

SUSTAINABILITY FOR A BETTER FUTURE

Arab Bank 2018 Sustainability Report

البنك العربي
ARAB BANK



Success is a journey



ABOUT THIS REPORT

This report illustrates how we bring our sustainability commitment to life through our activities; it provides information on our social, environmental and governance achievements and commitments up until December 31, 2018. We have focused our reporting on issues that thought are of greatest importance to our stakeholders, based on our Materiality Assessment conducted this year (outlined on page 11).

This report has been prepared in accordance with the GRI Standards: Comprehensive option. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

A comprehensive overview of our impact and engagement is covered in the different chapters of this report, highlighting our activities in Jordan, the main operating market of Arab Bank PLC. In some cases, Arab Bank Group and PLC data are used in place of Jordan-specific data in line with our reporting policies. In this report, we have also included in-depth reporting showing the Bank’s response to the Sustainability Development Goals (SDGs).

GRI Disclosures 102-45

In this Report

ABOUT THIS REPORT	1
A MESSAGE FROM OUR CEO	2
ARAB BANK AT A GLANCE	3
SUSTAINABILITY AT ARAB BANK	7
EMBRACING THE FUTURE OPPORTUNITY: DIGITAL INNOVATION	13
SUPPORTING OUR CUSTOMERS IN ACHIEVING THEIR AMBITIONS	20
RESPONSIBLE FINANCING	25
EMPLOYEE EMPOWERMENT	31
TRANSPARENT REPORTING	36
SYSTEM OPTIMIZATION	43
COMMUNITY COOPERATION	47
PERFORMANCE METRICS	62

A MESSAGE FROM OUR CEO

Dear Stakeholders,

Today, we issue our ninth sustainability report highlighting our constant focus on achieving sustainable success, where we help our clients succeed, provide opportunity for our employees to excel, build and invest in our communities, drive positive environmental and social impact, and embrace innovation towards a more sustainable future.

This report provides an update on our sustainability metrics, which we track and disclose on annual basis to measure our impact. There are areas of our performance where we have made genuine strides. On the social level, we have increased our community investments to reach USD 25.4 million, representing 3.3% of our pre-tax profits. Our community investments cover our charitable donations, sponsorships, and our initiatives and programs through Abdul Hameed Shoman Foundation.

As our employees continue to participate in the community programs we support through volunteering, we are pleased to see the social impact of those programs amplified, impacting the lives of over 260,000 beneficiaries, reaching into local towns and villages across Jordan. In 2018, our employees volunteered over 3,400 hours in diverse community-based activities.

This report also sheds light on our positive contribution to the environment, highlighting our efforts to reduce paper consumption in our operations and enabling our customers to reduce theirs. We are proud of our progress in reducing our energy consumption by 5.3%. As one of the Kingdom's largest financial institutions, we play an active role in financing environmentally friendly infrastructure projects aimed at supporting environmental conservation



and expanding clean energy usage across Jordan. Since 2012, our green infrastructure investments are contributing over 740 MW of annual total renewable energy added to the Jordanian grid, eliminating approximately 905,000 tons of CO₂e.

The financial sector is changing rapidly. The digital opportunities are creating new ways of delivering and consuming products and services and this is becoming a dominant theme, moving into the mainstream and beginning to drive innovation across the financial sector. At Arab Bank, our overarching vision is to remain relevant to generations to come by designing products and services that meet their needs and lifestyles. To achieve this objective, our Digital Innovation Strategy focuses on exploring, accelerating, and scaling-up innovation that will drive innovation for our clients.

We look forward to creating long-term value and drive positive economic, environmental and social change through servicing our customers and communities today, and in the future.

Nemeh Sabbagh
Chief Executive Officer

Arab Bank at a Glance





Arab Bank at a Glance

Our Global Presence

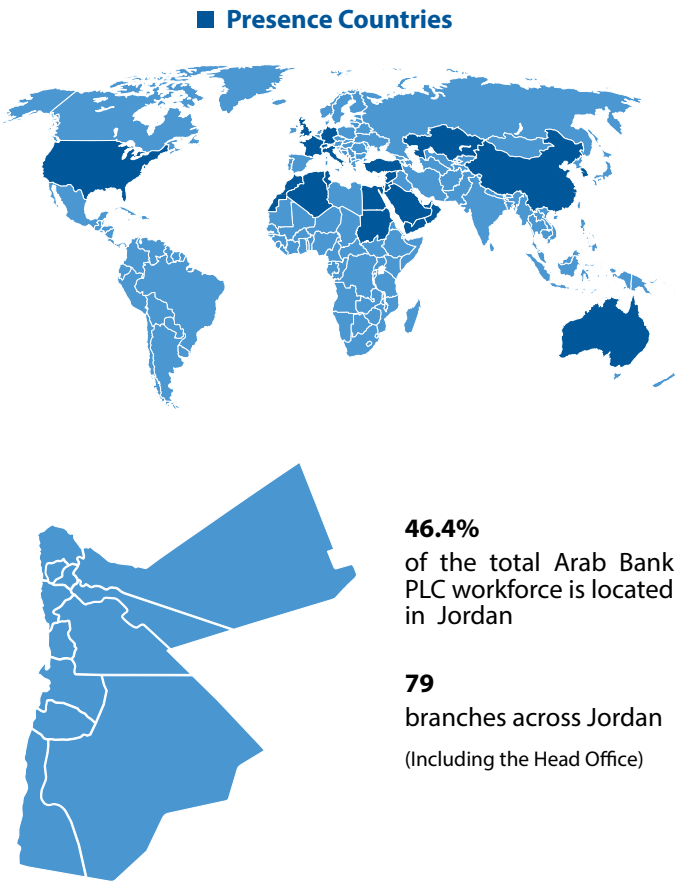
Established in 1930, Arab Bank, headquartered in Amman, Jordan, has one of the largest global Arab banking networks with over 600 branches spanning five continents.

5

continents

+600

branches



PRODUCTS AND SERVICES

- Consumer Banking**

Focused on offering customers an extensive range of feature-rich value propositions through our vast branch network and integrated direct banking channels, both locally and regionally, providing a comprehensive range of programs that are specifically designed to cater to the needs of a diverse customer base.
- Corporate and Institutional Banking**

Manages the Group’s corporate and institutional client base, providing access to a full range of financial solutions through an extensive branch network and electronic channels.
- Treasury**

Manages the Bank’s liquidity and market risks and provides expert advice and dealing services to Arab Bank’s customers globally.

Arab Bank Presence in Key Financial Markets and Centers

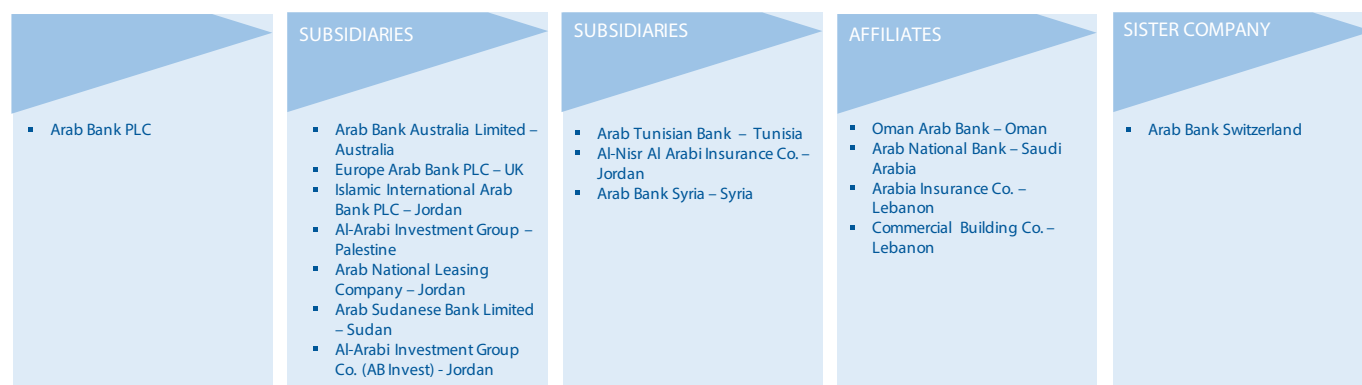


Arab Bank Group

Arab Bank Group is comprised of Arab Bank Public Shareholding Company (PLC) and its sister company (Arab Bank Switzerland), in addition to subsidiary and affiliate companies. Arab Bank PLC has branches in Algeria, Bahrain,

China, Egypt, Lebanon, Morocco, Palestine, Qatar, South Korea (Representative Office), Singapore, UAE, USA (New York Agency), Yemen, Kazakhstan (Representative Office) and Jordan.

ARAB BANK GROUP



Achievements in Numbers

Arab Bank Group closed 2018 with solid results reporting net income after tax of USD 820.5 million as compared to USD 533 million in 2017 with net income before tax reaching USD 1.1 billion. The Group's equity grew to reach USD 8.7 billion while the return on equity increased to reach 9.5%.

In view of the solid results, the Board of Directors has recommended to the shareholders the distribution of 45% cash dividends for the financial year 2018.

The Group's net operating income grew by 8% driven by growth in net interest and commission income. Credit facilities increased by 3% reaching USD 25.8 billion while customer deposits increased to reach USD 34.3 billion.

USD 820.5 m

NET INCOME AFTER TAX

8% increase

IN NET OPERATING INCOME

USD 8.7 b

GROUP'S EQUITY

9.5%

RETURN ON EQUITY

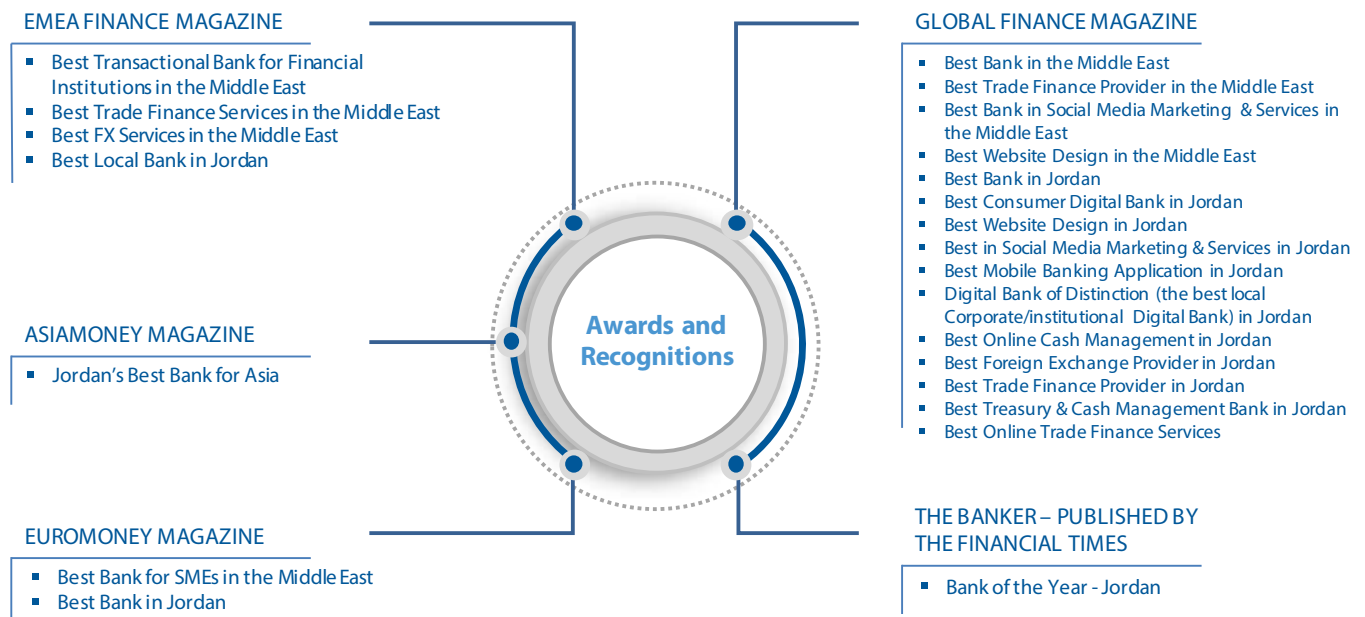
75.2%

LOAN-TO-DEPOSIT RATIO

15.6%

CAPITAL ADEQUACY RATIO

Awards and Recognitions



Sustainability Recognition - S&P/Hawkamah Pan Arab ESG Index

The S&P/Hawkamah ESG Pan Arab Index includes the top 50 Pan Arab companies based on their performance on almost 200 Environmental, Social and Governance (ESG) metrics.

Arab Bank is the only Jordanian organization ranked among the top 10 performers in the Arab world, showing great progress in its ESG performance throughout the years and the significant steps it took in its ESG journey. During 2018, we were ranked at the fifth level in this year's re-calibrated index.

Sustainability at Arab Bank

Stemming from the growing social, economic and environmental challenges at the local, regional, and global levels, along with our belief in the financial sector's ability to address these challenges, we realize the importance of adopting a holistic sustainability approach that is well integrated into our daily operations. This approach is based on a comprehensive engagement with our stakeholders that enables us to identify their needs and expectations, and align them with our business case for sustainability, thereby shaping an approach that ensures value for all stakeholders.

A BETTER FUTURE FOR EVERYONE: ARAB BANK'S SUSTAINABILITY STRATEGY

Our sustainability strategy, illustrated through our sustainability framework, is built on 'our values' that underpin 'our foundation' of stable and principled banking practices and organizational operations. It charts our approach integrating the sustainability concept into our core business operations.

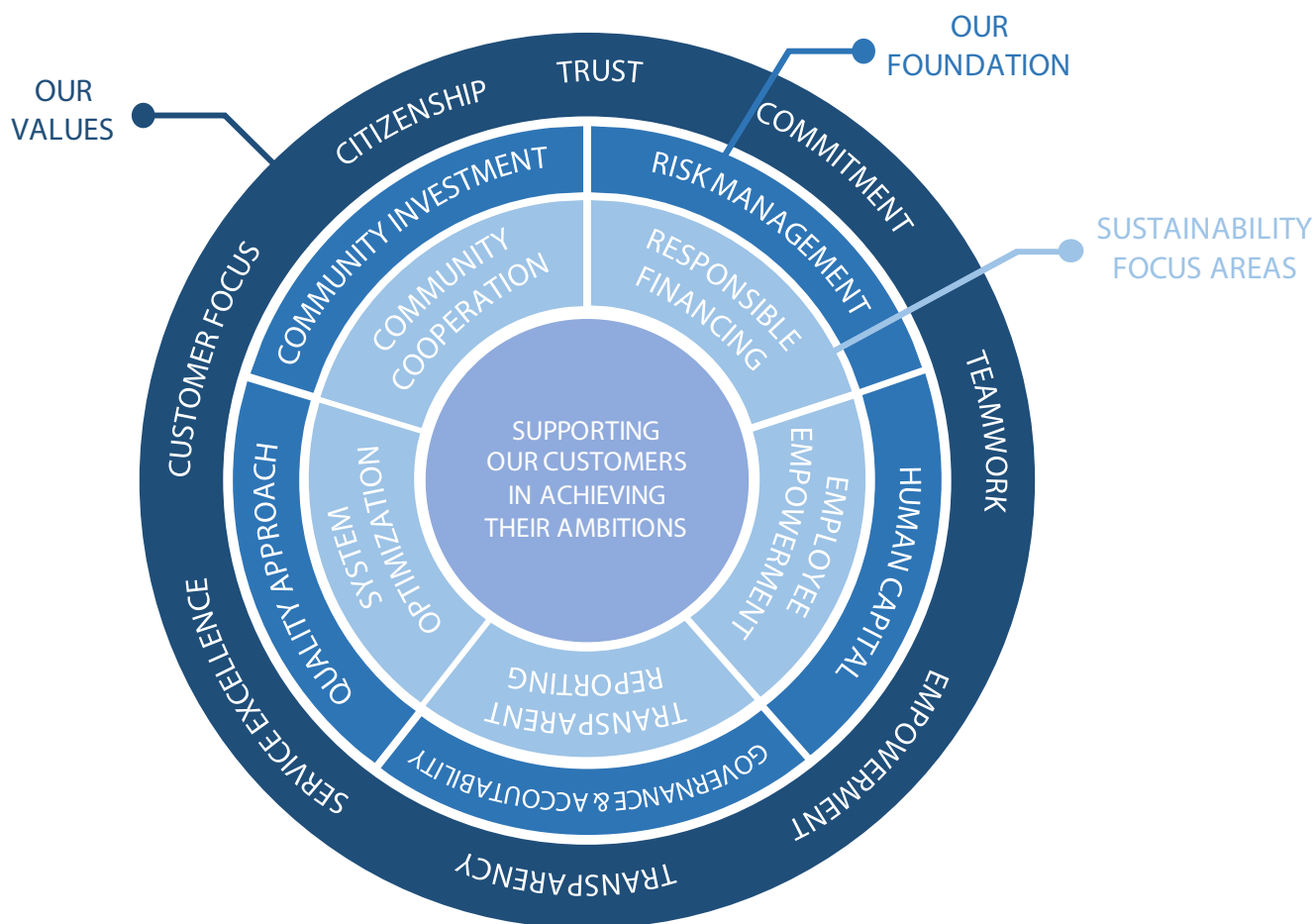
This sustainability strategy helps us adopt effective and immediate actions contribute positively to the community and create value for our stakeholders to address the growing socio-economic and environmental challenges that face them today and in the future.

Consequently, we have identified our sustainability

advantage in integrating social and environmental aspects in addition to the economic and ethical perspectives within our business strategy and daily operations. This represents our sustainability focus areas, which include: responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation.

For each of the sustainability focus areas, a clear strategic objective was established to drive our sustainability effort in this respective area, thus optimizing our economic, environmental and social impacts and aligning the business conduct with our sustainability strategic approach.

GRI Disclosures: 102-44





ADHERING TO INTERNATIONAL STANDARDS

Our strategic objectives ensure that our business activities add value not only to the bottom line, but also to people, communities and the planet. Thus, our comprehensive sustainability strategy is aligned with a number of global standards that support our national development agenda, including the UN Global Compact (UNGC) principles, the Sustainable Development Goals (SDGs), and ISO 26000 Social Responsibility Standards.

We have also been reporting on sustainability using the Global Reporting Initiative (GRI) guidelines since 2010. For the past three years, we aligned our reports with the GRI sustainability reporting standards, the first international sustainability reporting standards.



Spotlight



**SUSTAINABLE
DEVELOPMENT
GOALS**

Responding to Global Sustainability Challenges

ARAB BANK AND THE SUSTAINABLE DEVELOPMENT GOALS

In our 2017 Sustainability Report, we began connecting our reporting to the SDGs, which are 17 global goals set by the United Nations General Assembly in 2015 and a core part of the 2030 agenda for sustainable development. In this report, we outline in more detail how our activities and sustainability approach relate and contribute to the SDGs. While our work covers many SDGs, we directly reference only those where we can describe specific contribution following the guideline issued by the GRI and UN Global Compact "Integrating SDGs into Corporate Reporting: A Practical Guide".



1. NO POVERTY

Work on fighting poverty through the Bank's CSR activities in partnership with reputable NGOs.



3. GOOD HEALTH AND WELL-BEING

Collaborate with reputable NGOs to advance the medical coverage reach, especially for the underprivileged, with a focus on cancer patients, in addition to working on promoting healthy lifestyle among employees and enhancing their wellbeing.



4. QUALITY EDUCATION

Collaborating with different NGOs to invest in the development of the educational infrastructure in Jordan and develop education programs that will ignite the highest potential for impact on learning and society.



5. GENDER EQUALITY

We have zero-tolerance policy against any kind of discrimination based on gender. We also ensure gender balance in the hiring practices.



