



The Thirty Fifth
Annual Report
2013





**His Majesty King Abdullah II
King of the Hashemite Kingdom of Jordan**





**His Royal Highness Crown - Prince
Hussein bin Abdullah**

البنك الإسلامي الأردني

In the Name of Allah,
the Most Merciful, the Most Compassionate

Jordan Islamic Bank

Public Shareholding Limited Liability Company

Established in Amman - the Hashemite Kingdom of Jordan and registered as a public shareholding limited liability company in the Companies Registry on 28/11/1978 under reference No. 124 pursuant to the requirements of the by-then effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02/08/2000, which included a special chapter on Islamic Banks.

The Thirty Fifth Annual Report for the year 2013

Presented to the General Assembly
at their ordinary meeting
convened in Amman on Monday
28 Jumādā al-Ākhira 1435 AH
Corresponding to 28/4/2014 AD



In the Name of Allah,
the Most Merciful, the Most Compassionate

Our Mission

- Commitment to consolidate the values of the Islamic Sharia by dealing with all people according to the teachings and principles of the Islamic Law (Sharia) to serve the public interest of the society.
- Commitment to equally serve the interests of all stakeholders including shareholders, investors, borrowers and employees.
- Commitment to attain the latest innovative products in banking industry and technology, as well as looking forward to gaining the trust of all people in our distinguished services that are in line with recent developments and changes within the framework of compliance with our Islamic Sharia.

Board of Directors

AlBaraka Banking Group Co.
Represented by H.E. Mr. Adnan Ahmad Yousif Abdulmalek

Chairman, Board of Directors

H.E. Mr. Musa Abdelaziz Mohammad Shihadeh

Vice-Chairman, Board of Directors
CEO/ General Manager

H.E. "Eng." Raef Yousif Mahmoud Najm

Member

H.E. Mr. Salem Mohammed Salem Massaede

Member

H.E. Mr. Kamal Sami Salman Asfour

Member

AlBaraka Banking Group Co.
Represented by H.E. Mr. Hamad Abdallah Ali Eqab

Member



AlBaraka Banking Group Co.
Represented by H.E. Mr. Adnan Abdallah Al-Hamad Al-Bassam

Member

AlBaraka Banking Group Co.
Represented by H.E. Mr. Hood Hashem Ahmed Hashem

Member

H.E. Mr. Haidar Issa Murad Murad

Member

H.E. Mr. Ayman AbdelKareem Basheer Hatahit

Member

H.E. Mr. Noor "Mohammad Shahir" "Mohammad Lutfi"
Mahayni

Member

Auditors: Messrs Ibrahim Abbasi & Co. and Messrs, Ernst & Young

Sharia Supervisory Board

H.E. Dr. Abd Sattar Abu Goddeh

Chairman



H.E. Dr. Mahmoud Al Sartawi

Vice-Chairman



H.E. Dr. «Mohammad Khair» Al-Issa

Member





The Administration of the Bank

H.E. Mr. Musa Abdelaziz Shihadeh

Vice Chairman - CEO / General Manager



Mr. "Mohammed Majed" Mohamoud Allan

Deputy General Manager



Dr. Hussein Said Saifan

Deputy General Manager



Mr. Naeem Mohammed Al- khmos

Assistant General Manager

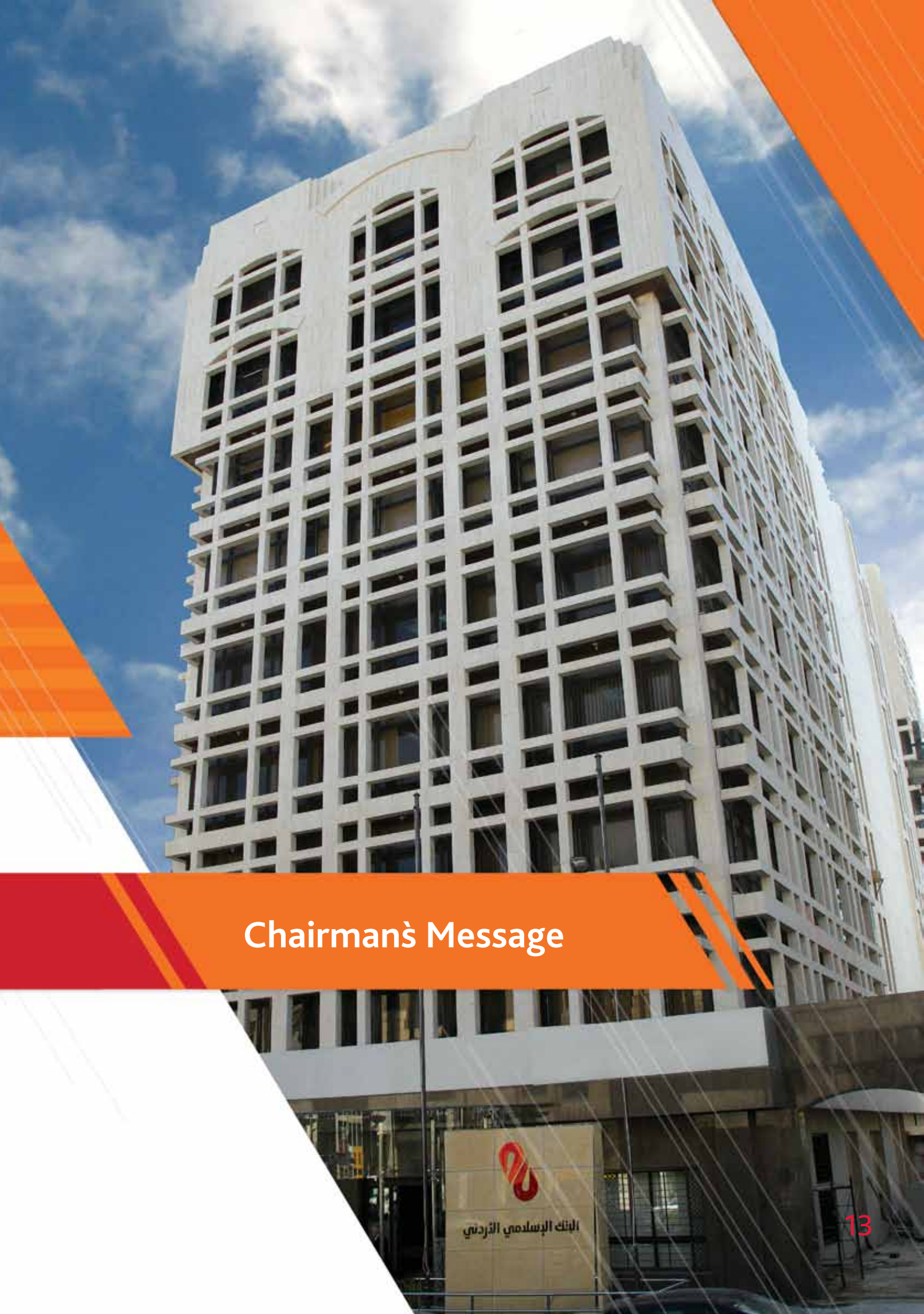


Mr. Saadi Abdul Rahman Mahmoud Qattawi

Assistant General Manager

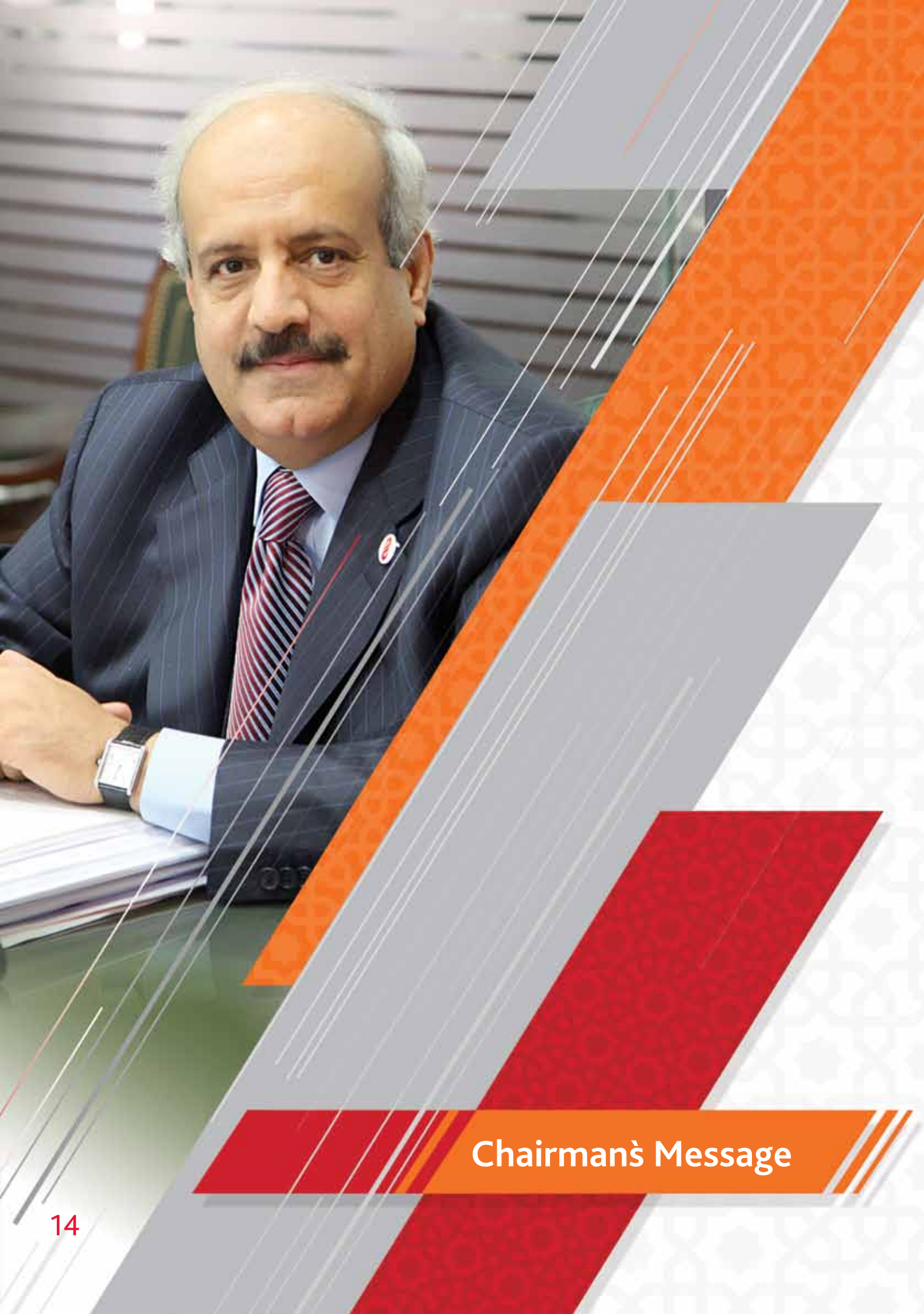






Chairman's Message


البنك الإسلامي الأردني



Chairman's Message

In the Name of Allah, the Most Merciful, the Most Compassionate

Peace be upon you,

All Praise be to Allah, Lord of the Worlds,
And Prayers and Peace be upon Mohammed
His Servant and Messenger.

Dear Shareholders,

Our bank held on its approach as a leader in its field of business with steady steps to achieve the interests of its stakeholders, keeping abreast with the latest developments in the banking industry, responding to the surrounding circumstances, while playing its national social and developmental role.

Throughout 2013, Jordan Islamic Bank continued its good progress in spite of the global financial crises and its negative consequences on the national economy. The Bank's total assets amounted to nearly JD (3.3) billion at a growth of about (8.6%) for the previous year. The total balances of saving schemes were about JD (3) billion at a growth of approximately (8.5%) for the previous year. The total assets of financial investments amounted to about JD (2.3) billion at a growth of nearly (2%) for the previous year, while the shareholders' equity totaled about JD (255) million, and the profits of joint investment were around JD (166) million. The Bank's profits after tax amounted to about JD (45) million, with a return on equity of approximately (18.6%). The Board of Directors recommended to the ordinary General Assembly to distribute dividends to shareholders at (15%) of the Bank's paid capital. A recommendation was made to the extraordinary General Assembly to distribute free shares at 20% of the paid capital by capitalizing a portion of the retained profits and the voluntary reserve to increase the Bank's capital from JD (125) million /share to JD (150) million /share.

In 2013, the Bank completed the application of the new banking system and the queuing system in all branches and offices. Also, it developed the banking services offered via internet (I-Banking) and the use of (SMS) service, installed and operated more ATMs all over the Kingdom to provide clients with services around the clock, and activated the Contact Center, and the Disaster Recovery Site and equip it with all necessary requirements to ensure the business continuity. In addition, Jordan Islamic Bank was the first bank to use the solar energy in its operations to decrease the electricity consumption. This solar energy project started in three branches as a pilot phase and is currently applied in another six branches.

This accomplishment is a success and grace from Allah glorified and exalted, and is the fruit of the continuous support from those believing in the perspective and approach of this institution, and its clients. It is also attributed to the distinguished persistent efforts exerted by the Bank's Executive Management and employees, May Allah reward you all on our behalf the best reward.

The Bank will pursue its straightforward path, in Sha' Allah, serving its mission, responding to the needs of the national economy and local community and taking part in every good work, whenever possible.

Adnan Ahmad Yousif
Chairman





The Board of Directors Report for 2013

In the Name of Allah, the Most Merciful, the Most Compassionate

«Our Lord! make not our hearts to deviate after Thou hast guided us aright,
and grant us from Thee mercy; surely Thou art the most liberal Giver,»

Allah the Almighty has spoken the truth

Verse No, 8, Surat Al-Emran

The Board of Directors Report for 2013

Assalmu Alikum Wa Rahmtu Allah Wa Baraktu,
All Praise be to Allah, Lord of the Worlds,
And Prayers and Peace be upon Mohammed
His Servant and Messenger.

Dear Shareholders,

The global markets have been blundering over a crucial event since 2010, and during Q4 of each year. The event was a result of renewing the USA budget and increasing the debt ceiling in the USA. In 2013, the government departments were partially closed out for two weeks before an agreement was reached to temporarily increase the debt ceiling up to the beginnings of 2014.

At the regional level, the events in Syria still calling for the third year to topple down the regimen, and it is hard to predict what will happen there. Some Arab countries such as Egypt, Tunisia, Libya, Yemen, and Sudan witness internal events and political instability.

Despite the implications of these events surrounding Jordan, such as the influx of about 1.3 million Syrian into the Kingdom which requires the provision of additional facilities in the fields of infrastructure and services, and the increased energy invoice where the interruptions in the Egyptian gas supply put remarkable pressures on the State budget, the initial estimates indicate that the real Gross Domestic Product grew at (2.8%) in the first nine months of 2013, the same growth rate in the last year. The estimates also indicate that the growth in 2013 will reach about (3.3%) against (2.8%) in 2012. The inflation rate reached (5.8%) in the first eleven months of 2013 compared to (4.5%) during the same period of the previous year. However, the unemployment increased in Q3 of 2013 to reach about (14%) of the total workforce against about (13.1%) in Q3 of the previous year.

The net public debt of Jordan has risen by the end of November 2013 compared with its level at the end of 2012 by JD (2.5) billion, or at (15%), to reach about JD (19.1) billion, or at (79.5%) of the Gross Domestic Product expected for 2013.

During 2013, the trading volume of Amman Stock Exchange recorded JD (3) billion, with an increase of around JD (1) billion compared to the volume of the same period in 2012. The market-value weighted index of free shares has increased by (108) points or at (5.5%) to reach (2066) points by the end of the year. The market value of the shares listed on the Stock Exchange reached about JD (18.2) billion by the end of 2013, i.e., a decrease of about JD (1) billion, (5.2%) less than 2012.

With regard to the monetary policy, the Central Bank of Jordan (CBJ) continued its policy that aims at consolidating monetary stability and maintaining an appropriate level of foreign currency reserve to strengthen confidence in the Jordanian Dinar as well as a relative stability in prices level. By the end of November 2013, the balance of such reserves increased by USD (5.4) billion, (81.7%) compared to 2012 to reach USD (12.1) billion which is sufficient to secure the Kingdom's imports of goods and services for about (6.3) months.

As of 22/10/2013, the CBJ decreased (25) base points on all monetary policy instruments, making the rediscount rate (4.50%). Regarding the interest rate in the Jordanian banking market, the weighted average of interest rates on loans and advances increased at the end of November 2013 by (2) base

points to reach (8.93%) below its level at the end of 2012. Meanwhile, the weighted average of interest rates on time deposits for the same period increased (79) base points to reach (4.98%).

At the end of November 2013, the net balance of the credit facilities granted by banks totaled about JD (18,8) billion, i.e., an increase of about JD (959) million or a rate of around (5.4%) compared to level recorded at the end of 2012, with an increase of about JD (1.7) billion, i.e., (10.6%) during the same period of 2012. The increase in the credit facilities mainly concentrated in the facilities granted to the construction sector which reached about JD (402) million.

At the end of November 2013, the total balance of the deposits with licensed banks reached about JD (27.6) billion, an increase of about JD (2.6) billion, or (10.6%) compared to the level recorded at the end of 2012, against an increase of about JD (621) million, (2.5%) during the same period of the previous year.

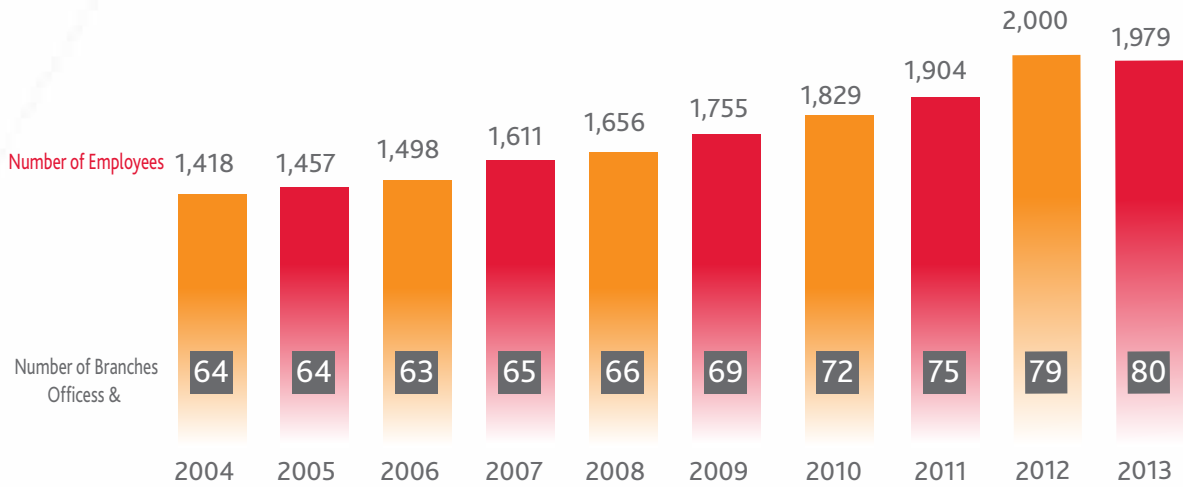
Despite the current obstacles, the Bank managed by the success granted by Allah was able to achieve new growth in its various activities. The Board of Directors is pleased to introduce you to the most important achievements in 2013 as well as the future ambitions.

First: Branching

- During 2013 Nàur branch / Amman branch was opened in 21/7/2013, and to complete the implementation of 2013 plan to open Al Shounah Al Janoubiah branch / Balqà in 23/2/2014, as well as three offices in «Al Badiyah Al Shamaliah / Mafraq» in 20/1/2014, «Al-Sbeihi – Arda Area / Balqà» in 26/1/2014, and «Al Shajara / Ramtha» in 9/2/2014, and to change three offices into branches which are: Islamic Hospital / Amman in 8/12/2013 and Al Huriyah Street / Amman in 22/12/2013, and Dhahyet Al Yasmeen in 16/2/2013 , Al Huriyah Street branch was moved to a new building in the same street in Al Muqableen, while the Islamic Hospital branch and Alyasmeen district branch remained in the same building. Thus, the Bank's network of branches totaled (67) branches and (13) banking offices by the end of 2013, and (69) branches and (15) offices as of the date of this report.
- On another hand, Al Zarqa Al Jadidah Branch moved to a new location owned by the Bank in the same street (Mekka Al Mukarama Street) where the new location is more convenient to clients.
- It is also hoped to open Marka Al Janoubiah branch / Amman and to continue the implementation of 2014 plan for branching which includes opening a branch in Al Jiza district / Amman and to change Sama Al Rousan Office into branch and change its name to be "Irbid / Bani Kenanah branch district" and opening four new Offices in Aqaba, Balama / Mafraq, Al Husaynieh - Muta /Kerak and Madaba.

Second: Staff

At the end of 2013, the number of the Bank's staff reached (1979). Below is a figure showing the development in the employees' number over the past ten years:



Out of its interest to improve its employees' performance, the Bank delegated (3934) employees in 2013 for training courses and seminars organized by the Bank's Training Institute and internal and external specialized parties, compared to (3062) employees in 2012 as shown in the table below:

Description	2013		2012	
	No. of courses / seminars	No. of participants	No. of courses / seminars	No. of participants
Bank's Training Institute	219	3220	183	2457
Centers in Jordan	217	673	186	566
Centers abroad	24	41	22	39
Total	460	3934	391	3062

These courses and seminars covered various banking, financial and administrative activities and businesses, including deposits, credits, bills of exchange, letters of guarantee, investment, financial analysis, job behavior, English language, first aid, awareness courses for the employees on the works of the General Directorate of Civil Defense (first aid, Rescue, evacuation) by holding workshops in cooperation with the Directorate, in addition to courses focusing on Sharia affairs, accounting standards of Islamic financial institutions, banking risk analysis, total quality and combating money laundering. Moreover, newly appointed employees receive practical training in branches.

The Bank also continued to provide training opportunities and introduce its business to new groups of educational institutions students. The number of those students reached (960) throughout 2013, compared to (971) students in 2012. In addition, (175) employees coming from non-Jordanian banks received training on the work of our bank in 2013, against training (44) employees in 2012.

Third: Banking Techniques:

During 2013, the Bank accomplished further developments and updating in the field of banking techniques, most notably:

- The Bank completed the application of the new banking system and the queuing system in all branches and offices on 31/03/2013. Through such system, the Bank:
 - Has a centralized database for all branches and offices.
 - Can centrally follow up on the branches from the headquarter.
 - Can centrally monitor the branches from the central control room to link them with the Command and Control Division at the Public Security Directorate.
 - Can provide services for the clients in a speedy efficient way.
 - Can minimize the use of paper works through the automation of procedures and electronic documentation.
 - Keep automating, updating, and developing the processes of documenting the policies and procedures.
 - Can link with all supporting systems (ATM, e-servicesetc.).
- The Bank kept introducing and developing electronic banking techniques in 2013, including:
 - Invoices payment and funds transfer.
 - Completed the contact center.
 - Linked all branches and offices with ancillary communication network beside the current operating network.
 - Built high-availability central storage units to ensure the continuity of the branches and offices linkage around the clock.
 - Completed the disaster recovery site and equip it with necessary requirements to ensure the work continuity.
 - Jordan Islamic Bank was the first bank to use the solar energy in its operations to decrease the electricity consumption. This solar energy project started in three branches as a pilot phase and is currently applied in another six branches.
 - Installed and operated (11) Automated Teller Machines (ATMs) in 2013. Thus, the Bank's network of ATMs consists of (134) machines, constituting 11% of all ATMs operating in the Kingdom, all connected to clients' accounts and the Jordanian Automated Teller Machines Network (JONET) in the Kingdom, which comprises nearly (1200) ATMs. In addition, the Bank's network of ATMs is linked through JONET to the International Visa Network outside Jordan.
 - Continue with the development, expansion and improvement of Short Messages Services (SMS).
 - Continue with the development, expansion and improvement of the internet banking services (I-Banking).

Fourth: Incentive Awards

- Since 1997, the Bank has continued to distribute awards to holders of Savings Accounts with a total value of around JD (150) thousand a year to cover the costs of Hajj, Umra as well as other awards.
- At the beginning of 2008, the Bank introduced awards to be distributed to users of ATM cards, where the awards in 2013 were in form of providing clients the full value of his purchases, or part thereof, with a total value of JD (14) thousand.
- It is known that the Bank incurs the value of all these awards from the funds of shareholders in accordance with the legal opinion (Fatwa) issued in this regard.

Fifth: Social Role of the Bank

The Bank has continued to assume its social responsibilities, consolidate the Islamic values in the normal banking transactions and positively interact with the activities of social nature. Below are some examples of the Bank's activities in this field during 2013:

A. Conferences and Seminars

Throughout 2013, the Bank continued to participate in conferences and seminars that aim at disseminating and developing the business of Islamic banks.

B. Scientific Research and Professional Training

The Bank continued its activities in scientific research and training. The total expenditures on such activities in 2013 reached around JD (229) thousand distributed as follows:

Description	JD/Thousand
Direct expenditures of the Bank Training Institute	4,200
Contribution to the costs of employees' study and training	143,743
Participation in the expenses of the Banking Studies Institute affiliated to the CBJ	14,501
Donation and sponsorship of scientific conferences and educational institutions	66,672
Total	229,116

C. Donations

The Bank continued to support many social and cultural events and provide donations for different relevant activities. Those events include the Jordanian Hashemite Fund for Human Development (JHFHD), Al Aman Fund for the Future of Orphans, Jordan Hashemite Charity Organization (JHCO), King Hussein Cancer Center, and the competitions organized by the Ministry of Awqaf and Islamic Holy Places, Associations of Holy Quran Memorization and collective wedding parties organized by Al-Afaf Charity Association, in addition to other social activities organized in Jordan.

The total donations provided by the Bank during 2013 for such events and activities reached around JD (601) thousand, distributed as follows:

Description	Number	(JD/Thousand)
Jordanian Hashemite Fund for Human Development (JHFHD)	2	83,460
Al Aman Fund for the Future of Orphans	1	32,000
Jordan Hashemite Charity Organization (JHCO)	1	25,000
Associations and competition of Holy Quran Memorization	14	81,400
Charity Associations and Organizations and Zakah committees	56	103,462
Scientific Conferences and educational and cultural programs	17	66,672
Mosque Commissions	21	9,300
King Hussein Cancer Center	2	200,000
Total	114	601,294

D. Al Qard Al Hasan "the Good Loan"

- The Bank continued to receive deposits in «Al-Qard Al Hasan» from those wishing to lend such deposits through the Bank as good loans. At the end of 2013, the balance of this account reached around JD (848) thousand.
- The Bank also continued to provide Al Qard Al Hasan for justified social purposes, such as education, medical treatment and marriage. The loans provided by the Bank in 2013, from the fund and the money allocated for this purpose, reached around JD (22,3) million benefiting nearly (33) thousand citizens, compared to JD (20,4) million in 2012 benefiting nearly (22) thousand citizens.
- It is worth mentioning that the Bank has been granting such loans since its incorporation, where the granted loans totaled JD (197) million till the end of 2013, benefiting nearly (348) thousand citizens.
- In addition, some loans are granted for youth about to get married in cooperation with Al Afaf Charity Association. The total of such loans in 2013 reached about JD (175) thousand benefiting (251) young people compared to JD (241) thousand benefiting (337) young people in 2012.
- Some of these loans are granted to teachers through the agreement signed with the Jordan Teachers Association. In 2013, where the total of such loans reached about JD (981) thousand benefiting (1607), against JD (183) thousand in 2012 benefiting (252).

E. Funding Professionals and Craftsmen:

- The Bank was keen from the beginning to fund the projects and requirements of professionals and craftsmen by way of Murabaha. In 1994, the Bank developed an ad hoc program to finance this category by way of Diminishing Musharaka Muntahia Bittamleek which provides for repaying the financing from the revenues generated by the financed project. In 2013, the Bank increased the capital of its subsidiary Al Samaha Funding and Investment Company to JD (8) million and amended its articles of association to include funding projects and small craftsmen.

F. Mutual Insurance Fund:

- The Bank continued to sponsor the Mutual Insurance Fund for the Bank debtors created in 1994. Through this fund, participants share in indemnifying the damage that may be inflicted on any of them to repay all or some of his debt to the Bank in case of death, permanent disability, or permanent insolvency. Throughout 2013, the number of indemnified cases reached (162), and the compensations paid in this year amounted to nearly JD (680) thousand. Since the Fund establishment until the end of 2013, the total compensation cases reached (1692) cases, and the amount of compensations paid reached around JD (5.3) million. At the end of 2013, the Fund's balance amounted to around JD (44.7) million, with about (122) thousand participants and a total balance of indebtedness of around JD (636.4) million against the Fund's balance of around JD (36.3) million, and a total balance of indebtedness of around JD (513) million in 2012.
- It is worth mentioning that the Bank has expanded the umbrella of the insured people as of January 1, 2012, to include all people with indebtedness of JD (75) thousand or less instead of JD (50) thousand. On 1/3/2013, the Takaful umbrella included the clients of the financing lease and Murabaha clients. The Bank expanded the umbrella of the insured people on 1/1/2010 to be JD (50) thousand and less instead of JD (40) thousand and less which was applied on 1/8/2007 after being JD (25) thousand and less.

G. Interaction with the Local Community

- The Bank launched many campaigns in many governorates in cooperation with «Blood Bank Directorate» to donate blood where the Bank's employees of all administrative levels donated blood. Some of the Bank's clients participated in the campaign which comes as a contribution from the Bank and its employees to take on their social and humanitarian responsibility before the local community, and to emphasize the principle of social solidarity and compassion among the members of the same community. In addition, two workshops were held on educating and raising the awareness of the employees on the works of the General Directorate of Civil Defense (first aid, rescue, evacuation) in cooperation with the Directorate, in addition to many courses for the employees in the field of first aid.
- On another hand, the bank donated to establish the garden of Mafraq Chamber of Trade as an excellent model of the social responsibility to provide convenient place for the luxury of the residents and their children.
- The Bank also supported and sponsored the awareness and traffic safety campaigns through the participating in the Public Security Directorate activities, the Preparatory Committee of the International Motor Vehicles Day and Arab Motor Vehicles Week. The Bank's participation comes as an emphasis on its social responsibility before all community categories and segments and proceeds from its believe in the necessity to minimize the traffic accidents and their miserable consequences on individuals and community.
- The Bank extended its support by the donation it made to the expansion of King Hussein Cancer Center as a supplementary to its economic and social role, as well as its social responsibility before the citizens, and to achieve the principle of the social solidarity, represented in supporting health sector.

H. Energy and Environment

- The Bank started providing alternate energy in its headquarters by utilizing the electric power generation using the solar cells, taking advantage of space on the roofs of branches for the installation of those cells, which reduces the electricity consumption and decreases the high electric loads in the Kingdom. Thus, contributing to the national economy and the environment protection. It is worth mentioning that this project began with three branches as first stage, and is applied in another six branches.
- The Bank also continued its ongoing support to the programs and activities of the Jordanian Hashemite Fund for Human Development and The Queen Alia Competition for Social Responsibility titled " recycle, many benefits, environment protection and economization "Green Jordan», to spread awareness of environment issues between school and university students and increase citizens' awareness of the green raising concepts and applications.
- The ceremony was organized by Al Balqà Applied University to honor the municipality workers of Al Balqà Governorate who were presented in-kind gifts for their efforts in serving the people of the Governorate.
- In addition, the Bank minimized the use of paper to preserve the natural resources through the automation of procedures and electronic archiving of documents.



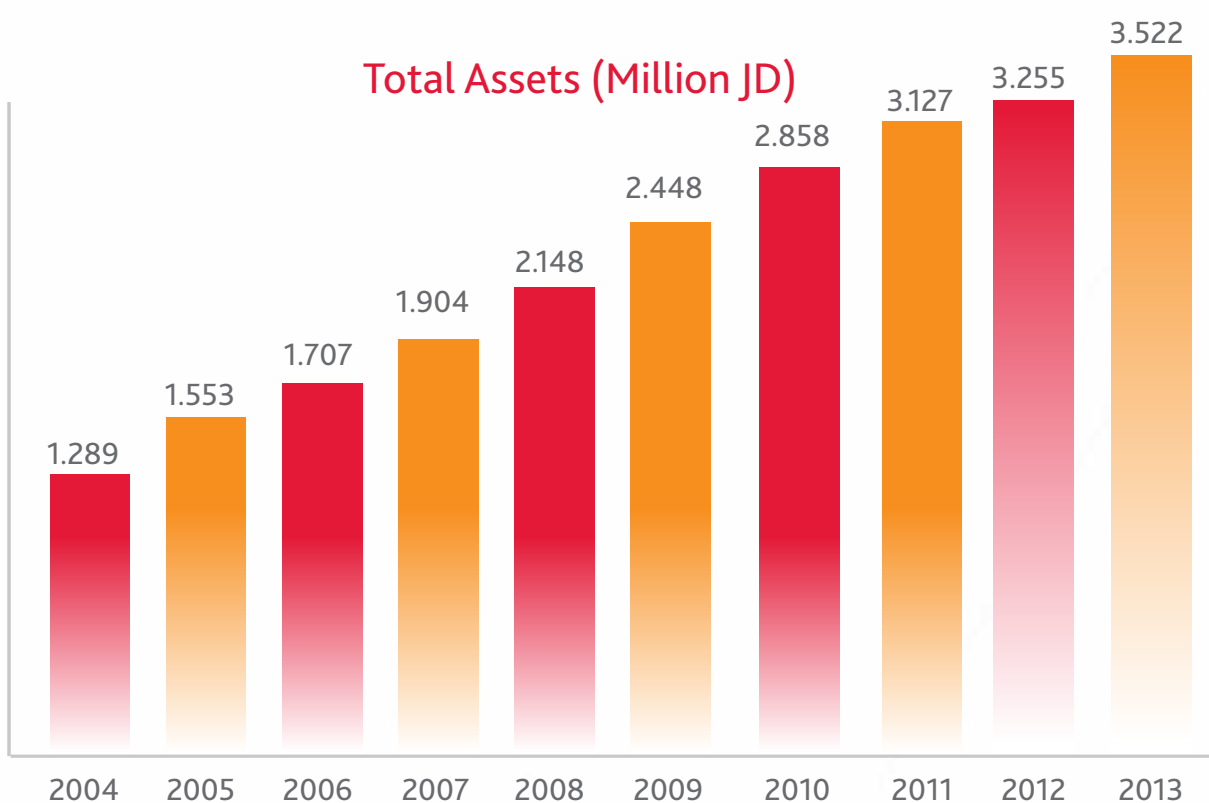
Sixth: Financial Position

Sixth: Financial Position

A. Total Assets:

- At the end of 2013, the total assets amounted to around JD (3.522) million (including off-balance sheet items), compared to JD (3.255) million (including off-balance sheet items) at the end of 2012, with a growth rate of around (8.2%). Following are the relevant details in million JD:

Year	Total Balance Sheet	Off Balance Sheet			Total
		Restricted Investments	Muqarada Bonds	Total	
2013	3,281,6	26,8	214,0	240,8	3,522,4
2012	3,021,3	34,7	199,5	234,2	3,255,5
Increase (Decrease)	260,3	(7,9)	14,5	6,6	266,9
	8.6%	(23.0%)	7.3%	2.8%	8.2%

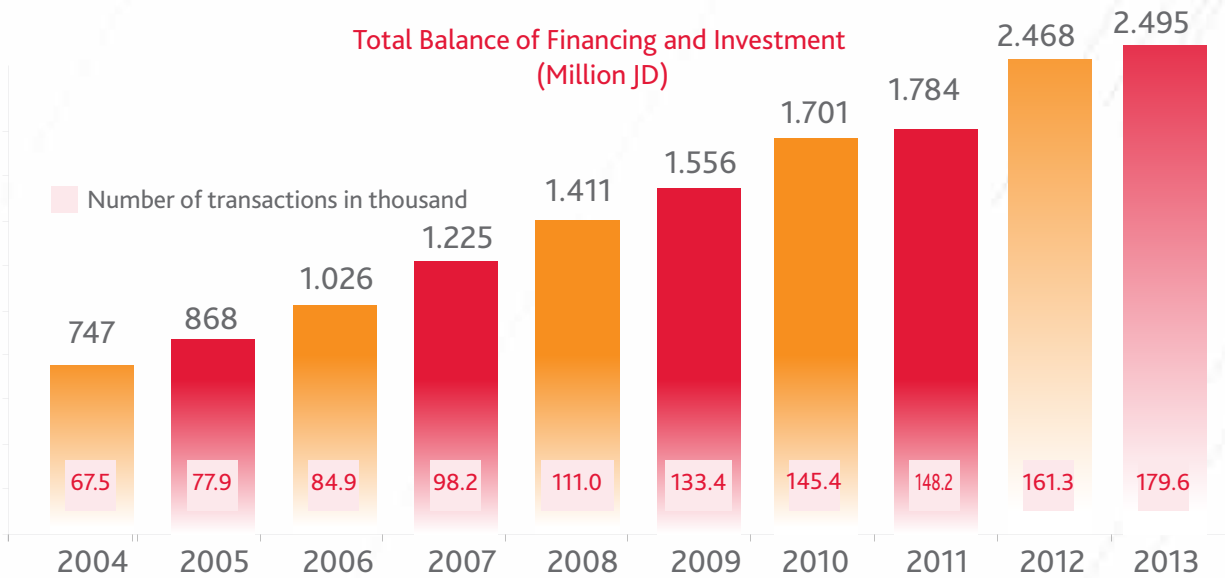


B. Cash on Hand and at Banks

- At the end of 2013, the total cash on hand and at banks amounted to about JD (937) million, compared to JD (730) million at the end of 2012, i.e., an increase of around JD (207) million.

