



البنك الأهلي الأردني ش.م.ع.  
JORDAN NATIONAL BANK S.C.

50 YEARS OF BANKING EXCELLENCE



**The Forty-Ninth Annual Report  
2004**



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## Our Mission

**Enhancing Jordan National Bank's position and maximizing the value added to the shareholders through:**

- Realizing the maximum level of operational efficiency and strategic alignment across the organization.
- Fostering and upholding superior customer loyalty and satisfaction.
- Continuous and effective development of assets and liabilities management to level up profitability.
- Emphasizing innovation and creativity in designing value added products and services for our customers.
- Building a corporate culture based on teamwork spirit, integrity, focus, discipline, commitment and a high degree of professionalism.
- Recruiting, training, and retaining our best human resources in the banking sector.
- Increasing the Bank's market share in the regions of its presence, with a deep focus on the retail and small and medium sized commercial institutions and enterprises.

## Our Vision

To become a leading financial institution in Jordan, and to grow into a pioneering and highly competitive, global banking and financial services powerhouse by providing remarkably valuable and innovative products as well as superior services to the citizens and corporations of the economies in which we operate.

## Our Core Values

- Superior customer satisfaction: Through structuring strategies, processes, products, and human resources development in order to ensure achieving the highest standards of quality service and customer satisfaction.
- Discipline: Through the strict adherence in meeting our financial targets and our strategic objectives by maximizing return within a properly controlled risk environment.
- Leadership: To be leaders in our markets, and to build the most capable intellectual and technological resources in the industry.
- Integrity and Social Responsibility: Assuring the health and success of the society in which we operate to possess a healthy and successful institution. As such, the destinies, of both the society and the institution, are intertwined. JNB recognizes this important fact, and is an active partner in upholding and supporting community development with responsible and moral values.

## Our Strategic Objectives

- Increasing JNB's market share through providing high quality services and introducing new distinguished and profitable services.
- Focusing on the quality nature of the Bank's funds employment and controlling the risks by an effective asset management.
- Applying, developing, and updating the banking system by adopting modern techniques in information technology.
- Implementing the concept of "The Customer First" through increasing the offered advantages to our clients and by satisfying their needs using the latest standards in superior banking services.
- Attracting strategic partners from the private sector to construct a regional financial network among the Arab states.
- Using strategic partnerships to expand in the promising emerging markets in the region through establishing branches and alliances in Iraq and Syria.
- Achieving a strong growth in the retail banking services as well as in the investment banking services.

## Board of Directors

<b>H.E. Dr. Rajai S. Muasher</b>	_____	Chairman
<b>Mr. Nadim Y. Muasher</b>	_____	Deputy Chairman
<b>Jordan Investor Center</b>	_____	Rep. by H.E. Mr. Wasef Azar
<b>Kuwait Investment Authority</b>	_____	Rep. by Mr. Ali Y. Bin-Ali (Government of Kuwait)
<b>The Social Security Corporation</b>	}	Rep. by Mr. Na'el Khader (Till 1/12/2004)
		Rep by Mr. Thabet Al-Werr ( As of 1/12/2004)
<b>Muasher Investment &amp; Trading Co.</b>	_____	Rep. By Mr. Emad Y. Muasher
<b>Mr. Anton Dababneh</b>	_____	Member
<b>Arabia S.A.L. (Holding)</b>	_____	Rep. by Mr. Hani Fraij
<b>Mr. Mahmoud Z. Malhas</b>	_____	Member
<b>Mr. Tawfik A. Kwar</b>	_____	Member
<b>Rajai Muasher &amp; Brothers Co.</b>	_____	Rep. by Mr. Rafiq S. Muasher
<b>Mr. Rajai S. Sukkar</b>	_____	Member
<b>ZI &amp; IME Co. (Saudi Arabia)</b>	_____	Rep. by Mr. Alaeddin Sami



## Executive Management

<b>H.E. Dr. Rajai S. Muasher</b>	Chairman
<b>Mr. Rasheed Dawoudi</b>	Acting General Manager
<b>Mr. Khalil Nasr</b>	Deputy CEO - Branches Abroad (GM-Branches Abroad)
<b>Mr. Fuad Werr</b>	Deputy CEO – Marketing & Retail Services
<b>Mr. Kayed Farah Kayed</b>	Deputy CEO – Credit
<b>Mr. Ibrahim Ghawi</b>	Deputy CEO – Finance
<b>Miss. Lina Bakhit</b>	Deputy CEO – Treasury & Financial Institutions
<b>Mr. Firas Suhaimat</b>	Deputy CEO – Corporate Finance
<b>Mrs. Hadeel Kayyali</b>	Deputy CEO - Operations
<b>Mr. Hani Farraj</b>	Assistant GM – Administration
<b>Mr. Samer Sunnuqrot</b>	Assistant GM – Investments
<b>Mr. Zahi Fakhoury</b>	Assistant GM – Facilities
<b>Mr. Suleiman Dababneh</b>	Assistant GM – Accounting & Finance
<b>Mr. Saleem Ghandour</b>	Assistant GM – Branches Abroad
<b>Mr. Sa'ed Muasher</b>	Executive Manager – Strategic Planning
<b>Mr. Farouq Amawi</b>	Executive Manager – Internal Auditing

### Advisors

<b>Mr. Issa Khoury</b>	Chairman's Advior
<b>Mr. Nahid Hattar</b>	Chairman's Advisor for Media & Culture Affairs



البنك الأهلي الأردني  
JORDAN NATIONAL BANK

50 YEARS OF BANKING EXCELLENCE

## Chairman's Letter

Dear Shareholders,

I gladly and proudly place into your hands the 49th Annual Report of Jordan National Bank, which comes in concurrence with the honorable Golden Jubilee of our leading institution. Wholeheartedly, this occasion is deemed by all means very dear and precious to the whole family of JNB, including the shareholders, employees and clients. And also, to the same extent, this is truly considered a national occasion since JNB was the first locally-established banking institution in our country.

By this, JNB folds the fiftieth year, ingraining its roots into the heart of our national economy to become therefore one of its main constructive pillars, where the Bank's branches are distributed all over the country as well as in Palestine, Lebanon and Cyprus. In that respect, JNB has also expanded to play an essential role regionally and internationally.

We will celebrate the Golden Jubilee of our dear institution in a manner that measures up to such a precious occasion. This would take place through presenting a bundle of social and cultural activities that confirms the Bank's role and inherent traditions, which are dedicated to serve the country and the community. But in fact, our genuine celebration will be represented by launching a tremendous banking project dubbed by the Jubilee Project. This project aims at uplifting Jordan National Bank to the scope of international standards, besides assuring an upward shift in the quality of JNB's performance, capabilities, management techniques, technology and banking services. And thus, bringing JNB up to be in line with the largest banks in the region in terms of size, quality and market share.

In year 2004, JNB has succeeded indeed in reporting satisfactory achievements, where of which we mention the following:

- Reorganizing the Bank's departments into three main sectors classified according to their

functions. These sectors are: Productive Departments Sector, Support Departments Sector and Control & Risk Management Departments Sector. This new structural reformation has enhanced the cohesion, integration and coordination between the Bank's different departments, which in turn has improved the overall performance of the Bank.

- JNB has traversed a long distance in applying the centralization project of branches operations. The primary purpose behind this project is to turn the branches into efficient points of sale. As well, the Bank is up to start off the process-reengineering project in order to streamline procedures, expedite customer service and to reduce costs.

- Along with that, Jordan National Bank introduced new banking products and services for both of individuals and corporations in a frame of an endeavor to quickly fulfill the renewed economic and social needs amid a severe competition between local, regional and foreign banks in the Jordanian market.

- It is worth mentioning that restructuring the credit facilities, which stabilized at an amount of about JD 420 million, represents the prime achievement of JNB during year 2004. This was accompanied with a substantial improvement in loans quality as measured by minimized inherent risks and maximized returns. In that respect, the course of action of restructuring the loans portfolio was set off through incorporating an integrated process dedicated for: (1) focusing on collecting and following up outstanding due debts, in addition to turning back the classified accounts into performing ones - where in that concern, provisions amounting to JD 17.8 million were recovered - (2) activating the adoption of Corporate Accounts Management concept, controlling the corporate credit accounts, activating and increasing the credit facilities to our current clients besides attracting new prospective clients of local companies and institutions with satisfactory sizes and qualities.

- As well, JNB continued its distinctive performance during 2004 in the area of Treasury, Assets & Liabilities Management, Liquidity Position Control, besides emphasizing on the

## Investment Banking and Brokerage services in the Jordanian capital market

All in all, these desirable changes were positively reflected on JNB's financial indicators, where JNB's results have been shifted from the minor loss territory in 2003 to the profit territory in 2004 to report net profits before tax of JD 7.2 million. Furthermore, the Bank has proposed to distribute 10% bonus shares and 5% cash dividends. We consider this achievement as the first step on the right path towards realizing profits that correspond to JNB's superb position, capacity and capability.

Despite of the aroused and increased severe competition in the banking arena, total customers' deposits grew up by around quarter billion dinars, or by 24.8% to reach JD 1.26 billion at the end of year 2004. Also, the extended credit facilities remained stable at JD 420 million. Total investments in securities (stocks and bonds) increased by 24.6% to state JD 168.7 million, where the biggest portion of this growth was directed to investments in bonds and treasury bills.

The Bank completed during the second half of 2004 the coverage of the remaining balance of the authorized capital, stated at JD 60 million. This was carried out through a private placement at an issuance price of JD 1.40 per share, comprising an issuance premium of JD 0.40 per share. Therefore, total shareholders' Equity rose to JD 97 million at the end of year 2004.

JNB tends to raise its capital in the near future up to JD 85 million and to JD 100 million afterwards, aiming at solidifying the capital structure of the Bank as well as bolstering its financing power.

I refer, finally, to the success attained in striking an agreement to merge Philadelphia Investment Bank into Jordan National Bank. This will come back at JNB with a set of worthwhile privileges and merger incentives that would help the Bank stand out by its competitive edge,

bearing in mind that the agreement with the Central Bank of Jordan dictates that no consequential burdens or expenses will be borne by JNB as a result of the merger. This event coincides with the end of the well-known Credit Facilities Case, of which the financial collections are still being collected and distributed over the concerned banks including Jordan National Bank.

Once again, I feel sincerely proud of the position to which Jordan National Bank has reached at the Jubilee anniversary. This in turn spurs my hope and aspiration towards the mutual determination of JNB's family to keep onward, with solid strides on the background of long experience, for more prosperous future in new banking horizons at both regional and international levels.

Please allow me in this precious occasion, to commemorate with pride our pioneering founders who shared the establishment of this Bank and the successive generations of shareholders, employees and customers. They all together contributed to the construction of this huge national edifice. My proud feelings are always connected with all colleagues, for their untiring efforts and appreciable activities, and of course to you, for exhibiting the high trust and confidence. Let me also express my proud feelings towards our clients and customers, individuals and institutions, for their high response and firm commitment, and also to the regulatory bodies, represented by the Central Bank of Jordan, the Jordan Securities Commission and the Companies' Control Department, for their persistent efforts to always maintain a healthy environment for the safety and prosperity of the banking system in Jordan.

Dr. Rajai Muasher  
Chairman of the Board

# Economic Performance in Jordan During 2004

After 15 years of economic reform programs, the Jordanian economy has proved its high ability to adapt with external circumstances and become self-dependent, as stated by the International Monetary Fund (IMF), the Jordanian economy was able to manage a national program to resume its reform pace which became lately an ideal example, not only on the regional level, but on the level of many developing countries that applied reform programs, since the Jordanian economy has recovered and achieved a growth rate of 7.5% in Real GDP at market fixed prices, and this was the highest growth since 1993.

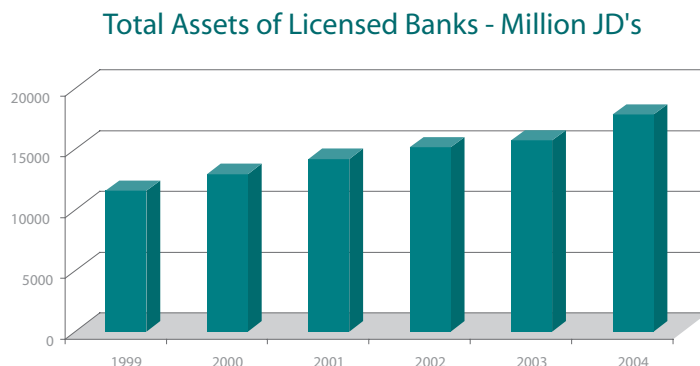
The reports issued by the Ministry of Planning and International Cooperation indicate that the real growth recorded in 2004 was due to the following:

- 14% growth in the Manufacturing Sector.
- 16% growth in the Construction Sector.
- 12.5% growth in the "Transport and Communications" Sector.
- 11.9% growth in the "Electricity and Water" Sector.
- 6.9% growth in the "Wholesale and Retail Trade, Restaurants, and Hotels" Sector.
- 3.3% growth in the "Finance, Insurance, and Real Estate" Sector.
- 1.9% minor growth in the "Producers of Government Services" Sector.
- 1.4% modest growth in the "Agriculture" Sector.
- 3.8% decline in the "Mining" Sector.
- 6.6% growth in "Net Taxes on Products" item.

Despite the 3.4% increase in the inflation rate, during 2004 against 2.3% in 2003, as measured by the cost of living index, this rate was still low and acceptable according to worldwide standards. Exceptional reasons stood behind the rise of the inflation rate, which might not

occur again in the coming years, such as: - raising the general sales tax from 13% to 16% as of April 2004, the sharp increase in some foreign exchange rates against the Jordanian dinar (JD), which led to overprice imported goods, and the hike in raw materials prices in international markets because of the increase in aggregate demand and the strong economic growth in some Asian countries (i.e. China and India).

The massive efforts and serious improvements in all areas enabled Jordan to realize those record achievements and international adequacy during 2004, including the reduction of the budget deficit to lower levels, even with the increase of oil subsidies cost. As well, the ratio of External Debt to GDP was reduced, reasonable reserves of foreign currencies were maintained, the JD exchange rate was stable, and the inflation was considerably manipulated. All of these combined factors have lead to enhanced stability of the overall framework of the national economy and the resumption of sustainable growth, which was reinforced through an integrated package of legislative and structural reforms.

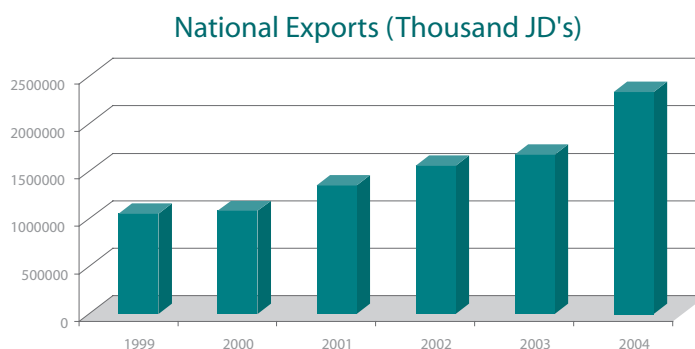


Nowadays, the government looks forward to further its improvements and reform policy by depending on a national program to reach a real sustainable economic growth that exceeds the population growth rate as a minimum, which will be positively reflected on the citizens' standard of living. Moreover, the General Budget Law for 2005 concentrated upon many capital projects with maximum priority, such as combating poverty and unemployment projects, paying special attention to investments that generate national employment, human resources development and rehabilitation, supporting education at all levels, health care and municipalities' development, public sector and judicial system enhancement, and tourism

sector support. All in all, these additional projects and programs vitally contribute to facilitate and expedite the economic growth pace and attract additional unemployed work force, leading ultimately to convey the development results to all segments of the society.

In its ongoing efforts to enhance the investment environment, the government initiated an investment window to assist investors in performing their business and serves them from one place, besides the preparation for restructuring and unifying all investment related and exports promotion institutions under one institutional umbrella.

The capital market institutions have completed the construction of an integrated strategy for foreign investment in Jordanian securities. It is worth noting that the capital market have witnessed several positive developments during 2004 after modernizing and updating many regulations and instructions that organize the parties which are subject to the control and supervision of the Jordan Securities Commission (JSC).



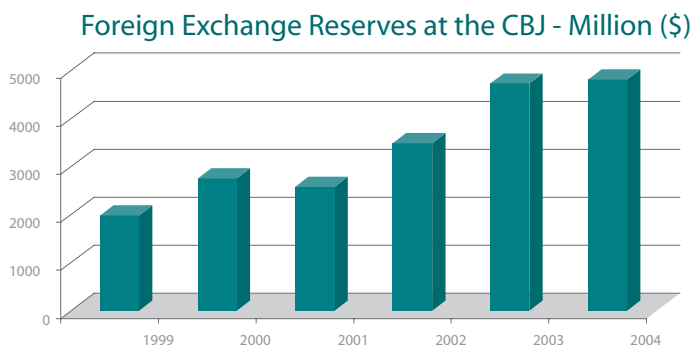
Remarkably, the trading volume at the Amman Stock Exchange (ASE) was doubled during 2004, reaching JD3.8 billion, compared with JD1.9 billion in 2003, growing by 107%. Furthermore, the stocks turnover ratio at ASE increased from 49.1% in 2003 to score 58.2% in 2004, also the market capitalization for listed shares rose by JD5.3 billion to hold the level of JD13 billion with a growth of 67.7% over 2003 and forming 185% of the GDP, which is one of the highest percentages worldwide, reflecting the relative importance of ASE in the national economy. Likewise, the stock general market index flourished sharply by 62.4%. This rise came as a consequence of all sectors boost; firstly, the banking sector representative index went up



63.1%, the insurance sector index gained 62.9%, the services sector index advanced 48%, and finally, the industrial sector increased by 70.6%. Those results are the highest since Amman Financial Market initiation in 1978. The newly issued and registered stocks at the JSC during 2004 amounted to JD209.8 million, growing by 273.5% in comparison with 2003. Blended with that, the JSC continued to carry on its consecutive efforts aimed at bolstering the regulatory and organizational frames in the national capital market, updating and upgrading the market and its mechanism, developing the operations of market institutions, and fostering supervision to assure more transparency, fairness, and efficiency of the market through a credible control and deep trustworthiness, which increases the degree of competitiveness and attracts domestic and foreign investments.

The newly registered companies during 2004 summed up 6,485 companies in different sectors with a total paid up capital of JD272.9 million, driving up the overall capital of registered companies in 2004 by 145.4% from year 2003. The volume of projects benefiting from the Investment Promotion Law in Jordan was about JD418.3 million in 2004, with an increment of 59.8% or by JD156.6 million from 2003. Noticeably, the time period required to register any investment project through the investment window has been reduced from 98 days previously to 36 days. Lastly, domestic investments occupied 77% of gross investments against 23% for foreign investments.

The government has launched the tourism sector strategy in cooperation with the private sector. This strategy aims at supporting and developing this key sector to the national economy. The government will support the execution of touristic projects and implement touristic promotion programs, especially in the field of religious and medical tourism. This strategy is geared towards enhancing the competitive advantage of this sector and allows it to achieve a higher contribution in economic development and create job opportunities.



During 2004, the Central Bank of Jordan (CBJ) has continued implementing its monetary policy that is directed towards preserving the monetary stability represented by achieving the stability of the JD exchange rate, stability of the general price level index, and to offer a suitable interest rates structure that is consistent with the local and international economic and money markets developments. Moreover, the CBJ continued to adopt the indirect management approach (open market operations) as a basic tool for managing its monetary policy. The purpose is to organize the liquidity volume in the national economy to be consistent with financing the real economic activity from one side, and to reach the harmony and coordination between the monetary policy and the fiscal and economic policies from the other side. The available statistics indicate that the liquidity growth rate measured by the broad money supply was 11.7% in 2004 instead of 12.4% in 2003.

Foreign currencies reserves at the CBJ attained a comfortable level of JD4.8 billion in 2004, which is sufficient to cover the kingdom's imports of goods and services for 8 months, even with the sharp hike in imports prices after the oil prices boom. The CBJ stepped up interest rates on monetary policy instruments to maintain the attractiveness of the JD as a saving pool and in line with money markets developments, especially with the interest rate rise on the US dollar, to which, the exchange rate of the JD is pegged.

On the banking system side, the CBJ took many corrective actions in the field of banking supervision to ensure the safety of the financial positions of licensed banks and their abidance with banking safety ratios. What is more, the CBJ granted licenses to some Arab banks that have distinguished banking expertise to operate in Jordan in a step aimed at enhancing

competition in the banking sector as well as developing and upgrading the banking operations. As well, anti-money laundry instructions were issued to maintain the safety and good reputation of the banking sector, locally and internationally.

The indicators of the external sector for 2004 have shown clear developments in comparison with those achieved in 2003 because of the growing export activity, especially those from the Qualified Industrial Zones (QIZs) and as a result of higher imports due to the rise in major foreign exchange rates against the US dollar. The national exports recorded an astonishing increase during 2004 by 39.3% against only 7.6% growth gained in 2003. The Kingdom's clothes exports comprised 30.4% of the gross national exports, of which, the American market occupied 30.9% and the Iraqi market took 15.4%. All the way around, the imports grew by 41.5% in 2004 against 14.4% in 2003. Accordingly, the deficit in the trade balance went up by 57% in 2004 compared with an increase of 18.3% in 2003.



Significantly, the government is stepping steadily in executing the Privatization Program to achieve its targets of reaching a highly efficient and competitive Jordanian economy as well as attracting private investments, supporting the public finance, and deepening the stock market. Also, the government has proceeded to sell part of its ownership in some listed companies at the ASE. It has also continued the restructuring operations of some projects including the aviation sector, transport sector, and the power sector focusing on the three electricity companies. It is anticipated that the process of the privatization operations will assist the government in financing some vital developmental projects and to repay part of the external

debt, in accordance with what was specified by the law.

The external public debt balance has been reduced to about JD5,348.8 million at the end of 2004 ( 69.7% of the GDP for 2004) against JD5,392 million in 2003 (76.4% of the GDP in 2003), so, the absolute figure for the external debts descended by JD43 million. On the other hand, the net internal public debt, increased to JD1,792 million in 2004, forming 23.4% of GDP for 2004 instead of 24.1% of the GDP for 2003.

Real estate and constructions sector witnessed a distinguished surge throughout 2004. The licensed areas for construction added 23%, the number of issued permits for construction rose by 20%, whereas the Department of Lands and Surveys revenues increased significantly by 50.5%.