7. AFFORDABLE AND CLEAN ENERGY

We actively seek opportunities to support and finance environmental infrastructure projects in our community. Additionally, we focus on promoting efficient practices in our operations that will reduce our environmental footprint.



8. DECENT WORK AND ECONOMIC GROWTH

We continue to have a positive impact by maintaining healthy growth and profits, while contributing to the economy indirectly through hiring, training and promoting local employees and ensure they have fair wages and benefits. Additionally, the Bank will continue to support the local economy through contracting with local suppliers.



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

We continue to support the local economy through our financial activities, including SMEs, with a focus on FinTech. This will yield a sustainable and strong industrial activities that will provide job opportunities and growth in local talents.



12. RESPONSIBLE CONSUMPTION AND PRODUCTION

We continue to promote awareness on the benefits of implementing sustainability practices in businesses, while reporting back on those efforts in the form of sustainability reporting.



17. PARTNERSHIPS FOR THE GOALS

We support civil society activities that contribute to employability and job creation, while supporting spreading sustainability implementation and reporting in Jordan.

ENGAGING OUR STAKEHOLDERS

We are committed to engaging regularly with our stakeholders as a way to understand their needs and ambitions that are core to our sustainability objectives. This enables us to respond to their expectations and priorities and use it as a cornerstone to our strategy.

To better understand our stakeholders' expectations, we regularly map their needs with the support of our Sustainability Champions to capture our methods of engagement, identify priority issues for both the Bank and the stakeholders, and track our response to these issues. The results guide our efforts in fulfilling stakeholders' needs through the strategic objectives and initiatives we implement.

GRI Disclosures: 102-40, 102-42, 102-43, 102-44

ENGAGING OUR STAKEHOLDERS



CUSTOMERS

- Service & Communication Channels
- Feedback Methods
- Regular Annual Reports



SHAREHOLDERS

- Annual General Assembly
- Financial and non-financial Reports



GOVERNMENT

- Regulatory Reporting and Audits
- Regulatory Review
- Regulations



COMMUNITY

- Social and Digital Media
- Regular Annual Reports
- Media
- CSR Activities & Initiatives



SUPPLIERS

- Meetings
- Contracts



THE ENVIRONMENT

- Engaging with Clients & Borrowers on ESG Issues
- Engaging with Environmental NGOs
- Sustainability Reports



EMPLOYEES

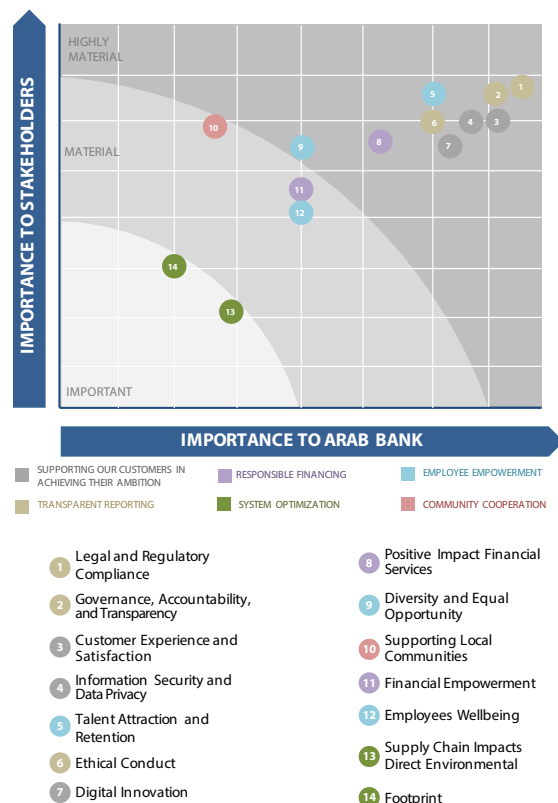
- Internal Communication Channels
- Volunteering Activities

FOCUSING ON WHAT MATTERS

Our Sustainability efforts and priorities across our operations are influenced by the wider social and environmental aspects around us. We use the materiality assessment process to identify topics that are important to our stakeholders and are strategically significant to our business. Establishing prioritization among the sustainability topics enriches our understanding of our stakeholders' needs and focuses our strategic priorities.

To understand the current and emerging issues that matter most to our stakeholders and will have the most material impact on our business, we conducted another review of the Bank's material issues. While our 2018 assessment revealed relatively similar issues and priorities compared to previous years, we integrated similar issues under one main topic, resulting in a list of 14 material sustainability issues; presented in our Materiality Matrix below. A full explanation of our materiality approach and boundaries of the material issues can be found in Appendix B.

GRI Disclosures: 102-44, 102-46, 102-47, 102-49





ARAB BANK SUSTAINABLE VALUE

We focus on creating sustainable value for our stakeholders that will help them achieve their ambitions, today and in the future. This sustainable value is measured through a number of metrics under each of our sustainability focus areas.

Responsible Finance



Over USD 253 Million

loans and facilities provided to support environmentally friendly infrastructure projects since 2012

Over 740 MW

total renewable energy annual capacity added to Jordan Electricity Grid

USD 1,069 Million

SMEs lending portfolio

Empowering Employees



354

total new hires

38.9%

females participation in workforce

11.5

average training hours per employee

Transparent Reporting



Issued a new version of the Code of Conduct

58%

independent board members

System Optimization



3.7%

reduction in fuel consumption

5.3%

reduction in electricity consumption per employee

3.6%

reduction in total GHG emissions

Community Cooperation



Over USD 25.4 Million

total community investments

Over 3,400 hours

volunteered by our employees

Over 260,000

number of beneficiaries from the community through our community initiatives

Digital Innovation

The background is a dark blue gradient with a grid of small, glowing blue dots. A large, bright blue circle is on the left side, and a large, white, curved line is on the right side. Several vertical blue light beams are on the right side, and a large, white, curved line is on the right side.

EMBRACING THE FUTURE OPPORTUNITY: DIGITAL INNOVATION

Why Digital Innovation

It is difficult to imagine a world without the Internet or mobile devices. They have become core elements of our lifestyle and have brought a high degree of disruption to virtually every area of business. This is changing the way services are delivered and consumed, challenging traditional business models across virtually every industry sector.

The financial services industry is no exception; new digital technologies are in the process of reshaping the value proposition of existing financial products and services. We continue to see the rise of new business models and emerging technologies, with new entrants to the market and increased collaboration and partnering between FinTech startups and the established banks.

A number of trends are shaping the banking industry and the way customer service is delivered, including:

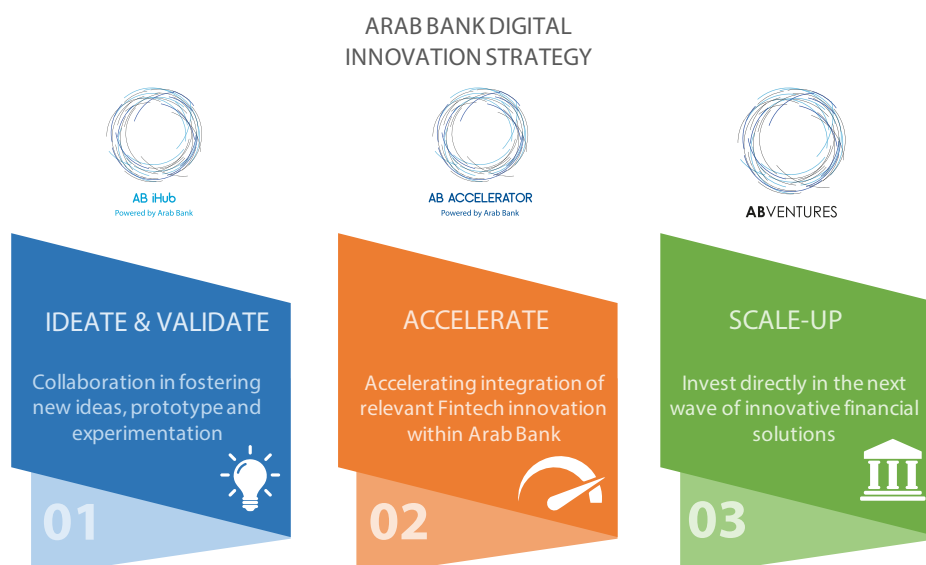
- As customers are becoming accustomed to the digital experience offered by technology companies, they are demanding more tailored, contextualized and fictionalized experiences through real-time analytics.

- New capabilities such as application programming interfaces (APIs) and artificial intelligence (AI) are enabling innovative new services, faster delivery speeds and lower entry barriers for new market participants.

In order to stay relevant, banks need to embrace the same factors that define the 21st century world we live in: we must be faster, smarter and more efficient. Getting there will require rapid and secure advancements that meet consumers' top expectations of convenience and simplicity.

How we are Doing It

Our overarching vision is to remain relevant to the coming generations by designing products and services that meet the needs and lifestyles of our customers. To achieve this objective, collaboration between us and an external FinTech ecosystem was needed to develop innovative solutions at a faster rate. We have shaped our approach to innovation and product development through a business model that explores, prototypes, accelerates, and scales-up innovation.



AB INNOVATION HUB “iHub”



We foster innovation by encouraging our employees to submit innovative ideas. Our mission is to support and enable them with the tools and environment to validate their ideas.

Our Approach

We have established AB “iHub” as a dedicated co-creation space that allows our employees to connect with FinTech startups and foster new innovative ideas, prototype and experiment together. It is also an awareness and education center to bring the staff up to speed with new technologies, debate use cases and reflect on how to exploit new technologies and wider ecosystem.

DISCOVER

We spark curiosity and awareness within our employees about new technologies through a series of talks held by industry experts

12

tech talks held in 2018

EDUCATE

We educate our employees to bring them up to speed with new technologies and methodologies

4

Ideas have been selected to be piloted

EXPERIMENT

We provide R&D labs for rapid prototyping through partnerships with the FinTechs, innovators, and corporate partners

Establishing technology labs for rapid prototyping; Blockchain Lab, API Lab, AI & Analytics Lab

+700

employees attended the tech talks

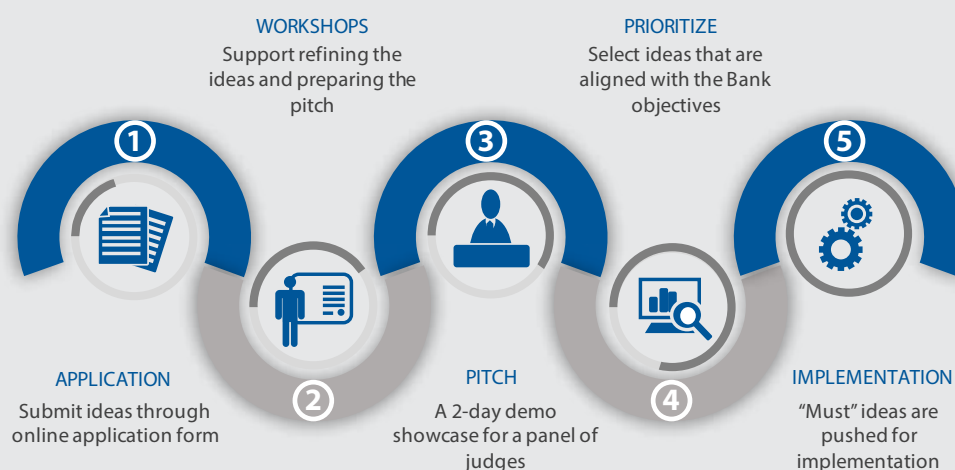


Spotlight

Empowering Our Employees to Drive Innovation

ARAB BANK INTRAPRENEUR PROGRAM

We launched the Intrapreneur Program for our employees can submit ideas that helps us succeed in the digital age, with the best pitches developed in a startup-style environment.



Through this program, employees are encouraged to submit their ideas through an online application form, while a committee shortlists application, and those selected applicants undergo a series of innovation workshops that help refine their ideas and prepare for their pitches. Once the idea is developed, employees pitch to senior executives to receive support for their idea, including funding. Ideas are weighted according to priority to the Bank and "Must" ideas are pushed to implementation, while "Want" ideas are parked.

Throughout this process, employees receive guidance and support from external industry experts and entrepreneurs.

Such an approach maximizes the use of limited resources, shortens time to market, and minimizes risks by focusing on the most relevant activities for each stage. Also, this approach prevents over-investing in any one idea by quickly killing ideas that don't work.

Through the 2018 cohort, four winners were selected under the Intrapreneur program to be implemented and five ideas were selected to proceed as projects in 2019 outside the innovation track.

Results from our first cohort in May 2018



143
ideas submitted



32
ideas shortlisted



Four
ideas won cash prizes and the necessary resources to implement their ideas

AB ACCELERATOR



We're a focal point for innovation with a simple and practical role: accelerating integration of relevant FinTech innovation within Arab Bank.

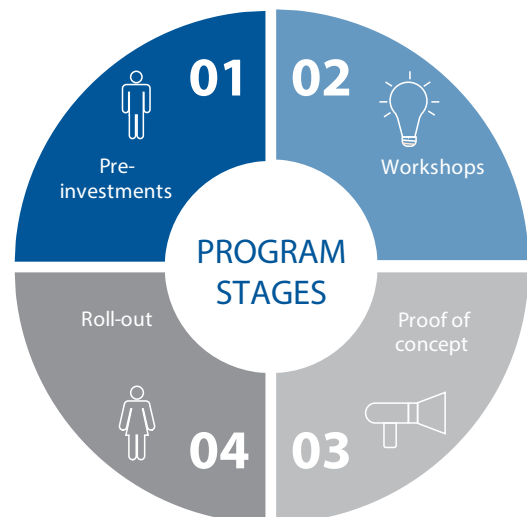
Planned to be officially launched in January, 2019, AB Accelerator explores ideas globally that have been tested in the market, with a focus on EMEA, typically in early-stage technology startups, whose business model provides innovation that can disrupt or expand the financial services industry.

AB Accelerator is a specialized program that is product-centric, applying a lean approach to product launch and integration development. It provides startups with the opportunity to test their solutions through a proof of concept and the possibility of moving into a pilot deal with real enterprise customers.

The program aims to help us adopt emerging technology solutions that enhance, improve, and reimagine the ways in which we add value for our customers.

Our Approach

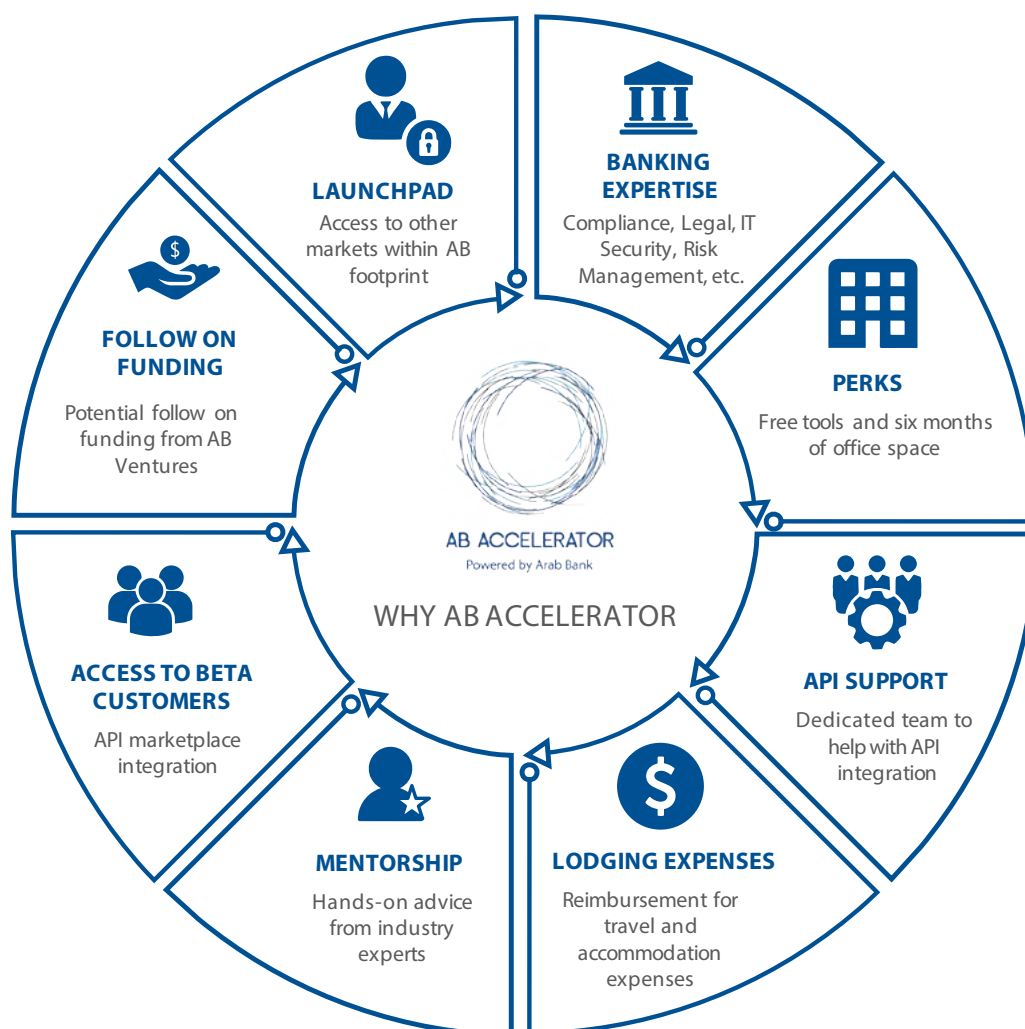
Under AB Accelerator, startups go through a four-stage program. From proof of concept to pilot, the program provides all the tools to take a startup from its initial launch to developing a highly scalable business model with solid revenue growth through a mix of financial and non-financial support.



AB ACCELERATOR INVESTMENT THESIS

INDUSTRY FOCUS	PRODUCT MATURITY	MARKET TRACTION	GEOGRAPHY	VALUE PROPOSITION
FinTech solutions (front-office and back-office)	Beyond ideation and initial testing at POC stage	Minimum of three months of product-in-market and customer traction	Priority focus – MENA and Europe Other markets – Africa, South-East Asia, and US	Address a problem statement of Arab Bank

AB Accelerator Value Offer – In addition to providing seed funding (up to USD 250,000), AB Accelerator also provides start-ups with industry experts' mentorship, a creative workspace, a multitude of perks, banking, and direct support from our teams. AB Accelerator focuses on building the infrastructure in which founders can accelerate their vision through immediate access to customers and markets.



AB VENTURES

Venture Capital + Digital Innovation - A key pillar in Arab Bank's Digital Innovation Strategy, AB Ventures was set up in 2018 as our independent corporate venture capital arm. AB Ventures demonstrates the bank's commitment towards embracing digital innovation by investing directly in the next wave of innovative financial solutions, and – integrating them where relevant - into the financial services' value chain across multiple markets.

Investment Thesis - AB Ventures will invest globally in early-stage scalable Financial Technology businesses. In doing so, we will focus on both consumer and enterprise facing business models with a preference for companies building proprietary products and services that can demonstrate desirable network effects across financial industry verticals, build enabling technologies for multiple industries, facilitate the onset of new decentralized technology backbones, or any combination thereof.



AB VENTURES KEY INVESTMENTS TERMS



Spotlight

The FinTech Opportunity

AB VENTURES OPPORTUNITY

Financial Technology holds the potential to substantially transform today's financial institutions. It could upend existing financial intermediation with new business models empowered by intelligent algorithms, big data, cloud computing and artificial intelligence. Success in this multitrillion-dollar global industry will depend primarily on understanding consumer behavior, capitalizing on current infrastructure, and navigating the intricacies of the regulatory landscape.

Backed by a leading financial institution in the Middle East, AB Ventures is at a vantage point to capture this new economic opportunity. Our global footprint will amplify the impact of our investments as we conjoin best-in-breed FinTechs with high-growth market opportunities.