C. Financing and Investment

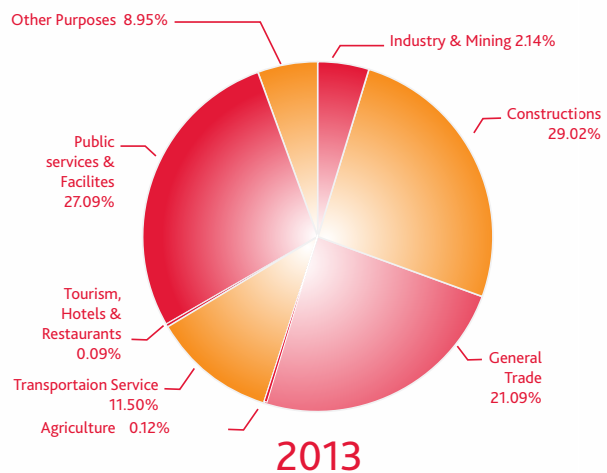
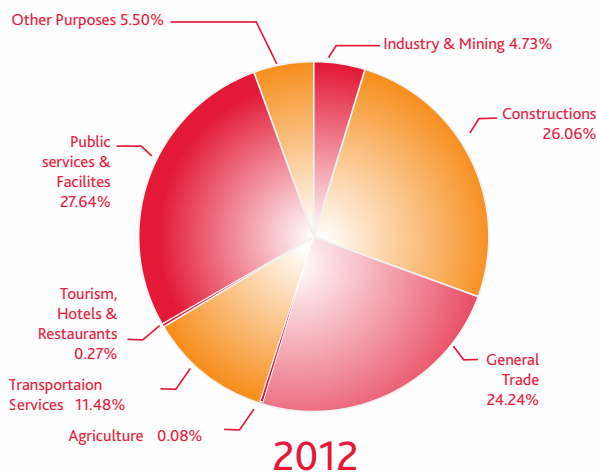
- At the end of 2013, the total balances of financing and investment amounted to around JD (2.495) million (including off-balance sheet items), distributed to (179.6) thousand transactions compared to around JD (2.468) million (including off-balance sheet items) at the end of 2012, distributed to (161.3) thousand transactions.



- The financing operations carried out by the Bank in the domestic market during 2013 included various social and economic activities and utilities. Such finance was provided to some health facilities (hospitals, clinics and pharmaceutical companies), educational facilities (universities, schools and institutes), many industrial and real-estate projects and transportation means in addition to the finances provided by the Bank to the commercial sector.

- According to the approved classification of the CBJ, the shares of economic sectors from the financing balances (in million JD) are as follows:

Year	Agriculture	Industry & Mining	General Trade	Construction	Transportation Services	Tourism, Hotels, & Restaurants	Public Services & Facilities	Other Purposes	Total
2013	2,7	47,1	463,4	637,8	252,8	1,8	595,2	196,8	2,197,6
2012	1,7	99,0	507,3	545,5	240,2	5,7	578,3	115,2	2,092,9



- The Bank pays special attention to the basic needs of citizens in the financing operations. Following is a description of Murabaha financing provided from the funds of joint investment and investment portfolios during 2013 for the most significant needs:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	184.5	14.840
Transportation means and construction vehicles	181.2	18.903
Furniture	16.9	6.450

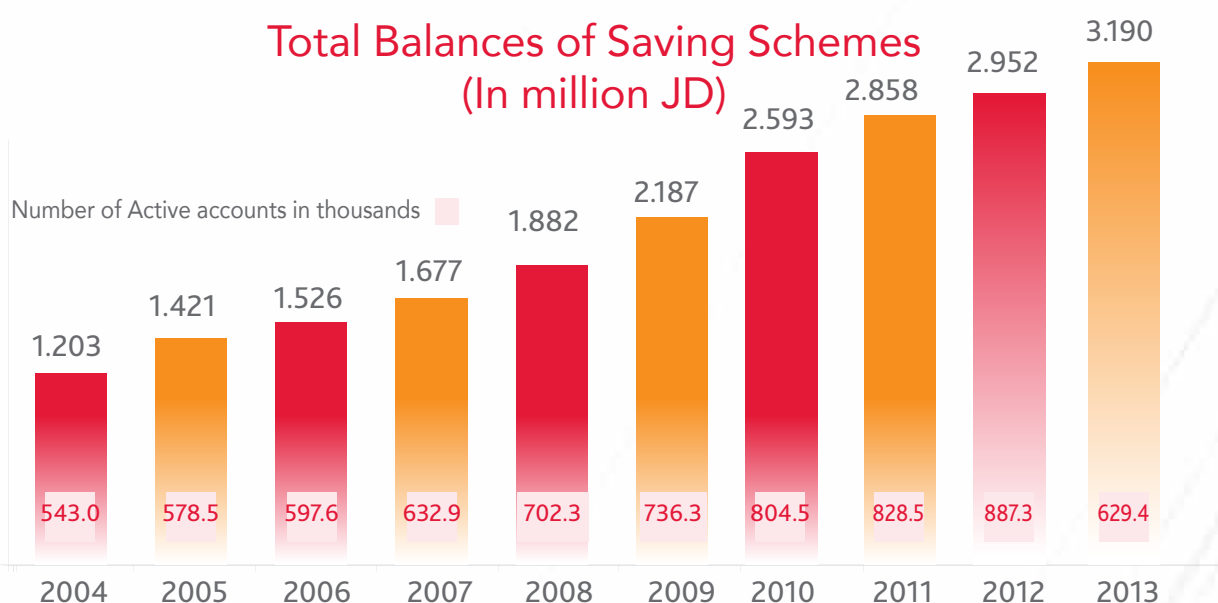
- The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and investment portfolios by the end of 2013 was as follows:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and building materials	338.0	56.042
Transportation means and construction vehicles	343.4	66.877
Furniture	32.1	18.798

- Moreover, the Bank continued to direct a part of its self-funds, joint investment funds, and investment portfolios funds to be invested in the capitals of national companies whose main business does not include any Sharia non-compliant activities, and which produce commodities and provide services useful to the society and the national economy. At the end of 2013, the number of companies whose capitals are invested in by the Bank reached (37), and the volume of such investment reached nearly JD (119) million.

D. Attracting Savings:

- At the end of 2013, the total balances of saving schemes amounted to around JD (3.190) million (including the off-balance sheet items), distributed to (629.4) thousand active accounts (the decrease in number is attributed to the application of the unified number to the clients in the new banking system) compared to around JD (2.952) million (including the off-balance sheet items) at the end of 2012, distributed to (887.3) thousand active accounts.

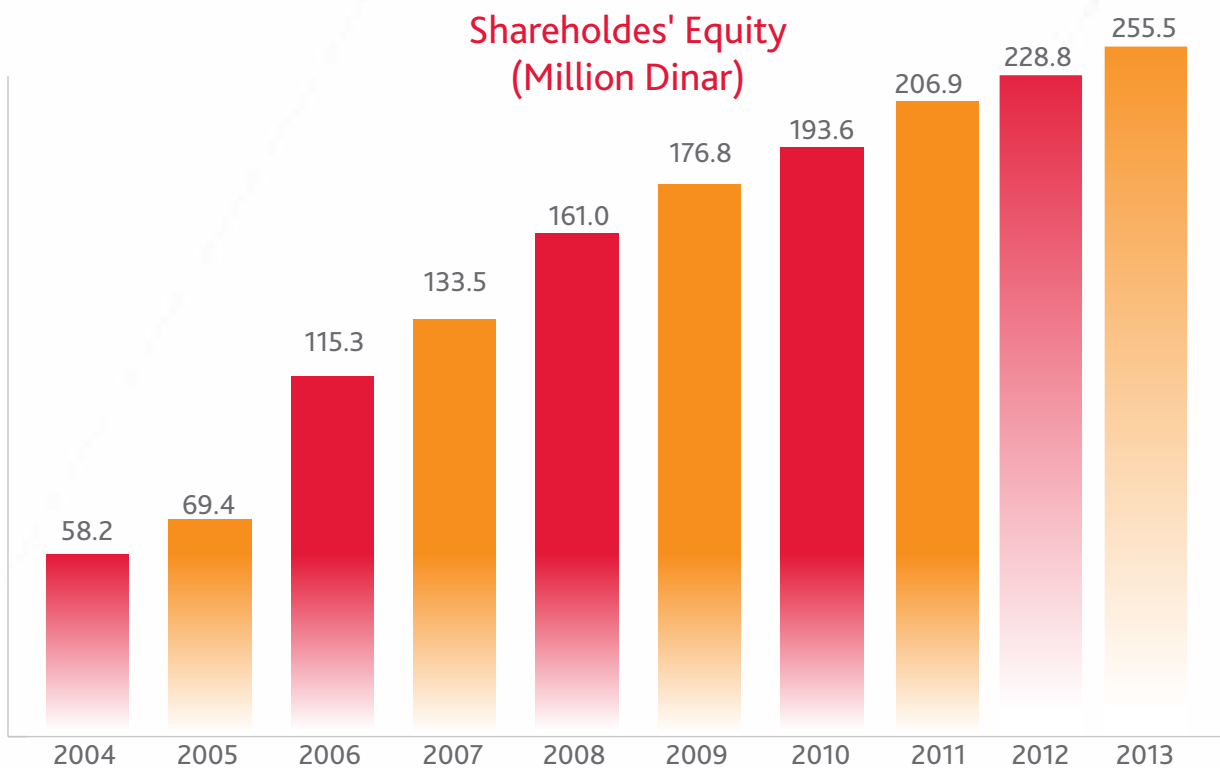


E. Shareholders' Equity:

- By the end of 2013, the shareholders' equity reached around JD (255) million compared to JD (229) million at the end of 2012. The details are as follows in million JD:

Year	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Reserve of General Banking Risks	Fair Value Reserve- Net	Retained Earnings
2013	125,00	46,11	15,43	0,70	0,47	67,75
2012	125,00	39,63	8,98	0,70	0,16	54,32
Increase (Decrease)	0,00	6,48	6,45	0,00	0,31	13,43
	0.0%	16.3%	71.9%	0,0%	189.9%	24.7%

- The Capital Adequacy Ratio (CAR) at the end of 2013 amounted to about (18.50%) according to the Islamic banks CAR standards issued by the CBJ, compared to around (19.56%) at the end of 2012.



F. Profits of Joint Investment:

- The total profits of joint investment during 2013 reached around JD (166) million compared to around JD (145) million during 2012. These profits were distributed in accordance with the law and as per the decisions of the Board of Directors as follows:

Year	In Local Currency (million JD)					In Foreign Currencies (equivalent to million JD)				
	Total	Share of the Investment Risks Fund	Share of the Bank as a Speculator	Share of the Bank as a Capital Owner	Share of Unrestricted Investment Accounts	Total	Share of the Investment Risks Fund	Share of the Bank as a Speculator	Share of the Bank as a Capital Owner	Share of Unrestricted Investment Accounts
2013	159,66	15,97	59,07	35,41	49,21	6,43	0,64	2,57	0,30	2,92
2012	141,87	21,28	52,49	23,08	45,01	2,74	0,41	1,23	0,01	1,09

- The rates of profits distribution of 2013 were as follows:

Currency	General Percentage	Term	Notice	Savings
Local Currency	4.29%	3.86%	3.00%	2.15%
Foreign Currencies	1.67%	1.50%	1.17%	0.84%

G. Bank Profits:

- In 2013, the Bank's profits before tax amounted to around JD (65) million, while the profits after tax amounted to around JD (45) million.

Development of the Bank's Operations in the Past Ten Years

(Amounts rounded to million JD)

Fiscal year	Total Assets (1)		Saving Schemes (2)		Financing & Investment (3)		Paid-up Capital	Shareholders' Equity	Joint Investment Profits	Joint investment risks fund	Profit Before Tax	Profit After Tax	General percentage of profit distribution to local currency accounts	General percentage of profit distribution to foreign currency accounts	Percentage of dividends to shareholders	Number of branches and offices	Number of employees
	Total Balances	No. of Active Accounts (thousands)	Total Balances	Thousand transaction	Total Balances	Thousand transaction											
2004	1,289,0	543,0	747,4	67,5	40,0	58,2	36,2	24,0	4,8	3,4	5,50%	1,33%	5% in cash	64	1,418		
2005	1,553,4	578,5	867,9	77,9	40,0	69,4	53,4	19,2	19,6	13,1	5,01%	1,87%	25% stocks (5)	64	1,457		
2006	1,707,4	597,6	1,026,0	84,9	64,1	115,3	61,2	21,3	23,4	15,5	5,05%	3,17%	10% in cash	63	1,498		
2007	1,904,2	632,9	1,224,8	98,2	65,0	133,5	75,5	20,2	34,4	23,0	5,30%	3,50%	12% in cash 25% stocks (6)	65	1,611		
2008	2,147,5	702,3	1,411,2	111,0	81,3	161,0	101,8	22,9	50,1	35,1	5,70%	2,71%	15% in cash 23.076923% stocks (7)	66	1,656		
2009	2,448,1	736,3	1,556,1	133,4	100,0	176,8	99,8	20,7	38,9	27,9	5,69%	1,25%	12% in cash	69	1,755		
2010	2,858,1	804,5	1,700,8	145,4	100,0	193,6	100,8	14,6	40,7	29,1	3,89%	0,72%	15% in cash	72	1,829		
2011	3,127,0	828,5	1,784,1	148,2	100,0	206,9	109,7	7,3	39,7	28,3	3,35%	0,69%	15% in cash 25% Bonus shares (8)	75	1,904		
2012	3,254,8	887,3	2,467,7	161,3	125,0	228,8	144,6	14,4	51,2	36,5	3,94%	0,83%	15% in cash	79	2,000		
2013	3,522,4	629,4(4)	2,495,2	179,6	125,0	255,5	166,1	8,0	64,7	45,1	4,29%	1,67%	15% in cash 20% Bonus shares (9)	80	1,979		

(1) Including the total of balance sheet and the balances of accounts managed in favor of third parties which appear as off-balance items (restricted investments, Muqarada bonds and investment by proxy).

(2) Including the balances of secretory, unrestricted investments, cash deposits, banks, restricted investments, Muqarada bonds and investment by proxy.

(3) Including the balances of financing, self-investment, receivables, joint investment, investment deposits with the Islamic banks and the invested balances of accounts managed in favor of third parties, «restricted investments, Muqarada bonds and investment by proxy».

(4) The decrease in number of the active accounts in 2013 is attributed to the application of the unified number to the clients in the new banking system

(5) Bonus shares distributed on 14 June 2006.

(6) Bonus shares distributed on 16 July 2008.

(7) Bonus shares distributed on 10 September 2009.

(8) Bonus shares distributed on 20 June 2012.

(9) Proposed to be distributed.





**Future Plan of the Bank
for the Year 2014**

Seventh:

Future Plan of the Bank

for the year 2014

- 1- Continue the introduction and development of new banking electronic services.
- 2- Expand individuals' financing grants on Murabaha or Ijara Muntahia Bittamleek or Istisna basis.
- 3- Expand SMEs projects financing grants.
- 4- Subscribe Islamic instruments tradable in the Exchange, while continue the financing of the government needs by using this instrument and through the direct finance by Murabaha.
- 5- Roll out new financing products meeting the banking market demands and needs after obtaining the Sharia (legal) approval.
- 6- Branching plan:
 - Open three branches in "Marka Al Janoubiah / Amman", «Al Shouneh Al Janoubiah/Balqa»¹, and «Jizah / Amman.»
 - Open seven offices in «North Badia / Mafraq»² «Al Sbeihi - Al-Ardah Region / Balqa»³ «Al Shajarah / Ramtha»⁴ «Aqaba Governorate», Balama Region / Mafraq», «Al-Husaynieh – Mutah / Kerak» and «Maàdaba Governorate».
 - Change «AL-Yasmeen District office/Amman into⁵ branch and Irbid / Sama Al Rousan office into branch and rename it «Irbid / Bani Kenanah» branch.
- 7- Install and operate new ATMs and replace the old ones, develop and improve their operating management system.
- 8- Provide our clients with AlBaraka Banking Group (ABG) Banks services and products, and ABG Banks clients with our services and products, in coordination and cooperation with ABG Management.
- 9- Enhance the governance.
- 10- Continue the application of Basel II and Basel III requirements.

1.Was opened on 23/02/2014.

2.Was opened on 20/01/2014.

3.Was opened on 26/01/2014.

4.Was opened on 09/02/2014.

5.Was changed on 16/02/2014



Board Recommendations For the Ordinary General Assembly



Eighth: Board Recommendations for the Ordinary General Assembly

Dear Shareholders,

We hope that this report gave an overview of the Bank's activities and achievements during 2013. The Board of Directors is pleased to recommend the following to the General Assembly:

- 1- Read the minutes of the General Assembly's previous meeting.
- 2- Listen to the report of the Bank's Sharia Supervisory Board for the fiscal year ended on December 31, 2013.
- 3- Read, discuss and approve the report of the company's auditors for the fiscal year ended on December 31, 2013.
- 4- Review the report of the Board for the fiscal year ended on December 31, 2013 as well as the future plan of the company.
- 5- Discuss and approve the annual balance sheet and profit and loss account, and distribute dividends at 15% of the Bank's capital to the shareholders.
- 6- Discharge the Board members for the previous fiscal year.
- 7- Appoint the Bank's Sharia Supervisory Board members.
- 8- Elect the company's auditors for the upcoming year and determine their remuneration.
- 9- Any other matters suggested by the General Assembly to be included in the agenda in accordance with the provisions of the law.

In conclusion, we thank and praise Allah for His grants and donations and for the success He granted us. We provoke to Allah the Glorious to give us assistance, help and constant success. We have trust in Allah and we ask His help in achieving our goals and objectives.

We would like to thank the Bank's shareholders who have participated and still participating in its development, and our generous clients for their trust in the Bank and their eagerness to deal with it to support and consolidate its position. We would like also to thank the executive management and staff who spare no effort to operate, manage and promote its position. We also thank the CBJ for their care and understanding of the particularity and nature of the Islamic banks work as regards the regulations and instructions issued thereby.

Last but not least, we proudly and appreciably indicate the important role of our respected jurisprudent scholars for their efforts in promoting public awareness of dealing with the Bank. May Allah reward them the best.

We ask Allah to grant us mercy and prepare for us from our affair right guidance, and guide us to the right path.



Annexes of Board Report 2013

Annex 1

“Disclosure Requirements in the Instructions of Financial Securities Commission”



Annex 1

"Disclosure Requirements in the Instructions of Financial Securities Commission"

1-

- a. The main activity of the Bank is the Islamic Banking Industry.
- b. The statement included at the end of the report indicates the addresses of the Head Office, branches, and the number of employees therein.
- c. By the end of 2013, the volume of the Bank's capital investment (property and equipment, net) reached about JD (58,3) million.

2- The table below provides the information related to subsidiaries:

Name of Company	Legal Status	Type of Activity	Paid-in Capital (Million JD)	Percentage of the Bank's Contribution	Number of employees	Auditing fees	Address
ALOmariah Schools Co.	Limited Liability	Education	8,6	94.4%	662	4,000	Al Barakah Quarter, Wasfi Attal St, Amman
ALSamaha Funding and Investment Co.	Limited Liability	Financing	8,0	98.7%	8	2,320	Al Madina Al Munawarah Street Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5,0	100%	71	2,900	Wasfi Attal St, Amman
Sanabel AlKhair For Financial Investments Co.	Limited Liability	Brokerage	5,0	100%	13	4,060	Housing Bank Complex Amman

3- A-The table below provides the names of the natural members of the Board of Directors, the representatives of the legal members, and an overview about each of them:

Name of Member	Academic Qualification	Practical Experience
H.E. Mr. Adnan Ahmad Yousif AbdelMalek Bahraini Citizen, Chairman Representative of Al-Baraka Banking Group/ Bahrain, Date of birth: 1958	Master in Business Administration, 1998	He joined the banking industry in 1975, In 2000, he became the Chief Executive Officer of Albaraka Banking Group. In 2002, he was appointed the Chief Executive Officer of Bahrain Islamic Bank. On 1st August 2004, he was reappointed as the Chief Executive Officer of Albaraka Banking Group.
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh Jordanian Citizen, Vice-Chairman CEO/ General Manager Date of birth: 1941	- Master in Business Administration 1979, University of San Francisco. USA - Bachelor of Commerce 1969, Arab University of Beirut	He joined the banking industry in 1961 and he is currently the Vice-chairman and General Manager of Jordan Islamic Bank. He is also a Board member in a number of Islamic banks outside Jordan as well as Chairman and Board member in a number of industrial, trading, investment, educational and insurance shareholding companies, and banks. He is member of economic and social societies, committees, and forums.
H.E. (Eng.) Raef Yousif Mahmoud Najm Jordanian Citizen, Board member Date of birth: 1926	BSc, Civil Engineering, 1951, Cairo University	He is the former Minister of Awqaf and former Minister of Public Works. Currently, he is a partner in the Jordanian Center for Engineering Consultation.
H.E. Mr. Salem Mohammed Salem Massa'deh Jordanian Citizen, Board member Date of birth: 1930	Bachelor of Law, 1954	Former Minister of Finance, former Minister of Interior and Former Member of the Upper House.
H.E. Mr. Kamal Sami Salman Asfour Jordanian Citizen, Board member Date of birth: 1936	Bachelor of Commerce and Business Administration, 1960 American University of Beirut	A businessman and Board member in a number of companies.
H.E. Mr. Hamad Abdullah Ali Eqab Bahraini Citizen Board member, Representative of Albaraka Banking Group/Bahrain Date of birth: 1970	- Bachelor of Accounting, University of Bahrain, 1993 - Certified Public Accountant (CPA), 1996 - Certified Global Managerial Accountant (CGMA), 2012	Various banking experiences in the field of internal & external audit & financial control. He is currently the senior vice-Chairman and the Financial Manager at Albaraka Banking Group. He is a Board member in many of Albaraka Banking Group Banks. Vice chairman of the AAOIFI/ Bahrain.
H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam Bahraini citizen, Board member, Representative of Albaraka Banking Group / Bahrain Date of birth: 1968	- Business degree, majoring in accounting from Southern Oregon University, USA, 1994 - Certified Public Accountant (CPA), 1999	Worked in the field of accounting and auditing, He is currently a delegated member in Al-Bassam Investment Company. He is Board Chairman / member in many companies. He is also a board member in a number of Albaraka Banking Group – subsidiary banks.

Name of Member	Academic Qualification	Practical Experience
<p>H.E. Mr. Hood Hashem Ahmad Hashem Bahraini citizen, Board member, Representative of Albaraka Banking Group / Bahrain Date of birth: 1965</p>	<p>Master in Business Administration, Britain, 2005 Bachelor in Computer Science and Engineering, Saudi Arabia, 1989 Certified International Projects Manager (CIPM), 2008 Certified Information Systems Auditor (CISA), 2006</p>	<p>Worked in the field of information technology management and systems analysis. He is currently the senior vice-Chairman – information technology management at Albaraka Banking Group. He is also a board member in a number of Albaraka Banking Group – subsidiary banks.</p>
<p>H.E. Mr. Haidar Issa Murad Murad Jordanian Citizen, Board member Date of birth: 1940</p>	<p>Bachelor of Commerce – Accounting, 1962</p>	<p>Former senate in the Upper House, and former president and member of Amman Chamber of Industry and Commerce.</p>
<p>H.E. Mr. Ayman Abdel Kareem Basher Hatahit Jordanian Citizen, Board member Date of birth: 1962</p>	<p>Bachelor of Business Administration, London- 1982</p>	<p>Businessman, Board Chairman and member in many companies, Senior Vice-Chairman of Jordan Chamber of Industry, Vice-Chairman of Jordan Enterprise Development Corporation, Board member in King Hussein Cancer Center, and Board member in Tkiyet Um Ali.</p>
<p>H.E. Mr. Noor "Mohammad Shaher" "Mohammad Lutfi" Mahayni Jordanian citizen, Board member Date of birth: 1956</p>	<p>Bachelor of Islamic and Arabic Studies, American Open University, Washington. Studied in the Faculty of Civil Engineering, Damascus University Diploma degree in Accounting, 1981</p>	<p>Businessman, Board Chairman and member in a number of companies.</p>

B. Below are the names and positions of the senior management with executive authorities and an overview about each of them:

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh CEO/ General Manager Date of birth: 1941	<ul style="list-style-type: none"> - Master in Business Administration 1979, University of San Francisco., / USA - Bachelor of Commerce, Arab University of Beirut, 1969 	He joined the banking industry in 1961 and he is currently the Vice-chairman and General Manager of Jordan Islamic Bank. He is also a Board member in a number of Islamic banks outside Jordan as well as Chairman and Board member in a number of industrial, trading, investment, educational and insurance shareholding companies, and banks. He is member of economic and social societies, committees, and forums.
Mr. «Mohammed Majed» Mahmoud Rashid Allan Deputy General Manager Date of birth: 1953	<ul style="list-style-type: none"> - Bachelor of Business Administration, Arab University of Beirut, 1986 - High diploma in Banking and Finance, Institute of Banking Studies, Amman, 1978 	He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. Currently, he holds the position of Deputy General Manager and a Board member in one of the companies.
Dr. Hussein Said «E'mar Sai'fan» Deputy General Manager Date of birth: 1963	<ul style="list-style-type: none"> - PhD, Islamic Banks, 2006 Master in Banking and Finance Sciences / Islamic Banks, 1994 - Bachelor of Accounting / Economics and Statistics, 1985 	He joined the Bank in 1987 and currently holds the position of Deputy General Manager. He is also a Board member in more than one company.
Mr. Sàadi Abdul Rahman Mahmoud Qatawi Assistant General Manager Date of birth: 1947	Bachelor of Accounting / Alexandria University, 1970	He joined the banking field in 1970 and the Bank in 1992. He currently holds the position of Assistant General Manager. He is also a Board member in more than one company.
Mr. Nai'm Mohammad Najem AlKhmous Assistant General Manager Date of birth: 1965	Bachelor degree in Computer Engineering, 1990	He worked for the Bank for 8 years. Then he worked for Consulting company and Al-Rajhi Bank/KSA. In 2009, he rejoined the Bank and is currently holds the position of Assistant General Manager. He is board member in more than one company.
Mr. Mahmoud Mohammed Mahmoud Jarwan Executive Director "A" Date of birth: 1953	<ul style="list-style-type: none"> - Master of Information Systems, 2009 - Bachelor of information Systems, 2005 - English Language Diploma, 1973 	He worked for local banks for 3 years. He joined the Bank in 1983. The last position he held was Branches Affairs Executive Manager. He retired on 15/06/2013 as he reached 60 years old. He is a Board member in more than one company.
Mr. Baseem Musa Younes Asi Executive Director «A» Date of birth: 1957	<ul style="list-style-type: none"> - Bachelor degree in Accounting, University of Sulaimanieh, 1980 - Certified Public Accountant (JCPA), 1989. 	He worked as an external auditor from 1980 to 2000. He joined the Bank in 2000. He currently holds the position of executive manager of internal control dept. and he is a board member in more than one company.

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
Dr. Hosni Abdul Aziz Hussein Jaradat Executive Director "B" Date of birth: 1957	- PhD degree in Islamic Banks, 2009 - Master degree in Islamic Banks, 1995 - Bachelor of Economics, 1979	He worked for investment and consulting enterprises. He joined the Bank in 1987. He currently holds the position of Executive Director of Risk Management Department. He is a Board member in more than one company.
Mr. Ahmad Mustafa Mohammad Bahboub Executive Director "B" Date of birth: 1953	Bachelor degree in Business Administration/Accounting, 1975	He worked in local and foreign banks for 15 years and joined the Bank in 1991. He currently holds the position of Human Resources Executive Director. He is a Board member in more than one company.
Mr. Bashir Abde Rabo AlHaj Bashir Okasheh Executive Director "B" Date of birth: 1963	Bachelor degree in Economics and Finance, 1986	He worked in local banks for 15 years and joined the Bank in 2003. He currently holds the position of Investment Portfolios Executive Director. He is a Board member in more than one company.
Eng. Nazeeh Ehsan Rezaq Nazal Executive Director "C" Date of birth: 1963	- Master degree in Civil Engineering, 1991 - Bachelor degree in Civil Engineering, 1985	He worked as a supervisor engineer in Al Rawdah District Housing which was established by the bank during the period 1985 – 1988. He joined the Bank in 1989. He currently holds the position of Engineering Department Executive Director.
Dr. Abdulhamid Abdullah Ahmad Abu Saqri Executive Director "C" Date of birth: 1963	- PhD, Islamic Banks, 2010 - Master in Islamic Banks, 2001 - Bachelor of Accounting and Economics, 1986 - Certified Public Accountant (JCPA), 2005	He started the banking work in 1988. He joined the Bank in 1992 and currently holds the position of Financial Control Department Executive Director. He is a Board member in more than one company.
Mr. Mohammad Ahmad Mohammad Jebri Executive Director "C" Date of birth: 1962	Bachelor of Business Administration, 2002	He worked for the Bank in the Information Technology Group for 18 years. He then moved to work for Al-Rajhi Bank / KSA. In 2009, he rejoined the Bank. He currently holds the position of Strategic Planning Executive Director. He is a company Board member.
Mr. «Mohammad Fawaz» Sudqi Sadiq Imam Executive Director "C" Date of birth: 1962	- Master degree of Banks and Finance Management, 2006. - Bachelor degree of Accounting, 1985, USA.	He started his banking work in 1985. He joined the Bank in 1995 and worked in the Bank's branches for 17 years. After that, he joined Wahda Bank / Libya. In 2012, he rejoined the Bank. He currently holds the position of Treasury and Banking Relations Executive Director. He is a company Board member.

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
Mr. Mahdi Deeb Mohammad Al-Khalili Date of birth: 1956	General Diploma in 1984	He started his work in 1977. He joined the Bank in 1979. He currently holds the position of Shareholders Unit Manager.
Mr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi Al-Ja'abari Date of birth: 1964	Master in Business Administration, 2011 Bachelor in Financial and Banking Sciences, 2007 Diploma in Financial and Banking Sciences, 1985 Certified Islamic Public Accountant (CIPA), 2009 Certified Control Systems Auditor (CICA), 2008 Certified Control Systems Developer (CCS), 2008	He joined the Bank in 1988. He currently holds the position of Internal and Sharia Auditing Department Manager. He is a Board member in more than one company.
Mr. Mohammad Jabr Hassan Mite'b Date of birth: 1967	Bachelor in Law, 1994	He practiced the attorney profession in 1995. He is a local and international arbitrator. He became the legal advisor of the Bank in 2011.
Mr. Fadi Ali Shehadeh Abdulrahim Date of birth: 1978	Diploma of Secretariat and Office Management, 1998	He joined the Bank in 1999. He currently holds the position of the Secretary-General of the Bank's Board of Directors.

4- Following are the names of shareholders holding 5% or more:

Name	Number of Stocks by the end of 2013		Number of Stocks by the end of 2012	
	No. of shares	%	No. of shares	%
Albaraka Banking Group Co.,/ Bahrain	82,506,250	66%	82,506,250	66%

5- The Bank's market share of the banks' activities in Jordan at the end of 2012 and 2013 were as follows:

Item	At the end of 2013	At the end of 2012
Total Assets at our Bank/ Total Assets of the banks	8.2 %	8.3%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	11.5 %	11.8%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	13.2 %	13.8%

6- There is no reliance on certain suppliers and/or major clients (locally and abroad) constituting 10% and more of the total purchases and / or sales or revenues.

7- The Bank does not enjoy any government protection or privileges. It did not obtain any patent or franchise.

8- The Government, international organizations or any other institutions have not issued any decisions with any material impact on the Bank's business, products or competition capacity.

■ It is worth mentioning that Jordan Islamic Bank obtained a number of distinguished ratings in 2013 from many international rating agencies including:

- Standard & Poor's: BB-/Negative/B, the same rating of the Kingdom.
- Fitch rating: negative future rating /BB- «for long-term obligations in foreign currencies, and B for short-term obligations in foreign currencies.
- Capital Intelligence: affirmed the Bank's rating (BBB-) with a stable outlook, and (BB-) stable for long-term obligations in foreign currencies and stable /B for short-term obligations in foreign currencies.
- Islamic International Rating Agency (IIRA): has reaffirmed the ratings of our bank on the national scale at A+/A-1 (jo) and on the international scale with the foreign currency at "BB+/A-3" and the local currency at "BBB-/A-3" with a stable outlook on all ratings as well AA for Sharia Quality (SQR), indicating the bank's compliance with the Islamic Sharia rules in its transaction as the first and biggest Islamic bank in Jordan observing the application of the Sharia aspects.

■ The Bank also obtained many international awards in 2013, most important are:

■ Three awards from World Finance – London.

- An award for his excellency the Vice-Chairman / General Manager Business Leadership & Outstanding Contribution to Islamic Finance (Global).
- The best banking group in Jordan.
- The best Islamic bank in Jordan.

■ The best Islamic bank in Jordan award from The Banker Magazine – London.

■ The best Islamic financial institution in Jordan from Global Finance – New York.

■ Three awards from Tatweej Academy for Excellence Awards:

- Golden Medal of Merit for 2013 (the Golden Medal of Merit in the field of wise leadership at the Arab World level)
- Nibras Award as the best Islamic financial institution at the Arab World level for 2013.

