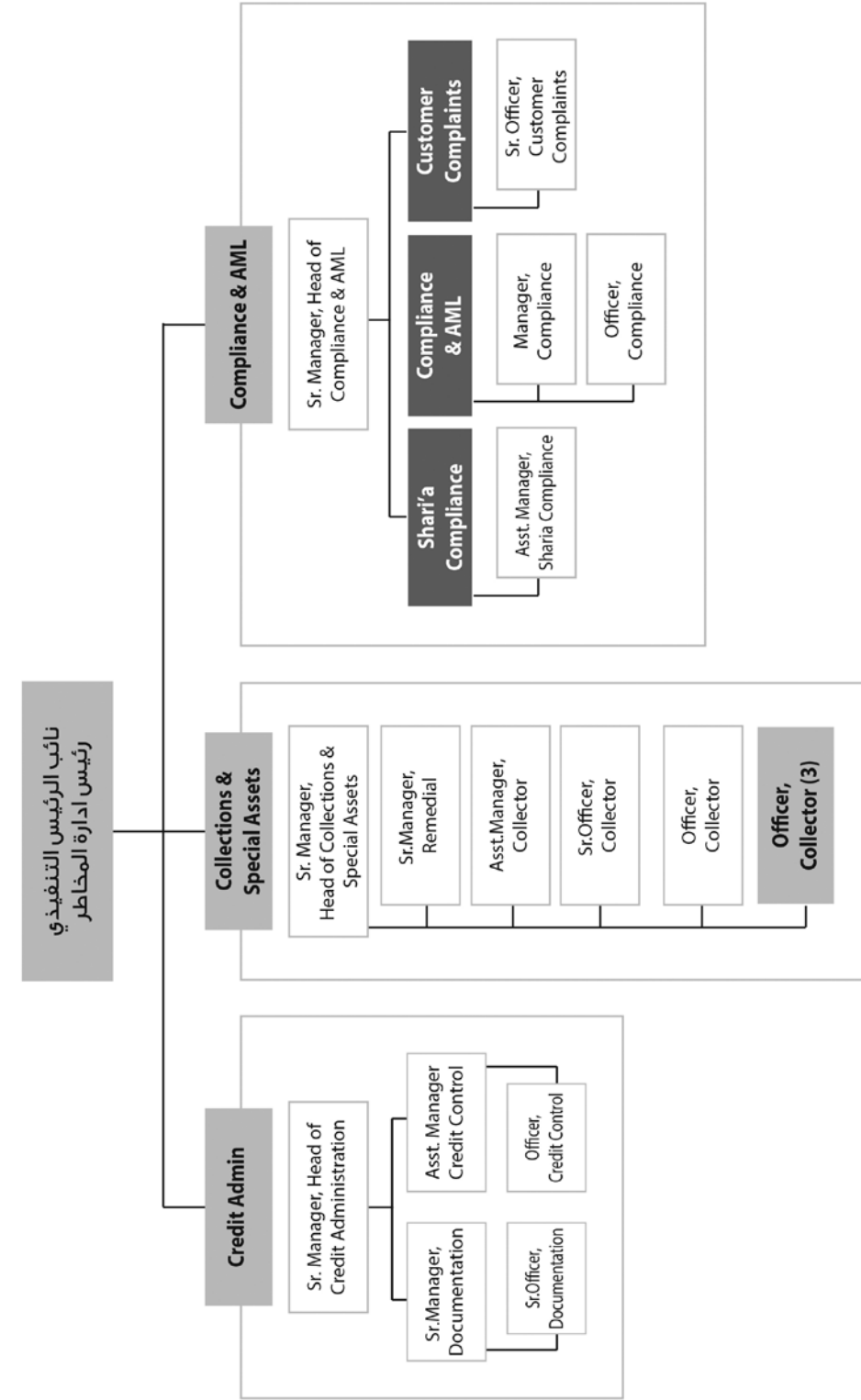
The application of the Automated Collection System increased the efficiency of the Collection Department and in the documentation of all follow-up processes carried out with the customers in addition to the preparation of reports on the achievements of the Department staff, in addition to the issuance of different supervisory and statistical reports that helped evaluate the Department's performance and draw up future plans for the business.



Organization Chart – Risk Management 2015



Deputy CEO, Chief of Risk Officer





7. Internal Audit Department

The Internal Audit Department assessed the internal control and supervisory systems and issued the necessary reports to minimize the risks facing the Bank and improve the operations in line with Central Bank of Jordan (CBJ) related instructions. Furthermore, a risk-based internal audit plan was prepared and approved by the Board of Directors Audit Committee and was fully implemented during the year 2015. Moreover, audit recommendations were raised to improve the internal control systems of the Bank where all observations of the Internal Audit and Supervisory Entities were followed up within a defined timetable for remedy. The Department also coordinated with external auditor to make sure that they carry out their duties and responsibilities in an efficient and effective manner. The Board of Directors Audit Committee was informed on the results of the audit work and the achievements of the annual audit plan on a regular basis.

An Internal Auto Audit System from Thomson Reuters Company is applied to automate all internal audit operations from the planning stage to the issuance of the final report which resulted into upgrading the internal audit services and improvement of the quality of audit operations. In addition, a special automated system is applied to follow up the remedy of the audit remarks according to their remedy due dates. In line with the concept of ongoing development and improvement, the Internal Audit Department provided the audit staff with proper professional raining and rehabilitation to cope with the latest developments of the US Institute of Internal Auditors (IIA).

8. Central Operations Department

The Central Operations Department and Internal Control Unit is considered a support Department as it translates the Management Top Strategy at the Bank and the Administrative decisions of the strategy on the (Retail, Corporate and Treasury units) by applying and utilizing the different resources such as human resources, systems, technology, policies and procedures in order to achieve the Bank's strategic goals and plans to increase profits and reduce expenses while maintaining a high outstanding service level.

The Department also provides advice and suggestions on to the 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.

The Internal Control Unit at the Central Operations Department conducts necessary reconciliations to many accounts in the Bank. It also pays a number of supervisory visits to branches and the Central Operations Department to make sure that all operations are within the frameworks and policies approved by the Bank's Top Management.

The most important achievements of the Central Operations Department:

In 2015, the Central Operations Department achieved a variety of tasks which in turn played its role as a support department in providing outstanding service to the Bank's customers and different Bank's departments. The most important achievements include:

- Applying the systems and projects (FATCA, RTGS, DDA, and STP on transfers, automated inquiry with the Income Tax).

- Completed the automated linkage project of the guarantees with the Customs Department.
- Cooperated with the Retail Banking Department to issue the Signature monthly payment cards.
- Diversified the staff expertise by training and rotating them in many units of the Central Operations Department.
- Completed all policies and procedures of the Central Operations Department work.
- Completed the establishment of the Internal Control Unit so that its work includes auditing of the Central Operations Department and finalized the policies and procedures of the Unit work.
- Held many workshops and training courses for the employees in the branches to qualify them to work on the new transfers system, in addition to educational courses for the staff of the Corporate Customers Support Unit.
- Provided many proposals to automate some of the Department works and improve the service provided to the customer.
- Completed the application of the electronic archiving project and put it in the actual operation in order to archive all old transactions which have been performed since the establishment of the Bank until the date of using the system and to archive the daily transactions of Bank.
- The ability to accommodate the large increase in the number of transactions which resulted from opening of new branches at the same speed, efficiency, and accuracy with the same number of staff.

9. Information Technology Department

The Information Technology Department is considered a support department as it provides the necessary support to the Bank's different departments by applying and utilizing the different resources such as human resources, systems, technology, policies and procedures in order to achieve the Bank's strategic goals and plans to increase profits and reduce expenses while maintaining a high outstanding service level.

The Information Technology Department achieved the following:

- Reduced the maintenance contracts by 120 thousand dinars.
- Installed Thin Clients in all branches of the Bank to reduce the electricity costs.
- Applied the principle of central printing instead of individual printing to reduce the cost in all Bank's branches.
- Renewed the agreement of Jordan Telecommunications Company (JTC) by 25% less than the previous agreement.
- Increased the High Availability of the infrastructure and virtual environment.
- Transferred the alternate location to another branch to reduce the cost of the annual contracts.
- Expanded the storage device in the alternate location to cover all banking services and users files instead of the current situation.
- Installed alternative lines network, thus increasing the effectiveness of the communications network in general.
- Expanded the e-services to include the service e-fawateercom, ATMs and treasurer.

Projects Management Office achievements for the year 2015:

During Implementing 2015-2017 strategic plan, the Projects Management Office Handled 18 projects during the year 2015, which are either in progress, new projects, projects according to business requirements or by the Central Bank's requirement.



Throughout the year 2015, 16 projects were completed:

- The new version of the banking system Update 10
- The Central Bank projects RTGS / IBAN.
- The application of the new collection system.
- The application of Budgeting Oracle System.
- The application of the Call Center System at a cost of 22,000 Dinars for one time instead of leasing the service at an annual cost of 55,000 Dinars.
- The application of the Enterprise Security System.
- Expansion in the application of ITIL standards in the management of information technology to include:
 - Change Management
 - Release Management
 - Problem Management
 - Contracts Management
 - Call Center Portal in retail banking management
 - HR Portal in the Corporate Excellence Department.

10. Sharia Supervisory Department

The Sharia Supervisory Department derives its strength from the existence of Supervisory Board with outstanding banking experience at 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, products policies, work procedures and performed transactions.

The Sharia Supervisory Department continued to communicate effectively with the Sharia Supervisory Board to view all developments and detailed issues to get relevant answers and Fatwas and to ensure its implementation by concerned departments.

The Sharia Supervisory Department achievements for the year 2015:

- The contribution in launching the product "Shares Financing Program"
- The creation and application of automated program to assist in the completion of the sharia audit, the first of its kind in the region which contributes to automated tracking of observations and their remedy.
- Engagement with the Treasury and Investment Department to launch Sukuk product / the first of its kind from the private sector in Jordan.
- Find legal solutions in coordination and communication with the Sharia Supervisory Board and provide the retail and corporate banking services departments with the necessary legal approvals after the addition of Sharia controls from the customers.
- Legal audit to the Bank's different departments and the completion of the audit plan for 2015.
- Held many educational courses and training programs on Islamic banking.
- Held six meetings for the Sharia Supervisory Board in 2015.
- The Sharia Supervisory Board issued two reports on the annual and semi-annual financial statements.

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

The Bank, through non-repeated operations, sold real estates which ownership has devolved upon the Bank for shared debts of JD 8,535 million Dinars and self-debts of 211 thousand Dinars, noting that its value on our records is JD 7,866 million Dinars, which achieves capital gains due to this sale of JD 880 thousand Dinars.

The time sequence of the realized profits or losses, distributed profits, net shareholders equity and the prices of securities.

Description / year	2011 JD	2012 JD	2013 JD	2014 JD	2015 JD
Operating profits	17,557,882	14,486,460	17,305,945	18,261,362	22,662,226
Earnings (loss) before tax	5,021,770	761,906	2,170,312	2,700,831	4,781,999
Net shareholders' equity	115,057,565	127,059,464	129,315,082	130,452,868	133,734,795
Earnings per share	0,06	0,023	0,015	0,019	0,033
Share price	0,87	0,92	0,84	0,95	1,07
% of profits distribute to shareholders	-	-	-	-	7 % Cash*

* Proposed to be distributed to the shareholders.

Analysis of the Bank's financial position and its results during the fiscal year:

Most important results of transactions	2014	2015
Credit commissions	3,875,279	2,650,616
Net profits (losses) before tax	2,700,831	4,781,999
Net profits (losses) after tax	1,922,813	3,281,927
Most important budget items		
Total assets	657,799,676	083,780,151
Finance and investment	490,266,648	526,909,964
Total customers deposits	484,107,569	612,545,543
Number of shares	100,000,000	100,000,000
Some financial ratios		
Return on assets average	0.32 %	0.46 %
Return on shareholders' equity	1.48 %	2.48 %
Operation expenses / operation revenues	68 %	66 %
Shareholders' equity / total assets	19.8 %	17.1 %
Off-balance sheet items		
Letters of credit	8,536,778	2,775,003
Guarantees	5,006,452	4,125,355
Acceptances	199,476	60,934



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

The Bank succeeded in its first six years in positioning itself as an Islamic Bank in the banking sector in general, and in the Islamic banking sector in particular, through achieving ambitious growth rates which reflect its elaborated strategic orientation 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 well-established position as a Banking institution seeking to play a leading role in serving the Jordanian economy, and to promote the 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 the geographic expansion by opening new branches, and expanding the ATM machines networks.

The Corporate Excellence Department role focuses on maintaining the achievement and sustainable goals to meet the needs of all Bank's stakeholders at the short and long term, raise the performance along with the development of the economic, environmental, and social aspects of the employees within the universal concept of the corporate culture and the effective management in building and developing the competencies for the internal and external change processes and in an enhancement of the added value and the achievement of ongoing performance levels after the development of the ongoing improvement mechanisms and systematic innovation which is achieved by utilizing the innovation of all parties and through culture of employees empowerment which achieves the personal and corporate objectives and develops a generation of leaders capable to understand and predict the stakeholders' needs and translate them into reality. These goals could be summarized as follow:

- Identify future partnerships opportunities to strengthen the Bank's capacity and potential in achieving added value for the benefit of customers and meeting their needs.
- Building a sustainable future by understanding the capabilities and creating a competitive business environment and long-term planning.
- Develop the corporate capacity through the provision of resources, support and value chain and strengthening the corporate culture.
- Utilize the creativity and innovation through the involvement of employees, translating ideas into reality, fostering a culture of innovation, and employing knowledge
- Translate the Bank's strategies to harmonized operations, projects and organizational structures to ensure the Bank's ability to implement the required changes as soon as possible.
- Understand the employees communication needs and appropriate strategies and tools for the continuity of dialogue with and among them.

The role of the Total Quality Management Department at the Bank to achieve several strategic goals are as follow:

- Identify the added value at each department for all processes.
- Study and improve the work flow.
- Develop policies and procedures for all Bank's departments.
- Apply Customer Relations Management (CRM) System.
- Gain the Bank's customers as strategic partners through collecting information from them.

- Retain the current customers and attracting new ones.
- Apply the best global applications and practices to evaluate the overall situation of the Bank and find out the satisfaction of the customers with services, products, and services provided by employees.
- Raise the efficiency of the Bank's provision of the services.
- Continue the application of EFQM and King Abdullah II Award for Excellence standards.

This is why the Department's strategy was set to ensure moving from the establishment stage to the next stage which is the follow-up and control phase to achieve excellence in performance for Bank's services and products.

Regarding the future development of the (Corporate Services Department) in providing corporate support to implement the Bank's different goals and projects according to an integrated system of joint plans with the Bank's different departments to ensure the achievement of these goals with high quality, a strategic plan was drawn up in line and harmony with the strategic goals of the Bank as a whole to ensure the implementation of the Bank's future projects and plans and to support all departments and meet their needs. This strategy was set up as part of the following main themes:

- Rationalize the general and administrative expenses within the best utilization of resources.
- Real estate property management to ensure a decent public appearance and a bright image for the Bank's branches and departments.
- Provide all security and safety requirements in the Bank's different buildings and properties according to best international standards and practices.
- Real estate portfolio management and marketing to ensure the best possible return.
- Plan and implement the branching processes and providing all necessary requirements.
- Provide all possible services to render the best banking services.
- Raise the staff awareness on health and safety matters.