Supporting Our Customers in Achieving Their Ambitions

Our customers are at the core of our business so we ensure that we align our operations to meet their evolving needs and expectations through the extensive range of banking services and solutions that we offer. Ultimately, this enables us to attract new customers in line with our mission of becoming the leading financial institution in the Arab world.

We are achieving this through:

- Continuously developing our products and services to meet the evolving needs of our customers.
- Embracing digital innovation as key to adding greater value to our customers' expectations.
- Excelling in our customer services across our banking channels and our commitment to fair engagement with our customers, while maintaining data security at the highest levels.
- Fulfilling the socio-economic ambitions of our customers.



Material Topics

- Customer Experience and Satisfaction
- Customer Privacy and Data Security
- Digital Innovation

SDGs SPOTLIGHT IN THE SECTION



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

PERFORMANCE METRIC

Further performance metrics related to this section are presented on page 61.

SERVICE LEADERSHIP

The financial sector is going through a period of rapid change. Customers' needs are becoming more complex and technology is changing the way services are delivered. As one of the leading financial institutions in the region, we continue to deliver on our promise to our customers; providing excellent services that meet their evolving needs at every stage of their life cycle.

Our philosophy revolves around providing our customers with 360° responsive banking solutions. This philosophy is manifested through offering a comprehensive range of value propositions supported by our channels to ensure that they enjoy seamless banking experience at the different touch points.

Products and Services

We have introduced a number of products and services designed to address the evolving needs of our customers:

Arabi Mobile – We have launched an updated version of our Arabi Mobile App offering a suite of digital banking solutions specially designed to allow customers to carry out many banking transactions online, easily and securely. The app's new features include: instant registration, login with fingerprint and pattern, personalized app design based on the customer's account type, beneficiary management for easier and quicker money transfers, the option to change or create a second password, funds transfer between accounts, credit card dues and bills payment, funds transfer to local and international banks, request of various products and services such as credit cards and accounts details in addition to many other features.

ArabiConnect – We rolled-out our new corporate online platform, ArabiConnect. This platform includes an intuitive interface, offering corporations a single entry point to access their cash management and trade finance functions, and features comprehensive management across all group entities, locally and across borders.



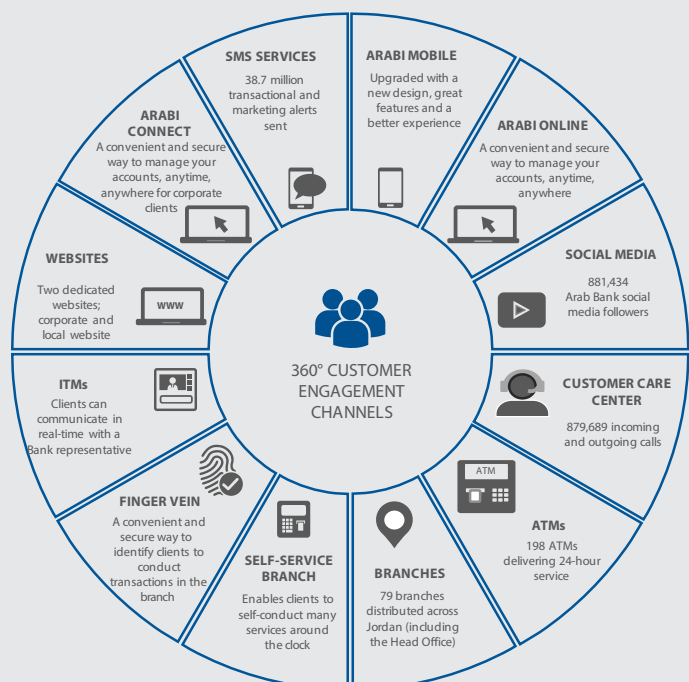
Spotlight

Improved Customer Experience

OUR 360° CUSTOMER RELATIONS

With the new digital age, customers expect to be able to move seamlessly across devices and channels and to access banking services whenever and wherever they want.

In order to meet these growing expectations of our customers, we have established a focused Customers Relationship Management System that enables a 360° view of a customer's personal data across all touch-point. Such an approach will allow a more personalized and tailored services to be presented to them that cater to their needs with continuity across all channels and at any point of time.



Transactional KIOSK Machine – The Transactional Kiosk is one of the latest digital services that provides the customers with a host of non-financial services and allows him/her to request some of the Bank's products and services and receive these instantly to save their time and effort. In 2018, the Bank launched the KIOSK services in three self service branches in Jordan. Arab Bank is the first bank in Jordan to launch such a service, offers the ability to print account statements, print a number of bank certificates, issue primary and supplementary debit cards, and renew and replace already issued debit cards.

ArabiSync – During 2018, we launched a host-to-host solution, ArabiSync, that offers corporate-to-bank connectivity and seamless integration with the customer's ERP system for an optimized and centralized workflow. This end-to-end solution offers the flexibility, operational efficiency and streamlined processes that make corporate business dealings easier to undertake and faster to perform, furthering Arab Bank's lead in transaction banking.

ArabiPoints – Arab Bank introduced the all new relationship based loyalty program "Arabi Points" in Jordan. Under this program, the Bank's customers can earn points when they use various touch-points at the Bank including; credit cards, debit cards, salary transfer, loans, digital banking, and when joining the Bank's Elite or Premium programs. Customers can then redeem the points in cash or purchase vouchers through "Arabi Online" or any of our ATMs.

Service Excellence

Great customer service starts with having empowered, motivated and professional employees who can meet and exceed the customers' needs and expectations. Our approach to achieve this is through empowering our employees and training them to raise their knowledge and experience to deliver on our promise, and monitor this interaction to ensure the highest levels of customer satisfaction are achieved.



Spotlight

Digital Services with a Human Touch

ARAB BANK SELF SERVICE BRANCH

In 2018, we opened our first self service branch as part of our strategy to reinforce our branch network and provide our customers with advanced digital banking solutions in line with the latest developments in the banking industry.

The Branch offers a unique hybrid human-digital interface whereby technology is integrated and fused with human element to deliver an exceptional customer experience through a convenient, flexible and enjoyable banking environment.

The digital services include instant and self issuance and renewal of debit/ATM cards, cash withdrawals with double the daily limit, instant and self issuance of account statements, certificates self issuance, the ability to deposit cheques in JOD at anytime, cashing of Arab Bank cheques after working hours and during the weekends in addition to the usual working hours, communicating in real-time with a bank representative via a video call through "ITM" and conducting a number of banking transactions through the digital biometric service "Finger Vein Recognition".

By end of 2018, we have also inaugurated two Self Service areas that were plugged in two existing branches.

Customer Experience and Monitoring Tools – To ensure we are meeting our customers' expectations, we continued implementing various monitoring activities. These activities are carefully designed to ensure adherence to the set of service standards across the main service pillars: People, Process, Premises, and at various customer touch points. This included launching service staff assessment programs, classrooms and distance learning programs.

TRANSPARENCY AND TRUST

Clear and transparent engagement and fair treatment are essential components of providing excellent services to our customers. This allows us to maintain their trust and loyalty, while empowering them to make the right financial decisions. This is achieved through maintaining trusted partnership with our customers and ensuring that we operate transparently and fairly with them, while safeguarding their assets and information.

Transparency and Dealing with Customers Fairly

A special policy was endorsed to ensure that transparent, ethical and fair treatment and engagement with customers continue to be core values of our operations. The Transparency and Dealing with Customers Fairly Policy requires us to design products and services that meet the needs of each identified customer group, and provide them with professional advice that is appropriate to their circumstances. This also involves making information fully and clearly available before, during and after every point of sale.



Spotlight

Engaging our Customers

ARAB BANK SOCIAL MEDIA CHANNELS

Engagement on social media is important for Arab Bank as it provides us with valuable real-time feedback from our stakeholders. We also use it to increase awareness about Arab Bank and boost our leads and sales. We believe that social platforms are helping us increase our customers' trust and attract new potential customers through word-of-mouth marketing.



442,000 Corporate Facebook Page Followers



26,003 Followers on Twitter Account



394,213 Shabab Facebook Page Followers



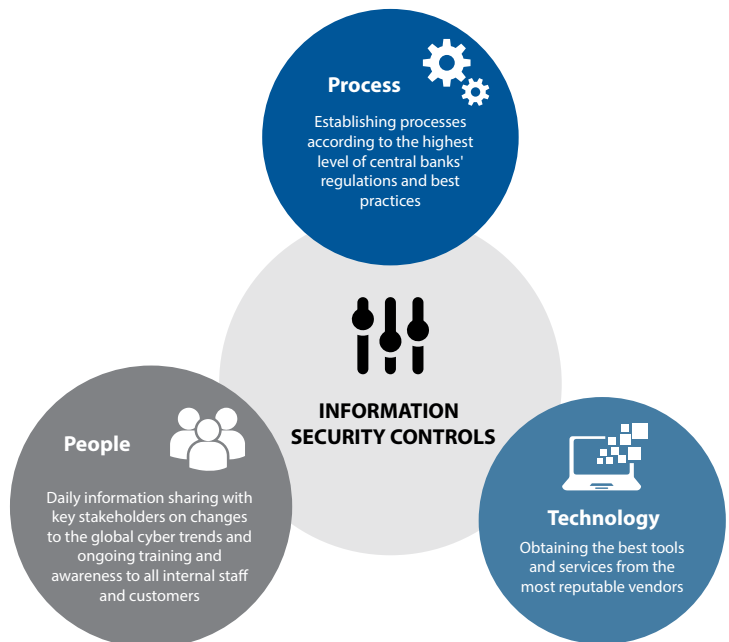
87,313 LinkedIn Followers



5,311 Followers on Instagram

Safeguarding Customer Information

We deploy and maintain security controls and procedures that are constantly monitored and reviewed to ensure they are relevant and operating effectively. Our approach focuses on prevention, detection and correction at different channels.



Information Security Starts with People – We have invested extensively in security controls and infrastructure and are constantly updating and improving them. Yet, people are key in helping protect information security systems. For this reason, we continue to work with customers and our people to raise their understanding of modern information security threats, including the best ways to protect themselves. Our work with customers include: quarterly messages, printed leaflets in our branches, and information provided through our e-channels.

A Robust and Compliant System – We work continuously to ensure ongoing compliance with all central banks' regulations and alignment with best practices (i. e. ISO/ISMS, ITIL & COBIT) as applicable to the Bank's business model, and to be PCI compliant where and as required.

CUSTOMERS' SOCIO-ECONOMIC AMBITIONS

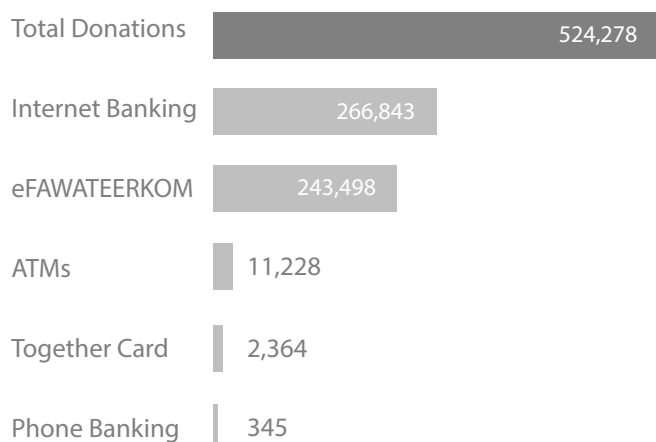
To create the greatest, most sustainable impact, we deploy our different services and touch points to optimize the community collaboration with our various stakeholders. To this effect, we have equipped some of our channels with donation functionality, which enables our customers to support the local community in a seamless and convenient manner.

Donation channels include: internet banking, phone banking, ATMs, branches, Together Platinum Credit Card, in addition to eFAWATEERCOM payment method.

These channels provide our customers with the opportunity to donate to the Together program's several NGOs in Jordan covering the areas of health, poverty alleviation, environmental protection and Education/orphan support. In 2018, our customers donated JOD 534,278 to the NGOs participating in our Together program in Jordan.

Arab Bank Customers' Donations (JODs) 2018

A total of JOD 534,278 donated by our customers



Spotlight

Socially Conscious Credit Card

TOGETHER PLATINUM CARD

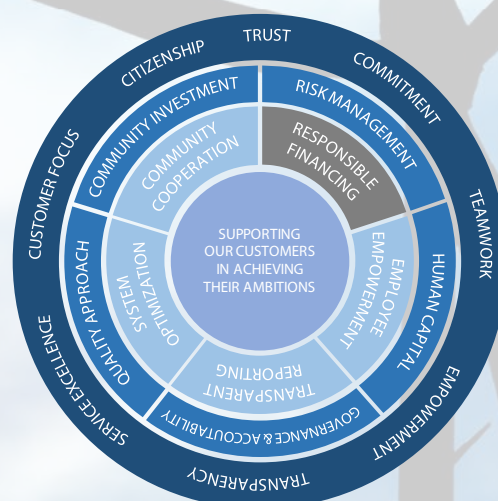
Launched in 2009, the Together Platinum Credit Card is the first of its kind in the Middle East, Africa and Central Europe. The card enables a marginal 0.5% of customers' purchase amounts to be donated to Together program's four NGOs. The Bank matches all donations and allocates 50% of credit card annual fees to support these organizations.

Responsible Financing

We are committed to providing financial services that enable sustainable growth and economic progress based on responsible financing practices. Responsible financing at Arab Bank demonstrates our commitment to act responsibly, manage risk, and adhere to the highest ethical standards. By doing so, we ensure that we constantly meet our stakeholders' and business needs and maintain customers' trust and business continuity.

We are realizing this commitment through:

- Implementing prudent risk management to screen our customers' risks and to integrate ESG aspects into lending criteria
- Supporting green infrastructure projects in Jordan.
- Supporting SMEs.
- Developing sustainable financial products and services.
- Supporting financial empowerment of our community members.



Material Topics

- Positive Impact Financial Services
- Financial Empowerment

SDGs SPOTLIGHT IN THE SECTION



7. AFFORDABLE AND CLEAN ENERGY



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

MANAGEMENT OF ESG ISSUES



As the leading Jordanian financial institution, we recognize that our lending activities can have an impact on the environment and society. As such, we use sound risk management practices to identify, evaluate and mitigate, to the extent practical, the environmental and social impacts of our lending and financing activities. We also avoid dealing with borrowers who have poor environmental and social risk management track records.

As part of our governance structure, the Group Risk Management Division (GRM) is responsible for ensuring that we have a robust system for identifying and managing lending and financing risks that the Bank is exposed to through our financial activities. This is done by the Corporate Credit Risk Management Department through addressing environmental and social risks within the Bank's credit policies.

Responsible Personal Lending

Our responsible financing in lending is twofold; selling the right products and services to the right person, and working on enhancing their financial literacy.

We continue to adopt a responsible lending approach to ensure that credit provided to individuals does not place a burden on customers in the future. This is achieved by providing customers with the necessary information to help them make the right decision when it comes to their borrowing needs, and then this is matched with the appropriate product risks and by implementing the relevant credit approval policies. These policies, which are reviewed on an annual basis, consider the customers' ability to repay in a manner that reduces risk to the individual and the Bank. They also focus on maintaining the Debt Burden

Ratio (DBR) in line with the central bank's regulations and minimum required salary at acceptable thresholds.

As per the Transparency and Dealing with Customers Fairly Policy, our products and services, including loans and facilities, are built to cater to the needs and reasonable expectations of customers. The customers are then informed about the financial components of the facilities (e.g. repayment, interest rate, tenor) with the aim of assisting them to make an informed and educated decision. We apply a quality assurance process to ensure that lending products and services do what they are intended to do. As a result, we ensure that all new products are designed to be appropriate to their target group and test driven, while customer feedback is taken into account in the design and implementation phases.

Project Finance

As a result of our commitment to long-term project financing, we integrate a range of environmental and social criteria into the project appraisal process. 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, safety, local employment and child labor, which are studied and mitigated with their respective measures. The criteria followed are in line with a number of standards stated by the Equator Principles. Projects financed by us are assessed based on these standards and provide special Environmental Impact Assessment studies. In addition, we also ensure that projects financed in Jordan are in line with prevailing Jordanian environmental and social laws.

FINANCE FOR IMPACT

As one of the leading financial service institutions in the region, we are well positioned to help address complex societal and environmental issues. Whether we are providing lending for large green infrastructure projects or to small business owners, we see these activities as potential solutions to issues that matter to our stakeholders and impact our communities. We believe that by addressing the challenges of today, we can find greater opportunities for tomorrow.

Financing Green Infrastructure Projects

We play a major role in financing sustainable projects, and our green infrastructure finance activities represent a growth opportunity for our business and our clients that have a positive impact on our communities. By doing so, we are also adding to the global efforts to combat climate change and contribute to the Sustainable Development Goals (SDGs).

As-Samra Wastewater Treatment Plant - To meet the increased demand for wastewater treatment, we are supporting the third phase (second expansion) of the As-Samra Wastewater Treatment Plant. The successful execution of the phase two expansion in October 2015 which added 100,000 cubic meters to the plant's capacity, bringing the daily total of wastewater treated at the plant to 367,000 cubic meters per day. We led a syndicate of local banks in the creation of a structured finance package for this phase of the project. As-Samra Treatment Plant is regarded as one of the landmark wastewater treatment plants in the MENA region. It is seen as having a positive impact on the environment and providing additional raw water that is suitable for agricultural purposes.

Jordan's Energy Program – We are currently following up on specific financing needs for Jordan's energy program of Round 3 which is composing of 200 MW, following our previous involvement in Rounds 1 and 2.

Contributing to Greener Jordan

IMPACT OF ARAB BANK GROUP GREEN INFRASTRUCTURE INVESTMENTS IN JORDAN



Over USD 253 Million loans and facilities provided to support environmentally friendly infrastructure projects since 2012



Over 740 MW

Total renewable energy annual capacity added to the Jordanian Grid



Approximately 905,000 Tons

CO₂e
GHG emissions avoided



Spotlight

Rashadiya Photovoltaic Solar Power Project

As part of our main area of interest, Arab Bank Group succeeded in closing the financing of the 15.64 MW Rashadiya photovoltaic solar power project offered by Jordan Cement Factories (Lafarge Jordan) in 2018. The Project's financing arrangements were structured on the basis of the electricity net-metering for self consumption under the Renewable Energy and Energy Efficiency Law No. 13 of 2012 of Jordan, which allows private sector companies to establish and own their solar facilities for electricity self-consumption. It is expected to begin operation in the second half of 2019.

Supporting a Thriving SMEs

Small and medium enterprises (SMEs) are considered the backbone of the global economy, and the Jordanian economy is not an exception. However, SMEs usually face difficulties accessing the financing and capital that they need to thrive and grow. Thus, we have created a multi-dimensional approach to supporting SMEs, including tailored products and financial offerings to meet their needs, and providing them with the training needed to support their growth.

SMEs Lending Portfolio Million USD



Financing SMEs

We have collaborated with several stakeholders to support SMEs through engaging in loan guarantee programs. These loan guarantee programs opened new prospects for SMEs, allowing them to obtain facilities from us to expand and grow their businesses.

SMEs Equity Growth Fund – Following the creation of the JOD 125 million SME Investment Fund, which was led by a consortium of 18 banks, and the appointment in 2017 of AB Invest (the investment arm of Arab Bank) as the investment manager, 2018 was an eventful year. AB Invest was able to successfully execute investments in four companies operating in key sectors of the Jordanian economy such as logistics, healthcare, IT solutions and agriculture. These companies are all market leaders in their fields with a long and solid track record.

The Fund's capital deployed into these companies will be utilized primarily to help these companies in solidifying their market position as well as catalyzing their expansion into additional local and foreign markets. More importantly, AB Invest will play a key and active role in the value enhancement at each portfolio company by means of institutionalizing these companies and optimizing performance.

