

Sustainability Report 2013

البنك العربي
ARAB BANK



Success is a journey

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A Message from our CEO



Dear Stakeholders,

We have come a long way since publishing our first sustainability report, achieving significant milestones in our sustainability journey and making positive transformations in our operations. As we issue the fourth edition this year covering our progress and achievements in the social, environmental and governance fields we take this chance to rededicate ourselves to our core foundational values of transparency, citizenship, sound governance, trust and accountability.

Stemming from the Bank's values, we have been continuously striving to be an engine of development for the communities where we operate. This is not just from a business perspective by providing critical financing for infrastructure projects and people, but as a force for social development to support the ambitions of all our stakeholders. Our motivation to integrate sustainability aspects into our daily operations will have a positive impact on our business, and more importantly it will help the communities where we operate flourish and in return ensure a symbiotic and lasting relationship.

We have been implementing a holistic five year sustainability strategy since 2011 which focuses on responsible financing, empowered employees, system optimization, transparent reporting and community cooperation. This strategy has been our guide for sustainable development and we have worked hard during 2013 to make significant progress in each of these fields. Moreover, and to ensure proper implementation of the strategy and in order to meet our goals efficiently, we have expended every effort to create a culture of sustainability in each division of the Bank through our Sustainability Champions. These Champions consist of employees across the Bank who work closely with the Sustainability Department to integrate the strategy's goals within daily operations and regularly report on their progress.

The 2013 Sustainability Report provides an update on our sustainability strategy, focusing on the strategic goals and achievements under each focus area. The report also highlights the commitments we have made in our sustainability strategy for 2014, as a pledge to continuously improve and build on our yearly achievements.

As a summary of our accomplishments in 2013, we were able to achieve 82% of the strategic goals outlined in the strategy. In terms of responsible financing, we were able to increase our support for local SMEs by 10%, and the total amount of distributed facilities and loans provided to support environmentally-friendly infrastructure projects reached around JOD 9.4 million. We increased our support for our employees' children's education at Jordanian universities by 26% and we were able to decrease our turnover rate to 5.9%. The Bank also continued to consider its environmental impact in its daily operations and was able to maintain its total GHG emissions at around 5.9 tons per employee. In terms of community cooperation, we enhanced our donation channels for customers resulting in a 26% increase in the amount of financial support to the local NGOs participating in our CSR program (Together program) and we raised our community investments to reach JOD 13.1 million; and thereby increased the number of beneficiaries by approximately 120%.

We believe that sustainability is an ongoing process and we must continually strive to understand and meet our stakeholders' needs and leave a positive impact on our environment. We must also be an example for other institutions to take serious and concerted efforts to integrate sustainability practices in their operations and to create a collective approach toward bettering our environment and communities.



Nemeh Sabbagh
Chief Executive Officer



Strategic Approach
Toward Sustainability

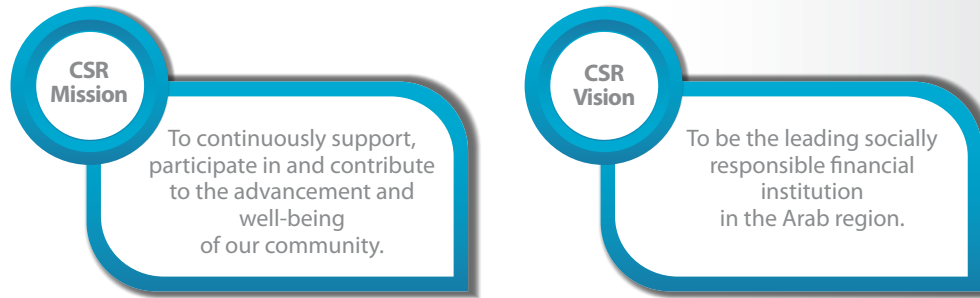
Strategic Approach Toward Sustainability

History of the Bank's Strategic Approach



Arab Bank's founding purpose, to enable the Arab world to reach preeminence, is the constant that has underpinned the Bank's journey toward supporting the development of Arab economies and local societies. Financing strategic infrastructure projects and supporting people in local communities across the Middle East/North Africa region (MENA) became one of the key considerations of the Bank's operations, practically reinforcing its commitment to the development of the Arab world.

Embracing this founding purpose enabled the Bank to build substantial experience in philanthropic community development. This in turn led us to realize the opportunity to achieve greater social impact by formulating a strategic approach and establishing a specialized Corporate Social Responsibility (CSR) function with a focused vision and mission.



Stemming from growing socio-economic challenges at the local, regional and global levels, along with the financial sectors' unique ability to help tackle these challenges, the Bank realized the relevance of integrating the "sustainable development" concept into its core business operations.

Accordingly, in 2011 the Bank evolved its CSR approach into a more holistic and comprehensive sustainability framework and established the Sustainability Department, which is responsible for the systematic management and integration of sustainable development principles into the Bank's ethos, operations and reporting. The Department has established a comprehensive strategy that complements the Bank's founding vision and purpose, incorporating the expectations of all stakeholders and includes clear goals for the continual improvement of the Bank's economic, social and environmental impact.

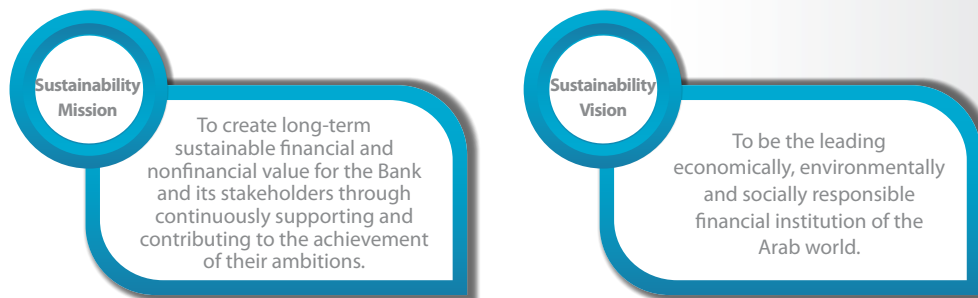


Sustainability Framework



The Bank's sustainability framework is built on 'our values' that underpin 'our foundation' of stable and principled banking practices and organizational operations. Arab Bank has recognized the opportunity to identify broader business drivers through a 'sustainability lens', considering the integration of social and environmental aspects, in addition to the economic and ethical perspectives, in an integrated manner within its business strategy and daily operations. Accordingly, the Bank has identified its 'sustainability advantage' which represents our sustainability focus areas and includes: Responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation. By shifting toward embracing these focus areas, Arab Bank is able to deliver on its founding purpose, which is represented in 'our impact' of supporting our customers in achieving their ambitions.

To support the Bank in carrying out its sustainability strategy and creating the impact outlined in our sustainability framework, a sustainability mission, vision and strategy have been developed for implementation.



Sustainability Strategy

Our sustainability strategy revolves around five main sustainability focus areas: Responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation. Within each of these individual focus areas there are a set of goals to help us reach our ultimate objective of supporting customers in achieving their ambitions, which we define as 'our impact' in the framework. Thus, our sustainability strategy includes a set of goals, each goal has a detailed action plan and a number of KPIs to help us measure our performance and assess our impact. Since the establishment of the strategy in 2011 until the end of 2013, the Bank was able to pursue its sustainability goals and achieved a significant percentage of them.

Stakeholders Engagement

Arab Bank's strategic sustainability goals were identified based on engagement with a wide range of stakeholders, with the objective of creating shared value between our identified stakeholders (shareholders, employees, customers, community, environment, suppliers and governments) and the Bank.

Appendix A of this report includes the Bank's detailed stakeholder map, which is updated on a yearly basis with the support of the Sustainability Champions (see page 94-98) to help capture our methods of engagement, stakeholder priority issues and the Bank's response to fulfilling them. Moreover, Appendix A identifies main stakeholders addressed by our sustainability strategy and framework, demonstrating the alignment of our efforts to meet their needs and expectations.

Sustainability Champions

Implementing the sustainability strategy requires the goals to be integrated into the business plan and culture of the organization. This is achieved through involving all staff and divisions, and actively working with them to identify and follow up on yearly action plans and measure and monitor performance through KPIs.

Accordingly, the Sustainability Champions program was launched in 2012, bringing together employees from different divisions to drive the strategy forward and improve efficiency across the Bank's operations. The program involves employees from the following divisions: Procurement, Group Risk Management (GRM), Corporate and Institutional Banking (CIB), Consumer Banking (CB), Human Resources (HR), Real Estate and Construction Management (RCM), Group Regulatory Compliance (GRC) and Internal Audit. The Champions work closely with the Sustainability Department to implement the sustainability strategy in their respective divisions and are also proactively involved in the preparation of the Bank's sustainability report. Quarterly meetings are held between the Champions and the Sustainability Department to provide updates on the implementation of the strategic goals and share experiences and challenges with other Champions to drive innovation.

“

My experience as a sustainability champion has broadened my perception of the Bank's business objectives through integrating social and environment considerations into our strategy and process, ensuring creating a shared value for the community where we operate.

Ahmad Al Qawasmeh – Regulatory Compliance Division

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This year's report aims to highlight the progress made in implementing our sustainability strategy and the Bank's key achievements for 2013. Each chapter highlights the Bank's strategic approach to one of the sustainability focus areas, highlighting our foundation of banking practices and business operations. A summary of our performance in 2013 and our commitments for 2014 are highlighted below.

2013 Achievements and Commitments

Since the launch of the strategy up until the end of 2013, through comprehensive engagement with the Sustainability Champions and other stakeholders, we were able to achieve 82% of our goals. This was achieved through initiatives that focused on raising our employees' awareness on sustainability issues and highlighting the importance of integrating sustainability aspects within our daily operations.



Measuring our Success and Commitments

Measuring and disclosing our performance is vital for the assessment of our impact and our progress toward our strategy commitments and goals, in addition to holding ourselves accountable.

Performance Snapshot

Focus Area	Performance Indicator	2011	2012	2013
Responsible Financing	Project financing screened on ESG criteria (%)	100%	100%	100%
	Distributed amount of loans and facilities provided to support environmentally-friendly infrastructure projects	11.5 million	12.6 million	9.4 million
	Defaulted project loans (%)	0%	0%	0%
	SME lending portfolio ¹ (JOD)	508.8 million	447.8 million	494.1 million
Empowered Employees	Total workforce	2,808	2,754	2,817
	Females in the workforce (%)	38%	38%	38%
	Females in senior management (%)	17%	14%	14%
	Total workforce turnover (%)	7.9%	7.4%	5.9%
	Training opportunities provided	8,478	8,343	6,100
	Amount of support to teach employees' children in Jordanian universities (JOD)	61,897	70,284	88,490
Transparent Reporting	Dividend per share (JOD)	0.25	0.30	0.30 ²
	Independent directors on the Board (%)	45%	60%	72.7%
	Return on equity (%)	6.9%	6.7%	8.8%
	GRI application level	B	A	A

1. This is a new indicator

2. Plus one bonus share for each 15 shares

System Optimization	Total greenhouse gas (GHG) emissions (Tons of CO ₂ e)	8,605	15,689 ³	16,638
	Total Greenhouse gas (GHG) emissions per employee (Tons of CO ₂ e/employee)	3.06	5.7 ³	5.9
	Total electricity consumption (kWh)	10,444,690	18,825,999 ³	20,061,921
	Total electricity consumption per employee (kWh/employee)	3,720	6,835.9 ³	7,122
	Total water consumption per employee (m ³ /employee) ⁴	N/A	11.4	13.5
	Number of sustainability related products and services launched	1	0	1
Community Cooperation	Pre-tax profits invested in the community (%) ⁵	2.8%	3.2%	2.8%
	Number of hours for volunteering initiatives	165	166	171
	Number of community initiatives	33	32	34
	Number of beneficiaries	17,990	13,342	30,000
	Number of micro-enterprises supported	113	147	209 ⁶
	Customers' donations through donation channels (JOD)	88,828	107,770	135,954

3. New measurement system to calculate resource consumption was introduced in 2012

4. This indicator was established in 2012

5. Percentage of community investments in Jordan compared to PLC profits before tax

6. The revolving loans project was concluded during 2012, however loans are still evolving and 62 new projects were established in two needy areas during 2013

Progress Against our 2013 Commitments

Focus Area	Commitments	Progress	Details
Responsible Financing	Provide training tackling anti-corruption and bribery for all employees	Achieved	Page 36
	Other Achievements: <ul style="list-style-type: none"> 4,980 employees across the Arab Bank Group received an electronic one hour training program on compliance related issues targeting employees that deal with high risk banking products and services; achieving 98% completion percentage across PLC countries (page 36) Endorsed the Transparency and Dealing with Customer Fairly Policy (page 36) 		
Empowered Employees	Promote efforts to retain and attract highly qualified staff	Achieved	Page 41-44, 49
	Continue to ensure necessary development for staff competencies	Achieved	Page 45-47
	Increase the number of courses delivered through the Bank's Capacity Building program	Achieved	Page 48
	Other Achievements: <ul style="list-style-type: none"> 100% of newly joined employees received sustainability awareness training through the induction program (page 46, 61) 14 employees with special needs were employed within the Bank's workforce (page 50) The Occupational Health and Safety Committee (OHSC) handled 59 cases and were able to resolve them all. None of them resulted in serious injuries or fatalities (page 51). 		
Transparent Reporting	Embed social and environmental aspects within internal audit engagements	In progress	Will be implemented once the Bank completes the implementation of the strategic goals included in the sustainability strategy
	Launch the Code of Conduct (CoC) acknowledgment initiative	Achieved	Page 56
	Other Achievements: <ul style="list-style-type: none"> Issuance of the fourth sustainability report based on the GRI guidelines, reaching application level A of reporting for the second consecutive year Established the Ethics Committee for the purpose of interpreting and enforcing the Bank's Code of Conduct within internal operations (page 56) 		
System Optimization	Enhance the call center by implementing the latest voice technology infrastructure	Achieved	Our automated call center introduced a new platform with updated technologies that aim to serve our customers better, more cost-effective, faster and more efficiently.
	Introduce a paper recycling program	In progress	The Bank is finalizing the agreement with a recycling agency
	Introduce technical implementation for a comprehensive energy saving program	In progress	Page 67
	Launch a mobile banking application	Achieved	Page 64
	Other Achievements: <ul style="list-style-type: none"> Introduced an offering engine system that provides customers with an interactive method of communication (page 64) Launched an Internet-based trade finance service (page 65) Replaced the Treasury and market risk management systems with a new state-of-the-art system (page 65) 		

Community Cooperation	Maintain community engagement and investment	Achieved	Page 74
	Enhance donation channels for the benefit of the Together program participants	Achieved	Page 93
	Engage Arab Bank subsidiaries in volunteering activities	Achieved	Page 82, 90
	Other Achievements: <ul style="list-style-type: none"> • Provided 320 hours of NGO capacity building training (page 92) • Increased total number of beneficiaries by 125% (page 83) • Implemented 34 volunteering initiatives engaging 270 volunteers (page 83) 		

2014 Commitments

Focus Area	Commitment
Responsible Financing	Further engage with corporate clients on sustainability issues to find solutions of mutual benefits
	Set up a credit line in collaboration with an international financial institution to encourage the utilization of sustainable energy efficiency in Jordan
Empowered Employees	Continue to ensure necessary development for staff competencies through regular training sessions
	Enhance some of the Bank's branches to support employability of those who are less abled
Transparency Reporting	Issue yearly sustainability report based on the latest GRI guidelines (G4)
	Continue to raise internal awareness on sustainability issues
System Optimization	Launch green package program
	Introduce a paper recycling program
	Apply new energy saving technologies that are environment friendly
Community Cooperation	Increase total number of employee volunteers
	Continue our efforts to reach out to a larger number of beneficiaries
	Continue our efforts to utilize banking channels to increase donations for the Together NGOs



Our Impact: Supporting our Customers
in Achieving their Ambitions

Our Impact: Supporting our Customers in Achieving their Ambitions - A Strategic Approach

We put our customers first and are always challenging ourselves to provide them with innovative and high quality products and services. As one of the leading financial institution in the region, we are committed to helping customers achieve their ambitions by offering them financial solutions that fulfill their evolving needs and expectations. This is reinforced further by integrating our stakeholders' needs, as well as the principles of sustainability within our core business strategy, in order to fulfill the Bank's and its customers' economic, social and environmental aspirations.

Arab Bank views its impact of 'supporting our customers to achieve their ambitions' from three angles as shown in the diagram below:

- Fulfilling the banking needs of our customers
- Supporting the socio-economic ambitions of our customers
- Supporting the environmental ambitions of our customers



Fulfilling the Banking Needs of our Customers



The Bank continually builds on its comprehensive portfolio of products and services by introducing new ones that cater to the ever changing banking needs of our current and future corporate and individual customers. These services are provided through the Bank's global network of over 600 branches, covering 30 countries and across five continents.

Offering a Wide Range of Products and Services

Consumer Banking

In addition to basic accounts, the Bank offers a complete suite of programs designed to meet the financial needs of individual segments based on their life cycle. The programs cover: Children, youth, salaried employees, executives, self-employed as well as medium and high net-worth individuals. The Bank also offers personal loans, overdraft facility, home loans, auto loans, credit cards, term deposits, funds transfer and currency exchange.

During 2013, Arabi Premium was introduced in Jordan, a comprehensive banking program specially designed for young professionals, entrepreneurs and executives with middle income, or with an adequate quarterly balance. Moreover, the Shabab account, which targets the region's extensive youth population aged 18-25 years old, was revamped to increase the youth segment's accessibility to banking service benefits.



