His Majesty King Abdullah The Second

His Royal Highness Hussein Abdullah, Crown Prince

بنك القاهرة عمّان

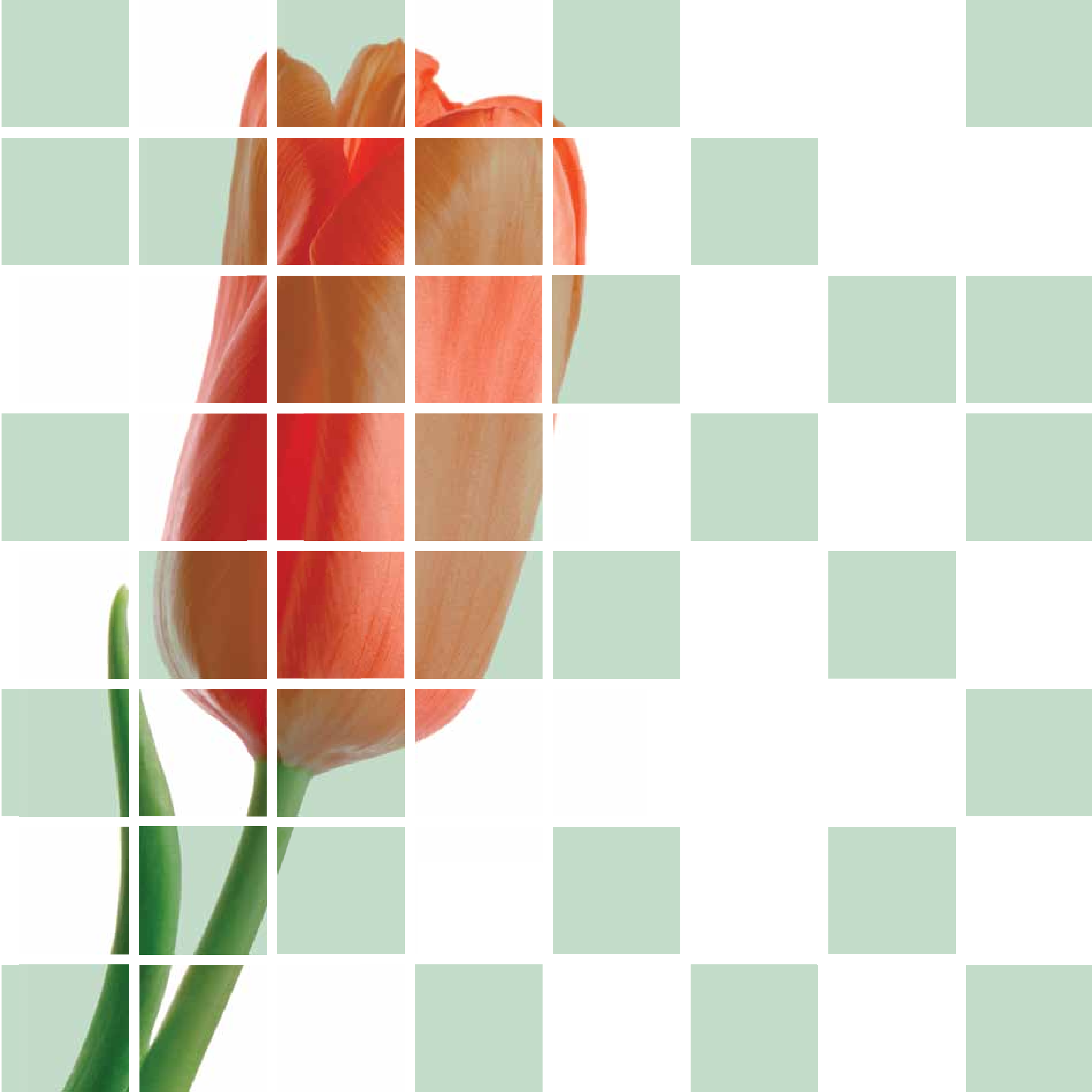
CairoAmmanBank

Together we grow معاً ننمو

Contents	Page

Mr. Yazid Adnan Al-Mufti	Chairman
Mr. Mohammad Kamal Eddin Barakat	Vice Chairman,Representing Banque Misr
Mr.Khaled Sabih Al-Masri	
Mr. Ibrahim Hussien Abu Al-Ragheb	Representing Ishraq Investment Company
Mr. Yasin Khalil Talhouni	Representing Levant Investment Company
Dr. Farouq Ahmad Zuaiter	Representing Palestine Development & Investment Company (Padico)
Mr. Arfan Khalil Ayass	Representing Al-Massira Investment Company
Mr. Nashat Taher Al-Masri	
Mr. Ghassan Ibrahim Akeel	Representing Arab Supply and Trading Company
Mr. Nedal Fa'eq Al-Qubaj	Representing Social Security Corporation (from August 15, 2013)
Dr. Bassam Ali Subaihi	Representing Social Security Corporation (up to August 15, 2013)
Mrs. Suhair Sayed Ibrahim	Representing Misr Investment Company
Mr. Sharif Mahdi Al-Saifi	

Mr. Kamal Ghareeb Al-Bakri	General Manager
Ernst & Young (Member of Ernst & Young Global)	External Auditors



Dear Shareholders,

It is with great pleasure and pride that I meet with you today, to present on behalf of the members of the Board, Cairo Amman Bank's annual report for the year 2013. This year's results crowned our efforts throughout the years where we posted the highest profits since the founding of the Bank. These results are the foundations that we will build upon in the coming years and were achieved with the support and confidence of the Bank›s customers and shareholders in addition to the policies, plans and efforts of the Bank's management and its employees.

2013 was the year in which the Jordanian economy was able to achieve positive signs of developments, in its forefront was the solidifying the foreign reserve levels at the Central Bank of Jordan, reducing the budget deficit after grants and increasing borrowing from international markets and organization all of which contributed in increasing the attractiveness of the Jordanian Dinar. The signs of the Jordanian economic growth are still below expected levels, where growth for the first three quarters of 2013 was 2.8% below IMF forecasted level of 3.3%. The foreign debt as a percentage of gross national product also rose to reach 80% in comparison with 75.5% in 2012, an increase of JD 2.5 billion.

Cairo Amman Bank managed to achieve excellent results and growth rates in most of its operational indicators exceeding expectations. The combination of successful strategy, conservative policies, prudent risk management practices and commitment to the best banking practices has been a major attribute to this accomplishment. Net income amounted to JD 40.8 million compared to JD 35.3 million in the previous year, an increase of 15.6%. Net interest and commission income grew by 8.6% to reach JD 115.2 million, while gross income amounted to JD 129.2 million achieving growth of 12.8% over last year to post one of the highest returns within the banking sector in Jordan, return on average assets and average equity were 1.93% and 16.14% respectively. In addition, total assets grew by 9.3%, reaching JD 2212.9 million, while customers' deposits increased by 1.8%, reaching JD 1426 million. However, the Bank's conservative policy in expanding its credit facilities during the year resulted in a decline in credit facilities by 4.2%, reaching JD 964.8 million accompanied by maintaining the quality of the credit portfolio, as the level of non-performing loans reached 4.78% which is lower than the average level of the banking sector in Jordan noting that the provision coverage ratio exceeds 101.2%. The Bank capital adequacy ratio reached 15.8% which is higher than the minimum required by Central Bank of Jordan of 12% and minimum required by Basel committee of 8%.

In an effort to expand our operations and to enhance our competitive edge, Cairo Amman Bank entered into a number of endeavors. During the year, the Bank signed an agreement with Capital Bank of Jordan to acquire 9.9% of its share in National Bank of Iraq which would give the Bank exposure to the promising Iraqi market. In addition, the Bank established a financial leasing subsidiary that is expected to commence operations during the first half of 2014. Furthermore, the Bank continued investing in information technology infrastructure and improving the level of services provided to customers through the implementation of the new core banking system with the aim of full implementation in Jordan during 2014.

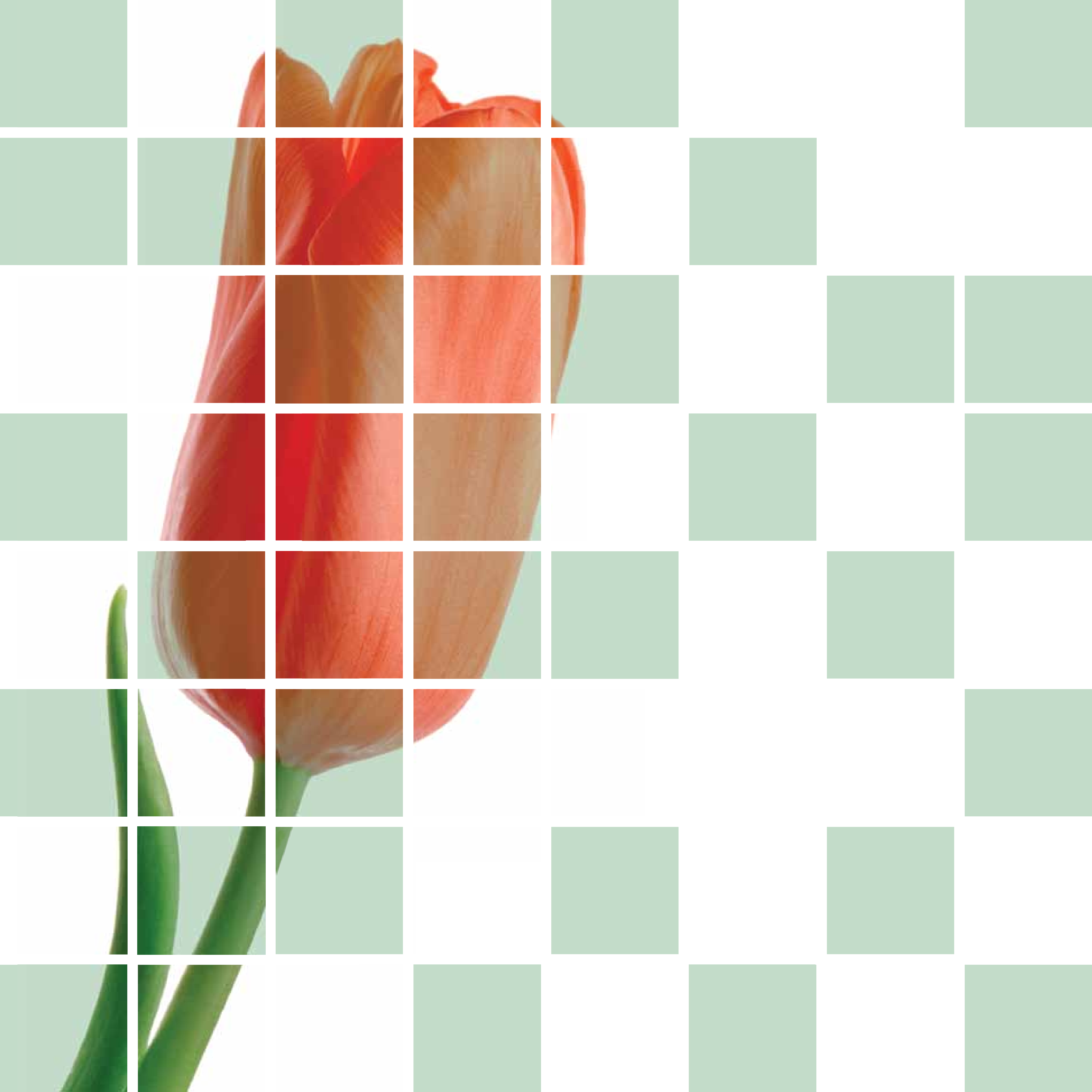
In recognition of Cairo Amman Bank efforts and excellence, the Bank was able to win the «Seal of Excellence» during our participation for the first time in the King Abdullah II Award for Excellence in its seventh session of 2012 – 2013. This award is proof of the superiority of the Bank in the institutionalization of a culture of excellence and innovation and in providing banking solutions to customers and the Bank's contributing in social responsibility in the Kingdom.

Based on the financial performance of the Bank, the Board of Directors has recommended that the General Assembly distribute dividends of 17% of the share's par value to the shareholders, amounting to JD 17 million and to increase the paid in capital to 125 million through issuing bonus share to shareholders at 25% of paid in capital capitalizing JD 25 million of retained earnings and reserves. This decision is expected to solidify the capital base and to cater for further expansion in operations and more competitiveness.

We at Cairo Amman Bank will strive during 2014 to implement our strategic plan and develop our operations. We will concentrate on maintaining adequate liquidity levels and the quality of credit portfolio. The Bank will complete the implementation of the new core banking system in Jordan and will start the implementation in Palestine branches. We will extend our outreach through opening new branches and installing ATMs. Our mission in supporting the local community as part of corporate social responsibility of the Bank will remain in the forefront of our efforts.

In conclusion, I would like to extend our sincere thanks for the shareholders' tremendous support, and to our customers for their valuable trust in the services of Cairo Amman Bank. Our appreciation is also extended to all employees for their commitment and hard work and to the Central Bank of Jordan for its efforts and ongoing support. We are fully confident that we will endeavor to provide excellent banking services and achieve the best results in the coming years.

Yazid Adnan Al-Mufti,
Chairman of the Board



Board of Directors' Report

Annual Report 2013

World Economy

The global economy continued registering moderate growth levels in 2013, but the drivers of activity have changed, with fast-growing emerging markets losing pace while developed nations gaining strength.

The change which resulted in developed economies driving growth was a result of global central banks showering money on their economies, while also using forward guidance as a tool to emphasize on continuing to adopt a monetary policy of low interest rates, in a bid to stimulate a recovery that remains lackluster almost five years after the worst recession since the Great Depression.

Monetary policy was at the forefront in 2013, with talks by the Federal Reserve about tapering its quantitative easing measures through scaling down its purchases of U.S. Treasuries in secondary markets.

The prospect of a Fed cutback in bond buying led to an unexpected increase in long-term yields in the U.S. and roiled financial markets, while the U.S. dollar appreciated significantly against currencies of developing economies. Consequently, the International Monetary Fund requested that the U.S. gradually reduce its quantitative easing program and to take into account the effect of such a policy on global economic growth.

However, against improved economic data of lower unemployment rates and a stronger housing sector, the Fed judged the US economy healthy enough to receive less support and decided at its December meeting to cut back its bond-buying program to $75 billion in January of 2014. The scaling bank of quantitive easing left no noticeable negative impact on global markets as the Fed continued assurances of keeping interest rate at record lows for the near future.

In detail, despite a stalemate in the United States congress that led to spending cuts and tax hikes that that hurt U.S. growth significantly, and political brinkmanship led to a 16 day partial shutdown of the federal government in October, the unemployment rates in the U.S. fell to the lowest level since the start of the global crisis in 2008 to about 7%.

As for Europe, the Euro-Zone has been able to overcome the recession and return to growth levels, even if at modest levels as it is expected to grow by half a percentage point during the second half of 2013. The return to growth is driven by the return of the Spanish and the Italian economy to positive growth figures at the end of the year, in addition to lower deflationary pressures in the Greek economy, and the recovery of the Irish economy to surprising growth levels of 1.50%.

However, the European economy is still fraught with risks that may result from persistent high unemployment levels of above 12% at the macro level, and above the levels of 20% in the Spanish and Greek economy. In addition, lending activity in the Euro-Zone is still very low, which may the threaten the continuity of recovery in the region.

Meanwhile, Japan who was several years late to the stimulus party launched in April a bond-buying campaign that surpassed the scale of the Federal Reserve's $85 billion-a-month program as a share of gross domestic product. Aggressive monetary stimulus has helped push the yen lower; boosting exports, inflation levels, and economic growth in the world's third biggest economy.

The country's economy enjoyed vigorous rebound in 2013, growing 2.0%, as Prime Minister Shinzo Abe's stimulus policies, also known as 'Abenomics,' boosted business sentiment and household spending, and the positive impact is likely to continue in 2014, despite the challenges that may arise from the government's plan to raise sales tax in the country.

On the other hand, emerging economies are projected to register bigger growth rates than advanced economies in 2013, although growth rates are slowing down from their historical highs in recent history, as a result of slower global economic growth and the transformation of these economies from export-led growth to consumption-led growth.

In particular, China's economy expanded at the slowest rate in 20 years, at 7.6%, strengthening conviction that China will grow more slowly over the medium term than in the recent past witnessed of double digit growth levels. However, the Chinese authorities have expressed satisfaction with growth rates achieved, asserting that it does not object to gradual slowdown of growth rates if the economy is able to smoothly move from export-led growth to consumption-led growth.

On the commodities front, gold led the trading scene, as the price of the precious metal skidded 28% during the year, as a direct result of the scaling back of the U.S. quantitive easing program and what resulted from it in positive growth rates on U.S. Treasury yields. These factors extended throughout the year and gold prices hit a more-than three-year low of $1,195 an ounce on December 19.

Moreover, oil prices did not witness a significant drop in 2013, despite moderate global growth levels. Brent Oil prices averaged $109.7 throughout the whole year, while reaching a high of $119, as the price of the commodity continued to be supported by fluctuations arising from geopolitical issues, and a momentary drop in supply.

Arab Economies

Oil Exporting Countries:

Economic growth slowed down in oil exporting countries in 2013 following years of strong growth, and it is expected that the growth rate will drop from 5.40% in 2012 to 1.90% in 2013. The drop in the growth rate is mainly due to lower oil production levels in a number of economies such as Iraq and Libya, and the slowdown can be attributed to higher geopolitical tension in the region.

As for Gulf Cooperation Council (GCC) countries, it is expected that they will register better growth levels of 3.70% in 2013, supported by substantial financial surpluses driven by sustained high oil prices, which was mirrored in more infrastructure projects and higher levels of confidence in the economies.

Figures show that fiscal surpluses for oil exporting countries will amount to 4.25% of GDP in 2013. However, the indicators show the wide divergence between Gulf States and other oil-exporting countries at the level of fiscal budgets and fiscal surpluses, which help protect states from external shocks, as GCC countries are expected to register fiscal surpluses of 10.80% of GDP in the same year.

Additionally, current account balances for all oil exporting countries registered 13.90% of GDP in 2013, compared to 21.30% of GDP for GCC countries.

As for the most prominent risk factors, GCC countries are vulnerable to large fluctuations in oil prices and the impact of the change in prices on their fiscal budget and surpluses, in addition to the instability and unrest in the region. Moreover, Gulf States, as other emerging markets, face the risk of hot money outflow as a result of the withdrawal of monetary stimulus programs by countries of the west.

The main challenges faced by GCC countries are activating non-oil sectors backed by high levels of public spending, and achieving a gradual recovery in credit extended to the private sector. Growth in the private sector enhances economic growth and generates more jobs in the private sector, which will help address the growing proportion of young people from the total workforce in the GCC.

Oil Importing Countries:

While there are signs of some improvement in tourism, exports, and foreign investments in oil importing countries, continued political and economic uncertainty resulting from the conflict in Syria and the accelerated developments in Egypt affected investor confidence and economic activity. In addition, government budgets and external sectors of these economies continue to be vulnerable to political and economic pressures, and some heavily depend on grants and foreign aid.

It is expected that oil importing countries to achieve a moderate economic growth rate of 2.80% in 2013, compared to a growth rate of 2.0% in 2012, which is still below the levels needed to reduce unemployment and improve living standards.

Morocco is forecast to register the highest level of economic growth among oil importing countries with a growth level of 5.1%, followed by Sudan with a growth rate of 3.9%. As for other countries, Egypt's economic growth will heavily depend on the political developments in the country, which greatly affects the level of confidence and domestic activity in the economy, especially with what their economy witnessed during the Arab spring of financial imbalances and the decline in the level of foreign reserves.

However, the Egyptian economy was able to surpass the transitional period helped by foreign aid from the Gulf State, estimated at $12 billion and helped ease short term pressures and strengthen foreign reserves. As a result, the Egyptian government announced a financial stimulus package designed to support growth and job creation. In Lebanon, political repercussions of the Syrian crisis continued to destabilize confidence and discourage tourism growth, which is expected to increase the financial burden on the Lebanese government in 2014.

From another point of view, most oil importing economies still face internal pressures in the form of social pressures on the government to provide subsidies for main commodities and boost their current expenditures. Thus, overall budget deficits for these countries grew from 8.7% of GDP in 2012 to 10.7% of GDP in 2013. Additionally, inflation levels in most of these countries continued to be elevated as a result of withdrawing subsidies on some commodities and the inflow of Syrian refugees, where the increase in the prices of the consumer basket rose from 8.6% in 2012 to 9.0% in 2013, despite the drop in prices of food and energy globally.

Finally, in a state of political and economic uncertainty, oil import countries face challenges of creating job opportunities to help bring down unemployment levels, in conjunction with the reduction of the fiscal deficit of the government to alleviate the burden that results on public debt levels. In additions, these countries need structural reforms that will help bring in foreign investments and provide a stable environment to stimulate private sector growth

Jordanian Economy

In 2013, the Jordanian economy has experienced major positive developments; which was translated into higher FX reserves at the Central Bank of Jordan, and narrower fiscal imbalances.

CBJ foreign reserves increased in 2013 by 80% compared to the end of previous year to reach USD 12 Billion; which is equivalent to 6 months of imports.

The main drivers behind the increase in foreign reserves levels were CBJ policies that increased the attractiveness of the local currency, the increased amount of foreign grants, and the government's shift towards external borrowing from international institutions and global credit markets.

The boost in foreign reserves and the significant decrease in Dollarization levels have supported the monetary authorities in adopting an expansionary monetary policy; which resulted in 50 bps cuts in benchmark interest rates throughout 2013.

On the fiscal policy side, the recent official re-estimates indicated that the central government deficit has decreased to reach around JD 1 Billion or 5% of GDP in 2013 compared to 8.30% of GDP in 2012.

Even after taking the deficit of government own budget entities into account, the same re-estimates projected that the gross fiscal deficit decreased from JD 3.40 Billion or 15.60% of GDP in 2012 to about JD 2.20 Billion or 9.30% of GDP in 2013.

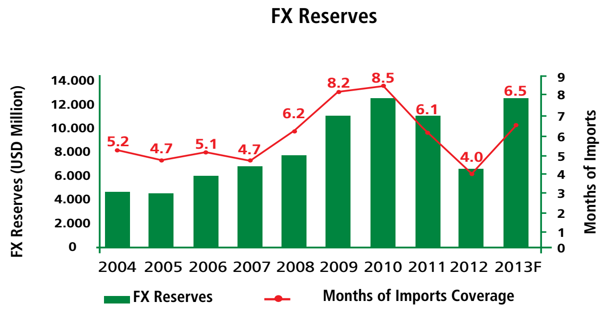
The aforementioned achievement was driven mainly by the increase in foreign aid; which stemmed primarily from GCC grants, and other extraordinary grants from the Arab world and the international community in order to cover the costs Jordan is facing through hosting a big number of Syrian refugees.

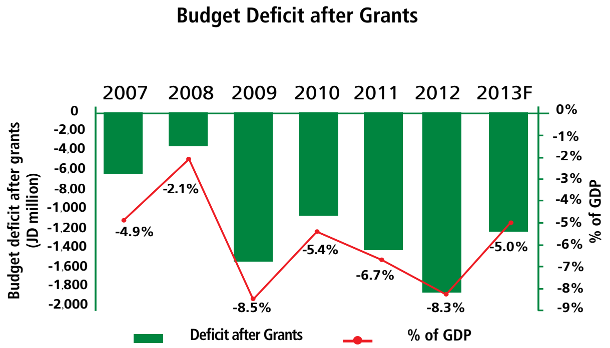
In addition, the fiscal and economic reforms adopted by the Jordanian government have contributed also to the decreased budget deficit; mainly through removing oil subsidies and increasing indirect fees and taxes on a selected number of goods and services.

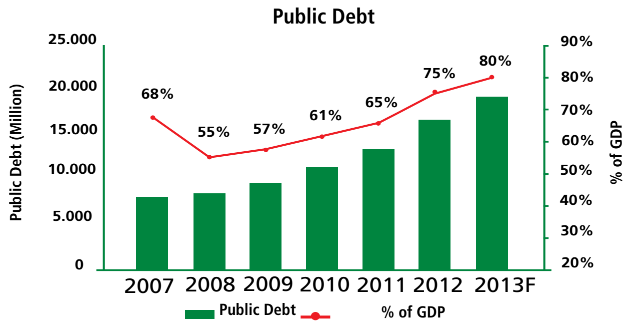
However, public debt levels continued its upward trend in 2013 by increasing from 75.50% of GDP in 2012 to around 80% of GDP in 2013; which is equivalent to an increase of JD 2.50 Billion for the same time period.

The public debt currency structure has also witnessed a major shift in 2013, as the government started to give a priority for external debt in its efforts to reduce pressure on local liquidity and boost CBJ foreign reserves levels. One major step in this direction is the government's plan to issue USD 1.25 Billion Eurobonds under the US government guarantee in October 2013.

Concerning economic growth levels, the Jordanian economy did grow by about 2.80% for the first 3 quarters of 2013; which is below IMF forecasts that projected real growth in Jordan to reach 3.30% in 2013.







The lower than expected growth levels resulted primarily from the inefficient utilization of GCC grants at around 42% of budgeted capital projects, in addition to the pressures Syrian refugees placed on Jordan's oil import bill and balance of payments.

Moreover, essential economic sectors like mining and manufacturing have faced major challenges in 2013 due to higher energy cost and deteriorating growth and currency exchange rates for importing countries.

As a direct result of removing oil subsidies and increased electricity tariffs, the nominal inflation level in Jordan is expected to reach 5.50% in 2013 compared to 4.50% in 2012.

According to IMF latest data, the core inflation in Jordan increased also from 3.40% in 2012 to 3.90% in the last months of 2013; mainly due to increased aggregate demand in the economy as a result of hosting more than 500,000 Syrian refugees.

Expectations for 2014:

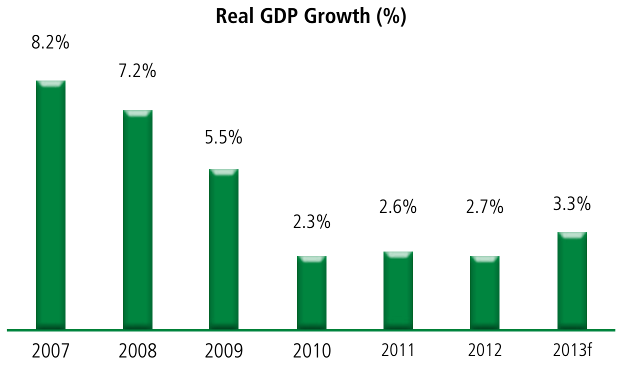
It is expected that growth levels will increase slightly to reach 3.50% level, as a result of higher capital spending funded by the GCC grant, in addition to the expected improvement in trade relations with neighboring Iraq, and the expected Iraqi oil pipeline that is proposed to go through Jordanian lands.

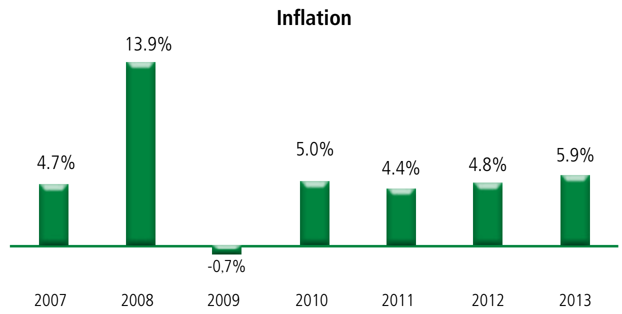
On the fiscal side, the government budget is anticipated to remain under pressure in 2014 as a result of hosting Syrian refugees and the extra pressure placed on the country's infrastructure. In addition, it is expected that Jordan will keep committed to the national reform program under the supervision of the IMF; which will result in legislating a new income tax law, decreasing current expenditure, and imposing extra indirect taxes on selected goods and services.

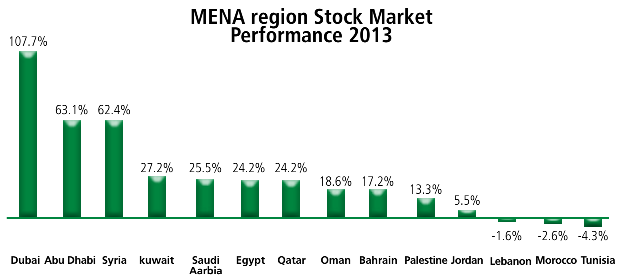
It is also expected that CBJ foreign reserves will keep their safe and comfortable levels in 2014 due to the continuity of foreign grants and the continued government shift towards external borrowing from international institutions and global markets under the guarantee of the US government.

Concerning consumer prices, the CPI is anticipated to grow by only 3.20% in 2014 as the effect of removing subsidies starts to fade, and due to growth levels that are incapable of reducing unemployment levels.

Finally, and due to the geopolitical instability in the region, it is expected that uncertainty levels will remain elevated in 2014, which is expected to keep placing pressure on tourism income, FDI, and growth in private sector credit.