As part of the Bank's continuous approach to meet the financing needs of customers, the Corporate Banking Department seeks to continue to excellence in its customer service in a modern manner consistent with the Islamic Sharia' through a dedicated team in this area. The Department will continue to meet customer needs in the big and medium enterprises sector through packages of financing solutions, and outstanding banking services and products where new banking products and services will be launched to meet the customers' needs.

Regarding the targeted sectors, it will continue to target various sectors of the Jordanian economy from government and semi-government public sector institutions, and large companies, with a focus on elaborated expansion in financing medium-sized enterprises in 2016.

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

- * Ongoing provision of best services to customers, and continuously upgrade them through:
 - Ongoing provision of new products and services to meet the customers' financial needs in compliance with the Islamic Law.
 - Expand the base of electronic services and providing up to date services in the world of banking services technology.



*** Maximizing revenues and profits**

It was focused on several key factors in order to maximize revenues and profits, most important of these are:

- Ongoing focus on sales and promotional sales at the branches and through direct sales.
- Launching new high-competitive products and services.
- Launching of financing products for the small-sized enterprises.
- Optimal utilization of cross-selling.

*** Expanding Customer Base**

- Building strong relationships between branches and customers focusing on the presence and coverage of new geographic areas.
- Continue with the spread of ATMs.
- Increase the direct sale team.

The Risk Management Department will witness many important developments in line with the approved strategic plan (2015-2017):

- Approve the document of the acceptable level of risk which covers all risks facing the Bank during 2016 and the approach of control over these levels.
- Update the policies and procedures system of the Risk Management Department to be in line with the regulatory and economic environment developments in 2016.
- Develop the effective reporting system with focus on the universality of these reports to cover all risks facing the Bank.
- Keep spreading the risk management culture through the development of training programs designed to enhance knowledge and disseminate risk management culture.

The total amount of audit fees for the Bank and its subsidiaries were (64,960) Jordanian Dinars.

Number of securities owned by the Board of Directors members compared to the previous year

Number of securities owned by the Board of Directors members as on 31/12/2014					
Member's Name (representative of legal entity)	Nationality	Name of representative of the legal person	Nationality	Number of shares held by the legal entity	% Percentage of shares held in the Bank's capital
Mohammad Saeed Ahmad Abdullah Al Sharif	UAE	MISC Investment Private Shareholding Company	Jordanian	52,000,000	%52.0000
Mohammad Salem Seif Hameed Al Falasi	UAE				
Shahm Munib Elias Al Wir	Jordanian	FCP FUND	Cayman Islands	9,658,019	%9.6580
Izzeddin Muhy Eddin Yassin Kanakrieh	Jordanian	Jordanian Ministry of Finance	Jordanian	5,550,000	%5.5500
Emad Jamal Ahmad Kodah	Jordanian	Social Security Corporation / Social Security Investment Fund	Jordanian	5,967,651	%5.9677
Faysal Abdel Razzaq Mousa Al Hyari	Jordanian	Orphans Fund Development Foundation	Jordanian	3,436,197	%3.4362
Number of securities owned by the Board of Directors members as on 31/12/2015					
Member's Name (representative of legal entity)	Nationality	Name of representative of the legal person	Nationality	Number of shares held by the legal entity	% Percentage of shares held in the Bank's capital
Mohammad Saeed Ahmad Abdullah Al Sharif	UAE	MISC Investment Private Shareholding Company	Jordanian	52,000,000	%52.0000
Mohammad Salem Seif Hameed Al Falasi	UAE				
Omar Mashhoor Hudaittha Al Jazi	Jordanian				
Yanal Rushdi Ahmad Tsibneh	Jordanian				
Samer Bahjat Helal Haddad	Jordanian				
Shahm Munib Elias Al Wir	Jordanian	FCP FUND	Cayman Islands	9,785,249	%9.7852
Izzeddin Muhy Eddin Yassin Kanakrieh	Jordanian	Jordanian Ministry of Finance	Jordanian	5,550,000	%5.5500
Emad Jamal Ahmad Kodah	Jordanian	MISC Investment Private Shareholding Company	Jordanian	5,967,651	%5.9677
Faysal Abdel Razzaq Mousa Al Hyari	Jordanian	Orphans Fund Development Foundation	Jordanian	4,918,657	%4.9187



Number of securities owned by the Board of Directors members as on 31/12/2014			
Board of Directors member (in his personal capacity)	Nationality	Number of shares held by the Board member	% Percentage of shares held in the Bank's capital
Raslan Nouri Raslan Deiranieh	Jordanian	1,780	%0.0018
Walid Ali Shehadeh Al Na'asan	Jordanian	1,000	%0.0010
Jaafar Saleem Badwan	Syrian	1,500	%0.0015
Saleh Yaqoub Mohammad Hussein Tayeh	Jordanian	1,000	%0.0010
Omar Mashhoor Hudaitha Al Jazi	Jordanian	1,500	%0.0015
Number of securities owned by the Board of Directors members as on 2015/12/31			
Board of Directors member (in his personal capacity)	Nationality	Number of shares held by the Board member	% Percentage of shares held in the Bank's capital
Raslan Nouri Raslan Deiranieh	Jordanian	1,780	%0.0018
Walid Ali Shehadeh Al Na'asan	Jordanian	1,000	%0.0010
Omar Mashhoor Hudaitha Al Jazi	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 top management members or their relatives or companies controlled by them.

Benefits and remunerations enjoyed by the Chairman and Members of the Board of Directors:

Board of Directors Members	Transportations and meetings attendance	Committees membership	Withholding tax	Net
Mr. Mohammad Saeed Al Sharif	13,600	3,000	1,660	14,940
Mr. Mohammad Al Falasi	13,600	2,100	1,570	14,130
Dr. Izzeddin Kanakrieh	13,600	2,700	679	15,621
Mr. Emad Kodah	13,600	3,000	1,162	15,438
Mr. Raslan Deiranieh	13,600	2,100	1,099	14,601
Dr. Faysal Al Hyari	13,600	3,000	1,162	15,438
Mr. Shahm Al Wir	3,400	750	291	3,860
FCB FUND	10,200	2,250	1,245	11,205
Mr. Saleh Yaqoub Mohammad Tayeh	5,100	300	378	5,022
Dr. Jaafar Saleem Badwan	5,100	600	570	5,130
Dr. Walid Ali Shehadeh Al Na'asan	13,600	2,400	1,120	14,880
Dr. Omar Mashhoor Hudaitha Al Jazi	13,600	1,500	1,057	14,043
Mr. Yanal Tsibneh	8,500	-	595	7,905
Mr. Samer Haddad	8,500	-	595	7,905
Total paid to the Board of Directors	149,600	23,700	13,183	160,118

Remunerations of Chairman and Members of Sharia Supervisory Board

Board Members	Transportations and meetings attendance	Withholding tax	Net
Dr. Hussein Hamid Hassan	3,545	355	3,191
Dr. Ali Qara Daghi	2,836	284	2,552
Dr. Ali Mohammad Al Hussein Al Mousa	4,254	298	3,956
Dr. Ahmad Salem Bani Melhim	4,254	298	3,956
Total paid	14,889	1,234	13,655

Benefits and remunerations enjoyed by the Top Management Members:

Employee	Position	Annual salaries and allowances	Remunerations	Transportation expenses	Travel, per diem, and external conferences expenses	Total
Sami "Husam Eddin" Sabri Al-Afghani	CEO	247,620	79,740	5,160	0	332,520
Mohammad "Mohammad Fayyad" Al-Haj Ahmad	Deputy CEO Head of Treasury and Investment	120,688	28,597	3,300	0	152,585
Haitham Marouf Hamad Jouher	Deputy CEO Head of Corporate Excellence	108,000	25,425	3,300	0	136,725
Rami Ziad Abdulfath Al-Khayyat	Deputy CEO Head of Corporate Banking Services	109,212	25,728	3,300	0	138,240
Hani "Mohammad Subhi" Ahmad Al-Zrari	Deputy CEO Head of Central Operations	105,168	24,717	3,300	0	133,185
Taj Omran Amin Khomosh	Deputy CEO Head of Retail Banking Services	109,500	25,800	3,300	0	138,600
Masoud Ismail Masoud Sakf Al Hait	Head of Legal Department and Board Secretary	81,940	18,910	3,300	0	104,150
Ziad Said Khalil Kokash	Deputy CEO Head of Risks Management Department	102,468	24,042	3,300	0	129,810
Ibrahim Salah Mohammad Samha	Deputy CEO Head of Finance & Corporate Strategies	102,672	24,093	3,300	0	130,065
Ajwad "Sharaf Eddin" Ali Al Rousan	Head of Internal Audit	103,416	24,279	3,300	0	130,995
Rami Riad Hassan Al-Kelani	Head of Information Technology	63,148	14,737	2,900	0	80,785
Munir Mohammad Fayyad Faruniyeh	Head of Sharia Supervision	39,394	9,353	2,900	0	51,647
Abdullah Abdul Hadi Abdullah Sobuh (retired on 26/4/2015)	Head of Projects Management Office	11,356	1,990	967	0	14,313
		1,304,582	327,411	41,627	0	1,673,620



The Bank's donations and grants in 2015

No.	Donee	Amount / Jordanian Dinar
1	Jordan association for entity receiving donation Medical Aid for Palestinians	5000
2	Jordanian Hashemite Fund for Development	28083
3	Prince Ali Bin Al-Hussein Deaf Club	1600
4	Orphans Fund Development Foundation / Ministry of Awqaf and Islamic Affairs and Holy Places	4553
5	Ibn Sina Association for Cerebral Palsy	300
6	Jordan Hashemite Charity Organization /Charity Clothing Bank	9000
7	Tkiyet Um Ali	6300
8	King Hussein Cancer Center	7500
9	Association of Banks in Jordan / Martyr Muath Kasasbeh Scholarship Fund	14000
10	Orphans Funds Development Foundation	10000
11	Jordan Star Charity for Deaf Persons	400
12	Jordanian Food Bank	2400
13	Princess Taghreed Foundation for the Development of Arts and Crafts	960
14	Princess Taghreed Foundation for the Development of Arts and Crafts / Gifts for the orphans	800
15	Al-Aman Fund for the Future of Orphans	3600
16	Al Siraj Al Muneer Charitable Society	2000
17	Ibn Sina Association for Cerebral Palsy	300
18	Jordanian Charity Association to Support Gazans in Jordan	500
19	Jordan Armed Forces	50000
20	Sa'ad Bin Mu'ath Charitable Society	500
Total		147796

There are no contracts, projects, or undertakings concluded by the Bank with any of its subsidiaries, sister companies, affiliated companies, Chairman of the Board of Directors, the Members of the Board of Directors, the General Manager, any of the Bank's employees or their relatives.

Environmental Initiatives:

- Sponsored the project of planting one million tree in Palestine in cooperation with the Arab Group for the Protection of Nature.
- Held agricultural activities in cooperation with the Arab Group for the Protection of Nature by planting number of forest trees in Ghamadan Park with the participation of the Bank's staff.

A summary of the policy of regulating the relation between the Bank (the speculator) and the Investment Accounts Holders

Jordan Dubai Islamic Bank

First: Definition of the Investment Accounts:

Investment Accounts (Investment Deposits):

The amounts which the Bank receives from the investors on the basis of speculation and their owners authorize the Bank to invest them on the basis of speculation. The investment accounts are divided into investment accounts that are managed on the basis of unrestricted speculation where the speculator is authorized to invest the money as it deems appropriate, and the investment accounts that are managed on the basis of restricted speculation where the speculator is restricted by the type and method of certain investment determined by the owner of the money. The relationship between the owners of these accounts and the institution is a relation between the owner of the money and the speculator. In case the speculator is one and the owners of the money are more than one, the relation shall be subject to the legal controls on joint speculation.

Unrestricted Investment Accounts:

The amounts which the Bank receives from the investors where the owners of such amounts authorize the Bank to invest such amounts on the basis of unrestricted speculation without linking with project or certain investment program. The accounts holders and the Bank share the profits, if any, according to the proportions defined for each of them either in the speculation contract or in the account opening application submitted by the depositor and approved by the Bank. The accounts holders bears all losses pro rata to their shares in the capital, except the losses resulting from infringement, default, or breach of conditions where such losses shall be borne by the Bank (speculator).

Restricted Investment Accounts:

The amounts which their owners authorize the Bank to invest them on the basis of restricted speculation in a certain project or particular investment program. The Bank and account holder share the profits, if any, according to the proportions defined for each of them either in the speculation contract or in the account opening application submitted by the depositor and approved by the Bank. The owner of each account bears the loss pro rata to its shares in the capital, except the losses resulting from infringement, default, or breach of conditions where such losses shall be borne by the institution.

**Second: Investment Priority / Equal Investment Opportunities:**

The principle of equal investment opportunities is applied between the funds of the shareholders and the funds of investment accounts holders in the joint speculation. The Bank's self-investments are reflected in accounts separated from the joint investment accounts.

Third: Elements / Basics of Profits Distribution:

Calculate the net profits of the common pool.

Determine the amounts of the shareholders invested in the common pool.

Determine the amounts of the owners of the unrestricted / restricted investment accounts in the common pool.

Determine the points (the provision of preponderance to the balances rate).

The provision for the profits before reserves and the speculator's share of the profits and the shareholders contribution in certain deposit categories.

Transfers to or from the investment risks fund.

Provision of the speculator share in the common pool profits.

Transfers to or from the profits rate reserve.

Allocation of share from the shareholders' profits to the unrestricted / restricted investment accounts holders.

The income tax of the unrestricted / restricted investment holders "withholding tax".

Fourth: Zakat:

The responsibility for paying Zakat rests with shareholders and the unrestricted/restricted investment accounts holders where the Bank's Management is not authorized to pay it directly and due to the absence of a law to collect it. In addition, as the of the Bank's article of association or the decision of the General Assembly don't stipulate and due to the absence of authorization from the shareholders, the shareholder and the unrestricted/restricted investment account holder must pay zakat on his shares and funds when the zakat requirements and legal controls are met.

Fifth: Profits Rate Reserve:

This reserve is created / composed in order to distribute appropriate and competitive rates of return to the unrestricted / restricted investment accounts holders as well as to the shareholders in case of exceptional circumstances and sharp fluctuations in the markets that make the realized profits rates less than the expectations of the unrestricted / restricted investment accounts holders. This also applies to the Bank's shareholders. This reserve is composed with the prior approval of the Sharia Supervisory Board and the consent of the unrestricted investment accounts holders. This reserve is allocated from the profits of the unrestricted / restricted investment accounts holders and shareholders from the common pool before deducting the share of the speculator. The remaining balance in the reserve account is invested in the common pool and the profits realized from investing this balance are added to the reserve account.

Sixth: Points (Provision of the weighting weight to the Balance Rate):

"It is implicitly agreed that the return on deposits is paid on the full value of the deposit and the weighting weights are just a means to calculate the investor's share of the joint venture revenues."

