البنك
الأردني الكويتي
JORDAN KUWAIT BANK

aramex
Leading by Example

Annual Report 2010

The Banker
Bank of the Year 2010
JORDAN

Inspired by the Bank's institutional motto "More than just a bank", Jordan Kuwait Bank makes the effort to introduce, every year, a new theme for its annual report; highlighting examples of great Jordanian minds whose outstanding and creative achievements have impacted the Jordanian society, whether on an economic, social, artistic or cultural aspect and have been recognized on both local and global levels.

JKB Management envisioned that the theme of its 2010 annual report "Leading by Example" is depicted by the success story and the journey of a talented and innovative Jordanian, an entrepreneur, an angel investor and mentor, a man of determination and exceptional creativity, and his successful Arab born and world renowned company. It is the success story of Mr. Fadi Ghandour and his company, Aramex.

At an early stage of his professional career, Mr. Ghandour set a goal for himself and a vision for his future. With his keen eye, he saw a business opportunity and niche in both Jordan and the Arab region for an international courier delivery business. Despite this opportunity being available to all, Mr. Ghandour grasped the idea, studied and executed it after assessing its value, importance and market need for it, acknowledging that the biggest risk was a missed opportunity.

Mr. Ghandour would have not been satisfied with founding a courier delivery business similar to tens even hundreds around the world. From the beginning, he was determined to create a business model that symbolizes his will power and determination, and by which his aspirations would be fulfilled, through transforming his success into a leading example to the young Jordanian and Arab entrepreneurs, whose eagerness in realizing their business dreams should not be hindered by fear of adverse circumstances and prevailing challenges, for the secret of getting ahead is getting started.

JKB management and staff are pleased to introduce this leading example within its 2010 annual report, confirming its pride and admiration in Mr. Fadi Ghandour's success. JKB would like to wish Mr. Ghandour and the team at Aramex continued success and further prosperity.


aramex
delivery unlimited
Welcome! How can we help
aramex
delivery unlimited

When the symbol ARMXF appeared on the NASDAQ on January 1997, joining some of the world's most successful companies, it was the first time that an Arab-based company was listed on inarguably the world's most famous exchange. A small step for the Arab World, but a giant leap for a company which started its life in Jordan by founder and CEO, Fadi Ghandour. 15 years of hard work, the listing came as confirmation of Aramex's ability to compete on a global playing field. Today, the company that Ghandour founded is a global logistics and transportation solutions provider, employing more than 10,000 employees in over 53 countries and over 294 locations around the world. In a region dominated by family enterprises, Aramex's agile business model, which invests in people and technology over fixed assets, was able to break traditional business boundaries and transcend borders; a journey of trial and error, certainly, but one which owes its success to the ingenuity of Aramex's people.

Aramex's story began in 1982, when Ghandour saw an unfilled niche in the region for an international courier delivery business. He partnered with a friend, William (Bill) Kingson, and set up two offices, one in Amman and one in New York City. One office at a time and by tapping into local talents and capabilities, Aramex grew its network and became known as the "Courier of Courier Companies", operating as a wholesale delivery service provider for larger American and European courier companies in need of coverage in the Middle East.

Aramex's story embodies a long journey of perseverance, dedication and an unending routine of trial-and-error. It is one that represents turning odds into opportunities and adapting to market demands and changes.

The company quickly evolved into a leader in the region, offering customized services, from the smallest of packages to the most comprehensive of logistics solutions. Aramex was able to deliver on its promise thanks to a corporate culture that embraces innovation, encourages entrepreneurship, adopts a decentralized and flat structure, and empowers the frontlines to make decisions and customize solutions that meet customers' needs.

Aramex began to expand rapidly to Asia, Africa, Europe, and North America. The company co-founded a strategic alliance of over 40 independent express couriers, which served as a worldwide delivery network, giving Aramex immediate business, vast geographic reach, and deeper knowledge of the industry. In 2003, Aramex's alliance partner in the US, Airborne Express, and the provider of the tracking system that the global network relied on, was acquired by a major competitor, which meant that its crucial technology platform would no longer be available. Aramex's dedication to fostering an entrepreneurial team and investment in technology was translated into a solution for the alliance: its IT team in Jordan had already started developing an alternative state-of-the-art tracking system, and consequently made it available to the Global Distribution Alliance (GDA). It remains in use by all members to this day.

After five years of successful trading on NASDAQ, Aramex decided to delist and moved into private ownership through a leveraged management buyout with Dubai-based Abraaj Capital, thus introducing private equity as a viable financing model in the Middle East. In 2005, Aramex went public on the Dubai Financial Market in a record-breaking IPO that made available a total of 550 million shares at a price of 1 United Arab Emirates dirham per share and was 80 times oversubscribed. In the ensuing two years, the company launched a strategy to expand its product offering and global presence, with a focus on emerging markets.

Aramex is continually committed to delivering value to all stakeholders: employees, shareholders, customers, business partners, communities, and the environment. This management approach is embedded in the company's business model and is a reflection of its values and corporate culture. In 2006, Aramex was the first company in the region to release an independently audited sustainability report, and, in 2011, it released an integrated report highlighting the role of sustainability in the company's operations, performance, and overall strategic direction.

In addition to his current role as CEO of Aramex, Ghandour is also an avid angel investor who dedicates a significant amount of his time to mentoring youth. Ghandour is also passionate about social entrepreneurship, youth empowerment, and sustainable community development. He helped found Ruwwad for Development, a regional private sector-led community empowerment initiative that helps disadvantaged communities overcome marginalization through youth activism, civic engagement, and education. Ghandour also serves as a board member of various leadership, entrepreneurship, and business organizations in the region.

البنك الأردني الكويتي
JORDAN KUWAIT BANK

Public Ltd. Company
Established 25/10/1976
Commercial Register Number 108
Paid-up Capital JD 100 Million (USD 141 Million)

Member of “KIPCO” Group-Kuwait

Our Vision...

“ To be one of the pioneer Arab banks through offering distinguished comprehensive banking solutions, in line with the latest developments in banking industry and e-business in the world “

Our Mission...

“ We are a Jordanian banking institution which offer global services assured with high quality and professionalism by taking full advantage of the Bank’s advanced technological capabilities and its staff efficiency to render qualified services to customers. JKB seeks to diversify its customer base to include various Jordanian & Arab economic sectors, in order to achieve a rewarding yield to shareholders, in addition to enhance the national economy development, and society welfare.”

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THE CROWN PRINCE

Aramex views sports as a healthy reflection of values embedded in its culture: positive competition, teamwork, perseverance, agility and drive.

Board of Directors

Chairman

• **H.E. Mr. Abdel Karim A. Kabariti**

Vice Chairman

• **Mr. Faisal Hamad Al-Ayyar**

Rep.: United Gulf Bank – Bahrain

Members

• **Mr. Emad Jamal Kudah**

Rep.: Social Security Corporation – Jordan

• **Dr. Yousef Musa Goussous**

Rep.: Burgan Bank - Kuwait

• **Mr. Masaud Mahmoud Jawhar Hayat**

Rep.: Al- Futtooh Holding Co. - Kuwait

• **Mr. Tariq Moh'd Abdul Salam**

Rep.: Kuwait Projects Co. (Holding) – Kuwait

• **Mr. Farouk Aref Al-Aref**

• **Mr. Moh'd Ahmad Abu Ghazaleh**

• **Mr. Mansour Ahmad Louzi**

Rep.: Strategy Co. for Investments – Jordan

Board Secretary/General Manager

• **Mr. "Moh'd Yaser" M. Al-Asmar**

Auditors

• **Deloitte & Touche** (M.E) - Jordan

People are Aramex's most valuable asset.

To the Shareholders:

On behalf of myself and my fellow board members, I would like to take this opportunity to present Jordan Kuwait Bank's 34th Annual Report. The report outlines the Bank's results, achievements and its consolidated financial statements for the year ending December 31, 2010.

Contrary to prevailing expectations, the world continues to suffer from the consequences of the worst financial crisis in modern memory; a crisis that developed during the last quarter of 2008 in the United States, and spread to most countries around the world, rich and poor, developed and developing. Its ramifications varied in each country, depending on the nature of its economy, its complexity, and its ability to sustain opposing conditions and uncalculated surprises.

At the outset of the crisis, most countries opted to wait and observe, in the hope that the market will self-adjust, as is customary in the operation of a free economy. However, the depth of the crisis, the series of accelerated repercussions, the magnitude of the consecutive losses and the collapse of a number of financial institutions and banks in the United Sates and other countries stressed the need for unprecedented government interference. Governments' measures included the imposition of stringent austerity measures and the adoption of financial bailout plans to support local banking and financial systems, and the establishment of cross-border financial support funds to save countries whose sovereign debts expanded and their credit rating receded, bringing their economies dangerously close to a total collapse.

With the crisis entering its third year and the scope of its effects and repercussions expanding, the picture has become substantially clearer. Our concern in studying the reasons of and factors behind what actually happened has given way to devising proper ways of treatment, and to continuing our work in facing up to its ramifications, disposing of its effects and adopting work principles and systems that protect from a recurring crisis, and dealing with it as it develops.

Treatment measures have focused around the principles on which any proper international financial monitoring system must be built. Among these is devising a common group of accounting principles across borders. In this world of globalization and international markets, there can be no room for international institutions that are subject to different accounting principles and disclosure requirements simply because they are located in different countries.

Furthermore, transparency of financial statements has become a crucial issue, now more than ever. Everything has to be disclosed; especially Off-Balance Sheet items that unexpectedly return to the balance sheet and cause damage to it, ignoring disclosure principles. Regulatory bodies should be capable of monitoring all financial institutions operating in the market, regardless of their internal systems or their legal status or position, in addition to the need for full disclosure of all financial securities before the regulatory bodies. No regulatory body is capable of performing its function of evaluating risks and soundness of operating methods if a major part of the financial market instruments and derivatives are obscure to it.

Regarding the banking sector, treatment methods are concentrated on working at reevaluating work models applied in banks, for the purpose of strengthening its capital bases, improving liquidity management, evaluating risks and achieving stability in its financing situation, in addition to diversifying and developing its products. We believe that if the banks respond to these methods and challenges collectively, it will easily enable them to fulfill the Basel II Reform Package requirements, better known as Basel III, especially regarding standards related to Capital Adequacy, Liquidity and Financial Leverage, in addition to the set of requirements related to risk management and governance standards.

The Jordanian Economy

Jordan witnessed another tough year in 2010, during which some of the ramifications of the international financial and economic crisis persisted. Nevertheless, the Jordanian economy succeeded in catching its breath and self-control, and halting further deterioration. Signs of improvement and positive growth appeared in a number of sectors. However, the overall economy has not fully recovered, and remains in recession, while basic problems continue to persist. Added to these current economic difficulties are the consistent rises in oil prices during the year, which increased by about 25%, to exceed $90 a barrel, accompanied with a substantial increase in prices of basic food products at various rates. This formed a source of pressure on the balance of trade, and increased inflation rates to 5%.

Despite these unfavorable conditions, a growth in Gross Domestic Product (GDP) was achieved, though at a modest level of 3%, against 2.8% last year. Growth level is expected to improve in 2011 to surpass the 2010 level.

The government managed to reduce the deficit in its general budget in 2010 to about JD1 billion, compared to JD1.5 billion last year. This was achieved as a result of an increase in foreign grants on the one hand, and the postponement of some projects listed under capital expenditure on the other. The financial deficit, however, remained large and a source of concern and the per capita income remained low by international standards.

The national economy, like other economies around the world, was influenced by the ramifications of the financial and economic crisis. Jordan's political and economic stability, however, and a solid and developed banking system contributed clearly to enhancing its ability to face the crisis and start recovering with minimum losses.

By international standards, Jordan achieved headway in some economic and social indicators, and receded in others. International rating agencies continued to describe the future outlook of the Jordanian economy as stable. Furthermore, the International Monetary Fund testified to the soundness and strength of the banking system. The public debt, by virtue of the growth in the Gross Domestic Product at current prices, remained under the legal ceiling of 60% of GDP, despite its increase in absolute numbers.

In the financial market, Amman Stock Exchange Indices decreased by 6.5% against 8.2% in 2009. This decrease coincides with the overall performance of listed companies, and the results of their operating activities. Companies' profits no longer expand with the profits from their investment portfolios: a situation that prevailed prior to 2007. There are indications that signal a market revival, as a result of improvement in the performance of companies, which will reflect positively on both the market and economic performance.

The Jordanian banking sector achieved good results in 2010. Financial soundness indicators of Jordanian banks, such as capital adequacy, leverage ratios, non-performing debts to total debts, liquidity, profitability and others showed comforting and assuring levels. Stress tests were also applied, with the aim at testing the ability of banks to face extensive shocks and high risks. The results showed that the Jordanian banking system is safe and sound, and is capable of facing up to any sudden shocks.

In general, the situation of Jordanian banks is fairly good compared to other banks in the region. Jordanian banks are not obsessed with the level of profitability; they are rather concerned with the levels of security and liquidity, as well as hedging against possible future surprises.

It is necessary in this context to commend the Central Bank of Jordan (CBJ) for its efforts to apply the concept of total control on banks, and develop the early-warning system to discover areas of weakness and deficiency, and to treat them as early as possible. CBJ has adopted control measures that aim at guaranteeing the safety and soundness of the banking system, issuing instructions to help the banks develop and use better methods to manage risks, enhancing confidence in the banking sector and improving the national economy's ability to recover and resume growth. We would also like to express our contentment and confidence in the new and serious leadership of the Central Bank of Jordan, represented by H.E Sharif Fares Abdul Hamid Sharaf, for his vision and aspirations that aim at enhancing CBJ's role in stimulating the economic development in addition to its supervisory function over banks.

JKB Results

The Bank achieved fairly good results in 2010, reflecting its success in integrating determination, ability and far-sightedness when dealing with the ramifications of the financial and economic crisis, which prevailed over the past three years, despite its intensity and far-reaching impact. Efforts were united and directed at specific objectives, foremost at maintaining the quality of the Bank's assets and investments through diligent control of all accounts, rectifying any weaknesses and hedging through enhancing guarantees, disposing of non-productive assets and enhancing relations with clients from all sectors.

The Bank took a number of strategic steps to increase efficiency and productivity levels and decrease cost of funds, while maintaining awareness of developments in the economic situation. It further arranged lending transactions and financing agreements with a number of local companies and establishments, in addition to taking a number of initiatives that comprise new products and services aimed at individual clients, in order to surpass the phenomenon of weak demand for credit, and maintain the makeup and performance of the credit facilities portfolio. The Bank's balance sheet at the end of the year reached USD2.94 billion; a decrease of 2.6% over last year, while the net direct credit facilities portfolio increased by 7.5% over 2009, reaching about USD1.65 billion, representing 56.2% of total assets. Client deposits and cash margins also increased, reaching USD2.01 billion at year-end, with an increase of 5% over 2009. The Bank's profits before taxes reached USD104.2 million, against USD85.252 million in 2009, achieving a growth rate of 22.2%. We should point out that the 2009 profits included the sum of USD14.67 million gained from the sale of the Bank's shares in Arab Orient Insurance Company. When excluding this exceptional and non-recurring revenue, the Bank profits resulting from basic banking operations in 2010 would have achieved a growth rate of 48%, compared to profits in 2009.

Total shareholders' equity increased by 13%, reaching USD466.47 million, of which USD457.77 million pertain to the Bank's shareholders.

Performance indicators and efficiency ratios showed good averages, reflecting clearly the Bank's solid capital base. The capital adequacy ratios and the financial leverage ratio reached 20.32% and 15.87% respectively (compared to 12% and 6% according to the Central Bank's requirements). On the profitability side, the return on average shareholders' equity reached 23.7%, and the return on average assets reached 3.5%.

The ratio of non-performing loans to total loans recorded 3.2%, keeping in mind that, over a number of years, JKB used to record the best and lowest rate at the local banking sector, while maintaining a comfortable coverage ratio for non- performing loans.

The Outlook for 2011

The first decade of this millennium witnessed, since its start, a number of major events that shed their dark shadows on the lives of various peoples and countries of the world. It started with international and regional wars and conflicts, and ended with an unprecedented international financial and economic crisis. It is hoped, however, that 2011 will have a different beginning for the second decade, rather than simply be an extension of years past. At the local level, entering the new decade requires a new vision based on proper planning for the medium and long terms, in order to fulfill the objectives of the executive developmental program for the period 2011 – 2013, recently set by the government to face the ramifications of the crisis and the vast challenges it imposed on the economic activity. Among the most important objectives of this program is maintaining stable growth levels, guaranteeing financial and monetary stability, maintaining growth of national exports while simplifying procedures and dealing seriously with issues often faced by investors, which will help in assuring the flow of foreign investment into the Kingdom, especially in the shadow of the current international financial crisis. In addition, objectives include striving to reduce the deficit in the current account to be within acceptable levels, treat phenomena like poverty, unemployment and structural imbalances in the job market, achieve water security, guarantee energy supplies, increase productivity on the overall and sector levels and control inflation levels which are expected to grow in 2011.

Some of the economic indicators we monitored recently carry a number of signs that 2011 will be a better year, but not an easier one. There is great work to be done, and the need remains for additional efforts to deal with current issues. If the executive development program and its implementation mechanisms were adhered to, and a scientific method for managing them was adopted, as well as a transparent methodology to monitor their progress, and the participation of the private sector was enhanced in executing such projects, the program will have been placed on the right path, promoting confidence in the government's ability and conviction to achieve most, if not all objectives during the specified period.

As for us at Jordan Kuwait Bank, we have pledged to continue our efforts and work within the methods and policies we adopted over the past period. We shall deal with developments openly and positively, and will continue to support all local and foreign production and investment sectors that contribute to stimulating the national economy, and stand by our clients who enjoy credibility and have the capabilities to resume their normal activity as soon as the effects of the crisis recede and the current economic circumstances improve.

We shall also strive to seize the financing and investment opportunities available in the market or those that may be created through the Bank's initiatives and that comply with risk management principals, growth requirements and the general economic situation. This will be achieved through developing credit products and services in the business, retail and consumer sectors, paying special attention to small and medium sized enterprises (SMEs), especially after being defined by the Central Bank with incentives offered for banks by means of exempting loans provided to SMEs from the required reserves. This will lead to reducing the cost of borrowing for the SME's and contribute to increasing their activities, and subsequently create new employment opportunities and stimulate the economy.

In conclusion, I would like to extend my gratitude and appreciation to KIPCO and Burgan Bank, our strategic partners in Kuwait, for their cooperation, support and attention to the Bank's interests, and to all JKB's shareholders and clients for their confidence and commitment. I would also like to extend my gratitude to the Central Bank of Jordan for diligently safeguarding the interests of banks in Jordan, and its continued efforts to maintain the integrity of the banking system and guarantee the factors for its development and growth, enabling it to stand up to pressures resulting from the global financial crisis on the national economy.

I would also like to express my pride in and appreciation for all the Bank's employees at all levels of responsibility, for their efforts and dedication, and their role in the success and development of this institution and the achievement of its objectives.

Abdel Karim A. Kabariti
Chairman

Partnering with and empowering communities is intertwined with Aramex's sustainable growth.

The Board of Directors' Statement on Corporate Governance

JKB adopts a Corporate Governance Manual that was prepared in late 2007 according to best international practices and the Central Bank of Jordan (CBJ) instructions. The aim of the Bank's adoption of this manual is to achieve corporate governance principles of fair treatment with all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and the various stakeholders; in addition to accountability through the clear segregation of duties and delegation of authority. To achieve greater level of disclosure and transparency, the Corporate Governance Manual is enclosed with this report after being revised and amended in 2010 to be in line with the Bank's revised organizational structure.

The Bank's organization and administrative procedures are based on the following principles:

- A board of directors is in place that is effective and responsible.
- A clear strategic direction for business development.
- Sound accounting and information disclosure principles.
- Sound decision making mechanisms.
- Performance evaluation linked to the strategy.
- Human resources development.

Board of Directors and Board Committees

Board of Directors

The formation of the Board of Directors is governed by the Jordanian Companies Law and the CBJ Banks Law. The Board is comprised of nine members elected for tenure of four years.

The current Board of Directors was elected by the General Assembly on March 15, 2009. The Board of Directors elected H.E. Mr. Abdel Karim Kabariti as Chairman and Mr. Faisal Hamad Al-Ayyar as Vice-chairman.

The main role of the Board of Directors lies in its responsibility of ensuring the soundness of the Bank's financial standing, and fulfilling its obligations towards all stakeholders. The Board sets the Bank's strategic objectives and has oversight responsibility over the executive management. It is also accountable for ensuring the effectiveness of internal monitoring and control systems and the extent to which the Bank is abiding by the strategic plans and that written policies covering all of the Bank's activities are endorsed and in place.

The Board of Directors is also responsible for the credibility of the Bank's financial reports and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

Board Meetings

The Board of Directors is comprised of nine members, their names listed below. The Board held eight meetings during 2010 on the following dates: Jan. 11, Mar. 3, April 14, Jun. 5, Jul. 8, Sept. 29, Oct. 11 and Dec. 1, 2010. All Board members have attended all meetings as well as the General Assembly meeting held on March 3, 2010.

The following list shows the name of each Board member and his representation capacity as well as Board sub-committees memberships:

Name	Representation	Membership in the Board and its committees
H.E. Mr. Abdel Karim A. Kabariti	Self / Independent	Chairman. Chairman, Board Credit & Investment Committee. Chairman, Corporate Governance Committee. Chairman, Nominations & Remuneration Committee
Mr. Faisal H. Al-Ayyar	Rep. United Gulf Bank	Vice Chairman Member, Nominations & Remuneration Committee
Mr. Emad J. Kudah	Rep. Social Security Corp	Board Member. Observer, Audit & Risk Committee
Dr. Yousef M. Goussous	Rep. Burgan Bank	Board Member. Member, Audit & Risk Committee
Mr. Masaud M. Jawhar Hayat	Rep. Al- Futtooh Holding Co.	Board Member. Member, Corporate Governance Committee. Member, Nominations & Remuneration Committee
Mr. Tariq M. Abdul Salam	Rep. Kuwait Projects Co. (Holding)	Board Member. Chairman, Audit & Risk Committee.
Mr. Farouk A. Al-Aref	Self / Independent	Board Member. Member, Board Credit & Investment Committee. Member, Audit & Risk Committee
Mr. Moh'd A. Abu Ghazaleh	Self / Independent	Board Member. Member, Corporate Governance Committee.
Mr. Mansour A. Louzi	Rep. Strategy Co. for Investments.	Board Member. Member, Board Credit & Investment Committee. Member, Corporate Governance Committee. Member, Audit & Risk Committee

Board Committees

Corporate Governance Committee

Number of meetings in 2010: **2**

Committee members:

H.E. Mr. Abdel Karim A. Kabariti - Chairman

Mr. Mansour A. Louzi.

Mr. Mohammad A. Abu Ghazaleh.

Mr. Masaud M. Jawhar Hayat.

Committee Secretary: Mr. Shaher E. Suleiman/ Head of Risk Management & Compliance Group.

Board Credit & Investment Committee

Number of meetings in 2010: **49**

Committee members:

H.E. Mr. Abdel Karim A. Kabariti - Chairman

Mr. Mansour A. Louzi

Mr. Farouk A. Al-Aref

Committee Secretary: Mr. "Moh'd Yaser" M. Al-Asmar/ General Manager.

Mr. Tawfiq A. Mukahal, Deputy General Manager/ Banking Group attends the committee meetings and participates in presenting issues on the agenda.

Audit and Risk Committee

Number of meetings in 2010: **5**

Committee members:

Mr. Tariq M. Abdul Salam - Chairman

Mr. Farouk A. Al-Aref

Dr. Yousef M. Goussous

Mr. Mansour A. Louzi

Mr. Emad J. Kudah, Observer

Committee Secretary: Mr. "Moh'd Yaser" M. Al-Asmar/ General Manager.

Mr. Shaher E. Suleiman/ Head of Risk Management & Compliance Group and Mr. Sa'ed M. Tu'meh/ Executive Manager of Internal Audit Department attend the committee meetings.

Board Members' Remuneration

Every Board member receives the sum of JD5,000 (USD7,000) per year as Board membership allowance, in addition to allowances in lieu of travel, transportation and Board committees' membership.

Total remuneration paid to the Board members in 2010 amounted to USD 281,784 as detailed below:

Board Member	Total rem. in USD
H.E. Mr. Abdel Karim A. Kabariti	115,937
Mr. Faisal H. Al-Ayyar	25,052
Rep. Social Security Corporation	15,092
Dr. Yousef M. Goussous	15,092
Mr. Masaud M. Jawhar Hayat	25,898
Mr. Tariq M. Abdul Salam	27,168
Mr. Farouk A. Al-Aref	21,015
Mr. Moh'd A. Abu Ghazaleh	13,822
Mr. Mansour A. Louzi	22,708
Total	**281,784**

Executives' Remuneration

The salaries, transportation allowance and other expenses paid to the Bank's executives during the year 2010 were declared in the disclosure statement as required by article (4) of the disclosure regulations issued by the Jordan Securities Commission, and the notes to the consolidated financial statements included in this report comprising an integral part of it.

Control Environment

Internal Controls

JKB Board of Directors and executive management are responsible for developing and maintaining the existence of internal control systems and procedures that are capable of ensuring the achievement of the following:

- Accuracy and integrity of financial and operational statements issued by the Bank
- Effectiveness and efficiency of the Bank's operational activities.
- Effectiveness of measures and procedures set to safeguard the Bank's assets and properties.
- Compatibility with policies pertinent to internal operational procedures as well as laws, legislations and regulations in force.

This stems from the Bank's belief in the importance of an effective internal monitoring and control system given that it is one of the key elements of sound management and the base for safeguarding the safety and quality of the Bank's transactions. The Bank has adopted a number of internal monitoring and control systems which their development, implementation, follow-up and updating is the responsibility of the executive management. JKB management continuously monitors and assesses the efficiency and effectiveness of these systems and their ability to achieve desired objectives. It also oversees their continuous development and enhancement.

In this context, the Board of Directors adopted an internal monitoring and control policy that covered all aspects pertinent to internal control systems in terms of definition, components and implementation responsibilities of the Board of Directors and the executive management.

Internal Audit

The Internal Audit philosophy is based on its mission to provide independent and objective assurances and consultations to the Bank's management that aim to add value or enhance operations, and to assist the Bank's management achieve set goals through establishing a systematic approach to assess and improve the effectiveness of risks management process, internal controls and corporate governance.

The Internal Audit Department administratively reports directly to the Chairman of the Board, and functionally to the Audit and Risks Committee. It submits its reports that include the results of its work directly to the Chairman of the Board and the Board Audit and Risk Committee.

A charter was developed for the department according to international best practices. The following are the most important features of the charter:

Provide reasonable assurance regarding the level of effectiveness and efficiency of internal audit systems at the Bank and their ability to achieve the following:

- Integrity and reliability of financial and operational data.
- Efficiency of operations.
- Compatibility with the regulations, instructions and laws in force.
- Maintaining the Bank›s assets and property.
- Business continuity under all circumstances.
- Provide reasonable assurance regarding the level of effectiveness and efficiency of the Bank›s risk management systems and corporate governance processes.
- Improve and develop internal audit systems, risk management and corporate governance processes.
- Improve and develop processes and products to best serve the Bank›s goals.

The department›s scope of work covers all of the Bank's work centers, activities and operations including branches abroad and the Bank subsidiaries in a manner that enables it to assess the suitability and effectiveness of internal control systems, risk management and corporate governance processes, and accomplishes all the tasks and responsibilities entrusted to it. In addition, the Department carries out the following:

- Conduct periodic reviews and audits based on the priorities of the Risk-based Audit Plan adopted as part of the department›s strategy which is approved by the Board of Directors and the Board Audit and Risk Committee.
- Conduct any special reviews or consultations based on the directions of the Chairman or the Board Audit and Risk Committee.
- Assist the Executive Management and the Board of Directors by providing the needed consultations according to best international standards and practices.

The concept of quality control was introduced in order to provide relevant stakeholders with reasonable assurance with regard to internal audit activities and their compatibility with internationally recognized standards both locally and internationally.

Risks Management

The various risks that the Bank is exposed to are managed by an independent Risk Management Department which reports to the Head of Risk Management & Compliance Group; and submits its periodic reports to the Board Audit and Risk Committee.

The responsibilities of the Risk Management Department include the following:

- Identify, measure, monitor and control risks and provide recommendations to mitigate the risks that face the Bank and guarantee the highest degree of coordination with all relevant Bank operations and departments.
- Provide recommendations to define the size and type of each of the acceptable main risks by the Board of Directors and ensure that current risks are in line with planned risks (Risk Appetite).
- Develop the methodologies for measuring and controlling each type of risk.
- Provide recommendations when setting the limits of the various risks that the Bank is subjected to, review them and provide recommendation to the Board Audit and Risk Committee, as well as record cases that are exceptions to risk management policies.
- Provide the Board and Senior Executive Management with enough information regarding the Bank's risk measurements and risk profile (qualitative and quantitative statistics to be presented at each Board meeting).
- Highlight risks transparently and ensure they are clear and understood internally and disclosed to the public.
- Coordinate with Bank›s committees, such as the Executive Committee, the Management Credit Committees and the Assets and Liabilities/Treasury Management Committee while conducting its tasks within the specified authorities of these committees.
- The department is responsible for raising risk awareness among the Bank's employees focusing on new methods and practices aiming at realizing the concept of comprehensive risk management.
- The department follows up on the instructions and recommendations released by the various regulators, including BASEL committee, and translates them into work plans, policies and procedures.

Compliance Control

The process of monitoring compliance is considered an independent task which aims at insuring that the Bank and its internal policies are in compliance with all the laws, regulations, instructions, directives, codes of conduct, and sound banking standards and practices issued by local and international regulators.

- The Board of Directors adopts the Bank's Compliance Policy and takes necessary measures to further the values of integrity and sound professional conduct within the Bank such that compliance with the applied laws, regulations, instructions and standards constitute a primary goal that must be achieved. It also assesses the effectiveness of compliance management at least once a year or on need basis. Furthermore, the implementation of the Compliance Policy at the Bank is monitored and followed-up by the Board of Directors through the Board Audit and Risk Committee.
- The processes of compliance monitoring are managed through an independent department, which reports directly to the Head of Risk & Compliance Group, and submits reports periodically to the Board of Directors through the Board Audit and Risk Committee.
- Non-compliance risks include the risks of not abiding by the laws, regulations, instructions and legislations issued by the various regulators, in addition to the risks of money laundering operations, reputation risks, risks of non-compliance with professional conduct charters, intellectual property rights, including systems, and any other relevant issues.
- The Compliance Department's scope of work includes non-compliance risk across all of the Bank›s departments and branches in Jordan and outside as well as its subsidiaries.
- The responsibility of Compliance Management is summarized by assisting Executive Management and the Bank›s employees manage non-compliance risks that face the Bank; especially the risks of money laundering operations. In addition, Compliance Management provides advice to Executive Management regarding the applied laws, regulations and standards as well as any amendments that may take place.
- The Bank informs the Central Bank of Jordan of any violations resulting from non-compliance, especially violations that subject the Bank to legal penalties or material financial or reputation losses. In addition, it informs the Anti-Money Laundering Unit at CBJ of any cases that should be reported.

Code of Conduct

The Bank adopted a code of conduct that was endorsed by the Board of Directors. JKB employees across the various administrative levels as well as the Board of Directors have pledged to commit to it.

The Code defined the ethics, values and principles of the Bank employees in four main areas which are: integrity, compliance with laws, transparency and loyalty to the Bank.

Whistle Blowing Policy

JKB maintains policy and procedures pertinent to whistle blowing. The policy aims to promote a culture of openness and to demonstrate the shared responsibility of preserving work ethics. Procedures that deal with this policy were distributed among all Bank employees to follow. The procedures clarify accountability lines for reporting issues related to unusual and/or suspected behavior that must be reported. Implementation monitoring of Whistle Blowing Policy is carried out by the Board Audit and Risk Committee.

Relation with Shareholders

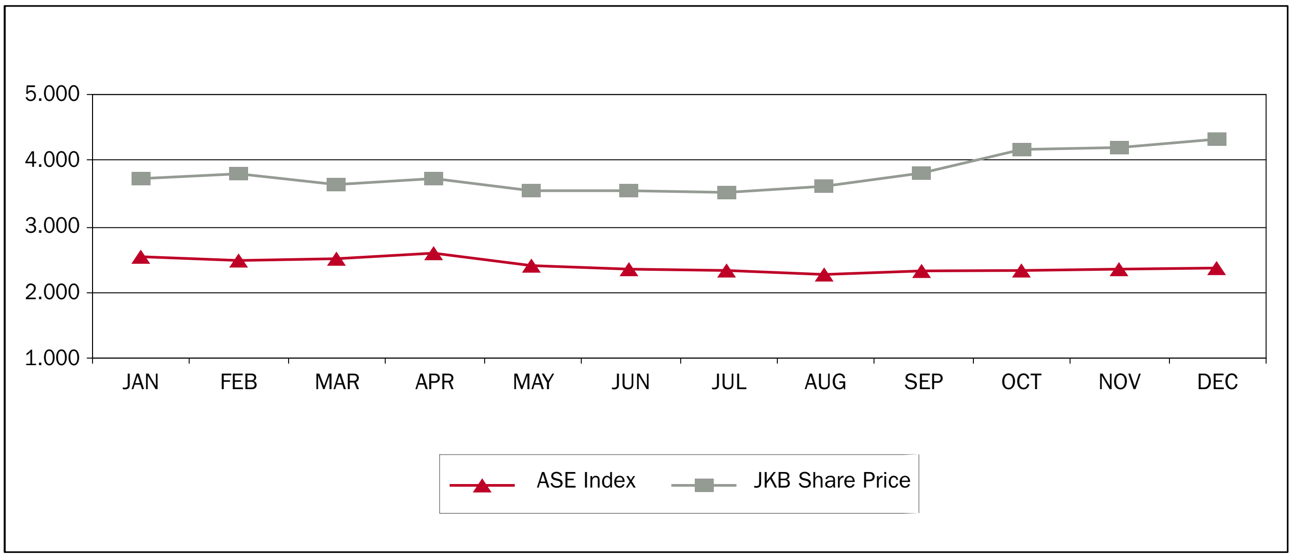
The Bank develops positive relations, based on transparency, with all its shareholders. In this regard, the Bank saves no effort to encourage all shareholders, particularly minority shareholders, to attend the General Assembly meetings and cast their votes. The Bank has a wide shareholder base of 14,817 as of 31/12/2010. The main source of information for shareholders is the Annual Report which includes, among others, the report of the Chairman of the Board as well as the audited financial statements. In addition, the un-audited quarterly and semi-annual balance sheets, profit and loss statements as well as the Chairman's report are published in local newspapers.

The complete financial statements and the Board of Directors' report are filed at the Jordan Securities Commission (JSC) and the Amman Stock Exchange, with a copy submitted to the Companies Controller. These reports are published on JKB's website (www.jkb.com) which also provides extensive information about JKB services, products, news and press releases. The Bank is committed to disclose any material information, should it occur, in accordance with the JSC instructions.

Shares / Ownership Classification as of 31/12/2010

Number of Shares Held	Shareholders		Shares	
	No.	%	No.	%
Up to 500	11,228	75.80	2,326,308	2.33
501 – 1,000	1,939	13.08	1,369,992	1.37
1,001 – 5,000	1,275	8.60	2,575,976	2.60
5,001 – 10,000	173	1.17	1,244,032	1.20
10,001- 100,000	164	1.10	4,971,954	5.00
100,001 - 500,000	23	0.15	4,553,173	4.50
500,001and more	15	0.10	82,958,565	83.00
Total	**14,817**	**100**	**100,000,000**	**100**

Changes in JKB Share Price (JD) vs ASE Index During 2010



Compliance Details

JKB adopts Corporate Governance Manual which was developed during the last quarter of 2007 and amended in 2010. The Bank complies with the requirements of the Jordan Securities Commission.

Throughout the years, Aramex continues to engage with its customers, listening and adapting to their diverse needs.

