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Board of Directors

Mr. Khaled Sabih Al-Masri	Chairman
Mr. Yazid Adnan Al-Mufti	Vice Chairman
Mr. Mohammad Kamal Eddin Barakat	Representing Banque Misr
Mr. Ibrahim Hussien Abu Al-Ragheb	Representing Ishraq Investment Company
Mr. Yasin Khalil Talhouni	Representing Levant Investment Company
Dr. Farouq Ahmad Zuaiter	Representing Palestine Development & Investment Company (Padico)
Dr. Abdul Malek Ahmad Jaber	Representing Al-Massira Investment Company
Mr. Nashat Taher Al-Masri	
Mr. Ghassan Ibrahim Akeel	Representing Arab Supply and Trading Company
Mr. Bassam Ali Subaihi	Representing Social Security Corporation
Mrs. Suhair Sayed Ibrahim	Representing Misr Investment Company
Mr. Sharif Mahdi Al-Saifi (from 24/3/2010)	

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

Chairman's Message

Dear Shareholders,

I am pleased to present Cairo Amman Bank's annual report for the year 2010, the year which marked the Bank's fiftieth anniversary. During 2010, the Bank posted its highest financial results since its establishment, reflecting remarkable achievements and significant growth in all operating and financial activities. These achievements laid a solid foundation to build upon in the coming years. The support and trust of the Bank's customers and shareholders, along with the strategies and policies set by the management and the studious execution by our employees was instrumental in achieving the Bank's targets.

In the first half of 2010, the global economy exhibited signs of recovery from the worst financial crisis since the Great Depression of 1930. This fragile recovery was overshadowed by the European sovereign debt crisis, triggering a loss of confidence in global markets. Nevertheless, the global economy still managed to grow by 4.8% in 2010. Accordingly, the Arab region followed the global path of recovery, as most of its countries achieved satisfactory growth levels. As for the Jordanian economy, economic growth in 2010 was higher than in 2009, but remained well below potential tempered by volatility in core economic sectors.

However, the Bank was able to attain outstanding results and high growth levels in all operating areas, surpassing expectations in Jordan and Palestine. Total assets grew by 5.5%, reaching JD 1843.4 million, while customers' deposits increased by 5.68%, reaching JD 1335.8 million, and the Bank's credit facilities increased by 12.78%, reaching JD 823.1 million. This increase was accompanied by ongoing improvement in the quality of the credit portfolio, as the level of non-performing loans declined to 4.10% compared to 4.53% in the preceding year. Moreover, net profit grew by 36% to stand at JD 34.7 million compared to JD 25.5 million in 2009. This growth stemmed from the increase in income from operations, as the net interest income increased by 29.35%, reaching JD 75.3 million. The net commissions income amounted to JD 19.5 million, achieving a 10.31% increase. The gross income amounted to JD 103.8 million with an increase of 19.63% over the preceding year.

These exceptional results were achieved due to the conservative and effective credit policy adopted by the Bank during the past years, as well as the extensive improvement in risk management practices that ameliorated the quality of the credit portfolio as portrayed by the increase in provision coverage, as well as the consistent decline in the non-performing loans to a level below the banking sector's average. The Bank capitalizes on its strong financial position, sufficient liquidity levels, and a high capital adequacy ratio that resulted from subsequent increases in the capital base during the past years. Furthermore, the Bank's conservative policy characterized by sound accumulation of reserves protected against possible credit risks. This has reflected positively on the Bank's ratings. During 2010, Capital Intelligence upgraded the Cairo Amman Bank's long-term rating for foreign currency from BB- to BB as well as the strength of its financial position from BB+ to BBB-.

Looking forward to 2011, the Bank will strive to implement its strategic policies and plans, develop its operations, improve its services, and enhance its performance efficiency. We will extend our outreach through opening new branches throughout the country, expanding our ATM network, which is now among the largest in Jordan and Palestine, and renovating the branches to be in line with Cairo Amman Bank's identity. Likewise, the comprehensive implementation of the new core banking system will lead to the development of automated and operational systems. Thus, revising work procedures to ensure their simplicity and efficiency, which will fortify the expansion plan and facilitate the launching of products and services that ensure the best safety and security controls.

Based on the financial performance of the Bank, the Board of Directors recommends that the General Assembly distribute dividends of 15% of the share's par value to the shareholders, amounting to JD 15 million. This decision is expected to solidify the capital base so as to cater for further expansion in operations and more competitiveness.

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

Khalid Sabih Al-Masri,
Chairman of the Board

Economy Highlight

World Economy

The world economy entered into a post-crisis recovery phase in 2010, the economic recovery strengthened during the first half of the year, but stalled slightly in the face of the turmoil in the European sovereign debt market.

In early 2010, the global economy started to stabilize which paved the way to retract the exiting stimulus packages. Yet, as the euro-zone experienced a sovereign debt crisis, beginning with Greece then spreading to the peripheral countries, the market discounted higher risks stemmed from loss of confidence by investors. Fiscal consolidation became one of the main focuses in Europe by year-end, as countries were struggling to manage with high deficits and public debt.

It was forecasted by the IMF that global activity expanded by 4.8% in 2010, where the main drive for the growth came from emerging markets at 7.1%, while advanced economies grew by 2.7% only. The robust growth by the emerging markets became one of the main phenomena of 2010, as China overtook Japan to become the world's second largest economy. However, these economies are facing inflationary pressures and a rise in asset price bubbles.

While the global economy recovered modestly, it was held back due to high unemployment and sluggish housing market, particularly in advanced economies. Emerging market economies experienced rising domestic demand, at the same time as advanced economies struggled with low consumer confidence, high unemployment, stagnant incomes and reduced household wealth. In the US, the jobless rate remained high throughout the year at around 9.8%.

The US economy witnessed a flat shaped recovery, with GDP growing at 2.6% in 2010. During the first half of 2010, the economy experienced positive growth as financial markets were in better shape due to the trillion dollars stimulus package from 2009. This allowed the phasing out of the quantitative easing.

However, towards the second half of the year, the pace of the recovery remained weak, fuelled by high unemployment, modest income growth, tight credit, and very sluggish recovery in the housing sector. Such that American families attempted to deleverage their debt, tending to save more, leading to a decrease in domestic consumption, the backbone of the American economy.

Therefore, in the face of low interest rates between 0%-0.25% and low core inflation, the Federal Reserve announced that it intended to extend its asset purchases by an additional $600 billion, in hope of stimulating economic activity and to speed up job creation. This coincided with an extension of tax-cuts and unemployment benefits by the US government.

Towards the end of 2010, US economy showed signs of "self-sustaining" recovery, but it did not grow fast enough to reduce jobless levels. The labor market had improved moderately - at best, where unemployment reached 9.4% by the end of December. Such that persistent high unemployment, dampened household income and confidence, continued to threaten the strength and sustainability of the recovery. At the same time, inflation remained somewhat subdued.

Another aspect of concern for the US economy was the increasing level of the already huge budget deficit, with fear of heading into an unsustainable fiscal path. The budget deficit reached around 10% of GDP in 2010, and an all time high government debt level of 89.4% of GDP. Thus, the phasing out of quantitative easing in 2011 should be done carefully, as not to impede economic recovery.

On the other side of the Atlantic, the eurozone witnessed a fragile economic recovery overall, with Germany having a key role in leading the upturn. The German economy rebounded strongly in 2010, growing by 3.6%, its fastest pace of GDP growth since reunification in 1990. However, the combined GDP of EU grew by 1.7%, with some peripheral eurozone countries contracting at near zero levels.

Increased calls for fiscal consolidation and austerity policies were heard from the European Central Bank (ECB). As most of the eurozone was embattled in an increasing sovereign-debt crisis, high deficits, and problems in some banking sectors.

Greece, due to ballooning government debts and uncertain prospects, came close to default in May, and was forced to seek joined financial rescue packages from the IMF and ECB's bailout arm; the European Security and Financial Stability (ESFS) fund. This resulted in a bailout that amounted to € 110 billion.

A few months later, Ireland was also forced to accept a rescue package (around € 85 billions), when its government was unable to continue to raise funds for its growing debt level, due to increasing borrowing costs. The Irish economy was highly dependent on the banking sector, which in turn was heavily exposed to the swamped real estate sector.

Concerns are still hovering about the prospects of Portugal, Spain, Belgium and Italy. Both Portugal and Spain seem to be at the forefront of the debt crisis moving into 2011.

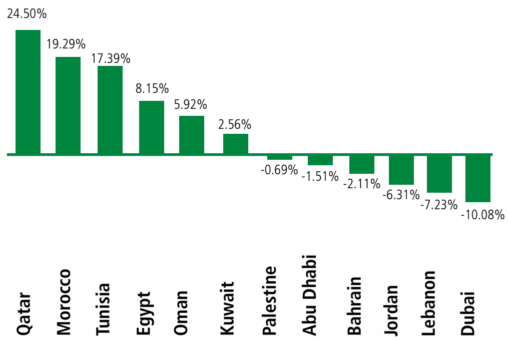
Moving on to Japan, the GDP grew by 2.8% in 2010, but the economic recovery seems to be pausing towards the end of the year. The country is suffering through persistent deflationary pressures, a high yen that hurts exports, and weak domestic demand. Furthermore, Japan has the highest level of government debt to GDP in the industrial economies at 213%, and if the debt continues to grow as expected, while the economy contracts, it could become even harder to manage.

In addition, the loose monetary policy in the US led to a large amount of hot money entering developing countries, resulting in the strengthening of their currencies. At the same time those economies are struggling with soaring food and fuel prices, resulting in inflationary pressures. In order to control inflation without raising interest rates many developing countries decided to introduce capital controls, thus protecting the competitiveness of their exports. The most vocal of these countries was Brazil, which coined the term "currency wars", and launched controls on foreign portfolio investments in September 2010.

On the commodities front, prices of commodities trended upwards, with some ending the year with record highs. Oil reached levels above $100 per barrel at some points, and precious metals also continued to soar backed by increasing demand from China and other emerging countries. As the sovereign-debt crisis heightened, the demand for gold as a safe-haven increased. Copper experienced great demand, as infrastructure projects increased, ending the year at a record high $9000 per metric ton.

Arab Economies

Arab Stock Markets in 2010



The Gulf Cooperation Council (GCC) countries benefited from higher oil prices due to a rebound in part of the euro-area, and increasing demand from China. Also growth in high-income GCC countries helped to support a revival in exports, remittances and tourism, as the MENA region grew by 4% in 2010, compared to 2% in 2009.

Economic activity in Saudi Arabia grew by 3.5% in 2010, but was mainly due to high level of public spending on infrastructure, as well as massive economic stimulus.

Qatar's economy outperformed most of the GCC as it grew by a staggering 16%, continuing as the MENA region's strongest economy, with forecasts of strong growth for 2011. The strong numbers coming from Qatar are due to expansion of its gas sector and production, as well as a robust investment environment. It was also boosted, by wining the bid to host the World Cup in 2022, increasing investment in the country, as well as public spending.

The Emirate economy faced another rough year in 2010, where the economy grew by a modest 2.4%, stemming from Dubai's faltering property market and its debt problems. The government owned investment conglomerates, especially Dubai World, were still having debt payment issues as most of the debt was rescheduled for 2011 rather than repaid. Moreover, price stability was maintained due to the continued financial help from its neighbour Abu Dhabi. This led Dubai to depend on tourism and trade to drive its economic growth. As for Abu Dhabi, an oil rich emirate, economic activity increased gradually as international price of oil soared.

The political stability early in 2010 boosted the Lebanese economy, which grew by 8% during the year. While the Syrian economy grew by 5%, as it was stimulated by re-modernizing infrastructure and the opening of Damascus Stock Exchange.

Egypt grew by 5.3% in 2010, as vital tourism and Suez Canal's revenues increased. Nonetheless, political instability led to significant drop in the currency during the year.

The performance of Arab stock markets varied in 2010, with most witnessing an increase in their indices. Yet, the Emirates, Lebanon, Jordan, Bahrain, and Palestine experienced persistent losses amid liquidity shortages.

The Jordanian Economy

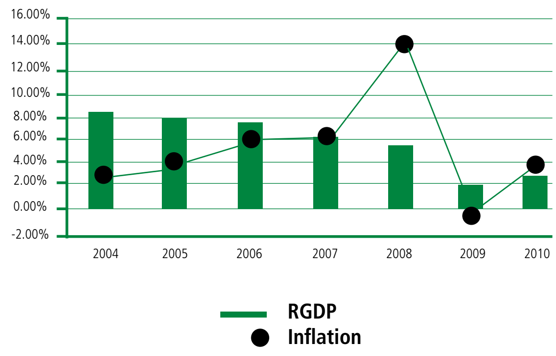
The Kingdom experienced positive economic growth in 2010, following the downturn in 2009. Real gross domestic product (RGDP) grew by an average of 2.9% in the first nine months of 2010, while it is expected to average around 3% throughout 2010. This growth was bolstered by strong activity in the mining and quarrying, tourism, finance and real estate.

The main economic sectors varied in their performance during the first nine-months of 2010. The mining and quarrying sector which experienced the greatest retreat in 2009, achieved growth of 24.4%, compared to a decline of 24% in the first nine months of 2009. Moreover, tourism and real estate grew by 5.4% and 4.5% respectively, compared to a growth of 3% and 3.36% in 2009. While the manufacturing sector maintained its growth at around 1.90%.

Nonetheless, a few sectors experienced a slowdown, as the agriculture sector grew by 8.5% in the first 9 months of 2010, compared to growth of 19.9% for the same period in 2009. The growth rate for the construction sector, on the other hand, fell by 6.7% compared to a growth of 13.5% in the first nine months of 2009.

Inflation was on the rise during 2010, following the major drop the year before. According to the Department of Statistics (DOS), it was reported that average change in consumer price index during 2010 increased to 5% compared to -0.67% in 2009, due to higher international prices of food and oil.

RGDP vs. Inflation



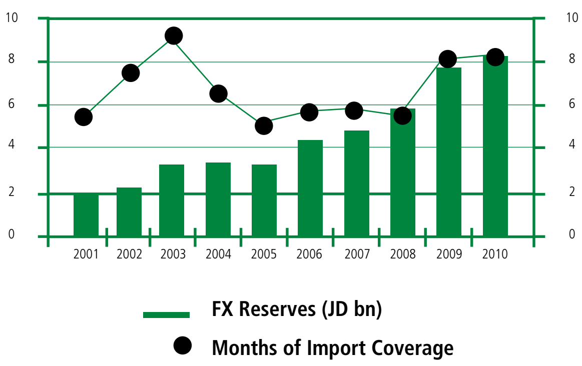
The Monetary Sector

The Central Bank of Jordan maintained a neutral monetary policy throughout 2010, due to the absence of demand-related pressure following a period of monetary easing between November 2008 and February 2010.

The Central Bank lowered its overnight window rate by 0.5% in the first months of 2010 to reach 2%. The Deposit Guarantee Corporation also increased the ceiling of deposit guarantee to reach JD 50,000 from JD 10,000 after the previous unlimited governmental guarantee phased out in 2010. Moreover, The extension of private credit by the banking sector has improved, such that credit growth increased by 8.5% in 2010.

In addition, the Central Bank continued its policy of maintaining monetary stability and preserving the foreign currency reserves. Official reserves continued to strengthen reaching a record high $12.24 billion, equivalent to over 8.5 months of imports at the end of December 2010. This is mainly due to the issuance of a $750 million five-year Eurobond in November 2010.

The Kingdom's Foreign Currency Reserves



External Sector

Jordan's exports increased by 17.8% during 2010, reaching JD 4.21 billion, while re-exports dropped by 18.5% compared to the same period of 2009. The value of imports has increased by 7.2% during 2010.

The deficit in the trade balance rose by 4.8% during 2010 to reach JD 5.85 billion compared to the same period of 2009. Therefore, the imports coverage by exports stood at 46% for 2010, while the imports coverage to exports was 44.8% for the same period of 2009.

As for the commodities, the main exported items that witnessed an increase in the exports value were potash, medical and pharmaceutical products, vegetables, fertilizers, machinery and transport equipment, and clothes for 2010. While exports of phosphate decreased in value.

Meanwhile, there was a notable increase in Jordan's imports of crude oil, petroleum products, medical and pharmaceutical products, vehicles, plastics and iron. Yet, imports of machinery equipment, and electrical appliances declined compared to the same period of the preceding year.

Regarding trade with the main partners, there was an increase in the national exports to the Greater Arab Trade Zone countries, especially Iraq, the United Arab Emirates and Saudi Arabia. In addition, there was an increase in exports to non-Arab Asian countries, mainly India, followed by North America Free Trade Agreement (NAFTA) countries, due to a small increase of national exports to the United States of America.

Imports from Arab Trade Zone countries increased, driven by Saudi Arabia, the main source of the Kingdom's crude oil imports. There was also a notable increase in imports from Turkey and non-Arab Asian countries including South Korea, Japan, and China, as well as the eurozone's Germany.

On the other hand, there was a decline of imports from Egypt, and the North America Free Trade Agreement (NAFTA) countries, part of which is the USA.

Government Budget

The year 2010 was challenging in terms of narrowing the state budget deficit, which hit a record level in 2009, and stimulating economic activity.

The government was successful in controlling and cutting the state budget deficit during the first 11 months of the year. Such that the budget deficit after grants was around JD 786 million compared to JD 973 million during the same period in 2009.

The decline in the budget deficit was mainly a result of 30% cut in capital expenditure and a rebound in external grants, thus, contributing to better economic performance and increased confidence in the country's economy.

Nonetheless, by the end of 2010, public debt exceeded JD 11 billion, around 57.7% of GDP, though it is still below the 60% debt ceiling.

Amman Stock Exchange

Amman Stock Exchange continued with its downward trend in 2010, where trading volume reached JD 6.7 billion compared to JD 9.7 billion for 2009 a decrease of 30.1%. During the year, 5 new companies were listed at the ASE, reaching 277 listed companies. The ASE free float price index decreased by 6.3% reaching 2374 points compared to 2534 at the end of 2009. The number of traded shares reached around 7 billion shares implemented through 1.8 million transactions, compared to 6 billion shares traded during 2009 through 3 million transactions. The market capitalization of shares listed at the ASE reached JD 21.9 billion by the end of 2010 constituting 120% of GDP.

The net non-Jordanian investments at the ASE further decreased JD 14.6 million by the end of 2010, compared to a decrease of JD 3.8 million in 2009. The non-Jordanian ownership at the ASE reached 49.6% by the end of 2010, compared to 48.9% by the end of 2009.

Economic Outlook in 2011

The economic environment is expected to recover in 2011, but at a modest pace. The economic activity in Jordan is likely to follow the growth path development of trading-partner countries; therefore, recovery will remain below the sustainable 6% growth rate, reflecting the global and regional conditions.

Official sources forecast economic growth to accelerate to 3.5% in 2011, but it is still modest due to weak global and regional conditions. Export growth is expected to continue its rebound, where annual growth is forecasted to be 7.5%; but this will be offset by an increase in commodity imports, and rising international prices of fuel and food. Moreover, the external current account deficit is expected to widen to reach around 6.25% of GDP in 2011, compared to 5% of GDP in 2010, due to higher expenditures on imported commodities arising from rising food and fuel prices.

The 2011 budget focuses on maintaining economic stability and absorbing the effect of the new economic relief package. The state budget for 2011 revealed that fiscal deficit was estimated to remain wide at JD 1.180 billion, 5.5% of GDP, compared to a 5.3% level in 2009.

The IMF also stresses the need for fiscal consolidation in the medium term to bring fiscal and external balances to a more comfortable level. This includes putting forward a plan to reduce the budget deficit gradually to reach the international standard of 3% of GDP.

As for the monetary policy, the Central Bank of Jordan is expected to continue on its neutral policy stance, aiming at stimulating economic growth while maintaining price stability. Nonetheless, authorities should also be prepared to tighten monetary policy in case of mounting inflationary pressures.