The weighting weight is allocated based on:

The deposit value (according to a preset schedule determines the weights and explained to the customers)

Deposit Term

Recurrent payment of profits to the customer: Will the payment be recurrent during the period of retaining the investment deposit or it will be only paid on the final maturity date of the deposit?

Seventh: Investment Risks Fund:

The Bank is committed to maintain investment risks fund in the joint investment accounts to cover any losses in excess of the total investment profits in a given year. This fund is fed as follows:

Deduct not less than (10%) of the net investment profits realized from different current operations during the year.

Increase the percentage specified above upon the order of the Central Bank where the increase will take place in the fiscal year following the year in which it was decided to make the amendment. Stop the deduction when the amount in the fund becomes two times the Bank's paid-up capital, or any other amount determined by the Central Bank.

The balance of the investment risks fund shall be devolved upon the Zakat Fund / Ministry of Awqaf and Islamic Affairs and Holy Places after paying and covering all expenses and losses for which the Fund was established in case of liquidating the Bank.

Eighth: Provision of the speculator share in the common pool profits:

After calculating the profits for each deposit category and making transfers to the investment risks fund, the speculator share of the profits will be calculated by applying (fixed percentage) the agreed upon speculator share to the net profit after transfers to or from the investment risks fund. After deducting the speculator's share from the profit, the annual profit rate for each category after the speculator share will be concluded in contrast to the deduction in each deposit category (proportionally).

The annual profit rate for each category after the speculator share = the annual profit rate for each category after the investment risks fund x (1-speculator share%).

Ninth: Transfers to or from profit rate reserve:

If the rate of return of the unrestricted / restricted investment accounts holders during the period of distributing certain profits is significantly higher than the market rates, the Management of Jordan Dubai Islamic Bank will be allowed, after taking the approval of the Sharia Supervisory Board, to deduct part of the common pool before deducting the speculator share and transfer it to the profits rate reserve.

If the rate of return of the unrestricted / restricted investment accounts holders during the period of distributing certain profits is lower than the market rates, the Management of Jordan Dubai Islamic Bank will be allowed to compensate the unrestricted / restricted investment accounts holders and the shareholders by transferring the required amount from the said reserve account to increase the return of the unrestricted / restricted investment accounts holders and the shareholders.



Any movement on the profits reserve account must obtain the prior approved of the Sharia Supervisory Board.

Tenth: The income tax of the unrestricted / restricted investment accounts holders “withholding tax”:

5% income tax will be deducted from all profits of the unrestricted / restricted investment accounts holders upon the decision of the official concerned department (the Jordanian Income and Sales Tax Department) unless these deposits are exempted by law.

Eleventh: Profits Realization:

To achieve the distributable profits, it is conditioned that:
The soundness of the capital where the profits on the investment accounts cannot be realized without hedging the capital.

Actual or Legal Liquidation

The investment accounts profit is realized after liquidating the speculation assets, whether it is actual by transferring all assets into cash and collecting all debts, or legally by evaluating the non-cash assets and evaluating the debt in terms of collectability and allocating provisions for the bad debts. Regarding the cash, it is stated in its amounts.

Covering the following expenses:

The expenses of investing the investment accounts valances to credit the direct costs to each process to implement it.

With respect to the investment of the investment accounts balances from the joint expenses without regard to the Bank's activity.

The investment accounts don't bear the expenses of the business which should be performed by the speculator, including the general and administrative expenses for the financing and investment departments, the administrative departments at the Bank such as, for example but not limited to, the Risk Management Department, the Retail Finance Department, the Corporate Finance Department, and the Financial Department.

Deducting the provisions and reserves related to the investment from investment income to reach the distributable profit, such as the investment risks fund and the profits rate reserve which are deducted from the gross profit before deducting the share of the speculator.

The following shall be considered in the profit realization:

If losses are incurred in some joint investment operations which began and completed in a given year, such losses shall be covered from the profits realized by the other joint investment operations which began and completed in the same year. If the losses are higher than profits in the same year, they will be covered from the investment risks fund.

If the joint investment operations began and continued in previous years, and it was found in a given year that these investment operations suffered losses, such losses will be covered from the investment risk fund.

As the unrestricted investment accounts on the basis of ongoing joint speculation are characterized by non-synchronization at the beginning and end of the deposits in the accounts, the profit of the deferred operations over subsequent periods will be distributed to their full terms pro rata to each period.

Twelfth: Profit Entitlement:

The Bank shall announce all types of accounts managed within the common pool portfolio as well as the ratios approved for distribution for each of these accounts at all Bank's branches in a prominent place clear to the customers.

"the unrestricted investment accounts holders shall be entitled to the profit upon sharing on the basis of the ratio and it may not be determined as a lump sum". The Bank may determine ratios differ from ratios of different segments of investment account holders, and the profit ratio may be unified between the Bank and all investment accounts holders.

The profits ratios could be unified between the investment accounts holders, and may be different and determined on the basis of known weights.

If the Bank mixes the speculation funds with its own funds (idiomatically), it becomes a partner and speculator in the others' funds and the realized profit will be distributed to both funds, the Bank will take the profit of its work and funds. What applies to the other investment accounts holders shall apply to the Bank's share of profit.

Thirteenth: Disengagement / Discharge:

An account holder may exit all or some of his amount in a reconciliation of his share in the speculation assets, and not as a recovery of his cash amount (deposited in the account) in whole or in part. If the Bank determines the discharged amount to win nothing or to win less than it deserves if it has remained, this will be permissible, and not a deprivation of profit; rather, it is a disengagement per the supply and demand and the joint investment account holder discharges the other investors (investment accounts holders) upon the disengagement from any undistributed or unrealized profit, from the provisions for the investment risks, from the profits reserve rate, and the investment risks fund, and donate the remaining amount to the Zakat Fund upon the liquidation of the investment pool, and the investment accounts holders discharge the investor (the withdrawing investor) from any unrealized loss. The investor shall bear the loss pro rata to the period in which the amount remains participating in the investment account before its recovery and shall not bear the loss of the remaining period in the year after its recovery.

Fourteenth: New products within the joint pool:

If the Bank launches any new product (obligations) falling under the concept of joint investment deposits and having impact on the profitability of the unrestricted investment accounts holders such as the Islamic deposit certificates ...etc., this would require the prior approval of the Sharia Supervisory Board to be launched in accordance with the limitations and conditions approved by the Bank's Sharia Supervisory Board.



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

- 1- The Bank's Board of Directors acknowledges full responsibility for the accuracy and adequacy of the bank's financial statements and all information contained in the Annual Report 2015.
- 2- The Board of Directors acknowledges the adequacy of internal control systems and Sharia control systems.
- 3- The Board of Directors acknowledges that there are no matters of substance that may influence the continuation of the Bank during the next financial year.

Chairman Mr. Mohamed Saeed Ahmad AL Sharif Representative of Mesc Investment Company	
Deputy Chairman Dr. Faysal Abdel Razzaq Mousa AL Hyari Representative of Orphans Fund Development Foundation	
Member Mr. Mohamed Salem Saif AL Falasi Representative of Mesc Investment Company	
Member Mr. Emad Jamal Ahmad Kodah Representative of Social Security Corporation/Investment Unit of the Social Security Corporation	
Member Dr. Izzeddin Muhy Eddin Kanakrieh Representative of Jordan Ministry of Finance	
Member Mr. Shahm Munib Al Wir Representative of FCP Fund	
Member Mr. Raslan Nouri Raslan Deiranieh	
Member Dr. Waleed Ali AL Nassan	
Member Mr. Yanal Rushdi Ahmed Tsipena Representative of Mesc Investment Company	
Member Mr. Samer Bahjat Hilal Haddad Representative of Mesc Investment Company	
Member Dr. Omar Mashhoor Haditha Al Jazy Representative of Mesc Investment Company	

4.5
Deputy CEO Chief of Finance &
Corporate Strategies

Mr. Ibrahim Salah Mohammad Samha

Chief Executive Officer

Mr. Sami "Husam Eddin" Sabri Al Afghani

Chairman

Mr. Mohammad Saeed AL Sharif

**Declarations of the Board of Directors**

The Board of Directors of Jordan Dubai Islamic Bank recognizes that all of its members did not receive any benefits through their work in the bank and did not disclose it, whether such material or in-kind benefits, and whether it is to them personally or to any of their relationships in 2015.

Chairman Mr. Mohamed Saeed Ahmad AL Sharif Representative of Mesc Investment Company	
Deputy Chairman Dr. Faysal Abdel Razzaq Mousa AL Hyari Representative of Orphans Fund Development Foundation	
Member Mr. Mohamed Salem Saif AL Falasi Representative of Mesc Investment Company	
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Member Dr. Waleed Ali AL Nassan	
Member Mr. Yanal Rushdi Ahmed Tsipena Representative of Mesc Investment Company	
Member Mr. Samer Bahjat Hilal Haddad Representative of Mesc Investment Company	
Member Dr. Omar Mashhoor Haditha Al Jazy Representative of Mesc Investment Company	

M.S.



In the Name of Allah, Most Gracious, Most Merciful

Declaration of not receiving any benefits

Peace be upon you,

Referring to Corporate Governance's instructions of Islamic Banks no (61/2015), we, the Sharia Supervisory Board Members, did not get any benefits which we didn't disclose during our work, whether materialistic or non-materialistic, whether to our personal benefit or to any of the stakeholders, in the past year 2015.

Therefore, hereunder are our signatures

Date: 27/1/2016

Chairman and Executive Member

Prof. Dr. Hussein Hamed Hassan

Board Member

Prof. Dr.
Ali Al Quradaghi

Board Member

Dr.
Ahmad Mulhem

Board Member

Prof. Dr.
Ali Al Mousa Al-Sawa



In the Name of Allah, Most Gracious, Most Merciful

ANNUAL REPORT OF SHARIA SUPERVISORY BOARD FOR JORDAN DUBAI ISLAMIC BANK FOR THE YEAR 31/12/2015

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 31/12/2015. 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 banks 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 31/12/2015 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 31/12/2015, 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 31/12/2015 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.

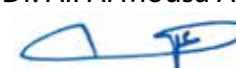
Praise be to Allah

Date: January 27, 2016

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





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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JORDAN DUBAI ISLAMIC BANK- PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **JORDAN DUBAI ISLAMIC BANK** (a public shareholding company) (the "Bank"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of income, 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 Consolidated 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), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 2015 and its financial performance and cash flows for the year then ended in accordance with Financial Accounting Standards issued by AAOIFI.

Emphasis of Matter

As disclosed in note (54) to the consolidated financial statements, legal expenses amounting to JD 276,650 (2014: JD 2,202,737) were recorded during the year 2015, and charged to the unrestricted investments and revenues amounts according to the fatwa issued by the Sharia Supervisory Board of the Bank.

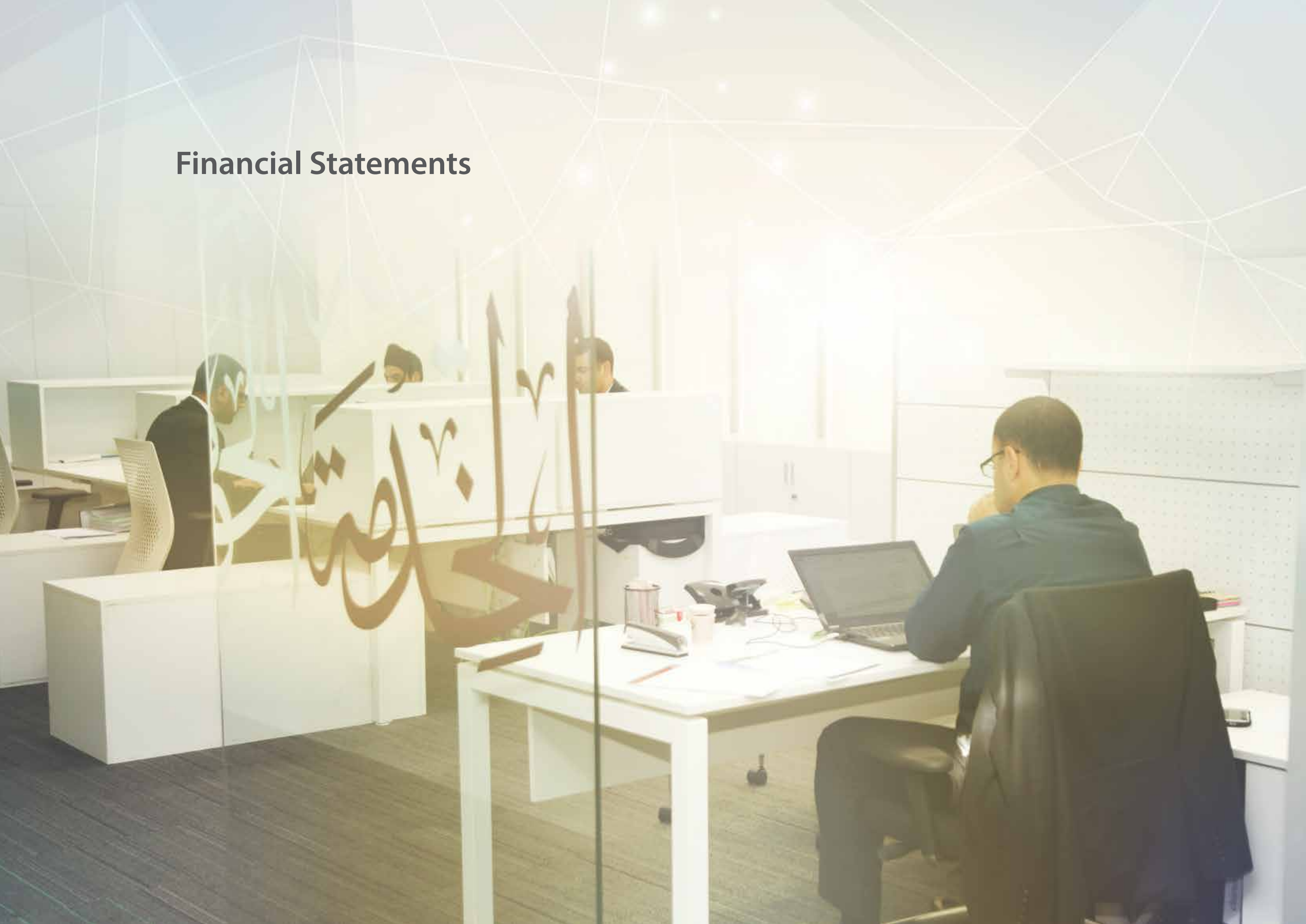
Report on other legal and regulatory requirements

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

Amman – Jordan
26 January 2016

Ernst + Young

Financial Statements





Jordan Dubai Islamic Bank- Public Shareholding Company
Consolidated Statement of Financial Position
AS AT 31 DECEMBER 2015

