

Jordan Dubai Islamic Bank
Solid Principles, Innovative Solutions



بنك الأردن دبي الإسلامي
مبادئ راسخة، حلول مبتكرة



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Annual Report 2016



His Majesty
King Abdullah II Bin Al Hussein



His Royal Highness
Prince Al Hussein Bin Abdullah II
Crown Prince

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Jordan Dubai Islamic Bank



**Best Performing Islamic Bank 2016 – Levant
by Middle East Global Advisors / Dubai**



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.



Members of the Board of Directors

***Mr. Mohammad Said Ahmad Abdullah Al Sharif**

Representative of MESC Investment Company
Chairman of the Board since October 26th 2013

Dr. Faysal Abdelrazzaq Musa Al Hyari

Representative of Orphans Fund Development Foundation
Deputy Chairman Since March 16th 2014

***Mr. Mohammad Salim Saif Al Falasi**

Representative of MESC Investment Company
Member of the Board of Directors since May 1st 2012

Dr. Hasan Naser Hasan Hasan

Representative of Social Security Corporation/Investment unit of the social security corporation
Member of the Board of Directors since August 1st 2016

H.E Dr. Nofan Mansour Aqeil Al Aqeil

Representative of Jordan Ministry of Finance
Member of the Board of Directors since August 3rd 2016

Mr. Jameel Nabil Jameel Anz

Representative of FCP Fund
Member of the Board of Directors since Sep 1st 2016

Mr. Raslan Nuri Raslan Deiranieh

Independent Member since Jan 29th 2009

Dr. Waleed Ali Shehadeh Al Nasaan

Independent Member since Jan 29th 2015

***Dr. Omar Mashhour Haditha Al Jazi**

Representative of MESC Investment Company
Member of the Board of Directors since April 23rd 2015 until Dec 31st 2016 and as an Independent member since Jan 29th 2015 until April 22nd 2015

***Mr. Samer Bahjat Hilal Haddad**

Representative of MESC Investment Company
Member of the Board of Directors since April 23rd 2015

***Mr. Yanal Rushdi Ahmad Tsibneh**

Representative of MESC Investment Company
Member of the Board of Directors since April 23rd 2015

* Members resigned on January 3rd 2017

The following were appointed on the Board of Directors as of January 4th 2017

HE Mr. "MOH'D NASER" SALEM MOHAMMAD ABU-HAMMOUR

Representative of Etihad Islamic Investment Company
Chairman of the Board since January 4th 2017

Mr. Basem Isam Halim Salfiti

Representative of Etihad Islamic Investment Company
Member of the Board of Directors since January 4th 2017

Ms. Deema Mufleh Mohammad Aqel

Representative of Etihad Islamic Investment Company
Member of the Board of Directors since January 4th 2017

Mr. Fayez Ahmed Hasan Maremi

Representative of Etihad Islamic Investment Company
Member of the Board of Directors since January 4th 2017

Mr. Khaled Amre Al Gonsel

Representative of Etihad Islamic Investment Company
Member of the Board of Directors since January 4th 2017

Board members resigned during 2016

Mr. Emad Jamal Ahmad Al Qudah

Representative of Social Security Corporation/Investment unit of the social security corporation
Member of the Board of Directors from September 1st 2014 until July 31st 2016

Dr. Eizzidein Muhyeddin Yassein Kanakrieh

Representative of Jordan Ministry of Finance
Member of the Board of Directors from June 8th 2014 until August 2nd 2016

Mr. Shahm Muneeb Elias Al Wirr

Representative of FCP Fund
Member of the Board of Directors from September 1st 2014 until August 31st 2016



Board of Directors



Mr.
Mohammad Saeed AL Sharif
Chairman



Dr.
**Faysal Abdel Razzaq
AL Hyari**
Deputy Chairman



Mr.
Mohamed Salem AL Falasi
Member



Dr.
Hasan Naser Hasan Hasan
Member



H.E Dr.
Nofan Mansour Aqeil Al Aqeil
Member



Mr.
Jameel Nabil Jameel Anz
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

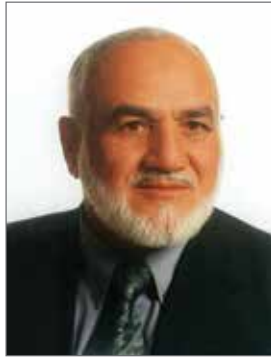
Sharia Supervisory Board



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
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. Ziad Said Khalil Kokash	Deputy CEO Chief of Risk Management
Mr. Ibrahim Salah Mohammad Samha	Deputy CEO Chief of Finance & Corporate Strategies
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 2016

Mr. Mohammad "Mohammad Fayyad" (Al Haj Ahmad)	Deputy CEO Chief of Treasury & Investment
Mr. Taj Omran Amin Khomosh	Deputy CEO Chief of Retail Banking
Mr. Ajoud Sharafaldeen Ali Al Rousan	Head of Internal Audit

Executive Management



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



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.
Ziad Said Khalil Kokash
Deputy CEO
Chief of Risk Management



Mr.
Ibrahim Salah Mohammad Samha
Deputy CEO
Chief of Finance & Corporate Strategies



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



May the Peace and the mercy and blessings of Allah be upon you
Praise belongs to God, the lord of all being. Blessings and peace be
upon the most noble of Messengers, the Prophet Mohammad and on
his kinsman and disciples.

Ladies and Gentlemen, Dear shareholders,

On behalf of the board of directors of Jordan Dubai Islamic Bank, it is
my pleasure to present you with the annual report for the year 2016,
which includes the results of the bank's achievements during the past
financial year.

Dear shareholders,

The Board of Directors of the Jordan Dubai Islamic Bank has been keen, through clear mechanisms and work plans, to adopt strategies that aim at fulfilling the needs and requirements of the relevant shareholders, customers, and supervisory bodies. Many periodical revisions have been conducted on these strategies in order to continuously improve them. These revisions had a positive impact on the bank's performance, achievements, and results, which are in harmony with the Bank's strategic plan that originally emerged from the vision, message, and values of the Bank through its adoption of the basic concepts of institutional excellence according to the international standards.

This institutional excellence has borne fruit for the works of the Bank which had notably grown and were reflected on the growth of the Bank's net profits after tax by a percentage of 47% through the steady increase in the customers' base due to their increased confidence in the bank's services and high quality products provided through the net of branches that increased from one branch in 2010 to a net of 24 branches spreading all over the kingdom by the end of 2016. The branches' designs combine modernity with Islamic character to reflect the vision and the message of the Bank that we aim to communicate to all our customers. We are always keen on building a sustainable partnership with all our customers and we care about the interests of all parties because this partnership is built on a deep understanding of the requirements and aspirations of the Bank's customers. This partnership aims at providing a unique Islamic banking experience according to the best international practices.

Positive and steady growth rates on total assets of 18% were achieved in addition to a positive increase by 23% in the depositors' accounts. The finance portfolio increased by 17%. The bank kept the highest percentage of capital adequacy, which reached 41%, in the Jordanian banking sector. The bank kept the non-performing loans ratio within 8.1% and this ratio is one of the lowest in the Jordanian banking sector.

The results of the Bank's operations during 2016 are the culmination of the sincere efforts that were exerted to achieve the planned objectives and to apply the best mechanisms that were continuously subjected to revisions and enhancements in order to complete the Bank's route towards excellence, and to attain more unique achievements to reinforce the sustainability of the excellent performance and the robustness of the banking performance. The Bank has been keen on applying advanced levels of banking techniques through the diversification of the Islamic products and services in addition to the operating efficiency that maintained the international quality standards in providing

a comprehensive system of Shariah compliant banking solutions within modern high quality frameworks , and according to the best international practices in addition to the Bank's keenness on applying the principles of corporate governance.

The efforts and quests of the Bank's management and employees ,which were based on the commitment to the application of the excellence standards, in accordance with the quality system approved by the European Foundation for Quality Management(EFQM) and specification ISO9001 & 27001, were crowned by obtaining many Arab, regional, and international certificates and awards in recognition and acknowledgement of the Bank's success and achievement, and to assure the sustainability of the Bank's approach of commitment by these standards and specifications. The bank was honored by winning 17 awards in many aspects relevant to banking operations, the most important of which is the Bank's achievement of the highest award at the national level, King Abdullah II Award for Excellence, 8th Edition, large Service Organizations.

These achievements have been accomplished despite the political and economic hardships in the Arab region and the neighbor countries that still cast a shadow on the Jordanian economy in general and the banking sector in particular. The Bank keeps monitoring and hedging for these effects during its operations, this process has a prominent positive effect on the achieved results.

Out of our social responsibility, we worked during the last year on building strategic partnerships with the government sector, among which the three years agreement concluded with the Ministry of Public Sector Development. This agreement is the first of its kind in Jordan to train the employees of the governmental institutions and the ministries on the "Excellence in customer service" program to fulfil the private-public sectors partnership principle. We also worked on supporting many societal, humanitarian, health, religious, and sportive initiatives. We were also keen to involve our employees by volunteering, to enable them of fulfilling their duty towards their society, to fulfil these initiatives and other causes that serve the society and contribute to achieving sustainable development and thus achieve a positive long lasting effect on the local community.


Finally, I would like to say that we highly appreciate the effective monitoring and supervising role played by the Central Bank of Jordan and the relevant supervisory bodies to assure the safety and stability of the banking sector in order to provide an attractive investment environment that stimulates economic activities.

We also will not miss to extend our thanks and appreciation to all our customers and shareholders for their ongoing trust. We also would like to thank our executives and employees, in every position, for their efforts and dedication in achieving the Bank's objectives with high efficiency and professionalism.

Out of our responsibility, we assure our customers and shareholders that the Bank shall resume its right approach of applying the best international banking practices under the umbrella of the Islamic shariah. The bank shall also continue achieving the best results and accomplishments through interacting with the needs of the national economy and the local community and shall contribute in every possible charity.

We ask God to help us work for the benefit of this institution and to serve our beloved country under the leadership of his Majesty King Abdulla II (may God preserve him).

"Moh'd Naser" Abu-Hammour
Chairman of the Board



Jordan Dubai Islamic Bank Corporate Governance Manual



**Best Corporate Governance Jordan 2016
by Capital Finance International CFI / London**



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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.

The executive committee

Mr. Muhammad Al Sharif/ the committee chairman

Dr. Waleed Al Nasaan/deputy chairman

Mr. Jamel Anz/ member

Mr. Ziad Kokash/ the committee secretary.

The committee held 6 meetings during 2016 that were attended by all members.

The audit committee

Mr. Raslan Deraneeh/ the committee chairman

Dr. Faisal Al Hayary/ deputy chairman

Mr. Samer Hadad/ member

Mr. Masoud Sakf Al Hait, the committee secretary.

The committee held 8 meetings during 2016 that were attended by all members.

Governance and compliance committee

Mr. Muhammad Al Sharif/ the chairman

H.E Dr. Nofan Al Aqeil/ deputy chairman

Dr. Omar Al Ghazi/ member,

Mr. Ahmad Al Tarteer/ the committee secretary.

The committee held 4 meetings during 2016,

Dr. Omar Al Jazi had an excuse and did not attend one of the meetings.

Risk management committee

Dr. Faisal Al Hiyari/ chairman

Dr. Hassan Nasser Hassan Hassan/ member

Mr. Muhammad Al Falasi/ member

Mr. Ziad Karkosh/ committee secretary.

The committee held 5 meetings during 2016.

Dr. Hassan Nasser Hassan had an excuse and did not attend meeting No (3).

Nomination and remuneration committee

Dr. Waleed Al Nassan/ Chairman

Mr. Jameel Anz/ deputy chairman

Dr. Omar Al Jazi/ member

Dr. Haitham Johar/ committee secretary.

The committee held 4 meetings during 2016 that were attended by all members.

The Board of Directors (BOD) held 8 meetings during 2016.

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 s of directors of bank's subsidiatires 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 preceeding 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 or 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 Central Bank of Jordan and the other legislative authorities 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 impact 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 join 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 understand 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 join the top executive management
 - d- Ensures the Board members and members of Supervision board attend workshops or symposiums 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 Boards 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 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)**

We Excelled in... Banking Services



**The BIZZ Award in Business Excellence
by World Confederation of Business / USA**



Board of Directors Report

Disclosure requirements in accordance with the Jordan Securities Commission (JSC)

Since its establishment in 2010, Jordan Dubai Islamic Bank is providing comprehensive Islamic banking solutions, which combine the established Islamic values and the recent technological advances, to present a high quality service with a personal touch to fulfil the needs of the Bank's customers. This is embodied in the philosophy of the Bank's slogan which is built upon "established principles, creative solutions"

The Bank sought to establish a network of branches, to accomplish its objectives, of twenty four branches to this day spread all over the kingdom. The branches offer a system of Sharia compliant banking solutions within modern basis. The banking solutions offered are, and not limited to, personal financing programs as car financing, personal financing, shares financing by murabaha, housing finance by lease-to-own (Ijara), in addition to land, commercial offices, and clinics finance by murabaha and lease (Ijara) to ownership. The Bank also offers finance services for travelling and education.

The Bank, since the beginning of 2016, has started to offer Sharia compliant finance and services for the small companies sector, to help them grow and prosper. The bank offered the small companies sector many services as purchases financing and fixed assets financing in addition to the tools, equipment, and financing the purchase of commercial real estate.

On the other hand, the Bank offers the current accounts' services, such as the saving and kids saving accounts "Kanzu" and the investments deposits "investment deposits certificates" in addition to ladies' saving accounts "Harir" which is the first of its kind offered by an Islamic bank in Jordan. All these accounts were designed with unique privileges, in addition to a package of modern banking services as internet banking, visa electron cards, classic and golden visa cards for monthly payments, and visa signature for the premium elite customers "Safwa".

The most important services and products offered by Jordan Dubai Islamic Bank

- **Corporate Banking services:** Jordan Dubai Islamic Bank offers diversified sharia compliant financial products that include the direct facilitations such as Al murabaha, murhabha by agency, and leases. In addition to indirect facilitations as documentary credits and letters of guarantee, The Corporate Banking Department offers the first account of its kind in Jordan, it is the investment saving account that is directed to companies and institutions, in addition to offering creative financial solutions for the customers operating under the umbrella of the Islamic banks systems. The services of the department also include financing of small and mega companies in different economic sectors, concentrating on establishing a strategic relationship with the customers based on the unique services offered to them, and understanding of their particular financial needs.

- **Personal banking services:** "VIP services": elite "Safwa": Jordan Dubai Islamic Bank is the first Islamic bank in Jordan that offers Sharia-compliant banking services to its VIP clients. The bank is keen on providing the "Safwa" clients with a package of innovative high quality services through the six "Safwa" centers located at the Bank's branches. This service offers a special public relations (PR) manager for the clients to help the VIPs in accomplish their banking business easily and accurately.

The bank signed strategic partnerships with leading institutions in the Jordanian market to offer special privileges and discounts for the VIPs "Safwa" clients.

Financing services: the Personal Banking services Department offers a diversified group of sharia-complaint personal financing products that were designed to fit the different needs of our customers. Our products include the following:

Murabaha Financing Products:

- Personal financing for purchasing commodities as furniture, electric appliances, and construction materials – cars financing program to buy new and used cars according to simplified financing conditions – Haj and Omra financing, in addition to travel financing, and covering the expenses of wedding halls and education fees through the lease (Ijara) services financing programs that are done by concluding a beneficial ownership contract between the bank and the customer.

- Purchasing of housing lands and farms – Al Yusr financing program: this program enables the clients of paying all their obligations with conventional banks then re-finance them with the Bank in accordance with the provisions of Islamic sharia – purchasing of stocks by Murabaha: this financing tool enables the clients of capturing the opportunity of investing in the Amman Stock Exchange (ASE) through shares of companies compliant with shariah principles.

Financing products according to (Ijara) program:

- Apartments and prefabricated houses financing.
- Financing of Land purchasing for the purpose of construction, and financing of farms.
- Financing the commercial offices such as clinics and engineering offices.
- Re-financing of the previously owned real estates.

- **Accounts and deposits services:** they include current accounts, saving and kids saving accounts “Kanzu”, ladies saving accounts “Harir”, in addition to investment deposits accounts/ different types of time deposits and Islamic deposit certificates.

Safety boxes are available in many branches with different sizes to enable the customers of saving their valuables.

- **Electronic banking services:** the bank continuously aims at providing its customers by the most recent advances to help them accomplish their banking operations easily and around the clock through the bank’s electronic channels that include automated teller machines (ATMs), internet banking, in addition to short messages services (SMS), and tele banking (through landlines and mobile phones). In addition to the call center that helps the customers in handling their accounts, products, and offers of the Bank. The call center also handles complaints and follows them up to guarantee the presentation of special services to the customers.

The Bank also provides the Debit cards, Classic and Gold, that were designed to fit the different purchasing needs of the clients and that can be used inside and outside Jordan. In addition to visa signature cards presented to the VIPs “Safwa” that offer exclusive benefits and bonuses to the clients, such as the access to VIP halls in 500 airports around the world, in addition to many services, offers, and discounts all over the world.

- **Bank cards:** the Bank provides free visa electron cards which enable the customers to benefit by many services on their accounts, as cash withdrawal, inquiry about the accounts, and other services.

Treasury and investment services: the Treasury and Investment Department provides the different department of the bank and the clients by ordinary and creative Sharia-compliant financial services. These services help in investing money surpluses and managing the financial risks faced by the bank and its clients.



The most important services include:

1. Spot currency Swaps.
2. Future currency Swaps.
3. Investment in international agencies and international Murabaha.
4. Investment in international and domestic sukuks, and the international, regional and domestic shares.
5. Investment service in investment deposit certificates issued by the Bank to the clients.
6. Sukuk management and arrangement for domestic companies, in addition to the issuance guarantee services.

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.	-	-	064602200	064602407	282
Main Branch	Abdali Abdali Project	Suleiman Al Nabulsi Str.	-	-	064602100	064602728	10
Jabal Amman	2 nd Circle – Jabal Amman	Islamic Scientific College	-	-	064602100	064602723	8
Al-Bayader	Al-Rawnaq / Wadi Essir	Hosni Sober	Mahmoud Bin Zakariiah Abzakh	33	064602100	064602711	9
Al Madina Al Monawarah	Assalam / Tela' Al Ali	Al Madinah Al Monawarah	Jordan properties	121	064602100	064602712	10
Shmeisani	Abdali Area	Elia Abu Madi	Wael Abu Hamdan	6	064602100	064602713	10
Al Wehdat	Al-Oudeh / Yarmouk Area	Prince Hassan	Eid Al-Fayez Building	313	064602100	064602714	7
Al Khaldi	Al Radwan Quarter / Zahran Area	Ibn Khaldoun	Khaldi Medical Plaza	38	064602100	064602719	5
Khalda	Khalda Neighborhood / Tela Al Ali Area	Amer Bin Malek	-	49	064602100	064602720	7
Al Jubaiha	Sweileh	Queen Rania Al Abdullah	-	-	064602100	064602722	7
Al Sweifiyeh	Al Sweifiyeh	Abdul Rahim Al Haj Mohammad	Hijazi Plaza	70	064602100	064602718	5
Taj Mall	Abdoun	Prince Hashem Bin Al Hussein Intersection	Taj Mall	-	064602100	064620721	10
Irbid	-	Al Hashmi	Al Rousan Building	-	064602100	064602715	10
Irbid	-	-	City Center	-	064602100	064602727	9
Zarqa	New Zarqa	36 Mecca Street	Al Kurdi Complex	-	064602100	064602716	9
Sahab	King Abdullah II Bin Al Hussein Industrial City	Banks Street	-	-	064602100	064602724	6
North Hashmi	North Hashmi	Batha' Street	-	-	064602100	064602725	7

Branch	District Name	Street	Building	Building No.	Telephone	Fax	Number of Employees
Jabal Al Hussein	Jabal Al Hussein	Khalid Bin Al Walid Street	-	203	064602100	064602726	8
Marj Al Hamam	-	Al Bakri Circle	-	-	064602100	064602729	7
Istiqlal Mall	-	Istiqlal Street	-	-	064602100	064602730	9
Abu Nseir	-	Abu Nseir Main Street	-	-	064602100	064602731	7
Wasfi Al Tal Street	-	Wasfi Al Tal	Walid Abbasi Complex	106	064602100	064602732 064602109	11
Tabarbour	Tareq	Tareq St. 78	Fahmawi Complex	-	064602100	064602733	9
Dabouq	-	King Abdullah II St.	-	149	064602100	064602734	9
Zarqa	-	Al Sa'adah St.	-	74	064602100	064602735	7
Total							478

The Bank's capital investment

Total investment in 2016 budget is 4,912 million Dinars. 23.5 million Dinars were directed to investment in fixed assets and intangible assets. 9,888 million Dinars were directed to the investment in the Bank's portfolio, the direct financing, and cash accounts in other banks. Knowing that the Bank's authorized capital is 100 million Dinars, and the shareholders equity reached 231 million Dinars in 31/12/2016.

Bank's subsidiaries

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

1. MISC for financial brokerage

- It started working in 2011 with a capital of 750,000 Jordanian Dinar.
- The company's capital by the end of 2016 reached 2 million Dinars.
- Financial brokerage is the main activity of the company at Amman Stock Exchange (ASE).
- The ownership percentage of the Bank is 100% of the company.
- The company's address: Jabal Amman, beside the Islamic educational college
- The company has 7 employees.
- The company deals in purchasing and selling of securities for a commission, for others, and works as a mediator for its self.