The year 2010 witnessed a number of positive indications, foremost of which were the increase in the Central Bank's reserves of foreign currencies, reaching a record figure of USD 12 billion, a stable exchange rate of the Jordan Dinar at 1.4 Dollars, a growth in national exports at a rate of about 16%, an increase in revenues from tourism at a rate of about 20% and an increase in expatriate Jordanians remittances of about 2%. There was also a relative activity in the real estate sector, which benefited from the partial fees exemption granted by the government to motivate this vital sector.

On the negative side, unemployment and poverty rates maintained their high levels. Inflation rate increased to 5% and the trade balance deficit increased, as a result of the increase in imports and a decrease in re-export activities, especially to Iraq. The balance of payments current account deficit increased, and the growth in expansion and investment receded. The internal and external debts increased, reaching JD12 billion (USD16.92 billion), or 58% of the gross domestic product as estimated by the Ministry of Finance.

At the financial market level, the Amman Stock Exchange did not fare well in 2010. The standard index for stock prices as calculated by the Amman Stock Exchange decreased by 6.5%, following a decrease of 8.2% in 2009 and 24.9% in 2008, despite the fact that the international indices increased substantially during the last year. This indicates a latent strong trend towards increase that could materialize in 2011 especially that the shares of many companies continue to be traded at lower than their book value.

The Jordanian government continued, until last year, to guarantee all deposits in operating Jordanian banks without a ceiling. It then replaced this blanket and exceptional guarantee with raising the bank deposit guarantee by the Deposit Guarantee Corporation from JD10,000 to JD50,000, which legally covers the overwhelming majority of clients' deposits, enhancing confidence, especially that the integrity of the banking system, led by the Central Bank has asserted this confidence.

As the circumstances prevailing during 2010 persisted, with all their negative ramifications on the national economy and its main sectors, Jordan Kuwait Bank adopted a policy of objectivity and reality in its decisions and evaluation of the situation, avoiding excessive optimism or extensive pessimism, and succeeded in achieving a significant growth in operations and stability in its market share, with an increase in revenues and profits, while enhancing its efficiency and performance indicators.

JKB Financial Performance

Operating Results: total revenues amounted to USD159 million in 2010 compared with USD166.3 million in 2009.

Operating Profits: operating profits reached USD104.2 million in 2010, against USD85.3 million in the previous year recording a growth of 22.2%.

Net Interest and Commissions: net interest and commissions reached USD134.3 million for the year, compared with USD132 million in 2009. This increase was a result of the successful management of assets and liabilities and the reduction of cost of funds in addition to the growth in credit facilities by 7.5% over the previous year.

Other Income: other income includes non-interest income such as fees, commissions and revenues related to credit card activities, among others. Revenues from such services totaled USD12.3 million in 2010, against USD18.5 million in 2009.

Operating Expenses: operating efficiency improved as operating expenses (including employee expenses, office expenses, depreciation, provisions and administrative expenses) declined by 32.3% to USD54.8 million, against USD 81 million in the previous year.

Provision for Impairment in Direct Credit Facilities: the provision allocated for the year 2010 amounted to USD5.9 million against USD33.6 million allocated in 2009. This reduction was the result of improvement in most of the accounts that were considered weak in 2009. Such provisions may be reversed back to revenues as the risk of default is contained.

Financial Position

The Bank's balance sheet totaled USD2.94 billion as at 31 December 2010, compared with USD3.02 billion a year earlier, reflecting a slight decline of 2.57%. The Bank maintains a balanced mix of assets and liabilities, with the objective of maintaining concurrent and satisfactory levels of liquidity and profitability.

Net credit facilities grew by 7.5% from USD1.54 billion in 2009 to USD1.65 billion at the end of 2010. Retail and consumer loans increased by 16.2%, loans to small and medium size enterprises decreased by 3%, while corporate loans grew by 2% to USD1.2 billion. In spite of the difficulties facing a number of economic sectors locally, the Bank's prudent risk management policies enabled it to maintain its ratio of non-performing loans to total credit facilities within very low limits by both local and international standards, recording a ratio of 3.2% for 2010. Moreover, the Bank's strategies proved successful in maintaining a high non-performing loan coverage ratio of 108.6%.

Liabilities

Customers' deposits and cash margins constitute 81.33% of the Bank's total liabilities, and comprise savings accounts, current accounts, fixed deposits and cash margins for both retail and corporate clients. Total customers' deposits and cash margins grew by 5% from USD1.92 billion at the end of 2009 to USD2.01 billion as at December 31, 2010.

Capital

Shareholders' equity, including the USD109.6 million of retained earnings for the year grew by 13% from USD412.9 million as at 31 December 2009 to USD466.5 million at the end of 2010. The capital adequacy ratio improved from 17.76% to 20.32%, surpassing both the internationally-accepted minimum requirement of 8% and the Central Bank's minimum requirement of 12%.

Dividends

The General Assembly of Shareholders, in its meeting held on March 23, 2011, approved the proposal of the Board of Directors to distribute cash dividends at 20% of paid up capital, equivalent to USD 28,208,745 (against 15% of paid up capital, equivalent to USD 21,156,559 for the previous year).

Performance of the Jordanian Banking Sector (Jordan Branches) in 2010

The Jordanian Banking Sector recorded good achievements in 2010. Jordanian banks' financial strength and soundness indicators, such as capital adequacy, financial leverage ratio, non-performing loans/total loans, liquidity, profitability, and others, showed comfortable and reassuring levels.

Total deposits in the banking sector increased from USD28.63 billion at the end of 2009 to USD31.74 billion at the end of 2010; an increase of 10.9%. Private sector deposits grew by 12.2% from USD26.33 billion to USD29.55 billion during the same period. Time deposits constituted 60.3% of total deposits, while on-demand and savings deposits accounted for 26.5% and 13.2% respectively. JKB›s share of total customers› deposits in the sector amounted to 6.3% at the end of 2010.

Total credit facilities in the banking sector increased by 8.5% to USD20.4 billion at the end of 2010, compared with USD18.78 billion a year earlier. Loans and advances accounted for 85.8% of total credit facilities, while overdraft credit constituted 12.3%, compared with 12.4% in 2009. JKB's share of total credit facilities in the banking sector reached 8.13%.

As for risks that banks may encounter, the banks succeeded in mitigating the negative impacts of such risks. The foreign currency market and exchange rates did not pose any significant risks to the banks' stability, since the ratio of foreign currency assets and liabilities to banks' total assets and liabilities is decreasing. Credit for this decrease goes to the efforts of the Central Bank of Jordan that managed the demand for and supply of the Jordanian Dinar, and strengthened the appeal of investing in Jordanian Dinars through interest rates. Moreover, the Central Bank remained ready to supply banks with foreign currency in the event of any deficit, given the unprecedented foreign currency reserve maintained by the Central Bank.

As for risks related to interest rates, the Central Bank adopted a monetary policy that aims at managing interest rates and limit, as much as possible, price fluctuations in the market, as well as adapting to the requirements of prevalent local and international monetary conditions.

The outlook indicates continued high oil prices in the short-term, which will lead to the restructuring of financial surpluses in oil-producing countries, and in turn, the re-flow of Arab capital and investments to Jordan. This will have a positive impact on the growth of the economy and its progress, compared with 2009 and 2010. If government capital expenditure is directed at genuine projects related to infrastructure and services, leading to the economy's stimulation, in partnership with the private sector, while maintaining the stringent policy of expenses control, then 2011 will witness the beginning of the return towards a normal situation, with the economy moving from a stage of resuscitation to a state of revival. The banking sector will be, as always, the initiator, pioneer, supporter and contributor to the march towards development, prosperity and service to the national economy.

JKB Activities and Achievements in 2010

Efforts exerted by JKB's management and all departments continued to focus on the main objective of preserving gains and achievements realized over the past years in terms of the quality and diversity of products and services, as well as outstanding standards of performance. All challenges and fierce competition in the banking sector that faced the economy have been dealt with openly and positively.

With directives from the Board of Directors and the Executive Committees, JKB's departments were able to fulfill the objectives of the set work plan, recording good achievements that reflected on JKB's total performance in terms of its financial results, market share, reputation, and image in the banking sector and for customers and the public.

In the fourth quarter of 2010, a financial leasing company fully owned by JKB was established under the name of the "Jordan Kuwait Company for Financial Leasing" to diversify the use of funds and increase revenue sources. The Company was registered as a private shareholding company with a capital of JD10 million (USD14.1million) and four of JKB officials were appointed as members on its Board of Directors. Office premises were leased, and work related to systems, software, operating guidelines and hiring of employees is well underway. The Company is expected to commence work during the second quarter of 2011.

JKB was awarded the "Bank of the Year 2010 in Jordan" Award by the famous British "The Banker" magazine. This award represents a proud addition to JKB's numerous global awards and appreciations.

Credit Facilities

Credit facilities showed good results during 2010, considering prevalent financial and economic conditions. Total direct credit facilities (net) reached USD1.65 billion as on 31/12/2010.

The exceptional conditions resulting from the financial and economic crisis and its impact on the various sectors and economic and financial activities continued to be experienced during 2010. This required the need to work diligently and actively in the area of corporate funding and achieve good growth rates; a matter that was accomplished by taking advantage of opportunities available in the market to achieve financial and material returns. The Bank participated in direct and indirect funding and loans, whether alone or through syndicated loans, for commercial and investment sectors. A major part of funding was directed towards the productive and strategic economic corporations and companies that constitute strong support to the national economy.

Furthermore, a major part of funding was directed towards small and medium enterprises and individuals. Credit products in this aspect yielded good results. Their competitiveness was reviewed and enhanced and were supported by extensive marketing efforts.

The Credit Facilities Department continued to apply a balanced credit policy and flexible standards based on sound feasibility when extending facilities of all types, taking into consideration the inherent risks within each facility in terms of competition, interest rates and exchange rates. Moreover, efforts were made to maintain an adequate average return on the Bank's credit portfolio and to abide by the instructions of the Central Bank of Jordan.

At the level of specialized and project financing, the Bank executed a number of credit transactions and participated in several syndicated loans in the local market.

The Bank continued to build the necessary provisions for non-performing loans, and to strengthen collaterals for accounts signaling weak performance to avert any failure in repayments due to the repercussions of local economic conditions. The Bank

Aramex travels the road of environmental sustainability every day; decreasing emissions, reducing waste and conserving resources.

persisted in its endeavors to pursue and manage many of these accounts while taking into account clients' projected cash flows and in accordance with applicable regulations.

Furthermore, the Credit Facilities Department pursued efforts to improve managers and employees performance through internal and external training and education in advanced and specialized fields.

Private Banking Department

In 2010, the Private Banking Department continued to offer all types of banking services in a comfortable climate of privacy. Adopting the slogan that good opportunities are always available but require research, and given its mandate of ensuring the growth of customers' incomes and wealth at the highest of levels of return and the least of calculated risks, the Private Banking Department launched several cooperation venues in many financial markets through specialized regional and global corporations. It also maintained standing relations with the various financial markets, selecting investments that agree with customers' acceptable risk levels, while relying on the most recent objective studies in this regard. The Department's approach has been supported by indications of the recovery of many global markets and some sectors from the repercussions of the financial crisis, which was evident in the growing demand for attractive low-risk and good-return investment products. Moreover, the Private Banking Department mediated several investment transactions, particularly in the field of real estate. This effort was parallel with the Bank's attempts to approach its high-net-worth and reputable clients, as well as to attract new customers.

Retail and Consumer Products

The year 2010 marks a new beginning for strengthening the Bank's portfolio of products and services to both corporate and retail clients with the aim of expanding its market share in view of increasing demand on such products. The Bank this year exerted extensive efforts to expand its client base by diversifying its product offering. This included the Bank's participation in corporate transactions to finance buyers in real estate, housing loans, consumer loans, loans to members of the Armed Forces, and all types of credit cards.

At the beginning of the year, JKB launched a co-branded "Master Card" credit card with Royal Jordanian, providing a number of superior benefits for its holders. The card came as a positive culmination of the Bank's contribution to the establishment of the Middle East Payment Services Company (MEPS). A number of marketing campaigns were also launched, starting with a pioneering campaign in Jordan to promote the home loans product at a nominal and attractive interest rate.

The borrowers' life insurance umbrella was also extended and the insurance ceiling on housing loans was increased. The portfolio of various retail and individual products achieved significant growth compared with previous years, despite different challenges, ranging from economic circumstances to the increase in competition among banks, while maintaining minimal default levels.

Also in 2010, a special direct sales department was established to enhance relations with clients and provide them with services, focusing on achieving the required growth within the stiff competition among banks, through targeting outstanding companies and clients, and fulfilling their needs and requirements. The department is concerned with studying the market and client requirements, evaluating retail and individual products available in the market, and working at modernizing and developing Bank products in line with client requirements and the prevailing competition, while maintaining the Bank's excellence in all fields.

Efforts are underway to staff the department with qualified personnel, proper training and introduction to the products, preparing them to form a sales team representing the Jordan Kuwait Bank's professionalism and efficiency in providing banking products and services.

Treasury and Investment

The Treasury, Investment and International Relations Department achieved good levels of performance in 2010, at all investment levels, despite the challenges generally facing all banks' treasury and investment departments, as a result of the global crisis effects and its accompanying upheavals and financial markets recessions, resulting in increased risks associated with investment.

The Department undertook conservative and well-researched investment policies in managing the Bank's assets and liabilities in Jordanian Dinars and foreign currencies, in order to maintain their quality and improve their return. The Department also adopted adequate financing plans for diversifying sources of funds, to suit the type of assets and maintain high liquidity ratios to provide security and protection. In addition to utilizing the best appropriate tools for managing market risk and reducing risk associated with assets and liabilities, such as market, credit and operational risks, all contributing to improving profitability and maintaining an acceptable level of risk.

The Department was also keen on investing in fixed income instruments, including bonds, treasury bills, development bonds, private and public corporate bonds It succeeded in managing the stocks portfolio with high efficiency, achieving profits that surpassed expectations. It also provided various investments and competitive tools that fulfilled the investors' desires and objectives, such as the "Special Certificates of Deposit" product that was released in dollars and Euros, with a number of benefits such as interest rate or payment method, and the discounted Certificates of Deposit product that was well received by investors.

In the field of Bank client services, the Treasury, Investment and International Relations Department provided investment services to individuals and companies, fulfilling their renewable requirements; including foreign currency trading contracts, margin trading, spot contracts, forward contracts, and foreign currency swap contracts that provide adequate solutions for hedging against currency exchange rate fluctuations.

In light of the continued recession in the Initial Public offering (IPO) market, the Department worked at utilizing alternative opportunities available; enhancing its outstanding role in providing settlement agent, registrar and custodian services for a number of government institutions and public and private companies, and provide the service of fund trustee for local joint investment funds.

In the field of international relations, the Department continued its efforts in 2010 to enhance its relations network and cooperate with the largest and best international and local banks. An agreement for account management was signed during the year with the Palestinian Monetary Authority (PMA). According to the agreement, JKB will act as the correspondent bank for PMA in Jordan. This reflects the confidence that foreign banks and financial institutions have in Jordan Kuwait Bank.

Information Technology

In addition to continuously develop and update the Bank's IT infrastructure, the year 2010 witnessed a number of projects that enhanced it, in order to maintain the Bank's pioneering position in the field of technology services and information systems, on both the management and customer service levels. The project for updating the Bank's communications network infrastructure and modernizing communication lines between the head office and branches using fiber optic and microwave technology was completed, providing higher bandwidth and continued communication under all circumstances and at the highest levels of safety and data integrity throughout the network. Two internet lines were also connected from two different service-providers, and the server capability was raised using the most recent version of Microsoft software, to provide additional protection and prevent intrusion.

Another project completed during the year was the integration of accounts statements with internet banking and the electronic archiving system to provide clients with their accounts statements and copies of checks issued by them through internet banking. The service will be available to customers during the first quarter of 2011.

Furthermore, the CRM application's Hardware and software were upgraded, enhancing performance and enabling branch employees to identify clients' account status and other important data.

In order to maintain the competitive edge of the Bank's ATMs, many of these devices were replaced with other, newer and more developed ones, and the monitors were replaced on all machines in use. In addition, the ATM management system was developed to include a service whereby the user can change the "pin" number of his Visa card issued by the Bank on the machine itself. In addition, the Information Systems Department participated in preparing and operating the special ATMs dedicated for persons who are visually impaired.

During the year, the Department completed a draft business continuity plan and the set up of the main and alternative data and systems backup locations, where state-of-the-art machines were installed, making all the systems' data available at the alternative site instantaneously.

The Department is also working on completing the Ministry of Finance's requirements regarding the Government Financial Management Information System (GFMIS), and on the Central Bank of Jordan's reports system. These projects are in the final stages of completion.

As for the Bank's branches in Palestine, work is underway to connect them to the SWIFT system, and necessary BIC Code for this purpose has been obtained.

The Financial Monitoring Unit in Palestine branches has successfully implemented AML application, and tests for the experimental stage with the Palestinian Monetary Authority (PMA) were completed. Work is underway to complete data that is unavailable on the banking system, needed for the AML system. Additionally, the new document archiving system for Palestine branches has been implemented.

As part of the Bank's efforts to implement the highest standards of quality in managing and organizing the Information Systems Department's functions with the Bank's various departments, clients and other parties involved, COBIT and ISO27001 standards were applied and the audit stage has commenced, in order to obtain the official Quality Certificate from an international certifying agency.

During the second half of the year, a special team of experts from the Department extended assistance to the Information Systems Department at Burgan Bank to copy and operate the internet banking system applied at the Bank, to replace the system presently operating at Burgan Bank, after performing the necessary amendments according to their requirements. This initiative was met with appreciation and commendation from the Burgan Bank management.

Branches Administration

In 2010 the Branches Administration supervised the implementation of the branching and upgrading plan. An office was established in Deir Ghibar area, and another office within the Zain Mobile Phones Company building. Improvements and refurbishments were carried out at Yarmouk and New Zarqa branches. The Al-Ahliyya Amman University (AAU) office was moved to a new location, and re-opened as a full-fledged branch. A new branch will be opened in Mecca Street at the beginning of 2011. This is planned to be the most prominent branch in terms of location, space and external and internal appearance.

Branches Administration continued its efforts in maintaining high standards of services, and succeeded to draw in additional client deposits and extend banking services in connection with public companies' dividend distribution.

Sixty-six new employees were trained in 2010 at the simulation branch, in order to provide the necessary human resources to operate new branches.

Financial Department

The Financial Department continued to perform its duties in qualitative and quantitative financial control over the Bank's operations, in addition to the preparation of financial reports for regulatory bodies, Bank management and Burgan Bank, in the formats requested.

Improving work procedures at the Department in accordance with the best practices has been completed, in line with policies for operating risk management and Bank development. The new Budgeting System was approved, and the 2011 budget was prepared using this system.

The Financial Department participated in a number of committees for developing and approving new products within the Financial Department's sphere of operation.

Internal Audit

The Bank management believes that the presence of an impartial, efficient and independent Internal Audit Department is a basic pillar for achieving the principles and bases of institutional governance. The Internal Audit Department offers supportive consultations designed to improve Bank operations and increase the efficiency of risk management, internal control and corporate governance by utilizing a well-studied methodology and an organized mechanism, in accordance with the applied international internal audit standards.

The Internal Audit Department asserts that functions assigned to internal and external branches and various work stations are completed in accordance with internal policies and procedures, while ensuring compliance with applied codes and best practices.

In order to implement the Basel regulations regarding consolidated supervision, the Internal Audit Department continued its supervisory functions over the Bank's subsidiary company through field visits, to evaluate and analyze its work and identify the most significant risks facing it, as well as to assure that it takes the necessary measures to mitigate these risks. The Internal Audit Department also continued its audit of information systems in accordance with internationally applicable standards in this field, and participated actively in examining the new automated systems and their implementation.

The Department also continued in 2010 to coordinate and cooperate with both KIPCO and Burgan Bank in the following areas:

1- Participate in periodic meetings with KIPCO's internal audit managers.

2- Continue to coordinate with the RSM International Group, an international consulting company, which prepared the second report on internal monitoring and control of the Bank, implementing the Central Bank of Kuwait's requirements, which showed that the Bank enjoys strong internal control systems.

3- Work with the KPMG Group to prepare a report on quality control operations in the Department, for the purpose of presenting an assertion accepted by all parties regarding audit activities, in line with Standard No. 1312 of international Internal Audit Standards issued by the Institute of Internal Auditors (IIA). This mission involved performing audit procedures within three main axes, namely:

- Administrative positioning in the Department where business planning, administrative subordination and reporting are concerned.
- Staff status in terms of training, qualifications, benefits, performance and others, in order to decide whether the Department has the right qualified cadre for fulfilling its goals.
- Implementation of auditing processes in terms of implementation stages, forms and others, in order to decide whether the internal audit role may be viewed as an effective supplier of services, and whether the Department is assuming its role effectively and efficiently, and that it coincides with the goals and objectives of the Bank.

The report showed that the Internal Audit Department at the Bank operates in accordance with systems and mechanisms that are in line with international standards and best practices.

Risk Management Department

Within the framework of implementing the risk management strategy and the implementation of best international practices, foremost of which is the Basel Committee Recommendations, the Risk Management Department carried out a comprehensive review of areas of governance, organizational structures and committees, policies, supporting tools and systems, applied procedures, forms and templates and analytical and monitoring reports, for the purpose of improving them.

The Department's achievements included:

<u>Information Systems Security and Management of Business Continuity</u>

The Risk Management Department continued to coordinate and implement the ISO27001 project carried out by the Bank under the supervision of a specialized consulting firm, within specific programs and work plans. The Risk Control Department contributed to preparing a plan to implement the requirements, policies and procedures of the security management system, in addition to pursuing a Risk Treatment Plan and ensuring it is properly implemented. It also contributed to training information systems' staff and evaluate to which extent the requirements of the policies and procedures were understood, after which, performing a tentative audit on the ISO27001 system, and commencing to activate the functions of an information security officer as required by the standard. The Department undertook its required role in the alignment with the Payment Card Industry (PCI) information system security project.

As part of the Department's follow-up for managing business continuity, carried out during the past years as part of the best international practices, and in cooperation with an international consulting firm, the Department updated the part pertaining to Palestine branches and regional management and the Cyprus branch, and carrying out a comprehensive review of the business impact analysis (BIA), as well as updated all data for staff training as well as continue to prepare the alternative site and inspect the plan for various departments in alternative sites. Eviction procedures of the head office building were also reviewed and amended.

<u>Operational Risks</u>

JKB has been implementing the operational risks system (CARE) since 2004. In addition to preparing periodic daily, monthly and quarterly reports in the field of risk self-assessment, main risk indicators and consolidating operational events, updates added to the system have been utilized to add new indicators (internal audit gap).

The Department also expressed its opinion regarding policies and procedures of the Bank's operations, pointing out related risks, as well as the sufficiency of the controls available or these that should be added within the ISO9001 project implementation.

<u>Market Risks</u>

As part of its specific functions outlined in the investment policy and the policy for assets and liabilities management, the Department prepares periodic daily, monthly and quarterly reports, including IFR7 disclosures, to monitor market and interest rate risks in the Bank, which are subject to incessant review and improvement, in harmony with surrounding changes.

<u>Basel II</u>

For purposes of automating the process of calculating capital adequacy in accordance with the Basel II regulations, adding more efficiency and accuracy measures, new monitors have been added to the banking system to enter required data within specific definitions and classifications. Alignment was also achieved with the Central Bank of Jordan regarding Pillar II and the completion of the ICAAP policy, approving it by the Board of Directors, and preparing policies for interest rates, solvency and stress tests. Reports were prepared with the results of stress tests performed on the Bank data in accordance with instructions of the Central Bank of Jordan and the Central Bank of Kuwait. The Department further followed the recent amendments implemented on the Basel II regulations, assuring their alignment with its requirements. Comparative analytical studies were also performed over the main indicators of the Bank's performance, compared to Jordanian banks.

<u>Credit Risks</u>

In line with the Basel II regulations and advanced methods of dealing with credit risks, an automated system for credit analysis and classification from the "3i" international company will be used. The Department is presently studying credit applications and providing its recommendations in accordance with best international practices. It also prepares, as part of the early warning system, monitoring and analytical reports about the clients of credit facilities.

Aramex strives to continually deliver value to its customers.

Credit Administration and Control Department

The Credit Administration and Control Department operations now fall, within the new structure, under the Risk Management Department, including calculating provisions for credit facilities to deal with any decrease in its value, as well as concentrations, and other credit monitoring functions. New and organized mechanisms for the Department's operations are being set, and new monitoring functions for the Department are being added, such as monitoring the process of issuing credit cards. The Department also started automating its operations by way of calculating provisions and archiving client files. Work is also underway to complete the plans set for this purpose.

Compliance Control Department

The Compliance Control Department continued to perform its duties to ensure that the Bank and its internal policies adhere to all laws, regulations, instructions, orders, and codes of conduct, as well as sound banking standards and practices issued by local and international regulatory authorities.

In this regard, the Department monitored all relevant risks, whether those resulting from failure to comply with the Laws, regulations and instructions that regulate banking activities or those related to anti-money laundering (AML), defamation, and violation of codes of conduct and professional ethics.

As part of the efforts to mitigate the negative effects that might arise from these risks, the Department studied and monitored the laws, instructions and circulars issued by regulatory and legislative authorities and submitted its findings to higher management and the relevant committee to help the executive management manage non-compliance related risks.

The Department also reviewed new banking products offered by the Bank, providing its opinion after making sure that they contain the necessary controls that guarantee their compliance with the laws and regulations issued by regulatory and legislative authorities.

As part of the measures to combat money laundering and financing terrorism operations, the Department monitored banking transactions carried out with clients to assure that they comply with the data available about them, utilizing the AML Reporter system for combating money laundering and financing terrorism, which enables the Bank to identify unusual or suspicious transactions.

The Department coordinated with the company that provided the AML system to amend some system features and to add a Risk Management Module in order to automatically classify Bank clients according to money laundering operation risks.

The Department is also implementing the Internal Check Control System (ICC) to help track Bank departments' commitment to sending timely reports and statements to regulatory bodies.

The Department continued, in coordination with the Training Department, to hold training courses and workshops to enhance staff awareness in areas related to money laundering, and update them on the latest developments in the field.

Legal Department

The Legal Department continued to undertake its major role of protecting the interests of the Bank and shareholders through strict procedures and follow-up. The Department managed to collect approximately JD233, 000 (USD 329,000) of written-off debts, in addition to around JD1.778 million (USD 2.5 million) of outstanding debts for which legal action was taken.

The Department also prepared a program to follow up on client repayment of written-off debts under legal procedures, and with whom settlements were reached.

Moreover, the Department continued to fulfill duties related to consultations, agreements, studies and follow-ups on new laws and legislation, as well as conducting training sessions to raise awareness of legal issues among the Bank employees.

Corporate Social Responsibility

During 2010, the Bank continued its efforts to serve the community and to participate in many activities and projects that serve the national economy and develop the local community, education, health and environment protection. The Bank provided support and sponsorship for economic and investment related conferences and meetings, as well as the activities of universities, schools, sports and cultural clubs. Moreover, the Bank exerted concerted efforts to perform its humanitarian role of supporting the majority of charitable organizations in poor and impoverished areas, as well as enabling families and women in rural regions.

In the area of education, the Bank provides support for gifted students and grants them scholarships to attend Jordanian universities. Internship opportunities were provided to university and college students to complete their graduation requirements. In 2010, and for the third consecutive year, the Bank organized the special training program targeting students participating in the youth development program sponsored by the Lothan Youth Achievement Center (LOYAC Jordan), which aims at preparing and enabling young men and women and provides them with better opportunities in the job market. The Bank's program received a special tribute from the Center for its seriousness and good organization and was considered the best model among all the programs that are provided by participating companies.

Other activities during 2010 included sponsoring sports and cultural activities for many teams and schools, participating in the International Day against Drugs, supporting a national clean up the environment campaign, as well as the financial support that is provided annually and during special holidays to one of the SOS Children's Village homes. Additionally, the Bank's employees participate in the semiannual blood drive organized by the National Blood Bank.

Furthermore, the Bank launched a unique initiative during 2010 in coordination with the Higher Council for the Affairs of Persons with Disabilities, to provide ATMs that cater to visually impaired citizens. These machines are designed to function using both sound and touch and thus enable citizens to handle their accounts freely and independently. The Bank also coordinates with the Higher Council to employ people with minor disabilities at the Bank.

To encourage the arts and culture in Jordan, the Bank allows civil society institutions and NGO's the opportunity to use the Bank's theater for their activities and programs free of charge.

Human Resources and Training

The Bank's higher management is a firm believer in the importance of developing human resources and raising the efficiency and performance levels of its employees. Consequently, special attention was given to training all employees at all levels.

During 2010, the Training Unit conducted 316 training activities in the fields of banking, management, finance, IT and English language, with the participation of 2026 employees. The Unit also focused on programs related to customer care, marketing, personal conduct and anti-money laundering, in addition to practical and theoretical training for new employees. Moreover, specialized training courses were conducted through local training institutions.

MAJOR FINANCIAL INDICATORS AND RATIOS 2010 & 2009

	Amounts in thousands US$		
	2010	**2009**	**Change**
Major Operating Results			
Net interest and commission	**134,344**	132,054	1.73%
Income before taxes	**104,185**	85,252	22.20%
Income for the year-Bank Shareholders	**73,261**	61,849	18.50%
Gross income	**159,000**	166,250	-4.36%
Earnings per share-Bank Shareholders	**0.732**	0.619	18.22%
Major Balance Sheet Items			
Total assets	**2,939,303**	3,016,728	-2.57%
Direct Credit facilities – net	**1,650,879**	1,536,176	7.47%
Customers deposits and cash margins	**2,011,231**	1,916,137	4.96%
Total equity-Bank shareholders	**457,767**	404,192	13.25%
Major Financial Ratios			
Operating assets / Total assets	**92.90%**	94.80%	
Return on average assets	**3.50%**	2.88%	
Return on average Owners' equity	**23.70%**	22.27%	
Capital adequacy ratio	**20.32%**	17.76%	
Financial leverage ratio	**15.87%**	13.69%	
Efficiency Indicators			
Gen. & Admin. expenses / Average assets	**1.42%**	1.40%	
Gen. & Admin. expenses / Average earnings	**20.32%**	17.76%	
Non – performing loans / Gross credit facilities	**3.20%**	3.00%	
Non – performing loans Coverage	**108.58%**	115.26%	
Off - Balance sheet items	**575,144**	486,274	18.28%

Since 1982, Aramex has delivered custom-made solutions to customers all over the world.

EXECUTIVE MANAGEMENT

□ **Mr. "Moh'd Yaser" M. Al-Asmar**
General Manager

□ **Mr. Majed F. Burjak**
Deputy General Manager, Support Services Group

□ **Mr. Tawfiq A. Mukahal**
Deputy General Manager, Banking Group

□ **Mr. Shaher E. Suleiman**
Head of Risk Management & Compliance Group

□ **Mr. William J. Dababneh**
Asst. General Manager, Treasury & Investment Dept.

□ **Mrs. Hiyam S. Habash**
Asst. General Manager, Financial Dept.

□ **Mr. Ismail A. Abu-Adi**
Asst. General Manager, Credit Dept.

□ **Mr. Jamal M. Baker Hasan**
Asst. General Manager, Branches Administration Dept.

□ **Mr. Abdel Hameed M. Al-Ahwal**
Asst. General Manager, Operations Dept.

□ **Mr. Haethum S. Buttikhi**
Asst. General Manager, Retail & Consumer Products Dept.

□ **Mr. Suhail M. Turki**
Executive Manager, Public Relations Dept.

□ **Mr. Majed M. Muqbel**
Executive Manager, Compliance Control Dept.

□ **Mr. Zuhdi B. Al-Jayousi**
Executive Manager, Corporate Credit Dept.

□ **Mr. Ghassan A. Al-Qasem**
Executive Manager, Branches Administration Dept.

□ **Dr. Makram A. Al-Qutob**
Executive Manager, Corporate Credit Dept.

□ **Mr. Ibrahim E. Kashet**
Executive Manager, Legal Dept.

□ **Mr. Sami A. Al-Assaf**
Executive Manager, IT Dept.

□ **Mr. Moh'd J. Azem Hammad**
Executive Manager, Risk Management Dept.

□ **Mr. Ibrahim F. Bisha**
Executive Manager, Treasury Dept.

*In addition to Mr. Sa›ed M. Tu›meh, Executive Manager/ Internal Audit Dept. who reports to the Board of Directors Audit Committee and to the Chairman.

Aramex utilizes its facilities and technology around the world to provide a wide range of integrated logistics services.

Aramex is committed to enabling entrepreneurs and intrapreneurs to innovate and build viable businesses.

2011 Business Plan

In line with the Bank's strategic plan for 2007-2011, and in view of the results achieved by the Bank, while remaining cautiously optimistic with regard to the difficult prevailing economic circumstances, the Bank's plan for 2011 will entail the following:

1. Continue support for all the production sectors and local and foreign investments that contribute in stimulating the national economy as well as provide initiatives and solutions that aid our clients in facing the current economic situation.

2. Achieve balanced growth of the Bank's assets while continuing efforts to safeguard the quality of these assets through close monitoring of accounts and strengthening collaterals.

3. Strengthen income generating activities and increase the revenue from banking, advisory and investment services by increasing the activities in the area of treasury services, credit cards and commercial services as well as the services of the Private Banking Unit.

4. Strive to achieve growth in credit products tailored towards corporate, small to medium enterprises (SME's) and consumers and periodically review and improve the policies and procedures in place to conform to the market needs and requirements.

5. Review the strengths and weaknesses of the products and services being offered by the Bank and work on ensuring that all of the Bank's services being offered are of high quality, competitive and supported by the latest technologies.

6. Continue to expand the Bank presence in new and promising areas based on comprehensive feasibility studies and complete the renovation plan for the existing branches.

7. Concentrate efforts to develop the skills and competencies of the Bank's employees with the aim of improving efficiency and performance.

8. Formulate a strategic plan to increase the Bank's business volume and market share which in turn fulfills JKB's aspirations for growth and expansion in both Jordan and Palestine.

9. Ensure that JKB clients receive superior services through making exceptional customer service fundamental to all of the Bank's client-focused operations.

Aramex leverages its resources and expertise to deliver aid to disaster-afflicted people around the world.

Consolidated Financial Statements

for the Year Ended December 31,2010

Together with Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

AM / 8702

To the Shareholders of
Jordan Kuwait Bank
Amman – Jordan

Introduction
We have audited the accompanying consolidated financial statements of Jordan Kuwait Bank (A Public Shareholding Company), which comprise of the consolidated statement of financial position as of December 31, 2010, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 consolidated financial statements.