	Notes	31 December 2015 JD	31 December 2014 JD
Assets			
Cash and balances with Central Banks	4	219,736,734	137,179,320
Balances at banks and financial institutions	5	3,962,594	3,198,303
International wakala investments	6	5,848,336	16,147,487
Financial assets at fair value through profit or loss	7	487,021	1,213,803
Deferred sales receivables and other receivables-net	8	309,010,003	291,822,562
Unconverted loans-net	9	104,077	124,045
Financial assets at fair value through unrestricted investment accounts	10	7,739,176	6,319,392
Investment in associate	11	363,466	367,253
Local wakala investments	12	-	8,142
Ijara muntahia bittamleek assets-net	13	203,357,885	166,825,519
Investment in properties	16	-	7,438,445
Property and equipment-net	14	21,019,122	19,668,689
Intangible assets	15	1,648,475	1,326,185
Deferred tax assets	22/C	984,815	534,815
Other assets	17	5,889,379	5,625,716
Total Assets		780,151,083	657,799,676
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY			
Liabilities			
Banks and financial Institutions accounts	18	-	88,121
Customers' current accounts	19	89,549,377	70,149,488
Cash margin accounts	20	12,286,170	16,492,279
Income tax provision	22/A	1,288,051	21,021
Other provisions	21	84,603	84,603
Other liabilities	23	15,140,727	23,374,657
Total Liabilities		118,348,928	110,210,169
Unrestricted Investment Accounts' Equity			
Unrestricted investment accounts	24	522,996,166	413,958,081
Fair value reserve — net	26	(1,040,513)	(647,180)
Profit equalization reserve related to unrestricted investment accounts	27	-	-
Income tax provision for profit equalization reserve	27	-	-
Total equity of unrestricted investment accounts		521,955,653	413,310,901
Investment Risk Fund			
Investment risk fund	25	4,668,725	2,186,468
Tax provision for investment risk fund	25	1,442,982	1,639,270
Shareholders' Equity			
Paid in capital	28	100,000,000	100,000,000
Share discount	28	(1,100,000)	(1,100,000)
Statutory reserve	29	21,116,122	20,637,922
Voluntary reserve	29	1,943,336	1,943,336
General banking risk reserve	29	300,000	300,000
Retained earnings	30	11,475,337	8,671,610
Total Shareholders' Equity		133,734,795	130,452,868
Total Liabilities, Unrestricted Investment Accounts and Shareholders' Equity		780,151,083	657,799,676

The accompanying notes from 1 to 55 are an integral part of these consolidated financial statements and should be read with them

Jordan Dubai Islamic Bank- Public Shareholding Company
Consolidated Statement of Income
For the Year ended 31 December 2015

	Notes	2015 JD	2014 JD
Deferred sales revenues	31	21,433,206	20,042,859
Ijara muntahia bittamleek revenues	32	15,782,451	13,441,262
International wakala investments profits	33	46,840	15,492
Gain from financial assets at fair value through unrestricted investment accounts	34	147,297	206,965
Losses from financial assets at fair value through profit or loss	35	(160,132)	(19,021)
Profit from investment in associate	11	2,963	11,273
Foreign currencies revaluation profit (losses)	36	4,041	(55,982)
Other revenues - joint		1,077,999	653
Legal expenses	54	(276,650)	(2,202,737)
Excess In other provisions		-	16,643
Total Revenues from unrestricted investments		38,058,015	31,457,407
Recovered from profit equalization reserve	27	-	1,450,000
Share of unrestricted investment accounts holders'	37	(15,544,269)	(15,195,735)
Investment risk fund	25	(3,805,801)	(4,718,610)
Bank's share of revenues from unrestricted investments as a mudarib and rab mal	38	18,707,945	12,993,062
Bank's self financed revenues	39	638,449	698,117
Gain from foreign currencies	40	531,661	637,889
Banking services revenues	41	2,650,616	3,875,279
Other revenues	42	133,555	57,015
Total income		22,662,226	18,261,362
Employees' expenses	43	(8,695,184)	(7,965,924)
Depreciation and amortization	14 & 15	(2,506,000)	(1,976,571)
Ijara muntahia bittamleek assets depreciation - self financed	32	(458,313)	(531,085)
Excess in deferred sales receivables and other receivables provision	8	-	767
Other expenses	44	(6,220,730)	(5,087,718)
Total expenses		(17,880,227)	(15,560,531)
Profit for the year before tax		4,781,999	2,700,831
Income tax expense	22/B	(1,500,072)	(778,018)
Profit for the year		3,281,927	1,922,813
		Fils / JD	Fils / JD
Basic and diluted earnings per share	45	0/033	0/019

The accompanying notes from 1 to 55 are an integral part of these consolidated financial statements and should be read with them



Jordan Dubai Islamic Bank- Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year ended 31 December 2015

	Paid in capital	(Share discount)	Statutory reserve	Voluntary reserve	Profits			General banking risk reserve	Retained earnings	Total
	JD	JD	JD	JD	equalization reserve	JD	JD	JD	JD	JD
For the year ended 31 December 2015										
Beginning balance	100,000,000	(1,100,000)	20,637,922	1,943,336	-	-	300,000	8,671,610	130,452,868	
Profit for the year	-	-	-	-	-	-	-	3,281,927	3,281,927	
Transfers to reserve	-	-	478,200	-	-	-	-	(478,200)	-	
Balance as at 31 December 2015	100,000,000	(1,100,000)	21,116,122	1,943,336	-	-	300,000	11,475,337	133,734,795	
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	-	-	-	-	(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	

- Retained earnings balance as at 31 December 2015 includes an amount of JD 984,815 (2014: JD 534,815) which represents deferred tax assets restricted from use in accordance with the Central Bank of Jordan regulations.

- The general banking risks reserve amounting to JD 300,000 as at 31 December 2015 is restricted from use subject to Central Bank of Jordan approval.

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

The accompanying notes from 1 to 55 are an integral part of these consolidated financial statements and should be read with them

Jordan Dubai Islamic Bank- Public Shareholding Company

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015	2014
		JD	JD
Cash flows from operating Activities			
Profit for the year before tax		4,781,999	2,700,831
Adjustments for non monetary items:			
Depreciation and amortization		2,506,000	1,976,571
Profit from investment in associate		3,787	(11,273)
Investment risk fund		3,805,801	4,718,610
Recovered from profit equalization reserve		-	(1,450,000)
(Excess in) deferred sales receivable and other receivables provision		-	(767)
(Excess in) in Unconverted loans provision - self		(9,700)	-
(Excess in) in other provisions		-	(16,643)
Unrealized loss of financial assets at fair value through profit or loss		140,033	135,537
Bad debts written off -self financed		4,975	-
(Gain)Loss on sale of property and equipment		(4,821)	852
(Gain) on sale of repossessed asset against debts – self financed		(880,167)	(55,514)
Cash flows from operating activities before changes in operating assets and liabilities		10,347,907	7,998,204
Changes in assets and liabilities:			
Decrease in restricted balances at banks and financial institutions		491,609	708
Decrease (Increase) in financial assets at fair value through profit or loss		586,749	(924,486)
(Increase) in deferred sales receivables and other receivables		(17,114,640)	(55,937,344)
Decrease in unconverted loans		29,668	59,738
Decrease in local wakala investments		8,142	-
(Increase) in Ijara muntahia bittamleek assets		(36,532,366)	(23,637,886)
Decrease Investments in properties		8,190,981	-
(Increase) in other assets		(346,732)	(2,080,218)
Increase (decrease) in customers' current accounts		19,399,889	(3,084,169)
(Decrease)increase in cash margin accounts		(4,206,109)	1,433,496
(Decrease) increase in other liabilities		(8,233,930)	11,143,239
Net cash used in from operating activities before income tax paid		(27,378,832)	(65,028,718)
Income tax paid		(2,172,580)	(1,930,806)
Net cash used in operating activities		(29,551,412)	(66,959,524)
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through unrestricted investment accounts – net		(1,921,187)	(5,586,923)
(Purchase) of intangibles assets		(958,269)	(366,420)
(Purchase) of property and equipment		(3,225,906)	(4,967,893)
Sale of property and equipment		10,273	-
Proceeds from sale of repossessed asset against debts		210,700	449,524
Decrease (increase) in Sale of international wakala investments		10,299,151	(16,147,487)
Net cash from (used in) from investing activities		4,414,762	(26,619,199)
Cash Flows from Financing Activities			
Increase in unrestricted investment accounts		109,038,085	120,259,814
(Decrease) in borrowed funds		-	(1,255,277)
Net cash from financing activities		109,038,085	119,004,537
Net increase in cash and cash equivalents		83,901,435	25,425,814
Cash and cash equivalents, beginning of the year		139,797,893	114,372,079
Cash and cash equivalents, end of the year	46	223,699,328	139,797,893

The accompanying notes from 1 to 55 are an integral part of these consolidated financial statements and should be read with them

Notes to the Financial Statements





JORDAN DUBAI ISLAMIC BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015

(1) GENERAL

Jordan Dubai Islamic Bank - Jordanian public shareholding company (the "Bank") 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 2008 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 twenty one branches and subsidiaries within the Kingdom, in accordance with the Banking Law.

The consolidated financial statements were authorized for issue by the Bank's Board of Directors in their meeting No. (1/2016) held on 26 Januray 2016 and it is subject to the approval of General Assembly, and Central Bank of Jordan.

The Consolidated financial statements were reviewd by Shari'a Supervisory Board and they issued their report in their meeting No. (1/2016) held on 27 January 2016.

(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 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 consolidated 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 some accounting policies used by the Bank.

The subsidiaries included in the consolidated financial statements as of 31 December 2015 are as follows:

Subsidiary name	Paid in Capital (JD)	Source of Funding	Ownership %	Main Activity	Location	Acquisition Date
Misc for brokerage**	2,000,000	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:

Subsidiary name	Paid in Capital (JD)	Source of Funding	Ownership %	Main Activity	Location	Acquisition Date
AlFaid for Real State Investment***	20,000	Joint	100%	Real state Investmentt	Amman	2012

**During the year, the capital of misc for brokerage has been increased to reach JD 2,000,000 divided into 2,000,000 shares .

*** During the year, the capital of al faid for real state investment company has been increased to reach 20,000 JOD divided into 20,000 shares .

Subsidiaries are fully consolidated from the date the Bank obtains control, and continue to be consolidated until the date that such control ceases. The subsidiaries revenues and expenses are in the consolidated statement of income 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.

Changes in accounting policies -

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2015 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 2015 as follows:

	Percentage
Unrestricted investment accounts share (average)	49%
Equity shareholder's share (average)	41%
Investment risk fund share	10%

Joint investment account to be involved in the conclusions of the investment earnings and to be distributed to all depositors by taking into consideration their 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 55% of the minimum balance of JD saving accounts.
- 20% to 25% of the minimum balance of foreign currencies saving accounts.
- 45% to 90% of the average JD term accounts
- 18% to 43% of the average foreign currencies term accounts.
- 90% of the average balances of certificate of deposits in JD.
- 70% to 75% of average balances of certificate of deposits in foreign currencies.

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 and any other funds (not received on the basis of mudaraba contracts) 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.

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

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

Deferred sales receivables

Murabaha contracts

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

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

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

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

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

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



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

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

Deferred sales receivables and financings funded are written off from unrestricted investment accounts in the event of the futility of the actions taken to collect the fund investment risk (except what is granted/ funded and then write-off of deferred sales receivables and financings in the same year, where it is recorded in the consolidated statement of income/ 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 consolidated statement of income / 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 consolidated statement of income 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 income) and subsequently re measured at fair value. All realised and unrealised gains or losses are transferred to the consolidated statement of income including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.

Profit earned and dividends received are recorded in the consolidated statement of 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 its bought 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 .

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 and it was discovered that the operations resulted in losses, it should be covered from the investment risk fund given that they were implemented in a preceding year or preceding years.

The Shariah Supervisory Board will validate the existence of (Al Sanad Al Fiqhi) if the bank may incur losses in the scope of joint investment operations.

The impairment loss previously recognized in the consolidated statement of income Can be retrieved 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.

Since that the unrestricted investment accounts are unsynchronized at the beginning or end of depositing in accounts, the profits of deferred operations for upcoming period are distributed on a pro rata basis.

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 are recorded under the fair value reserve.

Financial assets that can not be determined at fair value reliably at cost, are tested for impairment at the end of each financial period and any impairment is recorded in the consolidated statement of income, and can not be reversed 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 profit on the outstanding principal amount.

Debt instruments are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective profit 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 profit 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 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.

When 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 consolidated statement of 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 assets through unrestricted investment accounts, equity, restricted investment accounts,

investment funds and the basis for the transfer and the used accounting policies used for this purpose to show the financial effect and any asset balance which was affected by a transfer at the beginning of the financial period and changes during the financial period and the balance at year end.

- 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 transfer processes.

- The Bank discloses the differences resulting from the transfer processes that are denominated in foreign currencies with the financial implications of it.

- The Bank discloses the nature and terms of the assets that have been converted whether they are indivisible and any related provisions.

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

Investment Risk Fund

The Bank appropriates 10% or more of the profit from the jointly fund (2014: 15%), this percentage increases based on the Central Bank of Jordan regulations, 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.

The Shariah Supervisory Board will validate the existence of (Al Sanad Al Fiqhi) if the bank may incur losses in the scope of joint investment operations.

Profit equalization reserve

It is an amount that is set aside from the total revenues of the unrestricted investment accounts before deducting share of Mudarib (the Bank) in order to maintain a certain level of return on investment for unrestricted investment accounts. This reserve is recognized when the bank management decide and with the conditional approval of the unrestricted investment accounts holders. If the balance of this reserve increased more than the amount that it considered



necessary by management the reserve will be reduced by the excess amount and added to the revenues of unrestricted investment accounts investment income. In the case of the liquidation of the Bank the profit reserve rate will be transferred to Zakat Fund.

Fair value 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 consolidated statement of 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 consolidated statement of 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 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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Reposessed assets by the bank against debts

Reposessed 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 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. (34) of 2014, 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 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 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 matures within three months, less banks and financial institutions accounts that mature within three months and restricted balances.

(3) USE OF ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

- Impairment provision for deferred sales and finances: the Bank appropriate 10% (2014 : 15%) of net revenues from jointly financed accounts and are transferred to the investment risk fund in accordance with the provisions of Article (55) of the Banks Law and compared with provisions as required by the Central Bank of Jordan.

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

- Management periodically revaluates the financial assets carried at cost in order to assess any impairment. Impairment on financial assets is allocated in accordance to the financing party.

**(4) CASH AND BALANCES WITH CENTRAL BANKS**

The details of this item are as follows:

	2015	2014
	JD	JD
Cash on hand	9,504,754	7,115,979
Cash and balances with Central Bank of Jordan:		
Current accounts	168,355,146	97,473,984
Statutory cash reserve	41,876,834	32,589,357
Total	219,736,734	137,179,320

- Except for the statutory cash reserve, there are no other restricted cash accounts as at 31 December 2015 and 31 December 2014.

(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	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	553,294	667,454	3,409,300	2,530,849	3,962,594	3,198,303
Total	553,294	667,454	3,409,300	2,530,849	3,962,594	3,198,303

- There is no restricted balances at 31 December 2015 (JD 491,609 at 31 December 2014).

