

CAIRO AMMAN BANK

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013 (UNAUDITED)

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF CAIRO AMMAN BANK
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **CAIRO AMMAN BANK** (a public shareholding company) and its subsidiaries ("the Bank") as of 30 June 2013, comprising of interim consolidated statement of financial position as of 30 June 2013 and the related interim consolidated statements of income, comprehensive income, changes in equity, and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
21 July 2013

CAIRO AMMAN BANK
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2013
(In Jordanian Dinars)

	<u>Notes</u>	<u>30 June 2013</u> (Unaudited)	<u>31 December</u> 2012 (Audited)
<u>ASSETS</u>			
Cash and balances with Central Banks	4	198,678,273	211,280,174
Balances at banks and financial institutions	5	133,668,270	189,873,760
Deposits at banks and financial institutions	6	121,400,000	18,500,000
Financial assets at fair value through profit or loss	7	25,054,865	26,858,142
Financial assets at fair value through other comprehensive income	8	23,857,337	26,593,505
Direct credit facilities	9	1,001,686,580	1,007,336,799
Financial assets at amortized cost	10	470,157,592	358,681,442
Financial assets pledged as collateral		118,642,962	108,360,282
Property and equipment		33,407,971	34,595,419
Intangible assets		8,251,840	7,313,881
Deferred tax assets		570,677	435,380
Other assets	11	54,286,888	34,507,030
Total Assets		2,189,663,255	2,024,335,814
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES -</u>			
Banks and financial institutions' deposits		197,723,062	98,758,619
Customers' deposits	12	1,436,403,894	1,400,325,209
Margin accounts		55,003,222	41,973,787
Loans and borrowings	13	186,830,397	172,942,224
Sundry provisions		12,351,459	11,818,493
Income tax provision	14	20,013,377	23,064,940
Deferred tax liabilities		1,424,141	2,012,463
Other liabilities	15	39,557,313	32,203,322
Total Liabilities		1,949,306,865	1,783,099,057
<u>EQUITY</u>			
Paid in capital	1	100,000,000	100,000,000
Statutory reserve		42,947,195	42,947,195
Voluntary reserve		1,321,613	1,321,613
Other reserves		14,922,382	13,922,382
Fair value reserve (net)	16	1,507,737	3,085,785
Retained earnings	17	63,221,058	79,959,782
Profit for the period after general banking reserve & tax		16,436,405	-
Total Equity		240,356,390	241,236,757
Total Liabilities and Equity		2,189,663,255	2,024,335,814

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK
INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2013 (UNAUDITED)
(In Jordanian Dinars)

	Notes	For the three months ended 30		For the six months ended 30	
		June		June	
		2013	2012	2013	2012
Interest income	18	37,162,369	30,693,072	72,538,713	60,103,545
Interest expense	19	13,796,331	9,403,544	26,820,827	17,784,492
Net interest income		23,366,038	21,289,528	45,717,886	42,319,053
Net commission		4,924,315	5,402,678	9,433,677	10,119,320
Net interest and commission income		28,290,353	26,692,206	55,151,563	52,438,373
Other income –					
Net gain from foreign currencies		682,089	726,582	1,520,802	1,418,556
Net gain (loss) from financial assets through profit or loss	20	203,663	(1,289,335)	780,460	(97,449)
Dividends from financial assets at fair value through other comprehensive income		683,491	715,120	897,865	989,171
Net gain from financial assets at amortized cost		-	68,188	-	68,188
Other income		1,144,883	773,661	1,933,664	1,757,204
Gross profit		31,004,479	27,686,422	60,284,354	56,574,043
Employees' expenses		8,867,469	8,214,017	17,604,406	16,306,657
Depreciation and amortization		1,642,200	1,845,498	3,335,640	3,648,236
Other expenses		5,034,849	4,817,529	10,035,448	9,449,305
Impairment losses on direct credit facilities	9	1,714,150	614,150	2,828,300	2,298,300
Sundry provisions		431,312	215,410	856,315	674,929
Total expenses		17,689,980	15,706,604	34,660,109	32,377,427
Profit for the period before tax		13,314,499	11,979,818	25,624,245	24,196,616
Income tax expense	14	4,477,926	3,780,508	8,187,840	7,605,342
Profit for the period		8,836,573	8,199,310	17,436,405	16,591,274
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share	21	0/088	0/082	0/174	0/166

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2013 (UNAUDITED)
(In Jordanian Dinars)

	For the three months ended 30 June		For the six months ended 30 June	
	2013	2012	2013	2012
Profit for the period	8,836,573	8,199,310	17,436,405	16,591,274
Other comprehensive income, which will not be transferred to profit or loss in future periods:				
Net movement in fair value reserve for financial assets, after tax	(488,123)	(1,323,544)	(1,316,772)	(1,080,086)
Total comprehensive income for the period	<u>8,348,450</u>	<u>6,875,766</u>	<u>16,119,633</u>	<u>15,511,188</u>

