



ANNUAL REPORT 2015

The Dead Sea ... **A Treasure of Secrets**



البنك
الأردني الكويتي
**JORDAN KUWAIT
BANK**

" More than just a bank "

In line with its institutional slogan "More than just a bank" and its interest to present a new theme each year that enriches its annual report, Jordan Kuwait Bank's Management chose the lowest point on earth, the Dead Sea, for the theme of the 2015 report.

Jordan Kuwait Bank's management and staff are pleased to highlight within the

annual report for the year 2015 the Dead Sea Region for its historical fame since the beginning of time and until present day. The Dead Sea region is characterized by its warm weather all year round, the unique composition of its water, nature and attractive terrain, making it a distinguished touristic and entertainment destination.

The Dead Sea... A Treasure of Secrets



Located in the Jordan Rift Valley, the Dead Sea is an inland lake and represents a rare phenomenon as it lies at the lowest point on earth at about 400 meters below sea level. Additionally there is no other sea water in the world similar to the Dead Sea's with its unique composition of elements where salt constitutes about 34%; making it 9 times more salty than the Mediterranean. It is rich in salts and natural minerals such as Calcium, Magnesium, Bromine and Potassium which represents a real wealth that can be utilized in numerous fields whether in industry or health treatment. All the aforementioned in addition to its climate, the quality of its sunshine, the Oxygen saturated air, and its black mud full of minerals have made the Dead Sea Region an attractive destination for visitors.

Tourism in the Dead Sea

Jordan is the cradle of civilizations and has thousands of historical and archaeological sites and thus the tourism sector plays an important role in the Jordanian economy; attracting investments, supplying foreign currency and creating job opportunities noting that there are 49,000 employees working in various tourism activities. The tourism activities in Jordan generate direct revenues for the Kingdom whereby the tourism income reached about JD 2.87 billion (USD 4 billion) by the end of 2015.

Medical tourism is focused in Jordan particularly in the Dead Sea Region; benefiting from the therapeutic characteristics of its water which is rich in salts and minerals such as Magnesium Chloride, Sodium, Potassium and Bromine among others. Medical tourism has played a major role in attracting tourists and visitors to the area since ancient times, with visitors including King Herod the Great, Queen Cleopatra of Egypt and other sultans, rulers, emperors and kings who came to the Dead Sea Region in search for treatment and seeking to benefit from the healing properties of its mineral rich water which treat many skin conditions such as psoriasis and alleviate allergies. That in addition to its black mud which contains 26 important minerals found to be effective in treating, rejuvenating and cleansing the skin and thus is used in the cosmetics industry.

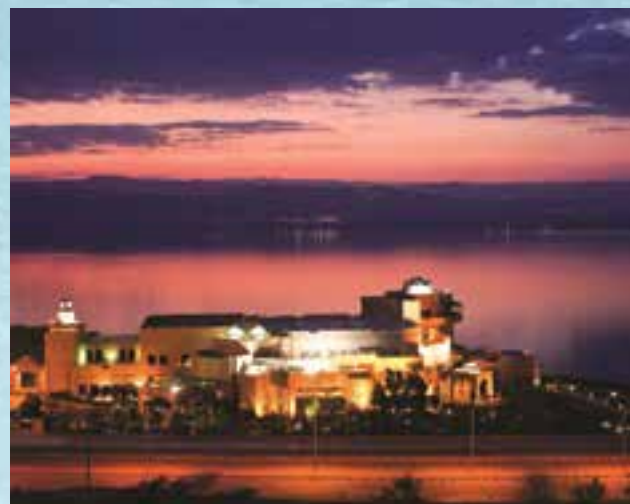
The Dead Sea Region is characterized by its warm climate all year round, healthy sunlight and pure dry air full of Oxygen making it an international tourist destination. Therefore, there are numerous upscale hotels, resorts, rest areas and entertainment venues which spread at the eastern shore of the Dead Sea providing high level hotel and entertainment services. Additionally, a modern shopping center "Samarah Mall" is located in the heart of the Dead Sea area, housing various restaurants and retail shops in addition to a Jordan Kuwait Bank branch which is the only bank in the area providing the highest level of banking services from the lowest point on earth.

The Ministry of Tourism and Antiquities established the "Lowest point on Earth Museum" below Lot's cave adding an important tourist attraction to the touristic road stretching from the Dead Sea in the north to Aqaba in the south connecting a number of sites located in the Jordan Valley and whose significance is derived from religious beliefs, most important of which are the Baptism Site, shrines of Prophet Muhammad's Companions and Herod's bath as well as linking such sites with the famous sites in Madaba and Karak to form together a panorama which recounts the story of time and the place as well as restore the presence of such sites on the world tourism map.

The Dead Sea Panorama site was built on the hills overlooking the Dead Sea, offering visitors breathtaking views of the areas surrounding the Dead Sea for far distances in clear weather. The Panorama site includes buildings spanning an area of 2,746 square meters and comprises of the Dead Sea Museum that embodies the history of the area and the civilizations across various ages through the collectibles and exhibits it contains of the region's history using modern techniques. The site also has conference rooms, a restaurant, gardens and an outdoor theater.

To encourage meetings and convention tourism in the Dead Sea Region, the King Hussein Bin Talal Convention Centre was established on the eastern shore of the Dead Sea. Its strategic location and world-class standards on which it was built makes it one of the largest convention centers in the Arab world.

The King Hussein Bin Talal Convention Centre is an architectural masterpiece which reflects the art of Arab architecture. Its design and unique location as well as providing high level facilities for organizing conferences and conventions attracted a large number of world events and conferences in the Middle East including the World Economic Forum, Davos Economic Forum and Soccerex Asian Forum. In addition to events of the International Monetary Fund and the United Nations as well as other local and world events. Such events contributed to placing King Hussein Bin Talal Convention Centre on the world and regional map of the international exhibitions, meetings and conferences centers.



Industry in the Dead Sea

The Jordan Valley District and Dead Sea Region contribute to the Jordanian economy in terms of production of Potash, Bromine and Magnesium. The Arab Potash Company (APC) was established in 1956 as a Pan-Arab venture. APC operates under a concession from the Government of Jordan which grants it exclusive rights to extract, manufacture and market minerals from the Dead Sea until the year 2058. APC is the 8th largest producer of Potash in the world in terms of production volume and it is also the only Potash producer in the Arab world. In addition to Potash, APC invests in numerous manufacturing and complementary industries related to salts and minerals of the Dead Sea including Potassium nitrate, Bromine and other byproducts to produce Potassium Chloride Fertilizer for agricultural purposes and industrial Potassium Chloride.

Cosmetics factories have also been set up in the Dead Sea Region. Such factories rely on salts, minerals, water and black mud which exist in the region.

Agriculture in the Dead Sea Area – Jordan Valley

The Jordan Valley is one of the most vital areas in producing agricultural crops such as vegetables, citrus fruits, and banana and palm trees. Its fame in this regard is evident in the vast areas of farmland and palm plantations which have made this area a vital center for the production of dates of all types.

The warm climate of the area allows for many types of vegetables, citrus and other fruit to thrive, making the Jordan Valley area famous for cultivating many of such crops. The Jordan Valley also has vast areas of banana plantations.

Regarding growing palm trees, the types of dates produced in the Jordan Valley have recently achieved remarkable success at the Arab and global levels, placing Jordan at par with Arab and world dates producing countries in terms of quality.



Dead Sea Master Plan

The Jordan Development Zones Company (JDZ) was established in 2010 to serve as the master developer of the Dead Sea Development Zone. JDZ is responsible for financing, developing and marketing the Dead Sea Zone including the provision of facilities and services to ensure the transformation of Jordan's Rift Valley and the exceptional properties of the Dead Sea into a premier global tourism destination. As the master developer of the Dead Sea Zone, JDZ has prepared a detailed Master Plan for the Dead Sea Area to create a visionary, feasible, sustainable and action-oriented plan.

Over the past fifteen years, Jordan has focused on adopting a balanced approach to achieve and maintain development and preservation so as to capitalize on the growth of tourism sector. The first phase of the master plan includes 40 square kilometers along the northern and eastern coast of the Dead Sea. The first task of the Master Plan was an extensive site analysis on the existing developments in the Dead Sea area, the indigenous landscape, and ecological systems of the Dead Sea.

The master plan proposes adopting a comprehensive approach to achieve social and economic sustainability for Sweimeh village including practical training opportunities for citizens, affordable housing, public amenities, health care facilities, community centers, schools, a university and a logistics center.

The master plan is regarded as a series of interconnected and publicly accessible districts each with its own activity (mixed-use, tourism, commercial, health, logistics, etc.). Public amenities will also be provided such as a public park and new public beaches. A Corniche alongside the coast will also be established to become a public destination that offers residential complexes, hotels, restaurants, public spaces and sustainable green areas.



Investment incentives in the Dead Sea Area

There are numerous investment prospects along the eastern and northern shore of the Dead Sea (the Corniche area) including four-and five-star hotels, resorts, retail and mixed-use developments, conference centers and restaurants.

The Dead Sea Development Zone provides investors – whether Jordanians or foreigners- with several attractive incentives including:

- Corporate Income Tax of 5% only
- Exemption from sales tax
- Exemption from custom duties
- Exemption from social services and dividends tax
- 100% foreign ownership
- Streamlined registration and licensing procedures
- All applicable incentives and exemptions as set forth in the free zone law or any other law applicable in Jordan.



The Baptism Site



The Baptism Site is one of the most important historical and religious sites in the Dead Sea area; it is where Jesus Christ was baptized. It is located at Wadi Kharrar, Bethany village, eastern of the Jordan River, 59 km away from the Jordanian capital, Amman. The Baptism Site, approved by the World Heritage Committee in its 39th session to be enlisted in the World Heritage List, is the holiest Christian site in the world. It represents a living witness of a historical epoch and practice of religious rituals which still exist in the site until today.

Many religious and archaeological texts, papal statements, correspondences of heads of Christian denominations and observations of travelers and explorers confirm that the Baptism Site, located on the eastern side of the Jordan River, is the cradle of Christianity and the place where Jesus Christ was baptized, according to experts and

specialists. The former Pope John Paul II approved, during his visit to the site in the year 2000, the Baptism Site as the official Christian pilgrimage place.

St. John the Baptist Church is one of the most prominent religious buildings in the Baptism Site when contemporary archaeologists discovered remnants of a Byzantine monastery with a church inside it built during the reign of Emperor "Anastasius" in the area of the Jordan River. This church is believed to be the remnants of "Bethabara" or John the Baptist Church which was discovered 300 meters away from the eastern side of the Jordan River at the Zor area and surrounded by rocks. The church is one of the most important churches of John the Baptist churches on the eastern bank of the Jordan River. The visitor can also see the Byzantine monastery affiliated to the Greek Orthodox Church which dates back to the 5th Century AD.



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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" - 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 offers 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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HIS MAJESTY
KING ABDULLAH II BIN AL-HUSSEIN



HIS HIGHNESS
SHEIKH SABAH AL-AHMAD AL-SABAH
EMIR OF THE STATE OF KUWAIT



HIS ROYAL HIGHNESS
PRINCE HUSSEIN BIN ABDULLAH II
THE CROWN PRINCE

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. Masaud Mahmoud Jawhar Hayat**
Rep.: Al- Futtooh Holding Co. – Kuwait
 - **Mr. Tariq Moh'd Abdul Salam**
Rep.: Kuwait Projects Co. (Holding) – Kuwait
 - **Dr. Safwan Samih Toqan**
Rep.: Social Security Corporation – Jordan (As of 1/1/2016)
 - **Mr. Farouk Aref Al-Aref**
 - **Dr. Yousef Musa Goussous**
Rep.: Burgan Bank - Kuwait
 - **Mr. Mansour Ahmad Louzi**
Rep.: Strategy Co. for Investments – Jordan
 - **Mr. Bijan Khosrowshahi**
Rep.: Odyssey Reinsurance Co. – U.S.A

Board Secretary **Mr. Suhail Moh'd Turki**

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



Message from the Chairman

To the Shareholders,

I am pleased to submit to you, in my name and on behalf of my colleagues, members of the Board of Directors, the annual report on the results of the Bank's operations and achievements, and the consolidated financial statements for the year ending on 31/12/2015.

The year 2015 came to an end while the repercussions of the global financial crisis continued to affect banks, the financial sector and the global economy as a whole.

Contrary to the forecasts of economists, the year 2015 did not witness, as previously hoped, the return of the global economic growth and stability in the financial and banking sector around the world; instead it witnessed new challenges including a number of unexpected shocks represented in the sharp fall of oil prices which warns of financial and economic difficulties in many countries, particularly those depending on the production of oil as the main source of fund for their economies. The end of 2015 coincided with the Federal Reserve raising the interest rate of the US dollar by 0.25 point which sparked various reactions, i.e. upheaval in the major currencies market, instability in capital markets, fear of change in investments direction between countries, concerns by the developing countries as a result of increasing the cost of imports, and increasing burden of foreign debt-servicing. As for Europe and Japan, the state of economic stagnation continued and attempts to raise the inflation rate were not successful, and the governments resorted to using the negative interest rate so as to stimulate investment and domestic lending.

The search for comprehensive solutions for the real problems of the global economy has become a pressing issue as there is concern that the financial policy may fail to provide any solutions for the purpose of stimulating the economy while the monetary policy has reached the maximum it can offer in terms of incentives as an alternative to the financial policy. The economic problems and the structural transformations in the countries of advanced and emerging economies alike do not encourage the belief that the economic growth and stability will return to the right course in the near future.

The national economy in 2015

The Jordanian economy was not at its best in 2015, as the pressing circumstances continued and the security risks in the neighboring countries increased, which significantly affected inbound tourism, consumer spending as well as the volume of foreign trade including import and export of goods and services. The poverty and unemployment rates remained high.

In the financial sector, the deficit in the general government budget increased by about JD 1,120 million (USD1579 million), the public debt rose by about JD 2.5 billion (USD3.5 billion), the debt in foreign currencies increased to 40% of the total debt, and the deficit in the current account of the balance of payments continued.

However, the Jordanian economy maintained its stability and achieved a positive growth by about 2.5% and also maintained its "stable" outlook rating by the international rating institutions. Reserve of foreign currency at the Central Bank of Jordan stood at a comfortable level at about USD14 billion. The exchange rate of the Jordanian Dinar remained stable against the strong US dollar, Jordanian expatriates' remittances rose by 1.3% and the stock prices in the Amman Stock Exchange remained steady; losing only 1.3% of their market value.

On the structural side, there were tangible improvements in some of the national economy's indicators; the trade balance deficit decreased as a result of the lower cost of imported oil, the coverage ratio of current expenditure in the public budget from the local revenues increased, and the inflation rate dropped to a negative number of about 1% as a result of lower fuel prices.

2015 is the third and final year of the economic reform program sponsored by the International Monetary Fund (IMF), with the year ending with mixed results, both positive and negative. Discussions are underway between the government and the IMF to arrange for a new three year (2016-2018) economic reform program.

The Bank results in 2015

During 2015, the Bank achieved good results and its performance was consistent with the prevailing local economic circumstances, the security conditions in the neighboring countries, and the state of the world economy. This year, we continued to apply our prudent policy in examining and granting new credit facilities and strictly adhered to risk- return spectrum, in addition to enhancing contact with all customer segments, particularly owners of companies and vital projects, to identify assistance and support opportunities they may require to continue their businesses. This stems from our belief and understanding of our pivotal role in serving the national economy and contributing to the development and success of its various sectors.

Based on understanding with the Central Bank of Jordan and adhering to its directives, the Bank managed to remedy a number of irregular accounts in a manner that protects the Bank's rights and assists borrowers to continue their business. This stems from our determination to not add non-performing assets to our accounts from acquiring guarantees and collateral until all means and solutions have been exhausted; thus avoiding converting non-performing loans into non-performing assets which add pressure on the Bank's financial position and limit alternative opportunities for investment. In this regard, our efforts were focused on successfully marketing and selling the Bank's non-performing assets and achieved good results. The largest of these assets in terms of size is the Andalusia Project, acquired by the Bank against the debts of "Taameer" Company. The project has become ready for marketing after improving its interior and surrounding environment as well as completing the entertainment center. A specialized marketing company was contracted and has put the villas up for sale in the Jordanian and the GCC markets. We anticipate positive results and expect them to materialize during the coming period.

As for the financial results, the Bank's statements of financial position for the year ending on 31/12/2015 showed an increase in the Bank's total assets reaching USD4.012 billion; a 9% growth from 2014. Total direct credit facilities (net) amounted to USD1.936 billion; achieving a growth of 5.1% from the previous year. Customer deposits also recorded a good growth at about 13.8% reaching USD2.681 billion at year end.

The Bank's main activities in 2015 generated a total income that amounted to USD180.4 million compared to USD175 million in 2014. In line with the Bank's policy, the provision for impairment in direct credit facilities was enhanced by about USD29.6 million on the account of the year's net profit which dropped as a result to USD79.6 million (before tax) while the post-tax net profit amounted to USD55.6 million. Total owners' equity increased by

about 4% to reach USD640.7 million. The efficiency ratios and performance indicators maintained their high levels among the international standards. The capital adequacy ratio increased at the end of 2015 to reach 18.23%, compared to 16.68% at the end of 2014. This ratio confirms the Bank's solid financial position as a well-capitalized bank, and its ability to comply with the capital adequacy requirements by Basel III and the directives expected to be issued by the local and international regulators regarding Basel III which aim to impose more strict measures on banks whether in terms of solvency, liquidity ratio or lending ratio. We are confident that the Bank will comply with all current standards and controls as well as those which will be issued later.

To cope with the rapid technological developments and competition facing banks from financial and semi-financial institutions, the year 2015 witnessed remarkable efforts towards benefiting from the features of the new banking system which provided the Bank with the best and most advanced technologies to serve its operations in addition to the ease of offering new services and applications which meet the aspirations and interests of the Bank's corporate and individual customers, particularly the youth, which will in turn be reflected on customers' satisfaction and enrich their banking experience via innovative means available around the clock. Release of new electronic services will continue during 2016.

To keep pace with and handle the latest directives, standards and regulatory and legislative requirements in light of the spread of online banking programs and applications and increasing dependence on such high risk applications, we paid a special attention to the development of the Bank's capabilities and the skills of its staff in the areas of risk management, compliance, anti-money laundering, internal audit and information systems. The Bank's management will continue to provide the support required to ensure the safety of the Bank's operations under all circumstances.

In order to promote the Bank's role in developing the SME's sector and increasing its contribution to the national economy, specialized funding products and solutions were provided to this segment in collaboration with the Overseas Private Investment Corporation (OPIC) and the Jordan Loan Guarantee Corporation (JLGC) in addition to offering a suite of administrative applications via the Bank's internet banking service to help such companies manage their businesses and operations.

During 2015, the Bank continued to provide and participate in many initiatives and programs aimed at developing the local community in the various areas covered by the Bank's Social Responsibility Policy.

With regard to the implementation of the remaining item of corporate governance instructions for banks, the Board of Directors will recommend to the general assembly of shareholders to increase the number of board members to 13 members and elect 4 independent new members.

In late 2015, Kuwait Projects Company (KIPCO) decided to transfer Burgan Bank's share in Jordan Kuwait Bank's capital to another company owned by KIPCO to serve Burgan Bank's need to comply with the new requirements of Basel III with regard to capital adequacy. As for our Bank, we have responded to this decision positively and received assurances of continued support

and cooperation by KIPCO and that their ownership in JKB should not be transferred to any third party without the approval of the Central Bank of Jordan. Here, we highly applaud the solid historical and strategic relationship between the Jordanian and Kuwaiti partners which extend over the past forty years.

Based on the Bank's results in 2015, the Board of Directors is pleased to recommend to the esteemed general assembly of shareholders to approve the distribution of USD28.2 million (equivalent to 20% of the Bank's paid up capital) as cash dividends to shareholders.

2016 Outlook

Besides the external factors, there are also internal factors which still hinder the economic progress and growth, most notably the weak general government budget and its heavy dependence on foreign grants and loans, the high public debt and its service costs, in addition to delays in implementing the economic and structural reforms. Moreover, investment and expansion activity is restricted by many constraints including the small size of the local market, closed borders of the neighboring countries, high prices of manufacturing inputs, high electricity tariffs, taxes, and weak competitiveness of the national industry.

Forecasts indicate that Jordan's GDP in 2016 will record 3% while inflation rate will reach 2%. We believe that achieving the estimated growth, and may be surpassing it, depends, to a great extent, on improving the region's circumstances, attracting more investments, completing the alternative energy projects, benefiting from lower oil prices to reduce the budget deficit, and increasing the capital expenditure to boost demand and stimulate the economy.

In all circumstances, the strategic role undertaken by His Majesty King Abdullah II on the regional and international levels, the country's successes in preserving its stability and security, and the positive image of Jordan in the international community remain the most important attributes to our country's growth and prosperity.

In conclusion, I extend my deep gratitude to our shareholders and customers for their dedication and trust and to our strategic partners, Kuwait Projects Company (KIPCO) for their continued attention to the Bank's interests. Special thanks are due to His Excellency the Governor of the Central Bank of Jordan, his two deputies, and all the bank's officials, for their honest efforts and role in promoting the national economy and ensuring the safety and soundness of the banking system. We also extend our deep gratitude to His Excellency the chairman and members of the Jordan Securities Commission and its entire staff for their attentiveness to the interests of companies and the rights of investors. I finally extend my deep appreciation, praise, and affection to all my colleagues, the management and staff members of the Bank and its subsidiaries, for their contributions towards achieving the Bank's objectives and developing its performance year after year.

Abdel Karim Kabariti
Chairman



The Board of Directors' Statement on Corporate Governance, Risk Management and Compliance

Corporate Governance Framework

Jordan Kuwait Bank believes that the existence of good corporate governance leads to good management of the Bank, and helps to achieve the Bank's strategic objectives and safely manage its operations in a manner that safeguards the depositors' interests, and ensures the responsibility towards shareholders and other stakeholders, while fully complying with the legislation and instructions of regulatory authorities and the Bank's internal policies. Accordingly, based on the instructions of Corporate Governance for banks No. 58/2014 issued by the Central Bank of Jordan (CBJ), the Corporate Governance Manual was amended in line with the best international practices and the instructions of the CBJ and other regulatory authorities, in addition to completing the arrangements and procedures needed to achieve compliance with these instructions; this included amending the administrative and financial authority matrix and placing the required policies and codes to be in line with the instructions. The Corporate Governance Manual was officially approved by the Board of Directors.

Jordan Kuwait Bank's Board of Directors affirms its commitment and that of the Bank's executive management and all the employees in implementing the governance instructions. The Bank's adoption of this manual aims to realize the corporate governance principles of fair treatment for all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; and the relational accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and various stakeholders. To achieve greater level of disclosure and transparency, the Corporate Governance Manual is annexed to this report and is published on the Bank's website www.jkb.com.

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 within clear framework for risk management.
- 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's Banks Law. The current Board of Directors was elected by the General Assembly on April 7, 2013 for tenure of four years. 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 that meet the interests of the Bank, shareholders, and customers, 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 and accuracy of the Bank's financial reports and the information contained in the Annual Report and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

Board Committees

In the aim of organizing the Board of Director's work and to increase its efficiency and effectiveness, the Board of Directors forms different committees from its members that are delegated with authorities and responsibilities to be in line with the Bank's strategies and goals. The committees' compositions, duties and responsibilities have been detailed in the Corporate Governance Manual.

1. Corporate Governance Committee

The committee oversees the development of the Corporate Governance Manual, updating it, and monitors its implementation. It ensures that the Bank's organizational structure meets the corporate governance requirements. It also outlines the Bank's strategy, adopts general policies, and raises them to the Board of Directors for approval and supervises their implementation.

Corporate Governance Committee Members

Mr. Abdel Karim A. Kabariti, Committee Chair

Mr. Bijan Khosrowshahi

Social Security Corporation Representative

2. Board Credit & Management Committee

The committee looks into the proposals and requests submitted by the Management Credit Committee and the Management Investment Committee that exceed their authority limits. The Committee also approves contracts, expenditures and purchases of values exceeding the limits authorized for the executive management.

Board Credit & Management Committee Members

Mr. Abdel Karim A. Kabariti, Committee Chair

Mr. Mansour A. Louzi

Dr. Yousef M. Goussous

Mr. Farouk A. Al-Aref





3. Risk and Compliance Committee

The committee's role is to review the Risk Management's framework and strategy; create suitable work environment that helps in identifying and managing risks with significant impact; and stay abreast with the developments that affect the Bank's operations. The committee reviews reports submitted by the Risk Management and Compliance Departments and submits relevant recommendations to the Board of Directors, illustrating the Bank's commitment to the acceptable risk appetite level and its compliance with the regulations and instructions issued by relevant regulators.

Risk and Compliance Committee Members

Mr. Tariq M. Abdul Salam, Committee Chair

Mr. Mansour A. Louzi

Mr. Bijan Khosrowshahi

4. Audit Committee

The committee shall Review and ratify the internal audit plan which includes audit scope and frequency. Review internal audit reports and the reports and observations of regulatory bodies and the external auditor and follow-up on corrective measures. The committee also reviews the Bank's financial statements prior to submission to the Board of Directors and ensures that the Bank has properly observed and complied with international accounting and audit standards.

Audit Committee Members

Mr. Tariq M. Abdul Salam, Committee Chair

Mr. Mansour A. Louzi

Social Security Corporation Representative

5. Nominations & Remuneration Committee

The Committee shall identify eligible persons for board membership and determine members' "independency", provide recommendations to the Board for the appointment of qualified executive management members, implement a formal performance assessment policy for the Board of Directors and executive management and ensure that the Bank has a remuneration policy in place.

Nominations & Remuneration Committee Members

Mr. Masaud M. Jawhar Hayat, Committee Chair

Mr. Tariq M. Abdul Salam

Mr. Mansour A. Louzi

Board and Committee Meetings

The following table shows the number of Board meetings and Board committees' meetings, and the number of meetings attended by each member during the year 2015, noting that Board of Director Members attended the General Assembly of Shareholders that was held on 13/5/2015.

Total number of meetings held during 2015	Board of Directors	Corporate Governance Committee	Risk and Compliance Committee	Audit Committee	Nominations & Remuneration Committee	Board Credit & Management Committee
	6	2	4	5	2	50
Board Members	Number of meetings attended by board member					
H.E. Mr. Abdel Karim A. Kabariti / Chairman	6	2				50
Mr. Faisal H. Al-Ayyar / Vice Chairman	6					
Social Security Corporation Representative						
Mr. Masaud M. Jawhar Hayat	6				2	
Mr. Tariq M. Abdul Salam	6		4	5	2	
Mr. Farouk A. Al-Aref	6					50
Dr. Yousef M. Goussous	6					50
Mr. Mansour A. Louzi	6		4	5	2	48
Mr. Bijan Khosrowshahi	3	2	3			

 Not a member in the committee

Board Members' Remuneration

Every Board member receives the sum of JD5,000 (USD7,052) per year as Board membership allowance, in addition to allowances in lieu of travel, transportation and Board committees' membership.

Remuneration and Rewards Policy

JKB has a comprehensive remuneration and rewards policy that closely integrates with the approved performance evaluation policies. Staff annual raises and rewards are based on achievement which meets the Bank's interests and its sustainable progress in all areas. The policy also assures the independence of control units in such a way that staff salaries and rewards are not determined by the Bank's profit levels.

The remuneration and rewards policy sets the basis for annual salary raises, effect of promotion on salary, types and conditions of allowances paid to employees, and the structure of the salary scale and its review process, for the purposes of maintaining a competitive and fair work environment.

The salaries, transportation allowance and other expenses paid to the Bank's executives during the year 2015 were declared in the disclosure statement as required by article (4) of the disclosure regulations issued by the Jordan Securities Commission, and in the notes to the consolidated financial statements included in this report.

Control Environment

Internal Controls

JKB's 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.

The Bank believes 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 basis for safeguarding the safety and quality of the Bank's transactions. Hence the Bank has adopted a number of internal monitoring and control systems which their development, implementation, follow-up and update are the responsibility of the executive management. JKB's 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, implementation and the responsibility of the Board of Directors and the Executive Management towards them.

Internal Audit

The philosophy of Internal Audit (IA) was based on its task to provide independent and objective assurance and consulting services to the Bank's Board of Directors (BoD) and the executive management. IA objectives were designed to add value and improve the Bank's operations and help the management to accomplish its objectives by applying a systematic and disciplined approach to assess and improve the effectiveness of risk management, internal controls, and governance.

The Internal Audit Department is administratively subordinated to the Chairman and functionally to the Board Audit Committee (BAC). It reports to the Chairman and BAC on the results of audit engagements.

The Internal Audit Charter was established according to best international standards for the professional practice of internal auditing and it defined the following:

- IA activity is independent and has no executive tasks.
- IA activity has direct authorized / unrestricted access to the Bank's records, personnel and physical properties relevant to the performance of engagements assigned to it.
- IA activity shall be provided with appropriate and sufficient number of competent resources (academically & professionally qualified staff) in addition to training courses both locally and abroad.
- IA activity provides reasonable assurance regarding the efficiency and effectiveness of the Bank's Internal Control Systems (ICS) and its ability to achieve the following objectives:
 - Reliability and integrity of financial and operational information.
 - Efficiency of operations.
 - Compliance with laws and regulations in force.
 - Safeguarding of the Bank's assets and properties.
 - Business continuity under all circumstances.
 - Improve and develop ICS, risk management, and governance processes.
 - Improve and develop operations (processes) and products to achieve the Bank's objectives.

A code of business conduct for Internal Audit staff members was prepared according to best international practice. The code emphasizes the principles of integrity, objectivity, confidentiality and efficiency that an auditor must have.

The scope of IA activity covers all the Bank's auditable business centers, activities and operations, including branches abroad and subsidiaries in a way that enables the management to assess the adequacy and effectiveness of ICS, risk management

and governance processes, and achieve all engagements and responsibilities assigned to it. The IA also performs many other tasks the most significant of which are:

- Conduct accepted periodical engagements (assurance reviews) as per approved risk based audit plan prioritization on the approved internal audit strategic plan by BAC.
- Conduct any special review or consulting engagements based on the directives of the Chairman, BAC, the executive management or the monitoring bodies, according to best international standards for the professional practice of internal auditing.

The quality assurance concept was introduced to provide all stakeholders with reasonable assurance about audit function in term of conformance with the common international standards at both local and international levels.

Risk Management Function

Various risks to which the Bank is exposed are managed by an independent risk management department that reports directly to the Head of Risk Management and Compliance Group, and presents its periodic reports to the Board's Risk and Compliance Committee.

The Risk Management Function at the Bank is based on three main pillars as follows:

- Full understanding and awareness by the Board of Directors, top executive management, and the Bank employees of the types of potential risks in the Bank's operations.
- Availability of appropriate strategy, policies, and procedures to manage risk, which reveal the magnitude of risk that the Bank can address, in a manner that ensures financial strength.
- Availability of systems that help in managing various forms of risk that the Bank may face.

The Risk Management Department's objectives are as follows:

- Achieve financial strength, which reflects positively on the Bank's credit rating.
- Transparently highlight risks and ensure their clarity and understanding.
- Set recommendations to identify the size and type of acceptable main risks by the Board of Directors, assuring that current risks are compatible with those that have been planned for.
- The Bank's compatibility with the Basel accords and all legislations that govern and regulate risk management in banks.

The process of identifying, evaluating, and managing risks is considered a joint responsibility, starting with each of the Bank's units which are considered the first line of defense. The Risk Management Department evaluates and monitors risks and recommends ways of mitigating them, submitting the necessary reports to the Board Risk and Compliance Committee whereby it is considered the second line of defense, followed by the role of internal audit which is considered the third line of defense.

In turn, the Risk Management Department is responsible for its abovementioned role within a documented organizational structure approved by the Board Risk and Compliance Committee regarding credit, market, and operational risk, information security, business continuity, and liquidity (within the assets and liabilities framework) and conformity to the Basel accords. Furthermore, the Risk Management Department is represented in different committees that manage the Bank's operations for issues related to the risk management.

The functions of the Risk Management Department are summarized as follows:

- Review the risk management framework at the Bank prior to Board approval.
- Implement the risk management strategy in addition to developing policies and procedures for managing all types of risk.
- Develop methodologies to identify, measure, and control all types of risks.
- Submit reports to the Board through the Risk Management and Compliance Committee, with a copy to the top management, including information about the actual risk profile for all the Bank's activities, compared to the risk appetite document, and follow up on addressing deviations.
- Verify the integration of risk measurement mechanisms with management information systems in use.
- Study and analyze all types of risk faced by the Bank.
- Submit recommendations to the Board Risk Management and Compliance Committee about the Bank's exposure to risk, recording exceptional cases against the risk management policy.
- Provide the necessary information regarding the Bank's risks for disclosure purposes.
- The Risk Management Department conducts awareness programs to the Bank employees about risk management concept.
- Assess the Bank's capital adequacy, along with the Bank's risks and stress testing, as part of the internal capital adequacy assessment process, and submitting it to the Board Risk and Compliance Committee, to be approved by the Board of Directors.

Compliance Control Function

The Bank may be subject to legal sanctions or material losses or reputational risk due to non-compliance with all applicable laws and regulations, instructions and code of conduct, standards and sound banking practices issued by local and international regulatory authorities.