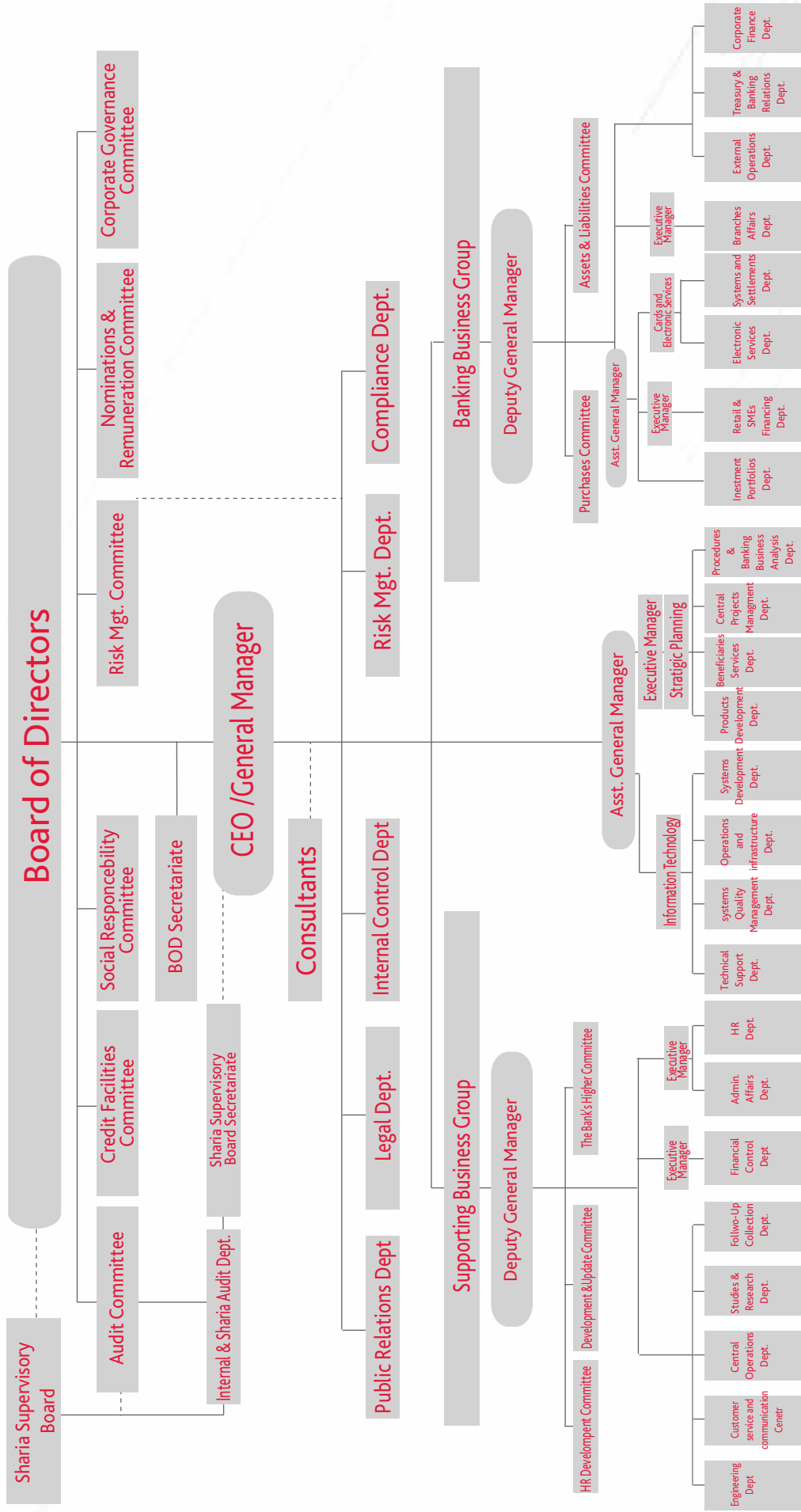
■ The best Islamic banks and financial institution in Jordan for 2013.

■ The best Islamic bank in Jordan for 2012 from Islamic Finance News Magazine. The certificate was granted and received in Q1 of 2013.

The Bank has been applying the International Standard 2008: ISO 9001 since September 2006.

9-(a)

Organizational Structure of Jordan Islamic Bank



Organizational Structure of Sanabel AlKhair for Financial Investments



(b) At the end of 2013, the total number of employees was (1979) distributed by academic qualification as follows:

PhD	Master	Bachelor	Diploma	General Secondary Certificate	Below General Secondary Certificate level					Gross
					Employees	Professionals/Technicians	Office boys/Guards	Service workers	Total	
6	59	911	410	103	4	107	273	106	490	1979

While the distribution of the subsidiaries employees in 2013 was as follows:

Company	PhD	Master	High Diploma	Bachelor	Diploma	General secondary certificate	Less than general secondary certificate	Total
AlOmariah Schools Co. Ltd.	2	27	25	341	83	0	184*	662
AlSamaha Funding and Investment Co. Ltd.	0	2	0	3	1	0	2	8
Future Applied Computer Technology Co. Ltd.	0	1	0	48	19	1	2	71
Sanabel AlKhair For Financial Investments Co. Ltd.	0	0	0	8	3	2	0	13

* Including the general secondary certificate and below.

(C) The Board's report included qualification and training programs for the Bank staff.

10- The Bank is exposed to some risks due to the nature of its work. Such risks are outlined in note No, (58) of the 2013 financial statements.

11- The Board's report included the achievements accomplished by the Bank supported by numbers, and a description of the important events of the Bank during the fiscal year 2013.

12- There is no financial effect of operations of non-recurrent nature, which are not part of the Bank's main activity.

13- Below are the details of the realized distributed profits, net shareholders equity as well as the prices of securities during the years 2009-2013:

Year	Realized profits (Before Tax) (JD)	Dividends distributed for the year (JD)	Net shareholders equity at the end of the year (JD)	Prices of issued securities/closing rate at the end of the year	
				Dinar	Fils
2009	38,915,617	Distributing JD 12,000,000 in cash at 12% of the capital	176,830,597	3	170
2010	40,694,433	Distributing JD 15,000,000 in cash at 15% of the capital	193,593,941	3	000
2011	39,725,238	Distributing JD 15,000,000 in cash, at 15% of the capital, and distributing bonus stocks at 25%*	206,876,009	2	750
2012	51,198,005	Distributing JD 18,750,000 in cash at 15% of the capital	228,796,253	2	810
2013	64,680,715	The Board of Directors recommended to distribute JD 18,750,000 in cash at 15% of the capital, and to distribute bonus shares at 20%.	255,459,471	3	420

*Distributed on 20 June 2012

14- Analysis of the Bank's financial position and the results of its operations:

Year	Shareholders Equity/ Total Deposits	Total Financing & Investment/ Total Deposits	Total Financing & Investment/ Total Assets	Total Deposits/ Total Assets	Profits before Tax/ Average Total Assets	Profits before tax/ Average Sharehold- ers' Equity	Profits after Tax/ Average Shareholders Equity	Profits after Tax/ Av- erage Paid-up Capital
2013	8.01%	78.21%	70.84%	90.57%	1.91%	26.71%	18.63%	36.09%
2012	7.75%	83.62%	75.82%	90.68%	1.60%	23.50%	16.73%	32.40%

15- The Board's report included the future plan of the Bank.

16- (a) The auditing fees of the Bank in 2013 reached JD (150) thousand, while the auditing fees of subsidiaries are disclosed in item (2) above.

(b) The total remunerations of the Sharia Supervisory Board reached JD (48,750) thousand in 2013.

17- (a) Following is a detailed description of the number of securities issued by the company and owned by the Board members and their relatives:

Name	Position	Nationality	Number of shares at the end of 2013	Number of shares at the end of 2012
Albaraka Banking Group represented by:		Bahraini	82,506,250	82,506,250
H.E. Mr. Adnan Ahmad Yousif Abdelmalek	Chairman	Bahraini	-	-
H.E. Mr. Hamad Abdullah Ali Eqab	Member	Bahraini	-	-
H.E. Mr. Adnan Abdullah AL-Hamad AL-Bassam	member	Bahraini	-	-
H.E. Mr. Hood Hashem Ahmad Hashem	member	Bahraini	-	-
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	Vice Chairman CEO /General Manager	Jordanian	30,000	30,000
Spouse of Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	10,000	8,000
H.E. Eng. Raef Yousif Mahmoud Najm	Member	Jordanian	90,447	90,447
H.E. Mr. Salem Mohammed Salem Massaedah	Member	Jordanian	105,000	105,000
Spouse of H.E. Mr. Salem Mohammed Salem Massaedah	-	Jordanian	1,845	1,845
H.E. Mr. Kamal Sami Salman Asfour	Member	Jordanian	42,610	42,610
H.E. Mr. Haidar Issa Murad Murad	Member	Jordanian	9,615	9,615
H.E. Mr. Ayman Abdulkareem Hatahit	Member	Jordanian	13,461	13,461
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni	Member	Jordanian	12,500	12,500

(b) Below is a statement in the securities issued by the Company and owned by the senior management with executive authority and their relatives «wife and minor children» in details:

Name	Position	Nationality	Number of shares at the end of 2013	Number of shares at the end of 2012
1- H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	CEO/ General Manager	Jordanian	30,000	30,000
- Spouse of H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	10,000	8,000
2- Mr. «Mohammed Majed» Mahmoud Rashid Allan	Deputy General Manager	Jordanian	15,000	4,000
3- Dr. Hussein Said «Aamar Saeifan»	Deputy General Manager	Jordanian	-	-
Spouse of Dr. Hussein Said «Aamar Saeifan»	-	Jordanian	10,000	-
4- Mr. Sàadi Abdul Rahman Mahoud Qatawi	Assistant General Manager	Jordanian	4,500	2,300
5- Mr. Nai'm Mohammad Najem ALKhmous	Assistant General Manager	Jordanian	0	5,000
6- Mr. Mahmoud Mohammed Mahmoud Jarwan*	Executive Director "A"	Jordanian	0	0
7- Mr. Baseem Musa Younis Assi	Executive Director "A"	Jordanian	0	0
8- Dr. Hosni Abdel Aziz Hussein Jaradat	Executive Director "B"	Jordanian	0	0
9- Mr. Ahmad Mustafa Mohammad Bahboh	Executive Director "B"	Jordanian	0	0
10- Mr. Bashir Abde Rabo ALHaj Bashir Okasheh	Executive Director "B"	Jordanian	0	0
11- Eng. Nazeeh Ehsan Rizq Nazal	Executive Director "C"	Jordanian	0	0
12- Dr. Abdulhamid Abdullah Ahmad Abu Saqri	Executive Director "C"	Jordanian	0	0
13- Mohammad Ahmad Mohammad Jebri	Executive Director "C"	Jordanian	0	0
14- Mr. "Mohammad Fawaz" Sudqi Sadeq Imam	Executive Director "C"	Jordanian	0	0
15- Mr. Mahdi Theeb Mohammad AL-Khalili	Shareholders Unit Manager	Jordanian	450	293
Spouse of Mr. Mahdi Theeb Mohammad AL-Khalili	-	Jordanian	258	0
16- Mr. "Mohammad Fahmi" "Mohammad Khalil" Fahmi AL Jabri	Manager of Internal and Sharia Audit Department	Jordanian	0	0
17- Mr. Mohammad Jabr Hassan Meti'b	Legal advisor	Jordanian	0	0
18- Mr. Fadi Ali Shehadeh Abddulrahim	BOD Secretary	Jordanian	0	0

* He retired on 15/06/2013 due to reaching sixty years old.

(c) There are no companies controlled by the Board members or senior management staff with executive authority and their relatives.

18- (A) Bellow are the benefits and remunerations that the Board Chairman and members received as salaries, fees and remunerations...etc., and the amounts paid for each as travel and transportation expenses inside and outside the Kingdom during the fiscal year 2013:

Name	Board Membership Remuneration (JD)	Board Committees Membership Remuneration (JD)	Transportation Allowances (JD)	Travel Expenses (JD)	Allowances (JD)	Total
Albaraka Banking Group Co. represented by four members:	-	-	-	-	-	-
- H.E. Mr. Adnan Ahmad Yousif AbdelMalek / Chairman	5,000	2,800	13,200	5,156	3,834	29,990
- H.E. Mr. Hamad Abdullah Ali Eqab / member	5,000	4,200	13,200	3,831	4,154	30,385
- H.E. Mr. Adnan Abdullah Al Hamad Al Bassam / member	5,000	2,800	13,200	3,777	3,515	28,292
- H.E. Mr. Hood Hashem Ahmad Hashem / member	5,000	2,800	13,200	2,823	4,154	27,977
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh / Vice-Chairman	5,000	3,500	13,200	0	0	21,700
H.E. Eng. Raef Yousif Mahmoud Najm / member	5,000	5,600	13,200	0	0	23,800
H.E. Mr. Salem Mohammed Salem Massaedah / member	5,000	3,500	13,200	0	0	21,700
H.E. Mr. Kamal Sami Salman Asfour / member	5,000	2,800	13,200	0	0	21,000
H.E. Mr. Haidar Issa Murad Murad / member	5,000	2,800	13,200	0	0	21,000
H.E. Mr. Ayman Abdulkareem Baheer Hatahit / member	5,000	2,800	13,200	0	0	21,000
- H.E. Mr. Noor "Mohammad Shaheer" "Mohammad Lutfi" Mahayni / member	5,000	1,400	13,200	0	0	19,600

(B) The benefits and remunerations paid in 2013 to the senior management staff with executive authorities as wages, remunerations, salaries, and bonuses ...etc., and the amounts paid for each as travel and transportation expenses inside and outside the Kingdom in 2013 totaled JD (2,285,118).

19- The Board's report included a statement of donations and grants paid by the Bank during the fiscal year 2013.

20- Note No, (55) in the Bank's consolidated financial statements shows the contracts, projects and agreements signed by the company with other subsidiaries, sister companies, associates, Chairman, Board members, General Manager, any employee in the company or their relatives.

21- The Board's report included details on the Bank's contribution to protect the environment and local community through its different activities.

Acknowledgement

The Board of Directors of Jordan Islamic Bank hereby acknowledges:

- A. That there are no substantive issues that might adversely affect the Bank's sustainability during the next fiscal year.
- B. Its responsibility for the preparation of the financial statements and the provision of effective control system in the Bank.

Member H.E. Mr. Kamal Sami Asfour	Vice-Chairman CEO/ General Manager H.E. Mr. Musa Abdul Aziz Mohammad Shihadeh	Chairman of the Board Albaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif Abdulmalek
Member Albaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdullah Ali Eqab	Member H.E. Mr. Salem Mohammed Salem Massaedh	Member H.E. Mr. Raef Yousif Mahmoud Najm
Member H.E. Mr. Haidar Issa Murad Murad	Member Albaraka Banking Group Co. Represented by H.E. Mr. Hood Hashem Ahmad Hashem	Member Albaraka Banking Group Co. Represented by H.E. Mr. Adnan Abdullah Al Hamad Al Bassam
Member H.E. Mr. Noor "Mohammad Shafer" "Mohamamd Lutfi" Mahayni		Member H.E. Mr. Ayman Abdul Karim Basheer Hatahit

Acknowledgement

We, the undersigned, hereby acknowledge the validity, accuracy and completeness of the information and data contained in the annual report.

Manager of Financial Control Dept. H.E. Dr. Abdelhamid Abdullah Ahmad Abu Saqri	Vice-Chairman CEO / General Manager H.E. Mr. Musa Abdul Aziz Mohammad Shihadeh	Chairman Albaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif AbdelMalek
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Opening
Al Dhulail
Branch



Annexes of Board Report 2013

Annex 2

“Disclosure Requirements in
Corporate Governance Guide of the Bank”



Annex 2

“Disclosure Requirements in Corporate Governance Guide of the Bank”

1- Extent of compliance with the Corporate Governance Guide:

Jordan Islamic Bank always endeavors to provide the best and highest Islamic Banking services and products, and seeks to innovate and develop new services that are compliant with the principles and teachings of the Islamic Sharia. As corporate governance provides the best rules, regulations and procedures which achieve and sustain trust in the Bank and its various activities, Jordan Islamic Bank has decided to adopt the sound practices of corporate governance in consistence with the guidelines of corporate management controls issued by the Islamic Financial Services Board (IFSB), the instructions of the CBJ and the best international practices.

Accordingly, the Bank has prepared the Corporate Governance Guide to comply with its principles in terms of the Board of Directors, its committees, the responsibility of the executive management, control environment, internal control, transparency and disclosure as from December 31, 2007.

2- Board meetings and details of the Board committees:

a-The Board held six meetings in 2013.

b-Details of the Board Committees are as follows:

Description	Present members names	Formation	Tasks and responsibilities	No. of meetings in 2013
Corporate Governance Committee	Adnan Ahmad Yousif Abdelmalek Haidar Issa Murad Murad Noor "Mohammad Shaher" "Mohammad Lutfi" Mahayni	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Ensure the application of the Corporate Governance Guide	1
Audit Committee	Raef Yousif Mahmoud Najm Hamad Abdullah Ali Eqab Ayman Abdul Karim Bashir Hatahet	Already formed in accordance with the Banks Law and the instructions of Jordan Securities Commission	Ensure the adequacy of the external and internal auditing, the control systems, and the internal control, and the compliance with the financial regulations	5
Credit Facilities Committee	Adnan Ahmad Yousif Abdelmalek Musa Abdul Aziz Mohammed Shihadeh Kamal Sami Salman Asfour	Was formed in the first years of the Bank's establishment	Approve the banking facilities, financing and investment agreements within the authorities delegated to it by the Board	5
Nominations and Remunerations Committee	Haidar Issa Murad Murad Salem Mohammed Salem Massaadah Adnan Ahmad Yousif Abdelmalek Raef Yousif Mahmoud Najm	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Defining the capacity of the independent member, evaluate the Board efficiency and the committees thereof, provide the Board members with information on the important subjects of the Bank, and ensure the availability of sufficient remunerations policy	3
Risk Management Committee	Salem Mohammed Salem Massaadah Adnan Abdullah Al Hamad Al Bassam Kamal Sami Salman Asfour Musa Abdulaziz Mohammad Shehadeh Hood Hashem Ahmad Hashem Dr. Hussein Said Mohammad "Aamar Saeifan" Dr. Hosni Abdulaziz Hussein Jaradat Dr. Abdulhamid Abdullah Ahmad Abu Saqri	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Ensure that policies and strategies for risks management and compliance are in place	4
Social Responsibility Committee	Ayman Abdulkarim Hatahit Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni Musa Abdul Aziz Mohammed Shihadeh Hamad Abdullah Ali Eqab	It was formed on 24/04/2012 to confirm the Bank's care of the social side	Supervise the Bank's implementation of the social responsibility	1

3- Risk Management Department

- A. The Risk Management Department directly reports to the General Manager.
- B. The Bank's risks have been stated in Note No. (58) of the Bank's closing statements of 2013.

4- Transparency and Disclosure

- a-Annex 3 includes the full text of the Corporate Governance Guide.
- b-Annex 1 includes the required information on each Board member.
- c-Annex 1 also includes the Bank's Organizational Structure.
- d- The Corporate Governance Guide includes the duties and responsibilities of Board Committees.
- e- Annex 1 includes remunerations of Board members and salaries of senior management.

5- Internal Control Systems:

The Bank's executive management acknowledges the following:

- 1- It is responsible for developing and maintaining internal control systems for financial reporting at the Bank to ensure the quality and transparency of financial information and statements.
- 2- It has used the following framework to evaluate and review the internal control systems:
 - Auditing legs to the works of branches, management departments, and Bank's affiliates. Reports were prepared on the weaknesses, and necessary recommendations were raised to the auditing committee formed by the Board of Directors in their periodic meetings.
 - Considering, handling and mitigating the main risks encountering the Bank through the Risk Management Department and risk management committee formed by the Board of Directors, developing and updating the regulations and procedures necessary to manage risks on ongoing basis.
 - Setting up and developing the strategies and policies, and implementing the same after the approval of the Board of Directors.
 - Adopting the Bank's organizational structure, approving the same by the Board of Directors, ensuring actual compliance with the organizational structure, forming committees and delegating powers and authorities.
 - Preparing and approving the annual budget by the Board of Directors, and providing periodic performance reports to the Board of Directors showing the deviation between the actual and projected performance.
 - A detailed job description for the tasks and responsibilities of each position and the activity of each organizational unit.
 - Implementing dual control for each activity or operation.
 - Segregating and identifying duties to avoid conflict of interests and reduce risks.
 - The Board and/or the Board committees shall have access to the reports of control authorities as well as external and internal auditing, follow up violations and relevant comments and ensure that the Bank's management remedies such violations and takes the necessary measures to guarantee non-repetition of such violations.
- 3- It has evaluated internal control systems and verified their effectiveness as of the end of 2013.
- 4- All notes included in the disclosures are approved, complete, fair, balanced, understood and based on the Bank's published financial statements, and there are no other statements or information the nondisclosure of which might affect the results of the current and/or future operations and/or the financial position of the Bank, including potential effects and uncertainties.

Opening
Wadi Al Hajar Branch
In Zarqa



Annexes of Board Report 2013

Annex 3

The entire text of the Corporate
Governance Guide for banks



Annex 3

The entire text of the Corporate Governance Guide of the Bank

Intorduction:

The importance of Corporate Governance in the Bank stems from the fact that it provides a basis to consolidate the trust in the Bank and its different activities and enable the contribution in developing the Jordanian Banking Service and the National Development.

The Bank seeks to provide distinctive and matchless banking products and services, to undertake to develop and improve them, in addition to devising new services that are in tune with the principles of the Noble Islamic Sharia and fulfill the interests of the stakeholders. As a result, the Bank decided to adopt this CGG in a way that complies with the guidelines of the controls of establishments management which is restricted to the provision of Islamic financial services (except Islamic Insurance Companies and Islamic Investment Funds) issued by the Islamic Financial Services Board «IFSB» and the instructions of the CBJ in addition to the best international practices.

First: Guidelines

- 1- Ensuring justice and fairness in the dealings with all relevant authorities, such as (shareholders, depositors, Bank staff and controlling authorities.)
- 2- Transparency and disclosure in a way that enables the relevant authorities to evaluate the bank's position and its financial performance.
- 3- Accountability for relationships between the Executive Management of the bank, the BOD and shareholders from one part and the other relevant authorities.
- 4- Accountability in terms of clear determination of responsibilities and delegation of authorities.

Second: Compliance with Corporate Governance

- 1- Forming a committee emerging from the BOD called «Corporate Governance Committee», comprised of the Chairman and two non-executive members to direct the process of preparing, updating and applying the Guide.
- 2- Integrating the annual report in a report for the public stating the extent of the bank's management compliance with the clauses of the Guide and the application of each clause in addition to stating the reasons of non-compliance with any clause.

Third: Board of Directors Secretary

1- General Principles

- a- The BOD shall bear all responsibilities relevant to the bank's operations and financial safety, in addition to meeting the requirements of the CBJ and the interests of shareholders, depositors, staff and other relevant parties, in addition to verifying that the management of the Bank is carried out effectively and under the applicable laws, directions and the internal policies of the bank.
- b- The BOD shall outline the strategic goals of the Bank in addition to controlling its executive management which is responsible for carrying out daily operations. The BOD shall also approve the controls and internal monitoring and verify the extent of their efficacy and how the Bank complies with the strategic plan and approved policies and procedures or required under the laws and instructions issued for this concern as well as verifying that all risks of the Bank were managed properly and effectively.

2- Chairman and General Manager

- a- The position of Chairman of the Board is separated from that of General Manager. In addition, there is no family relationship up to the third degree between the Chairman and the General Manager. The division of responsibilities between the Chairman and the General Manager has been put down in writing, is subject to review and revision from time to time as necessary, and is approved by the Board.
- b- It's preferred that the Chairman shall not be executive. If he/she is executive, the Bank shall employ an independent member as Vice-Chairman with a view to guaranteeing the provision of an independent

source as a mouthpiece of shareholders. In all events, the status of the Chairman shall be declared, executive or non-executive.

3- Chairman's Role

- a- Developing constructive relationships between the BOD and the executive management of the Bank and between the executive and non-executive members.
- b- Creating a culture atmosphere the board meetings that shall encourage constructive criticism on the issues of different point of views among members. Such culture shall encourage discussion and vote over such cases.
- c- Verifying that all board members and shareholders get adequate information at the proper time.
- d- Verifying the availability of higher standards of the CGG at the bank.

4- Composition of the Board

- 1- The board shall include practical and vocational experience and professional skills. The board shall also include executive members (employees at the bank), and nonexecutive members (not employees at the bank.)
- 2- Among the non-executive members, there must be at least three independent members who have no relationship with the Bank but being board members.
- 3- Independent member is defined as the member, whether person or a natural legal person, who has no relationship with the Bank but being a member at the board of directors, which makes his view fair without being affected by other considerations or external affairs. The minimum limit of requirements of the independent member is as follows:
 - a- The independent member should not have worked at the Bank during the three years prior to nomination to the membership.
 - b- The independent member shouldnt have an employee who is a first or second degree relative at the bank.
 - c- The independent member should not receive a salary or any other amounts from the bank except his remuneration as a member.
 - d- The independent member shall not be a board member or an owner of a company dealing with the Bank except transactions that arise due to services and/or regular work provided by the Bank to its clients provided that such transactions shall subject to the same terms and conditions of similar transactions with any other party and without privileged conditions.
 - e- The independent member shall not be a partner or an employee of the external auditor during the three years prior to his/her nomination for the board membership.
 - f- The independent member's contribution shall not constitute an effective interest in the bank's capital (controlling not less than 10%) or to be an ally of another shareholder.

5- Organization of the Board's works:

- a- The Bank's Board meetings take place at least six times a year. In order to ensure that a full range of topics is considered, it is the practice of the Bank's executive management to schedule a specific topic to be highlighted at each meeting.
- b- Board members shall be provided with adequate information sufficiently in advance of the board meetings to enable them to take the right decisions.
- c- The responsibilities of the BOD members are determined and clear in line with the relevant legislations. When elected, all BOD members shall be given a booklet indicating his/her rights, responsibilities and duties.
- d- All banking operations that require the BOD approval (for example, BOD's authority regarding granting funds over a certain amount) shall be explained in writing.
- e- The BOD members shall access constantly to the developments inside the Bank and local and international banking sectors. The Bank shall provide members with a proper summary of the business of the Bank at the time of appointment and during the membership period or upon request.
- f- The BOD members and its committees shall have a direct contact with the executive management.
- g- If necessary, the BOD member and committees may hire external sources to help them do the tasks assigned to them properly.
- h- The BOD secretary shall record the discussions, suggestions and voting of the BOD. He/she shall verify that all members follow the procedures determined by the BOD, including transferring the information

among BOD members, committees and the Executive Management in addition to determining the appointments of the BOD and filing meeting minutes. The BOD shall determine the job and tasks of the BOD secretary officially and in writing in accordance with the level of responsibilities provided hereinabove. It shall also pass any decision regarding the appointment or dismissal of the secretary by the BOD unanimously.

6- BOD Activities: (Appointment, Replacement, Self-Evaluation, Evaluation of the General Manager's performance and Planning)

- a- The BOD policy includes the appointment of a general manager who enjoys impartiality, honesty, technical qualification and banking experience.
- b- The BOD's approval shall be gained when some executive directors are employed such as the Chief Financial Officer (CFO) and the internal auditing officer and verifying that they do have the required experience.
- c- The BOD shall ratify and approve succession plans for the executive directors of the Bank so that they should include the required qualifications and requirements of person to hold such occupations.
- d- The overall performance of the BOD is evaluated at least once a year through the nomination and remunerations committee. The General Manager shall be evaluated annually by the BOD.
- e- The BOD determines the goals of the Bank and directs the executive management to outline a strategy to achieve these objectives. The Executive Management shall develop work plans that commensurate with those strategies through the planning process that includes the contribution of all Bank departments. The BOD approves the strategy and work plans and verifies that the Executive Management reviews the performance achievements according to work plans and takes the remedial procedures where necessary. The process of preparing the estimated budgets is a part of the short-term planning process and performance measurement.
- f- The BOD shall verify that the Bank is performing its work with a high level of honesty and impartiality in doing its businesses. This can be done through the availability of policies and work ethics charter that includes the definition of conflict of interests and deals made by Bank staff for their own interest according to the internal information about the Bank gained/accessed as a result of the authorities provided for them. These policies and work ethics charter shall be generalized on all Bank staff and the BOD members and their approval shall be gained and published to the public. The above policies shall include the following:
 - 1- Rules and procedures that organize the operations with relevant parties whether between the Bank and its staff or the BOD members or their companies, or relevant parties, including the operations of financing and joint investment with the bank. Those rules shall include evidence that credit was given to the BOD members and their companies pursuant to the prevailing prices at the market, not on privileged conditions. The member shall not participate in any meeting where those issues are treated, contracted or voted. It shall also be disclosed in the bank's annual report. The Bank departments concerned with controls and internal control shall verify that the operations of relevant parties was made in line with this policy.
 - 2- Clear controls that prevent the BOD members and staff from making use of internal information of the Bank for their own interest.
- g- The Bank should have written policies that cover all its banking activities. Such policies shall be generalized at the administrative levels. Furthermore, it shall be reviewed regularly to verify their inclusiveness of any amendments or changes introduced to laws, instructions, economic conditions and any other affairs relative to the bank.
- h- As a part of the approval process, the Bank shall grant the credit by evaluating the quality of Corporate Governance for its clients from companies, especially public joint stock companies, so that risk evaluation for clients is made in weak and strength points to practice them in the field of corporate governance. The Bank may remunerate the clients who have good governance in their companies.

7- BOD Tasks and Responsibilities

- a- Appointment of the General Manager determining his\her authorities and responsibilities, and terminating his services.
- b- Practicing the authorities not delegated to the GM.
- c- Understanding the main risks facing the Bank and approving acceptable limits of such risks and supervising the Executive Management at the Bank to guarantee that necessary procedures are

- taken to determine, measure and control such risks.
- d- Approving the organizational structure of the Bank and forming BOD committees and delegating powers and authorities.
 - e- Approving the strategies, policies, annual budget, work ethics charter and reviewing them regularly.
 - f- Reading the reports of the monitoring authorities and external and internal auditing in addition to following up the violations and notes provided therein along with verifying that the Executive Management remedies such violations and take the necessary procedures to guarantee that they will not be repeated, in addition to any other reports related to compliance, risk management and all relevant matters.
 - g- Adopting the annual, semi-annual and quarterly financial statements after being approved by the auditors and disclosed to the relevant authorities.
 - h- Evaluating the performance of Executive Management and the extent of compliance with BOD's policies and its success in achieving the planned results and goals and remedying deviations.
 - i- Adopting the general bases of work and issuing the internal regulations relevant to the organization and management of the Bank and personnel affairs. Such bases include the right of contracting with efficient experts and consultants and others to work at the bank, in addition to drawing up the regulations of appointments, promotions, raises, bonuses and all financial and administrative affairs for good governance of the bank.
 - j- Adopting the internal regulations regarding the organization of work, provisions of accepting investment deposits, issuing Al Muqarada bonds, the method of calculating the share in profits, organization of the management of joint funds and monies allocated for certain purposes.
 - k- Drawing up the general applicable policy occasionally, in the fields of diversification, available financial resources, determining the ways of their investment, ordering risks distribution and acceptable guarantees from the point of view of Sharia.
 - l- Approving service fees, commissions and wages that the Bank can charge for banking transactions and the management work in its different activities.
 - m- Approving the settlements and reconciliations and accepting arbitration which the Bank management agrees to enter thereof.
 - n- Approving the annual work plan developed for opening new branches, expanding in different investment fields and devising new methods to develop the banking work that is not based on usury interest.
 - o- Appointing a BOD member or more to have the right of signing on behalf of the Bank solely and jointly, according to what the BOD decides in this regard.
 - p- Appointing the signatories on behalf of the Bank from its staff, permitting granting authorities of signing for employees at the Head Office and branches according to the needs and requirements of work.

Fourth: Board Committees

- 1- To increase its efficacy, the BOD shall form the following standing committees:
 - a- Corporate Governance committee
 - b- Audit Committee
 - c- Nominations and Remunerations Committee
 - d- Risk Management Committee
 - e- Credit Facilities Committee
 - f- Social Responsibility Committee
- 2- The BOD may form committees to perform certain tasks and for a definite period of time. Some authorities and responsibilities are delegated by the BOD to those committees.
- 3- By virtue of the approval of the BOD, the committees may develop written work procedures that organize their work and determine their obligations provided that such procedures shall be put in writing in the charter.
- 4- Committees present their reports and recommendations to the BOD and the names of their members are disclosed in addition to a summary of their tasks and responsibilities in the annual report of the bank.
- 5- The principle of transparency shall be applied when appointing members of BOD committees.
- 6- Committees meet as per what is provided in its formation system or whenever required.
- 7- Committees are comprised of non-executive BOD members (and they may include executive BOD members provided that it doesn't conflict with the applicable legislations), and the number of committee members shall not be less than three, and the decisions and recommendations of such committees are taken by the great majority.