Out of its concern to update and upgrade the financial management and to reduce the waste of public money, the government merged the income tax department and the sales tax department into one department, in order to reduce tax evasion and level up the collection efficiency. The government also aims at enhancing the financial discipline and raising the efficiency of public spending

The domestic revenues for 2005 are estimated to reach JD2,000 million against the re-estimated revenues of JD1,945 million in 2004, an increase by 2.8%. The current expenditures for 2005 are expected to be at the level of JD2,545 million with a growth of 10.2%. The public revenues in 2005 budget are estimated at JD3,060 million while the public expenditures are approximated at the level of JD3,330 million. Based on the previous results, the financial deficit after grants and subsidies is expected to record JD270 million or 3.3% of the estimated GDP for 2005 instead of JD293 million or 3.9% of the estimated GDP for 2004.

# Board of Directors Report For 2004

Year 2004 was a prominent landmark in the history of Jordan National Bank. It also formed a key turning point in the development process, bringing JNB up to a higher refined state to join thereby the queue of modern banks through applying international standards. This juncture concurred with the completion of the fifth decade since the Bank's establishment, to celebrate therefore its Golden Jubilee. This honorable occasion shall be accompanied by launching the upgrading and development project, which mainly aims at focusing on the direct contact with customers, selling them our services and enhancing the quality of rendered services in order to fit their needs and desires in a manner that goes beyond their expectations. This project also aims, on one hand, at blending values and traditions with JNB's genuine banking culture, while on the other hand, it is directed towards making JNB abreast of the new international changes in the banking arena and the new electronic services besides developing new innovative banking products and services.

The restructuring program, which has been accomplished successfully during 2004, has paved the way for a convenient working environment and setting up the organizational structure in line with the overall strategic plan of the Bank, in preparation for launching "The Jubilee Project" or the upgrading and development project that aims at maximizing the benefit for customers, shareholders and employees. In turn, this would end up leading the Bank to be in line with the largest regional banks, urging an upward shift in the quality of services offered to customers and focusing on the concept of "Customer is first" besides meeting the customers' needs promptly, at the lowest possible cost, and through adopting state of the art technologies.

JNB has successfully proved during 2004 its capability in moving towards the best, where JNB became able to diversify its revenues streams, sources and uses of funds in different areas.

Moreover, the Bank is committed to abide by financial discipline, proactive approach and teamwork spirit with higher staff productivity and lower operating costs to minimum levels. The following points represent JNB's achievements in 2004:

### **First: - The Productive Departments Sector: -**

This sector comprises all the income generating departments of the Bank, these departments are deemed accountable for business development, increasing profitability and exploiting the investment opportunities in various fields. This sector comprises the following departments:

#### **(1) The Credit Facilities Group: -**

##### **a. Corporate Credit Facilities: -**

The Corporate Facilities Department has succeeded during 2004 in increasing the size of the direct credit facilities portfolio, growing by a high notable rise of 43%, while the indirect credit facilities grew by 98%. The Bank continued enhancing its relations with current customers in addition to attracting numerous new clients of local companies and institutions. Besides of that, JNB activated and stimulated the relationship management with customers in order to attract large amounts of deposits and cash margins in addition to marketing JNB's different services, expanding credit activities across branches abroad and effectively contributing to the remedy of non-performing accounts.

##### **b. Commercial Credit Facilities: -**

The Commercial Facilities Department has performed during 2004 the required arrangements for transforming its duties and working style from a support and assistance role to branches into an initiative proactive role to share the business development process as well as attract new customers, whether the newly established companies, already existing companies or those which deal with other banks. Adding to that, this department draws a bead on increasing the size of credit facilities extended to current customers. The department continued its aspiring efforts geared towards monitoring and persistently following up the credit accounts in order to control the inherent risks on the right time.

c. Consumer Credit Facilities & Retail Banking Operations: -

The Bank has successfully upgraded the quality of all types of personal loans, whether in terms of the size of granted loans or the quality of rendered services. This was accompanied by presenting new banking programs and products besides developing the current services. In that regard, the conditions and standards of the housing loans program were amended according to the current market variables and the prevailing severe competition, where JNB has succeeded in preserving its market share in this field. Furthermore, new features were added to the Quick Loan Service for individuals by extending the repayment period to a longer duration, granting higher ceilings and imposing acceptable collaterals to all public and private sector employees whose monthly salaries are transferred to the Bank.

During the first half of 2004, the Goushan Certificate denominated in US dollars, was launched. Also, the Bank has successfully increased the number of beneficiaries from the prizes of the Goushan Certificate Program through diversifying and increasing the number of complimentary prizes. The Bank enhanced its active role in the field of Money Gram service for swift transfers, through promoting and educating this service to the public and exhibiting its connection with the other services of the Bank.

In addition to the Quick Loan Service, the Bank has introduced the Immediate Loan Service, which is directed to the clients, whose current accounts are debited temporarily till their salaries are transferred to the Bank. Regarding the Revolving Loan Card, which is a new service directed for professionals such as doctors, engineers and lawyers. This service will be launched with the inception of year 2005, while it is also deemed the first of its type in Jordan, aiming at covering the different financing needs of individuals. Moreover, the Bank has finished conducting the studies required for launching a new competitive product in the market for car loans, which includes a guarantee for the loans portfolio by one of the insurance companies.

The attention of the Credit Cards Department was focused on reformulating the credit policy, expediting the procedures and subscribing to the Automated Tellers Machines Network in

Jordan (JONET), which enables customers to withdraw cash by the MasterCard or Visa Cards through more than 400 ATMs distributed across the Kingdom. As well, the base of qualified merchants linked to the Points of Sale (POS) system was widened. JNB has signed several agreements with the majority of five-star hotels and large service companies in Jordan, implying the acceptance of the MasterCard credit cards as a payment method. Also, the Bank has succeeded in obtaining the license from MasterCard International to act as a major agent in Iraq for issuing and accepting MasterCard credit cards.

The number of ATMs increased to 43 machines distributed over the majority of branches and the biggest central markets, in addition to a Drive-Thru ATM. In the field of supporting branches and activating their commercial and financial operations, specific plans and goals were set up in order to enhance their commercial activity for selling and introducing all banking products in an effective manner that assures profitability for the Bank. For that purpose, JNB has set up some tools to gauge and assure precise achievements, especially in what concerns servicing individuals, using the allocated commercial budgets of branches and monitoring the extent of progress made and the actual performance of branches in accordance with the related international standards and policies in this field.

The Bank has begun implementing the strategy of transforming branches into actual points of sale, where the branches will be restructured, reorganized and equipped to accommodate with their selling role. The Bank has clearly specified the selling and marketing functions for the sales and customer service staff, and they were trained on the new concept of branches as points of sale. Furthermore, JNB has accomplished the set up of the direct selling center in accordance with the expansionary policy toward the retail market and servicing the customer directly. Qualified staff were appointed to run the operations of this center in an effective manner starting on March – 2005. As well, JNB continued its policy of merging branches besides neatening and renovating their internal and external appearance and façade to reflect the image of the Bank and its strategy towards the retail market.



In the field of improving the service to customers, who are considered the main axis for nailing down JNB's business and reflecting its bright image, the Bank will measure the quality of rendered services through adopting each of the mystery shopper program and the suggestion boxes that are distributed over the branches, as well as the incoming complaints on the hotline.

**d. Credit Remedial and Follow-up: -**

The Credit Remedial and Follow-up Department, which functions include the execution upon collaterals, has succeeded in translating the set goals for collecting the non-performing loans and turning them into regular performing accounts. This occurred after reorganizing the work procedures by adopting proper banking and scientific principles and attracting new competent staff. Accordingly, the value of non-performing facilities dropped 23.8% during 2004, while also an amount of JD 17.8 million was recovered back to the income statement from the specific provision and the interest in suspense.

**(2) Treasury & Financial Markets Group: -**

The Treasury and Financial Markets Department has progressed its operations and services development during 2004. The department contracted with one of the best specialized international companies; (Sunguard) and started the implementation of its own system in treasury management, which will enhance the level of liquidity management, risk control, and providing the best automated solutions and plans that fill the needs of the department. As well, the system lets in the use of an advanced system dedicated for Assets/Liability Management to be applied across branches, subsidiaries and affiliated companies abroad.

Moreover, the department proceeded in offering its services for its clients based on their requirements, such as foreign currencies trading, international stocks and bonds trading, and dealing in derivatives throughout a dealing room and working hours that cover the main markets.

In 2005, the department will restructure its units by adding a new unit dedicated to market its

products, and to divide the customer service section into special units to focus on retail and corporate services to continue providing better services effectively and efficiently.

### (3) The Investment Banking Group: -

The Investment Banking Department has astonishingly attracted an increasing number of clients to service them with professional expertise available at JNB in the field of Investment Portfolio Management, through which, the Bank offers this service for clients who lack the experience and time to manage and to follow up their investments on a daily basis. Furthermore, clients and other parties who are interested in the Jordanian capital market, are furnished with financial researches, consultations, and financial analysis of listed companies at ASE and for economic sectors, in addition to the specialized technical analysis that concentrate on stock prices trends through monitoring the movement of Jordan National Bank 35 Index "JNB35" for the best performing 35 traded companies at the ASE. During 2005, the department will launch "Al-Ahli Balanced Fund" an open-ended investment fund that fulfills the needs of small investors by employing their savings in ASE through a specialized management that applies scientific techniques in making investment decisions. In addition, JNB has successfully managed and underwritten a JD5 million corporate bond issue for Jordan Mortgage Refinance Company (JMRC), which was widely accepted, especially by individual investors.

The overall trading volume at ASE during 2004 for the brokerage department reached JD515 million compared with JD193.3 million in 2003, growing by 166.4%, by which JNB occupied the fourth place among over 30 brokerage offices working at ASE. The department is continuously developing its operations and boosting its client base by offering the Brokernet service, as a free service to enable clients to check instantly their investment accounts and portfolio positions through the Internet.

### (4) Branches Abroad Group: -

#### a. Al-Ahli International Bank S.A.L (a Lebanese subsidiary of Jordan National Bank): -

During 2004, the management of Al-Ahli International Bank has established solid bases for

realizing the expected takeoff in the forthcoming years. Accordingly, the majority of the business plan targets were accomplished. These plans reflected JNB's management interest in expanding and nailing down its existence in the Lebanese market. The Bank achieved net profits of JD440 thousand for the first time since 1997. Customers' deposits grew by 14% to attain the level of JD161 million, while the general facilities improved by 16% to amount JD29.2 million and the net doubtful debts volume declined by 11%.

A new organizational structure for the Bank's management was prepared to be consistent with JNB's business plan. Likewise, new departments and units were established to activate the procedures and to assure the efficiency and effectiveness of internal control systems. All at once, commercial facilities unit, cars loans department, contracts documentation and credit control unit, doubtful debts collection and follow-up unit, and internal control unit were all established. The management also supported the compliance unit responsible for applying the anti-money laundering law, where the functions of this unit were specified and expanded. Aiming at accomplishing a higher level of productivity, the number of employees was reduced in some branches and some unnecessary functions were eliminated to match the nature and volume of work at those branches.

The Bank continued to document the policies, procedures, manuals and job descriptions for all operations and activities of the Bank based on the latest international practices. This documentation aims at preparing for the re-engineering of banking operations to reach the highest degrees of efficiency and effectiveness and the lowest levels of risk. Also, and besides the restructuring plan, AIB moved the execution responsibility of many operations that were executed at the branches to a number of departments in the head office as a first step towards transforming to the centralization principle in executing most of the banking processes.

Al-Ahli International Bank accomplished the launching of the banking product "Miles" as a program to finance cars purchases. This program has recorded a big success as a result of AIB's commitment to offer the loan approval within 24 hours only. As well, the information system

Bank 2000 was amended to meet the needs of the Bank and the requirements of monetary authorities. On the side of non-performing debts collection, the Bank accelerated during 2004 the procedures for debts settlements or the acquisition of mortgaged real estates against these debts, which all in all led to releasing some provisions and use them to form provisions for other debts, thus, reducing the net of doubtful debts by 11%.

**b. The International Banking Unit (Cyprus Branch): -**

The international banking unit proceeded with providing its distinguished services, especially in the area of commercial services, transfers, and dealing in foreign currencies for all existing clients in Cyprus, Jordan, Lebanon, Egypt and the surrounding region. The unit came out with more than US\$1.1 million as net profits after tax.

During 2005, the unit aims to upgrade its banking information system to cope with the changes related to the special European prerequisites and to implement the banking services via the Internet. The unit will also improve and market the investment banking operations and private banking services in addition to designing and applying a strategy for non-performing facilities and how to manipulate them.

**c. Branches in Palestine: -**

In spite of the unstable and difficult economic and security circumstances in Palestine during 2004 and their negative effect upon the different economic sectors performance, the branches of Jordan National Bank in Palestine were able to operate under those damaging situations. The Bank collected 20% of the non-performing debts and 28% of the doubtful debts provisions was returned back to the profits account.

In order to support JNB's operations in Palestine, an MOU to merge JNB's branches in Palestine and the branches of Palestine Commercial Bank was signed as a unique step that occurs for the first time to merge a Jordanian bank with a Palestinian bank. The resulting bank will carry the name of "Palestine Commercial National Bank". The merger will fortify the financial adequacy for the new bank and will enable it to compete and spread out more in the

Palestinian market, which is full of promising investment opportunities, especially after observing signs for resolving the political situations in Palestine.

## **Second: - The Support Departments Sector: -**

This sector comprises the departments that provide the required support and assistance (cost centers) for the productive departments (profit centers) to help them develop their businesses and improve their efficiency and performance in addition to enhancing the quality of services extended to customers. This sector comprises the following departments:-

### **(1) The Operations Department: -**

#### **a. Branches Automation & Operations Department: -**

This department continued its cooperation with all the departments of the Bank to accomplish the programs related to improving different services and reports. This department has also kept providing branches with the support of training, giving authorities and organizing the work on the operating banking system, including upgrading the system through the "I Bank" system (First Phase). The stages of programming, testing and applying the Eximills System for incoming letters of credit were wrapped up. As well, each of the Sunguard / Quantum system, the Periodic Operations Systems at branches, the Central Clearance Program, the Central Incoming and Outgoing Transfers Programs, and the Central Accounting and Credit Cards Operations were programmed and tested. Moreover, the cycle of credit facilities was updated, such as the documentation procedures, credit management and the programs related to the JONET network. Also, the new consumer loans programs were updated in year 2004. These abovementioned systems took into consideration the achievement of JNB's goals, with respect to the centralization of the whole technical and specialized operations in order to transform the branches into points of sale for banking services.

#### **b. Treasury Operations Department: -**

This department has completed the implementation of the Centralized Automated Clearance System over all branches of the Bank, which led therefore to save time and effort, and increase efficiency in servicing customers, besides centralizing the service of Speed Cash transfers. The

initial implementation of the international treasury system (Sunguard) has started, while also a new system and machines were purchased for printing out the customers' checks in accordance with the new technical requirements.

**c. Automated Services Department: -**

This department has succeeded during 2004 in expanding the beneficiaries base from Maestro Cards (ATM), activating the service of Al-Ahli Phone / Al-Ahli WAP and introducing the service of Al-Ahli Net to JNB's customers. The Bank has subscribed with JONET network of local banks, which enables the cardholders of other banks in Jordan (Visa & Visa Electron) to benefit from the services of JNB ATMs. While on the other hand, it enables JNB's customers to use the ATMs of other banks. This department has successfully increased the operating efficiency of the ATMs and minimized their technical problems to the acceptable minimum levels, through cognitive follow-up and solving the problems promptly as much as possible and with no delay.

**d. Commercial Services Department: -**

This department has continued to introduce and implement the technical commercial services for all branches and central managements in the field of outgoing and incoming LCs, all types of guarantees and bills of collection. This is besides offering advisory services and executing complicated and profitable commercial contracts on behalf of customers; especially what concerns the Iraqi market. Also, the new system of outgoing LCs was applied in all branches of the Bank in Jordan, where a new unit in the department was established (branches operations of LCs Unit) in order to facilitate procedures related to the LCs.

**e. Methods and Procedures Department: -**

This department has completed the procedures related to the branches operations of LCs unit, as well as the procedures manual of outgoing and incoming LCs in cooperation with the commercial services department. A tendency goes towards building and studying the set up of centralized supervisory systems and reports for branches, undertaken by the commercial services department, for monitoring the performance of the branches. Of course, this is to assure that the branches are abiding by the international directives and the internal

procedures, whether in the technical aspects of LCs and LGs or the credit relationship between the customer and the various credit facilities departments in the concern of commercial services. The department is also targeting to update and study the followed procedures in executing the operations between branches on one hand, and with the central operations on the other hand. This also applies when dealing with correspondent banks in the regard of processing checks or transfers, aiming at saving time, effort and cost as well as maximizing profits. Moreover, the department's work procedures have been documented electronically to be useful for the different supervisory parties.

**f. The Process Reengineering Project: -**

This project aims at improving and simplifying the work procedures besides enhancing supervision in order to minimize costs, improve and expedite customer service. Among the anticipated outputs from this project are the coordination of the individual goals of departments and branches to be in line with the overall strategy of the Bank, arousing the ability to gauge the performance of different units in a more effective way, in addition to computerizing and planning the path of work procedures. The set of work procedures will be examined first at a typical branch (Pilot Branch) to generalize afterwards the redesigned working procedures over all branches.

**(2) Computer System and IT: -**

The computer and IT Department completed the automation of the back office operations of branches, the implementation of centralized clearance over all branches, the installation of the new ATM system, and circulating the use of Internet banking services for the Bank's clients.

**(3) Financial and Accounting Systems: -**

After restructuring the centralized accounting procedures, the financial department has programmed many of the financial statements and reports, particularly what is required from the Central Bank of Jordan in addition to furnishing the top management with the essential information for decision making as well as setting up plans and preliminary budgets on the macro and the micro level of the Bank (departments and branches).

#### (4) Human Resources Management: -

In 2004, the training department has been expanded and the internal training was improved by designing specialized training programs in cooperation with qualified employees working at JNB, and by contracting with experienced workers in the banking sector. Moreover, a new strategy for training and human resources development was initiated to be comprehensive and in harmony with the general strategy and broad goals of the Bank.

Also during 2004, plenty of training courses and workshops were held for JNB employees in all branches and departments working at every level, where the training was focused on how to provide the service, the selling skills, and introducing the provided banking services. Furthermore, extensive training courses were administered for banking products and services that were already and will be launched by the Bank.

The human resources department placed a new system for selecting and appointing employees based on choosing the right person for the right job, paralleled with comparing the job criteria with the applicants' qualifications, through testing the applicants and interviewing them in addition to checking their personal and work history as well as giving the priority to the existing employees at the bank who are able to fill any vacancies. Furthermore, introductory programs were set up for new employees besides focusing on the trial period to assure the creation of loyalty of the new employees and their consistency with the working environment at JNB.

#### **Third: - Supervision and Risk Management Departments Sector: -**

This sector includes the departments that have supervisory functions on each of the profitability centers departments and the cost centers departments to ensure their abidance within a well-studied risk environment and solid supervisory tools.

#### (1) Banking Risk Management Department: -

This department kept on performing the compliance tests to measure the volume of risks and



their management for each department that applied the Control & Risk Self Assessment System (CRSA), since this system relies on a decentralized method in managing risks by making all work centers managers responsible for the risks existing at their work places. This system determines the exchanged relationships between the risks and the control procedures. The compliance tests, which are designed by the banking risk management department in cooperation with the concerned departments, aim at ensuring that the control procedures are effective and used for calculating the operational risks for each department or work center. Also, each risky area is being looked out carefully to mitigate the size of risk through following up and assisting the different units by the risk management department. Periodic reports are sent to the top management and the board of directors as a process of having an early alarm system for detecting risks.

### (2) Credit Administration, Control, and Documentation Department: -

This department performs its control functions via two sections: the first one represents the credit control and the second one centers on administering and supporting the credit. So, this department ascertains the soundness of the credit decisions taken and their consistency with both of the specified credit policy by the Bank and the supervisory authorities instructions. Periodic reviews are conducted for the facilities contracts, their guarantees, and the correctness of all documents associated with these contracts. Finally, this department works on discovering any early signs or indicators for the possibility of classifying or defaulting any accounts as soon as possible.

### (3) Internal Audit Department: -

In 2004, the operations of the internal audit department were improved starting from amending the style, design, and contents of the audit reports to comply with the international standards for internal auditing in addition to enrolling new concepts in the department's work such as Risk-Based Audit. This type of Audit specifies and ranks risks and their levels for all of the Bank's activities and lists them in the audit reports according to their notes. Moreover, the Bank has contracted with an international consultancy firm to work on developing the internal audit processes and training the auditors to possess the best international practices in this field.

**Social and Cultural Responsibility: -**

Jordan National Bank continuously follows up the management and financing of social and cultural projects for different associations and municipalities. For this sake, the Bank has founded a new department that is connected directly with the Chairman's office. This department will be specialized in the media and cultural affairs to provide social and cultural support for the Bank's role in the society based upon well-studied standards and measures.

JNB launched, in a celebration of its 50th anniversary, Jordan National Bank's publications dedicated for publishing studies and literary works for Jordanian writers and researchers, and offering them as presents for public institutions and libraries as well as students and readers at decent prices. This extensive social and cultural activity of the Bank was widely accepted by the public and the media. These activities also enhance the Bank's image in serving the local society in accordance with JNB's established traditions since five decades.

In the field of preserving the Arabic and Islamic civilizations, JNB manages a distinguished numismatics museum established in 1999. Lately, JNB issued a valuable book that includes a collection of new copper numismatics. This book forms another contribution for JNB in the cultural domain and preserving the heritage. Jordan National Bank is still conducting the support of environment preservation through sponsoring "Al-Ahali Garden" that is placed opposite to the head office location.

# The Future Plan for 2005

The Bank has signed a contract with a foreign consultancy and expertise firm in order to assist in establishing a long-term 5-year strategy for JNB. This strategy takes into consideration the actual banking sector in the countries where the bank operates. This strategy consists of 8 stages starting from designing and formulating the strategy preparation program, followed by specifying the priorities to develop the strategies using the Strategies Evaluation Methodology "STRAM" through comparing the current strategy of the Bank with other paradigms and models according to the best international banking practices to determine improvement areas and enhance current strengths. During both, the third and fourth phases, the strategies of the productive departments and then of the supporting departments will be developed. In the fifth stage, the strategic goals of the Bank for the forthcoming 5-years must be identified and sieved before shaping and formulating an optimistic vision for the Bank in collaboration with the board of directors and the top management, which all in all, must be in concord with the overall strategic goals. The seventh stage considers the revision and the arrangement of the divisional business plans. The final phase unifies and incorporates all the targets, objectives, plans, programs, and the joint vision to accomplish the overall strategy of the Bank, which will be rendered and translated annually through estimated budgets for all branches and departments, keeping in mind that the core pivot of the strategic plan lies on focusing upon the selling role of staff across all work centers.

