رقم الإصدار	رقم القرار	التاريخ	الأنظمة المستخدمة	وصف التعديل	الجهة صاحبة العلاقة
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Safwa Islamic Bank

Innovative Solutions, Firm Principles

Guide of Governance and Management of Information and Technology

Contents

Introduction

In line with the instructions of information governance and the associated technology, Safwa Islamic Bank board of directors and its executive management approved a number of measures to equalize IT with other major business in the Bank. Usage of COBIT 2019 framework for governance, information management, technology and IT projects assists in creating the optimal value of IT by maintaining a balance between achieving benefits and improving risks levels and using resources. COBIT 2019 also enables IT to be managed in a comprehensive way for the full projects taking into account the functional and technological responsibilities from the beginning to the end, along with considering the interests from the involved internal and external stakeholders in addition to working on managing IT risk framework in an integrated manner that complies with the Bank overall risk management operations in accordance with the sound procedures and practices that lead to sound mechanisms for the risk-based decision-making. It also ensures achieving the value added at the lowest costs while mitigating expected losses and risks to reflect the vision of the Bank in this regard and within acceptable risk limits wherever possible.

Defintions

The following words and phrases, wherever stated in this regulation, shall have the meanings Assigned to them unless the context indicates otherwise.

phrase	Concerned word
The Bank	Safwa Islamic Bank
The Board	Safwa Islamic Bank board of directors
The Committee	The committee of information governance and management and the associated technology
The Organizational structure	The Bank organizational structure mentioned in the annex
Top Executive Management	Comprises the Bank General Manager, Deputy General Manager, Financial Manager, Operations Manager, Risk Management Manager, Internal Audit

phrase	Concerned word
	Manager, Internal Sharia Audit Manager, Treasury Director (Investment), Compliance Manager, in addition to any employee at the Bank who has executive power parallel to any of the mentioned and directly linked to the General Manager and in a manner that doesn't conflict with human capital police.
Stakeholders	Those who have interest in the Bank such as stakeholders, employees, creditors, customers, external suppliers or concerned regulatory authorities.
Concerned Parties	Persons, groups or institutions which have direct or indirect interest in the Bank as they affect or are affected by its practices or activities.
Guide	A guide to governance and management of information and the associated technology which aims to provide recommendation and guidance for the work of the Committee.
Information governance and the associated technology	Distribution of roles ,responsibilities and characterization of relations among different parties entities and stakeholders such as the Board of Directors and the Executive Management in order to maximize the institution's value added) using the optimal approach that ensures the balance between the risks and expected returns, through adopting necessary rules, principles and mechanisms for decision-making and determining strategic objectives of the Bank and the mechanisms for monitoring and compliance verification which ensure development and sustainability of the bank.
Information Management and the associated technology	A set of on-going activities that fall within the responsibility of the Executive Management; Planning to achieve the strategic objectives including harmonization, organization, and construction and development activities including procurement and implementation, in addition to the operational activities including providing services and support, and monitoring activities including measurement and evaluation, ensuring the sustainability of the Bank objectives and strategic directions.
IT Governance Operations	A set of practices and activities emerging from the institutions Policies which are required to achieve the objectives of the Information and the associated technology.

phrase	Concerned word
Objectives of the information and the associated Technology	A set of key and sub objectives related to the governance and management activities of the information and associated technology which are required to achieve the institutional objectives.
Institutional objectives	A set of objectives related to governance and institutional Management which are required to achieve the needs of stakeholders and the objectives of these instructions.
On – Site building	For the general administration, operation place is in the same building of the General Administration of the Bank in Jordan.
Off – Site, for another building	operation place is in a building other than that of the General Administration of the Bank in Jordan, but in the same governorate
Near – Site operation	place is in a governorate other than that of the General Administration of the Bank in Jordan.
Off – Shore, for another Country	Where the operation place is in a country other than that of the General Administration of the Bank.

Scope of Work

The IT Department shall be the responsible entity for this evidence; compliance with the implementation is overseen by the Bank Control Departments; while the date of reviewing this evidence is set if a need arises.

The scope of implementing this (guide) includes all Safwa Islamic Bank's operations (based on) IT in various branches and departments. (All stakeholder parties shall be considered concerned with applying the instructions); each according to their position and role.