2. Jordan Dubai Real Estate Co

- The company was founded on 10/2012 with a capital of 100,000 Dinars
- The bank's ownership percentage in the company is 100%.
- The Company owns Al Fayed Real Estate Investment Co that was founded in 2012 with a capital of 20,000 Dinar. The Company owns 100% of Al Fayed Real Estate Investment Co.
- Jordan Dubai Real Estate Co objectives: establishing different types of construction projects for housing, commercial, industrial, and investment purposes, In addition to developing lands and managing real estates, besides purchasing and selling of lands.



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

HE Mr. "MOH'D NASER" SALEM MOHAMMAD ABU-HAMMOUR

Chairman of the Board since 4th Jan 2017 Representative of Etihad Islamic Investment Company

Qualifications	Ph. D. in Economics, University of Surrey, UK, 1994 - 1997. Master in Economics, University of Jordan, 1987 - 1990. Bachelor in Economics, Yarmouk University, 1980 - 1984.
Experience	Ministry of Finance, Minister 14/12/2009 - 17/10/2011. The Arab Potash Company, Chairman of the Board of Directors 1/11/2007. Executive privatization commission, Chairman, 11/7/2005 - 20/11/2007. Ministry of Finance, Minister 25/10/2003 - 5/4/2005. Ministry of Industry and Trade, Minister 21/7/2003 - 22/10/2003. Ministry of Finance, Secretary General 8/2/2000 - 21/7/2003. Ministry of Finance, Advisor to the Minister of Finance 8/11/1998 - 7/2/2000. Ministry of Finance, Vice-Chairman, Evaluation of the Monetary, Financial and Economic Situations Committee 1/1/1999 - present. Ministry of Finance, Chairman, Fiscal Monitoring Unit 15/3/1999 - present University of Jordan, Part time lecturer/graduate students in Economics 1998 - present. University of Jordan, Member of committees discussing master's degrees dissertations, 1998 , 1999. Central Bank of Jordan, Chief, Public Finance Division 1997 - 1998. Central Bank of Jordan, Chief, External Economy and Balance of Payments Division 1992 - 1994. Central Bank of Jordan, Researcher, Public Finance Division 1987 - 1991.

Mr. Basem Isam Halim Salfiti

Member of the Board of Directors since 4th Jan 2017 Representative of Etihad Islamic Investment Company

Qualifications: Finance	1998-2000 COLUMBIA BUSIENSS SCHOOL New York, NY MBA, and Corporate Strategy, May 2000 1989-1993 BROWN UNIVERISTY Providence, RI. BS, Honors, Electrical Engineering, May 1993
Experience:	Non-Executive Board Member, Bank al Etihad Amman, Jordan 2009-Present. General Partner and Co Manager, Hummingbird Ventures London, UK 2013-2017. Managing Director, Head of European Technology Investment Banking, Perella Weinberg Partners London, UK 2006-2013.

Executive Director, Technology Investment Banking, Morgan Stanley & Co. London, UK 2000-2006.
Chief Operating Officer, BEST IC Laboratories, Inc. Sunnyvale, CA 1994-1998.

Ms. Deema Mufleh Mohammad Agel

Member of the Board of Directors since 4th Jan 2017 Representative of Etihad Islamic Investment Company

Qualifications: Master in Business Administration (MBA) Specialization: Corporate Finance & Financial Markets. 2001 - 2002 , IMPERIAL COLLEGE, SCHOOL OF MANAGEMENT, LONDON, U.K.
Master of Science (M.Sc.) in Banking & Financial Studies/Capital Markets 1998 - 1999, ARAB ACADEMY FOR BANKING & FINANCIAL STUDIES, AMMAN, JORDAN.
High Diploma in Banking and Financial Studies/Capital Markets 1995 - 1997, ARAB ACADEMY FOR BANKING & FINANCIAL STUDIES, AMMAN, JORDAN
B.Sc. in Electrical Engineering, 1985 - 1990 UNIVERSITY OF JORDAN, AMMAN, JORDAN.

Experience: Deputy General Manager, Bank Al Etihad 10/2007 to present.
Assistant General Manager Risk Management Division, Jordan Ahli Bank 2005- 2007.
Head of Credit Policy Risk Management Division, Housing Bank for Trade and Finance 2004 – 2005.
Credit Risk Manager Risk Management Division General Management ARAB BANK 2002 – 2004.
Senior Credit Officer Corporate Credit Department General Management ARAB BANK 1997 - 2001.
Senior Communications Engineer Information Systems Division General Management ARAB BANK 1990 - 1996.

Mr. Fayez Ahmed Hasan Maremi

Member of the Board of Directors since Jan 4th 2017 Representative of Etihad Islamic Investment Company

Qualifications Master's Degree in Banking and Finance ARAB BANKING INSTITUTE FOR FINANCIAL AND BANKING STUDIES AMMAN JORDAN 1992-1994.
Bachelor Degree in Accounting FACULTY OF ECONOMICS GURYOUNES UNIVERSITY BENGHAZI LIBYA 1979-1983.

Experience Investment General Manager, Long Term Investment Portfolio Amman Jordan 2015 until now.
Managing Director, World Trade Center Cairo Egypt 2012-2015.
Investment General Manager, Long Term Investment Portfolio Tripoli, Libya 2011-2012.
Deputy General Manager, Money Market, Long Term Investment Portfolio Tripoli, Libya 2006-2011.



Senior Accountant in the Investment Department, Libyan Arab Foreign Investment Department (LAFICO) Tripoli, Libya 2000-2006.

Mr. Khaled Amre Al Gonsel

Member of the Board of Directors since 4th Jan 2017 Representative of Etihad Islamic Investment Company

Qualifications: Masters in Banks and Finance, The European University 2003.
Masters in Financial Accounting, Libyan Academy 1996.
Bachelor in Financial Accounting, College in Accounting, Gharian, Libya.

Experience: Managing Director, Libyan Foreign Investment Company (LAFICO) June 2012 up to date.
Manager of Treasury & Financial Planning Department Libyan Foreign Investment Company (LAFICO) 2008-2012.
General Manager, Astrees Company, Greece 2006-2007.
Manager of Treasury & Financial Planning Department Libyan Foreign Investment Company (LAFICO) 2005-2006.

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.

Dr. Hasan Naser Hasan Hasan / Member of the Board of directors / Social Security Corporation – Invest Unit of the Social Security Corporation

Date of Birth: 18/6/1972
 Qualifications: PhD in Economics from Jordan University 2010
 Master Degree in Economics from Yarmouk University 1998
 Bachelor's Degree in Economics from Yarmouk University 1994

Experience: Head of Equity Section / Social Security Corporation Fund Nov 2009 up to date
 Financial Analyst / Equity Section / Social Security Corporation Fund from May 2005 until Nov 2009
 Economist / Social Security Corporation Fund from May 2004 until May 2005

**HE Dr. Nofan Mansour Aqeil Al Aqeil
 Member of the Board of Directors Representative of Government Contributions Management Company LLC**

Date of Birth : 30/10/1971
 Qualifications PhD in public law Ain Shams University - Egypt in 2005
 Master in Public Law (administrative law) Al al-Bayt University, 1997
 Bachelor in Law , Mu'tah University , 1994

Experience Head of Legislation and Opinion Bureau - Prime Ministry Jordan, 30/6/2013 up to date.
 Acting Chairman of the Board of Grievances from 31/12/2014 until 18/10/2015
 Minister of State for Prime Ministry Affairs from 8/10/2012 until 30/03/2013
 Minister of Political Development from 2/5/2012 until 07/10/2012
 Legal adviser and Director of the legal department at the University of Jordan from 13/09/2011 until 02/05/2012

Member of the Insurance Council of Public Institution for Social Security from 8/12/2010 until 02.05.2012 as well as from 15.06.2013 up to date.

Consultant (expert) legal Legislation and Opinion Bureau - prime ministry until 05.02.2012

Legal Adviser to the Commission for the Accreditation of Higher Education Institutions until 02.05.2012.

Lawyer and legal advisor to the Public Institution for Social Security from the date of 15/10/2011 until 02/05/2012

Lawyer and legal advisor to Umniah Company for mobile communications from 15/10/2010 until 05/02/2012

Lawyer and legal advisor to the German Jordanian University until 06.30.2013

Lawyer and legal advisor to the Jordan University of Science and Technology until 06.30.2013

Legal advisor and director of the legal department at the Telecommunications Regulatory Commission from 18/12/2004 until 8/9/2006

Head of issues in the legal department / Telecommunications Regulatory Commission from 08.01.2003 until 18/12/2004

Head of contracts and agreements Department Telecommunications Regulatory Commission from 01.08.2003 and until 20.01.2004

Legal Researcher in the Office of the Jordanian accounting from 1/1/1999 until 12.08.1999

Lawyer in a private office from 10.15.1997 and until 1/1/1999

A legal researcher at the Jordan Enterprise Media Production from 03.15.1994 and until 20.07.1997

Mr. Jameel Nabeil Jameel Anz / Member of the Board of Directors / Representative of FCP Fund

Qualifications: Master Degree in Business Administration New York University for Information Technology / Jordan 2004
Bachelor's Degree in Economics from McGill University in Montreal – Canada Jan 2002

Experience: Manager / Fursan Group Jan 2005 up to date
Financial Project Analyst / Arab Bank from Jan 2004 until Dec 2005

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.



Board Membership: Director of Treasury Department, Jordan Telecommunications, 1998 - 2001.
Head of Foreign Investment Department, Central Bank of Jordan.
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.

Board Membership:

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.



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

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

Date of Birth: 1932

Qualifications: PHD of Jurisprudence and its Principles (Islamic Law & Sharia) Al Azhar University, Egypt 1965.
Master of Comparative Jurisprudence, International Institute of Comparative Law, New York University – USA, 1964.
Diploma of Comparative Law, New York University – USA, 1963.
Diploma of Islamic Sharia, Cairo University – Egypt, 1962.
Diploma of Special Law, Cairo University – Egypt, 1961.
High Certificate of Sharia, Al Azhar University – Egypt, 1960.
Bachelor of Law and Economy, Cairo University – Egypt, 1959.

Experience: Chairman of Sharia Supervisory Boards for more than 13 Islamic Financial Institutions.
Member of the Sharia Supervisory Board for more than 9 Islamic Banks & Financial Institutions.
Chairman of Sharia Jurists Assembly in USA.
Member of Islamic Jurisprudence Assembly of the World Islamic Assembly.
Member of the Sharia Board of Accountancy & Revision Committee for Islamic Financial Institutions.

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

Date of Birth: 1949

Qualifications: Ph.D. in Sharia & Law, in the field of Financial Contracts and Transactions, Al Azhar University, 1985.
Master of Comparative Jurisprudence, Sharia & Law College, Al Azhar University, 1980.
Bachelor of Islamic Sharia, Baghdad, 1975.
Scientific Certificate of Islamic Sciences at the hands of the sheikhs, 1970.
Graduate of Islamic Institute, 1969.

Experience: Secretary-General of the World Federation of Muslim Scholars.
Islamic Jurisprudence Assembly Expert affiliated to ICO, Jeddah.
Vice-Chairman of the European Council of IFTA' & Research
Professor & Head of the Department of Jurisprudence at the Faculty of Sharia, Law and Islamic Studies at Qatar University (formerly).
Member of the Sharia Assembly for Reviewing Islamic Financial Institutions.
Chairman of Kurd Islamic Foundation.
Chairman & Executive Member of Sharia FATWA & Supervisory Boards for several Islamic Banks and Islamic Insurance Companies in Qatar, like Qatari Islamic Insurance Co., and outside Qatar, including Dubai Islamic Bank, Investors Bank in Bahrain, and the First for Investment in Kuwait.



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

Date of Birth: 1948

Qualifications: PHD of Comparative Jurisprudence, Al Azhar University, Egypt 1978.
Master of Comparative Jurisprudence, Al Azhar University, Egypt 1973.
Bachelor of Sharia, Al Azhar University, Egypt, 1970.

Experience: Worked at more than 7 Universities in Jordan and the GCC as Professor or Associate Professor or Dean of Sharia Colleges.
Committee Membership: Member of several Preparatory Committees.
Permanent Member of the Islamic Studies Association.
Permanent Member of Jordan AL-AFAF Charity Foundation.
Chairman of Sharia Committee of Advice House Center, Jordan 2004 to date.
Member of Sharia Supervision Committee of the Islamic Insurance Co., Jordan, 1996 to date.
Chairman of the Sharia Supervision Committee of the Engineers Union Investment Funds, Jordan, 2000 to date.
Member of the Sharia Committee of Advice House Center, Kuwait 2002-2004.

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

Qualifications: Ph.D. of Comparative Jurisprudence 1994.
Master of Jurisprudence & Sharia 1987.
Bachelor of Jurisprudence & Sharia 1982.

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

Names and Positions of the Executive Management and an Introductory Brief 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.

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. 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. 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, and Masters Degree in Business Administration from (Herriot Watt - Edinburgh) University 2016. He also holds the following certificates: TOGAF, CISSP, CPP, COBITS, ITIL, PMP, and ISO 27001.

Mr. Muneer Mohammad Fayyad Ferunyah / Head of Sharia Supervision

Mr. Muneer Ferunyah 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 Farunyah 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.



Names of major shareholders and the number of shares they own compared to the previous year

Name	Nationality	Ownership percentage	No of shares	Ownership percentage	No of shares
		31/12/2015		31/12/2016	
MISC for financial brokerage	Jordanian	%52.0000	52,000,000	%52.0050	52,005,000
FCP FUND	Cayman Islands	%9.7852	9,785,249	%9.7952	9,795,249
Social Security corporation	Jordanian	%5.9677	5,967,651	%5.9677	5,967,651
Government Contributions Management Company	Jordanian	%5.5500	5,550,000	%5.5500	5,550,000

Shares mortgaged by shareholders who own (1%) or more of the Bank's capital and entity mortgaged as of 31/ 12/ 2016

Name	Nationality	Ownership Percentage	Pledged shares	No of shares	Final beneficiary
MISC for financial brokerage	Jordanian	%52.0050	0	52,005,000	The company
FCP FUND	Cayman Islands	% 9.7952	0	9,795,249	The company
Social Security corporation	Jordanian	%5.9677	0	5,967,651	The company
Government Contributions Management Company	Jordanian	%5.5500	0	5,550,000	The company
Orphans Fund Development Foundation	Jordanian	%4.9250	0	4,925,000	The company
Abdul Rahman bin Abdullah bin Abdul Rahman Al Halil	Saudian	%2.9636	0	2,963,639	Himself
Zeina Saad Khalf El Tal	Jordanian	%1.0293	0	1,029,341	Herself
Tamara Saad Khalf El Tal	Jordanian	%1.0293	0	1,029,341	Herself

The Bank's competitive situation within the banking sector

The Bank's facilities portfolio share in the domestic market has increased from 2.41% to 2.62% as the facilities portfolio has grown by 89 million Dinars with 17% compared to 8% in the banking sector. The Bank's assets has increased by 139 million Dinars by 18% compared to 1.4% in the banking sector which represent 20% of the increase in the whole banking sector.

On the deposits level, the Bank deposits had increased by 144 million Dinars and by 23%. The Bank now owns an effective share in the Islamic financing market in many sectors such as the real estate, finance leasing, and car finance and in various Islamic formats.

No dependence on specific suppliers or major domestic or external clients, they represent 10% or more from the total purchases and/or sales and/or revenues respectively.

The Bank and its products do not enjoy any governmental protection or privileges, in accordance with the laws, regulations, or others. The Bank did not own any patents or franchise right.

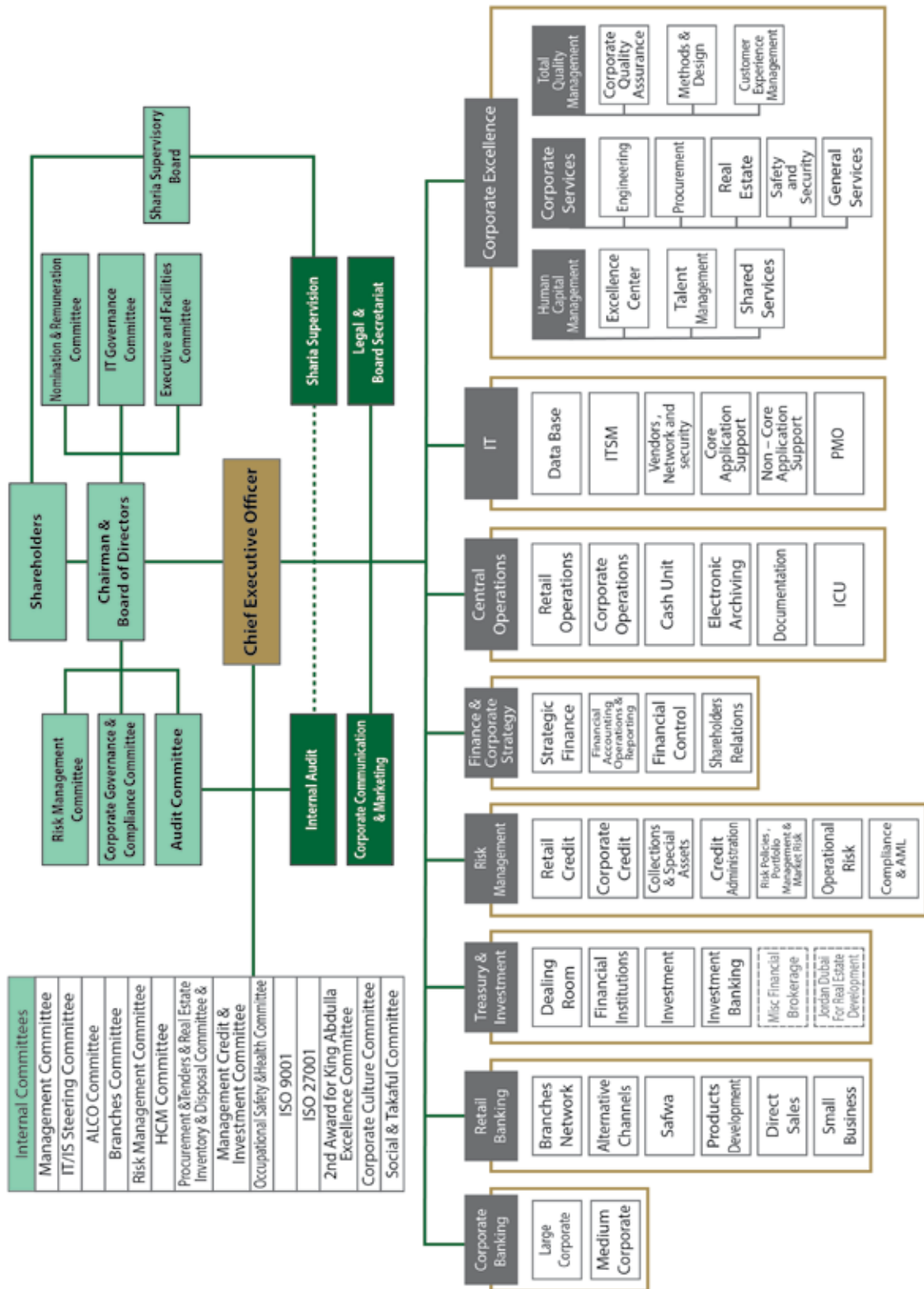
There are no any decisions by the government or the international organizations or any other entity that has a material effect in the Bank's operations, products, or its competitiveness.

The international standards apply to the Bank, as the Bank obtained the following:

1. The international standard certificate PCI DSS for the application of the best international standards related to information security in the bank cards operations.
2. ISO-9001:2008 for the application of the international quality standards by SGS Company accredited by UKAS, from the UK.
3. ISO – 27001:2013 for information security by SGS Company, accredited by UKAS, the UK.



Organization Structure 2016



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

Qualification	JDIB Employees	MISC Employees
PhD	1	0
Master	35	1
Bachelor	392	4
Higher diploma	4	0
Community college diploma	7	1
Diploma	15	0
Tawjihi (High school)	12	1
Lower than high school	12	0
Total	478	7

Training and qualification program for the Bank's employees:

Program name	No of programs	No of participants	General description for the program's objectives
Training courses specialized in banking systems	16	448	To train the employees on a number of the Bank's systems to increase their efficiency and ability to work using these systems in addition to handling the mistakes that might occur to them.
Training and qualification of new employees program	1	82	To qualify the new employees and providing them with all the needed information and support to guarantee their integration in to the work environment and hence the achievement of the performance expected from them.
Developing leadership and administrative skills	9	114	To develop the managers' leadership skills and help them to achieve the Bank objectives and provide them by the needed skills that enable them of accomplishing their jobs professionally.
Products of the bank	12	425	Ensuring and enabling the employees of getting acquainted to the importance of the Bank's services, and informing them about the types of products and services, in addition to informing them about the advantages, conditions, and specifications of the products
Specialized professional certificates	15	66	Qualifying a number of employees and enhancing their knowledge and skills by obtaining specialized professional certificates
Conferences and seminars	16	16	
Forensic education programs	5	145	This training course objective is to develop the staff's forensic banking skills and giving the staff the basis and forensic banking foundations that enable them of serving the clients appropriately and avoid the sharia violations in implementing the transactions
Quality of service	8	283	This training course aims at developing the skills of the staff to provide excellent service for the clients to take care of them and keep them.
Program of education in policies, laws and procedures adopted	18	491	The Bank is keen on the commitment by all the adopted policies and laws, this contributes to the follow up of the commitment by the relevant systems and regulations, among which the central bank requirements



Program name	No of programs	No of participants	General description for the program's objectives
Selling and cross selling skills	7	286	This training program was held to develop the skills of the branches' staff, the direct selling, and informing them about the basics of the proper selling and customer service according to the highest quality standards.
Banking operations specialization	160	366	Insuring and enabling the employees of their specialized work fields and informing them about the recent developments in their work to enhance the efficiency and efficacy in conducting their various works.
Following the positive behaviors and communication skills	16	314	This training course aims at developing the employees' skills on the personal and the managerial levels.
Best practices program in the customer services	14	329	To assure the employees' skills in providing excellent customer service, assuring the principle of taking care of customers, keeping them, handling the complaints, and assuring the Bank's message of providing excellent and creative services that aim at building permanent partnership.
Total	297	3500	

Risks faced by the Bank

The risks which Jordan Dubai Islamic Bank is exposed to are within the acceptable level by the Board of Directors, especially if compared to the Bank's high capital adequacy and cash ratios. The risk management committee in the BOD defines the broad frameworks for the strategies and policies of risk management that are approved by the BOD. From the executive level, risk management process is accomplished by a specialized department equipped by qualified calibers in accordance with the directives of the BOD and the general strategy of the Bank. This department works on applying the best international practices in risk management, Basel agreement II & III in accordance with the requirements and directives of the Central Bank of Jordan and the specificity of Jordan Dubai Islamic Bank.