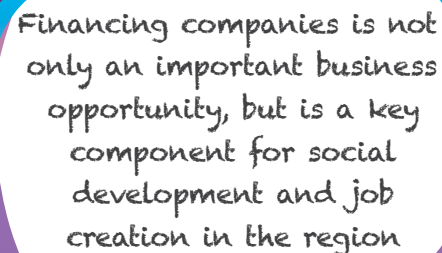
Corporate and Institutional Banking

Since its establishment in 1930, Arab Bank has been one of the leading providers of financial solutions for corporate and institutional banking clients. The range of services includes:

- Commercial Lending
- Project Finance
- Loan syndications
- Islamic financing (through subsidiaries)
- Correspondent banking services
- Trade Finance
- Cash Management
- Corporate Finance

Arab Bank appreciates that financing organizations is not only an important business opportunity, but is a key driver of job creation in the region and a substantial component for social and economic development.

This business line also focuses on introducing new services such as the Corporate@Arabi service, which is an online platform that allows customers to manage their accounts, payables, receivables and liquidity with real-time information, remote access and the ability to customize services - all supported by high levels of security. This automated service has contributed in environmental sustainability by reducing paper and energy consumption, and has increased the level of customers' satisfaction due to excellent service quality, 24/7 availability and the flexibility of the remote access to the services.



Financing companies is not only an important business opportunity, but is a key component for social development and job creation in the region

Treasury

Arab Bank's Treasury Division manages the Bank's liquidity⁷ and actively manages the Bank's exposure to movements in foreign exchange rates and interest rates. Furthermore, Arab Bank's Treasury provides advisory and dealing services to our customers globally.

Our treasury sales services are available throughout the Bank's network and we offer a full range of products and services to our customers, whether they are exporters, importers or savers. During 2013, Arab Bank increased the number of staff members serving customers, and therefore, it was able to increase the volume of foreign exchange transactions with corporate customers by 12%.

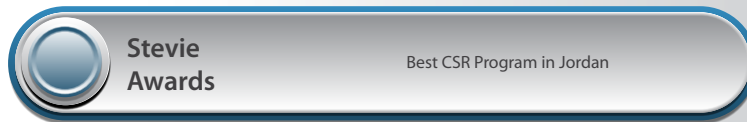
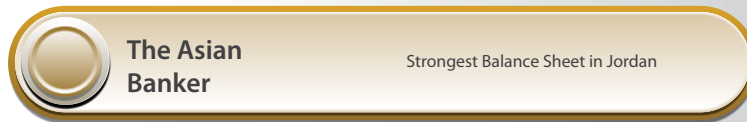
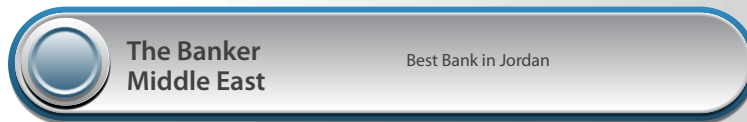
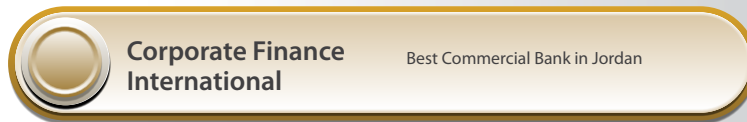
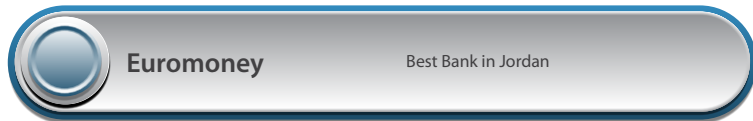
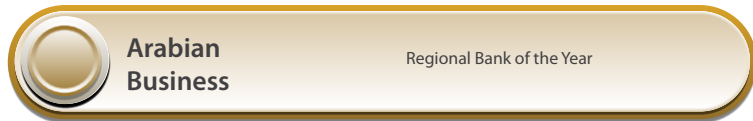
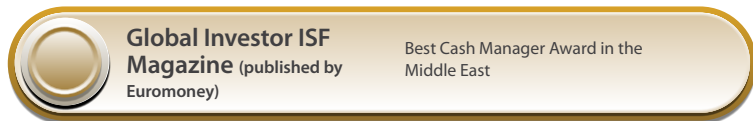
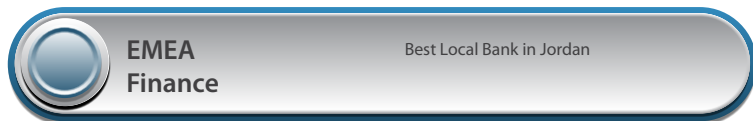
Arab Bank believes in the importance of derivatives in protecting the income and interests of the Bank and its customers. Arab Bank's Treasury maintained its position as a leading source of foreign exchange and interest rate risk hedging expertise in the region. A full-time team, which specializes in helping to protect Arab Bank's customers from market volatility, advised on and executed deals throughout the region. Examples include:

- Foreign exchange options for importers of goods and raw materials from Europe and Japan
- Foreign exchange derivatives through which customers managed the volatile cost of foreign currency payables
- Interest rate swaps through which customers locked in borrowing costs and protected themselves from interest rate increases

7. 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.

Awards

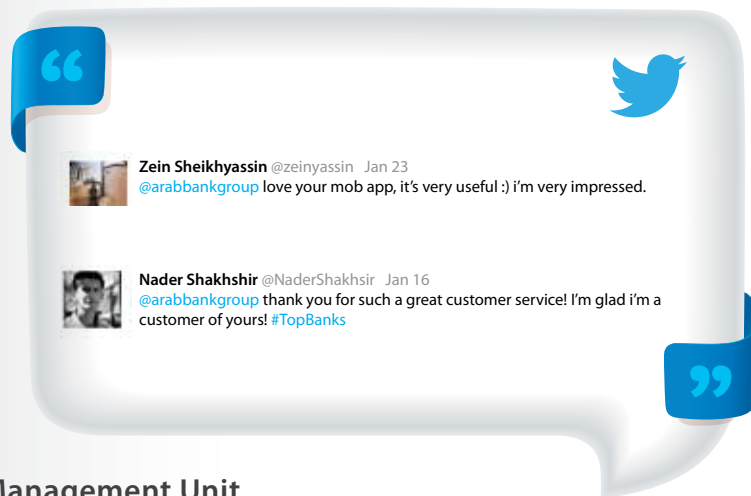
Arab Bank's performance within the above mentioned core business lines earned the Bank a number of international awards and recognitions in 2013.



Excelling in Customer Service

Customer experience is critical to customer loyalty, which is why we strive to constantly improve efficiency across our operations and aim to excel in satisfying our customers across every touch point every day. During 2013, we conducted a range of service monitoring checks such as the 'voice of customer' exercise, where we obtained direct feedback from customers on all of our key products and services. Suggestion forms are another critical tool used to receive customer complaints, comments and suggestions throughout the year, and can be submitted electronically or through our branches using traditional paper based forms. Based on feedback received, the Bank continues to undertake initiatives that aim to empower frontline employees to better meet our customers' needs (see page 46-47).

Arab Bank also depends on social media to receive direct and real-time feedback from customers. Through our dedicated Facebook and Twitter pages (see page 27-28); we gather and process comments and feedback every day and ensure resolution of complaints immediately. All complaints are handled directly through a dedicated complaints management unit, which is outlined below.



Customer Complaints Management Unit

In line with instructions issued by the Central Bank of Jordan (CBJ) regarding dealing with customers fairly (see page 36), the Bank transitioned the customer complaints function, previously managed by the Consumer Banking Service Excellence Unit since 2004, to Group Regulatory Compliance

in April 2013. The new Customer Complaints Management Unit receives complaints from all channels and resolves them according to the Bank's standard complaints management procedures. The Consumer Banking Service Excellence Unit continues to deal with behavioral and attitude related complaints to enhance the customer experience and service excellence.

All complaints are fairly, promptly and impartially investigated and resolved within a reasonable timeframe and are recorded and monitored with the objective of achieving a satisfactory outcome and for auditing and inspection reasons.

Serving Customers with Physical Disabilities

To ensure our services are easily accessible to all its customers, two of our major branches that serve customers with physical disabilities were equipped with special ramps to improve accessibility. The Arab Bank's sustainability strategy ensures that all new branches are designed and equipped to serve customers with physical disabilities and that existing branches are to be modified based on special requests from customers with the possibility of integrating changes to each specific branch.

Engaging with Customers

Consumer Banking offerings are supported by the largest Arab banking network of branches and state of the art direct banking services including our award winning Internet banking service, mobile banking application, 24/7 call center and phone banking service as well as a vast network of ATMs offering customers optimal levels of convenience and flexibility.

Clear and transparent engagement with each and every customer is an essential prerequisite to excellent customer service that in turn enhances trust in the Bank's operations.



Channel of Engagement	Method and Scope of Engagement
Branches	75 branches distributed across Jordan form the core of our direct day to day engagement with current and future customers.
ATMs	146 ATMs deliver 24-hour services at accessible locations across Jordan.
SMS services	Around 12.96 million marketing and transactional alerts were sent to customers in 2013.
Websites	The general website (arabbank.com) includes information related to the Arab Bank Group. The local website (arabbank.jo) includes information related to our products and services as well as marketing ads for local customers. It also provides customers with the ability to apply online to a range of products offered by the Bank. During 2013, the number of distinct visitors to our local website reached more than 600,000 with a total number of hits reaching more than 40 million.
Phone Banking or Call Center	+962 6 4600900 is our 24-hour a day, 7 days a week and 365 days a year contact center which handles monthly more than 50,000 incoming and outgoing calls, 3000 secured and website e-mails, in addition to social media posts. Our service oriented agents provide full support to our customers on their general queries, requests and complaints receipts.
Online Banking	Arabi Online is our dedicated web-based banking portal that gives customers access to services via the Internet. Customers can also reduce their environmental impacts through a paperless online account management. Enhancement of Arabi Online took place in 2013, see page 64 for more details.
Social Media	Over 220,000 people follow the Bank through social media channels. Arab Bank uses these channels to: <ul style="list-style-type: none"> • Introduce new campaigns and service updates, and the Bank's latest news • Educate customers on banking services and provide them with tips on convenient banking solutions • Address complaints and handle customer feedback • Update the public on our CSR initiatives and other related information
Mobile Banking	The Arabi Mobile application was launched in December 2013 to give customers the ability to conduct banking transactions via their smart phones wherever they are and whenever they want. It also provides an array of banking transactions along with location services and product offerings.

Best Consumer Internet Bank in Jordan for the 5th Consecutive Year

Global Finance awarded Arab Bank with the title of Best Consumer Internet Bank in Jordan for its Arabi Online internet banking service for the fifth consecutive year in 2013.

Arab Bank was chosen for this award based on the following criteria: Strength of strategy for attracting and servicing online customers, success in getting customers to use web offerings, growth of online customers, breadth of product offerings, evidence of tangible benefits gained from Internet initiatives and web site design and functionality.

Social Media

During 2013 the Bank's social media presence witnessed a steady increase in fans and followers clearly demonstrating that social media is becoming a preferred channel of communication for some of our customers and the general public. It is now one of the central tools used by the Bank to disseminate information and engage with current and potential customers.

Our Shabab Facebook and Twitter pages, which are designed to engage specifically with the youth segment in Jordan, Palestine and Egypt has over 155,000 fans and followers. Moreover, our corporate page has over 70,000 fans and followers.



Our social media channels are being used to promote products and services, handle service requests and answer customers' inquiries and complaints, as outlined on page 24. Furthermore, the Bank plays a proactive role through social media in raising awareness on sustainability and CSR issues, in addition to topics such as savings and information security. The Bank's "Together" volunteering initiatives are also shared on our social media channels and our partner NGOs are engaged to develop specific communications on relevant social and environmental topics.

Ramadan Shabab Competition

During the Holy Month of Ramadan, Arab Bank ran a competition on the Bank's Shabab page on Facebook awarding six people from Jordan, Palestine and Egypt USD 500 based on a draw.

The Ramadan campaign witnessed thousands of entries from the different countries and created many conversations on the page about the Bank and its offerings.



Supporting the Socio-Economic Ambitions of our Customers



Supporting SMEs

Arab Bank has historically acknowledged the significant role that the small to medium sized enterprise (SME) segment plays in the economic and social development of Jordan and the region. In 2013, the Bank's total SME lending portfolio increased by around 10% to reach more than JOD 494 million. These enterprises cover various sectors including: Wholesale and retail trade, manufacturing, transport and storage, construction and contracting, real estate, renting and business services.

SME Portfolio	2011 ('000)	2012 ('000)	2013 ('000)
Direct Facilities ⁸ (JOD)	378,315	319,491	346,625
Indirect Facilities ⁹ (JOD)	130,573	128,322	147,427
Total Lending Portfolio (JOD)	508,888	447,813	494,052
Total SME Deposits (JOD)	729,669	707,835	673,074

8. Direct Facilities: Direct support provided to SMEs that includes: Overdraft, Revolving Loans, Term Loans and Discount Bills.

9. Indirect Facilities: Indirect support provided to SMEs that include: Letter of Credit, Letter of Guarantee...etc

The Bank collaborated with the Overseas Private Investment Corporation (OPIC) which seeks to support SMEs by providing banks with guarantees for loans extended to SMEs. Moreover, the Bank collaborated with the Jordan Loan Guarantee Corporation (JLGC), which supports SMEs through six loan guarantee programs, including: Express Loan, Business Loan, Pharmacy Loan, Car Business Loan, Exports Support Loan and Bonded Loan. These loan guarantee programs will open up new prospects for SME owners to obtain financing from Arab Bank to expand and grow their businesses.

During 2013, Arab Bank established new SME centers in several branches including Irbid, Zarqa, Wadi Al Seer, Wehdat, and Amman (Downtown). This is helping us to better engage with SMEs more directly and be able to assess their needs in order to provide services that can support them to grow.

Involving Customers in our Support for NGOs

As part of the Bank's sustainability strategy that looks at engaging customers in our efforts to develop the local community, we have developed our service channels to enable customers to donate directly to our partner NGOs (see page 93). Donation channels include: Internet banking, phone banking, ATMs, branches and the Together Platinum Credit Card (see page 93).

The year 2013 witnessed a remarkable 26% increase in donations through these channels reaching JOD 135,954, all of which has gone directly to support the good work of our partner NGOs. This increase was achieved as a result of implementing initiatives focused on raising customers' awareness and simplifying the donation process. All details regarding these channels are outlined on page 93.



Donation Channels	Donations Received During 2012	Donations Received During 2013
Internet Banking (JOD)	87,741	113,065
Phone Banking (JOD)	794	1,563
ATM (JOD)	9,634	13,534
Together Platinum Credit Card (JOD)	9,600	7,792
Total (JOD)	107,769	135,954

Additionally, customers contributed JOD 4,651 through the King Hussein Cancer Foundation (KHCF) coin boxes located at branches throughout the Kingdom.

Supporting the Environmental Ambitions of our Customers

Supporting the
Environmental
Ambition of our
Customers

Supporting environmentally
friendly infrastructure projects

Supporting Environmentally Friendly Infrastructure Projects

Supporting environmentally friendly and renewable energy infrastructure projects is one of the main strategic goals of our sustainability strategy. During 2013, total amount of distributed loans and facilities provided for these projects reached around JOD 9.4 million.

The Bank pursued several opportunities closely with companies involved in solar and wind power generation projects as outlined below:

Supporting Solar Power Projects

Arab Bank provided support letters to five consortia, showing preliminary interest in providing part of the financing requirements of their projects, which are expected to initiate construction in 2014. These projects have already submitted their bids through the Ministry of Energy and Mineral Resources and have been approved in October, 2013.



Supporting Wind Power Projects

Arab Bank Group has signed agreements to participate in financing part of a wind farm project that will take place in Tafleleh/Southern Jordan. Arab Bank Jordan will also be the Onshore Account Bank and Onshore Security Agent for this deal.

In line with responsible financing practices, the Bank ensures that all projects financed through the Project Finance Department are in line with prevailing Jordanian environmental laws. If multilateral financiers are involved, they often require that projects follow their standards and requirements, which in many cases are stricter than local legal laws and regulations.

Tafilah Wind Power Project

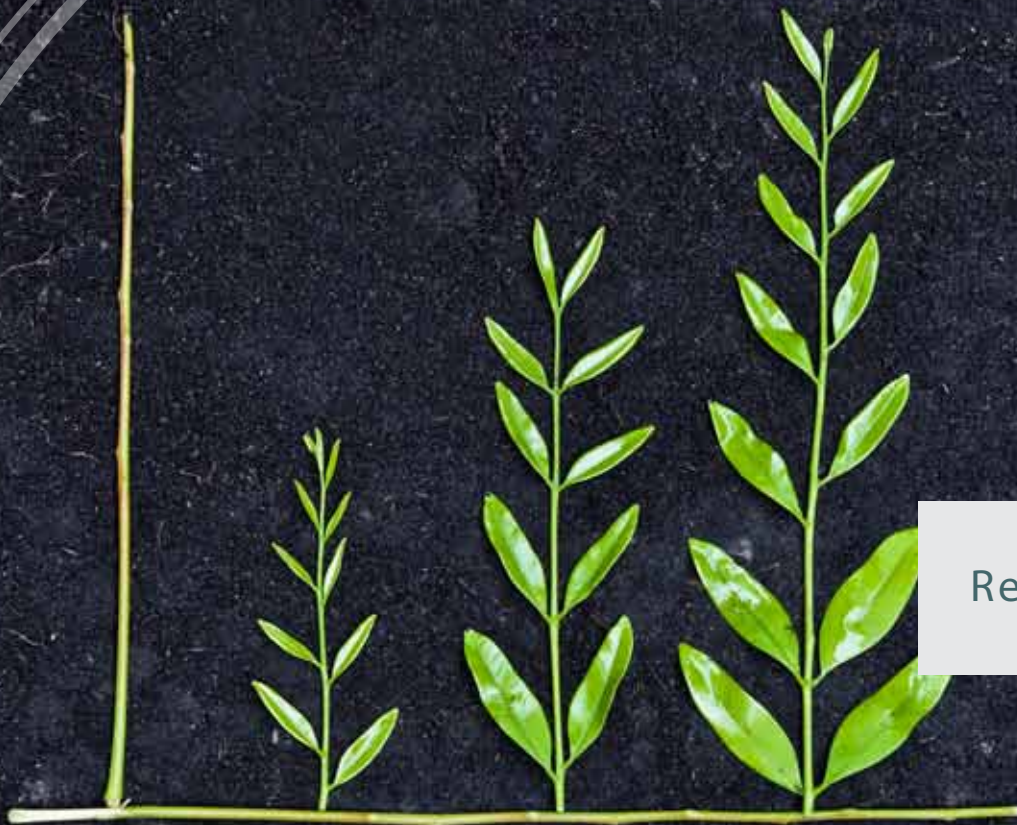
The Jordan Wind Project Company (JWPC) has developed a 117 MW greenfield wind farm Independent Power Producer (IPP) in Tafila, the first utility-scale renewable-energy project in the Hashemite Kingdom of Jordan. It represents a major step toward putting Jordan on the renewable energy map.