1. General Policies and Procedures

1. Major stakeholders' responsibilities:

• The responsibilities of the Board Chairman, the Board members, external experts include managing the governance project/program; approving the project's tasks and dues, the support, and providing the (needed) funds.

• The general director and the top management: Their responsibilities involve employing experienced calibres at the bank's operations to represent them in the project; defining their duties and responsibilities.

• IT Department and Project Management Office: They're responsible for managing the project/program.

• Internal Auditing: They're responsible for directly controlling the instructions' implementation; the participation in the project/program; which represents the role of internal auditing in the executive issues as an independent advisor and supervisor to facilitate the project/program's success and achievement.

• Risk Management, Information Security, Compliance and Legal Departments:

Their responsibilities include the participation in the project/program in means representing the role of these departments.

The competent calibres; holders of professional and technical certificates (COBIT 2019

Assessor, COBIT 2019 Implementation, CGEIT certification), who are appointed from inside and outside the Bank: Their responsibilities include the guide's role to disseminate knowledge and ease the implementation.

• Safwa Islamic Bank Board shall be responsible for overseeing the implementation of the five governance operations, which involve Administrative Regulation(Assessment, directives, and

monitoring), in addition to the operation of Risk Improvement Guarantee), « EDM03 and APO12 Risk Management», in line with the Central Bank of Jordan's (CBJ) instructions.

2. Governance goals and Associated Information and Technology Management to achieve: Governance and Associated Information and Technology aim at:

2.1. Meeting the stakeholders' needs and achieving the Bank goals through benefiting from the governance framework in:

• Facilitating the added-value creation by offering online services complying with the Instructions of Governance Guidelines and Associated Information and Technology Management, in means ensuring the deliberate management of risks and enhancing the optimum use of resources.

• Securing information quality guarantee in order to support the decision-making process.

• Providing infrastructure for online services, which enables the Bank to accomplish its objectives.

• Ensuring the sustainability of the Bank operations through boosting the operations' Automation and activating reliable and effective technological systems.

• IT risk management in a bid to ensure the necessary protection of the Bank assets.

• Setting up e-system complying with the requirements of laws, regulations and instructions.

• Improving the reliability of the internal control environment.

• (maximize the level of satisfaction of IT users by efficiently and effectively meeting the needs of their work)

• Management of services provided by suppliers or partners (outsourcing) who provide their services / products to the Bank or execute operations, services and products to the Bank.

2.2. The use of COBIT 2019 is the benchmark for designing all successful electronic systems and successful and effective solutions in a way that achieves the Bank objectives and all stakeholders.

2.3. Separation of governance and management in accordance with related internationally recognized standards of governance and management of information and technology.

2.4. Achieving the comprehensiveness in the governance and management of information and the associated technology (and) provide the seven elements of enablers according to COBIT 2019, too.

2.5.   Building the practices and rules of work and organization according to the best international standards, including the areas of IT governance and projects and resources of IT.

2.6.   Boosting the mechanisms of self and independent control and checking compliance in the areas of governance and management of information and technology in which they contribute to developing and improving work continuously.

2. Attribution

1-   This guide is based on Central Bank of Jordan's instructions No. 65/2016 and No. 984/6/10 dated 21/1/2019, in addition to COBIT 2019, (Noted that it shall be reviewed and updated regularly by the committee of information governance and the associated technology, or upon issuance of instructions in particular by the Central Bank of Jordan.

2-   The Bank shall publish this guide on the Website in (any appropriate manner) to the public. The Bank shall disclose in its annual report the existence of a special guide for the governance and management of information and the extent of compliance with it.

3. Committees

Safwa Islamic Bank formed the following committees:

1- IT Governance Committee - The Board

2- IT Security Steering Committee

3- The Board of Directors of Safwa Islamic Bank adopted the organizational structures (hierarchical and committee structures) for managing resources, IT projects, risk management and information security, which meet the operational needs of the information governance and the associated technology system to achieve efficiency and effectiveness.

IT Governance Committee - The Board:

1. In line with the Central Bank of Jordan's (CBJ) instructions, the Bank has formed an IT governance committee including at least three members selected from calibres boasting of IT experience and strategic knowledge.

