

Arab Bank Group

Annual Report 2009



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Dear Shareholders,

In 2009 the world witnessed the deepening of the economic recession resulting from the global financial crisis. This crisis continues to overshadow economies worldwide and its negative repercussions have had a major effect on the movement of capital, investment flows and volumes of trade between countries. Initially emerging as a mortgage problem, it has evolved into a major global economic crisis that impacted the whole world and still has a significant effect on economic growth rates, employment and production internationally.

The rate at which this crisis has spread, and the difficulties it has brought to many institutions and financial systems had a severe adverse impact on various countries of the world. The decline in the flow of investments, volumes of international trade, workers' remittances and export proceeds has resulted in rising unemployment and growing financial difficulties and hardships to underdeveloped countries, with financial institutions being the most affected. The year 2009 witnessed bankruptcies of many banks worldwide, as well as a decline in profitability of others. Profitability was impacted as a result of the interest rates dropping to almost zero, the deterioration in the quality of loan and investment portfolios, the ensuing increase in the volume of provisions taken against non-performing loans and the declining fair value of investments.

The global economic crisis which the world is now experiencing is difficult by all means and requires extraordinary corrective efforts using suitable fiscal and monetary policy tools. The banking industry is high on the priority list targeted by collective reform efforts, as it is one of the most important economic sectors. To this end, regulators worldwide have implemented stringent measures and controls especially covering risk management, provisioning policies, asset growth, and corporate governance and disclosure rules. These measures aim to enhance public confidence in this crucial sector and to affirm its vital role in economic development.

On the other hand, banks and financial institutions also began working on strengthening their financial positions and reviewing their lending and risk management policies, as well as their credit assessment process. This coincided with central banks' and other international regulators' tightening of control standards and implementing increasing strict methods of monitoring and ensuring sound banking operations, especially in dealing with non-performing loans and investments both locally and internationally.

Despite the major transformations that have been taking place in the banking industry and the difficulties that many economic sectors are facing, Arab Bank was able to avoid most of the adverse effects of the global financial crisis through its prudent lending policies, strong capital base, and its historic emphasis on liquidity and cautious deployment of funds.

Arab Bank was built based on these principles, which were proven over time through the bank's long history. Our commitment towards our shareholders and customers is at the core of the bank's operations and business. Since its establishment in 1930, and by virtue of its operation in a turbulent region, Arab Bank has successfully managed to weather many of the difficulties and challenges it faced, continuously reflecting the soundness of the strategies and policies it has adopted.

Notwithstanding the prevailing economic conditions, Arab Bank continued its growth during 2009. Total assets increased by 11% to reach USD 50.6 billion compared with USD 45.6 billion at the end of 2008. Core customer deposits remain the most important funding source increasing by 11% to reach USD 34.9 billion, compared with USD 31.4 billion at the end of 2008, constituting 69% of total assets.

On the other hand, total bank deposits increased by 19% to reach USD 6.3 billion, compared with USD 5.3 billion at the end of 2008, reflecting the continued confidence in Arab Bank group worldwide. Cash and balances with banks increased by 28% from USD 12.7 billion in 2008 to USD 16.2 billion by the end of 2009. This resulted in increasing the liquidity ratio as reflected by the comfortable loan / deposit ratio, which reached 63% by the end of 2009.

Arab Bank continued its efforts to enhance and strengthen its capital base and was able to increase its already-high liquidity ratios. Liquid assets (cash and quasi cash) constituted 49% of total assets. Total shareholders' equity increased by 8% to reach USD 8.1 billion at the end of 2009, which comes to 16% of total assets, compared with USD 7.5 billion at the end of 2008. Capital adequacy ratio stood at 17.9% exceeding the limits set by the Central Bank of Jordan and the strict requirements of Basel II.

Realized profits during the year 2009, was generated from the bank's operational activities locally and internationally, reached USD 782.8 million before tax and after provisions. The drop in profits is mainly due to the bank's conservative policies upon which additional provisions of USD 204 million were taken against loans classified under non-performing and watch list categories. Furthermore, profits realized during the year 2008 included an extraordinary item of USD 37 million resulting from the sale of Cyprus branches of the bank.

Arab Bank's conservative risk management policies, the distribution of loan assets among various sectors and the efficiency in managing its balance sheet, have all enabled the bank to maintain its distinguished credit ratings during 2009 despite the effects of the financial crisis. Moody's affirmed its credit rating of "A3" with a "Stable" outlook. Additionally, Standard & Poor's also affirmed its previous rating of "A-". The solid reputation of Arab Bank, its asset quality, strong capital base, and high liquidity were all key factors in maintaining the distinguished credit rating of the bank.

The strong financial performance of Arab Bank was coupled with successes in many other fields; the bank expanded its operations geographically and improved its mix of products and services. Many branches were renovated and several new branches, in addition to new centres for clients under the "Elite" affluent category, were opened in Jordan, Egypt and Algeria. The bank continued to expand its ATM network.

On another front, Arab Sudanese Bank officially launched its operations in June 2009 as a fully owned subsidiary, providing Islamic banking solutions in Sudan. Additionally, Arab Bank established an Islamic Window within its branches in the UAE similar to that launched in Qatar last year.

The bank also obtained a license to operate a brokerage and investment services firm in Palestine under the name "Al- Arabi Investment Group", which started its operations in early 2010.

Arab Bank continued to grow its Small and Medium size business, while working to streamline and improve work processes and procedures towards providing the best possible banking services to our valued customers. A Cash Management and Trade Finance Unit was established in 2009 to provide support to various sectors of the bank and enhance our ability to serve customers throughout our branch network.

Throughout 2009, Arab Bank received numerous distinguished awards from renowned magazines, such as Euromoney, The Banker, and Global Finance. These awards included "Best Provider of Trade Finance Services" in MENA region, Jordan and Yemen from Global Finance, in addition to "Best Bank in the Middle East" from Euromoney and "Best FX Bank in Jordan" from Global Finance and "Best Bank in Jordan" from all the three institutions, to name a few.

In light of the growing business and operations of the bank and the need to continue improving and complying with Corporate Governance standards, it has

been decided, with the approval of the Board of Directors, to separate the role of Chief Executive Officer and the Executive Chairman, and assigning someone to the position of CEO, who will manage the bank within specific authorities delegated to him by the Board and under its supervision starting from January 2010. The CEO will undertake his responsibilities in complete coordination with the Executive Chairman. This will have a positive impact on the bank's future performance.

We shall continue to be a safe haven for our customers' deposits and investments, and shall continue to be committed to our mission and corporate vision of enhancing the economic and social development in the Arab World through modern banking products and services and providing the appropriate channels for investment flows in and out of the MENA region.

Last, but not least, I would like to thank our valued shareholders and loyal customers for their continued trust and support over the years. I would also like to extend my sincere appreciation and thanks to our employees for their dedication and commitment.

In closing, I assure you that you will remain at the top of our priorities, and that we will continue to yield the best results possible.



Abdel Hamid A. M. Shoman
Chairman of the Board of Directors
& Chief Executive Officer





COPORATE & INVESTMENT BANKING GROUP (CIB)

In 2009, we have re-enhanced our Corporate and Investment Banking (CIB) business strategy to weather the slow down experienced in the MENA region as a result of the global financial crisis, and continued to take steps to complement the changing needs of our clients and the market as a whole, positioning Arab Bank to be able to maintain its competitive edge in the corporate banking market in the short to medium term horizons.

CIB's organizational structure was further strengthened as a result of the implementation of regional functional responsibilities (Business Development, Product Specialists and Support Functions) at the Head Office level, which enhanced communication and team work between CIB units in the different countries. This has also enabled the Bank to respond in a more flexible manner to business opportunities whilst maximizing efficiency and building in-depth knowledge of the economies of countries and regions where the Bank is present.

Arab Bank has always been committed to being a pillar harnessing the growth and advancement of the economies in the MENA region while adhering to its prudential lending culture. In a dynamic and evolving business environment, and as part of the Bank's drive to diversify its portfolio and contribute to the development of the MENA region as well as to be able to keep its competitive edge, the need to support entrepreneurship and SMEs has become crucial. This is why Arab Bank continued to develop its business models targeting SMEs (including teams specializing in Small and Medium Enterprises) to increase our market penetration in a segment we consider to be essential to our future growth.

Arab Bank is one of the few banks in the region that offers the full range of corporate and investment banking products and services, leveraging the Group's extensive presence across 5 continents, taking care of all local and cross border needs of our clients while being close to them on the ground.

While demand for conventional finance continues to be more dominant source of finance in the area, Arab Bank has continued to expand its Islamic banking proposition through the Islamic finance windows in Qatar, catering to this growing and crucial market segment and is committed to strengthening and developing dynamic and comprehensive Islamic finance corporate banking solutions as part of our business strategy to cater to the diversifies needs of all our corporate clients.

The Bank established the Cash Management & Trade product line (CMT) in 2009 with a mission to be the premier provider of account management, payment, collection and trade services for our CIB customers through the deployment of an electronic banking platform, will achieve leadership position by delivering seamless, end-to-end account and liquidity management for target customers and offering a dynamic trade proposition.

With extensive experience and proven capabilities in Project, Structured, and Corporate Finance, Arab Bank has continue to be active in this area, winning various mandates to help its clients across the MENA Region. The Bank's involvement ranges from advising, structuring, underwriting to participating in syndications of project, corporate and structured finance deals with a primary focus on infrastructure and the major industrial sectors in the MENA Region.

During 2009, Arab Bank secured a mandated lead arranger role in the financing arranged for the Al Dur Independent Power and Water Project in the Kingdom of Bahrain. The Bank has also taken a lending role in the third Nakilat (Qatar) vessel financing facility of USD 805 million. Most recently, Arab Bank has committed to the financing facilities being arranged in part finance of the Saudi Aramco Total refining and petrochemical project in the Kingdom of Saudi Arabia.

In Jordan, and in October 2009, Arab Bank project finance team successfully intervened in Al Qatrana power project, the second independent power plant (IPP) in the Country. Currently, the Bank is undertaking several roles including the Onshore Account Bank and Onshore Security Agent on behalf of the financiers for the project. Project total cost is around USD 460 million. Financers include Export – Import Bank of Korea (KEXIM), Islamic Development Bank (IDB) and Société de Promotion et de Participation Pour La Cooperation Economique (PROPARCO).

Arab Bank has also contributed towards sustainable development of the local community. Through its cooperation with its financial advisory arm 'AB Invest', the Bank successfully concluded in 2009 a bond issue for the Greater Amman Municipality (GAM) for the equivalent of USD 113 Million. This Bond issue has assisted GAM in financing land acquisitions in the Western Amman and Abdoun areas for future facilitating the incorporation of major infrastructure and development projects.

In addition to undertaking a number of advising and/ or structuring bank roles during the past year in a variety of sectors, notably projects in the areas of energy/power, waste water treatment, steel and aviation, Arab Bank has also been mandated as MLA to finance a new 1.2 million ton per annum Cement plant at the southern area of Amman. The project estimated cost is circa USD 360 million. The financing arrangements expected to be concluded by early 2010 with the involvement of the Danish Export Agency.

The successes of Arab Bank in 2009 re-affirmed its position as the top regional bank and the prominent player in the project and structured finance business in MENA.



RETAIL BANKING GROUP:

Retail Banking Group maintained business momentum in 2009 while being able to limit the negative impact of the financial crisis, and continued to be profitable amidst a challenging period of economic change. This came primarily as a result of a shift of business focus towards markets not or little affected by the global economic crisis while a cautious approach was adopted to the other MENA markets. By expanding its customer base in markets less affected by the crisis.

Specifically in the Levant, the Bank maintained its leadership position by improving its customer experience, expanding its branch network, improving its alternative distribution channels and innovating its products and services suite. The affluent customer segment offering, 'Elite Banking', was expanded to Palestine and Egypt, with the first full service Elite Centre inaugurated in Zamalek, Egypt.

2009 placed a bigger emphasis on promoting electronic channels to customers as a service point of choice. The new and improved internet banking portal which launched in Jordan in July 2009, Arabi Online, was named "Best Consumer Internet Bank in Jordan" by Global Finance magazine. SMS marketing was also introduced in 2009, with over 20 successful campaigns.

Several promotions were launched throughout the year such as a proactive offering of payment holidays to all loan customers, automatic credit limit increases based on repayment history, a Festival of Cash Rewards scheme for credit card customers, and a pre-approved installment reduction facility for mortgages. On the new products side, a first of its kind Corporate and Social Responsibility (CSR) Platinum Visa Card under the Bank's 'Together' program was launched in Jordan.

In the Gulf markets, the primary focus was to maintain the quality of the loan portfolio and to contain increases in non-performing exposures as the industry witnessed the impact of the ongoing credit crises. Successful collection efforts and the strict adherence to prudent risk management policies ensured that the bank remained well within targeted provision levels.

While credit risk management remained high on the agenda, the bank continued to target the niche for the Levantine expatriates in the Gulf through personalized product offerings. One such example was the rollout of mortgage loans exclusively for non-resident Jordanians resident in the UAE, Bahrain and Qatar wishing to purchase a property in their home country. Moreover, in keeping its promise

to deliver innovative products, a new product, 'SaverMortgage', was launched in Bahrain – a unique Mortgage loan which allows for an interest offset against balances held in deposit accounts leading to substantial interest savings for the customer.

Retail operations in Algeria and Morocco were expanded by boosting the in-country capabilities and by introducing mortgage lending in Algeria as well as a range of promotional and marketing campaigns to support the Bank's retail lending business growth in both countries. The Bank looks to further support the services infrastructure by providing access to the customers of these two countries to the Bank's Call Center, among other initiatives.

As part of the Arab Bank's continued focus to build an efficient and cohesive distribution footprint and to achieve the «one bank» image and customer experience, the 'Branch Transformation Project', initiated in 2008, has now been fully implemented in Jordan, Egypt, UAE, Morocco and Algeria. The project aims to unify policies and procedures and to define sales and services matrices across functions and channels, thus aiming at minimizing flaws and increasing controls while ensuring optimum productivity. The implementation of the project in the remaining countries is planned to be completed in 2010.

PRIVATE BANKING GROUP:

The Private Banking Group completed phase two of its global initiative in 2009, which entails consolidating all the Private Banking business of the Group under Arab Bank Switzerland and thus, creating a center of expertise in the world's main Private Banking centre. This phase entailed merging the High Net Worth business of Arab Bank Plc. with its affluent business (Elite) which lies within Retail, to focus on the Bank's onshore product and services offering to our valued clients while shifting the ownership of the offshore business to Arab Bank Switzerland.

This has resulted in the enhancement of the Group's technical capabilities, such as portfolio management, investments advisory, product administration and control in addition to the sales and support platform of Arab Bank Switzerland and a rationalization of the related Elite sales and support infrastructures at Arab Bank Plc.

The main additional benefit of the final model is the ability of the Bank to leverage its Retail and Elite distribution network to more effectively address the needs of our Retail, Affluent and High Net Worth customers while referring all offshore business to Arab Bank Switzerland, which is better positioned and equipped to address all the offshore needs of our Affluent and High Net Worth customers.

TREASURY:

Arab Bank's Global Treasury organization is responsible for the management of the Bank's liquidity and market risk, in addition to providing advice and execution services to Arab Bank's customers for Treasury products. Despite continued volatility and uncertainty in the World's financial markets, the Treasury has not only successfully managed and strengthened the liquidity position of Arab Bank, but it also delivered consistently profitable products, services and results both for Arab Bank and its customers.



Arab Bank Treasury's technical expertise, widespread local presence and specialized knowledge of the MENA region's markets has allowed us to continue to meet the needs of our pan-regional customer base, which is continuing to grow in size and sophistication.

Treasury's product offerings and execution capabilities have continued to grow in 2009, and will continue to grow in 2010 as Arab Bank continues to meet the needs of its growing customer base. The Bank's Treasury products fall into the following broad categories.

- Money market investments
- Spot and forward foreign exchange
- Foreign exchange derivatives
- Interest rate derivatives
- Fixed income securities
- Commodities & precious metals trading services
- Structured products and complex hedging solutions

In addition to its first-class liquidity management results, the control and oversight infrastructure which Treasury operates within remains extremely strong, with clear segregation of duties, and careful management of risk appetite at country, legal entity and Group level. This helps to place Arab Bank in a strong position not only to perform, but also to thrive in 2010.

The following list contains basic information of Arab Bank plc's branch network and geographical coverage as of the end of 2009.

Country	Number of Branches	Operating Since	No . of Employees
Jordan	80	1934	2 687
Algeria	5	2001	168
Bahrain	4	1960	195
China (Representative Office)	1	1985	4
Egypt	22	1947	916
Kazakhstan (Representative Office)	1	2004	1
Lebanon	13	1944	293
Morocco	10	1962	209
Palestine	24	1930	817
Qatar	4	1957	137
South Korea (Representative Office)	1	1989	3
Singapore	1	1984	41
UAE	8	1963	400
USA (New York Agency)	1	1982	25
Yemen	10	1972	282
Total	185		6 178



Branches & Staff Distribution According to Governorates

Governorate	Number of Branches	No. of Employees
Amman (Including Head Office)	56	2 508
Irbid	5	37
Zarqa	8	64
Aqaba	2	18
Balqa'a	1	7
Karak	1	7
Mafraq	1	9
Ma'adaba	1	9
Jarash	1	6
Ma'an	2	11
Tafeila	1	6
Ajloun	1	5
Total	80	2 687

ADDRESSES OF ARAB BANK BRANCHES AND OFFICES ABROAD

Country	Operating Since	No. of Branches
Algeria	2001	5
Bahrain	1960	4
China (Representative Office)	1985	1
Egypt	1947	22
Kazakhstan (Representative Office)	2004	1
Lebanon	1944	13
Morocco	1962	10

Address	No. of Employees
Algeria N46 Sidi Yahia PO Box 537, Algeria 16036 Tel. 00213 (21) 480002/3 Fax. 00213 (21) 480001	168
PO Box 813, Building No.540 Road 1706 - Block 317 Diplomatic Area , Bahrain Tel. 00973 17549000 Fax. 00973 17541116	195
Shanghai Representative Office: Unit 1803, Shanghai Trade Square 188 Si Ping Road – Shanghai 200086 China Tel. 0086 (21) 6507 7737/38 Fax. 0086 (21) 6507 2776	4
PO Box 68, Al-Mohandesseen Geziret El Arab St, Building no. 50 Cairo, Egypt Tel. 0020 (2) 3302 9069/71 Fax. 0020 (2) 3302 9068	916
050008,Almaty Almalinskiy district, Shevchenko Str, 157 Republic of Kazakhstan Tel. 007 727 2445 777 Fax. 007 727 2445 776	1
PO Box 11-1015, Riad El Solh Sq., Commercial Buildings Co. Bldg. Banks Street Beirut 1107-2070, Lebanon Tel. 00961 (1) 980246/9 Fax. 00961 (1) 980803/299	293
PO Box 13810 174 Mohamed V Avenue, Casablanca Tel. 00212 (5) 22223152 Fax. 00212 (5) 22200233	209

Country	Operating Since	No. of Branches
Palestine	1930	24
Qatar	1957	4
South Korea (Representative Office)	1989	1
Singapore	1984	1
United Arab Emirates		
Abu Dhabi Branch	1963	8
Dubai Branch		
United States of America (New York Agency)	1982	1
Yemen	1972	10
Total		105

Address	No. of Employees
PO Box 1476 Grand Park Hotel Street, Al Masyoon – Ramallah - Palestine Tel. 00970 (2) 2978100 Fax.00970 (2) 2982444	817
PO Box 172 119 Grand Hammed Avenue Doha – Qatar Tel.00974 438 7777 Fax.00974 441 0774	137
Samwha Bldg., 4Fl, 21 Sogong-Dong Chung-ku,Postal Code 100-070 , Seoul – Korea Tel.0082 (2) 775 4290 Fax.0082 (2) 775 4294	3
80 Raffles Place –UOB Plaza 2 # 32-20 Singapore 048624 Tel.0065 6533 0055 Fax. 0065 6532 2150	41
Abu Dhabi: PO Box 875 Naser St. Sh. Tahnoun Bin Mohammad Bldg. Tel.00971 (2) 639 2225 Fax.00971 (2) 621 2370 Dubai: PO Box 11364 – Al-Ittihad St.,Dubai Tel.00971 (4) 295 0845 Fax. 00971 (4) 295 5974	400
520 Madison Avenue New York, NY 10022-4237 Tel.001 (212) 715 9700 Fax.001 (212) 593 4632	25
PO Box 475 & 1301 Zubairi Road – Sana’a Tel.00967 (1) 276 585/93 Fax.00967 (1) 276 583	282
	3 491



Entity	No. of Employees
Arab Bank plc	6 178
Europe Arab Bank plc	232
Arab Bank (Switzerland) Limited	94
Arab Bank Australia Limited	124
Islamic International Arab Bank	435
Arab Sudanese Bank	40
Arab Investment Bank	4
Al Arabi Investment Group (AB Invest)	45
Al Arabi Investment Group / Palestine	7
Al Arabi Capital Co. (AB Capital)	13
Arab Tunisian Bank	803
Arab Bank – Syria	341
Al Wahda Bank	3 159
Al Nisr Al Arabi Insurance Company	158
Arab Company for Shared Services	119
Arab Gulf Tech for IT Services	41
Arabella for IT Services	21
Arab National Leasing Company	24
Total	11 838

The capital investment of Arab Bank plc amounted to JOD 199.8 million, representing net fixed assets of the Bank as of the end of year 2009 in comparison to JOD 184.2 million as of the end of year 2008.



The following is a brief description of Arab Bank subsidiaries and sister company and their results for 2009.

Arab Bank (Switzerland) Limited:

Founded in 1962 in accordance with Swiss law, Arab Bank (Switzerland) is an independent bank that is owned by the very same shareholders of Arab Bank plc. It has two main areas of activity through a network of 2 branches: private banking, which covers asset and investment management for both private and institutional clients; and trade financing, which is primarily for companies importing from and exporting to Arab countries.

The following table lists the main financial highlights of 2009 compared to 2008:

In CHF (thousands)	2009	2008
Capital	26 700	26 700
Total shareholders' equity	497 376	501 772
Total assets	2 726 611	1 844 063
Cash and quasi cash	2 152 141	1 061 561
Direct credit facilities	496 228	704 078
Total external sources of funds (customers' & banks' deposits)	2 158 922	1 269 715
Total revenues	48 717	40 348
Net profit / (loss) before tax	6 725	10 066
Net profit / (loss) after tax	5 936	8 948



Arab Bank Australia Limited:

Founded in 1994, Arab Bank Australia Limited is a wholly-owned subsidiary of Arab Bank plc, which is licensed to carry out banking business in Australia. Through a network of 9 branches, spread in the Australian states of New South Wales and Victoria, the Bank provides all commercial and retail banking products and services to its customers.

The following table lists the main financial highlights of 2009 compared to 2008:

In AUD (thousands)	2009	2008
Capital	55 000	55 000
Total shareholders' equity	107 407	107 487
Percentage ownership	100%	100%
Bank share of net income / (loss)	(404)	4 820
Total assets	1 214 251	1 342 689
Cash and quasi cash	313 546	438 011
Direct credit facilities	884 745	891 858
Total external sources of funds (customers' & banks' deposits)	1 091 294	1 195 987
Total revenues	35 966	31 713
Net profit /(loss) before tax	(552)	6 968
Net profit / (loss) after tax	(404)	4 820



Europe Arab Bank plc:

Europe Arab Bank plc is a limited liability company established in 2006 under British law with its headquarters in London. Incorporated in England and Wales, EAB is authorised and regulated by the Financial Services Authority. EAB has a European passport that enables it to open branches anywhere in the European Union. Through a network of branches operating in UK, Austria, France, Germany, Italy and Spain, EAB provides all types of banking products and services, including private banking and treasury services, to its customers.

The following table lists the main financial highlights of 2009 compared to 2008:

In EUR (thousands)	2009	2008
Capital	499 998	499 998
Total shareholders' equity	395 084	423 612
Percentage ownership	100%	100%
Bank share of net income / (loss)	(38 688)	(26 255)
Total assets	4 536 843	5 025 686
Cash and quasi cash	2 551 130	2 815 610
Direct credit facilities	1 923 693	2 051 452
Total external sources of funds (customers' & banks' deposits)	4 068 412	4 324 303
Total revenues	58 186	79 487
Net profit / (loss) before tax	(37 900)	(26 248)
Net profit / (loss) after tax	(38 688)	(26 255)

Islamic International Arab Bank plc:

A wholly-owned subsidiary of Arab Bank plc, offers a full range of banking products and services which are in accordance with Islamic Sharia rules, Through a network of 24 branches spread in Jordan. Established in Jordan in 1997, the Bank started its operations in the year 1998.

The following table lists the main financial highlights of 2009 compared to 2008:

In JOD (thousands)	2009	2008
Capital	100 000	73 000
Total shareholders' equity	117 600	93 525
Percentage ownership	100%	100%
Bank share of net income / (loss)	2 596	7 824
Total assets	1 038 592	907 628
Cash and quasi cash	135 383	360 696
Direct credit facilities *	881 464	531 215
Total external sources of funds (customers' & banks' deposits)	903 744	774 524
Total revenues	15 278	19 529
Net profit / (loss) before tax	4 402	11 372
Net profit / (loss) after tax	2 596	7 824

* This includes futures sales receivables, other accounts receivables, financings, assets leasing finished with ownership, and interest free loans. The net figure was taken for each item.



Arab Sudanese Bank:

On 13th August 2008, Arab Bank plc obtained the license to establish and operate a fully-owned subsidiary in Khartoum – Sudan, under the name «Arab Sudanese Bank», which offers a full range of banking products and services that are Islamic Sharia – compliant.

The Bank's paid up capital is USD 50 million and started its operational activities by the start of the second quarter of year 2009.

The following table lists the main financial highlights of 2009:

In SGD (thousands)	2009
Capital	117 515
Total shareholders' equity	118 385
Percentage ownership	100%
Bank share of net income / (loss)	870
Total assets	252 859
Cash and quasi cash	215 771
Direct credit facilities	20 696
Total external sources of funds (customers' & banks' deposits)	120 492
Total revenues	7 472
Net profit / (loss) before tax	2 000
Net profit / (loss) after tax	870

Arab Investment Bank S.A.L.:

Founded in 1998 with a paid-up capital of LBP 15 billion, Arab Investment Bank S.A.L. started its operations in 1999. The Bank is a majority-owned subsidiary of Arab Bank plc and is its investment arm in Lebanon. As an investment bank, it specialises in medium and long-term lending. Its activities also include deposit-taking for terms of six months and longer.

The following table lists the main financial highlights of 2009 compared to 2008:

In LBP (millions)	2009	2008
Capital	15 000	15 000
Total shareholders' equity	20 476	20 113
Percentage ownership	66.68%	66.68%
Bank share of net income / (loss)	667	704
Total assets	56 688	56 615
Cash and quasi cash	51 267	51 252
Direct credit facilities	2 106	1 865
Total external sources of funds (customers' & banks' deposits)	35 470	35 586
Total revenues	1 580	1 665
Net profit / (loss) before tax	1 074	1 140
Net profit / (loss) after tax	1 000	1 056



Arab Tunisian Bank:

Arab Tunisian Bank (ATB) was incorporated in Tunisia in 1982, and is a majority-owned subsidiary of Arab Bank plc. Arab Tunisian Bank provides all banking products and services to its customers through a network of 100 branches, spread in Tunisia.

The following table lists the main financial highlights of 2009 compared to 2008:

In TND (thousands)	2009	2008
Capital	80 000	80 000
Total shareholders' equity	340 062	273 771
Percentage ownership	64.24%	64.24%
Bank share of net income / (loss)	29 990	24 091
Total assets	3 863 804	3 150 538
Cash and quasi cash	2 057 616	1 548 220
Direct credit facilities	1 670 936	1 514 041
Total external sources of funds (customers' & banks' deposits)	3 276 403	2 711 422
Total revenues	129 662	118 275
Net profit / (loss) before tax	51 233	42 389
Net profit / (loss) after tax	46 685	37 502



Arab Bank – Syria:

Established in 2005, Arab Bank – Syria is licensed to carry out all commercial banking activities through a network of 18 branches, spread in Syria. Arab Bank plc owns 49% of its capital and controls technical management of the bank.

The following table lists the main financial highlights of 2009 compared to 2008:

In SYP (millions)	2009	2008
Capital	3 000	3 000
Total shareholders' equity	3 332	3 303
Percentage ownership	49%	49%
Bank share of net income / (loss)	103	133
Total assets	34 705	32 267
Cash and quasi cash	15 129	18 136
Direct credit facilities	17 540	12 245
Total external sources of funds (customers' & banks' deposits)	30 533	28 447
Total revenues	1 004	800
Net profit / (loss) before tax	290	374
Net profit / (loss) after tax	211	270

Al Wahda Bank:

Al Wahda Bank is Libya's fifth largest bank with total assets of USD 6.3 billion and a market share of 20%, with 76 branches across the country. The Bank is licensed to carry out all commercial banking activities. During early 2008, Arab Bank plc acquired 19% of Al Wahda Bank with the right to increase its share to 51% within a period of 3 – 5 years. Arab Bank plc has the majority in the Board of Directors and controls the management of Al Wahda Bank, including the appointment of the CEO.

The following table lists the main financial highlights of 2009 compared to 2008:

In LYD (thousands)	2009	2008
Capital	108 000	108 000
Total shareholders' equity	273 811	245 058
Percentage ownership	19%	19%
Bank share of net income / (loss)	9 385	5 603
Total assets	7 744 981	4 838 440
Cash and quasi cash	6 274 462	3 472 043
Direct credit facilities	1 060 681	1 129 688
Total external sources of funds (customers' & banks' deposits)	7 062 735	4 273 394
Total revenues	168 122	129 115
Net profit / (loss) before tax	91 397	58 374
Net profit / (loss) after tax	49 397	29 491



Al Arabi Investment Group (AB Invest):

AB Invest is a financial services company, focusing mainly on investment banking activities. Known earlier as Atlas Investment Group, it has developed into one of the leading investment entities in Jordan providing a wide range of services, including brokerage, asset management, corporate finance and research. It was established in Jordan in 1996, The Company's paid up capital is JOD 14 million and is wholly owned by Arab Bank plc.

The company has 2 branches working in Jordan.

The following table lists the main financial highlights of 2009 compared to 2008:

In JOD (thousands)	2009	2008
Capital	14 000	14 000
Total shareholders' equity	22 014	20 365
Percentage ownership	100%	100%
Bank share of net income / (loss)	1 693	4 085
Total assets	26 644	29 235
Cash and quasi cash	22 935	19 123
Direct credit facilities	-	-
Total external sources of funds (customers' & banks' deposits)	-	-
Total revenues	4 286	7 590
Net profit / (loss) before tax	2 258	5 385
Net profit / (loss) after tax	1 693	4 085



Al Arabi Capital Limited (AB Capital):

AB Capital was founded in 2006 as an Arab Bank plc Investment Banking arm that offers investment banking, private equity and asset management services throughout the Arabian Gulf and Middle East region.

AB Capital, which was a majority-owned subsidiary of Arab Bank plc by 80.18% till the end of 2009, the ownership becomes 100% in January 2010. The company is based in the Dubai International Financial Center (DIFC) and is regulated by the Dubai Financial Services Authority (DFSA).

The following table lists the main financial highlights of 2009 compared to 2008:

In USD (thousands)	2009	2008
Capital	40 000	40 000
Total shareholders' equity	27 395	32 625
Percentage ownership	80.18%	80.18%
Bank share of net income / (loss)	(4 193)	(3 300)
Total assets	28 719	33 992
Cash and quasi cash	6 040	8 274
Direct credit facilities	-	-
Total external sources of funds (customers' & banks' deposits)	-	-
Total revenues	861	3 284
Net profit / (loss) before tax	(5 230)	(4 116)
Net profit / (loss) after tax	(5 230)	(4 116)

Arab National Leasing Company:

Arab National Leasing Co., a wholly-owned non-banking subsidiary of Arab Bank plc, offers financial leasing services that cover a wide range of assets and products through one branch work in Jordan . The company was established in 1996 as a limited liability company .

The following table lists the main financial highlights of 2009 compared to 2008:

In JOD (thousands)	2009	2008
Capital	25 000	25 000
Total shareholders' equity / (loss)	64 350	60 865
Percentage ownership	100%	100%
Bank share of net income	6 040	7 646
Total assets	88 350	81 074
Cash and quasi cash	2 740	286
Investment in leasing contracts	79 539	75 323
Total external sources of funds (customers' & banks' deposits)	-	-
Total revenues	9 166	11 347
Net profit / (loss) before tax	8 184	10 194
Net profit / (loss) after tax	6 040	7 646

Al Nisr Al Arabi Insurance Company:

Al Nisr Al Arabi Insurance Co. is part of Arab Bank Group. It is a majority-owned subsidiary of the Bank that offers a full range of insurance products. The company was founded in 1976 and has developed into one of the leading insurance companies in Jordan. In May 2006, and with the launching of its Bancassurance line of business, Arab Bank acquired 50% in addition to two shares of the total shares representing the company's capital. The company has 2 branches operating in Jordan.

The following table lists the main financial highlights of 2009 compared to 2008:

In JOD (thousands)	2009	2008
Capital	10 000	10 000
Total shareholders' equity	18 710	17 384
Percentage ownership	50%+2 share	50%+2 share
Bank share of net income / (loss)	752	1 063
Total assets	32 801	30 289
Cash and quasi cash	5 835	8 242
Total Investments	20 558	16 229
Total external sources of funds (customers' & banks' deposits)	-	-
Total revenues	10 955	10 215
Net profit / (loss) before tax	1 781	2 431
Net profit / (loss) after tax	1 503	2 126

Al Arabi Investment Group Company :

Al Arabi Investment Group Company is a financial company, established in Palestine at the end of 2009 and expected to launch its operational activities by the start of year 2010.

The company's paid up capital is JOD 1.5 million, and Arab Bank Plc. owns 99% of its capital.

The following table lists the main financial highlights of 2009:

In JOD (thousands)	2009
Capital	1 500
Total shareholders' equity	1 446
Percentage ownership	99%
Bank share of net income / (loss)	(54)
Total assets	1 917
Cash and quasi cash	1 840
Total Investments	-
Total external sources of funds (customers' & banks' deposits)	-
Total revenues	14
Net profit / (loss) before tax (including establishment exp. and registration fees)	(54)
Net profit / (loss) after tax (including establishment exp. and registration fees)	(54)

First : Jordanian Companies:

Entity	Type	Address	Type of Activity	Capital	No. of Employees
Arab National Leasing Co.	Limited Liability	PO Box 940638 Amman 11194 Jordan Tla'a Al Ali – Madina Monawwara St., Bldg. 256 Tel. 00962 6 5531649 Fax. 00962 6 5529891 E-Mail : anl@arabbank.com.jo	Financial leasing	JOD 25 Million	24
Al Arabi Investment Group (AB Invest)	Limited Liability	PO Box 143156 Amman 11814 Jordan Rabia – Abdalla Bin Rowaha St., Bldg. 1 Tel. 00962 6 5526491 Fax. 00962 6 5526492 E-Mail : mail@ab-invest.net	Investment & Financial services	JOD 14 Million	45
Al Nisr Al Arabi Insurance Co.	Public Shareholding	PO Box 9194 Amman 11191 Amman Commercial Center, Abdali, Amman – Jordan Tel. 00962 6 5685171 Fax. 00962 6 5685890 E-Mail : al-nisr@ al-nisr.com	Insurance services	JOD 10 Million	158
Islamic International Arab Bank	Public Shareholding	PO Box 925802 Amman 11190 Jordan H.O Management / Wasfi Al Tal St. Tel. 00962 6 5694901 Fax. 00962 6 5694914	Islamic banking	JOD 100 Million	435

Second : Arab & Foreign Companies:

Al Arabi Investment Group / Palestine	Private Shareholding	PO Box 1476 Rammallah - Palestine Tel. 00970 2 2980240 Fax. 00970 2 2980249	Investment & Financial services	JOD 1.5 Million	7
Arab Investment Bank	Public Shareholding	PO Box 11-7000, Riad Al Solh Sq., Banks St., Commercial Buildings Co. Bldg. Beirut 1107-2070 Lebanon	Investment Banking specialized in medium and long term Lending & deposits	LBP 15 Billion	4
Arab Tunisian Bank	Public Shareholding	PO Box 520, Tunis 1001, 9 Al Hadi Nweira, Tunisia Tel. 00216 71 351 155 Fax. 00216 71 349 278 E-Mail : atbbank@atb.com.tn	Commercial banking	TND 80 Million	803
Arab Bank – Syria	Public Shareholding	PO Box 38 Abu Rummana – Mahdi Bin Baraka St. Damascus – Syria. Tel. 00963 11 9421 Fax. 00963 11 49844 www.arabbank.syria.com	Commercial banking	SYP 3 Billion	341

No. of Branches	Major Shareholders (5% or more of capital)				
	Name	No. of Shares in 31/12/2008	%	No. of Shares in 31/12/2009	%
1	Arab Bank	25 000 000	100.00%	25 000 000	100.00%
2	Arab Bank	14 000 000	100.00%	14 000 000	100.00%
2	Arab Bank	5 000 002	50.00%	5 000 002	50.00%
	Allianz Mena Holding	1 801 264	18.00%	1 801 264	18.00%
	Yacoub Sabella	605 516	6.10%	605 516	6.10%
	Zaid Sabella	576 624	5.70%	576 624	5.70%
	Jordan Investment & Finance Bank	557 326	5.50%	557 326	5.50%
24	Arab Bank	73 000 000	100.00%	100 000 000	100.00%
1	Arab Bank	--	--	1 485 000	99%
1	Arab Bank	94 955	66.66%	94 955	66.66%
	Al Arabi Finance Co.	24 990	33.32%	24 990	33.32%
100	Arab Bank	51 390 027	64.24%	51 390 027	64.24%
	Zarzari Complex	5 053 025	6.32%	4 431 152	5.54%
18	Arab Bank	2 940 000	49.00%	2 940 000	49.00%
	Basma Talal Zain	300 000	5.00%	300 000	5.00%
	Alia Talal Zain	300 000	5.00%	300 000	5.00%
	Samer Salah Danial	300 000	5.00%	300 000	5.00%
	Moh'd S. Sharabati	300 000	5.00%	300 000	5.00%
	Moh'd M. Dandashi	268 780	4.48%	300 000	5.00%

Entity	Type	Address	Type of Activity	Capital	No. of Employees
Al Wahda Bank (despite Arab Bank's ownership of 19%, Al Wahda Bank is considered a subsidiary due to Arab Bank's management control).	Public Shareholding	PO Box 1320 – Benghazi, Al Baraka, Al Fodhail Bo Omar Square – Libya Tel. 00218 91 222 4256 Fax. 00218 91 222 4122	Commercial banking	LYD 108 Million	3 159
Arab Sudanese Bank	Private Shareholding	PO Box 955, Bldg. 7, DE1 Sq., Khartoum East, Sudan	Islamic banking	USD 50 Million	40
Al Arabi Capital Limited	Limited Liability	PO Box 506582 Dubai, Dubai International Financial Centre, The Gate Village, Building 10, Level 5 – UAE	Investment & Financial services	USD 40 Million	13
Arab Gulf Tech for IT Services	Limited Liability	PO Box 500524 Dubai, Bldg. no.8, Office no.202 Dubai, UAE Tel. 00971 4 3621288 Fax. 00971 4 3621299	IT services for Arab Bank branches	USD 1.5 Million	41
Arab Company for Shared Services	Limited Liability	Bldg. no.4, Office no.G01 Ground Floor Dubai Outsource Zone –UAE	Financial services for Arab Bank branches	AED 40 370 000	119
Arabella for IT Services Ltd.	Limited Liability	13-15 moorgate, London EC2R 6AD Tel. 0044 20 7315 8500 Fax. 0044 20 7796 4696 E-Mail@arabella-it.com www.arabella.it.com	IT services for branches of Europe Arab Bank	GBP 2 Million	21
Arab Bank Australia Ltd.	Public Shareholding	Level 9, 200 George St. Sydney NSW Australia 2000 Tel. 0061 2 9377 8900	Commercial banking	AUD 55 Million	124
Europe Arab Bank plc	Public Shareholding	13-15 moorgate, London EC2R 6AD, United Kingdom	Commercial banking	EUR 500 Million	232
Third : Sister Company:					
Arab Bank (Switzerland) Ltd.	Public shareholding	Claridenstrasse 26, PO Box 2023 CH-8022 Zurich – Switzerland Tel. 0041 44 265 7111 Fax. 0041 44 265 7330	Commercial banking	CHF 26.7 Million	94

No. of Branches	Major Shareholders (5% or more of capital)				
	Name	No. of Shares in 31/12/2008	%	No. of Shares in 31/12/2009	%
76	Economic and Social Development Fund	5 832 000	54.00%	5 832 000	54.00%
	Arab Bank	2 052 000	19.00%	2 052 000	19.00%
1	Arab Bank	4 999 999	100%	4 999 999	100.00%
1	Arab Bank	32 073 000	80.18%	32 073 000	80.18%
	SAN Investment	2 000 000	5.00%	2 000 000	5.00%
1	Arab Bank	5 509	100.00%	5 509	100.00%
1	Arab Bank	300 000	100.00%	40 370 000	100.00%
1	Arab Bank	2 000 000	100.00%	2 000 000	100.00%
9	Arab Bank	55 000 000	100.00%	55 000 000	100.00%
7	Arab Bank	50 000 deferred shares of £1 and 499 925 540 ordinary shares of €1	99.99%	50 000 deferred shares of £1 and 499 925 540 ordinary shares of €1	99.99%

2 Shareholders of Arab Bank (Switzerland) Ltd. are the same shareholders of Arab Bank plc, with an identical ownership structure.

Arab Bank Plc Investments in the Subsidiaries Companies as at 31/12/2009

Name Of Company	Nature of Business	%	Ownership	Country
Europe Arab Bank Plc.	Commercial Banking	100%	Subsidiary	UK
Arab Bank Australia Limited	Commercial Banking	100%	Subsidiary	Australia
Islamic International Arab Bank Plc.	Islamic Banking	100%	Subsidiary	Jordan
Arab National Leasing Company	Leasing	100%	Subsidiary	Jordan
Al- Arabi Investment Group Co. (AB Invest)	Investment & Financial Services	100%	Subsidiary	Jordan
Arab Sudanese Bank Limited	Islamic Banking	100%	Subsidiary	Sudan
Al – Arabi Investment Group / Palestine	Investment & Financial Services	99%	Subsidiary	Palestine
Al-Arabi Capital Limited *	Investment & Financial Services	80.18%	Subsidiary	UAE
Arab Investment Bank S.A.L	Investment Banking Specializes in Medium and Long Term Lending & Deposits	66.68%	Subsidiary	Lebanon
Arab Tunisian Bank	Commercial Banking	64.24%	Subsidiary	Tunisia
Al – Nisr Al – Arabi Co .LTD	Insurance Services	50% + 2 Shares	Subsidiary	Jordan
Arab Bank - Syria	Commercial Banking	49%	Subsidiary	Syria
Wahda Bank	Commercial Banking	19%	Subsidiary	Libya

* Percentage of ownership becomes 100% in January 2010.

Arab Bank Plc Investments in Affiliated Companies As at 31/12/2009

Name Of Company	Nature of Business	%	Ownership	Country
Turkland Bank	Commercial Banking	50%	Affiliated	Turkey
Oman Arab Bank	Commercial Banking	49%	Affiliated	Oman
Arab National Bank	Commercial Banking	40%	Affiliated	Saudi Arabia
Arabian Insurance Co. LTD.	Insurance Services	36.79%	Affiliated	Lebanon
Commercial Building Co. S.A.L	Real Estate / Leasing	35.24%	Affiliated	Lebanon

**Name****Mr. Abdel Hamid Abdul Majeed Shoman****Post****Chairman and Chief Executive Officer****Date of Membership**

28/ 9/ 1976

Date of Birth

1/ 1 /1947

Academic Qualifications

B.Sc. in Business Administration, American University of Beirut, Lebanon, 1970.

Experience

- Assumed the position of Deputy Chairman / Chief Executive Officer of Arab Bank plc on 24/5/2001.
- Worked for 25 years as the Assistant General Manager of Arab Bank, chairing the Higher Credit Committee in addition to several other senior committees of the Bank.
- Regional Executive Manager of the Arab Bank branches in the GCC countries (1972 – 1976).
- Member of the Board of Directors of the Central Bank of Jordan (2001 – 2005).
- Member of the Upper House of the Parliament (since November 2005).
- Member of the Board of Trustees, King Hussein Institute for Cancer and Biotechnology, Jordan.

Memberships

- Chairman of the Board of Directors of Arab Bank plc, Jordan (since 9/7/2005).
- Chairman of the Board of Directors of Arab Bank (Switzerland) Ltd., Switzerland (since 18/4/2002)
- Chairman of the Board of Directors of Europe Arab Bank plc, UK (since 28/6/2005).
- Deputy Chairman of the Board of Directors of Oman Arab Bank, Oman (since 25/6/2001).
- Member of the Board of Directors of Arab National Bank, Saudi Arabia (since 25/6/2001).
- Chairman of the Board of Directors of Abdul Hamid Shoman Foundation, Jordan (since 26/4/2007).
- Chairman of the Board of Directors of AB Capital, UAE (since 2005).
- Chairman of the Board of Directors of Al Arabi Investment Group, Jordan (since 2004).



Name	Mr Sabih Taher Darwish Al-Masri
Post	Deputy Chairman
Date of Membership	27/3/1998
Date of Birth	2/12/1937
Academic Qualifications	B.Sc. in Chemical Engineering, University of Texas, Austin, USA, 1963.
Experience	<ul style="list-style-type: none"> - More than 40 years experience in managing private businesses in various areas of investment, finance, industry and commerce. - Founder of Astra Group since 1966.
Memberships	<ul style="list-style-type: none"> • Chairman of the Board of Directors of ASTRA Industrial Group, Saudi Arabia (since 2007). • Chairman of the Board of Directors of ZARA Holding Co., Jordan (since May 1999). • Chairman of the Board of Directors of Palestine Telecommunication Corp., Palestine (since 1998). • Member of the Board of Directors of Palestine Development & Investment Co. (Padico), Palestine (since 1994). • Chairman of the Board of Directors of Arab Supply & Trading Co., Saudi Arabia (since 1979) • Chairman of the Board of Directors of Sikon for Building Materials Co., UAE (since 1968).



Name	Mr. Samir Farhan Khalil Kawar
Post	Member of the Board of Directors
Date of Membership	29/3/2002
Date of Birth	29/10/1934
Academic Qualifications	B.Sc. in Agricultural Engineering, University of Arizona, USA, 1959. M.Sc. in Agricultural Mechanical Engineering, Kansas State University, USA, 1961.
Experience	<ul style="list-style-type: none"> - Managing private businesses (since 1965). - Head the Natural, Mineral and Industrial Resources Section, Jordanian National Construction Council (1962–1965). - Formerly, Minister of several ministries and member of the Senate, House of Representatives, the National Consultative Council and many of its committees. - Member of the Higher Council, The Hashemite Education Society.
Memberships	<ul style="list-style-type: none"> • Chairman of the Board of Directors of Arab Bank Australia Ltd., Australia. • Chairman of the Board of Directors of the Middle East Insurance Company, Jordan. • Member of the Board of Directors of Bilmond University, Lebanon. • Deputy Chairman of the Board of Trustees of the University of Jordan. • Member of the Board of trustees of Balqa Applied University. • Founding Member of the Jordanian Businessmen Association, Jordan. • Founding Member of the Salt Construction Establishment, Jordan. • Member of the Queen Alia Social Development Fund, Jordan. • Member of Amman Chamber of Commerce, Jordan. • Member of Amman Chamber of Industry, Jordan. • Chairman and Board member in many private companies in Jordan.