JWPC will start delivering power in 2015, and will produce approximately 400 GWh of electricity annually and reduce 235,000 tones of CO2 emissions per year.

Tafila is the first wind-power project to be developed under Jordan's Renewable and Energy Efficiency Law passed in 2010. Moreover, the government of Jordan introduced a strategy that entails generating 7% of the Kingdom's energy from renewable energy sources by 2015, raising the percentage to 10% by 2020. When the Tafila project is fully developed, it will account for almost 10% of Jordan's 2020 renewable energy target.

JWPC has undertaken a comprehensive Environmental and Social Impact Assessment (ESIA), in accordance with applicable Jordanian environmental permitting guidelines and international best practice. The purpose of this ESIA was to identify environmental and social impacts at an early stage of the project development process in order to implement appropriate mitigation measures. The final ESIA report is a comprehensive document describing the project attributes and the results of component studies, which were performed, along with measures to be used to minimize the project's impact.

*Source of info is JWPC website.



Responsible Financing

Responsible Financing

Strategic Approach Toward Responsible Financing

Effective risk management allows the Bank to navigate the complex business environment. Responsible financing is the next step in risk management excellence, whereby the broader consideration of environmental and social risks in project lending can improve our ability to enhance the security of projects, and thus, reduce the risks of defaulted project loans.

As for customer lending, our credit approval policy is based on an assessment of the customer's ability to repay in a manner that reduces risk to the individual and the Bank, reinforcing our responsible lending approach by focusing on maintaining the Debt Burden Ratio (DBR), and minimum required salary at manageable levels. Overall, responsible financing is in line with our historically prudent approach to lending and will help us achieve our strategic impact, which entails supporting our customers to achieve their ambitions.

Arab Bank has identified a number of strategic goals, derived from its foundation of prudent risk management, to ensure the integration of responsible financing practices within its internal operations. These sustainability goals focus on several aspects, which are illustrated in the below diagram:



Prudent Risk Management Approach

Arab Bank's Group Risk Management Division (GRM) has adopted a set of comprehensive policies and procedures for the identification and management of all types of risks. Each department within the division has specific goals to develop the Bank's financial and operational risk management based on best practice, international guidelines and regulation from the Central Bank of Jordan (CBJ). The diagram below illustrates each department's main goals, objectives and initiatives.



Anti-Corruption

Arab Bank is committed to conducting its business with the highest ethical standards and in conformity with all applicable anti-corruption and anti-bribery laws and regulations. Arab Bank embraces a risk management approach to managing compliance, ensuring adequate controls are implemented to prevent and detect potential corrupt activities.

Arab Bank has a standalone anti-corruption and anti-bribery policy based on international laws and standards listed in Appendix B. The policy, endorsed by the Audit Committee in April 2012, was communicated to all employees on the Bank's intranet (Arabina) during 2013 to ensure proper awareness of its objectives and content. Moreover, the Group Regulatory Compliance Division held an electronic one-hour training course targeting 4,980 employees across the Group, and achieving a 98% completion percentage across PLC countries, including Jordan, and 100% across other countries within the Group.

Transparency and Treating Customers Fairly Policy

Transparency in everything we do is one of the founding values of the Bank. We deal with stakeholders through open and clear communication, earning us the confidence and trust of our customers, shareholders and employees. In 2013, Arab Bank policies and procedures were further streamlined to comply with the Central Bank of Jordan's regulations issued in 2012. This policy is built on the following key pillars:

- Open and transparent communications in all our dealings with customers.
- Ensure that the Bank's products and services meet or exceed customers' needs and expectations in order to enhance their experience and help them make the best financial decisions.
- Provide clear information to customers both before and after the point of sale to ensure they make informed choices.

This commitment is duly reflected in the Bank's detailed policies and procedures, forms, terms and conditions, contracts and processes (see page 38).



The Bank endorsed the
Transparency and Dealing with
Customers Fairly Policy in 2013,
reinforcing a commitment to
good business through
maintaining an ethical culture
and customer centric approach

Responsible Financing

Responsible financing is seen as the next step in risk management excellence, which is why it is one of the main focus areas within our sustainability framework and strategy. A number of strategic goals to enhance our financing practices and integrate ESG criteria into lending procedures have been adopted in recent years.

I. Integrating ESG Criteria in Lending Procedures

Emerging from the Bank's commitment to ensure long-term secure project financing, a range of environmental and social criteria have been integrated as part of the project appraisal stage. These criteria involve the inclusion of environmental risk revisions, traffic impact assessments, environmental impact assessments, compliance to applicable environmental laws and other social risks such as: Health and safety, local employment and child labor, which are studied and mitigated with the respective measures. The criteria followed are in line with a number of principles stated by the Equator Principles (EP). In 2013, 100% of the projects financed by the Bank were assessed based on these standards, and none of the loans were defaulted.

During 2013, the Bank has made appropriate arrangements with a group of international banks to set up a credit line to finance clients who incorporate energy-saving/renewable energy solutions for their projects. The Bank has also made sure to integrate environmental aspects into all Loan Agreements, ensuring that borrowers obtain the required statutory permits and licenses related to relevant environmental laws before project initiation.

Furthermore, and as part of the Bank's sustainability strategy, our Project Finance Department engages with corporate clients to raise their awareness on environmental and social risks and opportunities. This was done through sharing our sustainability report with some clients, besides other engagements through participating in local and regional events and meetings. The Bank is also looking to hold specific meetings in 2014 to shed light on our adopted criteria and how it should be integrated within project agreements and lending procedures.



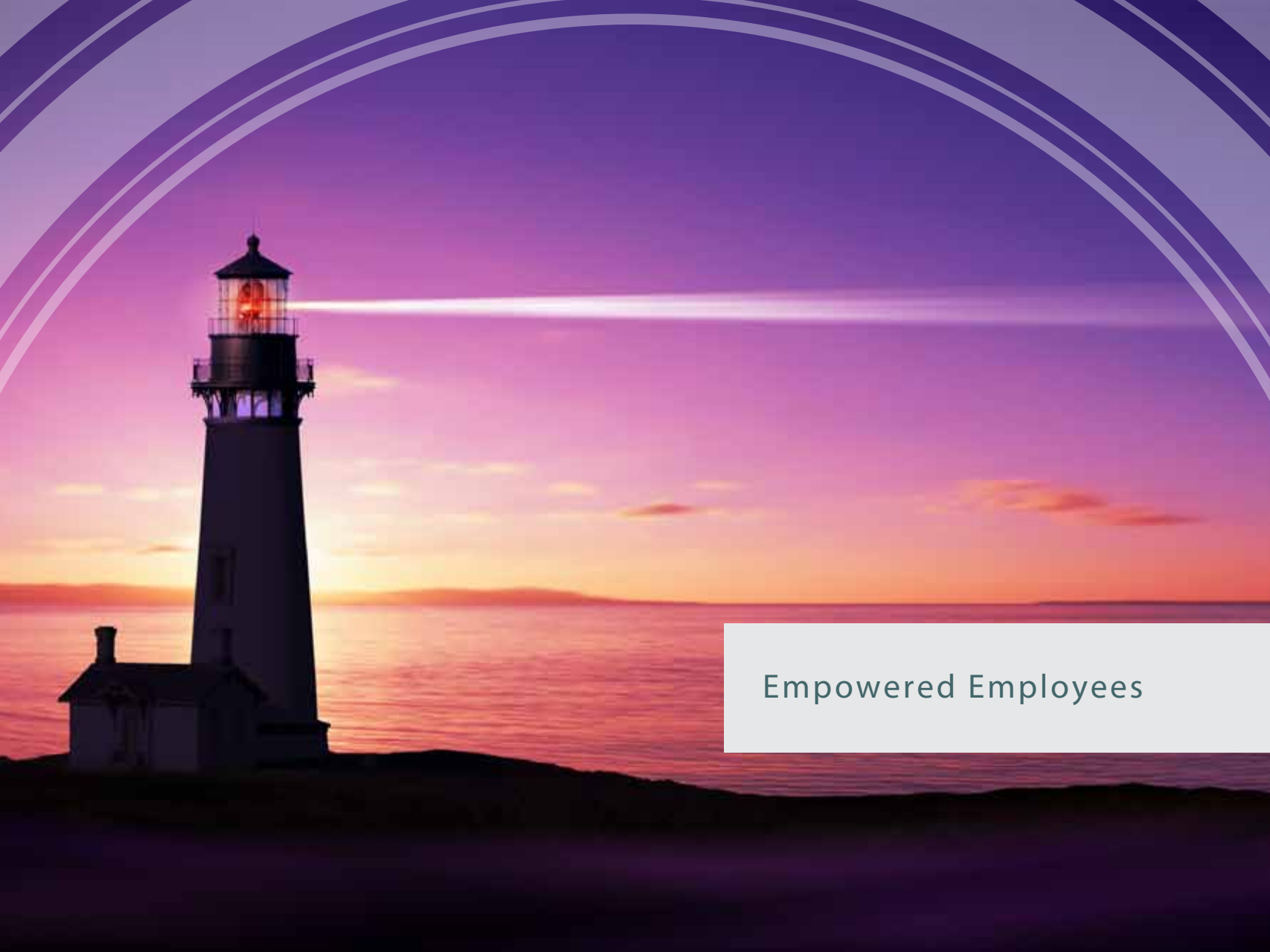
II. Responsible Consumer Lending

Arab Bank's credit approval policy is based on an assessment of the customer's ability to repay in a manner that reduces risk to the individual and the Bank. This policy, which was updated in 2013, reinforces the Bank's responsible lending approach by focusing on maintaining the Debt Burden Ratio (DBR), and minimum required salary at manageable levels. Moreover, and emerging from the Transparency and Dealing with Customers Fairly Policy outlined on page 36, the Bank's products and services, including loans and facilities, are built to cater to the needs and reasonable expectations of customers. The Bank applies a quality assurance process to ensure that lending products and services do what they are intended to do. As a result, the Bank ensures that:

- New products are appropriate for their target audience
- New products are thoroughly "test – driven" through development
- Customer feedback is taken into account where appropriate
- Adequate resources are in place prior to distribution

The above practices reinforce our commitment to ensure responsible consumer lending operations.





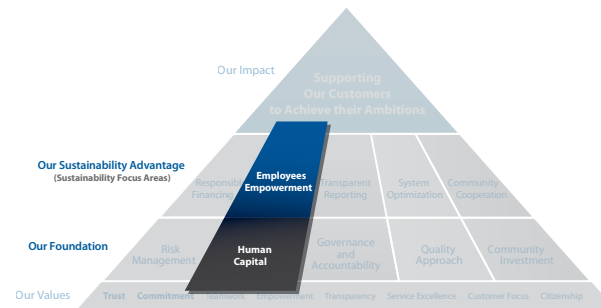
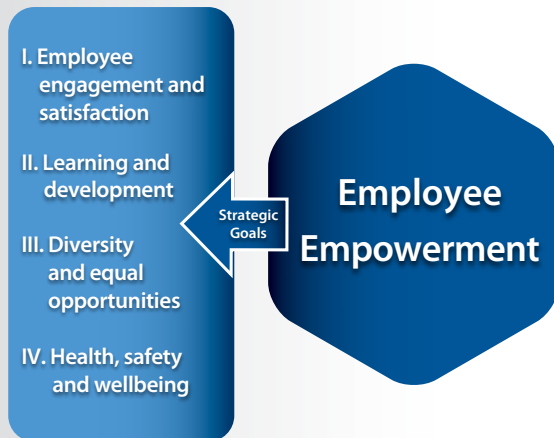
Empowered Employees

Employee Empowerment

Strategic Approach Toward Employee Empowerment

Our business success ultimately depends on the quality of our human capital. Accordingly, we are committed to the health, safety, wellbeing and ongoing development of our employees. The Bank continues to enhance its communication and engagement channels in order to achieve the collective benefits of empowered employees and ultimately better serve customers by supporting them to achieve their ambitions.

Arab Bank's sustainability strategy includes several goals, derived from a foundation of 'human capital' and tackling the following aspects under the employee empowerment focus area:



Human Capital

The Bank employs a diverse array of human capital and provides them with equal opportunities for development and growth. In 2013, our workforce in Jordan grew by 2.3% to reach 2,817 employees, comprising 44% of all Arab Bank PLC employees. The Bank only employs individuals who are 18 years and above.

Workforce By Employee Level			
Year	2011	2012	2013
Total Workforce	2,808	2,754	2,817
Number of Senior Level Employees	47	42	40
Number of Middle Management Employees	748	805	879
Number of Non-Management Employees	1,714	1,616	1,623
Number of Non-Clerical Employees	299	291	275

The Bank depends on local talent, where 99.3% of the entire workforce in Jordan are of Jordanian nationality. Representing an investment in national talent development, 80% of our senior management team and 100% of our branch district managers are all local employees.

Employee Benefits

Continuing our efforts to be the best employer in the country, Arab Bank provides highly competitive salary packages and benefits, with a standard entry wage significantly above the Jordanian minimum wage. This places the Bank in the 75th percentile of the Jordanian market in 2013. Salary packages are commensurate with experience and independent of gender, with pay scales based on market studies conducted by Arab Bank on a regular basis. The Bank has also granted its employees annual increases and performance bonuses in appreciation of their efforts in achieving record growth in 2013.

Having 100% of employees working on a full time basis, the Bank constantly introduces additional benefits including, but not limited to, upgrading the health insurance coverage, maternity coverage, life insurance and educational loans.

In 2013, the Bank commenced the provision of financial compensation for female employees who have children under four years old, supporting them to secure proper child care while they are at work during the day. The Bank continues to provide scholarships to educate employee children at Jordanian universities, where the total amount of support increased by 26% to reach JOD 88,490 in 2013, compared to JOD 70,284 in 2012. This amount enabled 78 employees to benefit from the program resulting in the enrolment of 95 students into universities during the year.

Employee Empowerment

As outlined in the sustainability framework presented on page 10, empowered employees is one of the main strategic focus areas for the Bank on its journey toward sustainability. A number of strategic sustainability goals that look at developing and engaging employees were adopted and implemented by the Human Resources Division, in collaboration with other divisions.

I. Employee Engagement and Satisfaction

The Bank believes that engaging and empowering employees can inspire them, increase their productivity and business profitability, which will ultimately lead to creating a better work place that drives innovation and helps in achieving service excellence.

To enhance employee engagement, the Bank established various internal platforms to provide employees with up-to-date information about all internal operations and host a two-way dialogue:

Arabina: An internal communication portal dedicated to inform, inspire and engage employees through presenting the Bank's information, news, circulars, updates, special offers for employees and the Bank's policy center. In 2013, and to assess the impact and functionality of Arabina, a comprehensive study was implemented covering most PLC countries. Statistics showed that 98.4% of employees in Jordan visit Arabina more than 12 times a month to check topics such as: Sustainability and CSR related updates, the Bank's news, circulars, special offers and the HRMS (HR Management System) (see page 43). These figures will be used to assess and introduce new enhancements to increase usability and the number of visits made by employees.



In the Circle Newsletter: The Bank's quarterly internal newsletter has been continuously enhanced to provide more engaging and useful content. During 2013, the newsletter introduced many new features and columns to provide insightful information related to the Bank's internal business, awards, new services and products covering all PLC countries. The newsletter also includes a special section "sustainability focus" that sheds light on the latest CSR initiatives and sustainability related articles to spread awareness and knowledge amongst employees.



Engage Newsletter: As part of Consumer Banking efforts to bolster communication and build team spirit across its network, the Bank continued to issue its quarter newsletter “Engage”. Four editions were published on Arabina during 2013. This newsletter was first launched in 2012 highlighting new projects, sales strategies, sales performance and individuals’ achievements covering all PLC countries.

Human Resources Management System (HRMS): The system has been designed to help employees perform all HR related tasks online and has largely contributed to reducing our environmental impact through the use of electronic forms and requests such as: E-pay slip, E-time card, E-medical expenses, E-training enrollment and E-loans. HRMS is designed to engage employees in several HR related aspects such as performance management as well as training and development.



Employee Turnover and Satisfaction

Employee turnover is one of the key measures that Arab Bank uses to gauge employee satisfaction. During 2013, the total turnover rate dropped to 5.9% compared to 7.4% in 2012, indicating enhanced internal satisfaction.