Financial Indicators and Ratios

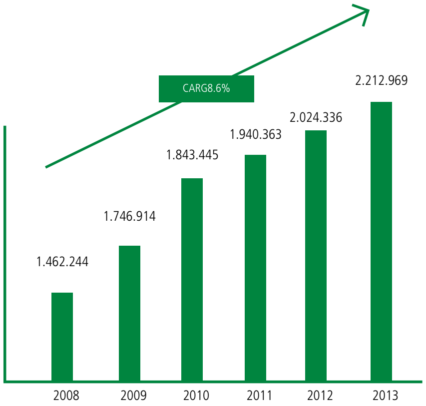
Amounts in thousands (JDs)	2013	2012	Variance
Results of operations			
Net interest & commission income	115,188	106,026	8.64%
Income from operating activities (excluding investment income)	125,585	115,135	9.08%
Gross income	129,157	114,489	16.81%
Net income before income tax	58,734	50,352	16.65%
Net income after income tax	40,796	35,286	15.61%
Earning per share (JD)	0/408	0/353	15.61%
Major balance sheet items			
Total assets	2,212,969	2,024,336	9.32%
Credit facilities, net	964,787	1,007,337	(4.22%)
Customers deposits	1,426,018	1,400,325	1.83%
Total equity	264,178	241,237	9.51%
Financial ratios			
Return of average assets	1.93%	1.78%	
Return of average equity	16.14%	15.18%	
Net interest & commission income to average assets ratio	5.44%	5.35%	
Capital adequacy ratio	15.82%	14.93%	
Credit facilities to customers' deposit ratio	67.66%	71.93%	
Non-performing loans ratio	4.78%	4.52%	
Non-performing loans coverage ratio	101.23%	95.20%	

Financial Indicators for the Previous Years

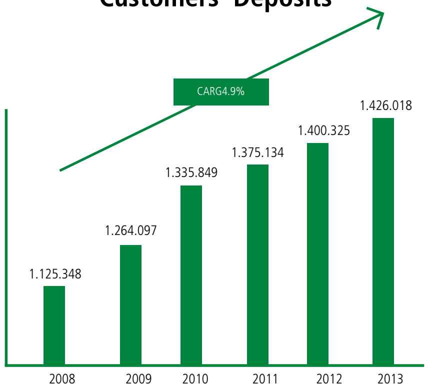
(Amount in thousands (JDs); except share price)	2008	2009	2010	2011	2012	2013
Net income before tax	20,295	25,549	34,749	36,596	35,286	40,796
Dividends paid	4,000	8,800	15,000	17,000	17,000*	17,000*
Bonus shares distributed	8,000	12,000	-	-	-	25,000*
Total equity	151,501	177,051	205,926	223,571	241,237	264,178
Outstanding shares	80,000	88,000	100,000	100,000	100,000	100,000
Market price per share (JD)	2.52	2.47	3.18	2.77	2.75	2.78

*Amounts represent the Board's recommendation to the General Assembly for 2013

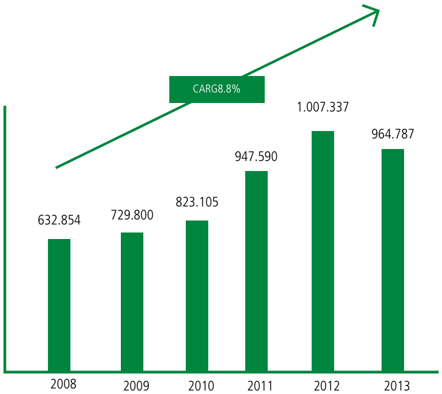
Total Assests



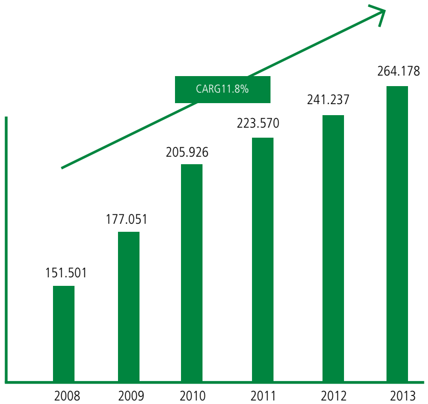
Customers' Deposits



Credit Facilities Net

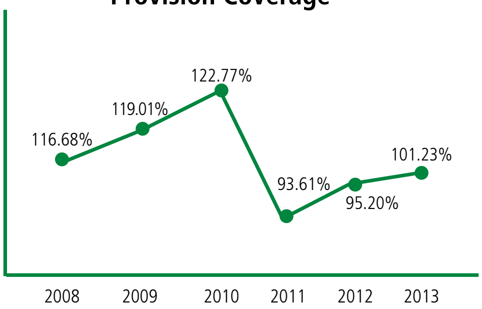


Shareholders' Equity

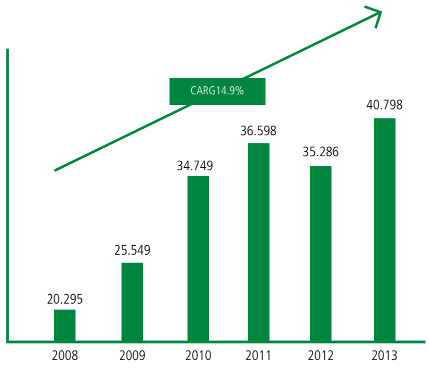


Non-performing Loans Ratio

Provision Coverage



Analysis of Results of Operations

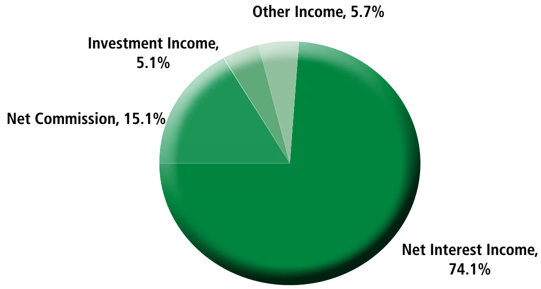


Net Income (JD million)

The Bank managed to achieve excellent results that were the highest since its establishment surpassing the amount budgeted for the year.Net income before taxes amounted to JD 58.7 million compared to JD 50.4 million in 2012, with a growth of 16.7%, while net income after tax amounted to JD 40.8 million compared to JD 35.3 million in the previous year, achieving growth of 15.6%, bringing the earnings per share to JD 0.408 compared to JD 0.353 in the previous year.There results were driven by robust growth in all operational profile of the Bank. It is worth mentioning that net income for the year includes unrealized valuation income related to the investment portfolio carried at fair value through profit and loss, however, if those unrealized income were eliminated, the Bank's operating income before taxes would amount to JD 55.1 million, posting growth of 8%.

In addition, income of JD 123.7 thousand that resulted from selling financial assets were reflected directly in the shareholders equity without affecting Profit and Loss accounts to be added to income of JD 991 thousand that was realized during the year within the retained earnings that relates to sold investments share of retained earnings resulted from the early implementation of IFRS (9).

Operationally, the Bank continued achieving excellent growth rates, net interest income increased by 10.3%, reaching JD 95.6 million compared to JD 86.7 million in 2012. Net commission income slightly increased during the year to reach JD 19.5 million, while the Bank's investment portfolio profitsincreased from JD 2.3million to JD 6.6 million in the current year as a result of unrealized valuation gain related to some of the Bank's investments carried at fair value through profit and loss. Other income grew by 19% to reach JD 7.4 million. As a result, gross income amounted to JD129.2 million, compared with JD 114.5 million by year end 2012. Moreover, the Bank's earnings from interest and commission continue to be the largest component o f gross income at 89.2%.

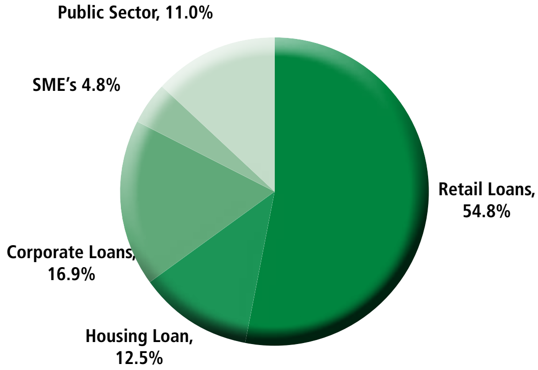


Gross Income

However, gross expenditure, including provisions against the decline in credit facilities, increased by 9.8% to reach JD 70.4 million. This also includes 8.6% increase in employees' expenses resulting from annual increases in addition to new hires to accommodate new branches and expansion of the Bank's activities. Furthermore, other operating expenses increased by JD 855 thousand, or 4.4%, including JD 409 thousand increase in utilities expenses as a result of increasing the tariff of electricity on the banking sector during 2013. In addition to increase in other expense due to the increase the volume of operations. The operating expenses includedJD 6.8million as additional provisioning against non-performing loans, compared to JD 3.4 million for the previous year, the increase resulted from management decision to exceed the requirements of Central bank of Jordan in fully provisioning for somenon-performing loans.

Analysis of the Bank's Financial Position

During the year, the Bank achieved high growth rates in most of its operating indicators. Total assets grew by 9.3% to reach JD 2212.9 million, an increase of JD 188.6 million compared to 2012. Gross credit facilities witnessed an unprecedented 3.5% decline by JD 36.9 million, a rate of 3.5%, to reach JD 1027.1 million. This decline was a result of the decline in credit facilities balance to the public sector, add to that the conservative policy adopted by the Bank during 2013 in an effort to avert the adverse economic situation. This resulted in lower growth rate in retail lending as compared to previous years. The Bank managed to preserve the quality of the credit facilities portfolio as net non-performing loans ration stands at 4.8% which is lower than the average in the banking sector. Net credit facilities balance amounted to JD 964.8 million compared to JD 1007.3 million in 2012, a decline of 4.2%, noting that the Bank improved its level of provisions for loan loss to JD 50.9 million, where coverage ratio now stands at 101.2%.

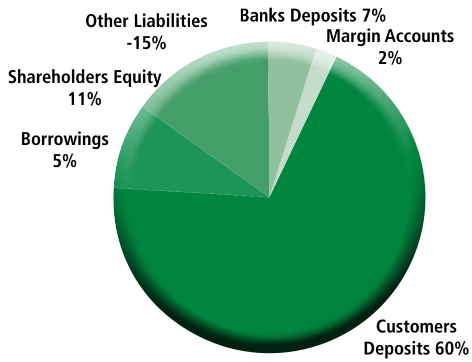


Credit Facility Portfolio

The investment portfolio amounted to JD 630.5 million compared to JD 520.5 million in 2012. This increase emanated from additional investments in bonds mainly government bonds as their balance rose by JD 125.4 million to reach JD 554.3 million at year end. Investments in other bonds decline by JD 16.4 million due to the maturity of some of those bonds. In addition, investments in shares increased by JD 665 thousand to reach JD 52.3 million as a result of increase in the fair value of some of the Bank's holdings. This all conforms to the Bank's plan of preserving its liquidity by ensuring an acceptable tradeoff between low-risk instruments and higher return.

As part of the Bank's strategy to expand its operations to new markets, the Bank signed an agreement with Capital Bank of Jordan whereby the Bank would acquire 9.9% of its subsidiary, National Bank of Iraq. The acquisition is expected to be completed during the first half of 2014.

Despite the competition amongst banks to attract deposits, the Bank was able to widen its customer base, as customers' deposits reached JD 1426 million compared to JD 1400.3 million in2012, achieving a growth of 1.8%. The Bank maintains a high liquidity level that conforms with international standards and regulatory authorities, which provides a source of reassurance to all parties dealing with the Bank. Credit facilities constitute 67.7% of the customers' deposits which in turn constitute 65% of the overall sources of funds.



Sources of Funds

Shareholders' equity amounted to JD 264.2 million at the end of 2013compared to JD 241.2 million at the end of 2012, an increase of 9.5%. The Bank's dividends policy solidified the capital adequacy ratio (CAR) which reached 15.8%. The Bank's CAR is above the minimum level set by the Central Bank of Jordan of 12%. The ratio of the core capital reached 14.9%, and the leverage ratio of weighted shareholders' equity to gross assets reached 10% which places the Bank in the first "well-capitalized" category under the solvency scale.

Proposed Dividends

The Board of Directors recommended that the general assembly distribute 17% cash dividends to the shareholders. In addition to recommending increasing the paid in capital to JD 125 million through issuing a bonus shares to shareholders at 25% of paid in capital, capitalizing JD 25 million of retained earnings and reserves. This recommendation is in line with the Bank's strategy to reinforce its paid-incapital and fortify its ability to expand the scope of its operations and activities as well as increase its competitiveness.

The King Abdullah II Awards for Excellence "Seal of Excellence"

In recognition of Cairo Amman Bank's efforts in the areas of innovation and excellence, the Bank obtained the "Seal of Excellence" in its first participation in the King Abdullah II Award for Excellence in its seventh session 2012 – 2013. The Seal was awarded to the Bank during the ceremony held under the royal patronage of his Majesty King Abdullah II bin Al-Hussein. This award is an advent proof of the superiority of Cairo Amman Bank in the banking industry and its commitment to be in the forefront of institutionalizing a culture of excellence, innovation and providing banking solutions to customers and its social responsibility contribution in the Kingdom.

Retail Banking

Cairo Amman Bank continued playing its leading role in providing banking services to individuals while holding a sizeable share of the market which is considered the main pillar of the Bank's strategy while maintaining the quality of the credit portfolio and low default rates. The Bank focused on reviewing its credit policies to cater for prevailing economic situation and the customers' needs. The Bank also changed some of its products to be in line with "Fair and Transparent" regulation issued by Central Bank of Jordan.

In an effort to better serve and support our customer and benefiting from our experiences, the Bank reintroduced the ATM loan and introduced students loans to support the local community in financing university fees. The Bank also expanded "easy installment" consumer lending where we increased and diversified the products and companies enrolled in this program.

Moreover, the Bank increased its marketing and promotional campaigns to support its activities. Several incentive campaigns directed at customers such as the saving accounts campaign, the salary transfer campaign, the Mother's Day campaign, and Eid related campaigns providing customers an opportunity to defer payment of loan installments.

Capitalizing on our wide geographical spread, the Bank continued expanding its micro financing project in which we focused on providing loans to small craftsmen and professionals.To encourage using saved funds in developing the micro project, the Bank introduced "loans against saving accounts"product which would allow benefiting from saving accounts privileges and prizes.As part of our realization of the important role we play in the community, the Bank nominated two customers to Citigroup Global Micro-entrepreneurship Award organized through Jordan River Foundation

The Bank continued its housing loans products though periodic review and market research to maintain its competitiveness within the banking sector, in addition to financing beneficiaries of the Royal initiative "Decent Housing for Decent Living" through granting fixed-interest loans with a repayment period of 30 years.

Small and Medium Enterprise (SME) Credit

Cairo Amman Bank continued to reinforce its leading role in SME lending through a credit policies designed specifically for this segments. Despite the challenging economic conditions, the Bank was able to surpass the year's target in terms of number of customers as well as balances of direct and indirect facilities while maintaining the quality of the portfolio through reducing over-due payments, default risk, and conforming to the Central Bank of Jordan's instructions. In addition, the Bank signed an agreement with the Central Bank of Jordan to obtain special funding in an effort to support micro, small and medium projects (MSMEs) enabling these companies the access to medium to long term funding at competitive interest rates. These funds were obtained by the Government of Jordanfrom International Bank for Reconstruction and Development (IBRD), where the Bank obtained the largest share of this funding in recognition of its leading role in supporting and developing small and medium enterprises.

In line with the directives of Central Bank of Jordan to support and encourage industrial, tourism and renewable energy sectors, we at CAB; realizing the importance of these directives in supporting the Jordanian local economy, focused our attention to innovate new products to serve these sectors. We signed agreement with Business Development Center (BDC) to translate the Bank's support in the form of offering training courses not exclusive to Bank's customers held by the Center to entrepreneurs and owners of small and medium enterprises. In addition, the Bank attended and participated in several conferences, workshops and seminars, especially in support of SMEs; which represents more than 90% of the existing economic activities in the Jordanian market.

Corporate Credit

Despite the challenges that deterred the performance of core economic sectors this year, the Bank continued to cater for their corporate customers' financial needs in accordance to the directions set by the Board, aiming at achieving satisfactory returns while maintaining a moderate level of credit risk. These guidelines translated into attracting credit worthy customers, as well as increasing the ceiling of facilities for existing customers with high solvency and excellent record. All the while encouraging them to make optimal use of the new ceilings and focusing on indirect facilities and trade finance.

Under the umbrella of Green Lending, the Bank signed agreement with Agence Française de Développement (AFD) to providemedium and long-term facilities at competitive prices for the purpose of financing projects in the field of renewable energy and projects aiming at improving energy efficiency in Jordan.

Treasury & Developing Sources of Funds

The year 2013 was a year full of accomplishments in the fields of treasury and asset liability management, as the Bank was able to increase and diversify its pool of funds by adjusting interest rates as appropriate and seeking unconventional funding from national and international specialized institutions.In addition, the Bank was able to achieve high returns on its money market and capital market investments as a result of comprehensive analysis and accurate forecasting of interest rates and market trends.

As for its services, the Bank launched CAB e-Private Banking, a new online portfolio management product that enables customers to construct and manage their portfolios based on their preferences and acceptable risk levels, allowing automatic and manual adjustments to the portfolio under management based on market developments.

Moreover, the Bank continued to serve its customers through various investment, speculation, and hedging products in local and international markets, and provide them with structured products that are customized to meet their needs and acceptable risk levels and cash flows. The pioneering CABFX online trading platform continued to achieve high penetration levels in the market as a result of marketing efforts and technical services for clients 24 hours a day and 7 days a week.

Investment Services

The Bank offers through its subsidiaries – Awraq Investment in Jordan and Al-Wataniyah Securities Company in Palestine – local, regional and international brokerage services. It also offers asset management services, such as management of customers' investment portfolios, establishment and management of multi-purpose investment funds, as well as financial and investment consultation services, in addition to conducting studies and researches.

Awraq Investments has been named the Best Investment Management Company in Jordan for 2013 by World Finance; the globally recognized magazine specialized in the field of banks and financial institutions. The Company was awarded this accolade for its impressive and consistent performance and is considered a proof of Awraq's high level of professionalism, determination and commitment to providing superior risk adjusted returns and specialized investment management services ranging from discretionary portfolio management, fund management, innovative investment products to advisory services.

WORLD FINANCE
INVESTMENT MANAGEMENT AWARDS
2013

global isf
MIDDLE EAST AWARDS 2013
Awraq Investments

Branch Network

In order to achieve the largest geographical spread and spacious outlets that offer the best banking service to customers, while complying with the Bank's corporate identity, Cairo Amman Bank opened new branch in Al-Nuzha in Amman bringing the number of the Bank's operating branches and offices to 106 branches,out of which 21 branches in Palestine. The Bank also service its customers through operating a network of 235 ATMs in Jordan and Palestine. During the year, the Bank launched ATM service to the blind by installing and operating 5 ATMs specifically designed to service blind customers. Cairo Amman Bank is unique in providing banking advisory services through 3 "Consulting and Sales Centers" located in Zarqa, Irbid and Jarash to provide customers with advice and services with prolonged working hours.

The Bank also provide its customers with its own smart phones applicationwhich contain locations and detailed information about the branches to enable customers to locate the nearest branch as well as the location of the companies enrolled in the Bank's"Easy Installment" program.

The Bank continued its cooperation with Military Credit Fund (MCF) allowing the Funds customers the benefits from utilizing the Bank's ATM network. This cooperation is part of expanding our relations with various economic sectors allowing them to benefit from the Bank's technological advancement and geographical spread.

The outlets providing "Western Union" services including the Bank's branches and other sub-agents achieved during the year an increase of transfers by 24% compared to the previous year. The Bank was the first bank in the region to introduce receiving funds through the Bank ATM network. In addition, the Bank completed more than 21 training session for sub-agents in the fields of marketing and customer service as well as Central Bank of Jordan related laws and regulations. In collaboration with Western Union Company, the Bank organized several activities targeted to the foreign communities in Jordan.

Cairo Amman Bank signed agreements with a number of international organizations to distribute aid to Syrian refugees since the beginning of 2013 utilizing Iris recognition technology within the Bank's branches and ATMs in addition to using "CAB PAY CARD" enabling beneficiaries to withdraw their aid with ease and security.The number of beneficiaries reached nearly 32,500 individuals.

Irbid Branch

Rusaifa Branch

Nuzha Branch

Ain Sara Branch - Palestine

Al Karak Branch

Haifa St. Branch - Palestine

Information Technology

Following through with the improvements introduced in the past years, the Bank focused its efforts during the year in upgrading the infrastructure and improving the business continuity and security systems.

During the year, the Bank developed its infrastructure systems including the application of Cloud computing which included all the operating systems and databasesto ensure business continuity, speed of service and support of the various work units, exploit the technical resources available and the speed of creating and the transfer of various application servers and provide the physical space in addition to the reduction of energy consumption bill.The Bank also installed “Wide Area Network” with one of the largest providers of telecommunications services in the Kingdom to support the Bank’s network in the event of any emergency or malfunction, thus ensuring the continuity of providing banking services. It is worth mentioning that the Bank has improved its infrastructure systems and comprehensive banking services performance indicators to reach more than 99.99%.

In terms of information security, the Bank developed Intrusion Prevention Systems in conjunction with McAfee. We have also appliedthe latest web application firewall for the Bank’s website and internet service to ensure a secure online environment. This is complemented by the Bank efforts to obtain Payment Card Industry Data Security Standard - PCI DSS certificate for the security of information on plastic cards and in accordance with the requirements of Visa International, which is expected to be completedduring 2014. It is worth mentioning that the Bank was the first bank in the Kingdom to obtain ISO 27001 for the development of administrative framework for management of information security at the Bank in conformity with international standards and specifications, which have been renewed during the year 2013.

The Bank successfully implemented the new core banking system in 18 branches and is working on full implementation in all branches in Jordan during 2014 in addition to start the implementation of the system in its branches in Palestine.

In accordance with Central Bank of Jordan requirement, the Bank kept in line with all developments such as the implementation of the International Bank Account Number (IBAN) and adhering to the requirements related to standardized reporting.

Human Resources

Cairo Amman Bank is keen to recruitqualified and harmonized staff who conforms toits values and aspirations. The career development policy adopted in giving existing employees the priority in filling vacancies within the Bank has had a significant impact in maintaining and raising the level of job satisfaction of employees. The Bank continued to seek and attract outside talent in an effort to raise the level of competition which will reflect positively on job performance.

During the year, the Bank developed“Careers” page on its website, increasing the chances of attracting talent. In addition, we continued our “Future Bankers” program, where selection of Jordanian graduates with distinction are given banking, technical, behavioral, and on-the-job training,graduates of the program were job placed in the Bank each according to their unique talent.

In addition, the Bank developed its manpower planning procedures through intensive studies of the volume of work to determine the actual needs of human resources and thus ensure efficiency and effectiveness in the work. Exit interviews procedures were developed and linked to a monthly employees’ turnover analysis which aided in determining the causes of the turnover in order to find appropriate solutions to any deviations from the acceptable ratios.

The total number of the employees of the Bank and its subsidiaries is 2207 employees with academic qualifications as shown below:

Qualifications	The Bank	AWRAQ Investments	Al-Watanieh Securities	Total
PH.D	1	-	-	1
Masters	74	3	3	80
Higher Diploma	7	-	-	7
Bachelor	1365	22	8	1395
Diploma	337	2	1	340
High School	196	-	4	200
Lower than High School	181	3	-	184
Total	2161	30	16	2207

During 2013, the Bank developed and improvedits human resources policies in order to safeguard the rights of employees and determine their duties and as part of the change management. The Bank also started updating job description and using them in recruitment procedures, performance evaluation and training needs analysis.

During the year, Cairo Amman Bank trained the branches employees on the new banking system for a sufficient period before the practical application of the system in their branches. By the end of 2013, the Bank conducted 400 training sessions attended by 4674 employees. In addition, the Bank encouraged the continuous education of the employees, through granting 8 graduate studies scholarships. To support the employees' families, the Bank provided 12 scholarships to their children. Furthermore, the Bank provided 383 training opportunities for students of local universities and colleges all around the Kingdom and coordinated with various local community centers on providing training and workshops for students and graduates.

The Bank signed agreement to adopt e-learning as a means of approved training which will start at the beginning of 2014 through which, the Bank will save time and cost of training as well as to provide the necessary training to the branches located in remote areas in the Kingdom. Furthermore, the Bank contracted with the training center at the University of Tafila and Mutah University in order to create training opportunities for the staff of the South which lacksadequate training facilities.

The Bank's training activities covered the following subjects

Training Field	No. of Courses	No. of Participants
Information Technology	58	544
Trade Finance	21	125
Management and Behavior	68	670
Finance/Accounting	24	74
Credit Facilities	44	712
Internal Audit	5	17
Risk and AML	79	1379
Treasury & Investment	12	139
Legal	16	92
Marketing & Sales	45	627
Comprehensive Banking Diploma	4	286
Other	4	9
Total	400	4674

The Bank's Competitiveness

The Bank strengthened its position as one of the leading banks in Jordan bolstered by its achievements during this year and the preceding years. The Bank's market share of total deposits and credit facilities in Jordan are 3.6% and 4.4% respectively, and 7.9% and 6.2% in Palestine respectively.

The downgrade of Jordan sovereign credit rating by many of the rating agencies had negative effect on the Bank's credit rating to become as follows:

	Foreign Currency	Local Currency	Financial trength	Outlook
Moody's	B2	B3	E+	Stable
Capital Intelligence	BB-	B	BBB-	Stable

Profile of Subsidiary Companies

AWRAQ Investments

Al Watanieh for Financial Services Company "Awraq Investment" was established in Amman during 1992 as a limited liability company to operate as a broker in Amman Stock Exchange. The Bank owns 100% of its paid up capital of JD 5 million. The Company's operations include local, regional and international brokerage services, consulting service, assets management and managing investments funds. The Bank commissioned the Company to manage its investment portfolio in bonds.

Awraq Investments has been named the Best Investment Management Company in Jordan for 2013 by World Finance; the globally recognized magazine specialized in the field of banks and financial institutions. The Company was awarded this accolade for its impressive and consistent performance and is considered a proof of Awraq's high level of professionalism, determination and commitment to providing superior risk adjusted returns and specialized investment management services ranging from discretionary portfolio management, fund management, innovative investment products to advisory services.

الشركة الوطنية للأوراق المالية
Al-Watanieh Securities Co.

Al-Watanieh Securities Company was established in Ramallah, Palestine in 1995, as a limited liability company. It acts as a broker at the Palestine Stock Exchange. Currently, it has offices in Gaza, Nablus and Bethlehem. The Bank owns 100% of its paid-up capital totaling JD 1,500,000.

تملّك للتأجير التمويلي
Tamallak Leasing

Tamallak Leasing Company was established in Jordan during 2013, as a limited liability company, to conduct all financial leasing activities. The Bank owns 100% of its capital of JD 1,000,000, while paid in capital is JD 500,000. The Company is expected to commence its operations during the first half of 2014.

In the year 2013, the management of Cairo Amman Bank developed its programs and partnerships with the community, further implementing its policy for enhancement and comprehensive development. The Bank is keen on strengthening its relationships with local community institutions, enabling them to perfect the services they provide to Jordanian citizens. This falls under the framework of the Corporate Social Responsibility (CSR) program the Bank has implemented for many years. The Bank increased its CSR activities, events and services, aiming to spread a "green environment" culture and adopting a more creative approach to all aspects of their work.
Among the CSR activities this year:

Donations

The total of donations granted by the Bank during the year amounts to JD 507 thousand to the following sectors:

	(JD One Thousand)
Health Sector	59
Educational Sector	201.6
Social and Community Services	189.8
Scientific and cultural associations	54.3
Other	2.3

A partnership with the Al-Hussein Cancer Foundation

The Bank continued, for the seventh consecutive year, its sponsorship of the annual summer camp for children with cancer at the Al-Hussein Cancer Foundation. This program is considered one of the most successful programs of the foundation.
The Bank was keen to support this camp as a morale boost for the children, encouraging them to enjoy various activities that the camp provides, such as magic shows, songs sketches, face painting and other various recreational activities. The Bank will continue to support the Al-Hussein Cancer Foundation under the umbrella of its social responsibility.

Cairo Amman Bank Shines at the "Energy Consumption Rationalization is First" Conference

Cairo Amman Bank participated in the "Energy Consumption Rationalization is First" conference, which was organized by the Jordan Europe Business Association (JEBA).This conference coincided with the exclusive launch of new banking products to finance renewable energy, sustainable energy, and energy efficient projects for economic sectors and business companies. This was done through the provision of diminishing loans in Dinars and US Dollars at competitive interest rates and payment periods that are commensurate with an average payback period.

Participants witnessed the consistency between the vision of the Bank to alleviate the burden on the country and the conference objective to create full awareness of energy use priorities, its rationalization and how to maintain energy resources. This can be done by taking simple and inexpensive measures and providing an opportunity for academies, businessmen, experts and decision makers to share knowledge, ideas and techniques in energy rationalization.

Long-lasting Friendship with the Environment

Based on the vision of the Bank to apply the universally applied "Go Green" concept, it introduced many activities aimed at applying environmentally friendly development strategies. These include raising awareness in this area and consolidating the concept of community and personal responsibility toward the environment.
To achieve this strategy, the Bank contributed to recycling paper programs for environmentally friendly industries through the provision of modern environmental concepts in 2013.
To create environmental awareness for members of the community, the Bank presented gifts to its customers made from environmentally friendly, biodegradable materials with no negative impact on the environment. It has also reinforced this trend by strengthening the "Green Lending" umbrella by signing an agreement with the French Agency for Development, under which medium and long-term facilities are granted at competitive rates for financing customers in the areas of sustainable energy and energy efficiency.

Energy Saving and Rationalized Water Consumption

The management of Cairo Amman Bank confronted the growing energy and water crisis in Jordan in 2013 by presenting its customers with 20 thousand unique energy saving gifts. These consisted of energy saving devices, such as 12 energy saving bulbs, instruments for measuring fridge coolant temperatures and torches and clocks to regulate showers and water preservation. These devices aim to increase awareness of the importance of saving energy and water and provide customers with the necessary means for achieving these goals.

Supporting Charities in Underprivileged Areas
The Bank strengthened its social responsibility commitment to the local community in 2013 by providing support to families and charitable associations in underprivileged areas.

"The Blind" Special Case
The Bank aimed to provide banking services which would cater to all social categories, including those with special needs. Therefore, the Bank launched its voice-activated ATM withdrawal service for the blind. This service encourages self-reliance through Braille control keys, facilitating the handling of ATMs by this category.

Employee Account at the Blood Bank
Cairo Amman Bank opened an account at the blood bank for its employees and their family members, to prepare them for any emergencies. The Bank launched a campaign at the general management building to start making deposits into the account. The idea was warmly welcomed among Bank employees, who showed great support for the initiative.

Participation in University Activities
Cairo Amman Bank participated in Introductory Day, which was organized for freshman students and their parents by the German Jordanian University. Visitors were introduced to the banking products provided by the Bank and services which are specifically aimed at helping university students with their financial decisions.

Cairo Amman Bank also participated in Career Day held by Philadelphia University. In this event, the Bank presented its achievements, vision and mission. This event aimed to grant graduate students the opportunity to communicate with potential employers at national institutions and companies such as Cairo Amman Bank, creating fruitful work relations that will reflect positively on both parties in the future.

Cairo Amman Bank Supports a Song for Amman
Showing its support for the art movement in Jordan, Cairo Amman Bank sponsored Jordanian artist Yehya Swaiss in the production of "Ya Nagmat Shawq ya Amman", a new song written by the late poet Habib Al Zuidi, composed by Dr. Mohammed Wasef and arranged by Wael Al Sharqawi.

Social Activities in Palestine

Showing the responsibility of Cairo Amman Bank toward the Palestinian local society, the Bank continued to sponsor national events and occasions, such as its sponsorship for implementing the Injaz Palestine programs during the 2013 academic year. The Bank assigned a number of its qualified bankers to provide specialized training courses, in addition to supervising the program's implementation in a number of schools. The importance of this program lies in preparing youth for the labor market and providing them with professional opportunities. This will contribute to creating a new generation that is capable of leading the development of the Palestinian labor market.