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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 Jordan Kuwait Bank as of December 31, 2010, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

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

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

Amman – Jordan
January 13, 2011

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS IN DECEMBER 31, 2010 AND 2009

IN US DOLLARS

	Note	2010	2009
ASSETS			
Cash and balances at central banks	4	**375,983,537**	572,980,719
Balances at banks and financial institutions	5	**246,934,639**	208,926,798
Deposits at banks and financial institutions	6	**9,958,350**	160,339
Trading financial assets	7	**3,348,777**	2,419,069
Direct credit facilities	8	**1,650,879,260**	1,536,176,092
Available-for-sale financial assets	9	**515,033,341**	500,377,962
Held-to-maturity financial assets	10	**62,021,398**	137,857,819
Property and equipment - net	11	**16,480,714**	16,558,172
Intangible assets - net	12	**2,366,635**	1,795,135
Deferred tax assets	19	**3,054,475**	12,001,632
Other assets	13	**53,241,561**	27,474,259
TOTAL ASSETS		**2,939,302,687**	3,016,727,996
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Banks and financial institutions deposits	14	**360,274,238**	455,456,518
Customers deposits	15	**1,840,500,032**	1,755,391,357
Cash margins	16	**170,730,762**	160,744,986
Borrowed funds	17	**1,909,928**	21,303,457
Other provisions	18	**10,382,841**	8,500,656
Provision for income tax	19	**23,307,850**	23,603,087
Deferred tax liabilities	19	**1,859,310**	2,114,910
Other liabilities	20	**63,865,398**	176,713,130
TOTAL LIABILITIES		**2,472,830,359**	2,603,828,101
OWNERS' EQUITY			
EQUITY - BANK SHAREHOLDERS:			
Paid-up capital	21	**141,043,724**	141,043,724
Share premium reserve	24	**-**	7,052,186
Statutory reserve	22	**66,454,859**	56,074,721
Voluntary reserve	22	**116,624,094**	95,863,818
General banking risks reserve	22	**14,922,880**	13,395,953
Cumulative change in fair value - net of tax	23	**9,119,507**	7,648,900
Retained earnings	24	**109,601,721**	83,113,078
TOTAL EQUITY - BANK SHAREHOLDERS		**457,766,785**	404,192,380
Non-controlling interest		**8,705,543**	8,707,515
TOTAL OWNERS' EQUITY		**466,472,328**	412,899,895
TOTAL LIABILITIES AND OWNERS' EQUITY		**2,939,302,687**	3,016,727,996

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

IN US DOLLARS

	Note	2010	2009
Interest income	26	**171,178,241**	187,814,354
Less: Interest expense	27	**49,584,856**	73,952,399
Net Interest Income		**121,593,385**	113,861,955
Net Commission income	28	**12,749,800**	18,192,179
Net Interest and Commission		**134,343,185**	132,054,134
Foreign exchange income	29	**3,582,786**	4,041,794
(Loss) from trading financial assets	30	**(43,685)**	(56,848)
Gain from available-for-sale financial assets	31	**4,635,309**	2,038,401
Gains from sale of subsidiary's shares	9	**-**	14,633,511
Recovered (loss) from impairment in available-for-sale financial assets		**4,149,416**	(4,994,315)
Other income	32	**12,336,574**	18,532,652
Gross Income		**159,003,585**	166,249,329
Employees expenses	33	**27,115,867**	25,862,843
Depreciation and amortization	11 & 12	**4,113,437**	4,800,430
Other expenses	34	**15,138,278**	15,338,750
Provision for impairment in direct credit facilities	8	**5,880,976**	33,652,052
Other provisions	18	**2,569,601**	1,342,268
Total Expenses		**54,818,159**	80,996,343
Income for the Year before Income Tax		**104,185,426**	85,252,986
Less: Income tax	19	**(30,541,021)**	(21,963,928)
Income for the Year		**73,644,405**	63,289,058
Pertains to:			
Bank Shareholders		**73,260,357**	61,848,608
Non-Controlling Interest		**384,048**	1,440,450
Earnings per Share (Bank's Shareholders):			
Basic and Diluted	35	**0/733**	0/619

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

IN US DOLLARS

	2010	2009
Income for the year	**73,644,405**	63,289,058
Comprehensive Income Items:		
Net change in fair value of available - for - sale	**-**	-
financial assets	**1,437,157**	18,792,683
Total Comprehensive Income for the Year	**75,081,562**	82,081,741
Total Comprehensive Income for the Year Pertains to:		
Bank shareholders	**74,730,964**	80,641,291
Non-controlling interest	**350,598**	1,440,450
	75,081,562	82,081,741

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

IN US DOLLARS

	Equity - Bank Shareholders									
			Reserves							
Description	Paid-up Capital	Share Premium Reserve	Statutory	Voluntary	General Banking Risks	Cumulative Change in Fair Value - Net of Tax	Retained Earnings	Total Equity Bank Shareholders	Non-controlling Interest	Total Owners' Equity
For the Year Ended December 31, 2010										
Balance - beginning of the year	141,043,724	7,052,186	56,074,721	95,863,818	13,395,953	7,648,900	83,113,078	404,192,380	8,707,515	412,899,895
Income for the year	-	-	-	-	-	-	73,260,357	73,260,357	384,048	73,644,405
Net change in fair value - net of tax	-	-	-	-	-	5,620,023	-	5,620,023	(33,450)	5,586,573
Recovered from impairment in available-for-sale financial assets transferred to statement of income	-	-	-	-	-	(4,149,416)	-	(4,149,416)	-	(4,149,416)
Total Comprehensive Income for the Year	-	-	-	-	-	1,470,607	73,260,357	74,730,964	350,598	75,081,562
Dividends	-	(7,052,186)	-	-	-	-	(14,104,373)	(21,156,559)	(352,570)	(21,509,129)
Transferred to reserves	-	-	10,380,138	20,760,276	1,526,927	-	(32,667,341)	-	-	-
Balance - End of the Year	141,043,724	-	66,454,859	116,624,094	14,922,880	9,119,507	109,601,721	457,766,785	8,705,543	466,472,328

	Equity - Bank Shareholders									
			Reserves							
Description	Paid-up Capital	Share Premium Reserve	Statutory	Voluntary	General Banking Risks	Cumulative Change in Fair Value - Net of Tax	Retained Earnings	Total Equity Bank Shareholders	Non-controlling Interest	Total Owners' Equity
For the Year Ended December 31, 2009										
Balance - beginning of the year	141,043,724	7,052,186	47,693,467	79,101,310	16,759,290	(11,143,783)	57,149,267	337,655,461	15,174,794	352,830,255
Income for the year	-	-	-	-	-	-	61,848,608	61,848,608	1,440,450	63,289,058
Net change in fair value - net of tax	-	-	-	-	-	13,798,368	-	13,798,368	-	13,798,368
Impairment loss in available-for-sale financial assets transferred to statement of income	-	-	-	-	-	4,994,315	-	4,994,315	-	4,994,315
Total Comprehensive Income for the Year	-	-	-	-	-	18,792,683	61,848,608	80,641,291	1,440,450	82,081,741
Dividends	-	-	-	-	-	-	(14,104,372)	(14,104,372)	-	(14,104,372)
Net change in non-controlling interest	-	-	-	-	-	-	-	-	(7,907,729)	(7,907,729)
Transferred to reserves	-	-	8,381,254	16,762,508	(3,363,337)	-	(21,780,425)	-	-	-
Balance - End of the Year	141,043,724	7,052,186	56,074,721	95,863,818	13,395,953	7,648,900	83,113,078	404,192,380	8,707,515	412,899,895

- Out of retained earnings, there is an amount of USD 3,054,475 as of December 31, 2010 restricted according to the Central Bank of Jordan regulations, against deferred tax assets (USD 12,001,632 as of December 31, 2009).

- Use of the General Banking Risks Reserve is restricted and requires the prior approval of the Central Bank of Jordan.

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

IN US DOLLARS

	Note	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before income tax		**104,185,426**	85,252,986
Adjustments:			
Depreciation and amortization		**4,113,437**	4,800,430
Provision for impairment in direct credit facilities		**5,880,976**	33,652,052
Provision for employees end-of-service indemnity		**2,484,975**	1,257,642
Provision for lawsuits against the Bank		**84,626**	84,626
Loss on sale of properties seized by the Bank		**-**	52,457
(Gain) loss on sale of property and equipment		**(63,705)**	4,430
(Gain) from sale of subsidiary's shares		**-**	(14,633,511)
(Gain) loss on trading financial assets		**(21,305)**	33,032
(Gain) from sale of available-for-sale financial assets		**(2,003,028)**	(35,291)
(Recovered) loss from impairment in available - for - sale financial assets		**(4,149,416)**	4,994,315
Effect of exchange rate fluctuations on cash and cash equivalents		**(2,195,813)**	(241,070)
Technical provisions related to a subsidiary sold during the year 2009		**-**	(15,236,891)
Total		**108,316,173**	99,985,207
Changes in Assets and Liabilities:			
(Increase) in cash and balances at Central Banks due after three months		**-**	(535,000)
(Increase) decrease in deposits at banks and financial institutions		**(9,867,523)**	16,991,284
(Increase) decrease in direct credit facilities		**(120,584,144)**	175,439,405
(Increase) in trading financial assets		**(908,403)**	(1,922,343)
(Increase) decrease in other assets		**(25,767,302)**	14,567,676
Increase (decrease) in banks and financial institutions deposits due after three months		**29,780,292**	(7,052,186)
Increase in customers deposits		**85,108,675**	67,723,170
Increase (decrease) in cash margins		**9,985,776**	(3,835,446)
(Decrease) in borrowed funds		**(19,393,529)**	-
(Decrease) in other liabilities		**(113,405,608)**	(37,189,291)
Net Cash (used in) from Operating Activities before StaffIndemnities Paid, Provision for Lawsuits Paid and Income Tax Paid		**(56,735,593)**	324,172,476
Staff indemnities paid		**(565,288)**	(903,894)
Provision for lawsuits paid		**(122,128)**	(30,583)
Income tax paid		**(21,889,101)**	(33,620,442)
Net Cash Flows (used in) from Operating Activities		**(79,312,110)**	289,617,557
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease (increase) in held-to-maturity financial assets		**75,836,421**	(73,520,494)
(Increase) in available-for-sale financial assets		**(7,287,927)**	(156,729,554)
(Increase) in property and equipment		**(3,151,640)**	(2,417,759)
(Increase) in intangible assets		**(1,392,134)**	(1,092,310)
(Decrease) in investment in subsidiary		**-**	(11,991,413)
Proceeds from selling subsidiary's shares		**-**	26,624,924
Net Cash Flows from (used in) Investing Activities		**64,004,720**	(219,126,606)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in non-controlling interest		**(386,020)**	4,173,899
Dividends paid to shareholders		**(20,598,683)**	(13,828,231)
Net Cash Flows (used in) Financing Activities		**(20,984,703)**	(9,654,332)
Effect of exchange rate fluctuations on cash and cash equivalents		**2,195,813**	241,071
Net (Decrease) Increase in Cash and Cash Equivalents		**(34,096,280)**	61,077,690
Cash and cash equivalents - beginning of the year		**324,705,511**	263,627,821
Cash and Cash Equivalents - End of the Year	36	**290,609,231**	324,705,511

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

1. General

- Jordan Kuwait Bank was established as a Jordanian public shareholding company under number (108) on October 25, 1976 in accordance with the Companies Law no. (13) for the year 1964. The Bank's main branch address is Omaya Bin Abdshams Street, Abdali, Tel. +962 5629400, P.O. Box 9776, Amman – 11191 Jordan.

- The Bank is engaged in banking and related financial operations through its branches totaling 51 branches inside the Hashemite Kingdom of Jordan, three foreign branches and the subsidiary company.

- Jordan Kuwait Bank is listed as a public shareholding company in Amman Stock Exchange.

- The consolidated financial statements have been approved by the Bank's Board of Directors, in its meeting No. (1/2011) held on January 12, 2011 and is subject to the approval of the General Assembly.

2. Significant Accounting Policies

Basis of Preparation

- The accompanying consolidated financial statements of the Bank and its subsidiary company are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the Committee of the IASB.

- The consolidated financial statements are prepared in accordance with the historical cost convention except for financial assets/liabilities held for trading, available-for-sale financial assets, and financial derivatives stated at fair value at the date of the consolidated financial statements. Hedged financial assets and liabilities are also stated at fair value.

- The reporting currency of the consolidated financial statements is the US Dollar; however the Jordanian Dinar is the functional currency of the Bank.

- The accounting policies applied in the consolidated financial statements for the current year are consistent with those used for the year ended December 31, 2009.

Basis of Financial Statements Consolidation

- The consolidated financial statements include the financial statements of the Bank and subsidiary company controlled by it. Control exists when the Bank has the ability to control the financial and operating policies of the subsidiary company in order to achieve financial benefits out of its operations. All transactions, balances, revenues and expenses between the Bank and its subsidiary are excluded.

-The financial statements of the subsidiary relating to the same financial year of the Bank are prepared using the same accounting policies adopted by the Bank. In case the accounting policies applied by the subsidiary are different from those adopted by the Bank, necessary adjustments to the financial statements of the subsidiary company are effected in order to match those applied by the Bank. The financial statements of the subsidiary company are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the committee of the IASB.

- Non-controlling interest represents the portion of the subsidiary's equity not owned by the Bank.

The Bank owns the following subsidiary as of December 31, 2010 and 2009:

Company's Name	Paid-up Capital	Ownership of the Bank	Nature of Operation	Location	Date of Acquisition
	USD	%			
United Financial Investments Company	11,283,498	50/01	Financial Brokerage	Amman	2002

The results of operations of the subsidiaries are consolidated in the statement of income from the date of acquisition, which represents the date when control is passed on to the Bank over the subsidiaries. Moreover, the results of operations of the disposed of subsidiaries are consolidated in the statement of income until the disposal date, which represents the date when the Bank losses control over the subsidiaries. On April 23, 2009, the Bank sold 5,932,835 shares of its shares in Arab Orient Insurance Company, bringing its ownership in Arab Orient Insurance Company from 50/46% to 11/76% of its paid-up capital as of December 31, 2009. The results of operations of the company have been consolidated with those of the Bank until April 23, 2009, which is the date the Bank lost control over the subsidiary company. The remaining shares amounted to 1,511,450 shares, classified as available-for-sale financial assets as of December 31, 2009. In addition, the Bank sold 1,506,450 shares of the remaining shares in Arab Orient Insurance Company during the last quarter of the year 2010.

Segments Information

- A business segment is a distinguishable component of an entity engaged in providing an individual product or service or a group of related products or services subject to risks and returns different from those of other business segments.

- A geographical segment is a distinguishable component of an entity engaged in providing products or services within a particular economic environment subject to risks and returns different from those of components operating in other economic environments.

Trading Financial Assets

Trading financial assets represent investments in stocks and bonds of companies in active markets. Moreover, the purpose of keeping these investments is to generate profits from the fluctuation in short-term market prices or trading profit margin.

Trading financial assets are initially recognized at fair value when purchased (acquisition expenses are booked in the consolidated statement of income when purchased). They are subsequently re-measured at fair value, and the resulting change is included in the consolidated statement of income in the period in which it arises. Moreover, fair value differences resulting from the translation of foreign currency non-monetary assets are taken to the consolidated statement of income.

Distributed income or realized interest is recorded in the consolidated statement of income.

Direct Credit Facilities

A provision for the impairment in direct credit facilities is recognized when it is obvious that the financial assets of the Bank can not be recovered, there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment loss amount can be estimated. The provision is taken to the consolidated statement of income.

Interest and commission on non-performing credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan.

Impaired credit facilities, for which specific provisions have been taken, are written off by charging the provision after all efforts have been made to recover the assets. Any surplus in the provisions is taken to the consolidated statement of income, while debt recoveries are taken to income.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those financial assets held by the Bank and classified as neither trading nor held-to-maturity financial assets.

Available-for-sale financial assets are initially recorded at fair value including acquisition costs. They are subsequently re-measured to fair value. Moreover, changes in fair value are presented in a separate item within owners' equity. When these assets are fully or partially sold, or impaired, the income or losses are recorded in the consolidated statement of income, including the related amounts previously recorded within the consolidated statement of comprehensive income / owners' equity. Impairment loss previously recorded in the consolidated statement of income can be reversed when it is objectively evident that the increase in their fair value occurred after the losses had been recognized. Impairment losses resulting from the decline in the value of debt instruments are recovered through the consolidated statement of income while the impairment loss in companies shares is reversed through the consolidated comprehensive income.

Income and losses resulting from the foreign exchange of interest-bearing debt instruments are included in the consolidated statement of income. The differences in the foreign currency of equity instruments are included in the cumulative change in fair value within the consolidated statement of comprehensive income / shareholder's equity.

Interest from available-for-sale financial instruments is recorded in the consolidated statement of income using the effective interest method. Impairment in assets is recorded in the consolidated statement of income when incurred.

Financial instruments for which fair value can not be reliably determined are shown at cost. The impairment is recorded in the consolidated statement of income.

Held-to-Maturity Financial Assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and the Bank has the positive intent and ability to hold to the maturity date.

Held-to-maturity financial assets are recorded at cost (fair value) plus acquisition costs. Premiums / discounts are amortized in the consolidated statement of income according to the effective interest rate method. Provisions associated with irrecoverable impairment in the value of these assets are deducted. Any impairment in assets is recorded in the consolidated statement of income when incurred.

Fair Value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements.

In case declared market prices do not exist, active trading of some financial assets and derivatives is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.

- Analysis of the present value of expected future cash flows for similar instruments.

- Adoption of the option pricing models.

The valuation methods aim at providing a fair value reflecting the expectations of the market, expected risks and expected benefits.

Financial assets, the fair value of which cannot be reliably measured, are stated at cost less any impairment losses.

Impairment in the Value of Financial Assets

The Bank reviews the values of financial assets on the date of the consolidated statement of financial position in order to determine if there are any indications of impairment in their value individually or in the form of a portfolio. In case such indications exist, the recoverable value is estimated so as to determine the impairment loss.

- Impairment loss is determined as follows:

Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the expected cash flows discounted at the original interest rate.

- Impairment in available-for-sale financial assets recorded at fair value represents the difference between their book value and fair value.

- Impairment in financial assets recorded at cost is determined on the basis of the present value of the expected cash flows discounted at the market interest rate of similar instruments.

The impairment in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous declines in the fair value of financial assets is taken to the consolidated statement of income except for the impairment in available-for-sale equity securities which is reversed through the cumulative change in fair value within owners' equity / comprehensive income upon their disposal.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and impairment. Moreover, property and equipment (except for land) are depreciated according to the straight-line method over their estimated useful lives, when ready for use, using the following annual rates:

	%
Buildings	3
Furinture, fixtures and equipment	9 – 15
Vehicles	15
Computers	20
Buildings improvements	20

When the carrying amounts of property and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of income.

The useful lives of property and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being a change in estimate.

Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use.

Provisions

Provisions are recognized when the Bank has an obligation on the date of the consolidated statement of income as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for Employees' End-of-Service Indemnities

The employees' end-of-service indemnities provision is estimated on the basis of one-month salary for each year of service less the Bank's contribution for social security.

Payments to departing employees are deducted from the employees' end-of-service indemnities provision while the required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income.

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions of the countries where the Bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets are reviewed as of the date of the consolidated financial statements, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Costs of Issuing or Purchasing the Bank's Shares

Costs of issuing or purchasing the Bank's shares are recorded in retained earnings (net of the tax effect of these costs). In case the issue or purchase process is incomplete, these costs are charged to the consolidated statement of income as an expense.

Accounts Managed on Behalf of Customers

This item represents the accounts managed by the Bank on behalf of its customers and is not part of the Bank's assets. The fees and commissions for managing these accounts are shown in the consolidated statement of income. Furthermore, a provision is taken against the decline in the value of capital-guaranteed portfolios managed on behalf of customers.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Recognition of Income and Realization of Expenses

Interest income is realized and recognized based on the effective interest method, except for interest and commission on non-performing facilities which are not recognized as revenue but taken to the interest and commission in suspense account.

Expenses are recognized on the accrual basis.

Commission is recorded as revenue when the related services are rendered, and dividend revenue from companies is recognized when earned (or when approved by the shareholders general assembly.)

Recognition of Financial Assets

Purchase and sale of financial assets are recognized on the trade date (the date the Bank is liable to sell or purchase the financial asset).

Financial Derivatives and Hedge Accounting

Financial Derivatives Hedge

For hedge accounting purposes, the financial derivatives are stated at fair value, and hedges are classified as follows:

- Fair value hedge

Hedge for the change in the fair value exposures of the Bank's assets and liabilities.

When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge is recognized in the consolidated statement of income.

When the conditions of effective portfolio hedge are met, the gain or loss resulting from the revaluation of the hedging instrument at fair value as well as the change in the fair value of the assets or liabilities portfolio are recorded in the consolidated income statement for the same period.

- Cash flows hedge

Hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities.

When the conditions of effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in the consolidated statement of comprehensive income / owners' equity. Such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.

- Hedge for net investment in foreign entities

When the conditions of the hedge for net investment in foreign entities are met, fair value is measured for the hedging instrument of the hedged net assets. In case of an effective relationship, the effective portion of the loss or profit related to the hedging instrument is recognized in the consolidated statement of comprehensive income / consolidated statement of owners' equity while the ineffective portion is recognized in the consolidated statement of income. Moreover, the effective portion is recorded in the consolidated statement of income when the investment in foreign entities is sold.

When the conditions of the effective hedge do not apply, gain or loss resulting from the change in the fair value of the hedging instrument is recorded in the consolidated statement of income in the same period.

Financial Derivatives for Trading

The fair value of financial derivatives for trading such as forward foreign currency contracts, future interest rate contracts, swap agreements, and foreign currency options is recorded in the consolidated statement of financial position under other assets or other liabilities as the case may be. Fair value is measured according to the prevailing market prices, and if they are not available, the measurement method should be disclosed. The change in their fair value is recognized in the consolidated statement of income.

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Bank's continuous control over these assets and as the related risks and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Bank has no control over such assets and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recorded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest method.

Properties Seized by the Bank

Properties seized by the Bank are shown under "other assets" at the acquisition value or fair value, whichever is lower. As of the consolidated statement of financial position date, these properties are revalued individually at fair value. Any decline in their market value is taken to the consolidated statement of income whereas any such increase is not recognized. A subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

Intangible Assets

A- Goodwill:

- Goodwill is recorded at cost, and represents the excess of the amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an affiliated company constitutes part of the investment in that company. The cost of goodwill is subsequently reduced by any impairment in the value of the investment.

- Goodwill is distributed over the cash generating unit(s) for the purpose of testing the impairment in its value.

- The value of goodwill is tested on the date of each consolidated financial statement. Goodwill value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating unit(s) is less than book value. The decline in value is recorded in the consolidated statement of income as an impairment loss.

B- Other Intangible Assets

- Intangible assets purchased in an acquisition are stated at fair value at the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

- Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the financial statements date, and impairment loss is treated in the consolidated statement of income as an expense for the period.

- No capitalization of intangible assets resulting from the Banks' operations is made. They are rather recorded as an expense in the consolidated statement of income for the period.

- Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in the subsequent period.

- The following are the accounting policies for each item of the intangible assets owned by the Bank:

Computers software and applications are amortized according to the straight-line method over their estimated economic useful lives at an annual amortization rate of 20%.

Foreign Currencies

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

Financial assets and financial liabilities denominated in foreign currencies are translated at the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan

Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

Gains and losses resulting from foreign currency translation are recorded in the consolidated statement of income.

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

When consolidating the financial statements, assets and liabilities of the branches and subsidiaries abroad are translated from the primary currency (basic) to the reporting currency, using the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year, and exchange differences are shown in a separate item within the consolidated statement of shareholders' equity. In case of selling one of the subsidiaries or branches, the related amount of exchange difference is booked in revenues\expenses in the consolidated statement of income.

Cash and Cash Equivalents

Cash and cash equivalents are balances, maturing within three months, which comprise of cash, balances with Central Banks, and balances with banks and financial institutions, less bank deposits and balances due to banks and financial institutions maturing within three months and restricted funds.

3. Accounting Estimates

Management, through applying the accounting policies, uses assumptions and estimates with material impacts on the recognition of the balances recorded in the consolidated financial statements. The main assumptions are as follows:

- A provision is set for lawsuits raised against the Bank. This provision is subject to an adequate legal study prepared by the Bank's legal advisors. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed frequently.

- A provision for loans is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (IFRS). The outcome of these bases and estimates is compared against the adequacy of the provisions as per the Central Banks instructions. The strictest outcome that conforms with (IFRS) is used for the purpose of determining the provision.

- Impairment loss for the properties seized by the Bank is taken after a sufficient and recent evaluation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.

- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general status of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.

- Management frequently reviews the financial assets stated at cost to estimate any decline in their value. Impairment loss is taken to the consolidated statement of income.

- Provision for income tax: The financial year is charged with its portion from the income tax expense according to the prevailing laws and regulations and International Financial Reporting Standards. Moreover, the necessary income tax provision is calculated and recorded.

- Fair value hierarchy: The Bank is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

4. Cash and Balances at Central Banks

This item consists of the following:

USD

	2010	2009
Cash in vaults	**34,203,530**	33,959,396
Balances at central banks:		
Current and call accounts	**40,311,061**	53,461,209
Time and notice deposits	**205,098,285**	384,617,825
Mandatory cash reserve	**96,370,661**	100,942,289
	375,983,537	572,980,719

- Except for the mandatory cash reserve, there are no restricted balances as of December 31, 2010 and 2009.

5. Balances at Banks and Financial Institutions

This item consists of the following:

USD

	Local Banks and Financial Institutions		Banks and Financial Institutions Abroad		Total	
	2010	2009	2010	2009	2010	2009
Current and call accounts	**225,625**	198,757	**56,010,413**	53,925,597	**56,236,038**	54,124,354
Deposits due within 3 months or less	**19,192,635**	30,602,025	**171,505,966**	122,200,419	**190,698,601**	152,802,444
Certificates of deposits	**-**	-	**-**	2,000,000	**-**	2,000,000
	19,418,260	30,800,782	**227,516,379**	178,126,016	**246,934,639**	208,926,798

- Non-interest bearing balances at banks and financial institutions amounted to USD 16,372,188 as of December 31, 2010 against USD 8,394,903 as of December 31, 2009.

- Restricted balances amounted to USD 1,815,000 as of December 31, 2010 against USD 1,745,488 as of December 31, 2009.

6. Deposits at Banks and Financial Institutions

This item consists of the following:

USD

	Local Banks and Financial Institutions		Banks and Financial Institutions Abroad		Total	
	2010	2009	2010	2009	2010	2009
Deposits	**-**	-	**958,350**	160,339	**958,350**	160,339
Certificates of deposits	**-**	-	**9,000,000**	-	**9,000,000**	-
	-	-	**9,958,350**	160,339	**9,958,350**	160,339

- Restricted deposits amounted to USD 25,000 as of December 31, 2010 and 2009.

7. Trading Financial Assets

This item consists of the following:

USD

	2010	2009
Quoted shares	**3,348,777**	2,419,069

8. Direct Credit Facilities

This item consists of the following:

USD

	2010	2009
Individuals (retail):		
Overdraft accounts	**4,941,732**	3,662,945
Loans and promissory notes*	**38,649,343**	36,585,303
Credit cards	**5,323,932**	4,915,509
Real estate loans	**239,371,192**	202,938,300
Companies:		
Large		
Overdraft accounts	**118,523,693**	133,097,255
Loans and promissory notes*	**1,078,451,378**	1,038,699,473
Medium and small		
Current accounts	**16,737,795**	17,845,467
Loans and promissory notes*	**34,400,499**	34,908,143
Government and public sector	**179,452,174**	122,128,536
	1,715,851,738	1,594,780,931
Less: Provision for impairment in direct credit facilities **	**60,484,092**	54,931,372
Interest in suspense	**4,488,386**	3,673,467
Net Credit Facilities	**1,650,879,260**	1,536,176,092

* Net after deducting interest and commission received in advance of USD 2,805,310 as of December 31, 2010 against USD 2,757,341 as of December 31, 2009.

** The above provisions include an amount of USD 27,179,068 as of December 31, 2010 (USD 31,710,028 as of December 31, 2009) against loans and credit facilities totaling USD 176,091,782 (USD 209,124,985 as of December 31, 2009) representing facilities under watch list. Moreover, the related interest has not been suspended.

- Non-performing credit facilities amounted to USD 60,194,781 which is equivalent to (3/5%) of total direct credit facilities as of December 31, 2010 against USD 51,332,334 which is equivalent to (3/2%) of total direct credit facilities as of December 31, 2009.

- Non- performing credit facilities net of interest and commissions in suspense amounted to USD 55,706,395 which is equivalent to (3/3%) of total direct credit facilities as of December 31, 2010 against USD 47,658,867 which is equivalent to (3%) of total credit facilities as of December 31, 2009.

- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 12,446,461 which is equivalent to (-/7%) of total direct credit facilities as of December 31, 2010 against USD 13,839,076 which is equivalent to (-/9%) at the end of the prior year.

Provision for Impairment in Direct Credit Facilities

The movement on the provision for impairment in direct credit facilities was as follows: USD

2010	Individuals	Real Estate Loans	Companies Large	Companies Small and Medium	Government and Public Sector	Total
Balance – beginning of the year	**729,999**	**7,734,389**	**45,322,311**	**1,144,673**	**-**	**54,931,372**
Provision for the year taken from revenues	**676,736**	**686,089**	**20,725,348**	**789,140**	**-**	**22,877,313**
Provision recovered from settled loans	**247,387**	**7,619,374**	**8,467,601**	**661,975**	**-**	**16,996,337**
Used during the year (written-off)	**247,213**	**-**	**-**	**81,043**	**-**	**328,256**
Balance – End of the Year	**912,135**	**801,104**	**57,580,058**	**1,190,795**	**-**	**60,484,092**

2009	Individuals	Real Estate Loans	Companies Large	Companies Small and Medium	Government and Public Sector	Total
Balance – beginning of the year	818,657	322,931	20,120,877	339,065	-	21,601,530
Provision for the year taken from revenues	402,415	7,574,543	25,779,139	1,414,746	-	35,170,843
Provision recovered from settled loans	381,206	163,085	577,705	396,795	-	1,518,791
Used during the year (written-off)	109,867	-	-	212,343	-	322,210
Balance – End of the Year	729,999	7,734,389	45,322,311	1,144,673	-	54,931,372

- The disclosure above relates to provisions against debts calculated on the basis of the individual customer.

- The provisions no longer needed due to settlements or repayments of debts transferred against other debts amounted to USD 16,980,100 as of December 31, 2010 against USD1,494,630 for the prior year.

Interest in Suspense

The movement on interest in suspense was as follows: USD

2010	Individuals	Real Estate Loans	Companies Large	Companies Small and Medium	Government and Public Sector	Total
Balance – beginning of the year	**34,429**	**978,440**	**2,454,993**	**205,605**	**-**	**3,673,467**
Add: Interest in suspense for the year	**48,812**	**604,131**	**3,105,657**	**115,853**	**-**	**3,874,453**
Less: Interest taken to income	**28,848**	**1,267,164**	**1,614,659**	**74,348**	**-**	**2,985,019**
Interest and commission in suspense written-off	**25,056**	**2,019**	**12,690**	**34,750**	**-**	**74,515**
Balance - End of the Year	**29,337**	**313,388**	**3,933,301**	**212,360**	**-**	**4,488,386**

2009	Individuals	Real Estate Loans	Companies Large	Companies Small and Medium	Government and Public Sector	Total
Balance – beginning of the year	93,722	115,058	394,087	316,952	-	919,819
Add: Interest in suspense for the year	50,859	879,355	9,272,172	143,444	-	10,345,830
Less: Interest taken to income	104,062	15,973	6,945,200	81,313	-	7,146,548
Interest and commission in suspense written-off	6,090	-	266,066	173,478	-	445,634
Balance - End of the Year	34,429	978,440	2,454,993	205,605	-	3,673,467

9. Available-for-Sale Financial Assets

The details of this item are as follows:

USD

	2010	2009
Quoted Available-for-Sale Financial Assets:		
Governmental financial bonds and guaranteed by the Government	**357,357,422**	215,823,134
Companies bonds and debentures	**49,506,715**	52,997,169
Companies shares	**25,076,237**	19,817,481
Total Quoted Available-for-Sale Financial Assets	**431,940,374**	288,637,784
Unquoted Available-for-Sale Financial Assets:		
Local governmental treasury bills *	**-**	109,176,845
Governmental financial bonds and guaranteed by the Government	**21,607,898**	21,607,898
Companies bonds and debentures	**22,272,779**	22,971,862
Other financial bonds	**10,155,148**	19,746,121
Companies shares	**29,057,142**	38,237,452
Total Unquoted Available-for-Sale Financial Assets	**83,092,967**	211,740,178
Total Available-for-Sale Financial Assets	**515,033,341**	500,377,962
Bonds and Bills Analysis:		
Fixed return	**406,225,697**	368,994,540
Floating	**54,674,265**	73,328,489
	460,899,962	442,323,029

* This item represents Jordanian treasury bills pledged for sale to the Social Security Corporation by the Bank according to a sale agreement during the year 2010.

- Available-for-sale financial assets include assets recorded at amortized cost as their fair values cannot be reliably determined. These assets amounted to USD 83,092,968 as of December 31, 2010 (against USD 211,740,178 as of December 31, 2009).

- Available for sales financial assets include the net book value of investments in the "Kingdom Electricity Company" in the amount of USD 10,092,595 from the total cost of USD 16,972,708, equivalent to 19% of the Company's paid-up capital. The Bank owned this investment against partial collection of the credit facilities granted to a debtor by the Bank. The agreement includes the seller's right to exercise the purchase option during a period of 24 months starting from the date of the agreement on April 27, 2009, so that the price is made up of the investment price plus interest at 10% annually. The main articles of this agreement include the following:

a. Any cash dividends or bonus shares, or shares granted at discount from the date of ownership transfer, are a prerogative right for the seller and the Bank undertakes to transfer all dividends to the company's account.

b. During the period of the right to purchase above, the seller is obligated to pay 10% annually on the total price paid by the Bank.

- During the first half of the year 2009, the Bank sold 5,932,835 shares of its shares in Arab Orient Insurance Company to Gulf Insurance Company in Kuwait (a public shareholding company - related party company) at a total value of USD 26,624,924. The details are as follows:

USD

	2009
Proceeds from sale of shares	26,624,924
Net book value sold*	11,991,413
Gain from sale of subsidiary's shares	14,633,511

* Calculated using the equity method as of April 23, 2009.

The remaining 1,511,450 shares from the paid up capital of Arab Orient Insurance Company were reclassified as available - for - sale financial assets. The result of the conversion is recognition of a positive change in fair value of USD 2,176,217 net of tax as at the selling date. This value has declined to USD 752,669 net of tax as of December 31, 2009. Moreover, the Bank sold 1,506,450 shares from the remaining shares during the last quarter of the year 2010, and considered the income from the selling transaction as income from selling available-for-sale financial assets.

10. Held-to-Maturity Financial Assets

This item consists of the following:

USD

	2010	2009
Quoted Financial Assets:		
Companies bonds and debentures	**17,060,265**	17,059,216
Total Quoted Financial Assets	**17,060,265**	17,059,216
Unquoted Financial Assets:		
Treasury bills	**43,550,387**	106,694,231
Companies bonds and debentures	**1,410,746**	14,104,372
Total Unquoted Financial Assets	**44,961,133**	120,798,603
Net Held-to-Maturity Financial Assets	**62,021,398**	137,857,819
Bonds Return Analysis:		
Fixed	**48,765,397**	125,291,820
Floating	**13,256,001**	12,565,999
	62,021,398	137,857,819

- Held-to-maturity bonds mature over several payments the last of which matures on October 13, 2016.

11. Property and Equipment

a. The details of this item are as follows:

USD

	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Buildings Improvements	Total
2010							
Cost:							
Balance - beginning of the year	**3,268,747**	**5,445,258**	**9,681,598**	**793,037**	**12,131,481**	**10,222,807**	**41,542,928**
Additions	**526,473**	**2,670**	**479,889**	**131,312**	**836,676**	**665,437**	**2,642,457**
Disposals	-	-	**33,206**	**130,393**	**543,302**	-	**706,901**
Balance - End of the year	**3,795,220**	**5,447,928**	**10,128,281**	**793,956**	**12,424,855**	**10,888,244**	**43,478,484**
Accumulated Depreciation:							
Balance - beginning of the year	-	**1,754,496**	**6,130,804**	**496,848**	**9,756,659**	**7,077,925**	**25,216,732**
Deprecation for the year	-	**162,632**	**823,312**	**82,963**	**952,893**	**1,271,003**	**3,292,803**
Disposals	-	-	**25,701**	**130,391**	**550,196**	-	**706,288**
Balance - End of the year	-	**1,917,128**	**6,928,415**	**449,420**	**10,159,356**	**8,348,928**	**27,803,247**
Net Book Value of Property and Equipment	**3,795,220**	**3,530,800**	**3,199,866**	**344,536**	**2,265,499**	**2,539,316**	**15,675,237**
Down payments on property and equipment purchases	-	-	**805,477**	-	-	-	**805,477**
Balance - End of the Year	**3,795,220**	**3,530,800**	**4,005,343**	**344,536**	**2,265,499**	**2,539,316**	**16,480,714**
Depreciation percentage %	-	3	9 - 15	15	20	20	

	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Buildings Improvements	Total
2009							
Cost:							
Balance - beginning of the year	2,883,874	5,442,578	9,534,975	1,012,611	11,489,841	9,137,400	39,501,279
Additions	384,873	2,680	673,965	120,498	1,063,444	1,088,879	3,334,339
Disposals *	-	-	527,342	340,072	421,804	3,472	1,292,690
Balance - End of the year	3,268,747	5,445,258	9,681,598	793,037	12,131,481	10,222,807	41,542,928
Accumulated Depreciation:							
Balance - beginning of the year	-	1,591,945	5,452,089	555,906	9,089,281	5,734,447	22,423,668
Deprecation for the year	-	162,551	960,391	93,389	992,371	1,345,536	3,554,238
Disposals *	-	-	281,676	152,447	324,993	2,058	761,174
Balance - End of the year	-	1,754,496	6,130,804	496,848	9,756,659	7,077,925	25,216,732
Net Book Value of Property and Equipment	3,268,747	3,690,762	3,550,794	296,189	2,374,822	3,144,882	16,326,196
Down payments on property and equipment purchases	-	-	231,976	-	-	-	231,976
Balance - End of the Year	3,268,747	3,690,762	3,782,770	296,189	2,374,822	3,144,882	16,558,172
Depreciation percentage %	-	3	9 - 15	15	20	20	

* This item includes disposals related to a sold subsidiary company during the year 2009.

b - Property and equipment as of December 31, 2010 include an amount of USD 8,030,790 representing fully depreciated property and equipment (against USD 8,522,436 as of December 31, 2009).

