Anuual Report 2012

البنك التجاري الأردني
Jordan Commercial Bank

أقرب إليك.

ANNUAL REPORT 2012

His Majesty King Abdullah II Bin Al Hussein

Annual report for the year ending in 31st December 2012

Vision

Our vision is to become one of the leading private financial institutions in Jordan. We strive to achieve this goal through acquiring advanced and secured services, in line with the best banking practices.

Mission Statement

Our mission is to provide our corporate, retail, and investment's clients with customized, high quality and competitively priced financial solutions. Through both our ever-increasing regularly enhanced range of cutting-edge banking solutions and our efficient distribution channels, we are committed to delivering world-class products and services that reward our stakeholders, customers as well as our personnel.

Our Values

- The bank's employees are our greatest asset.
- The Bank's clients are our first priority.
- Transparency is the foundation of our credibility.
- A sense of responsibility is the guide to our customer service.
- Our commitment is the continuous improvement.
- Our responsibility lies firmly with our society.

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The Board of Directors

Chairman's Message

Mr. Michael Faiq Ibrahim Al-Sayegh
Chairman

H.E. Mr. Ayman Haza' Barakat Al-Majali
Vice Chairman

H.E. Dr. "Mohammad Jawad" F. Hadid

Social Security Corporation
Represented by Mr. Ayman Mahmoud Kassab
Represented by Mr. Saleh Mohammad Saleh until 28/6/2012

Mr. Saleh Mohammad Saleh since 28/6/2012

Mr. Sharif T. Alrawashdeh since 28/6/2012

First Jordan Investment Company
Represented by Mr. "Mohammad Khair" Ababneh

Mr. Mohammad Samih Barakat until 15/3/2012

Dear Shareholders,

On behalf of my fellow board members, it gives me a great pleasure to present the Bank's ninth annual report for the year 2012, during which the Bank had achieved a paradigm shift on financial and operational levels, and in terms of the internal work environment.

Firstly, the Jordanian economy has faced several internal and external challenges during the year 2012, impacting the economic conditions, which in turn affected various business sectors. Of the most prominent economic challenges was the rise in energy costs, which constitutes the highest percentage of the Kingdom's imports. This resultantly increased the burden on business enterprises. Due to the fact that imports are being purchased in foreign currencies, it had negatively affected the Kingdom's foreign currency reserves.

Despite the difficult financial circumstances endured by the Jordanian economy, the banking sector achieved positive results during the year 2012. This has been reflected in an increase in profits in addition to the growth of assets, client deposits and direct credit facilities.

Distinguished Shareholders:

The Banking sector faces fierce competition in terms of attracting new client deposits causing an increase in its cost, in addition to the competitive pricing provided by Banks for its services, the Bank achieved positive financial results during the year 2012 compared to the previous year. The Bank still achieved after-tax net profits of JD 2.1 million in 2012 compared to a loss of JD 1.3 for the same period last year. In addition, clients' deposits increased to reach JD 618 million and our market share in deposits increased to reach 2.7%. Low-cost deposits (current and savings accounts) constituted the largest share of the growth, which helped improve our structure of deposits. As for our market share in foreign currency deposits, it has stabilized at 1%. Furthermore, the Bank's direct credit facilities portfolio increased to reach JD 490 million during the year 2012, constituting 2.4% of the market share. The largest component of this growth was in the retail sector, along with our continuous efforts to focus on SMEs and Microenterprises, which is in line with the Bank's general strategy. Moreover, shareholders' equity has increased by 12.7% to reach JD 103 million.

During the year 2012, the Bank took significant steps to enhance its financial position by meeting the requirements set by the Central Bank of Jordan, most importantly it has increased the Bank's capital to reach JD 100 million (end of the year 2012 and the beginning of the year 2013). This has in turn improved the Bank's liquidity and safety indicators. The liquidity ratio stood at 116% by the end of the year 2012 higher than the ratio set by the Central Bank of Jordan at 100%. The increase in the Bank's capital has also increased the Bank's capital adequacy ratio to reach 12.2% (which is also higher than the minimum requirement set by the Central Bank at 12%). Furthermore, the Bank diversified its direct credit facilities portfolio in the year 2012 to which the bank had designated adequate provisions as a precaution to support this growth.

I would also like to highlight that the Bank continuously identifies investment opportunities and pursues those involved with the lowest risks, and seeks to benefit from government support, which is represented in providing the appropriate environment to target SMEs financing.

As part of the Bank's overall strategy, the Bank had moved to its new management head offices in 2012, whose designs were based on a modern vision and equipped with cutting edge technology, which further improved the Bank's positive image amongst clients. Additionally, the Bank's Palestine regional management offices had moved to a new building owned by the Bank.

As for the development of human resources and enhancement of capabilities and skills, the Bank provides its employees with sufficient attention in order to improve their performance and provide the Bank with specialized competencies. Moreover, the Bank had adopted a new foundation to assess and incentivize the performance of employees and reward outstanding performance.

In line with the Bank's plan to develop the internal work environment and procedures, the Bank had taken significant steps towards implementing the centralization of operations in order to provide clients with the best services, with a focus on upgrading its Information Technology systems.

In conclusion, I would like to thank all the members of the Board of Directors for their continuous efforts to support the Bank in its endeavors and for providing advice and guidance, which continuously identifies the Bank's best interests. I would also like to extend my deep gratitude to the executive management and all employees for their efforts, I am certain that they will not spare any effort in helping the bank to reach the ranks of world class banks and fulfilling the Bank's ambitions and expectations in addition to serving our beloved Jordan - May God the Almighty keep it, its King and its people safe.

Sincerely,
Michael F. Sayegh
Chairman of the Board

Executive Management 2012

for the year ending in 31st December 2012

Executive Management:

Mr. Mahdi Alawi	General Manager
Ms.Ghada AL-Farhan	Deputy General Manager
Mr.Andreh AL- Deek	Assistant General manager for Treasury, & External Relations Department
Mr.Ziad Rafati	Assistant General Manager Finance
Mr. Rami Hadid	Assistant General Manager Commercial Banking
Mr.Fadel AL-Dobais	Assistant General Manager Remedial & Collection
Mr. Mohammad Al Qura'n	Assistant General Manager Credit Analysis & Review
Mr. Ziad Fatayer	Assistant General Manager Retail Banking Group since 27/5/2012

Managers:

Mr. Khader Abu Saqri	Operations Department Executive Manager since 15/4/2012
Mr.Alaa Kohof	Human Resources Development and Planning Department Executive Manager
Mr. Fadi Rabie	Marketing Department and Retail Banking Executive Manager
Mr.Jamal AL-Raqad	Public Relations Executive Manager
Mr.Mazen AL-Khateeb	Risk Department Executive Manager
Dr.Abdullah Al-Amarat	Internal Audit Department Executive Manager
Eng. Diana Omet	Engineering & Logestics Department Manager
Mr. Mohamad Obeidat	SME Banking Department Manager
Mr. Khalil Arafat	Corporate Banking Department Manager
Mrs. Shaden Attili	Telecommunications & Technology Department Manager
Mr. Dirar Hadadin	Planing and Studies Department Manager
Mr. Maher Ghannam	Trade & Foreign Operations Department Manager
Mr.Abdel Baset Qadoumi	Credit Cards Department Manager
Eng. Nofal Barakat	Real Estate Department Executive Manager until 29/2/2012
Mr.Yasar Nabulsi	Opertaions Department Excutive Manager untill 15/4/2012
Mr. Shehab Hanaineh	Investment Department Excutive Manager untill 30/6/2012
Mr. Bassam Salman	Complience & Anti Money laundring Department Manager untill 30/6/2012
Mr.Walid Zaki	Commercial Relations and Private Banking Department Executive Manager until 31/10/2012
Mr.Moh'd AL- Nsour	Legal Department Manager until 31/10/2012

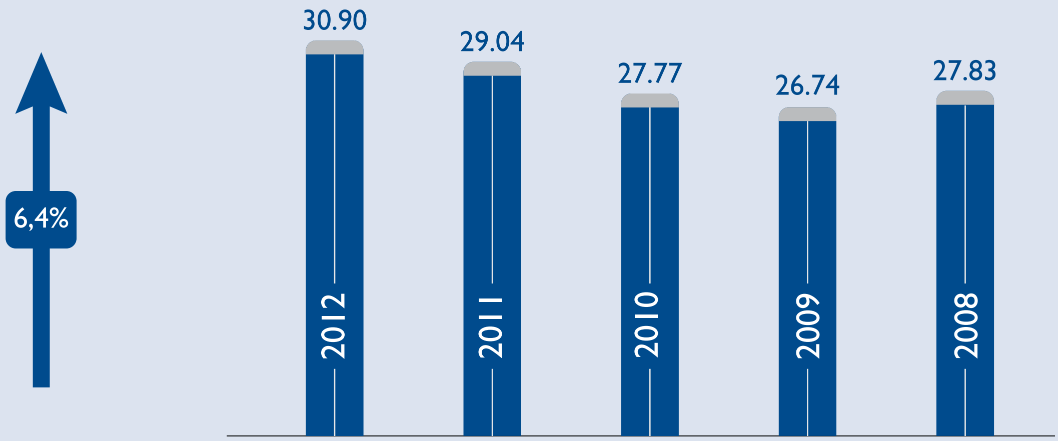
Financial Position Analysis

for the year ending in 31st December 2012

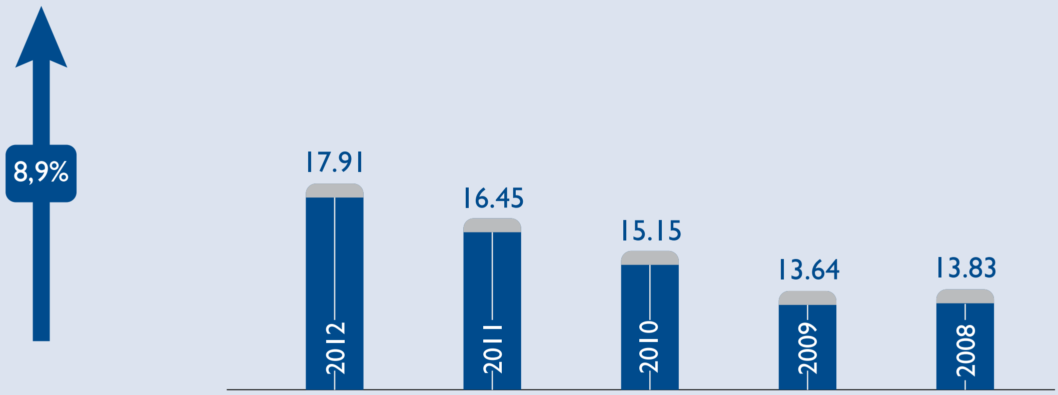
Financial Position Summary

(JOD) million	2012	2011	2010	2009	2008
Net Interest Income	22.86	21.929	21.34	18.8	21.39
Other Operating Revenues	8.69	7.12	6.43	7.94	6.44
Operating Expenses	17.91	17.91	15.15	13.64	13.83
Net (Loss) Profit of the Year	2.06	-1.33	4.38	5.56	9.34
Total Assets	844.34	801.44	762.78	630.09	628.16
Shareholders' Equity	103.487	91.84	94.24	90.98	87.63
Customers' Deposits	618.49	609.84	551.57	443.34	421.53
Direct Credit Facilities, Net	440.52	420.31	390.45	325.82	368.36
Securities Portfolio	174.69	200.95	185.28	144.53	102.49
Cash and Bank Balances	172.02	140.14	157.6	131.55	129.5
Share Price by the end of the Year/ JOD	1	1.1	1.64	1.62	2.27
Earnings (Loss) per share/JOD	0.022	-0.016	0.053	0.069	0.128

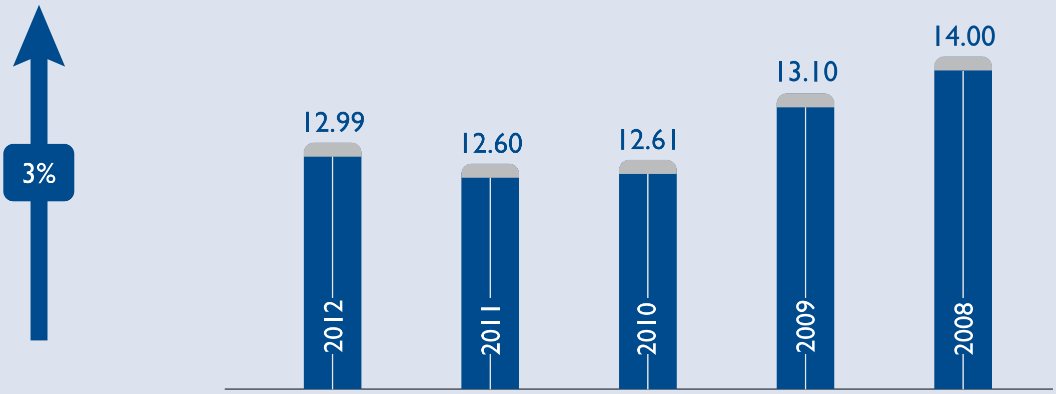
Balanced growth in terms of profitability:



Net Operational Income (JOD Million)

