



Board of
Directors



بنك القدس
Quds Bank






Dear Shareholders,

On behalf of Quds Bank Board members, I would like to cordially welcome and thank you for accepting our invitation and attending the General Assembly ordinary meeting in which we will address our 19th Annual Report for the bank's work results as at 31 December 2013 and which had been prepared in accordance with the transparency and disclosure requirements bound by rules of governance. This also included the achieved during the concluded year, in addition to the Bank's budget, statement of income, cash flows and changes in shareholders' equity and the latest developments in terms of the growth and development of the bank's works.

The bank has concluded its nineteenth year continuing to consolidate its advanced position in the banking sector and develop its business as one of the largest leading banking institutions in the Palestine banking sector, whereas the bank continued to execute, with confidence, the strategic plan approved by the Board of Directors and which aims to achieve increasing growth and develop the bank's various businesses. These indicators wouldn't have come to be if it weren't for the ambitious work plan implemented by the bank's management, a translation of the discretionary budget items for the year, approved by the Board of directors, and which had been built on scientific and realistic basis and has taken into account the necessity to achieve realistic and ambitious growth rates.



The bank has achieved growth in the total deposits and client insurances during the year 2013 at an amount of approximately 67 million dollars and at a growth rate that reached 19%, whereas the total deposits and insurances had reached 420 million dollars at the end of the year 2013 compared to an amount of 353 million dollars at the end of the year 2012. Moreover, the bank had been able to achieve growth in its financial position during the year 2013 at an amount of 51 million dollars and a growth rate of 11%, whereas total assets have reached (532) million dollars at the end of 2013 compared to an amount of 481 million dollars at the end of the year 2012.

However, profits before tax have grown significantly at a growth rate that reached 62% and an amount of 2.8 million dollars, whereas profits before tax, during the year 2013, have reached an amount of 7.3 million dollars compared to an amount of 4.5 million dollars during the year 2012. Also, net profit has increased at an amount of 1.5 million dollars and at a rate of 45% compared to the year 2012. Consequently, owner's equity increased at an amount of 7 million dollars and at growth rate of 12%, to reach 65 million dollars at the end of the year 2013 compared to an amount of 58 million dollars at the end of the year 2012.

This development in performance was accompanied with improvement in the quality of the bank's portfolio and the general safety indicators, whereas the non-operating credit facilities ratio decreased to 4% in the year 2013 compared to a ratio of 6.96% in the year 2012 due to the prudent credit policy represented in focusing on sustainable and promising sectors in terms of performance, growth and achieved outcomes. In addition to expanding the clientele base and seeking to devote balanced approach and direction to each of the individuals, SMEs and large new corporations, with giving special attention to risks and other interrelated factors – whether external or internal – of all types with respect to the bank's method in dealing with that orientation.

Moreover, these indicators in their entirety indicate the bank's sound strategy in development, the strength of its credit and financial base and its ability to face any challenges encountered in the future through completing the application of Corporate Governance and occurring development in both the risk management and compliance departments to elevate to the best standards and levels and recruit all that in which these departments can do by working to the fullest, and in accordance with the board's vision and orientation.

The bank has also set its priorities to satisfy and fulfill its clients' needs in line with the new and aggressively competitive markets in accordance to the best standards. Therefore, the bank's management has worked on providing a wide range of financial services and banking products specifically for individuals, corporations, investment activities and the treasury department in accordance with the latest modern technologies in the world of the advanced banking industry.

Furthermore, in application of the best banking policies, our focus has continued to center on expanding in the field of funding of individuals and SMEs in order to serve a wider range of clients in a specialized manner, and to decrease risks and achieve the required revenues, and restrict credit concentration. Such will form a strong and powerful base for the credit portfolio and various other banking services in the future as well.

Additionally, the Board's plan has included operational risk control in a strategic banking context, and that is through a group of modern administrative concepts that aim to transfer various units of the bank from individual independent departments into a central integrated operations system in several fields, including execution of facilities and central banking operations so that the bank shall work within minute mechanisms that not only include achieving its annual targets of increasing profit and growth in its market share, but also in order

to execute various transactions within accurate and controlled operations in a methodical and systematic manner in order to control and decrease risks to an acceptable limit, in addition to enhance the principle of dual control.

Also, the Board of Directors follows a well-constructed plan to develop all the bank's businesses and operations, such as opening more branches in vital and suitable regions, whereas the number of offices and branches has reached (22 offices and branches) by the end of 2013. Furthermore, the bank will open, throughout the following year, other branches and offices in Bethlehem, Ras Al-Joura in Hebron, Al-Neserat city, Khan Younes, an office in Silat Al-Dhar and an office in Al-Bireh / Jerusalem Street, bringing the number of branches and offices, during the first half of the year 2014, to a total of (27 offices and branches). Likewise, the ATM network has been expanded to cover more regions in order to enable clients to carry out their banking transactions with ease and effectiveness in all regions, whereas the number of ATMs has become (55 ATMs).