- 8- Committees shall have the following authorities:
- a- Requesting any information from the Executive Management and from Bank staff who must cooperate to provide such information in a complete and accurate way.
 - b- Requesting legal, financial, administrative or technical consultation from any external consultant.
 - c- Requesting the attendance of any employee at the Bank to get more explanations.

a- Corporate Governance Committee

- 1- This committee is comprised of the BOD Chairman and the two non-executive members to direct the process of preparing, updating and applying Corporate Governance Guide.
- 2- The committee shall verify the application of the CGG in terms of BOD, board committees, the responsibility of the Executive Management, Sharia Supervisory Board, Controlling environment and internal control, external auditing, relationship with shareholders, equities of investment accountholders, transparency and disclosure.

b- Audit Committee

- 1- At least two members of the Audit Committee shall be holders of specific educational certificates and/or practical experience in the fields of financial management. The independent members shall be two members at least.
- 2- Names of the committee members are disclosed in the annual report of the bank.
- 3- The committee exercises its tasks and responsibilities under the banks Law and any/all other relevant legislations. Tasks and responsibilities of the AC includes:
 - a- Scope, results and extent of sufficiency of internal and external auditing of the bank.
 - b- Accounting issues which have a substantial impact on financial statements.
 - c- Internal Controls at the bank.
 - d- Discussing all aspects relevant to the function of the external auditor including his/her notes, suggestions and reservations in addition to following up the extent of the bank's response to such notes, suggestions and reservations and providing recommendations to the BOD.
 - e- Reviewing correspondences with the external auditors, evaluating their contents and expressing notes and recommendations to the BOD thereon.
 - f- Following compliance with the securities law and the regulations, instructions and decisions issued according to it.
 - g- Studying periodic reports before being submitted to the BOD and making recommendations there to focusing on the following:
 - 1- Any change in the adopted accounting policies.
 - 2- Any change that may be introduced to accounts due to auditing processes or as a result of suggestions of the external auditor.
 - 3- Studying the work plan of the external auditor and verifying that the Bank provides the auditor with the required facilities to do his/her work properly.
 - 4- Approving the internal auditing plan and evaluating the procedures of internal auditing and reading the internal auditing reports, especially the reports of any violations that may arise as a result of the work of internal auditor.
 - 5- Making suitable recommendations for the BOD regarding the matters related to the internal auditing procedures and work of internal auditor.
 - 6- Verifying that there is no conflict in interests that may result from deals or contracts signed by the Bank or entering into projects with relevant parties.
 - 7- Reviewing the dealings of relevant parties with the Bank before being approved.
 - 8- All other affairs decided by the BOD.
 - h- The committee shall provide the BOD with recommendations regarding the appointment, dismissal and remuneration of the auditor and any other contractual terms or conditions related to him/her. In addition to evaluating the objectivity of the external auditor, taking into consideration all other work made outside the scope of auditing with a view to guaranteeing this objectivity.
 - i- The committee is entitled to gain any information from the Executive Management in addition to its right to calling upon any executive or BOD member to attend its meeting.
 - j- The committee meets the external auditor, internal auditor and compliance officer at least once a year without the attendance of the Executive Management.

c- Nominations and Remunerations Committee

- 1- The committee is comprised of at least three non-executive members, provided that most of them, including the committee Head, shall be from independent members.
- 2- The committee shall name the BOD members taking into consideration the abilities, qualifications of the nominated people. In case of re-nomination, the number of times they attended and the quality and effectiveness of their participation in the board meetings are considered.
- 3- The committee shall determine whether the member is an independent member or not, taking into account the minimum limit of requirements deemed to be necessary in the independent member.
- 4- The committee adopts certain and approved bases in evaluating the effectiveness of the BOD so that performance evaluation standard shall be objective and includes comparison with other banks and similar financial institutions, in addition to the standards of safety and correctness of financial statements of the Bank and the extent of compliance with the control requirements.
- 5- The committee shall be responsible for providing the BOD, upon request, with information and summaries of the background of some important issues about the bank. It shall be kept responsible for updating them with most recent issues relevant to the banking work. To achieve this, the Bank encourages its BOD member to attend the seminars which allows them to meet with local and international institutions and companies.
- 6- The committee shall review the remunerations paid to the Executive Management and shall recommend remunerations (including the monthly salary and other benefits of the GM). The committee is also responsible for reviewing remunerations (including salaries) paid to the rest of the Executive Management.
- 7- The company shall be responsible for verifying that there is a remunerations policy at the Bank which indicates that remunerations and salaries are high enough to attract qualified people to work at the Bank and maintain them, putting into account that salaries paid by the Bank shall be in line with those paid by similar banks in the market.
- 8- The summary of remunerations policy at the Bank shall be disclosed in the annual report of the bank. Remunerations of BOD members shall be determined on an individual basis and the highest salaries paid to non-BOD executive directors over the year.

d- Risk Management Committee

- 1- The committee is responsible for reviewing and evaluating the policies and strategies of risk management at the Bank before being approved by the bank, especially;
 - a- Cash liquidity.
 - b- Investment and finance.
 - c- Credit risks including financial positions.
 - d- Reserves.
 - e- Sufficiency of insurance policies to cover risks.
 - f- Sufficiency of organizational and economic capital of the bank.
 - g- Operation risks at all work centers and Bank departments.
 - h- Reviewing and evaluating the methods and approaches of measuring the risks employed at the bank.
 - i- The limits of exposure to risks at the levels of the country, currency, time limits, counter party, tool, market and sector.
 - j- New products and services before release.
 - k- Reviewing the structure of the risks department and the process of developing it before submission to the BOD.
 - l- Keeping pace with developments and growing complications introduced to risks management inside the Bank and submitting periodic reports to the BOD regarding such developments.
- 2- The committee is specialized in the field of compliance and Combatting money laundering and terrorism financing by means of reviewing and evaluating relevant policies and procedures before being approved by the BOD, especially;
 - a- Compliance work guidelines, by means of applying the clauses of laws, instructions and systems of Bank business which relate to Combatting money laundering and terrorism financing.
 - b- Monitoring and controlling compliance, Combatting money laundering and terrorism financing and suggesting suitable amendments.

- c- Know Your Customer forms (KYC), forms of opening accounts, forms of Suspicious Activity Reports SARs (internal and external) and other relevant forms.
- d- Controlling measures of operational processes in protecting and supporting the Bank against the possibility of using its operational processes by money laundering gangs and terrorism financing.
- e- Verifying that the training combatting of money laundering and terrorism financing already exists in accordance with the new laws and regulations, to deter modern methods used in this field.
- f- Exclusion of well-known clients from the report of big monetary operations over the specified ceiling and determining and amending the exception ceiling according to the development of clients' status.
- g- The extent of staff compliance with the application of policies, procedures and regulations of compliance and combating money laundering.
- h- Accounts reports, withdrawals and deposits, transfers, other activities relevant to the accounts which is considered to be relatively dangerous and how such operations are suitable to the economic activities.

e- Credit Facilities Committee

This committee shall be responsible for approving the banking facilities and financing and investment agreements as a part of the authorities delegated to the committee by the BOD.

f- Social Responsibility Committee

- a- This committee shall be responsible for the following:
- b- Supervise the implementation of the Bank's social responsibility programs in coordination with the Executive Management social responsibility committee.
- c- Provide guidance and proper support to the Executive Management social responsibility committee.
- d- Ensure that the Bank's social responsibility program is a leading program in the field of the Islamic banking sector.
- e- Recommend the Board of Directors to approve the budget of the Bank's social responsibility program.
- f- Practice all necessary powers and authorities as regards the Bank's social responsibility program to achieve the established goals and keep conformity with the philosophy of the committee formation.
- g- Preview the achieved progress in the Bank's social responsibility program.
- h- Take necessary steps to facilitate the committee's work.

Fifth: Executive Management Responsibility

1. Preparing and developing strategies and policies and working on their application after being approved by the BOD.
2. Preparing and developing work procedures so as to guarantee the determination, measurement, controlling and monitoring risks facing the Bank and applying such procedures.
3. Preparing financial statements and final accounts and submitting them to the BOD for approval.
4. Preparing the organizational structure and abiding by it before being approved by the BOD.
5. Preparing and approving the annual budgeting in addition to providing regular administrative reports to the BOD showing the deviation between the actual performance and the planned one.
6. Developing proper internal controlling policies and applying them after being approved by the BOD.
7. Carrying out responsibilities according to the delegated authorities.
8. Achieving the effectiveness of controls and internal monitoring and submitting at least one annual report to the BOD about the application and effectiveness of systems.
9. Setting the procedures that guarantee the organization of capital adequacy and submitting regular reports to the BOD in this regard.
10. Providing external and internal monitoring authorities such as the monitoring authorities, internal auditing, external auditing and all other relevant authorities or organizations, and at the definite time, with the information and statements deemed necessary for performing their tasks properly.
11. The annual report shall indicate that the Executive Management is responsible for providing internal controls to ensure the quality and transparency of the required information and financial statements.
12. Formulating the Work Ethics Charter of the Bank and approving it by the BOD then generalized at the administrative levels at the bank.
13. Developing skills and professional conduct of the Bank's staff to correspond with the latest developments and techniques.

Sixth: Sharia Supervisory Board

- 1- According to its Articles of Association, the Bank complies with the teachings of Islamic Sharia. To implement the provisions of Banks Law, the Bank shall appoint, by virtue of a decision from the Shareholders General Assembly, a board called «Sharia Supervisory Board» and the number of its members shall not be less than three people and its opinion shall be binding for the Islamic bank. The SSB shall undertake the following tasks:
 - a- Monitoring businesses and activities of the Bank in terms of compliance with the teachings of Islamic Sharia.
 - b- Showing the Sharia opinion in the contract forms for the activities and businesses of the bank.
 - c- Considering all affairs that needs the Sharia opinion pursuant to the instructions of the CBJ issued for this purpose.
 - d- Showing the Sharia opinion for the BOD and the GM regarding Bank transactions.
 - e- Issuing an annual report for the Shareholders General Assembly.
- 2- The SSB shall appoint one of its members as its head. The SSB shall meet twice a year at least and whenever necessary by a call from its head or according to a decree from the BOD or according to the request of two members, or upon the request of the GM. The quorum of the meeting is at least two members if the number of its members is three. The quorum shall be considered by the attendance of the majority of members if the number of its members is more than three. In all events, all decision shall be taken by the consensus or the majority.
- 3- A secretary shall be employed at the SSB to record the minutes and follow the sessions, inquiries and answers by the SSB.
- 4- The Bank should publish the fatwas (advisory opinion) of the SSB to make people aware of.

Seventh: Control Systems and Internal Monitoring

1- Control systems and Internal Monitoring:

- a- The Bank's structure of internal monitoring is reviewed at least once a year by internal and external auditors.
- b- The Board provides a statement in the Annual Report on the adequacy of the Bank's internal monitoring over its financial reporting. This statement contains:
 - 1- A statement of Executive Management's responsibility for establishing and maintaining adequate internal control over financial reporting for the Bank;
 - 2- A statement identifying the framework used by Executive Management to evaluate the effectiveness of internal control;
 - 3- Executive Management's assessment of the effectiveness of internal control as of the date of the financial statements included in the Annual Report of the bank;
 - 4- A report by the Bank's external auditor on the Executive Management's assessment and the effectiveness of internal controls;
 - 5- Disclosure of any substantial weaknesses in the internal control systems;
- c- The Bank has set up arrangements whereby staff can confidentially raise concerns about possible irregularities, and that allow for such concerns to be independently investigated and followed up. Such arrangements are overseen and monitored by the Audit Committee.

2- Internal and Sharia Audit Department:

- 1) The Bank shall provide the Internal and Sharia Audit with the adequate number of highly qualified cadres so that they can be trained and remunerated properly.
- 2) The Internal and Sharia Audit department shall have the right to obtain any information and contact any employee at the bank. It shall also be given adequate standing and authority within the Bank to adequately carry out its task.
- 3) The Internal and Sharia Audit department follows the Audit Committee that emerges from the BOD and shall report its achievements to this committee directly. Internal Audit shall be responsible for suggesting the structure and scope of Internal Audit and informing the Audit Committee of the possibility of any conflict in interests.
- 4) The tasks and responsibilities of the Internal Audit department are as follows:
 - a- Ensuring the adequacy of control systems and internal monitoring as well as risks management systems and the extent of their effectiveness.
 - b- Ensuring that Bank business is in conformity with the teachings and principles of the noble Islamic Sharia.

- c- Assisting the BOD in carrying out its responsibilities adequately by providing it with analyses, assessment processes and recommendations regarding the activities reviewed by the Internal Audit department.
- d- Ensuring the execution of the instructions of the controlling authorities and BOD decisions.
- e-Verifying the execution of the decrees and recommendations of the SSB regarding compliance with the Sharia aspects of transactions.
- f-The functions, powers and responsibilities of Internal and Sharia Audit are documented within the Internal Audit Charter which is approved by the Board.
- g-Internal and Sharia audit staff shall not be assigned to do any executive responsibilities/works.
- h-Reviewing the work of organizational units at the Head Office and branches, preparing reports regarding the notes discovered and certain procedures required remedying such notes and irregularities. Reports shall be prepared without any external interference. Internal and Sharia Department is entitled to discuss its reports with the departments and branches under auditing.
- i-Reviewing financial reporting at the Bank to ensure that basic information on administrative and financial affairs are accurate, reliable and timely.
- j-compliance with internal policies, international standards, procedures, and applicable laws and regulations.
- k- Ensuring the enforcement of Bank instructions and its internal systems and suggesting how to remedy weak points in financial, managerial and technical systems.
- l- Auditing the accounts of companies affiliated to the bank.
- m-Other works relevant to the business of the department shall be assigned by the Audit Committee.

3- Risk Management Department

- a- Objectives:
 - Managing the different risks that the Bank may be vulnerable to such as the risks of market, operation, credit, hard currency, liquidity, and rate of return with a view to getting higher profitability rates at an acceptable level of risk for various activities.
- b- The tasks and responsibilities of the Risks Management department are as follows:
 - 1.Managing market risks, operational risks, credit risks, hard currency risks, rate of return risks in addition to using the most modern scientific methods for measuring such risks.
 - 2.Analyzing and evaluating the risks of new activities, products and services before launching them. The same applied for existing activities, products and services.
 - 3.The development of methodologies for the measurement and control of each risk.
 - 4.Recommending limits to Risk Management Committee, and the approvals, reporting and recording of exceptions to the policy of risk management, if any.
 - 5.The provision of information on risk metrics and on the Bank's risk profile to the Board and the Senior Executive management.
 - 6.The committees within the Bank shall help the Risk Management Department in doing its tasks and responsibilities.
 - 7.The provision of risk information for use in the Bank's disclosed statements and public reporting.
 - 8.The annual report of the Bank shall include information about risk management regarding its structure and the nature of its operations and developments.

4- Compliance Department

- a- Objectives:
 - 1- Compliance department aims at ensuring that the Bank and its internal policies comply with all laws, regulations, instructions, codes of conduct, standards, sound banking practices issued from local and international controlling authorities which determine, assess and provide advice and guidance and monitor and submit reports to the BOD regarding the extent of the bank's compliance.
 - 2- Compliance risks are represented in legal or controlling penalties, material losses or reputation risks that the bank might encounter due to incompliance with laws, rules, regulations, code of conduct, standards and sound banking practices.
- b- The tasks and responsibilities of the Compliance Department are as follows:
 - 1.Helping the Executive Management and Bank staff manage the compliance risks facing the bank.

2. Providing advice for the Executive Management regarding the applicable laws, rules and standards and any subsequent amendments.
3. Making staff aware of compliance issues and preparing written instructions in this regard before developing the compliance guide in line with the size, nature and complexity of the Bank's operations and its internal organization, practical practices guidelines and professional conduct charter.
4. Preparing an effective methodology to ensure that the Bank complies with all applicable laws and legislations and all relevant guides.
5. Preparing and developing compliance policy and ensuring that the Bank applies it adequately after being approved by the BOD.
6. Reporting the results of compliance activities to the BOD or the committee emerging from the BOD, in addition to sending a copy of such results to the Executive Management.

Eighth: External Auditing

In compliance with the provisions of banks law and any other relevant provisions provided in other legislations, the Bank abides by the following:

- a- Signing an agreement with the external auditor to audit the work of the Bank so as to include doing all matters that fall on his/her burden which are consistent with the requirements of international auditing standards. According to the agreement, the external auditor shall do the following tasks:
 - 1- Providing the BOD with a detailed report including all weakness as in the internal audit and accounting systems and any other matters with negative impacts he learns about during the auditing process.
 - 2- Ensuring the correctness of the data provided to him during the process of auditing.
 - 3- Providing the CBJ with copies of the reports submitted to the Bank within the framework of the auditing task he appointed for.
- b- Ensuring that the following terms apply to the external auditor:
 - 1- A holder of a valid profession exercise license.iting
 - 2- A member at the Jordanian Chartered Accountants Association.
 - 3- Practiced this profession as full time for three consecutive years after gaining the license of practicing the auditing profession.
 - 4- He should have one auditor or more working at his office who meets the above conditions.
- c- Gaining the approval of the Audit Committee before agreeing with the external auditor to provide any other information out of the scope of the auditing task, in line with the law of practicing the applicable auditing profession and the rules provided that such services shall be disclosed.
- d- Rotating the external audit job between auditing firms. Should this no longer be practical, then the Bank will at a minimum require the regular rotation of the principal partner in charge of the external audit.
- e- The proper procedures shall be taken to ensure that:
 - 1- The external auditor shall not be a founder, shareholder or member at the Bank BOD or a partner or employee working for any BOD member.
 - 2- The external auditor shall refrain from doing any additional tasks for the benefit of the Bank such as providing administrative and technical consultations unless the approval of the Audit Committee is gained.
 - 3- The external auditor shall enjoy independency pursuant to the international audit standards.
 - 4- The external auditor shall do his work neutrally and the BOD or the Executive Management shall not interfere in his work.
- f- No employee of the external audit firm shall be employed at the Bank unless at least two years have expired since he left the audit firm.
- g- The external auditors meet the Audit Committee, without the Executive Management presence, at least once per year.

Ninth: Relation with Shareholders

Without prejudice to the applicable legislations, the Bank shall take the necessary procedures to ensure that shareholders get their rights without distinction. These procedures include:

- 1- The Bank takes active steps to encourage shareholders, in particular minority shareholders, to participate in the Annual General Assembly, and also to vote either in person or in their absence by proxy. Voting for each case discussed in the meeting shall be on an individual basis, taking into account that the Shareholders General Assembly enjoys the following authorities:
 - a. Electing the BOD members and the external auditor.
 - b. Appointment of an independent Sharia Supervisory Board (SSB).
 - c. Discussing the BOD report on the performance of the Bank and its plan for the upcoming period.
 - d. Amendment of the Articles of Association of the Bank especially regarding changing the main objectives and goals of the bank.
 - e. All affairs relevant to the merger or winding up of the bank.
 - f. Removing the BOD, Chairman or any of its members.
 - g. Selling the Bank or acquisition of another bank.
 - h. Increasing or reducing the capital of the bank.
 - i. Selling all assets of the Bank or part whereof may affect achieving the goals and objectives of the bank.
 - J. Approving the annual financial statements.
 - k. Bank staff should own shares in its capital.
 - l. The Bank may purchase and sell its own shares.
- 2- The Bank's policy is that the Chairmen of all Board Committees should be present at the Annual General Assembly. The external auditors shall be called upon to attend the AGA with a view to answering any questions posed regarding the auditing and auditor's report.
- 3- The call of the Chairman or a member of the Sharia Supervisory Board to attend the Annual General Assembly to read the annual report of the SSB and answer any questions or inquiries that may be posed regarding the Sharia affairs.
- 4- Notes, minutes, and a report of the proceedings of the Annual General Assembly, including the results of voting, and the questions from shareholders and Executive Management's responses, are prepared and made available to shareholders after the Annual General Assembly.

Tenth: Investment Account Holders Equity

- 1- The Bank shall maintain the rights of investment account holders, whether such accounts were for restricted or unrestricted investment.
- 2- Generally, keeping the rights of investment account holders can be achieved if the Bank complies with the following:
 - a. Adopting the rights of investment account holders in following up the performance of their investments and the relevant risks in addition to setting the adequate methods to ensure keeping and practicing these rights, in terms of:
 - Granting investment account holders equal to the necessary information regarding their investment accounts with shareholders.
 - Making investment account holders aware of the bank's policies and practices regarding investment accounts.
 - The right of investment account holders to follow up their investments shall not be considered as interfering in the bank's management of such investments.
 - Prior to opening the investment accounts, the Bank shall give the account holders adequate information about their contractual rights, risks associated with the products of investment accounts, including basic investments and strategies of distributing assets and the adopted method of calculating profits/losses of investments.
 - The Bank shall be responsible for losses resulting from violation, default or negligence in the application of the investment contract.
 - b. Approving a sound investment strategy which is consistent with the expected risks and revenues of investment account holders (taking into consideration the distinction between the account holders of restricted and unrestricted investments), in addition to adopting transparency in supporting revenues.
 - Revenues (distributed profits) shall be supported for the investment account holders and shareholders through using profits rate reserve deducted from the investment profits prior to deducting the bank's share as a speculator.
 - Profits rate reserve is not meant to cover existing loss or convert loss into profit.

- c. Contracts concluded with the accountholders or the conditions of opening the accounts signed by them,
 - d. Teachings of Islamic Sharia and the opinion of the SSB.
 - e. Banks law and other applicable legislations.
 - f. Articles of Association of the bank.
 - g. Accounting standards, audit and controls of the Islamic Financial Institutions.
 - h. Corporate Governance Guide and its controlling, monitoring and auditing systems.
 - i. Work systems as set by the bank.
- 3- In particular, maintaining the rights of unrestricted investment accountholders can be achieved through the bank's compliance with article (3) of clause (16) of the Articles of Association of the bank, which stipulates the following;
- a. The Board shall decide by means of public advertising the general percentage of profits of total joint investment money at the beginning of the fiscal year provided that such advertisement shall not be delayed beyond the end of the first month of every year.
 - b. The Bank shall keep an account in the fund of investment risks at the joint investment accounts to cover any losses that exceed the total investment profits in a certain year. This fund is replenished as follows:
 - 1- Deducting 10% at least of the net investment profits of various existing operations throughout the year.
 - 2- The above percentage can be increased by virtue of an order from the CBJ so that the amended percentage is increased in the fiscal year following the amendment.
 - 3- Deduction shall stop when the congregated amount in the fund becomes as double as the paid up capital or any other amount determined by the CBJ.
 - c. In its capacity as a joint speculator, the Bank receives the declared portion of the speculator. The Bank is also entitled to share the joint investment profits according to the percentage of its own resources or money permitted to be used for losses or profits.
 - d. In its capacity as a joint speculator, the Bank bears the losses resulting from the violation or negligence of the BOD members, directors and/or the Bank's staff. Negligence which the Bank is accountable for includes manipulation, faithlessness and connivance with third parties, in addition to all other types where honest and faithful work is not complied with.
 - e. Subject to the provisions of law, the appointed SSB shall ensure the existence of Fiqhi proof that supports the Bank is to bear any loss within the scope of joint investment operations.

Eleventh: Transparency and Disclosure

1. The Bank is required to disclose in accordance with the International Financial Reporting Standards (IFRS), accounting and auditing standards, controls of Islamic Financial Institutions and applicable instructions of the Central Bank of Jordan issued by the banks law and other relevant legislations.
2. The Bank recognizes its obligation to provide meaningful information on its activities to the CBJ, shareholders, depositors and other banks in addition to concentrating on the issues that arise the concerns of shareholders. The Bank discloses such information on a timely basis, and makes it available to all.
3. In its annual report, the Bank explains its responsibility for the accuracy and adequacy of financial statements and the information provided in its annual report.
4. The Bank commits to maintaining the following communication channels with the monitoring authorities, its shareholders, depositors, other banks, and the public in general, through the following:
 - a. Professionally-staffed investor relations function that provides comprehensive, objective, and up-to-date information on the Bank, its financial position and performance, and its activities;
 - b. The Annual Report, produced after the end of the fiscal year.
 - c. Quarterly reports, providing quarterly financial information and the Board's report on the Bank's stocks trading and financial position during the year.
 - d. Regular meetings between the Executive Management of the Bank and investors and shareholders;
 - e. Regular briefings by the senior management of the Bank, especially the General Manager and the Chief Financial Officer, for shareholders, financial market analysts, and financial journalists.
 - f. Information provided through the Bank's Annual Report, or its quarterly reports, and the text of any public presentations given by executives, is made available to interested parties through the Bank's investor relations function, and in a timely manner on the Bank's website, in both Arabic and English.

5. In its Annual Reports and quarterly reports, the Bank's Executive Management includes 'Management Discussion and Analysis' (MD & A) disclosure that allows investors to understand current and future operating results and the financial condition of the Bank, including the possible impacts of known trends and events and uncertainties. The Bank commits to ensuring that such commentary is reliable, complete, fair and balanced, and understandable, and is grounded in the Bank's financial statements as reported.
6. As part of its commitment to transparency and full disclosure, the Bank in its Annual Report includes the following information: -
- a. Its Corporate Governance Code, and annual details of its compliance;
 - b. Information on each individual member of BOD: qualifications and experience; shareholding in the Bank; whether an independent, non-executive, or executive Director; the membership of Board Committees; dates of appointment to the Board; other directorships; attendance at Board and Board Committee meetings; remuneration; loans from the Bank and other transactions between the Bank and the Director or his companies or other related parties;
 - c. Summary of the organizational structure of the bank;
 - d. Summaries of the terms of reference of Board Committees, and any authorities delegated by the Board to Board Committees;
 - e. The frequency of Board and Board Committee meetings;
 - f. Summary of the remuneration policy; remuneration of highest-paid executive management;
 - g. Statement by the Board of the adequacy of internal monitoring;
 - h. A description of the structure and activities of the Risk Management Department; and
 - i. The significant shareholders of the Bank (for example, individual or related parties holding or controlling more than 10% of the Bank's capital), with identification of the main shareholders in companies deemed to be a principal shareholder at the bank, if necessary.



Opening The New Branch of Al Zarqa Al Jadeedah



Annexes of Board Report 2013

Annex 4

The Guidelines of Corporate Governance Guide for Public Shareholding Companies Listed in Amman Stock Exchange



Annex 4

The Guidelines of Corporate Governance Guide for Public Shareholding Companies Listed in Amman Stock Exchange

Our Bank has prepared the "Corporate Governance Guide" based on the CBJ instructions and in consistence with the "Guidelines of management controls for institutions offering Islamic financial services" issued by the Islamic Financial Services Board/Malaysia. According to this guide which has been approved by the Board of Directors, our Bank applies the rules stated in the "Corporate Governance Guide" that includes most of the Guidelines of the Corporate Governance Guide for Public Shareholding Companies listed in Amman Stock Exchange", and as stated in the Report's pages and annexes.

Accordingly, the Bank applies all guidelines contained in "Corporate Governance Guide for public shareholding companies listed in Amman Stock Exchange, save the following items:

Section Two: The Shareholding Company Board of Directors.

1.Item (1): The Board of Directors shall be elected in accordance with the Companies Law.

Section Two: The Shareholding Company Board of Directors

Chapter one: Board of Directors Tasks and Responsibilities

1.Item (6): The financial statements shall not be disclosed at least three days prior to the date of their announcement, rather, to comply with the law.

2.Item (14): Regarding the inclusion of shareholders' Proposals about certain issues on the General Assembly agenda, to include item in the General Assembly agenda reading «any other issues the General Assembly proposes to include in the agenda»

Section Two: The Shareholding Company Board of Directors

Chapter Two: Committees formed by the Board of Directors

1.Item (5): The Auditing Committee and the Nominations and Remunerations Committee shall provide reports on their work to the Board of Directors, not to the General Assembly. However, any shareholder may inquire in the General Assembly meeting about the work of the aforesaid two committees.

Section Three: The Company's General Assembly Meeting

1.Item (3): The Bank's articles of association and the Companies Law shall apply to the invitation of the shareholder to attend the General Assembly meeting by normal mail, not by e-mail.

2.Item (4): To comply with the Companies Law regarding the inclusion of any new issues not listed on the General Assembly agenda provided to the shareholders.

3.Item (5): The shareholder interested to apply to the Board of Directors membership has not sent his biography before the end of the Company's fiscal year preceding the year of holding the General Assembly meeting to elect the board of directors. Therefore, such biography shall not be attached to the invitation of the shareholders to attend the General Assembly meeting, where the Companies Law is applied on this regard.

Section Five: Disclosure and Transparency

Chapter Four: The External Auditor

1.Item (2): The Company has two external auditors who have been auditing the Company's works for more than four consecutive years as this does not violate the Companies Law.



Opening
Al Shajarah Office / Ramtha



Annual Report of Sharia Supervisory Board for the Fiscal Year ended on 31 December 2013



Annual Report of Sharia Supervisory Board for the Fiscal Year ended on 31 December 2013

All Praise be to Allah, Lord of the Worlds
And Prayers and Peace be upon Mohammed
And his kins and followers

To Messrs/ Shareholders of Jordan Islamic Bank,

Assalmu Alikum Wa Rahmtu Allah Wa Baraktu,

Pursuant to the Jordanian Banks Law No. 28 of 2000 and its provisions related to Islamic banks, and in accordance with the Bank's Articles of Association, the Board presents the following report:

- The Sharia Supervisory Board monitored the principles used and the contracts related to the transactions and the applications launched by the Bank during the fiscal year ended on 31 December 2013. It also conducted the required monitoring to express an opinion on whether the Bank has complied with the Sharia rules and Fatwas, decisions, and the specific guidelines we issued, and to ensure the Bank's compliance with them.
- The Bank's management holds the responsibility of implementing its transactions according to the rules of the Islamic Sharia, whereas our responsibility is limited to expressing an independent opinion based on our monitoring of the Bank's transactions and issuing a report to you.
- Our monitoring comprised examining the documentation and the procedures followed by the Bank on the basis of testing each type of transactions through the Internal and Sharia Audit Department.
- We have planned and implemented our monitoring in order to obtain all the information and interpretations that we deemed necessary to provide us with sufficient evidences to give reasonable assurance that the Bank did not violate Sharia rules and principles.

Our Opinion:

- A. The contracts, operations and transactions concluded by the Bank during the year ended on 31/12/2013, which we reviewed, were conducted according to the Sharia rules and principles.
- B. The profits distribution and loss allocation to the investment accounts complies with the principle we adopted according to the Sharia rules and principles.
- C. All amounts devolved to the Bank from sources or by means that do not comply with the Sharia rules and principles were not incorporated in the Bank's revenues and are spent for charitable purposes.
- D. The responsibility of paying Zakat falls on the shareholders. The Bank's management is not authorized to pay Zakat directly, as there is no law to that effect, and the Bank's Articles of Association do not stipulate such an action nor do the decisions of the General Assembly or the shareholders' authorization. Therefore, the shareholder shall pay the Zakat of his shares when the Sharia conditions and controls of Zakat apply, while considering the following:

- If the intention upon purchasing shares or subscribing for shares is trading, then he should pay the Zakat of the market value of shares and dividends.
- If the intention upon purchasing shares or subscribing for shares is collecting profits and not trading, then he should pay the Zakat of the dividends in addition to the Zakat assets of his shares in the Bank through inspection and assessment.

The Sharia Supervisory Board extends its thanks to the Bank's management and staff for their compliance with the Islamic Sharia Principles, their good management, and the Bank's good results.

Thanks be to Allah, the Lord of the Worlds

Date: 21 Rabee Awal 1435 AH corresponding to 23 January 2014 AD

Chairman
Dr. Abd Sattar
Abu Goddeh

Vice-Chairman
Dr. Mahmoud Al Sartawi

Member
Dr. Mohammad Khair
Al-Issa



Opening
Al Badiah Al Shamaliah
Branch



Independent Auditors Report



**Independent Auditors Report to the Shareholders of
Jordan Islamic Bank - A Public Shareholding Limited Co.
Amman- The Hashemite Kingdom of Jordan**

We have audited the accompanying consolidated financial statements of Jordan Islamic Bank (Jordanian Public Shareholding Limited Company), which consists of the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of the changes in equity, the consolidated statement of cash flows, the consolidated statement of the sources and uses of Al Qard Al Hasan fund for the year then ended and a summary of the most important accounting policies and other explanatory notes.

Responsibility of the Management for the Consolidated Financial Statements:

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in compliance with the rules and principles of the Islamic Sharia as determined by the Sharia Supervisory Board of the Bank and in accordance with the standards of the (AAOIFI). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free of material misstatements whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the (AAOIFI) Standards which require that we plan and perform the auditing procedures to obtain a reasonable assurance that the consolidated financial statements are free from any material misstatements.

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

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

Our Opinion:

In our opinion, the consolidated financial statements mentioned above fairly show, in all material respects, the consolidated financial position of the Bank as of 31 December 2013, and its consolidated financial performance, consolidated cash flows and the consolidated statement of the sources and uses of Al Qard Al Hasan fund for the year then ended in accordance with the rules and principles of the Islamic Sharia as determined by the Sharia Supervisory Board, and in compliance with the Standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Report on the Legal Requirements:

The Bank keeps accounting records and entries duly organized, and the consolidated financial statements included in the Board's report comply therewith and we recommend approving the same.

Ernst and Young - Jordan
Mohammad Ibrahim Al-Karki
License No. 882

Ibrahim Al-Abbasi & Co.
Dr. Ibrahim Abbasi
License No. 116

Amman- The Hashemite Kingdom of Jordan
11 February 2014



Opening
of Abu Nuseir Branch



**Consolidated Financial Statements
December 31, 2013**



Jordan Islamic Bank
Public Shareholding Limited Company
Consolidated Financial Statements
December 31, 2013
Amman – Jordan
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Consolidated Statement of Financial Position As of December 31, 2013

Statement (A)

Description	Notes	2013	2012
		JD	JD
			(Adjusted Note 2)
Assets			
Cash and balances at Central Banks	4	863,923,682	653,398,589
Balances at Banks and Banking Institutions	5	71,159,559	70,706,174
Investment Accounts at Banks and Banking Institutions	6	2,127,000	5,849,250
Deferred Sale and Other Receivables –Net	7	1,758,780,295	1,753,437,221
Ijara Muntahia Bittamleek Assets–Net	8	344,936,804	272,454,045
Finances –Net	9	22,231,042	20,182,572
Financial assets at fair value through the ownership equity – self constructed	10	2,249,752	5,286,774
Financial assets at fair value through the joint investment accounts holders equity	11	48,251,263	84,398,776
Investments in Affiliates	12	14,790,694	14,554,692
Real Estate Investments	13	77,038,947	71,019,165
Al Qard Al Hasan -Net	14	6,316,095	4,682,581
Property and Equipment- Net	15	58,296,721	53,548,273
Intangible Assets	17	2,255,706	1,329,577
Other Assets	18	9,280,802	10,432,942
Total Assets		3,281,638,362	3,021,280,631
Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling Equity and ownership Equity			
Liabilities			
Banks and Banking Institutions Accounts	19	12,757,958	12,545,687
Client Current and Call Accounts	20	938,584,868	839,011,494
Cash Margins	21	29,817,129	30,145,857
Accounts Payable	22	1,468,562	1,016,223
Provisions	23	5,350,000	3,750,000
Income Tax Provision	24	17,131,681	14,080,361
Deferred Tax Liabilities	25 B	200,212	69,053
Other Liabilities	26	14,440,442	14,018,917
Total Liabilities		1,019,750,852	914,637,592

Description	Notes	2013	2012
		JD	JD (Adjusted Note 2)
Joint investment Accounts Holders' Equity			
Unrestricted Investment Accounts	27 A	1,976,371,647	1,844,335,823
Investment Accounts Holders' Reserve-Subsidiaries & Affiliates	27 B	7,019,713	5,270,519
Fair Value Reserve	28 A	7,835,752	6,558,955
Deferred Tax Liabilities	25 A	3,358,179	2,810,981
Total Joint Investment Accounts Holders' Equity		1,994,585,291	1,858,976,278
Non-Controlling Interests	27 B	997,660	949,615
Total Joint Investment Accounts Holders' Equity & Non-Controlling Interests		1,995,582,951	1,859,925,893
Investment Risks Fund	29	7,985,088	14,527,102
Income Tax Provision of Investment Risks Fund	29	2,860,000	3,393,791
Ownership Equity			
Shareholders' Equity			
Paid-up Capital	30	125,000,000	125,000,000
Statutory Reserve	31	46,109,666	39,634,884
Voluntary Reserve	31	15,429,586	8,978,496
General Banking Risks Reserve	31	700,000	700,000
Fair Value Reserve	28 B	467,161	161,125
Retained Earnings	32	67,753,058	54,321,748
Total Ownership Equity –Shareholders' Equity		255,459,471	228,796,253
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and Ownership equity		3,281,638,362	3,021,280,631
Accounts Managed for Others :			
Restricted Investments	53	26,754,261	34,727,702
Muqaradah Bonds	54	214,022,726	199,533,922

Consolidated Income statement For the Year Ended December 31, 2013**Statement (B)**

Description	Notes	2013	2012
		JD	JD
Deferred Sale Revenues	33	135,305,125	115,455,698
Finance Revenues	34	373,643	340,892
Profits of financial assets at fair value through the joint investment accounts holders' equity	35	1,806,602	3,739,544
Share of funds involved in investment from dividends distributed by Affiliates and Subsidiaries	36	776,092	893,092
Real Estate Revenues	37	1,455,126	2,389,358
Revenues of Leased Assets and Ijara Muntahia Bittamleek	38	25,897,458	20,879,080
Revenues of other Investments	39	479,125	913,571
Revenues of Joint Investment Accounts		166,093,171	144,611,235
Net Business Results of Subsidiaries	40	1,571,517	1,152,722
Share of funds involved in investment from the profits of affiliates		657,921	752,288
Total Revenues of Joint Investment Accounts		168,322,609	146,516,245
Share of Unrestricted Investment Accounts Holders	41	(52,130,109)	(46,104,676)
Unrestricted Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(1,496,839)	(1,095,147)
Non-Controlling Interests' Share of the Net Business Results of Subsidiaries		(74,678)	(57,575)
Share of funds involved in investment from the profits of affiliates		(657,921)	(752,288)
Share of the Investment Risk Fund	29	(16,609,317)	(21,691,685)
Bank's Share of the Joint Investment Accounts	42	97,353,745	76,814,874
Bank's Self-Profits	43	188,092	324,334
Bank's Share of Restricted Investments Revenues as a Speculator	44	847,986	1,926,203
Banking Services Revenues	45	11,963,516	11,209,693
Foreign Currency Profits	46	2,043,928	1,915,022
Other Revenues	47	3,738,886	3,900,030
Gross Income		116,136,153	96,090,156
Employee expenditures	48	(31,161,881)	(27,138,464)
Depreciation and Amortization	16	(4,162,319)	(3,481,179)
Other expenses	49	(14,531,238)	(13,431,363)
Losses of Assets Impairment- self constructed	14	-	(191,145)
Miscellaneous Provisions	50	(1,600,000)	(650,000)
Total Expenses		(51,455,438)	(44,892,151)
Profit before Tax		64,680,715	51,198,005
Income Tax	24	(19,574,412)	(14,752,102)
Profit after Tax		45,106,303	36,445,903
		JD/Fils	JD/Fils
Basic and diluted Earnings per Share	51	0/361	0/292

Consolidated Statement of Comprehensive Income For the Year Ended December 31, 2013
Statement (C)

Description	2013	2012
	JD	JD
Profit after tax	45,106,303	36,445,903
Add: Other Comprehensive Income Items after Tax :		
Change in fair value reserve of the financial assets – Net	306,036	103,631
Profits of financial assets at the fair value realized from Ownership equity	879	85,458
Total Comprehensive Income for the Year	45,413,218	36,634,992

Consolidated Statement of Changes in Ownership Equity For the Year Ended December 31, 2013
Statement (D)

For the Year Ended December 31, 2013	Paid-up Capital		Statutory Reserve		Voluntary Reserve		General Banking Risks Reserve*		Fair Value Reserve**		Retained Earnings		Total	
	JD		JD		JD		JD		JD		JD		JD	
Balance as at 1st January 2013	125,000,000		39,634,884		8,978,496		700,000		161,125		54,036,496		228,511,001	
Effect of applying the financial accounting standard No. 26***	-		-		-		-		-		285,252		285,252	
Adjusted balance as at 1st January 2013	125,000,000		39,634,884		8,978,496		700,000		161,125		54,321,748		228,796,253	
Profit after tax	-		-		-		-		-		45,106,303		45,106,303	
Profits realized from sale of financial assets at the fair value through ownership equity – self-constructed	-		-		-		-		-		879		879	
Change in the fair value reserve	-		-		-		-		306,036		-		306,036	
Total Comprehensive Income for the Year	-		-		-		-		306,036		45,107,182		45,413,218	
Transferred to (from) reserves	-		6,474,782		6,451,090		-		-		(12,925,872)		-	
Distributed dividends	-		-		-		-		-		(18,750,000)		(18,750,000)	
Balance as at December 31, 2013	125,000,000		46,109,666		15,429,586		700,000		467,161		67,753,058		255,459,471	

* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 700,000 as of December 31, 2013 without the prior approval of the Central Bank of Jordan.

