

ahli | الأهلي

البنك الأهلي الأردني  
Jordan Ahli Bank

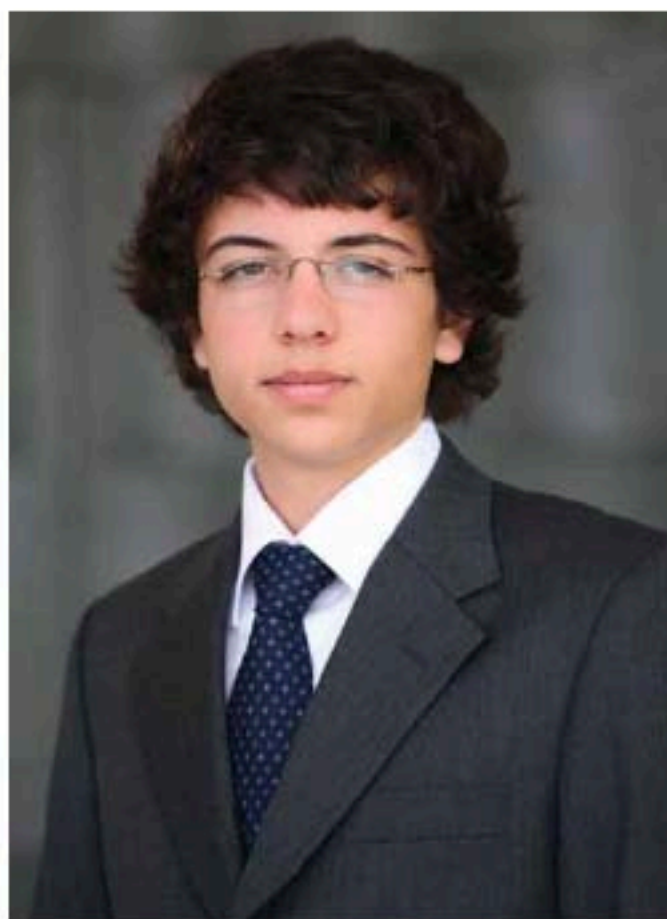
# ANNUAL REPORT

2011

Ahli... MY POWER OF CHANGE



His Majesty  
King Abdullah II bin Al-Hussein



HRH Crown Prince  
Hussein bin Abdullah II

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# Our Strategic Objectives

**For Shareholders:** High and sustainable returns

**For Customers:** A wide range of products, excellent service and fair prices

**For Personnel and Management:** Rewarding careers and above average remuneration

**For Society:** Significant contributions to economic and social development

**For the Regulators:** Reliability, integrity, and compliance with Basel II

## Our Vision

Jordan Ahli Bank's strategic goals are derived from its unwavering commitment to adhere to banking excellence through employing the best globally recognized banking standards and in achieving development throughout the following three phases:

**Phase 1:** Continuing growth and maximizing shareholders' equity

**Phase 2:** Obtaining best credit ratings

**Phase 3:** Expanding locally and regionally

## Board of Directors

H.E. Dr. Rajai Saleh Muasher	Chairman Representative of Al Raja' for Investments
Mr. Nadim Yousef Muasher	Deputy Chairman

## Members

H.E. Mr. Sami Haddad	Representing Byblos Bank (Lebanon)
H.E. Mr. Marwan Awad	Representing Jordan Worsted Mills Company
H.E. Mr. Wasef Azar	Representing Jordan Investor Center
Mr. Emad Yousef Muasher	Representing Mouasher Investment and Trading Company
Mr. Rafiq Saleh Muasher	Representing Rajai Mouasher & Brothers Company
Mr. Mohammad Al Abdallat	Representing the Social Security Corporation
Mr. Hani Fraij	Representing Arabia S.A.L Holding Company (Lebanon)
Mr. Mahmoud Zuhdi Malhas	Member
Mr. Ala'adin Sami	Representing ZI&IME Co. (Saudi Arabia)
H.E.Mr. Karim Tawfik Kawar	Member
H.E. Mr. Abdel Elah Al Khatib	Member

## Auditors

Messrs. Deloitte & Touche (Middle East) – Jordan

## Executive Management

H.E. Mr. Marwan Awad	Chief Executive Officer / General Manager
Mr. Issa Khoury	Advisor to H.E the Chairman
Mr. Ibrahim Ghawi	Deputy Chief Executive Officer / Head of Group Finance
Ms. Lina Bakhit	Deputy Chief Executive Officer / Head of Group Ahli Capital Markets and Investments
Mrs. Hadil Khalaf	Deputy Chief Executive Officer / Head of Group Operations
Mr. Hani Farraj	Deputy Chief Executive Officer / Head of Group Logistics / Secretary to the Board of Directors
Mr. Zahi Fakhoury	Deputy Chief Executive Officer / Head of Group Credit
Mr. Saad Mouasher	Deputy Chief Executive Officer / Head of Group Strategy and Corporate Communications
Mr. Faleh Al Najjar	Deputy Chief Executive Officer / Head of Group Small and Medium Enterprises (SME) Banking Services
Mr. Ahmad Al Khubb	Deputy Chief Executive Officer / Head of Group Personal & Premium Banking and Branches Management
Mr. Bashar Al Bakri	Deputy Chief Executive Officer / Head of Group Human Resource
Mr. Kameel Haddad	Deputy Chief Executive Officer / Head of Group Remedial & Recoveries and Legal Affairs
Mr. Samer Abu Zayed	Deputy Chief Executive Officer / Head of Group Information Technology and Enterprise Programmes
Mr. Rageb Halaseh	Assistant General Manager / Head of Group Internal Audit
Mr. Abdul Aziz Sadaqa	Assistant General Manager / Acting Head of Group Corporate Banking
Mr. Ziad Kokash	Assistant General Manager / Risk Management
Mr. George Farraj	Assistant General Manager / Branches Abroad Management
Ms. Oraib Hammoudeh	Deputy Assistant to the General Manager / Inspection & Internal Control Department





# Message from the Chairman of the Board of Directors

## Dear Shareholders,

I am pleased to present you with the 56<sup>th</sup> annual report for Jordan Ahli Bank, which highlights, within the Board of Directors' Report, the Bank's main activities and accomplishments during the past year as well as the closing accounts and financial statements for the year 2011. The report also includes the key economic indicators for the Kingdom over the previous year, as well as the Bank's action plan for 2012.

Last year witnessed the unfolding of major events and developments on both the regional and international levels, while contrary to many forecasts, the slowdown in the global economy still persists, hindering further any hopes of a speedy recovery from the repercussions of the global economic crisis. This was particularly evident in the Eurozone, as fears were compounded by the sovereign debts of a number of European countries as more countries were being impacted by the debt crisis, while more concerns were being voiced regarding the extent to which the European Union would succeed in implementing suitable measures to regain stability in European capital markets. However, the initiation of austerity measures by the affected countries in the Eurozone has become more evident in the process of implementing their financial policies, which may very well add to the socioeconomic burdens of these countries and weaken future possibilities of a recovery on a global scale.

Moreover, the Arab Spring and its ensuing political, economical, and social upheavals, has changed the status quo of the entire region. We cannot deny the economic difficulties faced by Jordan during the past few years and the consequences these have had on aspirations of achieving economic reform. The Arab Spring and the many social and political changes it has engendered have made it difficult to predict the economic outlook of the region.

We at Jordan Ahli Bank are fully aware that the coming period holds many challenges, yet we reaffirm our determination and commitment towards serving the Jordanian economy and to fulfilling the aspirations of our shareholders. To this end, we have worked diligently throughout the previous year towards developing our operations, expanding our customer base, and raising the quality of our services to meet the needs of our local community. This was carried out in the context of extending the value added benefits associated with the Bank's activities in alignment with our vision of promoting economic and social development. Our work is empowered by the confidence of our shareholders and customers and the capabilities of our employees and staff. Ahli Bank's solid foundations positions us to continue in our support of the national economy, and in our efforts to promote a better and more promising future for our children.

In line with the Bank's strategy towards strengthening its role as an active and socially responsible institution, Jordan Ahli bank sponsored several civil society organizations operating in the areas of education, health care, sports, and culture. It therefore came as no surprise that Jordan Ahli Bank was rated first among its Jordanian counterparts in terms of the number of social development initiatives launched during the past year. These initiatives focused on the development of local communities, supporting entrepreneurial projects, schools and the educational sector, and supporting human resource development. It also involved sponsoring childcare, cultural, and health initiatives, in addition to the sponsorship of several events that highlighted emerging entrepreneurial projects and investments which provide the opportunity for exceptional individuals, particularly youth, to unleash their creativity business potential.

Jordan Ahli Bank has invested substantially in strengthening and promoting banking services that target Small and Medium Enterprises (SMEs), as we firmly believe in the vital role this sector plays in the development of our economy. Our efforts in supporting this significant sector culminated in the opening of nine new business centers in the south, north, and central regions of the Kingdom. Supervising these centers is a team of specialized and qualified financial advisors who excel at providing financial and banking advice to SME customers. These centers were established to ensure that customers receive sufficient help and support, enabling them to develop their businesses and realize their ambitions, in addition to strengthening the Bank's presence in the various governorates of the Kingdom.

Additionally, Jordan Ahli Bank was selected by the International Finance Corporation last year, amongst its peers in the Kingdom, to deploy a specialized toolkit for SMEs that aims to support and empower individuals and small businesses by providing all kinds of quantitative and qualitative resources that assist the growth and sustainability of enterprises. The Bank looks forward to the impact this project will have on the current and future SME business environment.

As for product development, the Bank launched a number of ground breaking initiatives within the Jordanian banking industry with several features that target customers such as young employees and Jordanians living abroad looking towards enhancing their savings. Customers were offered competitive interest rates, as well as several other benefits associated with Savings Accounts. These measures are aimed at encouraging the adoption of a culture of saving and financial planning through custom tailored products including graduate and postgraduate study programs that offer unique features and raise awareness among the younger generation on the importance of early savings schemes. These products stem from our belief that quality education is, and has always been, the main driver for promoting the development of our domestic economy on the basis of knowledge and creativity.

Furthermore, and due to the expansion of the Bank's activities and the range of its products and services on offer, in addition to the increased number of branches, and following the instructions of the Central Bank of Jordan with regards to raising capital adequacy, the Bank initiated, at the end of last year, procedures to raise its capital by JD23.5 million/share, with the percentage of subscription reaching approximately 80.71%. This amounted to a total of JD18,966,893/share, a relatively high rate considering current circumstances.