12. Intangible Assets

This item consists of the following:

USD

	Computer Software and Applications	Goodwill	Other	Total
2010				
Balance-beginning of the year	**1,795,135**	**-**	**-**	**1,795,135**
Additions	**1,335,716**	**-**	**56,418**	**1,392,134**
Amortization for the year	**764,216**	**-**	**56,418**	**820,634**
Balance-End of the Year	**2,366,635**	**-**	**-**	**2,366,635**
Amortization percentage %	**20**	**-**	**-**	

	Computer Software and Applications	Goodwill	Other	Total
2009				
Balance-beginning of the year	1,951,017	318,725	-	2,269,742
Additions	705,294	-	66,291	771,585
Amortization for the year	861,176	318,725	66,291	1,246,192
Balance-End of the Year	1,795,135	-	-	1,795,135
Amortization percentage %	20	-	-	

13. Other Assets

This item consists of the following:

USD

	2010	2009
Accrued interest	**13,553,141**	11,582,157
Prepaid expenses	**1,187,425**	995,660
Properties seized by the Bank against debts - net *	**9,783,317**	914,882
Unrealized gains from financial derivatives (Note 37)	**73,944**	-
Accounts receivable **	**253,111**	2,917
Clearing checks	**24,672,427**	11,552,265
Other **	**3,718,196**	2,426,378
	53,241,561	27,474,259

* According to the Jordanian Banks Law, buildings and plots of land seized by the Bank against debts due from customers are to be paid within two years from the ownership date. For exceptional cases, the Central Bank of Jordan can extend this period for two consecutive years at maximum.

** Accounts receivable and other assets include balances relating to the subsidiary company of USD 469,793 as of December 31, 2010 against USD 39,629 as of December 31, 2009 related to subsidiaries.

- The movement on properties seized by the Bank against debts was as follows:

USD

	2010	2009
Balance - beginning of the year	**914,882**	1,953,214
Additions *	**8,868,435**	133,609
Disposals	**-**	1,171,941
Balance - End of the Year	**9,783,317**	914,882

* This item includes properties seized by the Bank during the third quarter of the year 2010 in the value of USD 8,196,643 in settlement of loans extended to customers. These properties were not originally mortgaged to the Bank.

14. Banks and Financial Institutions Deposits

This item consists of the following :

USD

	2010			2009		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
Current and call accounts	**90,737,197**	**239,756,749**	**330,493,946**	48,133,449	407,323,069	455,456,518
Time deposits *	**-**	**26,827,828**	**26,827,828**	-	-	-
Certificates of deposits *	**2,952,464**	**-**	**2,952,464**	-	-	-
	93,689,661	**266,584,577**	**360,274,238**	48,133,449	407,323,069	455,456,518

* Time deposits and certificates of deposits due within a period exceeding three months amounted to USD 29,780,293 as of December 31, 2010 (against USD zero as of December 31, 2009).

15. Customers Deposits

This item consists of the following : USD

2010					
		Companies			
	Individuals	Large	Small and Medium	Government and Public Sector	Total
Current and call accounts	**275,616,201**	**63,943,638**	**174,716,980**	**24,027,221**	**538,304,040**
Saving deposits	**122,062,477**	**1,936,678**	**2,548,010**	**297,588**	**126,844,753**
Time deposits subject to notice	**692,313,453**	**78,991,254**	**304,798,638**	**93,226,757**	**1,169,330,102**
Certificates of deposits with discount	**6,021,137**	**-**	**-**	**-**	**6,021,137**
	1,096,013,268	**144,871,570**	**482,063,628**	**117,551,566**	**1,840,500,032**

2009					
		Companies			
	Individuals	Large	Small and Medium	Government and Public Sector	Total
Current and call accounts	237,727,884	70,874,216	166,636,416	33,358,262	508,596,778
Saving deposits	101,038,951	894,588	2,798,371	192,020	104,923,930
Time deposits subject to notice	668,812,285	141,309,134	195,147,838	132,377,268	1,137,646,525
Certificates of deposits	4,155,327	-	68,797	-	4,224,124
	1,011,734,447	213,077,938	364,651,422	165,927,550	1,755,391,357

- The Government of Jordan and the public sector deposits inside Jordan amounted to USD 117,551,566, which is equivalent to (6/4%) of total customers' deposits as of December 31, 2010 (against USD 165,927,550 which is equivalent to (9/5%) of total customers deposits as of December 31, 2009).

- Non-interest bearing deposits amounted to USD 462,779,712 which is equivalent to (25/1%) of total customers' deposits as of December 31, 2010 (against USD 432,409,568 as of December 31, 2009, which is equivalent to (24/6%) of total customers deposits).

- Restricted deposits amounted to USD 24,165,953 which is equivalent to (1/3%) of total customers' deposits as of December 31, 2010 (against USD 28,451,317 which is equivalent to (1/6%) as of December 31, 2009).

- Dormant deposits amounted to USD 21,081,667 as of December 31, 2010 (against USD 23,708,870 as of December 31, 2009).

16. Cash Margins

This item consists of the following: USD

	2010	2009
Cash margins on direct credit facilities	**91,000,767**	118,046,164
Cash margins on indirect credit facilities	**78,979,203**	42,034,731
Marginal deposits	**662,836**	654,881
Other margins	**87,956**	9,210
	170,730,762	160,744,986

17. Borrowed Funds

This item consists of the following:

USD

		Amount	Frequency of Installments	Guarantees	Interest Rate %
2010					
Jordan Mortgage Refinance Company	**(a)**	**1,909,928**	**Set at the end of each period**	**Endorsement of real estate bonds**	**4/6**
Total		**1,909,928**			

		Amount	Frequency of Installments	Guarantees	Interest Rate %
2009					
Jordan Mortgage Refinance Company	(a)	7,199,085	Set at the end of each period	Endorsement of real estate bonds	8/19
Jordan Mortgage Refinance Company	(b)	14,104,372	One installment when due	Endorsement of real estate bonds	8/60
Total		21,303,457			

a. On August 27, 2001, the Bank obtained a loan from Jordan Mortgage Refinance Company for USD 14,104,372 at an annual interest rate of 6/25% for the first three years to be reconsidered afterwards. The loan is to be repaid over a period of 10 years commencing from the date the agreement was signed, the first and last installments being due on August 27, 2004 and August 27, 2011, respectively.

b. On June 28, 2007, the Bank obtained a loan from the Jordan Mortgage Refinance Company for USD 14,104,372 million at an interest rate of 8/6% and for a period of 5 years. The loan is due in one payment on the maturity date of June 28, 2012. The Bank settled the whole balance on June 28, 2010.

18. Other provisions

This item consists of the following:

USD

	Beginning Balance	Additions	Disposals	Ending Balance
2010				
Provision for staff indemnity	**8,060,953**	**2,484,975**	**565,288**	**9,980,640**
Provision for lawsuits against the Bank and probable claims	**439,703**	**84,626**	**122,128**	**402,201**
Total	**8,500,656**	**2,569,601**	**687,416**	**10,382,841**

	Beginning Balance	Additions	Disposals	Ending Balance
2009				
Provision for staff indemnity	7,707,205	1,257,642	903,894	8,060,953
Provision for lawsuits against the Bank and probable claims	385,660	84,626	30,583	439,703
Technical provisions related to a subsidiary sold during the year	15,236,891	-	15,236,891	-
Total	23,329,756	1,342,268	16,171,368	8,500,656

19. Income Taxes

a) Provision for income tax

The movement on provision for income tax was as follows:

USD

	2010	2009
Beginning balance	**23,603,087**	32,052,639
Income tax paid	**(19,302,686)**	(32,292,453)
Down payment	**(2,586,415)**	(2,059,738)
Income tax for the year	**21,593,864**	25,902,639
Ending Balance	**23,307,850**	23,603,087

- Income tax for the year consists of the following:

	2010	2009
Income tax for the year	**21,593,864**	25,902,639
Deferred tax assets for the year	**(766,613)**	(5,070,079)
Amortization of deferred tax assets	**9,713,770**	1,131,368
	30,541,021	21,963,928

-The income tax rate in Jordan is 30% whereas the income tax rate in other countries where the Bank has branches ranges between 10% and 16% as of December 31, 2010.

- The income tax returns for the Bank Jordan branches, its foreign branches and the subsidiary (United Financial Investments Company) have been submitted and paid up to the year 2009. A final tax settlement has been reached for Jordan branches, Palestine branches and UFI up to the year 2009, 2007 and 2008 respectively.

b- Deferred Tax Assets / Liabilities:

The details of this item are as follows:

USD

	2010				2010	2009
	Amounts					
Accounts Included	Beginning Balance	Additions	Released	Balance End of the Year	Deferred Tax	Deferred Tax
a- Deferred Tax Assets						
Provision for staff indemnity	**7,836,917**	**547,071**	**2,401,639**	**9,691,485**	**2,907,445**	2,351,075
Impairment loss in real estate	**18,788**	**-**	**69,112**	**87,900**	**26,370**	5,636
Credit facilities provision	**31,710,031**	**31,710,031**	**-**	**-**	**-**	9,513,010
Provision for lawsuits against the Bank	**439,704**	**122,128**	**84,626**	**402,202**	**120,660**	131,911
	40,005,440	**32,379,230**	**2,555,377**	**10,181,587**	**3,054,475**	12,001,632
b- Deferred Tax Liabilities *						
Cumulative change in fair value	**9,763,811**	**3,143,109**	**4,358,115**	**10,978,817**	**1,859,310**	2,114,910
	9,763,811	**3,143,109**	**4,358,115**	**10,978,817**	**1,859,310**	2,114,910

* Deferred tax liabilities amounted to USD 1,859,310 as of December 31, 2010 (USD 2,114,910 as of December 31, 2009) resulting from the revaluation gains on available-for-sale financial assets presented at a net amount within the cumulative change in fair value within owner's equity.

- The movement on deferred tax assets / liabilities was as follows: USD

	2010		2009	
Description	Assets	Liabilities	Assets	Liabilities
Beginning balance	**12,001,632**	**2,114,910**	8,062,921	-
Additions during the year	**766,613**	**287,399**	5,070,079	2,114,910
Released	**9,713,770**	**542,999**	1,131,368	-
Ending Balance	**3,054,475**	**1,859,310**	12,001,632	2,114,910

C- A summary of the reconciliation between declared income and taxable income: USD

	2010	2009
Declared income	**104,185,426**	85,252,986
Tax exempted income	**14,020,983**	20,352,232
Un-deductible expenses	**5,856,766**	12,762,252
Taxable income	**96,021,209**	77,663,006
Income Tax Rates:		
Bank- Jordan	**30%**	35%
Bank- Palestine	**16%**	16%
Bank- Cyprus	**10%**	10%
Subsidiary company	**24%**	25%
Percentage of deferred taxes-Jordan	**30%**	30%
Percentage of deferred taxes of the subsidiary	**24%**	24%

20. Other Liabilities

This item consists of the following: USD

	2010	2009
Accrued interest	**8,782,042**	12,343,958
Cash margins and acceptable checks	**1,303,183**	1,461,255
Accounts payable (a)	**3,881,344**	3,574,566
Accrued expenses	**653,974**	1,613,738
Temporary deposits - customers	**2,132,051**	2,780,464
Temporary deposits (b)	**21,837,457**	20,422,361
Shareholders' deposits (c)	**3,366,238**	3,513,608
Time deposits - treasury bills and bonds sales agreement (d)	**-**	109,176,845
Accepted and certified checks	**8,106,755**	8,607,197
Safe boxes deposits	**140,803**	128,694
Subscriptions deposits (e)	**449,405**	554,361
Down payments of capital subscriptions	**200,748**	763,618
Unrealized losses from financial derivatives	**3,250**	10,399
Amounts in transit	**16,550**	21,819
Other liabilities (a)	**12,991,598**	11,740,247
	63,865,398	176,713,130

a. This item includes other liabilities and accounts payable balances related to the subsidiary company of USD 2,228,186 as of December 31, 2010 (USD 3,492,773 as of December 31, 2009).
b. This item represents temporary payment deposits to public shareholding companies and other.
c. This item represents the net balance resulting from selling unsubscribed shares totaling 1,136,495 shares at market price during the year 2006. The difference between the sale proceeds and issue price of the share of USD 4.2 has been recorded as shareholders' deposits.
d. This item represents the total amounts borrowed from the Social Security Corporation as a result of the treasury bills sale repurchase agreement.
e. This item represents refunds of subscriptions in public shareholding companies under establishment.

21. Paid-up Capital

Subscribed capital amounted to USD 141,043,724 , divided into 100 million shares at a par value of USD 1.41 per share as of December 31, 2010 and 2009.

22. Reserves

The details of the reserves as of December 31, 2010 are as follows:

a- Statutory Reserve

This account represents the accumulated amount of the appropriations from income before tax at 10% per year according to the Banks Law and Jordanian Companies Law. This amount is not to be distributed to shareholders.

b- Voluntary Reserve

This account represents the accumulated amount of appropriations from income before tax at a maximum rate of 20% per year. The voluntary reserve is to be used according to a resolution by the Board of Directors. The General Assembly has the right to distribute this reserve or any portion therefrom as dividends to shareholders.

c- General Banking Risks Reserve

This reserve represents the general banking risks reserve in accordance with the Central Bank of Jordan regulations.

The following represents the distribution of the general banking risks reserve, based on the Central Bank of Jordan instructions.

USD

	2010	2009
Bank's Jordan branches	**12,876,938**	11,488,203
Bank's Cyprus branches	**1,991,582**	1,869,882
Bank's Palestine branches	**54,360**	37,868
	14,922,880	13,395,953

The following are the restricted reserves:

USD

Description	**2010**	2009	Nature of Restriction
General banking risks reserve	**14,922,880**	13,395,954	According to the Central Bank of Jordan regulations
Statutory reserve	**66,454,859**	56,074,721	According to the Jordanian Companies Law and the Banks Law

23. Cumulative Change in Fair Value - Net of Tax

This details of this are as follows:

USD

	2010			2009		
	Available-for-Sale Financial Assets			Available-for-Sale Financial Assets		
	Shares	Bonds	Total	Shares	Bonds	Total
Balance - beginning of the year	**4,450,172**	**3,198,728**	**7,648,900**	(2,591,174)	(8,552,609)	(11,143,783)
Unrealized profits (losses)	**23,399**	**(1,109,317)**	**(1,085,919)**	4,708,452	7,030,911	11,739,363
Deferred tax liabilities	**135,447**	**120,152**	**255,600**	(1,258,130)	(856,780)	(2,114,910)
Transferred to statement of income	**(1,741,358)**	**(1,401,750)**	**(3,143,108)**	(144,251)	(280,969)	(425,220)
Impairment booked in the statement of income	**3,497,102**	**1,946,932**	**5,444,034**	3,735,275	5,858,175	9,593,450
Balance - End of the Year *	**6,364,762**	**2,754,745**	**9,119,507**	4,450,172	3,198,728	7,648,900

* The cumulative change in fair value is presented as a net amount. Moreover, deferred tax liabilities amounted to USD 1,859,310 as of December 31, 2010 against USD 2,114,910 as of December 31, 2009.

24. Retained Earnings and Share Premium Reserve

- Included in retained earnings is an amount of USD 3,054,475 as of December 31, 2010 restricted by the Central Bank of Jordan against deferred tax assets of USD 12,001,632 as of December 31, 2009.
- Dividends distributed to shareholders out of the prior year's income amounted to 15% of paid-up capital, which is equivalent to USD 21,156,559.

25. Proposed Devidends

The Board of Directors authorized the Chairman of the Board to consider the distribution of dividends to be announced at the annual General Assembly

26. Interest Income

This item consists of the following:

USD

	2010	2009
Direct credit facilities:		
Individuals (retail)		
Overdraft accounts	**4,684**	9,076
Loans and promissory notes	**3,705,594**	3,290,135
Credit cards	**1,064,786**	1,026,086
Real - estate loans	**18,088,781**	15,169,161
Companies		
Large		
Overdraft accounts	**13,585,245**	15,076,831
Loans and promissory notes	**75,286,733**	87,748,695
Medium and small		
Overdraft accounts	**1,789,260**	2,158,986
Loans and promissory notes	**4,328,759**	4,380,602
Government and public sector	**13,698,657**	13,096,283
Balances at central banks	**4,852,413**	10,886,427
Balances and deposits at banks and financial institutions	**3,949,529**	6,766,606
Available-for-sale financial assets	**27,439,962**	21,620,539
Held-to-maturity financial assets	**3,383,838**	6,573,915
Other	**-**	11,012
	171,178,241	187,814,354

27. Interest Expense

This item consists of the following:

USD

	2010	2009
Deposits at banks and financial institutions	**6,316,782**	9,702,342
Customers deposits		
Time and notice deposits	**32,510,965**	46,186,472
Cash margins	**5,028,732**	420,642
Current and call accounts	**676,123**	1,140,694
Saving accounts	**359,805**	468,660
Certificates of deposits	**158,176**	7,731,322
Borrowed funds	**976,416**	1,828,347
Loan guarantee fees	**3,255,079**	2,786,960
Other	**302,778**	3,686,960
	49,584,856	73,952,399

28. Net Commission Income

This item consists of the following:

USD

	2010	2009
Direct credit facilities	**5,748,210**	6,370,941
Indirect credit facilities	**6,116,288**	6,112,827
Other commissions	**885,302**	5,708,411
	12,749,800	18,192,179

29. Foreign Exchange Income

This item consists of the following:

USD

	2010	2009
Foreign currencies trading	**1,386,973**	3,800,724
As a result of revaluation	**2,195,813**	241,070
	3,582,786	4,041,794

30. (Loss) from Trading Financial Assets

This item consists of the following:

USD

	Realized (Loss)	Unrealized Gains (Loss)	Dividends	Total
Year 2010				
Companies shares	**(219,687)**	**21,305**	**154,697**	**(43,685)**
Year 2009				
Companies shares	(105,606)	(33,032)	81,790	(56,848)

31. Gain from Available-for-Sale Financial Assets

This item consists of the following:

USD

	2010	2009
Dividends income from Company's shares	**2,632,281**	2,003,110
Income from the sale of available-for-sale financial assets	**2,003,028**	35,291
	4,635,309	2,038,401

32. Other Income

This item consists of the following: USD

	2010	2009
Rental of safe deposit boxes	99,989	91,467
Stamps income	92,966	91,398
Credit cards income	2,635,952	2,584,508
Recovery of debts previously written-off	393,236	372,470
Trading in shares and bonds revenue - subsidiary company	1,806,354	4,221,481
Rental income	83,289	89,051
Telecommunication income	450,625	492,489
Transfers income	1,302,855	1,292,999
Insurance income	-	3,944,673
Others	5,471,308	5,352,116
	12,336,574	18,532,652

33. Employees Expenses

This item consists of the following: USD

	2010	2009
Salaries, bonuses and employees’ benefits	23,699,165	22,552,463
Bank’s contribution in social security	1,432,065	1,369,219
Medical expenses	899,409	834,411
Staff training expenses	354,695	424,420
Travel expenses	513,804	500,075
Employees life insurance	135,103	104,888
Value added tax	81,626	77,367
	27,115,867	25,862,843

34. Other Expenses

This item consists of the following:

USD

	2010	2009
Rent	**1,410,065**	1,269,264
Stationary	**842,379**	755,935
Advertisements	**1,348,638**	1,011,100
Subscriptions	**202,999**	114,537
Telecommunication expenses	**1,212,371**	1,141,986
Maintenance and repair	**2,248,965**	2,221,959
Insurance expenses	**583,928**	539,931
Legal fees	**171,997**	193,849
Water, electricity and heating	**750,327**	687,860
Fees, taxes and stamps	**333,997**	356,653
Professional fees	**267,035**	201,970
Visa and services expenses	**1,476,047**	1,146,738
Hospitality	**109,795**	95,984
Transportation	**154,370**	151,711
Correspondents services	**138,388**	144,030
Security	**201,494**	177,468
Donations	**241,996**	252,815
Jordanian universities fees	**878,520**	656,694
Scientific research and vocational training fees	**-**	656,694
Technical and Vocational Education and Training Support Fund fees	**-**	513,092
Board of Directors' remunerations	**100,987**	100,987
Loss from sale of properties seized by the Bank	**-**	52,457
Others	**2,463,980**	2,895,036
	15,138,278	15,338,750

35. Earnings Per Share - (Bank's Shareholders)

The details of this items are as follows:

USD

	2010	2009
Income for the year pertains to Bank shareholders	**73,260,357**	61,848,608
	Share	Share
Weighted average number of shares	**100,000,000**	100,000,000
	USD / Share	USD / Share
Earnings per share pertains to Bank's shareholders:		
(Basic and Diluted)	**-/733**	-/619

36. Cash and Cash Equivalents

The details of this items are as follows:

USD

	2010	2009
Balances at central banks due within three months	**375,983,537**	572,980,719
Add: Balances at banks and financial institutions due within three months	**246,934,639**	208,926,798
Less: Banks and financial institutions deposits due within three months	**330,493,945**	455,456,518
Restricted balances	**1,815,000**	1,745,488
	290,609,231	324,705,511

37. Financial Derivatives

This item consists of the following:

USD

			Maturity of Nominal Value				
	Positive Fair Value	Negative Fair Value	Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years	More than 3 Years
2010							
Trading Derivatives:							
Forward sales contracts in foreign currencies	**73,944**	**-**	**(7,582,617)**	**(7,582,617)**	**-**	**-**	**-**
Futures contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	73,944	**-**	**(7,582,617)**	**(7,582,617)**	**-**	**-**	**-**
Forward purchase contracts in foreign currencies	**-**	**(3,250)**	**7,511,923**	**7,511,923**	**-**	**-**	**-**
Futures contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**(3,250)**	**7,511,923**	**7,511,923**	**-**	**-**	**-**
Total	**73,944**	**(3,250)**	**(70,694)**	**(70,694)**	**-**	**-**	**-**

			Maturity of Nominal Value				
	Positive Fair Value	Negative Fair Value	Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years	More than 3 Years
2009							
Trading Derivatives:							
Forward sales contracts in foreign currencies	-	(10,399)	(5,055,785)	(5,055,785)	-	-	-
Futures contracts	-	-	-	-	-	-	-
	-	(10,399)	(5,055,785)	(5,055,785)	-	-	-
Forward purchase contracts in foreign currencies	-	-	5,045,386	5,045,386	-	-	-
Futures contracts	-	-	-	-	-	-	-
	-	-	5,045,386	5,045,386	-	-	-
Total	-	(10,399)	(10,399)	(10,399)	-	-	-

The nominal value represents the value of the deals outstanding at year-end and does not represent market risks or credit risks.

38. Transactions with Related Parties

The Bank entered into transactions with subsidiary companies, sister companies, major shareholders, Board of Directors, and executive management within the normal banking practice and according to the normal interest rates. All of the credit facilities granted to related parties are considered to be performing facilities and no impairment provisions have been taken.

The following is a summary of the transactions with related parties during the year: USD

	Related Party			Total	
	Major Shareholders	Board of Directors Members	Executive Managers	**2010**	2009
On-Statement of Financial Position Items:					
Credit facilities *	-	4,804,046	928,305	**5,732,351**	4,601,650
Available-for-sale financial assets	6,430,260	-	-	**6,430,260**	12,566,000
Net held-to-maturity financial assets	13,256,000	-	-	**13,256,000**	12,466,906
Banks and financial institutions deposits	134,677,598	-	-	**134,677,598**	200,117,395
Deposits	2,512,017	12,726,155	1,354,849	**16,593,021**	55,209,057
Cash margins	3,526	-	140,449	**143,975**	280,424
Off-Statement of Financial Position Items:					
Letters of guarantee	41,157	6,911	-	**48,068**	27,052
Letters of credit	-	-	-	**-**	61,570

				Total	
				2010	2009
Statement of Income items:					
Interest and commission income	925,687	355,603	64,884	**1,346,174**	982,657
Interest and commission expense	5,196,941	542,021	31,687	**5,770,649**	5,290,704
Sales of subsidiary's shares	-	-	-	**-**	14,633,511
Revenues from the sale of available-for-sale financial assets	3,407,838	-	-	**3,407,838**	-

* Included in direct credit facilities granted to the Board of Directors members is an amount of USD 4,117,618 representing credit facilities granted to the subsidiary company board of directors members (against USD 1,742,520 for 2009).

- The Bank has two members on the Board of Directors of the subsidiary company the United Financial Investments Company.

Executive Management Remunerations:

Executive management remunerations for the Bank and the subsidiary company amounted to USD 3,977,883 for 2010 against USD 3,691,116 for 2009, excluding performance bonuses and productivity related incentives.

39. Fair Value of Financial Assets and Financial Liabilities not Shown at Fair Value in the Financial Statements

There are no significant differences between the book value and fair value of the financial assets and liabilities as of year – end 2010 and 2009.

40. Risks Management

The Board of Directors performs its role in ensuring that the Bank manages the various risks and adopts the policies and procedures that streamline the Bank's risks management through the Risks and Audit Committee. Moreover, the Bank sets the risks acceptable limits (risk appetite). The Risks Management Department evaluates, controls, and recommends mitigating risks, and submits the necessary reports to higher management independently from the other Bank's departments (risk takers) which perform other banking activities in order to ensure the objectivity of the Risks Management Department in analyzing the various risk types.

Furthermore, the Risks Management Department is responsible for the market operating, credit, and liquidity risks (within the Assets and Liabilities Model) of the Bank's local and external branches. It submits its reports to the Risks and Audit Committee within the Board of Directors. These reports are audited by the Internal Audit Department.

40.a. Credit Risk

Credit risk refers to the risk that a counterparty will default on its credit terms and/or its creditworthiness deteriorates resulting in financial loss to the Bank.

The Board of Directors periodically reviews the credit risk management policies compatible with the laws and the Central Bank of Jordan instructions after being prepared by the concerned departments. Moreover, the Board of Directors ensures that management of the Bank works according to their policies and executes the related requirements. These policies include the Bank's credit policy through which many factors are determined such as:

- Setting clear requirements, policies, and decision-making procedures relating to the new or to be renewed credit facilities or any material amendment thereon within specified authorities that match the size and specifications of the credit facilities. Among the factors taken into consideration when granting credit are the purpose of the credit facilities and payment sources.
- Taking decisions within qualified management levels. Moreover, the Bank has various credit committees at the executive

management level and the Board of Directors level. This is done away from the impact of conflict of interest and in a manner that guarantees the soundness and independence of the evaluation procedures of the customer requesting credit and the related compatibility with the Bank's credit policy requirements.

- Laying out clear and effective policies and procedures for managing and executing credit including continuous analysis of the ability and readiness of the borrower to pay according to contractual terms, monitoring the credit documentation and any credit terms and covenants, and continuously controlling and evaluating guarantees.
- Establishing adequate policies and procedures to ensure evaluation and management of non-performing credit and its classification in addition to evaluating the adequacy of the provisions monthly based on the instructions of the Central Bank of Jordan and other regulatory authorities under which the Bank operates. This is in addition to a clear policy for writing off debt. Moreover, the Board of Directors approves the adequacy of these provisions.
- Having an independent department that follows up on troubled debts through amicable settlements prior to dealing with them legally.
- Determining the type and size of the required guarantee based on the customer's credit risk evaluation according to clear acceptance procedures and customers evaluation standards.
- Periodically monitoring the fair value of the guarantees. In case their value becomes less than what is specified in the loan terms, the customer is required to provide more guarantees. Upon assessing the adequacy of the provisions, the necessary evaluation of the guarantees is performed.
- Disposing of any guarantee owned after repayment of the customer's debts. In general, seized real estates are not used for the Bank's operations.
- Having an internal credit rating system for its customers documented and approved by the Board of Directors. Any factor contributing to the customer's default is considered in a manner that helps in measuring and rating the customer's risks, and consequently, faciliting the decision-making process and the pricing of credit facilities.
- Having clear rating standards taking into consideration the various financial and non-financial factors. The credit rating system is reviewed and evaluated independently from the credit department through the Risks Management Department in coordination with the concerned departments.
- Having specified and documented controls and ceilings with clear policies and procedures that guarantee commitment to these ceilings and the necessity to obtain prior approvals for any excesses. These controls and ceilings are reviewed and amended periodically, if necessary. Moreover, there are ceilings specified and approved by the Board of Directors relating to dealing with the various banks, countries, and economic sectors.
- Providing the Board of Directors with a clear picture and analysis of the credit portfolio through the Risks Management Department that clarifies its quality and its various classifications and any concentrations therein, in addition to historical and banking benchmarks.

The Bank adheres to the instructions of the Central Bank of Jordan relating to credit concentration and related parties. The Bank deals with them on an aggregate basis and accords them special care, excersizes control, and expresses explicit and clear disclosure thereon when preparing the Bank's consolidated financial statements. The required credit facilities are presented by the related parties to the Board of Directors provided that the persons granted the credit facilities have no influence over the Board of Directors, and receive no preferential treatment over the Bank's customers.

Credit risk exposure (less the impairment provision, interest in suspense, and before guarantees and other risk - mitigating factors):

USD

	2010	2009
On-Statement of Financial Position Items		
Cash and balances at the central banks	**341,780,007**	539,021,323
Balances at banks and financial institutions	**246,934,639**	208,926,798
Deposits at banks and financial institutions	**9,958,350**	160,339
Direct Credit Facilities:		
Individuals	**47,973,535**	44,399,329
Property loans	**238,256,700**	194,225,471
Companies		
Large companies	**1,135,461,712**	1,124,019,424
Small and medium institutions (SMEs)	**49,735,139**	51,403,332
Government and public sector	**179,452,174**	122,128,536
Bonds and Bills:		
Included in available-for-sale financial assets	**460,899,962**	442,323,029
Included in held-to-maturity financial assets	**62,021,398**	137,857,819
Other assets	**38,478,679**	23,137,339
Off-Statement of Financial Position Items		
Letters of guarantee	**235,749,044**	254,927,719
Letters of credit	**172,709,561**	87,033,810
Letters of acceptance	**24,059,071**	18,666,272
Unutilized credit facilities ceilings	**142,626,513**	124,518,272
Total	**3,386,096,484**	3,372,748,812

Credit exposures according to the degree of risk are categorized according to the following table: USD

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Banks and Other Financial Institutions	Total
			Large	Small and Medium			
2010							
Low risk	**505,058**	**242,685**	**33,434,882**	**3,034,112**	**12,445,034**	**341,780,007**	**391,441,778**
Acceptable risk	**46,846,584**	**236,146,182**	**937,900,377**	**42,003,121**	**167,007,140**	**256,892,989**	**1,686,796,393**
Of which is due (*):							
within 30 days	**1,728,738**	**78,683**	**4,537,202**	**719,148**	**-**	**-**	**7,063,771**
from 31 to 60 days	**2,805,368**	**1,819,147**	**13,929,780**	**1,408,616**	**-**	**-**	**19,962,911**
Watch list	**392,209**	**851,307**	**170,874,197**	**3,974,069**	**-**	**-**	**176,091,782**
Non-performing:							
Substandard	**486,513**	**30,309**	**111,777**	**232,839**	**-**	**-**	**861,438**
Allowance provided	**246,800**	**397,086**	**120,412**	**93,700**	**-**	**-**	**857,998**
Bad debt	**437,843**	**1,703,623**	**54,533,426**	**1,800,453**	**-**	**-**	**58,475,345**
Total	**48,915,007**	**239,371,192**	**1,196,975,071**	**51,138,294**	**179,452,174**	**598,672,996**	**2,314,524,734**
Less: Impairment loss provision	**912,135**	**801,104**	**57,580,058**	**1,190,795**	**-**	**-**	**60,484,092**
Interest in suspense	**29,337**	**313,388**	**3,933,301**	**212,360**	**-**	**-**	**4,488,386**
Net	**47,973,535**	**238,256,700**	**1,135,461,712**	**49,735,139**	**179,452,174**	**598,672,996**	**2,249,552,256**

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Banks and Other Financial Institutions	Total
			Large	Small and Medium			
2009							
Low risk	517,085	3,205,705	26,892,028	2,469,423	13,839,076	539,021,323	585,944,640
Acceptable risk	42,487,135	165,773,877	929,437,609	41,412,214	108,289,460	209,087,137	1,496,487,432
Of which is due (*):							
within 30 days	1,884,664	105,382	4,753,554	804,251	-	-	7,547,851
from 31 to 60 days	3,088,374	1,849,756	15,052,924	1,559,491	-	-	21,550,545
Watch list	1,363,059	19,362,193	180,340,042	8,059,691	-	-	209,124,985
Non-performing:							
Substandard	330,660	5,335,062	3,222,075	188,155	-	-	9,075,952
Allowance provided	98,685	7,292,367	22,878,032	199,786	-	-	30,468,870
Bad debt	367,133	1,969,096	9,026,942	424,341	-	-	11,787,512
Total	45,163,757	202,938,300	1,171,796,728	52,753,610	122,128,536	748,108,460	2,342,889,391
Less: Impairment provision	729,999	7,734,389	45,322,311	1,144,673	-	-	54,931,372
Interest in suspense	34,429	978,440	2,454,993	205,605	-	-	3,673,467
Net	44,399,329	194,225,471	1,124,019,424	51,403,332	122,128,536	748,108,460	2,284,284,552

* The whole debt balance becomes due when one of the installments or interest is due. Moreover, the overdraft account is considered due when it exceeds the ceiling.

