



INDUSTRIAL DEVELOPMENT BANK

Established 1965
Amman - The Hashemite Kingdom of Jordan

Thirty Fourth Annual Report
Balance Sheet and Profit & Loss Account
1998

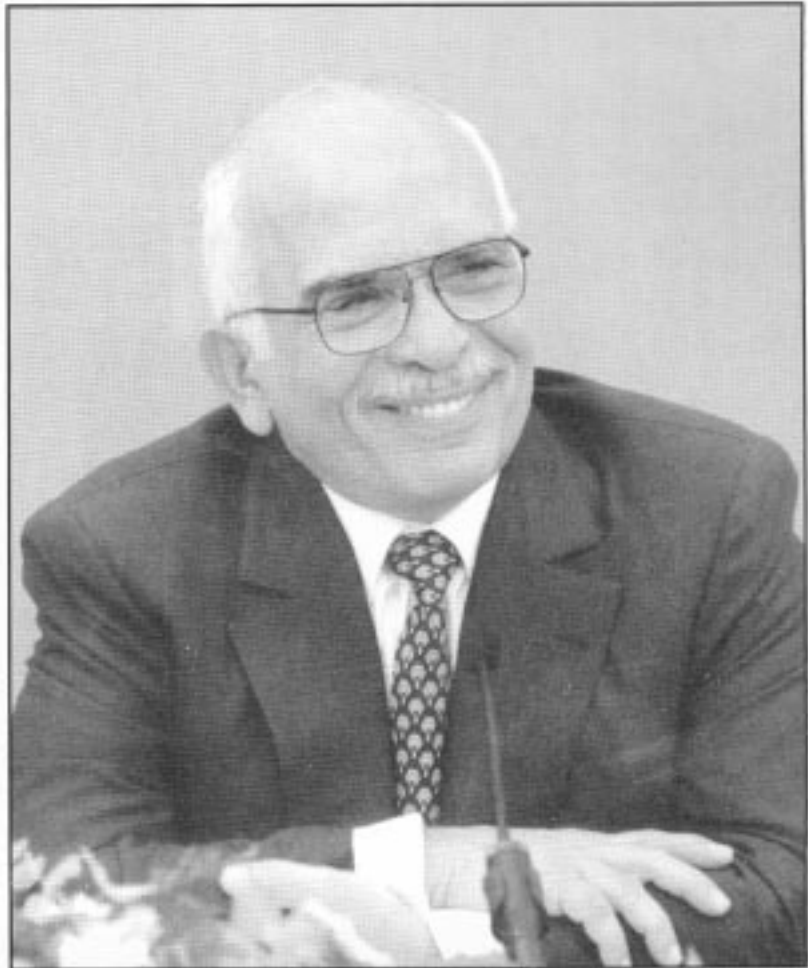


INDUSTRIAL DEVELOPMENT BANK

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1998

THE INDUSTRIAL
DEVELOPMENT
BANK
MOURNS WITH
DEEP GRIEF
THE LOSS OF



**HIS MAJESTY
KING HUSSEIN BEN TALAL**

THE GREAT KING OF WISDOM, ACHIEVEMENT

AND DEDICATION TO THE NATION

WHO PASSED AWAY ON THE SEVENTH OF FEBRUARY 1999

MAY GOD REST HIS SOUL IN PEACE

AND BLESS HIS SUCCESSOR

HIS MAJESTY KING ABDULLAH BEN AL-HUSSEIN

AND INSPIRE HIM TO LEAD JORDAN

TOWARDS SUCCESS AND PROSPERITY



HIS MAJESTY KING ABDULLAH THE SECOND BEN AL-HUSSEIN

BOARD OF DIRECTORS
Chairman:-**Mr. Sa'ad Tell****Vice Chairman:-****Dr. Nabil Ammari** : Representative of Ministry of Planning (until 20/8/1998)**Dr. Ahmad Mustafa** : Representative of Central Bank of Jordan (from 28/9/1998)**Members:-****Mr. Zuhair El-Khourri** : Representative of The Housing Bank**Mr. Khaldoun Abu Haasan** : Representative of Amman Chamber of Industry**Mr. Mofleh Akel****Mr. Rajab As-Saad****Dr. Mohammad Halayka** : Representative of The Ministry of Industry and Trade**Dr. Safwan Toukan** : Representative of Social Security Corporation
(from 25/1/1998)**Dr. Abdul Razzak
Bani Hani** : Representative of Ministry of Planning (from 20/8/1998)**Mr. Johnny Zeidan** : Representative of Jordan National Bank.**Mr. Jamil Dasouki** : Representative of the Arab Bank (from 15/5/1998)**General Manager****Mr. Rajab S. As-Saad** : (until 31/12/1998)**Mr. Tayseer Wahbeh** : (from 1/1/1999)**Auditors**

Saba & Co.

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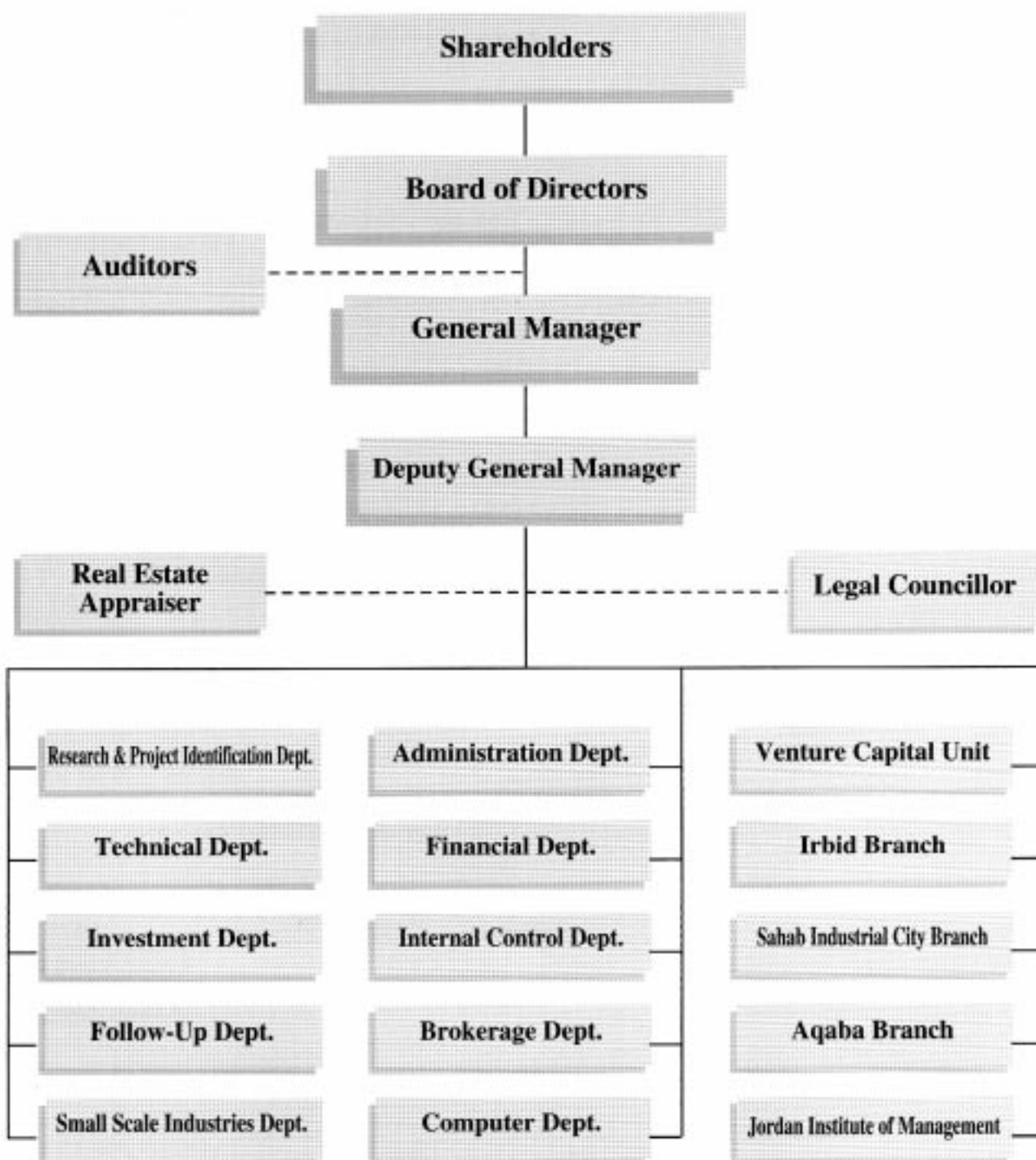
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INDUSTRIAL DEVELOPMENT BANK

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31/12/1998



Highlights of Operations

	JD Million				
	1994	1995	1996	1997	1998
I. Approvals :					
1. Number of Loans	147	143	168	179	164
2. Value of Loans	29.695	20.939	43.472	35.934	28.725
3. Equity Investment	1.200	0.850	0.250	0.257	0.150
Total	30.895	21.789	43.722	36.191	28.875
II. Disbursements :					
1. Loans	33.020	34.090	32.721	44.511	39.156
2. Equity Investment	0.583	0.550	0.509	0.603	0.441
Total	33.603	34.640	33.230	45.114	39.597
III. Repayment of Loans	26.500	29.257	32.374	38.516	43.128
IV. Outstanding Loans	91.014	101.354	110.684	124.700	131.938
V. Small Scale Industry and Handicraft Fund					
1. Approvals :					
1.1 Number of Loans	213	53	32	132	100
1.2 Value of Loans	1.536	0.389	0.213	1.132	0.728
2. Disbursements	1.625	0.465	0.207	0.572	0.914
3. Repayments	1.080	1.498	1.475	1.303	1.102
4. Outstanding Loans	6.307	5.655	4.680	4.164	4.186
VI. Paid - up Capital	7.500	10.897	11.647	18.990	24.000
VII. Net Worth	16.352	28.085	31.059	34.860	45.315
VIII. Total Assets	123.901	134.785	134.299	143.472	147.802
IX. Net Profit	2.516	5.334	4.116	4.052	4.940
X. Dividends	12%	18%	18%	15%	6%
XI. Market Share Price as on 31/12 (JD)	2.900	2.500	2.180	1.700	1.470
XII. Book Value as on 31/12	2.180	2.577	2.667	1.836	1.888

INDUSTRIAL DEVELOPMENT BANK

CHAIRMAN'S STATEMENT

To Our Shareholders,

It gives me great pleasure to welcome you to your 30th Annual General Meeting and to present the 34th Annual Report of the Board of Directors outlining the achievements and activities of your Bank in 1998.

The Bank continued to stride forward towards achieving the objectives stipulated in its law, mainly: to promote industrial development. Due to the decline in the overall Jordanian economic performance, total value of approved loans decreased from JD 35.93 million in 1997 to JD 28.73 million in 1998.

Manufacturing industry, benefited from 74.5% of total value of approved loans while tourism sector secured 25.5%. Loans approved to Small Scale Industries and Handicrafts (SSIH) were 100 loans amounting to JD 0.728 million compared to 132 loans amounting to JD 1.13 million in 1997. Such decrease was attributed to the loans extended in 1997 to help relocate old workshops from downtown of the city of Aqaba to their new location. In this perspective, 51 workshops completed their move.

Disbursements of loans to industry, tourism and services amounted to JD 39.16 million, a decrease of 12% over 1997. Disbursements to SSIH amounted to JD 914.4 thousand, an increase of 59.7% over previous year. Repayments towards the regular loans amounted to JD 43.13 million, and those towards SSIH loans amounted to JD 1,102 million. Ratio of repayment to sums falling due was 78.5% for regular loans and 74.7% for SSIH loans.

In 1998 the Bank also participated in the equity capital of two new industrial projects in the amount of JD 150 thousand.

As a result to the trust that the Bank enjoys, the Central Bank of Jordan allocated JD (30) million as a low interest source of fund for the Bank's lending activities. Accordingly, the Bank reduced its interest and commission on loans granted by 1.5 points to become 10% for fixed assets and 10.5% for raw materials loans.

The Bank also signed a 10.00 million US dollar agreement with the Danish Den Danske Bank to provide easy term loans to Jordanian investors to finance 50% of capital goods and services of Danish origin.

Net profit before provisions amounted to JD 4.940 million compared to JD 4.052 million realized during 1997. Total assets of the Bank in 1998 amounted to JD 147.8 million compared to JD 143.5 million in 1997, representing a slight increase of 3%.

In accordance with CBJ policy, and to maintain financial soundness, the Bank retained JD 3.2 million from its net profits for the year 1998 compared to JD 0.60 million in 1997 to enhance provisions for loans according to their status.

Outstanding medium and long-term loans (before provisions) reached JD 131.90 million compared to JD 124.70 million in 1997, an increase of 5.8%. Shareholders' equity amounted to JD 45.32 million, an increase of 30% over previous year.

Within its scope of activities for the identification of investment opportunities, a project financed by the Arab Fund for Economic and Social Development, the Bank initiated two feasibility studies for veterinary products and agricultural pesticides. Two feasibility studies were also conducted: one for the establishment of plastic advertising boards factory and the other for a treatment of pharmaceutical disposals.

The Bank also extended nine consultancy grants to existing industrial projects helping them to abide by the Jordanian safety and environment protection regulations, a program sponsored by the German bank KfW. In addition, the Bank approved during the year (37) grants to industrial companies for financing consultancy services leading to ISO 9000 certification.

The Bank continued its brokerage services at Amman Financial Market. The value of transactions executed during the year amounted to JD 15.5 million or 2.0% of the total trading volume of 1998.

INDUSTRIAL DEVELOPMENT BANK

The Bank also continued its management training programs through the Jordan Institute of Management where a total (118) programs were offered and attended by 1028 participants.

In the light of the achieved results for the year 1998, the Board of Directors proposes the appropriation of the net profit of JD 1.741 million as follows:-

JD 1.306 million to shareholders representing a dividend of 6%.

JD 0.435 million to Statutory Reserves representing 25% of the profit .

The Board seizes this opportunity to express utmost gratitude and appreciation to His Majesty the King, His Royal Highness the Crown Prince, and to the Government of Jordan, and in particular

to the Ministry of Planning, the Ministry of Industry and Trade, and the Central Bank of Jordan (CBJ), for their continued support to the Bank to achieve its developmental goals.

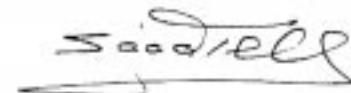
The Board also wishes to thank the Arab Fund for Economic and Social Development, the German KFW, and the European Investment Bank, for their continued co-operation. The Board also acknowledges the former support of the Kuwait Fund for Arab Economic Development and looks forward to the resumption of this valued cooperation.

The Board notes with appreciation the continuous dedication and diligence of the Bank's executive, managerial and general staff, and acknowledges all the efforts exerted in the execution of their duties and responsibilities. The Board extends also its thanks and appreciation to its clients for their continued trust in the Bank.

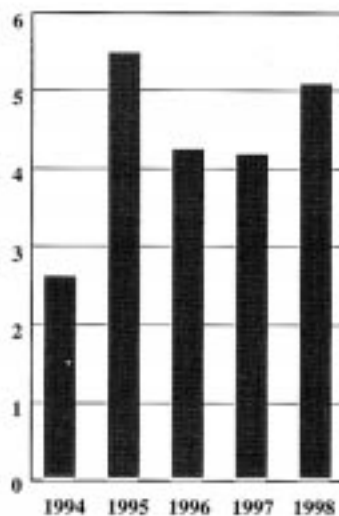
Finally, the Board is pleased to express its gratitude to the National Bank of Jordan and the Arab Bank for the contribution of their representatives on the Board, Mr. Johnny Zeidan and Mr. Jamil Dasouki , both of whom spared no effort in serving their tenure as Board Members.