The Bank was able to achieve positive results in spite of all the challenges posed by the developments during 2011; registering a pre-tax net profit of JD36.1 million, and an increased after-tax net profit of JD24.7 million. Shareholders equity also increased by 11.5% as at the end of 2011, reaching a total of JD253.1 million, translating to a return on equity of 9.74%. In addition, bank deposits and cash margins increased by 2.7% to an approximate of JD2.3 billion, while our highly efficient asset management approach contributed to maintaining the active pace of our banking operations and increasing growth rates. Our direct credit facilities registered a (net) growth rate of 10.4% during last year, reaching JD1.18 billion. This came as a result of our efforts in reinforcing service, sales, and communication channels with our customers, and taking an active role in the service of a larger number of segments of the Jordanian society. Consequently the Bank registered an increase of 3.8% in its asset base, bringing the total to approximately JD2.6 billion by the end of 2011.

In closing, I would like to extend my utmost gratitude to all of our customers and shareholders for their confidence in our establishment, of whose achievements and contributions are a source of our pride for our own establishment. I also wish to express my pride and apprecia-

tion for the collective efforts of the employees of the Bank and commend their dedication and perseverance towards the Bank's progress and continued successes. I must also commend the efforts and cooperation of the Central Bank of Jordan and the organizations operating within the Amman Stock Exchange and the Companies Control Department in supporting the achievements of the Jordanian banking sector under the wise and gracious Hashemite leadership of His Majesty king Abdullah II, may God bless and protect him.

Dr. Rajai Muasher  
Chairman of the Board

# Figures Reflecting our Vision

ECONOMIC PERFORMANCE  
AND THE BOARD OF  
DIRECTORS REPORT

# Performance of the Jordanian Economy during 2011

During the first three quarters of 2011, the Jordanian economy achieved positive results, with the Gross Domestic Product (GDP) registering a real increase of 2.4% compared to a lower 2% increase during the same period of 2010. These positive results came as a consequence of significant growth in the mining and extraction industries, which witnessed a 21.5% growth rate compared to that of 8.8% during the same period of 2010. The manufacturing sector also recorded higher growth compared to 2010, while the trade, restaurant, electricity and water sectors also achieved positive growth rates over the past year following recorded declines in 2010.

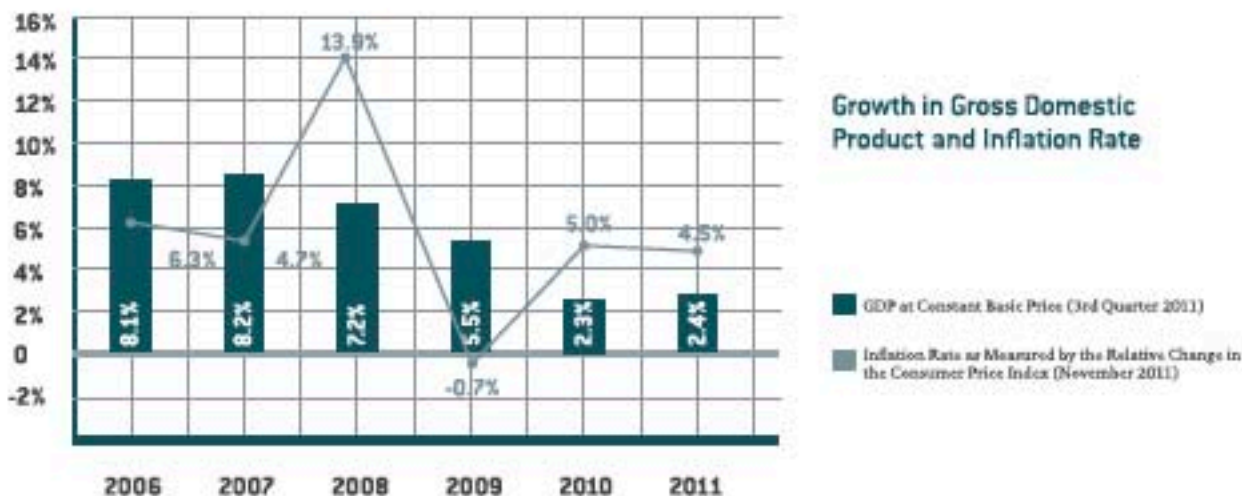
The Central Bank of Jordan, and within the framework of its monetary policy, also raised official interest rates by 25 base points in 2011. This followed a 50 base point reduction during the year 2010, which was implemented in order to contain inflationary pressures and maintain competitive returns on financial instrument savings in Jordanian Dinars, generating a rediscount rate of 4.5% and an overnight interest rate on repurchase agreements of 4.25%, while the overnight deposit window rate stood at 2.25%.

Credit facilities and loans granted by licensed banks operating in the Kingdom rose by 9.7% during the year 2011. This was reflected in a JD1.4 billion increase which raised the standing balance of total credit facilities to approximately JD15.8 billion by the end of 2011. Both the retail and manufacturing sectors were prime beneficiaries of these facilities, accounting together for more than JD685 million of the total increase in facilities during 2011, while the increase in the amount of facilities granted to the construction and trade sectors amounted to JD295 million and JD185 million respectively, compared with levels recorded at the end of 2010.

In contrast, total deposits with licensed banks increased by approximately JD1.87 billion during the same period to reach a high of approximately JD24.4 billion at the end of 2011, which translates to an increase of 8.3% compared with the outstanding balance at the end of 2010. Of the increase amount, JD1.56 billion, equivalent to 83.4% of the total increase, is attributed to local private sector deposits with banks.

As a direct consequence of increased deposits, domestic liquidity (M2) registered an increase of 8.1% in 2011, equivalent to approximately JD1.8 billion over the same balance at the end of 2010, whereas the inflation rate, as measured by the relative change in the consumer prices index (CPI), increased by 4.4% during the year 2011, compared with an increase of 5% during the same period of 2010. On the other hand, and in comparison with the end of 2010, the Central Bank's balance of foreign reserves as at the end of the year 2011 showed a decline of approximately 14.1%, equivalent to USD1.73 billion, bringing the balance at year end 2011 to USD10.5 billion.

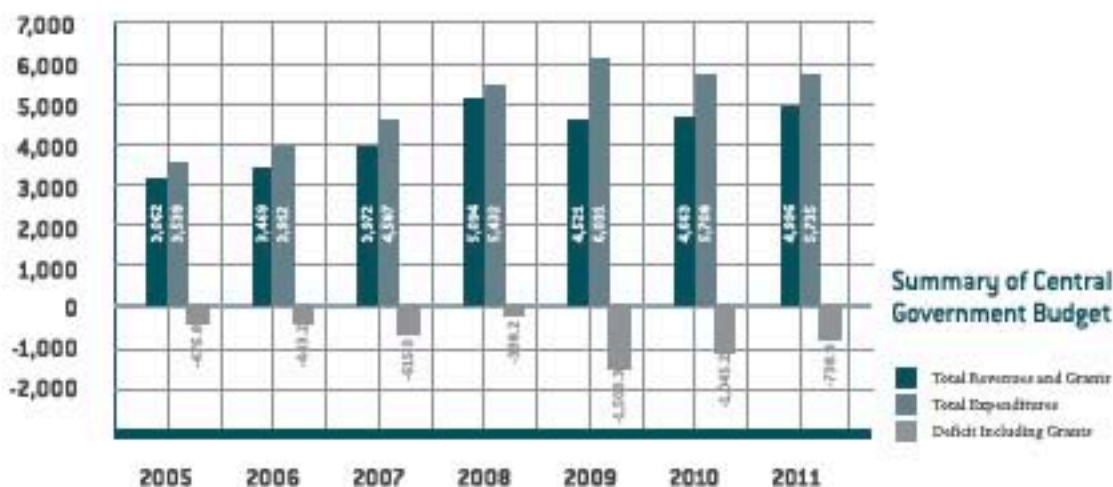


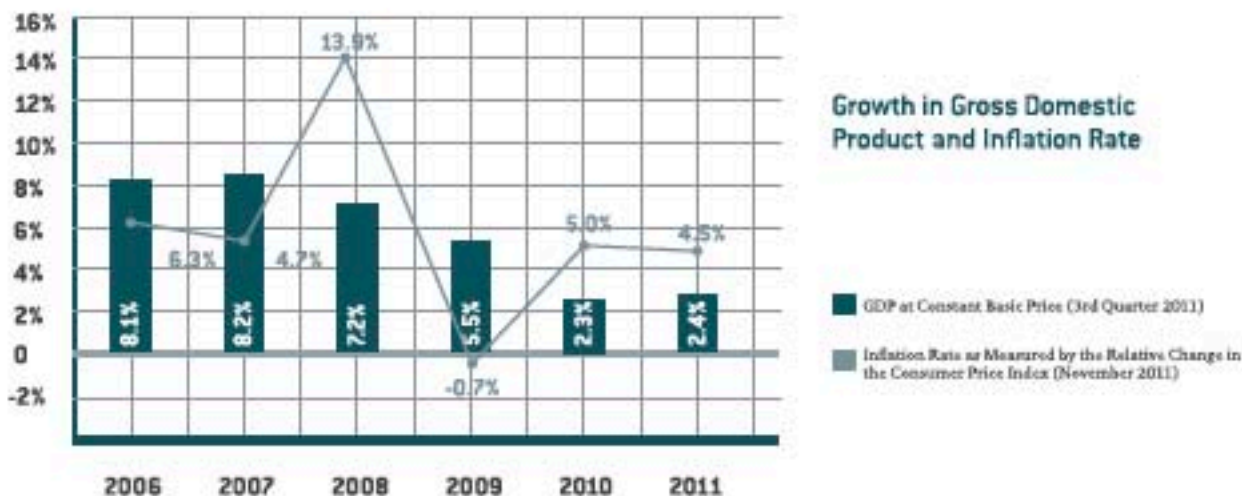


Moreover, and during the first eleven months of 2011, the central government recorded a JD738.9 million budget deficit, including foreign aid. This is compared to a deficit of JD801.8 million during the same period of 2010. Should foreign aid figures be excluded, the budget would record a deficit of JD1.8 billion, compared to a deficit of JD1.1 billion during the same period in 2010.

Total revenues recording a JD844.6 million or 20.3% increase over the previous year, reached a total of JD4.996 billion. This came as a result of a JD812.7 million increase in foreign aid which brought total foreign aid to JD1.1 billion. Tax revenues, on the other hand, were registered at JD2.8 billion, accounting for approximately 72.7% of total domestic revenues.