(6) INTERNATIONAL WAKALA INVESTMENTS

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Matures:		
Within a month	2,836,000	10,705,900
Month to three months	998,482	3,545,000
Three to six months	2,013,854	1,896,587
Total	5,848,336	16,147,487

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

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Quoted shares	487,021	1,213,803
Total	487,021	1,213,803

(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

The details of this item are as follows:

	Joint		Self financed		Total	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Individuals (retail)-						
Purchase orderer Murabaha	95,567,800	81,055,017	646,012	620,045	96,213,812	81,675,062
Ijara Muntahia Beltamleek - receivables	1,174,435	799,613	-	-	1,174,435	799,613
Other receivable	-	-	122,451	93,375	122,451	93,375
Real estate funds	24,440,791	22,437,661	-	-	24,440,791	22,437,661
Corporate						
International Murabaha	-	7,753,754	-	-	-	7,753,754
Purchase orderer Murabaha	153,075,237	196,013,094	-	-	153,075,237	196,013,094
Ijara Muntahia Beltamleek - receivables	875,546	586,544	-	-	875,546	586,544
Governmental and public section	77,128,440	21,350,996	-	-	77,128,440	21,350,996
Other receivable	-	-	49,203	64,600	49,203	64,600
Total	352,262,249	329,996,679	817,666	778,020	353,079,915	330,774,699
Less: deferred revenues	36,337,208	31,190,659	81,725	65,854	36,418,933	31,256,513
Suspended revenues	431,491	395,255	-	-	431,491	395,255
Impairment provision	7,219,488	7,299,995	-	374	7,219,488	7,300,369
Deferred sales receivable, other assets – Net	308,274,062	291,110,770	735,941	711,792	309,010,003	291,822,562

- The non- performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables amounted to JD 8,513,592 representing 1.53% as at 31 December 2015 of deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables (31 December 2014: JD 12,380,165 representing 2.49%)
- The non- performing deferred sales receivables, other receivables, and the Ijara Muntahia Beltamleek receivables net of the suspended revenues amounted to JD 8,082,101 representing 1.45% as at 31 December 2015 of deferred sales receivable, other receivables, and the Ijara Muntahia Beltamleek receivables, (31 December 2014: JD 11,975,257 representing 2.41%).
- The balance of the fund investment risk, according to the Banking Law, paragraph (55) amounted to JD 11,888,213 as of 31 December 2015, compared to JD 9,486,463 as of 31 December 2014. Provision for impairment of the jointly financed facilities which is calculated based on portfolio (watch list) amounted to JD 193,263 and the provision calculated based on “individual customer” amounted to JD 7,026,225 as at 31 December 2015 (31 December 2014: JD 107,307 and JD 7,192,688 respectively).
- The deferred sales receivables, other receivables, and other facilities granted to and guaranteed by the Government of Jordan amounted to JD 77,128,440 representing 21.84% share of the total deferred sales receivables, other receivables and facilities as at 31 December 2015 (31 December 2014: JD 21,350,996 representing 6.45%)

**Suspended revenues**

Movement on suspended revenues were as follows:

	Joint					
	31 December 2015			31 December 2014		
	Retail	Corporate	Total	Retail	Corporate	Total
	JD	JD	JD	JD	JD	JD
Beginning balance	30,567	364,688	395,255	10,508	384,007	394,515
Add: Suspended revenues for the year	43,051	1,870	44,921	21,742	170,884	192,626
Less: suspended revenues reversed to revenues	8,033	652	8,685	1,683	190,203	191,886
Ending balance	65,585	365,906	431,491	30,567	364,688	395,255

(9) UNCONVERTED LOANS - NET

This item includes unconverted loan in accordance with the accepted financing methods. These unconverted loans were eliminated from common pool according to sharia board decision and treated as self-finance until its full settlement.

The details of this item are as follows:

	Self financed					
	31 December 2015			31 December 2014		
	Retail	Corporate	Total	Retail	Corporate	Total
	JD	JD	JD	JD	JD	JD
Gross unconverted loans	102,741	1,139,830	1,242,571	102,741	1,169,498	1,272,239
Less:						
suspended revenues	-	7,112	7,112	-	7,112	7,112
Impairment provision	-	1,131,382	1,131,382	-	1,141,082	1,141,082
Net unconverted loans	102,741	1,336	104,077	102,741	21,304	124,045

Movement on unconverted loans impairment provision – self financed

	Corporate	
	31 December 2015	31 December 2014
	JD	JD
Beginning balance	1,141,082	1,141,082
Provision	-	-
Less: Released to revenues	9,700	-
Used during the year (write offs)	-	-
Ending balance	1,131,382	1,141,082

General banking risks reserve against receivables and self financed facilities amounted to JD 300,000 as at 31 December 2015 (31 December 2014: JD 300,000).

There is no provision settled as a result of settlements or payments of debts which were converted to receivables and other funds as at 31 December 2015 and 31 December 2014.

Impairment provision of the self financed facilities amounted to JD 25,032 as at 31 December 2015 calculated based on individual customer (31 December 2014: JD 25,217).

Suspended revenues

	Self financed		
	Retail	Corporate	Total
	JD	JD	JD
31 December 2015			
Beginning balance	-	7,112	7,112
Add: Suspended revenues during the year	-	-	-
Deduct: suspended revenues transferred to revenues	-	-	-
Ending balance	-	7,112	7,112

	Self financed		
	Retail	Corporate	Total
	JD	JD	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

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

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Quoted Investments:		
Shares	2,315,788	3,340,246
Islamic Sukuk	5,316,614	2,872,372
Total quoted investment	7,632,402	6,212,618
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	7,739,176	6,319,392

(11) INVESTMENT IN ASSOCIATE**Investment in associated (joint)**

	Percentage of ownership	Country	Principal activity	2015 JD	2014 JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	363,466	367,253

Cash dividend from an associate was JD 6,750 during the year 2015 (2014: JD 6,750).

The movement on the investment in associate is as follows:

	Joint	
	2015	2014
	JD	JD
Beginning balance	367,253	362,729
Share of profit	17,552	13,472
Share of adjustments from previous year	(11,326)	-
Share of taxes	(3,263)	(2,198)
Dividends received	(6,750)	(6,750)
Ending balance	363,466	367,253

Share of associate assets and liabilities:-

	Joint	
	2015	2014
	JD	JD
Total assets	397,880	411,696
Total liabilities	34,414	44,443
Net assets	363,466	367,253
Total revenues	322,994	245,132

(12) LOCAL WAKALA INVESTMENTS

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Local Wakala Investments	-	8,142
Total	-	8,142

**(13) JARA MUNTAHIA BITTAMLEEK ASSETS - NET**

	Joint			Self financed			Total		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2015									
Ijara Muntahia Bittamleek assets-Real Estate	235,374,777	(41,131,723)	194,243,054	4,220,856	(618,647)	3,602,209	239,595,633	(41,750,370)	197,845,263
Ijara Muntahia Bittamleek assets-Machines	6,656,254	(1,143,632)	5,512,622	-	-	-	6,656,254	(1,143,632)	5,512,622
Total	242,031,031	(42,275,355)	199,755,676	4,220,856	(618,647)	3,602,209	246,251,887	(42,894,002)	203,357,885
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

- The accrued Ijara installments amounted to JD 2,049,981 as at 31 December 2015 (31 December 2014: JD 1,386,157) were presented under deferred sales receivables and other receivables (Note 8).

- The non-performing Ijara Muntahia Bittamleek amounted to JD 522,952 representing 0,26% as at 31 December 2015 (31 December 2014: JD 292,133 representing 0,2%)

(14) PROPERTY AND EQUIPMENT, NET

	Land	Buildings	Equipment, furniture & fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
31 December 2015						
Cost:						
At 1 January 2015	2,432,937	1,224,996	7,184,934	226,464	1,623,946	12,693,277
Additions	-	11,287,123	3,015,577	-	698,961	15,001,661
Disposals	-	-	3,530	12,150	51,157	66,837
At 31 December 2015	2,432,937	12,512,119	10,196,981	214,314	2,271,750	27,628,101
Accumulated depreciation:						
At 1 January 2015	-	472,556	3,663,933	170,485	992,422	5,299,396
Depreciation	-	172,322	1,312,088	23,248	362,363	1,870,021
Disposals	-	-	3,144	12,149	46,092	61,385
At 31 December 2015	-	644,878	4,972,877	181,584	1,308,693	7,108,032
Net book value At 31 December 2015	2,432,937	11,867,241	5,224,104	32,730	963,057	20,520,069
Payments on purchasing of property and equipment	-	-	-	148,628	300,220	448,848
Projects under construction	-	-	6,365	-	43,840	50,205
Net property and equipment	2,432,937	11,867,241	5,230,469	181,358	1,307,117	21,019,122
31 December 2014						
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 At 31 December 2014	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

Fully depreciated property and equipment amounted to JD 671,102 as of 31 December 2015 (2014: JD 579,850).

The estimated total cost to complete projects under construction amounted to JD 238,800 as at 31 December 2015 Represent the decoration and furnitures cost for the new head office located in Al-Abdali.

**(15) INTANGIBLE ASSETS**

The details of this item are as follows:

	Computers & Software	
	2015	2014
	JD	JD
Balance At 1 January	1,326,185	1,542,050
Additions	958,269	366,420
Amortization	635,979	582,285
Balance At 31 December	1,648,475	1,326,185

(16) INVESTMENTS IN PROPERTIS

The details of this item are as follows:

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

	31 December 2015			31 December 2014		
	Joint	Self financed	Total	Joint	Self financed	Total
	JD	JD	JD	JD	JD	JD
Begining Balance	7,438,445	-	7,438,445	7,438,445	-	7,438,445
Additions	344,001	-	344,001	-	-	-
Exclusions	(7,782,446)	-	(7,782,446)	-	-	-
Ending Balance	-	-	-	7,438,445	-	7,438,445

The balance of investments in real estate represents real estate that has been possessed by the Bank under the custody agreement between the bank and its subsidiary (AlFaid for Real State Investment).

During 2015, properties were sold, with a net income of 752,536 JD and was classified with the common pool revenue.

(17) OTHER ASSETS

The details of this item are as follows:

	2015	2014
	JD	JD
Reposessed assets by Bank against debts	3,707,415	3,790,484
Prepaid expenses	1,077,671	889,270
Accrued revenues	97,099	112,585
Stationery and printing materials	80,840	43,495
Income tax deposit	56,544	187,056
Transactions in transit	26,282	46,565
Other receiavables	152,053	198,208
Others	691,475	358,053
Total	5,889,379	5,625,716

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

	2015		2014	
	Reposessed real estates -self financed	Reposessed real estates- joint	Total	Total
	JD	JD	JD	JD
Beginning balance	970,385	2,820,099	3,790,484	1,347,099
Additions	-	-	-	2,820,099
Disposal	(83,069)	-	(83,069)	(393,357)
Related from provision	-	-	-	16,643
Ending Balance	887,316	2,820,099	3,707,415	3,790,484

Central Bank of Jordan regulations requires the disposal at reposessed assets during a maximum period of 2 years from the date of repossession, and in some cases the Central Bank can exceed the period for additional 2 years.

(18) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

The details of this item are as follows:

	2015		2014	
	Inside the Kingdom	Outside the Kingdom	Total	Total
	JD	JD	JD	JD
Current accounts	-	-	-	88,121
Total	-	-	-	88,121

(19) CUSTOMERS' CURRENT ACCOUNT

The details of this item are as follows:

	31 December 2015				
	Retail	Corporate	Small and medium companies	Public and governmental sectors	Total
	JD	JD	JD	JD	JD
Current accounts	61,733,961	6,830,532	18,430,951	2,553,933	89,549,377
Total	61,733,961	6,830,532	18,430,951	2,553,933	89,549,377



31 December 2014

	Retail	Corporate	Small and medium companies	Public and governmental sectors	Total
	JD	JD	JD	JD	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

- Public sector accounts inside the Kingdom as at 31 December 2015 amounted to JD 2,553,933 representing 2,85% of the total customers' current accounts (31 December 2014: JD 1,865,010 representing 2,66%).
- The restricted accounts as at 31 December 2015 amounted to JD 1,313,625 representing 1,47% of the total customers' current accounts (31December 2014: JD 1,961,737 representing 2,79%).
- The dormant accounts as at 31 December 2015 amounted to JD 4,199,620 (31 December 2014: JD 3,616,522).

(20) CASH MARGIN ACCOUNTS

The details of this item are as follows:

	2015	2014
	JD	JD
Margins against deferred sales receivables and finances	10,846,599	15,247,003
Margins against indirect facilities	1,221,006	1,041,328
Other margins	218,565	203,948
Total	12,286,170	16,492,279

(21) OTHER PROVISIONS

The details of this item are as follows:

	2015				
	Beginning balance	Provided during the year	Used during the year	Reversed to revenues	Ending balance
	JD	JD	JD	JD	JD
End of service indemnity	23,818	-	-	-	23,818
Lawsuits provision	60,785	-	-	-	60,785
Total	84,603	-	-	-	84,603

2014

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

(22) INCOME TAX PROVISION**A- Income tax provision**

	2015	2014
	JD	JD
Begining balance	21,021	-
Income tax expense for the year	1,489,194	32,575
Add: Previous years adjustments	460,878	-
Deduct : income tax paid for prevous years	(460,878)	(11,554)
Deduct: Income tax paid for the current year	(222,164)	-
Ending balance	1,288,051	21,021

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

	2015	2014
	JD	JD
Income tax expense	(1,489,194)	(778,018)
Deduct : deferred tax assets *	450,000	-
Add : privious years adjustments	(460,878)	-
Total	(1,500,072)	(778,018)

* Related to taxes of 2013 it has been charged to self-expenses as it will be settled back in the future.

- The Bank obtained a final settlement from Income tax and sales tax department until the year 2013.
- The Bank submitted its tax declaration for the year ended 2014 and it has not been reviewed by the Income tax and sales tax department up to the date of the consolidated financial statements.
- The Bank's subsidiaries submitted their tax declaration for the years 2011,2012,2013,2014 and it has not been reviewed by the income and sales tax department up to the date of the consolidated financial statements.

**C- Deferred tax assets/liabilities**

The details of this item are as follows:

2015					2014
Balance Beginning	Released during the year	Additions during the year	Ending balance	Deferred tax	Deferred tax
JD	JD	JD	JD	JD	JD

Deferred tax assets - self financed

End of services indemnity provision	23,818	-	-	23,818	8,336	8,336
Lawsuits provision	60,785	-	-	60,785	21,275	21,275
Impairment for repossessed assets	343,441	-	-	343,441	120,204	120,204
Impairment for credit facilities	1,100,000	-	-	1,100,000	385,000	385,000
Legal expenses	-	-	1,500,000	1,500,000	450,000	-
Total	1,528,044	-	1,500,000	3,028,044	984,815	534,815

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

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Beginning balance	534,815	-	1,087,327	-
Additions during the year*	450,000	-	76,402	-
Amortized during the year	-	-	(628,914)	-
Ending balance	984,815	-	534,815	-

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

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Beginning balance	-	-	204,485	-
Additions during the year*	-	-	-	-
Amortized during the year	-	-	(204,485)	-
Ending balance	-	-	-	-

* According to tax law no.34 issued in 2014 and effective 1 January 2015 the tax rate for the bank is 35% and this rate was used for the calculation of deferred tax.

