

RESPONDING TO SUSTAINABILITY CHALLENGES

Arab Bank

2017 Sustainability Report

البنك العربي
ARAB BANK



Success is a journey

About this Report

As part of our sustainability strategy, we are committed to issuing an annual sustainability report that follows the Global Reporting Initiative's (GRI) guidelines. This is our eight sustainability report. This report has been prepared in accordance with the GRI Standards: Comprehensive option. It was submitted for the GRI Materiality Disclosures Service and GRI confirmed the correctness of the locations of the materiality disclosures (GRI 102-40 to 102-49).

GRI 102-45

This report provides information on our social, environmental and governance achievements and commitments until December 31, 2017, and covers data and activities from Arab Bank's operations 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 the Bank's reporting policies.

This report highlights progress on the Bank's main material topics outlined on page 12, which we selected based on our operations, strategy, community needs and sector specifications. A comprehensive overview of our impact and engagement across economic, social and environmental sectors is covered in the different chapters of this report, with a special emphasis on the role of stakeholders in our sustainability management program.

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A MESSAGE FROM OUR CEO

Dear Stakeholders,

Eight years ago, when Arab Bank issued its first sustainability report laying out its strategic approach towards sustainability, we outlined an ambition to create positive social, economic and environmental values for our stakeholders. Today, we issue our eighth sustainability report highlighting the bank's main achievements with regards to the development of our local community, investing in our people, conserving environmental resources, enhancing internal operations and adopting local and global sustainability policies and best practices.

2017 marked a year of major progress in realizing Arab Bank's sustainability goals. In particular, we achieved record growth across the main indicators of our employees volunteering program, demonstrated by the increase in the number of volunteering hours, which has seen a 29% increase while volunteer participation has increased by 28%. Our employees' engagement in diverse community-based activities has impacted the lives of over 257,000 beneficiaries, reaching into local towns and villages across Jordan. This goes hand-in-hand with the growth in our community contribution which has reached over JOD 9.7 million at the end of 2017.

At the environmental level, we have continued our commitment to a paperless operations environment, enabling us to reduce operational costs and enhance our environmental performance. We are also proud of our efforts in reducing our energy consumption and related GHG emissions by 4%. As one of the Kingdom's largest financial institutions, we have a strong role to play in enabling our customers and community towards having a positive environmental impact. As such, we have continued our efforts in helping customers to reduce their environmental footprint by offering them paperless banking services through digitalization. This is in addition to our active role in financing environmentally-friendly infrastructure projects aimed at supporting environmental conservation and expanding clean energy usage across Jordan as the country invests in green growth.

Finally, I would like to emphasize our ongoing commitment to be aligned with the evolving expectations of our stakeholders, aiming to meet their goals and ambitions and to drive positive economic, social and environmental change to our communities, today and in the future.



A handwritten signature in black ink, appearing to be 'Nemeh Sabbagh'.

Nemeh Sabbagh
Chief Executive Office



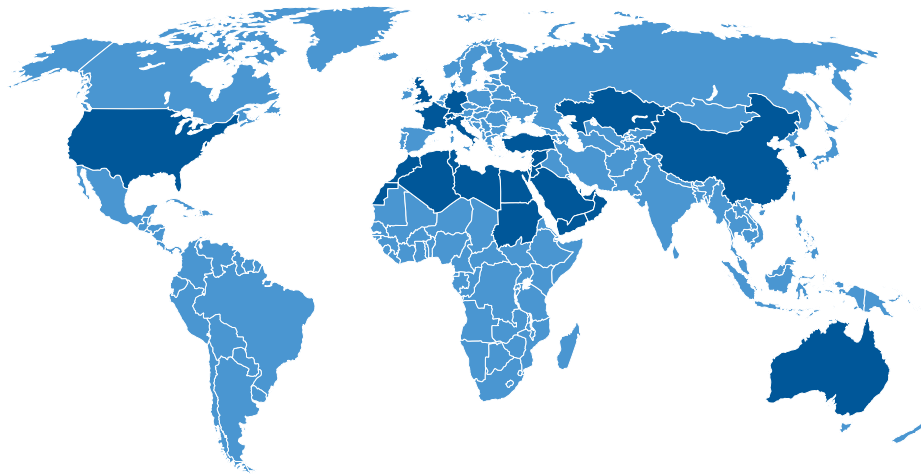
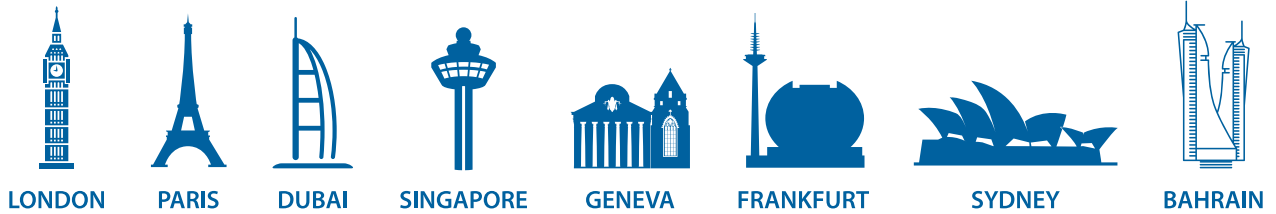
**Arab Bank
At A Glance**

Our Global Presence

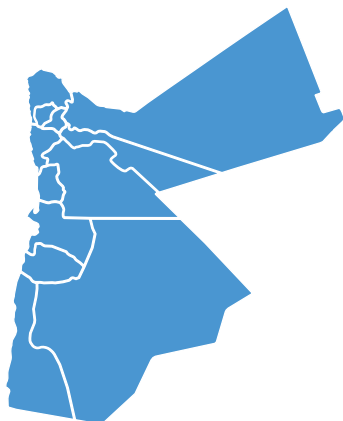
Established in 1930, Arab Bank, headquartered in Amman, Jordan, has one of the largest global Arab banking networks with over 600 branches spanning five continents.

5
continents
+600
branches

Arab Bank is also present in key financial markets and centers such as:



- | | | | |
|-----------|--------------|-------------|-------------|
| Jordan | Egypt | Kazakhstan | USA |
| Lebanon | Algeria | Syria | Singapore |
| Palestine | Morocco | Switzerland | China |
| Qatar | Sudan | Germany | South Korea |
| Bahrain | Oman | UK | Australia |
| UAE | Saudi Arabia | France | Turkey |
| Yemen | Tunisia | Italy | Libya |



3,075
of the total Arab Bank PLC workforce
is located in Jordan

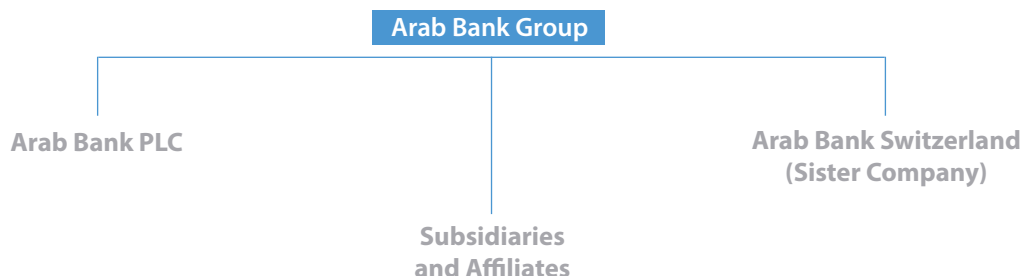


46%
of total Arab Bank PLC employees



75
Branches across Jordan
(Including the Head Office)

The Bank's Group is comprised of Arab Bank (PLC) and its sister company (Arab Bank Switzerland), in addition to subsidiary and affiliate companies. Arab Bank PLC is present in the Middle East, North Africa and Asia with branches in Algeria, Bahrain, China (Representative Office), Egypt, Lebanon, Morocco, Palestine, Qatar, South Korea (Representative Office), Singapore, UAE, USA (New York Agency), Yemen, Kazakhstan (Representative Office) and Jordan.



Wholly Owned

- Arab Bank Australia Limited – Australia
- Europe Arab Bank PLC – UK
- Islamic International Arab Bank PLC – Jordan
- Al - Arabi Investment Group - Palestine
- Arab National Leasing Company – Jordan
- Arab Sudanese Bank Limited – Sudan
- Al-Arabi Investment Group Co. (AB Invest) - Jordan

Majority Owned

- Arab Tunisian Bank – Tunisia
- Al-Nisr Al Arabi Insurance Co. – Jordan
- Arab Bank Syria – Syria

Affiliates

- Oman Arab Bank – Oman
- Arab National Bank – Saudi Arabia
- Arabia Insurance Co. – Lebanon
- Commercial Building Co. – Lebanon
- Turkland Bank - Turkey

Products and Services

Consumer Banking

The Consumer Banking division is focused on offering customers an extensive range of feature-rich value propositions through its vast branch network and integrated direct banking channels, both locally and regionally. Consumer Banking provides a comprehensive range of programs that are specifically designed to cater to the needs of a diverse customer base. These range from Jeel Al Arabi, the special program for children, and to Elite, the exclusive service offered to our high net worth clients. The Bank believes in building meaningful customer relationships, placing client needs at the heart of our services and constantly reassessing those services in line with evolving customer needs and expectations.

Corporate and Institutional Banking

Arab Bank's Corporate and Institutional Banking (CIB) division 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. The range of services includes:

- Commercial Lending Project and Structured Finance
- Arranging / participating in loan syndications
- Islamic structured financing (through subsidiaries)
- Correspondent banking services
- Trade Finance
- Global Transaction Banking
- Cash Management
- Corporate Finance and Capital Markets

Treasury

Arab bank's Treasury manages the Bank's liquidity and market risks, and provides expert advice and dealing services to Arab Bank's customers globally. Through its state-of-the art systems, Arab Bank's Treasury remains fully up-to-date with the latest market developments and regulatory standards and is well positioned to meet a wide range of both bank and customer needs.

2017 Achievements

The year 2017 witnessed a solid financial performance for Arab Bank Group, driven by sustainable growth in the underlying business, spread improvements and well-controlled expenses.

Excluding the effect of foreign currency devaluations, the net operating income achieved double-digit growth of 12% and net income after tax of USD 533 million compared to USD 532.7 million in 2016, whilst loans and advances grew by 6% to reach USD 25.1 billion. In view of the results, the Board of Directors has recommended to the shareholders the distribution of 40% cash dividends for the financial year 2017.

The underlying performance of the Bank was strong in 2017. The Group's loan-to-deposit ratio stood at 74%, whilst the capital adequacy ratio calculated in accordance with Basel III regulations was at 15%. Additionally, the asset quality of the Group remained high, with provisions held against non-performing loans at 100%, excluding the value of collaterals.

Performance Highlights

Net Operating Income

12%^{*} ↑

** Excluding the effect of foreign currency devaluations*

74%

Loan to Deposits Ratio

Net Income (USD million)

533

15%

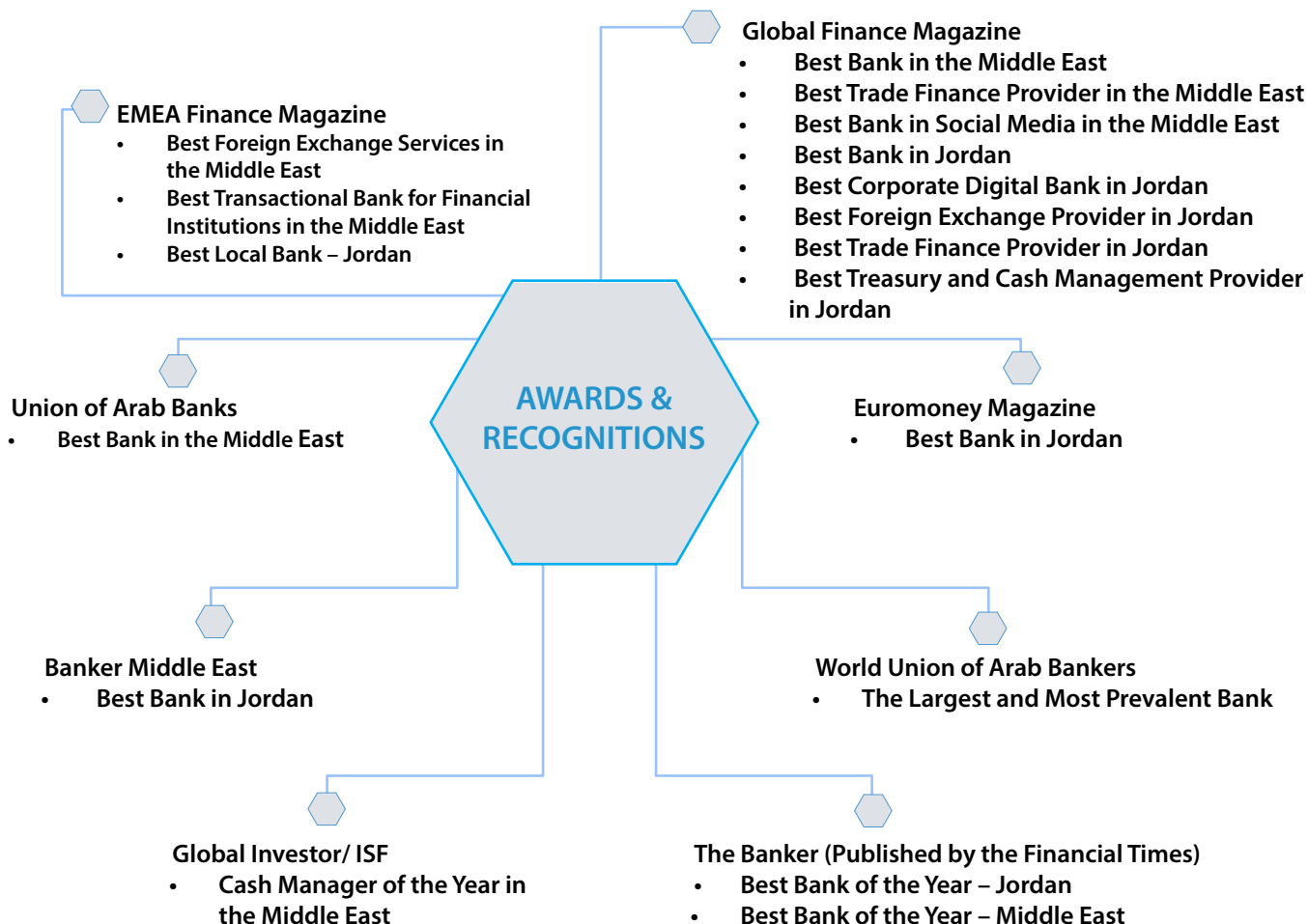
Capital Adequacy Ratio

LOANS AND ADVANCES (USD billion)

25.1 6% ↑

Awards and Recognitions

Throughout the year, Arab Bank has received several awards and recognitions from leading international parties, most notably the award for Bank of the Year from The Banker magazine (published by the Financial Times), and Best Bank in the Middle East from both, Global Finance magazine – New York and Union of Arab Banks.



Global Sustainability Recognition

Arab Bank has also been recognized locally and globally for adopting an effective sustainability approach that considers local stakeholders' needs, while following global standards and guidelines. This success is due to the Bank's comprehensive sustainability strategy and positive impact on the community.

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 2017, the Bank was ranked at the fifth level in this year's re-calibrated index.

SUSTAINABILITY AT ARAB BANK: BUILDING OUR COMMUNITIES

OUR RESPONSIVE APPROACH: MEETING OUR STAKEHOLDERS' NEEDS

At Arab Bank, we adopt a responsive sustainability approach that contributes positively to the community and creates value for our stakeholders in order to address the growing socio-economic and environmental challenges that face them today and in the future.

Stemming from the growing social, economic and environmental challenges at the local, regional, and global levels, along with Arab Bank's belief in the financial sector's ability to address these challenges, Arab Bank realizes the importance of adopting a holistic sustainability approach that is well integrated into its daily operations. This approach is based on comprehensive engagement with our stakeholders to enable 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.



Engaging Our Stakeholders

GRI 102-40

GRI 102-42

GRI 102-43

GRI 102-44

At Arab Bank, we engage our stakeholders regularly and respond to their priorities and expectations by creating a two-way channel for communicating stakeholder needs and the Bank's impact.

Arab Bank is committed to engaging regularly with its stakeholders as a way to understand their needs and ambitions that are core to its sustainability objectives. To better understand our stakeholders' needs, 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 the Bank's response to these issues. The results guide the Bank's efforts in fulfilling stakeholders' needs through the strategic objectives and initiatives we implement.



Focusing on What Matters

GRI 102-44

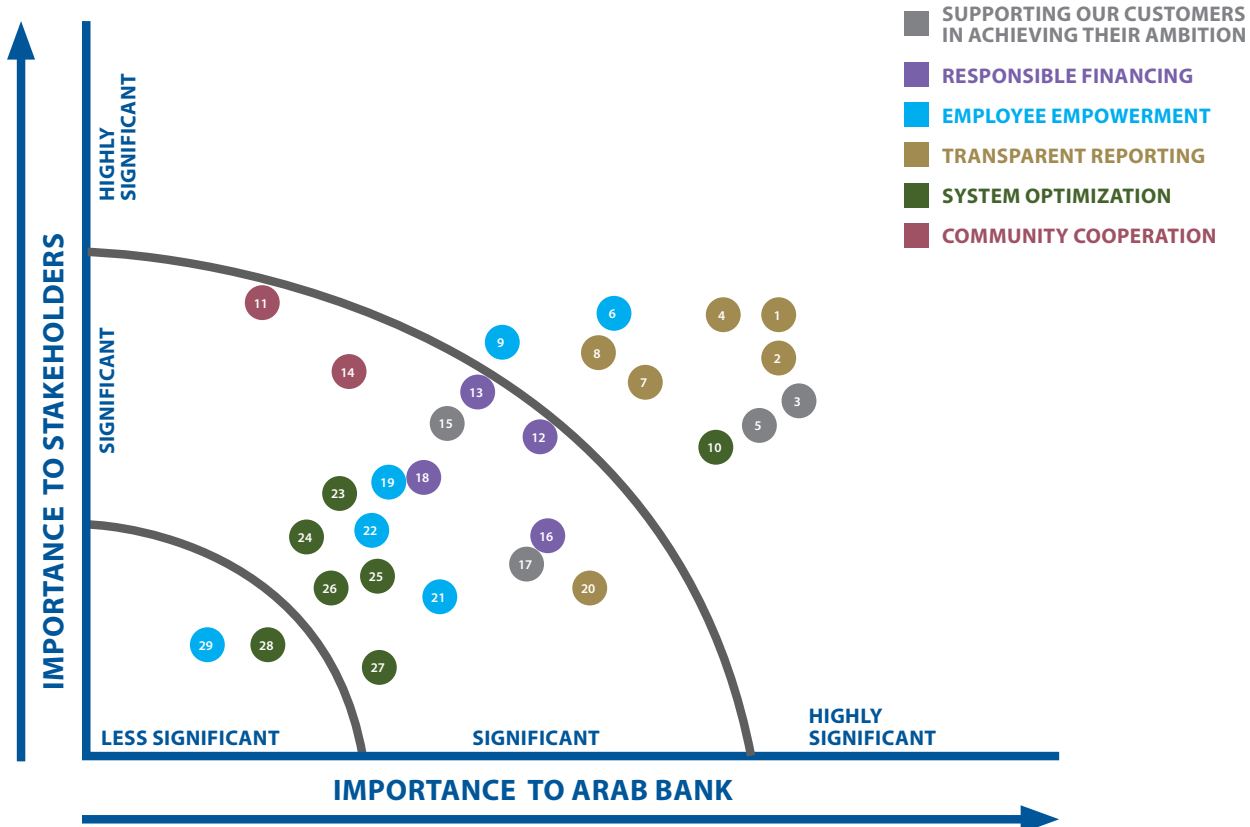
GRI 102-46

GRI 102-47

GRI 102-49

We focus our efforts on topics that are important to our stakeholders and strategically significant to our business. Prioritizing the sustainability topics enriches our understanding of our stakeholders' needs and focuses our strategic approach.

