



His Majesty King Abdullah The Second



His Royal Highness Hussein Abdullah, Crown Prince



بنك القاهرة عمّان
CairoAmmanBank

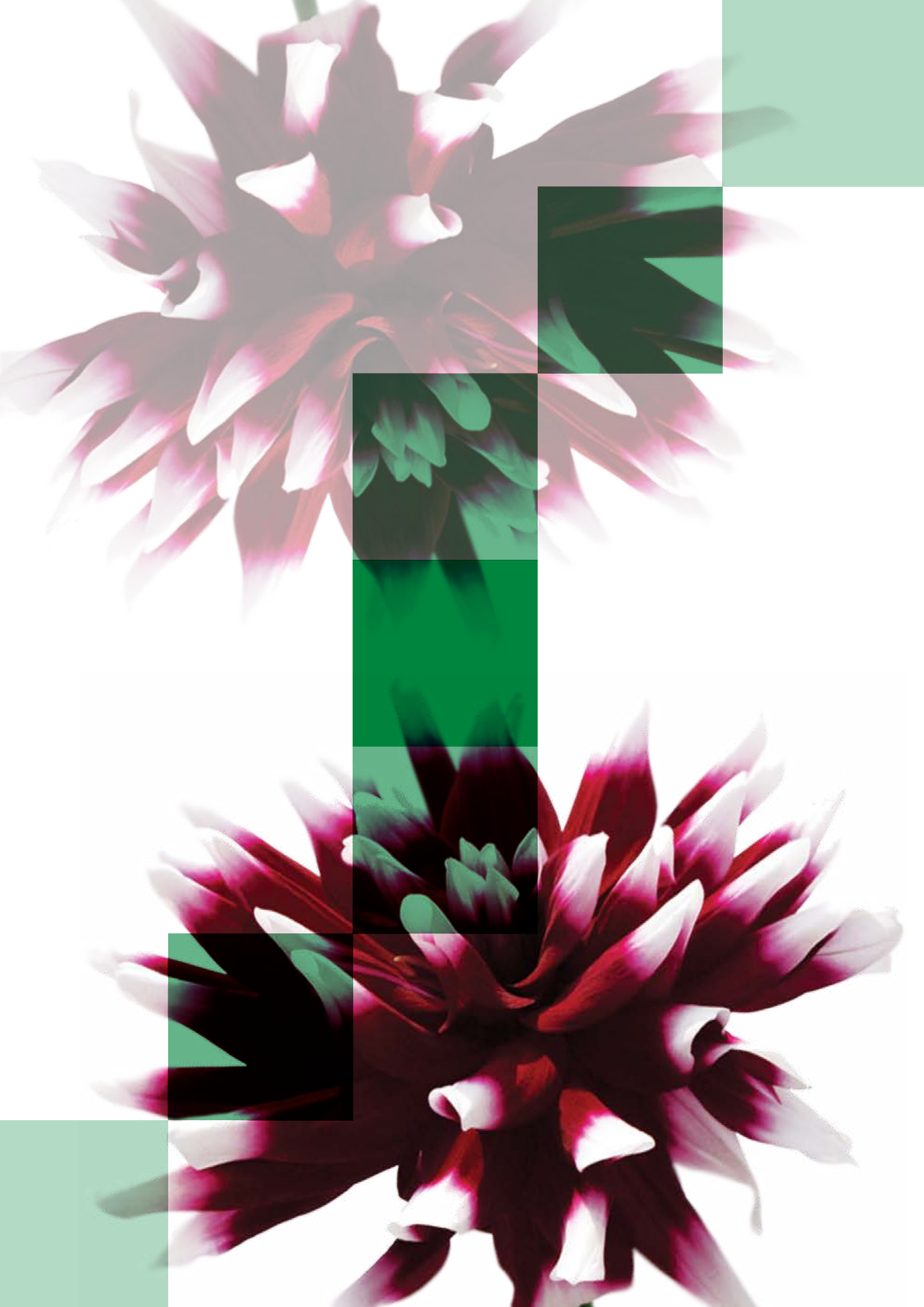
Together we grow

معاً ننمو





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Board of Directors

Mr. Yazid Adnan Al-Mufti

Chairman

Dr. Farouq Ahmad Zuaiter
(Since 22nd April, 2014)

Vice Chairman
(Since 19th October, 2014)

Mr. Khaled Sabih Al-Masri

Banque Misr, Represented By

Mr. Ahmad Mohyee Aldeen Abu Al-Ezz
(Since 25th September, 2014)

Mr. Mohammad Kamal Eddin Barakat/ Vice Chairman
(Until 25th September, 2014)

Mr. Yasin Khalil Talhouni
(Since 22nd April, 2014)

Al-Massira Investment Company, Represented By

Mr. Arfan Khalil Ayass

Mr. Nashat Taher Al-Masri

Arab Supply and Trading Company, Represented By

Mr. Ghassan Ibrahim Akeel

Ishraq Investment Company, Represented By

Mr. Hassan Ali Abu Al-Ragheb
(Since 15th April, 2014)
Mr. Ibrahim Hussien Abu Al-Ragheb
(Until 12th June, 2014)

Social Security Corporation, Represented By

Mr. Nidal Fa'eq Al-Qubaj

Misr Investment Company, Represented By

Mrs. Suhair Sayed Ibrahim

Mr. Sharif Mahdi Al-Saifi

Levant Investment Company, Represented By
(Until 22nd April, 2014)

Mr. Yasin Khalil Talhouni

**Palestine Development &
Investment Company (Padico), Represented By**
(Until 22nd April, 2014)

Dr. Farouq Ahmad Zuaiter

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 2014. 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.

2014 was the year in which the Jordanian economy was able to achieve positive signs of developments, especially at the fiscal and monetary policy level. In spite of the challenges arising from the continuing fluctuation of the Egyptian gas supplies and Syrian asylum pressures, the government has managed to maintain the budget deficit within the prescribed safe levels. Furthermore, both fiscal and monetary policies have succeeded in increasing the Kingdom's foreign-currency reserves, which had a positive impact on the domestic liquidity levels and investors and customers' confidence in national economy. Nevertheless, a significant drop in oil prices marked the end of 2014, as a result of the high level of global supply and competition among oil-exporting countries over the expansion of their market shares is expected to reflect positively on Jordan's economy during 2015, especially in terms of reducing energy imports bill, thus increasing foreign-currency reserves and dropping the losses of the National Electric Power Company.



In 2014, 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 44.5 million compared to JD 40.8 million in the previous year, an increase of 9.2%. This rise has been accompanied by a growth in the Bank's operating profits. Net interest and commission income grew by 8.4% to reach JD 124.9 million, while gross income amounted to JD 136.6 million achieving a growth of 5.8% to post one of the highest returns within the banking sector in Jordan, return on average assets and average equity were 1.95% and 16.02% respectively.

In addition, total assets grew by 6.3%, reaching JD 2353.1 million, while customers' deposits increased by 11.3%, reaching JD 1587.4 million. The Bank's credit facilities net balance increased by 5.8%, reaching JD 1020.6 million. This has been accompanied by maintaining the quality of the credit portfolio, as the level of non-performing loans reached 4.49% which is lower than the average level of the banking sector in Jordan, noting that the provision coverage ratio reached 97%. The Bank has also reinforced its capital base, where its capital adequacy ratio reached 14.95% which is higher than the minimum required by Central Bank of Jordan of 12% and minimum required by Basel committee of 8%.

The Bank has continued to play a leadership role in providing banking services to individuals through the continuous development of its products and programs, promotion of a network of Bank branches and offices scattered in all Kingdom's governorates and Palestine, and development of electronic banking services. The bank has also conducted activities in small and medium-sized enterprises by signing several agreements with different entities so as to fund this sector at low interest rates for medium and long terms. Cairo Amman Bank is nowadays considered as one of the leading banks, giving great attention and importance to implementing sustainable energy projects and improving the efficiency of energy use.

In addition, 2014 has witnessed the launch of financial leasing activities through "Tamallak Leasing Company", a Cairo Amman Bank wholly-owned subsidiary which managed to achieve unexpected excellent results, despite the fact that it started operating during the second half of the year. In addition, the Bank was able to complete all necessary actions to establish a new branch in the Kingdom of Bahrain by the end of the year. Which enabled it to have access to the Gulf market and attract and provide banking services to the Jordanian community scattered in all Gulf countries. It is expected that the branch will start operating during the first quarter of 2015.

Based on the financial performance of the Bank, the Board of Directors has recommended that the General Assembly distributes cash dividends of 13% of the share's par value to the shareholders, amounting to JD 16.25 million, as well as bonus shares of 28% so as to increase the paid-in capital to JD 160 million. 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 2015 to implement our strategic plan and policies, and develop our operations. We will concentrate on maintaining adequate liquidity levels and the quality of credit portfolio. In the wake of the implementation of the new core banking system in Jordan and Palestine, the Bank will work on increasing the performance efficiency and ongoing improvement of services provided to customers. 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 gratitude and appreciation to the Central Bank of Jordan for its dedicated efforts and lasting support, as well as to all shareholders and customers for their ongoing, valuable loyalty and trust in the services provided by Cairo Amman Bank. Our appreciation is also extended to all employees for their dedication, commitment and hard work. 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**

First: Local Economy

Economic growth remained moderate at around 3.3% in 2014, driven by a recovery of the mining sector compared to previous years and continued robust growth in the construction sector. On the other hand, inflation figures dropped dramatically in 2014 to reach 2.8% compared to 5.6% in 2013.

On the monetary front, foreign currency reserves at the Central Bank of Jordan (CBJ) continued to increase in 2014, reaching \$14.2 billion in November, and covering more than 7 months of imports. Meanwhile, JD deposits continued increasing while foreign currency deposits continued dropping, though at a slower pace compared to what the banking sector witnessed in 2013, but the trend signals continued confidence in the local currency as savers shift from dollars to dinars. Along with the previous developments, the CBJ adopted an expansive monetary policy stance through cutting its main JD policy rate 75 basis points in 2014 in an effort to stimulate growth and reduce the debt burden on government borrowing as well as individuals and companies.

On the fiscal front, the central government budget balance was in line with official forecasts in 2014, as the central government registered a deficit of around 1.1 billion JD, or 4.3% of GDP, compared to 1.3 billion JD, or 5.4% of GDP in 2013. On the other hand, the budget deficit for independent government entities, of which the National Electric Power Company (NEPCO) constitutes the largest portion, witnessed exceptional growth compared to 2013 and compared to what was estimated in the 2014 budget. The increase can be attributed to a drop in the inflow of Egyptian gas which lead to government independent entities registering a deficit to 1.5 billion JD, or 5.8% of GDP, compared to a deficit of 639 million JD, or 2.6% of GDP in 2013.

Meanwhile, the government continued to receive exceptional grants to help cover the budget deficit and the significant pressures arising from the Syrian refugees. The government was able to accomplish a high percentage of capital expenditure projects planned for 2014 funded by grants, reaching around 88%. As for the composition of public debt, the government continued to shift to external borrowing in 2014, as the government issued a \$1 billion Eurobond guaranteed by the U.S. government. Meanwhile, domestic borrowing rose by 1.2 billion JD over the same period, and by much more than what was budgeted, mainly due to the drop in Egyptian gas levels.

As for the external sector, despite an increase in mining and agricultural exports, the trade deficit rose by 1.1% during the first 10 months of 2014 compared to the same period in 2013. The increase is mainly due to a drop in Egyptian gas inflows and a consequent increase in oil imports. The deficit is expected to narrow during the remaining 2 months of the year, due to the significant drop in international oil prices.

A number of laws concerning the economy were passed in 2014, including the public-private partnership law (PPP), investment law, and income tax law. The new income tax law included tax hikes on main economic sectors but excluded the manufacturing sector, while income tax on the banking sector was raised from 30% to 35%. The tax law also included hikes on personal income and other sectors including telecommunications, mining, and electricity companies.

Expectations for 2015

The drop in oil prices is expected to have a positive effect on the Jordanian economy, which will be reflected on economic indicators in 2015. If oil prices remain around current levels of \$50 per barrel, it is expected that the purchasing power of consumers will strengthen, while the current account deficit will narrow. This will help push growth levels for 2015, which according to government forecasts is expected to reach around 4%. Moreover, the drop in oil prices will help ease pressure on the monetary front, as inflation for 2015 is expected to drop to 2.5%, while the drop will also help keep FX reserves at their current high levels.

Meanwhile, NEPCO will also benefit from the drop in oil prices, as its operational expenses will drop, while other factors such as the liquefied natural gas (LNG) terminal at Aqaba and the hike in tariffs will also help drop losses. This will translate to lower internal borrowing by the government, which is placing pressure on local liquidity levels. On another note, the utilization of Islamic Sukuk in 2015 is expected to reach around 500 million JD, which will provide new sources of funding for the government and the private sector, also helping to ease pressure on the monetary front.

Despite the above positive factors, the political and economic environment in Jordan is still susceptible to risks, with geopolitical risks arising from conflicts in neighboring countries at the forefront. In addition, the government's decision to freeze expenditures at the same levels in 2015 compared to 2014 will reduce the government's contribution to growth. From another point of view, some sectors in the economy are also susceptible to risks due to the hike in tax rates and the competitiveness of their goods compared to imported goods, which will place further pressure on growth levels in 2015.

Second: International Economy

Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. The global economy grew by 3.3%, unchanged from the previous year, according to International Monetary Fund forecasts.

Increasingly divergent trends are taking place in major economies. While economic performance regained momentum in the United States and the United Kingdom in view of labor markets pickup and accommodative monetary policy, the recovery in the Euro Area and Japan remained bumpy still affected by the aftermath of the financial crisis. China, meanwhile, is undergoing a carefully managed slowdown with a bleak outlook.

Growth in the United States rebounded after the contraction in the first quarter of 2014, with the economy growing by around 2.4%, while unemployment declined further to 5.6% in December. Leading indicators pointed to robust growth, though momentum seemed to have weakened in the last months of the year. Meanwhile, inflation pressure stayed more muted, also reflecting the dollar appreciation and the decline in oil prices.

The U.S. Federal Reserve's controversial bond-buying program, known as quantitative easing, came to an end in October after adding more than \$3.5 trillion to the Fed's balance sheet. Fed officials are now on track to start gradually raising short-term interest rates in the second half of 2015, even though long-term rates are going in the other direction amid new investor worries about weak global growth and continued geo-political risks, falling oil prices and slowing consumer price inflation.

In contrast, weak investment and declining inflation expectations weighed on the euro area growth outlook, with concerns that even Germany have been afflicted by the economic malaise. The euro area grew by around 0.8% in 2014, and inflation fell alarmingly, ending the year closer to outright deflation, adding pressures on the European Central Bank to introduce further monetary policy easing. The ECB in 2014 has implemented rate cuts – including negative deposit rates, provided cheap loans to banks and purchased covered bonds and asset backed securities in the hope of stimulating the euro zone economy.

In Japan, Abenomics policies have failed to lift Japan out of stagnation. Private domestic demand did not accelerate as expected after the increase in the consumption tax rate, pushing the economy into a technical recession in the third quarter. Policymakers responded with additional quantitative and qualitative monetary easing and a delay in the second consumption tax rate increase.

Meanwhile, China's economic growth slowed to 7.4% in 2014, down from 7.7% in 2013, its slowest pace in 24 years. Policymakers cut interest rates in November for the first time since 2012, surprising markets as the government has repeatedly signaled its tolerance for slower growth with the economy transitioning from reliance on investment and towards domestic consumption.

One of the major developments in 2014 going into 2015, was the drop in oil prices, which plunged from above \$100 a barrel in June to less than half that level at the end of 2014, falling around 60%. The drop was due to a growing surplus brought on by booming U.S. production and weaker-than-expected demand in some major economies, in particular, emerging market economies.

Global growth in 2015 will receive a boost from lower oil prices, but this boost would be offset by negative factors, including the decline in inflation expectations and weaker economic prospects for China, the euro area, Russia – in view of continued sanctions, Japan, and oil-exporting countries.

Third: Regional Economies

Oil Exporting Countries:

The drop in oil prices by around 60% since September 2014 has changed the outlook for oil exporting countries dramatically in 2015. The drop is expected to result in exporting losses of around \$390 billion for oil exporting countries in 2015, of which the GCC accounts for \$300 billion or 21% of GDP.

In 2014, the drop in oil prices coupled with geopolitical tension in certain economies such as Iraq and Libya has led to a drop in economic growth, as GDP growth for oil exporting countries registered 2.7% in 2014 compared to an average of 5.6% between 2000 and 2012.

However, GCC countries registered relatively higher economic growth levels of 3.7% in 2014, due to high levels of government spending on infrastructure. Over the short-term, large fiscal surpluses and foreign assets accumulated over the years by GCC governments is expected to keep government expenditure at high levels, which will minimize the drop in economic growth.

Other statistics for 2014 show that government fiscal surpluses registered 0.1% of GDP for oil exporting countries, while they registered a surplus of 10% of GDP for GCC countries. Moreover, the current account balance for all oil exporting countries registered a surplus of 10% of GDP in 2014, while GCC countries registered a higher surplus of 16.3% of GDP.

Looking ahead, oil exporting countries are expected to register fiscal and current account deficits in 2015, highlighting their high dependency on oil revenues. On the positive side, the drastic drop in oil prices could be the right opportunity for these countries to introduce needed economic reforms to reduce the high waste of energy resources, which could help reduce their exposures to changes in oil revenues.

As for the GCC, the main economic risk outlooks are represented in oil prices continuing to drop and the effect on their budget and surpluses, as well as continued political instability in the region.

Meanwhile, the GCC still faces the challenge of catalyzing growth in non-oil sectors through improving the investment climate and creating incentives for manufacturing industries in order to create more private sector job opportunities for their citizens.

Oil Importing Countries:

As for oil importing countries, the drop in oil prices is expected to have a positive effect on their economies as this will translate to a lower energy import bill and therefore lead to a drop in government deficit, drop in production costs and increase in disposable income. On the other hand, the drop might lead to lower remittances from oil exporting countries, a drop in inflation which could lower governments' sales tax revenues, and reduced demand from trade partners and therefore lower trade levels. Therefore, the effect on growth levels and on fiscal and external balances is highly dependent on the political and economic climate of each country.

Oil importing countries registered moderate growth levels of 2.5% in 2014 compared to 2.6% in 2013, but growth levels still remain well below levels needed to drop unemployment and improve living standards.

Looking at fiscal balances, oil importing countries registered a fiscal deficit of 9.9% in 2014 compared to 10.5% in 2013, while the drop in oil prices and subsequent drop in direct subsidies will help narrow deficits in 2015. In addition, the drop in the deficits will give the countries more room to introduce fiscal and economic reforms.

As for the current account balance, the balance for all oil importing countries registered a deficit of 5.0% of GDP in 2014 compared to 6.7% of GDP in 2013, and the drop in oil prices is expected to reduce the deficit by around 1.5% of GDP in 2015. On the other hand, the drop in oil prices is expected to reduce remittances, external grants, and foreign direct investment from GCC countries.

Financial Indicators and Ratios

Amounts in thousands (JDs)

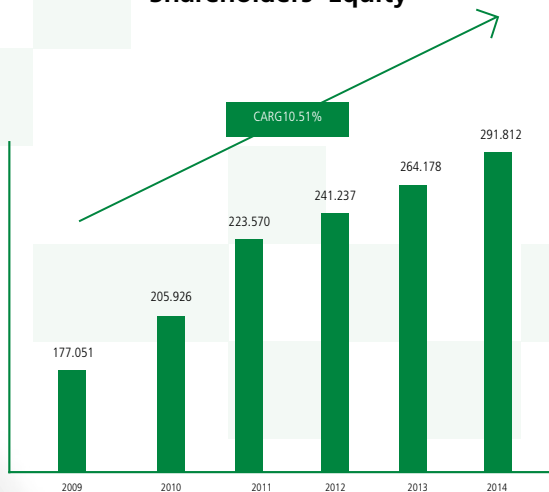
Results of operations	2014	2013	Variance
Net interest & commission income	124,890	115,188	8.42%
Income from operating activities (excluding investment income)	136,026	125,586	8.31%
Gross income	136,631	129,157	5.79%
Net income before income tax	62,464	58,734	6.35%
Net income after income tax	44,533	40,796	9.16%
Earning per share (JD)	0/356	0/326	9.16%
Major balance sheet items			
Total assets	2,353,139	2,212,969	6.33%
Credit facilities, net	1,020,556	964,787	5.78%
Customers deposits	1,587,403	1,426,018	11.32%
Total equity	291,812	264,178	10.46%
Financial ratios			
Return of average assets	1.95%	1.93%	
Return of average equity	16.02%	16.14%	
Net interest & commission income to average assets ratio	5.47%	5.44%	
Capital adequacy ratio	14.95%	15.82%	
Credit facilities to customers' deposit ratio	64.29%	67.66%	
Non-performing loans ratio	4.49%	4.78%	
Non-performing loans coverage ratio	97.04%	101.23%	

Financial Indicators for the Previous Years

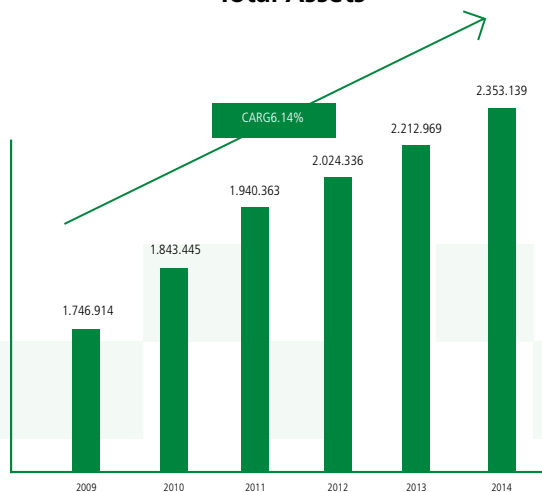
(Amount in thousands (JDs); except share price)	2009	2010	2011	2012	2013	2014
Net income before tax	25,549	34,749	36,596	35,286	40,796	44,533
Dividends paid	8,800	15,000	17,000	17,000	17,000	16,250*
Bonus shares distributed	12,000	-	-	-	25,000	35,000*
Total equity	177,051	205,926	223,241	241,237	264,178	921,812
Outstanding shares	88,000	100,000	100,000	100,000	100,000	125,000
Market price per share (JD)	2.47	3.18	2.77	2.75	2.78	2.87

* Amounts represent the Board's recommendation to the General Assembly for 2014

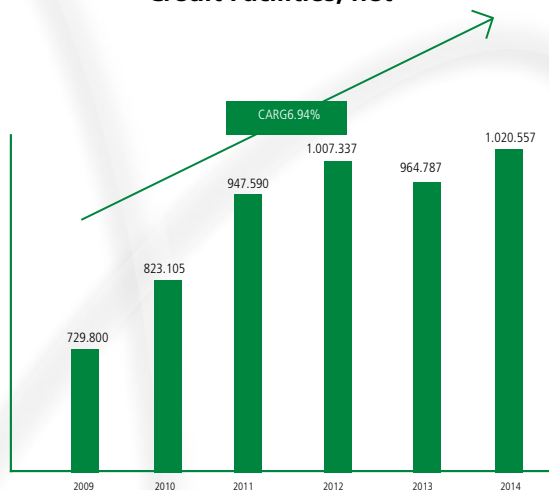
Shareholders' Equity



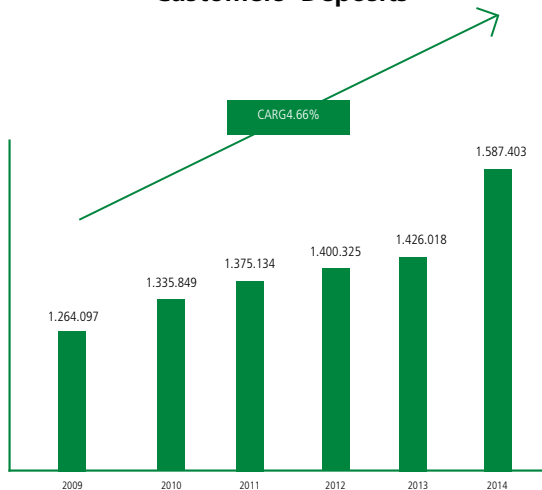
Total Assets



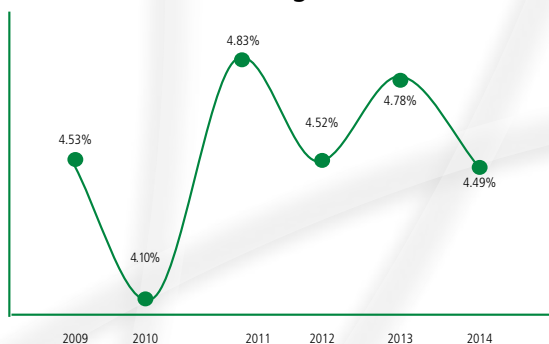
Credit Facilities, net



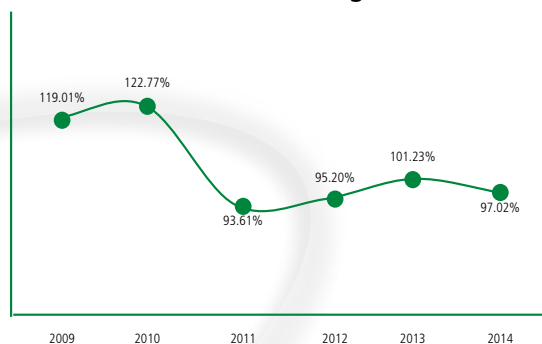
Customers' Deposits



Non-Performing Loans ratio



Provision Coverage



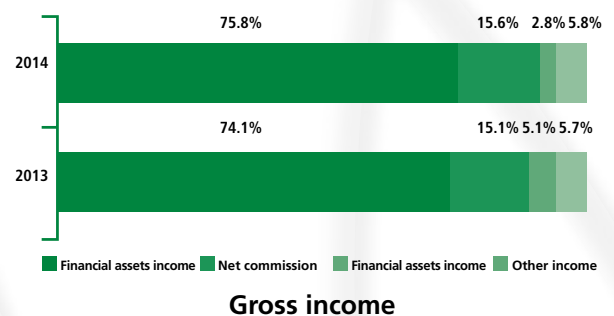
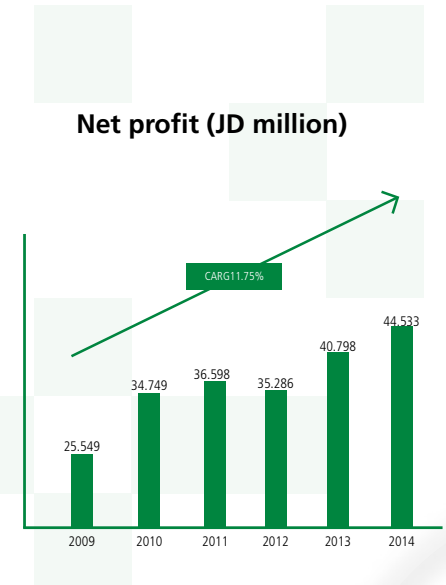
Analysis of Results of Operations

The Bank managed to achieve excellent financial results that were the highest since its establishment surpassing the estimated budget for the year. Net income before taxes amounted to JD 62.5 million compared to JD 58.7 million in 2014, with a growth of 6.35%, while net income after tax amounted to JD 44.5 million compared to JD 40.8 million in the previous year, achieving growth of 9.2%, bringing the earnings per share to JD 0.356 compared to JD 0.326 in the previous year.