Results of Operations

Financial Indicators and Ratios
(Amounts in thousands of JDs)

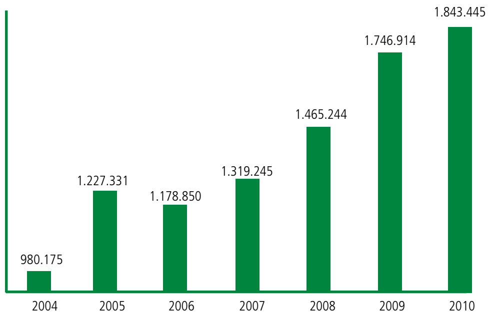
	2010	2009	Variance
Results at Year End			
Net interest income	75,253	58,178	29.35%
Net commission income	19,498	17,675	10.31%
Gross income	103,793	86,765	19.63%
Net income after income tax	34,749	25,549	36.01%
Earning per share (JD)	0.347	0.255	36.01%
Major balance sheet items			
Total assets	1,843,445	1,746,914	5.53%
Credit facilities, net	823,105	729,800	12.78%
Customers' deposits	1,335,849	1,264,097	5.68%
Total equity	205,926	177,051	16.31%
Financial Ratios			
Return on average assets	1.94%	1.59%	
Return on average equity	18.15%	15.55%	
Capital adequacy ratio	14.93%	14.44%	
Credit facilities to customers’ deposits ratio	61.62%	57.92%	
Non-Performing loans ratio	4.10%	4.53%	
Non-Performing loans coverage ratio	122.77%	119.01%	

Financial indicators for the year	2005	2006	2007	2008	2009	2010
Net income before tax	31,496	19,249	20,910	20,295	25,549	34,749
Dividends paid	4,500	6,750	7,500	4,000	8,800	15,000*
Bonus shares distributed	22,500	7,500	5,000	8,000	12,000	-
Total equity	163,341	138,236	145,044	151,501	177,051	205,926
Outstanding shares	45,000	67,500	75,000	80,000	88,000	100,000
Market price per share	10.41	3.37	3.20	2.52	2.47	3.18

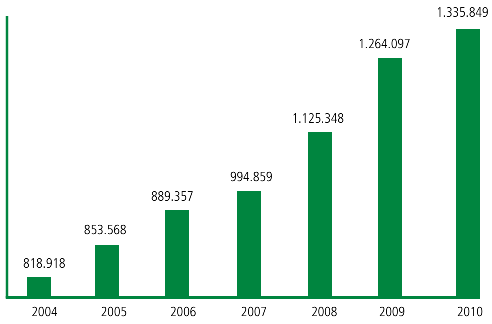
* Amounts represent the Board’s recommendation to the General Assembly for 2010.

(Amounts in thousands of JDs)

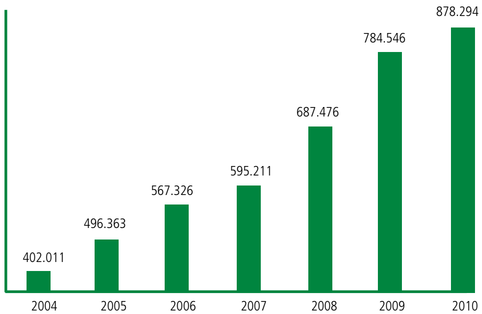
Total Assets



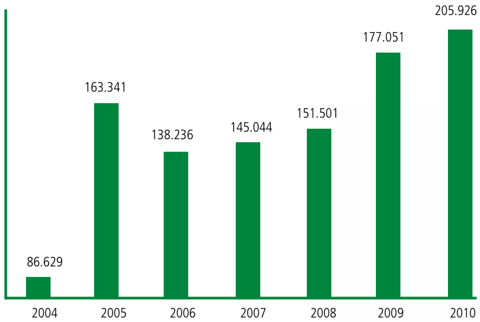
Customers’ Deposits



Gross Credit Facilities

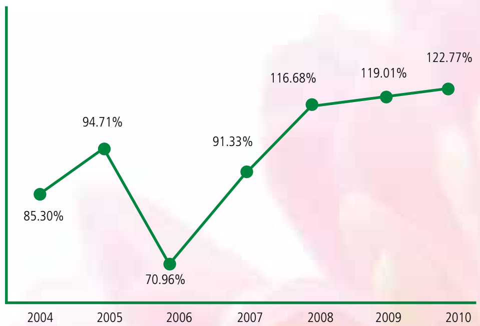


Shareholders’ Equity



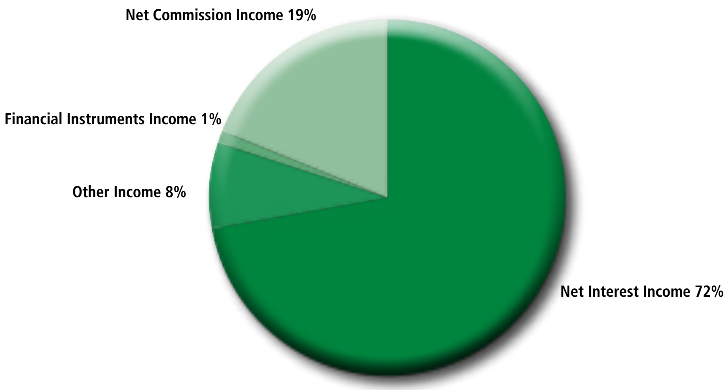
Non-Performing Loans Ratio

Provision Coverage



Results of Operations

During the year, Cairo Amman Bank achieved record high financial results since its establishment over 50 years ago. The Bank posted net income before-tax of JD 47.1 million compared to JD 34.3 million in 2009, attaining a growth of 37.4%. The net income after tax amounted to JD 34.7 million compared to JD 25.5 million in the previous year, an increase of 36%, bringing the earnings per share to JD 0.347 compared to JD 0.255 in the previous year.



Gross Income

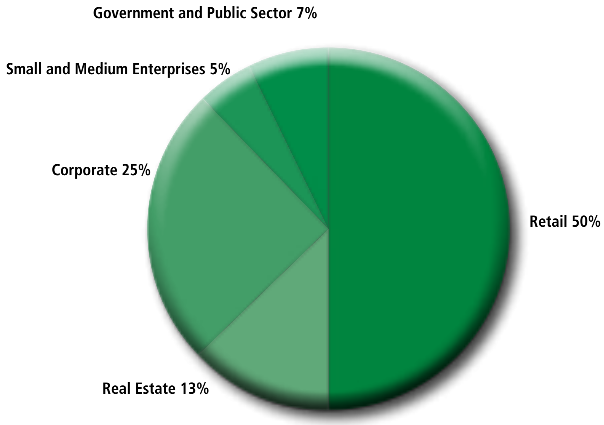
These results were driven by robust growth in all operational indicators. The net interest income increased by 29.4%, reaching JD 75.3 million compared to JD 58.2 million in 2009. Net commission income also increased by 10.3%, to reach JD 19.5 million, while the Bank's investment portfolio posted a profit of JD 1.2 million compared to JD 3 million in the previous year. As a result, gross income amounted to JD 103.8 million, compared to JD 86.6 million by year-end 2009, thereby increasing by 19.6%. Moreover, the Bank reinforced its operational capability, as its earnings from interest and commission comprised 91.3% of the gross income compared to 87.4% for the perceding year.

Conversely, gross expenditure, including provisions against impairment of credit facilities, rose by 8% or JD 4.2 million to reach JD 56.7 million. This also includes a 3.2% increase in employees' expenses resulting from annual wage increases and an increase in the number of employees to accommodate full-time incumbency and expansion of the Bank's activities. Depreciation and amortization expenses increased by 11.1% as a result of capitalizing a number of the Bank's information technology projects as well as depreciation of capital expenditure associated with the opening of new branches and the renovation of others. Furthermore, other operating expenses increased by JD 2.1 million, or 13.6%, especially the cost of promotion and advertisements celebrating the Bank's 50th anniversary and sponsoring a number of events such as the Jordan Festival. Ongoing improvement on the Bank's IT systems triggered further increases in operational expenses. Rental costs witnessed an increase due to new leases, and renewal of existing lease agreements. To curtail the increase in operational expenditures in general, the Bank sought cost control schemes without affecting the quality of its services. Consequently, growth in income outpaced growth in expenses. The operating expenses include JD 2.2 million provision against non-performing loans, compared to JD 1.3 million for the previous year.

These results were accompanied by a notable improvement in the Bank's performance indicators and profitability. Gross expenditure to gross income decreased to 54.6% compared to 62.8% in 2009. The return on the average assets amounted to 1.94%, and the return on equity reached 18.15% compared to 1.59% and 15.55% respectively for the previous year.

Analysis of the Bank's Financial Position

During the year, the Bank achieved high growth rates in most of its operating indicators. Total assets grew by 5.5% to reach JD 1843.4 million, an increase of JD 96.5 million over the end of the previous year. Gross credit facilities increased to JD 878.3 million compared to JD 784.5 million in 2009, a growth of 11.9%, which was achieved through the Bank's policy of diversifying its customer base, focusing on retail loan and targeting reputable companies. This policy has contributed largely to improving the quality of the credit facilities portfolio, as net non-performing loans ratio decreased to 4.10 % of the net loans versus 4.53 % for 2009. As a result, the net credit facilities portfolio amounted to JD 823.1 million compared to JD 729.8 million for the previous year, witnessing an increase of JD 93.3 million, a growth rate of 12.8 %. The bank also improved its level of provisions for loan loss to JD 44.3 million, where coverage ratio now stands at 122.8%.



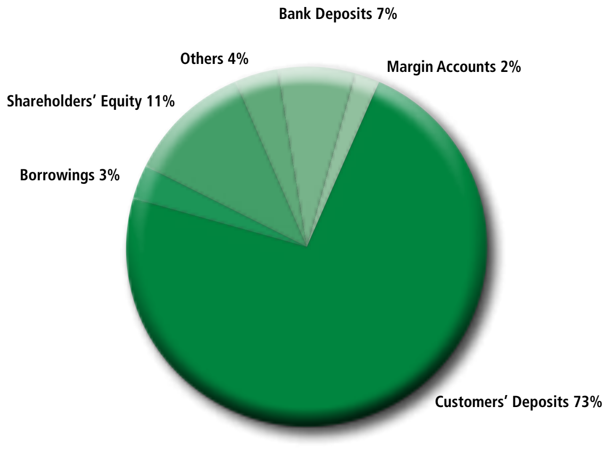
Credit Facility Portfolio

Annual Report

The Bank's investment portfolio amounted to JD 420.6 million compared to JD 405.4 million in the previous year. This increase emanated from additional investments in bonds mainly government bonds and other financial instruments held to maturity as their balance rose by 7.4% to reach JD 328.2 million at year-end. This all conforms to the Bank's plan of preserving its liquidity by ensuring an acceptable tradeoff between low-risk instruments and higher return. However, investments in shares declined due to the decline of market value of some local stocks.

Despite the competition amongst banks to attract deposits, the Bank was able to widen its customer base, as customers' deposits increased to JD 1335.8 million compared to JD 1264.1 million for 2009, achieving a growth of 5.7%. The Bank maintains a high liquidity level that conforms to international standards and regulatory authorities, which provides a source of reassurance to all parties dealing with the Bank. Credit facilities constitute 61.6% of the customers' deposits, which in turn constitute 72.5 % of the overall sources of funds.

Shareholders' equity amounted to JD 205.9 million at the end of 2010 compared to JD 177.1 million at the end of 2009, an increase of 16.3%. During 2010, the Bank increased its capital to JD 100 million through capitalizing JD 12 million of the retained earnings and distributing them as bonus shares to shareholders at a rate of 13.6%. This increase solidified the capital adequacy ratio which reached 14.3% compared to the 12% minimum set by the Central Bank of Jordan, and in accordance with Basel requirements. The ratio of the core capital reached 13.19%, and the leverage ratio reached 9.4% which places the Bank in the first "well-capitalized" category under the solvency scale.



Sources of Funds

Profit Distribution

The Board of Directors recommended that the general assembly distribute 15% cash dividends to the shareholders. This recommendation is part of 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.

The Bank's Activities During 2010

Retail Banking

Cairo Amman Bank maintained its leading role in providing banking services to individuals while holding a sizeable share of the market, which is considered the main pillar of the Bank's strategy. The Bank focused on providing direct sales and presenting special offers to targeted segments, and continued developing such offers to cater for its customers' needs. The Bank also continued offering ATM loans and increasing the number of customers eligible for this program, as well as modifying its credit cards program equipping it with the best security tools. Moreover, the Bank's marketing and promotional campaigns supported its activities in this field. This included several incentive campaigns directed at customers such as the saving accounts campaign that provided the largest number of non-cash prizes in the Kingdom, and the "Quarter Million Room" campaign. Other incentive campaigns included the salary transfer campaign that provided customers with the opportunity to win multiples of their monthly salaries, and the incentive campaign related to the visa electron cards that gave customers the opportunity to attend the World Cup Tournament. The Bank also organized the Mother's Day campaign, and Eid related campaigns providing customers with the opportunity to defer payment of loan installments at Eid Al-Fitr and Eid Al-Adha.

The Bank continued expanding its micro financing programs, which provides loans to small craftsmen and professionals; through capitalizing on the Bank's wide spread presence in the Jordan Post Company offices.

Furthermore, the Bank continued to finance beneficiaries of the Royal initiative "Decent Housing for Decent Living" through granting fixed-interest loans with a repayment period of 30 years.

The Bank's policies and programs during the year increased retail loans and housing loans by 24.9% and 10.5% respectively, bringing the balances thereof to JD 437.4 million and JD 113.4 million respectively.

Small and Medium Enterprise (SME) Credit

Cairo Amman Bank continued to reinforce its leading role in SME lending, despite the challenging economic conditions, through understanding its clients' business process and needs and accordingly tailor comprehensive solutions and products.

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. The outstanding portfolio of SME loans grew by 13.7%, reaching JD 46.6 million. The quality of the portfolio was maintained through reducing over-due payments, default risk, and conforming to the Central Bank of Jordan's instructions.

The SME Facilities Division expanded their outreach and coordination efforts by utilizing the widespread network of branches to best serve their customers. In addition, external parties that provide guarantees, collaterals, and consultation services were sought after to provide their services to the customers.

Corporate Credit

Despite the challenges that deterred the performance of core economic sectors this year, the Bank continued to cater for their corporate customers' financial needs in accordance 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 customers, as well as increasing the ceiling of facilities for existing customers with high solvency and excellent record. In addition to encouraging them to make optimal use of the new ceilings and focusing on indirect facilities and trade finance. The year witnessed a marginal decline in the balance of direct facilities, which was offset by a notable growth in indirect facilities.

Treasury & Developing Sources of Funds

The aftermath of the global economic crisis characterized by lower local and international interest rates, in addition to higher market volatility, steered the Bank to adopt unorthodox measures to manage money and FX markets' risks. These measures did not curtail the Bank's ability to sustain its profitability and customers' deposits. In addition the Bank continued to efficiently manage its assets and liabilities to maintain adequate liquidity levels consistent with its policy as well as those of regulatory authorities.

Cairo Amman Bank maintained its pioneering trading platform "CABFX", a service that allows its customers to trade in foreign currencies and precious metals at spot market prices through the Bank's website, using a secured platform that is consistent with the rates and legislations set by the Central Bank of Jordan. This platform attracted new customers as local investors found the service very appealing. The Bank further continued to offer its customers with a broader spectrum of products such as option contracts, future contracts, structured FX products which are customized to suit the client's needs, in addition to hedging solutions tailored to cover risks of foreign exchange fluctuation.

The Bank continued to foster its relations with local and international banks, widening its network of correspondent banks. This in turn increased the credit ceilings granted to Cairo Amman Bank, and allowed the Bank to offer the best services and rates to its clients.

Investment Services

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

Branch Network

In order to achieve the largest geographical spread and spacious outlets that offer the best banking service to customers, and complies with the Bank's corporate identity, Cairo Amman Bank opened five new branches and offices in 2010, bringing the number of the Bank's operating branches and offices to 67 branches in Jordan and 18 branches in Palestine. The Bank also relocated four branches to locations that are closer to its customers' bases. The Wadi Saqra Branch was renovated and redesigned in accordance to the Bank's corporate identity, to become the most spacious among the Bank's branches so that it may accommodate its increasing work volume. Moreover, the Jordan Intercontinental Hotel branch and Jabal Amman branch were merged into one branch housed in a new location at a halfway point between the two old branches.

The Bank increased its ATM network, adding 9 ATMs in Jordan and 3 in Palestine bringing the total number of ATMs to 216. Five ATMs were relocated to other locations where the Bank has little presence. Furthermore, the Bank provides its services through 96 of the Jordan Post Company's offices dispersed throughout the Kingdom, in order to provide banking services to customers in municipalities and remote areas that lack such financial services.

Al Thiraa Al Gharbi ATM

Jabal Amman Branch

Information Technology

Following through with the improvements introduced in the past years, the Iris Recognition was extended to the Bank's branches and ATMs. Thus, allowing customers to make withdrawals and deposits with extreme speed, accuracy and the highest levels of safety without having to use personal identity cards or ATM cards. Moreover, the recharging of mobile phone cards services was provided through ATMs. Efforts were also made to improve the monitoring and control systems for all services and products in accordance with international requirements and specifications and conforming to the requirement of the Visa International Company, the Central Bank of Jordan, and the Palestinian Monetary Authority.

The Bank partnered with Zain Company to provide high-speed internet services and connecting the bank's branches and ATMs in Jordan and Palestine. This requires the use of optical fibers and microwaves, aiming at improving the performance of the Bank's network and expediting the processing of customers' transactions.

In compliance with the requirements of the Palestinian Monetary Authority, Cairo Amman Bank established a disaster recovery center in Jericho to serve the branches in Palestine, it also commenced decentralizing the operating systems in Palestine.

Furthermore, a contract was signed for the purchase of a new electronic channels system that provides customers with a variety of new services and products through ATMs, mobile phones, internet, and points of sale. Arrangements were made for the start-up of the new core banking system so that it may be completed by the end of 2011.

Human Resources

During 2010, Cairo Amman Bank continued implementing its Human Resources strategy of employing qualified staff with proper education, experience, and skills, aiming at placing the right person in the right position.

The Bank's recruitment policy incorporates a number of integrated procedures that ensure the recruitment and hiring of qualified persons to fill vacant positions. These procedures are meant to attract candidates who are then sorted out according to education, experience and skills consistent with specific standards for each vacancy in order to select the best and place the best-qualified person in the proper position.

The objective of the recruitment policy is to ensure a supply of human resources that satisfy the Bank's strategic and operational requirements.

The total number of the employees of the Bank and its subsidiaries is 2083 employees with academic qualifications as shown below:

	Bank	Awraq	Wataniyah	Total
Masters	71	5	4	80
High diplomas	4	-	-	4
Bachelor	1,193	19	10	1,222
Diploma	388	2	3	393
Tawjihi	202	-	5	207
Lower than Tawjihi	174	3	-	177
Total	2032	29	22	2083

The Bank's employee training, development and re-qualifying policy aims at improving employees' knowledge, skills, and capabilities. This is essential to develop their competencies and capabilities so that they may best perform their duties and consequently, raise their efficiency and productivity, providing the best banking services to the customers. Also, the Bank is keen on providing employees with opportunities for advancement through career development programs and clear career paths. Employees are trained to hold supervisory and managerial responsibilities through specialized training courses. The Human Resources Division identifies the employees' training needs based on the following:

- Present and future strategic plans and directions.
- New procedures and instructions.
- Employee performance appraisal.
- New business systems and technology.
- Succession and career development plans.

An annual training program is prepared consisting of a variety of courses in various fields to meet training needs and enhance employee efficiency. The Bank's training and development plans cover all banking and non-banking aspects and are designed to fulfill the technical, managerial, and behavioral needs of all employees.

By the end of 2010, the Bank trained a total of 2488 participants in a variety of courses and conferences. Training experts from the Bank, as well as local and international institutions conducted such courses and conferences.

During 2010, the Bank continued its "future bankers" program, and qualified 20 new employees, using this program. A selection of Jordanian graduates with distinction were given banking, technical, behavioral, and on-the-job training. Then they were assigned to positions in all the Bank's departments.