More recently, the Fund's board approved three additional investments in companies operating in healthcare, F&B and business process outsourcing. The investment manager continues to actively source and invest in robust and growing small and medium-sized companies in Jordan, providing an impetus for economic growth and employment opportunities in the country.

European Investment Bank (EIB) – Arab Bank signed a financing agreement of EUR 300 million with the European Investment Bank (EIB) to small and medium sized enterprises (SMEs) and midcaps in Jordan, Egypt, Lebanon, Morocco and the West Bank. The operation comes under the EIB's Economic Resilience Initiative (ERI), aimed at enhancing the prospects for more resilient and inclusive growth as well as creating sustainable employment opportunities in the region. This new credit line brings the overall EIB finance to private sector development in the EU Southern Neighborhood region to EUR 1.8 billion over the last two years.

The finance agreement is EIB's first regional credit line for small and medium businesses in the selected countries. The EIB's financing will be channeled by Arab Bank at rates affordable to small and medium businesses in the region, thereby enhancing economic growth through catalyzing and accelerating private investments.

Jordan Loan Guarantee Corporation (JLGC) – The Bank continued its collaboration with the Jordan Loan Guarantee Corporation (JLGC), which currently supports SMEs through five loan guarantee programs, including: Express Loan, Business Loan, Car Business Loan, Exports Support Loan and Bonded Loan.

The Bank also continued its SME Bundles program, which entails three main bundles (Star Plus, Star and Upper Mass Bundles) in collaboration with the JLGC. These Bundles are designed to provide multiple products and value-added benefits to meet the varying business activities and operations of SMEs. These programs and other traditional facilities are included within the following major guarantee programs provided by (JLGC):

- SME Loan Guarantees up to JOD 5 million.
- Industrial Loan Guarantees (EJADA) with a loan guarantee up to JOD 550,000 for each customer.
- Start-ups Loan Guarantee up to JOD 500,000.
- Renewable Energy Loan Guarantee with no sealing limit.

SME Loans – The Bank also continued its collaboration with the Central Bank of Jordan to support SMEs through four loan agreements, in which the fourth was signed in 2018, increasing the total to reach JOD 18.1 million.

Tailored Business Services for SMEs

In order to provide the best service and competitive value propositions dedicated to the development and growth of this sector, the Bank established over 10 specialized SMEs business service centers. These centers have been established to ensure service excellence and provide a full range of banking solutions to develop and expand the business horizon of its SME customers.

On the digital front, the Bank continues to provide advanced digital solutions to its corporate and SME clients in order to meet their evolving needs and expectations through various means, including electronic banking solutions. Innovation in delivery remains a key pillar of the Bank's strategy as it continued to invest in digital corporate banking solutions.

Training SMEs

Arab Bank held a series of workshops for its SME customers to provide them with the needed business management expertise and financial knowledge to help develop and grow their businesses. These initiatives come as part of the Bank's keenness to maintain effective communication with its corporate customers and to build their capacities.

Sustainable Financial Products and Services

Responsible financing demonstrates a financial institution's commitment to contribute to broader environmental and social issues. At Arab Bank, we work on achieving our customers' ambitions by offering them a range of sustainable products and services.

Green Financial Products and Services

Growing market activity and increased global attention to environmental issues have highlighted the importance of engaging with our customers to enable them to reduce their ecological footprint. This is done by working on developing a range of green products to encourage our customers to adopt environmentally friendly practices as part of their lifestyle.

Support Environmentally Friendly Products – Through our Easy Payment Plan (EPP) for credit cards, customers can purchase renewable energy equipment and environmentally friendly products with a repayment period up to 12 months with 0% interest rate when using a credit card at selected outlets. Additionally, customer will benefit from repayment period of up to 24 months at a 1% interest rate when using a credit card at any outlet inside or outside Jordan.

Services with Greener Impact – We continue to work on helping our customers reduce their environmental footprint through from our services. Our green services focus on enhancing operational efficiency and reducing materials and energy consumption. Our green services include eStatement, E-Advice, Finger Vein and Interactive Teller Machines.

Social Financial Products and Services

We have created several products and services that support our customers' positive community engagement, such as our Together Credit Card. Additionally, the Bank allows customers to donate to specific NGOs participating in Together program through our channels. Further details regarding these efforts are presented on page 24.



FINANCIAL EMPOWERMENT

Working on financial inclusion of the financially unserved segments of our community and enhancing their financial knowledge will contribute to enhancing the overall well-being of our community.

Financial Inclusion

While all our business value propositions contribute to enhancing the financial inclusion in our community, we reference below the main initiatives that have a direct and high contribution in this regard.

Shabab Program – Through our Shabab program, we are providing the Youth with financial services that are not usually offered to them. With Shabab program, youth are offered an exceptional early banking experience through the program's lifestyle and financial benefits. We now offer students working in part-time jobs and first jobbers' access to credit facilities at preferential terms.

JoMoPay – We have included the Central Bank of Jordan's mobile payment system "JoMoPay" within our mobile banking service "Arabi Mobile". Through participating in this service, we have widened the reach of our customers' remittances to all users with JoMoPay wallets, reducing the dependency on physical cash, thus providing unbanked population with access to our wide base of customers.

Financial Literacy

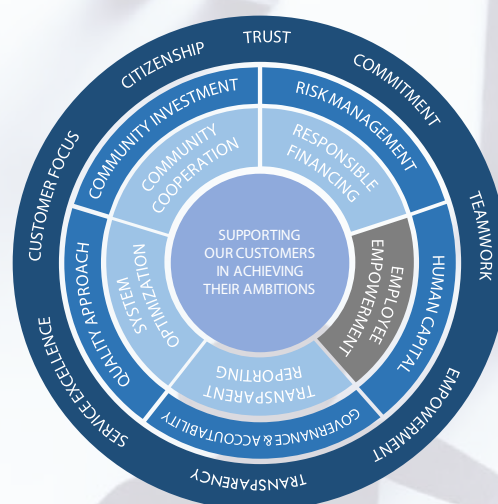
We are helping people from different segments of the community feel empowered with the knowledge, skills and confidence they need to make smart, everyday financial decisions. We offer a variety of services, support, information and tools; online and in person, to cater to the individual needs, considering how, when and where they need our services.

National Financial Educational Program – We continue supporting the national financial educational program, initiated by the Central Bank of Jordan, to increase financial literacy among school students and to teach them how to develop smart saving habits and make sound financial decisions. The Bank also supported this initiative through Abdul Hameed Shoman Foundation (AHSF). The program aims to bridge the gap between financial knowledge and behavior, while acquainting students with basic economic and financial concepts, targeting students from grade 7 to grade 12.

Employee Empowerment

At Arab Bank, people matter, and we are creating an environment where our employees can align their efforts with the Bank's values and vision to deliver our promise to our customers, shareholders, and the community.

We believe that when our employees are engaged and inspired to make a difference in the lives of our customers and communities, they can deliver a great customer experience and sustained growth in shareholder value. Thus, we are creating a diverse and inclusive environment for our employees, where they can find the opportunity for personal and professional growth that allows them to realize their potential.



Material Topics

- Talent Attraction and Retention
- Diversity and Equal Opportunity
- Employees' Wellness

SDGs SPOTLIGHT IN THE SECTION



3. GOOD HEALTH AND WELL-BEING



5. GENDER EQUALITY



8. DECENT WORK AND ECONOMIC GROWTH

PERFORMANCE METRIC

Further performance metrics related to this section are presented on page 61.

BUILDING THE WORKFORCE FOR THE FUTURE

Today, with the rapid pace of business and technological change, banks need to focus on attracting and retaining the right skills and talents that will address the sector's challenges and opportunities not only for today, but also in the future.

Inclusion and Diversity

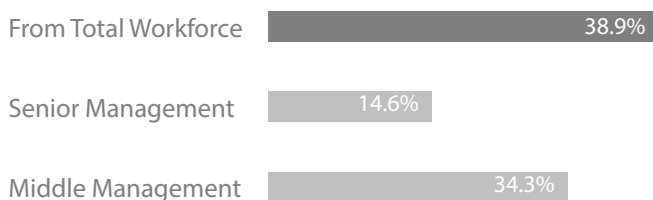
Maintaining a diverse and fair working culture is key to providing us with diversity of thought and perspectives, which will drive innovation and enable our people to produce better value to our stakeholders, today and tomorrow.

Over almost nine decades, we have built a diverse and loyal workforce that is committed to our vision of serving our customers' needs. We encourage the success of our employees by providing them with equal opportunities, competitive benefit packages and a safe and nurturing work environment. In 2018, the Bank's total workforce reached 3,133 employees in Jordan, with 99.6% of the entire workforce in Jordan being Jordanian nationals. This reflects the Bank's strong commitment to invest in and develop local talent.

Gender Diversity - We aim to foster a culture that supports females in the workplace. Being able to attract, develop, and retain top female talents continues to be important to us. Over the years, our female employees grown, driven with our fair process, where females are given the full potential to utilize their skills and talent and grow in the Bank.

Female Participation in the Workforce

2018



Diversity for All - Beyond gender diversity, we also seek to support people with different life experiences, age group, abilities, thoughts and perspectives. Thus, qualified physically less abled employees can enrich the talent pool of our workplace and are encouraged to join our team. This accessibility strategy supports the employability and integration of those who are physically less abled. By end of 2018, the total number of less abled employees reached 75.

Additionally, we are working on eliminating the physical barriers of hiring physically less abled candidates. As a result, some of the existing branches and all new branches will be designed to be accessible for employees and customers with physical disabilities.

Competitive Reward

Our rewards programs foster the knowledge, competencies, and behaviors necessary for business success and at the same time allow investments and acquisition of relevant skills. We provide market competitive rewards to our employees through a flexible and fair compensation and benefits programs designed to attract, retain and motivate them.

Our approach to compensation ensures that salaries are determined independently of gender, as pay is determined based on key elements, including market and business alignment, internal relativities, job value and demands, individual competence, and performance.

We also discretionally reward our employees for good performance, deployment of new skills and competencies, and overall bank success, in the form of bonuses or incentive schemes. We also grant our employees annual increases, cost of living adjust salaries.



Spotlight

EMPLOYEES' CHILDREN SCHOLARSHIP PROGRAM

We continue to provide scholarships to educate employees' children at Jordanian universities, where the total amount of support reached JOD 169,121 in 2018, enabling 59 employees to benefit from the program, resulting in the enrollment of 65 students into universities during the year.

With 100% of employees working on a full-time basis, we continuously introduce additional benefits including, but not limited to, upgraded health insurance coverage, maternity coverage, life insurance, educational loans, and loans for employees with preferential interest rates. Additionally, we subsidize registering our female employees' children under the age of four in certain nurseries to take care of their children while being at work.

Engaging for Success and Wellbeing

We believe that proactive engagement with all employees ensures that employees are committed to our goals and values, motivated to contribute to our success, and are able to enhance their own sense of wellbeing. Thus we work on engaging our employees through creating open and transparent communication channels with them, while enhancing their wellbeing.

Employees Engagement – We use different channels to engage our employees, including our Annual Performance Reviews, our internal newsletter, and the Intranet platform "Arabina". Employees' feedback, including complaints, is gathered through Employee Relations Committee that is dedicated to processing internal grievances, comments and suggestions. Exit interviews are also conducted to obtain feedback from employees leaving the Bank. During 2018, there were no incidents or complaints escalated to the Employee Relations Committee related to discrimination or human rights.

Employees Wellbeing – We are committed to providing a working environment that is safe, secure and productive, where all employees are treated fairly and with respect; upholding the highest standards of integrity and trust, with the ultimate objective of achieving high levels of satisfaction.

We have a dedicated Occupational Health and Safety Committee, comprised of seven members from different departments and focuses on advancing health and safety systems and plans. All occupational health and safety related queries and complaints are tracked by the committee and results of any inspections, including incident reports and action plan, are documented.

Collective Bargaining – In compliance with internal regulations, each employee who is part of a certain union should declare it to his/her manager and consequently to HR. The Bank does not have a system to track the percentage total employees covered by collective bargaining agreements.

GRI Disclosures: 102-41



Spotlight

Next Level in HR Management

ARAB BANK HUMAN RESOURCE MANAGEMENT SYSTEM

Human Resources at organizations has been on an exciting, but challenging, journey in the past few years. HR's role of merely recruiting and maintaining employee records has expanded to building an organization's culture, and strategic recruiting, among others to contribute to the organizational goals. Thus the introduction of the Human Resource Management System (HRMS) was a game changer for the HR industry and its professionals to help HR achieve its goals.

Despite having an HRMS that serves the automation of HR functions and processes well, Arab Bank has looked to upgrade and expand its current system offerings online to take the Bank to the next level.

During 2018, HR continued its automation drive by launching new Oracle Cloud HR services, including Recruiting, Learning and Performance Management Services. These automated services will contribute to improving talent acquisition efficiency, promoting employee development, advancing productivity and performance levels, which will consequently lead to higher customer satisfaction levels and business sustainability.

BUILDING THE SKILLS FOR THE FUTURE

We operate in a skill-centered and fast moving industry where our strongest competitive advantage lies in the knowledge and skills of our employees. Therefore, we need to help our employees approach learning new skills, throughout their career, in a culture of life-long learning that will enable our employees and the Bank to address the continuous changes that happen in the financial sector.

Training courses are designed and developed internally or in collaboration with training vendors based on assessment of employees' training and development needs. The aim of our training programs is to provide employees with skills and capacity building opportunities that meet the needs and expectations of our operations. Our training programs include internal and external training opportunities. Employee career development is also ensured through several tools including talent management and succession planning.

Average Training Hours per Employee by Gender and by Employment Level 2018

Total Employees	11.5
Males	11.4
Females	11.8
Non-Management	10.2
Middle Management	17.4
Senior Management	3.4

AB iHUB Training – In 2018, we introduced a series of talks and workshops on a monthly basis held by industry experts, entrepreneurs on new technologies to spark curiosity and awareness among our employees on FinTech and to ignite their thinking about the future of financial services. These were part of the newly established iHub "Educate" element. A total of 9 talks and 8 workshops were held during the year. More details regarding this program are presented on page 15.



Spotlight

Empowered Customer Care Agents

CUSTOMER CARE CERTIFICATION PROGRAM

As part of our ongoing effort to develop the Customer Care Center towards enriching our customers' experience, the Customer Care Center employees went through a certification program. The main objective of the program was to enhance agents', supervisors', and managers' competences and equip them with the skills and knowledge needed to enhance their performance in daily tasks. The scope covered all the main topics required for excellent Customer Care Center Agents.

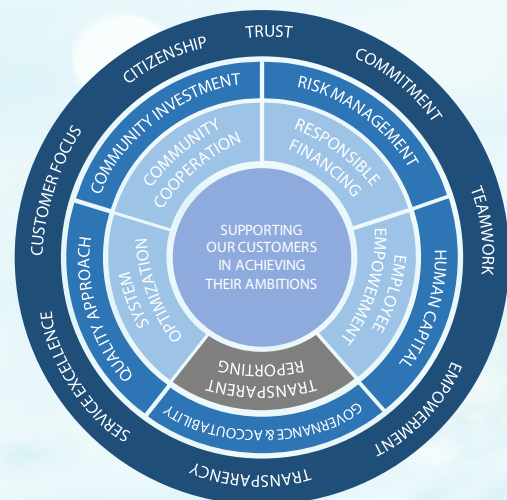
All trainees have passed the final exam of the training and got certified by The College of Call Center Excellence – USA.

We believe that such a training is very important due to the vital role that the Customer Care Center plays today in the Banks's 360° Customer Relations.

Transparent Reporting

Our strong corporate governance system enables the Bank to deploy proper management strategies across our operations and to integrate ethical, accountable and transparent values into the Bank's daily operations at all levels.

Building on this solid foundation of good governance and business conduct practices, transparent reporting is integrated as a main tool to reinforce the Bank's commitment to our stakeholders through engaging with them and strengthening trust, loyalty and accountability.



Material Topics

- Governance, Accountability and Transparency
- Legal and Regulatory Compliance
- Ethical Conduct

PERFORMANCE METRIC

Further performance metrics related to this section are presented on page 63.

RESPONSIBLE GOVERNANCE

We attach considerable importance to sound corporate governance practices and our Board is committed to implementing the highest professional standards in all of our activities.

Corporate Governance Code - The Corporate Governance Code, approved by the Board of Directors, is prepared in compliance with the regulations of the Central Bank of Jordan and in line with its requirements and policies. We also consider the requirements of the relevant regulatory authorities in Jordan and in other countries in which we operate. We disclose our compliance with the Corporate Governance Code and the IT Governance Code in our Annual Report, and they are published on our website, thus assuring transparency in our operations.

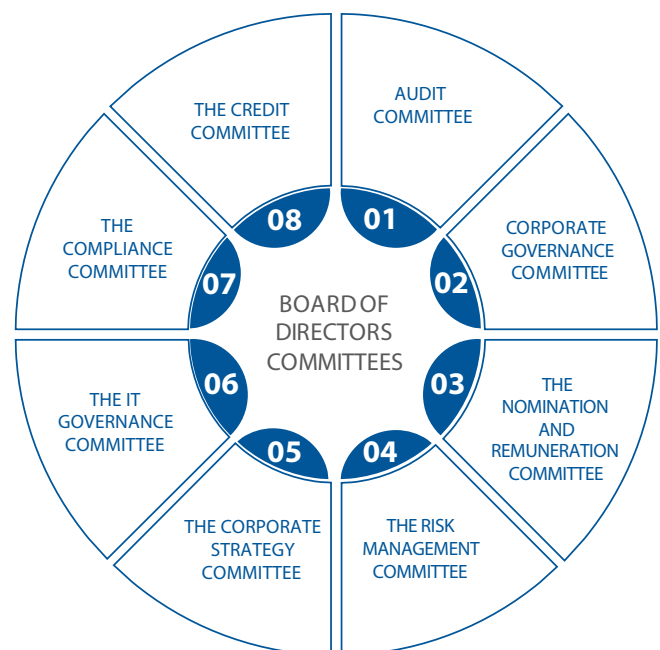
Board of Directors - The Board of Directors is the highest governance body responsible for sound implementation of corporate governance. The Board's roles and responsibilities include setting the Bank's strategic objectives and instructing the executive management to set a strategy for achieving those objectives. It also ensures that interests of shareholders, depositors, creditors, employees and other stakeholders are met, it also certifies that the internal control systems are effective and that the Bank's activities comply with laws and regulations in jurisdictions in which the Bank operates.

The Board, which held seven meetings in 2018, is comprised of twelve members, seven of whom are independent, while all members are non-executive. The members of the Board of Directors, all of whom are shareholders, 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 their qualifications in the financial and banking fields and other related competencies and relevant experience. Further details and information about each member are outlined in our 2018 Annual Report.

The roles of the Chairman and the Chief Executive Officer (CEO) are separated in line with the Corporate Governance Regulations for Banks, issued by the Central Bank of

Jordan and best practices. Overall board performance is assessed on an annual basis. Each Board member receives an annual remuneration of JOD 5,000, as stipulated in the Companies Law (No. 22, 1997). In addition, each board member receives monthly transportation allowance, and remuneration for attending each Board meeting and each committee meeting. These sums are not linked to the Bank's performance or revenue.

All details related to the committees' tasks and members are outlined in our 2018 Annual Report, which is published on our corporate website www.arabbank.com.



Auditing Operations - The Group Internal Audit (GIA), through its mission statement, provides the Board Audit Committee with independent assurance that our policies and procedures have been effectively implemented, and that controls, risk management and governance processes are effective to mitigate significant risks. Toward that end, the GIA objectively reports audit outcomes to the Board Audit Committee.

The GIA also presents dashboards that illustrate the audit observations and their respective criticalities, thus focusing on critical concerns. Action plans established to address concerns are tracked regularly, and updates about their progress status are also reported to the Board Audit Committee along with a trend and aging analysis that describes their standing.