Their results were driven by the growth in the Bank's operating indicators, as well as the increase of efficiency in employments management, so as to achieve the best returns. It is worth mentioning that net profits of JD 60 million were realized as a result of the sale of financial assets at fair value through comprehensive income statement within the retained earnings account and which has not appeared in the income statement. In addition, income of JD 572 thousand was realized within the retained earnings that relates to sold investments share of retained earnings resulted from the early implementation of IFRS (9).

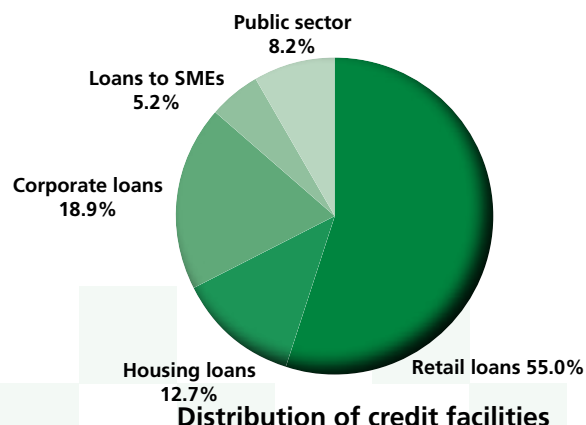
Operationally, the Bank continued to achieve high growth rates, net interest income increased by 8.3%, reaching JD 103.6 million compared to JD 95.6 million in the previous year. Net commission income increased by 9.1 % to reach JD 21.3 million compared to JD 19.5 million in the previous year. The Bank's investment portfolio profits decreased from JD 6.6 million to JD 3.8 million in the current year as a result of the decline of unrealized valuation gains related to some of the Bank's investments carried at fair value through the income statement and amounted to JD 9 thousand compared to JD 3.4 million during last year. Other income grew by 7.2% to reach JD 7.9 million. As a result, gross income increased by 5.8% to reach JD 136.6 million, compared to JD 129.2 million in the previous year. Moreover, the Bank's earnings from interest and commission continue to be the largest component of gross income at 91.4%, compared to 89.2% during last year.

However, gross expenditure, including provisions against the decline in credit facilities and acquired assets, increased by 5.3% to reach JD 74.2 million, this includes a 6.5% increase in employees' expenses resulting from annual increases. Furthermore, other operating expenses increased by JD 499 thousand; or 2.4% due to the increase in some expenses as a result of increasing the Bank's operational activities in general, including those with respect to the rent, payable fees, subscriptions, maintenance, cleaning, travel and transportation. The provisions against the decline in credit facilities reached JD 5.5 million, representing what has been deducted during the year to promote non-performing provisions against the decline in credit facilities compared to JD 6.8 million in the previous year. The Bank has also developed provisions against the decline in acquired assets of JD 2.75 million since more than four years in anticipation of the Central Bank of Jordan's instructions in this regard which will enter into force during 2015.



Analysis of the Bank's Financial Position

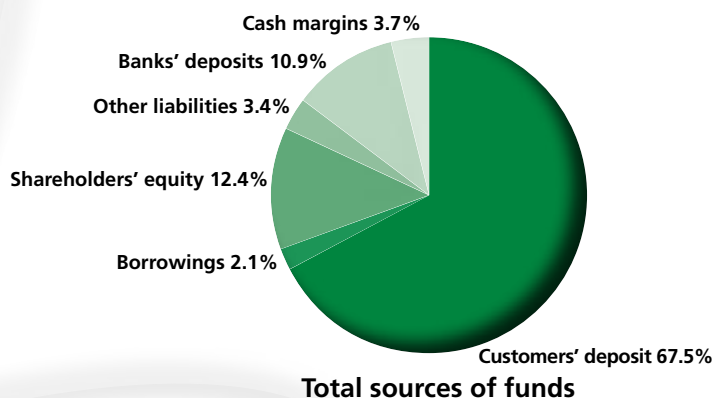
During the year, the Bank continued to achieve high growth rates in most of its financial position operating indicators. Total assets reached JD 2353.1 million, an increase of JD 140.2 million, corresponding to 6.3% compared to the previous year. Gross credit facilities portfolio increased by JD 51 million, an increase of 5%, to reach JD 1078.2 million. The Bank managed to preserve the quality of the credit facilities portfolio as net non-performing net facilities ratio stands at 4.49% of gross facilities compared to 4.78% during the previous year. Net credit facilities balance amounted to JD 1020.6 million compared to JD 964.8 million in 2013, an increase of 5.8%, noting that the Bank improved its level of provisions for non-performing credit facilities which amounted to JD 47.4 million, and preserved enough provisions against the decline in non-performing credit facilities according to the Central Bank of Jordan's instructions and International Financial Reporting Standards (IFRS) as relevant coverage ratio now stands at 97.04%.



The Bank's investment balance in shares and bonds amounted to JD 466.4 million compared to JD 630.5 million in 2013. This decrease has mainly emanated from the decline of investment in treasury bills and government bonds. Investments in shares have slightly dropped as a result of decline in their fair value. The banks' balances and deposits increased by 79.9% to reach JD 573.7 million compared to JD 318.8 million in 2013. This all conforms with the Bank's plan of preserving its liquidity by ensuring an acceptable trade-off between low-risk instruments and higher return and investing in financial assets.

With respect to funding sources, the Bank managed to increase customers' deposits to reach JD 1587.4 million compared to JD 1426 million in 2013, achieving a growth of 11.3% and highlighting the Bank's ability to attract deposits and widen its customer base, particularly in Jordan. The Bank also maintained high liquidity levels in line with international standards and regulatory authorities, which provided a source of reassurance to all parties dealing with the Bank. Credit facilities constitute 64.3% of the customers' deposits which in turn represent 67.5% of the Bank's main overall sources of funds.

The total shareholders' equity amounted to JD 291.8 million at the end of 2014 compared to JD 264.2 million at the end of 2013, an increase of 10.46%. The Bank's dividends policy solidified the Capital Adequacy Ratio (CAR) which, according to the Basel (II) requirements, has reached 14.95% in 2014 compared to 15.82% in 2013. The Bank's CAR is above the minimum level set by the Central Bank of Jordan of 12%. The risk-weighted assets' core capital ratio reached 14.73% compared to 14.94% during the previous year, and the leverage ratio of weighted shareholders' equity to gross assets reached 11% which places the Bank in the first "well-capitalized" category under the solvency scale.



Dividends Distribution

The Board of Directors recommended to the General Assembly to distribute 13% cash dividends to the shareholders and increase the paid-in capital to JD 160 million through distributing 28% of bonus shares to shareholders. This recommendation is in line with the Bank's strategy to reinforce its paid-in capital and fortify its ability to expand the scope of its operations and activities as well as increase its competitiveness.

Retail Banking

Cairo Amman Bank continued to play a leading role in providing banking services to individuals. Preserving its lead position in the market, maintaining the quality of its credit portfolio, and reducing its default loans. During the year, emphasis was placed on the modification of policies related to retail loans to stay in line with the current economic situation and customers' needs and requirements. The Bank also conducted periodic revision and increased the number of accredited companies as part of the retail facilities programs in an effort to ease the procedures of obtaining facilities by corporate employees.

The Bank also signed exclusive agreement with PayPal with the aim to provide its customers with additional safe purchase options on the internet and benefit from other relevant services, by enabling them to create a PayPal account through the Bank's website and immediately start shopping safely and easily online. This service also allows the customers to top up their PayPal account balance through their bank's current account, and transfer money to any registered account using e-mail. Furthermore, it enables traders to sell their products and collect relevant payments by directly crediting their accounts without the need for any broker. To complement this service, the Bank has started a partnership with Aramex to provide its card holders and PayPal users with exclusive offers and features presented by Shop & Ship. Another service "Shop the World" is provided under this partnership at distinctive exchange rates and includes discounts on Express Shipment.



During the year, the Bank applied "E-Fawateercom", a service dedicated to paying bills electronically. In this respect, payment of invoices and bills has been facilitated and accelerated through the use of different electronic mechanisms, whether via online banking, bank branches or other payment means.



In addition, the Bank expanded "easy installment" consumer lending by increasing the number of accredited companies under this program, and introducing the availability of paying by installments through credit cards without having to make requests to activate such process. Cairo Amman Bank is therefore considered to be the first bank in Jordan to provide this service.

Moreover, the Bank has succeeded in sponsoring promotional and marketing campaigns all year round, including those related to payroll transfers and saving accounts. It also gave customers the option to postpone paying loan installments during festive periods.

With respect to housing loans, the Bank has sought to maintain the perpetuation of existing facilities programs through the constant review and study of the market, as well as to ensure the Bank's competitive position in the banking sector.

Small and Medium Enterprises (SMEs)

Cairo Amman Bank continued to reinforce its leading role in SMEs lending through a credit policy designed specifically for this segment. Despite the significant 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. In order to activate loan programs in this sector, the Bank has conducted several activities, including:

- Activating the medium-term advance payments program granted by the Central Bank of Jordan to serve the industry, energy, tourism and agriculture sectors since the beginning of 2014. Therefore, meetings have been held and visits were made to the Jordan Chamber of Industry and Zarqa Chamber of Industry to introduce them to the specific features of this program.
- Signing an agreement with the Central Bank of Jordan to obtain an advance payment from the Arab Fund for Economic & Social Development to be lent to beneficiaries, including entrepreneurs of small and medium-sized enterprises, according to the relevant borrowing conditions and criteria. Another target of loan distribution is to support governorates, youth and women.
- Signing an agreement with the "Agence Française de Développement" (French Development Agency - AFD) to finance projects and investments related to sustainable and renewable energies at competitive interest rates. AFD also offers free technical assistance to projects through specialized advisors and cooperates with the Bank to develop the marketing of this project, and to widen the scope for special programs for small and medium-sized enterprises.
- Signing an agreement with the Central Bank of Jordan as part of the support granted by the International Bank for Reconstruction and Development (IBRD) to provide loans to small and medium-sized enterprises at very competitive interest rates as defined by the Central Bank of Jordan, this program focuses on feasible projects intended to reduce unemployment in all economic sectors. In this regard, the Bank has received the largest amount ever granted to fulfill such purposes.
- Signing an agreement with the European Bank for Reconstruction and Development (EBRD) to obtain an advanced payment of \$20 million to be re-lent at preferential interest rates.

The Bank at its expense continued cooperating with the Business Development Center (BDC) to train some of the Bank's customers, including entrepreneurs of small and medium-sized enterprises.

Large Corporates

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 with 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 corporate operating within the Kingdom, and increasing the ceiling of facilities for existing customers with high solvency and excellent record. The Bank encouraged their customers to make optimal use of the new ceilings and focused on indirect facilities and trade finance. This has been accompanied by maintaining performance of the existing facilities portfolio in specific with respect to the reduction of dues, default rates and commitment to the Central Bank of Jordan's instructions.

Financial Leasing

This was the year that Cairo Amman Bank started providing financial leasing services through Tamallak Leasing Company, offering an integrated line of both financial and operational leasing services in line with the tenant's work nature and cash flows.

The Company also seeks to increase the level of interest in the services provided to target markets so as to meet their financing needs through the deployment of financial leasing concept. It also educates the target sectors to the economic and financial benefits that they will attain by using such products.

Treasury & Developing Sources of Funds

2014 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 corresponding funding sources from national and international specialized institutions.

In addition, the Bank was able to achieve high returns on its money and capital market investments as a result of comprehensive analysis and accurate forecasting of interest rates and market trends.

As for the services provided to customers, the Bank continued to offer various online investment services through the CABFX online trading platform in foreign currencies and e-Private Banking, a new online portfolio management platform that enables customers to construct and manage their portfolios in foreign markets based on their preferences and acceptable risk levels, allowing automatic and manual adjustments to the portfolio under management based on market developments. The Bank also provides investment, speculation, and hedging products in local and international markets, as well as structured products that are customized to meet the customers' needs in terms of acceptable risk levels and cash flows. In an effort to present a one stop shop for investors the Bank has started providing the Custodian System service during the year.

Investment Services

The Bank offers through its subsidiaries – Awraq Investment in Jordan and Al-Watanieh 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.

For the second consecutive year, Awraq Investments has been named the Best Assets Management Company in Jordan for 2014 by Global Investor; the globally recognized magazine specialized in the financial and assets management field. The Company was given this award for its impressive and consistent performance in assets management in the MENA region.

Branch Network and Distribution Outlets

In order to comply with the Bank's corporate identity and to achieve the largest geographical spread, Cairo Amman Bank continued remodeling the existing branches in Jordan in line with these objectives, so as to keep pace with modernity, ensure smoother operations and confidentiality, provide banking services to customers easily, and increase the number of outlets in vital areas. In this regard, the Bank has merged a number of branches with a view to increase performance efficiency, bringing the number of the Bank's operating branches and offices to 104 branches, out of which 21 branches in Palestine. The Bank also serves its customers through operating a network of 238 ATMs in Jordan and Palestine, 5 of which are specifically designed for visually impaired customers.

Furthermore, the Bank has activated the second authentication mechanism within the online banking system. In this regard, a second pin number will be required to be used when having access to the online system, so as to increase protection, activate transfers from one account to another, provide money orders services to beneficiaries' accounts in local banks through RTGS, as well as create and modify regular Standing Orders.

The Bank has also created accounts on Facebook and Twitter with a view to make all its services and products accessible to everyone. This step has contributed to reduce the Bank's customers' time and efforts by providing access to information. During the year, a customer call center, equipped with a comprehensive communication management system designed to serve and respond to customers' inquiries around the clock, was launched so as to improve customers' loyalty and satisfaction and to reduce their efforts and time spent to have access to such services.

In order to communicate with various economic sectors and benefit from the technological advancement and geographical spread, the Bank continued its cooperation with the Military Credit Fund (MCF) allowing the Funds' customers the benefits of utilizing the Bank's ATM network. In addition, Cairo Amman Bank signed agreements with a number of international organizations to distribute aid to refugees utilizing Iris recognition technology within the Bank's branches and ATMs in addition to using "CAB PAY CARD" enabling beneficiaries to withdraw their cash aid with ease and security. The number of beneficiaries reached nearly 32,500 individuals. Furthermore, for the second consecutive year, university grants and loans are still being provided in collaboration with the Ministry of Higher Education. About 25,000 university students have benefitted from this collaboration.

The outlets providing "Western Union" services, including the Bank's branches and other sub-agents achieved an increase of transfers. Financial transactions of inbound and outbound transfers carried out through 187 outlets amounted to JD 273 million. In addition, the Bank completed the development plans of fast money transfer services, and increased the number of services outlets (branches and sub-agents), as well as set relevant common criteria with respect to the speed in service delivery and the employees' professionalism. The Bank was the first bank in the Middle East, in partnership with "Western Union", to introduce receiving funds through the Bank ATM network.

Information Technology

During 2014, the implementation of the T24 new core banking system has been completed in all Jordan branches. The present system is considered to be one of the best systems worldwide that ensures providing the best security and protection conditions in adherence to global standards. It also provides the Bank's decision makers with reports and accurate information, ensuring the ongoing perpetuation of work. The Bank will begin applying the new banking system in the first branch in Palestine according to a committed action plan in 2015. This has been accompanied by the application of many other automated systems, such as the electronic clearing system, customers' signatures system, and transferred salaries system, all of which operates in line with the new banking system.

The Bank continued to support and develop the technical Bank systems by investing in infrastructure, business continuity, security and protection of information systems and comprehensive banking services systems. In order to meet the requirements of the new banking system projects in particular, and information technology projects in general, storage units of high efficiency and ability to assimilate information were acquired so as to benefit from the units' ability to synchronize information between storage systems. The units were installed and operated in both main information centers and alternative information center. This is in addition to the development of a high availability plan to equip a parallel information center with the current information center during 2015 so as to ensure a higher level of availability of systems and business continuity. In the Bank's branches in Palestine, new main storage units have been installed and operated in both main and alternative centers into which all systems have been transferred. During the same year, alternative and backup communication lines for the Bank's branches network and ATMs have been developed. A recovery management project of the alternative center has been applied with a view to reduce the necessary time to resume working from the center after disasters occur.

The first phase of the Microsoft Office 365 project processing has been completed so as to use the Microsoft Information Center in Ireland and Amsterdam, ensure the highest level of communication where employees can stay connected from any computer, smart phone, or tablet. The project also aims at ensuring access to all updates once available in order to increase the efficiency to enhance action time, and to fully utilize efforts and technical resources for system management.

In terms of information security, the Bank has developed the Intrusion Prevention System, featuring a Network Threat Behavior Analysis quality, aimed at increasing the system's ability to analyze and protect users from electronic threats. This is complemented by the Bank's efforts to fulfill the renewal requirements of the ISO 27001 Certification for the second consecutive year related to information security and protection, and obtain the Payment Card Industry Data Security Standard (PCI DSS) Compliance Certification for the security of information on plastic cards.

Overseas Expansion

With a view to achieve the Bank's aspirations to expand overseas and enter into new markets, The Bank completed the acquiring 9.9% of the National Bank of Iraq. This investment will indirectly allow the Bank to have access to the promising Iraqi market.

During the year, the Bank has established a new branch in the Kingdom of Bahrain after obtaining all necessary approvals from the Central Bank of Jordan and Central Bank of Bahrain, with a view to have access to the Gulf market and provide the Jordanian expats with banking services. The branch will start operating during the first quarter of 2015.

Human Resources and Training

The Bank's Recruitment Policy

Cairo Amman Bank is keen to recruit qualified employees who conform to its 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 this year, the Bank has developed a mechanism designed to attract job applications through its social media platforms, increasing the chances of attracting talent. In addition, it has modified the personnel selection policies so as to attract the best talent, and therefore improve the employees' overall performance level and increase productivity.

In addition, the Bank has developed its manpower planning procedures through intensive studies of the volume of work to determine the actual needs of human resources, thus ensuring work efficiency, effectiveness and definition of adequate channels of the manpower general budget. 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 2173 employees according to the following qualifications:

	CAIRO AMMAN BANK	AWRAQ Investments	Al-Watanieh Securities	Tamallak Leasing	Total
PH.D	1	-	-	-	1
Masters	72	4	3	1	80
Higher Diploma	6	-	-	-	6
Bachelor	1366	21	8	3	1398
Diploma	323	2	1	1	327
High School	136	-	4	-	140
Lower than High School	220	3	-	-	223
Total	2124	30	16	5	2175

Training Courses

During 2014, the Bank has accomplished significant achievements with respect to Human Resources, including the improvement of the quality of training provided to employees, which covered the development of a mechanism intended to assess lecturers, training centers, training courses and participants. 423 training courses and workshops have been held and attended by 4319 participants. The Bank also covered the university and intermediate university's expenses of 31 students, 9 of which are employees and 22 are workers' children.

Bank's Activities and Achievements

Within the framework of training activities carried out the Bank and emanated from its responsibilities towards the local community, 385 training opportunities for university students and alumni were granted through the cooperation with universities, colleges and centers dedicated to develop the youth sector.

The Bank's training activities covered the following subjects:

Training Field	No. of Courses	No. of Participants
Information Technology & Security	62	1136
Trade Finance & Foreign Operations	13	66
Management & Behavior	66	679
Finance & Accounting	34	121
Credit Facilities	59	679
Internal Audit	2	5
Risk, Compliance & AML	74	907
Treasury & Investment	27	179
Legal	21	107
Marketing, Sales & Customer Service	20	265
Comprehensive Banking Diploma & Banking Courses	21	69
Workshops & Conferences	16	92
English Language	6	12
Insurance	2	2
Total	423	4319

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 3.85% and 4.36% respectively, and 7.16% and 6.20% in Palestine respectively.

The Bank has maintained the international rating agencies' credit rating, as follows:

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

Profile of Subsidiary Companies



Al Watanieh for Financial Services Company "Awraq Investment" was established in the Hashemite Kingdom of Jordan during 1992 as a limited liability company. The Bank owns 100% of its paid-up capital of JD 5 million. The Company's operations include the provision of local, regional and international brokerage services, assets management, and investment funds management. The Bank commissioned the Company to manage its investment portfolio in bonds. The company has therefore become the investment arm of the Bank.



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 both Gaza and Nablus. The Bank owns 100% of its paid-up capital totaling JD 1.5 million.



Tamallak Leasing Company was established in the Hashemite Kingdom of Jordan during 2013, as a limited liability company, to conduct all financial leasing activities. The Bank owns 100% of its capital of JD 1 million. The Company started its operations during the first half of 2014.