The Bank acknowledges the importance of compliance control, hence adopted the following:

1. BoD approved compliance policy to monitor the Bank's compliance with the laws, regulations, and instructions issued by the regulatory authorities, best practices and industry standards through programs and procedures based on the risk based approach principle.
2. The Board of Directors takes the necessary measures to enhance the values of integrity and sound professional conduct within the Bank in a manner that complies with the applied laws, regulations, instructions and standards, and constitutes a primary goal to be achieved.
3. Compliance function is managed through an independent department, which submits periodical reports to the Board Risk and Compliance Committee. The Compliance Department's scope of work covers all of the Bank's departments and branches in Jordan and abroad as well as its subsidiaries.
4. Monitoring non-compliance risks through a database containing all the laws and regulations issued by domestic and international regulatory authorities that is updated with the latest regulatory and legislative developments.

With regards to combating money laundering operations and financing terrorism, the Bank follows approved policies and procedures that comply with the instructions issued by the regulatory authorities and the best international practices in this regard so as to reduce the risks of such operations through identifying procedures for dealing with financial operations, taking due diligence in Knowing the customers, making sure of their personal identification, legal status and the beneficiary of such transactions through adopting the following principles:

- Update the Anti Money Laundering policy to keep up with the latest regulatory and legislative developments.
- Adopt the risk based rating approach to classify the clients.
- Use an automated system to combat money laundering and financing terrorism.
- Participate in providing adequate training for the Bank's employees enabling them to deal with any suspicious transactions.

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 a 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. Monitoring of Whistle Blowing Policy Implementation is carried out by the Board Risk and Compliance Committee.

Customer Complaints Processing Unit

In compliance with the Central Bank of Jordan's instructions to deal with customers fairly and transparently, the Customer Complaints Processing Unit within the Compliance Department receives and deals directly with customer complaints submitted through all available channels, including telephone calls, email messages, traditional mail, and complaints boxes at the branches. All complaints received are addressed and responded to in writing. Instructions are also sent to employees regarding these complaints, clarifying work procedures to some staff members wherever required. The Customer Complaints Processing Unit submits periodical reports to the Bank's top management, including a description of complaints received and how they were handled and solved. The unit also submits periodical reports to CBJ.

Relation with Shareholders

The Bank develops positive relations, based on transparency, with all its shareholders. In this regard, the Bank spares 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 13,774 as of 31/12/2015. The main source of information for shareholders is the Annual Report which includes the Chairman's report, the audited consolidated financial statements, the corporate governance manual, Bank's achievements for the previous year and the business plan for the following year. Additionally, the reviewed (un-audited) quarterly and semi-annual financial statements as well as the Chairman's report are published in local newspapers.

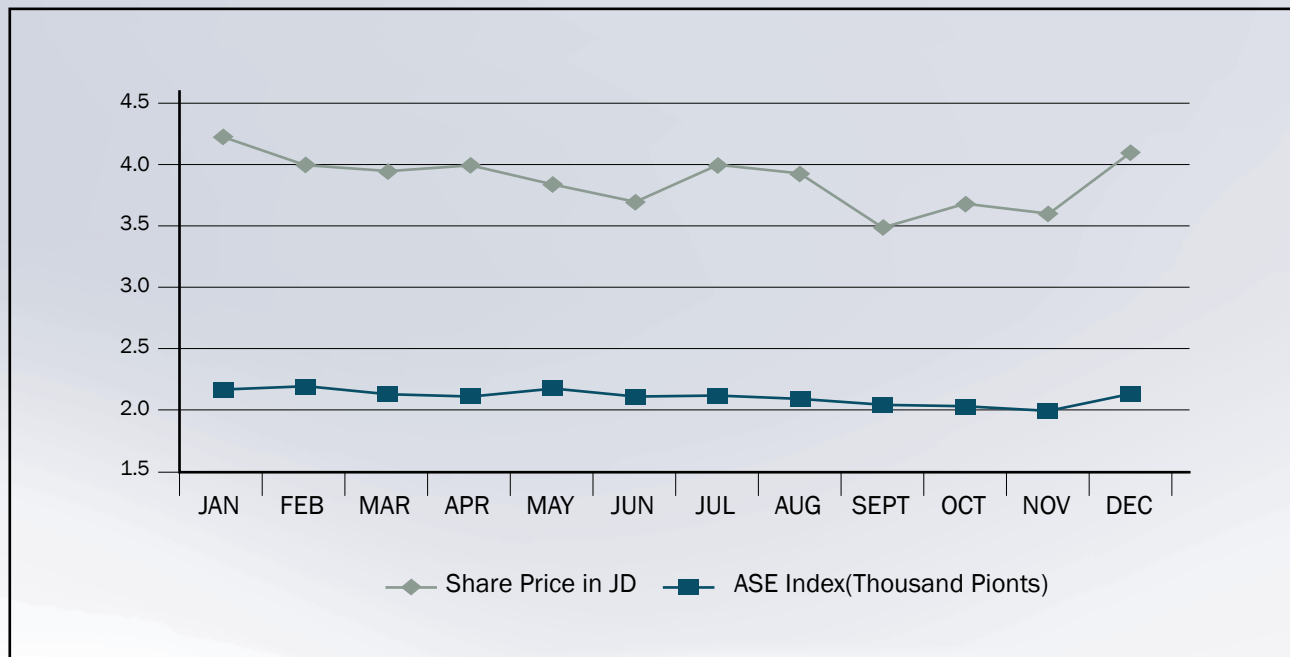
The complete financial statements and the Board of Directors' report are filed at the Jordan Securities Commission (JSC) and the Amman Stock Exchange, with a copy submitted to the Companies Controller. These reports are published on JKB's website (www.jkb.com) which also provides extensive information 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 31/12/2015

Number of Shares Held	Shareholders		Shares	
	No.	%	No.	%
Up to 500	10,564	76.695	2,054,193	2.054
501 - 1,000	1,687	12.248	1,194,904	1.195
1,001 - 5,000	1,146	8.320	2,332,774	2.333
5,001 - 10,000	165	1.198	1,210,859	1.211
10,001- 100,000	177	1.285	5,039,993	5.040
100,001 - 500,000	27	0.196	6,137,231	6.137
500,001 and more	8	0.058	82,030,046	82.030
Total	13,774	100	100,000,000	100

Changes in JKB Share Price (JD) vs ASE Index During 2015



Lake Urmia, The Armory of The Dead Sea
بأخضر في الشمال
البحر الميت والبحر الميت
البحر الميت



Older Freshwater Lakes
بحرين في القديسة من
البحر الميت



Great Lakes, Between The Great Sea
بحرين في القديسة من
البحر الميت



The Great Lakes, Between The Great Sea
بحرين في القديسة من
البحر الميت



أصل البحر الميت Origin of The Dead Sea

Wrecking continents: قارتان متحركتان
 15-17 million years ago: قبل 15-17 مليون سنة
 A piece of Africa: قطعة من أفريقيا
 Collisions & Earthquakes: قزاعات و زلازل
 A lake between two faults: بحيرة بين صدعتين
 Jordan is moving northwards: يتحرك الأردن نحو الشمال
 107 km of displacement: 107 كيلومترات
 & vertical movement: من الإزاحة والحركة العمودية
 Older freshwater lakes: بحيرات عذبة قديمة
 When the Dead Sea was alive: عندما كان البحر الميت حياً
 Glaciation in the North: العصر الجليدي في الشمال
 And Lake Lake: وبحيرة التسان
 15 thousand years ago: قبل 15 ألف سنة



Management Discussion and Analysis

With the continued pressing conditions on the domestic economic situation and heightened security risks in the region, most economic sectors were affected. The commercial activities in general slowed down and consumer spending declined. Most affected sectors were the inbound tourism, and the foreign trade and transit. Meanwhile, the poverty and unemployment rates remained high.

In the public financial sector, the general budget deficit increased. The public debt and the share of debt in foreign currencies rose and the deficit in the current account of the balance of payments continued.

Despite negative effects and results, there were tangible improvements in some indicators of the national economy as the trade balance deficit (in absolute figures) decreased thanks to the low cost of imported oil, the coverage ratio of current expenditure in the public budget from the local revenues increased, and the inflation rate dropped to a negative number of about 1% as a result of lower fuel prices.

All in all, the Jordanian economy maintained its stability and achieved a positive growth by about 2.5% and the Central Bank's reserve of foreign currency stood at a comfortable level at about USD14 billion. The exchange rate of the Jordanian Dinar remained stable against the strong US dollar, the remittances of Jordanian expatriates rose by 1.3% and the stock prices in Amman Stock Exchange remained steady, losing only 1.3% of their market value.

Jordan's Banking Sector

In continuation of CBJ's prudent policy to maintain monetary stability in the Kingdom and promote banks' ability to manage their liquidity effectively and efficiently so as to meet their operational needs and provide the increasing funding needs of the various sectors of the national economy, CBJ developed the operational framework of the monetary policy in early 2015 by issuing certificates of deposit with various maturities, and continued to accept banks' deposits, after subscribing in the certificates of deposit, under the terms defined by CBJ for such purpose, in addition to adopting CBJ main interest rate as a benchmark price for the banking system.

During 2015, the Central Bank of Jordan reduced the main interest rates on the monetary policy instruments twice, aiming to stimulate the economic activity and encourage banks to expand their lending operations. Such reductions were made in light of the rise in the Kingdom's reserves of foreign currencies which reached comfortable levels by the end of 2015.

In its endeavor to stimulate economic growth, alleviate unemployment and combat poverty, CBJ continued providing support to the Micro, Small and Medium Enterprises (MSME) in recognition of the vital role they play in the national economy. In this regard, the CBJ, in collaboration with the Ministry of Planning and International Cooperation, agreed with the International Bank for Reconstruction and Development to provide an additional loan of JD 50 million (USD70.5 m) to be re-lent by the CBJ to banks and micro financing companies operating in Jordan with medium and long term maturities and competitive prices.

In light of its ongoing efforts to enhance the stability of the financial and banking sectors in the Kingdom and to provide sufficient data on all aspects of the economy and the financial sector in Jordan, the Central Bank of Jordan issued the Financial Stability Report for 2014 which is its third report in this regard.

Banks operating in Jordan registered good growth rates particularly in assets, credit facilities, and deposits. The effective control policy adopted by the CBJ, and the collaborative approach it follows with banks in drafting regulations and directives related to banking activities had a positive impact on the banking sector in general.

Total credit facilities granted by licensed banks in the Kingdom amounted to about USD29.76 billion by the end of 2015 compared to USD27.19 billion by the end of 2014 with an increase of USD2.57 billion; a growth rate of 9.5%. Loans and advances constituted 87.7% of the total credit facilities granted, while overdraft accounts amounted to 10.5%. Jordan Kuwait Bank's share of total credit facilities of the banking sector reached 5.8% at the end of the year.

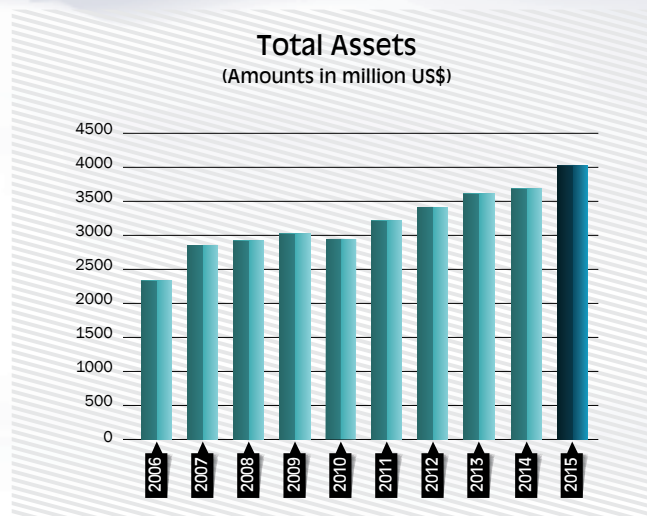
Total deposits in the banking sector reached about USD46 billion at the end of 2015 compared to USD42.7 billion at the end of 2014, with an increase of USD3.3 billion, and a growth rate of 7.7%. Private sector deposits increased to USD42.14 billion at the end of 2015, from USD39.21 billion in the previous year, a growth rate of 7.5%. Time deposits represented 55.4% of the total deposits of the banking sector, and demand deposits and saving deposits represented 30.5% and 14.1% respectively. Jordan Kuwait Bank's share of total customers' deposits of the banking sector amounted to 5.7% at year end.

JKB Financial Performance

The following are the most important items of the consolidated financial statements:

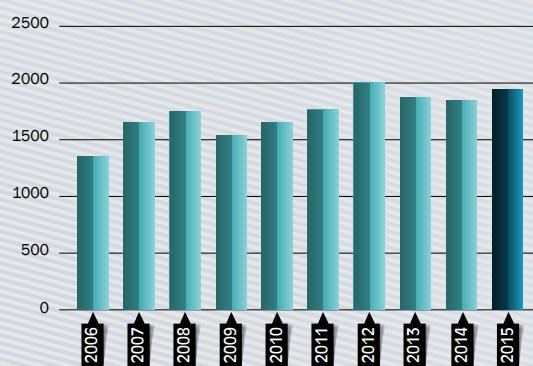
Consolidated Statement of Financial Position

Assets: Total assets amounted to USD4,012 million as at 31/12/2015 compared to USD3,681 million in the previous year, achieving a growth of 9%.



Direct Credit Facilities: Direct credit facilities (net) amounted to USD1,936.2 million at the end of 2015 against USD1,842.4 million at the end of 2014; a growth of 5.1%. Total loans granted to individuals grew by 20% from the previous year. Corporate and real estate Loans also grew by 7.9% and 18.1% respectively from the year 2014. These results reflect the Bank's success in developing the credit portfolio and distributing it over various economic sectors, aiming to increase profitability and diversifying risk.

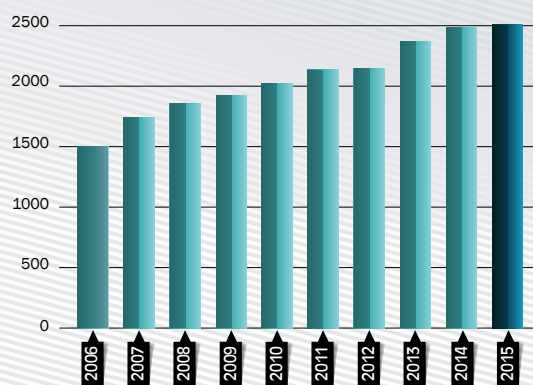
Direct Credit Facilities - net
(Amounts in million US\$)



Liabilities: Total liabilities increased at the end of 2015 to record USD3,371.6 million; an increase of 10% over last year.

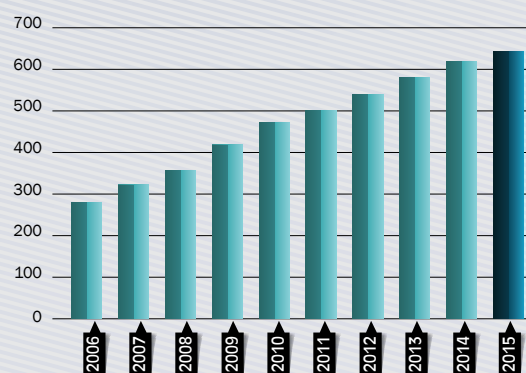
Customers' Deposits and Cash Margins: Customers' deposits and cash margins formed 83.15% of total liabilities. Customers' deposits include savings accounts, current accounts, term deposits, and cash margins for both individual and corporate clients. Total customers' deposits and cash margins at year end amounted to USD2,803.7 million against USD2,471.8 million in 2014.

Customers' Deposits and Cash Margins
(Amounts in million US\$)



Owners' Equity: Total Owners' equity increased to reach USD640.7 million at year end compared with USD616.3 million in 2014, a growth rate of 3.96%. Bank Shareholders' total equity amounted to USD632.7 million.

Total Owners' equity
(Amounts in million US\$)

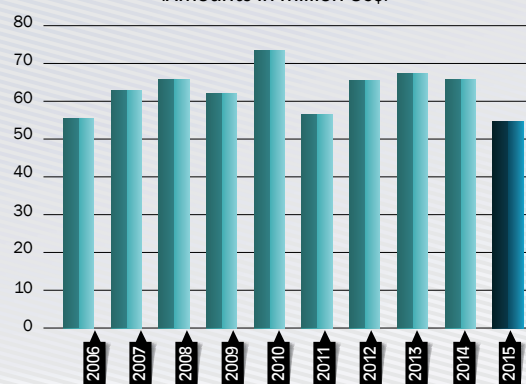


Consolidated Statement of Income

Operating Results: total revenues amounted to USD180.4 million in 2015 compared with USD175 million in 2014; a growth of 3.1%.

Operating Profits: operating profits reached USD79.6 million compared to USD88.7 million in 2014. Income for the year pertaining to the Bank's shareholders (after taxes) amounted to USD54.4 million against USD65.6 million from the previous year.

**Profit for the year
After tax & Minority Interest**
(Amounts in million US\$)



Net Interest and Commissions: net interest and commissions reached USD144.2 million for the year, compared with USD142.7 million in 2014; a 1% growth.

Operating Expenses: Operating expenses, which includes employee expenses, office expenses, depreciation, administrative expenses and provisions (excluding provisions for impairment in direct credit facilities and acquired assets), increased from the previous year to reach USD66 million, against USD63.3 million in 2014. This increase is a result of the rise in rent and service fees, the amortization of the new banking systems in addition to relocating branches to better locations.

Provision for Impairment in Direct Credit Facilities: The Bank's management continued its policy that aims at enhancing provisions for impairment in direct credit facilities to hedge against the prevailing and potential repercussions on the national economy and to address some weak accounts and non-performing loans. The provisions allocated for the year 2015 amounted to USD29.6 million compared to USD20.2 million last year. The Bank continued its efforts in pursuing the written-off debts which resulted in the recovery of USD8.2 million during 2015 booked to income.



JKB Activities and Achievements in 2015

Following is a brief about the achievements of the Bank's departments in 2015:

The Banking Group

Corporate Credit

During 2015, The Credit Department achieved good results considering the prevailing circumstances in the region and the relatively unstable global economy which tangibly affected various economic sectors. The targeted growth was achieved and reflected a 5.1% increase in the total direct credit facilities which reached about USD1936.2million at the end of 2015 compared to USD1842.4million in 2014. This confirms the Bank's ability to meet all customers' needs within the standards defined by the Board of Directors which aim at attaining the inspired return within the acceptable limit of credit risks and the continued endeavor to maintain the quality of the credit facilities portfolio.

Regarding the indirect facilities, particularly letters of credit, this activity has relatively declined compared to the previous year. It is noteworthy that the sharp fall in oil prices worldwide was the main factor in this decline which is expected to continue in the near future.

During 2015, the Bank continued providing the best credit services to its corporate customers base along with its continued endeavor to attract the market's best leading companies which enjoy solvency, adequate expertise and sound collateral so as to maintain and increase the Bank's market share while complying with the prudent credit policies and the acceptable risk level in light of the market's current conditions.

Based on the Bank's belief in the role of SMEs as a main driver and foundation for the economic growth and a supporter of the social development and local community, the Bank is working hard to develop this sector within its credit portfolio along with continuing efforts to develop special credit programs which meet the needs of this segment and achieve the aspired objectives.

Given the strategic importance of the big investment projects in supporting the national economy and developing the infrastructure as well as their positive impact on our customers who look to expand their business, the Corporate Credit Department, through its Project Financing and syndications Department, continued to promote its role through participating in these important facilities. In 2015, the Project Financing Department achieved a growth which exceeded 20% compared to 2014.

As for non-performing loans, the Bank continued its efforts to address many of these debts and boost the collection efforts so as to keep the non-performing loans ratio within acceptable levels and standards while continuing to allocate required provisions and identifying any negative indicators in these accounts.

Despite the challenges of the regional conditions, the Bank will work hard to maintain its current approach so as to strengthen its capital base, achieve growth in various economic sectors, realize targeted profits and provide full support and attention to its customers which constitutes the basis of the Bank's success and distinction.

Retail and Consumer Products

During 2015, the Retail and Consumer Products Department continued its positive performance achieving a 20% growth in portfolio. The results achieved were across all types of retail and consumer products. The department continued the development of products so as to meet customers' needs and achieve more growth of the portfolio through applying flexibility and speed in decision-making and processing, while taking into account the prevailing economic conditions to secure low risk and defaulting rates.

In early 2015, a new client segment was assigned to the Retail and Consumer Products Department and whom are the individual customers who enjoy high solvency and whose accounts and investments are managed by the Private Banking Unit. In this regard, the Retail and Consumer Products Department, via the Private Banking Unit, managed to examine and finance strategic acquisition deals in favor of some customers of this segment and in various investment sectors. Fruitful results were achieved to the benefit of all parties.

During 2015, the small enterprises financing department was separated from the medium enterprises department and attached to the Retail and Consumer Products Department with the aim of providing the privacy and attention required for this segment and achieving the Bank's strategic objectives in terms of providing integrated funding solutions supported by comprehensive credit studies which define the appropriate funding structures. The Bank started to provide specialized funding products in collaboration with the Small Enterprises Funding Programs under the guarantee of the Overseas Private Investment Corporation (OPIC) and the Jordan Loan Guarantee Corporation (JLGC).

In order to promote the Bank's role and expand its activities in cards and payment services, JKB launched the acquiring service for cards carrying the Visa international trademark in Jordan when dealing with merchants and via the internet through the JKB license and in collaboration with the Middle East Payment Services Company (MEPS). A comprehensive strategic plan was drawn for the development and structuring of card products so as to meet the needs of all customer segments. An agreement was signed with MasterCard to develop cards' activities and launch new products with additional features, advanced technology and high competitiveness.

During the second quarter of 2015, the 24/7 Contact Center was launched to provide several services to customers using advanced technologies. Such services include various inquiries, activation and stopping of cards, support services required for electronic channels and contacts with customers (Outbound calls). A total of 45,000 incoming calls to the Contact Center were handled by the end of 2015.

In the area of electronic services, the Bank launched the first Interactive Teller Machine (ITM) in Jordan at Abdali Boulevard. The ITM provides banking services to JKB customers through various audio and video facilities.

On the level of branches administration, the Department continued expanding its branches and ATMs network according to the Bank's strategy. In order to achieve its expansion plan, the

Branches Administration Department was keen on selecting vital locations for new branches as well as for some old branches which were relocated to new, better and larger locations according to the volume of its activities so as to enhance the level of services provided to customers.

In 2015, four branches were relocated to better locations in Marj El-Hamam, Mafraq, Al-Baq'ah and Karak in addition to relocating and inaugurating Zain branch which is characterized by its modern design.

The Mobile branch "Jawal" was equipped and set up. Jawal is an integrated comprehensive branch on wheels which provides all types of banking services including loans and deposits, sending and receiving quick transfers via "Western Union", and issuing cards instantly.

In order to identify the needs of branches and ensure their commitment to providing the best services to customers according to the quality standards specified by the Bank, the periodic visits of branches continued during 2015 in addition to preparing reports, studies and comparisons which measure the branches' commitment to administrative directives and service standards.

During 2015, the Branches Administration Department formed the Branch Operations Support Team so as to solve arising problems and assist branches in using the banking systems applied at the Bank to enable them to provide the best services to customers. The number of branches operating in the Kingdom is 56 operated by 552 employees who realized outstanding achievements of 14% growth on individual customers' deposits and 20% growth on retail and consumer credit portfolio.

As for the bancassurance, the Bank was licensed to provide banking insurance services (Life Insurance) via the American Life Insurance Company (MetLife). Specialized teams from the Bank's employees were licensed to undertake such activities as of August 2015 and three investment insurance programs were launched through the company: Future of my children's education, My Retirement Future and Safe Investment.

The number of employees licensed to undertake general insurance activities at the branches was increased so as to market and sell insurance products through Arab Orient Insurance Company in order to meet the expected demand for such services.

During 2015, the Private Banking Unit continued expanding its activities and achieving outstanding results, despite the regional and global prevailing economic and political conditions, through investing its network of relationships with various global financial and investment institutions to serve its major customers. The Private Banking Unit managed to enhance its customer base by providing various investment opportunities and solutions in many regional and global markets and which meet all their investment needs with good returns and acceptable risks.

In addition to the aforementioned, the Private Banking Unit continued expanding its investment activities and providing investment and consulting opportunities in various sectors as it concluded several deals including acquisitions, issuance of bonds, and provision of financial and investment consultancies to its customers with amounts exceeding USD100 million. The

Private Banking Unit also activated the role of Cyprus Branch in its activities as it provided several solutions including the banking investment services and backing them with a new product to finance the purchase of the real estate which was remarkably reflected on the results of its activities.

The Private Banking Unit is also looking forward to expanding its customer base and investment portfolio through its new headquarters which is meant to be a comprehensive branch that provides consulting, investment and banking services using the most recent systems and solutions applied worldwide.

Treasury and Investment and International Relations

The Treasury, Investment and International Relations Department managed to achieve good growth in all its activities in 2015 despite the continued economic slowdown, increasing competition in the banking sector and heightened risks related to the local and foreign investment activities.

In the field of assets and liabilities management, the Department performed well during 2015 as it has adopted a prudent investment policy that was in line with the directives of the Assets and Liabilities Committee (ALCO) and the Bank's strategy which aims at managing the Bank's assets and liabilities throughout the matching between costs risk and return while considering the changes occurring in the global and domestic financial markets. Special attention was paid to improving assets' quality, diversification and returns, in addition of diversifying sources of funds to match the different types of assets. Work also continued on reducing risks related to assets and liabilities, such as market, credit, and operational risks, and on maintaining adequate liquidity ratios to provide security and protection against any future developments. All these actions have contributed in improving the profitability and maintaining acceptable risks levels.

The Department also succeeded in managing efficiently the Bank's local and international investment portfolios, which includes equities and bonds, achieving high growth rates and good revenues despite the drop in global and local interest rates and the continued credit ratings downgrading for many countries and financial institutions. Hence, the Department focused on improving the quality of the investment portfolios through selecting stocks and bonds with high return, acceptable risks, and high liquidity. The Bank also had an important role in supporting and developing the local capital market through its active participation in the Government bonds, Treasury bills and corporate bonds' issues.

Furthermore, and despite the decline of the local and international interest rates, the Treasury and Investment Department managed the money market portfolio successfully through diversifying the local and international sources of funding with acceptable cost, and through investing the funds in the financial markets efficiently to achieve the highest return while maintaining the ratios specified in the investment policy and the directives of the Central Bank of Jordan.

The year 2015 witnessed a growth in the Department's revenues from foreign exchange difference commission despite the price fluctuations and fierce competition in the international markets.

The Department employed its good relationship with the correspondent banking network in addition to the use of modern technologies to execute foreign exchange transactions more rapidly and with better pricing for customers.

The Department also reviewed and updated the Bank's investment policy in 2015 in collaboration with the Risk Department. Such investment policy aims to diversify investments and increase returns within acceptable risk levels while maintaining acceptable liquidity ratios.

In the field of investment services, the Department continued providing its various investments and consulting services to its customers including the investment trustee for local mutual funds and the payment, registrar, custodian and financial consultancy services for a number of public and private companies. In the field of managing the Initial Public Offerings (IPO), and despite the slowness of the IPO market and the weak performance of the Amman Stock Exchange, the Department succeeded in managing few bonds issues to a number of private companies, including a bonds issue for one company totaling JD 32.50 million which is the largest issue of its kind in the local market in 2015 with the participation of five other local banks.

In the field of international relations, the Department continued enhancing its relations with banks and financial institutions in Jordan and abroad, especially in trade finance and transfers. This helped in enhancing the Bank's revenues and improving the quality of services provided to customers. The Department also participated in specialized international conferences attended by many foreign banks through which we strengthened our cooperative relationships with those foreign banks and succeeded in attracting their trade finance business directed to Jordan.

Risk Management and Compliance Group

The Risk Management and Compliance Group's departments perform the duties tasked to them within the assigned work plans and procedures as follows:

Risk Management Department

The Risk Management Department carries out its functions, within the framework of implementing the strategy of risk management emanating from the Bank's general strategy approved by the Board of Directors and the work plans in place, in a manner that is compatible with the instructions issued by the regulatory authorities governing the mother bank and the Bank's branches abroad and different Basel accords and the best international practices in risk management. The main achievements of the department included:

Information Security and Business Continuity:

In collaboration with other relevant departments such as the Information Technology Department and the Cards Operations Department, the Department managed and monitored the implementation of the PCI-DSS project requirements to assure compatibility with security standards for preserving the confidentiality of the Bank's cardholders' data in accordance with

the CBJ's directives regarding fair treatment and transparency. The information security policies previously approved by the Bank as part of the ISO 27001 requirements were reviewed in order to be compatible with the PCI-DSS "version3" requirements.

The Department completed a number of risk assessment operations for many new and existing systems at the Bank. It also arranged and supervised many vulnerabilities tests as well as internal and external penetration tests, and managed to remedy the gaps that appeared. It also assessed the need of all departments for the use of information systems resources and established clear procedures for their use at the Bank in addition to generating regulatory reports that help in identifying and evaluating information security risks and their suitable solutions.

Within the framework of business continuity, the Department reviewed the Business Impact Analysis and risk assessment at the Bank, and updated the Bank's business continuity plan and departments' sub-plans. The procedures related to rapid response to accidents and the evacuation of the head office building were also updated. The business continuity plans underwent a number of tests to ensure their effectiveness after applying the new banking system.

Operational Risk:

Within the framework of the operational risks management at the Bank and to identify, assess, and control such risks using the CARE-WEB system, the Department organized new workshops with other organizational centers at the Bank in order to carry out control and risk self-assessment of potential risks in their operations. In order to ensure compatibility with advanced methods of the Basel II accords, the department reinforced the historical database of losses and submitted recommendations required to avoid reoccurrence of these incidents. During the Risk Self-Assessment workshops, the Key Risk Indicators are improved and monitored.

The Operational Risks Department expressed its opinion on many policies and procedures submitted to it in addition to the new products indicating any potential risks in such products and adequacy of controls.

The Operational Risk Department participated in developing and reviewing the manual of authority at all organizational centers of the new banking system so as to ensure that there is a clear separation of duties, responsibilities and authorities in place.

Market Risks:

Within the framework of identifying, measuring, and controlling market risks at the Bank, periodic control and analysis reports are prepared daily, monthly, and quarterly, including various required disclosures. Last year, some of these reports were automated and new systems were used to expedite the issuance of reports, improve their accuracy and quality, and indicate limitations within various policies which are reviewed and amended every year in response to the political and economic conditions. Among these policies are the investment policy, assets and liabilities management policy, liquidity risk management and the liquidity contingency plan, interest rates risk management policy, market

risk policy, in addition to monitoring countries' exposure limits. The developments taking place in the global and regional financial markets are followed up on a daily basis and relevant economic reports are produced.

Basel:

Regarding the Basel III accords, the Department complied with the Central Bank of Kuwait's directives regarding the calculation of the capital adequacy ratio and the liquidity coverage ratio and the net stable funding ratio (NSFR), and consequently is working at preparing the Bank to be ready for any directives issued by the Central Bank of Jordan in this regard. The Department also worked on preparing several studies to comply with various Basel accords including measurement of the Domestic Systemically Important Bank and preparation of many financial analyses including the comparative analytical studies of the banking sector.

As part of the continuous improvement of the department's operations, and in line with the surrounding developments, the department reviewed all policies in place, including the Risk Appetite, Stress Tests, and the Internal Capital Adequacy Assessment Process (ICAAP), and introduced appropriate amendments. Within the framework of fulfilling the requirements of the second pillar of the Basel II accords, stress tests were conducted according to the requirements of the regulatory authorities in Jordan, Palestine, and Kuwait. The Internal Capital Adequacy Assessment Process (ICAAP) was also conducted. The department also calculates capital adequacy ratios according to the requirements of the regulatory authorities in Jordan, Kuwait and Palestine as well as performs the necessary analyses in this respect.

Credit Risks:

In implementation of the Bank's credit policy which is compatible with different Basel accords, particularly the credit granting process, the Department worked as an independent party in studying credit applications.

In support of managing credit risks within the best international practices and in line with the Basel accords, the Bank embarked on implementing the internal credit rating system (Moody's). This system covers large, medium and small enterprises, project financing and private banking customers. The department, in cooperation with the Retail and Consumer Products Department, implemented and automated a credit classification system for retail customers (Retail Scorecards) in line with the Bank's strategy to expand in the retail sector and support risk management at the same time.

The department also started, as part of a joint project with Burgan Bank, to adopt the Enterprise Risk Management concept by completing a project to improve the data used in risk management. The department also improved the monitoring reports on credit risks within the framework of early warning.

The department also started developing the policies, studies and analyses required to apply the International Financial Reports Standard (IFRS 9) in terms of calculating the impairment provision of credit facilities, for the Bank including Cyprus Branch.

The Risk Management Department performs its continuous role in spreading awareness about the importance of risk management inside and outside the Bank by providing lectures and courses in addition to participating in local conferences.

Credit Administration and Control Department

In line with the Basel Committee accords which emphasize the need to separate the credit monitoring and implementation process from the credit sales and marketing process, the department calculates credit provisions to accommodate any decrease in their value, and monitors credit concentrations and prepares relevant reports, in addition to other credit monitoring tasks. During 2015, the department handled many projects aimed at developing the services provided, improving the accuracy of reports and data provided with regard to credit and its guarantees in addition to implementing the archiving system and archiving customer files.