Within the same context, total expenditures increased during the first eleven months of 2011 by JD781.7 million, or by 15.8%, bringing the total to JD5.7 billion. This came as a result of an increase in current expenditures by 18.9% on the one hand, and a decline in capital expenditures by 2.2% on the other. Compensations to civil service employees also rose to JD927.9 million, whilst government subsidies saw a significant increase of JD486.9 million due to the rise in commodity international prices, particularly those of wheat, which coincided with continued government subsidisation of gas canisters as well as maintaining fixed prices of several petroleum products. As a result, Government subsidies registered a total of JD614.7 million during the first eleven months of 2011, compared to JD154.8 million for the same period during 2010.

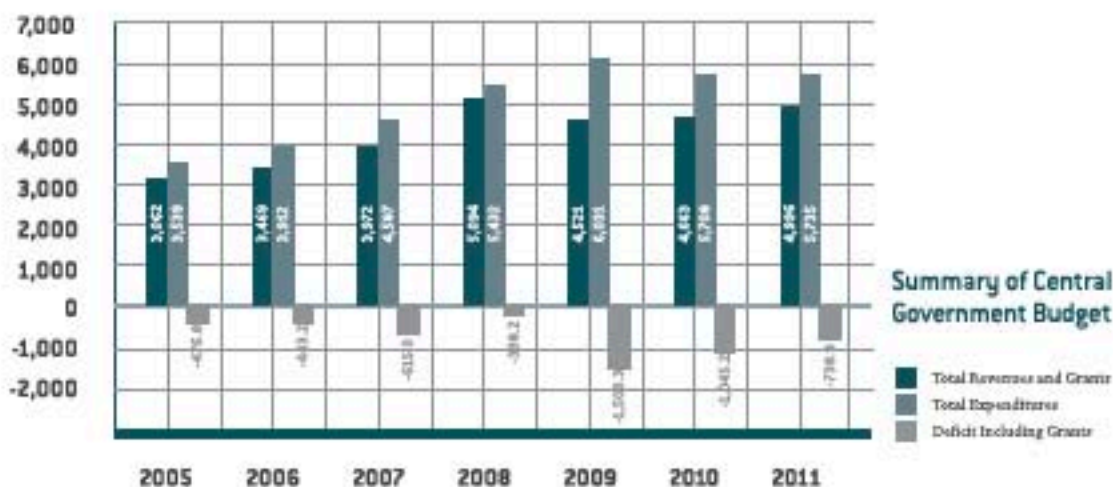




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The capital market, like most other markets in the Arab world, was affected over the course of the previous year by the turmoil that accompanied the Arab spring, in addition to the effects of current instabilities in the global and European markets, particularly due to fears caused by the sovereign debt crisis suffered by a number of European countries.

The Amman Stock Exchange witnessed a general decline in its performance, closing its dealings at the end of 2011 with a registered 15.9% decline, as the share price index closed at 1,995.13 points in the final week of 2011, compared to 2,373.6 points recorded after the final trade of 2010.

Moreover, the financial and industrial sector indices declined by almost 16%, while the service sector index recorded a decline of approximately 10.7% during 2011. The market capitalization of shares listed on the Amman Stock Exchange also declined by 11.8% over the previous year, falling to JD19.3 billion, while the trading value declined by 57% during 2011, compared to 2010, with a reported trading value of JD2.9 billion compared to approximately JD6.7 billion in 2010.

# Board of Directors Report on the Bank's Achievements During 2011

The efforts of the Jordan Ahli Bank's Board of Directors during the past year have been instrumental in guiding the Bank towards successfully maintaining its achievements and strengthening its role within the Jordanian banking sector. Key focus areas for the Board included the progressive development of the Bank's operations, the expansion of its customer base, and the strengthening of its customer communication channels, in addition to enhancing the Bank's activities and raising the efficiency of its products, whilst reducing bad and non-performing loans. These accomplishments are aligned with the Bank's strategy and future vision, and come in spite of current economic conditions, allowing the Bank to maintain its course of positive results. Following are the key achievements of the Bank's various sectors and groups.

## Strategy & Corporate Communications Sector

### Group Strategy

The Bank's management has been successful in implementing the plans of Group Strategy, gradually and effectively guiding the Bank towards a leading position among financial service institutions in Jordan. These plans are based on five main "pillars of change", and they include: Market Segmentation: this included the institutionalisation of market segments across all levels of activities and structures within the Bank (i.e. corporate banking, small and medium enterprise (SME) banking, and personal accounts.) It also involved the modernisation and development of sites/locations that provide specialised services, such as the Corporate Branch and the SME business centers, thus allowing the Bank to provide for the requirements of the Jordanian market in all governorates.

Risk Management: the Bank realised a number qualitative accomplishments in risk management and early warning systems, in accordance with the instructions of the Central Bank of Jordan and the standards set by Basel II. The Bank is also currently in the process of incorporating Moody's rating systems into credit risk management.

Human Resources Management: the Bank is currently developing and applying best practices within the industry in Human Resource Management.

Sales and Marketing: the Bank has succeeded in promoting its attractiveness index through the diligence of the Sales and Marketing Unit, which exerts all efforts to ensure that the Bank's brand name is established and maintained, and that the concept of change is cemented, allowing the Bank to remain one of the leading institutions that base their marketing and sales culture on specialisation and professionalism.

Information Technology: the Bank set out to restructure Group Information Technology, retaining qualified personnel who are able to affect a positive transformation in the Bank's operations, and deploy the latest information technology systems and services.

Group Strategy played a significant role in the achievement of the above, facilitating the environment required for coordination among the various groups and participating in the study and implementation of several projects that have strategic importance and which reflect positively on all levels of the Bank. Today, the Group anticipates positive outcomes as a result of these strategic achievements, building on them towards the realisation of the Bank's vision

of placing the customer at the center of its activities and services, and to assuming a leading position in the Region within the coming decade. To accomplish this, the Group continuously works towards:

Achieving a competitive advantage by utilising advanced technologies that allow for customer convenience, efficiency and speed in service provision.

Providing the technology requirements for the optimal management of customer relations.

Developing an organisational culture that is based on:

Raising the level of productivity through the promotion of specialised knowledge, linking results to performance, encouraging initiative, and developing mechanisms to promote creativity and innovation.

Meeting the lifelong requirements of the Bank's clients by developing customised products and enhancing relationship management.

Working towards acquiring customer loyalty through the provision of financial and banking advice and through conveying excellence in service performance.

Building partnerships with other service providers linked to banking services.

The Group also developed a set of mechanisms for the transformation process, and the implementation and monitoring of changes across all levels of the Bank. Using the Balanced Scorecard approach, the Group manages its strategic planning process as follows:

Annually prepares the general strategic outlines for all profit groups and centers, and provides support so that these groups are able to build solid, detailed strategic plans based on these outlines.

Receives strategic plans from all departments of the Bank in the form of reports that list their strategic priorities and implementation timeframe(s), and that document the extent and value of the effect on performance in terms of financial standing, customer service, human resources, and internal organisation.

Reviews the priorities of the various groups of the Bank, adding to them or amending them where required.

Follows up on execution to ensure that projects and tasks are implemented on time, and with the utmost efficiency and effectiveness.

Participates in the study and implementation of projects that have strategic importance, reflect on the various levels of the Bank, have special considerations, and/or require high application skills (strategic projects.)

## **Marketing & Corporate Communications:**

Marketing & Corporate Communications is considered one of the key departments that provide functional support to all banking divisions, through the development of marketing PR strategies and the management of advertising and marketing campaigns. The Department continuously works towards developing its methodology for building a sound market strategy for the Bank's products, as well as its financial and banking services. This results in effectively accessing the targeted segments of the population through the implementation of best practices that are highly efficient. The Department also oversees the development of the Bank's corporate identity, and the design and management of marketing campaigns for the various products and services provided. It also maintains the Bank's website through managing webpage updates, online information, and restructuring web pages on a continuous basis.

One of the key contributions of the Marketing Department/Marketing & Corporate Communications in 2011 was the sponsorship of the sixth annual ceremony celebrating the success of participants in the King Abdullah II Physical Fitness Award, which encourages students to exercise and increases their awareness of the importance of a healthy lifestyle,

contributing to the founding of a generation that possess a spirit of positive competition, a sense of challenge, and a desire for excellence.

Another major contribution was the sponsorship of the 2<sup>nd</sup> Angel Network Event, organised by Oasis500, which aims to draw attention to emergent pioneering entrepreneurial projects and investments in the Middle East and North Africa region (MENA.) Through organising a comprehensive promotional campaign, Marketing & Corporate Communications also contributed to the launch of “Saving Loan”, a unique saving product that allows the Bank to address customers looking to adopt a savings scheme to achieve their goals and future plans.

Also in continuation of the Bank’s efforts towards achieving the objectives set in its corporate social responsibility agenda, the Bank supported and sponsored the interactive library at the Queen Rania Family and Child Center (QRFCC), a Jordan River Foundation initiative, thus confirming the Bank’s firm belief in the importance of effective partnerships between all business sectors and segments of society in bringing about sustainable development. And as a result of the Bank’s commitment to supporting unique and creative endeavors, the Bank also provided platinum sponsorship to the TEDx Dead Sea event, which gave entrepreneurs from the Region as well as the rest of the world a chance to present their experiences and to explain the necessary skills required to succeed in diverse business fields. The Bank also provided gold sponsorship to the activities of TEDxYouth@Amman, which presented a number of youth speakers and Jordanian entrepreneurs with the opportunity to share their experiences and discuss their views on entrepreneurship and creativity in an interactive and enthusiastic environment that encouraged participation and openness.

Additionally, and in testament to the Bank’s commitment to contributing to the development of the educational process in Jordan, sponsorship was granted to the Cultural Educational Forum for Private Schools, which was held under the patronage and in attendance of HRH Princess Basma bint Talal, Honorary President of the Forum, over a period of two consecutive days at the Jubilee Schools.

Moreover, and in line with Jordan Ahli Bank’s approach of continued cooperation with various community organisations to accomplish its mission and achieve its goals, the Bank pledged support to the Cerebral Palsy Foundation. In its first stage, the Bank’s sponsorship will entail the payment, for one full year, of the salary of two professional physiotherapists working with the Foundation.

The most significant achievement of Marketing & Corporate Communications however, has been the launch of various communication channels for the Bank on a number of key social networks. The Bank boasted noticeable presence on both Facebook and Twitter, and this was evident in the quick pace of responses to the different queries, in addition to the various discussions on topics of interest to followers of these websites such as economics and banking, among other related fields. The Bank’s presence also facilitated interaction with over 30,000 page members and subscribers, and aided the Bank in building and expanding on its social relationships with them, familiarising them with the various products and services provided by Jordan Ahli which may help them achieve their personal and professional aspirations, and encouraging them to interact and debate through a number of competitions and valuable prizes launched by the Jordan Ahli Bank.