Distribution details of fair value of collaterals against credit facilities: USD

	Individuals	Real Estate Loans	Companies: Large	Companies: Small and Medium	Government and Public Sector	Total
2010						
Gurantees against:						
Low risk	**575,182**	**242,684**	**33,434,882**	**2,919,358**	**-**	**37,172,106**
Acceptable risk	**26,125,401**	**235,228,965**	**406,040,970**	**21,737,206**	**23,459,062**	**712,591,604**
Under watch	**2,483,298**	**851,307**	**73,895,080**	**2,394,837**	**-**	**79,624,522**
Non-performing:						
Substandard	**265,453**	**30,309**	**111,777**	**-**	**-**	**407,539**
Allowance provided	**136,810**	**193,092**	**-**	**33,911**	**-**	**363,813**
Bad debt	**775,776**	**1,703,623**	**26,657,945**	**78,708**	**-**	**29,216,052**
Total	**30,361,920**	**238,249,980**	**540,140,654**	**27,164,020**	**23,459,062**	**859,375,636**
Of it:						
Cash margins	**5,510,948**	**544,584**	**58,083,310**	**5,266,113**	**-**	**69,404,955**
Accepted letters of guarantee	**-**	**-**	**5,000,000**	**-**	**-**	**5,000,000**
Real estate	**8,199,883**	**237,705,396**	**261,013,946**	**20,195,812**	**23,459,062**	**550,574,099**
Trade stocks	**556,409**	**-**	**209,329,379**	**3,250**	**-**	**209,889,038**
Vehicles and equipment	**16,094,680**	**-**	**6,714,019**	**1,698,845**	**-**	**24,507,544**
Total	**30,361,920**	**238,249,980**	**540,140,654**	**27,164,020**	**23,459,062**	**859,375,636**

	Individuals	Real Estate Loans	Companies: Large	Companies: Small and Medium	Government and Public Sector	Total
2009						
Gurantees against:						
Low risk	521,906	3,205,705	27,283,034	2,469,422	-	33,480,067
Acceptable risk	23,517,934	161,380,006	362,050,326	39,119,846	24,000,000	610,068,112
Under watch	320,523	19,362,193	78,265,268	6,371,874	-	104,319,858
Non-performing:						
Substandard	816,155	3,084,670	-	134,904	-	4,035,729
Allowance provided	1,352,250	516,738	11,778,652	104,819	-	13,752,459
Bad debt	913,760	1,969,096	3,579,202	144,687	-	6,606,745
Total	27,442,528	189,518,408	482,956,482	48,345,552	24,000,000	772,262,970
Of it:						
Cash margins	5,873,219	3,205,706	31,136,156	5,520,660	-	45,735,741
Accepted letters of guarantee	-	-	9,565,120	-	-	9,565,120
Real estate	6,629,484	186,312,702	231,367,384	22,171,127	24,000,000	470,480,697
Trade stocks	2,338,774	-	202,614,553	19,757,058	-	224,710,385
Vehicles and equipment	12,601,051	-	8,273,269	896,707	-	21,771,027
Total	27,442,528	189,518,408	482,956,482	48,345,552	24,000,000	772,262,970

Rescheduled Debts
Rescheduled debts are debts that have been previously classified as non-performing credit facilities but taken out from that category due to proper rescheduling and classified as "debts under watch". Rescheduled debts amounted to USD 7,767,080 as of December 31, 2010 against USD 71,398,997 as of the previous year–end.

Restructured Debts
Restructuring debts means reorganizing credit facilities in terms of adjusting payments, extending their term postponing some installments, or extending the grace period. Moreover, these debts are classified as watch listed.
Restructured debts amounted to USD 96,906,003 as of December 31, 2010 (against USD 56,616,330 as of December 31, 2009).

Bonds, Bills, and Debentures
The following table illustrates the classification of bonds, bills, and debentures according to external rating institutions: USD

Rating Grade	Rating Institution	Within Trading Financial Assets	Within Available-for- Sale Financial Assets	Within Held-to- Maturity Financial Assets	Total
A-	S&P	-	4,705,591	-	4,705,591
A3	Moody's	-	870,000	3,089,834	3,959,834
AA	FITCH	-	3,245,130	-	3,245,130
B-	FITCH	-	4,675,000	-	4,675,000
B1	MOODYS	-	3,061,590	714,433	3,776,023
ba2	S&P	-	500,750	-	500,750
ba2	MOODYS	-	-	13,256,000	13,256,000
ba3	S&P	-	5,425,000	-	5,425,000
Ba3	MOODYS	-	1,324,781	-	1,324,781
BB+	S&P	-	4,888,010	-	4,888,010
BBB	S&P	-	3,187,501	-	3,187,501
BBB	FITCH	-	3,105,599	-	3,105,599
BBB-	MOODYS	-	425,000	-	425,000
BBB-	S&P	-	3,242,762	-	3,242,762
BBB+	FITCH	-	1,700,000	-	1,700,000
CCC	S&P	-	4,681,501	-	4,681,501
CCC-	FITCH	-	168,750	-	168,750
Governmental	-	-	389,120,468	43,550,385	432,670,853
Unclassified	-	-	26,572,529	1,410,746	27,983,275
Total		-	460,899,962	62,021,398	522,921,360

Credit Risk Exposure According to Geographical Areas: USD

Geographical Area	Inside Jordan	Middle East Countries	Europe	Asia *	Africa*	America	Other Countries	Total
Balances at central banks	295,292,175	38,125,989	8361843	-	-	-	-	341,780,007
Balances at banks and financial institutions	19,418,260	103,044,041	118,460,378	307,986	188,319	5,515,655	-	246,934,639
Deposits at banks and financial institutions	-	9,933,350	-	25,000	-	-	-	9,958,350
Direct credit facilities:								
Individuals	47,803,914	169,621	-	-	-	-	-	47,973,535
Real estate loans	234,345,110	256,800	3,654,790	-	-	-	-	238,256,700
Companies :								
Large	901,425,151	480,713	233,555,848	-	-	-	-	1,135,461,712
Small and medium	48,531,045	1,204,094	-	-	-	-	-	49,735,139
Government and public sector	179,452,174	-	-	-	-	-	-	179,452,174
Bonds, bills, and debentures:								
Within available-for-sale-financial assets	411,393,247	32,570,024	-	16,267,190	-	669,501	-	460,899,962
Within held-to-maturity financial assets	44,961,133	16,485,265	-	575,000	-	-	-	62,021,398
Other assets	34,183,894	29,303	4,179,025	71,127	-	15,330	-	38,478,679
Total for the Current Year	2,216,806,103	202,299,200	368,211,884	17,246,303	188,319	6,200,486	-	2,810,952,295
Total/Comparative Figures	2,342,109,633	212,548,893	284,587,158	13,931,392	-	34,425,663	-	2,887,602,739

* Excluding Middle East Countries.

Exposure according to Economic Sector: USD

Economic Sector	Financial	Industrial	Services	Trade	Real-Estate	Agricultural	Shares	Individuals	Government and Public Sector	Total
Balances at central banks	-	-	-	-	-	-	-	-	341,780,007	341,780,007
Balances at banks and financial institutions	246,934,639	-	-	-	-	-	-	-	-	246,934,639
Deposits at banks and financial institutions	9,958,350	-	-	-	-	-	-	-	-	9,958,350
Direct credit facilities	99,945,757	250,430,137	307,083,547	421,257,704	238,256,700	10,280,224	96,199,482	47,973,535	179,452,174	1,650,260
Bonds, Bills and Debentures:										
Within available-for-sale financial assets	21,305,282	5,557,511	44,916,701	-	-	-	-	-	389,120,468	460,899,962
Within held-to-maturity financial assets	15,381,179	-	3,089,832	-	-	-	-	-	43,550,387	62,021,398
Other assets	9,136,329	3,638,446	6,032,236	8,444,930	-	-	-	-	11,226,738	38,478,679
Total for the Current Year	402,661,536	259,626,094	361,122,318	429,702,634	238,256,700	10,280,224	96,199,482	47,973,535	965,129,774	2,810,952,295
Total/Comparative Figures	392,217,877	244,893,559	363,550,839	390,680,549	194,225,471	13,340,257	87,983,677	43,486,665	1,157,223,845	2,887,602,739

40.b. Market Risk

Market risk is the potential losses that may arise from the changes in market prices such as the change in interest rates, foreign currency exchange rates, equity instrument prices, and consequently, the change in the fair value of the cash flows of the on-and off – statement of financial position financial instruments.

The Bank has specified policies and procedures through which market risks are identified, measured, monitored, and controlled. These policies and procedures are reviewed periodically. Moreover, the Investment Policy Committee studies and recommends them after ensuring their compatibility with the instructions of the Central Bank of Jordan. After that, they are approved by the Board of Directors.

The acceptable risks policy is set within the Treasury operations and includes ceilings that govern market risks. These ceilings are adopted and their application is ensured periodically and constantly through monitoring their implementation by the risks management and submitting various periodic reports to the Assets and Liabilities Committee as well as to the Board of Directors.

The Bank has no trading portfolio and adopts the sensitivity analysis method thereon whereby present risks are measured according to the Standardized Approach for calculating minimum capital based on Basel Committee recommendations.

Moreover, the trading financial assets balance shown in the consolidated financial statements of the Bank and amounting to USD 3,348,777 as of December 31, 2010 entirely relates to the subsidiary company “The United Company for Financial Investments”.

Interest Rate Risk:

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the cash flows or the fair value of financial instruments.

The Bank is exposed to interest rate risks as a result of the timing gaps of repricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee. Moreover, various hedging methods are used to remain within the acceptable interest rate gap limits.

Sensitivity Analysis:

USD

2010			
Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	**1**	**(1,798,652)**	**(5,832,701)**
Euro	**1**	**(43,430)**	**-**
GBP	**1**	**84,044**	**(12,811)**
Yen	**1**	**18,417**	**-**
Other currencies	**1**	**84,719**	**-**
Currency	(Decrease) in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	**1**	**1,798,652**	**1,607,982**
Euro	**1**	**43,430**	**7,859**
GBP	**1**	**(84,044)**	**-**
Yen	**1**	**(18,417)**	**-**
Other currencies	**1**	**(84,719)**	**-**
2009			
Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	2,321,818	(5,489,793)
Euro	1	206,042	(28,615)
GBP	1	1,463	(2,355)
Yen	1	10,056	-
Other currencies	1	(2,925)	(6,526)
Currency	(Decrease) in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	(2,321,818)	2,530,337
Euro	1	(206,042)	3,519
GBP	1	(1,463)	22,202
Yen	1	(10,056)	-
Other currencies	1	2,925	3,519

Foreign Currencies Risk:

The following table illustrates the currencies to which the Bank is exposed and the potential and reasonable change in their rates against the Jordanian Dinar and related impact on the profit and loss statement. The currencies positions are monitored daily to ensure that they are within the determined limits. Moreover, the related reports are submitted to the Assets and Liabilities Committee and Board of Directors.

USD

Currency	Change in Foreign Currency Rate %		Effect on Profit and Loss		Effect on Owners' Equity	
	2010	2009	**2010**	2009	**2010**	2009
Euro	**5**	5	**5,745**	(20,073)	**-**	-
GBP	**5**	5	**6,370**	(1,575)	**-**	-
Yen	**5**	5	**2,667**	1,196	**-**	-
Other currencies	**5**	5	**18,231**	109,831	**-**	-

Risks of Changes in Shares Prices:

This represents the risk resulting from the decline in the fair value of the investment portfolio of the shares due to the changes in the value of the shares indicators and the change in the value of shares individually.

USD

Indicator of	Change in Indicator %	Effect on Profit and Loss	Effect on Owners' Equity
Amman Stock Exchange	5	82,042	471,877
Palestine Stock Exchange	5	-	33,142
Kuwait Stock Exchange	5	-	284,013
Dubai Stock Exchange	5	-	89,567
Indicator of	Change in Indicator %	Effect on Profit and Loss	Effect on Owners' Equity
Amman Stock Exchange	(5)	(82,042)	(471,877)
Palestine Stock Exchange	(5)	-	(33,142)
Kuwait Stock Exchange	(5)	-	(284,013)
Dubai Stock Exchange	(5)	-	(89,567)

Interest Rate Repricing Gap

The Bank adopts the assets - liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates, and using hedging policies through the adoption of advanced financial instruments such as derivatives.

USD

		Interest Rate Repricing Gap						
	Less than One Month	More than 1 Month Up to 3 Months	More than 3 Months Up to 6 Months	More than 6 Months Up to 1 Year	More than 1 Year Up to 3 Years	More than 3 Years	Non-Interest Bearing	Total
2010								
Assets:								
Balances at central banks	153,222,251	-	-	-	-	-	222,761,286	375,983,537
Balances at banks and financial institutions	159,855,171	70,707,280	-	-	-	-	16,372,188	246,934,639
Deposits at banks and financial institutions	-	-	9,958,350	-	-	-	-	9,958,350
Trading financial assets	-	-	-	-	-	-	3,348,777	3,348,777
Direct credit facilities	476,224,076	187,243,294	96,012,047	789,172,733	52,922,863	49,304,247	-	1,650,879,260
Available-for-sale financial assets	168,750	39,992,993	-	53,077,296	239,115,102	128,557,701	54,121,499	515,033,341
Held-to-maturity financial assets	-	8,427,193	24,510,065	12,738,306	3,089,834	13,256,000	-	62,021,398
Property and equipment - net	-	-	-	-	-	-	16,480,714	16,480,714
Intangible assets - net	-	-	-	-	-	-	2,366,635	2,366,635
Deferred tax assets	-	-	-	-	-	-	3,054,475	3,054,475
Other assets	446,763	425,958	645,269	507,325	515,738	648,204	50,052,304	53,241,561
Total Assets	789,917,011	306,796,718	131,125,731	855,495,660	295,643,537	191,766,152	368,557,878	2,939,302,687
Liabilities:								
Banks and financial institutions deposits	114,972,749	213,867,320	17,861,153	11,919,140	-	-	1,653,876	360,274,238
Customers' deposits	210,982,464	599,071,840	220,824,715	251,772,034	95,069,267	-	462,779,712	1,840,500,032
Cash margins	19,011,293	25,269,012	37,948,520	51,302,640	8,831,777	-	28,367,520	170,730,762
Borrowed funds	-	-	-	1,909,928	-	-	-	1,909,928
Other provisions	-	-	-	-	-	-	10,382,841	10,382,841
Income tax provision	-	-	-	-	-	-	23,307,850	23,307,850
Deferred tax liabilities	-	-	-	-	-	-	1,859,310	1,859,310
Other liabilities	13,181,622	3,802,581	297,721	-	-	-	46,583,474	63,865,398
Total Liabilities	358,148,128	842,010,753	276,932,109	316,903,742	103,901,044	-	574,934,583	2,472,830,359
Interest Rate Repricing Gap	431,768,883	(535,214,035)	(145,806,378)	538,591,918	191,742,493	191,766,152	(206,376,705)	466,472,328
2009								
Total Assets	967,746,760	250,808,848	268,577,690	814,700,220	219,559,722	123,635,817	371,698,939	3,016,727,996
Total Liabilities	1,228,436,001	388,157,525	181,493,489	148,355,622	3,081,467	-	654,303,997	2,603,828,101
Interest Rate Repricing Gap	(260,689,241)	(137,348,677)	87,084,201	666,344,598	216,478,255	123,635,817	(282,605,058)	412,899,895

Concentration in Foreign Currencies Risk

USD

	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
2010						
Assets:						
Cash and balances at the central banks	**60,642,288**	**10,108,557**	**1,249,006**	**-**	**3,399,389**	**75,399,240**
Balances at banks and financial institutions	**148,277,927**	**32,270,519**	**21,558,863**	**2,236,016**	**13,048,336**	**217,391,661**
Deposits at banks and financial institutions	**9,958,350**	**-**	**-**	**-**	**-**	**9,958,350**
Direct credit facilities	**348,836,231**	**18,253,293**	**-**	**1,886,601**	**346,415**	**369,322,540**
Available-for-sale financial assets	**81,504,240**	**1,513,911**	**-**	**-**	**16,655,884**	**99,674,035**
Held-to-maturity financial assets	**16,920,834**	**-**	**-**	**-**	**139,432**	**17,060,266**
Property and equipment	**187,158**	**-**	**-**	**-**	**-**	**187,158**
Intangible assets	**34,181**	**-**	**-**	**-**	**-**	**34,181**
Other assets	**4,940,931**	**311,213**	**13,561**	**2,173**	**25,542**	**5,293,420**
Total Assets	**671,302,140**	**62,457,493**	**22,821,430**	**4,124,790**	**33,614,998**	**794,320,851**
Liabilities:						
Banks and financial institutions deposits	**270,101,889**	**22,087,563**	**122,914**	**2,113,690**	**1,318,886**	**295,744,942**
Customers' deposits	**313,896,537**	**42,313,271**	**23,767,158**	**1,872,795**	**15,970,508**	**397,820,269**
Cash margins	**32,483,188**	**1,556,766**	**291,144**	**80,300**	**292,838**	**34,704,236**
Other liabilities	**8,615,285**	**169,415**	**33,653**	**2,667**	**282,207**	**9,103,227**
Total Liabilities	**625,096,899**	**66,127,015**	**24,214,869**	**4,069,452**	**17,864,439**	**737,372,674**
Net Concentration on-Statement of Financial Position for the Current Year	**46,205,241**	**(3,669,522)**	**(1,393,439)**	**55,338**	**15,750,559**	**56,948,177**
Off-Statement of Financial Position Contingent Liabilities for the Current Year	**226,596,475**	**27,429,089**	**2,259,669**	**1,461,530**	**4,097,812**	**261,844,575**
	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
2009						
Assets:						
Cash and balances at the central banks	53,204,134	10,310,183	1,033,611	-	1,975,598	66,523,526
Balances at banks and financial institutions	149,774,962	8,735,819	17,655,819	1,094,324	9,947,859	187,208,783
Deposits at banks and financial institutions	25,000	-	-	-	135,339	160,339
Direct credit facilities	363,890,443	16,433,924	45,320	651,327	296,836	381,317,850
Available-for-sale financial assets	78,548,807	1,695,963	3,431,791	-	21,009,102	104,685,663
Held-to-maturity financial assets	16,279,834	779,382	-	-	-	17,059,216
Property and equipment	201,994	-	-	-	-	201,994
Intangible assets	19,643	-	-	-	-	19,643
Other assets	5,159,512	143,110	11,340	-	47,735	5,361,697
Total Assets	667,104,329	38,098,381	22,177,881	1,745,651	33,412,469	762,538,711
Liabilities:						
Banks and financial institutions deposits	345,868,392	-	216	-	-	345,868,608
Customers' deposits	298,229,007	37,908,869	19,730,330	1,623,673	14,160,932	371,652,811
Cash margins	39,757,625	940,171	211,650	46,984	240,992	41,197,422
Other liabilities	6,675,512	106,306	34,907	1,179	169,027	6,986,931
Total Liabilities	690,530,536	38,955,346	19,977,103	1,671,836	14,570,951	765,705,772
Net Concentration on-Statement of Financial Position for the Current Year	(23,426,207)	(856,965)	2,200,778	73,815	18,841,518	(3,167,058)
Off-Statement of Financial Position Contingent Liabilities for the Current Year	156,614,394	36,228,113	1,517,578	981,643	13,125,307	208,467,035

40. C. Liquidity Risk

First : The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity at the date of the financial statements.

Liquidity risk is defined as the loss to which the Bank might be exposed due to the inavailability of the necessary funds to finance its increased operations or obligations upon their maturity at the appropriate cost and time (considered as part of the Assets and Liabilities Management {ALM}).

The Bank adheres to the liquidity ratios set by the Central Bank of Jordan and other regulatory authorities under which the Bank's external branches operate. Liquidity is monitored daily by the Bank. Liquidity is also monitored by the Assets and Liabilities Management Committee headed by the General Manager through periodic reports.

USD

	Less than One Month	More than 1 Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to 1 Year	More than 1 Year Up to 3 Years	More than 3 Years	Non-Interest Bearing	Total
2010								
Liabilities:								
Banks and financial institutions deposits	**112,395,313**	**218,098,632**	**17,861,153**	**11,919,140**	-	-	-	**360,274,238**
Customers' deposits	**673,762,175**	**599,071,841**	**220,824,717**	**251,772,034**	**95,069,265**	-	-	**1,840,500,032**
Cash margins	**47,378,814**	**25,269,010**	**37,948,520**	**51,302,640**	**8,831,778**	-	-	**170,730,762**
Borrowed funds	-	-	-	**1,909,928**	-	-	-	**1,909,928**
Other provisions	-	-	-	-	-	-	**10,382,841**	**10,382,841**
Income tax provision	-	-	**23,307,850**	-	-	-	-	**23,307,850**
Deferred tax liabilities	-	-	-	-	**1,859,310**	-	-	**1,859,310**
Other liabilities	**31,405,735**	**10,490,893**	**7,747,113**	**5,090,650**	**3,986,066**	**5,144,941**	-	**63,865,398**
Total Liabilities	**864,942,037**	**852,930,376**	**307,689,353**	**321,994,392**	**109,746,419**	**5,144,941**	**10,382,841**	**2,472,830,359**
Total Assets	**1,038,731,282**	**317,649,415**	**155,904,649**	**378,269,911**	**383,327,069**	**587,675,886**	**77,744,475**	**2,939,302,687**

	Less than One Month	More than 1 Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to 1 Year	More than 1 Year Up to 3 Years	More than 3 Years	Non-Interest Bearing	Total
2009								
Liabilities:								
Banks and financial institutions deposits	412,981,598	20,444,401	4,395,360	17,635,159	-	-	-	455,456,518
Customers' deposits	1,205,902,429	286,450,570	138,821,982	121,134,910	3,081,466	-	-	1,755,391,357
Cash margins	75,966,542	28,894,192	28,567,142	27,317,110	-	-	-	160,744,986
Borrowed funds	-	-	-	-	21,303,457	-	-	21,303,457
Other provisions	-	-	-	-	-	-	8,500,656	8,500,656
Income tax provision	23,603,087	-	-	-	-	-	-	23,603,087
Deferred tax liabilities	-	-	-	-	2,114,910	-	-	2,114,910
Other liabilities	94,750,724	45,694,728	9,822,587	13,293,381	10,393,485	2,758,225	-	176,713,130
Total Liabilities	1,813,204,380	381,483,891	181,607,071	179,380,560	36,893,318	2,758,225	8,500,656	2,603,828,101
Total Assets	1,160,334,838	136,822,291	231,781,274	224,134,884	451,068,838	733,619,496	78,966,375	3,016,727,996

Second: the following table summarizes the maturities of financial derivatives on the basis of the remaining period of the contractual maturity date from the date of the financial statements:

USD

	Up to One Month	From One Month to 3 Months	From 3 Months to 6 Months	Total
2010				
Trading derivatives:				
Currency	**(5,292,976)**	**(2,289,641)**	**-**	**(7,582,617)**

	Up to One Month	From One Month to 3 Months	From 3 Months to 6 Months	Total
2009				
Trading derivatives:				
Currency	5,045,386	-	-	5,045,386

Third : Off-statement of financial position items:

USD

	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
2010				
Letters of credit and acceptances	**196,768,632**	**-**	**-**	**196,768,632**
Unutilized credit facilities ceilings	**142,626,513**	**-**	**-**	**142,626,513**
Guarantees	**226,462,852**	**9,286,192**	**-**	**235,749,044**
Operating lease contract liabilities	**11,284**	**1,253,173**	**5,514,584**	**6,779,041**
Total	**565,869,281**	**10,539,365**	**5,514,584**	**581,923,230**

	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
2009				
Letters of credit and acceptances	106,828,062	-	-	106,828,062
Unutilized credit facilities ceilings	124,518,272	-	-	124,518,272
Guarantees	249,857,755	5,069,964	-	254,927,719
Operating lease contract liabilities	51,834	1,069,041	3,118,420	4,239,295
Total	481,255,923	6,139,005	3,118,420	490,513,348

41. Information on the Bank's Business Activities

a. The Bank is organized, for managerial purposes, into three major sectors. Moreover, the Bank owns one subsidiary in the financial brokerage sector; as of the financial statements date:

- Individual accounts: include following up on individual customers deposits, and granting them loans, credit, credit cards, and other services.

-Corporate accounts: include following up on deposits, credit facilities, and other banking services related to customers from corporates.

- Treasury: include providing dealing services and managing the Bank's funds.

- Financial brokerage services: include practicing most of the brokerage and financial consultation services.

The following table represents information on the Bank's sectors according to activities:

USD

	Individuals	Corporations	Treasury	Brokerage	Others	Total 2010	Total 2009
Gross income	9,413,426	100,488,694	40,940,336	2,169,575	5,991,554	**159,003,585**	166,249,329
Less: Provision for impairment in direct credit facilities	(6,503,934)	12,384,910	-	-	-	**5,880,976**	33,652,052
Results of Business Sector	15,917,360	88,103,784	40,940,336	2,169,575	5,991,554	**153,122,609**	132,597,277
Less: Expenditures not distributed over sectors	-	-	-	1,199,774	47,737,409	**48,937,183**	47,344,291
Income before income tax	15,917,360	88,103,784	40,940,336	969,801	(41,745,855)	**104,185,426**	85,252,986
Less: Income tax	-	-	-	201,619	30,339,402	**30,541,021**	21,963,928
Income for the Year	15,917,360	88,103,784	40,940,336	768,182	(72,085,257)	**73,644,405**	63,289,058
Capital Expenditures					3,928,528	**3,928,528**	2,679,272
Depreciation and Amortization					4,113,437	**4,113,437**	4,800,430
Sector's Assets	286,230,233	1,364,649,027	1,213,353,986	19,846,300	-	**2,884,079,546**	2,986,373,056
Assets not distributed over sectors	-	-	-	-	55,223,141	**55,223,141**	30,354,940
Total Assets	286,230,233	1,364,649,027	1,213,353,986	19,846,300	55,223,141	**2,939,302,687**	3,016,727,996
Sector's Liabilities	1,121,622,883	912,094,261	362,184,166	2,461,498	-	**2,398,362,808**	2,541,051,841
Liabilities not distributed over sectors	-	-	-	-	74,467,551	**74,467,551**	62,776,260
Total Liabilities	1,121,622,883	912,094,261	362,184,166	2,461,498	74,467,551	**2,472,830,359**	2,603,828,101

b. Information on the Geographical Allocation:

This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations mainly in the Kingdom which represent local operations. Moreover, the Bank conducts international operations through its branches in Palestine and Cyprus.

The following is the Bank's revenue, assets, and capital expenditures according to geographic allocation:

USD

	Inside Kingdome		Outside Kingdom		Total	
	2010	2009	**2010**	2009	**2010**	2009
Gross Income	**132,817,237**	131,228,618	**26,186,348**	35,020,711	**159,003,585**	166,249,329
Capital Expenditures	**3,928,528**	2,679,272	**-**	-	**3,928,528**	2,679,272
Total Assets	**2,328,693,924**	2,512,967,580	**610,608,763**	503,760,416	**2,939,302,687**	3,016,727,996

42 . Capital Management

a. Description of Capital.

Capital is categorized into paid-up capital, economic capital, and regulatory capital. Moreover, regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio required by the Central Bank of Jordan instructions. Furthermore, regulatory capital consist of two parts: Primary Capital (tier 1) made up of paid-up capital, declared reserves, (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings, excluding restricted and non-controlling interests amounts net of loss for the period, costs of the acquisition of treasury shares, deferred provisions approved by the Central Bank, and goodwill; and support capital (tier 2) consisting of the foreign currencies translation differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the cumulative change in fair value, if positive, and is deducted in full, if negative.

A third part of capital (tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks.

Investments in subsidiary banks and financial institutions are deducted (if their financial statements are not consolidated). Moreover, investments in the capitals of banks and other financial institutions are deducted.

b. The requirements of the regulatory parties concerning capital and the manner in which they are met.

Instructions of the Central Bank require that paid-up capital be not less than USD 141,043,724 and equity-to-assets ratio be not less than 6%. Moreover, the Central Bank instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12%, which is considered by the Bank.

The Bank complies with Article (62) of the Banks Law which requires the Bank to appropriate 10% of its annual net profits in the Kingdom and continue to do so until the reserve equals the Bank's paid-up capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The Bank complies with Article (41) of the Banks Law which requires adherence to the limits set by the Central Bank of Jordan relating to:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.

2. Ratio of total loans to regulatory capital the Bank is allowed to grant to one person, his allies, or to related stakeholders.

3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.

c. Method of Achieving Capital Management Goals.

The Bank considers the compatibility of the size of its capital with the size, nature, and complexity of the risk the Bank is exposed to in a manner that does not contradict the prevailing regulations and instructions. This is reflected in its strategic plans and annual budgets. To be more conservative in hedging against surrounding conditions and economic cycles, the Board of Directors decided, within the Bank's strategy, that capital adequacy ratio be not less than 14%.

When entering into investments, the impact on capital adequacy ratio is considered. Moreover, capital and its adequacy are monitored periodically as capital adequacy ratio is monitored at the Group level and the individual Bank every quarter. Furthermore, capital adequacy is reviewed by internal audit, and capital ratios are monitored monthly. Such ratios are financial leverage, shareholders' equity to assets, shareholders' equity to customers' deposits, internal growth of capital, provisions, and free capital. This should achieve the appropriate financial leverage, and consequently, the targeted return on shareholders' equity not less than 20% as prescribed by the Bank's strategy.

No dividends are paid to shareholders out of the regulatory capital if such payment leads to inadherence to the minimum capital requirement. The Bank concentrates on the internal generation of capital and can resort to public subscriptions to meet expansionary needs and future plans, or the requirements of the regulatory bodies according to specified studies.

Capital is allocated to work lines and various functions according to assets weighted by risks (capital allocation) and as per the decisions of Basel Committee and the Central Bank of Jordan instructions.

Capital Adequacy

Capital adequacy ratio is calculated according to the Central Bank of Jordan instructions based on Basel Committee resolutions. The following is the capital adequacy ratio compared with the previous year:

	USD (Thousand)	
	2010	2009
Core Capital Items		
Subscribed capital	**141,044**	141,044
Statutory reserve	**66,455**	56,075
Voluntary reserve	**116,624**	95,864
Share premium	**-**	7,052
Surplus of the regulatory capital of the subsidiary insurance company sold during the year 2009	**-**	-
Retained earnings (after deducting proposed dividends and deferred tax assets)	**106,547**	49,955
Non-controlling interests	**8,691**	8,708
Less:		
Restricted amounts	**-**	-
Goodwill and intangible assets	**2,367**	1,795
50% from the investment in insurance companies, financial companies and significant investments in other companies	**4**	1,467
Total Core Capital	**436,993**	355,436
Supplementary Capital Items		
General banking risks reserve	**14,923**	13,396
Cumulative change in the fair value of available-for-sale assets at 100% of the negative change or 45% of the positive change	**4,104**	3,442
Less:		
Investments in banks and financial subsidiary company	**-**	-
Investments in banks capitals and other financial institutions capitals	**-**	-
50% of investments in insurance companies, financial institutions and significant investments in other companies	**4**	1,467
Total Regulatory Capital	**456,014**	370,807
Total risks weighted assets	**2,244,509**	2,088,360
Ratio of regulatory capital (%)	**20/32%**	17/76%
Core capital ratio (%) *	**19/47%**	17/02%

* Core capital has been calculated net of investments in banks and financial subsidiary company as their financial statements have not been incorporated.

43. Accounts Managed on Behalf of Customers

There are no investment portfolios managed by the Bank on behalf of customers.

44. Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement:

USD

	Up to One Year	More than One Year	Total
2010			
ASSETS			
Cash and balances at central banks	**375,983,537**	**-**	**375,983,537**
Balances at banks and financial institutions	**246,934,639**	**-**	**246,934,639**
Deposits at banks and financial institutions	**9,958,350**	**-**	**9,958,350**
Trading financial assets	**3,348,777**	**-**	**3,348,777**
Direct credit facilities	**1,548,652,150**	**102,227,110**	**1,650,879,260**
Available-for-sale financial assets	**93,239,039**	**421,794,302**	**515,033,341**
Held-to-maturity financial assets	**45,675,564**	**16,345,834**	**62,021,398**
Property and equipment - net	**-**	**16,480,714**	**16,480,714**
Intangible assets	**-**	**2,366,635**	**2,366,635**
Deferred tax assets	**-**	**3,054,475**	**3,054,475**
Other assets	**49,660,640**	**3,580,921**	**53,241,561**
TOTAL ASSETS	**2,373,452,696**	**565,849,991**	**2,939,302,687**
LIABILITIES			
Banks and financial institutions deposits	**360,274,238**	**-**	**360,274,238**
Customers deposits	**1,745,430,767**	**95,069,265**	**1,840,500,032**
Cash margins	**161,898,984**	**8,831,778**	**170,730,762**
Borrowed funds	**1,909,928**	**-**	**1,909,928**
Other provisions	**-**	**10,382,841**	**10,382,841**
Provision for income tax	**23,307,850**	**-**	**23,307,850**
Deferred tax liabilities	**-**	**1,859,310**	**1,859,310**
Other liabilities	**54,748,495**	**9,116,903**	**63,865,398**
TOTAL LIABILITIES	**2,347,570,262**	**125,260,097**	**2,472,830,359**
NET ASSETS	**25,882,434**	**440,589,894**	**466,472,328**

	Up to One Year	More than One Year	Total
2009			
ASSETS			
Cash and balances at central banks	572,980,719	-	572,980,719
Balances at banks and financial institutions	208,926,798	-	208,926,798
Deposits at banks and financial institutions	160,339	-	160,339
Trading financial assets	2,419,069	-	2,419,069
Direct credit facilities	1,428,233,948	107,942,144	1,536,176,092
Available-for-sale financial assets	161,671,924	338,706,038	500,377,962
Held-to-maturity financial assets	106,694,233	31,163,586	137,857,819
Property and equipment - net	-	16,558,172	16,558,172
Intangible assets	-	1,795,135	1,795,135
Deferred tax assets	-	12,001,632	12,001,632
Other assets	23,849,922	3,624,337	27,474,259
TOTAL ASSETS	2,504,936,952	511,791,044	3,016,727,996
LIABILITIES			
Banks and financial institutions deposits	455,456,518	-	455,456,518
Customers deposits	1,752,309,891	3,081,466	1,755,391,357
Cash margins	160,744,986	-	160,744,986
Borrowed funds	-	21,303,457	21,303,457
Other provisions	-	8,500,656	8,500,656
Provision for income tax	23,603,087	-	23,603,087
Deferred tax liabilities	-	2,114,910	2,114,910
Other liabilities	163,561,420	13,151,710	176,713,130
TOTAL LIABILITIES	2,555,675,902	48,152,199	2,603,828,101
NET ASSETS	(50,738,950)	463,638,845	412,899,895

45. Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:
Level (1): quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level (2): inputs other than quoted prices included within level (1) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level (3): inputs for the asset or liability that are not based on observable market data (unobservable inputs).

USD

	Level (1)	Level (2)	Level (3)	Total
December 31, 2010				
Financial Assets Instruments:				
Trading financial assets	**3,348,777**	**-**	**-**	**3,348,777**
Available-for-sale financial assets	**431,940,374**	**83,092,967**	**-**	**515,033,341**
Financial drevatives instruments	**73,944**	**-**	**-**	**73,944**
Total Financial Assets Instruments	**435,363,095**	**83,092,967**	**-**	**518,456,062**
Financial Liabilities Instruments:				
Financial derivatives instruments	**3,250**	**-**	**-**	**3,250**
Total Finanical Liabilities Instruments	**3,250**	**-**	**-**	**3,250**
	Level (1)	Level (2)	Level (3)	Total
December 31, 2009				
Financial Assets Instruments:				
Trading financial assets	2,419,069	-	-	2,419,069
Available-for-sale financial assets	288,637,784	211,740,178	-	500,377,962
Total Financial Assets Instruments	291,056,853	211,740,178	-	502,797,031
Financial Liabilities Instruments:				
Financial derivatives instruments	10,399	-	-	10,399
Total Finanical Liabilities Instruments	10,399	-	-	10,399

46. Commitments and Contingent Liabilities (Off-Statement of Financial Position)

a- Credit commitments and contingencies:

USD

	2010	2009
Letters of credit	**172,709,561**	88,161,790
Letters of acceptances	**24,059,071**	18,666,272
Letters of guarantee:	**-**	-
Payments	**92,762,999**	99,931,162
Performance bonds	**89,357,539**	96,497,202
Other	**53,628,506**	58,499,355
Unutilized credit facilities ceilings	**142,626,513**	124,518,272
	575,144,189	486,274,053

b- Contractual obligations:

USD

	2010	2009
Contracts to purchase property and equipment	**2,415,433**	1,067,563
Construction contracts	**1,054,592**	921,441
Other purchases contracts	**458,502**	690,268
	3,928,527	2,679,272

c- Operating leases amounted to USD 6,779,041 with periods ranging from 1 to 11 years (against USD 4,239,295 as of December 31, 2009).

d- Unpaid investment participations on companies capital amounted to USD 541,691 as of December 31, 2010 and 2009.