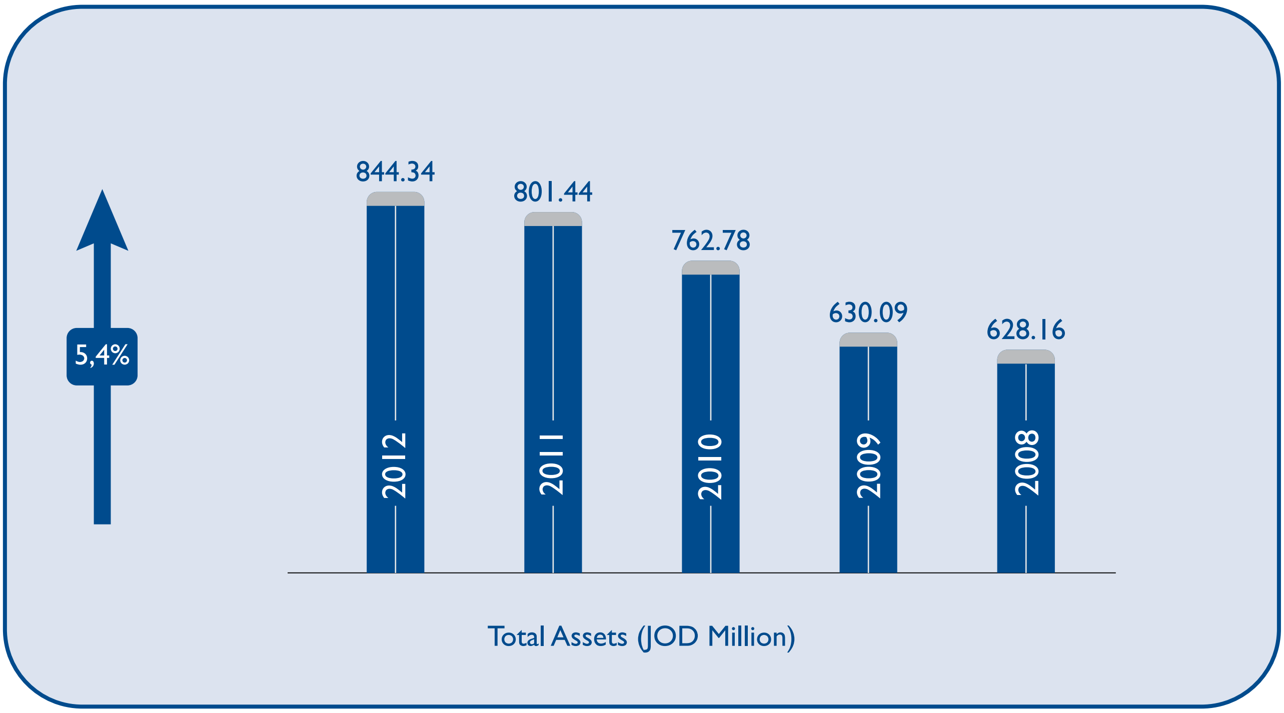


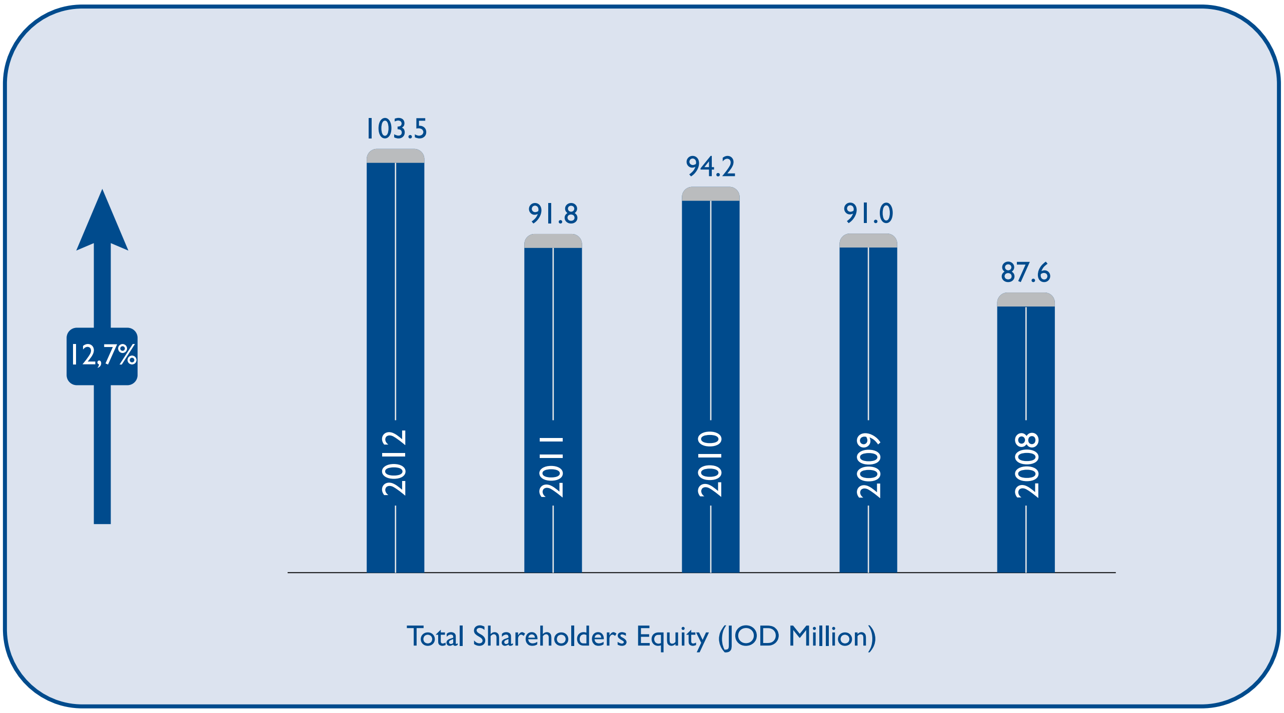
Total Operational Expenses (JOD Million)

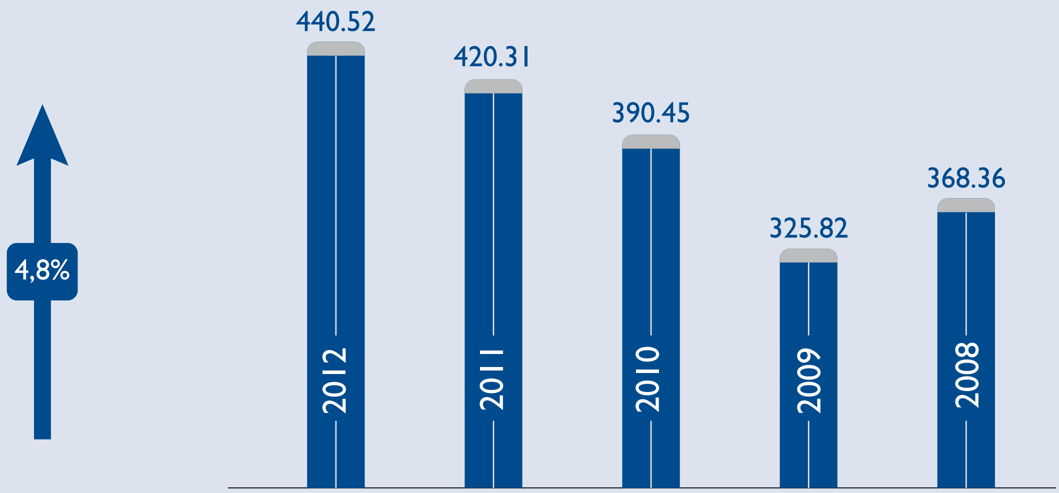


Net Operating Profit (JOD Million)

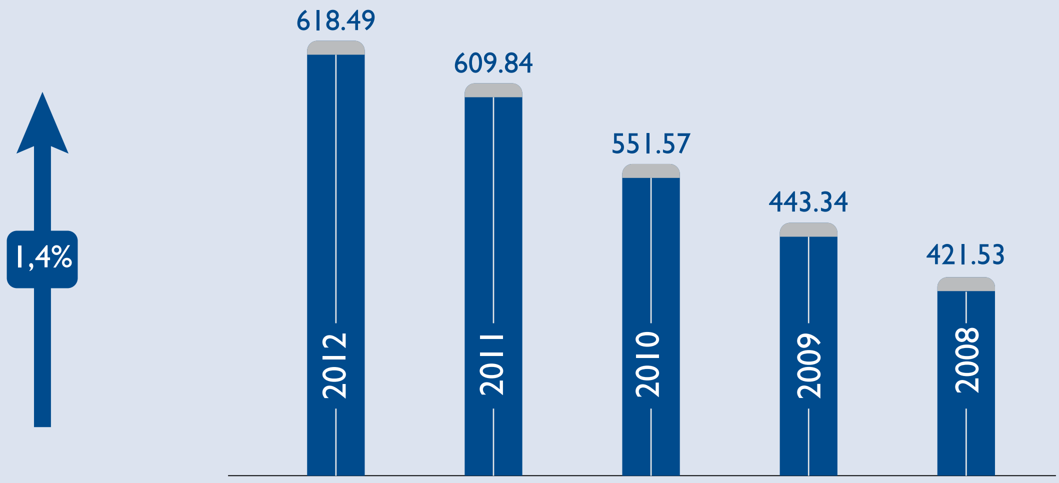
Sustainable Growth Rate in the Bank's Balance Sheet Components, Despite the Continuing Effects of Global Financial Crisis:







Credit Portfolio - Net (JOD Million)



Customer's Deposit (JOD Million)

	2012	2011
1- Liquidity		
Credit Portfolio-Net/ Total customers' Deposits	71.2%	68.9%
Credit Portfolio-Net/ Total Assets	52.2%	52.4%
Liquid Assets/ Total Assets	37.9%	36.1%
Earning Assets/ Total Assets	116.4%	111%
2- Asset Quality		
Non-Performing Loans (not covered with provisions nor interest)/ Credit Portfolio-Net	7.9%	10%
Coverage Ratio	51.2%	41.7%
3- Profitability Indicators		
Return on Average Assets	0.25%	-0.17%
Return on Average Equity	2.11%	-1.40%
Efficiency Ratio	58%	56.6%
4- Capital		
Shareholders' Equity/ Total Assets	12.3%	11.5%
Capital Adequacy	12.2%	10.9%

Independent auditors' report to the shareholders

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 financial statements present fairly, in all material respects, the financial position of Jordan Commercial Bank (Public Shareholding Company) as of December 31, 2012, and its financial performance and cash flows for the year then ended in accordance with the amended International Financial Reporting Standards as stated in Note (2) and the arrangements with the Central Bank of Jordan regarding the computation of the provision for impairment loss for direct credit facilities as stated in Note (6) and the amortization of the balance of deferred restructuring costs as stated in Note (12) to the financial statements .

Emphasis of Matters
Without qualifying our opinion, we draw attention to the following:

1. As stated in Note (12) to the financial statements, the balance of deferred restructuring costs amounted to JD 5,177,555 as of December 31, 2012, which used to be amortized over ten years starting from the year 2004 based on the approved restructuring agreement by the Central Bank of Jordan and the Council of Ministers, which was approved by the General Assembly of the Bank's Shareholders then. The International Financial Reporting Standards require to charge the balance of deferred restructuring costs to the shareholders' equity; however, based on the arrangement with the Central Bank of Jordan, the amortization of restructuring costs balance for the years 2011, 2012 and 2013 was deferred, provided that it will be reconsidered in the future based on the Bank's results of operations for the year 2012.

2. As stated in Note (18) to the financial statements, the Bank appealed on October 26, 2010, to the Income Tax Court of Appeal in Palestine regarding the income tax assessment for the year 2005 regarding interests in suspense from previous years which was returned to customers during the year 2005, on which there is a dispute about considering it as an expense, whereas its estimated related tax amounted to JD 726,600. In the opinion of management and the legal and tax consultants of the Bank in Palestine; the booked income tax provision included in the financial statement is sufficient to meet the tax obligations as of December 31, 2012.

Report on Other Legal and Regulatory Requirements
The Bank maintains proper accounting records that are in line with the accompanying financial statements and with the financial statements presented in the Board of Directors' report. Furthermore, we recommend that the General Assembly of Shareholders approves these financial statements taking into consideration the above mentioned two emphasis of matter paragraphs.

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

Amman – Jordan
May 29, 2013

Deloitte & Touche (M.E.) – Jordan

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

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

AM / 8511

To the Shareholders of
Jordan Commercial Bank
(Public Shareholding Company)
Amman – Jordan

Audit Scope
We have audited the accompanying financial statements of Jordan Commercial Bank (Public Shareholding Company), which comprise the statement of financial position as of December 31, 2012, and the 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 Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the amended International Financial Reporting Standards and the instructions of the Central Bank of Jordan and its arrangements regarding the computation of the provision for impairment loss for some direct credit facilities customers and the computation of interests in suspense and the amortization of the balance of deferred restructuring costs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the 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 financial statements.

Financial Statements

	Note	31 December 2012	
		2012	2011
		JD	JD
ASSETS			
Cash and balances at central banks	4	103,655,689	64,884,383
Balances at banks and financial institutions	5	68,368,860	75,250,653
Direct credit facilities - net	6	440,524,180	420,305,902
Financial assets at fair value through profit or loss	7	3,111,976	1,906,397
Financial assets at fair value through comprehensive income	8	7,982,764	9,495,455
Financial assets at amortized cost	9	149,298,558	189,551,590
Pledged financial assets	10	14,300,000	-
Property and equipment - net	11	20,975,994	15,992,258
Intangible assets - net	13	1,360,051	1,040,081
Other assets	12	34,764,958	23,016,905
TOTAL ASSETS		844,343,030	801,443,624
LIABILITIES AND OWNERS' EQUITY			
Banks and financial institutions deposits	14	38,850,452	44,356,331
Customers deposits	15	618,488,435	609,841,623
Cash margins	16	57,290,028	39,165,642
Borrowed funds	17	14,300,000	-
Provision for income tax	18	1,381,748	579,929
Other provisions	19	983,167	804,563
Other liabilities	20	9,577,232	14,855,744
TOTAL LIABILITIES		740,871,062	709,603,832
OWNERS' EQUITY:			
Authorized and paid-up capital	21	93,342,179	82,769,898
Statutory reserve	22/ a	8,034,616	7,730,988
General banking risks reserve	22/ b	4,198,663	3,848,089
Cyclicality reserve	22/ c	748,884	640,605
Fair value reserve	23	(4,491,843)	(4,373,535)
Retained earnings	24	1,639,469	1,223,747
TOTAL LIABILITIES		103,471,968	91,839,792
TOTAL LIABILITIES AND OWNERS' EQUITY		844,343,030	801,443,624

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDET AUDITOR'S REPORT

	NOTE	for the year ending 31 December	
		2012	2011
		JD	JD
Interest income	25	45,611,494	42,730,034
Less: Interest expense	26	22,747,378	20,800,915
Net Interest Income		22,864,116	21,929,119
Net Commission income	27	5,334,544	5,066,799
Net Interest and Commission		28,198,660	26,995,918
Foreign exchange income	28	903,975	913,609
(Loss) from financial assets at fair value through profit or loss	29	(19,676)	(751,440)
Cash dividends from financial assets at fair value through			
comprehensive income	8	301,483	56,463
Other income	30	2,167,282	6,204,713
Gross Income		31,551,724	33,419,263
Employees expenses	31	8,415,924	8,344,796
Depreciation and amortization	11&13	1,795,178	1,556,812
Provision for impairment in direct credit facilities	6	9,960,273	17,406,136
Other provisions	19	416,301	500,255
Provision for impairment in financial assets at amortized cost	9	226,880	56,720
Other expenses	32	7,700,890	6,546,547
Total Expenses		28,515,446	34,411,266
Income for the Year before Income Tax		3,036,278	(992,003)
Less: Income tax for the year	18/ b	(973,400)	(337,746)
Income (Loss) for the Year		2,062,878	(1,329,749)
Earnings per Share for the Year attributable to the Bank's Shareholders			
Basic and Diluted	33	022/-	(016/-)

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDET AUDITOR'S REPORT

Statement of comprehensive income

	For the year ended, December 31	
	2012	2011
	JD	JD
Income (loss) for the year	2,062,878	(1,329,749)
Other Comprehensive Income Items:		
" Net change in fair value reserve through statement of comprehensive income - net of tax "	(1,002,983)	(1,072,838)
Total Comprehensive Income / (Loss) for the Year	1,059,895	(2,402,587)

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDET AUDITOR'S REPORT.