The Bank also sponsored various activities in many fields which serve the educational, health and sports sectors with the cooperation of different West Bank institutions and schools. These activities included sponsoring a dinner to honor the Bethlehem volleyball team, contributing to the Jerusalem sesame biscuits(Al Kaek Al Maqdesi) festival, presenting an award to the winner of the banking week special logo design competition, and sponsoring a ceremony for the Al-Raja' show troupe for popular heritage. They also sponsored the Mother's Day and Women Scientific Day ceremony for the Female Workers Association at Al-Najah University, as well as sponsoring the participation of Qutnah Girls Primary School in the Arab Championship "First Lego League" in the Arab Republic of Egypt.

The Cairo Amman Bank Gallery

The Cairo Amman Bank Gallery in Amman became the National and Arab incubator for formative artists and a shelter to young talents competing to win the Bank's annual prize for the most beautiful paintings reflecting topics of relevance to community-based culture.

In 2013, formative art enthusiasts attended the exhibition "Memory "for artist Mohammad Jalous, who also presented a new collection of his art work which was completed during 2011 - 2013.

As for the Iraqi Artist Riyad Niemah, he found in Cairo Amman Bank Gallery a perfect space to display his emotional paintings, which gained wide admiration from art lovers.

At the same time, Photographer Ahmad Al-Mihseiri presented his photography in an exhibition organized with the cooperation of the French Cultural Center under the title "Under the Sun of the Wound."
Al- Mihseiri show cased the suffering of the Palestinian people on the walls of the Cairo Amman Bank Gallery.

For the fourth consecutive year, the gallery management invited the children of Jordan to participate in the Cairo Amman Bank painting competition. This competition has previously witnessed a wide participation by children all over Jordan from both governmental and private schools. The competition aims to enable children to express themselves according to their understanding and imagination ofthe environment.

The Bank will strive to maintain its achievementsduring the year taking into consideration the expected local, regional and global economic situation. This is exemplifiedby theimprovement in economic growth rates in Jordan accompanied with the decrease in interest rates on Jordanian Dinar that resulted from the increase foreign currencies reserves in the Central Bank of Jordan and the increase in the liquidity within the banking sector. However, the fluctuation in the supply of the natural gas from Egypt and the large dependency of foreign support could lead to significant change in the forecast.

The Bank will continue monitoring the economic developments and will take necessary steps to preserve the funds of depositors as well as shareholders. The Bank will strive to improve the efficiency of it operation, widen the customers' base and maintain the quality of its assets.

During 2014, the Bank will complete its acquisition of its share in National Bank of Iraq as well as launch the activities of Tamallak Leasing Company.

Following are the most important items of the business plan for 2014:

- Maintaining adequate capital adequacy level and "well capitalized" status according to Central Bank of Jordan regulation.
- Implementing Basel II requirements, especially clauses related to the second pillar "managerial review" and to prepare for Basel IIIrequirements, as well as reinforcing sound corporate governance.
- Maintaining adequate liquidity levels by increasing customers' deposits, and continue the cash and in-kind prizes schemes.
- Solidifying the Bank's leading position of providing banking services to individuals by expanding cross-selling and preparing specific programs that fulfill the needs of all customers.
- Maintaining the quality of the credit portfolio through carefully growing the portfolio and continuing the efforts to settle non-performing loans.
- Continuing to implement the IT development plan to enhance the bank's performance, including the full implementation of the new core banking system in Jordan and starting the implementation process in Palestine.
- Increasing performance efficiency and cost control while maintaining the quality of services.
- Expanding sales outlets by opening 6 new branches in several targeted areas in Jordan and Palestine.
- Continuing with the renovation of the Bank's branches in accordance with the corporate identity through the renovation of 4 branches in Jordan and Palestine.
- Improving the efficiency and skills of the Bank's employees through implementation of the annual training plan.
- Continuing the Bank's participation in supporting the local community which is part of the Bank's social responsibility.

Cairo Amman Bank manages all its various risks through a comprehensive policy which identifies and manages risks. This policy plays a crucial role in assigning different roles for all concerned parties responsible for implementing such a policy, mainly the Board of Directors, Risk Committee, Investment Committee, Audit Committee and Compliance Committee as well as the executive management and committee formed thereby such as Assets – Liabilities Management Committee (ALCO), Operating Procedures Development Committee, and credit facilities committees.Specialized divisions such as Risk Management division, Compliance and AML division and Internal Audit division support all decision making process. Moreover, every unit or employee in the Bank is held responsible for managing all the risks falling under his/her responsibilities and should observe appropriate internal controls and monitor its effectiveness in accordance with internal control system in the Bank.

Risk management process in the Bank includes the identification, measurement, evaluation and management of risks, be it financial or non-financial which might have negative impact on Bank performance and reputation or on its objectives to ensure achieving the optimal equilibrium between risk undertaken and return achieved.

The general framework for risk management in the Bank is set in accordance with principals and methodologies that are in line with the size, concentration and the nature of its operations as well instructions of the regulatory authorities taking into consideration international best practices in this regard, including the following:

1. The responsibility of the Board of Directors for risk management. The Risk Committee periodically review the policies, strategies and risk management procedures of the Bank, including the degree of acceptable risk limits
2. The responsibility of the Board of Directors represented by the Risk Committee in the development process of internal assessment of capital and analyzing current and future capital requirements in line with the structure of the Bank's risk and strategic objectives.In addition to its responsibility in ensuring the existence of adequate system to evaluate the types of risk faced by the Bank and connect these risksto required capital.
3. The responsibility of the Board of Directors in approving the Bank's policies prepared by the executive management.
4. The Risk Management Division, an independent department, prepare and send its reports to the Risk Committee. However, for daily operations, the Division reports to the General Manager and is responsible for analyzing all risks in addition to developing methodologies for measurement and control of each type of risk and reporting risks. The Division is also responsible for the application of the internal capital adequacy assessment (ICAAP) methodology in an adequate and comprehensive manner that complies with the risk structure of the Bank and in conformity with regulatory ad Basel Committee requirements.
5. The Internal Audit Department provides independent confirmation of the business units' adherence to policies and procedures, and the effectiveness of the risk management framework of the Bank.

Thus, the Bank continues to adopt and implement the general framework of risk management for all kinds of risks facing the bank. Therefore, adopting objectives pertaining to Bank capital commensurate with the internal control environment, strategic business plan, size and complexities of the Bank, structure, nature and levels of risks the Bank exposed thereof. In addition, the Bank adopts stress testing to measure its ability to face risk exposures in extreme situations and to analyze those scenarios which would identify such events and the probable changes that might occur in the market with negative on Bank performance.

The Bank deal with challenges pertinent to banking risks comprehensively under an overall framework of risk management in accordance with international best practice and with sound and safe banking practice whereby the board through its various committees supervise and ensure that there exist adequate and comprehensive policies and procedures for risk management. During 2013 the following steps have been taken:

- Ongoing monitoring to acceptable risk appetite determined by the board of directors and reporting any breaches in relation to such risk appetite.
- Credit policy has been updated to grant corporate customers and SMEs.
- Credit policy has been updated in relation to credit ceiling and limits with international correspondent banks.

With regards to Anti-money Laundering, the Bank has in place policies and procedures approved by the Board of Directors that are in accordance with the Anti-money Laundering Law No. 46 of 2007 and its amendments, together with AML/CFT instruction issued by Central Bank of Jordan and international best practice in this regard to lessen and mitigate the risks involved with those transaction; the aim of which is to identify the procedure applicable and appropriate to financial transaction and to apply due diligence measures to identify preexisting and potential customer and to understand their legal and personal capacity and status and the ultimate beneficial owner and the ongoing monitoring and reviewing of such transaction during the period of banking relationship.

The main achievements and activities during the year of 2013 were:

- Activate the new automated system to combat money laundering and terrorist financing (first phase) by creating a criteria and procedures for these systems based on laws and regulations and banking best practice in preparation to enter second phase.
- Activate the process of opening accounts for customers classified as high-risk categories through the banking system T24 automatically and providing the proper training for the relevant officers.
- Drafting anti money laundering operating procedures for the branches that apply the new banking system T24.
- Providing AML/CFT workshops for all department staff in head office as well as Reporting Officers in our sub-agents whose renders Western Union Services.

The Bank gives a great deal of importance to proper corporate governance practices based on the principles of transparency and responsibility. The Bank follows sound professional practices that is in compliance with Central Bank of Jordan regulations, as well as the regulatory requirements of other countries in with it operates.

The presence of an effective, professional and independent Board of Directors is one of the most important requirements of sound corporate governance practices. The board's primary role is to protect and enhance the shareholders' long-term value through the establishment of strategic direction and monitoring achieving the goals by the executive management.

The Bank's Board of Directors is composed of twelve members that were elected for a period of four years by the General Assembly during its meeting held on March 28, 2010. The members of the board have a range of skills and experiences that increases the effectiveness of the boards. All members of the board are non-executive members.

To assist it in carrying it duties, the Board of Directors have established several specialized committees, each has its own roles and duties:

Corporate Governance Committee

The Corporate Governance Committee is composed of the following members:
Mr. Yazid Adnan Al-Mufti (Chairman)
Mr. Nashat Taher Al-Masri
Mr. Sharif Mahdi Al-Saifi

The duties of the Committee include directing the preparation, updating and the implementation of the Bank's Corporate Governance Code.

Audit Committee

The Audit Committee is composed of the following non-executive members:
Mr. Ghassan Ibrahim Akeel (Chairman)
Mr. Sharif Mahdi Al-Saifi
Mr. Nedal Fa'eq Al-Qubaj

The duties of the Committee include:
- Reviewing the financial statements before being presented to the Board of Directors, in addition to meeting with external auditors and making necessary recommendations
- Supervising internal audit activities, including reviewing the annual internal audit plan, and the internal audit reposts.
- Recommending to the Board of Directors with the accounting policies and practices of the Bank as well as reviewing all accounting issues that have a significant effect of the financial statements.
- Reviewing the Bank's internal controls and its adequacy through the reports of the internal audit department and the external auditors.
- Recommending to the Board of Directors the appointment or the removal, the remuneration and other contractual terms of the external auditors, in addition to assessing the objectivity of the external auditors, including the consideration of any other non-audit work performed by the external auditors.

The Audit Committee meets on a regular basis every three month, and meets with the Head of Internal Audit Department as well as the external auditors at least one time during the year without the presence of members of the executive management.

Accordingly, the Bank is exposed to the following risks:

Credit Risk

It is the risk caused by the default or failure of one party on his obligations toward the bank which incur losses. The bank manages credit risks through establishing and developing different policies that identify and deal with all aspect of granting and maintaining credit in addition to setting upper credit limits granted to customers and to the totality of credit facilities granted to each sector and geographical location. Moreover, the bank continuously evaluates the creditworthiness of customers and accepting appropriate collateral.

The Bank manages credit risk in its portfolio through different conditions and limits provided for in the credit policies approved by the board of directors. These policies in general include clear ratios to maximum credit limits granted to any customer and/or any group of related customers in addition to distributing credit to different geographical locations and to various business and economic sectors. Projected credit budgets take into consideration various limits provided for in the credit policies.

The Bank adopt different methodologies to mitigate or lessen risks which include for example but not limited to setting the acceptable collaterals and its conditions taking into consideration the fact that there should be no correlation between collateral value and customer activities. Moreover, the Bank adheres to the policy of insuring certain portfolios and additional provisioning as one of risk mitigation technique.

Accordingly, there are different departments within the Bank assigned with credit monitoring and following up as well as reporting any early warning signs aimed at following up and remediation.

Market Risk

It is the risk that results from fair value or cash fluctuation of the financial instruments as a result of movement of market prices such as interest rate, foreign exchange and stock prices. Market risk exists as a result of open positions in interest rate and currencies prices as well as investment in stock. Such prices are monitored in accordance with predetermined policies and procedures and through specialized committees and concerned departments or units. Market risks include interest rate risks, foreign exchange risks and stock prices fluctuations.

Market risks are measures and monitored through various tools such as sensitivity analysis and stress testing as well as stop loss limits.

Liquidity Risk

The risk that results from the inability of the Bank to provide the adequate financing to carry out its obligations on maturity dates, or to finance its own activities without having to incur heavy expenses and costs or losses. To prevent and mitigate such risk, Bank management and asset-liability management committee manage liquidity risk through using different sources of financing and ensuring there are no concentration in sources of financing. Moreover, plans are adopted for the provision of liquidity in emergency cases through liquidity contingency plan.

Operational Risk

It is the risk of loss as a result of inadequate or failure of internal procedures, employees, internal control system or external events.

Whereby the internal control process is one of the most important tools used in managing such kind of risk, Bank executive management has given premium and considerable attention to ongoing development of the control environment on all bank activities and operations. Thus, an operational risk policy has been approved to cover all bank's departments, units, foreign branches and subsidiaries.

The Bank continuously updates and develop business continuity plan to be appropriate and to ensure the continuity of all Bank activities and processes to serve customers in emergency events.

Compliance Risk

Compliance risk is the risk of non-compliance with law, regulations and standards issued by domestic and international governing bodies.

The Bank issued compliance and anti-money laundering policy approved by the Board of Directors as a means to monitor the Bank's compliance with the laws, regulations and instructions issued by the regulatory authorities, best practices and industry standards through programs and working procedures that are based on the principle of Risk Based Approach.The Bank classified all laws and regulations that govern its activities within a database on the Bank intranet that is updated regularly to help the executive management manage its compliance risk, in addition to monitoring the risk of non-compliance.

Risk Management Committee

The risk management committee is composed of the following members:
Mr. Yazid Adnan Al-Mufti (Chairman)
Mr. Khaled Sabih Al-Masri
Mrs. Suhair Sayed Ibrahim

The duties of the Committee include:

- Reviewing Risk Management strategy before being approved by the Board, and assessing its effectiveness on a continuous basis
- Ensuring the existence of policies and framework of risk management function, and reviewing it on a regular basis.
- Overseeing the Head of Risk Management and the annual plan of the division activities.
- Ensuring that risk management function has adequate expertise and resources to fulfill its responsibilities.
- Reviewing assumptions used in risk measurement models.
- Overseeing the development of risks database.
- Reviewing stress tests on credit, liquidity, market and operational risks and approving contingency planning.
- Reviewing the reports of the risk management division
- Monitoring the Bank's preparation and implementation of Basel committee requirements with respect to risk management and measurement issues.
- Receiving regular reports from the assets liabilities committee
- Ensuring the existence of business continuity plan and testing it on a regular basis.
- Reviewing and recommending to the Board, in conjunction with executive management, proposed aggregate loss limit targets for various risk categories (e.g. loan losses, market losses, operational losses), paying special attention to capital adequacy and liquidity requirements.

The Risk Management Committee meets at least four times a year, and submits reports to the Board of Directors on a regular basis. The General Manager, Deputy General Manager for Banking Operations, Deputy General Manager / Regional Manager of Palestine Branches, Head of Finance and Head of Risk Management attend its meetings.

Investment Committee

The investment committee is composed of the following members:
Mr. Yazid Adnan Al-Mufti(Chairman)
Mr. Khaled Sabih Al-Masri
Dr. Farouq Ahmad Zuaiter

The Committee sets and reviews the Bank's investment policy and looks into new investments opportunities.

Real Estate Committee

The real estate committee is composed of the following members:
Mr. Khaled Sabih Al-Masri (Chairman)
Mr. Ibrahim Husein Abu Al-Ragheb
Mr. Yasin Khalil Al-Talhouni

The Committee reviews and approves management's real estate sales recommendation.

Nomination & Remuneration Committee
The nomination and remuneration committee is composed of the following members:
Mr. Yazid Adnan Al-Mufti (Chairman)
Mr. Khaled Sabih Al-Masri
Mr. Mohammad Kamal Barakat

The duties of the Committee include:
- Setting the method to assess the effectiveness of the Board and its Committees
- Making the determination of whether a Directors is Independent considering the minimum standards for independence set out in this code.
- Nominating board appointments to the General Assembly
- Providing background briefing material for Directors as requested, as well as ensuring that they are kept up to date on relevant banking topics.
- Recommending to the Board the remuneration, including monthly salary and other benefits, of the General Manager. The Nominations and Remuneration Committee also reviews the bonuses and other remuneration of other executive management.
- Ensuring that the Bank has a remuneration policy sufficient to attract and retain qualified individuals and is in line with the Bank's peers in the market.

The committee meets on a regular basis, and member of the executive management are invited to attend its meetings, if necessary.

Compliance Committee
The Compliance Committee is composed of the following non-executive members:
Mr. Arfan Khalil Ayass (Chairman)
Dr. Nashat Taher Al-Masri
Mr. Yasin Khalil Al-Talhouni

The duties of the Committee include:
- Reviewing Compliance and Anti Money Laundering Division strategy before being approved by the Board, and assessing its effectiveness on a continuous basis
- Ensuring the existence of policies and framework of compliance and anti-money laundering function, and reviewing it on a regular basis.
- Overseeing the Head of Compliance and Anti Money Laundering and the annual plan of the department activities.
- Ensuring that compliance and anti-money laundering function has adequate expertise and resources to fulfill its responsibilities.
- Reviewing the reports of the compliance and anti-money laundering division.

The Compliance Committee meets on a regular basis every three month, and the Head of Compliance and Anti Money Laundering Division is invited to attend its meetings

Board of Directors as of December 31, 2013

Yazid Adnan Al-Mufti
Chairman of the Board
Member since: 30/9/1990
Date of birth: 27/3/1953
Academic Qualifications:
- Bachelor in Business Administration

Professional Experience:
- Chairman of the board since 7/10/2012
- General Manager of Cairo Amman Bank from 1989 until October 2004.
- Experience in banking through his work in Citibank.

Board member in many companies such as Zara Investment (Holding) Company, Palestine Development and Investment Company (PADICO) and Middle East Insurance Company

Mohammad Kamal Eddin Barakat
Vice Chairman
Member since: 15/1/2006
Date of birth: 9/4/1952
Academic Qualifications:
- Masters in Finance and Marketing
- Bachelor in Business

Professional Experience:
- Chairman of Banque Misr since December 2002.
- Experience in banking for more than 30 years through his work as General Manager of Egyptian American Bank from 4/1980 to 2/1996, Deputy Chairman and CEO of Egyptian Gulf Bank from 3/1996 to 12/2002 and Chairman of Banque Du Caire from 9/2005 to 9/2011.
- Chairman of Banque Misr Liban, Misr Capital Investments Co. and Egyptian Company for Real Estate Management and Investment.
- Chairman of Union of Arab Banks, and Board member of Central Bank of Egypt for 8 years from 12/2003 to 11/2011, and currently member of Egyptian Banking Union, MasterCard Middle East and Egypt Air Holding Company.

Khaled Sabih Al-Masri
Member since: 1995
Date of birth: 19/2/1966
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Computer Engineering

Professional Experience:
- Chairman of the Bank from July 1999 to October 7, 2012
- Chief Executive Officer of the Bank from October 2004 until 31/12/2007
- Chairman of Jordan Himmeh Mineral Company

Board member in several companies including Zara Investment (Holding) Company, JordanHotel and Tourism Company and Royal Jordanian Air Academy.

Ibrahim Hussein Abu Al-Ragheb
Member since: 1991
Date of birth: 13/2/1945
Academic Qualifications:
- Bachelor in Business Administration

Professional Experience:
- Chairman and General Manager of Arab Steel Manufacturing Company
- Various administrative experience

Yasin Khalil Al-Talhouni
Member since: 1998
Date of birth: 8/5/1973
Academic Qualifications:
- Bachelor in Economics

Professional Experience:
- Businessman
- Board member in various companies such as Zara Investment (Holding) Company, JordanHotel and Tourism Company, Jordan Project for Tourism Development and Jordan Electricity Company

Dr. Farouq Ahmad Zuaiter
Member since: 29/6/2002
Date of birth: 29/5/1936
Academic Qualifications:
- Ph. D in Accounting, Economics and Statistics
- Masters in Accounting
- Bachelor in Accounting

Professional Experience:
- Former CEO of Palestine Development and Investment Company (Padico)
- Financial and administrative experience through working as deputy CEO of Trust Company (Kuwait), deputy general manager and Projects Manager in Al-Sahel Development and Investment Company (Kuwait)
- Chairman of Hisham Hijjawi College of Technology
- Vice Chairman of Najah University board of trustees
- Former assistant professor in DePaul University and University of Chicago
- Board member of Palestine Telecommunication Company, Jordan Vegetable Oil Industries Company, Palestine Investment Bank and VTel Holding.

Arfan Khalil Ayass
Member since: 3/11/2011
Date of birth: 23/11/1942
Academic Qualifications:
- Master in Accounting
- Bachelor of Science in Accounting
- Certified Public Accountant (CPA)

Professional Experience:
- Chairman and General Manager of Blair (Lebanon)
- Experience in public accounting for more than 30 years in Lebanon and Saudi Arabia ended as managing partner in Ernst & Young (KSA).
- Board member and chairman of the audit committee of First National Bank (Lebanon), a member of the board and risk and audit committee of Al Ahli International Bank (Lebanon), member of the board of Banque de Crédit National and a member of the audit committee of the IMF in Washington D.C.

Nashat Taher Al-Masri
Member since: 29/6/2002
Date of birth: 18/5/1971
Academic Qualifications:
- Master in Public Policy
- Bachelor in Economics

Professional Experience:
- Partner in Foursan Group
- Worked as Vice President- Investment Banking in J.P. Morgan
- Board member in many companies such as Siniora Food Industries,Royal Jordanian Air Academy and Al-Qasr Touristic Investment Company

Ghassan Ibrahim Akeel
Member since: 29/6/2002
Date of birth: 2/5/1968
Academic Qualifications:
- Master in Business Administration
- Bachelor in Accounting
- Certified Public Accountant (CPA)

Professional Experience:
- Deputy General Manager of Astra Group – Saudi Arabia
- Experience in public accounting through his work as audit manager in big five accounting firm
- Board member of Astra Industrial Group (KSA), Vtel Holding Company, Arab Cooperative Insurance Company (KSA) and National Aviation Ground Support Company (KSA)

Nedal Fa'eq Al-Qubaj
Member since: 15/08/2013
Date of birth: 02/07/1980
Academic Qualifications:
- Master in Accounting
- Bachelor in Accounting

Professional Experience:
- Acting Head of Risk Management and Strategic Planning Department in the Social Security Investment Fund since 11/2012.
- Experience in risk management in Social Security Investment Fund for more than 8 years including the Manager of Investment Risk.
- Experience in banking through his work in Arab Bank.

Suhair Sayed Ibrahim
Member since: 09/12/2007
Date of birth: 17/12/1938
Academic Qualifications:
- Master in Accounting
- Diplomas in Finance, Banking Studies, and Accounting
- Bachelor in Accounting

Professional Experience:
- General Manager and member of the Management Committee of Banque Du Caire
- Experience in banking from working in various department in Banque Du Caire

Sharif Mahdi Al-Saifi
Member since: 28/03/2010
Date of birth: 06/06/1972
Academic Qualifications:
- Master in Marine Environmental Protection
- Bachelor of Science in Foreign Service

Professional Experience:
- Deputy General Manager / Partner Masar United Contracting Co
- Former CEO of United Garment Manufacturing Co
- Marine Park Manager of Aqaba Marine Park
- Operations Manager at Masar Contracting Co
- Board Member The Queen Rania Excellence in Education Award
- Chairman of United Garment Manufacturing Co. Board member of VTEL Holding, South Coast Hotels Company and Itisaluna Iraq.

Executive Management as of December 31, 2013

Kamal Ghareeb Al-Bakri
General Manager
Date of Hiring: 04/01/2003
Date of birth: 07/06/1969
Academic Qualifications:
- Bachelor in Law

Professional Experience:
- General Manager of the Bank since January 2008.
- Experience in banking sector through his work as the Deputy General Manager of Cairo Amman Bank since 12/2005 and previously as the Head of Legal Department and Legal Advisor
- Board member in several companies including Zara Investment (Holding) Company, Jordan Insurance Companyand Jordan Tourist Transport Company (JETT)

Khaled Mahmoud Qasim
Deputy General Manager for Operations and Support Services
Date of Hiring: 05/10/2008
Date of birth: 22/02/1963
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Finance
- Holder of CIB certificate

Professional Experience:
- Extensive experience in the banking sector through his work in Jazeera Bank, Arab Bank, Cairo Amman Bank, Jordan National Bank and Kuwait National Bank.

Rana Sami Sunna
Deputy General Manager for Banking Operations
Date of Hiring: 15/08/1995
Date of birth: 12/08/1966
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Accounting

Professional Experience:
- Deputy General Manager for Banking Operations since 12/2009
- Experience in the field of risk management through her work and the Head of Risk Management Division since 1/1998 and previously as Risk Management Department manager since 1998.
- Worked as the Head of local facilities department in the Central Bank of Jordan
- Board member in the Jordan Mortgage Refinancing Company

Ghaddah Mohammad Nazzal
Head of Human Resources
Date of Hiring: 16/02/2003
Date of birth: 25/08/1959
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Human Resources

Professional Experience:
- Experience in human resources through her work as Human Resources Manager in Arab Banking Corporation (Jordan) and Jordan Projects for Tourism Development Company, and Administrative Development Manager in Arabtec- Jardaneh Company

Nizar Tayseer Mohammed
Head of Finance
Date of Hiring: 11/4/2004
Date of birth: 11/8/1972
Academic Qualifications:
- Bachelor in Accounting
- Certified Public Accountant (CPA, JCPA)
- Chartered Financial Analyst (CFA)

Professional Experience:
- Acted as Head of Risk Management in the Bank from 2/2010 to 12/2012 in addition to being Head of Finance.
- Experience in public accounting his work as audit manager in large public accounting firm.
- Board member in Daman Investment Company and Jordan Vegetable Oil Industries Company

Hamed Ibrahim Kreishan
Head of Branches and Sales
Date of Hiring: 10/01/2000
Date of birth: 22/10/1955
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Aeronautical Engineering

Professional Experience:
- Experience in sales and marketing through his work in Coca Cola and Ahleya for Trading Centers Company

Azmi Mohammad Owaidah
Head of Retail Banking
Date of Hiring: 10/09/1996
Date of birth: 17/10/1964
Academic Qualifications:
- Bachelor in Accounting

Professional Experience:
- Head of Retail since 9/2006
- Manager of Housing and Vehicles Credit Department since 2000.
- Experience in the field of credit in Banks through his work in Cairo Amman Bank and Jordan Kuwaiti Bank.

Yazeed Sitan Ammari
Head of Corporate Credit
Date of Hiring: 01/06/2006
Date of birth: 09/12/1965
Academic Qualifications:
- Masters in Finance
- Bachelor in Business Administration

Professional Experience:
- Experience in the field of credit in Banks through his work in Jordan National Bank, Amman Investment Bank and Arab Real-estate Bank.

Naser Abdul Karim Al-Qudseh
Head of Engineering and Administration
Date of Hiring: 07/01/2003
Date of birth: 20/11/1961
Academic Qualifications:
- Bachelor in Marketing and Sales

Professional Experience:
- Head of Engineering and Administration since 9/2006
- Manager of Real Estate Department since 2003.
- Administrative experience through his work in Astra Group.

Reem Younis Eses
Head of Treasury
Date of Hiring: 01/03/1990
Date of birth: 18/05/1964
Academic Qualifications:
- Masters in Economics
- Bachelor in Economics

Professional Experience:
- Head of Treasury since 10/2008
- Experience in banking through her work in and as the Treasurer in the Bank since 1990
- Worked as a researcher in the Royal Scientific Society since 1997.

Jan Shawkat Yadaj
Head of Operations
Date of Hiring: 20/10/1990
Date of birth: 20/02/1968
Academic Qualifications:
- Bachelor in English

Professional Experience:
- Head of Operations since 12/2013
- Head of Business Support and Procedures since 9/2009.
- Experience in banking since 1990 in the field of operations, branches and procedures.

Omar Sarhan Aqel
Head of Documentation and Credit Control
Date of Hiring: 15/02/1989
Date of birth: 17/05/1963
Academic Qualifications:
- Bachelor in Accounting

Professional Experience:
- Head of Documentation and Credit Control since 11/2009
- Experience in banking in the field of operations, internal audit, documentation and credit control

Olginia Jamal Haddad
Head of SMEs and Palestine Credit
Date of Hiring: 06/10/1990
Date of birth: 01/01/1969
Academic Qualifications:
- Bachelor in Finance

Professional Experience:
- Head of SMEs since 3/2010
- Experience in the field of credit in the Bank since 1990.

Yousef Abdul Fatah Abu Al-Haija
Head of Risk Management
Date of Hiring: 01/08/2005
Date of birth: 01/01/1976
Academic Qualifications:
- Bachelor in Public Administration.

Professional Experience:
- Head of Risk Management since 12/2010
- Manager of Operational Risk Department since 3/2008
- Experience in the field of operations and risk management
- Experience in finance through his work as Finance Manager in a private company for 2 years.

Hani "Mohammad Rashrash" Khader
Head of Marketing
Date of Hiring: 02/07/2006
Date of birth: 12/12/1976
Academic Qualifications:
- Masters in Business Administration
- Bachelor in Business Administration

Professional Experience:
- Head of Marketing since 10/2013
- Manager of Marketing Department since 4/2008
- Experience in the field of marketing, product development and sales through his work in Arab Banking Corporation (Jordan) and other companies.

Antoine Vector Sabilla
Head of Compliance and AML
Date of Hiring: 16/10/2005
Date of birth: 12/02/1977
Academic Qualifications:
- Bachelor in Accounting
- Holds CAMS, CCO, Dip (Fin. Crime) certificates

Professional Experience:
- Head of Compliance and AML since 10/2013
- Manager of AML Department from 2009 to 7/2013 and Manager of Compliance since 2005
- Experience in public accounting his work in large public accounting firm.

Margaret Muheeb Makhamreh
Acting Head of Internal Audit
Date of Hiring: 27/07/2004
Date of birth: 04/09/1977
Academic Qualifications:
- Bachelor in Business Administration

Professional Experience:
- Acting Head of Internal Audit since 7/2013
- Manager of Internal Audit Department since 5/2012
- Experience in banking through her work in project management in the Bank and in Arab Banking Corporation (Jordan).

Mary Wade' Hanna
Secretary of the Board
Date of Hiring: 07/05/1960
Date of birth: 01/01/1943
Academic Qualifications:
- Diploma in Business

Professional Experience:
- Secretary of the Board since 1982.
- Experience in banking since 1960 in the fields of human recourses and administration.