The details are as follows: USD

Company's Name	Total Investment	Remaining Obligation	Settlement Date
Jordan Investment Fund	1,000,000	203,000	Upon demand
Palestine Company for Industrial Zones	255,102	1,269	Upon demand
Agricultural Products Exporting Company	450,000	337,422	Upon demand

47. Lawsuits Against the Bank

a - The Bank is a defendant in lawsuits amounting to USD 10,248,666 as of December 31, 2010 (against USD 7,393,137 as of December 31, 2009). In the opinion of the Bank's management and legal advisor, no liabilities shall arise against the Bank exceeding the existing provision of USD 402,202 as of December 31, 2010 (against USD 439,704 as of December 31, 2009).

b - As of December 31, 2010 and 2009, there were no lawsuits against the subsidiary company United Financial Investments Company.

48. Application of new and revised International Financial Reporting Standards (IFRSs)

48.1 New and revised IFRSs applied with no material effect on the consolidated financial statements:

The following new and revised IFRSs have also been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters.	The amendments provide two exemptions when adopting IFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.
Amendments to IFRS 2: Share-based Payment – Cash-settled Share-based Payment Transactions.	The amendments clarify the scope of IFRS 2, as well as the accounting for cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another entity or shareholder has the obligation to settle the award.
Amendments to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to IFRSs issued in 2008).	The amendments clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Bank is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Bank will retain a non-controlling interest in the subsidiary after the sale.
Amendments to IAS 39: Financial Instruments: Recognition and Measurement – Eligible Hedged Items.	The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.
IFRIC 17: Distributions of Non-cash Assets to Owners.	The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.
IFRIC 18: Transfers of Assets from Customers.	The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with IAS 18 Revenue.
Improvements to IFRSs issued in 2009:	IAS 1, IAS 23, IAS 27, IAS 32 and IAS 39. SMEs IFRS, IFRS 2, IFRS 3, IFRS7 and IFRS 8.
Amendments to IAS 1: Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2009).	The amendments to IAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or noncurrent. This amendment has had no effect on the amounts reported in current and prior years as the Bank has not previously issued instruments of this nature.
IFRS 3 (revised in 2008): Business Combinations.	IFRS 3(2008) has been applied in the current year prospectively to business combinations for which the acquisition date is on or after 1 January 2010 in accordance with the relevant transitional provisions.
IAS 27 (revised in 2008): Consolidated and Separate Financial Statements.	The application of IAS 27(2008) has not resulted in changes in the Bank's accounting policies.
IAS 28 (revised in 2008): Investments in Associates.	The principle adopted under IAS 27 that a loss of control is recognized as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to IAS 28. As part of Improvements to IFRSs issued in 2010, IAS 28(2008) has been amended to clarify that the amendments to IAS 28 regarding transactions where the investor loses significant influence over an associate should be applied prospectively.

48.2 New and revised IFRSs issued but not yet effective

The Bank has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters.	Effective for annual periods beginning on or after 1 July 2011.
Amendments to IFRS 7: Disclosures – Transfers of Financial Assets.	Effective for annual periods beginning on or after 1 July 2011.
IFRS 9 (as amended in 2010): Financial Instruments.	Effective for annual periods beginning on or after 1 January 2013.
IAS 24 (revised in 2009): Related Party Disclosures.	Effective for annual periods beginning on or after 1 January 2011.
Amendments to IAS 32: Classification of Rights Issues.	Effective for annual periods beginning on or after 1 February 2011.
Amendments to IFRIC 14: Prepayments of a Minimum Funding Requirement.	Effective for annual periods beginning on or after 1 January 2011.
IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments.	Effective for annual periods beginning on or after 1 July 2011.

IFRS 9 Financial Instruments issued in November 2009 and amended in October 2010.

IFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

IFRS 9 requires all recognised financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments held within a business model with the objective to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 9 will be adopted in the preparation of the Bank's financial statements for the annual period beginning June 30, 2011 and that the application of the new Standard will have a significant impact on the amounts reported in respect of the Bank's financial assets and financial liabilities. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to IFRS 7: Disclosures – Transfers of Financial Assets increase.

The amendments to IFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency about risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the Bank's disclosures regarding transfers of trade receivables previously effected. However, if the Company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

IAS 24: Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in IAS 24 (as revised in 2009) do not affect the Bank because the Bank is not a government-related entity. However, disclosures regarding related party transactions and balances in these financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to IAS 32: Classification of Rights Issues.

The amendments to IAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Bank has not entered into any arrangements that would fall within the scope of the amendments. However, if the Company does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to IAS 32 will have an impact on the classification of those rights issues.

IFRIC 19: Extinguishing Financial Liability with Equity Instruments.

IFRIC 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Bank has not entered into transactions of this nature. However, if the Bank does enter into any such transactions in the future, IFRIC 19 will affect the required accounting. In particular, under IFRIC 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

Statement of Disclosure for the Financial Year ending 31/12/2010, in accordance with article (4) of the disclosure regulations, the accounting and auditing standards issued by the Jordan Securities Commission.

Item

4a: Chairman's Statement: Included in the report.

4b/1: Description of main activities: Included in the report.

The Bank operates through its head office in Abdali - Amman and 51 branches and cash offices in Jordan, in addition to two branches in Palestine and one branch in Cyprus. Total capital expenditure for the year 2010 amounted to USD2.64 million. The table below shows the Bank's locations and the number of staff at each.

Location	No. of Staff	Location	No. of Staff	Location	No. of Staff
Head Office	403	Zain Office	2	Khalda Branch	7
Main Branch	18	Shmeissani Branch	15	Dair Ghbar Office	5
Abdali Branch	18	Al-Rabiyah Branch	8	Irbid Branch	13
Jabal Amman Branch	11	Vegetable Market Branch	9	Wadi Saqra Branch	7
Wehdat Branch	11	Madina Munawarah St. Branch	14	Al-Husson St. Branch- Irbid	7
Tla' El 'Ali Branch	14	Sweifiyyah Branch	13	Yarmouk University Branch- Irbid	6
Jabal Al-Hussein Branch	12	Nazzal Branch	9	Al-Mafraq Office	5
Commercial Center Branch	11	Mecca Mall Branch	10	Al-Karak Office	4
Abu-Alanda Branch	12	Petra University Office	4	Aqaba Branch	10
Yarmouk Branch	11	Abdullah Ghousheh St. Branch	9	Zarqa Branch	12
Wadi El-Seir Branch	12	Al-Mougablain Branch	8	Russaifeh Branch	8
Jubaiha Branch	13	Marj El-Hamam Branch	6	Zarqa Free Zone Branch	8
Amra Branch	8	Mecca Mall Office	5	New Zarqa Branch	7
Abdoun Branch	13	Sweileh Office	5	Al-Madineh Al-Riyadeah Branch	8
Abu-Nsair Branch	5	Amman Ahliyyah University Branch	6	Regional Management –Palestine	8
Marka Branch	10	Baq'ah Branch	7	Nablus Branch	12
Ibn Khaldoun Branch	7	Madaba Branch	8	Ramallah Branch	12
Dabouq Branch	7	Al-Salt Office	4	Cyprus Branch	5
City Mall Branch	7	King Abdullah Bureau Office	3	United Financial Investments Co. (Subsidiary)	13

4b /2: Subsidiaries:

United Financial Investments Company:

United Financial Investments Co. (UFICO) was established in 1980. In 1996 the company was restructured as a public shareholding company.

The company enjoys a leading position among the major top firms operating in the ASE. UFICO provides financial services, which are directly connected with local and international financial markets.

In 2002, UFICO became a subsidiary of Jordan Kuwait Bank. The Bank holds 50.01% of the company's capital of JD8 million (USD11.28m) as at December 2010.

The Company's H.Q. is located in Shmeissani, Amman with 13 working employees.

4b /3: Executives' Biography:

1- Members of the Board of Directors:

1. H. E. Mr. Abdel Karim A. Kabariti

Chairman

Date of membership: 15/7/1997

Date of Birth: 1949

Education: Bachelor degree in Business and Finance with Honors from St. Edwards University-USA, 1973.

Experiences:

Past Official & Governmental Positions:
- Member of the Jordanian Senate, Head of the Economics & Finance Committee (2005-2007).
- Member of the Jordanian Senate, First Deputy to the Speaker (2000 – 2002).
- Chief of the Royal Court, (1999 - 2000).
- Member of the Twelfth and the Eleventh Jordanian Parliaments (1993 – 1997) and (1989 – 1993) / Head of the Economics & Finance Committee (1993 – 1995).
- Prime Minister, Minister of Foreign Affairs and Minister of Defense (1996 - 1997).
- Minister of Foreign Affairs (1995 - 1996).
- Minister of Labor (1991 - 1993).
- Minister of Tourism (1989 - 1991).

Administrative Positions:
- Chairman of the Board of Trustees, Amman Ahliyyah University.
- Chairman, United Financial Investments Company.
- Chairman, Algeria Gulf Bank - Algeria.
- Board Member, Jordan Dairy Company.
- Board Member, Burgan Bank – Kuwait.
- Board Member, Jordan International Bank – London (Until October 2010).

Previous Experiences:
- He worked at many financial institutions / private business (1973 – 1989).

2. Mr. Faisal H. Al -Ayyar

Vice Chairman/ Representative of United Gulf Bank - Bahrain.

Date of membership: 15/7/1997

Date of Birth: 1954

Education: Studied Aviation and worked as a fighter pilot for the Kuwait Air Force.

Experiences:
- Vice Chairman, Kuwait Projects Co. (Holding) – Kuwait.
- Vice Chairman, Gulf Insurance Company – Kuwait.
- Chairman, United Co. (Orbit Showtime).
- Chairman, Trust International Insurance Co. – Lebanon.
- Chairman, Saudi Pearl Insurance Co. – Bahrain.
- Board Member, United Gulf Bank – Bahrain.
- Board Member, United Gulf Investment Co. - Cayman Islands.
- Board Member, Saudi Dairy & Foodstuff Co. (SADAFCO) - Saudi Arabia.
- Board Member, Gulf Egypt for Hotels & Tourism Company – Egypt.
- Board Member, EgySwiss Food Co. – Egypt.
- Member on Board of Trustees, American University of Kuwait.

- Member of the National Committee for Learning Disabilities – Kuwait.
- Holder of the Jordanian Medal of Independence of the First Order.
- Winner of Arab Bankers Association of North America Achievement Award in 2005.
- Winner of the Tunisian Arab Economic Forum Award in 2007.
- Winner of the Arab Economic Forum Best Achievement Award in Beirut 2007.
- Honored at the 2009 Kuwaiti Financial Forum for his contributions to the investment sector in Kuwait and his success in the global financial market.

3. Mr. Emad J. Kudah

Board Member / Representative of the Social Security Corporation - Jordan.

Date of Membership: 1/9/2006

Date of Birth: 1961

Education: MBA, Sul Ross State University, Texas-USA, 1985

Experiences:
- Manager, Treasury Dept. - Social Security Investment Unit, (2002 – Present).
- Board Member, Jordan Post Co. (2007).
- Acting Chief Executive Officer, Social Security Investment Unit (2005-2006).
- Portfolio Manager, Foreign Investments Dept., Central Bank of Jordan (2000-2002).
- Chief Dealer, Foreign Investment Dept., Central Bank of Jordan (1996-2000).
- Deputy Manager, Central Accounting Division, Central Bank of Jordan (1989-1991).
- Member of the Jordanian FOREX Association.

4. Dr. Yousef M. Goussous

Board Member / Representative of Burgan Bank – Kuwait.

Date of Membership: 20/2/2001

Date of Birth: 1939

Education: Bachelor degree in medicine, Ain Shams University-Egypt, 1965 and then Completed his specialization in heart diseases at Houston University, Texas-USA, 1973.

Experience in the medical field:
- Lecturer on heart disease at the University of Jordan and at the Jordan University for Science and Technology.
- Senior consultant at Queen Alia Center for Heart Disease and Surgery.
- Served as Manager of Al Hussein Medical Center and Chief of the Royal Medical Services.
- Fellow of several distinguished British and American medical institutions.
- Holder of several elite civil, military and medical medals of achievement in Jordan and abroad.
- Deputy Head of Management Committee, Amman Surgical Hospital.

5. Mr. Masaud M. Jawhar Hayat

Board Member / Representative of Al- Futtooh Holding Co.- Kuwait.

Date of Membership: 20/2/2001

Date of Birth: 1953

Education: Bachelor degree in Accounting with a major in Economics, Kuwait University, 1973 and a High Diploma in Banking Studies, 1975.

Present Administrative Positions:
- Chief Executive Officer of the banking sector, Kuwait Projects Co. (Holding)- Kuwait (1997 - Present).
- Chairman and Executive Committee Chair, United Gulf Bank – Bahrain since (2010 - Present).

- Chairman & Executive Committee Chair, Tunis International Bank - Tunis.
- Deputy Chairman & Executive Committee Chair, Algeria Gulf Bank - Algeria.
- Board Member, Bank of Baghdad - Iraq.
- Chairman, Syria Gulf Bank - Syria.
- Board Member & Executive Committee Chair, North African Co.
- Vice Chairman, Royal Capital Co. – Abu Dhabi.

Previous Administrative Positions:
- Chairman, KIPCO Asset Management Co. (KAMCO)- Kuwait (1998-4/2010).
- Managing Director, United Gulf Bank – Bahrain (1997-2009).
- Board Member & Audit Committee Chair, International Investor Co. – Kuwait (2005 - 2009).
- Board Member, Gulf Insurance Company plc (1997 – 2001).
- Board Member, Industrial Investments Co. (1993 – 2001).
- Started his banking career in 1974 at the National Bank of Kuwait and occupied several positions till he was appointed as acting chief general manager in 1992, then appointed as consultant to the board of directors from 1993 till 1996.
- Board Member, Tunis Arab International Bank (1986 – 1996).
- Board Member & Executive Committee Vice Chair, Bahrain and Kuwait Bank (1986 – 1995).
- Managing Chairman, Burgan Bank – Kuwait
- Board Member United Fisheries Co. – Kuwait.
- Board Member, National Telecommunications Co. - Algeria.
- Chairman, United Gulf Financial Services Co. - Qatar.
- Board Member & Treasurer, Investment Companies Union – Kuwait.

6. Mr. Tariq M. Abdul Salam

Board Member / Representative of Kuwait Projects Company. (Holding) – Kuwait.

Date of Membership: 15/7/1997

Date of Birth: 1965

Education: Bachelor degree in Accounting, Kuwait University, 1987. Diploma in International Securities, 1996.

Present Administrative Positions:
- Chief Executive Officer of the Investment sector, Kuwait Projects Co. (Holding)- Kuwait (Jan. 2011 - Present).
- Executive Chairman, United Real Estate Company - Kuwait (2006 - Present).
- Vice Chairman, Kuwait Clearing Co. – Kuwait since (2004 - Present).

Previous Administrative Positions:
- Chairman, Burgan Bank- Kuwait (2007- 2010).
- Board Member, KIPCO Asset Management Co. (KAMCO) (1998 - 2009).
- Board Member, Bahrain Kuwait Insurance Company – Kuwait (1992 - 2008)
- Board Member, United Gulf Bank – Bahrain (2002 - 2008)
- Vice Chairman, Burgan Bank – Kuwait (2004 - 2007)
- General Manager, KIPCO Asset Management Co. (KAMCO) (1998 - 2004).
- Chairman, Kuwait Clearing Co. – Kuwait (1997 - 2004).
- Board Member, Bank Kuwait & Middle East – Kuwait (2003 - 2004).
- Board Member, Industrial Bank of Kuwait – Kuwait (2002 - 2003).
- Board Member, Gulf Insurance Company – Kuwait (1997 - 2001).
- Assistant CEO, Trading and Investment Portfolio Management, Kuwait Projects Co.-Kuwait (1996 – 1998).
- Manager, Trading and International Investment Portfolio Management, Kuwait Projects Co.-Kuwait (1992 - 1996).
- Manager, Accounts Department, International Financial Investment Company (1987 - 1989).

7. Mr. Farouk A. Al -Aref

Board Member

Date of Membership: 15/7/1997

Date of Birth: 1938

Education: Bachelor degree in International Relations, University of Chicago-USA.

Experiences:

- CEO, Gulfcom Telecommunications.
- Head of Management Committee, Jordan SADAFCO Food Co. (Until May, 2009).
- Deputy General Manager, Al Razi Pharmaceutical Company (1993-1999).
- Deputy General Manager, Jordan Kuwait Bank (1988-1993).
- General Manager, Nayef Al Dabbous & Sons Co. - Kuwait (1970-1988).
- Administration Manager, Ministry of Public Works - Kuwait (1961-1966).

8. Mr. Moh'd A. Abu Ghazaleh

Board Member

Date of Membership: 15/2/2004

Date of Birth: 1942

Education: Bachelor degree in Business Administration, American University- Cairo, 1964.

Experiences:

- Chairman and CEO, Del Monte Fresh Produce (NYSE).
- Chairman, National Poultry Company.
- Chairman, Royal Jordanian Aviation Academy.
- Chairman, Arab Wings Co.
- Chairman, Queen Nour Civil Aviation Technical College.
- Vice Chairman, International General Insurance Co. Ltd.
- Board Member, United Cables Industries Company.
- Board Member, Bank Misr Liban.
- Member of the Board of Trustees, American University - Cairo.

9. Mr. Mansour A. Louzi

Board Member / Representative of Strategy Company for Investments.

Date of Membership: 15/3/2009

Date of Birth: 1961

Education: Bachelor degree in Business Administration, St. Edwards University, Texas -USA, 1983.

Experiences:

- Board Member, United Financial Investments Co. / Representative of Jordan Kuwait Bank.
- Vice Chairman, Arab Orient Insurance Co.
- Board Member, Middle East Specialized Cables (MESC Jordan) (2008 - Present).
- Business Development Manager, Siemens Company - Jordan Branch.
- Administrative Manager, Siemens Company-Jordan Branch (1993 - 2006).
- Board Member, Amman Insurance Company Ltd. (1998 - 2000).
- Board Member, Philadelphia Bank for Investment (1996 - 2000).
- Board Member, National Company for Steel Manufacturing (1995 - 2000)
- Central Bank of Jordan – International Relations Dept. - Investment Unit (1985 - 1993).
- Jordan Armed Forces – Studies & Development Dept. (1984 - 1985)

2- Executive Management:

1. Mr. "Moh'd Yaser" M. Al -Asmar:

Position: General Manager

Date of Birth: 1947

Date of joining: 15/9/1990

Education: Bachelor degree in Business Administration, University of Jordan, 1970.

Experiences:
- Board Member, Arab Orient Insurance Co./ Representative of Jordan Kuwait Bank.
- Vice Chairman, The Association of Banks in Jordan (2005 - Present).
- Asst. General Manager, Credit Dept. (1990 – 1993).
- Asst. General Manager, Credit Administration and Control, Commercial Bank of Kuwait – Kuwait (1971 – 1990).

2. Mr. Tawfiq A. Mukahal:

Position: Deputy General Manager – Banking Group

Date of Birth: 1951

Date of joining: 12/10/1991

Education: Secondary School Certificate, 1969.

Experiences:
- Board Member, Jordan Steel Co., Representative of Jordan Kuwait Bank.
- Vice Chairman, Jordan Mortgage Refinance Co. / Representative of Jordan Kuwait Bank.
- Asst. General Manager, Credit Dept. (1998 – 2007).
- Executive Manager, Credit Dept. (1993 – 1997).
- Manager, Marketing & Credit Unit (1991 – 1993).
- Manager, Marketing & Credit Dept., National Bank of Kuwait – Kuwait (1971 – 1990).

3. Mr. Majed F. Burjak:

Position: Deputy General Manager – Support Services Group

Date of Birth: 1947

Date of joining: 18/7/1998

Education: Bachelor degree in Economic & Commerce, University of Jordan, 1969.

Experiences:
- Deputy Head of Steering Committee, Visa Jordan Card Services / Representative of Jordan Kuwait Bank.
- Asst. General Manager, Operations (1998 – 2007).
- Asst. General Manager, Operations, Export & Finance Bank (1996 – 1998).
- Regional Operations Manager, Standard Chartered Grindleys (1970 – 1996).

4. Mr. Shaher E. Suleiman

Position: Head of Risk Management & Compliance Group

Date of Birth: 1963

Date of joining: 16/5/1999

Education: Master degree in International Banking, Heriot-Watt University – U.K., 1998.

Experiences:
- Asst. General Manager – Internal Audit Dept. (1999-2009).
- Worked at the Central Bank of Jordan (1988 – 1999).

5. Mr. William J. Dababneh:

Position: Asst. General Manager – Treasury & Investment Department

Date of Birth: 1957

Date of joining: 27/8/1994

Education: Secondary School Certificate, 1975.

Experiences:
- 17 Years Experience in various banks and the last was Arab Jordanian Investment Bank (1990 – 1994).

6. Mrs. Hiyam S. Habash:

Position: Asst. General Manager – Financial Department

Date of Birth: 1955

Date of joining: 6/2/1999

Education: Diploma in Business Administration, American Lebanese University, 1978.

Experiences:
- Financial Manager, New English School (1992 – 1997).
- Financial Manager, Petra Bank (1978 – 1989).

7. Mr. Ismail A. Abu-Adi:

Position: Asst. General Manager – Credit Department

Date of Birth: 1964

Date of joining: 12/9/1988

Education: Master degree in Banking & Finance, Arab Academy, 1992.

Experiences:
- Board Member, Al-Isra Co. for Education & Investment / Representative of Jordan Kuwait Bank.
- Executive Manager, Credit Dept. (2005 – 2007).
- Manager, Credit Dept. (2000 – 2005).
- General Banking Experience, JKB (1988-2000).

8. Mr. Jamal M. Baker Hasan:

Position: Asst. General Manager – Branches Administration Department

Date of Birth: 1956

Date of joining: 2/8/1986

Education: Diploma in Banking & Finance, Institute of Banking Studies, 1980.

Experiences:
- Executive Manager, Branch Administration (2006 - 2007).
- Regional Manager, Branch Administration (2002-2006).
- Branch Manager (1986 -2002).
- Banking operations, Arab Bank – Riyadh (1982 - 1986).
- Banking operations, Arab Bank – Amman (1975 - 1982).

9. Mr. Abdel Hameed M. Al-Ahwal:

Position: Asst. General Manager – Operations Department

Date of Birth: 1954

Date of joining: 1/4/1990

Education: Bachelor degree in Business Administration, South Eastern University – U.S.A, 1980.

Experiences:

- Executive Manager, Branch Administration (2006 – 2007).
- Executive Manager, Branch Administration (2000 – 2006).
- Branch Manager (1990 – 1999).
- General Banking Experience, JKB (1982 – 1989).

10. Mr. Haethum S. Buttikhi:

Position: Asst. General Manager – Retail & Consumer Products Department

Date of Birth: 1977

Date of joining: 1/6/2003

Education: Royal Military Academy, Sandhurst- U.K., 1996.

Bachelor degree in Political Science, Kent University – U.K., 2000.

Experiences:

- Board Member, United Financial Investments Co. / Representative of Jordan Kuwait Bank.
- Board Member, Amad Investment & Real Estate Development Co. / Representative of Jordan Kuwait Bank.
- Member of the Management Committee, Middle East Payment Services (MEPS) / Representative of Jordan Kuwait Bank.
- Board Member, Salam Intl. Transport & Trading Co.
- Board Member, Brokerage House Securities (BHS).
- Executive Manager, Private Banking Unit (2007).
- Manager, Main Branch (2003 – 2006).

11. Mr. Suhail M. Turki:

Position: Executive Manager – Public Relations Department

Date of Birth: 1944

Date of joining: 19/10/1991

Education: Secondary School Certificate, 1964.

Experiences:

- Asst. Administrative Manager, Industrial Bank of Kuwait - Kuwait (1978 - 1990).
- Administrative Officer, Kuwait Airways - Kuwait (1968 - 1978).

12. Mr. Ibrahim E. Kashet:

Position: Executive Manager – Legal Department

Date of Birth: 1962

Date of joining: 1/4/1989

Education: Bachelor degree in Law, University of Jordan, 1987.

Experiences:

- Legal Department, (2000 - Present).
- Credit Department, (1994 – 2000).
- Credit Follow Up Department, (1989 – 1994).

13. Mr. Majed M. Muqbel:

Position: Executive Manager – Compliance Control Department

Date of Birth: 1960

Date of joining: 6/10/1984

Education: Bachelor degree in Accounting, University of Jordan, 1982.

Experiences:

- Compliance Department, (2007 - Present).
- Internal Audit Department, (1999 – 2007).
- Credit Operations Department, (1998 – 1999).
- Credit Department, (1984 – 1998).

14. Mr. Sami A. Al-Assaf:

Position: Executive Manager – IT Department

Date of Birth: 1959

Date of joining: 15/1/1986

Education: Bachelor degree in MIS, The Arab Academy for Banking & Financial Services 2008.

Experiences:

- Senior Manager,IT Department, (2003 – 2008).
- Systems Development Manager, (2000 – 2003).
- Senior Systems Analyst, (1986 – 2000).

15. Mr. Zuhdi B. Al-Jayousi:

Position: Executive Manager – Corporate Credit Department

Date of Birth: 1970

Date of joining: 6/9/1997

Education: Bachelor degree in Accounting, Amman Ahliyyah University, 1994.

Experiences:

- General Banking Experience, Jordan & Gulf Bank, (1994 –1997).

16. Mr. Moh'd J. Azem Hammad:

Position: Executive Manager – Risk Management Department

Date of Birth: 1972

Date of joining: 10/8/1999

Education: Master degree in Banking & Finance, The Arab Academy for Banking & Financial Studies, 1999.

Experiences:

- General Banking Experience, Arab Real Estate Bank, (1994 –1999).

17. Mr. Sa'ed M. Tu'meh:

Position: Executive Manager – Internal Audit Department

Date of Birth: 1970

Date of joining: 1/5/2001

Education: Bachelor degree in Accounting & Finance, Jordan University, 1992.

Experiences:

- General Banking Experience, Housing Bank, (1992 –2001).

18. Mr. Ibrahim F. Bisha:

Position: Executive Manager – Treasury Department

Date of Birth: 1971

Date of joining: 19/6/2001

Education: Master degree in Business Administration, Maastricht School of Management – Cyprus, 2005.

Experiences:

- Banking, Jordan Kuwait Bank (Cyprus Branch), (2001 – 2006).
- Banking, Al-Jazeerah Bank – Saudi Arabia, (1999 – 2001).
- Banking, Dar Ithmar Financial Services, (1997 – 1999).
- Banking, Amman Investment Bank, (1992 – 1997).

19. Mr. Ghassan A. Al-Qassem:

Position: Executive Manager – Branches Administration Department

Date of Birth: 1957

Date of joining: 2/6/1979

Education: Diploma in Banking & Finance, Institute of Banking Studies, 1981.

Experiences:

- General Banking Experience, Jordan Ahli Bank, (1977 – 1979).

20. Dr. Makram Amin Majed Al- Qutob:

Position: Executive Manager – Corporate Credit Department

Date of Birth: 1965.

Date of joining: 16/5/2004.

Education: PhD in Accounting, Arab Academy for Banking and Financial Sciences, 2009.

Experiences:

- Arab Bank, (1998-2004).
- Arab Thought Forum, (1990-1998).

4b/4: Shareholders who own 5% or more of the Bank's shares (2010 & 2009).

Shareholder	Nationality	No. of Shares 31/12/2010	%	No. of Shares 31/12/2009	%
Burgan Bank	Kuwaiti	**50,927,827**	**50.928**	50,835,072	50.835
Social Security Corporation	Jordanian	**21,041,644**	**21.042**	21,024,059	21.024

4b/5: Competitive position: Included in the report.

4b/6: The Bank did not conclude any deal/s with specific supplier/s and/or major clients (in Jordan or abroad) of 10% or more of total Bank's purchases, sales or revenue.

4b/7: The Bank does not enjoy any governmental concessions or protection in accordance with the prevailing rules and regulations.

4b/8: There has been no material effect on the Bank's operations, products or competitiveness as a result of any government or international organizations' decisions.

4b/9: Human Resources, Training and Organizational Structure:

Total number of employees as at 31/12/2010 was (892) of whom (12) were employed at Nablus branch, (20) at the Regional Management Office – Palestine & Ramallah branch and (5) at Cyprus branch. In addition, there were (13) employees at the Subsidiary company as at 31/12/2010.

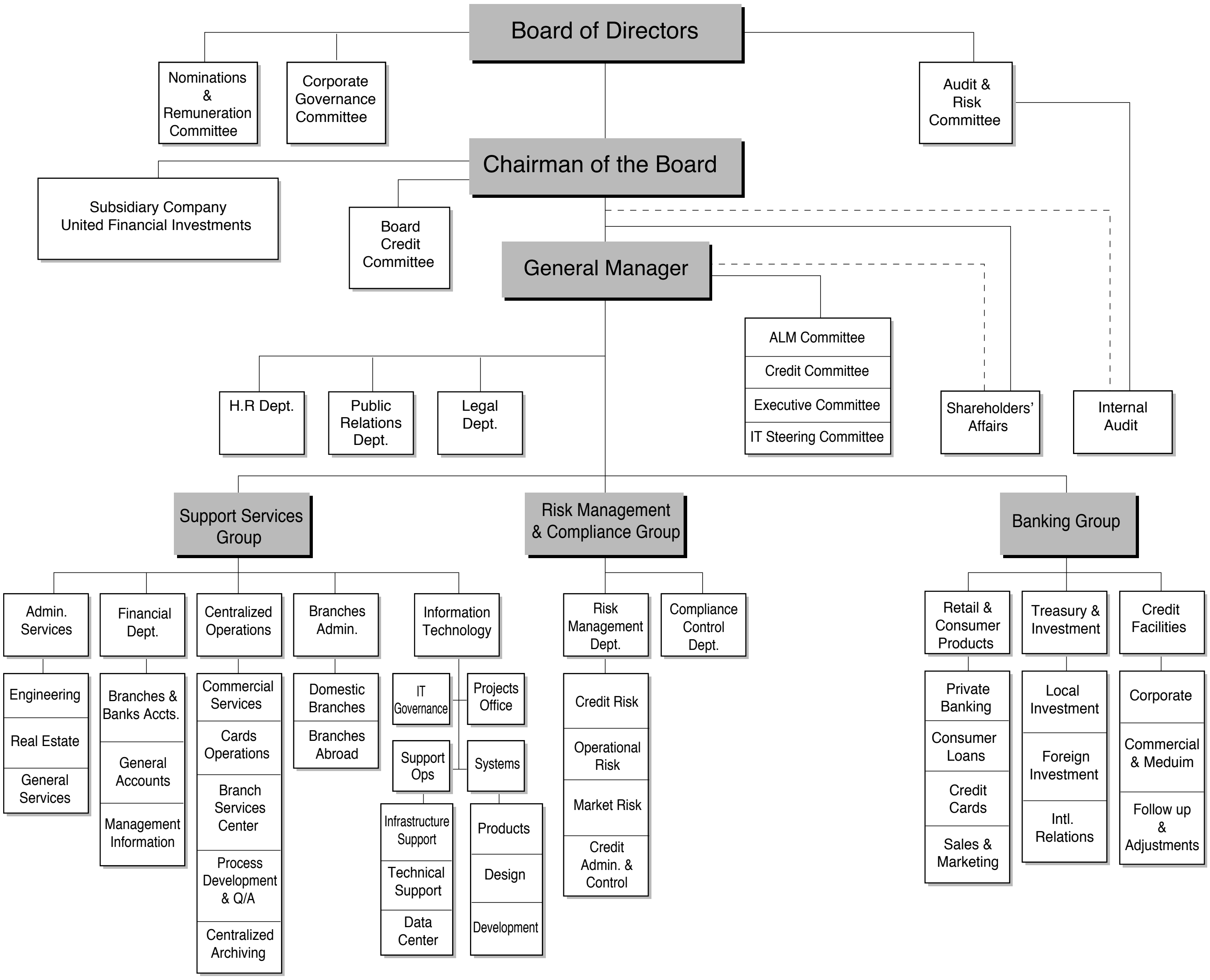
Staff educational qualifications:

	Jordan Kuwait Bank	United Financial Investments Co.
Qualification	**Number**	**Number**
PhD	1	-
Masters	44	2
Bachelor	602	4
Higher Diploma	11	-
Diploma	141	3
Secondary School Certificate	44	4
Pre- Secondary School Certificate	49	-
Total	**892**	**13**

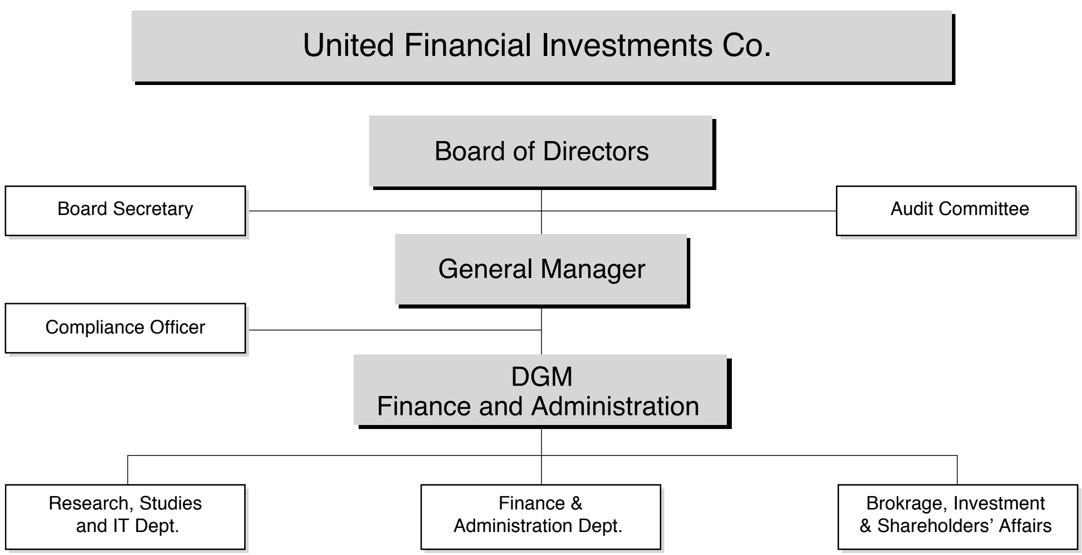
Staff training during 2010:

Training Subject	Number of Courses	Number of Participants
Compliance, Risk Management & Audit	33	323
Legal and Regulatory Banking Issues	7	81
Banking Operations	59	437
Investment, Finance & Credit Facilities	18	127
IT & Information Systems	39	212
English Language	73	163
Accounting & Financial Management	16	123
Marketing and Bancassurance	10	79
Managerial & Behavioral Skills	61	481
Total	**316**	**2026**

JKB Organizational Structure



Subsidiary Organizational Structure



4b /10: Description of risks: Included in the report.

4b /11: Achievements during 2010: Included in the report.

4b /12: There had been no financial effects of non-recurring operations that do not fall within the Bank's core business activity during 2010.

4b/13: Changes in Net Profit, Dividend, Shareholders' equity and Share price (2006 -2010)

Amounts in Thousand US Dollars

Year	Profit before tax	Dividend		Bank Shareholders' Equity	Share / $
		Bonus Shares	Cash		
2006	89,800	-	20%	264,691	9.21
2007	89,800	33.3%	20%	305,990	11.64
2008	96,381	-	10%	337,656	6.61
2009	85,252	-	15%	404,192	5.36
2010	**104,185**	**-**	**20%**	**457,767**	**6.09**

4b/14: Financial Position: Included in the report.

4b/15: Future Plan: Included in the report.

4b/16: Auditors' Fees: Auditors' fees for the Bank and its subsidiaries in 2010 amounted to USD 267,035.