Credit Follow up and Adjustment Department

In 2015, the department continued performing its functions and duties as well as increased its activity in collecting customer debts. The department promoted its communication and negotiation methods with debtors and guarantors and succeeded in scheduling and structuring a number of bad debts outside courts. This resulted in higher recovery ratios and saving time and effort. The total cash collections from accounts under the department's responsibility amounted to about USD9.45 million, with a growth rate of about 20% compared to 2014. Additionally, about USD5.1 million were released from non-performing and under-observation loans which were assigned to the department for follow-up. The total debts referred to courts amounted to about USD1.05 million about 15% less than 2014.

Compliance Control Department

The Compliance Control Department continued to perform its duties aimed at ensuring that the Bank and its internal policies are in compliance with all laws, regulations, directives, and sound banking practices issued by the local and international regulatory authorities, to protect the Bank from penalties resulting from non-compliance with rules and regulations which could result in legal sanctions, or material losses or reputation risks.

During 2015, the department continued, as part of its responsibilities to reinforce the compliance environment, and the procedures required to be in compliance with the laws, to monitor all laws and directives relevant to banking operations, and keeping the Bank's management apprised in this regard as well as informing the Bank's employees of any amendments to laws and directives issued by the regulatory authorities, foremost of which is the relevant directives of the CBJ.

During the year, the department implemented the tasks assigned to it within the following areas:

- Protect the Bank from dealing with persons who may expose the Bank to high risks. A list including the names of such customers were prepared and divided into three categories so as to regulate the process of opening accounts for new customers.



- Follow-up on amending the compliance policy and anti-money laundering policy to comply with changes made whether at the level of local directives or requirements of the international entities, foremost of which are the recommendations issued by the Financial Action Task Force (FATF).
- Monitor and analyze compliance risks that the Bank may be exposed to and put the necessary controls in place to mitigate, avoid or reduce their negative effects.
- During the year, the Customer Complaints Processing Unit received 115 complaints related to a variety of issues (5 on e-services, 14 on interest rates, commissions and fees, 47 on employees' behavior, 4 on credit cards and transfers, 45 on contracts terms and conditions) all of which were addressed immediately. Out of all complaints there were 75 found non-legitimate and resulting from customers' lack of knowledge of the procedures and instructions related to the issue or the absence of any actual violations by the Bank. All complaints received, whether legitimate or not, were responded to within the specified time. Business procedures were also explained to staff members, who were instructed to abide by the approved business conduct.
- Seek to raise the banking awareness and educate employees on compliance-related issues by publishing educational leaflets in this regard, in addition to coordinating with the training department to educate the Bank's employees on these issues and increase their knowledge related to anti-money laundering operations and informing them of the latest developments in these fields.
- Continue to implement procedures required by the anti-money laundering and funding terrorism policy approved by the Bank to ensure that it does not get involved with any person listed as suspicious on international lists, and take measures to protect the Bank from being exposed to any money-laundering operations, relying on the Bank's current AML system, noting that the Bank is about to buy the SIRON AML system. In addition, it coordinates with the regulatory authorities and maintains communications with them to assist the Bank in fulfilling compliance requirements of the directives of such authorities.
- Work at introducing a comprehensive "Know Your Customer (KYC)" form while seeking to apply an automated system for the purposes of entering and updating customers' data.
- Regarding compliance with the requirements of the Foreign Accounts Tax Compliance Act (FATCA), and for the purpose of complying with it at all the Bank's branches in Jordan and abroad and its subsidiaries. In this regard the Bank carried out the following during 2015:
 1. Develop and introduce work policies and procedures through which the law is applied and complied with.
 2. Create a mechanism to extract required reports automatically, submitting them directly to the United States Internal Revenue Service (IRS).

3. Conclude contracts to import and operate an automated system for the purpose of implementing the Law, ensuring that the banking system (BANKS) includes all the necessary data needed to comply with this Law.

Internal Audit

Internal Audit Department (IAD) performed the annual audit plan as approved by the Board Audit Committee (BAC).

IAD seeks to achieve the following objectives through carrying out its duties and through its Risk Based Audit (RBA) plan:

- Ensure the efficiency and effectiveness of Risk Management, Internal Control System and Governance.
- Provide reasonable assurance on achieving Bank's strategic objectives.

As well, it seeks to provide various consulting services to business centers without affecting its independency.

Within this framework, IAD reviewed most of the Bank's business centers (Head Office departments, branches inside and outside Jordan, and subsidiaries) and provided BAC with reports on findings. Also, IAD reviewed some new activities as per regulatory authorities' requirements, and followed up issues raised at regulatory authorities, external and internal audit reports, in addition to conducting several ad hoc tasks.

Moreover, IAD continued to review many aspects of the Bank's areas of business, provide management with reports and memorandums pertaining to the most significant activities on a regular basis.

With the aim of ensuring the continuity of coordination and cooperation, and being familiar with the latest developments related to audit methodologies and tools, the department increased and intensified coordination with KIPCO and Burgan Bank group through participating in periodic meetings of internal audit managers.

Audit work program and work papers for the branches were updated, while for most other departments and activities they are being prepared to ensure compliance with international standards, best practices and code of conduct (Ethics); whereas, IAD sought to update and develop the Internal Audit Charter, prepare the Code of Conduct/ Ethics as well as BAC Charter.

IAD also worked on obtaining feedback from business centers via questionnaires and regular discussions with Executive Management.

A Manual (methodology) for internal audit work is currently being developed so as to cover all activities of the department, according to the international auditing standards and best practices in line with the control environment at the Bank.

Information Technology

2015 marked many achievements at the level of employing the best technologies to serve the Bank's activities. The BANKS system was implemented in Palestine including its integration

with SmartVista ATMs switch and SMS banking systems. The banking system was also implemented in Cyprus. Preparations were also in process to implement the latest version of BANKS updates 10 & 11 in Jordan, Palestine and Cyprus.

The Department implemented the Straight Through Processing (STP) of transfers as per CBJ's requirements, the disclosures' applications system according to the Foreign Accounts Tax Compliance Act (FATCA), and Know Your Customer (KYC) System to update customers' data.

In compliance with the PCI-DSS requirements, Network Segmentation was conducted, servers of SmartVista ATMs switch system were updated and the integration between SmartVista and BANKS was modified. The Internet Banking System was switched to operate on Linux environment, and Citrix-Netscaler was installed to ensure the protection of the Bank's systems.

New customer service channels were deployed such as the Contact Center and the Interactive Teller Machine (ITM). "eFAWATEERcom" bill payment service was launched via the online Banking service (NetBanker). The department is currently working on deploying the eFAWATEERcom pre-paid services and integrating the National Payment Switch JoMoPay with the mobile banking channel.

In order to keep pace with business development, the department replaced the archiving and transfers systems with two new systems; the first is "Laserfiche", the Documents' Archiving and Management System which is capable of automatically checking and matching the branches documents with the financial transactions generated by the banking system on daily basis. The second is the transfers' issuance system SWIFT Fundtech for Jordan, Palestine and Cyprus using Cloud technology. The Human Resources System was also upgraded with a new version.

As for SmartVista, the Debit Cards and ATMs Management System, the first Release of the system was adopted as the base for all future enhancements, and preparations were in process for the integration with the Palestinian National Switch PNPS to comply with the Palestine Monetary Authority's mandates.

As for infrastructural achievements; Cyprus Branch's infrastructure was updated at its new location including all its servers and communication lines with the Bank's Head Office in Jordan, including IP-Telephoning within the branch and with the Head Office in Amman.

An independent Data Center for Palestine branches was equipped and servers were installed. The Disaster Recovery (DR) site was initially delivered.

In Jordan, the new IBM storage units were installed in the Data Center, moving and operating Zain & Karak's branches to their new locations, the Network's protection (ISE) systems were upgraded and applied at the Information Technology Department, the Veeam software for taking backups was installed, the Kaspersky Antivirus software was upgraded on all the Bank's computers, and the customers' ID cards printers were installed in all branches.

All communication lines and the alternative line at the Head Office within the "updating networks' capacity" project with Orange were upgraded. Agreements were made with "Mada" to

connect Palestine branches with the new Data Center and DR site in Palestine.

To raise the security and protection level of JKB ATMs, Zain's GPS tracking equipment were installed on all Lobby ATMs in Jordan that would track any ATMs motions and / or temperature rise; in addition, PIN GURD and SPS software were installed on all ATMs upon NCR's recommendations.

In 2015 many projects were initiated such as: activation of customers' Self- Service Banking, integration with PayPal for payment services, integration with card services companies' (MEPS & EMP) processors to provide credit card services on various electronic channels, online subscription to Internet Banking service, online subscription to SMS service, and salary transfer management for corporate clients' employees via the Internet Banking System.

Other projects initiated during 2015 also include: the Profitability and cost accounting System, Automated Clearing House (ACH), Electronic Cheque Clearing system (ECC), the new Internet and Mobile Banking services, the cards' Instant Issuance to provide the customers with the debit and pre-paid cards immediately upon their request at the branch, the automated work procedures for account opening, e-Statements that would be provided via the Internet Banking or as encrypted files via email, Teller Cash Recyclers (TCRs) at branches, generating PMA and Central Bank of Cyprus reports, new document archiving and management system "Laserfiche" activation in Palestine, and providing cloud based software solutions licensed by "Menaltech" company to the Bank's SMEs customers to facilitate managing their business.

Financial Department

During 2015, the department supported all internal business committees assigned to launch the second phase of the new banking system for the Bank's branches abroad. In addition, the department contributed in the launch of new banking products and other specialized support systems within the Bank's business plan aiming to upgrade and develop work procedures and banking operations. On the other hand, all systems and applications sponsored by the Central Bank of Jordan that aimed to develop the performance of the banking sector as a whole; were successfully implemented.

2015 also marked the launch of the Bank's new medium-term strategic plan for the years (2015-2017). The plan represents a real translation of the Management's vision in view of the internal and external environments and their impact on the Bank's results and objectives that provides a clear business guide for all departments and branches. The department will continue to follow up on the implementation stages of the plan; evaluating the performance and results to assist the management in taking the necessary and timely decisions. It is noteworthy that the 2016 budget marks the second stage of the plan's actual rendition.

The various financial statements and accompanied disclosures constitute the most important product issued by the department as it continued to prepare reports for regulatory authorities and the Bank's management in addition to a range of tailored reports ensuring the quality and timely delivery of information with the best presentation possible.

Legal Department

During 2015, the Legal Department was able to collect USD8.2 million of bad debts as well as debts outside the financial position and about USD2.1 million of existing debts through legal actions. The department provided over 4,455 consultations and contracts to the Bank's departments and branches. It also continued performing its role in spreading legal awareness through following up, examining and presenting the latest developments in legislations, in addition to conducting training courses. The department contributed to teaching banking related subjects at the Judicial Institute of Jordan and in the preparation of "The Amman Document for Debts Settlement Outside Courts" in collaboration with the International Finance Corporation (IFC).

Human Resources Department

The Human Resources Department continued to build up on achievements accomplished during the last two years within its "HR Transformation Program" launched in 2013; by accomplishing additional pioneering projects, such as developing new policies & procedures in accordance with the best international practices that suit the Bank, contribute effectively towards achieving its strategic directions, continuous improvement and reinforcing a solid infrastructure needed to fulfill the Bank's future expectations, progressive excellence and sustained growth, all the while ensuring their effective management.

In 2015, a number of HR modern electronic systems were launched to increase the effectiveness and efficiency of the human resources department. These systems included: performance management, handling of training needs and online recruitment test for Palestine Branches.

In light of the Bank's attention to developing employees' English language proficiency, a total of 123 employees successfully completed English language proficiency courses, three times more compared to the previous year.

Sustained and well-studied efforts for development of technical, specialized and behavioral skills of employees resulted in the growth of the number of staff benefiting from training courses by 28% accompanied with a growth in the number of courses by only 9%, this indicates the effective qualitative and quantitative optimization of training programs. The Human Resources Department also launched the Career Development Programs for newly joining fresh graduates, aiming to qualify them for banking jobs; a total of 101 employees benefited from this program during 2015.

In line with the management's directives to develop the skills of control & monitoring departments' employees, the employees of Risk Management and Compliance Group and Internal Audit Department benefited from 53 training courses which were attended by 102 participants.

The Bank's efforts towards enhancing its banking services offered and strengthening the control & monitoring roles, resulted in the need to create new positions and fill other vacancies. The Human Resources Department met such needs through effective manpower management, and a number of employees were trained to fill such specialized jobs. Recruitment activities rose by 35% compared to 2014 and the manpower head count at year end rose by 10%.



Marketing and Public Relations Department

During 2015, the department continued to implement its work plans within a specific strategy so as to achieve the Bank's marketing objectives and enhance the Bank's image among its customers of all sectors, in addition to the department's role in internal and external communications and promoting the Bank's role in enabling the society in implementation of its policy in the area of social responsibility.

The department launched marketing campaigns to promote the MasterCard products issued by the Bank and the Western Union transfers service. A marketing campaign was also launched to support the Bank's efforts in updating customers' data.

The department also arranged the opening ceremonies of the new branches in Marj Al-Hamam, Zarqa, Al-Baqa'a and Karak at their new locations. The department also supervised the production of most of the Bank's publications and flyers, press releases and news articles related to the Bank and the Bank's corporate website as well as manage the Bank's social media platforms.

At the level of strengthening communications with the Bank's customers, the Bank's official Facebook page was activated and gained 20,467 new followers to reach 69,548 fans by the end of 2015. The Bank's Facebook page was officially verified by Facebook. The scope of work also expanded to include other channels by creating a page for the Bank on Instagram, Twitter and Linked-in with a unified design for the advertising and marketing content on social media platforms so as to reflect the Bank's identity.

Corporate Social Responsibility

For Jordan Kuwait Bank, corporate social responsibility embodies its institutional identity and social role alongside its financial and economic role in the banking market. It is one of the main pillars of JKB's mission statement; to work to achieve sustainable development for communities so as to actually reflect our slogan "More than just a bank".

During 2015, the Bank continued to support and participate in many community events and initiatives related to health, youth, environment protection, culture and arts, education, sport, etc. that contribute to the development of the national economy.

Within the framework of promoting values of integration and spirit of solidarity, the Bank continued to support the various activities of the Jordanian Hashemite Fund for Human Development (JOHUD), the Goodwill Campaign and other charitable societies, humanitarian entities, and development and rehabilitation projects for the less fortunate in rural communities. The Bank also continued to provide annual monetary support to two homes at the SOS children's Village.

The Bank continued to provide support to the university education program run by Al-Aman Fund for the Future of Orphans by providing direct financial assistance to a number of outstanding students by covering their tuition fees to attend Jordanian universities.

For the 8th consecutive year, and in collaboration with the

Human Resources Department, the Bank participated in the national "Darb" program, which provides training opportunities for university students. This program, implemented by the King Abdullah II Fund for Development (KAFFD) in collaboration with LoYAC (Jordan), aims at training and empowering young men and women and providing them with better opportunities in the job market.

Furthermore, the Bank encourages the cultural and artistic movement in the Kingdom by participating in a number of exhibitions, conferences and festivals and providing civil society organizations and associations with the opportunity to use its theater free of charge to hold their activities and events. The Bank also continued to support the Jordanian writers by purchasing copies of their publications.

Emphasizing the importance of sound environmental practices, the Bank takes part annually in supporting the Queen Alia Competition for Social Responsibility, which concentrates on the environmental culture. The Bank also participated in the annual national clean-up campaign, organized by the Jordan Environment Society (JES), in addition to hosting JES' activities at the Bank's theater.

As part of the Bank's activities and initiatives related to health issues, the Bank's employees participated in the blood drive campaign, which was organized in collaboration with the National Blood Bank to provide support to members of the Jordanian community who are in need of blood. Moreover, a large number of the Bank's employees participated in the Friends of the King Hussein Cancer Center program, whereby each employee commits to donating an amount from their salary on a monthly basis to the Center. The Bank also assisted the Center to distribute health awareness flyers by enclosing them within the Bank's account statements. For the second consecutive year, the Bank participated in the "Goal for Life" Football tournament organized by the King Hussein Cancer Foundation. In addition the Bank provides support to numerous youth and sports events and activities as well as to persons with disabilities.



MAJOR FINANCIAL INDICATORS AND RATIOS 2015 & 2014

Amounts in thousands USD

	2015	2014
Major Operating Results		
Net interest and commission	144,160	142,726
Gross income	180,395	175,041
Income before taxes	79,644	88,709
Income for the year-Bank Shareholders	54,384	65,649
Earnings per share-Bank Shareholders	0.544	0.656
Major Balance Sheet Items		
Total assets	4,012,315	3,680,839
Direct Credit facilities - net	1,936,230	1,842,397
Customers deposits and cash margins	2,803,678	2,471,843
Total equity-Bank shareholders	632,692	609,005
Off-Balance Sheet Items	632,307	761,332
Major Financial Ratios		
Return on average assets	1.45%	1.81%
Return on average Owners' equity	8.84%	11.05%
Capital adequacy ratio	18.23%	16.68%
Financial leverage ratio	15.97%	16.74%
Efficiency Indicators		
Gen. & Admin. expenses / Net interest and commission	45.80%	44.40%
Gen. & Admin. expenses / Gross earnings	36.60%	36.20%
Assets Quality Indicators		
Non - performing loans / Gross credit facilities	8.67%	7.83%
Non - performing loans Coverage	45.33%	57.12%

EXECUTIVE MANAGEMENT

General Manager	• Mr. "Moh'd Yaser" M. Al-Asmar
Deputy General Manager, Head of Banking Group	• Mr. Tawfiq A. Mukahal
Head of Risk Management & Compliance Group	• Mr. Shafer E. Suleiman
Head of Treasury & Investment	• Mr. William J. Dababneh
Head of Finance	• Mrs. Hiyam S. Habash
Head of Retail & Private Banking	• Mr. Haethum S. Buttikhi
Head of Operations & Information Technology	• Mr. Abdel Kareem M. Friehat
Head of Corporate Credit	• Mr. Zuhdi B. Al-Jayousi
Head of Legal Affairs	• Mr. Ibrahim E. Kashet
Regional Head – Palestine Branches	• Mr. Ibraheem S. Al-Hanash
Head of Risk Dept.	• Mr. Moh'd J. Azem Hammad
Head of Compliance Dept.	• Mr. Sa'ed M. Tu'meh
Head of Administrative Affairs Dept.	• Mr. Abdallah I. Mismar
Head of Human Resources Dept.	• Mr. Daoud A. Issa
Co-Head, Treasury, Investment & Intl. Relations	• Mr. Ibrahim F. Bisha
Co-Head, Corporate Credit	• Dr. Makram A. Qutob

In addition to Mr. Ibraheem F. Taani, Head of Internal Audit Dept., who reports to the Board Audit Committee and to the Chairman of the Board.

2016 Business Plan

Building on the Bank's achievements in 2015 and success in developing an advanced administrative and technological infrastructure to provide the best banking services and solutions to customers, the 2016 business plan can be summarized as follows:

1. Make use of the significant developments in the technological infrastructure and update the Bank's main and supporting systems so as to provide modern services and products for the retail and consumer sector, and focus on providing electronic delivery channels for all services provided to facilitate dealings and enrich the customer's banking experience.
2. Expand the services and products provided to SMEs in light of the global and government trend to support this vital sector and enhance its role in the economic development.
3. Develop and expand the services of the Private Banking Department by opening up new horizons for cooperation with global financial institutions to provide investment products that meet customers' needs, in addition to strategic expansion in the activities of Cyprus Branch with focus on Private Banking customers and corporate facilities.
4. Capitalize on the capabilities and relationships of Kuwait Projects Company Holding (KIPCO) and its subsidiaries and its regional and global presence which allow for the development of joint businesses and the exchange of support and assistance among the Group's members.
5. Expand the Bank's branch, ATM and ITM network in the Kingdom as well as open and relocate a number of branches based on the market research for each area so as to suit customers' requirements.
6. Continue to support local and national development initiatives according to the Bank's social responsibility strategy which promotes the Bank's pioneering role in serving the local community.
7. Complete the requirements of the Palestine Monetary Authority and set up an integrated regional management as well as open a branch in Jenin and a branch in Bethlehem during the second quarter of 2016, in addition to completing a study to establish a network of branches in the main areas of the West Bank.
8. Focus on programs to develop the skills of the Bank's employees in the fields of risk management and compliance, anti-money laundering, internal audit and information systems so as to handle regulatory and legislative developments and ensure the safety of the Bank's operation under all circumstances.



البنك الأردني الكويتي


البنك الأردني الكويتي

JORDAN KUWAIT BANK

JORDAN KUWAIT BANK





An aerial photograph of a coastline. The sky is a clear, bright blue. The water is a vibrant turquoise color, transitioning to a darker blue further out. The land is a mix of brown and tan, with some sparse vegetation. The text is centered in the lower half of the image.

**CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2015 TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

AM / 8702

To the Shareholders of
Jordan Kuwait Bank
(A Public Limited Shareholding Company)
Amman - Jordan

Audit Scope

We have audited the accompanying consolidated financial statements of Jordan Kuwait Bank (A Public Limited Shareholding Company), which comprise of the consolidated statement of financial position as of December 31, 2015, and the consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and the Central Bank of Jordan instructions and the arrangements with regards to the calculation of the provision for impairment loss for a number of direct credit facilities customers, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 the 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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Deloitte.

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 (A Public Limited Shareholding Company) as of December 31, 2015, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards modified as stated in Note (2) according to the arrangements with the Central Bank of Jordan with regards to the calculation of the provision for impairment loss in direct credit facilities as stated in Note (7) to the consolidated financial statements.

Report on the Legal and Regulatory Requirements

The Bank maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements and with the consolidated financial statements presented within the Board of Directors' report. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

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
March 29, 2016


Deloitte & Touche (M.E.) – Jordan

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015 AND 2014

IN US DOLLARS

	Note	2015	2014
ASSETS			
Cash and balances at central banks	4	567,616,056	463,767,218
Balances at banks and financial institutions	5	316,705,948	298,763,992
Deposits at banks and financial institutions	6	12,845,860	15,666,749
Direct credit facilities-net	7	1,936,230,189	1,842,396,686
Financial assets at fair value through profit or loss	8	107,502,200	74,425,306
Financial assets at fair value through comprehensive income	9	49,688,687	42,134,447
Financial assets at amortized cost	10	713,328,598	656,778,586
Property and equipment - net	11	36,391,815	22,785,549
Intangible assets - net	12	9,965,021	10,384,342
Deferred tax assets	19	10,428,176	9,206,567
Other assets	13	251,612,687	244,529,158
TOTAL ASSETS		4,012,315,237	3,680,838,600
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES:			
Banks and financial institutions deposits	14	445,713,646	479,816,940
Customers deposits	15	2,681,108,443	2,355,203,161
Cash margins	16	122,569,958	116,639,720
Borrowed funds	17	33,872,920	16,537,938
Other provisions	18	14,847,104	13,009,718
Provision for income tax	19	18,672,729	19,448,617
Deferred tax liabilities	19	4,599,457	4,340,199
Other liabilities	20	50,234,973	59,543,397
TOTAL LIABILITIES		3,371,619,230	3,064,539,690
OWNERS' EQUITY:			
EQUITY - BANK SHAREHOLDERS:			
Authorized and paid-up capital	21	141,043,724	141,043,724
Statutory reserve	22	109,280,316	101,436,351
Voluntary reserve	22	202,196,416	186,508,487
Pro-cyclicality reserve	22	321,011	321,011
General banking risks reserve	22	18,833,622	18,310,852
Financial assets valuation reserve - net of tax	23	6,036,886	8,524,444
Retained earnings	24	154,980,062	152,859,815
TOTAL EQUITY - BANK'S SHAREHOLDERS		632,692,037	609,004,684
Non-controlling interest		8,003,970	7,294,226
TOTAL OWNERS' EQUITY		640,696,007	616,298,910
TOTAL LIABILITIES AND OWNERS' EQUITY		4,012,315,237	3,680,838,600

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

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

IN US DOLLARS

	Note	2015	2014
Interest income	26	183,052,006	189,279,214
Less: Interest expense	27	55,733,559	64,458,920
Net Interest Income		127,318,447	124,820,294
Net commission income	28	16,841,677	17,906,197
Net Interest and Commission Income		144,160,124	142,726,491
Foreign currency income	29	5,959,379	4,250,147
(Loss) from financial assets at fair value through profit or loss	30	(893,456)	(5,365,344)
Cash dividends from financial assets at fair value through comprehensive income	9	1,227,282	3,072,030
(loss) gain from sale of financial assets at amortized cost	31	(54,560)	1,226,013
Other income	32	29,996,248	29,131,506
Gross Income		180,395,017	175,040,843
Employees expenses	33	32,629,526	31,112,811
Depreciation and amortization	12 & 11	7,374,323	4,505,475
Provision of impairment loss in direct credit facilities	7	29,589,168	20,247,616
Other provisions	18	2,560,230	2,532,406
Other expenses	34	28,598,138	27,933,372
Total Expenses		100,751,385	86,331,680
Income for the Year before Income Tax Expense		79,643,633	88,709,163
Less: Income tax expense	19	24,055,938	22,754,726
Income for the Year		55,587,695	65,954,437
Pertains to:			
Bank's Shareholders		54,383,715	65,649,471
Non-Controlling Interest		1,203,980	304,966
Earnings per Share for the Year Attributable to the Bank's Shareholders;			
Basic and Diluted	35	-/544	-/656

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

IN US DOLLARS

	2015	2014
Income for the year	55,587,695	65,954,437
Other Comprehensive Income Items:		
Items not subsequently transferable to consolidated statement of income:		
Net change in financial assets at fair value valuation reserve - net of tax	(2,981,853)	1,212,790
Total Comprehensive Income for the Year	52,605,842	67,167,227
Total Comprehensive Income for the Year Pertains to:		
Banks shareholders	51,896,098	66,654,333
Non-controlling interest	709,744	512,894
Total	52,605,842	67,167,227

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

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

IN US DOLLARS

Equity - Banks Shareholders											
Description	Note	Authorized and Paid-up Capital	Reserves			General Banking Risks	Financial Assets Valuation Reserve - Net of Tax	Retained Earnings	Total Equity - Banks Shareholders	Non-controlling Interest	Total
			Statutory	Voluntary	Pro-Cyclicality						
For the Year Ended December 31, 2015											
Balance - beginning of the year		141,043,724	101,436,351	186,508,487	321,011	18,310,852	8,524,444	152,859,815	609,004,684	7,294,226	616,298,910
Income for the year		-	-	-	-	-	-	54,383,715	54,383,715	1,203,980	55,587,695
Net change in financial assets at fair value through comprehensive income - net of tax		-	-	-	-	-	(2,487,618)	-	(2,487,618)	(494,236)	(2,981,853)
Realized (loss) from financial assets at fair value through other comprehensive income	9	-	-	-	-	-	59	(59)	-	-	-
Total Comprehensive Income for the Year		-	-	-	-	-	(2,487,558)	54,383,656	51,896,098	709,744	52,605,842
Transferred to reserves	22	-	7,843,965	15,687,929	-	522,770	-	(24,054,664)	-	-	-
Paid dividends	25	-	-	-	-	-	-	(28,208,745)	(28,208,745)	-	(28,208,745)
Balance - End of the Year		141,043,724	109,280,316	202,196,416	321,011	18,833,622	6,036,886	154,980,062	632,692,037	8,003,970	640,696,007
Equity - Banks Shareholders											
Description	Note	Authorized and Paid-up Capital	Reserves			General Banking Risks	Financial Assets Valuation Reserve - Net of Tax	Retained Earnings	Total Equity - Banks Shareholders	Non-controlling Interest	Total
			Statutory	Voluntary	Pro-Cyclicality						
For the Year Ended December 31, 2014											
Balance - beginning of the year		141,043,724	92,556,635	168,827,646	262,066	17,124,817	7,204,185	143,540,024	570,559,096	6,781,331	577,340,428
Income for the year		-	-	-	-	-	-	65,649,471	65,649,471	304,966	65,954,437
Net change in financial assets at fair value through comprehensive income - net of tax		-	-	-	-	-	1,004,862	-	1,004,862	207,928	1,212,790
Realized (loss) from financial assets at fair value through comprehensive income	9	-	-	-	-	-	315,398	(315,398)	-	-	-
Total Comprehensive Income for the Year		-	-	-	-	-	1,320,259	65,334,073	66,654,332	512,894	67,167,227
Transferred to reserves	22	-	8,879,716	17,680,841	58,945	1,186,035	-	(27,805,537)	-	-	-
Paid dividends	25	-	-	-	-	-	-	(28,208,745)	(28,208,745)	-	(28,208,745)
Balance - End of the Year		141,043,724	101,436,351	186,508,487	321,011	18,310,852	8,524,444	152,859,815	609,004,684	7,294,226	616,298,910

- Out of retained earnings, an amount of USD 10,428,176 as of December 31, 2015 (against USD 9,206,567 as of December 31, 2014) is restricted, according to the Central Bank of Jordan instructions, against deferred tax assets.

- Retained earnings include an amount of USD 5,996,952 as of December 31, 2015 (against USD 6,430,939 as of December 31, 2014) restricted against the effect of adopting International Financial Reporting Standard No. (9) according to the Jordan Securities Commission instructions in relation to the unrealized revaluation of financial assets at fair value through profit or loss, net of amounts recognized through sales.

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

- Use of negative cumulative change in fair value of financial assets is restricted as per the Jordan Securities Commission and Central Bank of Jordan instructions.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

IN US DOLLARS

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before income tax		79,643,633	88,709,163
Adjustments:			
Depreciation and amortization	11&12	7,374,323	4,505,475
Provision for impairment loss in direct credit facilities	7	29,589,168	20,247,616
Net interest income		(12,693,069)	(11,959,478)
Provision for staff indemnity	18	2,298,858	2,296,553
Provision for lawsuits against the Bank and contingent claims	18	261,372	235,853
(Gain) on sale of properties seized by the Bank	32	(2,688,542)	(84,145)
(Gain) on sale of property and equipment	32	(440,126)	-
Loss (gain) on sale of financial assets at amortized cost	31	54,560	(1,226,013)
Valuation loss of financial assets at fair value through profit or loss	30	1,642,889	5,024,374
Impairment loss on seized shares and properties	13	5,136,436	2,719,865
Effect of exchange rate fluctuations on cash and cash equivalents	29	2,327,724	540,327
Total		112,507,224	111,009,591
CHANGES IN ASSETS AND LIABILITIES:			
Decrease (increase) in deposits at banks and financial institutions		2,820,889	(11,631,749)
(Increase) decrease in direct credit facilities		(123,422,671)	10,681,987
(Increase) decrease in financial assets at fair value through profit or loss		(34,719,783)	30,938,102
Decrease (increase) in other assets		12,824,907	(45,463,316)
Increase in banks and financial institutions deposits due after three months		4,384,795	6,743,894
Increase in customers deposits		325,905,282	95,873,639
Increase in cash margins		5,930,238	20,644,386
(Decrease) in other liabilities		(19,997,836)	(42,091,683)
Net change in assets and liabilities		173,725,820	65,695,260
Net Cash Flows generated from Operating Activities before Payments made to Staff End-of-Service Indemnity, Lawsuits and Income Tax		286,233,047	176,704,851
End-of-service indemnity paid	18	(722,844)	(2,173,030)
Lawsuits paid	18	-	(67,490)
Income tax paid	19	(24,508,570)	(28,168,033)
Net Cash Flows generated from Operating Activities		261,001,633	146,296,299
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in financial assets at amortized cost		(56,604,573)	(174,413,288)
(Increase) in financial assets at fair value through comprehensive income		(11,327,464)	(1,143,412)
(Increase) in property, equipment and intangible assets		(20,121,144)	(12,492,303)
Net Cash Flows (used in) Investing Activities		(88,053,181)	(188,049,003)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in non-controlling interest		(494,236)	207,928
Increase in borrowed funds		17,334,982	5,254,440
Dividends paid to shareholders		(27,182,592)	(27,227,417)
Net Cash Flows (used in) Financing Activities		(10,341,846)	(21,765,049)
Effect of exchange rate fluctuations on cash and cash equivalents		(2,327,724)	(540,327)
Net Increase (Decrease) in Cash and Cash Equivalents		160,278,883	(64,058,079)
Cash and cash equivalents - beginning of the year		315,321,584	379,379,663
Cash and Cash Equivalents - End of the Year	36	475,600,467	315,321,584

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

Jordan Kuwait Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1- General Information

- Jordan Kuwait Bank was established as a Jordanian public limited shareholding company under number (108) on October 25, 1976 in accordance with the Jordanian Companies Law No. (13) For the year 1964. The Bank's Head Office address is as follows: Omayya Bin Abdshams Street, Abdali – Amman. Tel. +962 (6) 5629400, P.O. Box 9776, Amman – 11191 Jordan.
- The Bank is engaged in all banking and financial related operations through its branches totaling 56 branches inside Jordan, three foreign branches and two subsidiaries.
- Jordan Kuwait Bank is listed as a public limited shareholding company on the Amman Stock Exchange.
- The consolidated financial statements have been approved by the Bank's Board of Directors, in their meeting number (1/2016) held on January 25, 2016, and are subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

2- Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

- The accompanying consolidated financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards modified according to the Central Bank of Jordan instructions and arrangements with regards to the calculation of the provision for impairment loss for a number of direct credit facilities customers, while the financial statements of the subsidiary companies have been 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 principle, except for financial assets and financial liabilities stated at fair value through profit or loss, financial assets stated at fair value through other comprehensive income and financial derivatives stated at fair value at the date of the consolidated financial statements. Moreover, hedged financial assets and financial liabilities are also stated at fair value.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The accounting policies adopted in the consolidated financial statements are consistent with those accounting policies applied in the year ended December 31, 2014, except for the implementation of what is stated in Note (48) to the consolidated financial statements.