** It shall be prohibited to dispose of the balance of the Fair Value Reserve amounting to JD 467,161 as of December 31, 2013.

*** This amount resulted from the application of the financial accounting standard No. (26) (Investment in Real Estate) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as the Bank adopted the fair value model for investments in real estate held for use.

The accompanying notes from (1) to (65) constitute an integral part of these consolidated financial statements and read therewith.

For the Year Ended December 31, 2012	Paid-up Capital		Statutory Reserve		Voluntary Reserve		Special Reserve		General Banking Risks Reserve*		Fair Value Reserve **		Retained Earnings		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance as at 1st January 2012	100,000,000	34,507,433	13,886,384	3,011,895	700,000	57,494	54,785,295	206,948,501								
Effect of applying the financial accounting standard No. 26***	-	-	-	-	-	-	-	-	-	-	-	-	212,760	212,760		
Adjusted balance as at 1st January 2012	100,000,000	34,507,433	13,886,384	3,011,895	700,000	57,494	54,998,055	207,161,261								
Profit after tax	-	-	-	-	-	-	-	-	-	-	-	-	36,445,903	36,445,903		
Profits of financial assets at the fair value realized from ownership equity (self-constructed)	-	-	-	-	-	-	-	-	-	-	-	-	85,458	85,458		
Change in fair value reserve	-	-	-	-	-	-	-	-	-	-	103,631	-	103,631	-		
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	-	103,631	36,531,361	36,634,992			
Capital increase	25,000,000	-	(10,000,000)	(3,011,895)	-	-	-	-	-	-	-	(11,988,105)	-			
Transferred to (from) reserves	-	5,127,451	5,092,112	-	-	-	-	-	-	-	-	(10,219,563)	-			
Distributed dividends	-	-	-	-	-	-	-	-	-	-	-	(15,000,000)	(15,000,000)			
Balance as at December 31, 2012	125,000,000	39,634,884	8,978,496	-	700,000	161,125	54,321,748	228,796,253								

* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 700,000 as of December 31, 2012 without the prior approval of the Central Bank of Jordan.

** It shall be prohibited to dispose of the balance of the Fair Value Reserve amounting to JD 161,125 as of December 31, 2012.

*** This amount resulted from the application of the financial accounting standard No. (26) (Investment in Real Estate) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as the Bank adopted the fair value model for investments in real estate held for use.

Consolidated Statement of Cash Flows For the Year Ended December 31, 2013**Statement (E)**

Description	Notes	2013 ID	2012 ID
Cash Flows from Operating Activities			
Profit before Tax		64,680,715	51,198,005
Amendments to Non-Cash Items:			
Depreciations and Amortizations		4,162,319	3,481,179
Investment Risk Fund		(7,075,805)	6,974,322
Employee leaves provision		350,000	150,000
Provision for Staff End of Service		1,250,000	500,000
Losses of Assets impairment- Self-Constructed		-	191,145
Exchange Rates Effect on Cash and Cash Equivalent		(1,316,871)	(880,918)
Profit before Change in Assets and Liabilities		62,050,358	61,613,733
Change in Assets and Liabilities			
Decrease in investment Accounts at Banks and Banking Institutions for more than 3 Months		3,722,250	460,850
Increase in Deferred Sales and Other Receivables		(5,343,074)	(672,440,828)
Increase in Finances		(2,048,470)	(2,192,130)
Increase in Ijara Muntahia Bitamleek		(72,482,759)	(49,532,397)
(Increase) decrease in Al Qard Al Hasan		(1,633,514)	2,704,996
Decrease (increase) in Other Assets		1,152,140	(3,479,782)
Increase in Current and Call Accounts		99,573,374	56,838,046
Increase (decrease) in Accounts Payable		452,339	(154,607)
Decrease in Cash Margins		(328,728)	(209,812)
Increase (decrease) in other liabilities		421,525	(2,531,102)
Net change in assets and liabilities		23,485,083	(670,536,766)
Net Cash Flows from (used in) Operating Activities before Tax		85,535,441	(608,923,033)
Paid Taxes		(16,523,469)	(14,537,984)
Net Cash Flows from (used in) Operating Activities		69,011,972	(623,461,017)
Cash Flows from Investment Activities			
Sale of financial assets at fair value through the ownership equity		3,507,117	1,295,289
Purchase of financial assets at fair value through the ownership equity		(31,643)	(1,282,083)
Sale of financial assets at fair value through the equity of the joint investment		33,968,404	32,898,962
Purchase of financial assets at fair value through the equity of the joint investment account holders		(444,585)	(17,168,718)
Sale of Real Estate Investments		1,389,849	2,194,734
Purchase of Real Estate Investments		(3,197,945)	(4,667,106)
Sale of Properties and Equipment		112,606	143,476
Purchase of Equipment and Properties		(8,731,075)	(13,391,102)
Purchase of intangible assets		(1,218,427)	(926,422)
Net Cash Flows from (used in) Investment Activities		25,354,301	(902,970)
Cash Flow from Financing Activities			
Increase in Unrestricted Investment Accounts Holdrs' Equity		133,833,063	42,059,578
Dividends Distributed to Shareholders		(18,750,000)	(15,000,000)
Net Cash Flow from Financing Activities		115,083,063	27,059,578
Net increase (decrease) in cash and cash equivalent		209,449,336	(597,304,409)
Exchange Rates Effect on Cash and Cash Equivalent		1,316,871	880,918
Cash and Cash Equivalent at Year-Beginning	52	711,559,076	1,307,982,567
Cash and Cash Equivalent at Year-End	52	922,325,283	711,559,076

**Consolidated Statement of Sources and Uses of the Amounts of Al Qard Al Hasan Fund
For the Year Ended December 31, 2013
Statement (F)**

Description	2013	2012
	JD	JD
Year Beginning Balance	7,782,581	10,487,577
Sources of the Fund Money from:		
The amounts that the Bank is authorized to use	19,797,522	22,329,117
Outside the Bank	847,502	832,499
Total Sources of the Fund money during the Year	20,645,024	23,161,616
Uses of the Fund's Money for:		
Education	1,858,879	1,562,811
Medical Treatment	597,682	685,655
Marriage	504,509	749,362
Overdraft Accounts	16,876,413	15,412,261
Social Advances for the Bank Employees	2,441,055	2,046,531
Total Uses During the Year	22,278,538	20,456,620
Year-End Balance	9,416,095	7,782,581
Less: Assets Impairment Provision – Self-Constructed	(3,100,000)	(3,100,000)
Year-End Balance, Net	6,316,095	4,682,581

The accompanying notes from (1) to (65) constitute an integral part of these consolidated financial statements and read therewith.



Opening of
Al Shounah Al Janoubiah
Branch



Notes to the
Consolidated Financial Statements



Notes to the Consolidated Financial Statements

As on December 31, 2013

1. General Information

- Jordan Islamic Bank was established as a public shareholding limited liability company on November 28, 1978 pursuant to the provisions of the Companies Law No. (12) of 1964, with its Head Office in Amman.
- The Bank offers all banking, financial and investment services on an interest-free basis in compliance with the rules and principles of the Islamic Sharia through its head office, 67 branches and 13 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applied Banks Law.
- Jordan Islamic Bank shares are listed in Amman Stock Exchange -Jordan.
- The consolidated financial statements were approved by the Bank's Board of Directors in its session No. (1) held on February 11, 2014 and are subject to the approval of the General Assembly of Shareholders, and the Central Bank of Jordan.
- The Bank's Sharia Supervisory Board reviewed and checked the consolidated financial statements in their meeting No. (01/2014) held on 23 January 2014 and issued their annual report.
- To observe the Bank's obligations under its Articles of Association and Memorandum of Association to comply with the principles and rules of the Islamic Sharia and in observance of the provisions of the Banks Law; the Bank appoints, under a decision of the General Assembly of Shareholders, Sharia Supervisory Board of no less than 3 members. The opinion of Sharia Supervisory Board shall be binding to the Bank, and it is responsible for monitoring the bank's operations and activities in terms of their compliance with the Sharia principles and give Sharia opinion (Fatwa) on the wording of the contracts necessary for the operations and activities of the bank, in addition to issuing an annual report to the General Assembly of Shareholders thereon.

2. Significant Accounting Policies:

Bases of Financial Statements Preparation:

- The consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds were prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, in accordance with the effective domestic laws and as per the instructions of the Central Bank of Jordan.
- The Bank applies the standards issued by the Accounting and Auditing Organization for Islamic financial Institutions.
- The consolidated financial statements were prepared according to the historical cost principle except the financial assets at the fair value through the equity rights and the financial assets at the fair value through the joint investment account equity holders and investment in real estates held for use as all of them are reflected at the fair value on the date of the consolidated financial statements.
- The Jordanian dinar is the currency of presenting the consolidated financial statements and represents the main currency of the Bank.
- A distinction should be made between equity holders and joint investment accounts holders.
- The investment risks fund shall be used to compensate the decrease in finance and investment accounts financed by unrestricted investment accounts.
- The standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee, which is part of the International Accounting Standards Board, shall be applied in case no standards are issued by the Accounting and Auditing Organization for Islamic Financial Institutions and until Islamic standards are issued to supersede them.
- The unrestricted investment accounts refer to the joint investment accounts wherever mentioned herein.

Changes in Accounting Policies

- The accounting policies followed in the preparation of the consolidated financial statements correspond to those followed in the preparation of the consolidated financial statements for the year ended at December 31, 2012. However, the Bank applied the financial accounting standard No. (26) (Investment in Real Estate) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) entitled "Investment in Real Estate" as of 1st January 2013 which initially recognizes investment in real estate at cost in addition to the direct costs. It is consequently measured based on the application whether they are held for use or sale.

1-In case they are held for use: to apply the cost or fair value model.

Cost model: to register the investments in real estates at cost less accumulated depreciation and any impairment provision, if any.

Fair value model: in case of using this model, it should be applied to all investments in real estate where such investments are measured at the fair value and increase in value is reflected in the fair value reserve. Any decrease in the fair value shall be deducted from the previously reflected increase. In case there is no increase in

the previously reflected value, the difference in the consolidated income statement shall be recognized.

2-Held for sale: to reflect the investments in real estate at the book value or the fair value less the sale costs, whichever is less. They shall not be depreciated where the differences are reflected in the consolidated income statement.

- The Bank adopted the fair value model (held for use). Based on the Standard, the fair value model will be used for all investments in real estate. As a result of applying the same to the investments in real estate held for realization of periodic revenue which subjected to the cost model, the effect was as follow:

Description	Balance before adjustment	Effect of applying financial accounting standard No. 26	Balance after adjustment
	JD	JD	JD
As at 31 December 2012			
Investments in real estate	70,230,600	788,565	71,019,165
Investment Risks Fund	14,428,749	98,353	14,527,102
Joint investment profits / for distribution purposes	-	282,709	282,709
Income Tax Provision	13,958,110	122,251	14,080,361
Retained Earnings	54,036,496	285,252	54,321,748

Bases of Financial Statements Consolidation:

- The consolidated financial statements include the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank is able to govern the financial and operating policies of subsidiaries in order to benefit from their activities. The transactions, balances, revenues and expenses between the Bank and subsidiaries shall be eliminated.
- The financial statements of subsidiaries for the same fiscal year of the Bank shall be prepared using the same accounting policies applied in the Bank.
- The results of subsidiary operations shall be consolidated in the consolidated income statement as of the date of acquisition, which is the date the Bank's control over subsidiaries is actually transferred. The results of disposed of subsidiary operations shall be consolidated in the consolidated income statement until the date of disposal, which is the same date the Bank's loses control over subsidiaries.
- The non-controlling equity represents the portion not owned by the Bank or by the unrestricted investment accounts from the equity rights in the subsidiaries.
- In case of preparing separate financial statements for the Bank as an independent entity, the investments in subsidiaries shall be reflected at cost.

The Bank has the following subsidiaries as on 31 December 2013:

Company Name	Paid up capital JD	Bank's Ownership Rate %	Company's nature of work	Place of work	Date of acquisition
Omariah Schools Company Ltd.	8,550,000	94.4%	Education	Amman	1987
Al Samaha Funding and Investment Company Ltd.	8,000,000	98.7%	Funding	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments	5,000,000	100%	Brokerage	Amman	2005

Sectors Information:

- The business sector represents a group of assets and operations that all combine to provide products or services subject to risks and returns that are different from those related to other business sectors, which will be measured in accordance with the reports used by the general manager and decision makers of the Bank.
- The geographic segment is associated with the provision of products or services in a specific economic environment subject to risks and revenues different from those of sectors operating in other economical environments.

Bases of Distributing Joint Investment Profits between Ownership Equity Holders and Unrestricted Investment Accounts Holders and Restricted Investment Accounts Holders:

- 10% shall be allocated to the Investment Risks Fund pursuant to Article (55) of the Jordanian Banks Law (2012: 15%).
- The Bank's share as speculator was deducted this year at 37% for Jordanian Dinar instead of 40% (in form of donations for the joint investment account holders) and 40% for foreign currencies of total joint investment profits (2012: 37% for Jordanian Dinar, 45% for foreign currencies).
- The remaining balance is distributed between the unrestricted investment accounts and the Bank's invested funds, each according to the percentage of its contribution to the joint investment funds, taking into consideration that the priority of employing investments belongs to the holders of unrestricted investment accounts.
- The joint investment accounts shall share the results of investment profits and shall be distributed to depositors, each according to his contribution and as per the terms of the account signed between the Bank and the depositor.

The joint investment accounts shall share profits on the following bases:

- 50% of the annual rate of saving accounts balance.
 - 70% of the annual rate of notice accounts balance.
 - 90% of the lowest balance of time deposit accounts.
-
- The Bank shall bear all administrative expenses and shall not bear any part of the unrestricted investment accounts whatsoever.
 - The investment portfolio and restricted investment accounts are managed under speculation contracts.
 - The investment by proxy accounts are managed under brokerage contracts.
 - The Bank's share as a speculator was deducted at a rate of 10% on 30 June 2013 and 5% on 31 December 2013 from the total profits of the Muqarada bonds compared to a deduction of 15% on 30 June 2012 and 15% on 31 December 2012. The general rate of the profits distributed to the Muqarada bonds holders amounted 4.79% on 30 June 2013 and 4.51% on 31 December 2013 compared to 4.36% on 30 June 2012 and 4.29% on 31 December 2012..
 - The Bank's share as a speculator was deducted at a rate of 25% from the restricted investment accounts profits in the Jordanian Dinar and 45% from the restricted investment accounts profits in foreign currencies. In addition, the general rate of the profits distributed to the restricted investment accounts amounted 0.15% as on 31 December 2013 (2012: 0.15%).
 - The profit shall be distributed after deducting the Bank's share as speculator on the investment portfolios and the restricted investment accounts participating in the investment, each per its participation percentage.

Sharia Non-Compliant Revenues, Gains, Expenses and Losses

- The Bank shall record the revenues, gains, expenses and losses violating the Islamic Sharia in a separate account within the other liabilities. They shall be spent on charitable activities as determined by the Sharia Supervisory Board.

Zakat:

- The responsibility of Zakat payment falls on shareholders, unrestricted and restricted investment accounts holders and participants in Muqarada bonds (investment portfolios) once the required conditions are satisfied.

Deferred Sale Receivables:**1- Murabaha Contracts:**

- Murabaha: selling a commodity for the same price at which the seller bought it plus predetermined known profit, at a percentage of the price or a lump sum. It is one of the credit sales that relies on indicating the purchase price or cost.
- Murabaha to the Purchase-Orderer: an arrangement where the bank sells to a customer (purchase-orderer) a commodity with a specific increase in its price or cost after identifying such increase (Murabaha profit in Wa'ed). It is also called Banking Murabaha.
- The bank applies the principle of Wa'ed in Murabaha to purchase-orderer contracts as per the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- The revenues of deferred sales (whose price is fully paid at once that is due after the current financial period or is paid on installments over several subsequent financial periods) shall be recognized through distributing them to the future financial periods of the deferred period, in such a way that each financial period is allocated a certain share of profits regardless of whether or not payment is made in cash.
- Deferred sale receivables shall be carried at their face value as they occur and are measured at the end of the financial period on the basis of net realizable cash value.

2- Assets Available for Forward Sale:

- The assets acquired by the bank for the purpose of selling them on basis of forward sale (in installments). This type of selling assets is also called installment-bargain sale to distinguish it from Murabaha to purchase-orderer.
- The assets available for forward sale shall be carried at cost upon contracting and are measured on the basis of cost (purchase value and any direct expenses related to acquisition)
- The assets available for forward sale shall be evaluated at the end of the financial period at their fair value and the change amount resulting from valuation—if any- shall be measured on the basis of the difference between the book value and the fair value. Unrealized Profits (losses) shall be recognized in the fair value reserve account.
- Profits in the forward sale transactions shall be recognized according to the accrual basis and distributed to the financial periods of the contract term. The profits of the upcoming years shall be recorded in the forward sale revenues account.
- The forward sale receivables shall be carried at their face value upon contracting (contracted value).

Musharaka Financing:

- An arrangement where the bank and the client offer money in equal or different portions to establish a new project or contribute to an existing one, so that each party owns a share in the capital on a constant or diminishing basis and is entitled to payable dividends. Losses shall be shared according to each partner's share in the capital and it is prohibited to stipulate otherwise. This type of financing is divided into constant Musharaka and diminishing Musharaka ending in ownership.
- The bank's share in Musharaka capital shall be recorded upon delivery to the managing partner or deposit in the Musharaka Account and is measured at the value of the amount paid in cash or the fair value if it is in kind. If property valuation results upon contracting into a difference between the fair value and the book value, the difference shall be recognized as profit or loss.
- The bank's share in the constant Musharaka capital at the end of the financial period shall be measured at the historical cost. In case of diminishing Musharaka, the capital shall be measured at the end of the financial period at the historical value less the historical value of the sold share at fair value agreed upon. The difference between the two values shall be recognized as profit or loss in the consolidated income statement.
- The bank's share in the profits or losses of Musharaka financing transactions which start and end during the financial period shall be recorded after liquidation. In case the Musharaka continued for more than one financial period, the bank's share of the profits shall be recorded upon realization through complete or partial sharing of profits between the bank and the partner in the financial period where it occurred and within the limits of the distributed profits. As for the bank's share of the losses for a financial period, it shall be recognized in the bank's books for that period and within the limits of the losses by which the bank's share in Musharaka capital is reduced.
- In case of losses as a result of the partner's violation or negligence, the partner shall incur those losses as receivables.
- At the end of the financial period, the financing assets shall be recorded at cost or at the realizable cash value, whichever lower, and the difference shall be recorded as a provision of financing impairment.
- The revenues of non-performing deferred sales granted to clients shall be suspended according to the instructions of the Central Bank of Jordan.
- The deferred sale receivables and finances funded by unrestricted investment accounts are written off in case the procedures taken to collect them from the Investment Risk Fund are ineffective (except what is granted/financed and then written off from the deferred sale receivables and finances in the same year, as it is recorded

in the consolidated income statement/charged to the investment revenues). The collected amounts from receivables/finances previously written off are added to the Investment Risk Fund (except what is recorded in the income statement/charged to the investment revenues). As for the deferred sale receivables and finances funded by the bank's own funds and for which an impairment provision is allocated, they shall be written off in case the procedures taken to collect them are ineffective by deducting them from the provision. In addition, any surplus in the total provision, if any, shall be transferred to the consolidated income statement, and the amounts collected from previously written off receivables/finances shall be added to revenues.

Financial assets at fair value through the income statement:

- They are the financial assets acquired by the Bank to sell them in the near future and make profits from the short term market prices fluctuations or the trading profit margin.
- These assets are carried at fair value at the time of purchase (the acquisition expenses are carried at the consolidated income statement at the time of purchase). They are reevaluated at fair value and the change is reflected at fair value in the consolidated income statement, including the change in the fair value resulting from the differences of exchanging the non-cash assets with foreign currencies. In case of selling such assets, or part thereof, the resulting profits and losses are reflected in the consolidated income statement. The distributed or realized profits are reflected in the consolidated income statement.

Financial assets at fair value through the ownership equity– self constructed:

- They represent the investments in the equity instruments financed by the Bank's own funds to be held for a long term.
- Such assets shall be carried at fair value upon purchase in addition to the acquisition expenses and are subsequently revalued at fair value. The change in fair value shall be stated in the fair value reserve item within the equity.
- In case these assets or part thereof is sold, resulting profits and losses shall be recorded in the retained profits in accordance with the instructions of the Central Bank of Jordan.
- In case the value of these assets is impaired, the resulting profits or losses shall be recorded in the consolidated income statement.
- The impairment loss previously stated in the consolidated income statement is recoverable if it is objectively evident that the increase in fair value occurred in a period subsequent to the recordation of the impairment losses through fair value reserve reflected in the equity accounts.
- The profits resulting from these financial assets shall be recorded in the consolidated income statement on the date of distribution.
- The profits and losses resulting from differences of translating foreign currencies of equity instruments are stated in the fair value reserve item.
- The financial assets whose fair value cannot be reliably determined shall be stated at cost. The impairment test of such assets shall be conducted at the end of each financial period, and any impairment in their value shall be recorded in the consolidated income statement. The impairment loss of such assets is unrecoverable in subsequent periods.

Financial Assets at fair value through joint investment account holders equities:

- They represent the investments in the equity instruments financed by the joint investment account to be held for a long term.
- Such assets shall be carried at fair value upon purchase in addition to the acquisition expenses and are subsequently revalued at fair value. The change in fair value shall be stated in the fair value reserve item within the joint investment accounts holders equity.
- In case these assets or part thereof is sold, or in case their value is impaired, the resulting profits and losses shall be recorded in the consolidated income statement, including the amounts previously reflected in the joint investment accounts holders equity.
- The impairment loss previously stated in the consolidated income statement is recoverable if it is objectively evident that the increase in fair value occurred in a period subsequent to the recordation of the impairment losses through fair value reserve reflected in the joint investment accounts.
- The profits resulting from these financial assets shall be recorded in the consolidated income statement on the date of distribution.
- The profits and losses resulting from differences of translating foreign currencies of equity instruments are stated in the fair value reserve item.
- The financial assets whose fair value cannot be reliably determined shall be stated at cost. The impairment test of such assets shall be conducted at the end of each financial period, and any impairment in their value shall be recorded in the consolidated income statement. The impairment loss of such assets is unrecoverable in subsequent periods.

Investments in Affiliates:

- Affiliates are those companies over which the Bank exercises significant influence on decisions related to financial and operating policies, and are not subject to the Bank's control, and in which the Bank owns from 20% up to 50% of the voting equity.
- Investment in Affiliates shall be carried in accordance with the ownership equity method.
- In case of preparing separate financial statements for the Bank as an independent entity, the investments in affiliates shall be reflected in the fair value.

Ijara and hire-purchase contract (Ijara Muntahia Bittamleek):

Ijara is hiring an asset for consideration and is divided into:

Operating Lease: a lease contract which does not end in the lessee's ownership of the leased assets.

Ijara Muntahia Bittamaleek: a lease contract which ends in the lessee's ownership of the leased assets. It takes different forms as mentioned in the Ijara and Ijara Muntahia Bittamleek Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

- The assets acquired for Ijara are measured at historical cost upon acquisition, including the direct expenses required to make them serviceable. The leased assets are depreciated according to the depreciation policy followed at the Bank.
- When the amount recoverable from any assets acquired for Ijara is less than their net book value, their value shall be reduced to the recoverable value. The impairment value shall be stated in the consolidated income statement.
- Ijara revenues shall be distributed in consistence with the financial periods covered by the Ijara contract.
- The expenses of leased assets maintenance shall be stated in the financial period where they occur.

Real Estate Investments:

- It is acquisition of real estates or lands, or part thereof, to earn periodic revenue, or to hold them for the purpose of an increase in their future value, or both.
- Investments in real estate "held for use" according to the cost model or the fair value model.
- Investments in real estate "held for use" are recorded at cost in accordance with the cost model less the accumulated depreciation and any impairment provision, if any. While they are measured at the fair value in case of the fair value model and increase in value is reflected in the fair value reserve.
- Unrealized losses resulting from valuation of investments in real estate in accordance with the fair value model shall be stated in the fair value reserve item to the extent permissible by the balance of such reserve. In case unrealized losses exceed the balance of this reserve, the excess amount shall be recorded in the income statement under the item of unrealized profits (losses) of real estate investments from the valuation of investment in real estate.
- In case unrealized losses were recorded in previous financial period and valuation profits (unrealized) occurred in a subsequent financial period, then these profits shall be recorded in the consolidated income statement to the extent equal to the unrealized losses recorded in the income statement in previous periods. Any surplus in these profits shall be added to the fair value reserve.
- Realized profits (losses) resulting from the sale of any investments in real estate shall be measured on the basis of the difference between the book value and the net amount arising from the sale transaction. The outcome in addition to the previous share of this investment in the fair value reserve- if any- shall be recorded in the income statement.
- If the cost model or the fair value model is used, the model shall be applied to all investments in real estate.
- Investments in real estate "held for sale" shall be recorded at the book value or the fair value less the sale costs, whichever is less, and they shall not be depreciated. The differences shall be reflected in the consolidated income statement.
- Investment in real estate shall be classified as "held for sale" if they are expected to be sold within 12 months from the date of their acquisition. Should they are not sold within the said period, they shall be reclassified as mentioned above.
- The Bank records all investments in real state as "held-for-use" in accordance with the fair value model.

Joint Investment Risk Fund:

- The Bank deducts not less than 10% of the net profits of joint investment realized from various current transactions during the period. The above rate might increase pursuant to the directives of the Central Bank. The amended rate shall be effective after being increased in the fiscal year subsequent to the year in which the amendment is approved.
- The balance of the Joint Investment Risk Fund devolves to the Zakat fund after covering all expenses and losses for which the Fund was established to cover or amortize. Accordingly, the investors in the Islamic Bank shall have no equity in the amounts deducted at the approved accumulated rate in the Joint Investment Risk Fund, as these

are amounts are allocated to cover the losses of the joint investment operations.

- If any losses occurred in some joint investment operations that started and were completed in a certain year, these losses shall be covered by the profits realized in other joint investment operations that started and were completed within the same year. If losses exceed profits in the same year, then they shall be covered by the Joint Investment Risk Fund.
- If joint investment operations started and continued in previous years and it was found out in a certain year that such investment operations were failed operations in terms of results, their losses shall be covered by the Joint Investment Risk Fund.

Fair Value of Financial Assets:

- The closing prices (purchasing assets/selling liabilities) on the date of consolidated financial statements in active markets shall represent the fair value of financial instruments with market prices. In case there are no quoted prices, no active circulation of some financial instruments or the market is inactive; their fair value shall be estimated by comparing it to the current market value of a substantially similar financial instrument.
- In case of financial instruments whose fair value cannot be reliably measured, they shall be stated at cost after deducting any impairment in their value.

Impairment of Financial Assets:

- The Bank shall review the values entered in records for financial assets on the date of the consolidated financial position statement to determine whether there is any indication of impairment in their values, individually or collectively. If any such indication of impairment exists, the recoverable value shall be estimated in order to determine the impairment loss.

Fair Value of Non-Financial Assets Stated at Fair Value:

- The market prices on the date of consolidated financial statements (when active markets for such assets exist) shall represent the fair value of non-financial assets stated at fair value. When such markets do not exist, they shall be estimated on the date of consolidated financial statements by taking the arithmetic mean of the estimated of three licensed and approved think tanks.

Depreciation:

A- Depreciation of Assets Available for Investment:

- The assets available for investment shall be depreciated according to the policy adopted by the Bank related to the investment of these assets. In addition, these assets shall be depreciated according to their useful life based on straight-line depreciation method.

B- Property and Equipment:

- The property and equipment shall be carried at cost after deducting the accumulated depreciation and any impairment. The property and equipment (except lands) shall be depreciated when they are ready for use according to the straight-line depreciation method over their expected useful life using the following rates:

Item	%
Buildings	2%
Equipment, Appliances, Furniture	2.5% - 15%
Transportation Means	15%
Computers	25%

- The useful life of property and equipment shall be reviewed at the end of each year. If the useful life expectations are different from pre-prepared estimates, the change shall be recorded in the estimate of subsequent years, as considered a change in estimates.
- When the amount recoverable from property, equipment and assets available for investment is less than their net book value, their value shall be reduced to the recoverable value and the impairment value shall be stated in the consolidated income statement.

Intangible Assets:

- The intangible assets shall be classified on the basis of estimating their life for definite or indefinite period of time. The intangible assets with definite life shall be amortized during this lifetime and the amortization shall be recorded in the consolidated income statement. As for the intangible assets with indefinite life, the impairment in their value shall be reviewed on the date of financial statements and any impairment shall be stated in the consolidated income statement.
- The intangible assets resulting from the Bank's transactions shall not be capitalized and shall be recorded in the consolidated income statement in the same period.

- Any indications of intangible assets impairment shall be reviewed on the date of financial statements. Also, the life of those assets shall be reviewed and any amendments shall be made to subsequent periods.

Following is the accounting policy for each item of the Bank's intangible assets:

Item	%
Computer Programs	25%

Assets Devolving to the Bank to Repay Payable Debts:

- The assets devolving to the Bank in repayment of payable debts shall be stated at fair value in the consolidated statement of financial position within Real Estate Investments.

Provisions:

- Provisions shall be recognized when there are obligations due upon the Bank on the date of the consolidated statement of financial position as a result of previous events, the fulfillment of obligations is probable and their value can be reliably measured.

(1) End of Service Indemnity:

The end of service indemnity shall be calculated pursuant to the provisions of the Labor Law and the Bank's bylaws.

(2) Employees Leaves provision:

The employee leaves provision shall be calculated pursuant to the Bank's bylaws, and the amounts shall be transferred to this provision in accordance with the accrual basis.

Income tax:

- Tax expenses shall represent the accrued and deferred taxes.
- Accrued tax expenses shall be calculated on the basis of taxable profits. The taxable profits differ from profits declared in the consolidated financial statements, as declared profits include non-taxable revenues, non-deductible expenses in the fiscal year but rather in subsequent years, accumulated taxably accepted losses or non-deductible items for tax purposes.
- The Bank shall deduct income tax provision pursuant to the Interim Income Tax Law No. (28) of 2009 as well as the International Accounting Standard No. (12) which requires recognition of deferred taxes resulting from time differences of fair value reserve. Accordingly, the Bank may incur deferred tax liabilities.
- Deferred taxes are those which are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the consolidated financial statements and the value on which the tax profit is calculated. The deferred taxes are calculated using the method of commitment to the statement of financial position, and the deferred taxes shall be calculated according to the tax rates expected to be applied upon settlement of tax obligation or realization of deferred tax assets.
- The balance of deferred tax assets shall be reviewed on the date of the consolidated financial statements and shall be reduced in case it is not probable to wholly or partially benefit from those tax assets.

Costs of Issuing or Purchasing the Bank's Stocks:

- Any costs resulting from issuing or purchasing the Bank's stocks shall be charged to the retained earnings (on net basis after the tax effect of these costs, if any). If the issuance or purchasing is not completed, these costs shall be recorded as expenses in the consolidated income statement.

Accounts Managed for Clients:

- They are the accounts managed by the Bank on behalf of its clients and shall not be considered as part of the Bank's assets. The charges and commissions of managing these accounts shall be stated in the consolidated income statement.

Offsetting:

- Financial assets and financial liabilities shall be offset. The net amount shall be stated in the consolidated statement of financial position only when the legal binding equity are available and when they are settled on the basis of offsetting, or when the realization of assets and settlement of liabilities occur at the same time.

Revenues Realization and Expenses Recognition:

- Revenues are realized and expenses are recognized on accrual basis, other than deferred investment profits and non-operating finances that are not recognized as investment profits and are stated in the outstanding investment profits.
- The commissions shall be recorded as revenues upon offering relevant services, and the dividends of companies'

stocks shall be recognized upon realization (approved by the General Assembly of Shareholders).