## **Banking Services & Branches Sector, comprised of:**

### **a) Group Corporate Banking**

The Group was successful in achieving a majority of its financial objectives for 2011, as the marketing efforts, in addition to those of the employees of the Group, resulted in an increase in the Bank's customer base, which contributed directly towards an increase in the volume of facilities approved and granted by the Bank's various credit facility committees. Additionally, the Group set out to review its previous year accounts, activating those accounts with credit limits that have not been utilised. The Group also worked on expanding accounts with good credit and financial history, as well as attracting new customers and strengthening communication channels with existing clients through direct contact and periodic visits.

The Group referred to a number of key themes to achieve its objectives, putting together an executive plan for all account managers. The plan focused on the following outcomes:

Increasing the number of promotional visits

Attracting new customers

Expanding dealings with existing clients

Continued support to the Credit Leasing Company, enhancing its role as a counterpart to the Group through cross-selling activities.

The Group also focused on other key areas such as the marketing of all retail products to its customers, in addition to underlining the general framework for the implementation of its strategy through enhanced assets safety, lowering the volume of non-performing loans, and enhancing the collection of outstanding balances of bad debt. The Group also continued to enforce a policy of augmenting guarantees on accounts and minimizing credit risk in accordance with the general policy pursued by the Bank.

### **b) Group Small and Medium Enterprises (SME) Banking**

The Group was effective in contributing to the development of the Bank's business, expanding SME banking products and services across all its activities and operations to meet the various requirements of its network of SME clients quickly and efficiently. On its course towards achieving its preset goals and objectives, the Group effectively implemented a comprehensive, integrated strategy based on developing SMEs, given the growth potential this segment has on a national level, particularly in achieving economic development. The following principles were applied:

Continued expansion of the Bank's customer base

Improving the Group's leading position, through reinforcing practices of targeted banking services while meeting the highest standards of excellence in their delivery

Improving the management of customer relations and developing additional opportunities for cross selling

Responding accurately to all the demands of the various SME segments

Designing and developing new and specialised banking services for all segments of the SME sector, at the highest level of quality

In order to strengthen the ability of the Group to provide banking services of the highest quality and professional standards to the Bank's network of SME clients, and to open up new marketing

venues for the Bank and enhance its geographic reach, nine specialized SME business centers were launched across Eastern and Western Amman in addition to several governorates throughout the Kingdom in 2011, with a tenth center planned for 2012. These Centers began operations based on the application of several strategic concepts specific to the work structure of business centers established by Jordan Ahli. Through the Group's efficient approach to targeting and tapping into new segments within the SME business sector, the Group was able to effectively contribute towards increasing the Bank's market share, maximising its profitability, and strengthening its position among its various competitors.

### **c) Group Personal and Premium Banking & Branches Management**

The Group worked diligently to further establish the Bank's prominent role in the retail market, in order to ensure the Bank remains a leader within this field. It also worked towards expanding the Bank's customer base, and the diversity of products and services on offer. The Group's accomplishments are:

#### **Branches:**

The Bank took various measures towards expanding and re-distributing its existing network of branches, opening new modern branches to accommodate the growing demands of customers and meet their needs and requirements. To distinguish itself from other banks and boost its visibility throughout the Kingdom, Jordan Ahli inaugurated the following new branches:

Um Othaynah Market Branch  
Arabella Mall Branch  
Dahiyat Al Yasmin Branch  
Al Horriyya Street Branch  
Taj Mall Branch  
Balqa' Applied University Branch  
Aqaba Business Center

The Group completed the restructuring of branches and user authorities, so as to ensure more efficient services to customers, and increase the time available for selling and for providing banking services.

The Group organised several workshops and training courses aimed at supporting branches and building the selling skills and technical capacities of personal, in addition to improving the quality of banking services.

The Group set up a cash unit designed to provide service to branches located in the north of the country, and to facilitate cash management in order to increase efficiency and effectiveness and to strengthen monitoring procedures.

### **Work Procedures: preparation and updating of manuals and work procedures**

#### **Electronic Channels (e-channels):**

Automated Teller Machine (ATM) network: The Bank's ATM network was expanded with the addition of six new ATMs, bringing the total number of operating ATMs to 74, 47 of which accept direct deposits. 10 older ATMs were also refurbished.

Development and modernisation of the Ahli Online service: The Bank developed and expanded headquarters services to include servicing credit card holders. Working hours were also extended to cover the period between 8A.M and 11P.M, 7 days a week.



## Products and Services

### Product development

The Personal Banking Group launched a range of products in 2011:

**Savings Loan:** a strategic and unique product that includes three components, instant savings; Personal loans against salary transfers; and savings against cash insurance. These aim to enlarge the Bank's portfolio of savings accounts, as well as that of secured loans, whilst increasing cross selling and working towards the Bank's social responsibility as an agent advocating a culture of savings.

**Credit Cards:** The Bank issued the new Visa Platinum credit card targeting premium account holders with its various preferential services, along with the issuance of smart credit cards (Visa and Master.)

During 2011, the Bank also re-launched its savings accounts program following the restructuring of the rewards system for these accounts, in addition to the modification of the selection criteria for savings accounts rewards draw.

Additionally, the Bank focussed on building new strategic alliances with leading organisations, which resulted in the signing of agreements with the largest car distributors in Jordan (BMW; Suzuki; Mitsubishi; the Abu Khader Automotive Company; the Mahmoudiah Automotive Dealership Company) to resume the launch of joint marketing campaigns that promote Car Loan products.

### Marketing and Premium Accounts Services

This entailed the preparation and launch of various carefully planned marketing and advertising campaigns to further promote the Bank's services and products and to increase public awareness of these products and services, while strengthening customer confidence in the Bank.

#### **d) Group Branches Abroad:**

The Group witnessed numerous accomplishments during 2011:

Exceptional financial results which exceeded the financial targets set for 2011.

Numerous new accounts which led to the expansion of the Bank's customer base in the Palestine and Cyprus branches.

The Group finalised preliminary procedures to initiate construction of new headquarters to accommodate the Bank's Regional Management team in Ramallah, Palestine. The envisioned building will also host a new branch of the Bank. The Group also opened a new office in the Rafidiya area as part of the Nablus city branch, so as to further establish presence in the city, and to enable the Branch to cater to personal, SME and corporate customers in the area.

The Group upgraded several of the existing banking products and services in all of the Bank's branches in Palestine, modified work procedure manuals, and introduced electronic archiving. The Group introduced the Moody's credit rating system in the Palestine branches in accordance with the latest financial analysis and risk assessment technologies for all types of accounts.

In the Palestinian city of Bethlehem, a complete disaster recovery site was prepared and

equipped in compliance with the instructions of Palestinian Authorities.

The Group launched several marketing and advertising campaigns, and participated in various events to promote and develop its corporate identity in the Palestinian market.

The Group also remained in line with its social responsibility agenda in Palestine, sponsoring a number of events organised by local authorities.

In accordance with transparency and disclosure requirements set by the Palestinian Monetary Authority, the Group publicly lists the Bank's fees, commissions, and interest rates for its various services and products on the Palestinian branches website.

Additionally, the Group continued to develop the efficiency and competencies of employees from the administration and branches in Palestine and Cyprus by providing specialised training courses to increase efficiency in providing services and to improve professionalism.

The Group provided capacity building opportunities to employees in Palestine and Cyprus.

Various training programs were implemented with the objective of raising employee competencies, increasing productivity, and ensuring that employees are able to perform their duties professionally and efficiently.

## Credit Sector

### Group Credit:

During 2011, the Group continued to follow a well formulated credit plan, focusing on sectors with high profitability and low risk rates, and effectively applying risk management systems to the Bank's entire credit portfolio across all sectors, thus maintaining a high performing, low risk portfolio with lower bad and non-performing loans and suspended interest. The Group also effectively diversifies credit facilities into all targeted economic sectors, focusing on sectors with the highest growth and profitability and most reasonable risks, whilst maintaining an adequate balance between preserving the rights of the Bank and the associated marketing efforts of the Group on the one hand, and keeping abreast of new developments in the market, such as the adoption of risk ratings and classification in compliance with the international Moody's system, on the other.

This year, work will continue in a manner consistent with the said approach, while keeping abreast of any developments that may increase the effective role performed by Group Credit.

## Capital Markets and Investment Sector:

### Group Ahli Capital Markets and Investments

In response to the challenges posed by the overall economic environment, including uncertainties and highly negative deviations in financial markets, the working agenda of the Group Ahli Capital Markets and Investments over the past year was a reserved and cautious one. This allowed the Group to maintain past profits and achievements, operating within a healthy investment environment that leveraged on a high level of security and liquidity in a manner that ensures returns with the lowest possible risk to maintain shareholder equity. The Group focused on providing the greatest possible number of services to its clients, availing preventative tools to deal with currency and interest rate fluctuations, as well as providing various investment tools and products in developed and emerging markets. The Group's activities reflected positively on the Bank in terms of an expanded customer base and numerous



new accounts. This, in turn, had a great impact on maximizing the Group's profits from commissions and reducing reliance on interest-generated income, particularly in light of low interest rates on the financial markets.

The Group also focused on asset and liability management to maintain a high degree of liquidity, thus enabling the Bank to respond quickly to any sudden changes or occurrences on the market.

The Group managed to further enhance its role in supplying primary and secondary premium banking services through the local financial market. These services included corporate issuances and their management, Bond Custodian, Bond Registrar and Paying Agent for bonds issued by local public shareholding companies exceeding publications of JD110 million. The Group also sought, and as part of its operational framework, to provide consultation services to companies, particularly in the areas of capital structure and operating feasibility and the burdens of financial obligations.

The Group prepared and provided various specialised studies on the Jordanian economy, directed to support the financing and development of small and medium enterprises (SMEs) in collaboration with international organisations. It also provided sectorial and company-specific financial reports and studies.

The Group took a meticulous approach towards the application of new instructions and regulations set by the Central Bank and senior management. It was successful in implementing all these requirements, including, among others, updating the investment and liquidity policies and contingency plans. It also completed the upgrade of the Bank's automated systems specific to the management of assets and bonds, in line with customer demands and the requirements of regulatory authorities, as well as the relevant standards and regulations governing the management of risk.