The GIA system at the Bank is ISO 9001:2015 certified to ensure standards fundamentally focus on risk-based thinking, and involve taking a greater strategic view of risks within the quality management system, by ensuring these risks are identified, considered and controlled throughout the design and use of the QMS. GIA continues to adopt measures to assess the effectiveness of implementing environmental and social issues. Sustainability Risk has been categorized to ensure proper analysis and tracking.

CONDUCT AND TRUST

We follow a prudent approach in our business conduct that strictly complies with local and international policies and regulations and ensures safe and sound systems while being proactive in managing risks.

Arab Bank Code of Conduct

The Code of Conduct (CoC) is a crucial high-level policy that sets the foundation of our strong commitment to conducting business with the highest ethical standards and uncompromised integrity across all operations and jurisdictions. The CoC serves as the guidelines according to which all employees are held accountable to carrying out their responsibilities, while adhering to legal and ethical obligations. The CoC is accessible to all our employees through our employees' online portal "Arabina". All employees are required to acknowledge on an annual basis they will abide with the CoC.



Spotlight

A Strong Ethical Foundation

NEW VERSION OF THE CODE OF CONDUCT

We have revised the Code of Conduct to ensure it continues to provide sufficient guidance to employees in light of evolving regulatory requirements, including as they relate to tax evasion, data protection, anti-slavery, compulsory labor, and human trafficking. Other revisions relate to new/ revised notifications and/or approvals required for non-public bank related postings on social media and internet sites, situations entailing conflicts of interest, as well as gift queries. The new version will be released during the second quarter of 2019.

Supporting Policies

We support our Code of Conduct with a number of bank-wide policies. They cover issues such as privacy, money laundering, terrorist financing, conflict of interest, and bribery, among others.

To ensure the implementation of all these policies, we established an online policy center in 2011. This center serves as a hub for developing and implementing the policies. This center is accessible to all employees with access to vital information through our employees' online portal "Arabina", and provides them with the tools to perform to their fullest potential in compliance with our governance framework. Some of our key policies are highlighted below.

Anti-Corruption and Anti-Bribery Policy - This policy aims to enforce controls to combat bribery and defines restricted activities through clarifying our commitment and practices, internally and externally with all stakeholders.

The policy is communicated to all Arab Bank PLC employees, who must report any violations of this policy or potential violations of applicable laws and regulations in accordance with our whistle-blowing policy. Additionally, the policy is communicated to the Bank's suppliers, contractors, business partners and the wider stakeholders' group, using a risk-based approach.

Know Your Customer, Anti-Money Laundering, and Combating Terrorist Financing Policy (KYC, AML, and CTF Policy) - Our KYC, AML and CTF policy ensures that all legal requirements are met in relation to exercising the required due diligence to determine the true identity of our customers and maintaining a clear understanding of our customers practices, screening customers names against blacklists, and reporting activities identified as suspicious.



Spotlight

Staying Relevant

REVISED VERSION OF THE CORE KYC, AML, CTF E-LEARNING

The Core KYC, AML, CTF e-learning has been updated to reflect recent changes and updates to KYC requirements including our risk based approach and the risk classification of customers in terms of AML/CTF. We launched the revised course to all employees end of October 2018.

Ethics Committee

The establishment of the Ethics Committee in 2013 is consistent with our ongoing commitment to conduct our business in accordance with the highest ethical standards across the jurisdictions in which we operate. The purpose of the committee is to interpret and enforce our Code of Conduct, and to investigate potential legal and regulatory violations, as well as whistleblowing incidents across the PLC network. This executive committee is chaired by the Head of Group Regulatory Compliance, and includes the Heads of HR Division and the Legal Affairs Division, and reports directly to the Chief Executive Officer (CEO).

Proactive Risk Management

Sound risk management practices are fundamental to our long-term success, as risk is present in virtually all aspects of a financial services company's business. An informed and responsible approach to risk management is a core competency of Arab Bank. Thus, we have a constant focus on implementing proactive risk management procedures to mitigate and minimize its various risks.

Group Risk Management represents one of the fundamental levels of oversight and is part of the organizational structure framework for managing our risks. Group Risk Management is responsible for developing a robust and effective system for the identification of risks that the bank is exposed to.

Please see our annual report for more information on our Risk Management Departments' achievements for the year 2018. (<https://www.arabbank.com/mainmenu/home/investor-relations/financial>)

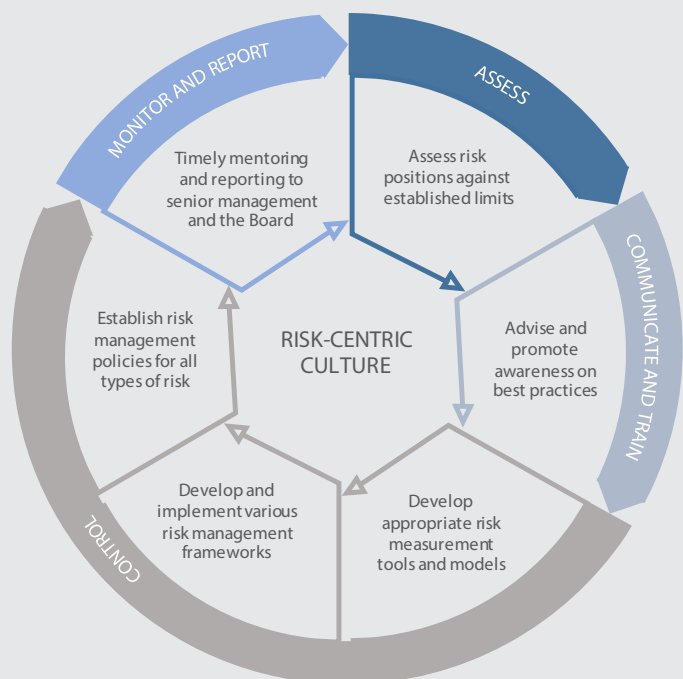


Spotlight

Risk-Centric Culture

ARAB BANK'S RISK MANAGEMENT APPROACH

As part of the Bank's risk governance structure, Group Risk Management Division (GRM) is responsible for ensuring that we have a robust system for identifying and managing all types of risks that we are exposed to. The diagram illustrates their mandates, which are implemented through Risk Management departments.



Compliance

We adopt a robust system for the identification and management of regulatory compliance requirements in all jurisdictions in which we operate. Our enterprise compliance program enhances our “reputational capital” through demonstrating compliance to the highest ethical standards.

Program success mandates effective and consistent implementation of policies, procedures, and training programs to meet regulatory requirements, as well as a system of internal controls, including periodic monitoring and reporting, which ensures continuous compliance across our global network. Our approach balances our business practices, revenue growth, customer experience and risk management, so that the risk taken is the risk intended.

Compliance Newsletters – We issue three internal compliance newsletters as a mean to increase compliance awareness generally among our employees. “Ethics Aware” provides general guidelines on how to integrate ethical practices in business operations and provides insights on general expectations for employee conduct. “Compliance Aware” covers both financial crime and prudential matters and aims to foster an enhanced culture of compliance to better enable employees to understand and exercise their compliance-related responsibilities. “AML Aware” aims to raise staff awareness in relation to key AML developments and other financial crimes.

Whistle-blowing

To ensure ethical and compliant operations, Arab Bank’s Code of Conduct includes a whistle-blowing policy that requires employees to promptly report any potential violations of the Code of Conduct, Arab Bank policies and/or applicable laws and regulations to the Ethics Committee. In the event where it may be unclear whether or not a violation has occurred, employees are encouraged to send their inquiries to the Group Regulatory Compliance at the Head Office.



Spotlight

Spreading a Compliant Culture

ARAB BANK COMPLIANCE E-LEARNING COURSES

We believe compliance is everyone’s responsibility. To that end, we continue building our employees’ understanding and awareness of governance aspects and internal policies as key to full compliance and adherence. To enhance employees’ compliance understanding, we provide specialized training courses including:

- Code of Conduct
- KYC, AML, and CTF
- Advanced KYC, AML and CTF
- Anti-Corruption & Anti-Bribery
- Treating Customers Fairly



TRANSPARENT REPORTING

We aim to provide comprehensive and transparent communication on governance and accountable operations, along with the response to our varying stakeholders' needs. In addition to reporting our financial performance, we are committed to disclosing the Bank's non-financial performance through annual sustainability reporting to increase awareness on sustainability issues.

Sustainability Reporting

We have been committed to launching annual sustainability reports since 2011, based on the Global Reporting Initiative (GRI) guidelines, which are the most widely recognized and used guidelines for sustainability reporting globally. These reports aim to highlight the main challenges, and achievements.

Financial Reporting

We issue quarterly reports on the Bank's financial performance and are constantly introducing higher levels of transparency and disclosure through reporting, enabling both shareholders and customers to appreciate our ever-growing earning power, the prudent risk approach and strong financial position. The Financial Report presents a comprehensive transparency of information related to governance practice, structure, and codes, in addition to a full disclosure of our financial statement.

System Optimization

We continue to focus on refining our management systems across the business to include sustainability considerations. This enables us to identify synergies and opportunities towards increased efficiency. Ultimately, managing our resources effectively helps optimize our systems, reduce our environmental footprint and thus reduce costs.

We are realizing this commitment by working on reducing the environmental footprint of our products and services through paperless banking, working on embracing operational efficiency as our mantra, and promoting sustainable procurement practices.



Material Topics

- Direct Environmental Footprint
- Supply Chain Impact

SDGs SPOTLIGHT IN THE SECTION



7. AFFORDABLE AND CLEAN ENERGY



8. DECENT WORK AND ECONOMIC GROWTH

PERFORMANCE METRIC

Further performance metrics related to this section are presented on page 64.



MANAGING INTERNAL ENVIRONMENTAL IMPACTS

We embrace our responsibility to minimize the environmental footprint of our operations. This covers our paper use and recycling, energy use, and water consumption.

Our sustainability strategy entails adopting environmentally responsible operations, monitoring our consumption of internal environmental resources and embracing efficiency as a way to reduce the environmental footprint of our operations.

Paper Consumption

Due to the nature of our business, paper continues to be the natural resource most utilized in our offices and branches, including operations, contracts and correspondence, services offered to clients and promotional materials. Thus, we are dedicated to reducing paper use for our customers and optimize our internal operations.

Our approach to reducing the environmental impact of our paper consumption is twofold; optimizing our internal operations and transitioning into a paperless environment, and introducing green products and services that aim to reduce and eliminate paper consumption for our customers through digitalization.

In 2018, we launched several projects that aim to reduce papers, which helped eliminate the consumption of around 4 million sheets of paper.

Paperless Operations Environment – We believe in the importance of adopting paperless operations because it improves the workflow security of documents and reduces consumption of energy while increasing office efficiency. In 2018, we continued our efforts to transition into a paperless operational environment through implementing several programs that aim to reduce paper consumption and enhance operation, such as:

- Automated Clear House
- Business Process Management Revamp
- Trade Services Exim bill enhancements 2 –TSEE2

Going Paperless with Our Customers – We realize that part of our paper consumption results from the products and services we offer to our customers. Hence, we continue to focus on introducing green banking solutions through digitalization in order to reduce the environmental footprint stemming from paper-based services, while offering our customers a seamless banking experience.

In 2018, we launched our new mobile application “Arabi Mobile”, in addition to opening the first of its kind in Jordan, Self Service Branch.

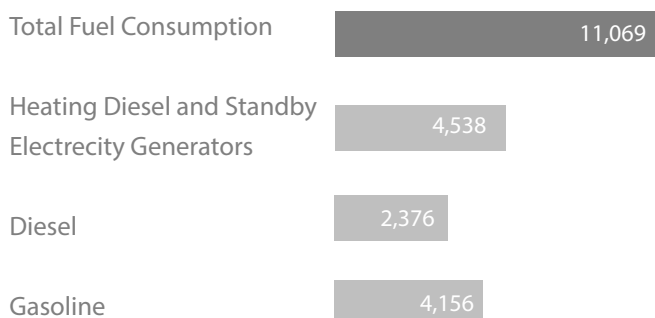
Energy Use

Although our operations are not energy intensive, we continuously seek to reduce our energy consumption. The main source of our operations' energy consumption is electricity entirely purchased from third-party suppliers and heating fuel for the Head Office and all branches across Jordan. In addition, energy consumption comes from transportation fuels for our fleet and business-related travels.

Direct Energy – Direct energy consumption has decreased in 2018, compared to 2017. This is due to several initiatives that we took to reduce fuel consumption during the year. Despite increasing our fleet from 52 vehicles to 65, our gasoline and diesel consumption for fleet decreased by 6% and 2% respectively. This is due to replacing old vehicles with more efficient ones and focusing on electric cars.

Fuel Consumption (GJ) 2018

3.7% reduction in total fuel consumption compared to previous year consumption



Indirect Energy – We continued to implement several energy efficiency improvements during 2018. This included installing a more advanced AC system (VRV/VRF) in the new locations instead of the traditional system. The new system has led to a marked reduction in electricity consumption.

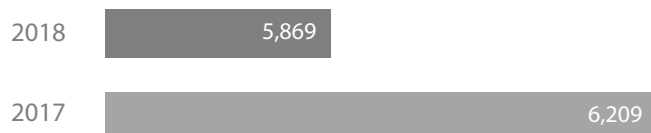
Electricity (k/WH) Area (m3)

4.3% reduction compared to previous year's consumption



Electricity Consumption per Employee (k/WH per Employee)

5.3% reduction compared to previous year's consumption



Water Consumption

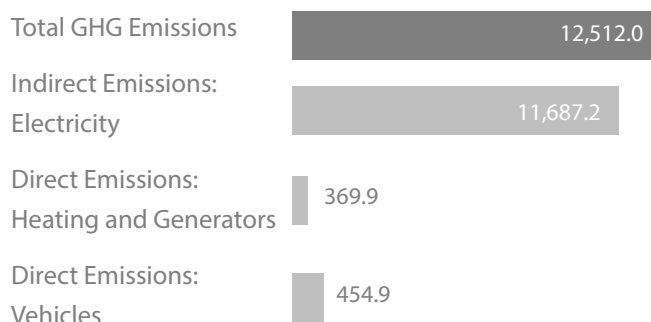
Although our water consumption is minimal with regard to our activities, we are aware of the importance of responsible water consumption in Jordan. Our activities in terms of water use are related mainly to employee usage and use for cleaning purposes. We have continued to work on reducing our water consumption by installing water saving devices.

GHG Emissions

Greenhouse gas (GHG) emissions are created directly as a result of our fleet of vehicles consuming diesel and gasoline, as well as burning diesel fuel to heat buildings. We also account for indirect GHG emissions produced as a result of consuming electricity from the Jordanian national grid.

GHG Emissions (Tons) 2018

3.6% reduction in total GHG emissions compared to previous year



GHG Emissions per Employee

5.4% reduction compared to previous consumption



SUSTAINABLE PROCUREMENT

We realize procurement practices have both economic and environmental impacts on communities and are therefore committed to supporting local and environmentally-responsible suppliers.

Sustainability Screening of Suppliers

The engagement and assessment of a substantial number of suppliers require considerable resources, however, we have introduced checkpoints through our procurement process so as to ensure low impact on the environment in addition to cost reductions. The Procurement Division often engages with suppliers to achieve these objectives by raising awareness about sustainable procurement and by supporting them in their social and environmental contributions.

Suppliers Code of Conduct – Our Supplier Code of Conduct sets out the expectations of suppliers to ensure their behavior aligns with our standards. It formalizes and standardizes our approach to sustainable procurement. As part of the code, suppliers must, among other things, adhere to labor and employment standards legislations, adhere to environmental legislations, and social legislations. The end goal is to ensure all our suppliers meet our expectations and those of our stakeholders to act as good responsible citizens.

Contractual Agreements with Suppliers - To spread the suppliers' awareness and compliance to social values, specifically those related to human rights, our Global Procurement Division sets contractual provisions in the Bank's agreements with suppliers highlighting the fundamental principles of the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO).



Spotlight

Spreading an Efficient Culture

ARAB BANK AUTOMATED PROCUREMENT SYSTEM

To enhance efficiency, reduce human errors and achieve high level of security and accuracy, the Global Procurement Division is working to automate the procurement processes covering the entire Procure-to-Pay process through the implementation of an electronic procurement system that is expected to go live in the second quarter of 2019. This process automation will also yield paper reduction gains, which will reduce our total environmental footprint and associated costs.

Supporting Local Procurement

We continued to support the Jordanian economy by contracting with locally based suppliers. In 2018, our local suppliers represented 65% of our total spending on suppliers.

Community Cooperation

We continue to pursue our sustainability goal to create long-term sustainable financial and nonfinancial value for the Bank and our stakeholders.

Building on a long history of community investment, we have developed an inclusive stakeholder model to optimize our contribution to the community and create long-term financial and non-financial value for the Bank and our stakeholders. This model consists of two main pillars that drive our community cooperation and impact:

- Our dedicated CSR program 'Together' that supports the community's fundamental causes
- Abdul Hameed Shoman Foundation (AHSF)

SDGs SPOTLIGHT IN THE SECTION



1. NO POVERTY



3. GOOD HEALTH AND WELL-BEING



4. QUALITY EDUCATION



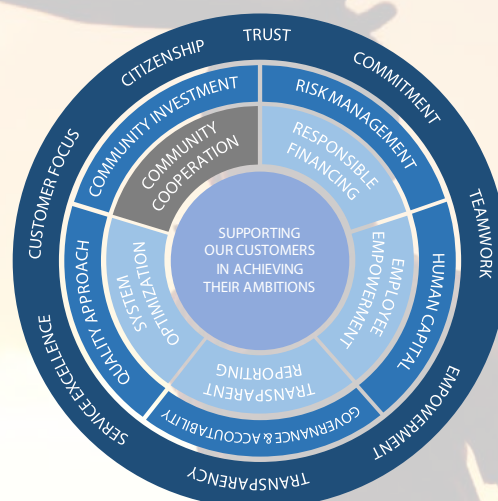
5. GENDER EQUALITY



8. DECENT WORK AND ECONOMIC GROWTH

PERFORMANCE METRIC

Further performance metrics related to this section are presented on page 65.



Material Topics

- Supporting Local Communities

IMPACTING OUR COMMUNITIES NOW AND IN THE FUTURE



As one of the leading financial institutions in the Kingdom and the region, we believe that we can play an active role towards creating a positive impact within the communities we work in for a better future. With this strategic focus, we are applying our expertise, skills and resources to create value in many different ways.

Economic Value Generated and Distributed

The generation and distribution of economic value is the means by which we fulfill our obligations to positively contribute to our community. It is a simple equation: we generate revenue from the products and services we offer; we then distribute revenues to those we rely on for our business. That distribution is seen in the compensation and benefits we provide our employees, in the dividends paid to our shareholders, in the commercial transactions we have with our suppliers, in the meeting of our tax obligations at all levels of government and in the investments we make in our communities. According to the Global Reporting Initiative (GRI), this is defined as “economic value generated and distributed” and is used to measure the impact of a company on the economy.



For additional information on our operating expenses, cash dividends and tax expense, please see our 2018 Annual Report.

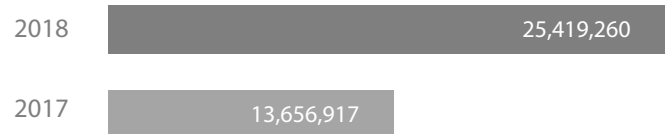
Arab Bank Community Investments

Focusing on the key community causes aligned with the Bank’s strategic sustainability approach, our community investments are multifaceted. It involves direct charitable donations, CSR based sponsorships, community interventions and initiatives, and employees volunteering. This is also complemented by the Bank’s substantial community contribution made through AHSF; Arab Bank’s social and cultural responsibility arm (see details on page 55).