The following represents the contrived programs, targets, and sub-projects for 2005:

## **Business Development & Profitability Enhancement: -**

1. Growing the Bank's market share in commercial and large corporations facilities in the local market, as well as increasing the volume of retail loans throughout efficient marketing and diligent follow-up to attract targeted individuals, companies, and institutions. Furthermore, the Bank will activate the marketing function of the commercial facilities department and translate the relationship management concept with clients.
2. Broadening the clients' base by concentrating on the retail banking services through direct

selling to the customers, applying the points of sale concept (POS) in JNB's branches, establishing specific areas for sales and customer service inside branches to start operations in the Direct Sales Center. Moreover, the number of banking services outlets will be increased, especially for the electronic instruments and ATM machines.

3. Providing continuously updated and innovative banking products and services that suit the clients' needs, such as launching a mutual investment fund in the local capital market, presenting other products for wealth management directed towards high networth individuals (HNI), and providing the revolving loan card service that gives the customer an opportunity to unify all of his existing loans into one loan, at a competitive interest rate, combined with many other advantages that fulfill customers' desires to cover all of their personal requirements. JNB will also introduce a new product of Prepaid Cards and lease finance services to serve productive sectors with flexible repayment period that fits the productive age of leased assets.

4. Rearranging priorities in the field of regional expansion, particularly in Iraq and Syria, also, to increase the market shares of JNB's existence in Palestine, Lebanon, and Cyprus, and to attract new investors to raise the capital of Al-Ahli International Bank S.A.L / Lebanon.

5. Amplifying and focusing the efforts aimed at reducing the level of the non-performing loans. Additionally, controlling the accounts' quality severally and spontaneously, and collecting more accrued debts in order to transform the remedial credit department into a good profit center.

#### **Support and Technical Assistance Operations: -**

1. Accelerating the procedures of the support processes of the products and services provided by the Bank. This will help increase the volume of clients benefiting from the Bank's services, especially in the areas of revolving loan card, Maestro Cards, Ahli Phone, Ahli Net, Ahli Wap, and Speed Cash Transfers.

2. Carrying on the execution of the branches' back office operations centralization project, and to concentrate mainly on the central system of the outgoing and incoming transfers, automated clearance system, centralized facilities, central accounting, settlements and

scheduling procedures in addition to implementing the Sunguard / Quantum system and Eximibills commercial system.

3. Starting up the work on the Information Technology Operations Development Project, the Information Security Evaluation Project, and the Internal Audit Operations Development Project in cooperation with specialized consultancy firms. The Bank will also upgrade the banking system Bank 2000 through the new system I Bank, for each of the client's data, centralized facilities and facilities operations. JNB will also start preparing for the compliance plan of Basel II Committee accords and requirements, and finally the Golden Jubilee project to celebrate JNB's formation.

4. Establishing a training center for Jordan National Bank and attracting qualified trainers and experts from the Bank's employees and qualify them as professional trainers in the internal training courses of the Bank. Moreover, a new system will be applied to evaluate staff performance across all levels based upon comprehensive and objective standards.

### **Supervisory & Control Operations and Risk Management: -**

1. Using the results of the compliance tests for the Control and Risk Self Assessment System CRSA, as an early risk alerting system for potential banking risks for all banking operations, besides, ensuring and enhancing the availability of a powerful supervisory environment to solve any problems immediately.

2. Empowering, fostering, and maximizing the role of the audit department in translating its supervision function over the Bank's different branches and departments as well as maintaining its role in correcting and following up audit notes.

3. Fortifying and strengthening the operations of "The Credit Administration, Control, and Documentation" department and speeding up its procedures, since it has a vital role in preserving the Bank's rights and ensuring the correctness and safety of credit decisions.

# Major Highlights in The Bank's History

## • 1955 – 1964

1. Jordan National Bank was established in 1955 with an authorized capital of JD350 thousand.
2. Opening branches in different cities in the region represented by each of Nablus, Al-Zarqa, Irbid, Aqaba, Jerusalem and Beirut.
3. JNB has embarked its operations in Hebron city when it was under the dominance of Jordan.
4. Increasing the paid-up capital of the Bank to JD500 thousand.

## • 1965 – 1974

1. The Bank has increased its paid-up capital from JD 500 thousand to JD1 million.
2. Two branches were opened in Bethlehem – West Bank and Tripoli – Lebanon, followed by opening a branch in Al-Salt City – Jordan. Meanwhile, the Bank started its operations in Saida City - Lebanon.
3. In year 1967, JNB's operations in Jordan and Lebanon have been affected by the occupation of the West Bank. Nonetheless, JNB has successfully recorded net profits of JD6,019 in that year, avoiding any losses despite the fact that the Bank was heavily burdened by all the expense of its branches in the West Bank, which were not matched by any revenues.
4. In year 1968, the Bank posted net profits of JD75.2 thousand, distributing 6% of the paid-up capital as cash dividends, followed by 7% in year 1969.
5. The Bank's board has resolved to participate with both of Al Ahli Bank of Kuwait and Crede Lyonne Bank in establishing a new commercial bank in Dubai – UAE.
6. Two branches were opened in Al-Wehdat and Sweileh.

## • 1975 – 1984

1. JNB's branches network expanded to comprise 24 branches in Jordan at the end of year 1981, besides 4 branches in the West Bank and 5 branches in Lebanon.

2. The Bank's paid-up capital was brought up to JD1.5 million, then up to JD3.3 million. In year 1982, the assets of the Bank were revaluated, while the paid-up capital was increased to JD9.1 million through capitalization and public offering.
3. Also in year 1982, the Bank was geared up by computers for the first time since its incorporation.
4. The Bank has obtained the required license to operate in Cyprus through the external banking unit (off shore), which embarked its operations in year 1985. .

- **1985 – 1994**

1. Jordan National Bank acquired a stake of 6% in Jordan International Bank / London.
2. In 1994, JNB has increased its paid-up capital to JD16 million in two phases, represented by distributing 50% bonus share followed by a private placement at JD3 per share.

- **1995 – 2004**

1. A voluntary merger between Jordan National Bank and Business Bank has taken place. The action came out with a new paid-up capital of JD42 million, after distributing 125% bonus shares over JNB's shareholders before merger.
2. The authorized capital was raised to JD60 million as an initial step towards JNB's expansion and services improvement. The Bank also tends to increase the capital up to JD80 million during 2005, then up to JD100 million in the near future.
3. The bank reached an initial agreement for merging its branches in Palestine with the Commercial Bank of Palestine.

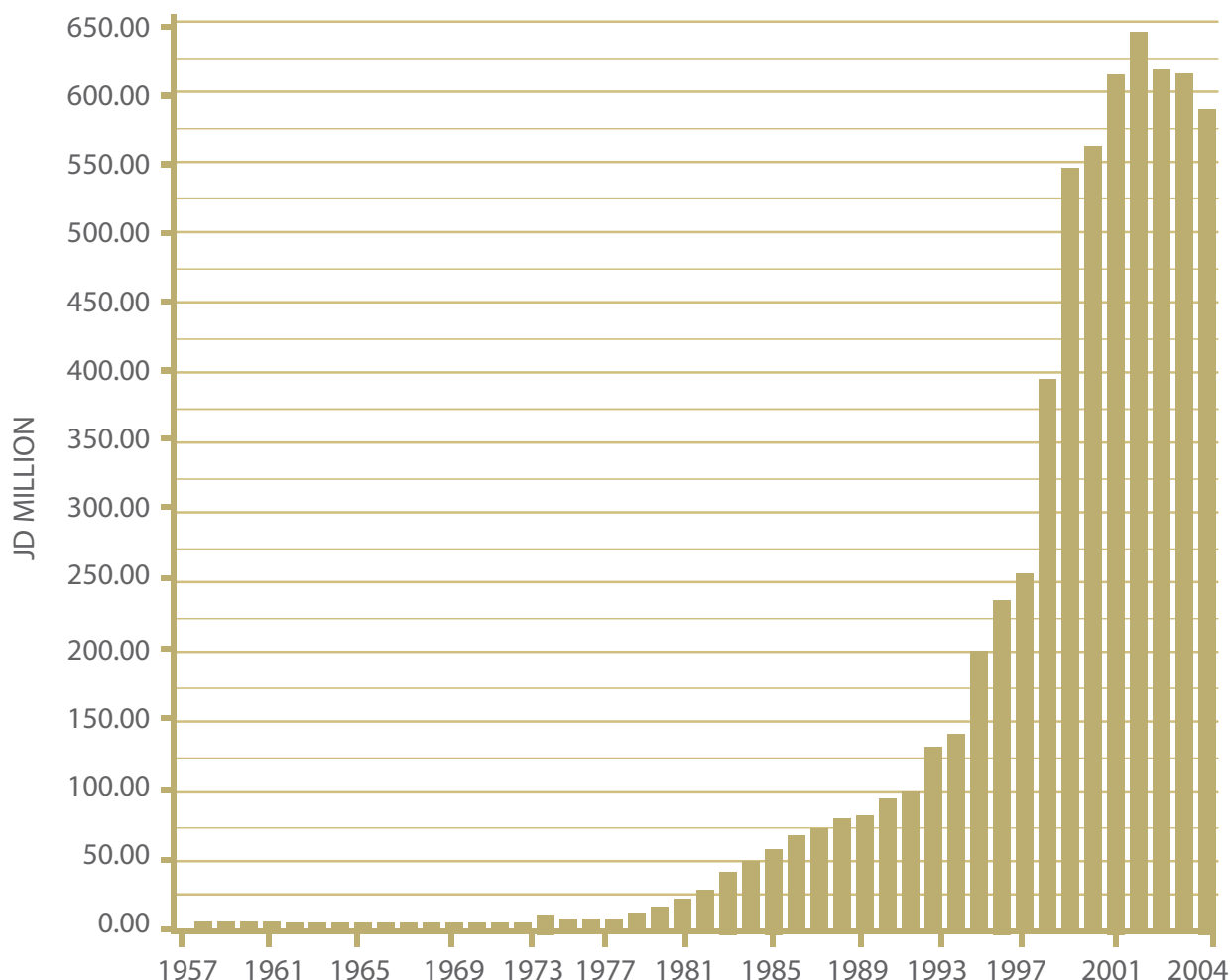
- **2005**

1. In February 2005, the Jordanian cabinet approved to merge Philadelphia Investment Bank into Jordan National Bank.

## Financial Developments since the Bank's Establishment (1957 – 2004)

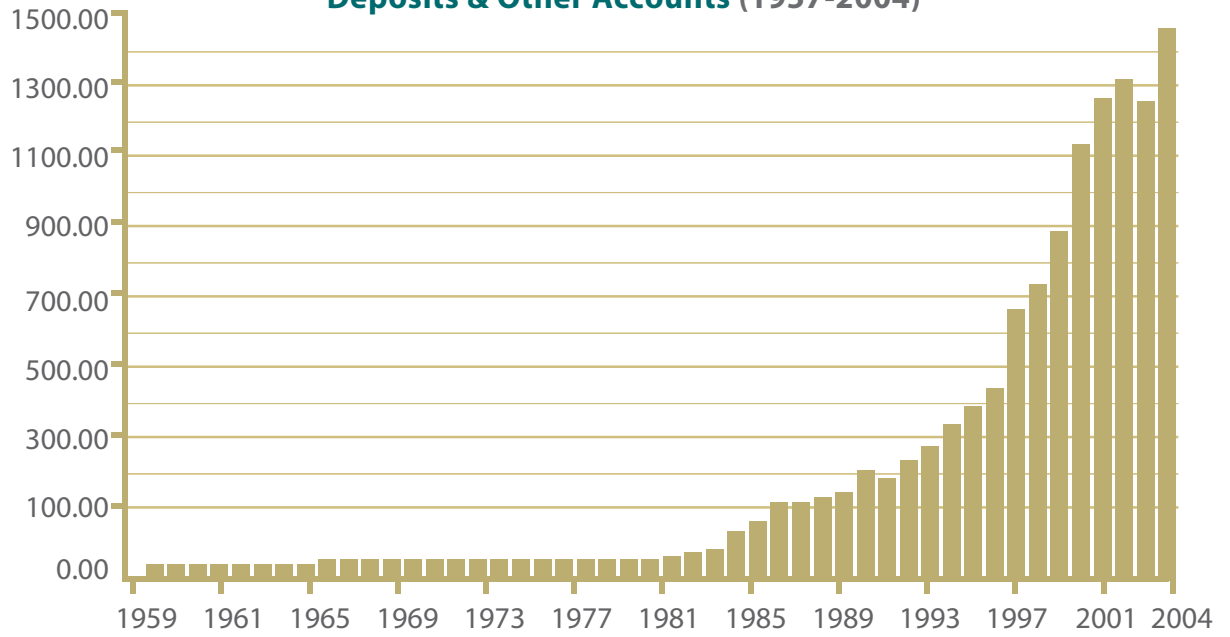
The total credit facilities – Net has increased from JD0.6 million in 1957 to JD420.2 million in 2004 whereas the total deposits grew up from JD0.8 million to JD1.4 billion during the same period of time. The shareholders' equity amounted to JD97 million in 2004 compared with JD0.3 million in 1957 while the total assets increased from JD1.8 million in 1957 to reach JD1.6 billion in 2004. Finally, the total distributed cash dividends for the shareholders' since the bank's establishment is JD31.8 million.

**Total Facilities (1957-2004)**

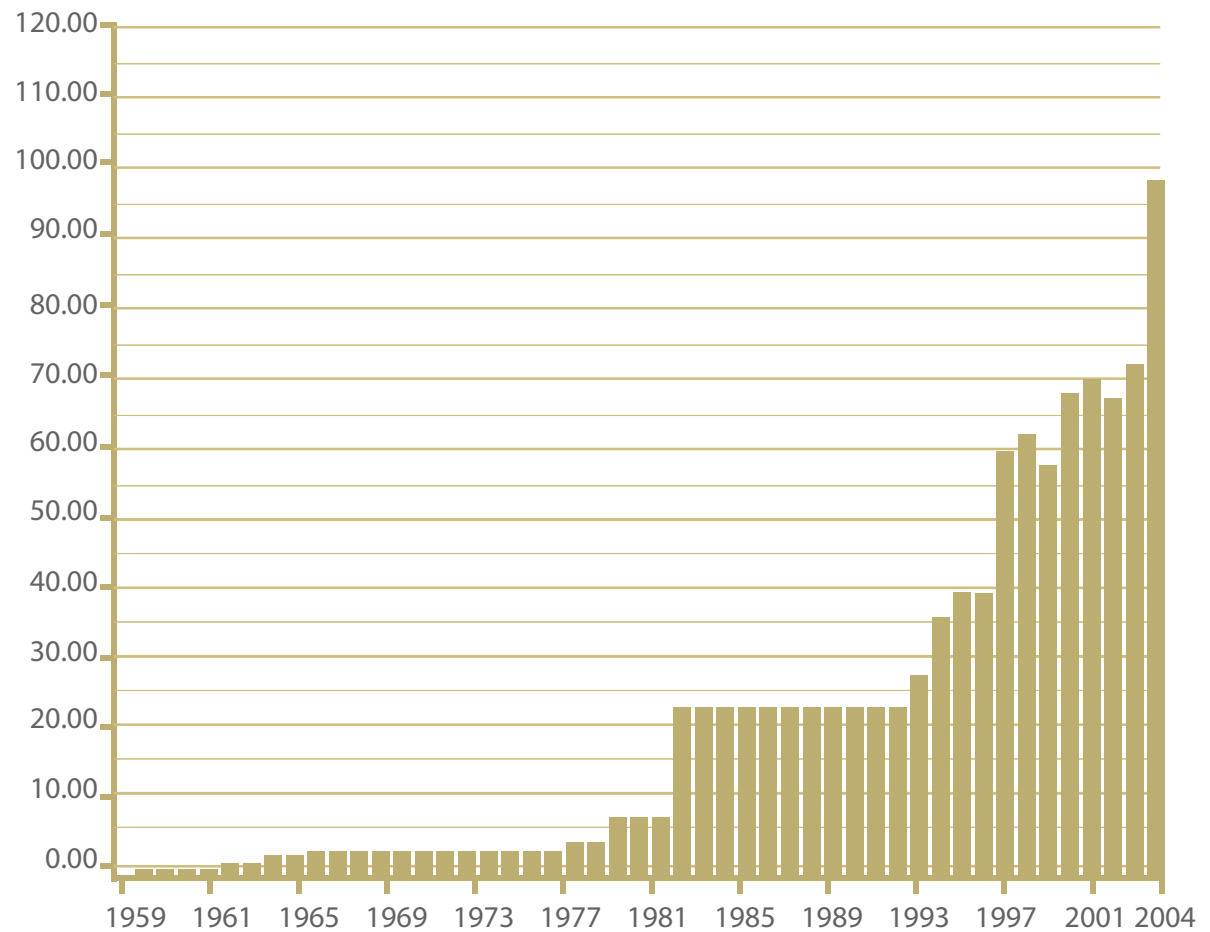


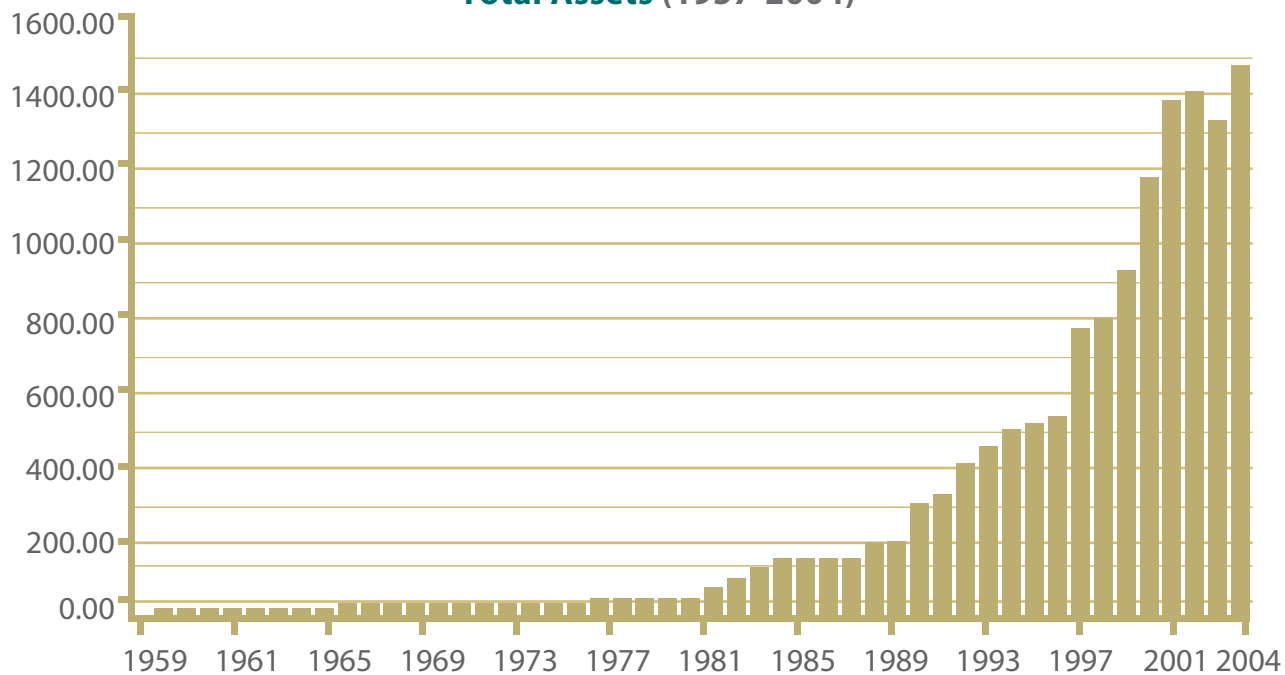


**Deposits & Other Accounts (1957-2004)**



**Total Shareholders' Equity (1957-2004)**



**Total Assets (1957-2004)**

# Financial Ratios 2004

The following are details of the main items of changes in assets, liabilities, and contra accounts:

## Assets

1- The Balance Sheet total (excluding contra accounts) amounted to JD1,571,426,157 as at Dec.31st 2004, compared with JD1,302,400,125 as at Dec.31st 2003 – an increase of JD269,026,032. With the inclusion of contra accounts, the 2004 total would amount to JD2,580,596,434 compared with JD2,131,148,232 - an increase of JD449,448,202 over the preceding period.

2- Cash in hand and at banks amounted JD869,910,805 at the end of 2004, compared with JD634,789,441 at the end of 2003 – an increase of JD235,121,364 .

3- The value of securities and investments amounted to JD168,664,660 at the end of 2004 compared to JD135,323,629 at the end of 2003. This amount includes JD128,111,910 of Jordan government bonds and various other government guaranteed bonds, and corporate bonds issued by public institutions and companies, compared to JD103,524,582 at the end of 2003.

4- The balance of credit facilities (before provisions and interest in suspense) amounted to JD559,443,344 at the end of 2004, compared with JD583,177,507 at the end of 2003 – a decrease of JD23,734,163 over the preceding year. This amount includes discounted commercial bills amounting to JD58,005,236 in addition to outstanding overdraft accounts amounted to JD164,739,491, credit cards, loans and advances amounting to JD336,698,617.

5- The net book value of real estate, machinery and equipment, and furniture (after depreciation) amounted to JD51,822,600 at the end of 2004, compared with JD52,439,879 at the end of 2003.

## Liabilities

1- The balance of current and call accounts, savings, term and bank deposits amounted to JD1,306,351,534 at the end of 2004, compared with JD1,055,803,514 at the end of 2003 – an increase of JD250,548,020.

2- The balance of reserves and various provisions amounted to JD28,466,920 at December 31st 2004, compared with JD27,224,718 at the end of 2003.

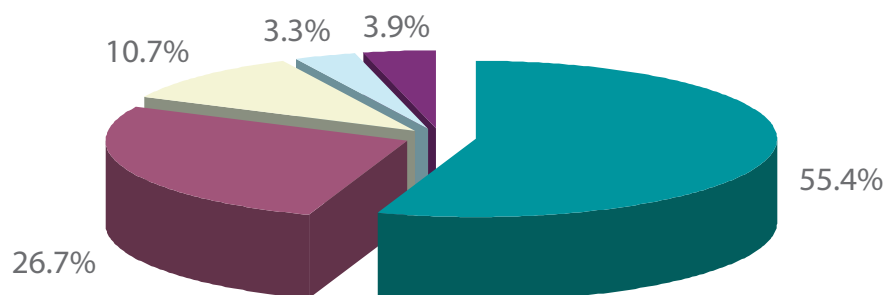
### Contra Accounts

1- The outgoing letters of credit account increased from JD62,177,779 in 2003 to JD76,383,255 in 2004, While the incoming letters of credit increased from JD539,071,729 in 2003 to JD645,138,255 in 2004.

2- The guarantees balance increased in 2004 to JD155,727,517 from JD137,768,974 in 2003.