As for the Group's professional specialised staff, a number of these employees were enrolled in professional courses that specialise in corporate banking, stocks, and treasury management. These certificates and specialised courses helped improve the professional performance of employees from this Group, and contributed directly to the assimilation of all the services provided to the Bank's clients

## Support Services Sector:

### a) Group Finance

The Group continued to implement the policies endorsed by the Bank to control current and capital expenditures across all relevant areas, in addition to policies regarding setting approval limits, account ceilings, approvals, exceptions, and methods of measurement and analysis, as well as monitoring compliance with work plans and budgets covering the expenses of all groups, whether related to the implementation of new projects or standard everyday business expenses.

The Group also adopted the most recent international accounting standards related to enhanced transparency when disclosing and presenting financial statements and data, in addition to the publishing of explanatory notes which detail the Bank's achievements by sector. The Group also carried out the reclassification of investments in compliance with Accounting Standard No 39. It should also be noted that Jordan Ahli Bank adopted the application of these new standards starting early 2011, becoming one of first banks to do so within this field.

Additionally, the Group completed work plans and budgets for the year 2012, followed by the preparation of detailed action plans for the Bank's Operations and Support groups. It

also carried out an evaluation of the performance and profitability of its various products, in addition to conducting an analysis of alternative options to developing and maximising the return on investment in collaboration with the operations groups, while providing senior management with a number of analytical and specialised studies that support the execution of operations and decisions which would reflect positively on the performance of the Bank. The Group also produced a number of reports comparing Jordan Ahli Bank's performance, growth, and market share with that of other banks operating in the Kingdom. Finally, the Group continuously monitors budget items on a monthly basis, providing feedback and reports on the items.

## **b) Group Operations**

The Group continued throughout 2011 to provide support services to the various business groups of the Bank, in addition to carrying out its banking services with the utmost levels of efficiency and professionalism, supporting the Bank in managing current demands and necessary changes, achieving its strategic objectives of increasing its market share and profitability. The Group also worked on reducing expenses, and saving time and effort by centralising operations. This will enable the Bank to improve the quality and diversity of its banking products and services. Additionally, an upgrade was carried out to improve the performance of the Bank's electronic services network, including the Bank's ATMs and electronic bank systems, facilitating and easing access to alternative banking channels for individual clients.

### **Electronic Banking (E banking):**

52,485 Maestro cards were issued (new and renewed), through all of the Bank's branches at a rate of 4,750 cards per month (the total of Maestro cards is approximately 93 thousand cards). Additionally, 4,000 clients were granted access to the Ahli Online services, and 5,000 were provided with Ahli Phone services. SMS services were activated for 5,310 clients of the Bank. In collaboration with Group Information Technology and Enterprise Programs and Group Personal and Premium Banking & Branches Management, the Department added six new Automated Teller Machines (ATMs) to the existing Bank network and replaced 16 old ATMs with new ones. Additionally, the number of ATMs that accept immediate deposits has grown to reach 47 machines, compared to 31 machines in the previous year.

The Department also upgraded and applied the ATM software, while implementing the necessary adjustments to improve the performance of the system in accordance with the requirements of the Bank.

The Department developed a new and centralised structure to manage the updating and refurbishing process so as to minimise time and effort, while also reducing expenses related to paper, printing, and postage.

### **Treasury:**

In collaboration with concerned groups, the Bank upgraded and adjusted several of its systems, namely:

Electronic Clearing System, ECC Version 13.

Programs adopted on a national level in response to the Central Bank's directives for the printing of cheques in line with new specifications that require high quality security printing.

Programs used by the Returned Cheques Unit to conform with the new amendments approved

by the Central Bank of Jordan, with regards to the cases sent by the Bank.  
Modified software specific to the automation of incoming and outgoing transfers.  
The setup of a central payroll system.  
Updating various work manuals in order to reflect new developments.

### **c) Group Logistics**

During 2011, the Group worked on the following:

Constructed, equipped and launched a number of new branches, such as the Aqaba Sales Center, Aqaba Branch, Um Othaynah Market Branch, Al Horriyya Street Branch, Arabella Mall Branch, Taj Mall Branch, Al Salam Branch, in addition to the refurbishing the building designated for the new automated banking system project.

Allocated and equipped specific branches to serve as business centers, and they are: Middle East Business Center; Irbid Business Center; Wasfi Al Tal Street Business Center; Wadi Saqra Business Center; Bawabat Al Salt Business Center.

Supplemented the Bank's income by releasing a number of seized real estate assets at a value of approximately JD8.45 million.

Closed all rented sub-warehouses in the capital serving as archive storage.

Archived all fixed asset transactions, which totalled 22,470 files containing client information, and documentation of contracts, and credit cards.

### **d) Group Human Resources:**

In 2011, the Group worked primarily on promoting a performance and results based culture, maintaining its focus with regards to setting standards of practice based on objective and comprehensive systems that link the performance of individuals to that of the departments and groups, which in turn links to the overall performance of the institution, and is based on the principle of management by objectives. From this perspective, and in support of various wide scale initiatives implemented by the Bank during the previous year, the following was achieved:

The Group initiated the application of service level agreements between the various support services sectors and the income generating groups, based on the conventions governing interaction between the various parties, and in accordance with the standards and regulations of efficient and effective performance.

The Group developed an electronic system on the Bank's intranet, which is currently in its pilot phase and is specific to branch employees. The Group plans to deploy the entire system in all profit centers by early 2012. The system facilitates the setting of monthly and annual targets for all employees involved, which in turn will enable them to monitor their progress against their set budgets and plans on a monthly basis, and with complete transparency. Individual employees, together with management, are then able to focus on their areas of strength and to discuss together ways in which they could overcome any difficulties and weaknesses, while allowing them to link incentives and rewards to performance.

The Group also developed programs that encourage creativity and innovation among employees. This has become a key evaluation factor for the Executive Management as part of the Balanced Scorecard performance management tool. Moreover, and beginning next year, all employees will be able to use the Bank's intranet to access and take part in the "Pioneering Ideas" program, which will allow for the dissemination of this culture as part of the Jordan Ahli Bank's corporate identity. The Group updated regulations and policies governing the Bank's recruitment and selection process, which gives priority to internal staff when applying to

vacancies. The regulations governing competition to fill vacancies were also updated. Standards governing the selection process for new employees were expanded, particularly those concerning the recruitment of recent graduates, who are selected from within a wide range of web applications which exceed 40,000.

The Bank partnered with various universities as well as the King Abdullah II Fund for Development, to provide the Bank with lists of their top graduates. Applicants go through a full year preparatory program, during which they are trained in the theory and practice of the various required functions. Participants are also appointed qualified and experienced employees to act as their counsellors and mentors, and to support them in coping with the demands of the workplace, making their journey towards becoming part of the team a smooth and effortless one.

In collaboration with Mowgli Foundation, a British non-profit organisation concerned with guidance and counselling as essential to the development of institutional performance, the Group participated in programs that specialise in such services. Work is currently underway towards the development of a 'Customer Experience Team' to represent the quality service aspect, whereby the team will act as quality service assurance managers carrying out dissemination work and following up on customer complaints, in addition to the standardisation of the customer service outcome through all branches of the Bank.

In total, 470 specialised training courses were held for approximately 6,408 participants from both the Jordanian and Palestinian branches, with over 19,900 training days completed. The Group managed three developmental programs, two of which were aimed at new recruits and which run for one full year each as mentioned above. Additionally, a specialised program for credit officers, the second of its kind during the last two years, was provided. The latter is an intensive program that trains a group of employees on credit activities and operations, as well as the theoretical and practical aspects of managing relationships with corporate and SME clients.

The Group organised a number of Training of Trainers programs, leading to the certification and licensing of 33 qualified trainers, who then join the internal training team, which provides training to employees in areas such as systems and procedures, as well as specialised workshops for the Bank's various activities. It is worth noting here that the process of training and development is directly linked to career development. Additionally, the Bank sought the assistance of a mystery shopper program, harnessing basic tools that measure service quality at branches, and in specific in areas which are used to measure the return on training. This approach is in line with the Bank's strategy to improve the level of service and raise the level of customer satisfaction.

The Group also managed various activities for the Bank's employees in line with its policy towards social responsibility. The Bank organised numerous recreational activities and tourist trips for a number of its employees and members of their families.

### **e) Group Information Technology (IT):**

The Group initiated the implementation of several large-scale projects in the field of information technology and enterprise programs, aiming to present the best possible electronic services to clients, while increasing the efficiency of internal processes. The following is a list of the Group's key achievements:

The relocation this year, of the Information Technology and Enterprises Programs Group to the Technical Innovation Center; a building linked with the various departments and equipped with the latest technologies in digital communication, thus ensuring an interactive approach that guarantees the highest levels of productivity and that enables the Group to monitor all long distance computerised services and intervene effectively should problems arise.

The completion of the SharePoint Collaboration Tools project among all groups of public administration, as well as between these groups and the Bank's branches, in a manner that ensures speed and accuracy in information flow between these groups and the Bank's branches. This also entails the gradual phase out of the Bank's reliance on conventional tools such as internal memos and printed forms and templates for this purpose.

Participation in the Core Banking Transformation Program, through the preparation of operational plans and the designation of application teams and vendors from the Bank, and the development of a manual that governs the implementation of the project, which will cover all activities of the Bank in the areas of Small and Medium-sized Personal Banking Services; Corporate Services; and Internal Operations. This project will enable the Bank to transcend into a higher developed and modernised level of computerised banking services under the slogan "The Power of Change". Through this project, the Bank will be able to identify all possible customer needs, and to link them to the Bank's relevant services, which are offered as part of a range of modern banking products through all service channels. Examples of such services include internet banking, mobile phone banking, and self service machines.

The continued application of all international standards in its internal operations as well as those of the Bank, including: the ITIL 3 system for the quality of computerised services, while maintaining close monitoring of the quality of these processes by the Quality Assurance Unit. The adoption of the latest and best international standards, particularly standard PCI-DSS and ISO 27002, through the work of the Security and Confidentiality of Central Data Committee, and so as to ensure the confidentiality and protection of information.

Complete deployment and application of the IBM-Rational Tools systems specific to operations concerned with the development of in-house software, in a smooth manner that guarantees the highest quality of software and that reduces the risks associated with these types of internal processes.

The deployment of the automated reporting project headed by the Central Bank of Jordan (CBJFA).