**The accompanying notes from 1 to 30 form part of these interim condensed
consolidated financial statements**

CAIRO AMMAN BANK
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013 (UNAUDITED)
(In Jordanian Dinars)

	Paid in capital	Statutory	Voluntary	General banking risk	Cyclical fluctuation	Fair value reserve	Retained earnings	Profit for the period	Total equity
Six month ended 30 June 2013									
Balance as of 1 January 2013	100,000,000	42,947,195	1,321,613	10,700,000	3,222,382	3,085,785	79,959,782	-	241,236,757
Total comprehensive income for the period	-	-	-	-	-	(1,316,772)	-	17,436,405	16,119,633
Dividends paid	-	-	-	-	-	-	(17,000,000)	-	(17,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(261,276)	261,276	-	-
Transfer to reserves	-	-	-	1,000,000	-	-	-	(1,000,000)	-
Balance as of 30 June 2013	<u>100,000,000</u>	<u>42,947,195</u>	<u>1,321,613</u>	<u>11,700,000</u>	<u>3,222,382</u>	<u>1,507,737</u>	<u>63,221,058</u>	<u>16,436,405</u>	<u>240,356,390</u>
Six month ended 30 June 2012									
Balance as of 1 January 2012	100,000,000	37,749,106	1,321,613	10,150,000	2,318,759	3,850,718	68,180,157	-	223,570,353
Total comprehensive income for the period	-	-	-	-	-	(1,080,086)	-	16,591,274	15,511,188
Dividends paid	-	-	-	-	-	-	(17,000,000)	-	(17,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(145,163)	145,163	-	-
Transfer to reserves	-	-	-	500,000	-	-	-	(500,000)	-
Balance as of 30 June 2012	<u>100,000,000</u>	<u>37,749,106</u>	<u>1,321,613</u>	<u>10,650,000</u>	<u>2,318,759</u>	<u>2,625,469</u>	<u>51,325,320</u>	<u>16,091,274</u>	<u>222,081,541</u>

- The general banking risk reserve and the credit balance of fair value reserve is restricted from use without a prior approval from the Central Bank of Jordan.
- At 30 June 2013, the unrealized gains included in retained earnings and resulting from the early implementation of IFRS 9 amounted to JD 14,469,909. This amount is not available for distribution.
- The retained earnings include deferred tax assets amounted to JD 570,677 and is restricted from use as per the Central Bank of Jordan instruction.

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013 (UNAUDITED)
(In Jordanian Dinars)

	Note	30 June 2013	30 June 2012
<u>OPERATING ACTIVITIES</u>			
Profit for the period before tax		25,624,245	24,196,616
Adjustments -			
Depreciation and amortisation		3,335,640	3,648,236
Impairment loss on direct credit facilities		2,828,300	2,298,300
Sundry provisions		856,315	674,929
Unrealized loss from financial assets at fair value through profit or loss		1,406,808	2,022,330
Loss (Gain) on sale of property and equipment		(136,666)	1,896
Gain from sale of repossessed assets		(89,562)	(9,891)
Effect of exchange rate changes on cash and cash equivalents		(727,959)	(1,224,841)
Operating profit before changes in operating assets and liabilities		33,097,121	31,607,575
Changes in assets and liabilities -			
(Increase) decrease in deposits at banks and financial institutions		(102,900,000)	-
(Increase) decrease in financial assets at fair value through profit or loss		396,469	(2,863,896)
(Increase) decrease in direct credit facilities		2,821,919	(75,738,248)
Decrease (increase) in other assets		(19,690,296)	3,858,300
Increase in banks and financial institutions deposits maturing after more than three months		10,000,000	700,000
Increase in customers' deposits		36,078,685	37,281,703
Increase in margin accounts		13,029,435	8,411,724
Sundry provisions paid		(323,349)	(803,678)
Increase in other liabilities		7,353,991	7,541,798
Net cash (used in) from operating activities before income tax		(20,136,025)	9,995,278
Income tax paid		(11,532,951)	(12,702,089)
Net cash (used in) operating activities		(31,668,976)	(2,706,811)
<u>INVESTING ACTIVITIES</u>			
(Purchase) of financial assets at fair value through OCI		(70,900)	(267,875)
Proceeds from sale of financial assets at fair value through OCI		1,060,225	507,020
(Purchase) of financial assets at amortized cost		(180,441,746)	(148,740,000)
Proceeds from financial assets at amortized cost		58,682,916	151,080,477
Proceeds from sale of property and equipment		138,304	3,329
(Purchase) of property and equipment		(1,942,776)	(2,349,865)
(Purchase) of intangible assets		(1,145,013)	(1,416,463)
Net cash (used in) investing activities		(123,718,990)	(1,183,377)
<u>FINANCING ACTIVITIES</u>			
Cash dividends paid		(17,000,000)	(17,000,000)
Proceeds from loans and borrowings		120,764,773	22,300,000
Repayment for loans and borrowings		(106,876,600)	(4,000,000)
Net cash (used in) from financing activities		(3,111,827)	1,300,000
Effect of exchange rate changes on cash and cash equivalents		727,959	1,224,841
Net (decrease) in cash and cash equivalents		(158,499,793)	(2,590,188)
Cash and cash equivalents, beginning of the period		295,305,315	248,799,598
Cash and cash equivalents, end of the period	23	137,533,481	247,434,251