However, in terms of banking services and products, the bank has continued in its efforts to provide and develop all the comprehensive and competitive banking services and products, and has proved its success in this field, whereas the bank has launched, during 2013, a business development center under the name "Quds Bank Businesses" to cover all regions in Palestine and to specialize in the service of SMEs and companies in accordance with the latest banking policies and practices. Such has had a positive effect in improving the quality of those services, and working in much closer proximity with our clients and meeting their demands effectively and with high quality, in addition to improving the quality of the bank's credit portfolio. Also, the bank has introduced (MasterCard) credit cards to its clients with great success that pleased them and enhanced client-transactions. The bank has also begun to grant subsidiary agencies to the Western Union service in their capacity as the super-agent for this service in Palestine. Moreover, the bank has launched and developed a group of packages for the individuals' services programs, such as funding of liberal professions (the project of a lifetime) and programs for the employees of the private and public sectors and universities to fulfill the various needs of individuals.

The bank had also been distinguished in its success in the savings accounts, whereas the bank has launched, in the year 2013, a campaign encouraging saving (save...and count the days) in which the bank had sought to motivate saving with clients through rewarding the savers with profitable and generous prizes (a car each 10 days and 200 thousand shekels each three months). The bank has achieved a significant growth in this field, such adds to the stability of the structure of bank deposits, given that the savings deposits are considered one of the bank's major targets, being a stable and valuable financial resource.

The policy of developing human capital continues to be at the top of our priorities, considering its great value and significance in realizing the bank's current and future aspirations, along with training, development and motivation in line with the bank's great responsibility, whether presently or in the future. This role demonstrates the bank's scale up to its social role through creating job opportunities and hiring the competent and promising youths, and improving the level of existing competencies.

Believing in its role in corporate social responsibility, 2013 has marked numerous initiatives and accomplishments which Quds Bank designed to support national and social activities, whereas, during the concluded year, the bank has provided support and donations to many health, educational, cultural, artistic, social and humanitarian, sports and environmental centers and organizations. Consequently, the bank has generated its role and status being an active agent in the community, and such is derived from the bank's active message in terms of social responsibility in its various types.

Dear Shareholders...

Finally, I would like to reiterate my gratitude and appreciation to our esteemed shareholders for joining us and for your trust in our beloved institution (Quds Bank) and I would also like to take this opportunity to thank the venerable Board members for their fruitful efforts as well as the Executive Management and all staff of Quds Bank for the loyalty, responsibility and sincere efforts exerted for the achievement of these outcomes. I would also like to thank the Palestinian Monetary Authority for its cooperation and support of the banking sector which contributed to maintaining its integrity and stability, as well as offer my extended gratitude to our dear clients who are the basis of our success and distinction.

Akram Abdul-Latif Jerab



Chairman

Abdel-
Rahim Nizar
Jardaneh



(Bachelor of Science Pharmaceuticals - Minnesota University, USA)

- Deputy Chairman of the Board, Quds bank
- Board Chairman, Dar Al Dawa' Comapany - Jordan
- Board Chairman, Arab Pharmaceutical Manufacturing Company Ltd.
- Board Member, Investment Bank
- Chairman, Dar Al-Ghidha' Company

Ahed Fayeq
Bseiso



(Bachelor of Science in Architecture, Cairo University, Egypt)

- Board Member, Quds Bank
- Board Chairman, Palestine Development Fund
- Executive Committee Member, Arab Architects Critics Association (AACA)
- Executive Committee Member, Banks Association in Palestine
- Representative, Spanish Ulf Palm Foundation - Palestine
- General Assembly Member, Palestine Investment Fund
- Board Member, Palestine International Business Forum
- Board Member, Housing Loans Committee (SAKAN)
- Board Member, Al Karama Orphanage Society
- Board Member, Spanish Palestinian High Training Institute (SPHTI)

Akram Abdul-Latif Jerab



(Masters in Business Administration –Durham University, UK)

- Board Chairman of Quds Bank
- Chairman of the Executive Committee
- Board Chairman, Arab Company for Science and Technology, (Qasyoun University) – Syria
- Shareholder and Board Member, Al-Jazeera Bank - Sudan
- Shareholder and Board Member, Dar Al Dawa' – Jordan
- Shareholder, Arab Hotels Company – Mövenpick Hotel
- Shareholder and Board Member, Jerusalem Real Estate Company
- Board Chairman and Owner, Cometa Scientific, UK
- Board Chairman and Owner, Cumberland Health Care Ltd., Nottingham, UK
- Founder and Chairman, Karmel Company, Jordan
- Shareholder and Board Member, Sunday Resort – Dead Sea, Jordan