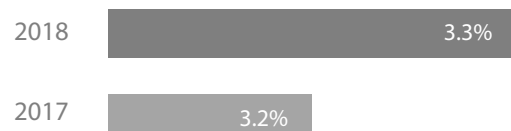
We are one of the major private sector contributors to the Jordanian community, with over USD 25.4 million contributed during 2018.

Total Community Investments (USD)

86.1% increase



Pre-tax Profits Invested in the Community of Arab Bank PLC Net Profit Before Tax

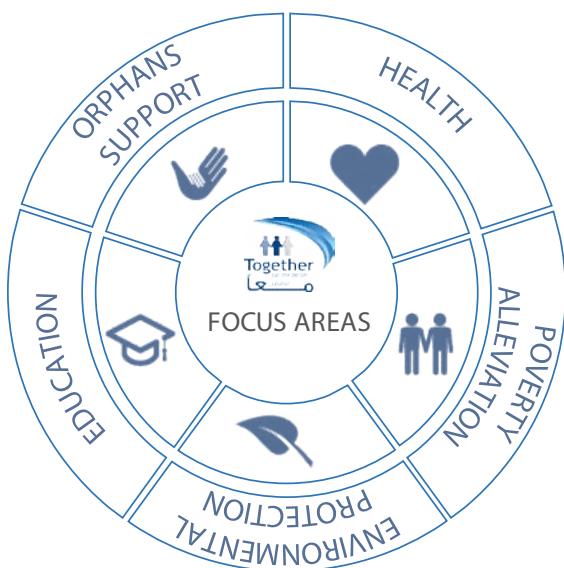


ARAB BANK CSR PROGRAM "TOGETHER"

Our Corporate Social Responsibility (CSR) program, "Together", focuses on enabling our employees, customers and NGOs to become active members of the community through various strategic activities.

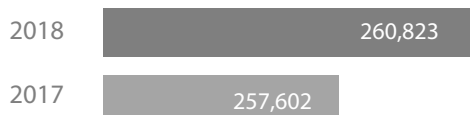
The Together program's activities focus on investment in areas that are aligned with community needs and priorities: health, poverty alleviation, environmental protection, education, and orphan support. In line with the identified focus areas and our strategic approach towards CSR, the "Together" program revolves around the following areas:

- Employees volunteering.
- Collaborating with NGOs.
- Utilizing banking channels for customer donations (see page 24).



Since the program's inception, Together has positively impacted lives across the country. In 2018, the total number of beneficiaries from our local community activities reached over 260,780 beneficiaries.

Number of Beneficiaries
of Arab Bank Together Program



Volunteering in the Community

We encourage our employees to donate their time, efforts and experience to carryout initiatives and programs that are aligned with the five main community causes adopted by us.

We work with partner NGO's to deliver impactful volunteering opportunities to our employees and their families, enabling them to give back to their communities while at the same time increase their awareness on crucial social and environmental issues facing the communities.

Over 3,410

Volunteering hours by our employees and their family members in 2018

Over 1,000

Volunteering participation by our employees and their family members in 2018

Over 400

Employees and their family members volunteered with together program in 2018

61

Total number of volunteering activities in 2018

Capacity Building for NGOs

We are utilizing our employees' skills and experience to train the NGO's staff in a way that will increase their performance and effectiveness.











The Capacity Building Program has been running since 2012, utilizing the expertise of our internal trainers who were able to provide special courses according to their needs, expectations and priority areas. In 2018, our employees trained 119 employees of several NGOs through seven courses and more than 680 training hours.










"Together" Initiatives

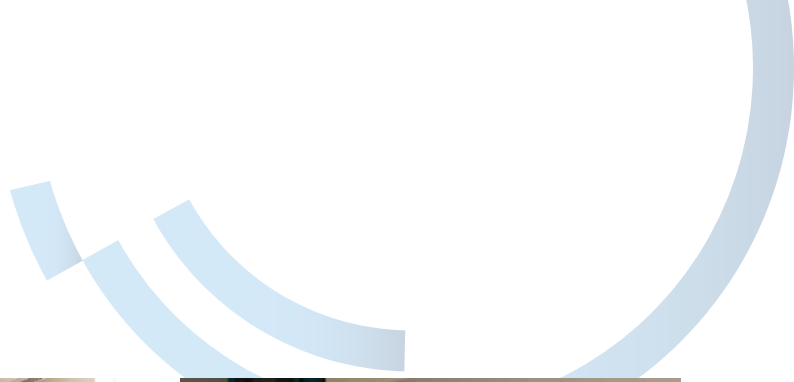
We work very closely with reputable NGOs in Jordan that have established track records in each of our CSR focus areas. The engagement includes developing and implementing community initiatives and intervention programs through our community investment, based on set deliverables

and KPIs that are aligned with our sustainability strategy. By doing so, we focus on high impact interventions in our five focus areas; health, environmental protection, poverty alleviation, education, and orphans support.

Below is a complete list of supported initiatives during 2018:

AREA	PARTNER NGO	PROGRAM	DESCRIPTION	IMPACT
	King Hussein Cancer Foundation (KHCF)	Back to School	We were the exclusive sponsor of the program that aims at supporting cancer patients resume their education as part of providing comprehensive cancer care to its patients with the focus on their physical, social and emotional needs.	<ul style="list-style-type: none"> • 466 cancer patient benefited from this program • 21 volunteers • 630 volunteering hours
	KHCF	Goal for Life	This tournament aimed to promote the importance of living an active and healthy lifestyle.	<ul style="list-style-type: none"> • A team from our employees participated in this tournament and reached the final.
	Blood Bank	Blood Donation Drives	With a main goal of raising awareness on blood donation, employees from different branches donated their blood for the benefit of Jordanian patients around the Kingdom.	<ul style="list-style-type: none"> • Six donation drives • 353 unites were donated • Helping 1,059 patients
	Jordan Air Ambulance Center (JAAC)	Support one of Jordan Air Ambulance's planes	Raise the quality of transferring emergency medical cases and patients from remote areas of the country to Amman's hospitals.	<ul style="list-style-type: none"> • A number of emergency cases were transferred during 2018 from remote areas.
	Royal Health Awareness Society (RHAS)	The Healthy Schools Initiative	Building the capacity of students and teachers to implement national health standards, encouraging Jordanian youth to live a healthier lifestyles.	<ul style="list-style-type: none"> • Eight schools were adopted • 30 volunteers • 92 volunteering hours • 13,010 student and teacher beneficiaries
	Haya Cultural Centre	Arts for All	Offering underprivileged children access to extracurricular learning opportunities to build their self-esteem and nurture their creativity and imagination.	<ul style="list-style-type: none"> • Held six volunteering activities • Helped 120 children • 15 volunteers • 180 volunteering hours
	INJAZ	INJAZ Courses	Our employees supported students through the delivery of technical and interpersonal training programs at public schools and universities. Through this program, students acquired greater self-confidence, inspiration, and motivation.	<ul style="list-style-type: none"> • 745 students • 10 volunteers • 103 training hours
	Traffic Department	Madrasati Farhaty	Distributing educational booklets and posters with guidelines and advice to promote road safety and prevent car accidents in underprivileged areas, as well as poverty pockets across different governorates around the Kingdom.	<ul style="list-style-type: none"> • 50,000 students
	Talal Abu-Ghazaleh Organization	-	Promotes information technology and support education in the Kingdom. Arab Bank donated PCs and equipment to be used at schools and youth centers in the most deprived areas in the Kingdom.	<ul style="list-style-type: none"> • More than 980 devices donated
	Children's Museum	Community Connections Program	Raise children's awareness on important local and international issues through educational and interactive programs	<ul style="list-style-type: none"> • Reached nearly 33,330 children • 18 volunteers • 79 volunteering hours
		Iftar	Supporting two Ramadan Iftars for underprivileged children.	<ul style="list-style-type: none"> • 200 children • 55 volunteers • 165 hours

	Queen Rania Teacher Academy (QRTA)	Teach Like a Champion training	We supported the training course focusing on raising the quality of teaching in Jordan, by developing teachers' skills through continuous training and professional development.	<ul style="list-style-type: none"> • 3,000 teachers
	The Queen Rania Award for Excellence in Education (QRAEE)	Support QRA's Mission	(QRAEE) honors distinguished educators across Jordan through an annual award. The award contributes towards strengthening the educational sector by spreading a culture of excellence and continuous development.	<ul style="list-style-type: none"> • 2,023 teachers and principles
	Madrasati	School Renovation	Sponsoring the renovation of facilities and infrastructure of five schools, in order to make the schools healthier, safer, more stimulating and more appealing to students.	<ul style="list-style-type: none"> • 6,000 students and 300 teachers
	Queen Rania Foundation	Karim and Jana Application	The application supports the socio-emotional development of children aged 3-6 years as well as parents to increase their personal, social and emotional, and physical development.	<ul style="list-style-type: none"> • 130,523 users
	JRF	Women Empowerment Program	Empower women economically while preserving Jordanian heritage.	<ul style="list-style-type: none"> • 16 women were trained
		Little Home Program	The program aims at enhancing children and parents skills to learn safety concepts through experiential learning techniques.	<ul style="list-style-type: none"> • Nine courses implemented • 8,201 children and mothers • 74 volunteers • 254 volunteering hours
		Iftar	Supporting Ramadan Iftars for underprivileged children.	<ul style="list-style-type: none"> • 150 underprivileged children • 28 volunteers • 84 volunteering hours
	TUA	Family Adoption Program	Supporting underprivileged families living below the poverty line by providing them with monthly food packages for one year.	<ul style="list-style-type: none"> • 53 families received monthly packages
		Volunteering activities	Our employees participated in different volunteering programs with TUA including food packaging, packages and blankets distribution, story telling and food serving.	<ul style="list-style-type: none"> • 8,354 beneficiaries • 774 packages prepared and distributed • 202 volunteers and their families • 576 volunteering hours
	Al Aman Fund (Jordan)	Orphan support	To equip orphan students with the education and skills necessary to become self-reliant and productive members of society.	<ul style="list-style-type: none"> • Support for 35 orphans
	Charity Clothing Bank (Jordan)	Orphans Day	With the volunteering of our employees, this program entails to provide underprivileged children with new clothes and toys.	<ul style="list-style-type: none"> • 1,745 orphans supported • 140 volunteers • 547 volunteering hours • Sorted around 3.5 tons of cloths ready to be used
	The Royal Society For The Conservation of Nature (RSCN)	Ajloun Reserve Development Project	This project aims to develop the reserve to make it a unique tourism destination.	<ul style="list-style-type: none"> • 82 volunteers from our employees and their families • 702 volunteering hours





Sponsorships and Donations

In addition to our activities and impacts through the Together program, we support community-based organizations (CBOs), non-governmental organizations (NGOs) and other foundations and initiatives.





Additionally, we were involved in many conferences that aimed at supporting economic growth and development in Jordan.

The Fifth Euromoney Jordan Conference

Arab Bank was the official senior lead sponsor of the fifth Euromoney Jordan Conference, “Delivering Growth and Maintaining Stability”. The conference focused on exploring Jordan’s macro-economics outlook for 2018 and beyond, and the country’s plans to support inclusive growth and job creation.

The Fourth Jordan International Energy Summit

Arab Bank was the golden sponsor of the fourth Jordan International Energy Summit 2018, held in Amman. The summit was attended by delegations of local and international professionals and industry experts in the energy and mineral resources sector. The summit covered many topics regarding the Kingdom’s energy and minerals sector.

The First Jordanian International Agriculture Forum and Exhibition

Arab Bank sponsored the activities of the first Jordanian International Agricultural Forum and Exhibition. The forum included several topics on the agricultural sector, including the regional and international challenges it faces, agricultural and economic policies, and the promotion of agricultural and food products and industries.

Last Updates on International Financial Reporting Standards

Arab Bank sponsored the forum, which was attended by many businessmen, bankers, and participants from the regulatory authorities in Jordan. The forum covered several topics that are of interest to the business sector in the Kingdom, primarily the latest amendments to the International Financial Reporting Standards (IFRS).

Reviewing the Taxation Matrix in Jordan

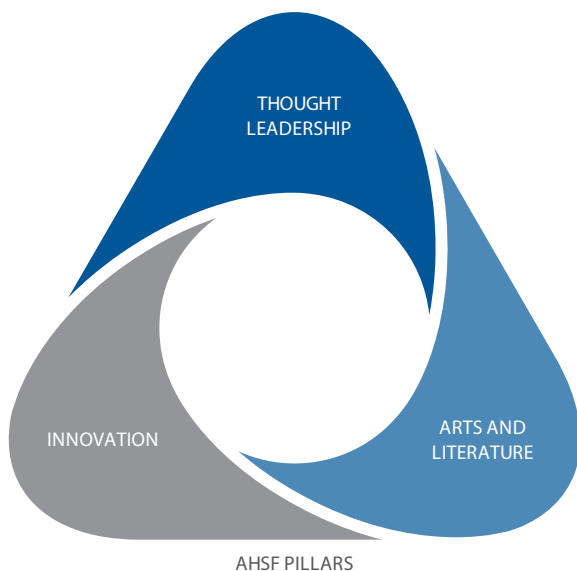
The bank sponsored “Reviewing the Taxation Matrix in Jordan” conference, held at Amman Chamber of Commerce. The conference focused on reviewing the taxation matrix in Jordan and it raised the issue of direct and indirect taxes and their impact on the national economy.

The Middle East 6th Regional Conference Organized by IMA

The bank was the platinum sponsor of the Middle East 6th Regional Conference organized by IMA (Institute of Management Accountants) and co-hosted by the Jordanian Association of Management Accountants to help accounting and finance professionals navigate the trends, threats, and opportunities of their profession.

ABDUL HAMEED SHOMAN FOUNDATION

Arab Bank established the Abdul Hameed Shoman Foundation (AHSF) in 1978, in what was then an innovative move by the private sector to create a beacon of knowledge and innovation in Jordan and the Arab world. Since then, the Foundation has played a positive role in enriching Jordanian and Arab culture and promoting science through knowledge, research, and dialogue.



Celebrating the Foundation's 40th Anniversary – In 2018, the Foundation celebrated its 40-year anniversary by launching several initiatives, projects, and awards with the aim of supporting creativity, education, innovation, and the culture of reading to ensure cultural and scientific equity. During 2018, the Foundation established the Abdul Hameed Shoman Public Library in East Amman, a milestone achievement. It provides its services in a densely populated area with low knowledge-sharing resources. The Foundation hosted its first AHSF Innovation Award, which seeks new models for innovation and social research with practical applications, up to the point of launching those models. Another award was launched under the name (Abde') to discover talented children and youth in a wide range of cultural and science fields inside Jordan. The Foundation also launched the Shoman Science Teachers' Camp to promote a non-formal learning culture.



Spotlight

Spreading a Reading Culture

ABDUL HAMEED SHOMAN PUBLIC LIBRARY IN EAST AMMAN

The foundation believes that knowledge should not be a privilege, so it supports reading and cultural equity for all community members. True to this belief, and in collaboration with Arab Bank, the foundation established its second public library in East Amman, Ashrafiya, inside the Al Basheer Hospital premises.

The library has come to serve the people of this densely populated area inside Amman, which lacks cultural centers and thriving libraries. In Alashrafieh, the schools cater to students of different genders and ages and one of the largest medical facilities sits at the heart of it, so the library is called upon to serve large number of community members in this area. Like the Public Library of Jabal Amman, which has seen an annual increase in its number of visitors, the East Amman Public Library was designed as a destination for knowledge and culture seekers.

The library contains a wide collection of books alongside cultural, literary, art, and poetic works. Magazines and books in both Arabic and English are available, in addition to audiobooks and tablets, to enable visitors to adapt to modern reading tools. The library also provides lending services, access to the internet, and electronic databases. In addition, the library holds different cultural activities, such as book readings for children, book clubs, and workshops.



Thought Leadership

Abdul Hameed Shoman Award for Arab Researchers

– The 36th Abdul Hameed Shoman Arab Researchers' Award went to seven winners in the fields of medical and health sciences; engineering sciences; basic sciences; literature and humanities; social and educational sciences; economics and administration sciences, and agriculture and technology. Many prominent Arab researchers, scientists, specialists, and Arab award winners attended the award ceremony. Since its launch, the award has been given to 419 researchers from all over the Arab Region.

The Foundation also organized the Second Science Forum for the members of the Shoman Society for Research and Innovation. Two sessions were conducted on the role of research and innovation in industrial localization in the Arab Region, big data, and smart infrastructure. Speakers in those sessions included the award winners, with the participation of more than 120 researchers from the Arab Region, several Arab awards' representatives, university presidents, deans of scientific research, university students, and those who have shown interest in scientific research. The Foundation announced the creation of the society in the previous year to establish an organized networking platform for Arab researchers and innovators who have won the Abdul Hameed Shoman Award for Arab Researchers, those who have benefited from AHSF scientific research support fund, and scientific committee members who participated in the Foundation's various programs from around the Arab Region. The forum also seeks to integrate Arab researchers living elsewhere to provide a regional and international perspective to research and innovation.

Abdul Hameed Shoman Scientific Research Fund – As the first fund established by the private sector, Abdul Hameed Shoman Scientific Research Fund supports applications of scientific research in Jordanian universities, organizations, and scientific bodies. This year, the Foundation signed 10 agreements to support 10 researchers, of which 50% are female, from six research institutions, for an approximate value of 140 thousand Jordanian Dinars. Five other research projects have been completed and scientific articles were published in international and Arab peer-reviewed journals for previously supported research.

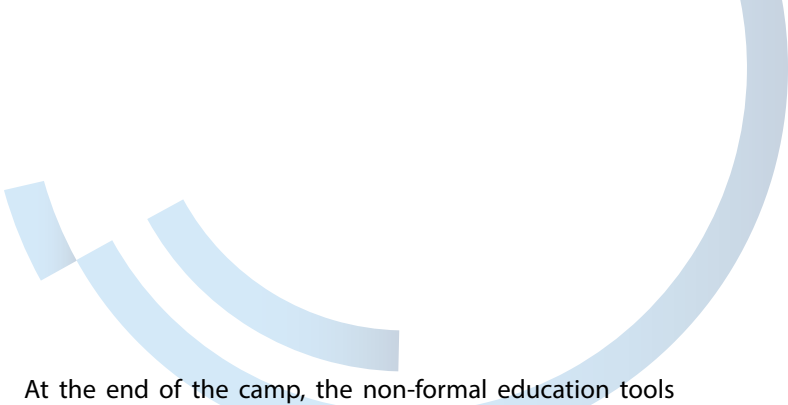
This year also marked the publishing of the first guide that lists all published research funded by the AHSF scientific research fund since the fund was created in 2000.

In December 2018, the Foundation held its first annual meeting to discuss mechanisms to support the interconnectedness of research and industry, the impact of supported research in industrial and social development, and priorities and challenges that the fund can address in the following year.

The Science and Education Program – The Foundation launched the Science and Education Program in 2014 to promote a culture of scientific research among youth and to enrich education in Jordan by stimulating critical and analytical thinking. Another objective is to work in partnership with the Ministry of Education to build the capacity of science teachers and students through a variety of initiatives, such as supporting the participation of Jordanian students in the Intel International Engineering and Science Fair, the Young Innovators Laboratory, and the Shoman Science Teachers' Camp.

In 2018, the Foundation supported Jordan's participation in Intel ISEF for the fourth time, including providing the judges to select winning projects. It also helped 20 winning students across 12 different projects to participate in the Intel ISEF in the United States, where they competed against thousands of projects from 70 countries. Financial support for travel and accommodation for the winning children was provided, in addition to providing capacity building for the participants. These sessions included:

- "An introduction to critical thinking" that 90 participating students attended.
- "Presentation skills" session held for students who qualified to represent Jordan at the international level in the United States.
- Sessions with expert supervisors to guide students in their projects, funding prototypes, and preparing the presentation board.