4b/17: Shares owned by the Board Members during 2010 & 2009:

Number	Name	Position	Nationality	Shares 31/12/2010	Shares 31/12/2009
1	H.E. Abdel Karim A. Kabariti	Chairman	Jordanian	**1,146**	1,146
2	United Gulf Bank - Bahrain	Vice Chairman	Bahraini	**226,667**	226,667
	Mr. Faisal H. Al-Ayyar	Representative of United Gulf Bank	Kuwaiti	**10,000**	10,000
3	Burgan Bank	Board Member	Kuwaiti	**50,927,827**	50,835,072
	Dr. Yousef M. Goussous	Representative of Burgan Bank	Jordanian	**8,666**	8,666
4	Social Security Corporation	Board Member	Jordanian	**21,041,644**	21,024,059
	Mr. Emad J. Kudah	Representative of Social Security Corporation	Jordanian	**-**	-
5	Strategy Company for Investments	Board Member	Jordanian	**465,631**	465,631
	Mr. Mansour A. Louzi	Representative of Strategy Company for Investments	Jordanian	**49,000**	49,000
6	Al- Futtooh Holding Co.	Board Member	Kuwaiti	**44,996**	44,996
	Mr. Masaud M.Jawhar Hayat	Representative of Al- Futtooh Holding Co.	Kuwaiti	**32**	32
7	Kuwait Projects Co. (Holding)- Kuwait	Board Member	Kuwaiti	**50,996**	50,996
	Mr. Tariq M. Abdul Salam	Representative of Kuwait Projects Co. (Holding)	Kuwaiti	**10,000**	10,000
8	Mr. Moh'd A. Abu Ghazaleh	Board Member	Jordanian	**842,416**	849,764
9	Mr. Farouk A. Al-Aref	Board Member	Jordanian	**14,004**	14,004

Shares owned by the Bank Executives during 2010 & 2009

Number	Name	Position	Nationality	Shares 31/12/2010	Shares 31/12/2009
1	Mr. "Moh'd Yaser" M. Al-Asmar	General Manager	Jordanian	**7,000**	7,000
2	Mr. Tawfiq A. Mukahal	Deputy G.M / Banking Group	Jordanian	-	-
3	Mr. Majed F. Burjak	Deputy G.M / Support Services Group	Jordanian	-	-
4	Mr. William J. Dababneh	Asst. G.M. / Treasury & Investment Dept.	Jordanian	-	-
5	Mr. Shaher E. Suleiman	Head of Risk Management & Compliance Group	Jordanian	-	-
6	Mrs. Hiyam S. Habash	Asst. G.M. / Financial Dept.	Jordanian	**1,600**	1,600
7	Mr. Jamal M. Baker Hasan	Asst. G.M. / Branches Dept.	Jordanian	-	-
8	Mr. Abdel Hameed M. Al- Ahwal	Asst. G.M. / Operations Dept.	Jordanian	-	-
9	Mr. Ismail A. Abu-Adi	Asst. G.M. / Credit Dept.	Jordanian	-	-
10	Mr. Haethum S. Buttikhi	Asst. G.M. / Retail & Consumer Products Dept.	Jordanian	-	-
11	Mr. Suhail M. Turki	Executive Manager / Public Relations Dept.	Jordanian	-	-
12	Mr. Ibrahim E. Kashet	Executive Manager / Legal Dept.	Jordanian	-	-
13	Mr. Majed S. Muqbel	Executive Manager / Compliance Control Dept.	Jordanian	**874**	874
14	Mr. Sami A. Al-Assaf	Executive Manager / IT Dept.	Jordanian	-	-
15	Mr. Zuhdi B. Al-Jayousi	Executive Manager / Corporate Credit Dept.	Jordanian	-	-
16	Mr. Moh'd J. Azem Hammad	Executive Manager / Risk Management Dept.	Jordanian	-	-
17	Mr. Sa'ed M. Tu'meh	Executive Manager / Internal Audit Dept.	Jordanian	-	-
18	Mr. Ibrahim F. Bisha	Executive Manager / Treasury Dept.	Jordanian	-	-
19	Mr. Ghassan A. Al-Qassem	Executive Manager / Branches Dept.	Jordanian	-	-
20	Mr. Makram A. Al-Qutob	Executive Manager / Corporate Credit Dept.	Jordanian	-	-

Shares held by companies controlled by Board Members

Board Member	Position	Name of controlled Company	Ownership %	Shares of controlled Company in JKB	
				31/12/2010	31/12/2009
United Gulf Bank-Bahrain	Board Member	KIPCO Asset Management Co. (KAMCO)	77.83	**–**	92,755
United Gulf Bank- Bahrain	Board Member	Burgan Bank – Kuwait	17.00	**50,927,827**	50,835,072
Al- Futtooh Holding Co. – Kuwait	Board Member	Kuwait Projects Co. (Holding)-Kuwait	44.63	**50,996**	50,996
Kuwait Projects Co. (Holding)-Kuwait	Board Member	Burgan Bank-Kuwait	41.00	**50,927,827**	50,835,072
Kuwait Projects Co.(Holding)- Kuwait	Board Member	United Gulf Bank - Bahrain	85.32	**226,667**	226,667

Shares owned by the relatives of Board Members and Bank Executives (2010 & 2009)

Number	Name	Relation	Nationality	Shares 31/12/2010	Shares 31/12/2009
1	Mrs. Zakiah I. Murad	Wife of Mr. Farouk A. Al-Aref / Board Member	Jordanian	**14,409**	14,409
2	Mrs. Hind M. Jaber	Wife of Mr. "Moh'd Yaser" Al-Asmar / General Manager	Jordanian	**5,166**	5,166
3	Mrs. Shahira A. Bdair	Wife of Mr. Tawfiq A. Mukahal / Deputy G.M. – Banking Group	Jordanian	-	20,000
4	Mrs. Suhair M. Turki	Wife of Mr. Suhail M. Turki / Executive Manager- Public Relations Dept.	Jordanian	-	166

4b/18: Executives' Remuneration: Total salaries, allowances and travel expenses paid to the Senior Executives at the Bank and its subsidiaries during 2010 amounted to USD 3,977,883 exclusive of performance related incentives.

4b/19: Donations: Total donations made by the Bank and its subsidiaries during 2010 amounted to USD 241,996. Details of which are listed below:

Recipient	Amount / USD
Charities	154,233
Clubs	22,637
Social Activities	11,425
Researches and Conferences	11,283
Others	42,418
Total	**241,996**

4b/20: The Bank had contracted with its sister company (Arab Orient Insurance Company) for general insurance coverage including health and accident insurance for its staff. The value of such contracts amounted to USD 1,144,801. Apart from that, the Bank did not conclude any contracts, projects or commitments neither with any of the subsidiaries, sister companies, affiliates, nor with the Chairman, Board Members, the General Manager, any other staff members and their relatives.

4b/21: The Bank contributes towards the welfare of the local community and the environment; this was explained in the Management Discussion and Analysis Chapter of this report.

4c/1-5: Financial Statements: Included in the report.

4d: Auditor's Report: Included in the report.

4e: Declarations by the Board of Directors:

4e/1: The Board of Directors hereby declares that there are no material issues that could hinder the business continuity of the Bank during the financial year 2011.

4e/2: The Board of Directors also declares its responsibility for the Financial Statements and that the Bank has an effective control system.

Chairman & Members of the Board Signatures

Name	Signature
1. Mr. Abdel Karim A. Kabariti	
2. Mr. Faisal Hamad Al-Ayyar, Rep., United Gulf Bank – Bahrain	
3. Mr. Emad Jamal Kudah, Rep., Social Security Corporation	
4. Dr. Yousef Musa Goussous, Rep., Burgan Bank – Kuwait	
5. Mr. Masaud M. Jawhar Hayat, Rep., Al- Futtooh Holding Co. – Kuwait	
6. Mr. Tariq Moh'd Abdul Salam, Rep., Kuwait Projects Co. Kuwait	
7. Mr. Farouk Aref Al-Aref	
8. Mr. Moh'd Ahmad Abu Ghazaleh	
9. Mr. Mansour Ahmad Louzi, Rep., Strategy Co. for Investments	

4e/3: The Chairman of the Board, the General Manager and the Financial Manager hereby declare that all information and data provided in this report are accurate and comprehensive.

Chairman of the Board	General Manager	Financial Manager
Abdel Karim Kabariti	"Moh'd Yaser" Al-Asmar	Hiyam S. Habash

United Financial Investments Company

SUBSIDIARY COMPANY

VISA

Visa International Service Association

PRINCIPAL MEMBER

AMERICAN EXPRESS

ISSUER

MasterCard

ISSUER

Visa Jordan Card Services

PARTNER

meps

Middle East Payment Services

PARTNER

WESTERN UNION

AGENT

Jordan Kuwait Bank

Corporate Governance Manual

2010

Table of Contents

Introduction

The basis and principles of corporate governance have become among the most prominent issues discussed globally considering their high importance and contribution to furthering economic success and reform, particularly in light of globalization and economic openness among the world's economies. It is needless to say that these basis and principles have become a necessity to both private and public sector entities, and are considered a basic requirement for increasing confidence in the economy of every country and proof of sound management principles, transparency and accountability. Good corporate governance is the basis of the success of institutions and their application depend to a great extent on the skills, experiences and knowledge of the members of the Board of Directors and that of the executive management.

Corporate governance can be defined as [1] "A set of systems and structures that demonstrate the organizational relationships between; and the responsibilities of; a Bank's management, its board, its shareholders, and other stakeholders so as to guarantee the attainment of the Bank's goals in the presence of effective monitoring, thereby encouraging institutions to use resources more efficiently."

Jordan Kuwait Bank (JKB) views corporate governance from its own unique perspective whereby it considers it as the key towards achieving confidence among its customers and other stakeholders. Corporate governance is the style and method through which the internal and external relationships are managed.

JKB believes that applying good corporate governance results in the sound management of the Bank and attainment of its strategic goals. In addition, it is JKB's strong belief that adoption of good corporate governance by all institutions in Jordan would lead to the creation of competent institutions and an appropriate competitive environment supportive of the national economy as a whole. This is particularly important given that banks play a key role in the financial system of a country and rely on their clients' deposits, thus further reinforces the high importance of applying good corporate governance principles.

In light of the above, JKB's Board has decided to adopt a Corporate Governance Manual (later referred to as the Manual), which was prepared in accordance with the international best practices in the field and the Central Bank of Jordan's (CBJ) regulations and guidelines. Through this Manual, the Bank aims to achieve good corporate governance mainly demonstrated through the equitable treatment of all stakeholders, transparency, declaration of the Bank's administrative and financial standing, accountability with regard to the relationship between the Board of Directors and the executive management; shareholders; and various stakeholders as well as clarifying responsibilities through the segregation of duties and delegation of authority.

JKB Corporate Governance Mission

JKB aims to achieve the highest standards of work ethics through the accurate and transparent disclosure of the Bank's results and ensuring its full compliance with the various laws and regulations that govern the operations of the Bank.

Legal Framework and References

Effective corporate governance relates to various internal factors including how effective the relationship is between the Bank's management and its Board of Directors, shareholders and stakeholders. As for external factors that support good corporate governance, these could by listed as follows:

- Banks Law No. (28) of 2000.
- Companies Law No. (22) of 1997.
- Securities Law No. (76) of 2002.
- Deposits Guarantee Law No. (33) of 2000. In addition to all laws that protect the rights of shareholders, depositors and relevant stakeholders.
- Regulations and directives issued pursuant to the above-mentioned laws and any amendments made thereafter.

Furthermore, the following references were used as key resources for drafting the Manual:

- The Corporate Governance Code for Banks in Jordan issued by the Central Bank of Jordan during 2007.
- Related publications issued by the Basel Committee.
- Relevant OECD and World Bank publications.
- The Current Status of the Bank with respect to Corporate Governance.
- Various professional publications on corporate governance related topics.
- Accounting standards and international financial reporting standards.

(1) As defined by the Organisation for Economic Co-operation and Development OECD

Corporate Governance Best Practices

The regulation of corporate governance and the various legal and regulatory frameworks vary significantly between countries. However, good corporate governance can be achieved regardless of the model adopted by the banking institutions provided that key functions are operating as required.

Four methods of monitoring should be included in any bank's organizational structure to guarantee effective levels of monitoring are achieved. These methods are:

1. Monitoring by the Board of Directors.
2. Monitoring by individuals not engaged with managing day-to-day affairs.
3. Direct supervision by each business unit.
4. Separate units for managing risk and compliance subjected to internal audit procedures.

I. Corporate Governance Stakeholders

1. Shareholders

Shares ownership in public shareholding companies provides its owners with various rights. Such rights include the right to buy, sell and transfer shares or the right to the company's profits, whereas the shareholder's liability is limited to the value of his investment.

Shares ownership also provides their holders with the right to access various company related information and to influence the different decisions pertinent to the company. Accordingly, it is of prime importance that this Manual focuses on the rights of all the shareholders of the Bank.

2. Directors

Board members have the prime responsibility for the management and performance of the Bank whereby Board members, on behalf of the shareholders, oversee the work of the management. The duties and responsibilities of Board members are defined by various laws and regulations (such as the Companies Law, Banks Law … etc.)

3. Employees

All Bank employees have the task to apply internal control procedures as part of their respective responsibilities in achieving the goals of the Bank.

All employees should possess the necessary knowledge, skills, information and authority to perform their duties. This requires that employees have a complete understating of the operations of the Bank, the industry, the market and pertinent risks.

Through pursuing the fulfillment of these requirements, employees would contribute positively to the Bank's performance and achievements. The resulting success would further their sense of job security and satisfaction.

4. Creditors

The various parties having contractual relations with a bank, such as customers, suppliers and creditors form the base of any organization.

The relationship between the Bank and the various stakeholders depends on the level of trust established between them.

II. Board of Directors

Duties & Responsibilities

To achieve corporate governance principles, the Board of Directors performs the following key duties and responsibilities in accordance with the Bank's by-laws, the Banks Law and Companies Law and other pertinent legislations:

1. The Board has the primary responsibility for ensuring the soundness of the Bank's financial standing and the fulfillment of all its obligations towards the various stakeholders including the CBJ, shareholders, depositors, creditors, employees, investors among others.
2. The Board sets the Bank's strategic objectives and oversees the executive management entrusted with carrying the daily operations of the Bank.
3. The Board ratifies internal control and monitoring regulations and ensures their continuous effectiveness in managing the various risks that face the Bank.
4. The Board oversees the Bank's compliance with the established strategic plans, policies and procedures pursuant to the laws and regulations in force.

5. The Board ensures the integrity of all procedures whereby it has provided a “code of ethics” that was developed based on the following principles: integrity, compliance with laws, transparency and loyalty. The code was disseminated among all employees and Board members and published for access by the general public.
6. The Board makes sure that written policies, covering all banking activities are available, endorsed and communicated across the various management levels. It also oversees that said policies are reviewed regularly and updated with any amendments needed as a results of changes in the various laws and regulations that govern the banking sector.
7. The Board appoints a competent, experienced, professional general manager with integrity and of good moral standing. The performance of the General Manager is evaluated annually by the Board.
8. The Board approves the appointment and resignation of the Bank’s executive managers.
9. The Board, through the Nominations and Remuneration Committee, conducts a self-assessment of its performance at least once a year and according to a clear mechanism.
10. The Board approves succession plans for the Bank’s senior executives that outline the qualifications and requirements that need to be met by holders of said positions.

Structure of the Board

1. The Board membership is diverse in terms of the practical and professional experiences of its members.
2. The Board may include executive members (those holding executive positions at the Bank) as well as other non-executive members with a majority of non-executive.
3. The Bank always accounts for having at least three independent directors on its Board.
4. The Bank defines the independent director as a member who is not linked to the Bank in any capacity that may affect the objectivity and neutrality of his judgment and meets the following minimum requirements:
   - has not been employed by the Bank for the preceding five years;
   - is not a relative (up to the second degree) of an administrator of the Bank;
   - is not receiving direct or indirect payment or compensation from the Bank (other than as a Director);
   - is not a director or owner of a company with which the Bank does business with (other than business relationships made in the ordinary course of business of the Bank 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 five years has been, affiliated with or employed by a present or former auditor of the Bank;
   - is not a shareholder with direct effective interest in the capital of the Bank, or indirectly through affiliating with one of the Bank’s major shareholders;
5. The Bank separates between the Chairman of the Board and the General Manager positions and observes that there is no family relation between them below third degree.
6. In the case that the Chairman is an executive director, the Bank will appoint an independent director as vice Chairman.

The Chairman

In addition to his normal duties, the Chairman carries out the following functions:

1. Promote a constructive relationship, based on corporate governance principles, among Board members and between the Board and the Bank’s executive management.
2. Ensure that Board members and shareholders receive adequate and timely information.
3. Promote a culture in the boardroom that encourages constructive criticism and alternative views exchanged among Board members during meetings.
4. Ensure high standards of corporate governance by the Bank.

Organizing the Board Tasks

1. The Bank’s Board meets at least six times a year. The Bank’s executive management schedules the topics on the meeting agenda as it sees appropriate.
2. The Bank provides the Board members with appropriate and adequate information in a timely manner.
3. The Board Secretary maintains a written record of deliberations and suggestions that take place during board meetings as well as voting results.
4. The Bank prepares a booklet which clearly explains the rights/duties and responsibilities of Board members and is disseminated among Board members upon their election.
5. The Bank prepares a special booklet that includes all banking operations that requires the approval of the Board.
6. Board members must be continuously informed of changes taking place within and outside the Bank. Furthermore, the Bank would provide Board Members, upon appointment and throughout their tenure, with a brief of the Bank’s activities and operations

to include the Bank's strategic plan, key issues related to its current status; risks management; compliance program; code of conduct; organizational structure; and the executive managers and external auditor.

7. All Board members and Board committees have the right to direct contact with the Bank's executive management.
8. Board members and Board committees may, if needed, seek the assistance of external resources that would enable them to carry out the duties entrusted to them.
9. The Bank has an organizational structure that demonstrates the reporting hierarchy (including Board committees and executive management). Details pertaining to upper management structure are disclosed to the public.
10. The Board of Directors ensures that every board member is committed towards the Bank and all its shareholders and not towards a certain shareholder.
11. The Board formally defines, in writing, the functions and duties of the Board Secretary which include oversight responsibility to ensure that endorsed Board procedures are followed; information is communicated among Board members; Board committees and the executive management, in addition to arranging for and scheduling Board meetings and taking meeting minutes. The Board Secretary's appointment or removal is decided upon unanimously by the Board.

Board Membership Criteria

The following are considered the minimum criteria required to be met by a Board member:

a) Board Membership Eligibility Requirements and Qualifications

Each Director should have the necessary qualifications to serve the interests of the Bank and relevant stakeholders. This includes fulfilling requirements set out in the Banks Law and other relevant laws. In addition, Board Members should possess some or all of the following expertise and qualifications:

- Suitable banking experience.
- A certain level of education and training.
- Ability to judge with independence.
- Knowledge of financial statements and reasonable level of understanding of performance evaluation ratios. Relevant experience in the banking field is also required.
- Financial / Banking skills or expertise that contribute to the enrichment of the Board.
- Commitment to learn about the operations of the Bank and fulfill contribution requirements and readiness to resign in case of non performance.
- Understanding and knowledge of international best practices in management and their application thereof.
- Ability to provide a clear strategic direction and long-term vision and possess sound decision-making capability.

b) Loyalty, Honesty and Diligence

The commitment of Board members to loyalty, honesty and diligence constitute key aspects of achieving good corporate governance in terms of member's keenness to maintain an honest relationship whereby he/she, like any other Bank employee, discloses any material information prior to making any dealing or commercial transaction with the Bank.

With regard to loyalty, in the case of conflict of interest between a Director and the Bank, all parties should seek that the process be fair for the Bank. The Board should apply, impartially, the same conditions to both clients and Directors when dealing with the Bank.

To achieve the aspired loyalty, each Board member should:

- Carryout his role faithfully and in the best interest of the Bank.
- Avoid conflict of interest or exploitation of office or Bank related information to gain personal benefits and the immediate declaration of related incidents that have taken place or any future ones as soon as they arise.
- Advise the Board of any potential conflict of interest and abstain from voting on any related decision.

As for diligence, Directors should undertake all duties stipulated in relevant laws and regulations and seek to attain all pertinent information to verify that decisions taken are in the interest of the Bank. Directors should also attend Board meetings after having duly prepared for them as well as faithfully carryout duties entrusted to them.

c) Independence

For the Board to be able to carryout its monitoring role over the executive management and oversee that it is not performing any inappropriate practices, the Board of Directors retains an adequate number of independent directors on the Board (in accordance with the definition of an independent director setout in this manual). The Board has considered that membership of three independent directors is appropriate.

d) Exposure and Knowledge

In this regard, a Board member must be:

- Knowledgeable, with adequate understanding of banking transactions and associated risks. In addition, posses knowledge of financial statements that reflect the Bank's standing.
- Knowledgeable of relevant laws and regulations which the Bank is required to abide by and stays abreast with emerging topics in the financial services field.
- Committed to attending Board and committees' meetings, reviewing all suggested discussion topics and reports submitted by the executive management; internal and external auditors as well as regulatory authorities that have oversight prerogatives over the operations of the Bank.

III. Board Committees

In order to organize the work of the Board and increase its effectiveness and efficiency, the Board of Directors formed various committees with some responsibilities and authority delegated to them in accordance with the Bank's goals and strategies. Said committees were established in an official manner according to regulations that were issued and endorsed by the Board. The existence of the Board committees, however, does not supersede the Board's direct responsibility for all matters related to the Bank.

The Bank discloses the names of committee members as well as a summary overview of their tasks and responsibilities in the Bank's annual report.

The Board may opt to merge the responsibilities of more than one committee into one if such action was in the best interest of the Bank from an administration standpoint.

Board Audit & Risk Committee

1. The Board Audit and Risk Committee comprises of four board members in addition to an observer, all of them are non-executive directors.
2. The Bank discloses the names of the Committee members in its annual report.
3. At least two of the Committee members should have relevant accounting and financial management qualifications and expertise.
4. No less than two members of the Committee should be independent directors.
5. The tasks and responsibilities of the Risks Management and Compliance Committees are entrusted to the Board Audit and Risk Committee.
6. The Board Audit and Risk Committee has, by a specific provision in the written charter of its functions and responsibilities, the ability to obtain any information from executive management, and the ability to call any executive or Director to attend its meetings.
7. The Bank has a "Code" that outlines the functions, responsibilities and the authority of the Board Audit and Risk Committee.
8. The committee provides its recommendation to the Board with regard to appointment, termination, remuneration and assessing the objectivity of the external auditor, taking into consideration the following points:
   - Regular rotation of the external auditor among auditing firms. If that was found impractical, then ensure regular rotation of the Auditor's senior partner assigned for the Bank audit.
   - That the External Auditor submits a copy of his report to the Board Audit and Risk Committee.
9. The Board Audit and Risk 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.
10. The Board Audit and Risk Committee has all the duties and responsibilities required by the Banks Law and other relevant laws and regulations, including the duties to:
    - Review and ratify the internal audit plan which includes audit scope and frequency.
    - Ensure that the executive management takes timely corrective measures with regard to weaknesses in internal audits, non-compliance with established policies, rules and regulations, and other areas determined by internal auditors.
    - Ensure that the Bank has properly observed and complied with international accounting and audit standards.
    - Assess the scope, results and adequacy of the Bank's internal and external audits.
    - Conduct continuous assessment of the Bank's internal monitoring and control systems.
    - Review accounting issues with material impact on financial statements.
    - Review the comments and reports of monitoring bodies and the external auditor and follow-up on corrective measures.
    - Review the Bank's financial statements prior to submission to the Board. Specifically, review compliance with regulators' directives related to capital adequacy and the adequacy of allocations for non-performing loans and other allowances. Also, provide opinion with regard to the Bank's non-performing loans or those suggested to be considered as bad debt.
    - Ensure that relevant laws and regulations are observed.

- The Committee submits its reports and recommendations to the Board.
- The head of Risk Management & Compliance group and the Executive Manager of the Internal Audit Unit are called to attend the Committee meetings. The Committee may also invite other people to the meetings in order to seek their opinion regarding specific matters.

Generally speaking, the responsibilities of the Board Audit and Risk Committee do not substitute for the responsibilities of the Board with respect to overseeing the adequacy of internal monitoring and control systems.

The role of the Board Audit and Risk Committee with regard to risk management can be summarized as follows:

1. Recommend the endorsement of a risk management strategy and policies and ensure they are:
   - Comprehensive and documented for managing all material risks.
   - Appropriate for the size and activity level of the Bank and its subsidiary companies.
   - Outline the programs, procedures and tools (including ceiling levels) to implement said plans and policies and ensure their implementation and that any exceptions are done in accordance with specific administrative approvals.
   - Reviewed regularly.
   - Disseminated among concerned parties within the Bank.
   - Monitor risk management activities carried out by the executive managements with regard to each of the following: credit risk, market risk, liquidity risk, operational risk, non-compliance risk, reputation among others, through reviewing reports issued by the Risk Management Department which outline to the Committee the Bank's risk profile and measures taken to minimize them. These reports should be appropriate, detailed and submitted in a timely manner within an effective information systems framework.
2. Monitor risks facing the Bank and determine their materiality and ensure that internal procedures are in place to assess capital adequacy as relevant to the Bank's risk profile.
3. Ascertain risks pertinent to new products the Bank plans to offer before their launch.
4. Recommend the adoption of an organizational structure for the Risks Management Department and ensure that it is independent and carries out its duties under an independent management.
5. Review the acceptable risk appetite level that can be endured by the Bank and accordingly provide recommendation to the Board.
6. Review reports pertinent to safeguarding business continuity.
7. Submit regular reports to the Board of Directors.

The role of the Board Audit and Risk Committee in monitoring compliance can be summarized as follows:

1. Recommend the adoption of a compliance monitoring policy and ensure that the policy is:
   - Documented in writing.
   - Appropriate for the size of the Bank's and its subsidiaries' activities.
   - Specifies the procedures that need to be followed by management and staff.
   - Outlines the key requirements for identifying compliance risks and their management across the various organizational levels.
   - Disseminated among the various administrative levels and employees of the Bank.
2. Assess the Bank's effectiveness in managing compliance risks at least once a year and conduct necessary revision in case of any amendments.
3. Monitor and follow-up implementation of the policy.
4. Take necessary measures to promote values of integrity and proper professional conduct within the Bank such that compliance with laws, regulations, instructions, directives and applied criteria become key objectives and duties required to be fulfilled.
5. Adopt an organization structure for the Compliance Monitoring Department and ensure its independence such that there is separation between the functions of compliance monitoring and that of internal auditing.
6. Ensure that an annual compliance risks management plan is in place and that it accounts for any shortcomings in the policy, procedures or application. Also, ensure that the plan is linked to the effectiveness of the current management of compliance risks and it determines the need for any policies or procedures for dealing with new compliance risks resulting from the annual assessment of these risks.
7. Review the corrective procedures and measures and/ or disciplinary actions undertaken by the Bank's executive management in the event of discovering violations arising from non-compliance, specifically those that subject the Bank to legal penalties or significant losses, both financially and reputation wise, and ensure that these cases are immediately reported.
8. Review reports that show compliance test results which should include assessment findings pertinent to compliance risks, violations and shortcomings along with the corrective measures implemented.

Nominations & Remuneration Committee

1. The Nominations and Remuneration Committee comprises of three non-executive directors, two of whom are independent directors. The Committee meets at least twice a year or on needs basis and its decisions are based on a majority vote, including that of the Committee chair.
2. The Committee carries out the following functions:
   - Nominate all Board appointments, duly considering candidates' abilities and qualifications and, for re-nominations, their attendance and the quality and extent of their participation in Board meetings and in accordance with guidelines stipulated in the Companies Law regarding Board members tenure.
   - Determine whether a Director qualifies to be considered 'independent'.
   - Implement a formal method of assessing the effectiveness of the Board, including participation level of Directors in Board meetings. Performance criteria are objective and include comparison with other similar banks and financial institutions. In addition, they include criteria that assess the integrity and soundness of the Bank's financial statements and compliance with requirements set forth by regulatory bodies.
   - Have the responsibility to provide background briefing material for Directors covering key issues, as well as ensuring that they are kept up to date on relevant banking topics.
   - Recommend to the Board the remuneration (including monthly salary and other benefits) of the General Manager. The Nominations and Remuneration Committee also reviews the remuneration of other executive management.
   - Recommend to the Board the appointment of a general manager, provided that he/she meets the qualifications outlined in the Banks Law.
   - Provide recommendation to the Board to approve the succession plan for the Bank's senior executives which outline the qualifications and requirements that need to be met by holders of said positions.
   - Provide recommendation to the Board for the appointment of executive managers.
   - Ensure that the Bank has a remuneration policy, which is sufficient to attract and retain qualified individuals, and is in line with the Bank's peers in the market. The Bank's policy should also account for partially linking salaries to performance and that incentive programs be in place that aim to strengthen the Bank's share value in the long run and to further the internal control environment (i.e. focus should not be only on increasing the earning per share in the short term only.)
   - Ensure that the Bank's remuneration policy is disclosed in the Annual Report, particularly the remuneration of individual Directors and the highest-paid non-Director executives.
   - Ensure that the Board is provided with reports that contain all information necessary to carry out its duties.

Corporate Governance Committee

The Corporate Governance Committee is comprised of the Chairman of the Board and three non-executive directors. The Committee meets at least once a year upon the invitation of its head. The Head of Risk Management & Compliance Group acts as the Committee's secretary.

<u>Corporate Governance Committee Tasks</u>

The tasks of the Corporate Governance Committee are to primarily oversee the implementation of all guidelines stipulated in the Corporate Governance Manual and compliance of all relevant parties including the executive management, the Board and Board committees, in addition to periodical or on need basis review of the Manual in order to cope with changes in the requirements and expectations of both the Bank and the market.

Key tasks Entrusted to the Corporate Governance Committee:

1- Ensure that the Board of Directors sets the Bank's strategic objectives and corporate values and communicates them across the various administrative levels within the organization. In this regard, the Committee oversees the following:
   - Formulation and endorsement of the Bank's strategic plan by the Board.
   - The Board of Directors endorsement and supervision of implementation of the Bank's general policies, including its overall strategy, in a manner that safeguards against conflict of interest.
   - Compliance of the Board members and all administrative levels throughout the organization with JKB's established code of conduct.

2- Ensure that responsibilities are defined and clear communication and accountability lines are established for all administrative staff, across the various organizational levels, in accordance with the following framework:
   - The Banks Law and Companies Laws defined the requirements and responsibilities of the Board of Directors and the General Manager such that the Board of Directors is held accountable for monitoring the executive management of the Bank that oversees the administration of the day-to-day affairs of the Bank.

- It is important to: establish clear lines of accountability and responsibility through official delegation of authority; ensure segregation of duties; and have appropriate internal monitoring and control systems in place.

3- Ensure that Board members fulfill eligibility criteria for Board appointment and possess clear understanding of their role with respect to corporate governance and independence vis-à-vis problem solving and decision making. In this regard, the Committee is tasked with several oversight responsibilities to include:

- Ensuring that the Board of Directors performs it monitoring role over the Bank's activities including an understanding of the various risks the Bank may face.
- Ensuring that the Board membership includes an adequate number of independent directors.
- Overseeing that the parameters and conditions set forth in the Banks Law with regard to individuals assuming Board membership and chairmanship positions are fulfilled.
- Observing that the "fit and proper" principle is applied.
- Ensuring that the Board Audit and Risk Committee, formed of Board members, is in place and carries out its duties pursuant to the parameters set forth by the Banks Law. In addition, make sure that other pertinent committees are formed in accordance with the CBJ regulations (such as the Risk Management and Compliance Committees).
- Oversee that adequate Board committees are in place and new ones are formed on needs basis necessary to instill and apply corporate governance rules and culture across the various organizational levels.

4- Ensure that the executive management performs appropriate supervision over the Bank's operations and in accordance with the instructions listed in the Internal Monitoring and Control Regulations issued by CBJ through the following:

- Ensure that the executive management carries out its risk management functions which entail overseeing that policies and instructions pertinent to credit risk, market risk, liquidity risk, and operational risk are in place and reasonably monitored. In addition, commit to manage and monitor compliance risks in accordance with the tailor designed policies, thus achieving a reasonable return for shareholders without compromising banking safety issues.
- Ensure the application of dual monitoring over all banking operations and activities.
- Ensure the proficiency of the executive management and department heads.

5- Make effective use of the functions carried out by the Internal and External Auditors.

6- Ensure that the Bank, while considering credit facilities approval, evaluates the quality of corporate governance applied by the client particularly of corporate and shareholding companies. Upon assessment, the Bank may consider some concession for those clients who maintain good governance standards.

Among the responsibilities of the Board is to put in place internal regulations and directives that outline the responsibilities of the different departments such that the application of the desired level of monitoring is safeguarded. In this regard, the Corporate Governance Committee provides the following:

a) Internal Auditing

Effective internal monitoring and control systems should be supported by an effective, independent Internal Auditing Department that assesses the effectiveness of said systems independently.

The Internal Auditing Unit assesses the effectiveness and efficiency of operations as well as compliance level with the laws, rules and regulations. In addition, it assesses the effectiveness of risk management systems and capital adequacy, relative to its risks and according to the Bank's financial statements. To achieve this role, the following needs to take place:

- Ensure the complete independence of the internal auditor through the submission of audit reports, recommendations and results directly to the Board Audit and Risk Committee.
- Ensure that the Board Audit and Risk Committee is responsible for setting the salaries and benefits of the Internal Audit Unit staff and appraising their performance.
- Make sure that Internal Auditing and the Board Audit and Risk Committee review the observations contained in the Central Bank and external auditor's reports and follow-up actions taken thereon.

b) External Auditing

External auditing represents another level of monitoring over the credibility of financial statements and assessment of internal monitoring and control systems:

- The Banks Law outlined the tasks required of the external auditor. The external auditor of the Bank is selected from a list prepared annually by the CBJ.
- Ensure complete cooperation and coordination between the internal and external auditors.

7- Take into account that the corporate governance process is characterized with disclosure and transparency.

8- The Board and the executive management should have an understanding of the structure of the Bank's operations, including the activities performed by the Bank in areas, or within legislative structures, that hinder transparency. In this regard, the Corporate Governance Committee ensures the following:

- That the executive management follows clear policies and proper procedures for operating within these areas / legislations;
- That periodic assessment is conducted to ascertain the need for the Bank to operate in these areas and which impede transparency;
- That the Board Audit and Risk Committee monitors internal controls over the activities performed in these areas and submits necessary reports, annually or in case of material underperformance, to the Board;
- That strategies and work policies and procedures that govern complex financial products and tools offered by the Bank, and that assessment policy for the use or sale of these products are in place;
- That policies are in place to identify, measure and manage material risks, including legal risks and reputation risks, that may arise as a result of any of the Bank's activities in these areas;
- That compliance assessment reports pertaining to compliance with laws, regulations and internal policies are periodically reviewed;
- That all above activities are subject to internal audits and within the scope of work of external audits;
- That necessary information reaches the management, including information related to the risks of these activities. Necessary reports are submitted to the Bank's Board and regulatory authorities and disclosure requirements are met in accordance with the laws and regulations that govern the Bank work.

Board Credit & Investment Committee

The tasks and responsibilities of the Committee are mainly to look into the recommendations and requests put forward by the Management Credit Committee pertaining to requests falling beyond the scope of its authority.

- The Committee is comprised of the Chairman or his Deputy, and the membership of two Directors.
- The committee meets on weekly basis.
- The Committee regularly conducts a revision of the credit and Investment policies and updates them in accordance with relevant laws and regulations.

IV. Executive Management

1. The executive management lays down the business plans to achieve and implement the Bank's strategy. Business plans are developed through a comprehensive planning process that encompasses all the departments of the Bank.
2. The executive management conducts a regular review of the achievements and compares them to established plans and takes corrective measures if needed.
3. The executive management prepares budget estimates as one of the planning and monitoring tools.
4. The executive management is considered responsible for the preparation and development of policies and procedures pertinent to managing the various risks. It is also responsible for overseeing the implementation of the strategies endorsed by the Board.
5. Management of the operational, day-to-day affairs of the Bank that fall within the tasks and responsibilities of the Bank's executive management.

V. Executive Committees

To ensure that corporate governance principles are applied, JKB has several specialized executive committees that were formed for specific purposes in order to increase the Bank's overall effectiveness. These committees include the following:

- Executive Committee
- Assets and Liabilities Committee
- Information Systems Steering Committee
- Management Credit Committee
- Management Investment Committee

The membership of these committees is comprised of the General Manager as the committee head and some or all deputies and assistants to the General Manager and executive managers as members.