Name	Mrs. Nazik A. Odah Al Hariri
Post	Member of the Board of Directors
Date of Membership	29/8/1996
Date of Birth	10/5/1948
Academic Qualifications	University Degree.
Experience & Memberships	<ul style="list-style-type: none"> - Member of the Board of Directors of Bank Med, Lebanon (since July 2005). - Member of the Board of Directors of Mediterranean Holding Group, Lebanon (since July 2005). - President of various humanitarian and educational institutions. - Vice President of the Continuous Care Centre, Lebanon. - Member of the Board of Trustees of the Children's Cancer Centre, Lebanon. - Member of Al-Nahda Philanthropic Society for Women, Saudi Arabia. - President of Rafiq Al Hariri Foundation, Lebanon. - Member of the Board of Trustees of the Welfare Association.



Name	Ministry of Finance and Economy, Saudi Arabia (Represented by Mr. Saleh Saad A. Al-Muhanna)
Post	Member of the Board of Directors
Date of Membership	Legal Entity: 29/4/1966. Legal Entity's Representative: 31/3/2006.
Date of Birth	11/1/1959
Academic Qualifications	B.Sc. in Industrial Management, King Fahd University of Petroleum and Minerals, Saudi Arabia, 1982 M.Sc. in Economics, Ohio State University, USA, 1993.
Experience	<ul style="list-style-type: none"> - Currently holds the position of Deputy Under Secretary General for General Budget Affairs, Ministry of Finance, Saudi Arabia. - Member of the committee responsible for the sovereign rating of the Kingdom of Saudi Arabia (since 2001) - Member of the team that negotiated the Natural Gas Initiative with international oil companies, Saudi Arabia (2000 – 2004).
Memberships	<ul style="list-style-type: none"> • Member of the Board of Directors of the General Corporation for Technical & Vocational Training, Saudi Arabia (since 2007). • Member of the Board of Directors of the Saline Water Conversion Corporation, Saudi Arabia (since 2005). • Member of the Board of Directors of the Saudi Moroccan Developmental Investment Co. (2000 – 2006). • Member of the Board of Directors of Saudi Electricity Company (since 2009).

**Name****Mr. Mohammed Ahmad Mokhtar Al-Hariri****Post****Member of the Board of Directors****Date of Membership**

6/11/2005

Date of Birth

9/11/1958

Academic Qualifications

B.Sc. in Business Administration, University of Ottawa, Canada, 1979.

Experience

28 years experience in the management of Saudi Oger Ltd., Saudi Arabia.

Memberships

- Chairman of the Board of Directors of Saudi Med Investment Co. (since 12/2007).
- Chairman of the Board of Directors of AVEA Illetisim Hizmetleri A.S., Turkey (since 9/2006).
- Chairman of the Board of Directors of Oger Telecommunications Ltd., Dubai (since 8/2005).
- Member of the Board of Directors of Oger Telekomunikasyon A.S., Turkey (since 8/2005).
- Chairman of the Board of Directors of Groupe Méditerranée (Holding) , Lebanon , (since 7/2005).
- Chairman of the Board of Directors and General Manager of Banque de la Méditerranée and all of its subsidiaries (since 7/2005).
- Member of the Board of Directors of MedGulf Insurance and Reinsurance (MedGulf Bahrain), Bahrain (since 6/2005).
- Member of the Board of Directors of MedGulf Holding, Lebanon (since 5/2005).
- Chairman of the Board of Directors of Turk Telecom A.S., Turkey (since 11/2005).
- Member of the Board of Directors of Enterprise des Travaux Internationaux (ETI), France (since 6/2003)
- Member of the Board of Directors of Oger International, France (since 5/2003).
- First Deputy Chairman of Saudi Oger Ltd., Saudi Arabia (since 3/2003).
- Member of the Board of Directors of MedGulf Insurance and Reinsurance (MedGulf Saudi Arabia), Saudi Arabia (since 7/1999).
- Member of the Board of Directors of 3C Telecommunications (PTY), South Africa (since 6/1999).
- Chairman of the Board of Directors of IRAD Investment (Holding), Lebanon.
- Chairman of the Board of Directors of Al Mal Investment (Holding), Lebanon.
- Member of the Board of Directors of Association des Banques du Liban.



Name	Mr. "Mohammed Thabet" Abdulraouf S. Taher
Post	Member of the Board of Directors
Date of Membership	3/3/2004
Date of Birth	2/1/1928
Academic Qualifications	Diploma in Public Administration and Industrial Management, Holland, 1960. Diploma in Marketing, International Institute for Marketing at Harvard University, USA, 1966. Master's degree in Management, Holland, 1963.
Experience	<ul style="list-style-type: none"> - General Manager and Member of the Board of Directors of A.H. Shoman Foundation (since 11/2003). - Head of Management Committee for Jordan and Gulf Bank, Jordan (2/2003 – 2/2004). - Chairman of the Board of Directors of National Petroleum Co. (1996 – 1999) & (2002 – 2003). - Member of the Board of Directors of the Central Bank of Jordan (2001 – 2004). - Deputy Chairman of the Jordanian Businessmen Association and Secretary General of the Union of Arab Businessmen (since 1997). - General Manager and Member of the Board of Directors of Jordan Phosphate Mines Co., Jordan (4/1992 – 9/1993). - General Manager of the Jordan Phosphate Mines Co., Jordan (1974 – 1976) & (1992 – 1993). - Minister of Energy & Mineral Resources, Jordan (1989 – 1991). - Deputy Chairman of Arab Potash Co., Jordan (1980 – 1989). - Member of the Boards of Scientific Research in the University of Jordan & Hashemite University.
Memberships	<ul style="list-style-type: none"> • Member of the Board of the Jordanian Scientific Research Society (since 1999). • Member of the National Council for Human Resources Development, Jordan (since 1998). • Member of the Board of Trustees of Talal Abu Ghazaleh College for Business Administrations in The German Jordanian University. • Member of the Board of Trustees of Modern American School in Jordan.
	* Mr. Taher has the Jordanian Grand Order of Al - Kawkab.



Name	Social Security Corporation, Amman, Jordan (Represented by Mr. Ibrahim Yusuf Ibrahim Izziddin)
Post	Member of the Board of Directors
Date of Membership	Legal Entity: 20/9/2001 Legal Entity's Representative: 31/3/2006
Date of Birth	3/12/1934
Academic Qualifications	B.Sc. in Political Science, American University of Beirut, 1955.
Experience	<ul style="list-style-type: none"> - President of the Higher Media Council, Jordan (2002 – 2006). - General Manager of the A.H. Shoman Foundation, Jordan (1997 – 2002). - Member of the Higher House of Senate (for one term in 1989). - Minister of State for Prime Minister Affairs and Minister of Media, Jordan (different times between 1989 – 1995). - President of Bureau of Civil Service (1986 – 1989). - Jordanian Ambassador to Switzerland, Germany, UK and USA, in addition to working as a non-resident Ambassador to Austria, Sweden, Norway, Denmark, Luxembourg, and Holland (1975–1985). - Under Secretary General, Ministry of Media, Jordan (1971 – 1975). - Worked in the area of foreign media, Ministry of Media & the Royal Hashemite Court (1965 – 1971). - Worked in the field of Publishing in Beirut (1958 – 1965). - Worked at the Foreign Affairs Department, Ministry of Transportation, Prime Ministry and Printings Department at the Ministry of Foreign Affairs, Jordan (1955–1958).
Memberships	<ul style="list-style-type: none"> • Member of the Board of Directors of the Central Bank of Jordan (since 3/2007). • Member of the Board of Trustees of King Abdullah II Creativity Award, Jordan. • Member of the Board of Trustees of the National Centre for Human Rights, Jordan. • Deputy Chairman of the Board of Directors of A.H. Shoman Foundation, Jordan. • Member of the Board of Trustees of the Hashemite University, Jordan. • Member of the Board of Directors of the Centre for Strategic Studies at the University of Jordan.



Name	Abdul Hameed Shoman Foundation (Represented by AL-SHARIF Faris Abdel Hameed Sharaf Sharaf).
Post	Member of the Board of Directors
Date of Membership	Legal Entity: 31/3/2006 Legal Entity's Representative: 5/1/2009
Date of Birth	1/3/1970
Academic Qualifications	<ul style="list-style-type: none"> - B.Sc. In Economics and Political Science - M.Sc. In Economics and Banking (1992)
Experience	<ul style="list-style-type: none"> - Chairman & CEO of the Social Security Investment Unit (12/2008 - present) - Vice Chairman of Royal Jordanian Airlines (3/2009-Present) - Managing Director for Emerging Markets at Dubai International Capital (April 2009 – November 2009) - Vice Chairman and Deputy Governor of the Central Bank of Jordan (2003-2008) - Executive Manager for Investment Banking and Capital Markets at the Export & Finance Bank in Jordan (1997-2003) - Investment analyst with the International Finance Corporation in Washington D.C. (1996-1997) - Economic researcher with the Amman financial Market (1992-1993).
Memberships	<ul style="list-style-type: none"> • Member of Board of Directors of King Abdullah II Design & Development Bureau. • Member of Board of Directors of King Abdullah II Fund for Development. • Deputy Chairman of Royal Jordanian. • Chairman of the Board of Directors of SSDZECO.

**Name****Mr. Riad Burhan Taher Kamal****Post****Member of the Board of Directors****Date of Membership**

9/7/2005

Date of Birth

6/12/1943

Academic Qualifications

B.Sc. in Civil Engineering, University of London, 1965.

M.Sc. in Construction Engineering, University of London, 1966.

Experience

- General Manager of Arabtec Holding, Dubai (since 2005).
- Founder and General Manager of Arabtec Construction Co., Dubai (since 1974).
- Worked for Sir Robert McAlpine Engineering Co., London (1970 – 1974).
- Civil Engineer at Shaheen Engineering & Contracting Co. (1966 – 1970).

Memberships

- Member of the Board of Directors of Arabtec Holding, Dubai.
- Member of the Board of Directors of Depa United Co., Dubai.
- Member of the Board of Directors of Gulf Capital Co., Abu Dhabi.
- Member of the Board of Directors of Turkland Bank, Istanbul, Turkey.
- Member of the Board of Directors of Arab Bank – Syria, Damascus.
- Member of the Board of Directors of Arabia Insurance Co., Beirut, Lebanon.
- Member of the Board of Directors of Satellite Inter-Active Systems, Dubai.
- Member of the Board of Trustees of the American University of Beirut, Lebanon.
- Deputy Chairman, Welfare Association, Geneva.

**Name****Mr. Wahbe A. Wahbe Tamari****Post****Member of the Board of Directors****Date of Membership**

31/3/2006

Date of Birth

14/5/1963

Academic Qualifications

BA in Management and Finance, Webster University, Geneva, Switzerland, 1984.

Experience

- Founder and Chairman of the Board of Directors of Watamar & Partners S.A., Geneva (since 2003).
- Executive Director of Sucafina S.A., Geneva (1999 – 2002).
- Adviser to the Chairman of the Board of Directors of the Consolidated Contractors International Co., Athens (1991 – 1999).
- Chief Trader, Sucafina S.A., Geneva (1983 – 1991)
- Trader, Merrill Lynch, London (1982 – 1983).

Memberships

- Member of the Board of Directors of Arab Investment Bank, Lebanon (since 5/2007).
- Member of the Board of Directors of Al-Arabi for Finance SAL (Holding) , Lebanon (since 5/2007).
- Member of the Board of Directors of Arab Bank (Switzerland) Ltd., Zurich (since 4/2007).
- Chairman of the Board of Directors of Arabia Insurance Co., Lebanon (since 6/2006).
- Chairman of the Board of Directors of Commercial Building Company SAL, Lebanon (since 5/2009).
- Member, Welfare Association (since 2006).
- Member, Act For Lebanon (since 2005).
- Member of the Board of Directors of Banque de Crédit National SAL, Lebanon (since 8/2004).
- Chairman of Watamar & Partners S.A., Geneva (since establishment in 1/2003).
- Chairman of the Board of Directors of Immofina Holding S.A.L., Lebanon.
- Chairman of the Board of Directors of Immofina S.A., Geneva (since establishment in 3/2001).
- Member, Young Presidents Organization (YPO) (since 1999).
- Deputy Chairman of Sucafina S.A., Geneva (since 8/1998).
- Member of the Board of Directors of Sucafina S. A., Geneva (since 11/1990).

Mr. Abdel Hamid Abdul Majeed Shoman
Chairman and Chief Executive Officer

Date of Appointment : 1/10/1972
Date of birth : 1/1/1947

Academic Qualifications:

B.Sc. in Business Administration, American University of Beirut, 1970.

Experience:

- Chairman / Chief Executive Officer of Arab Bank plc (since 9/7/2005).
- Assumed the position of Deputy Chairman / Chief Executive Officer of Arab Bank plc on 24/5/2001.
- Regional Executive Manager of the Arab Bank branches in the GCC countries (1972 – 1976).
- Worked for (25) years as the Assistant General Manager of Arab Bank plc, chairing the Higher Credit Committee in addition to several other senior committees of the Bank.
- Member of the Upper House of the Parliament (since November 2005).
- Member of the Board of Directors of the Central Bank of Jordan (2001 – 2005).

Memberships:

- Chairman of the Board of Directors of Arab Bank (Switzerland) Ltd. – Switzerland, (since 18/4/2002).
- Chairman of the Board of Directors of Europe Arab Bank plc – UK, (since 28/6/2006)
- Deputy Chairman of the Board of Directors of Oman Arab Bank – Oman, (since 25/6/2001).
- Member of the Board of Directors of Arab National Bank – Saudi Arabia, (since 25/6/2001).
- Chairman of the Board of Directors of A.H. Shoman Foundation – Jordan, (since 26/4/2007).
- Chairman of the Board of Directors of AB Capital – UAE, (since 2005).
- Chairman of the Supervisory Board of AB Invest – Jordan, (since 2004).

Mr. Hani Ibrahim Suleiman Fadayel**Assistant Chief Executive Officer**

Date of Appointment : 15/3/2009

Date of birth : 28/1/1952

Academic Qualifications:

B.Sc. in Business Administration, University of Jordan- Jordan, 1975.

Experience:

- Assistant Chief Executive Officer, Arab Bank plc – Jordan (since 3/2009).
- Executive Vice President and Regional Manager , Arab Bank plc Bahrain/ Gulf Region (2007-1/2009)
- Senior Vice President and Head of Bahrain Offshore Banking Unit, Arab Bank plc (1993-2007)
- Vice President and Deputy to Bahrain Area Manager, Arab Bank plc (5/1985-1993)
- Assistant General Manager Saudi American Bank - KSA & Turkey (2/1983- 4/1985)
- Resident Vice President /Country Operating Officer, Citibank- Jordan (1/1976-1/1983)
- Executive Trainee, Citibank (8/1975-1976)

Memberships:

- Chairman of the Board of Directors of Arab National Leasing company (since 4/2009)
- Member of the Board of Directors of Oman Arab Bank (since 2001)
- Deputy Chairman of Oman Arab Bank Board Audit and Risk Committee (since 2001)
- Member of the Board of Directors of Europe Arab Bank plc (since 4/2009).
- Member of the Board of Directors of King Hussein Fund for Innovation (since 4/2009)

Dr. "Mohammad Ghaith" Ali Mohammad Mismar
Legal Counsel / Secretary General of the Board of Directors

Date of Appointment : 1/9/1999
Date of birth : 24/11/1961

Academic Qualifications:

- L.L.B. in Law, Jordan University, 1984.
- L.L.M. in Commercial Law, University of London, UK, 1992.
- Ph.D. in Law, University of London, UK, 1998.

Experience:

- Legal Counsel / Secretary General of the Board of Directors, Arab Bank (since 1/9/1999).
- Judge, Amman Court of First Instance, (1/9/1989 – 30/8/1999).
- Military Judge, Amman, (28/3/1984 – 19/6/1989).

Memberships:

- Member of the Board of Directors of Arab Tunisian Bank – Tunisia.
- Member of the Board of Directors of Securities Depository Center.

Mr. Ghassan Hanna Sulaiman Tarazi
Chief Financial Officer (CFO)

Date of Appointment : 1/8/2003
 Date of birth : 8/1/1964

Academic Qualifications:

- B.Sc. in Economics, Acadia University – Canada, 1984.
- M.Sc. in Business Management, Leuven University, Belgium, 1986.
- Obtained professional certificates (CBA & CPA) from the USA and FAIBF from Australia.

Experience:

- Head of Group Internal Audit, Arab Bank (1/8/2003-30/6/2008)
- Head of Financial Control and Risk Management, Gulf Investment Corporation, Kuwait, (2/2003 – 7/2003).
- Partner, KPMG Certified Accountants & Auditors, Amman, (1994 – 2003).
- Assistant Manager, Jordan National Bank, Amman, (1992 – 1993).
- Senior Audit, Arthur Andersen & Co., (1989 – 1992).

Memberships:

- Member of the Board of Directors of Arab Tunisian Bank – Tunisia.
- Member of the Board of Directors of Arab National Bank – Saudi Arabia.
- Member of the Board of Directors of Turkland Bank A.S. – Turkey.
- Member of the Board of Directors of Arabella for IT Services Co. – London.

Mr. Mohammad A. Hamad Ghanameh**Executive Vice President / Head of Corporate & Investment Banking**

Date of Appointment : 1/2/2007

Date of birth : 6/1/1953

Academic Qualifications:

- B.Sc. in Mathematics, Riyadh University – Saudi Arabia, 1975.
- Diploma in Computer Programming, London School of Technology, London – UK, 1976.

Experience:

- Executive Vice President / Global Head of Corporate & Investment Banking, Arab Bank plc – Amman (since 2/2007).
- Head of Corporate & Investment Banking, Banque Saudi Fransi, Riyadh – Saudi Arabia, (1999 – 2007).
- Head of Corporate & Investment Banking, United Saudi Bank / USCB, Riyadh – Saudi Arabia, (1995 – 1999).
- Assistant General Manager / Head of Corporate / Retail Banking Groups, Cairo Amman Bank – Jordan, (1990 – 1995).
- Manager, Corporate Credit Banking, Gulf International Bank – Bahrain, (1989 – 1990).
- Manager, International Corporate / Credit Division, Arab Bank plc – Jordan, (1987 – 1988).
- Head of Corporate Banking / Central Region, Saudi American Bank / Citibank, Riyadh – Saudi Arabia (1976 – 1987).

Memberships:

- Member of the Board of Directors of Arab National Bank – Saudi Arabia.
- Member of the Supervisory Board of AB Invest, Amman – Jordan.
- Member of the Board of Directors of AB Capital Ltd., Saudi Arabia.

Ms. Dina “Mohammad Abdel Hamid” A. M. Shoman
Executive Vice President – Branding

Date of Appointment : 1/8/2006
 Date of birth : 24/5/1980

Academic Qualifications:

- BS, Finance, Bentley College, Waltham, MA – USA, 2002.
- MBA, Change Management, McCallum Graduate School of Business, Bentley College, Waltham, MA – USA, 2006.

Experience:

- Executive Vice President / Branding, Arab Bank plc – Amman (since 2007).
- Executive Vice President / Office of the CEO, Arab Bank plc – Amman (on 1/8/2006).
- Project Intern, State Street Corporation, Boston, MA – USA, (1-5/2006).
- Assistant Treasurer & Financial Analyst, Arab Bank plc, New York – USA, (2/2003 – 6/2004).
- Rotational Trainee, HSBC Bank USA, New York – USA, (2–12/2002).
- Intern, Merrill Lynch, Burlington, MA – USA, (6 – 9/2001).
- Intern, First Investors Corporation, Waltham, MA – USA, (9–11/2000).
- Member of the Board of Directors of Al Nisr Al Arabi Insurance Company – Jordan (2/2008-5/2009).

Memberships:

Member of the Board of Directors of Arab Tunisian Bank – Tunisia.
 Member of the Board of Directors of Arab Bank Australia Ltd. – Australia.
 Member, Beta Gamma Sigma, (Since 6/2006).

Mr. Marwan Nasha'at R. Riyal**Executive Vice President – Head of Human Resources Division**

Date of Appointment : 13/6/2004

Date of birth : 15/10/1962

Academic Qualifications:

- B.A. in Economics and Politics, University of Jordan, 1983.
- M.A. in International Economic Relations, University of Jordan, 1993.

Experience:

- Executive Vice President / Global Head of Human Resources, Arab Bank plc – Amman (since 11/2005 - present).
- Assumed several senior positions within the Human Resources Division, Arab Bank plc – Amman (since 2004) – (Head of Recruitment and Training, Head of Performance Management).
- Head of Human Resources, (ABC Bank) – Jordan, (10/2003 – 6/2004).
- Human Resources & Administrative Director, Aqaba Special Economic Zone Authority (ASEZA) – Jordan, (6/2003 – 10/2003).
- Head of Human Resources, Nestle Group – Jordan, (3/2003 – 6/2003).
- Head of Human Resources, Cairo Amman Bank – Jordan, (11/2005 – 1/2002).
- Purchasing Manager, Ministry of Finance – Jordan, (1986 – 1995).

Other Qualifications:

- Attended many advanced training courses, workshops and seminars in the areas of human resources and management.

Mr. George Fouad El-Hage**Executive Vice President / Chief Risk Officer**

Date of Appointment : 1/2/2002.

Date of birth : 21/7/1958.

Academic Qualifications:

- B.Sc. (Honours) in Mechanical Engineering, King's College, University of London, UK, 1980.
- M.Sc. in Engineering- Industrial Construction, Stanford University, CA – USA, 1981.
- M.Sc. Finance, University of Toronto, Ontario – Canada, 1987
- Chartered Financial Analyst, 1993.

Experience:

- Executive Vice President, Group Risk Management- Arab Bank plc – Amman, (since 2002).
- Manager, Group Risk Management- TD Bank Financial Group- Toronto – Canada, (1996-2002).
- Senior Analyst, Finance, TD Bank Financial Group- Toronto – Canada, (1993-1996).
- Senior Relationship Manager, Commercial Banking, TD Bank Financial Group- Toronto – Canada, (1987-1993).
- Project Engineer, National Petroleum Construction Company, Abu Dhabi – UAE, (1982-1985)

Memberships:

- Member of the Board of Directors of Commercial Building Company SAL– Lebanon.

Mr. Michael Matossian**Executive Vice President/ Group Regulatory Compliance**

Date of appointment : 28/11/2005

Date of birth : 23/2/1956

Academic Qualifications:

- B.Sc. Accounting, Montclair State University – USA, 1978.
- Professional certificates: Certified Public Accountant, Certified Management Accountant, Certified Fraud Examiner, Certified Risk Professional, Certified Anti-Money Laundering Specialist - USA.

Experience:

- Executive Vice President/Group Regulatory Compliance, Arab Bank plc – (since 11/2005).
- Chief Compliance Officer, Fifth Third Bank – USA (2003 - 2005).
- Senior Vice President and Director of Regulatory Risk Management, Director Anti-Money Laundering, Director Operational Risk Governance - Wachovia Corporation (formerly First Union) – USA, (1995 – 2003).
- Vice President and Director of Management Internal Control, First Fidelity Bancorporation (acquired by First Union) - USA, (1993 - 1995).
- Senior Vice President and Chief Auditor, National Community Banks, Inc. – USA, (1989 – 1993).
- Senior Manager, Arthur Andersen, LLP – USA, (1979 - 1989).
- Regulatory inspector, U.S. Treasury Department, Office of the Comptroller of the Currency Examiner – USA (1976 – 1979).

Memberships:

- Member of the MENA-Organization for Economic Co-Operation and Development (OECD) Working Group in Improving Corporate Governance in the Middle East and North Africa.
- Member Compliance Directors Roundtable, a group comprised of Compliance Executives from the top financial institutions in North America.
- Active involvement with the Union of Arab Banks, and a speaker on compliance and risk across the MENA region.

Mr. Muntaser I. Dawwas**Executive Vice President – Retail Banking**

Date of Appointment : 1/6/2008
 Date of Birth : 13/5/1972

Academic Qualifications:

- B.Sc., Accounting & Financial Management, Buckingham University – UK, 1994.
- Certified Public Accountant – USA, 2000.

Experience:

- Head of Retail Banking Group, Arab Bank plc – Jordan (6/2008).
- Group Chief Marketing Officer Consumer Banking – Standard Chartered Bank – Singapore (8/2007-6/2008).
- Regional Head of Consumer Banking Northern Gulf & Levant – Standard Chartered Bank – Bahrain (9/2005-8/2007).
- Head of Consumer Banking Jordan – Standard Chartered Bank – Jordan (1/2002-9/2005).
- Chief Financial Officer – Jordan Group – Standard Chartered Bank – Jordan (5/2001-1/2002).
- Chief Financial Officer – Jordan Group – Citibank N.A. (1996-2001).

Memberships:

- Member of the Board of Directors of Al Nisr Al Arabi Insurance Company – Jordan.
- Member of the Board of Director of Visa Jordan – Jordan.

Shareholder's Name	Nationality	No. of Shares		Percentage %	
		2009	2008	2009	2008
Social Security Corporation	Jordanian	80,374,620	80,118,615	15.051	15.003
Saudi Oger Ltd.	Saudi	48,026,490	48,026,490	8.994	8.994
Oger Middle East Holding	Lebanese	38,283,480	38,283,480	7.169	7.169



Arab Bank is one of the leading banks in the MENA region. Established in 1930, it has since earned its acclaimed reputation as a top regional bank that is competitive and diverse, with the largest Arab banking branch network in the world.

The Bank earned its reputation through sticking to its conservative principles in terms of protecting its customers, shareholders, employees and capital, thus applying a balanced strategy based on ample liquidity and strong financial capital adequacy which sustain financial advancement that anticipates and responds to economic and social transformations. Coupled with its management's philosophy and renowned human talent, the Bank's strategy paid off, enabling the Bank to expand both regionally and globally, achieve financial strength and growth, and weather global and regional downturns while persistently continuously improving the quality of its products and services.

More noteworthy, however, is Arab Bank's time-tested solid performance, which prevailed during both good and difficult economic times. In 2009 for example, and despite unfavorable global and regional conditions that plagued many global and regional banks, Arab Bank Group realised profits and maintained its distinguished ratings relative to regional banks. Specifically, Arab Bank received the following awards from Global Finance Magazine.

- Best Investment Bank in Jordan.
- Best Trade Finance Provider in the Middle East, Jordan and Yemen.
- Best Foreign Exchange Bank in Jordan.
- Best Emerging Market Bank in Jordan and Yemen.

Arab Bank also received the "Best Bank in the Middle East" and "Best Bank in Jordan" award by Euromoney Magazine. Furthermore, the famed "The Banker" magazine, recognized Arab Bank with the title of Bank of the Year in Jordan, for the second consecutive year and the "Best Loan Deal of the Year- Middle East Award" for the year 2009.

Arab Bank continues to earn high ratings by top rating agencies in the world, such as Moody's, which has recently affirmed Arab Bank's "A3" rating with "Stable" outlook due to its franchise value both locally, and internationally, its asset quality, core earnings, strong capital base and comfortable levels of liquidity. Further, the bank has not been affected to a great extent by the recent global financial turmoil, given its conservative investment, liquidity and risk profile, combined with strong capitalization levels. Moody's also highlighted the healthy financial ratios that represent ample liquidity, high level of stability, a solid funding base, and strong capital adequacy ratio of 17.9% calculated under Basel II, thus exceeding the prudential limits set by the regulatory authorities. The assigned "Stable" outlook

reflects the confidence of the various parities dealing with Arab Bank and confirms the bank's performance in the Arab and international markets.

Fitch and Standard & Poor's Ratings affirmed Arab Bank's long-term foreign currency rating "A-"; also with a "Stable" outlook. In particular, the rating reflects Arab Bank's leading position in the MENA region along with its presence in the main financial capitals of the world, in addition to its good geographic diversification.

The Bank's well-regarded reputation relies on its leadership, the continued success of its conservative investment strategy along with efficient risk management, high levels of corporate governance, transparency and disclosures.

Recently, the Chairman and CEO of Arab Bank was named as a key individual in the global financial market for the year 2009 because of the way he has led the bank over the last 12 months. The bank avoided excessive lending during the real estate boom, maintained high earnings and kept credit lines open to key clients and increased deposits, which remains the most secure source of funding.

As a result, the Bank's competitive position continues to be bolstered by its vast network of branches in the MENA region and in the major international financial centres and its wide-ranging portfolio of financial products and services. This, coupled with Arab Bank's robust reputation and history of almost 80 years, makes it especially solid in the current fragile financial environment.

Market Shares in Specific Locations:

Arab Bank operates in 30 countries in five continents. Its market shares vary by country, according to the nature of business it conducts. The following table presents the Bank's market shares in a selected set of countries where the bank operates:

Country	Total Assets %	Deposits %	Direct Credit Facilities %
Bahrain	4.00	3.50	6.90
Egypt	1.94	1.98	2.44
Jordan	24.27	23.98	17.09
Lebanon	1.25	1.33	1.40
Palestine	32.70	36.20	32.80
Qatar	1.12	1.37	0.85
UAE	0.86	1.05	0.70
Yemen	11.68	12.97	7.57

Note: Market shares were calculated based on the most recent data released by the central banks in the respective countries.

It is worth mentioning that Arab Bank ranks first among banks operating in Jordan and Palestine in terms of total assets, deposits and credit facilities.

Arab Bank competes in free and open economies on the bases of fair competition. It does not enjoy any government or preferential protection. It has obtained neither preferential advantages nor specific patents.

MAJOR SUPPLIERS AND CLIENTS

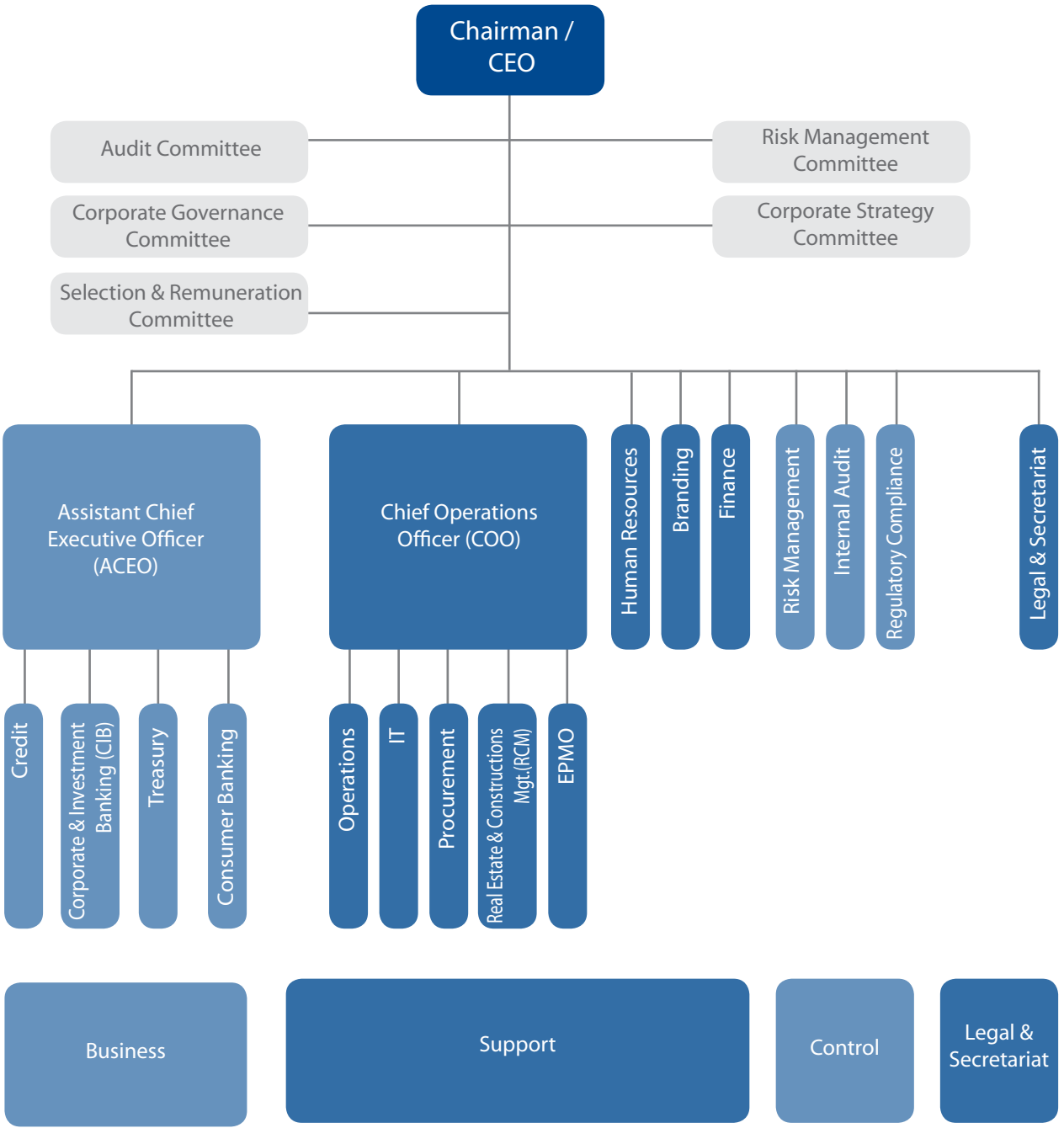
No specific individual supplier or client accounts for 10% or more of the Bank's activities, purchases and / or sales.

Governmental bodies or international organizations that would have material impact on the bank, any of its products or competitive capabilities, issued no decrees, laws or regulations. In addition, the international quality standards are not applicable as far as the bank is concerned.

It is worth mentioning that Arab Bank plc has obtained notable ratings by several international rating agencies such as Standard & Poors which affirmed Arab Bank's long-term foreign currency rating at "A-" and Moody's which affirmed Arab Bank's financial strength rating of "A2" and its long-term foreign currency rating of "A3".

These distinguished ratings and awards have significant impact on enhancing Arab Bank's competitiveness compared to other banks.

ARAB BANK ORGANIZATION CHART / HEAD OFFICE





NUMBER OF STAFF AND ACADEMIC QUALIFICATIONS

Academic Qualifications	Arab Bank	Europe Arab Bank plc	Arab Bank (Switzerland) Ltd.	Arab Bank Australia Ltd.	Islamic International Arab Bank	Arab Sudanese Bank	Arab Investment Bank	Al-Arabi Investment Group (AB Invest)	Al-Arabi Capital (AB Capital)
PhD	13	1	2	0	4	0	1	0	1
Master's degree	445	40	18	6	33	15	1	7	7
Advanced diplomas	61	13	14	3	0	3	0	2	0
Bachelor's degree	3 534	69	10	43	265	17	1	31	4
Junior college	736	29	10	24	66	2	0	2	0
High school	793	80	38	48	18	0	1	3	1
Sub high school	596	0	2	0	49	3	0	0	0
Total Employees	6 178	232	94	124	435	40	4	45	13

Arab Tunisian Bank	Arab Bank Syria	Al-Wahda Bank	Al Nisr Al Arabi Insurance Company	Arab Company for Shared Services	Arab Gulf Tech for IT Services	Arabella for IT Services	Arab National Leasing Company	Al-Arabi Investment Group / Palestine	Total
4	2	3	0	0	0	0	1	0	32
134	34	25	14	5	4	1	3	2	794
129	17	358	2	1	1	0	0	1	605
3	205	729	99	82	29	3	14	4	5 142
33	59	613	29	16	4	5	4	0	1 632
161	16	363	13	13	3	7	1	0	1 559
339	8	1 068	1	2	0	5	1	0	2 074
803	341	3 159	158	119	41	21	24	7	11838



Area	Training Agenda		Unscheduled Programs		Middle Management Programs		External Courses	
	Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees
Jordan	5	65	191	1 021	1	11	62	178
Palestine	67	844	12	150	19	234	31	48
Egypt	27	601	43	100	0	0	2	2
Morocco	4	134	2	28	0	0	8	16
Algeria	6	136	3	3	0	0	11	19
Lebanon	0	0	27	391	11	19	14	36
Yemen	9	95	3	42	0	0	58	141
Bahrain	116	89	17	66	0	0	1	1
UAE	0	0	50	803	1	18	419	189
Qatar	19	35	0	0	0	0	1	1
Total	253	1 999	348	2 604	32	282	607	631

Internet Courses		Courses Attended at H.O.		English & Computer Courses		Certification Programs		Grand Total Per Area	
Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees
2	2	1	1	35	97	0	0	297	1 375
0	0	4	15	0	0	0	0	133	1 291
0	0	3	6	0	0	3	7	78	716
0	0	1	2	2	17	2	3	19	200
0	0	8	8	0	0	0	0	28	166
0	0	9	11	1	2	1	1	63	460
0	0	2	2	6	38	0	0	78	318
0	0	1	2	20	210	0	0	155	368
0	0	4	6	4	11	2	2	480	1 029
0	0	0	0	0	0	0	0	20	36
2	2	33	53	68	375	8	13	1 351	5 959



OVERVIEW

Arab Bank Group addresses the challenge of banking risks comprehensively under an overall Enterprise Risk Management Framework applying leading practices and supported by a Governance Structure consisting of Board Level, Executive committees and three levels of control as follows:

Committees:

- Audit committee (Board Level).
- Risk Management Committee (Board Level).
- Higher Asset and Liability Management Committee.
- Executive Management Committee.
- Senior Credit Committee.

Three Levels of Control:

- Business Line and Country Control Units.
- Group Risk Management and Group Regulatory Compliance.
- Group Internal Audit.
- The Board of Directors reviews and affirms the bank's overall risk appetite and oversee, through its various committees, that senior management maintains comprehensive risk management policies.
- The Chief Executive Officer is the first in line of responsibility for maintaining the risk management framework and an effective and efficient system of internal controls.
- The Group Chief Financial Officer is in charge of defining financial risks, middle office controls, safeguarding the quality of financial data and ensuring that the disclosed financial statements are accurate and reliable.
- The heads of strategic business units identify and manage risks within their specific business lines. They operate within formally delegated risk limits. The Global Treasurer is responsible for management of liquidity risk and market risk.
- The Chief Risk Officer supervises all risk factors managed by strategic business units as well as other functional areas. The Chief Risk Officer is also responsible for providing all functions and regions with methodologies and tools needed to manage said factors in a manner way. The Chief Risk Officer reports to the Board's Risk Committee and CEO.

- The head of Group Regulatory Compliance ensures that the Bank is in compliance with applicable related laws, rules and regulations, especially those issued by banking regulatory authorities.
- The concerned heads of supporting units are responsible for risks pertaining to his/her unit.
- Group Internal Audit are an independent function that provide assurance to the CEO and Senior management and the Board that the business lines and country units are complying with internal policies, controls and procedures concerning Risk Management.

GROUP RISK MANAGEMENT:

As part of the risk governance structure of the Bank, Group Risk Management is the second level of control, responsible for ensuring that the Bank has a robust system for the identification and management of risk. Its mandate is to:

- Establish risk management policies and procedures for all types of risks;
- Advise and promote awareness on best practice;
- Develop and implement various risk management frameworks;
- Develop appropriate risk measurement tools and models; and
- Assess risk positions against established limits, with timely monitoring and reporting to senior management.

Each of the following departments at Group Risk Management has specific goals in continuing to develop the Bank's risk management based on best practice, international guidelines and regulations of the Central Bank of Jordan.

The Credit Risk Management Department enhances the centralised reporting of Credit Risk and is responsible for the rollout of the internal corporate risk rating system and the retail credit scoring system. These rating systems will improve "probability of default" measurements and lead to a wider implementation of the Bank's risk-adjusted return-on-capital model.

As the manager of the Basle II implementation project, this department ensures that all necessary policies, procedures and documentation have been put in place.

- The Business Risk Review Department conducts comprehensive individual, portfolio and business risk reviews. It ensures that the Bank's various portfolios are aligned to their economic perspective, business strategy and target market, and recommends corrective action where necessary. The department also assesses the quality of the loan portfolio, lending policies and processes, and the capabilities of the credit staff. While the review frequency is at least annual, additional reviews are undertaken based on market conditions, the size and sectoral nature of portfolios. In specific instances such reviews are supplemented by targeted stress testing scenarios.
- The Insurance Department's mandate is to oversee all insurance policies through a centralised database whether these are Global or Local. It ensures that insurable risks are appropriately mitigated, and establishes minimum insurance criteria at the Group and country level.
- The Market and Liquidity Risk Management Department structures risk limits, monitors positions and is responsible for the value-at-risk (VaR) measurement framework. Other risk management reporting and risk management tools are introduced together with Global Treasury to ensure that risk measurement and reporting are comprehensive.
- The Operational Risk Management Department, which also covers strategic and reputation risks, leads the implementation of a Bank-wide risk management framework, as part of the overall strengthening and continuous improvement of the controls within the Bank. The framework consists of policies and procedures supported by a formal methodology of risk-control and self-assessment for the identification, assessment, mitigation, control and reporting of operational risk in all business activities.
- The Information Security Department is implementing a Bank-wide information security framework based on industry best practice. The department has initiated several projects currently under implementation for enhanced monitoring and control, and for promoting good practice throughout the Group.

- The Business Continuity Management Department is responsible for an integrated approach to crisis management and business continuity planning. Contingency planning has proved its utility time and again throughout the Bank's history, enabling senior management to manage and operate the Bank during times of serious crises. The Bank uses a centralised database for maintaining and updating over 450 separate Business Contingency plans covering all major departments at Head Office and countries.

CREDIT RISK:

Arab Bank's dynamic and proactive approach in managing credit risk is a key element in achieving its strategic objective of maintaining and further enhancing its asset quality and credit portfolio risk profile. The conservative, prudent and well-established credit standards, policies and procedures, risk methodologies and frameworks, solid structure and infrastructure, risk monitoring and control enable the Bank to deal with the emerging risks and challenging environment with a great level of confidence and determination.

The credit process at Arab Bank is well defined and institutionally predicated on:

- Clear tolerance limits and risk appetite set at the Board Level, well communicated to the business units and periodically reviewed and monitored to adjust as appropriate
- Credit Committee Structure that ensures credit approvals are made with consensus by a committee and not individuals with high level of independency.
- Authorities are delegated based on Risk-Differentiated Grids for each committee at country and H.O. level
- Well-defined Target Market (TM) and Risk Asset Acceptance Criteria (RAAC)
- Rigorous financial, credit and overall risk analysis for each customer/transaction
- Portfolio quality examined on regular basis according to key performance indicators mechanism and periodic stress testing based on conservative scenarios.
- Concentrations together with mitigation strategies are continuously assessed.
- Furthermore, the early warning system is continually validated and modified to ensure proper functioning for risk identification.

- Systematic and objective credit risk rating methodologies that is based on quantitative, qualitative and expert judgment.
- Systematic credit limits management enabling the Bank to monitor its credit exposure on daily basis at country, borrower, industry, credit risk rating and credit facility type level
- Solid documentation and collateral management process with proper coverage and top-up triggers and follow-ups
- Annual and interim individual credit reviews ensuring detecting any weakness signs or warning signals and considering proper remedies in case of need

The Bank continues to upgrade and fine-tune the above in line with the increasing regulatory requirements and challenging business and financial services industry environment.

Also, the Bank pays great attention to skills development and enhancement through enrolling its credit staff at various levels into well selected and designed credit training programs and courses to be well equipped to efficiently conduct their roles and responsibilities.

LIQUIDITY RISK:

Liquidity remains an area of great focus for Arab Bank Group. The Group has a highly diversified funding footprint, and in order to boost liquidity it additionally maintains a large portfolio of highly liquid assets, which act as a contingent funding source. Arab Bank Group's long-standing emphasis on maintaining a broad and stable liquidity base has largely insulated the Group from the effects of the market volatility and funding stress experienced by many other financial institutions since the beginning of the financial market crisis in 2007.

Arab Bank's liquidity management strategy is determined by the High ALCO, and directed by the Global Treasurer. The operations of the country level Treasury teams are centrally controlled, monitored and coordinated. As such, and in coordination with local asset/liability management committees, the various country Treasury teams across Arab Bank act as a community, mandated to work together to meet local and Group-wide needs. The asset/liability management committees analyse cash flows and market risk exposures, and take action where appropriate to adjust the pricing and product mix, in order to ensure an optimal balance sheet structure and risk profile.

Liquidity is defined by the Bank for International Settlements as the ability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Arab Bank has built a robust infrastructure of policies, processes and people, in order to ensure that all obligations are met in a timely manner, and under all circumstances, and without undue cost.

The Global Treasurer receives daily and weekly information on actual, forecast and modelled liquidity. Such information is received at country level, legal entity level and at Group level. This enables him to provide the High ALCO with comprehensive management information on liquidity across the Group. This reporting is supported by stress testing, which applies various stress scenarios to existing forecast results. The process of stress testing is owned and managed by the Chief Risk Officer. The establishment of liquidity limits (Arab Bank's tolerance for liquidity risk), as with other forms of risk, is managed by the CRO and the High ALCO. Throughout 2009 Arab Bank has invested great efforts in improving and refining the ways in which it measures, models and analyses liquidity.

Arab Bank's comprehensive approach to measuring and managing liquidity gives the Group a great deal of confidence in its ability to endure all unforeseen market events or crises, while still being able to meet all of its obligations to its customers and regulators. After all, Arab Bank's funding model has shown itself to be extremely resilient during the market crises of 2007 and beyond, and hence remains fundamentally unchanged.

Liquidity risk will continue to have a major influence on how the world's banks operate and interact, and regulators are likely to set increasing standards of liquidity governance. Arab Bank's approach to liquidity management, along with its current and contingent funding structures, leaves it extremely well placed to face the future with great confidence.

MARKET RISK:

Market risk is the potential for loss from changes in the value of the Group's portfolios due to movements in: interest rates, foreign exchange, equity, commodity prices and credit spreads. The Group is exposed to market risk in the trading book and banking book.

Market risk is governed by the Global Treasurer, the Head of Group Risk Management and the Group Financial Officer. The High ALCO provides market risk oversight and guidance on risk appetite and policy setting. Also, the High ALCO approves the global limits which are then disseminated to the various entities through the Global Treasurer. The Global Treasury's Policies and Procedures clearly define the rules that exist for the active management of all the Group's portfolios subject to market risk. Group Risk Management in coordination with Global Treasury will ensure that the policies and procedures are updated on a regular basis and/or when the need arises. Also, the market risk limits are monitored by an independent Middle Office and are reviewed on a regular basis by Global Treasury and Group Risk Management and approved by High ALCO depending on the Group's risk appetite and strategy.

The three main activities that expose us to market risk are: Money Markets Trading, Foreign Exchange trading and Capital Markets trading. Managing market risk is a key part of our business planning process, and as per our policies, is kept at a minimal level. Our main tools used for measuring and managing market risk are the following:

Basis Point Value

Measurement of interest rate risk is based on the non-statistical basis point value method. It calculates the amount of interest gained or lost in a one basis point parallel shift of market interest rates with no consideration as to the likelihood of the shift. The method does however consider the sensitivity of a position to interest rate movements as it moves along the yield curve. BPV is calculated at the following levels in order to monitor compliance within the specified limits:

- Total BPV at a portfolio level
- BPV per currency
- BPV per broad time band
- BPV per time bucket

All interest rate activities form part of the BPV calculation, meaning that all money market books, all securities books, and all interest rate Trading Books are to be included in the BPV calculation; this includes both on-balance and off-balance sheet products in Trading Book and Banking Book.

Value at Risk

VAR is currently used as an internal measure of market risk to estimate the maximum loss that may be experienced by the Group over a one day holding period with 99% confidence level using the Historical Simulation approach. The Group's VaR calculation is run at the consolidated and unit levels and covers both interest rate and foreign exchange risk.