Description	Note	Authorized and Paid-up Capital	Share Premi-um	Reserves			Cumulative Change in Fair Value -	Fair Value Reserve	Retained Earnings	Total
				Statutory	General Banking Risks	Cyclical				
		JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2012										
Balance - beginning of the year		82,769,898	-	7,730,988	3,848,089	640,605	-	(4,373,535)	1,223,747	91,839,792
Income for year		-	-	-	-	-	-	-	2,062,878	2,062,878
" Net change in fair value of financial assets at fair value through statement of comprehensive income "		-	-	-	-	-	-	(1,002,983)	-	(1,002,983)
"Released from sale of financial assets at fair value through statement of comprehensive income"		-	-	-	-	-	-	996,734	(996,734)	-
"Realized gains from sale of financial assets at fair value through comprehensive income "		-	-	-	-	-	-	(112,059)	112,059	-
Total comprehensive income for the year		-	-	-	-	-	-	(118,308)	1,178,203	1,059,895
Transferred to reserves	22	-	-	303,628	350,574	108,279	-	-	(762,481)	-
Increase in paid - up capital	21	10,572,281	-	-	-	-	-	-	-	10,572,281
Balance - End of the Year		93,342,179	-	8,034,616	4,198,663	748,884	-	(4,491,843)	1,639,469	103,471,968
For the Year Ended December 31, 2011										
Balance declared - beginning of the year		80,359,125	56,698	7,440,123	3,681,843	204,308	(324,954)	-	2,825,236	94,242,379
Effect of IFRS (9) early adoption		-	-	-	-	-	324,954	(3,295,906)	2,970,952	-
Adjusted balance - beginning of the year		80,359,125	56,698	7,440,123	3,681,843	204,308	-	(3,295,906)	5,796,188	94,242,379
(Loss) for the year		-	-	-	-	-	-	-	(1,329,749)	(1,329,749)
"Net change in fair value of financial assets at fair value through statement of comprehensive income "		-	-	-	-	-	-	(1,072,838)	-	(1,072,838)
"Gains from sale of financial assets at fair value through statement of comprehensive income"		-	-	-	-	-	-	(4,791)	4,791	-
Total comprehensive (loss) for the year		-	-	-	-	-	-	(1,077,629)	(1,324,958)	(2,402,587)
Transferred to reserves	22	-	-	290,865	166,246	436,297	-	-	(893,408)	-
Increase in paid - up capital		2,410,773	(56,698)	-	-	-	-	-	(2,354,075)	-
Balance - End of the Year		82,769,898	-	7,730,988	3,848,089	640,605	-	(4,373,535)	1,223,747	91,839,792

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDET AUDITOR›S REPORT.

- Retained earnings include an amount of JD 1,974,218 as of December 31, 2012 (JD ,970,952 as of December 31, 2011), restricted against the effect of early adoption of International Financial Reporting Standard No. (9) in accordance with Jordan Securities Commission instructions relating to unrealized differences in the revaluation of financial assets at fair value through statement of comprehensive income net of what has been actually realized through selling transactions.

- An equivellent amount to the negative balance of financial assets revaluation reserve is restricted as per Jordan Securities Commission instructions and Central Bank of Jordan.

- General Banking Risks Reserve balance is restricted except for pre-approval of the Central Bank of Jordan.

- Use of the Cyclial Reserve is restricted except for pre-approval of the Palestinian Monetary Authority .

Statement of cash flows

	Note	For the year ending, December 31	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income (loss) for the year before income tax		3,036,278	(992,003)
Adjustments:			
Depreciation and amortization	11&13	1,795,178	1,556,812
Provision for impairment in direct credit facilities	6	9,960,273	17,406,136
Net interest income		(1,158,982)	(435,779)
Provision for end-of-service indemnity	19	83,138	105,598
Provision for lawsuits against the Bank	19	328,163	389,275
Other provisions	19	5,000	5,382
(Gain) on sale of properties seized by the Bank	30	(52,647)	(159,334)
(Gain) on sale of property and equipment	30	(7,821)	(1,986,491)
(Gain) losses on valuation of financial assets through profit or loss	29	(75,604)	874,469
Dividends distribution from financial assets through statement of comprehensive income		(301,483)	(56,463)
Impairement losses on shares acquired against debts	12	114,382	-
Impairment loss of financial assets at amortized cost	9	226,880	56,720
Effect of exchange rate fluctuations on cash and cash equivalents		(558,103)	(594,271)
Total		13,394,652	16,170,051
CHANGES IN ASSETS AND LIABILITIES:			
(Increase) in direct credit facilities		(30,178,551)	(47,266,904)
(Increase) in financial assets at fair value through profit or loss		(1,129,975)	(75,156)
(Increase) in other assets		(11,809,788)	(4,669,091)
Decrease (increase) in restricted balances to withdraw		(955,355)	5,430,238
Increase in repurchasing agreements		-	3,090,635
(Decrease) increase in banks and financial institutions deposits due after three months		(10,000,000)	10,000,000
Increase in customers deposits		8,646,812	58,274,557
Increase (decrease) in cash margins		18,124,386	(6,423,367)
(Decrease) increase in other liabilities		(5,278,512)	4,677,680
Net change in assets and liabilities		(32,580,983)	23,038,592
Net Cash Flows (used in) generated from Operating Activities before			
Provisions Paid and Income Tax Paid		(19,186,331)	39,265,106
Staff end-of-service indemnity paid	19	(44,000)	(65,739)
Provision for lawsuits paid	19	(169,075)	(360,216)
Other paid provisions	19	(24,622)	(10,771)
Income tax paid	18	(171,581)	(2,760,461)
Net Cash Flows (used in) generated from Operating Activities		(19,595,609)	36,067,919
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease (increase) in financial assets at amortized cost		(37,523,702)	(45,462,516)
Maturity of financial assets at amortized cost		77,549,854	28,380,000
(Increase) in pledged financial assets		(14,300,000)	-
Decrease (increase) in financial assets at fair value through comprehensive income		811,191	(3,702,612)
(Acquisition) of property and equipment	11	(6,465,266)	(8,089,090)
(Acquisition) of intangible assets	13	(658,781)	(590,490)
Proceeds from sale of property and equipment		32,984	4,410,827
Proceeds from intrests income		1,158,982	435,779
Net Cash Flows generated from (used in) Investing Activities		20,605,262	(24,618,102)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in borrowed funds		-	(10,000,000)
Increase in paid-up capital	22	10,572,281	-
Net Cash Flows generated from (used in) Financing Activities		10,572,281	(10,000,000)
Effect of exchange rate fluctuations on cash and cash equivalents	28	558,103	594,271
Net Increase in Cash and Cash Equivalents		12,140,037	2,044,088
Cash and cash equivalents - beginning of the year		105,671,416	103,627,328
Cash and Cash Equivalents - End of the Year	34	117,811,453	105,671,416

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDET AUDITOR›S REPORT.

Notes to the financial statements for the year ended, December 31

1 - General

- Jordan Commercial Bank was established as a Jordanian public shareholding company on May 3, 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with a paid-up capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, Tel. +962 (6) 5203000, P.O. Box 9989, Amman –Jordan.

- During the year 1993, Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Mashrek Bank (Jordan branches) in terms of its rights and liabilities.

- At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned governmental entities and on June 28, 2004, procedures relating to changing the Bank's name from Gulf Bank to Jordan Commercial Bank were completed.

- The Bank's capital was increased gradually, with the last increase paid during the year 2012, whereby the General Assembly of the Bank resolved in its extraordinary meeting held on December 20, 2011 to approve the increase of the authorized, issued and paid-up capital from JD/Share 82,769,898 as of December 31, 2011 to become JD/Share 100,000,000, with an increase of JD/Share 17,230,102, through issuing 17,230,102 shares for private underwriting of One JD per each share for the Bank's registered shareholders. The underwriting procedures have been completed for JD/Share 10,572,281 of the original amount of 17,230,102 shares in the amount of One JD per each share, as the issued and paid-up capital became JD/Share 93,342,179 as of December 31, 2012. Moreover, the sale of the unsubscribed shares amounting to JD 6,657,821 was completed during the year 2013 by which the Bank's capital became JD 100,000,000 JD/Share fully paid as of January 31, 2013.

- Jordan Commercial Bank is a listed public shareholding company on Amman Stock Exchange.

- The Bank is engaged in banking and related financial operations through its branches totaling to (30) inside Jordan, and (4) branches in Palestine.

- The financial statements have been approved by the Bank's Board of Directors, in its meeting No. (15/2013) held on March 10, 2013 and are subject to the approval of the General Assembly of Shareholders.

2. Significant Accounting Policies

Basis of Preparation of Financial Statements

- The accompanying financial statements of the Bank has been prepared in accordance with amended International Financial Reporting Standards according to Central Bank of Jordan instructions and arrangement with regards to the computation of the provision for impairment loss for a number of direct credit facilities customers and amortization of restructuring costs balance.

- The financial statements are prepared in accordance with the historical cost principle, except for financial assets / liabilities which are stated at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives which stated at fair value at the date of the financial statements. Moreover, hedged financial assets / liabilities are also stated at fair value.

- The reporting currency of the financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2011 except the effect of note (44-a) to the financial statements.

Segments Information

- A business segment is a distinguishable component of an entity engaged in providing an individual product or service or a group of related products or services subject to risks and returns different from those of other business segments, 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, and the purpose from maintaining them is generating gains from the fluctuations in market prices in the short term or trading margins.

- These financial assets are initially stated at fair value at acquisition date, while transaction costs are expensed in the statement of income, and are subsequently measured at fair value. Moreover, changes in fair value are recorded in the statement of income including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the 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 interests from these financial assets are recorded in the statement of income.

Financial assets at fair value through statement of comprehensive income

- These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

- Financial assets at fair value though comprehensive income initially stated at fair value plus transaction cost at purchase date. Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of income.

- No impairment testing is required for those assets.

- Dividends are recorded in the statement of income in a separate line item.

Financial assets at amortized cost

- These financial assets represent financial assets which the Bank's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

- 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 therefore are deducted. Any impairment is registered in the 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 the International Financial Reporting Standards (in the case of selling any of these assets before its maturity date, the result should be recorded in a separate line item in the statement of income, disclosures should be made in accordance to the requirements of International Financial Reporting Standards).

Fair Value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of financial statements in active markets that represents the fair value of financial instruments and derivatives that have market values.

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

The valuation methods aim to obtain a fair value that reflects the market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of financial assets. Moreover financial assets at fair value of which cannot be reliably measured are stated at cost net of any impairment in their value.

Impairment in the Value of Financial Assets

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

Impairment loss is determined as follows:

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

The impairment in value is recorded in the statement of income. Any surplus in the following period resulting from previous declines in the fair value of financial assets is taken to the statement of income.

Direct Credit Facilities

- Direct Credit facilities are stated at amortized cost after deducting provision for impairment loss in direct credit facilities, interest and commission in suspense.
- A provision for the impairment in direct credit facilities is recognized when it is obvious that the financial assets of the Bank cannot be recovered, there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment loss amount can be estimated according to Central Bank of Jordan instructions, except for the arrangements with the Central Bank of Jordan with regards to the calculation of impairment and interest in suspense for a number of direct credit facilities customers, and in accordance with the Central Banks instruction in which the Bank's branches operate. Impairment loss is taken to the statement of income. The provision is taken to the statement of income.
- Interests 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 operate whichever is more restricted.
- Impaired credit facilities, for which provision have 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 statement of income, while debt recoveries are taken to income.

Property and Equipment

- Property and equipment are stated at cost net of accumulated depreciation and any impairment in its 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	2
Machines and office equipment	10 – 15
Decorations	15
Vehicles	15
Computers	20

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

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

- Payments to departing employees are deducted from the employees' end-of-service indemnities provision while the required provision for end-of-service indemnities for the year is recorded in the 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 financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

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

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the 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 financial statements, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Capital share

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 statement of income as an expense.

Accounts Managed on Behalf of Customers

This item represents the accounts managed by the Bank on behalf of its customers and is not part of the Bank's assets. The fees and commissions for managing these accounts are shown in the 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 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 trade date (the date the Bank is liable to sell or purchase the financial asset).

Financial Derivatives and Hedge Accounting

Financial Derivatives Hedge

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

- **Fair value hedge**
  - Hedge for the change in the fair value exposures of the Bank's assets and liabilities.
  - When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge is recognized in the statement of income.

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

- **Cash flows hedge**

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

When the conditions of effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in the statement of comprehensive income / owners' equity. Such gain or loss is transferred to the statement of income in the period in which the hedge transaction impacts the 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 statement of comprehensive income / statement of owners' equity while the ineffective portion is recognized in the statement of income. Moreover, the effective portion is recorded in the 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 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 statement of financial position under other assets or other liabilities as the case may be. Fair value is measured according to the prevailing market prices, and if they are not available, the measurement method should be disclosed. The change in their fair value is recognized in the 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 financial statements as a result of the Bank's continuous control over these assets and as the related risks and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

- Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the 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 statement of financial position at the acquisition value or fair value, whichever is lower and revalued individually at fair value as of the statement of financial position date. Any decline in their market value is taken to the statement of income whereas any such increase is not recognized. A subsequent increase is taken to the statement of income to the extent it does not exceed the previously recorded impairment loss.

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 statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the financial statements date, and impairment loss is treated in the statement of income as an expense for the period.

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

- Any indications of impairment in the value of intangible assets as of the 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%.

Foreign Currencies

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

- Financial assets and financial liabilities denominated in foreign currencies are translated at the average exchange rates prevailing on the 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 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.

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 financial statements and the application of accounting policies require 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 financial assets valuation and require 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.

- Management believes that the estimates in the financial statements are reasonable and the details are as follows:

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

- A provision for loans is taken on the basis and estimates approved by management in conformity with Central Bank of Jordan instructions except for the arrangements with Central Bank of Jordan with regards to impairment loss for some direct credit facilities customers.

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

- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general status of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the 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 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 IFRS. Differentiating between Level (2) and Level (3) fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

4 - Cash and Balances at Central Banks

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Cash in vaults	20,461,371	13,693,093
Balances at Central Banks:		
Current and call accounts	44,724,261	8,615,547
Time and notice deposits	7,444,500	8,944,870
Mandatory cash reserve	31,025,557	33,630,873
Total Balances at Central Banks	83,194,318	51,191,290
	103,655,689	64,884,383

- There are no restricted balances as of December 31, 2012 and 2011, except for the cash reserve and the capital deposits at the Palestinian Monetary authority which amounted to JD 7,444,500

5 - Balances at Banks and Financial Institutions

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	December 31		December 31		December 31	
	2012	2011	2012	2011	2012	2011
	JD	JD	JD	JD	JD	JD
Current and call accounts	3,908,232	2,474,226	5,328,285	3,816,596	9,236,517	6,290,822
Deposits due within 3 months or less	31,516,329	31,937,260	27,616,014	37,022,571	59,132,343	68,959,831
Total	35,424,561	34,411,486	32,944,299	40,839,167	68,368,860	75,250,653

- Non-interest bearing balances at banks and financial institutions amounted to JD 3,908,232 as of December 31, 2012 against JD 2,474,226 as of December 31, 2011.