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2013
(In Jordanian Dinars)

(1) GENERAL

Cairo Amman Bank was established as a public shareholding company during 1960 in accordance with the Jordanian laws and regulations. Its registered office is at Suleiman Arrar Street, Wadi Saqra, Amman-Jordan.

The Bank provides its banking services through 84 branches and offices located in Jordan and 21 branches in Palestine, and its subsidiaries.

The Bank's shares are listed on the Amman Stock Exchange.

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their meeting held on 21 July 2013.

(2) BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six-months period of 30 June 2013 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Interim condensed consolidated

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

The accounting policies used in preparing the interim consolidated financial statement are consistent with those followed in the preparation of the consolidated financial statement for the year ended 31 December 2012 except for the application of standards and interpretations listed below .

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Bank's annual financial statements as of 31 December 2012. In addition, results for the six - months period ended 30 June 2013 do not necessarily indicate to the results that may be expected for the financial year ending 31 December 2013.

Changes in accounting policies:

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2012 except for the following:

New Standards

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

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

This standard became effective stating from 1 January 2013.

IFRS 11 Joint Arrangements

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

This standard became effective starting from 1 January 2013.

IFRS 12 Disclosure of Interests in Other Entities

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

This standard became effective stating from 1 January 2013.

IFRS 13 Fair Value Measurement

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

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

Amended Standards

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

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

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

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

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

IAS 19 Employee Benefits (Revised)

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

IAS 27 Separate Financial Statements (as revised in 2011)

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

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

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

(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

Restricted statutory cash reserve held at Central Banks amounted to JD 78,601,349 as of 30 June 2013 (31 December 2012: JD 77,323,728).

Except for statutory cash reserve held at the Central Banks the restricted cash balances amounted to JD 7,090,000 as of 30 June 2013 and 31 December 2012.

There are no balances which mature more than three months as of 30 June 2013 and 31 December 2012.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

Non interest bearing balances at banks and financial institutions amounted to JD 12,050,321 as of 30 June 2013 (31 December 2012: JD 20,016,403).

There are no restricted balances as of 30 June 2013 and 31 December 2012.

(6) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

Deposits maturing more than three month amounted to JD 121,400,000 as of 30 June 2013 (31 December 2012: JD 15,000,000).

There are no restricted balances as of 30 June 2013 and 31 December 2012.

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>30 June 2013</u>	<u>31 December</u>
	JD	2012
	(Unaudited)	(Audited)
Equity instruments	23,072,146	25,012,328
Bonds	-	111,245
Funds	1,982,719	1,734,569
	<u>25,054,865</u>	<u>26,858,142</u>

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2013	31 December 2012
	JD (Unaudited)	JD (Audited)
Quoted Investments		
Quoted Equities	23,070,889	25,876,821
Total quoted investments	<u>23,070,889</u>	<u>25,876,821</u>
Unquoted Investments		
Unquoted Equities	786,448	716,684
Total unquoted investments	<u>786,448</u>	<u>716,684</u>
Total	<u><u>23,857,337</u></u>	<u><u>26,593,505</u></u>

(9) DIRECT CREDIT FACILITIES

	30 June 2013	31 December 2012
	JD (Unaudited)	JD (Audited)
Consumer lending		
Overdrafts	5,488,070	7,166,317
Loans and bills *	543,486,951	540,883,927
Credit cards	9,885,745	10,199,715
Others	6,553,840	6,018,584
Residential mortgages	127,476,949	128,094,176
Corporate lending		
Overdrafts	75,777,183	64,046,782
Loans and bills *	115,776,902	119,902,929
Small and medium enterprises lending "SMEs"		
Overdrafts	16,330,360	18,960,249
Loans and bills *	32,603,068	30,774,674
Lending to governmental sectors	<u>127,957,254</u>	<u>138,057,561</u>
Total	<u>1,061,336,322</u>	<u>1,064,104,914</u>
Less: Suspended interest	(11,178,336)	(10,994,072)
Less: Allowance for impairment losses	<u>(48,471,406)</u>	<u>(45,774,043)</u>
Direct credit facilities, net	<u><u>1,001,686,580</u></u>	<u><u>1,007,336,799</u></u>

* Net of interest and commission received in advance of JD 7,151,583 as of 30 June 2013 (31 December 2012: JD 7,228,384).