Basis of Financial Statements Consolidation

- The consolidated financial statements include the financial statements of the Bank and controlled subsidiaries. Control exists when the Bank has the power to control the financial and operating policies of the subsidiaries in order to obtain benefits from their activities. All transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.
- The financial statements of the subsidiaries relating to the same fiscal year of the Bank are prepared using the same accounting policies adopted by the Bank, except for the arrangements with the Central Bank of Jordan with regards to the calculation of the provision for impairment loss for a number of direct credit facilities customers. In case the accounting policies applied by the subsidiaries are different from those adopted by the Bank, necessary adjustments to the financial statements of the subsidiaries have to be made in order to match those applied by the Bank.
- Non-controlling interest represents the portion of the subsidiaries' equity not owned by the Bank.

The Bank owns the following subsidiaries as of December 31, 2015 and 2014:

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	50/22	Financial Brokerage	Amman	2002
Ejarah for Finance Leasing Company	28,208,745	100	Finance Leasing	Amman	2011

The most significant financial information for the subsidiaries is as follows:

Company's Name	December 31, 2015		For the year 2015	
	Total Assets	Total Liabilities	Total Revenue	Total Expense
	USD	USD	USD	USD
United Financial Investments Company	20,720,804	4,645,519	5,002,236	2,585,918
Ejarah for Finance Leasing Company	73,544,956	37,504,001	5,617,560	2,935,405

The results of operations of the subsidiaries are consolidated in the consolidated statement of income from the date of acquisition, which represents the date when control over the subsidiaries is passed on to the Bank. Moreover, the results of operations of the disposed of subsidiaries are consolidated in the consolidated statement of income until the disposal date, which represents the date when the Bank loses control over the subsidiaries.

Segments Information

- A business segment is a distinguishable component of assets and transactions in which an entity is 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, which are measured according to the reports used by executive directors and the main decision makers at the Bank.
- 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.

Financial Assets at Fair Value through Profit or Loss

- These financial assets represent investments in companies' stocks and bonds for trading purposes, and the purpose of maintaining them is to generate gains from the fluctuations in market prices in the short term or trading margins.
- These financial assets are initially stated at fair value at the acquisition date, (transaction costs are expensed in the consolidated statement of income), and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of income including the change in fair value resulting from translation of non-monetary assets stated in foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of income.
- It is not allowed to reclassify any financial assets to / from this category except for the cases specified in International Financial Reporting Standards.
- Dividends and interest from these financial assets are recorded in the consolidated statement of income.

Financial Assets at Fair Value through Comprehensive Income

- These financial assets represent investments in equity instruments held for the purpose of generating gains in the long term and not for trading purposes.
- Financial assets at fair value through comprehensive income are initially stated at fair value plus transaction costs at the purchase date. Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of comprehensive income and within owners' equity, including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or Loss from the sale of these investments should be recognized in the consolidated statement of comprehensive income and within owners' equity, and the balance of the revaluation reserve for these assets should be transferred directly to retained earnings and not to the consolidated statement of income.
- These assets are not subject to impairment testing.
- Dividends are recorded in the consolidated statement of income as a separate-line item.

Financial Assets at Amortized Cost

- These are the financial assets which the Bank's management aims to hold according to its business model for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.
- Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount is amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments, leading to the inability to recover the investment or part of it, are therefore deducted, and any impairment loss in its value is recorded in the consolidated statement of income.
- The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.
- It is not allowed to reclassify any financial assets from / to this category except for certain cases specified in International Financial Reporting Standards (in case of selling any of these assets before their maturity date, the result should be recorded in a separate-line item in the consolidated statement of income, and disclosures should be made in accordance with the requirements of International Financial Reporting Standards).

Fair Value

Fair value represents the closing market price (Purchasing Assets / Selling Liabilities) 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.
- Option pricing models.

- Evaluation of long-term assets and liabilities that bear no interest in accordance with the discounted cash flows using the effective interest rate. Premiums and discounts are amortized within interest revenues or expense in the consolidated statement of income.

The valuation methods aim to obtain a fair value that reflects market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of financial assets. In case the fair value of the financial instrument cannot be measured reliably, it is stated at cost less any impairment.

Impairment Loss 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 loss 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 loss in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous declines in the value of financial assets as debt instruments is taken to the consolidated statement of income, and equity instrument is taken to the consolidated statement of comprehensive income.

Direct Credit Facilities

A provision for impairment loss in direct credit facilities is recognized when it is obvious that the financial assets of the Bank cannot be recovered, there is 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 according to the Central Bank of Jordan instructions, except for the arrangements with the Central Bank of Jordan with regards to the calculation of impairment loss for a number of direct credit facilities customers, and in accordance with the Central Bank's instructions in which the Bank's branches operate. The provision is recorded in the consolidated statement of income.

Interest and commissions on non-performing direct credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan or the applicable laws in the countries where the Bank's branches or the subsidiaries operate, whichever are more restricting.

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

- Credit facilities and their related suspended interest that are fully provided for are taken off the consolidated statement of financial position in line with the Board of Directors' decision in that regard.
- Interest on accounts with lawsuits is suspended and recorded off the consolidated statement of financial position in line with the Board of directors' decisions in this regard.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in their value. 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
Furniture, fixtures and equipment	9 - 15
Vehicles	15
Computers	20
Building improvements	20

- When the recoverable amounts of property and equipment are lower than their carrying 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 estimates.
- 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 financial position arising from past events, and the costs to settle the obligation are both probable and can be reliably measured.

Provision for Employees' End-of-Service Indemnities

- A provision is taken to meet the legal and contractual obligations that are related to the employees' end-of-service indemnities or for the accumulated period of service as of the date of the consolidated statement of financial position, in accordance with the internal regulations of the Bank.
- The annual compensation paid to the employees who leave the service is carried to provision for end-of-service indemnities when paid, and a provision is taken for the obligations against the Bank for the compensation of end-of-service indemnities 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 or 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 and liabilities 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.

Share Capital

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.

Treasury Shares

Treasury shares are stated at cost and have no rights in dividends to the shareholders, and no rights in participating or voting in the Bank's General Assembly meetings. Gains or losses from selling the treasury shares are not recognized in the consolidated statement of income. Gains are shown in owners' equity with share premium / discount whereas losses are taken to retained earnings, in case there is no treasury shares premium balance available.

Mortgaged Financial Assets

Mortgaged financial assets are assets mortgaged to other parties, who hold the right of selling or refinancing the mortgage. Those assets are continuously evaluated according to the accounting policies designated for each of them.

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 Date

Purchase and sale of financial assets are recognized on the trading 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 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.
- 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 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. Fair value is measured according to the prevailing market prices, and if the fair value is not available, the measurement method used should be disclosed. The change in their fair value is recognized in the consolidated statement of income.

Repurchase or 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 (In case the buyer had a right to dispose or re-mortgage these assets, then they should be re-classified as financial assets mortgaged at amortized cost). 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.

Assets Seized by the Bank against Due Debts

Assets seized by the Bank are shown under "other assets" in the consolidated statement of financial position at the acquisition value or fair value, whichever is lower and revalued individually at fair value as of the consolidated statement of financial position date. 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 that it does not exceed the previously recorded impairment loss.

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 recorded in the consolidated statement of income.
- 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.
- 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% - 33%.

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 to US Dollar 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 and balances with Central Banks, 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

Preparation of the accompanying consolidated financial statements and the application of accounting policies require from the Bank's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, and the financial assets valuation reserve, and in a specific way, it requires the Bank's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates used in the consolidated financial statements are reasonable. The details are as follows:

- A provision is set for lawsuits raised against the Bank and subsidiaries. This provision is subject to an adequate legal study prepared by the Bank and subsidiaries legal advisors. Moreover, the study highlights potential risks that may be encountered 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 the Central Bank of Jordan instructions except for the arrangements with the Central Bank of Jordan with regards to impairment loss calculation for some of direct credit facilities customers.
- 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, and 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 categorized in their entirety, segregating fair value measurements in accordance with the levels defined in International Financial Reporting Standards. 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 judgment and careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial asset or liability, the Bank uses market information (if available) and in the absence of the first level inputs, the Bank deals with the independent and qualified parties to prepare evaluation studies. Appropriate methods of assessment and inputs used to prepare the evaluation are reviewed by management.

4. Cash and Balances at Central Banks

The details of this item are as follows:

USD

	2015	2014
Cash in vaults	55,700,759	55,503,695
Balances at Central Banks:		
Current and call accounts	56,233,224	51,698,175
Time and notice deposits	316,921,754	238,402,833
Mandatory cash reserve	138,760,319	118,162,515
Total	567,616,056	463,767,218

- Except for the statutory cash reserve, there are no restricted balances as of December 31, 2015 and 2014.

- There are no balances due within a period exceeding three months as of December 31, 2015 and 2014.

5. Balances at Banks and Financial Institutions

The details of this item are as follows:

USD

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2015	2014	2015	2014	2015	2014
Current and call accounts	12,247	403,224	185,883,028	129,768,953	185,895,275	130,172,177
Deposits due within three months or less	35,527,504	31,780,954	95,283,169	136,810,861	130,810,673	168,591,815
Total	35,539,751	32,184,178	281,166,197	266,579,814	316,705,948	298,763,992

- Non-interest bearing balances at banks and financial institutions amounted to USD 119,863,711 as of December 31, 2015 (against USD 32,614,477 as of December 31, 2014).

- Restricted balances amounted to USD 3,608,000 as of December 31, 2015 and 2014

6. Deposits at Banks and Financial Institutions

The details of this item are as follows:

USD

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2015	2014	2015	2014	2015	2014
Deposits	2,820,860	5,641,749	10,025,000	10,025,000	12,845,860	15,666,749
Certificates of deposit	-	-	-	-	-	-
Total	2,820,860	5,641,749	10,025,000	10,025,000	12,845,860	15,666,749

- Restricted deposits amounted to USD 25,000 as of December 31, 2015 and 2014.

7. Direct Credit Facilities - Net

USD

The details of this item are as follows:

	2015	2014
Individuals (retail):		
Overdraft accounts*	8,263,540	7,993,882
Loans and promissory notes**	114,133,138	93,050,928
Credit cards	11,386,554	10,446,511
Real estate loans	242,280,310	205,139,450
Companies:		
Large		
Overdraft accounts	458,190,069	293,265,567
Loans and promissory notes**	897,510,296	963,572,113
Small and Medium		
Overdraft accounts*	16,441,140	29,723,276
Loans and promissory notes**	101,162,176	102,430,495
Government and public sector	178,877,213	232,104,014
Total	2,028,244,436	1,937,726,236
Less: Provision of impairment loss in direct credit facilities	75,823,003	77,981,865
Interest in suspense	16,191,244	17,347,685
Net Direct Credit Facilities	1,936,230,189	1,842,396,686

* These items include USD 10,496,557 as of December 31, 2015, which represents credit facilities granted by the subsidiary companies (against USD 10,613,128 as of December 31, 2014).

** Net after deducting interest and commission received in advance of USD 958,925 as of December 31, 2015 (against USD 1,515,890 as of December 31, 2014).

- Non-performing credit facilities amounted to USD 175,886,142, which is equivalent to (8/7%) of total direct credit facilities as of December 31, 2015 (against USD 151,645,502, which is equivalent to (7/8%) of total direct credit facilities as of December 31, 2014).

- Non-performing credit facilities net of interest and commissions in suspense amounted to USD 159,694,898, which is equivalent to (7/9%) of total direct credit facilities balance after deducting suspended interest as of December 31, 2015 (against USD 137,761,669, which is equivalent to (7/2%) of total credit facilities balance after deducting suspended interest as of December 31, 2014).

- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 63,959,406, which is equivalent to (3/2%) of total direct credit facilities as of December 31, 2015 (against USD 74,258,303, which is equivalent to (3/8%) as of December 31, 2014).

- Direct credit facilities include facilities granted to one customer in an amount of USD 52,186,178, net after deducting interest and commissions in suspense as of December 31, 2015, with acceptable collaterals of around USD 3,808,181 as per the Central Bank of Jordan instructions. The provision of impairment against these direct credit facilities amounted to USD 37,235,543 as of December 31, 2015 based on the arrangements with the Central Bank of Jordan with regards to the calculation of the provision of impairment loss for these customers, whereby the remaining provision will be gradually allocated during the years 2016 and 2017. In case of cordial ownership for the guarantees, the provision of impairment loss will be gradually taken for the remaining balance.

Provision of Impairment Loss in Direct Credit Facilities

The following is the movement on the provision of impairment loss in direct credit facilities:

USD

For the Year 2015	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
Balance – beginning of the year	5,175,883	4,378,409	65,686,182	2,741,391	-	77,981,865
Deducted from income during the year	2,703,949	1,619,165	27,536,614	416,022	-	32,275,750
Surplus in provision of credit facilities	202,354	1,023,705	1,165,761	294,763	-	2,686,583
Used from provision during the year (written-off) *	394,809	-	4,391	-	-	399,200
Credit facilities transferred to off-consolidated statement of financial position **	-	-	31,348,829	-	-	31,348,829
Balance – End of the Year	7,282,669	4,973,869	60,703,815	2,862,650	-	75,823,003
Total of watched list provisions	417,389	339,451	604,071	418,605	-	1,779,516
Total unperforming provisions	6,865,280	4,634,418	60,099,744	2,444,045	-	74,043,487
	7,282,669	4,973,869	60,703,815	2,862,650	-	75,823,003

For the Year 2014	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
Balance – beginning of the year	3,440,710	6,034,467	67,987,244	1,699,184	-	79,161,605
Deducted from income during the year	2,290,437	494,666	20,465,326	1,405,647	-	24,656,076
Surplus in provision of credit facilities	555,265	2,150,724	1,501,835	200,636	-	4,408,460
Used from provision during the year (written-off) *	-	-	1,258,167	-	-	1,258,167
Credit facilities transferred to off-consolidated statement of financial position **	-	-	20,006,384	162,805	-	20,169,189
Balance – End of the Year	5,175,882	4,378,409	65,686,184	2,741,390	-	77,981,865
Total of watched list provisions	237,781	314,480	674,298	51,004	-	1,277,563
Total unperforming provisions	4,938,101	4,063,929	65,011,886	2,690,386	-	76,704,302
	5,175,882	4,378,409	65,686,184	2,741,390	-	77,981,865

* During the year 2015, an amount of USD 399,200 has been written off from direct credit facilities based on the Board of Directors' approval (against USD 1,258,167 for the year 2014).

** During the year 2015, non-performing credit facilities in the amount of USD 31,348,829 were transferred to off-consolidated statement of financial position (USD 20,169,189 for the year 2014) according to the Board of Directors' decision to reach a balance of USD 53,436,776 as of December 31, 2015 (USD 41,170,970 for the year 2014).

- The disclosure above is related 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 2,686,583 as of December 31, 2015 (USD 4,408,460 as of December 31, 2014).

Interest in Suspense

The movement on interest in suspense during the year is as follows:

USD

For the Year 2015	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
Balance – beginning of the year	388,550	527,674	16,173,389	258,072	-	17,347,685
Add: Interest suspended during the year	341,059	2,025,367	4,416,996	285,177	-	7,068,599
Less: Interest reversed to income	45,209	872,712	2,766,642	139,146	-	3,823,709
Interest in suspense written-off	39,348	9,944	-	24,587	-	73,879
Interest in suspense transferred to off consolidated statement of financial position *	-	-	4,327,452	-	-	4,327,452
Balance - End of the Year	645,052	1,670,385	13,496,291	379,516	-	16,191,244

For the Year 2014	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
Balance – beginning of the year	213,603	316,930	11,464,674	112,580	-	12,107,787
Add: Interest suspended during the year	355,370	250,657	12,488,444	173,767	-	13,268,238
Less: Interest reversed to income	174,410	39,913	945,168	6,557	-	1,166,048
Interest in suspense written-off	6,013	-	4,993,976	4,757	-	5,004,746
Interest in suspense transferred to off-consolidated statement of financial position *	-	-	1,840,585	16,961	-	1,857,546
Balance - End of the Year	388,550	527,674	16,173,389	258,072	-	17,347,685

* The Bank adopts a policy for suspending interest off the Consolidated Statement of Financial Position for credit facilities that are outstanding before the Court of Law.

During the year 2015, suspended interest on non-performing credit facilities off the consolidated statement of financial position, as per the decision of the Board of Directors, amounted to USD 11,691,855 for the year 2015 (USD 518,817 for the year 2014). Total suspended interest on non-performing credit facilities out of the system reached USD 48,629,889 as of December 31, 2015 (USD 36,938,034 for the year 2014).



8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

USD

	2015	2014
Quoted shares in active markets	16,589,227	18,549,196
Quoted bonds in active markets	83,000,151	47,264,700
Unquoted bonds in active markets	7,912,822	8,611,410
Total	107,502,200	74,425,306
Bonds Analysis:		
Fixed rate	68,897,980	36,796,299
Floating rate	22,014,993	19,079,811
Total	90,912,973	55,876,110

9. Financial Assets at Fair Value through Comprehensive Income

The details of this item are as follows:

USD

	2015	2014
Quoted shares in active markets	22,206,394	12,855,317
Unquoted shares in active markets	27,482,293	29,279,130
Total	49,688,687	42,134,447

- Realized losses from the sale of shares through comprehensive income amounted to USD 59 in 2015, (USD 315,398 during the year 2014) booked directly to retained earnings in the consolidated statement of owners' equity.

- Cash dividends on the above investments amounted to USD 1,227,282 for the year ended December 31, 2015 (USD 3,072,030 for the year ended December 31, 2014).

10. Financial Assets at Amortized Cost

The details of this item are as follows:

USD

	2015	2014
Quoted Financial Assets:		
Companies bonds and debentures	4,378,563	34,079,247
Total Quoted Financial Assets	4,378,563	34,079,247
Unquoted Financial Assets:		
Treasury bonds and bills	685,719,429	614,761,397
Companies' bonds and debentures	23,230,606	7,937,942
Total Unquoted Financial Assets	708,950,035	622,699,339
Total	713,328,598	656,778,586
Bonds and Bills Analysis:		
Fixed rate	692,954,832	651,778,586
Floating rate	20,373,766	5,000,000
Total	713,328,598	656,778,586

11. Property and Equipment - Net

a. The details of this item are as follows:

USD

	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Building Improvements	Total
Year 2015							
Cost:							
Balance - beginning of the year	3,795,220	5,458,611	13,404,194	917,393	18,883,539	15,900,832	58,359,789
Additions	501,976	8,573,815	1,814,406	99,437	2,286,475	1,769,392	15,045,501
Disposals	-	314,195	35,387	18,760	-	-	368,342
Balance - End of the Year	4,297,196	13,718,231	15,183,213	998,070	21,170,014	17,670,224	73,036,948
Accumulated Depreciation:							
Balance - beginning of the year	-	2,568,039	9,707,106	596,677	13,281,715	11,832,779	37,986,316
Depreciation for the year	-	189,179	1,026,278	72,803	1,753,032	1,578,767	4,620,059
Disposals	-	201,882	36,197	4,456	-	-	242,535
Balance - End of the Year	-	2,555,336	10,697,187	665,024	15,034,747	13,411,546	42,363,840
Net Book Value of Property and Equipment	4,297,196	11,162,894	4,486,026	333,046	6,135,267	4,258,678	30,673,107
Add: Down payments on property and equipment purchases	-	-	5,718,708	-	-	-	5,718,708
Net Book Value of Property and Equipment - End of the Year	4,297,196	11,162,894	10,204,734	333,046	6,135,267	4,258,678	36,391,815
Year 2014							
Cost:							
Balance - beginning of the year	3,795,220	5,458,611	12,250,066	852,495	14,770,965	13,635,779	50,763,136
Additions	-	-	1,154,128	64,898	4,112,574	2,265,053	7,596,653
Balance - End of the Year	3,795,220	5,458,611	13,404,194	917,393	18,883,539	15,900,832	58,359,789
Accumulated Depreciation:							
Balance - beginning of the year	-	2,405,447	8,950,587	518,371	12,376,722	10,874,500	35,125,627
Depreciation for the year	-	162,592	756,519	78,306	904,993	958,279	2,860,689
Balance - End of the Year	-	2,568,039	9,707,106	596,677	13,281,715	11,832,779	37,986,316
Net Book Value of Property and Equipment	3,795,220	2,890,572	3,697,088	320,716	5,601,824	4,068,053	20,373,473
Add: Down payments on property and equipment purchases	-	-	2,412,077	-	-	-	2,412,077
Net Book Value of Property and Equipment - End of the Year	3,795,220	2,890,572	6,109,165	320,716	5,601,824	4,068,053	22,785,549
Annual depreciation rate %	-	3	9 - 15	15	20	20	

b. Property and equipment include an amount of USD 26,867,695 as of December 31, 2015 (USD 22,252,023 as of December 31, 2014) representing fully depreciated assets.

12. Intangible Assets - Net

The details of this item are as follows:

USD

	Computer Software and Applications	Total
Year 2015		
Balance - beginning of the year	10,384,341	10,384,341
Additions	2,334,944	2,334,944
Amortization for the year	2,754,264	2,754,264
Balance - End of the Year	9,965,021	9,965,021
Annual amortization rate %	20-33	
Year 2014		
Balance - beginning of the year	4,509,430	4,509,430
Additions	7,519,698	7,519,698
Amortization for the year	1,644,786	1,644,786
Balance - End of the Year	10,384,342	10,384,342
Annual amortization rate %	20 - 33	

13. Other Assets

The details of this item are as follows:

USD

	2015	2014
Accrued interest and revenue	22,356,329	21,905,760
Prepaid expenses	3,544,096	2,969,214
Assets seized by the Bank against debts - net *	221,315,049	216,128,122
Unrealized gains from financial derivatives (Note 37)	1,045	-
Debtors **	98,441	448,685
Clearing checks	178,595	155,159
Others **	4,119,132	2,922,218
Total	251,612,687	244,529,158

* This amount includes USD 987,228 as a provision for the year ended December 31, 2015 for seized assets owned by the Bank according to the Central Bank Circular No. 4076/1/10 dated March 27, 2014 and Circular No. 6841/1/10 dated June 3, 2015. Moreover, the Bank has started to calculate a gradual provision for the real estate seized against the debt for more than four years.

** Debtors and other assets include balances relating to the subsidiary companies of USD 1,383,516 as of December 31, 2015 (USD 1,401,975 as of December 31, 2014).

- The Central Bank of Jordan's instructions require that the Bank dispose of seized real estate within a period not exceeding two years from the start date of seizure.

The movement on assets seized by the Bank against due debts was as follows:

USD

	2015			2014
	Seized Property	Other Seized Assets *	Total	Total
Balance - beginning of the year - net	200,871,317	15,256,805	216,128,122	95,667,796
Additions **	27,181,453	-	27,181,453	134,750,800
Disposals	(6,733,430)	(10,124,660)	(16,858,090)	(11,570,608)
Provision as per CBJ instructions ***	(987,229)	-	(987,229)	-
Impairment per loss	(4,149,207)	-	(4,149,207)	(2,719,866)
Balance - End of the Year	216,182,904	5,132,145	221,315,049	216,128,122

* This item represents shares in a local bank seized against due debts during the year 2014.

** This item includes additions of new properties owned during the year 2015 of USD 4,231,312, in addition to the costs of development and completion of construction works until they are ready for sale.

*** An impairment loss in the amount of USD 987,229 has been recorded for the year ended December 31, 2015 according to the instructions of the Central Bank of Jordan in that regard.

14. Banks and Financial Institutions Deposits

The details of this item are as follows:

USD

	December 31, 2015			December 31, 2014		
	Inside Kingdom	Outside Kingdom	Total	Inside Kingdom	Outside Kingdom	Total
Current and call accounts	43,322,690	351,925,172	395,247,862	12,006,271	431,595,355	443,601,626
Time deposits *	-	50,465,784	50,465,784	-	36,215,314	36,215,314
Total	43,322,690	402,390,956	445,713,646	12,006,271	467,810,669	479,816,940

* Time deposits due within a period exceeding three months amounted to USD 40,600,109 as of December 31, 2015 (USD 36,215,314 as of December 31, 2014).

15. Customers Deposits

The details of this item are as follows:

USD

	December 31, 2015				
	Individuals	Companies		Government and Public Sector	Total
		Large	Small and Medium		
Current and call accounts	467,616,852	216,944,710	275,947,874	16,283,771	976,793,207
Saving deposits	221,161,033	7,650,968	1,410,877	175,679	230,398,557
Time deposits subject to notice	796,327,000	271,072,271	274,513,085	129,742,399	1,471,654,755
Certificates of deposit	2,261,924	-	-	-	2,261,924
Total	1,487,366,809	495,667,949	551,871,836	146,201,849	2,681,108,443
	December 31, 2014				
	Individuals	Companies		Government and Public Sector	Total
		Large	Small and Medium		
Current and call accounts	361,193,599	294,150,181	230,355,750	16,236,554	901,936,084
Saving deposits	202,733,833	2,211,536	11,885,073	189,039	217,019,481
Time deposits subject to notice	736,474,998	194,857,395	237,643,147	62,868,520	1,231,844,060
Certificates of deposit	4,403,536	-	-	-	4,403,536
Total	1,304,805,966	491,219,112	479,883,970	79,294,113	2,355,203,161

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to USD 146,201,850 , which is equivalent to (5/5%) of total customers' deposits as of December 31, 2015 (USD 79,294,114 , which is equivalent to (3/4%) as of December 31, 2014).

- Non-interest bearing deposits amounted to USD 959,499,150, which is equivalent to (35/8%) of total customers' deposits as of December 31, 2015 (USD 816,489,182, which is equivalent to (34/7%) as of December 31, 2014).

- Restricted deposits amounted to USD 21,443,608, which is equivalent to (0/8%) of total customers' deposits as of December 31, 2015 (USD 20,397,594, which is equivalent to (0/9%) as of December 31, 2014).

- Dormant deposits amounted to USD 43,811,982 as of December 31, 2015 (USD 48,164,487 as of December 31, 2014).

16. Cash Margins

The details of this item are as follows:

USD

	2015	2014
Cash margins on direct credit facilities	94,383,200	84,032,142
Cash margins on indirect credit facilities	28,070,667	32,495,014
Other margins	116,090	112,564
Total	122,569,958	116,639,720

17. Borrowed Funds

These funds have been obtained under a loan agreement with the Central Bank of Jordan and the Jordan Company for Refinancing Real Estate Mortgage for a period ranging from 2 to 15 years to finance micro -, small -, and medium - sized companies. These also include grants obtained from the Central Bank of Jordan for two years to finance micro -, small -, and medium-sized companies within a medium-term funding program as follows:

USD

	Money Borrowed	Amount	Number of Installments	Installment Repayment	Lending Interest Rate	Collaterals
December 31, 2015						
Loan through the Central Bank of Jordan	4,231,312	4,231,312	Repaid over 10 years	Semi annual	2.5%	-
Loan through the Central Bank of Jordan	5,641,749	5,641,749	Repaid over 15 years	Semi annual	2.5%	-
Central Bank of Jordan's predecessor	2,843,300	2,843,300	2 years	Semi annual	2.0%	Notes
Loan through the Jordan Company for Refinancing Real Estate Mortgage	7,052,186	7,052,186	Paid under one installment during 2016	Paid under one installment during 2016	5.8%	-
Loan through the Jordan Company for Refinancing Real Estate Mortgage	7,052,186	7,052,186	Paid under one installment during 2018	Paid under one installment during 2016	5.8%	-
Loan through the Jordan Company for Refinancing Real Estate Mortgage	7,052,186	7,052,186	Paid under one installment during 2018	Paid under one installment during 2016	4.4%	-
Total	33,872,920	33,872,920				

December 31, 2014						
Loan through the Central Bank of Jordan	2,115,656	2,115,656	Repaid over 10 years	2.5%		
Loan through the Central Bank of Jordan	5,641,749	5,641,749	Repaid over 15 years	2.5%		
Central Bank of Jordan's predecessor	1,728,347	1,728,347	2 years	2%		
Loan through the Jordan Company for Refinancing Real Estate Mortgage	7,052,186	7,052,186	Paid under one installment during 2016	5.8%		
Total	16,537,938	16,537,938				

18. Other Provisions

The details of this item are as follows:

USD

	Balance - Beginning of the Year	Provision for the Year	Released during the Year	Balance - End of the Year
Year 2015				
Provision for staff indemnity	12,384,373	2,298,859	722,844	13,960,388
Provision for lawsuits against the Bank and contingent claims	625,345	261,371	-	886,716
Total	13,009,718	2,560,230	722,844	14,847,104
Year 2014				
Provision for staff indemnity	12,260,850	2,296,553	(2,173,030)	12,384,373
Provision for lawsuits against the Bank and contingent claims	456,982	235,853	(67,490)	625,345
Total	12,717,832	2,532,406	(2,240,520)	13,009,718

19. Provision for Income Tax

a. Income tax provision

The movement on the provision for income tax during the year is as follows:

USD

	2015	2014
Balance - beginning of the year	19,448,617	21,198,224
Income tax for the year	23,732,682	26,418,426
Income tax paid	(20,276,907)	(23,039,978)
Down payment	(4,231,663)	(5,128,055)
Balance - End of the Year	18,672,729	19,448,617

b. Income tax expense

Income tax expense for the year in the consolidated statement of income consists of the following:

USD

	2015	2014
Income tax for the year	23,732,683	26,418,426
Effect of deferred tax assets for the year	(1,221,610)	(3,642,377)
Effect of deferred tax liabilities for the year	1,544,865	(21,323)
Total	24,055,938	22,754,726

c. Tax Status

Below are the details of the tax status of the Bank's branches and subsidiary companies:

Branches / Companies	Income Tax Return up to End of the Year	Final Settlement up to End of the Year	Payment to Income and Sales Tax Department	Years under Dispute
Jordan branches	2014	2013	Accrued tax has been paid	None
Palestine branches	2014	2012	Accrued tax has been paid	2007 and 2008
Cyprus branch	2014	2013	Accrued tax has been paid	None
Ejarah Capital Leasing Company	2014	None	Accrued tax has been paid	None
United Financial Investment Company	2014	2014	Accrued tax has been paid	2013

d- Deferred Tax Assets / Liabilities:

The details of this item are as follows:

USD

	2015			Balance - End of the Year	2015	2014
	Balance - Beginning of the Year	Amounts			Deferred Tax	Deferred Tax
		Realized	Additions			
a- Deferred Tax Assets						
Provision for staff indemnity	12,384,374	2,298,856	722,845	13,960,385	4,843,138	4,327,391
Impairment loss in real estate	254,453	5,376,038	239,602	5,390,889	1,886,810	89,059
Provision for accounts receivable - subsidiary company	1,118,450	423,131	-	1,541,581	369,979	268,430
Provision for lawsuits against the Bank	625,344	261,372	-	886,716	309,632	218,870
Provision for watch list credit facilities	1,457,649	1,092,182	1,457,649	1,092,182	382,264	510,178
Provision for impairment loss in shares seized against due debts	2,699,643	-	2,699,643	-	-	944,874
Loss on financial assets at fair value through profit or loss	8,140,718	931,575	578,186	8,494,107	2,636,353	2,847,765
Total	26,680,631	10,383,154	5,697,925	31,365,860	10,428,177	9,206,567
b- Deferred Tax Liabilities *						
Financial assets at fair value valuation reserve *	11,421,980	-	3,577,200	7,844,780	3,054,592	4,340,199
Depreciation and amortization	-	4,413,898	-	4,413,898	1,544,865	-
Total	11,421,980	4,413,898	3,577,200	12,258,678	4,599,457	4,340,199

* Deferred tax liabilities resulting from the revaluation gain of financial assets at fair value through comprehensive income are presented within the financial asset valuation reserve in the consolidated statement of owners' equity:

The movement on deferred tax assets / liabilities during the year is as follows:

USD

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Balance - beginning of the year	9,206,567	4,340,199	5,564,190	2,821,756
Additions during the year	3,127,307	1,544,865	4,480,838	1,754,499
Released during the year	(1,905,697)	(1,285,606)	(838,461)	(236,056)
Balance - End of the Year	10,428,177	4,599,457	9,206,567	4,340,199

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

The following is the reconciliation between declared income and taxable income:

USD

	2015	2014
Declared income	79,643,633	88,709,163
Add: Unacceptable tax expenses	15,008,616	18,385,870
Less: Profit not subject to tax	(14,740,933)	(5,660,367)
Taxable Income	79,911,316	101,434,666
Income Tax Rates:		
Jordan branches	35%	30%
Palestine branches	20%	20%
Cyprus branche	12.5%	12.5%
Subsidiaries companies	24%	24%

20. Other Liabilities

The details of this item are as follows:

USD

	2015	2014
Accrued interest	9,663,260	9,946,283
Inward transfers	1,225,749	1,268,684
Accounts payable (a)	3,420,052	7,062,900
Accrued expenses	2,365,990	2,878,667
Temporary deposits - customers	4,585,320	4,169,563
Temporary deposits (b)	5,208,212	5,222,332
Shareholders' deposits (c)	6,198,738	5,234,291
Accepted and certified checks	8,647,733	10,931,656
Lock boxes deposits	632,354	553,475
Subscriptions deposits	194,244	496,659
Transactions in transit	112,628	141,605
Other liabilities (a)	7,980,693	11,637,282
Total	50,234,973	59,543,397

(a) Accounts payable and other liabilities include balances related to the subsidiaries of USD 5,203,731 as of December 31, 2015 (USD 4,095,755 as of December 31, 2014).