Date of Recognizing Financial Assets:

- The purchase and selling of financial assets shall be recognized on the date of trading (the date of the Bank's commitment to sell or purchase financial assets).

Foreign Currencies:

- Transactions in foreign currencies during the year shall be recorded at the prevailing exchange rates on the date of transaction (Exchange/Taqabud).
- The balances of financial assets and financial liabilities shall be translated at the prevailing average exchange rates of foreign currencies on the date of financial position statement declared by the Central Bank of Jordan.
- Nonfinancial assets and nonfinancial liabilities shall be translated at foreign currencies and shall be stated at fair value on the date of determining their fair value.
- The profits and losses resulting from foreign currencies translation shall be stated in the consolidated income statement.
- The translation differences of non-cash assets and liabilities at foreign currencies (such as stocks) shall be recorded in the fair value reserve.

Cash and Cash Equivalent:

- It is cash and cash balances that are due within three months and include: cash, balances at central banks and balances at banks and banking institutions. The deposits of banks and banking institutions that are due within three months as well as restricted balances shall be deducted.

(3) Using Estimates:

- The preparation of financial statements and the application of accounting policies require the Bank's management to make estimates and judgments affecting the amounts of financial assets and liabilities and to disclose contingent liabilities. Furthermore, these estimates and judgments shall affect revenues, expenses and provisions as well as the changes in fair value stated in both equity and unrestricted investment account holders' equity. Particularly, the Bank's management shall be required to issue significant judgments to estimate the amount and timing of future cash flows. The said estimates are essentially based on multiple assumptions and factors with varying degrees of estimation and uncertainty. The actual results might differ from estimates as a result of the changes induced by the conditions and circumstances of those estimates in the future.

We believe that our estimates in light of the financial statements are reasonable, and they are detailed as follows:

- Impairment provision of sale receivables and finances: the Bank shall deduct 10% of the net revenues of joint investment accounts to be transferred to the Joint Investment Risk Fund in accordance with Article (55) of the Banks Law. Then this rate shall be compared to the provision of these receivables and finances within the bases established by the Central Bank of Jordan.
- Income Tax Provision: income tax shall be charged to the relevant fiscal year in accordance with the accounting systems, laws and standards. Deferred tax assets and liabilities as well as the necessary tax provision shall be calculated and stated.
- The Bank's management shall carry out a periodic review of the financial assets carried at cost to estimate any impairment in their value, and impairment is stated according to the financing body of those investments.

(4) Cash and Balances at Central Banks:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Cash in Treasury	92,016,944	88,088,660
Balances at the Central Bank of Jordan:		
Current Accounts	572,114,089	381,826,832
Mandatory Cash Reserve	199,792,649	183,483,097
Total Balances at the Central Bank of Jordan	771,906,738	565,309,929
Total	863,923,682	653,398,589

- In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles of Association, the Bank does not charge any interests on balances and current accounts with the Central Bank of Jordan.
- An amount of JD 35,700,316 and an amount of 17,818,941 were deducted as of December 31, 2013 and December 31, 2012 consecutively, representing cash balances of restricted investment accounts and Muqarada Bonds

accounts not yet invested.

- There are no due amounts for more than three months as on December 31, 2013 and December 31, 2012.
- There are no restricted withdrawing amounts except the mandatory cash reserve as on December 31, 2013 and December 31, 2012.

(5) Balances at Banks and Banking Institutions

The details of this item are as follows:

Description	Local Banks and Banking Institutions		Foreign Banks and Banking Institutions		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	813,106	7,084,590	50,096,779	38,267,110	50,909,885	45,351,700
Barter operations due within 3 months or less	-	-	539,474	539,474	539,474	539,474
Unrestricted Investment Accounts that are due within 3 months or less	-	-	19,710,200	24,815,000	19,710,200	24,815,000
Total	813,106	7,084,590	70,346,453	63,621,584	71,159,559	70,706,174

- In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles of Association, the Bank does not charge any interest on balances and current accounts at local and foreign banks and banking institutions.
- There are no restricted withdrawing amounts at the local and foreign banks and banking institutions as on December 31, 2013 and December 31, 2012.

(6) Investment accounts at Banks and Banking Institutions

The details of this item are as follows:

Description	Foreign Banks and Banking Institutions	
	December 31, 2013	December 31, 2012
	JD	JD
Accounts due within 3-6 months	2,127,000	3,722,250
Accounts due 9-12 months	-	2,127,000
Total	2,127,000	5,849,250

- There are no restricted withdrawing amounts at the foreign banks and banking institutions as on December 31, 2013 and December 31, 2012.

(7) Deferred Sale Receivables and Other Receivables – Net

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	JD	JD	JD	JD	JD	JD
Individuals (Retail)						
Murabaha to the Purchase-Orderer	477,264,758	458,828,062	-	-	477,264,758	458,828,062
Forward Sale	1,659,154	1,699,080	395,000	553,000	2,054,154	2,252,080
Forward Ijara	136,526	-	-	-	136,526	-
Client Receivables	-	-	4,279,500	3,895,732	4,279,500	3,895,732
Property Financing	330,374,829	303,931,180	-	-	330,374,829	303,931,180
Major Companies:						
International Murabaha	39,400,169	29,252,413	-	-	39,400,169	29,252,413
Murabaha to the Purchase-Orderer	394,505,973	388,017,668	-	-	394,505,973	388,017,668
Small and Medium Enterprises:						
Murabaha to the Purchase-Orderer	138,095,295	162,794,693	-	-	138,095,295	162,794,693
Client Receivables	833,498	699,169	-	-	833,498	699,169
Government and public sector	650,708,615	698,461,000	1,156,867	2,189,110	651,865,482	700,650,110
Total	2,032,978,817	2,043,683,265	5,831,367	6,637,842	2,038,810,184	2,050,321,107
Less: Deferred Revenues*	(203,405,234)	(236,668,379)	-	-	(203,405,234)	(236,668,379)
Less: Outstanding Revenues**	(8,260,510)	(6,955,426)	-	-	(8,260,510)	(6,955,426)
Less: Impairment Provision	(67,863,635)	(52,510,081)	(500,510)	(750,000)	(68,364,145)	(53,260,081)
Net Deferred Sales & Other Receivables	1,753,449,438	1,747,549,379	5,330,857	5,887,842	1,758,780,295	1,753,437,221

* Deferred revenues include both Murabaha to the purchase-orderer and deferred forward sale revenues.

** Outstanding revenues include both Murabaha to the purchase-orderer and outstanding forward sale revenues.

Below is the movement of the impaired provision for deferred sale receivables and other receivables and finances – self constructed:

For the year ended December 31, 2013	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Year beginning balance	750,000	-	-	-	-	750,000
Deducted from revenues during the year	200,000	-	-	-	-	200,000
Used from the provision during the period (liabilities and written off finances)	(449,490)	-	-	-	-	(449,490)
End year balance	500,510	-	-	-	-	500,510

As of December 31, 2013	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non- operating Al Qard Al Hasan on the single client basis	48,016	-	-	-	-	48,016
Impaired provision of under monitoring Al Qard Al Hasan on the single client basis	108,844	-	-	-	-	108,844
Impaired provision of under monitoring Al Qard Al Hasan on the portfolio basis	343,650	-	-	-	-	343,650
End year balance	500,510	-	-	-	-	500,510

For the year ended December 31, 2013	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Year beginning balance	630,000	-	-	-	-	630,000
Deducted during the year from the revenues	120,000	-	-	-	-	120,000
End year balance	750,000	-	-	-	-	750,000

As of December 31, 2012	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non- operating Al Qard Al Hasan on the single client basis	496,135	-	-	-	-	496,135
Impaired provision of under monitoring Al Qard Al Hasan on the single client basis	85,459	-	-	-	-	85,459
Impaired provision of under monitoring Al Qard Al Hasan on the portfolio basis	168,406	-	-	-	-	168,406
End year balance	750,000	-	-	-	-	750,000

There are no dispensable provisions due to settlements or debt payments and transferred to other receivables, finances, and Ijara as on December 31, 2013 and December 31, 2012.

The movement on the forward sale receivables was as follow:

For the year ending 31 December 2013	Forward sale receivables	Deferred revenues
	JD	JD
Year beginning balance	2,252,080	304,435
Additions	547,717	110,207
Disposals	(745,643)	(132,805)
End year balance	2,054,154	281,837

Below is the movement on the outstanding revenues:

Description	Joint for the year ended December 31, 2013				
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Year beginning balance	2,874,020	1,467,744	1,754,846	858,816	6,955,426
Add: outstanding revenues during the year	639,678	1,238,554	1,598,116	864,359	4,340,707
Less: outstanding revenues transferred to the deferred revenues	(535,469)	(1,524,624)	(697,657)	(277,873)	(3,035,623)
End year balance	2,978,229	1,181,674	2,655,305	1,445,302	8,260,510

Description	Joint for the year ended December 31, 2012				
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Year beginning balance	4,121,163	1,594,715	2,468,109	2,119,260	10,303,247
Less: outstanding revenues transferred to the revenues	(1,531,731)	(265,976)	(764,977)	(1,346,566)	(3,909,250)
Add: outstanding revenues during the year	795,818	307,947	476,605	409,240	1,989,610
Less: outstanding revenues transferred to revenues	(511,230)	(168,942)	(424,891)	(323,118)	(1,428,181)
End year balance	2,874,020	1,467,744	1,754,846	858,816	6,955,426

(8) Assets of Ijara Muntahia Bittamleek- Net

The details of this item are as follows:

Description	Joint December 31, 2013		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	457,781,706	(112,844,902)	344,936,804

Description	Joint December 31, 2012		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	351,804,982	(79,350,937)	272,454,045

- The total unpaid accrued Ijara installments amounted JD 2,765,787 as of December 31, 2013 compared to JD 2,430,221 as of December 31, 2012.
- The total non-operating Ijara installments amounted JD 15,472,508 as of December 31, 2013 compared to JD 13,930,479 as of December 31, 2012.

(9) Finances – Net

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	21,965,196	19,696,457	436,595	681,659	22,401,791	20,378,116
Less: Impairment Provision	(170,749)	(195,544)	-	-	(170,749)	(195,544)
Net Finances	21,794,447	19,500,913	436,595	681,659	22,231,042	20,182,572

- Deferred sales and other receivables, finances and non-operating Al Qard Al Hasan amounted JD 98,431,299 as of December 31, 2013, i.e. 4.75% of the balance of deferred sales and other receivables, finances and Al Qard Al Hasan compared to JD 91,942,854 as of December 31, 2012, finances i.e. 4.42% of the balance utilized at the end of the previous year.
- Deferred sales and other receivables, finances and non-operating Al Qard Al Hasan amounted JD 90,170,789 as of December 31, 2013, i.e. 4.35% of the balance of deferred sales and other receivables finances and non-operating Al Qard Al Hasan compared to JD 84,987,428 as of December 31, 2012, i.e. 4.09% of the balance utilized at the end of the previous year.
- Deferred sales, other receivables, and finances granted to and guaranteed by the Government of Jordan amounted JD 651,865,482 as of December 31, 2013, i.e. 31.63% of the balance of deferred sales, other receivables and finances compared to JD 700,650,110 as of December 31, 2012, i.e. 33.84% of the balance utilized at the end of the previous year.

(10) Financial Assets at fair value through the ownership equity – self constructed

The details of this item are as follow:

Description	December 31, 2013	December 31, 2012
	JD	JD
Financial assets with market prices:		
Companies shares	1,366,598	948,460
Total financial assets with market prices	1,366,598	948,460
Financial assets without market prices:		
Companies shares	883,154	838,314
Muqarada bonds	-	3,500,000
Total financial assets without market prices	883,154	4,338,314
Total financial assets at fair value through the ownership equity – self constructed	2,249,752	5,286,774

- No financial assets reflected at cost due to the impossibility of determining their fair value as on December 31, 2013 compared to JD 3,500,000 as on December 31, 2012.

(11) Financial assets in the fair value through the joint investment accounts holders equities

The details of this item are as follow:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Financial assets with market prices:		
Companies shares	29,038,755	32,530,922
Total financial assets with market prices	29,038,755	32,530,922
Financial assets without market prices:		
Companies shares	2,086,620	2,086,620
Islamic banks portfolio	10,564,888	13,577,234
Islamic Sukuk	6,381,000	9,926,000
Muqarada bonds	180,000	26,278,000
Total financial assets without market prices	19,212,508	51,867,854
Total financial assets at fair value through the joint investment accounts holders equities	48,251,263	84,398,776

- The total financial assets reflected at cost due to the impossibility of determining their fair value as on December 31, 2013 amounted JD 19,212,508 compared to JD 51,867,854 as on December 31, 2012.

(12) Investments in Affiliates:
The details of this item are as follow:

Affiliates/ Joint	Country of incorporation	Ownership Percentage %	Nature of activity	Date of preparing financial statements	Year of ownership	Joint			
						Investment cost		Amount under the ownership equity method	
						Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
						JD	JD	JD	JD
Jordan Center for International Trading Co	Jordan	28.4	Commercial	Dec. 31	1983	1,069,932	1,069,932	1,550,721	1,455,103
AlAmin Investment Co.	Jordan	29.7	Services	Dec. 31	1995	4,061,558	4,061,558	3,974,330	4,012,800
Islamic Insurance PLC.	Jordan	33.2	Insurance	Dec. 31	1995	4,607,692	4,607,692	5,352,278	5,178,661
Arabian Steel Pipes Mfg. Co.	Jordan	26.0	Industry	Dec. 31	1994	5,127,585	5,127,585	3,913,365	3,908,128
Total affiliates / Joint						14,866,767	14,866,767	14,790,694	14,554,692

- Investments in affiliates / joint under the ownership equity method noting that their fair value on December 31, 2013 amounted JD 15,864,742 compared to JD 15,184,577 on December 31, 2012.

(13) Real Estate Investments

Held-for-use:

Details of this item are as follows:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Real Estate investments	77,038,947	71,019,165
Net Assets	77,038,947	71,019,165

The real estate investments are carried at fair value, noting that its book value (cost) is JD 64,125,486 as of December 31, 2013 compared to JD 62,317,390 as of December 31, 2012.

(14) Al Qard Al Hasan (Good Loans)- Net:

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Al Qard Al Hasan	9,416,095	7,782,581
Less: Assets Impairment Provision-Self Constructed *	(3,100,000)	(3,100,000)
Al Qard Al Hasan-Net	6,316,095	4,682,581

* The transactions of assets impairment provision-self constructed are as follows:

Item	Year beginning balance	Formed during the year	Utilized during the year	Transferred during the year	Transferred to revenues	Year-end balance
	JD	JD	JD	JD	JD	JD
2013						
Assets Impairment provision-Self Constructed	3,100,000	-	-	-	-	3,100,000
Total	3,100,00	-	-	-	-	3,100,000
Item	Year beginning balance	Formed during the year	Utilized during the year	Transferred during the year	Transferred to revenues	Year-end balance
	JD	JD	JD	JD	JD	JD
2012						
Assets Impairment provision-Self Constructed	2,908,855	191,145	-	-	-	3,100,000
Total	2,908,855	191,145	-	-	-	3,100,000

(15) Property and Equipment- Net

Details of this item are as follows:

December 31, 2013						
Description	Lands	Buildings	Equipment, machines and Furniture	Transportation means	Computers	total
	ID	ID	ID	ID	ID	ID
Cost						
Year-Beginning Balance	17,654,300	22,627,062	31,206,832	1,355,508	8,719,491	81,563,193
Additions	957,352	4,680,263	3,845,511	299,773	2,107,710	11,890,609
Disposals	-	(125,703)	(176,239)	(97,247)	(7,689)	(406,878)
Year-End Balance	18,611,652	27,181,622	34,876,104	1,558,034	10,819,512	93,046,924
Accumulated Depreciation	-	(4,388,907)	(20,756,541)	(605,975)	(7,427,356)	(33,178,779)
Depreciation for the year	-	(395,936)	(2,465,481)	(96,999)	(911,605)	(3,870,021)
Disposals	-	-	684	-	2,016	2,700
Accumulated depreciation at the end of the year	-	(4,784,843)	(23,221,338)	(702,974)	(8,336,945)	(37,046,100)
Net book value of property and equipment	18,611,652	22,396,779	11,654,766	855,060	2,482,567	56,000,824
Payments for acquisition of property and equipment	-	-	1,670,454	-	265,395	1,935,849
Projects in Progress	-	360,048	-	-	-	360,048
Net property and equipment at the end of the year	18,611,652	22,756,827	13,325,220	855,060	2,747,962	58,296,721

December 31, 2012						
Description	Lands	Buildings	Equipment, machines and Furniture	Transportation means	Computers	total
	ID	ID	ID	ID	ID	ID
Cost						
Year-Beginning Balance	11,139,571	21,541,894	28,241,552	1,417,385	8,062,423	70,402,825
Additions	6,572,310	1,218,829	3,085,154	99,861	694,455	11,670,609
Disposals	(57,581)	(133,661)	(119,874)	(161,738)	(37,387)	(510,241)
Year-End Balance	17,654,300	22,627,062	31,206,832	1,355,508	8,719,491	81,563,193
Accumulated Depreciation	-	(4,044,720)	(18,660,520)	(565,017)	(6,686,316)	(29,956,573)
Depreciation for the year	-	(344,187)	(2,135,038)	(102,258)	(742,084)	(3,323,567)
Disposals	-	-	39,017	61,300	1,044	101,361
Accumulated depreciation at the end of the year	-	(4,388,907)	(20,756,541)	(605,975)	(7,427,356)	(33,178,779)
Net book value of property and equipment	17,654,300	18,238,155	10,450,291	749,533	1,292,135	48,384,414
Payments for acquisition of property and equipment	-	-	1,884,500	-	382,398	2,266,898
Projects in Progress	-	2,896,961	-	-	-	2,896,961
Net property and equipment at the end of the year	17,654,300	21,135,116	12,334,791	749,533	1,674,533	53,548,273

- The depreciated properties and equipment amounted JD 23,770,579 as of December 31, 2013 compared to JD 20,187,210 as of December 31, 2012

(16) Depreciation and Amortization

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Property and equipment Depreciation	3,870,021	3,323,567
Intangible Assets Amortization	264,798	57,612
Goodwill Allowance Amortization	27,500	100,000
Total	4,162,319	3,481,179

(17) Intangible Assets

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	Computer systems and software	Computer systems and software
	JD	JD
Year beginning Balance	176,425	85,783
Additions	1,470,217	148,254
Amortization for the year	(264,798)	(57,612)
Payments for purchasing software and programs	873,862	1,153,152
Year – End balance	2,255,706	1,329,577

(18) Other Assets

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Receivable Revenues	1,701,091	1,561,329
Pre-paid Expenses	373,209	9,792
Temporary Debit Accounts	2,648,218	2,422,177
In transit transactions between the center and the branches	-	3,282,214
Stationery and Publications	960,482	854,773
Pre-paid Leases	547,998	488,958
Revenue and Mail Stamps	481,314	484,270
Credit Card Accounts	1,590,375	933,595
Trusts of Settlement Guarantee Fund	25,000	26,000
Unpaid Accepted Guaranteed Due Promissory Notes	97,845	97,845
Center JONET account	582,297	87,809
Others	272,973	184,180
Total	9,280,802	10,432,942

(19) Banks and Banking Institutions Accounts

Details of this item are as follows:

Description	December 31, 2013			December 31, 2012		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	91,503	12,120,045	12,211,548	94,173	11,905,104	11,999,277
Barter operations	-	546,410	546,410	-	546,410	546,410
Total	91,503	12,666,455	12,757,958	94,173	12,451,514	12,545,687

(20) Client Current and Call Accounts

Details of this item are as follows:

Description	December 31, 2013				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	617,610,728	8,152,078	142,898,531	12,743,036	781,404,373
Call Accounts	157,082,159	10,227	77,451	10,658	157,180,495
Total	774,692,887	8,162,305	142,975,982	12,753,694	938,584,868

Description	December 31, 2012				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	563,856,316	63,273,532	70,540,455	10,423,741	708,094,044
Call Accounts	130,809,342	44,636	63,472	-	130,917,450
Total	694,665,658	63,318,168	70,603,927	10,423,741	839,011,494

- The government and public sector deposits inside the Kingdom amounted JD 12,753,694, i.e. 1.36% of the total current and call accounts of clients as of December 31, 2013 compared to JD 10,423,741, i.e. 1.24% as of December 31, 2012.
- Dormant accounts amounted JD 36,992,488 as of December 31, 2013 compared to JD 17,905,226 as of December 31, 2012.
- The attached deposits (restricted withdrawal) amounted JD 8,587,145, i.e. 0.91% of the total current and call accounts of clients as of December 31, 2013 compared to JD 9,389,173, i.e. 1.11% as of December 31, 2012.

(21) Cash Margins (Deposits)

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Deposits against Sale and Finance Receivables and Other Receivables	9,281,920	12,401,991
Deposits against Indirect Facilities	18,508,535	16,133,875
Other Deposits	2,026,674	1,609,991
Total	29,817,129	30,145,857

(22) Accounts Payable

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Client Accounts Payable	1,468,562	1,016,223
Total	1,468,562	1,016,223

(23) Other Provisions

Details of this item are as follows:

Description	2013			
	Year- Beginning Balance	Formed during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Provision	1,500,000	1,250,000	-	2,750,000
Employee Leaves Provision	2,250,000	350,000	-	2,600,000
Total	3,750,000	1,600,000	-	5,350,000

Description	2012			
	Year- Beginning Balance	Formed during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Provision	1,000,000	500,000	-	1,500,000
Employee Leaves Provision	2,100,000	150,000	-	2,250,000
Total	3,100,000	650,000	-	3,750,000

(24) Income Tax Provision:

A-Bank's Income Tax Provision

The transaction of the Bank's income tax provision are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Year-Beginning Balance	14,080,361	13,743,992
Paid Income Tax	(12,538,342)	(14,537,984)
Accrued Income Tax	19,574,789	14,874,353
Payment of income tax for 2013	(3,985,127)	-
Year-End Balance	17,131,681	14,080,361

B-The Income tax stated in the consolidated income statement represents the following:

Description	December 31, 2013	December 31, 2012
	JD	JD
Accrued Income Tax for the Year Profits	19,574,412	14,752,102
Income tax accrued from the profits of selling financial assets at the fair value at fair value through the ownership equity	377	122,251
Total	19,574,789	14,874,353

- The accrued taxes payable by the Bank were settled until the end of 2012.
- The accrued income tax for the financial year ending at December 31, 2013 was calculated in accordance with the income tax law No. 28 of 2009.
- A settlement was made to the tax due from Future Applied Computer Technology Company Ltd till the end of 2009, for Al Samaha Funding and Investment Company Ltd. and Sanabel Al-Khair for Financial Investments till the end of 2010, and for Omariah Schools Company Ltd. till the end of 2011. The self-assessment statements for all companies were submitted till the end of 2012.

(25) Deferred Tax Liabilities:

Details of this item are as follows:

Description	December 31, 2013			December 31, 2012		
	Year beginning-Balance	Released Amounts	Added Amounts	Year - End Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
A. Deferred tax liabilities - Joint*						
Financial assets at fair value through the Joint Investment Accounts holders equities	668,161	(2,387,691)	-	(1,719,530)	(515,859)	200,448
Investments in real estate	8,701,775	(678,477)	4,890,163	12,913,461	3,874,038	2,610,533
Total	9,369,936	(3,066,168)	4,890,163	11,193,931	3,358,179	2,810,981
B. Bank's deferred tax liabilities – self constructed **						
Financial assets at fair value through the ownership equity – self constructed	230,178	(1,256)	438,451	667,373	200,212	69,053
Total	230,178	(1,256)	438,451	667,373	200,212	69,053

* The deferred tax liabilities -Joint include an amount of JD 3,358,179 as of December 31, 2013 compared to JD 2,810,981 as of December 31, 2012 resulting from the profits of valuating financial and non-financial assets stated in the fair value reserve of the holders of unrestricted investment accounts.

** The deferred tax liabilities -self-Constructed include an amount of JD 200,212 as of December 31, 2013 compared to JD 69,053 as of December 31, 2012 resulting from the profits of valuating financial assets which stated in the fair value reserve of ownership equity.

Transactions in the account of deferred tax liabilities are as follows:

A. Joint

Description	December 31, 2013	December 31, 2012
	JD	JD
Year-Beginning Balance	2,810,981	1,714,868
Additions	547,198	1,096,113
Total	3,358,179	2,810,981

B. Self-Constructed

Description	December 31, 2013	December 31, 2012
	JD	JD
Year-Beginning Balance	69,053	24,640
Additions	131,159	44,413
Total	200,212	69,053

C- Summary of the Accounting Profit Reconciliation with the Tax Profit

Description	December 31, 2013	December 31, 2012
	JD	JD
Accounting Profit	64,680,715	51,198,005
Non-Taxable Profits	(1,040,519)	(3,215,683)
Taxably Unacceptable Expenses	1,686,521	1,276,436
Taxable Profit	65,326,717	49,258,758
Attributable to:		
The Bank	64,933,334	48,833,333
Subsidiaries	393,383	425,425
legal Income Tax Rate- the Bank	30%	30%
legal Income Tax Rate - Subsidiaries	24%	24%
Actual income tax rate	30,3%	28,8%

(26) Other Liabilities

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Acceptable Checks	1,985,706	2,618,359
Revenues received in advance	1,862,965	1,716,895
Al Qard Al Hasan Fund	847,502	832,499
Accrued Unpaid Expenses	1,160	750
Temporary Trusts	820,169	413,193
Miscellaneous Credit Balances	793,017	820,264
Checks for Notes Payment	3,605,003	3,670,131
In transit transactions between the Head Office and branches	58,714	-
Managers Checks	3,498,998	3,190,300
Others	967,208	756,526
Total	14,440,442	14,018,917

(27) A- Unrestricted Investment Accounts

Details of this item are as follows:

Description	December 31, 2013					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	405,605,876	1,277,586	3,631,360	28,429	360,418	410,903,669
Notice Accounts	13,268,098	155,927	26,435	7,834,486	-	21,284,946
Time Accounts	1,404,667,303	9,796,285	57,624,178	13,965,157	6,000,000	1,492,052,923
Total	1,823,541,277	11,229,798	61,281,973	21,828,072	6,360,418	1,924,241,538
Depositors' Share in Investment Returns	49,399,359	302,414	2,066,115	287,822	74,399	52,130,109
Total Unrestricted Investment Accounts	1,872,940,636	11,532,212	63,348,088	22,115,894	6,434,817	1,976,371,647

Description	December 31, 2012					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	359,159,251	249,601	2,734,501	21,100	275,515	362,439,968
Notice Accounts	12,877,397	168,315	19,311	4,847,073	-	17,912,096
Time Accounts	1,383,093,078	3,793,554	18,019,833	12,972,618	-	1,417,879,083
Total	1,755,129,726	4,211,470	20,773,645	17,840,791	275,515	1,798,231,147
Depositors' Share in Investment Returns	45,001,558	108,331	534,359	458,917	1,511	46,104,676
Total Unrestricted Investment Accounts	1,800,131,284	4,319,801	21,308,004	18,299,708	277,026	1,844,335,823

- The unrestricted investment accounts share in the profits according to the following bases:
 - 50% of the annual rate of saving accounts balance.
 - 70% of the annual rate of notice accounts balance.
 - 90% of the minimum balance of time accounts.
- The total profits percentage amounted 4.29% as of December 31, 2013 compared to 3.94% as of December 31, 2012, and the profits percentage in foreign currencies amounted 1.67% as of December 31, 2013 compared to 0.83% as of December 31, 2012
- The unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted JD 22,115,894, i.e. 1.12% of the total unrestricted investment accounts as of December 31, 2013 compared to JD 18,299,708, i.e. 0.99% as of December 31, 2012.
- The attached investment accounts (restricted withdrawal) of the total unrestricted investment accounts amounted JD 9,276,358, i.e. 0.5% as of December 31, 2013 compared to JD 11,186,347, i.e. 0.6% as of December 31, 2012.

(27)B- Reserve of investment accounts holders and non-controlling equities – Affiliates and Subsidiaries

Details of this item are as follows:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Reserve of Investment Accounts Holders – Subsidiaries	7,095,786	5,582,594
Reserve of Investment Accounts Holders – Affiliates	(76,073)	(312,075)
	7,019,713	5,270,519
Non-controlling Interests	997,660	949,615

(28) Fair Value Reserve

The Details of this item are as follows:

(A) Joint

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Financial assets reserve at fair value through the joint investment accounts holders equities	(1,203,671)	467,713
Real estate investments reserve	9,039,423	6,091,242
Total	7,835,752	6,558,955

(B) Self-constructed

Description	Self-constructed	
	December 31, 2013	December 31, 2012
	JD	JD
Financial assets reserve at fair value through the ownership equity – self constructed	467,161	161,125

(C) The transactions in the fair value reserve within unrestricted investment accounts holders equity are as follows:

Description	December 31, 2013		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance *	668,161	8,701,775	9,369,936
(Losses) unrealized profits	(2,387,691)	4,890,163	2,502,472
Deferred Tax Liabilities	515,859	(3,874,038)	(3,358,179)
Profits Transferred to the Consolidated Income Statement	-	(678,477)	(678,477)
Year-End Balance	(1,203,671)	9,039,423	7,835,752

Description	December 31, 2012		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	(2,852,530)	8,568,755	5,716,225
(Losses) Unrealized profits	3,520,691	1,853,000	5,373,691
Deferred Tax Liabilities	(200,448)	(2,610,533)	(2,810,981)
Profits Transferred to the Consolidated Income Statement	-	(1,719,980)	(1,719,980)
Year-End Balance	467,713	6,091,242	6,558,955

* The fair value reserve is reflected at the beginning of the year after the addition of the deferred tax liabilities as at 31 December 2012 at the sum of JD 2,810,981.

(D) Movement on the fair value reserve / within the ownership equity:

Description	Financial assets at fair value	
	December 31, 2013	December 31, 2012
	JD	JD
Year-Beginning Balance*	230,178	82,134
Unrealized profits (losses)	438,451	(18,622)
Deferred Tax Liabilities	(200,212)	(69,053)
Losses (profits) transferred to the consolidated comprehensive income statement after tax	(1,256)	166,666
Year-End Balance	467,161	161,125

* The fair value reserve is reflected at the beginning of the year after the addition of the deferred tax liabilities as at 31 December 2012 at the sum of JD 69,053.

(29) Investment Risk Fund:

A. The transaction in the Investment Risk Fund is as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD (adjusted Note 2)
Year-Beginning Balance	67,232,727	57,323,793
Add: investment profits transferred this year	16,609,317	21,691,685
Impact of applying the Islamic Financial Accounting Standard No. (26)	-	98,353
Net Tax Settlement	60,607	53,317
Recovered amounts from previous years losses	137,439	58,619
Less: losses amortized during the year	(4,281,993)	(7,811,356)
Less: payments on the tax account for 2013 and 2012	(878,625)	(787,893)
Net accrued tax*	(2,860,000)	(3,393,791)
Year-End Balance	76,019,472	67,232,727

* The restricted losses charged to the Fund as at December 31, 2013 represent debt amortization losses at the sum of JD 3,628,099 compared to a sum of JD 1,381,190 as at 31 December 2012, and realized losses from sale of investment in shares at the sum of JD 653,894 as at 31 December 2013 compared to JD 6,220,588 as at 31 December 2012. There are no losses in investment as at 31 December 2013 compared to JD 209,578 as at 31 December 2012, in accordance with the provisions of Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.

- A rate of 10% was deducted on 31 December 2013 from the net investment profits realized from different transactions , and the amount was transferred to the Investment Risk Fund (2012:15%.)
- The balance of the Investment Risk Fund devolves to the Zakat Fund in case of the Bank's liquidation.

B. The investment risk fund balance is distributed as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Year – End Balance	76,019,472	67,232,727
Deferred Sales Receivables (impairment provision)	67,863,635	52,510,081
Finances (impairment provision)	170,749	195,544
Total impairment provision	68,034,384	52,705,625
Remaining Balance **	7,985,088	14,527,102

* The above fund income tax represents:

Description	December 31, 2013	December 31, 2012
	JD	JD
Income tax payable on the amounts transferred from the investment profits	3,738,625	4,181,684
Less: payment on the tax account for 2013 and 2012	(878,625)	(787,893)
Net due tax	2,860,000	3,393,791

** The remaining balance (undistributed portion) is attributed to the Joint Investment Accounts.

- The taxes payable on the Investment Risks Fund for 2012 were settled, and the Bank paid a sum of JD 878,625 to the Income Tax Department from the tax payable on the Fund for 2013 from the Fund in accordance with the related Sharia fatwa.

(30) Capital:

- The subscribed and paid-up capital on 31 December 2013 reached an amount of JD 125,000,000 (2012: JD 125,000,000) distributed to 125,000,000 shares (2012: 125,000,000 shares) at a par value of 1.00 JD each.

(31) Reserves:

• Statutory Reserve:

The accumulated amounts in this item represent the annual pre-tax profits transferred at (10%) during the year and previous years in accordance with the Banks Law. Such reserve is undistributable to shareholders.

• Voluntary Reserve:

The accumulated amounts in this item represent the annual pre-tax profits transferred at (20%) during the year and previous years. The voluntary reserve is used for the purposes determined by the Board of Directors. The General Assembly has the right to distribute all or part of it as dividends.

• General Banking Risks Reserve:

This item represents general banking risks reserve on the deferred sale receivables as well as the Bank's finances funded by the Bank own funds according to the instructions of the Central Bank of Jordan.

The restricted reserves are as follows:

Description	JD	Nature of Restriction
Statutory Reserve	46,109,666	Pursuant to the Bank's Law
General Banking Risks Reserve	700,000	As per the Central Bank's Instructions

(32) Retained Earnings:

Details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
		Adjusted (Note 2)
Year-Beginning Balance before adjustment	54,036,496	54,785,295
Impact of applying the Islamic financial accounting standard No. (26)	285,252	212,760
Year- beginning adjusted balance	54,321,748	54,998,055
Profit after tax	45,106,303	36,445,903
Profits realized from sale of financial assets at the fair value through ownership equity	879	85,458
(Transferred) to reserves:		
Statutory Reserve	(6,474,782)	(5,127,451)
Voluntary Reserve	(6,451,090)	(5,092,112)
Dividends distributed to the shareholders	(18,750,000)	(15,000,000)
Transferred to increase capital	-	(11,988,105)
Year-End Balance	67,753,058	54,321,748

Proposed Dividends:

- The rate of cash dividends proposed to be distributed to shareholders for 2013 amounted to 15% of the capital, i.e., JD 18,750,000, and to distribute bonus shares at a rate of 20%, i.e., 25,000,000 Dinars. Both rates are subject to the approval of the General Assembly of Shareholders. The rate of cash dividends distributed to shareholders last year amounted to 15% of the capital, i.e., JD 18,750,000.