As of 30 June 2013, non-performing credit facilities amounted to JD 59,633,812 (31 December 2012: JD 58,563,507), representing 5.62% (31 December 2012: 5.50%) of gross facilities granted.

As of 30 June 2013, non-performing credit facilities, net of suspended interest, amounted to JD 48,526,073 (31 December 2012: JD 47,630,071), representing 4.62% (31 December 2012: 4.52%) of gross facilities granted after excluding the suspended interest.

As of 30 June 2013, credit facilities granted to the Government of Jordan amounted to JD 51,906,854 (31 December 2012: JD 53,855,727), representing 4.89% (31 December 2012: 5.06%) of gross facilities granted.

As of 30 June 2013, credit facilities granted to the public sector in Palestine amounted to JD 52,926,887 (31 December 2012: JD 51,583,984), representing 4.99% (31 December 2012: 4.85%) of gross facilities granted.

The following table shows the distribution by the geographical area and economic sector for the direct credit facilities:

Industry sector	30 June 2013		31 December 2012	
	Inside JD	Outside JD	30 June 2013 JD	31 December 2012 JD
Financial	2,188,828	-	2,188,828	969,020
Industrial	39,669,048	4,239,423	43,908,471	50,585,076
Commercial	107,097,317	60,696,407	167,793,724	153,595,512
Real estate	142,539,860	11,487,375	154,027,235	156,438,037
Agriculture	2,347,498	93,481	2,440,979	2,511,405
Trading	8,553,840	-	8,553,840	8,576,630
Consumer	493,892,522	60,573,469	554,465,991	553,371,673
Public and Government	75,030,367	52,926,887	127,957,254	138,057,561
Total	871,319,280	190,017,042	1,061,336,322	1,064,104,914

Allowance for impairment in direct facilities:

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

	Consumer JD	Residential mortgages JD	Corporate JD	SMEs JD	Total JD
30 June 2013- (Unaudited)					
At 1 January 2013	23,241,948	712,242	19,503,382	2,316,471	45,774,043
Charge for the period	2,220,786	(12,362)	298,074	321,802	2,828,300
Amounts written off	(46,812)	-	-	-	(46,812)
Revaluation difference	(84,125)	-	-	-	(84,125)
At 30 June 2013	25,331,797	699,880	19,801,456	2,638,273	48,471,406
Specific impairment on individual loans	20,078,585	679,208	19,611,418	2,590,594	42,959,805
Watch list	579,017	20,672	190,038	47,679	837,406
Collective impairment	4,674,195	-	-	-	4,674,195
At 30 June 2013	25,331,797	699,880	19,801,456	2,638,273	48,471,406

	Consumer	Residential mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
31 December 2012- (Audited)					
At 1 January 2012	22,320,080	565,674	20,261,874	2,087,194	45,234,822
Charge for the year	2,021,881	146,568	751,028	453,929	3,373,406
Amounts written off	(1,037,416)	-	(1,509,520)	(224,652)	(2,771,588)
Revaluation difference	(62,597)	-	-	-	(62,597)
At 31 December 2012	23,241,948	712,242	19,503,382	2,316,471	45,774,043
Specific impairment on Individual					
loans	18,171,098	693,170	19,396,393	2,287,602	40,548,263
Watch list	274,547	19,072	106,989	28,869	429,477
Collective impairment	4,796,303	-	-	-	4,796,303
At 31 December 2012	23,241,948	712,242	19,503,382	2,316,471	45,774,043

Allowance for impairment related to non-performing credit facilities that were settled or collected amounted to JD 3,368,901 as of 30 June 2013 (31 December 2012: 3,850,478).

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

	Consumer	Residential mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
30 June 2013- (Unaudited)					
At 1 January 2013	4,800,185	26,117	5,266,231	901,539	10,994,072
Add: Suspended interest during the period	241,293	-	69,872	43,644	354,809
Less: Amount transferred to income on recovery	(48,847)	(1,494)	(64,770)	(6,347)	(121,458)
Less: Amounts written off	(5,107)	-	(43,980)	-	(49,087)
At 30 June 2013	4,987,524	24,623	5,227,353	938,836	11,178,336
31 December 2012- (Audited)					
At 1 January 2012	4,836,561	48,330	4,681,387	962,606	10,528,884
Add: Suspended interest during the year	364,428	-	684,775	45,359	1,094,562
Less: Amount transferred to income on recovery	(187,331)	(13,178)	-	-	(200,509)
Less: Amounts written off	(213,473)	(9,035)	(99,931)	(106,426)	(428,865)
At 31 December 2012	4,800,185	26,117	5,266,231	901,539	10,994,072