Material issues are those that reflect our organization's most significant environmental, social and governance impacts, or those that influence the assessments and decisions of our internal and external stakeholders. To understand the current and emerging issues that matter most to our stakeholders and that will have the most material impact of our business, we conduct regular comprehensive assessment of the Bank's material issues. Same as previous years, we have analyzed all the relevant material issues and examined them with our sustainability champions. As a result of our materiality process, we have revised our materiality issues and identified 27 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.



- | | |
|--|---|
| 1 Legal and Regulatory Compliance | 16 ESG Topics in Portfolio |
| 2 Governance and Accountability | 17 Communicate Transparently with Customers |
| 3 Information Security and Data Privacy | 18 Offering Sustainable Products and Services |
| 4 Transparent Disclosure of Performance | 19 Diversity and Equal Opportunity |
| 5 Customer Experience and Satisfaction | 20 Risk Behavior and Culture |
| 6 Training and Development | 21 Employees Wellbeing |
| 7 Anti-corruption Processes | 22 Employees Engagement |
| 8 Responsible and Ethical Behavior | 23 GHG Emissions |
| 9 Competitive Benefits | 24 Water Usage |
| 10 Process Digitization | 25 Energy Usage |
| 11 Supporting Local Communities | 26 Material Consumption |
| 12 Financial Inclusion | 27 Managing impacts of our Supply Chain |
| 13 Financial Literacy | 28 Waste and Effluent Management |
| 14 Engaging with our Community Based Organizations | 29 Health and Safety of Employees |
| 15 Accessibility to Products and Services | |

Our Sustainability Focus

Building on the mapping of our stakeholders' needs and expectations and addressing our most material issues, Arab Bank has developed a strategic sustainability approach; one that helps the Bank grow while ensuring creating value to all our stakeholders.

Sustainability Strategy and Framework GRI 102-44

Our sustainability framework is built on 'our values' that underpin 'our foundation' of stable and principled banking practices and operations. It charts the Bank's approach in integrating the sustainability concept into our core business operations.

Arab Bank recognizes the opportunity to identify broader business drivers through a 'sustainability lens' that considers the integration of social and environmental aspects in addition to the economic and ethical perspectives in an integrated manner within its business strategy and daily operations. Consequently, the Bank has identified its 'sustainability advantage' that represents our sustainability focus areas, including: responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation.

For each of the sustainability focus areas, a clear strategic objective is established to drive the Bank's sustainability effort in the respective area, thus optimizing its economic, environmental and social impacts and aligning the business conduct with Arab Bank's sustainability strategic approach and its sustainability vision and mission.



Arab Bank Sustainability Strategic Approach

In 2017, Arab Bank set out its sustainability strategic approach, which centers around our five focus areas. The Strategy provides the key objectives that Arab Bank will focus on as part of its sustainability management program in these areas. This will allow us to generate wider social, economic and environmental value.

We track our progress against each of the objectives through a set of indicators that measure our progress in achieving them. To view our Sustainability Strategic Approach please visit Arab Bank Website at: www.arabbank.com

Management of Sustainability

At Arab Bank, sustainability is an integral part of our day to day operations, through clear management lines. In 2011, the Bank established the Sustainability Department, which coordinates all the sustainability efforts across the Bank with other departments through the Sustainability Champions. The Sustainability Department falls under the Branding Division, which reports directly to the Chief Executive Officer (CEO) on all progress on sustainability programs and initiatives.

Adhering to Best Practices

Our sustainability 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 and the Sustainable Development Goals (SDGs). Additionally, our strategy and management of sustainability issues are aligned with ISO 26000 Social Responsibility Standards.

Arab Bank has also been reporting on sustainability using the Global Reporting Initiative (GRI) guidelines since 2010; the most recognized and widely used guidelines for sustainability reporting globally. Over the past seven years, the Bank has been expanding the scope of disclosure and transparency in each sustainability report, to align with our sustainability strategic objectives. As a result, Arab Bank has aligned its reports with the GRI sustainability reporting standards for the second consecutive year.

Alignment to Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) set the global agenda for action on improving the wellbeing of present and future generations. The 17 goals aim to tackle the world's most pressing challenges through the promotion of sustainable development to 2030. As we respond to our most material issues, Arab Bank's actions in our focus areas are supporting the achievement of these priority goals.



An outline of our contribution to the SDGs is illustrated below

SUPPORTING OUR CUSTOMERS IN ACHIEVING THEIR AMBITIONS

Align our operations to meet our customers evolving needs and expectations through the extensive range of banking services we offer them, along with other non-banking activities.



RESPONSIBLE FINANCING

Provide financial services that enable sustainable growth and economic progress based on responsible financing practices through the Bank's commitment to deliver, act responsibly, manage risks and adhere to the highest ethical standards.



EMPLOYEE EMPOWERMENT

Create a diverse and inclusive environment for our employees, where they can find the opportunity for personal and professional growth enabling them to reach their full potential.



TRANSPARENT REPORTING

Integrate ethical, accountable and transparent practices across all levels and ensure effective and transparent communication with the various stakeholders.



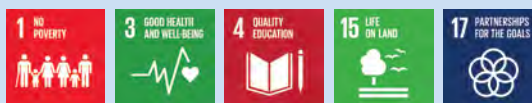
SYSTEM OPTIMIZATION

Adopt an approach that focuses on integrating sustainability priorities effectively within the Bank's daily operations.



COMMUNITY COOPERATION

Optimize community contribution by investing in impactful community programs and initiatives that are critical to supporting the community's fundamental causes.



Our Performance Highlights

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

RESPONSIBLE FINANCING

Over USD 238 Million

Loans and facilities provided to support environmentally friendly infrastructure projects since 2012 (Arab Bank Group)

984,500 tons

Estimated annual cuts in carbon dioxide emissions

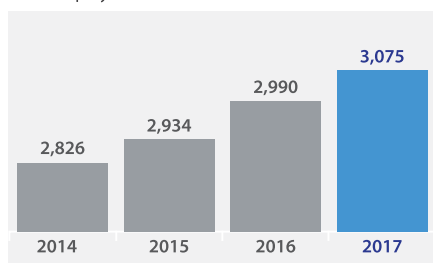
USD 1,001 million

SMEs lending portfolio

EMPOWERING EMPLOYEES

3,075

Total employees



38.6%

Females' Participation in workforce

14

Average training hours per employee

TRANSPARENT REPORTING

JOD 0.40 (Arab Bank PLC) Cash Dividend per Share

50% Independent Board Members

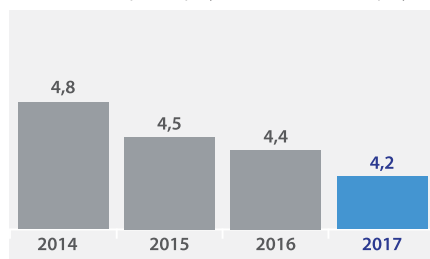
SYSTEM OPTIMIZATION

USD One Million

Savings from paperless initiatives

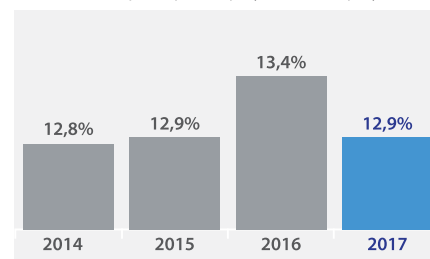
4% reduction

GHG emissions per employee (tons of CO₂e/employee)



4% reduction

Water Consumption per employee (m³/employee)



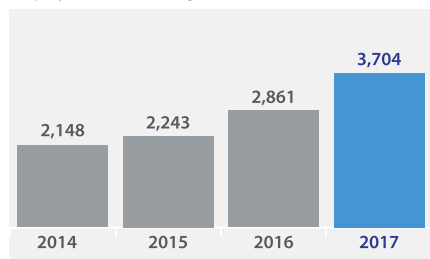
COMMUNITY COOPERATION

Over USD 9,6 Million

Community investments

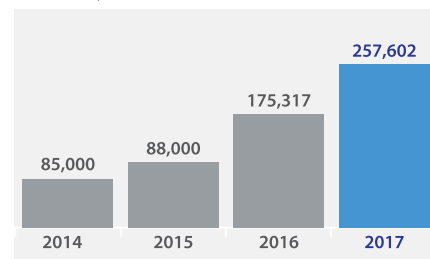
29% increase

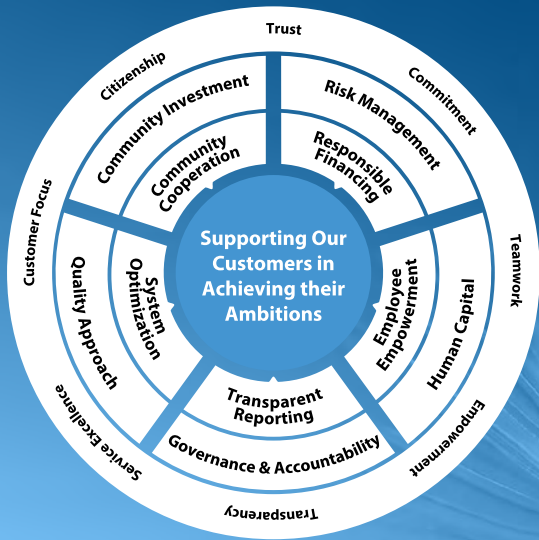
Employees volunteering Hours



47% increase

Community Beneficiaries





Supporting our customers in achieving their ambitions

The Bank's customers represent 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 we offer them along with other non-banking activities. Ultimately this enables the Bank to attract new customers in line with our mission of becoming the leading financial institution in the Arab world.

Arab Bank is achieving this through:

- Continuously developing our products and services to meet the evolving needs of our customers
- 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 Privacy and Data Security
- Customer Experience and Satisfaction
- Accessibility to Products and Services
- Communicate Transparently with Customers

2017 HIGHLIGHTS




LAUNCHED SEVERAL STATE OF THE ART DIGITAL SERVICES INCLUDING FINGER VAIN AND INTERACTIVE TELLER MACHINE IN JORDAN



31% increase in total donations made by our customers to our partner NGOs in 2017, reaching over **JODs 251,600**

Continuous Development of our Products and Services

At Arab Bank, we offer a wide variety of products and services to meet the evolving needs of corporate and individual customers based on the diverse sectors and segments.

Our philosophy revolves around providing our customers with responsive banking solutions. This philosophy is manifested through offering a comprehensive range of value propositions supported by seamless channels to optimize their banking experience. For full information on our products and services, please refer to our [2017 Annual Report](#). 

Corporate and Institutional Banking (CIB)

As a part of CIB's dedication to service excellence, specialized corporate centers have been established across the Arab Bank network to respond to corporate inquiries and provide banking services. Additionally, CIB has reengineered key processes to ensure that clients enjoy a flexible and seamless banking experience, including launching the new corporate online platform, ArabiConnect, which provides innovative online banking solutions that are specifically engineered around corporate needs. Further details on ArabiConnet are presented in page 19.

Consumer Banking (CB)

Consumer Banking has continued to work on different areas including digital strategy implementation, process re-engineering, products and programs development, the enhancement of customer experience, and continued support for fast, affordable service.

Treasury

Treasury is already enjoying the benefits of its new trade flow and risk modelling tools, with the added benefit of straight through processing on the majority of Arab Bank Treasury deals. This integrated system, now live across all Arab Bank PLC countries, gives the bank far better information and higher quality analysis, and is already delivering on its promise to meet developing business needs and regulatory standards, with increased earnings.

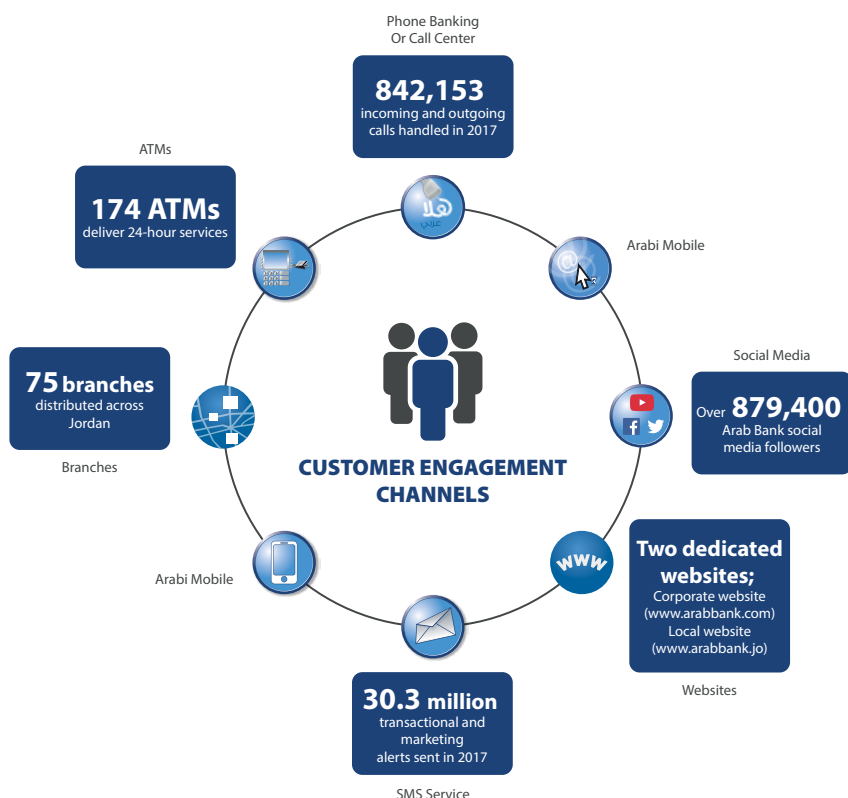
Excel in Customer Service

Providing excellent customer service is at the heart of our business model, which is why we strive to continuously improve efficiency across our operations, and aim to excel in satisfying our customers by actively monitoring a set of service standards that were created according to industry best practices.

Provide Customers with Seamless Banking Experience

At Arab Bank, we are committed to improving our service proposition through the constant development of our banking channels, thus we invest considerable resources in identifying ways to better serve our customers and adapt to their evolving needs. In the process we ensure that our customers enjoy seamless banking experience at the different touch points. The Bank utilizes an array of banking channels to engage with customers. These tools provide our customers with different convenient banking options.

As more customers are choosing to use digital channels for more types of banking transactions, we are constantly evolving our delivery channels to ensure we are embracing the digital opportunity. Thus, Arab Bank has been investing heavily in our mobile and online banking platforms and our technology infrastructure. During the year, the Bank introduced many new features and enhancements across our digital banking platforms.



Finger Vein Service

Finger Vein service is a state-of-the-art identification solution that recognizes customers in the branches instantly by their unique finger vein impression and allows them to perform cash withdrawals and deposits digitally in a paperless manner via the tablet devices that are specially designed for this service. The Bank's finger vein service is a pioneering biometric solution that enables branches to identify customers instantly without the need for any identification documents

ArabiConnect

CIB continues to invest in digital corporate banking solutions. In 2017, it launched a new corporate online platform, ArabiConnect. The platform includes innovative online banking solutions that are specifically engineered around corporate needs. Clients have access to cash management and trade finance functions from a single point of access and within reach of their entire organization, anytime, anywhere. ArabiConnect's comprehensive functionalities are highly suited to the changing dynamics of the business environment in the region and demonstrate Arab Bank's role as a leader in transaction banking.

Customer Experience Monitoring Tools

As part of Arab Bank's continuous focus on customer satisfaction, and along with the existing customer experience measurement tools, digital surveys were introduced to collect Voice of Customers. These digital surveys facilitate phone/web based surveys to complement our existing Voice of Customer program and expand its reach.

Moreover the Bank continued the implementation of various monitoring activities which are carefully designed to ensure adherence to the set of service standards across the main service pillars: People, Process, Premises, and channels at various customers touch points. This included launching service staff assessment programs, classrooms and distance learning programs.

A Trusted Bank for Customers

At Arab Bank, we work on maintaining trusted partnerships with our customers by ensuring that we operate transparently and fairly with them, while safeguarding their assets and information.

Clear and transparent engagement and fair treatment is an essential component of providing excellent services to our customers, maintaining their trust, loyalty and empowering them to make the right financial decisions.

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

At Arab Bank, We take the security and privacy of our customer's and business information very seriously. Thus, 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:

- Technology: by obtaining the best tools and services from most reputable vendors
- Process: according to the highest level of central banks regulations and best practices
- People: through daily information sharing with key stakeholder on changes to the global cyber trends and ongoing training and awareness to all internal staff and customers.



A grey rectangular box containing social media icons and follower counts. The Facebook icon is at the top, followed by the Twitter icon, and the LinkedIn icon at the bottom. To the right of each icon is the corresponding follower count for the Corporate and Shabab pages/accounts.

	Over 408,500 followers of Corporate Page Over 385,400 followers for Shabab Page
	Over 26,200 followers of Corporate Twitter Account Over 1,790 followers of Shabab Twitter Account
	Over 57,480 followers

Arab Bank has invested extensively in security controls and infrastructure and 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. The Bank's work with customers includes quarterly messages, printed leaflets in our branches, and information provided through our e-banking channels.