2. The committee shall hold at least one quarterly meeting and write the minutes of the meetings; the committee's regulation includes the following tasks:

   2.1. Adopting the IT strategic objectives and appropriate organizational structures, including the steering committees at the top executive management sphere, particularly the IT Steering Committee and the means guaranteeing the achievement of the Bank strategic objectives and accomplishing the optimum added-value of the projects and investments of IT resources; utilizing the necessary instruments and standards to monitor and put this into effect; such as using IT Balanced Scorecards, Return On Investment (ROI) , and measuring the impact of contribution to boosting the financial and operational efficiency.

   2.2. Adopting the common framework of managing, setting and monitoring IT resources and projects, which embraces the international state-of-the-art practices in this realm, especially Control Objectives for Information and Related Technologies (COBIT), in a compatible manner meeting the achievement of goals and requirements of the

Governance Guidelines and Associated Information and Technology Management No. 65/2016 by fulfilling the institutional goals sustainably; the accomplishment of matrix of associated information and technology Goals.

2.3.   Endorsing the institutional goals matrix and its associated information and technology goals; considering its data as a minimum; defining the necessary sub-goals to achieve them.

2.4.   Adopting a RACI chart (RACI Matrix) towards the fundamental operations of IT governance; its sub-operations stemming from it in regard to: the entity, entities, the person or the parties initially responsible; the (Responsible), the (Accountable) and the (Consulted), along with the ones that are briefed on all operations, using COBIT 2019 Enabling Processes in this regard.

2.5.   Making sure of existing a common framework to manage the IT risks in line with the comprehensive common framework of the Bank risk management, taking into its consideration all IT governance operations.

2.6.   Adopting the budget of IT resources and projects in accordance with the Bank strategic goals.

2.7.   General control of IT operations, resources and projects (to emphasize their) adequacy and effective contribution to achieving the Bank business program.

2.8.   Reviewing IT auditing reports and taking any necessary measures to address the troubles.

2.9.   Recommending the Bank board to take any necessary measures to fix any errors.

2.10.   Submit periodic reports to the Board.

2.11.   Adopt the importance and prioritization of objectives (Government and Management Objects) and their correlation to the six institutional objectives (Enterprise Goles an d Alien Works) as well as to the other enabling elements (Enablers or Components) c ontained in the instructions, based on a qualitative study or study A quantity that is p repared for this purpose at least annually and that takes into account the Design Fac tors listed in the (Cobit 2019-Design Guide).

Information Technology (IT) Steering Committee:

The Bank has formed an Information Technology Steering Committee from the top executive management's members (to ensure a strategic alignment of information technology to achieve the strategic objectives of the bank and that shall be in a sustainable manner.). Hence, the committee headed by the general director and with the membership of executive management's top managers, including IT and Risk Management heads, was appointed. A board member was elected to have an observer status in the committee, as well as the internal audit manager. Other parties could be invited for attending the meetings, if a need arises. The regulation states that the committee has to write the minutes its meetings that shall be periodically held at least once every three months.

The committee shall undertake the following tasks and functions:

1. Laying out the appropriate annual plans required to achieve the strategic goals set up by the board; supervising their implementation in a bid to guarantee their accomplishment, in addition to overseeing the internal and external conditions that affecting them consistently.

2. Linking the matrix of institutional goals to the goals of information and technology associated thereto, as well as adopting and reviewing them regularly in a way that ensures the attainment of the Bank strategic aims and the goals of instructions; taking into account the definition and revision of the set of the assessment criteria, and entrusting relevant parties of the Executive Management to constantly monitor them and brief the committee on the results.

3. Recommending the allocation of financial and non-financial resources necessary to fulfil the objectives and IT governance operations; using the assistance of competent human elements, the right person in the right place, through organizational structures including all fundamental operations to support the objectives; taking in consideration the functional separation and non-conflict of interest; adapting the technological infrastructure and other services related to achieve the objectives; overseeing the implementation IT projects and governance.