(b) This item represents temporary payment deposits to public shareholding and other companies.

(c) This item represents the net balance resulting from selling unsubscribed shares with a total number of 1,602,955 shares at market price during the year 2006. The difference between the market price and issue price of the share of USD 4.23 has been recorded as shareholders' deposits.

(d) This item represents refunds of subscriptions in public shareholding companies under establishment.

21. Authorized and Paid-up Capital

Paid-up capital amounted to USD 141 million, divided into 100 million shares at a par value of USD 1.41 per share as of December 31, 2015 and 2014.

22. Reserves

The details of the reserves as of December 31, 2015 and 2014 are as follows:

a. Statutory Reserve

This item represents the accumulated amount of the appropriations from income before tax at 10% during the current and previous years according to the Banks Law and the Jordanian Companies Law. This amount is not distributable to shareholders.

b. Voluntary Reserve

This item 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- Pro-Cyclicality Reserve

This item represents the risk reserve taken according to the Palestine Monetary Authority at 15% from annual net income after tax, for the purpose of supporting the Bank's capital in Palestine and facing risks related to the Banking sector. This reserve will accumulate until reaching 20% of paid-up capital. It is not allowed to use any part of the pro-cyclicality fluctuation reserve or to reduce it in any way without the prior approval from the Palestine Monetary Authority.

d- General Banking Risks Reserve

This item 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 according to the Bank's branches: USD

	2015	2014
Jordan branches	15,687,339	15,136,931
Cyprus branches	2,200,289	2,392,727
Palestine branches	302,835	337,329
Subsidiary Companies	643,159	443,865
Total	18,833,622	18,310,852

- The following are the restricted reserves: USD

Name of Reserve	2015	2014	Nature of Restriction
Statutory reserve	109,280,316	101,436,351	According to the Jordanian Companies Law and the Bank's Law.
Pro-cyclicality reserve	321,011	321,011	According to Palestine Monetary Authority Instructions.
General banking risks reserve	18,833,622	18,310,852	According to the Central Bank of Jordan.

23. Financial Assets Valuation Reserve at Fair Value - Net of Tax

- The movement during the year on this item is as follows: USD

	2015	2014
Balance - beginning of the year	8,524,444	7,204,185
Unrealized gains	(3,773,165)	2,838,702
Deferred tax liabilities	1,285,607	(1,518,443)
Balance - End of the Year *	6,036,886	8,524,444

* The financial assets valuation reserve is presented as a net amount after deducting the related deferred tax liabilities of USD 3,054,592 as of December 31, 2015 (USD 4,340,199 as of December 31, 2014), and it is not transferable to the consolidated statement of income.

24. Retained Earnings

The movement during the year on this item is as follows:

USD

	2015	2014
Balance - beginning of the year	152,859,815	143,540,024
Realized (loss) from selling financial assets at fair value through comprehensive income - Note (9)	(59)	(315,398)
Income for the year	54,383,715	65,649,471
(Transferred) to reserves	(24,054,664)	(27,805,537)
Dividends paid (Note 25)	(28,208,745)	(28,208,745)
Balance - End of the Year	154,980,062	152,859,815

- Out of retained earnings, an amount of USD 10,428,176 as of December 31, 2015 is restricted against deferred tax assets according to the Central Bank of Jordan instructions (USD 9,206,567 as of December 31, 2014).
- Retained earnings include an amount of USD 5,996,952 as of December 31, 2015 (USD 6,430,939 as of December 31, 2014) restricted against the effect of adopting International Financial Reporting Standard (9) according to the instructions of the Jordan Securities Commission. The restriction is waived upon actual sale, which represents the revaluation of financial assets.
- Use of the General Banking Risks Reserve is restricted and requires the pre-approval of the Central Bank of Jordan.
- Use of negative cumulative change in fair value of financial assets is restricted as per the Jordan Securities Commission and the Central Bank of Jordan instructions.

25. Proposed Dividends

Proposed dividends to shareholders for the current year is 20% of paid-up capital, which is equivalent to USD 28.2 million.

This percentage is subject to the General Assembly's approval. In the prior year, dividends were distributed at 20% of paid-up capital, which is also equivalent to USD 28.2 million.

26. Interest Income

The details of this item are as follows:

USD

	2015	2014
Direct credit facilities		
Individuals (retail)		
Overdraft accounts	2,540	86,419
Loans and promissory notes	10,086,173	9,866,557
Credit cards	1,088,058	1,058,722
Real - estate loans	11,149,027	13,456,171
Companies		
Large		
Overdraft accounts	15,610,275	19,967,179
Loans and promissory notes	62,982,268	61,047,571
Small and medium		
Overdraft accounts	1,875,783	2,162,075
Loans and promissory notes	12,717,206	16,017,255
Government and public sector	11,502,047	14,359,798
Balances at central banks	5,167,731	7,591,276
Balances and deposits at banks and financial institutions	9,503,034	8,686,168
Financial assets at amortized cost	35,864,142	30,121,738
Financial assets at fair value through profit or loss	5,503,723	4,858,285
Total	183,052,006	189,279,214



27. Interest Expense

USD

The details of this item are as follows:

	2015	2014
Deposits at banks and financial institutions	7,421,437	7,498,652
Customers deposits		
Time and notice deposits	38,498,079	47,833,298
Cash margins	1,864,066	2,293,519
Current and call accounts	1,432,234	1,637,574
Saving accounts	829,010	602,858
Certificates of deposit	46,535	241,962
Borrowed funds	1,139,666	137,835
Loan guarantee fees	4,502,532	4,213,222
Total	55,733,559	64,458,920

28. Net Commission Income

USD

The details of this item are as follows:

	2015	2014
Commission-direct credit facilities	6,770,819	5,686,643
Commission-indirect credit facilities	8,273,882	10,782,415
Other commissions	1,796,976	1,437,139
Total	16,841,677	17,906,197

29. Foreign Currency Income

USD

The details of this item are as follows:

	2015	2014
Income from trading / transactions	8,287,103	4,790,474
(Loss) from valuation	(2,327,724)	(540,327)
Total	5,959,379	4,250,147

30. (Losses) Gains from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

USD

	Realized Gains (Losses)	Unrealized (Losses)	Shares Dividends Returns	Total
Year 2015				
Companies shares	122,074	(3,075)	614,515	733,514
Companies bonds	12,844	(1,639,814)	-	(1,626,970)
Total	134,918	(1,642,889)	614,515	(893,456)
	Realized Gains (Losses)	Unrealized (Losses) Gains	Shares Dividends Returns	Total
Year 2014				
Companies shares	314,407	(2,631,556)	574,864	(1,742,285)
Companies bonds	(1,230,241)	(2,392,818)	-	(3,623,059)
Total	(915,834)	(5,024,374)	574,864	(5,365,344)

31. Gain from Sale of Financial Assets at Amortized Cost

During the year 2015, financial assets at amortized cost have been requisitioned by the bonds issuer (called) at a par value of USD 3 million. This has resulted in losses during the process amounting to USD 54,560 for the year then ended. Moreover, the maturity date of these financial assets is September 29, 2020.

During the year 2014, financial assets at amortized cost with a nominal value of USD 15 million were sold, resulting in a gain of USD 1,226,013 for the year ended December 31, 2014. Moreover, the maturity dates for these financial assets range from December 3, 2018 to December 10, 2023. The sale transaction was due to the drop in their credit rating.

32. Other Income

The details of this item are as follows:

USD

	2015	2014
Rental of lock deposit boxes	254,921	228,581
Stamps income	17,757	42,111
Credit cards income	6,236,649	4,868,906
Recovery of debts previously written-off	8,170,467	16,493,546
Trading in shares revenue - subsidiary company	5,099,228	1,757,830
Telecommunication income	521,313	448,210
Transfers income	2,109,396	1,587,692
Gain on sale of seized assets	2,688,542	84,145
Gain on sale of property and equipment	440,126	-
Others	4,457,849	3,620,485
Total	29,996,248	29,131,506

33. Employees Expenses

The details of this item are as follows:

USD

	2015	2014
Salaries, allowances and employees' benefits	27,261,357	26,336,853
Contribution in social security	2,642,907	2,224,401
Medical expenses	1,669,636	1,491,608
Staff training	210,766	186,536
Travel expenses - per diems	544,034	555,520
Employees life insurance	136,412	164,570
Value added tax	164,415	153,323
Total	32,629,526	31,112,811

34. Other Expenses

The details of this item are as follows:

USD

	2015	2014
Rentals	3,288,773	2,688,920
Stationery	1,143,894	975,887
Advertisements	1,516,743	1,581,159
Subscriptions	311,465	272,422
Telecommunication expenses	1,513,389	1,334,680
Maintenance and repairs	3,163,674	2,714,803
Insurance expenses	1,175,894	999,788
Legal fees	49,219	73,764
Water, electricity and heating	2,035,506	1,912,362
Fees, taxes and stamps	1,132,234	967,392
Professional fees	314,347	314,085
Cards services expenses	2,797,870	2,671,745
Transportation expense	167,746	201,457
Correspondents services fees	145,286	269,296
Security services	302,117	270,185
Donations and social responsibility	1,078,842	741,893
Hospitality	186,094	137,518
Board of Directors' remunerations	129,196	91,678
Impairment loss against assets seized by the Bank against due debts (Note 13)	5,136,436	2,719,866
Management fees (Note 38)	460,550	3,272,214
Others	2,548,860	3,722,258
Total	28,598,138	27,933,372

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

The details of this item are as follows:

USD

	2015	2014
Income for the year attributed to the Bank's Shareholders	54,383,715	65,649,471
	Share	Share
Weighted average number of shares	100,000,000	100,000,000
Earnings per share pertains to the Bank's Shareholders:	USD / Share	USD / Share
(Basic and Diluted)	-/544	-/656

36. Cash and Cash Equivalents

The details of this item are as follows:

USD

	2015	2014
Balances at central banks due within three months	567,616,056	463,767,218
Add: Balances at banks and financial institutions due within three months	316,705,948	298,763,992
Less: Banks and financial institutions deposits due within three months	405,113,537	443,601,627
Restricted balances - Note (5)	3,608,000	3,608,000
Total	475,600,467	315,321,583

37. Financial Derivatives

The details of this item are as follows:

USD

	Positive Fair Value	Negative Fair Value	Maturity of Nominal Value			
			Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years
As of December 31, 2015						
Trading derivatives:	-	-	-	-	-	-
Forward sales contracts in foreign currencies	-	1,045	(919,685)	(919,685)	-	-
Future contracts	-	-	-	-	-	-
	-	1,045	(919,685)	(919,685)	-	-
Forward purchase contracts in foreign currencies	-	-	920,731	920,731	-	-
Future contracts	-	-	-	-	-	-
	-	-	920,731	920,731	-	-
Total	-	1,045	1,045	1,045	-	-

	Positive Fair Value	Negative Fair Value	Maturity of Nominal Value			
			Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years
As of December 31, 2014						
Trading derivatives:	-	-	-	-	-	-
Forward sales contracts in foreign currencies	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Forward purchase contracts in foreign currencies	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

Nominal value represents the outstanding transaction value at the end of the year, and does not represent market risks or credit risks.

38. Transactions with Related Parties

The Bank entered into transactions with subsidiary companies, affiliate 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 as of the consolidated financial statements date.

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

USD

	Related Party				Total	
	Affiliates	Board of Directors Members *	Executive Managers	Others **	2015	2014
On- Consolidated Statement of Financial Position Items:						
Direct credit facilities *	-	112,714	2,267,535	250	2,380,499	2,734,959
Banks and financial institutions deposits	419,784	209,868,547	-	-	210,288,331	312,105,882
Deposits	-	62,049,796	2,748,347	3,916,038	68,714,181	8,904,190
Cash margins	-	-	-	431,439	431,439	391,714
Financial assets at fair value through the income statement	16,096,000	-	-	-	16,096,000	16,096,000
Financial assets at fair value through other comprehensive income	21,373,874	-	-	4,589,563	25,963,437	29,917,248
Financial assets at amortized cost	-	2,967,000	-	-	2,967,000	6,081,909
Other financial assets	-	1,269,394	-	-	1,269,394	
Off- Consolidated Statement of Financial Position Items:						
Letters of guarantee	7,052	25,388	-	86,601	119,041	38,293
Letters of credit	3,807,549	-	-	8,462,623	12,270,172	8,567,081
					Total	
					2015	2014
Consolidated Statement of Income items:						
Interest and commission income ***	574,367	458,996	127,896	85,491	1,246,750	1,190,410
Interest and commission expense ****	4,198	5,623,876	53,977	58,741	5,740,792	7,294,580
Management fees *****	460,550	-	-	-	460,550	3,272,214
Financial assets dividends	851,364	-	-	118,381	969,745	2,799,617

* There are no direct credit facilities granted to the Board of Directors members of the United Financial Investment Company (subsidiary company) or related parties as of December 31, 2015 against USD 322,422 granted as of December 31, 2014.

* Included in the direct credit facilities granted to the executive management is an amount of USD 713,178, representing credit facilities granted to the board of directors members of Ejarah for Finance Leasing Company (subsidiary company) as of December 31, 2015, against USD 367,159 as of December 31, 2014.

** Represents companies in which the Bank has voting rights in their Boards of Directors.

*** Interest rate ranges from 7/3% to 8% .

**** Interest rate ranges from 1/25% to 3/25% .

***** During the second quarter of 2015, the management's contract with one of the Group's banks has been partially cancelled as of January 1, 2015, whereby an amount of approximately USD 1.4 million included in the expenses of the first quarter, has been reversed, as per the appendix amendment to the agreement and the Bank's Board of Directors' decision dated May 13, 2015 in that regard.

- The Bank has two members on the Board of Directors of the United Financial Investments Company and four members in Ejarah for Finance Leasing Company.

Executive Management Remunerations:

Executive management remunerations for the Bank and the subsidiary company amounted to USD 4,875,622 for 2015 (USD 4,954,673 for the year 2014, not inclusive of performance bonuses and productivity related incentives).

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

There are no significant differences between the book value and fair value of the financial assets and liabilities at the end of the year 2015 and 2014.

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.

Credit risk refers to the risk that a counterparty will default on its credit terms and/or its creditworthiness will deteriorate 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.
- The Bank has 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 is 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.
- The Bank has 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, facilitating the decision-making process and the pricing of credit facilities.
- The Bank has 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.
- The Bank has 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 override. 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 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 customers. The Bank deals with them on an aggregate basis and accords them special care, exercises 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 (after the provision for impairment loss and interest in suspense and before guarantees and other risks - mitigating factors):

USD

	2015	2014
On- Consolidated Statement of Financial Position Items		
Balances at the central banks	511,915,298	408,263,523
Balances at banks and financial institutions	316,705,948	298,763,992
Deposits at banks and financial institutions	12,845,860	15,666,749
Direct Credit Facilities:		
Individuals (retail)	125,855,512	105,926,889
Real estate loans	235,636,056	200,233,367
Companies		
Large companies	1,281,500,260	1,174,978,107
Small and medium companies (SMEs)	114,361,150	129,154,309
Government and public sector	178,877,212	232,104,014
Bonds, Bills and Debentures:		
Financial assets at fair value through profit or loss	90,912,973	55,876,110
Financial assets at amortized cost	713,328,598	656,778,586
Other assets	22,633,365	25,037,701
Off- Consolidated Statement of Financial Position Items		
Letters of guarantee	368,258,810	401,321,850
Letters of credit	88,513,505	168,445,657
Letters of acceptance	43,943,212	63,795,697
Unutilized credit facilities ceilings	131,592,382	127,768,719
Total	4,236,880,140	4,064,115,270

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	Other Assets	Bonds and Treasury Bills	Banks and Other Financial Institutions	Total
			Large	Small and Medium					
December 31, 2015									
Low risk	721,340	2,008,907	13,984,137	5,577,948	63,959,408	-	685,719,429	511,915,298	1,283,886,466
Acceptable risk	120,587,152	197,708,975	1,129,591,865	106,332,082	114,917,804	22,633,365	117,622,142	329,551,808	2,138,945,193
Of which is due (*):									
within 30 days	2,474,188	1,550,456	7,960,337	1,242,487	-	-	-	-	13,227,467
From 31 to 60 days	3,089,482	1,376,705	16,467,461	4,449,049	-	-	-	-	25,382,698
Watch list	2,856,158	24,181,961	65,232,691	4,697,867	-	-	-	-	96,968,677
Non-performing:									
Substandard	2,732,645	1,150,278	42,012,377	13,929	-	-	-	-	45,909,228
Allowance provided	2,990,575	1,875,199	420,262	17,535	-	-	-	-	5,303,571
Bad debt	3,895,362	15,354,992	104,459,034	963,955	-	-	900,000	-	125,573,343
Total	133,783,233	242,280,310	1,355,700,365	117,603,316	178,877,212	22,633,365	804,241,571	841,467,106	3,696,586,478
Provision for impairment loss	7,282,669	4,973,869	60,703,815	2,862,650	-	-	-	-	75,823,003
Interest in suspense	645,052	1,670,385	13,496,291	379,516	-	-	-	-	16,191,244
Net	125,855,512	235,636,056	1,281,500,260	114,361,150	178,877,212	22,633,365	804,241,571	841,467,106	3,604,572,231
Credit classification:									
From AAA to -A							-	189,699,625	189,699,625
From +BBB to -B							42,727,896	3,097,724	45,825,619
Less than -B							21,547,924	165,023	21,712,946
Unclassified							52,834,760	136,589,437	189,424,197
Governments and public sector							687,130,992	511,915,298	1,199,046,289
Total							804,241,571	841,467,106	1,645,708,677
December 31, 2014									
Low risk	562,578	2,704,444	10,920,168	5,376,684	74,255,372	-	616,173,327	408,263,524	1,118,256,097
Acceptable risk	102,540,287	176,874,518	1,063,333,618	121,614,996	157,848,642	25,037,701	95,481,369	314,430,740	2,057,161,871
Of which is due (*):									
within 30 days	2,411,666	255,271	5,327,203	1,098,860	-	-	-	-	9,093,000
From 31 to 60 days	1,426,904	472,032	15,337,403	5,623,446	-	-	-	-	22,859,785
Watch list	1,622,867	20,683,976	44,841,320	2,901,265	-	-	-	-	70,049,428
Non-performing:									
Substandard	2,239,829	194,488	9,128,915	229,764	-	-	1,000,000	-	12,792,996
Allowance provided	738,529	212,303	4,261,385	525,975	-	-	-	-	5,738,192
Bad debt	3,787,231	4,469,721	124,352,274	1,505,087	-	-	-	-	134,114,313
Total	111,491,321	205,139,450	1,256,837,680	132,153,771	232,104,014	25,037,701	712,654,696	722,694,264	3,398,112,897
Provision for impairment loss	5,175,882	4,378,409	65,686,184	2,741,390	-	-	-	-	77,981,865
Interest in suspense	388,550	527,674	16,173,389	258,072	-	-	-	-	17,347,685
Net	105,926,889	200,233,367	1,174,978,107	129,154,309	232,104,014	25,037,701	712,654,696	722,694,264	3,302,783,347
Credit classification:									
From AAA to -A							-	142,137,712	142,137,712
From +BBB to -B							51,962,270	3,627,927	55,590,197
Less than -B							5,962,499	40,057,156	46,019,655
Unclassified							38,556,602	128,607,946	167,164,548
Governments and public sector							616,173,325	408,263,523	1,024,436,848
Total							712,654,696	722,694,264	1,435,348,960

- 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.
- Credit exposures include facilities, balances, deposits at banks, bonds and treasury bills and any other assets that have credit exposure.

The following represents the distribution details of the fair value of collaterals against direct credit facilities valued in accordance with the requirements of the Central Bank of Jordan through independent experts at least once every 2 years. The cash margins balance is stated at fair value based on the exchange rates issued by the Central Bank of Jordan, and it is calculated individually as long as the margins balance does not exceed the credit facilities balance in any way:

USD

	Individuals	Companies			Government and Public Sector	Total
		Real Estate Loans	Large	Small and Medium		
December 31, 2015						
Guarantees against:						
Low risk	721,340	2,008,906	13,984,137	5,577,948	27,951,879	50,244,210
Acceptable risk	47,516,583	204,182,103	488,548,891	26,035,508	-	766,283,085
Watch list	595,255	13,141,449	23,631,701	439,729	-	37,808,134
Non-performing:						
Substandard	3,179,659	1,150,278	33,880,062	-	-	38,209,999
Allowance provided	2,829,207	1,875,197	766,951	659,910	-	6,131,265
Bad debt	2,960,182	15,354,992	33,618,097	939,332	-	52,872,604
Total	57,802,226	237,712,925	594,429,839	33,652,427	27,951,879	951,549,296
Of it:						
Cash margins	6,181,174	627,977	31,214,715	9,705,920	-	47,729,786
Accepted letters of guarantee	-	-	500,000	-	4,654,443	5,154,443
Real estate	4,783,436	237,084,948	398,485,821	17,916,103	23,297,436	681,567,742
Trade stocks	6,408,695	-	158,515,798	3,131,977	-	168,056,470
Vehicles and equipment	40,428,921	-	5,713,505	2,898,429	-	49,040,855
Total	57,802,226	237,712,925	594,429,839	33,652,427	27,951,879	951,549,296
	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
December 31, 2014						
Guarantees against:						
Low risk	562,578	2,704,443	10,920,168	5,376,685	-	19,563,874
Acceptable risk	48,876,079	183,834,027	480,023,846	15,141,355	29,040,764	756,916,071
Watch list	521,643	20,683,976	21,048,848	391,982	-	42,646,449
Non-performing:						
Substandard	1,050,389	194,488	3,123,588	143,165	-	4,511,630
Allowance provided	303,897	212,303	3,780,206	464,210	-	4,760,616
Bad debt	1,453,403	4,469,721	26,937,918	1,254,344	-	34,115,386
Total	52,767,989	212,098,958	545,834,574	22,771,741	29,040,764	862,514,026
Of it:						
Cash margins	4,126,823	2,704,443	25,109,246	8,408,100	-	40,348,612
Accepted letters of guarantee	-	-	500,000	-	4,654,442	5,154,442
Real estate	2,338,201	209,394,515	372,528,422	8,150,145	24,386,322	616,797,605
Trade stocks	7,521,337	-	140,803,419	2,434,337	-	150,759,093
Vehicles and equipment	38,781,628	-	6,893,487	3,779,159	-	49,454,274
Total	52,767,989	212,098,958	545,834,574	22,771,741	29,040,764	862,514,026

Scheduled Debts:

Scheduled debts represent debts previously classified as non-performing credit facilities, and have been taken out from the framework of non-performing credit facilities according to proper scheduling and classified as watch-list debts. Furthermore, the scheduled debts amounted to USD 11,898,423 in the year 2015 (USD 30,349,362 in the year 2014).

Restructured debt

Restructuring debts means reorganizing credit facilities in terms of adjusting payments, extending their term, postponing some installments, or extending the grace period. Restructuring unclassified debts amounted to USD 604,933 for the year 2015 (USD 12,172,370 for the year 2014).

Bonds, Bills and Debentures

The following table illustrates the classification of bonds, bills and debentures according to external rating institutions as of December 31, 2015 and 2014:

Rating Grade	Rating Institution	Financial Assets at Fair Value through the Income Statement	Within Financial Assets at Amortized Cost	Total as of December 31,	
				2015	2014
B	Fitch	9,701,000	-	9,701,000	5,032,320
BBB	Fitch	-	-	-	5,864,379
B-	Fitch	3,520,009	-	3,520,009	3,438,000
BBB-	Fitch	4,927,049	-	4,927,049	4,962,499
B1	Moody's	5,895,420	-	5,895,420	15,037,249
Baa	Moody's	-	-	-	407,039
Baa1	Moody's	9,886,307	-	9,886,307	3,114,909
Baa2	Moody's	975,360	-	975,360	949,430
Baa3	Moody's	4,957,800	2,967,000	7,924,800	13,126,850
B+	S&P	4,825,000	-	4,825,000	4,992,092
BB-	S&P	15,720,874	-	15,720,874	-
D	S&P	900,000	-	900,000	1,000,000
Governmental	-	-	687,130,992	687,130,992	616,173,325
Unclassified	-	29,604,154	23,230,606	52,834,760	38,556,602
Total		90,912,973	713,328,598	804,241,571	712,654,696

Credit risk exposure according to geographical areas is as follows.

Geographical area	Inside Jordan	Other Middle East Countries	Europe	Asia*	Africa*	America	Other Countries	Total
Balances at central banks	468,134,987	38,828,286	4,952,025	-	-	-	-	511,915,298
Balances at banks and financial institutions	14,114,827	112,460,520	127,374,631	477,221	82,299	61,765,392	431,058	316,705,948
Deposits at banks and financial institutions	2,820,860	10,000,000	-	-	-	-	25,000	12,845,860
Direct credit facilities:	-	-	-	-	-	-	-	-
For individuals	125,523,491	332,021	-	-	-	-	-	125,855,512
Real estate loans	233,073,382	723,573	1,839,101	-	-	-	-	235,636,056
Companies:								
Large	1,038,489,190	3,160,447	239,850,623	-	-	-	-	1,281,500,260
Small and medium (SMEs)	113,414,403	946,746	-	-	-	-	-	114,361,150
Government and public sector	170,835,977	8,041,234	-	-	-	-	-	178,877,212
Bonds, Bills and Debentures :	-	-	-	-	-	-	-	-
Within financial assets at fair value through the income statement	24,529,118	14,801,000	15,250,049	36,332,805	-	-	-	90,912,973
Within financial assets carried at amortized cost	710,361,597	-	-	2,967,000	-	-	-	713,328,597
Other assets	16,396,443	370,291	5,643,453	223,179	-	-	-	22,633,365
Total / current year	2,917,694,275	189,664,118	394,909,882	40,000,206	82,299	61,765,392	456,058	3,604,572,231
Total / comparative figures	2,628,038,412	200,200,759	322,321,292	63,684,484	290,674	87,436,506	811,216	3,302,783,344

* Excluding Middle East countries.

Credit risk exposure according to the economic sector is as follows:

USD

Economic Sector	Financial	Industrial	Services	Trade	Real-estate	Agricultural	Shares	Individuals	Government and Public Sector	Total
Balances at central banks	511,915,298	-	-	-	-	-	-	-	-	511,915,298
Balances at banks and financial institutions	316,705,948	-	-	-	-	-	-	-	-	316,705,948
Deposits at banks and financial institutions	12,845,860	-	-	-	-	-	-	-	-	12,845,860
Direct credit facilities - net:	39,878,432	483,473,326	424,425,855	341,982,378	235,375,915	32,127,192	71,764,819	119,292,694	187,909,578	1,936,230,189
Bonds, Bills and Debentures:										
Within financial assets at fair value through the income statement	48,275,829	4,825,000	5,954,650	-	540,201	-	-	-	31,317,293	90,912,973
Within financial assets at amortized cost	26,197,606	-	-	-	-	-	-	-	687,130,992	713,328,598
Other assets	11,587,944	3,552,536	3,829,128	2,639,931	1,023,826	-	-	-	-	22,633,365
Total / current year	967,406,917	491,850,862	434,209,633	344,622,309	236,939,942	32,127,192	71,764,819	119,292,694	906,357,863	3,604,572,231
Total / comparative figures	834,913,766	470,101,666	447,513,969	298,185,784	201,971,312	35,122,161	51,964,014	99,696,086	863,314,587	3,302,783,345

40/a. 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 financial instruments on - and off - the consolidated statement of financial position.

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 a shares and bonds investment portfolio for trading purposes (financial assets at fair value through the profit or loss) 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.

40/b. 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

For the Year 2015			
Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	(1,077,368)	(4,691,186)
Euro	1	(22,417)	-
GBP	1	(80,391)	-
Yen	1	-	-
Other currencies	1	(19,990)	-
Currency	(Decrease) in Interest Rate %	Interest Income Sensitivity Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	1,077,368	2,067,166
Euro	1	22,417	-
GBP	1	80,391	-
Yen	1	-	-
Other currencies	1	19,990	-
For the Year 2014			
Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	(570,542)	(3,290,874)
Euro	1	(20,291)	-
GBP	1	37,793	-
Yen	1	-	-
Other currencies	1	7,992	-
Currency	(Decrease) in Interest Rate %	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	570,542	667,632
Euro	1	20,291	-
GBP	1	(37,793)	-
Yen	1	-	-
Other currencies	1	(7,992)	-

40. /c. Foreign Currencies Risk:

The following table illustrates the currencies to which the Bank is exposed, the potential and reasonable change in their rates against the Jordanian Dinar, and the related impact on the consolidated statement of income. 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

For the Year 2015			
Currency	Change in Foreign Currency Rate %	Effect on Profit and Loss	Effect on Owners' Equity
Euro	5	5,010	-
GBP	5	1,539	-
Yen	5	1,522	-
Other currencies	5	177,100	-
For the Year 2014			
Currency	Change in Foreign Currency Rate %	Effect on Profit and Loss	Effect on Owners' Equity
Euro	5	19,469	-
GBP	5	2,731	-
Yen	5	571	-
Other currencies	5	473,322	-

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

For the Year 2015			
Indicator of	Change in Indicator %	Effect on Profit and Loss	Effect on Owners' Equity
Amman Stock Exchange	5	281,976	174,234
Palestine Stock Exchange	5	(10,439)	(80,882)
Dubai Stock Exchange	5	30,144	36,021
Saudi Arabia Stock Exchange	5	-	-
Qatar Stock Exchange	5	-	-
Kuwait Stock Exchange	5	37,818	-
For the Year 2014			
Indicator of	Change in Indicator %	Effect on Profit and Loss	Effect on Owners' Equity
Amman Stock Exchange	5	356,853	54,005
Palestine Stock Exchange	5	4,777	30,998
Kuwait Stock Exchange	5	93,849	-
Dubai Stock Exchange	5	58,449	-
Qatar Stock Exchange	5	124,655	-
Kuwait Stock Exchange	5	-	-

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.

Reclassification is made in accordance with the pricing interest periods or maturity, whichever are nearer.