The Board invites the Arab Land Bank and the Arab Banking Corporation (Jordan) to take turn in nominating their representatives on the Board for the coming year.

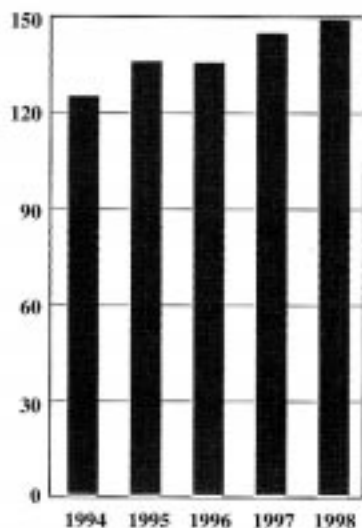
Sincerely,
Sa'ad Tell



Chairman



Profit Before
Appropriations
(JD million)



Banks'
Assets
JD (million)

THE ECONOMY OF JORDAN IN 1998

In 1998, the Jordan economy continued to record declining growth for the third consecutive year. GDP registered 2.2% growth rate in 1998 compared to 1.3% in 1997.

GENERAL ECONOMIC ACTIVITY:-

Preliminary figures indicate that total investments for 1998 amounted to JD 1410 million compared to JD 1419 million in 1997. Private sector contribution in this respect was constant and reached 80.5% of total investments in 1998.

Current account deficit is expected to reach 1% of GDP in 1998 compared to surplus of 0.4% in 1997.

Trade deficit decreased in 1998 by 8.6% over 1997 as a result of decrease in total exports and imports by 3% and 6.5% respectively over 1997.

Foreign debt has increased by the end of November from JD 6533 million in 1997 to JD 6876 million in 1998 due to the increase in foreign currency rates against the US dollar and the capitalisation of interest. Domestic debt increased by 17.6 per cent of GDP in November 1998, up to JD 923.5 million compared to JD 821.4 million in 1997.

Figures also indicate that local revenues in 1998 declined by 11.3%, coupled with an increase of the public expenditure of JD 133 million or 3.6% resulting in a deficit of JD 502 million or 9.6% of GDP.

Within its policy of developing the monetary market, the Central Bank of Jordan (CBJ) introduced new measures for accepting short term JD deposits, adjusted interest rates on savings and increased credits extended to productive sectors.

Foreign reserves at CBJ amounted to \$ 1.2 billion in November 1998 compared to \$ 1.6 billion in November 1997.

Following the establishment of Jordan Securities Commission to supervise the capital market and the enactment of the new Securities Law, new regulations have been issued to organize issuance and registration of securities, monetary services companies, investment funds and others.

Trading at Amman Financial Market during 1998 amounted to JD 464 million compared to JD 355.2 million in 1997, an increase of 30.7%. Trading in shares of industrial sector represented 47.1% of overall trading and 41.5% in the banking and financial sector.

Nevertheless, market index closed at 17% less than 1997 inspite of increase in volume of trading. New issuance of shares amounted to JD 48 million in 1998 compared to JD 327 million in 1997 while bonds issuance was negligible in 1997 it realized JD 61.5 million in 1998.

To continue the economic development, the Government recognizes the need to increase investments and encourage exports, intensify competitiveness of production through the execution of the European Partnership Accord, WTO membership and promotion of qualified industrial zones to give Jordanian exports better access to European and American markets.



Mohammad
G. Bultagi /
Jerash.

NutriDar
/ Na'our

ECONOMIC PERFORMANCE IN MAJOR SECTORS

INDUSTRY:-

Preliminary figures indicate that overall investment totaled JD (1410) million in 1998, compared to JD (1419) million in 1997. Manufacturing industries sector achieved a growth

of 1.5% compared to 4.4% in 1997, while the mining sector achieved only a 3% growth in 1998 compared to 5.4% in 1997 .

Industrial production of selected major industries for the 1994 - 1998 period is shown in table No. (1).

Table No. 1 :
Production of Major Industries 1994 - 1998

Product	Unit	1994	1995	1996	1997	1998	%
Phosphate	000's Tons	4217.9	4983.9	5421.5	5895.6	5927.2	0.54
Potash	000's Tons	1550.3	1780.0	1765.5	1415.6	1529.3	8.03
Fodder	000's Tons	50.2	54.3	54.4	72.7	67.7	(6.88)
Alcoholic Drinks	000's Lit	6453.6	6846.5	7972.3	7824.9	7848.6	0.30
Cigarettes	Mill. Cig.	4114.5	3666.6	2768.9	1853.1	1144.2	(38.25)
Textiles	000's Yards	1051.9	1744.9	1764.1	1458.7	1544.7	5.90
Spinning	Tons	1826.2	1524.3	1614.2	1240.1	858.4	(30.78)
Upper Leather	000's sq.ft	2196.4	2519.6	2139.4	2269.9	1788.2	(21.22)
Sole Leather and Wool	Tons	49.5	51.3	54.5	46.4	35.3	(23.92)
Fertilizers	000's Tons	749.7	729.3	639.8	585.6	642.1	9.65
Chemical Acids	000's Tons	1381.5	1337.5	1260.3	1289.0	1474.5	14.39
Detergents	000's Tons	23.5	21.7	15.4	22.1	18.2	(17.65)
Cement	000's Tons	3076.0	3151.9	2983.3	3055.2	2441.7	(20.08)
Steel	000's Tons	156.7	151.2	172.1	114.5	104.8	(8.47)
Metallic Pipes	000's Tons	9.8	9.1	9.9	11.1	12.3	10.81
Petroleum Products	000's Tons	2917.9	3100.7	3154.4	3301.1	3236.4	1.96
Paper & Cardboard	000's Tons	17.6	13.7	17.8	12.2	15.6	27.87
Liquid Batteries	000's	72.4	70.4	62.9	55.7	62.3	11.85
Electricity	Mill KWH	4728.1	5252.3	5686.4	5941.3	6331.4	6.57

Source : Central Bank of Jordan, Monthly Statistical Bulletin.

INDUSTRIAL DEVELOPMENT BANK

It is noted that the overall industrial production decreased in 1998 by a range of 2%-40% , whereas production of fertilizers , chemical acids, metallic pipes and paper and cardboard increased by a range of 4% - 22% .

Within the policy of privatization which the Government is pursuing, a portion of its shares representing 33% of the share capital of the Jordan Cement Factories Company Ltd. was sold at the end of 1998 to the French Group Lafarge. In addition to increasing production efficiency, the strategic sale is expected to improve the company's sales growth and operating position by benefiting from Lafarge's extensive distribution network, technical expertise, and financial support.

The number of new industrial projects registered at the Ministry of Industry and Trade during 1998 amounted to 592

with total capital of JD 94.67 million compared to 547 projects with total capital of JD 106.31 million in 1998, a decline of 10.9% in capital. Metal and Food industries were the two major sectors benefiting from such investments. Of the new projects in 1998, (146) industrial projects and 26 tourism projects with total investment of JD 393.3 million enjoyed total or partial tax and custom concessions compared to (143) industrial projects and 31 tourism projects of JD 352.4 million investment in 1997.

To further attract foreign investments, two new sectors were added to the list of sectors benefiting from the investment encouragement law namely : amusement parks and tourism promotion sector and conferences and exhibitions sector.

Total foreign investments benefiting from the investment encouragement law during 1998 was J.D 216.6 million in comparison to JD 139.7 million in 1997 with an increase of 35.5% .

During 1998, the Bank approved (132) loans totaling JD 21.41 million for the industrial sector and related services.

TOURISM:-

The Total number of available operating classified hotels in Jordan in 1998 totaled 178 with 10657 rooms comprising 20168 beds, an increase of 9.2%, 8.7% and 9.6% respectively over those of 1997.

The number of hotel suites and apartments at the end of 1998 was 33 with 856 rooms including 1773 beds.

In addition, 52 hotels, 20 hotels suites and apartments are under construction in different parts of the Kingdom with a total investment of JD 390.3 million. This will increase hotel capacity by 6134 rooms including 11572 beds.



Al-Mafraq
Specialty
Hospital /
Mafraq



Al-Khalidi
Hospital /
Amman

Number of tourists visiting Jordan up to November 1998 have amounted to 1.189 million visitors compared to 1.051 million visitors in 1997 .

During 1998, the Bank approved (32) loans to touristic projects for JD 7.32 million compared to (27) loans for JD 11.23 million in 1997 .

AGRICULTURE:-

Preliminary figures indicate that there was a decrease in the Agricultural sector contribution to GNP by 7% over that of 1997 . Ministry of Agriculture efforts in support of agricultural development continued particularly in the areas of natural resources uses and conservation, livestock development, forest protection and increase of basic agricultural products.

1.2 million seedlings , 340 tons of basic seeds and 8 million forest seedlings were produced in 1998 to be distributed to the public . (11) thousand palm trees were also planted aiming at diversifying agricultural produce.

In addition to the above the Ministry continued to provide advisory programs for the improvement of olives production and total control of pests.

In the area of financing farmers, the Agricultural Credit Corporation extended during the year J.D 19.4 million in loans to finance 7209 agricultural projects. About 60% were medium and long term loans, while the other 40% were short term and seasonal loans granted for the purchase of livestock and agricultural inputs.

TRANSPORT AND COMMUNICATION:-

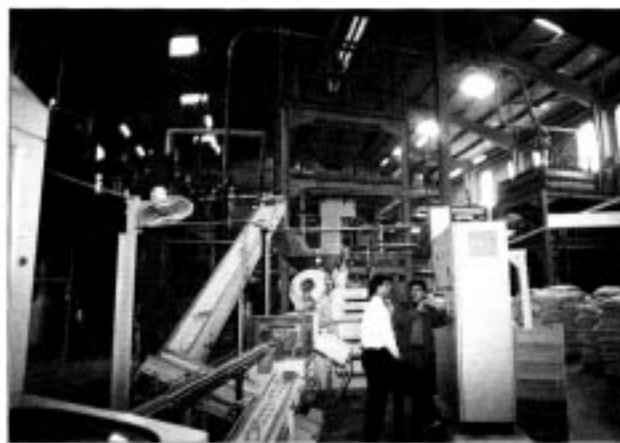
Preliminary figures indicate that the transport and communication sectors during 1998 declined by 6% over 1997 .

Studies have been prepared for the reconstruction of the transport sector. A

law for public transport has been drafted and a commission for regulating public transport sector has been established . Tender documents for railway lines for the transportation of passengers between Zarka and Amman are being prepared .

Aqaba Port Authority (APA) continued implementing schemes to raise the efficiency of handling by modernization of equipment in addition to an expansion of the containers port and passengers port. In the issue of environmental protection, (APA) has established a specialized centre for environmental protection in cooperation with the Japanese government.

The combined import and export cargo volume in 1998 was 12.6 million tons compared to 12.3 million tons in 1997 . The increase is attributed to the growth of import volume by 12% while export volume decreased by 3%



Madaen Industrial Co. / Sahab



Al-Barakeh Milling Co. / Russeifeh

INDUSTRIAL DEVELOPMENT BANK

compared to 1997 .

Phosphate export volume decreased by 15% over 1997 whereas fertilizer export volume increased from 723 thousand tons in 1997 to 1068 thousand tons in 1998. Potash export volume also increased by 4% .

ENERGY AND MINING:-

Preliminary figures indicate that Jordan's energy consumption in 1998 was 4.82 million tons of crude oil with an increase of 3% over 1997 .

Local production of natural gas was 12 bn cubic feet used to produce 15% of the generated electrical power, whereas local production of crude oil was 15 thousand barrels. On the other hand , oil exploration activities continued in different parts of the country .

Electrical power consumption reached 5520 GWH, of which the industrial sector consumed 34% , household sector 31% , commercial sector 11% , water pumping 18% and others 6% .

To face future demand for electrical power, the second stage of Aqaba thermal power station has been completed by which electric power capacity for the country will reach 1526 MW.

BUILDING AND CONSTRUCTION:-

Preliminary figures indicate that the building and construction sector has decreased by 6% over 1997. This is due to the abundance of residential buildings constructed after the gulf war to provide housing for the returnees. It is expected that activity in this sector will stabilize starting next year.

The number of building licences increased by 2.4% as on 31 October, whereas licenced areas decreased by 13.2% over that of 1997 .

In the housing sector, the Housing and Urban Development Corporation pursued the construction of housing projects in several areas of the country. The Corporation has completed the construction of 991 housing units at a cost of JD 6.15 million in addition to 1263 housing units currently under construction at an expected cost of JD 5.05 million .

BANKING:-

Commercial banking facilities extended to all sectors of the economy increased from JD 3979.7 million in 1997 to JD 4285.3 million in 1998, an increase of 7.1%.

Facilities extended by commercial banks to the industrial sector amounted to JD 615.9 million in 1998 compared to JD 503.9 million in 1997, while those extended to tourism amounted to JD 108.7 million compared to JD 70 million



Al-Reem
Restaurant
/ Jerash



Hanna &
Yanal
Twal Co. /
Internet
Coffee /
Madaba

INDUSTRIAL DEVELOPMENT BANK

in 1997, an increase of 55.3%.

With the addition of the credit extended by IDB to each of the industrial and tourism sectors of JD 92.5 million and JD 39.4 million respectively, the total cumulative outstanding credit extended by the banking system to these sectors would amount to JD 708.4 million and JD 148.9 million respectively. At the end of 1998, IDB share of the total credit to the two sectors amounted to 13.1% and 26.4% respectively, compared to 15.9% and 29.7% respectively at the end of 1997.



Al-Ekbal
Printing &
Packaging
Co. /
Um El Basaten



Internatio
nal Textile
Manufactu
ring Co. /
Sahab

Table No. 2 :
Outstanding Credit Facilities in Million JDS
(1994 - 1998)

Year	Industry	Mining	Tourism	General Commerce	Construction	Other	Total Facilities
1994	419.9	51.7	38.1	798.6	687.0	1253.1	3248.4
1995	494.8	53.5	46.4	970.4	757.4	1383.2	3705.7
1996	505.9	104.7	53.6	1035.7	777.8	1426.4	3905.7
1997	503.9	86.6	70.0	1064.5	775.2	1979.5	3979.7
1998	615.9	85.9	108.7	1104.7	791.4	1578.9	4285.3

Source : Central Bank of Jordan, Monthly Statistical Bulletin.

INDUSTRIAL DEVELOPMENT BANK

BANK ACTIVITIES DURING 1998

During 1998 the Bank continued to extend loans to the industrial, touristic and related services sectors, and to provide equity participation and brokerage services at Amman Financial Market. It also continued to support the services of Small Scale Industries and Handicrafts.

In accordance with the policy of the Central Bank of Jordan (CBJ) aiming at providing support to develop the economic sector, CBJ has allocated JD 30 million for the Bank's lending activities to the industrial and tourism sectors. Accordingly, IDB reduced its interest rates and commission on loans by 1.5 points to become 10% on fixed assets and 10.5% on raw material loans. In addition, the duration of raw materials revolving loans was extended from three to five years.

The Bank also signed a 10 million US Dollar agreement with the Danish Den Danske Bank to provide easy term loans to Jordanian investors to

finance capital goods and services of at least 50% of Danish origin.

Studies for the identification of investment opportunities that have been conducted by the Bank and financed through a special contract by the Arab Fund for Economic and Social Development were made available free to the public.

In addition, three new feasibility studies were initiated in 1998, one for identifying investment opportunities in the veterinary and pesticide sector, the second for establishing a central plant for treatment of pharmaceutical, veterinary and pesticide wastes and the third study for establishing a factory for the production of acrylic sheets.

The Bank also provided 37 grants during 1998 with a total value of JD 136.5 thousand compared to 34 grants totaling JD 137.3 thousand in 1997 to finance consulting studies to prepare for the ISO-9000 certification.