Cairo Amman Bank administration focused its utmost attention in 2014 on the local community through various aspects: contributing to the development of future generations, encouraging innovation and creative people in business, culture and arts, developing disadvantaged regions, and combating poverty and unemployment. With the aim of reinforcing its strong relationships with local community establishments and empowering them to provide optimal services to the Jordanian people, the Bank has made several commitments as follows:

Partnership with King Hussein Cancer Centre

For the eighth consecutive year, the Bank continues to provide its sponsorship for the annual King Hussein Cancer Foundation children's Summer Camp. This camp is considered to be the Centre's most successful activity as it forms part of a comprehensive treatment for the children. The Bank is keen to sponsor this program as a type of moral encouragement for these children and as a way to help them participate and enjoy the various activities it has to offer such as magic shows, singing, face painting, and other various entertainment activities. The Bank will continue to offer its support to the King Hussein Cancer Foundation as part of its social responsibilities.



Supporting the Charity Clothing Bank

Cairo Amman Bank has increased its services for the local community by supporting the Charity Clothing Bank initiative launched by the Jordan Hashemite Charity Organization. In this regard, the Bank provided adequate clothing to modest Jordanian families throughout the year through ten of its branches in Amman.



Sponsoring a Large Mural to Support the Environment

Cairo Amman Bank sponsored a mural entitled "Toward a Beautiful Visual Environment" completed in collaboration with National Paints on the exterior wall of the Wadi Al Seer Training College – Relief Agency and under the supervision of the Cairo Amman Bank Gallery.



Supporting School Projects

Cairo Amman Bank confirmed its policy to support the leaders of the future by participating in the annual graduation ceremony for the Jubilee School's 11th grade students. The Bank also supported the Third United Nations Modern Schools Convention in Amman organized by AsriyyaMun.



Opening Future Horizons for Jordanian University Graduates

Cairo Amman Bank’s employment strategy and training programs attracted graduates and students of the University of Jordan and Philadelphia University through two separate events organized by the universities in 2014. The Bank also participated in career day events organized by Akhtaboot for the fifth year, which drew a large number of Jordanian university graduates. Through these participations, the Bank aimed at getting closer to the labor market and the education sector and at attracting excellent university graduates in the Kingdom.



Supporting Charitable Organizations in Disadvantaged Regions

Cairo Amman Bank increased its social responsibility towards the community in 2014 by providing support to charitable homes and organizations in disadvantaged regions.



Sports Activities in Jordanian Schools

Cairo Amman Bank provided its support to basketball and football teams in a number of Jordanian schools in various governorates in the Kingdom. This support forms part of the Bank’s continuous efforts to empower younger generations and create the leaders of the future. Children participating in these events wore sports gear bearing the Bank’s logo and received gifts. The beneficiary schools honored the Bank for its support.



Protecting Petra through a Leading National Program

Cairo Amman Bank provided its support to the Petra National Trust in line with its philosophy of deepening the belonging of people to their heritage and environment. This support was part of the Bank’s efforts to guarantee an active participation in developing the local community and seeing to build a new generation that is responsible toward its heritage in general and the ancient city of Petra, a UNESCO world heritage, in particular.



Social Activities in Palestine

In Palestine, out of an understanding of its responsibility towards Palestinian local community, Cairo Amman Bank continued to sponsor national events and occasions. During the 2014 school year, it continued its sponsorship of the implementation of programs launched with Injaz Palestine by having a number of its competent bankers provide specialized training sessions, in addition to supervising program implementation events in various schools. This program is particularly important because it offers young people the chance to learn about the banking professional environment and labor market through experts in the field, which contributes to preparing this age group for employment. The program also helps the new generation lead the labor market in Palestine in the future and help elevate it.



The Bank also sponsored various activities in various fields that serve the education, health and sports sectors in collaboration with various establishments and schools in the West Bank, such as sponsoring the Tulkarm Festival of Education to honor winners in sports competitions and championships. The Bank participated in the charity dinner organized by the In'ash El-Usra organization, sponsored activities of the Terra Santa Centre for women's day and mother's day, helped equip the health centre affiliated with the Marj bin Amer Municipality, contributed to the sponsorship of the Second Real Estate Development Exhibit and Conference, and supported UNRWA's relief efforts in Gaza.

Donations

The overall donations provided by the bank in 2014 reached JD 482 thousand divided between the following sectors:

	Thousand Dinars
Health sector	47.4
Education sector	185.2
Social services	196.4
Scientific and cultural organizations	47.9
Other	5.0

Cairo Amman Bank Gallery

In 2014, Cairo Amman Bank Gallery launched important artistic events that attracted fine arts and photography fans. Seven young Jordanian artists presented seven works each, varying between sculpture and painting, at the Cairo Amman Gallery. The work of leading artist Yasser Duwaik were also a huge attraction at the Gallery where they were displayed in an exhibition entitled "Fifty Years of Art". the exhibition included pieces that reflected the artist's experience in the various phases the fine arts field in Jordan witnessed through over half a decade. The artist also expressed the concerns of his people and nation through his work.



For the fifth year in a row, Cairo Amman Bank Gallery invited young artists to participate in the annual children's drawings competition organized by the Bank with the aim of providing participants with a chance to express their identity and dreams. A large number of children from various Jordanian schools and governorates participated in the competitions.

Cairo Amman Bank Gallery's artistic and cultural season for 2014 ended with the Comprehensive Book Fair in collaboration with the Jordanian Publishers Union. It sought to build new cultural bridges with the local community as part of the Bank's economic and social message.

Palestinian artist Osama Silwadi presented his work under the title of "Queens of Silk", consisting of a collection of images of women wearing the traditional Palestinian dress. The collection was shown at the photography exhibition organized in collaboration with the French Cultural Centre and Aramram, a Jordanian photography association. Silwadi's works was unique in its colors and great instinctive designs.

The Bank will seek to preserve the accomplishments it achieved this year while taking into consideration the anticipated local, regional and international economic circumstances. Forecasts anticipate that interest on the Jordanian Dinar will remain low at its current levels, through most of 2015. A gradual rise is possible at the end of the year as a result of a decrease in Jordanian economic growth rates, accompanied with an increase in the Central Bank of Jordan's foreign-exchange reserves and an improvement in liquidity levels in the banking sector. However, the continued state of high uncertainty resulting from the unsteady geopolitical circumstances in the region might lead to some shifts from these expectations.

The Bank will continuously and constantly follow-up on economic performance developments in order to measure its impact on the Bank and take the necessary measures to preserve the funds of depositors and shareholders. The Bank will also seek to increase the competency of banking services and expand its clientele while preserving the quality of its credit facilities portfolio.

Below are the main elements of the Bank's 2015 plan:

1. Maintain a high ratio of capital adequacy and a "good capital" rating according to the requirements set by the Central Bank of Jordan and in a manner that allows the Bank to continue expanding its business.
2. Reinforce the principles of corporate governance by fully following the directions of the Central Bank of Jordan in this regard.
3. Continue working on implementing the Basel II committee requirements with respect to the second pillar "Supervisory Review", as well as prepare to fulfill the Basel III committee requirements.
4. Maintain a high liquidity levels to support the Bank's business by increasing various types of client deposits and continuing to provide cash and in-kind awards programs.
5. Strengthen the Bank's position among those providing banking services to individuals, through the expansion of cross-selling and development of programs designed to meet the needs of different customers segments.
6. Maintain credit portfolio quality by carefully expanding facilities and pursuing efforts to settle and collect non-performing facilities. In addition to working on increasing the provisions coverage ratio.
7. Continue to apply the strategic plan for developing IT programs that help to enhance the Bank's operations. This includes completing the implementation of the new Core Banking System in Palestine.
8. Work on increasing performance efficiency and control expenditures while maintaining a high level of services provided to customers.
9. Launch banking activities through Bank branch in Bahrain.
10. Increase the points of sale network by opening nine new branches in a number of target areas in Jordan and Palestine, and by developing electronic banking services by means of increasing the number of ATM machines and guaranteeing their optimal distribution.
11. Continue to remodel the Bank's branches to keep them aligned with the corporate identity requirements by renovating 11 branches in Jordan and Palestine.
12. Develop the competences and skills of Bank employees by applying the annual training plan, and work on developing a comprehensive program for institutional performance.
13. Continue to contribute to the support of local communities as 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 committees formed there by 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.

The 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 risks to 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, prepares and sends its reports to the Risk Committee. However, for daily operations, the Division reports to the General Manager and is responsible to analyze all risks in addition to develop methodologies for measurement and control of each type of risk and reporting risks.
5. The Risk Management Division is also responsible for the application and management of the internal capital adequacy assessment (ICAAP) methodology in an adequate and comprehensive manner that complies with the risk structure of the Bank.
6. 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.

The Bank continues to adopt and implement the general framework of risk management for all kinds of risks facing the bank. Thus, 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 by scenario analysis which would identify such events and the probable changes that might occur in the market that might affect negatively on Bank performance preventive measures are placed on which adequate procedures are identified and updated to overcome and manage these potential changes.

Accordingly, the bank is exposed to the following key 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 adopts 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 currency 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 are measured 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 legal penalties, financial losses or damages to reputation as a result of non-compliance of the Bank and its internal policies with laws, regulations, instructions, codes of conduct, standards and correct banking practices 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 with all legal and regulatory developments to help the executive management manage its compliance risk, in addition to monitoring the risk of non-compliance through a database that includes all laws and regulations issued by local and international regulatory and official authorities. This database belongs to the Bank and is updated according to regulatory and legislative developments that must be complied with.

The Bank created a FATCA implementation unit at the Compliance Department and equipped it with trained and qualified employees. This unit works on implementing the FATCA by developing monitoring programs and under taking FATCA implementation measures which correspond with international guidelines and best practices in this regard. The unit also follows-up on and monitors the implementation of these policies and measures by branches and parties to protect the Bank from non-compliance risks.

Another aspect of attention is 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 No. 51 of 2010 issued by Central Bank of Jordan and international best practice. The Bank takes it utmost attention 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 , to apply due diligence measures to identify pre-existing and potential customer, to understand the customer legal and personal capacity and to know the ultimate beneficial owner. In addition the Bank adheres to constant monitoring and reviewing of such transaction during the period of banking relationship.

The main achievements and activities during the year of 2014 were:

- Activated the new automated system to combat money laundering and terrorist financing/ second phase (profiling) by creating profile rules for these systems based on laws and regulations and banking best practice in preparation to enter the phase of studies of customer behavior analysis and account management patterns analysis.
- Kept up with the latest developments in international sanction programs and systems by conducting the necessary studies, setting up databases related to each program and developing control and monitoring systems to mitigate the risks affiliated with these changes.
- Set up control and monitoring measures for all new banking products and services, especially electronic services or remote services, to guarantee that they are not used in money laundering or terrorism financing operations.
- Trained all new bank employees through special workshops to combat money laundering and financing terrorism from the practical and theoretical aspects, with a focus on providing special training for those concerned in these fields according to their positions, tasks, responsibilities and roles in combating money laundering and financing terrorism within the Bank.

Based on Justice and Transparency guidelines No. 56/2012 and their amendments issued by the Central Bank of Jordan, and seeking to implement best banking practices, the Bank's management created a customer complaint unit within the Compliance Department to solely act as the party in charge of dealing with customer complaints in a way that supports the Bank's methodology of providing an excellent service, preserving great and leading relations with customers, improving banking services and products, contributing to social responsibility, and preserving the Bank's prestigious reputation in the Jordanian banking market. Accordingly, the number of complaints received by the customer complaints unit in 2014 reached 468 complaints of various natures, severity, and importance with a number of measures taken to remedy them. The unit actively dealt with all these complaints in accordance with its procedures, internal policies, and laws and guidelines issued by regulatory authorities. Such measures included correcting work procedures if it was revealed they violated laws and guidelines in force, in addition to calling and communicating with all customers who filed complaints to inform them of the Bank's efforts to follow-up on and remedy these complaints. The unit also submits quarterly reports about these complaints to the Central Bank of Jordan and copies of these reports to the Bank's executive management. Each report tackles the nature of the complaints as well as the measures and corrective actions taken.

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 are in compliance with Central Bank of Jordan regulations, as well as the regulatory requirements of other countries in which it operates. Accordingly, the Board of Directors approved a corporate governance code that will be comprehensively reviewed during 2015 to be in accordance with Central Bank of Jordan's newly issued Corporate Governance Regulations.

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 April 22, 2014. The members of the board have a range of skills and experiences that increases the effectiveness of the board. All members of the board are non-executive members.

To assist it in carrying its 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 reports.
- 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 on 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.

Risk Management Committee

The risk management committee is composed of the chairman and two non-executive members:

Mr. Yazid Adnan Al-Mufti (Chairman)

Mr. Khaled Sabih Al-Masri (Member)

Mrs. Suhair Sayed Ibrahim (Member)

The main 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, and amending it when necessary.
- 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 that it is being tested 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, Deputy General Manager / Regional Manager of Palestine Branches, and Head of Risk Management attend its meetings.

Investment Committee

The investment committee is composed of the chairman and two non-executive members:

Mr. Yazid Adnan Al-Mufti (Chairman)

Mr. Khaled Sabih Al-Masri (Member)

Dr. Farouq Ahmad Zuaiter (Member)

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 three non-executive members:

Mr. Khaled Sabih Al-Masri (Chairman)

Mr. Yasin Khalil Al-Talhouni (Member)

Mr. Hassan Abu Al-Ragheb (Member)

The Committee reviews and approves managements real estate sales recommendation.

Nomination & Remuneration Committee

The nomination and remuneration committee is composed of the chairman and two non-executive members:

Mr. Yazid Adnan Al-Mufti (Chairman)

Mr. Khaled Sabih Al-Masri (Member)

Mr. Mohammad Kamal Barakat (Member)(Vacant since Sep 25th, 2014 due to member's resignation)

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.
- 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.

Compliance Committee

The Compliance Committee is composed of three non-executive members:

Mr. Arfan Khalil Ayass (Chairman)

Mr. Nashat Taher Al-Masri (Member)

Mr. Yasin Khalil Al-Talhouni (Member)

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.
- Receiving and following up on compliance reports and internal monitoring reports regarding compliance management.

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

Strategy Committee

The strategy committee is composed of the Chairman and three non-executive members :

Mr. Yazid Adnan Al-Mufti (Chairman)

Dr. Farouq Ahmad Zuaiter (Member)

Mr. Nashat Taher Al-Masri (Member)

Mr. Ghassan Ibrahim Akeel (Member)

The duties of the committee include setting and reviewing the Bank's strategy.

Corporate Governance and Other Disclosures

The following table shows the number meetings held by the Board of Directors and its committees, as well as those attended by each member during the year:

Total Meetings Held during 2014	Board of Directors	Corporate Governance Committee	Audit Committee	Risk Committee	Investment Committee	Nomination and Remuneration Committee	Compliance Committee	Strategies Committee
	7	-	5	5	3	3	4	3
Mr. Yazid Adnan Al-Mufti	7	-		5	3	3		3
Mr. Mohammad Kamal Eddin Barakat (1)	4					3		
Dr. Farouq Ahmad Zuaier	7				3			2
Mr. Khaled Sabih Al-Masri	7			5	3	3		
Mr. Ibrahim Hussein Abu Al-Ragheb (2)	1							
Mr. Yasin Khalil Al-Talhouni	5						1	
Mr. Arfan Khalil Ayass	7						4	
Mr. Nashat Taher Al-Masri	6	-					3	3
Mr. Ghassan Ibrahim Akeel	7		5					3
Mr. Hassan Ali Abu Al-Ragheb (3)	4							
Mr. Nedal Fa'eq Al-Qubaj	7		5					
Mrs. Suhair Sayed Ibrahim	7			5				
Mr. Sharif Mahdi Al-Saifi	7	-	5					
Mr. Ahmad Mohyee Aldeen Abu Al-Ezz (4)	2							

(1) The Board of Directors held 5 meetings before the resignation of Mr. Mohammad Kamal Eddin Barakat

(2) The Board of Directors held 3 meetings before the resignation of Mr. Ibrahim Hussein Abu Al-Ragheb

(3) The Board of Directors held 4 meetings after the appointment of Mr. Hassan Ali Abu Al-Ragheb

(4) The Board of Directors held 2 meetings after the appointment of Mr. Ahmad Mohyee Aldeen Abu Al-Ezz

Not a member in the Committee

Board of Directors as of December 31, 2014

Yazid Adnan Mustafa Al-Mufti Chairman of the Board

Type of Membership: Non-executive, non-independent

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 memberships: Board member of Zara Investment (Holding) Company, Palestine Development and Investment Company (PADICO) and Middle East Insurance Company.

Dr. Farouq Ahmad Hassan Zuaier Vice Chairman

Type of Membership: Non-executive, non-independent

Member since: 29/2/2002

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 Jordan Investment Trust Co. (Jordan), Deputy General Manager and Projects Manager in Al- Sahel Development and Investment Company (Kuwait)
 - Economic Expert in the Kuwait Fund for Arab Economic Development and Financial Expert in the Arab Fund for Economic and Social Development (Kuwait)
 - Former assistant professor in DePaul University and University of Chicago
 - Deputy Chairman of Najah University Board of Trustees - Nablus
 - Chairman of Hisham Hijjawi College of Technology - Nablus
- Board memberships: Board member of Palestine Telecommunication Company, Jordan Vegetable Oil Industries Company, Palestine Investment Bank and VTel Holding.

Khaled Sabih Taher Al-Masri

Type of Membership: Non-executive, non-independent

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
- Board memberships: Chairman of Jordan Himmeh Mineral Company, Board member of Zara Investment (Holding) Company, Jordan Hotel and Tourism Company and Royal Jordanian Air Academy.

Ahmad Mohyee Aldeen Abu Al-Ezz

Type of Membership: Non-executive, non-independent

Member since: 25/9/2014

Date of birth: 29/9/1957

Professional Experience:

- Deputy Chairman of Bank Misr
 - Banking experience for more than 30 years, during which he held a number of leadership positions, including former General Manager of the main branch. He is currently presiding over the central operations sector.
- Board memberships: Board member of Misr Exterior Bank, International Investment Company, Alexandria National Company for Financial Investments and Beltone Financial (Egypt)

Yasin Khalil Mohamad Yasin Al-Talhouni

Type of Membership: Non-executive, non-independent

Member since: 1998

Date of birth: 8/5/1973

Academic Qualifications: Bachelor in Economics

Professional Experience: Businessman

Board memberships: Board member of Zara Investment (Holding) Company, Jordan Hotel and Tourism Company, Jordanian Electric Power Company and Jordan Tourism Development Project.

Arfan Khalil Kamel Ayass

Type of Membership: Non-executive, non-independent

Member since: 3/11/2011

Date of birth: 23/11/1942

Academic Qualifications:

- Master in Accounting
- Bachelor of Science in Accounting
- Member of the American Institute of Certified Public Accountants (CPA)

Professional Experience:

- Chairman and General Manager of Blair (Lebanon)
- Professor at the Hariri Canadian University.
- Experience in public accounting for more than 30 years in Lebanon and Saudi Arabia ended as a partner at Ernst & Young.

Board memberships:

- Board member, Chairman of the Audit Committee, and member of the Risk Committee at the First National Bank (Lebanon).
- Board member, Chairman of the Risk Committee, and member of the Audit Committee at Ahli International Bank (Lebanon).
- Member of the board of Banque de Crédit National (Lebanon)
- Member of the Audit Committee of the International Monetary Fund (IMF).

Nashat Taher Nashat Al-Masri

Type of Membership: Non-executive, non-independent

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
- Experience in investment management through his work in J.P. Morgan

Board memberships:

- Board member of Siniora Food Industries, Royal Jordanian Air Academy and AlQasr Touristic and Investment Company.
- Member of the Board of Trustees of the King Hussein Cancer Foundation.

Ghassan Ibrahim Fares Akeel

Type of Membership: Non-executive, non-independent

Member since: 29/6/2002

Date of birth: 2/5/1968

Academic Qualifications:

- Master in Business Administration
- Bachelor in Accounting
- Member of the American Institute of Certified Public Accountants (CPA)

Professional Experience:

- Deputy General Manager of Astra Group – Saudi Arabia
- Experience in auditing through his work as an audit manager in one of the major audit firms

Board memberships: Board member of Astra Industrial Group, VTel Holding Company, Arabia Cooperative Insurance Company and National Aviation Ground Support Company.

Hassan Ali Hussein Abu Al-Ragheb

Type of Membership: Non-executive, non-independent

Member since: 12/6/2014

Date of birth: 24/5/1973

Academic Qualifications: Bachelor in Business Administration

Professional Experience: General Manager of Yarmouk Insurance Company since 1/8/2009

Board memberships:

- Chairman of the board of Directors of Spectrum Global Investment Inc.
- Board member of Yarmouk Insurance Company, Arab Steel Manufacturing Company, Al Ishraq Trading Investment Co., and Al Raya for Investment and Development Company.
- Vice-President of the Jordan Insurance Federation

Nedal Fa'eq Mohammad Al-Qubaj

Type of Membership: Non-executive, non-independent

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 Investment Risk Manager.

- Experience in banking through his work in Arab Bank.

Board memberships: None

Suhair Sayed Mahmoud Ibrahim

Type of Membership: Non-executive, non-independent

Member since: 09/12/2007

Date of birth: 17/12/1938

Academic Qualifications:

- Master in Accounting and Auditing
- Diplomas in Finance, Banking Studies, Accounting and Auditing
- Bachelor in Accounting

Professional Experience:

- General Manager and member of the Management Committee of Cairo Amman Bank
- Experience in banking from holding various positions in Banque Du Caire

Sharif Mahdi Hosni Al-Saifi

Type of Membership: Non-executive, independent

Member since: 28/03/2010

Date of birth: 06/06/1972

Academic Qualifications:

- Master in Marine Environmental Protection
- Bachelor of Science in Foreign Affairs

Professional Experience:

- Deputy General Manager / Partner in Masar United Contracting Co.
- Former CEO of United Garment Manufacturing Co.
- Project Manager of Aqaba Marine Park
- Operations Manager at Masar United Contracting Co.

Board memberships:

- Chairman of United Garment Manufacturing Co.
- Board member of VTEL Holding, South Coast Hotels Company and Itisaluna Iraq.
- Board member of the Association of Queen Rania Al Abdullah Award for Excellence in Education.

Executive Management as of December 31, 2014**Kamal Ghareeb Abdul Rahim Al-Bakri
General Manager**

Appointment Date: 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, and responsible of the amendment of credit, documentation of contracts and control of credit, real estate and engineering affairs.
- Legal Advisor of a number of companies before acting as Deputy General Manager.
- Board member of several companies including Jordan Insurance Company, Jordan Express Tourist Transportation Company (JETT) and Zara Investment (Holding) Company.

**Khaled Mahmoud Abdullah Qasim
Deputy General Manager for Operations and Support
Services**

Appointment Date: 05/10/2008

Date of birth: 22/02/1963

Academic Qualifications:

- Masters in Business Administration – International Trade
- Bachelor in Finance
- Holder of a CIB certificate from the Chartered Banker Institute

Professional Experience:

- Experience in the banking sector through his work in Bank Al Jazira, Arab Bank, Cairo Amman Bank, Jordan Ahli Bank, Bank of Jordan and National Bank of Kuwait.

**Rana Sami Jadallah Sunna
Deputy General Manager for Credit and Treasury
Services**

Appointment Date: 15/08/1995

Date of birth: 12/08/1966

Academic Qualifications:

- Masters in Business Administration
- Bachelor in Accounting

Professional Experience:

- Deputy General Manager for Credit and Treasury Services since 10/2014
- Deputy General Manager for Banking Operations since 12/2009
- Banking experience in the risk management field through her work as a Head of Risk Management Division since 1/2008 and previously as Risk Management Department Manager in Cairo Amman Bank since 1998.
- Head of local facilities department at the Central Bank of Jordan
- Board member in the Jordan Mortgage Refinance Company.