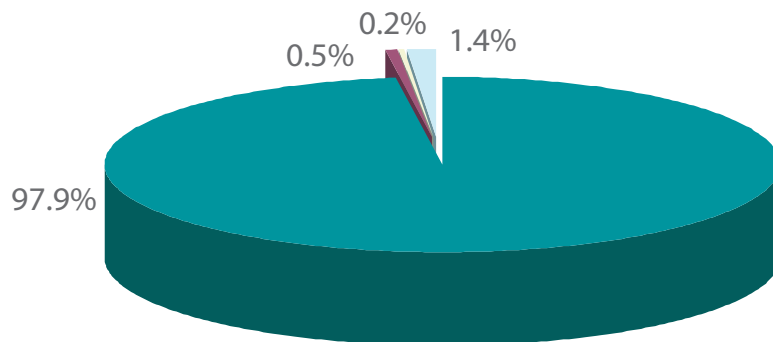
3- The acceptances balance increased to JD39,356,538 in 2004 from JD17,854,245 in 2003.

Assets	2004	2003	% Change	Weight 2004	Weight 2003
Cash, Balances, and Deposits at Banks and Other Institutions	869,910,805	634,789,441	37.0%	55.4%	48.7%
Credit Facilities - Net	420,208,016	429,047,089	-2.1%	26.7%	32.9%
Investment Portfolio	168,664,660	135,323,629	24.6%	10.7%	10.4%
Fixed Assets - Net	51,822,600	52,439,879	-1.2%	3.3%	4.0%
Defferred Tax Assets and Other Assets	60,820,076	50,800,087	19.7%	3.9%	3.9%
<b>Total Assets</b>	<b>1,571,426,157</b>	<b>1,302,400,125</b>	<b>20.7%</b>	<b>100.0%</b>	<b>100.0%</b>



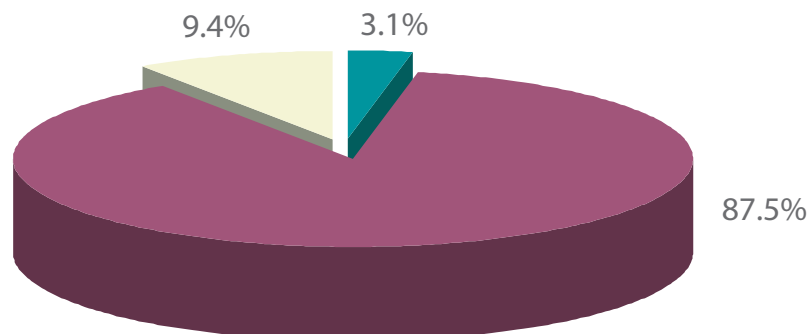
- Cash, Balances, and Deposits at Banks and Other Institutions
- Credit Facilities - Net
- Investment Portfolio
- Fixed Assets - Net
- Defferred Tax Assets and Other Assets

Liabilities	2004	2003	% Change	Weight 2004	Weight 2003
Deposits of Customers, Banks, and Other Institutions and Cash Margins	1,441,841,936	1,192,888,470	20.9%	97.9%	97.1%
Borrowed Funds	7,097,561	10,097,561	-29.7%	0.5%	0.8%
Various Provisions	3,265,646	2,870,262	13.8%	0.2%	0.2%
Other Liabilities and Income Tax Provision	21,033,441	22,826,099	-7.9%	1.4%	1.9%
<b>Total Liabilities</b>	<b>1,473,238,584</b>	<b>1,228,682,392</b>	<b>19.9%</b>	<b>100.0%</b>	<b>100.0%</b>



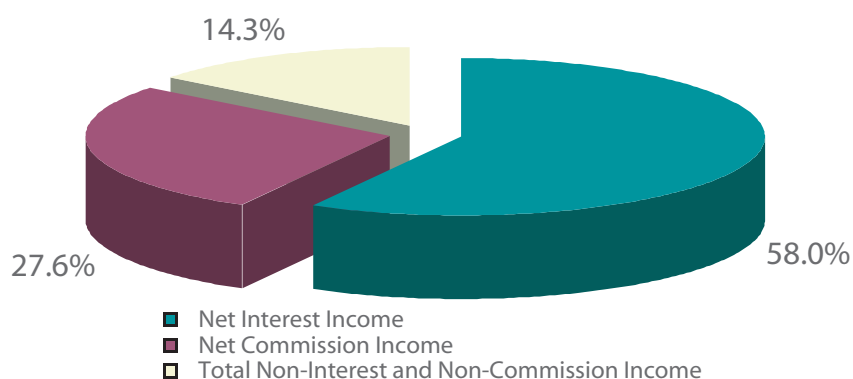
- Deposits of Customers, Banks, and Other Institutions and Cash Margins
- Various Provisions
- Borrowed Funds
- Other Liabilities and Income Tax Provision

Deposits and Borrowed Funds	2004	2003	% Change	Weight 2004	Weight 2003
Deposits of Banks and Other Financial Institutions	44,706,603	44,696,799	0.0%	3.1%	3.7%
Customers' Deposits	1,261,644,931	1,011,106,715	24.8%	87.5%	84.8%
Borrowed Funds	135,490,402	137,084,956	-1.2%	9.4%	11.5%
<b>Total Deposits and Borrowed Funds</b>	<b>1,441,841,936</b>	<b>1,192,888,470</b>	<b>20.9%</b>	<b>100.0%</b>	<b>100.0%</b>

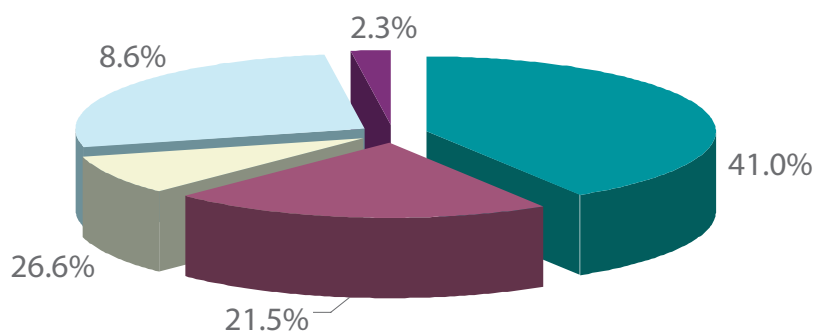


- Deposits of Banks and Other Financial Institutions
- Customers' Deposits
- Borrowed Funds

Non-Interest and Non-Commission Income	2004	2003	% Change	Weight 2004	Weight 2003
Net Interest Income	29,739,303	26,408,387	12.6%	58.0%	57.5%
Net Commission Income	14,169,581	11,027,238	28.5%	27.6%	24.0%
Total Non-Interest and Non-Commission Income	7,343,850	8,529,694	-13.9%	14.3%	18.6%
Net Operating Income	51,252,734	45,965,319	11.5%	100.0%	100.0%

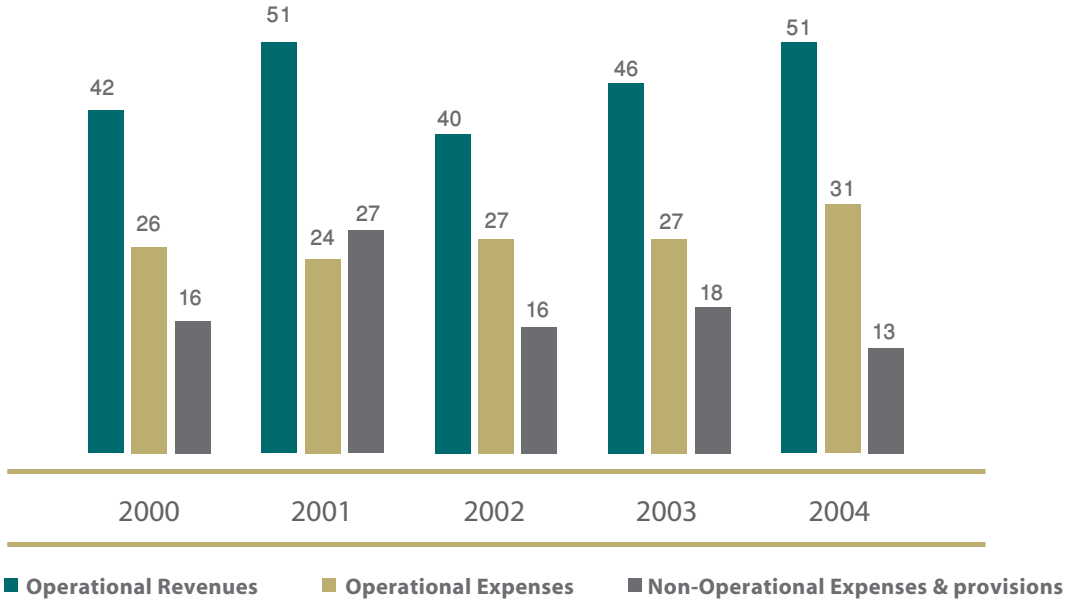


Operating Expenses	2004	2003	% Change	Weight 2004	Weight 2003
Employees Expenses	17,821,350	15,106,077	18.0%	41.0%	34.1%
Other Operating Expenses	9,331,489	7,687,975	21.4%	21.5%	17.4%
Depreciation and Amortization	3,731,732	3,905,474	-4.4%	8.6%	8.8%
Provision for Credit Facilities	11,548,401	17,028,394	-32.2%	26.6%	38.5%
Other Various Provisions	997,677	526,501	89.5%	2.3%	1.2%
Total Operating Expenses	43,430,649	44,254,421	-1.9%	100.0%	100.0%

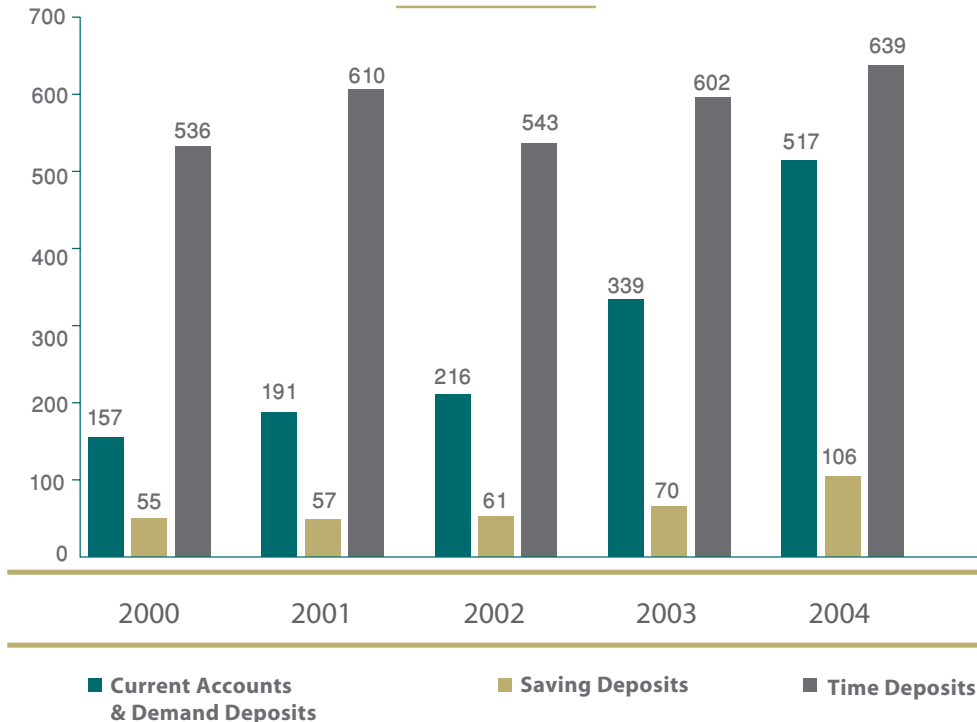


Provision for Credit Facilities
  Other Various Provisions
  Employees Expenses
  Depreciation and Amortization
  Other Operating Expenses

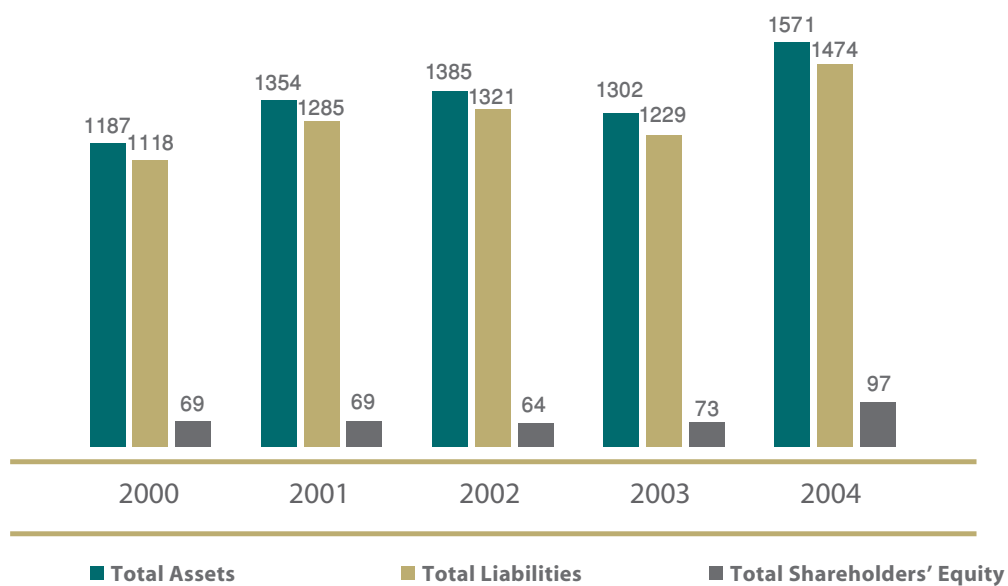
## Income Statement Million JD'S



## Customers' Deposits Million JD'S



### Assets, Liabilities and Shareholders' Equity Million JD'S





# **Independent Auditor's Report**

To the General Assembly of Shareholders

## **Consolidated Balance Sheets**

## **Consolidated Statement of Income**

# Independent Auditor's Report

To the General Assembly of Shareholders  
Jordan National Bank  
Amman-Jordan

We have audited the accompanying consolidated balance sheet of Jordan National Bank (a public shareholding limited company) as of December 31, 2004 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Jordan National Bank as of December 31, 2004 and the results of its operations and its cash flows for the year then ended, in conformity with the Law and with International Financial Reporting Standards. We recommend that the General Assembly of Shareholders approve these financial statements.

Without qualifying our opinion, and as stated in Note (50) to the consolidated financial statements, on January 12, 2005, a memorandum of understanding between the Central Bank of Jordan (being responsible for managing the operations of Philadelphia

Investment Bank) and Jordan National Bank was signed. According to the memorandum, it was agreed to merger Philadelphia Investment Bank into the Jordan National Bank. Furthermore, on December 21, 2004, a memorandum of understanding between the Jordan National Bank and Palestine Commercial Bank was signed. According to the memorandum, it was agreed to merge the Jordan National Bank operating branches in Palestine into the Palestine Commercial Bank under the new name of Palestine Commercial Bank.

The Bank maintains proper accounting records, and the accompanying financial statements are in agreement therewith. Furthermore, the financial data presented by the Board of Directors are in agreement with these records.

Amman – Jordan  
March 31, 2005

Deloitte & Touche M.E. - Jordan

# CONSOLIDATED BALANCE SHEETS

ASSETS	Note	December 31	
		2004 JD	2003 JD
Cash and balances at central banks	4	370,104,798	387,951,208
Cash at banks and other financial institutions	5	499,089,447	244,293,770
Deposits at banks and other financial institutions	6	716,560	2,544,463
Trading financial assets	7	13,339,163	17,354,543
Credit facilities - net	8	420,208,016	429,047,089
Available-for-sale financial assets	9	68,856,448	48,031,429
Held-to-maturity investments - net	10	82,978,175	65,408,219
Investments in affiliate and subsidiary companies	11	3,490,874	4,529,438
Fixed assets - net	12	51,822,600	52,439,879
Other assets	13	57,686,760	46,668,421
Deferred tax assets	14	3,133,316	4,131,666
<b>TOTAL ASSETS</b>		<b>1,571,426,15</b>	<b>1,302,400,125</b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.

<b>December 31</b>			
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<b>2004 JD</b>	<b>2004 JD</b>
Deposits at banks and other financial institutions	15	44,706,60	44,696,799
Customers' deposits	16	1,261,644,93	1,011,106,715
Cash margins	17	135,490,402	137,084,956
Borrowed funds	18	7,097,561	10,097,561
Various provisions	19	3,265,646	2,870,262
Other liabilities	20	20,447,972	22,416,009
Provision for income tax	21	585,469	410,090
<b>TOTAL LIABILITIES</b>	22	<b>1,473,238,584</b>	<b>1,228,682,392</b>
<b>MINORITY INTEREST</b>		<b>1,195,425</b>	<b>651,204</b>
<b>SHAREHOLDERS' EQUITY</b>			
Paid-up capital	23	60,000,000	49,411,259
Additional paid in capital	23	4,235,496	-
Statutory reserve		17,607,551	17,184,142
Voluntary reserve		2,830,669	2,407,260
Foreign branches reserve		4,550,000	4,550,000
Other reserves		213,054	213,054
Translation adjustments of foreign currencies		18,000	18,000
Cumulative change in fair value	24	3,785,534	508,616
Retained earnings (losses)	25	3,751,844	(1,225,802)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>96,992,148</b>	<b>73,066,529</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,571,426,157</b>	<b>1,302,400,125</b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.

# CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31

	Note	2004 JD	2003 JD
Interest income	26	53,995,045	55,759,875
Interest expense	27	24,255,742	29,351,488
Net Interest Income		29,739,303	26,408,387
Commission income-net	28	14,169,581	11,027,238
Net Interest and Commission		43,908,884	37,435,625
<b>Non-Interest and Non-Commission Income:</b>			
Bank's share in affiliate companies'			
profits (losses)		(29,414)	837,855
Income from financial assets and instruments	29	2,061,361	2,281,773
Other operating income	30	5,311,903	5,410,066
Total Non-Interest and Non-Commission Income		7,343,850	8,529,694
Gross Operating Income		51,252,734	45,965,319
<b>Expenses:</b>			
Employees expenses	31	17,821,350	15,106,077
Other operating expenses	32	8,946,788	7,458,982
Depreciation and amortization	43	3,731,732	3,905,474
Provision for credit facilities		11,548,401	17,028,394
Debts written off		384,701	228,993
Other various provisions	33	997,677	526,501
Total Operating Expenses		43,430,649	44,254,421
Net Operating Income		7,822,085	1,710,898
Non-operating revenues (expenses)	34	(553,260)	(266,217)
Net Income before Tax and Fees and Minority Interest		7,268,825	1,444,681
<b>Less: Income tax provisions</b>	21	199,339	599,774
Deffered tax amortization		998,350	1,304,300
Jordanian universities fees		37,862	-
Scientific research and vocational training fees		37,862	-
Education, Vocational, and Technical Training Fund fees		32,813	-
Board of Directors' remuneration		65,000	-
Net Income (Loss) after Tax and Fees and before Minority Interest		5,897,599	(459,393)
Share of minority interest from subsidiaries' net income (losses)		(9,125)	451,080
Net Income (Loss) for the Year		5,888,474	(8,313)
<b>Income (Loss) per Share (Note 35) - JD</b>	35	0.098	-
<b>Weighted Average Number of Shares</b>	35	60,000,000	47,992,350

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.

# CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-up Capital	Additional paid in Capital	Statutory Reserve	Voluntary Reserve	Foreign Branches Reserve	Other Reserves	Reserve at Subsidiaries	Translation Adjustments of Foreign Currencies	Cumulative Change in Fair Value	Retained Earnings (Losses) (Note 25)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>2004</b>											
Balance - beginning of the year	49,411,259	-	17,184,142	2,407,260	4,550,000	213,054	-	18,000	508,616	(1,225,802)	73,066,529
Net income for the year	-	-	-	-	-	-	-	-	-	5,888,474	5,888,474
Increase in paid-up capital and additional paid-in capital	10,588,741	4,235,496	-	-	-	-	-	-	-	-	14,824,237
Cumulative change in fair value	-	-	-	-	-	-	-	-	3,274,365	-	3,274,365
Translation adjustments of foreign currencies	-	-	-	-	-	-	-	-	2,553	(3,110)	(557)
Appropriated to reserves	-	-	423,409	423,409	-	-	-	-	-	(846,818)	-
Realized investments losses (Note 25)	-	-	-	-	-	-	-	-	-	(60,900)	(60,900)
<b>Balance - End of the Year</b>	<b>60,000,000</b>	<b>4,235,496</b>	<b>17,607,551</b>	<b>2,830,669</b>	<b>4,550,000</b>	<b>213,054</b>	<b>-</b>	<b>18,000</b>	<b>3,785,534</b>	<b>3,751,844</b>	<b>96,992,148</b>
<b>2003</b>											
Balance - beginning of the year	43,320,331	-	17,184,142	2,407,260	4,550,000	213,054	138,210	18,000	(2,389,909)	(1,311,957)	64,129,131
Net (loss) for the year	-	-	-	-	-	-	-	-	-	(8,313)	(8,313)
Increase in paid-up capital	6,090,928	-	-	-	-	-	-	-	-	-	6,090,928
Cumulative change in fair value	-	-	-	-	-	-	-	-	2,898,525	-	2,898,525
Closing provision at subsidiaries in retained earnings	-	-	-	-	-	-	(138,210)	-	-	138,210	-
Realized investments losses (Note 25)	-	-	-	-	-	-	-	-	-	(43,742)	(43,742)
<b>Balance - End of the Year</b>	<b>49,411,259</b>	<b>-</b>	<b>17,184,142</b>	<b>2,407,260</b>	<b>4,550,000</b>	<b>213,054</b>	<b>-</b>	<b>18,000</b>	<b>508,616</b>	<b>(1,225,802)</b>	<b>73,066,529</b>

-An amount of JD 3,133,316 of retained earnings as of December 31, 2004 is restricted as required by the Central Bank of Jordan against deferred tax assets offset against accumulated losses as of year-end 2000 and an amount of JD 123,605 representing the effect of implementing IAS (39) as of the beginning of the year 2001.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended December 31

	<b>2004</b>	<b>2003</b>
	<b>JD</b>	<b>JD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income before tax and fees and minority interest	7,268,825	1,444,681
Adjustments for:		
Depreciation and amortization	3,731,732	3,905,474
Provision for credit facilities	11,548,401	17,028,394
Impairment loss of real estate	956,936	215,771
(Income) loss on sale of available-for-sale financial assets	(572,496)	(105,075)
(Income) on sale of trading financial assets	(1,000,416)	(1,860,634)
Debts written off	384,701	228,993
Bank's share in affiliates' and subsidiaries' losses (profits)	29,414	(837,855)
Effect of exchange rate fluctuations on cash and cash equivalents	(2,214,083)	(2,260,476)
Various provisions	421,186	213,488
Income tax provision	(198,958)	(599,774)
Total	<u>20,355,242</u>	<u>17,372,987</u>
<b>Changes in Assets and Liabilities:</b>		
Decrease in deposits at banks and other financial institutions	1,827,903	7,778,497
Decrease in trading financial assets	5,015,796	20,084,814
(Increase) decrease in direct credit facilities	(3,094,029)	12,699,670
(Increase) in other assets	(12,614,140)	(4,011,243)
Increase in bank and financial institutions deposits maturing after more than 3 months	1,250,000	2,000,000
Increase in customers' deposits	250,538,216	191,378,462
(Decrease) in cash margins	(1,594,554)	(113,240,198)
(Decrease) increase in other liabilities	(1,968,037)	4,147,824
Net Cash Flows from Operating Activities before Tax	259,716,397	138,210,813
Income tax paid	(24,341)	(502,793)
Net Cash Flows from Operating Activities	<u>259,692,056</u>	<u>137,708,020</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Decrease (increase) in investments in affiliates and subsidiaries	1,009,150	(3,597,215)
(Purchase) sale of available-for-sale financial assets	(17,039,615)	7,635,186
(Purchase) of held-to-maturity investments	(17,569,956)	(9,655,080)
Net (increase) in fixed assets	(2,475,588)	(2,206,530)
Net Cash Flows (used in) Investing Activities	<u>(36,076,009)</u>	<u>(7,823,639)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
(Decrease) in borrowed funds	(3,000,000)	(373,628)
Increase in paid-up capital	10,588,741	6,090,928
Increase in additional paid-in capital	4,235,496	-
Increase in minority interest	535,096	361,302
Net Cash Flows from Financing Activities	<u>12,359,333</u>	<u>6,078,602</u>
Effect of exchange rate fluctuations on cash and cash equivalents	2,214,083	2,260,476
Net Increase in Cash and Cash Equivalents	238,189,463	138,223,459
Cash and cash equivalents - beginning of the year (Note 36)	589,548,179	451,324,720
Cash and Cash Equivalents - End of the Year (Note 36)	<u>827,737,642</u>	<u>589,548,179</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.