Stress Testing

The Stress Testing model aims to complement the Group's Value at Risk calculations by identifying and quantifying the effects of extreme but plausible events on the Group's portfolio. The methodologies used range from single factor to multi-factor stress tests. The single factor stress tests incorporate a number of standard shocks in addition to worst historical movements for each risk factor. The multi-factor tests consist of hypothetical and historical tests as well as a hybrid of the two. All scenarios are tailored to account for the special characteristics of the Group's portfolio.

INTEREST RATE RISK:

Interest rate risk in the Group is limited, well managed, continuously supervised and contained. A large proportion of the interest rate exposure is concentrated on the short end, with durations of up to one year. Exposure of more than one year is well contained. In general, the Group has no significant long-term or complex interest rate positions.

The interest rate risk is managed in accordance with the policies and limits established by the High ALCO. The asset/liability management committees at the centers, as well as the respective treasurers, handle the day-to-day management of interest rate risks.

In General, the Group has limited appetite for interest rate risk and for impairing economic value for the sake of enhanced earnings.

CAPITAL MARKETS EXPOSURE:

Investments in capital market instruments are subject to market risk stemming from changes in their prices. Arab Bank Group's exposure to this kind of risk is limited due to its strong control over interest rate risk. Most of the debt instruments in the portfolio have floating rate coupons. Risk arising from fixed-rate coupons is usually hedged by derivatives.

FOREIGN EXCHANGE RISK:

Income from foreign exchange is generated mainly from customer transactions. Strict foreign exchange risk limits are set which define volume limits and sensitivity limits for proprietary trading in foreign exchange. The Group hedges itself appropriately against potential currency fluctuations in order to minimize foreign exchange exposure.

In Treasury, positions are held open only for small risk equivalents. The majority of the transactions are liquidated on a daily basis. Positions are measured and supervised by local management daily, and by global management weekly. Foreign exchange exposure resulting from participations is well contained and strictly managed.

OTHER RISKS:

Arab Bank faces a number of other banking risks, which include compliance risk and strategy risk.

Compliance Risk:

The Arab Bank regulatory compliance program is grounded in the underlying principles that have guided the Bank since its inception, including a commitment to success not at all costs, but only the right way and without compromising ethical values. To accomplish this, the Arab Bank staff is required to act with

integrity, promote a culture of transparency, and create an environment that affords the independence necessary to not only identify and escalate risks, but also to make sound business decisions and prioritize accordingly, in so doing serving the best interest of the Bank, its shareholders, customers, and employees.

Faced with ever increasing laws, rules, and regulations, Arab Bank continues to achieve compliance while remaining sensitive to ensuring cost efficiency. Program success mandates business accountability as the first level of compliance with Group Regulatory Compliance (GRC), a centralized division with a network of Country Compliance Officers, providing strategic direction and program oversight. The Head of GRC reports directly to the Bank's Chairman and Chief Executive Officer and has direct access to the Board of Directors. Bank compliance includes Anti-Money Laundering and Combating Financing of Terrorism among other regulatory requirements, all of which require effective corporate governance, policies and procedures, risk identification, monitoring and reporting, training, independent monitoring, and testing.

While committed to continuous program enhancement, there are no known compliance matters that expose the Bank to significant financial liability, thereby minimizing the likelihood of material loss or associated adverse publicity.

Strategic Risk:

The Bank maintains clearly defined work standards and comprehensive strategic planning procedures. The Board of Directors, together with the Bank's management, periodically analyses the impact of the Bank's major operations on its strategy, including the internal and external working conditions, the implications of competition, customer requirements, as well as changes in laws and information technology, as well as the Bank's existing systems.

Achievement of the Bank's clearly defined objectives depends on a basic principle: its ability to fully leverage its widespread network of branches, maintain and develop its strong customer base, continuously expand and improve its products and services, and maintain its sound financial position.

Management assesses the Group's historical performance in light of the current strategy and the need to revise its objectives, if necessary, in the context of a continuously changing work and market environment. As such, profitability as well as commitments of projects to be undertaken is assessed in the context of "Business As Usual" as well as "Stressed Conditions" scenarios. This will ensure the Bank is able to quickly react to developing situations in managing its longer term strategy.

Arab Bank enjoyed numerous accomplishments on different fronts in 2009.

In what has been a difficult year in the Banking industry, the bank has focusing on balance sheet management with emphasis on maintaining high and comfortable levels of liquidity. The geographic spread of our business and diversification of income streams coupled with our conservative strategy and approach in managing risk has limited the impact of the economic turmoil.

Arab Bank Group's net profit before tax and after provisions for the year ended 31 December 2009 amounts to USD 782.8 million. Total operating revenues of the Group stood at USD 1,774 million compared with USD 1,866 million in 2008, while total deposits, shareholders' equity and liquidity ratios continued to improve.

Arab Bank Group balance sheet grew by 11% in 2009 to reach USD 50.6 billion as at 31 December 2009, compared with USD 45.6 billion recorded in 2008. Customer deposits, our key funding source, has over the year increased by 11% to reach USD 34.9 billion compared with USD 31.4 billion in 2008, representing 69% of the bank's total assets. Deposits from banks grew by 19% to reach USD 6.3 billion compared with USD 5.3 billion at the end of 2008, reflecting the continued confidence in the Arab Bank. Our liquidity is strong with 49% of the balance sheet made up of cash and quasi cash. Cash and balances with banks increased by 28% to reach to USD 16.2 billion compared with USD 12.7 billion in 2008, and with the ratio of loan-to-deposit standing at a very comfortable level of 63%.

Group equity, which amounts to 16% of total assets, grew by 8% to reach USD 8.1 billion compared with USD 7.5 billion in 2008, thus further strengthening our Capital Adequacy Ratio, which stood at 17.9%, exceeding by far the minimum ratios which are determined at 8% by Basel II and 12% by Central Bank of Jordan.

The drop in net income as compared with 2008 is mainly attributable to the conservative policy of the bank, based on which an additional provisioning for the amount of USD 204 million was booked during the year against "watch-list" and "non-performing" loans, in addition to the recording of a non-recurring gain in 2008 of USD 37 million resulting from the sale of the Cyprus branches.

Our solid financial position was recognized by renowned international rating agencies who have affirmed our ratings. In December 2009, Moody's affirmed



the Bank's "A3" rating with "Stable" outlook highlighting in their report the bank's franchise value, asset quality, core earnings, strong capital base, and comfortable levels of liquidity. Standard and Poor's also in its December 2009 report on Arab Bank affirmed the Bank's "A-" rating with "Stable" outlook, highlighting in their report the bank's superior geographic diversification, strong capitalization and liquidity, and solid track record of quality assets.

Liquidity was managed prudently and profitably in 2009, despite the widespread and continued market volatility, in line with the Arab Bank's priority of maintaining a highly liquid balance sheet.

In addition to continuing to refurbish and modernize selected branches in the various countries, the Arab Bank opened new branches in Jordan, Egypt and Algeria, new affluent centres for its Elite Banking proposition in Jordan, Palestine and Egypt, and continued to expand its ATM network.

Arab Sudanese Bank officially opened in June 2009, as a 100% fully owned Islamic subsidiary, in addition to establishing Islamic windows in the UAE and Qatar. The Arab Bank obtained the necessary license to establish and operate a financial brokerage firm in Palestine under the name "Al Arabi Investment Group". The firm commenced its activities in early January 2010 with the purpose of providing brokerage services to clients trading in Palestine Stock Exchange.

The Arab Bank continued to grow its Small and Medium Enterprises (SME) business in 2009, while enhancing its related work flow system, providing improved customer service and potential growth. Additionally, the Bank established a

comprehensive Cash Management and Trade Finance (CMT) business line to support customers' transactional efficiencies and provide service through its global network.

In addition, a number of projects were completed in 2009, including:

- Implementing a new lending system, FinnOne, across various countries.
- Launching of CRM systems in all branches in Jordan.
- Launching a new internet banking platform in Jordan.
- Implementing a new operational model for branches in Jordan, Egypt, UAE, Morocco and Algeria.
- Completing the Business Alternate Site.
- Launching the Islamic Window in the UAE.
- Implementing the second stage of the Basel II requirements related to Capital Adequacy Ratio calculation.
- Implementing Moody's Risk Advisor.
- Upgrade of Brand Signage.
- Implementing Global Treasury Program.
- Completing the expansion of Head Office premises.

On the other hand, and in recognition of the achievements enjoyed in 2009, Arab Bank was given a number of awards. To name a few:

- Best Bank in the Middle East – Euromoney
- Best Trade Finance Provider in the Middle East, Jordan and Yemen – Global Finance
- Best Loan Deal of the Year, Middle East – The Banker
- Best Bank in Jordan – Euromoney, Global Finance, The Banker and EMEA Finance
- Chief Compliance Officer award – Complinet

Additionally, Arab Bank's Chairman and CEO, Mr. Abdel Hamid Shoman was recognized by FTSE Global Markets as one of twenty key individuals for the year.

In 2009, there has been no non-recurring operations that had a material effect on the Bank's financial position. However, in 2008, Arab Bank sold its branches in Cyprus, which resulted in non-recurring revenues of JD 26 million to the bank.

Time Series Data for Major Financial Indicators (2005 – 2009):

Value in JOD Millions for the Bank & in USD Millions for the Group					
	2009	2008	2007	2006	2005
Arab Bank Plc: Net Profit After Tax	250.0	360.2	334.7	263.3	200.1
Arab Bank Group: Net Profit After Tax	575.5	839.8	774.9	624.6	503.2
Arab Bank Plc: Shareholders' Equity	3 801.2	3 580.0	3 548.0	3 093.9	1 859.6
Arab Bank Group: Owners' Equity	8 096.8	7 508.4	6 857.3	5 884.6	3 885.0
Distributed Dividends					
Total Dividends (JOD in millions)	106.8	133.5	106.8	89.0	53.4
Dividends (%)	20%	25%	30%	25%	30%
Number of Issued Shares (in thousands)	534 000	534 000	356 000	356 000	176 000
Share Price on Last Working Day (JOD)	12.15	15.2	29.3	21.4	63.3



This section of the Board of Directors report highlights relevant financial data which is included in the financial statements of Arab Bank plc and Arab Bank Group for the year 2009. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations issued by the Committee of the IFRS Board and the prevailing rules of the countries where the Group operates and the Central Bank of Jordan requirements. The accompanying notes are an integral part of the financial statements.

The financial statements of Arab Bank Group consolidate the statements of Arab Bank plc, its sister company, Arab Bank (Switzerland), and the following subsidiaries:

Percentage ownership as of 31 December 2009	
Arab Bank Australia Limited	100.00%
Europe Arab Bank plc	100.00%
Islamic International Arab Bank plc	100.00%
Arab National Leasing Company	100.00%
Al-Arabi Investment Group Co.	100.00%
Arab Sudanese Bank Limited	100.00%
Al-Arabi Group for Investment Co.	99.00%
AB Capital Limited	* 80.18%
Arab Investment Bank S.A.L.	66.68%
Arab Tunisian Bank	64.24%
Al Nisr Al Arabi Insurance Company	50.00% + 2 shares
Arab Bank – Syria	49.00%
Wahda Bank	19.00%

* Percentage of ownership becomes 100% in January 2010.

Subsidiaries are the companies under the effective control of Arab Bank plc. Control becomes effective when the Bank has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities. Transactions are eliminated between Arab Bank plc, the subsidiaries, and its sister company Arab Bank (Switzerland) upon the consolidation of the financial statements.

Arab Bank Group

Statement of Income

Arab Bank Group's net income for the year ended 31 December 2009 amounts to USD 575.5 million compared to USD 839.8 million in 2008. Total revenues of the Group stood at USD 1,774 million compared to USD 1,866 million in 2008, recording a drop of 5%. Expenses were well managed with employees and other operating expenses recording a drop. Net provision for doubtful debts amounts to USD 204 million represents the provisions booked during the year against 'watch-list' and 'non-performing' loans, the non-recurring gain of USD 36.8 million resulting from the sale of the Cyprus branches in 2008.

The following schedule compares the principal components of the Group's income statement:

In USD (thousands)	2009	2008	Variance	%
Revenue				
Net interest income	1 048 741	1 090 969	(42 228)	(4%)
Net commission income	282 631	285 461	(2 830)	(1%)
Other	442 839	490 259	(47 420)	(10%)
Total revenue	1 774 211	1 866 689	(92 478)	(5%)
Expenses				
Employees expenses	405 682	411 184	(5 502)	(1%)
Other operating expenses	381 300	366 290	15 010	4%
Provision for doubtful debts	204 419	40 424	163 995	406%
Provision for impairment - HTM	-	24 198	(24 198)	(100%)
Total expenses	991 401	842 096	149 305	18%
Net income from continuing operations	782 810	1 024 593	(241 783)	(24%)
Gain from discontinued operations	-	36 809	(36 809)	(100%)
Profit for the year before tax	782 810	1 061 402	(278 592)	(26%)
Income tax	207 268	221 588	(14 320)	(6%)
Profit for the year	575 542	839 814	(264 272)	(31%)

Arab Bank Group's comprehensive income for the year ended 31 December 2009 amounts to USD 780.7 million compared to USD 483.1 million in 2008. The following schedule shows the principal components of the Group's comprehensive income statement:

In USD (thousands)	2009	2008
Profit for the year	575 542	839 814
Add:		
Foreign operations translation adjustments	71 006	(65 747)
Net change in fair value	134 154	(290 878)
Total other comprehensive income for the year	780 702	483 189

Financial Position

Arab Bank Group assets went up by 11% to reach USD 50.6 billion as at 31 December 2009. Customer deposits have over the year increased by over USD 3.4 billion to reach almost USD 35 billion. Investment portfolio has increased by over USD 1.7 billion to reach USD 8.7 billion. Credit facilities amount to USD 22 billion forming 44% of total assets while owners' equity exceeded USD 8 billion.

The following schedule compares the principal components of the Group's

In USD (thousands)	2009	2008	Variance	%
Assets				
Cash and due from banks	16 241 589	12 712 293	3 529 296	28%
Investment portfolio	8 787 624	7 005 710	1 781 914	25%
Loans	22 025 925	22 510 875	(484 950)	(2%)
Other	3 545 451	3 400 721	144 730	4%
Total Assets	50 600 589	45 629 599	4 970 990	11%
Liabilities				
Due to banks	6 298 356	5 277 556	1 020 800	19%
Due to customers	34 885 136	31 410 594	3 474 542	11%
Other	1 320 289	1 433 071	(112 782)	(8%)
Owners' equity	8 096 808	7 508 378	588 430	8%
Total liabilities and owners' equity	50 600 589	45 629 599	4 970 990	11%

Arab Bank plc

Statement of Income

Arab Bank plc's net income for the year ended 31 December 2009 amounts to JOD 250 million compared to JOD 360 million in 2008. Total revenues of the plc stood at JOD 764.1 million compared to JOD 770.2 million in 2008, recording a drop of only 1%. Expenses were well managed with employees expenses recording a drop. Net provision for doubtful debts amounts to JOD 80.8 million represents the provisions booked during the year against 'watch-list' and 'non-performing' loans, the non-recurring gain of JOD 26 million resulting from the sale of the Cyprus branches in 2008.

The following schedule compares the principal components of the plc's income statement:

In JOD (thousands)	2009	2008	Variance	%
Revenue				
Net interest income	518 372	552 617	(34 245)	(6%)
Net commission income	133 204	131 729	1 475	1%
Other	112 528	85 928	26 600	31%
Total revenue	764 104	770 274	(6 170)	(1%)
Expenses				
Employees expenses	168 761	176 499	(7 738)	(4%)
Other operating expenses	189 830	173 488	16 342	9%
Provision for doubtful debts	80 850	(3 449)	84 299	(2444%)
Total expenses	439 441	346 538	92 903	27%
Net income from continuing operations	324 663	423 736	(99 073)	(23%)
Gain from discontinued operations	-	26 106	(26 106)	(100%)
Profit for the year before tax	324 663	449 842	(125 179)	(28%)
Income tax	74 624	89 668	(15 044)	(17%)
Profit for the year	250 039	360 174	(110 135)	(31%)

Arab Bank plc's comprehensive income for the year ended 31 December 2009 amounts to JOD 353.5 million compared to JOD 140.2 million in 2008. The following schedule shows the principal components of the Bank's comprehensive income statement:

In JOD (thousands)	2009	2008
Profit for the year	250 039	360 174
Add:		
Foreign operations translation adjustments	21 511	(43 800)
Net change in fair value	81 959	(176 138)
Total other comprehensive income for the year	353 509	140 236

Financial Position

Arab Bank plc assets went up by 2% to reach JOD 23.1 billion as at 31 December 2009. Customer deposits have over the year increased by over JOD 140 million to reach almost JOD 15.1 billion. Investment portfolio has increased by over JOD 644 million to reach JOD 4.1 billion. Credit facilities amount to JOD 10.1 billion forming 44% of total assets while shareholders' equity exceeded JOD 3.8 billion.

The following schedule compares the principal components of the plc's financial position:

In JOD (thousands)	2009	2008	Variance	%
Assets				
Cash and due from banks	7 023 657	6 659 123	364 534	5%
Investment portfolio	4 148 866	3 504 817	644 049	18%
Loans	10 138 208	10 839 672	(701 464)	(6%)
Other	1 788 760	1 747 390	41 370	2%
Total Assets	23 099 491	22 751 002	348 489	2%
Liabilities				
Due to banks	3 586 052	3 590 784	(4 732)	(0%)
Due to customers	15 179 401	15 039 160	140 241	1%
Other	532 832	541 104	(8 272)	(2%)
Shareholders' equity	3 801 206	3 579 954	221 252	6%
Total liabilities and shareholders' equity	23 099 491	22 751 002	348 489	2%

INCOME APPROPRIATION

Arab Bank follows a well-established policy with regards to cash dividends, which aims at achieving the enhancement of its revenues and financial position, and the distribution of a reasonable dividend to the shareholders.

Arab Bank plc Dividend Distribution:

The Board of Directors' recommends the distribution of cash dividends of 20% of the shares' par value, or JOD 106.8 million for the year 2009 compared to 25% or JOD 133.5 million for the year 2008.

The following table shows the income appropriation for Arab Bank plc:

In JOD (millions)	2009	2008
Income available for appropriation	250	360
Proposed appropriation:		
Statutory reserve	32.4	45
Voluntary reserve	64.9	90
General reserve	0	76.6
General banking risk reserve	45.4	15
Proposed cash dividends	106.8	133.5
Total appropriation	250	360

Arab Bank (Switzerland) Limited Dividend Distribution:

The shareholders of Arab Bank Group receive annual dividends from Arab Bank plc as well as from Arab Bank (Switzerland). The Board of Directors of Arab Bank (Switzerland) decided to recommend to the General Assembly the distribution of 20% of the shares' par value to shareholders.

The following table shows the proposed income appropriation of the Arab Bank (Switzerland) Ltd:

In CHF (thousands)	2009	2008
Profit after tax	5 936	8 948
Retained earnings from previous year	2 173	3 403
Total available for appropriation	8 109	12 351
Proposed dividends	5 340	8 010
Legal reserve	400	668
Other reserves	1 500	1 500
Retained earnings carried forward	869	2 173
Total appropriation	8 109	12 351

CAPITAL ADEQUACY

Arab Bank maintains capital adequacy ratios that exceed the required levels as per Basel Committee, which is 8%, and Central Bank of Jordan requirements of 12%.

The following table presents a summary of the capital adequacy calculations in accordance with Basel II regulations for 2009 and 2008:

Arab Bank Group

In USD (thousands)	2009	2008
Risk-weighted assets	27 955 389	28 803 881
Core capital	4 988 790	4 855 205
Supplementary capital	445 790	249 270
Regulatory capital	4 998 763	4 671 000
Core capital / risk-weighted assets	17.1%	16.1%
Regulatory capital / risk-weighted assets	17.9%	16.2%

Arab Bank plc

In JOD (thousands)	2009	2008
Risk-weighted assets	12 230 830	13 763 261
Core capital	3 360 004	3 260 867
Supplementary capital	225 860	137 120
Regulatory capital	2 076 330	1 963 810
Core capital / risk-weighted assets	16.98%	14.27%
Regulatory capital / risk-weighted assets	16.98%	14.27%

Financial ratios related to Arab Bank Group:

	2009	2008
Shareholders' equity / Total assets	16.0%	16.5%
Loan / Deposit	63.1%	71.7%
Liquidity ratio (cash and quasi cash)	49%	43%
Cost / Income	55.9%	45.1%
Cost / Income (excluding provision for doubtful debts)	44.4%	42.9%
Core Capital	17.1%	16.1%
Regulatory Capital	17.9%	16.2%
Return on Equity	7.1%	11.2%
Return on Assets	1.1%	1.8%
Net interest and commission income/ total assets	2.6%	3.0%
EPS (USD)	0.99	1.51
P/E	17.3	14.2

Financial ratios related to Arab Bank plc:

	2009	2008
Shareholders' equity / Total assets	16.5%	15.7%
Loan / Deposit	66.8%	72.1%
Liquidity ratio (cash and quasi cash)	49%	45%
Cost / Income	57.5%	45.0%
Cost / Income (excluding provision for doubtful debts)	46.9%	45.4%
Core Capital	16.98%	14.27%
Regulatory Capital	16.98%	14.27%
Return on Equity	6.6%	10.1%
Return on Assets	1.1%	1.6%
Net interest and commission income/ total assets	2.8%	3.0%

Our plans for 2010 and beyond have been developed whilst taking into consideration the prevailing and expected market conditions. Though we expect the global economy to recover slowly, we expect to still be indirectly affected along with the world's markets at large.

We have witnessed a tightening of credit markets as a direct result of the above, noting that a large contributor is the historically low interest rates on foreign currencies, some reaching to almost 0%. Global and regional interest rate movements are likely to affect our expected returns and cost of funds.

We have been closely monitoring the evolving global and regional situation, regularly simulating their impact and taking the necessary measures to preserve our historical values and principles relating to:

- **Liquidity:**

We strongly believe in maintaining an ample amount of liquidity to support our operations, and protect our shareholders and customers in the region in which we operate. This has always been and will continue to be, one of the pillars on which Arab Bank is built.

- **Capital Adequacy:**

We are committed to maintaining a high capital adequacy ratio that exceeds limits set by Basel II, the Central Bank of Jordan, and other regulatory bodies in countries in which we operate, at all times.

- **Risk Management:**

We believe in taking calculated risk. We have not and will not enter into any business which we do not understand, cannot calculate and whose risks we cannot mitigate.

- **Excellence:**

We have been and will continue to build upon and enhance our customers' satisfaction, our shareholders' return, and operational efficiency.



Our corporate objectives for 2010 focus on further strengthening our financial position in terms of capitalisation and liquidity, improving our customer service and business processes, in addition to further strengthening our credit policies and enhancing our risk management platform.

In terms of business growth, we plan to continue growing organically through expanding our branch network and increasing our capabilities in terms of products and services. Specifically, we will continue to carefully grow our Retail business, which is still relatively new and makes up about 30% of our business and has a high potential for growth.

We will continue centralizing various processes to take advantage of the efficiencies it yields. Our Retail business will concentrate on expanding our Affluent banking proposition (Elite) and growing our Kids segment, Jeel Al Arabi.

Within our Corporate and Investment Banking (CIB) business, we will be officially launching a comprehensive cash management solution for our large corporate clients towards the mid 2010. Following the successful piloting of the SME business in Jordan, we plan to roll out the model to other countries where we are present and continue to further build this segment which we consider to be important to our future growth. We plan to continue expanding our Islamic banking initiative through product offerings and business models across the Arab Bank network in order to maximize its potential.

Treasury will continue to strengthen the Bank's ability to measure, model and analyse liquidity to ensure continued adherence to both regulatory and self-imposed standards. Although we continue to expect market volatility in 2010, but also increased opportunities to support our customers with the sale of

Treasury products and of tailor-made hedging solutions, as economic activity starts to pick up in the region.

Geographically, our focus remains in the MENA region where we plan to further deepen our presence, as long as it fits our strategy and business model in the respective location.

In terms of mergers and acquisitions, Arab Bank is selective. All options that will be considered should fit with our strategy and make business sense, especially in light of the prevailing and future market conditions. With MENA as our focus, we are open to consider opportunities to further our purpose, should they be available at the right time, and at the right price.

In terms of strategic projects, we are planning to launch and complete a number of them within the next 3 years. To name a few:

- Expanding the New Image Branch Remodeling project to cover more countries.
- Expanding our presence in Algeria.
- Expanding ATM coverage.
- Launching the Cash Management and Trade Finance (CMT) Unit.
- Implementing a new Human Resources system.
- Continue to improve our Internet Banking offering.
- Upgrading and improving Treasury systems.

Total compensation paid to the external auditors and consultancy firms in Jordan and outside Jordan for 2008 and 2009 can be detailed in the following table:

In JOD Thousands	2009	2008
Fees for annual, semi annual and quarterly audits and reviews	1 481	1 365
Fees for consultancies and advice	4 802	5 240
Total	6 283	6 605

Number of Arab Bank Shares Owned by Members of the Board:

Name	Position	Nati onality
1. Mr. Abdel Hamid A.M. Shoman	Chairman and CEO	Jordanian
2. Mr. Sabih Taher D. Masri	Deputy Chairman	Jordanian
3. Mr. Samir Farhan Kawar	Member of the Board	Jordanian
4. Mrs. Nazik Odah Al Hariri	Member of the Board	Saudi
Ministry of Finance & Economy – Saudi Arabia	Member of the Board	Saudi
5. Represented by: Mr. Saleh Saad A. Al Muh anna		Saudi
6. Mr. Mohammed M. Hariri	Member of the Board	Lebanese / Canadian
7. Mr. "Mohammed Thabet" Abdulraouf S. Taher	Member of the Board	Jordanian
Social Security Corporation	Member of the Board	Jordanian
8. Represented by: Mr. Ibrahim Yousuf Ibrahim Izziddin		Jordanian
Abdul Hameed Shoman Foundation	Member of the Board	Jordanian
9. Represented by: AL-SHARIF Faris Abdel Hameed Sharaf Sharaf		Jordanian
10. Mr. Riad Burhan Taher Kamal	Member of the Board	Jordanian
11. Mr. Wahbe A. Tamari	Member of the Board	Lebanese

Number of Shares		Holdings of Controlled Companies	
31.12.2009	31.12.2008	31.12.2009	31.12.2008
11 663 700	11 663 700	-	-
7 017 120	7 017 120	-	-
183 300	183 300	Middle East Insurance Co.	
		521 250	538 605
60 120	60 120	-	-
24 000 000	24 000 000	-	-
-	-	-	-
68 700	68 700	-	-
13 005	13 005	-	-
80 374 620	80 118 615	-	-
-	-	-	-
12 837 330	11 652 330	-	-
-	-	-	-
15 000	15 000	Al Gazal Foundation	
		1 166 310	1 166 310
15 000	15 000	-	-

Number of Arab Bank Shares Owned by Senior Executives:

	Name	Position	Nationality
1.	Mr. Abdel Hamid A.M. Shoman	Chairman and CEO	Jordanian
2.	Mr. Hani Ibrahim Suleiman Fadayel	Assistant Chief Executive Officer	Jordanian
3.	Dr. "Mohammad Ghaith" Ali Mismar	Legal Counsel / Secretary General of the Board of Directors	Jordanian
4.	Mr. Ghassan Hanna Sulaiman Tarazi	Chief Financial Officer	Jordanian
5.	Mr. Mohammad A. Hamad Ghanameh	EVP – Head of Corporate & Investment Banking	Jordanian
6.	Ms. Dina "Mohammad Abdel Hamid" Shoman	EVP – Branding Group	Jordanian
7.	Mr. Marwan Nasha'at R. Riyal	EVP – Head of Human Resources Division	Jordanian
8.	Mr. George Fouad El-Hage	EVP – Chief Risk Officer	Canadian
9.	Mr. Michael Matossian	EVP – Group Regulatory Compliance	American
10.	Mr. Muntaser I. Dawwas	EVP – Retail Banking	Jordanian

	Number of Shares		Holdings of Controlled Companies	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	11 663 700	11 663 700	-	-
	-	-	-	-
	-	1 995	-	-
	-	-	-	-
	-	-	-	-
	24 000	24 000	-	-
	195	195	-	-
	-	-	-	-
	-	-	-	-
	2 010	2 010	-	-

Number of Arab Bank Shares Owned by the Relatives of the Board Members:

	Name	Relationship	Nationality
1.	Mr. Abdel Hamid A.M. Shoman Chairman and CEO		
	Mrs. S. Shoman	Spouse	Jordanian
		Minors	-
2.	Mr. Sabih Taher D. Masri Deputy Chairman		
	Mr. N. Masri	Spouse	Jordanian
		Minors	-
3.	Mr. Samir Farhan Kawar Member of the Board		
	Mrs. R. Kawar	Spouse	Jordanian
		Minors	-
4.	Mrs. Nazik Odah Al Hariri Member of the Board		
		-	-
		Minors	-
5.	Mr. Saleh Saad A. Al Muhanna Member of the Board – Representing Ministry of Finance & Economy – Saudi Arabia		
		Spouse	-
		Minors	-

Number of Shares		Holdings of Controlled Companies	
31.12.2009	31.12.2008	31.12.2009	31.12.2008
24 000	24 000	-	-
-	-	-	-
3 172 800	3 172 800	-	-
-	-	-	-
105 000	105 000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

	Name	Relationship	Nationality
6.	Mr. Mohammed M. Hariri Member of the Board	Spouse	-
		Minors	-
7.	Mr. "Mohammed Thabet" Abdulraouf S. Taher Member of the Board	Spouse	-
		Minors	-
8.	Mr. Ibrahim Yousuf Ibrahim Izziddin Member of the Board – Representing Social Security Corporation	Spouse	-
		Minors	-
9.	AL-SHARIF Faris Abdel Hameed Sharaf Sharaf Member of the Board – Representing Abdul Hameed Shoman Foundation	Spouse	-
		Minors	-
10.	Mr. Riad Burhan Taher Kamal Member of the Board	Spouse	-
		Minors	-
11.	Mr. Wahbe A. Tamari Member of the Board	Spouse	-
		Minors	-

Number of Arab Bank Shares Owned by the Relatives of Senior Executives :

	Name	Relationship	Nationality
1.	Mr. Hani Ibrahim Suleiman Fadayel Assistant Chief Executive Officer	Spouse	Jordanian
		Minors	
2.	Dr. "Mohammad Ghaith" Ali Mismar Legal Counsel / Secretary General of the Board of Directors	Spouse	Jordanian
		Minors	
3.	Mr. Ghassan Hanna Sulaiman Tarazi Chief Financial Officer Mrs. N. Tarazi	Spouse	Jordanian
		Minors	
4.	Mr. Mohammad A. Hamad Ghanameh EVP – Head of Corporate & Investment Banking	Spouse	Jordanian
		Minors	
5.	Ms. Dina "Mohammad Abdel Hamid" Shoman EVP – Branding Group	--	--
		--	--
6.	Mr. Marwan Nasha'at R. Riyal EVP – Head of Human Resources Division	Spouse	Jordanian
		Minors	--
7.	Mr. George Fouad El-Hage EVP – Chief Risk Officer	Spouse	Canadian
		Minors	--
8.	Mr. Michael Matossian EVP – Group Regulatory Compliance	Spouse	American
		Minors	--
9.	Mr. Muntaser I. Dawwas EVP – Retail Banking		

**Board Compensation and Benefits in 2009:
(In JOD)**

Name		
1.	Mr. Abdel Hamid A.M. Shoman	Chairman and CEO
2.	Mr. Sabih Taher D. Masri	Deputy Chairman
3.	Mr. Samir Farhan Kawar	Member of the Board
4.	Mrs. Nazik Odah Al Hariri	Member of the Board
5.	Ministry of Finance & Economy – Saudi Arabia Represented by: Mr. Saleh S. A. Al-Muhanna	Member of the Board
6.	Mr. Mohammed Ahmad M. Hariri	Member of the Board
7.	Mr. "Mohammed Thabet" Abdulraouf S. Taher	Member of the Board
8.	Social Security Corporation Represented by: Mr. Ibrahim Y. I. Izziddin	Member of the Board
9.	Abdul Hameed Shoman Foundation Represented by: AL-SHARIF Faris Abdel Hameed Sharaf Sharaf	Member of the Board
10.	Mr. Riad Burhan Taher Kamal	Member of the Board
11.	Mr. Wahbe A. Tamari	Member of the Board

Annual Salary	Annual transportation allowance	Board remuneration	Total
480 000	18 000	5 000	503 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000
-	18 000	0 000	18 000
-	18 000	5 000	23 000
-	18 000	5 000	23 000

HR records at Arab Bank Head Office show that Executive Management's total salaries and benefits in 2009 were JOD 2.06 million. During the same year, the total salaries and benefits of Executive management in Jordan and abroad reached JOD 14.7 million.



Project / Entity	JOD
1. Initiative of His Majesty to support the pockets of poverty in Jordan	2 000 000
2. King Abdullah Fund for Excellence	177 250
3. Jordan River Foundation	150 420
4. The Jordanian Hashemite Fund for Human Development	80 000
5. King Hussein Cancer Foundation	60 000
6. Aman Fund for the Future of Orphans	50 720
7. Public Institution for Social Security	50 000
8. Scientific institutions and Research Councils	30 000
9. The Ministry of Labor - to support the Arab Labor Conference	25 000
10. Enjaz Implementation program	18 800
11. Takeiat Umm Ali hospice volunteer work and charitable	18 500
12. Abdul Hameed Shoman Foundation	7 733 159
13. The Royal Society for Conservation of Nature	4 700
14. Other Donations	80 191
Total	10 478 740

Excluding transactions carried out within the context of the Bank's regular business, the Bank did not enter in any form of contracts, projects or commitments with any of its subsidiaries, sister companies or affiliates. The Bank has neither entered in any form of contracts with its Chairman, any of its Directors, the Chief Executive Officer, any of its staff or their relatives.

In JOD (thousands)	2009	2008
Subsidiaries, Sister Company & Affiliates:		
Dues from Subsidiaries & Sister Company	1 730 988	2 126 674
Dues from Affiliates	138 801	296 092
Deposits from Subsidiaries & Sister Company	1 128 627	1 190 464
Deposits from Affiliates	165 502	12 951
Interest Income from Subsidiaries & Sister Company	29 214	65 945
Interest Expenses Paid to Subsidiaries & Sister Company	20 889	35 968
Interest Income from Affiliates	745	8 636
Interest Expenses Paid to Affiliates	553	1 594
Guarantees, Acceptances & Letters of Credit – Subsidiaries & Sister Company	72 657	158 093
Guarantees, Acceptances & Letters of Credit – Affiliates	2 207	4 190
Approved But Not Utilised Credit Facilities – Subsidiaries & Sister Company	1 007	-

In JOD (thousands)	2009	2008
Major Shareholders & Members of the Board of Directors		
Direct Credit Facilities	214 924	416 931
Deposits	79 351	47 144
Letters of Credit	26 358	31 104
Guarantees	63 553	53 611

- Interest on facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.
- The salaries, bonuses and other fringe benefits of senior executives in Jordan and abroad amounted to JOD 14.7 million in 2009, compared to JOD 17.7 million in 2008

The protection of the environment and participating in initiatives to reduce pollution and increase the standard of living is a subject that Arab Bank is actively involved in. Understanding that a vibrant and sustainable environment is essential for the welfare of the current and future generations including its employees, their families and offspring and the community as a whole, Arab Bank continuously ascribes to and effectively participates in activities and programs that preserve the environment. Based on Arab Bank's mission, to improve the economic and social standing of the Middle East as whole, environmentally conscious philanthropy and lending are fundamental to the Bank's activities.

The future of energy must increasingly rely on renewable and green energy sources; Arab Bank frequently finances not only conventional, but equally-important renewable energy projects that can help avail this vital international commodity to future generations. As well, the Bank actively seeks to reduce environmental imprints through a multitude of initiatives and measures including those that reduce overall environmental pollution.

Arab Bank is keen on promoting an environmental education among people, thus encouraging them to interact with the various environmental issues, whose elements should be utilized in a positive manner. In March 2009, Arab Bank sponsored the "Decorate Your House with Leftovers of Your Environment" environmental contest where more than 150 students from private schools, ages ranging from 10 to 16 years, saw contestants compete by using materials left by household use to produce useful items as part of an effort to encourage environment preservation and recycling of used materials. The contest increased students' awareness of new methods and creative techniques of protecting the environment in a way that enhances their sense of responsibility towards their environment.

Arab Bank also sponsored the Friends of the Environment Society's "Environment through the eyes of Children" contest. In collaboration with the Ministry of Education, Ministry of Environment and UNESCO, this contest witnessed many children discussing environmental issues through drawing scenes portraying the environment they live in. Arab Bank firmly believes that awareness and education are the foundations for a future of responsible environmentally-friendly behavior.

It is also important to mention that under Arab Bank's newly launched Together program, the Bank is closely working with a local non-profit organization, Royal Society for the Conservation of Nature (RSCN), which rehabilitates and conserves the wilderness around Jordan. Employees have the opportunity to volunteer in rehabilitating some areas designated by this organization as distressed. Arab Bank also opened up consumer channels to allow direct contribution to this organization's efforts in protecting the environment. Besides facilitating and

opening up avenues of support, Arab Bank directly donates to this non-profit organization. Through this approach, Arab Bank can directly fund environmental protection, rehabilitation, and education and awareness initiatives by the RSCN. Arab Bank has also been involved in the financing and facilitating of several environmentally friendly projects: On October 26th, 2009, His Majesty King Abdullah the Second Bin Al Hussein inaugurated the first Independent Power Plant (IPP) at Al Manakher area "Amman East Power Plant" east of Amman. This is the first Build Own and Operate (BOO) basis in electric power generation in Jordan. It adds 370MW to national generation capacity using two natural gas fired turbines and a third combined cycle-steam turbine that is considered a source of clean "Green" fuel that reduces emissions. Arab Bank carries out the roles of Account Bank and Security Agent for this vital and strategic project in cooperation with international and regional financiers.

Arab Bank is also participating in the second IPP project at Al Qatrana south of Amman. Project agreements were signed on October 23rd 2009. Project develops, under BOO basis, a 370MW electric power generation facility with a similar set-up to the "Amman East Power Plant". This project's structure allows it to receive Carbon Credit revenue because of the use of a cleaner fuel and the use of steam in generation under KYOTO Protocol.

In addition to the above, Arab Bank is currently pursuing several green opportunities, including: Kamshah wind farm, which is the first wind farm power project in Jordan under a (BOO) basis. The USD 100 million project, located 25 km north of Amman, will produce a capacity of 30 – 40 MW from wind power and is expected to be completed by 2012. There is also the Harir wind farm, the waste water treatment plant in the Dead Sea area and an expansion to the recently completed USD 170 million «Samra Wastewater Treatment Plant» which will be benefiting from «Carbon Credit» under KOYOTO Protocol which was completed by last year as the first Build, Operate, and Transfer (BOT) project in Jordan under the leadership of Arab Bank.

Through these initiatives and support Arab Bank is also active through the Abdul Hameed Shoman Foundation, which supports the agricultural sector by financing scientific conferences and workshops, dedicated to improvements in agriculture. The Abdul Hameed Shoman Foundation also cooperates with the Royal Scientific Society in funding scientific research to combat plant diseases, and sponsors the publication of books related to new developments in agriculture.



Corporate and social responsibility means that banks and other firms engage in social and environmental stewardships voluntarily in order to help society safeguard its social and environmental goals and dynamically achieve sustainable development. In the process they devote scarce resources and forego earnings that are basically their “bread and butter”. During stressful times adherence to social and environmental responsibilities becomes more difficult. However, the Arab Bank was not founded merely to turn a profit, but to improve the economic and social well being of the region. These ideals are intertwined with its business goals and profit objectives. Giving back to the community through participating in various corporate and social responsibility activities is an integral goal of Arab bank’s vision side by side with achieving robust financial performance and increasing shareholder value. Arab Bank considers that one of its salient roles is to create sustainable ways of support towards important initiatives by highlighting and providing simple ways of volunteering and contributing.

In 2009, Arab Bank launched ‘Together’ which is a large-scale corporate and social responsibility program that caters to both Arab Bank’s customers and its employees. The mission of ‘Together’ is: To continuously support, participate in and contribute to the advancement and well-being of our community. Through collaboration with different non-profit organizations including King Hussein Cancer Foundation, Al Aman Fund, Tkiyet Um Ali, Madrasati and The Royal Society for the Conservation of Nature, the movement aims at different aspects of the community in order to promote collaboration, volunteerism and citizenship. This program enables customers to contribute through various banking channels, which include branches, ATM’s, online and telephone banking, to education, orphans, poverty, health and the environment with no transfer fees as donations will be directly transferred to the accounts of the organizations.

Equally significantly, Arab Bank has launched the Together Visa Platinum credit card. . The card’s unique structure adds a small percentage (0.5%) from the customer’s monthly cards purchases to the customer’s bill and is matched by Arab Bank and donated automatically at the end of the month equally to the program’s five organizations. What’s more, as part of this card program, Arab Bank will also be donating 50% of the card’s annual membership fee equally to the program’s organizations. It is noteworthy to mention that this card is unique to the Middle East, Africa and Central Europe.



Under the “Together” program, employees have volunteered in several activities such as the Amman International Marathon where 700 employees, friends and family took part. A strategic sponsor of the Marathon, Arab Bank additionally made a donation for every participant who ran under this program.

Another example of employee volunteering came in the form of many Arab Bank employees volunteering their time and efforts during Ramadan under the direction of Tkiyet Um Ali (TUA) in Sahaab. The employees packed 3,430 food packages that were delivered to Ramadan tents throughout the country. Arab Bank also sponsored a Ramadan tent in Irbid in collaboration with Tkiyet Um Ali which provided 200 Iftar meals a day to poor families in the surrounding areas. During this sponsorship, Arab Bank employees were at the tent and helped distribute the food.

The “Together” program witnessed further expansion in October when Arab Bank adopted a school in Salt under the Madrasati initiative led by Her Majesty Queen Rania Al Abdulla. The start of the new school year saw schoolchildren from grades 1 to 5 receiving brand new school bags and their teachers receiving gift bags. As part of the program, Arab Bank employees have volunteered their time with the students of this and similar schools by providing classes and volunteering their time with them.

Arab Bank has continued to be active in sponsoring educational, cultural and medical institution through financial support for universities, schools, hospitals, youth centers and cultural centers as well as non-governmental organizations. Arab Bank also participated in its first career fair, which was held at the Jubilee School, with the aim of introducing students to the Jordanian labor market and its requirements and needs, as well as raise awareness of students with regard to vocational education, especially in light of current economic challenges. In addition, Arab Bank provided advice and counseling to the students about educational disciplines and requirements during the stages of secondary school and university in order to qualify for careers in the Arab Bank and to ensure a promising future.

Besides focusing on the areas of the Together program, Arab Bank participated in initiatives aimed at reducing poverty, providing support to renewable energy projects, enhancing public awareness and culture and financing of strategic, development and infrastructure projects.

Arab Bank positively contributes towards the improvement of social welfare by providing ongoing assistance to various humanitarian organizations. Arab Bank is a generous benefactor to the local communities in which it operates, especially in Jordan.

Arab Bank, in cooperation with the National Blood Bank, organized a blood donation campaign for its employees on the occasion of the World Blood Donor Day. The Bank has also signed an agreement with the Overseas Private Investment Corporation (OPIC), through which Arab Bank undertakes to provide concessional financing for low-income citizens under the umbrella of His Majesty's initiative to provide affordable housing for the less fortunate members of the Jordanian society.

In 2009, Arab Bank participated in the sponsoring of numerous initiatives aimed at various subjects including:

Economic, Business and Regulatory Support:

- 1st Jordanian International Investment Conference.
- Jordan Economic Forum.
- GCC Regulatory Summit.
- Union of Arab Banks Strategic Partnership- includes sponsoring several regional UAB conferences.
- Jordan Association for Certified Public Accountants.
- American Chamber of Commerce (Egypt).

Education, Employment and Poverty:

- Supporting children of employees attending Jordanian universities.
- Islamic College Education Schools- Environment Contest.
- King Abdullah Excellence School Graduation Ceremony.
- Yarmouk University Business and Economic Conference.
- Spring Day at King's Academy.
- Al Sawaneya school adoption.
- Tkiyet Um Ali food tent in Irbid on Ramadan.

Health / Science / Sports:

- Annual Little League at Mashreq School
- Amman International Marathon
- Supporting many sporting events and activities

Environment protection:

- Student's Drawing Contest in collaboration with Ministries of Education and Environment and UNESCO

In addition to such initiatives, Arab Bank also provides employment and training opportunities to nationals of the economies and countries in which it operates. Concerned with the welfare of its employees and their best interests, it also provides financial assistance to the families of the workers who are exposed to work accidents, and sponsors the education of specific qualified employees and their children based on a set of criterion, thus providing them with an opportunity to further advance their education and their career.

Concurrently, Arab Bank, in coordination with the Social Security Corporation, provide its services through its branches operating in the UAE for Jordanian citizens who wish to participate in the voluntary social security program. As part of the program the Bank's branch receives applications, handles their processing and facilitates monthly contributions and transfers to the customers Social Security Corporation accounts.

Arab Bank was able, through this multidimensional approach, to create sustainable corporate and social responsibility. The «Together» program is an ongoing program and effectively designed to have a significant impact and positive role in society. Arab Bank has always been socially responsible to local communities and continues working actively to sponsor educational, cultural and medical institutions through the provision of financial support for universities, schools, hospitals, youth centers and cultural centers, as well as non-governmental organizations.

Abdul Hameed Shoman Foundation

Arab Bank's proactive role in social development can be best perceived through the various activities undertaken by the social and cultural arm of Arab Bank; the Abdul Hameed Shoman Foundation (AHSF). 2009 saw the signing of agreements of cooperation with the Society of International Studies in Tunisia, the Arab Foundation for Science & Technology in Sharja – UAE and the Moroccan Kingdom Forum. Recent years have witnessed similar agreements with a number of other scientific and cultural institutions in the Arab world.

The Foundation is also establishing libraries in all governates of the Kingdom for the purpose of serving people at their locations. In 2009, AHSF inaugurated a public library inside the Baq`a Camp Services Committee Building equipping it with books and references to serve researchers, students, pupils, and general public in cooperation with the Palestinian Affairs Department – Foreign Ministry. In addition, the Shoman Foundation will be committed to maintaining the library's needs and requirements as well as modernizing and updating its collection, and providing appropriate technical training to its potential staff.

With the inauguration of Al-Baq`a Library, the total of the libraries being established and supported by the Foundation tops twelve distributed in the Jordanian Governorates as follows : Irbid, Taffilah, Mafraq, Jerash, Madaba, Karak, Sult, Aqaba and Zarqa, in addition to the Mobile Library in cooperation with Ministry of Culture and Haya Cultural Center. According to statistics, it should be noted that the Governorates libraries Kingdom-wide served and received more than seventy thousand customers since 2008.

In the same vein a memorandum of cooperation was signed between AHSF and the Hashemite University to cooperate in establishing a corner library for social service in the Hashemite University Library which reaffirms the intention of the Foundation to cooperate with Jordanian Universities and educational institutions in supporting scientific research amongst Arabs. . In part, the Foundation has signed a cooperation agreement with the Mu'tah University to build a specialized computer lab dedicated to the University to further develop and enhance the faculty.

Supporting scientific research and the young Arab scholar is a major objective of Abdul Hameed Shoman Foundation. In October of 2009 an awards ceremony

was held for young Arab Scholars that participated in the 2008 AHSF course. There were eight recipients from Jordan, Egypt and Morocco, bringing the total since the establishment of the prize in 1982, to 322 winners. In 2009, the Foundation announced that the award will be given in the field of children's literature, 'screenplay writing for children's theater'.