**Nizar Tayseer Saleh Mohammed
Deputy General Manager for Banking Products and
Services**

Appointment Date: 11/4/2004

Date of birth: 11/8/1972

Academic Qualifications:

- Bachelor in Accounting
- Chartered Financial Analyst (CFA)
- Certified Public Accountant (CPA, JCPA)

Professional Experience:

- Deputy General Manager for Banking Products and Services since 10/2014
- Head of Finance since 4/2004 and Head of Risk Management Department from 2/2010 to 12/2012
- Experience in auditing through his work as audit manager in major auditing firm.
- Board member of Daman Investments Co. and Jordan Vegetable Oil Industries Co.

**Ghaddah Mohammad Naji Nazzal
Head of Human Resources**

Appointment Date: 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 the Arab Banking Corporation, and Jordan Projects for Tourism Development Company, and Administrative Development Manager in Arabtec- Jardaneh.

**Azmi Mohammad Hassan Owaidah
Head of Retail Credit**

Appointment Date: 10/09/1996

Date of birth: 17/10/1964

Academic Qualifications: Bachelor in Accounting

Professional Experience:

- Head of Retail Credit since 9/2006
- Manager of Housing and Vehicles Credit Department since 2000.
- Banking experience in the field of Risk and Credit Management through his work in Cairo Amman Bank and Jordan Kuwait Bank.

**Yazeed Sitan Yousef Ammari
Head of Corporate & SMEs Credit**

Appointment Date: 01/06/2006

Date of birth: 09/12/1965

Academic Qualifications:

- Masters in Finance and Banking
- Bachelor in Business Administration

Professional Experience:

- Head of Corporate & SMEs Credit since 10/2014
- Head of Corporate Credit since 6/2006
- Banking experience in the field of credit through his work in Jordan Ahli Bank, Amman Invest Bank and Arab Real Estate Bank.

Naser Abdul Karim Yousef Al-Qudseh
Head of Engineering and Administration Affairs

Appointment Date: 07/01/2003

Date of birth: 20/11/1961

Academic Qualifications: Bachelor in Marketing and Sales

Professional Experience:

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

Reem Younis Mohammad Eses
Head of Treasury

Appointment Date: 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
- Banking experience through her work as Manager of the Treasury Department in the Bank since 1990
- Economic researcher in the Royal Scientific Society since 1997.

Omar Sarhan Ahmad Aqel
Head of Documentation and Credit Control

Appointment Date: 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
- Banking experience in the field of operations, internal audit, credit control and contracts documentation in Cairo Amman Bank.

Jan Shawkat Mahmoud Yadaj Zakaria
Head of Operations

Appointment Date: 20/10/1990

Date of birth: 20/02/1968

Academic Qualifications: Bachelor in English Literature

Professional Experience:

- Head of Operations since 12/2013
- Head of Business Procedures and Operations Support and Development since 9/2009.
- Banking experience since 1990 in the field of operations, branches and business procedures.

Olginia Jamal Salim Haddad
Head of Banking Products and Services - Corporates

Appointment Date: 06/10/1990

Date of birth: 01/01/1969

Academic Qualifications: Bachelor in Finance and Banking

Professional Experience:

- Head of Banking Products and Services - Corporates since 10/2014
- Head of SMEs and Palestine Credit since 3/2010
- Banking experience in holding several positions at the Bank's credit departments since 1990.

Yousef Abdul Fatah Suleiman Abu Al-Haija
Head of Risk Management

Appointment Date: 01/08/2005

Date of birth: 01/01/1976

Academic Qualifications: Bachelor in Business Administration.

Professional Experience:

- Head of Risk Management since 12/2012
- Manager of Operational Risk Department since 3/2008
- Banking experience in the field of operations and risk management
- Financial experience through his work as a Finance Manager for two years.

Hani "Mohammad Rashrash" "Ahmad Rashid" Khader
Head of Marketing and Products Development

Appointment Date: 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 developments and sales through his work in Arab Banking Corporation and other companies.

Antoine Vector Antoine Sabilla
Head of Compliance and AML

Appointment Date: 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 previously Manager of Compliance Department since 2005
- Experience in auditing through his work in a major auditing firm.

Margaret Muheeb Issa Makhamreh
Head of Internal Audit

Appointment Date: 27/07/2004

Date of birth: 04/09/1977

Academic Qualifications: Bachelor in Business Administration

Professional Experience:

- Head of Internal Audit since 1/2014
- Manager of Audit Department since 5/2012
- Banking experience through her work in project management and orientation in the Bank and in the Arab Banking Corporation.

Maher Khaled Mohyee Aldeen Khabazeh
Head of Information Technology

Appointment Date: 09/02/2014

Date of birth: 16/06/1961

Academic Qualifications: Bachelor of Computer Science

Professional Experience:

- More than 18 years of experience in Information Technology through his work at Capital Bank and Gulf Commercial Bank.

Ahmad Jadallah Abdallah AlSawalqah
Acting Head of Banking Services and Products - Retail

Appointment Date: 01/07/1997

Date of birth: 15/12/1965

Academic Qualifications: Bachelor in Law

Professional Experience:

- Acting Head of Banking Services and Products - Retail since 10/2014
- Regional manager for north region's branches since 12/2009
- Experience in branches management since 7/1999

Fuad Younes Abdel Lateef Saleh
Acting Head of Finance

Appointment Date: 11/04/1992

Date of birth: 08/01/1960

Academic Qualifications: Bachelor in Accounting

Professional Experience:

- Acting Head of Finance since 10/2014
- Head of Central Accounting Department since 4/1992
- Experience in accounting in the Income & Sales Tax Department from 1985 to 1992

Mary Wade' Hanna Awwad
Secretary of the Board

Appointment Date: 07/05/1960

Date of birth: 01/01/1943

Academic Qualifications: Diploma in Business

Professional Experience:

- Secretary of the Board since 1982.
- Held several positions since 1960 through her work in human resources and administrative affairs.

Directors' Shareholdings

	Nationality	2014	2013
Mr. Yazid Adnan Mustafa Al-Mufti	Jordanian	1,420	1,136
Kareem Yazid Adnan Al-Mufti (Son)	Jordanian	31	25
Dr. Farouq Zuaiter	Jordanian	135,972	92,778
Nihad Qamar Elias Akkawi (Wife)	Jordanian	140,392	99,318
Mr. Khaled Sabih Taher Al-Masri	Jordanian	6,250	5,000
Relatives	-	-	-
Banque Misr	Egyptian	13,471,975	10,777,580
Mr. Ahamd Mohyee Al-Deen Abu AL-Izz	Egyptian	-	-
Relatives	-	-	-
Mr. Yasin Khalil Mohammad Al-Talhouni	Jordanian	7,006,935	5,809,697
Relatives	-	-	-
Al-Massira Investment Company	Jordanian	14,234,753	11,387,803
Mr. Arfan Khalil Kamil Ayass	Lebanese	-	-
Relatives	-	-	-
Mr. Nashat Taher Nashat Al-Masri	Jordanian	3,470	2,776
Relatives	-	-	-
Arab Investment and Trade Company	Saudi Arabian	2,549,331	2,039,465
Mr. Ghassan Ibrahim Fares Akeel	Jordanian	26,875	28,000
Dima Jamal Zuhdi Hamed (Wife)	Jordanian	4,393	5,015
Ibrahim Ghassan Ibrahim Akeel (Son)	Jordanian	4,415	7,032
Omar Ghassan Ibrahim Akeel (Son)	Jordanian	4,415	7,032
Ishraq Investment Company	Jordanian	7,671	6,137
Mr. Hassan Ali Hussein Abu Al-Ragheb	Jordanian	-	-
Relatives	Jordanian	-	-
Social Security Corporation	Jordanian	7,238,553	5,790,843
Mr. Nedal Fa'eq Mohammad Al-Qubaj	Jordanian	-	-
Relatives	-	-	-
Misr Investment Company	Egyptian	1,663	1,331
Mrs. Suhair Mahmoud Ibrahim Sayed	Egyptian	-	-
Relatives	-	-	-
Mr. Sharif Mahdi Husni Al-Saifi	Jordanian	278,808	223,047
Taimour Sharif Mahdi Al-Saifi (Son)	Jordanian	48,252	38,602
Kayan Sharif Mahdi Al-Saifi (Son)	Jordanian	50,253	40,203

Executives, Informed Employees, and Relatives Shareholdings

Name	Position	Nationality	2014		2013	
			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 Credit & Treasury Services	Jordanian	5,000	-	4,000	-
Mr. Nizar Mohammed	Deputy GM for Banking Services & Products	Jordanian	-	-	-	-
Miss Ghaddah Nazzal	Head of Human Resources	Jordanian	-	-	-	-
Mr. Azmi Owaidah	Head of Retail Credit	Jordanian	-	-	-	-
Mr. Yazid Ammari	Head of Corporate and SME Credit	Jordanian	-	-	-	-
Mr. Naser Qudseh	Head of Engineering and Administration	Jordanian	-	-	-	-
Mrs. Reem Eses	Head of Treasury	Jordanian	-	-	-	-
Mr. Omar Aqel	Head of Documentation and Credit Control	Jordanian	-	-	-	-
Miss Jan Yadaj	Head of Operations	Jordanian	-	-	-	-
Mrs. Olginia Haddad	Head of Banking Services and Products - Corporates	Jordanian	-	-	-	-
Mr. Yousef Abu Al-Haija	Head of Risk Mangement	Jordanian	-	-	-	-
Mr. Hani Khader	Head of Marketing and Product Development	Jordanian	-	-	-	-
Mr. Antoine Sabila	Head of Compliance and Anti Money Laundering	Jordanian	-	-	-	-
Mrs. Margaret Makamreh	Head of Internal Audit	Jordanian	-	-	-	-
Mr. Mahar Khabbazeh	Head of Information Technology	Jordanian	-	-	-	-
Mr. Ahamd Al-Sawalqa	Acting Head of Banking Services and Products-Retail	Jordanian	-	-	-	-
Mr. Fuad Saleh	Acting Head of Finance	Jordanian	-	-	-	-
Miss Mary Hanna	Secretary of the Board of Directors	Jordanian	-	-	-	-

Shareholders with 1% or more ownership

Name	2014		2013		Ultimate Beneficiary	Mortgaged Shares
	Shares	%	Shares	%		
Al-Massira Investment Company	14,234,753	11.39	11,387,803	11.39	Sabih Taher Darwish Al-Masri Khaled Sabih Taher Al-Masri	-
Banque Misr	13,471,975	10.78	10,777,580	10.78	-	-
Najwa Mohammad Abdul Rahman Madi	13,062,500	10.45	10,450,000	10.45	Herself	-
Social Security Corporation	7,238,553	5.79	5,790,843	5.79	-	-
Yasin Khalil Mohammad Yasin Al-Talhouni	7,006,935	5.61	5,809,697	5.81	Himself	1,823,310
Sabih Taher Darwish Al-Masri	6,517,120	5.21	5,213,696	5.21	Himself	-
Hamzah Khalil Mohammad Yasin Al-Talhouni	6,470,000	5.18	5,590,417	5.59	Himself	-
Al Zafer Investment Company	5,340,837	4.27	4,204,430	4.20	Hisham Zafer Taher Al-Masri Hanaa Zafer Taher Al-Masri Maha Zafer Taher Al-Masri Raghda Ibrahim Nembr Al-Nabulsi	-
The Congress Foundation	4,781,486	3.83	3,825,189	3.83	-	-
Palestine Telecommunications Company	4,515,921	3.61	3,612,737	3.61	-	-
Palestine Development & Investment Company	2,833,046	2.27	2,266,437	2.27	-	-
Rola Khalil Mohammad Yasin Al-Talhouni	2,624,048	2.10	2,215,136	2.22	Herself	-
Arab Supply and Trading Company	2,549,331	2.04	2,039,465	2.04	Sabih Taher Darwish Al-Masri	-
Proudstar Trading Ltd.	2,082,300	1.67	1,665,840	1.67	-	-
Lana Jane Munib Abdul Rahman Madi	1,947,358	1.56	1,985,883	1.99	Herself	1,651,479
Middle East Insurance Company	1,410,062	1.13	1,128,050	1.13	-	-
Najwa Bint Nafez Bin Saleh Mustafa	1,388,886	1.11	1,111,109	1.11	Herself	-
Abeer Bint Nafez Bin Saleh Mustafa	1,388,886	1.11	1,111,109	1.11	Herself	-
Zeina Bint Nafez Bin Saleh Mustafa	1,388,886	1.11	1,111,109	1.11	Herself	-
Rola Bint Nafez Bin Saleh Mustafa	1,388,886	1.11	1,111,109	1.11	Herself	-
Mary Issa Elias Allusi	1,319,441	1.06	1,055,553	1.06	Herself	-

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 15% of the Bank's paid in capital

Board of Directors & Executive Management Remunerations during 2014

Name	BOD Bonus	Transportation	Travel	Salaries & Allowances
Board of Directors:				
Mr. Yazid Al-Mufti	5,000	9,000	-	-
Mr. Mohammad Barakat	5,000	-	12,299	-
Dr. Farouq Zuaier	5,000	9,000	-	-
Mr. Khaled Al-Masri	5,000	9,000	-	-
Mr. Ibrahim Abu Al-Ragheb	5,000	4,175	-	-
Mr. Yasin Al-Talhouni	5,000	9,000	-	-
Mr. Arfan Ayass	5,000	-	15,143	-
Mr. Nashat Al-Masri	5,000	9,000	-	-
Mr. Ghassan Akeel	5,000	9,000	18,897	-
Mr. Hassan Abu Al-Ragheb	-	4,875	-	-
Social Security Corporation	5,000	9,000	-	-
Mrs. Suhair Sayed	5,000	-	14,470	-
Mr. Shrif Al-Saifi	5,000	9,000	-	-
Executive Management:				
Mr. Kamal Al-Bakri	-	-	-	404,633
Mr. Khaled Qasim	-	-	-	207,244
Mrs. Rana Sunna	-	-	-	179,008
Mr. Nizar Mohammed	-	-	-	147,606
Miss Ghaddah Nazzal	-	-	-	114,240
Mr. Azmi Owaidah	-	-	-	96,766
Mr. Yazid Ammari	-	-	-	100,014
Mr. Naser Qudseh	-	-	-	100,014
Mrs. Reem Eses	-	-	-	110,384
Mr. Omar Aqel	-	-	-	84,510
Miss Jan Yadaj	-	-	-	118,240
Mrs. Olginia Haddad	-	-	-	86,752
Mr. Yousef Abu Al-Haija	-	-	-	55,706
Mr. Hani Khader	-	-	-	66,462
Mr. Antoine Sabila	-	-	-	64,126
Mrs. Margaret Makhamreh	-	-	-	61,504
Mr. Mahar Khabbazeh	-	-	-	98,940
Mr. Ahamd Al-Sawalqa	-	-	-	54,458
Mr. Fuad Saleh	-	-	-	57,918
Total	60,000	72,000	60,809	2,208,525

* The Bank booked a provision for 2014 bonuses at JD 2,900,000 to be paid to the employees of the Bank in Jordan, including executive management, during 2015.

- 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 2014
- Government decisions during 2014 did not have any material effect on the Bank's operations.
- All activities and operations performed during 2014 were of a recurring nature and in line with the Bank's main activities.
- Capital expenditures during 2014 were JD 3,865,824
- Audit fees for 2014 were JD 169,763 in addition to sales and value added taxes and distributed as follows:

	JD
Cairo Amman Bank	155,300
Awraq Investment	9,500
Al-Watanieh Securities	4,963
	<u>169.763</u>

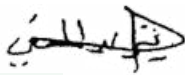
Other consulting fees paid to the external auditors during the year amounted to JD 62,393, in addition to sales tax.

- 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
Yazid Adnan Al-Mufti



General Manager
Kamal Ghareeb Al-Bakri



Head of Finance
Fuad Younis Saleh

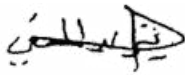


The Board of Directors affirms that according to its knowledge and beliefs, there are no significant issues, which would affect the sustainability of the Bank's operations during the next fiscal year of 2015.

The Board of Directors also acknowledges its responsibility for the preparation of the financial statements for the year 2014 noting that the Bank maintains an effective internal control structure.

The member of the Board of Directors affirms that he/ she did not receive (personally or through any related party) any benefits during 2014 from the Bank that are not disclosed, whether financial or in-kind.