Cyber Security Controls

We have invested in building a multi layered controls to ensure we standup to our commitment as a global bank and maintain our customer trust. Controls are spread throughout our network, providing necessary prevention and early detection. All these are wrapped with an online monitoring and cost benefit measuring.

Arab Bank works 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.

Employees Information Security Awareness

The Bank conducted virtual trainings, simulated phishing campaigns and awareness activities and provided tailored advice for our employees regarding to information security. In doing so, our goal is not just to improve their resilience but to engage our people as a powerful additional detection network.

Arab Bank has implemented this comprehensive risk framework, covering all countries and services end to end. By doing so, we can ensure proper future planning to meet customers expectations and evolving information security and privacy standards.

Support the Socio-Economic Ambitions of Our Customers

At Arab Bank, we use our financial services to support our customers' social and economic ambitions through enabling our customers to support the local community through our donation channels.

Arab Bank's various banking channels were equipped with donation functionality which enables our customers to support the local community by making direct donations to the Bank's partner NGOs.

Together is a CSR program launched by Arab Bank, which aims at involving the various stakeholders and encouraging them to be active members in the community. The Bank engages its customers by incorporating a donation mechanism through its banking channels which enables them to donate to the Together program's partner NGOs in the fields of health, poverty alleviation, environmental protection and Education/orphan support. Donation channels include: Internet banking, phone banking, ATMs, branches and the Together Platinum Credit Card.

Arab Bank Partner NGOs



Together Card

Launched in 2009, the Together Platinum Credit Card is the first of its kind in the Middle East, Africa and Central Europe. The card enables a marginal 0.5% of customers' purchase amounts to be donated to the Together program's four NGOs.

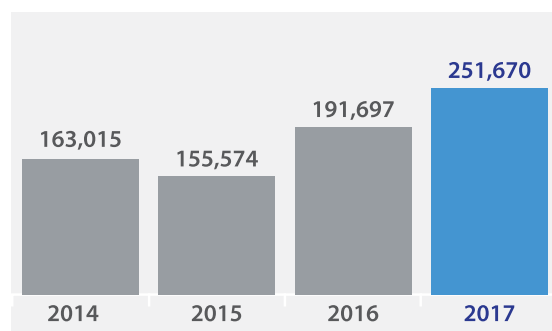
The Bank matches all donations and allocates 50% of credit card annual fees to support these organizations.



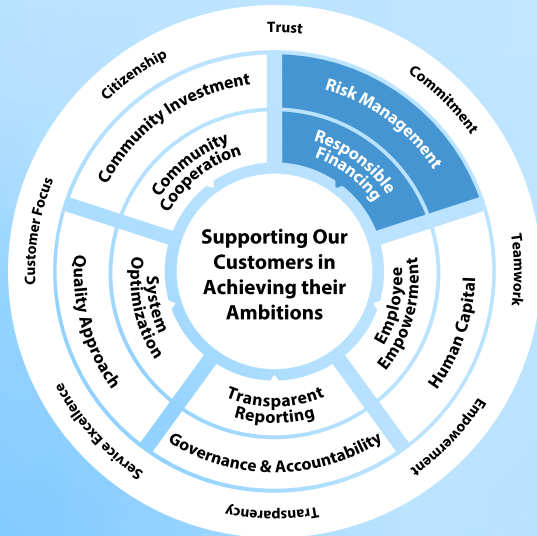
Customers Donations by Channels (JOD)				
Channel	2014	2015	2016	2017
Internet Banking	142,976	135,052	176,236	241,769
Phone Banking	508	586	92	360
ATMs	11,693	13,772	12,278	6,779
Together Card	7,838	6,164	3,091	2,762

31% increase

in total donations made by our customers in 2017, compared to 2016



Responsible Financing



Material Topics

- ESG Topics in Portfolio
- Offering Sustainable Products and Services
- Financial Inclusion
- Financial Literacy

Arab Bank is committed to providing financial services that enable sustainable growth and economic progress based on responsible financing practices. Responsible financing at Arab Bank demonstrate 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.

Arab Bank is realizing this commitment through:

- Ensuring compliance with regulatory requirements and industry standards regarding the financing of businesses, projects and individuals
- Implementing prudent risk management to screen our customers' risks and integrating ESG aspects into lending criteria
- Supporting green infrastructure projects in Jordan
- Developing green products and services
- Supporting SMEs
- Supporting financial empowerment of our community members

2017 HIGHLIGHTS



Over **238 Million USD** loans and facilities provided to support environmentally friendly infrastructure projects since 2012



Over **984,500 Tons** estimated annual cuts in carbon dioxide emissions



Over **1,001 Million USD** in SME lending portfolio

Compliance Screening

Arab Bank follows a stringent approach in conducting business to ensure compliance with regulatory requirements as well as with international leading practices in all countries in which the Bank operates.

At Arab Bank, we are committed to maintaining the integrity of our financial system and to applying appropriate controls to prevent the misuse and criminal exploitation of our products and services. Our 'Know Your Customer, Anti-money Laundering, and Combating Terrorist Financing' Policy (KYC, AML, and CTF Policy) implementation helps protect the financial system from money-laundering and terrorist financing, and ensures compliance with regulatory requirements including their relation to customer identification, screening customers' names against blacklists, and recognizing and reporting suspicious activities. A comprehensive screening process is implemented via "Safe-Watch".

"Safe-Watch" System

Safe-Watch, the Arab Bank Group Internal Blacklists, is a consolidation of countries/ jurisdictions, individuals, vessels, and entities identified by the international community and competent regulatory authorities as linked to Weapons of Mass Destruction (WMD), Money Laundering, Terrorist Financing, Fraudulent Activities, etc.

Prudent Risk 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 lending activities, and we avoid dealing with borrowers who have poor environmental and social risk management track records.

As part of the Bank's risk governance structure, the Group Risk Management Division (GRM) is responsible for ensuring that the Bank has 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 Corporate Credit Risk Management Department through addressing environmental and social risks within the Bank's credit policies.

Responsible 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.

Arab Bank continues 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 Central Bank Regulations and minimum required salary at acceptable thresholds.

Emerging from the Transparency and Dealing with Customers Fairly policy, the Bank's 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. The Bank applies a quality assurance process to ensure that lending products and services do what they are intended to do. As a result, the Bank ensures that 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 Arab Bank's commitment to long-term project financing, the Bank integrates 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 the Bank are assessed based on these standards and provide special Environmental Impact Assessment studies. In addition, the Bank also ensures that projects financed in Jordan are in line with prevailing Jordanian environmental and social laws.

Leading by Example

As part of the Bank's sustainability strategy, our Project Finance Department engages with corporate customers to raise their awareness on environmental and social risks and opportunities. This is done by sharing our sustainability report with customers and participating in local and regional events and meetings related to sustainable finance and sustainable development.

Financing Green Infrastructure Projects

It is our responsibility to provide positive environmental impact in our community. Thus the Bank actively seeks opportunities to support and finance environmentally friendly and renewable energy infrastructure projects.

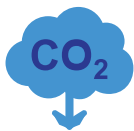
Arab Bank Group Green Infrastructure Investments in Jordan



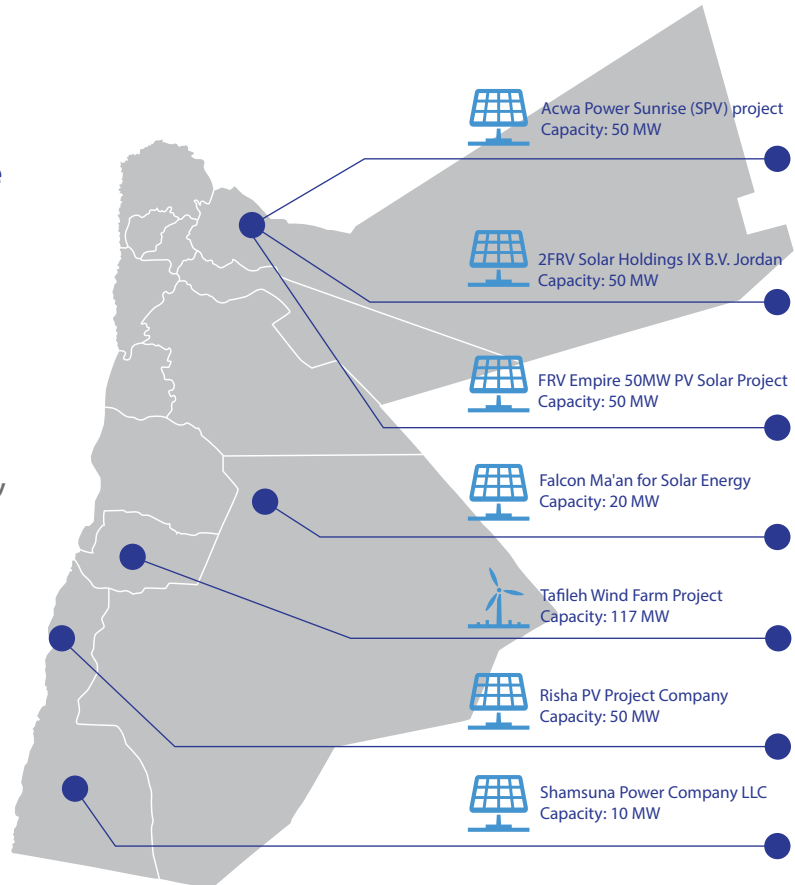
Over USD 238 Million loans and facilities provided to support environmentally friendly infrastructure projects since 2012



614 MW
Total Renewable Energy Annual Capacity



Over 984,500 Tons
Annual Estimated Cut in Carbon Dioxide Emissions



Sample of Arab Bank Group Green Infrastructure Projects in Jordan

Help Advance Renewables in Jordan

Arab Bank is a member of EDAMA (an Arabic word meaning “sustainability”) organization.

EDAMA is a Jordanian Business Association that seeks innovative solutions for energy and water independence and productivity to make a positive impact on the environment. Through this membership, Arab Bank supports Jordan’s progress toward a green economy.

Offer Green Products and Services

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

Growing market activity and increased global attention to environmental issues have highlighted the importance of engaging with our customers to enable them 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. To this effort, the Bank offers the Green Package, which entails:

- 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 in selected outlets, and repayment period of up to 24 months at a 1% interest rate when using a credit card in any outlet inside or outside Jordan.
- Preferential terms for hybrid cars loans: The Bank offers special terms for hybrid cars loans, including reduced loan fees and other benefits to enable customers to purchase hybrid cars.

We also work on supporting our customers in reducing their environmental footprint resulted from our services by working on designing a range of green services that focus on efficiency and reducing materials and energy consumption. Our green services include eStatement, E-Advice, Finger Vein and Interactive Teller Machine.



Arab Bank eStatement Service

Our eStatement service is an electronic method of receiving and viewing account and credit card statements through the Bank's online service, Arabi Online. In 2017, our total eStatement subscribers reached 83% of total Arabi Online subscribers.

SMEs Support

Given the vital economic role that SMEs play in reducing unemployment rates and alleviating poverty in the community, we have continued our support to the SMEs sector.

With over 10 specialized SMEs services centers, the Bank offers this vital sector financial solutions designed to help achieve its business goals and ambitions.

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

European Investment Bank

The European Investment Bank (EIB) and Arab Bank has signed a financing agreement of EUR 300 million to support 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.

The finance agreement is the first EIB's 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 investment.

SMEs Equity Growth Fund

Arab Bank helped create a JD 125 million Jordan Small and Middle Market Equity Growth Fund, leading a consortium of 18 banks. AB Invest, the investment arm of Arab Bank, was appointed as the investment manager of the Fund.

This first of its kind investment fund aims at investing in Jordan's robust and growing small and medium-sized companies to support Jordanian business and entrepreneurs through providing growth capital and management support.

Jordan Loan Guarantee Corporation (JLGC)

The Bank also 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 two major guarantee programs provided by (JLGC): SMEs Loan Guarantees for the limit up to JOD 5 million and Industrial Loan Guarantees (EJADA), up to JOD 550,000 for each customer.

Central Bank of Jordan

The Bank also continued its collaboration with the Central Bank of Jordan to support SMEs through four loan agreements. The first and third were for the amounts of JOD 4 million and JOD 3.6 million, respectively, as part of an agreement with the International Bank for Reconstruction and Development. The second and fourth agreements for the amounts of JOD 2.8 million and JOD 7.7 million with the Arab Fund for Economic and Social Development aiming to support small and medium-sized companies.

Additionally, the bank utilized the Central Bank of Jordan Financing Program, amounting to JOD 135 million, with an additional JOD 85 million added during 2017, to support the industry, agriculture, tourism and renewable energy sectors in Jordan.

Additionally, 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.

Financial Empowerment of our Community

We are focusing on financially empowering our community members in improving their wellbeing through working on their financial knowledge and literacy and enabling them to access affordable and appropriate financial services.

At Arab Bank, we believe that access to simple and affordable banking products can improve people's lives. Thus, working on financial inclusion of the financially unserved segments of our community and enhancing their financial knowledge will contribute to enhancing the well-being of our community members.

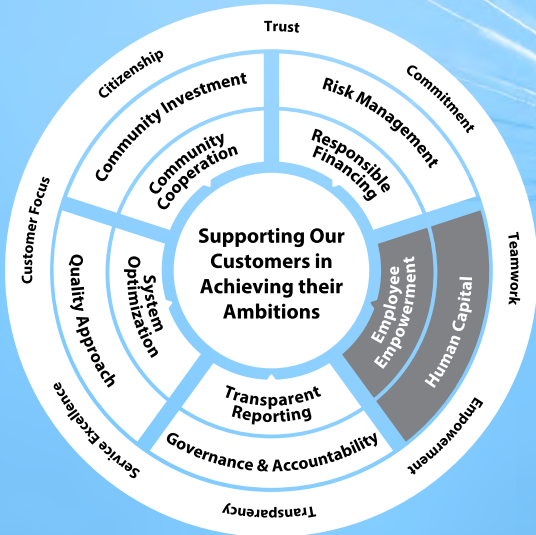
Arab Bank is working on enhancing the financial inclusion of the community members through several initiatives. Those include providing the Youth with financial services has not been offered to them before. This was done through the revamp of the Bank's Shabab program to provide our youth with an exceptional early banking experience by maximizing the program's lifestyle and financial benefits. The Bank now offers students working in part-time jobs and first jobbers' access to credit facilities at preferential terms. Moreover, the Bank included the Central Bank of Jordan's mobile payment system "Jomopay" within its Mobile Banking service "Arabi Mobile". Through participating in this service, the Bank widens the reach of Arab Bank customers' remittances to all users with Jomopay wallets and reduces the dependency on physical cash, thus providing unbanked segments of the community with access to its wide base of customers.

As for financial literacy, the Bank continued its support to the national financial educational program, initiated by the Central Bank of Jordan, to increase financial literacy among school students and 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 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 reach their potential.



Materiality Topics

- Diversity and Equal Opportunity
- Competitive Benefits
- Employees Wellbeing
- Employees Engagement
- Training and Development

2017 HIGHLIGHTS



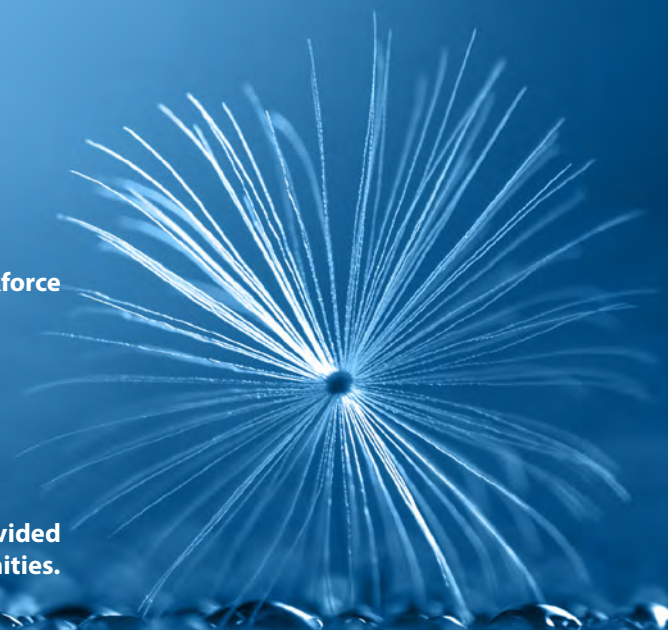
3,075 total workforce in Jordan



over 38.6% females participation in workforce



10% increase in training opportunities provided to our employees, reaching over 12,500 opportunities.



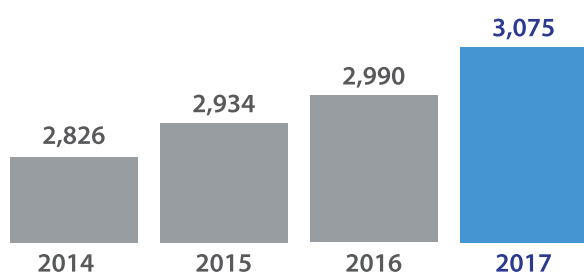
Diversity and Equal Opportunities

At Arab Bank, we believe that maintaining a diverse and fair working culture is key to provide us with diversity of thought and perspectives, which will produce better value to our stakeholders.

In close to nine decades, Arab Bank has 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 2017, the Bank's total workforce reached 3,075 in Jordan, representing 46% of Arab Bank PLC's total employees.

The Bank favors local talent, with 99% of the entire workforce in Jordan being Jordanian nationals. This reflects the Bank's strong commitment to invest in and develop national talent.

A total of **3,075 employees** contributing to delivering our promise to our customers, shareholders, and the community.



Workforce Distribution by Gender and Governorate			
Region	Female	Male	Total
Ajloun	1	4	5
Amman	1,097	1,782	2,879
Aqaba	12	7	19
Balqa'a	11	16	27
Jerash	1	4	5
Karak	6	4	10
Ma'an	5	5	10
Madaba	3	6	9
Mafraq	4	5	9
Tafleh	3	4	7
Zerqa	26	32	58
Irbid	18	19	37
Total	1,187	1,888	3,075

Equal Opportunities

The Bank strives to provide equal opportunities for growth and development to all employees regardless of age, gender or other factors. We value all our employees and hire and promote them based on their contribution and merit.

Total Workforce by Age Group				
	2014	2015	2016	2017
18-30	1,057	1,101	1,064	1,056
31-40	1,043	1,107	1,193	1,257
41-50	574	563	558	559
51-60	149	160	170	197
Above 60	3	3	5	6

Total Workforce by Employment Level				
	2014	2015	2016	2017
Number of Senior Level Employees	41	35	38	40
Number of Middle Management Employees	856	883	946	982
Number of Non-Management Employees	1,657	1,742	1,733	1,777
Number of Non-Clerical Employees	272	274	273	276

New Hires Indicators			
	2015	2016	2017
Total number of new hires	454	317	303

Number of New Hires by Gender			
	2015	2016	2017
Females new hires	167	120	118
Males new hires	287	197	185

Number of New Hires by Age Group			
	2015	2016	2017
18-30	363	238	246
31-40	73	65	41
41-50	14	13	7
51-60	4	1	9
Above 60	0	0	0

Supporting Females in the workforce

Arab Bank aims to foster a culture that is supportive of females in the workplace.