(10) FINANCIAL ASSETS AT AMORATIZED COST

	30 June 2013	31 December 2012
	JD	JD
	(Unaudited)	(Audited)
Quoted Investments		
Treasury bills	1,756,063	1,752,536
Corporate debt securities	20,238,785	20,236,531
Total quoted investments	<u>21,994,848</u>	<u>21,989,067</u>
Unquoted Investments		
Treasury bills	397,304,506	283,668,554
Government debt securities	34,237,824	35,147,968
Corporate debt securities	16,737,050	17,987,050
Other debt securities	25,164	30,603
Impairment losses	(141,800)	(141,800)
Total unquoted investments	<u>448,162,744</u>	<u>336,692,375</u>
Total financial assets at amortized cost	<u><u>470,157,592</u></u>	<u><u>358,681,442</u></u>
Analysis of debt instruments		
Fixed rate	468,562,342	357,086,192
Floating rate	1,595,250	1,595,250
Total	<u><u>470,157,592</u></u>	<u><u>358,681,442</u></u>

(11) OTHER ASSETS

	30 June 2013	31 December 2012
	JD	JD
	(Unaudited)	(Audited)
Accrued interest and revenue	12,923,303	8,270,987
Prepaid expenses	7,109,616	4,759,818
Assets obtained by the Bank by calling on collateral	10,639,491	10,799,390
Accounts receivable - net	1,333,799	1,234,040
Clearing checks	18,964,399	5,149,311
Trading settlement account	27,925	25,000
Refundable deposits	276,831	290,526
Deposits at Visa International	1,042,230	1,042,230
Others	1,969,294	2,935,728
	<u><u>54,286,888</u></u>	<u><u>34,507,030</u></u>

* Central Bank of Jordan instructions require that the repossessed assets are sold within two years of repossession.

(12) CUSTOMERS' DEPOSITS

30 June 2013 (Unaudited)-	Consumer	Corporate	SMEs	Governmental sectors	Total
	JD	JD	JD	JD	JD
Current and demand deposits	231,686,606	73,717,339	37,020,908	89,880,718	432,305,571
Saving accounts	312,007,705	759,749	1,370,468	1,568	314,139,490
Time and notice deposits	313,597,952	216,452,766	13,060,496	146,847,619	689,958,833
Total	857,292,263	290,929,854	51,451,872	236,729,905	1,436,403,894

31 December 2012 (Audited)-	Consumer	Corporate	SMEs	Governmental sectors	Total
	JD	JD	JD	JD	JD
Current and demand deposits	173,381,945	134,703,813	34,087,537	57,773,568	399,946,863
Saving accounts	313,826,284	1,311,817	1,189,341	2,046	316,329,488
Time and notice deposits	276,590,084	224,505,884	18,610,641	164,342,249	684,048,858
Total	763,798,313	360,521,514	53,887,519	222,117,863	1,400,325,209

- Governmental institutions' deposits amounted to JD 205,159,737 as of 30 June 2013 (31 December 2012: JD 195,059,636) representing 14.28% (31 December 2012: 13.93%) of total customers' deposits.
- Restricted deposits amounted to JD 711,436 as of 30 June 2013 (2012:Nil).
- Non-interest bearing deposits amounted to JD 574,464,700 as of 30 June 2013 (31 December 2012: JD 534,747,304) representing 39.99% (31 December 2012: 38.19%) of total deposits.
- Dormant accounts amounted to JD 41,844,990 as of 30 June 2013 (31 December 2012: JD 28,271,232).

(13) LOANS AND BORROWINGS

	<u>Amount</u>	<u>Total no. of instalments</u>	<u>Outstanding instalments</u>	<u>Payable Every</u>	<u>Maturity Date</u>	<u>Collaterals</u>	<u>Interest rate</u>
30 June 2013 – (Unaudited)	JD					JD	%
Amounts borrowed from Jordan Mortgage Refinancing company	30,000,000	3	3	At maturity	2013	Pledged bonds	5.3 – 8.6 %
Amounts borrowed from Overseas Investment Company (OPIC)	35,450,000	1	1	At maturity	2034	None	4.145–4.895%
Amounts borrowed from French Development Agency	3,545,000	1	1	At maturity	2015	None	1.22%
Amounts borrowed from Central Bank of Jordan	115,822,573	3	3	At maturity	2013	Repo Treasury Bills	4.25%
Amounts borrowed from Central Bank of Jordan	938,600	4	4	At maturity	2013	Treasury Bills	3%
Amounts borrowed from Palestine Mortgage Refinancing company	<u>1,074,224</u>	1	1	Monthly		None	3%
Total	<u>186,830,397</u>						
30 June 2012 – (Unaudited)	JD					JD	%
Amounts borrowed from Jordan Mortgage Refinancing company	40,000,000	4	4	At maturity	2013	Pledged bonds	5.3 – 8.1 %
Amounts borrowed from Central Bank of Jordan	96,178,000	2	2	At maturity	2013	Repo Treasury Bills	4.25%
Amounts borrowed from Central Bank of Jordan	240,000	1	1	At maturity	2013	Treasury Bills	3%
Amounts borrowed from Overseas Investment Company (OPIC)	35,450,000	1	1	At maturity	2034	None	4.145–4.895%
Amounts borrowed from Palestine Mortgage Refinancing company	<u>1,074,224</u>	1	1	Monthly		None	3%
Total	<u>172,942,224</u>						

The amount of JD 30,000,000 borrowed from Jordan Mortgage Refinancing Company was re-lent as residential mortgages at an average interest rate of 8%.