Chairman
Yazid Adnan Al-Mufti



Vice Chairman
Dr. Farouq Ahmad Zuaiter



Khaled Sabih Al-Masri



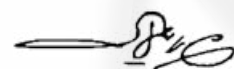
Ahmad Mohyee Aldeen Abu Al-Ezz



Yasin Khalil Al-Talhouni



Arfan Khalil Ayass



Nashat Taher Al-Masri



Ghassan Ibrahim Akeel



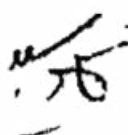
Hassan Abu Al-Ragheb



Nidal Fa'eq Al-Qubaj



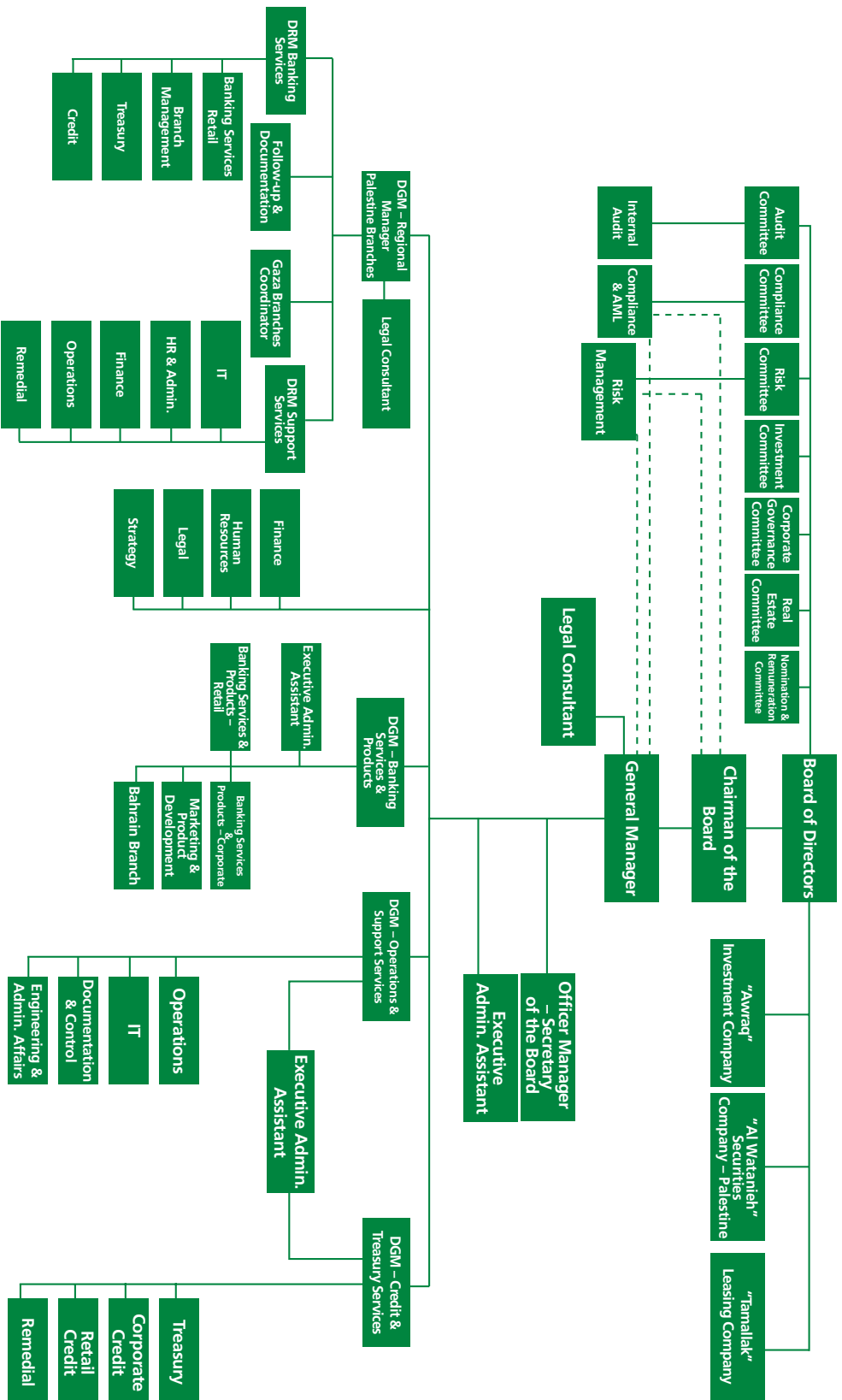
Suhir Sayed Ibrahim



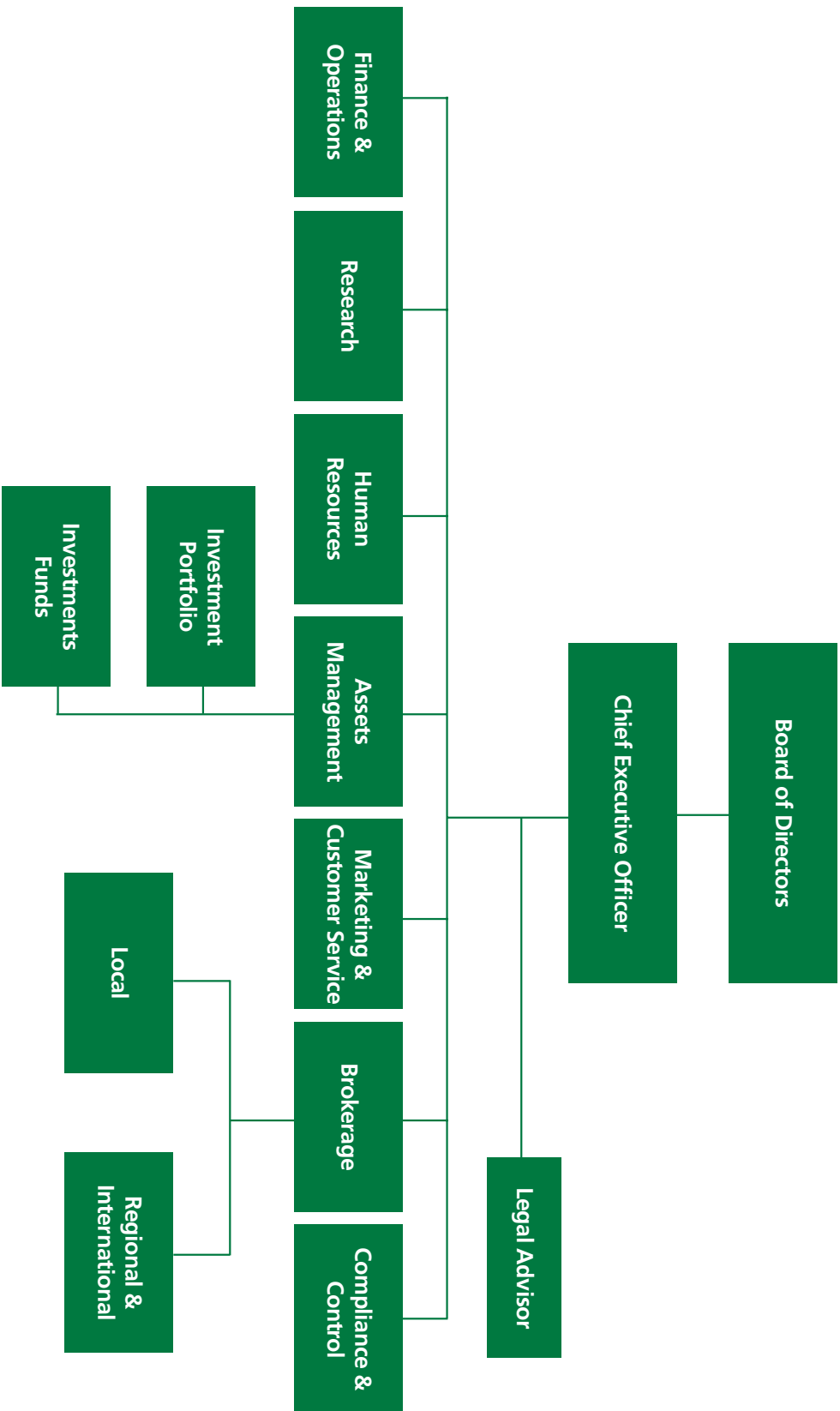
Sharif Mahdi Al-Saifi

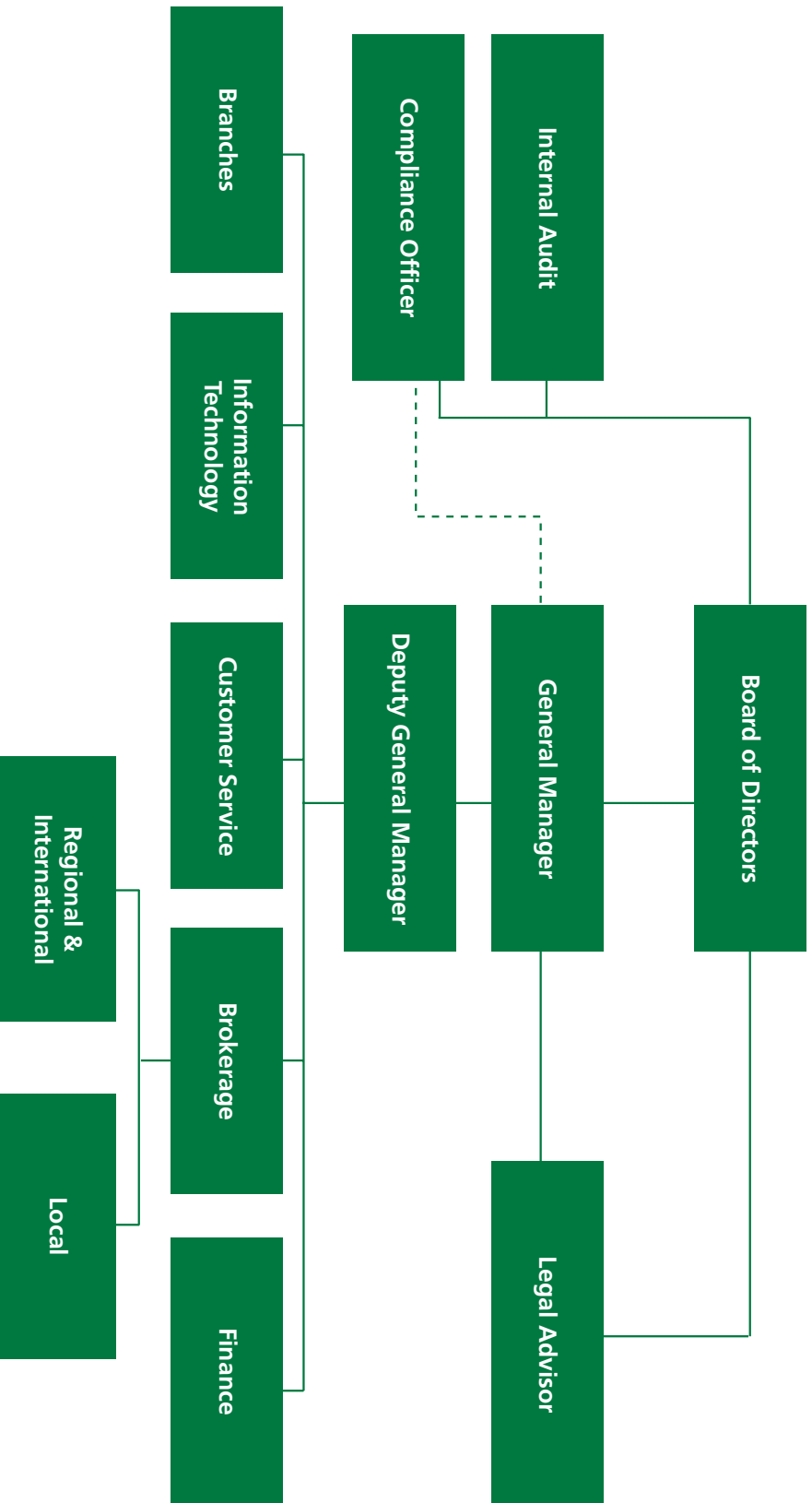


Organization Structure



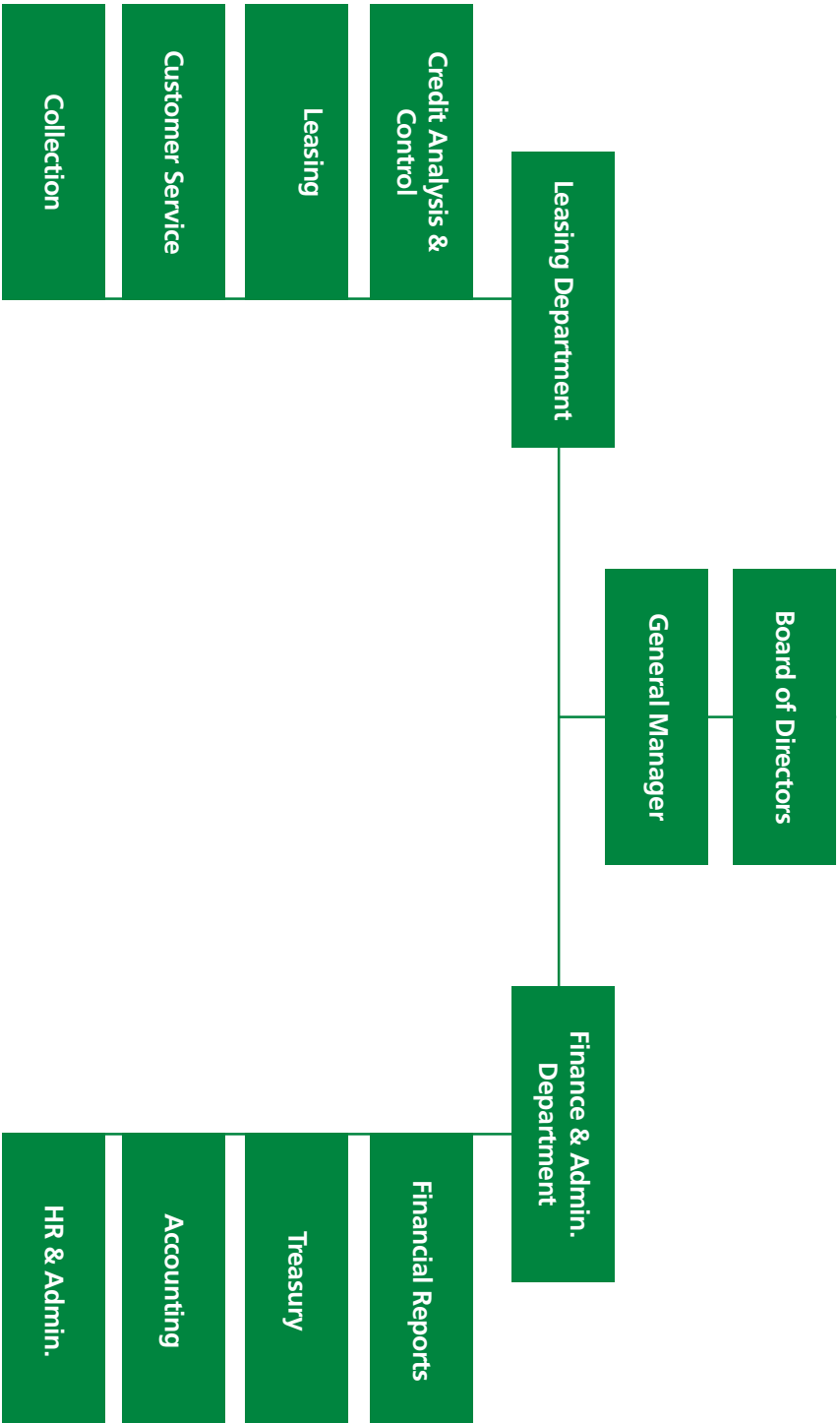
AWRAQ Investments





Tamallak Leasing

Corporate Governance and
Other Disclosures







Some of the bank's 2014 partnerships

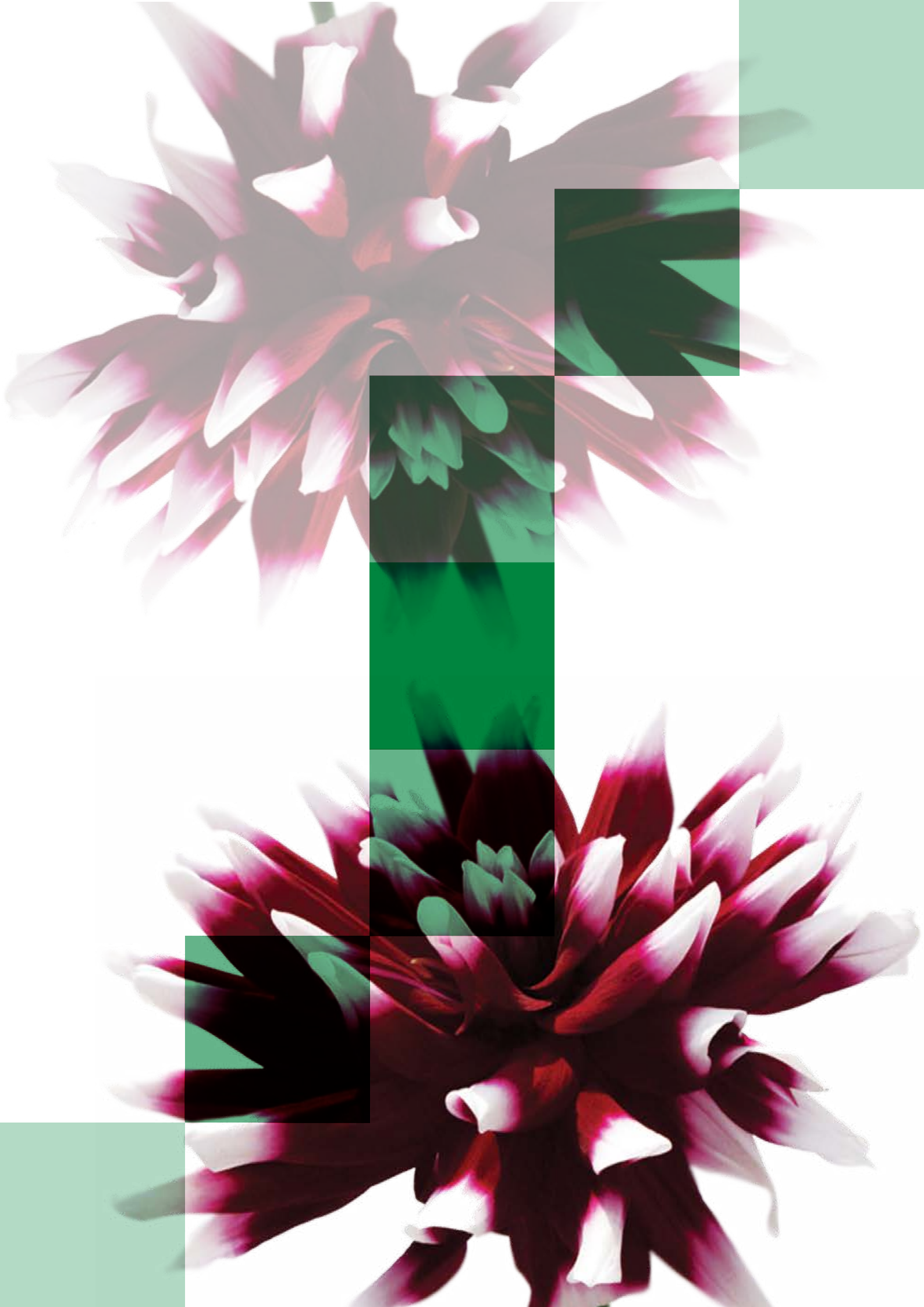




Consolidated Financial Statements

Gallery cairo amman bank 2014







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90
Years in MENA

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

We have audited the accompanying consolidated 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 2014 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 2014 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 information presented in the Board of Directors' report.

Amman – Jordan
12 February 2015

A member firm of Ernst & Young Global Limited

Cairo Amman Bank
Consolidated Statement of Financial Position
As at 31 December 2014
(In Jordanian Dinars)

	Notes	2014	2013
Assets			
Cash and balances with Central Banks	4	188,460,382	197,351,810
Balances at banks and financial institutions	5	466,269,945	180,633,848
Deposits at banks and financial institutions	6	107,399,984	138,200,000
Financial assets at fair value through profit or loss	7	28,575,734	29,155,168
Financial assets at fair value through other comprehensive income	8	25,130,993	25,219,930
Direct credit facilities	9	1,020,556,375	964,787,174
Financial assets at amortized cost	10	394,722,809	465,983,466
Financial assets pledged as collateral	11	17,994,351	110,142,962
Property and equipment	12	28,885,625	31,756,797
Intangible assets	13	9,144,718	8,573,950
Deferred tax assets	20	2,819,845	727,851
Other assets	14	63,178,353	60,436,264
Total Assets		<u>2,353,139,114</u>	<u>2,212,969,220</u>
Liabilities And Equity			
Liabilities -			
Banks and financial institutions' deposits	15	256,347,863	213,941,737
Customers deposits	16	1,587,403,083	1,426,018,472
Margin accounts	17	87,128,350	69,273,473
Loans and borrowings	18	50,401,488	164,420,379
Sundry provisions	19	13,086,103	12,526,199
Income tax liabilities	20	23,808,580	22,666,483
Deferred tax liabilities	20	2,592,612	2,321,405
Other liabilities	21	40,559,047	37,623,425
Total Liabilities		<u>2,061,327,126</u>	<u>1,948,791,573</u>
Equity			
Paid in capital	22	125,000,000	100,000,000
Statutory reserve	23	54,539,179	48,475,553
Voluntary reserve	23	-	1,321,613
General banking risk reserve	23	12,270,000	11,820,000
Other reserves	23	5,079,998	4,032,498
Fair value reserve (net)	24	2,323,033	2,107,043
Retained earnings	25	92,599,778	96,420,940
Total Equity		<u>291,811,988</u>	<u>264,177,647</u>
Total Liabilities and Equity		<u>2,353,139,114</u>	<u>2,212,969,220</u>

The accompanying notes from 1 to 49 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Income Statement
For the Year Ended 31 December 2014
(In Jordanian Dinars)

	Notes	2014	2013
Interest income	27	150,090,668	149,282,115
Interest expense	28	<u>46,534,283</u>	<u>53,640,186</u>
Net interest income		103,556,385	95,641,929
Net commission income	29	<u>21,333,937</u>	<u>19,545,673</u>
Net interest and commission income		124,890,322	115,187,602
– Other income			
Gain from foreign currencies	30	2,914,095	2,789,526
Net gain from financial assets at fair value through profit or loss	31	2,503,351	5,704,459
Dividends from financial assets at fair value through other comprehensive income	32	1,012,868	895,038
Gain from financial assets at amortized cost		326,815	-
Other income	33	<u>4,983,425</u>	<u>4,580,637</u>
Gross profit		<u>136,630,876</u>	<u>129,157,262</u>
Employees' expenses	34	37,801,601	35,484,713
Depreciation and amortization	12,13	6,137,008	6,473,639
Other expenses	35	20,903,412	20,404,619
Impairment loss on direct credit facilities	9	5,488,203	6,800,000
Impairment on repossessed assets		2,750,000	-
Sundry provisions	19	<u>1,086,274</u>	<u>1,260,717</u>
Total expenses		<u>74,166,498</u>	<u>70,423,688</u>
Profit before tax		62,464,378	58,733,574
Income tax expense	20	<u>17,931,011</u>	<u>17,937,678</u>
Profit for the year		<u>44,533,367</u>	<u>40,795,896</u>
		JD/Fils	JD/Fils
Basic and diluted earnings per share	36	<u>0/356</u>	<u>0/326</u>

The accompanying notes from 1 to 49 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2014
(In Jordanian Dinars)

	2014	2013
Profit for the year	44,533,367	40,795,896
Other comprehensive income, which will not be transferred to profit or loss in future periods:		
Net movement in fair value reserve	275,974	(855,006)
Total Comprehensive income for the year	<u>44,809,341</u>	<u>39,940,890</u>

The accompanying notes from 1 to 49 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2014
(In Jordanian Dinars)

	Paid in Capital	Reserves						Total Equity
		Statutory	Voluntary	General Banking Risk	Cyclical	Fair Value Reserve	Retained earnings	
	JD	JD	JD	JD	JD	JD	JD	JD
2014 -								
Balance at 1 January 2014	100,000,000	48,475,553	1,321,613	11,820,000	4,032,498	2,107,043	96,420,940	264,177,647
Dividends paid	-	-	-	-	-	-	(17,000,000)	(17,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(59,984)	59,984	-
Total comprehensive income for the year	-	-	-	-	-	275,974	44,533,367	44,809,341
Capital increase	25,000,000	-	(1,321,613)	-	-	-	(23,678,387)	-
Capital increase related expenses	-	-	-	-	-	-	(175,000)	(175,000)
Transferred to reserves	-	6,063,626	-	450,000	1,047,500	-	(7,561,126)	-
Balance at 31 December 2014	125,000,000	54,539,179	-	12,270,000	5,079,998	2,323,033	92,599,778	291,811,988
2013 -								
Balance at 1 January 2013	100,000,000	42,947,195	1,321,613	3,222,382	10,700,000	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	-	810,116	1,120,116	-	(7,458,474)	-
Balance at 31 December 2013	100,000,000	48,475,553	1,321,613	4,032,498	11,820,000	2,107,043	96,420,940	264,177,647

- 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 2014, the unrealized gains included in retained earnings and resulting from the early implementation of IFRS 9 amounted to JD 13,012,187. This amount is not available for distribution.
- The retained earnings includes deferred tax assets amounted to JD 2,819,845 and is restricted from use as per the Central Bank of Jordan instructions.

The accompanying notes from 1 to 49 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Cash Flows for the Year Ended 31 December 2014 (In Jordanian Dinars)

	Notes	2014	2013
Operating Activities			
Profit before income tax		62,464,378	58,733,574
Adjustments for -			
Depreciation and amortisation		6,137,008	6,473,639
Impairment loss on direct credit facilities		5,488,203	6,800,000
Sundry provisions		1,086,274	1,260,717
Unrealized (gain) from financial assets at fair value through profit or loss		(9,035)	(3,396,504)
Gain from sale of property and equipment		(34,073)	(150,401)
Gain from sale of repossessed properties		(237,959)	(113,676)
Impairment on repossessed assets		2,750,000	-
Effect of exchange rate changes on cash and cash equivalents		(2,622,536)	(2,337,796)
Operating profit before changes in operating assets and liabilities		75,022,260	67,269,553
Changes in assets and liabilities -			
(Decrease) increase in deposits at banks and financial institutions maturing after more than three months		30,800,016	(119,700,000)
Decrease in financial assets at fair value through profit or loss		588,469	1,099,478
(Increase) decrease in direct credit facilities		(61,257,404)	35,749,625
(Increase) in other assets		(5,004,130)	(5,674,842)
Increase in banks and financial institution deposits maturing after more than three months		635,000	20,000,000
Increase in customers' deposits		161,384,611	25,693,263
Increase in margin accounts		17,854,877	27,299,686
Sundry provisions paid		(526,370)	(553,011)
Increase in other liabilities		2,935,622	5,420,103
Net cash from operating activities before income tax		222,432,951	56,603,855
Income tax paid		(18,695,449)	(18,808,237)
Net cash from operating activities		203,737,502	37,795,618
Investing Activities			
Purchase of financial assets at fair value through OCI		(21,270)	(444,203)
Sale of financial assets at fair value through OCI		471,929	1,451,345
Payments to purchase investments		(250,000)	(20,140,716)
Proceeds from sale of property and equipment		63,293	174,646
Purchase of financial assets at amortized cost		(86,023,371)	(267,248,640)
Maturity of financial assets at amortized cost		249,432,639	158,163,936
Purchase of property and equipment		(1,659,355)	(2,609,354)
Purchase of intangible assets		(2,206,469)	(2,309,977)
Net cash from (used in) investing activities		159,807,396	(132,962,963)
Financing Activities			
Dividends paid		(17,000,000)	(17,000,000)
Capital increase related expenses		(175,000)	-
Increase in loans and borrowings		15,012,264	127,896,155
Payments from loans and borrowings		(129,031,155)	(136,418,000)
Net cash (used in) financing activities		(131,193,891)	(25,521,845)
Effect of exchange rate changes on cash and cash equivalents		2,622,536	2,337,796
Net increase (decrease) in cash and cash equivalents		234,973,543	(118,351,394)
Cash and cash equivalents, beginning of the year		176,599,421	294,950,815
Cash and cash equivalents, end of the year	37	411,572,964	176,599,421

The accompanying notes from 1 to 49 are an integral part of these financial statements

Cairo Amman Bank
Notes to the Consolidated Financial Statements
31 December 2014
(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 83 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. 1/2015 on 12 February 2015. 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 accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013 except for the following:

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

These amendments are effective for annual periods which started on or after 1 January 2014. The amendments 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. The application of the new amendments did not have any impact on the Bank's, financial position or performance.

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. Application of the new amendments did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. Application of the interpretation did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Application of the new amendments did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

Summary of significant accounting policies:**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where 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 2014. 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 2014. The company's main activity is investment brokerage.
- Tamalak For Financial Leasing- Jordan (established 2013) owned 100% by the Bank with a paid up capital of JD 1,000,000 as of 31 December 2014. The company's main activity is capital leasing.
- 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 2014, 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.

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 for 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 deductible 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 reevaluates 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

	2014	2013
	JD	JD
Cash on hand	62,150,671	54,133,462
Balances at Central Banks:	33,967,617	57,706,371
Current and demand deposits	7,444,500	7,444,500
Time and notice deposits	84,897,594	78,067,477
Statutory cash reserve	<u>188,460,382</u>	<u>197,351,810</u>

In addition to the statutory cash reserve held at Central Banks, restricted balances amounted to JD 7,444,500 as of 31 December 2014 and 2013.

(5) Balances at Banks and Financial Institutions

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2014 JD	2013 JD	2014 JD	2013 JD	2014 JD	2013 JD
Current and demand deposits	6,828,799	260,567	32,240,346	21,910,785	39,069,145	22,171,352
Deposits maturing within 3 months	<u>373,845,500</u>	<u>104,676,108</u>	<u>53,355,300</u>	<u>53,786,388</u>	<u>427,200,800</u>	<u>158,462,496</u>
	<u>380,674,299</u>	<u>104,936,675</u>	<u>85,595,646</u>	<u>75,697,173</u>	<u>466,269,945</u>	<u>180,633,848</u>

Non interest bearing balances at banks and financial institutions amounted to JD 39,069,145 as of 31 December 2014 (2013: JD 22,171,352).

There are no restricted balances as of 31 December 2014 and 2013.

(6) Deposits at Banks and Financial Institutions

Deposit maturing within	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2014 JD	2013 JD	2014 JD	2013 JD	2014 JD	2013 JD
More than 3 to 6 months	53,900,000	65,900,000	-	3,500,000	53,900,000	69,400,000
More than 6 to 9 months	53,499,984	-	-	-	53,499,984	-
More than 9 to 12 months	-	<u>68,800,000</u>	-	-	-	<u>68,800,000</u>
	<u>107,399,984</u>	<u>134,700,000</u>	-	<u>3,500,000</u>	<u>107,399,984</u>	<u>138,200,000</u>

There are no restricted balances as of 31 December 2014 and 2013.