The Foundation also held 13 workshops across the Kingdom to introduce Intel ISEF and the importance of participating in this competition. Our students excelled, as one team scored third globally in the field of behavioral sciences, and another two different projects received special awards from Mawhiba and Qatar Foundation.

Young Innovators' Lab – In collaboration with the Young Scientists' Program, the Foundation held the third Young Innovators' Lab in Amman. The same program was implemented in Irbid in cooperation with Irbid's municipality. The aim of the program is to promote critical thinking and innovation and to develop the skills of children and adolescents between the ages of 10 to 13 years, who are passionate about science. Through the program, students can conduct experiments and work on scientific projects in specialized workshops aimed at stimulating their critical and analytical thinking. Twenty-two students from Amman and 21 students from Irbid participated in several phases, including critical thinking, experiments, teamwork, and electrical circuits. The participating students were then asked to complete 11 innovative scientific projects.

Shoman Science Teachers' Camp – In collaboration with the Ministry of Education, the Foundation held the second Science Teachers' Camp. The camp aims to introduce teachers to non-formal learning and critical thinking concepts, teaching them how to build students' learning skills. Through the camp, the teachers developed their skills in managing an interactive classroom, which promotes thinking and creativity. They were also given new educational tools by which to explain concepts in the school curriculum in a way that students can understand more easily.

Since the launch of the camp, the Foundation has received more than 280 applications, out of which 38 teachers from all over Jordan undertook intensive modern workshops in the fields of physics, chemistry, biology, geology, and mathematics. A number of teachers will be selected to participate in training on how to run intelligence clubs in schools and conduct activities promoting students to think.

At the end of the camp, the non-formal education tools competition was announced to encourage teachers to create new tools that can be used in the non-formal education process.

Innovation

Abdul Hameed Shoman Foundation Innovation Award

– The Foundation launched the Abdul Hameed Shoman Award for Innovation in 2018 with the aim of fostering an environment that supports creativity, innovation, and productivity in Jordan. Covering both science and social innovation, the foundation created this award to strengthen the knowledge community and drive economic growth by promoting the fourth industrial revolution.

- The Award covers the following fields:
- Green technology and environmental sustainability
- Food security and agriculture technology
- Healthcare and biomedical technology
- Labor market and economic productivity solutions
- Educational solutions

In its first round, the Foundation received more than 1,000 letters of interest, of which 165 completed their applications. Over 55 evaluators selected 46 applications for the first phase, which included involving the participants in several capacity building and training workshops. Based on the final presentation after the workshops, nine projects were nominated for the next phase, which included three stages support: research and development (prototype design), product usability, and expansion and marketing.

Grants and Support Program – As part of its strategy to contribute to the advancement of society, the Foundation launched the Grants and Support Programs “to achieve a cultured and creative community”.

In 2018, the Foundation received 523 applications and provided support for 25 projects and activities in Jordan and Palestine. Those projects accomplished 224 cultural and educational activities across Jordan and benefited more than 40,000 people. The 25 projects topics covered the following:

- To celebrate talents and to provide creative spaces that promote art, culture, and cultural heritage preservation. The Foundation supported the “Bayt Al Nay” from “Thekra” initiative, “Hekayat Shalebeya”, Shalabeya the story teller, and the Royal Film Commission’s “Med Film Factory”. It also supported many festivals and music projects, such as the Friends of Jordan festival, the Amman Opera Festival, the Amman Arabian festival, and the independent music platform “The Closet Session”.
- Theatrical arts, such as “Zarqa’ Al Yamama”, aimed at children and youth, “Tayki Takhtar Hamelat Al Ser”, and the children’s play “Moghanne Al Matar” in Jordan and Palestine.
- To support the Arabic language and to promote reading and the enrichment of Arabic literary content on digital media, the Foundation supported Abjjad. It also helped many library initiatives to promote reading, such as supporting 16 libraries in Palestine, the Yousef Ahmed Alghanim Library at Birzeit University, the mobile library for Haya Cultural Center, the Family Library for the Ministry of Culture, and the library of the Corridor JO Association.
- In the education field, the Foundation supported many educational and scientific areas and activities, such as the children’s cartoon, “Adam Wa Mishmish”, the platform “For9a”, and enabled students to participate in the International Conference on Fractional Differentiation and its Applications ’18, held at the University of Jordan. It also supported the activities of the Arab Thought Forum.
- As for social innovation and projects tackling social problems, the Foundation supported many organizations and programs that play a role in leading innovative thought among the youth, such as the projects “Carers”, “Awn”, and the “Kalemati” educational program in Jordan, and the “Narjess” project to create productive gardens in Palestine for the Beita Women Development Society.

Arts and Literature

Abdul Hameed Shoman Award for Children Literature

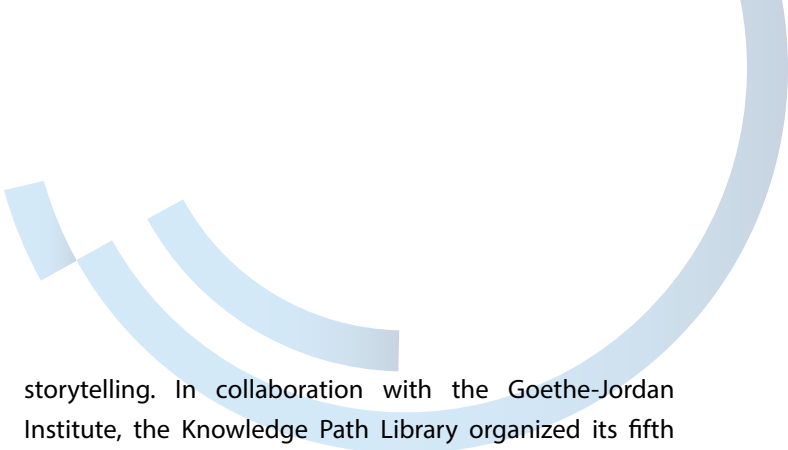
– The award recognizes the importance of enriching children’s literature as a means of stimulating creative thinking. Its 12th cycle was exceptional, with more than 1,121 unpublished stories from 34 countries (Arab countries and non-Arab). The award aims to improve literature produced for children aged 8-12. The award was granted to three literary works for writers from Tunisia, Jordan, and Saudi Arabia. During the award ceremony, the theme of the 2019 award was announced, which is science fiction for young boys and girls.

Abdul Hameed Shoman Creativity Award for Children and Youth (Abde’)

– The Foundation relaunched this award in 2018 with the objective of encouraging creativity and innovation in Jordan among children and youth (aged 8-18) within seven fields: drawing, Arabic calligraphy, essay-writing, poetry, music, dance, and scientific innovation. The award attracted 1,090 Arab and Jordanian students from Jordan, with several applicants enrolled in specialized workshops in preparation for the Winners Selection phase.

The award philosophy stems from the Foundation’s mission to support the younger generation’s role in shaping the future and give them the opportunity to express themselves and be exposed to knowledge. The award has been created to help foster an interest in a culture of knowledge and creativity that focuses on life, humans, and the future. These goals are in harmony with AHSF’s knowledge and enlightenment role in the service of future generations.

The award aims to support the creative endeavors of children and youth in the literary, artistic, performance, and scientific innovation fields. The objective is to promote the development of children’s minds and help establish a generation that is aware of the common issues it faces. The award seeks to create a spirit of positive competition among children and youth to highlight their talents and knowledge while developing their capacities, thus contributing to the promotion of their skills in the fields of literature, art, and science. Ultimately, the award will contribute to raising a generation that is aware of the various types of knowledge and literary skills, with a specific focus on the



Arabic language and the culture of creativity through the discovery of talented and distinguished children and youth at an early stage.

The award is supervised by a committee composed of members who have experience and competence in the subject of the award and are responsible for annually appointing judging committees with experience and competence in the specific fields.

Knowledge Path Library for Children and Youth – The Knowledge Path Library is dedicated to restoring books as the leading components in the upbringing of children and creating a generation of knowledge and creativity. It promotes reading as a necessary part of every child's path to knowledge and works to foster it through a friendly environment in which literacy and creative activities take place.

Introduced in 2013, the Knowledge Path Library for Children and Youth marked the creation of a free and vital space in which children of all ages and backgrounds could meet and discover creative thinking through reading activities. During 2018, the library hosted over 42,000 children who read more than 41,000 books on various topics. The library also received 150 school visits during which students were offered several programs and activities, including storytelling, creative activities, summer and winter clubs, and monthly children's film screenings. The library provides workshops to build children's capabilities, and seven workshops for parents on parenting (children's critical thinking, how to grow your child's talent, how to discover your child's passion, how to improve your child's social intelligence, behavior modification, dealing with teenagers, and protecting children from the problems of this age). Other events included book signings with Jordanian children's book writers, a musical night for children and youth, and basic training for creative writing, which culminated in a play, "Le Kollen Menna Hekaya - Each of Us Has a Story", performed by the library's visitors.

The library team conducted field visits to 54 schools in the Al-Karak, Salt, Irbid, Zerqa, Jerash, Aqaba, and Mafrq governorates, where they provided literary activities and

storytelling. In collaboration with the Goethe-Jordan Institute, the Knowledge Path Library organized its fifth international film festival.

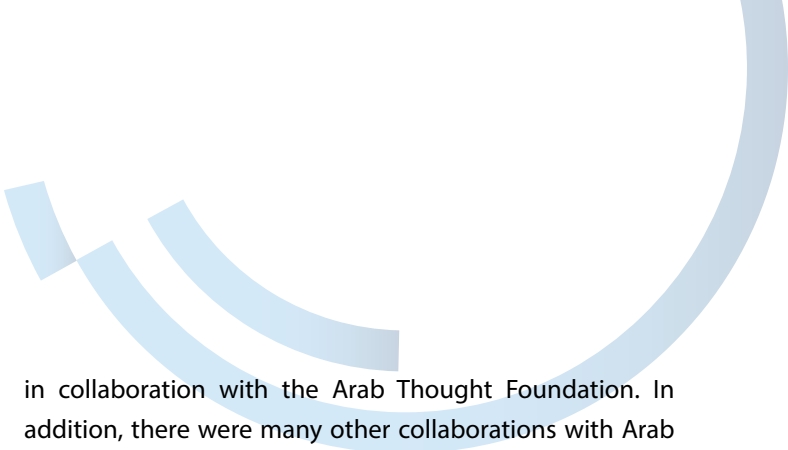
Abdul Hameed Shoman Public Library – As a social cultural center, the library continues to grow its collection by providing more modern and popular books, and books with an international outlook, such as the fourth industrial revolution and best-selling books, as well as electronic databases such as those for university theses. The library added 3,157 physical books and 79 audiobooks to its collection during the year.

With the aim of entering the digital era of reading, the library provided access to electronic books through 600 free subscriptions to important databases for library members. Among the databases is Abjjad, which is the first Arabic social network dedicated to readers. It allows readers, writers, and bloggers to subscribe and build a virtual library in which they share their books and current or future reads.

As a social hub, the library held 14 workshops for members of the community on critical thinking, the basics of scientific research, and the use of electronic databases. Ten books were launched and signed through the library's reading program, 35 books were discussed by various reading clubs, and four introductory sessions were held for 3D printing, magnetic fields, and artificial intelligence.

The library also contributed to the creation of 16 libraries at correctional facilities, and equipped them with all the library materials needed, including books. The staff have been trained on how to manage the inmates so as to provide them with a positive experience.

In 2018, the third library seminar, "The Library as an Engine of Change", was held with the participation of three experts from Australia, Finland, and India. Over 140 librarians representing 73 libraries and institutes from Jordan and Palestine attended. The seminar was held to enable librarians to share experiences, benefit from international models of leading libraries, and talk about the changing role of libraries as social hubs. A visit to libraries in Singapore was conducted to learn about their experiences and the successes of the services and programs they offer.



The library continues to support libraries in governorates in Jordan and Palestine through the “Family Library”. AHSF Library conducted workshops for library staff in Irbid, Aqaba, the public library of Faqqu in Al-Karak, and correctional facilities’ libraries in Jordan. It also held a scientific research workshop in Al-Karak.

By the end of 2018, around 341,086 visitors visited the library, a 10% increase compared to the previous year. The number of members reached 46,681, with 2,332 new members, for a 9% increase. Also, as many as 47,573 books were borrowed – an increase of 12% in comparison to 2017, while 67,681 books were used inside the library, an increase of 5%. Furthermore, 2,770 visitors used the electronic databases, an increase of 21% over the previous year.

Abdul Hameed Shoman Cultural Forum – Cultural events took place during the year involving 37 Arab and 106 local researchers. More than 10,415 individuals attended these events.

As the Foundation’s guest of honor, the forum welcomed Philip Yeo, chair of Economic Development Innovations Singapore, to several events. The last meeting was attended by more than 800 participants, who came to share the Singaporean developmental experience, and hear how Singapore was able to overcome them and achieve a comprehensive development in less than half a century.

Through the forum, Dr. Omar Al-Hatamleh, chief innovation officer at NASA, shared some of the world’s advances in digital sciences and identified what Jordan needs to create a leap in creativity, research, and innovation.

To further benefit from international experiences in education, the forum welcomed Dr. Lauri Tuomi, director of programs at the Finnish National Agency of Education, and the mathematician Arran Fernandez.

To tackle political, economic, social, and cultural challenges in the Arab Region, the forum organized many lectures and seminars, most importantly “Cultural Security”, held in collaboration with Sultan Bin Ali Al Owais Cultural Foundation, and a seminar on innovation in the Arab world

in collaboration with the Arab Thought Foundation. In addition, there were many other collaborations with Arab entities and Jordanian academic organizations, such as the University of Jordan, Hashemite University, Al Hussein Technical University, Yarmouk University, and the American University in Madaba.

The results of the lectures and seminars of the Cultural Forum were published in four books in 2018.

Abdul Hameed Shoman Foundation Cultural Days

– As part of the Foundation ongoing efforts to connect with Jordanian society in Amman, the capital, and other governorates through cultural activities, the Abdul Hameed Shoman Foundation continues to organize the “Shoman Cultural Days”, which feature activities that reflect the Foundation’s diverse programs, in cooperation with various, relevant cultural and national entities.

In celebration of Jabal Amman, a cultural hub and cradle in the heart of Amman, the Abdul Hameed Shoman Foundation held, for the fifth consecutive time, Jabal Amman Cultural Week, in partnership with Jabal Amman Residents Association (JARA), under the auspices of 20 cultural entities. Jabal Amman Cultural Week features several cultural activities and events for different ages and tastes, including Jordanian films, a book exhibition with book signing events, art exhibitions in the galleries of Jabal Amman, and creative children’s events throughout the week at JARA and the Knowledge Path Library. This year saw the participation of more than 29 publishing houses at 40 events, with 22,000 visitors.

The Cinema – The Foundation’s Cinema Program continued to offer weekly selected films from the Arab and international cinema. It also hosted discussions around films, wrote film analyses (for the weekly program), and hosted specialized workshops on cinema. The program included events dedicated to Arabic, Asian, and European cinema.

Children’s movies are screened monthly for free to promote the cinema culture among children, build the ability to critique films, and introduce youth to different cinematic schools.



Abdul Hameed Shoman Foundation Musical Evenings

– The Foundation launched the musical evenings program in early 2014 with the aim of providing a way to highlight promising Jordanian and international performers, enhance the exchange of musical experiences, and celebrate Arab and international music of all kinds and offer it to a wider audience. The musical evenings are hosted on the last Thursday of each month.

Musical evenings celebrate prominent Jordanian, Arab, and international musicians and draw visitors to Amman's downtown. Over 6,000 people attended events during 2018.

PERFORMANCE METRICS

We report our performance against key indicators that are strategically relevant to our business, and reflect the level of transparency expected by our stakeholders.

Supporting our Customers to Achieve their Ambitions

Customer Donations

	2016	2017	2018
Donations received through Internet Banking	176,236	241,769	266,843
Donations received through Phone Banking	92	360	345
Donations received through ATMs	12,278	6,779	11,228
Donations received through Together Credit Card	3,091	2,762	2,364
eFawateercom	-	-	243,498
Total Donations	191,697	251,670	524,278

Empowering Our Employees

We measure and report a number of indicators related to a set of focus areas in our Human Resources sustainability focus. These include: (1) employees profile by gender, employment level and age group, (2) diversity and inclusion, (3) employees satisfaction, (4) benefits and rewards, and (5) learning and development.

Employees' Profile

WORKFORCE BY GENDER			
	2016	2017	2018
Females	1,149	1,187	1,220
Males	1,841	1,888	1,913
Total Workforce	2,990	3,075	3,133

WORKFORCE BY EMPLOYMENT LEVEL			
	2016	2017	2018
Number of Senior Level Employees	38	40	48
Number of Middle Management Employees	946	982	1,009
Number of Non-Management Employees	1,733	1,777	1,799
Number of Non-Clerical Employees	273	276	277
Total Workforce	2,990	3,075	3,133

WORKFORCE BY AGE GROUP			
	2016	2017	2018
18-30	1,064	1,056	1,096
31-40	1,193	1,257	1,270
41-50	558	559	550
51-60	170	197	208
Above 60	5	6	9
Total Workforce	2,990	3,075	3,133

NEW HIRES BY GENDER AND AGE GROUP

New Hires by Gender	2016	2017	2018
Females	120	118	151
Males	197	185	203
New Hires by Age Group	2016	2017	2018
18-30	238	246	293
31-40	65	41	50
41-50	13	7	3
51-60	1	9	8
Above 60	0	0	0
Total New Hires	317	303	354

Diversity and Inclusion

WOMEN IN LEADERSHIP

	2016	2017	2018
Women in the Workforce	38.4%	38.6%	38.9%
Women in Senior Management	15.8%	15.0%	14.6%
Women in Middle Management	32.3%	33.0%	34.3%

EMPLOYEES WITH DISABILITIES

	2016	2017	2018
Employees with Disabilities	62	64	75

Employee Satisfaction

EMPLOYEE TURNOVER

	2016	2017	2018*
Total Workforce Turnover	6.2%	7.2%	9.4%
Turnover by Gender	2016	2017	2018
Females	2.3%	6.9%	9.3%
Males	3.9%	7.4%	9.5%
Turnover by Age Group	2016	2017	2018
18-30	3.6%	11.4%	11.8%
31-40	1.7%	3.9%	5.8%
41-50	0.8%	3.9%	10.4%
51-60	0.1%	14.2%	16.8%
Above 60	0%	16.7%	0%
Turnover by Employment Level	2016	2017	2018
Senior Level Employees	0.1%	2.5%	8.3%
Middle Management Employees	1.7%	5.4%	10.3%
Non-Management Employees	4.3%	9.2%	9.2%
Non-Clerical Employees	0.1%	1.5%	7.9%

*Turnover calculation in 2018 has been modified to include voluntary and non-voluntary turnover occurred in the same year.

Employee Benefits

EMPLOYEES CHILDREN UNIVERSITY SCHOLARSHIP PROGRAM			
	2016	2017	2018
Support to Teach Employees' Children in Jordanian Universities (JOD)	107,627	122,584	169,121
Number of Employees who Benefitted from Employees Children Scholarship Programme	90	108	59
Number of Students who Benefitted from Employees Children Scholarship Programme	101	127	65

Learning and Development

AVERAGE TRAINING HOURS PER EMPLOYEE			
	2016	2017	2018
Total Workforce Average Training Hours	13.00	14.00	11.5
Average Training Hours by Gender	2016	2017	2018
Females	14.1	14.9	11.8
Males	10.9	10.1	11.4
Average Training Hours by Employment Level	2016	2017	2018
Senior Management	2.1	2.5	3.4
Middle Management	14.5	12.4	17.4
Non-Management	13.0	13.8	10.2

TRAINING AND DEVELOPMENT			
	2016	2017	2018
Total Number of Training Opportunities Provided	11,347	12,527	12,826
Total Number of Training Courses	1,072	1,215	453

Transparent Reporting

We measure and report on a number of indicators related to transparent reporting. These indicators are connected to cash dividends per share and independent directors of the board.