Total employee
turnover reduced
by 20% during 2013

Turnover			
	2011	2012	2013
Total workforce turnover (%)	7.9	7.4	5.9
Total workforce turnover by employee level (%)			
Turnover in senior management	4.0	8.9	4.9
Turnover in middle management	5.5	6.9	4.8
Turnover in non-management clerical positions	9.8	8.6	7.2
Turnover in non-clerical positions	2.7	1.7	1.8
Total workforce turnover by gender (%)			
Turnover in female employees	3.0	2.3	2.2
Turnover in male employees	4.9	5.1	3.7
Total workforce turnover by age (%)			
18-30	5.8	4.5	3.8
31-40	1.5	2.1	1.5
41-50	0.5	0.7	0.5
51-60	0.1	0.04	0.1
Above 60	0	0.04	0

Beyond benefits provided to all employees (see page 41), the Bank offers employees incentives to enhance retention and satisfaction including: Development and promotion opportunities, educational scholarships for employees' children, long service awards, enhanced life insurance amount and features, mobilization opportunities, in addition to nomination opportunities for talent and succession planning programs. The Bank also focuses on empowering and qualifying its employees to fill higher positions.

II. Learning and Development

The Bank's sustainability strategy for empowering our employees focuses on providing technical and soft skills training and capacity building programs throughout the year.

General Training

The Bank provides relevant training courses based on a comprehensive assessment of employee training needs. Based on this assessment, an annual training agenda is developed and communicated to all employees through Arabina with a diverse range of courses covering banking skills and other soft skills. These sessions are delivered by certified internal trainers along with other external trainers. During 2013, the Bank's investments in employee training and development increased by 10.29% compared to 2012, aiming to increase its employees' capabilities and skills.

Training Program Type	Number of Sessions		Number of Trainees	
	2012	2013	2012	2013
Scheduled Training Agenda	236	116	4,011	2,311
Unscheduled Programs	55	69	1,013	1,651
Middle Management Programs	95	48	1,484	788
External Courses and Conferences	73	100	209	313
Internet Courses	5	2	779	48
Courses attended at Head Office	29	13	724	295
English and Computer Courses	27	44	93	147
Sponsored Professional Certificates	13	28	30	98
Ruwad (Pioneers Program)	12	15	239	182
Specialized Departmental Courses	NA	15	NA	267
Total	545	450	8,582	6,100

Induction Training

Induction training is provided to all new employees in order to ensure that they are fully aware of the Bank's history, internal organizational structure, management approach, HR policies and regulations, health and safety issues, products and services, communication tools, commitments to stakeholders and social and environmental responsibilities.

Internship Program

With the objective of investing in local youth learning and development, in 2013 the Bank hosted 148 students in several branches and the Head Office through the internship program. The program was streamlined to provide them with a comprehensive and interactive learning experience from which they can gain new skills and competencies that are needed to succeed in any career, especially in the banking sector. For more details about the program, please see page 61 of our 2012 Sustainability Report.

Empowering Frontline Employees

In addition to optimizing our internal systems (see page 64-71), achieving service excellence depends on empowered, motivated and professional employees who can serve our customers most effectively. The Service Excellence department runs several initiatives to ensure that our frontline employees are aware of all existing and new products and services that can be offered to customers, and how to offer them in the correct manner. The main initiatives implemented during 2013 included:





Email Shots:

Weekly informative email shots were sent to all frontline employees including updates and vital information on some of the new and existing products and services.



Product Health Check:

This exercise was implemented several times after producing new products and launching new campaigns. It aims at checking the level of the Products Team's knowledge with these products and its relevant policies and regulations.



Training Courses:

Seven courses were conducted focusing on the best service excellence practices, reinforcing the Bank's 'Customer Focus' value that was adopted since inception. Moreover, with the objective of helping our partner NGOs better serve their customers and sustain their operations, two courses were held by our partner NGOs under the Capacity Building Program (see page 48, 92).

NGO Capacity Building Program

The NGO Capacity Building program, launched in 2012, utilizes our employees' knowledge and experience to build our partner NGOs employees' capacities. This program is directly in line with the Bank's belief in providing employees with an opportunity to hone their skills while also engaging and benefiting the local community simultaneously.

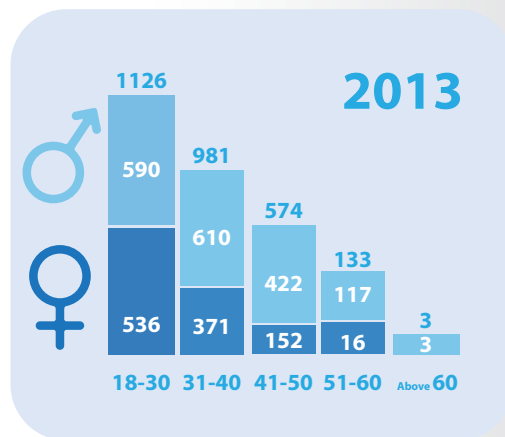
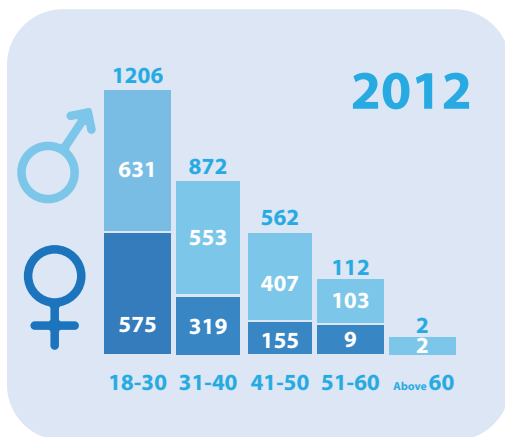
In 2013, the Bank conducted seven successful courses, a total of 320 training hours were delivered to over 64 employees from the Together NGOs. Page 92 of this report highlights all details related to this program.



III. Equal Opportunities and Diversity

The Bank is an equal opportunity employer and continues to focus on attracting and retaining a qualified and effective pool of talent regardless of age, gender, or other factor.

Total Workforce by Age and Gender



40% of employees
are between 18-30
years of age

38% of the Bank's
employees
are females

Workforce by Gender

The Bank cultivates an inclusive environment where female employees are challenged to take on managerial roles with 29.9% of middle management and 14% of the senior management team being female.

Women in the Workforce	2011	2012	2013
Women in the workfoce (%)	38	38	38
Women in senior management (%)	17	14	14
Women in middle management (%)	27	30	30

In line with local laws offering maternity leave for female employees, in 2013, 111 out of 114 female employees returned back to work after maternity leave, leading to a retention rate of 97.4%. The remaining employees decided to leave the Bank due to family and personal reasons.

Employees with Physical Disabilities

The Bank's recruitment process is based on evaluating the skills, competencies and ability to meet job requirements regardless of physical condition. Our sustainability strategy includes a review of our accessibility strategy to support the employability and integration of those who are less-abled (see page 25). As a result, some of the existing branches and all new branches will be designed with accessibility for employees with physical disabilities. In 2013, the total number of less-abled employees was 14 compared to 13 last year.

IV. Health, Safety, and Wellbeing

Health and Safety Committee

In 2012, the Occupational Health and Safety (OHS) Committee was established, comprising six members from different divisions including: Human Resources, Real Estate and Construction Management, Branding and Risk Management.

The committee looks at advancing health and safety systems and plans and to ensure proper tracking of the Bank's performance on a wide range of health and safety indicators. Since then, it has played a remarkable role in addressing health and safety issues through tracking and resolving all complaints received on the committee's dedicated email. During 2013, the committee handled 59 cases and they were classified into five main categories; suggestions, complaints, internal processes, procedures, and initiatives. In general, there were 11 work-related incidents, which were resolved promptly by the committee and none resulted in serious injuries or fatalities. All other complaints were either resolved directly by the committee or sent to relevant departments for action. All these incidents were documented highlighting actions taken, incident status, and follow up plans.

Encouraging Wellbeing

In line with the Bank's sustainability strategy, all branches and the Head Office buildings are now smoke-free environments, protecting the health of employees and customers. Approximately 108 employees were trained on health and safety related issues including fire fighting, first aid, cardiopulmonary resuscitation (CPR), evacuation and distress event handling. This comes as part of the Bank's yearly training plan for the evacuation team, who are trained regularly to keep them updated with the best possible evacuation and emergency management plans and procedures. Moreover, during 2013, first aid kits were provided to all branches to include all necessary items required for an emergency situation.

Arab Bank also encourages employees to maintain a balanced and healthy lifestyle. During 2013, and for the fifth consecutive year, the Bank was the Golden sponsor of the Amman International Marathon and encouraged its employees, their families and friends to participate in this event and in the Dead Sea Marathon (see page 86 for more details). In addition, an early detection examination took place twice this year for female employees, which comes as part of our plan to raise our employees' awareness on breast cancer and how it can be avoided and treated. Our internal newsletter (In the Circle) included valuable tips on this disease in recognition of breast cancer awareness month.





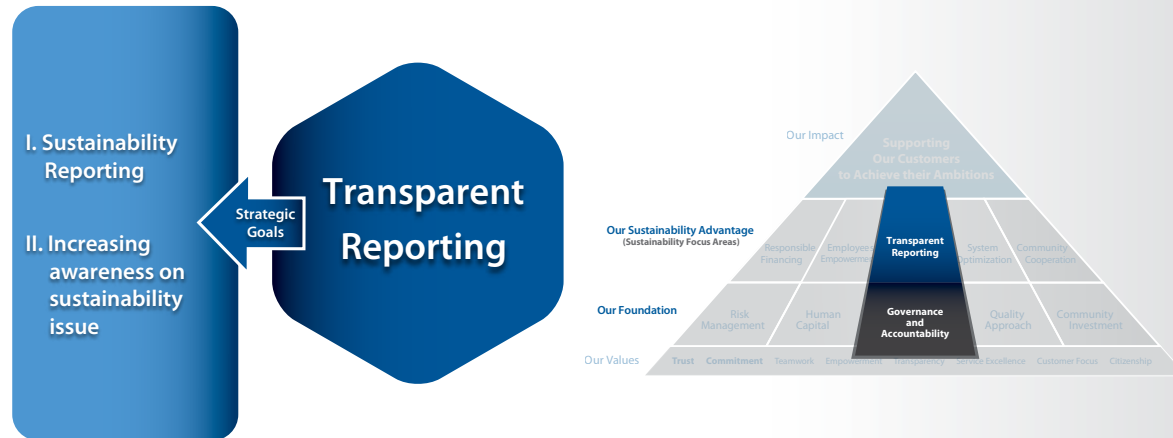
Trasperant Reporting

Transparent Reporting

Strategic Approach Toward Transparent Reporting

Good governance and accountability practices enable proper management of the Bank's operations and direction, paving the way for business growth and success. Transparency is one of Arab Bank's core values and has driven our ambition to further enhance our relationships with all stakeholder groups. We consider reporting our sustainability performance to be good business practice and consider it key channel for engagement with our stakeholders. We see the value of increasing awareness on sustainability issues in order to create a culture of sustainability across the organization and our community.

The Bank's sustainability strategy reinforces the importance of transparent reporting, emerging from its foundation of good governance and accountability practices, through adopting several strategic goals that focus on several aspects, which are outlined below:



Governance and Accountability

Board of Directors (BoD)

Adhering to local and international best practice, Arab Bank's Board of Directors continues to practice good governance in line with the Bank's Corporate Governance Guide and the Central Bank of Jordan's guidelines that are based on the Basel Committee requirements.

The Board, which held six meetings in 2013, was comprised of eleven members as of 31/12/2013, eight of whom were independent and one was female. The members of the Board of Directors are elected by the general assembly in its ordinary meeting for a term of four years, and the members are selected on the basis of optimizing the mix of skills and experience relevant to the Bank. The roles of the Chairman and Chief Executive Officer (CEO) are separated in line with best practices of corporate governance and the Corporate Governance Code for Banks issued by the Central Bank of Jordan.

Overall Board performance is assessed on an annual basis and individual Board members can be nominated for additional terms. All Directors receive remuneration for their service with the amount agreed upon collectively by the Board to a maximum of JOD 5,000 annually as stipulated in the Companies Law (No. 22, 1997). The Board delivers on its responsibilities in part through the Corporate Governance, Selection and Remuneration, Audit, Corporate Strategy and Risk Management Committees. More information on the Board committee mandates and our corporate governance practices can be found in the 2013 Annual Report.



Accountability to Shareholders

The Bank's record achievements in 2013 resulted in a solid financial position. As of the year-end 2013, Arab Bank PLC achieved 8.8% return on equity where the total amount of profits distributed to PLC shareholders reached JOD 160.2 million as recommended by the Board of Directors.

	2011	2012	2013
Shareholder Equity (JOD million)	3,813.5	3,875.5	3,955.4
Shareholder Dividends Paid (JOD million)	133.5	160.2	160.2
Dividend Per Share (JOD)	0.25	0.30	0.30 (Plus one bonus share for each 15 shares)

Accountable Operations

Arab Bank's operational accountability and integrity is achieved through strict compliance with local laws and regulations, and the monitoring of operations to ensure safe and sound systems. A comprehensive screening process is implemented as part of employee recruitment and cooperation procedures via "Safe Watch", which holds the Bank's internal blacklist databases and sanctions, ensuring that the Bank collaborates with accountable and reliable individuals and institutions. The system is administered by various regulatory authorities and internationally recognized organizations (e.g. United Nations Security Council Lists, Office of Foreign Assets Control Lists).

All of Arab Bank's divisions develop, implement and update a set of customized policies enforcing Bank-wide accountability. Ensuring proper implementation of these policies, the Bank regularly updates the policy center, which was established in 2011 on our intranet. The center allows the Bank to centrally manage all policies from the development phase through to implementation. Reinforcing transparency, the policy center is available to employees granting them access to the tools and information needed to perform to their full potential in compliance with the governance framework.

Code of Conduct

The Code of Conduct underpins the Bank's unwavering commitment to conducting business with the highest ethical standards and with uncompromised integrity across all operations and jurisdictions. Please check page 72 of our 2012 sustainability report for more details about our Code of Conduct.

Following on from last year's commitment, the online Code of Conduct acknowledgment process was completed in 2013 targeting all new and existing employees. Thus all employees have been informed of the latest updates concerning the Code of Conduct, which includes aspects related to fair competition and treating customers fairly.



Ethics Committee

In June 2013, an Ethics Committee was established for the purpose of interpreting and enforcing the Bank's Code of Conduct within internal operations.

The Committee investigates potential legal and regulatory violations in addition to whistle blowing incidents, which include reporting on violations of the Code of Conduct, Arab Bank policies, potential violations of applicable laws and regulations, and any other misconduct. The Committee is chaired by the Head of Group Regulatory Compliance Division and consists of the Head of Human Resources and Head of Legal Affairs.

Raising Awareness and Learning

Raising Internal Awareness

The Bank continues to raise employee awareness on internal policies, ensuring accountable operations and reinforcing a precautionary approach. The Group Regulatory Compliance Division generates and communicates to Arab Bank employees a number of publications through Arabina, or through emails. These include:

- **Compliance Focus:** A specialized bulletin that captures the latest news in the field of compliance along with updates on key regulatory developments, aimed at raising awareness on Arab Bank's compliance priorities and initiatives. This is distributed to: Group Compliance employees, Area Managers, Subsidiaries, and Regulatory Authorities.

- **Anti-Money Laundering (AML) Aware:** A regular release which is distributed to the Group Compliance staff and heads of divisions aiming to providing the latest news and developments related to AML, Combating Terrorist Financing (CTF) and other compliance subjects.
- **GRC Newsletter:** A regular release distributed by the Jordan Compliance Team to promote general awareness and provide guidelines on Arab Bank's AML/CTF Policies and Procedures, and to further enhance the overall compliance culture. The distribution list includes Arab Bank Jordan Lines of Business.

Continuous Internal Learning

In addition to initiatives implemented internally to raise awareness, the Bank completed the implementation of several initiatives during 2013 that focus on raising the capacities of the Group Regulatory Compliance team, ensuring that they are aware of the latest compliance related issues:

AML Webinars: Webinars are subscribed and presented to compliance employees highlighting issues related to AML.

Lunch and Learn Sessions: Aimed at enhancing and promoting career development, and arranged after working hours, Lunch & Learn is a series initiative which was launched in 2008 to expand the compliance staff scope of knowledge and to encourage discussion and the sharing of different points of view in a casual atmosphere of lunching and learning.

Arab Bank Certified Foreign Account Tax Compliance Act (FATCA) Specialist designation (AB-CFS): Leveraging FATCA trained staff to ensure a higher level of FATCA compliance across the Bank, Group Regulatory Compliance Division developed and administered the Arab Bank Certified FATCA Specialist designation (AB-CFS) in 2013. The designation targets Country Compliance Managers and compliance staff whose job responsibilities require a strong working knowledge of FATCA requirements. To ensure readiness and preparedness for the online examination, Group Regulatory Compliance Division initiated several study sessions.



Raising External Awareness

As part of our continuous efforts to raise awareness on compliance and other regulatory issues, the Bank participated in the following initiatives:

- **Wolfsberg Anti-Money Laundering Forum in Zurich:** The Bank's Chief Compliance Officer was a speaker at this global event where he addressed the "Evolution of AML/CTF in the MENA Region" as well as "Extending the Spectrum of the AML Program" and the need for an integrated approach to fight financial crime.
- **The 9th Compliance Leadership Forum in London:** The Bank's Chief Compliance Officer was invited, among senior compliance and risk leaders from around the world, to discuss new and emerging threats to brand and reputation, new legislation and new approaches by law makers, trends in financial crime and law enforcement, anti corruption legislation and multinational organizations, organized crime, and reassessing the MENA and Asian risk landscape.
- **Association of Banks in Palestine:** The Bank's Chief Compliance Officer led a compliance workshop where he delivered various presentations focusing on enhancing the culture of compliance, Foreign Account Tax Compliance Act (FATCA)¹⁰ implementation, and other key regulatory developments.