4. Prioritizing IT projects and programs.

5. Monitoring the level of technological and technical services, and work on to improve their efficiency constantly.

6. Briefing the IT Governance Committee on the following matters:

6.1. Providing the necessary resources and efficient instruments which needed to achieve duties of the IT Governance Committee.

6.2. Any deviations that may adversely affect the achievement of strategic goals.

6.3. Any unacceptable risks related to the technology, security and protection of information.

6.4. The reports of performance and compliance with the management's general framework; setting and controlling IT resources and enterprises.

7- Periodically providing the IT Governance Committee with the minutes of its meetings, along with obtaining an indication that these minutes have been reviewed.

4. Goals and IT Governance Operations

The committee of information governance and the associated technology shall adopt a set of objectives across the Bank level and IT in accordance with COBIT 2019 framework. The objectives will be overviewed, reviewed and appropriately identified to meet the needs of stakeholders.

Information Technology Steering Committee is primarily responsible for ensuring compliance through achieving its requirements; Information Technology Committee and the board as a whole are the final official in this regard. All Bank departments especially Information Technology, Information Security Management and Project Management Departments shall identify their processes and reformulate them in a way that covers the requirements of IT governance operations.

Safwa Islamic Bank has adopted successive objectives in COBIT 2019 to interpret the needs of stakeholders into specified and customized objectives that can be implemented, in addition to IT-related goals and enablers' goals. Such interpretation allows setting specific objectives at all levels and in all departments and branches of the Bank to support the overall objectives and the requirements of stakeholders, and thus effectively support the alignment between Safwa Islamic Bank solutions and services of IT. The Board and the Risk Management Department are directly responsible for the process of ensuring smooth management of the risks included
In the annexes to the instructions and risk management process (IT) respectively.

5. Principles, Policies and Framework

1. IT Governance Committee and the associated technology shall adopt necessary policies to ensure the management of IT operations and to consider them as the minimum, with the possibility of combining such policies as required according to the nature of the work. IT Governance framework and associated technology at Safwa Islamic Bank rely on five key principles of COBIT 2019:

• Principle 1: Meeting Stakeholder Needs

• Principle 2: Covering the Enterprise End to End

• Principle 3: Applying a Single Integrated Framework

• Principle 4: Enabling a Holistic Approach

• Principle 5: Separating Governance from Management

2. The Board or any of its authorized committees shall adopt principles, policies and Frameworks, particularly those related to IT risk management, information security Management, and human resource management in particular which meet the requirements of IT Governance operations.

6. Information and Report

The Board and the Top Executive Management shall develop infrastructure and information systems necessary for providing the information and reports for their users as a base for making decisions at the bank.

7. Services, Programs and Infrastructure of Information Technology

The Board or any of its authorized committees in addition to the top management shall adopt the system of services, programs and infrastructure that support achieving the Bank objectives and reaching an acceptable level in the governance of information and associated technology.

8. Knowledge, skills and Experienece

A. the Board or any of its authorized committees shall approve HR Competencies and human resources policies which are necessary for achieving the requirements of IT governance of and the requirements of these instructions in general along with ensuring assigning the right man in the right place or to ensure that the appropriate human resources are in place.

B. The Bank Management shall recruit qualified and trained personnel from persons with experience in the fields of Information Technology resources management, Risk Management, Information Security Management and Internal & External Information Technology Audit Management based on the criteria of academic and professional knowledge in addition to the practical experience recognized by qualified international associations under accreditation criteria ISO / IEC 17024(and / or any other parallel standards in accordance with its competence, With the re-qualification and training of staff who are currently employed to meet these requirements Within two years of the date of these instructions.

C. Executive Management shall be responsible for continuing to provide its staff with continuous training education programs to maintain a level of knowledge and skills that achieves IT governance processes.
D. The executive management is responsible for incorporating the annual evaluation of calibres with objective measurement that take into consideration the contribution through the career centre to achieve bank's objectives

9. System of Values, Morals and Behaviour

A. The Board or its delegate committees shall adopt a code of conduct that reflects professional behaviour related to the management of information and its related technology that clearly define the desired behavioural rules and consequences.

B. the Board and the Top Executive Management shall hire different mechanisms to encourage the application of desirable behaviours and avoidance
Unwanted behaviours by following the methods of governance