TRANSPARENT REPORTING METRICS			
	2016	2017	2018
Cash Dividend per share (JOD)*	0.30	0.40	0.45
Independent Board Members	42%	50%	58%

* For Arab Bank PLC

System Optimization

We measure and report on a number of indicators that reflect specific areas of focus in our efforts to implement operational efficiencies to reduce our internal environmental footprint and support local procurement. These include energy use, water consumption, GHG emissions and sustainable procurement.

Energy Use

DIRECT ENERGY USE			
Vehicle Fleet Fuel Consumption	2016	2017	2018
Diesel Consumption (Liters)	70,791	76,227	71,999
Gasoline Consumption (Liters)	118,682	117,323	115,425
Diesel Consumption in Gigajoules (GJ)	2,336	2,516	2,376
Gasoline Consumption in Gigajoules (GJ)	4,273	4,224	4,156
Heating and Generator Fuel Consumption	2016	2017	2018
Heating Diesel and Standby Electricity Generators (Liters)	161,689	143,931	137,500
Heating Diesel and Standby Electricity Generators (GJ)	5,336	4,750	4,538
TOTAL DIRECT ENERGY USE (GJ)	11,945	11,489	11,069

INDIRECT ENERGY USE			
	2016	2017	2018
Total Electricity Consumption (kWh)	19,350,383	19,077,475	18,387,154
Total Electricity Consumption (GJ)	69,661	68,679	66,194
Total Electricity Consumption per Employee (kWh/employee)	6,472	6,204	5,869
Area Occupied (m2)	132,664	132,401	133,278
Total Electricity per Area (kWh) / Area (m2)	146	144	138

Water Consumption

WATER CONSUMPTION			
	2016	2017	2018
Total Utility Water Consumption (m ³)	40,128.11	39,742.46	47,437.33
Total Water Consumption per Employee (m ³)	13.4	12.9	15.1

GHG Emissions

GHG EMISSIONS (Tons CO ₂ e)			
Direct GHG Emissions	2016	2017	2018
GHG Emissions from Diesel Consumption	189	204	193
GHG Emissions from Gasoline Consumption	270	267	262
Direct Emissions: Vehicles	459	471	455
Direct Emissions: Heating and Generators	435	387	370

GHG EMISSIONS (Tons CO ₂ e)			
Indirect GHG Emissions	2016	2017	2018
Indirect Emissions: Electricity	12,299	12,126	11,687
TOTAL GHG EMISSIONS	13,194	12,984	12,512
TOTAL GHG EMISSIONS PER EMPLOYEE	4.4	4.2	4.0

Local Procurement

LOCAL PROCUREMENT			
	2016	2017	2018
Local Procurement Spending	80%	73%	65%
Total Number of Suppliers	322	323	313
Total Number of Local Suppliers	242	241	241

Community Cooperation

We measure and report on a number of indicators related to a set of focus areas in community approach. Those indicators reflect the impact we have through our community investments, our employees volunteering and the capacity building program for the NGOs.

Community Investments

COMMUNITY INVESTMENTS			
	2016	2017	2018
Total Community Investment Spending (USD)	14,469,765	13,724,135	25,419,260
Pre-tax Profits Invested in the Community*	3.2%	3.2%	3.3%

*Arab Bank PLC

Together Volunteering Program

TOGETHER VOLUNTEERING METRICS			
	2016	2017	2018
Number of Volunteering Hours for Total Initiatives	2,861	3,704	3,418
Number of Volunteers	345	370	405
Number of Volunteering Participation	768	983	1,001
Number of Volunteering Activities	50	59	61
Number of Beneficiaries	175,317	257,602	260,823

Together Capacity Building Program

CAPACITY BUILDING			
	2016	2017	2018
NGOs Employees Attending Courses	164	55	119
Total Number of Courses	9	4	7



APPENDICES

APPENDIX A: Report Parameters

PRINCIPLES FOR DEFINING REPORT CONTENT

In preparation of our 2018 Sustainability Report, we have followed the updated Global Reporting Initiatives Standards, which contributed to 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. These include 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 Standards.

Completeness and Boundaries: Arab Bank in Jordan strives to produce a report that is as complete as possible. This report outlines the Bank's 2018 performance for the financial year ending on December 31, 2018. The report covers all of Arab Bank's operations in Jordan, but none of its overseas activities. In some cases, Arab Bank PLC and Group's data are used in place of Jordan-specific information in accordance with the Bank's reporting policies.

Stakeholder Inclusiveness: We believe that we have identified and considered all of our key stakeholders. We have identified our communication channels with our stakeholders, while their priority issues have been integrated in our materiality assessment process, and our response is outlined throughout the report as we identified our approach for each material issue.

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

PRINCIPLES FOR DEFINING REPORT QUALITY

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

Comparability: Depending on data availability, we have provided year-to-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. 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 and identifying estimations and other limitations to the highlighted data. As sustainability is a relatively new concept in Jordan, 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 GHG Protocol.

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

APPENDIX B: Materiality Process and Boundaries

GRI 102-46

Our Materiality Process

In 2018, we improved our materiality process by conducting additional research during the issue identification step (outlined below), creating a prioritization methodology tool, and consulting with our internal stakeholders in this prioritization. This has resulted in the creation of our materiality matrix (see page 11 of this report), which provide more details on the prioritization of material issues in three categories; highly significant, significant, and non significant issues. Below is a description of each of the materiality steps the Bank conducted, which are aligned with the GRI Standards.

STEP 1: IDENTIFICATION

To compile a list of possible topics, the Bank Sustainability Department team conducted research that included more extensive internal investigation to ensure that we captured issues important to the Bank's various businesses and corporate support areas. It also involved gathering external assessments of sustainability issues important to the financial services sector, for example from the World Economic Forum, the GRI and the Sustainability Accounting Standards Board (SASB) as well as our understanding of the economic, social, and environmental issues related to Jordan. To complete this step, we identified a list of possible topics, and then selected the most suitable ones and grouped them into our five main sustainability focus areas. The resulting list of topics was used in Step 2.

STEP 2: PRIORITIZATION

We developed a tool to depict the importance of each of the identified issues in step 1. This tool presents the importance of each issue on two levels; importance to Arab Bank economic, social and environmental business decision and importance to our stakeholders. Furthermore, we have engaged our sustainability champions through a targeted survey to prioritize these issues. Each champion was asked to rank the importance of each issue on the two levels from the point of view of the Bank and their stakeholders from 10-1, with 10 being of highest importance. These

values then were entered into the tool and averages were generated for each issue and then were plotted on a materiality matrix (see page 11 of this report). The Matrix shows 14 material sustainability issues within low, medium, and high significance thresholds.

STEP 3: VALIDATION

The results of Step 2 were reviewed and approved by Arab Bank Sustainability Department team. The Bank's most important issues, the associated metrics are listed in the GRI Index on page 70.

STEP 4: REVIEW

We acknowledge that the sustainability environment is from a changing nature, and therefore its related material issues for our business and stakeholders. We are listening to any feedback we will receive from our stakeholders during the year of 2019 to integrate into our materiality process for next year sustainability report. Thus, we are open to any feedback on this year's report. We have a dedicated mailbox at the following address: Together@arabbank.com.jo.

Material Issues Boundaries

GRI 102-46

Main Focus Area	Relevant Material Topics	Aspects Boundaries						
		Employees	Customers	Community	Environment	Government	Suppliers	Shareholders
SUPPORTING OUR CUSTOMERS IN ACHIEVING THEIR AMBITIONS	Customer Experience and Satisfaction	•	•				•	•
	Information Security and Data Privacy	•	•			•		•
	Digital Innovation	•	•	•		•		•
RESPONSIBLE FINANCING	Positive Impact Financial Services	•	•	•	•	•		•
	Financial Empowerment		•	•		•		
EMPLOYEE EMPOWERMENT	Talent Attraction and Retention	•	•					•
	Diversity and Equal Opportunity	•		•		•		
	Employees Wellbeing	•	•	•		•		
TRANSPARENT REPORTING	Legal and Regulatory Compliance	•	•	•	•	•	•	•
	Governance, Accountability, and Transparency	•	•	•	•	•	•	•
	Ethical Conduct	•	•	•	•	•	•	•
SYSTEM OPTIMIZATION	Direct Environmental Footprint	•	•	•	•	•		
	Supply Chain Impacts			•			•	
COMMUNITY COOPERATION	Supporting Local Communities	•	•	•	•	•		•

APPENDIX C: GRI Content Index

This report has been prepared in accordance with the GRI Standards: Comprehensive option. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: GENERAL DISCLOSURES 2016	Organizational profile	
	102-1	p. 1, 5
	102-2	p. 4
	102-3	p. 4
	102-4	p. 4
	102-5	p. 4, 2018 Annual Report (p. 118-119)
	102-6	p. 4
	102-7	p. 5, 62, 2018 Annual Report
	102-8	p. 33, 63, 62
	102-9	p. 59
	102-10	No significant changes during 2018 in size, structure, ownership, or supply chain.
	102-11	p. 26-27
	102-12	p. 9-10, 37, 39
	102-13	p. 46
	Strategy	
	102-14	p. 2
	102-15	p. 10-12
	Ethics and integrity	
	102-16	p. 8, 38, 2014 Sustainability Report (p. 10)
	102-17	p. 38, 39
	Ethics and integrity	
	102-18	p. 37, Annual Report (Corporate Governance Guide Section)
	102-19	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-20	p. 37
	102-21	p. 11, 37
	102-22	p. 37, 2018 Annual Report (p. 31-34)
	102-23	p. 37, 2018 Annual Report (p. 31)
	102-24	p. 37
	102-25	p. 37, Annual Report (Corporate Governance Guide Section)

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
General Disclosures		
	102-26	p. 37, Annual Report (Corporate Governance Guide Section)
	102-27	p. 37, 2018 Annual Report (p. 31-43, Corporate Governance Guide Section)
	102-28	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-29	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-30	p. 40, 2018 Annual Report (Risk Management Section)
	102-31	p. 26, 40
	102-32	p. 42
	102-33	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-34	p. 37, 2018 Annual Report (Corporate Governance Guide Section) Omissions and Explanation: Number and nature of critical concerns not disclosed, as information is subject to specific confidentiality constraints
	102-35	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-36	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-37	p. 37, 2018 Annual Report (Corporate Governance Guide Section)
	102-38	Omissions and Explanation: Annual total compensation ratio not disclosed as information is subject to specific confidentiality constraints
	102-39	Omissions and Explanation: Percentage increase in annual total compensation ratio not disclosed, as information is subject to specific confidentiality constraints
	Stakeholder engagement	
	102-40	p. 11
	102-41	p. 33
	102-42	p. 11

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
General Disclosures		
	102-43	p. 11
	102-44	p. 11
	Reporting practice	
	102-45	p. 1, All financial statements for Arab Bank Group and PLC are in the Bank' 2018 Annual Report (p. 20-25, 90-99).
	102-46	p. 11, 68, 69
	102-47	p. 11
	102-48	No restatements of information given in previous reports.
	102-49	p. 11
	102-50	p. 1, 67
	102-51	Arab Bank 2017 Sustainability Report
	102-52	p. 67
	102-53	p. 68
	102-54	p. 1, 70
	102-55	p. 70-73
	102-56	No external assurance was completed for the Sustainability Report

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 5, 25-30
	103-3	p. 5, 25-30
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	p. 5, 25-30, 2018 Annual Report
	201-2	p. 25-30
	201-3	p. 32-33, the Bank pays 14.25% of employees social security, which is directed to retirement plan
	201-4	No assistance received from Government
Market Presence		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 32-33
	103-3	p. 32-33

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 202: MARKET PRESENCE 2016	202-1	p. 32-33
	202-2	p. 32-33
Indirect Economic Impacts		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 25-30, 46-61
	103-3	p. 25-30, 46-61
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	p. 25-30
	203-2	p. 47, 61
Procurement Practices		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 46
	103-3	p. 46
GRI 204: PROCUREMENT PRACTICES 2016	204-1	p. 46
Anti-corruption		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 38-39, 41
	103-3	p. 38-39, 41
GRI 205: ANTI-CORRUPTION 2016	205-1	p. 38-39, 41, 100% of all operations are assessed for risks related to corruption
	205-2	p. 41
	205-3	There are no incidents of corruption.
Anti-competitive Behavior		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 38-39
	103-3	p. 38-39

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1	No legal actions for anti-competitive behavior and violations of anti-trust in Jordan during the reporting period.
GRI 300 Environmental Standard Series		
Energy		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 43-45
	103-3	p. 43-45
GRI 302: ENERGY 2016	302-1	p. 45, 65-66
	302-2	Omissions and Explanation: Business travel is not disclosed as the Bank does not have a system to accumulate these numbers currently.
	302-3	p. 45, 65-66
	302-4	p. 45, 65-66
	302-5	p. 45, 65-66 Omissions and Explanation: Reduction numbers are not available, since the Arab Bank provides services to customers that do not directly correlate with a product that we can measure its energy consumption.
Water		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 43, 45
	103-3	p. 43, 45
GRI 303: WATER 2016	303-1	p. 45, 65
	303-2	Water is provided by the water authority and private service providers. This is not material as we are a service industry.
	303-3	The Bank does not reuse or recycle water
Emissions		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 43-45
	103-3	p. 43-45

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 305: EMISSIONS 2016	305-1	p. 45, 66
	305-2	p. 45, 66
	305-3	Omissions and Explanation: The Bank currently do not track Scope 3 emissions.
	305-4	p. 45, 66
	305-5	p. 45, 66
	305-6	Due to the nature of our business, the Bank doesn't generate ozonedepleting substances
	305-7	
Environmental Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 43-46
	103-3	p. 43-46
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	No monetary value of significant fines and non-monetary sanctions.
Supplier Environmental Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 43, 46
	103-3	p. 43, 46
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	p. 46
	308-2	p. 46
GRI 400 Social Standard Series		
Employment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 31-33
	103-3	p. 31-33, 62, 64
GRI 401: EMPLOYMENT 2016	401-1	p. 63
	401-2	p. 32-33
	401-3	p. 33, 62-64
Training and Education		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 31, 35
	103-3	p. 31, 35, 64

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 404: TRAINING AND EDUCATION 2016	404-1	p. 35, 64
	404-2	p. 35, 64
	404-3	100%
Diversity and Equal Opportunity		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 32-33, 37
	103-3	p. 32-33, 37
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	p. 37
	405-2	The ratio of basic salary for men to women per employee category remains 1:1
Non-discrimination		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 31-32
	103-3	p. 31-32, 63
GRI 406: NON-DISCRIMINATION 2016	406-1	No incidents of discrimination received during the reporting period.
Child Labor		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 32, 46
	103-3	p. 32, 46
GRI 408: CHILD LABOR 2016	408-1	p. 32, 46 our sector has low levels of child labor risk
Forced or Compulsory Labor		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 32, 46
	103-3	p. 32, 46
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	p. 32, 46, our sector have low level of forced of compulsory labor
Local Communities		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 47-61
	103-3	p. 47-61
GRI 413: LOCAL COMMUNITIES 2016	413-1	p. 47-61
	413-2	No negative impacts have been identified.
Supplier Social Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 46
	103-3	p. 47-61

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	p. 47-61
	414-2	p. 46, no cases of negative social impacts in the supply chain.
Marketing and Labeling		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 23
	103-3	p. 23
GRI 417: MARKETING AND LABELING 2016	417-1	p. 23
	417-2	No incidents of non-compliance reported in 2018..
	417-3	
Customer Privacy		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 23
	103-3	p. 23
GRI 418: CUSTOMER PRIVACY 2016	418-1	No incidents of substantiated complaints regarding breaches of customer privacy or loss of customer data.
Socio-economic Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 68-69
	103-2	p. 38-39, 41
	103-3	p. 38-39, 41

APPENDIX D: 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.								
GRI Standards	The GRI Standards are the first global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.								
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								
ISO 26000	The ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way through adopting ethical and transparent practices that contribute to the health and welfare of the society.								
Money Laundering	The act of concealing the identity, origin or destination of often illegally-obtained money.								
Project Finance	The long-term financing of infrastructure and industrial projects based on 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	<p>According to the Central Bank of Jordan, the below criteria were launched in June 2011 to identify small and medium enterprises as follows:</p> <table> <tr> <th>Small Enterprise</th><th>Medium Enterprise</th></tr> <tr> <td>Assets or sales less than JOD MM 1</td><td>Assets or sales between JOD MM 1-3</td></tr> <tr> <td>Between 5-20 Employees</td><td>Between 21-100 Employees</td></tr> <tr> <td>Not a public shareholding, insurance or financial intermediary</td><td></td></tr> </table>	Small Enterprise	Medium Enterprise	Assets or sales less than JOD MM 1	Assets or sales between JOD MM 1-3	Between 5-20 Employees	Between 21-100 Employees	Not a public shareholding, insurance or financial intermediary	
Small Enterprise	Medium Enterprise								
Assets or sales less than JOD MM 1	Assets or sales between JOD MM 1-3								
Between 5-20 Employees	Between 21-100 Employees								
Not a public shareholding, insurance or financial intermediary									
Stakeholder Engagement	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	Group or persons who impact the organization or are impacted by the organization directly or indirectly. Stakeholders include: shareholders, employees, customers, suppliers, the environment, local communities and the government.								
Sustainable Reporting	The practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance toward the goal of sustainable development.								
Sustainable Development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.								

APPENDIX E: Acronyms

AB	Arab Bank	JAAC	Jordan Air Ambulance Center
AC	Air Conditioning	JLGC	Jordan Loan Guarantee Corporation
AHSF	Abdul Hameed Shoman Foundation	JOD	Jordanian Dinars
AML	Anti-money Laundering	JRCSP	Jordan River Child Safety Program
ARIS	Architecture of Integrated Information Systems	JRF	Jordan River Foundation
ATM	Automated Teller Machine	KAFD	King Abdullah Fund for Development
BCM	Business Continuity Management	KHCF	King Hussein Cancer Foundation
BCMD	Business Continuity Management Department	KM	Kilometre
BoD	Board of Directors	kWh	kilowatt hours
CBOs	Community-based Organizations	KYC	Know Your Customer
CCB	Charity Clothing Bank	LED	Light Emitting Diode
CEO	Chief Executive Officer	M2	Square Meter
CO2	Carbon Dioxide	M3	Cubic Meter
CoC	Code of Conduct	MW	Mega Watts
CSR	Corporate Social Responsibility	NGO	Non-Governmental Organization
CTF	Countering Terrorist Financing	OPIC	Overseas Private Investment Corporation
DBR	Debt Burden Ratio	PLC	Public Shareholding Company
ECM	Enterprise Content Management	PV	Photo-Voltaic
EMEA	Europe, the Middle East and Africa	QMS	Quality Management System
ESG	Environmental, Social, and Governance	RCM	Real Estate and Construction Management
EPP	Easy Payment Plan	RMs	Relationship Managers
GHG	Greenhouse Gas	RSCN	Royal Society for the Conservation of Nature
GIA	Group Internal Audit	SDGs	Sustainable Development Goals
GJ	Gigajoules	SMEs	Small to Medium Enterprises
GPS	Global Positioning System	TUA	Tkiyet Um Ali
GRI	Global Reporting Initiative	UAP	University Adoption Program
GRM	Group Risk Management	UDHR	Universal Declaration of Human Rights
ICT	Information and Communication Technology	UNGC	United Nation Global Compact
ILO	International Labor Organization	USD	United States Dollars
ISEF	International Science and Engineering Fair	VOC	Voice of Customers
IT	Information Technology	VRV	Variable Refrigerant Volume
ITM	Interactive Teller Machine		