10. FATCA: Is a U.S. anti-tax evasion law enacted in March 2010 and will come into effect as of July 2014 that requires non-U.S. Financial Institutions (Foreign Financial Institutions "FFIs") to meet certain obligations, otherwise, FFIs will be subject to 30% withholding penalty on certain U.S. payments.

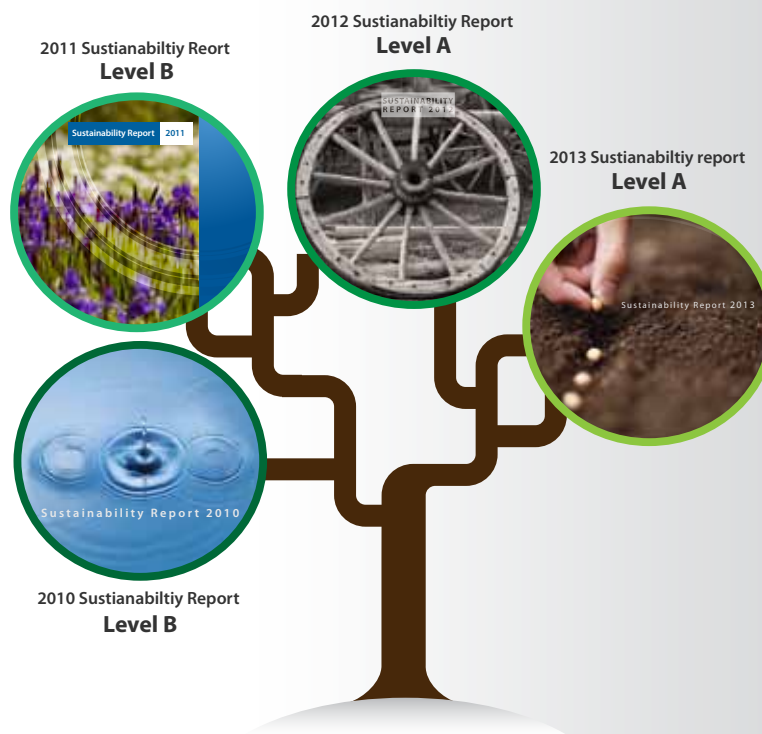
Transparent Reporting

As outlined in the sustainability framework presented on page 10, transparent reporting is one of the strategic focus areas that the Bank has prioritized as critical to achieving sustainability. A number of strategic goals focused on enhancing transparency practices were adopted and implemented in 2013.

In addition to reporting our financial performance on a quarterly, semi-annual and annual basis through various mediums to shareholders and the public, the Bank is committed to report on its non-financial performance through annual sustainability reporting.

I. Sustainability Reporting

As part of the Bank's sustainability strategy, we have been committed to the annual publication of a sustainability report since 2010. The reports highlight the main challenges, achievements and updates on our strategy, which covers social, environmental, economic and governance aspects. In preparing the reports, Arab Bank has used the Global Reporting Initiative (GRI) G3.1 guidelines, the most recognized and used guidelines for sustainability reporting globally. The diagram below highlights the level of GRI application within each of our reports, showing the Bank's progress in widening the scope of disclosure and transparency in each sustainability report. A further explanation about the GRI levels can be found in Appendix D and an index of the GRI indicators that have been covered in this report can be found in Appendix E. It is our hope that our stakeholders will find this report useful and informative and will provide us with feedback and suggestions for improvement in upcoming reports.



II. Increasing Awareness on Sustainability Issues

To ensure better implementation of the sustainability strategy and to embed it into the DNA of the organization and business community, the Bank continues to take action to help raise awareness on CSR and sustainability issues for all employees and the general public.

Sponsoring a Dedicated CSR Column

Since 2012, the Bank has been sponsoring a dedicated CSR column in Al Ghad, a major daily Jordanian newspaper. Through weekly articles, the column focuses on raising awareness and building knowledge on the latest efforts by the private and public sector to engage on sustainability. This initiative also aims to encourage other entities to become active corporate citizens and to transparently communicate their achievements through this column and eventually their own sustainability reporting.



Spotlight Sessions for Employees

Following the issuance of the Bank's third sustainability report for the year 2012, and as part of the Bank's ongoing commitment to raise internal awareness on sustainability management and reporting, a spotlight session was conducted during 2013 in order to encourage everyone to adopt responsible practices contributing to achieving the goals set out in the sustainability strategy. Employees from different departments attended this session and engaged in an open and thought provoking discussion on the impact of these reports internally and externally.

Integrating Sustainability within the Internal Newsletter

Another tool to enhance internal awareness on sustainability issues is our dedicated Sustainability Corner within the Bank's internal quarterly newsletter "In the Circle". The sustainability corner includes updates on sustainability and CSR related programs and initiatives implemented during each quarter, in addition to helpful tips related to employees' health and environmental awareness. The feature story outlined below was included in one of the versions of our newsletter to raise internal awareness on the sustainability concept.

Integrating Sustainability within the Induction Training Program

Our sustainability approach and strategy, as well as the CSR initiatives are now a key part of the induction training provided to all new employees. This comes as part of the Bank's commitment to ensure that the employees are sustainability ambassadors within their divisions and can perform their duties ethically, responsibly and with excellence.





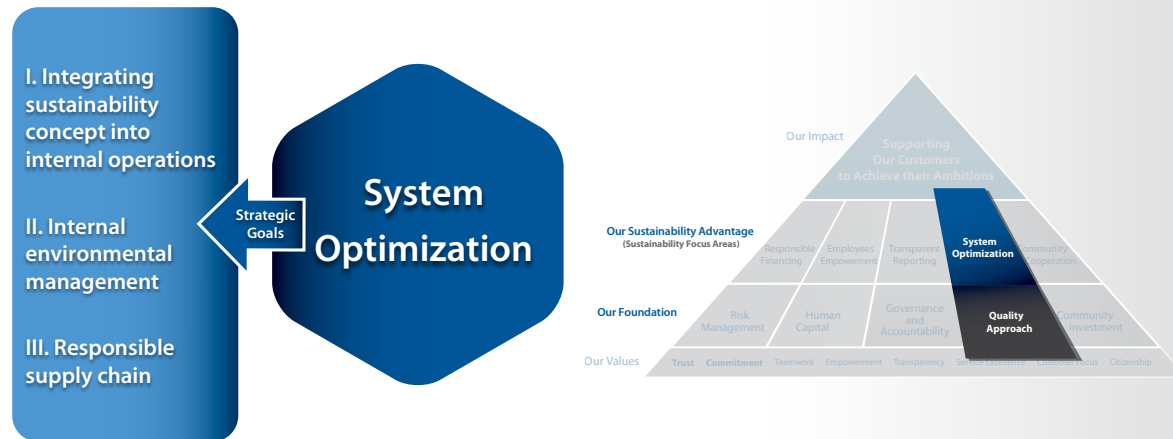
System Optimization

System Optimization

Strategic Approach Toward System Optimization

As part of our commitment to a quality approach, refining our management systems across the business to include sustainability considerations will enable Arab Bank to identify synergies and opportunities for increased efficiency. Ultimately, we must better manage the resources available in order to optimize operational efficiency. We believe that we must innovate toward building a greener economy and ultimately to the restoration of the environment.

Several strategic goals in our sustainability strategy are directed toward the enhancement of our quality approach in order to optimize our internal systems through the introduction of sustainability into our daily operations. These goals focus on several aspects, which are outlined in the diagram below:



Quality Approach

Arab Bank has developed quality management systems in order to ensure the optimization of our internal operations, to enhance customer service, business relationships and reduce our environmental impact.

New Systems

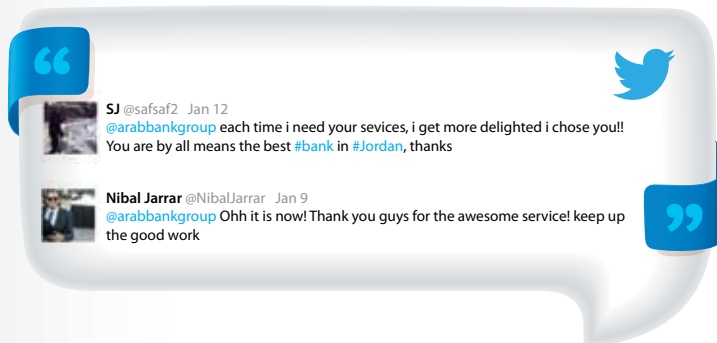
The year 2013 witnessed the integration of new quality systems that improved our operations and management processes. These new systems are outlined below:

Offering Engine

The Consumer Banking Division introduced a comprehensive system (Offering Engine) which provides customers with an interactive method of communications through our online banking channel (Arabi Online). Customers receive current offers, notifications and alerts that suit their needs and financial situation. This service has also been expanded to branches where our employees can now verbally convey these alerts to customers.

Mobile Banking

In November 2013, the Arabi Mobile application was launched. Using the latest technologies in e-banking, we have now given customers the ability to conduct a variety of banking transactions wherever they are and whenever they want through their mobile phones. In alignment with our policy to protect customer information, security was the number one priority in designing this service; in addition to the username and password required to login, this application should be activated through Arabi Online or by calling the Bank's contact center on 06 4600900.



Updated Treasury System

Arab Bank has committed to investing significant resources in replacing its treasury and market risk management systems with a new state-of-the-art system. The new system will bring all twelve Arab Bank PLC countries into one integrated platform, which will support straight-through processing and best-in-class deal processing. Most importantly however, we will be able to aggregate, analyze and manage risk positions, whether they were FX, interest rate or liquidity risk, more quickly and better than ever before. This will result in advanced decision support information, and the ability for Arab Bank to propose and process the fullest range of products and hedging instruments for our customers.

Cash Management and Internet-Based Trade Finance Services

In line with the Bank's strategy to offer corporate customers a diverse array of e-banking solutions, in 2013 Arab Bank launched its award winning "corporate e-banking offering". The platform includes a wide range of innovative and highly-customized online products and services, including cash management and the newly launched trade finance platform. The services are tailored specifically to allow Arab Bank's corporate customers to manage their business transactions from anywhere in the world effectively and safely. The products and services have helped many corporations manage their business operations, capital and liquidity more efficiently. Furthermore, streamlining Arab Bank's operations across processes has also been a key driver for 2013. Systems enhancements and operational re-engineering is vital to the improved cost efficiency of the business.

“

Now more than ever, the availability of trade finance at reasonable prices is crucial to the health of the global economy. We have selected the banks that are best serving the needs of corporations worldwide as they engage in cross-border trade.

Joseph D. Giarraputo, Publisher and President of Global Finance Magazine, commenting on awarding the Arab Bank for the best corporate e-banking offering.

”

System Optimization

As outlined in the sustainability framework presented on page 10, system optimization is one of the Bank's top five strategic sustainability focus areas. A number of strategic goals that focus on integrating ESG aspects into internal operations were adopted, the Bank is working to implement all objectives by the end of 2014.

I. Integrating the Sustainability Concept into Internal Operations

Arab Bank believes that integrating sustainability into its daily operations helps in optimizing management systems by addressing a wider range of social, environmental and economic risks and opportunities. Accordingly, the Bank established a comprehensive sustainability strategy (see page 11) and works to ensure that it becomes part of the organization's DNA.

Sustainability Champions

To improve efficiency across the Bank's operations, drive innovation and advance its position as a leader in sustainability in Jordan and the region, the Sustainability Champions program was launched in 2012. It has served as a platform to bring together all of the Bank's departments in the implementation of the strategic sustainability strategy and direction. The Champions were proactively involved in the preparation process of the Bank's 2013 sustainability report, achieving GRI application level A (see page 12).

Adhering to Global Sustainability Best Practices

The Bank implements its sustainability strategy in line with the ten principles of the UN Global Compact (UNCG), integrating aspects related to human rights, labor standards, the environmental and anti-corruption. We have also used reporting guidelines such as the GRI to help identify areas for improvement.

As a result of adopting such a comprehensive strategy and clearly reporting on its implementation through our annual sustainability report, during 2013 the Bank was recognized for its efforts by a number of leading regional and international awarding institutions, receiving the following accolades:

- First Runner-up in the Arabia CSR award for the large company category. Arab Bank competed with a total of 111 applications from 80 organizations, 22 industries and 10 Arab countries.
- Winner of the Stevie Award for Best CSR Program in Jordan as part of the 2013 International Business Awards.
- Arab Bank also continues to be ranked as one of the top five organizations on the S&P/Hawkamah ESG Pan Arab Index

The Bank will continue in its efforts to advance its position as a leader in Sustainability in Jordan and the region.

II. Internal Environmental Management

Arab Bank aims to operate in an environmentally responsible manner and to closely monitor its resource consumption through the implementation of an environmental management system. During 2012, the Bank developed new measurement systems to better monitor and assess the consumption of resources (such as energy and water), waste generation and Greenhouse Gas (GHG) emissions as a result of our operations. We have continued to use these systems to take measurements in 2013, providing us with comparable data for two years on most environmental indicators.

GHG Emissions

Greenhouse Gas (GHG) emissions are created directly as a result of the Bank's fleet of vehicles consuming diesel and gasoline, as well as burning diesel fuel for heating buildings. The Bank also accounts for its indirect GHG emissions produced as a result of consuming electricity from the Jordanian national grid. The table below compares the total GHG emissions for 2013 with the emissions for 2012:

Total GHG Emissions (Tons CO ₂ e)	2012	2013
Direct Emissions: Vehicles	281	381
Direct Emissions: Heating and Generators	758	645
Indirect Emissions: Electricity	14,650	15,612
Total GHG Emissions	15,689	16,638
Total GHG Emissions per Employee	5.7	5.9

Resource Consumption

The Bank currently tracks the most significant areas of resource consumption in the forms of electricity, heating fuel, vehicle fuel and water for its head office and all branches across Jordan. In line with last year's records, we also calculated consumption per employee to better track our efficiency as the Bank grows.

Electricity Consumption

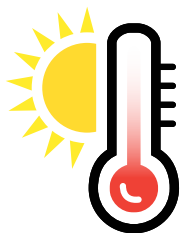


Electricity Consumption at Branches, HO and the COU	2012	2013
Total Consumption (kWh)	18,825,999	20,061,921
Total Consumption in Gigajoules (GJ)	67,773	72,223
Total Consumption per Employee (kWh/employee)	6,836	7,122

In 2013, the Bank recorded a 6.5% increase in electricity consumption. This comes from the Bank's need to increase total operational space at its head office and other branches to enhance customer service and to better manage logistics. The additional space reached around 3,500 SQM (representing a 6% increase in space compared to 2012), which has caused the increase in the total electricity consumption compared to 2012.

The Bank has reviewed its efforts to reducing electricity consumption and has developed an internal plan to study the opportunity for using Light Emitting Diodes (LEDs), photovoltaic power sources, and automation systems at the Head Office and branches. These should allow us to achieve significant reductions in consumption. Furthermore, several awareness articles have been added into our internal newsletter "In the Circle" to prompt employee participation in this effort (see page 42).

Heating and Generators Fuel Consumption



Heating and Generator Fuel Consumption at Branches, HO and the COU	2012	2013
Heating Diesel Consumption (Liters)	281,101	200,000
Total Consumption in Gigajoules (GJ)	9,276	6,600
Total Consumption per Employee (Liters/employees)	102	71
Standby Generators' Diesel Consumption (Liters)	NA	39,000

Due to enhancements made on our internal systems, Arab Bank achieved a 28.8% reduction in heating fuel consumption in 2013. The enhancements mainly focused on the installation of a Variable Refrigerant Volume (VRV) system to better control demand and consumption. Moreover heating demands were reduced due to the use of double-glazing on windows, which reduced heat loss/gain depending on the season. Further enhancements to these systems are due to take place in 2014, which will be outlined in next year's report.

The Bank also consumed 39,000 liters of diesel for standby electricity generators, which operate automatically in case of main power failure. These generators are required for critical safety systems to ensure business continuity and high efficiency.

Vehicle Fleet Consumption

During 2013, the Bank reduced the total number of vehicles in operation to 63 compared to 67 in 2012. Despite this reduction, total consumption of fuel has increased due to the increase in the Bank's business operations.



Vehicle Fleet Fuel Consumption	2012	2013
Diesel Consumption (Liter)	50,000	60,000
Gasoline Consumption (Liters)	60,000	90,000
Total in Liters	110,000	150,000
Diesel Consumption in Gigajoule (GJ)	1,650	1,980
Gasoline Consumption in Gigajoule (GJ)	2,160	3,240
Total in Gigajoules (GJ)	3,810	5,220

Water Consumption



Water Consumption at Branches, HO and the COU	2012	2013
Total Utility Water Consumption (m ³)	31,500	34,700
Drinking Water Consumption (m ³)	NA	285
Total consumption per Employee (m³)	11.4	13.48

A 10% increase in water consumption was recorded in 2013. This is due to the increase in operational space at the head office and other branches (see page 68). The Bank aims to reduce its total water consumption through the installation of new water saving devices in 2014.

Material Consumption

As part of the Bank's efforts to reduce material resource consumption, during 2013, the total consumption of paper and plastic was reduced by around 41% and 59% respectively. Such an achievement is due to the regular awareness tips added on Arabina and "In the Circle" newsletter and the replacement of plastic cups used for drinking water with paper cups.