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

	2014 JD	2013 JD
Quoted Equities	25,830,751	27,050,501
Bonds	211,372	-
Funds	<u>2,533,611</u>	<u>2,104,667</u>
Total	<u>28,575,734</u>	<u>29,155,168</u>

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

	2014 JD	2013 JD
Quoted Investments		
Quoted Equities	<u>24,330,363</u>	<u>24,416,217</u>
Total Quoted Investments	<u>24,330,363</u>	<u>24,416,217</u>
Unquoted Investments		
Quoted Equities	<u>800,630</u>	<u>803,713</u>
Total Unquoted Investments	<u>800,630</u>	<u>803,713</u>
Total	<u>25,130,993</u>	<u>25,219,930</u>

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 59,984 (2013: JD 123,736).

Dividends from financial assets at fair value through other comprehensive income amounted to JD 1,012,868 (2013: JD 895,038).

(9) Direct Credit Facilities

	2014	2013
	JD	JD
Consumer lending		
Overdrafts	12,805,508	5,693,576
Loans and bills *	561,080,236	541,666,808
Finance leasing	2,438,678	-
Credit cards	10,709,855	10,199,846
Others	6,326,800	5,487,169
Residential mortgages	136,781,446	128,484,249
Corporate lending		
Overdrafts	79,200,211	63,825,074
Loans and bills *	124,671,383	109,340,181
Small and medium enterprises lending "SMEs"		
Overdrafts	18,098,316	17,423,084
Loans and bills *	37,925,891	32,100,879
Lending to governmental sectors	88,127,869	112,914,549
Total	<u>1,078,166,193</u>	<u>1,027,135,415</u>
Less: Suspended interest	(10,259,482)	(11,387,288)
Less: Allowance for impairment Losses	(47,350,336)	(50,960,953)
Direct credit facilities, net	<u>1,020,556,375</u>	<u>964,787,174</u>

* Net of interest and commissions received in advance of JD 5,271,107 as of 31 December 2014 (2013: JD 6,553,129).

At 31 December 2014, non-performing credit facilities amounted to JD 58,171,141 (2013: JD 59,893,154), representing 5.4% (2013: 5.83%) of gross facilities granted.

At 31 December 2014, non-performing credit facilities, net of suspended interest, amounted to JD 47,972,194 (2013: JD 48,557,975), representing 4.49% (2013: 4.78%) of gross facilities granted after excluding the suspended interest.

At 31 December 2014, credit facilities granted to the Government of Jordan amounted to JD 17,859,314 (2013: JD 42,029,661), representing 1.60% (2013: 4.09%) of gross facilities granted.

At 31 December 2014, credit facilities granted to the public sector in Palestine amounted to JD 49,092,423 (2013: JD 55,117,710), representing 4.50% (2013: 5.37%) 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
2014 -					
At 1 January 2014	28,906,055	882,320	17,939,495	3,233,083	50,960,953
Charge for the year	3,957,218	108,866	(2,241,528)	3,663,647	5,488,203
Amounts written off	(1,926,563)	-	(6,916,116)	-	(8,842,679)
Revaluation difference	(207,028)	-	(28,609)	(20,504)	(256,141)
At 31 December 2014	<u>30,729,682</u>	<u>991,186</u>	<u>8,753,242</u>	<u>6,876,226</u>	<u>47,350,336</u>
Specific impairment on Individual loans	24,505,814	969,778	8,720,396	6,861,622	41,057,610
Watch list	729,150	21,408	32,846	14,604	798,008
Collective impairment	5,494,718	-	-	-	5,494,718
As of 31 December 2014	<u>30,729,682</u>	<u>991,186</u>	<u>8,753,242</u>	<u>6,876,226</u>	<u>47,350,336</u>
2013 -					
At 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)
At 31 December 2013	<u>28,906,055</u>	<u>882,320</u>	<u>17,939,495</u>	<u>3,233,083</u>	<u>50,960,953</u>
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
At 31 December 2013	<u>28,906,055</u>	<u>882,320</u>	<u>17,939,495</u>	<u>3,233,083</u>	<u>50,960,953</u>

Allowance for impairment related to non-performing credit facilities that were settled or collected amounted to JD 6,943,110 during 31 December 2014 (2013: JD 4,399,526).

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
2014-					
At 1 January 2014	4,930,101	21,359	5,351,212	1,084,616	11,387,288
Add: Suspended interest during the year	58,276	-	105,640	23,707	187,623
Less: Amount transferred to income on recovery	(72,974)	(7,460)	(181,455)	(25,605)	(287,494)
Less: Amounts written off	(668,083)	(5,604)	(301,016)	(53,232)	(1,027,935)
At 31 December 2014	<u>4,247,320</u>	<u>8,295</u>	<u>4,974,381</u>	<u>1,029,486</u>	<u>10,259,482</u>
2013 -					
At 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)
At 31 December 2013	<u>4,930,101</u>	<u>21,359</u>	<u>5,351,212</u>	<u>1,084,616</u>	<u>11,387,288</u>

(10) Financial Assets at Amortised Cost

	2014	2013
	JD	JD
Quoted Investments		
Treasury bills	1,766,629	1,759,582
Corporate debt securities	<u>17,052,930</u>	<u>20,241,046</u>
Total quoted investments	<u>18,819,559</u>	<u>22,000,628</u>
Unquoted Investments		
Treasury bills	352,518,965	396,034,498
Government debt securities	11,665,326	46,400,076
Corporate debt securities	11,843,400	1,666,150
Other debt securities	17,359	23,914
Impairment losses	<u>(141,800)</u>	<u>(141,800)</u>
Total unquoted investments	<u>375,903,250</u>	<u>443,982,838</u>
Total financial assets at amortized cost	<u>394,722,809</u>	<u>465,983,466</u>
Analysis of debt instruments		
Fixed rate	393,304,809	464,459,116
Floating rate	<u>1,418,000</u>	<u>1,524,350</u>
Total	<u>394,722,809</u>	<u>465,983,466</u>

The movement on the impairment losses is as follows:

	2014		2013	
	JD		JD	
Beginning balance		<u>141,800</u>		<u>141,800</u>
Ending balance		<u>141,800</u>		<u>141,800</u>

(11) Financial Assets Pledged as Collateral

	2014		2013	
	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	<u>17,994,351</u>	<u>13,812,264</u>	<u>110,142,962</u>	<u>109,851,155</u>

These bonds were collateralized from Central Bank of Jordan for financing industrial loans from CBJ and SMEs credit.

(12) Property and Equipment

	Land	Buildings	Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
	JD	JD	JD	JD	JD	JD	JD
2014 -							
Cost:							
At 1 January 2014	1,274,879	13,876,480	36,110,898	1,177,467	23,249,418	1,913,964	77,603,106
Additions	-	-	162,057	135,651	1,008,360	353,287	1,659,355
Transferred	-	-	1,006,237	-	507,845	(1,514,082)	-
Disposals	-	-	(143,871)	(79,720)	(1,100,688)	-	(1,324,279)
At 31 December 2014	<u>1,274,879</u>	<u>13,876,480</u>	<u>37,135,321</u>	<u>1,233,398</u>	<u>23,664,935</u>	<u>753,169</u>	<u>77,938,182</u>
Accumulated depreciation:							
At 1 January 2014	-	3,111,450	23,155,034	781,603	18,798,222	-	45,846,309
Depreciation charge during the year	-	277,530	2,290,667	127,582	1,805,528	-	4,501,307
Disposals	-	-	(122,437)	(71,644)	(1,100,978)	-	(1,295,059)
At 31 December 2014	<u>-</u>	<u>3,388,980</u>	<u>25,323,264</u>	<u>837,541</u>	<u>19,502,772</u>	<u>-</u>	<u>49,052,557</u>
Net book value At 31 December 2014	<u>1,274,879</u>	<u>10,487,500</u>	<u>11,812,057</u>	<u>395,857</u>	<u>4,162,163</u>	<u>753,169</u>	<u>28,885,625</u>
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	<u>1,274,879</u>	<u>13,876,480</u>	<u>36,110,898</u>	<u>1,177,467</u>	<u>23,249,418</u>	<u>1,913,964</u>	<u>77,603,106</u>
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	<u>-</u>	<u>3,111,450</u>	<u>23,155,034</u>	<u>781,603</u>	<u>18,798,222</u>	<u>-</u>	<u>45,846,309</u>
Net book value At 31 December 2013	<u>1,274,879</u>	<u>10,765,030</u>	<u>12,955,864</u>	<u>395,864</u>	<u>4,451,196</u>	<u>1,913,964</u>	<u>31,756,797</u>

Fully depreciated property and equipment amounted to JD 31,861,963 as of 31 December 2014 (2013: JD 28,424,462).

The estimated cost to complete the purchase of assets and projects under construction amounted to JD 412,077 as of 31 December 2013 (2013: JD 613,355).

(13) Intangible Assets

	Computer Software	
	2014	2013
	JD	JD
Cost:		
At 1 January	8,573,950	7,313,881
Additions	2,206,469	2,309,977
Amortisation during the year	<u>(1,635,701)</u>	<u>(1,049,908)</u>
	<u>9,144,718</u>	<u>8,573,950</u>

(14) Other Assets

	2014	2013
	JD	JD
Accrued interest and revenue	19,716,346	16,224,360
Prepaid expenses	5,440,198	4,259,888
Assets obtained by the Bank by calling on collateral*	10,089,921	10,761,166
Accounts receivable - net	605,727	1,476,656
Clearing checks	4,292,501	4,630,025
Trading settlement account	25,000	25,000
Refundable deposits	300,680	286,240
Deposit at Visa International	1,276,200	1,063,500
Payment on account to purchase investments	20,390,716	20,140,716
Depository Centre reconciliation	-	542,963
Others	<u>1,041,064</u>	<u>1,025,750</u>
	<u>63,178,353</u>	<u>60,436,264</u>

* 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.

Movement on assets obtained by the Bank by calling on collateral during the year is as follows:

	2014	2013
	JD	JD
At 1 January	10,761,166	10,799,390
Additions	2,229,598	439,444
Disposals	(150,843)	(477,668)
Impairment on repossessed assets	<u>(2,750,000)</u>	-
At 31 December	<u>10,089,921</u>	<u>10,761,166</u>

(15) Banks and Financial Institutions Deposits

	2014			2013		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and demand deposits	2,155,135	18,580,222	20,735,357	1,704,125	3,188,381	4,892,506
Time deposits	<u>128,514,074</u>	<u>107,098,432</u>	<u>235,612,506</u>	<u>111,486,343</u>	<u>97,562,888</u>	<u>209,049,231</u>
At 31 December	<u>130,669,209</u>	<u>125,678,654</u>	<u>256,347,863</u>	<u>113,190,468</u>	<u>100,751,269</u>	<u>213,941,737</u>

(16) Customers' Deposits

2014	Consumer	Corporate	SMEs	Governmental sectors	Total
	JD	JD	JD	JD	JD
Current and demand deposits	241,441,598	87,723,083	40,214,314	33,283,462	402,662,457
Saving accounts	341,493,227	2,720,703	1,538,283	1,572	345,753,785
Time and notice deposits	<u>296,644,227</u>	<u>159,036,839</u>	<u>16,051,843</u>	<u>367,253,932</u>	<u>838,986,841</u>
Total	<u>879,579,052</u>	<u>249,480,625</u>	<u>57,804,440</u>	<u>400,538,966</u>	<u>1,587,403,083</u>
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	<u>338,564,912</u>	<u>179,063,332</u>	<u>16,531,370</u>	<u>141,841,519</u>	<u>676,001,133</u>
Total	<u>900,440,766</u>	<u>258,013,441</u>	<u>56,292,907</u>	<u>211,271,358</u>	<u>1,426,018,472</u>

- Governmental institutions' deposits amounted to JD 371,517,375 as of 31 December 2014 (2013: JD 187,784,256) representing 23.40% (2013: 13.17%) of total customers' deposits.
- Non-interest bearing deposits amounted to JD 586,672,309 as of 31 December 2014 (2013: 584,817,896) representing 36.96% (2013: 41.01%) of total deposits.
- Dormant accounts amounted to JD 45,699,235 as of 31 December 2014 (2013: 40,672,310).
- Restricted deposits amounted Nil as of 31 December 2014 and 2013.

(17) Margin Accounts

	2014	2013
	JD	JD
Margins on direct credit facilities	60,735,405	24,316,305
Margins on indirect credit facilities	18,034,296	36,266,955
Deposits against brokerage margin accounts	4,495,193	5,391,119
Others	<u>3,863,456</u>	<u>3,299,094</u>
Total	<u>87,128,350</u>	<u>69,273,473</u>

(18) Loans and Borrowings

	Amountt	Total no. of instalments	Outstanding instalments	Payable Every	Maturity Date	Collaterals	Interest rate
	JD	JD	JD	JD	JD	JD	%
31 December 2014							
Amounts borrowed from overseas investment company (OPIC)	21,270,000	1	1	At maturity	2034	None	4.895%
Amounts borrowed from French Development Agency	3,545,000	1	1	At maturity	2025	None	3.358%
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	1,200,000	14	14	Semi-annually	2028	None	2.5%
Amounts borrowed from Central Bank of Jordan	13,812,264	21	21	At maturity	2015	Treasury Bills	-2.25% 2.75%
Amounts borrowed from International financial markets	<u>1,074,224</u>	1	1	Monthly	2015	None	-

Total **50,401,488**

	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
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% 2.25%
Amounts borrowed from International financial markets	<u>1,074,224</u>	1	1	Monthly	-	None	-

Total **164,420,379**

* The borrowed amount from CBJ for SMEs loans were re-lent on an average interest rate of 6% and the loan repayment to CBJ will start after 5 years from granting day.

** The borrowed amount from CBJ for industrial and energy financing loans were re-lent on an average interest rate of 6.5%.

(19) Sundry Provisions

	Balance at January 1	Provided during the period	Utilised during the year	Balance at December 31
	JD	JD	JD	JD
2014 -				
Provision for lawsuits against the bank	5,518,223	9,755	(16,309)	5,511,669
Provision for end of service indemnity	6,944,933	1,076,519	(510,061)	7,511,391
Other contingent liabilities	63,043	-	-	63,043
Total	<u>12,526,199</u>	<u>1,086,274</u>	<u>(526,370)</u>	<u>13,086,103</u>
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	<u>11,818,493</u>	<u>1,260,717</u>	<u>(553,011)</u>	<u>12,526,199</u>

(20) Income Tax

Income Tax Liabilities

The movements on the income tax provision were as follows:

	2014	2013
	JD	JD
At January 1	22,666,483	23,064,940
Income tax paid	(18,695,449)	(18,808,237)
Income tax payable	19,812,862	18,409,780
Amortization of deferred tax liabilities	24,684	-
At December 31	<u>23,808,580</u>	<u>22,666,483</u>

Income tax appearing in the Income Statement represents the following:

	2014	2013
	JD	JD
Provision for income tax for the year	19,812,862	18,409,780
Amortization of deferred tax liabilities	(73,106)	(179,631)
Deferred tax liabilities	283,249	-
Deferred tax assets	(2,091,994)	(292,471)
Income tax charge for the year	<u>17,931,011</u>	<u>17,937,678</u>

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%)

The Bank reached a final settlement with the Income and Sales Tax Department for the year ended 31 December 2013.

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 2008. The Bank had appealed against the court decision. Also a tax assessment was issued from the tax department for the year 2006 and 2007 but the Bank disputed the assessment. The Income and Sales Tax Department has not reviewed the accounts for the year 2013.

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 had reviewed 2010 and 2011 records, The company had appealed against the court decision

Al-Watanieh Securities Company – Palestine reached a final settlement with the income tax Department for the year 2013.

Cairo Real Estate Investments Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

In the opinion of the Bank's management, income tax provisions as of 31 December 2014 are sufficient.

Deferred Tax Liabilities

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

	2014					2013
	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	1,401,236	443,946	3,339,787	4,297,077	1,503,977	420,371
Interest in suspense	-	-	3000	3000	1,050	-
Non deductible expenses resulting from temporary differences	1,024,934	418,312	300,000	906,622	317,318	307,480
Sundry provisions	-	-	100,000	100,000	35,000	-
Impairment on repossessed assets	-	-	2,750,000	2,750,000	962,500	-
	<u>2,426,170</u>	<u>862,258</u>	<u>6,492,787</u>	<u>8,056,699</u>	<u>2,819,845</u>	<u>727,851</u>
Deferred tax liabilities						
Unrealized Gain – financial assets at FVTOCI	2,655,839	885,517	1,162,571	2,932,893	609,860	548,796
Unrealized gain – financial assets at FVTPL	<u>5,908,693</u>	<u>243,685</u>	-	<u>5,665,008</u>	<u>1,982,752</u>	<u>1,772,609</u>
	<u>8,564,532</u>	<u>1,129,202</u>	<u>1,162,571</u>	<u>8,597,901</u>	<u>2,592,612</u>	<u>2,321,405</u>

Included in deferred tax liabilities an amount of JD 609,860 (2013: JD 548,796) 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 1,982,752 which represents unrealized gains transferred to retained earnings resulted from the early implementation of IFRS 9 in 2011.

The movement on deferred tax assets and liabilities account is as follows:

	2014		2013	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
At 1 January	727,851	2,321,405	435,380	2,012,463
Additions	2,350,671	480,079	808,554	1,468,694
Released	(258,677)	(208,872)	(516,083)	(1,159,752)
At 31 December	<u>2,819,845</u>	<u>2,592,612</u>	<u>727,851</u>	<u>2,321,405</u>

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

	2014	2013
	JD	JD
Accounting profit	62,464,378	58,733,574
Non-taxable profit	(6,792,081)	(6,652,891)
Non-deductible expenses	3,476,171	6,059,621
Taxable profit	59,148,468	58,140,304
Effective rate of income tax	28.71%	30.54%

Deferred tax is calculated using the tax rates that are expected to apply in the year when the deferred tax asset will be realized or the deferred tax liability will be settled in the related country. The Bank used a tax rate of 35% to measure the deferred tax assets and liabilities in Jordan based on the income tax law no.34 for the year 2014 which is effective from 1 January 2015.

(21) Other Liabilities

	2014	2013
	JD	JD
Accrued interest expense	6,448,418	5,599,944
Accounts payable	4,613,337	6,236,360
Accrued expenses	6,640,242	6,693,891
Temporary deposits	12,552,502	11,731,589
Checks and withdrawals	6,137,669	4,864,091
Settlement guarantee fund	113,682	-
Others	4,053,197	2,497,550
	<u>40,559,047</u>	<u>37,623,425</u>

(22) Paid In Capital

The authorized and paid in capital amounted to JD 125,000,000 divided into 125,000,000 shares at a par value of JD 1 per share) 2013: capital amounted to JD 100,000,000 divided into 100,000,000 shares).

The General Assembly decided in its ordinary meeting held on 22 April 2014 distributing cash dividends to shareholders amounted to JD 17,000,000 representing 17% of paid in capital, and the General Assembly decided in its extra ordinary meeting held in the same date to increase the capital to JD 125,000,000 by capitalizing an amount of JD 1,321,613 from the voluntary reserve and an amount of JD 23,678,387 from the retained earnings and to distribute the increase as 25% stock dividends to the shareholders.

(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	54,539,179	Banks and companies Law
General banking risk reserve	12,270,000	Central Bank of Jordan regulations
Cyclical reserve	5,079,998	Palestine Monetary Authority regulations

(24) Fair Value Reserve

The movement is as follows:

	2014	2013
	JD	JD
Beginning balance	2,107,043	3,085,785
Unrealized loss	337,038	(419,464)
Gain from sale financial assets at fair value through other comprehensive income	(59,984)	(123,736)
Deferred tax liability	(61,064)	(435,542)
Ending balance	<u>2,323,033</u>	<u>2,107,043</u>

The fair value reserve is presented net of deferred tax liabilities of JD 609,860 as of 31 December 2014.

(25) Retained Earnings

	2014	2013
	JD	JD
Balance at 1 January	96,420,940	79,959,782
Profit for the year	44,533,367	40,795,896
Transferred to statutory reserve	(6,063,626)	(5,528,358)
Transferred to general banking risk reserve	(450,000)	(1,120,000)
Transferred to cyclical reserve	(1,047,500)	(810,116)
Stock dividends	(23,853,387)	-
Cash dividends	(17,000,000)	(17,000,000)
Net gain from sale of financial assets at fair value through other comprehensive income	59,984	123,736
	<u>92,599,778</u>	<u>96,420,940</u>

Retained earnings balance include unrealized gains amounting to JD 13,012,187 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 2,819,845 as deferred tax assets which is not available for distribution in accordance with Central Bank of Jordan instructions(2013: amount of JD 727,851)

(26) Proposed Dividends

The Board of Directors proposed the distribution of dividends to its shareholders of JD 16,250,000 (2013: JD 17,000,000), equivalent to 13% (2013: 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 35,000,000 which is equivalent to 28% of paid in capital. The General Assembly decided in its extra ordinary meeting held on 22 April 2014 to increase the capital to JD 125,000,000 by capitalizing an amount of JD 1,321,613 from the voluntary reserve and an amount of JD 23,678,387 from the retained earnings and to distribute the increase as 25% stock dividends to the shareholders.

The proposed dividends are subject to approval by the General Assembly in its meeting to be held during 2015.