Within the efforts to alleviate environmental pollution and in collaboration with KfW, the Bank provided nine grants totaling JD 56.4 thousand to industrial projects to finance consulting services to identify their problems in this respect and to propose solutions enabling compliance with local standards for the protection of the environment and providing better public safety levels.

With the aim of providing assistance to companies facing technical problems, the Bank has approved 7 grants totaling JD 109.66 thousand to finance consultancy services.

The Bank also established an independent venture capital unit to provide financing for new and existing projects requiring additional capital for new technologies.

The Bank continued to offer other financing services pertaining to its activities such as commercial bills discounting, issuance of letters of credit and guarantees and other banking facilities.



Shaher Hassan
Qurba'a &
Bros. Co. /
Wires & Nails
/ Ramtha



Technology
&
Development
Co. /
Fertilizers /
Amman

INDUSTRIAL DEVELOPMENT BANK

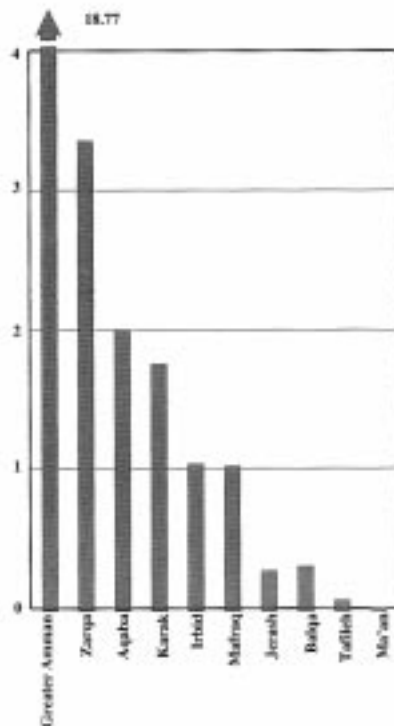
LENDING TO INDUSTRY, TOURISM AND SERVICES:-

- Approved Loans:-

During 1998 the Bank approved (164) loans amounting to JD (28.73) million to finance industrial, touristic and services projects compared to (179) loans amounting to JD (35.93) million in 1997.

Of the total loans extended during 1998, (132) loans valued at JD (21.41) million were for industrial and services projects, while the number of touristic loans granted was (32) totaling JD (7.32) million or 25.5% of total loans granted.

Table No. (3) shows the geographic distribution of the projects financed by the Bank.



Geographic Distribution of Approved Loans in 1998



Shamesti & Hrimi Co/
Carpentry /
Wadi
Al-Seer.

Table No. 3 :
Geographic Distribution of Approved Loans
1997 - 1998

Governorate	No. of Loans		Value in Million JD	
	1997	1998	1997	1998
Greater Amman	94	100	17.89	18.77
Zarqa	23	12	4.48	3.37
Balqa	10	8	3.24	0.29
Madaba	9	-	3.02	-
Mafraq	12	6	1.95	1.04
Ma'an	4	1	1.87	1.02
Irbid	18	9	1.30	1.77
Karak	3	9	1.19	1.05
Aqaba	3	13	0.92	2.02
Tafleeh	1	3	0.03	0.08
Ajloun	1	-	0.03	-
Jerash	1	3	0.01	0.32
Total	179	164	35.93	28.73

INDUSTRIAL DEVELOPMENT BANK

A high concentration is noticeable within the Governorate of greater Amman which secured 61% and 65.3% of the total value and number of loans extended respectively.

The total investment cost of the projects benefiting from the Bank's loans in 1998 is estimated at about JD (124.65) million. They are expected to create 1996 job opportunities and to generate JD (15.33) million in value added to GDP. The total number of loan applications received and examined by the Bank and its branches during 1998, including those carried over from 1997, was 292 applications compared with 287 in 1997. Of these 53 applications were brought forward from the previous year for consideration in 1999. From the applications considered in 1998 the Bank declined 80 for reasons pertinent to their feasibility or to the applicants' reluctance to provide adequate information or otherwise meet the Bank's requirements.

Table No. (4) indicates the number and value of the approved loans classified by the type of industry. Food and Beverages industry had the largest share amounting to 39.2% of the

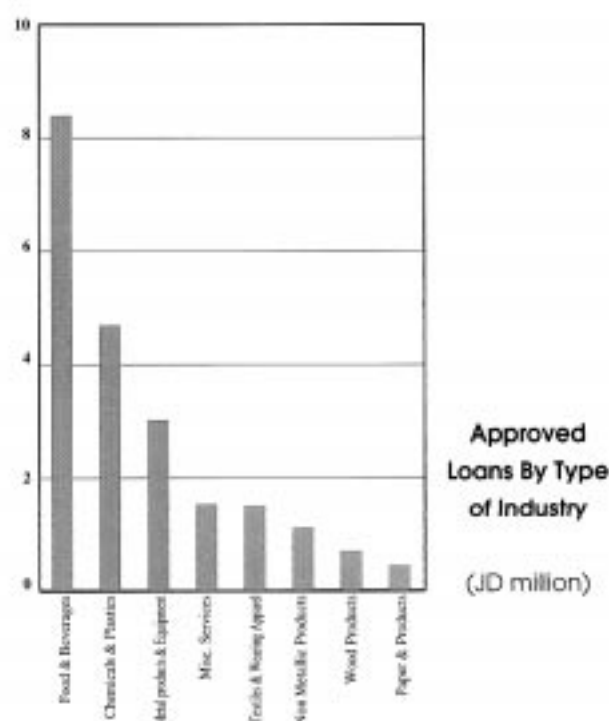


Table No. 4
Approved Loans in 1998 Classified by Industry

Industry	Fixed Assets		Raw Materials		Total		%	
	No. of Loans	Amount JD. M	No. of Loans	Amount JD. M	No. of Loans	Amount JD. M	No. of Loans	Amount JD. M
Food & Beverages	24	4.84	6	3.55	30	8.39	22.7	39.2
Chemicals & Plastics	7	2.01	27	2.68	34	4.69	25.7	21.9
Metal products & Equipment	10	2.12	7	0.90	17	3.02	12.9	14.1
Paper & Products	3	0.45	-	-	3	0.45	2.3	2.1
Textiles & Wearing Apparel	8	0.54	7	1.00	15	1.54	11.4	7.2
Non Metallic Products	9	1.50	1	1.00	10	1.51	7.6	7.1
Wood Products	6	0.10	6	1.02	12	1.12	9.1	5.2
Misc. Services	9	0.66	2	0.03	11	0.69	8.3	3.2
Total	76	12.22	56	9.19	132	21.41	100	100
Tourism	32	7.32	-	-	32	7.32	-	-
Grand Total	108	19.54	56	9.19	164	28.73	-	-

approved financing to industry followed by Chemicals and Plastics Industry amounting to 21.9%.

Out of the loans approved during 1998, (75) loans were extended to new projects, while the remaining loans were extended for financing expansion plans and raw materials.

- Purposes of Loans:-

Table No. (5) shows the purposes of approved loans for the 1965 - 1998 period. The Bank extends loans to finance fixed assets, working capital, risk capital and commercial bills discounting. It is observed that 37.5% of the value of loans extended to industrial projects during 1998 was to finance machinery and equipment, 42.9% for raw materials, 17.1% for construction, 2.5% for risk capital projects and other direct and indirect financing services including export financing against confirmed Letters of Credit, advances against inventory,



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Al-Deen &
Mustafa /
Photo lab. /
Amman



Ghada
Al-Khateeb
/ Dentist. /
Irbid.

Table No. 5 :
Approved Loans by Purpose for the Period 1965 - 1998
in Million JD

Purpose	1965-1993	1994	1995	1996	1997	1998	Total
Industrial Projects:							
Machinery	114.59	15.84	9.76	11.84	13.42	8.04	173.49
Construction	25.98	3.54	2.52	3.37	3.01	3.65	42.07
Raw Materials (Normal)	39.34	2.12	0.91	5.96	3.45	4.08	55.86
Raw Materials (Revolving)	11.43	2.45	1.87	6.36	3.56	5.11	30.78
Risk Capital	0.74	0.21	0.97	0.15	0.96	5.53	3.56
Commercial Bills Discounting	-	-	-	0.46	0.30	-	0.76
Total (Industrial)	192.08	24.16	16.03	28.14	24.70	21.41	306.52
Tourism	19.38	5.54	4.90	15.33	11.23	7.32	36.70
Total (Tourism)	19.38	5.54	4.90	15.33	11.23	7.32	36.70
Grand Total	211.46	29.70	20.93	43.47	35.93	28.73	370.22

INDUSTRIAL DEVELOPMENT BANK

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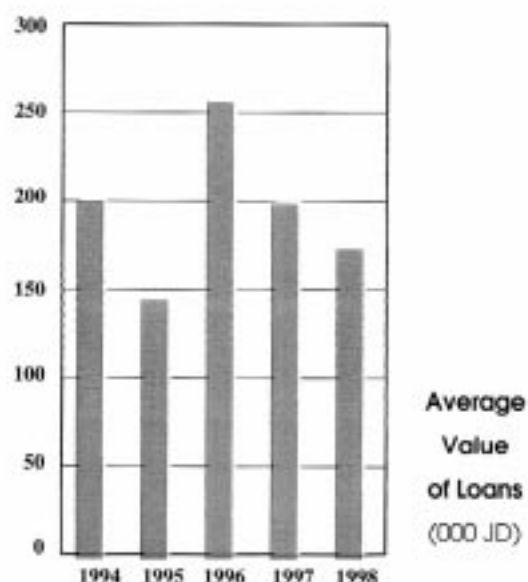
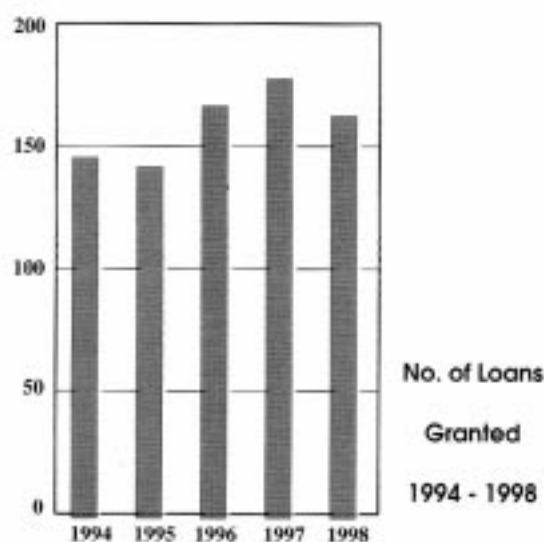
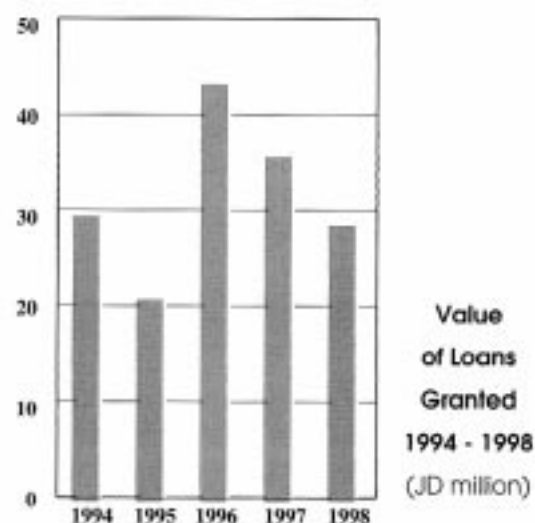
Import & Export L/C's facility and issuing of guarantees and counter guarantees. Touristic projects obtained 25.5% of the total value of loans extended.

- Average Value of Loan:-

Table No. (6) shows that the average value of loan extended during 1998 was JD (175) thousand.

Table No. 6 :
Approved Loans and Average Value of Loan
1965 - 1998

Year	Number of Loans	Total Value JD Millions	Average JD'000
1965-1993	2265	236.96	105
1994	147	29.70	202
1995	143	20.93	146
1996	168	43.47	258
1997	179	35.93	200
1998	164	28.73	175
Total	3066	395.72	



- Cancellations and Reductions:-

By the end of 1998, the Bank has approved since inception the extension of a total number of (3066) loans valued at JD (395.72) million. Of this total,(41) loans valued at JD(3.97) million were cancelled and/or reduced, making the total number and net value of effective loans at (2816) loans and JD (370.22) million as shown in table No. (7).



Dr. Afaf Al-Arini / pediatrician / Amman.

Table No. 7

Approved Loans and Cancellations 1965 - 1998

Year	Number of Loans				Amount of Loans JD Million			
	Approved		Cancelled		Approved		Cancelled	
	New Project	Exist Project	New	Exist	New	Exist	New	Exist
1965-1993	679	1336	48	96	74.74	136.72	4.30	8.93
1994	58	89	10	20	15.03	14.67	0.57	1.35
1995	60	83	9	6	7.30	13.63	1.82	1.68
1996	71	97	1	5	21.00	22.47	0.02	0.95
1997	69	110	4	10	18.55	17.38	0.57	1.34
1998	65	99	20	21	12.63	16.10	3.17	0.80
Total	1002	1814	92	158	149.25	220.96	10.45	15.05
Net	2816		250		370.22		25.50	
Grand Total	3066				395.72			

INDUSTRIAL DEVELOPMENT BANK

- Disbursements of Loans:-

Disbursements during 1998 amounted to JD (39.16) million. Total disbursements to industrial, touristic and service projects since the Bank's inception have reached JD (379.25) million (including revolving raw materials loans) as shown in table No. (8).

Table No. 8 :
Disbursement of Loans
1965 - 1998

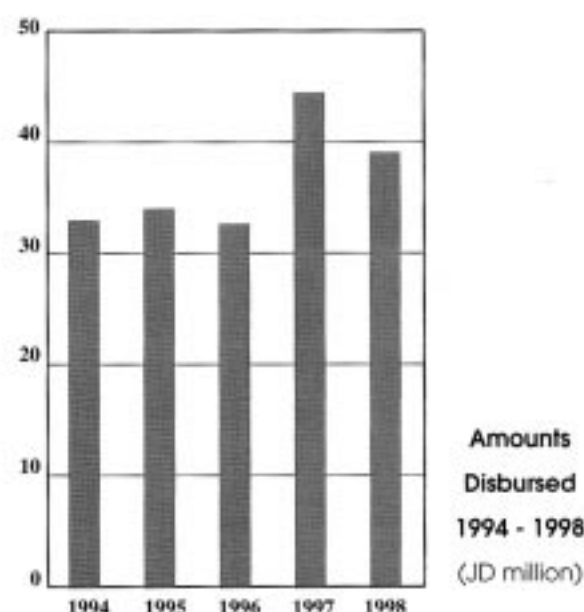
Year	JD Million
1965-1993	195.75
1994	33.02
1995	34.09
1996	32.72
1997	44.51
1998	39.16
Total	379.25

- Repayments of Loans:-

Repayments of loans during 1998 amounted to JD (43.13) million, of which JD (39.11) million were amounts falling due in 1998, and JD (4.02) million were overdues from previous years. The ratio of repayments to dues in 1998 was 78.5% compared to 88.55 % in 1997. Table No. (9) shows repayments of sums falling due and ratios for the period 1993 - 1998.

Table No. 9 :
Repayments of Loans
1994 - 1998

Year	Repayments in Due Time (JD Million)	Rate of Repayments %	Repayments from Arrears (JD Million)
1994	24.80	89.81	1.70
1995	26.71	88.73	2.54
1996	29.94	86.16	2.43
1997	35.54	88.55	2.97
1998	39.11	78.50	4.02



Equity Participation in Projects:-

In 1998, the Bank invested a total of JD (150) thousand in the equity of two new holding companies. One company is for direct investment in industrial, mining and tourism projects while the other is for investment in new technologically advanced industries.