Directors' Shareholdings

	Nationality	2013	2012
Mr. Yazid Al-Mufti	Jordanian	1,136	1,136
Relatives shareholdings	Jordanian	25	25
Banque Misr	Egyptian	10,777,580	10,777,580
Mr. Mohammad Barakat	Egyptian	-	-
Relatives shareholdings	-	-	-
Mr. Khaled Al-Masri	Jordanian	5,000	5,000
Relatives shareholdings	-	-	-
Ishraq Investment Company	Jordanian	6,137	6,137
Mr. Ibrahim Abu Al-Ragheb	Jordanian	200,000	249,000
Relatives shareholdings	Jordanian	1,496	1,496
Levant Investment Company	Jordanian	5,000	5,000
Mr. Yasin Al-Talhouni	Jordanian	5,809,697	5,891,948
Relatives shareholdings	-	-	-
Palestine Development & Investment Co.	Liberian	2,266,437	2,266,437
Dr. Farouq Zuaiter	Jordanian	92,778	113,863
Relatives shareholdings	Jordanian	99,318	100,084
Al-Massira Investment Company	Jordanian	11,387,803	11,387,803
Mr. Arfan Ayass	Lebanese	-	-
Relatives shareholdings	-	-	-
Mr. Nashat Al-Masri	Jordanian	2,776	2,776
Relatives shareholdings	-	-	-
Arab Investment and Trade Company	Saudi Arabian	2,039,465	2,039,465
Mr. Ghassan Akeel	Jordanian	28,000	28,000
Relatives shareholdings	Jordanian	19,079	19,079
Social Security Corporation	Jordanian	5,790,843	5,790,843
Mr.Nedal Al-Qubaj	Jordanian	-	-
Relatives shareholdings	-	-	-
Misr Investment Company	Egyptian	1,331	1,331
Mrs. Suhair Sayed	Egyptian	-	-
Relatives shareholdings	-	-	-
Mr. Sharif Al-Saifi	Jordanian	223,047	223,047
Relatives shareholdings	Jordanian	78,805	78,805

Executives and Informed Employees Shareholdings

Name	Position	Nationality	2013		2012	
			Personal	Relatives	Personal	Relatives
Mr. Kamal Al-Bakri	General Manager	Jordanian	-	-	-	-
Mr. Khaled Qasim	Deputy GM for Operations and Support Services	Jordanian	-	-	-	-
Mrs. Rana Sunna	Deputy GM for Banking Operations	Jordanian	4,000	-	4,000	-
Miss Ghaddah Nazzal	Head of Human Resources	Jordanian	-	-	-	-
Mr. Nizar Mohammed	Head of Finance	Jordanian	-	-	600	300
Mr. Hamed Kreishan	Head of Branches and Sales	Jordanian	-	-	-	-
Mr. Azmi Owaidah	Head of Retail Banking	Jordanian	-	-	-	-
Mr. Yazid Ammari	Head of Corporate Credit	Jordanian	-	-	-	-
Mr. Naser Qudseh	Head of Engineering and Administration	Jordanian	-	-	-	-
Mrs. Reem Eses	Head of Treasury	Jordanian	-	-	-	-
Miss Jan Yadaj	Head of Operations	Jordanian	-	-	-	-
Mr. Omar Aqel	Head of Documentation and Credit Control	Jordanian	-	-	-	-
Mrs. Olginia Haddad	Head of SMEs & Palestine Credit	Jordanian	-	-	-	-
Mr. Yousef Abu Al-Haija	Head of Risk Mangement	Jordanian	-	-	-	-
Mr. Hani Khader	Head of Marketing	Jordanian	-	-	-	-
Mr. Antoine Sabila	Head of Compliance and Anti Money Laundering	Jordanian	-	-	-	-
Mrs. Margaret Makamreh	Acting Head of Internal Audit	Jordanian	-	-	-	-
Miss Mary Hanna	Secretary of the Board of Directors	Jordanian	-	-	-	-

Shareholders with 5% or more ownership

	2013		2012	
	Shares	%	Shares	%
Al-Massira Investment Company	11,387,803	11.39	11,387,803	11.39
Banque Misr	10,777,580	10.78	10,777,580	10.78
Najwa Mohammad Madi	10,450,000	10.45	10,450,000	10.45
Yasin Khalil Al-Talhouni	5,809,697	5.81	5,891,948	5.89
Social Security Corporation	5,790,843	5.79	5,790,843	5.79
Hamzah Khalil Al-Talhouni	5,590,417	5.59	5,714,417	5.71
Sabih Taher Al-Masri	5,213,696	5.21	5,213,696	5.21

The ownership of Mr. Sabih Al-Masri Group represents 29.5% of the Bank's paid in capital
The ownership of Mr. Yasin Al- Talhouni Group represents 16.2% of the Bank's paid in capital

Board of Directors & Executive Management Remunerations during 2013

Name	BOD Bonus	Transportation	Travel	Salaries & Allowances
Board of Directors:				
Mr. Yazid Al-Mufti	5,000	9,000	-	-
Mr. Mohammad Barakat	5,000	-	16,974	-
Mr. Khaled Al-Masri	5,000	9,000	-	-
Mr. Ibrahim Abu Al-Ragheb	5,000	9,000	-	-
Mr. Yasin Al-Talhouni	5,000	9,000	-	-
Dr. Farouq Zuaiter	5,000	9,000	-	-
Mr. Ghassan Akeel	5,000	-	22,760	-
Mr. Nashat Al-Masri	5,000	9,000	-	-
Social Security Corporation	5,000	9,000	-	-
Mrs. Suhair Sayed	5,000	-	16,974	-
Mr. Shrif Al-Saifi	5,000	9,000	-	-
Mr. Arfan Ayass	5,000	-	8,049	-
Executive Management:				
Mr. Kamal Al-Bakri	-	-	-	351,958
Mr. Khaled Qasim	-	-	-	192,416
Mrs. Rana Sunna	-	-	-	172,916
Mr. Qasim Tawfeeq (until 30/7/2013)	-	-	-	76,610
Miss Ghaddah Nazzal	-	-	-	110,384
Mr. Nizar Mohammed	-	-	-	131,296
Mr. Hamed Kreishan	-	-	-	111,216
Mr. Omar Yaqoub (until 20/8/2013)	-	-	-	78,423
Mr. Azmi Owaidah	-	-	-	90,336
Mr. Yazid Ammari	-	-	-	96,624
Mr. Naser Qudseh	-	-	-	93,462
Mr. Farouq Amawi (until 30/6/2013)	-	-	-	51,681
Mrs. Reem Eses	-	-	-	103,040
Mr. Izzidin Abu Salameh (until 30/11/2013)	-	-	-	62,113
Mr. Omar Aqel	-	-	-	78,912
Miss Jan Yadaj	-	-	-	89,706
Mrs. Olginia Haddad	-	-	-	83,824
Mr. Yousef Abu Al-Haija	-	-	-	59,032
Mr. Hani Khader (Form 1/10/2013)	-	-	-	15,512
Mr. Antoine Sabila (Form 1/10/2013)	-	-	-	22,704
Mrs. Margaret Makhamreh (Form 1/8/2013)	-	-	-	14,819
Total	60,000	72,000	64,757	2,087,028

* The Bank booked a provision for 2013 bonuses at JD 2,650,000 to be paid to the employees of theBank in Jordan, including executive management, during 2014.

- The Bank does not rely on any particular vendors and / or customers that constitute 10% or more of the Bank's purchases and / or revenues.
- The Bank does not enjoy any privilege of governmental protection on any products or activities and did not receive any patents or franchises during 2013
- Government decisions during 2013 did not have any material effect on the Bank's operations.
- All activities and operations performed during 2013 were of a recurring nature and in line with the Bank's main activities. There were not extraordinary activities that had a significant financial effect during the year.
- Capital expenditures during 2013 were JD 4,919,331
- Audit fees for 2013 were JD 162 ,663 in addition to sales and value added taxes and distributed as follows:

	JD
Cairo Amman Bank	148,300
Awraq Investment	9,400
Al-Watanieh Securities	4,963
Total	**105,935**

`Other consulting fees paid to the external auditors during the year amounted to JD 105,935

- Awraq Investment manages the Bank's portfolio in bonds and other instrument for an annual fee. The Bank did not have any other contracts, projects and commitments with subsidiary companies, Chairman and members of the Board of Directors except for regular banking operations that are fully disclosed in note 38 to the financial statement. Those transactions are made in accordance with Central Bank of Jordan regulations.

Statement from the Board of Director and Executive Management

The Chairman, General Manager and the Head of Finance acknowledge the accuracy and completeness of the information and financial data provided in the annual report.

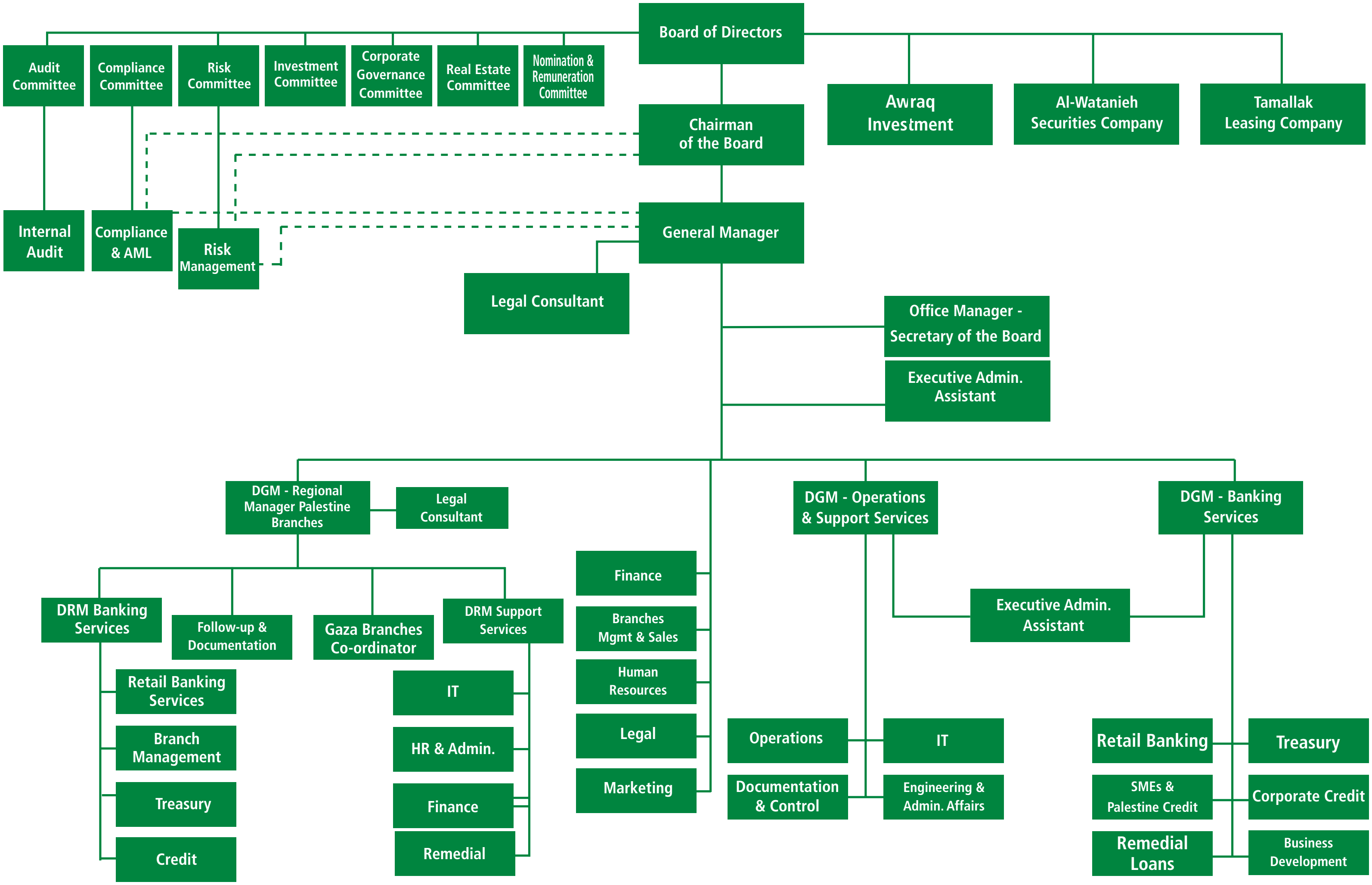
Chairman	General Manager	Head of Finance
Yazid Adnan Al-Mufti	Kamal Ghareeb Al-Bakri	Nizar Tayseer Mohammed

The Board of Directors affirms that according to its knowledge and beliefs,there are no significant issues, which would affect the sustainability of the Bank›s operations during the next fiscal year of 2014.

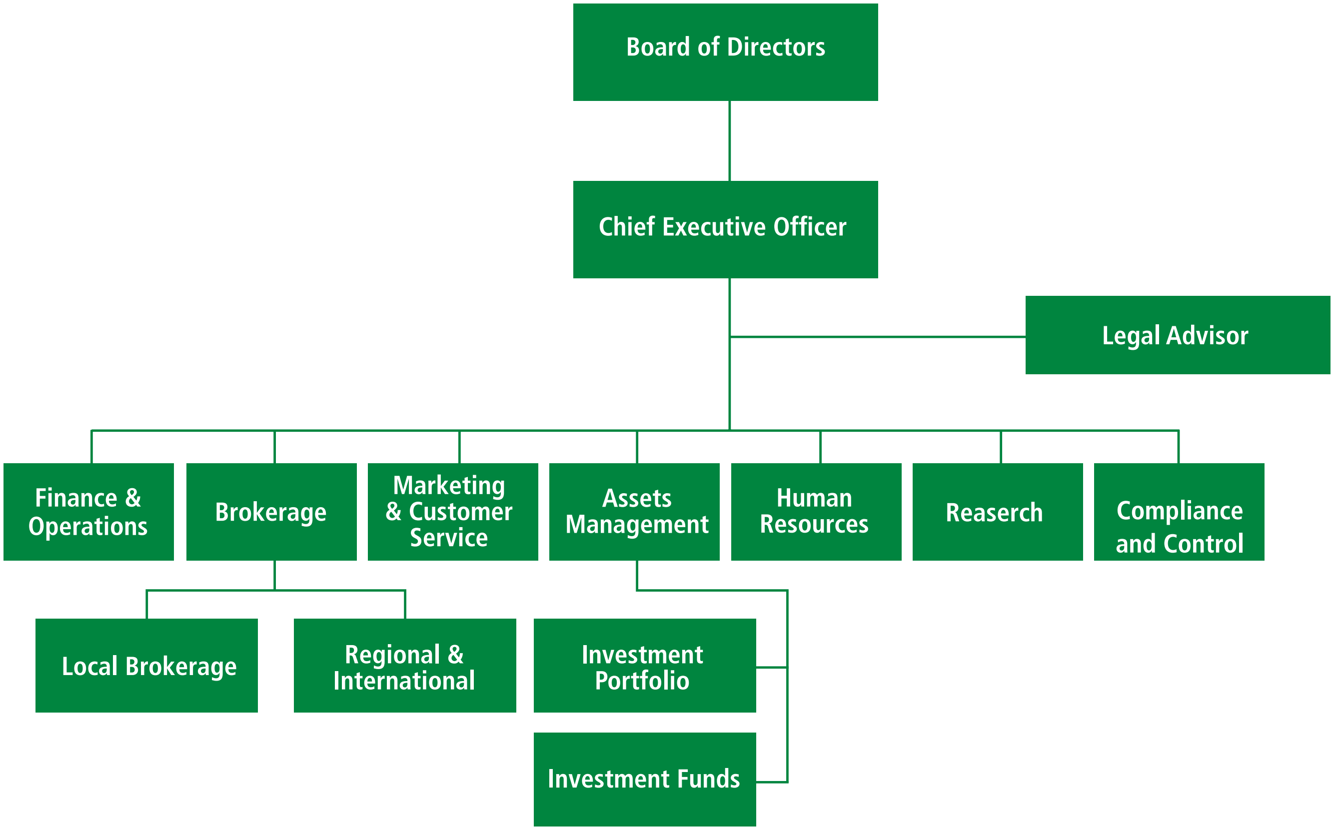
The Board of Directors also acknowledges its responsibility for the preparation of the financial statements for the year 2013 noting that the Bank maintains an effective internal control structure.

Chairman	Vice Chairman	
Yazid Adnan Al-Mufti	Mohamed Kamal Eldin Barakat	Khaled Sabih Al-Masri
Ibrahim Hussein Abu Al-Ragheb	Yasin Khalil Al-Talhouni	Dr. Farouq Ahmad Zuaiter
Arfan Khalil Ayass	Nashat Taher Al-Masri	Ghassan Ibrahim Akeel
Nidal Fa'eq Al-Qubaj	Suhir Sayed Ibrahim	Sharif Mahdi Al-Saifi

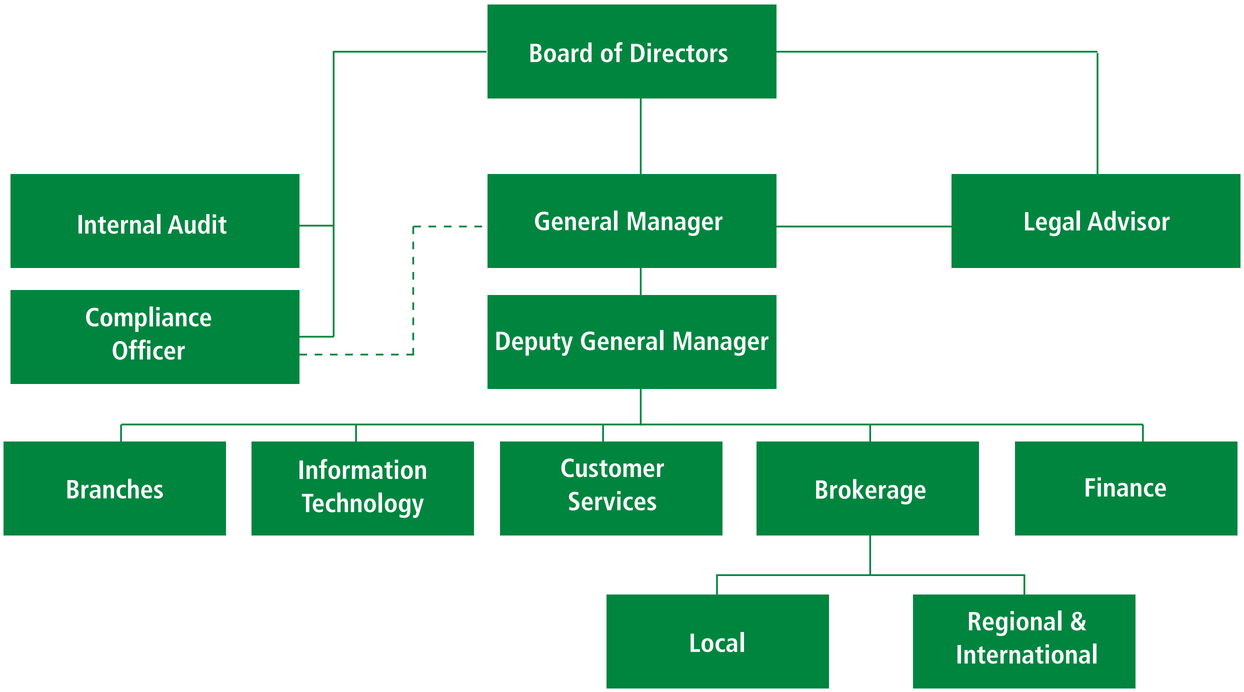
Organization Structure



AWRAQ Investments



Al-Watanieh Securities Company



Consolidated Financial Statements

Annual Report 2013

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CAIRO AMMAN BANK
AMMAN - JORDAN

We have audited the accompanying financial statements of CAIRO AMMAN BANK (a public shareholding company) and its subsidiaries ("the Bank"), which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as of 31 December 2013 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on the legal and regulatory requirements

The Bank maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report.

Amman – Jordan
23 February 2014

Ernst + Young

Cairo Amman Bank
Consolidated Statement of Financial Position
As of 31 December 2013
(In Jordanian Dinars)

	Notes	2013	2012
Assets			
Cash and balances with Central Banks	4	197,351,810	211,280,174
Balances at banks and financial institutions	5	180,633,848	189,873,760
Deposits at banks and financial institutions	6	138,200,000	18,500,000
Financial assets at fair value through profit or loss	7	29,155,168	26,858,142
Financial assets at fair value through other comprehensive income	8	25,219,930	26,593,505
Direct credit facilities	9	964,787,174	1,007,336,799
Financial assets at amortized cost	10	465,983,466	358,681,442
Financial assets pledged as collateral	11	110,142,962	108,360,282
Property and equipment	12	31,756,797	34,595,419
Intangible assets	13	8,573,950	7,313,881
Deferred tax assets	20	727,851	435,380
Other assets	14	60,436,264	34,507,030
Total Assets		2,212,969,220	2,024,335,814
Liabilities And Equity			
Liabilities -			
Banks and financial institutions' deposits	15	213,941,737	98,758,619
Customers› deposits	16	1,426,018,472	1,400,325,209
Margin accounts	17	69,273,473	41,973,787
Loans and borrowings	18	164,420,379	172,942,224
Sundry provisions	19	12,526,199	11,818,493
Income tax liabilities	20	22,666,483	23,064,940
Deferred tax liabilities	20	2,321,405	2,012,463
Other liabilities	21	37,623,425	32,203,322
Total Liabilities		1,948,791,573	1,783,099,057
Equity			
Paid in capital	22	100,000,000	100,000,000
Statutory reserve	23	48,475,553	42,947,195
Voluntary reserve	23	1,321,613	1,321,613
General banking risk reserve	23	11,820,000	10,700,000
Other reserves	23	4,032,498	3,222,382
Fair value reserve (net)	24	2,107,043	3,085,785
Retained earnings	25	96,420,940	79,959,782
Total Equity		264,177,647	241,236,757
Total Liabilities and Equity		2,212,969,220	2,024,335,814

Cairo Amman Bank

The accompanying notes form 1 to 50 are an integral part of these financial statements

Consolidated Income Statement
For the Year Ended 31 December 2013
(In Jordanian Dinars)

	Notes	2013	2012
Interest income	27	149,282,115	124,989,406
Interest expense	28	53,640,186	38,305,983
Net interest income		95,641,929	86,683,423
Net commission income	29		
Net interest and commission income		19,545,673	19,342,183
Other income-		115,187,602	106,025,606
Gain from foreign currencies	30	2,789,526	2,591,264
Net gain from financial assets at fair value through profit or loss	31	5,704,459	1,214,303
Dividends from financial assets at fair value through other comprehensive income	32	895,038	989,171
Gain from financial assets at amortized cost	33	-	68,188
Other income		4,580,637	3,600,666
Gross profit		129,157,262	114,489,198
Employees' expenses	34	35,484,713	32,680,628
Depreciation and amortization	12,13	6,473,639	7,492,960
Other expenses	35	20,404,619	19,549,241
Impairment loss on direct credit facilities	9	6,800,000	3,373,406
Sundry provisions	19	1,260,717	1,040,587
Total expenses		70,423,688	64,136,822
Profit before tax		58,733,574	50,352,376
Income tax expense	20	17,937,678	15,066,202
Profit for the year		40,795,896	35,286,174
		JD/Fils	JD/Fils
Basic and diluted earnings per share	36	0/408	0/353

The accompanying notes form 1 to 50 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2013
(In Jordanian Dinars)

	2013	2012
Profit for the year	40,795,896	35,286,174
Other comprehensive income, which will not be transferred to profit or loss in future periods:		
Net movement in fair value reserve	(855,006)	(619,770)
Total Comprehensive income for the year	39,940,890	34,666,404

The accompanying notes form 1 to 50 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2012
(In Jordanian Dinars)

	Paid in Capital	Reserves				Fair Value Reserve	Retained earnings	Total Equity
		Statutory	Voluntary	General Banking Risk	Cyclical			
	JD	JD	JD	JD	JD	JD	JD	JD
2013 -								
Balance at 1 January 2013	100,000,000	42,947,195	1,321,613	10,700,000	3,222,382	3,085,785	79,959,782	241,236,757
Dividends paid	-	-	-	-	-	-	(17,000,000)	(17,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(123,736)	123,736	-
Total comprehensive income for the year	-	-	-	-	-	(855,006)	40,795,896	39,940,890
Transferred to reserves	-	5,528,358	-	1,120,000	810,116	-	(7,458,474)	-
Balance at 31 December 2013	100,000,000	48,475,553	1,321,613	11,820,000	4,032,498	2,107,043	96,420,940	264,177,647
2012 -								
Balance at 1 January 2012	100,000,000	37,749,106	1,321,613	10,150,000	2,318,759	3,850,718	68,180,157	223,570,353
Dividends paid	100,000,000	-	1,321,613	-	-	-	(17,000,000)	(17,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(145,163)	145,163	-
Total comprehensive income for the year	-	-	-	-	-	(619,770)	35,286,174	34,666,404
Transferred to reserves	-	5,198,089	-	550,000	903,623	-	(6,651,712)	-
Balance at 31 December 2012	100,000,000	42,947,195	1,321,613	10,700,000	3,222,382	3,850,718	79,959,782	241,236,757

- The general banking risk reserve and the credit balance of fair value reserve are restricted from use without a prior approval from Central Bank of Jordan.
- At 31 December 2013, the unrealized gains included in retained earnings and resulting from the early implementation of IFRS 9 amounted to JD 13,867,907. This amount is not available for distribution.
- The retained earnings includes deferred tax assets amounted to JD 727,851 and is restricted from use as per the Central Bank of Jordan instructions.

The accompanying notes form 1 to 50 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Cash Flows for the Year Ended 31 December 2013 (In Jordanian Dinars)

	Notes	2013	2012
Operating Activities			
Profit before income tax		58,733,574	50,352,376
Adjustments for -			
Depreciation and amortisation		6,473,639	7,492,960
Impairment loss on direct credit facilities		6,800,000	3,373,406
Sundry provisions		1,260,717	1,040,587
Unrealized (profit) loss from financial assets at fair value through profit or loss		(3,396,504)	734,686
Gain from sale of property and equipment		(150,401)	(40,581)
Gain from sale of repossessed properties		(113,676)	(72,905)
Effect of exchange rate changes on cash and cash equivalents		(2,337,796)	(2,229,060)
Operating profit before changes in operating assets and liabilities		67,269,553	60,651,469
Changes in assets and liabilities -			
Increase in deposits at banks and financial institutions maturing after more than three months		(119,700,000)	(15,000,000)
Decrease (increase) in financial assets at fair value through profit or loss		1,099,478	(2,952,372)
Decrease (Increase) in direct credit facilities		35,749,625	(63,120,212)
(Increase) decrease in other assets		(5,674,842)	2,262,661
Increase (decrease) in banks and financial institution deposits maturing after more than three months		20,000,000	(7,000,000)
Increase in customers' deposits		25,693,263	25,190,844
Increase (decrease) in margin accounts		27,299,686	(5,449,325)
Sundry provisions paid		(553,011)	(1,025,491)
Increase in other liabilities		5,420,103	7,016,321
Net cash from operating activities before income tax		56,603,855	573,895
Income tax paid		(18,808,237)	(15,120,795)
Net cash from (used in) operating activities		37,795,618	(14,546,900)
Investing Activities			
Purchase of financial assets at fair value through OCI		(444,203)	(2,007,185)
Sale of financial assets at fair value through OCI		1,451,345	508,401
Payments to purchase investments		(20,140,716)	-
Proceeds from sale of property and equipment		174,646	86,736
Purchase of financial assets at amortized cost		(267,248,640)	(275,501,468)
Maturity of financial assets at amortized cost		158,163,936	248,798,070
Purchase of property and equipment		(2,609,354)	(4,516,135)
Purchase of intangible assets		(2,309,977)	(2,262,862)
Net cash used in investing activities		(132,962,963)	(34,894,443)
Financing Activities			
Dividends paid		(17,000,000)	(17,000,000)
Increase in loans and borrowings		127,896,155	121,418,000
Payments from loans and borrowings		(136,418,000)	(10,700,000)
Net cash (used in) from financing activities		(25,521,845)	93,718,000
Effect of exchange rate changes on cash and cash equivalents		2,337,796	2,229,060
Net (decrease) increase in cash and cash equivalents		(118,351,394)	46,505,717
Cash and cash equivalents, beginning of the year		294,950,815	248,445,098
Cash and cash equivalents, end of the year	37	176,599,421	294,950,815

The accompanying notes form 1 to 50 are an integral part of these financial statements

Cairo Amman Bank
Notes to the Consolidated Financial Statements
31 December 2013
(In Jordanian Dinars)

(1) General Information

The Bank is a public shareholding company registered and incorporated in Jordan in 1960 in accordance with the Companies Law No (12) of 1964. Its registered office is at Amman; Jordan.
The Bank provides its banking services through its main branch located in Amman and through its 85 branches in Jordan, 21 branches in Palestine, and its subsidiaries.

The Bank is listed on the Amman Stock Exchange.

The financial statements were authorized for issue by the Bank's Board of Directors meeting no. 1/2014 on 23 February 2014. These financial statements require the General Assembly's approval.

(2) Significant Accounting Policies

The significant accounting policies adopted in the preparation of the financial statements are set out below:

Basis of preparation

The accompanying consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations (IFRICs), and in conformity with the applicable laws and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

The financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Bank.

Changes in accounting policies:

The Bank's accounting policies are consistent with those used in the previous year except for the following:

The adoption of the amendments is described below:

Implementation of new and amended standards

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

This standard became effective starting from 1 January 2013.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Ventures. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard became effective starting from 1 January 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

This standard became effective starting from 1 January 2013.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard became effective for annual periods starting from 1 January 2013.

The application of the new standards did not have a significant impact on the financial position or performance of the Bank.

<u>Amended Standards</u>

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Bank's financial position or performance. The amendment became effective starting from 1 January 2013.

IFRS 7 Disclosures-Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments had no impact on the Bank's financial position or performance and became effective starting from 1 January 2013.

IAS 19 Employee Benefits (Revised)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Bank does not expect the amendments to have any impact on its financial position or performance as the Bank does not have employees benefit plans. The amendment became effective starting from 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Bank does not present separate financial statements. The amendment became effective starting from 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12 IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment became effective for annual periods starting from 1 January 2013.

Summary of significant accounting policies:

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries were the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions income, and expenses between the Bank and subsidiaries are eliminated.