## Other Groups & Departments:

### a) Group Remedial & Recoveries and Legal Affairs

Members of this Group focused during 2011 on the collection of the largest possible amounts from bad debts, achieving substantial results that helped to significantly supplement the Bank's income accounts with cash collections from outstanding allocations and benefits. The Group's collection work will continue through 2012 to enhance the Bank's revenues, minimising the Bank's portfolio of non-performing loans.

### b) Group Internal Audit

During 2011, and in partnership with a leading internal audit firm, the Group implemented a project to develop and enhance its capacity, bringing it up to date with all developments in the banking business, and fully incorporating international auditing standards and best practices issued by the American Institute of Internal Auditors (IIA). This was finalised on the 31<sup>st</sup> of July, 2011. The project included the following major highlights:

Updating the Group's Charter, the Internal Audit Committee's Charter, and the Internal Audit Manual in accordance with the latest international standards for the professional practice of Internal Auditing.

Reviewing and developing a risk matrix at the level of the Bank's departments and business centers.

Developing a three year strategic internal audit plan, to be carried out according to annual operation plans.

Assessing the capacity and training needs of the Group's employees, to be carried out by the developing company.

Supplementing and strengthening the Group's work force through recruiting specialised and skilled employees across all of the Bank activities and sectors.

Applying the 'Team Mate' system across the whole Group. This system carries out the automation of internal audit operations.

### c) Group Risk Management

The Group carried out a number of activities during 2011 that contributed to the strengthening of the Bank's risk management processes and procedures, in a manner consistent with the instructions of the Central Bank and the standards set by Basel II. In response to the requirements of the Central Bank of Jordan regarding the application of the 'Pillar 2' of the Basel II curricula, which is the 'Supervisory Review' stage, and also within the framework set by the requirements of the internal evaluation of capital, the Group prepared an interest rate risk management policy as well as a liquidity risk management policy. It also introduced a liquidity contingency plan, which was approved by Bank's Board of Directors. Additionally, and in accordance with the instructions of the Central Bank of Jordan pertaining to the impact of the application of the Basel III accords recently issued by the Basel Financial Control Committee, the Bank completed a study which was sent to the internal auditor for review, as indicated by the Central Bank of Jordan.

The Group also prepared a charter for members of the Board of Directors. The charter was reviewed and adopted by the Corporate Governance Committee and the Board of Directors,

in accordance with governance requirements. A general disclosure management policy was also introduced, which included a reference for disclosing information as per adopted laws, regulations and systems.

Also, and in continuation of the preparatory work facilitating the shift to the new credit risk Internal Ratings Based (IRB) system, all required customer information was entered into the credit risk rating system 'Moody's.' Additionally, the documentation department of the Bank's Head Office was assigned the task of verifying and documenting all customer credit facilities and transactions of the Cyprus branch, as well as the Bank's custody services. This was preceded by the authorization of detailed work processes specifically for this task. In general, the Group continued to perform its overall risk management duties, whether in the field of credit risk, capital market or operations and processes risks, or non-compliance risks.

#### **d) Inspection & Internal Control**

Updated the Department's procedures manual, which was officially adopted to cater to the needs of the Department as indicated by its activities over the previous years.

Continued to follow up on the internal control operations of the Palestine branches, guiding the branches towards improved performance and effective monitoring, through follow up on the daily and monthly monitoring and inspection reports, and the provision of guidance and direction to department heads in the regional management office.

Participated in several workshops conducted for branch managers, group account managers and controllers, and branch employees. The Department also succeeded in enhancing the capacity of its employees through their participation in internal and external training programs.

## **Corporate Culture**

Jordan Ahli Bank's Corporate Values are considered to be the backbone not only of its brand identity, but also of the bank's strong corporate culture. These Corporate Values can be summarized as follows:

**Profit Focus** – maintaining and growing the profits of the bank as ambitiously and as securely as possible.

**Sales Focus** – a constant focus on continuing to grow the sales intensity of the organization.

**Client Focus** – to grow into a financial services institution that places client needs and customer satisfaction in the heart of its strategic planning, execution, policies, and targets.

**Strategic, Fact-Based Approach** – to ensure that all decisions and policies within the bank are strategic, objective, well-studied and supported as scientifically as possible by facts and numbers.

**Merit-Based Reward System** – ensuring that rewards and promotions within the bank are purely merit-based, and tied to the objective performance of individuals.

**Excellence** – to build a culture of excellence, where employees are continuously learning how to improve their skills, abilities, and ideas, and where they see continuous improvements in products and services.

**Creativity and Innovation** – to encourage an environment where new ideas, creativity, and innovation thrive.

**Technology Focus** – to invest in information technology, and slowly yet surely transform IT in a source of major competitive advantage for the bank.

## Future Plan for 2012

Jordan Ahli Bank's plan for 2012 was prepared in line with the Bank's vision to achieve continued growth, maximise shareholder equity, obtain the highest credit rating, and expand on both the local and regional levels. The plan focuses on the following key areas:

- Increase the Bank's assets and customer base by providing outstanding service and by providing comprehensive and secure banking solutions to stimulate growth.
- Replace the old bank system with a new Core Banking system, and upgrade the Bank's information technology through incorporating the latest international banking systems.
- Adopt and deploy various banking systems that aim to improve financial reporting, customer service, and follow up on customer feedback through the Complaint Management System, in addition to the provision of mobile banking services.
- Introduce new and distinctive banking services.
- Launch various skills and leadership training initiatives through specialised programs designed to develop skills and capacities of human assets.
- Maintain participation and engagement in awareness campaigns, providing support and sponsorship to various social institutions as part of the Bank's commitment to local communities.



# Code of Conduct

This code has been prepared with the aim of organizing the conduct of employees, work values and ethics, controls, and commitments at Jordan Ahli Bank and its subsidiaries and affiliates, whether in Jordan or other countries where the bank is active. Employees at different levels are committed to this code, which contains the following commitments, responsibilities and duties:

## **(1) Commitment towards shareholders:**

- Reinforce shareholder confidence in the bank through persevering efforts to strengthen the bank and its capability, and increase its profits by transforming the bank to a banking establishment that adheres to international standards and seeks to compete on local, regional, and international levels.
- Commitment to seek, follow-up on, and develop all potential business opportunities, and make the most of them in order to achieve the highest profitability possible.
- Commitment to institutional loyalty to the bank and to safeguarding its confidential matters.
- The immediate disclosure of all substantial and material matters that pertain to shareholders and their rights.

## **(2) Commitment towards clients:**

- Commitment to providing the best services to customers with a spirit of camaraderie, courteousness and respect to their persons, dignities, time, and interests that are not in conflict with those of the bank.
- Commitment to improving performance and efficiently completing tasks while applying the principles of integrity, fairness and objectivity in dealing with clients.
- Group commitment to innovation and application of banking products that serve customers in a wider and more effective manner, while achieving the interests of the bank.
- Commitment to the provision of clients with information, offers and responses to their queries in a professional, direct, unambiguous and transparent manner, in the quickest way possible, with the bank bearing no liability until implementation.
- Commitment to charging appropriate and fair commissions to clients, which concurrently reflect the quality of services, and degree of risk.
- Commitment to establishing relationships with clients on the basis of mutual respect impartial of personal interests.

## **(3) Commitment towards regulatory authorities:**

- Commitment towards application of all laws, bylaws, and rules required in countries where the bank operates.
- Commitment to the true disclosure of information required by regulatory authorities expressly, clearly, efficiently, and respectfully.
- Commitment to safeguard professional relationships with officials in regulatory authorities and seek to gain their confidence in the bank, and its commitment to all stipulated rules.
- Unconditional commitment to cooperate with regulatory authorities on professional grounds and assist members of the Board of Directors in the superior performance of their commitments in this regard.

#### **(4) Commitment towards colleagues:**

- Commitment to team-spirit during work, as success in the performance of any employee depends, directly or indirectly, on the success of work performed by the team.
- Reinforce the ties of brotherhood, friendship, mutual respect, and appreciation among colleagues.
- Provide full support and advice to colleagues.
- Commitment to group work ethics represented in the following three rules: honesty, mutual respect, and readiness to build common grounds of agreement.
- Commitment to decrease the times set for meetings to the bare minimum so as to save the time and effort of colleagues. Also, commitment to dates set for meetings and preparation of an agenda ahead of the date set for the meeting.

#### **(5) Commitment towards the community:**

##### **A- Professional commitments:**

- Commitment to offer suggestions, programs, products, and services that contribute, either directly or indirectly, to social development and the improvement and expansion of banking opportunities to a wider base of clients.
- Commitment that bank advertisements and advertising campaigns shall always adhere to local cultural traditions, positively contribute to reinforcing social values, enlighten local communities, and endorse a sophisticated banking culture.
- Refrain from offering any programs or services that aim to cater to sectarian interests based on politics, sects or races.

##### **B- Solidarity commitments:**

- Commitment to fund a planned annual program to socially support volunteer institutions active in local communities, and also support cultural institutions and initiatives, publish books, and support other cultural activities.
- Encourage other social, productive and scientific initiatives, and improve the living standards of under-privileged sectors of society.

#### **(6) Commitment towards Jordan:**

- Jordan Ahli Bank is a Jordanian national establishment that will safeguard, in Jordan and abroad, at national, Arab and international levels, Jordan's economic interests, the Kingdom's image, and the traditions of the Jordanian nation and its reputation.

# Social Responsibility and Jordan Ahli Bank's Community Support

## Jordan Ahli Bank, an effective partner in local community development

Jordan Ahli Bank has a wealth of experience in programs that contribute towards economic and social development in local communities. The Bank has succeeded in transforming the culture of charity and voluntary activities performed by the private sector into an acknowledged and accepted strategic approach that provides sustainable growth and development to society. Through a number of robust CSR initiatives, development programs and services provided to local communities during 2011, Jordan Ahli Bank continues to adhere to its social and moral obligations, and moves into a deeper and more sustainable level of contribution.

Throughout 2011, and rooted in the Bank's efforts towards supporting the achievement of human, social, and economic development, Jordan Ahli launched a number of initiatives and partnerships, and supported a number of projects and community based programs which targeted various sectors and segments, and which created a positive and significant change to individuals and society as a whole.

Through its partnership with the Jordan River Foundation, Jordan Ahli Bank confirmed its concern for child development, and demonstrated its eagerness to invest in youth by contributing to their education and empowerment. The Bank did so through supporting the Children's Museum and the interactive library in Jordan River Foundation. Moreover, and in order to help children break out of the cycle of poverty, Jordan Ahli Bank supported the Aflatoun Program, which focuses on providing security to families, and empowering children by increasing their awareness of their rights and responsibilities, as well as providing them with social skills, and enhancing their knowledge in rudimentary financial management principles.