Future Bankers Program

During the year, the Bank conducted 263 training courses in which 2488 trainees participated, as follows:

Subject	Number of courses	Number of participants
IT	18	147
Trade Finance	23	162
Management/Behavior/Safety	58	681
Finance/Accounting	14	104
Credit Facilities	40	368
Internal Audit	4	63
Risk and AML	29	217
Treasury & Investment	34	180
Legal	13	158
Marketing & Sales	25	397
Other	5	11
Total	263	2488

The Bank and Local Communities

The Bank continued its commitment to actively support the local community. Accordingly, the Bank has been keen on assisting various organizations in compliance with its vision based on the importance of interconnecting with all strata of the community. For the third consecutive year, the Bank sponsored the Hussein Cancer Foundation Children's Summer Camp, which presented theatrical shows, singing, games, face painting, clown shows, and educational recreational games. The Bank went on with its support of the "Raymon" Elementary School in Jarash, which is part of HM Queen Rania's "Madrasati Initiative" for improving the educational environment in disadvantaged schools in the Kingdom. It also extended support to a new school, "Qurayqirah" School, in Aqaba, refurbishing its facilities and repairing the infrastructure in the two schools. Our employees paid visits to the school to reach out to the students through recreational functions and extra-curricular activities. The employees participated with the students in painting the school walls to revamp the school and cultivate the students' sense of responsibility toward their schools.

The 7th Yearly Childrens' Summer Camp

The Bank also donated "Eid clothing" to Mabarrat Umm Al-Hussein children to help them celebrate Eid Al-Fitr. This initiative is designed to create a sense of community solidarity and care for children deprived of familial warmth.

Moreover, the Bank sponsored a number of soccer and basketball tournaments at schools, emphasizing its unflagging support to sport and youth activities in the Kingdom. It also supported the Red Sea Aqaba Marathon organized by the Society for Care of Neurological Patients. The Bank, along with other Jordanian companies, participated in the Job Opportunities Exhibition held at Philadelphia University.

Qurayqirah School / Madrasati Initiative

Mabarrat Amm Al-Hussein

In recognition of its responsibility toward the local Palestinian community, the Bank continued to sponsor national events and signed an agreement at the beginning of the year with Enjaz Palestine to sponsor the implementation of its "Banks in Action" during the school year 2010-2011. A number of qualified employees conducted specialized training courses and supervised the implementation of the program at the Palestinian schools and universities. The importance of this program stems from the notion that experts introduce the youth to the banking environment, hence, qualifying them for practical life and preparing a generation of bankers capable of leading the banking industry in Palestine and lifting it to the highest levels.

In recognition of the importance of the Jordanian culture, the Bank signed an agreement with the management of the Jordan Festival to become its official sponsor. The Bank's Gallery, the only banking organization's gallery in the Kingdom, hosted a number of exhibitions for Jordanian and Arab artists, including an exhibition for seven disabled artists held under the patronage of HRH Prince Ra'id bin Zaid. In collaboration with Fibiriano International Company, the Bank invited school children to participate in the second children's drawings contest.

Orthodox Club

Opening of the Physically Challanged Arts Exhibition

Signing of the Jordan Festival Agreement

Consequently, the Bank donated a total of JD 421.1 thousand to accomplish the aforementioned activities. These donations were distributed upon the following sectors:

	JD thousands
Health Sector	53.7
Education Sector	179.0
Community Services	186.1
Others	2.3

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. Capital Intelligence raised the Bank's long-term foreign currency rating from BB- to BB, and raised the Bank's financial strength from BB+ to BBB-. Cairo Amman Bank is considered a pioneer in retail banking, offering loan programs that cover individual, micro financing and small enterprises. It has special programs for granting loans to low-income individuals and small enterprises. The Bank stands out for its wide-spread branches and offices, totaling 85 in Jordan and Palestine, inter-connected with a well developed communication network, enabling the Bank's customers to complete all their banking transaction at any branch or office. Additionally, the Bank has a network of 216 ATMs.

Cairo Amman Bank joined the Trade Finance Program of the International Finance Organization in order to expand its trade finance activity and help Jordanian companies. It further signed an agreement for an electronic link with the Jordanian Customs Department to facilitate the processing of bank guarantees for their shared customers.

The Bank's market share of total deposits and credit facilities in Jordan are 3.73% and 4.66% respectively, and 10.22% and 8.48% in Palestine respectively.

Profile of Subsidiary Companies

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

The Bank commissioned the Company to manage its investment portfolio.

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

Cairo Amman Company - Marshall Island
Established in Marshall Island in 1999 as a limited liability company. Its objectives include the ownership and management of investment portfolios. The Bank owns 100% of its paid-up capital. The Bank's Board of Directors took a decision to liquidate the Company. Accordingly, the company transferred all of its investments to the Bank's accounts in preparation of concluding the liquidation.

Business Plan for 2011

The Bank will strive to maintain its 2010 achievements, and to post growth rates, through improving the efficiency of its banking services and expanding its customer base while maintaining the quality of the credit facilities portfolio.

Following are the most important items of the business plan for 2011:

- Implementing of Basel II requirements, especially clauses related to the second pillar "managerial review", as well as reinforcing sound corporate governance.
- Maintaining adequate liquidity levels by increasing customers' deposits, and continue offering cash and in-kind prizes schemes.
- Solidifying the Bank's leading position of providing banking services to individuals by expanding cross-selling and preparing specific programs that fulfill the needs of all customers.
- Continuing to implement the IT development plan to enhance the Bank's performance, including the new core banking system and electronic channels.
- Increasing performance efficiency and cost control while maintaining the quality of services.
- Expanding sales outlets by opening 9 new branches in several targeted areas in Jordan and Palestine.
- Continuing with the renovation of the Bank's branches in accordance to its corporate identity through the renovation of 5 branches in Jordan and 5 branches in Palestine.
- Improving the efficiency and skills of the Bank's employees through implementation of the annual training plan, and continue with the Future Bankers program.
- Continuing the Bank's participation in supporting the local community, which is part of the Bank's social responsibility.

Risk management

Risk is inherent in the Bank's activities, the process of risk management is critical to the Bank's continuing profitability through implementing a comprehensive strategy for risk management by addressing the risks and attempting to mitigate them through specialized risk management committees; mainly risk committee, assets and liabilities committee, investment committee, and procedures development committee. Specialized departments within the Bank such as Risk Management Department and Internal Audit Department also play a crucial role in the process. In addition, each individual and department within the Bank is responsible for the risk exposures relating to his or her responsibilities.

The risk management process include identification, measurement, and evaluation of risks whether financial or non-financial risks that could negatively affect the Bank's operations or reputation.

The risks facing the Bank include:

Credit Risk

Credit risk is the risk that one party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank manages credit risk by setting limits for individual borrowers, and groups of borrowers and for geographical and industry segments. The Bank also monitors credit exposures, and continually assesses the credit worthiness of counterparties.

The Board of Directors approves on an annual basis credit granting budgets that observes the geographical and segmental limits.

The Bank follows different procedures to mitigate the risks, including determining the acceptable types of collaterals and their conditions, 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 Bank has several departments for monitoring credit facilities and reporting any warning signs in advance, in order to ensure proper monitoring and follow up.

Market Risk

Market risk arises from fluctuations in fair value or cash flows of financial instruments as a result of changes in interest rates, foreign exchange rates and equity prices. Market risks are monitored according to policies and procedures set by the Bank that includes sensitivity analysis in addition to stop loss limits. Market risks include interest rate risk, liquidity risk and equity price risk.
Market risk is evaluated on a monthly basis including performing related stress testing scenarios.

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. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. In addition, the Bank has a liquidity contingency plan.
Liquidity risk is evaluated on a monthly basis including performing related stress testing scenarios.

Operational Risk

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

Maintaining adequate internal control structure is the key in managing operational risks, including effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, as well as the use of internal audit. In addition, the Bank adopted an operational risk policy that covers all the Bank departments, branches and subsidiaries, and continues to monitor all type of operational risks and the related mitigating controls, as well as those related to new products.

The Bank has built an internal loss date that captures all losses incurred or potential losses in order to measure the operational risk exposure.

Compliance Risk

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

The Bank has established a designated Compliance Department that monitors issues related to this risk. Moreover, the Board of Directors approved the Compliance and Anti Money Laundering Policy that addresses complying with laws and regulations as well as best banking practices. The Bank established a database of all laws and regulations affecting its operations, in addition, to implementing a manual for anti money laundering.

Corporate Governance and Other Disclosures

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.

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

The Bank's Board of Directors is composed of twelve members that were elected for a period of four years by the General Assembly during its meeting held on March 24, 2010. 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. Khaled Al-Masri (Chairman)
Mr. Nashat Al-Masri
Mr. Sharif Al-Siafi

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

Audit & Compliance Committee
The Audit & Compliance Committee is composed of the following non-executive members:
Mr. Ghassan Akeel (Chairman)
Dr. Yasin Al-Talhouni
Mr. Bassam Al-Subaihi

The duties of the Committee include:
- Reviewing the financial statements before being presented to the Board of Directors, in addition to meeting with external auditors and making necessary recommendations.
- Supervising internal audit activities, including reviewing the annual internal audit plan, and the internal audit reposts.
- Recommending to the Board of Directors 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.
- Receiving and reviewing compliance reports.

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 and Head of Compliance 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 following members:
Mr. Khaled Al-Masri (Chairman)
Mr. Yazid Al-Mufti
Mrs. Suhair Sayed

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 it on a regular basis.
- Reviewing and recommending to the Board, in conjunction with executive management, proposed aggregate loss limit targets for various risk categories (e.g. loan losses, market losses, operational losses), paying special attention to capital adequacy and liquidity requirements.

- 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.
- 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 Manger, Deputy General Manager for Banking Operations, Deputy General Manager / Regional Manager of Palestine Branches, Head of Finance and Head of Risk Management attend its meetings.

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

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

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

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

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

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

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

Board of Directors

Khaled Sabih Al-Masri
Chairman of the Board
Member since: 1995
Date of birth: 1966
Academic Qualifications:
Masters in Business Administration
Bachelor in Computer Engineering
Professional Experience:
Chairman since July 1999.
Chief Executive Officer from October 2004 until 31/12/2007.
Chairman of Jordan Himmeh Mineral Company.
Board member in several companies including Zara Investment (Holding) Company, Jordan Hotel and Tourism Company and Royal Jordanian Air Academy.

Yazid Adnan Al-Mufit
Vice Chairman
Member since: 1991
Date of birth: 1953
Academic Qualifications:
Bachelor in Business Administration
Professional Experience:
Experience in banking through his work as the General Manager of Cairo Amman Bank from 1989 to 2004, in addition to working in Citibank.
Board member in many companies such as Zara Investment (Holding) Company, Palestine Development and Investment Company (PADICO) and Middle East Insurance Company.

Mohammad Kamal Eddin Barakat
Member since: 2006
Date of birth: 1952
Academic Qualifications:
Masters in Finance and Marketing
Bachelor in Business
Professional Experience:
Experience in banking through his work in Banque Misr, Egyptian Gulf Bank and Egyptian American Bank.
Chairman of Banque Misr, Bank Misr Liban and Bank Misr Europe.
Board member of Central Bank of Egypt, Egyptian Banking Institute, the Arab Academy for Banking and Financial Sciences, Union of Arab Banks and Visa Inc.

Ibrahim Hussein Abu Al-Ragheb
Member since: 1992
Date of birth: 1945
Academic Qualifications:
Bachelor in Business Administration
Professional Experience:
Chairman and General Manager of Arab Steel Manufacturing Company.

Yasin Khalil Al-Talhouni
Member since: 1998
Date of birth: 1973
Academic Qualifications:
Bachelor in Economics
Professional Experience:
Board member in various companies such as Zara Investment (Holding) Company, Jordan Hotel and Tourism Company and Jordan Electricity Company.

Dr. Farouq Ahmad Zuaiter
Member since: 2002
Date of birth: 1936
Academic Qualifications:
Ph. D in Accounting, Economics and Statistics
Masters in Accounting
Bachelor in Accounting
Professional Experience:
Chairman and General Manager of Rawan International Investments Company.
Former CEO of Palestine Development and Investment Company (Padico).
Chairman of Hisham Hijjawi College of Technology.
Vice Chairman of Najah University board of trustees.
Financial and administrative experience through working as deputy CEO of Trust Company, deputy general manager and Projects Manager in Al-Sahel Development and Investment Company (Kuwait).
Former assistant professor in DePaul University and University of Chicago.
Board member of Palestine Development and Investment Company, Palestine Telecommunication Company, Jordan Vegetable Oil Industries Company and Palestine Investment Bank.

Dr. Abdul Malek Ahmad Jaber
Member since: 2002
Date of birth: 1965
Academic Qualifications:
Ph. D in Engineering
Masters in Business Administration
Bachelor in Engineering
Professional Experience:
CEO of Zain Levant and Zain Jordan.
Former CEO of Palestine Telecommunication Company.
Holder of Sheikh Mohammad Bin Rashid Al-Maktoum prize for management.
Chairman of Golden Mills Company and Wassel for Logistics Services.

Nashat Taher Al-Masri
Member since: 2002
Date of birth: 1971
Academic Qualifications:
Masters in Public Policy
Bachelor in Economics
Professional Experience:
Partner in Foursan Group.
Experience in Investment Banking in J.P. Morgan.
Board member in Isra Educational and Investment Company, New Generation Telecommunications Company, Aqaba Development Company and Royal Jordanian Air Academy.

Ghassan Ibrahim Akeel
Member since: 2002
Date of birth: 1968
Academic Qualifications:
Masters in Business Administration
Bachelor in Accounting
Certified Public Accountant (CPA)
Professional Experience:
Deputy General Manager of Astra Group – Saudi Arabia.
Experience in public accounting through his work as an audit manager in big five accounting firm.
Board member of Astra Industrial Group, Vtel Holding Company, Arab Cooperative Insurance Company.

Suhair Sayed Ibrahim
Member since: 2007
Date of birth: 1938
Academic Qualifications:
Masters in Accounting
Diplomas in Finance, Banking Studies, and Accounting
Bachelor in Accounting
Professional Experience:
General Manager and member of the Management Committee of Banque Du Caire.
Experience in banking from working in various departments in Banque Du Caire.

Bassam Ali Al-Subaihi
Member since: 2009
Date of birth: 1963
Academic Qualifications:
Masters in Business Administration
Bachelor in Business Administration
Professional Experience:
Head of Risk Management Department in the Social Security Corporation.
Former lecturer at Coventry Technical College – UK.
Experience in audit and finance through his previous work in Social Security Corporation and other companies.

Sharif Mahdi Al-Saifi
Member since: 2010
Date of birth: 1972
Academic Qualifications:
Masters in Marine Environmental Protection
Bachelor of Science in Foreign Service
Professional Experience:
Deputy General Manager / Partner Masar United Contracting Co.
Former CEO of United Garment Manufacturing Co.
Former Marine Park Manager of Aqaba Marine Park.
Former Operations Manager at Masar Contracting Co.
Board Member in The Queen Rania Excellence in Education Award.
Chairman of New Generation Telecom Co., VTEL Jordan Co. and United Garment Manufacturing Co.

Executive Management as of December 31, 2010

Kamal Ghareeb Al-Bakri
General Manager
Date of Hiring: 2003
Date of birth: 1969
Academic Qualifications:
Bachelor in Law
Professional Experience:
Experience in banking sector through his work as the Deputy General Manager of Cairo Amman Bank and previously as the Head of Legal Department and Legal Advisor.
Member of the Board of Trustee of Jordan University for Science and Technology and board member in several companies including Zara Investment (Holding) Company, Jordan Insurance Company and Jordan Tourist Transport Company (JETT).

Khaled Mahmoud Qasim
Deputy General Manager for Operations and Support Services
Date of Hiring: 2008
Date of birth: 1963
Academic Qualifications:
Masters in Business Administration
Bachelor in Finance
Holder of CIB certificate
Professional Experience:
Experience in banking sector through his work in Jazeera Bank, Arab Bank, Cairo Amman Bank, Jordan National Bank and Kuwait National Bank.
Board member in Visa Jordan for Cards Services.

Rana Sami Sunna
Deputy General Manager for Banking Operations
Date of Hiring: 1995
Date of birth: 1966
Academic Qualifications:
Masters in Business Administration
Bachelor in Accounting
Professional Experience:
Deputy General Manager for Banking Operations since 12/2009.
Experience in the field of risk management through her work and the Manager of Risk Management Department in the Bank since 1998.
Worked as the Head of local facilities department in the Central Bank of Jordan.
Board member in the Jordan Mortgage Refinancing Company.

Qasim Mohammad Tawfeeq
Head of Internal Audit
Date of Hiring: 2002
Date of birth: 1954
Academic Qualifications:
Bachelor in Arabic
Holder of ICFA, CERT.I.A, CAFC and CFE certificates
Professional Experience:
Experience in banking sector and in internal audit through his work in Arab Bank from 1978 to 2002.

Ghadah Mohammad Nazzal
Head of Human Resources
Date of Hiring: 2003
Date of birth: 1959
Academic Qualifications:
Masters in Business Administration
Bachelor in Human Resources
Professional Experience:
Experience in human resources through her work as Human Resources Manager in Arab Banking Corporation (Jordan) and Jordan Projects for Tourism Development Company, and Administrative Development Manager in Arabtec- Jardaneh Company.

Nizar Tayseer Mohammed
Head of Finance and Risk Management
Date of Hiring: 2004
Date of birth: 1972
Academic Qualifications:
Bachelor in Accounting
Certified Public Accountant (CPA)
Professional Experience:
Experience in public accounting through his work as an audit manager in a large public accounting firm.
Board member of Jordan Association of Management Accountants.
Board member in Daman Investment Company and Jordan Vegetable Oil Industries Company.

Hamed Ibrahim Kreishan
Head of Branches and Sales
Date of Hiring: 2000
Date of birth: 1955
Academic Qualifications:
Masters in Business Administration
Bachelor in Aeronautical Engineering
Professional Experience:
Experience in sales and marketing through his work in Coca Cola and Ahleya for Trading Centers Company.

Omar Ahmad Yaqoub
Head of Information Technology
Date of Hiring: 2004
Date of birth: 1957
Academic Qualifications:
Bachelor in Business Administration
Diploma in Information Technology
Professional Experience:
Experience in information technology in banks through his work as IT manager in Arab Banking Corporation (Jordan) and Jordan National Bank, and assistant manager in Arab Jordan Investment Bank.

Azmi Mohammad Owaidah
Head of Retail Banking
Date of Hiring: 1996
Date of birth: 1964
Academic Qualifications:
Bachelor in Accounting
Professional Experience:
Experience in the field of credit in Banks through his work in Cairo Amman Bank and Jordan Kuwaiti Bank.

Yazeed Sitan Ammari
Head of Corporate Credit
Date of Hiring: 2006
Date of birth: 1965
Academic Qualifications:
Masters in Finance
Bachelor in Business Administration
Professional Experience:
Experience in the field of credit in Banks through his work in Jordan National Bank, Amman Investment Bank and Arab Real-estate Bank.

Naser Abdul Karim Al-Qudseh
Head of Engineering and Administration
Date of Hiring: 2003
Date of birth: 1961
Academic Qualifications:
Bachelor in Marketing and Sales
Professional Experience:
Administrative experience through his work in Astra Group.

Farouq Mohammad Amawi
Head of Compliance
Date of Hiring: 2008
Date of birth: 1951
Academic Qualifications:
Diploma in Business Administration
Professional Experience:
Experience in banking through his work in Jordan National Bank, Arab Bank/Syria, Middle East Investment Bank and Arab Jordan Investment Bank.

Reem Younis Eses
Head of Treasury
Date of Hiring: 1990
Date of birth: 1964
Academic Qualifications:
Masters in Economics
Bachelor in Economics
Professional Experience:
Experience in banking through her work in and as the Treasurer in the Bank since 1990.
Worked as an Economic researcher in the Royal Scientific Society since 1987.

Izzidin Rushdi Abu Salameh
Head of Operations
Date of Hiring: 2003
Date of birth: 1971
Academic Qualifications:
Masters in Business Administration
Bachelor in English
Professional Experience:
Head of Operations since 11/2009.
Experience in operations through working as the Assistant Regional Manager / Palestine Branches for operations and information technology since 2003.
Operations Manager in Standard Chartered / Palestine since 1995.

Omar Sarhan Aqel
Head of Documentation and Credit Control
Date of Hiring: 1989
Date of birth: 1963
Academic Qualifications:
Bachelor in Accounting
Professional Experience:
Experience in banking in the field of operations, internal audit, documentation and credit control.

Jan Shawkat Yadaj
Head of Business Support and Procedures
Date of Hiring: 1990
Date of birth: 1968
Academic Qualifications:
Bachelor in English
Professional Experience:
Experience in banking since 1990 in the field of operations, branches and procedures.