Consolidated subsidiaries are:

- Al-Watanieh for Financial Services Company – Jordan (established 1992): Owned 100% by the Bank, with a paid-up capital of JD 5,000,000 as of 31 December 2013. The company's main activity is investment brokerage.
- Al-Watanieh Securities Company – Palestine (established 1995): Owned 100% by the Bank, with a paid-up capital of JD 1,500,000 as of 31 December 2013. The company's main activity is investment brokerage.
- Tamalak For Financial Leasing- Jordan (Establishment 2013) owned 100% by the Bank with a paid up capital of JD 500,000 as of 31 December 2013, however this company did not start its operation yet.
- No consolidation has been made of the financial statements of Cairo Real Estate Company – LL-Jordan, of which the Bank owns 100% of the paid-up capital of JD 50,000 as of 31 December 2013, due to the fact that on July 31, 2002 all assets and liabilities of the company were transferred to the Bank. The Bank is in the process of completing legal procedures to liquidate the company.

The financial statements of the subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies. If different accounting policies were applied by the subsidiaries, adjustments shall be made on their financial statements in order to comply with those of the Bank.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal, as appropriate.

If separate financial statements are prepared for the Bank, the investments in subsidiaries will be shown at cost in the balance sheet.

Segmental reporting

Business segments represent distinguishable components of the Bank that are engaged in providing products or services which are subject to risks and rewards that are different from those of other segments and are measured in accordance with the requests sent to the chief operating decision maker.

Geographical segments are associated to products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Financial assets at amortized cost:

A. Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the asset to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and interest on the outstanding principal amount; and
B. Debts instruments meeting these criteria are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective interest rate method, less allowance for impairment. The losses arising from impairment are recognized in the income statement.
C. The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.
D. It is not permitted to reclassify assets to or from this category except in certain circumstances determined in IFRS 9.
E. If these assets are sold before maturity date, gain or loss from sale is recorded in the income statement.

Financial assets at fair value through profit or loss:

A. The debt instruments that are not consistent with the business model of financial assets carried at amortized cost or those which the Bank chose to classify them at fair value through profit or loss are measured at fair value through profit and loss.

B. Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the statement of income at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising are recorded in the income statement.

C. Dividend and interest income are recorded in the income statement.

D. It is not permitted to reclassify assets (to / or) from this category except in certain circumstances determined in IFRS 9.

Financial assets at fair value through other comprehensive income:

A. Equity investments that are not held for sale in the near future.

B. These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of the asset is reclassified from fair value through other comprehensive income reserve to retained earnings.

C. These financial assets are not subject to impairment testing.

D. Dividend income is recognized in the statement of income.

E. It is not permitted to reclassify assets (to / or) from this category except in certain circumstances determined in IFRS 9.

Direct credit facilities

Direct credit facilities are financial assets with fixed and determined payments provided or granted by the Bank and do not have any market value in active market and measured at amortized cost.

Impairment of direct credit facilities is recognized in the allowance for credit losses when collection of amounts due to the banks are not probable and when events occur after the initial recognition of the facility that have an impact on the estimated future cash flows of the facilities that can be reliably estimated. The impairment is recorded in the income statement.

Interest and commission arising on non-performing facilities is suspended when loans become impaired according to the Central Bank of Jordan's regulations.

Loans and the related allowance for credit losses are written off when collection procedures become ineffective. The excess in the allowance of possible loan losses, if any, is transferred to the statement of income, and cash recoveries of loans that were previously written off are credited to the income statement.

Fair value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.

The objective of the valuation method is to show a fair value that reflects market expectations.

Impairment of financial assets
The Bank assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, the recoverable amount is estimated in order to determine the amount of impairment loss to be recognized in the income statement.

Impairment is determined as follows:

- For assets carried at amortised cost, impairment is based on the difference between the carrying value and the estimated cash flows discounted at the original effective interest method.

Impairment is recognized in the income statement. If in a subsequent period, the amount of the impairment loss decreases, the carrying value of the asset is increased to its recoverable amount.

Property and equipment
Property and equipment is measured at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. Depreciation rates used are as follows:

	%
Buildings	2
Equipment and furniture	9-15
Vehicles	15
Computers	20

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the income statement.

Useful life for property and equipment is reviewed every year. If expected useful life is different from the previous one, the difference is recorded in the current and subsequent periods as a change in accounting estimate.

Elimination at the property and equipment happens when the asset is disposed of there is no future benefits fro using it.

Provisions
Provisions are recognized when the Bank has a present obligation (legal or constructive) the date at the financials arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service indemnity

Provision for end of service indemnity is established by the Bank to face any legal or contractual obligations at the end of employees' services and is calculated based on the service terms as of the financial statements date.

Income Tax
Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the income statement. Accounting profits may include non-taxable profits or non deductible expenses which may be exempted in the current or subsequent financial years or accumulated losses that are acceptable as a tax deductions or items that are non taxable or not deductable for tax purposes.

Tax is calculated based on tax rates and laws that are applicable in the countries of operation.

Deferred tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the balance sheet date.

The Bank calculates the deferred tax in accordance with IAS12.

Fiduciary assets
Assets held in a fiduciary capacity are not recognized as assets of the Bank. Allowances for impairment are recorded for capital guaranteed portfolios that are managed on behalf of clients. Fees and commissions received for administering such assets are recognized in the income statement.

Offsetting
Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Bank intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivatives and hedge accounting
For hedge accounting purposes, derivative instruments are fair valued and hedges are classified as follows:

Fair value hedges
A fair value hedge is a hedge of the exposure to changes in the fair value of the Bank's recognized assets or liabilities that is attributable to a particular risk.

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as adjustment to the carrying value of the hedged item and is also recognized in the income statement.

Cash flow hedges
A cash flow hedge is a hedge of the exposure to variability in the Bank's actual and expected cash flows which is attributable to a particular risk associated with a recognized asset or liability.

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized directly in equity, and is subsequently transferred to the income statement in the period in which the hedged cash flows affect income.

Hedge of net investments in foreign operations
Hedges of net investments in a foreign operation are accounted for by measuring the fair value of the hedging instrument. The effective portion of the gain or loss on the hedging instrument is initially recognized directly in equity, while the ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recognized directly in equity is transferred to the income statement.

For hedges which become ineffective, gains or losses resulting from the change in fair value of the hedge instrument is recognized directly in the income statement.

Derivative financial instruments held for trading
Derivative financial instruments such as foreign currency forward and future deals, interest rate forward and future deals, swaps, foreign currency options and others, are recorded at fair value in the balance sheet. Fair value is determined by reference to current market prices. In case such prices were not available, the method of valuation is stated. Changes in fair value are transferred to the income statement.

Repurchase and resale agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's financial statements within the pledged financial assets as collateral due to the Bank's continuing exposure to the risks and rewards of these assets, using the same accounting policies.

The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the Bank's financial statements as assets since the Bank is not able to control these assets. The related payments are recognized as part of deposits at banks and financial institutions or direct credit facilities as applicable, and the difference between purchase and resale price is recognized in the income statement over the agreement term using the effective interest method.

Pledged financial assets as collateral

These are the financial assets that are pledged for other parties as collateral for specific contractual period, both parties doesn't have the right to sell or re-pledge the asset unless they both agreed to these financial assets continues to be valued using the same accounting policies and classification.

Revenue and expense recognition

Interest income is recorded using the effective interest method except for fees and interest on non performing facilities, on which interest is transferred to the interest in suspense account and not recognized in the income statement.

Expenses are recognized on an accrual basis.

Commission income is recognized upon the rendering of services. Dividend income is recognized when the right to receive payment is established.

Trade date accounting

Sale or purchase of financial assets is recognized at the trade date, i.e. the date that the Bank commits to purchase or sell the asset.

Assets repossessed by the Bank against non- performing loans

Assets repossessed by the Bank through calling upon collateral are shown in the balance sheet under "Other assets" at the lower of their carrying value or fair value. Assets are revalued at the balance sheet date on an individual basis and losses from impairment are transferred directly to the income statement, while revaluation gains are not recognized as income. Reversal of previous impairment losses shall not result in a carrying value that exceeds the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Intangible assets

Intangible assets acquired through a business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets are classified on the basis of their useful life as definite and indefinite useful lives. Intangible assets with finite lives are amortized over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.

Internally generated intangible assets are not capitalized and are expensed in the income statement.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Intangible assets include computer software and programmers. These intangibles are amortized evenly over their estimated useful economic life of 5 years.

Foreign currencies
Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the balance sheet date as issued by Central Bank of Jordan. Any gains or losses are taken to the income statement.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences for non-monetary assets and liabilities in foreign currencies (such as equity instruments) are recorded as part of the change in fair value.

Upon the consolidation of the financial statements at the reporting date, the assets and liabilities of foreign subsidiaries and overseas branches are translated into the Bank's presentation currency at the rate of exchange ruling at the balance sheet date, and their income statements are translated at the weighted average exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is transferred to the income statement.

Cash and cash equivalents
Cash and cash equivalents comprises cash on hand and cash balances with banks and financial institutions that mature within three months, less banks and financial institutions deposits that mature within three months and restricted balances.

(3) Use of estimates

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

- Allowance for credit losses: The Bank reviews and provides for its loan portfolios according to the Central Bank of Jordan regulations and IFRS.
- Impairment losses on the valuation of possessed real estate properties are determined based on appraisal reports prepared by certified appraisers and reviewed periodically.
- The income tax provision is calculated based on the applications of relevant laws.
- Management periodically revaluates the useful life's of tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the income statement.
- Legal provisions are provided for lawsuits raised against the Bank based on the Bank's legal advisors' opinion.

(4) Cash and Balances with Central Banks

	2013 JD	2012 JD
Cash on hand	54,133,462	45,604,338
Balances at Central Banks:		
Current and demand deposits	57,706,371	80,907,608
Time and notice deposits	7,444,500	7,444,500
Statutory cash reserve	78,067,477	77,323,728
	197,351,810	211,280,174

In addition to the statutory cash reserve held at Central Banks, restricted balances amounted to JD 7,444,500 as of 31 December 2013 and 2012.

(5) Balances at Banks and Financial Institutions

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2013 JD	2012 JD	2013 JD	2012 JD	2013 JD	2012 JD
Current and demand deposits	260,567	296,142	21,910,785	19,720,261	22,171,352	20,016,403
Deposits maturing within 3 months	104,676,108	63,388,006	53,786,388	106,469,351	158,462,496	169,857,357
	104,936,675	63,684,148	75,697,173	126,189,612	180,633,848	189,873,760

Non interest bearing balances at banks and financial institutions amounted to JD 22,171,352 as of 31 December 2013 (2012: JD 20,016,403).

There are no restricted balances as of 31 December 2013 and 2012.

(6) Deposits at Banks and Financial Institutions

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2013 JD	2012 JD	2013 JD	2012 JD	2013 JD	2012 JD
Deposit maturing within						
More than 3 to 6 months	65,900,000	15,000,000	3,500,000	3,500,000	69,400,000	18,500,000
More than 9 to 12 months	68,800,000	-	-	-	68,800,000	-
	134,700,000	15,000000	3,500,000	3,500,000	138,200,000	18,500,000

- There are no restricted balances as of 31 December 2013 and 2012.

(7) Financial Assets at Fair Value Through Profit or Loss

	2013 JD	2012 JD
Quoted Equities	27,050,501	25,012,328
Bonds	-	111,245
Funds	2,104,667	1,734,569
Total	29,155,168	26,858,142

(8) Financial Assets at Fair Value Through Other Comprehensive Income

	2013 JD	2012 JD
Quoted Investments		
Quoted Equities	24,416,217	25,876,821
Total Quoted Investments	24,416,217	25,876,821
Unquoted Investments		
UnQuoted Equities	803,713	716,684
Total Unquoted Investments	803,713	716,684
Total	25,219,930	26,593,505

Realized gains transferred to retained earnings as a result of the sale of financial assets at fair value through other comprehensive income amounted to JD 123,736 (2012: JD 145,163).

Dividends from financial assets at fair value through other comprehensive income amounted to JD 895,038 (2012: JD 989,171).

(9) Direct Credit Facilities

	2013 JD	2012 JD
Consumer Lending		
Overdrafts	5,693,576	7,166,317
Loans and Bills*	541,666,808	540,883,927
Credit Cards	10,199,846	10,199,715
Others	5,487,169	6,018,584
Residential Mortgages	128,484,249	128,094,176
Corporate Lending		
Overdrafts	63,825,074	64,046,782
Loans and Bills*	109,340,181	119,902,929
Small and Medium Enterprises Lending "SMEs"		
Overdrafts	17,423,084	18,960,249
Loans and Bills*	32,100,879	30,774,674
Lending to Governmental Sectors	112,914,549	138,057,561
Total	1,027,135,415	1,064,104,914
Less: Suspended Interest	(11,387,288)	(10,994,072)
Less: Allowance For Impairment Losses	(50,960,953)	(45,774,043)
Direct Credit Facilities, Net	964,787,174	1,007,336,799

* Net of interest and commissions received in advance of JD 6,553,129 as of 31 December 2013 (2012: JD 7,228,384).

At 31 December 2013, non-performing credit facilities amounted to JD 59,893,154 (2012: JD 58,563,507), representing 5.83% (2012: 5.50% of gross facilities granted.

At 31 December 2013, non-performing credit facilities, net of suspended interest, amounted to JD 48,557,975 (2012: JD 47,630,071), representing 4.78% (2012: 4.52%) of gross facilities granted after excluding the suspended interest.

At 31 December 2013, credit facilities granted to the Government of Jordan amounted to JD 42,029,661 (2012: JD 53,855,727), representing 4.09% (2012: 5.06%) of gross facilities granted.

At 31 December 2013, credit facilities granted to the public sector in Palestine amounted to JD 55,117,710 (2012: JD 51,583,984), representing 5.37% (2012: 4.85%) of gross facilities granted.

A reconciliation of the allowance for impairment losses for direct credit facilities by class is as follows:

	Consumer	Residential mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
2013-					
As of 1 January 2013	23,241,948	712,242	19,503,382	2,316,471	45,774,043
Charge for the Year	6,790,123	170,078	(1,101,368)	941,167	6,800,000
Amounts written off	(1,097,412)	-	(462,519)	(24,555)	(1,584,486)
Revaluation difference	(28,604)	-	-	-	(28,604)
As of 31 December 2013	28,906,055	882,320	17,939,495	3,233,083	50,960,953
Specific impairment on Individual loans	22,451,046	848,009	17,793,958	2,958,423	44,051,436
Watch list	1,351,826	34,311	145,537	274,660	1,806,334
Collective impairment	5,103,183	-	-	-	5,103,183
As of 31 December 2013	28,906,055	882,320	17,939,495	3,233,083	50,960,953
2012-					
As of 1 January 2012	22,320,080	565,674	20,261,874	2,087,194	45,234,822
Charge (surplus) for the year	2,021,881	146,568	751,028	453,929	3,373,406
Amounts written off	(1,037,416)	-	(1,509,520)	(224,652)	(2,771,588)
Revaluation difference	(62,597)	-	-	-	62,597)
As of 31 December 2012	23,241,948	712,242	19,503,382	2,316,471	45,774,043
Specific impairment on Individual loans	18,171,098	693,170	19,396,393	2,287,602	40,548,263
Watch list	274,547	19,072	106,989	28,869	429,477
Collective impairment	4,796,303	-	-	-	4,796,303
As of 31 December 2012	23,241,948	712,242	19,503,382	2,316,471	45,774,043

Allowance for impairment related to non-performing credit facilities that were settled or collected amounted to JD 4,399,526 during 31 December 2013 (2012: JD 3,850,478).

A reconciliation of suspended interest on direct credit facilities by class is as follows:

	Consumer	Residential mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
2013-					
As of 1 January 2013	4,800,185	26,117	5,266,231	901,539	10,994,072
Add: Suspended interest during the year	408,589	-	195,051	202,652	806,292
Less: Amount transferred to income on recovery	(146,403)	(4,758)	(28,786)	(19,480)	(199,427)
Less: Amounts written off	(132,270)	-	(81,284)	(95)	(213,649)
As of 31 December 2013	4,930,101	21,359	5,351,212	1,084,616	11,387,288
2012-					
As of 1 January 2012	4,836,561	48,330	4,681,387	962,606	10,528,884
Add: Suspended interest during the year	364,428	-	684,775	45,359	1,094,562
Less: Amount transferred to income on recovery	(187,331)	(13,178)	-	-	(200,509)
Less: Amounts written off	(213,473)	(9,035)	(99,931)	(106,426)	(428,865)
As of 31 December 2012	4,800,185	26,117	5,266,231	901,539	10,994,072

(10) Financial Assets at Amortised Cost

	2013	2012
	JD	JD
Quoted Investments		
Treasury Bills	1,759,582	1,752,536
Corporate Debt Securities	20,241,046	20,236,531
Total Quoted Investments	22,000,628	21,989,067
Unquoted Investments		
Treasury Bills	396,034,498	283,668,554
Government Debt Securities	46,400,076	35,147,968
Corporate Debt Securities	1,666,150	17,987,050
Other Debt Securities	23,914	30,603
Impairment Losses	(141,800)	(141,800)
Total Unquoted Investments	443,982,838	336, 692,375
Total Financial Assets at Amortised Cost	465,983,466	358,681,442
Analysis Of Debt Instruments		
Fixed Rate	464,459,116	357,086,192
Floating Rate	1,524,350	1,595,250
Total	465,983,466	358,681,442

the movement on the impairment losses is as follows:

	2013	2012
	JD	JD
Beginning balance	141,800	141,800
Additions	-	-
Recoveries	-	-
Ending balance	141,800	141,800

(11) Financial Assets Pledged as Collateral

	2013		2012	
	Financial assets pledged as collateral	Related financial liabilities	Financial assets pledged as collateral	Related financial liabilities
	JD	JD	JD	JD
Financial asset at amortised cost	110,142,962	109,851,155	108,360,282	106,418,000

These bonds were collateralized against the repo agreements with the Central Bank of Jordan which amounted to JD 108,880,435, including industrial financing loans from CBJ which amounted to JD 970,720.

(12) Property and Equipment

	Land	Buildings	Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
	JD	JD	JD	JD	JD	JD	JD
2013 -							
Cost:							
At 1 January 2013	1,274,879	13,876,480	38,489,628	1,458,341	23,436,339	1,436,879	79,972,546
Additions	-	-	485,374	-	776,008	1,347,972	2,609,354
Transferred	-	-	146,097	-	724,790	(870,887)	-
Disposals	-	-	(3,010,201)	(280,874)	(1,687,719)	-	(4,978,794)
At 31 December 2013	1,274,879	13,876,480	36,110,898	1,177,467	23,249,418	1,913,964	77,603,106
Accumulated depreciation:							
At 1 January 2013	-	2,833,921	23,333,891	940,189	18,269,126	-	45,377,127
Depreciation charge during the year	-	277,529	2,812,696	122,100	2,211,406	-	5,423,731
Disposals	-	-	(2,991,553)	(280,686)	(1,682,310)	-	(4,954,549)
At 31 December 2013	-	3,111,450	23,155,034	781,603	18,798,222	-	45,846,309
Net book value At 31 December 2013	1,274,879	10,765,030	12,955,864	395,864	4,451,196	1,913,964	31,756,797
2012 -							
Cost:							
At 1 January 2012	1,274,880	13,858,075	35,762,209	1,233,554	22,164,201	1,979,423	76,272,342
Additions	-	20,250	2,175,267	238,087	912,162	1,170,369	4,516,135
Transferred	-	-	787,918	-	924,995	(1,712,913)	-
Disposals	(1)	(1,845)	(235,766)	(13,300)	(565,019)	-	(815,931)
At 31 December 2012	1,274,879	13,876,480	38,489,628	1,458,341	23,436,339	1,436,879	79,972,546
Accumulated depreciation:							
At 1 January 2012	-	2,557,103	20,260,328	846,735	16,152,563	-	39,816,729
Depreciation charge during the year	-	277,291	3,303,675	106,753	2,642,455	-	6,330,174
Disposals	-	(473)	(230,112)	(13,299)	(525,892)	-	(769,776)
At 31 December 2012	-	2,833,921	23,333,891	940,189	18,269,126	-	45,377,127
Net book value At 31 December 2012	1,274,879	11,042,559	15,155,737	518,152	5,167,213	1,436,879	34,595,419

Fully depreciated property and equipment amounted to JD 28,424,462 as of 31 December 2013 (2012: JD 24,087,451).

The estimated cost to complete the purchase of assets and projects under construction amounted to JD 613,355 as of 31 December 2013 (2012: JD 1,325,292).

(13) Intangible Assets

	Computer Software	
	2013	2012
	JD	JD
Cost:		
As of 1 January	7,313,881	6,213,805
Additions	2,309,977	2,262,862
Amortisation during the year	(1,049,908)	(1,162,786)
	8,573,950	7,313,881

(14) Other Assets

	2013	2012
	JD	JD
Accrued interest and revenue	16,224,360	8,270,987
Prepaid expenses	4,259,888	4,759,818
Assets obtained by the Bank by calling on collateral*	10,761,166	10,799,390
Accounts receivable - net	1,476,656	1,234,040
Clearing checks	4,630,025	5,149,311
Trading settlement account	25,000	25,000
Refundable deposits	286,240	290,526
Deposit at Visa International	1,063,500	1,042,230
Payment on account to purchase investments	20,140,716	-
Depositary Centre reconciliation	542,963	-
Others	1,025,750	2,935,728
	60,436,264	34,507,030

* Central Bank of Jordan regulations require the sale of assets obtained by the Bank by calling on collateral within a maximum two years from the date of assignment.

A reconciliation of assets obtained by the Bank by calling on collateral during the year is as follows:

	2013	2012
	JD	JD
At 1 January	10,799,390	11,040,584
Additions	439,444	177,699
Disposals	(477,668)	(418,893)
At 31 December	10,761,166	10,799,390

(15) Banks and Financial Institutions Deposits

	2013			2012		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and demand deposits	1,704,125	3,188,381	4,892,506	1,200,925	6,136,040	7,336,965
Time deposits	111,486,343	97,562,888	209,049,231	57,478,668	33,942,986	91,421,654
As of 31 December	113,190,468	100,751,269	213,941,737	58,679,593	40,079,026	98,758,619

(16) Customers' Deposits

	Consumer	Corporate	SMEs	Governmental sectors	Total
	JD	JD	JD	JD	JD
2013-					
Current and demand deposits	233,327,017	77,655,217	38,183,510	69,428,273	418,594,017
Saving accounts	328,548,837	1,294,892	1,578,027	1,566	331,423,322
Time and notice deposits	338,564,912	179,063,332	16,531,370	141,841,519	676,001,133
Total	900,440,766	258,013,441	56,292,907	211,271,358	1,426,018,472
2012-					
Current and demand deposits	222,814,752	85,271,006	34,087,537	57,773,568	399,946,863
Saving accounts	313,826,284	1,311,817	1,189,341	2,046	316,329,488
Time and notice deposits	276,590,084	224,505,884	18,610,641	164,342,249	684,048,858
Total	813,231,120	311,088,707	53,887,519	222,117,863	1,400,325,209

- Governmental institutions' deposits amounted to JD 187,784,256 as of 31 December 2013 (2012: JD 195,059,636) representing 13.17% (2012: 13.93%) of total customers' deposits.
- Non-interest bearing deposits amounted to JD 584,817,896 as of 31 December 2013 (2012: 534,747,304) representing 41.01% (2012: 38.19%) of total deposits.
- Dormant accounts amounted to JD 40,672,310 as of 31 December 2013 (2012: 28,271,232).
- Restricted deposits amounted Nil as of 31 December 2013 and 2012.

(17) Margin Accounts

	2013	2012
	JD	JD
Margins on direct credit facilities	24,316,305	25,078,986
Margins on indirect credit facilities	36,266,955	8,696,657
Deposits against brokerage margin accounts	5,391,119	6,258,630
Others	3,299,094	1,939,514
	69,273,473	41,973,787

(18) Loans and Borrowings

	Amount	Total no. of instalments	Outstanding instalments	Payable Every	Maturity Date	Collaterals	Interest rate
	JD	JD	JD	JD	JD	JD	%
31 December 2013							
Amounts borrowed from Jordan Mortgage Refinancing company	5,000,000	1	1	At maturity	2014	Pledged bonds	% 6.85
Amounts borrowed from overseas investment company (OPIC)	35,450,000	1	1	At maturity	2034	None	4.845-4.895%
Amounts borrowed from French Development Agency	3,545,000	1	1	At maturity	2015	None	1.22%
Amounts borrowed from Central Bank of Jordan	108,880,435	3	3	At maturity	2014	Repo	3.75%
Amounts borrowed from Central Bank of Jordan	9,500,000	10	10	Semi- annually	2028	None	2.5%
Amounts borrowed from Central Bank of Jordan	90,800	12	7	Monthly	2014	Treasury Bills	2.75%
Amounts borrowed from Central Bank of Jordan	879,920	5	5	At maturity	2014	Treasury Bills	2.75%-3%
Amounts borrowed from International financial markets	1,074,224	1	1	Monthly	-	None	-
Total	164,420,379						

	Amount	Total no. of instalments	Outstanding instalments	Payable Every	Maturity Date	Collaterals	Interest rate
	JD	JD	JD	JD	JD	JD	%
31 December 2012							
Amounts borrowed from Jordan Mortgage Refinancing company	40,000,000	4	4	At maturity	2013	Pledged bonds	% 8.1 – 5.3
Amounts borrowed from Central Bank of Jordan	96,178,000	2	2	At maturity	2013	None	4.25%
Amounts borrowed from Central Bank of Jordan	240,000	1	1	At maturity	2013	Repo	3%
Amounts borrowed from overseas investment company (OPIC)	35,450,000	1	1	At maturity	2034	Treasury Bills	4.845-4.895%
Amounts borrowed from International financial markets	1,074,224	1	1	Monthly	-	None	-
Total	172,942,224						

the borrowed funds were re-lent as residential mortgages at an avevage rate 8% and the tolal re-lent funds amounted to JD 5.000.000.

(19) Sundry Provisions

	Balance at January 1	Provided during the period	Utilised during the year	Balance at December 31
	JD	JD	JD	JD
2013-				
Provision for lawsuits against the Bank	5,343,415	217,225	(42,417)	5,518,223
Provision for end of service indemnity	6,412,035	1,043,492	(510,594)	6,944,933
Other contingent liabilities	63,043	-	-	63,043
Total	11,818,493	1,260,717	(553,011)	12,526,199
2012-				
Provision for lawsuits against the Bank	5,394,378	-	(50,963)	5,343,415
Provision for end of service indemnity	6,345,976	1,040,587	(974,528)	6,412,035
Other contingent liabilities	63,043	-	-	63,043
Total	11,803,397	1,040,587	(1,025,491)	11,818,493

(20) Income Tax

Income Tax Liabilities

The movements on the income tax provision were as follows:

	2013	2012
	JD	JD
At January 1	23,064,940	22,621,983
Income tax paid	(18,808,237)	(15,120,795)
Income tax payable	18,409,780	15,563,752
At December 31	22,666,483	23,064,940

Income tax appearing in the Income Statement represents the following:

	2013	2012
	JD	JD
Provision for income tax for the year	18,409,780	15,563,752
Amortisation of deferred tax liabilities	(179,631)	(62,170)
Deferred tax assets	(292,471)	(435,380)
Income tax charge for the year	17,937,678	15,066,202

The statutory tax rate on banks in Jordan is 30% and the statutory tax rate on foreign branches and subsidiaries range between 15%-36% (income tax rate for banks in Palestine is 20% plus VAT of 16%) (2012:14.5%).

The Bank reached a final settlement with the Income and Sales Tax Department for the year ended 31 December 2012.

A final settlement was reached with the tax authorities for Palestine branches for the years from 2009 to 2012. The Income Tax Department had a re-claim for the Bank with extra amount for the year 2006 and 2007. The Bank had appealed against the court decision. Also a tax assessment was issued from the tax department for the year 2008 but the Bank disputed the assessment.

Al-Watanieh Financial Services Company reached a final settlement with the Income and Sales Tax Department up to the year 2009. The Income and Sales Tax Department did not review 2010,2011 and 2012 records.

Al-Watanieh Securities Company – Palestine reached a final settlement with the income tax Department for the year 2012.

The Income and Sales Tax Department has not reviewed the accounts of Cairo Real Estate Investments Company for the years from 1997 to 2012.

In the opinion of the Bank's management, income tax provisions as of 31 December 2013 are sufficient.

Deferred Tax Liabilities

The movement on temporary differences giving rise to Deferred Tax Assets and Liabilities are:

	2013					2012
	Balance at January 1	Released during the year	Additions during the year	Balance at December 31	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Allowance for impairment losses	1,009,709	1,453,655	1,845,182	1,009,709	420,371	302,913
Non deductible expenses resulting from temporary differences	441,558	266,624	850,000	441,558	307,480	132,467
	1,451,267	1,720,279	2,695,182	1,451,267	727,851	435,380
Deferred tax liabilities						
Unrealised Gain – financial assets at FVTOCI	3,199,039	3,483,152	2,939,952	387,419	548,796	113,254
Unrealised gain – financial assets at FVTPL	6,330,695	422,002	-	6,330,695	1,772,609	1,899,209
	9,529,734	3,905,154	2,939,952	6,718,114	2,321,405	2,012,463

Included in deferred tax liabilities an amount of JD 548,796 (2012: JD 113,254) resulting from gains from the revaluation of financial assets at fair value through other comprehensive income which are included in the fair value reserve in equity. Also, deferred tax liabilities include an amount of JD 1,772,609 which represents unrealized gains transferred to retained earnings resulted from the early implementation of IFRS 9.

The movement on Deferred Tax Assets and Liabilities account is as follows:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
As of 1 January	435,380	2,012,463	-	2,270,355
Additions	808,554	1,468,694	435,380	708,344
Released	(516,083)	(1,159,752)	-	(966,236)
As of 31 December	727,851	2,321,405	435,380	2,012,463

A reconcilliation between tax expense and the accounting profit is as follows:

	2013	2012
	JD	JD
Accounting profit	58,733,574	50,352,376
Non-taxable profit	(6,652,891)	(5,893,226)
Non-deductible expenses	6,059,621	4,696,127
Taxable profit	58,140,304	49,155,277
Effective rate of income tax	30.54%	29,92%

Deferred tax is calculated using the applicable tax rates in the related country.

(21) Other Liabilities

	2013	2012
	JD	JD
Accrued interest expense	5,599,944	4,029,683
Accounts payable	6,236,360	4,200,579
Accrued expenses	6,693,891	5,295,382
Temporary deposits	11,731,589	8,612,481
Checks and withdrawals	4,864,091	7,662,906
Settlement guarantee fund	-	97,000
Others	2,497,550	2,305,291
	37,623,425	32,203,322

(22) Paid In Capital

The authorized and paid in capital amounted to JD 100,000,000 divided into 100,000,000 shares at a par value of JD 1 per share.