In 2017, females comprised 38.6% of our total workforce, 33% of our total middle management and 15% of our senior management levels. The ratio of the basic salary for men to women per employee category remained at 1:1 during 2017, in alignment with the Bank's commitment to gender equality.

Female Participation in Workforce				
	2014	2015	2016	2017
Females in the Workforce (%)	39.0%	38.0%	38.4%	38.6%
Females in Senior Management (%)	15.0%	17.0%	15.8%	15.0%
Females in Middle Management (%)	31.0%	31.0%	32.3%	33.0%

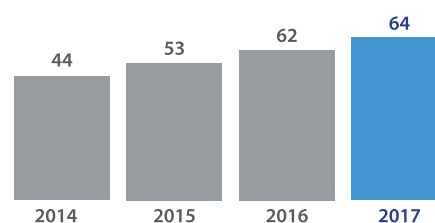
In 2017, 94 of the Bank female employees took maternity leave.

Indicator	2017 Figures
Number of Females on Maternity Leave	94
Female Employees who Returned to Work after Maternity Leave Ended	81
Females who Left Employment After Maternity Leave	0
Females who were Still on Maternity Leave	13

Employees with Physical Disabilities

At Arab Bank, we believe that qualified physically less abled employees can enrich the talent pool of our workplace. This accessibility strategy supports the employability and integration of those who are physically less abled. The recruitment of physically disabled employees requires evaluation of each individual's type of disability, skills and competencies to meet job requirements. 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. In 2017 New Um Othaina branch has been designed to be accessible for employees with physical disabilities

A total of 64 less abled employees



Competitive Benefits

The Bank provides competitive salary packages and benefits, with a standard entry wage significantly above the Jordanian minimum wage. This salary packages commensurate placed Arab Bank in the upper quartile of the market in the Jordanian banking industry for 2017. Salary packages are commensurate with know-how, experience and skills.

Our approach to compensation ensures salaries are determined independently of gender, as pay scales are based on market studies conducted by renowned consultancy companies on a regular basis. The Bank also discretionally grants its employees annual increases, cost of living and performance bonuses to reward performance, and adjust salaries with cost of living in each local market.

With 100% of employees working on a full-time basis, the Bank continually introduces additional benefits including, but not limited to, upgrading health insurance coverage, maternity coverage, life insurance, educational loans, and loans for employees with preferential interest rates. Additionally, the Bank provides mothers among our employees with the privilege of registering their children under the age of four in certain nurseries to take care of their children, while being at work.

Supporting Our Employees' Children University Education

The Bank also continues to provide scholarships to educate employees' children at Jordanian universities, where the total amount of support reached JOD 122,584 in 2017, enabling 108 employees to benefit from the program, resulting in the enrolment of 127 students into universities during the year.

Health, Safety and Well-Being

Arab Bank is committed to providing a work environment that is safe, secure and productive, and 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.

While the risk of major health and safety incidents is relatively low in the service industry, Arab Bank is committed to continuously minimizing this risk to ensure zero workplace-related injuries and fatalities. Arab Bank has a dedicated Occupational Health and Safety Committee, comprises 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 and investigation reports and action plans are documented.

To ensure that all new employees are aware of vital health and safety aspects, we include specialized health and safety courses as part of the induction training for new employees, in which their job requires this knowledge, in addition to other courses to cover issues related to Distress Events Response and Handling, Fire Fighting, First Aid, CPR (Cardiopulmonary Resuscitation) and Evacuation that are presented periodically to our employees.

Seven evacuation fire drills were conducted at the head office and other main branches in Jordan along with other branches that fall under the Arab Bank Group. These drills are part of the Bank's yearly training plan for the evacuation team, who are trained regularly to keep up-to-date with the best possible evacuation and emergency management procedures.

Putting Our Employees Health First

Our employees' well-being and health continued to be a key focus for us. During 2017, we launched a new Healthy Office Habits Campaign for our employees, which were developed internally by the Sustainability Department. This campaign includes several tips that will help our employees in adopting a healthy office lifestyle during working hours. These tips include postures, stretching exercises, and general advices for healthy eating habits. The main objective for this camping was to increase internal awareness of wellbeing through using our internal communication portal "Arabina".

Early Detection Tests for Breast Cancer

In collaboration with the Jordan Breast Cancer Program, and in recognition of the Breast Cancer Awareness month, the Bank held two early detection breast cancer examinations, where a specialist nurse tested 79 female employees. This initiative aimed to promote the importance of early detection tests and adopting a healthy lifestyle among our female employees.

Employee Engagement and Transparent Communications

Arab Bank believes that proactive engagement with all employees contributes to enhanced productivity, creativity and satisfaction.

Arab Bank's internal regulations abide by Jordanian labor laws. The Bank operates under a set of Internal policies that ensure a respectful work environment that does not tolerate any form of discrimination, bullying or harassment.

We engage our employees through different channels including our Annual Performance Reviews, Our Internal Newsletter, and the Bank's Intranet platform "Arabina".

Arabina

This internal communication portal (intranet) includes the Bank's information, news, circulars, divisions, phone directory, special offers for employees and the Bank's policy center. The Arabina home page features special banners that present a unique employee engaging tool used in campaigns and internal communications, which increases the visibility of such campaigns.



In the Circle

Since 2010, Arab Bank has been publishing an electronic internal newsletter to keep employees updated with the Bank's latest news and programs. In order to raise employees' awareness in the sustainability field, the newsletter includes a special section called "sustainability focus" that sheds light on the latest CSR initiatives and sustainability related articles.



Annual Performance Review

100% of Arab Bank employees have a career development plan, and receive annual performance reviews with their supervisor or line manager to identify personal achievements and areas for improvement. This facilitates openness and dialogue between employees and their supervisors, and enables the Bank to provide appropriate and targeted training opportunities.

Employees' feedback, including complaints, is gathered through exit interviews, along with the Employee Relations Committee that is dedicated to processing internal grievances. During 2017, there were no incidents or complaints escalated to the Employee Relations Committee related to discrimination or human rights.

A company's turnover rate is often considered to be a proxy measure of employee satisfaction and retention. In 2017, we have modified the calculation method for turnover rates to align with the sustainability reporting standards and using 2017 as a base year. Our turnover rate in 2017 reached 7.2%. Turnover rates are presented by employee level, gender, and age group.

Workforce Turnover ⁽¹⁾	
2017	
Total Workforce Turnover by Employee Level (%)	
Senior Level Employees	2.5
Middle Management Employees	5.4
Non-Management Employees	9.2
Non-Clerical Employees	1.5
Total Workforce Turnover by Gender (%)	
Turnover for Female Employees	6.9
Turnover in Male Employees	7.4
Total Workforce Turnover by Age Group (%)	
18-30	11.4
31-40	3.9
41-50	3.9
51-60	14.2
Above 60	16.7

(1) Turnover breakdown numbers calculation method has been modified to align with international standards. For further details, please refer back to Appendix C.

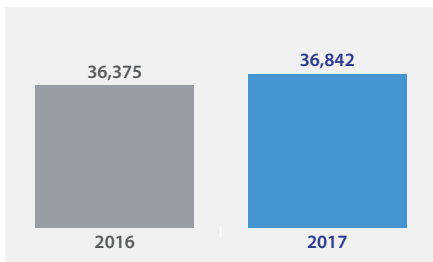
Employee Training and Development

We operate in a skill-centered and fast moving industry where our strongest competitive advantage lies in the knowledge and skills of our employees. Thus, investing in the learning and development of employees is our foremost sustainability objective.

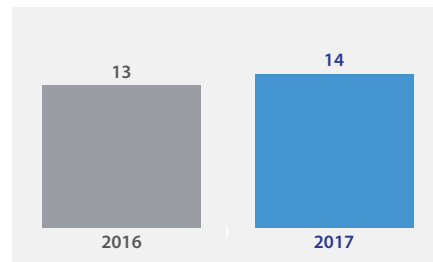
Training courses are designed and developed internally or in collaboration with training vendors based on assessment of employees' training and development needs. The aim of our training programs is to provide employees with skills and capacity building opportunities that meet the needs and expectations 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.

Aiming to enhance operations and achieve service excellence, Arab Bank launched numerous training programs and initiatives in 2017. A total of 36,842 training hours have been provided through 12,527 training opportunities offered to our employees, with an increase of average hours of training per employee compared to previous year.

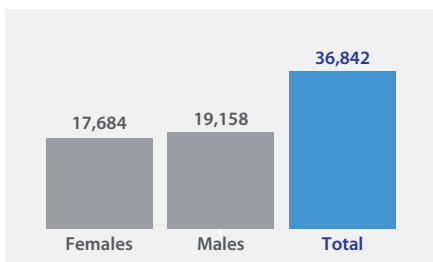
TOTAL TRAINING HOURS PROVIDED



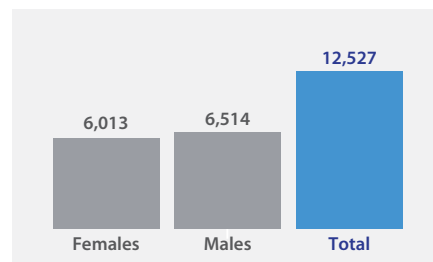
8% INCREASE IN AVERAGE HOURS OF TRAINING PER EMPLOYEE COMPARED TO PREVIOUS YEAR



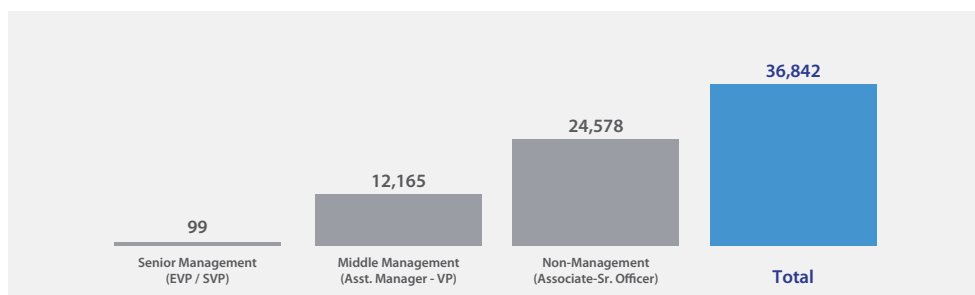
TRAINING HOURS PROVIDED BY GENDER



NUMBER OF TRAINING OPPORTUNITIES PROVIDED BY GENDER



TRAINING HOURS PROVIDED BY EMPLOYMENT LEVEL



Induction Training

Our Induction Training ensures that, right from the start, all new employees are actively engaged and have the support they need to succeed. In addition, the training is provided to new employees to ensure that they are fully aware of the Bank's history, internal organizational structure, management approach, HR policies and regulations, health and safety issues, products and services, communication tools, commitments to stakeholders, as well as social and environmental responsibilities.

In mid 2017, the Bank has launched the electronic induction training program. With the introduction of the e-Induction, new joiners are able to take the induction training immediately online and with no waiting time for the availability of the classroom. In addition, the training time has been reduced while maintaining the same benefits and knowledge transfer.

Number of Employees Attending Induction Training

116	131	13%
2016	2017	Increase

In 2017, the Bank launched several programs to build life-long skills for our employees, and helping them to advance through their career Journey.

Building Our Employees Training Capacity

As part of its commitment towards employee development and growth, the Bank has launched the Internal Trainer's campaign in January 2017. Under this program, a number of eligible employees were selected from a pool of applicants to undergo an intensive training to develop their training skills and become certified Arab Bank trainers. Those employees will then be added to the internal trainers' database, in which all future training needs will be met internally.

A total 24 applicants were found eligible, and 12 of them attended Train the Trainer (TOT) program in 2017, and the remaining 12 applicants are planned to go through TOT program during 2018.

Leadership Matters: Arab Bank Leadership Program

For Arab Bank, our excellence revolves around how we lead in everyday moment and our managers play a big role in spreading this culture. Thus, in 2017, the Bank conducted three training workshops as part of the Middle Management Development Program. A total of 36 high potential middle managers attended the program which aimed to spread the leadership spirit among them.

Empowering Our Employees in Branches to Deliver Outstanding Customer Experience

The Bank believes that having empowered, motivated and professional employees who can meet our customers' financial and non-financial needs is key to achieving service excellence. Our approach to achieve this is through having knowledgeable and experienced employees, who understand our customers' needs and expectations.

To ensure that we increase the level of knowledge and experience of our branch staff, Arab Bank continuously conducts training courses in order to pave the way for employee career growth and excellent service delivery to our customers.

Customer Service: COSO Certification Program

The Corporate Service Officer (COSO) Certification Program has been conducted to a group of 20 Corporate Service Officers in the year 2017. The main objective of the program was to equip COSOs with the skills and knowledge needed to enhance their performance of daily tasks, which will in turn help contribute effectively to the overall Corporate Banking team. This comprehensive program covered both behavioral and core technical topics and was delivered by Arab Bank internal trainers, covering 64% of all COSOs in Jordan.

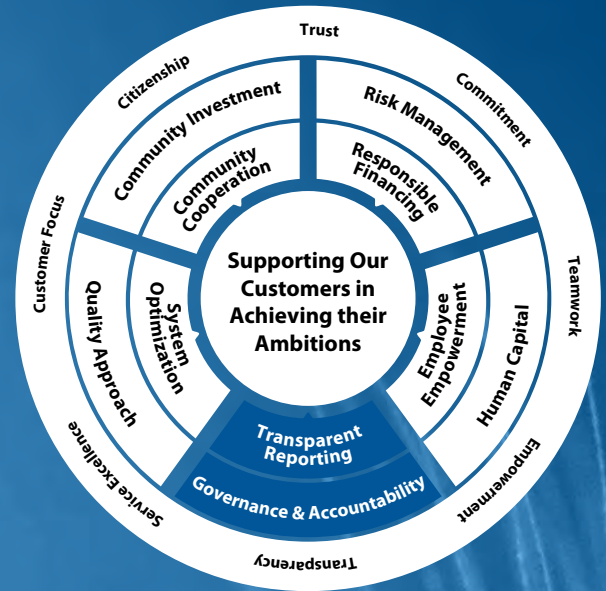
Branch Operations Officers Program

The program aims to enhance the technical knowledge of the Branch Operations Officers (BOO) for all tasks related to the branch operations, thus eliminate the possibility of errors and ensure best service quality to our customers. During 2017, 82% of all BOOs were covered in this training.

Transparent Reporting

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

Building on this solid foundation 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

- Legal and Regulatory Compliance
- Governance and Accountability
- Transparent Disclosure of Performance
- Anti-corruption Processes
- Responsible and Ethical Behavior
- Risk Behavior and Culture

2017 HIGHLIGHTS



Developed **New Version of Code of Conduct E-learning** to enhance staff ability to make ethical decisions in their daily actions

Governance and Accountability

Arab Bank attaches considerable importance to sound corporate governance practices and the Board is committed to implementing the highest professional standards in all of the Bank's activities.

The Corporate Governance Code, which is 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. The Bank also considers the requirements of the relevant regulatory authorities in Jordan and in the other countries in which it operates. The Bank discloses its compliance with the Corporate Governance Code in its Annual Report thus assuring transparency in its operations.

In 2017, the Board of Directors approved the IT Governance Code as per the regulations of the Central Bank of Jordan. The code is published on the Bank's website and discloses its compliance with the Code in its Annual Report.

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 ensures that interests of shareholders, depositors, creditors, employees and other stakeholders are met, certifies that 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 six meetings in 2017, is comprised of twelve members, six of whom are independent. All members are non-executive and include one female board member. 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 sector, competencies and relevant experience. Further details and information about each member are outlined in our 2017 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, and individual board members can be nominated for additional terms. All members receive annual remuneration for their services with the amount agreed upon collectively by the board to a maximum of JOD 5,000 annually, as stipulated in the Companies Law (No. 22, 1997). In addition, each board member receives JOD 60,000 as annual transportation allowance. This sum is not linked to the Bank's performance or revenue.

As a pioneer in best practices of Corporate Governance in the Middle East, Arab Bank established the Audit Committee in early 1996, which was followed by the establishment of the Corporate Governance Committee in 2002. The Nomination and Remuneration Committee was established in 2006, while the Risk Management Committee and The Corporate Strategy Committee were formed in 2007. The IT Governance Committee was formed in 2017. All details related to the committees' tasks and members are outlined in our 2017 Annual Report which is published on our corporate website "www.arabbank.com".

Arab Bank Sustainability Strategic Approach

In 2017, the Board of Directors approved the Bank's Sustainability Strategic Approach. The Strategy provides the key objectives that Arab Bank will focus on as part of its sustainability management program. This will allow us to generate wider social, economic and environmental value. To view our Sustainability Strategic Approach please visit Arab Bank Website at: www.arabbank.com

Auditing Operations

The Group Internal Audit (GIA), through its mission statement, provides the Board Audit Committee with independent assurance that the Bank's 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.

Mainstreaming Best International Standards

As part of GIA continuous efforts to sustain alignment with the International Standards for the Professional Practice of Internal Auditing (IIA) and the GIA principles & methodology, GIA has organized a 3-days workshop that brought together Arab Bank Group Entities Internal Audit Managers.

The workshop provided a forum to present and discuss topics and practical cases of Internal Auditing being a key Governance-Risk-Control (GRC) enabler, in addition to sessions relating to soft and leadership skills.

Ethical and Responsive Business Practices

At Arab Bank, we realize that being ethical and accountable in our operations is key for our business excellence. Thus, we follow a prudent approach in our business conduct that strictly complies with local and international policies and regulations, and monitor our operations to ensure safe and sound systems while being proactive in managing risks.

To ensure the implementation of all these policies, Arab Bank has 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 the Bank's governance framework. These policies tackle several subjects focusing on anti-money laundering guidelines, and anti-corruption policy.

Anti-Corruption, Anti-Bribery and Anti-Money Laundering

Anti-Corruption and Anti-Bribery Policy

The policy aims to enforce controls to combat bribery and defines restricted activities through clarifying Arab Bank's 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 the Bank's whistle-blowing policy.

The policy is also communicated to our 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)

The Bank's 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 Arab Bank customers and maintaining a clear understanding of Arab Bank customers' practices, screening customers' names against blacklists, and reporting activities identified as unusual and/or suspicious.