By the end of 1998, the total volume of equity participations in industry and tourism projects amounted to JD 7.58 million, of which JD 7.08 million have been disbursed, while the remaining JD 500 thousand is not called for yet. On the other hand, the Bank invested JD 1.39 million in other traded securities through its Brokerage Department.

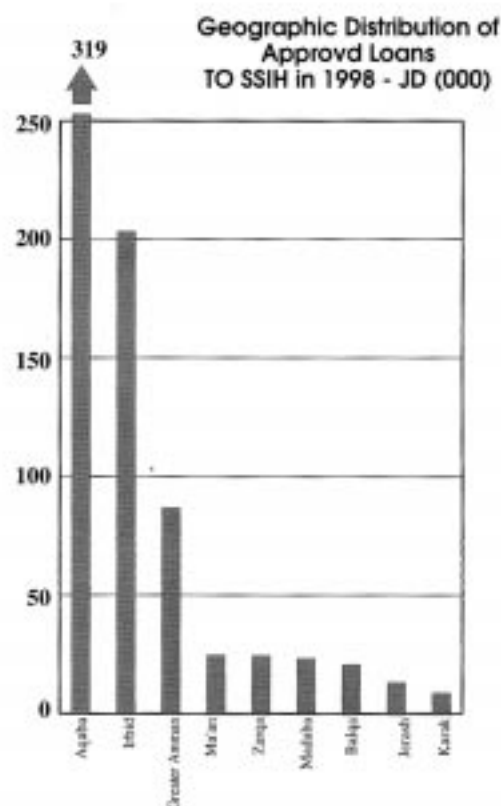
Lending to Small Scale Industries and Handicrafts (SSIH):-

During 1998 the Bank approved 100 loans totaling JD (0.728) million compared to 132 loans totaling JD (1.13) million for the previous year. This decrease in number and value is attributed to the loans extended during the previous year to help SSIH owners moving their workshops from downtown of the city of Aqaba to their new location. In this regard (51) workshops were completed, (38) workshops are under construction and are expected to be completed during the first half of 1999.

The Bank continued to give priority to the industries and handicrafts which need more support according to their sectoral and geographic distribution in the different regions of the Kingdom, aiming at protecting existing crafts and helping create new job opportunities.

The Bank continued its support to SSIH projects by maintaining its weekly visits to Karak, and through its branches in the Amman Industrial Estate/Sahab, Irbid and Aqaba.

Table No. (10) shows the approved loans to (SSIH) in 1998 and their geographic distribution.



**Table No. 10 :
Geographic Distribution of Loans to Small Scale Industry and Handicrafts 1997 - 1998**

Governorate	No. of Loans		Value in 000's JD	
	1997	1998	1997	1998
Greater Amman	15	32	96.40	203.50
Irbid	14	17	75.60	87.30
Aqaba	86	33	846.20	319.50
Ma'an	1	3	10.00	25.00
Zarqa	1	4	9.20	24.82
Madaba	-	3	-	23.61
Balqa	3	3	14.00	21.00
Jarash	2	2	14.60	13.70
Karak	2	3	15.60	9.10
Mafraq	7	-	45.80	-
Ajloun	1	-	5.10	-
Total	132	100	1132.50	727.53

INDUSTRIAL DEVELOPMENT BANK

Table No. 11
Approved Loans to Small Scale Industry
& Handicraft Projects by Type of Activity
1997 - 1998

	1997		1998	
	No. of Loans	Amount JD (000)	No. of Loans	Amount JD (000)
Medical Services	11	86.10	17	145.00
Maintenance	3	24.0	11	74.10
Construction Works	84	826.90	38	341.95
Garments & Knitting	4	30.0	8	53.70
Carpentry	10	40.10	10	36.70
Food Products	4	18.00	8	34.75
Metal Works	4	23.80	5	18.31
Laundry	4	38.20	1	9.00
Printing & Photography	2	13.60	-	-
Jewellery	2	9.20	-	-
Leather Products	1	8.30	-	-
Ceramic & Others	3	14.30	2	14.42
Total	132	1132.50	100	727.53

Loans extended to (SSIH) covered various activities such as construction works, restaurants, food products, clinics, medical laboratories, carpentries, maintenance shops, garments & knitting, etc. Table No. (11) illustrates the industry/handicraft to which (SSIH) loans were granted in 1998.

By the end of 1998, the total number and value of loans extended to (SSIH) since the Bank commenced providing this service in 1975, amounted to 3826 loans and JD 15.914 million respectively as shown in table No. (12). Of this, two loans amounting to JD 13500 were cancelled and two loans were reduced by JD 1720 during 1998, making total net value of approved loans extended to (SSIH) up to the end of 1998 JD 15.059 million.

Disbursements to (SSIH) during 1998 amounted to JD(914.4) thousand compared to JD (572.3) thousand in 1997. By end of 1998, total disbursements to (SSIH) stood at JD (14.643) million.

Repayments to (SSIH) in 1998 were JD

(1.102) million, of which JD(865) thousand were dues for 1998 and JD (237) thousand were overdues from previous years, thus the ratio of repayments to amounts falling due in 1998 amounted to 74.7% compared to 71.6% in 1997.

Table No. 12 :
Approved Loans to SSIH Projects
1975 - 1998

Year	No. of Loans	Amount / 000's JD
1975-1993	3296	11915.87
1994	213	1536.04
1995	53	388.90
1996	32	213.49
1997	132	1132.50
1998	100	727.53
Total	3826	15914.33

-Financial Brokerage:-

The Bank continued during 1998 to offer its brokerage services in the Amman Financial Market which cover trading of securities and managing portfolios. Transactions executed in 1998 by IDB amounted to JD (15.5) million representing 2% of the total volume of trading in the market, compared to JD (21.4) million representing 3% of the total volume for 1997.

-Jordan Institute of Management (JIM):-

JIM continued to conduct training programs which aim at developing the technical, managerial and leadership skills of the mid level staff and management of industrial enterprises in the fields of management, finance, marketing and computer information technology.

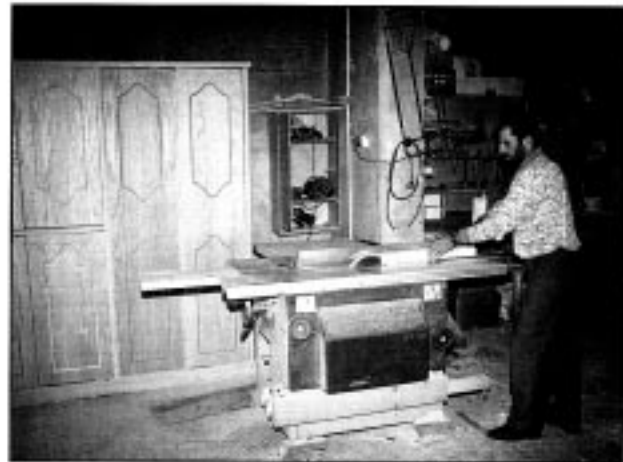
In 1998 JIM offered (118) programs in which (1028) participants from Jordan and other Arab countries compared to (106) programs attended by (1032) participants in 1997.

Table No. (13) shows the number of programs and participants since JIM's establishment.

JIM's activities included six programs attended by (89) participants which were designed to meet specific needs of local companies. JIM offered a program in the name of "How to start your own business" in cooperation with The Business & Professional Women Club attended by (11) women participants wanting to start their own projects. JIM also offered a program designed to meet the specific need of one of Jordan's pharmaceutical companies entitled "Internal auditing for ISO-9000 certification".

Table No. 13 :
JIM's Training Programs and Participants
1981 - 1998

Year	No. of Programs	No. of Participants
1981-1993	736	10634
1994	97	1150
1995	124	1383
1996	77	800
1997	106	1032
1998	118	1028
Total	1258	16027



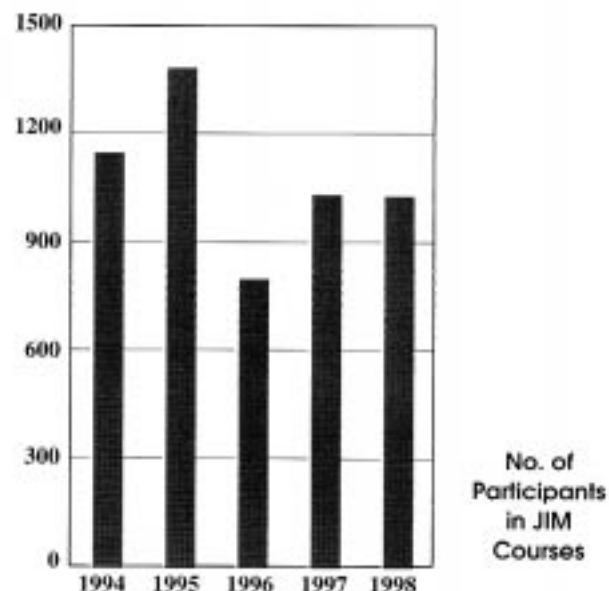
Majed Al-Thahabi & Khaled Al-Heyari / Carpentry / Al-Salt.

The Bank's Staff:-

The number of employees in the Bank at the end of 1998 was (143) compared to (140) at the end of 1997. In its efforts to develop their skills and improve their performance the Bank provided (37) of its staff with training seminars, of which (6) were abroad in the fields of repayment of problem loans, micro financing and the preparation of economic feasibility studies.

The Bank's Policies for 1999:-

The Bank will continue to focus its efforts to provide service and assistance to the industrial and tourism sectors and their services and to (SSIH), and shall strive to better serve investors in setting up and expanding existing projects through the following policies:-



INDUSTRIAL DEVELOPMENT BANK

Financing:

- The Bank is dedicated to recognize and satisfy the financial needs of both the industrial and tourism sectors and their services and to SSIH, through a sound financial package including issuance of LC's, guarantees and counter guarantees, notes payable, advances against inventory and export financing.
- The Bank aims to help investment through its participation in the primary equities market as well as through the services provided by its Brokerage Department in the Amman Financial Market.
- The Bank will make stronger efforts to extend and develop financial services to small scale industries and handicrafts sector all over the country.

Investment Initiatives

The Bank intends to continue its efforts for identification of investment opportunities in various sectors and help investors through the provision of prefeasibility and feasibility studies. The Bank shall also pursue the promotion of promising opportunities to prospective investors, Jordanians and foreigners alike.

Training

The Bank will continue to train and develop its staff ability through special training courses in Jordan and abroad, and to pursue higher education, and to visit international fairs to expand their technical skills, and widen their horizons.

In addition the Bank intends to broaden and diversify its training programs offered through (JIM) to meet the requirements of all levels of management.

Other Activities

The Bank will continue to focus on other relevant activities to assist clients through the provision of technical assistance, grants and easy term loans to invest in projects/equipment to help them comply with local standards for the protection of the environment, in addition to grants to finance consultancy services to clients wishing to receive the ISO 9000 certification. The Bank has also initiated grants to companies wishing to comply with Hazard Analysis Critical Control Point (HACCP) system.

The Bank is committed to the continued upgrading of services to its clients through developing professional skills and data processing to meet their requirements.

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS AND ITS AGENDA

In compliance with Article (46) para (a), of the Law of the Industrial Development Bank, No. (5) of 1972, the Board of Directors cordially invites the shareholders to attend the Annual General Meeting of Shareholders at 10.00 a.m. on Thursday, the 22nd of April 1999, at the Auditorium of Amman Chamber of Industry, to discuss the following Agenda:-

- 1- Approval of the Minutes of Meeting of the previous General Meeting of Shareholders, held on the 22nd of April 1998.
- 2- Approval of the Annual Report of 1998.
- 3- Hearing of the Auditors' Report of 1998.
- 4- Discussion of the Financial Statements for 1998 (Balance Sheet and Income Statements).
- 5- Approval of the Board of Directors' proposal for distributing a dividend of 6%, in compliance with Article (20) para (a) of the Bank's Law.
- 6- Any other subject that the general assembly might propose discussing and falls within the jurisdiction of the General Shareholders meeting, provided that such proposal is approved by at least 10% of the shareholders attending the said meeting.

Board of Directors



Tourism Projects Financed During 1998.

INDUSTRIAL DEVELOPMENT BANK

AMMAN - JORDAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED

DECEMBER 31, 1998

TOGETHER WITH AUDITORS' REPORT

Auditors' Report

AM/3888

**To the Shareholders
Industrial Development Bank
Amman - Jordan**

We have audited the accompanying balance sheet of INDUSTRIAL DEVELOPMENT BANK (a Jordanian bank established by special decree) as of December 31, 1998 and 1997 and the related statements of income, changes in shareholders equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank maintains adequate accounting records and the accompanying financial statements are in agreement therewith. Furthermore, the financial data presented by the Board of Directors is in agreement with these records.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Industrial Development Bank as of December 31, 1998, and 1997 and the results of its operations and its cash flows for the years then ended in conformity with the law and with International Accounting Standards and we recommend that the General Assembly approve these financial statements.

**Amman - Jordan
March 3, 1999**

Saba & Co.

INDUSTRIAL DEVELOPMENT BANK

INDUSTRIAL DEVELOPMENT BANK AMMAN - JORDAN BALANCE SHEET

December 31,

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
	<u>JD</u>	<u>JD</u>
Current Assets :		
Cash at banks	8,668,535	9,419,066
Bonds	2,729,450	2,769,450
Marketable equity securities (Note 3)	680,743	988,659
Loans receivable - Net (Notes 4 and 12)	36,721,738	35,839,165
Advances, accrued income and other debit balances (Note 5)	6,085,302	6,491,431
Total Current Assets	<u>54,885,768</u>	<u>55,507,771</u>
Long - term Assets :		
Medium and Long-term loans (Notes 6 and 12)	113,472,297	110,698,845
Less : Current maturities of loans	29,607,589	30,698,303
	83,864,708	80,000,542
Investments in equity securities-Net (Note 7)	5,922,428	5,668,865
Net Long-term Assets	<u>89,787,136</u>	<u>85,669,407</u>
Property and Equipment (Note 8)	<u>1,122,252</u>	<u>1,219,102</u>
Other Assets (Note 9)	<u>2,007,077</u>	<u>1,075,831</u>
TOTAL ASSETS	<u><u>147,802,233</u></u>	<u><u>143,472,111</u></u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS.

	December 31,	
	1998	1997
	JD	JD
LIABILITIES		
Current Liabilities:		
Fixed deposits	423,091	451,349
Deposits, provisions and accrued expenses (Note 10)	30,143,071	31,063,313
Proposed dividends	1,305,916	2,488,518
Current maturities of long-term liabilities	10,380,008	9,991,540
Total Current Liabilities	42,252,086	43,994,720
Long-term Liabilities:		
Foreign currency loans (Note 11)	55,858,466	55,715,167
Advances from the Central Bank of Jordan (Note 12)	12,345,010	16,481,976
Other (Note 13)	2,411,810	2,411,810
	70,615,286	74,608,953
Less : Current maturities of long-term liabilities	10,380,008	9,991,540
Total Long-term Liabilities	60,235,278	64,617,413
SHAREHOLDERS EQUITY		
Authorized Capital	24,000,000	24,000,000
Paid up capital	24,000,000	18,990,207
Statutory reserve	9,311,068	8,875,763
Share premium	11,922,991	6,913,198
Voluntary reserve	80,810	80,810
Total Shareholders Equity	45,314,869	34,859,978
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	147,802,233	143,472,111

INDUSTRIAL DEVELOPMENT BANK
AMMAN - JORDAN
STATEMENT OF INCOME

For The Year Ended

December 31,

	1998	1997
	JD	JD
INCOME From :		
Interest and commission on loans	11,823,183	11,126,925
Interest on bonds	248,523	262,154
Interest on deposits	1,097,456	970,748
Total interest and commission earned	13,169,162	12,359,827
Less : Interest paid	6,236,991	6,445,577
Net interest earned	6,932,171	5,914,250
(Less) Add : Dividends and profits from equity securities	72,746	(38,212)
Fees and other income	345,253	424,850
Net operating income	7,350,170	6,300,888
Less : General and administrative expenses (Note 14)	2,412,987	2,248,489
Provision for decline in equity securities	284,201	234,595
Provision for doubtful accounts	2,711,761	192,033
Provision for foreign exchange fluctuations	200,000	200,000
NET INCOME AVAILABLE FOR APPROPRIATION	1,741,221	3,425,771
APPROPRIATION :		
Statutory reserve (25%)	435,305	856,443
Voluntary reserve	-	80,810
Proposed dividends (6%) (15% for 1997)	1,305,916	2,488,518
	1,741,221	3,425,771

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS.