(23) Reserves

Statutory Reserve
As required by the Law, 10% of the profit before tax is transferred to the statutory reserve. This reserve is not available for distribution to shareholders.

Voluntary Reserve
The balance represents 20% of the profit before tax transferred to the voluntary reserve during previous years. The reserve shall be used at the discretion of the Board of Directors, and it is distributable to shareholders in part or in full.

General banking risk reserve
This reserve is appropriated from retained earnings in compliance with the regulations of the Central Bank of Jordan and Palestine Monetary Authority.

Cyclical reserve
This reserve is appropriated from retained earnings in compliance with the regulations of the Palestine Monetary Authority.

The use of the following reserves is restricted by law:

Description	Amount	Restriction Law
Statutory reserve	48,475,553	Banks and companies Law
General banking risk reserve	11,820,000	Central Bank of Jordan regulations
Cyclical reserve	4,032,498	Palestine Monetary Authority regulations

(24) Fair Value Reserve

The movement is as follows:

	2013	2012
	JD	JD
Beginning balance	3,085,785	3,850,718
Unrealized loss	(419,464)	(877,662)
Gain from sale financial assets at fair value through other comprehensive income	(123,736)	(145,163)
Deferred tax liability	(435,542)	257,892
Ending balance	2,107,043	3,085,785

The fair value reserve is presented net of deferred tax liabilities of JD 548,796 as of 31 December 2013.

(25) Retained Earnings

	2013	2012
	JD	JD
Balance at 1 January	79,959,782	68,180,157
Profit for the year	40,795,896	35,286,174
Transferred to statutory reserve	(5,528,358)	(5,198,089)
Transferred to general banking risk reserve	(1,120,000)	(550,000)
Transferred to cyclical reserve	(810,116)	(903,623)
Cash dividends	(17,000,000)	(17,000,000)
Net gain from sale of financial assets at fair value through other comprehensive income	123,736	145,163
	96,420,940	79,959,782

Retained earnings balance include unrealized gains amounting to JD 13,867,907 resulted from the early implementation of IFRS 9. This amount is not available for distribution in accordance with the Jordan Securities Commission instructions, except for the amounts realized through the sale of the financial assets.

Retained earnings include an amount of JD 727,851 as deferred tax assets which is not available for distribution in accordance with Central Bank of Jordan instructions.

(26) Proposed Dividends

The Board of Directors proposed the distribution of dividends to its shareholders of JD 17,000,000 (2012: JD 17,000,000), equivalent to 17% (2012: 17%) of paid in capital. In addition, the Board of Directors proposed the issuance of bonus shares to increase the Bank's capital by JD 25,000,000 which is equivalent to 25% of paid in capital.

The proposed dividends are subject to approval by the General Assembly in its meeting to be held during 2014.

(27) Interest Income

	2013	2012
	JD	JD
Consumer lending		
Overdrafts	509,958	663,253
Loans and bills	62,323,847	57,126,370
Credit cards	2,271,174	2,369,345
Others	230,860	240,124
Residential mortgages	8,663,162	8,831,942
Corporate lending		
Overdrafts	6,387,279	4,407,379
Loans and bills	7,078,253	7,273,099
Small and medium enterprises lending		
Overdrafts	814,038	1,130,811
Loans and bills	2,658,565	2,206,103
Public and governmental sectors	8,617,307	8,599,016
Balances at Central Banks	228,621	117,501
Balances at banks and financial institutions	10,370,876	4,614,247
Financial assets at amortised cost	39,128,175	27,399,719
Financial assets at fair value through other comprehensive income	-	10,497
Total	149,282,115	124,989,406

(28) Interest Expense

	2013 JD	2012 JD
Banks and financial institution deposits	4,196,275	2,764,601
Customers' deposits -		
Current accounts and deposits	3,204,174	2,698,814
Saving accounts	1,408,889	2,011,842
Time and notice placements	33,254,830	23,837,941
Margin accounts	577,754	422,197
Loans and borrowings	9,018,564	4,558,751
Deposit guarantee fees	1,979,700	2,011,837
	53,640,186	38,305,983

(29) Net Commission

	2013 JD	2012 JD
Commission income -		
Direct credit facilities	5,254,381	5,991,383
Indirect credit facilities	2,930,161	2,028,949
Other commission	11,376,341	11,327,820
Less: commission expense	(15,210)	(5,969)
	19,545,673	19,342,183

(30) Gain From Foreign Currencies

	2013 JD	2012 JD
Resulting from -		
Trading in foreign currencies	451,730	362,204
Revaluation of foreign currencies	2,337,796	2,229,060
	2,789,526	2,591,264

(31) Net Gain From Financial Assets at Fair Value Through Profit or Loss

	(Realised gain/loss)	(Unrealised gain/loss)	Cash dividends	Total
2013-				
Equities	175,017	3,026,406	2,132,938	5,334,361
Funds	-	370,098	-	370,098
	175,017	3,396,504	2,132,938	5,704,459
2012-				
Equities	20,752	(760,486)	1,928,237	1,188,503
Bonds	-	2,757	-	2,757
Funds	-	23,043	-	23,043
	20,752	(734,686)	1,928,237	1,214,303

(32) Dividends From Financial Assets at Fair Value Through Other Comprehensive Income

	2013	2012
	JD	JD
Dividend income	895,038	989,171
	895,038	989,171

(33) Other Income

	2013	2012
	JD	JD
Suspended interest transferred to revenue	199,427	200,509
Safety deposit box rental income	72,456	70,740
Revenues from selling check books	99,260	123,488
Collections of debts previously written off	1,359,384	423,739
Credit cards income	1,912,907	2,063,546
Gain from sale of property and equipment	150,401	40,581
Gain from sale of assets repossessed by the Bank	113,676	72,905
Rent revenue	6,615	6,780
Brokerage commission	538,445	467,484
Others	128,066	130,894
	4,580,637	3,600,666

(34) Employees' Expenses

	2013	2012
	JD	JD
Salaries and benefits	29,244,045	27,132,589
Bank's contribution to social security	2,078,599	1,980,398
Bank's contribution to savings fund	424,842	421,362
End of service indemnity	257,683	95,821
Medical expenses	1,738,295	1,505,580
Training and research	276,359	308,009
Employees' uniform	345,728	185,732
Value add tax	1,109,423	971,271
Others	9,739	79,866
	35,484,713	32,680,628

(35) Other Expenses

	2013	2012
	JD	JD
Rent	3,057,202	3,025,962
Cleaning and maintenance	1,276,460	1,151,086
Water, heat and electricity	2,188,907	1,779,663
License and governmental fees	1,002,990	891,067
Printings and stationery	761,607	657,526
Donations	506,998	443,283
Insurance fees and expenses	693,251	634,817
Subscriptions	679,551	528,850
Telephone and telex	513,395	484,939
Legal fees	248,266	356,336
Professional fees	755,947	825,946
Money transfer expenses	395,182	289,852
Advertising expenses	1,940,499	2,330,517
Credit cards expenses	281,346	348,328
Board of Directors expenses	196,757	200,294
Information systems expenses	4,324,804	3,996,473
Travel and transportation	713,958	690,997
Scientific research and vocational training fees	271,945	201,939
Other expenses	595,554	711,366
	20,404,619	19,549,241

(36) Earnings Per Share

	2013	2012
	JD	JD
Profit for the year	40,795,896	35,286,174
Weighted average number of shares	100,000,000	100,000,000
Basic and diluted earnings per share (JD/Fils)	0/408	0/353

(37) Cash and Cash Equivalents

Cash and Cash Equivalents appearing in the Statement of Cash Flows consist of the following Balance Sheet items:

	2013	2012
	JD	JD
Cash and balances with Central Banks maturing within 3 months	197,351,810	211,280,174
Less: Banks and financial institutions' deposits maturing within 3 months	180,633,848	189,873,760
Certificate of deposits maturing after 3 months restricted cash balances	(193,941,737)	(98,758,619)
Cash and cash equivalents	(7,444,500)	(7,444,500)
	176,599,421	294,950,815

(38) Derivative Financial Instruments

The table below shows the positive and negative fair values of derivative financial instruments together with the notional amounts analysed by their term to maturity.

				Par value maturity			
	Positive fair value	Negative fair value	Total notional amount	Within 3 months	12 – 3 months	years 3 – 1	More than 3 years
2013-	JD	JD	JD	JD	JD	JD	JD
Derivatives held as fair value hedges:							
Interest rate swap	-	8,008	709,000	-	709,000	-	-
Forward foreign currency contracts	-	608,573	63,810,000	14,180,000	49,630,000	-	-
2012 -							
Derivatives held as fair value hedges:							
Interest rate swap	-	22,846	709,000	-	-	709,000	-
Forward foreign currency contracts	-	72,042	9,926,000	-	9,926,000	-	-

The notional amounts indicate the volume of transactions outstanding at the year end and are neither indicative of the market risk nor the credit risk.

Interest rate swap derivatives are used to hedge for the fluctuation of interest rates of some granted credit facilities with fixed interest rates.

(39) Related Party Transactions

The accompanying consolidated financial statements of the Bank include the following subsidiaries:

	Paid in capital		
Company name	Ownership	2013	2012
		JD	JD
Al-Watanieh Financial Services Co.	100 %	5,000,000	5,000,000
Al-Watanieh Securities Company	100 %	1,500,000	1,500,000

The Bank entered into transactions with major shareholders, directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates. All the loans and advances to related parties are performing advances and are free of any provision for credit losses.

The following related party transactions took place during the year:

	Board of Directors	Executive management	*Others	Total 2013	Total 2012
	JD	JD	JD	JD	JD
Balance sheet items:					
Direct credit facilities	10,800,684	3,001,574	12,731,799	26,534,057	34,437,504
Deposits at the Bank	18,164,540	1,505,892	6,133,588	25,804,020	18,202,059
Margin accounts	73,763	-	143,808	217,571	780,151
Off balance items:					
Indirect credit facilities	1,122,593	-	372,529	1,495,122	1,838,505
Income statements items					
Interest and commission income	1,262,433	170,203	805,802	2,238,438	1,664,221
Interest and commission expense	914,814	65,734	188,231	1,168,779	491,357

Credit interest rates on credit facilities in Jordanian Dinar range between 4% - 8.85%
Credit interest rates on credit facilities in foreign currency range between 1.98% - 7%
Debit interest rates on deposits in Jordanian Dinar range between 0% - 7.25%
Debit interest rates on deposits in foreign currency range between 0% - 1.25%

Inter company balances and transactions are eliminated on consolidation.

Compensation of the key management personnel is as follows:

	2013	2012
	JD	JD
Benefits (salaries, wages, and bonuses) of senior management	2,087,028	1,954,468

(40) Fair Value of Financial Instruments

Financial instruments include cash balances, deposits at central banks and financial institutions, direct credit facilities, financial assets at FVTOCI, financial assets at FVTPL, financial assets at amortized cost, other financial assets, customers' deposits, banks' deposits, cash margins, borrowed funds and other financial liabilities.

There are no material differences between the carrying values and fair values of the on and off balance sheet financial instruments as of 31 December 2013 and 2012.

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
2013 -				
Financial assets at fair value through profit or loss	29,155,168	-	-	29,155,168
Financial assets at fair value through other comprehensive income	24,416,217	803,713	-	25,219,930
2012 -				
Financial assets at fair value through profit or loss	26,858,142	-	-	26,858,142
Financial assets at fair value through other comprehensive income	25,876,821	716,684	-	26,593,505

(41) Fair Value of the Financial Assets and Liabilities which are not Shown at Fair Value in the Financial Statements:

	2013		2012	
	Book value	Fair value	Book value	Fair value
	JD	JD	JD	JD
Deposits at banks and financial institutions	138,200,000	138,200,000	18,500,000	18,500,000
Financial assets at amortised cost	465,983,466	465,983,466	358,681,442	358,681,442
Financial assets pledged as collateral	110,142,962	110,142,962	108,360,282	108,360,282
Direct credit facilities	964,787,174	964,787,174	1,007,336,799	1,007,336,799
Banks and financial institutions' deposits	213,941,737	213,941,737	98,758,619	98,758,619
Customers' deposits	1,426,018,472	1,426,018,472	1,400,325,209	1,400,325,209
Margin accounts	69,273,473	69,273,473	41,973,787	41,973,787
Loans and borrowings	164,420,379	164,420,379	172,942,224	172,942,224

(42) Risk Management

The Bank manages its risks through a comprehensive strategy for Risk Management by which the roles and responsibilities of all parties concerned are identified. These include the Board of Directors and subcommittees such as the Risk Committee, the Investment Committee and Audit and Compliance Management Committee, in addition to the executive management and its subcommittees, such as Assets and Liabilities Committee, Procedures Development Committee, Credit Committees and other specialised departments such as the Risk Management department, Anti-money Laundry and Compliance department and the Audit department.

Furthermore, all of the Bank's business units are considered responsible for identifying the risks associated within their banking operations and committed to applying the appropriate controls and monitoring their effectiveness and maintaining integrity within the internal control system.

The process of managing the risks within Cairo Amman Bank's activities include the identification, measurement, assessment and monitoring of financial and non-financial risks which could negatively affect the Bank's performance and reputation or its goals ensuring that the Bank achieves optimum yield in return for the risks taken.

The general framework of Risk Management at the Bank is in line with the size, complexity and nature of its operations, and in harmony with local regulations as well as taking into account the best international practices in this regard.

The Bank's set of principles include the following:

1 - The Board of Directors' responsibility for Risk Management. The Risk Committee of the Board of Directors does a periodic review of policies, strategies and Risk Management procedures of the Bank, including setting acceptable risk limits.

2 - The responsibility of the Board of Directors, represented by the Risk Committee in the development of the internal assessment of capital and analysis of current and future requirements for capital and as appropriate with the structure of the Bank's risk and strategic goals and taking action on particular in addition to its responsibility in ensuring a good system to evaluate the types of risks faced by the Bank and the development of the system to link these risks with the level of capital required to cover.

3 - The responsibility of the Board of Directors to approve the policies developed by the executive management.

4 - The Risk Management department, which is independent of other Bank's operations, reports to the Risk Committee on risk issues. For daily operations it is linked with the General Manager, and analyses all the risks including Credit, Market, Liquidity and Operational Risk in addition to the development of measurement methodologies and controls for each type of risk as needed.

The Risk Management Department also manages the process of Internal evaluation Capital Adequacy ICAAP by using the comprehensive manner which is appropriate within their risk profile it also implements Basel requirements.

5 - Internal Audit department provides independent confirmation of the compliance of the working units with the policies and procedures set to manage risks and their efficiency.

6 - Managing risk is considered the responsibility of each unit and every employee of the Bank, in relation to those risks which are within their functions.

The bank is exposed at least to the following risk categories:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Compliance Risk

Credit Risks –

Credit risk is the risk that may result from a lack of commitment or the inability of the other party of the financial instrument to fulfil its obligations to the Bank, leading to a financial loss. The bank manages its credit risk through the design and development of various policies that identify and address all aspects of granting and maintenance of credit in addition to determining the limits of credit facilities granted to clients and/or related groups as well as diversifying total credit facilities across sectors and geographical regions. The Bank also works continuously to evaluate the credit worthiness of customers, in addition to having appropriate collaterals.
The general framework for Credit Risk Management includes:

Credit Policies:
The Bank manages its credit risk through the annual policies set by the board of Directors including credit ceilings and various credit conditions, which are renewed annually, according to several changing factors and the results of the analysis, and studies. These policies define maximum credit limits given to any customer and / or group of related customers in addition to the distribution of credit according to geographical regions and different economic sectors. The Bank considers the diversification of portfolios as an important risk mitigation factor.

Customer Rating:
Customer credit risk rating is performed internally; customers are rated according to their creditworthiness and ability to pay, in addition to assessing the quality of the facilities granted to clients, in terms of account activity and regularity of payment of principal and interest. The collaterals are classified according to type and percentage coverage of risk. Moreover the Bank periodically monitors the portfolios and their diversification, according to several classifications.

Mitigation Methodologies:
The Bank follows different procedures to mitigate risks, including determining the acceptable types of collaterals and their conditions , whereby good collaterals that can be liquidated at a reasonable time and value are accepted by the bank taking into consideration that the value of the collateral is not related to the business of the customer . Moreover, the Bank requires insurance policies on certain properties as a means of mitigating risks. The values of the collaterals are monitored on a regular basis and in the event of decrease in its value, additional collaterals are required.

Credit Granting:
The Bank adopts the principle of segregation of functions in line with best practices in this regard, clarifying the roles and responsibilities between each of the different credit functions (sales, credit approvals , credit administration, credit operations), to ensure a strong control over credit granting operations .
Credit decisions are checked against the credit policies and authority limits, all documentations and contracts are reviewed before executing the credit.

Maintenance and follow-up of credit
The performance of the credit portfolio is continuously monitored to make sure it is within the acceptable risk limits and economic sector limits which identified by the Bank to identify any increasing risk levels.

The Bank continuously monitors its performing portfolios to identify any need for additional provisions.

There are specialized and independent departments responsible for managing irregular credit facilities and handle the task of their administration and collection.

1) Credit risk after net of allowances for impairment and suspended interest and before the effect of mitigation.

The table below shows the maximum exposure to credit risk through the use of collateral agreements:

	2013	2012
	JD	JD
Statement of financial position		
Cash and balances at Central Banks	143,218,348	165,675,836
Balances at banks and financial institutions	180,633,848	189,873,760
Deposits at banks and financial institutions	138,200,000	18,500,000
Direct credit facilities		
Consumer lending	529,211,243	536,226,410
Residential mortgages	127,580,570	127,355,817
Corporate lending:		
Large corporations	149,874,548	159,180,098
Small and medium enterprises	45,206,264	46,516,913
Lending to governmental sectors	112,914,549	138,057,561
Bonds and treasury bills within financial assets held at amortized cost	465,983,466	358,681,442
Financial assets pledged as collateral	110,142,962	108,360,282
Other assets	24,567,105	15,721,568
Total	2,027,532,903	1,864,149,687
Contingent liabilities		
Letters of credit	143,870,776	55,702,756
Acceptances	15,278,187	81,071,972
Letters of guarantee	58,389,087	799,970
Irrevocable commitments to extend credit	89,790,169	83,504,548
Total	307,328,219	221,079,246
	2,334,861,122	2,085,228,933

Several types of collaterals against loans and credit facilities are as follows:

- Real estate properties.
- Financial instruments (equities and bonds).
- Bank guarantees.
- Cash collateral
- Government guarantees.

The management reviews the fair value of collateral periodically and in case of drop of the fair value the bank requests additional collaterals to cover the shortage. Also, the Bank revaluates the collaterals of non-performing loans periodically.

2) The distribution of credit exposures in accordance with their risk classification is as follows:

	Consumer	Residential mortgages	Corporate	SMEs	Governmental sectors	Financial Institutions	Total
	JD	JD	JD	JD	JD	JD	JD
2013 -							
Low risk	3,926,199	296,108	5,159,736	2,196,081	-	910,026	760,234,113
Acceptable risk	522,259,036	123,558,200	143,839,605	34,367,257	339,814,098	214,590,031	1,239,426,514
Maturing:**							
Up to 30 days	477,865	769	-	145,249	-	-	623,883
From 31 to 60 days	283,928	149,596	1,910,248	209,264	-	-	2,553,036
Watch list	12,881,356	2,287,377	9,144,763	6,013,867	-	-	30,327,363
Non performing:							
Substandard	2,232,827	363,288	299,978	408,600	-	-	3,304,693
Doubtful	2,934,412	505,014	23,281	446,576	-	-	3,909,283
Loss	20,705,009	1,568,724	22,645,886	7,759,559	-	-	52,679,178
Total	564,938,839	128,578,711	181,113,249	51,191,940	339,814,098	215,500,057	2,089,881,144
Less: Suspended interest	4,930,101	21,359	5,351,212	1,084,616	-	-	11,387,288
Less: provision for impairment losses	28,906,055	882,320	17,939,495	3,233,083	-	-	50,960,953
Net	531,102,683	127,675,032	157,822,542	46,874,241	339,814,098	215,500,057	2,027,532,903
2012 -							
Low risk	1,848,250	735,543	6,592,840	5,375,007	910,026	-	663,498,123
Acceptable risk	530,740,988	124,119,271	180,633,130	38,051,924	214,590,031	331,693,739	1,180,272,306
Maturing:**							
Up to 30 days	239,570	195,577	129,153	697,094	-	-	1,261,394
From 31 to 60 days	51,297	12,985	65,966	69,770	-	-	200,018
Watch list	8,444,380	1,271,497	7,132,636	1,735,353	-	-	18,583,866
Non performing:							
Substandard	1,662,299	146,140	102,809	699,532	-	-	2,610,780
Doubtful	2,527,401	326,489	5,512	663,604	-	-	3,523,006
Loss	21,171,709	1,652,256	24,661,801	4,943,955	-	-	52,429,721
Total	566,395,027	128,251,196	219,128,728	51,469,375	215,500,057	331,693,739	1,920,917,802
Less: Suspended interest	4,800,185	26,117	5,266,231	901,539	-	-	10,994,072
Less: provision for impairment losses	23,241,948	712,242	19,503,382	2,316,471	-	-	45,774,043
Net	538,352,894	127,512,837	194,359,115	48,251,365	215,500,057	331,693,739	1,864,149,687

* Include exposures to credit facilities, balances and deposit at banks and financial institutions, bonds and treasury bills and any assets with credit exposures.
**Total balance of facilities becomes due if one of the installment or interest is due and the overdraft account becomes due if it exceeds the limit.

Distribution of collaterals against credit facilities measured at fair value:

	Consumer	Residential Mortgages	Corporate	SMEs	Governmental Sectors	Total
	JD	JD	JD	JD	JD	JD
2013 -						
Collaterals						
Low risk	3,926,199	296,108	5,159,736	2,196,081	6,115,061	17,693,185
Acceptable risk	42,779,588	123,558,200	62,115,603	31,158,262	-	259,611,653
Watch list	2,420	2,368,666	588,239	4,651,904	-	7,611,229
Non performing:						
Substandard	2,196	363,288	133,379	248,951	-	747,814
Doubtful	80,091	417,255	23,281	342,074	-	862,701
Loss	3,376,723	1,847,023	6,423,171	2,730,363	-	14,377,280
Total	50,167,217	128,850,540	74,443,409	41,327,635	6,115,061	300,903,862
Comprising of:						
Cash margin	3,928,395	596,913	5,159,736	2,196,081	6,115,061	17,996,186
Letters of guarantee	-	-	725,284	-	-	725,284
Real estate	33,227,900	128,253,627	45,612,162	32,303,777	-	239,397,466
Loans guarantee corporation	-	-	1,723,424	2,347,479	-	4,070,903
Traded equities	6,018,584	-	14,889,472	2,070,573	-	22,978,629
Vehicles and machinery	6,992,338	-	6,333,331	2,409,725	-	15,735,394
Total	50,167,217	128,850,540	74,443,409	41,327,635	6,115,061	300,903,862
2012 -						
Collaterals						
Low risk	1,992,981	802,807	9,596,248	5,684,497	7,983,379	26,059,912
Acceptable risk	21,036,476	126,264,754	41,891,385	34,701,845	-	223,894,460
Watch list	8,753	3,189,858	7,132,636	1,181,793	-	11,513,040
Non performing:						
Substandard	-	135,615	102,809	457,405	-	695,829
Doubtful	157,890	271,885	5,512	659,195	-	1,094,482
Loss	3,020,789	1,647,828	7,059,683	2,644,662	-	14,372,962
Total	26,216,889	132,312,747	65,788,273	45,329,397	7,983,379	277,630,685
Comprising of:						
Cash margin	1,992,981	802,807	8,615,322	5,684,497	7,983,379	25,078,986
Letters of guarantee	-	-	980,926	-	-	980,926
Real estate	13,112,546	131,509,940	39,302,056	32,415,305	-	216,339,847
Loans guarantee corporation	-	-	842,212	4,772,532	-	5,614,744
Traded equities	6,134,400	-	13,497,752	1,103,480	-	20,735,632
Vehicles and machinery	4,976,962	-	2,550,005	1,353,583	-	8,880,550
Total	26,216,889	132,312,747	65,788,273	45,329,397	7,983,379	277,630,685

Rescheduled Debts:

Rescheduled debts are debts which have been previously classified as non-performing credit facilities, then excluded from the non-performing credit facilities as a result of a rescheduling process, and then classified as watch list. Rescheduled debts totalled to JD 3,971,573 as of 31 December 2013 compared to JD 3,656,068 as of 31 December 2012.

The balances of the rescheduled debts include the loans classified under watch list or converted to performing.

Restructured Debts:

Restructuring process refers to re-organizing the credit facilities' standing in respect of adjusting premiums, extending the life of the credit facilities, postponing some premiums or extending the grace period etc, and then classifying such facilities as watch list. Restructured debts totalled to JD 10,372,082 as of 31 December 2013 compared to JD 6,677,841 as of 31 December 2012.

3) Bonds and treasury bills:

The table below shows the classifications of bonds and treasury bills and their gradings according to external rating agencies:

Risk Rating Class	External Rating Agency	Included in financial assets at amortised cost
		JD
AA	S&P	2,306,361
A+	S&P	3,540,926
A	S&P	1,065,267
A-	S&P	708,292
Non-rated		14,168,464
Governmental		554,337,118
Total		576,126,428

4) The Bank's financial assets, before taking into account any collateral held or other credit enhancements can be analysed by the following geographical regions:

2013	Inside Jordan	Other Middle Eastern countries	Europe	Asia	Americas	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	94,967,229	48,251,119	-	-	-	-	143,218,348
Balances at banks and financial institutions	104,936,675	54,760,041	6,273,734	45,149	14,555,474	62,775	180,633,848
Deposits at banks and financial institutions	134,700,000	3,500,000	-	-	-	-	138,200,000
Consumer lending							
Residential mortgages	477,994,613	51,216,630	-	-	-	-	529,211,243
Corporate lending:	110,500,056	17,080,514	-	-	-	-	127,580,570
Large corporations	105,312,475	44,562,073	-	-	-	-	149,874,548
Small and medium enterprises	34,189,252	11,017,012	-	-	-	-	45,206,264
Lending to governmental sectors	57,796,839	55,117,710	-	-	-	-	112,914,549
Bonds and treasury bills within:							
Financial assets at amortized cost	445,718,506	20,264,960	-	-	-	-	465,983,466
Financial assets pledged as collateral	110,142,962	-	-	-	-	-	110,142,962
Other assets:	18,177,299	4,808,838	1,274,948	1,180	303,199	1,641	24,567,105
Total 2013	1,694,435,906	310,578,897	7,548,682	46,329	14,858,673	64,416	2,027,532,903
Total 2012	1,486,462,444	330,231,198	36,280,647	64,812	11,045,260	65,326	1,864,149,687

5) An industry sector analysis of the Bank's financial assets, before and after taking into account collateral held or other credit enhancements, is as follows:

2013	Financial	Industrial	Commercial	Real estate*	Agriculture	Trading	Consumer	Public and governmental	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	143,218,348	143,218,348
Balances at banks and financial institutions	180,633,848	-	-	-	-	-	-	-	180,633,848
Deposits at banks and financial institutions	138,200,000	-	-	-	-	-	-	-	138,200,000
Direct credit facilities	11,183,239	37,338,216	113,657,185	155,546,059	2,936,683	5,567,599	525,643,644	112,914,549	964,787,174
Bonds and treasury bills within:									
Financial assets at amortized cost	4,273,132	354,380	15,035,494	-	-	-	-	446,320,460	465,983,466
Financial assets pledged as collateral	-	-	-	-	-	-	-	110,142,962	110,142,962
Other assets	5,523,879	1,218,491	4,151,848	94,462	38,997	45,937	1,845,503	11,647,988	24,567,105
Total 2013	339,814,098	38,911,087	132,844,527	155,640,521	2,975,680	5,613,536	527,489,147	824,244,307	2,027,532,903
Total 2012	231,750,057	50,316,526	139,555,360	159,015,423	2,486,008	6,577,186	534,275,708	740,173,419	1,864,149,687

* Real estate sector includes loans granted to corporates and mortgage loans.

Market Risk

Is the risk resulting from fluctuations in the fair value or cash flows of financial instruments caused by the change in market prices such as interest rates and exchange rates and equity prices. Market risk arises due to the existence of open positions in interest rates, currencies and equity investments. Such risks are controlled in accordance to a specific set of policies and procedures and through specialized committees and related departments. Market Risk includes interest rates risk, foreign exchange risks and the risk of change in equity prices.
Market risk is measured and controlled through several methods, including sensitivity analysis and Stress Testing in addition to stoploss limits.

Interest Rate Risk

Interest Rate Risk results from the possible impact of changes in interest rates on the profits of the Bank or the value of financial instruments, the Bank is exposed to interest rate risk due to repricing mismatches between its interest rate sensitive assets and liabilities according to the different maturities and repricing terms .The Bank manages these risks through the continuous review of interest rates on its assets and liabilities in the course of its risk management strategy.

The ALM Committee reviews the sensitivity gaps of interest rates during its regular meetings and studies its effect on the bank profitability in the light of any expected changes in market interest rates.

The Bank seeks to obtain long-term financing to fund long-term investments at fixed rates whenever possible. Furthermore, the Bank uses hedging instruments such as interest rate swaps to reduce any negative effects.

The following table demonstrates the sensitivity analysis of interest rates:.