Since 1982, the Foundation has provided an award for science teachers in the elementary and secondary schools of Jordan to teachers who apply new methods to teach science.

The Abdul Hameed Shoman Forum is a platform that enables prominent intellectuals, researchers and lecturers to discuss intellectual and cultural insights that are important to the Arab world. The activities during this forum are published in a special report issued by the Foundation.

The many initiatives and activities undertaken by Arab Bank and the Abdul Hameed Shoman Foundation have a significant impact on social development and citizenship, reflecting on the mission of the Arab Bank Group.

Arab Bank Group

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ARAB BANK GROUP

		December 31,		
USD '000	Note	2009	2008	
Cash and balances with central banks	5	11 731 550	7 842 134	ASSETS
Balances with banks and financial institutions	6	4 200 505	4 405 665	
Deposits with banks and financial institutions	7	309 534	464 494	
Financial assets at fair value through P&L - held for trading	8	312 563	168 791	
Financial assets at fair value through P&L - designated	9	169 947	231 138	
Financial derivatives - positive fair value	40	179 458	179 009	
Direct credit facilities	10	22 025 925	22 510 875	
Financial assets - available for sale	11	6 414 381	4 018 816	
Financial assets - held to maturity	12	1 890 733	2 586 965	
Investments in associates	13	1 955 106	1 748 987	
Fixed assets	14	577 667	540 937	
Intangible assets		219 126	238 342	
Other assets	15	503 876	587 270	
Deferred tax assets	16	110 218	106 176	
TOTAL ASSETS		50 600 589	45 629 599	
Banks' and financial institutions' deposits	17	5 798 356	4 742 306	
Customer deposits	18	31 472 526	28 580 709	
Cash margins	19	3 412 610	2 829 885	
Financial derivatives - negative fair value	40	185 873	169 468	
Borrowed funds	20	500 000	535 250	
Provision for income tax	21	258 596	251 176	
Other provisions	22	127 654	147 615	
Other liabilities	23	726 692	852 390	
Deferred tax liabilities	24	21 474	12 422	
Total Liabilities		42 503 781	38 121 221	
Share capital	25	776 027	776 027	LIABILITIES AND OWNERS' EQUITY
Share premium	25	1 226 185	1 226 205	
Treasury shares	25	(1 500)	(3 346)	
Statutory reserve		451 702	403 305	
Voluntary reserve	26	977 315	882 179	
General reserve		1 823 321	1 811 065	
General banking risks reserve	27	391 964	327 039	
Reserves with associates		1 540 896	1 357 120	
Foreign operations translation reserve		177 728	107 448	
Available-for-sale financial assets revaluation reserve	28	(38 708)	(172 862)	
Retained earnings	29	73 708	112 088	
Proposed dividends		162 952	213 645	
Total Equity Attributable to Shareholders of the Bank		7 561 590	7 039 913	
Non-controlling interests		535 218	468 465	
Total Owners' Equity		8 096 808	7 508 378	
TOTAL LIABILITIES AND OWNERS' EQUITY		50 600 589	45 629 599	

The accompanying notes from (1) to (57) are an integral part of these consolidated financial statements and should be read with them.

ARAB BANK GROUP

USD '000		Note	2009	2008
REVENUE	Interest income	30	1 796 006	2 277 414
	Less: interest expense	31	747 265	1 186 445
	Net interest income		1 048 741	1 090 969
	Net commission income	32	282 631	285 461
	Net interest and commission income		1 331 372	1 376 430
	Foreign exchange differences		76 253	76 257
	(Loss) from financial assets at fair value through P&L - held for trading	33	(2 800)	(11 976)
	(Loss) from financial assets at fair value through P&L - designated	34	(1 029)	(14 855)
	Gain from financial assets - available for sale	35	25 707	8 392
	Group's share of profits of associates	13	291 239	341 350
	Other revenue	36	53 469	91 091
	NET REVENUE		1 774 211	1 866 689

EXPENSES	Employees' expenses	37	405 682	411 184
	Other expenses	38	320 710	296 913
	Depreciation and amortization	14	52 015	46 799
	Provision for impairment - direct credit facilities	10	204 419	40 424
	Provision for impairment - held-to-maturity financial assets	12	-	24 198
	Other provisions	22	8 575	22 578
	TOTAL EXPENSES		991 401	842 096

PROFIT FOR THE YEAR	Net Income from Continuing Operations		782 810	1 024 593
	Gain from discontinued operations / Sale of Cyprus branches	39	-	36 809
	Profit before Income Tax		782 810	1 061 402
	Less: Income tax expense	21	207 268	221 588
	Profit for the Year		575 542	839 814
	Attributable to :			
	- Bank shareholders		528 336	806 429
	- Non-controlling Interests		47 206	33 385
Profit for the Year		575 542	839 814	

Earnings per share attributable to Bank Shareholders				
- Basic and Diluted (US Dollars)				
	52	0.99	1.51	

The accompanying notes from (1) to (57) are an integral part of these consolidated financial statements and should be read with them.

ARAB BANK GROUP

USD '000	2009	2008
Profit for the Year	575 542	839 814
Add: Other comprehensive income items, after tax		
Foreign operations translation adjustments	71 006	(65 747)
Net change in fair value	134 154	(290 878)
Total other comprehensive income items, after tax	205 160	(356 625)
Total comprehensive income for the Year	780 702	483 189
Attributable to :		
- Bank shareholders	733 496	449 804
- Non-controlling interests	47 206	33 385
	780 702	483 189

The accompanying notes from (1) to (57) are an integral part of these consolidated financial statements and should be read with them.

ARAB BANK GROUP

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Share Capital	Share Premium	Treasury shares	Statutory reserve	Voluntary reserve	General reserve
2009						
Balance at the beginning of the year	776 027	1 226 205	(3 346)	403 305	882 179	1 811 065
Profit for the year	-	-	-	-	-	-
Foreign operations translation adjustments	-	-	-	-	-	-
Net change in fair value	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Sale of treasury shares	-	(20)	1 846	-	-	-
Appropriation to reserves	-	-	-	48 397	95 136	12 256
Paid dividends	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-
Non-controlling interests adjustments	-	-	-	-	-	-
Balance at the end of the Year	776 027	1 226 185	(1 500)	451 702	977 315	1 823 321
2008						
Balance at the beginning of the year	525 047	1 475 497	(423)	330 688	729 036	1 612 262
Profit for the year	-	-	-	-	-	-
Foreign operations translation adjustments	-	-	-	-	-	-
Net change in fair value	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Sales of treasury shares	-	1 688	(2 923)	-	-	-
Capital increase	250 980	(250 980)	-	-	-	-
Appropriation to general reserve	-	-	-	-	-	126 900
Appropriation to reserves	-	-	-	72 617	153 143	121 975
Paid dividends	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-
Investments between associates, subsidiaries and other companies	-	-	-	-	-	(50 072)
Balance at the end of the Year	776 027	1 226 205	(3 346)	403 305	882 179	1 811 065

- The reserves and retained earnings include restricted deferred tax assets in the amount of USD 110.2 million, as well as cost of treasury shares in the amount of USD1.5 million and cumulative change in fair value of USD (38.7) million as of December 31, 2009.

The accompanying notes from (1) to (57) are an integral part of these consolidated financial statements and should be read with them.

USD '000

General banking risks reserve	Reserves with associates	Foreign operations translation reserve	Available-for-sale financial assets revaluation reserve	Retained earnings	Proposed dividends	Total equity attributable to shareholders of the Bank	Non-controlling interests	Total
327 039	1 357 120	107 448	(172 862)	112 088	213 645	7 039 913	468 465	7 508 378
-	-	-	-	528 336	-	528 336	47 206	575 542
726	-	70 280	-	-	-	71 006	-	71 006
-	-	-	134 154	-	-	134 154	-	134 154
726	-	70 280	134 154	528 336	-	733 496	47 206	780 702
-	-	-	-	-	-	1 826	-	1 826
64 199	183 776	-	-	(403 764)	-	-	-	-
-	-	-	-	-	(213 645)	(213 645)	-	(213 645)
-	-	-	-	(162 952)	162 952	-	-	-
-	-	-	-	-	-	-	19 547	19 547
391 964	1 540 896	177 728	(38 708)	73 708	162 952	7 561 590	535 218	8 096 808
426 942	1 085 205	173 195	118 016	127 014	166 667	6 769 146	88 146	6 857 292
-	-	-	-	806 429	-	806 429	33 385	839 814
-	-	(65 747)	-	-	-	(65 747)	-	(65 747)
-	-	-	(290 878)	-	-	(290 878)	-	(290 878)
-	-	(65 747)	(290 878)	806 429	-	449 804	33 385	483 189
-	-	-	-	-	-	(1 235)	-	(1 235)
-	-	-	-	-	-	-	-	-
(126 900)	-	-	-	-	-	-	-	-
21 693	271 667	-	-	(641 095)	-	-	-	-
-	-	-	-	-	(166 667)	(166 667)	-	(166 667)
-	-	-	-	(213 645)	213 645	-	-	-
5 304	248	-	-	33 385	-	(11 135)	346 934	335 799
327 039	1 357 120	107 448	(172 862)	112 088	213 645	7 039 913	468 465	7 508 378

ARAB BANK GROUP

USD '000

	Note	2009	2008
Profit for the year before tax		782 810	1 061 402
Adjustments for:			
- Depreciation and amortization		52 015	46 799
- Provision for impairment - direct credit facilities		204 419	40 424
- Bad debts written-off		65	183
- (Gain) from sale of fixed assets		(1 936)	(321)
- Loss from revaluation of financial assets at fair value through P&L - held for trading		4 258	15 338
- Loss from revaluation of financial assets at fair value through P&L - designated		7 099	14 855
- Provision for impairment – held-to-maturity financial assets		-	24 198
- Other provisions		8 575	22 578
Total		1 057 305	1 225 456
(Increase) decrease in assets:			
Balances with central banks (maturing after 3 months)		308 792	310 231
Deposits with banks and financial institutions (maturing after 3 months)		154 960	13 943
Direct credit facilities		280 531	(3 068 329)
Financial assets at fair value through P&L - held-for-trading		(148 030)	1 268 370
Financial assets at fair value through P&L - designated		54 092	(11 574)
Other assets		97 983	(422 149)
Increase (decrease) in liabilities:			
Banks and financial institutions deposits (maturing after 3 months)		284 825	25 911
Customer deposits		2 891 817	5 914 363
Cash margins		582 725	773 960
Other liabilities		(104 264)	546 745
Net cash Generated by operations before income tax		5 460 736	6 576 927
Income tax paid		(202 098)	(175 375)
Net cash Generated by operations		5 258 638	6 401 552
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) of financial assets - available for sale		(2 261 411)	(1 259 698)
Maturity (purchase) of financial assets - held to maturity		696 232	(563 906)
(Purchase) of investments in associates		(206 119)	(290 474)
(Purchase) of fixed assets		(86 809)	(135 905)
Net cash (used in) investing activities		(1 858 107)	(2 249 983)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in borrowed funds		(35 250)	35 250
Dividends paid to shareholders		(213 645)	(166 667)
Proceeds from sale (purchase) of treasury shares		1 826	(1 235)
Net cash (used in) financing activities		(247 069)	(132 652)
Net increase in cash and cash equivalents		3 153 462	4 018 917
Foreign operations translation adjustments - change in foreign exchange rates		68 361	(65 747)
Cash and cash equivalent at the beginning of the year		7 282 912	3 329 742
Cash and cash equivalent at the end of the Year	54	10 504 735	7 282 912

The accompanying notes from (1) to (57) are an integral part of these consolidated financial statements and should be read with them.

1. General

- Arab Bank was established in 1930, and is registered as a Jordanian public shareholding limited company. The Head Office of the Bank is domiciled in Amman, Jordan, and it operates worldwide through its branches, subsidiaries and sister company, Arab Bank (Switzerland) Limited.
- Arab Bank shares are traded on Amman Stock Exchange.
- The accompanying consolidated financial statements were approved by the Board of Directors on January 28, 2010 and are subject to the approval of the General Assembly of Shareholders.

2. Basis of Consolidation

- The accompanying consolidated financial statements of Arab Bank Group, presented in US dollars, comprise the financial statements of Arab Bank plc, its sister company, Arab Bank (Switzerland) Limited and the following subsidiaries:

	Percentage of ownership (%)	Principal Activity	Place of Incorporation
Europe Arab Bank plc	100.00	Banking	United Kingdom
Arab Bank Australia Limited	100.00	Banking	Australia
Islamic International Arab Bank plc	100.00	Banking	Jordan
Arab National Leasing Company Limited	100.00	Finance leasing	Jordan
Al-Arabi Investment Group Limited	100.00	Brokerage and financial services	Jordan
Arab Sudanese Bank Limited	100.00	Banking	Sudan
Arab Investment Bank S.A.L.	100.00	Banking	Lebanon
Al-Arabi Investment Group/ Palestine	99.00	Brokerage and financial services	Palestine
Al Arabi Capital Limited	80.18	Brokerage and financial services	U.A.E
Arab Tunisian Bank	64.24	Banking	Tunisia
Al Nisr Al Arabi Insurance	50.00	Insurance	Jordan
Arab Bank Syria	49.00	Banking	Syria
Al Wahda Bank *	19.00	Banking	Libya

* Although Arab Bank Plc owns only 19% of the share capital of Al Wahda Bank in Libya, the financial statements of Al Wahda Bank are consolidated among the consolidated financial statements of the Group, as Arab Bank plc controls the strategic operating and financial policies of Al Wahda Bank through the control of key management personnel and majority of voting power of the Board of Directors.

- Subsidiaries are companies under the effective control of Arab Bank plc. Control is achieved when the Group has the power to govern the strategic financial and operating policies of the subsidiary so as to obtain benefits from its activities.
- The consolidated financial statements reflect the consolidated financial position and consolidated results of operations at the level of the consolidated economic ownership of Arab Bank plc and the sister company, Arab Bank (Switzerland) Limited, which is considered an integral part of Arab Bank Group.
- The financial statements of subsidiaries are prepared using uniform accounting policies of those used by other members of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.
- The results of operations of subsidiaries are included in the consolidated statement of income effective from the acquisition date, which is the date of transfer of control over the subsidiary by the Group. The results of operations of subsidiaries disposed of during the year are included in the consolidated statement of income up to the effective date of disposal, which is the date of loss of control over the subsidiary.
- Upon consolidation, inter-Group transactions and balances between Arab Bank plc, the sister company, Arab Bank (Switzerland) Limited and other subsidiaries are eliminated. Items in transit are stated within other assets or other liabilities, as appropriate. Non-controlling interests (the interest not owned by the Group in the equity of subsidiaries) are stated separately within owners' equity in the consolidated statement of financial position.

3. Significant Accounting Policies

Basis of preparation

- The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the Interpretations issued by the International Financial Reporting Interpretations Committee, the prevailing rules in the countries where the Group operates and the instructions of the Central Bank of Jordan.
- The financial statements are prepared using the historical cost principle, except for financial assets and financial liabilities which are stated at fair value as of the date of the consolidated financial statements.

New and Revised International Financial Reporting Standards (IFRS)

1 - Standards affecting presentation and disclosure

- The following new and revised Standards have been adopted in the current period in preparation of the consolidated financial statements of the Group. Details of other Standards and Interpretations adopted but that have had no effect on the consolidated financial statements are set out in section 2 below.

<ul style="list-style-type: none"> IAS 1 (revised in 2007) Presentation of Financial Statements 	<p>IAS 1 (2007) separates between owner and non-owner changes in equity. The statement of changes in owners' equity details all transactions with owners, whereas other changes are presented in the consolidated comprehensive income. The Standard has also introduced terminology changes to the titles of the consolidated financial statements of the Group.</p>
<ul style="list-style-type: none"> IFRS 8 Operating Segments 	<p>IFRS 8 is a disclosure standard requires to redefine the Group's reportable segments based on the operating segments for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.</p>
<ul style="list-style-type: none"> Improving disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures) 	<p>The amendments to IFRS 7 expanded the disclosures required in respect of fair value measurement.</p>

2 - Standards and Interpretations adopted with no effect on the consolidated financial statements

- The following new and revised Standards and Interpretations have also been adopted in preparation of the consolidated financial statements of the Group. Their adoption has not had any significant impact on the amounts or disclosures reported in these consolidated financial statements but may affect the accounting for future transactions or arrangements.

<ul style="list-style-type: none"> • Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations 	<p>The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.</p>
<ul style="list-style-type: none"> • IAS 23 (as revised in 2007) Borrowing Costs 	<p>The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on the preparation of the consolidated financial statements.</p>
<ul style="list-style-type: none"> • Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation 	<p>The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on the Group an obligation to deliver to another party a pro-rata share of the net assets of the Group only on liquidation, to be classified as equity, subject to specified criteria being met.</p>
<ul style="list-style-type: none"> • IFRIC 13 Customer Loyalty Programmes 	<p>The Interpretation provides guidance on how entities should account for customer loyalty programmes by allocating revenue on sale to possible future award attached to the sale.</p>
<ul style="list-style-type: none"> • IFRIC 15 Agreements for the Construction of Real Estate 	<p>The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognized.</p>
<ul style="list-style-type: none"> • IFRIC 16 Hedges of a Net Investment in a Foreign Operation 	<p>The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.</p>
<ul style="list-style-type: none"> • IFRIC 18 Transfers of Assets from Customers 	<p>The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers'.</p>
<ul style="list-style-type: none"> • Improvements to IFRSs (2008) 	<p>Amendments to IFRS 3, IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from the May and October 2008 Annual Improvements to IFRSs majority of which are effective for annual periods beginning on or after January 1, 2009.</p>

3 - Standards and Interpretations in issue not yet effective

- At the date of authorization of these consolidated financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

New Standards and amendments to Standards:

	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • IFRS 1 (revised) First time Adoption of IFRS and IAS 27 (revised) Consolidated and Separate Financial Statements – Amendment relating to Cost of an investment in a subsidiary, jointly controlled entity or associate 	July 1, 2009
<ul style="list-style-type: none"> • IFRS 3 (revised) Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) Consolidated and Separate Financial Statements, IAS 28 (revised) Investments in Associates and IAS 31 (revised) Interests in Joint Ventures 	July 1, 2009
<ul style="list-style-type: none"> • IAS 39 (revised) Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items (such as hedging inflation risk and hedging with options) 	July 1, 2009
<ul style="list-style-type: none"> • IFRS 1 (revised) First time Adoption of IFRS – Amendment on additional exemptions for First-time Adopters 	January 1, 2010
<ul style="list-style-type: none"> • IFRS 2 (revised) Share-based payment – Amendment relating to Group cash-settled Share-based payments 	January 1, 2010
<ul style="list-style-type: none"> • IAS 32 (revised) Financial Instruments: Presentation – Amendments relating to classification of Rights Issue 	February 1, 2010
<ul style="list-style-type: none"> • IAS 24 Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government 	January 1, 2011
<ul style="list-style-type: none"> • IFRS 9 Financial Instruments: Classification and Measurement (intended as complete replacement for IAS 39 and IFRS 7) 	January 1, 2013
<ul style="list-style-type: none"> • Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs. 	Majority effective for annual periods beginning on or after January 1, 2010

New Interpretations and amendments to Interpretations:

	Effective for annual reporting periods beginning on or after
<ul style="list-style-type: none"> IFRS 17: Distributions of Non-cash Assets to Owners 	July 1, 2009
<ul style="list-style-type: none"> IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments 	July 1, 2010
<ul style="list-style-type: none"> Amendment to IFRIC 14: IAS 19: The limit on a defined Benefit Asset, Minimum Funding Requirement and their interaction 	January 1, 2011
<ul style="list-style-type: none"> Amendment to IFRIC 16: Hedges of a Net Investment in a Foreign Operation 	July 1, 2009
<ul style="list-style-type: none"> Amendment to IFRIC 9 (revised): Reassessment of Embedded Derivatives relating to assessment of embedded derivatives in case of reclassification of a financial asset out of the 'FVTPL' category 	July 1, 2009

- The Group management anticipate that each of the above Standards and Interpretations will be adopted in the Group's financial statements by their effective dates mentioned above and, except for what is indicated below, the adoption of the above Standards and Interpretations in future periods will not have material impact on the financial statements of the Group in the period of initial application.

IFRS 9

- The application of the current version of IFRS 9 would mainly result in applying different classification and measurement criteria for financial assets; the requirements of IFRS 9 apply a consistent approach to classifying financial assets and replace the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. They also result in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

Revised IFRS 3, IAS 27, IAS 28 and IAS 31:

- The application of the revised IFRS 3, IAS 27, IAS 28 and IAS 31 would mainly result in applying different policies regarding the Group's future step acquisitions, partial disposals and acquisition of additional shares, if any.

Date of recognition of financial assets

- Sales and purchase of financial assets are recognized on the trade date, which is the date that the Group commits itself to purchase or sell the financial assets.

Fair value

- The closing price of quoted financial assets and derivatives in active markets represents their fair value. When no quoted prices are available or when no active markets exist for the financial instrument, the fair value is estimated by one of the following methods:
 - Comparing the fair value of another financial asset with similar terms and conditions;
 - Discounting future cash flows; or
 - Using options pricing models.
- The valuation methods aim at arriving at a fair value that reflects the expectations of market participants, expected risks and expected benefits. When the fair value cannot be measured reliably, financial assets are stated at cost / amortized cost.

Financial assets at fair value through profit and loss – held for trading

- Such financial assets are those assets that have been acquired principally for the purpose of selling them in the near term, or on initial recognition have been part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.
- Financial assets held for trading are initially recognized at their fair value, while transaction costs are expensed in the consolidated statement of income; and are stated subsequently at fair value. Changes in fair value of these financial assets are included in the consolidated statement of income in the period in which the change occurs.
- Changes in fair value resulting from changes in foreign exchange rates are recorded in the consolidated statement of income as gain or loss on foreign exchange.
- Dividend revenue is recognized as income from financial assets held for trading in the consolidated statement of income, whereas earned interest revenue is recognized as interest income in the consolidated statement of income.

Financial assets at fair value through profit and loss – designated

- Such financial assets are those initially are designated as at fair value through profit and loss if such designation eliminates or significantly reduce a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise. Financial assets maybe designated as at fair value through profit and loss if they consist part of a group of financial assets or financial liabilities or both, that are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy.
- Financial assets designated as at fair value through profit and loss are initially recognized at their fair value, while transaction costs are expensed in the consolidated statement of income; and are stated subsequently at fair value. Changes in fair value of these financial assets are included in the consolidated statement of income in the period in which the change occurs.
- Changes in fair value resulting from changes in foreign exchange rates are recorded in the consolidated statement of income as gain or loss on foreign exchange.
- Dividend revenue is recognized as income from financial assets designated as at fair value through profit and loss in the consolidated statement of income, whereas earned interest revenue is recognized as interest income in the consolidated statement of income.

Direct credit facilities

- Such financial assets are those with fixed or determinable payments that are not quoted in an active market.
- Direct credit facilities are stated at cost, and are stated in the consolidated statement of financial position net of impairment provisions and interest and commission in suspense.
- Provisions for impairment of direct credit facilities are recognized when it is apparent that the financial assets of the Group cannot be recovered, there is objective evidence of an event that adversely affects the future cash flows of the direct credit facilities and when the amount of impairment can be estimated.
- Impairment in value is determined using the present value of the future cash flows discounted at the original interest rate or according to the instructions of the regulatory authorities of the countries where the Group operates, whichever is higher. Impairment losses are recorded in the consolidated statement of income.

- Interest and commission on non-performing credit facilities are suspended in accordance with the instructions of the regulatory authorities in the countries where the Group operates.
- Specific provisions for impairment of direct credit facilities are written off when management is satisfied that no recovery of the amounts owing is possible. Any surplus in the general provisions or any recoveries of written-off debts is recognized in the consolidated statement of income.

Financial assets – Available-for-sale

- Such financial assets are those assets that have not been classified as financial assets at fair value through profit and loss, loans and receivables or held-to-maturity investments.
- Available-for-sale financial assets are initially recognized at fair value, including transaction costs and are subsequently stated at fair value as of the date of the consolidated financial statements with changes in fair value are recorded in a separate item in consolidated other comprehensive income.
- When such assets are fully or partially sold, disposed of, or judged to be impaired, the change in fair value is previously recorded in the consolidated statement of income, including the related amounts previously recorded in other comprehensive income.
- Impairment losses recognized in the consolidated statement of income on debt instruments are reversed only when it is objectively evidence that the increase in fair value occurred after the losses have been recognized. Impairment losses recognized on equity instruments are not reversed.
- Changes in fair value resulting from changes in foreign exchange rates on monetary financial assets are recorded in the consolidated statement of income as gain or loss on foreign exchange with changes in foreign exchange rates on non-monetary items are recorded in other comprehensive income.
- Interest income earned on available-for-sale financial assets is recorded in the consolidated statement of income using the effective interest method.
- Financial instruments for which fair value cannot be reliably determined are stated at cost, net of any accumulated impairment losses.

Financial assets – Held-to-maturity

- Such financial assets are those that have fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.
- Financial assets held to maturity are recorded at cost (fair value) plus acquisition costs, less any provision for impairment in value. Premiums and discounts are systematically amortized in the consolidated statement of income using the effective interest method.

Impairment in the value of the financial assets

- The Group reviews the values of the financial assets on the date of the consolidated financial statements in order to determine if there are any indications of impairment in their value, individually or in the form of a portfolio. If such indications exist, the recoverable value is estimated so as to determine the amount of impairment loss.
- Impairment is determined as follows:
 - Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the cash flows discounted at the original interest rate.
 - Impairment in the financial assets recorded at cost is determined on the basis of the present value of the expected cash flows discounted at the market interest rate of similar instruments.
 - Impairment in the available-for-sale financial assets recorded at fair value represents the difference between the carrying amount and the fair value.
- Impairment in value is recorded in the consolidated statement of income. Any surplus in the subsequent period, resulting from previous declines in the fair value of financial assets, is recognized in the consolidated statement of income, except for available-for-sale equity securities, which is recovered through other comprehensive income.

Investments in associates

- Associates are those in which the Group exerts significant influence over the financial and operating policy decisions, and in which the Group holds between 20% and 50% of the voting rights.
- Investments in associated companies are accounted for according to the equity method.
- In the separate financial statements of the Bank, investments in associates are stated at cost, net of any accumulated impairment losses.
- Transactions and balances between the Group and the associates are eliminated to the extent of the Group's ownership in the associate.

Financial derivatives

- Financial derivatives (e.g. currency forward contracts, forward rate agreements, swaps and option contracts) are recognized at fair value in the consolidated statement of financial position.

a) Financial derivatives held for hedge purposes

Hedges are classified as follows:

- Fair value hedge: Represents hedging for changes in the fair value of the Group's assets and liabilities. When the conditions for an effective fair value hedge are met, gains or losses from changes in the fair value of financial derivatives are recognized in the consolidated statement of income. Changes in the fair value of the hedged assets or liabilities are also recognized in the consolidated statement of income.
- Cash flow hedge: Represents hedging for changes in the current and expected cash flows of the Group's assets and liabilities that affects the consolidated statement of income. When the conditions for an effective cash flow hedge are met, gains or losses from changes in the fair value of financial derivatives are recognized in other comprehensive income and are reclassified to the statement of income statement in the period in which the hedge transaction has an impact on the consolidated statement of income.
- When the conditions for an effective hedge are not met, gains or losses from changes in the fair value of financial derivatives are recognized in the consolidated statement of income.

b) Financial derivatives for trading

- Financial derivatives held for trading are recognized at fair value in the consolidated statement of financial position among "other assets" or "other liabilities" with changes in fair value recognized in the consolidated statement of income.

Foreclosed assets

- Such assets are those that have been the subject of foreclosure by the Group, and are initially recognized among "other assets" at the foreclosure value.
- At the date of the consolidated financial statements, foreclosed assets are revalued individually; any decline in fair value is recognized in the consolidated statement of income. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

Intangible assets

- Goodwill represents the excess of an amount paid to acquire or purchase an investment in an associate or subsidiary over the fair value of the net investment in that entity at the acquisition date. Goodwill arising from the acquisition of subsidiary is recognized in a separate item among intangible assets. Goodwill resulting from the acquisition of an associate constitutes part of the investment in that associate. Goodwill is subsequently reduced by any impairment in the value of the investment.
- Goodwill is allocated over the cash-generating units for the purpose of testing the impairment in value.
- Goodwill is tested on the date of each financial statement and is reduced when there is evidence that its value has been impaired or that the recoverable value of the cash-generating units is lower than the carrying amount. Impairment losses are recorded in the consolidated statement of income.

Foreign currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when the fair value was determined at the date of the financial statements.
- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.
- Differences resulting from the translation of non-monetary assets and liabilities denominated in foreign currency, such as equity shares, are recorded as part of the change in the fair value.
- Upon consolidation, the financial assets and financial liabilities of the branches, sister companies and subsidiaries abroad are translated from the local currency to the reporting currency at the average rates prevailing at the date of the consolidated financial statements. Exchange differences arising from the revaluation of the net investment in the foreign operations are recorded in a separate item in other comprehensive income.

Fixed assets

- Fixed assets are stated at cost, net of accumulated depreciation. Such assets (except for land) are depreciated according to the straight-line method.
- The useful lives of the fixed assets are reviewed at the end of each year. When the expected useful life differs from what was previously determined, the change in estimate will be recorded as such in the subsequent year.
- Fixed assets are derecognized when disposed of or when no future benefits are expected from their use or disposal.
- When the recoverable amount of fixed assets is less than the carrying amount, its value is reduced to the recoverable amount, and the impairment in value is recorded in the consolidated statement of income.

Offsetting

- Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when there is a legal right to offset the recognized amounts, and the Group intends to either settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Income taxes

- Income tax expenses represent current and deferred taxes for the year.
- Income tax expense is measured on the basis of taxable income. Taxable income differs from income reported in the consolidated financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by the tax authorities and items not accepted for tax purposes or subject to tax.
- Current and deferred taxes are calculated on the basis of the enacted tax rates according to the prevailing laws, regulations and instructions of the countries where the Group operates.
- Deferred taxes represent taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and their respective tax bases.
- Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.
- Deferred tax assets are reviewed on the date of the consolidated financial statements, and reduced if it is expected that no benefit will arise from the deferred tax, partially or totally.

Treasury shares

- Treasury shares are stated at cost as a separate item in owners' equity, as a deduction from total owners' equity.
- Gains or losses from the sale of treasury shares are not recognized in the consolidated statement of income, they are recognized as deduction or addition to the share premium account in the consolidated statement of changes in owners' equity.
- Treasury shares have no voting power and no right to receive dividends.

Fiduciary deposits

- Fiduciary deposits resulting from holding or placing of assets on behalf of customers. These assets and the income arising from them are excluded from the consolidated financial statements of the Group. Commission and fees income for managing these accounts are recognized in the consolidated statement of income.
- Provision for the decline in fair value is recognized only when the fair value of a portfolio of guaranteed capital declines below the amount of guaranteed capital.

Provisions

- Provisions are recognized when the Group has an obligation as of the date of the consolidated financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.
- Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the Group operates. The expense for the year is recognized in the consolidated statement of income.

Recognition of income and expenses

- Income and expense is recognized on accrual basis, except for interest income and expense which are recognized on an effective-yield basis. Interest and commission on non-performing direct credit facilities, which are not recognized as revenue but recorded as interest and commission in a suspense account until received in cash.
- Commission income is recorded as revenue when the related services are provided. Dividends are recorded when realized.

Cash and cash equivalents

- Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions maturing within three months, less restricted funds and balances owing to banks and financial institutions maturing within three months.

4. Use of Estimates

- Preparation of the accompanying consolidated financial statements requires estimations and judgments in applying accounting policies relating to some of the consolidated financial statement items. Examples of such items include an estimation of the provision for impairment of non-performing direct credit facilities, the intention of management to hold the financial investment until maturity, and an estimation of the useful life of assets and impairment of their value. Management also uses estimates and judgments for some matters that are uncertain on the date of the consolidated financial statements and may require adjustments to the balances of the assets and liabilities stated in the consolidated financial statements of the following year. This includes estimation of the various provisions and contingent liabilities.

5. Cash and Balances with Central Banks

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Cash in vaults	396 873	449 008
Balances with central banks:		
- Current accounts	621 697	1 312 417
- Time and notice	4 541 368	1 520 938
- Mandatory cash reserve	2 453 484	1 938 878
- Certificates of deposit	3 718 128	2 620 893
Total	11 731 550	7 842 134

Balances maturing after three months amounted to USD 176.9 million as at December 31, 2009 (USD 485.7 million as at December 31, 2008).

6. Balances with Banks and Financial Institutions

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Current accounts	812 014	570 026
Time deposits maturing within 3 months	3 187 865	3 403 784
Certificates of deposit	200 626	431 855
Total	4 200 505	4 405 665

7. Deposits with Banks and Financial Institutions

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Time deposits maturing after 3 months and before 6 months	232 157	372 057
Time deposits maturing after 6 months and before 9 months	12 490	82 080
Time deposits maturing after 9 months and before 12 months	8 965	635
Time deposits maturing after one year	55 922	9 722
Total	309 534	464 494

	USD '000	
	December 31,	
	2009	2008
8. Financial Assets at Fair Value Through P&L - Held for Trading		
The details of this item are as follows:		
Treasury bills and bonds	-	91 164
Government bonds	18 246	-
Other bonds	279 643	63 049
Shares	14 674	14 578
Total	312 563	168 791

	USD '000	
	December 31,	
	2009	2008
9. Financial Assets at Fair Value Through P&L - Designated		
The details of this item are as follows:		
Government bonds	15 000	34 999
Other bonds	154 947	196 139
Total	169 947	231 138

10. Direct Credit Facilities

USD '000

The details of this item are as follows:

	December 31, 2009					Total
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	
		Small and Medium	Large			
Discounted bills *	79 452	205 075	511 355	57 710	2 528	856 120
Overdrafts *	172 345	617 365	2 379 764	-	265 702	3 435 176
Loans and advances *	2 342 122	1 067 552	12 256 016	559 480	1 117 102	17 342 272
Real-estate loans	927 961	491 601	2 222	-	-	1 421 784
Credit cards	62 170	-	-	-	-	62 170
Total	3 584 050	2 381 593	15 149 357	617 190	1 385 332	23 117 522
Less: Interest and commission in suspense	62 789	133 055	66 205	242	-	262 291
Provision for impairment - direct credit facilities	261 509	167 779	375 599	24 090	329	829 306
Total	324 298	300 834	441 804	24 332	329	1 091 597
Direct credit facilities	3 259 752	2 080 759	14 707 553	592 858	1 385 003	22 025 925

* Net of interest and commission received in advance, which amounted to USD 78.4 million as at December 31, 2009.

- Direct credit facilities granted to and guaranteed by the government as at December 31, 2009 amounted to USD 1 385.3 million, or 6% of total direct credit facilities.
- Non-performing direct credit facilities as at December 31, 2009 amounted to USD 1 911.9 million, or 8.3% of total direct credit facilities.
- Non-performing direct credit facilities net of interest and commission in suspense as at December 31, 2009 amounted to USD 1 649.6 million, or 7.2% of net direct credit facilities.

USD '000

	December 31, 2008					Total
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	
		Small and Medium	Large			
Discounted bills *	86 659	295 004	462 068	69 156	1 303	914 190
Overdrafts *	228 698	759 798	2 666 903	4 858	172 082	3 832 339
Loans and advances *	2 198 921	1 336 731	11 312 826	1 092 900	1 367 446	17 308 824
Real-estate loans	903 522	398 101	2 080	-	-	1 303 703
Credit cards	58 824	-	-	-	-	58 824
Total	3 476 624	2 789 634	14 443 877	1 166 914	1 540 831	23 417 880
Less: Interest and commission in suspense	57 898	147 932	53 648	-	-	259 478
Provision for impairment - direct credit facilities	238 469	171 711	237 020	-	327	647 527
Total	296 367	319 643	290 668	-	327	907 005
Direct credit facilities	3 180 257	2 469 991	14 153 209	1 166 914	1 540 504	22 510 875

* Net of interest and commission received in advance, which amounted to USD 25.5 million as at December 31, 2008.

- Direct credit facilities granted to and guaranteed by the government as at December 31, 2008 amounted to USD 1 540.8 million, or 6.6% of total direct credit facilities.
- Non-performing direct credit facilities as at December 31, 2008 amounted to USD 960 million, or 4.1% of total direct credit facilities.
- Non-performing direct credit facilities, after deducting interest and commission in suspense, as at December 31, 2008 amounted to USD 700.5 million, or 3% of net direct credit facilities.

The details of movement on interest and commission in suspense are as follows:

	2009					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	57 898	147 932	53 648	-	-	259 478
Interest suspended during the year	12 265	11 589	39 884	242	-	63 980
Interest in suspense written off	(1 180)	(19 491)	(3 558)	-	-	(24 229)
Recoveries	(1 683)	(21 329)	(5 422)	-	-	(28 434)
Adjustments during the year	(4 187)	(3 467)	(1 790)	-	-	(9 444)
Translation adjustments	(324)	17 821	(16 557)	-	-	940
Balance at the end of the Year	62 789	133 055	66 205	242	-	262 291

	2008					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	22 727	93 437	39 542	-	-	155 706
Interest suspended during the year	6 589	15 445	5 617	-	-	27 651
Interest in suspense written off	(1 196)	(969)	(6 978)	-	-	(9 143)
Recoveries	(548)	(1 922)	(5 381)	-	-	(7 851)
Adjustments during the year	31 035	41 858	21 109	-	-	94 002
Translation adjustments	(709)	83	(261)	-	-	(887)
Balance at the end of the Year	57 898	147 932	53 648	-	-	259 478

The details of movement on provision for impairment of direct credit facilities are as follows:

	2009					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	238 469	171 711	237 020	-	327	647 527
Impairment losses charged to income	41 723	21 088	193 439	24 090	-	280 340
Direct credit facilities written off	(449)	(3 556)	(19 868)	-	-	(23 873)
Recoveries	(16 207)	(33 278)	(26 436)	-	-	(75 921)
Adjustments during the year	(4 463)	11 700	(5 064)	-	-	2 173
Translation adjustments	2 436	114	(3 492)	-	2	(940)
Balance at the end of the Year	261 509	167 779	375 599	24 090	329	829 306

	2008					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	106 866	155 185	192 179	-	-	454 230
Impairment losses charged to income	40 399	23 258	46 070	-	-	109 727
Direct credit facilities written off	(116)	(1 086)	(3 562)	-	-	(4 764)
Recoveries	(24 771)	(19 897)	(24 635)	-	-	(69 303)
Adjustments during the year	119 335	13 217	24 110	-	327	156 989
Translation adjustments	(3 244)	1 034	2 858	-	-	648
Balance at the end of the Year	238 469	171 711	237 020	-	327	647 527

USD '000

11. Financial Assets - Available-for-Sale

The details of this item are as follows:	December 31,	
	2009	2008
Treasury bills and bonds	2 440 305	882 282
Government bonds	1 495 684	1 246 176
Corporate bonds	1 905 576	1 379 319
Shares	572 816	511 039
Total	6 414 381	4 018 816

Analysis of bonds based on interest payments:	December 31,	
	2009	2008
Floating rate	1 909 380	1 406 160
Fixed rate	3 932 185	2 101 617
Total	5 841 565	3 507 777

Analysis of financial assets based on market quotation:	December 31,	
	2009	2008
Financial assets quoted in the market	3 255 190	1 887 632
Financial assets unquoted in the market	3 159 191	2 131 184
Total	6 414 381	4 018 816

12. Financial Assets - Held to Maturity

USD '000

The details of this item are as follows:	December 31,	
	2009	2008
Treasury bills and bonds	668 899	1 110 990
Government bonds	158 748	204 999
Other bonds	1 088 930	1 296 840
Less: provision for impairment	(25 844)	(25 864)
Total	1 890 733	2 586 965

Analysis of bonds based on interest payments:	December 31,	
	2009	2008
Floating rate	807 411	987 375
Fixed rate	1 083 322	1 599 590
Total	1 890 733	2 586 965

Analysis of financial assets based on market quotation:	December 31,	
	2009	2008
Financial assets quoted in the market	1 667 660	605 388
Financial assets unquoted in the market	223 073	1 981 577
Total	1 890 733	2 586 965

Details of movement in the provision for impairment of financial assets - Held-to-maturity are as follows:

	December 31,	
	2009	2008
Balance at the beginning of the year	25 864	-
Impairment losses charged to income	-	24 198
Translation adjustments	(20)	1 666
Balance at the end of the Year	25 844	25 864

During the third quarter of the year 2008 and effective July 1, 2008 the Group has reclassified certain investment in debt instruments with a book value of approximately USD 755 million out of «financial assets at fair value through P&L - held for trading» to «financial assets - held to maturity».

The Group was able to apply the fair values as at July 1, 2008 to determine the carrying value at the date of reclassification. If the reclassification had not occurred, a positive fair value movement of USD 2.8 million would have been recognized for the year ended on December 31, 2009 (negative movement of USD 12.8 million for the year ended on December 31, 2008). Interest income of USD 14.3 million has been recognized in the consolidated statement of income against these securities for the year ended on December 31, 2009 (USD 21.5 million for the year ended on December 31, 2008).

The Group expects to recover the full par value against the reclassified securities on maturity. The average effective interest rate of these securities when reclassified was 5.6%.

The fair value of the reclassified securities is shown in the below table:

	USD '000			
	December 31,			
	2009		2008	
	Fair Value	Book Value	Fair Value	Book Value
Financial assets held-to-maturity at initial recognition	1 178 890	1 229 448	1 856 518	1 832 139
Financial assets reclassified to held-to-maturity	661 283	661 285	740 441	754 826
Total	1 840 173	1 890 733	2 596 959	2 586 965

13. Investments in Associates

The details of this item are as follows: The Group's investments in associates:	December 31,				USD '000	
	2009	2008	Ownership %	Cost	Place of Incorporation	Principal Activity
Turkland Bank A.S.	50.00	161 492	50.00	158 599	Turkey	Banking
Oman Arab Bank S.A.O.	49.00	149 197	49.00	130 003	Oman	Banking
Arab National Bank*	40.00	1 582 168	40.00	1 407 027	Saudi Arabia	Banking
Arabia Insurance Company	36.79	36 345	36.79	36 312	Lebanon	Insurance
Commercial Building Company	35.24	650	34.50	455	Lebanon	Real estate operating leasing
Other	Various	25 254	Various	16 591	Various	Various
Total		1 955 106		1 748 987		

	USD '000	
Details of movement on investments in associates are as follows:	2009	2008
Balance at the beginning of the year	1 748 987	1 458 513
Purchase of additional investments	26 545	54 200
Group's share of profits for the year	291 239	341 350
Group's share of income taxes	(53 342)	(59 940)
Dividends received and other changes in equity	(58 323)	(45 136)
Balance at the end of the Year	1 955 106	1 748 987

* The closing price of the Arab National Bank's share as of December 31, 2009 was Saudi Riyal 42.4 as quoted on Saudi Arabia Stock Exchange (Saudi Riyal 31.2 as of December 31, 2008). However, due to matters relating to the ownership concentrations of the Arab National Bank, the share closing price may not necessarily represent its fair value.

14. Fixed assets

USD '000

The details of this item are as follows:

Historical Cost	Land	Buildings	Furniture, Fixtures and Equipment	Computers and Communi- cation Equipment	Motor Vehicles	Leasehold Improve- ments	Total
Balance at January 1, 2008	51 096	338 453	150 440	60 885	15 326	57 876	674 076
Additions	14 881	85 330	20 270	36 150	6 255	68 057	230 943
Disposals	(6 283)	(79 533)	(4 804)	(12 316)	(2 938)	(19 502)	(125 376)
Translation Adjustments	(22)	1 860	(2 271)	(2 053)	(163)	239	(2 410)
Balance at December 31, 2008	59 672	346 110	163 635	82 666	18 480	106 670	777 233
Additions	9 827	46 709	23 203	12 589	4 443	19 989	116 760
Disposals	(1 849)	(19 801)	(2 739)	(3 355)	(1 154)	(6 399)	(35 297)
Translation Adjustments	(25)	(90)	(509)	(1 266)	(18)	(2)	(1 910)
Balance at December 31, 2009	67 625	372 928	183 590	90 634	21 751	120 258	856 786

Accumulated Depreciation :

USD '000

Balance at January 1, 2008	-	50 895	89 560	46 179	9 379	26 553	222 566
Depreciation charge for the year	-	9 650	12 434	12 344	3 189	9 182	46 799
Disposals	-	(900)	(3 595)	(7 774)	(2 694)	(18 671)	(33 634)
Translation adjustments	-	2 671	(1 845)	(1 309)	(85)	1 133	565
Balance at December 31, 2008	-	62 316	96 554	49 440	9 789	18 197	236 296
Depreciation charge for the year	-	11 067	15 040	12 969	3 242	9 697	52 015
Disposals	-	(24)	(1 829)	(3 138)	(899)	(3 191)	(9 081)
Translation adjustments	-	(48)	(51)	(11)	(1)	-	(111)
Balance at December 31, 2009	-	73 311	109 714	59 260	12 131	24 703	279 119
Net Book Value as of December 31, 2009	67 625	299 617	73 876	31 374	9 620	95 555	577 667
Net Book Value as of December 31, 2008	59 672	283 794	67 081	33 226	8 691	88 473	540 937

15. Other Assets

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Accrued interest receivable	191 287	273 087
Prepaid expenses	110 354	93 618
Foreclosed assets *	39 885	43 405
Items in transit	25 190	-
Miscellaneous assets	137 160	177 160
Total	503 876	587 270

* Details of movement on foreclosed assets are as follows:

	2009		
	Land	Buildings	Total
Balance at the beginning of the year	12 549	30 856	43 405
Additions	215	6 250	6 465
Disposals	(6 602)	(3 244)	(9 846)
Impairment losses charged to income	-	(213)	(213)
Impairment loss – returned to profit	8	145	153
Translation adjustments	-	(79)	(79)
Balance at the end of the Year	6 170	33 715	39 885

	2008		
	Land	Buildings	Total
Balance at the beginning of the year	15 629	32 276	47 905
Additions	17	6 340	6 357
Disposals	(4 088)	(5 799)	(9 887)
Impairment losses charged to income	(69)	(1 753)	(1 822)
Impairment loss – returned to profit	1 060	-	1 060
Translation adjustments	-	(208)	(208)
Balance at the end of the Year	12 549	30 856	43 405

16. Deferred Tax Assets

Items attributable to deferred tax assets are as follows: USD '000

	2009				Balance at the End of the Year
	Balance at the beginning of the year	Adjustments during the year	Amounts added	Amounts released	
Provision for impairment - direct credit facilities	181 275	7 481	12 539	-	201 295
End-of-Service indemnity	36 175	-	2 671	(1 418)	37 428
Interest in suspense	4 413	(677)	4 413	(1 633)	6 516
Other provisions	64 877	5 111	(2 139)	(10 163)	57 686
Total	286 740	11 915	17 484	(13 214)	302 925

	2008				Balance at the End of the Year
	Balance at the beginning of the year	Adjustments during the year	Amounts added	Amounts released	
Provision for impairment - direct credit facilities	12 095	165 950	3 574	(344)	181 275
End-of-Service indemnity	30 895	(2)	6 475	(1 193)	36 175
Interest in suspense	2 946	(715)	2 520	(338)	4 413
Other provisions	12 996	6 212	50 710	(5 041)	64 877
Total	58 932	171 445	63 279	(6 916)	286 740

Deferred tax balances are as follows: USD '000

	December 31,	
	2009	2008
Provision for impairment - direct credit facilities	84 049	77 672
End-of-Service indemnity	10 596	11 090
Interest in suspense	1 557	1 127
Other provisions	14 016	16 287
Balance at the end of the Year	110 218	106 176

* Deferred tax results from the time differences of the provisions not deducted for tax purposes in previous years. This is calculated according to the regulations of the countries where the Group operates. The Group will benefit from these amounts in the near future.