(33) Deferred Sales Revenues:

The details of this item are as follows:

Description	Joint		Self-constructed	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	JD	JD	JD	JD
Individuals (Retail):				
Murabaha to Purchase-Orderer	38,031,607	34,413,986	-	-
Forward Sale	53,877	59,249	158,000	237,000
Forward Ijara	4,248	-	-	-
Real Estate Finances	26,313,561	23,613,957	-	-
Major Companies:				
International Murabaha	59,057	269,825	-	-
Murabaha to Purchase-Orderer	24,176,583	22,103,567	-	-
Small and Medium Enterprises:				
Murabaha to Purchase-Orderer	7,312,659	7,867,939	-	-
Government and public sector	39,353,533	27,127,175	-	-
Total	135,305,125	115,455,698	158,000	237,000

(34) Finances Revenues:

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	JD	JD	JD	JD	JD	JD
Individuals (Retail) :						
Diminishing Musharaka	301,643	268,892	5,830	21,300	307,473	290,192
Small & Medium Enterprises						
Diminishing Musharaka	72,000	72,000	-	-	72,000	72,000
Total	373,643	340,892	5,830	21,300	379,473	362,192

(35) Profits of Financial Assets at fair value through the joint investment accounts holders equities:

The details of this item are as follows:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Returns of Company Stock Distributions	718,853	1,109,326
Islamic Banks Portfolio Revenues	499,579	73,400
Muqarada Bonds Revenues	162,990	2,107,302
Islamic Leasing Sukuk	425,180	449,516
Total	1,806,602	3,739,544

(36) Share of funds involved in investment from profits Distributed by Affiliates and Subsidiaries:

The details of this item are as follows:

Joint	Distributed Dividends		December 31, 2013	December 31, 2012
	Ownership Percentage	Distribution Percentage		
	%	%	JD	JD
Affiliates:				
Jordanian Center for International Trading Co.	28.4	8.0	77,120	77,120
AlAmin Investment Co.	29.7	5.0	148,572	148,572
Islamic Insurance Co.	33.2	5.0	199,400	199,400
Arabian Steel Pipes Mfg. Co.	26.0	15.0	351,000	468,000
Total			776,092	893,092

(37) Real Estate Revenues:

The details of this item are as follows:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Profits realized from investments in Real Estate	1,455,126	2,389,358

(38) Revenues of Leased Assets and Ijara Muntahia Bittamleek

The details of this item are as follows:

Description	Joint	
	December 31, 2013	December 31, 2012
	JD	JD
Ijara Muntahia Bittamleek	25,897,458	20,879,080

(39) Other Investments Revenues

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Revenues of Investment Deposits at Islamic Financial Institutions	479,125	913,571

(40) Net Results of Subsidiaries

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Revenues		
School installments and transportation	7,140,949	5,943,095
Profits of financial assets	-	16,185
Muqarada Bonds Revenues	266,153	247,827
Projects Revenues	662,860	156,547
Other Revenues	346,469	344,590
Total Revenues	8,416,431	6,708,244
Expenses		
Administrative Expenses	(5,485,164)	(4,829,588)
Depreciations	(383,729)	(348,619)
Provision for bad debts	(31,180)	-
Other expenses	(944,841)	(377,315)
Total expenses	(6,844,914)	(5,555,522)
Net business results	1,571,517	1,152,722

(41) Share of Unrestricted Investment Accounts Holders:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Banks and Institutions	74,399	1,511
Clients:		
Saving Accounts	6,439,829	5,691,200
Notice Accounts	479,827	446,487
Time Accounts	45,136,054	39,965,478
Total	52,130,109	46,104,676

(42) The Bank's Share of the Joint Investment Accounts Revenues as a Speculator and Capital Owner:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
As a Speculator	61,647,488	53,725,711
As a Capital Owner	35,706,257	23,089,163
Total	97,353,745	76,814,874

(43) Bank's Self Profits:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Deferred sale receivables Revenues (note 33)	158,000	237,000
Finances Revenues (Note 34)	5,830	21,300
Shares Dividends	2,297	66,034
Profits of financial assets at the fair value through the ownership equity	8,559	-
Profits of financial assets at the fair value through the consolidated income statement	13,406	-
Total	188,092	324,334

(44) The Bank's Share of the Restricted Investment Revenues as Speculator:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Restricted Investment Revenues	61,930	97,079
Less: Share of Restricted Investment Accounts Holders	(38,412)	(48,596)
Net	23,518	48,483
Muqarada Bonds Profits	11,745,299	14,818,137
Less: Share of Muqarada Bonds Accounts Holders	(10,920,831)	(12,940,417)
Net	824,468	1,877,720
Total	847,986	1,926,203

(45) Banking Service Revenues:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Documentary Credit Commissions	1,032,251	1,115,248
Guarantee Commissions	1,648,315	1,425,709
Collection Policies Commissions	458,543	352,121
Transfers Commissions	614,936	616,980
Salary Transfer Commissions	3,182,961	3,169,970
Bounced Checks Commissions	1,069,956	728,217
Account Management Commissions	1,478,360	1,383,484
Check book commissions	358,701	371,145
Cash deposits commissions in foreign currencies	145,239	231,882
Brokerage Commissions	828,524	743,154
Checks collection commissions	124,503	121,356
Other Commissions	1,021,227	950,427
Total	11,963,516	11,209,693

(46) Foreign Currency Profits:

The details of this item are as follows:

Description	Self-Constructed	
	December 31, 2013	December 31, 2012
	JD	JD
Resulting from Trading	727,057	1,034,104
Resulting from Valuation	1,316,871	880,918
Total	2,043,928	1,915,022

(47) Other Revenues:

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Collected Rentals	98,538	45,815
Post, Mail and Telephone	334,491	359,469
Safe Box Leasing	160,161	122,067
Credit Card Commissions	2,512,646	2,451,909
Other Revenues	633,050	920,770
Total	3,738,886	3,900,030

(48) Employee Expenses

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Salaries, Benefits and allowances	24,020,889	21,760,121
Bank's contribution to Social Security	2,537,247	2,249,107
Medical Expenses	2,106,292	1,888,320
Training Expenses	147,943	137,147
Per diem	149,209	148,212
Meals Provision	201,481	260,322
End of service benefits	1,815,087	521,706
Solidarity Insurance	183,733	173,529
Total	31,161,881	27,138,464

(49) Other Expenses

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Post, Mail, Telephone	1,270,850	982,669
Stationery, Publications and Supplies	1,423,845	1,637,996
Credit Cards	844,972	663,350
Rentals	1,199,461	1,124,873
Water, Electricity and Heating	2,235,689	1,881,817
Maintenance, Repairs and Cleaning	1,050,752	1,353,450
Insurance Premiums	398,844	283,697
Travel and Transportation Expenses	800,141	897,587
Legal Fees and Consultations	368,126	355,717
Professional fees	157,431	134,930
Subscriptions and Memberships	769,766	503,844
Donations	601,294	493,273
Charges and Licenses	356,051	499,457
Hospitality and Tips	114,530	138,429
Promotion and Advertising	1,409,384	1,399,650
Saving Accounts Rewards	149,640	149,800
Board Committees Remunerations	43,400	30,100
Visa Accounts Rewards	13,725	167,544
Board Members Remunerations	67,103	76,500
Investor Protection Fund	22,393	18,779
Doubtful Debts	200,000	120,000
Others	1,033,841	517,901
Total	14,531,238	13,431,363

(50) Miscellaneous Provisions

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
End of service provision	1,250,000	500,000
Employee Leaves Provision	350,000	150,000
Total	1,600,000	650,000

(51) Basic and Impaired Earning per Share for the year profit

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Profit for the Year after tax (JD)	45,106,303	36,445,903
Weighted Average Number of Shares (Share)	125,000,000	125,000,000
Basic and diluted earnings per Share from the profit for the year (JD/Fils)	0/361	0/292

(52) Cash and Cash Equivalent

The details of this item are as follows:

Description	December 31, 2013	December 31, 2012
	JD	JD
Cash and Balances with Central Banks that are due within three months	863,923,682	653,398,589
Add: Balances with Banks and Banking Institutions that are due within three months	71,159,559	70,706,174
Less: Accounts of Banks and Banking Institutions that are due within three months	(12,757,958)	(12,545,687)
Total	922,325,283	711,559,076

(53) Restricted Investments

The details of this item are as follows:

Description	Real Estate Trading		International Murabaha		Cash Balances		Murabaha Financing		Total	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Investments	310,005	310,005	33,184,446	29,998,639	747,295	1,671,267	485,956	635,174	34,727,702	32,615,085
Deposits	1,347	-	5,266,088	4,795,223	4,862,456	256,198	305,082	142,315	10,434,973	5,193,736
Drawings	-	-	(15,960,836)	(1,632,222)	(2,046,688)	(1,180,170)	(439,302)	(317,323)	(18,446,826)	(3,129,715)
Investment Profits	-	-	53,094	60,035	-	-	8,836	37,044	61,930	97,079
Bank's fees as speculator or agent	-	-	(21,309)	(37,229)	-	-	(2,209)	(11,254)	(23,518)	(48,483)
Year-End Investments	311,352	310,005	22,521,483	33,184,446	3,563,063	747,295	358,363	485,956	26,754,261	34,727,702

(54) Muqarada Bonds:

This item represents the following:

Description	Assets held for trading		Real Estate Trading		Murabaha		Cash Balances		Ijara Muntahia Bittamleek		Total	
	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	56,122,514	56,780,995	27,160,274	27,159,674	96,819,622	112,988,457	17,071,646	1,333,615	23,159,796	19,103,579	220,333,852	217,366,320
Number of investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	382,441	361,052
Value of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	191,220,500	180,526,000
Deposits	302,110	521,211	245,217	42,129	7,693,158	9,086,100	73,267,011	55,324,878	8,340,385	4,532,879	89,847,881	69,507,197
Drawings	(6,174,751)	(5,029,648)	(584,845)	(316,995)	(17,099,367)	(32,845,112)	(58,201,404)	(39,586,847)	(1,885,324)	(1,701,480)	(83,945,691)	(79,480,082)
Investment Profits (losses)	2,311,062	4,408,604	365,780	315,438	7,580,500	8,691,550	-	-	1,487,957	1,402,545	11,745,299	14,818,137
Bank's Fees as speculator or Agent	(113,882)	(558,648)	(26,752)	(39,972)	(573,622)	(1,101,373)	-	-	(110,212)	(177,727)	(824,468)	(1,877,720)
Total	52,447,053	56,122,514	27,159,674	27,160,274	94,420,291	96,819,622	32,137,253	17,071,646	30,992,602	23,159,796	237,156,873	220,333,852
Less: deferred portfolios profits	-	-	-	-	(11,890,583)	(12,282,138)	-	-	(11,243,564)	(8,517,792)	(23,134,147)	(20,799,930)
Year-End Balance (Net)	52,447,053	56,122,514	27,159,674	27,160,274	82,529,708	84,537,484	32,137,253	17,071,646	19,749,038	14,642,004	214,022,726	199,533,922
Number of investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	412,190	382,441
Value of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	206,095,000	191,220,500
Profits Adjusted Reserve	750,000	1,500,000	-	-	-	-	-	-	-	-	750,000	1,500,000
Investment Risk Provision	-	-	-	-	7,177,726	6,813,422	-	-	-	-	7,177,726	6,813,422
Cash margins	-	-	-	-	-	-	1,501,500	1,314,500	-	-	1,501,500	1,314,500
Year- End Balance	750,000	1,500,000	-	-	7,177,726	6,813,422	1,501,500	1,314,500	-	-	9,429,226	9,627,922

(55) Transactions with Related Parties:

A. The consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Capital		
	Ownership Rate	December 31, 2013	December 31, 2012
Omariah Schools Company Ltd.	94.4%	8,550,000	8,550,000
Al Samaha Funding and Investment Company Ltd.	98.7%	8,000,000	2,263,243
Future Applied Computer Technology Company Ltd	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments	100%	5,000,000	5,000,000

- The Bank entered into transactions with the parent company, subsidiaries, affiliates, senior shareholders, Board members and senior management within the ordinary activities of the Bank using Murabaha rates and commercial commissions. All deferred sale receivables, finances and Ijara Muntahia Bittamleek granted to related parties are considered performing and no provisions were allocated for them.

B. Below is a summary of transactions with related parties:

Description	Related Parties				Total	
	Parent Company	Affiliates	Subsidiaries	Board Members and Senior Management	December 31, 2013	December 31, 2012
	JD	JD	JD	JD	JD	JD
Items within the consolidated statement of financial position:						
Deferred sale receivables	-	5,877,304	-	153,741	6,031,045	7,519,274
Musharaka financing	-	-	-	164,924	164,924	140,659
Financing of employee residence / Musharaka	-	-	92,659	-	92,659	181,193
Deposits	10,188	10,754,918	19,884,977	988,963	31,639,046	13,862,480
Items beyond the consolidated statement of financial position:						
Guarantees and L/Cs	-	1,201,039	851,468	-	2,052,507	2,953,972
Description					December 31, 2013	December 31, 2012
Items of consolidated income statement:						
Received revenues	-	72,553	209,459	10,710	292,722	259,493
Paid Profits	-	131,860	27,634	4,803	164,297	173,828

- The general rate of the profits distributed to the investment accounts reached 4.29% as on December 31, 2013 (2012: 3.94%).
- The Murabaha rate of the granted finances reached 4.5% - 5.5% per annum as on December 31, 2013 (2012: 4.5% - 5.5%).
- The profit rate of the Musharaka finances granted to the employees reached about 2% - 4.8% per annum as on December 31, 2013 (2012: 2% - 4.8%).
- The rate of guarantees commission reached 1% - 4% per annum as on December 31, 2013 (2012: 1% - 4%), and 1/4% - 3/8% on letters of credit for quarters as on December 31, 2013 (2012: 1/4% - 3/8% for quarters).

C. Following is the summary of the Bank's Senior Executive Management Benefits (Salaries, Remunerations and other Benefits):

Description	December 31, 2013	December 31, 2012
	JD	JD
Salaries, Remunerations and Transportation	1,755,179	1,607,455
End of service benefits	529,939	358,562
Total	2,285,118	1,966,017

(56) Fair Value of Financial Instruments

- The Bank uses the following order of valuation methods and alternatives to determine and present fair value of financial instruments:
 - **First Level:** market prices quoted in effective markets for the same assets and liabilities.
 - **Second Level:** Other techniques where all inputs with significant impact on the fair value is directly or indirectly observable from market information.
 - **Third Level:** Other techniques where inputs with significant impact on the fair value are used but not based on observable market information.

The table below shows the analysis of financial instruments carried at fair value according to the above hierarchical order:

December 31, 2013	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
Financial Assets at fair value through the joint investment accounts holders equities				
Companies shares	29,038,755	-	-	29,038,755
December 31, 2012				
Financial Assets at fair value through the joint investment accounts holders equities				
Companies shares	32,530,922	-	-	32,530,922

(57) Fair Value of Financial Assets and Liabilities not stated at Fair Value in the Consolidated Financial Statements.

- As shown in note 10 and 11, the financial assets not listed on the financial markets amount JD 19,212,508 that are carried at cost because the Bank was unable to estimate their fair value.

(58) Risk Management

- The Bank manages its different banking risks through following comprehensive measures of risk management, including the proper control by the Board of Directors and the senior Management, in order to determine, measure, follow-up, control and report relevant categories of risks, and to maintain an adequate capital to face such risks. These measures take into consideration the appropriate steps to comply with the Sharia principles.
- The Bank's organizational structures complement each other in risk management, each according to its competences. This helps in developing and controlling policies and regulations at an appropriate level for each type of risk the Bank faces with a view to realizing the acceptable level of returns to shareholders without compromising the financial solvency of the Bank. In this framework, the work of the Risk Management Department at the Bank complements with the committees emanating from the Board of Directors and the Executive Management (Risk Management Committee and Assets and Liabilities Management Committee).

Qualitative and Quantitative Disclosures:

- **Credit Risk and Concentration in Assets and Liabilities:**
The daily practice of banking activities involves the Bank's exposure to many risks including the credit risk resulting from the other party's default or failure to fulfill its obligations towards the Bank, which consequently results in losses. On its part, the Bank ensures that these risks do not surpass the already specified general framework in the Bank's credit policy and seeks to maintain their levels within the balanced relationship between risks, returns and liquidity. In addition to the Risk Management Department, a number of committees in the Board of Directors and Executive Management manage the credit risks at the Bank associated, by determining the ceilings of credit facilities that can be granted to a single client and relevant accounts in consistence with the instructions issued by the Central Bank of Jordan.

- The Bank monitors the credit risks through assessing the credit position of clients on a periodic basis according to the Clients Risk Assessment System at the Bank, which is based on the assessment of credit risk elements and default possibilities of non-payment for administrative, financial or competitive reasons. Furthermore, the Bank receives proper collaterals from clients in the necessary cases and according to the risk levels of each client and each process of granting additional facilities.

The Bank's policy of credit risks management comprises the following:

1. An available clear credit and investment policy and strategy approved by the Board of Directors.
2. Identifying the credit concentrations and ceilings:
 - The credit policy includes specific and clear rates of the maximum limit of credit that can be granted to any client. Moreover, there are ceilings for the credit that can be granted by each administrative level.
3. Identifying Methods of Risk Mitigation:

The risk management process in the Bank depends on a number of methods to mitigate risks, including:

 - Distributing and diversifying credit investments to various sectors and geographical locations.
 - The availability of clear credit and investment ceilings those are consistent with the instructions of the Central Bank of Jordan for each type of investment.
 - Guarantees based on their liquidity and their coverage of the granted credit.
 - The authorities of approving credits differ from an administrative level to the other and depend on the financing volume and the degree of risk.
4. Restricting the Risks of Assets and Liabilities Concentration:
 - The Bank operates effectively to manage this aspect of risks. The annual plan of the Bank involves a targeted distribution of credits to a number of sectors while concentrating on the promising sectors at the same time. Further, the plan also consists of distributing credits to the geographical areas inside the Kingdom.
5. Studying, Monitoring and Following- up Credit:
 - The Bank develops the required policies and procedures to determine the method of reviewing credits and maintaining the impartiality integration of the decision making process, ensuring that the credit risks are accurately assessed, properly approved, and continually monitored.
 - The general framework of the credit policy involves the authorities of approving credits, clarifying the credit limits and the method of specifying the degree of risk.

1. Exposure to Credit Risks (after the impairment provision, after deducting the deferred and outstanding revenues, and before guarantees and other risk mitigants)

Description	Joint		Self-Constructed	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with Central Banks	-	-	771,906,738	565,309,929
Balances with banks and banking institutions	20,249,674	24,815,000	50,909,885	45,891,174
Investment Accounts with Banks and Banking Institutions	2,127,000	5,849,250	-	-
Deferred sales and other receivables:				
Individuals	404,989,267	401,289,727	10,490,085	8,381,313
Real Estate Finances	263,642,510	247,236,614	-	-
Companies:				
Major Companies	380,401,097	367,719,937	-	-
Small and Medium Enterprises (SMEs)	117,624,240	133,275,926	-	-
Government and public sector	586,792,324	598,027,175	1,156,867	2,189,110
Finances				
Musharaka:				
Individuals	21,794,447	19,500,913	436,595	681,659
Items beyond the consolidated statement of financial position:				
Guarantees	-	-	83,350,118	79,168,425
L/Cs	-	-	55,670,200	46,921,576
Acceptances	-	-	5,783,502	5,044,049
Unutilized Limits	-	-	112,634,093	97,787,233
Total	1,797,620,559	1,797,714,542	1,092,338,083	851,374,468

Guarantees and Other Credit Risk Mitigants against Credit Exposures:

- The quantity and quality of required guarantees depend on the credit risk assessment of the counterparty. It is also possible to adjust or reduce the volume of risk exposure related to the debtor, concerned party or any other obligor using the methods of credit risk mitigation applicable in the Islamic banks. These include (asset mortgage, third party guarantee, earnest money, cash margin, stock mortgage).

As for the types of credit exposures mentioned in the table above, they are as follows:

- Cash Margins.
- Accepted Bank Guarantees.
- Real Estate Collaterals
- Vehicles and Machinery Mortgage.

2. The Credit Exposures of Deferred Sales and other Receivable and Finances are distributed according to the risk degree as in the following table:

Description	Joint										Self – Constructed												
	Individuals		Real Estate Finances		Companies		Government and public sector		Banks and Banking Institutions		Total		Real Estate Finances		Companies		Government and public sector		Banks and Banking Institutions		Total		
	JD	JD	JD	JD	Major companies	SMEs	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
-2013																							
Low Risk	2,296,165	-	39,400,169	349,810	650,708,615	-	-	692,754,759	-	-	-	-	-	-	-	-	1,156,867	771,906,738	773,063,605				
Acceptable Risk	428,805,896	326,020,129	334,879,512	103,223,181	-	22,376,674	10,866,490	1,215,305,392	-	-	-	-	-	-	-	-	-	50,909,885	61,776,375				
Accrued: *																							
Until 30 days	9,093	-	-	46,822	-	-	-	55,915	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From 31 to 60 Days	1,108,166	383,335	3,381,622	1,160,695	-	-	15,692	6,033,818	-	-	-	-	-	-	-	-	-	-	-	-	-	15,692	
Under-control	16,697,614	13,855,581	29,475,260	13,842,302	-	-	619,180	73,870,757	-	-	-	-	-	-	-	-	-	-	-	-	-	619,180	
Non-performing:																							
Below Standard	662,237	541,872	1,641,997	389,823	-	-	215,961	3,235,929	-	-	-	-	-	-	-	-	-	-	-	-	-	215,961	
Doubtful	938,603	1,112,913	-	1,312,503	-	-	234,832	3,364,019	-	-	-	-	-	-	-	-	-	-	-	-	-	234,832	
Depreciated	29,659,923	10,809,530	28,509,204	19,811,174	-	-	2,590,727	88,789,831	-	-	-	-	-	-	-	-	-	-	-	-	-	2,590,727	
Total	479,060,438	352,340,025	433,906,142	138,928,793	650,708,615	22,376,674	14,527,190	2,077,320,687	-	-	-	-	-	-	-	-	1,156,867	822,816,623	838,500,680				
Less: Deferred Revenues	49,228,896	58,378,723	25,345,495	6,535,829	63,916,291	-	-	203,405,234	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Outstanding Revenues	2,978,229	1,181,674	2,655,305	1,445,302	-	-	-	8,260,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment provision	21,864,046	7,342,671	25,504,245	13,323,422	-	-	3,600,510	68,034,384	-	-	-	-	-	-	-	-	-	-	-	-	-	3,600,510	
Net	404,989,267	285,436,957	380,401,097	117,624,240	586,792,324	22,376,674	10,926,680	1,797,620,559	-	-	-	-	-	-	-	-	1,156,867	822,816,623	834,900,170				

* The whole receivable balance is considered payable when one installment falls due.

Description	Joint						Self – Constructed							
	Individuals		Real Estate Finances		Companies		Government and public sector		Banks and Banking Institutions		Total			
	JD		JD		JD		JD		JD		JD			
	JD	JD	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total
-2012														
Low Risk	8,317,155	-	29,252,413	1,475,468	698,461,000	-	737,506,036	-	-	-	-	2,189,110	565,309,929	567,499,039
Acceptable Risk	379,528,207	295,625,443	320,034,659	130,474,988	-	30,664,250	1,156,327,547	9,152,842	-	-	-	-	45,891,174	55,044,016
Accrued : *														
Until 30 days	2,637,721	10,013,556	1,829,730	255,153	-	-	14,736,160	-	-	-	-	-	-	-
From 31 to 60 Days	26,971,018	6,821,290	66,215,641	6,358,574	-	-	106,366,523	910,804	-	-	-	-	-	910,804
Under-control	29,436,580	6,389,851	47,971,953	23,346,666	-	-	107,145,050	-	-	-	-	-	-	-
Non-performing:														
Below Standard	2,067,055	332,111	-	-	-	-	2,399,166	484,102	-	-	-	-	-	484,102
Doubtful	5,174,767	7,391,656	1,411,765	-	-	-	13,978,188	458,363	-	-	-	-	-	458,363
Depreciated	36,003,378	13,888,576	18,599,291	8,196,740	-	-	76,687,985	2,817,665	-	-	-	-	-	2,817,665
Total	460,527,142	323,627,637	417,270,081	163,493,862	698,461,000	30,664,250	2,094,043,972	12,912,972	-	-	-	2,189,110	611,201,103	626,303,185
Less: Deferred Revenues	38,498,136	49,245,439	34,882,026	13,608,953	100,433,825	-	236,668,379	-	-	-	-	-	-	-
Less: Outstanding Revenues	2,874,019	1,467,744	1,754,847	858,816	-	-	6,955,426	-	-	-	-	-	-	-
Less: Impairment provision	17,865,260	6,176,927	12,913,271	15,750,167	-	-	52,705,625	3,850,000	-	-	-	-	-	3,850,000
Net	401,289,727	266,737,527	367,719,937	133,275,926	598,027,175	30,664,250	1,797,714,542	9,062,972	-	-	-	2,189,110	611,201,103	622,453,185

* The whole receivable balance is considered payable when one installment falls due.

Distribution of the fair value for the Guarantees Presented against Deferred sale receivables and other receivables and finances is as follows :

2013 -	Joint							Self – Constructed							
	Individuals		Real Estate Finances		Companies		Government and public sector	Total	Individuals	Real Estate Finances	Companies		Government and public sector	Total	
	JD		JD		Major companies	SMEs					JD				Major companies
Guaranties against:															
Low Risk	2,296,165		-		39,400,169	349,810	650,708,615	692,754,759	-	-	-	-	1,156,867	1,156,867	
Acceptable Risk	202,575,129		155,604,569		146,695,875	57,699,694	-	562,575,267	3,564,145	-	-	-	-	3,564,145	
Under-control	8,793,261		8,984,909		19,926,896	9,328,737	-	47,033,803	-	-	-	-	-	-	
Non-performing:															
Below Standard	513,864		77,433		951,346	28,563	-	1,571,206	215,961	-	-	-	-	215,961	
Doubtful	507,192		641,811		-	531,323	-	1,680,326	234,832	-	-	-	-	234,832	
Depreciated	12,084,091		5,318,703		10,104,127	8,237,972	-	35,744,893	2,590,727	-	-	-	-	2,590,727	
Total	226,769,702		170,627,425		217,078,413	76,176,099	650,708,615	1,341,360,254	6,605,665	-	-	-	1,156,867	7,762,532	
Including:															
Cash margins	2,296,165		-		-	349,810	-	2,645,975	-	-	-	-	-	-	
Acceptable bank guarantees	-		-		39,400,169	-	-	39,400,169	-	-	-	-	-	-	
Real estate	89,535,174		169,274,916		174,820,277	65,371,162	-	499,001,529	-	-	-	-	-	-	
Traded shares	435,576		12,600		1,857,316	600,732	-	2,906,224	-	-	-	-	-	-	
Vehicles and machines	134,502,787		1,339,909		1,000,651	9,854,395	-	146,697,742	-	-	-	-	-	-	

2012-	Joint							Self – Constructed					
	Individuals	Real Estate Finances	Companies		Government and public sector	Total	Individuals	Real Estate Finances	Companies		Government and public sector	Total	
			Major companies	SMEs					Major companies	SMEs			
													JD
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Guaranties against:													
Low risk	8,317,155	-	29,252,413	1,475,468	698,461,000	737,506,036	-	-	-	2,189,110	2,189,110	2,189,110	
Acceptable risk	427,497,190	236,375,175	117,641,897	89,948,082	-	871,462,344	9,152,842	-	-	-	-	9,152,842	
Under-control	16,876,661	14,484,529	11,814,316	13,054,028	-	56,229,534	-	-	-	-	-	-	
Non-performing													
Below standard	1,748,481	638,789	-	1,275,171	-	3,662,441	484,102	-	-	-	-	484,102	
Doubtful	2,430,777	4,651,823	1,623,409	789,198	-	9,495,207	458,363	-	-	-	-	458,363	
Depreciated	24,290,804	5,477,388	9,261,558	6,152,166	-	45,181,916	2,817,665	-	-	-	-	2,817,665	
Total	481,161,068	261,627,704	169,593,593	112,694,113	698,461,000	1,723,537,478	12,912,972	-	-	2,189,110	2,189,110	15,102,082	
Including:													
Cash Margins	8,317,155	-	-	1,250,468	-	9,567,623	-	-	-	-	-	-	
Acceptable Banks Guarantees	-	-	29,252,413	225,000	-	29,477,413	-	-	-	-	-	-	
Real Estate	126,345,464	236,335,799	132,812,268	90,655,514	-	586,149,045	-	-	-	-	-	-	
Vehicles and machines	346,498,449	25,291,905	7,528,912	20,563,131	-	399,882,397	-	-	-	-	-	-	

The scheduled deferred sales receivables and other receivables and financings:

- These are those receivables which have already been classified as non-performing receivables/finances and were set aside in terms of the non-performing receivables and finances in accordance with a legal scheduling and were classified as receivables/ finances under monitoring or transferred to performing receivables / finances which amounted JD 33,609,617 on December 31, 2013 against JD 31,944,824 on December 31, 2012.

The restructured deferred sales receivables and other receivables and finances:

- Restructuring means rearranging the statues of receivables/ financings in terms of amending the installments or extending the span of receivables/ finances, deferring some installments or extending the grace period, etc. and reclassifying them as receivables/ finances under monitoring. The total amount of these receivables/ finances was JD 8,643,063 on December 31, 2013 against JD 12,171,731 on December 31, 2012.

Sukuk:

- The following table explains the Sukuk ratings within the financial assets at fair value through the joint investment accounts holders equities according to external rating agencies:

Rating Degree	Rating agency	December 31, 2013	December 31, 2012
		JD	JD
A	S&P	6,381,000	9,926,000

3- Concentration in Credit Exposures According to Geographical Distribution is as follows:

Description	Inside the Kingdom	Other Middle East Countries	Europe	Asia*	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Account Balances at Central Banks	771,906,738	-	-	-	-	-	771,906,738
Account Balances at Banks and Banking Institutions	23,771,119	-	17,673,302	27,960,618	-	1,754,520	71,159,559
Joint Investment Accounts at Banks and Banking Institutions	-	-	2,127,000	-	-	-	2,127,000
Deferred Sales and other Receivables and Finances:							
Individuals	415,915,947	-	-	-	-	-	415,915,947
Real Estate Finances	285,436,957	-	-	-	-	-	285,436,957
Enterprises:							
Major companies	341,000,928	-	7,294,855	32,105,314	-	-	380,401,097
Small and Medium Enterprises (SMEs)	117,624,240	-	-	-	-	-	117,624,240
Government and public sector	587,949,191	-	-	-	-	-	587,949,191
Sukuk:							
Within the financial assets at fair value through joint investment accounts holders equities	-	6,381,000	-	-	-	-	6,381,000
Total as on December 31, 2013	2,543,605,120	6,381,000	27,095,157	60,065,932	-	1,754,520	2,638,901,729
Total as on December 31, 2012	2,321,983,954	35,824,933	30,871,552	24,518,272	16,610,323	284,693	2,430,093,727

* Except the Middle East countries.

4- The Concentration in Credit Exposures According to the Economic Sector is as follows:

Description	Financial	Industrial	Commercial	Real Estate	Agriculture	Stocks	Individuals	Government and Public Sector	total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Account Balances at Central Banks	-	-	-	-	-	-	-	771,906,738	771,906,738
Account Balances with Banks and Banking Institutions	71,159,559	-	-	-	-	-	-	-	71,159,559
Investment Accounts at Banks and Banking Institutions	2,127,000	-	-	-	-	-	-	-	2,127,000
Deferred Sales and other Receivables and Finances	-	47,115,041	463,420,510	285,529,616	2,652,065	812	400,660,197	587,949,191	1,787,327,432
Sukuk:									
Within the financial assets at fair value through joint investment accounts holders equities	-	-	6,381,000	-	-	-	-	-	6,381,000
Total as on December 31, 2013	73,286,559	47,115,041	469,801,510	285,529,616	2,652,065	812	400,660,197	1,359,855,929	2,638,901,729
Total as on December 31, 2012	76,555,424	98,951,966	517,184,193	266,878,186	1,661,002	2,907	303,333,835	1,165,526,214	2,430,093,727

2. Liquidity Risks

The liquidity risks consist in the bank's inability to afford the required financing to fulfill its obligations on their maturity dates. To manage such risks, the Bank shall:

1. Analyze liquidity (maturity gaps)
2. Maintain a reasonable percentage of liquidity to face issued cash flows.
3. Diversify sources of financing.
4. A committee is available to manage assets and liabilities.
5. Distribute finances on different sectors and geographical areas to minimize the risks of concentration.
6. Liquidity is measured, monitored and managed on the basis of the natural and contingent circumstances.
This includes using and analyzing the maturity dates of assets and the different financial ratios.

First: The table below summarizes the distribution of (not discounted) liabilities on the basis of the remaining period of contractual maturity on the date of consolidated financial statements:

2013	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Accounts of Banks and Banking Institutions	12,757,958	-	-	-	-	-	-	12,757,958
Clients' Current Accounts	346,258,432	138,702,974	110,392,399	82,081,823	78,344,772	182,804,468	-	938,584,868
Other Provisions	-	-	-	-	-	-	5,350,000	5,350,000
Income Tax Provision	3,536,912	12,052,373	-	-	-	-	1,542,396	17,131,681
Deferred Tax liabilities	-	-	-	-	-	-	200,212	200,212
Other liabilities	5,246,309	12,525,035	-	29,817,129	997,660	-	7,985,088	56,571,221
Unrestricted Investment Accounts holders equities	197,106,274	165,831,053	199,189,260	310,151,890	337,322,526	774,788,017	11,193,931	1,995,582,951
Total	564,905,885	329,111,435	309,581,659	422,050,842	416,664,958	957,592,485	26,271,627	3,026,178,891
Total Assets (according to their Expected Maturity Date)	1,132,634,446	129,765,824	221,448,605	364,102,936	771,249,504	555,033,491	107,403,556	3,281,638,362

2012	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Accounts of Banks and Banking Institutions	12,545,687	-	-	-	-	-	-	12,545,687
Clients' Current Accounts	310,187,470	126,369,447	101,056,518	75,743,590	225,654,469	-	-	839,011,494
Other Provisions	-	-	-	-	-	-	3,750,000	3,750,000
Income Tax Provision	5,343,949	7,194,016	-	-	-	-	1,542,396	14,080,361
Deferred Tax liabilities	-	-	-	-	-	-	69,053	69,053
Other liabilities	5,349,547	12,228,122	-	30,145,857	949,615	-	14,428,749	63,101,890
Unrestricted Investment Accounts holders equities	188,371,496	156,666,842	189,699,802	261,488,946	1,054,328,871	-	9,369,936	1,859,925,893
Total	521,798,149	302,458,427	290,756,320	367,378,393	1,280,932,955	-	29,160,134	2,792,484,378
Total Assets (according to their Expected Maturity Date)	877,294,855	127,614,996	164,103,530	343,881,630	723,817,800	727,699,815	56,868,005	3,021,280,631

Second: Items beyond the Consolidated Statement of Financial Position :

Description	December 31, 2013	
	Till 1 year	Total
	JD	JD
L/Cs and Acceptances	61,453,702	61,453,702
Guarantees	83,350,118	83,350,118
Unutilized Ceilings	112,634,093	112,634,093
Capital liabilities	2,646,237	2,646,237
Total	260,084,150	260,084,150

Description	December 31, 2012	
	Till 1 year	Total
	JD	JD
L/Cs and Acceptances	51,965,625	51,965,625
Guarantees	79,168,425	79,168,425
Unutilized Ceilings	97,787,233	97,787,233
Capital liabilities	2,630,850	2,630,850
Total	231,552,133	231,552,133

3. Market Risks:

- The market risks result from fluctuations in the value of marketable assets or renting, exchange rates, stocks rates, commodity rates and leased assets. The Bank works to mitigate these risks through:
 1. Diversifying investments and distributing them on a number of sectors and geographical areas.
 2. Studying the orientation of future investment returns, exchange rates and investment in light of such studies.
 3. Setting limits to investments on the level of the country, currency, market, instrument and the other party.
 4. Examining the credit position of the other party before starting an investment.
 5. Adapting the currency positions with the instructions of the Central Bank.
- The bank uses sensitivity analysis to measure the market risks for each type of market risks (returns Rates Risks, Foreign Currency Risks, and Concentration of Foreign Currency Risks) and also uses the value exposed to risks to measure the risks of stocks rates change. A number of indicators were used to determine the impact of the income sensitivity to change in the non-trading financial assets, retained financial liabilities, the sensitivity of ownership equities and the investment accounts holders to the change in the steady state of the financial assets available for sale financed by the joint funds. Also, the bank relied on a number of assumptions related to the change of Murabaha rates, Amman Stock Exchange indexes and the currency rates, etc.