2013-				
Currency	Increase in interest rate	Sensitivity of net interest income	Decrease in interest rate	Sensitivity of net interest income
	Basis points	JD	Basis points	JD
U.S.D	100	(730,925)	100	730,925
EURO	100	(185,905)	100	185,905
GBP	100	(11,929)	100	11,929
YEN	100	25,579	100	(25,579)
Other Currency	100	38,113	100	(38,113)

2012-				
Currency				
U.S.D	100	(510,691)	100	510,691
EURO	100	(77,107)	100	77,107
GBP	100	(16,953)	100	16,953
YEN	100	31,186	100	(31,186)
Other Currency	100	29,155	100	(29,155)

Sensitivity of interest rates as of 31 December 2013:

2013-	Less than month 1	3 – 1 months	6 – 3 months	12 – 6 months	years 3 – 1	or more 3 years	Non-interest bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Banks	7,444,500	-	-	-	-	-	189,907,310	197,351,810
Balances at banks and financial institutions	98,391,313	69,088,500	-	-	-	-	13,154,035	180,633,848
Deposits at banks and financial institutions	-	-	69,400,000	68,800,000	-	-	-	138,200,000
Financial assets at fair value through profit or loss	-	-	-	-	-	-	29,155,168	29,155,168
Direct credit facilities	736,332,779	13,385,966	79,533,563	19,597,232	35,001,872	80,935,762	-	964,787,174
Financial assets at fair value through OCI	-	-	-	-	-	-	25.219.930	25.219.930
Financial assets at amortized cost	42,956,521	41,374,650	20,033,391	61,907,212	290,543,392	9,168,300	-	465,983,466
Financial assets pledged as collateral	-	18,700,000	-	39,500,000	51,942,962	-	-	110,142,962
Property and equipment	-	-	-	-	-	-	31,756,797	31,756,797
Intangible assets	-	-	-	-	-	-	8,573,950	8,573,950
Deferred tax assets	-	-	-	-	-	-	60,436,264	60,436,264
Other assets	-	-	-	-	-	-	727,851	727,851
Total Assets	885,125,113	142,549,116	168,966,954	189,804,444	377,488,226	90,104,062	358,931,305	2,212,969,220
Liabilities								
Banks and financial institution deposits	169,902,284	19,344,000	10,000,000	10,000,000	49,077,939	-	4,695,453	213,941,737
Customers' deposits	484,941,112	144,625,397	88,707,272	73,848,856	5,970,274	-	584,817,896	1,426,018,472
Margin accounts	3,402,386	3,845,635	5,836,000	3,233,431	4,422,923	8,300,893	38,684,854	69,273,473
Loans and borrowings	113,895,775	32,679	377,283	741,719	-	44,950,000	-	164,420,379
Sundry provisions	-	-	-	-	-	-	12,526,199	12,526,199
Income tax liabilities	-	-	-	-	-	-	22,666,483	22,666,483
Deferred tax liabilities	-	-	-	-	-	-	2,321,405	2,321,405
Other liabilities	-	-	-	-	-	-	37,623,425	37,623,425
Total Liabilities	772,141,557	167,847,711	104,920,555	87,824,006	59,471,136	53,250,893	703,335,715	1,948,791,573
Interest rate sensitivity gap	112,983,556	(25,298,595)	64,046,399	101,980,438	318,017,090	36,853,169	(344,404,410)	264,177,647
2012 -								
Total Assets	845,216,739	149,202,683	98,096,690	121,833,314	339,352,392	116,589,807	354,044,189	2,024,335,814
Total Liabilities	628,042,291	144,401,827	146,060,936	123,101,271	74,953,670	41,888,591	624,650,471	1,783,099,057
Interest rate sensitivity gap	217,174,448	4,800,856	(47,964,246)	(1,267,957)	264,398,722	74,701,216	(270,606,282)	241,236,757

Currency Risk

Foreign currency risk is the risk of change in value of financial instruments due to the change in the foreign currency prices. The Bank's functional currency is the Jordanian Dinar. The Board of Directors identifies the set of currencies in which it is acceptable to take positions in and the limits of these positions for each currency. Foreign currencies positions are monitored on a daily basis to make sure that the Bank will not exceed those acceptable levels.

The table below indicated the currencies to which the Bank had significant exposure at 31 December 2012. The analysis calculates the effect of a reasonably possible movement of the currency rate against the JD, with all other variables held constant on the income statement and equity:

Currency	2013			2012		
	Increase in exchange rate	Effect on profit before tax	Sensitivity of equity	Increase in exchange rate	Effect on profit before tax	Sensitivity of equity
	%	JD	JD	%	JD	JD
EURO	1+	450	-	1+	28,956	-
GBP	1+	(1,259)	-	1+	561	-
YEN	1+	(54)	-	1+	57	-
Other Currency	1+	3,289	-	1+	82,117	-

Concentration in currency risk:

2013	US Dollar	Sterling	Japanese Yen	Euro	Other	Total
Assets						
Cash and balances at Central Banks	25,224,460	56,992	-	1,520,651	43,178,250	69,980,353
Balances at banks and financial institutions	56,378,783	3,849,053	24,210	1,700,573	29,265,904	91,218,523
Deposits at banks and financial institutions	3,500,000	-	-	-	-	3,500,000
Financial assets at fair value through profit or loss	2,162,828	-	-	-	376,553	2,539,381
Direct credit facilities	99,465,120	7	2,557,312	44,355	65,671,099	167,737,893
Financial assets at fair value through other comprehensive income	1,374,744	-	-	85,400	-	1,460,144
Financial assets at amortized cost	64,079,778	-	-	-	23,914	64,103,692
Property and equipment	29,225	-	-	-	-	29,225
Other assets	24,202,323	4,848	30	21,353	2,926,986	27,155,540
Total Assets	276,417,261	3,910,900	2,581,552	3,372,332	141,442,706	427,724,751
Liabilities						
Banks and financial institution deposits	39,379,842	5,854	-	9,789,080	183,220	49,357,996
Customers' deposits	247,410,138	5,383,668	966	16,036,875	128,867,338	397,698,985
Margin accounts	40,852,470	38,903	-	2,101,036	7,782,317	50,774,726
Loans and borrowings	40,069,224	-	-	-	-	40,069,224
Other liabilities	3,355,081	323,802	653	93,576	(18,831)	3,754,281
Total Liabilities	371,066,755	5,752,227	1,619	28,020,567	136,814,044	541,655,212
Net concentration in the statement of financial position	(94,649,494)	(1,841,327)	2,579,933	(24,648,235)	4,628,662	(113,930,461)
Contingent liabilities	112,034,269	622,460	125,282	80,342,600	18,523,264	211,647,875

2012	US Dollar	Sterling	Japanese Yen	Euro	Other	Total
Total Assets	303,200,101	6,557,055	26,866,988	9,126,780	142,975,744	488,726,668
Total Liabilities	345,906,872	1,601	26,671,719	4,484,230	134,881,367	511,945,789
Net concentration in the statement of financial position	(42,706,771)	6,555,454	195,269	4,642,550	8,094,377	(23,219,121)
Contingent liabilities	63,923,982	342,555	47,973,467	693,704	17,750,528	130,684,236

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the levels of equity indices and the value of individual stocks. The Bank manages this risk through diversification of investments in terms of geographical distribution and industry concentration. The majority of the Bank's investments are quoted on Amman Stock Exchange and the Palestine Securities Exchange.

The effect on income statement and equity due to a reasonably possible change in prices, with all other variables held constant, is as follows:

Market Indices	2013			2012		
	Change in equity price	Effect on profit before tax	Effect on equity	Change in equity price	Effect on profit before tax	Effect on equity
	%	JD	JD	%	JD	JD
Amman Stock Exchange	5 +	542	639,032	5 +	1937	720,149
Palestine Securities Exchange	5 +	921,878	236,474	5 +	863,184	265,444
New York Stock Exchange	5 +	2,036	-	5 +	4,45	-
Others Markets	5 +	96,804	-	5 +	76,054	-

IIn case of negative change in index the effect will be the same with a change in the sign.

Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances, without incurring high costs or loss, the Bank adopts the following principles for the management of liquidity risk.

- Diversification of funding sources

Bank's management seeks to diversify sources of funding and prevent the concentration in the funding sources. The bank also borrows from institutions and local and foreign banks which would provide sources of funding at appropriate costs and maturities.

The bank had also established a Liquidity Contingency Plan, which provides the basic framework for the management of liquidity. This includes defining an effective mechanism to manage liquidity during times of crisis, within reasonable costs and preserving the rights of depositors, borrowers, and shareholders.

The Liquidity Contingency Plan is regularly reviewed and updated by the ALCO.

- Analyzing and monitoring the maturities of assets and liabilities

The Bank studies the liquidity of its assets and liabilities and monitors the major liquidity ratios as well as any changes that occur on them on a daily basis, The Bank, seeks through the ALCO Committee to match between the maturities of its assets and liabilities and control the liquidity gaps within the limits defined in the Bank's policies.

- Measure and manage market risk according to the standard requirements of Basel II and Basel III

Based on best practices in managing market risk and liquidity risk, the Bank is pursuing a policy to manage these risks as approved by the board of directors and that by relying on several methodologies and techniques and models to measure and assess and monitor these risks on an ongoing basis, In addition to estimating the required capital for market risk and other applications with the instructions of the Central Bank of Jordan and the standard for the application of Basel II.

The Bank takes into account the implementation the best practise and techniques which applied by Basel III.

The Bank maintains statutory cash reserve with the Central Banks amounting to JD 78,067,477.

The table below summarises the maturity profile of the Bank's financial liabilities at 31 December based on contractual undiscounted repayment obligations:

	Less than 1 month	1 – 3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 or more years	No Fixed Maturity	Total
2013 -	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Liabilities								
Banks and financial institution deposits	175,076,295	19,507,457	10,169,000	10,338,000	-	-	-	215,090,752
Customers' deposits	708,940,825	245,556,442	172,341,863	141,188,541	167,079,076	-	-	1,435,106,747
Margin accounts	9,561,760	13,360,716	11,956,996	7,289,633	17,436,968	10,240,091	-	69,846,164
Loans and borrowings	113,895,775	615,548	1,245,639	2,108,342	8,592,380	78,648,759	-	205,106,443
Sundry provisions	30,987	96,691	104,598	357,178	11,750,348	186,398	-	12,526,200
Income tax liabilities	2,500,000	709,000	13,071,801	6,385,682	-	-	-	22,666,483
Deferred tax	-	-	-	-	841,706	-	1,479,699	2,321,405
Other liabilities	20,820,141	9,297,145	2,607,939	1,719,453	1,012,165	1,683,389	483,194	37,623,426
Total Liabilities	1,030,825,783	289,142,999	211,497,836	169,386,829	206,712,643	90,758,637	1,962,893	2,000,287,620
Total Assets	369,360,833	168,738,457	191,367,807	303,068,337	541,554,012	536,246,236	102,633,538	2,212,969,220
2012 -								
Liabilities								
Banks and financial institution deposits	98,668,478	302,078	-	-	-	-	-	98,970,556
Customers' deposits	642,885,806	234,716,103	207,580,261	148,584,515	176,247,017	-	-	1,410,013,702
Margin accounts	4,080,697	3,370,032	7,755,867	6,313,613	11,898,660	8,970,501	-	42,389,370
Loans and borrowings	96,193,340	32,679	12,133,394	31,926,625	4,334,298	67,133,438	-	211,753,774
Sundry provisions	715,845	310,658	664,236	1,290,446	7,287,495	1,549,813	-	11,818,493
Income tax liabilities	75,000	-	11,899,827	4,846,545	6,243,568	-	-	23,064,940
Deferred tax	-	-	-	-	-	-	2,012,463	2,012,463
Other liabilities	15,494,991	6,631,074	3,377,647	1,545,915	1,754,896	2,777,679	471,121	32,053,323
Total Liabilities	858,114,157	245,362,624	243,411,232	194,507,659	207,765,934	80,431,431	2,483,584	1,832,076,621
Total Assets	367,425,297	162,553,709	120,926,626	190,878,599	549,414,637	529,971,623	103,165,323	2,024,335,814

The table below summarizes the maturities of financial derivatives as of the date of the financial statements:

- Financial assets/liabilities that are settled net:

	Less than 1 month	1 – 3 months	6 – 12 months	1 – 3 years	3 or more years	Total
	JD	JD	JD	JD	JD	JD
2013						
Derivatives held for hedging						
Interest rate swap		-	709,000	-	-	709,000
Forward currency contracts	-	14,180,000	49,630,000	-	-	63,810,000
	-	14,180,000	50,339,000	-	-	64,519,000
2012						
Derivatives held for hedging						
Interest rate swap	-	-	-	709,000	-	709,000
Forward currency contracts	-	-	9,926,000	-	-	9,926,000
	-	-	9,926,000	709,000	-	10,635,000

Contingent Liabilities

	Less than 1 year	1 – 5 years	5 years or more	Total
2013	JD	JD	JD	JD
Acceptances and letters of credit	107,880,740	51,268,223	-	159,148,963
Letters of guarantee	47,809,364	10,579,723	898	58,389,087
Irrevocable commitments to extend credit	89,790,169	-	-	89,790,169
Total	245,480,273	61,847,946	898	307,328,219
2012				
Acceptances and letters of credit	52,607,638	29,264,304	-	81,871,942
Letters of guarantee	40,513,344	15,188,514	898	55,702,756
Irrevocable commitments to extend credit	83,504,548	-	-	83,504,548
Total	176,625,530	44,452,818	898	221,079,246

Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events.

The general framework for the operational risk management is as follows:

- Managing operational risk is the responsibility of all employees in the bank through the proper application of policies and procedures that would curb these risks and exposures that arise during daily operations. A special department was established since 2005 to facilitate and support all departments of the bank to carry out their duties in managing those risks.
- Because of the constant change in the environment of work as a result of the willingness of the bank management to keep pace with technology and new banking products and services, the bank has adopted and implemented several procedures to help the different departments identifying, measuring, following-up and controlling operating risks that arise from the introduction of new products and services.
- An Operational Risk Policy was developed to cover all the bank's departments, branches and subsidiaries which include risk appetite thresholds and risk limits.
- Defining the general operational risk management framework of risk management, including defining the roles and responsibilities of all: the Board of Directors, the Risk committee, senior management, directors of departments, Risk Management and Audit.

Implementing Operational Risk measurement techniques that aim at identifying risks to the Bank and evaluating them in terms of the magnitude of the impact and frequency of occurrence, in order to take appropriate action that would mitigate these risks through the implementation of the Control and Self Assessment System (CRSA), as well as data collection and review of actual and potential losses resulting from operations.

Compliance Risk

Pursuant to CBJ's instruction and in line with the international directions and updates as well as Basle's regulations, with the aim to ensure compliance of the bank and its internal policies and procedures with all applicable laws, regulations, international banking standards and best practices as well as safe and sound banking practices disseminated by local and international regulatory and supervisory competent authorities, this Compliance and AML/CFT Policy is issued with the approval of the Board of Directors in addition to the internal AML/CFT Manual. In addition, the Compliance and AML/CFT Division was restructured to consist of two departments; Compliance Department and AML/CFT Department to monitor the bank's compliance with applicable laws and regulations and best practices issued by regulatory competent authorities through well devised monitoring programs and internal procedures oriented toward a Risk Based Approach. The main objectives of the compliance department are as follows:

- Identify, assess and manage compliance risks.
- Prepare and make available applicable laws and regulation files governing the nature and scope of work of all relevant divisions and departments on the bank intranet and update these regularly to stay current with legal and regulatory updates; support and assist executive management to manage compliance risks.
- Advise and assist the bank's management with all laws and regulations in relation to compliance.
- Monitor compliance risks through regulatory databases, which contain all laws and regulations issued by regulatory and competent authorities and which is updated and amended regularly in accordance with the latest regulatory updates that should be adhered to.
- Review and assess all preexisting and new banking products and services as well as internal policies and procedures to ensure that they are in strict compliance with applicable laws and regulations.
- Submit reports directly to the compliance committee, formed by the board of directors, regarding the scope and level of compliance the bank and its international branches and subsidiaries.

With regards to Anti-Money Laundering, an independent AML Department was formed and restructured within the Compliance and AML/CFT Division. The division recruited highly qualified and trained staff along with the automated AML/CFT Systems and Software Solutions to perform its work in accordance with policies and procedures approved by the board of directors and in accordance with Anti-Money Laundering Law No.46 of 2007 and its amendments, together with AML/CFT instructions issued by Central Bank of Jordan and international best practice in this regard to lessen and mitigate the risks involved with those transactions; the aim of which is to identify the procedures applicable and appropriate to financial transactions and to apply due diligence measures to identify preexisting and potential customers and to understand their legal and personal capacity and status and the ultimate beneficial owner and the ongoing monitoring and reviewing of such transactions during the period of the banking relationship.

The main objectives of the AML Department are as follows:
1. Ensure the bank's compliance with all AML/CFT Policies and procedures as approved by the competent authority within the bank.
2. Ensure the bank's compliance with all applicable laws and regulations issued by competent authorities.
3. Prohibit and protect the bank's reputation and image from any allegation of involvement with money laundering and terrorist financing.
4. Prohibit the use of banking products and services in money laundering and terrorist financing transactions.
5. Participate in national and international efforts and initiatives relevant to anti-money laundering and combating terrorism financing.
6. Protect the bank and its employees from being exposed to AML/CFT risks which might lead to material financial losses or regulatory, legal, administrative, civil and criminal sanctions and liability.

(43) Segment Information

For management purposes the Bank is organised into three major business segments in accordance with the reports sent to the chief operating decision maker:

Retail banking: Principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit cards facilities and funds transfer facilities;

Corporate banking: Principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;

Treasury: Principally providing money market, trading and treasury services, as well as the management of the Bank's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking,

Following is the Bank's segment information:

	Retail Banking	Corporate Banking	Treasury	Other	Total	
					2013	2012
	JD	JD	JD	JD	JD	JD
Total revenues	89,957,822	32,126,847	59,095,876	1,616,903	152,795,181	152,795,181
Impairment loss on credit facilities	6,960,201	(160,201)	-	-	3,373,306	3,373,306
Segmental results	57,533,859	24,721,186	38,485,314	1,616,903	122,357,262	111,115,792
Unallocated expenses					63,623,688	60,763,416
Profit before tax					58,733,574	50,352,376
Income tax					17,937,678	15,066,202
Net profit					40,795,896	35,286,174
Other information						
Segmental assets	656,507,985	308,279,188	940,147,305	101,494,863	2,024,335,814	2,024,335,814
Segmental liabilities	721,621,157	319,088,038	603,194,482	72,816,107	1,783,099,057	1,783,099,057
Capital expenditure					6,778,997	6,778,997
Depreciation and amortisation					7,492,960	7,492,960

2. Geographical Information

The following table shows the distribution of the Bank's profit assets and capital expenditure by geographical segment, the Bank operates in Jordan and Palestine.

	Jordan		Outside Jordan		Total	
	2013	2012	2013	2012	2013	2012
	JD	JD	JD	JD	JD	JD
Total profits	156,967,934	131,563,021	25,829,514	21,232,160	182,797,448	152,795,181
Total assets	1,816,635,665	1,587,269,018	396,333,555	437,066,796	2,212,969,220	2,024,335,814
Capital expenditure	3,590,461	5,551,776	1,328,870	1,227,221	4,919,331	6,778,997

(44) Capital Management

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios") and adopted by the Central Bank of Jordan.

According to Central Bank of Jordan regulation (52/2010), the minimum paid in capital of Jordanian banks should be JD 100 million before the end of 2011. In addition, the regulation requires a minimum leverage ratio of 6%.

The Bank, since its inception, has always maintained an adequate capital adequacy ratio that exceeds the minimum required by the Central Bank of Jordan of 12% (8% as per BIS rules/ratios).

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. No changes were made in the objectives, policies and processes from previous years.

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, reserves, retained earnings including current year profit, less accrued dividends. Certain adjustments are made to IFRS-based results and reserves, as prescribed by the Central Bank of Jordan. The other component of regulatory capital is Tier 2 capital, which includes subordinated long term debt, preference shares and revaluation reserves which should not exceed 45% of the full amount if it was positive and deducted in full if it was negative. The third component of capital is Tier 3 which is used against market risk. Investments in the capital of banks and other financial institutions are deducted from regulatory capital if not consolidated in addition to investments in the capital of insurance companies. Also, excess over 10% of the Bank's capital if invested in an individual company investee and excess over 50% of the Bank's capital for aggregate investments is deducted from regulatory capital.

Capital adequacy ratio is calculated according to Central Bank of Jordan regulation that is compliant with BIS rules as follows:

	2013 JD	2012 JD
Primary Capital		
Paid in capital	100,000,000	100,000,000
Statutory reserve	48,475,553	42,947,195
Voluntary reserve	1,321,613	1,321,613
Cyclical reserve	4,032,498	3,222,382
Retained earnings	71,065,740	54,351,798
Less:		
Investment in banks and financial companies	418,150	146,248
Assets obtained by the Bank by calling on collateral more than four years	7,183,254	9,380,491
Intangible assets	8,573,950	7,313,881
Total Primary capital	208,720,050	185,002,368
Additional capital		
Cumulative change in fair value for available for sale securities		
Fair value reserve	948,169	1,388,603
General banking risk reserve	11,820,000	10,700,000
Less:		
Investment in banks and financial companies	418,150	146,248
Total additional capital	12,350,019	11,942,355
Total regulatory capital	221,070,069	196,944,723
Total risk weighted assets	1,397,065,131	1,319,553,143
Capital adequacy (regulatory capital) (%)	15.82	14,93
Capital adequacy (primary capital) (%)	14.94	14,02

* According to Basel II regulations, 50% of the value of the investments in banks and subsidiaries is eliminated from the total primary capital and 50% from regulatory capital.

(45) Maturity Analysis of Assets and Liabilities

The table below shows an analysis of Assets and Liabilities analysed according to when they are expected to be recovered or settled:

2013-	Within year 1	More than year 1	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	197,351,810	-	197,351,810
Balances at banks and financial institutions	180,633,848	-	180,633,848
Deposits at banks and financial institutions	138,200,000	-	138,200,000
Financial assets at fair value through profit or loss	29,155,168	-	29,155,168
Financial assets at fair value through other comprehensive income	25,219,930	-	25,219,930
Direct credit facilities	277,355,263	687,431,911	964,787,174
Financial assets at amortised cost	166,271,774	299,711,692	465,983,466
Financial assets pledged as collateral	58,200,000	51,942,962	110,142,962
Property and equipment	5,423,731	26,333,066	31,756,797
Intangible assets	1,350,000	7,223,950	8,573,950
Deferred tax assets	727,851	-	727,851
Other assets	21,722,581	38,713,683	60,436,264
Total Assets	1,101,611,956	1,111,357,264	2,212,969,220
Liabilities			
Banks and financial institution deposits	213,941,737	-	213,941,737
Customers' deposits	1,249,311,679	176,706,793	1,426,018,472
Margin accounts	42,088,485	27,184,988	69,273,473
Loans and borrowings	115,047,456	49,372,923	164,420,379
Sundry provisions	589,454	11,936,745	12,526,199
Income tax liabilities	22,666,483	-	22,666,483
Deferred tax liabilities	1,479,699	841,706	2,321,405
Other liabilities	34,927,871	2,695,554	37,623,425
Total Liabilities	1,680,052,864	268,738,709	1,948,791,573
Net Assets	(578,440,908)	842,618,555	264,177,647

2012-	Within year 1	More than year 1	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	211,280,174	-	211,280,174
Balances at banks and financial institutions	189,873,760	-	189,873,760
Deposits at banks and financial institutions	18,500,000	-	18,500,000
Financial assets at fair value through profit or loss	26,746,897	111,245	26,858,142
Financial assets at fair value through other comprehensive income	26,593,505	-	26,593,505
Direct credit facilities	254,113,486	753,223,313	1,007,336,799
Financial assets at amortised cost	118,737,328	239,944,114	358,681,442
Financial assets pledged as collateral	40,021,701	68,338,581	108,360,282
Property and equipment	3,660,422	30,934,997	34,595,419
Intangible assets	3,601,941	3,711,940	7,313,881
Deferred Tax assets	435,380	-	435,380
Other assets	16,738,023	17,769,007	34,507,030
Total Assets	910,302,617	1,114,033,197	2,024,335,814
Liabilities			
Banks and financial institution deposits	98,758,619	-	98,758,619
Customers' deposits	1,280,828,510	119,496,699	1,400,325,209
Margin accounts	21,435,074	20,538,713	41,973,787
Loans and borrowings	136,614,301	36,327,923	172,942,224
Sundry provisions	2,981,185	8,837,308	11,818,493
Income tax liabilities	16,821,372	6,243,568	23,064,940
Deferred tax liabilities	2,012,463	-	2,012,463
Other liabilities	27,670,747	4,532,575	32,203,322
Total Liabilities	1,587,122,271	195,976,786	1,783,099,057
Net Assets	(676,819,654)	918,056,411	241,236,757

(46) Fiduciary Accounts

Fiduciary accounts amounted to JD 5,221,009 as of 31 December 2013 (2012: JD 2,527,490). Such assets or liabilities are not included in the Bank's statement of financial position.

(47) Contingent Liabilities and Commitments

a) The total outstanding commitments and contingent liabilities are as follows:

	2013	2012
	JD	JD
Letters of credit:		
Received	279,059,985	253,031,284
Issued	143,870,776	81,071,972
Acceptances	15,278,187	799,970
Letters of guarantee:		
Payments	15,696,517	16,662,911
Performance	17,860,124	17,582,720
Other	24,832,446	21,457,125
Irrevocable commitments to extend credit	89,790,169	83,504,548
	586,388,204	474,110,530

b) The contractual commitments of the Bank are as follows:

	2013	2012
	JD	JD
Contracts to purchase property and equipment	613,355	1,325,292

Annual rent of the Bank's main building and the branches amounted to JD 3,057,202 as of 31 December 2013 (2012: JD 3,025,962).

(48) Lawsuits

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to approximately JD 39,798,169 as of 31 December 2013 (2012: JD 37,735,064).

Provision for possible legal obligations amounted to JD 5,518,223 as of 31 December 2013 (2012: JD 5,343,415).

In the opinion of the Bank's management and legal counsel, the Bank maintains adequate provisions against the lawsuits.

(49) Comparative Figures

Some of 2012 balances were reclassified to correspond with those of 2013 presentation.

(50) New And Amended International Financial Reporting Standards

Standards issued but not yet effective

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Bank's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 which provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are not expected to impact the Bank's financial position or performance.

Corporate Governance Code

Annual Report 2013

1. Introduction

Cairo Amman Bank ("The Bank") gives a great deal of importance to proper corporate governance practices based on the principles of fairness, transparency, accountability and responsibility in order to enhance the trust of depositors, shareholders and other stakeholders and to ensure continuous monitoring of the Bank's adherence to set policies and limits, and with the Bank's goals. The Bank is also committed to the highest professional standards in all activities that conform to the regulations of the Central Bank of Jordan and of the regulatory authorities in countries where the Bank is present, and comply with best international practices. Accordingly, the Board of Directors ("The Board") has adopted this Corporate Governance Code.

2. Board of Directors

Duties and responsibilities of the Board

The Board of Directors is responsible for supervising and monitoring all of the Bank's activities and the executive management, in addition to ensuring that all activities comply with the Central Bank of Jordan regulations and other regulatory authorities, for the interest of the shareholders, depositors and all relevant parties.
The main responsibilities of the Board of Directors include the following:

A. Setting the Bank strategic goals and overseeing the implementation thereof, in addition to directing the executive management to design plans for the implementation of these goals.
B. Ensuring and certifying that internal control systems are effective.
C. Reviewing all risks that face the Bank, and ensuring that they are managed properly by the executive management.
D. Ensuring that the Bank complies with all related law and regulations.
E. Appointing a General Manager with integrity, technical competence and experience in banking and monitoring his/her performance as well as approving the appointment of certain members of the executive management and ensuring they have the required expertise.

2.2 Composition of the Board

A. The Board of Directors is composed of twelve members elected by the General Assembly for a period of four years. The members of the Board have a range of skills and experiences that increases the effectiveness of the Board.
B. Among the Board's non-executive directors, there are at least three independent directors. An "Independent Director" should meet the following requirements:
- Has not been employed by the Bank for the preceding three years
- Is not a relative (up to the second degree) of a member of the Bank's management
- Is not receiving a salary or compensation from the Bank except for the Board membership
- Is not a director or owner of a company with which the Bank does business, other that business relationship made in the ordinary course of the Bank's business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated parties
- Is not, nor in the past three years, has been affiliated with or employed by a present or former external auditor of the Bank
- Is neither a shareholder with effective interest in the capital of the Bank nor affiliated with one.

C. The Board of Directors may include executive members that occupy position in the Bank, but should not exceed three members.

2.3 The Chairman of the Board

A. The Chairman of the Board ("The Chairman") may have executive authorities.
B. If the Chairman is an executive, the Bank will consider appointing and independent member of the Board as Deputy Chairman.
C. The position of the Chairman is separated from that of the General Manager. The division in responsibilities is set in writing and subject to review and revision from time to time as necessary and is approved by the Board.
D. There should be no family connection between the Chairman and the General Manager up to the third degree.
E. The Chairman promotes a constructive relationship between the Board and the executive management, and between the executive directors and the non-executive directors within the Board.
F. The Chairman ensures that both directors and shareholders receive adequate information on a timely basis.

3. Board Practices

A. The Board holds no less than six meetings every year, with no more than two months between each two meetings, to discuss matters proposed by the executive management and all other matters the Board deems necessary.
B. The executive management provides board members with adequate information sufficiently in advance of the meetings to enable them to reach informed decisions.
C. Each Board member is provided with a formal appointment letter upon his/her election, in which he/she is advised about his/her rights, responsibilities and duties including activities that require the Board authorization limit.
D. A permanent written record of the Board's discussions and votes is kept by the Board Secretary who is also responsible to ensure that Board procedures are followed, and that information is conveyed between members of the Board, the members of the Board Committees and the executive management.
E. The Board reaches its decisions based on the absolute majority of members' vote, in the case of an even vote, the decision that the Chairman voted for is approved.
F. Board members and any of the Board's Committees have access to executive management. In addition, members of the executive management may, upon the request of the Chairman, attend Board meetings and present information related to their area of responsibility.
G. Board members and any of the Board's Committees are entitled to use external sources to enable them to adequately fulfill their duties.

4. Board Committees

The Board of Directors has several specialized committees, each has its own duties and responsibilities according to its charter and they work integrally with the Board to achieve the Bank's goals and enhance its efficiency. The Bank utilizes formal and transparent process for appointments to the Board Committees:

4.1 Corporate Governance Committee

The Corporate Governance Committee is comprised of the Chairman of the Board and two non-executive directors.
The duties of the Corporate Governance Committee include directing the preparation of the Bank's Corporate Governance Code and supervising its implementation. In addition to constantly reviewing the code and recommending changes or additions to it, in order to improve the code and the efficiency of the Board.

4.2 Audit Committee

The Audit Committee comprises of at least three non-executive members, at least two of them are independent directors. The Bank's policy is that at least two members of the audit committee should have relevant financial management qualifications and/or expertise.
The duties of the Audit Committee include:

- Reviewing the financial statements before being presented to the Board of Directors, in addition to meeting with external auditors and making necessary recommendations
- Supervising internal audit activities, including reviewing the annual internal audit plan, and the internal audit reposts.
- Recommending to the Board of Directors the accounting policies and practices of the Bank as well as reviewing all accounting issues that have a significant effect of the financial statements.
- Reviewing the Bank's internal controls and its adequacy through the reports of the internal audit department and the external auditors.
- Recommending to the Board of Directors the appointment or the removal, the remuneration and other contractual terms of the external auditors, in addition to assessing the objectivity of the external auditors, including the consideration of any other non-audit work performed by the external auditors.