- Restricted balances amounted to JD 1,062,644 as of December 31, 2012 against JD 107,289 as of December 31, 2011.

- There are no balances maturing within a period of more than three months as of December 31, 2012 (JD 10,000,000 maturing during the period of more than 3 months as of December 31, 2011).

6 - Direct Credit Facilities - net

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Individuals (retail):		
Overdraft accounts	2,443,467	2,400,297
Loans and promissory notes *	54,768,585	32,833,649
Credit cards	2,179,444	1,913,573
Real estate loans	79,499,187	85,444,173
Companies:		
Large		
Overdraft accounts	55,190,397	56,593,497
Loans and promissory notes *	198,150,559	192,174,780
Small and medium		
Overdraft accounts	23,416,756	23,711,065
Loans and promissory notes *	56,168,720	46,396,739
Government and public sector	19,069,471	18,797,413
	490,886,586	460,265,186
Less: Provision for impairment in direct credit facilities *	(36,336,461)	(30,005,864)
Interest in suspense	(14,025,945)	(9,953,420)
Net Direct Credit Facilities	440,524,180	420,305,902

(*)Net after deducting interests and commissions received in advance of JD 639,151 as of December 31, 2012 (JD 687,528 as of December 31, 2011).

- Non-performing credit facilities amounted to JD 84,974,667 equivalent to 17/3% of total direct credit facilities as of December 31, 2012 (JD 81,923,993 equivalent to 17/8% of total direct credit facilities as of December 31, 2011).
- Non- performing credit facilities net of interests and commissions in suspense amounted to JD 70,948,722 equivalent to 14/9% of total direct credit facilities balance as of December 31, 2012 (JD 72,450,400 equivalent to 16/1% of total credit facilities balance after deducting suspended interests as of December 31, 2011).
- There are no direct credit facilities granted to and guaranteed by the Government of Jordan for the years 2012 and 2011.
- Direct credit facilities include facilities granted to a number of customers in an amount of JD 41,735,847 net after deducting interests and commissions in suspense as of December 31, 2012, with acceptable collaterals amounting to JD 24,931,531 as per Central Bank of Jordan instructions. The provision for impairment loss against such direct credit facilities amounted to JD 21,097,174 as of December 31, 2012 based on the arrangements with Central Bank of Jordan with regards to the computation of provision for impairment loss for these customers, whereby the remaining provision will be gradually booked starting the year 2012 and during one to three years.

- Provision for Impairment in Direct Credit Facilities

The following is the movement on the provision for impairment in direct credit facilities for the year:

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
	JD	JD	JD	JD	JD	JD
2012						
Balance – beginning of the year	2,408,817	626,095	22,641,590	4,329,362	-	30,005,864
Deducted from income during the year	452,362	3,439,885	5,558,347	509,679	-	9,960,273
Used from provision during the year (written-off)*	(174,451)	-	(144,863)	-	-	(319,314)
Provision for debts transferred to accounts off the statement of financial position	(1,613,556)	-	(1,680,008)	(16,798)	-	(3,310,362)
Balance – End of the Year	1,073,172	4,065,980	26,375,066	4,822,243	-	36,336,461
Provision for impairment in non-performing credit facilities	1,018,605	4,065,980	25,675,923	4,738,571	-	35,499,079
Provision for impairment in watch list credit facilities	54,567	-	699,143	83,672	-	837,382
Balance – End of the Year	1,073,172	4,065,980	26,375,066	4,822,243	-	36,336,461
2011						
Balance – beginning of the year	1,295,571	562,409	11,500,562	1,698,668	-	15,057,210
Deducted from income during the year	2,020,509	63,686	12,427,501	2,894,440	-	17,406,136
Used from provision during the year (written-off)*	(176,541)	-	-	(9,270)	-	(185,811)
Provision for debts transferred to accounts off the statement of financial position	(730,722)	-	(1,286,473)	(254,476)	-	(2,271,671)
Balance – End of the Year	2,408,817	626,095	22,641,590	4,329,362	-	30,005,864
Provision for impairment in non-performing credit facilities	2,346,773	626,095	22,284,305	4,305,488	-	29,562,661
Provision for impairment in watch list credit facilities	62,044	-	357,285	23,874	-	443,203
Balance – End of the Year	2,408,817	626,095	22,641,590	4,329,362	-	30,005,864

(*)During the year 2012, an amount of JD 319,314 was written-off from direct credit facilities according to the Board of Directors approval (against JD 185,811 for the year 2011).

- The provisions against debts calculated on the basis of the individual customer has been disclosed above.
- Provisions no longer needed due to settlements or repayments of debts transferred against other debts amounted to JD 2,521,715 as of December 31, 2012 (JD 4,200,996 as of December 31, 2011).
- A balance of direct credit facilities of JD 33,486,801 and intrest in suspense of JD 17,874,507 and related provision against it of JD 15,612,494 as of December 31, 2012, were included within accounts off the statement of financial position items according to the Board of Directors resolutions, taking into considerations that these accounts are fully covered as of the financial statements date.

- Interest in Suspense

The movement on interest in suspense durign the year was as follows:

	Individuals	Real Estate Loans	Companies		Govern-ment & Public Sector	Total
			Large	Small and Medium		
	JD	JD	JD	JD	JD	JD
2012						
Balance – beginning of the year	552,710	733,430	5,942,414	2,724,866	-	9,953,420
Add: Interest suspended during the year	190,392	433,322	5,036,763	590,195	-	6,250,672
Less: Interest reversed to income during the year	(164,712)	-	(128,366)	(81,303)	-	(374,381)
Interest in suspense written off	(125,318)	-	(190,084)	(59,273)	-	(374,675)
"Interest in suspense transferred to accounts off the statement of financial position"	(84,007)	-	(1,304,818)	(40,266)	-	(1,429,091)
Balance - End of the Year	369,065	1,166,752	9,355,909	3,134,219	-	14,025,945
2011						
Balance – beginning of the year	1,151,722	500,618	2,163,860	2,516,154	-	6,332,354
Add: Interest suspended during the year	647,515	314,216	5,114,251	1,390,111	-	7,466,093
Less: Interest reversed to income during the year	(178,508)	(28,602)	(229,851)	(169,005)	-	(605,966)
Interest in suspense written off	(129,303)	-	-	(196,105)	-	(325,408)
"Interest in suspense transferred to accounts off the statement of financial position"	(938,716)	(52,802)	(1,105,846)	(816,289)	-	(2,913,653)
Balance - End of the Year	552,710	733,430	5,942,414	2,724,866	-	9,953,420

7 - Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Quoted shares in active markets	3,111,976	1,906,397

8 - Financial Assets at Fair Value through Comprehensive Income

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Quoted shares in active markets	5,976,900	7,157,906
Unquoted shares in active markets	2,005,864	2,337,549
Total	7,982,764	9,495,455

- Realized gains from the sale of shares at fair value through statement of comprehensive income amounted to JD 112,059 for the year ended December 31, 2012 were directly recorded in the retained earnings in owners' equity (JD 4,791 for the year ended

December 31, 2011).

- Cash dividends for the above investments amounted to JD 301,483 for the year ended December 31, 2012 (JD 56,463 for the year ended December 31, 2011).

6 - Financial Assets at Amortized Cost

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Treasury bond and bills	116,261,378	149,630,828
Companies bonds and debentures	33,355,552	39,994,977
Total	149,616,930	189,625,805
"less: Provision for impairment in financial assets at amortized cost * "	(283,600)	(56,720)
Interest in suspense **	(34,772)	(17,495)
Financial assets at amortized cost - Net	149,298,558	189,551,590
Bonds and Bills Analysis:		
At fixed rate	149,298,558	189,551,590
Total	149,298,558	189,551,590

(*) The movement on the provision of impairment loss on financial assets at amortized cost is as follows:

	2012	2011
	JD	JD
Balance – beginning of the year	56,720	-
Provision booked for the year	226,880	56,720
Balance – Ending of the Year	238,600	56,720

(**) The movement for the interests in suspense is as follows:

	2012	2011
	JD	JD
Balance – beginning of the year	17,495	-
Interest in suspense during the year	17,277	17,495
Balance – Ending of the Year	34,772	17,495

10 - Pledged Financial Assets

- This item represents Jordanian treasury bonds in the amount of JD 14,300,000 against repurchasing agreement liabilities, which were excuted on Decemebr 26, 2012 with an interest rate of 4/25%, and maturity date of January 2, 2013.

11 - Property and Equipment - Net

A. The details of this item are as follows:

	Lands	Buildings	Machines and office equipment	Dicorations	Vehicles	Computers	Payments for property and equipment	Total
Cost:	JD	JD	JD	JD	JD	JD	JD	JD
2012								
Balance - beginning of the year	1,896,400	3,947,665	4,223,195	5,069,136	517,375	4,457,060	5,765,935	25,876,766
Additions	-	780,784	760,318	434,115	25,000	508,116	3,956,933	6,465,266
"Transfers from the payments for property and equipment"	-	8,402,018	352,260	160,230	-	808,360	(9,722,868)	-
Disposals	-	-	(63,778)	(612)	(66,263)	(9,284)	-	(139,937)
Balance - End of the year	1,896,400	13,130,467	5,271,995	5,662,869	476,112	5,764,252	-	32,202,095
Accumulated Depreciation:								
Balance - beginning of the year	-	529,414	2,405,805	2,699,275	208,843	4,041,171	-	9,884,508
Deprecation for the year	-	118,672	403,726	626,545	68,545	238,879	-	1,456,367
Disposals	-	-	(52,490)	(610)	(52,404)	(9,270)	-	(114,774)
Balance - End of the year	-	648,086	2,757,041	3,325,210	224,984	4,270,780	-	11,226,101
Net Book Value of Property and Equipment	1,896,400	12,482,381	2,514,954	2,337,659	251,128	1,493,472	-	20,975,994
2011								
Cost								
Balance - beginning of the year	2,466,963	2,232,291	4,193,049	5,849,178	593,099	4,298,062	2,454,459	22,087,101
Additions	124,800	2,780,689	550,250	1,043,075	107,300	171,500	3,311,476	8,089,090
Disposals	(695,363)	(1,065,315)	(520,104)	(1,823,117)	(183,024)	(12,502)	-	(4,299,425)
Balance - End of the year	1,896,400	3,947,665	4,223,195	5,069,136	517,375	4,457,060	5,765,935	25,876,766
Accumulated Depreciation:								
Balance - beginning of the year	-	779,494	2,343,302	3,332,163	238,161	3,819,729	-	10,512,849
Deprecation for the year	-	19,680	372,206	585,456	71,730	233,475	-	1,282,547
Disposals	-	(269,760)	(309,703)	(1,218,344)	(101,048)	(12,033)	-	(1,910,888)
Balance - End of the year	-	529,414	2,405,805	2,699,275	208,843	4,041,171	-	9,884,508
Net Book Value of Property and Equipment	1,896,400	3,418,251	1,817,390	2,369,861	308,532	415,889	5,765,935	15,992,258
Depreciation percentage %	-	2	10-15	15	15	20	-	

B. Property and equipment balance includes an amount of JD 6,170,090 as of December 31,2012 (JD 5,628,480 as of December 31, 2011), representing fully depreciated property and equipment.

12 - Other Assets

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Interest and revenues under collections	2,687,659	2,889,890
Prepaid expenses	393,076	393,698
Exchange currencies/ Central Bank of Jordan	487,006	-
Assets seized by the Bank against debts - net *	22,450,710	13,432,582
Restructuring balance **	5,177,555	5,177,555
Payments for financial assets ***	252,500	-
Clearing cheques	70,921	257,188
Refundable deposites	1,645,138	367,938
Transactions under process between branches	507,843	-
Others	1,092,550	498,054
Total	34,764,958	23,016,905

(*) This item includes lands and seized real estate sold on installments with a cost amounted to JD 1,323,217 as of December 31, 2012 against received amount of JD 658,523, listed under other liabilities item (JD 1,177,494 as of December 31, 2011 against received amount of JD 634,035).

- The movement on assets seized by the Bank against debts is as follow:

	2012			2011
	Seized properties	Other Seized assets	Total	Total
	JD	JD	JD	JD
Balance - beginning of the year (Gross before the impairment losses)	12,934,812	762,707	13,697,519	7,886,591
Additions	9,026,556	883,692	9,910,248	6,339,307
Disposals	(734,020)	-	(734,020)	(528,380)
Impairment losses	(308,655)	(114,382)	(423,037)	(264,936)
Balance - End of the Year	20,918,693	1,532,017	22,450,710	13,432,582

- The movement on impairment losses on assets seized by the bank against debts is as follows:

	2012			2011
	Seized properties	Other Seized assets	Total	Total
Balance - beginning of the year	JD	JD	JD	JD
Booked provision during the year	50,272	114,382	164,654	108,638
Used of provision during the year	(6,553)	-	(6,553)	-
Balance - End of the Year	308,655	114,382	423,037	264,936

- According to Central Bank of Jordan instructions properties and shares seized by the Bank against debt should be disposed off during a period of two years from the acquisition date. For exceptional cases, the Central Bank of Jordan can extend this period for two consecutive years at maximum.

(**) This item represents the restructuring balance which used to be amortized over ten years starting from the year 2004 based on the approved restructuring agreement by the Central Bank of Jordan and the Council of Ministers, which was approved by the General Assembly of the Bank's Shareholders. The International Financial Reporting Standards requires to charge the balance of deferred restructuring to the shareholders equity ; however, based on the arrangement with the Central Bank of Jordan the amortization of restrucuring costs balance for the years 2011, 2012 and 2013 was deferred, provided that this it will be reconsidered in the future based on the Bank's results for the year 2012.
(***) This item represents the amount of payments on the financial assets at cost related to shares of the increase in capital for local investments; however, the increasing capital precedures were not completed up to the financial statements date.