Interest rate sensitivity is as follows:

USD

	Interest Rate Repricing Gap							Total
	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	
December 31, 2015								
Assets:								
Cash and balances at central banks	322,059,717	-	-	-	-	-	245,556,340	567,616,056
Balances at banks and financial institutions	66,031,563	130,810,674	-	-	-	-	119,863,711	316,705,948
Deposits at banks and financial institutions	-	-	12,845,860	-	-	-	-	12,845,860
Direct credit facilities - net	577,775,175	174,495,858	164,801,643	873,761,767	73,676,028	71,719,718	-	1,936,230,189
Financial assets at fair value through profit or loss	540,200	-	8,574,656	21,971,841	900,000	58,926,276	16,589,227	107,502,200
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	49,688,687	49,688,687
Financial assets at amortized cost	5,000,000	73,938,963	43,733,577	155,748,347	273,300,437	161,607,274	-	713,328,598
Property and equipment - net	-	-	-	-	-	-	36,391,815	36,391,815
Intangible assets - net	-	-	-	-	-	-	9,965,021	9,965,021
Deferred tax assets	-	-	-	-	-	-	10,428,176	10,428,176
Other assets	2,024,367	5,148,429	7,225,041	10,591,859	18,720,093	11,453,330	196,449,567	251,612,685
Total Assets	973,431,021	384,393,924	237,180,777	1,062,073,814	366,596,559	303,706,598	684,932,544	4,012,315,237
Liabilities:								
Banks and financial institutions deposits	399,160,004	-	-	40,600,110	-	-	5,953,532	445,713,646
Customers deposits	737,168,678	474,956,006	269,589,379	94,461,220	145,434,010	-	959,499,150	2,681,108,443
Cash margin	50,213,803	13,359,488	11,536,554	9,919,436	11,837,241	-	25,703,436	122,569,958
Borrowed funds	2,843,300	9,873,061	7,052,186	14,104,372	-	-	-	33,872,920
Other provisions	-	-	-	-	-	-	14,847,104	14,847,104
Provision for income tax	-	-	-	-	-	-	18,672,729	18,672,729
Deferred tax liabilities	-	-	-	-	-	-	4,599,457	4,599,457
Other liabilities	23,539,415	3,064,822	3,895,013	5,630,966	5,229,580	8,875,178	-	50,234,973
Total Liabilities	1,212,925,200	501,253,377	292,073,133	164,716,104	162,500,831	8,875,178	1,029,275,408	3,371,619,230
Interest Rate Repricing Gap	(239,494,179)	(116,859,453)	(54,892,355)	897,357,709	204,095,728	294,831,420	(344,342,863)	640,696,007
December 31, 2014								
Total Assets	857,998,422	377,259,162	218,582,027	897,738,218	545,012,962	135,322,526	648,925,283	3,680,600
Total Liabilities	1,197,679,556	453,154,717	266,588,525	105,821,222	143,327,050	2,701,946	895,266,674	3,064,539,690
Interest Rate Repricing Gap	(339,681,134)	(75,895,555)	(48,006,498)	791,916,996	401,685,912	132,620,580	(246,341,391)	616,298,910

Concentration in Foreign Currencies Risk:

USD

December 31, 2015	US Dollar	Euro	Pound Sterling	Japanese Yen	Others	Total
Assets:						
Cash and balances at the central banks	66,493,173	8,415,121	1,484,377	-	1,441,935	77,834,606
Balances at banks and financial institutions	153,892,564	88,711,720	16,916,148	477,924	12,048,344	272,046,700
Deposits at banks and financial institutions	10,025,000	-	-	-	-	10,025,000
Direct credit facilities - net	600,110,619	13,333,217	-	-	497,140	613,940,976
Financial assets at fair value through comprehensive income	5,637,507	22,572	-	-	22,269,489	27,929,568
Financial assets at amortized cost	94,067,000	-	-	-	-	94,067,000
Financial assets at fair value through profit or loss	78,747,606	-	-	-	14,439,491	93,187,097
Property and equipment	2,158,618	-	-	-	-	2,158,618
Intangible assets	219,829	-	-	-	-	219,829
Other assets	6,704,411	230,265	11,925	-	211,893	7,158,494
Total Assets	1,018,056,327	110,712,895	18,412,450	477,924	50,908,292	1,198,567,888
Liabilities:						
Banks and financial institutions deposits	418,157,646	9,293,183	-	-	-	427,450,829
Customers' deposits	544,140,020	50,285,508	26,793,432	1,446,590	21,615,596	644,281,145
Cash margins	25,278,945	2,813,965	272,572	155,450	444,659	28,965,591
Provision for income tax	422,079	-	-	-	-	422,079
Other liabilities	3,238,244	239,172	85,450	1,289	93,542	3,657,697
Total Liabilities	991,236,934	62,631,828	27,151,454	1,603,329	22,153,797	1,104,777,341
Net Concentration on Consolidated Statement of Financial Position for the Current Year	26,819,393	48,081,067	(8,739,004)	(1,125,405)	28,754,496	93,790,546
Off-Statement of Consolidated Financial Position Contingent Liabilities for the Current Year	213,227,327	13,770,457	329,537	2,204,307	6,849,437	236,381,066
December 31, 2014	US Dollar	Euro	Pound Sterling	Japanese Yen	Others	Total
Assets:						
Cash and balances at the central banks	54,464,938	9,284,010	801,324	-	3,644,038	68,194,310
Balances at banks and financial institutions	208,502,625	23,017,557	12,961,567	1,522,200	13,999,480	260,003,429
Deposits at banks and financial institutions	10,025,000	-	-	-	-	10,025,000
Direct credit facilities - net	549,552,162	11,199,377	-	-	318,976	561,070,515
Financial assets at fair value through comprehensive income	5,062,880	24,984	-	-	24,002,560	29,090,424
Financial assets at amortized cost	123,767,319	-	-	-	-	123,767,319
Financial assets at fair value through profit or loss	52,970,475	-	-	-	9,514,361	62,484,836
Property and equipment	133,939	-	-	-	-	133,939
Intangible assets	13,896	-	-	-	-	13,896
Other assets	7,454,151	226,997	10,141	-	204,640	7,895,929
Total Assets	1,011,947,385	43,752,925	13,773,032	1,522,200	51,684,055	1,122,679,597
Liabilities:						
Banks and financial institutions deposits	434,915,914	15,151,449	621	50,724	399,388	450,518,096
Customers' deposits	293,095,322	35,417,261	13,522,564	1,288,475	18,137,893	361,461,515
Cash margins	33,708,244	4,370,944	265,137	212,154	510,227	39,066,706
Provision for income tax	274,028	-	-	-	-	274,028
Other liabilities	4,661,310	367,080	85,784	1,250	84,278	5,199,702
Total Liabilities	766,654,818	55,306,734	13,874,106	1,552,603	19,131,786	856,520,047
Net Concentration on Consolidated Statement of Financial Position for the Current Year	245,292,567	(11,553,808)	(101,073)	(30,402)	32,552,270	266,159,554
Off-Statement of Consolidated Financial Position Contingent Liabilities for the Current Year	304,345,030	46,344,786	5,621,639	12,633,913	27,726,975	396,672,343

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 consolidated financial statements:

Liquidity risk is defined as the loss to which the Bank might be exposed due to the unavailability 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 on a daily basis 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	Not Tied to a Specific Maturity	Total
December 31, 2015								
Liabilities:								
Banks and financial institutions deposits	405,113,537	-	-	40,600,109	-	-	-	445,713,646
Customers' deposits	1,696,667,828	474,956,006	269,589,379	94,461,220	145,434,010	-	-	2,681,108,443
Cash margins	75,917,238	13,359,488	11,536,554	9,919,436	11,837,241	-	-	122,569,958
Borrowed funds	-	-	7,052,186	-	8,462,623	18,358,110	-	33,872,920
Other provisions	-	-	-	-	-	-	14,847,104	14,847,104
Income tax provision	-	-	18,672,729	-	-	-	-	18,672,729
Deferred tax liabilities	-	-	-	-	-	-	4,599,457	4,599,457
Other liabilities	23,539,415	3,064,822	3,895,013	5,630,966	5,229,580	8,875,178	-	50,234,973
Total Liabilities	2,201,238,018	491,380,316	310,745,862	150,611,731	170,963,454	27,233,288	19,446,561	3,371,619,230
Total Assets	1,309,121,980	492,544,756	224,165,168	420,481,557	795,483,408	464,762,073	305,756,295	4,012,315,237

	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	Not Tied to a Specific Maturity	Total
December 31, 2014								
Liabilities:								
Banks and financial institutions deposits	443,601,626	-	31,984,002	4,231,312	-	-	-	479,816,940
Customers' deposits	1,506,884,134	425,657,495	218,567,983	78,238,212	125,855,337	-	-	2,355,203,161
Cash margins	72,383,127	12,949,379	11,275,697	9,413,085	10,618,432	-	-	116,639,720
Borrowed funds	-	-	-	-	-	16,537,938	-	16,537,938
Other provisions	-	-	-	-	-	-	13,009,718	13,009,718
Income tax provision	14,070,077	-	5,378,540	-	-	-	-	19,448,617
Deferred tax liabilities	-	-	-	-	-	-	4,340,199	4,340,199
Other liabilities	26,225,733	7,119,850	4,760,846	6,886,426	6,853,282	7,697,260	-	59,543,397
Total Liabilities	2,063,164,697	445,726,724	271,967,068	98,769,035	143,327,051	24,235,198	17,349,917	3,064,539,690
Total Assets	1,144,897,464	482,800,977	212,886,385	298,028,595	912,554,156	328,792,086	300,878,942	3,680,838,605

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 consolidated financial statements:

	Up to One Month	From One Month to 3 Months	From 3 Months to 6 Months	Total
December 31, 2015				
Trading derivatives:				
Currency	920,731	-	-	920,731
	Up to One Month	From One Month to 3 Months	From 3 Months to 6 Months	Total
December 31, 2014				
Trading derivatives:				
Currency	-	-	-	-

Third: Off- consolidated statement of financial position items: USD

	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
December 31, 2015				
Letters of credit and acceptances	132,456,717	-	-	132,456,717
Unutilized credit facilities ceilings	131,592,382	-	-	131,592,382
Letters of guarantee	368,258,810	-	-	368,258,810
Operating lease contract liabilities	365,224	5,023,728	15,720,298	21,109,250
Total	632,673,133	5,023,728	15,720,298	653,417,159
	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
December 31, 2014				
Letters of credit and acceptances	232,241,354	-	-	232,241,354
Unutilized credit facilities ceilings	127,768,719	-	-	127,768,719
Letters of guarantee	401,321,850	-	-	401,321,850
Operating lease contract liabilities	-	3,396,293	13,879,138	17,275,431
Total	761,331,923	3,396,293	13,879,138	778,607,354

41. Information on the Bank's Business Activities

a. The Bank is organized, for managerial purposes, into four major sectors. These sectors are measured according to reports used by the Chief Executive Officer and key decision makers at the Bank. Moreover, the Bank owns two subsidiaries: one in the financial brokerage sector, and the other in the finance leasing sector as of the consolidated financial statements date:

- Individual accounts: This item includes following up on individual customers deposits, and granting them credit facilities, credit cards, and other services.
- Corporate accounts: This item includes following up on deposits, credit facilities, and other banking services related to corporate customers.
- Treasury: This item includes providing dealing services and managing the Bank's funds.
- Others: This industry includes the activities which do not meet the definition of the Bank's business activities mentioned above.
- Financial brokerage services: This item includes practicing most of the brokerage and financial consultation services.
- Finance leasing services: This item includes leasing services and real estate development projects.

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

USD

	Individuals	Corporations	Treasury	Brokerage	Leasing	Others	Total	
							2015	2014
Gross income for the year	32,198,859	84,941,457	50,569,518	5,002,238	4,699,670	2,983,276	180,395,019	175,040,843
Less: Provision of impairment loss in direct credit facilities	2,495,896	26,492,113	-	423,131	178,028	-	29,589,168	20,247,616
Results of Business Sector	29,702,963	58,449,344	50,569,518	4,579,107	4,521,642	2,983,276	150,805,851	154,793,227
Less: Expenditures not distributed over sectors	-	-	-	1,653,935	910,818	68,597,464	71,162,217	66,084,064
Income before Income Tax	29,702,963	58,449,344	50,569,518	2,925,172	3,610,824	(65,614,188)	79,643,634	88,709,163
Less: Income tax expense for the year	-	-	-	506,762	928,669	22,620,508	24,055,938	22,754,726
Income for the Year	29,702,963	58,449,344	50,569,518	2,418,410	2,682,155	(88,234,695)	55,587,696	65,954,437
Capital Expenditures						7,299,587	7,299,587	9,194,554
Depreciation and Amortization						7,374,323	7,374,323	4,505,475
Sector's Assets	403,804,685	1,753,740,553	1,758,741,501	20,842,429	59,225,557	-	3,996,354,725	3,664,303,680
Assets not distributed over sectors	-	-	-	-	-	15,960,512	15,960,512	16,534,920
Total Assets	403,804,685	1,753,740,553	1,758,741,501	20,842,429	59,225,557	15,960,512	4,012,315,237	3,680,838,600
Sector's Liabilities	1,613,179,551	1,221,812,302	484,186,023	4,765,037	23,184,602	-	3,347,127,515	3,041,556,048
Liabilities not distributed over sectors	-	-	-	-	-	24,491,715	24,491,715	22,983,642
Total Liabilities	1,613,179,551	1,221,812,302	484,186,023	4,765,037	23,184,602	24,491,715	3,371,619,230	3,064,539,690

b. Information on the Geographical Allocation:

This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations, which represent local operations, mainly in the Hashemite Kingdom of Jordan.

Moreover, the Bank conducts international operations through its branches in Cyprus and Palestine.

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

USD

	Inside Kingdom		Outside Kingdom		Total	
	2015	2014	2015	2014	2015	2014
Gross income	160,278,417	151,318,330	20,116,602	23,722,513	180,395,019	175,040,843
Capital expenditures	7,299,587	9,194,554	-	-	7,299,587	9,194,554
Total Assets	3,395,920,345	3,373,563,028	616,394,892	307,275,572	4,012,315,237	3,680,838,600

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 based on 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 amounts and non-controlling interests net of loss for the period, costs of the acquisition of treasury shares, deferred provisions approved by the Central Bank, and goodwill support. Capital (tier 2) consists of the foreign currencies translation differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the financial assets valuation reserve, if positive; and is deducted in full, if negative, through the statement of other comprehensive income.

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, insurance, 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 million and shareholders' 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 the following:

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 10% 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 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

	2015	2014
	(Thousand)	(Thousand)
Core Capital Items:		
Authorized and paid up capital	141,044	141,044
Statutory reserve	109,281	101,436
Voluntary reserve	202,196	186,508
Retained earnings (after deducting proposed dividends and deferred tax assets)	113,045	111,947
Non-controlling interests		
Less:		
Deferred provisions agreed with the Central Bank of Jordan	15,073	24,859
Goodwill and intangible assets	9,965	10,384
50% from the investments in insurance companies, financial companies, and significant investments in other companies	9,853	15,549
Seized properties whose ownership period is more than four years, or two years and less than four years, without the Central Bank of Jordan's approval.	-	9,726
Total Core Capital	530,675	480,417
Supplementary Capital Items:		
General banking risks reserve	18,834	18,311
Pro-cyclicality fluctuation reserve	321	321
Valuation reserve of financial assets at fair value through other comprehensive income at 100% of the negative change or 45% of the positive change	2,717	3,836
Less:		
50% of investments in insurance companies, financial institutions and significant investments in other companies	9,853	15,549
Total Regulatory Capital	542,694	487,336
Total Assets Weighted by Risks	2,977,465	2,921,349
Ratio of regulatory capital	18/23%	16/68%
Core capital ratio *	17/82%	16/45%

* Core capital has been calculated net of investments in banks and a financial subsidiary company.

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
December 31, 2015			
ASSETS			
Cash and balances at central banks	567,616,056	-	567,616,056
Balances at banks and financial institutions	316,705,948	-	316,705,948
Deposits at banks and financial institutions	12,845,860	-	12,845,860
Direct credit facilities - net	1,219,587,096	716,643,093	1,936,230,189
Financial assets at fair value through profit or loss	24,917,305	82,584,896	107,502,200
Financial assets at fair value through comprehensive income	-	49,688,687	49,688,687
Financial assets at amortized cost	278,420,804	434,907,794	713,328,598
Property and equipment - net	-	36,391,815	36,391,815
Intangible assets - net	-	9,965,021	9,965,021
Deferred tax assets	-	10,428,176	10,428,176
Other assets	74,440,385	177,172,300	251,612,685
TOTAL ASSETS	2,494,533,454	1,517,781,783	4,012,315,237
LIABILITIES			
Banks and financial institutions deposits	445,713,646	-	445,713,646
Customers deposits	2,535,674,433	145,434,010	2,681,108,443
Cash margins	110,732,717	11,837,241	122,569,958
Borrowed funds	7,052,186	26,820,733	33,872,920
Other provisions	-	14,847,104	14,847,104
Provision for income tax	18,672,729	-	18,672,729
Deferred tax liabilities	-	4,599,457	4,599,457
Other liabilities	36,130,216	14,104,757	50,234,973
TOTAL LIABILITIES	3,153,975,927	217,643,303	3,371,619,230
NET ASSETS	(659,442,473)	1,300,138,480	640,696,007

USD

	Up to One Year	More than One Year	Total
December 31, 2014			
ASSETS			
Cash and balances at central banks	463,767,218	-	463,767,218
Balances at banks and financial institutions	298,763,992	-	298,763,992
Deposits at banks and financial institutions	15,666,749	-	15,666,749
Direct credit facilities - net	1,154,233,357	688,163,329	1,842,396,686
Financial assets at fair value through profit or loss	25,082,028	49,343,278	74,425,306
Financial assets at fair value through comprehensive income	-	42,134,447	42,134,447
Financial assets at amortized cost	179,293,396	477,485,190	656,778,586
Property and equipment - net	-	22,785,549	22,785,549
Intangible assets - net	-	10,384,342	10,384,342
Deferred tax assets	-	9,206,567	9,206,567
Other assets	19,777,471	224,751,687	244,529,158
TOTAL ASSETS	2,156,584,211	1,524,254,389	3,680,838,600
LIABILITIES			
Banks and financial institutions deposits	479,816,940	-	479,816,940
Customers deposits	2,229,347,824	125,855,337	2,355,203,161
Cash margins	106,021,288	10,618,432	116,639,720
Borrowed funds	-	16,537,938	16,537,938
Other provisions	-	13,009,718	13,009,718
Provision for income tax	19,448,617	-	19,448,617
Deferred tax liabilities	-	4,340,199	4,340,199
Other liabilities	44,992,857	14,550,540	59,543,397
TOTAL LIABILITIES	2,879,627,526	184,912,164	3,064,539,690
NET ASSETS	(723,043,315)	1,339,342,225	616,298,910

45. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Bank specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

USD

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	December 31,					
	31, 2015	2014				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Profit or Loss						
Companies shares	16,589,227	18,549,196	Level One	Stated rates in financial markets	Doesn't Apply	Doesn't Apply
Companies bonds	90,912,973	55,876,110	Level One & Two	Stated rates in financial markets and compare market price for similar financial statement	Doesn't Apply	Doesn't Apply
Total	107,502,200	74,425,306				
Foreign currency derivatives contracts	1,045	1,045	Level One	Stated rates in financial markets	Doesn't Apply	Doesn't Apply
Financial Assets at Fair Value through Comprehensive Income						
	22,206,394	12,855,317	Level One	Stated rates in financial markets	Doesn't Apply	Doesn't Apply
Shares with no available market price	27,482,293	29,279,130	Level Two	Stated rates in financial markets and compare market price for similar financial statement	Doesn't Apply	Doesn't Apply
Total	49,688,687	42,134,447				
Total Financial Assets at Fair Value	157,190,887	116,559,753				
Financial Liabilities at Fair Value						
Foreign currency derivatives contracts		-	Level One	Stated rates in financial markets	Doesn't Apply	Doesn't Apply
Total Liabilities at Fair Value		-				

There were no transfers between level 1 and level 2 during the year 2015.

B -The fair value of the financial assets and financial liabilities of the Bank (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the financial statements of the Bank approximates their fair value because the Bank's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the year.

USD

	December 31, 2015		December 31, 2014		The Level of
	Book value	Fair Value	Book value	Fair Value	Fair Value
Financial Assets of Non-specified Fair Value					
Cash at Central Banks	511,915,298	511,969,226	408,263,523	408,319,233	Level Two
Cash at Banks and Financial Institutions	316,705,948	316,845,158	298,763,992	298,852,129	Level Two
Deposits at Banks and Financial Institutions	12,845,860	12,885,331	15,666,749	15,815,959	Level Two
Loans and Bills and others	1,936,230,189	1,947,669,375	1,842,396,686	1,856,599,396	Level Two
Financial Assets at Amortized Cost	713,328,598	717,488,571	656,778,586	658,954,140	Level One & Two
Total Financial Assets of Non-specified Fair Value	3,491,025,893	3,506,857,661	3,221,869,536	3,238,540,857	
Financial Liabilities of Non-specified Fair Value					
Deposits at Banks and Financial Institutions	445,713,646	446,548,161	479,816,940	481,150,905	Level Two
Customers' Deposits	2,681,108,443	2,688,384,910	2,355,203,161	2,362,579,910	Level Two
Cash Margin	122,569,958	123,154,701	116,639,720	117,337,970	Level Two
Borrowed Funds	33,872,920	34,274,667	16,537,938	16,569,824	Level Two
Total Financial Liabilities of Non-specified Fair Value	3,283,264,966	3,292,362,439	2,968,197,759	2,977,638,609	

The fair value of the financial assets and liabilities for level 2 and level 3 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.

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

a. Credit commitments and contingencies:

USD

	2015	2014
Letters of credit	88,513,505	168,445,657
Letters of acceptances	43,943,212	63,795,697
Letters of guarantee:		
Payments	136,892,494	229,383,788
Performance bonds	154,236,190	128,454,453
Other	77,130,125	43,483,609
Unutilized credit facilities ceilings	131,592,382	127,768,719
Total	632,307,908	761,331,923

b. Contractual obligations:

USD

	2015	2014
Contracts to purchase property and equipment	3,396,612	3,137,285
Construction contracts	2,137,300	1,760,137
Other purchases contracts	1,765,675	4,297,132
Total	7,299,587	9,194,554

c. Operating leases amounted to USD 21,109,250 with periods ranging from 1 to 10 years (USD 17,275,431 as of December 31, 2014).

47. Lawsuits against the Bank

- a. The Bank is a defendant in lawsuits amounting to USD 30,706,927 as of December 31, 2015 (USD 10,667,611 as of December 31, 2014). In the opinion of the Bank's management and its legal advisor, no liabilities shall arise against the Bank exceeding the existing provision of USD 886,717 as of December 31, 2015 (USD 625,344 as of December 31, 2014).
- b. As of December 31, 2015 and 2014, there were no lawsuits against the subsidiary companies.

48. Application of New and Revised International Financial Reporting Standards (IFRSs)

48. a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2015, have been adopted in these consolidation financial statements. The application of these 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.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties linked to service should be attributed to periods of service.

48. b. New and Revised IFRSs issued but not yet effective

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

	Effective for Annual Periods Beginning on or after
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
Amendments to IAS 1 Presentation of Financial Statements relating to disclosure initiative.	January 1, 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations.	January 1, 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization.	January 1, 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants.	January 1, 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures, and associates to be optionally accounted for using the equity method in separate financial statements.	January 1, 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities.	January 1, 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	January 1, 2016
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014). IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013, to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014, mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.	January 1, 2018

A finalised version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement: Financial assets are classified by reference to the business model, within which they are held, and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- Hedge accounting: Introduces a new hedge accounting model designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 7 Financial Instruments: Disclosures relating to the initial application of IFRS 9.

When IFRS 9 is first applied

IFRS 7 Financial Instruments: Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.

When IFRS 9 is first applied

IFRS 15 Revenue from Contracts with Customers.

In May 2015, IFRS 15 was issued and established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations when it becomes effective.

January 1, 2018

The core principle of IFRS 15 is that an entity should recognize revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 16 Leases.

IFRS 16 specifies how an IFRS reporter will recognise, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

January 1, 2019

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture

Effective date deferred indefinitely

Management anticipates that these new and revised standards, interpretations, and amendments will be adopted in the Bank's consolidated financial statements for the year beginning January 1, 2016, or as and when they are applicable; and adoption of these new standards, interpretations, and amendments, except for IFRS 9, IFRS 15, and IFRS 16, may have no material impact on the consolidated financial statements of the Bank in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Bank's consolidated financial statements for the annual year beginning January 1, 2018. Moreover, management anticipates that IFRS 16 will be adopted in the Bank's consolidated financial statements for the annual year beginning January 1, 2019. The application of IFRS 15, IFRS 9, and IFRS 16 may have significant impact on amounts reported and disclosures made in the Bank's consolidated financial statements in respect of revenue from contracts with customers and the Bank's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effects of the application of these standards until the Bank performs a detailed review.





Statement of Disclosure

Jordan Kuwait Bank

Statement of Disclosure for the Financial Year ending 31/12/2015, 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 56 branches in Jordan, in addition to a Regional Management and two branches in Palestine and one branch in Cyprus. Total capital expenditure for the year 2015 amounted to USD7.29 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	542	Al-Rabiyah Branch	10	Mecca Street Branch	13
Main Branch	16	Vegetable Market Branch	10	Al-Rawnaq Branch	8
Abdali Branch	19	Madina Munawarah St. Branch	13	Southern Sweileh Branch	9
Jabal Amman Branch	12	Sweifiyyah Branch	13	Irbid Branch	14
Wehdat Branch	13	Nazzal Branch	8	Wadi Saqra Branch	8
Tla' El 'Ali Branch	14	Mecca Mall Branch	15	Al-Husson St. Branch- Irbid	6
Jabal Al-Hussein Branch	14	Petra University Branch	4	Yarmouk University Branch- Irbid	8
Commercial Center Branch	11	Al-Mougablain Branch	9	Al-Mafraq Branch	7
Abu-Alanda Branch	11	Marj El-Hamam Branch	10	Al-Karak Branch	8
Yarmouk Branch	10	Zain Branch	6	Aqaba Branch	10
Wadi El-Seir Branch	12	Samarah Mall Branch	6	Zarqa Branch	12
Jubaiha Branch	12	Al-Ahliyya Amman University Branch	8	Russaifeh Branch	8
Amra Branch	10	Baq'ah Branch	10	Zarqa Free Zone Branch	10
Abdoun Branch	14	Madaba Branch	10	New Zarqa Branch	7
Abu-Nsair Branch	7	Al-Salt Branch	6	Al-Madineh Al-Riyadeah Branch	12
Marka Branch	11	King Abdullah Bureau Branch	3	King Abdullah II St. Branch - Irbid	8
Ibn Khaldoun Branch	8	Khalda Branch	9	Regional Management - Palestine	8
Dabouq Branch	10	Dair Ghbar Branch	8	Nablus Branch -Palestine	11
City Mall Branch	9	Taj Mall Branch	8	Ramallah Branch - Palestine	12
Shmeissani Branch	14	Galleria Mall Branch	8	Cyprus Branch	8
King Hussein Bin Talal St. Branch - Zarqa	9				
United Financial Investments Co. (Subsidiary)					15
Ejara Leasing Co. (Subsidiary)					16

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 50.22% of the company's capital of JD8 million (USD11.28m) as at December 2015.

The Company's H.Q. is located in Shmeissani, Amman with 15 working employees.

Ejara Leasing Company

Jordan Kuwait Bank established Ejara Leasing Company on January 6, 2011. The company was registered as a private shareholding company with paid-up capital JD10 million (USD14.1m) fully paid by the Bank. In September 2012 Ejara's capital was raised to JD20 million (USD28.2m).

Ejara Leasing Company aims to provide innovative and high quality leasing services to supplement the banking and financing services offered at Jordan Kuwait Bank to be in line with the developments in the financial market, meet the needs of the Bank's clients and support the various economic activities, while developing the concept of financial leasing and providing the Bank's clients with different financing alternatives.

The Company's H.Q. is located in the Mecca Street Branch building, Amman with 16 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.

Current Positions:

- Chairman of the Board of Trustees, Al-Ahliyya Amman University
- Chairman, United Financial Investments Company / Representative of Jordan Kuwait Bank
- Chairman, Algeria Gulf Bank – Algeria / Representative of Jordan Kuwait Bank
- Board Member, Jordan Dairy Company
- Board Member, Burgan Bank – Kuwait

Previous 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)

Previous Business Experiences:

- 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: Pilot License, Jordanian Aviation Academy, 1981.

Current and Previous Positions:

- Vice Chairman, Kuwait Projects Co. (Holding) - Kuwait
- Chairman, Panther Media Group (OSN) - Dubai, UAE
- Vice Chairman, Gulf Insurance Group - Kuwait
- Vice Chairman, United Gulf Bank - Bahrain
- Vice Chairman, Mashare'a Al-Khair Est. - Kuwait
- Board Member, Saudi Dairy & Foodstuff Co. (SADAFCO) - Saudi Arabia
- Board Member, Gulf Egypt for Hotels & Tourism Co. - Egypt
- Trustee, American University of Kuwait - Kuwait
- Honorary Chairman, Kuwait Association for Learning Differences – Kuwait

Honors & Awards:

- Kuwait Financial Forum 2009, for contributions to the Kuwait investment sector and success in global financial markets
- Tunis Arab Economic Forum 2007
- Lifetime Achievement Award, Beirut Arab Economic Forum 2007
- Arab Bankers Association of North America (ABANA) Achievement Award in 2005

3. 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 Economics, Kuwait University, 1973 and a High Diploma in Banking Studies, 1975.

Current and Previous Positions:

- Chief Executive Officer of the banking sector, Kuwait Projects Co. (Holding) - Kuwait (2010 – Present)
- Chairman, United Gulf Bank – Bahrain
- Chairman, Syria Gulf Bank - Syria
- Chairman & Chairman of the Executive Committee, Tunis International Bank - Tunis
- Vice Chairman, FIMBank - Malta
- Vice Chairman & Chairman of the Executive Committee, Algeria Gulf Bank - Algeria
- Vice Chairman, Royal Capital Co. – Abu Dhabi
- Deputy Chairman & Chairman of the Executive Committee, Bank of Baghdad - Iraq
- Board Member, KIPCO Asset Management Co. (KAMCO) - Kuwait
- Board Member, Burgan Bank - Kuwait
- Board Member, North African Co.
- Board Member – Masharea AlKhair

4. Mr. Tariq M. Abdul Salam

Board Member, Representative of Kuwait Projects Co. (Holding) – Kuwait

Date of Membership: 15/7/1997

Date of Birth: 1965

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

Current Positions:

- Chief Executive Officer of the Investment sector, Kuwait Projects Co. (Holding) - Kuwait (2011 - Present)
- Chairman, United Real Estate Company - Kuwait (2010 - Present)
- Vice Chairman, Kuwait Clearing Co. – Kuwait (2004 - Present)
- Board Member, KIPCO Asset Management Co. (KAMCO) - Kuwait (2013 - Present)
- Board Member, Saudi Dairy & Foodstuff Co. (SADAFCO) - Saudi Arabia (2012 - Present)
- Board Member, Qurain Petrochemical Industries Co. (2006 - Present)
- Board Member, North Africa Co. Holding (2014 – Present)

Previous Positions:

- Chairman, Burgan Bank - Kuwait (2007 - 2010)
- Vice Chairman, Burgan Bank – Kuwait (2004 - 2007)
- Board Member, Royal Capital – Abu Dhabi (2007 – 2014)
- Board Member, Bank of Kuwait & Middle East – Kuwait (2003 - 2004)
- Board Member, United Gulf Bank – Bahrain (2002 - 2008)
- Board Member, Industrial Bank of Kuwait – Kuwait (2002 - 2003)
- Board Member, KIPCO Asset Management Co. (KAMCO) (1998 - 2009)
- General Manager, KIPCO Asset Management Co. (KAMCO) (1998 - 2006)
- Chairman, Kuwait Clearing Co. – Kuwait (1997 - 2004)
- Board Member, Gulf Insurance Company – Kuwait (1997 - 2001)
- Vice President, Trading and Investment Portfolio Management, Kuwait Investments Projects Co.- Kuwait (1996 – 1999)
- Board Member, Bahrain and Kuwait Insurance Co. – Kuwait (1992-2008)
- Manager, Trading and Global Investment Projects Department, Kuwait Investment Projects Co.-Kuwait (1992 - 1996)
- Manager, Global Securities Department, International Financial Advisors Company (1987 - 1991)

5. 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, 1961.

Previous Positions:

- 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)
- Administrative Manager, Ministry of Public Works - Kuwait (1961 - 1966)

6. 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.

Current and Previous Positions:

- Deputy Head of Management Committee, Amman Surgical Hospital
- Member of the Jordanian Senate (2011 – 2013)
- 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

7. 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.

Current Positions:

- Business Development Manager, Siemens Company - Jordan Branch
- Board Member, United Financial Investments Co. / Representative of Jordan Kuwait Bank

Previous Positions:

- Board Member, Arab Orient Insurance Co. (2009 - 2013)
- Board Member, Jordan New Cable Company (2008 - 2011)
- 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)

8. Mr. Bijan Khosrowshahi

Board Member, Representative of Odyssey Reinsurance Co.- U.S.A

Date of Membership: 23/3/2011

Date of Birth: 1961

Education: MBA, 1986 and Bachelor degree in Mechanical Engineering, Drexel University, USA, 1983.

Current Positions:

- President of Fairfax International, London
- Board member, Representative of Fairfax Financial Holdings Limited for the following companies:
 - Gulf Insurance Company – Kuwait
 - Gulf Insurance & Reinsurance Company (GIRI) - Kuwait
 - Bahrain Kuwait Insurance – Bahrain
 - Arab Misr Insurance Group – Egypt
 - Arab Orient Insurance Company – Jordan
 - Alliance Insurance P.S.C. - Dubai
 - BRIT Limited - United Kingdom
 - Commercial International Bank – Egypt

Previous Positions:

- President & CEO, Fuji Fire and Marine Insurance Company, Japan
- President, AIG's General Insurance operations, Seoul, Korea (2001-2004)
- Vice Chairman and Managing Director, AIG Sigorta, Istanbul, Turkey (1997-2001)
- Regional Vice President, AIG's domestic property and casualty operations for the Mid-Atlantic region, USA
- Held various underwriting and management positions with increasing responsibilities, AIG, USA since 1986
- Board member, Foreign Affairs Council
- Board member, Insurance Society of Philadelphia
- Council member, USO, Korea
- Chairman, Insurance committee of the American Chamber of Commerce, Korea
- Member, Turkish Businessmen's Association

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.

Previous Positions:

- Asst. General Manager, Credit Dept (1990 – 1993)
- Asst. General Manager, Credit Administration and Control, Commercial Bank of Kuwait - Kuwait (1971 – 1990)

Previous Memberships:

- Board Secretary (1993-2014)
- Board Member, The Association of Banks in Jordan (2010 - 2015)
- Vice Chairman, The Association of Banks in Jordan (2005-2010)
- Board Member, Arab Orient Insurance Co./ Representative of Jordan Kuwait Bank (July, 2009- March, 2013)
- Chairman and Board Member, Arab Orient Insurance Co. / Representative of Strategy Company for Investments (Jan. 2009-June, 2009)

2. Mr. Tawfiq A. Mukahal

Position: Deputy General Manager – Head of Banking Group

Date of Birth: 1951

Date of joining: 12/10/1991

Education: Secondary School Certificate, 1969.

Previous Positions:

- 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)

Memberships:

- Board Member, Jordan Mortgage Refinance Co./ Representative of Jordan Kuwait Bank
- Board Member, Jordan Loan Guarantee Corporation / Representative of Jordan Kuwait Bank

3. Mr. Shafer 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.

Previous Positions:

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

4. Mr. William J. Dababneh

Position: Head of Treasury & Investment

Date of Birth: 1957

Date of joining: 27/8/1994

Education: Secondary School Certificate, 1975.

Previous Positions:

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

5. Mrs. Hiyam S. Habash

Position: Head of Finance

Date of Birth: 1955

Date of joining: 6/2/1999

Education: Diploma in Applied Science, American Lebanese University, 1978.

Previous Positions:

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

6. Mr. Haethum S. Buttikhi

Position: Head of Retail & Private Banking

Date of Birth: 1977

Date of joining: 1/6/2003

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

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

Previous Positions:

- Executive Manager, Private Banking Unit (2006 - 2007)
- Manager, Main Branch (2003 - 2005)

Memberships:

- Chairman, Ejara Leasing Co. (fully owned subsidiary) (2011 – Present)
- Board Member, United Financial Investments Co. (2005 – Present)
- Vice Chairman, Middle East Payment Services (MEPS) / Representative of Jordan Kuwait Bank (2009 – Present)
- Board Member, Jordan Phosphate Mines Co./ Representative of Jordan Kuwait Bank (2012 – Present)

7. Mr. Abdel Kareem M. Friehat

Position: Head of Operations & Information Technology

Date of Birth: 1966

Date of joining: 6/10/2013

Education: Bachelor degree in Electrical Engineering, Mu'tah University, 1988.