(27) Interest Income

	2014	2013
	JD	JD
Consumer lending		
Overdrafts	1,031,489	509,958
Loans and bills	61,593,582	62,323,847
Credit cards	2,335,839	2,271,174
Finance leasing	56,787	-
Others	300,275	230,860
Residential mortgages	9,340,336	8,663,162
Corporate lending		
Overdrafts	5,452,584	6,387,279
Loans and bills	7,327,506	7,078,253
Small and medium enterprises lending		
Overdrafts	1,035,087	814,038
Loans and bills	2,632,046	2,658,565
Public and governmental sectors	6,503,657	8,617,307
Balances at Central Banks	379,173	228,621
Balances at banks and financial institutions	18,851,839	10,370,876
Financial assets at amortized cost	<u>33,250,468</u>	<u>39,128,175</u>
Total	<u>150,090,668</u>	<u>149,282,115</u>

(28) Interest Expense

	2014	2013
	JD	JD
Banks and financial institution deposits	5,688,841	4,196,275
Customers' deposits:		
Current accounts and deposits	2,201,707	3,204,174
Saving accounts	1,538,281	1,408,889
Time and notice placements	29,306,898	33,254,830
Margin accounts	1,156,626	577,754
Loans and borrowings	3,472,868	9,018,564
Deposit guarantee fees	<u>3,169,062</u>	<u>1,979,700</u>
	<u>46,534,283</u>	<u>53,640,186</u>

(29) Net Commission

	2014	2013
	JD	JD
Commission income:		
Direct credit facilities	6,256,336	5,254,381
Indirect credit facilities	3,298,237	2,930,161
Other commission	11,794,963	11,376,341
Less: commission expense	<u>(15,599)</u>	<u>(15,210)</u>
	<u>21,333,937</u>	<u>19,545,673</u>

(30) Gain From Foreign Currencies

	2014	2013
	JD	JD
Resulting from -		
Trading in foreign currencies	291,559	451,739
Revaluation of foreign currencies	<u>2,622,536</u>	<u>2,337,796</u>
	<u>2,914,095</u>	<u>2,789,526</u>

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

	(Realised gain/loss)	(Unrealised gain/loss)	Cash dividends	Total
2014 -				
Equities	240,947	(420,807)	2,225,763	2,045,903
Funds	27,606	898	-	28,504
	<u>-</u>	<u>428,944</u>	<u>-</u>	<u>428,944</u>
	<u>268,553</u>	<u>9,035</u>	<u>2,225,763</u>	<u>2,503,351</u>
2013 -				
Equities	175,017	3,026,406	2,132,938	5,334,361
Funds	<u>-</u>	<u>370,098</u>	<u>-</u>	<u>370,098</u>
	<u>175,017</u>	<u>3,396,504</u>	<u>2,132,938</u>	<u>5,704,459</u>

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

	2014	2013
	JD	JD
Dividend income	<u>1,012,868</u>	<u>895,038</u>
	<u>1,012,868</u>	<u>895,038</u>

(33) Other Income

	2014	2013
	JD	JD
Suspended interest transferred to revenue	287,494	199,427
Safety deposit box rental income	81,366	72,456
Revenues from selling check books	94,332	99,260
Collections of debts previously written off	652,105	1,359,384
Credit cards income	2,526,189	1,912,907
Gain from sale of property and equipment	34,073	150,401
Gain from sale of assets repossessed by the Bank	237,959	113,676
Rent revenue	10,952	6,615
Brokerage commission	813,975	538,445
Others	<u>244,980</u>	<u>128,066</u>
	<u>4,983,425</u>	<u>4,580,637</u>

(34) Employees' Expenses

	2014	2013
	JD	JD
Salaries and benefits	31,304,723	29,244,045
Bank's contribution to social security	2,258,203	2,078,599
Bank's contribution to savings fund	440,793	424,842
End of service indemnity	315,837	257,683
Medical expenses	1,973,020	1,738,295
Training and research	264,334	276,359
Employees' uniform	64,220	345,728
Value added tax	1,172,889	1,109,423
Others	<u>7,582</u>	<u>9,739</u>
	<u>37,801,601</u>	<u>35,484,713</u>

(35) Other Expenses

	2014	2013
	JD	JD
Rent	3,292,729	3,057,202
Cleaning and maintenance	1,457,161	1,276,460
Water, heat and electricity	2,257,540	2,188,907
License and governmental fees	1,020,677	1,002,990
Printings and stationery	680,835	761,607
Donations	481,960	506,998
Insurance fees and expenses	781,415	693,251
Subscriptions	746,125	679,551
Telephone and telex	509,827	513,395
Legal fees	258,108	248,266
Professional fees	843,865	755,947
Mail and money transfer expenses	341,785	395,182
Advertising expenses	1,702,134	1,940,499
Credit cards expenses	350,304	281,346
Board of directors expenses	132,809	196,757
Information systems expenses	4,272,054	4,324,804
Travel and transportation	916,619	713,958
Consultation expenses	264,185	271,945
Other expenses	<u>593,280</u>	<u>595,554</u>
	<u>20,903,412</u>	<u>20,404,619</u>

(36) Earnings Per Share

	2014	2013
	JD	JD
Profit for the year	44,533,367	40,795,896
Weighted average number of shares	<u>125,000,000</u>	<u>125,000,000</u>
Basic and diluted earnings per share (JD/Fils)	<u>0/356</u>	<u>0/326</u>

(37) Cash and Cash Equivalents

Cash and cash equivalents appearing in the statement of cash flows consist of the following balance sheet items:

	2014	2013
	JD	JD
Cash and balances with Central Banks maturing within 3 months	188,460,382	197,351,810
Add: Banks and financial institutions' balance maturing within 3 months	466,269,945	180,633,848
Less: Deposits maturing after 3 months restricted cash balances	(235,712,863)	(193,941,737)
Restricted cash balances	<u>(7,444,500)</u>	<u>(7,444,500)</u>
	<u>411,572,964</u>	<u>176,599,421</u>

(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	3 – 1 years	More than 3 years
2013-	JD	JD	JD	JD	JD	JD	JD
2014 -							
Derivatives held as fair value hedges:							
Interest rate swap	-	-	-	-	-	-	-
Forward foreign currency contracts	<u>347</u>	<u>349,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,577</u>	<u>-</u>
2013 -							
Derivatives held as fair value hedges:							
Interest rate swap	-	8,008	709,000	-	709,000	-	-
Forward foreign currency contracts	<u>-</u>	<u>608,573</u>	<u>63,810,000</u>	<u>14,180,000</u>	<u>49,630,000</u>	<u>-</u>	<u>-</u>

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:

Company name	Paid in capital		
	Ownership		
		2014	2013
		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
Tamallak for Financial Leasing	100%	1,000,000	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 2014	Total 2013
	JD	JD	JD	JD	JD
Balance sheet items:					
Direct credit facilities	39,932,116	4,004,988	12,182,640	56,119,744	26,534,057
Deposits at the Bank	18,885,587	2,886,906	17,262,043	39,034,536	25,804,020
Margin accounts	36,000,285	-	179,178	36,179,463	217,571
Off balance items:					
Indirect credit facilities	1,930,102	-	462,678	2,392,780	1,495,122
Income Statements items					
Interest and commission income	2,723,103	190,715	715,712	3,629,530	2,238,438
Interest and commission expense	550,040	113,409	511,492	1,174,941	1,168,779

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% - 6.25%

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:

	2014	2013
	JD	JD
Benefits (salaries, wages, and bonuses) of senior management	<u>2,208,525</u>	<u>2,087,028</u>

(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 2014 and 2013.

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
2014 -				
Financial assets at fair value through profit or loss	28,575,734	-	-	28,575,734
Financial assets at fair value through other comprehensive income	24,330,363	800,630	-	25,130,993
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

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

	2014		2013	
	Book value	Fair value	Book value	Fair value
	JD	JD	JD	JD
Deposits at banks and financial institutions	107,399,984	107,399,984	138,200,000	138,200,000
Financial assets at amortized cost	394,722,809	394,722,809	465,983,466	465,983,466
Financial assets pledged as collateral	17,994,351	17,994,351	110,142,962	110,142,962
Direct credit facilities	1,020,556,375	1,020,556,375	964,787,174	964,787,174
Banks and financial institutions' deposits	256,347,863	256,347,863	213,941,737	213,941,737
Customers' deposits	1,587,403,083	1,587,403,083	1,426,018,472	1,426,018,472
Margin accounts	87,128,350	87,128,350	69,273,473	69,273,473
Loans and borrowings	50,401,488	50,401,488	164,420,379	164,420,379

(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 specialized Departments such as the Risk Management Department Anti Money Landry 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.
5. 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.
6. 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.
7. 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:

	2014	2013
	JD	JD
Statement of financial position		
Cash and balances at Central Banks	126,309,711	143,218,348
Balances at banks and financial institutions	466,269,945	180,633,848
Deposits at banks and financial institutions	107,399,984	138,200,000
Direct credit facilities		
Consumer lending	558,384,075	529,211,243
Residential mortgages	135,781,965	127,580,570
Corporate lending:		
Large corporations	190,143,971	149,874,548
Small and medium enterprises	48,118,495	45,206,264
Lending to governmental sectors	88,127,869	112,914,549
Bonds and treasury bills		
within financial assets held at amortized cost	394,722,809	465,983,466
Financial assets pledged as collateral	17,994,351	110,142,962
Other assets	26,540,773	24,567,105
Total	<u>2,159,793,948</u>	<u>2,027,532,903</u>
Contingent liabilities	82,161,566	143,870,776
Letters of credit	13,766,063	15,278,187
Acceptances	52,677,482	58,389,087
Letters of guarantee	89,235,760	89,790,169
Irrevocable commitments to extend credit	<u>237,840,871</u>	<u>307,328,219</u>
Total	<u>2,397,634,819</u>	<u>2,334,861,122</u>

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.
- Regarding the assets items in the balance sheet is based on the balance presented on the financial position.

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
2014 -							
Low risk	3,702,284	34,709	34,664,168	3,024,531	531,740,863	-	573,166,555
Acceptable risk	551,475,636	132,521,928	160,290,188	44,081,683	74,441,610	607,851,989	1,570,663,034
Maturing:**	862,963	150,365	2,426,573	398,508	-	-	3,838,409
Up to 30 days	565,621	769	-	189,244	-	-	755,634
From 31 to 60 days	297,342	149,596	2,426,573	209,264	-	-	3,082,775
Watch list	10,753,974	1,427,177	2,098,387	1,123,498	-	-	15,403,036
Non performing:	29,428,413	3,228,740	16,121,388	9,392,600	-	-	58,171,141
Substandard	3,042,444	303,123	1,402,689	940,570	-	-	5,688,826
Doubtful	4,835,822	1,420,352	276,786	2,508,526	-	-	9,041,486
Loss	<u>21,550,147</u>	<u>1,505,265</u>	<u>14,441,913</u>	<u>5,943,504</u>	-	-	<u>43,440,829</u>
Total	<u>595,360,307</u>	<u>137,212,554</u>	<u>213,174,131</u>	<u>57,622,312</u>	<u>606,182,473</u>	<u>607,851,989</u>	<u>2,217,403,766</u>
Less: Suspended interest	4,247,320	8,295	4,974,381	1,029,486	-	-	10,259,482
Less: provision for impairment losses	<u>30,729,682</u>	<u>991,186</u>	<u>8,753,242</u>	<u>6,876,226</u>	-	-	<u>47,350,336</u>
Net	<u>560,383,305</u>	<u>136,213,073</u>	<u>199,446,508</u>	<u>49,716,600</u>	<u>606,182,473</u>	<u>607,851,989</u>	<u>2,159,793,948</u>
2013 -							
Low risk	3,926,199	296,108	5,159,736	2,196,081	748,655,989	-	760,234,113
Acceptable risk	522,259,036	123,558,200	143,839,605	34,367,257	75,588,318	339,814,098	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	<u>20,705,009</u>	<u>1,568,724</u>	<u>22,645,886</u>	<u>7,759,559</u>	-	-	<u>52,679,178</u>
Total	<u>564,938,839</u>	<u>128,578,711</u>	<u>181,113,249</u>	<u>51,191,940</u>	<u>824,244,307</u>	<u>339,814,098</u>	<u>2,089,881,144</u>
Less: Suspended interest	4,930,101	21,359	5,351,212	1,084,616	-	-	11,387,288
Less: provision for impairment losses	<u>28,906,055</u>	<u>882,320</u>	<u>17,939,495</u>	<u>3,233,083</u>	-	-	<u>50,960,953</u>
Net	<u>531,102,683</u>	<u>127,675,032</u>	<u>157,822,542</u>	<u>46,874,241</u>	<u>824,244,307</u>	<u>339,814,098</u>	<u>2,027,532,903</u>

* 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
2014 -						
Collaterals						
Low risk	3,702,284	34,709	34,664,168	3,024,531	5,455,250	46,880,942
Acceptable risk	28,195,524	132,301,928	70,986,498	39,541,006	-	271,024,956
Watch list	2,420	1,427,177	493,505	223,196	-	2,146,298
Non performing:						
Substandard	8,320	303,123	1,374,056	564,511	-	2,250,010
Doubtful	-	1,368,340	276,786	2,459,805	-	4,104,931
Loss	<u>3,750,104</u>	<u>1,743,947</u>	<u>2,884,723</u>	<u>2,829,425</u>	-	<u>11,208,199</u>
Total	<u>35,658,652</u>	<u>137,179,224</u>	<u>110,679,736</u>	<u>48,642,474</u>	<u>5,455,250</u>	<u>337,615,336</u>
Comprising of:						
Cash margin	3,714,416	352,247	34,708,224	3,024,531	5,455,250	47,254,668
Letters of guarantee	-	-	6,429,531	-	-	6,429,531
Real estate	18,580,260	136,826,977	46,230,092	41,301,823	-	242,939,152
Loans guarantee corporation	-	-	2,317,130	2,172,273	-	4,489,403
Traded equities	6,018,584	-	16,494,759	1,088,516	-	23,601,859
Vehicles and machinery	<u>7,345,392</u>	-	<u>4,500,000</u>	<u>1,055,331</u>	-	<u>12,900,723</u>
Total	<u>35,658,652</u>	<u>137,179,224</u>	<u>110,679,736</u>	<u>48,642,474</u>	<u>5,455,250</u>	<u>337,615,336</u>
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	<u>3,376,723</u>	<u>1,847,023</u>	<u>6,423,171</u>	<u>2,730,363</u>	-	<u>14,377,280</u>
Total	<u>50,167,217</u>	<u>128,850,540</u>	<u>74,443,409</u>	<u>41,327,635</u>	<u>6,115,061</u>	<u>300,903,862</u>
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	<u>6,992,338</u>	-	<u>6,333,331</u>	<u>2,409,725</u>	-	<u>15,735,394</u>
Total	<u>50,167,217</u>	<u>128,850,540</u>	<u>74,443,409</u>	<u>41,327,635</u>	<u>6,115,061</u>	<u>300,903,862</u>

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 8,424,094 as of 31 December 2014 compared to JD 3,971,573 as of 31 December 2013.

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 1,330,519 as of 31 December 2014 compared to JD 10,372,082 as of 31 December 2013.

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	178,302
AA-	S&P	3,544,228
A	S&P	710,200
B+	S&P	211,372
Non-rated		24,339,159
Governmental		<u>383,945,271</u>
Total		<u>412,928,532</u>

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:

2014	Inside Jordan	Other Middle Eastern countries	Europe	Asia	Americas	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	76,641,935	49,667,776	-	-	-	-	126,309,711
Balances at banks and financial institutions	371,301,779	65,624,582	11,293,593	558,504	17,402,914	88,573	466,269,945
Deposits at banks and financial institutions	107,399,984	-	-	-	-	-	107,399,984
Corporate lending:							
Consumer lending	498,403,514	59,980,561	-	-	-	-	558,384,075
Residential mortgages	117,969,507	17,812,458	-	-	-	-	135,781,965
Large corporations	124,135,909	66,008,062	-	-	-	-	190,143,971
Small and medium enterprises	39,401,551	8,716,944	-	-	-	-	48,118,495
Lending to governmental sectors	39,035,446	49,092,423	-	-	-	-	88,127,869
Bonds and treasury bills within:							
Financial assets at amortized cost	377,652,520	17,070,289	-	-	-	-	394,722,809
Financial assets pledged as collateral	17,994,351	-	-	-	-	-	17,994,351
Other assets:	19,828,116	4,774,738	1,551,196	10,471	374,591	1,661	26,540,773
Total 2014	<u>1,789,764,612</u>	<u>338,747,833</u>	<u>12,844,789</u>	<u>568,975</u>	<u>17,777,505</u>	<u>90,234</u>	<u>2,159,793,948</u>
Total 2013	<u>1,694,435,906</u>	<u>310,578,897</u>	<u>7,548,682</u>	<u>46,329</u>	<u>14,858,673</u>	<u>64,416</u>	<u>2,027,532,903</u>

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:

2014	Financial	Industrial	Commercial	Real estate *	Agriculture	Trading	Consumer	Public and governmental	Total
		JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	126,309,711	126,309,711
Balances at banks and financial institutions	466,269,945	-	-	-	-	-	-	-	466,269,945
Deposits at banks and financial institutions	107,399,984	-	-	-	-	-	-	-	107,399,984
Direct credit facilities	9,069,396	37,479,854	163,372,488	161,252,315	2,151,120	4,768,826	554,334,507	88,127,869	1,020,556,375
Bonds and treasury bills within:									
Financial assets at amortized cost	13,845,187	531,750	14,394,952	-	-	-	-	365,950,920	394,722,809
Financial assets pledged as collateral	-	-	-	-	-	-	-	17,994,351	17,994,351
Other assets	11,267,477	959,171	3,977,791	431,108	32,914	73,460	1,999,230	7,799,622	26,540,773
Total 2014	607,851,989	38,970,775	181,745,231	161,683,423	2,184,034	4,842,286	556,333,737	606,182,473	2,159,793,948
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

* 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:

2014 -				
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
USD	100	(316,661)	100	316,661
EURO	100	1,445	100	(1,445)
GBP	100	1,315	100	(1,315)
YEN	100	(159)	100	159
Other Currency	100	7,908	100	(7,908)
2013-				
Currency	Increase in interest rate	Sensitivity of net interest income	Decrease in interest rate	Sensitivity of net interest income
USD	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)

Consolidated Financial Statement

Sensitivity of interest rates as of 31 December 2014:

2014 -	Less than 1 month	1 – 3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 or more years	Non-interest bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Banks	7,444,500	-	-	-	-	-	181,015,882	188,460,382
Balances at banks and financial institutions	241,129,801	186,780,000	-	-	-	-	38,360,144	466,269,945
Deposits at banks and financial institutions	-	-	53,900,000	53,499,984	-	-	-	107,399,984
Financial assets at fair value through profit or loss	-	-	-	-	-	-	28,575,734	28,575,734
Direct credit facilities	789,856,696	23,965,058	61,377,247	25,572,982	35,584,824	84,199,568	-	1,020,556,375
Financial assets at fair value through OCI	-	-	-	-	-	-	25,130,993	25,130,993
Financial assets at amortized cost	41,370,990	27,622,748	41,649,375	80,665,709	193,297,540	10,116,447	-	394,722,809
Financial assets pledged as collateral	25,560	-	-	1,462,234	14,881,111	1,625,446	-	17,994,351
Property and equipment	-	-	-	-	-	-	28,885,625	28,885,625
Intangible assets	-	-	-	-	-	-	9,144,718	9,144,718
Deferred tax assets	-	-	-	-	-	-	63,178,353	2,819,845
Other assets	-	-	-	-	-	-	2,819,845	63,178,353
Total Assets	1,079,827,547	238,367,806	156,926,622	161,200,909	243,763,475	95,941,461	377,111,294	2,353,139,114
Liabilities								
Banks and financial institution deposits	174,271,723	44,611,496	10,635,000	10,000,000	-	-	16,829,644	256,347,863
Customers' deposits	725,225,740	100,557,684	81,908,437	48,156,862	44,882,051	-	586,672,309	1,587,403,083
Margin accounts	3,792,623	5,838,978	6,468,973	9,389,535	14,387,385	27,410,453	19,840,403	87,128,350
Loans and borrowings	35,594	45,450	4,448,623	13,009,433	2,092,388	30,770,000	-	50,401,488
Sundry provisions	-	-	-	-	-	-	13,086,103	13,086,103
Income tax liabilities	-	-	-	-	-	-	23,808,580	23,808,580
Deferred tax liabilities	-	-	-	-	-	-	2,592,612	2,592,612
Other liabilities	-	-	-	-	-	-	40,559,047	40,559,047
Total Liabilities	903,325,680	151,053,608	103,461,033	80,555,830	61,361,824	58,180,453	703,388,698	2,061,327,126
Interest rate sensitivity gap	176,501,867	87,314,198	53,465,589	80,645,079	182,401,651	37,761,008	(326,277,404)	291,811,988
2013 -								
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
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

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 2014. 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	2014			2013		
	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+	1,450	-	1+	450	-
GBP	1+	1,275	-	1+	(1,259)	-
YEN	1+	(159)	-	1+	(54)	-
Other Currency	1+	7,932	-	1+	3,289	-

Concentration in currency risk:

2014 -	US Dollar	Sterling	Japanese Yen	Euro	Other	Total
Assets						
Cash and balances at Central Banks	40,322,248	53,266	-	11,322,193	32,769,967	84,467,674
Balances at banks and financial institutions	106,612,819	1,334,938	539,966	6,888,508	39,478,358	154,854,589
Deposits at banks and financial institutions	9,199,984	-	-	-	-	9,199,984
Financial assets at fair value through profit or loss	3,096,669	-	-	-	-	3,096,669
Direct credit facilities	131,505,731	-	1,640,027	-	73,871,807	207,017,565
Financial assets at fair value through other comprehensive income	1,398,919	-	-	75,256	-	1,474,175
Financial assets at amortized cost	64,619,564	-	-	-	17,359	64,636,923
Other assets	25,285,583	4,512	10	44,693	1,958,102	27,292,900
Total Assets	382,041,517	1,392,716	2,180,003	18,330,650	148,095,593	552,040,479

Liabilities						
Banks and financial institution deposits	139,151,373	2,287,738	-	24,619,475	67,106	166,125,692
Customers' deposits	211,836,429	6,418,876	531,246	16,515,837	140,129,348	375,431,736
Margin accounts	16,262,573	32,702	-	5,552,842	7,184,066	29,032,183
Loans and borrowings	25,889,224	-	-	-	-	25,889,224
Other liabilities	5,544,524	89,672	575	437,499	(866,327)	5,205,943
Total Liabilities	398,684,123	8,828,988	531,821	47,125,653	146,514,193	601,684,778
Net concentration in the statement of financial position	(16,642,606)	(7,436,272)	1,648,182	(28,795,003)	1,581,400	(49,644,299)
Contingent liabilities	85,606,919	615,226	199,651	31,600,298	16,918,738	134,940,832

2013 -	US Dollar	British Pound	Japanese Yen	Euro	Other	Total
Total Assets	<u>276,417,261</u>	<u>3,910,900</u>	<u>2,581,552</u>	<u>3,372,332</u>	<u>141,442,706</u>	<u>427,724,751</u>
Total Liabilities	<u>371,066,755</u>	<u>5,752,227</u>	<u>1,619</u>	<u>28,020,567</u>	<u>136,814,044</u>	<u>541,655,212</u>
Net concentration in the statement of financial position	<u>(94,649,494)</u>	<u>(1,841,327)</u>	<u>2,579,933</u>	<u>(24,648,235)</u>	<u>4,628,662</u>	<u>(113,930,461)</u>
Contingent liabilities	<u>112,034,269</u>	<u>622,460</u>	<u>125,282</u>	<u>80,342,200</u>	<u>18,522,864</u>	<u>211,647,875</u>

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	2014			2013		
	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 +	526	596,177	5 +	542	639,032
Palestine Securities Exchange	5 +	814,791	301,078	5 +	921,878	236,474
New York Stock Exchange	5 +	528	-	5 +	2,036	-
Others Markets	5 +	112,870	-	5 +	96,804	-

In 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 84,897,594.