Bank's remuneration policy

The Bank adopts a clear remuneration policy that aims at creating distinct results, through enhancing the excellence and high performance culture among the employees. This contributes to attracting employees with distinguished competencies, high qualifications, and experiences in addition to keeping the current competencies, supporting, and developing them. The strategy leads to the promotion of the institution and increasing its competitiveness.

Remunerations are annually distributed to employees according to the annual performance evaluation, the extent of targets achievement, which were defined in the beginning of the year. The remuneration system is transparent and fair in accordance with the human resources policies and corporate governance instructions.

Bank's achievements during 2016

Since its inception in 2010, Jordan Dubai Islamic Bank has sought to implement its methodology

of expansion day by day. The network of the Bank's branches steadily increased, to this date, to reach 24 branches spread all over the kingdom. The branches offer a comprehensive system of Sharia-compliant banking solutions within modern basis. The bank achieved growth in total assets, during 2016, of 18% compared to 2015. More achievements by the Bank during 2016 are as follows:

First: Corporate Banking

Despite the economic and political situation in the region that affected various economic sectors, the Corporate Banking Department has achieved, during 2016, a good growth in the finance portfolio, enlarged the base of customers according to a planned manner. This was done through building a diversified portfolio of the new customers in the large and medium corporates sector in various economic fields. The Corporate Banking Department at the Bank gained the award of the best corporate Banking Brand in Jordan by Global Brand Magazine/London.

Second: Retail Banking

Jordan Dubai Islamic Bank developed since inception the branches network to reach, to this day, 24 branches in the capital Amman, Irbid and Al Zarqa provinces. The Bank offers a comprehensive group of sharia compliant services and products to meet the needs of a broad segment of clients, such as car finance, personal finance by murabaha, housing finance by lease-to-own (Ijara). The Bank also offers the current accounts services, saving accounts, and investment deposits with very flexible terms. In addition to a package of modern electronic services as internet banking, visa electron cards, golden and classic visa cards for monthly payment, and visa signature for "Safwa" clients.

"Harir" saving account, for ladies, was launched. It is the first account of its kind offered by an Islamic bank in Jordan. The account offers exclusive services as preferential interest rates on financing in addition to special discounts on the leases of safe boxes and a free Gym subscription for the lady who got financed and a specially designed ATM card.

On the deposits level, the Bank was able to enlarge the base of clients as the number of accounts exceeded 74 thousand accounts. This was accomplished due to the various and innovative accounts launched by the Bank, such as the current and investment accounts, and the distribution of the highest profits in accordance with the Islamic Sharia.

The Bank continued to implement its strategic plan that aim at delivering sharia compliant banking services to all the segments with high technology in order to offer a high quality service through its network of spread branches and through the staff responsible for direct selling. The Bank objective is to offer its services with high quality, in addition to providing a special treatment for customers in order to enlarge the customer's base and support the selling processes. The Bank is also keen on enhancing and developing the electronic banking to offer perfect services for the clients.

El "Safwa" center was opened at Dabouq branch in addition to the centers opened at Al Madina Al Monawara branch, Shmeisani branch, Bayader Wadi Al-Seer branch, Al Abdali branch, and Wasfi Al Tal Street branch. These branches are specialized in offering the VIP banking services. The bank concentrated most of its efforts in building stronger ties with the VIPs through providing distinct



personal services that combine the established Islamic values with the modern technology in addition to innovative banking services.

Electronic Banking:

The Bank continuously aims at providing its customers with the most recent technologies to enable them to accomplish their banking operations easily and around the clock through the internet, in addition to SMS service and tele banking through the landlines and mobile phones. This is in addition to the call center that offers help to the customers regarding their accounts, products, and offers provided by the Bank. In addition to handling the complaints and following them up to guarantee the excellent services offered to the customers.

The electronic services department increased the network of the external ATMs of the Bank during 2016 through many important sites as:

1. Aldoukanji mall/ ALHurriyah Street.
2. Yasser Mall / Bayader Wadi Al Seer.
3. Amman Mall/ Alwaha circle.
4. Manaseer Oil and Gas/ Al Saru.
5. Drivers and vehicles licensing/ Marka.
6. Drivers and vehicles licensing/ North of Amman.
7. Drivers and vehicles licensing/ Irbid.
8. Abo'Aisha Mosque / The airport road.
9. Al Kaloti Mosque/ Amman.
10. The University of Jordan.
11. Issak Quasmi Mosque/ Arjan.
12. Islam Toghout Mosque / Deer Ghbar.
13. Ber Alwaledden Mosque/ Rabiye.
14. Nazzal Al Kabeer Mosque.
15. Dawakom pharmacy/ Mecca Street.
16. Omar bin Al Khattab Mosque / AL Salt.
17. Al Hamshary Mosque/ Khalda.
18. Hassaan Kola Ghasy Mosque/Khalda.
19. Morjan Mall / Al Madina Al Monawara Street.

The Bank now has 58 ATMs, 34 external ATMs and 24 ATMs in the branches. During 2017, the Bank shall add more ATMs in sites that serve a broad segment of the Bank's customers and other customers.

Banking services for small companies:

In accordance with the Bank's plan of offering diversified sharia compliant banking services for new and vital segments of the society, the Bank started, from the beginning of the year, to offer finance banking services for corporates and small companies in different economic sectors. The Bank offered these services through many products as purchases financing, fixed assets financing, in addition to tools and equipment financing, purchase of commercial real estate finance with murabaha and Ijara to help the companies achieve growth and expand their activities.

Third: Treasury and Investment

The Treasury and Investment Department has achieved the following:

1. The efficient management of the Bank's assets and liabilities and fulfilling the needs and requirements of the bank's customers who deal with the different department of the Bank and fulfilling the needs of the customers who deal in foreign currencies at all the times.
2. Managing the risks of dealing in the foreign exchange markets and the risks of revenue rates in the cash market, and the risks of dealing in the capital markets to assure gaining the highest possible revenues with the minimum risks for the Bank.
3. Expanding the network of the bank's relations with international correspondence banks to fulfil the needs of the Bank and its customers with the lowest possible costs.
4. Offering the sharia complaint financial brokerage services through MISC Corporation which is fully owned by the Bank.
5. Offering trading and investment services for the clients in the foreign exchange markets
6. Opening new accounts with a number of international banks to facilitate the Bank's operations.
7. The issuance of Investment Certificates of Deposit in the Jordanian Dinar and the Us Dollar for a year and a half and for two years.
8. Managing the issuance guarantee of Sukuk issued by the National Electric Power Co and the Ministry of finance in the national currency.
9. Accomplishing the needed arrangements to offer the trading service in the international markets and the custodian service for the VIPs.

The Treasury and Investment Department manages the following Banks subsidiaries:

MISC Brokerage Company.
Jordan Dubai Real Estate Co.
Al Fayd for Real Estate Investment Co.

Forth: Corporate Excellence Department

The Bank has been awarded the King Abdullah II Award for Excellence in 2016, eighth edition 2014-2015 for the private sector / large service organizations. The award is the most prestigious award for excellence at the national level, and it follows the international standards in all sectors that aim at enhancing competitiveness, spreading the culture of excellence and applying the most recent standards and the best international practices.

This award crowned the Bank's excellence path which started since its foundation in 2010 till now, and ensured the flourishing path that the Bank's pursued through the efforts of staff, from the BOD and the executive management to all the employees. In addition to our client's confidence. Our clients, the Bank's real success partners.

The Corporate Excellence Department was able to apply the sustainable excellence concept through achieving mutual benefits between the Bank's Corporate objectives and the employees' personal objectives, and involving the employees in the development and innovation processes through motivating them using various means and tools which were applied through the Human Resources Department and the Corporate Services Department and the Total Quality Management (TQM) Department which obviously paved the roads for the establishment of an environment that incubated innovative and promising ideas and encourages them.



A. Human Resources Department

The Bank believes that excellence stems from appreciating the employee's efforts and developing their skills. The HR Department has accomplished the following achievements:

- The HCM Matrix was set. The HR department is able to use the HCM Matrix to discern the real and standard figures that should be reached then takes corrective actions to modify any shortcoming to achieve the best practices, in addition to determining the efficiency of the programs accomplished by the department, along with determining the value and efficiency of the strategies and plans of the HR, and following up the changes in the human capital.
- Recruiting of 122 employees in different department of the Bank during 2016, seven of them on the managerial level.
- Assigning, 57 employees, with tasks higher than their current tasks during 2016 in the different departments of the Bank, three of them in higher managerial positions, and eight employees as managers or more.
- The total number of candidates in the succession planning process is 52 candidates, the male candidates are 46 and represent 88%
- 6 female candidates representing 12% of the candidates, the 360 degrees evaluation for all the candidates shall be done within the succession planning process.
- Conducting an IQ Test for the employees of the succession planning process, the number of the candidates who have been nominated for the test is 24.
- Talents turnover ratio at the Bank reached 2.0%
- Setting job description upon the MenaME® system for all the Bank's employees.
- Joining the organizing structures for all departments of the Bank using the MenaME® system
- Restructuring some departments of the Bank according to the best domestic practices (the central operations department and the personal banking services department) for achieving the best utilization of resources and increasing productivity.
- Training 200 employees from the governmental sector in accordance with the memorandum of partnership and understanding between the Ministry of the Public Sector Development and Jordan Dubai Islamic Bank for cooperation in training on the mechanism of providing the services in the different governmental sectors.
- 66 employees have got specialized professional certificates to enhance the needed knowledge in addition to applying the instructions of corporate governance and information protection relevant to some certificates.
- In order to activate the leadership development program at the Bank, 29 employees from the middle management were granted a certified manager certificate in addition to the participation of all the branches' managers in the change management program.
- Providing training for 42 students from different Jordanian universities in the Bank's different departments and branches during 2016.
- Participating in DARB training project which is organized by King Abdulla II Fund for Development. 8 students were trained, to provide them with the needed tools and skills, to enter the labour market and enhance the voluntary work culture among the students in the different departments and branches of the Bank.
- Applying the training for employment project for the fresh graduates during the second half of 2016. 27 graduates were trained, 10 were appointed till now in the Bank. The project aims at reducing the resignation ratios and ensuring the employees efficiency before recruiting them and acquainting them to the needed duties and how to get along in the work environment.
- Subscribing all the employees in the Internet banking / Mobile application service, out of the Bank's keenness on providing the best services for the employees.

- Approving new performance indicators during 2016 for all employees, managers and above, to enhance the institutional excellence through stimulating new innovative ideas and enhancing and developing the services and procedures.
- Job satisfaction ratio reached 90.51% compared to a target of 90%.
- Launching “let’s hear your voice” initiative to establish a work environment that encourages a culture of innovation and creativity and motivates the employees to participate in presenting innovative ideas that might promote the banking and professional performance. The initiatives are studied by a competent committee.
- Encouraging the employees to provide innovative and creative ideas through the existing of awards for innovation and creativity.

B. Total Quality Management TQM

The Role of the TQM department relies on the sustainability of the services’ distinction through a comprehensive system that depends on the commitment by the standards of the European Foundation Quality Management (EFQM). These standards are the ones that are approved in King Abdulla II award for excellence, in addition to the commitment by the specifications of the ISO9001 certificate according to a clear work strategy that include all the Bank’s stakeholders.

The implementation of the TQ had clearly contributed to providing guidance within the Bank. This also had a positive impact on implementing all the operations efficiently, including all the banking services presented and directed to all customers that were implemented among a group of easy, quick, and high quality organized processes to fulfil the excellence principle. In addition to taking care of the internal processes between the departments) and the services provided to internal customers (that positively affect the level of the service presented to external customers) this was achieved through many means, as follows:

- Completing all the requirements of King Abdulla II award for excellence, the eighth edition
- Completing all the requirements of the ISO9001 certificate.
- Implementing all the annual internal auditing processes relevant to ensuring the sustainability of commitment by the specification of ISO9001 certificate.
- Coordinating with the IT department to complete all the requirements of the ISO27001 certificate.
- Reducing the time and effort needed for carrying out the operations. The total reduction in the operations time is more than 140 daily work hours, in addition to increasing the speed of implementing the operations.
- Concluding service level agreement (SLA) to create certified standards to measure the time needed for the implementation of all the Bank’s operations.
- The quality department implemented about 80 civil visits to the Bank’s branches according to the work plan of 2016. High quality level was maintained in the bank’s branches, due to these visits that reached about 91% during the current year this rate is higher than the required 90% rate.
- The documentation of all the Bank’s major operations through approving not less than 60 guides that organize more than 500 sub-operations.
- Evaluating the extent by which the different departments of the Bank are committed by the work procedures and that standard times which are prepared for its accomplishment.
- Studying the satisfaction of the stakeholders that include, the employees’ satisfaction and engagement, and the satisfaction of the audit customers.



- Supervision over the studies of the customers' and the society's satisfaction.
- Following up the readiness of the ATMs and the banking systems.

Work policies and procedures

The TQM department was keen on developing the Bank's policies and procedures. The TQM department aims at documenting the easy flow of the Bank's operations, reducing the time needed for their implementation, and maintaining the supervisory measures on the operation by following the (process approach), applying the (RADAR Methodology) which was certified among the excellence standards during setting the design for the processes, and preparing the work procedures that include all the banking activities of the Bank. All the policies and procedures shall be circulated, to achieve the purpose of the work policies and procedures, on all the employees through an automated system to facilitate the access to these relevant evidences and updates. Putting into consideration the keenness on the coordination with the excellence measures, by continuously revising them to enter the enhancements in light of designing the instructions and updates that might occur to the systems, instructions, laws in force, and the conditions affecting them. These policies and procedures have been studied before the approval process that is done by all the departments that are related to the revision.

Quality assurance

To achieve the sustainability of the continuous communication and revision to offer excellent services, there is an organized work plan to implement the secret shopper processes, implementing periodical visits to the branches that reached 80 civil visits by the team of the quality department according to the work plan of 2016. These actions resulted in keeping a high quality level, which reached 91% during the current year, in the Bank's branches. This is higher than the 90% that was planned.

Customers' experience

Studying the results of the visits to the Bank branches that were done by the TQM department, and analyzing the complaints and suggestions of the customers, and hence monitoring all the improvement opportunities, and depending on them a work plan was set by holding sessions with the employees of the branches and the call center (1:1 coaching), about 200 sessions, to handle all the improvement opportunities, and coordinate with the human capital to organize training courses. In addition to the continuous enhancements on the processes, and the policies and procedures relevant to them, enhancing the official communication within the Bank between its departments, studying the flow of the processes and redesigning them, and improving the flow of the processes.

The quality at Jordan Dubai Islamic Bank depends on a broad bundle of solutions that were translated into products and services which are creatively coordinated with the financial and monetary needs of the Bank's customers. We have been keen to measure the effect of the products and services excellence through the experience of the customers, during the banking experience we make sure of the extent of all the departments and branches commitment by the SLA that determines the standard times of implementing all the banking processes. We use monitoring and measuring systems to calculate the time needed for the processes implementation and compare them to the standard times, to identify any deviations, if existed, and handle them to

ensure providing excellent services to the customers. This includes the revision and assessment of the extent of the employees commitment by the communication methods and responding to the calls of the customers whether to the branches or the call center and also at the departments that deal with the customers. In addition to analyzing the complaints that the Bank receives by different models of communication and following up the procedures setting that prevent the recurrence of the complaints in coordination with the different relevant departments.

All these procedures achieve the sustainability of the Bank's excellence services through a comprehensive system that commits by the European excellence measures, which stem from the EFQM and the specifications of the ISO9001 certificate to fulfil the needs of all the parties related to the Bank, and in accordance with the strategic pillars the contain two pillars, the first is external and the second is internal as follows:

The first pillar: internally

- Improving the official communication system within the bank between its departments
- Determining the added values at each department for all the processes
- Studying the flow and redesigning the processes, and improving the flow of the processes.
- Developing all the work policies and procedures for all the Bank's processes.

The second pillar: externally

- Turning the customers into strategic partners for the Bank by gathering information from them.
- Keeping the current clients and attracting new ones by maintaining excellent performance levels
- Evaluating the general situation of the Bank to know the extent of the customers' satisfaction with the services and products, and the services provided by the employees.
- Increasing the efficiency of Bank's services.
- Applying the standards of King Abdulla II award for excellence
- Commitment by the standards of specification ISO9001.

C. Corporate Services Department

Out of the Bank's strategic plan for the years 2015-2017, and the role played by the Corporate Services Department that provides services and solutions for all the Bank departments and branches, and in conjunction with costs rationalization, the optimal utilization of the available resources, and the preservation of the environment, and for the purposes of costs monitoring and reduction by reducing the electricity bill, the Bank started to utilize the solar energy project to save the increasing electricity costs by generating electricity using the solar energy. This high technology is used all over the world, the Kingdom has high production opportunities due to its location on the Sun Belt. It is expected to benefit from this project during the first quarter of 2017.

The works of the department had been automated by using automated systems for the fixed assets, the stationary, and maintenance. In addition to providing central warehouses, for the Bank and its branches, according to the most recent archive systems.

On the environmental level, the department worked on waste separation and paper recycling. The purification station had been operated to achieve the optimal utilization of resources and environment preservation.



Raising awareness, among the employees, about the safety and health issues through the virtual evictions.

Fifth: Corporate Communication and Marketing Department

Out of the Bank's strategic plan, the Corporate Communication and Marketing Department was keen to fulfil the needs of the Bank's stakeholders by reinforcing the Bank's identity, designing and managing marketing campaigns for the different products and services offered by the Bank. The department also works on enhancing the positive image of Jordan Dubai Islamic Bank among all the society's categories and show its excellence in the banking market by combining the different marketing methods, communication, brand management, interviews and press conferences, and other effective activities that serve the achievement of the Bank's objectives and reflect its vision and message transparently.

The Corporate Communication and Marketing Department was always concerned to measure the community's impression about the Bank. This mission was executed by depending on many sources as the society's satisfaction surveys and civil studies through the coordination with specialized companies.

Jordan Dubai Islamic Bank has achieved, during 2016, its aspirations and vision through gaining many international certificated and awards as a result of the efforts of the Bank departments and coordination with the institutional communication and marketing department, the awards are as follows:

1. Best Performing Islamic Bank 2016 – Levant by Middle East Global Advisors / Dubai
2. Best Corporate Governance Jordan 2016 by Capital Finance International CFI / London
3. The BIZZ Award in Business Excellence by World Confederation of Business / USA
4. King Abdullah II Award for Excellence 8th Edition for the year 2014 - 2015 The Private Sector Category / Large Service Organizations
5. Fastest growing bank Jordan 2016 from International Finance Magazine – London
6. Best Performing Islamic Bank Jordan 2016 by Middle East Global Advisors / Dubai.
7. The Majestic Falcon Award for Quality & Excellence from Otherways International DMCC.
8. ISO 9001:2008 for Quality Management Systems by SGS – UKAS UK
9. ISO / IEC 270001:2013 Certificate for Information Security Management by SGS – UKAS UK.
10. Best Employer Brand Award 2016 from Employer Branding Institute and Stars of the Industry Group.
11. Most Innovative Investment Banking Brand from Global Brand Magazine / London.
12. Most Innovative Islamic Bank Jordan 2016 by Global Brands Magazine / London.
13. Best Corporate Bank Brand in Jordan 2016 by Global Brands Magazine / London.
14. Best Islamic Banking CEO Jordan 2016 - Mr. Sami Al-Afghani - from Global Banking and Finance Review – London.
15. Best Islamic Bank, Jordan 2016 from International Finance Magazine – London.
16. Best CSR Islamic Bank Jordan 2016 from Global Banking and Finance Review – London.
17. Best Islamic Bank Jordan 2016 from Global Banking and Finance Review – London.