Details of movements in deferred tax assets are as follows: USD '000

	2009	2008
Balance at the beginning of the year	106 176	18 130
Additions during the year	5 975	15 130
Adjustments during the year	3 596	75 116
Amortized during the year	(5 529)	(2 200)
Balance at the end of the Year	110 218	106 176

17. Banks' and Financial Institutions' Deposits

USD '000

The details of this item are as follows:	December 31,	
	2009	2008
Current and demand	1 166 791	718 285
Time deposits maturing within 3 months	4 083 586	3 760 867
Time deposits maturing after 3 months and before 6 months	466 010	211 938
Time deposits maturing after 6 months and before 9 months	55 103	43 768
Time deposits maturing after 9 months and before one year	6 866	7 448
Time deposits maturing after one year	20 000	-
Total	5 798 356	4 742 306

18. Customer Deposits

The details of this item are as follows:

USD '000

	December 31, 2009				Total
	Retail	Corporates		Government and Public Sector	
		Small and Medium	Large		
Current and demand	5 713 207	2 209 404	2 103 902	3 011 588	13 038 101
Savings	2 031 922	39 937	25 548	329	2 097 736
Time and notice	8 923 620	988 055	4 485 060	1 505 588	15 902 323
Certificates of deposit	286 533	19 949	18 037	109 847	434 366
Total	16 955 282	3 257 345	6 632 547	4 627 352	31 472 526

- Government and public sector deposits amounted to USD 4 627.4 million, or 14.7% of total customer deposits at December 31, 2009.
- Non-interest bearing deposits amounted to USD 12 143.4 million, or 38.6% of total customer deposits at December 31, 2009.
- Blocked deposits amounted to USD 155.2 million, or 0.5% of total customer deposits at December 31, 2009.
- Dormant deposits amounted to USD 272.3 million, or 0.9% of total customer deposits as at 31 December 2009.

	December 31, 2008				USD '000
	Retail	Corporates		Government and Public Sector	Total
		Small and Medium	Large		
Current and demand	4 386 334	1 982 761	1 432 874	1 537 579	9 339 548
Savings	1 737 333	15 509	19 730	386	1 772 958
Time and notice	8 895 704	946 304	4 818 715	2 354 260	17 014 983
Certificates of deposit	250 021	12 249	50 979	139 971	453 220
Total	15 269 392	2 956 823	6 322 298	4 032 196	28 580 709

- Government and public sector deposits amounted to USD 4 032.2 million, or 14.1% of total customer deposits at December 31, 2008.
- Non-interest bearing deposits amounted to USD 7 902.3 million, or 27.7% of total customer deposits as at December 31, 2008.
- Blocked deposits amounted to USD 222.7 million, or 0.8% of total customer deposits as at December 31, 2008.
- Dormant deposits amounted to USD 208.5 million, or 0.7% of total customer deposits as at 31 December 2008.

USD '000

19. Cash Margins

December 31,

The details of this item are as follows:

	2009	2008
Against direct credit facilities	2 683 616	2 172 492
Against indirect credit facilities	682 916	606 680
Against margin trading	14 861	13 241
Other cash margins	31 217	37 472
Total	3 412 610	2 829 885

USD '000

20. Borrowed Funds

December 31,

The details of this item are as follows:

	2009	2008
From foreign banks and financial institutions *	500 000	500 000
From local banks and financial institutions	-	35 250
Total	500 000	535 250

* In 2007, the Group issued a USD 500 million syndicated term loan with a tenure of five years and paying LIBOR + 25 basis points.

USD '000

Analysis of borrowed funds according to interest payments is as follows:

December 31,

	2009	2008
Floating rate	500 000	500 000
Fixed rate	-	35 250
Total	500 000	535 250

21. Provision for Income Tax USD '000

The details of this item are as follows:

	2009	2008
Balance at the beginning of the year	251 176	200 836
Income tax expense for the year	209 518	225 715
Income tax paid	(202 098)	(175 375)
Balance at the end of the Year	258 596	251 176

Income tax expense charged to the consolidated statement of income consists the following:

	2009	2008
Income tax expense for the year	209 518	225 715
Effect of deferred tax assets	(2 250)	(4 127)
Total	207 268	221 588

22. Other Provisions

The details of this item are as follows:

	2009					USD '000
	Balance at the beginning of the year	Addition during the year	Utilized during the year	Returned to income	Translation adjustments	Balance at the End of the Year
End-of-service indemnity	88 202	7 319	(9 888)	(234)	51	85 450
Self-insurance	1 611	-	-	-	(42)	1 569
Legal cases	5 655	1 916	(320)	(1 040)	961	7 172
Other	52 147	2 387	(22 988)	(974)	2 891	33 463
Total	147 615	11 622	(33 196)	(2 248)	3 861	127 654

	2008					
	Balance at the beginning of the year	Addition during the year	Utilized during the year	Returned to income	Translation adjustments	Balance at the End of the Year
End-of-service indemnity	107 076	8 038	(23 294)	(4 339)	721	88 202
Self-insurance	1 569	-	-	-	42	1 611
Legal cases	4 678	3 379	(211)	(2 363)	172	5 655
Other	40 182	15 990	(3 707)	(3 138)	2 820	52 147
Total	153 505	27 407	(27 212)	(9 840)	3 755	147 615

23. Other Liabilities USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Accrued interest payable	116 598	154 477
Notes payable	237 804	97 327
Interest and commission received in advance	138 404	158 045
Accrued expenses	58 256	62 885
Items in transit	177	60 936
Other miscellaneous liabilities	175 453	318 720
Total	726 692	852 390

24. Deferred Tax Liabilities

Items attributable to deferred tax liabilities are as follows:

	2009				USD '000
	Balance at the beginning of the year	Amounts Added	Amounts released	Adjustments during the year	Balance at the End of the Year
Cumulative change in fair value of available-for-sale financial assets	36 288	51 042	(16 378)	7 846	78 798
Retained earnings	-	53	-	12	65
Other	2 674	5 849	-	(2 674)	5 849
Total	38 962	56 944	(16 378)	5 184	84 712

	2008				USD '000
	Balance at the beginning of the year	Amounts Added	Amounts released	Adjustments during the year	Balance at the End of the Year
Cumulative change in fair value of available-for-sale financial assets	97 862	4 180	(64 933)	(821)	36 288
Retained earnings	5 426	-	(5 425)	(1)	-
Other	2 207	449	-	18	2 674
Total	105 495	4 629	(70 358)	(804)	38 962

	USD '000	
	December 31,	
	2009	2008
The balance of deferred tax liabilities is as follows:		
Cumulative change in fair value of available-for-sale financial assets	20 719	11 887
Retained earnings	11	-
Other	744	535
Total	21 474	12 422

	USD '000	
	2009	2008
Details of movements in deferred tax liabilities are as follows:		
Balance at the beginning of the year	12 422	27 384
Additions during the year	13 337	1 949
Amortized during the year	(4 285)	(16 911)
Balance at the End of the Year	21 474	12 422

25. Share Capital

- A. The subscribed and paid-up capital amounted to USD 776.027 million as at 31 December 2009 and 2008.
- B. Share premium amounted to USD 1 226.185 million as at December 31, 2009 (USD 1 226.205 million as at 31 December 2008).
- C. Treasury shares amounted to 69 015 shares at USD 1.5 million as at December 31, 2009 (154 020 shares at USD 3.35 million as at 31 December 2008) and are deducted from owners' equity. These shares have no voting power or the right to earn dividends.

26. Voluntary Reserve

- The voluntary reserve amounted to USD 977.3 million as at December 31, 2009 (USD 882.2 million as at December 31, 2008). This reserve is used for purposes determined by the Board of Directors and the General Assembly has the right to distribute it in whole or any part thereof to shareholders as dividends.

27. General Banking Risks Reserve

- The general banking risk reserve amounted to USD 391 964 thousand as at December 31, 2009 (USD 327 039 thousand as at December 31, 2008) and it is available for use in accordance with certain procedures, including the approval of Central Bank of Jordan and the General Assembly, only when the amount of that reserve exceeds the minimum amount set or required according to the instructions of the relevant banking authorities.

28. Available-for-Sale Financial Assets Revaluation Reserve

The details of this item are as follows:

	2009			USD '000
	Shares	Bonds	Derivatives	Total
Balance at the beginning of the year	63 661	(235 205)	(1 318)	(172 862)
Change in fair value during the year	1 249	141 409	-	142 658
Net realized (gains) losses	(6 187)	7 942	1 318	3 073
Impairment losses charged to income	(1 115)	(10 000)	-	(11 115)
Translation adjustments	(875)	413	-	(462)
Balance at the End of the Year	56 733	(95 441)	0.00	(38 708)

	2008			USD '000
	Shares	Bonds	Derivatives	Total
Balance at the beginning of the year	110 790	7 226	-	118 016
Change in fair value during the year	(49 877)	(266 873)	(1 318)	(318 068)
Net realized (gains) losses	(7 679)	6 813	-	(866)
Impairment losses charged to income	10 427	18 145	-	28 572
Translation adjustments	-	(516)	-	(516)
Balance at the End of the Year	63 661	(235 205)	(1 318)	(172 862)

* Cumulative change in fair value of available-for-sale financial assets is stated net of deferred tax liabilities in the amount of USD 20.7 million as at December 31, 2009 (USD 11.9 million as at December 31, 2008).

29. Retained Earnings

The details of this item are as follows:

	December 31,	
	2009	2008
Balance at the beginning of the year	112 088	127 014
Add: income for the year	575 542	839 814
Total	687 630	966 828
Less:		
- Appropriated to reserves	450 970	641 095
- Proposed dividends	162 952	213 645
Balance at the End of the Year	73 708	112 088

* Restricted retained earnings that cannot be distributed or otherwise utilized only under certain circumstances, amounted to USD 3.5 million as of December 31, 2009 as a result of the adoption of certain International Financial Reporting Standards (USD 7.6 million as of December 31, 2008).

30. Interest Income

USD '000

The details of this item are as follows:

	2009	2008
Direct credit facilities *	1 176 571	1 412 479
Central banks	144 714	213 462
Banks and financial institutions	62 093	214 123
Financial assets at fair value through P&L - held for trading	13 172	103 562
Financial assets at fair value through P&L - designated	7 425	16 456
Financial assets - available for sale	244 543	169 210
Financial assets - held to maturity	147 488	148 122
Total	1 796 006	2 277 414

* The details of interest income earned on direct credit facilities is as follows:

	2009					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Discounted bills	7 009	16 939	40 044	3 258	277	67 527
Overdrafts	8 720	47 035	178 536	-	17 149	251 440
Loans and advances	145 758	84 267	448 653	37 504	56 814	772 996
Real estate loans	61 598	10 513	139	-	-	72 250
Credit cards	12 358	-	-	-	-	12 358
Total	235 443	158 754	667 372	40 762	74 240	1 176 571

	2008					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Discounted bills	14 119	22 515	34 564	3 487	-	74 685
Overdrafts	15 938	48 690	198 819	-	8 235	271 682
Loans and advances	152 626	87 249	603 535	71 108	70 602	985 120
Real estate loans	59 571	11 407	-	-	-	70 978
Credit cards	10 014	-	-	-	-	10 014
Total	252 268	169 861	836 918	74 595	78 837	1 412 479

31. Interest Expense

USD '000

The details of this item are as follows:	2009	2008
Customer deposits *	574 015	786 746
Banks and financial institutions	88 048	214 351
Cash margins	63 681	152 059
Borrowed funds	8 855	24 136
Deposit insurance fees	12 666	9 153
Total	747 265	1 186 445

* Interest expense charged to income on customer deposits is as follows:

USD '000

	2009				Total
	Retail	Corporates Small and Medium	Large	Government and Public Sector	
Current and demand	4 473	5 005	9 219	1 965	20 662
Savings	31 642	856	409	1	32 908
Time and notice	245 875	36 283	157 511	44 805	484 474
Certificates of deposit	21 034	1 828	2 670	10 439	35 971
Total	303 024	43 972	169 809	57 210	574 015

	2008				Total
	Retail	Corporates Small and Medium	Large	Government and Public Sector	
Current and demand	14 359	9 580	6 151	1 787	31 877
Savings	35 295	302	618	48	36 263
Time and notice	332 158	37 705	197 393	115 187	682 443
Certificates of deposit	18 950	1 201	3 533	12 479	36 163
Total	400 762	48 788	207 695	129 501	786 746

32. Net Commission Income

The details of this item are as follows:

	USD '000	
	2009	2008
Commission income:		
- Direct credit facilities	66 351	85 203
- Indirect credit facilities	137 251	120 011
- Fiduciary deposits	15 239	18 254
- Other	82 100	78 836
Less: commission expense	18 310	16 843
Net Commission Income	282 631	285 461

33. (Loss) From Financial Assets at Fair Value through P&L - Held For Trading

The details of this item are as follows:

	2009			USD '000
	Realized Gains	Unrealized Gains (Losses)	Dividends	Total
Treasury bills and bonds	620	2 486	-	3 106
Shares	675	(6 744)	163	(5 906)
Total	1 295	(4 258)	163	(2 800)

	2008			USD '000
	Realized Gains	Unrealized Gains (Losses)	Dividends	Total
Treasury bills and bonds	2 139	(8 844)	-	(6 705)
Shares	770	(6 494)	453	(5 271)
Total	2 909	(15 338)	453	(11 976)

34. (Loss) From Financial assets at Fair Value through P&L - Designated

Details of this item are as follows:

	2009			USD '000
	Realized Gains	Unrealized (Losses)	Dividends	Total
Treasury bills and bonds	6 070	(7 099)	-	(1 029)
Total	6 070	(7 099)	-	(1 029)

	2008			USD '000
	Realized Gains	Unrealized (Losses)	Dividends	Total
Treasury bills and bonds	-	(14 855)	-	(14 855)
Total	-	(14 855)	-	(14 855)

35. Gain from Financial Assets - Available for Sale

The details of this item are as follows:

	USD '000	
	2009	2008
Gain from sale of financial assets	18 297	29 447
Dividend revenue	11 342	7 858
Less: Impairment losses	3 932	28 913
Total	25 707	8 392

36. Other Revenue

USD '000

The details of this item are as follows:

	2009	2008
Revenue from customer services	22 043	28 751
Safe box rent	2 631	3 540
(Loss) from derivatives	(4 469)	(20 565)
Miscellaneous revenue	33 264	79 365
Total	53 469	91 091

37. Employees' Expenses

USD '000

The details of this item are as follows:

	2009	2008
Salaries, benefits and allowances	288 439	291 977
Social security	25 794	22 749
Saving fund	4 643	7 452
Indemnity compensation	14 859	11 255
Medical	11 762	10 292
Training	3 943	5 098
Allowances	39 329	44 598
Other	16 913	17 763
Total	405 682	411 184

38. Other Expenses

USD '000

The details of this item are as follows:

	2009	2008
Occupancy	54 439	57 560
Office	69 276	79 130
Services	67 272	62 180
Fees	20 765	21 745
Information technology	32 712	26 970
Other administrative expenses	76 246	49 328
Total	320 710	296 913

39. Gain From Discontinued Operations / Sale of Cyprus Branches

This item represents a non-recurring net gain resulting from the sale of the Banks' branches in Cyprus during the first quarter of the year 2008.

40. Financial Derivatives

The details of this item are as follows:

	2009	2008
Forward contracts	72 676	152 290
Interest rate swaps	3 782 509	3 600 105
Foreign currency forward contracts	6 901 153	6 126 898
Total	10 756 338	9 879 293

The Details of financial derivatives are as follows:

USD '000

	December 31, 2009						
	Positive Fair Value	Negative Fair Value	Total Notional Amount	Notional amounts by maturity			
				Within 3 Months	From 3 to 12 Months	From 1 Year to 3 Years	More than 3 Years
Forward rate agreements	838	822	72 676	72 676	-	-	-
Interest rate swaps	126 480	131 350	2 891 782	650 883	880 020	670 889	689 990
Currency forward contracts	50 210	46 130	5 165 080	4 994 269	144 958	25 853	-
Derivatives held for trading	177 528	178 302	8 129 538	5 717 828	1 024 978	696 742	689 990
Interest rate swaps	(1 684)	4 619	246 250	-	29 940	216 310	-
Currency forward contracts	-	-	123 006	52 124	70 882	-	-
Derivatives held for fair value hedge	(1 684)	4 619	369 256	52 124	100 822	216 310	-
Interest rate swaps	3 614	2 952	644 477	20 219	207 393	329 930	86 935
Currency forward contracts	-	-	1 613 067	1 158 946	454 121	-	-
Derivatives held for cash flow hedge	3 614	2 952	2 257 544	1 179 165	661 514	329 930	86 935
Total	179 458	185 873	10 756 338	6 949 117	1 787 314	1 242 982	776 925

The notional amount represents the value of the transactions at year-end and does not refer to market or credit risks.

USD '000

	December 31, 2008						
	Positive Fair Value	Negative Fair Value	Total Notional Amount	Notional amounts by maturity			
				Within 3 Months	From 3 to 12 Months	From 1 Year to 3 Years	More than 3 Years
Forward rate agreements	163	163	152 290	41 717	34 554	76 019	-
Interest rate swaps	131 244	123 975	2 779 176	725 099	91 179	1 445 849	517 049
Currency forward contracts	43 612	24 871	4 128 299	2 155 570	1 947 738	24 991	-
Derivatives held for trading	175 019	149 009	7 059 765	2 922 386	2 073 471	1 546 859	517 049
Interest rate swaps	139	16 159	307 347	202 672	94 254	10 421	-
Currency forward contracts	-	-	158 868	126 973	31 895	-	-
Derivatives held for fair value hedge	139	16 159	466 215	329 645	126 149	10 421	-
Interest rate swaps	3 851	4 300	513 582	224 853	19 233	159 621	109 875
Currency forward contracts	-	-	1 839 731	1 562 012	4 661	273 058	-
Derivatives held for cash flow hedge	3 851	4 300	2 353 313	1 786 865	23 894	432 679	109 875
Total	179 009	169 468	9 879 293	5 038 896	2 223 514	1 989 959	626 924

The notional amount represents the value of the transactions at year-end and does not refer to market or credit risks.

41. Geographical Distribution of Revenue and Assets

The tables below show the geographical distribution of the assets and revenue inside and outside the Hashemite Kingdom of Jordan:

USD '000

	Revenue		Assets	
	December 31,			
	2009	2008	2009	2008
Inside Jordan	328 635	215 471	10 367 838	7 156 318
Outside Jordan	1 445 577	1 688 027	40 232 751	38 473 281
Total	1 774 212	1 903 498	50 600 589	45 629 599

42 - Business Segments

Description of Segment's activities

The Group has an integrated group of products and services dedicated to serve the Group's customers and constantly developed in response to the ongoing changes in the banking business environment.

The following is a summary of these groups' activities:

1. Corporate & Investment Banking

This group provides banking services and finances the following: corporate sector, private projects, foreign trading, small and medium sized projects, and banks and financial institutions.

2. Treasury Group

This group is considered a source of financing for the Group, in general, and for the strategic business units in particular. It steers the financing of the Group, and manages both the Group's cash liquidity and market risks.

Moreover, this group is responsible for the management of the Group's assets and liabilities within the frame set by the Assets and Liabilities Committee.

This group is considered the main source in determining the internal transfer prices within the Group's departments, in addition to being a central unit for the financial organization and main dealing in the following:

- Foreign exchange.
- Foreign exchange derivatives.
- Money market instruments.
- Certificates of deposits.
- Interest rate swaps.
- Other various derivatives.
- Stocks.

3. Private Banking Group

Wealth management and Private Banking Service aim at achieving the utmost return for customers' medium and long-term investments, while maintaining their initial capital. Moreover, Wealth Management provides two significant services: specialized consultancy services, with an in-depth knowledge in different types of investments, and tailored personalized banking services to high net worth clients.

4. Retail Banking Group

This Group provides banking services to individuals, and endeavors to meet their financial services needs using the best methods, through effective distribution channels, and a variety of product services. Moreover, this group is in direct and close contact with the customers in order to provide them with timely and continuous services through different electronic channels, such as direct phone calls, the internet, and text messaging via cellular phones.

Information about the Group's Business Segments

	2009					USD '000
	Corporate Banking	Treasury	Private Banking	Retail Banking	Other	Total
Net revenue	890 890	604 731	(142 303)	35 812	385 081	1 774 211
Net inter-segment interest income	(188 921)	(282 215)	159 479	311 657	-	-
Provision for impairment - direct credit facilities	178 867	-	670	24 882	-	204 419
Other provisions	1 329	4 296	55	2 895	-	8 575
Direct administrative expenses	135 891	28 187	10 440	139 804	-	314 322
Result of operations of segments	385 882	290 033	6 011	179 888	385 081	1 246 895
Indirect expenses on segments	202 924	69 974	3 914	169 273	18 000	464 085
Profit for the year before Income Tax	182 958	220 059	2 097	10 615	367 081	782 810
Income tax expense	68 700	62 689	(599)	8 158	68 320	207 268
Profit for the Year	114 258	157 370	2 696	2 457	298 761	575 542

Other information	December 31, 2009					USD '000
	Corporate Banking	Treasury	Private Banking	Retail Banking	Other	Total
Segment assets	23 829 050	20 367 800	782 810	2 777 660	888 163	48 645 483
Inter-segment assets	-	5 225 761	4 180 608	9 824 430	5 125 388	-
Investments in associates	-	-	-	-	1 955 106	1 955 106
TOTAL ASSETS	23 829 050	25 593 561	4 963 418	12 602 090	7 968 657	50 600 589
Segment liabilities	18 603 289	6 463 135	4 963 418	12 602 090	(128 151)	42 503 781
Capital and reserves	-	-	-	-	8 096 808	8 096 808
Inter-segment liabilities	5 225 761	19 130 426	-	-	-	-
TOTAL LIABILITIES AND OWNERS' EQUITY	23 829 050	25 593 561	4 963 418	12 602 090	7 968 657	50 600 589
Depreciation and amortization	13 715	3 137	1 120	34 043	-	52 015

Information about the Group's Business Segments

	2008					USD '000
	Corporate Banking	Treasury	Private Banking	Retail Banking	Other	Total
Net revenue	884 241	600 217	(101 539)	(4 157)	524 736	1 903 498
Net inter-segment interest income	(194 320)	(291 530)	162 200	323 650	-	-
Provision for impairment - direct credit facilities	15 628	3 361	21 435	-	-	40 424
Other provisions	10 872	29 161	19	6 724	-	46 776
Direct administrative expenses	147 853	42 818	27 013	100 118	-	317 802
Result of operations of segments	515 568	233 347	12 194	212 651	524 736	1 498 496
Indirect expenses on segments	217 419	38 118	23 112	158 445	-	437 094
Profit for the year before Income Tax	298 149	195 229	(10 918)	54 206	524 736	1 061 402
Income tax expense	64 343	44 157	3 179	24 066	85 843	221 588
Profit for the Year	233 806	151 072	(14 097)	30 140	438 893	839 814

Other information	December 31, 2008					USD '000
	Corporate Banking	Treasury	Private Banking	Retail Banking	Other	Total
Segment assets	21 094 036	17 614 099	515 756	3 541 681	1 115 040	43 880 612
Inter-segment assets	-	4 308 017	4 914 670	7 551 950	4 993 097	-
Investments in associates	-	-	-	-	1 748 987	1 748 987
TOTAL ASSETS	21 094 036	21 922 116	5 430 426	11 093 631	7 857 124	45 629 599
Segment liabilities	15 752 462	5 495 956	5 430 426	11 093 631	348 746	38 121 221
Capital and reserves	-	-	-	-	7 508 378	7 508 378
Inter-segment liabilities	5 341 574	16 426 160	-	-	-	-
TOTAL LIABILITIES AND OWNERS' EQUITY	21 094 036	21 922 116	5 430 426	11 093 631	7 857 124	45 629 599
Depreciation and amortization	23 159	4 041	2 047	17 552	-	46 799

43 - Banking Risk Management

The Group manages its various risks by methods within a comprehensive strategy that defines the risks and the related methods to meet them and mitigate them. Risk management is exercised at several levels including the Board of Directors, Chief Executive Officer, Asset and Liability Management Committee (ALCO), Group Chief Financial Officer, Global Treasury, Heads of Departments, Group Risk Management, Group Internal Audit, the Strategic Business Units and other supporting units and committees at different managerial levels.

1. Credit Risks Management

Credit risk refers to the risk that the customer / counterparty will default on its contractual obligation resulting in financial insolvency or/and loss to the Group. Credit risks arise in the course of the normal activities of the Group.

In pursuit of improving the size of businesses and increasing the loans and facilities portfolio, the Group adopts the highest credit standards and best methods and techniques on credit management, thus maintaining the high quality and variety of the credit portfolio.

Moreover, the Group enforces the corporate framework that governs credit management through continuously developing and upgrading the related policies and procedures.

- Credit Concentration

The Group's credit concentration is subject to specific limits set by the Central Bank of Jordan which requires that credit concentration should not exceed 25% of regulatory capital.

- Criteria for Credit Ratings

- 1) Borrower's Strength

The borrowers' strength is measured based on the nature of the economic sector, competitiveness, operating performance, cash flow, financial position and management.

- 2) Credit Risk Classification

Credit risk classification is measured on the basis of guarantees, structure of the loan, duration and collateral.

- Risk Management Mitigations

The Group offers the appropriate facilities structure, monitors and follows up on the utilization of the facilities and obtains proper collaterals (as a second source of payment) to mitigate credit risks.

- **Credit Facilities Analysis**

The Group has independent managerial units in charge of studying, monitoring, and following up on credit utilization and repayment of facilities. These units are the credit relationships development unit, analysis unit, execution unit and monitoring unit.

2. Geographic Concentrations Risk

The Group reduces the geographic concentration risk through distributing its operations over various sectors and various geographic locations inside and outside the Kingdom.

Note (44 e) shows the details of the geographical distribution of assets.

3. Interest Rate Risk

Interest rate risk arises from potential changes in interest rates. The Group has several committees, with duties to mitigate these risks to a minimum. Note (46) shows the details of the interest gap sensitivity of the Group.

4. Liquidity Risks

Liquidity risk is defined as the inability to raise adequate funds to meet either the Group's short-term or long obligations. The Group has several managerial levels, with duties to review and manage assets, liabilities and liquidity. Note (47) shows the maturities of the assets and liabilities of the Group.

5. Foreign Currencies Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The major part of income from foreign currency exchange differences comes from dealing with the Group's customers. Moreover, the Group follows studied policies in managing its foreign currencies risks. Note (48) shows the net positions of foreign currencies.

6. Market Risk

Market risk is defined as the potential loss in the value of financial instruments. The Group manages this risk through several units that supervise, monitor, and manage these risks.

The Group continuously follows up on developments and changes in the global financial markets, and implements procedures designed to mitigate those risks through applying several methods, such as entering into hedges and swaps when needed. Note (45) shows the details of market risk sensitivity analysis.

44. Credit Risk**A. Gross exposure to credit risk (net of impairment provisions and prior to other risk collaterals)**

	USD '000	
Credit risk exposures relating to assets:	December 31,	
	2009	2008
Balances with central banks	11 334 677	7 393 126
Balances with banks and financial institutions	4 200 505	4 405 665
Deposits with banks and financial institutions	309 534	464 494
Financial assets at fair value through P&L - held for trading	297 889	154 213
Financial assets at fair value through P&L - designated	169 947	231 138
Financial derivatives - positive fair value	179 458	179 009
Direct credit facilities	22 025 925	22 510 875
Financial assets - available for sale	5 841 565	3 507 777
Financial assets - held to maturity	1 890 733	2 586 965
Other assets	481 099	545 714
Credit risk exposures relating to items off the consolidated statement of financial position:		
Letters of credit	6 426 685	2 590 921
Acceptances	592 557	572 013
Letters of guarantee	13 794 061	13 633 618
Unused credit facilities	3 618 147	5 131 468
Total	71 162 782	63 906 996

B. Classification of direct credit facilities based on credit risk:

The table below shows the amount of direct credit facilities for each internal credit scoring.

	December 31, 2009					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Low risk	1 425 802	1 330 791	2 433 505	279 154	755 812	6 225 064
Acceptable risk	1 734 548	671 191	11 101 332	269 203	615 740	14 392 014
Watch list	66 320	86 933	422 095	-	13 170	588 518
Non-performing:	357 380	292 678	1 192 425	68 833	610	1 911 926
- Substandard	56 130	11 533	814 371	67 699	-	949 733
- Doubtful	35 384	48 235	191 185	110	-	274 914
- Problematic	265 866	232 910	186 869	1 024	610	687 279
Total	3 584 050	2 381 593	15 149 357	617 190	1 385 332	23 117 522
Less: interest and commission in suspense	62 789	133 055	66 205	242	-	262 291
Less: provision for impairment	261 509	167 779	375 599	24 090	329	829 306
Total	3 259 752	2 080 759	14 707 553	592 858	1 385 003	22 025 925

	December 31, 2008					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Low risk	1 184 621	1 315 568	2 351 351	1 166 914	1 540 831	7 559 285
Acceptable risk	1 661 508	803 281	11 611 377	-	-	14 076 166
Watch list	320 877	265 303	236 231	-	-	822 411
Non-performing:	309 618	405 482	244 918	-	-	960 018
- Substandard	63 684	72 327	87 603	-	-	223 614
- Doubtful	44 173	110 642	78 563	-	-	233 378
- Problematic	201 761	222 513	78 752	-	-	503 026
Total	3 476 624	2 789 634	14 443 877	1 166 914	1 540 831	23 417 880
Less: interest and commission in suspense	57 898	147 932	53 648	-	-	259 478
Less: provision for impairment	238 469	171 711	237 020	-	327	647 527
Total	3 180 257	2 469 991	14 153 209	1 166 914	1 540 504	22 510 875

C. Fair value of collaterals obtained against direct credit facilities

	December 31, 2009					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Collaterals against direct credit facilities of:						
Low risk	375 763	1 154 631	2 393 621	-	229 407	4 153 422
Acceptable risk	449 801	529 892	3 851 072	4 499	77 622	4 912 886
Past due	32 479	96 504	31 633	-	-	160 616
Watch list	12 487	18 300	292 393	-	2 657	325 837
Non-performing:	187 913	97 207	204 041	-	16	489 177
- Substandard	36 530	8 437	38 668	-	-	83 635
- Doubtful	17 214	14 009	78 258	-	-	109 481
- Problematic	134 169	74 761	87 115	-	16	296 061
Total	1 058 443	1 896 534	6 772 760	4 499	309 702	10 041 938
Of which:						
Cash margins	124 899	181 769	1 290 812	-	41 543	1 639 023
Accepted letters of guarantees	1 448	110 516	1 078 246	-	31 314	1 221 524
Real estate properties	228 399	404 575	2 518 173	4 499	91 066	3 246 712
Listed securities	1 489	7 921	564 387	-	-	573 797
Vehicles and equipment	88 653	17 761	466 961	-	-	573 375
Other	613 555	1 173 992	854 181	-	145 779	2 787 507
Total	1 058 443	1 896 534	6 772 760	4 499	309 702	10 041 938

	December 31, 2008					USD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Collaterals against direct credit facilities of:						
Low risk	119 639	557 362	2 683 271	-	295 307	3 655 579
Acceptable risk	613 020	544 011	4 156 709	-	77 144	5 390 884
Past due	5 485	9 207	77 113	-	-	91 805
Watch list	11 407	46 619	113 966	-	49 329	221 321
Non-performing:	390 908	236 050	213 405	110	-	840 473
- Substandard	49 555	53 999	62 127	-	-	165 681
- Doubtful	37 996	48 133	49 832	110	-	136 071
- Problematic	303 357	133 918	101 446	-	-	538 721
Total	1 140 459	1 393 249	7 244 464	110	421 780	10 200 062
Of which:						
Cash margins	104 677	269 418	1 231 177	110	2 721	1 608 103
Accepted letters of guarantees	1 335	82 017	745 209	-	35 698	864 259
Real-estate properties	274 496	454 284	3 286 335	-	151 145	4 166 260
Listed securities	1 074	6 018	336 096	-	14 017	357 205
Vehicles and equipment	266 904	37 125	562 969	-	-	866 998
Other	491 973	544 387	1 082 678	-	218 199	2 337 237
Total	1 140 459	1 393 249	7 244 464	110	421 780	10 200 062

D. Classification of debt securities facilities based on credit risk:

The table below analyses the credit exposure of the debt securities using the rating by global credit rating agencies.

Credit rating	December 31, 2009				USD '000
	Financial assets at fair value through P&L - Held for trading	Financial assets at fair value through P&L - Designated	Financial Assets - Available for Sale	Financial Assets - Held to Maturity	Total
Private sector:					
- AAA to A-	279 228	52 432	1 126 005	946 575	2 404 240
- BBB+ to B-	-	14 394	478 051	55 155	547 600
- Below B-	-	-	-	-	-
- Unrated	415	87 708	199 616	51 359	339 098
Governments and public sector	18 246	15 413	4 037 892	837 644	4 909 195
Total	297 889	169 947	5 841 564	1 890 733	8 200 133

Credit rating	December 31, 2008				USD '000
	Financial assets at fair value through P&L - Held for trading	Financial assets at fair value through P&L - Designated	Financial Assets - Available for Sale	Financial Assets - Held to Maturity	Total
Private sector:					
- AAA to A-	77 212	48 644	1 078 616	1 010 915	2 215 387
- BBB+ to B-	-	32 119	208 822	44 977	285 918
- Below B-	-	-	-	-	-
- Unrated	415	115 376	81 696	275 219	472 706
Governments and public sector	91 164	34 999	2 138 643	1 255 854	3 520 660
Total	168 791	231 138	3 507 777	2 586 965	6 494 671

E. Credit exposure categorized by geographical region:

	December 31, 2009						USD '000
	Jordan	Other Arab countries	Asia *	Europe	America	Rest of the World	Total
Balances with central banks	3 269 599	7 507 788	957	546 838	-	9 495	11 334 677
Balances and deposits with banks and financial institutions	105 539	1 359 556	67 409	2 795 218	153 879	28 438	4 510 039
Financial assets at fair value through P&L - held for trading	415	-	-	283 295	-	14 179	297 889
Financial assets at fair value through P&L - designated	-	-	71 102	77 127	-	21 718	169 947
Direct credit facilities	3 558 464	14 420 710	457 997	2 181 875	479 206	927 673	22 025 925
Financial assets - available for sale	1 257 774	3 086 951	134 668	679 227	524 513	158 432	5 841 565
Financial assets - held to maturity	207 179	670 783	5 344	829 574	67 878	109 975	1 890 733
Other assets	360 972	210 118	6 071	97 314	753	8 106	683 334
Total	8 759 942	27 255 906	743 548	7 490 468	1 226 229	1 278 016	46 754 109

	December 31, 2008						USD '000
	Jordan	Other Arab countries	Asia *	Europe	America	Rest of the World	Total
Balances with central banks	1 942 393	5 064 748	399	304 054	-	81 532	7 393 126
Balances and deposits with banks and financial institutions	437 951	2 333 425	6 872	2 060 619	2 906	28 386	4 870 159
Financial assets at fair value through P&L - held for trading	415	91 162	-	62 636	-	-	154 213
Financial assets at fair value through P&L - designated	-	-	153 605	77 533	-	-	231 138
Direct credit facilities	3 975 281	13 998 592	379 599	3 539 795	-	617 608	22 510 875
Financial assets - available for sale	611 002	2 268 585	113 116	110 184	404 890	-	3 507 777
Financial assets - held to maturity	818 368	546 500	4 169	1 009 274	208 654	-	2 586 965
Other assets	100 984	475 760	8 333	175 401	2 830	2 971	766 279
Total	7 886 394	24 778 772	666 093	7 339 496	619 280	730 497	42 020 532

* Excluding Arab Countries.

F. Credit exposure categorized by economic sector

	Corporates			
	Retail	Industry and Mining	Constructions	Real Estate
Financial assets at fair value through P&L - held for trading	-	-	-	415
Financial assets at fair value through P&L - designated	-	-	-	24 974
Direct credit facilities	3 259 759	5 141 213	1 735 825	1 958 527
Financial assets - available for sale	-	17 854	-	87 637
Financial assets - held to maturity	-	2 200	-	48 257
Total	3 259 759	5 161 267	1 735 825	2 119 810

	Corporates			
	Retail	Industry and Mining	Constructions	Real Estate
Financial assets at fair value through P&L - held for trading	-	2 078	-	1 280
Financial assets at fair value through P&L - designated	-	-	-	41 663
Direct credit facilities	3 180 257	3 777 096	2 863 783	1 409 165
Financial assets - available for sale	-	76 447	1 094	78 334
Financial assets - held to maturity	-	4 449	-	82 683
Total	3 180 257	3 860 070	2 864 877	1 613 125

USD '000

December 31, 2009

Corporates					Banks and Financial Institutions	Government and Public Sector	Total
Trade	Agriculture	Tourism and Hotels	Transportation	General Services			
-	-	-	-	-	279 228	18 246	297 889
-	-	77 127	-	30 715	21 718	15 413	169 947
4 275 351	104 837	677 490	843 124	2 137 894	506 902	1 385 003	22 025 925
16 063	-	-	17 376	30 676	1 634 067	4 037 892	5 841 565
41 074	-	-	-	27 660	933 898	837 644	1 890 733
4 332 488	104 837	754 617	860 500	2 226 945	3 375 813	6 294 198	30 226 059

USD '000

December 31, 2008

Corporates					Banks and Financial Institutions	Government and Public Sector	Total
Trade	Agriculture	Tourism & Hotels	Transportation	General Services			
-	-	59	318	1 453	57 861	91 164	154 213
15 757	-	77 532	-	29 500	31 687	34 999	231 138
2 826 357	86 802	647 122	645 868	4 366 680	1 166 914	1 540 831	22 510 875
75 604	-	5 273	68 856	220 972	842 554	2 138 643	3 507 777
23 774	-	-	35 406	135 285	1 049 514	1 255 854	2 586 965
2 941 492	86 802	729 986	750 448	4 753 890	3 148 530	5 061 491	28 990 968

45. MARKET RISK**Market Risk sensitivity**

Assuming market prices as at December 31, 2009 and 2008 change by 5%, the impact on the consolidated statement of income and owners' equity will be as follows:

	USD '000					
	December 31, 2009			December 31, 2008		
	Statement of Income	Owners' Equity	Total	Statement of Income	Owners' Equity	Total
Interest rate sensitivity	32 715	5 511	38 226	33 704	3 501	37 205
Foreign exchange rate	22 186	11 004	33 190	13 067	10 039	23 106
Share prices	734	28 641	29 375	729	25 552	26 281
Total	55 635	45 156	100 791	47 500	39 092	86 592

USD '000

46. Interest Rate Risk**A - Exposure to interest rate volatility as at December 31, 2009 (classification is based on interest rate repricing or maturity date, whichever is nearer).**

ASSETS	December 31, 2009						Total
	Within 3 Months	After 3 Months and before 6 Months	After 6 Months and before 12 Months	After 12 Months and before 36 Months	After 36 Months	Not tied to Interest Rate Risk	
Cash at vaults	-	-	-	-	-	396 873	396 873
Mandatory cash reserve with central banks	-	-	-	-	-	2 453 484	2 453 484
Balances with central banks	8 079 228	33 500	-	101 768	45 000	621 697	8 881 193
Balances and deposits with banks and financial institutions	3 151 250	420 352	124 171	2 252	-	812 014	4 510 039
Financial assets at fair value through P&L - held for trading	207 072	14 752	33 413	42 652	-	14 674	312 563
Financial assets at fair value through P&L - designated	52 828	54 973	10 846	-	21 718	29 582	169 947
Direct credit facilities	9 332 670	1 891 162	2 159 531	5 729 350	2 913 212	-	22 025 925
Financial assets - available-for-sale	2 285 857	1 175 054	648 570	782 299	949 785	572 816	6 414 381
Financial assets - held-to-maturity	1 213 079	136 775	198 103	278 107	64 669	-	1 890 733
Investment in associates	-	-	-	-	-	1 955 106	1 955 106
Fixed assets	-	-	-	-	-	577 667	577 667
Other assets	-	-	-	-	-	902 460	902 460
Deferred tax assets	-	-	-	-	-	110 218	110 218
TOTAL ASSETS	24 321 984	3 726 568	3 174 634	6 936 428	3 994 384	8 446 591	50 600 589
LIABILITIES AND OWNERS' EQUITY							
Banks and financial institutions' deposits	4 665 984	335 330	57 995	30 409	32 830	675 808	5 798 356
Customers' deposits	16 119 183	1 643 068	1 267 402	266 812	32 651	12 143 410	31 472 526
Cash margins	2 781 473	183 669	116 360	197	-	330 911	3 412 610
Borrowed funds	500 000	-	-	-	-	-	500 000
Other provisions	-	-	-	-	-	127 654	127 654
Provision for income tax	-	-	-	-	-	258 596	258 596
Other liabilities	-	-	-	-	-	912 565	912 565
Deferred tax liabilities	-	-	-	-	-	21 474	21 474
Owners' equity	-	-	-	-	-	8 096 808	8 096 808
Total liabilities and owners' equity	24 066 640	2 162 067	1 441 757	297 418	65 481	22 567 226	50 600 589
Gap	255 344	1 564 501	1 732 877	6 639 010	3 928 903	(14 120 635)	-
Accumulated gap	255 344	1 819 845	3 552 722	10 191 732	14 120 635	-	-

B - Exposure to interest rate volatility as at December 31, 2008 (classification is based on interest rate repricing or maturity date, whichever is nearer).

ASSETS	December 31, 2008						USD '000
	Within 3 Months	After 3 Months and before 6 Months	After 6 Months and before 12 Months	After 12 Months and before 36 Months	After 36 Months	Not Tied to Interest Rate Risk	Total
Cash at vaults	-	-	-	-	-	449 008	449 008
Mandatory cash reserve with central banks	-	-	-	-	-	1 938 878	1 938 878
Balances with central banks	3 656 096	178 904	1 988	47 574	257 269	1 312 417	5 454 248
Balances and deposits with banks and financial institutions	3 835 639	372 057	82 715	9 722	-	570 026	4 870 159
Financial assets at fair value through P&L - held for trading	144 276	9 522	-	415	-	14 578	168 791
Financial assets at fair value through P&L - designated	128 387	76 268	17 624	8 859	-	-	231 138
Direct credit facilities	10 263 099	2 917 725	3 343 141	2 079 416	3 907 494	-	22 510 875
Financial assets - available-for-sale	1 584 207	298 748	896 095	291 451	437 276	511 039	4 018 816
Financial assets - held-to-maturity	1 412 804	503 624	242 617	360 657	67 263	-	2 586 965
Investment in associates	-	-	-	-	-	1 748 987	1 748 987
Fixed assets	-	-	-	-	-	540 937	540 937
Other assets	-	-	-	-	-	1 004 621	1 004 621
Deferred tax assets	-	-	-	-	-	106 176	106 176
TOTAL ASSETS	21 024 508	4 356 848	4 584 180	2 798 094	4 669 302	8 196 667	45 629 599
LIABILITIES AND OWNERS' EQUITY							
Banks and financial institutions' deposits	3 811 932	120 400	79 839	11 850	-	718 285	4 742 306
Customers' deposits	17 481 058	1 886 792	747 604	488 442	74 484	7 902 329	28 580 709
Cash margins	1 272 075	408 752	384 349	135 786	350 917	278 006	2 829 885
Borrowed funds	500 000	-	-	-	-	35 250	535 250
Other provisions	-	-	-	-	-	251 176	251 176
Provision for income tax	-	-	-	-	-	147 615	147 615
Other liabilities	-	-	-	-	-	1 021 858	1 021 858
Deferred tax liabilities	-	-	-	-	-	12 422	12 422
Owners' equity	-	-	-	-	-	7 508 378	7 508 378
Total liabilities and owners' equity	23 065 065	2 415 944	1 211 792	636 078	425 401	17 875 319	45 629 599
Gap	(2 040 557)	1 940 904	3 372 388	2 162 016	4 243 901	(9 678 652)	-
Accumulated gap	(2 040 557)	(99 653)	3 272 735	5 434 751	9 678 652	-	-

USD '000

47. Liquidity Risk

A. The details of the maturity of assets and liabilities as at December 31, 2009:

ASSETS	December 31, 2009							Total
	Within 1 Month	After 1 Month and before 3 Months	After 3 Months and before 6 Months	After 6 Months and before 12 Months	After 12 Months and before 36 Months	After 36 Months	Not Tied to a Specific Maturity	
Cash at vaults	-	-	-	-	-	-	396 873	396 873
Mandatory cash reserve with central banks	-	-	-	-	-	-	2 453 484	2 453 484
Balances with central banks	4 395 492	3 683 736	33 500	-	101 768	45 000	621 697	8 881 193
Balances and deposits with banks and financial institutions	1 941 484	1 447 007	232 157	21 455	55 922	-	812 014	4 510 039
Financial assets at fair value through P&L - held for trading	30 596	-	14 760	-	214 053	38 480	14 674	312 563
Financial assets at fair value through P&L - designated	-	-	10 581	49 097	41 007	69 262	-	169 947
Direct credit facilities	3 652 509	2 820 988	1 594 688	2 889 981	7 471 457	3 596 302	-	22 025 925
Financial assets - available-for-sale	251 356	389 338	719 613	932 678	1 869 398	1 679 182	572 816	6 414 381
Financial assets - held-to-maturity	226 193	342 837	261 326	418 379	531 128	110 870	-	1 890 733
Investment in associates	-	-	-	-	-	-	1 955 106	1 955 106
Fixed assets	-	-	-	-	-	-	577 667	577 667
Other assets	25 885	12 311	14 774	29 000	10 480	8 427	801 583	902 460
Deferred tax assets	-	-	-	-	-	-	110 218	110 218
TOTAL ASSETS	10 523 515	8 696 217	2 881 399	4 340 590	10 295 213	5 547 523	8 316 132	50 600 589
LIABILITIES AND OWNERS' EQUITY								
Banks and financial institutions' deposits	3 361 203	722 383	466 010	61 969	20 000	-	1 166 791	5 798 356
Customers' deposits	10 698 014	4 239 760	1 624 008	1 296 971	541 227	34 445	13 038 101	31 472 526
Cash margins	1 208 426	1 571 435	184 083	117 559	197	-	330 910	3 412 610
Borrowed funds	-	-	-	-	500 000	-	-	500 000
Other provisions	-	-	-	-	-	-	127 654	127 654
Provision for income tax	-	258 596	-	-	-	-	-	258 596
Other liabilities	68 511	51 126	24 667	30 642	17 812	14 008	705 799	912 565
Deferred tax liabilities	-	-	-	-	-	-	21 474	21 474
Owners' equity	-	-	-	-	-	-	8 096 808	8 096 808
Total liabilities and owners' equity	15 336 154	6 843 300	2 298 768	1 507 141	1 079 236	48 453	23 487 537	50 600 589
Gap	(4 812 639)	1 852 917	582 631	2 833 449	9 215 977	5 499 070	(15 171 405)	-
Accumulated gap	(4 812 639)	(2 959 722)	(2 377 091)	456 358	9 672 335	15 171 405	-	-

USD '000

B. Maturity of assets and liabilities as at December 31, 2008:

ASSETS	December 31, 2008							Total
	Within 1 Month	After 1 Month and before 3 Months	After 3 Months and before 6 Months	After 6 Months and before 12 Months	After 12 Months and before 36 Months	After 36 Months	Not Tied to a Specific Maturity	
Cash at vaults	-	-	-	-	-	-	449 008	449 008
Mandatory cash reserve with central banks	-	-	-	-	-	-	1 938 878	1 938 878
Balances with central banks	1 610 680	2 045 416	178 904	1 988	47 574	257 269	1 312 417	5 454 248
Balances and deposits with banks and financial institutions	2 169 566	1 666 073	372 057	82 715	9 722	-	570 026	4 870 159
Financial assets at fair value through P&L - held for trading	2 734	81 640	9 522	-	60 317	-	14 578	168 791
Financial assets at fair value through P&L - designated	-	5 008	10 464	-	109 099	106 567	-	231 138
Direct credit facilities	6 419 229	3 843 870	2 917 725	3 343 141	2 079 416	3 907 494	-	22 510 875
Financial assets - available-for-sale	545 055	330 790	232 334	244 800	1 280 911	873 887	511 039	4 018 816
Financial assets - held-to-maturity	287 238	296 088	475 633	252 617	879 897	395 492	-	2 586 965
Investment in associates	-	-	-	-	-	-	1 748 987	1 748 987
Fixed assets	-	-	-	-	-	-	540 937	540 937
Other assets	52 342	104 684	116 061	-	-	-	731 534	1 004 621
Deferred tax assets	-	-	-	-	-	-	106 176	106 176
TOTAL ASSETS	11 086 844	8 373 569	4 312 700	3 925 261	4 466 936	5 540 709	7 923 580	45 629 599
LIABILITIES AND OWNERS' EQUITY								
Banks and financial institutions' deposits	2 631 568	1 129 299	211 938	43 768	7 448	-	718 285	4 742 306
Customers' deposits	11 958 357	4 085 482	1 886 792	747 604	488 442	74 484	9 339 548	28 580 709
Cash margins	781 394	490 681	408 752	384 349	135 786	350 917	278 006	2 829 885
Borrowed funds	-	35 250	-	-	-	500 000	-	535 250
Other provisions	-	251 176	-	-	-	-	-	251 176
Provision for income tax	-	-	-	-	-	-	147 615	147 615
Other liabilities	28 887	57 774	67 816	-	-	-	867 381	1 021 858
Deferred tax liabilities	-	-	-	-	-	-	12 422	12 422
Owners' equity	-	-	-	-	-	-	7 508 378	7 508 378
Total liabilities and owners' equity	15 400 206	6 049 662	2 575 298	1 175 721	631 676	925 401	18 871 635	45 629 599
Gap	(4 313 362)	2 323 907	1 737 402	2 749 540	3 835 260	4 615 308	(10 948 055)	-
Accumulated gap	(4 313 362)	(1 989 455)	(252 053)	2 497 487	6 332 747	10 948 055	-	-

48. Net Foreign Currency Positions

The details of this item are as follows:

	December 31, 2009		December 31, 2008	
	Base currency in thousands	Equivalent in thousand US Dollars	Base currency in thousands	Equivalent in thousand US Dollars
USD	301 873	301 873	(14 958)	(14 958)
GBP	2 258	3 630	9 124	13 174
EUR	93 581	134 443	24 098	33 928
JPY	269 779	2 918	4 002 162	44 326
CHF	893	863	-	-
Other currencies *	-	(218 094)	-	169 917
Total	-	225 633	-	246 387

* Various foreign currencies translated to US dollars.