III. Responsible Supply Chain

Arab Bank is committed to enhancing its supply chain management through engaging with suppliers and raising their awareness on sustainability issues. During 2013, the Procurement Division added a special article to contracts' terms and conditions under "Applicable Law and Jurisdiction", to ensure supplier compliance on social related values that are part of fundamental principles of the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO). Moreover, the Bank continues to support the Jordanian economy through contracting with locally based suppliers, where 84% of procurement spending was with local suppliers in 2013. These suppliers are also screened against the Bank's black listing system (the Safe Watch) to ensure that they are not involved in any corrupt practices.





Community Cooperation

Community Cooperation

Strategic Approach Toward Community Cooperation

As a core value of the Bank, citizenship reinforces our historical support for the local community and our belief in the importance of leaving a positive impact where we operate. In perpetuating the greater altruistic vision that Arab Bank was founded on, the Bank continues to increase the impact of its community investment through supporting sustainable initiatives that develop local communities, and by supporting the non-governmental sector of the region. Achieving long-term community development contributes directly to our overall sustainability objective of supporting our customers to achieve their ambitions, by creating a more skilled, talented and stronger community.

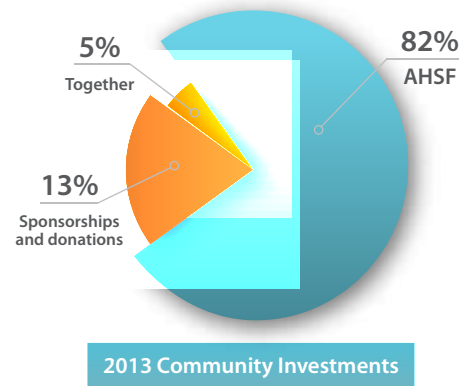
Our sustainability strategy includes a set of strategic goals that go beyond regular community investments and focus on long-term community cooperation. These goals focus on several aspects, which are outlined below



Community Investments

Arab Bank is committed to adopting innovative CSR practices and continues to invest in communities in a strategic and sustainable manner, ensuring the creation of long-term impact. According to Arab Bank's sustainability strategy, the Bank's community investment activities are classified into three main types:

- Direct financial donations and sponsorships to non-profit and community based organizations
- Annual support for the Abdul Hameed Shoman Foundation (AHSF) (see page 76)
- Support grassroots initiatives through the Bank's CSR program "Together" (see page 81)



In 2013, the Bank's total community investment spending reached JOD 13.1 million, representing 2.8% of our total PLC net profits before tax, compared to 3.2% in 2012.

Financial Donations and Sponsorship

The Bank's total spending on sponsorship and donations for 2013 reached JOD 1.76 million, which represents 13% of our total community investment spending. Such financial contributions are aligned with the Bank's sustainability and CSR strategies, and aim to directly engage with local communities across Jordan and strengthen the Bank's position and reputation as a responsible citizen.

The sponsorships and donations have helped in supporting community based organizations (CBOs), non-governmental organizations (NGOs) and other foundations targeting a diverse range of beneficiaries including students, orphans, patients, underprivileged families and the environment. Below are the main organizations and initiatives the Bank has collaborated with through direct financial contribution and other non-financial activities (volunteering and in-kind donations) conducted in 2013.

In 2013, total community investments amounted to JOD 13.1 million, which is an increase of 16% compared to 2012



Abdul Hameed Shoman Foundation (AHSF)

The Abdul Hameed Shoman Foundation was established 35 years ago by the Arab Bank, in what was then an innovative move by the private sector to contribute to the initiation of a beacon of knowledge and innovation in Jordan and the Arab world. Since establishment, the Foundation has played a positive role in enriching Jordanian and Arab cultural and the development of the scientific scene through knowledge, research and dialogue.

In 2013, the Bank's community investment spending in support of the Foundation's programs amounted to JOD 10,708,052, representing 82% of the Bank's total community investment budget.



Vision: For a society of culture and innovation.

Mission: Investing in cultural and social innovation to positively impact the communities we serve through Thought Leadership, Arts and Literature, and Innovation and Employment

Reflecting its vision and mission, the year 2013 has witnessed many achievements by the Foundation at both a local and Arab level. The most prominent of which was the release of The Expanded Thesaurus (Maknaz)'s second edition on its web-based version, in cooperation with Dubai Culture and Arts Authority and Juma Al Majid Heritage and Culture Center. The Expanded Thesaurus (Maknaz) is the largest Arabic trilingual thesaurus that covers all fields of knowledge. Other achievements and initiatives implemented are described below.

Scientific Research

In 2013, the Foundation granted The Abdul Hameed Shoman Award for Young Arab Researchers to 12 researchers from (Jordan, United Arab Emirates, Saudi Arabia, Kuwait, Palestine, Syria, and Egypt out of 142 candidates from different Arab countries participated that covered fields including physics and geology, mathematics and information technology, agricultural sciences, Social Sciences, medical sciences and engineering. As response to the changing needs for researchers in Jordan and the Arab region, the Foundation modified the criteria for Abdul Hameed Shoman Award for Young Arab Researchers, which was launched in 1982, to include all ages and not only limit it to young people. Accordingly, the award was renamed to the Abdul Hameed Shoman Award for Arab Researchers.



In addition, six fields, which cover all areas of knowledge, have been set. Every year, the Award Scientific Committee selects one scientific subject or more within each of these six fields. These fields are: Health and medical sciences, engineering, fundamental sciences, arts, humanities and social and administrative sciences, agricultural sciences and applied sciences, including water, energy and environment.

Abdul Hameed Shoman Award for Children's Literature was launched in 2006 with the aim of advancing literature presented to children to foster their creativity. Since its establishment, 15 authors and poets have been awarded from different parts of the Arab region. The Award categories focus on short stories, poetry, novels, theater, literary criticism and TV programs for children. In 2013, the award was presented for 2012 in the "National and Social Chant" category and was shared by a Jordanian and a Tunisian.

Publications of the Abdul Hameed Shoman Foundation

During the year 2013, five books were published by the Foundation, covering the outcomes from lectures and symposiums held by the Abdul Hameed Shoman Cultural Forum. These books were:

- The Arabic Language and the Nation's Identity
- The Arab World Economy; Constraints and Incentives
- Questions on Media and Democracy in the Arab Spring Era
- Education Enhancers and the Responsibility of the Community
- Experiences in Fiction Writing and Critique Practices

Abdul Hameed Shoman Public Library

The Library, which is situated in a vital area at the heart of the capital city of Amman, was further enhanced in 2013 to meet its visitors' needs. The changes are outlined below:

- Due to the increased number of visitors and demand for library services, the Library has extended its opening hours to be from 9:00 am to 8:00 pm Saturday through Thursday. It has also started to open its doors on Fridays, offering its members and visitors free Wi-Fi services.
- During 2013, the library continued to support 13 sub-libraries in governorates and 40 libraries around the Kingdom through regularly updating them with new books and periodicals.
- The Library offered capacity building and trainings to other librarians from across Jordan and the Arab region, while also hosting various book club sessions.
- The Library was made more accessible and equipped to become special-needs friendly ensuring it can serve all members of the community.
- The Library continued its cooperation with the Ministry of Culture in supporting the "Jordanian Family Library" Project.
- The Library also renewed the annual financial support for Haya Cultural Center's mobile library and provided it with many children's books and stories.



"The Children's Talents Center" in Ajloun's Urban Village

The Foundation established "The Children's Talents Center", which comprises of a library and a kids club in the city of Ajloun. This step is in line with the Foundation's strategy to promote knowledge and enable a culture of creativity and sustainable development right across the Kingdom.

The Foundation's team of experts offered capacity building training for the Children's Talents Center's staff. In addition to planning the Center's activities, the Foundation has helped in furnishing and equipping the Center with its library needs such as books, periodicals and different educational materials. It has also provided different types of books which would also appeal to parents and educators.

“Knowledge Path” Library for Children and Youth

On October 6th, 2013 the Abdul Hameed Shoman Foundation launched its new children's library “Knowledge Path” at Abdul Hameed Shoman's Public Library.

Its mission is to “provide an enjoyable children friendly environment that contributes to nurturing a self-aware and capable generation through reading, storytelling and creative activities”.

Knowledge Path with its central location at the heart of Amman, is not just a traditional library, it is an active open space for children of all ages and backgrounds to meet, discover and explore through reading, storytelling and creative activities that inspire innovative thinking. Children from age three to 16 years old can subscribe to become members for a minimal fee of one JD for the first child and half JD for each additional child.

Knowledge Path includes a Reading Hall that has over 10,000 selected Arabic and English books and stories of various subjects, a Children's Corner that serves ages three to six years old along with one of their parents, a Computer Corner in addition to a Creative Corner that holds various art, music, drama and theater activities that focus on books and book reading.

Since its launch in the beginning of October and until the end of November 2013, the “Knowledge Path” Library recorded over 2,500 visits, including visits made by 30 schools, in addition to more than 500 subscriptions. Knowledge Path also hosted children book club sessions and science shows coordinated with local and international parties.



Abdul Hameed Shoman Cultural Forum

The Abdul Hameed Shoman Cultural Forum has continued to host the most prominent Jordanian and Arab intellectuals and researchers in its weekly program of symposiums, lectures, discussions, exhibitions, debates, and book signings, in addition to hosting youth initiatives. The Forum covered emerging issues through a range of events, including:

- Hosting the Cultural Forum, which included a number of distinguished intellectuals, role models and dignitaries who gave lectures and completed debate sessions on various topics ranging from culture, society, economy, education, medical, ethical and financial subjects.
- Partnering with “7iber” platform to hold a panel discussion about university violence.
- Holding poetry readings for various Jordanian and Arab poets and hosting the “Philadelphia’s Second Festival for Young Poets” in cooperation with Philadelphia University.
- Hosting the launch of many books and publications in different fields for Arab and Jordanian authors and experts.
- Hosting the launch of the book “Eyewitness” by the deceased author Mohammad Tumaleh, on the fifth anniversary of his death. The event was attended by some of the most prominent satirists such as: Yousef Ghishan, Ahmad Hassan Al Zoubi and Nasser Jaffari.
- Hosting an exhibition for the caricaturist Emad Hajjaj on the occasion of the character’s “Abu Mahjoub” 20th anniversary.
- Holding symposiums shedding light on the fields of documentation and archiving.

Cinema

The Foundation’s cinema department has continued its screening of selected Arab and international films followed by discussions within its weekly program.

The Foundation organized two film festivals; the first was “The Lebanese Film Week” held in cooperation with the Royal Film Commission, and the second was “The Chinese Film Week” which was held in cooperation with the Ministry of Culture, the Embassy of the People’s Republic of China and The Royal Film Commission. During that festival the Foundation received the first Chinese artistic delegation to ever visit Jordan.

Other Events and Initiatives Supported in 2013

Some of the other events and initiatives supported by the Foundation included:

- The Children’s Science Fair “Future Scientists” held by UNRWA’s Educational Development Center.
- Amoun Theatre Festival 2013 organized by the Directorate of Arts & Theater under the Ministry of Culture.
- The Foundation has also extended its support to many scientific and creative conferences including the Scientific Day at the Energy Center, the Conference of “Literary Criticism” and the Conference of Renewable Energy.

Community Cooperation

Adopting a strategic approach toward community investment brings shared value¹¹ as our business performs best when the community is thriving. The Bank's strategic community investment focuses on going beyond philanthropic activities to focus on introducing sustainability related products and services, raising the capabilities and capacities of local NGOs, utilizing our service channels to support the community, and engaging different stakeholders to collaboratively tackle social, economic and environmental challenges.

As part of Arab Bank's longstanding foundation of community development and responsible citizenship, the Bank has identified a number of strategic goals within its sustainability strategy dedicated to community cooperation, and was able to achieve all goals by 2013.

I. Deploying the Together Program

The Together program grew from the Bank's long history of being active in the community into an institutionalized initiative, which symbolizes our commitment to community cooperation. Since its inception in 2009, more than 120 activities and initiatives were implemented with the participation of a large number of employees.

The Together program focuses on collaborating with different groups of stakeholders with the objective of supporting our communities in four main areas:



Health



Poverty alleviation



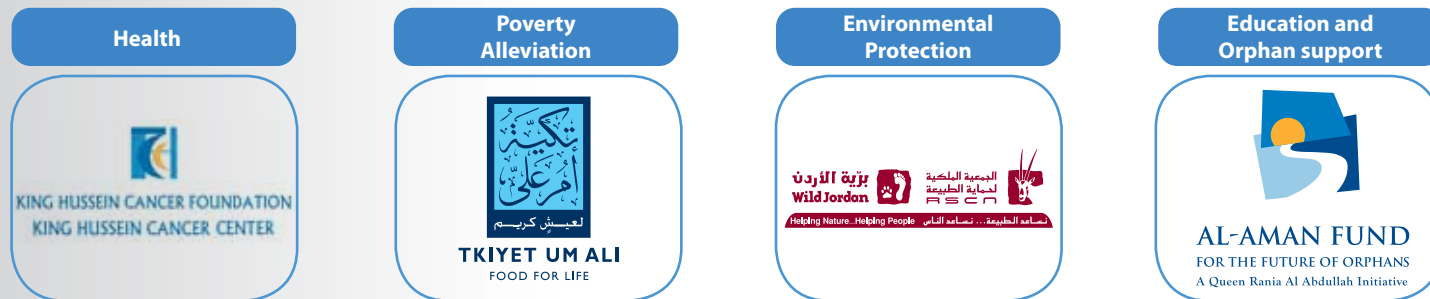
Environmental protection



Education and orphan support

11. The Shared Value concept is identified as a set of policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. It focuses on identifying and expanding the connections between societal and economic progress. Creating Shared Value / by Michael E. Porter and Mark R. Kramer Harvard Business Review, January-February 2011

These four areas were identified based on analyzing local needs and priority issues. The Together program aims to achieve a long-term impact in each of the four main areas by leveraging our core competencies and engaging stakeholders with expertise on each subject. The Bank has collaborated with a specialized NGO for each area since 2009 under the Together program.



The Bank's contribution to the Together program made up 5% of Arab Bank's total community investment budget in 2013. This included direct sponsorship and donations to the Together program's participants in addition to the Bank's contribution through the Together Platinum Credit Card, which amounted to JOD 5,420 in 2013.

Volunteering

The Together program focuses on engaging the Bank's employees through volunteering their time and knowledge to the benefit of the institutions we support and the local communities we develop. The Together program also gives employees' families and friends the opportunity to participate in different CSR related activities fostering a wider culture of volunteerism.

Encouraging employees to volunteer and recognizing their efforts contributes to reinforcing the volunteering culture within the organization. In order to facilitate employee volunteering, the Bank adopted a volunteering policy in 2009 which outlines important information related to volunteering procedures, timing, criteria, recognition and other details for special cases and exceptions. This policy is visible to all employees through the Bank's internal communication portal, Arabina.

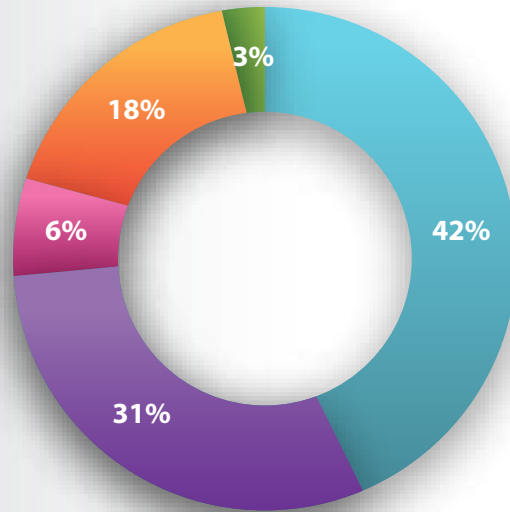
Volunteers' Appreciation Day

Under the patronage of the Bank's Chairman, Mr. Sabih Masri and the Chief Executive Officer, Mr. Nemeh Sabbagh, and the Deputy Chief Executive Officer, Miss Randa Sadik, and in recognition of the volunteers' great efforts and commitment played under the Bank's CSR program (Together), a special appreciation ceremony was held on the 17th of December, 2013. The event honored the Bank's volunteers and the sustainability champions for their dedication and effort supporting the local community.

During the ceremony a brief video was presented showing the different initiatives implemented and highlighting the main impact these employees have had. Awards were distributed to our sustainability champions and the top volunteers, who contributed their time and efforts to more than five initiatives.



In 2013, the Together program successfully implemented 34 initiatives with 270 employees volunteering in these initiatives and positively affecting more than 30,000 beneficiaries across the kingdom. These initiatives were implemented in collaboration with the NGOs participating in the Together program in addition to other local NGOs working in the four main areas. The diagram below highlights the percentage of volunteering hours contributed by employees to each area.



- Environmental Protection
- Poverty Alleviation
- Health
- Education & Orphans Support
- Others

Volunteers Impact in Numbers

270 employees participated
over 455 times

1,777 volunteering hours
contributed by employees

Initiatives Impact in Numbers

34 initiatives implemented
177 volunteering hours for
total initiatives
Over 30,000 beneficiaries

Together Program at a Glance

Health

“

I am very pleased to participate in this initiative and to draw a smile on the children's faces, giving them the chance to show their creativity.

AbdelQader Toot - Operations

”

The Bank supported the King Hussein Cancer Foundation (KHCF) through:

- **Blood Donation:** For the fourth consecutive year, the Bank held two blood donation drives where 88 units of blood were donated for the benefit of patients of the King Hussien Cancer Center (KHCC).
- **Dead Sea Marathon:** The Bank was the Diamond sponsor for the Prince Talal run pledge, which was created to support six cancer patients currently being treated at KHCC.
- **Day out with Cancer Patients:** Eight employees put a smile on 19 children's faces during a morale boosting day, creating unforgettable memories for both the kids and volunteers.
- **Friends Program:** Through this program, employees were able to provide financial support to cancer patients who are encountering financial difficulties and are unable to cover their expensive medication costs. Employees can contribute on a monthly basis and the Bank encourages interested employees to create standing orders through our Internet banking channel (see page 30).