Olginia Jamal Haddad
Head of SMEs and Palestine Credit
Date of Hiring: 1990
Date of birth: 1969
Academic Qualifications:
Bachelor in Finance
Professional Experience:
Experience in the field of credit through working at Cairo Amman Bank since 1990.

Mary Wade' Hanna
Secretary of the Board
Date of Hiring: 1960
Date of birth: 1943
Academic Qualifications:
Diploma in Business
Professional Experience:
Secretary of the Board since 1982.
Experience in banking since 1960 in the fields of human resources and administration.

Directors' Shareholdings

	Nationality	2010	2009
Mr. Khaled Al-Masri	Jordanian	5,000	4,400
Relatives' shareholdings	-	-	-
Mr. Yazid Al-Mufti	Jordanian	1,136	-
Relatives' shareholdings	-	-	20
Banque Misr represented by Mr. Mohammad Barakat	Egyptian	10,777,580	9,484,271
Mr. Mohammad Barakat	Egyptian	-	-
Relatives' shareholdings	-	-	-
Ishraq Investment Company represented by Mr. Ibrahim Abu Al-Ragheb	Jordanian	6,137	27,671
Mr. Ibrahim Abu Al-Ragheb	Jordanian	249,000	247,000
Relatives' shareholdings	Jordanian	1,496	1,317
Levant Investment Company represented by Mr. Yasin Al-Talhouni	Jordanian	5,000	4,400
Mr. Yasin Al-Talhouni	Jordanian	6,054,095	5,327,604
Relatives' shareholdings	-	-	-
Palestine Development & Investment Co. represented by Dr. Farouq Zuaiter	Liberian	2,266,437	3,757,431
Dr. Farouq Zuaiter	Jordanian	113,863	35,200
Relatives' shareholdings	Jordanian	94,084	69,372
Al-Massira Investment Company represented by Dr. Abdul Malek Jaber	Jordanian	11,387,803	10,021,267
Dr. Abdul Malek Jaber	Jordanian	56,818	-
Relatives' shareholdings	-	-	-
Mr. Nashat Al-Masri	Jordanian	2,776	2,443
Relatives' shareholdings	-	-	-
Arab Investment and Trade Company represented by Mr. Ghassan Akeel	Saudi Arabian	2,039,465	1,794,730
Mr. Ghassan Akeel	Jordanian	20,000	35,200
Relatives shareholdings	Jordanian	19,079	44,584
Social Security Corporation represented by Mr. Bassam Al-Subaihi	Jordanian	5,790,843	5,167,213
Mr. Bassam Al-Subaihi	Jordanian	-	-
Relatives' shareholdings	-	-	-
Misr Investment Company represented by Mrs. Suhair Sayed	Egyptian	1,331	1,172
Mrs. Suhair Sayed	Egyptian	-	-
Relatives' shareholdings	-	-	-
Mr. Sharif Al-Saifi	Jordanian	223,047	196,282
Relatives' shareholdings	Jordanian	69,305	40,989

Executives and Informed Employees' Shareholdings

Name	Position	2010	2009
Mr. Kamal Al-Bakri	General Manager	-	-
Mr. Khaled Qasim	Deputy GM of Operations and Support Services	-	-
Mrs. Rana Sunna	Deputy GM of Banking Operations	4,000	2,640
Mr. Qasim Tawfeeq	Head of Internal Audit	-	-
Miss Ghaddah Nazzal	Head of Human Resources	-	
Mr. Nizar Mohammed	Head of Finance and Risk Management	-	-
Mr. Hamed Kreishan	Head of Branches and Sales	-	
Mr. Omar Yaqoub	Head of Information Technology	-	-
Mr. Azmi Owaidah	Head of Retail Banking	-	-
Mr. Yazid Ammari	Head of Corporate Credit	-	-
Mr. Naser Qudseh	Head of Engineering and Administration	-	-
Mr. Farouq Amawi	Head of Compliance and AML	-	
Mrs. Reem Eses	Head of Treasury	-	-
Mr. Izzidin Abu Salameh	Head of Operations	-	-
Miss Jan Yadaj	Head of Business Support and Procedures	-	-
Mr. Omar Aqel	Head of Documentation and Credit Control	-	-
Mrs. Olginia Haddad	Head of SMEs and Palestine Credit	-	-
Miss Mary Hanna	Secretary of the Board of Directors	-	-

Shareholders with 5% or more ownership

Name	2010		2009	
	Shares	%	Shares	%
Al-Massira Investment Company	11,387,803	11.39	10,021,267	11.39
Banque Misr	10,777,580	10.78	9,484,271	10.78
Najwa Mohammad Madi	10,450,000	10.45	9,196,000	10.45
Yasin Khalil Al-Talhouni	6,054,095	6.05	5,327,604	6.05
Hamzah Khalil Al-Talhouni	5,939,067	5,94	5,226,379	5,94
Social Security Corporation	5,790,843	5.79	5,167,213	5.87
Sabih Taher Al-Masri	5,213,696	5.21	4,584,533	5.21

The ownership of Mr. Sabih Al-Masri Group represents 29.5% of the Bank's paid in capital.
The ownership of Mr. Yasin Al- Talhouni Group represents 17.2% of the Bank's paid in capital.

Board of Directors' Remunerations During 2010

Name	Transportation	Travel	Bonus
Mr. Khaled Al-Masri	9,000	-	5,000
Mr. Yazid Al-Mufit	9,000	-	5,000
Mr. Mohammad Barakat	-	16,708	5,000
Mr. Ibrahim Abu Al-Ragheb	9,000	-	5,000
Mr. Yasin Al-Talhouni	9,000	-	5,000
Dr. Farouq Zuaiter	9,000	-	5,000
Dr. Abdul Malek Jaber	2,250	4,500	5,000
Mr. Ghassan Akeel	-	12,044	5,000
Mr. Nashat Al-Masri	9,000	-	5,000
Social Security Corporation	9,000	-	5,000
Mrs. Suhair Sayed	-	16,708	5,000
Mr. Shrif Al-Saifi	6,750	-	-
The Late Miqdad Innab	2,250	-	5,000
Total	74,250	49,960	60,000

- Total salaries, bonuses and other benefits paid to the members of the Bank's executive management during 2010 were JD 2,229,409.

- 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 2010.

- Government decisions during 2010 did not have any material effect on the Bank's operations.

- All activities and operations performed during 2010 were of a recurring nature and in line with the Bank's main activities. There were not extraordinary activities that had a significant financial effect during the year.

- Capital expenditures during 2010 were JD 10,707,021.

- Audit fees for 2010 were JD 130,134 in addition to sales and value added taxes and distributed as follows:

	JD
Cairo Amman Bank	118,800
Awraq Investment	7,000
Al-Watanieh Securities	4,334
Total	130,134

Other consulting fees paid to the external auditors during the year amounted to JD 15,126 in addition to sales tax.

Awraq Investment manages the Bank's portfolio in bonds and other instruments 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 Directors

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 2011.

The Board of Directors also acknowledges its responsibility for the preparation of the financial statements for the year 2010, noting that the Bank maintains an effective internal control structure.

Chairman
Khaled Sabih Al-Masri

Vice Chairman
Yazid Adnan Al-Mufti

Mohamed Kamal Eldin Barakat*

Ibrahim Hussein Abu Al-Ragheb

Yasin Khalil Al-Talhouni

Dr. Farouq Ahmad Zuaiter

Dr. Abdul Malek Ahmad Jaber

Nashat Taher Al-Masri

Ghassan Ibrahim Akeel

Suhir Sayed Ibrahim

Bassam Ali Al-Subaihi

Sharif Mahdi Al-Saifi

* Mr. Mohamed Kamal Eldin Barakat's signature did not appear due to his presence outside Jordan when the statement was signed.

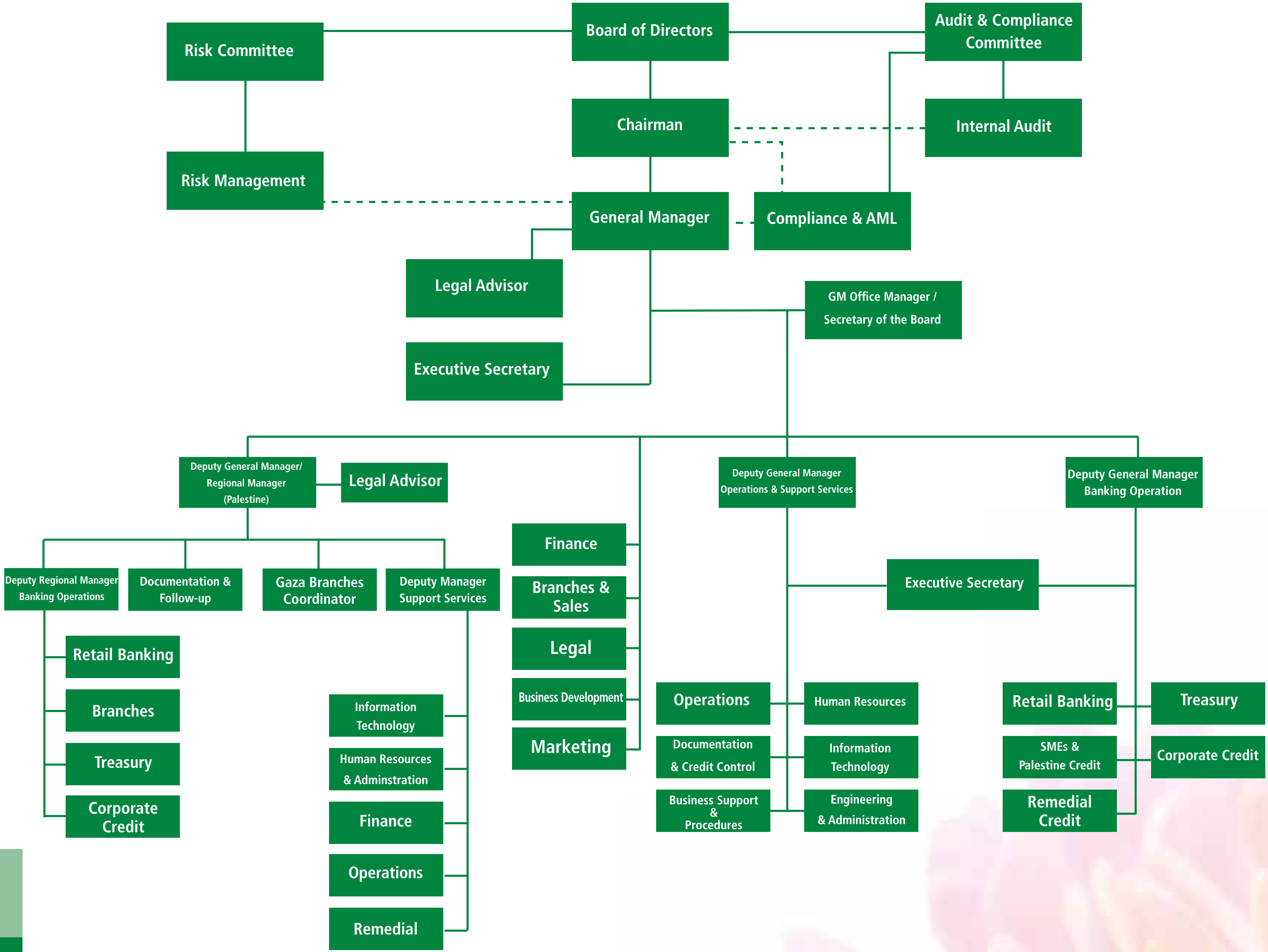
The Chairman, General Manager and the Head of Finance acknowledge the accuracy and completeness of the information and financial data provided in the annual report.

Chairman
Khaled Sabih Al-Masri

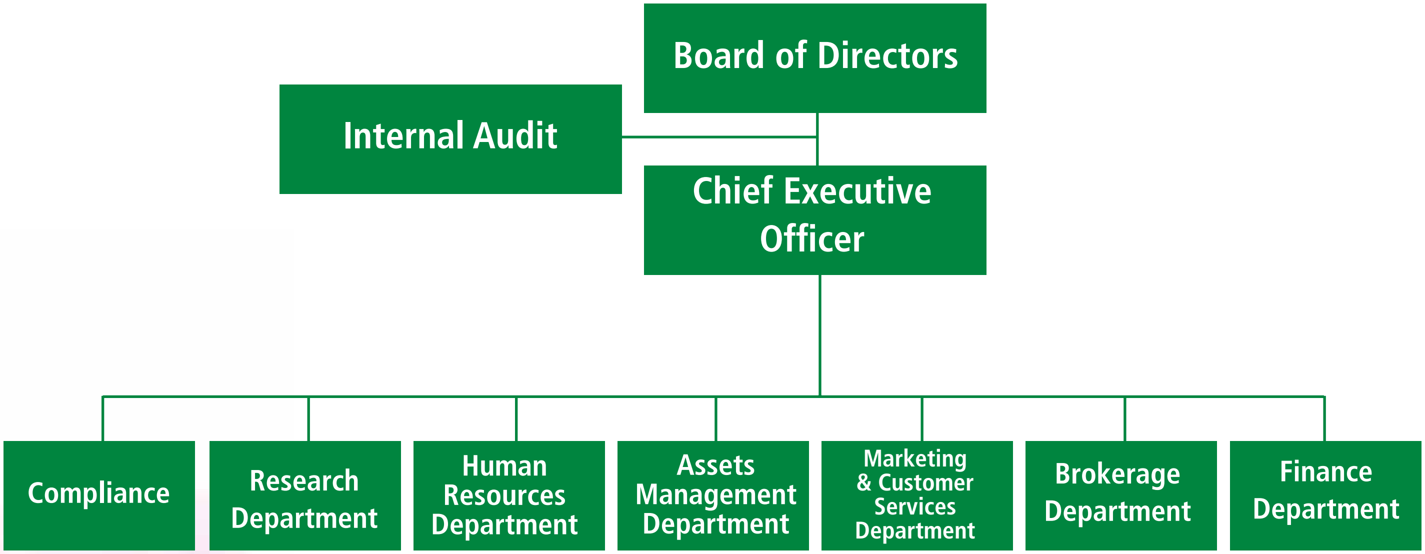
General Manager
Kamal Ghareeb Al-Bakri

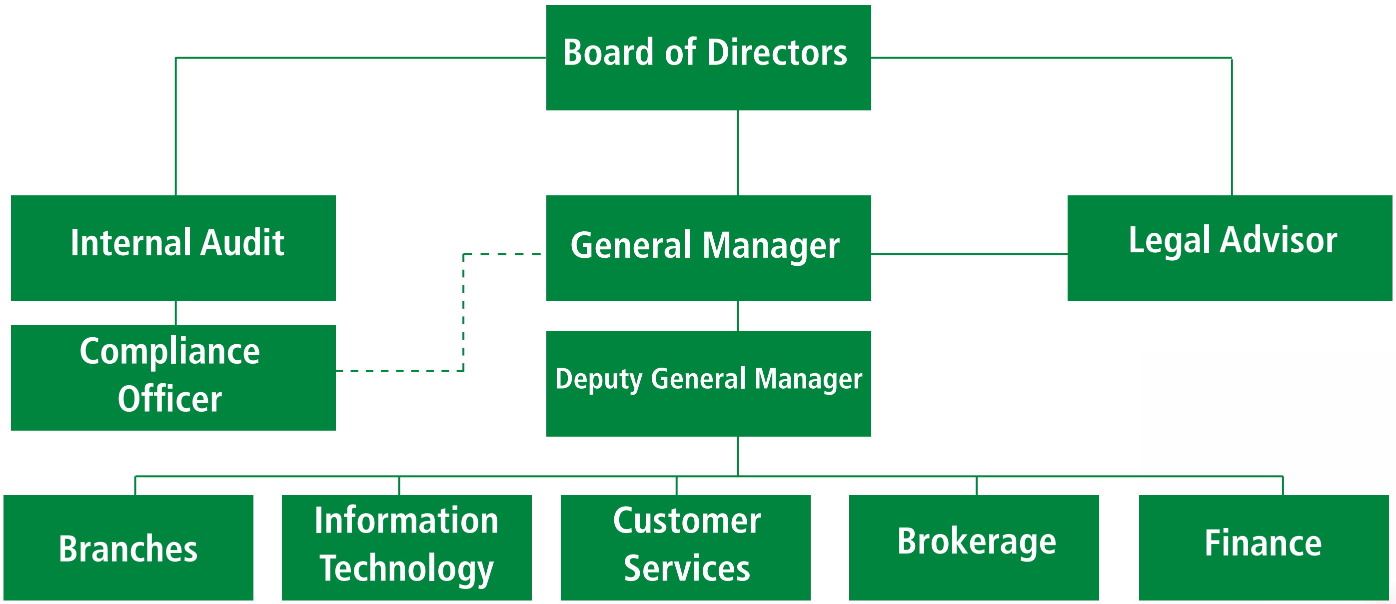
Head of Finance
Nizar Tayseer Mohammed

Organization Structure



Al-Watanieh For Financial Services (Awraq Investments)




Board of Directors
Internal Audit
General Manager
Legal Advisor
Compliance Officer
Deputy General Manager
Branches
Information Technology
Customer Services
Brokerage
Finance

Corporate Governance Code

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

2.1 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's 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 laws 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 relationships 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 positions 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 subjected to be reviewed and revised 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 sufficiently provides board members with adequate information 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. The secretary 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 a formal and transparent process for appointments to the Board Committees:

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

4.2 Audit Committee
The Audit Committee comprises of at least three non-executive members, at least two of them are independent directors. The Bank's policy is that at least two members of the audit committee should have relevant financial management qualifications and/or expertise.
The duties of the Audit Committee include:
- Reviewing the financial statements before being presented to the Board of Directors, in addition to meeting with external auditors and making necessary recommendations.
- Supervising internal audit activities, including reviewing the annual internal audit plan, and the internal audit reposts.
- Recommending to the Board of Directors the accounting policies and practices of the Bank as well as reviewing all accounting issues that have a significant effect 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 months, the Head of Internal Audit Department 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 auditors, its internal auditors and its compliance officers, 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 Director 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 members 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 continuous basis.
- Ensuring the existence of policies and framework of risk management functions, 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 in compliance with internal audit reports that are relevant to the risk function.
- Ensuring the existence of a 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 investment opportunities.
The committee meets on a regular basis, and members of the executive management may be invited to attend its meetings, if necessary.

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 the Central Bank of Jordan regulations.
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 as all interim financial statements.
f. The Bank's internal controls ensure that all related party transactions are handled in accordance with the set policies.

7. Internal Controls

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

8. Internal Audit

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

9. Risk Management

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

10. Compliance

a. The Bank has an independent compliance function which is adequately resourced, 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 statements, 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 the 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:

- The number of independent members in the Audit Committee.
- The Board does not conduct self-assessment.
- Having an 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, as well as directive rules. 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, noting that the head of the committee is not an independant board member.

- 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 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.

ERNST & YOUNG

Ernst & Young Jordan
P.O.Box 1140
Amman 11118
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CAIRO AMMAN BANK
AMMAN - JORDAN

We have audited the accompanying financial statements of **CAIRO AMMAN BANK** (a public shareholding company) and its subsidiaries ("the Bank"), which comprise the consolidated statement of financial position as at 31 December 2010 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.

Managements' Responsibility for the Financial Statements

Management 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' judgement, 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 2010 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on the legal and regulatory requirements

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

The accompanying financial statements are a translation of the statutory financial statements which are in the Arabic language to which reference should be made.