49. Fair Value of Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities not stated at fair value:

The details of this item are as follows:

	December 31, 2009		December 31, 2008	
	Book Value	Fair Value	Book Value	Fair Value
USD '000				
ASSETS				
Cash and balances with central banks	11 731 550	11 732 524	7 842 134	7 868 913
Balances and deposits with banks and financial institutions	4 510 039	4 530 521	4 870 159	4 885 882
Financial assets - held to maturity	1 890 733	1 840 173	2 586 965	2 596 959
Direct credit facilities	22 025 925	22 089 458	22 510 875	22 573 693
LIABILITIES				
Banks' and financial institutions' deposits	5 798 356	5 812 578	4 742 306	4 751 698
Customer deposits	31 472 526	31 557 299	28 580 709	28 646 075
Cash margins	3 412 610	3 418 794	2 829 885	2 837 716
Borrowed funds	500 000	500 000	535 250	535 872

B. Financial assets and financial liabilities stated at fair value

The table below analyzes financial instruments carried at fair value by 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).

The details of this item are as follows:

USD '000

	December 31, 2009			Total
	Level 1	Level 2	Level 3	
ASSETS				
Financial assets at fair value through P&L - held for trading	312 563	-	-	312 563
Financial assets at fair value through P&L - designated	92 820	29 584	47 543	169 947
Financial derivatives - positive fair value	-	179 458	-	179 458
Financial assets - available for sale	3 255 190	-	-	3 255 190
TOTAL ASSETS	3 660 573	209 042	47 543	3 917 158
LIABILITIES				
Financial derivatives - negative fair value	-	185 873	-	185 873
TOTAL LIABILITIES	-	185 873	-	185 873

USD '000

Reconciliation of Level 3 fair value measurements of financial assets:

Financial assets at fair value through P&L – designated	2009
Balance at the beginning of the year	44 764
Net additions and settlements	326
Total fair value gain recognized in income	1 537
Translation adjustments	916
Balance at the end of the Year	47 543

50. Contractual Maturity of the Contingent Accounts

The table below details the maturity of expected liabilities and commitments on the basis of contractual maturity:

USD '000

	December 31, 2009			
	Within 1 Year	After 1 Year and before 5 Years	After 5 Years	Total
Letters of credit	6 400 143	13 346	13 196	6 426 685
Acceptances	589 271	3 286	-	592 557
Letters of guarantee:				
- Payment guarantees	1 119 272	237 825	192 954	1 550 051
- Performance guarantees	2 312 774	1 422 889	245 554	3 981 217
- Other guarantees	4 071 963	2 616 502	1 574 328	8 262 793
Unutilized credit facilities	2 471 102	1 018 087	128 958	3 618 147
Total	16 964 525	5 311 935	2 154 990	24 431 450
Constructions projects contracts	12 580	6 363	-	18 943
Procurement contracts	11 718	355	-	12 073
Rent contracts	1 863	4 494	19 253	25 610
Total	26 161	11 212	19 253	56 626

USD '000

	December 31, 2008			
	Within 1 Year	After 1 Year and before 5 Years	After 5 Years	Total
Letters of credit	2 362 577	215 149	13 195	2 590 921
Acceptances	564 596	7 341	76	572 013
Letters of guarantee:				
- Payment guarantees	1 263 323	498 183	124 295	1 885 801
- Performance guarantees	2 002 944	1 637 545	295 502	3 935 991
- Other guarantees	4 097 710	2 912 497	801 619	7 811 826
Unutilized credit facilities	3 347 391	1 485 894	298 183	5 131 468
Total	13 638 541	6 756 609	1 532 870	21 928 020
Constructions projects contracts	32 177	-	-	32 177
Procurement contracts	6 532	1 416	2 153	10 101
Rent contracts	2 040	5 769	1 084	8 893
Total	40 749	7 185	3 237	51 171

51. Capital Management

The Group manages its capital to safeguard its ability to continue as a going concern while maximizing the return to shareholders. The composition of the regulatory capital, as defined by the Basel Committee, is as follows:

	USD '000	
	December 31,	
	2009	2008
A- CORE CAPITAL		
Share capital	776 027	776 027
Statutory reserve	451 702	403 305
Voluntary reserve	977 315	882 179
Share premium	1 226 185	1 226 205
General reserve	1 823 321	1 811 065
Retained earnings	(39 761)	(1 888)
Treasury shares	(1 500)	(3 346)
Intangible assets	(224 499)	(238 342)
Total core capital	4 988 790	4 855 205
B- SUPPLEMENTARY CAPITAL		
Foreign operations translation reserve	177 728	107 448
Available-for-sale financial assets revaluation reserve	(38 708)	(172 862)
General banking risk reserve	306 770	314 684
Total supplementary capital	445 790	249 270
C- INVESTMENTS IN BANKS AND FINANCIAL INSTITUTIONS	435 817	433 475
Regulatory capital (A+B-C)	4 998 763	4 671 000
Risk-weighted assets	27 955 389	28 803 881
Regulatory capital / risk-weighted assets	17.9%	16.2%
Core capital / risk-weighted assets	17.1%	16.1%

- The Board of Directors performs overall review of the capital structure of the Group on a quarterly basis. As part of such review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.
- The minimum level of the capital adequacy ratio as defined by the Basel Committee is 8% and 12% per the instructions of the Central Bank of Jordan. Capital adequacy ratio amounted to 17.9% as at December 31, 2009 (16.2% as at December 31, 2008).

52. Earnings Per Share

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Profit for the year attributable to Shareholders of the Bank	528 336	806 429
	Thousand Shares	
Average number of shares (thousand shares)	533 896	533 966
	USD / Share	
Earnings Per Share		
- Basic and Diluted	0.99	1.51

53. Fiduciary Deposits

Fiduciary deposits as at December 31, 2009 amounted to USD 1 659 million (USD 2 801.9 million as at December 31, 2008). These deposits are not included in the Group's financial statements.

54. Cash and Cash Equivalent

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Cash and balances with central banks maturing within 3 months	11 554 607	7 356 399
Add: balances with banks and financial institutions maturing within 3 months	4 200 505	4 405 665
Less: banks and financial institutions deposits maturing within 3 months	5 250 377	4 479 152
Total	10 504 735	7 282 912

55. Transactions with Related Parties

USD '000

The details of this item are as follows:

	December 31,	
	2009	2008
Associates:		
Due from associates	223 153	448 002
Deposits from associates	333 981	76 593
Interest income from associates	810	12 177
Interest expenses paid to associates	774	2 248
Guarantees, acceptances and letters of credit - associates	9 773	5 908

	December 31,	
	2009	2008
Major shareholders and members of the Board of Directors		
Direct credit facilities	331 406	587 873
Letters of Credit	37 165	43 857
Guarantees	63 104	75 592

- All facilities granted to related parties are performing loans in accordance with the credit rating of the Group. No provisions for the year have been recorded in relation to impairment in value.

- Interest on facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

- The salaries and other fringe benefits of the Group's key management personnel, inside and outside Jordan, amounted to USD 27.1 million for the year ended on December 31, 2009 (USD 30.7 million for the year ended on December 31, 2008).

56. Legal Cases

Lawsuits filed against the Group

- a. Lawsuits have been filed against Arab Bank Plc in which it was alleged that Arab Bank has, through its New York branch, channeled funds to parties described as «terrorists» and «terrorist organizations in Palestine», and has aided and abetted acts of terrorism which led to the death or the injury of the family members of the claimants. The claimants in the said lawsuits are requesting compensation for the damages that have befallen them as a result of the alleged acts of the Bank. No substantial developments have occurred since then.

In the opinion of the Group management, Arab Bank has been and is still fully respectful of and compliant with all anti terrorism legislation in all the countries in which it operates.

- b. The Bank in New York has entered into an agreement with the Office of the comptroller of Currency pursuant to which the branch was converted into a Federal Agency with limited operations in compliance with the provisions of the US Federal Banking Act. It was also agreed that the Federal Agency shall be allowed to maintain financial assets in the amount of USD 420 million.
- c. There are other lawsuits filed against the Group totaling USD 73.2 million as of December 31, 2009 (USD 26.7 million as of December 31, 2008). Management believes that the Group will not be liable to amounts in excess of the booked provision of USD 32.2 million as of December 31, 2009 (USD 5.7 million as of December 31, 2008).

57. Comparative Figures

Some of the comparative figures have been reclassified to correspond with the current year presentation.

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INDEPENDENT AUDITOR'S REPORT

AM / 218

To the Shareholders
Arab Bank plc
Amman – Jordan

We have audited the accompanying consolidated financial statements of Arab Bank Group, which comprise the consolidated statement of financial position as at December 31, 2009, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

Audit • Tax • Consulting • Financial Advisory.

Member of
Deloitte & Touche Tohmatsu

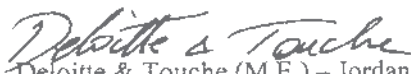
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arab Bank Group as of December 31, 2009, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards. We recommend that the General Assembly of Shareholders to approve these consolidated financial statements.

Amman – Jordan
January 28, 2010


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

JD'000

ARAB BANK Plc

		December 31,	
	Note	2009	2008
Cash and balances with central banks	5	4 004 819	3 026 127
Balances with banks and financial institutions	6	2 782 746	3 263 567
Deposits with banks and financial institutions	7	236 092	369 429
Financial assets at fair value through P&L - held for trading	8	52 074	71 779
Financial assets at fair value through P&L - designated	9	50 427	108 940
Financial derivatives - positive fair value	42	82 335	48 558
Direct credit facilities	10	10 138 208	10 839 672
Financial assets - available for sale	11	3 476 702	2 384 205
Financial assets - held to maturity	12	569 663	939 893
Investments in subsidiaries and associates	13	1 284 181	1 241 646
Fixed assets	14	199 873	184 221
Other assets	15	205 789	253 940
Deferred tax assets	16	16 582	19 025
TOTAL ASSETS		23 099 491	22 751 002
Banks' and financial institutions' deposits	17	3 231 442	3 211 174
Customer deposits	18	12 985 348	13 252 243
Cash margins	19	2 194 053	1 786 917
Financial derivatives - negative fair value	42	88 746	59 045
Borrowed funds	20	354 610	379 610
Provision for income tax	21	96 322	102 916
Other provisions	22	65 584	67 200
Other liabilities	23	269 888	303 385
Deferred tax liabilities	24	12 292	8 558
Total Liabilities		19 298 285	19 171 048
Share capital	25	534 000	534 000
Share premium	25	859 937	859 951
Treasury shares	25	(1 064)	(2 373)
Statutory reserve		285 460	253 000
Voluntary reserve	26	614 920	550 000
General reserve		1 066 674	1 066 674
General banking risks reserve	27	220 685	175 347
Foreign operations translation reserve		126 192	104 681
Available-for-sale financial assets revaluation reserve	28	(31 507)	(113 466)
Retained earnings	29	19 109	18 640
Proposed dividends	30	106 800	133 500
Total Shareholders' Equity		3 801 206	3 579 954
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23 099 491	22 751 002

* The accompanying notes from (1) to (57) are an integral part of these financial statements and should be read with them.

ARAB BANK Plc		JD '000		
	Note	2009	2008	
REVENUE	Interest income	31	916 739	1 128 629
	Less: interest expense	32	398 367	576 012
	Net interest income		518 372	552 617
	Net Commission income	33	133 204	131 729
	Net interest and commission income		651 576	684 346
	Foreign exchange differences		34 995	45 205
	Gain (loss) from financial assets at fair value through P & L - held for trading	34	1 469	(3 438)
	Gain (loss) from financial assets at fair value through P & L - designated	35	7 587	(3 601)
	Gain (loss) from financial assets - available for sale	36	13 774	(6 393)
	Dividends from subsidiaries and associates	37	37 965	32 373
	Other revenue	38	16 738	21 782
Net Revenue		764 104	770 274	
EXPENSES	Employees expenses	40	168 761	176 499
	Other expenses	41	161 934	149 362
	Depreciation and amortization	14	23 247	20 955
	Provision (surplus) for impairment - direct credit facilities	10	80 850	(3 449)
	Other provisions		4 649	3 171
	Total Expenses		439 441	346 538
PROFIT FOR THE YEAR	Net income from continuing operations		324 663	423 736
	Gain from discontinued operations / Sale of Cyprus branches	39	-	26 106
	Profit before Income Tax		324 663	449 842
	Less: Income tax expense	21	74 624	89 668
	Profit for the Year		250 039	360 174

* The accompanying notes from (1) to (57) are an integral part of these financial statements and should be read with them.

ARAB BANK Plc	JD'000	
	2009	2008
Profit for the year	250 039	360 174
Add: Other comprehensive income items, after tax		
Foreign operations translation adjustments	21 511	(43 800)
Net change in fair value	81 959	(176 138)
Total Other Comprehensive Income Items, After Tax	103 470	(219 938)
Total Comprehensive Income for the Year	353 509	140 236

* The accompanying notes from (1) to (57) are an integral part of these financial statements and should be read with them.

ARAB BANK Plc

	Share Capital	Share Premium	Treasury Shares	Statutory Reserve	Voluntary Reserve
For the year ended December 31, 2009					
Balance at the beginning of the year	534 000	859 951	(2 373)	253 000	550 000
Profit for the year	-	-	-	-	-
Foreign operations translation adjustments	-	-	-	-	-
Net change in fair value	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Sale of treasury shares	-	(14)	1 309	-	-
Appropriation to reserves	-	-	-	32 460	64 920
Paid dividends	-	-	-	-	-
Proposed dividends	-	-	-	-	-
Adjustments during the year	-	-	-	-	-
Balance at the end of the year	534 000	859 937	(1 064)	285 460	614 920
For the year ended December 31, 2008					
Balance at the beginning of the year	356 000	1 036 754	(300)	208 000	460 000
Profit for the year	-	-	-	-	-
Foreign operations translation adjustments	-	-	-	-	-
Net change in fair value	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Sale of Treasury shares	-	1 197	(2 073)	-	-
Capital increase	178 000	(178 000)	-	-	-
Appropriation to general reserves	-	-	-	-	-
Appropriation to reserves	-	-	-	45 000	90 000
Paid dividends	-	-	-	-	-
Proposed dividends	-	-	-	-	-
Adjustments during the year	-	-	-	-	-
Balance at the end of the year	534 000	859 951	(2 373)	253 000	550 000

- The reserves and retained earnings include restricted deferred tax assets in the amount of JD 16.6 million, as well as cost of treasury shares in the amount of JD 1.064 million, and cumulative change in fair value of JD (31.5) million as of December 31, 2009. The accompanying notes from (1) to (57) are an integral part of these financial statements and should be read with them.

JD'000

General Reserve	General Banking Risk Reserve	Foreign Operations Translation Adjustments	Available -for- Sale financial Assets Revaluation Reserve	Retained Earnings	Proposed Dividends	Total Shareholders' Equity
1 066 674	175 347	104 681	(113 466)	18 640	133 500	3 579 954
-	-	-	-	250 039	-	250 039
-	-	21 511	-	-	-	21 511
-	-	-	81 959	-	-	81 959
-	-	21 511	81 959	250 039	-	353 509
-	-	-	-	40	-	1 335
-	45 432	-	-	(142 812)	-	-
-	-	-	-	-	(133 500)	(133 500)
-	-	-	-	(106 800)	106 800	-
-	(94)	-	-	2	-	(92)
1 066 674	220 685	126 192	(31 507)	19 109	106 800	3 801 206
900 000	249 980	148 481	62 672	19 607	106 800	3 547 994
-	-	-	-	360 174	-	360 174
-	-	(43 800)	-	-	-	(43 800)
-	-	-	(176 138)	-	-	(176 138)
-	-	(43 800)	(176 138)	360 174	-	140 236
-	-	-	-	-	-	(876)
-	-	-	-	-	-	-
90 000	(90 000)	-	-	-	-	-
76 674	15 000	-	-	(226 674)	-	-
-	-	-	-	-	(106 800)	(106 800)
-	-	-	-	(133 500)	133 500	-
-	367	-	-	(967)	-	(600)
1 066 674	175 347	104 681	(113 466)	18 640	133 500	3 579 954

ARAB BANK Plc

	Note	2009	2008
Profit for the year before tax		324 663	449 842
Adjustments For:			
Depreciation and amortization		23 247	20 955
Provision (surplus) for impairment - direct credit facilities		80 850	(3 449)
Bad debts written off		46	130
(Gain) from sale of fixed assets		(1 373)	(228)
(Gain) loss from revaluation of financial assets at fair value through P & L - held for trading		(512)	5 823
(Gain) loss from revaluation of financial assets at fair value through P & L - designated		(3 143)	3 601
Other provisions		4 649	3 171
Total		428 427	479 845
Decrease (increase) in assets:			
Balances with central banks (maturing after 3 months)		118 482	316 411
Deposits with banks and financial institutions (maturing after 3 months)		133 337	30 614
Direct credit facilities		620 568	(961 225)
Financial assets at fair value through P&L - held for trading		20 217	342 046
Financial assets at fair value through P&L - designated		61 656	388
Other assets		16 817	(55 074)
(Decrease) increase in liabilities			
Banks and financial institutions deposits (maturing after 3 months)		242 625	(51 358)
Customers' deposits		(266 895)	1 004 286
Cash margins		407 136	376 836
Other liabilities		(7 259)	8 903
Net Cash Generated by Operations before Income Tax		1 775 111	1 491 672
Income tax paid		(80 378)	(82 803)
Net Cash Generated by Operations		1 694 733	1 408 869
CASH FLOWS FROM OPERATING ACTIVITIES			
(Purchase) of financial assets - available for sale		(1 010 538)	(957 232)
Maturity of financial assets - held to maturity		370 230	141 164
(Purchase) of investments in subsidiaries and associates		(42 535)	(371 224)
(Purchase) of fixed assets		(37 526)	(23 200)
Net Cash (used in) Investing Activities		(720 369)	(1 210 492)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in borrowed funds		(25 000)	25 000
Dividends paid to shareholders		(133 460)	(106 800)
Proceeds from sale (purchase) of treasury shares		1 295	(876)
Net Cash (used in) Financing Activities		(157 165)	(82 676)
Foreign operations translation adjustments - change in foreign exchange rates		21 511	(43 800)
Net Increase in Cash and Cash Equivalent		838 710	71 901
Cash and cash equivalent at the beginning of the year		2 912 701	2 840 800
Cash and Cash Equivalent at the End of the Year	55	3 751 411	2 912 701

The accompanying notes from (1) to (57) are an integral part of these financial statements and should be read with them.

1. GENERAL

- Arab Bank was established in 1930, and is registered as a Jordanian public shareholding limited company. The Head Office of the Bank is domiciled in Amman, Jordan, and it operates worldwide through its 80 branches in Jordan and 105 abroad.
- Arab Bank shares are traded on Amman Stock Exchange. The share of Arab Bank represents the Bank's share in all entities of the Group except for the sister company, Arab Bank (Switzerland) Limited shares that are stapled with Arab Bank shares and traded at the same time.
- The accompanying financial statements were approved by the Board of Directors on January 28, 2010 and are subject to the approval of the General Assembly of Shareholders.

2. BASIS OF PRESENTATION

- The accompanying financial statements include the financial statements of the Bank's branches in Jordan and abroad after eliminating inter-branch balances. Transactions in transit at year-end are stated among other assets or other liabilities, as appropriate. The financial statements of the Bank's branches operating outside the Kingdom of Jordan are translated to Jordanian Dinars using the exchange rates prevailing as at the date of the financial statements.
- The Bank issues audited consolidated financial statements for the Bank and its subsidiaries, including the financial statements of its sister company, Arab Bank (Switzerland) Limited, to reflect the consolidated financial position and results of operations at the level of the consolidated economic ownership of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

- The accompanying financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the Interpretations issued by the International Financial Reporting Interpretations Committee, the prevailing rules in the countries where the Bank operates and the instructions of the Central Bank of Jordan.
- The financial statements are prepared using the historical cost principle, except for financial assets and financial liabilities which are stated at fair value as of the date of the financial statements.

New and revised International Financial Reporting Standards (IFRS)

1. Standards affecting presentation and disclosure

The following new and revised Standards have been adopted in the current period in preparation of the financial statements of the Bank. Details of other Standards and Interpretations adopted but that have had no effect on the financial statements are set out in section 2 below.

<ul style="list-style-type: none"> IAS 1 (revised in 2007) Presentation of Financial Statements 	<p>IAS 1 (2007) separates between shareholders and non-shareholders changes in equity. The statement of changes in shareholders' equity details all transactions with shareholders, whereas other changes are presented in comprehensive income. The Standard has also introduced terminology changes to the titles of the financial statements of the Bank.</p>
<ul style="list-style-type: none"> IFRS 8 Operating Segments 	<p>IFRS 8 is a disclosure standard that requires redefining the Bank's reportable segments based on the operating segments for which separate financial information is available and evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.</p>
<ul style="list-style-type: none"> Improving disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures) 	<p>The amendments to IFRS 7 expanded the disclosures required in respect of fair value measurement.</p>

2. Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in preparation of the financial statements of the Bank. Their adoption has not had any significant impact on the amounts or disclosures reported in these financial statements but may affect the accounting for future transactions or arrangements.

<ul style="list-style-type: none"> • Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations 	<p>The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.</p>
<ul style="list-style-type: none"> • IAS 23 (as revised in 2007) Borrowing Costs 	<p>The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on the preparation of the financial statements.</p>
<ul style="list-style-type: none"> • Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation 	<p>The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on the Bank an obligation to deliver to another party a pro-rata share of the net assets of the Bank only on liquidation, to be classified as equity, subject to specified criteria being met.</p>
<ul style="list-style-type: none"> • IFRIC 13 Customer Loyalty Programmes 	<p>The Interpretation provides guidance on how entities should account for customer loyalty programmes by allocating revenue on sale to possible future award attached to the sale.</p>
<ul style="list-style-type: none"> • IFRIC 15 Agreements for the Construction of Real Estate 	<p>The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognized.</p>
<ul style="list-style-type: none"> • IFRIC 16 Hedges of a Net Investment in a Foreign Operation 	<p>The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.</p>
<ul style="list-style-type: none"> • IFRIC 18 Transfers of Assets from Customers 	<p>The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers'</p>
<ul style="list-style-type: none"> • Improvements to IFRSs (2008) 	<p>Amendments to IFRS 3, IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from the May and October 2008 Annual Improvements to IFRSs the majority of which are effective for annual periods beginning on or after 1 January 2009.</p>

3. Standards and Interpretations in issue not yet effective

At the date of authorization of these financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

New Standards and amendments to Standards:

	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> IFRS 1 (revised) First time Adoption of IFRS and IAS 27 (revised) Consolidated and Separate Financial Statements – Amendment relating to Cost of an investment in a subsidiary, jointly controlled entity or associate 	July 1, 2009
<ul style="list-style-type: none"> IFRS 3 (revised) Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) Consolidated and Separate Financial Statements, IAS 28 (revised) Investments in Associates and IAS 31 (revised) Interests in Joint Ventures 	July 1, 2009
<ul style="list-style-type: none"> IAS 39 (revised) Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items (such as hedging inflation risk and hedging with options) 	July 1, 2009
<ul style="list-style-type: none"> IFRS 1 (revised) First time Adoption of IFRS – Amendment on additional exemptions for First-time Adopters 	January 1, 2010
<ul style="list-style-type: none"> IFRS 2 (revised) Share-based payment – Amendment relating to Group cash-settled Share-based payments 	January 1, 2010
<ul style="list-style-type: none"> IAS 32 (revised) Financial Instruments: Presentation – Amendments relating to classification of Rights Issue 	February 1, 2010
<ul style="list-style-type: none"> IAS 24 Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government 	January 1, 2011
<ul style="list-style-type: none"> IFRS 9 Financial Instruments: Classification and Measurement (intended as complete replacement for IAS 39 and IFRS 7) 	January 1, 2013
<ul style="list-style-type: none"> Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 28, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs. 	Majority effective for annual periods beginning on or after January 1, 2010

New Interpretations and amendments to Interpretations:

	Effective for annual reporting periods beginning on or after
<ul style="list-style-type: none"> IFRS 17: Distributions of Non-cash Assets to Owners 	July 1, 2009
<ul style="list-style-type: none"> IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments 	July 1, 2010
<ul style="list-style-type: none"> Amendment to IFRIC 14: IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. 	January 1, 2011
<ul style="list-style-type: none"> Amendment to IFRIC 16: Hedges of a Net Investment in a Foreign Operation 	July 1, 2009
<ul style="list-style-type: none"> Amendment to IFRIC 9 (revised): Reassessment of Embedded Derivatives relating to assessment of embedded derivatives in case of reclassification of a financial asset out of the 'FVTPL' category 	July 1, 2009

The Bank's management anticipates that each of the above Standards and Interpretations will be adopted in the Bank's financial statements by their effective dates mentioned above and, except for what is indicated below, the adoption of the above Standards and Interpretations in future periods will not have any material impact on the financial statements of the Bank in the period of initial application.

IFRS 9

The application of the current version of IFRS 9 would mainly result in applying different classification and measurement criteria for financial assets; the requirements of IFRS 9 apply a consistent approach to classify financial assets and replace the numerous categories of financial assets in IAS 39, each of which has its own classification criteria. They also result in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

Revised IFRS 3, IAS 27, IAS 28 and IAS 31:

The application of the revised IFRS 3, IAS 27, IAS 28 and IAS 31 would mainly result in applying different policies regarding the Bank's future step acquisitions, partial disposals and acquisition of additional shares, if any.

Date of recognition of financial assets

Sales and purchase of financial assets are recognized on the trade date, which is the date that the Bank commits itself to purchase or sell the financial assets.

Fair value

- The closing price of quoted financial assets and derivatives in active markets represents their fair value. When no quoted prices are available or when no active markets exist for the financial instrument, fair value is estimated by one of the following methods:
 - Comparing with the fair value of another financial asset with similar terms and conditions;
 - Discounting future cash flows; or
 - Using options pricing models.
- The valuation methods aim at arriving at a fair value that reflects the expectations of market participants, expected risks and expected benefits. When the fair value cannot be measured reliably, financial assets are stated at cost/ amortized cost.

Financial assets at fair value through profit and loss – held for trading

- Such financial assets are those assets that have been acquired principally for the purpose of selling them in the near term, or on initial recognition, have been part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking.
- Financial assets held for trading are initially recognized at their fair value, while transaction costs are expensed in the statement of income, and are stated subsequently at fair value. Changes in fair value of these financial assets are included in the statement of income in the period in which the change occurs.
- Changes in fair value resulting from changes in foreign exchange rates are recorded in the statement of income as gain or loss on foreign exchange.
- Dividend revenue is recognized as income from financial assets held for trading in the statement of income, whereas earned interest revenue is recognized as interest income in the statement of income.

Financial assets at fair value through profit and loss – designated

- Such financial assets are those initially designated at fair value through profit and loss if such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise. Financial assets may be designated at fair value through profit and loss if they constitute part of a group of financial assets or financial liabilities or both, that are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy.
- Financial assets designated at fair value through profit and loss are initially recognized at their fair value, while transaction costs are expensed in the statement of income; and are stated subsequently at fair value. Changes in the fair value of these financial assets are included in the statement of income in the period in which the change occurs.
- Gains (losses) from the changes in the foreign exchange rates of monetary assets denominated in foreign currencies are recorded within gains (losses) from foreign currency translation and as part of the change in fair value in the comprehensive income for non – monetary assets.
- Dividend revenue is recognized as income from financial assets designated at fair value through profit and loss in the statement of income, whereas interest earned is recognized as interest income in the statement of income.

Direct credit facilities

- Such financial assets are those with fixed or determinable payments that are not quoted in an active market.
- Direct credit facilities are stated at cost, and are stated in the statement of financial position net of impairment provisions and interest and commission in suspense.
- Provisions for impairment of direct credit facilities are recognized when it is apparent that the financial assets of the Bank cannot be recovered, there is objective evidence of an event that adversely affects the future cash flows of the direct credit facilities and when the amount of impairment can be estimated.
- Impairment in value is determined using the present value of the future cash flows discounted at the original interest rate or according to the instructions of the regulatory authorities of the countries where the Bank operates, whichever is higher. Impairment losses are recorded in the statement of income.

- Interest and commission on non-performing credit facilities are suspended in accordance with the instructions of the regulatory authorities in the countries where the Bank operates.
- Specific provisions for impairment of direct credit facilities are written off when management is satisfied that no recovery of the amounts owing is possible. Any surplus in the general provisions or any recoveries of written-off debts is recognized in the statement of income.

Financial assets – Available-for-sale

- Such financial assets are those assets that have not been classified as financial assets at fair value through profit and loss, loans and receivables or held-to-maturity investments.
- Available-for-sale financial assets are initially recognized at fair value, including transaction costs and are subsequently stated at fair value as of the date of the financial statements with changes in fair value recorded in a separate item in other comprehensive income.
- When such assets are fully or partially sold, disposed of, or judged to be impaired, the change in fair value is previously recorded in the statement of income, including the related amounts previously recorded in other comprehensive income.
- Impairment losses recognized in the statement of income on debt instruments are reversed only when there is objective evidence that the increase in fair value occurred after the losses have been recognized. Impairment losses recognized on equity instruments are not reversed.
- Changes in fair value resulting from changes in foreign exchange rates on monetary financial assets are recorded in the statement of income as gain or loss on foreign exchange with changes in foreign exchange rates on non-monetary items are recorded in other comprehensive income.
- Interest income earned on available-for-sale financial assets is recorded in the statement of income using the effective interest method.
- Financial instruments for which fair value cannot be reliably determined are stated at cost, net of any accumulated impairment losses.
- Dividend revenue is recorded within gains on the sale of available – for – sale financial assets whereas earned interest is recorded within interest income in the statement of income.

Financial assets – Held-to-maturity

- Such financial assets are those that have fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.
- Financial assets held to maturity are recorded at cost (fair value) plus acquisition costs, less any provision for impairment in value. Premiums and discounts are systematically amortized in the statement of income using the effective interest method.

Impairment in the value of the financial assets

- The Bank reviews the values of the financial assets on the date of the financial statements in order to determine if there are any indications of impairment in their value, individually or in the form of a portfolio. If such indications exist, the recoverable value is estimated so as to determine the amount of impairment loss.
- Impairment is determined as follows:
 - Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the cash flows discounted at the original interest rate.
 - Impairment in the financial assets recorded at cost is determined on the basis of the present value of the expected cash flows discounted at the market interest rate of similar instruments.
 - Impairment in the available-for-sale financial assets recorded at fair value represents the difference between the carrying amount and the fair value.
- Impairment in value is recorded in the statement of income. Any surplus in the subsequent period, resulting from previous declines in the fair value of financial assets, is recognized in the statement of income, except for available-for-sale equity securities whereby any such surplus is recovered through other comprehensive income.

Investments in associates

- Associates are those whereby the Bank exerts significant influence over their financial and operating policy decisions, and holds between 20% and 50% of the voting rights.
- Investments in associates are accounted for according to the equity method.
- In the separate financial statement of the Bank, investments in associates are stated at cost, net of any accumulated impairment losses.
- Transactions and balances between the Bank and the associates are eliminated to the extent of the Bank's ownership in the associate.

Recognition of income and expenses

- Income and expense are recognized on the accrual basis, except for interest income and expense which are recognized on an effective-yield basis. Interest and commission on non-performing direct credit facilities, are not recognized as revenue but recorded as interest and commission in a suspense account until received in cash.
- Commission income is recorded as revenue when the related services are provided. Dividends are recorded when realized.

Financial derivatives

Financial derivatives (e.g. currency forward contracts, forward rate agreements, swaps and option contracts) are recognized at fair value in the statement of financial position.

a- Financial derivatives held for hedge purposes**Hedges are classified as follows:**

- Fair value hedge: Represents hedging for changes in the fair value of the Bank's assets and liabilities. When the conditions for an effective fair value hedge are met, gains or losses from changes in the fair value of financial derivatives are recognized in the statement of income. Changes in the fair value of the hedged assets or liabilities are also recognized in the statement of income.
- Cash flow hedge: Represents hedging for changes in the current and expected cash flows of the Bank's assets and liabilities that affects the statement of income. When the conditions for an effective cash flow hedge are met, gains or losses from changes in the fair value of financial derivatives are recognized in other comprehensive income and are reclassified to the statement of income in the period in which the hedge transaction has an impact on the statement of income.
- When the conditions for an effective hedge are not met, gains or losses from changes in the fair value of financial derivatives are recognized in the statement of income.

b- Financial derivatives for trading

- Financial derivatives held for trading are recognized at fair value in the statement of financial position among "other assets" or "other liabilities" with changes in fair value recognized in the statement of income.

Foreclosed assets

- Such assets are those that have been the subject of foreclosure by the Bank, and are initially recognized among “other assets” at the foreclosure value.
- At the date of the financial statements, foreclosed assets are revalued individually; any decline in fair value is recognized in the statement of income. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

Intangible assets

- Goodwill represents the excess of an amount paid to acquire or purchase an investment in an associate or subsidiary over the fair value of the net investment in that entity at the acquisition date. Goodwill arising from the acquisition of a subsidiary is recognized in a separate item among intangible assets. Goodwill resulting from the acquisition of an associate constitutes part of the investment in that associate. Goodwill is subsequently reduced by any impairment in the value of the investment.
- Goodwill is allocated over the cash-generating units for the purpose of testing the impairment in value.
- Goodwill is tested on the date of each financial statement, and is reduced when there is evidence that its value has been impaired or that the recoverable value of the cash-generating units is lower than the carrying amount. Impairment losses are recorded in the statement of income.

Foreign currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when the fair value was determined at the date of the financial statements.
- Gains or losses resulting from foreign currency translation are recorded in the statement of income.
- Differences resulting from the translation of non-monetary assets and liabilities denominated in foreign currency, such as equity shares, are recorded as part of the change in the fair value.
- Upon combining the financial statements of the branches, the assets and liabilities of the branches abroad are translated from the local currency to the reporting currency at the average rates prevailing at the date of the financial statements. Exchange differences arising from the revaluation of the net investment in foreign operations are recorded in a separate item in other comprehensive income.

Fixed assets

- Fixed assets are stated at cost, net of accumulated depreciation. Such assets (except for land) are depreciated according to the straight-line method over their expected productive lives or according to the prevailing regulations of the countries where the Bank operates.
- The useful lives of fixed assets are reviewed at the end of each year. When the expected useful life differs from what was previously determined, the change in estimate is recorded as such in the subsequent year.
- Fixed assets are derecognized when disposed of or when no future benefits are expected from their use or disposal.
- When the recoverable amount of a fixed asset is less than its carrying amount, its value is reduced to the recoverable amount, and the impairment in value is recorded in the statement of income.

Provisions

- Provisions are recognized when the Bank has an obligation as of the date of the financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.
- Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the Bank operates. The expense for the year is recognized in the statement of income.

Income taxes

- Income tax expenses represent current and deferred taxes for the year.
- Income tax expense is measured on the basis of taxable income. Moreover, taxable income differs from that reported in the financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by the tax authorities and items not accepted for tax purposes or subject to tax.
- Current and deferred taxes are calculated on the basis of the enacted tax rates according to the prevailing laws, regulations and instructions of the countries where the Bank operates.
- Deferred taxes represent taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax bases.

Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

- Deferred tax assets are reviewed on the date of the financial statements, and reduced if it is expected that no benefit will arise from the deferred tax, partially or totally.

Treasury shares

- Treasury shares are stated at cost as a separate item in shareholders' equity, and deducted from total shareholders' equity.
- Gains or losses from the sale of treasury shares are not recognized in the statement of income. Instead, they are recognized as a deduction from or addition to the share premium account in the statement of changes in shareholders' equity.
- Treasury shares have no voting power and no right to receive dividends.

Fiduciary deposits

- Fiduciary deposits resulting from holding or placing assets on behalf of customers. These assets and the income arising from them are excluded from the financial statements of the Bank. Commission and fees income for managing these accounts are recognized in the statement of income.
- Provision for the decline in the fair value of capital – guaranteed portfolios managed on behalf of customers is recognized when such fair value goes below capital.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the Bank intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions maturing within three months, less restricted funds and balances owed to banks and financial institutions and maturing within three months.

4. Use of estimates

Preparation of the accompanying financial statements requires estimations and judgments in applying accounting policies relating to some of the financial statement items. Examples of such items include an estimation of the provision for the impairment of non-performing direct credit facilities, the intention of management to hold the financial investment until maturity, and an estimation of the useful life of assets and the impairment of their value. Management also uses estimates and judgments for some matters that are uncertain on the date of the financial statements and may require adjustments to the balances of the assets and liabilities stated in the financial statements of the following year. This includes estimation of the various provisions and contingent liabilities.

5. Cash and Balances with Central Banks

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Cash in vaults	197 002	206 121
Balances with central banks:		
- Current accounts	136 316	218 202
- Time and notice	2 756 430	1 070 560
- Mandatory cash reserve	837 851	819 931
- Certificates of deposit	77 220	711 313
Total	4 004 819	3 026 127

Balances maturing after three months amounted to JD 125.4 million as at December 31, 2009 (JD 243.9 million as at December 31, 2008).

6. Balances with Banks and financial Institutions

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Current accounts	294 820	468 723
Time deposits maturing within 3 months	2 432 245	2 787 122
Certificates of deposit	55 681	7 722
Total	2 782 746	3 263 567

7. Deposits with banks and Financial Institutions

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Time deposits maturing after 3 months and before 6 months	176 449	303 670
Time deposits maturing after 6 months and before 9 months	17 286	62 987
Time deposits maturing after 9 months and before one year	42 357	2 631
Time deposits maturing after one year	-	141
Total	236 092	369 429

8. Financial Assets at Fair Value Through P&L - Held for Trading

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Treasury bills and bonds	-	64 654
Other bonds	50 706	3 298
Shares	1 368	3 827
Total	52 074	71 779

9. Financial Assets at Fair Value Through P&L - Designated

The details of this item are as follows:

	December 31,		JD '000
	2009	2008	
Government bonds	10 638	25 682	
Other bonds	39 789	83 258	
Total	50 427	108 940	

10. Direct Credit Facilities

The details of this item are as follows:

	December 31, 2009					JD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Discounted bills *	47 703	96 595	245 581	27 052	53	416 984
Overdrafts *	24 276	315 935	1 486 319	-	149 379	1 975 909
Loans and advances *	726 198	264 368	5 639 323	532 201	476 380	7 638 470
Real-estate loans	444 134	870	1 576	-	-	446 580
Credit cards	42 990	-	-	-	-	42 990
Total	1 285 301	677 768	7 372 799	559 253	625 812	10 520 933
Less: Interest and commission in suspense	8 486	55 366	23 184	172	-	87 208
Provision for impairment - direct credit facilities	48 084	67 209	169 729	10 262	233	295 517
Total	56 570	122 575	192 913	10 434	233	382 725
Direct credit facilities	1 228 731	555 193	7 179 886	548 819	625 579	10 138 208

* Net of interest and commission received in advance, which amounted to JD 13.3 million as at December 31, 2009.

- Direct credit facilities granted to and guaranteed by the government as at December 31, 2009 amounted to JD 625.8 million or 5.9% of total direct credit facilities.

- Non-performing direct credit facilities as at December 31, 2009 amounted to JD 877.4 million or 8.3% of total direct credit facilities.

- Non-performing direct credit facilities, net of interest and commission in suspense, as at December 31, 2009 amounted to JD 790.2 million or 7.6% of net direct credit facilities.

	December 31, 2008					JD'000
	Retail	Corporates		Banks and Financial Institutions	Govern- ment and Public Sector	Total
		Small and Medium	Large			
Discounted bills *	59 858	143 858	225 781	33 733	832	464 062
Overdrafts *	35 504	393 615	1 747 029	-	79 413	2 255 561
Loans and advances *	711 854	294 700	5 499 147	764 367	665 227	7 935 295
Real-estate loans	446 016	-	-	-	-	446 016
Credit cards	41 539	-	-	-	-	41 539
Total	1 294 771	832 173	7 471 957	798 100	745 472	11 142 473
Less: Interest and commission in suspense	1 861	63 542	20 129	-	-	85 532
Provision for impairment - direct credit facilities	37 489	75 918	103 630	-	232	217 269
Total	39 350	139 460	123 759	-	232	302 801
Direct credit facilities	1 255 421	692 713	7 348 198	798 100	745 240	10 839 672

- * Net of interest and commission received in advance, which amounted to JD 18.1million as at December 31, 2008.
- Direct credit facilities granted to and guaranteed by the government as at December 31, 2008 amounted to JD 745.5 million, or 6.7% of total direct credit facilities.
 - Non-performing direct credit facilities as at December 31, 2008 amounted to JD 288.9 million, or 2.6% of total direct credit facilities.
 - Non-performing direct credit facilities, net of interest and commission in suspense, as at December 31, 2008 amounted to JD 203.4 million, or 1.8% of net direct credit facilities.

- The details of movement on the provision for impairment of direct credit facilities are as follows:

	2009					JD '000
	Retail	Corporates		Banks and Financial Institu- tions	Govern- ment and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	37 489	75 918	103 630	-	232	217 269
Impairment losses charged to income	22 460	11 320	147 112	10 262	-	191 154
Direct credit facilities written off	(309)	(1 661)	(3 611)	-	-	(5 581)
Recoveries	(11 504)	(23 419)	(75 381)	-	-	(110 304)
Adjustments during the year	115	(1 532)	1 417	-	-	-
Translation adjustments	(167)	6 583	(3 438)	-	1	2 979
Balance at the end of the Year	48 084	67 209	169 729	10 262	233	295 517

	2008					JD '000
	Retail	Corporates		Banks and Financial Institu- tions	Govern- ment and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	30 897	88 083	115 002	-	210	234 192
Impairment losses charged to income	26 182	12 833	5 886	-	77	44 978
Direct credit facilities written off	(82)	(770)	(2 519)	-	-	(3 371)
Recoveries	(17 568)	(14 087)	(16 726)	-	(46)	(48 427)
Adjustments during the year	-	(12 680)	-	-	-	(12 680)
Translation adjustments	(1 940)	2 539	1 987	-	(9)	2 577
Balance at the end of the Year	37 489	75 918	103 630	-	232	217 269

* Impairment in value is measured at the present value of the future cash flows (at the client level and individually) discounted at the original interest rate or according to the instructions of the Central Bank of Jordan or regulatory authorities in the countries where the Bank operates (whichever value is higher). Impairment losses are recorded in the statement of income.