13 - Intangible Assets - Net

The details of this item are as follows:

	Computers and softwares systems	
	2012	2011
	JD	JD
Balance-beginning of the year	1,040,081	723,856
Additions during the year	658,781	590,490
Amortization for the year	(338,811)	(274,265)
Balance-End of the Year	1,360,051	1,040,081
Annual amortization percentage %	20	20

14 - Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2012			December 31, 2011		
	Inside Kingdom	Outside Kingdom	Total	Inside Kingdom	Outside Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	-	5,904,690	5,904,690	2,251,657	668,551	2,920,208
Time deposits	12,135,000	20,810,762	32,945,762	34,589,977	6,846,146	41,436,123
Total	12,135,000	26,715,452	38,850,452	36,841,634	7,514,697	44,356,331

15 - Customers Deposits

The details of this item are as follows:

	December 31, 2012				
	Individuals	Companies		Government and Public Sector	Total
		Large	Small and Medium		
	JD	JD	JD	JD	JD
Current and call accounts	86,178,860	13,470,743	16,858,100	10,467,938	126,975,641
Saving deposits	42,822,200	-	-	5,100	42,827,300
Time deposits subject to notice	296,162,345	22,800,161	22,669,462	107,053,526	448,685,494
Total	425,163,405	36,270,904	39,527,562	117,526,564	618,488,435
December 31, 2011					
Current and call accounts	63,218,053	11,958,921	16,941,916	87,638,558	179,757,448
Saving deposits	35,089,354	-	-	5,200	35,094,554
Time deposits subject to notice	327,713,875	17,862,644	30,257,144	19,155,958	394,989,621
Total	426,021,282	29,821,565	47,199,060	106,799,716	609,841,623

- The Government of Jordan and the public sector deposits inside the kingdom amounted to JD 114,206,710, equivalent to 18/5% of total deposits as of December 31, 2012 , against JD 112,610,245 equivalent to 18/5% as of December 31, 2011.
- Non-interest bearing deposits amounted to JD 127,424,015 equivalent to 20/6% of total customers' deposits as of December 31, 2012, against JD 113,247,265 as of December 31, 2011, equivalent to 18/6% as of December 31 , 2011.
- Restricted deposits amounted to JD 12,165,399 equivalent to 2% of total customers' deposits as of December 31, 2012, against JD 10,950,328 equivalent to 1/8% as of December 31, 2011.
- Dormant deposits amounted to JD 7,205,933 as of December 31, 2012 against JD 6,486,257 as of December 31, 2011.

16 - Cash Margins

The details of this item are as follows:

	December 31, 2012	
	2012	2011
	JD	JD
Cash margins on direct credit facilities	39,064,459	23,651,623
Cash margins on indirect credit facilities	18,070,113	15,030,349
Marginal cash deals	155,456	483,670
Toatl	57,290,028	39,165,642

17 - Borrowed Funds

The details of this item are as follows:

	Amount	Number of Premiums	Guarantees	Interest Rate
	JD			
Treasury bonds - Central Bank of Jordan	14,300,000	One premium On January 2, 2013	Treasury Bonds	4,25٪

18 - Income Tax

A. Income tax provision

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

	2012	2011
	JD	JD
Balance - beginning of the year	579,929	2,732,535
Income tax incurred on current year	973,400	308,000
Income tax for previous years	-	29,746
Income tax paid	(171,581)	(2,760,461)
Accrued income tax refunds	-	270,109
Balance - ending of the year	1,381,748	579,929

B. Income tax expense

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

	2012	2011
	JD	JD
Income tax incurred on current year profit - Palestine branches	(973,400)	(308,000)
Income tax for previous years	-	(29,746)
Total	(973,400)	(337,746)

C. Tax status

- A final settelement with the Income and Sales Tax Department in Jordan branches has been reached up to the year 2011 by approving a carry forward tax losses of JD 4,226,108, noting that such losses exceed the taxable income for the year 2012, and accordingly there will be no tax liabilities for the year 2012 for Jordan branches.
- On October 26, 2010 the Bank appealed to the Income Tax Court of Appeal in Palestine regarding income tax assessment for the year 2005 related to interest in suspense from previous years returned to customers during the year 2005, on which there is a dispute about considering as an expense, whereas its estimated related tax amounted to JD 726,600. In the opinion of management and the legal and tax consultants of the Bank in Palestine, the booked income tax provision included in the financial statements is sufficient to meet any tax obligations as of December 31, 2012.
- During the year 2011, the Bank received a final clearance from the Income and Sales Tax Department for the results of its operations for the years from 2006 to 2009 and currently seeks through its tax consultant to reopen the files for the years from 2006 to 2009 due to the expectation of errors in tax calculation which would for the benefit of the Bank.
- A final settelement has not been reached as of the financial statements date for the years 2010 and 2011.
- The final tax amount is determined based on the outcomes of the pending case at the Income Tax Court of Appeal for the year 2005 as well as the results of seeking to reopen the files for the years from 2006 to 2009 , and the result of final settlements for the the years 2010 and 2011.
- In the opinion of the Management and the Bank's Legal and Tax consultants , no obligations exceed the booked provision for the Bank and related branches as of the date of the financial statements, and that the booked tax provision is sufficient to settle the potential tax obligatins as of December 31, 2012.

D. Deferred Tax Assets / Liabilities

The details of this item are as follows:

	2012				December 31	
					2012	2011
	Balance-beginning of the year	Amounts: Additions	Amounts: Released	Balance-End of the Year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Impairment loss in seized assets	264,936	50,272	(6,553)	308,655	92,597	79,480
Provision for lawsuits against the Bank	159,000	-	-	159,000	47,700	47,700
Provision for outstanding lawsuits	1,184,855	137,112	(130,710)	1,191,257	360,257	355,457
Provision for staff indemnity	432,226	83,138	(44,000)	471,364	141,409	129,668
Provision for lawsuits against the Bank	243,420	328,163	(169,075)	402,508	120,751	73,026
Other provisions	128,917	5,000	(24,622)	109,295	32,789	38,675
Retained tax losses	-	4,226,108	(1,025,817)	3,200,291	960,087	-
Total	2,413,354	4,829,793	(1,400,777)	5,842,370	1,755,590	724,006

- Deffered tax assets which amounted to JD 1,755,590 as of December 31, 2012 (JD 724,006 as of December 31, 2011) were not recorded in the Banks' records asthe Bank offsets the deferred tax losses from the profits for the year 2012, and it is not certain to benefit from the other tax assets in the near short term.

E. Summary of Reconciliation Between Declared Income and Taxable Income:

	2012	2011
	JD	JD
Accounting income (loss)	3,036,278	(992,003)
Add: Unacceptable tax expenses	977,248	1,619,657
Less: Exempted tax income	(1,398,994)	(3,443,490)
Taxable income (loss)	2,614,532	(2,815,836)
Income Tax Rates:		
Jordan branches	30%	
Palestine branches	20%	

19 - Other Provisions

The details of this item are as follows:

	Balance -beginning of the year	Additions	Payments	Balance - End of the Year
	JD	JD	JD	JD
2012				
Provision for lawsuits against the Bank	243,420	328,163	(169,075)	402,508
Provision for staff indemnity	432,226	83,138	(44,000)	471,364
Other provisions	128,917	5,000	(24,622)	109,295
Total	804,563	416,301	(237,697)	983,167
2011				
Provision for lawsuits against the Bank	214,361	389,275	(360,216)	243,420
Provision for staff indemnity	392,367	105,598	(65,739)	432,226
Other provisions	134,306	5,382	(10,771)	128,917
Total	741,034	500,255	(436,726)	804,563

20 - Other Liabilities

The details of this item are as follows:

	December 31	
	2012	2011
	دينار	دينار
Acceptable cheques	2,926,875	2,454,111
Accrued interest	2,502,789	2,310,244
Refundable and various deposits	2,254,211	8,338,457
Forward currency exchange - Central Bank of Jordan	487,006	-
Foreign currency positions	42,424	-
Lock boxes deposits	54,661	51,521
Shareholders' deposits	12,250	11,751
Income tax deposits	17,132	25,597
Accrued expenses	378,836	356,986
Transactions in transit between branches	-	370,186
Incoming transfers	5,497	59,974
Board of Directors' remunerations	35,000	4,200
Received amounts on the sale of land and real estate (Note 12)	658,523	634,035
Others	202,028	238,682
Total	9,577,232	14,855,744

21 - Authorized and Paid-up Capital

The General Assembly of the Bank resolved in its extraordinary meeting held on December 20, 2011 to approve the increase of the authorized, issued and paid-up capital from JD/ share 82,769,898 as of December 31, 2011, to become JD/share 100 million, with an increase of JD/ share 17,230,102, by issuing 17,230,102 shares for private underwriting for the price of 1 JD per share for the Bank's registered shareholders.

The underwriting procedures have been completed for JD/share 10,572,281 from the original amount of 17,230,102 shares in the amount of 1 JD per share, as the issued and paid-up capital became JD/share 93,342,179 as of December 31, 2012. Provided that the sale of the unquoted shares that amounted to JD 6,657,821 to be completed during the year 2013.

Subsequent Events

On January 30, 2013 the process of increasing authorized and paid-up capital has been completed whereas the unquoted shares deposited at the Securities Depository Center amounted to JD/shares 6,657,821 were sold through Amman Stock Exchange, and the authorized and paid-up capital became JD/shares 100,000,000.

22 - Reserves

The details of the reserves as of December 31, 2012 and 2011 are as follows:

A. Statutory Reserve:

This account represents the accumulated amount of the appropriations from income before tax at 10% during the year and previous years according to the Banks Law and Jordanian Companies Law. This amount is distributable to the shareholders.

B. General Banking Risks Reserve:

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

The following represents the distribution of the general banking risks reserve according to the Banks' branches:

	December 31	
	2012	2011
	JD	JD
Jordan branches	3,614,043	3,398,749
Palestine branches	584,620	449,340
Total	4,198,663	3,848,089

C. Cyclicality Reserve:

This item represents the risk reserve in accordance with Palestinian Monetary Authority at a percentage of 15% from net income after tax for Palestine branches for the purpose of supporting the Bank's capital in Palestine and to face risk related to Banking sector. This reserve will accumulate until reaching 20% of the paid - up capital. It is not allowed to use any part of the cyclicality fluctuation reserve or to reduce it without pre-approval from the Palestinian Monetary Authority.

Restricted Reserves as of the financial statements date are as follows:

Reserve Name	December 31		Restriction Nature
	2012	2011	
	JD	JD	
Statutory Reserve	8,034,616	7,730,988	Restricted according to Banks law and Companies law
General Banking Risks Reserve	4,198,663	3,848,089	Restricted according the Central Bank of Jordan and the Palestinian Monetary Authority
Cyclicality Reserve	748,884	640,605	Palestinian Monetary Authority requirements

23 - Fair Value Reserve

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

	2012	2011
	JD	JD
Balance - beginning of the year	(4,373,535)	-
"Effect of adopting International Financial Reporting Standard (9) "	-	(3,295,906)
less: Unrealized (losses) - net	(1,002,983)	(1,072,838)
Released from selling financial assets at fair value through statement of comprehensive income	996,734	-
Effect of selling financial assets at fair value through statement of comprehensive income	(112,059)	(4,791)
Balance - End of the Year	(4,491,843)	(4,373,535)

24 - Retained Earnings

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

	2012	2011
	JD	JD
Balance - beginning of the year	1,223,747	2,825,236
"Effect of adopting International Financial Reporting Standard No. (9) "	-	2,970,952
Transferred to increase paid-up capital	-	(2,354,075)
Income (loss) for the year	2,062,878	(1,329,749)
(Transferred) to reserves	(762,481)	(893,408)
Released from selling financial assets at fair value through comprehensive income	(996,734)	-
Realized gains from selling financial assets at fair value through comprehensive income	112,059	4,791
Balance - End of the Year	1,639,469	1,223,747

- Retained earnings include an amount of JD 1,974,218 as of December 31, 2012 (JD 2,970,952 as of December 31, 2011), restricted against the effect of adopting International Financial Reporting Standard No. (9) in accordance with Jordan Securities Commission instructions relating to unrealized differences in the revaluation of financial assets at fair value through statement of comprehensive income net of what has been actually realized through selling transactions.

25 - Interest Income

The details of this item are as follows:

	2012	2011
	JD	JD
Direct credit facilities:		
Individuals (retail)	87,949	213,814
Overdraft accounts	4,636,270	2,089,397
Loans and promissory notes	232,913	194,666
Credit cards	5,500,301	6,036,261
Real - estate loans		
Companies		
Large		
Overdraft accounts	3,102,691	2,646,136
Loans and promissory notes	14,337,048	13,576,317
Small and medium		
Overdraft accounts	3,724,805	3,557,805
Loans and promissory notes	2,854,675	2,542,335
Government and public sector	544,779	667,073
Balances at central banks	201,893	186,962
Balances and deposits at banks and financial institutions	835,816	1,161,193
Financial assets at amortized cost	9,552,354	9,858,075
Total	45,611,494	42,730,034

26 - Interest Expense

The details of this item are as follows:

	2012	2011
	JD	JD
Deposits at banks and financial institutions	874,099	1,218,432
Customers deposits		
Current and call accounts	358,961	446,606
Saving accounts	461,930	471,646
Time and notice deposits	18,954,411	16,732,508
Cash margins	956,499	785,818
Borrowed funds	-	83,389
Deposit Insurance Corporation fees	1,141,478	1,062,516
Total	22,747,378	20,800,915

27 - Net Commission Income

The details of this item are as follows:

	2012	2011
	JD	JD
Direct credit facilities commissions	2,154,753	1,943,885
Indirect credit facilities commissions	3,179,791	3,122,914
Total	5,334,544	5,066,799

28 - Foreign Exchange Income

The details of this item are as follows:

	2012	2011
	JD	JD
Resulted from trading	345,872	319,338
Resulted from valuation	558,103	594,271
Total	903,975	913,609

29 - (Losses) from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	Realized (Losses)	Unrealized Gains	Shares Dividends returns	Total
	JD	JD	JD	JD
2012				
Companies' quoted shares	(120,126)	75,604	24,846	(19,676)
2011				
Companies' quoted shares	75,156	(874,469)	47,873	(751,440)

30 - Other Income

The details of this item are as follows:

	2012	2011
	JD	JD
Credit cards income	455,259	402,200
Rental of lock deposit boxes	25,382	20,357
Collection services income	18,718	7,654
Income from immediate issuance of statements of accounts	15,868	8,206
Telecommunication income	97,492	95,414
Suspended interest transferred to income (Note 6)	374,381	605,966
Recovery of debts previously written-off	667,914	2,229,244
Income of selling of the seized real estate	52,647	159,334
Proceeds from seized real estates	7,930	5,870
Various Commissions	267,520	260,452
Gain on Sale of Property and Equipment	7,821	1,986,491
Other	176,350	423,525
Total	2,167,282	6,204,713

31 - Employees Expenses

The details of this item are as follows:

	2012	2011
	JD	JD
Salaries, allowances and employees' benefits	6,942,879	6,907,225
Bank's contribution in social security	673,397	585,420
Bank's contribution in provident fund	44,138	54,194
Medical expenses	511,507	512,875
Staff training expenses	68,005	121,090
Per diems	135,253	109,616
Employees life insurance expense	21,820	21,484
Uniforms	18,925	32,892
Total	8,415,924	8,344,796

32 - Other Expenses

The details of this item are as follows:

	2012	2011
	JD	JD
Rents	764,631	718,513
Stationery and publications	392,151	400,200
Water, electricity and telecommunication expenses	1,032,238	645,413
Legal and lawyer fees	230,080	144,258
Maintenance , repair and car expenses	461,249	386,022
Insurance expenses	155,026	129,527
Programs and computers maintenance	661,549	646,988
Board of Directors' transportation and attendance of meeting fees	144,266	111,291
Fees, licenses and taxes	285,784	277,004
Advertisements and subscriptions	1,318,949	1,105,416
Professional and consultancy fees	361,002	250,991
Collection incentives	319,622	346,824
Donations and social responsibility	307,660	309,300
Cleaning and services	305,946	194,731
Credit card expenses	399,378	330,475
Hospitality	122,069	114,722
Board of Directors' remunerations	35,000	4,200
Restructuring program expenses	57,710	-
Capital increase expenses	22,233	-
Impairment loss of seized real estate	50,272	108,638
Money shipping expenses	77,845	58,626
Other	196,230	263,408
Total	7,700,890	6,546,547

33 - Earnings Per Share (loss) pertains to Bank›s Shareholders

The details of this item are as follows:

	2012	2011
	JD	JD
Income (loss) for the year attributed to the Banks' shareholders	2,062,878	(1,329,749)
	Share	Share
Weighted average number of shares	93,342,179	82,769,898
	JD / Share	JD / Share
Earnings per share (loss) pertains to Banks' shareholders: (Basic and Diluted)	022/ -	(016/ -)

34 - Cash and Cash Equivalents

The details of this item are as follows:

	December 31	
	2012	2011
	JD	JD
Balances at central banks due within three months	103,655,689	64,884,383
Add: Balances at banks and financial institutions due within three months	68,368,860	75,250,653
Less: Banks and financial institutions deposits due within three months	(38,850,452)	(34,356,331)
Borrowed funds	(14,300,000)	-
Restricted balances	(1,062,644)	(107,289)
Total	117,811,453	105,671,416

35 - Transactions with Related Parties

The Bank entered into transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal banking practice and according to the normal interest rates and trading commissions. All of the credit facilities granted to related parties are considered as performing facilities and no impairment loss provision have been taken as of the date of the financial statement.