The Bank's contribution in the local community and the environment service:

At the level of the Bank's commitment to the development of the society in all its categories, the Bank was keen to continue the approach it has pursued in recent years that concentrated on enhancing its role in promoting the local community and participating in its development by contributing to offering the financial and moral support to the social initiatives in the educational, humanitarian, and social fields. This approach stems from the Bank's values and vision that aim at serving the society in all categories. Some examples of the contributions of Jordan Dubai Islamic Bank in serving the local communities are as follows:

Educational and religious initiatives

- Sponsoring a special campaign for the memorising the Holy Quran in cooperation with the Conservation of the holy Quran Society
- Donation to the Quran memorization competition for the students of the Academy of the Educational behavior.
- Donation to the faculty of Sharia, University of Jordan, to renovate its halls and offices.
- Donation to establish a house for the memorization of the Holy Quran, belonging to Al Huda mosque in Zarqa.
- Providing support for holding a conference titled "one nation facing takfir" in coordination with Amman community for future conversation.
- Donation for orphan's education (university students) of Al Amman Fund for the Future of Orphans.
- Donation to buy the tickets of "Fikristan" festival in coordination with Jude Foundation.
- Donation to renovate the mosque of the University of Jordan.
- Sponsoring Gaza reconstruction conference at Al Hussein Youth City.
- Supporting the schools adoption project with Injaz Foundation to pave the ground for economic opportunities for the Jordanian youth.
- Sponsorship of the memorization of the Hadith competition in cooperation with the Association of Hadith and the revival of heritage.
- Sponsorship of the training program for the public sector employees "Excellence in presenting the government services" in coordination with the Ministry of Public Sector Development
- Sponsorship of the fifth construction conference in coordination with Jordan Engineer Association

Humanitarian and health initiatives

- Donation to provide medical treatment to Palestinians residing in Jordan in cooperation with the Jordanian Society for Palestinian Medical Assistance.
- Donation to support the children of Ibn Sina Association for cerebral palsy.
- Donation to the charity dinner in support of the (Child Protection) program in cooperation with the Jordan River Foundation.
- Donation to support the activities of Tkiyet Um Ali Association (to provide charity parcels during Ramadan and supporting Iftar tents during the Holy Month).
- Donation to the distribution of charity parcels initiative during the Holy Month of Ramadan in cooperation with Orphan Funds Development Foundation.
- Donation for Eid al-Fitr clothing for the orphans of Jordan charity association for supporting Gaza.
- Donation for the activities of Saad Ben Mu'aath Charitable Society.



- Supporting King Hussein Cancer Center by buying greeting cards drawn by the kids of the center.
- Providing support for the Jordan Hashemite Charity Organization to adopt the initiatives of the Charity Clothing Bank (Distribution of heaters and blankets in winter initiative, the sewing education initiative for low-income women, a Jacket for every School Student in Need initiative.
- Sponsoring the annual charity dinner of the Jordanian Society for Medical Aid for Palestinians
- Sponsorship of the Jordan Breast Cancer Program in coordination with King Hussein Cancer Center.

Sports Support Initiatives:

- Donation for Prince Ali Bin Al Hussein Club for Deaf/ Amman and Zarqa.
- Buying tickets for five hundred government schools students to attend the ladies' world cup under seventeen that was organized by Jordan Football Association.
- Sponsorship of the football team in the Junior League Championship at Cambridge School.

Environment initiatives:

- Supporting the Green Caravan program to support the agriculture sector and preserve the environment in coordination with the Arab Group for the Protection of Nature.
- Organizing an agricultural event to plant trees in Ghamadan Park in coordination with the Arab Group for the Protection of Nature.
- Sponsorship of the Fifth Jubilee Conference at the Jubilee School.

As part of the Bank's efforts to cover the areas of the social responsibility and its belief that the human element is the most important element for investment. Out of the Bank's keenness to apply the standards of the excellence and promotion of the services provided to citizens in accordance with the standards of King Abdulla II award, Jordan Dubai Islamic Bank signed a cooperation agreement with the Ministry of Public Sector Development to offer specialized training courses about "the excellence in offering the governmental services" to 200 employees of the public sector employees who work in the customer services centers and the offices of public service.

The Bank has accomplished, in the first phase, 8 training programs for 200 employees of the governmental sector about many issues, the most important of which is the issue of the references privacy in the government institutions, the issue of handling the clients' complaints, strategies of excellence in customer services, and the methods of applying them, in addition to providing qualified trainers to implement these programs. The Ministry carried out the coordination process with other participating ministries and departments, and provided suitable training halls to implement the training programs.

The Bank concluded the first training program in an honoring ceremony that was held under the sponsorship of HE the Minister of Communication and Information Technology, Minister of the Public Sector Development, and HE the CEO of Jordan Dubai Islamic Bank at the Bank's headquarters, for the employees of the public sector who accomplished the training program about the excellence in providing the governmental services. 37 excellent employees were honored out of 200 employees trained.

During 2017, the Bank shall work on other phases of the training programs of the employees of the public sector.



Honory ceremony for providing excellence in governmental service for government employees.



Training session of (Excellence in providing governmental services)



Cermony signing the agreement between JDIB & Public Sector Development Ministry.



JDIB employees planting trees in Ghamadan Park.



JDIB staff participation in serving Iftar to needy people with Tkiyet Um Ali



JDIB staff participation in (Jordan Run)



Destributing Eid clothing to needy families in cooperation with Clothing Bank



Destributing water & dates initiative during the holy month of Ramadan.



Sixth: Risk Management Department

The Risk Management Department, during 2016, has developed a system for policies and reports in accordance with the general framework of the risk management that is approved by the BOD. The Risk Management Department has applied the concept of "Enterprise Risk Management Framework," in order to depend on proper corporate governance on which the department builds the risk management strategy so that it includes processes of managing all types of risk that the Bank faces with identifying the approach for managing the capital according to the best scientific practices and according to Basel agreement.

The Bank's corporate governance guide has been updated and approved, then the regulations of the BOD committees have been also developed according to what was stated in the approved guide in addition to establishing a compliance unit affiliated to the compliance and anti-money laundry department, and developing the process of complaints handling and determining the most frequent complaints and finding solutions for their reasons. This required the development of a number of tools which are used to present the services and speed them up, in addition to the activation of a new system (EN. Filtering 3.4) on the (Production Server - live), instead of the old Safe Watch system, the new system includes all the official and non-official lists in addition to internal lists to examine the SWIFT messages issued and received for all types of actions, this protects the Bank from dealing with any name, entity, or a country that it is prohibited to be dealt with in addition to the effective supervision (automated) on all the customers that their accounts have been listed in the internal supervision lists. The Risk Management Department accomplished the requirements of the credit rating system in preparation for the transition from the standard method to the advanced measurement method, (F-IRB).

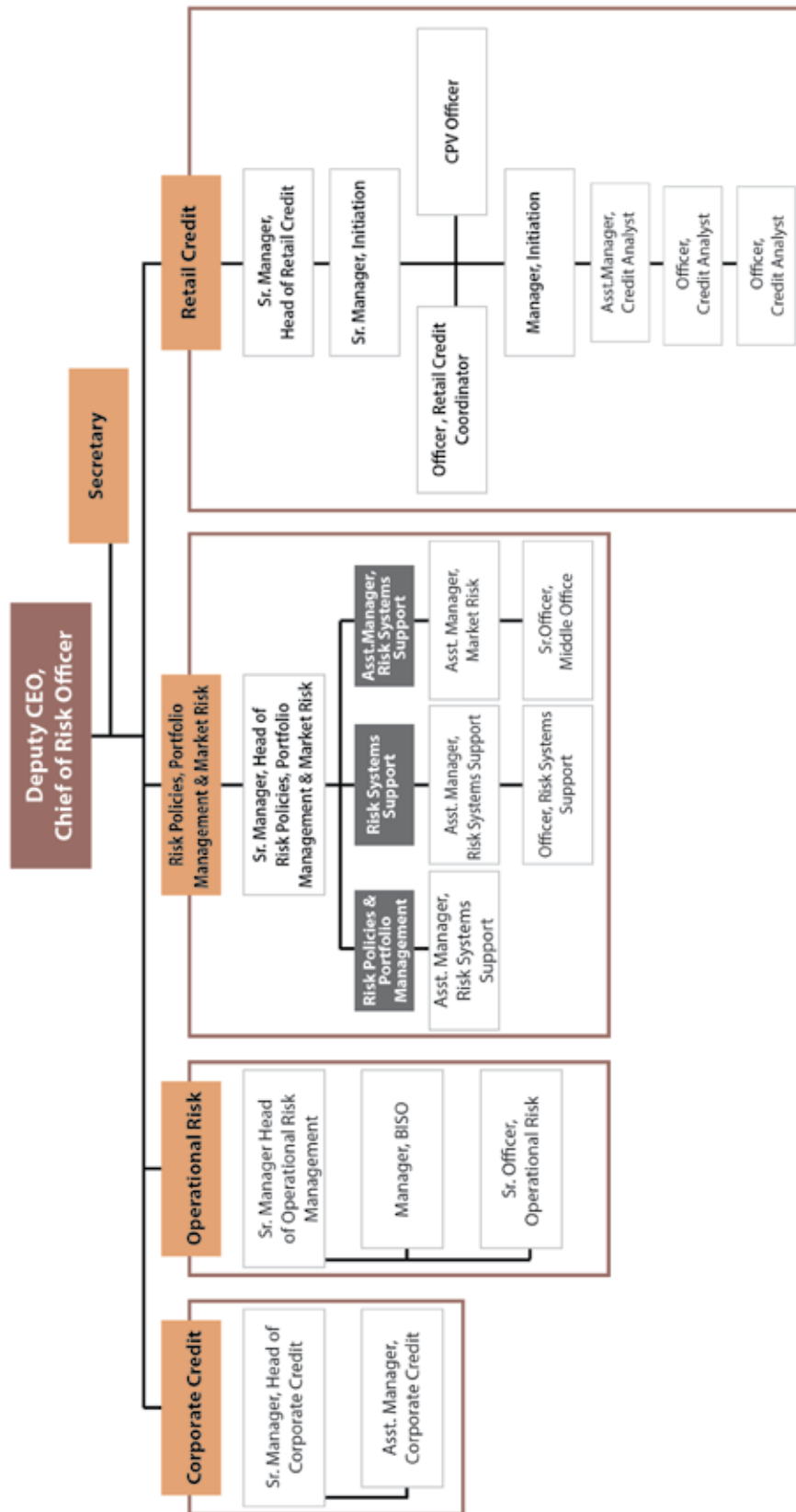
The department followed up the application of the approaches relevant to processing risk management in terms of accomplishing the application of self-risk assessment workshops and risk and control self-assessment RCSA with the different departments of the Bank, and followed up the corrective procedures for the control gaps; and the application of the methodology of examination of current controls, the department also followed up the process of collecting operational loss data.

The Department managed the project of the commitment by the payment card industry data security standard (PCI DSS), the third edition, and obtained the international certificate, also a comprehensive strategy about the Bank's information security has been developed through the completion of the preparation and development of the information security policies within the best known practices and the project management that aimed at improving the controls of the Bank's technical environment. The ISO27001:2013, related to the application of the international information security standards, has been renewed. The department has also managed the project of developing and updating the continuity of works plans on the Bank's level and in response to the external risk factors.

The department has revised the evidences of policies and work procedures that were issued during 2016 to ensure the adequacy of the regulatory and legislative controls in the Bank's processes and products.

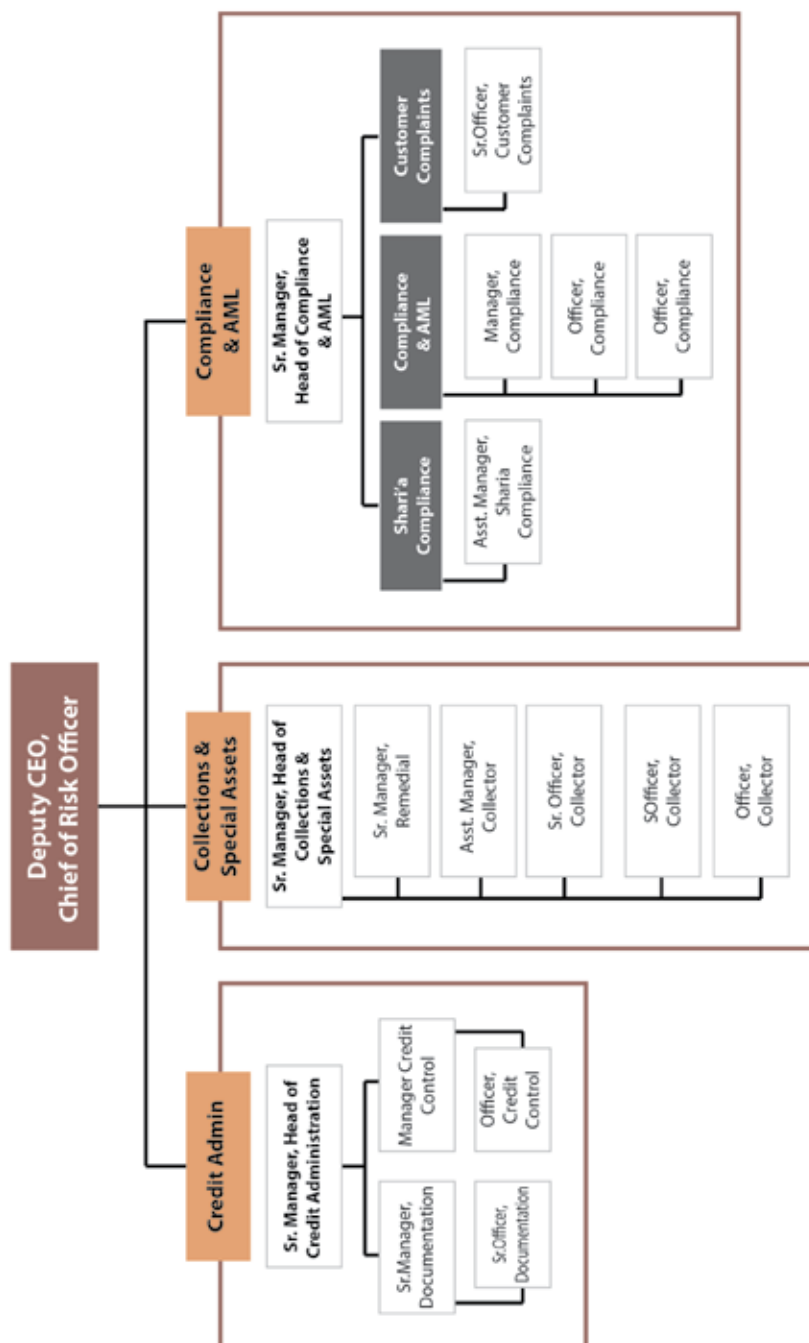
The full application of the automated "Collection System" contributed to the improvement of the efficiency of the Collection Department and the documentation to all the follow up processes that occur with the customers, in addition to the preparation of reports about the achievement ratios of the Department's employees and issuing different control and statistics reports that contributed to the assessment of the Department's performance and helped in setting future plans for its work.

Organization Chart – Risk Management 2016





Organization Chart – Risk Management 2016



Seventh: Internal Audit Department

The Internal Audit Department has assessed the Bank's internal monitoring and control systems and issued the needed reports to eliminate the risks which the Bank is exposed to and enhance the processes in accordance with the instructions of the Central Bank regarding this issue. The Auditing Committee has prepared the internal auditing plan that was built upon the risks and approved by the audit committee that emerged from the BOD. The plan was fully implemented during 2016 and some auditing recommendations were noted to improve the Bank's internal monitoring and control systems. All the notes of the internal auditing and the relevant supervisory entities were followed up within a defined time schedule to handle them. Coordination with the external auditor has been carried out to enable them of accomplishing their duties and responsibility efficiently and effectively. The Audit Committee, formed by the BOD, was periodically briefed about the results of the auditing work and the achievements of the annual plan. In accordance with the concept of the continuous improvement and enhancement, the internal audit committee has provided the employees of the audit department by the proper training and qualification to follow the advances and the updates issued by the Institute of Internal Auditors (IIA) in the USA.

Eighth: Central operations Department

During the year 2016, the Central Operations Department completed several tasks which, in turn, contributed to providing outstanding service to the Bank's customers and the Bank's various departments. The most important of these achievements are the following:

- The application of the electronic reservation system that follows the Income and Sales Taxes Department.
- Applying the Automated Clearing House (ACH) successfully and without any problems.
- Applying the New RTGS system
- Applying the SWIFT Alliance web platform.

Jordan Dubai Islamic Bank was rated among the best five banks in the Kingdom, in the tests of the ACH, and the update Quality Assurance on the electronic clearing system.

- Accomplishing the project of the banking system update regarding the limits granted to correspondent banks.

Ninth: Information Technology Department

The Information Technology Department is one of the most important departments that offer support to the Bank's different departments to assure the efficiency of the operations and to achieve the objectives and the strategic plans of the Bank that aim at increasing the revenues and reducing cost while maintaining the high and excellent level of the services offered to the customers.

The IT department supervises the Bank's strategic projects that are related to the systems and the automation to increase the accuracy and speed of the work.

The IT Department works on protecting the Bank's data of the frequent risks of development, and the Department was keen to accomplish all the requirements of (ISO27001) and (PCI – Dss V3) certificates. The Department currently studies the extent of the Bank's coordination with (Cobit 5) standards in accordance with the information technology governance.

The most important achievements of the IT Department:

- Building a new (Data Center) according to the most recent available technology.
- Updating the (MIS) system that reflects all the banking system data and attaching it to the (BI) tasks.



- Continuation in using the new technology in the virtual environment (Virtualization) on the main servers' level.
- Replacement of the mobile phone system and updating the Internet banking in line with the modern technology in terms of simultaneous service request and activation and adding the services dedicated to companies.
- Enhancing the performance and increasing the efficiency of the systems and networks.

Achievements of the project management office for the year 2016

- Achieving 17 project, of the strategic projects, the most important of which is the (AHC) according to the following table:

Projects executed in 2016	
1.	Fax server
2.	(TA) Time Attendance
3.	Amendments maker/checker System
4.	Sharia New Software
5.	Zero Day Malware
6.	Complete DR Phase 1
7.	E mail Archiving
8.	Automatic Clearing House (ACH)
9.	2015 Offsite ATM (Qty 9)
10.	E-Channels updates (Mobile Banking, IBS Phase 2)
11.	2016 New Branches (Qty.3)
12.	2016 Offsite ATM (Qty.10)
13.	Phase 1 of SIEM Upgrade and Database Security Monitoring and Protection Tool
14.	Penetration Segmentation
15.	Firewall Analyzing Tool
16.	Credit Bureau
17.	Customer Trading and Custodian Systems and Funds Module

Tenth: Shariah Supervisory Department

The Sharia Supervisory Department draws its strength from the existence of Sharia supervisory board with a deep-rooted Sharia compliant banking experience on the Islamic world level. The Department is keen to apply the fatwa and decisions of the Sharia supervisory board that are relevant to all the Bank's activities through supervising and auditing all the processes and through conducting a comprehensive study for the models of the contracts, products policies, work procedures, and the executed transactions.

Sharia Supervisory Department continued its work through the effective communication with the Sharia supervisory board to brief them about the updates, the detailed issues, answers for the relevant fatwas, and making sure of the application of the directives and decisions of the board by all the related departments.

The achievements of the Sharia Supervisory Department during 2016:

- Participation and contribution in launching the product shares finance by Murabaha.
- Renovation and application of an automated program to help in the accomplishment of Sharia auditing, which is the first of its kind in the region and which contributes to the automatic monitoring and processing of the notes.
- Participating with the Treasury and Investment Department to work on launching the first Sukuk program with the private sector in Jordan.
- Finding Sharia compliant solutions through the coordination and communication with the Sharia supervisory board and providing the personal and corporate banking services departments by the needed Sharia compliant approvals after adding the sharia regulations in dealing with customers.
- Shariah compliant auditing with the different departments of the bank and accomplishing the auditing plan for 2016.
- A number of educational and training courses about the Sharia compliant banking for the employees and managers of the Bank.
- The application and accomplishment of the corporate governance requirements for Islamic banks that are related to the Sharia aspects and the Sharia supervisory board.
- Issuing the needed reports by the Sharia supervisory board regarding the annual and semi-annual financial data.
- Collecting and organizing the fatwa issued by the Sharia supervisory board to prepare them for publication and to make them available for those who wish to access them.

The financial effect of non-frequent operations, occurred during the financial year, and don't enter into the Bank's main activity.

The Bank has sold, among the non-frequent activities, fixed assets and real estates whose ownership has been transferred to the Bank as a result of debts. The selling process resulted in achieving capital profits of 45 thousand Dinar.



Time series for the profits or losses incurred and the dividends, net shareholders' equity, and the prices of securities:

Item/year	2012 JD	2013 JD	2014 JD	2015 JD	2016 JD
Operating profits	14,486,460	17,305,945	362,18,261	22,662,226	894,613,27
Net profits before taxes	761,906	2,170,312	2,700,2	4,781,999	8,836,214
Net owners' equity	127,059,464	129,315,082	130,452,831	133,734,795	132,432,111
Earnings per share	0,023	0,015	0,019	0,033	0,057
Share price	0,92	0,84	0,95	1,07	1,28
Dividend payout	-	-	-	7% Cash	-

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

Most important results of the operations	2015	2016
Credit Commissions	2,650,616	3,116,537
Net profits/losses before taxes	4,781,999	8,836,214
Net profit/loss after taxes	3,281,927	316,5,697
Most important items of the budget		
Total assets	780,151,083	919,603,000
Finance and investment	526,909,964	679,239,814
Total deposits	612,545,543	756,257,369
No of shares	100,000,000	100,000,000
Some financial ratios		
Return on assets	0.46%	0,67%
Return on shareholders' equity	2.48%	4.82%
Operating expenses/operating revenues	66%	61%
Shareholders' equity/total assets	17.14%	14.40%
Items out of the budget		
Documentary credits	2,775,003	11,683,336
Guarantees	4,125,355	3,054,479
Acceptances	60,934	160,178
Unused limits	49,419,868	89,602,441

Important future developments and the strategic plans for the three years 2015-2017

The Bank succeeded, in its first six years, as an Islamic Bank in imposing its existence in the Banking sector generally, and in the Islamic Banking specifically. This success was achieved by the ambitious growth ratios that reflected the previously studied strategic direction that were pursued to fulfill the requirements of all the spectrum of the society, according to the Bank's vision and message and commitment by the basic excellence concepts of the European Foundation For Quality Management, that is considered as a framework for the institutional management systems that also depends on the main assessment standards of King Abdulla II award for Excellence that the Bank was honored to achieve as a result of committing by the award's standards.