In addition to the above-mentioned committees, the following committees were formed: Procurement Committee and a committee for managing the handover of new and renewed branches to the Bank.

The following summary highlights the key tasks and responsibilities of the executive committees:

Executive Committee

The key functions and responsibilities of the Executive Committee include following-up on the Bank's various achievements and work progress as well as conducting periodic review. In addition, identify means to improve the various aspects of the Bank's activity to achieve set objectives and respond timely and effectively to new developments. The Committee is headed by the General Manager and includes his deputies, Head of Risk Management & Compliance Group, assistants and executive managers. The Committee meets monthly or on need basis.

Assets and Liabilities Committee

The strategic objective of the committee is to augment the long-term profitability of the Bank through the proper allocation of resources on lucrative deployments while maintaining an acceptable level of risk that is compliant with the Bank's objectives. The committee carries out two key tasks:

- The strategic distribution / allocation of both assets and liabilities.
- Risk monitoring and control.

In addition, assess the return / risk of the various assets and the capital structure along with resulting consequences and search for resources of funds, valuate them and price them.

The committee is formed of the General Manager as the committee head and the membership of each of the following:

- Deputy General Manager / Banking Group, Deputy General Manager / Support Services Group.
- Head of Risk Management & Compliance Group.
- Assistant General Manger / Treasury and Investments, Assistant General Manager / Credit, Assistant General Manager / Financial Dept. and Assistant General Manager / Retail & Consumer Products.
- Head of the Risk Management Department.

The committee meets every month and on needs basis.

Information Systems Steering Committee

The Committee is entrusted with carrying out the following tasks:

- Defining the strategic direction for the Bank's information systems.
- Reviewing the Bank's information systems implementation policies.
- Providing information and direction for the IT department with regard to IT strategic plans.
- The committee carries out the tasks of the IT Security Committee.

The committee membership is comprised of the General Manager as the committee head and the membership of all members of the executive committee. The Committee holds its meetings monthly or on need basis.

Management Credit Committee

The committee's tasks and authorities may be summarized as follows:

- Approve credit within specific ceilings set out in the Bank's credit policy.
- Provide recommendations to the Board Credit and Investment Committee pertaining to all requests that fall beyond its authority.
- Provide recommendations to the Board Committee pertaining to the legal proceedings to be taken against defaulters.
- Provide recommendations to the Board Committee pertaining to the Non-Performing Loans settlement or rescheduling programs, in accordance with the regulations of the CBJ or other regulatory bodies that govern the foreign branches of the Bank.
- Approve the pursuit of legal actions against clients with default payments of consumer loans, term sales and credit cards within specified ceilings.
- Review approval / decline decisions within specified authority levels.

The committee is headed by the General Manager with the Deputy General Manager/Banking Group as his deputy and the membership of the following:

- Deputy General Manager / Support Services Group.
- Head of Risk Management & Compliance Group.
- Assistant General Manager / Branches Admin. , Assistant General Manager / Retail & Consumer Products, Assistant General Manager / Credit.
- The Executive Manager / Legal Department participates as the committee's legal advisor.
- The Head of Credit Administration and Control acts the committee's secretary.
- The committee meets at least twice a week.

Management Investment Committee:

The Committee's tasks and responsibilities are summarized as follows:

- Review the recommendations supported by research carried out by the Treasury and Investment Department with regards to making new investments, withdrawing from current investments, or to increase or decrease current investment capital and to make appropriate decisions within their authorities according to the investment policy.
- Provide recommendations to the Board Credit and Investment Committee regarding requests that fall beyond their authority.
- Annually revise the bank's investment strategy in addition to the investment policy and investment determinants within it and to provide the Board of Directors with their recommendations regarding amendments and suggestions for approval.
- Annually revise the authority limits defined by the investment policy and to provide the Board of Directors with their recommendations regarding amendments and suggestions for approval.
- Monthly revise the components of the investment portfolio and its overall performance with regards to its return and associated risk compared to previous periods.
- Evaluate the performance of each investment separately by comparing the actual return of investment with any indicator the committee chooses from one time period to another.
- Evaluate to what degree the bank's investments comply to and are aligned with the investment policies, determinants and associated risk and to put forth the necessary plans to stay in line with the limits defined by the investment policies in the case the limits are surpassed.
- Review the monthly investment report produced by the Treasury and Investment Department and submit the report to the Asset/ Liability Management Committee ALCO.
- Provide recommendations to the board of directors to appoint or terminate the services of investment trustees, custodians and/ or any party that provides services related to the bank's investments.

The committee is headed by the General Manager with the Deputy General Manager / Banking Group as his deputy and the membership of the following: -

- Head of the Risk Management & Compliance group.
- Assistant General Manager / Treasury & Investments, Assistant General Manager / Retail & Consumer Products.
- Executive Manager / Treasury and Investments.
- Senior Manager / Treasury and Investments acts as committee secretary.
- The committee meets at least once a month.

VI. Internal Control

1. The Internal Control structure shall be reviewed by the External Auditor and the Internal Auditor at least once every year.
2. The Board provides information in the Bank's annual report on the adequacy of the Bank's internal controls over its financial reporting. This information includes:
    - A statement of executive management's responsibility for establishing and maintaining adequate internal control over financial reporting for the Bank;
    - A statement identifying the framework used by executive management to evaluate the effectiveness of internal control;
    - Executive management's assessment of the effectiveness of internal controls as of the date of the financial statements;
    - Disclosure of any material weaknesses in the internal controls;
    - A statement that the Bank's external auditor has issued an attestation report on executive management's assessment of the effectiveness of internal controls.
3. The Bank has to set up arrangements whereby staff can confidentially raise concerns about possible irregularities, and that allow for such concerns to be independently investigated and followed up. Such arrangements are overseen and monitored by the Board Audit and Risk Committee.

Organizational Structures and Work Organization at the Bank

In order to achieve the principles of internal control and the foundations of corporate governance; especially dual control and clarity of authority and responsibility lines, the Bank has distributed tasks and duties among its different departments and clearly defined authority and responsibility lines. In addition, it has set the various detailed policies that were adopted by the Board, most important of which are that Credit Policy and the Investment Policy at the Bank, as well as other policies related to Risk Management and Compliance Monitoring.

Within this framework, the Bank's organizational structure points to the fact that the Board of Directors sits squarely at the top of the pyramid. After that come the roles of the Chairman and the General Manager, respectively. Work at the Bank has been divided into three main groups as follows:

The Banking Group: Includes the activities of Credit Facilities, Treasury & Investment as well as Retail & Consumer products. Each of these activities is divided into sub-activities to ensure specialization of work and to achieve the principles of internal control.

This group is managed by the Deputy General Manager / Banking Group.

The Risk Management & Compliance Group: Includes Credit Risk, Operational Risk and Market Risk, IT Security, business continuity plan, compliance monitoring and credit administration and control.

The Support Services Group: Includes the activities of Branches Administration, Information Systems, Central Operations, Finance and Administrative Services. Each of these activities includes other specific sub-activities.

This group is headed by the Deputy General Manager / Support Services Group.

There are other departments that are headed by Department Managers and that report directly to the General Manager which are: Legal, Public Relations and Human Resources Departments.

As for the Internal Audit Department; it reports directly to the Chairman of the Board and submits its reports to him and to the Board Audit and Risk Committee.

Key Tasks and Duties of the Various Bank Departments

The Bank has organized the work of its various departments by setting a suitable organizational structure for all departments, defining their tasks and duties, and job descriptions for the different jobs at the departments as outlined hereinafter.

<u>Credit Facilities Department</u>

The organizational structure indicates that this department is headed by the Assistant General Manager / Credit, and the duties are divided among three departments: Corporate Credit Department, Commercial and Medium Credit Department, Credit Follow-up and Adjustment Department.

The tasks and duties of the Credit Facilities Department are as follows:

Corporate Credit Department

- The study and management of direct and indirect credit within certain ceilings. It is responsible for Syndicated Loans, Government Institutions' credit, Social and Political VIPs credit, Project Financing, Financial Leasing and Special Corporate Credit Programs.

Commercial and Medium Credit Department

- The study and management of direct and indirect credit facilities within specific categories. It is responsible for loans granted to small and medium-sized projects.

Loan Follow-up and Adjustment Department

- Maintaining the non-appearance of defaulted loans and limiting their growth by handling them according to sound banking principles as derived from the Bank's Procedures Manual and internal instructions, and in accordance with the instructions of the Central Bank of Jordan and regulators.

<u>Retail & Consumer Products</u>

The organizational structure indicates that this department is headed by the Assistant General Manager / Retail & Consumer Products and that duties are divided among three departments:

Private Banking Unit

The key functions and responsibilities of the Private Banking Unit include:

- Study investment proposals offered to the Bank.
- Management of clients' investment portfolios in global markets.
- Establish relationships with investment banks and fund managers worldwide.
- Market the Bank's, as well as sister companies', services and products to major clients.

Consumer Loans Department

- Examine personal credit facility requests submitted to the Personal Loans Department by branches and offices that have some exceptions that fall outside of their authorities.

Sales and Marketing Department

- Create competitive products that are in line with market and client needs.
- Conduct market studies to determine opportunities and constraints available to the Bank in different areas, as these studies constitute the infrastructure of marketing and branch operations and any future feasibility studies it may require.

- Carry out periodic field visits to current as well as prospective clients of specific products, the aim of which is to learn about the current and future needs of these clients and what their expectations of the Bank are, as well as to know what their opinion is regarding the level of services being offered and to obtain constructive criticism from them.

Treasury and Investment Department

The organizational structure indicates that the department is headed by the Assistant General Manager / Treasury & Investment. Work is divided into several activities which are: Dealing Room, International Relations and Correspondent Banks, Investment Funds, Local Investment, Treasury Operations, External Unit Coordination Office and the External Banking Unit.

The most important tasks and duties assigned to the Treasury and Investment department are:

1. Manage foreign and local currencies liquidity in such a way that achieves the highest returns on shareholder's equity.
2. Manage the assets and liabilities in local and foreign currencies to achieve the highest possible returns within acceptable risk boundaries.
3. Manage investment portfolios of bonds, stocks and the various monetary instruments in foreign and local currencies.
4. Coordinate with correspondent banks in order to maintain exceptional relations with them and follow up on the credit ceilings granted to the Bank.
5. Continual search for available investment opportunities according to their alignment with the adopted investment policy and the instructions of the CBJ.
6. Provide investment services that are related to the department such as margin dealing, postponed contracts, derivatives, stocks, bonds, escrow, investment caretaker and issue manager.
7. Work on supporting work centers and branches in performing their tasks.
8. Follow up on commitment reports with administration departments, senior management and external bodies.
9. Study the performance of companies' stock and their financial standings and send investment reports to senior management.

As for the External Banking Unit, the following is carried out (in coordination with the Branches Operations Coordination Office):

1. Provide banking services to clients such as accepting deposits, granting direct and indirect credit facilities and following up on the Bank's stocks and bonds investment portfolios.
2. Represent the Bank in front of official and non-official bodies in Cyprus.
3. Provide the Central Bank of Cyprus with all the reports and financial statements required regarding the branch's activities there.
4. Coordinate with the External Financial Unit's Liaison Officer at the Treasury Department to facilitate workflow between Cyprus branch and all other departments and branches.
5. Send periodic reports and financial statements that were audited by the external auditor, to the Bank's management.
6. Apply laws and regulations issued by the CBJ and the Central Bank of Cyprus regarding the operation of the branch, as well as management instructions, and ensure that employees are familiar with them.

The Financial Department carries out the Back Office operations of the department in addition to the role of the Risk Department in identifying risks that result from any kind of operations carried out by the Treasury Department.

Internal Audit Department

The philosophy of Internal Audit is based on its mission to provide assurance and independent and objective consultation that adds value or enhances processes, and assist the Bank's management in achieving its set goals through setting a regular methodology to evaluate and improve the effectiveness of risk management processes, internal audit and corporate governance.

A charter was created for the department according to International Best Practices. Following are the most important features of the charter:

Objectives

The department works on achieving the following goals:

• Provide reasonable assurance regarding the level of effectiveness and efficiency of internal control systems at the Bank and their ability to achieve the following:

1. Integrity and reliability of financial and operational data.
2. Efficiency of operations.
3. Compatibility with the regulations, instructions and laws in force.
4. Maintaining the Bank's assets and property.
5. Continuity of work under all circumstances.

• Provide reasonable assurance regarding the level of effectiveness and efficiency of the Bank's risk management systems and corporate governance processes.

• Improve and develop internal control systems, risk management and corporate governance processes.
• Add value to the Bank through offering consulting services required by the Bank's management.
• Improve and develop processes and products in such a way that serves the Bank's goals.

Authorities

In order to achieve all the goals entrusted to the Internal Audit Department, the department is granted the following authorities:

• Perform audit and review operations for all of the Bank's work centers and subsidiary companies.
• Refer to and view all the records, systems, data and reports of the Bank and subsidiary companies.
• Direct communication with all employees of the Bank and subsidiary companies.
• Define the nature, scope and timing of audit and review processes.

All work center managers at the Bank or subsidiary companies must inform the Internal Audit Department of any problems or significant incidents the instant they occur and without delay.

Independence and Objectivity

In order to ensure the necessary independence, the Internal Audit Department shall:

• Administratively report to the Chairman of the Board, and functionally to the Board Audit and Risk Committee.
• Prepare reports and send the results of its work directly to the Chairman of the Board and the Board Audit and Risk Committee.

In order to ensure the objectivity of the Internal Audit Department's officers and employees:

• The direct responsibility for control and risk management shall remain within the direct responsibilities of work centers.
• The department is not responsible for any operational actions, and the department does not have any direct responsibility or operational authority over the activities which the department is responsible to review and audit.
• The process of providing consultation by the Internal Audit Department to Executive Management does not hinder the responsibility of Executive Management for appropriate implementation and control of its various activities.

Scope and Responsibilities

1- Audit Scope

• The department's scope of work includes all work centers, activities and operations of the Bank; in a manner that enables the department to assess the suitability and effectiveness of internal control systems, risk management and corporate governance processes, and accomplishes all the tasks and responsibilities entrusted to it.
• The department conducts periodic reviews and audits based on the priorities of the Risk-based Audit Plan adopted in the department's strategy which is approved by the Board of Directors and its Board Audit and Risk Committee.
• The department also conducts any special reviews or consultations based on the directions of the Chairman, the Board Audit and Risk Committee or the Department Manager.

2- Relationship with External Auditors and Central Bank Inspectors

• The Internal Audit Department is the liaison between external auditors and Central Bank of Jordan inspectors from one side and the Bank's various departments and work centers on the other; whether that is during review processes or during the phase of replying to remarks and reports.
• The Internal Audit Department handles the process of coordination with external auditors in the fields of planning, timing and implementation of audit and review processes in order to avoid any conflicts.

Mission

• In order for the department to be able to achieve its goals, it carries out the following:-

1. Assess the sufficiency and effectiveness of internal control systems at the Bank and subsidiary companies.
2. Assess the sufficiency and effectiveness of risk management and corporate governance processes at the Bank and subsidiary companies.
3. Assess the accuracy and correctness of data and reports through periodic visits of branches, departments and subsidiary companies in addition to the daily reports issued by the Internal Audit Department.
4. Assess the capital adequacy of the Bank and subsidiary companies in facing the all possible types of risk.
5. Assess the level of commitment and adherence to instructions, laws and policies in effect and which govern the work of the Bank.
6. Assess the phases of developing and maintaining the Bank's systems.
7. Conduct all special investigations needed regarding important and material problems and violations.
8. Assess the sufficiency and effectiveness of procedures for maintaining the assets and property of the Bank and its subsidiary companies.

9. Assess the level of achieving the set goals for the various processes and work centers at the Bank.
10. Assess the ability of the Bank and subsidiary companies to continue work under all circumstances.
11. Follow up on reports and recommendations issued by the department and external auditors/Central Bank of Jordan inspectors to ensure that corrective actions were taken and asses the sufficiency of taken measures.
12. Assess the proposed work procedures and policies in such a manner that guarantees the progress of work and meets all requirements.
13. Assist that Bank's management in combating fraud by means of reviewing and assessing the level of efficiency and effectiveness of control procedures to limit such operations. (Whereas the main responsibility of preventing and discovering these cases remains with the Bank's management).

- The Internal Audit Department is also responsible for assisting the Executive Management and the Board of Directors through providing the needed consulting according to standards and best practices.

Accountability

- Prepare and implement an annual Risk-based Audit plan and methodology approved by the Chairman and the Board Audit and Risk Committee.
- Send detailed reports on the results of all audit visits and investigations. The reports shall contain the audit's scope, key remarks, recommendations and the required follow up procedures.
- Increase the efficiency and effectiveness of internal audit processes through the use of automated audit means and tools; and by following the relevant standards and best practices.
- Professional development of the internal audit employees by enrolling them in relevant training courses to ensure they are up-to-date with the latest developments in the internal audit profession.
- Take necessary procedures to ensure that all of the department's work is carried out according to the internal audit professional standards and best practices, in addition to the requirements of regulators that govern the Bank's work.

Periodic Assessment

The Internal Audit mandate is subject to annual review by the department in order to assess its capabilities to carry out all the tasks and responsibilities assigned to it and achieve the desired goals. Any needed modifications are presented to the Board Audit and Risk Committee for approval.

Communication

Based on internal audit standards and the publications issued by BASEL Committee, this mandate must be communicated to all work centers at the Bank and its subsidiaries so that they are informed of it in order to facilitate the task of the Bank’s Internal Audit Department.

Risk Management Department

The different risks that the Bank is exposed to are managed by an independent Risk Management Department which reports to the Head of Risk Management & Compliance Group; and submits its periodic reports to the Board Audit and Risk Committee.

The responsibilities of the Risk Management Department at the Bank include the following:

- Identify, measure, monitor and control risks and provide recommendations to mitigate the risks that face the Bank and guarantee the highest degree of coordination with all relevant Bank operations and departments.
- Provide recommendations to define the size and type of each of the acceptable main risks by the Board of Directors and ensure that current risks are in line with planned risks (Risk Appetite).
- Setting goals and scenarios for stress testing and applying them and submit the results of these tests to the Executive Management and Board Audit and Risk Committee.
- Apply the Internal Capital Adequacy Assessment Process (ICAAP) and submit the results to the Executive Management and the Board Audit and Risk Committee.
- Develop the methodologies for measuring and controlling each type of risk.
- Provide recommendations when setting the limits of the various risks that the Bank is exposed to, review them and provide recommendations to the Board Audit and Risk Committee, as well as record cases that are exceptions to risk management policies.
- Provide the Board and Senior Executive Management with information regarding the Bank’s risk measurements and risk profile (qualitative and quantitative statistics to be presented at each Board meeting).
- Highlight risks transparently and ensure they are clear and understood internally and disclosed to the public.
- The Bank's committees, such as the Executive Committee, Credit Committees and the Assets and Liabilities/Treasury Management Committee assist the Risk Management Department in conducting its tasks within the specified authorities of these committees.

- The Bank shall include in the annual report enough information regarding the Risk Management Department, especially its structure, processes and the developments it underwent.
- The department spreads risk awareness among the Bank's employees regarding modern ways and methods of Risk Management in such a way that achieves the concept of comprehensive risk management.
- The department follows up on the instructions and recommendations released by the various regulators, including BASEL committee, and translates them into work plans, policies and procedures.

Credit Administration & Control Department

The organizational structure shows that the department is headed by the Executive Manager of the Risk Management Department, to whom the department manager reports to. Duties are divided among the following units: Internal Operations Unit, External Operations Unit, Legal Documentation Unit and Committees & Decisions Unit.

This department was separated from the Facilities Administration in order to achieve segregation of duties and to be in line with bilateral control.

The most important tasks and duties of the Departments' units are as follows:

Internal Operations Unit

1. Carryout functions related to granting facilities, their renewal, adjustment and cancellation. As well as the preparation, review, posting and adoption of accounting records relevant to the performed transactions.
2. Posting the data of guarantees to the Banking system.
3. Posting the data of credit portfolios assigned to the credit officers and their authorities, as well as the authorities of branches and offices in regard to current accounts with no sufficient balances, to the Banking system, based on a decision by the Credit Department.

External Operations Unit

1. Prepare a statement of loan classification, calculating impairment and reserves provisions as well as all relevant data that is required as per the instructions of the CBJ, regulators and the Bank's external auditor.
2. Prepare a statement of credit concentrations, enter relevant data to the Banking system so that relevant groups, members of the Board of Directors, Executive Managers and subject companies and such data that is required by the instructions of the Jordan Central Bank and regulators.
3. Prepare a statement of the Bank's clients banking risks and request their secret numbers from the CBJ, enter into the Banking system and approve the monthly system update before being sent to the CBJ.
4. Direct inquiries regarding the risk position of new clients towards other banks through direct connection with CBJ.
5. Reply to other banks' inquiries pertinent to the Bank's clients.

Committees & Decisions Unit

1. Index and organize the issues that need to be brought to the attention of the Management Credit Committee or the Board Credit Committee according the authority levels defined by the credit policy guidelines.
2. Attend Management Credit Committee meetings and prepare their decisions.
3. Draft the Management Credit Committee minutes of meeting.
4. Inform the concerned clients, branches and departments of the decisions taken by the committees (Management Credit Committee or Board Credit Committee).
5. Prepare release letters for property mortgages, possession mortgages, stocks or vehicles.

Legal Documentation Unit:

1. Prepare and approve contracts and supporting documents that document transactions up to a specified ceiling. All transactions that exceed that ceiling need to be approved by the Legal Department.
2. Solicit legal opinion in the cases that require it.
3. File the first copy of contracts, supporting documents and mortgage bonds in safes and in the Unit Manager's custody.
4. Correspond with the Administrative Services Department regarding the appraisal of real estate properties or the properties proposed as collateral for credit facilities.

Compliance Control Department

The process of controlling compliance is considered an independent function which aims at ensuring that the Bank and its internal policies are in compliance with all the laws, regulations, instructions, directives, codes of conduct, sound banking standards and practices issued by the local and international regulators.

1. The processes of compliance control are managed through an independent department, which reports directly to the Head of Risk Management & Compliance Group and submits reports periodically to the Board of Directors through the Board Audit and Risk Management Committee with a copy sent to the Executive Management.
2. The Board of Directors adopts and monitors the Compliance Policy while it is prepared and developed by the Compliance Control Department and communicated to all of the Bank’s departments.
3. Employees of the Compliance Control Department are not assigned any executive work where there may be room for conflict of interest.
4. Compliance risks include the risks of not abiding by the laws, regulations, instructions and legislations issued by the various regulators, in addition to the risks of money laundering operations, reputation risks, risks of non-compliance with professional conduct charters and standards, intellectual property rights risks including regulations and any other relevant issues.
5. The scope of work of the Compliance Control Department includes the risk of non-compliance across all of the Bank’s managements and branches in Jordan and outside as well as subsidiary companies.
6. The Board of Directors takes the necessary actions to support the values of integrity and sound professional conduct within the Bank such that compliance with the applied laws, regulations, instructions and standards constitute a primary goal that must be achieved. It also assesses the effectiveness of Compliance Risk Management at least once a year or whenever needed. Furthermore, the application of the Compliance Policy at the Bank is controlled and followed up by the Board of Directors through the Board Audit and Risk Committee.
7. The responsibility of Compliance Management is summarized by assisting Executive Management and the Bank’s employees to manage “Non-Compliance Risks” that face the Bank; especially the risks of money laundering operations. In addition, Compliance Management provides advice to Executive Management regarding the applied laws, regulations and standards as well as any amendments that may take place.
8. The Compliance Control Department has the authority to view all documents, records and contracts that enable it to perform its job with high quality, objectivity and transparency; in addition to viewing internal audit reports and the reports of external regulators -at the forefront of which are the Central Bank of Jordan and regulators whom the Bank’s branches outside Jordan are subject to.
9. The Compliance Control Department has the authority to communicate with all employees at the Bank and subsidiary companies to get the information and clarifications it finds fit.
10. Full coordination shall exist between the Compliance Control Department and the other departments, especially with the Internal Audit Department and Risk Management, to obtain compliance reports that highlight conformity of work progress with the legislations, laws and instructions of regulators.
11. The Bank informs the Central Bank of Jordan of any violations resulting from noncompliance especially violations that subject the Bank to legal penalties or material financial or reputation losses. In addition to informing the Money Laundry Unit at CBJ of any cases that should be reported.

Code of Conduct

The Bank adopted a Code of Conduct which was approved by the Board of Directors. All the Bank’s employees across the various managerial levels as well Board members have pledged to commit to it.

The code defined the ethics, values and principles of Bank employees in four main areas which are:-

1. Integrity
2. Compliance
3. Transparency
4. Loyalty

Integrity: the code included that Bank employees are committed to the following:-

- Depositors' money is a trust and a responsibility that must be preserved.
- Non-conflict between personal interests and the Bank's interests.
- Not to use inside information to achieve personal interests.
- Maintain objectivity and not be influenced by personal relations.
- Not to enter into business relationships with clients and suppliers.

- Not to discriminate between clients.
- Not to accept gifts, benefits and invitations.

Laws and regulations: All employees must commit to financial confidentiality, the Bank's policies and its work guidelines, give the needed care in combating money laundering, not to issue dishonored checks and commit to management's decisions.

Transparency: the Bank's employees are committed to the correctness of the declared numbers, data and reports as well as the accuracy, sufficiency, timing and compliance of this data with standards; in addition to declaring personal interests, employee financial standing and his business activities and declaring violations and damages.

Loyalty to the Bank: loyalty is achieved through realizing the Bank's mission, vision, goals, role and by transforming the Bank's slogan into a tangible reality, winning clients' satisfaction and retaining them; in addition to positivism, excellence, taking responsibility, quality, efficiency, accuracy, continuing training, maintaining working hours, adapting to work stress in a team spirit, attention to appearance, conduct and good attitude, caring for the Bank's reputation and achievements, maintaining the Bank's assets and appearance, not disclosing any work secrets and taking permission from management before making any declaration regarding the Bank to the media.

VII. Governing Policies

Jordan Kuwait Bank regards providing written policies covering all the bank’s activities with high importance as these policies are adopted by the board of directors and circulated to all management levels as well as reviewing and updating them regularly to reflect any changes and amendments that occur to the laws, regulations, economic circumstances and any other matters related to the Bank. These policies include credit policy, investment policy, risk policy, operational risk policy, compliance policy, internal monitoring and control system policy, Anti-Money Laundering policy, IT security policy, business continuity policy, assets and liabilities management policy, investment portfolio management policy, emergency liquidity policy, internal assessment of capital adequacy policy, whistle-blowing policy, and human resources policy.

VIII. Relations with Shareholders

1. The Bank develops positive relations based on transparency with all shareholders. In this field, the Bank saves no effort to encourage all shareholders, especially small shareholders, to attend the annual meeting of the General Assembly and encourage voting. In addition, consideration is given to voting on each issue that is raised during the annual meeting of the General Assembly separately.
2. The Chairmen of the various Board committees attend the annual General Assembly meeting.
3. Following the General Assembly meeting, detailed report is prepared to inform shareholders of the various remarks and questions brought forth by the shareholders and management’s responses to them as well as the conclusions reached.
4. Representatives of the External Auditors attend the annual General Assembly meeting to answer any questions that may be raised regarding audit and the auditor’s report.
5. Pursuant to the Companies Law, members of the Board of Directors are elected or re-elected during the annual General Assembly meeting. The external auditor is also elected during the same meeting.

IX. Transparency and Disclosures

1. The Bank provides full information regarding its activities constantly and periodically to all stakeholders such as regulators, shareholders, depositors and the public in general; focusing on issues with material impact on the Bank.
2. The Bank is fully committed to the requirements of full disclosure according to the International Financial Reporting Standards (IFRS) and the disclosure instructions issued by the Central Bank and regulators.
3. The Bank follows up the various developments regarding the requirements of disclosure according to international standards, such that they are immediately reflected in its financial reports.
4. The Bank commits to providing permanent and professional communication lines with all relevant stakeholders such as regulators, shareholders, investors, depositors and other banks. To achieve this, the Bank shall create a position of Investors Relation officer whose main task is to provide full and objective information regarding the Bank’s financial and administrative standing as well as the Bank’s various activities.
5. The Bank’s annual report shall contain all information related to the Bank in a manner that is transparent and objective.

6. Publish periodic reports that contain quarterly financial information, in addition to a report from the Board of Directors regarding the trading of the Bank's stocks and its financial standing during the year as well as periodic briefs by Executive Management for shareholders, financial market analysts and journalists specialized in the financial sector.
7. Hold periodic meetings between the Bank's Executive Management and investors and shareholders.
8. The Bank provides the information available in its annual or periodic reports on the Bank's website in both the Arabic and English languages, where information is updated constantly.
9. The reports that the Bank presents must contain disclosure from the Executive Management about the results of current and future operations, the financial standing of the Bank and any future results of risk that might affect the general financial standing of the Bank.
10. To deepen the principle of transparency and disclosure, the Bank's annual report must specifically contain the following:-
    - The Banks' Corporate Governance Guidelines and the extent it is committed to.
    - Full information about the members of the Board of Directors including qualifications, experiences, share of the capital, their status as Executives, Non-Executives or Independent, memberships in any other Boards of Directors, the bonuses and salaries they have received, any loans granted to them by the Bank and any operations between the Bank and the member's companies, himself or any parties related to him.
    - A brief of the responsibilities and tasks of Board committees.
    - Frequency of Board and Board Committees meetings held.
    - A brief of the Bank's Remuneration Policy as well as the salaries and allowances of Senior Executive Management.
    - The statement of the Board of Directors regarding the sufficiency of internal control systems.
    - A description of the structure and activities of the Risk Management & Compliance Group.
    - The main shareholders of the Bank and of companies that hold substantial portion of the Bank's capital.

BRANCHES & OFFICES


Amman Branches

- **Main Branch**
  Tel. 5629400 – Fax 5694105
- **Abdali Branch**
  Tel. 5629400 – Fax 5662374
- **Jabal Amman Branch**
  Tel. 4641317– Fax 4611391
- **Wehdat Branch**
  Tel. 4777174 – Fax 4750220
- **Commercial Center Branch**
  Tel. 4624312 – Fax 4611381
- **Tla' El'Ali Branch**
  Tel. 5532168/9 – Fax 5518451
- **Jabal Al-Hussein Branch**
  Tel. 5658664 – Fax 5658663
- **Abu-Alanda Branch**
  Tel. 4162756 – Fax 4161841
- **Yarmouk Branch**
  Tel. 4779102/3 – Fax 4750230
- **Wadi El-Seir Branch**
  Tel. 5858864 – Fax 5810102
- **Jubaiha Branch**
  Tel. 5346763 – Fax 5346761
- **Amra / Um Outhaina Branch**
  Tel. 5535292 – Fax 5516561
- **Abdoun Branch**
  Tel. 5924195 – Fax 5924194
- **Abu-Nsair Branch**
  Tel. 5235223 – Fax 5235226
- **Marka Branch**
  Tel. 4889531 – Fax 4889530
- **Ibn Khaldoun Branch**
  Tel. 4613902/3 – Fax 4613901
- **Shmeissani Branch**
  Tel. 5685403 – Fax 5685358
- **Vegetable Market Branch**
  Tel. 4127588 – Fax 4127593
- **Madinah Munawarah St. Branch**
  Tel. 5533561 – Fax 5533560
- **Sweifiyyah Branch**
  Tel. 5851027 – Fax 5851931
- **Nazzal Branch**
  Tel. 4383906 – Fax 4383905
- **Mecca Mall Branch**
  Tel. 5517967 – Fax 5517836
- **Al-Rabiyah Branch**
  Tel. 5510839 – Fax 5511479
- **Abdullah Ghousheh St. Branch – Jaber Center**
  Tel. 5850392 – Fax 5850327
- **Al-Mougablain Branch**
  Tel. 4203723 – Fax 4203715
- **Marj El-Hamam Branch**
  Tel. 5731053 – Fax 5716832
- **City Mall Branch**
  Tel. 5824698 – Fax 5825426
- **Wadi Saqra Branch**
  Tel. 5679241 – Fax 5679146
- **Dabouq Branch**
  Tel. 5412312 – Fax 5521337
- **Al-Madina Al-Riyadiyah Branch**
  Tel. 5162165 - Fax 5162358
- **Khalda Branch**
  Tel. 5370835 - Fax 5370925
- **Mecca St. Branch**
  Tel. 5532156 - Fax 5532152
- **Zain Office**
  Tel. 5810734 - Fax 5810927
- **King Abdullah Bureau Office**
  Tel. 4626990 – Fax 4626995
- **Mecca Mall Office**
  Tel. 5813954 – Fax 5814239
- **Petra University Office**
  Tel. 5711283 – Fax 5713079
- **Sweileh Office**
  Tel. 5359986 – Fax 5359964
- **Dair Ghbar Office**
  Tel. 5853854 – Fax 5853705

Middle Region Branches

- **Baq'ah Branch**
  Tel. 4725090 – Fax 4726101
- **Madaba Branch**
  Tel. 05/3253568 – Fax 05/3253569
- **Al-Salt Office**
  Tel. 05/3558995 – Fax 05/3558994
- **Amman Ahliyyah University Branch**
  Tel. 05/3500029 – Fax 05/3500048

North Region Branches

- **Irbid Branch**
  Tel. 02/7243665 – Fax 02/7247880
- **Al-Husson St. Branch - Irbid**
  Tel. 02/7248496/7 – Fax 02/7248498
- **Yarmouk University Branch**
  Tel. 02/7256065 – Fax 02/7255315
- **Al-Mafraq Office**
  Tel. 02/6235901 – Fax 02/6235902

South Region Branches

- **Al-Karak Office**
  Tel. 03/2396102 – Fax 03/2396002
- **Aqaba Branch**
  Tel. 03/2015190 – Fax 03/2016188

Zarqa Area Branches

- **Zarqa Branch**
  Tel. 05/3997088 – Fax 05/3998677
- **Russaifeh Branch**
  Tel. 05/3744151 – Fax 05/3744152
- **Zarqa Free Zone Branch**
  Tel. 05/3826196 – Fax 05/3826195
- **New Zarqa Branch**
  Tel. 05/3864556 – Fax 05/3864557

Branches outside Jordan

- **Regional Management & Ramalla Branch**
  Tel. +970 22 413731 – Fax +970 22 406443
- **Nablus Branch**
  Tel. +970 92 376413/4 – Fax +970 92 377181
- **Cyprus Branch**
  Tel. +357 25 875555 – Fax +357 25 582339

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ATM Locations

- Head Office (Drive Thru ATM)
- Head Office / Main Street
- Cyber Branch - Jabal Amman
- Zarqa Branch
- Wehdat Branch
- Tla'a El'Ali Branch
- Jabal Al-Hussein Branch
- Aqaba Branch
- Abu-Alanda Branch
- Yarmouk Branch
- Wadi El-Seir Branch
- Jubaiha Branch
- Russaifeh Branch
- Amra Branch
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- Yarmouk University Branch- Irbid
- Al-Madina Al-Riyadiyah Branch
- Khalda Branch
- Amman Ahliyyah University Branch
- Dair Ghbar Office
- Al-Mafraq Office
- Al-Salt Office
- Al-Karak Office
- Petra University Office
- Sweileh Office
- Safeway-Shmeissani
- Zain Headquarters
- Cozmo Center
- City Mall
- Amman Mall
- Isteklal Mall
- Al-Baraka Mall
- Holiday Inn Hotel
- Crowne Plaza Hotel
- Kempinski Hotel-Aqaba
- Jabal Al-Weibdeh
- Isteklal Hospital
- Mobile ATM
- Al-Manaseer Gas Station / Tabarbour
- Al-Manaseer Gas Station / Wadi El-Seir
- Al-Manaseer Gas Station / Zarqa
- Special Needs ATM/ Amman
- Special Needs ATM/ Commercial Center
- Ramalla Branch
- Nablus Branch

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