INDUSTRIAL DEVELOPMENT BANK
AMMAN - JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1998 AND 1997

	1998		1997		1998		1997		1998		1997		1998		1997	
	Ordinary Shares	Preference Shares	Total Paid up Capital	Share Premium	Statutory Reserve	Voluntary Reserve	Retained Earnings	Total	Ordinary Shares	Preference Shares	Total Paid up Capital	Share Premium	Statutory Reserve	Voluntary Reserve	Retained Earnings	Total
Balance - beginning of the year	2,081,250	16,908,957	18,990,207	6,913,198	8,875,763	80,810	-	34,859,978	1,387,500	10,259,177	11,646,677	6,220,016	8,019,320	5,172,990	-	31,059,003
Subscriptions in the increase of capital shares	-	5,009,793	5,009,793	5,009,793	-	-	-	10,019,586	1,387,500	10,612,500	12,000,000	6,750,001	8,019,320	5,172,990	-	883,308
Net income for the year	-	-	-	-	-	-	1,741,221	1,741,221	693,750	5,306,250	6,000,000	(827,010)	-	(5,172,990)	-	1,980,414
Transfer to reserves	-	-	-	-	435,305	-	(435,305)	-	-	990,207	990,207	990,207	-	-	3,425,771	3,425,771
Proposed dividends	-	-	-	-	-	-	(1,305,916)	1,980,414	-	-	-	-	-	-	(937,253)	-
Balance - End of the Year	2,081,250	21,918,750	24,000,000	11,922,991	9,311,068	80,810	-	45,314,869	2,081,250	16,908,957	18,990,207	6,913,198	8,875,763	80,810	(2,488,518)	34,859,978
1997																
Balance - beginning of the year	1,387,500	10,259,177	11,646,677	6,220,016	8,019,320	5,172,990	-	31,059,003	1,387,500	10,259,177	11,646,677	6,220,016	8,019,320	5,172,990	-	31,059,003
Subscription in the increase of capital shares	-	353,323	353,323	529,985	-	-	-	883,308	-	-	-	-	-	-	-	-
Total	1,387,500	10,612,500	12,000,000	6,750,001	8,019,320	5,172,990	-	31,942,311	1,387,500	10,612,500	12,000,000	6,750,001	8,019,320	5,172,990	-	31,942,311
Capitalization of voluntary reserve and share premium	-	5,306,250	6,000,000	(827,010)	-	(5,172,990)	-	-	-	5,306,250	6,000,000	(827,010)	-	(5,172,990)	-	-
Capital paid	-	990,207	990,207	990,207	-	-	-	1,980,414	-	990,207	990,207	990,207	-	-	3,425,771	3,425,771
Net income for the year	-	-	-	-	-	-	1,741,221	3,425,771	-	-	-	-	-	-	3,425,771	3,425,771
Transfer to reserves	-	-	-	-	435,305	-	(435,305)	-	-	-	-	-	-	-	(937,253)	-
Proposed dividends	-	-	-	-	-	-	(1,305,916)	1,980,414	-	-	-	-	-	-	(937,253)	-
Balance - End of the Year	2,081,250	16,908,957	18,990,207	6,913,198	8,875,763	80,810	-	34,859,978	2,081,250	16,908,957	18,990,207	6,913,198	8,875,763	80,810	(2,488,518)	34,859,978

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS.

INDUSTRIAL DEVELOPMENT BANK

INDUSTRIAL DEVELOPMENT BANK AMMAN - JORDAN STATEMENT OF CASH FLOWS

For The Year Ended
December 31,

	1998	1997
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES :		
Interest and commission received	13,123,404	12,060,500
Interest and commission paid	(6,236,991)	(6,445,577)
Net Interest and commission	6,886,413	5,614,923
General and administrative expenses	(2,256,247)	(2,096,522)
	4,630,166	3,518,401
Other income	345,253	424,850
Operating profit before working capital changes	4,975,419	3,943,251
(Increase) decrease in Assets:		
Loans receivable	(3,217,214)	(4,404,651)
Advances, accrued income and other debit balances	74,767	83,864
Other assets	(931,246)	(785,131)
Medium and long-term loans	(3,864,166)	(10,523,343)
	(7,937,859)	(15,629,261)
Increase (Decrease) in Liabilities		
Fixed deposits	(28,258)	(2,080,925)
Deposits provisions and accrued expenses	(1,120,242)	85,605
	(1,148,500)	(1,995,230)
Net Cash Used in Operating Activities	(4,110,940)	(13,681,240)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Increase in fixed assets	(59,890)	(95,677)
(Increase) decrease in current investments	175,717	(180,658)
(Increase) decrease in long term investments	(405,565)	(603,240)
Decrease in marketable equity securities	40,000	395,060
Investment income	72,746	(38,212)
Net Cash (Used in) from Investing Activities	(176,992)	(522,727)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long term liabilities	(2,488,518)	(1,842,349)
Increase in current maturities of long -term liabilities	388,468	528,898
Proposed dividends	(4,382,135)	6,192,103
Increase in capital	5,009,793	2,170,540
Share premium	5,009,793	693,182
Net Cash from Financing Activities	3,537,401	7,742,374
(DECREASE) INCREASE IN CASH	(750,531)	(6,461,593)
Cash - Beginning of the year	9,419,066	15,880,659
Cash - End of the year	8,668,535	9,419,066

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS

INDUSTRIAL DEVELOPMENT BANK
AMMAN - JORDAN
NOTES TO FINANCIAL STATEMENTS

1. General

The Industrial Development Bank (the Bank, or IDB) was established in 1965 by a Special Decree (amended in 1972) which specifies the objectives, structure and organization of the Bank.

The total number of employees as at the end of the year 1998 was 143.

2. Major Accounting Policies

The accompanying financial statements have been prepared under the historical cost convention applied on a consistent basis. The significant accounting policies followed by the bank are the followings:

Loans

- Overdue loan installments are shown under loans receivable in the balance sheet together with accrued interest up to the date the installments become due.

Provision for Doubtful Accounts

- The provision for doubtful accounts is taken according to management estimates and is shown deducted from loans receivable in the accompanying balance sheet. During 1998 the provision for bad and doubtful debts was estimated on the basis of the methodology prescribed by the Central Bank of Jordan for commercial banks, which does not take into consideration the collateral available to the Bank against the facilities provided.

- The Bank follows a policy of suspending interest on loans which are overdue for a period longer than nine months, such interest being recognized when received.

Investments

- Bonds are stated at cost.

- Marketable equity securities and long-term investments in equity securities are stated at cost net of the allowance for decline in market value, computed on an individual basis.

- Dividends are recognized when received.

- Interest on bonds held is recognized following the accrual basis.

INDUSTRIAL DEVELOPMENT BANK

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight line method, at the following annual rates:

	%
Building	2
Furniture, fixtures and vehicles	15
Computer equipment	20

Foreign Currencies

Long-term liabilities in foreign currencies are translated to Jordanian Dinar at the exchange rates prevailing at the withdrawal dates, as they will be redeemed at the same rates prevailing at the dates of withdrawal. Any resultant foreign exchange difference is borne by the Government of Jordan, except for exchange differences resulting from the sixth loan granted by the European Investment Bank, which is to be borne by the Bank. Assets in foreign currencies are translated to Jordanian Dinar at the exchange rates prevailing at year-end, and the resulting difference on exchange taken to the statement of income.

The Bank started building up a provision for foreign exchange fluctuations for loans in foreign currencies which are to be redeemed by the Bank, such provision is included in the account "Deposits, provisions and accrued expenses".

Writeoffs of Loans and Investments

Writeoffs of loans and investments are charged directly to the related provisions.

3. Marketable Equity Securities**a - Equity Securities Listed on Amman Financial Market:**

	Decembe 31,		
	1998	1997	
No. of	JD	JD	
Shares			
Arab Aluminium Industry Co. (ARAL)	73900	300,391	301,141
Arab Investment and International Trading Co.	190582	188,306	188,298
Universal Modern Industries Co.	38350	43,983	59,092
Jordan Wooden Industries Co. (JWICO)	1843	7,727	7,642
Industrial Commercial and Agricultural Co.	10900	25,962	25,962
Arab Pharmaceutical Manufacturing Co.	7006	18,128	48,166
National Cable & Wire Manufacturing Co.	17010	55,404	47,859
Jordan Rock Wool Industries Co.	33396	64,295	64,295
Central General Trading and Storage Co.	77150	48,260	48,260
The Housing Bank	14000	38,133	-
Jordan Gulf Bank	-	-	17,474
Rafia Industries Co.	80825	121,973	101,756
Jordanian Expatriates Investment Holding Co.	2100	2,908	2,908
Jordan Trade Facilities Co.	-	-	66,382
Kawther Investment Co.	20760	38,082	37,880
The Jordan Pipes Manufacturing Company	2300	6,304	6,304
National Portfolio Securities Co.	28000	33,758	26,382
Jordan French Insurance Co.	-	-	60,037
Arab Financial Investments Co.	55000	23,305	77,454
Universal Chemical Industries Co.	-	-	351
Industrial Resources Co.	50550	56,464	56,464
Union Finance Investment Co.	-	-	12,336
Al Zarqa for Education & Inv. Co.	17100	19,984	19,984
National Industries	23009	15,416	15,700
Arab Metal Pipes	7250	30,025	30,025
Middle East Complex (Gold Star)	-	-	20,368
Export and Finance Bank	15000	9,549	-
Jordan Electricity Co.	2000	2,956	-

INDUSTRIAL DEVELOPMENT BANK

	Decembe 31,		
	1998	1997	
No. of Shares	JD	JD	
Jordan Petroleum Refinery Co.	100	1,024	-
Jordan New Cable Industries	31750	23,668	-
Arab Pharmaceuticals and Food Supplies	50000	21,526	4,613
Union Bank for Saving and Investment	500	1,222	1,222
Philadelphia Investment Bank	21496	27,791	27,791
Zara Investment	6500	8,032	8,032
Jordan Industries and Match Co.	-	-	7,789
Jordan Islamic Bank	16506	31,436	7,371
Bank of Jordan	2200	4,237	4,237
Arab International Hotels	400	2,116	2,116
United Land Transport	10000	15,838	22,132
Union Land Development	3000	2,181	400
Livestock and Poultry	70000	37,778	33,940
Arab Center for Pharmaceuticlas and Chemicals	6034	7,323	26,787
United Engineering Industries	60000	17,741	6,116
Universal Chemical Industries	16000	11,709	11,709
National Multi Engineering Industries	24500	12,356	8,828
National Aluminuim Industry	6100	4,527	14,411
Jordan Ceramic Industries Co.	1668	1,839	78
The Arab International Food Co.	-	-	12,163
Advanced Pharmaceutical Industries	-	-	12,046
National Poultry Plc.	-	-	27
Jordan Iron Company	-	-	4,776
Total Marketable Equity Securities		1,383,387	1,559,104
b - Unlisted Equity Securities:			
Jordan Timber Processing Co. (Under Liquidation)	15850	13,031	13,031
Total Equity Securities		1,396,418	1,572,135
Less Allowance for decline in equity securities		715,675	583,476
		680,743	988,659

The market value of listed equity securities was JD 683,416 as of December 31, 1998 (JD 993,786 as of December 31,1997).

4. Loans Receivable

	December 31,	
	1998	1997
	JD	JD
Overdue loan installments, including accrued interest	18,513,203	12,233,359
Current portions of loans	29,607,589	30,698,303
	<u>48,20,792</u>	<u>42,931,662</u>
<u>Less : Provision for doubtful accounts and interest</u> in suspense	<u>11,399,054</u>	<u>7,092,497</u>
	<u>36,721,738</u>	<u>35,839,165</u>

Included in this item is the amount of JD 111,592 which represents rescheduled past due loan installments and accrued interest, (JD 287,857 in 1997).

The following is the movement on the provision for doubtful accounts and interest in suspense:

	Provision		
	for Doubtful	Interest in	Total
	Accounts	Suspense	
	JD	JD	JD
Balance at the beginning of the year	3,094,518	3,997,979	7,092,497
<u>Less : Settlements during the year</u>	(129,986)	(53,897)	(183,883)
<u>Add : Increase in provision during the year</u>	2,334,641	-	2,334,641
Interest suspended during the year	-	2,155,799	2,155,799
Balance at the End of the Year	<u>5,299,173</u>	<u>6,099,881</u>	<u>11,399,054</u>

INDUSTRIAL DEVELOPMENT BANK

5. Advances, Accrued Income and Other Debit Balances

	December 31,	
	1998	1997
	JD	JD
Brokerage Department accounts receivable	1,458,463	1,977,574
Less : Provision for doubtful accounts and interest in suspense	988,075	575,337
	470,388	1,402,237
Small Scale Industries and Handicraft Fund advance	1,000,000	1,000,000
Accrued interest and commission	1,779,875	1,734,117
Discounted bills, letters of credit	481,229	325,316
Payments on the Potassium and Phosphate projects	50,000	50,000
Other debtors	277,874	211,993
Venture Capital Unit	2,025,936	1,767,768
	6,085,302	6,491,431

6. Medium and Long-Term Loans

a - Medium and long-term loans have a duration of one to ten years.

b - This item includes loans due from parties in the West Bank of Jordan as follows:

	December 31,	
	1998	1997
	JD	JD
Installments and accrued interest on West Bank loans	1,001,772	1,026,156
Less : Accumulated interest and commission due from January 1, 1968 to April 1980	663,656	678,290
	338,116	347,866

These loans have been fully provided for, through the provision for doubtful accounts and interest in suspense (Note 4) .

c - This item further includes syndicated loans managed by the Bank, details of which are as follows:

INDUSTRIAL DEVELOPMENT BANK

	Bank Share of			
	Drawn	Loan	Drawn	Loan
	Amount	Balance	Amount	Balance
	JD	JD	JD	JD
Arab Company for Medical & Food Supplies	1,550,000	2,017,666	500,000	650,860
Arab Hygienic Paper Manufacturing Co.	1,500,000	852,252	1,000,000	568,123
	<u>3,050,000</u>	<u>2,869,918</u>	<u>1,500,000</u>	<u>1,218,986</u>

The Bank share of the loan balances includes overdue installments, accrued interest and installments maturing within one year, at an amount of JD 280,174 as of December 31, 1998.

7. Investments in Equity Securities:

a - Equity Securities Listed on Amman Financial Market:

	December 31,		
	No. of Shares	1998	1997
		JD	JD
Intermediate Petro-Chemical Industries Co.	92000	92,000	92,000
Jordan Cement Factories Co.	281250	281,250	281,250
Arab Investment and International Trading Co.	229942	229,942	229,942
Jordan Paper and Cardboard Co.	284304	142,152	142,152
Jordan Ceramic Industries Co.	148780	136,878	136,878
Jordan Wooden Industries Co. (JWICO)	122250	122,250	122,250
Arab International Hotels	43500	155,250	-
Jordan Poultry Processing and Marketing Co.	350000	350,000	350,000
Jordan Petroleum Refinery Co.	10000	85,000	85,000
Jordan Investment and Finance Bank	101064	69,191	43,127
Arab Company for Medical & Food Supplies	216835	183,418	183,418
Arab Paper Converting and Trading Co.	36900	54,111	54,111
Arab Aluminium Industry Co. (ARAL)	17824	35,548	47
		<u>1,936,990</u>	<u>1,720,175</u>
Less : Provision for decline in value of equity securities		<u>277,847</u>	<u>294,595</u>
		<u>1,659,143</u>	<u>1,470,580</u>

The market value of listed equity securities was JD 3,510,396 as of December 31, 1998 (JD 4,023,421 as of December 31, 1997).