The Board of Directors expects that the current economic conditions shall enable the Bank, in the coming phase, of achieving its goals and increasing its market share in the Islamic banking market as an essential option that meets the aspirations of an important and increasing sector of the Jordanian society. These achievements shall be done by offering more Sharia compliant products and services and fulfilling the needs of other sectors that represent a future investment, for the King and the government, that contributes to the development of the national economy as the small and medium enterprises, the renewable energy sector, and the studied geographical expansion by opening new branches, and expanding the ATMs network.

Because the excellence journey is the result of an ongoing work and effort, the Bank has taken precedence in the Jordanian banking sector by establishing a Department of institutional excellence which its strategy was established upon the basic concepts of excellence according to the European standards. The role of the institutional excellence department concentrates on keeping the continuity of achieving its goals and its sustainability to meet the special needs of all the Bank's stakeholders in the long and the short run. In addition to improving the performance that is accompanied by developing the economic, environmental, and social aspects of the employees according to the comprehensive concept of the corporate culture, and the effective management in building and developing the capabilities of the external and internal change and reinforcing the value added and achieving the increasing levels of performance after setting the mechanisms of the ongoing improvement and the organized innovation that is achieved by enabling all the parties of innovation and through the empowerment of the staff that results in achieving the personal and corporate goals and developing a generation of leaders that are able to understand and anticipate the needs of the stakeholders and turn them to a reality and are summed up in the following:

- Determining the opportunities for future partnerships to reinforce the ability and capability of the Bank to achieve a value added for the customers and to meet their needs.
 - Building a sustainable future by understanding the capabilities, creating a competitive work environment, and the long run planning.
 - Preparing a strategy of the Bank according to the excellence standards and following a clear work approach according to the best international practices.
 - Reengineering the operations of the Bank and the inclusion of the excellence standards within policies and approved work procedures that achieved the sustainability of applying the European excellence standards in the different operations of the Bank.

Inclusion of RADAR approach into all the processes of the Bank and documenting them by the updated work procedures. This is done to guarantee the determination of the required results by using a clear work approach, which is applied along with the implementation of periodical



assessments, to assess the results and enter the improvements in light of that.

- Developing the institutional capability by providing support, resources, the value series, and reinforcing the corporate culture.
- Encouraging productivity and innovation by involving the employees, translating the ideas into reality, adoption of the creativity culture, and employment of knowledge.
- Translating the Bank's strategies into adaptive processes, projects that came out of them and organizational structures that support them to ensure the Bank's ability to apply the needed changes with the adequate speed.
- Understanding the employees' communication needs and the strategies and the proper tools that enable the continuity of the conversation with and between them.

According to the future plan of the Department, and in accordance with the strategic plan for the next three years, here comes the role of the TQM Department to achieve the strategic goals represented in the following:

- The continuity of studying the flow and redesign of the processes, and improving the flow of the processes
- The continuity of the update and development for all the policies and work procedures for all the Bank's processes.

Developing an integrated system for the Excellence Department (Integrated Excellence Management Systems, IEMS) to ensure the existence of a general framework for excellence that depends on the standards of the EFQM, and ISO9001. This integration shall be automatic, internal, and external.

By automating all the processes of the Bank, in all its different forms, whether they are services or products that occur through the data of these processes that are automatically gathered and handled to execute measures with definite standards (Standard Time Rate, deviation rate), the results are then used to determine the performance level of each operation. Product, service, work group, in addition to employing and capturing the deviations if existed through the RADAR Methodology to find the Continuous Gap Analyses, and displaying them among the excellence standards EFQM. The value added of this system is manifested in setting a corrective plan (periodical) and applying, monitoring, reassessing results, to enter the continuous improvements, and (Trend) measurement for the results, and monitoring the improvement in performance, to gain the customers as the Bank's strategic partners by gathering the information from the customers, keeping the current customers and attracting new ones, using the best applications and the international practices to evaluate the general situation of the Bank and knowing the extent of the customers' satisfaction about the services and products, the services offered to the employees, enhancing the efficiency and effectiveness of the services offered by the Bank to achieve the sustainability of applying the EFQM and the standards of King Abdulla II award for excellence.

Regarding the important future improvements of the Institutional Excellence Department manifested in providing the institutional support to implement the different goals and projects of the Bank according to a comprehensive system of the joint plans with the different departments of the Bank to ensure achieving these objectives in high quality, A strategic plan has been put into place in accordance with the Bank's strategic plans to ensure the implementation of the future projects and plans of the Bank in a way that supports all the Departments and meets their needs. This strategy has been based on the following pillars:

- Working to achieve rationalization of expenditures and administrative and general expenses for the best utilization of resources.
- Managing the Bank's real estate properties to ensure the preservation of the overall appearance and the sustainability of the stunning and the proper image for the Bank's branches and departments.
- Providing all the safety and security requirements within the building and the different properties of the Bank according to the best international standards and practices.
- Managing the Bank's real estate portfolio and marketing it to guarantee the maximum possible return.
- Planning and implementing the branching processes and providing all the requirements needed for that.
- Providing all the possible services to offer the best banking services.
- raise the employees' awareness about health and safety issues.
- Disposing of the real estate properties, whose ownership has been transferred to the Bank, according to the instructions of the Central Bank and to achieve profits for the bank.

Fees of the Bank's auditors and its subsidiaries:

The fees of the Bank's auditors and the auditors of the Bank subsidiaries, during 2016, reached 67,280 Dinar including the sales taxes. The fees for auditing the policies of combating money laundry and terrorism funding for the Bank and its subsidiaries reached 10,370 Dinar including the sales taxes.

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 on 31/12/2016					
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
Mr. Mohammad Saeed Ahmad Al Sharif	UAE	MISC Investment Private Shareholding Company	Jordanian	52,005,000	52.0050%
Mr. Mohammad Salem Seif Al Falasi	UAE				
Dr. Omar Mashhoor Hadetha Al Jazi	Jordanian				
Mr. Yanal Rushdi Ahmad Tsibneh	Jordanian				
Mr. Samer Bahjat Helal Haddad	Jordanian				
Mr. Jamel Nabeel Jamel Anz	Jordanian	FCP FUND	Cayman Islands	9,795,249	9.7952%
HE, Dr. Nofan Mansour Aqel Al Aqeil	Jordanian	Jordanian Ministry of Finance	Jordanian	5,550,000	5.5500%
Dr. Hasan Naser Hasan	Jordanian	General Organization for Social Security	Jordanian	5,967,651	5.9677%
Dr. Faysal Abd el Razzaq Mousa Al Hyari	Jordanian	Orphans Fund Development Foundation	Jordanian	4,925,000	4.9250%
Number of Securities owned by the Board Of Directors members on 31/12/2016					
Mr. Raslan Nouri Raslan Diranyeh	Jordanian	1,780		0.0018%	
Dr. Walid Ali Shehadeh Al Na'asan	Jordanian	1,000		0.0010%	
Dr. Omar Mashhoor Hadetha Al Jazi	Jordanian	1,500		0.0015%	
Mr. Mohammad Saeed Ahmad Al Sharif	UAE	0		0.000%	



Number of Securities owned by the Board Of Directors members on 31/12/2016

Mr. Mohammad Salem Seif Al Falasi	UAE	0	0.000%
Mr. Yanal Rushdi Ahmad Tsibneh	Jordanian	0	0.000%
Mr. Samer Bahjat Helal Haddad	Jordanian	0	0.000%
Mr. Jamel Nabeel Jamel Anz	Jordanian	0	0.000%
HE, Dr. Nofan Mansour Aqel Al Aqeil	Jordanian	0	0.000%
Dr. Hasan Naser Hasan Hasan	Jordanian	0	0.000%
Dr. Faysal Abd el Razzaq Mousa Al Hyari	Jordanian	0	0.000%

Number of Securities owned by the Board Of Directors members 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
Mr. Mohammad Saeed Ahmad Al Sharif	UAE	MISC Investment Private Shareholding Company	Jordanian	52,000,000	52.0000%
Mr. Mohammad Salem Seif Al Falasi	UAE				
Dr. Omar Mashhoor Hadetha Al Jazi	Jordanian				
Mr. Yanal Rushdi Ahmad Tsibneh	Jordanian				
Mr. Samer Bahjat Helal Haddad	Jordanian				
Mr. Shahm Munib Elias Al Wir	Jordanian	FCP FUND	Cayman Islands	9,785,249	9.7852%
Dr. Izzeddin Muhy Eddin Yassin Kanakrieh	Jordanian	Jordanian Ministry of Finance	Jordanian	5,550,000	5.5500%
Mr. Emad Jamal Ahmad kodah	Jordanian	General Organization for Social Security	Jordanian	5,967,651	5.9677%
Dr. 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 on 31/12/2015

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
Mr. Raslan Nouri Raslan Deiranieh	Jordanian	1,780	0.0018%
Dr. Walid Ali Shehadeh Al Na'asan	Jordanian	1,000	0.0010%
Dr. Omar Mashhoor Hadetha Al Jazi	Jordanian	1,500	0.0015%
Mohammad Saeed Ahmad Al Sharif	UAE	0	0.0000%
Mohammad Salem Seif Al Falasi	UAE	0	0.0000%
Mr. Yanal Rushdi Ahmad Tsibneh	Jordanian	0	0.0000%
Samer Bahjat Helal Haddad	Jordanian	0	0.0000%
Shahm Munib Elias Al Wir	Jordanian	0	0.0000%
Dr. Izzeddin Muhy Eddin Yassin Kanakrieh	Jordanian	0	0.0000%
Mr. Emad Jamal Ahmad kodah	Jordanian	0	0.0000%
Dr. Faysal Abdel Razzaq Mousa Al Hyari	Jordanian	0	0.0000%

* The relatives of the BOD members have no ownerships

* Companies controlled by members of the BOD or their relatives have no ownership in the securities, except the afore mentioned.

* The top management members, their relatives, and companies controlled by them have no ownership in the securities.

Rewards and Bonuses of the Board of Directors Chairman and Members

Board of Directors Members	Allowances for mobility and BOD meetings	No of meetings attended	Committees' membership	No of attended committees	Bonus of 2015 that was paid in February 2016	Deducted taxes	Net
Mr. Mohammad Saeed Ahmad Abdulla Al Sharef	13,600	8	3,000	10	5,000	2,160	19,440
Mr. Mohammad Salem Saif El Falasi	13,600	8	2,100	7	5,000	2,070	18,630
Dr. Ezz El Din Mohi El Din Yassin Kanakrya	6,800	2	1,800	6	5,000	-	13,600
HE, Dr. Nofan Mansour Aqeel Al Aqeel	6,800	4	600	2	-	140	7,260
Mr. Emad Jamal Ahmad Al Qodah	6,800	4	2,400	8	5,000	994	13,206
Dr. Hassan Nasser Hassan Hassan	6,800	4	600	2	-	518	6,882
Dr. Faisal Abdul Razzaq Musa Al Hayari	13,600	7	3,300	11	5,000	1,183	20,717
Mr. Shahm Monieb Elias Alwir	2,125	5	525	7	1,250	273	3,627
Mr. Jameel Nabil Jameel Anz	1,275	3	225	3	-	105	1,395
FCP FUND	10,200	8	2,250	10	3,750	1,620	14,580
Mr. Raslan Nori Raslan Deraneh	13,600	8	2,400	8	5,000	1,470	19,530
Mr. Yanal Rushdi Ahmad Tsibneh	13,600	8	-	-	3,125	1,171	15,554
Mr. Samer Bahjat Helal Hadad	13,600	7	600	2	3,125	1,213	16,112
Dr. Waleed Ali Shehada Al Nasaan	13,600	7	3,000	10	5,000	1,512	20,088
Dr. Omar Mashour Haditha Al Jazy	13,600	7	2,400	8	5,000	1,470	19,530
Mr. Saleh Yaqoub Muhammad Taieh	-	-	-	-	1,875	131	1,744
Dr. Jaffar Salim Badwan	-	-	-	-	1,875	131	1,744
Total	149,600		25,200		55,000	16,161	213,639

* Board of Directors members don't receive any salaries other than the allowance and the afore mentioned bonuses.



Benefits and Bonuses of the Members of the Shariah supervisory board

Members of Shariah supervisory board	Mobility allowance and attendance of the meetings of the Sharia supervision	No of the meetings attended	Annual bonus	Deducted tax	Net
Dr. Hussein Hamed Hassan	4,254	6	7,090	1,134	10,210
Dr. Ali Mohi Al Din Ali Qora Daghi	4,254	6	7,090	1,134	10,210
Dr. Ali Muhammad Al Hussein Al Mossa	2,127	3	7,090	645	8,572
Dr. Ahmad Salem Bani Mulham	4,254	6	7,090	794	10,550
Total	14,889		28,360	3,707	39,541

Rewards and Bonuses of the Top Management

Employee's Name	Job	The amount of salaries and annual bonuses	Guaranteed Rewards	Mobility allowances	Travel expenses, daily wages, external conferences	Total
Mr. Sami "Husam Eddin" Sabri Al Afghani	Chief Executive Officer	260,064	83,728	5,160	0	348,952
Mr. Mohammad "Mohammad Fayyad" (Al Haj Ahmad) (resigned on 30/4/2016)	Deputy CEO Chief of Treasury & Investment	127,596	16,184	1,100	0	144,880
Dr. Haitham Marouf Hamad Jouher	Deputy CEO Chief of Corporate Excellence	113,508	35,596	3,300	0	152,404
Mr. Rami Ziad Abdel Fattah Al Khayyat	Deputy CEO Chief of Corporate Banking	113,688	35,676	3,300	0	152,664
Mr. Hani "Mohammed Subhi" Al Zrari	Deputy CEO Chief of Operations	108,492	33,944	3,300	0	145,736
Mr. Taj Omran Amin Khomosh (resigned on 8/10/2016)	Deputy CEO Chief of Retail Banking	106,023	27,875	2,475	0	136,373
Mr. Masoud Ismail Masoud Sakfal-Hait	Head of Legal & Board Secretarit	85,264	26,221	3,300	0	114,785
Mr. Ziad Said Khalil Kokash	Deputy CEO Chief of Risk Management	106,740	33,340	3,300	0	143,380
Mr. Ibrahim Salah Mohammad Samha	Deputy CEO Chief of Finance & Corportae Strategies	107,976	33,732	3,300	0	145,008
Mr. Ajoud Sharafaldeen Ali Al Rousan (resigned on 8/9/2016)	Head of Internal Audit	102,867	23,238	2,200	0	128,305

Employee's Name	Job	The amount of salaries and annual bonuses	Guaranteed Rewards	Mobility allowances	Travel expenses, daily wages, external conferences	Total
Mr. Rami Reyad Hassan Al Kailani	Head of Information Technology	65,920	20,433	2,900	0	89,253
Mr. Munir Mohammad Fayyad Farouneyah	Head of Sharia Supervisory	42,094	12,471	2,900	0	57,465
		1,340,231	382,439	36,535	0	1,759,205

* Numbers in the table above doesn't include bonuses received on 2016 for top management.

Donations granted by the Bank during 2016

Number	Recipient	Amount / JD
1	Jordan Association for Medical Aid for Palestinian	3,000
2	King Hussein Cancer Center	3,099
3	Tkiyet Um Ali	10,500
4	Talal Abu-Ghazaleh Organization	1,865
5	Academy of Educational Behavior	500
6	Ibn Sina Society for Cerebral Palsy	300
7	Jordan River Foundation	10,000
8	University of Jordan	5,000
9	Jordan Hashemite Charity Organization	9,550
10	Committee for the care of Al Huda Mosque - Zerqa	1,000
11	The Jordanian Association for Supporting the Children of Gaza	1,500
12	Orphans Fund Development Foundation	10,000
13	Sa'ad Bin Mu'ath Charitable Society	500
14	Prince Ali Bin Al-Hussein for Deaf - Zerqa	1,600
15	Jordanian Hashemite Fund for Human Development / Beit Al Bawadi	22,624
16	Al Aman Fund For the Future of Orphans	3,600
17	Al Joud For Scientific Care Company	500
18	Al Hanouna Society for Popular Culture	800
19	School of Mohammed Minwer Al Hadid Mosque	149
	TOTAL	86,087

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.



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 certificatesetc., 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.

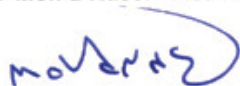
**Declarations of the Board of Directors**

- 1- The Board of Directors acknowledged that there are no matters of substance that may influence the continuation of the Bank during the next financial year.
- 2- The Board of Directors acknowledges the adequacy of internal control systems in the Bank and its subsidiaries.
- 3- The 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 2016.

1	Chairman Dr. "Moh'd Naser" Salem Mohammad Abu-Hammour Representative of Etihad Islamic Investment Company	
2	Deputy Chairman Dr. Faysal Abdel Razzaq Mousa Al Hyari Representative of Orphans Fund Development Foundation	
3	Member Mr . Basem Isam Halim Salfiti Representative of Etihad Islamic Investment Company	
4	Member Mrs .Deema Mufleh Mohammad Aqel Representative of Etihad Islamic Investment Company	
5	Member Mr . Fayez Ahmed Hasan Maremi Representative of Etihad Islamic Investment Company	
6	Member Mr .Khaled Amr E Algonseil Representative of Etihad Islamic Investment Company	
7	Member Dr. Hassan Naser Hassan Hassan Representative of Social Security Corporation / Social Security Investment Fund	
8	Member Dr. Noufan Mansour Ageel Alaqil Representative of Government Contributions Management Company LLC	
9	Member Mr. Jameel Nabeel Jameel Anz Representative of FCP Fund	
10	Member Mr. Raslan Nouri Raslan Deiranieh in his personal capacity	
11	Member Dr. Waleed Ali Shehadeh AL Nassan in his personal capacity	

Chairman

Dr. "Moh'd Naser" Abu Hammour

**Chief Executive Officer**

Sami "Hussam Eddin" Sabri Al Afghani

**Deputy CEO****Chief of Finance & Corporate Strategies**
Ibrahim Salah Mohammad Samha

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 materials or in-kind benefits, and whether it is to them personally or to any of their relationships in 2016.

Chairman Mr. Mohammad Said Ahmad Abdullah Al Sharif Representative of MESC Investment Company	
Deputy Chairman Dr. Faysal Abdelrazzaq Musa Al Hyari Representative of Orphans Fund Development Foundation	
Member Mr. Mohammad Salim Saif Al Falasi Representative of MESC Investment Company	
Member Mr. Yanal Rushdi Ahmad Tsibneh Representative of MESC Investment Company	
Member Mr. Samer Bahjat Hilal Haddad Representative of MESC Investment Company	
Member Dr. Omar Mashhour Haditha Al Jazi Representative of MESC Investment Company	
Member Dr. Hasan Naser Hasan Hasan Representative of Social Security Corporation/Investment unit of the social security corporation	
Member H.E Dr. Nofan Mansour Aqeil Al Aqeil Representative of Jordan Ministry of Finance	
Member Mr. Jameel Nabil Jameel Anz Representative of FCP Fund	
Member Mr. Raslan Nuri Raslan Deiranieh	
Member Dr. Waleed Ali Shehadeh Al Nasaan	



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 (64/2016), 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 2016.

Therefore, hereunder are our signatures

Date: 29/1/2017

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 31/12/2016**

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 31/12/2016. 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 31/12/2016 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 31/12/2016, 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 31/12/2016 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 29, 2017

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 AUDITOR'S REPORT
To the Shareholders of Jordan Dubai Islamic Bank
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Dubai Islamic Bank – (a public shareholding Company “the Bank”, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Bank as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Impairment of receivables (deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables) and Investment Risk Fund

Impairment of receivables (deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables) is one of the most significant matters, in addition of being an area that requires a considerable amount of judgment for determining impairment event and the measurement of impairment loss. The Bank appropriates 10% of net revenues from jointly financed facilities which is transferred to the investment risk fund in accordance with Central Bank of Jordan regulations.

Judgment is applied to the inputs of the measurement process of impairment including valuation of collateral and determining the default date, and as a result, impairment is calculated from that date.

How the Key Audit Matter was addressed

Our audit procedures include obtaining the non-performing and watch list loans schedules, samples were selected to test impairment which included collateral valuation and assessing the provision required based on the date of default. We also tested a sample from the performing receivables to determine whether management had identified all impairment events.

We have recalculated the amounts transferred to the investment risk fund in accordance with Central Bank of Jordan regulations.

Disclosures of impairment of receivables (deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables) are detailed in notes 8 and 13 to the consolidated financial statements and investment risk fund are detailed in note 25 to the consolidated financial statements.



2. Suspension of profit on non- performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables

Profit is suspended after 90 days from impairment event (default date) in accordance with Central Bank of Jordan regulations.

Judgment is applied as to determining when the default date occurred which affects the amount of profit to be suspended.

How the Key Audit Matter was addressed

Our audit procedures include selecting a sample from the schedules of non-performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables and profit in suspense, and tested suspended profit including recalculation in accordance with CBJ regulations, and assessing the criteria used by management in determining the impairment event.

Disclosures of profit in suspense are detailed in note 8 to the consolidated financial statements.