# CONSOLIDATED FINANCIAL STATEMENTS

JORDAN NATIONAL BANK  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

a. Jordan National Bank (JNB) was established in 1955 as a Jordanian public shareholding limited company in accordance with the Companies Law for the year 1927. The Bank has its head office in Amman – Jordan and operates through its branches in Jordan, Cyprus and Palestine as well as through its subsidiary in Lebanon. Furthermore, Business Bank, a Jordanian bank, merged with JNB on December 1, 1996.

b. The number of the Bank's employees was (1544) as of December 31, 2004 (1498 as of December 31, 2003).

c. The consolidated financial statements were approved by the Bank's Board of Directors in their meeting No. (1) held on March 31, 2005.

## 2. Basis of Consolidation

a. The accompanying consolidated financial statements include the financial statements of the Bank's local branches in Jordan and abroad and the following subsidiary companies after eliminating inter-branch transactions and balances:

- Al-Ahli International Bank – Lebanon.
- The National Real Estate Investments Co.
- Zarqa National College.
- Ahli Micro Finance Company.

Transactions in transit are shown under "other assets" or "other liabilities" in the consolidated balance sheet.

b. JNB branches in Lebanon have been sold to the Bank of Lebanon and Kuwait. Banque du Liban, the Central Bank of Lebanon, approved the sale in its letter No. 204/mm/17 dated May 26, 2001, after agreeing to change the name of the Bank of Lebanon and

Kuwait to Al-Ahli International Bank in its letter No. 179/mm/17 dated May 18, 2001. The capital of the bank is equivalent to JD 3,386,268. Its total assets amounted to JD 198,564,188 and total liabilities to JD 185,013,029 as of December 31, 2004, while its total revenues amounted to JD 14,279,206, and total expenses to JD 13,840,249 for the year ended December 31, 2004. During the year 2003, an amount equivalent to JD 4,812,184 representing a deposit transferred by the Bank was used to re-make up the capital of the Bank in Lebanon and offset accumulated losses as of the end of the year 2002. Moreover, during the first half of the year 2004, an additional amount of JD 3,170,894 was transferred to cover part of the losses and re-make up capital by the remaining amount. This increased the Bank's equity in the subsidiary company to 97.92% while maintaining 86.54% of the additional capital.

Al-Ahli International Bank in Lebanon is subject to the prevailing laws in Lebanon including the Banking Confidentiality Law.

c. The National Real Estate Investments Company is a wholly owned subsidiary. This Company is engaged in the acquisition of real estate as well as in dealing and investing in moveable and immovable assets. Its capital amounted to JD 7 million, total assets to JD 6,940,274, and total liabilities to JD 3,586 as of December 31, 2004. Its total revenues amounted to JD 79,031 and total expenses to JD 142,343 for the year ended December 31, 2004.

d. Zarqa National College is a wholly owned subsidiary. Its activities include establishing colleges for higher academic education as well as schools and kindergartens in Jordan. Its capital amounted to JD 800,000, total assets to JD 868,865, and total liabilities to JD 35,505 as of December 31, 2004. Its total revenues amounted to JD 271,356, and total expenses to JD 261,310 for the year ended December 31, 2004.

e. Ahli Micro Finance Company is a wholly owned subsidiary. The Company's objectives are to grant loans to limited income individuals. Its capital amounted to JD 750,000, total assets to JD 2,505,437, and total liabilities to JD 383,613 as of December 31, 2004. Its total revenues amounted to JD 523,245, and total expenses to JD 422,490, for the year ended December 31, 2004.

### 3. Significant Accounting Policies:

The consolidated financial statements have been prepared in accordance with the forms determined by the Central Bank of Jordan, and the laws and regulations of the Central Bank of Jordan and the banking regulations prescribed by the regulatory authorities in the countries in which the Bank operates. The significant accounting policies are as follows:

**a. Basis of preparation:**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and related interpretations and on the historical cost basis, while financial assets and liabilities subject to IFRS (39) have been stated at their fair values at year-end.

**b. Financial transactions recognition date:**

Financial assets sale and purchase transactions are recognized at commitment dates.

**c. Trading financial assets:**

Financial assets held for trading are initially recognized at cost and remeasured at their fair values at year-end. Gains or losses resulting therefrom are taken to the statement of income when incurred.

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are initially recognized at cost and re-measured at their fair values at year-end. Gains or losses resulting therefrom are taken to a separate account within shareholders' equity, until the investments are sold, disposed of or determined to be impaired. At that time, the cumulative gain or loss previously recognized in equity is included in the statement of income for the period.

**e. Held-to-maturity investments:**

Held-to-maturity investments are initially recognized at cost less any impairment losses. Premiums and discounts 'if any' are amortized using the effective interest rate method. Provisions from impairment loss, if any, are taken in the consolidated statement of income.

**f. Investment in the affiliate company** is initially recorded at cost and the carrying amount is revalued using the equity method. The Bank's share of net income or loss is recognized in the consolidated statement of income.

**g. Credit facilities:**

1. Credit facilities are stated at cost, net of provisions, interest and commissions in suspense.
2. A specific provision for non-performing credit facilities is taken when it is evident to management that these facilities cannot be recovered in part or in full. The resultant provision, except for Palestine branches, is recorded in the statement of income according to IAS (39).
3. Interest and commissions in suspense on non-performing direct credit facilities are computed in accordance with the regulations of the Central Bank of Jordan.
4. Loans and advances which cannot be recovered are written-off and charged against the provision for loan losses. Any surplus in the provision is credited to the consolidated statement of income. Recoveries of debts previously written-off are credited to the consolidated statement of income.
5. A general provision for performing direct and indirect credit facilities against unforeseen future losses is computed in accordance with the instructions of the Central Bank of Jordan.

**h. Fair value:**

The fair value of a listed financial asset is based on its closing market price prevailing at year-end. For an unlisted financial asset with no quoted market price, fair value is estimated by one of the following ways:

- By comparing it to another financial asset with similar terms and conditions.
- By using the discounted cash flow technique.
- By adopting alternative pricing models.

Financial assets for which the fair value cannot be reliably determined are stated at cost/amortized cost, less the provision for impairment loss, if any.

**i. Revenue and expense recognition:**

Revenue and expense are accounted for according to the accrual basis, while commissions and dividends received are recognized when realized. Interest and commissions on non-performing loans are recognized as interest and commissions in suspense and recorded as revenue when received.

**j. Fixed assets:**

- Fixed assets are stated at cost or on the basis of the revaluation of fixed assets conducted during the year 1996 net of accumulated depreciation. Depreciation expense is computed (except for land) according to the straight-line method at

annual rates ranging from 2% to 20% based on their useful lives.

- When the recoverable amount of a fixed asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the impairment loss is taken to the statement of income.

**k. Income tax:**

The provision for income tax is computed according to the laws, regulations and prevalent banking practices in Jordan and in the countries where the Bank operates. Deferred taxes are computed and recorded in accordance with IAS (12). A provision for income tax is taken based on the expected future tax liabilities.

**l. Assets foreclosed by the Bank:**

Assets foreclosed by the Bank are stated at their acquisition values (cost) and classified under other assets. A provision is taken on an individual basis in case the market value is lower than the acquisition value, while any increase in value is not recognized.

**m. Provision for staff indemnity:**

A provision for staff indemnity is charged to the consolidated statement of income for commitments resulting from the termination of the employees' services. Staff indemnities paid to terminated employees appointed prior to the year 1980 are booked against the related provision account when paid.

**n. Foreign currency transactions:**

Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction date. Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar according to the average selling and buying exchange rates published by the Central Bank of Jordan and prevailing at year-end. Exchange gains and losses resulting therefrom are taken to the consolidated statement of income.

- Foreign currency forward contracts are translated to Jordanian Dinar using the average exchange rates published by the Central Bank of Jordan and prevailing at year-end. Exchange gains and losses resulting therefrom are taken to the consolidated statement of income.

- In translating the assets and liabilities of the Bank's branches and the subsidiary companies for incorporation in the consolidated financial statements, the year-end exchange rates published by the Central Bank of Jordan are used. Income and expenses denominated in foreign currencies are translated using the average exchange rates

prevailing during the year. Translation differences (if any) resulting therefrom are taken to shareholders' equity.

**o. Derivatives:**

**1. Derivatives held for trading:**

Derivatives held for trading (e.g. deferred foreign currency contracts, future interest contracts, and swap contracts) are initially recorded at cost as other assets/liabilities in the balance sheet and subsequently carried at fair value. Fair value is determined according to the market price (if available). Gains or losses resulting therefrom are taken to the consolidated statement of income.

**2. Financial derivatives for hedging**

- Fair value hedging:

In case the criteria of fair value hedging are met, the value of the financial hedging instrument and hedged assets is measured, and the resulting difference is taken to the consolidated statement of income.

- Cash flows hedging:

In case the criteria of cash flows hedging are met, the value of the financial hedging instrument and hedged assets is measured. If the relationship is effective, the profit or loss from the effective part of the financial instrument is taken to shareholder's equity while the ineffective part is taken to the consolidated statement of income.

- Net investment in foreign units hedging:

In case the conditions of net investment in foreign units hedging are met, the fair value of the financial instrument and hedged assets is measured. If the relationship is effective, the financial instrument is taken to shareholder's equity while the ineffective part is taken to the consolidated statement of income.

**p. Fiduciary accounts are not presented as assets or liabilities in the Bank's consolidated balance sheet.**

**q. Cash and cash equivalents:**

Cash and cash equivalents consist of cash on hand and balances held with banks and other financial institutions with maturities of 3 months or less including the balance with the Central Bank of Jordan less banks and financial institutions deposits due within 3 months.

**r. Goodwill:**

Goodwill representing the difference of the revaluation of the acquisition cost of the subsidiary in Lebanon, and is amortized at an annual rate of 5%, using the straight – lime method.

#### 4. Cash and Balances at Central Banks

This item consists of the following:

	2004 JD	December 31, 2003 JD
Cash on hand	19,566,594	18,420,723
Cash at Central Banks:		
Current accounts	11,892,414	14,913,921
Time and notice deposits	9,257,378	101,228,622
Monetary statutory reserve	100,688,412	87,337,859
Certificates of deposit	228,700,000	166,050,083
<b>Total Balances at Central Banks</b>	<b>350,538,204</b>	<b>369,530,485</b>
<b>Total Cash and Balances at Central Banks</b>	<b>370,104,798</b>	<b>387,951,208</b>

Total restricted balances except for the monetary statutory reserve amounted to JD 3,874,263 as of December 31, 2004, compared to JD 4,727,038 as of December 31, 2003.

#### 5. Cash at Banks and Other Financial Institutions

This item consists of the following:

	2004 JD	December 31, 2003 JD
Local Banks and Financial Institutions:		
Current accounts	966,091	447,708
Certificates of deposit	354,500	-
Deposit accounts (3 months and less)	-	7,090,000
	<b>1,320,591</b>	<b>7,537,708</b>
External Banks and Financial Institutions:		
Current accounts	8,472,867	7,916,542
Deposit accounts (3 months and less)	482,205,989	225,294,520
Certificates of deposit	7,090,000	3,545,000
	<b>497,768,856</b>	<b>236,756,062</b>
	<b>499,089,447</b>	<b>244,293,770</b>

-Non-interest bearing balances at banks and other financial institutions amounted to JD 933,833 as of December 31, 2004, compared to JD 846,427 as of December 31, 2003.

-There were no restricted balances as of December 31, 2004, compared to restricted balances of JD 926,555 as of December 31, 2003.

## 6. Deposits at Banks and Other Financial Institutions

This item consists of the following:

Maturity Period	Local Banks & Financial Institutions		Banks & Financial Institutions Abroad		Total	
	December 31		December 31		December 31	
	2004 JD	2003 JD	2004 JD	2003 JD	2004 JD	2003 JD
From 3 months to 6 months	-	-	716,560	709,000	716,560	709,000
More than a year	-	1,835,463	-	-	-	1,835,463
	-	1,835,463	716,560	709,000	716,560	2,544,463

## 7. Trading Financial Assets

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Equity securities - listed	3,578,448	3,476,389
Bonds and debentures - listed	9,760,715	13,878,154
	13,339,163	17,354,543

An amount of JD 202,801 was transferred from available-for-sale financial assets to trading. This amount represents the shares in Arab Center for Pharmaceutical Industries, Amman Investment and Development Company, and South Filters Manufacturing Company. Furthermore, shares totaling JD 187,501 were sold during the year 2004.

## 8. Credit Facilities - Net

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Notes and bills discounted	58,005,236	55,837,005
Overdraft accounts	164,739,491	166,087,592
Utilized advances and loans	330,933,823	355,713,805
Credit cards	5,764,794	5,539,105
	559,443,344	583,177,507
Less: Provision for credit facilities	92,462,094	91,206,950
Interest and commissions in suspense	46,773,234	62,923,468
	139,235,328	154,130,418
Net Credit Facilities	420,208,016	429,047,089



- Credit facilities are distributed over the following sectors:

	December 31	
	2004 JD	2003 JD
Agriculture	24,019,845	11,104,140
Industry and mining	68,165,093	71,819,781
Construction	45,801,927	69,479,485
General trade	178,307,338	214,438,575
Transport services	8,856,741	12,241,724
Tourism, hotels and restaurants	24,734,659	22,234,375
Services and public utilities	43,147,974	41,589,495
Financial services	83,082,416	60,565,700
Purchase of stocks	1,128,037	901,208
Real estate financing	10,042,208	18,833,097
Car financing	27,293,648	31,107,024
Consumer goods financing	15,367,248	4,741,298
Other purposes	29,496,210	24,121,605
	559,443,344	583,177,507

-Credit facilities as of December 31,2004, include an amount of approximately JD 17.8 million ( 4.2% of net credit facilities ) representing the net balance of non-performing doubtful loans after deducting the amounts collected through the legal authorities, interest in suspense, provisions and amounts pending collection totaling approximately JD 2 million (to be paid to the Bank after being collected). The total provisions for debts is adequate for covering non-performing credit facilities according to IAS (39). Moreover, the Jordan National Bank has to complete setting up the addition specific provision for the said credit facilities as required by the Central Bank of Jordan.

-As per the regulations of the Central Bank of Jordan, non-performing credit facilities, excluding suspended interest and commissions, amounted to JD 148,360,042 - i.e. 28.94 % of total credit facilities as of December 31, 2004, compared to JD 194,634,048 i.e. 37.41 % of total credit facilities as of December 31, 2003.

-As per the regulations of the Central Bank of Jordan, total non - performing credit facilities including interest and commissions in suspense amounted to JD 195,133,277 -i.e. 34.88% of total credit facilities as of December 31,2004, against JD 257,639,965 - i.e. 44.18% of total credit facilities as of December 31, 2003.

-The bank transferred non-performing debts in the amount of JD 33,360,465 together with the related provisions of JD 8,689,587 and interest in suspense of JD 24,670,878 to off-balance sheet items as approved by the audit Committee and board of directors.

-Credit facilities granted to and guaranteed by the Government amounted to JD 8,508,000 as of December 31, 2004, compared to JD 9,033,442 as of December 31, 2003.

-Interest and commissions on non- performing debts are suspended and included in interest and commissions in suspense and not taken to the consolidated statement of income.

- The movement on the provision for credit facilities has been as follows:

	For the Year Ended December 31, 2004			For the Year Ended December 31, 2003		
	Specific Provision JD	General Provision JD	Total JD	Specific Provision JD	General Provision JD	Total JD
Provision balance - beginning of the year	84,961,923	6,245,027	91,206,950	71,618,129	6,899,249	78,517,378
Transfers from interest in suspense	30,655	-	30,655	59,167	-	59,167
Net additional provision	11,628,095	(79,694)	11,548,401	17,625,942	(597,548)	17,028,394
Used from provision during the year (debts written-off)	(1,611,811)	-	(1,611,811)	(3,763,368)	-	(3,763,368)
Transfers between the general & specific provisions	(4,620)	4,620	-	56,674	(56,674)	-
Foreign currencies revaluation differences for external branches	(22,514)	-	(22,514)	143,232	-	143,232
Recovery of provisions for Palestine and Lebanon branches and the building in Jordan*	-	-	-	(777,853)	-	(777,853)
Transfers to off-balance sheet items	(8,689,587)	-	(8,689,587)	-	-	-
<b>Provision Balance - End of the Year</b>	<b>86,292,141</b>	<b>6,169,953</b>	<b>92,462,094</b>	<b>84,961,923</b>	<b>6,245,027</b>	<b>91,206,950</b>

-Provisions no longer needed, due to settlements or debt repayments, amounted to JD 17,765,561 as of December 31, 2004, and JD 11,372,826 as of December 31, 2003.

-The fair value of the credit facilities collaterals amounted to JD 251,233,000 as of December 31, 2004, and JD 263,259,063 as of December 31, 2003.

-The movement on interest in suspense has been as follows:

	For the year Ended December 31	
	2004 JD	2003 JD
Balance - beginning of the year	62,923,468	47,703,736
Add: Interest suspended during the year	16,403,499	22,826,164
Currency exchange differences	1,091	19,093
Less: Suspended interest transferred to income	2,619,207	2,528,828
Suspended interest written-off	5,234,084	5,037,530
Transferred to provisions	30,655	59,167
Transferred to off-balance sheet items	24,670,878	-
<b>Balance-End of the Year</b>	<b>46,773,234</b>	<b>62,923,468</b>

## 9. Available-for-Sale Financial Assets

This item consists of the following:

	December 31, 2004			December 31, 2003		
	Quoted JD	Unquoted JD	Total JD	Quoted JD	Unquoted JD	Total JD
Shares	13,374,228	12,457,650	25,831,878	11,540,334	12,252,886	23,793,220
Bonds	28,254,270	7,118,750	35,373,020	24,238,209	-	24,238,209
Other	7,651,550	-	7,651,550	-	-	-
<b>Total</b>	<b>49,280,048</b>	<b>19,576,400</b>	<b>68,856,448</b>	<b>35,778,543</b>	<b>12,252,886</b>	<b>48,031,429</b>

-There are unquoted available-for-sale financial assets the fair value of which can not be practically determined. These financial assets are shown at cost/amortized cost at an amount of JD 19,576,400 as of December 31, 2004.

-An amount of JD 202,801 was transferred from available-for-sale financial assets to trading. This amount represents the shares in the Arab Center for Pharmaceutical Industries, Amman Investment and Development Company, and the South Filters Manufacturing Company. Furthermore, shares totaling JD 187,501 were sold during the year 2004.

## 10. Held-to-Maturity Investments - Net

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Treasury bills	6,000,000	4,330,000
Governmental bonds and bonds guaranteed by the Government	71,981,123	59,288,788
Companies bonds and debentures	4,997,052	1,789,431
	82,978,175	65,408,219

## 11. Investments in Affiliate and Subsidiary Companies

This item consists of the following:

	Established in Country	Ownership Percentage %	December 31		Nature of Business	Date of Financial Statements	Bank's Share of Profit %	Calculation Method
			2004 JD	2003 JD				
Kuwait Real Estate Company *	Lebanon	100	94,368	94,368	Real estate	-	-	-
Resources for Qualified Industrial Zones	Jordan	34.259	3,396,506	4,435,070	Qualified Zones	6/30/2004	34.259	Equity
			3,490,874	4,529,438				

\* The financial statements of the Kuwait Real Estate Company have not been consolidated as the company is under liquidation.

## 12. Fixed Assets-Net

This item consists of the following:

### For the Year Ended December 31, 2004

	Land JD	Buildings JD	Furniture Fixtures and Equipment JD	Vehicles JD	Others JD	Total JD
Balance-beginning of the year	12,814,617	34,395,665	23,965,787	1,030,371	451,234	72,657,674
Additions	80,386	9,800	2,733,365	389,520	35,987	3,249,058
Disposals	-	144,101	1,848,375	157,898	-	2,150,374
Accumulated depreciation	-	3,495,678	17,759,630	678,450	-	21,933,758
Balance-End of the Year	12,895,003	30,765,686	7,091,147	583,543	487,221	51,822,600

### For the Year Ended December 31, 2003

Balance-beginning of the year	12,270,801	34,476,104	24,131,566	1,035,925	418,082	72,332,478
Additions	543,816	5,247	1,476,110	175,738	33,152	2,234,063
Disposals	-	85,686	1,641,889	181,292	-	1,908,867
Accumulated depreciation	-	3,023,242	16,477,515	717,038	-	20,217,795
Balance-End of the Year	12,814,617	31,372,423	7,488,272	313,333	451,234	52,439,879

### 13. Other Assets

This item consists of the following:

	2004 JD	December 31 2003 JD
Real estate foreclosed by the Bank to settle accrued debts	15,343,865	11,758,952
Real estate for sale	5,696,652	11,124,374
Inter-branch balances	3,777,206	795,790
Subsidiaries balances	40,333	194,228
Prepaid interest	7,326	9,186
Accrued interest and commissions	4,706,430	4,594,861
Revaluation differences *	3,309,882	3,405,678
Prepaid income taxes **	1,444,029	1,432,715
Accrued revenue	72,139	-
Other accounts receivable	7,272,677	2,817,303
Sold foreclosed real estate	3,856,797	323,773
Advances to employees	64,007	94,018
Revenue stamps	120,438	110,677
Advances	132,847	91,576
Refundable deposits	104,032	102,635
Prepaid expenses	2,122,261	1,623,739
Prepaid rents	263,620	234,575
Rents receivable	-	750
Goodwill - net	339,900	360,500
Exchange contracts valuation difference	32,389	-
Checks and transfers under collection	8,979,930	7,593,091
	57,686,76	46,668,421

\* This item represents the revaluation difference upon the acquisition of Lebanon and Kuwait Bank. This amount is amortized over 20 years starting July 1, 2001. An amount of JD 507,588 was added during the year 2004. This amount represents the difference paid for the acquisition of minority interest in equity at a price above book value.