INDUSTRIAL DEVELOPMENT BANK

b - Unlisted Equity Securities

	December 31,		
	1998	1997	
	No. of Shares	JD	JD
Jordan Industrial Estates Corporation	1000000	1,000,000	1,000,000
Arab Lime and Building Material Industries Co. (21% paid)	417711	417,711	417,711
Arab Engineering Industries Co.	200000	200,000	200,000
Jordan Venture Projects Co. (75% paid)	300000	225,000	225,000
Jordan Technology Group	100000	100,000	100,000
Jordan Blending and Fertilizer Packing Co.	56250	56,250	56,250
Program for Financing of Arab Trade	16	48,196	48,946
Jordan Polymers and Intermediate Chemicals Co.	6913	34,565	34,565
Amman International Center	10000	10,000	10,000
Glucose and Food Manufacturing Co.	165000	165,000	165,000
Jordan Maintenance Systems Co.	50000	50,000	50,000
Chemical Industries and Mining Co.	50000	50,000	50,000
Jordan Loan Guarantee Corp.	450000	450,000	450,000
Jordan Pre-Cast Concrete Industry Co.	3000	3,000	3,000
National Petroleum Co.	10000	10,000	10,000
Arabian Company for Gypsum Manufacturing	150000	150,000	150,000
Jordanian Al-Safi Salt Co.	500000	500,000	500,000
Jordan Dead Sea Industries. (50% paid)	600000	300,000	300,000
Jordan Glass Industries Co. (under liquidation)	125000	125,000	125,000
Arab Mineral Rocks	50000	50,000	50,000
Jordan International Industries	200000	200,000	200,000
Jordan Ready to Wear Manufacturing Corp.	4050	1,351	1,351
Jordan Timber Processing Co. (Under Liquidation)	344020	344,020	344,020
Jordan Spinning and Weaving Co.	281250	223,513	223,513
Jordan Trust Investment	100000	100,000	-
National Development Resources	50000	50,000	-
Magnesia of Jordan (50% paid)	250000	125,000	62,500
Al Janoub Filters Manufacturing	25000	25,000	12,500
Jordan Industrial Investments Corp. (Under Liquidation)	127690	127,690	127,690
United Aluminium Industries		-	35,500
		5,141,296	4,952,546
Less : Provision for decline in equity securities		878,011	754,261
		4,263,285	4,198,285
Net investments in equity securities		5,922,428	5,668,865

There were uncalled equity investment shares at a value of JD 500,000 at year end

8. Property and Equipment

	December 31, 1997			Net Book Value	
	Cost	Depreciation Accumulated		December 31,	
		Rate	Depreciation	1998	1997
	JD	%	JD	JD	JD
Land	637,757	-	-	637,757	612,911
Building	303,032	2	108,393	194,636	201,072
Furniture and fixtures	731,136	15	577,537	153,599	226,073
Vehicles	321,069	15	220,316	100,753	144,655
Computer equipment	241,866	20	206,362	35,504	34,391
	<u>2,234,860</u>		<u>1,112,608</u>	<u>1,122,252</u>	<u>1,219,102</u>

9. Other Assets

This item represents foreclosed land and property acquired by the Bank in settlement of past due client loans. In accordance with the Bank's Decree, these assets when in excess of the Banks' needs should be disposed of.

10. Deposits, Provisions and Accrued Expenses

	December 31,	
	1998	1997
	JD	JD
* Interest differential on specific loans	24,004,138	23,652,108
Development and Employment Fund deposits	33,124	15,635
Provision for staff indemnity	1,004,025	866,197
Accrued interest and expenses	396,024	187,109
Brokerage department accounts payable	154,082	369,990
Letters of credit deposits	159,786	736,131
Small Scale Industries and Handicraft Fund current account (Net 19)	853,348	2,069,322
Provision for difference on exchange	400,000	200,000
Other	3,138,544	2,966,821
	<u>30,143,071</u>	<u>31,063,313</u>

* The interest differential on specific loans represents the difference between the commercial interest payable on loans obtained by various Jordanian entities from international bodies through IDB and the lower interest charged by these bodies. Interest is collected from the borrowers, placed on deposit and dealt with as agreed between the Bank and the Jordanian authorities.

The Bank is committed to pay amounts totalling JD 16,076,431 out of these deposits.

11. Foreign Currency Loans

	December 31, 1998		Annual Interest	No. of Installments	Date of Last Installment	Undrawn Balance
	Foreign Currency	Jordanian Dinar Equivalent				
		JD	%			
Kredianstatl Fur Wiederaufbau:						
First loan	DM	525,000	4.5	40 (Semi ann.)	2002	-
Second loan	DM	1,500,000	4.5	40 (Semi ann.)	2004	-
Third loan	DM	4,000,000	6	40 (Semi ann.)	2006	-
Fourth loan	DM	5,500,000	6	40 (Semi ann.)	2009	-
Fifth loan	DM	3,000,000	6	40 (Semi ann.)	2010	-
Sixth loan (to the Industrial Estates Corporation)	DM	3,000,000	4	40 (Semi ann.)	2010	-
Seventh loan	DM	3,340,000	6.5	30 (Semi ann.)	2003	-
Eighth loan	DM	15,338,000	6.5	30 (Semi ann.)	2010	-
		9,629,691				
European Investment Bank:						
Second loan - second part	ECU	1,257,600	1	60 (Semi ann.)	2023	-
Third loan - first part	ECU	2,908,000	5.35	16 (Semi ann.)	2000	-
Third loan - second part	ECU	953,232	2	5 (Annually)	2013	-
Fourth loan	ECU	7,135,000	7.25	16 (Semi ann.)	2002	-
Loan - first part	ECU	2,047,900	6.65	16 (Semi ann.)	2003	-
Loan - second part	ECU	1,000,000	5	5 (Annually)	2010	-
Fifth loan - first part	ECU	9,742,000	8.597	16 (Semi ann.)	2006	-
Fifth loan - second part	ECU	1,935,495	-	-	-	-
Sixth loan - first part	ECU	17,289,100	7.25	16 (Semi ann.)	2009	ECU 12,710,900
Sixth loan - second part	ECU	-	-	Full payment	2017	ECU 5,000,000
		35,330,704				
Arab Fund for Economic and Social Development loan						
	KD	4,714,000	6	35 (Semi ann.)	2015	-
		10,898,071				
		55,858,466				

All the above mentioned loans are guaranteed by the Government of Jordan.

12. Advances from the Central Bank of Jordan

	December 31,	
	1998	1997
	JD	JD
Export promotion advances	3,790,363	6,270,971
Normal revolving advances	8,554,647	10,211,005
	12,345,010	16,481,976

a - Export promotion advances are re-lent at an annual interest rate of 10% for a maximum period of five years.

b - The normal revolving advances are granted to the Bank at annual interest rates not exceeding 7.5%, with the last payment due during the year 2003.

13. Other

This item represents the Royal Scientific Society endowment (Waqf) on which the Bank pays interest at an annual rate of 9%.

14. General and Administrative Expenses

	For the Year Ended	
	December 31,	
	1998	1997
	JD	JD
Salaries and other employee benefits	1,706,031	1,539,924
Administrative expenses and others	388,659	400,679
Board of Directors remuneration	8,321	7,419
Depreciation	156,740	151,967
Travelling and transportation	98,077	107,772
Donation	24,712	14,249
Stationery and printing	30,447	26,479
	2,412,987	2,248,489

INDUSTRIAL DEVELOPMENT BANK

15. Earnings Per Share

The computation of earnings per share for preference and ordinary shares is based on dividing the net profit by the average outstanding preference and ordinary shares during the year on the basis that preference shares participate in profit and other rights and are treated pari passu with ordinary shares after these shares realize the minimum dividends as stipulated in the Bank's Decree, as follows:

	December 31,	
	1998	1997
	JD	JD
Preference shares	0,078	0,202
Ordinary shares	0,018	0,102

16. Contingent Liabilities and Commitments:

	December 31,	
	1998	1997
	JD	JD
Approved loans not yet withdrawn	20,717,507	23,777,061
Approved loans not yet contracted	5,649,000	8,682,000
Documentary credits	6,027,707	5,242,301
	<u>32,394,214</u>	<u>37,701,362</u>

17. Contra Accounts

	December 31,	
	1998	1997
	JD	JD
Small Scale Industries and Handicraft Fund assets (Note 20)	6,783,528	6,644,256
Employees' Provident Fund-assets	1,000,147	4,699,428
Jordan Management Institute (Note 21)	59,286	43,634
Loans held for collection on behalf of the Ministry of Planning	123,567	123,567
	<u>7,966,528</u>	<u>11,510,885</u>

18. Brockerage Department

The assets and liabilities of this department have been as follows :

	December 31,	
	1998	1997
	JD	JD
Assets :		
Cash at banks	510,008	10,169
Accounts Receivable	1,458,463	1,977,574
<u>Less : Provision for doubtful accounts</u>	(626,370)	(322,792)
Interest in suspense	(361,705)	(252,545)
	<u>470,388</u>	<u>1,402,237</u>
Marketable equity securities	1,396,417	1,572,136
<u>Less : Provision for decline in value of equity securities</u>	715,675	(583,477)
	<u>680,742</u>	<u>988,659</u>
Total current Assets	1,661,138	2,401,065
Fixed Assets - Net	32,373	15,140
Total Assets	<u>1,693,511</u>	<u>2,416,205</u>
Liabilities :		
Industrial Development Bank - current account	2,422,414	2,302,013
Account payable	154,082	369,990
Other liabilities	2,938	3,458
Net Losses	(885,923)	(259,256)
	<u>1,693,511</u>	<u>2,416,205</u>

INDUSTRIAL DEVELOPMENT BANK

The followings have been the revenues and expenses of the Brokerage Department for the years 1998 and 1997:

	December 31,	
	1998	1997
	JD	JD
Commissions	51,487	48,954
Interest received on deposits	19,164	11,878
Interest received on facilities	19,180	10,417
	<u>89,831</u>	<u>71,249</u>
Profits and losses from equity securities :		
Losses from trading in equity	(41,570)	(161,858)
Dividends received	18,381	26,235
Loss from equity securities	(32,189)	(135,623)
Net loss earned	<u>66,642</u>	<u>(64,374)</u>
Less : Expenses		
General and administrative expenses	120,371	125,644
Interest paid to Industrial Development Bank	313,266	200,737
Interest paid	9,610	19,051
Total Expenses	<u>443,247</u>	<u>345,432</u>
Total losses before provisions	(376,605)	(409,806)
Less : Allowance for doubtful accounts	(377,120)	174,687
Allowance for decline in equity securities	(132,198)	(24,137)
Net Losses	<u>(885,923)</u>	<u>(259,256)</u>

The assets, liabilities, revenues and expenses of the Brokerage Department are included combined with the financial statements of the Bank.

The Department's policy is to suspend interest on accounts receivable which are overdue for a period longer than six months.

19. Jordan Management Institute

The assets and liabilities of Jordan Management Institute have been as follows :

	December 31,	
	1998	1997
	JD	JD
Assets :		
Prepaid expenses and refundable deposits	264	184
Fixed assets-Net	40,211	43,450
Debtors	5,756	-
Current account with IDB	13,055	-
Total Assets	59,286	43,634
Liabilities :		
Accrued expenses	2,709	3,050
Current account with IDB	-	42,621
Other liabilities	1,150	200
Grant - Interest differential on Arab Fund	55,427	-
Bank contributions to cover Institute deficit	-	(2,237)
Total Liabilities	59,286	43,634

The followings have been the revenues and expenses of Jordan Management Institute for the years 1998 and 1997 :

	For the Year Ended December 31,	
	1998	1997
	JD	JD
Revenues :		
Fees from training programs	117,078	127,622
Membership fees	7,807	7,947
Other revenue	8,475	-
Total Revenue	133,360	135,569
Expenses :		
Salaries and other employee benefits	104,528	96,343
Remuneration of teaching staff	25,290	25,943
General and administrative expenses	44,166	44,596
Depreciation of fixed assets	13,649	12,449
Total expenses	187,933	179,331
Total deficit	(54,573)	(43,762)
Add : Provision for doubtful accounts	-	(8,475)
Less : Grant-interest differential on Kreditanstalt Fur Wiederaufbau loans	50,000	50,000
Grant-interest differential on Arab Fund	4,573	-
Net deficit for the year	-	(2,237)

The Bank covers the Jordan Management Institute deficit, which is reflected as a general and administrative expense.

INDUSTRIAL DEVELOPMENT BANK

20. Small Scale Industries and Handcraft Fund

The assets and liabilities of this fund have been as follows :

	December 31,	
	1998	1997
	JD	JD
Assets :		
Cash at Bank	2,927,044	1,524,676
Current account with IDB	853,348	2,069,322
Loans and interest receivable	1,598,781	1,554,803
Medium and long-term loans	2,587,664	2,608,523
Less : Provision for doubtful accounts	(536,644)	(452,964)
Interest in suspense	(698,651)	(708,173)
Other assets	51,986	48,069
Total Assets	6,783,528	6,644,256
Liabilities:		
Deposits from the Development and Employment Fund	180,804	177,241
Advances from the Central Bank of Jordan	2,000,000	2,000,000
Advances from the Industrial Development Bank	1,000,000	1,000,000
European Investment Bank - first loan	87,031	90,950
European Investment Bank - second loan	271,492	279,791
Industrial Development Bank current account*	1,000,000	1,000,000
Other liabilities	48,766	34,511
	4,588,093	4,582,493
Fund Resources:		
Grant from the Government of Jordan	816,500	816,500
Grant from International Development Association	92,960	92,960
Grant - interest differential on long term loans	1,643,504	1,534,660
Grant from Industrial Development Bank	85,000	85,000
Accumulated Deficit	(442,529)	(467,357)
	2,195,435	2,061,763
Total Liabilities and Fund Resources	6,783,528	6,644,256

* This loan represents part of the interest differential on German loans for Jordanian enterprises (see note 10), to be settled in twenty half yearly installments at the semi annual interest rate of 4.5%, the last installment being due in the year 2010. The loan was transferred from the accounts of the Bank to the Fund accounts as of August 4, 1997.

INDUSTRIAL DEVELOPMENT BANK

The followings have been the revenues and expenses of the Fund for the years 1998 and 1997:

	For the Year Ended December 31,	
	1998	1997
	JD	JD
Interest received	538,958	544,743
<u>Less : Interest paid</u>	<u>248,364</u>	<u>186,337</u>
	290,594	358,406
<u>Less : General and administrative expenses</u>	<u>137,052</u>	<u>141,441</u>
Surplus	153,542	216,965
<u>(Less) Add : Provision for doubtful debts</u>	<u>(128,714)</u>	<u>(34,455)</u>
	24,828	182,510
Accumulated deficit brought forward	(467,375)	(649,867)
Accumulated Deficit	<u>(442,529)</u>	<u>(467,357)</u>

- In accordance with the Board of Directors resolution the Small Scale Industries and Handcraft Fund is considered financially independent of IDB. The Fund is financed from the interest differential on the long term preferential loans obtained from international bodies and from the Government .
- The Bank charged the Fund JD 20,681 in 1998 (JD 24,577 in 1997), being its share of general and administrative expenses.
- The Fund follows a policy of suspending interest on loans which are overdue for a period longer than nine months, such interest being recognized when received.