The amount of JD 938,600 borrowed from the CBJ for Industrial financing loans was re-lent at an average of interest rate of 6.5%.

All borrowings are subject to fixed interest rate.

(14) INCOME TAX

(A) Income Tax provision

The movement on the income tax provision was as follows:

	<u>30 June 2013</u>	<u>31 December 2012</u>
	JD	JD
	(Unaudited)	(Audited)
Beginning of the period / year	23,064,940	22,621,983
Income tax paid	(11,532,951)	(15,120,795)
Income tax payable	<u>8,481,388</u>	<u>15,563,752</u>
End of the period / year	<u>20,013,377</u>	<u>23,064,940</u>

Income tax appearing in the statement of income represents following:

	<u>30 June 2013</u>	<u>30 June 2012</u>
	JD	JD
	(Unaudited)	(Unaudited)
Provision for income tax for the period	8,481,388	7,667,512
Amortization of deferred tax liabilities	(158,251)	(62,170)
Deferred tax liabilities	(135,297)	-
Income tax charge for the period	<u>8,187,840</u>	<u>7,605,342</u>

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

	<u>30 June 2013</u>	<u>30 June 2012</u>
	JD	JD
	(Unaudited)	(Unaudited)
Accounting profit	25,624,245	24,196,616
Non-taxable profit	(2,031,771)	(4,478,205)
Non deductible expenses in determining taxable profit	<u>3,158,654</u>	<u>4,009,537</u>
Taxable profit	<u>26,751,128</u>	<u>23,727,948</u>
Effective rate of income tax	<u>31.95%</u>	<u>31.43%</u>

The statutory tax rate on banks in Jordan is 30% and the statutory tax rates on foreign branches and subsidiaries range between 15% to 34.5%.

The Bank reached a final settlement with the Income Tax Department for the year ended 31 December 2011, while 2012 was not reviewed yet by the Income Tax Department.

A final settlement has been reached with the tax authorities for Palestine branches for the year up 2007. The Income Tax Department claimed from the Bank an extra amount for the years 2006 and 2007. The Bank had appealed against the court decision. Also a tax assessments was issued from the Income Tax Department for the year 2008 but the Bank disputed the assessment. For the years 2009, 2010, 2011 and 2012 no reviews took place up to the date of preparing these interim financial statements.

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

Al-Watanieh Financial Services Company - Palestine has reached a final settlement with the Income Tax Department up to the year 2011, while 2012 was not reviewed yet by the Income Tax Department.

In the opinion of the Bank's management, income tax provisions as of 30 June 2013 are sufficient.

(15) OTHER LIABILITIES

	<u>30 June 2013</u>	<u>31 December</u> <u>2012</u>
	JD (Unaudited)	JD (Audited)
Accrued interest expense	5,710,612	4,029,683
Accounts payable	4,373,929	4,200,579
Accrued expenses	5,200,123	5,295,382
Temporary deposits	11,335,095	8,612,481
Checks and withdrawals	9,151,387	7,662,906
Settlement guarantee fund	104,403	97,000
Others	3,681,764	2,305,291
	<u>39,557,313</u>	<u>32,203,322</u>

(16) FAIR VALUE RESERVE

The movement is as follows:

	<u>30 June 2013</u>	<u>31 December</u> <u>2012</u>
	JD (Unaudited)	JD (Audited)
Beginning balance	3,085,785	3,850,718
Unrealized loss	(1,858,818)	(877,662)
Gain from sale of financial assets at fair value through other comprehensive income	(261,276)	(145,163)
Deferred tax liability	542,046	257,892
Ending balance	<u>1,507,737</u>	<u>3,085,785</u>

(17) RETAINED EARNING

The movement is as follows:

	<u>30 June 2013</u>	<u>31 December</u>
	JD	JD
	(Unaudited)	(Audited)
Balance at 1 January	79,959,782	68,180,157
Profit for the year	-	35,286,174
Transferred to statutory reserve	-	(5,198,089)
Transferred to general banking risk reserve	-	(550,000)
Transferred to cyclical reserve	-	(903,623)
Cash dividends	(17,000,000)	(17,000,000)
Net gain from sale of financial assets at fair value through other comprehensive income	261,276	145,163
	<u>63,221,058</u>	<u>79,959,782</u>

The balance of the retained earnings as of 30 June 2013 contains restricted amount JD 14,496,909 which resulted from the early adoption of the IFRS 9, this balance represents unrealized gains which can not be distributed.