A Strong Ethical Foundation – Arab Bank Code of Conduct

The Code of Conduct (CoC) is a crucial high-level policy that sets the foundation of the Bank's strong commitment to conduct business with the highest ethical standards and uncompromised integrity across all operations and jurisdictions. The Code of Conduct serves as the guidelines according to which all parties 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). At Arab Bank, all employees are required to acknowledge on annual basis they will abide with the CoC.

New Version of the Code of Conduct E-learning

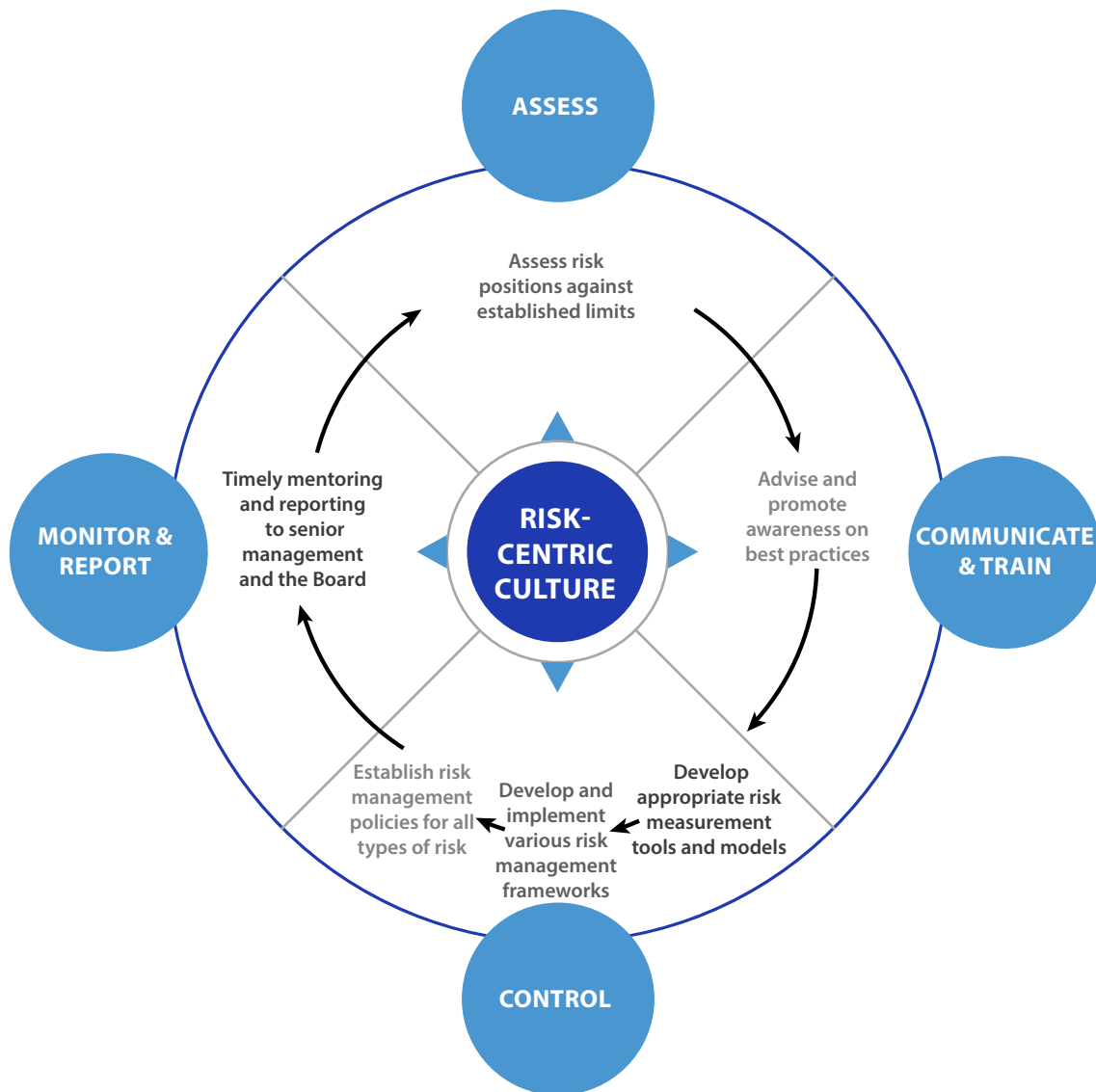
In line with international best practice to deliver refresher Code of Conduct training as a key enforcement tool of corporate values, GRC developed and delivered across the PLC in December 2017 an enhanced version of the Code of Conduct e-learning course. The enhanced version focuses on enhancing staff ability to make ethical decisions in their daily actions, offers guidance and examples, as well as provides an overview of the Bank's approach towards managing Conduct Risk. The course is planned for rollout across AB Subsidiaries in 2018.

Ethics Committee

The establishment of the Ethics Committee in 2013 is consistent with Arab Bank's ongoing commitment to conduct its business in accordance with the highest ethical standards across the jurisdictions in which it operates. The purpose of the Committee is to interpret and enforce the Bank's Code of Conduct, and to investigate potential legal and regulatory violations, in addition to whistleblowing incidents across the PLC network. This executive committee is chaired by the Head of Group Regulatory Compliance, includes the Heads of HR Division and the Legal Affairs Division, and reports directly to the Bank's CEO.

Proactive Risk Management Operations

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



Arab Bank has a constant focus on implementing proactive risk management procedures to mitigate and minimize the Bank's various risks, including:

Department	Description
Market and Liquidity Risk Management Department	The Market and Liquidity Risk Management Department is responsible for setting a comprehensive market and liquidity risk policy framework. The policy framework ensures independent measurement, monitoring and control of the Bank's market and liquidity risk. The Department is also responsible for setting and monitoring risk limits, the calculation of Value-at-Risk, stress testing and other quantitative risk assessments (such as those related to Basel II and III) which are performed in coordination with Treasury and Finance, including Internal Capital Adequacy Process (ICAAPs) and Recovery Plans. Group Risk Management and Treasury use a global system to manage market and liquidity risk centrally and locally. The new system which was implemented in all Arab Bank plc branches in 2017 encompasses functionalities that enable the measurement of interest rate risk, FX risk and liquidity risk in a timely manner.
Business Risk Review	The Business Risk Review Department conducts comprehensive individual, portfolio and business risk reviews to ensure that the Bank's various portfolios are aligned with their economic perspective and business strategy, and recommends corrective action(s) where necessary. This includes assessment of the quality of the loan portfolio, lending policies and the capabilities of the credit staff.
Credit Risk Management (Corporate & Retail)	The Credit Risk Management Department issues centralized reporting on credit risk, reviews the Bank's credit policy across the Group, and are directly involved in the enhancement of the Bank's internal risk rating systems and their back testing and validation. In addition, it coordinates the preparation of the Internal Capital Adequacy Assessment Process and carries out stress testing on group/country level as necessary, and together with the Financial Division assesses the impact and requirements of any new local or host regulations. Moreover, the Credit Risk Management is a key partner in managing the methodology and the process of implementing the IFRS 9 Expected Credit Loss Provision calculation and in rolling out its automated solution/system.
Information Security	From an ISO/ISMS perspective, Arab Bank is working 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. The Information Security Department efforts are directed at enhancing awareness and at integrating the risk culture with Bank customers and staff to support global business growth and digitalization.
Business Continuity Management	The Business Continuity Management Department (BCMD) is responsible for ensuring proper planning to manage the continuation of critical business operations during and after disruptive events and/or crises in all countries where the Bank operates. A key achievement in 2016 was obtaining a BCM ISO 22301 certificate, its maintenance and auditing on yearly basis by BSI and its renewal every 3 years by BSI and UKAS and the enhancement of the bank's Business Continuity Plan specifically in the area of Cyber Risk. This is supported by continuous development of Business Continuity awareness and culture throughout the Bank through workshops, issuance of a BCM Emergency Information Card, and publishing of awareness material on the AB internal portal (Arabina). A new system is being rolled out to deliver and store the Bank's entire Business Continuity plan based on the ISO Methodology.
Operations Risk	Operational Risk Management Department (ORMD) works as business enabler focusing on risks arising from products, services, operations or systems. ORMD provides, on a regular basis, guidance, awareness and training to employees to enhance prudent risk-taking behavior across the Bank. The Bank's Operational Risk Management System was enhanced in 2017, including key Risk Indicators, monitoring, and reporting framework.

Compliance

The Bank adopts a robust system for the identification and management of regulatory compliance requirements in all jurisdictions in which the Bank operates. Our enterprise compliance program enhances Arab Bank's "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, that ensure continued compliance across the Bank's global network.

Our approach balances our business practices, revenue growth, customer experience and risk management, so that the risk taken is the risk intended.

Reinforcing Compliance Culture

At Arab Bank, we believe compliance is everyone's responsibility. To that end, the Bank continues building its employees' understanding and awareness of governance aspects and internal policies as key to full compliance and adherence. To enhance employees' compliance understanding, we issue regular internal newsletters on ethical and compliance issues and provide specialized training courses including for new hires.

Internal Newsletters

"Ethics Aware" Newsletter

Provides general guidelines on how to integrate ethical practices in business operations, along with general expectations for employee conduct.

"Compliance Aware" Newsletter

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.

Specialized Training Courses

Code of Conduct E-Learning	KYC, AML, and CTF E-Learning	Advanced KYC, AML and CTF E-Learning	Anti-Corruption & Anti-Bribery E-Learning	Treating Customers Fairly E-Learning
Aims to enhance employees' understanding of the importance of ethical behavior, and provides them with guidance to recognize and prevent questionable conduct.	Aims to enhance staff's understanding of the issues of anti-money laundering and combating terrorist financing.	Addresses vulnerabilities of various products and services that can be misused by criminals, and the controls developed to mitigate the risks.	Clarifies expected staff behavior by highlighting Arab Bank's zero tolerance towards bribery and corrupt practices that destroy trust in the institution and result in a tarnished reputation.	Aims to raise staff awareness of the key pillars of the Bank's Treating Customers Fairly policy in relation to communications, products and services, and managing customer complaints.
2,423 employees took the course in 2017	156 employees* took the course in 2017 <i>* Offered for newly hired employees</i>	45 employees took the course in 2017	160 employees took the course in 2017	161 employees took the course in 2017

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 that it may be unclear whether a violation has occurred, employees are encouraged to send their inquiries to Group Regulatory Compliance at Head Office.

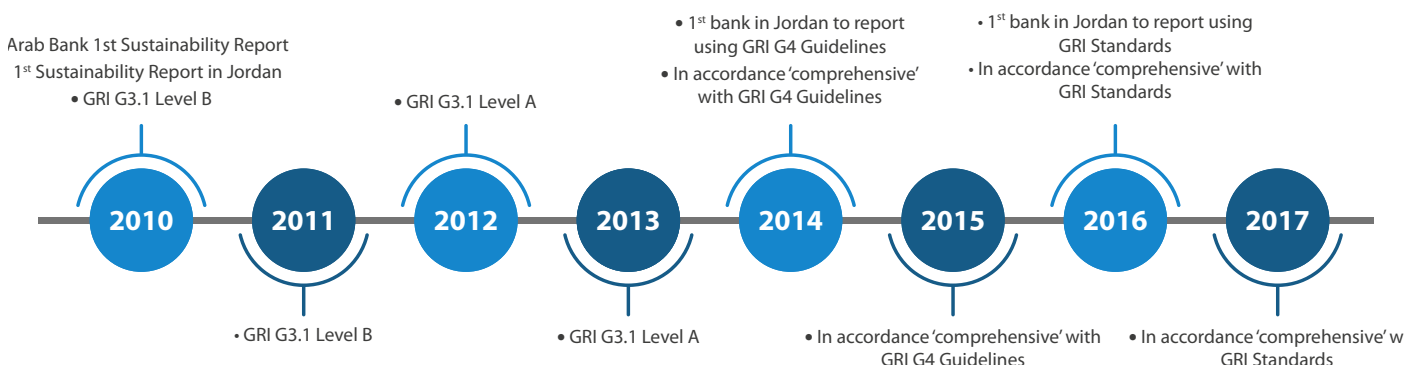
Increasing Transparency

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

Sustainability Reporting

The Bank has 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, achievements and updates made on the social, environmental and economic aspects that are outlined in our sustainability strategy.

In 2017, we have expanded our sustainability reporting scope to provide how Arab Bank's sustainability strategic approach aligns with the United Nations' Sustainability Development Goals. By doing so, we are aiming to demonstrate our commitment to international trends in sustainability at the local level.



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 the financial statement of the Bank.

Our 2017 Annual Report
www.arabbank.com



System Optimization

As part of our constant commitment to adopting a quality approach, we continue to focus on refining our management systems across the business to include sustainability considerations. This enables us to identify synergies and opportunities for 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

- Process Digitization
- Material Consumption
- Energy Usage
- Water Usage
- GHG Emissions
- Managing impacts of our supply chain

2017 HIGHLIGHTS



USD One Million savings from implementing internal paperless initiatives



4% reduction in total GHG emissions per employee



4% reduction in total electricity consumption per employee

Internal Management of Environmental Resources

Arab Bank’s 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.

Our direct environmental impacts are limited to paper, energy, water consumption, and the greenhouse gases (GHG) emissions they produce. We currently have no premises located or planned in areas of high biodiversity value. Still, we take these responsibilities seriously, given the scarce nature of water and the national energy bill in Jordan.

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, Arab Bank is committed to introduce and improve services that aim to reduce or eliminate paper consumption 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 moving to paperless environment, and introducing green products and services that aim to reduce and eliminate paper consumption for our customers through digitalization.



Paperless Operations Environment

In 2017, we continued our efforts to move to a paperless operations environment. The Bank believes in the importance of adopting paperless operations because it improves the workflow security of documents and reduces consumption of energy while increasing office efficiency. This year, we have realized the impacts of the several paperless initiatives that we have implemented in previous years; a total of USD one million of actual savings have been achieved through those initiatives.

Going Paperless with Our Customers

We realize that part of our paper consumption is resulted from the products and services we offer to our customers. Thus, we work on supporting our customers in reducing their environmental footprint by offering them paperless banking services through Digitalization.

Moving to “digital banking” means the use of digital technologies that make our customers’ experience seamless and also reduce the customers’ environmental impact through eliminating or reducing paper consumption. Arab Bank’s Operations Division initiated several initiatives to reduce paper consumption of the products and services offered to our customers, including eStatements (for further details see page 25), E-Advice, Mail Reengineering, Finger Vein, and Interactive Teller Machines (ITMs).

Interactive Teller Machines (ITMs)

ITMs enable the Bank to offer its customers the benefits of both self-service video banking and the branch experience in one solution through a combination of video banking collaboration and remote transaction processing banking technology embedded within the ITMs. Thus, we give our customer the choice of self-service or connecting with a remote teller in a highly personalized, two-way audio/video interaction and with zero paper consumption for all kinds of transactions.

By migrating routine transactions away from the teller counter, ITMs provide the combined benefits of lower processing costs, faster transactions and reduced paper consumption.

Energy Consumption

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 travel.

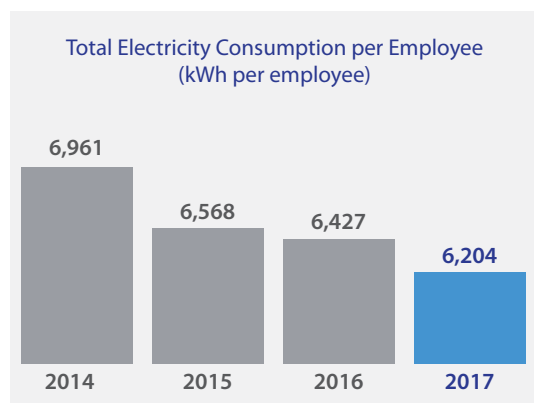
Indirect Energy

In 2017, our electricity consumption improved, reaching 19,077 mWh, a decrease of 1.4% compared to 2016. Thus, the Bank's energy intensity performance (electricity consumption per employee) continued to drop, reaching 6,204 kWh/employee, a 4.1% reduction from 2016 levels. Additionally, our energy efficiency improvements were reflected in the reduction in electricity consumption per square meter; a reduction of 1.2%, compared to 2016.

Electricity Consumption				
	2014	2015	2016	2017
Total Consumption (kWh)	19,671,084	19,270,129	19,350,383	19,077,475
Total Consumption in Gigajoules (GJ)	70,816	69,372	69,661	68,679
Area Occupied (m ²)	100,254	121,751	132,664	132,401

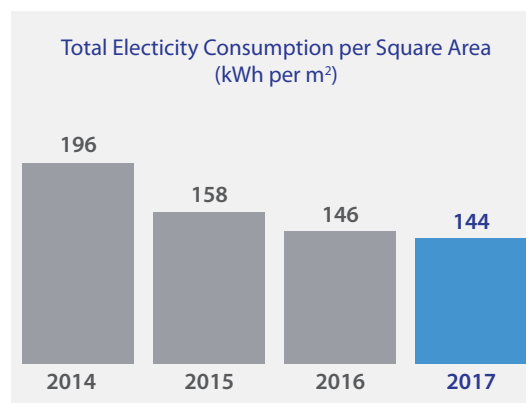
4.1% reduction

in total electricity consumption per Employee in 2017, compared to previous year



1.2% reduction

in total electricity consumption per square area in 2017, compared to previous year



Reducing Our Electricity Consumption

In 2017, the Bank's Real Estate and Construction Management (RCM) continued its efforts to reduce the Bank's electricity consumption. While continuing to replace all lighting in all of its buildings to LED units and installing the Variable Refrigerant Volume (VRV) system instead of the traditional system in its Head Office, the RCM implemented the following initiatives:

- Installing Planned Preventive Maintenance (PPM) system for all branches in Jordan. This contributed to reducing energy consumption and harmful and toxic emissions.
- Changing the AC system in old buildings at Head Office. The new system is considered an environmentally-friendly system and has led to a marked deduction in electricity consumption.

Direct Energy

Our total direct energy consumption comes from heating fuel consumption and fuel to mobilize our fleet.

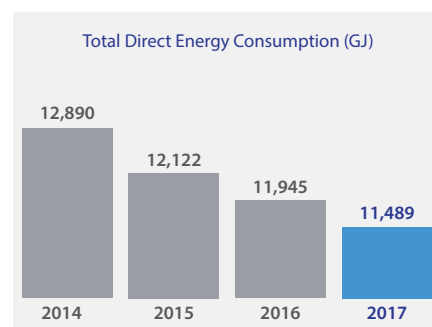
In 2017, our fleet energy consumption witnessed a 2% increase in fuel consumption, compared to 2016. This increase in consumption is due to adding three armored cars to our fleet, which are required to meet the Bank's security standards for money transfer. These cars consume larger amounts of fuel as they have a large motor capacity (5,300cc - 5,800cc). However, total liters of diesel consumed per vehicle have dropped by 6% due to using more efficient engine cars. In addition, the Bank continued its efforts to replace the traditional fleet with more efficient hybrid cars; by end of 2017, seven of our 52 fleet are hybrid cars.