21. Contingent Liabilities

Although the Bank's Decree provides for the exemption of the Bank from tax, the Income Tax Department now claims the Bank should be subject to tax as from July 1, 1998.

This matter has been referred to the Governmental Bureau for Legal Interpretations, which as yet has not issued its verdict. No provision has been taken in the accounts for this contingency.

22. Comparative Figures

Some of the comparative figures for the year ended December 31, 1997 have been reclassified to correspond with the current year presentation.

INDUSTRIAL DEVELOPMENT BANK

HEADQUARTER :

Al-Kulliya Al-Ilmiya Al-Islamiya Street
Jabal Amman - Amman
P.O.Box 1982, AMMAN 11118
Tel : (06) 4642216 / 9
Fax : (06) 4647821
Tlx : (21349) IDBJO
Web site: www.indevbank.com.jo

IRBID BRANCH :

Baghdad Street
P.O.Box 3197, IRBID 211 - 10
Tel : (02) 278539 / (02) 278728
Fax : (02) 278229

JORDAN INSTITUTE OF MANAGEMENT :

Al-kulliya Al-Ilmiya Al-Islamiya St.
Jabal Amman - Amman
P.O.Box 2991, AMMAN 11118
Tel : (06) 4644842
Fax : (06) 4610758
Tlx : (21349) IDBJO

AMMAN INDUSTRIAL ESTATE BRANCH - SAHAB :

P.O.Box 150, SAHAB 11512
Tel : (06) 4023360 / 1
Fax : (06) 4023381

AQABA BRANCH :

Housing Bank Complex - Aqaba
P.O.Box 2160, AQABA 7710
Tel : (03) 2019380
Fax : (03) 2019383

FINANCIAL BROKERAGE DEPARTMENT

Amman Financial Market
Housing Bank complex
Shmeisani, Amman
Tel : (06) 5688019 / 5674380
Fax : (06) 5688019



Membership Information:

To obtain an application form, or for further information on membership criteria and benefits, kindly contact the YEA offices at 5931145 or email yea@noi.com.jo.

The Young Entrepreneurs Association will constantly strive for the prosperity not only of young entrepreneurs, but also of Jordan. It will be a symbol of excellence and a catalyst for improvement.

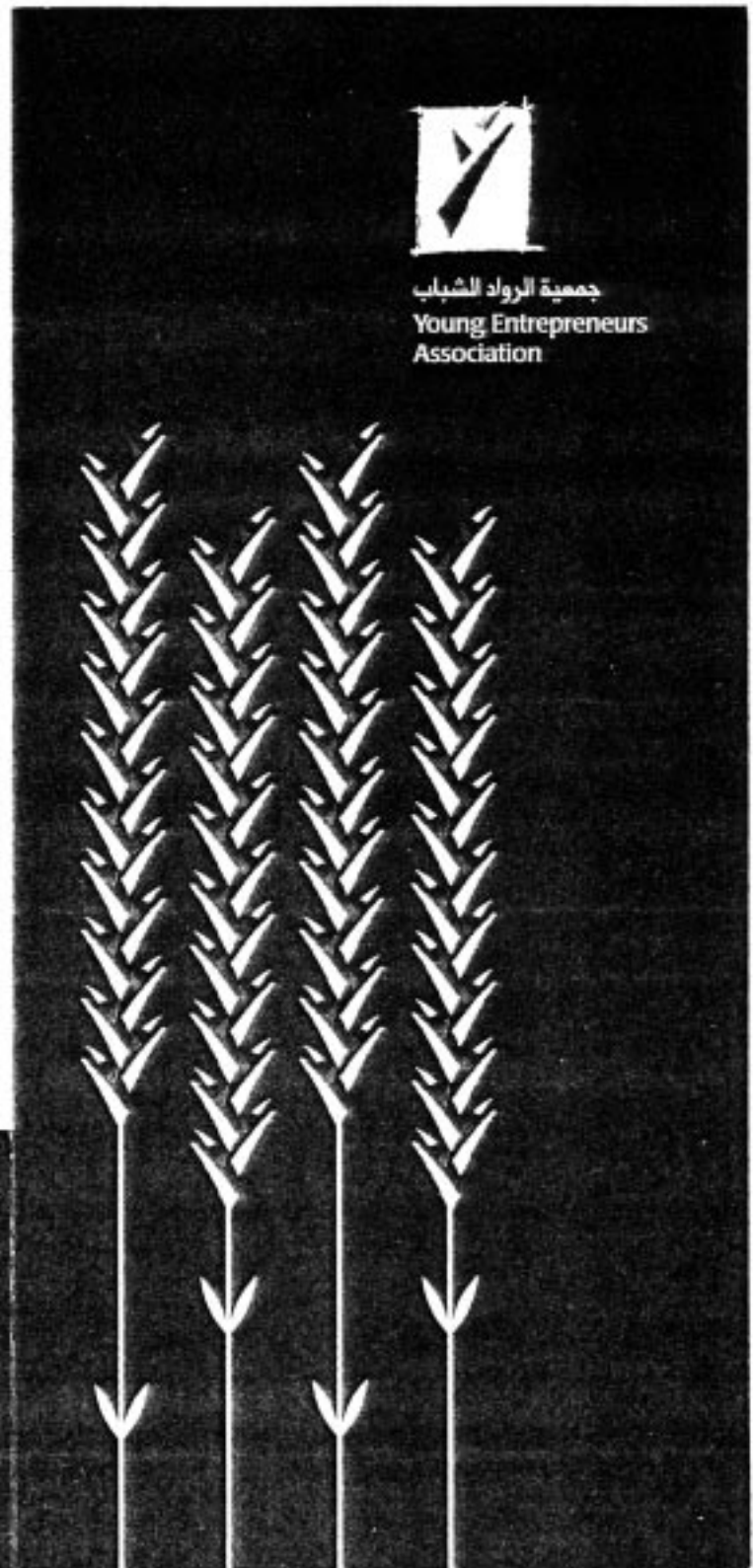


جمعية الرواد الشباب
Young Entrepreneurs
Association



PO Box 5296
Amman 11183 • Jordan
Tel (962-6) 5931145
Fax 5921374
Email yea@noi.com.jo

CUBEISY



جمعية الرواد الشباب
Young Entrepreneurs
Association



YEA

Young Entrepreneurs Association

Mission

The Young Entrepreneurs Association [YEA] was officially established on November 18, 1998 as a non profit organization, with the mission of developing outstanding young entrepreneurs through idea exchange, fellowship and synergy.

...idea exchange

...fellowship

...synergy

Objectives

The YEA recognizes the important role young businesspeople play not only in increasing economic competitiveness but also in strengthening the basis of a free market economy. Therefore, the YEA will act as a platform for young entrepreneurs to express their needs and concerns especially in an era of economic globalization through:

- ▶ Exchanging ideas through meetings, publications and seminars.
- ▶ The propagation of new young entrepreneur relevant knowledge.
- ▶ The dissemination of state-of-the-art techniques and practices among young entrepreneurs.
- ▶ The formulation of a collective modern view of the business environment, and the promotion of this view and other collective views, ideas, and goals in the business and economic spheres.

YEA Focus Activities

Among the projects to be tackled by the YEA include:

The Entrepreneur's Handbook

A manual outlining and describing all necessary analytical tools and procedures needed by entrepreneurs who are in the process of establishing their own ventures in Jordan.

Expected publication: April 1999

Database of Concerns

An online forum will be created to provide the opportunity for businesspeople to submit their comments, queries and complaints.

Expected launch: March 1999

Interactive Forums for Self Development

The Association has developed an action plan to introduce young entrepreneurs to new global and local concepts of entrepreneurship through:

- ▶ Small talk sessions profiling successful young entrepreneurs.
- ▶ Special training sessions for members.
- ▶ Open discussions with international entrepreneurs to share experience, know-how, visions...*
- ▶ Workshops with international, regional and local high profile speakers introducing new topics.*

Venture Capital Fund

The fund, to be established within the YEA, will serve as the benchmark in professionalism, support services and consulting for new ventures.

Think Industry

This project will familiarize school and university students with all aspects of entrepreneurship through special programs inside educational structures, visits to companies, and computerized centers for educational activities on management and economy.

* Also for public sector, bankers, universities.



JORDAN-JAPAN
FRIENDSHIP



**SPECIALIZED TRAINING INSTITUTE FOR
METAL INDUSTRIES**



JAPAN
Official Development Assistance



مؤسسة التدريب المهني

Vocational Training Corporation

Tel. No : 4027205, 4028245, 4028246

P.O.Box: (249) Amman (11512) Jordan

e-mail: sti@go.com.jo

Fax: 4027204

(March, 1999)

SPECIALIZED TRAINING INSTITUTE FOR METAL INDUSTRIES

Introduction

- The Institute was established in October 1997 and commenced its work in September 1998 at its permanent site at the Amman Industrial Estate - Sahab.

- The Vocational Training Corporation through the Institute aims to improve the working force in the field of specialized metal industries and upgrade its efficiency, which will assume its effective productivity in the available specialities.

- The Institute has an Advisory Committee which contributes to directing its policy, setting its plans, evaluating of its achievements and consists of concerned personnel in the private and public sectors.

Institute Objectives

- 1- Conducting advanced training courses in the field of Metal Industries.
- 2- Reducing the unemployment rate through provision of training opportunities for workers in the field of metal industry.

3-Increasing different industrial products through training and production works

4-Exchange and transfer of expertise and technical information for industrial facilities in the Kingdom through cooperation with Japanese experts participating in the institute's Project.

5-Assisting employers in improving their production through the identification of training needs for their workers.

Training Courses

The Institute is provided with all necessary facilities and equipment to facilitate conducting the following specialized courses:-

- Machinery
- Computerized Numerical Control (CNC)
- Mechanical Engineering Drawings (Auto CAD)
- Material Testing
- Heat Treatment
- Welding
- Sheet Metal Processing
- Welding Inspection
- Metal Painting
- Metal Casting
- Metal Forging

The Institute also conducts different training courses to upgrade the qualification of workers in the field of metal industries for a duration of one week to six months (short - term training courses), and conducts med-term and long-term training courses in the available specialization for a duration of 12 to 24 months.

مقدمة

- تأسس المعهد في شهر تشرينين ثاني من عام ١٩٩٧ وبأشر عملة في شهر ايلول عام ١٩٩٨ في موقعه الدائم بمدينة عمان الصناعية - سحاب.

- تسعى مؤسسة التدريب ومن خلال هذا العهد إلى إعداد القوى العاملة في مجال الصناعات المعدنية المتخصصة ورفع كفاءتها بما يحقق فاعليتها الإنتاجية ضمن التخصصات المطلوبة.



- المعهد لجنة استشارية تساهم في توجيه سياسته ووضع خطته وتقييم انجازاته وهي مؤلفة من عدد من العندين في القطاعين العام والخاص.

اهداف المعهد

- عقد دورات رفع كفاءة متقدمة في مجال الصناعات المعدنية.
- خفض نسبة البطالة من خلال إتاحة فرص تدريب للعاملين في مجال الصناعات المعدنية.
- زيادة النتجات الصناعية المختلفة من خلال التمارين والأعمال الإنتاجية.
- تبادل ونقل الخبرات والمعلومات الغنية للمؤسسات الصناعية لتعدد في المملكة بالتعاون مع الخبراء اليابانيين المشاركين بمشروع المعهد.
- مساعدة اصحاب الهنن في تحسين إنتاجهم من خلال لوقوف على الاحتياجات التدريبية لعمالهم.

الدورات والتدريب

لقد تم تزويد المعهد بالتجهيزات والعدات التي تمكنه من عقد الدورات المتخصصة في المجالات التالية:



- ١- آلات التشغيل.
- ٢- آلات التشغيل.
- المحوسبة.
- ٣- فحص السواد.
- ٤- المعالجة الحرارية.

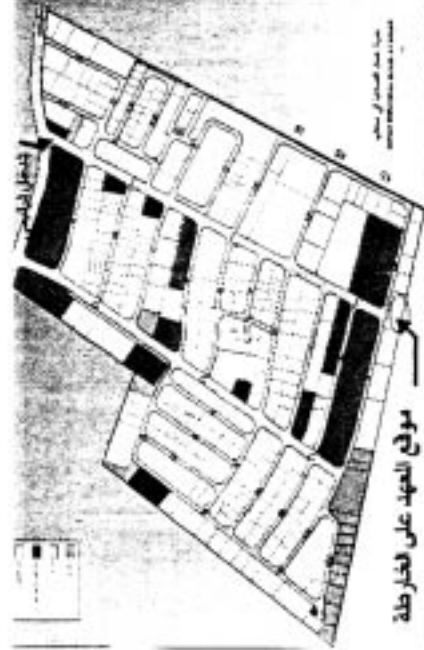


- ٥- اللحام.
- ٦- تشكيل الصاج.
- ٧- فحص اللحام.



- ٨- طلاء العادن.
- ٩- السباكة.
- ١٠- التشكيل بالطرق.
- ١١- الرسم الهندسي الميكانيكي (أوتوكاد).

ويقوم المعهد بعقد العديد من دورات رفع الكفاءة للعاملين في مجال الصناعات المعدنية لمدة تتراوح من اسبوع إلى ستة أشهر (دورات قصيرة) كذلك مدة دورات متوسطة وطويلة في مجال التخصصات للتوفيرة لمدة تتراوح من ١٢ شهر إلى ٢٤ شهر، يبي كحد أقصى.