Disclosures on the Consolidated Financial statements As of December 31, 2013

A. Rate of Return Risks

- The average returns risks are induced by the overall risks included in the consolidated statment of financial position. Any rise in the comparative standard rates may lead to the investment accounts holders expectation of a higher return rate. The return rate risks differ from the interest rates risks in that the companies are interested in the results of their investment activities by the end of the investment term and these results cannot be accurately predetermined.
- The bank is exposed to the returns rate risks as a result of a gap in the amounts of assets and liabilities according to the different maturity dates or the re-pricing of the return rates accrued to subsequent transactions within a specific period of time. The bank manages these risks by specifying the future rates of profits according to market expectations and developing new instruments that comply with the Islamic Sharia through the risk management strategy at the bank.

The bank manages these risks through:

1. Managing the gaps of return rates and cost of assets and liabilities according to the different maturity dates.
2. Studying the orientation of investment returns and the future exchange rates and investments in light of this study.

Description	2013			
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	9,082,285	-	5,358,547	3,723,738

Description	2013			
	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	(9,082,285)	-	(5,358,547)	(3,723,738)

Description	2012			
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	7,718,603	-	4,812,776	2,905,827

Description	2012			
	Change (Decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	(7,718,603)	-	(4,812,776)	(2,905,827)

B. Foreign Currency Risks

- The foreign currency risks are risks resulting from a change in the value of financial instruments as a result of a change in the foreign currency rates. The Jordanian Dinar is considered the primary currency of the bank. The foreign currencies are managed on the basis of spot trading and not forward basis so that the foreign currencies are monitored daily and the position limits of each currency. The Bank's policy in managing foreign currencies is based on liquidating position continually and covering the required positions according to the clients' needs. The Board of Directors sets the limits for the financial position for each currency at the bank. The foreign currencies position is monitored daily and a number of strategies are followed to ensure maintaining of a foreign currency position within the approved limits.
- The investment policy of the bank states that the maximum limit of the foreign currencies positions shall not exceed 15% of the total shareholders' equities or 50% of the bank's total obligations in foreign currencies - whichever is greater- (at a maximum limit of 5% of the shareholders' equities for each currency except the USD) in order to cover the clients' needs of the letters of credit, transfers and demand policies and not for speculation or trading.

2013			
Currency	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on ownership equities
USD	23,721,159	1,186,058	1,186,058
EURO	499,261	24,963	24,963
GBP	221,782	11,089	11,089
JPY	40,007	2,000	2,000
Other Currencies	443,137	22,157	22,157
2012			
Currency	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on ownership equities
Currency	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on ownership equities
USD	(5,586,041)	(279,302)	(279,302)
EURO	318,426	15,921	15,921
GBP	(452,853)	(22,643)	(22,643)
JPY	54,715	2,736	2,736
Other Currencies	434,084	21,704	21,704

Concentration in Foreign Currency Risks:

2013	USD	Euro	GBP	JPY	Others	Total
Assets:						
Cash on hand & cash at central banks	128,410,175	4,298,927	1,979,656	-	781,974	135,470,732
Cash at banks & banking Institutions	50,299,563	11,761,164	2,133,947	99,133	5,799,502	70,093,309
Investment account with banks and banking institutions	2,127,000	-	-	-	-	2,127,000
Deferred sale receivables and other receivables	134,959,449	7,229,404	1,830,538	-	2,834,329	146,853,720
Financial assets at fair value through the ownership equity – self constructed	802,417	16,703	-	-	-	819,120
Financial assets at fair value through the joint investment accounts holders equities	17,782,508	-	-	-	-	17,782,508
Other assets	1,316,706	77,096	-	-	-	1,393,802
Total Assets	335,697,818	23,383,294	5,944,141	99,133	9,415,805	374,540,191
Liabilities:						
Deposits in banks and banking institutions	3,982,760	2,156,389	-	-	162,296	6,301,445
Cash Margins	3,759,078	416,970	7,523	-	7,411	4,190,982
Current accounts	101,052,849	5,322,227	1,510,656	59,126	1,837,725	109,782,583
Unrestricted investment accounts	203,177,752	14,988,447	4,204,180	-	6,965,236	229,335,615
Other liabilities	4,220	-	-	-	-	4,220
Total liabilities	311,976,659	22,884,033	5,722,359	59,126	8,972,668	349,614,845
Net concentration in the consolidated financial position statement 2013	23,721,159	499,261	221,782	40,007	443,137	24,925,346
Possible obligations beyond the consolidated financial position statement 2013	26,436,457	3,048,603	146,369	17,107	311,620	29,960,156
2012						
Total Assets	343,405,928	24,630,296	3,963,777	702,380	7,999,572	380,701,953
Total Liabilities	348,991,969	24,311,870	4,416,630	647,665	7,565,488	385,933,622
Net Concentration in the consolidated financial position statement 2012	(5,586,041)	318,426	(452,853)	54,715	434,084	(5,231,669)
Possible obligations beyond the consolidated financial position statement 2012	26,024,188	5,606,274	324,004	-	1,229,980	33,184,446

C. Stock Rates Risks

- The stock rates risks result from a change in the fair value of investments in stocks. The bank works to manage these risks through diversifying investments in different geographical areas and economic sectors. Most stock investments owned by the bank are listed in Amman Stock Exchange.

Description	Change in the statement index (5%)	Impact on losses and Profits	Impact on equity	Impact on investment account holders equities
	JD	JD	JD	JD
2013				
Amman Stock Exchange	73,518	-	43,375	30,143
2012				
Amman Stock Exchange	1,395	-	870	525

D. Commodity Risks:

- Commodity risks are induced by the fluctuations in the value of marketable assets or renting. They are related to the current and future fluctuations and market values of specific assets. The bank is exposed to fluctuations of purchase commodity prices that are paid in whole after signing the commodity contracts through the takeover period and to fluctuations in the remaining value of the leased out assets as in the end of the lease term.

4. Compliance Risks

- These are the legal or supervisory punishments, the material losses or reputation risks that the bank might be exposed to as a result of not complying with the laws, regulations, instructions, directives, codes of conduct and the sound banking standards and practices. Among the most serious of these risks are those associated with risks of legal and supervisory punishments, reputations risks, financial loss risks, money laundering risks as well as fraud and corruption risks. To protect the bank against such risks, the Compliance Department ensures the compliance of the bank and its policies with all laws, regulations, instructions, directives, codes of conduct and the sound banking standards and practices issued by the domestic and international supervisory bodies through setting up the developing a policy of compliance and a compliance guide as well as drawing up and developing the general policy of combating money laundering and preparing procedures and work testimonies regarding the internal and external laws, regulations and instructions and preparing a work ethics charter and organizing the required training courses.

5. Operation Risks

- These are risks resulting from the failure or unsuitability of the internal procedures, human element and systems or the failure or unsuitability caused by external events. This definition encompasses the legal risks, noncompliance risks and those risks of noncompliance with the Sharia standards. The bank works to manage these risks through:
 - The availability of applicable instructions and documented work procedures to be followed by the employees and help minimize the possibility of the occurrence of any operational risks.
 - The bank's preparation of Business Continuity Plan to minimize exposure to risks the bank faces as well as the plan of recovery from the effects of losses resulting from crises.
 - The Legal Department ensures the validity of the contracts and documents of the bank while the follow-up department follows up the faltering under-settlement accounts and proceeding with the procedures of collecting debts.
 - The Computer Department, in coordination and cooperation with the Internal and Sharia Auditing Department, sets up the required policies and procedures to protect the security and confidentiality of the information in the Bank.

6. Reputation Risks

- These are risks resulting from a bad impression on the bank which may lead to the occurrence of losses in the sources of financing or may lead to clients' movement to competitive banks. This impression might be induced by the conduct of the managers or employees of the bank or as a result of not providing client services with the required quality. Moreover, it can be triggered by a weakness in the systems of confidentiality at the bank which in turn shakes the trust of clients in the bank, or because of the bank's involvement in illegal activities like money laundering or financing undesirable sectors. It might also develop as a result of many burglary or piracy crimes. The bank works to manage these risks through a number of procedures that enhance the clients' trust in the bank like providing good banking services, preserving the banking confidentiality and

not practicing illegal activities or financing undesirable sectors, and provide suitable protection systems.

(59) Information on the Bank's Sectors:

A. Information on the Bank's activities:

- The bank is organized for administrative purposes through four main business sectors:

Individuals' Accounts:

- These encompass follows up the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to individuals.

Institutions' Accounts:

- These encompass follows up the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions' clients.

Investment in Assets:

- This sector includes investing in real estate, and leasing.

Treasury:

- This sector includes provision of trading, budget and Bank's funds management services.

Below is information on the bank's business sectors distributed according to the activities:

Description	Total						2013 JD	2012 JD
	Individuals	Enterprises	Investment in Assets	Treasury	Others			
	JD	JD	JD	JD	JD			
Total Returns (Joint + Self Constructed)	72,254,901	90,301,864	4,037,820	14,678,420	3,602,574	184,875,579	163,886,517	
Net results of Subsidiary companies	-	1,571,517	-	-	-	1,571,517	1,152,722	
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(7,225,490)	(8,932,133)	(403,782)	(47,912)	-	(16,609,317)	(21,691,685)	
Return and Share of the unrestricted Investment Accounts and share of non-controlling interests from the net results of subsidiary companies	(49,399,359)	(2,730,750)	(1,571,517)	-	-	(53,701,626)	(47,257,398)	
Sector Work Results	15,630,052	80,210,498	2,062,521	14,630,508	3,602,574	116,136,153	96,090,156	
Distributed Expenses	(7,815,026)	(34,946,299)	(1,271,913)	(5,120,678)	(2,301,522)	(51,455,438)	(44,892,151)	
Profits before taxes	7,815,026	45,264,199	790,608	9,509,830	1,301,052	64,680,715	51,198,005	
Income Tax	(2,344,508)	(12,813,643)	(708,638)	(2,852,949)	(854,674)	(19,574,412)	(14,752,102)	
Profit after tax	5,470,518	32,450,556	81,970	6,656,881	446,378	45,106,303	36,445,903	
Sector Assets	989,560,204	791,451,133	472,476,766	937,210,241	-	3,190,698,344	2,936,732,566	
Investment in Affiliates	-	-	14,790,694	-	-	14,790,694	14,554,692	
Assets not distributed to Sectors	-	-	-	-	76,149,324	76,149,324	69,993,373	
Total Assets	989,560,204	791,451,133	487,267,460	937,210,241	76,149,324	3,281,638,362	3,021,280,631	
Sector Liabilities	2,647,633,523	267,322,992	-	12,757,958	-	2,927,714,473	2,695,893,004	
Liabilities not Distributed to Sectors	-	-	-	-	98,464,418	98,464,418	96,591,374	
Total Liabilities	2,647,633,523	267,322,992	-	12,757,958	98,464,418	3,026,178,891	2,792,484,378	
Capital Expenses	-	-	-	-	9,949,502	9,949,502	14,317,524	
Depreciations and amortizations	-	-	-	-	4,162,319	4,162,319	3,481,179	

B. Geographical Distribution Information:

- This sector represents the geographical distribution of the bank's works. The bank practices its activities mainly inside the Kingdom, which forms the domestic works.
- Below is the distribution of the Bank's revenues and assets as well as its capital expenses according to the geographical sector and the internal policy of the Bank based on the method of measuring it and in accordance with the reports used by the general manager and the main decision makers at the Bank:

Description	Inside the Kingdom		Outside the Kingdom		Total	
	2013	2012	2013	2012	2013	2012
	JD	JD	JD	JD	JD	JD
Total Revenues	164,630,230	142,904,923	1,462,941	1,706,312	166,093,171	144,611,235
Total assets	2,907,098,171	2,640,578,678	374,540,191	380,701,953	3,281,638,362	3,021,280,631
Capital expenses	9,949,502	14,317,524	-	-	9,949,502	14,317,524

(60) Capital Management

- The capital of the bank consists of the paid-in capital, reserves- including the statutory, voluntary, general banking risks reserves- and other reserves, and retained earnings.
- Pursuant to the instructions of the Central Bank of Jordan that are based on the decisions of Islamic Financial Services Council, the bank has to keep an adequate capital to face the risks that are associated with its transactions which consist in the credit risks, market risks and operational risks. The capital adequacy ratio should not be less than 12% according to the established instructions.

The bank works to achieve the objectives of the capital through the follows:

- Realizing acceptable returns on capital without compromising the financial stability as well as realizing acceptable return on equity.
- Achieving the required level of capital in pursuance of the requirements of Basel Committee of Banking Supervision and the trends of the supervisory bodies.
- Providing an adequate capital to expand the granting of large financings and investments in consistency with the instructions of the Central Bank as well as facing any future risks.
- The bank determines the capital adequacy ratio according to the instructions of the Central Bank of Jordan based on the Islamic Financial Services Board decisions. Below is the capital adequacy ratio compared with the previous year:

Description	December 31, 2013	December 31, 2012
	JD	JD
Principal Capital Items:	227,402	206,438
Subscribed (paid-up) capital	125,000	125,000
Statutory Reserve	46,110	39,635
Voluntary Reserve	15,430	8,978
Retained Earnings	48,846	35,286
The Bank's Share from the Investment Risks Fund Deficit	(4,543)	(111)
50% of Bank's share from investments in Banks' capitals and other financial companies	(247)	(250)
50% of Bank's share from investment in insurance companies	(938)	(770)
Intangible Assets	(2,256)	(1,330)
Additional Capital Items:	4,675	3,683
Fair value reserve of the financial assets at fair value through ownership equities	210	73
Bank's share from the fair value reserve of the financial assets at fair value through the joint investment accounts holders equities	(490)	100
General Banking Risks Reserve / self-constructed	700	700
Bank's share from the general banking risks reserve / joint	5,440	3,830
50% of the Bank's share from investments in the capitals of Banks and other financial companies	(247)	(250)
50% of the Bank's share from investment in insurance companies	(938)	(770)
Total Regulatory Capital	232,077	210,121
Total Assets and off the risk-weighted Consolidated Statement of Financial Position Items	1,254,496	1,074,416
Capital Adequacy Ratio (%)	18.50%	19.56%
Principal Capital Ratio (%)	18.13%	19.21%

(61) Accounts Managed for Clients:

- The Accounts managed for clients amounted JD 240,776,987 as of December 31, 2013 compared to JD 234,261,624 as of December 31, 2012. These accounts are not shown within the bank's assets and liabilities in the consolidated financial statements.

(62) Assets and Liabilities Maturity Analysis:

- The table below shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

Description	December 31, 2013		
	Till 1 year	More than 1 year	Total
	JD	year JD	JD
Assets:			
Cash and account balances at central banks	863,923,682	-	863,923,682
Account balances at banks and banking institutions	71,159,559	-	71,159,559
Unrestricted investment accounts at banks and banking institutions	2,127,000	-	2,127,000
Deferred Sales and other receivables –Net	765,105,399	993,674,896	1,758,780,295
Ijara Muntahia Bittamleek Assets –Net	24,711,676	320,225,128	344,936,804
Finances – Net	1,848,695	20,382,347	22,231,042
Financial assets at fair value through the ownership equity – self constructed	2,249,752	-	2,249,752
Financial assets at fair value through joint investment accounts holders equities	42,654,607	5,596,656	48,251,263
Investments in Affiliates	14,790,694	-	14,790,694
Real Estate Investments	53,927,262	23,111,685	77,038,947
Al Qard Al Hasan-Net	5,453,485	862,610	6,316,095
Property and Equipment –Net	-	58,296,721	58,296,721
Intangible Assets – Net	-	2,255,706	2,255,706
Other Assets	-	9,280,802	9,280,802
Total Assets	1,847,951,811	1,433,686,551	3,281,638,362
Liabilities and Unrestricted Investment Accounts Holders' Equities:			
Banks and Banking Institutions Accounts	12,757,958	-	12,757,958
Clients' Current and Call Accounts – Trust	677,435,628	261,149,240	938,584,868
Cash Margins	29,817,129	-	29,817,129
Receivables	1,275,986	192,576	1,468,562
Other Provisions	-	5,350,000	5,350,000
Income Tax Provision	15,589,285	1,542,396	17,131,681
Deferred Tax Liabilities	-	200,212	200,212
Other Liabilities	13,635,358	805,084	14,440,442
Unrestricted Investment Accounts	861,084,546	1,115,287,101	1,976,371,647
Fair Value Reserve	7,835,752	-	7,835,752
Investment Accounts Holders Reserve –Subsidiaries & affiliates	-	7,019,713	7,019,713
Non-controlling Interesets	-	997,660	997,660
Investment Risks Fund	-	7,985,088	7,985,088
Deferred tax liabilities	3,358,179	-	3,358,179
Income Tax Provision- Investment Risks Fund	2,860,000	-	2,860,000
Total Liabilities & Unrestricted Investment Accounts Holders' Equities	1,625,649,821	1,400,529,070	3,026,178,891
Net	222,301,990	33,157,481	255,459,471

Description	December 31, 2012		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and account balances at central banks	653,398,589	-	653,398,589
Account balances at banks and banking institutions	70,706,174	-	70,706,174
Unrestricted investment accounts at banks and banking institutions	5,849,250	-	5,849,250
Deferred Sales and other receivables –Net	709,092,073	1,044,345,148	1,753,437,221
Ijara Muntahia Bittamleek Assets –Net	29,432,604	243,021,441	272,454,045
Finances – Net	4,571,782	15,610,790	20,182,572
Financial assets at fair value through the ownership equity – self constructed	5,286,774	-	5,286,774
Financial assets at fair value through joint investment accounts holders equities	33,788,258	50,610,518	84,398,776
Investments in Affiliates	-	14,554,692	14,554,692
Real Estate Investments	-	71,019,165	71,019,165
Al Qard Al Hasan-Net	769,507	3,913,074	4,682,581
Property and Equipment –Net	-	53,548,273	53,548,273
Intangible Assets – Net	-	1,329,577	1,329,577
Other Assets	-	10,432,942	10,432,942
Total Assets	1,512,895,011	1,508,385,620	3,021,280,631
Liabilities and Unrestricted Investment Accounts Holders' Equities:			
Banks and Banking Institutions Accounts	12,545,687	-	12,545,687
Clients' Current and Call Accounts - Trust	613,357,025	225,654,469	839,011,494
Cash Margins	17,778,124	12,367,733	30,145,857
Receivables	1,016,223	-	1,016,223
Other Provisions	-	3,750,000	3,750,000
Income Tax Provision	12,537,965	1,542,396	14,080,361
Deferred Tax Liabilities	-	69,053	69,053
Other Liabilities	14,018,917	-	14,018,917
Unrestricted Investment Accounts	807,743,557	1,036,592,266	1,844,335,823
Fair Value Reserve	-	6,558,955	6,558,955
Investment Accounts Holders Reserve –Subsidiaries and affiliates	-	5,270,519	5,270,519
Non-controlling Interests	-	949,615	949,615
Investment Risks Fund	-	14,527,102	14,527,102
Deferred tax liabilities	-	2,810,981	2,810,981
Income Tax Provision- Investment Risks Fund	3,393,791	-	3,393,791
Total Liabilities & Unrestricted Investment Accounts Holders' Equities	1,482,391,289	1,310,093,089	2,792,484,378
Net	30,503,722	198,292,531	228,796,253

(63) Potential Obligations (Off the Consolidated Financial Position Statement)**A- Credit Obligations**

Description	December 31, 2013	December 31, 2012
	JD	JD
L/Cs	55,670,200	46,921,576
Acceptances	5,783,502	5,044,049
Guarantees:	83,350,118	79,168,425
- Paying	25,037,731	26,442,228
- Performance bonds	32,047,348	24,713,586
- others	26,265,039	28,012,611
- Unutilized Limits	112,634,093	97,787,233
Total	257,437,913	228,921,283

B- Contractual Obligations

Description	2013	2012
	JD	JD
Contracts of Purchasing properties, equipment and systems	2,646,237	2,630,850

The above contractual obligations are matured within one year of the date.

(64) Lawsuits filed against the Bank

- The value of the lawsuits filed against the bank (self-constructed) amounted JD 10,348,893 and 481,993 as of December 31, 2013 and December 31, 2012 respectively. In addition, the value of the lawsuits filed against the bank (joint) amounted JD 633,121 and JD 399,720 as of December 31, 2013 and December 31, 2012 respectively. In the opinion of the Bank's management and attorney, consequences incurred by the cases of joint investment accounts are booked on the Investment Risks Fund. What the Bank may incur will be covered from the Bank's provisions. The Bank shall not incur any amounts for the lawsuits filed against it (self-constructed).

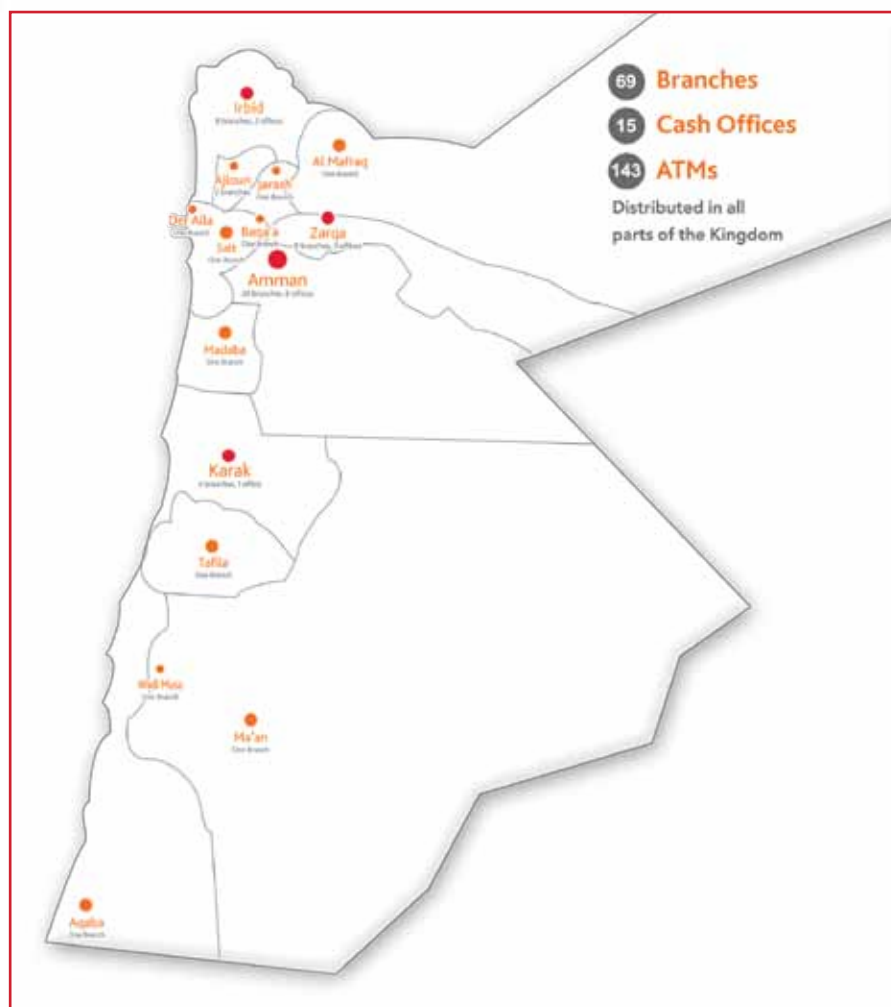
(65) Comparative Figures

- Some of 2012 comparative figures were reclassified and adjusted. The effect of the consolidated financial statements is disclosed in Note (2) about the consolidated financial statements.





Head Office, Branches & Offices



Head Office, Branches & Offices

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Head Office	Shmaisani / Amman	5677377 5666325 5623801	5666326 5684755	926225	11190	465
Shmaisani Branch	Shmaisani / Amman	5677107 5623613 5650436	5691700 5623612	925997	11190	50
Amman Branch	King Faisal Str./ Amman	4638306 4653306 4627315	4614299 4652400	7987	11118	33
Jabal Al-Hussein Branch	Khalid bin Al-Walid Str. / Amman	5694403 5673408 5686977	5693866 5624184	926943 921047	11110	38
Zarqa Branch	King Hussein Str. Zarqa	3981401 3984667 3961886	3930911 3984646	5753	13111	41
Wehdat Branch	Prince Hassan Str./ Amman	4778101 4744361 4744362	4789144 4751645	16165	11152	31

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Irbid Branch / Baghdad Str.	Baghdad Str./ Irbid	7245151 7240728 7247655	7247051 7240730	1950	21110	44
Bayader Wadi Essir Branch	Main Street / Al Bayader	5816152 5859662 5824161	5824162	140223	11814	31
Aqaba Branch	Al Hamamat Str./ Aqaba	2014315 2014317 2014961	2014313	1048	77110	22
Ma'adaba Branch	Petra Str./ Ma'adaba	3242802 3248898 3248896	3244702	695	17110	27
Sweileh Branch	King Hussein Str./ Sweileh	5341563 5359879 5346104	5349461	717	11910	22
Ma'an Branch	King Hussein Str./ Ma'an	2132235 2131799 2133048	2131733	204	71111	20
Kerak Branch	Italian Str. Kerak	2353513 2352636 2352638	2353508 2353484	220	61110	28
Jerash Branch	King Abdullah Str./ Jerash	6352652 6352653 6352268	6352654 6352264	32	26110	31
Mafraq Branch	King Faisal Str./Mafraq	6231974 6230381 6236367	6232212	68	25110	29
Salt Branch	Al Bayyadah Str./ Salt	3553790 3557985 3556795	3553792	1035	19110	19
Tafileh Branch	Municipality Str./ Tafileh	2242647 2242648 2242649	2242650	42	66110	19
Alrawdah Branch *	Alrawdah Str./ Amman	5159721 5152774 5161628	5151773	961155	11196	25 This number includes the service staff of Al Rawda Branch
Rusaifeh Branch	King Hussein Str./ Rusifeh	3744756 3743698 3743692	3744758	1138	13710	22
Saqf Al-Seel Branch	Saqf Al-Seel/ Amman	4614801 4615974 4616257	4614805 4616256	182059	11118	31
Irbid Branch / Al-Hashmi Str.	Al-Hashmi Str./ Irbid	7279401 7276821 7279404	7279405 7276437	501	21101	42
Ajloun Branch	Opposite to the Consumers Corporation / Ajloun	6420777 6421004 6420787	6420700	167	26810	25

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Al-Weibdeh Branch	Abdali / Opposite to the car station / Amman	4616420 4616340 4616470	4616450	927988	11190	16
Deir Abi Said Branch	King Hussein Str./ Deir Abi Said	6521551 6521654 6521653	6521553	45	21710	21
Yarmouk Branch	Yarmouk Str./ Amman	4757161 4757162 4757167	4757169	620832	11162	23
Abu Alanda Branch	Ring Road / Amman	4162001 4162973 4163900	4162971	742	11592	20
Sahab Branch	Behind the vegetable market / Sahab	4023801 4023804 4029111	4023803	647	11511	21
Marka Branch	King Abdullah Str./ Amman	4889311 4894399 4872413	4886633	340965	11134	23
Mu'tah Branch	University Str./ Mu'tah	2370001 2370285 2370345	2371804	50	61621	27
Guerieh Branch	King Ghazi Str./Zarqa	3930901 3930902 3984658	3930903	150266	13115	16
Ramtha Branch	Banks Str./ Ramtha	7380490 7380493 7380497	7380494	546	21410	18
Al-Hashmi Al-Shamali Branch	Jabal Al Hashmi Al-Shamali / Amman	5052111 5051117 5051119	5055114	230693	11123	17
Al- Hashmieh Branch	Al Hashmieh / Zarqa	3811701 3811705 3811708	3811709	185	13125	14
Irbid Branch / Hakama Str.	Hakama Str./ Irbid	7401352 7401357 7401360	7401361	230101	21110	23
Al – Baqa'a Branch	Al-Baqa'a Camp / Al-Baqa'a	4726333 4726335 4726915	4726334	825	19381	18
Jabal Attaj Branch	Haouz Str./ Amman	4752300 4755644 4789981	4752302	410676	11141	17
Kufranja Branch	Main Str./ Kufranja	6454501 6454609 6454610	6454510	61	26873	15
Al Naser Branch	Sabra & Shatila Str./ Amman	4921400 4921406 4921407	4921409	425838	11140	19

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Yajooz Branch	Main Street / Yajooz	3745150 3745152 3745154	3745153	120032	13712	18
Hai Nazal Branch	Al Dostor Str./ Amman	4397930 4397931 4397936	4397937	710999	11171	26
Tla' Al-Ali Branch	Tla' Al-Ali / Amman	5333184 5340255 5333618	5342744	1582	11953	20
Hai Ma'asoum Branch	Al-Farouq Str./ Zarqa	3935401 3935418 3935422	3935427	11897	13118	19
Abdullah Gosheh Str. Branch	Umn Al-Sumaq / Amman	5857520 5857521 5857527	5857529	709	11821	17
Irbid Branch / Eidoun	Eidoun / Irbid	7254756 7254760 7254764	7254763	620595	21162	19
Wasfi Al-Tal Str. Branch	Wasfi Al-Tal Str./ Amman	5528102 5528095 5528073	5528075	961021	11196	21
Al- Nuzha Branch	Jabal Al-Nuzha / Amman	5673325 5673397 5673522	5673635	240448	11124	15
Marj Al-Hamam Branch	Marj Al-Hamam Str./ Amman	5714077 5714556 5714987	5715538	1093	11732	16
Wadi Musa Branch	Main Street Wadi Musa	2157919 2157920 2157921	2157922	53	71810	14
Al-Jebeiha Branch	Main Street / Amman	5344261 5344237 5344228	5344239	874	11941	16
Tareq Branch / Tabarboor	Shehab Al-Habri Str./ Amman	5060436 5060541 5060547	5060548	295	11947	21
Irbid Branch / Palestine Street	Palestine Str./ Irbid	7262101 7262105 7262108	7262109	3922	21110	21
Al-Zarqa Al-Jadeedah Branch	Makka Mukarama Str./Zarqa	3852402 3852405 3852409	3852410	150472	13115	17
Deir Alla Branch	Main Street / Deir Alla	3573520 3573521 3573524	3573525	44	18210	17
Al-Sweifeh Branch	Al-Sweifeh / Amman	5812226 5812227 5812027	5812029	142643	11844	17

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Abu Nsair Branch	Abu Bsair / Amman	5236325 5236326 5236327	5236329	541405	11937	17
Al-Thaniya Branch	Al-Thaniya / Kerak	2386626 2386627 2386671	2386632	15	61151	15
Khraibt Essouq Branch	Khraibt Essouq / Amman	4120846 4120928 4120932	4120894	987	11621	17
Khalda Branch	Amer bin Malek Str./ Amman	5545948 5546296	5542813	4428	11953	16
Al-Shoneh Al-Shamalieh Branch	Main Street / Al-Shoneh Al-Shamalieh	6580282 6580275 6580301	6580298	15	28110	16
Al-Qasr Branch	Al-Qasr / Kerak	2315050 2315590 2315591	2315524	32	61210	16
Jabal Amman Branch	Jabal Amman / Amman	4633016 4633017 4629875	4633048	840610	11180	15
Al-Dlail Branch	Tareq Complex / Al-Dlail	3825179 3825180 3825182	3825181	190	13136	15
Wadi Alhajar Branch	Zarqa / Highway Street	3651990 3652304 3652363	3651034	1927	13110	14
Irbid Branch/ Al Hosn	Al Hosn / Irbid	7012401 7012402 7012403	7012404	357	21510	16
Bawabit Al Salt Branch	King Abdullah II Street Opposite to the Justice Palace/ Salt	3530591 3530639 3531180	3550453	484	19110	17
Na'ur Branch	Madaba Al Gharbi street / Hai Al Shaheed	5725861 5725864 5725873	5725870	114	11710	16
Islamic Hospital Branch	Islamic Hospital / Amman	5657262 5657261 5657263	5657264	928430	11190	14
Al-Huriah Street Branch	Al-Huriah Street / Al-Muqableen	4205617 4206259 4205645	4205769	606	11623	14
Al Shouneh Al Janoubayeh Branch1	King Hussein Bridge Street / Al Shouneh Al Janoubayeh	3581173 3581175 3581178	3581194	23	18110	11
Industrial Area Office / Sahab	Industrial Area / Sahab	4029720 4029722 4029724	4029725	259	11512	4

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
C-Town Office	Amman Mall / Amman	5528394 5528395 5528396	5528397	1582	11953	3
Hitteen Camp Office	Hitten Camp / Rusaifa	3611253 3611254 3611327	3611328	2720	13713	4
Awajan Office	Main Street / Awajan	3656663 5656664 3656665	3655029	8545	13162	3
Istiklal Mall Office	Istiklal Street Al-Nuzha	5683936 5683937 5683938	5683897	922503	11192	3
Al-Yasmeen Office2	Al-Yasmeen District / Amman	4205413 4205347 4205439	4205386	710068	11117	14
Irbid Office / Sama Al-Rosan	Sama Al-Rosan intersection / Irbid	7585150 7585152 7585153	7585124	25	21129	4
Al-Marj Office	Al-Marj / Kerak	2341494 2341496 2341513	2341495	14	61112	3
Bsaira Office	Bsaira / Tafileh	2267082 2267087 2267097	2267105	54	66610	4
Irbid Office / Al-Taiba	Al-Taiba / Irbid	7330039 7330041 7330296	7330456	17	21810	5
Jerash Office	King Hussein Street/Jerash	6340115 6340122	6340130	32	26110	7
Free Zone Office	Gate No. (1) – Free Zone Zarqa	3826739 3826762	3826741	186	13134	3
Shawbak Office	Main Street - Departments Complex – Shawbak	2165460 2165467	2165461	66	71910	5
Al Badia Al Shamaliah Office3	Baghdad International Street / Salhiyeh - Mafraq	6282369	6282882	60	54510	5
Al-Sbeihi Office4	Downtown – Al – Arda Region Al-Sbeihi	3523466	3523510	484	19110	6
Al Shajara Office5	King Hussein Street – Al Shajara Ramtha	7359348	7359377	42	21382	6
Al-Bonded Office	Sahab Industrial City / Sahab	4029727 4029728	4029729	259	11512	12

1. Was opened on 23/02/2014.

2. Was opened on 16/02/2014.

3. Was opened on 20/01/2014.

4. Was opened on 26/01/2014.

5. Was opened on 09/02/2014.

The Bank does not have branches and offices outside the Kingdom.

e-mail: jib@islamicbank.com.jo - Web site: <http://www.jordanislamicbank.com>