Vehicle Fleet Fuel Consumption				
	2014	2015	2016	2017
Fleet Diesel Consumption (Liters)	79,471	65,757	70,791	76,227
Fleet Gasoline Consumption (Liters)	113,102	112,373	118,682	117,323
Diesel for Heating and Standby Electricity Generators (Liters)	187,725	178,980	161,689	143,931
Fleet Diesel Consumption (GJ)	2,623	2,170	2,336	2,516
Fleet Gasoline Consumption (GJ)	4,072	4,046	4,273	4,224
Heating Diesel and Standby Electricity Generators (GJ)	6,195	5,906	5,336	4,750

The Bank has achieved a remarkable decrease in heating fuel consumption in 2017 by 11%, which were achieved through the installation of a Variable Refrigerant Volume (VRV) system to better control heating and cooling demands and consumption.

3.8% reduction

in total direct energy consumption, compared to previous year



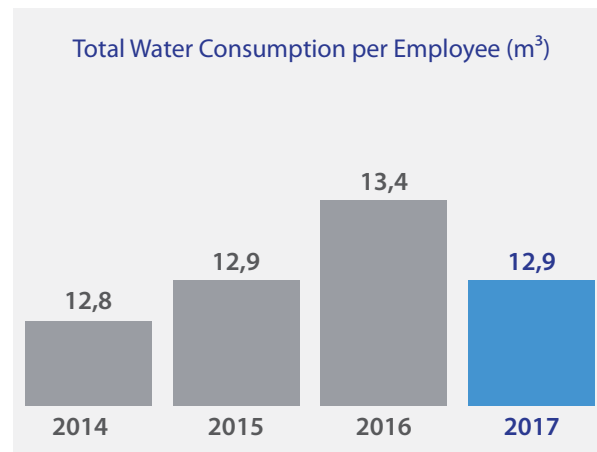
Water Consumption

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 and were able to reduce our water consumption per employee by 4%, compared to 2016 levels.

Water Consumption				
	2014	2015	2016	2017
Total Utility Water Consumption (m ³)	36,289	37,875	40,128	39,742

4% reduction

in water consumption per employee consumption, compared to previous year



GHG Emissions

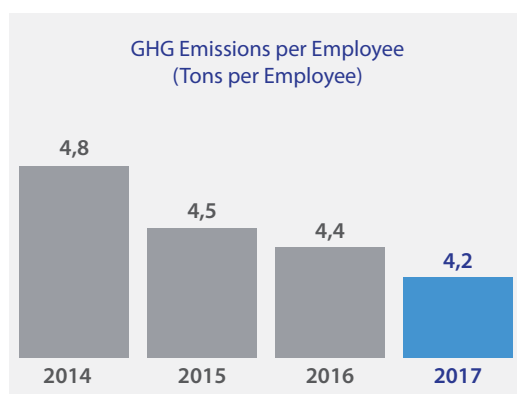
Greenhouse Gas (GHG) emissions are created directly as a result of the Bank's fleet of vehicles consuming diesel and gasoline, as well as burning diesel fuel to heat buildings. The Bank also accounts for indirect GHG emissions produced as a result of consuming electricity from the Jordanian national grid.

In 2017, we continued our progress in reducing our GHG emissions, driven by our efforts to reduce our energy consumption. Our total GHG emissions decreased by 2% compared to 2016. In addition, our GHG emissions intensity ration (emissions per employee) has dropped by 4% to reach 4.2 tons of CO₂e, compared to 4.4 tons of CO₂e in 2016.

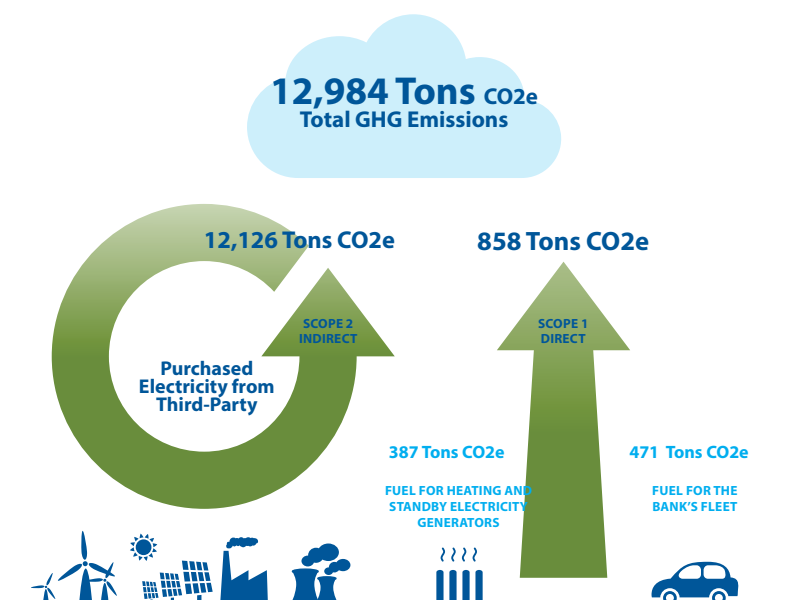
Direct GHG Emissions (Tons)				
	2014	2015	2016	2017
Direct Emissions: Vehicles	469.6	431.2	459.1	470.5
Direct Emissions: Heating and Generators	505.1	481.6	435.1	387.29
Indirect Emissions: Electricity	12,503.3	12,248.4	12,299.4	12,125.9
Total GHG Emissions	13,478.0	13,161.2	13,193.5	12,983.7

4% reduction

in tons of GHG emissions per Employee in 2017, compared to previous year



ARAB BANK 2016 GHG EMISSIONS SOURCES AND PERFORMANCE



Sustainable Procurement

Arab Bank 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 Our Suppliers

The engagement and scrutiny of a substantial number of suppliers requires considerable resources, however, Arab Bank have introduced checkpoints through its procurement processes so as to ensure a minimized impact on environment in addition to cost reductions. The Global Procurement Division often engages with suppliers to achieve these objectives and values through raising awareness to sustainable procurement and moreover through supporting them in their social and environmental contributions.

In 2017, the Bank introduced the Supplier Code of Conduct that outlines the requirements for suppliers to conduct their business in alignment with the Bank's ethical standards. This code of conduct includes clauses covering employment, health and safety, as well as environmental standards.

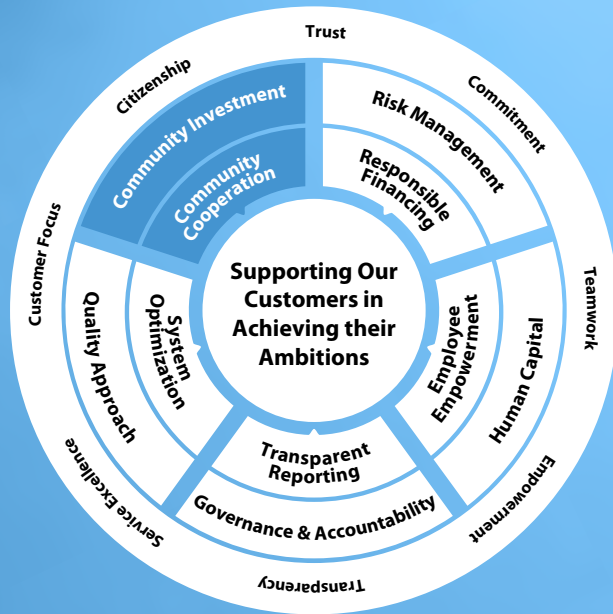
To ensure suppliers' compliance to social values, specifically those related to human rights, the Global Procurement Division set a specific article to all contracts' terms and conditions under "Applicable Law and Jurisdiction". These values and principles are part of a more general framework of fundamental principles of the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO).

Supporting Local Procurement

The Bank continued to support the Jordanian economy in 2017 by contracting with locally based suppliers. In 2017, our local suppliers represented 73% of our total spending on suppliers.

Indicator	2017 Performance
Percentage of Local Procurement Spending	73%
Total Number of Suppliers	323
Total Number of Local Suppliers	241

Community Cooperation



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

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

- The Bank's dedicated CSR program 'Together' that supports the community's fundamental causes
- Abdul Hameed Shoman Foundation

Material Topics

- Supporting Local Communities
- Engaging with Community Based Organization

2017 HIGHLIGHTS



We spent over

JOD 9.7 million on community investment initiatives, representing **3.2%** of Arab Bank PLC's net profit before tax



Our employees volunteered over **3,704** hours

through **59 community initiatives**

Impacting the lives of over **257,000 beneficiaries**

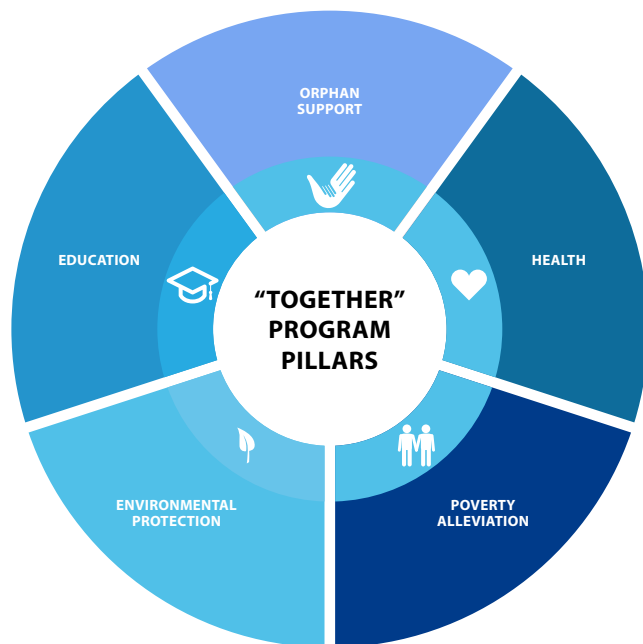
Our CSR Program “Together”

Our Corporate Social Responsibility (CSR) program, “Together”, focuses on enabling the Bank’s 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 the Bank’s strategic approach towards CSR, the “Together” program emphasizes the following areas in its CSR programs:

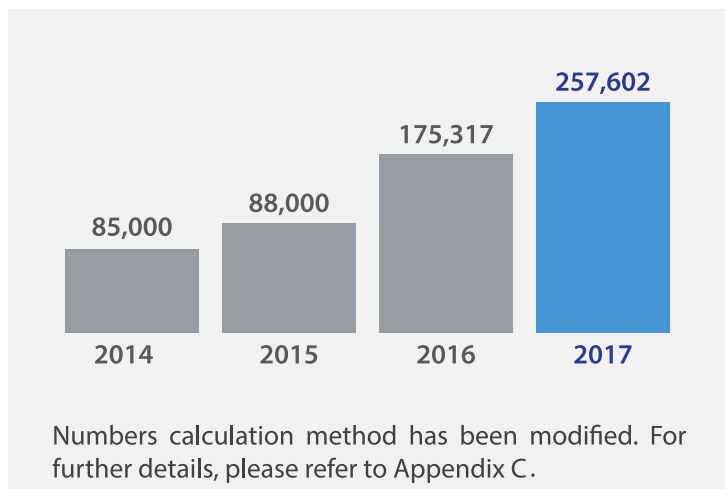
- Employees volunteering
- Collaborating with NGOs
- Utilizing banking channels for customer donations (see page 21)

Since the program’s inception, Together has positively impacted lives across the country. In 2017, the total number of beneficiaries from our local community activities reached over 257,600.



47% increase

in numbers of community members benefiting from our initiatives, compared to previous year



Employee Volunteering

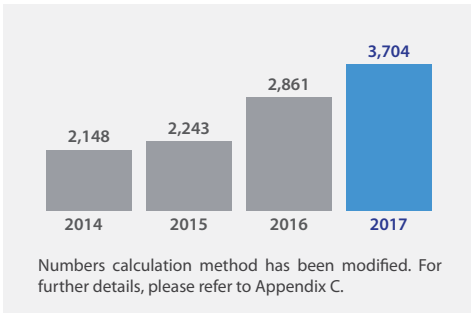
At Arab Bank, we work with partner NGO's to deliver impactful volunteering opportunities to our employees enabling them to give back to their communities.

Arab Bank encourages and supports its employees to donate their time, efforts and experience to implement initiatives and programs that are aligned with the five main community causes adopted by the Bank.

In 2017, our volunteers contributed more than 3,704 hours on community programs. From hands-on activities related to environmental conservation and shopping with orphans, to skills-based opportunities where our employees acted as mentors and teachers for students, Arab Bank employees volunteered more than 983 times in 2017.

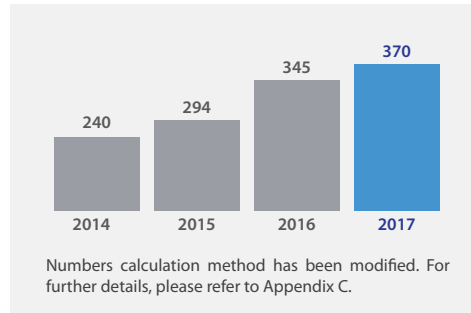
29% increase

in number of volunteering hours in 2017, compared to previous year.



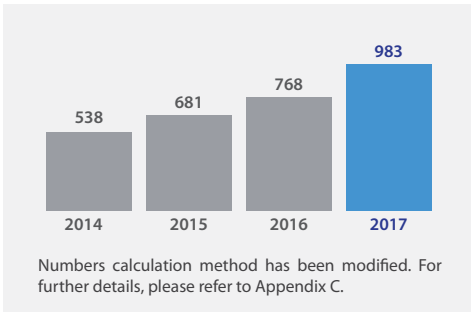
Over 370

employee volunteered with Together program in 2017.



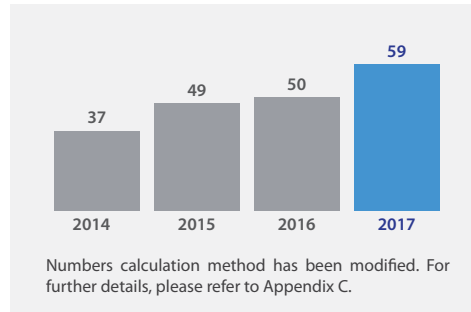
28% increase

in total number of volunteers participation, compared to previous year.



17% increase

in total number of volunteering activities, compared to previous year.



Together Initiatives

We work with leading NGO partners to deliver high-impact programs in the communities that we operate in.

The Bank works very closely with reputable NGOs who have established track records in each of the Bank's CSR focus areas. The engagement includes developing and implementing community initiatives and intervention programs through Arab Bank community investments and based on set deliverables and KPIs that are aligned with the Bank's sustainability strategy.

Health

During 2017, the Bank's health related initiatives included:



Our Programs with King Hussain Cancer Foundation		Blood Donation Campaign
1	2	
Back to School	Goal for Life Tournament	The Bank held four blood donation drives in collaboration with Jordan Blood Bank. Our employees donated 238 blood units for patients all over the Kingdom.
Engaging our employees in giving young patients a chance to continue their education while undergoing treatment at KHCC.	For the fourth year the Bank participated in the Goal for Life tournament organized by KHCF for the third year, which aims at promoting the importance of living an active and healthy lifestyle.	
Program Impact		Jordan Air Ambulance Center (JAAC)
45 cancer patients received special tutoring classes on weekly basis on several subjects.		
Our Employees Volunteering		
12 employees committed to give classes to cancer patient students for more than 12 weeks		The Bank supported the Jordan Air Ambulance Center (JAAC), to help raise the quality of transferring emergency medical cases and patients from remote areas of the country to Amman's hospitals.

As part of the Bank's interest in promoting sports among the young generation, the Bank continued to support the Jordan National Football and youth leagues through a four-year sponsorship of the Jordan Football Association, which was renewed in 2015. Moreover, the Bank was the Gold sponsor for the Amman International Marathon, covering participation costs of around 1,400 employees with their family and friends in the Amman International Marathon and the Dead Sea Ultra Marathons.

The Bank has also worked with the Royal Health Awareness Society to sponsor the Healthy School program covering eight schools. The program aims to create a healthy environment at schools, which positively impacts students' physical and social growing as well as their academic performance.

Poverty Alleviation

During 2017, the Bank continued its collaboration with reputable NGOs to conduct poverty alleviation activities in many poverty pockets around Jordan.



Our Programs with Tkiyet Um Ali		
1	2	3
Family Adoptions and Different TUA Programs	Winter Campaign (Lamset Dafa) with Tkiyet Um Ali	Charitable Iftars in Ramadan
Supporting underprivileged families living below the poverty line by providing them with monthly food packages for one year.	Supporting underprivileged families around the Kingdom by providing them with blankets to help them cope with the cold winter.	Supporting two Ramadan iftars for underprivileged families below the poverty line.
Program Impact	Program Impact	Program Impact
Serving over 5,355 beneficiaries with food packages.	1,400 blankets distributed to 677 families in different governorates.	3,600 individuals from underprivileged families.
Our Employees Volunteering	Our Employees Volunteering	Our Employees Volunteering
<ul style="list-style-type: none"> 123 employees and their families prepared 720 food packages. 19 employees participated in food distribution activities in Salt, Aqaba and Irbid. 22 employees participated in field visits. 	<ul style="list-style-type: none"> 22 employees participated in blanket distribution. 	<ul style="list-style-type: none"> 87 employees participated in food serving activities in the Ramadan iftars.

The Bank also held two charitable iftars at the Children Museum and Queen Rania Family and Children Center (QR FCC) for over 360 underprivileged children, giving them an unforgettable entertainment and educational experience with the participation of 58 of our employees.

Additionally, the Bank collaborated with Jordan River Foundation (JRF) through the Jordan River Child Safety Program (JRCSP), offering holistic services that aim to combat child abuse, strengthen the family unit, and promote a culture of child safety. Various activities were conducted through this program including: My Little Home program, The Art Therapy Room, Salhouf Tale, Youth Space, Fit for Life, The Self-Empowerment Capacity Building Training, Parenting Consultations Workshops and Building Verbal, and Motor Skills activities for children attending the Nursery.

Little Home Program with the Jordan River Foundation
Arab Bank volunteers participated in the three sessions under the Queen Rania Family and Children Center aiming at enhancing children's and parents' skills to learn safety concepts through experiential learning techniques.
Program Impact
75 underprivileged children.
Our Employees Volunteering
17 employees participated in the activities.