The details of movement on interest and commission in suspense are as follows:

	2009					JD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	1 861	63 542	20 129	-	-	85 532
Interest suspended during the year	7 848	7 480	19 584	172	-	35 084
Interest in suspense written off	(837)	(13 824)	(2 523)	-	-	(17 184)
Recoveries	(335)	(14 991)	(898)	-	-	(16 224)
Adjustments during the year	8	12 637	(12 645)	-	-	-
Translation adjustments	(59)	522	(463)	-	-	-
Balance at the end of the Year	8 486	55 366	23 184	172	-	87 208

	2008					JD '000
	Retail	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
Balance at the beginning of the year	831	63 678	27 138	-	-	91 647
Interest suspended during the year	2 480	8 586	1 751	-	-	12 817
Interest in suspense written off	(833)	(651)	(4 949)	-	-	(6 433)
Recoveries	(295)	(1 329)	(3 817)	-	-	(5 441)
Adjustments during the year	-	(7 058)	-	-	-	(7 058)
Translation adjustments	(322)	316	6	-	-	-
Balance at the end of the Year	1 861	63 542	20 129	-	-	85 532

11. Financial Assets - Available for Sale

The details of this item are as follows:

	JD '000	
	December 31,	
	2009	2008
Treasury bills and bonds	1 730 713	617 622
Government bonds	598 044	657 474
Corporate bonds	928 151	886 682
Shares	219 794	222 427
Total	3 476 702	2 384 205

Analysis of Bonds According to Interest:

	JD '000	
	December 31,	
	2009	2008
Floating rate	984 373	940 270
Fixed rate	2 272 535	1 221 508
Total	3 256 908	2 161 778

Analysis of Financial Assets According to Market Quotation:

	JD '000	
	December 31,	
	2009	2008
Financial assets quoted in the market	1 804 486	1 315 906
Financial assets unquoted in the market	1 672 216	1 068 299
Total	3 476 702	2 384 205

12 Financial Assets - Held to Maturity

The details of this item are as follows:

	December 31,		JD '000
	2009	2008	
Treasury bills and bonds	474 396	559 970	
Government bonds	76 932	330 707	
Other bonds	18 335	49 216	
Total	569 663	939 893	

Analysis of bonds based on interest payments:

	December 31,		JD '000
	2009	2008	
Floating rate	21 980	101 394	
Fixed rate	547 683	838 499	
Total	569 663	939 893	

Analysis of financial assets based on market quotation:

	December 31,		JD '000
	2009	2008	
Financial assets quoted in the market	434 119	147 519	
Financial assets unquoted in the market	135 544	792 374	
Total	569 663	939 893	

13. Investments in Subsidiaries and Associates

The details of this item are as follows:

JD '000

	December 31, 2009		December 31, 2008		Place of incorporation	Principal activity
	Ownership %	Cost	Ownership %	Cost		
The Bank's investments in subsidiaries:						
Europe Arab Bank plc	100.00	509 453	100.00	499 243	U.K.	Banking
Arab Bank Australia Limited	100.00	34 967	100.00	26 956	Australia	Banking
Islamic International Arab Bank plc	100.00	73 500	100.00	55 000	Jordan	Banking
Arab National Leasing Company	100.00	25 000	100.00	25 000	Jordan	Finance leasing
Al-Arabi Investment Group Limited	100.00	8 900	100.00	8 900	Jordan	Financial services
Arab Sudanese Bank Limited	100.00	35 058	100.00	35 450	Sudan	Banking
Arab Investment Bank S.A.L	66.68	5 129	66.68	5 129	Lebanon	Banking
Arab Tunisian Bank	64.24	54 672	64.24	55 835	Tunisia	Banking
Al Arabi Capital Limited	80.18	25 576	80.18	31 248	U.A.E.	Financial services
Al Arabi Investment Group Limited - Palestine	99.00	1 500	-	-	Palestine	Financial services
Al-Nisr Al Arabi	50.00	11 250	50.00	11 250	Jordan	Insurance
Arab Bank Syria	49.00	22 237	49.00	22 237	Syria	Banking
Al Wahda Bank	19.00	214 138	19.00	221 478	Libya	Banking
Other		17 714		9 718	Various	Various
Total		1 039 094		1 007 444		
The Bank's investments in associates						
Turkland Bank A.S.	50.00	103 861	50.00	103 861	Turkey	Banking
Oman Arab Bank S.A.O.	49.00	37 901	49.00	27 072	Oman	Banking
Arab National Bank	40.00	102 870	40.00	102 870	Saudi Arabia	Banking
Arabia Insurance Company	36.79	75	36.79	75	Lebanon	Insurance
Commercial Building Company	35.24	380	34.50	324	Lebanon	Real estate/ Operating leasing
Total		245 087		234 202		
Grand Total		1 284 181		1 241 646		

14. Fixed Assets

The details of this item are as follows:

	JD '000						
	Land	Buildings	Furniture, Fixtures and Equipment	Computers and Communication Equipment	Motor Vehicles	Leasehold Improvements	Total
Historical Cost :							
Balance at January 1, 2008	29 046	131 307	72 184	42 240	8 213	26 307	309 297
Additions	3 281	10 304	6 731	4 815	662	17 452	43 245
Disposals	(4 456)	(11 998)	(3 085)	(6 490)	(1 177)	(13 648)	(40 854)
Translation adjustments	(81)	(426)	(96)	(177)	(15)	(4)	(799)
Balance at December 31, 2008	27 790	129 187	75 734	40 388	7 683	30 107	310 889
Additions	5 831	25 289	9 816	3 228	917	8 315	53 396
Disposals	(319)	(12 512)	(828)	(1 365)	(534)	(2 295)	(17 853)
Translation adjustments	(18)	(64)	(361)	(898)	(13)	(1)	(1 355)
Balance at December 31, 2009	33 284	141 900	84 361	41 353	8 053	36 126	345 077
Accumulated Depreciation :							
Balance at January 1, 2008	-	30 786	44 751	32 751	5 397	13 864	127 549
Depreciation charge for the year	-	4 582	5 772	3 880	1 246	5 475	20 955
Disposals	-	(638)	(2 349)	(4 200)	(1 082)	(13 242)	(21 511)
Translation adjustments	-	(139)	(48)	(126)	(8)	(4)	(325)
Balance at December 31, 2008	-	34 591	48 126	32 305	5 553	6 093	126 668
Depreciation charge for the year	-	4 885	6 615	3 538	949	7 260	23 247
Disposals	-	(17)	(750)	(1 285)	(429)	(2 151)	(4 632)
Translation adjustments	-	(34)	(36)	(8)	(1)	-	(79)
Balance at December 31, 2009	-	39 425	53 955	34 550	6 072	11 202	145 204
Net Book Value as of December 31, 2009	33 284	102 475	30 406	6 803	1 981	24 924	199 873
Net Book Value as of December 31, 2008	27 790	94 596	27 608	8 083	2 130	24 014	184 221

15. Other Assets

The details of this item are as follows:

	JD '000	
	December 31,	
	2009	2008
Accrued interest receivable	81 062	130 527
Prepaid expenses	58 854	50 972
Foreclosed assets *	25 700	28 096
Items in transit	671	2 307
Miscellaneous assets	39 502	42 038
Total	205 789	253 940

* Details of movements on Foreclosed Assets are as follows:

	JD '000		
	2009		
	Land	Buildings	Total
Balance at the beginning of the year	8 900	19 196	28 096
Additions	152	3 454	3 606
Disposals	(4 682)	(1 279)	(5 961)
Impairment loss charged to income	-	(151)	(151)
Impairment loss returned to profit	6	103	109
Translation adjustments	-	1	1
Balance at the End of the Year	4 376	21 324	25 700

	JD '000		
	2008		
	Land	Buildings	Total
Balance at the beginning of the year	11 084	22 891	33 975
Additions	12	1 308	1 320
Disposals	(2 899)	(4 113)	(7 012)
Impairment loss charged to income	(49)	(888)	(937)
Impairment loss returned to profit	752	-	752
Translation adjustments	-	(2)	(2)
Balance at the End of the Year	8 900	19 196	28 096

16. Deferred Tax Assets

Items attributable to deferred tax assets are as follows:

	2009				JD'000	
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Translation Adjustments	Balance at the End of the Year	Deferred Tax
Provision for impairment - direct credit facilities	5 812	379	-	3 096	9 287	2 167
End-of-Service indemnity	24 719	1 714	(982)	1	25 452	7 187
Interest in suspense	3 129	2 649	(1 158)	1	4 621	1 103
Other provisions	38 914	4 377	(13 873)	(2 411)	27 007	6 125
Total	72 574	9 119	(16 013)	687	66 367	16 582

	2008				JD'000	
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Balance at the End of the Year	Deferred Tax	
Provision for impairment - direct credit facilities	3 987	1 999	(174)	5 812	1 162	
End-of-Service indemnity	21 040	4 451	(772)	24 719	7 537	
Interest in suspense	1 582	1 787	(240)	3 129	799	
Other provisions	9 217	33 272	(3 575)	38 914	9 527	
Total	35 826	41 509	(4 761)	72 574	19 025	

The details of movements on deferred tax assets are as follows:	JD'000	
	2009	2008
Balance at the beginning of the year	19 025	11 005
Additions during the year	2 572	9 530
Amortized during the year	(5 015)	(1 510)
Balance at the End of the Year	16 582	19 025

* Deferred taxes result from the time differences of the provisions not deducted for tax purposes in previous years. This is calculated according to regulations of the countries where the Bank operates. The Bank will benefit from these amounts in the near future.

17. Banks' and Financial Institutions' Deposits

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Current and demand	198 371	461 719
Time deposits maturing within 3 months	2 712 416	2 671 425
Time deposits maturing after 3 months and before 6 months	271 238	64 073
Time deposits maturing after 6 months and before 9 months	31 953	3 473
Time deposits maturing after 9 months and before one year	3 280	10 484
Time deposits maturing after one year	14 184	-
Total	3 231 442	3 211 174

18. Customer Deposits

The details of this item are as follows:

	December 31, 2009				JD'000
	Retail	Corporates		Government and public sector	Total
		Small and medium	Large		
Current and demand	2 029 205	815 196	913 800	177 203	3 935 404
Savings	1 023 619	13 849	7 512	233	1 045 213
Time and notice	4 476 428	475 379	1 980 080	771 272	7 703 159
Certificates of deposit	203 215	14 148	6 303	77 906	301 572
Total	7 732 467	1 318 572	2 907 695	1 026 614	12 985 348

	December 31, 2008				JD'000
	Retail	Corporates		Government and public sector	Total
		Small and medium	Large		
Current and demand	1 691 359	759 661	701 458	226 858	3 379 336
Savings	948 055	10 735	4 119	274	963 183
Time and notice	4 490 715	498 385	2 479 501	1 136 264	8 604 865
Certificates of deposit	177 320	8 687	19 582	99 270	304 859
Total	7 307 449	1 277 468	3 204 660	1 462 666	13 252 243

- Government and Public Sector deposits amounted to JD 1 026.6 million or 7.9% of total customer deposits as at the end of 2009 , compared to JD 1,462.7 million, or 11% of total customer deposits at the end of 2008
- Non-interest bearing deposits amounted to JD 3 070.6 million, or 23.2% of total customer deposits as at the end of 2009 compared to JD 2,738.9 million, or 20.7% of total customer deposits at the end of 2008.
- Blocked deposits amounted to JD 9.5 million, or 0.07% of total customer deposits as at the end of 2009 compared to JD 10.5 million, or 0.08% of total customer deposits at the end of 2008.
- Dormant deposits amounted to JD 73.4 million, or 0.6% of total customer deposits as at the end of 2009 compared to JD 63.3 million, or 0.5% of total customer deposits at the end of 2008.

19. Cash Margins

The details of this item are as follows:

	December 31, JD'000	
	2009	2008
Against direct credit facilities	1 872 958	1 514 135
Against indirect credit facilities	309 297	262 198
Against margin trading	10 540	9 391
Other cash margins	1 258	1 193
Total	2 194 053	1 786 917

20. Borrowed Funds

The details of this item are as follows:

	December 31, JD'000	
	2009	2008
From foreign banks and financial institutions *	354 610	354 610
From local banks and financial institutions	-	25 000
Total	354 610	379 610

* In 2007, the Bank issued a USD 500 million syndicated term loan with a tenure of five years and paying LIBOR + 25 basis points.

Analysis of Borrowed Funds According to Interest payments is as follows	December 31, JD'000	
	2009	2008
Floating rate	354 610	354 610
Fixed Rate	-	25 000
Total	354 610	379 610

21. Provision for Income Tax

The details of this item are as follows:

	JD '000	
	2009	2008
Balance at the beginning of the year	102 916	94 088
Income tax expense for the year	73 784	91 631
Income tax paid	(80 378)	(82 803)
Balance at the end of the year	96 322	102 916

Income tax expense charged to the statement of income consists of the following:

	2009	2008
Income tax expense for the year	73 784	91 631
Effect of deferred tax assets	840	(1 963)
Total	74 624	89 668

22. Other Provisions

The details of this item are as follows:

	2009					JD '000
	Balance at the beginning of the year	Addition during the year	Utilized during the year	Returned to income	Translation adjustments	Balance at the end of the year
End-of-service indemnity	60 567	4 868	(6 564)	(166)	(101)	58 604
Self-insurance	1 113	-	-	-	-	1 113
Legal cases	2 092	1 347	(98)	(705)	131	2 767
Other	3 428	130	(1)	(258)	(199)	3 100
Total	67 200	6 345	(6 663)	(1 129)	(169)	65 584

	2008					JD '000
	Balance at the beginning of the year	Addition during the year	Utilized during the year	Returned to income	Translation adjustments	Balance at the end of the year
End-of-service indemnity	73 926	5 419	(16 306)	(3 077)	605	60 567
Self-insurance	1 113	-	-	-	-	1 113
Legal cases	3 134	634	-	(1 676)	-	2 092
Other	7 399	533	(2 261)	(2 217)	(26)	3 428
Total	85 572	6 586	(18 567)	(6 970)	579	67 200

23. Other Liabilities

The details of this item are as follows:

	December 31,		JD'000
	2009	2008	
Accrued interest payable	51 040	68 245	
Notes payable	62 649	68 888	
Interest and commission received in advance	71 950	69 626	
Accrued expenses	17 809	21 752	
Other miscellaneous liabilities	66 440	74 874	
Total	269 888	303 385	

24. Deferred Tax liabilities

Items attributable to deferred tax liabilities are as follows:

	2009				JD'000
	Balance at the beginning of the year	Amounts Added	Amounts Released	Balance at the end of the year	Deferred tax
Cumulative change in fair value of available - for - sale financial assets	30 508	16 206	(10 689)	36 025	11 973
Other	1 881	-	(284)	1 597	319
Total	32 389	16 206	(10 973)	37 622	12 292

	2008				JD'000
	Balance at the beginning of the year	Amounts Added	Amounts Released	Balance at the end of the year	Deferred tax
Cumulative change in fair value of available - for - sale financial assets	66 393	2 932	(38 817)	30 508	8 183
Retained earnings	3 848	-	(3 848)	-	-
Other	1 565	316	-	1 881	375
Total	71 806	3 248	(42 665)	32 389	8 558

Details of movement in deferred tax liabilities are as follows:

	JD '000	
	2009	2008
Balance at the beginning of the year	8 558	18 560
Additions during the year	6 579	1 380
Amortized during the year	(2 845)	(11 382)
Balance at the end of the year	12 292	8 558

25. Share Capital

- A. The subscribed and paid-up capital amounted to JD 534 million as at December 31, 2009 and 2008, divided into 534 million shares, each at a nominal value of JD 1.0.
- B. Share premium amounted to JD 859 937 thousand as at December 31, 2009 (JD 859 951 thousand as at December 31, 2008).
- C. Treasury shares amounted to 69 015 shares at JD 1 064 thousand as at December 31, 2009 (154 020 shares at JD 2 373 thousand as at December 31, 2008) and are deducted from total shareholders' equity.

These shares have no voting power or right to earn dividends.

26. Voluntary Reserve

- The voluntary reserve amounted to JD 614 920 thousand as at December 31, 2009 (JD 550 000 thousand as at December 31, 2008). This reserve is used for the purposes determined by the Board of Directors and the General Assembly has the right to distribute it in whole or any part thereof to shareholders, as dividends.

27. General Banking Risk Reserve

- The general banking risk reserve amounted to JD 220 685 thousand as at December 31, 2009 (JD 175 347 thousand as at December 31, 2008) and it is available for use in accordance with certain procedures, including the approval of the Central Bank of Jordan and the General Assembly, only when the amount of that reserve exceeds the minimum amount set or required according to the instructions of the relevant banking authorities.

28. Available - for - Sale Financial Assets Revaluation Reserve

The details of this item are as follows:

	2009		JD'000
	Shares	Bonds	Total
Balance at the beginning of the year	48 207	(161 673)	(113 466)
Change in fair value during the year	4 907	83 688	88 595
Net realized (gain) loss	(6 667)	319	(6 348)
Impairment loss charged to income	(584)	-	(584)
Translation adjustments	3	293	296
Balance at the end of the year *	45 866	(77 373)	(31 507)

	2008		JD'000
	Shares	Bonds	Total
Balance at the beginning of the year	77 095	(14 423)	62 672
Change in fair value during the year	(26 988)	(161 566)	(188 554)
Net realized (gain) loss	(5 446)	1 447	(3 999)
Impairment loss charged to income	3 546	12 869	16 415
Translation adjustments	-	-	-
Balance at the end of the year *	48 207	(161 673)	(113 466)

* Cumulative change in fair value of available - for - sale financial assets is stated net of deferred tax liabilities in the amount of JD 11.9 million as at December 31, 2009 compared to JD 8.2 million as at December 31, 2008.

29. Retained Earnings

The details of this item are as follows:

	JD '000	
	2009	2008
Balance at the beginning of the year	18 640	19 607
Add: Profit for the year	250 039	360 174
Total	268 679	379 781
Less		
- Appropriated to Reserves	142 770	227 641
- Proposed Dividends	106 800	133 500
Balance at the end of the year *	19 109	18 640

* Restricted retained earnings that cannot be distributed or other wise utilized only under certain circumstances, amounted to JD 2.5 million as at December 31, 2009 as a result from the adoption of certain international financial reporting standards (JD 5.4 million as at December 31, 2008).

30. Proposed Dividends

The rate of the proposed dividends to shareholders for 2009 is 20% of the nominal value, around JD 106.8 million, subject to the approval of the General Assembly, while the rate of dividends to shareholders for the year 2008 was 25% of the nominal value, or JD 133.500 million.

31. Interest Income

The details of this item are as follows:

JD '000

	2009	2008
Direct credit facilities *	586 919	675 392
Central Banks	58 944	128 795
Banks and financial institutions	43 922	125 773
Financial assets at fair value through P & L - held for trading	2 071	17 376
Financial assets at fair value through P & L - Designated	2 525	6 994
Financial assets - available for sale	139 653	93 305
Financial assets - held to maturity	82 705	80 994
Total	916 739	1 128 629

* The details of interest income earned on direct credit facilities are as follows:

	2009					JD '000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Discounted bills	4 714	6 508	15 903	1 220	-	28 345
Overdrafts	2 782	25 932	116 674	2	10 358	155 748
Loans and advances	62 086	24 732	232 435	21 510	18 457	359 220
Real – estate loans	34 630	112	99	-	-	34 841
Credit cards	8 765	-	-	-	-	8 765
Total	112 977	57 284	365 111	22 732	28 815	586 919

	2008					JD '000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Discounted bills	6 645	10 969	12 868	1 773	-	32 255
Overdrafts	4 952	27 930	128 483	-	5 042	166 407
Loans and advances	60 652	27 263	289 911	34 139	22 885	434 850
Real – estate loans	34 778	-	-	-	-	34 778
Credit cards	7 102	-	-	-	-	7 102
Total	114 129	66 162	431 262	35 912	27 927	675 392

32. Interest Expense

The details of this item are as follows:

	JD '000	
	2009	2008
Customer deposits *	296 435	376 067
Banks and financial institutions	45 561	119 254
Cash margins	44 910	61 690
Borrowed funds	2 497	12 515
Deposit insurance fees	8 964	6 486
Total	398 367	576 012

* Interest expense charged to income on customer deposits is as follows:

	2009				JD '000
	Retail	Corporates		Government and public sector	Total
		Small and medium	Large		
Current and demand	1 020	1 063	6 269	723	9 075
Savings	12 187	38	54	1	12 280
Time and notice	126 127	16 062	87 482	20 769	250 440
Certificates of deposit	14 918	1 296	1 023	7 403	24 640
Total	154 252	18 459	94 828	28 896	296 435

	2008				JD '000
	Retail	Corporates		Government and public sector	Total
		Small and medium	Large		
Current and demand	1 770	1 517	3 930	690	7 907
Savings	16 598	198	121	34	16 951
Time and notice	149 741	17 515	93 238	65 440	325 934
Certificates of deposit	13 440	852	2 133	8 850	25 275
Total	181 549	20 082	99 422	75 014	376 067

33. Net Commission Income

The details of this item are as follows:

	JD'000	
	2009	2008
Commission income:		
Direct credit facilities	33 464	36 990
Indirect credit facilities	67 704	61 975
Other	39 152	39 928
Less: commission expense	(7 116)	(7 164)
Net Commission Income	133 204	131 729

34. Gain (loss) From Financial Assets at Fair Value through P & L - Held for Trading

The details of this item are as follows:

	JD'000			
	2009			Total
	Realized gains	Unrealized gains (losses)	Dividends	Total
Treasury bills and bonds	376	582	-	958
Shares	478	(83)	116	511
Total	854	499	116	1 469

	JD'000			
	2008			Total
	Realized gains	Unrealized (losses)	Dividends	Total
Treasury bills and bonds	1 517	(1 217)	-	300
Shares	547	(4 606)	321	(3 738)
Total	2 064	(5 823)	321	(3 438)

35. Gain (Loss) From Financial Assets at Fair Value through P & L - Designated

The details of this item are as follows:

	2009			JD '000
	Realized gains	Unrealized gains	Dividends	Total
Treasury bills and bonds	4 305	3 282	-	7 587
Total	4 305	3 282	-	7 587

	2008			JD '000
	Realized gains (losses)	Unrealized (losses)	Dividends	Total
Treasury bills and bonds	-	(3 601)	-	(3 601)
Total	-	(3 601)	-	(3 601)

36. Gain (Loss) From Financial Assets - Available for Sale

The details of this item are as follows:

	JD '000	
	2009	2008
Gain from sale of financial assets	6 485	5 519
Dividend revenue	7 289	4 912
Less: impairment losses	-	(16 824)
Total	13 774	(6 393)

37. Dividends from Subsidiaries and Associates

The details of this item are as follows:

	JD '000	
	2009	2008
Dividends from subsidiaries	7 591	8 334
Dividends from associates	30 374	24 039
Total	37 965	32 373

38. Other Revenue

The details of this item are as follows:

	JD '000	
	2009	2008
Revenue from customer services	9187	7 467
Safe box rent	1042	1 826
(Loss) from derivatives	(3 996)	(10 593)
Miscellaneous revenue	10 505	23 082
Total	16 738	21 782

39. Gain from Discontinued Operations - Sale of Cyprus Branches

This item represents a non - recurring net gain resulting from the sale of the Banks' branches in Cyprus during the first quarter of the year 2008.

40. Employees' Expenses

The details of this item are as follows:

	JD '000	
	2009	2008
Salaries, benefits and allowances	121 165	126 052
Social security	5 829	5 926
Savings fund	1 597	1 644
Indemnity compensation	10 349	7 982
Medical	4 659	3 985
Training	871	1 593
Allowances	20 096	24 116
Other	4 195	5 201
Total	168 761	176 499

41. Other Expenses

The details of this item are as follows:

	JD '000	
	2009	2008
Occupancy	26 905	27 047
Office	29 430	35 178
Services	41 628	38 635
Fees	6 979	7 531
Information technology	14 380	13 148
Other administrative expenses	42 612	27 823
Total	161 934	149 362

42 Financial Derivatives

The details of this item are as follows:

	December 31,		JD '000
	2009	2008	
Interest rate swaps	890 859	511 588	
Foreign currency forward contracts	4 141 170	3 467 964	
Total	5 032 029	3 979 552	

- The Details of Financial Derivatives are as follows:

	December 31, 2009				JD '000			
	Positive fair value	Negative fair value	Total notional amount	Notional amounts by maturity				
				Within 3 months	From 3 months to 1 year	From 1 year to 3 years	More than 3 years	
Interest rate swaps	56 669	56 670	600 238	-	85 337	25 546	489 354	
Currency forward contracts	26 860	28 799	2 997 151	2 947 046	31 770	18 335	-	
Derivatives held for trading	83 529	85 469	3 597 389	2 947 046	117 107	43 881	489 354	
Interest rate swaps	(1 194)	3 277	174 645	-	21 234	153 411	-	
Currency forward contracts	-	-	-	-	-	-	-	
Derivatives held for fair value hedge	(1 194)	3 277	174 645	-	21 234	153 411	-	
Interest rate swaps	-	-	115 976	-	80 523	-	35 453	
Currency forward contracts	-	-	1 144 019	821 947	322 072	-	-	
Derivatives held for cash flow hedge	-	-	1 259 995	821 947	402 595	-	35 453	
Total	82 335	88 746	5 032 029	3 768 993	540 936	197 292	524 807	

JD '000

December 31, 2008

	Positive fair value	Negative fair value	Total notional amount	Notional amounts by maturity			
				Within 3 months	From 3 months to 1 year	From 1 year to 3 years	More than 3 years
Interest rate swaps	44 630	44 622	176 636	-	36 091	81 509	59 036
Currency forward contracts	3 830	2 965	2 163 190	863 468	1 299 722	-	-
Derivatives held for trading	48 460	47 587	2 339 826	863 468	1 335 813	81 509	59 036
Interest rate swaps	98	11 458	217 977	143 739	66 847	7 391	-
Currency forward contracts	-	-	-	-	-	-	-
Derivatives held for fair value hedge	98	11 458	217 977	143 739	66 847	7 391	-
Interest rate swaps	-	-	116 975	-	-	81 521	35 454
Currency forward contracts	-	-	1 304 774	1 107 810	3 306	193 658	-
Derivatives held for cash flow hedge	-	-	1 421 749	1 107 810	3 306	275 179	35 454
Total	48 558	59 045	3 979 552	2 115 017	1 405 966	364 079	94 490

The notional amount represents the value of the transactions at year-end and does not refer to market risk or credit risk.

43 Geographical Distribution of Assets and Revenue

The table below shows the geographical distribution of assets and revenue inside and outside the Hashemite Kingdom of Jordan:

Assets	December 31, JD '000	
	2009	2008
Inside Jordan	5 708 245	5 075 403
Outside Jordan	17 391 246	17 675 599
Total	23 099 491	22 751 002

Revenue	JD '000	
	2009	2008
Inside Jordan	205 448	152 816
Outside Jordan	558 656	643 564
Total	764 104	796 380

44. Business Segments

a. Description of Segments' Activities

The Bank has an integrated group of products and services dedicated to serve the Bank's customers and constantly developed in response to the ongoing changes in the banking business environment.

The following is a summary of these groups' activities:

1. Corporate and Investment Banking

This group provides banking services and finances the following: corporate sector, private projects, foreign trading, small and medium sized projects, and banks and financial institutions.

2. Treasury Group

This group is considered a source of financing for the Bank, in general, and for the strategic business units in particular. It steers the financing of the Bank, and manages both the Bank's liquidity and market risks.

Moreover, this group is responsible for the management of the Bank's assets and liabilities within the framework set by the Assets and Liabilities Committee.

This group is considered the main source in determining the internal transfer prices within the Bank's departments, in addition to being a central unit for the financial organization and main dealing in connection with the following:

- Foreign exchange.
- Foreign exchange derivatives.
- Money market instruments.
- Certificates of deposits.
- Interest rate swaps.
- Other various derivatives.
- Stocks.

3. Private Banking Group

Wealth management and Private Banking Service aim at achieving the utmost return for customers' medium - and long-term investments, while maintaining their initial capital. Moreover, Wealth Management provides two significant services: specialized consultancy services, with an in-depth knowledge in different types of investments, and personalized banking services tailored to the needs of high net worth clients.

4. Retail Banking Group

This group provides banking services to individuals, and endeavors to meet their financial services needs using the best methods, through effective distribution channels, and a variety of product services. Moreover, this group is in direct and close contact with the customers in order to provide them with timely and continuous services through different electronic channels, such as direct phone calls, the internet, and text messaging via cellular phones.

Expansion of the communication center to cover all locations for incoming and outgoing services will enable the Bank to provide exceptional services to customers.

Information about the Bank's Business segments

	2009					JD '000
	Corporate banking	Treasury	Private banking	Retail banking	Other	Total
Net revenue	413 368	282 725	(56 579)	40 672	83 918	764 104
Net inter-segment interest income	(64 485)	(125 697)	62 214	127 968	-	-
Provision for impairment - direct credit facilities	71 215	-	465	9 170	-	80 850
Other provisions	723	2 312	37	1 577	-	4 649
Direct administrative expenses	48 696	12 726	5 869	69 569	-	136 860
Result of operations of segment	228 249	141 990	(736)	88 324	83 918	541 745
Indirect expenses on segments	92 829	32 142	1 790	77 555	12 766	217 082
Profit for the year before income tax	135 420	109 848	(2 526)	10 769	71 152	324 663
Income tax expense	32 076	29 304	(1 200)	3 813	10 631	74 624
Profit (loss) for the year	103 344	80 544	(1 326)	6 956	60 521	250 039

Other information	December 31, 2009					JD '000
	Corporate banking	Treasury	Private banking	Retail banking	Other	Total
Segment assets	9 789 345	10 367 292	14 711	1 245 658	398 304	21 815 310
Inter - segment assets	-	2 511 683	2 076 459	4 726 384	2 058 558	-
Investments in Subsidiaries and Associates	-	-	-	-	1 284 181	1 284 181
TOTAL ASSETS	9 789 345	12 878 975	2 091 170	5 972 042	3 741 043	23 099 491
Segment liabilities	7 277 662	4 017 574	2 091 170	5 972 042	(60 163)	19 298 285
Capital and reserves	-	-	-	-	3 801 206	3 801 206
Inter - segment liabilities	2 511 683	8 861 401	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9 789 345	12 878 975	2 091 170	5 972 042	3 741 043	23 099 491
Depreciation and amortization	6 130	1 402	502	15 214	-	23 247

Information about the Bank's Business segments

	2008					JD '000
	Corporate banking	Treasury	Private banking	Retail banking	Other	Total
Net revenue	430 157	288 368	(66 366)	19 069	125 152	796 380
Net inter-segment interest income	(92 485)	(138 446)	77 918	153 013	-	-
Provision for impairment - direct credit facilities	(12 063)	-	78	8 536	-	(3 449)
Other provisions	-	3 171	-	-	-	3 171
Direct administrative expenses	44 372	9 204	3 409	45 651	-	102 636
Result of operations of segment	305 363	137 547	8 065	117 895	125 152	694 022
Indirect expenses on segments	114 463	26 493	8 244	94 980	-	244 180
Profit for the year before income tax	190 900	111 054	(179)	22 915	125 152	449 842
Income tax expense	37 311	28 053	294	8 173	15 837	89 668
profit (loss) for the year	153 589	83 001	(473)	14 742	109 315	360 174

	December 31, 2008					JD '000
	Corporate banking	Treasury	Private banking	Retail banking	Other	Total
Other information						
Segment assets	10 701 518	9 326 765	9 832	1 264 347	206 894	21 509 356
Inter - segment assets	-	3 019 662	2 040 844	4 230 980	2 412 077	-
Investments in Subsidiaries and Associates	-	-	-	-	1 241 646	1 241 646
Total assets	10 701 518	12 346 427	2 050 676	5 495 327	3 860 617	22 751 002
Segment liabilities	7 681 856	3 662 526	2 050 676	5 495 327	280 663	19 171 048
Capital and reserves	-	-	-	-	3 579 954	3 579 954
Inter - segment liabilities	3 019 662	8 683 901	-	-	-	-
Total liabilities and shareholders' equity	10 701 518	12 346 427	2 050 676	5 495 327	3 860 617	22 751 002
Depreciation and amortization	9 518	2 289	692	8 456	-	20 955

45- Banking Risk Management

The Bank manages its various risks by methods within a comprehensive strategy that defines the risks and the related methods to meet them and mitigate them. Risk management is exercised at several levels including the Board of Directors, Chief Executive Officer, Asset and Liability Management Committee (ALCO), Group Chief Financial Officer, Global Treasury, Heads of Departments, Group Risk Management, Group Internal Audit, the Strategic Business Units and other supporting units and committees at different managerial levels.

1. Credit Risks Management

Credit risk refers to the risk that the customer / counterparty will default on its contractual obligation resulting in financial insolvency or/and loss to the Bank. Credit risks arise in the course of the normal activities of the Bank.

In pursuit of improving the size of businesses and increasing the loans and facilities portfolio, the Bank always cares to adopt the highest credit standards and best methods and techniques on credit management, thus maintaining the high quality of the credit portfolio.

Moreover, the Bank enforces the corporate framework that governs credit management through continuously developing and upgrading the related policies and procedures.

- Credit Concentration

The Bank's credit concentration is subject to specific limits set by the Central Bank of Jordan, which requires that credit concentration should not exceed 25% of regulatory capital.

- Criteria for Credit Ratings

1. Borrowers' Strength

The borrowers' strength is measured based on the nature of the economic sector, competitiveness, financial performance, cash flow, financial position and management.

2. Credit Risk Classification

Credit risk classification is measured on the basis of guarantees, structure of the loan, duration and collateral.

- Risk Management Mitigations

The Bank offers the appropriate facilities structure, monitors and follows up on the utilization of the facilities and obtains proper collaterals (as a second source of payment) to mitigate credit risks.

- Credit Facilities Analysis

The Bank has independent managerial units in charge of studying, monitoring, and following up on credit utilization and repayment of facilities. These units are the credit relationships development unit, analysis unit, execution unit and monitoring unit.

2. Geographic Concentrations Risk

The Bank reduces the geographic concentration risk through distributing its operations over various sectors and various geographic locations inside and outside the Kingdom.

Note (46-e) shows the details of the geographical distribution of assets.

3. Interest Rate Risk

Interest rate risk arises from the potential changes in interest rates. The Bank has several committees, with duties to mitigate these risks to a minimum. Note (48) shows the details of the interest gap sensitivity of the Bank.

4. Liquidity Risks

Liquidity risk is defined as the inability to raise adequate funds to meet the Bank's either short-term or long-term obligations. The Bank has several managerial levels, with duties to review and manage assets, liabilities and liquidity. Note (49) shows the maturities of the assets and liabilities of the Bank.

5. Foreign Currencies Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The major part of income from foreign currency exchange differences comes from dealing with the Bank's customers. Moreover, the Bank follows studied policies in managing its foreign currencies risks. Note (50) shows the net positions of foreign currencies.

6. Market Risks

Market risk is defined as the potential loss in the value of financial instruments. The Bank manages this risk through several units that supervise, monitor, and manage these risks.

The Bank continuously follows up on developments and changes in the global financial markets, and implements procedures designed to mitigate those risks through applying several methods, such as entering into hedges and swaps when needed.

46 Credit Risk

A. Gross exposure to credit risk (net of impairment provision and prior to other risk collaterals).

	December 31, JD'000	
	2009	2008
Credit risk exposures relating to assets:		
Balances with central banks	3 807 817	2 820 006
Balances with banks and financial institutions	2 782 746	3 263 567
Deposits with banks and financial institutions	236 092	369 429
Financial assets at fair value through P&L - held for trading	50 706	67 952
Financial assets at fair value through P&L - designated	50 427	108 940
Financial derivatives - positive fair value	82 335	48 558
Direct credit facilities	10 138 208	10 839 672
Financial assets - available for sale	3 256 908	2 161 778
Financial assets - held to maturity	569 663	939 893
Other assets	139 916	230 057
Credit risk exposures relating to items off the statement of financial position:		
Letters of credit	1 158 688	1 090 463
Acceptances	247 942	280 112
Letters of guarantee	7 585 537	7 302 546
Unused credit facilities	1 780 395	1 989 272
Total	31 887 380	31 512 245

B. Classification of Direct Credit Facilities Based on Credit Risk

The table below shows the amount of direct credit facilities for each internal credit scoring:

	December 31, 2009					JD '000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Low risk	174 029	138 209	1 171 394	233 980	235 691	1 953 303
Acceptable risk	1 028 520	385 950	5 508 978	284 097	389 688	7 597 233
Watch list	13 230	15 951	63 798	-	-	92 979
Non-performing:	69 522	137 658	628 629	41 176	433	877 418
Substandard	16 878	3 647	538 742	41 098	-	600 365
Doubtful	13 121	29 274	16 649	78	-	59 122
Problematic	39 523	104 737	73 238	-	433	217 931
Total	1 285 301	677 768	7 372 799	559 253	625 812	10 520 933
Less: interest and commission in suspense	8 486	55 366	23 184	172	-	87 208
Less: provision for impairment	48 084	67 209	169 729	10 262	233	295 517
Total	1 228 731	555 193	7 179 886	548 819	625 579	10 138 208

	December 31, 2008					JD '000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Low risk	277 377	161 978	1 052 562	798 100	745 472	3 035 489
Acceptable risk	963 255	464 310	6 302 686	-	-	7 730 251
Watch list	9 046	19 491	59 328	-	-	87 865
Non-performing:	45 093	186 394	57 381	-	-	288 868
Substandard	16 335	15 707	26 547	-	-	58 589
Doubtful	7 721	55 500	5 486	-	-	68 707
Problematic	21 037	115 187	25 348	-	-	161 572
Total	1 294 771	832 173	7 471 957	798 100	745 472	11 142 473
Less: interest and commission in suspense	1 861	63 542	20 129	-	-	85 532
Less: provision for impairment	37 489	75 918	103 630	-	232	217 269
Total	1 255 421	692 713	7 348 198	798 100	745 240	10 839 672

C. Fair Value of Collaterals Obtained Against Direct Credit Facilities:

Collaterals against direct credit facilities of	December 31, 2009					JD'000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Low risk	47 225	120 662	708 210	-	80 135	956 232
Acceptable risk	284 020	347 634	1 882 618	-	236	2 514 508
Watch list	7 876	11 183	32 918	-	-	51 977
Non-performing:	15 629	22 770	88 868	-	11	127 278
Substandard	6 807	3 942	20 266	-	-	31 015
Doubtful	3 703	7 953	25 009	-	-	36 665
Problematic	5 119	10 875	43 593	-	11	59 598
Total	354 750	502 249	2 712 614	-	80 382	3 649 995

Of which :	JD'000					
Cash margins	49 073	106 750	682 092	-	29 444	867 359
Accepted letters of guarantees	-	71 146	129 219	-	-	200 365
Real estate properties	16 224	176 838	1 113 219	-	-	1 306 281
Listed securities	557	5 618	170 166	-	-	176 341
Vehicles and equipment	30 520	8 046	177 450	-	-	216 016
Other	258 376	133 851	440 468	-	50 938	883 633
Total	354 750	502 249	2 712 614	-	80 382	3 649 995

Collaterals against direct credit facilities of	December 31, 2008					JD '000
	Retail	Corporates		Banks and financial institutions	Government and public sector	Total
		Small and medium	Large			
Low risk	43 873	191 211	1 314 428	-	116 524	1 666 036
Acceptable risk	378 804	378 679	1 758 801	-	51 098	2 567 382
Watch list	6 533	11 555	38 671	-	-	56 759
Non-performing:	20 584	86 950	24 073	78	-	131 685
Substandard	7 627	15 880	10 608	-	-	34 115
Doubtful	7 601	22 284	2 891	78	-	32 854
Problematic	5 356	48 786	10 574	-	-	64 716
Total	449 794	668 395	3 135 973	78	167 622	4 421 862

Of which :	JD '000					
Cash margins	43 940	183 119	786 478	78	1 930	1 015 545
Accepted letters of guarantees	71	17 611	161 755	-	1 000	180 437
Real estate properties	35 867	273 255	1 312 095	-	-	1 621 217
Listed securities	762	4 268	230 155	-	9 941	245 126
Vehicles and equipment	64 305	22 268	145 213	-	-	231 786
Other	304 849	167 874	500 277	-	154 751	1 127 751
Total	449 794	668 395	3 135 973	78	167 622	4 421 862

D. Classification of debt securities facilities based on credit risk

The table below analyzes the credit exposure of the debt securities using the rating by global credit rating agencies:

Credit rating	December 31, 2009				JD'000
	Financial assets at fair value through P&L - held for trading	Financial assets at fair value through P&L - designated	Financial assets - available for sale	Financial assets - held to maturity	Total
Private sector:					
- AAA to A-	50 412	21 783	395 012	-	467 207
- BBB+ to B-	-	10 209	319 855	-	330 064
- Below B-	-	-	-	-	-
- Unrated	294	7 504	141 012	11 245	160 055
Government and public sector	-	10 931	2 401 029	558 418	2 970 378
Total	50 706	50 427	3 256 908	569 663	3 927 704

Credit rating	December 31, 2008				JD'000
	Financial assets at fair value through P&L - held for trading	Financial assets at fair value through P&L - designated	Financial assets - available for sale	Financial assets - held to maturity	Total
Private sector:					
- AAA to A-	3 004	46 776	634 511	7 091	691 382
- BBB+ to B-	-	22 779	214 848	-	237 627
- Below B-	-	-	-	-	-
- Unrated	294	13 703	37 323	42 125	93 445
Governments and public sector	64 654	25 682	1 275 096	890 677	2 256 109
Total	67 952	108 940	2 161 778	939 893	3 278 563

E. Credit Exposure Categorized by Geographical Region

	December 31, 2009					JD '000
	Jordan	Other Arab countries	Asia *	Europe	America	Total
Balances with central banks	2 278 977	1 528 161	679	-	-	3 807 817
Balances and deposits with banks and financial institutions	148 585	1 320 425	34 285	1 450 109	65 435	3 018 839
Financial assets at fair value through P&L - held for trading	294	-	-	50 412	-	50 706
Financial assets at fair value through P&L - designated	-	-	50 427	-	-	50 427
Direct credit facilities	2 177 005	7 244 498	295 210	421 321	174	10 138 208
Financial assets - available for sale	891 478	1 731 316	95 509	166 610	371 995	3 256 908
Financial assets - held to maturity	130 359	435 514	3 790	-	-	569 663
Other assets	81 547	201 761	4 301	-	515	288 124
Total	5 708 245	12 461 675	484 201	2 088 452	438 119	21 180 692

* Excluding Arab Countries.

	December 31, 2008					JD '000
	Jordan	Other Arab countries	Asia *	Europe	America	Total
Balances with central banks	1 340 727	1 478 996	283	-	-	2 820 006
Balances and deposits with banks and financial institutions	16 918	2 927 424	4 874	681 719	2 061	3 632 996
Financial assets at fair value through P&L - held for trading	294	64 654	-	3 004	-	67 952
Financial assets at fair value through P&L - designated	-	-	108 940	-	-	108 940
Direct credit facilities	2 278 800	8 137 127	269 219	154 526	-	10 839 672
Financial assets - available for sale	421 588	1 285 691	80 224	17 755	356 520	2 161 778
Financial assets - held to maturity	563 542	373 394	2 957	-	-	939 893
Other assets	69 980	164 394	5 910	60 207	2 007	302 498
Total	4 691 849	14 431 680	472 407	917 211	360 588	20 873 735

* Excluding Arab Countries.

F. Credit Exposure Categorized by Economic Sector

	Corporates				
	Retail	Industry and mining	Constructions	Real - estate	Trade
Financial assets at fair value through P&L - held for trading	-	-	-	294	-
Financial assets at fair value through P&L - designated	-	-	-	17 712	-
Direct credit facilities	1 228 735	2 405 859	946 963	967 102	1 866 947
Financial assets - available for sale	-	12 102	-	62 154	10 632
Financial assets - held to maturity	-	1 560	-	4 000	-
Total	1 228 735	2 419 521	946 963	1 051 262	1 877 579

	Corporates				
	Retail	Industry and mining	Constructions	Real - estate	Trade
Financial assets at fair value through P&L - held for trading	-	-	-	294	-
Financial assets at fair value through P&L - designated	-	-	-	29 548	11 175
Direct credit facilities	1 255 421	1 925 262	1 788 554	665 815	1 210 263
Financial assets - available for sale	-	53 658	776	55 556	40 737
Financial assets - held to maturity	-	3 155	-	32 091	-
Total	1 255 421	1 982 075	1 789 330	783 304	1 262 175

JD '000

December 31, 2009

Corporates				Banks and financial institutions	Government and public sector	Total
Agriculture	Tourism and hotels	Transportation	General Services			
-	-	-	-	50 412	-	50 706
-	-	-	21 784	-	10 931	50 427
54 747	224 224	329 113	1 000 279	488 660	625 579	10 138 208
-	-	7 092	21 353	742 546	2 401 029	3 256 908
-	-	-	500	5 185	558 418	569 663
54 747	224 224	336 205	1 043 916	1 286 803	3 595 957	14 065 912

JD '000

December 31, 2008

Corporates				Banks and financial institutions	Government and public sector	Total
Agriculture	Tourism and hotels	Transportation	General Services			
-	-	-	-	3 004	64 654	67 952
-	-	-	20 922	21 613	25 682	108 940
46 310	244 614	206 659	1 953 202	798 100	745 472	10 839 672
-	3 740	40 100	110 101	582 014	1 275 096	2 161 778
-	-	-	500	13 471	890 677	939 894
46 310	248 354	246 759	2 084 725	1 418 202	3 001 581	14 118 236

47. Market Risk

Market Risk Sensitivity

Assuming market prices as at December 31, 2009 and 2008 change by 5%, the impact on the income statement and shareholders' equity will be as follows:

JD '000

	December 31, 2009			December 31, 2008		
	Statement of income	Shareholders' equity	Total	Statement of income	Shareholders' equity	Total
Interest rate sensitivity	16 843	3 515	20 358	17 083	1 914	18 997
Foreign exchange rate	3 816	43 656	47 472	9 312	43 124	52 436
Share prices	68	10 990	11 058	191	11 121	11 312
Total	20 727	58 161	78 888	26 586	56 159	82 745

48. Interest Rate Risk

A. Exposure to Interest Rate Volatility as at December 31, 2009 (Classification is based on interest rate repricing or maturity date, whichever is nearer).

Assets	December 31, 2009						JD'000
	Within 3 months	After 3 months and before 6 months	After 6 months and before 1 year	After 1 year and before 3 years	After 3 years	Not tied to interest rate risk	Total
Cash at vaults	-	-	-	-	-	197 002	197 002
Mandatory cash reserve with Central Bank	-	-	-	-	-	837 851	837 851
Balances with central banks	2 708 282	21 277	-	72 176	31 915	136 316	2 969 966
Balances and deposits with banks and financial institutions	2 487 926	176 449	59 643	-	-	294 820	3 018 838
Financial assets at fair value through P & L - held for trading	50 412	294	-	-	-	1 368	52 074
Financial assets at fair value through P & L - designated	42 735	7 692	-	-	-	-	50 427
Direct credit facilities	5 369 989	1 410 420	884 070	1 047 348	1 426 381	-	10 138 208
Financial assets - available for sale	1 184 229	759 721	481 177	525 481	306 300	219 794	3 476 702
Financial assets - held to maturity	284 098	86 842	110 450	84 261	4 012	-	569 663
Investment in subsidiaries and associates	-	-	-	-	-	1 284 181	1 284 181
Fixed assets	-	-	-	-	-	199 873	199 873
Other assets	-	-	-	-	-	288 124	288 124
Deferred tax assets	-	-	-	-	-	16 582	16 582
Total assets	12 127 671	2 462 695	1 535 340	1 729 266	1 768 608	3 475 911	23 099 491
Liabilities and Shareholders' Equity							
Banks' and financial institutions' deposits	2 778 577	209 174	31 135	14 185	-	198 371	3 231 442
Customer deposits	8 662 168	600 129	581 422	49 303	21 735	3 070 591	12 985 348
Cash margins	1 954 349	122 336	81 838	140	-	35 390	2 194 053
Borrowed funds	354 610	-	-	-	-	-	354 610
Provision for income tax	-	96 322	-	-	-	-	96 322
Other provisions	-	-	-	-	-	65 584	65 584
Other liabilities	-	-	-	-	-	358 634	358 634
Deferred tax liabilities	-	-	-	-	-	12 292	12 292
Shareholders' equity	-	-	-	-	-	3 801 206	3 801 206
Total liabilities and shareholders' equity	13 749 704	1 027 961	694 395	63 628	21 735	7 542 068	23 099 491
Gap	(1 622 033)	1 434 734	840 945	1 665 638	1 746 873	(4 066 157)	-
Accumulated gap	(1 622 033)	(187 299)	653 646	2 319 284	4 066 157	-	-

B. Exposure to Interest Rate Volatility as at December 31, 2008 (Classification is based on interest rate repricing or maturity date, whichever is nearer).