Other information included in the Bank's 2016 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2016 Annual Report is expected to be made available to us after the date of this auditor's report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Accounting and Auditing Standards for Islamic Financial Institutions (AAOIFI) will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Accounting and Auditing Standards for Islamic Financial Institutions, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

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

Amman – Jordan
29 January 2017



Financial Statements



King Abdullah II Award for Excellence
8th Edition for the year 2014 - 2015
The Private Sector Category / Large Service Organizations



Jordan Dubai Islamic Bank- Public Shareholding Company
Consolidated Statement of Financial Position
AS AT 31 DECEMBER 2016

	Notes	31 December 2016 JD	31 December 2015 JD
Assets			
Cash and balances with Central Banks	4	204,028,359	219,736,734
Balances at banks and financial institutions	5	5,644,597	3,962,594
International wakala investments	6	26,717,327	5,848,336
Financial assets at fair value through profit or loss	7	-	487,021
Deferred sales receivables and other receivables-net	8	378,337,528	309,010,003
Unconverted loans-net	9	47,428	104,077
Financial assets at fair value through unrestricted investment accounts	10	22,074,538	7,739,176
Financial assets at amortized cost - net	11	27,439,000	-
Investment in associate	12	370,362	363,466
Ijara muntahia bittamleek assets-net	13	223,743,971	203,357,885
Qard hasan		509,660	-
Property and equipment-net	14	21,778,481	21,019,122
Intangible assets	15	1,742,566	1,648,475
Deferred tax assets	22/C	599,815	984,815
Other assets	17	6,569,368	5,889,379
Total Assets		919,603,000	780,151,083
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY			
Liabilities			
Banks and financial Institutions accounts	18	2,142,078	-
Customers' current accounts	19	104,741,900	89,549,377
Cash margin accounts	20	8,111,831	12,286,170
Income tax provision	22/A	2,438,733	1,288,051
Other provisions	21	84,603	84,603
Other liabilities	23	11,989,540	15,140,727
Total Liabilities		129,508,685	118,348,928
Unrestricted Investment Accounts' Equity			
Unrestricted investment accounts	24	651,515,469	522,996,166
Fair value reserve – net	26	(976,767)	(1,040,513)
Total equity of unrestricted investment accounts		650,538,702	521,955,653
Investment Risk Fund			
Investment risk fund	25	5,526,435	4,668,725
Tax provision for investment risk fund	25	1,597,067	1,442,982
Shareholders' Equity			
Paid in capital	27	100,000,000	100,000,000
Share discount	27	-	(1,100,000)
Statutory reserve	28	21,999,743	21,116,122
Voluntary reserve	28	-	1,943,336
General banking risk reserve	28	300,000	300,000
Retained earnings	29	10,132,368	11,475,337
Total Shareholders' Equity		132,432,111	133,734,795
Total Liabilities, Unrestricted Investment Accounts and Shareholders' Equity		919,603,000	780,151,083

The accompanying notes from 1 to 55 are 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 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		JD	JD
Deferred sales revenues	30	25,160,733	21,433,206
Ijara muntahia bittamleek revenues	31	18,340,817	15,782,451
International wakala investments profits	32	110,054	46,840
Gains from financial assets at fair value through unrestricted investment accounts	33	312,287	147,297
Gains (Losses) from financial assets at fair value through profit or loss	34	7,405	(160,132)
Gains from financial assets at amortized cost	35	417,844	-
Profit from investment in associate	12	6,896	2,963
Foreign currencies revaluation profit (losses)	36	(20,935)	4,041
Other revenues - joint		405,423	1,077,999
Legal expenses		(5,800)	(276,650)
Total Revenues from unrestricted investments		44,734,724	38,058,015
Share of unrestricted investment accounts holders'	37	(17,526,931)	(15,544,269)
Investment risk fund	25	(4,473,473)	(3,805,801)
Bank's share of revenues from unrestricted investments as a mudarib and rab mal	38	22,734,320	18,707,945
Bank's self financed revenues	39	642,626	638,449
Gain from foreign currencies	40	438,997	531,661
Banking services revenues	41	3,116,537	2,650,616
Other revenues	42	681,414	133,555
Total income		27,613,894	22,662,226
Employees' expenses	43	(9,718,617)	(8,695,184)
Depreciation and amortization	14 & 15	(2,851,976)	(2,506,000)
Ijara muntahia bittamleek assets depreciation - self financed	31	(447,019)	(458,313)
Recovered from deferred sales receivables and other receivables provision-self financed.	8 & 9 & 21	1,090,461	9,700
Other expenses	44	(6,850,529)	(6,230,430)
Total expenses		(18,777,680)	(17,880,227)
Profit for the year before tax		8,836,214	4,781,999
Income tax expense	22/B	(3,138,898)	(1,500,072)
Profit for the year		5,697,316	3,281,927
		Fils / JD	Fils / JD
Basic and diluted earnings per share	45	0/057	0/033

The accompanying notes from 1 to 55 are 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 2016

For the year ended 31 December 2016

	Paid in capital	(Share discount)*	Statutory reserve	Voluntary reserve	General banking risk reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
Beginning balance	100,000,000	(1,100,000)	21,116,122	1,943,336	300,000	11,475,337	133,734,795
Profit for the year	-	-	-	-	-	5,697,316	5,697,316
dividends distributed	-	-	-	(843,336)	-	(6,156,664)	(7,000,000)
Amortization of Share discount	-	1,100,000	-	(1,100,000)	-	-	-
Transfers to reserve	-	-	883,621	-	-	(883,621)	-
Balance as at 31 December 2016	100,000,000	-	21,999,743	-	300,000	10,132,368	132,432,111

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

* The general assembly approved in their meeting held on 10 March 2016 the recommendation of The Board of Directors to amortize the share discount from the voluntary reserve.

- Retained earnings balance as at 31 December 2016 includes an amount of JD 599,815 (2015: JD 984,815) 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 2016 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 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 2016

	Note	2016	2015
		JD	JD
<u>Cash flows from operating Activities</u>			
Profit for the year before tax		8,836,214	4,781,999
Adjustments for non monetary items:			
Depreciation and amortization		2,851,976	2,506,000
(Profits) Losses from investment in associate		(6,896)	3,787
Investment risk fund		4,473,473	3,805,801
(Recovered from) deferred sales receivables and other receivables provisions - self financed		(1,090,461)	(9,700)
Unrealized loss of financial assets at fair value through profit or loss		-	140,033
Bad debts written off -self financed		-	4,975
(Gain) on sale of property and equipment		(23,747)	(4,821)
(Gain) on sale of repossessed asset against debts		(21,487)	(880,167)
Cash flows from operating activities before changes in assets and liabilities		15,019,072	10,347,907
Changes in assets and liabilities:			
Decrease in restricted balances at banks and financial institutions		-	491,609
Decrease in financial assets at fair value through profit or loss		487,021	586,749
(Increase) in deferred sales receivables and other receivables		(71,163,752)	(17,114,640)
Decrease in unconverted loans		1,165,962	29,668
Decrease in local wakala investments		-	8,142
(Increase) in Ijara muntahia bittamleek assets		(20,386,086)	(36,532,366)
Decrease Investments in properties		-	8,190,981
(Increase) In Qard hasan		(509,660)	-
(Increase) in other assets		(925,776)	(346,732)
Increase in customers' current accounts		15,192,523	19,399,889
(Decrease) in cash margin accounts		(4,174,339)	(4,206,109)
(Decrease) in other liabilities		(3,151,187)	(8,233,930)
Net cash used in from operating activities before income tax paid		(68,446,222)	(27,378,832)
Income tax paid		(2,889,562)	(2,172,580)
Net cash used in operating activities		(71,335,784)	(29,551,412)
<u>Cash Flows from Investing Activities</u>			
(Purchase) of financial assets at fair value through unrestricted investment accounts		(14,629,573)	(1,921,187)
(Purchase) of financial assets at amortized cost— net		(27,439,000)	-
(Purchase) of intangibles assets		(729,208)	(958,269)
(Purchase) of property and equipment		(2,989,144)	(3,225,906)
Proceeds from sale of property and equipment		36,673	10,273
Proceeds from sale of repossessed asset against debts		267,274	210,700
(Increase) Decrease in Sale of international wakala investments		(20,868,991)	10,299,151
Net cash (used in) from investing activities		(66,351,969)	4,414,762
<u>Cash Flows from Financing Activities</u>			
Increase in unrestricted investment accounts		128,519,303	109,038,085
Dividends Paid		(7,000,000)	-
Net cash from financing activities		121,519,303	109,038,085
Net (Decrease) increase in cash and cash equivalents		(16,168,450)	83,901,435
Cash and cash equivalents, beginning of the year		223,699,328	139,797,893
Cash and cash equivalents, end of the year	46	207,530,878	223,699,328

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



Disclosures of Financial Statements

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JORDAN DUBAI ISLAMIC BANK DISCLOSURES OF FINANCIAL STATEMENTS 31 DECEMBER 2016

(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 four branches and subsidiaries within the Kingdom, in accordance with the Banking Law.

The consolidated financial statements were authorized for issuance by the Bank's Board of Directors in their meeting No. (3/2017) held on 29 January 2017 and it is subject to the approval of General Assembly, and Central Bank of Jordan.

The Consolidated financial statements were reviewed by Shari'a Supervisory Board and they issued their report in their meeting No. (1/2017) held on 29 January 2017.

(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 provisions and principles of Islamic Shari'a and in accordance with the report of Shari'a Supervisory Board and 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 2016 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:

AlFaid for Real State Investment	20,000	Joint	%100	Real state Investment	Amman	2012
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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 2016 are consistent with those of the previous financial year ended 31 December 2015.

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 2016 as follows:

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

Joint investment account is involved in the results of the investment earnings and 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 authorizes 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 Law

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

Deferred sales receivables

Murabaha contracts

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

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

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

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

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

Impairment on deferred Sales receivable and receivables is recorded if there is a possibility that the amounts owed to the bank will not be collected and when there is an objective evidence that an event may impact negatively on the future cash flows of deferred Sales receivable and accounts receivable, and when the amount of impairment is reliably estimated, the amount of provision is recorded in the consolidated statement of income.

By the end of the financial period the financing assets are recorded at cost or at expected cash flow to be realized, whichever is less, and record the difference as impairment on funding.

Revenues from non-performing deferred sales to customers is suspended in accordance with the regulations 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 initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented 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 evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses within the fair value reserve in the joint investment accounts.

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

Gains derived from these financial assets at the date of the distribution is recorded within the consolidated statement of income.

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

Financial assets that can not be determined reliably at fair value are stated at cost, and 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 where the objective is to hold the asset to collect their contractual cash flows and 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 consolidated statement of 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 the purpose 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 statement of income.

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.
- The Bank discloses any contractual agreements between unrestricted investment account holders and equity holders, if any.

Investment Risk Fund

The Bank appropriates 10 % or more of the profit from the jointly fund (2015:10%), this percentage increases based on the Central Bank of Jordan regulations, the amended percentage is applicable at beginning of the subsequent 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

The profit equalization reserve (PER) is the amount appropriated out of the mudaraba income before allocating the share of al-mudarib. This reserve aims to maintain a specified level of return on investment for holders, it represents a measure of profit stabilization over different financial periods. The main purpose of the establishment of this account, is that it acts as a cushion against extra ordinary variations in the market leading to the generation of a rate of return that do not meet investors expectations. In such case this account will be used to support the distribution of an adequately competitive a returns for the holders of restricted/unrestricted investment accounts.

This account is recognized with the conditional approval of the investment account holders and the sharia supervisory board. And in the vent of not having sufficient reserves in the account, the



shareholders may grant the investment account holders a part of their revenues once approved by the board of directors and the sharia supervisory board.

Any outstanding amounts in this account are to be distributed to the investment account holders and the shareholders based on their contributions.

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 (except for lands) 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 consolidated 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 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 (approved by the General Assembly of Shareholders).

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% (2015:10 %) of net revenues from jointly financed accounts and are transferred to the investment risk fund in accordance with the provisions of Article (55) of the Banks Law and compared with provisions as required by the Central Bank of Jordan.
- Income tax provision: the fiscal year is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.
- Management periodically revaluates the financial assets carried at cost in order to assess any impairment. Impairment on financial assets is allocated in accordance to the financing party.

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

The details of this item are as follows:

	2016	2015
	JD	JD
Cash on hand	9,754,330	9,504,754
Cash and balances with Central Bank of Jordan:		
Current accounts	141,536,865	168,355,146
Statutory cash reserve	52,737,164	41,876,834
Total	204,028,359	219,736,734

- Except for the statutory cash reserve, there are no other restricted cash accounts as at 31 December 2016 and 31 December 2015.

(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	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	750,125	553,294	4,894,472	3,409,300	5,644,597	3,962,594
Total	750,125	553,294	4,894,472	3,409,300	5,644,597	3,962,594

- There is no restricted balances at 31 December 2016 and 31 December 2015.
- There is no balances at banks and financial institutions subject to profit at 31 December 2016 and 31 December 2015.

(6) INTERNATIONAL WAKALA INVESTMENTS

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Matures:		
Within a month	15,598,000	2,836,000
Month to three months	6,026,500	998,482
Three to six months	5,092,827	2,013,854
Total	26,717,327	5,848,336

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

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Quoted shares	-	487,021
Total	-	487,021

(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

The details of this item are as follows:

	Joint		Self financed		Total	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	JD	JD	JD	JD	JD	JD
Individuals (retail)-						
Purchase orderer Murabaha	117,205,801	95,567,800	1,247,555	646,012	118,453,356	96,213,812
Ijara Muntahia Beltamleek - receivables	1,224,638	1,174,435	-	-	1,224,638	1,174,435
Other receivable	-	-	137,628	122,451	137,628	122,451
Real estate funds	13,655,137	24,440,791	-	-	13,655,137	24,440,791
Corporate						
International Murabaha	1,261,840	-	-	-	1,261,840	-
Purchase orderer Murabaha	196,596,373	153,075,237	-	-	196,596,373	153,075,237
Ijara Muntahia Beltamleek - receivables	3,510,783	875,546	-	-	3,510,783	875,546
Other receivable	-	-	11,374	49,203	11,374	49,203
Small and medium companies						
Purchase orderer Murabaha	2,029,723	-	-	-	2,029,723	-
Ijara Muntahia Beltamleek - receivables	5,512	-	-	-	5,512	-
Other receivable	-	-	1,155	-	1,155	-
Governmental and public section	92,750,676	77,128,440	-	-	92,750,676	77,128,440
Total	428,240,483	352,262,249	1,397,712	817,666	429,638,195	353,079,915
Less: deferred revenues	41,400,706	36,337,208	211,948	81,725	41,612,654	36,418,933
Suspended revenues	632,298	431,491	-	-	632,298	431,491
Impairment provision	9,036,863	7,219,488	18,852	-	9,055,715	7,219,488
Deferred sales receivable, other assets – Net	377,170,616	308,274,062	1,166,912	735,941	378,337,528	309,010,003

- The non- performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables amounted to JD 11,768,469 representing 1.80% as at 31 December 2016 of deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables (31 December 2015: JD 8,513,592 representing 1.53%).
- The non- performing deferred sales receivables, other receivables, and the Ijara Muntahia Beltamleek receivables net of the suspended revenues amounted to JD 11,136,171 representing 1.71% as at 31 December 2016 of deferred sales receivable, other receivables, and the Ijara Muntahia Beltamleek receivables, (31 December 2015: JD 8,082,101 representing 1.45%).
- The balance of the fund investment risk, according to the Banking Law, paragraph (55) amounted to JD 14,563,298 as of 31 December 2016 compared to JD 11,888,213 as of 31 December 2015. Provision for impairment of the jointly financed facilities which is calculated based on Central Bank of Jordan regulations and based on (watch list) amounted to JD 188,255 and the provision calculated based on “individual customer” amounted to JD 8,848,608 as at 31 December 2016 (31 December 2015: JD 193,263 and JD 7,026,225 respectively).
- The deferred sales receivables, other receivables, and other facilities granted to and guaranteed by the Government of Jordan amounted to JD 92,750,676 representing 21.59% share of the total deferred sales receivables, other receivables and facilities as at 31 December 2016 (31 December 2015: JD 77,128,440 representing 21.84%).
- Impairment provision of the self financed facilities amounted to JD 29,440 as at 31 December 2016 calculated based on individual customer (31 December 2015: JD 25,032).

**Suspended revenues**

Movement on suspended revenues were as follows:

	Joint					
	31 December 2016			31 December 2015		
	Retail	Corporate	Total	Retail	Corporate	Total
	JD	JD	JD	JD	JD	JD
Beginning balance	65,585	365,906	431,491	30,567	364,688	395,255
Add: Suspended revenues for the year	104,837	412,705	517,542	43,051	1,870	44,921
Less: suspended revenues reversed to revenues	20,096	296,639	316,735	8,033	652	8,685
Ending balance	150,326	481,972	632,298	65,585	365,906	431,491

(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 2016			31 December 2015		
	Retail	Corporate	Total	Retail	Corporate	Total
	JD	JD	JD	JD	JD	JD
Gross unconverted loans	47,428	17,875	65,303	102,741	1,139,830	1,242,571
Less: suspended revenues	-	7,112	7,112	-	7,112	7,112
Impairment provision	-	10,763	10,763	-	1,131,382	1,131,382
Net unconverted loans	47,428	-	47,428	102,741	1,336	104,077

Movement on unconverted loans impairment provision – self financed

	Corporate	
	31 December	31 December
	2016	2015
	JD	JD
Beginning balance	1,131,382	1,141,082
Provision	34	-
Less: Released to revenues	-	9,700
Provisions that are no longer required and transferred to other Provisions.	1,109,347	-
Used during the year (write offs)	11,306	-
Ending balance	10,763	1,131,382

- General banking risks reserve against receivables and self financed facilities amounted to JD 300,000 as at 31 December 2016 (31 December 2015: JD 300,000).
- The total provisions that are no longer required as a result of settlements, repayments, or being converted to other provisions are JD 1,109,347 as of 31 December 2016 compared to nil as of 31 December 2015.

Suspended revenues

31 December 2016	Self financed		
	Retail	Corporate	Total
	JD	JD	JD
Beginning balance	-	7,112	7,112
Add: Suspended revenues during the year	-	-	-
Deduct: suspended revenues transferred to revenues	-	-	-
Ending balance	-	7,112	7,112

31 December 2015	Self financed		
	Retail	Corporate	Total
	JD	JD	JD
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	
	2016	2015
	JD	JD
Quoted Investments:		
Shares	1,588,936	2,315,788
Islamic Sukuk	20,378,828	5,316,614
Total quoted investment	21,967,764	7,632,402
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	22,074,538	7,739,176

- Financial assets stated at cost for which fair value cannot be measured reliably amounted to JD 106,774 as of 31 December 2016 and 31 December 2015.

(11) Financial Assets at Amortized Cost- Net

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Unquoted Investments:		
Islamic Sukuk	27,439,000	-
Total unquoted investments	27,439,000	-
Total Financial Assets at Amortized Cost- Net	27,439,000	-

- The assets mentioned above matures during 2021.

- No Impairment provisions were built against financial assets at amortized cost -

(12) INVESTMENT IN ASSOCIATE

Investment in associated (joint)

	Percentage of ownership	Country	Principal activity	2016	2015
				JD	JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	370,362	363,466

- There is no dividends distributed from associated company during 2016 (2015: JD 6,750).

The movement on the investment in associate is as follows:

	Joint	
	2016	2015
	JD	JD
Beginning balance	363,466	367,253
Share of profit	11,248	17,552
Share of adjustments from previous year	(2,097)	(11,326)
Share of taxes	(2,255)	(3,263)
Dividends received	-	(6,750)
Ending balance	370,362	363,466

Share of associate assets and liabilities:-

	Joint	
	2016	2015
	JD	JD
Total assets	424,346	397,880
Total liabilities	53,984	34,414
Net assets	370,362	363,466
Total revenues	230,653	322,994



(13) JJARA 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 2016									
Ijara Muntahia Bittamleek assets-Real Estate	273,676,481	(54,382,088)	219,294,393	4,655,840	(854,027)	3,801,813	278,332,321	(55,236,115)	223,096,206
Ijara Muntahia Bittamleek assets-Machines	2,141,554	(1,493,789)	647,765	-	-	-	2,141,554	(1,493,789)	647,765
Total	275,818,035	(55,875,877)	219,942,158	4,655,840	(854,027)	3,801,813	280,473,875	(56,729,904)	223,743,971
	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

- The accrued Ijara installments amounted to JD 4,740,933 as at 31 December 2016 (31 December 2015: JD 2,049,981) and were presented under deferred sales receivables and other receivables (Note 8).

- The non-performing Ijara Muntahia Bittamleek amounted to JD 4,051,274 representing 1,81% as at 31 December 2016 (31 December 2015: JD 522,952 representing 0,26%)

(14) PROPERTY AND EQUIPMENT - NET

	Lands	Buildings	Equipment, furniture & fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
31 December 2016						
Cost:						
At 1 January 2016	2,432,937	12,512,119	10,196,981	214,314	2,271,750	27,628,101
Additions	314,084	274,519	1,110,461	151,243	567,163	2,417,470
Disposals	-	-	25,526	62,613	45,912	134,051
At 31 December 2016	2,747,021	12,786,638	11,281,916	302,944	2,793,001	29,911,520
Accumulated depreciation:						
At 1 January 2016	-	644,878	4,972,877	181,584	1,308,693	7,108,032
Depreciation	-	254,718	1,578,419	30,873	352,849	2,216,859
Disposals	-	-	21,223	55,709	44,193	121,125
At 31 December 2016	-	899,596	6,530,073	156,748	1,617,349	9,203,766
Net book value At 31 December 2016	2,747,021	11,887,042	4,751,843	146,196	1,175,652	20,707,754
Advance payments on purchasing property and equipment	-	-	-	-	181,845	181,845
Projects under construction	-	-	877,316	-	11,566	888,882
Net property and equipment	2,747,021	11,887,042	5,629,159	146,196	1,369,063	21,778,481
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

Fully depreciated property and equipment amounted to JD 1,145,861 as of 31 December 2016 (2015: JD 671,102).

The total estimated cost to complete projects under construction amounted to JD 689,921 as at 31 December 2016 and mainly Represent Cost of solar energy project .