Environmental Protection

In 2017, the Bank supported the Royal Society for the Conservation of Nature (RSCN) to focus on increasing the awareness on environmental issues related to socio-economic development and supporting environmental tourism as a source of income for local communities.

An Exclusive Sponsor for the Third Socio-economic Conference

The Bank was the exclusive sponsor for the Third National Reserves Conference which focused on Wildlife Enforcement & Hunting Regulation. The conference contributed to raising the environmental awareness of local communities, highlighting their effort to implement development programs to conserve natural reserves in Jordan.

Creating a New Trail in Ajloun Natural Reserve

Arab Bank sponsored the creation of a new trail between Ajloun Reserve chalet area and the Royal Academy for Nature Conservation area with the aim of developing the reserve to make it a unique tourism destination.

Our Employees Volunteering.

45 employees volunteered for more than 360 hours.



Education

Arab Bank provides support to organizations that improve the quality of youths' lives and provide them with the education needed to prepare them to be integrated into society and become self-reliant and productive members of their communities.

Arab Bank supported several education-related initiatives during 2017.

Our Programs with INJAZ		
1	2	3
Job Shadow Program	INJAZ Courses	Vocational Training Centers
Provide the opportunity for public school students to spend a full day in different Arab Bank branches in Amman during regular workdays.	In 2017, the Bank's employees actively supported students through the delivery of technical and interpersonal programs at public schools and universities.	In alignment with the National Agenda, the Bank supported the delivery of technical and interpersonal courses to the students of 11 vocational training centers across the Kingdom.
Program Impact	Program Impact	Program Impact
Students spent a full day with our employees to get a closer look at what a real job is like to help them decide on their future career.	Through this program students acquired greater self-confidence, inspiration and motivation. In addition, the students gained the critical professional and social skills that will help them in the future.	The students gained the critical professional and social skills that will help them in the future.
Our Employees Volunteering	Our Employees Volunteering	Our Employees Volunteering
33 employees volunteered to deliver the working experience to the students.	11 employees volunteered to deliver extra curricula programs to schools and universities.	3 employees volunteered to deliver extra curricula programs to students at vocational training centers.

Arts for All Program with Haya Cultural Center
Offering underprivileged children access to extracurricular learning opportunities.
Program Impact
The program helped 1,200 children to build their self-esteem and nurture their creativity and imagination through a range of complex activities.
Our Employees Volunteering
30 employees participated.

"Back to School" with the Central Traffic Department
Arab Bank continued to support the Central Traffic Department to enhance road safety by sponsoring their awareness campaign "Madrasati Farhaty". This involved distributing 125,000 educational booklets with guidelines and advice presented in a student-friendly way to promote road safety and prevent car and road accidents in underprivileged areas and poverty pockets across different governorates around the Kingdom.
Internship program (DARB)
In collaboration with King Abdullah Fund for Development (KAFD) and LOYAC, the Bank hosted 10 students from different Jordanian universities in a 6-8 weeks long paid internship program at the Bank's branches in Zarqa, Salt, Mafraq, Irbid, Ajloun, Jerash, Karak, Tafilah and Aqaba.

The Bank has also supported initiatives as part of an effort to enhance the educational system in Jordan and provide students with practical training that prepares them for their future work life.



The Bank has also supported initiatives under Queen Rania Foundation as part of an effort to enhance the education system in Jordan.

Programs with Queen Rania Foundation		
1 Madrasati	2 Jordan Education Initiative	3 The Queen Rania Award for Excellence in Education (QRAE)
The Bank supported Madrasati initiative targeting three disadvantaged public schools, undertaking infrastructural improvements, as well as facilitating school-based programs to enhance learning environments.	Arab Bank supported the Jordan Education Initiative in applying their educational technology model in seven schools in order to add value to students, teachers and the education system.	Arab Bank supported QRAE mission in recognizing distinguished public school teachers, counsellors and principals and encourage excellence and innovation across classrooms while bolstering the status of the profession.
4 EDRAAK	5 The Children’s Museum Jordan	
Arab Bank sponsored three online courses. These courses enhanced learners’ knowledge and their employability skills in an attempt to bridge the gap between education and employment.	The Bank sponsored a number of Community Connections programs to provide informal education and opportunities for children aged 2-12 years to learn through play. The programs include: <ul style="list-style-type: none"> • Earth Month • Back-to-School • Arab Child Month • Persons with Disabilities Month 	

Orphans Support

Arab Bank engaged with different organizations and initiatives during 2017 to help support orphans and integrate them into the society.

Our Programs with Al-Aman Fund for the Future of Orphans	Our Programs with SOS Jordan	
Support Orphans Higher Education	1 Family House Adoption	2 Back to School
Supporting the education and capacity building of 35 orphan college students to become self-reliant and enhance their employability.	Sponsor one of the SOS houses to cover their running cost for a children's house at the SOS Children's Village in Jordan, this sponsorship will cover the living expenses and children education and training in self-reliance when they leave SOS as young adults.	Educate students who are currently living at the SOS villages in Amman, Irbid and Aqaba, the curricula provided by the Ministry of Education in five main subjects, which are: English, Arabic, Math, Physics and Computer Science.
	Program Impact	Program Impact
	9 orphans who live in the sponsored house benefitted from the Bank's contribution for an entire year.	13 orphan students.
		Our Employees Volunteering 4 employees participated in educating the orphan students for one academic year.

Our Programs with Charity Clothing Bank (CCB)	
1 Orphans' Day Program	2 Sorting and Folding Program
The Bank was the exclusive sponsor of the Orphans' Day program, which aims to support orphans and alleviate poverty through providing underprivileged orphans with new clothes and toys.	The Bank's employees participated in sorting, folding and packing activities for donated items to be displayed and distributed in the Charity Clothing Bank main showroom.
Impact	Impact
1,100 orphans benefited from the program.	1,012 clothing packages were prepared with an approximate weight of 15.7 tons of clothes.
Our Employees Volunteering	Our Employees Volunteering
213 of our employees accompanied orphans to the Clothing Bank's showroom and helped them choose new clothes and toys.	65 of our employees participated in the sorting, folding and packaging activities.

Abdul Hameed Shoman Foundation (AHSF)

Arab Bank established the Abdul Hameed Shoman Foundation in 1978, named after the Bank's founder, 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 scene through knowledge, research, and dialogue.

The Foundation's mission is to invest in cultural and social innovation and to have a positive impact on the communities it serves through **thought leadership, arts and literature, and social innovation**.

It reported numerous successes during 2017, including the launch of new initiatives and programs and enhancing the impact of existing ones by linking applied scientific research to innovation.



Abdul Hameed Shoman Foundation Innovation Award

The Foundation launched the Shoman Scientific Research and Innovation Community and announced the new Abdul Hameed Shoman Foundation Innovation Award during the 35th anniversary of Abdul Hameed Shoman Arab Researcher's Award. As part of the celebration, which was under the patronage of Her Royal Highness Princess Ghida Talal and with the participation of a distinguished group of Arab researchers, scientists, and specialists in the various fields of science, 11 winners were honored for the 2016 session in the following fields: medical and health sciences; engineering sciences; basic sciences; literature; human and social sciences; and technological, agricultural, economic, and administrative sciences. Since the launch of the Researcher's Award, 412 researchers from all over the Arab world have received it.

The Abdul Hameed Shoman Foundation Innovation Award was established to encourage innovation in both the sciences and social sciences, particularly to create a sustainable economic and social impact, by supporting Jordanian innovators in the following fields: green technology, environmental sustainability, food security, agricultural technology healthcare medical technology, labor market, economic productivity solutions, and education tools. The Award will be awarded for the first time in 2018 with a budget of up to JD 1 million.

Shoman Scientific Research and Innovation Community

The Shoman Scientific Research and Innovation Community was created as part of a consultative workshop at the Abdul Hameed Shoman Cultural Forum. The aim behind it is to provide a platform for communication and networking, and to maximize the capitalization of the Arab researchers and innovators who win the Shoman Award, in addition to the beneficiaries of the Scientific Research Support Fund, the scientific bodies, or the arbitrators and residents who participated in the Foundation's programs in various sectors from all around the Arab world. In addition, the innovation community encourages the integration of Jordanian researchers and scholars abroad so that they benefit from a global perspective of research and innovation. More than 140 Arab researchers, academics, journalists and other interested parties contributed to the goals and priorities of this society.

Abdul Hameed Shoman Scientific Research Fund

The Foundation continues its support for applied scientific research projects in Jordanian universities, institutions, and scientific centers through the "Abdul Hameed Shoman Scientific Research Fund", which is the first fund financed by the private sector. This year, the Foundation signed 6 support agreements with 6 researchers from 4 research institutions, with a total of 82,000 Jordanian dinars. Six research projects were closed after work was completed and 3 research papers were published in accredited scientific journals. Finally, a booklet was issued, on the Fund and its achievements in previous years, which is the first of its kind.

In order to enhance communication and dialogue with researchers and scientific institutions, the Foundation held a consultative workshop on applied scientific research and innovation and the role of the fund in guiding research and supporting researchers at the national level. The Foundation also held a dialogue session on practical research and innovation in the Arab world with the participation of nearly 150 Arab personalities.

Abdul Hameed Shoman Award for Children's Literature

As for the Abdul Hameed Shoman Award for Children's Literature, which aims to promote literature written for children, and help stimulate their creative spirit, the Award focused on unpublished literary works in its 11th session (2016) under the theme "Poetry". The authors of 4 literary works were honored in a tribute ceremony under the patronage of Mr. Sabih Al-Masri at Haya Cultural Center.

The Science and Education Program

The Science and Education Program was launched by the Foundation in 2014, with the aim of promoting a culture of scientific research among young children and adolescents, and positively influences the enrichment of the educational curriculum in Jordan by stimulating critical and analytical thinking. The program also aims at building the capacity of science teachers and students through initiatives done in partnership with the Ministry of Education and other parties. Examples of such initiatives include supporting the participation of Jordanian students in the Intel International Engineering and Science Fair and the Young Innovators Laboratory. The program began with the implementation of science teachers' camp, through which the re-launch of the Abdul Hameed Shoman Award for Science Teachers will take place.

During the year 2017, 18 students were invited to participate in the Intel International Fair and represent 12 different projects. Support was not limited to its physical form, but guidance was provided through several workshops to build the presentation and leadership capacities of the participating students.

The Jordanian teams achieved advanced positions in the exhibition. One of the teams were ranked 2nd worldwide in the field of chemistry, and one of the female students achieved 3rd place worldwide in the field of behavioral sciences. In addition, 13 awareness workshops were held to introduce Intel's International Fair and the importance of participating in these events in the various governorates of the Kingdom, attended by 903 teachers and students.

In collaboration with the Young Scientists Forum, the Foundation has also completed the second course of the Young Innovators Lab in the capital Amman, and its first course in Al-Karak for children interested in science and innovation between the ages of 10-13 years. The aim of this collaboration is to promote critical thinking and children's interest and love of science through scientific experiments and projects. The second course, which ran for 8 months, was attended by 27 students from the capital, and 15 students from Al-Karak governorate. They went through a number of stages, starting from critical thinking and experimentation to acquiring the skills of teamwork and learning about electric circuits and electronic bags, producing 6 ideas for scientific projects in Amman and 4 scientific projects in Al-Karak.

The Foundation organized the Science Teachers' Camp in its first stage, which focused on providing critical thinking skills and the necessary education to use the surrounding environment in the classroom to contribute to the development of students' thinking skills. The camp worked with 15 teachers from various governmental schools, who earned - in addition to the above - skills to help them design the tools of non-standard learning. At the end of the camp, a prize was announced for the design and implementation of non-standard educational tools for science teachers.

Knowledge Path Library for Children and Youth

The library dedicates its diverse activities to restore books as leading components in the upbringing of children and the creation of a generation of knowledge and creativity. The mission of the library is to promote reading in the lives of children as a necessity in every child's path to knowledge. This is achieved by providing a friendly and enjoyable environment that contributes to the development of a conscious and capable generation through literacy and creative activities.

The inauguration of the Knowledge Path Library for Children and Youth in 2013 marked the establishment of a free and vital space for children of all ages and backgrounds to meet, search, and discover through reading activities that stimulates creative thinking. During 2017, the library continued to provide services, hosting more than 40,000 male and female children who read more than 40,000 books on various topics. The library also received 224 school trips through several programs and activities that included daily storytelling, creative activities, summer and winter clubs, and monthly children's film screenings. The library has also provided capacity building courses and workshops for children, courses on parenting skills for parents, children's book signing ceremonies for Jordanian writers, film shows, and a musical evening for children and adolescents.



The Knowledge Path Library for Children and Youth team conducted several field visits to 54 schools in Al-Karak, Salt, Irbid, Madaba, Jerash, Ajloun and Aqaba where they provided literary and storytelling activities. The Library has also organized the Fourth Science Film Festival this year in cooperation with the Goethe-Jordan Institute, and presented training to the Children Museum staff, which was implemented by the Institute.

Abdul Hameed Shoman Cultural Forum

Cultural events continued in the forum throughout the year with the participation of a group of the most prominent Arab researchers and experts (22 Arab personalities and 72 local personalities), attended by more than 14,790 individuals.

This year, the Forum organized a program in cooperation with the Arab Forum for Environment and Development in Beirut, entitled "Environment Today". The program involved a monthly environmental public talk attended by the general public and many local and international environmental experts. These monthly public talks will continue until mid-2018. The Forum also organized another program on "Identity" with a monthly public talk attended by a selection of public and cultural figures.

The Forum also organized many events in cooperation with a variety of Arab and local institutions, covering various fields including history, Arabic literature and culture, as well as publishing a collection of books on various topics.



The Cinema

The Foundation's Cinema Program continued to offer screenings of carefully selected Arabic and international movies followed by discussions about the films, which comes as part of its weekly program every Tuesday. The program also presented a number of events, which are dedicated to Arab and Turkish cinema.

The Children's Cinema Program continued its monthly screenings aimed to enhance the critical thinking of children and youth and heighten their appreciation for arts.

Abdul Hameed Shoman Foundation Cultural Days

As part of our continuous efforts to interact with our communities throughout Jordan, and to provide an integrated cultural and artistic program targeting all groups and reflecting the Foundation's diverse programs in cooperation with cultural and national bodies, the Foundation launched the Abdul Hameed Shoman Foundation Cultural Days. Two activities were conducted in 2017.

Jabal Amman Cultural Week in Its 4th Edition

For the fourth year in a row, and to celebrate Jabal Amman as a cultural forum and hangout in the heart of the capital, the Foundation held Jabal Amman Cultural Week in cooperation with the residents of Jabal Amman's old neighborhood "JARA" under the patronage of the Amman Municipality, and in cooperation with 28 other cultural organizations. The week included several general cultural activities for different ages and tastes, including children's events, Jordanian films, musical and poetry evenings, seminars, and a book fair. It also included signing ceremonies of children's books, events, photo galleries, and art exhibitions at the various Jabal Amman galleries, as well as various workshops and creative children's activities throughout the week in JARA Street and our Knowledge Path Library for Children and Youth. This year, more than 29 publishing houses and 40 representatives of craftsmen participated. The number of attendees increased to about 20,000 people.

Abdul Hameed Shoman Foundation Cultural Days in Al-Karak

The "Abdul Hameed Shoman Foundation Cultural Days in Al-Karak" were held in partnership with the Municipality of Al-Karak, the Ministry of Culture, the Ministry of Tourism and Antiquities, Al-Karak Castle, Mu'tah University, Amman Azbakeya, Jordanian publishing houses, and Jara Association. It included an intensive cultural program that extended to four sessions, focusing on activities and events targeting different interests and ages. The program also hosted a number of events celebrating Al-Karak as a continuous source of creativity. It included cultural seminars, film shows for all ages, various musical evenings with a Jordanian orchestra, creative performers, folkloric shows, and a book fair, which included a signing ceremony and musical, artistic, and scientific activities for children and young people. In addition, the team provided creative activities for children in several public schools and the general public, as well as presentations on the Arab Researchers Award, the Scientific Research Fund, and the Grants and Support Program.



Abdul Hameed Shoman Public Library

Over the past years, the Public Library has made sure to be an ideal choice for patrons of all groups' needs and interests. Development of programs and services began in accordance with the Foundation Strategy 2017 – 2019.

To enhance and develop the role of the library as an information and community center, 12 workshops and training sessions were held for patrons on capacity building, critical thinking, the basics of scientific research, and the use of electronic databases. Nine books were also published and signed as part of "Readings in the Library" program, 24 books were discussed by different reading clubs in the library halls, and 2 introductory sessions were held on three-dimensional printing.

To gain more experience and benefit from libraries and information statistics, the Library Symposium was held for the second year in a row, entitled "The Library as an Engine for Change". Three experts from the United States, Denmark, and Singapore were hosted by 130 Jordanian and Arab officials from Palestine, Egypt, and the United Arab Emirates.

In order to involve the local community in the design of future programs according to their requirements, the needs of the community were examined to develop the role of the library as a community center, comparable with international models. The needs of individuals with disabilities were also examined by the institution, in general, and the library, in particular, to ensure that they have access to all programs and services.

Establishment of East Amman Library

As part of the expansion plans, the establishment of East Amman Library Project has started, which will serve the overpopulated area of the capital. Moreover, two training workshops were held for library staff in Irbid and Aqaba to boost attendance in the governorates. The Library continues to support the libraries of the provinces of the municipalities of Palestine, as well as the "Jordanian Family Library" project in cooperation with the Ministry of Culture.

By the end of 2017, the number of library visitors was 308,965, and the number of subscribers was 44,349, of whom 2,147 were new. In addition, 42,554 books were borrowed, and 64,909 books were read in the library, while users of the library's electronic database reached 2,272.

Abdul Hameed Shoman Foundation Musical Evenings



The Foundation launched the Musical Evenings program in early 2014 with the aim of providing a musical platform that will highlight promising Jordanian and international experiences, enhance the exchange of musical experiences, and celebrate Arab and international music of all kinds.

In addition to the monthly Musical Evenings and to further enhance its outreach, the Foundation held three musical events at the Odeon Amphitheater, titled "Abdul Hameed Shoman Foundation Musical Evenings Downtown Amman" celebrating Jordanian and international talents through several musical and arts concerts.

Grants and Support Program 2017

Through its different grants and support programs, the Foundation received more than 400 requests and extended support to 42 projects and activities, which fall within the three programs: Thought Leadership Grants Program, Arts and Literature Grants Program, and the Social Innovation Grants Program.