\*\* This item represents the amount paid on account to the Income Tax Department for Jordan branches for the year 2001.

## 14. Deferred Tax Assets

This item consists of the following:

Items Giving Rise to Deferred Taxes	Beginning Balance as of January 1, 2004 JD	Additions JD	Amounts Released JD	Balance end of the year JD	Deferred Tax Assets as of December 31, 2004 JD	Deferred Tax Assets as of December 31, 2003 JD
Provision for non-performing debts	10,527,441	-	2,538,278	7,989,163	2,796,207	3,684,605
from prior years' Provision for staff indemnity	1,277,318	248,038	314,150	1,211,206	337,109	447,061
	11,804,759	248,038	2,852,428	9,200,369	3,133,316	4,131,666

-The movement on deferred tax assets has been as follows:

Description	For the Year Ended December 31	
	2004 JD	2003 JD
Beginning balance	4,131,666	5,435,966
Amount amortized during the year	998,350	1,304,300
Ending Balance	3,133,316	4,131,666

-The deferred taxes balance of JD 3,133,316 resulted from temporary timing differences relating to the provisions against which tax was paid during prior years. The provisions are calculated at a rate of 35%. In the opinion of management, tax benefits shall be derived therefrom, taking into consideration expected future profits.

-The net balance of amounts released from and added to deferred taxes amounted to JD 2,852,428 whereas net amortization amounted to JD 998,350 for the year 2004 (compared to JD 1,304,300 for the year 2003) and is included in the consolidated statement of income.

-There were no deferred tax liabilities as of December 31, 2004.

## 15. Deposits of Banks and Other Financial Institutions

This item consists of the following:

	December 31, 2004			December 31, 2003		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Current accounts and demand deposits	8,324,393	3,660,725	11,985,118	5,679,165	939,074	6,618,239
Deposits due within 3 months	4,567,643	24,903,842	29,471,485	10,462,449	25,616,111	36,078,560
Deposits due within 3 months up to one year	3,250,000	-	3,250,000	2,000,000	-	2,000,000
	16,142,036	28,564,567	44,706,603	18,141,614	26,555,18	44,696,799

## 16. Customers' Deposits

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Current accounts and demand deposits	516,561,577	339,457,531
Saving accounts	90,269,057	63,733,799
Time and notice deposits	636,109,589	599,059,579
Al Qushan certificate deposits	15,610,708	6,332,475
Certificates of deposit	3,094,000	2,523,331
	1,261,644,931	1,011,106,715

a. The public sector deposits amounted to JD 129,279,571 - i.e. 10.25 % of total clients' deposits as of December 31, 2004 (compared to JD 184,213,323 - i.e. 18.22% of total customers' deposits as of December 31, 2003).

b. Non-interest bearing deposits amounted to JD 266,764,504 - i.e. 21.14 % of total customers' deposits as of December 31, 2004 (compared to JD 170,216,292 i.e. 16.83% as of December 31, 2003).

c. Inactive demand deposits amounted to JD 20,275,214 as of December 31, 2004 (compared to JD 7,648,856 as of December 31, 2003).

d. Restricted deposits (blocked) against credit facilities amounted to JD 3,242,087 - i.e. 0.26% of total customers' deposits as of December 31, 2004, (compared to JD 2,465,499 - i.e. 0.24% of total deposits as of December 31, 2003).

e. Customers deposits include restricted deposits under the management of the frozen accounts fund as required by Provisional Law no. 33 for the year 2003, amounting to JD 19,672,468 which is equivalent to 1.56% of customers deposits as of December 31, 2004 (compared to JD 112,954,773 which is equivalent to 11.17% of customers' deposits as of December 31, 2003).



## 17. Cash Margins

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Cash margins on direct credit facilities	79,446,910	68,150,150
Cash margins on indirect credit facilities	51,364,772	62,051,823
Customers' marginal deposits	4,678,720	6,882,983
	135,490,402	137,084,956

## 18. Borrowed Funds

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Jordan Mortgage Refinance Company *	7,097,561	10,097,561
	7,097,561	10,097,561

\* Represents housing loans bonds have been re-mortgaged to the Jordan Mortgage Refinance Company.

The details are as follows:

Date Granted	Amount JD	Interest Rate %	Period Years
January 2003	724,179	5.500	3
May 2002	697,382	6.450	3
February 2003	676,000	5.500	3
April 2002	2,500,000	6.450	3
September 2001	2,500,000	6.213	8
	7,097,561		

## 19. Various Provisions

This item consists of the following:

For the Year Ended December 31, 2004

	Beginning Balance JD	Additions JD	Utilized JD	Ending Balance JD
Provision for staff indemnity	2,467,135	422,960	558,264	2,331,831
Provision for scientific research and technical training	-	37,862	-	37,862
Provision for the decline in foreign currencies	1,838	168,426	-	170,264
Provision for universities fees	-	37,862	-	37,862
Provision for lawsuits	-	249,768	-	249,768
Provision for Education, Vocational and Technical Training Fund fees	8	32,813	-	32,821
Board of Director's remuneration	-	65,000	-	65,000
Other provisions	401,281	324,949	385,992	340,238
	2,870,262	1,339,640	944,256	3,265,646

For the Year Ended December 31, 2003

	Beginning Balance JD	Additions JD	Utilized JD	Ending Balance JD
Provision for staff indemnity	2,668,746	433,819	635,430	2,467,135
Provision for scientific research and technical training	199	-	199	-
Provision for the decline in the exchange rates of foreign currencies	1,838	-	-	1,838
Provision for Jordanian universities fees	4,878	-	4,878	-
Education, Vocational and Technical Training Fund fees	8	-	-	8
Other provisions	580,879	254,949	434,547	401,281
	3,256,548	688,768	1,075,054	2,870,262

## 20. Other Liabilities

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Accepted cheques	4,515,175	8,899,591
Unearned interest and commission	6,359,076	6,213,262
Unearned revenue	19,668	97,551
Accrued interest-not paid	2,970,485	2,559,963
Temporary deposits	1,465,100	2,018,314
Accrued rents	21,310	21,310
Outstanding dividend checks	84,497	89,380
Checks and transfers-delayed payment	2,441,089	534,259
Trading contracts revaluation differences	85,386	1,420
Other liabilities	2,259	1,199
Unearned rents and revenues	13,998	36,302
Accrued expenses-not paid	692,050	433,903
Other accounts payable	1,777,879	1,509,555
	20,447,972	22,416,009

## 21. Provision for Income Tax

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Beginning balance	410,090	313,109
Income tax for the year	199,339	599,774
Revaluation difference	381	-
Prepaid income tax	(24,341)	(502,793)
Ending Balance	585,469	410,090

## 22. Minority Interest

This item represents the minority interest's share of the net assets and results of operations of Al-Ahli International Bank, equivalent to about 2.08% of shareholders' equity.

## 23. Paid-up and Additional Paid-in Capital

According to the resolution of the Bank's General Assembly in its extraordinary meeting held on July 16, 2002, and upon the approvals of the Ministry of Trade and Industry, in its letter No. MH/1/6/10072 dated August 21, 2002, and the Securities Commission, in its letter No. 6/1/143 dated January 19, 2003, to increase the Bank's authorized capital by JD 18 million to become JD 60 million (distributed over 60 million shares of JD one each) through public and private subscriptions, the increase in capital was offered for private subscription in the first phase at JD one per share. The subscription was extended to January 21, 2003, and consequently, 1,320,331 shares were subscribed to and fully paid up to the end of the year 2002. Moreover, 6,090,928 shares were subscribed to and fully paid up to the end of the year 2003. Capital increase procedures were completed during July 2004 through offering unsubscribed shares for private subscription at JD 1.400 per share with a premium of JD 0.400 per share, the shares were fully subscribed.

## 24. Cumulative Change in Fair Value

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Beginning balance	508,616	(2,389,909)
Unearned losses from shares	3,745,712	1,997,891
Unearned (gains) losses from bonds	(94,819)	113,263
(Gains earned) losses incurred from shares	(308,333)	848,430
Net (gains earned) from bonds	(68,195)	(61,059)
Foreign currencies translation adjustments	2,553	-
Balance - End of the Year	3,785,534	508,616

## 25. Retained Earnings (Accumulated Losses)

The details of this item are as follows :

	December 31	
	2004 JD	2003 JD
Beginning balance	(1,225,802)	(1,311,957)
Net profit (loss) for the year before amortization of deferred tax assets, after appropriations and before reserves	6,040,006	1,295,987
Reserve at subsidiaries transferred to retained earnings	-	138,210
The effect of applying IAS (39) on available-for-sale financial assets	(60,900)	(43,742)
The effect of applying IAS (12) (amortization of deferred tax benefits)	(998,350)	(1,304,300)
Currencies revaluation adjustment	(3,110)	-
Ending Balance	3,751,844	(1,225,802)

## 26. Interest Income

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Bills	3,727,282	4,549,377
Current accounts - overdrawn	10,415,927	10,693,115
Advances and loans	17,802,698	15,720,409
Credit cards	223,398	235,939
Balances at central banks	6,504,686	5,923,743
Balances at banks and other financial institutions	5,438,527	7,666,098
Deposits at banks and other financial institutions	209,032	220,778
Trading financial assets (bonds)	7,976,005	8,103,917
Available-for-sale financial assets (bonds)	1,635,758	1,735,336
Held-to-maturity investments	61,732	911,163
	53,995,045	55,759,875

## 27. Interest Expense

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Deposits at banks and other financial institutions	785,310	1,738,109
Current and demand deposits	605,481	1,565,864
Saving accounts	792,325	842,012
Time and notice deposits	18,127,946	20,360,142
Al Qushan certificates	389,545	395,720
Other	60,015	32,346
Cash margins	1,774,493	2,666,756
Borrowed funds	613,449	699,904
Deposit guarantee fees	1,107,178	1,050,635
	24,255,742	29,351,488

## 28. Commission Income - Net

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Credit commissions:	3,092,754	2,632,484
Direct facilities commissions	8,948,168	7,353,903
Indirect facilities commissions	2,318,536	1,359,041
Other	(189,877)	(318,190)
Commission expense	14,169,581	11,027,238

## 29. Income from Financial Assets and Instruments

This item consists of the following:

	December 31	
	2004 JD	2003 JD
Gains on trading financial assets	1,000,416	1,860,634
(Losses) gains on sale or impairment loss of available-for-sale investments	572,496	105,075
Dividends received	488,449	316,064
	2,061,361	2,281,773

### 30. Other Operating Income

This item includes the following:

	2004 JD	December 31 2003 JD
Rental of safe deposit boxes	45,512	43,532
Foreign currencies differences	2,214,083	2,260,476
Gains and losses from trading in contracts and derivatives	45,533	90,188
Realized interest in suspense	2,619,207	2,528,828
Credit cards income	6,501	2,222
Income from checkbooks	72,390	58,974
Cash differences	1,429	6,151
Other income	307,248	419,695
	5,311,903	5,410,066

### 31. Employees Expenses

This item includes the following:

	2004 JD	December 31 2003 JD
Salaries, bonuses and employees' benefits	14,129,188	11,668,993
Bank's share of social security	1,413,577	1,143,469
Bank's share of provident fund	780,826	685,704
Medical expenses	909,101	927,302
Staff training expenses	179,934	145,816
Travel expenses	138,518	268,337
Employees life insurance	122,993	122,474
Employees meals	122,414	122,163
Employees uniforms	24,799	21,819
	17,821,350	15,106,077

## 32. Other Operating Expenses

This item consists of the following:

	2004 JD	2003 JD
Rent	685,522	693,738
Stationery	646,896	624,361
Fees and subscriptions	1,460,473	1,070,088
Telephone	615,170	600,137
Maintenance and repairs	1,459,024	1,247,345
Insurance	558,748	604,200
Legal fees and expenses	747,232	644,316
Utilities	475,956	446,280
Stamps	82,307	69,487
Other expenses	25,654	11,530
Security	176,193	153,057
Key money	35,667	6,350
Entertainment	110,381	85,364
General Assembly meeting expenses	210,105	63,088
Engineering and technical consultations	171,607	177,144
Real estate appraisal expenses	40,372	39,047
Advertisement	734,587	473,082
Professional fees	146,119	144,471
Transportation	476,699	239,974
Cash differences	60,531	133
General management expenses	27,545	65,790
	8,946,788	7,458,982



### 33. Other various Provisions

This item consists of the following:

	2004 JD	2003 JD
Provision for staff indemnities	422,960	433,249
Provision for risks and burdens	181,319	-
other provisions	393,398	93,252
	997,677	526,501

### 34. Non-Operating Revenues (Expenses)

This item consists of the following:

	2004 JD	2003 JD
(Loss) on sale of fixed assets	(122,923)	( 450,148)
Bank's real estate rent revenue	224,047	337,766
Other revenues (expenses) - net	432,268	260,198
Impairment loss of real estate	(956,936)	( 215,771)
Donations	(129,716)	( 198,262)
	(553,260)	( 266,217)

### 35. Income (Loss) Per Share

The details of this items are as follows:

	2004 JD	2003 JD
Net income (loss) for the year	5,888,474	( 8,313)
Weighted average number of shares	60,000,000	47,992,350
Net Income (Loss) Per Share	0.098	-

Shares subscribed during the year participate in the Bank's profit effective the beginning of the year 2004.

### 36. Cash and Cash Equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following:

	December, 31	
	2004 JD	2003 JD
Cash and balances at central banks	370,104,798	387,951,208
Add: Balances at banks and other financial institutions due within 3 months	499,089,447	244,293,770
Less: Deposits of banks and other financial institutions due within 3 months	41,456,603	42,696,799
	827,737,642	589,548,179

### 37. Derivatives

The following schedule shows the positive and negative fair value of the financial derivatives of Jordan branches as of December 31, 2004, in addition to the distribution of the nominal value according to maturity:

	Maturities of Nominal Value					
	Positive Fair Value JD	Negative Fair Value JD	Total Nominal Value JD	Within 3 Months JD	From 3 Months up to One Year JD	From One Year up to 3 Years JD
<b>Present Year - End</b>						
Financial derivatives for trading :						
Forward sale contracts in foreign currencies	-	(8,305,592)	(7,822,557)	(7,822,557)	-	-
Forward purchase contracts in foreign currencies	8,315,342	-	7,817,554	7,817,554	-	-
<b>Total</b>	8,315,342	(8,305,592)	(5,003)	(5,003)	-	-
<b>Prior Year - End</b>						
Financial derivatives for trading :						
Forward sale contracts in foreign currencies	-	(8,376,247)	(7,821,227)	(7,497,320)	(323,907)	-
Forward purchase contracts in foreign currencies	8,376,767	-	7,813,818	7,490,301	323,517	-
<b>Total</b>	8,376,767	(8,376,247)	(7,409)	(7,019)	(390)	-

## 38. Interest Rate Risk

a. As of December 31, 2004:

## Subject to Interest Rate Risk

Assets	Up to 3 Months JD	More than 3 Months Up to 6 Months JD	More than 6 Months JD	From 1 Year Up to 3 Years JD	More than 3 Years JD	Non-Interest Bearing JD	Total JD	Weighted Interest Rate %
Cash and balances at central banks	215,359,011	42,500,000	-	-	11,344,000	100,901,787	370,104,798	2.65 - 3.2
Cash at banks and other financial institutions	498,155,614	-	-	-	-	933,833	499,089,447	1.75 - 5.20
Deposits at banks and other financial institutions	-	716,560	-	-	-	-	716,560	4.50
Trading financial assets	2,145,760	-	-	2,111,867	5,503,088	3,578,448	13,339,163	9
Credit facilities - net	97,999,884	66,566,379	59,760,482	64,634,192	78,979,177	52,267,902	420,208,016	5 - 11
Available-for-sale financial assets	-	5,339,639	1,924,304	8,814,494	26,946,133	25,831,878	68,856,448	4.25 - 10.5
Held-to-maturity investments - net	3,292,205	8,997,052	4,470,337	40,999,892	25,218,689	-	82,978,175	2.06 - 3.4
Fixed assets	-	-	-	-	-	51,822,600	51,822,600	-
Investments in affiliates and subsidiary companies	-	-	-	-	-	3,490,874	3,490,874	-
Other assets	-	-	-	-	-	60,820,076	60,820,076	-
<b>Total Assets</b>	<b>816,952,474</b>	<b>124,119,630</b>	<b>66,155,123</b>	<b>116,560,445</b>	<b>147,991,087</b>	<b>299,647,398</b>	<b>1,571,426,157</b>	
<b>Liabilities and Shareholders' Equity</b>								
Deposits at banks and other financial institutions	41,456,603	-	3,250,000	-	-	-	44,706,603	1.75 - 3
Customers' deposits	880,699,549	35,723,321	74,560,769	3,896,788	-	266,764,504	1,261,644,931	1.00 - 3
Cash margins	45,640,642	19,699,831	39,555,091	25,788,855	261,058	4,544,925	135,490,402	
Borrowed funds	250,000	3,197,382	250,000	2,400,179	1,000,000	-	7,097,561	1 - 2.5
Other liabilities	-	-	-	-	-	20,447,972	20,447,972	5.5 - 6.45
Various provisions	-	-	-	-	-	3,265,646	3,265,646	-
Provision for income tax	-	-	-	-	-	585,469	585,469	-
Minority interest	-	-	-	-	-	1,195,425	1,195,425	-
Shareholders' equity	-	-	-	-	-	96,992,148	96,992,148	-
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>	<b>968,046,794</b>	<b>58,620,534</b>	<b>117,615,860</b>	<b>32,085,822</b>	<b>1,261,058</b>	<b>393,796,089</b>	<b>1,571,426,157</b>	
Sensitivity difference of balance sheet items	(151,094,320)	65,499,096	(51,460,737)	84,474,623	146,730,029	(94,148,691)	-	
Sensitivity difference of off-balance sheet items	35,285,153	3,920,573	-	-	-	-	39,205,726	
<b>Cumulative Sensitivity Difference</b>	<b>(115,809,167)</b>	<b>(46,389,498)</b>	<b>(97,850,235)</b>	<b>(13,375,612)</b>	<b>133,354,417</b>	<b>39,205,726</b>	<b>-</b>	

b. As of December 31, 2003:

### Subject to Interest Rate Risk

Assets	Up to 3 Months JD	More than 3 Months Up to 6 Months JD	More than 6 Months JD	From 1 Year Up to 3 Years JD	More than 3 Years JD	Non-Interest Bearing JD	Total JD	Weighted Interest Rate %
Cash and balances at central banks	276,338,456	13,981,260	9,406,303	-	-	88,225,189	387,951,208	0.5 - 8
Cash at banks and other financial institutions	243,447,343	-	-	-	-	846,427	244,293,770	1-3
Deposits at banks and other financial institutions	-	709,000	-	1,835,463	-	-	2,544,463	4.5
Trading financial assets	1,332,809	-	5,813,448	6,411,252	320,645	3,476,389	17,354,543	9
Credit facilities - net	87,608,471	67,795,639	97,640,833	91,319,986	84,682,160	-	429,047,089	11
Available-for-sale financial assets	-	-	1,302,750	8,689,385	14,247,536	23,791,758	48,031,429	4.25 - 9.25
Held-to-maturity investments - net	6,197,867	3,836,136	17,667,366	30,393,688	7,313,162	-	65,408,219	2.12 - 11.14
Investments in affiliates and subsidiary companies	-	-	-	-	-	4,529,438	4,529,438	
Fixed assets	-	-	-	-	-	52,439,879	52,439,879	
Other assets	-	-	-	-	-	50,800,087	50,800,087	
<b>Total Assets</b>	<b>614,924,946</b>	<b>86,322,035</b>	<b>131,830,700</b>	<b>138,649,774</b>	<b>106,563,503</b>	<b>224,109,167</b>	<b>1,302,400,125</b>	
<b>Liabilities and Shareholders' Equity</b>								
Deposits of banks and other financial institutions	42,696,799	2,000,000	-	-	-	-	44,696,799	2.75
Customers' deposits	701,447,879	108,520,490	21,888,502	9,033,552	-	170,216,292	1,011,106,715	3
Cash margins	55,583,847	36,005,218	27,800,278	8,805,045	5,623,510	3,267,058	137,084,956	2.5
Borrowed funds	250,000	-	2,750,000	5,597,561	1,500,000	-	10,097,561	5.5 - 6.45
Other liabilities	-	-	-	-	-	22,416,009	22,416,009	
Various provisions	-	-	-	-	-	2,870,262	2,870,262	
Provision for income tax	-	-	-	-	-	410,090	410,090	
Minority interest	-	-	-	-	-	651,204	651,204	
Shareholders' equity	-	-	-	-	-	73,066,529	73,066,529	
<b>Total Liabilities and Shareholders' Equity</b>	<b>799,978,525</b>	<b>146,525,708</b>	<b>52,438,780</b>	<b>23,436,158</b>	<b>7,123,510</b>	<b>272,897,444</b>	<b>1,302,400,125</b>	
Sensitivity difference of balance sheet items	(185,053,579)	(60,203,673)	79,391,920	115,213,616	99,439,993	(48,788,277)	-	
Sensitivity difference of off-balance sheet items	35,514,392	3,946,043	-	-	-	-	39,460,435	
<b>Cumulative Sensitivity Difference</b>	<b>(149,539,187)</b>	<b>(205,796,817)</b>	<b>(126,404,897)</b>	<b>(11,191,281)</b>	<b>88,248,712</b>	<b>39,460,435</b>	<b>-</b>	

### 39. Liquidity Risk

a. The table below illustrates the maturities of assets and liabilities as of December 31, 2004:

Assets	Up to 1 Month JD	More than 1 Month up to 3 Months JD	More than 3 Months up to 6 Months JD	More than 6 Months up to a Year JD	More than 1 Year up to 3 Years JD	More than 3 Years JD	Without Maturity Dates JD	Total JD
Cash in vaults	19,566,594	-	-	-	-	-	-	19,566,594
Mandatory cash reserve at the Central Bank	100,688,412	-	-	-	-	-	-	100,688,412
Balances at central banks	44,131,529	148,000,000	42,500,000	-	-	11,344,000	3,874,263	249,849,792
Cash at banks and other financial institutions	496,716,219	2,373,228	-	-	-	-	-	499,089,447
Deposits at banks and other financial institutions	-	-	716,560	-	-	-	-	716,560
Trading financial assets	-	2,145,760	-	-	2,111,867	5,503,088	3,578,448	13,339,163
Credit facilities - net	43,420,073	54,579,811	66,566,379	59,760,482	64,634,192	78,979,177	52,267,902	420,208,016
Available-for-sale financial assets	-	-	5,339,639	1,924,304	8,814,494	26,946,133	25,831,878	68,856,448
Held-to-maturity investments - net	1,410,945	1,881,260	8,997,052	4,470,337	40,999,892	25,218,689	-	82,978,175
Investments in affiliates and subsidiary companies	-	-	-	-	-	-	3,490,874	3,490,874
Fixed assets - net	-	-	-	-	-	-	51,822,600	51,822,600
Other assets	20,951,753	3,113,770	753,963	1,541,955	23,041,286	2,339,819	9,077,530	60,820,076
<b>Total Assets</b>	<b>726,885,525</b>	<b>212,093,829</b>	<b>124,873,593</b>	<b>67,697,078</b>	<b>139,601,731</b>	<b>150,330,906</b>	<b>149,943,495</b>	<b>1,571,426,157</b>
<b>Liabilities and Shareholders' Equity</b>								
Customers' deposits	1,037,695,209	109,667,258	35,723,321	74,560,769	3,998,374	-	-	1,261,644,931
Deposits of banks and other financial institutions	35,394,519	6,062,084	-	3,250,000	-	-	-	44,706,603
Cash margins	30,530,408	19,400,310	19,699,831	39,555,091	26,043,704	261,058	-	135,490,402
Borrowed funds	-	250,000	3,197,382	250,000	2,400,179	1,000,000	-	7,097,561
Other liabilities	7,592,730	5,096,384	1,643,011	1,481,386	853,475	922,656	2,858,330	20,447,972
Various provisions	-	-	-	-	-	-	3,265,646	3,265,646
Provision for income tax	585,469	-	-	-	-	-	-	585,469
Minority interest	-	-	-	-	-	-	1,195,425	1,195,425
Shareholders' equity	-	-	-	-	-	-	96,992,148	96,992,148
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,111,798,335</b>	<b>140,476,036</b>	<b>60,263,545</b>	<b>119,097,246</b>	<b>33,295,732</b>	<b>2,183,714</b>	<b>104,311,549</b>	<b>1,571,426,157</b>
Gap per category	(384,912,810)	71,617,793	64,610,048	(51,400,168)	106,305,999	148,147,192	45,631,946	-
Cumulative Gap	(384,912,810)	(313,295,017)	(248,684,969)	(300,085,137)	(193,779,138)	(45,631,946)	-	-

b. The table below illustrates the maturities of assets and liabilities as of December 31, 2003:

<b>Assets</b>	<b>Up to 1 Month JD</b>	<b>More than 1 Month up to 3 Months JD</b>	<b>More than 3 Months up to 6 Months JD</b>	<b>More than 6 Months up to a Year JD</b>	<b>More than 1 Year up to 3 Years JD</b>	<b>More than 3 Years JD</b>	<b>Without Maturity Dates JD</b>	<b>Total JD</b>
Cash in vaults	18,420,723	-	-	-	-	-	-	18,420,723
Mandatory cash reserve at the Central Bank	72,075,777	-	-	-	15,262,082	-	-	87,337,859
Balances at central banks	137,422,040	116,655,985	13,981,260	9,406,303	-	-	4,727,038	282,192,626
Cash at banks and other financial institutions	239,857,665	4,436,105	-	-	-	-	-	244,293,770
Deposits at banks and other financial institutions	-	-	709,000	-	1,835,463	-	-	2,544,463
Trading financial assets	-	1,332,809	-	5,813,448	6,411,252	320,645	3,476,389	17,354,543
Credit facilities - net	50,114,221	37,494,250	67,795,639	97,640,833	91,319,986	84,682,160	-	429,047,089
Available-for-sale financial assets	-	-	-	1,302,750	8,689,385	14,247,536	23,791,758	48,031,429
Held-to-maturity investments - net	1,789,430	4,408,437	3,836,136	17,667,366	30,393,688	7,313,162	-	65,408,219
Investments in affiliates and subsidiary companies	-	-	-	-	-	-	4,529,438	4,529,438
Fixed assets - net	-	-	-	-	-	-	52,439,879	52,439,879
Other assets	13,883,861	2,762,658	2,044,036	1,304,148	11,078,179	2,661,732	17,065,473	50,800,087
<b>Total Assets</b>	<b>533,563,717</b>	<b>167,090,244</b>	<b>88,366,071</b>	<b>133,134,848</b>	<b>164,990,035</b>	<b>109,225,235</b>	<b>106,029,975</b>	<b>1,302,400,125</b>
<b>Liabilities and Shareholders' Equity</b>								
Customers' deposits	698,496,395	173,167,776	108,520,490	21,888,502	9,033,552	-	-	1,011,106,715
Deposits of banks and other financial institutions	35,280,877	7,415,922	2,000,000	-	-	-	-	44,696,799
Cash margins	35,722,205	23,128,700	36,005,218	27,800,278	8,805,045	5,623,510	-	137,084,956
Borrowed funds	-	250,000	-	2,750,000	5,597,561	1,500,000	-	10,097,561
Other liabilities	12,997,111	1,087,676	1,399,603	1,848,158	1,043,598	674,072	3,365,791	22,416,009
Various provisions	-	-	-	-	-	-	2,870,262	2,870,262
Provision for income tax	410,090	-	-	-	-	-	-	410,090
Minority interest	-	-	-	-	-	-	651,204	651,204
Shareholders' equity	-	-	-	-	-	-	73,066,529	73,066,529
<b>Total Liabilities and Shareholders' Equity</b>	<b>782,906,678</b>	<b>205,050,074</b>	<b>147,925,311</b>	<b>54,286,938</b>	<b>24,479,756</b>	<b>7,797,582</b>	<b>79,953,786</b>	<b>1,302,400,125</b>
<b>Gap per category</b>	<b>(249,342,961)</b>	<b>(37,959,830)</b>	<b>(59,559,240)</b>	<b>78,847,910</b>	<b>140,510,279</b>	<b>101,427,653</b>	<b>26,076,189</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>(249,342,961)</b>	<b>(287,302,791)</b>	<b>(346,862,031)</b>	<b>(268,014,121)</b>	<b>(127,503,842)</b>	<b>(26,076,189)</b>	<b>-</b>	<b>-</b>

## 40. Foreign Currencies Risks

The table below shows foreign currency risks as of December 31, 2004 and 2003:

	December 31, 2004		December 31, 2003	
	Amount	Equivalent in JD	Amount	Equivalent in JD
US Dollar	6,793,258	4,816,420	6,501,376	4,609,475
Pound Sterling	3,181,350	4,329,800	185,881	234,583
Euro	( 754,729)	( 729,233)	1,316,578	1,173,288
Swiss Franc	( 2,872)	( 1,753)	( 32,140)	(18,452)
Japanese Yen	12,705,480	86,909	(5,220,532)	(34,489)
Other currencies *	-	(2,904,037)	-	( 397,162)
<b>Total</b>		<b>5,598,106</b>		<b>5,567,243</b>

★ This amount represents the Jordanian Dinar equivalent of a basket of other foreign currencies.

## 41. Sectoral and Geographical Distribution of Assets, Liabilities, and Off - Balance Sheet Items:

a. Assets, liabilities and off-balance sheet items were distributed at December 31, 2004 as follows:

	December 31, 2004		
	Assets JD	Liabilities JD	Off-Balance Sheet Items JD
According to geographical regions:			
-Jordan	827,625,483	1,242,109,732	373,293,925
-Other Arab countries	239,660,376	274,464,666	93,079,816
-Asia *	13,002,521	12,132,752	163,840,163
-Europe	463,900,897	31,902,869	193,572,601
-America	16,433,167	8,525,219	119,031,380
-Other countries	10,803,713	2,290,919	66,352,392
<b>Total</b>	<b>1,571,426,157</b>	<b>1,571,426,157</b>	<b>1,009,170,277</b>
According to sector:			
Individual accounts	287,771,728	827,549,168	344,461,001
Institutional accounts	1,068,753,784	533,888,947	617,262,093
Other	214,900,645	209,988,042	47,447,183
<b>Total</b>	<b>1,571,426,157</b>	<b>1,571,426,157</b>	<b>1,009,170,277</b>

★ Except for Arab countries.

b. Assets, liabilities and off-balance sheet items were distributed at December 31, 2003 as follows:

December 31, 2003			
	Assets JD	Liabilities JD	Off-Balance Sheet Items JD
<b>According to geographical regions:</b>			
-Jordan	751,024,701	932,148,019	236,442,152
-Other Arab countries	283,646,185	298,892,288	104,322,253
-Asia *	14,587,138	14,145,876	119,318,305
-Europe	230,873,817	46,252,475	196,081,295
-Africa *	-	-	451,637
-America	12,294,135	9,939,765	118,753,582
-Other countries	9,974,149	1,021,702	53,378,883
	1,302,400,125	1,302,400,125	828,748,107
<b>According to sector:</b>			
Individual accounts	286,724,352	686,951,946	273,947,157
Institutional accounts	957,142,100	491,994,541	474,492,313
Other	58,533,673	123,453,638	80,308,637
	1,302,400,125	1,302,400,125	828,748,107

\* Except for Arab countries.



## 42. Fair Value of Financial Instruments

The table below shows the value of assets and liabilities not stated at their fair value in the balance sheet:

	December 31, 2004			December 31, 2003		
	Book Value JD	Fair Value JD	Difference JD	Book Value JD	Fair Value JD	Difference JD
<b>Financial Assets</b>						
Cash and balances at central banks *	370,104,798	370,104,798	-	387,951,208	387,951,208	-
Cash at banks and other financial institutions	499,089,447	499,089,447	-	244,293,770	244,293,770	-
Held-to-maturity investments	82,978,175	84,252,548	1,274,373	65,408,219	63,000,473	2,407,746
Investments in affiliate	3,490,874	3,490,874	-	4,529,438	4,529,438	-
Unlisted available-for-sale financial assets the fair value of which can not be practically measured **	19,576,400	19,576,400	-	12,252,886	12,252,886	-
<b>Financial Liabilities</b>						
Deposits of banks and other financial institutions	44,706,603	44,706,603	-	44,696,799	44,696,799	-
Customers' deposits	1,261,644,931	1,261,644,931	-	1,011,106,715	1,011,106,715	-
Cash margins	135,490,402	135,490,402	-	137,084,956	137,084,956	-
Borrowed funds	7,097,561	7,097,561	-	10,097,561	10,097,561	-

### 43. Depreciation and Amortization

The details of this item are as follows:

	December 31	
	2004 JD	2003 JD
Depreciation of fixed assets	3,092,867	3,485,171
Amortization of establishment expenses	403,695	210,513
Amortization of valuation differences	235,170	209,790
	3,731,732	3,905,474

### 44 Transactions with Related Parties

The details of transactions with related parties, including those of subsidiaries and affiliates, have been as follows:

	December 31	
	2004 JD	2003 JD
<b>Balance Sheet Items:</b>		
Credit facilities	52,452,901	47,702,104
Deposits and cash margins	46,067,927	34,279,041
<b>Off-Balance Sheet Items:</b>		
Guarantees	9,850,727	7,071,458
<b>Income Statement Items:</b>		
Interest and commissions received	1,177,349	1,029,310
Interest and commissions paid	469,476	1,425,685
<b>Additional Information:</b>		
Non-performing loans provision	11,879,402	4,735,949
Non-performing credit facilities	17,635,484	5,179,846
Interest in suspense	2,122,199	1,221,825

## 45 Contingent Liabilities and Commitments

This item consists of the following:

	December 31	
	2004 JD	2003 JD
<b>Letters of credit:</b>		
Letters of credit issued	76,383,255	62,177,776
Letters of credit received	645,138,255	539,071,729
Acceptances	39,356,538	27,854,245
<b>Guarantees:</b>		
Payment	80,868,096	62,984,393
Performance	47,798,812	33,614,879
Other	27,060,609	41,169,702
<b>Total</b>	<b>916,605,565</b>	<b>766,872,724</b>
Unutilized lines of credit	39,205,725	39,460,435
Foreign currency contracts for less than one year	53,358,987	22,414,948
	<b>1,009,170,277</b>	<b>828,748,107</b>

## 46. Capital Adequacy

Capital adequacy ratio is calculated according to the instructions of the Central Bank of Jordan based on Basel Committee's guidelines. Market risk has been included for the purposes of calculating this ratio during the year 2004. The following table shows the capital adequacy ratio in comparison with that of the year 2003.

	December 31	
	2004 Thousands JD	2003 Thousands JD
Regulatory capital	95,314	70,962
Primary Capital	87,477	64,926
Regulatory capital to risk-weighted assets ratio	11.28%	9.64 %
Primary capital to risk - weighted assets ratio	10.34%	8.74 %

#### 47. Fiduciary Accounts Managed for Clients

Accounts managed for clients amounted to JD 25,629,693 as of December 31, 2004 against JD 15,714,137 as of December 31, 2003. These accounts are not shown within assets and liabilities in the Bank's consolidated financial statements.

#### 48. Litigation Against the Bank

There were lawsuits against the Bank claiming amounts totaling JD 8,596,891 as of December 31, 2004 (JD 6,599,454 as of December 31, 2003). According to the Bank's lawyer, no financial obligations are expected to arise as a result of these lawsuits.

#### 49. Income Tax

A final settlement up to the end of the year 2001 has been reached with the Income Tax Department in Jordan. Losses of JD 1,475,164 have been carried forward and expenses deferred for the coming years. No final tax assessment have been served by the Income Tax Department for the years 2003 and 2002. Moreover, no provision for the year 2004 income tax has been booked due to the incurrence of losses during the years 2003 and 2002 which exceed the year 2004 taxable income in addition to the year 2001 accepted tax losses and prior years' deferred tax expenses. Concerning foreign branches and subsidiaries, the necessary income tax provision was taken according to the instructions of the tax authorities of the host countries.

#### 50. Subsequent Events

**First:** On January 12, 2005, a Memorandum of Understanding between the Central Bank of Jordan (being responsible for the management of the operations of Philadelphia Investment Bank) and the Jordan National Bank was signed to merge Philadelphia Investment Bank with Jordan National Bank. In any case, any party shall have the right at any time prior to signing the final merger agreement to decide to opt out from the merger process without incurring any liabilities or responsibilities towards the other party.

**Second:** On December 21, 2004, a Memorandum of Understanding between the Jordan National Bank and Palestine Commercial Bank was signed. According to the memorandum, it was agreed to merge the operating branches of the Jordan National Bank in Palestine and the Palestine Commercial Bank under the new name "The Palestine National Commercial Bank". Moreover, no approvals from the Palestinian Monetary Authority and the Palestinian Council of Ministers have been obtained on the merger, nor an approval from the Central Bank of Jordan.

## 51. Risk Management

The Bank adopts certain financial policies in managing its different risk exposures, in line with a specified strategy, through a responsible committee that monitors and controls the Bank's risks and performs the ultimate strategic allocation of its financial assets and financial liabilities.

These risks include the following:

1. Interest rate risk arising from the fluctuation in the value of a financial instrument as a result of changes in market interest rates.
2. Exchange rate risk arising from the fluctuation in foreign currency prices. Note (40) to the consolidated financial statements shows net assets and liabilities denominated in foreign currencies.
3. Market risk arising from the fluctuation in the value of a financial instrument as a result of changes in market prices.
4. Credit risk arising from the inability of the borrower to meet his obligations to the Bank.

The Bank adopts, whenever the need arises, a financial hedging policy for its assets and liabilities. Such hedging relates to expected future risks.

## 52. Comparative Figures

Some of the comparative figures for the year 2003 have been reclassified to correspond with the current year's classification.

# Other Disclosures Required by the Jordan Securities Commission

## 1. Board of Directors Shareholdings in the Bank's Capital :

No.	Name	No. Of Shares 2004*	%	No. Of Shares 2003	%
1	H.E. Dr. Rajai Muasher	6,120	0.01%	6,120	0.01%
2	Mr. Nadim Muasher	817,394	1.36%	675,208	1.37%
3	Jordan Investor Center	5,000,000	8.33%	5,350,000	10.83%
4	Kuwait Investment Authority	4,829,287	8.05%	4,829,287	9.77%
5	The Social Security Corporation	3,554,498	5.92%	3,554,498	7.19%
6	Mouasher Investment & Trading Co.	4,719,636	7.87%	4,719,636	9.55%
7	Mr. Anton Dababneh	1,500,000	2.50%	1,500,000	3.04%
8	Arabia S.A.L ( Holding)	1,036,093	1.73%	1,036,093	2.10%
9	Mr. Mahmoud Malhas	725,680	1.21%	725,680	1.47%
10	Mr. Tawfek A. Kawar	348,178	0.58%	348,178	0.70%
11	Rajai Muasher & Brothers Co.	150,584	0.25%	150,584	0.30%
12	Mr. Rajai Sukkar	24,032	0.04%	24,032	0.05%
13	ZI & IME	450,000	0.75%	450,000	0.91%
	Total	23,161,502	38.60%	23,369,316	47.30%

\* Percentage of the new Capital.

## 2. A profile on The Board of Directors:

Name	Position	Date of Birth	Nationality	Qualifications	Experience
H.E Dr. Rajai Muasher	Chairman	1944	Jordanian	PHD of Business Admin. / USA. MBA Degree / USA. B.A of Chemistry / AUB.	Former Minister of Industry and Trade. Minister of Supply for several times. Senate member for several times. Chairman and member of several different companies.
Mr. Nadim Muasher	Deputy Chairman	1950	Jordanian	Masters of Civil Engineering / USA. B.A. of Architectural Engineering.	Chairman of Arab International Hotels Co, El-Zay Ready Wear Manufacturing Co, Jordan Worsted Mills Co, Ad-Dawliya for Hotels & Malls Co, and Business Tourism Co.
H.E Mr. Wasef Azar <i>Rep. of Jordan Investor Center</i>	Member	1936	Jordanian	Masters of Economics and Development Management / USA. B.A in Law / Damascus.	BOD member of many companies. Long experience in the public and private sectors. Former Minister of Industry and Trade. Manager for many companies and institutions.
Mr. Ali Y. Bin-Ali <i>Rep. of Kuwait Investment Authority</i>	Member	1955	Kuwaiti	B.A of Business Administration / Kuwait University.  Local and International courses in the banking field.	BOD member of many companies. Kuwait Investment Authority is the investment arm of the government of Kuwait.
Mr. Thabit Al-Werr <i>Rep. of The Social Security Corporation</i>	Member	1957	Jordanian	B.A of Mechanical Engineering	Executive Manager of National Company for Mineral Water (Sabeel). Managers Committee Chief of Al-Mafraq Company for Trade. Managers Committee Chief of National Company for Electronic Techniques Industry. Deputy Chairman of Al-Zarqa Chamber of Industry. BOD member of many companies.
Mr. Emad Y. Muasher <i>Rep. of Muasher Investment &amp; Trading Co.</i>	Member	1957	Jordanian	Masters of International Business Administration / USA. B.A of Economics.	Chairman and BOD member of many companies. Deputy Chairman and board member of many companies. Chairman and BOD member of many companies.
Mr. Anton Dababneh	Member	1936	Jordanian	Diploma of Engineering.	G.M of Atallah Fraij Institution – Beirut.
Mr. Hani Fraij <i>Rep. of Arabia S.A.L.</i>	Member	1940	Lebanese	B.A of Business / AUB.	Deputy Chairman of Arab Insurance – Beirut. Chairman of Andlosya Company – Beirut.
Mr. Tawfek A. Kawar	Member	1927	Jordanian	B.A of Law / University of London	1952 – 1957: Board's secretary of Jordan Phosphate Mines (JOPH), Manager of JOPH, Marketing and Exports Manager. 1957: G.M of Amin Kawar Company. 1965: Chairman of Amin Kawar Company. BOD member of many companies.
Mr. Rafiq S. Muasher <i>Rep. Of Rajai Muasher &amp; Brothers Co.</i>	Member	1949	Jordanian	Masters of Constructive Engineering.  Masters of Engineering Projects Management / USA.	1976 – 1980: Ranco Company for Contracting and Trade. 1980 – 1985: Rajai Muasher and Bros. Company. 1985 – 1988: Al-Ahlia Financial Investments. 1988 – to date: Al-Ahlia Securities.
Mr. Rajai S. Sukkar	Member	1942	Jordanian	B.A of Business Administration / AUB.	Working in different shipping and insurance companies.
Mr. Alaeddin Sami <i>Rep. of ZI &amp; IME Co.</i>	Member	1955	Egyptian	Masters of Art/Mgt. (AUC) Major/int. Finance Minor/Mkt. Diploma in Mgt. B.A Economics/ Cairo University	AGM - Finance and Accounting in the same company owned by Al-Zahid Group – Saudi Arabia.

3. The Board of Directors of Jordan National Bank declares , to the best of it's knowledge and belief , that there are no significant matters or events that might affect the Bank as a going concern during the financial year 2005 . The Board also acknowledges its responsibility for preparing the financial statements and confirms that the Bank implements an effective control system.

4. Senior Executive Staff and their Shareholdings in the Bank's Capital:

No.	Name	Title	No. Of Shares 2004	No. Of Shares 2003
1	H.E. Dr. Rajai Muasher	Chairman	6,120	6,120
2	Mr. Rasheed Dawoudi	Acting General Manager	0	0
3	Mr. Khalil Nasr	Deputy CEO-Branches Abroad ( GM Branches Abroad )	200,000	15,000
4	Mr. Fuad Werr	Deputy CEO-Marketing & Retail	2,500	0
5	Mr. Kayed Farah Kayed	Deputy CEO-Credit	0	0
6	Mr. Ibrahim Ghawi	Deputy CEO-Finance	0	0
7	Ms. Lina Bakhit	Deputy CEO-Treasury & Financial Institutions	8,550	8,000
8	Mr. Firas Suhaimat	Deputy CEO-Corporate Finance	0	0
9	Mrs. Hadeel Kayyali	Deputy CEO-Operations	1,240	1,240
10	Mr. Hani Farraj	AGM-Administration	3,428	3,428
11	Mr. Samer Sunnuqrot	AGM-Investments	5,000	2,500
12	Mr. Zahi Fakhoury	AGM-Facilities	55,000	5,000
13	Mr. Suleiman Dababneh	AGM-Accounting & Finance	11,241	3,500
14	Mr. Saleem Ghandour	AGM-Branches Abroad	10,000	0
15	Mr. Sa'ed Muasher	Exective Manager - Strategic Planning	185,972	182,293
16	Mr. Farouq Amawy	Exective Manager - Internal Auditing	0	0
17	Mr. Issa Khoury	Chairman's Advisor	2,417	2,417
18	Mr. Nahid Hattar	Chairman's Advisor - Media & Culture	0	0



5. Total Salaries , benefits and remunerations paid to senior executive staff during 2004 amounted to JD 1,425,217 representing about 14.3 % of total salaries of the bank.