Financial statements include transactions and balances with related parties as follows:

	BOD members and their related parties	Companies represented by the BOD	Employees	Total	
				December 31,	
				2012	2011
On- Statement of Financial Position Items:	JD	JD	JD	JD	JD
Deposits	9,912,095	392,027	-	10,304,122	11,977,237
Credit facilities *	1,518,979	16,406,883	2,146,013	20,071,875	23,592,376
Cash margins	709	541,493	-	542,202	805,108
Off- Statement of Financial Position Items:					
Letters of guarantee	17,590	410,342	-	427,932	1,501,250
Letters of acceptance	1,422,719	2,300,186	-	3,722,905	2,946,321
				2012	2011
Statement of Income items:	JD	JD	JD	JD	JD
Interest and commission income **	123,341	1,303,212	-	1,426,553	1,403,237
Interest and commission expense ***	590,312	83,513	-	673,825	696,826

(*) Direct credit facilities includes a credit facilities granted to an owned and managed company by the Chairman of the Board of directors amounted to JD 11/4 million as of December 31, 2012, in which during the second half of the year 2012 the Bank conducted a restructuring for this account.
(**) Credit interest rate ranges between 8% to 8/25%.
(***) Debit interest rate ranges between 5/85 to 6/9%.

Executive Management Remunerations

Executive management salaries and remunerations for the Bank amounted to JD 1,145,001 for the year 2012 against JD 1,536,029 for the year 2011.

36 - Fair Value of Financial Assets and Financial Liabilities not Shown at Fair Value in the Financial Statements

There are no significant differences between the book value and the fair value of the financial assets and liabilities as of year – end 2012 and 2011.

37 - 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 deteriorates resulting in financial loss to the Bank.

The Board of Directors periodically reviews the credit risk management policies compatible with the laws and the Central Bank of Jordan instructions after being prepared by the concerned departments. Moreover, the Board of Directors ensures that management of the

Bank works according to their policies and executes the related requirements. These policies include the Bank's credit policy through which many factors are determined such as:

- Setting clear requirements, policies, and decision-making procedures relating to the new or to be renewed credit facilities or any material amendment thereon within specified authorities that match the size and specifications of the credit facilities. Among the factors taken into consideration when granting credit are the purpose of the credit facilities and payment sources.

- Taking decisions within qualified management levels. Moreover, the Bank has various credit committees at the executive management level and the Board of Directors level. This is done away from the impact of conflict of interest and in a manner that guarantees the soundness and independence of the evaluation procedures of the customer requesting credit and the related compatibility with the Bank's credit policy requirements.

- Laying out clear and effective policies and procedures for managing and executing credit including continuous analysis of the ability and readiness of the borrower to pay according to contractual terms, monitoring the credit documentation and any credit terms and covenants, and continuously controlling and evaluating guarantees.

- Establishing adequate policies and procedures to ensure evaluation and management of non-performing credit and its classification in addition to evaluating the adequacy of the provisions monthly based on the instructions of the Central Bank of Jordan and other regulatory authorities under which the Bank operates. This is in addition to a clear policy for writing off debt. Moreover, the Board of Directors approves the adequacy of these provisions.

- Having an independent department that follows up on troubled debts through amicable settlements prior to dealing with them legally.

- Determining the type and size of the required guarantee based on the customer's credit risk evaluation according to clear acceptance procedures and customers evaluation standards.

- Periodically monitoring the fair value of the guarantees. In case their value becomes less than what is specified in the loan terms, the customer is required to provide more guarantees. Upon assessing the adequacy of the provisions, the necessary evaluation of the guarantees is performed.

- Disposing of any guarantee owned after repayment of the customer's debts. In general, seized real estates are not used for the Bank's operations.

- Having an internal credit rating system for its customers documented and approved by the Board of Directors. Any factor contributing to the customer's default is considered in a manner that helps in measuring and rating the customer's risks, and consequently, faciliting the decision-making process and the pricing of credit facilities.

- Having clear rating standards taking into consideration the various financial and non-financial factors. The credit rating system is reviewed and evaluated independently from the credit department through the Risks Management Department in coordination with the concerned departments.

- Having specified and documented controls and ceilings with clear policies and procedures that guarantee commitment to these ceilings and the necessity to obtain prior approvals for any excesses. These controls and ceilings are reviewed and amended periodically, if necessary. Moreover, there are ceilings specified and approved by the Board of Directors relating to dealing with various banks, countries, and economic sectors.

- Providing the Board of Directors with a clear picture and analysis of the credit portfolio through the Risks Management Department that clarifies its quality and its various classifications and any concentrations therein, in addition to historical and banking benchmarks.

- The Bank adheres to the instructions of the Central Bank of Jordan relating to credit concentration and related parties. The Bank deals with them on an aggregate basis and accords them special care, exercises control, and expresses explicit and clear disclosure thereon when preparing the Bank' 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 and interest in suspense and before guarantees and other risks - mitigating factors):

	December 31	
	2012	2011
On- Statement of Financial Position Items	دينار	دينار
Balances at the central banks	83,194,318	51,191,290
Balances at banks and financial institutions	68,368,860	75,250,653
Direct Credit Facilities - Net:		
Individuals	57,949,259	34,185,992
Real estate loans	74,266,455	84,084,648
Companies		
Large companies	217,609,981	220,184,273
Small and medium institutions (SMEs)	71,629,014	63,053,576
Government and public sector	19,069,471	18,797,413
Treasury Bonds and Bills:		
Financial assets at amortized cost - Net	149,298,558	189,551,590
Pledged financial assets	14,300,000	-
Other assets	3,732,692	3,147,078
Total	759,418,608	739,446,513
Off- Statement of Financial Position Items		
Letters of guarantee	88,224,730	90,112,591
Letters of credit	47,393,133	48,062,773
Letters of acceptance	3,745,050	14,491,383
Unutilized credit facilities ceilings	30,135,915	35,005,372
Total	928,917,436	927,118,632

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

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Other Assets	"Bonds and Treasury Bills and pledged financial assets"	Banks and Other Financial Institutions	Total
			Large	Small and Medium					
December 31, 2012	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	648,850	-	10,486,905	322,172	19,069,471	-	130,561,378	83,194,318	244,283,094
Acceptable risk	56,343,392	69,327,683	137,747,226	60,877,707	-	3,732,692	33,037,180	68,368,860	429,434,740
Of which is due :									
within 30 days	321,190	-	1,431,527	1,788,002	-	-	-	-	3,540,719
from 31 to 60 days	78,304	-	5,976,009	571,447	-	-	-	-	6,625,760
Watch list	262,736	1,010,441	46,382,105	5,578,145	-	-	-	-	53,233,427
Non-performing:									
Substandard	-	147,259	-	715,329	-	-	-	-	862,588
Doubtful	242,040	1,582,941	3,326,037	2,923,438	-	-	-	-	8,074,456
Bad debt	1,894,478	7,380,863	55,398,683	9,168,685	-	-	318,372	-	74,161,081
Total	59,391,496	79,449,187	253,340,956	79,585,476	19,069,471	3,732,692	163,916,930	151,563,178	810,049,386
Less: Provision for impairment loss	(1,073,172)	(4,065,980)	(26,375,066)	(4,822,243)	-	-	(283,600)	-	(36,620,061)
Interest in suspense	(369,065)	(1,116,752)	(9,355,909)	(3,134,219)	-	-	(34,772)	-	(14,010,717)
Net	57,949,259	74,266,455	217,609,981	71,629,014	19,069,471	3,732,692	163,598,558	151,563,178	759,418,608
December 31, 2011									
Low risk	-	-	11,622,414	-	18,797,413	-	149,630,828	51,191,290	231,241,945
Acceptable risk	27,646,811	83,152,943	148,776,541	55,401,873	-	3,147,078	39,693,882	75,250,653	433,069,781
Of which is due :									
within 30 days	1,328,130	79,022	8,807,850	2,285,219	-	-	-	-	12,500,221
from 31 to 60 days	27,816	22,675	15,919,070	1,156,927	-	-	-	-	17,126,488
Watch list	1,934,045	-	29,417,581	1,591,572	-	-	-	-	32,943,198
Non-performing:									
Substandard	31,700	139,047	-	529,639	-	-	-	-	700,386
Doubtful	578,209	123,474	28,140,090	4,383,415	-	-	-	-	33,225,188
Bad debt	6,956,754	2,028,709	30,811,651	8,201,305	-	-	301,095	-	48,299,514
Total	37,147,519	85,444,173	248,768,277	70,107,804	18,797,413	3,147,078	189,625,805	126,441,943	779,480,012
Less: Provision for impairment loss	(2,408,817)	(626,095)	(22,641,590)	(4,329,362)	-	-	(17,495)	-	(30,023,359)
Interest in suspense	(552,710)	(733,430)	(5,942,414)	(2,724,866)	-	-	(56,720)	-	(10,010,140)
Net	34,185,992	84,084,648	220,184,273	63,053,576	18,797,413	3,147,078	189,551,590	126,441,943	739,446,513

- The aggregate 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 includes facilities, balances, deposits at banks ,bonds and treasury bills and any other assets that has a credit exposure.

The following the details of distribution for fair value of collaterals against direct credit facilities:

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
December 31, 2012	JD	JD	JD	JD	JD	JD
Guarantees against:						
Low risk	649,200	-	10,486,905	364,709	19,069,471	30,570,285
Acceptable risk	4,032,597	70,388,124	147,904,640	76,755,781	-	299,081,142
Watch list	-	-	46,382,105	5,578,145	-	51,960,250
Non-performing:						
Substandard	-	147,259	-	575,990	-	723,249
Doubtful	148,118	1,582,941	169,601	4,018,003	-	5,918,663
Bad debt	1,741,400	7,380,863	24,284,097	9,869,337	-	43,275,697
Total	6,571,315	79,499,187	229,227,348	97,161,965	19,069,471	431,529,286
Of it:						
Cash margins	641,200	-	10,381,459	364,709	-	11,387,368
Accepted letters of guarantee	-	-	105,446	-	18,131,971	18,237,417
Real estate	3,284,844	79,499,187	170,555,954	85,728,556	-	339,068,541
Trade stocks	525,956	-	47,048,489	7,101,028	-	54,675,473
Vehicles and equipment	2,119,315	-	1,136,000	3,967,672	-	7,222,987
other	-	-	-	-	937,500	937,500
Total	6,571,315	79,499,187	229,227,348	97,161,965	19,069,471	431,529,286

The following the details of distribution for fair value of collaterals against direct credit facilities:

	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Large	Small and Medium		
December 31, 2011	JD	JD	JD	JD	JD	JD
Guarantees against:						
Low risk	-	-	11,622,414	-	18,797,413	30,419,827
Acceptable risk	5,293,579	85,444,173	201,980,965	59,675,698	-	352,394,415
Watch list	20,412	-	33,063,064	1,591,572	-	34,675,048
Non-performing:						
Substandard	125,613	-	-	-	-	125,613
Doubtful	310,942	167,080	-	424,050	-	902,072
Bad debt	4,924,002	1,012,290	21,529,480	7,034,079	-	34,499,851
Total	10,674,548	86,623,543	268,195,923	68,725,399	18,797,413	453,016,826
Of it:						
Cash margins	1,662,703	-	8,345,308	602,521	-	10,610,532
Accepted letters of guarantee	-	-	66,665	-	-	66,665
Real estate	6,808,138	86,623,543	214,303,834	64,625,917	-	372,361,432
Trade stocks	694,253	-	23,594,983	-	-	24,289,236
Vehicles and equipment	1,509,454	-	2,289,300	3,496,961	-	7,295,715
Other	-	-	19,595,833	-	18,797,413	38,393,246
Total	10,674,548	86,623,543	268,195,923	68,725,399	18,797,413	453,016,826

The following the details of distribution for fair value of collaterals against direct credit facilities:

- Scheduled Debts:

Scheduled debts are debts that have been previously classified as non-performing credit facilities, and have been taken out from the framework of non-performing credit facilities according to proper scheduling treatment and classified under watch list debts. Furthermore, scheduled debts amounted to JD 35,824,852 as of December 31, 2012 (JD 27,906,405 as of December 31, 2011).

- Restructured Debts:

Restructuring debts means reorganizing credit facilities in terms of adjusting payments, extending their terms, postponing some installments, or extending the grace period. Restructured debts amounted to JD 3,368,007 as of December 31, 2012 (JD Zero as of December 31, 2011).

- Bonds, Bills and Treasury Bills:

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

	December 31, 2012	
	2012	2011
Rating grade	JD	JD
Unclassified	33,037,180	39,920,762
Governmental and guaranteed by government	116,261,378	149,630,828
Total	149,298,558	189,551,590

*All bonds, bills and treasury bills are included in the portfolio of financial assets at amortized cost.

Credit Risk Exposure according to Geographical Areas is as follows:

Geographical Area	Inside kingdom	Other Middle East Countries	Europe	Asia*	Africa*	America	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	69,916,547	13,277,771	-				83,194,318
Balances at banks and financial institutions	14,427,968	32,523,770	19,949,458	19,424	-	1,448,240	68,368,860
Direct credit facilities - Net							
Individuals	50,259,434	7,689,825	-	-	-	-	57,949,259
Real estate loans	74,266,455	-	-	-	-	-	74,266,455
Companies:							
Large	217,609,981	-	-	-	-	-	217,609,981
Small and medium (SMEs)	60,269,931	11,359,083	-	-	-	-	71,629,014
Government and public sector	937,500	18,131,971	-	-	-	-	19,069,471
Financial assets at amortized cost-net	149,298,558	-	-	-	-	-	149,298,558
Pledged financial assets	14,300,000	-	-	-	-	-	14,300,000
Other assets	3,718,684	14,008	-	-	-	-	3,732,692
Total/for the Current Year	655,005,058	82,996,428	19,949,458	19,424	-	1,448,240	759,418,608
Total/Comparative Figures	651,751,257	53,860,801	3,282,368	28,872,129	14,031	1,665,927	739,446,513

*Excluding Middle East Countries.