- **Early Detection for Breast Cancer:** As part of the Bank's breast cancer awareness campaign and its focus on employees' health and wellbeing, two early detection breast examination sessions were facilitated for 54 females in collaboration with the Jordan Breast Cancer Program (JBCP). Internal campaigns with weekly awareness tips were also published to all employees to raise awareness on breast cancer.

Additionally, the Bank was involved in the below health initiatives which were implemented in collaboration with other local NGOs:

- **Amman International Marathon:** The Bank was Gold sponsor for the fifth consecutive year covering the participation cost of 836 employees and their family and friends.
- **Dead Sea Ultra Marathon:** The Bank covered the participation cost for 629 employees and their family and friends.
- The Bank continues to donate high quality furniture and computers not needed by the Bank to organizations including the Welfare Committee for Liver and Endocrine Disease.



Poverty Alleviation

“

We have to contribute to people's happiness and wellbeing even if we don't have direct relationship, rapport, or a benefit, without expecting anything in return.

Omar Naser – Information Technology

”

The Bank continued its support for Tkiyet Um Ali's (TUA) mission through the following programs:

- **Family Support:** For the fourth consecutive year, the Bank continued its support for 17 families in Al Ruwashed who are living in poverty to receive monthly food packages for one year.
- **Winter Campaign:** For the second consecutive year, the Bank was the exclusive sponsor of “Lamset Dafa” (Touch of Warmth Campaign). Nine employees distributed 1,074 blankets to more than 450 underprivileged families in poverty pockets in East Amman, Irbid, Ma'an and al Tafeeleh helping them to cope with the cold winter weather.
- **Ramadan Campaign:** For the fourth consecutive year, Arab Bank volunteers participated in food packing activities with TUA with 51 employees and their family members participating in four activities. Our employees were able to prepare 1,150 packages that would bring benefit to more than 7,000 people. Furthermore, six volunteers were involved in the distribution of food packages to 50 needy families in Irbid.
- The Bank also sponsored one Iftar event, which was held at the TUA's premises benefiting approximately 1,000 people, and participated in five Iftar events where 37 volunteers helped in serving food to under privileged families.



Environmental Protection

“

I have changed some negative environmental habits that I used to do, I also learned how to save the environment through converting waste items into useful material.

Salah Ibrahim – Consumer Banking

”

Activities and initiatives tackling environmental issues were supported by the Bank and implemented in collaboration with the RSCN:

- **Clean-Up the World Campaign:** For the fourth consecutive year, the Bank sponsored the campaign which was implemented at Al Yarmouk Reserve. The Bank's volunteers joined more than 35 million volunteers from 130 countries around the world to clean up, fix up and conserve their environment. The campaign included initiatives such as designing and building trash bins from used tires to be distributed to the high traffic areas inside the reserve, cleaning up activities and waste sorting to measure the impact of littering. A Waste to Art workshop was also held to show several ideas of how to reuse waste.
- **Improving the Resilience of a Vulnerable Community at Faqou Village:** The Bank supported a project focused on improving the livelihood of the local community in Faqou Village near Al Mujib Biosphere Reserve. The goal of the initiative was to reduce the village's dependency on the Reserve's scarce natural resources. Activities included gardening, cleaning and installing drip irrigation units in houses and schools to reduce the impact on the reserve's water supply.

In continuation of our support for Asfour Forest in Jerash, which comes as part of our collaboration with Al Shajarah NGO, 69 employees participated in initiatives including planting, cleaning, helping in the irrigation process, installing forest signs and building a green wall.



Education and Orphan Support

“

Providing capacity building classes for needy students left many positive impacts on me. It built up my leadership and educational skills, and made me very proud of myself.

Aisha Al Masri – Real Estate & Construction Management

”

The Bank believes in the importance of education and the power it has to transform someone's life. In collaboration with the Al Aman Fund for the Future of Orphans, the Bank supports programs that help to equip orphaned youth with the education and skills necessary to become self-reliant and productive members of their society, including:

- **Supporting Students:** The Bank has sponsored a new cooperation program for a period of four years to complete the education of eight university students and the vocational training for 32 students (eight students each year for four years).
- **Celebrating Mother's Day:** Honoring mothers in orphan centers for being great caregivers, 27 women from five different centers participated in an event designed to inspire and support them on their journey toward continued extra special care.
- **Al Aman Fund Job Fair:** The Bank was the Gold sponsor for this event, which provided career guidance for graduates. Job seekers and students had the chance to learn from different workshops in order to develop their personal skills and professional competencies. The workshops covered CV writing, interview skills, career planning and job search techniques.



II. Cooperating with Other NGOs

In addition to supporting the NGOs mentioned above, the Together program also collaborates with other organizations.

INJAZ

Through our partnership with INJAZ, the Bank supported various initiatives targeting different youth categories and engaging employees in the development of local students:

- **School Adoption Program (SAP):** For the fifth consecutive year, and replicating the successful Area Adoption Program implemented previously, three new schools were adopted in Bayader Wadi Al-Seer, including one school for students with special needs in Jabal Al-Weibdeh, reaching out to around 3,793 students. This program aims to improve the four schools' facilities and give students a brighter learning environment through implementing infrastructure work and delivering life skills and interpersonal courses. Six employees from the Bank participated in a unique activity to build and design recycled trash bins made from used tires installing them inside the school to reduce waste littering on school premises. The initiative also includes enhancing the gardens of these schools through the planting of flowers.
- **Young Volunteers Day (YVD):** For the second consecutive year, the Bank was the main sponsor for this program, which was implemented in 40 public schools, benefiting around 5,939 students. Students from the 7th, 8th and 9th grades teamed up with the Bank's volunteers in order to revitalize their respective schools and to become involved with members from their community. Leading by example and inspiring the students, 12 Arab Bank employees, and employees from the Bank's subsidiaries, led the students in activities with aim at enhancing their sense of responsibility toward their school and community.
- **Career Wellness Program (CWP):** The Bank has sponsored this program, which involves the provision of career counseling and guidance sessions at 15 universities, targeting approximately 5,550 young job seekers. The program aims to prepare job seekers for their transition into the job market by developing their skills to be effective in the workplace and in work-related situations.
- **INJAZ Courses:** In 2013, 13 employees actively supported students through the delivery of inspirational life courses at local schools and universities. The courses included Exploring Economics, Be Entrepreneurial, Personal Life Planning, Economics for Success, Success Skills, Travel and Tourism Business, More Than Money, It's my Business, Leadership Course and We Are Social Leaders.



Elderly People Activity

For the first time in 2013, and as part of the Bank's drive to support underprivileged people, 14 employees participated in a volunteering activity with the elderly at the "Golden Age Home" in coordination with the "Eibal Charity Association". The activities included Eid celebration and gifts distribution in addition to cleaning, painting and beautifying their home.

Charity Clothing Bank

With the objective of providing underprivileged families with new and second-hand clothes throughout the year, the Bank organized a unique volunteering activity with the Charity Clothing Bank, which falls under the umbrella of the Jordan Hashemite Charity Organization (JHCO). A total of 22 volunteers participated in the sorting of donated items into different groups (winter clothes, summer clothes, toys ...etc.), in addition to folding and packing them to be displayed at their show rooms.



Traffic Department Road Safety Campaign

For the fourth consecutive year, the Bank has partnered with the Traffic Department to sponsor the "Madrasati Farhatty" campaign. Targeting 50,000 school students across the Kingdom, the Traffic Department distributed special booklets that include messages aimed at enhancing road safety awareness among local students.



III. NGO Capacity Building Program

The Bank believes that building the skills and capabilities of our partner NGOs' employees is fundamental to ensuring their sustainability and improving their ability to better serve the community.

Throughout 2013, the Bank conducted seven successful courses, benefiting 64 employees from the Together program NGOs. All courses were delivered by our internal certified trainers and senior managers, and were selected through a feedback survey to assess and prioritize the Together NGOs' training needs and priorities. Course topics included Service Excellence, Advanced Excel, Telephone Handling Skills, MS Power Point and Accounting for Non-Accountants.



IV. Enhancing Customers' Donation Channels

The Together program provides Arab Bank's stakeholders with the opportunity to be directly involved in our community development through donation channels including: Internet banking, phone banking, ATMs, branches and the Together Platinum Credit Card.

Launched in 2009, the Together Platinum Credit Card is the first of its kind in the Middle East, Africa and Central Europe.

The card enables a marginal 0.5% of customers purchase amounts to be donated to the Together program's four NGOs (see page 30).

The Bank matches the donations and allocates 50% of the annual fees to support these organizations.



To further encourage our customers to play a direct role in community development, in 2013, the Bank implemented internal and external campaigns to promote its donation channels and maximize NGO donations. These campaigns included:

- Installing donation channels web banners on the Bank's local website (arabbank.jo).
- Sending email shots during Ramadan to the Together NGOs' database of donors and supporters
- Implementing a standing orders strategy through online banking
- Adding the Together program donation channels and NGOs to the stand-by screen for all ATMs

As a result of this promotion, donations increased by 26% and reached a total of JOD 135,954 (of which JOD 5,421 was contributed by the Bank through the Together Platinum Credit Card), which shows the increasing trust from our customers in our systems along with the increasing public awareness of our CSR program.

Appendix A: Stakeholder Map

Our Stakeholders	How We Engage	Stakeholder Priority Issues
Shareholders	<ul style="list-style-type: none"> Regular meetings Annual, semi-annual and quarterly reports Directors briefings 	<ul style="list-style-type: none"> Increase profits and dividends Transparent communication Compliance with all laws and regulations
Employees	<ul style="list-style-type: none"> Regular meetings Arabina Intranet portal Emails Human Resources Management Systems (HRMS) Internal communications surveys Annual reports and sustainability reports Face-to-face awareness training E-learning web-based training courses Meetings and workshops Award ceremonies Internal newsletters and circulars Internal committees (sports, employee relations and the health and safety committees) Volunteering program 'Together' 	<ul style="list-style-type: none"> Job security Healthy and safe workplace Training and development Competitive salary and benefit packages Responsibility and opportunity for promotion Transparent and accountable management team Equal opportunity Financial rewards Access to needed and essential information
Customers	<ul style="list-style-type: none"> Branches Website Media Annual reports and sustainability reports Social media SMS Service channels (Phone Banking, Internet Banking, ATMs, Call Center, Mobile Banking) Feedback tools and methods Customer care 	<ul style="list-style-type: none"> High quality products, services and customer support Quality of service delivery in terms of speed and accuracy Facilitated loans Innovative, sustainable and quality products and services Transparent communications Increased products and services awareness Well trained and professional employees Minimal security and risk incidents Attractive and competitive pricing

Community	<ul style="list-style-type: none"> • Volunteering campaigns • Social media • Sponsorships and events • Sustainability reports • Capacity building programs 	<ul style="list-style-type: none"> • Corporate responsibility and citizenship • Community improvement • Financial and human resources • Capacity building for local NGOs
Environment	<ul style="list-style-type: none"> • Restoration initiatives • Support for environmental NGOs • Operational improvements • Lending environmental friendly infrastructural projects 	<ul style="list-style-type: none"> • Minimize waste • Limit use of finite resources • Improve the quality of the environment • Incorporate environmental criteria in financed projects • Incorporate environmental criteria in procurement agreements with vendors
Suppliers	<ul style="list-style-type: none"> • Invitation to bidding • Contracts • Meetings 	<ul style="list-style-type: none"> • Accountability and integrity in dealings • Financially rewarding, long-term and secured contracts • Timely payment upon delivery
Governments	<ul style="list-style-type: none"> • Regulations • Monthly reporting to regulatory authorities • Regulatory reviews • Regulatory authorities (e.g. Central Bank, AML Unit) • Audit and compliance reports 	<ul style="list-style-type: none"> • Adherence to national policies and standards • Compliance with laws and regulations • Support their operations through financial and/or technical support • Maximize compliance with regulatory requirements • Participate in protecting the financial sector on the national level • Promote trust in e-services and maintain a secure state for e-transactions and e-services. • Implement a comprehensive regulatory compliance program consistent with applicable laws, regulations, and the Central Bank of Jordan directives that affect the daily operations of the Bank.

Our Stakeholders	Arab Bank's Priority Issues	Our Response
Shareholders	<ul style="list-style-type: none"> Maintain and enhance profitability Attract more shareholders 	<ul style="list-style-type: none"> Maintain consistent profitability and growth (see page 55) Good corporate governance and accountability (see page 54)
Employees	<ul style="list-style-type: none"> Enhance employee motivation and productivity Attract and retain highly qualified calibers Ensure the health, safety and security of all employees Provide a diverse and fair working environment Protect our customer base and sensitive information Enhance employees' motivation, productivity and loyalty Retain high level performers Avoid and address causes of employee dissatisfaction Provide training and development Maintain solid and up-to-date level of awareness and knowledge on essential issues, laws, regulations and procedures 	<ul style="list-style-type: none"> Invest in our employees (see page 45) Equal opportunities (see page 49) Maintain a safe and healthy workplace (see page 51) Listen to our employees (see page 42) Training and development (see page 45) Engage employees (see page 42) Welfare and satisfaction (see page 42, 51) Highly capable, well-experienced and competent staff (see page 44, 49) Ensure that business conduct adheres to applicable laws, regulations and corporate policies as part of their corporate responsibility
Customers	<ul style="list-style-type: none"> Growing customer base Customer engagement Customer satisfaction Accountability to customers Protect customers' sensitive information Customer loyalty Service excellence 	<ul style="list-style-type: none"> Quality products and services (see page 19) Enhance access to banking services (see page 21, 25) Innovative engagement methods and tools (see page 26) Safeguard customers information and assets (see page 35) Professional and expert employees (see page 46-48) Achieve and maintain customer satisfaction and loyalty Enhance service culture (see page 24, 42, 46-47) Engage customers with the community (see page 30, 92) Acquire new customers and expand relationships with existing customers
Community	<ul style="list-style-type: none"> Advance corporate citizenship Contribute to community well-being Access to financial services 	<ul style="list-style-type: none"> Strong community cooperation (see page 73, 81) Engage employees in volunteering initiatives (see page 82-84) Support relevant community projects (see page 15, 29, 31-32) Provide the public with access to educational resources (see page 89-90) Leverage the Bank's channels to support local NGOs (see page 30, 93) Enhance financial inclusion and financial literacy

Environment	<ul style="list-style-type: none"> Minimize environmental impact and enhance the environmental situation Optimize operational costs 	<ul style="list-style-type: none"> Support environmental projects (see page 31-32, 88) Encourage efficient operations (see page 55) Integrate environmental risk assessment in lending criteria Support environmentally friendly projects
Suppliers	<ul style="list-style-type: none"> Get the best products and services available for the money spent Timely delivery Economic stability and strong reputation for quality and ethical integrity Performance history After-sales warranties/services 	<ul style="list-style-type: none"> Maintain mutually beneficial cooperative relations (see page 71) Increase the number of suppliers with preference to local suppliers where possible Enhance suppliers' performance (see page 71)
Governments	<ul style="list-style-type: none"> Abide by all relevant laws and regulations Develop the local economy Support the 2015 Jordan National Agenda Effective controls to ensure compliance with laws and regulations Transparent communication with regulators Protect the integrity, availability and confidentiality of local and national financial system Implement a comprehensive and successful regulatory compliance program that is grounded on the Bank's sound organizational integrity and values 	<ul style="list-style-type: none"> Effective corporate governance (see page 54) Support the local economy (see page 22, 31, 74) Compliance with local and national laws, regulations, and standards which are specific to the financial services industry and which are issued by legislative and regulatory bodies that are relevant to the Arab Bank Group's businesses or reputation (see page 36)

Moreover, the Bank ensures to address its stakeholders within the sustainability framework, demonstrating the alignment of our efforts to stakeholders' needs and expectations, as outlined in the diagram below.



Appendix B: Control Functions' International Standards

Compliance Standards

The Compliance Division tracks several international standards, laws and regulations throughout the ongoing development and updating of the Arab Bank Anti-Corruption and Anti-Bribery Policy such as:

- Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials
- UN Convention Against Corruption
- United Nations Global Compact, Principle Ten
- Foreign Corrupt Practice Act "FCPA" of the USA
- UK Bribery Act

Group Risk Standards

All departments within the Group Risk Management Division adhere to the Bank's policies and follow a set of requirements issued by regulatory authorities (e.g. Central Bank requirements, Basel Committee) and industry mandates including:

- The Payment Card Industry Data Security Standard (PCI - DSS)
- ISO 27000 for Information Security
- ISO 22301 for Business Continuity
- COSO Enterprise Risk Management Framework for Operational Risk

Internal Audit Standards

Internal audit activities are being carried out in line with the International Standards and ethical code. The activities have been evaluated by independent external assessors to certify compliance with the following:

- Standards for the Professional Practice of Internal Auditing
- The 'Code of Ethics' of the Institute of Internal Auditors (IIA, USA)
- ISO 9001:2008 for Quality Management System

Appendix C: Report Parameters

Process for Defining Report Content

In preparation of our 2013 Sustainability Report, we have followed the Global Reporting Initiatives (GRI) G3.1 guidelines, which contributed in defining the report content and communicating achievements during the past year. This report tackles progress on various aspects related to our stakeholders in relation to the sustainability strategy under the five main sustainability focus areas, which are all equally important to our business success. We have identified Key Performance Indicators (KPIs) and targets for each priority focus area in order to prioritize and measure our progress toward achieving sustainability.

Materiality: We believe that we have considered all key topics related to our significant economic, environmental and social impacts, including impacts that would substantively influence the assessment and decisions of our stakeholders. This includes issues related to our internal divisions, issues that were raised by stakeholders and reported on by our peers, in addition to the principles and guidelines included in the GRI G3.1 guidelines.