موقع المعهد على الخريطة

هاتف: ٤٠٢٧٢٠٥ - ٤٠٢٧٢٤٦ - ٤٠٢٨٢٤٥

ص.ب: (٢٤٩) عمان (١٥١٢) الأردن

البريد الإلكتروني: <sti@go.com.jo>

فاكس: ٤٠٢٧٢٠٤

職業訓練技術学院プロジェクト概要

1、設立背景：

ジョルダン政府は工業製品の品質向上による輸出競争力の強化及び雇用拡大を図るため、職業訓練公社(Vocational Training Corporation)のもとに新たな職業訓練施設、Specialized Training Institute(通称はS.T.I. for Metal Industries:STIMI)をアンマン・サハープ地区工業団地に設置することを計画し、我が国にプロジェクト協力方式技術協力の要請を行った。JICA調査団により覚え書き(Record of Discussion)が締結され1997年10月から5年間の協力が約束された。

2、プロジェクトの目的：

ジョルダンの製造業、とりわけ金属加工分野の技能者の養成及び資質向上を目的とする。

3、両国の負う任務：

(1) 日本側の責務：

- ① 専門家派遣 : 6名
- ② カウンターパートの日本研修 : 毎年3～4名
- ③ 機材供与 : 総額5億円を予定

(2) ジョルダン側責務

- ① 敷地、建物、設備を購入・設置 : 完了
- ② 職員の配置 : 技術職員は25名
- ③ 運営費の確保 : 予算の確保

4、業務：

職業訓練の実施：

(1) 養成訓練(長期訓練)：中等教育修了者(第12学年、18歳)を2年間訓練する。

訓練科	定員	計
① 機械科	15/学年	30名
② 溶接科	15/学年	30名
③ 塑性加工科	15/学年	30名
	総計	90名

(2) 向上訓練(短期訓練)：在職者の資質向上のための訓練。

- ① 機械科 CAD訓練コース、数値制御機械コース、金属熱処理等
- ② 溶接科 各種特殊溶接技術コース、溶接検査コース等
- ③ 塑性加工科 板金展開法コース、金属塗装コース等

5、プロジェクトの運営方針：

指導員が訓練生を指導するとき単なる知識や技能・技術の切り売りではなく、製造現場で働く者としての使命感と責任感を育成する必要があります。このため、本プロジェクトの訓練実施指針ともいえる運営方針を次のとおり4項目にまとめました。

【プロジェクトの運営方針】

技能者は、もの造りに誇りをもち、信頼される製品をつくることに努める。

具体的には①良質の製品を②安価に③早く（手際よく）造ることが求められる。

このことから、技能者の養成と資質の向上は次の事項が求められる。

（1）専門性を極める：

技能者としての技量に誇りをもち、専門分野の技量をつねに高める努力をおこたらない。技能者の技量の育成は、多くの失敗の経験の積み重ねと言える。失敗を恐れず、成功への手法を身につける努力が求められる。

（2）専門分野以外の知識と経験を貯える：

技能者は製品の品質を高めるため、広い視点からもの造りを見る眼力を養うことが求められる。

もの造りはものを造ることのみで完結するものではなく、企画、設計、材料選択、製造機械の選定、製造（もの造り）、搬送、保管、販売、顧客へと多くの人々の手を経ている。最終的には、顧客が満足し価値ある商品として受け入れるかがもの造りに課せられる宿命といえる。

ものを造りに携わる人は、製品が顧客への要望に応える製品であるかどうかを常に心していなければならない。このため、技能者は広い視野をもたなくてはならない。

（3）創造性を発揮し新しい挑戦を試みる：

技術は日進月歩している。新たな技術を吸収できる能力を養成すると同時に、新たなもの造りへの改善や創造ができる能力を養成する。

常に新たな技術への興味と関心をもって学び、新たなもの造りへの挑戦を試みる意気と力を養う。

（4）もの造りの楽しさを知る：

もの造りが楽しいものとの自覚を持てるようにする。このためには、作業環境の整備、作業方法の改善、更に、職場の仲間づくりができる人材を養成する。

【資料】

1、日本側インプット

1、専門家または技師派遣：

協力期間5年間は6名の長期派遣専門家と必要に応じ短期派遣専門家及び据付技師を派遣することとしている。

プロジェクト開始後の派遣実績は次のとおり。

(1) 調査団： 1調査団派遣

年 度

1998年度 運営指導調査団 (3名) 1999/1/25～2/1

(2) 長期派遣専門家：6名

分 野	氏 名	派遣期間
①リーダー	藤本 篤	1997年10月～(2年間)
②訓練計画	山内 昭憲	1997年11月～(2年間)
③機 械	前田 義人	1997年5月～(2年間)
④溶 接	青木 節	1998年5月～(2年間)
⑤塑性加工	田屋 耕作	1998年9月～(2年間)
⑥調整員	小田桐 久夫	1997年10月～(2年間)

(3) 短期派遣専門家：2名

年 度	分 野	派遣期間
1998年度	①金型設計製作	1999/3/4～3/28 (15日間)
1999年度	②視聴覚教材作成	1999/7/10～8/14 (32日間)
1999年度	派遣予定	
	・熱処理技術	1999/11 予定
	・数値制御旋盤	2000/1 予定

(4) 据付技師： 1名

年 度	機材名	派遣期間
1998年度	①溶接集塵装置	1999/1/10～1/14 (15日間)
1999年度	派遣予定 4名	
	・数値制御旋盤	1999/11 予定
	・マシニングセンター	1999/11 予定
	・金属塗装ブース	1999/11 予定
	・クランクプレス	1999/11 予定

2、カウンターパート日本受入研修

1999年8月末現在・個別研修、派遣中の3名を含め 12名 詳細は「別紙1」の通り
・国別に割り当てられた集団コース1名

3、機材供与：	総額5億円の予定	
1997年度	旋盤、溶接機、プレスブレーキ他	124,215,000円
1998年度	数値制御工作機械、塗装ブース、溶接試験機器他	3,060,000円
1999年度	放電加工機、溶接X線試験器、フランクシャー他	

II、ジョルダン側インプット

1、敷地、建物、設備の購入・設置

(1) 敷地	：10,031 平方メートル(@16JD/m ²)	160,496JD
(2) 建物	：1998年8月竣工	6,100 m ² 1,057,682JD
	①本館	1,636 m ²
	②南実習場（溶接他）	1,964 m ²
	③北実習場（機械、塑性加工他）	1,962 m ²
	④付帯施設	538 m ²

(3) 設備： 総額 1,052,935JD

(*日本が協力市内分野、鑄鍛造用機材を含む)

①家具	57,115JD
②電気機器	8,350
③視聴覚機器	35,688
④事務用パソコン	10,335
⑤消火器	1,207
⑥鑄造及び鍛造機材	* 910,240
⑦業務用車両	30,000

(4) 職員の配置： 現任者一覧 「別紙1」

(5) 運営費投入：

1998年度（1月から12月までの実績） 29,657JD

①給与	22,596JD
②交通費手当	2,775
③通信費	1,557
④水道	650
⑤電気	1,159
⑥暖房用燃料	150
⑦事務用品	170
⑧訓練用資材	350
⑨衛生、清掃用品	250

【別紙 1】

現員職員と受入研修実績一覧
Present Staff and Training in Japan

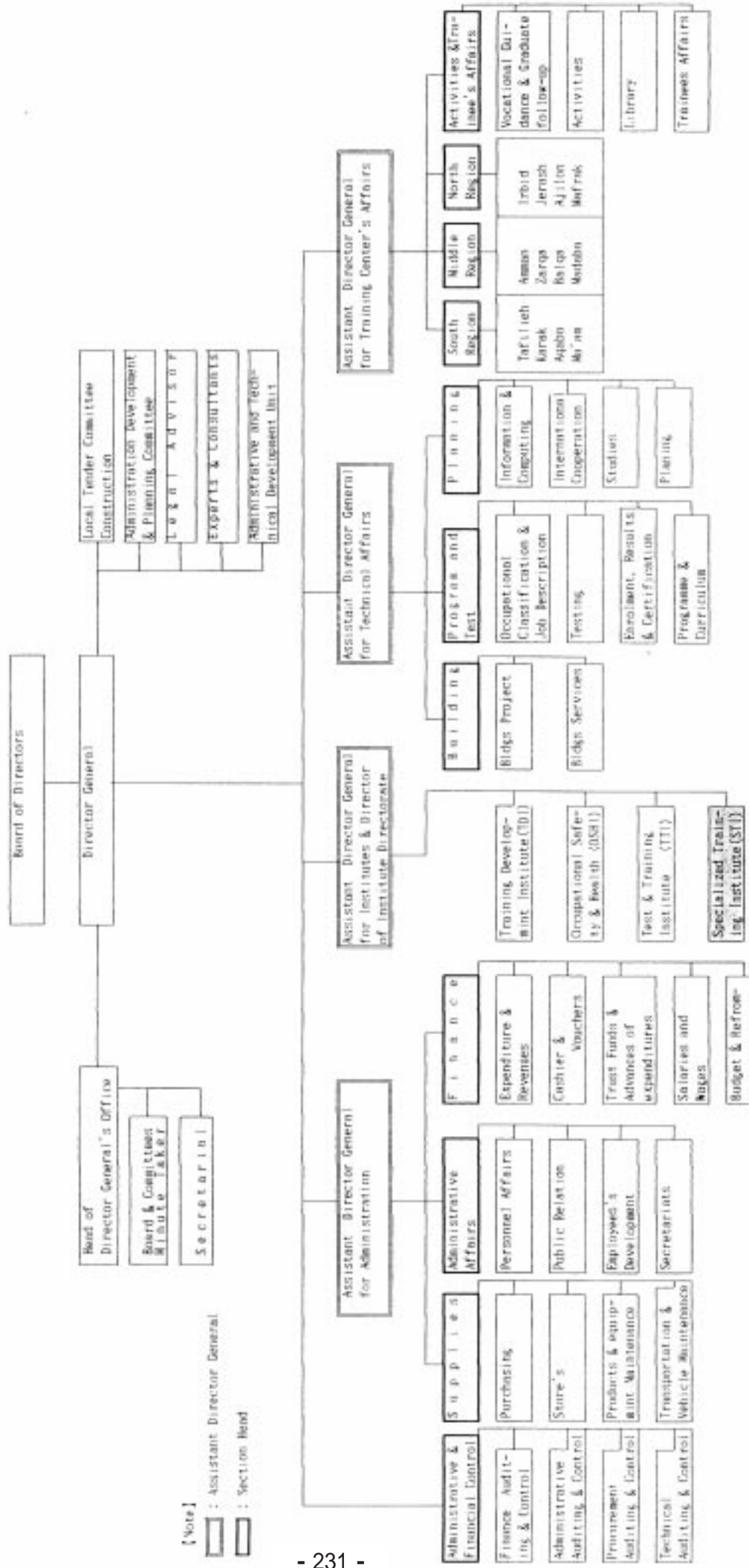
1、技術職員 Technical Staff

職位 Position	任命日 Appointed Date	氏名 Name	日本受入研修 Training in Japan	備考 Remarks
① Principal	14/8/97 05/8/99	Jamil Hujawi Hussein Nerat	June 15, 1998 ~ August 9, 1998 June 15, 1997 ~ August 10, 1997	August 1, 1999 Retired 集団コース「職業訓練管理技術」に参加
② Occupational Safety and Training Supervisor	27/11/97	Ibrahim Qattash	June 19, 1997 ~ August 14, 1997	Change Atieh into Qattash in March 1999
③ Training Officer for Machining	17/08/98	Ibrahim Tawalbeh	June 26, 1997 ~ October 1, 1997	
④ Training Officer for Welding	15/08/98	Jamal Akour	June 26, 1997 ~ October 1, 1997	
⑤ Training Officer for Sheet Metal Processing	27/08/98	Waleed Al-Tantawi	October 8, 1997 ~ Dec. 25, 1997	
⑥ Instructor for Machining	01/03/99	Jabr Qdeiri		
⑦ Instructor for Machining	01/03/99	Ahmad Ahmad		
⑧ Instructor for Machining	05/10/98	Ahmad Abu-Suwwan	June 1, 1998 ~ October 4, 1998	
⑨ Instructor for Metal Testing	01/03/99	Ahmad Al-Hrouf	June 1, 1999 ~ Sep. 26, 1999	
⑩ Instructor for Heat Treatment	02/03/99	Salah Al-Husban	June 1, 1999 ~ Sep. 26, 1999	
⑪ Instructor for Welding	05/10/98	Haroum Al-Sukkar	June 1, 1998 ~ October 4, 1998	
⑫ Instructor for Welding, Inspection	10/04/99	Ahmad Al-Momani	June 1, 1999 ~ Sep. 26, 1999	
⑬ Instructor for Sheet Metal Processing	05/10/98	Fouwzi Mubarak	June 1, 1998 ~ October 4, 1998	
⑭ Instructor for Sheet Metal Processing	01/03/99	Ibrahim Arroub		
⑮ Instructor for Metal Painting	03/04/99	Nawras Al-Rimawi	May 5, 1999 ~ August 8, 1999	

2、事務職員 Administrative Staff

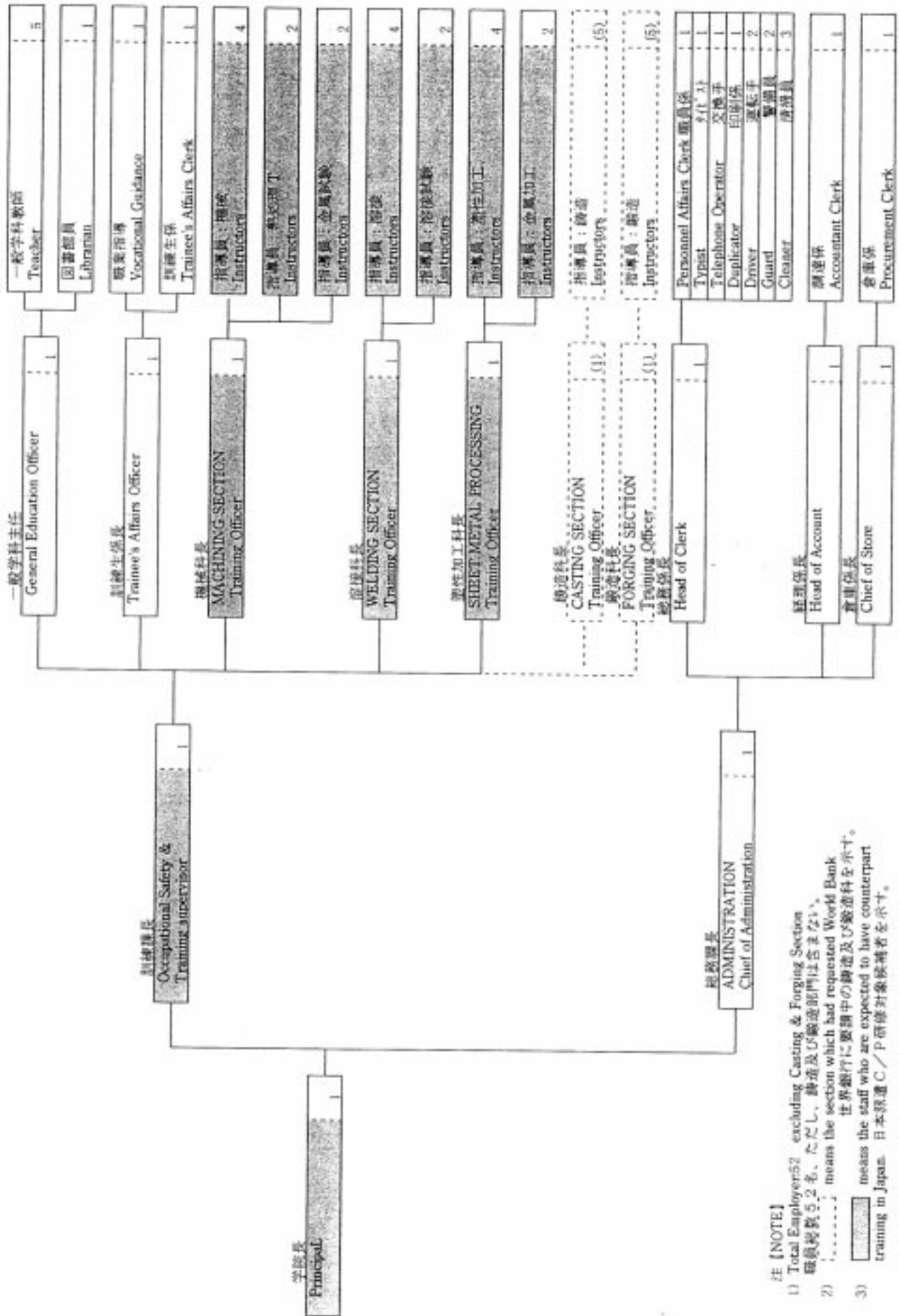
職位 Position	任命日 Appointed Date	氏名 Name	備考 Remarks
① Accountant	18/05/98	Mustafa Mohammed	
② Store Keeper	05/09/98	Said Saleh	
③ Driver	01/05/98	Ahmad Abed	
④ Guard	22/09/98	Atwah Al-Rae'i	
⑤ Guard	06/04/99	Fawzi Mahmoud	
⑥ Driver	02/05/99	Amin Bustangi	
⑦ Cleaner	28/04/99	Basma Al Whadi	
⑧ Clerk	15/04/99	Omar Yousef	
⑨ Clerk	30/8/99	Abdala Khatib	

ORGANIZATION CHART OF VOCATIONAL TRAINING CORPORATION



[Note]
 □ : Assistant Director General
 □ : Section Head

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ORGANIZATION CHART
SPECIALIZED TRAINING INSTITUTE for METAL INDUSTRIES



注【NOTE】
 1) Total Employer52 excluding Casting & Forging Section
 職員総数52名、ただし、鑄造及び鍛造部門は含まない。
 2) means the section which had requested Work Bank
 世界銀行に要請中の鑄造及び鍛造科を示す。
 3) [] means the staff who are expected to have counterpart
 training in Japan. 日本派遣C/P研修対象候補者を示す。