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

	2015	2014
	JD	JD
Accounting profit	4,781,999	2,700,831
Non-taxable profit	1,659,455	1,503,239
Non-deductible expenses	1,119,701	982,456
Accumulated losses/ previous year	187,993	2,258,959
Tax profit (losses)	4,054,252	(78,911)
Bank stand alone profit	4,254,841	108,584
Subsidiaries losses	(200,589)	(187,495)
Statutory tax rate- bank	35%	30%
Tax rate for subsidiaries	24%	24%
Effective tax rate	31%	29%

(23) OTHER LIABILITIES

The details of this item are as follows:

	2015	2014
	JD	JD
Accrued expenses	1,550,507	1,042,130
Issued cheques	5,147,273	1,655,733
Al – Mutarabetah Company deposits	-	650,975
Shareholders and customers deposits	860,217	1,823,919
Customers' share of profit from unrestricted investments	5,963,547	5,736,425
Brokerage payables	8,324	8,738
Temporary deposits	769,499	11,708,329
Others	841,360	748,408
Total	15,140,727	23,374,657

**(24) UNRESTRICTED INVESTMENT ACCOUNTS**

The details of this item are as follows:

	31 December 2015				
	Retail	Corporate	Small and medium companies	Public and governmental sectors	Total
	JD	JD	JD	JD	JD
Saving accounts	36,224,293	1,112,618	1,380,023	44,223	38,761,157
Term accounts	307,871,090	80,689,663	26,483,443	40,131,228	455,175,424
Certificates of deposit	8,672,828	4,842,488	-	-	13,515,316
Total	352,768,211	86,644,769	27,863,466	40,175,451	507,451,897
Depositors' share from investments' revenue:	10,580,813	2,779,401	884,746	1,299,309	15,544,269
Total unrestricted investment accounts	363,349,024	89,424,170	28,748,212	41,474,760	522,996,166

	31 December 2014				
	Retail	Corporate	Small and medium companies	Public and governmental sectors	Total
	JD	JD	JD	JD	JD
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
Depositors' share from investments' revenue:	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

- Unrestricted investment accounts share of profit is calculated as follows:
- 30%to 55% of the minimum balance of saving accounts in JD .
- 20%to 25% of the minimum balance of saving accounts in foreign currencies .
- 45%to 90% of the average term accounts in JD .
- 18%to 43% of the average term accounts in foreign currencies .
- 90%of the average balances of certificates of deposit in JD .
- 70%to 75% of average balances of certificates of deposit in foreign currencies .
- The percentage of the profit on the Jordanian Dinar for the the year 2015 is 3.32%(for the last year 4,25%).
- The percentage of the profit on USD for the year 2015 is 0.94% (2014:1.03%).
- The unrestricted investment accounts for the public sector amounted to JD 41,474,760 as at 31 December 2015, which represents7,93% of the total unrestricted investment accounts (31 December 2014: JD 39,072,350 which represents 9,43% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 33,278 as at 31 December 2015(31December 2014:JD 410,552) .

(25) INVESTMENT RISK FUND

The movement on investment risk fund is as follows:

	31 December 2015 JD	31 December 2014 JD
Beginning balance	9,486,463	6,184,716
Additions: transferred from unrestricted investment accounts revenues during the year	3,805,801	4,718,610
Less: bad debts written off	2,731	3,544
Less: losses from financial assets at fair value through unrestricted investment accounts Pertaining to previous years	108,070	-
Deductions: provision for income tax	1,293,250	1,413,319
Ending balance	11,888,213	9,486,463

- The investment risk fund balance will be transferred to the Zakat fund in case of liquidation.
- The Central Bank of Jordan approved to decrease the percentage to 10% starting from 1 January 2015 (15% :2014).

Investment risk fund balance is distributed as follows:

	31 December 2015 JD	31 December 2014 JD
Year end balance	11,888,213	9,486,463
Against Ijara Muntahia Beltamleek receivable	203,871	113,893
Against deferred sales receivables	7,015,617	7,186,102
Remaining balance	4,668,725	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 2015 JD	31 December 2014 JD
Beginning balance	1,639,270	2,156,757
Income tax on transferred revenues from investment accounts	1,293,250	1,413,319
Less: Income tax paid	1,489,538	1,930,806
Ending balance	1,442,982	1,639,270

- The Bank obtained a final settlement from Income tax and sales tax department until the year 2013.
- Tax returns of 2014 were submitted but not audited by the income and sales tax department up to the date of the consolidated financial statements.

**(26) FAIR VALUE RESERVE – NET**

The details of this item are as follows:

	Financial assets at fair value through unrestricted investment accounts		
	2015		2014
	Shares	Sukuk	Total
	JD	JD	JD
Beginning balance	(560,892)	(86,288)	(647,180)
Unrealized gains (losses)	(413,183)	(44,584)	(457,767)
Gains on sale of financial assets	64,434	-	64,434
Ending balance	(909,641)	(130,872)	(1,040,513)

(27) PROFIT EQUALIZATION RESERVE

The Bank reserves as Mudarib certain percentage of each of the depositors and shareholders share of 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 profit equalization reserve devolves to the shareholders and the joint investment accounts each by their share.

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

	31 December 2015		31 December 2014	
	Shareholders	Unrestricted accounts *	shareholders	Unrestricted accounts *
	JD	JD	JD	JD
Beginning balance	-	-	785,027	664,973
Addition	-	-	-	-
Reversals	-	-	(785,027)	(664,973)
Ending balance	-	-	-	-

* The unrestricted accounts is presented net of tax.

(28) PAID IN CAPITAL AND SHARE DISCOUNT

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 2015 and 31 December 2014.

The additional shares were issued at a discount which amounted to 1,100,000 as of 31 December 2015 and 31 December 2014.

(29) 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 be distributed in full it or part of it to the shareholders.

General banking risk reserve:

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

The following reserves are restricted:

Reserve name	2015	2014	Note
	JD	JD	
Statutory reserve	21,116,122	20,637,922	Law
General banking risk reserve	300,000	300,000	Central Bank regulations

(30) RETAINED EARNINGS

	2015	2014
	JD	JD
Beginning balance	8,671,610	7,018,880
Profit for the year	3,281,927	1,922,813
Transferred to statutory reserve	(478,200)	(270,083)
Ending balance	11,475,337	8,671,610

As of 31 December 2015, the retained earnings include an amount of JD 984,815 representing deferred tax assets from self financed and according to the Central Bank of Jordan, this amount is not available for distribution (31 December 2014 : JD 534,815).

Proposed cash dividend for the year 2015 is 7% of the paid up capital equal to JD 7,000,000 , the proposed cash dividend is subject to the approval of general assembly of the shareholders.

**(31) DEFERRED SALES REVENUES**

The details of this item are as follows:

	31 December 2015		31 December 2014	
	Joint	Self financed	Joint	Self financed
	JD	JD	JD	JD
Retail				
Murabaha Purchase orderer	7,629,649	40,111	5,952,830	43,121
Real estate fund	1,757,830	-	2,129,559	-
Corporate				
International Murabaha	11,758	-	26,242	-
Murabaha Purchase orderer	12,033,969	-	11,934,228	-
Total	21,433,206	40,111	20,042,859	43,121

(32) IJARA MUNTAHIA BELTAMLEEK REVENUES

The details of this item are as follows:

	31 December 2015		31 December 2014	
	Joint	Self financed	Joint	Self financed
	JD	JD	JD	JD
Ijara Muntahia Beltamleek – real state	41,123,990	591,363	43,910,982	654,996
Ijara Muntahia Beltamleek – equipments	12,374,823	-	10,033,634	-
Depreciation for Ijara Muntahia Beltamleek assets	(37,716,362)	(458,313)	(40,503,354)	(531,085)
Total	15,782,451	133,050	13,441,262	123,911

(33) INTERNATIONAL WAKALEH INVESTMENT PROFITS

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
International Wakala investment profits	46,840	15,492
Total	46,840	15,492

(34) GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Stock dividends	87,818	74,738
Gain on sale of financial assets	(110,825)	89,147
Islamic Sukuk profit	170,304	43,080
Total	147,297	206,965

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

The details of this item are as follows:

	Joint							
	31 December 2015				31 December 2014			
	Realized gain (losses)	Unrealized losses	Dividends	Total	Realized gains	Unrealized losses	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Shares	(57,177)	(140,033)	46,121	(151,089)	122,485	(135,537)	17,699	4,647
Total	(57,177)	(140,033)	46,121	(151,089)	122,485	(135,537)	17,699	4,647
Less:								
Contract commissions	9,043	-	-	9,043	23,668	-	-	23,668
Total	(66,220)	(140,033)	46,121	(160,132)	98,817	(135,537)	17,699	(19,021)

**(36) FOREIGN CURRENCIES REVALUATION PROFITS (LOSSES)**

The details of this item are as follows:

	Joint	
	2015	2014
	JD	JD
Foreign currencies revaluation profits (losses)	4,041	(55,982)
Total	4,041	(55,982)

(37) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS'

The details of this item are as follows:

	2015	2014
	JD	JD
Customers		
Revenues on saving accounts	357,442	249,180
Revenues on term accounts	14,747,212	14,946,555
Revenues on certificates of deposit	439,615	-
Total	15,544,269	15,195,735

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

The details of this item are as follows:

	2015	2014
	JD	JD
Bank's share as Mudarib	13,437,011	10,226,262
Bank's share as Rab Mal	5,270,934	2,766,800
Total	18,707,945	12,993,062

(39) BANK SELF FINANCED REVENUES

The details of this item are as follows:

	Note	2015	2014
		JD	JD
Unconverted loans profits*		6,975	-
Ijara Muntahia Beltamleek revenues	32	591,363	654,996
Deferred sales revenues	31	40,111	43,121
Total		638,449	698,117

* This item represents interest on unconverted loans that was not included in the investment pool for the shareholders until they recover the paid in capital. The Shareholders were advised to donate any excess amount to charity. The amount represents JD 0.007 for every share.

(40) GAIN FROM FOREIGN CURRENCIES

The details of this item are as follows:

	2015	2014
	JD	JD
Trading in foreign currencies	531,661	637,889
Total	531,661	637,889

(41) BANKING SERVICES REVENUES

The details of this item are as follows:

	2015	2014
	JD	JD
Indirect facilities commissions	763,203	1,036,260
Direct facilities commissions	736,372	1,604,786
Other commissions	1,151,041	1,234,233
Total	2,650,616	3,875,279

**(42) OTHER REVENUES**

The details of this item are as follows:

	2015	2014
	JD	JD
Gain (losses) from sale of fixed assets	4,821	(852)
Gain from sale of repossessed assets	127,631	55,514
Other revenues	1,103	2,353
Total	133,555	57,015

(43) EMPLOYEES' EXPENSES

The details of this item are as follows:

	2015	2014
	JD	JD
Salaries, benefits, allowances and bonuses	7,321,940	6,848,465
Bank's contribution for social security	731,293	655,042
Medical expenses	526,471	347,775
Training	73,446	67,146
Insurance expenses	42,034	47,496
Total	8,695,184	7,965,924

(44) OTHER EXPENSES

The details of this item are as follows:

	2015	2014
	JD	JD
Rent and vacancy compensation	800,006	722,587
Stationery and printing materials	222,966	197,295
Telecommunications	333,853	298,445
Utilities	700,163	434,187
Travel and transportation	274,536	191,340
Marketing and advertising	508,304	489,097
Subscription and fees	144,810	216,207
Cleaning expenses	288,634	207,932
Licences and governmental fees	334,175	155,994
Board of directors meetings expenses	66,260	46,631
Information technology expenses	601,271	588,940
Security and insurance expenses	247,961	218,987
Donations	147,796	41,035
Management and consulting fees	526,341	510,563
Professional fees	62,640	60,320
Board of directors remuneration	55,000	37,225
Bad debts written off	4,975	-
Hospitality Expenses	50,932	47,040
Money transportation expenses	54,982	98,271
Electronics cards expensess	194,698	160,571
Others	600,427	365,051
Total	6,220,730	5,087,718

(45) EARNINGS PER SHARE

The details of this item are as follows:

	2015	2014
	JD	JD
Profit for the year	3,281,927	1,922,813
Weighted average number of shares	100,000,000	100,000,000
	JD/ Fils	JD/ Fils
Basic and diluted earnings per share	0/033	0/019

(46) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	2015	2014
	JD	JD
Cash balances with CBJ maturing within three months	219,736,734	137,179,320
Add: cash at banks and financial institutions maturing within three months	3,962,594	3,198,303
Less: banks and financial institutions accounts maturing within three months	-	(88,121)
Less: restricted balance (note 5)	-	(491,609)
Total	223,699,328	139,797,893

**(47) RELATED PARTY TRANSACTIONS**

The Bank entered into transactions with shareholders, board members, senior management and subsidiary Companies using normal rates of Murabaha and trade commissions. All deferred sales receivables and financials created to related parties are performing and no provision was taken for these balances.

Below is a summary of related party transactions

	Main shareholders		Senior management		Board of directors		Dubai Islamic Bank*		Shari'a Supervisory Board members		31 December 2015		31 December 2014	
	JD		JD		JD		JD		JD		JD		JD	
Consolidated statement of financial position items														
Balances at banks and financial institutions	-		-		-		410,051		-		410,051		465,500	
Unrestricted investments accounts and current accounts	28,506,473		693,493		192,735		-		4,480		29,397,181		31,223,148	
Deferred sales receivables	-		214,916		-		-		6,500		221,416		146,161	
Ijara muntahia bittamleek	-		1,156,194		-		-		-		1,156,194		1,114,055	
Off financial position items														
Letters of guarantees	117,000		-		-		-		-		117,000		117,000	
Consolidated statement of Income items														
Dividends	1,408,103		23,737		5		-		-		1,431,845		1,379,912	
Salaries and bonuses	-		1,673,620		55,000		-		30,487		1,759,107		1,654,476	
Transportation	-		-		172,100		-		12,762		184,862		136,544	
Management and consulting fees	-		-		-		300,685		-		300,685		296,958	

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

The lowest and highest received Murabaha percentage were 3.43% and 5.69%.

Rate of Ijara muntahia bittamleek received by the Bank was 3.81%.

The lowest and highest distributed profit percentage were 0.55% and 3.84%.

Executive management salaries and benefits for the year ended 31 December 2015 amounted to JD 1,673,620 (31 December 2014: JD 1,588,891).

(48) 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.

49) RISK MANAGEMENT

The Board of Directors has the 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 in managing, analyzing and measuring all types 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 the technology that is used 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 risks that the Bank is exposed to includes the following:**1. Credit Risk**

Credit risk is generally defined as the risks arising from the borrower inability and / 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.

The Credit risks that the Bank is exposed to, arises from financing and investment operations, includes:

- 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 credit risk through a number of committees, such as the Risk Management Committee of the Board of Directors.
- Monitoring credit facilities, defining authorities, and adopting clear and specific conditions in financing operations through credit committees given specific authorised by the board of directors.
- 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 risk for retail, groups and customers in certain geographical areas, or economic activities, or in financing instruments or products.
- Managing nonperforming facilities, to achieve less credit losses by the Bank.
- Segregating business divisions from credit and risk management divisions.
- Separation of tasks related to the execution and oversight of credit.