Amman – Jordan
8 February 2011

Ernst + Young

Cairo Amman Bank
Consolidated Statement of Financial Position
As at 31 December, 2010
(In Jordanian Dinars)

	Notes	2010	2009
Assets			
Cash and balances with Central Banks	4	202,432,941	310,442,860
Balances at banks and financial institutions	5	187,368,937	150,778,430
Deposits at banks and financial institutions	6	124,174,750	80,524,650
Financial assets held for trading	7	1,329,095	261,243
Direct credit facilities	8	823,104,605	729,800,243
Financial assets available for sale	9	91,048,917	99,636,007
Financial assets held to maturity	10	328,191,825	305,491,103
Property and equipment	11	37,535,656	33,828,145
Intangible assets	12	4,234,304	4,227,295
Other assets	13	44,024,150	31,923,996
Total Assets		1,843,445,180	1,746,913,972
Liabilities and Equity			
Liabilities -			
Banks and financial institutions’ deposits	14	131,939,779	167,056,953
Customers’ deposits	15	1,335,849,372	1,264,096,632
Margin accounts	16	44,541,636	39,445,139
Loans and borrowings	17	59,524,224	38,185,568
Sundry provisions	18	9,373,388	9,809,509
Income tax liabilities	19	21,913,042	18,442,528
Deferred tax liabilities	19	3,818,965	7,877,838
Other liabilities	20	30,558,513	24,949,226
Total Liabilities		1,637,518,919	1,569,863,393
Equity			
Paid in capital	21	100,000,000	88,000,000
Statutory reserve	22	33,054,599	27,532,671
Voluntary reserve	22	1,321,613	1,321,613
Other reserves	22	9,924,047	7,767,932
Cumulative changes in fair value	23	24,903,151	21,976,305
Retained earnings	24	36,722,851	30,452,058
Total Equity		205,926,261	177,050,579
Total Liabilities and Equity		1,843,445,180	1,746,913,972

The accompanying notes from 1 to 48 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Income Statement
For The Year Ended 31 December, 2010
(In Jordanian Dinars)

	Notes	2010	2009
Interest income	26	105,838,068	95,189,933
Interest expense	27	30,584,608	37,011,862
Net Interest Income		75,253,460	58,178,071
Net commission income	28	19,497,704	17,675,473
Net Interest And Commission Income		94,751,164	75,853,544
Other Income –			
Gain from foreign currencies	29	2,312,243	2,676,881
Gain (loss) from financial assets held for trading	30	49,687	(22,665)
Gain from financial assets available for sale	31	1,237,062	2,963,183
Other income	32	5,442,888	5,294,337
Gross Profit		103,793,044	86,765,280
Employees' expenses	33	28,477,479	27,604,342
Depreciation and amortization	11-12	6,972,890	6,274,301
Other expenses	34	17,517,382	15,422,747
Impairment loss on direct credit facilities	8	2,179,439	1,314,287
Sundry provisions	18	1,524,743	1,866,714
Total Expenses		56,671,933	52,482,391
Profit Before Tax		47,121,111	34,282,889
Income tax expense	19	12,372,275	8,733,851
Profit For The Year		34,748,836	25,549,038
		JD/Fils	JD/Fils
Basic And Diluted Earnings Per Share	35	0/347	0/255

The accompanying notes from 1 to 48 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December, 2010
(In Jordanian Dinars)

	2010	2009
Profit for the year	34,748,836	25,549,038
Other Comprehensive Income, Net Of Tax:		
Net movement in cumulative changes in available for sale fair value	2,926,846	4,000,617
Total Comprehensive Income For The Year	37,675,682	29,549,655

The accompanying notes from 1 to 48 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement Of Changes In Equity
For The Year Ended 31 December, 2010
(In Jordanian Dinars)

	Paid In Capital	RESERVES			Cumulative Changes In Fair Values	Retained Earnings	Total Equity
		Statutory	Voluntary	General Banking Risk			
	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2010	88,000,000	27,532,671	1,321,613	7,767,932	21,976,305	30,452,058	177,050,579
Profit for the year						34,748,836	34,748,836
Net movement in cumulative changes in fair Value after tax	-	-	-	-	2,926,846	-	2,926,846
Total Comprehensive income for the year					2,926,846	34,748,836	37,675,682
Increase in capital	12,000,000	-	-	-	-	(12,000,000)	-
Transferred to reserves		5,521,928		2,156,115		(7,678,043)	-
Distributed profit	-	-	-	-	-	(8,800,000)	(8,800,000)
Balance at 31 December 2010	100,000,000	33,054,599	1,321,613	9,924,047	24,903,151	36,722,851	205,926,261
Balance at 1 January 2009	80,000,000	24,152,279	1,321,613	6,337,932	17,975,688	21,713,412	151,500,924
Profit for the year	-	-	-	-	-	25,549,038	25,549,038
Net movement in cumulative changes in fair Value after tax	-	-	-	-	4,000,617	-	4,000,617
Total Comprehensive income for the year	-	-	-	-	4,000,617	25,549,038	29,549,655
Increase in capital	8,000,000	-	-	-	-	(8,000,000)	-
Transferred to reserves	-	3,380,392	-	1,430,000	-	(4,810,392)	-
Distributed profit	-	-	-	-	-	(4,000,000)	(4,000,000)
Balance at 31 December 2009	88,000,000	27,532,671	1,321,613	7,767,932	21,976,305	30,452,058	177,050,579

The accompanying notes from 1 to 48 are an integral part of these financial statements

Cairo Amman Bank
Consolidated Statement of Cash Flows
For The Year Ended 31 December, 2010
(In Jordanian Dinars)

	Notes	2010	2009
operating Activities			
Profit before income tax		47,121,111	34,282,889
Adjustments for -			
Depreciation and amortisation		6,972,890	6,274,301
Impairment loss on direct credit facilities		2,179,439	1,314,287
Sundry provisions		1,524,743	1,866,714
Unrealized (gain) loss from financial assets held for trading		(40,917)	61,012
Gain from sale of financial assets available for sale		(56,526)	(805,219)
Impairment losses on available for sale investments		1,035,437	653,297
Gain from sale of property and equipment		(4,962)	(2,138)
Impairment of repossessed properties		1,211	53,284
Gain from sale of repossessed properties		(1,158,678)	(124,079)
Effect of exchange rate changes on cash and cash equivalents		(1,962,904)	(2,185,333)
Operating Profit Before Changes In Operating Assets And Liabilities		55,610,844	41,389,015
Changes In Assets And Liabilities -			
(Increase) in deposits at banks and financial institutions maturing after more than three months		(43,650,100)	(80,524,650)
(Increase) in financial assets held for trading		(1,026,935)	(252,618)
Increase in direct credit facilities		(95,483,801)	(98,260,728)
Decrease (increase) in other assets		(10,942,687)	2,316,636
Increase (decrease) in banks and financial institution deposits maturing after more than three months		(8,914,000)	12,459,000
Increase in customers' deposits		71,752,740	135,187,622
(Decrease) increase in margin accounts		5,096,497	(9,337,735)
Sundry provisions paid		(1,960,864)	(630,165)
Increase in other liabilities		5,609,287	471,295
Net Cash (Used In) From Operating Activities Before Income Tax		(23,909,019)	2,817,672
Income tax paid		(8,901,761)	(12,804,619)
Net Cash (Used In) Operating Activities		(32,810,780)	(9,986,947)
Investing Activities			
Purchase of financial assets available for sale		(17,360,316)	(203,633,523)
Proceeds from sale of financial assets available for sale		23,836,468	156,972,832
Purchase of financial assets held to maturity		(153,821,442)	-
Proceeds from sale of financial assets held to maturity		131,120,720	-
Proceeds from sale of property and equipment		24,573	61,430
Purchase of property and equipment		(9,484,579)	(4,317,874)
Purchase of intangible assets		(1,222,442)	(1,873,727)
Net Cash Used In Investing Activities		(26,907,018)	(52,790,862)
Financing Activities			
Dividends paid		(8,800,000)	(4,000,000)
Payments on loans and borrowings		36,338,656	14,395,439
Payments from loans and borrowings		(15,000,000)	-
Net Cash From Financing Activities		12,538,656	10,395,439
Effect of exchange rate changes on cash and cash equivalents		1,962,904	2,185,333
Net decrease in cash and cash equivalents		(45,216,238)	(50,197,037)
Cash and cash equivalents, beginning of the year	36	299,533,337	349,730,374
Cash And Cash Equivalents, End Of The Year	36	254,317,099	299,533,337

The accompanying notes from 1 to 48 are an integral part of these financial statements

Cairo Amman Bank
Notes to the Consolidated Financial Statements
31 December 2010
(In Jordanian Dinars)

(1) General Information

The Bank is a public shareholding company registered and incorporated in Jordan during 1960 in accordance with the loans and principles issued by the law ministry and with the Companies Law no. (12) of 1964. Its registered office is in Amman, Jordan.

The Bank provides its banking services through its main branch located in Amman and through its 67 branches in Jordan, 18 branches in Palestine, and its subsidiaries.

The Bank is listed on the Amman Stock Exchange.

The financial statements were authorized to be issued by the Bank's Board of Directors no. 1/2011 on 6 February 2010. 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 available-for-sale, financial assets held for trading, held at fair value through profit or loss, that have been measured at fair value.

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

Changes in accounting policies:

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

IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of 1 January 2010. It did not have an impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17 Distributions of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position or performance of the Group.

Summary of significant accounting policies:

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, being those entities under the control of the bank. Control is achieved where the bank has the power to control the operating and financial decisions of the subsidiaries to get benefit from their operations. Inter-company balances and transactions are eliminated between the bank and the subsidiaries.

- 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 2010. 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 2010. The company's main activity is investment brokerage.

- Cairo Company - Marshal Island (established 1999): Owned 100% by the Bank, with a paid-up capital of JD 5,000 as of 31 December 2010. The company's main activity is investment in securities. The bank management decided to liquidate the company and moved all the investments to the bank in order to continue is in the process of completing legal procedures to liquidate the Company.

- 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 2010, 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 held for trading

Financial assets held for trading are those purchased with the intent to be resold in the near future to generate gains as a result of changes in market prices of such investments.

They are initially recognized at the fair value of consideration given (transaction costs are recorded in the income statement) and subsequently re-measured at fair value. All realised and unrealised gains or losses are transferred to the income statement including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.

Interest earned and dividends received are recorded in the income statement.

Direct credit facilities

Impairment of direct credit facilities is recognized in the allowance for credit losses when collection of amounts due to the bank 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.

Financial assets available for sale

Available-for-sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances.

Available-for-sale financial investments are measured at fair value in addition to the transaction cost and subsequently are measured at fair value. Unrealised gains and losses are recognized directly in equity as 'Cumulative change in fair value reserve'. When the security is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the income statement.

The losses arising from impairment of such investments are recognized in the income statement and removed from the cumulative change in fair value reserve. Reversal of impairment on equity instruments is reflected in the cumulative change in fair value, while reversal of impairment on debt instruments is recognized in to the income statement.

Gains or losses on debt instruments (with interest) resulting from foreign exchange rate changes are transferred to the income statement. On equity instruments, such gains and losses are transferred to the cumulative change in fair value.

Interest earned on available-for-sale financial investments is reported as interest income using the effective interest method and any impairment is recorded in the income statement when occurred.

Financial assets available for sale which cannot be reliably measured at fair value are recorded at cost. Impairment on such assets is recognized in the income statement.

Financial assets held to maturity

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the Bank has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognized at cost, being the fair value of consideration given including directly attributable transaction costs. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

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.

Where the fair value of an investment cannot be reliably measured, it is stated at cost less any impairment in the value.

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.
- For AFS financial assets carried at fair value, impairment is the difference between the cost and the fair value.
- For assets carried at cost, impairment is based on the difference between the carrying value and the present value of future cash flows discounted at the current market rate of return from a similar financial asset.

Impairment is recognized in the income statement. If, in a subsequent period, the amount of the impairment loss decreases, the carrying value of the asset is increased to its recoverable amount. The amount of the reversal is recognized in the income statement except for equity instruments classified as available for sale investments for which the reversal is recognized in the statement of equity.

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 of the property and equipment happens, when the asset is disposed of or there are no future benefits from 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 tax deductions or items that are non taxable or not deductable for tax purposes.

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

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

The bank calculates the deferred tax in accordance with IAS12. Management have made a judgment that it is more appropriate not to record the deferred tax effect as an asset in the financial statements.

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 balance sheet 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 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, and the other parties have the right to control the asset (sell or re-pledge). These financial assets continue 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 the 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:

- Provision for credit losses: The Bank reviews and provides for its loan portfolios according to the Central Bank of Jordan regulations and IFRS.
- Impairment losses on the valuation of possessed real estate properties are determined based on appraisal reports prepared by certified appraisers and reviewed periodically.
- The income tax provision is calculated based on the applications of relevant laws.
- Management periodically revaluates the useful life 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.
- Management reviews periodically financial assets that are carried at cost to assess impairment; any recognized impairment is recorded in 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

	2010	2009
	JD	JD
Cash on hand	46,913,899	46,246,195
Balances at Central Banks-		
Current and demand deposits	21,035,163	37,791,383
Time and notice deposits	64,008,203	150,350,483
Statutory cash reserve	70,475,676	76,054,799
	202,432,941	310,442,860

In addition to the statutory cash reserve held at Central Banks, restricted balances amounted to JD 7,090,000 as of 31 December 2010 (2009: JD 7,090,000).

(5) Balances At Banks And Financial Institutions

	Local Banks And Financial Institutions		Foreign Banks And Financial Institutions		Total	
	2010	2009	2010	2009	2010	2009
	JD	JD	JD	JD	JD	JD
Current and demand deposits	2,462,794	2,637,821	21,001,828	7,251,077	23,464,622	9,888,898
Deposits maturing within 3 months	76,994,760	47,971,000	86,909,555	92,918,532	163,904,315	140,889,532
	79,457,554	50,608,821	107,911,383	100,169,609	187,368,937	150,778,430

Non interest bearing balances at banks and financial institutions amounted to JD 19,298,167 as of 31 December 2010 (2009: JD 6,546,304).
There are no restricted balances as of 31 December 2010 and 2009.

(6) Deposits At Banks And Financial Institutions

	Local Banks And Financial Institutions		Foreign Banks And Financial Institutions		Total	
	2010	2009	2010	2009	2010	2009
	JD	JD	JD	JD	JD	JD
Deposit maturing within						
More than 3 to 6 months	15,000,000	15,000,000	33,629,750	48,811,900	48,629,750	63,811,900
More than 6 to 9 months	35,000,000	9,800,000	-	-	35,000,000	9,800,000
More than 9 to 12 months	40,545,000	-	-	6,912,750	40,545,000	6,912,750
	90,545,000	24,800,000	33,629,750	55,724,650	124,174,750	80,524,650

There are no restricted balances as of 31 December 2010 and 2009.

(7) Financial Assets Held for Trading

	2010	2009
	JD	JD
Quoted equities	1,329,095	261,243

(8) Direct Credit Facilities

	2010	2009
	JD	JD
Consumer Lending		
Overdrafts	7,653,350	6,959,998
Loans and bills *	412,360,653	326,002,200
Credit cards	10,280,900	9,649,670
Others	7,090,554	7,546,261
Residential Mortgages	113,377,729	102,558,484
Corporate Lending		
Overdrafts	55,536,855	53,826,847
Loans and bills *	161,440,694	143,208,196
Small and Medium Enterprises Lending "Smes"		
Overdrafts	19,391,650	16,139,074
Loans and bills *	27,171,110	24,801,708
Lending To Governmental Sectors	63,990,268	93,854,037
Total	878,293,763	784,546,475
Less: Suspended interest	(10,904,297)	(12,096,816)
Less: Allowance for impairment losses	(44,284,861)	(42,649,416)
Direct Credit Facilities, Net	823,104,605	729,800,243

* Net of interest and commissions received in advance of JD 10,643,097 as of 31 December 2010 (2009: JD 12,597,156).

At 31 December 2010, non-performing credit facilities amounted to JD 46,257,486 (2009: JD 45,819,714), representing 5.27% (2009: 5.84%) of gross facilities granted.

At 31 December 2010, non-performing credit facilities, net of suspended interest, amounted to JD 35,544,381 (2009: JD 35,088,663), representing 4.1% (2009: 4.53%) of gross facilities granted after excluding the suspended interest.

At 31 December 2010, credit facilities granted to the Government of Jordan amounted to JD 13,643,045 (2009: JD 34,150,366), representing 1.55% (2009: 4.35%) of gross facilities granted.

At 31 December 2010, credit facilities granted to the public sector in Palestine amounted to JD 43,482,310 (2009: JD 42,282,014), representing 4.95% (2009: 5.39%) of gross facilities granted.

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

2010-	Consumer	Residential Mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
At 1 January 2010	28,664,724	453,965	11,742,314	1,788,413	42,649,416
Charge (surplus) for the year	319,054	(1,441)	1,854,342	7,484	2,179,439
Amounts written off	(425,657)	-	-	-	(425,657)
Revaluation difference	(118,337)	-	-	-	(118,337)
At 31 December 2010	28,439,784	452,524	13,596,656	1,795,897	44,284,861
Specific impairment on					
Individual loans	16,475,686	430,833	13,339,916	1,768,884	32,015,319
Watch list	341,828	21,691	256,740	27,013	647,272
Collective impairment	11,622,270	-	-	-	11,622,270
At 31 December 2010	28,439,784	452,524	13,596,656	1,795,897	44,284,861
At 1 January 2009	26,590,184	389,578	12,760,246	1,955,429	41,695,437
Charge (surplus) for the year	2,340,159	64,387	(1,017,932)	(72,327)	1,314,287
Amounts written off	(603,109)	-	-	(94,689)	(697,798)
Revaluation difference	337,490	-	-	-	337,490
At 31 December 2010	28,664,724	453,965	11,742,314	1,788,413	42,649,416
Specific impairment on					
Individual loans	17,341,670	449,133	11,630,233	1,759,306	31,180,342
Watch list	742,869	4,832	112,081	29,107	888,889
Collective impairment	10,580,185	-	-	-	10,580,185
At 31 December 2009	28,664,724	453,965	11,742,314	1,788,413	42,649,416

Allowance for impairment related to non-performing credit facilities that were settled or collected amounted to JD 4,819,544 during 31 December 2010 (2009: JD 3,107,817).

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

2010-	Consumer	Residential Mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
At 1 January 2010	5,337,090	50,848	5,542,056	1,166,822	12,096,816
Add: Suspended interest during the year	356,245	15,685	1,362,156	88,586	1,822,672
Less: Amount transferred to income on recovery	(586,398)	(17,157)	(218,613)	(156,144)	(978,312)
Less: Amounts written off	(285,628)	-	(1,718,510)	(32,741)	(2,036,879)
At 31 December 2010	4,821,309	49,376	4,967,089	1,066,523	10,904,297
At 1 January 2009	5,742,510	49,735	5,994,758	1,139,688	12,926,691
Add: Suspended interest during the year	650,102	1,113	215,949	217,058	1,084,222
Less: Amount transferred to income on recovery	(681,785)	-	(568,031)	(124,353)	(1,374,169)
Less: Amounts written off	(373,737)	-	(100,620)	(65,571)	(539,928)
At 31 December 2009	5,337,090	50,848	5,542,056	1,166,822	12,096,816

(9) Financial Assets Available for Sale

	2010	2009
	JD	JD
Quoted Investments		
Treasury bills	1,698,551	-
Corporate debt securities	24,759,528	30,551,961
Other debt securities	2,368,060	2,718,731
Funds	1,954,763	1,915,449
Fixed rate fund		-
Equities	49,172,833	51,083,295
Total quoted investments	79,953,735	86,269,436
Unquoted Investments		
Government debt securities	-	1,418,000
Corporate debt securities	10,623,300	10,481,500
Other debt securities	91,161	100,025
Equities	380,721	1,367,046
Total unquoted investments	11,095,182	13,366,571
Total Financial Assets Available For Sale	91,048,917	99,636,007
Analysis Of Debt Instruments		
Fixed rate	21,192,219	17,598,284
Floating rate	18,348,381	27,671,933
Total	39,540,600	45,270,217

Included in equities are investments carried at cost with value of JD 380,721 as of 31 December 2010 (2009: JD 1,367,046). The investments were stated at cost since the fair value could not be measured reliably.

After the amendments on IAS 39 and IFRS 7 (reclassification of financial assets) issued by the IASB on 13 October 2008, the Bank reclassified some of its available for sale financial assets held to maturity on 31 December 2009. The Bank identified the qualifying assets amounting to JD 305,491,103 where there was a clear change in the intention of the management to hold those financial assets in the foreseeable future or to maturity rather than trading in the short term. The reclassification was done in accordance with IAS 39 and its amendments and there was no effect on the consolidated income statement for 2009.

Bonds remain from converted class is as follows:

	Total
	JD
Treasury bills	122,351,293
Government debt securities	52,063,179
Corporate debt securities	174,414,472

Interest received from bonds converted classified is as follows:

	Total
	JD
Interest received from treasury bills	12,903,777
Interest received from government debt securities	3,265,505
Interest received from corporate debt securities	1,287,388
	17,456,670

Actual interest rate on bonds and treasury bills ranging between 3.153% – 8.419% during 2010.
Fair value of bonds and treasury bills equal the cost as of 31 December 2010.