(18) INTEREST INCOME

	<u>30 June 2013</u>	<u>30 June 2012</u>
	JD	JD
	(Unaudited)	(Unaudited)
Consumer lending		
Overdrafts	216,768	372,628
Loans and bills	30,967,919	27,018,684
Credit cards	1,233,032	1,272,454
Others	113,744	122,439
Residential mortgages	4,545,780	4,323,919
Corporate lending		
Overdrafts	2,671,811	2,270,110
Loans and bills	3,373,023	3,693,382
Small and medium enterprises lending		
Overdrafts	574,908	584,513
Loans and bills	1,240,313	1,116,497
Public and governmental sectors	5,064,645	3,990,092
Balances at Central Banks	190,967	53,619
Balances at banks and financial institutions	3,990,023	2,691,554
Financial assets at fair value through profit or loss	-	4,225
Financial assets at amortized cost	18,355,780	12,589,429
Total	<u>72,538,713</u>	<u>60,103,545</u>

(19) INTEREST EXPENSE

	<u>30 June 2013</u>	<u>30 June 2012</u>
	JD	JD
	(Unaudited)	(Unaudited)
Banks and financial institutions deposits	1,605,493	827,422
Customers' deposits -		
Current accounts and deposits	1,651,035	1,672,038
Saving accounts	1,222,947	1,256,717
Time and notice placements	16,793,646	10,540,212
Margin accounts	240,356	210,364
Loans and borrowings	4,317,500	2,271,299
Deposits guarantee fees	989,850	1,006,440
	<u>26,820,827</u>	<u>17,784,492</u>

(20) NET GAIN (LOSS) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (UNAUDITED)

	Realized gain (loss)	Unrealized gain (loss)	Dividends	Total
30 June 2013				
Equity instruments	67,646	(1,654,958)	2,119,622	532,310
Bonds	-	-	-	-
Investment funds	-	248,150	-	248,150
Total	<u>67,646</u>	<u>(1,406,808)</u>	<u>2,119,622</u>	<u>780,460</u>
30 June 2012				
Equity instruments	16	(2,061,021)	1,924,865	(136,140)
Bonds	-	3,241	-	3,241
Investment funds	-	35,450	-	35,450
Total	<u>16</u>	<u>(2,022,330)</u>	<u>1,924,865</u>	<u>(97,449)</u>

(21) EARNINGS PER SHARE

	For the three months ended 30 June		For the six months ended 30 June	
	2013	2012	2013	2012
Profit for the period	8,836,573	8,199,310	17,436,405	16,591,274
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share (JD/Fils)	<u>0/088</u>	<u>0/082</u>	<u>0/174</u>	<u>0/166</u>

Diluted earnings per share equal basic earnings per share as the Bank has not issued any potentially convertible instruments to shares which would have an impact on earnings per share.

(22) CAPITAL ADEQUACY

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.

Capital Description

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:

	30 June 2013	31 December 2012
	JD (Unaudited)	JD (Audited)
Primary capital		
Paid in capital	100,000,000	100,000,000
Statutory reserve	42,947,195	42,947,195
Voluntary reserve	1,321,613	1,321,613
Cyclical reserve	3,222,382	3,222,382
Retained earnings	54,677,081	54,351,798
Less:		
Investment in banks and financial companies*	192,575	146,248
Assets obtained by the Bank by calling on collateral more than four years	7,216,142	9,380,491
Intangible assets	8,251,840	7,313,881
Total Primary capital	<u>186,507,714</u>	<u>185,002,368</u>
Supplementary capital		
Fair value reserve	678,482	1,388,603
General banking risk reserve	11,700,000	10,700,000
Less:		
Investment in banks and financial companies*	192,575	146,248
Total supplementary capital	<u>12,185,907</u>	<u>11,942,355</u>
Total regulatory capital	198,693,621	196,944,723
Total risk weighted assets	1,348,101,877	1,319,553,143
Capital adequacy (regulatory capital) (%)	%14.74	%14.93
Capital adequacy (primary capital) (%)	%13.83	%14.,02

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

(23) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

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

	<u>30 June 2013</u>	<u>30 June 2012</u>
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances with Central Banks maturing within three months	198,678,273	129,451,591
Add: Balances at banks and financial institutions maturing within three months	133,668,270	196,095,543
Less: Banks and financial institutions' deposits maturing within three months	187,723,062	71,022,883
Restricted cash balances	<u>7,090,000</u>	<u>7,090,000</u>
Cash and cash equivalents	<u><u>137,533,481</u></u>	<u><u>247,434,251</u></u>