	December 31, 2008						JD '000
	Within 3 months	After 3 months and before 6 months	After 6 months and before 1 year	After 1 year and before 3 years	After 3 years	Not tied to interest rate risk	Total
Assets							
Cash at vaults	-	-	-	-	-	206 121	206 121
Mandatory cash reserve with Central Bank	-	-	-	-	-	819 931	819 931
Balances with central banks	1 538 024	119 736	-	21 276	102 837	218 202	2 000 075
Balances and deposits with banks and financial institutions	2 787 122	303 670	65 618	7 722	141	468 723	3 632 996
Financial assets at fair value through P & L - held for trading	60 905	6 753	-	294	-	3 827	71 779
Financial assets at fair value through P & L - designated	36 067	54 091	12 499	6 283	-	-	108 940
Direct credit facilities	5 461 990	1 736 436	1 589 806	541 716	1 509 724	-	10 839 672
Financial assets - available for sale	1 059 180	211 878	629 401	166 219	95 100	222 427	2 384 205
Financial assets - held to maturity	298 873	320 199	137 388	165 728	17 705	-	939 893
Investment in subsidiaries and associates	-	-	-	-	-	1 241 646	1 241 646
Fixed assets	-	-	-	-	-	184 221	184 221
Other assets	-	-	-	-	-	302 498	302 498
Deferred tax assets	-	-	-	-	-	19 025	19 025
Total assets	11 242 161	2 752 763	2 434 712	909 238	1 725 507	3 686 621	22 751 002
Liabilities and Shareholders' Equity							
Banks' and financial institutions' deposits	2 671 425	64 073	13 957	-	-	461 719	3 211 174
Customer deposits	9 267 566	653 518	337 693	211 963	42 562	2 738 941	13 252 243
Cash margins	900 408	286 251	262 079	89 302	248 877	-	1 786 917
Borrowed funds	354 610	-	-	-	-	25 000	379 610
Provision for income tax	-	-	-	-	-	102 916	102 916
Other provisions	-	-	-	-	-	67 200	67 200
Other liabilities	-	-	-	-	-	362 430	362 430
Deferred tax liabilities	-	-	-	-	-	8 558	8 558
Shareholders' equity	-	-	-	-	-	3 579 954	3 579 954
Total liabilities and shareholders' equity	13 194 009	1 003 842	613 729	301 265	291 439	7 346 718	22 751 002
Gap	(1 951 848)	1 748 921	1 820 983	607 973	1 434 068	(3 660 097)	-
Accumulated gap	(1 951 848)	(202 927)	1 618 056	2 226 029	3 660 097	-	-

49. Liquidity Risk**A. The details of the Maturity of Assets and Liabilities as at December 31, 2009:**

JD '000

	December 31, 2009							Total
	Within 1 month	After 1 month and before 3 months	After 3 months and before 6 months	After 6 months and before 1 year	After 1 year and before 3 years	After 3 years	Not tied to maturity	
Assets								
Cash at vaults	-	-	-	-	-	-	197 002	197 002
Mandatory cash reserve with Central Banks	-	-	-	-	-	-	837 851	837 851
Balances with central banks	2 653 095	55 187	21 277	-	72 176	31 915	136 316	2 969 966
Balances and deposits with banks and financial institutions	1 207 528	1 280 398	176 449	59 643	-	-	294 820	3 018 838
Financial assets at fair value through P&L - held for trading	-	-	294	-	36 060	14 352	1 368	52 074
Financial assets at fair value through P&L - designated	-	-	7 504	13 840	29 083	-	-	50 427
Direct credit facilities	2 110 873	691 252	844 745	927 506	3 450 201	2 113 631	-	10 138 208
Financial assets - available for sale	171 629	234 204	438 838	601 546	1 098 331	712 360	219 794	3 476 702
Financial assets - held to maturity	134 492	124 414	82 234	110 450	98 441	19 632	-	569 663
Investment in subsidiaries and associates	-	-	-	-	-	-	1 284 181	1 284 181
Fixed assets	-	-	-	-	-	-	199 873	199 873
Other assets	4 324	5 800	8 792	-	-	-	269 208	288 124
Deferred tax assets	-	-	-	-	-	-	16 582	16 582
Total assets	6 281 941	2 391 255	1 580 133	1 712 985	4 784 292	2 891 890	3 456 995	23 099 491
Liabilities and Shareholders' Equity								
Banks' and financial institutions' deposits	1 490 032	1 222 384	271 238	35 233	14 184	-	198 371	3 231 442
Customer deposits	4 764 197	1 786 632	586 605	600 806	243 484	23 007	4 980 617	12 985 348
Cash margins	847 801	1 105 405	122 629	82 688	140	-	35 390	2 194 053
Borrowed funds	-	-	-	-	354 610	-	-	354 610
Provision for income tax	-	96 322	-	-	-	-	-	96 322
Other provisions	-	-	-	-	-	-	65 584	65 584
Other liabilities	28 490	34 826	15 237	1 112	-	-	278 969	358 634
Deferred tax liabilities	-	-	-	-	-	-	12 292	12 292
Shareholders' equity	-	-	-	-	-	-	3 801 206	3 801 206
Total liabilities and shareholders' equity	7 130 520	4 245 569	995 709	719 839	612 418	23 007	9 372 429	23 099 491
Gap	(848 579)	(1 854 314)	584 424	993 146	4 171 874	2 868 883	(5 915 434)	-
Accumulated gap	(848 579)	(2 702 893)	(2 118 469)	(1 125 323)	3 046 551	5 915 434	-	-

B. Maturity of Assets and Liabilities as at December 31, 2008

	December 31, 2008							JD '000
	Within 1 month	After 1 month and before 3 months	After 3 months and before 6 months	After 6 months and before 1 year	After 1 year and before 3 years	After 3 years	Not tied to maturity	Total
Assets								
Cash at vaults	-	-	-	-	-	-	206 121	206 121
Mandatory cash reserve with Central Banks	-	-	-	-	-	-	819 931	819 931
Balances with central banks	1 236 757	301 267	119 736	-	21 276	102 837	218 202	2 000 075
Balances and deposits with banks and financial institutions	2 060 776	734 068	303 670	65 618	-	141	468 723	3 632 996
Financial assets at fair value through P&L - held for trading	-	57 901	6 753	-	3 298	-	3 827	71 779
Financial assets at fair value through P&L - designated	-	3 552	7 421	-	77 375	20 592	-	108 940
Direct credit facilities	3 350 973	2 111 017	1 736 436	1 589 806	541 716	1 509 724	-	10 839 672
Financial assets - available for sale	386 564	227 238	164 776	123 219	867 963	392 018	222 427	2 384 205
Financial assets - held to maturity	139 490	134 569	243 565	144 480	252 407	25 382	-	939 893
Investment in subsidiaries and associates	-	-	-	-	-	-	1 241 646	1 241 646
Fixed assets	-	-	-	-	-	-	184 221	184 221
Other assets	21 750	43 514	65 263	-	-	-	171 971	302 498
Deferred tax assets	-	-	-	-	-	-	19 025	19 025
Total assets	7 196 310	3 613 126	2 647 620	1 923 123	1 764 035	2 050 694	3 556 094	22 751 002
Liabilities and Shareholders' Equity								
Banks' and financial institutions' deposits	2 378 225	383 733	64 073	13 957	-	-	371 186	3 211 174
Customer deposits	6 156 114	1 507 875	653 518	337 693	211 963	42 561	4 342 519	13 252 243
Cash margins	552 407	348 001	286 251	262 079	89 302	248 877	-	1 786 917
Borrowed funds	-	25 000	-	-	-	354 610	-	379 610
Provision for income tax	-	-	-	-	-	-	102 916	102 916
Other provisions	-	-	-	-	-	-	67 200	67 200
Other liabilities	11 375	22 749	34 121	-	-	-	294 185	362 430
Deferred tax liabilities	-	-	-	-	-	-	8 558	8 558
Shareholders' equity	-	-	-	-	-	-	3 579 954	3 579 954
Total liabilities and shareholders' equity	9 098 121	2 287 358	1 037 963	613 729	301 265	646 048	8 766 518	22 751 002
Gap	(1 901 811)	1 325 768	1 609 657	1 309 394	1 462 770	1 404 646	(5 210 424)	-
Accumulated gap	(1 901 811)	(576 043)	1 033 614	2 343 008	3 805 778	5 210 424	-	-

50. Net Foreign Currency Positions

The details of this item are as follows:

	December 31, 2009		December 31, 2008	
	Base Currency in Thousand	Equivalent in JD '000	Base Currency in Thousand	Equivalent in JD '000
USD	103 741	74 602	(9 911)	(7 029)
GBP	70	(114)	6 158	6 306
EUR	689	626	8 659	8 646
JPY	140 766	1 095	3 992 591	31 362
Other currencies *	-	(2 394)	-	139 934
Total		73 815		179 219

* Various foreign currencies translated to Jordanian Dinars.

51. Fair Value of Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities not stated at fair value.

The details of this item are as follows:

	December 31, 2009		December 31, 2008	
	Book value	Fair value	Book value	Fair value
JD '000				
ASSETS				
Cash and balances with central banks	4 004 819	4 005 270	3 026 127	3 045 119
Balances and deposits with banks and financial institutions	3 018 838	3 026 266	3 632 996	3 644 147
Financial assets - held to maturity	569 663	574 704	939 893	946 981
Direct credit facilities	10 138 208	10 162 256	10 839 672	10 884 224
LIABILITIES				
Banks' and financial institutions' deposits	3 231 442	3 237 323	3 211 174	3 217 835
Customer deposits	12 985 348	13 023 548	13 252 243	13 298 602
Cash margins	2 194 053	2 198 421	1 786 917	1 792 471
Borrowed funds	354 610	354 610	379 610	380 051

B. Financial assets and financial liabilities stated at fair value

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 (not adjusted) 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 (not observable inputs).

The Details of this item are as follows:

	December 31, 2009			JD '000
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through P&L - held for trading	52 074	-	-	52 074
Financial assets at fair value through P&L - designated	50 427	-	-	50 427
Financial derivatives - positive fair value	-	82 335	-	82 335
Financial assets - available for sale	1 804 486	-	-	1 804 486
TOTAL ASSETS	1 906 987	82 335	-	1 989 322
LIABILITIES				
Financial derivatives - negative fair value	-	88 746	-	88 746
TOTAL LIABILITIES	-	88 746	-	88 746

52. Contractual Maturity of the Contingent Accounts

The table below details the maturity of expected liabilities and commitments on the basis of contractual maturity:

	December 31, 2009			JD '000
	Within 1 year	After 1 year and before 5 years	After 5 years	Total
Letters of credit	1 140 582	8 747	9 359	1 158 688
Acceptances	247 895	47	-	247 942
Letters of guarantee:				
Payment guarantees	363 146	14 589	16	377 751
Performance guarantees	1 397 910	613 049	4 820	2 015 779
Other guarantees	2 417 982	1 804 728	969 297	5 192 007
Unutilized credit facilities	1 337 039	351 896	91 460	1 780 395
Total	6 904 554	2 793 056	1 074 952	10 772 562

	JD '000			
Constructions projects contracts	8 922	4 513	-	13 435
Procurement contracts	8 311	252	-	8 563
Rent contracts	44	6	13 168	13 218
Total	17 277	4 771	13 168	35 216

	December 31, 2008			JD '000
	Within 1 year	After 1 year and before 5 years	After 5 years	Total
Letters of credit	1 026 199	54 905	9 359	1 090 463
Acceptances	278 484	1 574	54	280 112
Letters of guarantee:				
Payment guarantees	518 207	23 824	7	542 038
Performance guarantees	1 168 636	595 667	41 080	1 805 383
Other guarantees	2 523 096	2 012 720	419 309	4 955 125
Unutilized credit facilities	1 446 638	331 155	211 479	1 989 272
Total	6 961 260	3 019 845	681 288	10 662 393
Constructions projects contracts	22 820	-	-	22 820
Procurement contracts	4 633	1 004	1 527	7 164
Rent contracts	-	674	-	674
Total	27 453	1 678	1 527	30 658

53. Capital Management

The Bank manages its capital to safeguard its ability to continue as a going concern while maximizing the return to shareholders. The composition of the regulatory capital as defined by Basel Committee is as follows:

	JD'000	
	December 31,	
	2009	2008
A- CORE CAPITAL		
Share capital	534 000	534 000
Statutory reserve	285 460	253 000
Voluntary reserve	614 920	550 000
Share Premium	859 937	859 951
General reserve	1 066 674	1 066 674
Retained earnings	77	(385)
Treasury shares	(1 064)	(2 373)
Total core capital	3 360 004	3 260 867
B- SUPPLEMENTARY CAPITAL		
Foreign operations translation reserve	126 192	104 681
Available - for - sale financial assets revaluation reserve	(31 507)	(113 466)
General banking risk reserve	131 175	145 905
Total supplementary capital	225 860	137 120
C. Investments in Banks and Financial Institutions		
Regulatory capital (A+B-C)	1 509 534	1 434 177
Regulatory capital (A+B-C)	2 076 330	1 963 810
Risk-weighted assets	12 230 830	13 763 261
Regulatory capital / risk-weighted assets	16.98%	14.27%
Core capital / risk-weighted assets	16.98%	14.27%

- The Board of Directors performs over all review of the capital structure of the Bank quarterly. As part of such review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.
- The minimum level of the capital adequacy ratio as defined by Basel Committee is 8% and 12% as per the instructions of the Central Bank of Jordan. The capital adequacy ratio of the Bank as at December 31, 2009 was 16.72% (14.27% as at December 31, 2008).

54. Transactions with Related Parties

The details of this item are as follows:

	JD '000	
	December 31,	
	2009	2008
Subsidiaries, sister companies and associates:		
Due from sister and subsidiaries	1 730 988	2 126 674
Due from associates	138 801	296 092
Deposits from sister and subsidiaries	1 128 627	1 190 464
Deposits from associates	165 502	12 951
Interest income from sister and subsidiaries	29 214	65 945
Interest expense paid to sister and subsidiaries	20 889	35 968
Interest income from associates	745	8 636
Interest expenses paid to associates	553	1 594
Guarantees, acceptances and letters of credit - sister and subsidiaries	72 657	158 093
Guarantees, acceptances and letters of credit - associates	2 207	4 190
Unutilized credit facilities - sister and subsidiaries	1 007	-

	JD '000	
	December 31,	
	2009	2008
Major shareholders and members of the Board of Directors:		
Direct credit facilities	214 924	416 931
Deposits	79 351	47 144
Letters of credit	26 358	31 104
Guarantees	63 553	53 611

- All facilities granted to related parties are performing loans in accordance with the credit rating of the Bank. No provisions for the year have been recorded in relation to impairment in value.
- Interest on facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.
- The salaries and other fringe benefits of the Bank's key management personnel in Jordan and abroad amounted to JD 14.7 million in 2009 (JD 17.7 million in 2008).

55. Cash and Cash Equivalent

The details of this item are as follows:

	JD'000	
	December 31,	
	2009	2008
Cash and balances with central banks maturing within 3 months	3 879 452	2 782 278
Add: balances with banks and financial institutions maturing within 3 months	2 782 746	3 263 567
Less: banks and financial institutions deposits maturing within 3 months	2 910 787	3 133 144
Total	3 751 411	2 912 701

56. Legal Cases

Lawsuits filed against the Bank

- a. Lawsuits have been filed against Arab Bank Plc in which it was alleged that Arab Bank has, through its New York branch, channeled funds to parties described as "terrorists" and "terrorist organizations in Palestine" and has had aided and abetted acts of terrorism which led to the death or the injury of the family members of the claimants. Consequently, the claimants in the said lawsuits are requesting compensation for the damages that have befallen them as a result of the alleged acts of the Bank. No substantial developments have occurred in 2009.

Arab Bank, in the opinion of its management, has been and is still fully respectful of and compliant with all anti-terrorism legislation in all countries in which it operates.

- b. The Bank in New York has entered into an agreement with the Office of the Controller of Currency pursuant to which the branch was converted into a federal agency with limited operations in compliance with the provisions of the US Federal Banking Act. It was also agreed that the federal agency shall be allowed to maintain assets in the amount of USD 420 million.
- c. There are other lawsuits filed against the Bank totaling JD 28.1 million as of December 31, 2009 in comparison to JD 16.2 million as of December 31, 2008. In management's opinion, the Bank will not be held liable for any amount in excess of the provision for lawsuits of JD 4.4 million in 2009 in comparison to JD 2.1 million in 2008.

57. Comparative Figures

Some of the comparative figures have been reclassified to correspond with the current year presentation.



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INDEPENDENT AUDITOR'S REPORT

AM / 218

To the Shareholders
 Arab Bank plc
 Amman – Jordan

We have audited the accompanying financial statements of Arab Bank plc (a Public Shareholding Company), which comprise the statement of financial position as at 31 December 2009, and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Audit • Tax • Consulting • Financial Advisory

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 Deloitte & Touche Tohmatsu

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 an 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 the internal controls 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 controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arab Bank pic as of December 31, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards. We recommend that the General Assembly of Shareholders approve these financial statements.

Report on other Legal and Regulatory Requirements

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

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

Amman -- Jordan
January 28, 2010


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

The Board of Directors confirms that there are no significant issues that may affect the continued operations of the bank during the financial year 2010.

Abdel Hamid A. M. Shoman
Chairman and Chief Executive Officer

Sabih Taher D. Masri
Deputy Chairman

Saleh Saad A. Al-Muhanna
Representing The Ministry of Finance and Economy,
Saudi Arabia

Nazik Odah Al Hariri

Samir Farhan Khalil Kawar

Ibrahim Youssouf Ibrahim Izziddin
Representing The Social Security Corporation,
Jordan

“Mohammed Thabet” Abdulraouf Taher

Mohammed Ahmad M. Hariri

Wahbe Abdullah W. Tamari

Riad Burhan Taher Kamal

AL-SHARIF Faris Abdel Hameed Sharaf Sharaf
Representing Abdul Hameed Shoman Foundation,
Jordan

The Board of Directors confirms its responsibility for the preparation of the financial statements, and for implementing an effective internal control system in line with international standards.

Abdel Hamid A. M. Shoman
Chairman and Chief Executive Officer

Sabih Taher D. Masri
Deputy Chairman

Saleh Saad A. Al-Muhanna
Representing The Ministry of Finance and Economy,
Saudi Arabia

Nazik Odah Al Hariri

Samir Farhan Khalil Kawar

Ibrahim Youssouf Ibrahim Izziddin
Representing The Social Security Corporation,
Jordan

“Mohammed Thabet” Abdulraouf Taher

Mohammed Ahmad M. Hariri

Wahbe Abdullah W. Tamari

Riad Burhan Taher Kamal

AL-SHARIF Faris Abdel Hameed Sharaf Sharaf
Representing Abdul Hameed Shoman Foundation,
Jordan

The Chairman & Chief Executive Officer and the Group Chief Financial Officer attest to the accuracy and completeness of the financial statements and the financial information of this report as at 31 December 2009.

Abdel Hamid A. M. Shoman
Chairman and Chief Executive Officer

GHASSAN HANNA S. TARAZI
Group Chief Financial Officer

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Introduction

Arab Bank attaches considerable importance to the good corporate governance practices and is committed to applying the highest standards of professional competence in all its activities. The Bank follows the guidelines of the Central Bank of Jordan, which are based on Basel Committee recommendations on corporate governance. It also observes the regulatory requirements of other countries in which it operates.

Arab Bank pioneered corporate governance practices in the Middle East. In early 1996 the Audit Committee was established, and in 2002, a special committee for corporate governance was created. In 2006, the Selection and Remuneration Committee was formed, and in year 2007 the Risk Management Committee and the Corporate Strategy Committee were established. The Board, with all its members in attendance, holds regular and extraordinary meetings to discuss the strategic direction of the Bank and the changes in the key indicators affecting the general strategy of the Bank.

This Corporate Governance of the Bank is based on the Code of Corporate Governance for Banks in Jordan issued by the Central Bank of Jordan. It is in alignment with the current Jordanian Banking Law, the current Jordanian Corporations Law and the Articles of Association and Memorandum of Association of the Bank.

This Code will be kept under review, and will be developed and amended as required from time to time to meet the changing needs and expectations of the Bank and the marketplace.



The Pillars of the Code:

1) Commitment to Corporate Governance

The Bank has a well established framework for good corporate governance which provides a solid basis for an effective relationship between the Bank, its Board of Directors, its shareholders and other interest groups. The general framework for corporate governance ensures equitable treatment for all shareholders, and recognizes the established legal rights of both minority and foreign shareholders. It also guarantees the availability of timely and precise information in all material matters concerning the Bank along with the accountability of the Board to the Bank and the shareholders.

The Bank has prepared this Code in compliance with the requirements of the Code of Corporate Governance for Banks in Jordan issued by the Central Bank of Jordan. This Code also reflects the needs and policies of the Bank. This Code has been approved by the Board in its meeting on 30/2007/12/ and an up-to-date version of the Code is available to the public on request and is also posted on the Bank's website.

The Bank publicly reports its compliance with the Code on an annual basis, where necessary detailing how each provision of the Code has been implemented and, where relevant, where and why the Bank's executive management has adopted procedures that are different from those recommended by the Code.

2) The Board of Directors

a) General principles

- i) The primary responsibility of the Board is to protect and maximize the interests of the shareholders in the long term. For this purpose Board bears the full responsibility for corporate governance, including setting the strategy of the Bank and the goals of the executive management and overseeing the implementation to achieve those goals.
- ii) The Board of Directors has overall responsibility for the operations and the financial soundness of the Bank. It aims to ensure that the interests of shareholders, depositors, creditors, employees, and other stakeholders, including the Central Bank of Jordan, are met. The Board ensures that the Bank is managed prudently, within the framework of laws and regulations and the Bank's own policies.
- iii) The Bank affirms that the obligations of each Director are owed to the Bank as a whole, and not to any particular shareholder.
- iv) The Board sets the Bank's strategic goals, as well as overseeing the executive management of the Bank. The day-to-day operations of the Bank are the

responsibility of executive management, but the Board as a whole ensures and certifies that internal control systems are effective and that the Bank's activities comply with strategy, policies and procedures approved by the Board or as required by law or regulation. As a critical element of these internal controls, the Board ensures that all dimensions of the Bank's risk are managed properly.

b) The Chairman / General Manager

- i) The position of Chairman of the Board is separated from that of General Manager. In addition, there is no family relationship up to the third degree between the Chairman and the General Manager. The division of responsibilities is to be set in writing and to be approved by the Board and is subject to review and from time to time as necessary.
- ii) If the Chairman is also an executive, then the Bank will consider appointing an independent member of the Board as a Deputy Chairman to act as an independent resource and conduit for shareholders. The Chairman is an executive if he is a full-time employee and has an operational position in the Bank.
- iii) The status of the Chairman (whether executive or non-executive) should be publicly disclosed.

c) The role of the Chairman of the Board

- i) The Chairman promotes a constructive relationship between the Board and the Bank's executive management, and between the executive Directors and the non-executive Directors.
- ii) The Chairman promotes a culture in the boardroom that encourages constructive criticism and presentation of alternative views on certain issues under consideration, and encourages discussion and voting on those issues.
- iii) The Chairman ensures that both Directors and the Bank's shareholders receive adequate and timely information.
- iv) The Chairman ensures high standards of corporate governance by the Bank.

d) Composition of the Board

- i) The Board shall be comprised of eleven members. It shall be elected by the Annual General Assembly for a term of four years. The Chairman shall be elected by the members of the Board.
- ii) The composition of the Board should attempt to obtain the optimal mix of skills and experience that enable each of them to participate in the Board

discussions with full independence. The Board shall include the General Manager and non-executive members (members who do not occupy operational position in the Bank)

- iii) To foster the Board's independence, the Bank's policy is that the Board should have at least three independent Directors.
- iv) An "independent" Director (whether a natural person or representing legal entity) is one whose directorship constitutes his/her only connection to the Bank, and whose judgment is therefore unlikely to be influenced by external considerations. Minimum standards for an "independent" Director include:
 - (1) A person who has not been employed by the Bank for the preceding three years;
 - (2) Is not a relative (up to the second degree) of an executive of the Bank;
 - (3) Is not receiving payment or compensation from the Bank (other than as a Director);
 - (4) Is not a director or owner of a company with which the Bank does business (other than business relationships made in the ordinary course of business of the Bank and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated parties);
 - (5) Is not, nor in the past three years has been, affiliated with or employed by a present or former external auditor of the Bank; and
 - (6) Is neither a shareholder with an effective interest in the capital of the Bank nor affiliated with one.

e) Board practices

- i) In order to ensure that a full range of topics is considered, the Bank's Board meetings take place at least six times a year.
- ii) The executive management is to schedule a specific topic(s) to be highlighted at each meeting.
- iii) The topics at each meeting shall be discussed comprehensively.
- iv) The Bank's policy is that the Board should include independent element in order that it can exercise objective judgment and to maintain a level of checks and balances to balance the influence of all parties, including executive management and significant shareholders, and ensures that decisions are taken in the Bank's best interest.
- v) The Bank should provide adequate information to Directors sufficiently in advance of meetings to enable them to reach informed decisions.

- vi) The Board Secretary shall record the discussions at all Board meetings.
- vii) The responsibilities of the Board are clearly identified in accordance with relevant legislation. Each Director of the Bank is provided with a formal appointment letter upon his/her election, in which he/she is advised about his/her rights, responsibilities and duties.
- viii) All banking transactions that require Board approval are clearly defined in writing, including:
 - 1) The authority of the Board to approve loans larger than a set amount.
 - 2) The authority of the Board to deal with related parties.
- ix) Directors will keep themselves informed of developments within the Bank, and in the banking industry as a whole, both local and international. The Bank shall provide the Directors with appropriate briefings regarding its activities.
- x) Communication between Directors and committees of the Board with executive management should be facilitated.
- xi) The Bank has drawn up an organizational chart, showing lines of reporting and authority including Board committees and executive management. The portion of the chart showing the more senior levels is made public.
- xii) In addition to the arrangement of Board meetings and the taking of meeting minutes, the Board Secretary shall ensure that Board procedures are followed, and that information is conveyed between the members of the Board, the members of the Board Committees, and the executive management. The function and duties of the Board Secretary are formally defined in writing and, in accordance with this level of responsibility, and the Board Secretary's appointment as well as his/her removal is taken by the unanimous decision of the Board.

f) Board activities: appointments, succession and development

- i) The Board's policy is to appoint a General Manager with proven integrity, technical competence, and experience in banking.
- ii) The Board is required to approve the appointment of some senior executives such as the Chief Financial Officer and the Head of Internal Audit, and to ensure that they have the requisite skills.
- iii) The Board shall, with respect to appointment, succession and development, ensure:
 - 1) The existence of a regulation for occupational levels and grading and another for salary and benefit based on classification and evaluation methodology.

- 2) The existence of career path plans, succession plan, performance management plan, and succession plans for executive managers, which list requirements and competences.
- 3) That the Bank regularly reviews the staff regulations, instruction and benefits, to ensure maximizing the competitiveness of the Bank in response to the latest global trends in Human Resource for the purpose of attracting and retaining high effective personnel.
- 4) That the Bank focuses on providing high level professional qualification programs in areas of expertise needed by the Bank, especially in the fields of compliance, risk management, information security systems and bank secrecy, and that it offers employees the opportunity to gain those qualifications.

g) Board activities: self-assessment and the General Manager performance appraisal

- i) The Board assesses, at least once a year, its own performance as a Board, as well as the standards of accuracy and fairness of the financial statements of the Bank and the extent of compliance with the regulations, using specific and approved evaluation methods. The evaluation method shall be objective and comparable to those used by other similar banks and financial institutions.
- ii) There should be a formal annual evaluation of the General Manager by the Board.

h) Board activities: planning, controls, code of conduct, conflict of interest policy

- i) The Board establishes the Bank's business objectives, and draws up and approves the business strategy for achieving those objectives. Through a planning process, involving input from the Bank's various departments, the executive management draws up business plans that are consistent with these strategies. The Board is required to approve the strategy, and the business plans, and review the Bank's performance against the plan, ensuring that corrective action is taken as needed. The Bank's budgeting process is part of the short-term planning and performance measurement.
- ii) The Board ensures that the Bank maintains a high degree of integrity in its operations. Formal policies, including a code of conduct, and definitions and controls on conflicts of interest and insider dealing, have been established and published. All employees and Directors are required to give their assent to these. The policies include the following:
 - (1) Rules and procedures for related party transactions between the Bank and its employees or Directors or their companies, or other related parties, including lending and share trading transactions. Furthermore bank loans

extended to Directors and/or their companies are made at market rates and not on preferential terms and the Directors involved in any such transaction do not participate in discussions, nor vote on them. Related party transactions are subject to individual approval by those Directors of the Bank who are unrelated to the transaction, and they are disclosed in the Bank's annual report. The Bank's internal controls ensure that all related party transactions are handled in accordance with this policy.

- (2) Clear controls preventing Directors or employees benefiting from the use of insider information are in place.
- iii) The Bank has written policies covering all significant bank activities. Such policies are regularly reviewed to ensure that they conform to any changes in laws and regulations, the economic environment and other circumstances affecting the Bank.
- iv) The Bank as part of its lending and credit approval process, assesses the quality of corporate governance in its corporate borrowers, especially public shareholding companies, including the strength or weakness of their corporate governance practice.

3) Board Committees

a) General principles

- i) The Board is ultimately responsible for the conduct of the Bank's affairs. But for greater efficiency Board Committees have been set up with formally delegated objectives, authorities, responsibilities and tenure. The Board Committees regularly report to the full Board and do not substitute for the Board and its' responsibilities.
- ii) There is a formal and transparent process for appointments to the Board Committees. The membership of Board Committees, together with summaries of their responsibilities and duties, are disclosed in the Bank's annual report.
- iii) The Board may decide to combine the functions of several Committees if appropriate or if administratively more convenient.

b) The Corporate Governance Committee

- i) The corporate governance committee consists the Chairman and three non-executive members.
- ii) The committee oversees corporate governance practices within the Bank and ensures that all aspects of corporate governance are complied with.
- iii) The Committee assumes the responsibility of updating and implementation of this Code.

c) The Audit Committee

- i) The Bank has an Audit Committee that comprises at least three non-executive Directors. Membership of the Audit Committee is disclosed in the Bank's annual report.
- ii) The Bank's policy is that at least two members of the Audit Committee should have relevant financial management qualifications and/or expertise and at least two members of the Audit Committee are independent Directors.
- iii) The Audit Committee has all the duties and responsibilities required by the Banking Law and other relevant laws and regulations, including the duties to review:
 - (1) the scope, results and adequacy of the Bank's internal and external audits,
 - (2) the accounting judgments that are intrinsic to the financial statements; and
 - (3) the Bank's internal controls.
- iv) The Audit Committee recommends to the Board the appointment or the removal, the remuneration, and other contractual terms of the external auditors, in addition to assessing the objectivity of the external auditors, including the consideration of any other non-audit work performed by the external auditors.
- v) The Audit Committee has the ability to obtain any information from executive management, and the ability to call any executive or Director to attend its meetings.
- vi) The Audit Committee meets each of the Bank's external auditors, its internal auditors and its compliance officers, without the presence of the executive management, at least once a year.
- vii) The Bank recognizes that the Audit Committee does not substitute for the responsibilities of the Board or the Bank's executive management for the supervision and adequacy of the Bank's internal control systems.
- viii) The Audit Committee approves the annual audit plan and oversees its implementation. It also reviews audit reports and is responsible to oversee the Internal Audit Department

d) The Selection and Remuneration Committee

- i) The Selection and Remuneration Committee consists of a minimum of three non-executive Directors, the majority of which (including the Committee chairman) are independent.

- ii) The Committee determines whether a Director is 'independent' based on the minimum standards for independence set out in this Code.
- iii) It is responsible for providing background briefing material for Directors as requested, as well as ensuring that they are kept up to date on relevant banking topics. The Bank encourages Directors to attend seminars and events that allow them meet local and international organizations, entities and companies.
- iv) The Selection and Remuneration Committee recommends to the Board the remuneration (including monthly salary and other benefits) of the General Manager. It also reviews the remuneration (including salaries) of other members of the executive management.
- v) The Committee ensures that the Bank has a remuneration policy, which is sufficient to attract and retain qualified individuals, and is in line with the Bank's peers in the market.
- vi) A summary of the Bank's remuneration policy is disclosed in the Annual Report. In particular, the remuneration of individual Directors and the highest paid non-Director executives is disclosed, including salary and benefits in kind.
- vii) Nothing prevents the Selection and Remuneration Committee from nominating members of the Board for a new term according to the Companies Law, taking into consideration their attendance, quality and extent of their participation in the Board meetings. In accordance with the Companies Law, the tenure of the Board expires every four years from the date of election, and each Director may submit himself/herself for re-election at the Annual General Assembly.

E) The Risk Management Committee

- i) The Risk Management Committee is comprised of three Directors and the Chairman/General Manager. It also includes three members of the executive management.
- ii) The Board reviews and approves the risk management strategies and policies of the Bank. Executive management is responsible for implementing the strategies that have been approved by the Board, and for developing the policies and procedures for managing the various types of risks.
- iii) The structure and development of a coherent and comprehensive risk management department within the Bank is to be proposed by executive management, reviewed by the Risk Management Committee, and approved by the Board.

- iv) The Bank considers that, owing to the rapid development and increasing complexity of risk management, the Risk Management Committee should keep itself fully informed of developments in the Bank's risk management. Accordingly, the Committee makes regular reports of this to the Board.
- v) The Board ensures that the Bank has an effective control system and is responsible to oversee its effectiveness. The Board also approves risk management policies and defines their framework.

F) The Corporate Strategy Committee

- i) The Corporate Strategy Committee comprises three Directors as well as the Chairman/General Manager, it also includes as members; the Chief Financial Officer and the Assistant General Manager.
- ii) The Corporate Strategy Committee has the following duties:
 - (1) Oversees all issues related to the Strategy of the Bank and formulates general policies to effectively implement that strategies.
 - (2) Approves strategic decisions and oversees the work of the executive management and management team with regard to;
 - Strategy, business plans and performance for all divisions and business lines,
 - Succession planning for executive managers, and
 - Corporate Actions.
 - (3) Reviews and approves any new investments, acquisitions, mergers and expansion in new markets, and selling of assets of the Bank or of its subsidiary or affiliate companies.

4) Control Environment

a) Internal controls

- i) The Bank's structure of internal controls is reviewed at least once a year by internal and external auditors.
- ii) The Board provides a statement in each annual report on the adequacy of the Bank's internal controls on its financial reporting, it contains:
 - (1) A statement of executive management's responsibility for establishing and maintaining adequate internal control over financial reporting for the Bank;
 - (2) A statement identifying the framework used by executive management to evaluate the effectiveness of the Bank's internal controls;

- (3) The executive management's assessment of the effectiveness of internal control up to the date of the financial statements included in the annual report;
 - (4) Disclosure of any material weaknesses in the internal controls (i.e. a significant deficiency or combination of significant deficiencies that result in the possibility that a material misstatement will not be prevented or detected);
 - (5) A statement that the Bank's external auditor has issued an attestation on the executive management's assessment of the effectiveness of internal controls.
- iii) The Bank has established arrangements that allow staff can confidentially raise concerns about possible irregularities, and that allow for such concerns to be independently investigated and followed up. Such arrangements are overseen and monitored by the Audit Committee.

b) Internal audit

- i) The Bank's policy requires the Internal Audit function of the Bank to be adequately resourced, trained and remunerated. It is to be provided full access to Bank records and staff members and should be given sufficient standing and authority within the Bank to adequately carry out its task. The functions, powers and responsibilities of Internal Audit are documented within the Internal Audit Charter which is approved by the Board and published within the Bank.
- ii) Internal Audit function reports primarily to the Chairman of the Audit Committee.
- iii) To promote independence, internal audit staff do not also have operational responsibilities. The internal audit function is responsible for proposing the structure and scope of the audit schedule, and any potential conflicts of interest are to be reported to the Audit Committee.
- iv) The internal audit function's reports may be discussed with the departments and operational units being reviewed, but it is allowed to operate and make a full and honest report without outside influence or interference.
- v) The primary responsibility of the internal audit function and for conducting risk focused audits, is at least the review of:
 - (1) The Bank's financial reporting, ensuring that significant financial, managerial, and operating information is accurate, reliable and timely; and
 - (2) Compliance with internal policies, international standards and procedures, and applicable laws and regulations;

c) External audit

- i) The Bank requires the regular rotation of the external audit between auditing firms. Should this no longer be practical, then the Bank will at a minimum require the regular rotation of the principal partner in charge of the external audit.
- ii) The external auditors' report is submitted to both the Audit Committee and the Annual General Assembly. The external auditors meet with the Audit Committee, without executive management present, at least once a year.

d) Risk Management

- i) The risk management department within the Bank reports to the Risk Management Committee of the Board, and on a day-to-day operational basis it reports to the General Manager.
- ii) The responsibilities of the Bank's risk management department include:
 - (1) Analysis of all risks including credit risk, market risk, liquidity risk and operational risk;
 - (2) Development of methodologies for the measurement and control of each risk;
 - (3) Recommendation of limits to Risk Management Committee, and the approval, reporting and recording of exceptions to policy;
 - (4) Provision of information on risk metrics and on the Bank's risk profile to senior management and to the Board which reviews the risk statistics of the Bank, both qualitative and quantitative, at each regular Board meeting; and
 - (5) Provision of risk information for use in the Bank's public statements and reporting.
- iii) The functions of the risk management department are assisted by a network of properly constituted, authorized, and documented committees such as credit committees, assets and liabilities/treasury committees, and operational risk committees.
- iv) The structure, operation, and ongoing development of the Bank's Risk Management Department are discussed and explained in the Bank's public documents, primarily in its annual report.

e) Compliance

- i) The Bank's policy is that it has an independent compliance function which is adequately resourced, trained and remunerated in accordance with the Central Bank's instructions in this regard.
- ii) The compliance function establishes effective mechanisms to ensure that the Bank complies with all applicable laws and regulations, and any non-statutory guidelines and codes. The powers and responsibilities of the compliance function are documented and published within the Bank.
- iii) The compliance function is responsible for developing the compliance policy of the Bank and ensuring its implementation throughout the Bank. The Board is responsible for approving the compliance policy and overseeing its implementation.
- iv) The compliance function reports on operational compliance within the Bank to the Chairman or a committee of the Board, copying the General Manager on each report, in accordance with the Central Bank's instructions in this regard.

5) Treatment of Shareholders

- i) The Bank takes proactive steps to encourage shareholders, in particular minority shareholders, to participate in the Annual General Assembly, and also to vote either in person or in their absence by proxy.
- ii) The Bank's policy is that the chairmen of all Board Committees should be present at the Annual General Assembly, and are invited to address relevant questions from shareholders.
- iii) Representatives from the external auditors are present at the Annual General Assembly to answer questions about the audit and their auditors' report.
- iv) The Bank's policy requires voting on each separate issue that is raised at the Annual General Assembly.
- v) As required by the Companies Law, Directors submit themselves for election or re-election at the Annual General Assembly, as provided by the Memorandum of Association of the Bank, and the Bank's external auditors are elected at the Annual General Assembly.
- vi) Notes, minutes, and a report of the proceedings of the Annual General Assembly, including the results of voting, and the questions from shareholders and executive management's responses, are prepared and made available to shareholders after the Annual General Assembly.

6) Transparency and Disclosure

- i) The Bank is required to disclose in accordance with the International Financial Reporting Standards (IFRS), the Banking Law and instructions issued pursuant thereto, and other relevant legislation. Furthermore, the Bank acknowledges that financial reporting practices and the level of transparency required of financial institutions is changing rapidly. The Bank's executive management reports on these developments to the Board, and makes recommendations for the regular enhancement of the Bank's own disclosure practices, beyond those required by the Central Bank of Jordan.
- ii) The Bank recognizes its obligation to provide meaningful information on its activities to shareholders, depositors, financial market counterparts, regulators and the public in general. It also has a duty to address shareholder concerns. The Bank's disclosure of such information on a timely basis should be available to all.
- iii) The Board accepts responsibility for the Bank's financial statements and the contents of the Annual Report, for their accuracy, and for their completeness.
- iv) The Bank commits to maintaining the following information channels with its shareholders, depositors, financial market counterparts, regulators and the public in general:
 - (1) A professionally-staffed investor relations function that provides comprehensive, objective, and up-to-date information on the Bank, its financial condition and performance, and its activities;
 - (2) The Annual Report, produced after the end of the financial year;
 - (3) Quarterly reports, providing quarterly financial information and the Board's report on the Bank's stocks trading and financial condition during the year;
 - (4) Regular meetings between senior executives of the Bank and investors and shareholders;
 - (5) Regular briefings by senior executives of the Bank, especially the General Manager and the Chief Financial Officer, for shareholders, financial market analysts, and financial journalists; and
 - (6) Information provided through the Bank's Annual Report, or its quarterly reports, and the text of any public presentations given by executives, is made available to interested parties both in writing through the Bank's investor relations function, and in a timely manner on the Bank's website, in both Arabic and English.

- v) In its Annual Reports and quarterly reports, the Bank's executive management includes 'Management Discussion and Analysis' (MD&A) which enables investors to understand current and future operating results and the financial condition of the Bank, including the possible impacts of known trends and events and uncertainties. The Bank commits to ensuring that such commentary is reliable, complete, fair and balanced, and understandable, and is grounded in the Bank's financial statements as reported.
- vi) As part of its commitment to transparency and full disclosure, the Bank includes the following information in its annual report:
- (1) Its Corporate Governance Code, and annual details of its compliance;
 - (2) Information on each individual Director: qualifications and experience; shareholding in the Bank; whether an independent, non-executive, or executive Director; the membership of Board Committees; dates of appointment to the Board; other directorships; attendance at Board and Board Committee meetings; remuneration; loans from the Bank and other transactions between the Bank and the Director or his companies or other related parties;
 - (3) Summary organization chart;
 - (4) Summaries of the terms of reference of Board Committees, and any authorities delegated by the Board to Board Committees;
 - (5) The frequency of Board and Board Committee meetings;
 - (6) Summary of the remuneration policy including remuneration of highest paid members of the executive management;
 - (7) Statement by the Board of the adequacy of internal controls;
 - (8) A description of the structure and activities of the risk management department;
 - (9) A list of the largest shareholders of the Bank (for example, individual or related parties holding or controlling more than 10% of shares), identifying the ultimate beneficiaries of such interests, if this is needed for explanation.

Arab Bank confirms its commitment to apply all stipulations and provisions of the Corporate Governance Guide approved by the Board of Directors on 30 December 2007. However, and with respect to Article 22//B of the Guide, the Bank would like to clarify that it has elected to have an executive Chairman (Chief Executive Officer) based on the Chairman being a major player in the formulation, specification and implementation of the Bank's strategic policy, in addition to his absolute dedication and commitment to sound rules and principles of the banking business which the Bank has employed since its inception eighty seven years ago, especially rules and principles pertaining to liquidity ratios, risk management and credit extension which enabled the Bank to safely circumvent the repercussions of the global financial crisis, unlike many other international financial institutions that have suffered huge losses due to the crisis.

On the other hand, the centralization of the decision making process within the Bank, that has been reinforced by Mr. Shoman's assumption of both the Chairman and Chief Executive Officer's positions, has enhanced the Bank's flexibility and speed of response to new developments and changes in the banking arena. In addition, Mr. Shoman represents the founders of the bank and is considered as a key figure in forming and executing Arab Bank's strategic direction; many international rating agencies have testified to that including Moody's report for the financial year 2009.

Moreover, and although the Chairman occupies an executive post at the Bank (Chief Executive Officer), he has been, nevertheless, very adamant on creating rules that would ensure the existence of an effective supervisory system to oversee and control higher management activities. Many Board committees have been formed to monitor the execution of Board resolutions and the performance of higher management individuals. It is worth mentioning that the Deputy Chairman – Mr. Sabih Masri is an independent member of the Board, as defined by the Corporate Governance Guide.

Additionally, the bank has recently introduced the new post of "Assistant Chief Executive Officer", whose main scope of work extends to directly supervising five different department and lines of business within the Bank, while the Bank's Chief Operating Officer supervises four support departments.

The Board of Directors of Arab Bank Plc. in its Meeting held on 29/2009/10/ appointed Mr. Neme Sabbagh as the Executive General Manager of Arab Bank starting from the month of January 2010. Mr. Sabagh will manage the Bank within the authorities delegated to him by the Board and under its Supervision. The Board also resolved that the Chairman will be full time and the EGM will discharge his duties in full coordination with the Chairman.

This Decision comes to complete the process of development at the Bank and to confirm its continued effort to foster the work environment and comply with good governance measures issued by Central Bank of Jordan, and approved by the Board of Directors.

1. Approval of the minutes of the 79th meeting of the General Assembly.
2. Presentation of the report of the Board of Directors for the year 2009, and of the outlook for 2010.
3. Presentation of the auditors' report on the financial statements of the Bank for the financial year 2009.
4. Presentation and approval of the financial statements of the Bank for the year 2009, and adoption of the recommendation of the Board of Directors to distribute a dividend for 2009 at the rate of JOD 0.20 per share, which is 20% of the nominal value of JOD 1.0 per share.
5. Release of the members of the Board of Directors from liability for the year 2009.
6. Election of the new Board of Directors for the following four years.
7. Election of the Bank's auditors for the year 2010 and determination of their remuneration.
8. Other issues relating to the meeting of the Ordinary General Assembly subject to prior approval of 10% of the votes represented at the meeting.

- * Modify the Bank's Articles of Incorporation to be inline with the Jordanian Companies Law no.25 for the year 1997, and other related laws.

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Bahrain	PO Box 813 Building 540 Road 1706 - Block 317 Diplomatic Area Kingdom of Bahrain	Tel. 00973 17549000 Fax. 00973 17541116
	Abu Dhabi: PO Box 875 Naser St. SH. Tahnoon Bin Moh'd Bldg.	Tel. 00971 (2) 6392225 Fax. 00971 (2) 6212370
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Algeria	N 46 SIDI YAHIA PO Box 537 Algeria 16 036	Tel. 00213 (21) 480002/3 Fax.00213 (21) 480001
Singapore	80 Raffles Place UOB Plaza 2 # 32-20 Singapore 048624	Tel. 0065 65330055 Fax.0065 65322150
United States of America (New York Agency)	520 Madison Avenue New York, NY 10022- 4237	Tel. 001 (212) 715-9700 Fax.001 (212) 593-4632
China (Representative Office)	Unit 1803, Shanghai Trade Square 188 Si Ping Road, Shanghai 200086, China	Tel. 0086 (21) 65077737/38 Fax.0086 (21) 65072776
Kazakhstan (Representative Office)	050008,Almaty Almalinskiy district, Shevchenko str,157 Republic of Kazakhstan	Tel. 007 727 2445 777 Fax.007 727 2445 776
South Korea (Representative Office)	Samwha Bldg., 4Fl 21 Sogong-Dong, Chung-ku Postal Code 100-070 Seoul – Korea	Tel. 0082 (2) 775 4290 Fax.0082 (2) 775 4294

Country	Address	
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	Geneva Place Longemalle 10-12 PO Box 3575 CH – 1211 Geneva 3	Tel. 0041 (22) 7151211 Fax. 0041 (22) 7151311
Finance Accountancy Mohassaba	24 Rue Neuve - du - Moland PO Box 3155 CH – 1211 Geneva 3	Tel. 0041 (22) 9083000 Fax. 0041 (22) 7387229

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Arab Bank - Syria	Mehdi Ben Barka St. Abu Rummana / Damascus – Syria	Tel. 00963 (11) 9421 Fax. .00963 (11) 334 9844
Islamic International Arab Bank plc.	PO Box 925802 Amman 11190 Jordan	Tel. 00962 (6) 5694901 Fax. 00962 (6) 5694914
Arab Investment Bank S.A.L	PO Box 11 -7000 Riad El- Solh Sq.- Banks St. Commercial Buildings Co. Bldg. Beirut 1107 – 2070 Lebanon	Tel. 00961 (1) 985111 00961 (1) 985222 Fax. 00961 (1) 987333
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Arab National Bank	PO Box 56921 King Faisal Street Riyadh 11564 Saudi Arabia	Tel. 00966 (1) 4029000 Fax. 00966 (1) 4027747
Arabia Insurance Co.	PO Box 11– 2172 Phiniqia Street Beirut – Lebanon	Tel. 00961 (1) 363610 Fax. 00961 (1) 363659
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