Credit Risk Measurement:

The Bank applies the standardized approach to measure credit risk by measuring capital adequacy Ratio according to CBJ instructions. The Bank is heading toward the implementation of the Foundation Internal Rating Based Approach (FIRB) in which an internal rating system is in place to classify the corporate customers in order to determine their credit quality and to monitor it over the term of the credit facilities, which will be used as a key determinant for credit granting and pricing.

The Bank is currently applying a strategic portfolio system to manage the credit risk for corporate financial services, which includes tools that easily monitor the credit portfolio on a daily basis.

Credit Risk Mitigation:

The Bank uses a variety of Credit Risk Mitigation (CRM) Techniques, which shall be used in accordance with the approved CRM policy, which is intended to hedge and reduce the credit risks through specifying the types and values of acceptable collaterals.

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 operates in accordance with the 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 as negative effects on the Bank's reputation arising from non-compliance 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. Non compliance risks

Non compliance risks represents sanctions on matters related to legal or regulatory or financial losses or reputation risks which the Bank might face as a result of non compliance to laws, regulations, standards and proper financial practices.

Non compliance might result in sanctions, financial losses or bad reputation to the Bank.

Non compliance risks falls under warnings and Central Bank violations which results in monetary fines and affects the Bank's reputation and which might result to Bank closure or cancelling its license in case of non compliance to legislations

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 identifying customers legal activities and money resources to ensure dealing with reputable customers. The department follow up on the policies 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.

(49/ A) Credit Risk

1) Credit risk exposure (After impairment provision and before collateral and other risk reducers):

	2015		
	Joint	Self financed	Total
	JD	JD	JD
Balances with Central Banks	-	210,231,980	210,231,980
Balances at banks and financial institutions	-	3,962,594	3,962,594
International Wakala investments	5,848,336	-	5,848,336
Deferred sales receivables and other receivables			
Retail	245,369,025	4,288,947	249,657,972
Real estate financing	40,399,317	-	40,399,317
Corporate	153,260,913	49,203	153,310,116
Public and governmental sectors	69,000,483	-	69,000,483
Unconverted loans			
Retail	-	102,741	102,741
Corporate	-	1,336	1,336
Local Wakala investment			
Corporate	-	-	-
Public and governmental sector	-	-	-
Sukuk			
Financial assets at fair value through unrestricted investments accounts	5,316,614	-	5,316,614
Other assets	-	208,597	208,597
Total	519,194,688	218,845,398	738,040,086
Off of financial position items:			
Letters of guarantees	-	4,125,355	4,125,355
Letters of credit	-	2,775,003	2,775,003
Acceptances	-	60,934	60,934
Unutilized limits	49,419,868	-	49,419,868
Total	568,614,556	225,806,690	794,421,246

	2014		
	Joint	Self financed	Total
	JD	JD	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 financial position items:			
Letters of guarantees	-	5,006,452	5,006,452
Letters of credit	-	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

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:

	Joint						Self Financed															
	Real-estate financing		Public and government sectors		International Wakala investment		Sukouk		Total		Retail		Real-estate financing		Corporate		Banks and financial institutions		Total		Grand total	
	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd	Jd
2015:																						
Low risk	2,516,703	4,168,420	803,962	77,128,440	-	-	-	-	84,617,525	46,153	-	1,110,133	-	-	1,156,286	-	-	-	-	1,156,286	-	85,773,811
Acceptable risk	260,842,362	39,721,540	148,455,536	-	-	5,848,336	5,316,614	460,184,388	4,418,166	-	-	50,558	3,962,594	8,431,318	468,615,706	-	-	-	-	-	-	-
Past due:*																						
Up to 30 days	788,261	36,362	42,601	-	-	-	-	867,224	7	-	-	-	-	-	7	-	-	-	-	-	-	867,231
From 31 to 60 days	48,921	37,812	2,910	-	-	-	-	89,643	-	-	-	-	-	-	-	-	-	-	-	-	-	89,643
Watch list	589,671	-	9,292,554	-	-	-	-	9,882,225	3,969	-	-	770	-	-	4,739	-	-	-	-	-	-	9,886,964
Non performing:																						
Substandard	282,881	-	-	-	-	-	-	282,881	606	-	-	-	-	-	606	-	-	-	-	-	-	283,487
Doubtful	197,949	-	48,642	-	-	-	-	246,591	1,635	-	-	-	-	-	1,635	-	-	-	-	-	-	248,226
Losses written - off	436,505	-	7,532,760	-	-	-	-	7,969,265	2,884	-	-	27,572	-	-	30,456	-	-	-	-	-	-	7,999,721
Total	264,866,071	43,889,960	166,133,454	77,128,440	5,848,336	5,316,614	563,182,875	4,473,413	-	-	-	1,189,033	3,962,594	9,625,040	572,807,915	-	-	-	-	-	-	-
Less: Deferred Revenue	18,895,626	3,490,643	5,822,982	8,127,957	-	-	36,337,208	81,725	-	-	-	-	-	-	81,725	-	-	-	-	-	-	-
Less: Suspended Revenue	65,585	-	365,906	-	-	-	431,491	-	-	-	-	7,112	-	-	7,112	-	-	-	-	-	-	-
Less :Impairment provision	535,835	-	6,683,653	-	-	-	7,219,488	-	-	-	-	1,131,382	-	-	1,131,382	-	-	-	-	-	-	-
Net	245,369,025	40,399,317	153,260,913	69,000,483	5,848,336	5,316,614	519,194,688	4,391,688	-	-	-	50,539	3,962,594	8,404,821	527,599,509	-	-	-	-	-	-	-

- The whole balance is considered due if there is a default of one installment



	Joint						Self Financed					
	Public and government sectors			International Wakala investment			Real-estate financing			Retail		
	Retail	Real-estate financing	Corporate	JD	JD	JD	JD	JD	JD	Total	JD	JD
2014:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	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
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	7,321,694
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
Watch list	76,054	-	7,535,266	-	-	-	7,611,320	119	-	-	640	7,612,079
Non performing:												
Substandard	56,098	-	1,727,955	-	-	-	1,784,053	1,243	-	494	-	1,737
Doubtful	246,663	-	117,355	-	-	-	364,018	889	-	4	-	893
Losses written - off	117,319	-	10,099,913	-	-	-	10,217,232	1,203	-	28,652	-	29,855
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
Less: Deferred Revenue	15,683,118	4,219,043	8,350,002	2,938,496	-	-	31,190,659	65,854	-	-	-	65,854
Less: Suspended Revenue	30,567	-	364,688	-	-	-	395,255	-	-	7,112	-	7,112
Less :Impairment provision	239,681	-	7,060,314	-	-	-	7,299,995	374	-	1,141,082	-	1,141,456
Net	196,204,958	40,446,895	199,612,098	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 of one installment

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

	Joint						Self financed					
	Real-estate financing			Public and government sectors			Real-estate financing			Retail		
	Retail	Real-estate financing	Corporate	JD	JD	JD	JD	JD	JD	Total	JD	JD
2015:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	2,516,703	4,168,420	803,962	77,128,440	84,617,525	46,153	-	1,110,133	1,156,286	85,773,811		
Acceptable risk	233,260,966	25,844,474	25,709,914	-	284,815,354	4,174,709	-	572	4,175,281	288,990,635		
Watch list	310,460	-	7,102,331	-	7,412,791	-	-	-	-	7,412,791		
Non performing:												
Substandard	232,677	-	-	-	232,677	-	-	-	-	232,677		
Doubtful	95,621	-	48,642	-	144,263	-	-	-	-	144,263		
Losses written - off	187,983	-	1,468,225	-	1,656,208	-	-	17,841	17,841	1,674,049		
Total	236,604,410	30,012,894	35,133,074	77,128,440	378,878,818	4,220,862	-	1,128,546	5,349,408	384,228,226		
Comprising of:												
Cash margin	2,516,703	4,168,420	803,962	-	7,489,085	46,153	-	1,110,133	1,156,286	8,645,371		
Real-estate	168,722,882	25,823,618	31,099,838	-	225,646,338	3,602,214	-	18,413	3,620,627	229,266,965		
Vehicles and machinery	65,364,825	20,856	3,229,274	-	68,614,955	572,495	-	-	572,495	69,187,450		



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

	Joint						Self financed					
	Real-estate financing		Corporate		Public and government sectors		Retail		Real-estate financing		Corporate	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2014:												
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		
Losses written - off	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 2015	31 December 2014
		JD	JD
Baa1	Moody's	1,813,799	732,043
Aa3	S & P's	666,460	699,287
A3	Moody's	1,391,767	-
-	-	1,444,588	1,441,042
Total		5,316,614	2,872,372

4) **Credit concentration based on geographic distribution is as follows:**

	Inside Jordan	Other middle eastern countries	Europe	Asia*	Americas	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances with Central Banks	210,231,980	-	-	-	-	-	210,231,980
Balances at banks and financial institutions	553,294	835,603	2,274,715	181,485	104,322	13,175	3,962,594
International Wakala investments	-	5,848,336	-	-	-	-	5,848,336
Deferred sales receivable and other receivable							
Retail	249,657,972	-	-	-	-	-	249,657,972
Real-estate financing	40,399,317	-	-	-	-	-	40,399,317
Corporate	153,310,116	-	-	-	-	-	153,310,116
Public and governmental sectors	69,000,483	-	-	-	-	-	69,000,483
Unconverted loans							
Retail	102,741	-	-	-	-	-	102,741
Corporate	1,336	-	-	-	-	-	1,336
Local Wakala investment							
Corporate	-	-	-	-	-	-	-
Public and governmental sectors	-	-	-	-	-	-	-
Sukuk							
Within financial assets at fair value through unrestricted investment accounts	-	5,316,614	-	-	-	-	5,316,614
Other assets	208,597	-	-	-	-	-	208,597
Total / 2015	723,465,836	12,000,553	2,274,715	181,485	104,322	13,175	738,040,086
Total / 2014	585,489,751	24,062,428	781,997	336,137	561,654	16,860	611,248,827

*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 2,636,739 as of 31 December 2015 (2014: JD 3,766,404).

**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 21,102,002 as of 31 December 2015 (2014: JD 10,660,762).

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

	Financial	Industrial	Trade	Real-estate	Retail	Public and governmental sectors	Total
	JD	JD	JD	JD	JD	JD	JD
Balances with Central Banks	210,231,980	-	-	-	-	-	210,231,980
Balances at banks and financial institutions	3,962,594	-	-	-	-	-	3,962,594
International Wakala investments	5,848,336	-	-	-	-	-	5,848,336
Deferred sales receivable and other receivables	-	53,794,027	99,516,089	40,399,317	249,657,972	69,000,483	512,367,888
Unconverted loans	-	1,336	-	-	102,741	-	104,077
Local Wakala investments	-	-	-	-	-	-	-
Sukuk investment							
Within financial assets at fair value through unrestricted investment accounts	5,316,614	-	-	-	-	-	5,316,614
Other assets	208,597	-	-	-	-	-	208,597
Total / 2015	225,568,121	53,795,363	99,516,089	40,399,317	249,760,713	69,000,483	738,040,086
Total / 2014	160,222,313	94,872,020	97,072,228	40,446,895	200,214,729	18,420,642	611,248,827

(49/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.
- Forming 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 a report including market prices and present it on the Asset and Liabilities Committee to monitor any sudden change in prices of financial instruments to avoid changes in market prices.

1- **Rate of Return Risks**

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

The Bank is exposed to rate of return risks as a result of the gap between assets and liabilities according to their terms and re-pricing the rate on subsequent transactions.

The Bank manages these risks by determining the rates of future profits according to the expectations of market conditions and developing new instruments that comply with the Islamic rules and regulations through the Bank's risk management strategy:

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

2015	increase in the indicator	Impact on profit and losses	Impact on equity
currency	(5%)	JD	JD
Euro	7,006	7,006	7,006
GBP	329	329	329
Japanese Yen	75	75	75
Other currencies	9,584	9,584	9,584

2014	increase in the indicator	Impact on profit and losses	Impact on equity
currency	(5%)	JD	JD
Euro	568	568	568
GBP	7	7	7
Japanese Yen	329	329	329
Other currencies	7,576	7,576	7,576

The impact of decreasing the exchange rate by 5% has the same impact with the opposite sign.

**Concentration in foreign currencies risks :**

	31 December 2015					
	US Dollar	Euro	GBP	Japanese Yen	Others	Total
Assets						
Cash and balances with Central Bank	9,626,328	86,976	33,311	-	197,816	9,944,431
Balances at banks and financial institutions	933,173	1,462,448	36,862	115,838	925,057	3,473,378
Deferred sale receivables	30,644,324	-	-	-	-	30,644,324
International Wakala Investment	2,836,000	2,013,854	998,482	-	-	5,848,336
Financial assets at fair value through unrestricted investment accounts	5,364,810	-	-	-	-	5,364,810
Other assets	78,463	132,631	646	-	-	211,740
Total assets	49,483,098	3,695,909	1,069,301	115,838	1,122,873	55,487,019
liabilities						
Banks and financial institutions' accounts	-	-	-	-	-	-
Customers' accounts(current, saving, term)	38,321,100	3,415,085	1,073,409	114,343	628,019	43,551,956
Cash margins accounts	87,713	-	-	-	303,177	390,890
Other liabilities	848,865	140,712	2,481	-	-	992,058
Total liabilities	39,257,678	3,555,797	1,075,890	114,343	931,196	44,934,904
Net concentration in current year's financial position	10,225,420	140,112	(6,589)	1,495	191,677	10,552,115
Contingent liabilities outside current year's financial position	1,855,673	1,060,309	-	-	287,009	3,202,991
31 December 2014						
	US Dollar	Euro	GBP	Japanese Yen	Others	Total
Total Assets	46,173,802	4,576,936	809,934	121,620	897,143	52,579,435
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

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:

2015	increase in the indicator (5%)	Impact on profit and losses	Impact on equity
Indicator		JD	JD
Amman Stock Market	140,140	24,351	115,789
Foreign markets	-	-	-
2014	increase in the indicator (5%)	Impact on profit and losses	Impact on equity
Indicator		JD	JD
Amman Stock Market	227,702	60,690	167,012
Foreign markets	-	-	-

The impact of decreasing the exchange rate by 5% has the same impact with the opposite sign.

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.