- Credit Risk Exposure according to Economic Sector is as follows:

Economic Sector	Financial	Industrial	Trade	Real - estate	Agricultural	Shares	Transportation Services	Tourism, hotels and restaurants	Services and Public	Individuals	Government and Public Sector	Other	Impairment Provision and interest in suspense	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	83,194,318	-	-	-	-	-	-	-	-	-	-	-	-	83,194,318
Balances at banks and financial institutions	68,368,860	-	-	-	-	-	-	-	-	-	-	-	-	68,368,860
Direct credit facilities - net	13,821,268	73,023,796	125,693,374	82,533,925	30,819,714	33,501,911	7,643,660	14,633,524	25,503,978	59,391,496	19,069,471	5,250,469	(50,362,406)	440,524,180
Financial assets at amortized cost - net	1,248,650	14,202,588	300,000	-	-	-	-	2,817,938	-	-	131,047,754	-	(318,372)	149,298,558
Mortgaged financial assets	-	-	-	-	-	-	-	-	-	-	14,300,000	-	-	14,300,000
Other assets	3,732,692	-	-	-	-	-	-	-	-	-	-	-	-	3,732,692
Total / for the Current Year	170,365,788	87,226,384	125,993,374	82,533,925	30,819,714	33,501,911	7,643,660	17,451,462	25,503,978	59,391,496	164,417,225	5,250,469	(50,680,778)	759,418,608
Total / Comparative Figures	161,040,389	67,177,724	112,693,061	85,444,173	37,493,304	32,126,620	6,055,919	15,663,133	53,477,809	37,147,519	154,532,557	16,627,804	(40,033,499)	739,446,513

37/ A - Market Risks:

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

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

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

The Bank has shares and bonds investment portfolio for trading purposes (Financial Assets designated at Fair value through 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.

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 reprising 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:

For the Year 2012

Currency	Change - increase in Interest Rate	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	50,135	-
Euro	1	5,265	-
GBP	1	332	-
ILS	1	(27,565)	-
Other currencies	1	39,433	-
	Change - decrease) in Interest Rate	Interest Income Sensitivity(Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	(50,135)	-
Euro	1	(5,265)	-
GBP	1	(332)	-
ILS	1	27,565	-
Other currencies	1	(39,433)	-

For the Year 2011

Currency	Change - increase in Interest Rate	Interest Income Sensitivity (Gain / Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	32,507	-
Euro	1	6,565	-
GBP	1	(6,590)	-
ILS	1	(626)	-
Other currencies	1	9,764	-
	Change - decrease) in Interest Rate	Interest Income Sensitivity(Gain / Loss)	Owners' Equity Sensitivity
US Dollar	1	(32,507)	-
Euro	1	(6,565)	-
GBP	1	6,590	-
ILS	1	626	-
Other currencies	1	(9,764)	-

37/ B - Foreign Currencies Risk

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

Currency	Change in Foreign Currency Rate	Effect on Profit or Loss	Effect on Owners' Equity
	%	JD	JD
For the Year 2012			
Euro	5	26,322	-
GBP	5	1,657	-
Other currencies	5	59,343	-
For the Year 2011			
Euro	5	32,823	-
GBP	5	(32,948)	-
Other currencies	5	45,686	-

- 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.

Indicator of	Change in Indicator	Effect on Profit or Loss	Effect on Owners' Equity
	%	JD	JD
For the Year 2012			
Amman and Palestine Stock Exchange	5	155,598	298,845
Amman and Palestine Stock Exchange	(5)	(155,598)	(298,845)
For the Year 2011			
Amman and Palestine Stock Exchange	5	95,350	357,895
Amman and Palestine Stock Exchange	(5)	(95,350)	(357,895)

- 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 is 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 pricing interest periods or maturity, whichever is nearer.

statement of financial position items:

	Less than One Month	One Month Up to 3 Months	Interest Rate Repricing Gap			More than 3 Years	Non-Interest Bearing	Total
			3 Months Up to 6 Months	6 Months Up to 1 Year	One Year Up to 3 Years			
December 31, 2012	JD	JD	JD	JD	JD	JD	JD	JD
Assets:								
Cash and balances at central banks	38,470,057	-	-	-	-	-	65,185,632	103,655,689
Balances at banks and financial institutions	64,460,628	-	-	-	-	-	3,908,232	68,368,860
Direct credit facilities -net	19,450,708	38,810,860	32,479,182	73,066,384	9,009,582	267,707,464	-	440,524,180
Financial assets at fair value through profit or loss	-	-	-	-	-	-	3,111,976	3,111,976
"Financial assets at fair value through other comprehensive income"	-	-	-	-	-	-	7,982,764	7,982,764
Financial assets at amortized cost	-	5,613,013	4,882,722	28,760,740	110,042,083	-	-	149,298,558
Pledged financial assets	14,300,000	-	-	-	-	-	-	14,300,000
Property and equipment - net	-	-	-	-	-	-	20,975,994	20,975,994
Intangible assets - net	-	-	-	-	-	-	1,360,051	1,360,051
Other assets	-	-	-	-	-	-	34,764,958	34,764,958
Total Assets	136,681,393	44,423,873	37,361,904	101,827,124	119,051,665	267,707,464	137,289,607	844,343,030
Liabilities:								
Banks and financial institutions deposits	24,494,976	-	-	-	-	-	14,355,476	38,850,452
Customers' deposits	339,353,072	72,454,000	52,490,566	26,766,782	-	-	127,424,015	618,488,435
Cash margin	28,424,591	5,168,107	7,752,161	15,945,169	-	-	-	57,290,028
Borrowed funds	14,300,000	-	-	-	-	-	-	14,300,000
Other provisions	-	-	-	-	-	-	983,167	983,167
Income tax provision	-	-	-	-	-	-	1,381,748	1,381,748
Other liabilities	-	-	-	-	-	-	9,577,232	9,577,232
Total Liabilities	406,572,639	77,622,107	60,242,727	42,711,951	-	-	153,721,638	740,871,062
Interest Rate Repricing Gap	(269,891,246)	(33,198,234)	(22,880,823)	59,115,173	119,051,665	267,707,464	(16,432,031)	103,471,968
December 31, 2011								
Total Assets	88,005,429	31,526,929	137,010,659	65,024,476	106,715,732	259,410,026	113,750,373	801,443,624
Total Liabilities	392,317,476	73,473,206	54,700,028	42,353,045	-	-	146,760,077	709,603,832
Interest Rate Repricing Gap	(304,312,047)	(41,946,277)	82,310,631	22,671,431	106,715,732	259,410,026	(33,009,704)	91,839,792

- Concentration in Foreign Currencies Risk:

	US Dollar	Euro	Sterling Pound	Shekel	Others	Total
	JD	JD	JD	JD	JD	JD
December 31, 2012						
Assets:						
Cash and balances at the central banks	18,007,410	10,229,700	46,073	4,551,805	898,367	33,733,355
Balances at banks and financial institutions	39,941,907	3,582,626	1,640,377	10,915,203	2,234,538	58,314,651
Direct credit facilities - net	33,110,990	139,851	23	5,119,671	4,144,578	42,515,113
Financial assets at fair value through other comprehensive income	1,531,857	-	-	-	-	1,531,857
Financial assets at amortized cost	4,134,063	-	-	-	-	4,134,063
Other assets	2,248,028	-	-	1,044,041	640	3,292,709
Total Assets	98,974,255	13,952,177	1,686,473	21,630,720	7,278,123	143,521,748
Liabilities:						
Banks and financial institutions deposits	21,402,169	679,744	2,313	9,839,640	554,568	32,478,434
Customers' deposits	83,809,671	10,451,068	1,651,017	13,696,329	1,867,620	111,475,705
Cash margins	8,961,556	2,294,920	7	801,816	905,061	12,963,360
Other liabilities	(20,212,608)	-	-	49,371	7,578	(20,155,659)
Shareholders' equity	2,525,343	-	-	-	-	2,525,343
Total Liabilities	93,960,788	13,425,732	1,653,337	24,387,156	3,334,827	139,287,183
Net Concentration on - Statement of Financial Position for the Current Year	5,013,467	526,445	33,136	(2,756,436)	3,943,296	4,234,565
Off- Statement of Financial Position Contingent Liabilities for the Current Year	21,108,905	205,685	6,121,231	245,230	1,444,766	29,125,817

- Concentration in Foreign Currencies Risk:

	US Dollar	Euro	Sterling Pound	Shekel	Others	Total
	JD	JD	JD	JD	JD	JD
December 31, 2011 Assets:						
Cash and balances at the central banks	9,468,829	342,354	62,006	4,234,902	1,077,273	15,185,364
Balances at banks and financial institutions	18,412,313	19,475,918	1,431,789	9,271,652	728,323	49,319,995
Direct credit facilities - net	36,302,107	-	149,842	3,738,075	35,008	40,225,032
Financial assets at fair value through other comprehensive income	2,440,356	-	-	-	-	2,440,356
Financial assets at amortized cost	650,468	-	-	-	-	650,468
Other assets	2,267,283	-	-	80,912	-	2,348,195
Total Assets	69,541,356	19,818,272	1,643,637	17,325,541	1,840,604	110,169,410
Liabilities:						
Banks and financial institutions deposits	10,930,120	207,210	10,963	5,212,794	189	16,361,276
Customers' deposits	49,737,236	17,475,228	2,126,869	11,097,473	324,022	80,760,828
Cash margins	5,050,449	1,479,368	164,771	1,077,882	540,056	8,312,526
Other liabilities	572,902	-	-	-	-	572,902
Total Liabilities	66,290,707	19,161,806	2,302,603	17,388,149	864,267	106,007,532
Net Concentration on - Statement of Financial Position for the Current Year	3,250,649	656,466	(658,966)	(62,608)	976,337	4,161,878
Off- Statement of Financial Position Contingent Liabilities for the Current Year	29,424,251	286,710	8,532,543	341,832	2,013,897	40,599,232

37/ C - Liquidity Risk

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

Liquidity risk is defined as the loss to which the Bank might be exposed due to the 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 dailybasis by the Bank.

- Liquidity is also monitored by the Assets and Liabilities Management Committee headed by the General Manager through periodic reports.

	Less than One Month	More than One Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to One Year	More than One Year Up to 3 Years	More than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
December 31, 2012 Liabilities:								
Banks and financial institutions deposits	38,850,452	-	-	-	-	-	-	38,850,452
Customers' deposits	429,253,911	68,077,451	46,664,976	54,045,690	-	-	20,446,407	618,488,435
Cash margins	28,424,591	5,168,107	7,752,161	15,945,169	-	-	-	57,290,028
Borrowed funds	14,300,000	-	-	-	-	-	-	14,300,000
Other provisions	-	-	-	983,167	-	-	-	983,167
Income tax provision	-	-	1,381,748	-	-	-	-	1,381,748
Other liabilities	4,238,068	4,561,832	35,000	658,523	42,251	-	41,558	9,577,232
Total	515,067,022	77,807,390	55,833,885	71,632,549	42,251	-	20,487,965	740,871,062
Total Assets based on expected maturity	159,074,898	56,167,046	35,565,093	162,760,577	351,545,005	-	79,230,411	844,343,030
December 31, 2011 Liabilities								
Banks and financial institutions deposits	44,356,331	-	-	-	-	-	-	44,356,331
Customers' deposits	451,502,547	65,829,791	43,089,591	30,103,031	-	19,316,663	-	609,841,623
Cash margins	19,391,706	3,525,765	5,288,647	10,959,524	-	-	-	39,165,642
Other provisions	-	-	-	804,563	-	-	-	804,563
Income tax provision	-	-	579,929	-	-	-	-	579,929
Other liabilities	3,796,855	10,365,271	-	634,035	39,801	-	19,782	14,855,744
Total	519,047,439	79,720,827	48,958,167	42,501,153	39,801	19,316,663	19,782	709,603,832
Total Assets based on expected maturity	157,258,045	36,530,796	89,102,741	100,941,676	324,715,789	9,786,787	83,107,790	801,443,624

Second: Off - statement of financial position items:

	Up to One Year	From One Year to 5 Years	Total
	JD	JD	JD
December 31, 2012			
Letters of credit and acceptances	51,138,183	-	51,138,183
Guarantees	88,224,730	-	88,224,730
Operating lease contract liabilities	604,694	-	604,694
Unutilized credit facilities ceilings	30,135,915	-	30,135,915
Total	170,103,522	-	170,103,522
December 31, 2011			
Letters of credit and acceptances	62,373,218	180,938	62,554,156
Guarantees	90,112,591	-	90,112,591
Operating lease contract liabilities	706,904	-	706,904
Unutilized credit facilities ceilings	35,005,372	-	35,005,372
Total	188,198,085	180,938	188,379,023

38 - Information on the Bank›s Business Segments

A : Information on the key business segments :
The Bank is organized for managerial purposes, into four major sectors. Which are measured according to reports that are used by the executive and the key decision makers at the Bank, through its major sectors:

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

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

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

- **Others:** this industry includes the activities which do not meet the definition of Bank's business segments mentioned above.

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

	Individuals	Corporations	Treasury	Others	Total For the Year Ended December31,	
					2012	2011
	JD	JD	JD	JD	JD	JD
Gross income for the year	5,312,748	15,487,601	9,315,824	1,435,551	31,551,724	33,419,263
Less: Provision for impairment loss in direct credit facilities	(357,142)	(9,603,131)	-	-	(9,960,273)	(17,406,136)
Less: Impairment in financial assets	-	-	(226,880)	-	(226,880)	-
Business Sector results	4,955,606	5,884,470	9,088,944	1,435,551	21,364,571	16,013,127
Less: Expenditures not distributed over sectors	(8,741,782)	(4,045,534)	(185,700)	(5,355,277)	(18,328,293)	(17,005,130)
Income (loss) before income tax	(3,786,176)	1,838,936	8,903,244	(3,919,726)	3,036,278	(992,003)
Less: Income tax expense for the year	-	-	-	(973,400)	(973,400)	(337,746)
Income (loss) for the Year	(3,786,176)	1,838,936	8,903,244	(4,893,126)	2,062,878	(1,329,749)
Capital Expenditures				7,124,047	7,124,047	8,679,580
Depreciation and Amortization				1,795,178	1,795,178	1,556,812
Total Assets	63,854,264	360,854,792	362,541,857	57,092,117	844,343,030	801,443,624
Total Liabilities	407,513,246	252,312,759	64,510,907	16,534,150	740,871,062	709,603,832

B : Information on the Geographical Allocation:
This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations mainly in the Kingdom representing local operations. Moreover, the Bank conducts international operations through its branches in Palestine.