Stakeholder Inclusiveness: We believe that we have identified and considered all of our key stakeholders. We have updated the stakeholder map outlining how we engage them, our understanding of their expectations and our response. This map guided the identification of our sustainability focus areas, creating our sustainability strategy and inspiring future goals. Further information on this is detailed in Appendix A.

Sustainability Context: We have considered our sustainability context, based on local and regional contexts in addition to global sustainability trends.

Report Quality

Balance: We aspire to transparent reporting and believe that this report conveys both the positive aspects of our performance as well as the areas requiring improvement.

Comparability: Where possible, we have provided year-on-year data that aligns with the GRI Indicator Protocols in order to facilitate comparison of our report against industry peers and other companies practicing sustainability depending on data availability. Further clarifications were included in case of providing additional measures or adopting new measurement methods and systems.

Accuracy and Clarity: We aim for maximum accuracy in our reporting, including providing timely and reliable information, identifying estimations and other limitations to the highlighted data. As sustainability is a relatively new concept in Jordan, as such, we have made an effort

to provide introductory and contextual information where useful to facilitate reader understanding of the report content. As our report targets a wide range of stakeholders, we have tried to cater to all ranges of readers.

Reliability and Data Measurement Techniques: We have used existing tracking and data management systems to generate data. The data presented represents our best understanding of our impacts. In some aspects, we have expanded the scope of our measurement which we have clearly stated. GHG emissions were calculated using a GHG calculator adjusted for Jordan specific emissions factors, and global warming potentials that are in line with the Intergovernmental Panel for Climate Change (IPCC) 4th Assessment Report.

Assurance: This report has not been assured by a third party.

Report Boundaries

Limitations: This report covers data and activities from Arab Bank's operations in Jordan, the largest operational entity of Arab Bank PLC.

Completeness and Boundaries: Arab Bank in Jordan strived to produce a report that is as complete as possible. This report outlines the Bank's 2013 performance for the financial year ending 31 December 2013. The report covers all of Arab Bank's operations in Jordan, but no overseas activity. In some cases, Arab Bank PLC data is used in place of Jordan-specific information in accordance with Bank reporting policies.

Appendix D: GRI Application Level Check Statement



Statement GRI Application Level Check

GRI hereby states that **Arab Bank** has presented its report "Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfils the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/3SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 1 April 2014



Åshildur Hjaltadóttir
 Director Services
 Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has promoted the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 10 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Report Application Level	C	C ⁻	B	B ⁺	A	A ⁺
Profile Disclosures	Report on: 3.1 3.3 - 3.30 3.7 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 3.2 3.9, 3.13 4.2 - 4.33, 4.16 - 4.17		Later as requirement for Level B	
Disclosures on Management Approach	Not required	Report Extensively Assured	Management Approach Disclosures for each Indicator Category	Report Extensively Assured	Management Approach disclosed for each Indicator Category	Report Extensively Assured
Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment. ^{***}	Report Extensively Assured	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility. ^{***}	Report Extensively Assured	Reported on each core and Sector Supplement ^{**} indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Extensively Assured

⁺ Sector Supplement to Road sector
^{**} Performance Indicators may be selected from any included Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines
^{***} Performance Indicators may be selected from any included Sector Supplement, but 10 of the 20 must be from the original GRI Guidelines

Appendix E: GRI Index

Standard Disclosures Part 1 – Profile Disclosures		
STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization	5-6
1.2	Description of key impacts, risks and opportunities	5-6, 14-17
ORGANIZATIONAL PROFILE		
2.1	Name of the organization	Cover Page
2.2	Primary brands, products and/or services	20-22, 64-65
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	54-56, Annual Report 2013 (page 38, 71)
2.4	Location of organization's headquarters	Jordan
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Annual Report 2013 (page 38)
2.6	Nature of ownership and legal form	Annual Report 2013 (page 65)
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	25-28, Annual Report 2013 (page 10-13)
2.8	Scale of the reporting organization	14-15
2.9	Significant changes during the reporting period regarding size, structure or ownership	No significant changes took place on the size, structure or ownership. Minor changes are outlined on page 65 of our 2013 Annual Report
2.10	Awards received in the reporting period	23
REPORT PARAMETERS		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	2013 Calendar year
3.2	Date of most recent previous report (if any)	May - 2013 for Sustainability Report 2012, May - 2014 for Annual Report 2013
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report or its contents	Sustainability@arabbank.com.jo

3.5	Process for defining report content	100-101
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) (see GRI Boundary Protocol for further guidance)	101
3.7	Specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)	101
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations	100-101
3.9	Data measurement techniques and the basis for calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report (including explanation of any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols)	101
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	100-101
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	100-101
3.12	Table identifying the location of the Standard Disclosures in the report	103-114
3.13	Policy and current practice with regard to seeking external assurance for the report	101
GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	54, Annual Report 2013 (page 71, 291-304)
4.2	Whether the chair of the highest governance body is also an executive officer	54
4.3	For organizations that have a unitary board structure, the number of members of the highest governance body that are independent and/or non-executive members	54
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	2010 Sustainability Report (Page 52)
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	54
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	54

4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics	54
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	8-12, 16-17, 56, 76
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	11-12, 14-17, 66-67, 99
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	54
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	35-38, 54-58
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	36-38, 54-55, 66-67, 71, 81, 99
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic	56-58, 99
4.14	List of stakeholder groups engaged by the organization	11, 94-98
4.15	Basis for identification and selection of stakeholders with whom to engage	11, 94-98
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	94-98
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	94-98
Standard Disclosure Part 2 – Disclosures on Management Approach		
DMA (EC) ASPECTS	Economic PerformanceCOMM	Annual Report 2013(page 96-99)
	Market presence	Annual Report 2013(page 10-13, 87-90)
	Indirect economic impacts	Annual Report 2013(page 96-99)

DMA (EN) ASPECTS	Materials	31-32, 67-71
	Energy	68-70
	Water	70
	Biodiversity	Arab Bank has minimal to no impact on biodiversity. It does however run a number of programs as part of its community initiatives
	Emissions, effluents and waste	67
	Products and services	31-32, 37, 81-82, 93
	Compliance	67
	Transport	69
	Overall	31-32, 37, 42-43, 59-61, 81-82, 93
DMA (LA) ASPECTS	Employment	41, 50
	Labor/management relations	42-43, 48, 82-91
	Occupational health and safety	51
	Training and education	45-48
	Diversity and equal opportunity	49
	Equal remuneration for women and men	49-50
DMA (HR) ASPECTS	Investment and procurement practices	71
	Non-discrimination	41, 71
	Freedom of association and collective bargaining	Arab Bank ensures engaging with suppliers through a due diligence process to ensure good governance, reputation and accountability, without getting through their involvement and freedom of association or collective bargaining issues.

DMA (HR) ASPECTS	Child labor	41, 71
	Prevention of forced and compulsory labor	41
	Security practices	55-58
	Indigenous rights	41
	Assessment	43
	Remediation	44
DMA (SO) ASPECTS	Local communities	74-75, 81-91
	Corruption	36, 56-58
	Public policy	56
	Anti-competitive behavior	36
	Compliance	35-37, 55-58
DMA (PR) ASPECTS	Customer health and safety	20-21
	Product and service labelling	20
	Marketing communications	24-26, 94
	Customer privacy	36, 56
	Compliance	56

Standard Disclosures Part 3 - Performance Indicators		
ECONOMIC		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	55, 2013 Annual Report (page 215-220)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not Applicable ¹²

12. Not Applicable: This means that the corresponding indicator is not relevant to our business operations

EC3	Coverage of the organization's defined benefit plan obligations.	Arab Bank pays 12.25% of the employees' social security deductible salaries while employees pay 6.5% of their social security
EC4	Significant financial assistance received from government.	We do not receive significant financial assistance from the government.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	41
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	Partial- Priority is given to local suppliers. The actual % is currently not available
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	41, We prefer hiring local employees.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	71, 76-80
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	29-32
ENVIRONMENTAL		
EN1	Materials used by weight or volume.	Not measured
EN2	Percentage of materials used that are recycled input materials.	None
EN3	Direct energy consumption by primary energy source	67-70
EN4	Indirect energy consumption by primary source	67-70
EN5	Energy saved due to conservation and efficiency improvements	None
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	31-32
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	70
EN8	Total water withdrawal by source	70, Water is provided by the water authority and private service providers. This is not material as we are a service industry.
EN9	Water sources significantly affected by withdrawal of water	No specific water source identified.

EN10	Percentage and total volume of water recycled and reused	No water is recycled or reused.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not Applicable
EN13	Habitats protected or restored	Not Applicable
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	82, 88
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not Applicable
EN16	Total direct and indirect greenhouse gas emissions by weight	67
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not measured
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	69
EN19	Emissions of ozone-depleting substances by weight.	Not Applicable
EN20	NO, SO, and other significant air emissions by type and weight.	Not Applicable
EN21	Total water discharge by quality and destination.	No significant water discharges
EN22	Total weight of waste by type and disposal method.	Not measured
EN23	Total number and volume of significant spills.	No significant spills
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	We do not deal with or transport any hazardous waste
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	No significant water discharges
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Not applicable
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not applicable
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	None

EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	69
EN30	Total environmental protection expenditures and investments by type.	31-32, 74, 81-82, 84, 88, 93

LABOUR PRACTICE

LA1	Total workforce by employment type, employment contract and region	41
LA2	Total number and rate of employee turnover by age group, gender and region	44
LA3	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation.	41, 44-45 (All employees are full time and 98% of them have an indefinite contract, 39% of which are females. The remaining 2% have a definite contract, 10% of which are females)
LA4	Percentage of employees covered by collective bargaining agreements.	As per internal regulations, each employee who is part of a certain union, have to declare it to his manager and consequently to HR. However there is no specific system to log it.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Arab Bank ensures informing stakeholders within proper notice periods depending on the circumstances and situation, subject to governing rules and regulations
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	51
LA7	Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region	51, (Rates, lost days and absenteeism are currently not available)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	44, 85-86
LA9	Health and safety topics covered in formal agreements with trade unions	Not Applicable
LA10	Average hours of training per year per employee, by employee category	45
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	45-46, 51-61

LA12	Percentage of employees receiving regular performance and career development reviews	100%
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	49-50, Annual Report 2013 (page 39-64)
LA14	Ratio of basic salary of men to women by employee category	The ration of basic salary for men to women per employee category remains 1:1 ensuring fair treatment fir both gender
LA15	Return to work and retention rates after parental leave, by gender.	49-50
HUMAN RIGHTS		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	71, None
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	71, None
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	56-57
HR4	Total number of incidents of discrimination and actions taken	None
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	71, Arab Bank ensures engaging with suppliers through a due diligence process to ensure good governance, reputation and accountability, without getting through their involvement and freedom of association or collective bargaining issues.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Abiding by the local labor laws, the Bank ensures employing individuals who are 18 years and above
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	No forced or compulsory labor is practices in the Bank
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	All security personnel attend the induction program implemented for new joiners, which tackles concepts of human rights, commitments and responsibilities
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	None

HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	55-56
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	None
SOCIETY		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	74-84
SO2	Percentage and total number of business units analyzed for risks related to corruption.	100%
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	36
SO4	Actions taken in response to incidents of corruption.	29, 36, 56
SO5	Public policy positions and participation in public policy development and lobbying.	None
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	No significant fines received or non-monetary sanctions
SO9	Operations with significant potential or actual negative impacts on local communities.	Not applicable
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not applicable
PRODUCT RESPONSIBILITY		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not applicable (our products and services do not have any health and safety impacts on customers)
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Not applicable (our products and services do not have any health and safety impacts on customers)

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	36-38
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	24-28, 46, 64-65
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	45-46, 56, 90-91
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	None
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None
Financial Services Sector Supplement		
FS1	Policies with specific environmental and social components applied to business lines.	36-38
FS2	Procedures for assessing and screening environmental and social risks in business lines.	35-38
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	35-38
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	56-58
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	31-32, 36-38, 56
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector.	29
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	30, 81-84, 92-93
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	31-32, 81-84
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	35-37

FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	14-15, 37, 100% of companies under the project finance department are screened on ESG criteria
FS11	Percentage of assets subject to positive and negative environmental or social screening.	37, 55-56
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	The Bank's voting policy is in alignment with the Bank's investment policy, which ensures that investments should aim at developing the social and economic aspects in the country through supporting economic projects with positive social impacts
FS13	Access points in low-populated or economically disadvantaged areas by type.	78-79, 87-91
FS14	Initiatives to improve access to financial services for disadvantaged people.	37-38, 87-91
FS15	Policies for the fair design and sale of financial products and services.	37-38, 92-93
FS16	Initiatives to enhance financial literacy by type of beneficiary.	20, 27, 91

Appendix F: Glossary

Term	Definition
Capacity Building	Capacity building is an ongoing process through which individuals, groups, organizations and societies enhance their ability to identify and meet development challenges.
Corruption	Corruption is defined as the misuse of entrusted power for personal or private gain.
Equator Principles	The Equator Principles (EPs) are a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions.
G3.1 Guidelines	The G3.1 are developed by the GRI and include a set of principles and guidance on how to produce a sustainability report. They also include guidance for reporting on a company's economic, environmental and social approach and impacts in a way that is comparable globally.
Greenhouse Gas (GHG)	Gases in the atmosphere that absorb and emit thermal and infrared radiation. Greenhouse gases include water vapor, carbon dioxide, methane, nitrous oxide and ozone.
GRI	The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world.
Independent Director	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.
Liquidity	Is the ability for the Bank to meet obligations when they come due without incurring losses. Investments are a crucial form of liquidity for a bank.
Money Laundering	The act of concealing the identity, origin, or destination of often illegally-obtained money.
Partial Disability	The result of an injury which permanently reduces a person's ability to function, but still permits some working or other activity.
Project Finance	Project finance is the long-term financing of infrastructure and industrial projects based upon the projected cash flows of the project rather than the balance sheets of the project sponsors. Usually, a project financing structure involves a number of equity investors, known as sponsors, as well as a syndicate of banks that provide loans to the operation.

SMEs	According to the Central Bank of Jordan the below criteria were launched in June 2011 to identify small and medium enterprises as follows:	
	Small Enterprise	Medium Enterprise
	Assets <u>or</u> sales up to JOD MM 1	Assets <u>or</u> sales between JOD MM 1-3
	Between 5-20 employees	Between 21-100 employees
	Not a public shareholding or insurance or brokerage firm	
Stakeholde Engagement	Is a commitment from the organization to transparent honest dialogue with key stakeholder groups, not only to make them aware of the organizations activities, but also to understand and address their concerns through a two-way dialogue.	
Stakeholders	Persons who have vested interests in the organization, including its shareholders, employees, customers, suppliers, the environment, local communities, the government.	
Sustainability	A more humane, more ethical and more transparent way of doing business, where organizations take into account the long-term impact it has on the «Triple Bottom Line».	
Sustainability Reporting	Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance toward the goal of sustainable development.	
Sustainabl Development	Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.	

Appendix G: Acronyms

AB: Arab Bank

AHSF: Abdul Hameed Shoman Foundation

AML: Anti-Money Laundering

ATMs: Automated Teller Machines

BoD: Board of Directors

CB: Consumer Banking

CBJ: Central Bank of Jordan

CBO: Community Based Organization

CEO: Chief Executive Director

CIB: Corporate and Institutional Banking

CO₂: Carbon Dioxide

CoC: Code of Conduct

COU: Central Operational Unit

CPR: Cardiopulmonary resuscitation

CSR: Corporate Social Responsibility

CTF: Combating Terrorist Financing

DBR: Debt Burden Ratio

DNA: Deoxyribonucleic Acid

EIA: Environmental Impact Assessment

EMEA: Europe, the Middle East and Africa

ESG: Environmental, Social and Governance criteria

ESIA: Environmental and Social Impact Assessment

EP: Equator Principles

EVP: Executive Vice President

FATCA: Foreign Account Tax Compliance Act

GHG: Greenhouse Gas

GJ: Gigajoules

GRC: Group Regulatory Compliance

GRI: Global Reporting Initiative

GRM: Group Risk Management

GWh: GigaWatt per hour

HO: Head Office

HR: Human Resources

HRMS: Human Resources Management System

IIA: Institute of Internal Audit

ISO: International Organization for Standardization

IT: Information Technology

ITG: Information Technology Global

JBCP: Jordan Breast Cancer Program

JOD: Jordanian Dinars

JLGC: Jordan Loan Guarantee Corporation

JRF: Jordan River Foundation

JWPC: The Jordan Wind Project Company

KHCC: King Hussein Cancer Center

KHCF: King Hussein Cancer Foundation

KPI: Key Performance Indicator

kWh: kilowatt hours

LED: Light Emitting Diode

M³: Cubic Meter

MENA: Middle East North Africa

MW: Mega Watts

NGOs: Non-Governmental Organizations

OHS Committee: Occupational Health and Safety committee
OSHA: Occupational Safety and Health Administration
OPIC: Overseas Private Investment Corporation
PCI – DSS: Payment Card Industry- Data Security Standard
PLC: Public Limited Company
PV: Photovoltaic
RCM: Real Estate and Construction Management
RM: Risk Management
RSCN: The Royal Society for the Conservation of Nature
SMART: Specific, Measurable, Attainable, Realistic, Timely
SMEs: Small to Medium Enterprises
SMS: Short Message Service
TUA: Tkiyet Um Ali
UAE: United Arab Emirates
UDHR: Universal Declaration of Human Rights
UNGC: United Nations Global Compact
UNRWA: United Nations Relief and Works Agency
VRV: Variable Refrigerant Volume