Previous Positions:

- CEO, Almanar CroweHorwath – Saudi Arabia (2011-2013)
- Chief Information Officer, Bank Al Jazira - Saudi Arabia (2001-2011)
- Secretary General, Ministry of Information and Communication Technology - Jordan (2007-2008)
- General Manager, ComNet (1999-2001)
- Communications Consultant, Housing Bank for Trade and Finance (1995-1999)
- Communications Engineer, Communications Dept. Jordanian Armed Forces (1988-1995)

8. Mr. Zuhdi B. Al-Jayousi

Position: Head of Corporate Credit

Date of Birth: 1970

Date of joining: 6/9/1997

Education: Bachelor degree in Accounting, Al- Ahliyya Amman University, 1994.

Previous Positions:

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

Memberships:

- Board Member, Comprehensive Leasing Co. / Representative of Jordan Kuwait Bank (2006 - Present)

9. Mr. Ibrahim E. Kasha

Position: Head of Legal Affairs

Date of Birth: 1962

Date of joining: 1/4/1989

Education: Bachelor degree in Law, University of Jordan, 1986.

Previous Positions:

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

Memberships:

- Board Member, Ejara Leasing Co. (fully owned subsidiary)

10. Mr. Ibraheem S. Al-Hanash

Position: Regional Head – Palestine Branches

Date of Birth: 1957

Date of joining: 1/2/1981

Education: Bachelor degree in Accounting, Philadelphia University – Jordan, 1999.

Previous Positions:

- Jordan Kuwait Bank – Jordan (1981-2007)

Memberships:

- Board Member, The Arab Hotels Co. – Palestine/ Representative of Jordan Kuwait Bank (2013 – Present)

11. Mr. Moh'd J. Azem Hammad

Position: Head of Risk 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.

Previous Positions:

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

Memberships:

- Board Member, Ejara Leasing Co. (fully owned subsidiary) (2013 – Present)

12. Mr. Sa'ed M. Tu'meh

Position: Head of Compliance Department

Date of Birth: 1970

Date of joining: 1/5/2001

Education: Bachelor degree in Accounting, University of Jordan, 1992.

Previous Positions:

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

13. Mr. Abdallah I. Mismar

Position: Head of Administration Affairs Department

Date of Birth: 1973

Date of joining: 5/3/2000

Education: Bachelor degree in Law, Al-Ahliyya Amman University, 1997.

Previous Positions:

- Legal Affairs Department at Ministry of Interior (1997-2000)

14. Mr. Daoud A. Issa**Position:** Head of Human Resources Department**Date of Birth:** 1973**Date of joining:** 18/11/2012**Education:** Bachelor degree in Economics, Al-Yarmouk University, 1998.**Previous Positions:**

- Head of HR planning and budget and Head of Personnel, Qatar Petroleum and its affiliated companies - Qatar (2004-2012)
- Personnel Manager, Lotus Trading and Contracting Company – Qatar (2001 – 2004)
- Personnel and Public Relations Manager, Engineering Technical Contracting Company – Jordan (2000-2001)

15. Mr. Ibraheem F. Taani**Position:** Head of Internal Audit Department**Date of Birth:** 1964**Date of joining:** 4/11/2013**Education:** Master degree in finance and banking, Arab Academy for Banking and Financial Sciences, 1994.**Previous Positions:**

- Head of Internal Audit, Standard Chartered Bank – Jordan (2011-2013)
- Executive Vice President, ABC Investment (2009-2011)
- Chief Financial Officer, Aloula Geojit – KSA (2007-2009)
- Head of Examiners/ Inspectors - Central Bank of Jordan (1989-2007)
- Financial Analyst, Jordan Securities Commission (1988-1989)

4b/4: Shareholders who own 1% or more of the Bank's shares (2015 & 2014)

Shareholder	Nationality	No. of Shares 31/12/2015	%	No. of Shares 31/12/2014	%	Ultimate Beneficiary	Mortgaged Shares
Burgan Bank	Kuwaiti	1,000	00.001	50,927,827	50.928	Kuwait Projects Company (Holding) (KIPCO)	-
Al Rawabi International Real Estate Co.	Kuwaiti	50,926,827	50.927	-	-	Kuwait Projects Company (Holding) (KIPCO)	-
Social Security Corporation	Jordanian	21,041,644	21.042	21,041,644	21.042	Itself	-
Odyssey Reinsurance Company	American	5,850,000	5.850	5,850,000	5.850	Fairfax Financial Holdings	-
Orient Holding Company	Kuwaiti	1,097,246	1.097	1,097,246	1.097	Itself	-
Proudstar Trading Limited	Cypriot	1,052,793	1.053	1,052,793	1.052	Itself	-
Kuwait Wealth Holding Ltd	Virgin Islands	1,000,000	1.000	1,000,000	1.000	Itself	-

4b/5: Competitive position: The Bank operates within the Jordanian banking sector, which includes 26 banks, 10 of which are foreign banks. The Bank has 56 branches in Jordan, 2 branches in Palestine and a branch in Cyprus. The Bank's main activities include the acceptance of deposits, granting credit, and offering banking and investment services to various economic sectors, institutions and individuals. The Bank's share of the total banking facilities in Jordan was 5.8% and 5.7% of total deposits as at 31/12/2015.

4b/6: Al Emar Contracting Company, Abdullah Al Tabbaa For Maintenance & Contracting Est, and M. A. Abu Eiesheh & Bros. Contracting Co., obtained more than 10% of the total Bank's purchases for the year 2015. The purpose of the contracts was to complete the finishing of the acquired villas at Andalucia project.

4b/7:

- The Bank does not enjoy any governmental concessions or protection in accordance with the prevailing rules and regulations.
- The Bank does not have any patents or franchise rights acquired by the Bank.

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.

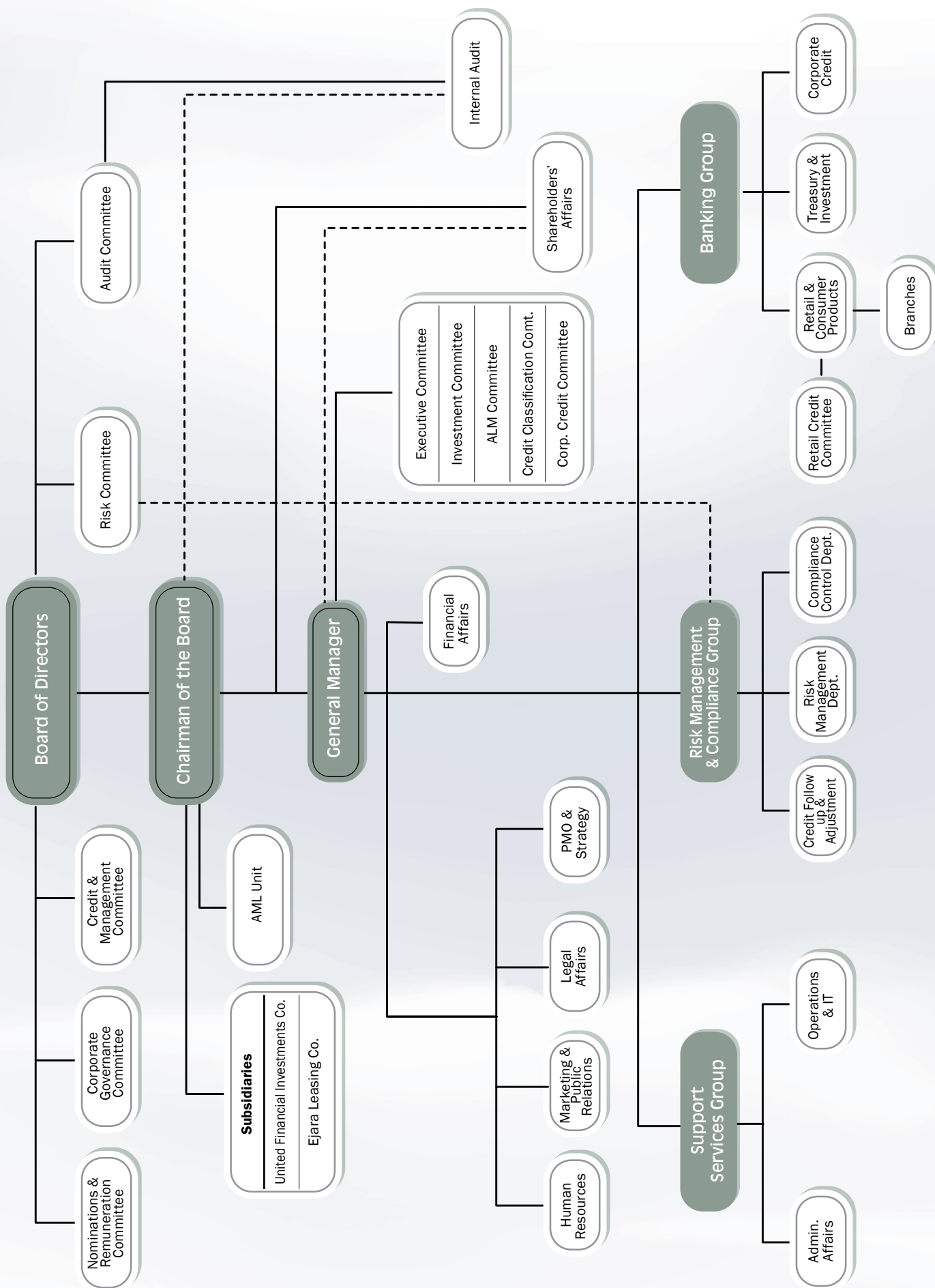
4b/9: Human Resources, Training and Organizational Structure:

Total number of employees as at 31/12/2015 was (1,139) of whom (11) were employed at Nablus branch, (20) at the Regional Management Office – Palestine & Ramallah branch and (8) at Cyprus branch. In addition, there were (31) employees at the Subsidiary companies.

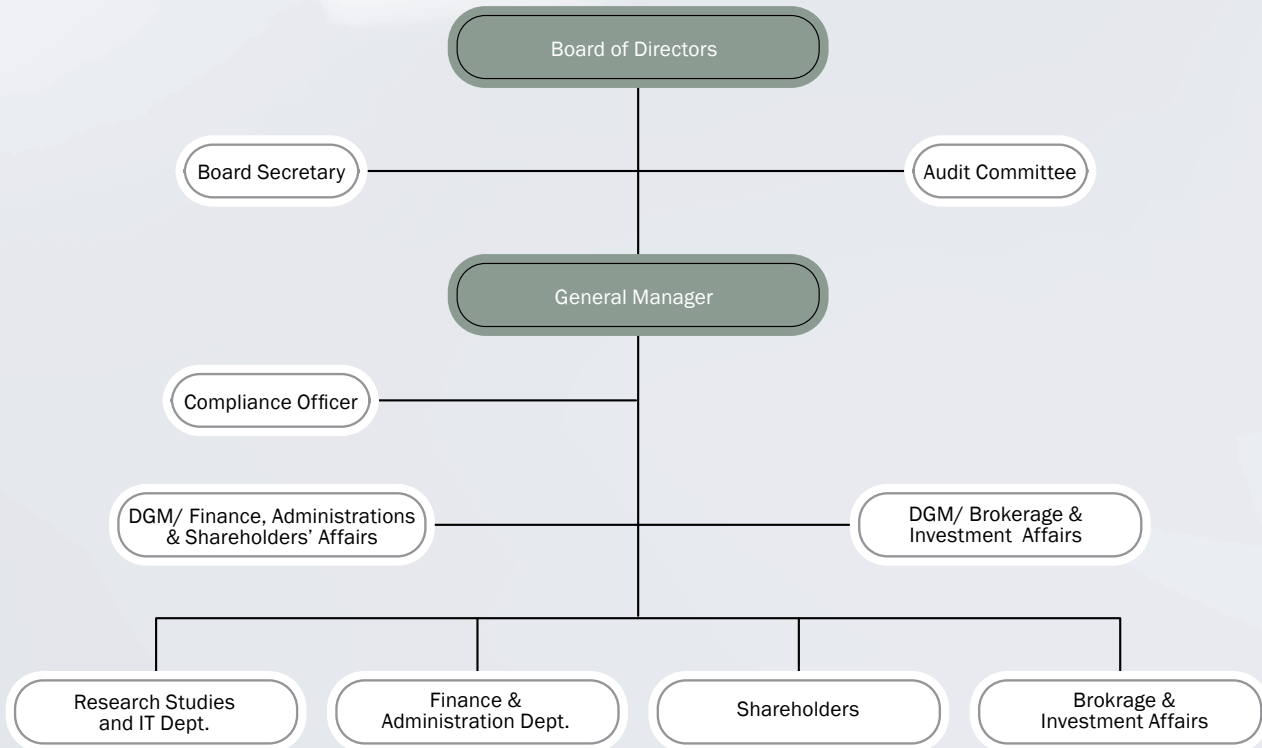
Staff educational qualifications:

Qualification	Jordan Kuwait Bank	United Financial Investments Co.	Ejara Leasing Co.
PhD	1	-	-
Masters	57	2	1
Higher Diploma	6	-	-
Bachelor	850	6	13
Diploma	131	3	1
Secondary School Certificate	33	4	1
Pre- Secondary School Certificate	61	-	-
Total	1139	15	16

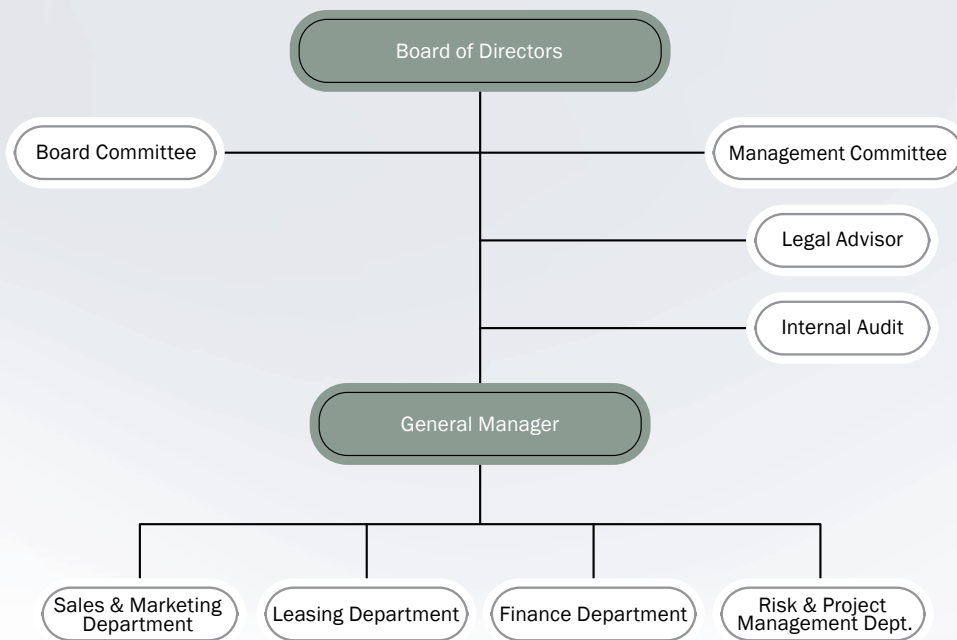
Jordan Kuwait Bank Organization Structure



United Financial Investments Co.



Ejara Leasing Co.



Staff training during 2015:

Training Subject	Number of Courses	Number of Participants
Internal Training	163	2327
External Training:		
Specialized Banking	13	28
Accounting & Financial Management	6	11
Credit Facilities	2	7
Inspection, Audit & Control	8	15
Administrative	4	5
Public Relations and Marketing	4	5
English Language	33	123
IT & Information Systems	4	9
Cards	4	11
Insurance	2	3
Human Resources	2	2
Legal	1	2
Risk Management	6	13
Compliance	5	7
Miscellaneous	15	32
Total	272	2600

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

4b /11: Achievements during 2015: 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 2015.

4b/13: Changes in Net Profit, Dividend, Shareholders' equity and Share price (2011-2015)

Amounts in Thousand US Dollars

Year	Profit before tax	Dividend		Bank Shareholders' Equity	Share / \$
		Bonus Shares	Cash		
2011	78,451	-	20%	488,918	5.11
2012	89,344	-	20%	527,624	4.27
2013	93,138	-	20%	570,559	5.49
2014	88,709	-	20%	609,004	6.05
2015	79,644	-	20%	632,692	5.78

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 2015 amounted to USD314,347.

4b/17: Shares owned by the Board Members during 2015 & 2014:

	Name	Position	Nationality	Shares 31/12/2015	Shares 31/12/2014
1	H.E. Abdel Karim A. Kabariti	Chairman	Jordanian	1,146	1,146
2	United Gulf Bank - Bahrain	Vice Chairman	Bahraini	369,897	226,667
	Mr. Faisal H. Al-Ayyar	Representative of United Gulf Bank	Kuwaiti	10,000	10,000
3	Burgan Bank	Board Member	Kuwaiti	1,000	50,927,827
	Dr. Yousef M. Goussous	Representative of Burgan Bank	Jordanian	8,666	8,666
4	Social Security Corporation	Board Member	Jordanian	21,041,644	21,041,644
5	Strategy Company for Investments	Board Member	Jordanian	465,631	465,631
	Mr. Mansour A. Louzi	Representative of Strategy Company for Investments	Jordanian	64,224	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	14,250	14,250
8	Odyssey Reinsurance Co.	Board Member	American	5,850,000	5,850,000
	Mr. Bijan Khosrowshahi	Representative of Odyssey Reinsurance Co.	American	-	-
9	Mr. Farouk A. Al-Aref	Board Member	Jordanian	14,004	14,004

Shares owned by the Bank Executives during 2015 & 2014

	Name	Position	Nationality	Shares 31/12/2015	Shares 31/12/2014
1	Mr. "Moh'd Yaser" M. Al-Asmar	General Manager	Jordanian	25,000	20,000
2	Mr. Tawfiq A. Mukahal	Deputy G.M. / Head of Banking Group	Jordanian	-	-
3	Mr. Shaheer E. Suleiman	Head of Risk Management & Compliance Group	Jordanian	-	-
4	Mr. William J. Dababneh	Head of Treasury & Investment	Jordanian	-	-
5	Mrs. Hiyam S. Habash	Head of Finance	Jordanian	1,600	1,600
6	Mr. Haethum S. Buttikhi	Head of Retail & Private Banking	Jordanian	-	-
7	Mr. Abdel Kareem M. Frieht	Head of Operations & Information Technology	Jordanian	-	-
8	Mr. Zuhdi B. Al-Jayousi	Head of Corporate Credit	Jordanian	-	-
9	Mr. Ibrahim E. Kaset	Head of Legal Affairs	Jordanian	-	-
10	Mr. Ibraheem S. Al-Hanash	Regional Head - Palestine Branches	Jordanian	-	-
11	Mr. Moh'd J. Azem Hammad	Head of Risk Dept.	Jordanian	-	-
12	Mr. Sa'ed M. Tu'meh	Head of Compliance Dept.	Jordanian	-	-
13	Mr. Abdallah I. Mismar	Head of Administrative Affairs Dept.	Jordanian	-	-
14	Mr. Daoud A. Issa	Head of Human Resources Dept.	Jordanian	-	-
15	Mr. Ibraheem F. Taani	Head of Internal Audit Department	Jordanian	-	-

Shares held by companies controlled by Board Members

Board Member	Position	Name of controlled Company	Ownership %	Shares of controlled Company in JKB	
				31/12/2015	31/12/2014
United Gulf Bank- Bahrain	Board Member	Burgan Bank - Kuwait	17.00	1,000	50,927,827
Kuwait Projects Co. (Holding)-Kuwait	Board Member	Al Rawabi International Real Estate Co.	96.00	50,926,827	-
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	47.88	1,000	50,927,827
Kuwait Projects Co.(Holding)- Kuwait	Board Member	United Gulf Bank - Bahrain	83.98	369,897	226,667

Shares owned by the relatives of Board Members and Bank Executives (2015 & 2014):

	Name	Relation	Nationality	Shares 31/12/2015	Shares 31/12/2014
1	Mrs. Zakiah I. Murad	Wife of Mr. Farouk A. Al-Aref / Board Member	Jordanian	-	14,409
2	Mrs. Hind M. Jaber	Wife of Mr. "Moh'd Yaser" M. Al-Asmar / General Manager	Jordanian	15,000	10,000

4b/18a: Members of the Board of Directors' Remuneration (USD):

	Name	Position	Board Membership Allowance	Travel, Transportation and Board committees' Membership Allowances	Total
1	H.E. Abdel Karim A. Kabariti	Chairman	7,052	113,786	120,838
2	Mr. Faisal H. Al-Ayyar	Vice Chairman	7,052	6,000	13,052
3	Representative of Social Security Corporation	Board Member	7,052	5,924	12,976
4	Mr. Masaud M. Jawhar Hayat	Board Member	7,052	7,551	14,603
5	Mr. Tariq M. Abdul Salam	Board Member	7,052	10,654	17,706
6	Mr. Farouk A. Al-Aref	Board Member	7,052	14,104	21,156
7	Dr. Yousef M. Goussous	Board Member	7,052	13,681	20,733
8	Mr. Mansour A. Louzi	Board Member	7,052	18,054	25,106
9	Mr. Bijan Khosrowshahi	Board Member	7,052	8,539	15,591

4b/18b: Executive Management's Remuneration (USD):

	Name	Position	Annual Salary	Travel & Per diems	Committees	Total
1	Mr. "Moh'd Yaser" M. Al-Asmar	General Manager	597,179	16,144	14,386	627,709
2	Mr. Tawfiq A. Mukahal	Deputy G.M. / Head of Banking Group	457,979	-	5,924	463,903
3	Mr. Shaheer E. Suleiman	Head of Risk Management & Compliance Group	314,968	1,630	7,757	324,355
4	Mr. William J. Dababneh	Head of Treasury & Investment	329,072	4,791	-	333,863
5	Mrs. Hiyam S. Habash	Head of Finance	299,238	8,924	-	308,162
6	Mr. Haethum S. Buttikhi	Head of Retail & Private Banking	313,094	34,920	-	348,014
7	Mr. Abdel Kareem M. Frieht	Head of Operations & Information Technology	239,978	7,150	-	247,128
8	Mr. Zuhdi B. Al-Jayousi	Head of Corporate Credit	191,724	-	1,551	193,275
9	Mr. Ibrahim E. Kashet	Head of Legal Affairs	189,083	6,189	-	195,272
10	Mr. Ibraheem S. Al-Hanash	Regional Head - Palestine Branches	195,668	-	-	195,668
11	Mr. Moh'd J. Azem Hammad	Head of Risk Dept.	172,813	1,630	2,539	176,982
12	Mr. Sa'ed M. Tu'meh	Head of Compliance Dept.	163,989	1,767	1,693	167,449
13	Mr. Abdallah I. Mismar	Head of Administrative Affairs Dept.	98,702	-	-	98,702
14	Mr. Daoud A. Issa	Head of Human Resources Dept.	163,492	-	-	163,492
15	Mr. Ibraheem F. Taani	Head of Internal Audit Department	172,722	6,986	2,116	181,824

4b/19: Donations: Total donations made by the Bank and its subsidiaries during 2015 amounted to 1,078,841. Details of which are listed below:

Recipient	Amount / USD
University Education	294,274
Sports Activities	30,403
Support to Jordanian Writers & Authors	20,578
Training Students from Institutes & Universities	21,762
National Workshops & Conferences	79,972
Charities & Social Activities	525,382
Medical Support	100,642
Donations of Branches Abroad	5,828
Total	1,078,841

4b/20: Contracts, projects and commitments held by the Bank with subsidiaries or sister or affiliate companies or the Chairman or members of the Board of Directors or General Manager or any staff member of the Bank or their relatives:

The Bank entered into transactions with subsidiaries, sister and affiliate companies, major shareholders, members of the Board of Directors, and executive management within the normal Bank activities and applying commercial interest rates and commissions. All facilities granted to stakeholders are considered performing loans and no provisions were allocated for them. Details of such transactions are disclosed in Note 38 to the 2015 consolidated financial statements published in this report.

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

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

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




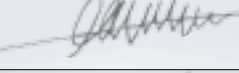



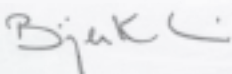
4e: Declarations by the Board of Directors:

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 2016.

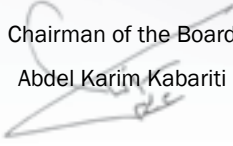
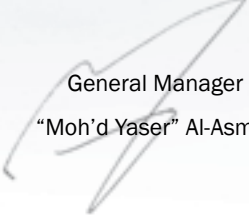
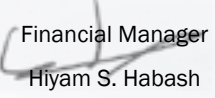
4e/2: The Board of Directors also declares its responsibility for the Financial Statements and that the Bank has an effective control system.

4e/3: Each of the undersigned Board of Directors declares that he did not gain any benefits, either cash or in-kind, as a result of his position at the Bank and was not declared whether be it for himself or any of his related parties during the year 2015.

Chairman & Members of the Board Signatures

Name	Signature
Mr. Abdel Karim A. Kabariti	
Mr. Faisal H. Al-Ayyar, Rep., United Gulf Bank – Bahrain Rep., Social Security Corporation	
Mr. Masaud M. Jawhar Hayat, Rep., Al- Futtooh Holding Co. – Kuwait	
Mr. Tariq M. Abdul Salam, Rep., Kuwait Projects Co. - Kuwait	
Mr. Farouk A. Al-Aref	
Dr. Yousef M. Goussous, Rep., Burgan Bank - Kuwait	
Mr. Mansour A. Louzi, Rep., Strategy Co. for Investments	
Mr. Bijan Khosrowshahi, Rep., Odyssey Reinsurance Co. - U.S.A	

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



**Jordan Kuwait Bank
Corporate Governance
Manual**

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Introduction

The Central Bank of Jordan defines Corporate Governance as a system through which the Bank is managed and run. This system aims at identifying and achieving the corporate objectives of the Bank, managing the Bank's business safely, protecting the depositors' interests, commitments towards shareholders and other stakeholders and abiding by laws and the Bank's internal policies.

Jordan Kuwait Bank perceives corporate governance as the key to win the confidence of the customers and other parties interested in JKB. Corporate Governance is the methodology through which JKB manages its internal relations and relations with the other involved parties.

JKB believes that the existence of good corporate governance will result in good management of the Bank and help to achieve the Bank strategic objectives. Moreover, JKB has an absolute belief that the presence of good governance at all Jordanian institutions will lead to have efficient institutions and provide the appropriate competitive environment, and so support the national economy in general. As banks play an important role in the financial system, and their businesses depend on their customers' deposits, it is therefore of high importance that they should have good corporate governance.

In view of that, the Board of Directors (BoD) of JKB decided to adopt the Corporate Governance Guide ("Guide") which is prepared in accordance with relevant international best practices, and as per the instructions and guidelines of the Central Bank of Jordan and the Central Bank of Kuwait. By adopting this guide, JKB aims at implementing the principles of corporate governance represented in fair treatment of all relevant stakeholders, transparency and disclose JKB actual financial and administrative position, in addition to accountability in terms of the relations between the BoD and executive management, BoD and shareholders, and BoD and other entities. JKB provides the approved version of the Guide on its website www.jkb.com

This guide reflects JKB requirements and policies approved by BoD. The Guide provisions shall be applicable to BoD, senior executive management and staff. JKB adopts strategies, policies and administrative structures of its subsidiaries within the framework of sound governance.

Corporate Governance Objectives

JKB aims at achieving the best standards of business ethics covering all the Bank's business aspects through disclosing JKB results accurately and transparently, and complete abidance by the various laws and regulations that govern JKB work.

Legal Framework and References

- JKB developed this Guide based on the following sources:
- Banking Law In force.
- Companies' Law in force.
- Securities Law in force.
- Deposit Insurance Law in force.
- Regulations and instructions issued under the aforementioned laws and any amendments thereof.
- Corporate Governance Code for Banks in Jordan issued by the Central Bank of Jordan.
- Policies and practices of corporate governance issued by the Central Bank of Kuwait, without prejudice to the Jordanian laws.
- Basel Committee relevant publications.
- OECD countries and the World Bank publications on corporate governance.
- Accounting Standards and International Financial Reporting Standards employed by investors to hold the management accountable.
- Laws in force in countries where JKB has branches and within the limits of JKB business.

In addition to the laws protecting the rights of shareholders, depositors and stakeholders

Corporate Governance Related Parties

1. Shareholders

JKB framework of governance is dedicated to protect shareholders' rights along with serving and fairly treating them, particularly in the light of the laws, regulations and instructions issued by the regulatory authorities. The same also applies to JKB policies and procedures.

2. BoD Members

BoD members, on behalf of the shareholders, manage JKB under the various laws which define their duties and responsibilities (such as, Companies Law, Banks Law ... etc).

3. Employees

All JKB employees, respectively, are held responsible for the implementation of the internal control procedures as part of their responsibilities in achieving the objectives of the Bank.

JKB employees should have the necessary information, skills, knowledge and authority to carry out JKB businesses. Indeed, this requires full understanding of the Bank, the industry, the market and the risks associated therein.

Through the employees' pursuit to achieve these requirements, they will positively contribute to JKB performance and achievements, and this will lead to job security and satisfaction.

4. Creditors

The different parties related to JKB, through contractual relations such as customers, suppliers and creditors.

Organizational Structure

Part of BoD duties is to approve an organizational structure consistent with the nature of JKB activities, to ensure that there are sufficient regulations to implement the adopted strategy, to facilitate effective decision-making process and to implement good corporate governance through:

- Clear and transparent organizational structure.
- Specific targets for each administrative unit.
- Job's specific duties and responsibilities for each administrative unit.
- Authorities, reporting lines and direct supervision channels designated for different managerial positions, as well as proper tasking/ tasks segregation.
- Manuals, policies and work procedures appropriate to execute and supervise operations, particularly defining a job description for all levels of jobs within the organizational structure, including qualifications and experience of staff holding each position.
- Ownership structure which does not hinder corporate governance.
- Independent departments to perform the functions of risk management, audit and compliance.
- Units and employees that are not involved in the daily operations of JKB activities (such as the employees of Credit Review and Middle Office).

The Board of Directors

- The Bank's Board of Directors shall consist of eleven members, at least, and four of them should be independent Directors as defined by the governance instructions issued by the Central Bank of Jordan on independent member.
- None of the Members of BoD shall be an executive Director.
- BoD develops a clear and appropriate policy for its members to be consistent with the laws and regulatory requirements.

The Board of Directors Responsibilities

BoD is responsible for the soundness of all JKB operations, including its financial conditions, implementation of the Central Bank requirements besides other supervisory and regulatory requirements relating to JKB businesses, care for stakeholders, management of the Bank within the framework of its internal rules and policies, ensure that effective control over JKB activities is always in place, including JKB activities delegated to third-parties. To achieve all of that, members of BoD and their committees are allowed to have a direct contact with the executive management and BoD Secretary. BoD members are also authorized to seek external assistance, when required, on JKB expense in coordination with the Chairman.

The Board of Directors Duties and Tasks

Given the terms of reference and powers of JKB General Assembly, the elected BoD by the General Assembly shall carry out the duties and responsibilities of managing JKB activities for a period of four years effective the date of election. BoD tasks and duties include (but are not limited to):

In the area of general supervision, control and draw JKB strategies:

1. Overseeing senior executive management and follow-up their performance and ensure soundness of JKB financial position and solvency. BoD shall adopt appropriate policies and procedures for supervision and control over JKB performance.
2. Identifying JKB strategic objectives, directing the executive management to develop a strategy to achieve these objectives, and approving this strategy. BoD shall adopt action plans which are consistent with this strategy.
3. Approving JKB organizational structure which identifies reporting sequence, including BoD committees and executive management.
4. Approving a policy to monitor and review the executive management performance through developing performance indicators to identify measure, and monitor the performance and progress towards the achievement of corporate goals.
5. Ensuring the existence of policies, plans and procedures covering all JKB activities which are consistent with the relevant laws, and that they are communicated to all administrative levels, and are regularly reviewed.
6. Identifying JKB corporate values , drawing clear lines of responsibility and accountability for all JKB activities and promoting a high-level culture of ethical standards, integrity and professional conduct of JKB managers.
7. Taking the appropriate actions to address weaknesses in the internal control systems or any other points identified by the external auditor, adopting internal control systems and reviewing them annually, in addition to approving appropriate controls which enable BoD to hold the senior executive management accountable for their actions.

In the area of policies, instructions, strategies and controls to be endorsed by BoD:

1. Approving appropriate policies and procedures to supervise and control JKB performance.
2. Approving a set of clear boundaries of responsibility and accountability to be committed to, and abided by, all levels of JKB management.
3. Approving an effective policy to ensure the relevancy of BoD members "fit and proper". The policy should include minimum criteria, and conditions that the BoD candidate and appointed member should have. The policy should be reviewed from time to time and when necessary. BoD should develop adequate procedures and systems to ensure that all BoD members meet relevance standards and that they continue to enjoy them.
4. Approving a policy to ensure the relevancy of the members of senior executive management so that this policy includes minimum criteria, and conditions of laws in force on senior executive management. BoD reviews this policy from time to time, establishes sufficient procedures and systems to ensure that all members of the senior executive management meet the relevance standards and that they continue to enjoy them.
5. Approving a system to measure the performance of JKB managers excluding BoD members and the General Manager.
6. Approving a policy and procedures to address any conflict of interests for JKB is part of a banking group, and disclosure of any conflict of interest may arise as a result of JKB partnerships with companies of the group.
7. Approving policies and procedures for dealings with stakeholders, so they include identifying these parties, taking into consideration the laws, transactions terms, approval procedures and a mechanism to monitor these transactions, so as not to go beyond these policies and procedures.
8. Approving the controls for information transfer among various departments to prevent exploiting them for personal advantages.