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

	Inside Kingdome For the Year Ended December 31,		Outside Kingdom For the Year Ended December 31,		Total For the Year Ended December 31,	
	2012	2011	2012	2011	2012	2011
	JD	JD	JD	JD	JD	JD
Gross Income	27,674,558	28,416,537	3,877,166	5,002,726	31,551,724	33,419,263
Capital Expenditures	6,118,828	8,170,400	1,005,219	509,180	7,124,047	8,679,580
	December, 31		December, 31		Total	
	2012	2011	2012	2011	2012	2011
	JD	JD	JD	JD	JD	JD
Total Assets	731,210,458	702,787,043	113,132,572	98,656,581	844,343,030	801,443,624

39 - Capital Management

A : Description of Capital:

Capital is categorized into various categories, such as; paid-up capital, economic capital, and regulatory capital. Moreover, regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio required by the Central Bank of Jordan instructions. Furthermore, regulatory capital consists 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 after excluding restricted amounts and non-controlling interests net of loss for the period(if any), costs of the acquisition of treasury shares, deferred provisions approved by the Central Bank, restructuring balance and goodwill Support capital, as for the second part (tier 2), additional paid in capital, it 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.

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 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 not to be less than JD 100 million and shareholders' equity-to-assets ratio not to be 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 the Bank considers to meet. Furthermore, the Bank increased its issued and paid-up capital during the year 2012 to become JD/share 93,342,179 as of December 31, 2012, whereby the increasing paid-up capital procedures were completed to become JD/share 100 million as of January 31, 2013, to commensurate with the Central bank of Jordan Requirements .

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

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

- 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 12%.

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

No dividends are paid to shareholders out of the regulatory capital if such payment leads to in adherence to the minimum capital requirement. The Bank concentrates on the internal growth 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:

	December 31,	
	2012	2011
	JD	JD
Core capital items:		
Authorized and paid-up capital	93,342,179	82,769,898
Statutory reserve	8,034,616	7,730,988
Cyclicality Reserve	748,884	640,605
Retained earnings	553,648	(410,277)
Less:		
Bank's Capital restructuring balance	(5,177,555)	(5,177,555)
Investments in banks capital and other financial institutions	(3,958,545)	(4,338,700)
Intangible assets – net	(1,360,051)	(1,040,081)
Seized properties whose ownership period is more than four years	(2,700,326)	(1,565,533)
Adjustments according to the Central Bank of Jordan requirements	(7,416,147)	(7,836,000)
Total Core Capital	82,066,703	70,773,345
Authorized and paid-up capital items:		
Financial assets valuation reserve	(4,491,843)	(4,037,613)
General banking risks reserve	4,198,663	3,848,089
Investments in banks capital and other financial institutions	293,180	189,524
Total supplementary capital	-	-
Total Core and Regulatory Capital	82,066,703	70,773,345
Total Regulatory Capital	82,066,703	70,773,345
Total assets weighted by risks	672,368,943	662,734,212
Ratio of regulatory capital	21/12٪	68/10٪
Core capital ratio	21/12٪	68/10٪

40 - Analysis of Maturities Assets and Liabilities

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

	Up to One Year	More than One Year	Total
	JD	JD	JD
December 31, 2012			
Assets			
Cash and balances at central banks	103,655,689	-	103,655,689
Balances at banks and financial institutions	68,368,860	-	68,368,860
Direct credit facilities -net	177,104,077	263,420,103	440,524,180
Financial assets at fair value through profit or loss	-	3,111,976	3,111,976
Financial assets at fair value through other comprehensive income	-	7,982,764	7,982,764
Financial assets at amortized cost-net	45,256,475	104,042,083	149,298,558
Pledged financial assets	14,300,000	-	14,300,000
Property and equipment - net	-	20,975,994	20,975,994
Intangible assets - net	-	1,360,051	1,360,051
Other assets	4,902,513	29,862,445	34,764,958
TOTAL ASSETS	413,587,614	430,755,416	844,343,030
Liabilities			
Banks and financial institutions deposits	38,850,452	-	38,850,452
Customers deposits	598,042,028	20,446,407	618,488,435
Cash margins	57,290,028	-	57,290,028
Borrowed funds	14,300,000	-	14,300,000
Other provisions	983,167	-	983,167
Provision for income tax	1,381,748	-	1,381,748
Other liabilities	9,493,423	83,809	9,577,232
TOTAL LIABILITIES	720,340,846	20,530,216	740,871,062
NET ASSETS	(306,753,232)	410,225,200	103,471,968

	Up to One Year	More than One Year	Total
	JD	JD	JD
December 31, 2011			
Assets			
Cash and balances at central banks	64,884,383	-	64,884,383
Balances at banks and financial institutions	75,250,653	-	75,250,653
Direct credit facilities - net	181,773,464	238,532,438	420,305,902
Financial assets at fair value through profit or loss	-	1,906,397	1,906,397
Financial assets at fair value through other comprehensive income	-	9,495,455	9,495,455
Financial assets at amortized cost -net	82,351,200	107,200,390	189,551,590
Property and equipment - net	-	15,992,258	15,992,258
Intangible assets - net	-	1,040,081	1,040,081
Other assets	6,200,060	16,816,845	23,016,905
TOTAL ASSETS	410,459,760	390,983,864	801,443,624
Liabilities			
Banks and financial institutions deposits	44,356,331	-	44,356,331
Customers deposits	590,524,960	19,316,663	609,841,623
Cash margins	39,165,642	-	39,165,642
Other provisions	804,563	-	804,563
Provision for income tax	579,929	-	579,929
Other liabilities	14,796,161	59,583	14,855,744
TOTAL LIABILITIES	690,227,586	19,376,246	709,603,832
NET ASSETS	(279,767,826)	371,607,618	91,839,792

41 - Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Level (1): quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level (2): inputs other than quoted prices included within level (1) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level (3): inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level (1)	Level (2)	Level (3)	Total
	JD	JD	JD	JD
December 31, 2012				
Financial assets through profit or loss	3,111,976	-	-	3,111,976
Financial assets through comprehensive income	5,976,900	2,005,864	-	7,982,764
Total	9,088,876	2,005,864	-	11,094,740
December 31, 2011				
Financial assets through profit or loss	1,906,397	-	-	1,906,397
Financial assets through comprehensive income	7,157,906	2,337,549	-	9,495,455
Total	9,064,303	2,337,549	-	11,401,852

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

A - Credit commitments and contingencies:

	December 31,	
	2012	2011
	JD	JD
Letters of credit	47,393,133	48,062,773
Letters of acceptances	3,745,050	14,491,383
Letters of guarantee :		
Payments	20,429,234	25,294,934
Performance bonds	31,748,118	30,672,510
Others	36,047,378	34,145,147
Unutilized credit facilities ceilings	30,135,915	35,005,372
Total	169,498,828	187,672,119

B - Operating leases amounted to JD 604,694 as of December 31, 2012 (JD 706,904 as of December 31, 2011).

43 - Lawsuits Against the Bank

The Bank is a defendant in lawsuits amounting to JD 2,333,065 as of December 31, 2012 (JD 2,379,790 as of December 31, 2011). In the opinion of the Bank's management and legal advisor, no liabilities shall arise against the Bank exceeding the existing booked provision of JD 402,508 as of December 31, 2012 (JD 243,420 as of December 31, 2011).

44 - Adoption of new and revised International Financial Reporting Standards (IFRSs)

A - Credit commitments and contingencies:

Amendments to IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs have been adopted in the preparation of the financial statements for which they did not have any material impact on the amounts and disclosures of the financial statements, however, they may affect the accounting for future transactions and arrangements.

Amendments to IFRS 1 Severe Hyperinflation (Effective for annual periods beginning on or after 1 July 2011)	The amendments regarding severe hyperinflation provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.
Amendments IFRS 1 removal of Fixed Dates for First-time Adopters (Effective for annual periods beginning on or after 1 July 2011)	The amendments regarding the removal of fixed dates provide relief to first-time adopters of IFRSs from reconstructing transactions that occurred before their date of transition to IFRSs.
Amendments to IFRS 7 Disclosures – Transfers of Financial assets (effective for annual periods beginning on or after 1 July 2011)	The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure in the asset.
Amendments to IAS 12: Deferred Tax – Recovery of Underlying assets (Effective for annual periods beginning on or after 1 January 2012)	Amends IAS 12 Income Taxes to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale. As a result of the amendments, SIC-21 Income Taxes — Recovery of Revalue Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.

B - New and revised IFRSs issued but not yet effective:

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

	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 Mandatory Effective date of IFRS 9 and transition Disclosures	1 January 2015.
IFRS 10 Consolidated Financial Statements	1 January 2013.
IFRS 11 Joint Arrangements	1 January 2013.
IFRS 12 Disclosure of Interests in Other entities	1 January 2013.
Amendments to IFRS 10, IFRS 11 and IFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other entities: Transition Guidance	1 January 2013.
IAS 27 Separate Financial Statements (as revised in 2011)	1 January 2013.
Amendments to IFRS 10 and IFRS 12; Consolidated Financial Statements, and Joint Arrangements and Disclosure of Interests in Other entities: Transition Guidance, and IAS 27 Separate Financial Statements (as revised in 2011).	1 January 2014.
IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)	1 January 2013.
IFRS 13 Fair Value Measurement	1 January 2013.
IAS 19 Employee Benefits (as revised in 2011)	1 January 2013.
Amendments to IAS 32 Financial Statements Offsetting Financial Assets and Liabilities	1 January 2014.
Amendments to IFRS 1 Government Loans	1 January 2013.

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities.	1 January 2013.
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income.	1 June 2012.
Annual Improvements to IFRSs 2009 – 2011 Cycle	1 January 2013.
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013.

Management anticipates that each of the above standards and interpretations will be adopted in the financial statements by its date mentioned above without having any material impact on the Bank's financial statements.

Correspondent banks

No.	Bank Name
1-	The Bank of New York, Mellon, New York
2-	Commerzbank AG, Frankfurt
3-	Deutsche bank, Frankfurt
4-	Commerzbank AG, Frankfurt
5-	Jordan International Bank PLC, London
6-	Danske Bank A/S, Copenhagen
7-	Nordea Bank , Stockholm
8-	The Bank of New York, Mellon, Tokyo
9-	Bank Of Nova Scotia, Toronto
10-	British Arab Commercial bank –London
11-	Intesa San Paolo Spa, Rome
12-	Mashreq Bank PSC, Dubai
13-	Saudi Hollandi Bank, Riyadh
14-	ABC Manama
15-	Ahli United Bank, Manama

No.	Branch Name	Code	Phone Number
1	Shmisani Branch	6	5203000
2	Commercial Complex	6	5683617
3	Jabal Amman Branch	6	5203043
4	Jabal Al Hussein Branch	6	5203057
5	Abdali Branch	6	5656496
6	Mecca St. Branch	6	5203147
7	Main Branch	6	5203000
8	Swaifiah Branch	6	5203047
9	Amman Branch	6	5203196
10	Wehdat Branch	6	4777953
11	Al Quweismeh Branch	6	5203079
12	Maraka Branch	6	5203041
13	Hitteen Office	5	3611689
14	Swaileh Branch	6	5356892
15	Fuhais Branch	6	4720967
16	Wasfi Al-Tal Street Branch	6	5519716
17	Abu Nsier Branch	6	5233378
18	Salt Branch	5	3550307
19	Muadi Branch	5	3571760
20	Zarqa Branch	5	3986522
21	Yajouz Branch	5	3751674
22	Madaba Branch	5	3241934
23	Aqaba Branch	3	2014160
24	Aqaba ASEZA Office	3	2014160
25	Al Karak Branch	3	2386963
26	Irbid Branch	2	7243116
27	Ramtha Branch	2	7380504
28	Aydoun Street Branch	2	7251781
29	Irbid Office Branch	2	7240401
30	Mafraq Branch	2	6236652

Palestine Branches				
1	Regional Management	970	2	2989231
2	Ramallah Branch	970	2	2987680
3	Nablus Branch	970	9	2382191
4	Tulkarem Branch	970	9	2676583
5	Bethlehem Branch	970	2	2767231

NO.	ATM locations - Jordan	Address
1	Shmisani Branch	Shmisani - Isam Alajoulni St.
2	Jabal Amman Branch	Jabal Amman Queen Noor St.
3	Jabal Al Hussein Branch	Jabal Al Hussein - Khaled bin Alwaleed St.
4	Abdali Branch	Abdali - King Hussein St.
5	Mecca St. Branch	Umm AlSummaq - Mecca St.
6	Main Branch	8th Circle - King Abdullah II St.
7	Swaifiah Branch	Swaifiah- Abd Alraheem Haj Mohammad St.
8	Amman Branch	Down Town- King Hussein Street
9	Wehdat Branch	Wehdat - AlYarmouk St.
10	Al Quweismeh Branch	Amman - Madaba St.
11	Maraka Branch	Marka - King Abdullah I St.
12	Hitteen Office	Princess Fasial Neighborhood - King Hussein St.
13	Swaileh Branch	Swaileh - Queen Rania St.
14	Fuhais Branch	Fuhais - Shaker Ta'meiah Circle
15	Wasfi Al-Tal Street Branch	Tlaa Ali - Wasfi Al-Tal St
16	Abu Nsier Branch	Abu Nsier - Main St.
17	Salt Branch	Salt - AL Baladyah St.
18	Muadi Branch	AL Gour - Main St.
19	Zarqa Branch	Zarqa - AL Sa'adah St.
20	Yajouz Branch	Northern Mountain - King Abdullah II St.
21	Madaba Branch	Madaba - King Abdullah II St.
22	Aqaba Branch	West Wehadat - Ibn Roshd St.
23	Al Karak Branch	AL Karak - Main St. - Al Thinyah
24	Irbid Branch	ribd - Bagdad St. - Intersection of Al Qirawan circle
25	Ramtha Branch	Ramtha - Al Baladyah Building - Arab Unity St.
26	Aydoun Street Branch	Iribd -Aydoun St.
27	Irbid Office Branch	Iribd - Al balad - Cinema St.
28	Mafraq Branch	Mafraq - Eastern district-Khaled Abu Summaqah St.
	Standalone ATM locations - Jordan	
1	Head Office - Parking Area	8th Circle - King Abdullah II St.
2	Istiklal Mall	Istiklal Street
3	City Mall	Services Floor - Medical City Street
4	Mecca Mall	Miles Supermarket - Mecca Street
5	Gateway Mall	Swaifiah - Wakalat Street
6	Maxim Mall	Jabal AL Hussien - Firas Circle
7	Aqaba	Aqaba Special Economic Zone Authority
	ATM Locations - Palestine	
1	Ramallah Branch	AL Manarah Circle - City Center Building
2	Nablus Branch	The Clock Circle - Nablus Municipality Complex
3	Tukarem Branch	Tukarem - Samarah and Al A'araj Building
4	Bethlehem Branch	Bethlehem - Al Mahad St.

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