Thought Leadership Grants Program

This program seeks to build capacity and provide critical resources for all to contribute to the development of the learning process through non-formal education, the promotion of dialogue, and the stimulation of critical thinking and thought leadership. This includes supporting the provision of educational and scientific spaces, platforms and applications, the implementation of scientific activities such as science competitions, science fairs and exhibitions, in addition to supporting debates, scientific forums and conferences. Among the projects that have been supported are "Mahakkat Al Tafkeer: An education program that promotes critical thinking in Public Schools," the "World Science Forum" of the Royal Scientific Society, the Arab Thought Forum, the "Science 2Oxide Youtube Channel" by Foq Al Sada, "Science League's Science Clubs," and "Phi's Second Scientific Research Conference." The Foundation also covered the participation of some of its grant beneficiaries in the "12th Annual Harvard Arab World Conference - Building Tomorrow".

Arts and Literature Grants Program

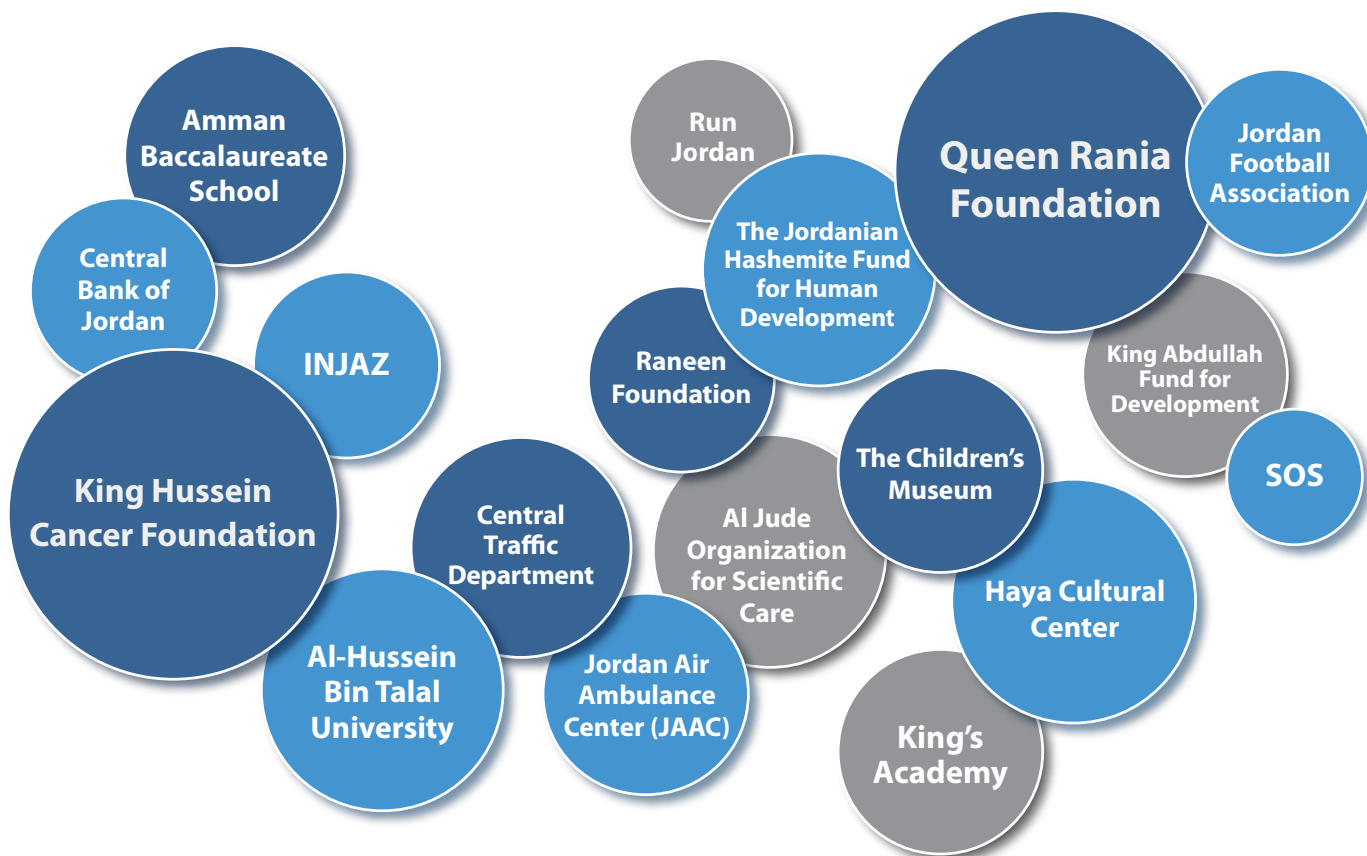
This program aims to develop literary and artistic talents and skills, promote cultural diversity, contribute to the provision of Arabic content, and ensure access to arts and literary activities for all. This is accomplished through supporting artistic and literary spaces, projects that enrich and disseminate Arab literary and artistic content in all forms (paper and digital media), young local talents and cultural change agents such as artists, writers, artistic performers, audio visual projects, festivals and other cultural activities that aim to preserve national heritage. Examples of the supported projects include Amman Design Week 2017, supporting libraries of 16 reform and rehabilitation centers in Jordan, the Haya Cultural Center Mobile Library Program, as well as supporting platforms that provide creative and original Arabic content such as "Dhaud World," Kalamesque" and "Nawa". The Foundation also supported a number of musical projects such as "Bala Feesh 2.0", Tariq Al-Jundi and the Orchestra, as well as theatrical projects such as "Black Grapes" and "Dreams of Blue Yamama".

The Social Innovation Grants Program

Originating from the Foundation's interest in investing in youth, promoting social innovation, and encouraging the establishment of sustainable social enterprises in Jordan to find innovative and sustainable solutions to community problems, the Foundation supported "iLearn" Foundation, Mind Rockets, Writer's Cell, and The Learning Circle for their role in promoting creative and innovative thinking among youth.

Sponsorships and Donations

We believe in giving back to the communities in which we operate by supporting community-based organizations (CBOs), nongovernmental organizations (NGOs) and other foundations and initiatives that address our five CSR areas of: health, poverty alleviation, environmental protection, education, and orphan support.



APPENDICES

APPENDIX A: Report Parameters

GRI 102-46

PRINCIPLES FOR DEFINING REPORT CONTENT

In preparation of our 2017 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. This includes issues related to our internal divisions, issues that were raised by stakeholders and reported on by our peers, in addition to the principles and guidelines included in the GRI 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 2017 performance for the financial year ending on December 31, 2017. 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 align 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. However, in some cases we have updated our tracking and measurement methodology to ensure alignment to best international standards and for further accuracy (more details are presented in Appendix C). 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.

Our Materiality Process

In 2017, 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 12 of this report), which provides more details on the prioritization of material issues in three categories; highly significant, significant, and less-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 decisions 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 its stakeholders from 1-10, with 10 being of highest importance. These values were then entered into the tool and averages were generated for each issue and then were plotted on a materiality matrix (see page 12 of this report). The Matrix shows 29 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 73.

STEP 4: REVIEW

We acknowledge that the sustainability environment is from a changing nature, and therefore so are 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 2018 to integrate into our materiality process for next year's 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 Issues	Aspect Boundary						
		Employees	Customers	Community	Environment	Government	Suppliers	Shareholders
SUPPORTING OUR CUSTOMERS IN ACHIEVING THEIR AMBITION	Customer Experience and Satisfaction	.	.					.
	Accessibility to Products and Services	.	.	.				.
	Customer Privacy and Data Security	.	.	.				.
	Communicate Transparently with Customers	.	.	.				.
RESPONSIBLE FINANCING	Offering Sustainable Products and Services		.	.				.
	ESG Topics in Portfolio			.	.			.
	Financial Inclusion		.	.		.		
	Financial Literacy		.	.		.		
EMPLOYEE EMPOWERMENT	Diversity and Equal Opportunity	.		.		.		
	Competitive Benefits	.		.		.		
	Employees Wellbeing	.						
	Employees Engagement	.						
	Training and Development	.						
TRANSPARENT REPORTING	Governance and Accountability					.		.
	Transparent Disclosure of Performance		.			.		.
	Risk Behavior and Culture					.		.
	Responsible and Ethical Behavior					.		.
	Anti-corruption Processes		.			.		.
	Legal and Regulatory Compliance		.			.		.
SYSTEM OPTIMIZATION	Process Digitization		.			.		.
	GHG Emissions					.		
	Material Consumption					.		.
	Water Usage					.		.
	Energy Usage					.		.
	Managing impacts of Our Supply Chain					.	.	
COMMUNITY COOPERATION	Supporting Local Communities			.		.		
	Engaging with Community Based Organization			.		.		

APPENDIX C: Restatements and Calculation Methodology

GRI 102-48

Restatements on Disclosure

Volunteering Numbers

Over the past years, we have tried to identify and report on our impact on the community through volunteering and its related indicators. However, we have revised our calculation methodology in 2017, to ensure more accuracy in the data reported on our employees volunteering activities that impacts the community. This revision of the methodology and data collection has resulted in adjusting our number of volunteering hours, number of individual volunteers, number of volunteering activities, and number of beneficiaries.

Turnover Rates

Turnover rates by employee level, gender, and age calculation method has been modified to align to international standards in sustainability reporting. According to the new method, turnover rate breakdowns were calculated on the basis of headcount of each employee level separately instead of overall headcount.

GHG Calculation Methodology

In 2017, we continued to align our GHG emissions calculation with the GHG Protocol methodology. Sources of those emissions factors are listed in the table below.

Scope	Tool	Source of Tool
Scope 1		
Transportation Fuel	GHG Emissions from Transport or Mobile Sources V 2.6 (May 2015)	GHG Protocol
Stationary Consumption	GHG Emissions from Stationary Combustion V 4.1 (May 2015)	GHG Protocol
Scope 2		
Purchased Electricity	GHG Emissions from Purchased Electricity V 4.8 (May 2015) - 2012 GHG emissions factors for Jordan.	GHG Protocol

APPENDIX D: GRI Content Index

This report has been prepared in accordance with the GRI Standards: Comprehensive option. The GRI Content Index below indicates the report disclosure and the location of the information in this report.



GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
General Disclosure		
Organizational Profile		
	102-1	p. 2, 5
	102-2	p. 7
	102-3	p. 5
	102-4	p. 5
	102-5	p. 6
	102-6	p. 5
	102-7	p. 5, 6, 8, 29, 2017 Annual Report
	102-8	p. 29-30
	102-9	p. 52
	102-10	2017 Annual Report p. 114-115; changes in main shareholders.
	102-11	p. 23
	102-12	p. 14, 15, 39, 40, 42, 72
	102-13	p. 24
Strategy		
	102-14	p. 4
	102-15	p. 11-14, 16
Ethics and Integrity		
	102-16	p. 13, 40, 2014 Sustainability Report (p.10)
	102-17	p. 40, 44
Governance		
	102-18	p. 38, Annual Report (Corporate Governance Guide Section)
	102-19	p. 14, Annual Report Corporate Governance Guide Section)
	102-20	p. 14
	102-21	p. 11, 12, 14, 79
	102-22	p. 38, Annual Report (p. 31-43)
	102-23	p. 42, Annual Report (p. 31)
	102-24	p. 38
	102-25	p. 38, Annual Report (Corporate Governance Guide Section)

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
General Disclosure		
Governance (Continued)		
	102-26	p. 38, Annual Report (Corporate Governance Guide Section)
	102-27	p. 38, Annual Report (p. 30-43, Corporate Governance Guide Section)
	102-28	p. 38, Annual Report (Corporate Governance Guide Section)
	102-29	p. 38, Annual Report (Corporate Governance Guide Section)
	102-30	p. 43, 44, Annual Report (Risk Management Section)
	102-31	p. 38
	102-32	p. 48
	102-33	p. 38, Annual Report (Corporate Governance Guide Section)
GRI 102: GENERAL DISCLOSURES 2016	102-34	p. 38, Annual Report (Corporate Governance Guide Section) Number and nature of critical concerns not disclosed, as information is subject to specific confidentiality constraints
	102-35	p. 38, Annual Report (Corporate Governance Guide Section)
	102-36	p. 38, Annual Report (Corporate Governance Guide Section)
	102-37	p. 38, Annual Report (Corporate Governance Guide Section)
	102-38	Annual total compensation ratio not disclosed as information is subject to specific confidentiality constraints
	102-39	Percentage increase in annual total compensation ratio not disclosed, as information is subject to specific confidentiality constraints

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation	
General Disclosure			
Stakeholder Engagement			
GRI 102: GENERAL DISCLOSURES 2016	102-40	p. 11	
	102-41	In compliance with internal regulations, each employee who is part of a certain union should declare it to his/her manager and consequently to the HR Director. The Bank does not have a system to track the percentage total employees covered by collective bargaining agreements.	
	102-42	p. 11	
	102-43	p. 11	
	102-44	p. 11, 12, 13	
	Reporting Practice		
	102-45	p. 2, all financial statements for Arab Bank Group and PLC are in the Bank 2017 Annual Report (p. 22-24, 86, 88-91).	
	102-46	p. 12, 69, 70, 71	
	102-47	p. 12	
	102-48	p. 72	
	102-49	p. 12	
	102-50	p. 2	
	102-51	Arab Bank 2016 Sustainability Report	
	102-52	p. 69	
	102-53	p. 70	
	102-54	p. 2, 73	
	102-55	p. 73-77	
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: MANAGE- MENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 16, 22-25, 32
	103-3	p. 16, 22-25, 32
GRI 201: ECONOM- IC PERFORMANCE 2016	201-1	p. 8, 16, 2017 Annual Report
	201-2	p. 22-25
	201-3	p. 32, the Bank pays 14.25% of employees social security, which is directed to retirement plan
	201-4	No assistance received from the government
Market Presence		
GRI 103: MANAGE- MENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 27, 32
	103-3	p. 27, 32
GRI 202: MARKET PRESENCE 2016	202-1	p. 32
	202-2	p. 29
Indirect Economic Impacts		
GRI 103: MANAGE- MENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 24, 52-67
	103-3	p. 24, 52-67
GRI 203: INDIRECT ECONOMIC IM- PACTS 2016	203-1	p. 24 No measurement of impacts have been performed yet.
	203-2	p. 52-67
Procurement Practices		
GRI 103: MANAGE- MENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 52
	103-3	p. 52
GRI 204: PROCURE- MENT PRACTICES 2016	204-1	p. 52

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 200 Economic Standard Series (Continued)		
Anti-corruption		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 37, 39-44
	103-3	p. 37, 39-44
GRI 205: ANTI-CORRUPTION 2016	205-1	p. 39-44, 100% of all operations are assessed for risks related to corruption
	205-2	p. 43
	205-3	There are no incidents of corruption.
Anti-competitive Behavior		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 40-41
	103-3	p. 40-41
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. 70-71
	103-2	p. 45, 48-49
	103-3	p. 45, 48-49
GRI 302: ENERGY 2016	302-1	p. 48-49
	302-2	Business travel is not disclosed as the Bank does not have a system to accumulate these numbers currently.
	302-3	p. 48-49
	302-4	p. 48-49
	302-5	p.46-47 Reduction numbers are not available

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 300 Environmental Standard Series (Continued)		
Water		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 45, 50
	103-3	p. 45, 50
GRI 303: WATER 2016	303-1	p. 50
	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. 70-71
	103-2	p. 45, 51
	103-3	p. 45, 51, 72
GRI 305: EMISSIONS 2016	305-1	p. 51, 72
	305-2	p. 51, 72
	305-3	The Bank currently does not track Scope 3 emissions
	305-4	p. 51
	305-5	p. 51
	305-6	Due to the nature of our business, the Bank does not generate ozone depleting substances
	305-7	
Environmental Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 45-52
	103-3	p. 45-52
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	No monetary value of significant fines and non-monetary sanctions.

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 300 Environmental Standard Series (Continued)		
Supplier Environmental Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 45, 50
	103-3	p. 50
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	p. 50
	308-2	p. 50
GRI 400 Social Standard Series		
Employment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 28-34
	103-3	p. 28-34
GRI 401: EMPLOYMENT 2016	401-1	p. 30, 34
	401-2	p. 35
	401-3	p. 31
Training and Education		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 35-36
	103-3	p. 35-36
GRI 404: TRAINING AND EDUCATION 2016	404-1	p. 35-36
	404-2	p. 35-36
	404-3	p. 33

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 400 Social Standard Series (Continued)		
Diversity and Equal Opportunity		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 31
	103-3	p. 31
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	p. 31, 38
	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. 70-71
	103-2	p. 30, 50
	103-3	p. 30, 50
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. 32
	103-2	p. 30, 50
	103-3	p. 30, 50
GRI 408: CHILD LABOR 2016	408-1	p.30, 50, our sector has a low level of child labor risk
Forced or Compulsory Labor		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 44, 45, 59
	103-3	p. 44, 45, 59
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	p. 30, 40, 50, our sector has a low level of forced of compulsory labor

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
Material Topics		
GRI 400 Social Standard Series (Continued)		
Local Communities		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 52-67
	103-3	p. 52-67
GRI 413: LOCAL COMMUNITIES 2016	413-1	p. 52-67
	413-2	No negative impacts have been identified.
Supplier Social Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 50
	103-3	p. 50
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	p. 50
	414-2	p. 50, no cases of negative social impacts in the supply chain.
Marketing and Labeling		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 20
	103-3	p. 20
GRI 417: MARKETING AND LABELING 2016	417-1	p. 20
	417-2	No incidents of non-compliance reported in 2017.
	417-3	
Customer Privacy		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 20
	103-3	p. 20
GRI 418: CUSTOMER PRIVACY 2016	418-1	No incidents of substantiated complaints regarding breaches of customer privacy or loss of customer data.
Socioeconomic Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 70-71
	103-2	p. 23, 40-44
	103-3	p. 23, 40-44
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1	No incidents of non-compliance reported in 2017.

APPENDIX E: 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 depleting substances.								
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 consideration.								
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	According to the Central Bank of Jordan, the below criteria were launched in June 2011 to identify small and medium enterprises as follows:								
	<table border="1"> <thead> <tr> <th>Small Enterprise</th> <th>Medium Enterprise</th> </tr> </thead> <tbody> <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 colspan="2">Not a public shareholding, insurance or financial intermediary</td> </tr> </tbody> </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 and honest dialogue with key stakeholder groups, not only to make them aware of the organization's 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 F: 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	Kilometr
BoD	Board of Directors	kWh	Kilowatt hour
CBOs	Community-Based Organizations	KYC	Know Your Customer
CCB	Charity Clothing Bank	LED	Light Emitting Diode
CEO	Chief Executive Officer	M ²	Square Meter
CO ²	Carbon Dioxide	M ³	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		



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Success is a journey