**(15) INTANGIBLE ASSETS**

The details of this item are as follows:

	Computer Systems & Software	
	2016	2015
	JD	JD
Balance At 1 January	1,648,475	1,326,185
Additions	729,208	958,269
Amortization	635,117	635,979
Balance At 31 December	1,742,566	1,648,475

(16) INVESTMENTS IN PROPERTIES

The details of this item are as follows:

These investments are held for the purpose of increase in its fair value and within the category for use category.

	31 December 2016			31 December 2015		
	Joint	Self financed	Total	Joint	Self financed	Total
	JD	JD	JD	JD	JD	JD
Beginning Balance	-	-	-	7,438,445	-	7,438,445
Additions	-	-	-	344,001	-	344,001
Exclusions	-	-	-	(7,782,446)	-	(7,782,446)
Ending Balance	-	-	-	-	-	-

During 2015, properties were sold, with a net income of JD752,536 and was classified with the common pool revenue.

(17) OTHER ASSETS

The details of this item are as follows:

	2016	2015
	JD	JD
Reposessed assets by Bank against debts	3,969,355	3,707,415
Prepaid expenses	1,343,214	1,077,671
Accrued revenues	261,185	97,099
Stationery and printing materials	106,825	80,840
Income tax deposit	58,990	56,544
Transactions in transit	5,317	26,282
Petty cash	65,721	94,595
Trading account settlement (Misc for brokerage)	-	58,533
Other receivables	283,721	152,053
Others	475,040	538,347
Total	6,569,368	5,889,379

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

	2016			2015
	Reposessed real estates -self financed	Reposessed real estates- joint	Total	Total
	JD	JD	JD	JD
Beginning balance	887,316	2,820,099	3,707,415	3,790,484
Additions	-	507,727	507,727	-
Disposal	(245,787)	-	(245,787)	(83,069)
Ending Balance	641,529	3,327,826	3,969,355	3,707,415

- Central Bank of Jordan regulations requires the disposal at repossessed 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.
- Allowance for repossessed assets against debts that violates article provisions no.(48) of bank law no.(28) for the year 2000 and its amendments amounted to JD 343,441 as of 31 December 2016 (31 December 2015 :JD 343,441).

(18) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

The details of this item are as follows:

	2016			2015
	Inside the Kingdom	Outside the Kingdom	Total	Total
	JD	JD	JD	JD
Current accounts	-	2,142,078	2,142,078	-
Total	-	2,142,078	2,142,078	-

(19) CUSTOMERS' CURRENT ACCOUNT

The details of this item are as follows:

	31 December 2016				
	Retail	Corporate	Small and medium companies	Public and governmental	Total
	JD	JD	JD	JD	JD
Current accounts	74,719,539	15,493,304	13,495,193	1,033,864	104,741,900
Total	74,719,539	15,493,304	13,495,193	1,033,864	104,741,900



	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

- Public sector accounts inside the Kingdom as at 31 December 2016 amounted to JD 1,033,864 representing 0,99% of the total customers' current accounts (31 December 2015: JD 2,553,933 representing 2,85%).

- The restricted accounts as at 31 December 2016 amounted to JD 1,871,219 representing 1,79% of the total customers' current accounts (31 December 2015: JD 1,313,625 representing 1,47%).

- The dormant accounts as at 31 December 2016 amounted to JD 4,510,945 (31 December 2015: JD 4,199,620).

(20) CASH MARGIN ACCOUNTS

The details of this item are as follows:

	2016	2015
	JD	JD
Margins against deferred sales receivables and finances	6,726,865	10,846,599
Margins against indirect facilities	1,120,116	1,221,006
Other margins	264,850	218,565
Total	8,111,831	12,286,170

(21) OTHER PROVISIONS

The details of this item are as follows:

	2016				
	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
Other provision (Note 9)	-	1,109,347	-	1,109,347	-
Total	84,603	1,109,347	-	1,109,347	84,603

	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

(22) INCOME TAX PROVISION

A- Income tax provision

	2016	2015
	JD	JD
Beginning balance	1,288,051	21,021
Income tax expense for the year	2,753,898	1,489,194
Add: Previous years adjustments	-	460,878
Deduct : income tax paid for previous years	(1,242,531)	(460,878)
Deduct: Income tax paid for the current year	(360,685)	(222,164)
Ending balance	2,438,733	1,288,051

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

	2016	2015
	JD	JD
Income tax expense	(2,753,898)	(1,489,194)
(Release) add deferred tax assets	(385,000)	450,000
Add : previous years adjustments	-	(460,878)
Total	(3,138,898)	(1,500,072)

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 2015 and the year 2014 is under review by the Income tax and sales tax department and the year 2015 is not reviewed up to the date of the consolidated financial statements.

The Bank's subsidiaries submitted their tax declaration for the years 2014 and 2015, It was obtained on a final clearance from Income tax and sales tax department as follow :

Misk for brokerage until the year 2013.

Other subsidiaries until the year 2014.



C- Deferred tax assets/liabilities

The details of this item are as follows:

	2016				2015
	Balance Beginning	Released during the year	Additions during the year	Ending balance	Deferred tax
	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
Legal expenses	1,500,000	-	-	1,500,000	450,000	450,000
Total	3,028,044	1,100,000	-	1,928,044	599,815	984,815

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

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Beginning balance	984,815	-	534,815	-
Additions during the year	-	-	450,000	-
Amortized during the year	(385,000)	-	-	-
Ending balance	599,815	-	984,815	-

D- A reconciliation between tax profit and accounting profit were as follows:

	2016	2015
	JD	JD
Accounting profit	8,836,214	4,781,999
Less: Non-taxable profit	1,811,515	1,659,455
Add:Non-deductible expenses	934,496	1,119,701
Less: Accumulated losses/ previous year	196,799	187,993
Tax profit	7,762,396	4,054,252
Bank stand alone profit		
Tax profit for the bank	7,868,280	4,254,841
Subsidiaries losses	(105,884)	(200,589)
Statutory tax rate- bank	35%	35%
Statutory tax rate- subsidiaries	24%	24%
Effective tax rate	31.2%	31.1%

(23) OTHER LIABILITIES

The details of this item are as follows:

	2016	2015
	JD	JD
Accrued expenses	992,216	1,550,507
Issued cheques	1,846,646	5,147,273
Shareholders and customers deposits	1,197,509	860,217
Customers' share of profit from unrestricted investments	6,364,876	5,963,547
Brokerage payables	8,324	8,324
Temporary deposits	636,472	769,499
Others	943,497	841,360
Total	11,989,540	15,140,727

**(24) UNRESTRICTED INVESTMENT ACCOUNTS**

The details of this item are as follows:

	31 December 2016				
	Retail	Corporate	Small and medium companies	Public and governmental sectors	Total
	JD	JD	JD	JD	JD
Saving accounts	47,175,895	7,478,268	97,426	80,050	54,831,639
Term accounts	376,530,935	66,907,560	76,344,701	40,749,115	560,532,311
Certeficates of deposit	11,275,350	7,349,238	-	-	18,624,588
Total	434,982,180	81,735,066	76,442,127	40,829,165	633,988,538
Depositors' share from investments' revenues	11,827,541	2,261,828	2,238,724	1,198,838	17,526,931
Total unrestricted investment accounts	446,809,721	83,996,894	78,680,851	42,028,003	651,515,469

	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
Certeficates 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' revenues	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

- 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 2016 is 2.98%(for the last year 3.32%).
- The percentage of the profit on USD for the year 2016 is 1.19% (2015:0.94%).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 42,028,003 as at 31 December 2016, which represents 6.45% of the total unrestricted investment accounts (31 December 2015: JD 41,474,760 which represents 7.93% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 119,163 which represents 0.02% of the total unrestricted investment as at 31 December 2016 . (2015: 33,278 JD which represent 0.01%).

(25) INVESTMENT RISK FUND

The movement on investment risk fund is as follows:

	31 December 2016	31 December 2015
	JD	JD
Beginning balance	11,888,213	9,486,463
Additions: transferred from unrestricted investment accounts revenues during the year	4,473,473	3,805,801
Less: bad debts written off	-	2,731
Less: losses from financial assets at fair value through unrestricted investment accounts Pertaining to previous years *	357,957	108,070
Deductions: provision for income tax	1,440,431	1,293,250
Ending balance	14,563,298	11,888,213

- 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 2016 (2015:10%)
- * These represent prior years losses resulted from the sale of shares and sukuk through unrestricted investment portfolio based on article no.(12.4) and (15) of the policy outlining the relationship of the bank as Mudarib and the owners of unrestricted investments, where it stipulates that if losses resulted from unrestricted investment transactions that were initiated in prior years, these losses would be covered through the Investment Risk Fund.

Investment risk fund balance is distributed as follows:

	31 December 2016	31 December 2015
	JD	JD
Year end balance	14,563,298	11,888,213
Against Ijara Muntahia Beltamleek receivable	2,106,119	203,871
Against deferred sales receivables	6,930,744	7,015,617
Remaining balance	5,526,435	4,668,725

- 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 2016	31 December 2015
	JD	JD
Beginning balance	1,442,982	1,639,270
Income tax on transferred revenues from investment accounts	1,440,431	1,293,250
Less: Income tax paid	1,286,346	1,489,538
Ending balance	1,597,067	1,442,982

- The Bank obtained a final settlement from Income and sales tax department until the year 2013.
- The Bank submitted its tax declaration for the years ended 2014, 2015 and the year 2014 is under review by the Income tax and sales tax department.

(26) FAIR VALUE RESERVE – NET

The details of this item are as follows:

Financial assets at fair value through unrestricted investment accounts				
	2016			2015
	Shares	Sukuk	Total	Total
	JD	JD	JD	JD
Beginning balance	(909,641)	(130,872)	(1,040,513)	(647,180)
Unrealized (losses)	(318,502)	26,746	(291,756)	(457,767)
Gains on sale of financial assets	337,835	17,667	355,502	64,434
Ending balance	(890,308)	(86,459)	(976,767)	(1,040,513)

(27) 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 2016 and 31 December 2015.

The General Assembly approved in their meeting held on 10 March 2016 the recommendation of The Board of Directors to amortize the share discount from the voluntary reserve and approved a cash dividends to shareholders for the year 2015 of JD 7 million representing 7% of the nominal value of the shares and it was distributed from voluntary reserve balance and retained earnings

(28) 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 or part of it to the shareholders.

The General Assembly approved in their meeting held on 10 March 2016 to amortize the share discount from the voluntary reserve and distribute it to shareholders as dividends for the year 2015.

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	2016	2015	Note
	JD	JD	
Statutory reserve	21,999,743	21,116,122	Law
General banking risk reserve	300,000	300,000	Central Bank of Jordan regulations

(29) RETAINED EARNINGS

	2016	2015
	JD	JD
Beginning balance	11,475,337	8,671,610
Profit for the year	5,697,316	3,281,927
Transferred to statutory reserve	(883,621)	(478,200)
Dividends	(6,156,664)	-
Ending balance	10,132,368	11,475,337

Retained earnings balance as at 31 December 2016 includes an amount of JD599,815 (2015: JD 984,815) which represents deferred tax assets and it is restricted from use in accordance with the Central Bank of Jordan regulations.

**(30) DEFERRED SALES REVENUES**

The details of this item are as follows:

	31 December 2016		31 December 2015	
	Joint	Self financed	Joint	Self financed
	JD	JD	JD	JD
Retail				
Murabaha Purchase orderer	9,064,625	53,890	7,629,649	40,111
Real estate fund	1,283,626	-	1,757,830	-
Corporate				
International Murabaha	12,923	-	11,758	-
Murabaha Purchase orderer	14,715,266	-	12,033,969	-
Small and medium companies				
Murabaha Purchase orderer	84,293	-	-	-
Total	25,160,733	53,890	21,433,206	40,111

(31) IJARA MUNTAHIA BELTAMLEEK REVENUES

The details of this item are as follows:

	31 December 2016		31 December 2015	
	Joint	Self financed	Joint	Self financed
	JD	JD	JD	JD
Ijara Muntahia Beltamleek – real state	52,274,149	588,736	50,137,862	591,363
Ijara Muntahia Beltamleek – equipments	670,485	-	3,360,951	-
Depreciation for Ijara Muntahia Beltamleek assets	(34,603,817)	(447,019)	(37,716,362)	(458,313)
Total	18,340,817	141,717	15,782,451	133,050

(32) INTERNATIONAL WAKALEH INVESTMENT PROFITS

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
International Wakala investment profits	110,054	46,840
Total	110,054	46,840

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

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Stock dividends	56,596	87,818
Gains (Losses) on sale of financial assets	13,945	(110,825)
Islamic Sukuk profit	241,746	170,304
Total	312,287	147,297

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

The details of this item are as follows:

	Joint							
	31 December 2016				31 December 2015			
	Realized Losses	Unrealized losses	Dividends	Total	Realized Losses	Unrealized losses	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Shares	(3,598)	-	13,614	10,016	(57,177)	(140,033)	46,121	(151,089)
Total	(3,598)	-	13,614	10,016	(57,177)	(140,033)	46,121	(151,089)
Less:								
Contract commissions	2,611	-	-	2,611	9,043	-	-	9,043
Total	(6,209)	-	13,614	7,405	(66,220)	(140,033)	46,121	(160,132)

(35) Gains from financial assets at amortized cost

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Islamic Sukuk	417,844	-
Total	417,844	-

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

The details of this item are as follows:

	Joint	
	2016	2015
	JD	JD
Foreign currencies revaluation (losses) profits	(20,935)	4,041
Total	(20,935)	4,041

(37) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS'

The details of this item are as follows:

	2016	2015
	JD	JD
Customers		
Revenues on saving accounts	469,774	357,442
Revenues on term accounts	16,472,355	14,747,212
Revenues on certificates of deposit	584,802	439,615
Total	17,526,931	15,544,269

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

The details of this item are as follows:

	2016	2015
	JD	JD
Bank's share as Mudarib	17,868,904	13,437,011
Bank's share as Rab Mal	4,865,416	5,270,934
Total	22,734,320	18,707,945

(39) BANK SELF FINANCED REVENUES

The details of this item are as follows:

	Note	2016	2015
		JD	JD
Unconverted loans profits*		-	6,975
Ijara Muntahia Beltamleek revenues	31	588,736	591,363
Deferred sales revenues	30	53,890	40,111
Total		642,626	638,449

* 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.

(40) GAIN FROM FOREIGN CURRENCIES

The details of this item are as follows:

	2016	2015
	JD	JD
Trading in foreign currencies	438,997	531,661
Total	438,997	531,661

(41) BANKING SERVICES REVENUES

The details of this item are as follows:

	2016	2015
	JD	JD
Indirect facilities commissions	756,959	763,203
Direct facilities commissions	1,043,460	736,372
Other commissions	1,316,118	1,151,041
Total	3,116,537	2,650,616

**(42) OTHER REVENUES**

The details of this item are as follows:

	2016	2015
	JD	JD
Gain from sale of fixed assets	23,747	4,821
Gain from sale of repossessed assets	21,487	127,631
Reversed accruals from previous years *	597,643	-
Other revenues	38,537	1,103
Total	681,414	133,555

- * This item represents management fees accruals for Dubai Islamic Bank (DIB) from previous years, and they were reversed based on an updated signed settlement agreement with DIB.

(43) EMPLOYEES' EXPENSES

The details of this item are as follows:

	2016	2015
	JD	JD
Salaries, benefits, allowances and bonuses	8,241,425	7,321,940
Bank's contribution for social security	875,078	731,293
Medical expenses	430,485	526,471
Training	132,188	73,446
Insurance expenses	39,441	42,034
Total	9,718,617	8,695,184

(44) OTHER EXPENSES

The details of this item are as follows:

	2016	2015
	JD	JD
Rent and vacancy compensation	1,066,266	800,006
Stationery and printing materials	206,782	222,966
Telecommunications	381,378	333,853
Utilities	734,254	700,163
Travel and transportation	113,837	102,436
Marketing and advertising	509,553	508,304
Subscription and fees	274,139	144,810
Cleaning expenses	384,795	288,634
Licences and governmental fees	267,644	334,175
Board of directors meetings expenses	228,021	238,360
Information technology expenses	740,598	601,271
Security and insurance expenses	253,127	247,961
Donations	86,087	147,796
Management and consulting fees	459,684	526,341
Professional fees	67,280	62,640
Board of directors remuneration	55,000	55,000
Bad debts written off- self financed.	-	4,975
Hospitality Expenses	56,358	50,932
Money transportation expenses	63,298	54,982
Electronics cards expensess	340,832	194,698
Others	561,596	610,127
Total	6,850,529	6,230,430

(45) EARNINGS PER SHARE

The details of this item are as follows:

	2016	2015
	JD	JD
Profit for the year	5,697,316	3,281,927
Weighted average number of shares	100,000,000	100,000,000
	JD/ Fils	JD/ Fils
Basic and diluted earnings per share	0/057	0/033

(46) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	2016	2015
	JD	JD
Cash balances with CBJ maturing within three months	204,028,359	219,736,734
Add: cash at banks and financial institutions maturing within three months	5,644,597	3,962,594
Less: banks and financial institutions accounts maturing within three months	(2,142,078)	-
Total	207,530,878	223,699,328



(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 granted to related parties are performing and no provision was taken for these balances.

Below is a summary of related party transaction :

	Main shareholders	Senior management	Board of directors	Dubai Islamic Bank*	Shari'a Supervisory Board members	31 December 2016	31 December 2015
	JD	JD	JD	JD	JD	JD	JD
Consolidated statement of financial position items							
Balances at banks and financial institutions	-	-	-	633,829	-	633,829	410,051
Unrestricted investments accounts and current accounts	22,551,857	720,062	122,419	-	25,240	23,419,578	29,397,181
Deferred sales receivables	363	581,122	220,309	-	3,500	805,294	221,416
Ijara muntahia bittamleek	-	1,299,162	-	-	-	1,299,162	1,156,194
Off financial position items							
Letters of guarantees	117,000	-	-	-	-	117,000	117,000
Consolidated statement of Income items							
Dividends	1,057,044	21,051	-	-	16	1,078,111	1,431,845
Salaries and bonuses	-	1,759,205	55,000	-	28,360	1,842,565	1,759,107
Transportation	-	-	174,800	-	14,180	188,980	184,862
Management and consulting fees	-	-	-	257,367	-	257,367	300,685

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

The lowest and highest received Murabaha percentage were 3.61% and 6.42%.

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

The lowest and highest distributed profit percentage were 0.53% and 3.61%.

Executive management salaries and benefits for the year ended 31 December 2016 amounted to JD 1,759,205 (31 December 2015: JD 1,673,620).

(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 Indicator Approach in accordance with the Central Bank of Jordan's regulations.

Information Security

In order to maintain the confidentiality and availability of the customers information and the highest level of safety and security within our banking services and products, an integrated strategies, standards and policies were developed based on the most developed international standards for developed information security in order to reach a secure working environment in order to achieve our goals on the protection of information assets and continuing emphasis on confidentiality, integrity and availability.

Several projects related to Information Security were initialed and implemented in order to adapt the best solutions to protect and monitor information systems in the bank, as well as to ensure the bank commitment to global standards and practice (Information Security Management System ISO 27001 standard, and The Payment Card Industry Data Security Standard (PCI DSS)

Also, the management of security risks to Information Technology assets of the bank is accomplished by maintaining and updating the risk profile matrix related to information technology and information security, and testing the current controls and following up the treatment of current controls gaps within our environment.

Business continuity

In order to deal with external events as mentioned in the definition of Operational Risk in the bank , Business Continuity Plan (BCP) was updated to enhance the bank ability to provide services/ products during the emergency period.

The plan includes the identification of resources, action plans and alternative producers as well as the recovery producers to return to normal working conditions.

The business continuity steering committee and specialized teams were established to handle this issue.



The plan is subjected to regular testing and updating to ensure the completeness and the applicability of the plan as a tool to enhance the bank's readiness to handle external risk factors.