(49/C) Liquidity Risks

The cash 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 finance department and treasury department. 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: below is a summary of the maturities of the Bank's undiscounted liabilities, based on contractual payment date as of the date of the consolidated financial statements, in JD:

2015 :	Due in less than a month	Due in 1-3 months	Due in 3-6 months	Due in 6 months year 1	Due in 1-3 year	Due in more than 3 years	Without maturity	Total
Bank and financial institutions' accounts	-	-	-	-	-	-	-	-
Customers' current accounts	89,549,377	-	-	-	-	-	-	89,549,377
Cash margins accounts	10,878,726	639,335	371,927	650,707	-	-	-	12,540,695
Income tax provisions	1,288,051	-	-	-	-	-	-	1,288,051
Other provisions	84,603	-	-	-	-	-	-	84,603
Other liabilities	12,108,889	1,868,957	387,627	775,254	-	-	-	15,140,727
Unrestricted investment accounts	111,274,252	147,604,338	119,657,428	150,169,170	-	-	-	528,705,188
Total	225,183,898	150,112,630	120,416,982	151,595,131	-	-	-	647,308,641
Total assets maturities as expected due dates	269,959,802	82,577,152	38,064,950	47,001,677	121,941,516	197,938,389	22,667,597	780,151,083
2014 :								
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
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 due dates	197,403,494	60,492,103	66,930,002	65,014,287	86,844,153	160,120,763	20,994,874	657,799,676

Second: Off-financial position items

	Up to 1 year	
	2015	2014
	JD	JD
letters of credit and acceptances	2,835,937	8,736,254
Guarantees	4,125,355	5,006,452
Unutilized limits	49,419,868	45,471,422
Total	56,381,160	59,214,128

(50) SEGMENT INFORMATION

a. Information on the Bank's Activities

The Bank is structured for administrative purposes, through three 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

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	2015	2014
Total revenues (joint and self financed)	12,702,551	14,164,468	(1,770,601)	1,371,609	26,468,027	21,529,972
Investment risks fund share of joint						
Investment accounts revenues	-	-	-	(3,805,801)	(3,805,801)	(4,718,610)
Profit equalization reserve	-	-	-	-	-	1,450,000
Results of segment's operations	12,702,551	14,164,468	(1,770,601)	(2,434,192)	22,662,226	18,261,362
Undistributed expenses	(1,700,424)	(533,742)	(601,868)	(15,044,193)	(17,880,227)	(15,560,531)
Profit for the year before tax	11,002,127	13,630,726	(2,372,469)	(17,478,385)	4,781,999	2,700,831
Income tax expense	-	-	-	(1,500,072)	(1,500,072)	(778,018)
Profit for the year	11,002,127	13,630,726	(2,372,469)	(18,978,457)	3,281,927	1,922,813
					2015	2014
Segments' assets	250,606,776	254,062,209	16,531,847	-	521,200,832	476,576,852
Undistributed assets	-	-	-	258,950,251	258,950,251	181,222,824
Total assets	250,606,776	254,062,209	16,531,847	258,950,251	780,151,083	657,799,676
Segments' liabilities	454,056,344	95,744,417	76,830,208	-	626,630,969	501,304,420
Undistributed liabilities	-	-	-	19,785,319	19,785,319	26,042,388
Total liabilities	454,056,344	95,744,417	76,830,208	19,785,319	646,416,288	527,346,808
					2015	2014
Capital expenditure					4,184,175	5,334,313
Depreciation and amortization					2,506,000	1,976,571

B- 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 2015			31 December 2014		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
Total assets	765,576,833	14,574,250	780,151,083	632,040,600	25,759,076	657,799,676
Total revenues	26,245,516	222,511	26,468,027	21,467,779	62,193	21,529,972
Capital expenditure	4,184,175	-	4,184,175	5,334,313	-	5,334,313

(51) 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 ensure 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 2015	31 December 2014
	JD'000	JD'000
Basic capital items	123,523	126,227
Paid in capital	100,000	100,000
Share discount	(1,100)	(1,100)
Statutory reserve	21,116	20,638
Voluntary reserve	1,943	1,943
Retained earnings	10,490	8,137
Proposed dividends distribution	(7,000)	-
Reposessed assets by Bank	-	(970)
Intangible assets	(1,648)	(1,326)
The Bank's share in the banks and financial institutions capital (50%)	(77)	(166)
The bank's share in the capital of insurance companies (50%)	(5)	-
Bank's share in the investment risk fund	(196)	(929)
Additional capital	1,287	1,730
Fair value reserve	(352)	(280)
General banking risk reserve	1,721	2,176
The Bank's share in the banks and financial institutions capital (50%)	(77)	(166)
The Bank's share in the capitals of insurance companies (50%)	(5)	-
Total regulatory capital	124,810	127,957
Total risk weighted assets	264,053	288,793
Capital adequacy ratio (%)	47.27%	44.31%
Basic capital ratio (%)	46.78%	43.71%

**(52) ASSETS AND LIABILITIES MATURITY ANALYSIS:**

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

31 December 2015	Within one year	More than one year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Bank	219,736,734	-	219,736,734
Balances at Banks and financial institutions	3,962,594	-	3,962,594
International Wakala investments	5,848,336	-	5,848,336
Financial assets at fair through profit and loss	487,021	-	487,021
Deferred sale receivables and other receivables, net	175,889,204	133,120,799	309,010,003
Unconverted loans-net	104,077	-	104,077
Financial assets at fair value through unrestricted investment accounts	2,422,562	5,316,614	7,739,176
Investment in associate	363,466	-	363,466
Local Wakala investments	-	-	-
Ijara Muntahia Beltamleek assets, net	21,915,393	181,442,492	203,357,885
Investment properities	-	-	-
Property and equipment	-	21,019,122	21,019,122
Intangible assets	-	1,648,475	1,648,475
Deferred tax assets	984,815	-	984,815
Other liabilities	5,889,379	-	5,889,379
Total assets	437,603,581	342,547,502	780,151,083
Liabilities and unrestricted investment account's equity			
Banks and financial institutions' accounts	-	-	-
Customers' current accounts	89,549,377	-	89,549,377
Cash margins accounts	12,286,170	-	12,286,170
Income tax provision	1,288,051	-	1,288,051
Other provisions	84,603	-	84,603
Fair value reserve — net	(1,040,513)	-	(1,040,513)
Profit equalization reserve unrestricted investment accounts	-	-	-
Income tax provision / profit equalizer reserve	-	-	-
Other liabilities	15,140,727	-	15,140,727
Unrestricted investment accounts	522,996,166	-	522,996,166
Investment risk fund	-	4,668,725	4,668,725
Provision of investment risk fund tax	1,442,982	-	1,442,982
Total liabilities , unrestricted investment accounts' and shareholders' equity	641,747,563	4,668,725	646,416,288
Net	(204,143,982)	337,878,777	133,734,795

31 December 2014**Assets**

	Within one year JD	More than one year JD	Total JD
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
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 properities	7,438,445	-	7,438,445
Property and equipment	-	19,668,689	19,668,689
Intangible assets	-	1,326,185	1,326,185
Deferred tax assets	534,815	-	534,815
Other liabilities	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 institutions' accounts	88,121	-	88,121
Customers' current accounts	70,149,488	-	70,149,488
Cash margins accounts	16,492,279	-	16,492,279
Income tax provision	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	-	-	-
Other liabilities	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 accounts' and shareholders' equity	525,160,340	2,186,468	527,346,808
Net	(135,320,454)	265,773,322	130,452,868

**(53) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)****A- Contingent credit commitments.**

	31 December 2015	31 December 2014
	JD	JD
Letters of credit	2,775,003	8,536,778
Acceptances	60,934	199,476
Letter of guarantees:		
Payment	2,365,744	3,245,475
Performance	1,695,153	1,693,429
Others	64,458	67,548
Irrevocable commitments to extend credit	49,419,868	45,471,422
Total	56,381,160	59,214,128

B- Contractual commitments.

	31 December 2015	31 December 2014
	JD	JD
Consulting contracts	300,685	296,958
Total	300,685	296,958

Contractual commitments mentioned above mature within one year.

(54) LAWSUITS AGAINST THE BANK

The Bank is defendant in number of lawsuits amounted to JD 91,590 as at 31 December 2015 (31 December 2014: JD 131,475). According to the Legal Advisor, the lawsuits provision which amounts to JD 60,785(31 December 2014: 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 favor of the Bank in which the Bank was released from the court order in the mentioned legal proceedings. Later in 2015, the previously mentioned American Company dropped the appeal irrevocably. In other words, the judicial decision issued on 21/8/2014 is irrevocable and final. Therefore, the bank may provide its banking services inside and outside USA naturally and completely without any restrictions, orders or obstacles to provide banking services

According to the decision of the Sharia Supervisory Board of the Bank, legal expenses for the legal case in USA were charged to the common pool of investments as these costs are necessary to defend the interests of the common pool rather than Mudarib (Shareholders) interest alone. The costs for 2015 amounted to JD 276,650 (2014: JD 2,202,737).

(55) COMPARATIVE FIGURES

Some of 2014 balances were reclassified to correspond with 2015 presentation. The reclassifications did not have any effect on profit and equity at 2014.

Awards and Certificates



ISO 9001:2008 for quality management system by SGS Global



Jordan Dubai Islamic Bank received ISO 9001:2008 for Quality Management System by SGS Global for the high level of services and quality offered.

ISO/IEC 27001:2013 for information security by SGS Global



Jordan Dubai Islamic Bank received ISO/IEC 27001:2013 for information security. JDIB prides itself on being the first in Jordan and Middle East to receive this certificate from SGS Global. The certificate came to recognize the Bank's qualitative excellence in keeping pace with technology development through applying the most advanced systems of information security.

**Best Islamic
Banking Jordan
2015 Award**



Jordan Dubai Islamic Bank was honored with Best Islamic Banking Jordan 2015 Award for the excellent services and quality modern solutions which meet clients' different needs.

**Best CSR Islamic
Bank Jordan
2015 Award**



Jordan Dubai Islamic Bank received Best CSR Islamic Bank Jordan 2015 Award to prove the great contribution the Bank shows to the local society morally and financially through different educational, humanitarian, social and religious initiatives.

Best Trademark for an Islamic Bank in Jordan 2015 Award



World Union of Arab Bankers and The Banking Executive honored Jordan Dubai Islamic Bank with Best Trademark for an Islamic Bank in Jordan Award proving the high levels of excellence in providing a comprehensive array of innovative banking services that are compliant to the Sharia' principles and offered within the best international practices.

Best Corporate Governance Jordan 2015 Award



Jordan Dubai Islamic Bank, and for the second year in a row, was granted Best Corporate Governance Jordan 2015 Award by Capital Finance International – London, in recognition of the Bank's continuous commitment in adapting international standards of corporate governance and constantly improving them.

The Business Excellence 2015 Award



Jordan Dubai Islamic Bank received The Business Excellence Award 2015 by Worldcob to recognize the excellence of all its Islamic banking services. JDIB is a national institution that strengthens transparency, justice, innovation all under the umbrella of Sharia' principles.

The Golden Award of Excellence for Social Responsibility 2015



Arab Organization for Social Responsibility UAE honored Jordan Dubai Islamic Bank with The Golden Award of Excellence for Social Responsibility 2015 for the great efforts and contributions in supporting both the private and public sectors.

Best Corporate Banking Brand Jordan 2015 Award



Jordan Dubai Islamic Bank received Best Corporate Banking Brand Jordan 2015 Award by Global Brands Magazine Awards 2015 / London in recognition of its commitment in providing corporations with the best Islamic banking services and offering the first-of-its-kind products in Jordan.

Most Innovative Islamic Banking Brand Jordan 2015 Award



Jordan Dubai Islamic Bank received Most Innovative Islamic Banking Jordan 2015 Award by Global Brand Magazine Awards 2015 / London for the excellence and innovation it shows in creating the best Banking solutions built and developed according to the most effective, operative and stable strategies.

Most Innovative Investment Banking Brand Jordan 2015 Award



Jordan Dubai Islamic Bank received Most Innovative Investment Banking Brand Jordan 2015 Award by Global Brands Magazine Awards / London for being the best in providing Sharia'-compliant investment banking solutions that are effective in serving the investment sector.

Best Corporate Bank Levant 2015 Award



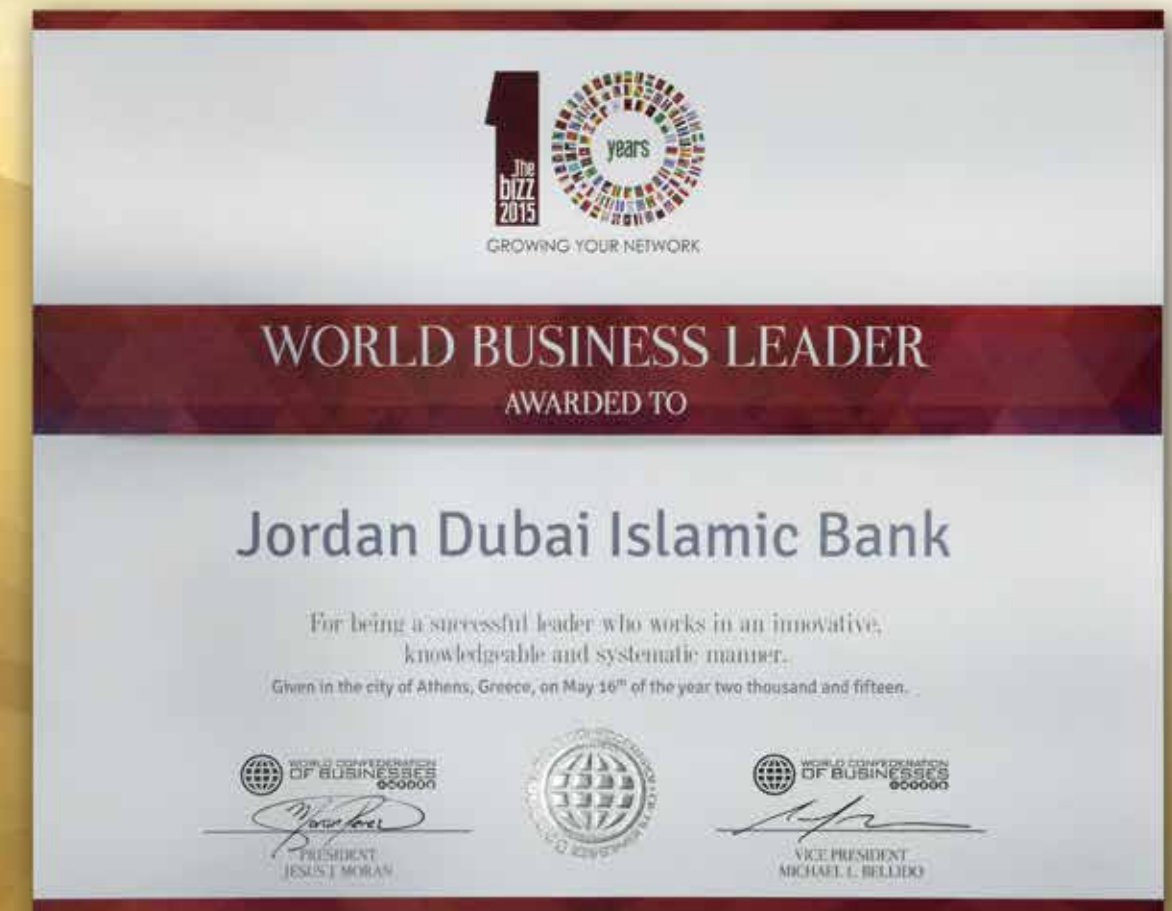
Jordan Dubai Islamic Bank received Best Corporate Bank Levant 2015 Award by Islamic Business & Finance Dubai for providing Sharia'-compliant solutions and products that best serve all segments of the society.

Best Commercial Bank Levant 2015 Award



Jordan Dubai Islamic Bank received Best Commercial Bank Levant 2015 Award by Islamic Business & Finance Dubai for offering various Sharia'-compliant finance products for small to medium sized corporations that cater to all clients' finance needs.

World Business Leader 2015



Jordan Dubai Islamic Bank received World Business Leader 2015 by World Confederation of Business / USA for being led by a successful banker who works in an innovative, knowledgeable and systematic manner.



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