As part of the Bank's support to marginalised community groups, it continued during 2011 to implement its welfare programs and worked with members of these groups on various occasions, bringing happiness to their hearts. Additionally, and as part of the Bank's "Promising Efforts" campaign, Jordan Ahli Bank was eager to support the children of The Orphans Care Association by providing the associations with their diesel fuel needs for heating during the winter months.

Also, and in collaboration with a number of Jordan Ahli Bank female employees, a group of orphaned children from the Orphan's Care and Support Association took part in the "Ahli Chef" competition.

As customary every year, and in collaboration with the Orphans Care Charity Association for Boys' "Food Packages Distribution" campaign, the Bank distributed charity parcels during the holy month of Ramadan to a number of needy families throughout different parts of the Kingdom. The Bank also joined the children of Queen Rania Family and Child Center for an Iftar banquet during the holy month of Ramadan, organising various visits and entertainment events for their benefit, and honoring a number of the mothers in celebration of Mother's Day. The Bank also sponsored a charity lunch which was held in collaboration with the YWCA.

Jordan Ahli Bank firmly believes that youth such as school and university students, are the hope for a better future and the drivers of change, and that they are the force that will

propel development across all sectors of the Kingdom, which is why this segment of society received the greatest share of the Bank's attention. During 2011, Jordan Ahli Bank focused on empowering youth through various activities and conferences, which in return reinforced a culture of innovation and creativity among them. It also enhanced and polished the skills of participants, preparing them for leadership positions in the future.

A few of our most notable events include: supporting "TEDxYouth Dead Sea" conference that specialises in promoting innovation and creativity; sponsoring "TEDxYouth@Amman" that specialises in promoting inspiring ideas; sponsoring the "Toast Master" conference which aims at developing young people's skills; supporting the DAVOS and JOMEC conferences, the latter being concerned with enhancing the leadership skills of young people; sponsoring the international marketing guru Phillip Kotler's seminar which aimed at raising the participating students' competencies and directing them to best ways to develop their career paths as they start their careers.

The Bank also sponsored the second meeting of the "Oasis500" supporters network, which aims at embracing the ideas and innovative projects of young people, and securing funds to support these projects in the Middle East and North Africa (MENA) region. Additionally, and in collaboration with the Development and Industrial Zones Commission, the Bank sponsored the third Jordan Afak Economic Forum, which sought to encourage and support innovative and creative projects, while the Bank also collaborated with the Industrial Exhibition for Small and Medium Enterprises (SME) in the sponsorship of the "Towards a Promising Jordanian Industrial Future" Economic Forum, which aims to support SMEs..

Throughout the past year, Jordan Ahli Bank also expanded its activities to encompass the education sector, in an attempt to enhance the quality of education and its outputs, and to provide better learning opportunities for children. Consequently, the Bank launched the "Jame'ati" savings account, an account that enables students to save for university and post graduate education expenses. The Bank also launched several interactive competitions and sponsored a series of important events and festivals such as the Educational and Cultural Forum for private schools, the first Cultural Village festival which was organised by Al Ahliyyah School for Girls (ASG), and the 6<sup>th</sup> graduation ceremony of the Number and Counter Abacus Magic Center, part of the "ECMAS" program being implemented at numerous schools in the Kingdom.

The Bank also actively took part in initiatives that work towards further developing the Jordanian health care sector, supporting a group of health care institutions and holding several events specific to the sector. Such activities included supporting the Cerebral Palsy Foundation (CPF), and the "Plant a Seed of Love" campaign, the payment of a full year of salaries to the physiotherapists working at CPF in Irbid and Al Karak governorates, in addition to supporting an open day for Al Yasmeen Association caring for children with Down syndrome and advocating towards integrating affected people with their local community.

Additionally, the Bank sponsored a number of conferences aimed at improving the efficiency of the health care system, such as the 4<sup>th</sup> International Conference on Health Care, which sought to broaden the base of intellectual knowledge exchange between the countries of the region and other countries of the world, particularly in the areas of science and clinical and pharmaceutical analysis. The Bank also presented the new "Saydiliyati" or "My Pharmacy" product, a sideline to the Conference which provided financing opportunities for new private pharmacy projects. The Bank also sponsored the "Say No to Drugs" Festival in cooperation with the Anti-Narcotics Department and the International Sport Academy.

During 2011, and focusing on health care, the Bank contributed to the development of a culture of sport and physical ability to accommodate exceptional sports talents and to promote healthier lifestyles and physical fitness among members of the community. In doing so, the Bank sponsored a variety of events including the sixth annual King Abdullah II Award for Physical Fitness, as well as some major sporting events such as the Little League Basketball Tournament held in the Al Ahliyya Amman Schools, and the Little League Football tournament held at the College de la Salle.

Also, and through the Jordan Ahli Bank's efforts to help promote art and culture within the Kingdom, the Bank was the main sponsor to a series of notable culture and arts activities during 2011, as well as acting as patron to various Jordanian talents. The Bank was one of the sponsors of the "Haritna" or "Our Neighbourhood" Festival, held in Rainbow Street and in collaboration with the Al Ahliyya Amman School for Girls and the Archbishop School for Boys. It also sponsored the "Talents' Day" which was held in the Rosary Sisters Schools, and was aimed at encouraging creativity and innovation. The Bank also sponsored the sixth annual International Palestinian Institute's art event, bringing together a collection of artists from various disciplines under one platform, in addition to sponsoring the "Echoes of Rome" exhibition by HRH Princess Wijdan Ali, which opened in the Jordan National Gallery of Fine Arts.

During 2011, Jordan Ahli Bank's work within the field of social responsibility expanded to include various activities directed at supporting and encouraging tourism in Jordan, promoting the Jordanian identity on an international level and promoting Jordan as a prime tourist destination.

Jordan Ahli Bank is committed to continuing its efforts and investments in corporate social responsibility, with the objective of taking an active role in improving the economic and social wellbeing of Jordanians through the implementation of further projects and programs that have a positive long-term and lasting impact on Jordanian society.

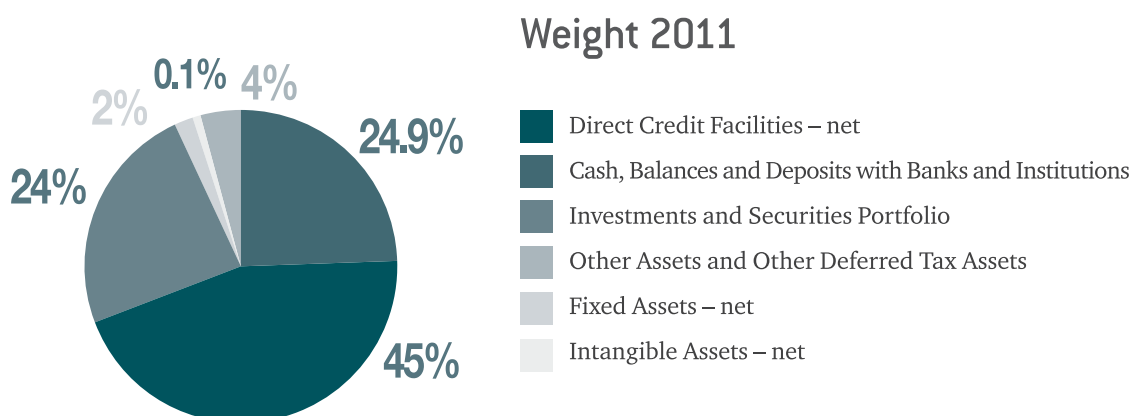
# Key Financial Analysis and Indicators for for 2011

Following are details of the changes and amendments to key items under assets, liabilities and contra accounts:

## First: Assets

1. The Balance Sheet total (excluding contra accounts) amounted to JD2,616,668,995 by the end of 2011, compared to JD2,519,664,227 as of 31/12/2010; an increase of JD97,004,768. Inclusion of the contra accounts would bring the total to JD3,061,748,227 by the end of 2011, against JD2,926,348,562 registered at the end of 2010, amounting to an increase of JD135,399,665.

Bank Assets	2011	2010	% Change	Weight 2011	Weight 2010
Cash, Balances and Deposits with Banks and Institutions	650,569,417	721,671,564	-9.90%	24.90%	28.60%
Direct Credit Facilities – net	1,178,228,195	1,066,252,004	10.50%	45.00%	42.30%
Investments and Securities Portfolio	626,659,495	578,418,522	8.30%	24.00%	23.00%
Fixed Assets – net	52,743,439	59,213,833	-10.90%	2.00%	2.40%
Intangible Assets – net	3,741,207	3,638,886	2.80%	0.10%	0.10%
Other Assets and Deferred Tax Assets	104,727,242	90,469,418	15.80%	4.00%	3.60%
<b>Total Assets</b>	<b>2,616,668,995</b>	<b>2,519,664,227</b>	<b>3.90%</b>	<b>100%</b>	<b>100%</b>

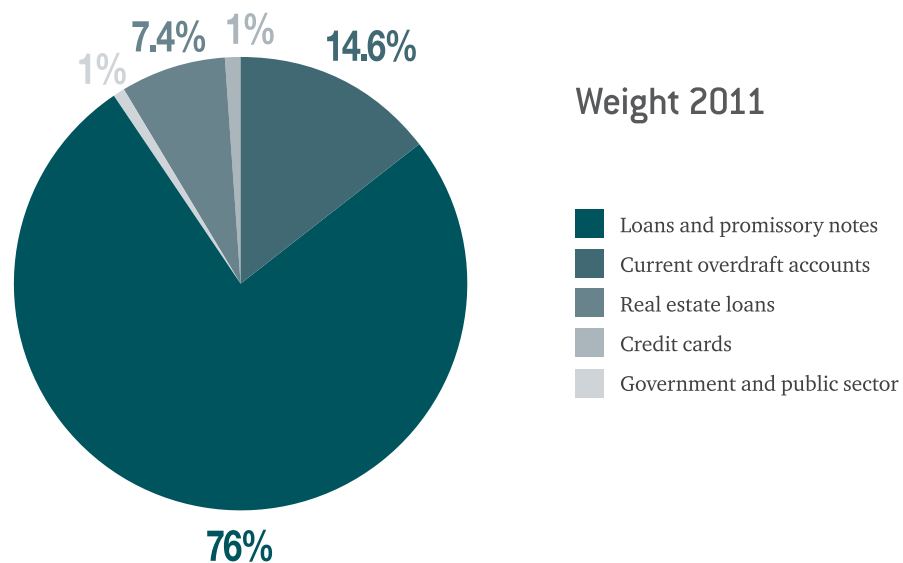


2. Cash in hand and at banks amounted to JD650,569,417 by the end of 2011, compared to JD721,671,564 at the end of 2010, a decrease of JD71,102,147.