(10) Financial Assets Held To Maturity

	2010	2009
	JD	JD
Unquoted Investments		
Treasury bills	256,838,152	233,031,419
Government debt securities	52,674,179	52,059,883
Corporate debt securities	18,679,494	20,399,801
	328,191,825	305,491,103
Analysis Of Debt Instruments		
Fixed rate	328,191,825	305,491,103
Variable rate	-	-
Total	328,191,825	305,491,103

(11) Property And Equipment

	Land	Buildings	Furniture & Fixtures	Vehicles	Computers	Projects In Progress	Total
	JD	JD	JD	JD	JD	JD	JD
2010							
Cost:							
At 1 January 2010	1,274,880	13,349,796	28,044,318	1,113,448	18,218,579	1,476,994	63,478,015
Additions	-	-	2,989,998	280,083	2,128,733	4,085,765	9,484,579
Transferred	-	-	850,303	-	288,029	(1,138,332)	-
Disposals	-	-	(640,032)	-	(137,861)	-	(777,893)
At 31 December 2010	1,274,880	13,349,796	31,244,587	1,393,531	20,497,480	4,424,427	72,184,701
Accumulated depreciation							
At 1 January 2010	-	2,016,336	15,450,499	806,129	11,376,906	-	29,649,870
Depreciation charge during the year	-	266,996	2,822,318	108,985	2,559,158	-	5,757,457
Disposals	-	-	(622,189)	-	(135,993)	-	(758,282)
At 31 December 2010	-	2,283,332	17,650,528	915,114	13,800,071	-	34,649,045
Net Book Value At 31 December 2010	1,274,880	11,066,464	13,594,059	478,417	6,697,409	4,424,427	37,535,656
2009-							
Cost:							
At 1 January 2009	1,274,880	13,349,796	27,067,430	1,147,801	17,273,977	1,507,286	61,621,170
Additions	-	-	2,470,081	15,960	837,997	993,836	4,317,874
Transferred	-	-	198,317	-	825,811	(1,024,128)	-
Disposals	-	-	(1,691,510)	(50,313)	(719,206)	-	(2,461,029)
At 31 December 2010	1,274,880	13,349,796	28,044,318	1,113,448	18,218,579	1,476,994	63,478,015
Accumulated Depreciation							
At 1 January 2009	-	1,749,339	14,629,426	762,970	9,909,511	-	27,051,246
Depreciation charge during the year	-	266,997	2,458,039	91,305	2,184,020	-	5,000,361
Disposals	-	-	(1,636,966)	(48,146)	(716,625)	-	(2,401,737)
At 31 December 2010	-	2,016,336	15,450,499	806,129	11,376,906	-	29,649,870
Net Book Value							
At 31 December 2009	1,274,880	11,333,460	12,593,819	307,319	6,841,673	1,476,994	33,828,145

Fully depreciated property and equipment amounted to JD 19,593,998 as of 31 December 2010 (2009: JD 16,643,556).

The estimated cost to complete the purchase of assets and projects under construction amounts to JD 2,770,981 as of 31 December 2010 (2009: JD 3,404,438).

(12) Intangible Assets

	Computer Software	
	2010	2009
	JD	JD
Cost:		
At 1 January	4,227,295	3,627,508
Additions	1,222,442	1,873,727
Amortisation during the year	(1,215,433)	(1,273,940)
	4,234,304	4,227,295

(13) Other Assets

	2010	2009
	JD	JD
Accrued interest and revenue	8,149,597	6,508,911
Prepaid expenses	5,779,766	4,784,618
Assets obtained by the Bank by calling on collateral	10,982,216	12,721,857
Accounts receivable - net	691,112	683,568
Clearing checks	15,648,464	5,288,238
Trading settlement account	25,000	25,000
Refundable deposits	95,657	97,596
Deposit at Visa International	1,042,230	662,915
Settlement guarantee fund	-	179,015
Temporary expenses	3,600	16,066
Others	1,606,508	956,212
	44,024,150	31,923,996

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

	2010	2009
	JD	JD
At 1 January	12,721,857	12,710,293
Additions	179,191	231,046
Retirements	(1,917,621)	(166,195)
Impairment loss	(1,211)	(53,287)
At 31 December	10,982,216	12,721,857

The bank repossessed properties during 2010 by means of power of attorney amounting to JD 618,902.

(14) Banks And Financial Institutions Deposits

	2010			2009		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and demand deposits	1,578,412	2,974,950	4,553,362	1,550,014	16,736,803	18,286,817
Time deposits	41,851,000	85,535,417	127,386,417	52,365,840	96,404,296	148,770,136
At 31 December	43,429,412	88,510,367	131,939,779	53,915,854	113,141,099	167,056,953

(15) Customers' Deposits

2010-	Consumer	Corporate	SMEs	Governmental Sectors	Total
	JD	JD	JD	JD	JD
Current and demand deposits	218,611,621	152,283,709	32,895,649	42,929,378	446,720,357
Saving accounts	269,632,239	6,721,220	2,256,194	5,866	278,615,519
Time and notice deposits	242,122,041	206,820,976	18,678,676	142,891,803	610,513,496
Total	730,365,901	365,825,905	53,830,519	185,827,047	1,335,849,372
2009-					
Current and demand deposits	260,774,517	58,603,773	31,383,170	41,277,271	392,038,731
Saving accounts	241,269,984	566,925	3,053,478	78	244,890,465
Time and notice deposits	229,018,442	216,216,025	20,450,031	161,482,938	627,167,436
Total	731,062,943	275,386,723	54,886,679	202,760,287	1,264,096,632

- Governmental institutions' deposits amounted to JD 155,633,588 as of 31 December 2010 (2009: JD 164,895,236) representing 11.65% (2009: 13.05%) of total customers' deposits.

- Non-interest bearing deposits amounted to JD 352,483,751 as of 31 December 2010 (2009: 399,974,150) representing 26.39% (2009: 31.64%) of total deposits.

- Dormant accounts amounted to JD 16,965,860 as of 31 December 2010 (2009: 24,546,678).

(16) Margin Accounts

	2010	2009
	JD	JD
Margins on direct credit facilities	27,945,592	26,300,654
Margins on indirect credit facilities	10,305,171	10,225,182
Deposits against cash margin dealings' facilities	5,090,298	2,523,261
Others	1,200,575	396,042
	44,541,636	39,445,139

(17) Loans and Borrowings

	Amount	Total No. Of Payments	Outstanding Payments	Payable Every	Collaterals	Interest Rate
	JD				JD	%
31 December 2010						
Amounts borrowed from local institution*	23,000,000	3	3	At maturity	None	5.3 – 8.6%
Amounts borrowed from international institution**	35,450,000	1	1	At maturity	None	4.845–4.895%
Amounts borrowed from foreign institution***	1,074,224			Monthly	None	5.5%
Total	59,524,224					
31 December 2009						
Amounts borrowed from local institution*	23,000,000	3	3	At maturity	None	8.5 – 9.57%
Amounts borrowed from international institution**	14,180,000	1	1	At maturity	None	4.845%
Amounts borrowed from foreign institution***	1,005,568			Monthly	None	5.5%
Total	38,185,568					

* Represents fixed interest loans borrowed from Jordan Mortgage Refinancing Company and is due on the maturity date of each loan (2012-2013).

** Represents fixed interest loans borrowed from OPIC and is due on the maturity date 10 May 2034.

*** Represents amounts borrowed from Mortgage Refinancing Company – Palestine, bearing fixed interest of 5.5% and repayable in monthly installments.

(18) Sundry Provisions

	Balance at January 1	Provided during the period	Utilised during the year	Balance at December 31
	JD	JD	JD	JD
2010				
Provision for lawsuits against the bank	2,830,188	-	(116,626)	2,713,562
Provision for end of service indemnity	6,916,278	1,524,743	(1,844,238)	6,596,783
Other contingent liabilities	63,043	-	-	63,043
Total	9,809,509	1,524,743	(1,960,864)	9,373,388
2009				
Provision for lawsuits against the bank	2,905,193	40,000	(115,005)	2,830,188
Provision for end of service indemnity	5,604,724	1,826,714	(515,160)	6,916,278
Other contingent liabilities	63,043	-	-	63,043
Total	8,572,960	1,866,714	(630,165)	9,809,509

(19) Income Tax

Income Tax liabilities

The movements on the income tax liability were as follows:

	2010	2009
	JD	JD
At January 1	18,442,528	22,513,296
Income tax paid	(8,901,761)	(12,804,619)
Income tax charge for the year	12,372,275	8,733,851
At December 31	21,913,042	18,442,528

Income tax appearing in the statement of income represents the following:

	2010	2009
	JD	JD
Provision for income tax for the year	12,372,275	8,733,851

The Bank reached a final settlement with the Income and Sales Tax Department for the year ended 31 December 2009.

A final settlement has been reached for Palestine branches from the Income Tax Department up to the year 2007, while 2008, 2009 was not yet reviewed by the Income Tax Department.

Al-Watanieh Financial Services Company has reached a final settlement with the Income Tax Department for the years ended 31 December 2008 except for the year 1996 which is at court, while 2009 was not yet reviewed by the Income Tax Department.

Al-Watanieh Securities Company – Palestine has reached a final settlement for the year 2009.

The Income Tax Department has not reviewed the accounts of Cairo Real Estate Investments Company for the years from 1997 to 2009.

No income tax was due on Cairo Amman Company – Marshall Islands as of 31 December 2010.

In the opinion of the Bank's management, income tax provisions as of 31 December 2010 are sufficient.

Deferred Tax liabilities

The movement on temporary differences giving rise to deferred tax liabilities are:

	2010					2009
	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
Unrealized Gain – Available for Sale Investments	29,854,143	5,299,854	4,167,827	28,722,116	3,818,965	7,877,838

Included in deferred tax liabilities an amount of JD 3,818,965 (2009: JD 7,877,838) resulting from gains from the revaluation of financial assets available for sale which are included in the cumulative change in fair value in equity.

The movement on deferred tax liabilities account is as follows:

	2010	2009
	JD	JD
At 1 January	7,877,838	9,249,139
Additions	529,407	807,942
Released	(4,588,280)	(2,179,243)
At 31 December	3,818,965	7,877,838

Reconciliation between tax expense and the accounting profit is as follows:

	2010	2009
	JD	JD
Accounting profit	47,121,111	34,282,889
Non-taxable profit	(5,082,297)	(12,215,891)
Non-deductible expenses	1,119,174	3,523,174
Taxable profit	43,157,988	25,590,172
Effective rate of income tax	26.26 %	25.48 %

The statutory tax rate on banks in Jordan is 30% and the statutory tax rates on foreign branches and subsidiaries range between 15% to 31%.

(20) Other Liabilities

	2010	2009
	JD	JD
Accrued interest expense	1,990,170	2,522,993
Interest and commissions received in advance	-	70,826
Accounts payable	4,064,878	5,175,205
Accrued expenses	4,522,434	4,165,501
Temporary deposits	8,382,702	7,063,970
Checks and withdrawals	10,004,289	3,917,727
Negative fair value of forward contract	225,611	287,337
Settlement guarantee fund	173,312	-
Others	1,195,117	1,745,667
	30,558,513	24,949,226

(21) Paid In Capital

The authorized and paid in capital amounted to JD 100,000,000 divided into 100,000,000 shares at a par value of JD 1 per share (2009: JD 88,000,000).

(22) 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.

Other Reserves

The balance includes the following:

- 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.

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

	2010	2009
	JD	JD
General banking risk reserve	8,883,860	7,767,932
Pro-cyclicality reserve	1,040,187	-
	9,924,047	7,767,932

The use of the following reserves is restricted by law:

Description	Amount	Restriction Law
Statutory reserve	33,054,599	Banks and companies Law
General banking risk reserve	8,883,860	Central Bank of Jordan regulations
Pro-cyclicality reserve	1,040,187	Palestine Monetary Authority regulations

(23) Cumulative Change In Fair Value

	2010				2009			
	Financial Assets Available For Sale				Financial Assets Available For Sale			
	Stocks	Funds	Bonds	Total	Stocks	Funds	Bonds	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January	21,916,512	172,723	(112,930)	21,976,305	23,565,721	(4,431)	(5,585,602)	17,975,688
Net unrealised gains (losses)	(3,147,393)	39,314	997,141	(2,110,938)	(573,674)	172,723	3,182,189	2,781,238
Deferred tax liabilities	4,058,873	-	-	4,058,873	1,371,301	-	-	1,371,301
(Profit) loss transferred to income statement	(91,558)	-	35,032	(56,526)	(2,676,449)	4,431	1,866,799	(805,219)
Impairment loss transferred to income statement	90,340	-	945,097	1,035,437	229,613	-	423,684	653,297
Balance at 31 December	22,826,774	212,037	1,864,340	24,903,151	21,916,512	172,723	(112,930)	21,976,305

The cumulative change in fair value is presented net of deferred tax liabilities of JD 3,818,965 as of 31 December 2010 (2009: JD 7,877,838).

(24) Retained Earnings

	2010	2009
	JD	JD
Balance at 1 January	30,452,058	21,713,412
Profit for the year	34,748,836	25,549,038
Transferred to statutory reserve	(5,521,928)	(3,380,392)
Transferred to general banking risk reserve	(1,115,928)	(1,430,000)
Transferred to pro-cyclicality reserve	(1,040,187)	-
Increase in capital	(12,000,000)	(8,000,000)
Cash dividends	(8,800,000)	(4,000,000)
	36,722,851	30,452,058

(25) Proposed Dividends

The Board of Directors will propose the distribution of dividends to its shareholders of JD 15,000,000 (2009: JD 8,800,000), equivalent to 15% (2009: 10%) of paid in capital.

(26) Interest Income

	2010	2009
	JD	JD
Consumer Lending		
Overdrafts	579,914	638,231
Loans and bills	42,542,392	33,855,928
Credit cards	2,364,925	1,864,841
Others	399,274	461,306
Residential Mortgages	8,520,420	8,087,855
Corporate Lending		
Overdrafts	4,016,988	3,881,443
Loans and bills	8,927,499	7,633,243
Small and Medium Enterprises Lending		
Overdrafts	982,192	1,187,283
Loans and bills	1,967,723	1,748,912
Public and governmental sectors	5,411,338	6,513,138
Balances at Central Banks	771,130	4,168,652
Balances at banks and financial institutions	5,885,623	6,866,240
Financial assets available for sale	1,713,618	18,282,861
Financial assets held to maturity	21,755,032	-
Total	105,838,068	95,189,933

(27) Interest Expense

	2010	2009
	JD	JD
Banks and financial institution deposits	1,933,045	4,011,965
Customers' deposits -		
Current accounts and deposits	3,343,373	1,739,831
Saving accounts	2,431,523	2,018,523
Time and notice placements	17,142,830	24,411,419
Margin accounts	310,656	1,045,463
Loans and borrowings	3,745,811	2,443,947
Deposit guarantee fees	1,677,370	1,340,714
	30,584,608	37,011,862

(28) Net Commission

	2010	2009
	JD	JD
Commission income -		
Direct credit facilities	7,706,053	7,337,298
Indirect credit facilities	1,884,487	1,729,281
Other commission	9,931,363	8,632,054
Less: commission expense	(24,199)	(23,160)
	19,497,704	17,675,473

(29) Gain From Foreign Currencies

	2010	2009
	JD	JD
Resulting from -		
Trading in foreign currencies	349,339	491,548
Revaluation of foreign currencies	1,962,904	2,185,333
	2,312,243	2,676,881

(30) Gain (Loss) From Financial Assets Held For Trading

	Realised Gain (loss)	Unrealised Gain (loss)	Cash Dividends	Total
2010				
Equities	(2,909)	40,917	11,679	49,687
2009				
Equities	32,396	(61,012)	5,951	(22,665)

(31) Gain From Financial Assets Available For Sale

	2010	2009
	JD	JD
Dividend income	2,215,973	2,811,261
Gain from sale of financial assets available for sale	56,526	805,219
Less: impairment losses on AFS investments	(1,035,437)	(653,297)
	1,237,062	2,963,183

(32) Other Income

	2010	2009
	JD	JD
Suspended interest transferred to revenue	978,312	1,374,169
Safety deposit box rental income	53,444	49,049
Revenues from selling check books	84,668	70,494
Collections of debts previously written off	561,792	459,481
Credit cards income	1,280,192	1,401,565
Gain from sale of property and equipment	4,962	2,138
Gain from sale of assets repossessed by the Bank	1,158,678	124,079
Rent revenue	10,681	21,768
Brokerage commission	1,100,325	1,525,951
Commission on investment products	70,826	70,824
Others	139,008	194,819
	5,442,888	5,294,337

(33) Employees' Expenses

	2010	2009
	JD	JD
Salaries and benefits	23,600,396	22,815,293
Bank's contribution to social security	1,490,023	1,488,032
Bank's contribution to savings fund	328,361	230,650
End of service indemnity	451,347	277,247
Medical expenses	1,313,999	1,391,854
Training and research	215,473	267,087
Employee's clothes	157,601	163,246
Others	920,279	870,933
	28,477,479	27,604,342

(34) Other Expenses

	2010	2009
	JD	JD
Rent	2,458,492	2,131,136
Cleaning and maintenance	1,020,573	883,630
Water, heat and electricity	991,470	955,258
License and governmental fees	941,650	697,647
Printings and stationery	569,155	396,740
Donations	421,140	356,621
Insurance fees and expenses	502,920	470,100
Subscriptions	455,279	446,052
Telephone and telex	617,227	663,100
Legal fees	229,686	190,552
Professional fees	874,640	845,122
Money transfer expenses	344,983	309,490
Advertising expenses	2,536,644	1,680,454
Credit cards expenses	347,135	265,226
Board of Directors expenses	184,210	189,766
Information system expenses	3,308,210	2,897,183
Travel and transportation	647,433	642,536
Jordanian universities fees	449,990	274,644
Scientific research and vocational training fees	-	274,644
Technical and vocational, education and training support fund fee	-	186,902
Other expenses	616,545	665,944
	17,517,382	15,422,747

(35) Earnings Per Share

	2010	2009
	JD	JD
Profit for the year	34,748,836	25,549,038
Weighted average number of shares	100,000,000	100,000,000
Basic and diluted earnings per share (JD/Fils)	0,347	0,255

Diluted earnings per share equal basic earnings per share as the bank did not issue any potentially convertible instruments which would have an impact on earnings per share.

(36) Cash And Cash Equivalents

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

	2010	2009
	JD	JD
Cash and balances with Central Banks	202,432,941	310,442,860
Add: Balances at banks and financial institutions		
maturing within 3 months	187,368,937	150,778,430
Less: Banks and financial institutions' deposits		
maturing within 3 months	(128,394,779)	(154,597,953)
Certificate of deposits maturing after 3 months		
Restricted cash balances	(7,090,000)	(7,090,000)
Cash and cash equivalents	254,317,099	299,533,337

(37) Derivative Financial Instruments

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

2010	Positive Fair Value	Negative Fair Value	Total Notional Amount	Par Value Maturity			
				Within 3 Months	3 – 12 Months	1 – 3 Years	More Than 3 Years
	JD	JD	JD	JD	JD	JD	JD
Derivatives held as fair value hedges:							
- Interest rate swap	-	109,582	2,127,000	-	709,000	709,000	709,000
2009							
Derivatives held as fair value hedges:							
- Interest rate swap	-	117,989	2,127,000	-	-	1,418,000	709,000

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

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

(38) Related Party Transactions

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

Company name	Ownership	Paid In Capital	
		2010	2009
		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
Cairo Amman Company - Marshall Islands	100 %	-	5,000

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:

	Associated Company	Board of Directors	Others	Total 2010	Total 2009
	JD	JD	JD	JD	JD
Balance Sheet Items:					
Direct credit facilities	3,863	5,806,806	14,157,523	19,968,192	24,179,491
Deposits at the Bank	4,898,791	36,214,987	3,053,723	44,167,501	21,345,775
Margin accounts	-	549,016	142,115	691,131	1,986,480
Off Balance Items:					
Indirect credit facilities	35,000	1,973,609	222,210	2,230,819	2,753,915
Income Statements Items					
Interest and commission income	8,466	657,342	525,735	1,191,543	1,183,824
Interest and commission expense	86,873	225,734	128,746	441,353	491,951
Commissions on portfolio management	837,392	-	-	837,392	552,226

Debit interest rates on credit facilities in Jordanian Dinar range between 4% - 11%
Debit interest rates on credit facilities in foreign currency range between 1.4% - 12%
Credit interest rates on deposits in Jordanian Dinar range between 0% - 6%
Credit interest rates on deposits in foreign currency range between 0% - 0.4%

Inter company balances and transactions are eliminated on consolidation.