## 6. A Profile on the Senior Executive Staff:

Name	Position	Date of Birth	Nationality	Qualifications	Experience
H.E Dr. Rajai Muasher	Chairman	1944	Jordanian	PHD of Business Admin. - Marketing / USA.  MBA Degree / USA.  B.A of Chemistry / AUB.	Former Minister of Industry and Trade.  Minister of Supply for several times.  Senate member for several times.  Chairman and member of several different companies.
Mr. Rasheed Dawoudi	Acting General Manager	1955	Jordanian	B.A of Business Administration / North Carolina Univ. / USA	Deputy CEO Assistant Deputy GM / Cairo Amman Bank  Deputy CEO / Saudi American Bank – CitiBank
Mr. Khalil Nasr	Deputy CEO – Branches Abroad (GM Branches Abroad)	1953	Jordanian	Masters of Finance / University of Jordan	Regional Manager for Branches Abroad / Cyprus  Manager in Chase Manhattan Bank  Marketing & Credit Facilities Manager / Bank of Jordan
Mr. Fuad Werr	Deputy CEO – Marketing & Retail	1950	Jordanian	Masters of Finance / USA	Head of Marketing Section / Saudi American Bank  Branch Manager - CitiBank  Deputy GM / Societe Generale De Banque - Jordanie
Mr. Kayed F. Kayed	Deputy CEO – Credit	1946	Jordanian	B.A of Economics / USA	AGM / Saudi American Bank  Deputy CEO / Faisal Islamic Bank  Credit Facilities Team Leader / Arab National Bank / Saudi Arabia
Mr. Ibrahim Ghawi	Deputy CEO – Finance	1954	Jordanian	B.A of Accounting	Financial Manager / Cairo Amman Bank  Financial Manager / Palestinian Telecom

Ms. Lina Bakhit	Deputy CEO – Treasury & Financial Institutions	1963	Jordanian	B.A of Business Administration / AUB	Treasury Manager / Jordan Investment & Finance Bank
Mr. Firas Suhaimat	Deputy CEO – Corporate Finance	1965	Jordanian	B.A of Finance / Yarmouk University	Financial Auditor for United Accountants – Jordan and Saudi Arabia - Saudi Oger Company
Mrs. Hadeel Kayyali	Deputy CEO - Operations	1959	Jordanian	B.A of Business Administration / AUB	Jordan National Bank since 1997 Business Bank since 1990
Mr. Hani Farraj	Secretary of the BOD  AGM - Administration	1946	Jordanian	B.A of Literature Diploma in Management	Wide experience of 27 years in administrative, financial and legal fields in the Radio & Television Institution and the Arab Radio Stations Union.  AGM – Administration at Radio & Television Institution  AGM – Administration at Jordan National Bank since 1995
Mr. Samer Sunnuqrot	AGM – Investments	1965	Jordanian	Masters of Financial Markets  B.A of Business Administration from University of Georgia / USA	Jordan National Bank since 1995  Licensed as Investment Manager and Trustee by the Jordan Securities Commission  Member of the Association of Certified Capital Market Professionals
Mr. Zahi Fakoury	AGM –Facilities	1951	Jordanian	B.A of Accounting	Arab Bank  Credit & Trade Bank
Mr. Suleiman Dababneh	AGM – Accounting & Finance	1957	Jordanian	B.A of Business	Al-Najah Clearance Office  Manufacturing & Assembling Firms Company
Mr. Saleem Ghandour	AGM – Branches Abroad	1943	Jordanian	High School	Credit Facilities Manager / Petra Bank  Branch Manager / ANZ Bank
Mr. Sa'ed Muasher	Executive Manager – Strategic Planning	1974	Jordanian	Masters of Business Administration / USA	AGM in Ad-Dawlya for Hotels and Malls – Sheraton Hotel
Mr. Farouq Amawy	Executive Manager – Internal Auditing	1951	Jordanian	Business & Technology Diploma	CitiBank / Middle East Investment Bank  First National CitiBank
Mr. Issa Khoury	Chairman's Advisor	1941	Jordanian	Public Administration Diploma / Ber Zait University	Deputy GM - Facilities  AGM / Petra Bank
Mr. Nahid Hattar	Chairman's Advisor – Media & Culture	1960	Jordanian	Masters of Islamic Studies Philosophy	An expert in the media & culture and has composed various articles and books

7. The independent auditor provides advisory services, concerning the application of international accounting standards besides the training courses, where total auditors' fees paid for 2004 amounted to JD 146,119.

8. Major shareholders' who own more than 5 % in the Bank's capital :

<b>No.</b>	<b>Name</b>	<b>No. Of Shares 2004*</b>	<b>%</b>	<b>No. Of Shares 2003</b>	<b>%</b>
1	Jordan Investor Center	5,000,000	8.33%	5,350,000	10.83%
2	Kuwait Investment Authority	4,829,287	8.05%	4,829,287	9.77%
3	Mouasher Investment & Trading Co.	4,719,636	7.87%	4,719,636	9.55%
4	Jordan Worsted Mills	3,904,863	6.51%	3,904,863	7.90%
5	The Social Security Corporation	3,554,498	5.92%	3,554,498	7.19%
	<b>Total</b>	<b>22,008,284</b>	<b>36.68%</b>	<b>22,358,284</b>	<b>45.25%</b>

\* Percentage from the new capital.

9. Total donations granted to different parties amounted to JD 108,695 during 2004, which included payments devoted to the environment and the local community by sponsoring and financing various social , cultural and human activities.

10. Neither Jordan National Bank nor any of its products possesses any protection from the government or privileges according to laws and regulations.

11. There are no patents or franchises belong to Jordan National Bank.

12. There are no decisions declared by the government or any international organizations that have a material effect on the Bank, its products, or its competitiveness.

13. The Bank has specific quality standards for its activities, especially what concern the quality of products and services provided by the Bank, besides testing the quality of internal audit activities.

14. There are no major specific suppliers or major clients, either internally or externally, Who occupy 10% of purchases or the Bank's revenues.

15. No non-recurring operations, which are not considered part of the main activity of the Bank, took place in 2004, except the merger with Philadelphia Investment Bank, which will occur in the first quarter of 2005.

16. The Bank has not signed any contracts, projects, or commitments with the Chairman, Board Members, the General Manager, or with any employee in the Bank or their relatives.

17. The consequences of what is called the credit facilities case were folded, where an amount of JD20 million was received during 2004.

18. The Bank still has an intention to expand its operations in Iraq through acquiring a stack of 49 % of one of the Iraqi banks.

19. Major subsidiaries and affiliates :

No.	Company Name	Work Nature	% Of Ownership
1	National Real Estate Investment Company	Real estate investments	% 99.99
2	Ahli Micro Finance Co.	Financing small projects	% 100
3	Zarqa National College	Educational services	% 100
4	Al-Ahli International Bank	Financial institution – Lebanon	% 97.92
5	Resources for Qualified Industrial Zones	Developing & Orienting Industrial Zones	% 31.1
6	Arab Printing Press	Issuing and printing Newspapers	% 48.8

## 20. Main Financial indicators of JNB for the past five years :

<b>Financial Year</b>	<b>Shareholders' Equity – Net</b> Million JD	<b>Cash Dividends</b> %	<b>Pre-Tax Profits</b> Million JD	<b>Market Price/Share</b>
2000	66.4	-	0.523	0.90
2001	69.3	-	(0.468)	1.25
2002	64.1	-	(2.776)	0.96
2003	73.1	-	0.14	1.4
2004 *	97.0	% 5	7.3	4.13

\* The paid capital increased to JD 60 million, paid in full, and will be increased to JD 66 million through distributing 10 % as bonus shares.

## 21. JNB Employees numbers, categories , and qualifications :

	<b>Below High School</b>	<b>High School</b>	<b>Community College</b>	<b>Bachelor</b>	<b>Masters</b>	<b>PhD</b>	<b>Total</b>
Jordan's Branches	161	224	218	519	49	3	1174
Abroad Branches	29	74	40	123	9	-	275
<b>Total</b>	<b>190</b>	<b>298</b>	<b>258</b>	<b>642</b>	<b>58</b>	<b>3</b>	<b>1449</b>

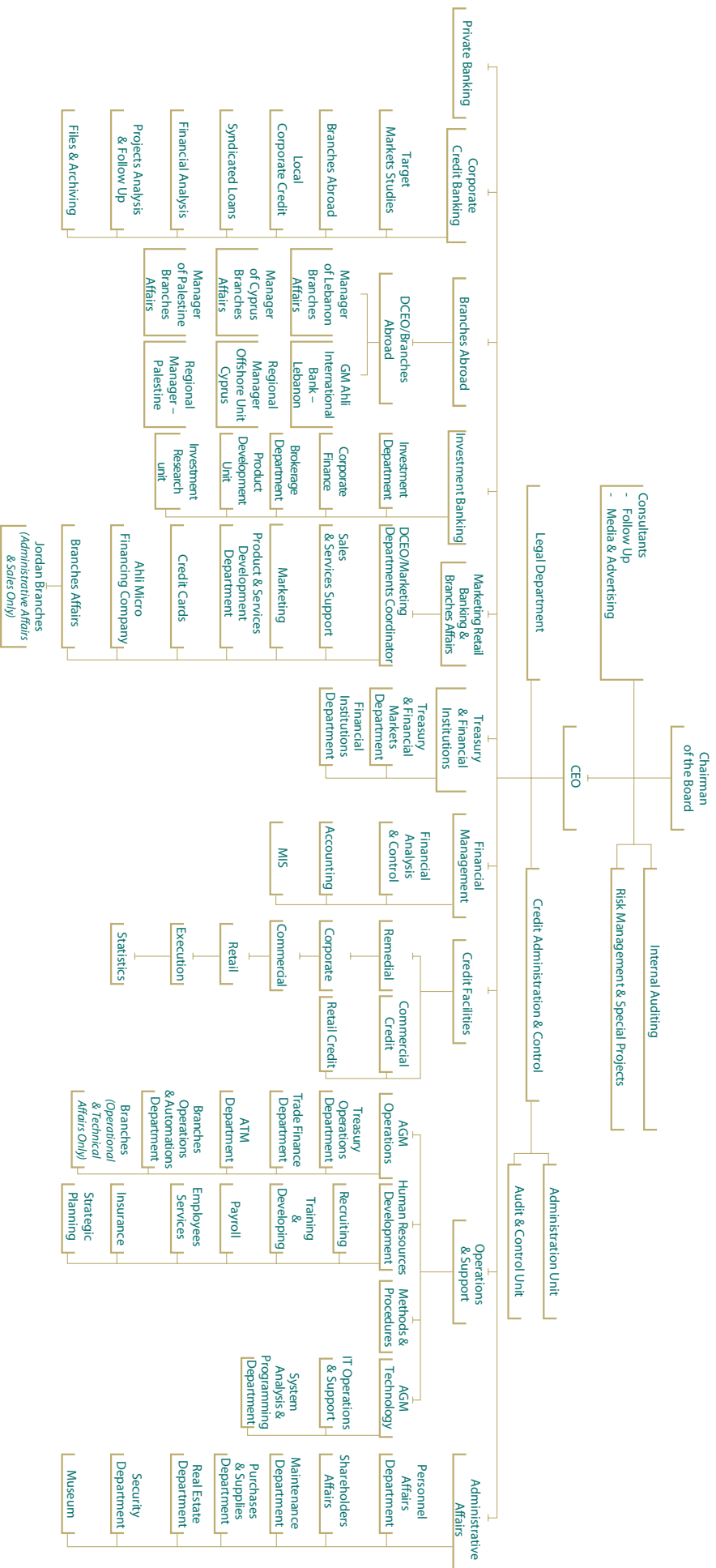
\* Number of employees in subsidiaries and affiliates :

- Cyprus: 20 employees
- Palestine: 105 employees
- Lebanon: 150 employees ( Al-Ahli International Bank )
- local subsidiaries : 112 employees

## 22. Employment Policy :

The Bank's employment policy relies on attracting and recruiting the scientific and practical employees through setting interviews for the specialized and experienced candidates. This workflow takes place after determining the Bank's needs of qualified manpower through the specialized human resources committee and after obtaining the approval of the Chairman on all the recommendations made by the committee. This shall also take place in accordance with the stated working polices and the strategic plan declared by the board of directors.

# Jordan National Bank Organizational Structure



# JORDAN NATIONAL BANK

## BRANCHES & OFFICES

### GENERAL MANAGEMENT & HEAD OFFICE

Amman - Queen Noor Street - Shmeisani  
 P.O.Box 3103 , Amman 11181 , Jordan  
 Tel : 5622282 / 5 , 5622621 / 3 ,  
 Fax : 5622281 , Tlx : 23501  
 Swift : JONB JOAX  
 Web Site : <http://www.ahli.com> ,  
 E-mail : [info@jnb.com.jo](mailto:info@jnb.com.jo)

### JORDAN BRANCHES MANAGEMENT

Jabal Amman , 3rd Circle  
 P.O.Box 1578 , Amman 11118 , Jordan  
 Tel : 4642391 / 3 , 4657601  
 Fax : 4628809 , Tlx : 21820

### BRANCHES ABROAD MANAGEMENT

Queen Noor Street , Shmeisani  
 P.O.Box 3103 , Amman 11181 , Jordan  
 Tel : 5622282 / 5 , 5622621 / 3 , 5696741  
 Fax : 5689355 , Tlx : 23501

### Dealing Room

Tel: 4649367 / 9, Fax: 4649460  
 Jabal Amman, 3rd Circle

### Investment Banking

P.O.Box 3103 Amman, 11181 Jordan  
 Tel: 5689851 / 7, Fax: 5689864  
 E-mail: [researchunit@jnb.com.jo](mailto:researchunit@jnb.com.jo)

### Private Banking

Tel: 5624807, Fax: 5624806  
 General Management - Shmeisani

### Corporate Finance Unit

Tel: 4642391 , 4657601/ 3  
 Fax: 4611176  
 Jabal Amman, 3rd Circle

### Brokerage Department

P.O.Box 3103 Amman, 11181 Jordan  
 Tel: 5624361/ 5674124 Fax: 5624362  
 E-mail: [brokerage@jnb.com.jo](mailto:brokerage@jnb.com.jo)

### BRANCHES IN JORDAN

#### Amman Main Branch

Reda Street - Amman  
 P.O. Box 791  
 Amman 11118, Jordan  
 Tel: 4625126 / 7, Mgr: 4624218  
 Fax: 4625120, Tlx: 21820

#### Saqf Al-Sail

Commercial Area  
 P.O. Box 151390  
 Amman 11115, Jordan  
 Tel: 4616742 / 3, Mgr: 4637916  
 Fax: 4658318

#### Middle East Circle

Middle East Circle - Wehdat  
 P.O. Box 620190  
 Amman 11162, Jordan  
 Tel: 4777279 / 80, Mgr : 4777288  
 Fax: 4777289

#### Qwaismeh

Madaba Str., Near Customs Dept.  
 P.O. Box 38108  
 Amman 11593, Jordan  
 Tel: 4778951, Fax: 4746996

#### Al - Yarmouk Street

Wadi Al - Nasr,  
 P.O. Box 6643  
 Amman 11118, Jordan  
 Tel: 4910801 / 2, Fax: 4920803  
 Mgr: 4923062

#### Ras Al - Ain

Jerusalem Str.  
 P.O. Box 151174  
 Amman 11115, Jordan  
 Tel: 4757201 / 2, Fax: 4757203  
 Mgr: 4749889

**Marka**

Opposite To Military Hospital  
P.O. Box 15397  
Amman 11134, Jordan  
Tel: 4894825 / 7, Mgr: 4890970  
Fax: 4890360

**Amman Customs Office**

Main Bldg. - Amman Customs  
P.O. Box 38108  
Amman 11593, Jordan  
Telfax: 4756954

**Al - Hashmi Al - Shamali**

Prince Rashed Str.  
P.O. Box 230120  
Amman 11123, Jordan  
Tel: 4901343 / 4901363  
Mgr: 4901334, Fax: 4901302

**Zerka**

Zerka - King Hussein Street  
P.O. Box 111  
Zerka 13110, Jordan  
Tel: 05 3983363 , 3983150  
Fax: 05 3996555 , Mgr: 05 3983150

**Free Zone / Zerka**

Free Zone  
P.O.Box 60  
Zerka 13134, Jordan  
Tel : 05 3826214 , Telfax : 05 3826200  
Mgr: 05 3826171

**Al - Rusaifeh**

King Hussein's Street  
P.O. Box 2000 - Rusaifeh  
Amman 13710, Jordan  
Tel: 053 746190 , 746191  
Fax: 053 746192  
Mgr: 053 746190

**Queen Noor Street**

Shmeisani  
P.O.Box 941273  
Amman 11194, Jordan  
Tel : 5685905 / 5672495  
Manager : 5685901  
Fax : 5699867 , Tlx : N.P. 21343

**Prince Mohammad Street**

P.O.Box 182352  
Amman 11118, Jordan  
Tel : 4645701 / 3  
Fax : 4611531, Mgr : 4654163

**Marj Al - hamam**

Princess Taghreed Street  
P.O.Box 776  
Amman 11732, Jordan  
Tel : 5716133 / 4  
Fax : 5716915, Mgr : 5716902

**Chamber Of Industry Building**

2nd Circle P.O.Box 2958  
Amman 11181, Jordan  
Tel : 4644896 , 4644391  
Fax : 4649564 , Mgr : 4641142

**Jabal Amman**

3rd Circle , P.O.Box 35011  
Amman 11180, Jordan  
Tel : 4653645 / 6 , Mgr : 4628819  
Fax : 4611541

**Sweifeh**

Haddad Commercial Center  
P.O.Box 850663  
Amman 11185, Jordan  
Tel : 5865401 , Fax : 5865402  
Mgr : 5825651

**Bayader Wadi Seer**

Main Street  
P.O.Box 140278  
Amman 11814, Jordan  
Tel : 5857791 , Fax : 5819834  
Mgr : 5859934

**Um - Uthaina**

7th Circle , P.O.Box 850664  
Amman 11185, Jordan  
Tel : 5817920 , 5828717  
Mgr : 5857782 , Fax : 5817921



**Abdoon**

Cairo Street  
 P.O.Box 850454  
 Amman 11185 , Jordan  
 Tel : 5929431 , 5929397 Fax : 5929652

**Shmeisani**

Al-Thaqafeh Street  
 P.O.Box 940017  
 Amman 11194 , Jordan  
 Tel : 5681382 , Fax : 5681326  
 Mgr : 5673578

**Wasfi Al - Tal Street**

Wasfi Al-Tal Str. , Muhtaseb Bldg  
 P.O.Box 1114  
 Amman 11953 , Jordan  
 Tel : 5682124 , Mgr : 5682177 Fax : 5682188

**Jabal Al-Hussein**

Jabal Al-Hussein , Beer Al-Sabe'a St.  
 P.O.Box 921085  
 Amman 11192 , Jordan  
 Tel : 5667216 , Mgr : 5673984 Fax : 5698069

**Sweileh**

Main Street , P.O.Box 15  
 Amman 11910 , Jordan  
 Tel : 5343143 / 4 , Mgr : 5343357  
 Fax : 5333632

**Deir Alla**

Main Street , P.O.Box 99  
 Deir Alla 18110 , Jordan  
 Tel : 05 3573057 , Mgr : 05 573161  
 Fax : 05 3573186

**Salt**

Municipality Street  
 P.O.Box 50  
 Salt 19110 , Jordan  
 Tel : 05 3555771 /2/3 , Mgr : 05 3558015  
 Fax : 05 3555774

**Al-Balqa' Applied University Office**

Salt - Balqa' University  
 P.O.Box 50 Salt 19110 , Jordan  
 Via Balqa University Telephones  
 Tel : 05 3532691/2 Ext. : 3610  
 Fax: 05 3532690

**Mecca Street**

P.O.Box 973  
 Amman 11821 , Jordan  
 Tel : 5856017 , 5866197  
 Fax : 5866097, Mgr : 5852511

**Queen Rania Al-Abdullah Street**

Arab Printers Bldg  
 Sport City Circle  
 P.O.Box 19285  
 Amman, 11196, Jordan  
 Tel : 5698883 , 5698619  
 Mgr : 5699042, Fax : 5699742

**Irbed**

Irbed - Army Street  
 P.O.Box 61  
 Irbed 21110 , Jordan  
 Tel : 02 7242201 / 2 , Mgr : 02 7242686  
 Fax : 02 7276146

**Hakama Street**

Irbed - Hakama Street  
 P.O.Box 368  
 Irbed 22110 , Jordan  
 Tel : 02 7278613 , 7254377  
 Fax : 02 7278614 , Mgr : 7254378

**Ramtha**

Banks Street  
 P.O.Box 198  
 Ramtha 21410 , Jordan  
 Tel : 02 7383817 ,Fax : 02 7382610  
 Mgr : 02 7381670

**Mafraq**

Mafraq - Al-Shaheed Farhan Al-Husban Str.  
 P.O.Box 510 Mafraq 25110 , Jordan  
 Tel : 02 6231550 / 1 , Mgr : 02 6236239  
 Fax : 02 6230303

**Jerash**

Jerash - King Abdulla Street  
 P.O.Box 125 Jerash 26110, Jordan  
 Tel : 02 6351891/ 2 , Mgr : 02 6351890  
 Fax : 02 6351893

**Industrial City Office / Irbed**

P.O.Box 61 Irbed 21110 , Jordan

Telfax : 02 7400055

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Aqaba , Hammamat Street

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Maan - King Hussein Street

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Tel: 03 2132347 / 8

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Tafila - Main Street

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Mgr: 03 2243945

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Kerak - Italian Hospital Street

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Tel : 03 2351248 / 9 , Mgr : 03 2355749

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Sahab - Main Street

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Mgr : 4025673

**Madaba**

Madaba - Municipality Bldg.

P.O.Box 295

Madaba 17110 , Jordan

Tel : 05 3244254 , Mgr : 05 3245181

Fax : 05 3240260

**Khreibet El-Suq**

Madaba Street - Near Taibeh Bridge

P.O.Box 665

Amman 11621, Jordan

Tel : 4125080 , 4125079

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## BRANCHES ABROAD

### PALESTINE

#### Regional Management

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### CYPRUS

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#### Dealing Room :

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