The Audit Committee meets on a regular basis every three months, the Head of Internal Audit attends its meetings. The Audit Committee has the ability to obtain any information from executive management, and the ability to call any executive of Director to attend its meetings.
The Audit Committee meets each of the Bank's external auditors, its internal auditors, without executive management being present, at least once a year.
The Bank recognizes that the Audit Committee does not substitute for the responsibilities of the Board of Directors or the Bank's executive management for the supervision and adequacy of the Bank's internal control structure.

4.3 The Nominations and Remuneration Committee

The Nominations and Remuneration Committee is comprised of three non-executive directors, the majority of which, including the committee chairman, are independent.
The committee's duties include:

- Setting the method to assess the effectiveness of the Board and its Committees
- Making the determination of whether a Directors is Independent considering the minimum standards for independence set out in this code.
- Nominating board appointments to the General Assembly
- Providing background briefing material for Directors as requested, as well as ensuring that they are kept up to date on relevant banking topics.
- Recommending to the Board the remuneration, including monthly salary and other benefits, of the General Manager. The Nominations and Remuneration Committee also reviews the bonuses and other remuneration of other executive management.
- The Nomination and Remuneration Committee ensures that the Bank has a remuneration policy sufficient to attract and retain qualified individuals and is in line with the Bank's peers in the market.

The committee meets on a regular basis, and member of the executive management are invited to attend its meetings, if necessary.

4.4 Risk Management Committee

The Risk Management Committee is comprised of the Chairman of the Board and two non-executive directors.
The duties of the Risk Management Committee include:

- Reviewing Risk Management strategy before being approved by the Board, and assessing its effectiveness on a continuous basis
- Ensuring the existence of policies and framework of risk management function, and reviewing them on a regular basis.
- Overseeing the Head of Risk Management and the annual plan of the department activities.
- Ensuring that risk management function has adequate expertise and resources to fulfill its responsibilities.
- Reviewing assumptions used in risk measurement models.
- Overseeing the development of risks database.
- Reviewing stress tests on credit, liquidity, market and operational risks and approving contingency planning.
- Reviewing the reports of the risk management department
- Monitoring the Bank's preparation and implementation of Basel II with respect to risk management and measurement issues.
- Receiving regular reports from the assets liabilities committee
- Receiving and acting on compliance and internal audit reports that tar relevant to the risk function
- Ensuring the existence of business continuity plan and testing it on a regular basis.

The Risk Management Committee meets at least four times a year, and submits reports to the Board of Directors on a regular basis. The General Manager, Deputy General Manager for Banking Operations, Head of Finance, Head of Risk and the Assistant General Manager/Regional Manager of Palestine Branches attend its meetings.

4.5 Investments Committee

The Investment Committee is comprised of the Chairman of the Board and two non-executive directors.
The Committee sets and reviews the Bank's investment policy and looks into new investments opportunities.

The committee meets on a regular basis, and members of the executive management may be invited to attend its meetings, if necessary.

4.6 Compliance Committee

The Compliance Committee comprises of at least three non-executive member
The duties of the Compliance Committee include:

- Reviewing Compliance strategy before being approved by the Board, and assessing its effectiveness on a continuous basis
- Ensuring the existence of policies and framework of compliance function, and reviewing them on a regular basis.
- Overseeing the Head of Compliance and Anti Money Laundering and the annual plan of the department activities.
- Ensuring that compliance/anti money laundering function has adequate expertise and resources to fulfill its responsibilities.
- Reviewing the reports of the compliance and anti-money laundering department
- Receiving and acting on internal audit reports that are relevant to the compliance/AML function

The Compliance Committee meets on a regular basis every three months, the Head of Compliance/AML attends its meetings.

5. Self Assessment

The Board assesses its own performance and the performance of its committees on an annual basis. The Nominations and Remuneration Committee is responsible for receiving the assessment from the Directors, reviewing them and providing to the Board with a report summarizing the self assessment. The Board discusses this report in order to enhance its performance if needed.
The Nominations and Remuneration Committee in coordination with the Chairman formally evaluate the performance of the General Manager and submits its evaluation to the Board.
The Board approves executive management succession plans which set out the required qualifications and requirements of the positions.

6. Related Party Transactions

A. Related party transactions between the Bank and its employees or Directors or their companies or other related parties, including lending and share trading transactions, are done according to rules and procedures that comply with Central Bank of Jordan regulation.
B. Credit extended to Directors and their companies are made in accordance with the Bank's related parties credit policies and are reported to the Board of Directors for review.
C. Credit extended to Directors and their companies are made at market rates and not on preferential terms.
D. Directors involved in any credit transaction do not participate in discussions nor do they vote on it.
E. All related party transactions are disclosed in the Bank's annual report as well all interim financial statements.
F. The Bank's internal controls ensure that all related party transactions are handled in accordance with the set policies.

7. Internal Controls

A. The Board ensures that the Bank maintains a high degree of integrity in its operations. Formal policies, including a Code of Conduct, and definitions and controls on conflicts of interest and insider dealing, have been established and are published to all employees.
B. The Bank has written policies covering all banking operations. Such policies are regularly reviewed to ensure that they conform to any changes in laws and regulations, the economic environment and other circumstances affecting the Bank.
C. The Bank as part of its lending and credit approval process assesses the quality of corporate governance in its corporate borrowers, especially public shareholding companies, and includes the strength or weakness of their corporate governance practice in the borrower's risk assessment.
D. Executive management is responsible for implementing the risk management strategies that have been approved by the Board, and for developing the policies and procedures for managing the various types of risk.
E. The structure and development of a coherent and comprehensive risk management department within the Bank is proposed by the executive management, reviewed by the Risk Management Committee, and approved by the Board.
F. The Bank adopted "Whistle Blowing Policy", whereby employees can confidentially raise concerns about possible irregularities, and that allow for such concerns to be independently investigated and followed up.
G. The Bank's management is responsible for establishing and maintaining adequate internal control structure over financial reporting for the Bank
H. The Bank's internal control structure is reviewed at least once a year by internal and external auditors.
I. The Bank requires the regular rotation of the external audit between audit firms. Should this no longer be practical, then the Bank will at a minimum require the regular rotation of the principal partner in charge of the external audit.

8. Internal Audit

A. The Bank provides the Internal Audit Department with staff adequately resourced, trained and remunerated.
B. The Internal Audit Department has full access to the Bank's records and employees, and is given sufficient standing and authority within the Bank to adequately carry out its tasks. The functions, duties and responsibilities of the Internal Audit Department are documented within the Internal Audit Charter which is approved by the Board and published within the Bank.
C. The Internal Audit Department reports primarily to the Chairman of the Audit Committee.
D. The Internal Audit employees do not have any operational responsibilities. Internal Audit is responsible for proposing the structure and scope of the audit schedule, and any potential conflicts of interest are reported to the Audit Committee.
E. The Internal Audit reports may be discussed with the departments and operational units being audited, but the Internal Audit Department is allowed to operate and make a full and honest report without outside influence or interference.
F. The Internal Audit Department reviews the Bank's financial reporting as well as compliance with internal policies, international standards, procedures and applicable laws and regulations.

9. Risk Management

A. Risk management is the responsibility of all departments and operational units within the Bank.
B. The Risk Management Department reports to the Risk Management Committee and on a day-to-day operational basis it reports to the General Manager.
C. The functions of the Risk Management Department are assisted by a network of properly constituted, authorized and documented committees such as assets and liabilities committee, investment committee and credit committees.
D. The responsibilities of the Risk Management Department include:
- Analyzing all risks including credit risk, market risk, liquidity risk and operational risk
- Developing methodologies for measuring and controlling each risk
- Recommending limits to Risk Management Committee and the approval, reporting and recording of exceptions to the risk policy
- Providing the Board and the executive management with information on risk metrics and on the Bank risk profile.
- Providing information about risks to be used in the Bank's published statements and reports.

10. Compliance

A. The Bank has an independent compliance function which is adequately resources, trained and remunerated.
B. The Compliance Department establishes effective mechanisms to ensure that the Bank complies with all applicable laws and regulations. The Department's functions, duties and responsibilities are documented and published within the Bank.
C. The Compliance Department is responsible for developing the compliance policy of the Bank and ensuring its implementation throughout the Bank. The Board is responsible for approving the compliance policy and overseeing its implementation.
D. The Compliance Department reports to the Risk Management Committee, with copies of its reports sent to the General Manager.

11. Relationship with Shareholders

A. The Bank takes active steps to encourage shareholders, in particular minority shareholders, to participate in the annual General Assembly, and also to vote either in person or in their absence by proxy.
B. The Bank's policy is that the Chairmen of all Board Committees should be present at the annual General Assembly.
C. Representatives from the external auditors attend the annual General Assembly to answer questions about the audit and their auditors' report. External auditors are elected by the shareholders at the General Assembly.
D. Voting is done on each separate issue that is raised at the General Assembly.
E. Notes, minutes and a report of the proceedings of the annual General Assembly, including the results of voting, and the questions from shareholders and executive management's responses, are prepared and made available to shareholders after the annual General Assembly.

12. Transparency and Disclosures

A. The Bank disclosures are made in accordance with the International Financial Reporting Standards (IFRS), the regulations issued pursuant to the Banking Law and to other related legislations.
B. The Bank provides meaningful information on its activities to shareholders, depositors, financial market counterparties, regulators and the public in general. The Bank also discloses significant issues in accordance with Jordan Securities Commission regulations.
C. The Bank follows The Disclosure Regulation issued by Jordan Securities Commission and the regulation of the Central Bank of Jordan for information that should be disclosed in the Bank annual report.
D. The Bank's annual report includes information about the structure and operation of the Risk Management Department, in addition to a detailed description of the Bank's risks and the methods for managing them.
E. The annual report includes a statement from the Board of Directors acknowledging their responsibility for the preparation of the financial statements and the contents of the annual report, and their accuracy and completeness noting that the Bank maintains an effective internal control structure.
F. The Bank prepares quarterly reports that include quarterly financial statement, as well as preparing analysis of the Bank's results of operations which allow investors to understand current and future operating results and the financial condition of the Bank.
G. The Head of Finance Department is handling the function of investor relations through providing comprehensive, objective and up to date information on the Bank, its financial condition and performance and its activities.
H. The Bank discloses in its annual report its corporate governance code and details of its compliance.
I. The Bank discloses in its annual report summary organization chart.
J. The Bank discloses in its annual report summaries of the duties and responsibilities of Board Committees including the members of these committees.
K. The Bank discloses in its annual report a summary of the remuneration policy, including the amounts paid to the members of the executive management.

The Bank complies with all articles of the Corporate Governance Code except:

- Having approved succession plan for executive management
- Having approved remuneration and bonus policy.

Corporate Governance Code issued by Jordan Securities Commission

Jordan Securities Commission approved the governance code for public shareholding companies listed in the Amman Stock Market. The code took effect as of 1/1/2009; including mandatory rules formulated on the basis of binding legal provisions of effective legislations. The code states that in the initial stage, implementation of the directive rules must be consistent with the compliance method; otherwise proper justification for non-compliance must be stated.

The bank is committed to the implementation of all mandatory and directive rules embodied in the code with the exception of the following directive rules:

- Members of the Board of Directors are not elected by the general assembly according to accumulative voting system, because that is a right of the shareholders as stated in the Companies Law.
- Rules for granting incentives and bonuses to members of the executive management are decided on an annual basis by the Board of Directors based on the bank's annual results.
- All audit committee members are non-executives. Only one independent board member serves on the audit committee, who accordingly will not assume the position of head of the committee.
- The bank is not obligated to exclude from the General Assembly's meeting any new items not listed in the agenda sent to the shareholders, because that is a right of the shareholders under the Companies Law.
- The background of shareholders wishing to run for the Board of Directors membership is not to be attached to the invitation sent to the shareholders to attend the General Assembly's meeting.
- The Bank adheres to the provisions of the Companies Law as to calling for an extraordinary meeting of the General Assembly to request the resignation of the Board of Directors or one of its members or to request an audit of the Company's operations and records.
- The external auditor may do additional work that serves the Bank's interest, provided that it does not constitute a conflict of interest and that it is reported in the annual report.

Bank's Branches and Offices

Annual Report 2013

The Bank's Branches and Offices

Head Office
Number of Employees: 762
Arar Street, Wadi Saqra
Telephone: 06 5006000, Fax: 06 5007100
P.O. Box 950661, Amman 11195, Jordan

Jordan's Branches and Offices

Abu Alanda Branch
Number of Employees: 9
Tel.: 06 4162857 Fax: 06 4164801
P.O. Box 153, Amman 11592, Jordan

Abu Nseir Branch
Number of Employees: 10
Tel.: 06 5105719/20 Fax: 06 5105716
P.O. Box 2459, Amman 11941, Jordan

Ajloun Branch
Number of Employees: 9
Tel.: 02 4622895 Fax: 02 4622897
P.O. Box 55, Amman 26810, Jordan

Al - Al Beit University
Number of Employees: 7
Tel.: 02 6231856 Fax: 02 6234655
P.O. Box 130066, Mafraq 25113, Jordan

Al Abdali Branch
Number of Employees: 10
Tel.: 06 5650853 Fax: 06 5602420
P.O. Box 928507, Amman 11190, Jordan

Al Baqa'a Branch
Number of Employees: 10
Tel.: 06 4728190 Fax: 06 4726810
P.O. Box 1215, Amman 19381, Jordan

Al Bayader Branch
Number of Employees: 18
Tel.: 06 5859504 Fax: 06 5814933
P.O. Box 140285, Amman 11814, Jordan

Al Fuheis Branch
Number of Employees: 9
Tel.: 06 5373061 Fax: 06 5373064
P.O. Box 180, Al Fuheis 19152, Jordan

Al Hurrieh Street Branch
Number of Employees: 8
Tel.: 06 4205923 Fax: 06 4206962
P.O. Box 515, Amman 11623, Jordan

Al Hussein Bin Talal University Branch
Number of Employees: 9
Tel: 03 2135071 Fax: 03 2134985
P.O. Box 13, Ma'an 71111, Jordan

Al Hussein Bin Talal University – Gate Office Branch
Number of Employees: 4
Tel.: 03 2136420 Fax: 03 2136419
P.O. Box 13, Ma'an 71111, Jordan

Al Karak Al Thunaya Branch
Number of Employees: 14
Tel.: 03 2387630 Fax: 03 2387626
P.O. Box 6, Al Karak 61151, Jordan

Al Madinah Al Monwra Street Branch
Number of Employees: 14
Tel: 06 5560285 Fax: 06 5537957
P.O. Box 1301, Amman 11953, Jordan

Al Mafraq Branch
Number of Employees: 16
Tel.: 02 6235516 Fax: 02 6235518
P.O. Box 1308, Al Mafraq 25110, Jordan

Al Mahata Branch
Number of Employees: 9
Tel.: 06 4651326 Fax: 06 4651991
P.O. Box 6180, Amman 11118, Jordan

Al Qweismeh - Madaba Street Branch
Number of Employees: 16
Tel.: 06 4771333 Fax: 06 4751737
P.O. Box 38971, Amman 11593, Jordan

Al Rusaifeh Branch
Number of Employees: 9
Tel.: 05 3741106 Fax: 05 3742275
P.O. Box 41, Al Rusaifeh 13710, Jordan

Al Rusaifeh - Jabal Shamali Branch
Number of Employees: 8
Tel.: 05 3755785 Fax: 05 3755796
P.O. Box 120225, Al Rusaifeh 13712, Jordan

Al Salt Branch
Number of Employees: 15
Tel.: 05 3550636 Fax: 05 3556715
P.O. Box 1101, Al Salt 19110, Jordan

Al Salt – King Abdullah II Street Branch
Number of Employees: 12
Tel.: 05 3500173 Fax: 05 3500178
P.O. Box 214, Al Balqa' 19328, Jordan

Al Shobak Office
Number of Employees: 4
Tel.: 032165473 Fax: 032165477
P.O. Box 13 Ma'an 71111, Jordan

Al Sweifieh Branch
Number of Employees: 15
Tel.: 06 5865805 Fax: 06 5863140
P.O. Box 715, Amman 11118, Jordan

Al Wahdat Branch
Number of Employees: 9
Tel.: 06 4771172/1 Fax: 06 4753388
P.O. Box 715, Amman 11118, Jordan

Al Weibdeh Branch
Number of Employees: 11
Tel.: 06 4637404 Fax: 06 4637438
P.O. Box 715, Amman 11118, Jordan

Al Yasmeen Branch
Number of Employees: 10
Tel.: 06 4201748 Fax: 06 4201459
P.O. Box 38971, Amman 11593, Jordan

Al Zarqa Branch
Number of Employees: 14
Tel.: 05 3982729 Fax: 05 3931424
P.O. Box 39, Al Zarqa 13110, Jordan

Al Zarqa Branch – Army Street
Number of Employees: 12
Tel: 05 3968031 Fax: 05 3968033
P.O. Box 151180, Al Zarqa 13115, Jordan

Al Zarqa – Baghdad Street Branch
Number of Employees: 8
Tel.: 05 3931984 Fax: 05 3931988
P.O. Box 150746, Al Zarqa 13115, Jordan

Al Zarqa Al Jadideh Branch
Number of Employees: 8
Tel.: 05 3864118 Fax: 05 3864120
P.O. Box 12291, Al Zarqa 13112, Jordan

Amman Branch
Number of Employees: 21
Tel.: 06 5006001 Fax: 06 4639328
P.O. Box 715, Amman 11118, Jordan

Aqaba – Tunisian Baths Street Branch
Number of Employees: 12
Tel.: 03 2018452 Fax: 03 2018456
P.O. Box 1177, Aqaba 77110, Jordan

Aqaba - Yarmouk Street Branch
Number of Employees: 15
Tel.: 03 2019787 Fax: 03 2015550
P.O. Box 1166, Aqaba 77110, Jordan

Aswaq Al Salam Branch
Number of Employees: 10
Tel.: 06 5859045/6 Fax: 06 5857631
P.O. Box 140285, Amman 11814, Jordan

Bani Kenana Branch
Number of Employees: 8
Tel.: 02 7585191 Fax: 02 7585211
P.O. Box 109, Irbid 21129, Jordan

City Mall Branch
Number of Employees: 10
Tel.: 06 5820028 Fax: 06 5864726
P.O. Box 2688, Amman11821, Jordan

Cozmo Office
Number of Employees: 4
Tel.: 06 5821634 Fax: 06 5814933
P.O. Box 140285, Amman 11814, Jordan

C-Town Branch – 7th Circle
Number of Employees: 7
Tel.: 06 5861724 Fax: 06 5816145
P.O. Box 715, Amman 11118, Jordan

Deir Abi Saeed Office
Number of Employees: 5
Tel.: 026522190 Fax: 026522195
P.O. Box 55 Irbid 26810, Jordan

German Jordanian University Branch
Number of Employees: 7
Tel.: 06 4250525 Fax: 06 4250545
P.O. Box 440, Madaba 17110, Jordan

Ghor Al Safi Branch
Number of Employees: 9
Tel.: 03 2300436 Fax: 03 2300438
P.O. Box 57, Karak, Jordan

Hakma Street Branch
Number of Employees: 11
Tel: 02 7408377 Fax: 02 7412545
P.O. Box 336, Irbid 21110, Jordan

Hashmi Al Shamali Branch
Number of Employees: 9
Tel.: 06 5055390 Fax: 06 5055401
P.O. Box 231106, Amman 11123, Jordan

Irbid Branch
Number of Employees: 16
Tel.: 02 7257531 Fax: 02 7279207
P.O. Box 336, Irbid 21110, Jordan

Irbid – Omar Al Mokhtar Street Branch
Number of Employees: 14
Tel.: 02 7250950 Fax: 02 7250954
P.O. Box 150002, Irbid 21141, Jordan

Irbid - Square Branch
Number of Employees: 11
Tel.: 02 7240071/4 Fax: 02 7240069
P.O. Box 2066, Irbid 21110, Jordan

Jabal Al Hussein Branch
Number of Employees: 12
Tel: 06 5604974 Fax: 06 5605632
P.O. Box 8636, Amman 11121, Jordan

Jabal Amman Branch
Number of Employees: 14
Tel.: 06 4625228 Fax: 06 4618504
P.O. Box 2018, Amman 11181, Jordan

Jerash Branch
Number of Employees: 13
Tel.: 02 6341869 Fax: 02 6341870
P.O. Box 96, Jerash, Jordan

Jomrok Amman Office
Number of Employees: 3
Tel.: 064705447 Fax: 064705475
P.O. Box 38971 Amman 11593, Jordan

Jordan University Branch
Number of Employees: 18
Tel.: 06 5342225 Fax: 06 5333278
P.O. Box 13146, Amman 11942, Jordan

Jordan University Hospital Branch
Number of Employees: 9
Tel.: 06 5514072 Fax: 06 5333248
P.O. Box 13046, Amman 11942, Jordan

Jordan University – Student Office Aqaba Branch
Number of Employees: 3
Tel.: 03 2018454 Fax: 03 2018456
P.O. Box 1177, Aqaba 77110, Jordan

Jordan University – Student Office Branch
Number of Employees: 4
Tel.: 06 5342225 Fax: 06 5333278
P.O. Box 13146, Amman 11942, Jordan

King Abdullah Hospital Branch
Number of Employees: 7
Tel.: 02 7095723 Fax: 02 7095725
P.O. Box 336, Irbid 21110, Jordan

Leaders Center – Al Madina Al Tibbiyeh Street Branch
Number of Employees: 6
Tel.: 06 5331206 Fax: 06 5331209
P.O. Box 140350, Amman 11814, Jordan

Ma'adi Branch
Number of Employees: 10
Tel.: 05 3570030 Fax: 05 3571904
P.O. Box 27, Ma'adi 18261, Jordan

Ma'an Office
Number of Employees: 5
Tel.: 032136590 Fax: 032136594
P.O. Box 13 Ma'an 71111, Jordan

Madaba Branch
Number of Employees: 12
Tel.: 05 3253471/2/3 Fax: 05 3253465
P.O. Box 585, Madaba 17110, Jordan

Marka Branch
Number of Employees: 9
Tel.: 06 4896044 Fax: 06 4896042
P.O. Box 715, Amman 11118, Jordan

Marj Al Hamam Branch
Number of Employees: 11
Tel.: 06 5712383 Fax: 06 5711895
P.O. Box 30, Marj Al Hamam 11732, Jordan

Marriott Hotel Branch
Number of Employees: 5
Tel.: 06 5658764 Fax: 06 5623161
P.O. Box 715, Amman 11118, Jordan

Mecca Street Branch
Number of Employees: 12
Tel.: 06 5522850 Fax: 06 5522852
P.O. Box 1172, Amman 11821, Jordan

Mu'tah University Branch
Number of Employees: 16
Tel.: 03 2370182 Fax: 03 2370181
P.O. Box 88, Mu'tah 61710, Jordan

AL NuzhaBranch
Number of Employees: 7
Tel.: 06 5626220 Fax: 06 6562335
P.O. Box 8080 Amman 11191, Jordan

North Al Shooneh Office
Number of Employees: 5
Tel.: 026580816 Fax: 026580818
P.O. Box 3757 Irbid 21110, Jordan

Philadelphia University Branch
Number of Employees: 5
Tel.: 02 6374604 Fax: 02 6374605
P.O. Box 1, Jerash 19392, Jordan

Ports Corporations Offices
Number of Employees: 2
Tel.: 03 2019117 Fax: 03 2015550
P.O. Box 1166, Aqaba 77110, Jordan

Prince Hamza Hospital Branch
Number of Employees: 6
Tel.: 06 5055226 Fax: 06 5055204
P.O. Box 1047, Amman 11947, Jordan

Qasr Al Adel Branch
Number of Employees: 5
Tel.: 06 5677286 Fax: 06 5677287
P.O. Box 950661, Amman 11195, Jordan

Ramtha Branch
Number of Employees: 8
Tel.: 02 7384126/7 Fax: 02 7384128
P.O. Box 526, Ramtha 21410, Jordan

Science & Technology University Branch
Number of Employees: 15
Tel.: 02 7095713 Fax: 02 7095168
P.O. Box 3030, Irbid 22110, Jordan

Shmeisani Branch
Number of Employees: 14
Tel.: 06 5685074 Fax: 06 5687721
P.O. Box 962297, Amman 11196, Jordan

South Al Shooneh Office
Number of Employees: 3
Tel.: 053581322 Fax: 053581321
P.O. Box 27 Ma'di 18261, Jordan

Sweileh Branch
Number of Employees: 15
Tel.: 06 5335210 Fax: 06 5335159
P.O. Box 1400, Amman 11910, Jordan

Sweileh – Queen Rania Al Abdullah Street Branch
Number of Employees: 9
Tel.: 06 5332585 Fax: 06 5332485
P.O. Box 316, Amman 11910, Jordan

Tabarbour Branch
Number of Employees: 7v
Tel.: 06 5054170 Fax: 06 5053916
P.O. Box 273, Amman 11947, Jordan

Tafileh Branch
Number of Employees: 8
Tel.: 03 2250756 Fax: 03 2250754
P.O. Box 175, Amman 66110, Jordan

Travel Depot - Irbid Branch
Number of Employees: 9
Tel.: 02 7249851 Fax: 02 7250715
P.O. Box 3757, Amman 21110, Jordan

Wadi Saqra Branch
Number of Employees: 15
Tel.: 06 5006000 Fax: 06 5007124
P.O. Box 950661, Amman 11195, Jordan

Yarmouk University Branch
Number of Employees: 10
Tel.: 02 7246053/9/84 Fax: 02 7241983
P.O. Box 336, Irbid 21110, Jordan

Yarmouk University – Student Office Branch
Number of Employees: 8
Tel.: 02 7270181 Fax: 02 6354012
P.O. Box 336, Irbid 21110, Jordan

Zara Mall Branch
Number of Employees: 16
Tel.: 06 5006220 Fax: 06 4618354
P.O. Box 17868, Amman 11195, Jordan

Wadi Mousa Office
Number of Employees: 4
Tel.: 032154975 Fax: 032154974
P.O. Box 13 Ma'an 71111, Jordan

Zarqa Office
Number of Employees: 3
Tel.: 053864118 Fax: 053826070
P.O. Box 12291 Zarqa 13112, Jordan

Consulting Centers

Marketing & Consulting Center - Amman
Tel.: 06 5006000 Fax: 06 5007128
P.O. Box 950661, Amman 11195, Jordan

Marketing & Consulting Center – Irbid
Tel.: 02 7257529 Fax: 02 7257530
P.O. Box 950661, Amman 11195, Jordan

Marketing & Marketing & Consulting Center – Jerash
Tel.: 02 6354010 Fax: 02 6354012
P.O. Box 96, Jerash, Jordan

Consulting Center – Zarqa
Tel.: 05 3975202 Fax: 05 3975203
P.O. Box 950661, Amman 11195, Jordan

Palestine Branches and Offices

Regional Management
Number of Employees: 276
Tel.: 02 2977230 Fax: 02 2952763
P.O. Box 1870, Ramallah, Palestine

Abu Baker Street Office – Jenin
Number of Employees: 15
Tel.: 04 2505270 Fax: 04 2503110
P.O. Box 67, Jenin, Palestine

Ain Sara Al Khalil Branch
Number of Employees: 10
Tel.: 02 2216801 Fax: 02 2221140
P.O. Box 663, Al Khalil, Palestine

Al Ahliya College – Ramallah Branch
Number of Employees: 21
Tel.: 02 2983500 Fax: 02 2955437
P.O. Box 2359, Ramallah, Palestine

Al Irsal – Ramallah Branch
Number of Employees: 15
Tel.: 02 2948100 Fax: 02 2951433
P.O. Box 4343, Bireh, Palestine

Al Mahd Square Branch – Bethlehem
Number of Employees: 10
Tel.: 02 2757770 Fax: 02 2757722
P.O. Box 601, Bethlehem, Palestine

Al Masyoun – Ramallah Branch
Number of Employees: 19
Tel.: 02 2977090 Fax: 02 2979755
P.O. Box 2419, Ramallah, Palestine

Al Rimal – Al Rimal Branch
Number of Employees: 15
Tel.: 08 2821077 Fax: 08 2821088
P.O. Box 5350, Gaza, Palestine

Al Saraya – Al Saraya Branch
Number of Employees: 10
Tel.: 08 2824950/1 Fax: 08 2824830
P.O. Box 167, Gaza, Palestine

Al Shallaleh – Al Khalil Branch
Number of Employees: 5
Tel.: 02 2229803/4 Fax: 02 2229327
P.O. Box 662, Al Khalil, Palestine

Al Najah University Office Branch
Number of Employees: 5
Tel.: 09 2343550 Fax: 09 2977167
P.O. Box 499, Nablus, Palestine

Bethlehem Branch
Number of Employees: 15
Tel.: 02 2756900 Fax: 02 2744974
P.O. Box 709, Bethlehem, Palestine

Deir Al Balah Branch
Number of Employees: 9
Tel.: 08 2531220 Fax: 08 2539947
P.O. Box 6007, Deir Al Balah, Palestine

Faisal Street – Nablus Branch
Number of Employees: 17
Tel.: 09 2383250 Fax: 09 2383256
P.O. Box 1559, Nablus, Palestine

Haifa Street – Jenin Branch
Number of Employees: 17
Tel.: 04 2418000 Fax: 04 2439470
P.O. Box 66, Jenin, Palestine

Jericho Branch
Number of Employees: 10
Tel.: 02 2323627 Fax: 02 2321982
P.O. Box 55, Jericho, Palestine

Khan Younes Branch
Number of Employees: 11
Tel.: 08 2054074 Fax: 08 2054084
P.O. Box 158, Khan Younes, Palestine

Nablus Branch
Number of Employees: 28
Tel.: 09 2393001 Fax: 09 2381590
P.O. Box 50, Nablus, Palestine

Qalqilya Branch
Number of Employees: 16
Tel.: 09 2941115/4 Fax: 09 2941119
P.O. Box 43, Qalqiliah, Palestine

Rafah Branch
Number of Employees: 11
Tel.: 08 2136251 Fax: 08 2136250
P.O. Box 8205, Rafah, Palestine

Tulkarem Branch
Number of Employees: 23
Tel.: 09 2688140 Fax: 09 2672773
P.O. Box 110, Tulkarem, Palestine

Wadi Al Tuffah Branch
Number of Employees: 12
Tel.: 02 2225353 Fax: 02 2225358
P.O. Box 655, Khaleel, Palestine

Subsidiary Companies

Al Watanieh for Financial Services Company
Awraq Investments
Number of Employees: 32
Tel.: 006 5503800 Fax: 06 5503802
P.O. Box 925102 Amman, 11110 Jordan

Al Watanieh Securities Company
Number of Employees: 16
Tel.: 009702 298 0420 Fax: 009702 298 7277
P.O. Box 1983, Ramallah, Palestine