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

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	Less than month 1	1 – 3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 or more years	No Fixed maturity	Total
2014 -	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	191,462,981	44,889,203	10,767,406	10,249,000	-	-	-	257,368,590
Customers' deposits	950,309,123	200,559,089	164,828,935	113,586,878	164,892,147	-	-	1,594,176,172
Margin accounts	4,559,769	7,615,019	8,134,927	11,840,494	19,758,445	37,680,040	-	89,588,694
Loans and borrowings	35,594	741,711	4,598,662	13,763,076	4,863,323	50,997,780	-	75,000,146
Sundry provisions	213,822	160,875	323,696	940,874	7,410,476	4,036,360	-	13,086,103
Income tax liabilities	3,100,000	-	13,179,277	200,000	2,717,413	4,611,890	-	23,808,580
Deferred tax	-	-	-	-	811,764	-	1,780,848	2,592,612
Other liabilities	<u>21,916,381</u>	<u>5,430,882</u>	<u>3,471,090</u>	<u>3,953,634</u>	<u>3,338,888</u>	<u>1,985,210</u>	<u>462,962</u>	<u>40,559,047</u>
Total Liabilities	<u>1,171,597,670</u>	<u>259,396,779</u>	<u>205,303,993</u>	<u>154,533,956</u>	<u>203,792,456</u>	<u>99,311,280</u>	<u>2,243,810</u>	<u>2,096,179,944</u>
Total Assets	<u>531,876,273</u>	<u>262,659,027</u>	<u>191,158,734</u>	<u>217,913,829</u>	<u>459,345,266</u>	<u>571,045,911</u>	<u>119,140,074</u>	<u>2,353,139,114</u>
2013 -								
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	30,986	96,691	104,598	357,178	11,750,348	186,398	-	12,526,199
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	<u>20,820,140</u>	<u>9,297,145</u>	<u>2,607,939</u>	<u>1,719,453</u>	<u>1,012,165</u>	<u>1,683,389</u>	<u>483,194</u>	<u>37,623,425</u>
Total Liabilities	<u>1,030,825,781</u>	<u>289,142,999</u>	<u>211,497,836</u>	<u>169,386,829</u>	<u>206,712,643</u>	<u>90,758,637</u>	<u>1,962,893</u>	<u>2,000,287,618</u>
Total Assets	<u>369,360,833</u>	<u>168,738,457</u>	<u>191,367,807</u>	<u>303,068,337</u>	<u>541,554,012</u>	<u>536,246,236</u>	<u>102,633,538</u>	<u>2,212,969,220</u>

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 month 1	1 – 3 months	6 – 12 months	1 – 3 years	3 or more years	Total
	JD	JD	JD	JD	JD	JD
2014 -						
Derivatives held for hedging:						
Interest rate swap	-	-	-	349,577	-	349,577
Forward currency contracts	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,577</u>	<u>-</u>	<u>349,577</u>
2013 -						
Derivatives held for hedging	-	-	709,000	-	-	709,000
Interest rate swap	-	14,180,000	49,630,000	-	-	63,810,000
Forward currency contracts	-	14,180,000	50,339,000	-	-	64,519,000

Contingent Liabilities

	Less than 1 year	1 – 5 years	5 years or more	Total
	JD	JD	JD	JD
2014 -				
Acceptances and letters of credit	85,558,535	10,369,094	-	95,927,629
Letters of guarantee	51,726,347	951,135	-	52,677,482
Irrevocable commitments to extend credit	89,235,760	-	-	89,235,760
Total	<u>226,520,642</u>	<u>11,320,229</u>	<u>-</u>	<u>237,840,871</u>
2013 -				
Acceptances and letters of credit	107,880,740	51,268,223	-	159,148,963
Letters of guarantee	47,809,364	10,579,723	-	58,389,087
Irrevocable commitments to extend credit	89,790,169	-	-	89,790,169
Total	<u>245,480,273</u>	<u>61,847,946</u>	<u>-</u>	<u>307,328,219</u>

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:

2014	Retail Banking	Corporate Banking	Treasury	Other	Total	
					2014	2013
	JD	JD		JD	JD	JD
Total revenues	<u>92,141,741</u>	<u>29,250,685</u>	<u>59,135,444</u>	<u>2,637,289</u>	<u>183,165,159</u>	<u>182,797,448</u>
Impairment loss on credit facilities	4,066,084	1,422,119	-	-	5,488,203	6,800,000
Impairment on Repossessed Assets	-	-	-	<u>2,750,000</u>	<u>2,750,000</u>	-
Segmental results	<u>68,630,998</u>	<u>20,529,225</u>	<u>39,345,161</u>	<u>(112,711)</u>	<u>128,392,673</u>	<u>122,357,262</u>
Unallocated expenses					<u>65,928,295</u>	<u>63,623,688</u>
Profit before tax					<u>62,464,378</u>	<u>58,733,574</u>
Income tax					<u>17,931,011</u>	<u>17,937,678</u>
Net profit					<u>44,533,367</u>	<u>40,795,896</u>
<u>Other information</u>						
Segmental assets	<u>694,166,040</u>	<u>326,390,335</u>	<u>1,251,087,346</u>	<u>81,495,393</u>	<u>2,353,139,114</u>	<u>2,212,969,220</u>
Segmental liabilities	<u>738,447,089</u>	<u>362,373,901</u>	<u>883,049,406</u>	<u>77,456,730</u>	<u>2,061,327,126</u>	<u>1,948,791,573</u>
Capital expenditure					3,865,824	4,919,331
Depreciation and amortisation					6,137,008	6,473,639

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	
	2014	2013	2014	2013	2014	2013
	JD	JD	JD	JD	JD	JD
Total profits	159,403,287	156,967,934	23,761,872	25,829,514	183,165,159	182,797,448
Total assets	1,884,385,500	1,816,635,665	468,753,614	396,333,555	2,353,139,114	2,212,969,220
Capital expenditure	2,526,559	3,590,461	1,339,265	1,328,870	3,865,824	4,919,331

(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:

	2014	2013
	JD	JD
Primary capital:		
Paid in capital	125,000,000	100,000,000
Statutory reserve	54,539,179	48,475,553
Voluntary reserve	-	1,321,613
Cyclical reserve	5,079,998	4,032,498
Retained earnings	66,373,230	71,065,740
Less:		
Investment in banks and financial companies*	9,923,801	418,150
Assets obtained by the Bank by calling on collateral more than four years	4,335,347	7,183,254
Intangible assets	9,144,718	8,573,950
Total Primary capital	<u>227,588,541</u>	<u>208,720,050</u>
Additional capital		
Fair value reserve	1,045,365	948,169
General banking risk reserve	12,270,000	11,820,000
Less:		
Investment in banks and financial companies*	9,923,801	418,150
Total additional capital	<u>3,391,564</u>	<u>12,350,019</u>
Total regulatory capital	230,980,105	221,070,069
Total risk weighted assets	1,545,425,677	1,397,065,131
Capital adequacy (regulatory capital) (%)	14.95	15.82
Capital adequacy (primary capital) (%)	14.73	14.94

* 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:

2014 -	Within year 1	More than year 1	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	188,460,382	-	188,460,382
Balances at banks and financial institutions	466,269,945	-	466,269,945
Deposits at banks and financial institutions	107,399,984	-	107,399,984
Financial assets at fair value through profit or loss	28,575,734	-	28,575,734
Financial assets at fair value through other comprehensive income	25,130,993	-	25,130,993
Direct credit facilities	235,784,311	784,772,064	1,020,556,375
Financial assets at amortized cost	189,394,522	205,328,287	394,722,809
Financial assets pledged as collateral	1,487,794	16,506,557	17,994,351
Property and equipment	3,035,594	25,850,031	28,885,625
Intangible assets	4,071,045	5,073,673	9,144,718
Deferred tax assets	-	2,819,845	2,819,845
Other assets	42,213,929	20,964,424	63,178,353
Total Assets	<u>1,291,824,233</u>	<u>1,061,314,881</u>	<u>2,353,139,114</u>
Liabilities			
Banks and financial institution deposits	256,347,863	-	256,347,863
Customers' deposits	1,412,311,299	175,091,784	1,587,403,083
Margin accounts	31,918,372	55,209,978	87,128,350
Loans and borrowings	17,553,565	32,847,923	50,401,488
Sundry provisions	1,636,267	11,449,836	13,086,103
Income tax liabilities	16,479,277	7,329,303	23,808,580
Deferred tax liabilities	1,780,848	811,764	2,592,612
Other liabilities	35,234,948	5,324,099	40,559,047
Total Liabilities	<u>1,773,262,439</u>	<u>288,064,687</u>	<u>2,061,327,126</u>
Net Assets	<u>(481,438,206)</u>	<u>773,250,194</u>	<u>291,811,988</u>

2013 -	Within 1 year	More than 1 year	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 amortized 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	<u>21,722,581</u>	<u>38,713,683</u>	<u>60,436,264</u>
Total Assets	<u>1,101,611,956</u>	<u>1,111,357,264</u>	<u>2,212,969,220</u>
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	<u>34,927,871</u>	<u>2,695,554</u>	<u>37,623,425</u>
Total Liabilities	<u>1,680,052,864</u>	<u>268,738,709</u>	<u>1,948,791,573</u>
Net Assets	<u>(578,440,908)</u>	<u>842,618,555</u>	<u>264,177,647</u>

(46) Fiduciary Accounts

Fiduciary accounts amounted to JD 4,205,988 as of 31 December 2014 (2013: JD 5,221,009). 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:

	2014	2013
	JD	JD
Letters of credit:		
Received	261,523,492	279,059,985
Issued	82,161,566	143,870,776
Acceptances	13,766,063	15,278,187
Letters of guarantee:		
Payments	16,767,845	15,696,517
Performance	18,359,541	17,860,124
Other	17,550,096	24,832,446
Irrevocable commitments to extend credit	89,235,760	89,790,169
	<u>499,364,363</u>	<u>586,388,204</u>

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

	2014	2013
	JD	JD
Contracts to purchase property and equipment	<u>412,077</u>	<u>613,355</u>

* Annual rent of the Bank's main building and the branches amounted to JD 3,292,729 as of 31 December 2014 (2013: JD 3,057,202).

(48) Lawsuits

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to approximately JD 38,784,252 as of 31 December 2014 (2013: JD 39,798,169).

Provision for possible legal obligations amounted to JD 5,511,669 as of 31 December 2014 (2013: JD 5,518,223).

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

(49) New And Amended International Financial Reporting Standards

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 “Financial Instruments” with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 “Financial Instruments: Recognition and Measurement”. The Bank has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to :

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Bank's financial position or performance. The application of the amendments are not expected to have a significant impact on the Bank's disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Investment entities (Amendments to IFRS 10 and IAS 28)

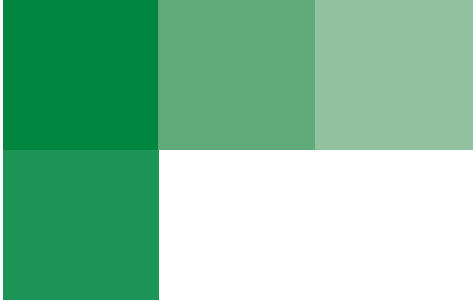
The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.



Corporate Governance Code



Cairo Amman Bank puts a smile on its clients' faces



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 than 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 an 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 reports.
- 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 or Director to attend its meetings.

The Audit Committee meets each of the Bank's external and 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 are 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 members.

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 and 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

- A. 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.
- B. 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.
- C. 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. As part of the Bank's 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's 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's 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:

- Performing self assessment of the board.
- 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.

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Bank`s Branches and Offices

Some of Cairo Amman Bank's New Branches During 2014



The Bank's Branches and Offices

Head Office

Number of Employees: 808
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: 8
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

Irbid Branch

Number of Employees: 14
Tel.: 02 7257531 Fax: 02 7279207
P.O. Box 336, Irbid 21110, Jordan

Aswaq Al Salam Branch

Number of Employees: 9
Tel.: 06 5859045/6 Fax: 06 5857631
P.O. Box 140285, Amman 11814, Jordan

Pavilion Mall Branch

Number of Employees: 10
Tel.: +962 (6) 5006161
Fax: +962 (6) 4393525
P.O. Box 1, Amman 116230, Jordan

Al Baqa'a Branch

Number of Employees: 9
Tel.: 06 4728190 Fax: 06 4726810
P.O. Box 1215, Amman 19381, Jordan

Bani Kenana Branch

Number of Employees: 7
Tel.: 02 7585191 Fax: 02 7585211
P.O. Box 109, Irbid 21129, Jordan

Al Bayader Branch

Number of Employees: 16
Tel.: 06 5859504 Fax: 06 5814933
P.O. Box 140285, Amman 11814, Jordan

Jordan University Branch

Number of Employees: 16
Tel.: 06 5342225 Fax: 06 5333278
P.O. Box 13146, Amman 11942, Jordan

Al - Al Beit University

Number of Employees: 8
Tel.: 02 6231856 Fax: 02 6234655
P.O. Box 130066, Mafraq 25113, Jordan

German Jordanian University Branch

Number of Employees: 7
Tel.: 06 4250525 Fax: 06 4250545
P.O. Box 440, Madaba 17110, 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

Science & Technology University Branch

Number of Employees: 14
Tel.: 02 7095713 Fax: 02 7095168
P.O. Box 3030, Irbid 22110, Jordan

Philadelphia University Branch

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

Mu'tah University Branch

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

Yarmouk University Branch

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

Jabal Al Hussein Branch

Number of Employees: 10
Tel: 06 5604974 Fax: 06 5605632
P.O. Box 8636, Amman 11121, Jordan

Jabal Amman Branch

Number of Employees: 13
Tel.: 06 4625228 Fax: 06 4618504
P.O. Box 2018, Amman 11181, Jordan

Al Weibdeh Branch

Number of Employees: 10
Tel.: 06 4637404 Fax: 06 4637438
P.O. Box 715, Amman 11118, Jordan

Jerash Branch

Number of Employees: 11
Tel.: 02 6354011 Fax: 02 6354012
P.O. Box 96, Jerash, Jordan

Al Rusaifeh Branch

Number of Employees: 8
Tel.: 05 3741106 Fax: 05 3742275
P.O. Box 41, Al Rusaifeh 13710, Jordan

Al Rusaifeh - Jabal Shamali Branch

Number of Employees: 7
Tel.: 05 3755785 Fax: 05 3755796
P.O. Box 120225, Al Rusaifeh 13712, Jordan

Ramtha Branch

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

Zara Mall Branch

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

Al Zarqa Branch

Number of Employees: 15
Tel.: 05 3982729 Fax: 05 3931424
P.O. Box 39, Al Zarqa 13110, Jordan

Al Zarqa Branch – Army Street

Number of Employees: 10
Tel: 05 3968031 Fax: 05 3968033
P.O. Box 151180, Al Zarqa 13115, Jordan

Al Zarqa – Baghdad Street Branch

Number of Employees: 7
Tel.: 05 3931984 Fax: 05 3931988
P.O. Box 150746, Al Zarqa 13115, Jordan

Al Zarqa Al Jadideh Branch

Number of Employees: 10
Tel.: 05 3864118 Fax: 05 3864120
P.O. Box 12291, Al Zarqa 13112, Jordan

Al Salt Branch

Number of Employees: 14
Tel.: 05 3550636 Fax: 05 3556715
P.O. Box 1101, Al Salt 19110, Jordan

Al Salt – King Abdullah II Street Branch

Number of Employees: 11
Tel.: 05 3500173 Fax: 05 3500178
P.O. Box 214, Al Balqa' 19328, Jordan

C-Town Branch – 7th Circle

Number of Employees: 6
Tel.: 06 5861724 Fax: 06 5816145
P.O. Box 715, Amman 11118, Jordan

City Mall Branch

Number of Employees: 13
Tel.: 06 5820028 Fax: 06 5864726
P.O. Box 2688, Amman 11821, Jordan

Al Hurrieh Street Branch

Number of Employees: 7
Tel.: 06 4205923 Fax: 06 4206962
P.O. Box 515, Amman 11623, Jordan

Hakma Street Branch

Number of Employees: 10
Tel: 02 7408377 Fax: 02 7412545
P.O. Box 336, Irbid 21110, Jordan

Irbid – Omar Al Mokhtar Street Branch

Number of Employees: 12
Tel.: 02 7250950 Fax: 02 7250954
P.O. Box 150002, Irbid 21141, Jordan

Leaders Center – Al Madina Al Tibbiyeh Street Branch

Number of Employees: 7
Tel.: 06 5331206 Fax: 06 5331209
P.O. Box 140350, Amman 11814, Jordan

Al Madinah Al Monwra Street Branch

Number of Employees: 13
Tel: 06 5560285 Fax: 06 5537957
P.O. Box 1301, Amman 11953, Jordan

Mecca Street Branch

Number of Employees: 9
Tel.: 06 5522850 Fax: 06 5522852
P.O. Box 1172, Amman 11821, Jordan

Shmeisani Branch

Number of Employees: 13
Tel.: 06 5685074 Fax: 06 5687721
P.O. Box 962297, Amman 11196, Jordan

Al Sweifieh Branch

Number of Employees: 13
Tel.: 06 5865805 Fax: 06 5863140
P.O. Box 715, Amman 11118, Jordan

Sweileh – Queen Rania Al Abdullah Street Branch

Number of Employees: 15
Tel.: 06 5332585 Fax: 06 5332485
P.O. Box 316, Amman 11910, Jordan

Al Yasmeen Branch

Number of Employees: 9
Tel.: 06 4201748 Fax: 06 4201459
P.O. Box 38971, Amman 11593, Jordan

Tabarbour Branch

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

Tafileh Branch

Number of Employees: 9
Tel.: 03 2250755 Fax: 03 2250754
P.O. Box 128, Amman 66141, Jordan

Al Abdali Branch

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

Ajloun Branch

Number of Employees: 8
Tel.: 02 4622895 Fax: 02 4622897
P.O. Box 55, Amman 26810, Jordan

Aqaba – Tunisian Baths Street Branch

Number of Employees: 11
Tel.: 03 2018452 Fax: 03 2018456
P.O. Box 1177, Aqaba 77110, Jordan

Aqaba - Yarmouk Street Branch

Number of Employees: 13
Tel.: 03 2019787 Fax: 03 2015550
P.O. Box 1166, Aqaba 77110, Jordan

Amman Branch

Number of Employees: 16
Tel.: 06 5006001 Fax: 06 4639328
P.O. Box 715, Amman 11118, Jordan

Ghor Al Safi Branch

Number of Employees: 8
Tel.: 03 2300436 Fax: 03 2300438
P.O. Box 57, Karak, Jordan

Al Fuheis Branch

Number of Employees: 8
Tel.: 06 5373061 Fax: 06 5373064
P.O. Box 180, Al Fuheis 19152, Jordan

Marriott Hotel Branch

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

Qasr Al Adel Branch

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

Al Qweismeh - Madaba Street Branch

Number of Employees: 15
Tel.: 06 4771333 Fax: 06 4751737
P.O. Box 38971, Amman 11593, Jordan

Al Karak Al Thunaya Branch

Number of Employees: 13
Tel.: 03 2387630 Fax: 03 2387626
P.O. Box 6, Al Karak 61151, Jordan

Madaba Branch

Number of Employees: 11
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

Al Mahata Branch

Number of Employees: 8
Tel.: 06 4651326 Fax: 06 4651991
P.O. Box 6180, Amman 11118, Jordan

Travel Depot - Irbid Branch

Number of Employees: 9
Tel.: 02 7249851 Fax: 02 7250715
P.O. Box 3757, Amman 21110, Jordan

Marj Al Hamam Branch

Number of Employees: 10
Tel.: 06 5712383 Fax: 06 5711895
P.O. Box 30, Marj Al Hamam 11732, Jordan

Prince Hamza Hospital Branch

Number of Employees: 5
Tel.: 06 5055226 Fax: 06 5055204
P.O. Box 1047, Amman 11947, Jordan

Jordan University Hospital Branch

Number of Employees: 10
Tel.: 06 5514072 Fax: 06 5333248
P.O. Box 13046, Amman 11942, Jordan

King Abdullah Hospital Branch

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

Ma'adi Branch

Number of Employees: 9
Tel.: 05 3570030 Fax: 05 3571904
P.O. Box 27, Ma'adi 18261, Jordan

Al Mafraq Branch

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

Irbid - Square Branch

Number of Employees: 8
Tel.: 02 7240071/4 Fax: 02 7240069
P.O. Box 2066, Irbid 21110, Jordan

Al Nuzha Branch

Number of Employees: 8
Tel.: 06 5626220 Fax: 06 6562335
P.O. Box 8080 Amman 11121, Jordan

Hashmi Al Shamali Branch

Number of Employees: 8
Tel.: 06 5055390 Fax: 06 5055401
P.O. Box 231106, Amman 11123, Jordan

Wadi Saqra Branch

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

Al Wahdat Branch

Number of Employees: 8
Tel.: 06 4771172/1 Fax: 06 4753388
P.O. Box 715, Amman 11118, Jordan

Al Hussein Bin Talal University – Gate Office Branch

Number of Employees: 3
Tel.: 03 2136420 Fax: 03 2136419
P.O. Box 13, Ma'an 71111, Jordan

Jordan University – Student Office Branch

Number of Employees: 4
Tel.: 06 5342225 Fax: 06 5341594
P.O. Box 13146, Amman 11942, Jordan

Jordan University – Student Office Aqaba Branch

Number of Employees: 3
Tel.: 03 2058027 Fax: 03 2058029
P.O. Box 1177, Aqaba 77110, Jordan

Yarmouk University – Student Office Branch

Number of Employees: 7
Tel.: 02 7270181 Fax: 02 6354012
P.O. Box 336, Irbid 21110, Jordan

Cozmo Office

Number of Employees: 5
Tel.: 06 5821634 Fax: 06 5814933
P.O. Box 140285, Amman 11814, Jordan

Ports Corporations Offices

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

Ma'an Office

Number of Employees: 5
Tel.: 03 2136590 Fax: 03 2136594
P.O. Box 13 Ma'an 71111, Jordan

Wadi Mousa Office

Number of Employees: 4
Tel.: 03 2154975 Fax: 03 2154974
P.O. Box 13 Ma'an 71111, Jordan

Al Shobak Office

Number of Employees: 4
Tel.: 03 2165473 Fax: 03 2165477
P.O. Box 13 Ma'an 71111, Jordan

North Al Shooneh Office

Number of Employees: 4
Tel.: 02 6580816 Fax: 02 6580818
P.O. Box 3757 Irbid 21110, Jordan

South Al Shooneh Office

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

Zarqa Office

Number of Employees: 2
Tel.: 05 3826700 Fax: 05 3826070
P.O. Box 12291 Zarqa 13112, Jordan

Jomrok Amman Office

Number of Employees: 3
Tel.: 06 4705447 Fax: 06 4705475
P.O. Box 38971 Amman 11593, Jordan

Deir Abi Saeed Office

Number of Employees: 5
Tel.: 02 6522190 Fax: 02 6522195
P.O. Box 55 Irbid 26810, Jordan

Consulting Centers

Marketing & Consulting Center – Irbid

Tel.: 02 7257529, 02 7257527
Fax: 02 7257530
P.O. Box 950661, Amman 11195, Jordan

Consulting Center – Zarqa

Tel.: 05 3975202 Fax: 05 3975203
P.O. Box 950661, Amman 11195, Jordan

Marketing & Marketing & Consulting Center – Jerash

Tel.: 02 6354010 Fax: 02 6354012
P.O. Box 950661, Amman 11195, Jordan

Palestine Branches and Offices

Regional Management

Number of Employees: 262
Tel.: 02 2977230 Fax: 02 2952763
P.O. Box 1870, Ramallah, Palestine

Al Masyoun – Ramallah Branch

Number of Employees: 18
Tel.: 02 2977090 Fax: 02 2979755
P.O. Box 2419, Ramallah, Palestine

Nablus Branch

Number of Employees: 26
Tel.: 09 2393001 Fax: 09 2381590
P.O. Box 50, Nablus, Palestine

Al Ahliya College – Ramallah Branch

Number of Employees: 19
Tel.: 02 2983500 Fax: 02 2955437
P.O. Box 2359, Ramallah, Palestine

Al Shallaleh – Al Khalil Branch

Number of Employees: 6
Tel.: 02 2229803/4 Fax: 02 2229327
P.O. Box 662, Al Khalil, Palestine

Haifa Street – Jenin Branch

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

Al Irsal – Ramallah Branch

Number of Employees: 12
Tel.: 02 2948100 Fax: 02 2951433
P.O. Box 4343, Bireh, Palestine

Tulkarem Branch

Number of Employees: 22
Tel.: 09 2688140 Fax: 09 2672773
P.O. Box 110, Tulkarem, Palestine

Bethlehem Branch

Number of Employees: 14
Tel.: 02 2756900 Fax: 02 2744974
P.O. Box 709, Bethlehem, Palestine

Qalqilya Branch

Number of Employees: 15
Tel.: 09 2941114/5 Fax: 09 2941119
P.O. Box 43, Qalqilyah, Palestine

Jericho Branch

Number of Employees: 10
Tel.: 02 2323627/9 Fax: 02 2321982
P.O. Box 55, Jericho, Palestine

Faisal Street – Nablus Branch

Number of Employees: 16
Tel.: 09 2383250/1 Fax: 09 2383256
P.O. Box 1559, Nablus, Palestine

Wadi Al Tuffah Branch

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

Khan Younes Branch

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

Al Saraya – Al Saraya Branch

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

Deir Al Balah Branch

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

Rafah Branch

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

Al Rimal – Al Rimal Branch

Number of Employees: 16
Tel.: 08 2821077 Fax: 08 2821088
P.O. Box 5350, Gaza, Palestine

Al Mahd Square Branch – Bethlehem

Number of Employees: 10
Tel.: 02 2757770 Fax: 02 2757722
P.O. Box 601, Bethlehem, Palestine

Ain Sara Al Khalil Branch

Number of Employees: 12
Tel.: 02 2216801 Fax: 02 2221140
P.O. Box 663, Al Khalil, Palestine

Al Najah University Office Branch

Number of Employees: 4
Tel.: 09 2343550 Fax: 02 2977167
P.O. Box 499, Nablus, Palestine

Abu Baker Street Office – Jenin

Number of Employees: 15
Tel.: 04 2505270 Fax: 04 2503110
P.O. Box 67, Jenin, Palestine

Kingdom of Bahrain Branch

Number of Employees: 3
Tel.: +973 17503000
Fax: +973 17503030
P.O. Box 20705, Manama

Subsidiary Companies

Al Watanieh for Financial Services Company

Awraq Investments
Number of Employees: 30
Tel.: 00962 6 5503800
Fax: 00962 6 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

Tamallak" Leasing Company"

Number of Employees: 5
Tel.: +962 (6) 5006651
Fax: +962 (6) 5201772
P.O. Box 941715, Amman 11194, Jordan