Members of the Board of Directors

Ruba
Mohammad
Masrouji



(Masters in Business Administration, Birzeit University, Palestine)

- Board Member, Quds Bank\
- CEO, United Securities Company
- Shareholder and Board Member, Al Masrouji Company
- Board Member, Jerusalem Real Estate Investment Company
- Member, Business Women Forum (BWF)
- Member, in numerous Charitable Societies
- Associate, Aspen Institute

Walid Najib
Al Ahmed



(Bachelor of Science in Electrical Engineering)

- Board Member, Quds Bank
- Board Member and Deputy Board Chairman, Jerusalem Real Estate Investment Company

Louai Bishara
Kawas



(Palestine Investment Fund Representative)

(Bachelor of Science in Accounting, Bethlehem University, Palestine)

- Board Member, Quds Bank
- Chief Executive, Palestine Commercial Services Company (PCSC)
- Board Chairman, Grand Park Hotel
- Board Member, Bulk Express Transport
- Board Member, Amar Real Estate Group
- Board Member, Al Hayat Newspaper

Dr. Hamed
Jaber



(Doctorate in Electronic Engineering)

- Board Member, Quds Bank
- Chairman, Concorde Construction Company Group Ltd.
- Board Member, Al Jazeera Bank - Sudan
- Board Member, Building Information Modeling
- Former President, Federation of Contractors Islamic Countries (FOCIC)
- Former Board Member, Arab Assurers Company
- Former Member, Jordanian Contractors Union

Members of the Board of Directors

Muntaser
Izzat Abu
Dawwas



(Investment Bank Representative)

(Bachelor of Science in Accounting and Finance, University of Buckingham, England)

- Board Member, Quds Bank
- Chief Executive Officer , Investment Bank
- Certified Public Accountant, USA

Saleh Jaber
Ihmaid



(Bachelor of Science in Accounting)

- Board Member, Quds Bank
- Board Chairman and owner, Tea Factory, Sri Lanka
- Owner of Tea Exporting Company, Sri Lanka
- Associate in Companies, Kuwiat, Jordan Palestine
- Board Member, Arab Federation for Freight Forwarders and Logistics (AFFFAL)
- Board of Trustees Member, Qasyoun University, Syria

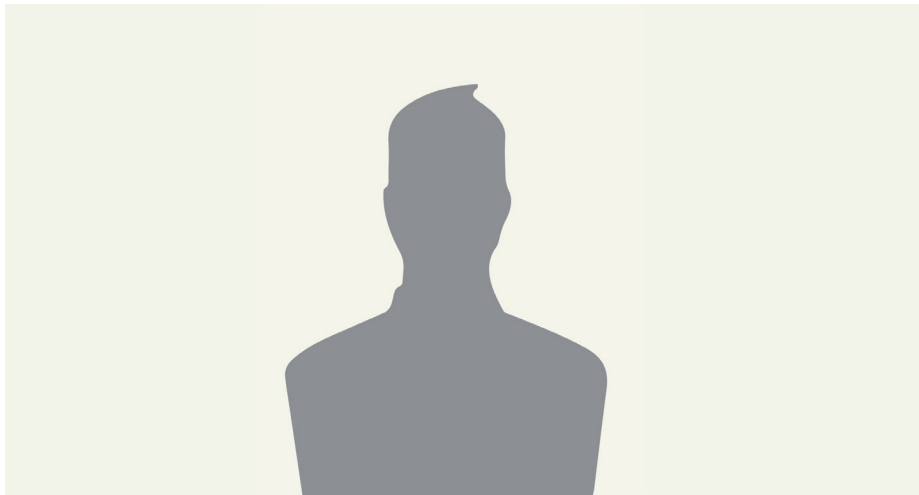
Duried
Akram Jerab



(Masters in Business Administration, Durham University, UK)

- Board Member, Quds Bank
- Medical Department General Manager, Karmel Company Group, Jordan
- Board Member, Dar Al Dawa' Company
- Board Member, Dar Al Ghidha'

Badawi
Al-Yazji



(International arbitration - Advisor, Ain Shams University, Egypt)

- Vice President of Jumeirah real estate investment and general trading company.
- Vice President of Yazji exchange and real estate company.
- Member of the international association of Arab arbitrators.
- Diploma in Electronic Engineering.