What BoD should verify:

1. Ensure the existence of adequate and reliable management information systems which cover all JKB activities.
2. Verify that the credit policy includes assessing the quality of corporate governance of JKB clients, mainly public shareholding companies, so that clients' risks are assessed by identifying their strengths and weaknesses according to their governance practices.
3. Ensure that JKB adopts appropriate social initiatives in the field of environment protection, health and education, taking into account financing of SMEs at affordable prices and proper repayment schedules.
4. Ensure that the organizational structure clearly reflects borders of responsibility and authority.
5. Ensure that senior executive management performs its responsibilities related to the management of JKB daily operations, contributes to the implementation of corporate governance at the Bank, delegates powers to the staff, establishes an effective management structure that boosts accountability and that they carry out tasks in various areas and activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
6. Ensure that the executive management enjoys a high level of integrity in exercising its business and avoid conflicts of interest.

BoD duties in the area of recruitment, appraisal and rewards:

1. Appointing a general manager enjoys qualities of integrity, technical competency and banking expertise, and obtaining the Central Bank of Jordan approval prior appointment.
2. Appointing the Audit Manager, Risk Manager and Compliance Officer and approving their resignations.
3. Forming committees from BoD members, defining their objectives and delegating powers according to a charter identifying such powers. Committees should submit periodic reports to BoD.
4. Approving the appointment of any member of JKB executive management.
5. Endorsing a succession plan for senior members of the executive management of the bank. BoD should review this plan once a year at least.
6. Assessing the General Manager's performance annually in accordance with an appraisal system developed by the Nomination and Compensations Committee, including developing the KPIs. Factors of the General Manager's performance appraisal should include JKB financial and administrative performance and his achievement of JKB medium and long term strategies and plans. The committee should report the appraisal results to the Central Bank of Jordan.
7. Establishing procedures to determine BoD members' remunerations in accordance with the approved appraisal system.
8. Ensuring the relevance of BoD members and members of the senior executive management in accordance with the JKB adopted policies and laws and regulations in force. BoD should verify that all declarations included in the Central Bank of Jordan instructions are duly signed.

BoD Duties in the Area of Disclosure and Publication:

1. Ensuring the allocation of a part of JKB website to give details on the shareholders' rights and encourage them to attend and vote at the General Assembly meetings, as well as publishing documents related to meetings, including the full text of the invitation and minutes of meetings.
2. Ensuring that the financial and non-financial information of interest to stakeholders is published.
3. Ensuring that JKB abides by disclosures set by the International Financial Reporting Standards, instructions of the Central Bank of Jordan, other relevant laws and international accounting standards. BoD should also ensure that the executive management is aware of changes taking place to the international financial reporting standards.
4. Ensuring to include disclosures in JKB annual and quarterly reports which give the current or potential shareholders an access to JKB operations results and financial position.
5. Ensuring that the annual report includes data and declarations required by the laws and instructions of the Central Bank of Jordan.
6. Notifying the Central Bank of Jordan by any material information that could adversely affect relevance of any member of the senior executive management.
7. Providing a specific mechanism to ensure communication with stakeholders through disclosures and providing significant information on JKB activities to those stakeholders.

BoD duties in the Area of Internal and External Audit:

1. Adopting the necessary procedures to enhance internal audit effectiveness through: displaying the due importance of the audit process, consolidating it in the Bank and following-up the corrective measures as per the audit notes.
2. Ensuring that the Internal Audit Department is able to carry out its tasks, it has the qualified staff and be certain to provide the Department constantly with appropriate and trained employees.
3. Ensuring and enhancing the principle of internal auditors' independence, placing them at adequate level in JKB structure, ensuring they have access to all records and information and the ability to contact any JKB employee, so that they are able to fulfill the tasks entrusted to them and prepare their reports without any external interference.
4. Adopting an internal audit code which includes duties, authorities and responsibilities of the Audit Department and to be circulated within the Bank.
5. Adopting systems of internal control and monitoring. BoD is to ensure that the internal and external auditors review the structure of these systems once a year at least. BoD should furnish JKB annual report with information confirming the adequacy of these systems.
6. Verifying that the Internal Audit Department is subject to the direct supervision of the Board Audit Committee, and it reports directly to the Chairman of the Audit Committee.
7. Ensuring the external auditor's independence at all times.
8. Ensuring a regular rotation of the external auditor among audit offices and its subsidiaries and allied companies each seven years at maximum.

BoD Duties in the Area of Compliance:

1. Approving a policy to ensure JKB compliance by all relevant laws, and reviewing this policy on a regular basis and verifying that it is implemented.
2. Approving the duties and responsibilities of Compliance Control Department.
3. Ensuring Compliance Control Department independence and providing it constantly with qualified and trained staff.

BoD Duties in the Area of Risks:

1. Prior approving any expansion in JKB activities, BoD should take into account related risks and competences and qualifications of Risk Management Department staff.
2. Approving a strategy for risk management and monitoring its implementation. Such a strategy should include the acceptable level of risk, and ensure not exposing the Bank to high risks. BOD should be, acquainted with JKB operational environment and risks associated with it. BoD should ensure that JKB has the tools and infrastructure designated for risk management that are able to identify, measure, control and monitor all types of risk faced by the Bank.
3. Approving an Internal Capital Adequacy Assessment Process. Such a process should be comprehensive, effective and able to identify all risks that JKB may encounter, and that it takes into consideration JKB strategic plan and capital plan. BoD should review this process regularly, verify its implementation, and validate that JKB maintains adequate capital to encounter all risks it may face.
4. Approving JKB acceptable risk document.
5. Verifying that violations on acceptable levels of risk are addressed, including holding the senior executive management accountable for such violations.
6. Ensuring that the Risk Management Department conducts stress testing periodically to measure JKB ability to withstand the shocks and cope with high risks. BoD should play a key role in approving assumptions and scenarios used and discuss the tests results, as well as approving actions to be taken based on these results.
7. Ensuring Risk Management Department independence through submitting its reports to the Risk Management Committee, and granting the Department the necessary powers to be able to obtain information from other JKB departments and to cooperate with other committees to carry out their duties.

Duties of the Chairman of the Board:

1. To establish a constructive relationship between BoD and JKB executive management.
2. To promote the culture of constructive criticism on issues discussed in general and issues where members have various views regarding them, and to encourage debate and vote on those issues.
3. To ensure that all BoD members receive and sign the minutes of previous meetings, and that they receive the agenda of any meeting in advance providing that the agenda includes sufficient written information about topics that will be discussed at the meeting. The Secretary of the Board shall deliver the meeting agenda.
4. To ensure the existence of the code that regulates and sets out BoD scope of work.
5. To discuss the strategic and significant issues in BoD meetings extensively.
6. To provide each BoD member upon being elected with the provisions of laws related to banks activities and the Central Bank instructions related to the work of BoD, including corporate governance instructions, the booklet which explains the member's rights, responsibilities and duties, and duties of the BoD Secretary.
7. To provide each member with a sufficient summary of JKB businesses upon appointment or upon request.
8. To discuss with any new member, with the assistance of JKB legal adviser, BoD duties and responsibilities, particularly the legal and regulatory requirements. This is to be done to clarify the duties, powers and other issues related to BoD membership, including the membership term, dates of meetings, committees' duties, rewards, and the possibility to seek an independent specialized technical advice, if required.
9. To meet the BoD members' needs regarding the development of their experience and their continuous learning. Chairman may allow the new member to attend orientation program taking in consideration the member's banking background.
10. To address an invitation to the Central Bank to nominate a representative to attend the General Assembly meetings prior enough time.
11. To provide the Central Bank with the minutes of meetings of the General Assembly no later than five days as of the date of the Companies' Controller or his/her representative endorsement of the minutes of meeting.
12. To ensure informing the Central Bank of any material information that could adversely affect the relevance of any members of BoD or executive management.

Duties of the Board Member:

1. To have knowledge of laws and principles of JKB banking and operational environment, cope with developments taking place, besides the external developments related to its business, including appointment requirements of JKB senior executive management.
2. To attend BoD and its committees meetings, as needed, and the General Assembly meetings.
3. Not to disclose any JKB confidential information or using them for their or others interest.
4. To give the priority for JKB interests in all transactions with any other company in which he has a personal interest, not to take JKB business opportunities to his own advantage, and to avoid conflict of interest.

Duties of the Board Secretary

1. To attend all BoD meetings, record all the deliberations, suggestions, objections, reservations and vote processes on BoD draft decisions.
2. To determine dates of BoD meetings in coordination with the Chairman.
3. To ensure that BoD members sign the minutes of meetings and decisions.
4. To follow up the implementation of BoD decisions and to follow-up any pending issues from the previous meeting.
5. To keep records and documents of BoD meetings.
6. To take the necessary measures to ensure that draft decisions planned to be issued by BoD comply with relevant laws.
7. To prepare for the General Assembly meetings and to cooperate with the BoD committees.
8. To provide the Central Bank with the relevance declarations signed by BoD members.

The Board of Directors Meetings

- BoD shall convene at a written notice of the Chairman, or Vice-Chairman if he/she is absent, or upon a written notice submitted by a quarter of its members to the Chairman justifying the grounds for such a meeting. If the Chairman or Vice-Chairman do not call for a meeting within seven days effective as of the date of receipt of notice, members who submitted the notice shall have the right to call BoD to convene.
- BoD shall convene with the presence of an absolute majority of members at JKB head office or in any other place within the territories of the Kingdom if it is impossible to hold it at JKB head office. BoD decisions shall be issued with absolute majority of members who attend the meeting. If votes are equal, the chairman of the meeting shall be deemed a casting vote.
- Voting on BoD decisions shall be in person and carried out by the persons themselves and it could not be by proxy, by correspondence or in any other indirect means.
- BoD meetings shall be held six times at least per a fiscal year. There should be a meeting for the BoD every two months.
- JKB should record BoD/ Committees minutes of meetings accurately, to record any reservations raised by any member, and to keep all these records appropriately.
- Prior BoD meeting, the senior executive management should provide BoD members with complete and accurate information and the Chairman should ensure doing so.

Limits of Responsibility and Accountability

- BoD adopts clear boundaries of responsibility, accountability and commitment and to abide by them at all levels of management in JKB.
- BoD should ensure that JKB organizational structure plainly reflects the lines of responsibility and authority, and that it includes the necessary regulatory levels under the laws and regulations in force.
- Ensure that senior executive management performs their responsibilities related to the management of JKB daily operations, they contribute to the implementation of corporate governance at the Bank, they delegate powers to the staff, they establish an effective management structure that will give a boost to accountability and they carry out tasks in various areas and the activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
- BoD approves the appropriate controls which enable them to hold the senior executive management accountable for their actions.
- In addition to what is stated in laws, the General Manager shall act as follows:
 1. Develop JKB strategic direction
 2. Implement JKB strategies and policies
 3. Execute BoD decisions
 4. Provide guidance to implement short and long term action plans.
 5. Deliver JKB vision, mission and strategy to the staff.
 6. Inform BoD by all the significant aspects of JKB operations.
 7. Manage JKB day-to-day operations.

The Board of Directors Committees

To further organize the work of BoD and to boost up its efficiency and effectiveness, BoD forms various committees and delegate certain powers and responsibilities to them in a manner consistent with JKB objectives and strategies. However, the existence of these committees does not absolve BoD to assume direct responsibility for all matters relating to JKB.

BoD member could be a member of more than one committee, except in cases where conflicts of interest may arise. The Chairman appoints a chairman for each committee who will be responsible for the overall performance of that committee and should submit quarterly reports to the Chairman of the Board.

Board Audit Committee

Committee's Role:

The Board Audit Committee is tasked to carry out the following, in addition to other relevant functions stated in its Charter:

1. The Committee shall review:
 - The scope, results and the adequacy of JKB internal and external audit
 - Accounting issues that have a significant impact on JKB financial statements
 - JKB internal control and monitoring systems.
2. Provide recommendations to BoD regarding the external auditor's appointment, termination, fees and any other related contracting terms, as well as assessing their independence taking into account any other tasks entrusted to them which lie outside the scope of the audit.
3. The Committee shall enjoy the power to obtain any information from the executive management and has the right to call any administrative officer to attend any of its meetings.
4. Meet with the external and internal auditors and compliance officer once at least annually without the attendance of any of the senior executive management members.
5. Review and monitor procedures that enable the employee to report confidentially any mistake in financial reports or any other matters. The Board Audit Committee shall ensure implementing the necessary arrangements for carrying out an independent investigation and follow the results of the investigation and treat them objectively.
6. Verify that the internal audit staff is rotated to audit JKB various activities every three years at minimum.
7. Verify not to task internal audit staff with any executive duties.
8. Verify that all JKB activities, including outsourced activities assigned to third parties, are subject to audit.
9. The Board Audit Committee shall exercise the role entrusted to it under the Banks Law and other relevant laws. This should include particularly the following:
 - Review and approval of the internal audit plan which includes audit scope and frequency.
 - Ensure that the executive management takes the corrective actions on a timely manner regarding weaknesses in the internal control, and cases of non-compliance with policies, laws and regulations, and other remarks identified by the internal audit.
 - Ensure that JKB is implementing the international accounting and audit standards accurately.
 - Review observations stated in the regulatory authorities and external auditor reports and follow-up the correction procedures.
 - Review JKB financial statements prior submitting them to BoD, particularly to verify regulatory authorities' orders on capital adequacy, adequacy of provisions taken against the bad debts and all other provisions and to express their opinion in JKB non-performing debts or debts proposed to be deemed as bad debts.
 - Ensure that the laws and regulations governing JKB work.
 - The Head of Internal Audit Department may attend the Committee meetings, and the Committee may invite any person to seek their opinion on a particular issue.
10. Appraise the Head and staff of Internal Audit Department performance and determine their remunerations.

Committee Members

The Audit Committee shall be composed of three members. Two of them shall be independent including the chairman of the committee. All members of the Committee should hold academic qualifications and enjoy appropriate practical expertise in areas of accounting, finance or any other disciplines or areas related to JKB work.

Board Risk and Compliance Committee:

Committee's Role:

The Board Risk and Compliance Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Review JKB risk management framework.
2. Review JKB risk management strategy prior to BOD approval.
3. Cope with the developments affecting JKB risk management, and submit periodic reports to BoD.
4. Verify that there is no discrepancy between the actual risks that JKB takes and the level of acceptable risk approved by BoD.
5. Establish appropriate conditions that ensure the identification of fundamental impact of risks and any other activities carried out by JKB which may expose the Bank to higher risks than the acceptable level, report that to BoD and follow-up corrective measures.
6. Review compliance management reports and submit its recommendations to BoD.

Committee Members

The Board Risk and Compliance Committee shall be composed of three members and one of them is to be independent. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.

Board Nomination and Remuneration Committee

Committee's Role:

Board Nomination and Remuneration Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Identify qualified persons to join BoD within the members' relevance policy approved by BoD taking into consideration the capabilities and qualifications of the persons nominated. In case of re-nominations, member's attendance and extent of participation in Board meetings should be taken into account.
2. Nominate to BoD qualified persons to join the senior executive management.
3. Ensure BoD members joining workshops or seminars on banking topics, particularly risk management and corporate governance, and the latest developments in the banking business.
4. Determine whether the member meets the requirements of the independent member taking into account the minimum requirements stated in the laws and regulations in force.
5. Supervise the implementation of policies adopted by BoD regarding BoD and senior executive management performance appraisal, including the General Manager.
6. Provide information and summaries on some of the important topics of JKB to BoD members upon request, and ensure updating them constantly about the latest topics related to the banking business.
7. Ensure that the policy of granting remunerations to JKB administrative staff is in place, review it regularly and implement this policy. Also, provide recommendations regarding the General Manager and other members of the senior executive management salaries, remunerations and other privileges. The Internal Audit Department Manager and staff performance appraisal and remunerations are to be determined by the Board Audit Committee.
8. Ensure the existence of a succession plan of the executive senior management.

Committee Members

Board Nomination and Remuneration Committee shall be composed of three BoD members; two of them should be independent. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.

Board Corporate Governance Committee

Committee's Role:

In addition to their duties delegated by BoD, Board Corporate Governance Committee is in charge of directing and supervising the processes of preparing the Corporate Governance Manual, its update and implementation monitoring. The committee is also tasked to verify/perform the following:

1. That JKB organizational structure serves the requirements of corporate governance.
2. Draw JKB strategy and get it approved by BoD.
3. BoD approval of JKB general policies, including the general strategy and overseeing its implementation in a manner that ensures no conflict of interests.
4. Commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank.

Committee Members

Board Corporate Governance Committee is composed of the Board Chairman and two independent members. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.

Board Credit and Management Committee:

Committee's Role:

Board Credit and Management Committee is in charge of the following tasks:

First: Exercising credit authority which exceeds those of the management credit committees as stipulated in the authority matrix attached to the approved credit policy.

Second: Exercising investment authority which exceeds those of the Management Investment Committee as stipulated in the authority matrix attached to the approved investment policy.

Third: Exercising authority relating to the endorsement of expenses, the sale of bank-owned real estate and procurement, services, supplies, bidding and contracts in which the Bank is a party which exceed the General Manager's authority as stipulated in the authority matrix attached to the approved procurement, contracts, and payments code.

Committee Members

Board Credit and Management Committee is composed of the Chairman or Vice-Chairman along with three BoD members at least. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings. The General Manager is tasked to be the Committee Secretary.

Senior Executive Management

BoD approves the appointment of JKB Executive Management. BoD makes sure that members of the Executive Management possess the necessary expertise, competencies and integrity to manage JKB businesses and affairs in a manner consistent with the standards of professional conduct, particularly supervising the JKB management, enjoying the appropriate competences to oversee key individuals associated with the Bank operations. JKB develops a policy to manage and fill top executive jobs to meet laws and regulations requirements in force and the aspirations of JKB.

The Executive Management implements the principles of corporate governance in JKB and provides adequate control over the activities they manage

In this context, the Executive Management identifies the staff tasks accurately. They also propose the administrative structure which is meant to promote the concept of accountability and transparency. The Executive Management is to supervise the fulfillment of the specific responsibilities/ powers and they will be responsible for JKB performance.

Performance Appraisal Management

JKB develops policies of performance appraisal which ensure the participation of all those involved in managing JKB businesses to achieve the Bank objectives through carrying out tasks, objectives and obligations assigned to each one of them within a framework of fair competition based on the culture of excellence in performance.

- Performance Appraisal Policy for BoD and its members
- Performance Appraisal Policy for holders of senior positions and accountability
- Performance Appraisal Policy for other JKB staff members.

All the aforementioned policies are based on the latest international practices which are meant to objectively measure of performance, take into account risk aversion and the provisions of laws and regulations in force.

Internal Control and Monitoring Systems

The Board and the Executive Management of JKB are in charge of developing, implementing and maintaining internal control and audit systems that are able to ensure and achieve the following:

- Accurate and integral financial and operational data issued by JKB.
- Efficient and effective performance of JKB operational processes.
- Effective protection procedures of JKB assets and property.
- Compliance with work policies and internal procedures, laws and regulations in force.

This is based on BoD belief in the importance of effective internal control and audit system as it is one of the most important elements of good management and the basis for the soundness and quality of JKB operations. JKB adopted a number of internal control and audit systems which the senior executive management is responsible to set up, follow-up its development and update them. JKB management is constantly monitoring and assessing the efficiency and effectiveness of these systems, their ability to achieve the desired goals and strive to enhance them. Supervisory departments make sure that transactions with stakeholders are conducted in accordance with the adopted policies and procedures.

BoD adopts control and audit policy addressing all aspects of the internal control systems in terms of their definition, components and BoD and senior executive management responsibilities.

To ensure JKB supervisory departments independence and that they fulfil their supervisory roles they tasked to carry out, their reports are to be submitted to BoD committees. BoD committees appraise the performance of the holders of senior positions at supervisory departments under the Performance Appraisal Policy for holders of senior positions adopted by BoD.

JKB Supervisory Departments

Internal Audit Department: This department is tasked to review commitment with the Corporate Governance Manual, verify of compliance with JKB policies, procedures, international standards and laws related to JKB activities, verify the existence and compliance with internal control and audit systems quite enough to encompass JKB activities and its subsidiaries, carry out financial and managerial auditing, review the soundness and comprehensiveness of the Stress Testing and ensure the accuracy of the internal capital adequacy assessment process (ICAAP).

Internal Audit Department submits its reports to the Board Audit Committee.

Risk Management Department: This department is tasked to monitor risks in JKB at all levels and market and operational areas, information risks, credit risks and business continuity, and monitor JKB departments compliance with the identified levels of risk in accordance with the best international standards. Risk Management Department submits its reports to the Board Risks and Compliance Committee.

Compliance Control Department: This department is tasked to verify compliance with local and international laws and regulations governing JKB businesses. Compliance Department submits its reports the Board Risks and Compliance Committee and copy of the same to the General Manager. It is also tasked to monitor and combat money laundry. Moreover, it is tasked to manage Customers Complaints Unit within a framework approved by BoD as per the supervisory instructions.

All the aforementioned departments should develop their own charters to be approved by BoD.

Code of Conduct

JKB adopted a code of business ethics which was approved by BoD and pledged to abide by all JKB staff in their respective administrative levels, in addition to the BoD members.

This code identified JKB staff's ethics, values and principles through four main themes, namely:

- Integrity.
- Compliance with the laws.
- Transparency.
- Loyalty to the bank.

As for integrity, the code included that JKB employees are committed to the following:

- Depositors' funds are a trust and responsibility which should be kept safe.
- Personal interest should not conflict with JKB interests.
- Not to use inside information to serve personal interests.
- Maintaining objective and non-bias personal relationships.
- Avoiding business relations with customers and suppliers.
- No-discrimination whatsoever among customers.
- Refrain from accepting gifts, benefits and invitations.

As for compliance with the laws and regulations, employees should abide by bank secrecy and JKB policies and work manuals. Also, they should pay more attention for combating money laundering, not to issue bad cheques and to abide by the management's decisions.

Concerning transparency, JKB employees should be committed to provide authorized accurate figures, data and reports, and that the data is accurate, adequate, timely and in line with the standards. Additionally, employees should disclose their personal interest and soundness of their financial standing and their personal business activities, and to disclose any violations and damages.

Regarding loyalty to JKB, this could be realized through achieving JKB mission, vision, objectives and role, transferring JKB slogan into a tangible reality, besides achieving customer satisfaction and retain them, being positive, excellent, responsible, enjoying qualities and efficiency, then accuracy and continuous learning, keeping up with working hours, adapting to work stress with the spirit of teamwork, paying attention to appearance, conduct and good handling of situations, being keen to maintain JKB reputation and achievements, maintaining JKB assets and its appearance, not to disclose work secrets, taking permission of the administration to make any statement related to JKB via any means of media.

The relevant standards and policies are published through JKB website. The level of adherence to those standards and policies should be identified in the Corporate Governance Report included in JKB annual report.

Conflict of Interests

JKB shall have written policies on conflict of interest covering its definition, independent execution, and disclosure; whether such conflict is between the Board members and JKB or between the Executive Management and JKB.

Conflict of interest policy shall cover various aspects related to this subject, such as:

- Board member shall avoid the activities which may lead to conflict of interest.
- BoD approval shall be obtained for any activity a Board member performs that may result in a conflict of interest and verify that the activity does not contain any conflict.
- Board member shall disclose any subject, which may lead to or has already led to a conflict of interest.
- Board member shall abstain from voting on any item of the agenda which might contain a conflict of interest for the member or has an effect on the objectivity of the vote.
- All transactions with related parties shall be based on equal basis and clear mechanism established for the Board to handle the case in the event of non-compliance with conflict of interest policy.
- The conflict of interest policy shall contain examples of cases where a conflict of interest may arise for a Board member.

Transactions with Stakeholders

JKB shall have written policies on transactions with the related parties. These policies shall include rules and procedures for organizing transactions with such parties whether between JKB and its employees, JKB and its Board members or their companies, or parties related to them, including lending transactions and joint trading transactions with JKB.

BoD shall ensure that the transactions with stakeholders are reviewed to assess their risks and are subjected to appropriate restrictions in place.

Whistle Blowing Policy

The Bank shall place policies and procedures to report on illicit acts/ Fraud- "Whistle Blowing Policy", including procedures enabling employees to contact the Chairman of the Board to communicate any concerns they might have on the possibility of violations or fraud, and in a way that allows independent investigation into these concerns and to follow-up them. These procedures shall ensure that JKB provides the required protection for these employees to assure them they will not be threatened or penalized even when there is nothing to prove their concerns.

JKB Business 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.

Protecting Shareholders' Rights and their Relations with the Bank

- BoD ensures the protection of shareholders' fundamental rights concerning the registration and transfer of ownership, participation in the General Assembly meetings, gaining profits and get information regularly on JKB.
- BoD shall encourage shareholders' active participation of in the General Assembly meetings; explaining voting procedures and rules, as well as inform them by the date and venue of the meeting along with the meeting agenda in sufficient time, in addition to inform shareholders by the General Assembly minutes of the meetings.
- JKB develops positive relations based on transparency with all shareholders. In this regard, the Bank saves no effort to encourage all shareholders, especially minority shareholders, to attend the annual meeting of the General Assembly and they are encouraged to vote. In addition, consideration is given to voting on each issue that is raised during the annual meeting of the General Assembly separately.
- The Chairmen of the various Board committees attend the annual General Assembly meeting.
- 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 responses to them as well as the conclusions reached.
- Representatives of the External Auditors attend the annual General Assembly meeting to answer any questions that may be raised regarding audit and the auditors' report.
- 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.

Transparency and Disclosure

- JKB 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.
- JKB 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.
- JKB follows up the various developments regarding the requirements of disclosure according to international standards, such that they are immediately reflected in its financial reports.
- JKB commits to providing permanent and professional communication lines with all relevant stakeholders such as regulators, shareholders, investors, depositors and other banks. To achieve this, JKB 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.
- JKB annual report shall contain all information related to the Bank in a manner that is transparent and objective.
- Publish periodic reports that contain quarterly financial information, in addition to a report from the BoD 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.
- Hold periodic meetings between the Bank's Executive Management and investors and shareholders.
- JKB 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.
- The reports that JKB 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.
- To deepen the principle of transparency and disclosure, JKB annual report must specifically contain the following:
 - JKB Corporate Governance Guidelines and the extent it is committed to.
 - A statement stating the BoD responsibility for the accuracy and adequacy of JKB financial statements and the information included in the report, and the adequacy of internal control systems.
 - A summary on JKB organizational structure.
 - 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, his companies, or any parties related to him.
 - A brief of the responsibilities and tasks of Board committees.
 - Number 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 BoD regarding the sufficiency of internal control systems.
 - A description of the structure and activities of the Risk Management Department.
 - The main shareholders of the Bank and of companies that hold substantial share of the Bank's capital.
 - Names of BoD and Senior Executive Management members who resigned during the year.
 - Shareholders' names who own (1%) or more of JKB capital along with identifying the data to be disclosed in accordance with the supervisory instructions and laws in force.
 - Declarations made by all BoD members stating that they did not receive any benefits through their work at JKB and they did not disclose it, whether such benefits were material or in-kind, and whether it is presented to him personally or to any person in relation with them, during the past year.



Ejara Leasing Company
FULLY OWNED COMPANY



United Financial Investments Company
SUBSIDIARY COMPANY



PRINCIPAL MEMBER,
ISSUER & ACQUIRER



ISSUER



Visa International Service Association
PRINCIPAL MEMBER,
ISSUER & ACQUIRER



Middle East Payment Services
MEMBER & SHAREHOLDER



MAIN AGENT



Branches

■ Amman Branches

- **Main Branch**
Tel. 5629400 – Fax 5694105
- **Abdali Branch**
Tel. 5653491 – 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 – Fax 5518451
- **Jabal Al-Hussein Branch**
Tel. 5658664 – Fax 5658663
- **Abu-Alanda Branch**
Tel. 4162756 – Fax 4161841
- **Yarmouk Branch**
Tel. 4779102 – Fax 4750230
- **Wadi El-Seir Branch**
Tel. 5858864 – Fax 5810102
- **Jubaiha Branch**
Tel. 5346763 – Fax 5346761
- **Amra 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 – 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. 5851028 – Fax 5851931
- **Nazzal Branch**
Tel. 4383906 – Fax 4383905
- **Mecca Mall Branch**
Tel. 5517967 – Fax 5517836
- **Al-Rabiyah Branch**
Tel. 5510839 – Fax 5511479
- **Al-Mougablain Branch**
Tel. 4203723 – Fax 4203715
- **Marj El-Hamam Branch**
Tel. 5731053 – Fax 5716832
- **City Mall Branch**
Tel. 5824318 – 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
- **Al-Rawnaq Branch**
Tel. 5850392 - Fax 5850327
- **Southern Sweileh Branch**
Tel. 5356259 – Fax 5356830
- **Galleria Mall Branch**
Tel. 064017870 – Fax 064017872
- **Zain Branch**
Tel. 5810734 - Fax 5810927

- **King Abdullah Bureau Branch**
Tel. 4626990 – Fax 4626995

- **Petra University Branch**
Tel. 5711283 – Fax 5713079

- **Dair Ghbar Branch**
Tel. 5853854 – Fax 5853705

- **Taj Lifestyle Branch**
Tel. 5936901 – Fax 5936903

- **Jawal Branch**
Tel. 0791995682 – Fax 0790524103

■ Middle Region Branches

- **Baq'ah Branch**
Tel. 4725090 – Fax 4726101

- **Madaba Branch**
Tel. 05/3253568 – Fax 05/3253569

- **Samarah Mall Branch – Dead Sea**
Tel. 05/3561242 – Fax 05/3561244

- **Al- Ahliyyah Amman University Branch**
Tel. 05/3500029 – Fax 05/3500048

- **Al-Salt Branch**
Tel. 05/3558995 – Fax 05/3558994

■ North Region Branches

- **Irbid Branch**
Tel. 02/7243665 – Fax 02/7247880

- **King Abdallah II St. Branch**
Tel. 02/7248496 – Fax 02/7248498

- **Yarmouk University Branch**
Tel. 02/7256065 – Fax 02/7255315

- **Al Huson Branch**
Tel. 02/7020208 – Fax 02/7022198

- **Al-Mafraq Branch**
Tel. 02/6235901 – Fax 02/6235902



■ South Region Branches

- **Aqaba Branch**
Tel. 03/2015190 – Fax 03/2016188
- **Al-Karak Branch**
Tel. 03/2396102 – Fax 03/2396002

■ 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
- **King Hussein Bin Talal St. Branch**
Tel. 05/3938470 – Fax 05/3938503

■ Branches outside Jordan

- **Regional Management & Ramallah Branch**
Tel. +970 22 406447 – Fax +970 22 406443
- **Nablus Branch**
Tel. +970 92 376413 – Fax +970 92 377181
- **Cyprus Branch**
Tel. +357 25 875555 – Fax +357 25 582339

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
- Marka Branch
- Ibn Khaldoun Branch
- Shmeissani Branch
- Madinah Munawarah Branch
- New Zarqa Branch
- Madaba Branch
- Nazzal Branch
- Baq'ah Branch
- Al-Mougablain Branch
- Sweifiyyah Branch
- Southern Sweileh Branch
- Abdoun Branch
- Abu-Nsair Branch
- Mecca Mall Branch
- Mecca Street Branch
- Marj El-Hamam Branch
- Wadi Saqra Branch
- Al-Rabiyah Branch
- Al-Rawnaq Branch
- Dabouq Branch
- Commercial Center Branch
- Irbid Branch
- King Abdallah II St. Branch-Irbid
- Yarmouk University Branch- Irbid
- Al-Madina Al-Riyadiyah Branch
- Khalda Branch
- Al-Salt Branch
- Al- Ahliyyah Amman University Branch
- Galleria Mall Branch
- Al-Huson Branch
- Samarah Mall Branch
- Dair Ghbar Branch – Dead Sea
- Al-Mafraq Branch
- Al-Karak Branch
- Petra University Branch
- Taj Lifestyle Branch
- City Mall
- King Hussein Bin Talal St. Branch
- Jawal Branch
- Safeway-Shmeissani
- Zain Headquarters
- Arab Orient Insurance Co.
- Cozmo Center
- Al-Baraka Mall
- Avenue Mall
- Centro Supermarket
- City Center – Irbid
- Rawhi Pharmacy – Abdoun
- Rawhi Pharmacy - Khalda
- Crowne Plaza Hotel
- Crowne Plaza – Dead Sea
- Abdali Boulevard
- Millennium Hotel
- Regency Hotel
- Kempinski Hotel-Aqaba
- Jabal Al-Weibdeh
- Rainbow St.
- Isteklal Hospital
- Mobile ATM
- Al-Manaseer Gas Station / Zarqa
- ATM for persons with visual disabilities/ Jabal Amman
- ATM for persons with visual disabilities / Jubeiha Branch
- Interactive Teller Machine (ITM) / Abdali Boulevard
- Ramallah Branch
- Nablus Branch



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