Compensation of the key management personnel is as follows:

	2010	2009
	JD	JD
Benefits (Salaries, wages, and bonuses) of senior management	2,229,409	2,162,235

(39) Fair Value of Financial Instruments

Financial instruments include cash balances, deposits at central banks and financial institutions, direct credit facilities, financial investments available for sale, financial assets held for trading, other financial assets, customers' deposits, banks' deposits and other financial liabilities.

As explained in note (9) to the financial statements, included in unquoted equities are investments carried at cost amounting to JD 380,721 as of 31 December 2010 (2009: JD 1,367,046) since the fair values could not be measured reliably.

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 31 2010 and 2009.

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.
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
2010-				
Financial assets held for trading	1,329,095	-	-	1,329,095
Financial assets available for sale	65,307,843	14,645,892	-	79,953,735
2009-				
Financial assets held for trading	261,243	-	-	261,243
Financial assets available for sale	72,037,815	14,231,621	-	86,269,436

(40) 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 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 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 bank is exposed at least to the following risk categories:

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

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 in 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 - Internal Audit department provides independent confirmation of the compliance of the working units with the policies and procedures set to manage risks and their efficiency.
6 - Managing risk is considered the responsibility of each unit and every employee of the bank, in relation to those risks which are within their functions.

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 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.

The table below shows the maximum exposure to credit risk net of allowances for impairment and suspended interest and before the effect of mitigation through the use of collateral agreements:

	2010	2009
	JD	JD
Balance Sheet Items:		
Cash and balances at Central Banks	155,519,042	264,196,665
Balances at banks and financial institutions	187,368,937	150,778,430
Deposits at banks and financial institutions	124,174,750	80,524,650
Direct credit facilities		
Consumer lending	404,124,364	316,156,315
Residential mortgages	112,875,829	102,053,671
Corporate lending:		
Large corporations	198,413,804	179,750,673
Small and medium enterprises	43,700,340	37,985,547
Lending to governmental sectors	63,990,268	93,854,037
Bonds and treasury bills		
Within financial assets available for sale	39,540,600	45,270,217
Within financial assets held to maturity	328,191,825	305,491,103
Other assets	25,556,403	13,347,647
Total	1,683,456,162	1,589,408,955
Off Balance Sheet Items		
Letters of guarantee	40,229,532	41,964,128
Letters of credit	30,994,924	54,769,758
Acceptances	1,870,499	624,912
Irrevocable commitments to extend credit	75,047,592	67,561,194
Total	148,142,547	164,919,992
	1,831,598,709	1,754,328,947

Types of collaterals against loans and credit facilities are as follows:
- Real estate properties.
- Financial instruments (equities and bonds).
- Bank guarantees.
- Cash collateral.
- Government guarantees.

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

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

2010	Consumer	Residential Mortgages	Corporate	SMEs	Governmental Sectors	Financial Institutions	Total
	JD	JD	JD	JD	JD	JD	JD
Low risk	1,438,930	448,506	7,980,811	6,636,980	409,831,292	-	426,336,519
Acceptable risk	413,425,594	109,694,276	187,368,089	34,880,127	130,445,501	363,376,532	1,239,190,119
Maturing:							
Up to 30 days	57,630	39,422	1,774	94,557	-	-	193,383
From 31 to 60 days	270,945	140,486	584,636	117,826	-	-	1,113,893
Watch list	7,266,449	1,446,041	17,116,038	1,032,668	-	-	26,861,196
Non performing:							
Substandard	1,183,482	341,827	-	366,746	-	-	1,892,055
Doubtful	2,376,761	620,201	115,878	850,646	-	-	3,963,486
Loss	14,656,426	988,537	18,462,480	6,294,502	-	-	40,401,945
Total	440,347,642	113,539,388	231,043,296	50,061,669	540,276,793	363,376,532	1,738,645,320
Less: Suspended interest	4,821,309	49,376	4,967,089	1,066,523	-	-	10,904,297
Less: provision for impairment losses	28,439,784	452,524	13,596,656	1,795,897	-	-	44,284,861
Net	407,086,549	113,037,488	212,479,551	47,199,249	540,276,793	363,376,532	1,683,456,162
2009-							
Low risk	1,405,169	472,917	7,222,547	5,908,700	475,136,041	-	490,145,374
Acceptable risk	324,071,677	100,240,624	170,329,291	29,806,890	172,234,797	296,091,946	1,092,775,225
Maturing:							
Up to 30 days	392,798	162,117	740,321	269,559	-	-	1,564,795
From 31 to 60 days	59,453	49,122	51,086	9,622	-	-	169,283
Watch list	6,256,579	322,113	7,472,009	1,364,173	-	-	15,414,874
Non performing:							
Substandard	878,417	56,632	-	239,814	-	-	1,174,863
Doubtful	3,158,884	833,002	-	292,115	-	-	4,284,001
Loss	15,870,715	769,519	18,055,864	5,664,752	-	-	40,360,850
Total	351,641,441	102,694,807	203,079,711	43,276,444	647,370,838	296,091,946	1,644,155,187
Less: Suspended interest	5,337,090	50,848	5,542,056	1,166,822	-	-	12,096,816
Less: provision for impairment losses	28,664,724	453,965	11,742,314	1,788,413	-	-	42,649,416
Net	317,639,627	102,189,994	185,795,341	40,321,209	647,370,838	296,091,946	1,589,408,955

2) Distribution of collaterals measured at fair value over credit facilities:

2010-	Consumer	Residential Mortgages	Corporate	SMEs	Governmental Sectors	Total
	JD	JD	JD	JD	JD	JD
Collaterals						
Low risk	2,782,835	335,693	8,956,360	4,300,478	10,480,580	26,855,946
Acceptable risk	20,483,270	110,905,327	28,681,691	33,607,451	-	193,677,739
Watch list	350,357	1,446,041	13,075,293	812,668	-	15,684,359
Non performing:						
Substandard	-	340,998	-	365,964	-	706,962
Doubtful	-	606,275	115,878	848,079	-	1,570,232
Loss	2,731,664	962,220	5,433,845	1,051,230	-	10,178,959
Total	26,348,126	114,596,554	56,263,067	40,985,870	10,480,580	248,674,197
Comprising of:						
Cash margin	2,795,355	448,506	8,956,360	4,305,006	10,480,580	26,985,807
Letters of guarantee	-	-	-	372,453	-	372,453
Real estate	11,099,149	114,148,048	39,101,372	33,443,519	-	197,792,088
Traded equities	7,823,743	-	5,814,772	1,627,299	-	15,265,814
Vehicles and machinery	4,629,879	-	2,390,563	1,237,593	-	8,258,035
Total	26,348,126	114,596,554	56,263,067	40,985,870	10,480,580	248,674,197
2009-						
Collaterals						
Low risk	1,405,169	472,917	7,222,547	5,908,700	6,026,500	21,035,833
Acceptable risk	14,722,497	100,104,301	36,085,478	24,911,050	-	175,823,326
Watch list	27,887	322,113	7,345,025	1,075,444	-	8,770,469
Non performing:						
Substandard	-	53,961	-	206,246	-	260,207
Doubtful	149,736	821,337	-	292,115	-	1,263,188
Loss	173,114	769,519	5,256,525	866,531	-	7,065,689
Total	16,478,403	102,544,148	55,909,575	33,260,086	6,026,500	214,218,712
Comprising of:						
Cash margin	1,433,056	472,917	8,408,790	6,346,210	6,026,500	22,687,473
Letters of guarantee	-	-	-	372,453	-	372,453
Real estate	10,197,321	102,071,231	41,142,709	24,906,833	-	178,318,094
Traded equities	496,374	-	3,870,376	1,510,409	-	5,877,159
Vehicles and machinery	4,351,652	-	2,487,700	124,181	-	6,963,533
Total	16,478,403	102,544,148	55,909,575	33,260,086	6,026,500	214,218,712

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 debt totalled JD 12,949,800 as of 31 December 2010, compared to JD 2,198,632 as of 31 December, 2009.

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. Reconstructed debts totalled JD 868,022 as of 31 December, 2010, compared to JD 2,151,724 as of 31 December, 2009.

3) Bonds and treasury bills:

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

Risk Rating Class	External Rating Agency	Included In Financial Assets Available For Sale	Included In Financial Assets Held To Maturity
		JD	JD
AA	S&P	3,850,756	-
AA-	S&P	1,523,627	-
A+	S&P	12,540,225	-
A	S&P	570,479	-
A-	S&P	388,819	-
Baa	Moody's	3,469,704	-
BB	S&P	2,415,918	-
B+	S&P	2,368,060	-
Non-rated		10,714,461	18,679,494
Governmental		1,698,551	309,512,331
Total		39,540,600	328,191,825

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:

2010	Inside Jordan	Other Middle Eastern Countries	Europe	Asia *	Americas	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	70,658,973	84,860,069	-	-	-	-	155,519,042
Balances at banks and financial institutions	79,457,554	51,817,527	29,411,580	37,463	26,629,653	15,160	187,368,937
Deposits at banks and financial institutions	90,545,000	33,629,750	-	-	-	-	124,174,750
Consumer lending	372,710,818	31,413,546	-	-	-	-	404,124,364
Residential mortgages	104,905,045	7,970,784	-	-	-	-	112,875,829
Corporate lending:							
Large corporations	146,329,686	52,084,118	-	-	-	-	198,413,804
Small and medium enterprises	30,625,123	13,075,217	-	-	-	-	43,700,340
Lending to governmental sectors	20,507,958	43,482,310	-	-	-	-	63,990,268
Bonds and treasury bills within:							
Financial assets available for sale	12,321,851	13,182,860	11,619,971	-	2,415,918	-	39,540,600
Bonds and treasury bills within:							
Financial assets held to maturity	328,191,825	-	-	-	-	-	328,191,825
Other assets:	22,240,752	2,011,365	1,194,876	163	109,181	66	25,556,403
Total 2010	1,278,494,585	333,527,546	42,226,427	37,626	29,154,752	15,226	1,683,456,162
Total 2009	1,165,659,768	370,485,571	46,098,590	108,444	7,017,753	38,829	1,589,408,955

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:

2010	Financial	Industrial	Commercial	Real Estate*	Agriculture	Trading	Consumer	Public And Governmental	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	155,519,042	155,519,042
Balances at banks and financial institutions	187,368,937	-	-	-	-	-	-	-	187,368,937
Deposits at banks and financial institutions	124,174,750	-	-	-	-	-	-	-	124,174,750
Direct credit facilities	-	18,594,647	183,523,706	149,930,538	2,941,082	5,707,231	398,417,133	63,990,268	823,104,605
Bonds and treasury bills within:									
Financial assets available for sale	30,657,568	1,279,479	530,619	-	-	-	-	7,072,934	39,540,600
Financial assets held to maturity	18,679,494	-	-	-	-	-	-	309,512,331	328,191,825
Other assets	2,495,783	1,502,126	14,252,432	161,659	-	43,812	2,918,373	4,182,218	25,556,403
Total 2010	363,376,532	21,376,252	198,306,757	150,092,197	2,941,082	5,751,043	401,335,506	540,276,793	1,683,456,162
Total 2009	296,091,946	20,323,822	171,518,629	133,545,248	2,918,845	6,636,621	311,003,006	647,370,838	1,589,408,955

*Real estate sector includes loans granted to corporate 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 rate 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 stop-loss limits.

Interest Rate Risk pricing

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 re-pricing mismatches between its interest rate sensitive assets and liabilities according to the different maturities and re-pricing 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.

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
2010-				
U.S.D	100	57,234	100	(57,234)
EURO	100	(32,502)	100	32,502
GBP	100	(20,865)	100	20,865
YEN	100	8,878	100	(8,878)
Other Currency	100	33,548	100	(33,548)
2009-				
U.S.D	100	(305,985)	100	305,985
EURO	100	(40,588)	100	40,588
GBP	100	21,390	100	(21,390)
YEN	100	7,385	100	(7,385)
Other Currency	100	21,434	100	(21,434)

Sensitivity of interest rates as of 31 December 2010:

	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
2010								
Assets								
Cash and balances at Central Banks	95,828,751	-	-	-	-	-	106,604,190	202,432,941
Balances at banks and financial institutions	106,014,805	62,055,965	-	-	-	-	19,298,167	187,368,937
Deposits at banks and financial institutions	-	-	48,629,750	75,545,000	-	-	-	124,174,750
Financial assets held for trading	-	-	-	-	-	-	1,329,095	1,329,095
Direct credit facilities	596,161,501	30,169,131	82,129,443	22,067,000	29,803,418	62,774,112	-	823,104,605
Financial assets available for sale	4,436,262	17,781,182	91,161	-	10,415,918	8,770,841	49,553,553	91,048,917
Financial assets held to maturity	-	5,299,883	12,185,486	11,812,500	276,841,653	22,052,303	-	328,191,825
Property and equipment	-	-	-	-	-	-	37,535,656	37,535,656
Intangible assets	-	-	-	-	-	-	4,234,304	4,234,304
Other assets	-	-	-	-	-	-	44,024,150	44,024,150
Total Assets	802,441,319	115,306,161	143,035,840	109,424,500	317,060,989	93,597,256	262,579,115	1,843,445,180
Liabilities								
Banks and financial institution deposits	101,104,669	10,000,000	-	3,545,000	-	-	17,290,110	131,939,779
Customers' deposits	501,962,430	175,016,771	35,017,152	33,713,494	52,954,496	-	537,185,029	1,335,849,372
Margin accounts	3,988,531	2,303,471	6,570,304	7,226,349	5,226,775	6,125,144	13,101,062	44,541,636
Loans and borrowings	15,340	32,679	49,134	99,148	23,877,923	35,450,000	-	59,524,224
Sundry provisions	-	-	-	-	-	-	9,373,388	9,373,388
Income tax liabilities	-	-	-	-	-	-	21,913,042	21,913,042
Deferred tax	-	-	-	-	-	-	3,818,965	3,818,965
Other liabilities	-	-	-	-	-	-	30,558,513	30,558,513
Total Liabilities	607,070,970	187,352,921	41,636,590	44,583,991	82,059,194	41,575,144	633,240,109	1,637,518,919
Interest rate sensitivity gap	195,370,349	(72,046,760)	101,399,250	64,840,509	235,001,795	52,022,112	(370,660,994)	205,926,261
2009-								
Total Assets	745,148,248	132,434,530	152,421,130	144,998,395	189,080,058	93,501,910	289,329,701	1,746,913,972
Total Liabilities	652,468,022	230,130,211	71,597,132	48,589,592	62,972,506	15,759,610	488,346,320	1,569,863,393
Interest rate sensitivity gap	92,680,226	(97,695,681)	80,823,998	96,408,803	126,107,552	77,742,300	(199,016,619)	177,050,579

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 2010. 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	2010			2009		
	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+	(978)	-	1+	1,060	-
GBP	1+	329	-	1+	39	-
YEN	1+	59	-	1+	(4)	-
Other Currency	1+	(147)	-	1+	899	-

Concentration in currency risk:

2010	US Dollar	Euro	British Pound	Japanese Yen	Other	Total
Assets						
Cash and balances at Central Banks	43,013,366	2,046,989	54,781	261	49,108,287	94,223,684
Balances at banks and financial institutions	68,618,358	8,124,559	1,206,599	3,887	26,534,571	104,487,974
Deposits at banks and financial institutions	16,262,000	-	-	-	-	16,262,000
Direct credit facilities	92,362,955	112,701	26	3,298,070	58,354,631	154,128,383
Financial assets available for sale	30,241,083	4,672,801	-	-	91,161	35,005,045
Other assets	(4,833,189)	21,749	4,404,425	3,507,590	3,978,315	7,078,890
Total Assets	245,664,573	14,978,799	5,665,831	6,809,808	138,066,965	411,185,976
Liabilities						
Banks and financial institution deposits	41,297,421	1,541	-	-	183,753	41,482,715
Customers' deposits	220,974,707	21,266,977	4,620,308	1,155	120,489,097	367,352,244
Margin accounts	18,126,211	1,009,070	60,227	-	11,637,221	30,832,729
Loans and borrowings	36,524,224	-	-	-	-	36,524,224
Other liabilities	6,594,655	143,770	396,113	843	2,237,876	9,373,257
Total Liabilities	323,517,218	22,421,358	5,076,648	1,998	134,547,947	485,565,169
Net concentration in the balance sheet	(77,852 ,645)	(7,442,559)	589,183	6,807,710	3,519,018	(74,379,193)
Contingent liabilities	37,184,274	6,043,616	5,500	1,073,669	19,910,122	64,217,181
2009						
Total Assets	228,192,293	16,228,345	9,065,428	2,861,607	119,860,154	376,207,827
Total Liabilities	296,942,824	19,160,649	7,517,964	107,182	117,976,801	441,705,420
Net concentration in the balance sheet	(68,750,531)	(2,932,304)	1,547,464	2,754,425	1,883,353	(65,497,593)
Contingent liabilities	49,657,355	18,926,271	1,175,989	3,520,033	7,176,552	80,456,200

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	2010			2009		
	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	1,019	934,997	+ 5	5,199	925,893
Palestine Securities Exchange	+ 5	52,800	965,452	+ 5	-	933,353
New York Stock Exchange	+ 5	-	13,234	+ 5	-	16,522
Others Markets	+ 5	12,636	-	+ 5	7,866	-

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 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 banks policies.

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

Based on best practices in managing market risk and liquidity risk, the Bank by 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 maintains statutory cash reserve with the Central Banks amounting to JD 70,475,676.

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

2010	Less Than 1 Month	1 – 3 Months	3 – 6 Months	6 – 12 Months	1 – 3 Years	3 Or More Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	118,529,585	10,040,000	-	3,601,720	-	-	-	132,171,305
Customers’ deposits	707,348,157	267,837,340	110,820,759	93,765,122	160,259,281	-	-	1,340,030,659
Margin accounts	5,970,418	3,586,582	7,374,143	8,834,287	11,310,770	7,808,604	-	44,884,804
Loans and borrowings	15,340	32,679	1,649,353	1,699,367	29,206,090	70,589,813	-	103,192,642
Sundry provisions	168,574	468,726	703,793	1,210,270	4,696,076	2,125,949	-	9,373,388
Income tax liabilities	10,850,000	-	1,056,070	4,932,824	6,774,148	-	-	23,613,042
Deferred tax	-	-	-	-	-	-	3,818,965	3,818,965
Other liabilities	12,839,809	7,227,601	2,531,551	2,654,652	4,477,839	348,666	478,395	30,558,513
Total Liabilities	855,721,883	289,192,928	124,135,669	116,698,242	216,724,204	80,873,032	4,297,360	1,687,643,318
Total Assets	802,441,319	115,306,161	143,035,840	109,424,500	317,060,989	93,597,256	262,579,115	1,843,445,180
2009								
Liabilities								
Banks and financial institution deposits	113,258,665	41,914,306	12,649,000	-	-	-	-	167,821,971
Customers’ deposits	860,698,748	209,175,798	67,308,333	40,473,148	91,400,488	-	-	1,269,056,515
Margin accounts	5,198,940	5,338,971	12,144,240	7,857,238	6,965,248	2,544,820	-	40,049,457
Loans and borrowings	15,410	26,146	1,470,837	17,658,149	12,073,163	30,914,763	-	62,158,468
Sundry provisions	10,000	1,527,544	1,308,308	1,176,285	1,430,968	4,356,404	-	9,809,509
Income tax liabilities	5,095,126	2,000,000	-	4,110,012	7,237,390	-	-	18,442,528
Deferred tax	-	-	-	-	-	-	7,877,838	7,877,838
Other liabilities	10,781,738	4,126,632	2,870,057	2,042,505	1,409,390	3,718,904	-	24,949,226
Total Liabilities	995,058,627	264,109,397	97,750,775	73,317,337	120,516,647	41,534,891	7,877,838	1,600,165,512
Total Assets	412,341,140	105,884,112	160,720,523	207,077,871	379,342,507	383,336,295	98,211,524	1,746,913,972

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

- Financial assets/liabilities that are settled net:

2010	Less Than 1 Month	1 – 3 Months	3 – 6 Months	6 – 12 Months	1 – 3 Years	3 Or More Years	Total
	JD	JD	JD	JD	JD	JD	JD
Derivatives held for hedging	-	-	-	709,000	709,000	709,000	2,127,000
Interest rate swap	-	-	-	709,000	709,000	709,000	2,127,000
2009	-	-	-	-	1,418,000	709,000	2,127,000

Off balance sheet items

	Less Than 1 Year	1 – 5 Years	5 Years Or More	Total
	JD	JD	JD	JD
2010				
Acceptances and letters of credit	32,865,423	-	-	32,865,423
Irrevocable commitments to extend credit	36,987,654	3,241,878	-	40,229,532
Letters of guarantee	75,047,592	-	-	75,047,592
Total	144,900,669	3,241,878	-	148,142,547
2009				
Acceptances and letters of credit	55,394,670	-	-	55,394,670
Irrevocable commitments to extend credit	40,081,042	1,883,086	-	41,964,128
Letters of guarantee	67,561,194	-	-	67,561,194
Total	163,036,906	1,883,086	-	164,919,992

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's 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

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

According to Central Bank of Jordan's regulations, and in compliance with Basel requirements, in order to ensure the compliance of the Bank and its internal policies to all related laws, rules, regulations, rules of conduct and best local and international practices; the Board of Directors approved during 2009 Compliance and Anti-money Laundering Policy and restructured the Compliance & AML Division, through establishing a Compliance Department that monitors the Bank's compliance on an on-going basis through the following:

- Identifying, evaluating and managing compliance risks.
- Classifying all related laws and regulations into an internal database.
- Advising management on compliance with laws and regulations.
- Reporting on the extent and level of compliance by the Bank and the external branches directly to the Audit and compliance Committee.
- Reviewing and evaluating all products, policies, and internal procedures and their compliance with the laws and regulations.