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):

	2016		
	Joint	Self financed	Total
	JD	JD	JD
Balances with Central Banks	-	194,274,029	194,274,029
Balances at banks and financial institutions	-	5,644,597	5,644,597
International Wakala investments	26,717,327	-	26,717,327
Deferred sales receivables and other receivables			
Retail	281,636,023	4,965,818	286,601,841
Real estate financing	38,398,973	-	38,398,973
Corporate	188,643,242	2,252	188,645,494
Small and medium companies	4,441,751	655	4,442,406
Public and governmental sectors	83,992,785	-	83,992,785
Unconverted loans			
Retail	-	47,428	47,428
Sukuk			
Financial assets at fair value through unrestricted investments accounts	20,378,828	-	20,378,828
Financial Assets at Amortized Cost	27,439,000	-	27,439,000
Qard hasan	-	509,660	509,660
Other assets	249,309	354,587	603,896
Total	671,897,238	205,799,026	877,696,264
Off financial position items:			
Letters of guarantees	-	3,054,479	3,054,479
Letters of credit	-	11,683,336	11,683,336
Acceptances	-	160,178	160,178
Unutilized limits	89,602,441	-	89,602,441
Total	761,499,679	220,697,019	982,196,698



	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
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 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

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			
	Joint							Self Financed										
	Retail	Real-estate financing	Corporate	Small and medium companies	Public and government sectors	International Wakala investment	Sukuk	Total	Retail	Real-estate financing	Corporate	Small and medium companies	Banks and financial institutions	Total	Grand total			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD			
2016 :																		
Low risk	2,823,571	740,192	581,953	21,900	92,750,676	-	37,760,000	134,678,292	13,488	-	509,660	-	-	523,148	135,201,440			
Acceptable risk	299,420,543	38,094,072	185,703,318	4,558,070	-	26,717,327	10,057,828	564,551,158	5,209,356	-	2,299	52	5,644,597	10,856,304	575,407,462			
Past due*:																		
Up to 30 days	541,052	59,869	4,873,715	12,579	-	-	-	5,487,215	-	-	-	-	-	-	5,487,215			
From 31 to 60 days	220,214	33,027	2,555,323	2,353	-	-	-	2,810,917	-	-	-	-	-	-	2,810,917			
Watch list	478,747	602,562	10,657,185	-	-	-	-	11,738,494	2,396	-	32	654	-	3,082	11,741,576			
Non performing:																		
Substandard	363,195	-	-	-	-	-	-	363,195	115	-	-	-	-	115	363,310			
Doubtful	670,765	-	267,587	-	-	-	-	938,352	1,247	-	-	231	-	1,478	939,830			
Losses written - off	1,281,883	762,566	8,403,856	-	-	-	-	10,448,305	7,822	-	26,918	218	-	34,958	10,483,263			
Total	305,038,704	40,199,392	205,613,899	4,579,970	92,750,676	26,717,327	47,817,828	722,717,796	5,234,424	-	538,909	1,155	5,644,597	11,419,085	734,136,881			
Less: Deferred Revenue	22,156,789	1,800,419	8,547,388	138,219	8,757,891	-	-	41,400,706	211,948	-	-	-	-	211,948	41,612,654			
Less: Suspended Revenue	150,326	-	481,972	-	-	-	-	632,298	-	-	7,112	-	-	7,112	639,410			
Less: Impairment provision	1,095,566	-	7,941,297	-	-	-	-	9,036,863	9,230	-	19,885	500	-	29,615	9,066,478			
Net	281,636,023	38,398,973	188,643,242	4,441,751	83,992,785	26,717,327	47,817,828	671,647,929	5,013,246	-	511,912	655	5,644,597	11,170,410	682,818,339			

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



	Joint						Self Financed																		
	Real-estate financing			Small and medium companies		Public and government sectors		International Wakala investment		Sukuk		Total		Retail		Real-estate financing		Corporate		Banks and financial institutions		Total		Grand total	
	Retail	JD	JD	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	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	9,635,040	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	36,418,933										
Less: Suspended Revenue	65,585	-	365,906	-	-	-	-	431,491	-	-	-	7,112	-	7,112	438,603										
Less :impairment provision	535,835	-	6,683,653	-	-	-	-	7,219,488	-	-	-	1,131,382	-	1,131,382	8,350,870										
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

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

	Joint					Self-financed												
	Retail		Real-estate financing		Corporate	Small and medium companies		Public and government sectors		Total	Retail	Real-estate financing		Corporate	Small and medium companies		Total	Grand total
	JD		JD		JD	JD		JD	JD	JD	JD	JD		JD	JD		JD	JD
2016 :																		
Low risk	2,823,571		740,192		581,953	21,900		92,750,676		96,918,292	13,488		-	509,660	-	-	523,148	97,441,440
Acceptable risk	263,818,823		24,662,444		27,678,002	2,861,078	-	-		319,020,347	4,293,145		-	-	-	-	4,293,145	323,313,492
Watch list	329,564		602,562		6,313,061	-	-	-		7,245,187	-		-	-	-	-	-	7,245,187
Non performing:																		
Substandard	231,432		-		-	-	-	-		231,432	-		-	-	-	-	-	231,432
Doubtful	505,181		-		-	-	-	-		505,181	-		-	-	-	-	-	505,181
Losses written - off	814,205		604,089		2,253,084	-	-	-		3,671,378	-		-	17,875	-	-	17,875	3,689,253
Total	268,522,776		26,609,287		36,826,100	2,882,978		92,750,676		427,591,817	4,306,633		-	527,535	-	-	4,834,168	432,425,985
Comprising of:																		
Cash margin	2,823,571		740,192		581,953	21,900		-		4,167,616	13,488		-	-	-	-	13,488	4,181,104
Real-estate	186,979,641		25,869,095		35,823,353	2,645,910		-		251,317,999	3,802,194		-	17,875	-	-	3,820,069	255,138,068
Vehicles and machinery	78,719,564		-		420,794	215,168		-		79,355,526	490,951		-	-	-	-	490,951	79,846,477



Self financed

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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 2016	31 December 2015
		JD	JD
A3	Moody's	1,082,930	1,813,799
A3	Moody's	1,407,478	1,391,767
A2	Moody's	3,536,918	-
A+	Fitch	1,420,836	-
A+	S & P's	2,124,533	-
N.R	-	485,133	2,111,048
Government	-	10,321,000	-
Total		20,378,828	5,316,614

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	194,274,029	-	-	-	-	-	194,274,029
Balances at banks and financial institutions	750,125	858,051	3,302,583	422,668	304,345	6,825	5,644,597
International Wakala investments	-	26,717,327	-	-	-	-	26,717,327
Deferred sales receivable and other receivable							
Retail	286,601,841	-	-	-	-	-	286,601,841
Real-estate financing	38,398,973	-	-	-	-	-	38,398,973
Corporate	187,383,654	1,261,840	-	-	-	-	188,645,494
Small and medium companies	4,442,406	-	-	-	-	-	4,442,406
Public and governmental sectors	83,992,785	-	-	-	-	-	83,992,785
Unconverted loans							
Retail	47,428	-	-	-	-	-	47,428
Corporate	-	-	-	-	-	-	-
Sukuk							
Within financial assets at fair value through unrestricted investment accounts	10,321,000	10,057,828	-	-	-	-	20,378,828
Within Financial Assets at Amortized Cost- Net	27,439,000	-	-	-	-	-	27,439,000
Qard hasan	509,660	-	-	-	-	-	509,660
Other assets	603,896	-	-	-	-	-	603,896
Total / 2016	834,764,797	38,895,046	3,302,583	422,668	304,345	6,825	877,696,264
Total / 2015	723,465,836	12,000,553	2,274,715	181,485	104,322	13,175	738,040,086

*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 8,945,688 as of 31 December 2016 (2015: JD 2,636,739).

**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 38,251,869 as of 31 December 2016 (2015: JD 21,102,002).

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	194,274,029	-	-	-	-	-	194,274,029
Balances at banks and financial institutions	5,644,597	-	-	-	-	-	5,644,597
International Wakala investments	26,717,327	-	-	-	-	-	26,717,327
Deferred sales receivable and other	1,261,840	61,485,745	130,340,315	38,398,973	286,601,841	83,992,785	602,081,499
Unconverted loans	-	-	-	-	47,428	-	47,428
Sukuk investment							
Within financial assets at fair value through unrestricted investment accounts	10,057,828	-	-	-	-	10,321,000	20,378,828
within Financial Assets at Amortized Cost- Net	-	-	-	-	-	27,439,000	27,439,000
Qard hasan	509,660	-	-	-	-	-	509,660
Other assets	603,896	-	-	-	-	-	603,896
Total / 2016	239,069,177	61,485,745	130,340,315	38,398,973	286,649,269	121,752,785	877,696,264
Total / 2015	225,568,121	53,795,363	99,516,089	40,399,317	249,760,713	69,000,483	738,040,086

(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:

2016	increase in the indicator	Impact on profit and losses	Impact on equity
currency	(5%)	JD	JD
USD	-	-	-
Euro	(1,983)	(1,983)	(1,983)
GBP	901	901	901
Japanese Yen	4,972	4,972	4,972
Other currencies	(9,710)	(9,710)	(9,710)

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

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


Concentration in foreign currencies risks :

31 December 2016						
	US Dollar	Euro	GBP	Japanese Yen	Others	Total
Assets						
Cash and balances with Central Banks	5,795,091	1,503,130	164,364	-	145,977	7,608,562
Balances at banks and financial institutions	2,972,923	685,288	16,982	217,373	1,163,671	5,056,237
Deferred sale receivables	26,578,653	-	1,261,840	-	-	27,840,493
International Wakala Investment	23,751,500	2,965,827	-	-	-	26,717,327
Financial assets at fair value through unrestricted investment accounts	10,106,024	-	-	-	-	10,106,024
Other assets	106,349	1,848	261	-	-	108,458
Total assets	69,310,540	5,156,093	1,443,447	217,373	1,309,648	77,437,101
liabilities						
Banks and financial institutions' accounts	85,103	-	-	-	-	85,103
Customers' accounts(current, saving, term)	59,826,166	5,083,546	1,422,410	117,937	1,200,723	67,650,782
Cash margins accounts	144,083	-	-	-	303,132	447,215
Other liabilities	742,864	112,201	3,019	-	-	858,084
Total liabilities	60,798,216	5,195,747	1,425,429	117,937	1,503,855	69,041,184
Net concentration in current year's financial position	8,512,324	(39,654)	18,018	99,436	(194,207)	8,395,917
Contingent liabilities outside current year's financial position	11,712,691	-	-	-	436,610	12,149,301

31 December 2015						
	US Dollar	Euro	GBP	Japanese Yen	Others	Total
Total Assets	49,483,098	3,695,909	1,069,301	115,838	1,122,873	55,487,019
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

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:

2016	increase in the indicator (5%)	Impact on profit and losses	Impact on equity
Indicator		JD	JD
Amman Stock Market	79,447	-	79,447
Foreign markets	-	-	-
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	-	-	-

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 :

	Less than one month		1-3 months		3-6 months		6 months to 1 year		1-3 year		More than 3 years		Without maturity		Total	
	JD		JD		JD		JD		JD		JD		JD		JD	
2016:																
Bank and financial institutions' accounts	2,142,078		-		-		-		-		-		-		2,142,078	
Customers' current accounts	104,741,900		-		-		-		-		-		-		104,741,900	
Cash margins accounts	6,663,910		1,178,572		332,811		-		-		-		-		8,175,293	
Income tax provisions	2,438,733		-		-		-		-		-		-		2,438,733	
Other provisions	84,603		-		-		-		-		-		-		84,603	
Other liabilities	9,246,028		1,999,350		248,054		496,108		-		-		-		11,989,540	
Unrestricted investment accounts	115,131,101		194,229,409		135,767,509		193,294,161		19,394,704		-		-		657,816,894	
Total	240,448,353		197,407,331		136,348,374		193,790,269		19,394,704		-		-		787,389,031	
Total assets maturities as expected due dates	291,001,577		56,806,731		78,902,396		61,455,349		110,470,173		297,445,727		23,521,047		919,603,000	
2015 :																
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	12,108,899		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	

Second: Off-financial position items

	Up to 1 year	
	2016	2015
	JD	JD
letters of credit and acceptances	11,843,514	2,835,937
Guarantees	3,054,479	4,125,355
Unutilized limits	89,602,441	49,419,868
Total	104,500,434	56,381,160

(50) SEGMENT INFORMATION**a. Information on the Bank's Activities**

The bank is structured for administrative purposes where sectors are measured to the reports that are used by executive director and main decision maker at the bank 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	2016	2015
	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	15,980,508	16,234,510	(1,178,135)	1,050,484	32,087,367	26,468,027
Investment risks fund share of joint						
Investment accounts revenues	-	-	-	(4,473,473)	(4,473,473)	(3,805,801)
Results of segment's operations	15,980,508	16,234,510	(1,178,135)	(3,422,989)	27,613,894	22,662,226
Undistributed expenses	(1,530,678)	(515,207)	(631,769)	(16,100,026)	(18,777,680)	(17,880,227)
Profit for the year before tax	14,449,830	15,719,303	(1,809,904)	(19,523,015)	8,836,214	4,781,999
Income tax expense	-	-	-	(3,138,898)	(3,138,898)	(1,500,072)
Profit for the year	14,449,830	15,719,303	(1,809,904)	(22,661,913)	5,697,316	3,281,927
					2016	2015
					JD	JD
Segments' assets	292,268,491	300,719,112	80,197,287	-	673,184,890	521,200,832
Undistributed assets	-	-	-	246,418,110	246,418,110	258,950,251
Total assets	292,268,491	300,719,112	80,197,287	246,418,110	919,603,000	780,151,083
Segments' liabilities	592,258,100	95,955,600	77,977,943	-	766,191,643	626,630,969
Undistributed liabilities	-	-	-	20,979,246	20,979,246	19,785,319
Total liabilities	592,258,100	95,955,600	77,977,943	20,979,246	787,170,889	646,416,288
					2016	2015
					JD	JD
Capital expenditure					3,718,352	4,184,175
Depreciation and amortization					2,851,976	2,506,000

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 2016			31 December 2015		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	876,671,533	42,931,467	919,603,000	765,576,833	14,574,250	780,151,083
Total revenues	31,754,028	333,339	32,087,367	26,245,516	222,511	26,468,027
Capital expenditure	3,718,352	-	3,718,352	4,184,175	-	4,184,175

(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 2016	31 December 2015
	JD"000	JD"000
Basic capital items	129,568	123,523
Paid in capital	100,000	100,000
Share discount	-	(1,100)
Statutory reserve	22,000	21,116
Voluntary reserve	-	1,943
Retained earnings	9,532	10,490
Proposed dividends distribution	-	(7,000)
Repossessed assets by Bank	-	-
Intangible assets	(1,743)	(1,648)
The Bank's share in the banks and financial institutions capital (50%)	(78)	(77)
The bank's share in the capital of insurance companies (50%)	(5)	(5)
Bank's share in the investment risk fund	(138)	(196)
Additional capital	1,626	1,287
Fair value reserve	(348)	(352)
General banking risk reserve	2,057	1,721
The Bank's share in the banks and financial institutions capital (50%)	(78)	(77)
The Bank's share in the capitals of insurance companies (50%)	(5)	(5)
Total regulatory capital	131,194	124,810
Total risk weighted assets	318,351	264,053
Capital adequacy ratio (%)	41.21%	47.27%
Basic capital ratio (%)	40.70%	46.78%

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

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

31 December 2016	Within one year	More than one	Total
	JD	year JD	JD
Assets			
Cash and balances with Central Banks	204,028,359	-	204,028,359
Balances at Banks and financial institutions	5,644,597	-	5,644,597
International Wakala investments	26,717,327	-	26,717,327
Financial assets at fair through profit and loss	-	-	-
Deferred sale receivables and other receivables, net	221,619,047	156,718,481	378,337,528
Unconverted loans-net	23,714	23,714	47,428
Financial assets at fair value through unrestricted investment accounts	7,357,161	14,717,377	22,074,538
Financial Assets at Amortized Cost- Net	-	27,439,000	27,439,000
Investment in associate	370,362	-	370,362
Ijara Muntahia Beltamleek assets, net	15,236,303	208,507,668	223,743,971
Qard hasan	-	509,660	509,660
Property and equipment	-	21,778,481	21,778,481
Intangible assets	-	1,742,566	1,742,566
Deferred tax assets	599,815	-	599,815
Other assets	6,569,368	-	6,569,368
Total assets	488,166,053	431,436,947	919,603,000
Liabilities and unrestricted investment account's equity			
Banks and financial institutions' accounts	2,142,078	-	2,142,078
Customers' current accounts	104,741,900	-	104,741,900
Cash margins accounts	8,111,831	-	8,111,831
Income tax provision	2,438,733	-	2,438,733
Other provisions	84,603	-	84,603
Fair value reserve – net	(976,767)	-	(976,767)
Other liabilities	11,989,540	-	11,989,540
Unrestricted investment accounts	632,306,079	19,209,390	651,515,469
Investment risk fund	-	5,526,435	5,526,435
Provision of investment risk fund tax	1,597,067	-	1,597,067
Total liabilities , unrestricted investment accounts' and shareholders' equity	762,435,064	24,735,825	787,170,889
Net	(274,269,011)	406,701,122	132,432,111

31 December 2015	Within one year	More than one year	Total
	JD	JD	JD
<u>Assets</u>			
Cash and balances with Central Banks	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
Financial Assets at Amortized Cost- Net	-	-	-
Investment in associate	363,466	-	363,466
Ijara Muntahia Beltamleek assets, net	21,915,393	181,442,492	203,357,885
Qard hasan	-	-	-
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 assets	5,889,379	-	5,889,379
Total assets	437,603,581	342,547,502	780,151,083
<u>Liabilities and unrestricted investment account's equity</u>			
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)
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

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

	31 December 2016	31 December 2015
	JD	JD
Letters of credit	11,683,336	2,775,003
Acceptances	160,178	60,934
Letter of guarantees:		
Payment	1,431,979	2,365,744
Performance	1,589,862	1,695,153
Others	32,638	64,458
Irrevocable commitments to extend credit	89,602,441	49,419,868
Total	104,500,434	56,381,160

B- Contractual commitments.

	31 December 2016	31 December 2015
	JD	JD
Consulting contracts	-	300,685
Total	-	300,685

Based on the letter from The Prime Minister and the legal opinion issued by the Legislation and Opinion Divan, a dispute arose with The Ministry Of Finance regarding the benefit's variances with an amount of JD 4,418,908 related to the granted loans to the Industrial Development Bank (formerly) by The German Bank Of Reconstruction and European Bank and other parties. Management and its legal advisor considers these variances as a part of the Banks' right and it is a correct procedure.

(54) LAWSUITS AGAINST THE BANK

The Bank is defendant in number of lawsuits amounted to JD 84,790 as at 31 December 2016 (31 December 2015: JD 91,590). Management and its legal advisor believes that the lawsuits provision which amounts to JD 60,785 is sufficient to face any liabilities that may arise from lawsuits.

(55) COMPARATIVE FIGURES

Some of 2015 balances were reclassified to correspond with 2016 presentation. The reclassifications did not have any effect on profit and equity at 2015.



Awards and Certificates

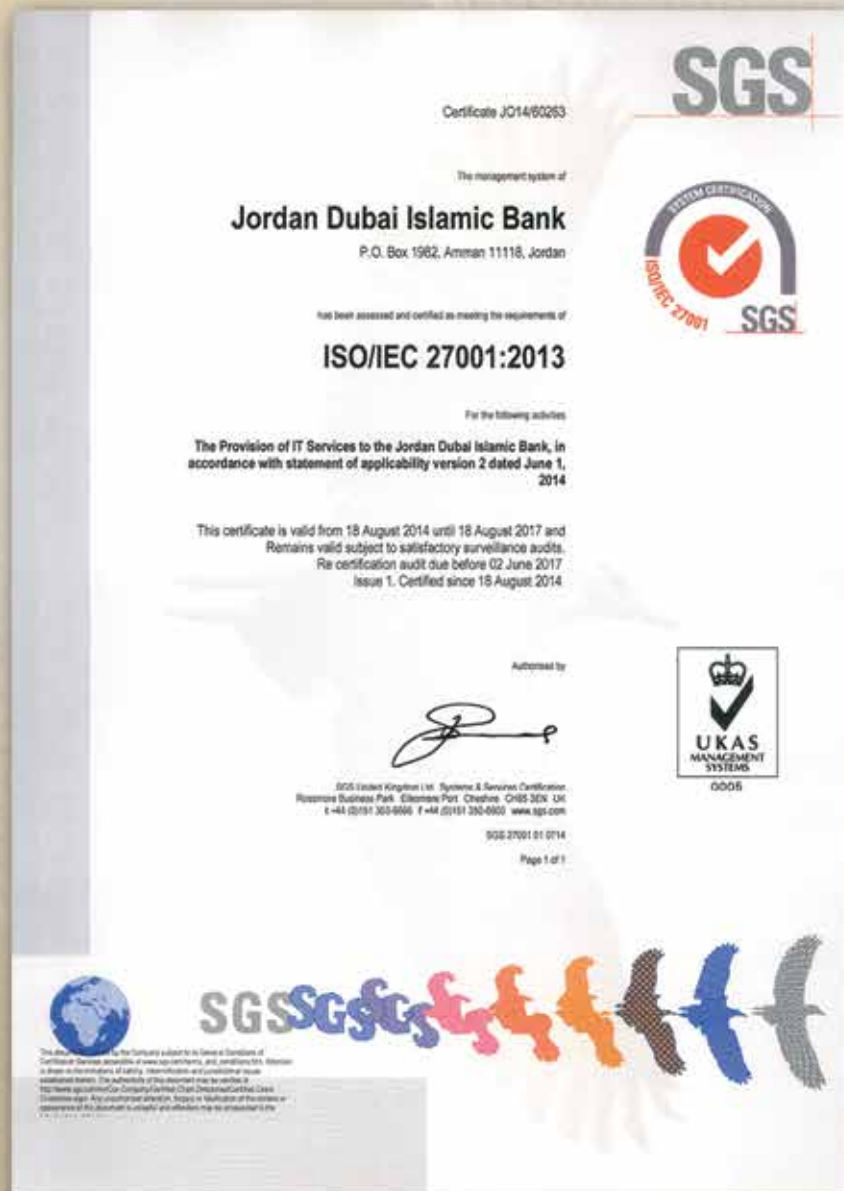




**Best Performing Islamic Bank Jordan 2016
by Middle East Global Advisors / Dubai**



**The Majestic Falcon Award for Quality & Excellence
from Otherways International DMCC**



**ISO / IEC 270001:2013 Certificate
for Information Security Management by SGS – UKAS UK**



**Best Employer Brand Award 2016
from Employer Branding Institute and Stars of the
Industry Group**



**Most Innovative Investment Banking Brand
from Global Brand Magazine / London**



**Most Innovative Islamic Bank Jordan 2016
by Global Brands Magazine / London**



**Best Corporate Bank Brand in Jordan 2016
by Global Brands Magazine / London**



**Best Islamic Banking CEO Jordan 2016
Mr. Sami Al-Afghani
from Global Banking and Finance Review – London**



**Best Islamic Bank, Jordan 2016
from International Finance Magazine – London**



**Best CSR Islamic Bank Jordan 2016
from Global Banking and Finance Review – London**



**Best Islamic Bank Jordan 2016
from Global Banking and Finance Review – London**



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