(24) RELATED PARTY TRANSACTIONS

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

Company name	Ownership	Paid in capital	
		<u>30 June</u>	<u>31 December</u>
	%	2013	2012
		JD	JD
		(Unaudited)	(Audited)
Al-Watanieh Financial Services Co.	100 %	5,000,000	5,000,000
Al-Watanieh Securities Company	100 %	1,500,000	1,500,000

The Bank entered into transactions with major shareholders, directors and, senior management 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 period:

	Board of Directors	Executive management	Others	30 June 2013	31 December 2012
	JD	JD	JD	JD (Unaudited)	JD (Audited)
<u>Balance sheet items:</u>					
Direct credit facilities	10,598,482	3,088,317	15,875,131	29,561,930	27,347,504
Bonds	7,090,000	-	-	7,090,000	7,090,000
Deposits at the Bank	24,093,238	2,196,748	7,378,846	33,668,832	18,202,059
Margin accounts	559,622	-	128,476	688,098	780,151
<u>Off balance items:</u>					
Indirect credit facilities	2,468,647	-	97,800	2,566,447	1,838,505
				For the six months ended 30 June	
				2013	2012
				JD (Unaudited)	JD (Unaudited)
<u>Income statement items</u>					
Interest and commission income	446,711	34,452	172,450	653,613	1,159,682
Interest and commission expense	159,556	46,954	98,903	305,413	176,881

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

Benefits of key management personnel (salaries, wages, and bonuses) amounted to JD 1,101,649 as at 30 June 2013 (30 June 2012: JD 1,709,810).

(25) SEGMENTAL INFORMATION

1. Primary segment information

For management purposes the Bank is organized into three major business segments in accordance with the reports sent to 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.

These segments information are detailed below:

	Retail Banking	Corporate Bank	Treasury	Others	30 June 2013	30 June 2012
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Unaudited)
Gross income	45,297,326	15,698,668	25,544,764	564,423	87,105,181	74,358,535
Allowance for credit losses	2,208,424	619,876	-	-	2,828,300	2,298,300
Segment result	29,692,125	10,252,771	16,946,735	564,423	57,456,054	54,275,743
Unallocated costs					31,831,809	30,079,127
Profit before tax					25,624,245	24,196,616
Income tax					8,187,840	7,605,342
Profit for the period					17,436,405	16,591,274
Other information						
Capital expenditure					3,087,789	3,766,328
Depreciation and amortization					3,335,640	3,648,236
					30 June 2013	31 December
					JD	JD
					(Unaudited)	(Audited)
Segment assets	661,895,623	339,796,852	1,091,462,844	96,507,936	2,189,663,255	2,024,335,814
Segment liabilities	746,777,765	355,790,346	774,826,046	71,912,708	1,949,306,865	1,783,099,057

2. Geographical Information

The following table shows the distribution of the Bank's profit assets and capital expenditure by geographical segment:

	Jordan		Outside Jordan		Total	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Unaudited)
Total Revenue	76,096,432	64,464,466	11,008,749	9,894,069	87,105,181	74,358,535
Capital expenditure	1,859,213	3,085,845	1,228,576	680,483	3,087,789	3,766,328
	Jordan		Outside Jordan		Total	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Audited)
Total assets	1,801,582,451	1,587,269,018	388,080,804	437,066,796	2,189,663,255	2,024,335,814

(26) COMMITMENTS AND CONTINGENT LIABILITIES

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

	<u>30 June 2013</u>	<u>31 December</u>
	JD	2012
	(Unaudited)	(Audited)
Letters of credit:		
Received	309,436,330	253,031,284
Issued	161,014,382	81,071,972
Acceptances	10,101,003	799,970
Letters of guarantee:		
Payments	15,381,821	16,662,911
Performance	17,320,683	17,582,720
Other	23,836,922	21,457,125
Irrevocable commitments to extend credit	76,717,750	83,504,548
	<u>613,808,891</u>	<u>474,110,530</u>

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

	<u>30 June 2013</u>	<u>31 December</u>
	JD	2012
	(Unaudited)	(Audited)
Contracts to purchase property and equipment	1,140,798	1,325,292
	<u>1,140,798</u>	<u>1,325,292</u>

(27) LITIGATION

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to JD 37,047,019 as of 30 June 2013 (31 December 2012: JD 35,898,261). In the opinion of the Bank's management and law consultant, provisions for these lawsuits are sufficient.

Provision for possible legal cases amounted to JD 5,560,392 as of 30 June 2013 and JD 5,343,415 December 2012.

(28) ISSUED AND PAID IN CAPITAL

Paid in capital amounted by JD 100,000,000 divided to 100,000,000 shares, at a par value of JD 1 per shares as at 30 June 2013 and 31 December 2012.

The General Assembly has approved in its ordinary meeting held on 31 March 2013 distributing cash dividends to shareholders amounted to JD 17,000,000 which is equivalent to 17% of paid in capital.

(29) RESERVES

The Bank did not appropriate any legal reserves according to Companies' Law since these are interim financial statements.

(30) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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