In addition, the Anti-money Laundering (AML) Department was recognized to cover the following: .

- Know your customer unit.
- Monitoring and review unit: Review transactions by customers and non-customers.
- Investigation and information unit: receiving reports from departments and branches about customers and analyze for the purpose of taking actions.
- Western Union unit: monitoring financial transactions by customers of agents and the branches.

(41) 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:

2010	Retail Banking	Corporate Banking	Treasury	Other	Total	
					2010	2009
	JD	JD	JD	JD	JD	JD
Total profits	72,288,234	26,194,940	34,478,100	2,451,815	135,413,089	124,430,439
Impairment loss on credit facilities	317,613	1,861,826	-	-	2,179,439	1,314,287
Impairment loss available for sale investment	-	-	1,053,437	-	1,053,437	653,297
Segmental results	56,090,090	18,995,520	24,076,180	2,451,815	101,613,605	85,450,993
Unallocated expenses	-	-	-	-	54,492,494	51,168,104
Profit before tax	-	-	-	-	47,121,111	34,282,889
Income tax	-	-	-	-	12,372,275	8,733,851
Net profit	-	-	-	-	34,748,836	25,549,038
Other information						
Segmental assets	516,931,289	306,173,318	934,546,463	85,794,110	1,843,445,180	1,746,913,972
Segmental liabilities	597,251,947	315,966,503	661,381,302	62,919,167	1,637,518,919	1,569,863,393
Capital expenditure					10,707,021	6,191,601
Depreciation and amortisation					6,972,890	6,274,301

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	
	2010	2009	2010	2009	2010	2009
Total profits	110,540,623	101,727,862	24,872,466	22,702,577	135,413,089	124,430,439
Total assets	1,373,472,053	1,325,386,940	469,973,127	421,527,032	1,843,445,180	1,746,913,972
Capital expenditure	6,793,321	5,072,975	3,913,700	1,118,626	10,707,021	6,191,601

(42) 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 (17/2003), the minimum paid in capital of Jordanian banks should be JD 40 million before the end of 2009. 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:

	2010	2009
	JD	JD
Primary Capital		
Paid in capital	100,000,000	88,000,000
Statutory reserve	33,054,599	27,532,671
Voluntary reserve	1,321,613	1,321,613
Pro-cyclicality reserve	1,040,187	-
Retained earnings	21,722,851	21,652,058
Less:		
Investment in banks and financial companies	16,289	12,240
Intangible assets	4,234,304	4,227,295
Total Primary Capital	152,888,657	134,266,807
Additional Capital		
Cumulative changes in fair value	11,206,418	9,889,337
General banking risk reserve	8,883,860	7,767,932
Less:		
Investment in banks and financial companies	16,289	12,240
Total Additional Capital	20,073,989	17,645,029
Total Regulatory Capital	172,962,646	151,911,836
Total Risk Weighted Assets	1,158,817,455	1,052,022,513
Capital Adequacy (Regulatory Capital) (%)	14.93	14.44
Capital Adequacy (Primary Capital) (%)	13.19	12.76

In accordance with Basel II requirements, 50% of the investment in Banks and financial companies should be deducted from primary capital and 50% from additional capital.

(43) 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:

2010	Within 1 Year	More Than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	202,432,941	-	202,432,941
Balances at banks and financial institutions	187,368,937	-	187,368,937
Deposits at banks and financial institutions	124,174,750	-	124,174,750
Financial assets held for trading	1,329,095	-	1,329,095
Direct credit facilities	222,726,640	600,377,965	823,104,605
Financial assets available for sale	51,599,477	39,449,440	91,048,917
Financial assets held to maturity	29,297,869	298,893,956	328,191,825
Property and equipment	5,808,784	31,726,872	37,535,656
Intangible assets	1,209,084	3,025,220	4,234,304
Other assets	25,055,151	18,968,999	44,024,150
Total Assets	851,002,728	992,442,452	1,843,445,180
Liabilities			
Banks and financial institution deposits	131,939,779	-	131,939,779
Customers' deposits	1,235,558,808	100,290,564	1,335,849,372
Margin accounts	25,680,923	18,860,713	44,541,636
Loans and borrowings	196,301	59,327,923	59,524,224
Sundry provisions	2,551,363	6,822,025	9,373,388
Income tax liabilities	15,138,894	6,774,148	21,913,042
Deferred tax liabilities	3,818,965	-	3,818,965
Other liabilities	25,732,008	4,826,505	30,558,513
Total Liabilities	1,440,617,041	196,901,878	1,637,518,919
Net Assets	(589,614,313)	795,540,574	205,926,261
2009-			
Assets			
Cash and balances at Central Banks	310,442,860	-	310,442,860
Balances at banks and financial institutions	150,778,430	-	150,778,430
Deposits at banks and financial institutions	80,524,650	-	80,524,650
Financial assets held for trading	261,243	-	261,243
Direct credit facilities	193,129,707	536,670,536	729,800,243
Financial assets available for sale	62,884,659	36,751,348	99,636,007
Financial assets held to maturity	131,066,970	174,424,133	305,491,103
Property and equipment	5,061,437	28,766,708	33,828,145
Intangible assets	1,057,136	3,170,159	4,227,295
Other assets	17,091,211	14,832,785	31,923,996
Total Assets	952,298,303	794,615,669	1,746,913,972
Liabilities			
Banks and financial institution deposits	167,056,953	-	167,056,953
Customers' deposits	1,173,754,568	90,342,064	1,264,096,632
Margin accounts	30,375,823	9,069,316	39,445,139
Loans and borrowings	15,192,022	22,993,546	38,185,568
Sundry provisions	4,022,137	5,787,372	9,809,509
Income tax liabilities	11,205,138	7,237,390	18,442,528
Deferred tax liabilities	-	7,877,838	7,877,838
Other liabilities	20,027,820	4,921,406	24,949,226
Total Liabilities	1,421,634,461	148,228,932	1,569,863,393
Net Assets	(469,336,158)	646,386,737	177,050,579

(44) Fiduciary Accounts

Fiduciary accounts amounted to JD 3,333,893 as of 31 December 2010 (2009: JD 5,116,158). Such assets or liabilities are not included in the Bank's balance sheet.

(45) Contingent Liabilities and Commitments

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

	2010	2009
	JD	JD
Letters of Credit:		
Issued	30,994,924	54,769,758
Received	143,389,788	39,701,467
Acceptances	1,870,499	624,912
Letters of Guarantee:		
Payments	10,561,611	14,363,160
Performance	15,021,671	13,461,475
Other	14,646,250	14,139,493
Irrevocable commitments to extend credit	75,047,592	67,561,194
	291,532,335	204,621,459

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

	2010	2009
	JD	JD
Contracts to purchase property and equipment	2,770,981	3,404,438
	2,770,981	3,404,438

Annual rent of the Bank's main building and the branches amounted to JD 2,458,492 as of 31 December 2010 (2009: JD 2,131,136).

(46) Lawsuits

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to approximately JD 23,957,920 as of 31 December 2010 (2009: JD 24,573,996).

Provision for possible legal obligations amounted to JD 2,713,562 as of 31 December 2010 (2009: JD 2,830,188).

An amount of JD 16,619,240 out of the total lawsuits represents cases filed against the Bank by the customers of Wadi Al-Tuffah Branch.

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

(47) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below:

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Group.

(48) Comparative Figures

Some of 2009 balances were reclassified to correspond with those of 2010 presentation. The reclassification has no effect on the profit for the year and equity.

The Bank's Branches and Offices

Head Office
Number of Employees: 764
Arar Street, Wadi Sarqra
Tel: 06 5006000, Fax: 06 5007100
P.O. Box 950661, Amman 11195, Jordan

Jordan's Branches and Offices

Zara Mall Branch
Number of Employees: 17
Tel: 06 5006220 Fax: 06 4618354
P.O. Box 17868, Amman 11195, Jordan

Amman Branch
Number of Employees: 20
Tel: 06 5006001 Fax: 06 4639328
P.O. Box 715, Amman 11118, Jordan

Wadi Saqra Branch
Number of Employees: 17
Tel: 06 5006000 Fax: 06 5007124
P.O. Box 950661, Amman 11195, Jordan

Jabal Amman Branch
Number of Employees: 15
Tel: 06 4625228 Fax: 06 4618504
P.O. Box 2018, Amman 11181, Jordan

Al Zarqa Branch
Number of Employees: 16
Tel: 05 3982729 Fax: 05 3931424
P.O. Box 39, Zarqa 13110, Jordan

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

Al Mahata Branch
Number of Employees: 9
Tel: 06 4651325 Fax: 06 4651991
P.O. Box 6180, Amman 11118, Jordan

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

Irbid/ Al Hashimi Street Branch
Number of Employees: 17
Tel: 02 7257531 Fax: 02 7279207
P.O. Box 336, Irbid 21110, Jordan

Al Wehdat Branch
Number of Employees: 9
Tel: 06 4771171 Fax: 06 4753388
P.O. Box 715, Amman 11118, Jordan

Al Queismeh Branch
Number of Employees: 16
Tel: 06 4766061 Fax: 06 4770524
P.O. Box 38971, Amman 11593, Jordan

Yarmouk University Branch
Number of Employees: 14
Tel: 02 7246053 Fax: 02 7241983
P.O. Box 336, Irbid 21110, Jordan

Jordan University Hospital Branch
Number of Employees: 10
Tel: 06 5514072 Fax: 06 5333248
P.O. Box 13146, Amman 11942, Jordan

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

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

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

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

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

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

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

Mutah University Branch
Number of Employees: 15
Tel: 03 2370182 Fax: 03 2370181
P.O. Box 88, Muta 61710, Jordan

Science & Tech. University Branch
Number of Employees: 12
Tel: 02 7095713 Fax: 02 7095168
P.O. Box 3030, Irbid 22110, Jordan

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

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

Al-Madinah Street Branch
Number of Employees: 13
Tel: 06 5560285 Fax: 06 5537957
P.O. Box 1301, Amman 11953, Jordan

Jabal Al Hussein Branch
Number of Employees: 11
Tel: 06 4656601 Fax: 06 4617160
P.O. Box 8272, Amman 11121, Jordan

Shmeisani Branch
Number of Employees: 15
Tel: 06 5685074 Fax: 06 5687721
P.O. Box 962297, Amman 11196, Jordan

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

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

Al Sweifieh Branch
Number of Employees: 11
Tel: 06 5865805 Fax: 06 5863140
P.O. Box 715, Amman 11118, Jordan

Sweileh Branch
Number of Employees: 16
Tel: 06 5335210 Fax: 06 5335159
P.O. Box 1400, Amman 11910, Jordan

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

Mecca Street Branch
Number of Employees: 11
Tel: 06 5522850 Fax: 06 5522852
P.O. Box 1172, Amman 11821, Jordan

Al Baqa'a Branch
Number of Employees: 9
Tel: 06 4728190 Fax: 06 4726810
P.O. Box 1215, Sweileh 19381, Jordan

Jerash Branch
Number of Employees: 10
Tel: 02 6341869 Fax: 02 6341870
P.O. Box 96, Jerash, Jordan

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

Marka Branch
Number of Employees: 7
Tel: 06 4896044 Fax: 06 4896042
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 Karak Branch
Number of Employees: 11
Tel: 03 2355721 Fax: 03 2355724
P.O. Box 110, Al Karak, Jordan

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

Al Abdali Branch
Number of Employees: 11
Tel: 06 5650753 Fax: 06 5602420
P.O. Box 928507, Amman 11190, Jordan

Al Mafraq Branch
Number of Employees: 13
Tel: 02 6235516 Fax: 02 6235518
P.O. Box 1308, Al Mafraq 25110, Jordan

Aswaq Al Salam Branch
Number of Employees: 11
Tel: 06 5859045 Fax: 06 5857631
P.O. Box 140285, Amman 11814, Jordan

Zarqa Branch / Army Street
Number of Employees: 11
Tel: 05 3968031 Fax: 05 3968033
P.O. Box 151180, Zarqa 13115, Jordan

King Abdullah Hospital Branch
Number of Employees: 8
Tel: 02 7095723 Fax: 02 7095725
P.O. Box 336, Irbid 21110, Jordan

Abu Nseir Branch
Number of Employees: 9
Tel: 06 5105719 Fax: 06 5105716
P.O. Box 2459, Amman 11941, Jordan

Irbid Branch / Omar Mokhtar Street
Number of Employees: 10
Tel: 02 7250950 Fax: 02 7250954
P.O. Box 150002, Irbid 21141, Jordan

City Mall Branch
Number of Employees: 13
Tel: 06 5820028 Fax: 06 5864726
P.O. Box 2688, Amman11821, Jordan

Hashmi Al Shamali Branch
Number of Employees: 7
Tel: 06 5055390 Fax: 06 5055401
P.O. Box 231106, Amman 11123, Jordan

Madaba Branch
Number of Employees: 10
Tel: 05 3253471 Fax: 05 3253465
P.O. Box 585, Madaba 17110, Jordan

Taberbour Branch
Number of Employees: 8
Tel: 06 5054170 Fax: 06 5053916
P.O. Box 273, Amman 11947, Jordan

King Hussein Bin Tala University Branch
Number of Employees: 9
Tel: 03 2135071 Fax: 03 2134985
P.O. Box 13, Maían 71110, Jordan

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

Irbid Branch / King Abdullah Sqaure
Number of Employees: 9
Tel: 02 7240071 Fax: 02 7240069
P.O. Box 2066, Irbid 21110, Jordan

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

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

Bani Kenana Branch
Number of Employees: 8
Tel: 02 7585217 Fax: 02 7585211
P.O. Box 109, Irbid 21129, Jordan

Student Office / Jordan University
Number of Employees: 4
Tel: 06 5336772 Fax: 06 5333278
P.O. Box 13146, Amman 11942, Jordan

Student Office / Yarmouk University
Number of Employees: 4
Tel: 02 7270181 Fax: 02 7270180
P.O. Box 336, Irbid 21110, Jordan

Ports Corporations Office
Number of Employees: 4
Tel: 03 2019117 Fax: 03 2015550
P.O. Box 1166, Aqaba 77110, Jordan

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

Sweileh / Queen Rania Al Abdullah Str. Branch
Number of Employees: 8
Tel: 06 5332585 Fax: 06 5332485
P.O. Box 1400, Amman 11910, Jordan

Cozmo Branch
Number of Employees: 3
Tel: 06 5823041 Fax: 06 5853480
P.O. Box 515, Amman 11623, Jordan

Qweismeh Madaba Str. Branch
Number of Employees: 10
Tel: 06 4771333 Fax: 06 4751737
P.O. Box 38971, Amman 11593, Jordan

Aqaba Branch
Number of Employees: 13
Tel: 03 2013355 Fax: 03 2015550
P.O. Box 1166, Aqaba 77110, Jordan

Aqaba / Tunisian Baths Str.
Number of Employees: 6
Tel: 03 2018451 Fax: 03 2014856
P.O. Box 1166, Aqaba 77110, Jordan

Consulting Centers

Consulting Center - Amman
Tel: 06 4653317 Fax: 06 4642890
P.O. Box 940533, Amman 11194, Jordan

Consulting Center - Irbid
Tel: 02 7257527 Fax: 02 7257530
P.O. Box 2066, Irbid 21110, Jordan

Consulting Center - Zarqa
Tel: 05 3975201 Fax: 05 3931424
P.O. Box 39, Zarqa 13110, Jordan

Consulting Center - Jerash
Tel: 02 6354010 Fax: 02 6354011
P.O. Box 96, Jerash, Jordan

Palestine Branches and Offices

Regional Management
Number of Employees: 287
Tel: 9702 2983500 Fax: 9702 2952764
P.O. Box 1870, Ramallah, Palestine

Nablus Branch
Number of Employees: 32
Tel: 09 2393001 Fax: 09 2381590
P.O. Box 50, Nablus, Palestine

Ramallah / Community College Branch
Number of Employees:20
Tel: 02 2983500 Fax: 02 2955437
P.O. Box 1870, Ramallah, Palestine

Hebron / Al-Shalala Branch
Number of Employees: 9
Tel: 02 2229803 Fax: 02 2229327
P.O. Box 662, Al Khalil, Palestine

Jeneen Branch
Number of Employees: 28
Tel: 04 2418000 Fax: 04 2503110
P.O. Box 66, Jeneen, Palestine

Jerusalem Street Branch
Number of Employees: 18
Tel: 02 2986006 Fax: 02 2951433
P.O. Box 1870, Ramallah, Palestine

Toulkarem Branch
Number of Employees: 26
Tel: 09 2688140 Fax: 09 2672773
P.O. Box 110, Toulkarem, Palestine

Betlehem Branch
Number of Employees:19
Tel: 02 2756900 Fax: 02 2744974
P.O. Box 709, Betlehem, Palestine

Qalqiliah Branch
Number of Employees: 19
Tel: 09 2941115 Fax: 09 2941119
P.O. Box 43, Qalqiliah, Palestine

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

Wadi Tuffah Branch
Number of Employees: 20
Tel: 02 2225353 Fax: 02 2225358
P.O. Box 662, Al Khalil, Palestine

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

Khan Younis Branch
Number of Employees: 12
Tel: 08 2054074 Fax: 08 2054084
P.O. Box 167, Ghazza, Palestine

Al-Saraya Branch
Number of Employees: 10
Tel: 08 2824950 Fax: 08 2824830
P.O. Box 167, Ghazza, Palestine

Deir Al-Balah Branch
Number of Employees: 9
Tel: 08 2531220 Fax: 08 2539947
P.O. Box 167, Ghazza, Palestine

Rafah Branch
Number of Employees: 12
Tel: 08 2136251 Fax: 08 2136250
P.O. Box 1095, Ghazza, Palestine

Al-Rimal Branch
Number of Employees: 20
Tel: 08 2821077 Fax: 08 2821088
P.O. Box 5350, Ghazza, Palestine

Al Masyon Branch
Number of Employees: 14
Tel: 02 2977090 Fax: 02 2979755
P.O. Box 1870, Ramallah, Palestine

Al Najah University Branch
Number of Employees: 6
Tel: 09 2343550 Fax: 02 2977167
P.O. Box 50, Nablus, Palestine

Subsidiary Companies

Al-Watanieh for Financial Services Company-Awraq Investment
Number of Employees: 29
Tel: 06 5503800 Fax: 06 5503802
P.O. Box 925102, Amman 11110, Jordan

Al-Watanieh Securities Company
Number of Employees: 22
Tel: 009702 2980420 Fax: 009702 2987277
P.O. Box 1983, Ramalah, Palestine