3. The net value of securities amounted to JD626,659,495 at the end of 2011, compared to JD578,418,522 at the end of 2010. This amount includes JD590,393,873 worth of treasury bonds, treasury bills and corporate debentures, which amounted to JD539,734,913, by the end of 2010.

4. The balance of credit facilities (before provisions and interest in suspense) was JD1,313,768,908 at the end of 2011, compared to JD1,195,105,822 JD at the end of 2010, an increase of JD118,663,086 from what it was at the end of 2010. This figure includes outstanding overdraft accounts amounting to JD192,712,809, in addition to loans, promissory notes, and credit cards totalling JD1,121,056,099.

Balance of Direct Credit Facilities	2011	2010	% Change	Weight 2011	Weight 2010
Current Overdraft Accounts	192,712,809	180,096,595	7.00%	14.60%	15.10%
Loans & Promissory Notes	997,930,852	899,060,459	11.00%	76.00%	75.20%
Credit Cards	12,968,422	14,036,195	-7.60%	1.00%	1.20%
Real Estate Loans	96,931,207	74,815,187	29.60%	7.40%	6.30%
Government and Public Sector	13,225,618	27,097,386	-51.20%	1.00%	2.20%
<b>Total Balance of Direct Credit Facilities</b>	<b>1,313,768,908</b>	<b>1,195,105,822</b>	<b>9.90%</b>	<b>100%</b>	<b>100%</b>



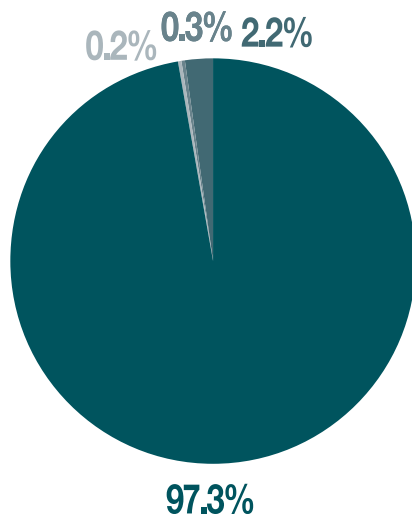
5. Net fixed assets amounted to JD52,743,439 by the end of 2011, compared to JD59,213,833, at the end of 2010.

## Second: Liabilities

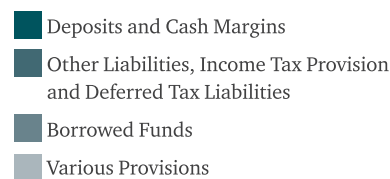
1. The balance of deposits in current and call accounts, savings, term, and bank accounts amounted to JD2,055,821,259 at the end of 2011, compared to JD2,021,080,000 in 2009; an increase of JD34,741,259.



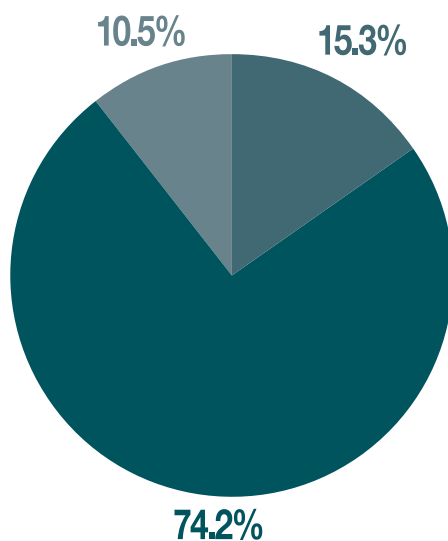
Bank Liabilities	2011	2010	% Change	Weight 2011	Weight 2010
Deposits and Cash Margins	2,298,205,922	2,237,955,408	2.70%	97.30%	97.70%
Borrowed Funds	7,735,444	433,333	1685.10%	0.30%	0.00%
Various Provisions	4,837,754	4,106,336	17.80%	0.20%	0.20%
Other Liabilities, Income Tax Provision and Deferred Tax Liabilities	51,010,628	48,500,927	5.20%	2.20%	2.10%
<b>Total Liabilities</b>	<b>2,361,789,748</b>	<b>2,290,996,004</b>	<b>3.10%</b>	<b>100%</b>	<b>100%</b>



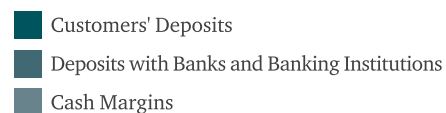
Weight 2011



Deposits and Cash Margins	2011	2010	% Change	Weight 2011	Weight 2010
Deposits with Banks and Banking Institutions	350,561,822	356,746,567	-1.70%	15.30%	15.90%
Customers' Deposits	1,705,259,437	1,664,333,433	2.50%	74.20%	74.40%
Cash Margins	242,384,663	216,875,408	11.80%	10.50%	9.70%
<b>Total Deposits and Cash Margins</b>	<b>2,298,205,922</b>	<b>2,237,955,408</b>	<b>2.70%</b>	<b>100%</b>	<b>100%</b>



Weight 2011



2. The balance of reserves and various provisions amounted to JD74,031,466 by the end of 2011, compared to JD84,211,892, at the end of 2010.

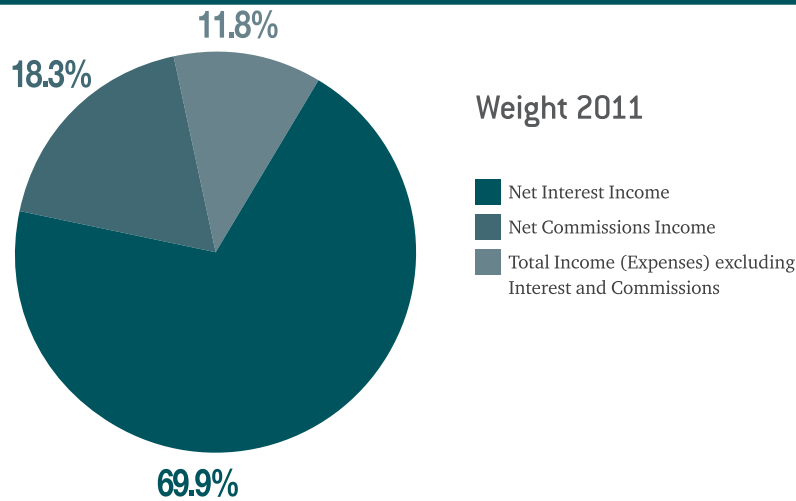


### Third: Contra Accounts

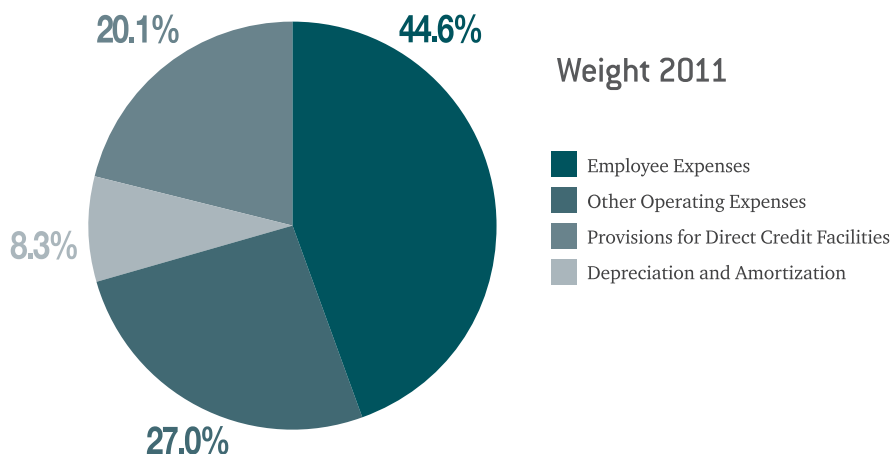
1. The balance of letters of credit and acceptances increased to JD173,304,112 compared to JD134,633,326 in 2010.
2. The balance of the non-utilised limits increased to JD86,851,195 at the end of 2011, compared to JD65,300,139 in 2010.
3. The balance of guarantees decreased to JD184,923,925 by the end of 2011, compared to JD206,750,870 at the end of 2010.

### Fourth: Revenues and Operational Expenses

Net Operating Income	2011	2010	% Change	Weight 2011	Weight 2010
Net Interest Income	78,174,559	72,185,286	8.30%	69.90%	67.80%
Net Commissions Income	20,514,187	21,709,745	-5.50%	18.30%	20.40%
Total Income (Expenses) Excluding Interest and Commissions	13,152,698	12,601,552	4.40%	11.80%	11.80%
<b>Net Operating Income</b>	<b>111,841,444</b>	<b>106,496,583</b>	<b>5.00%</b>	<b>100%</b>	<b>100%</b>



Operating Expenses	2011	2010	% Change	Weight 2011	Weight 2010
Employee Expenses	34,579,147	32,338,971	6.90%	44.60%	44.80%
Other Operating Expenses	20,951,222	19,559,735	7.10%	27.00%	27.10%
Depreciation and Amortisation	6,402,472	5,854,514	9.40%	8.30%	8.10%
Provisions for Direct Credit Facilities	15,632,307	14,368,356	8.80%	20.10%	20.00%
<b>Total Operating Expenses</b>	<b>77,565,148</b>	<b>72,121,576</b>	<b>7.50%</b>	<b>100%</b>	<b>100%</b>



# Figures confirming our achievements

FINANCIAL  
STATEMENTS

# Independent Auditor's Report

AM/ 4716

## To the Shareholders of Jordan Ahli Bank Amman – Jordan

We have audited the accompanying consolidated financial statements of Jordan Ahli Bank (a public shareholding limited company), which comprise the consolidated statement of financial position as of December 31, 2011, and the related consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, a summary of significant accounting policies, and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Ahli Bank as of December 31, 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial statements presented in the Board of Directors' report, and we recommend that the General Assembly of Shareholders approve these consolidated financial statements.

The accompanying consolidated financial statements are a translation of the original consolidated financial statements in the Arabic language to which reference is to be made.

Amman – Jordan  
January 30, 2012

Deloitte & Touche (M. E.) - Jordan

Asem Philip Haddad  
License No. (588)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Notes	December 31	
		2011 JD	2010 JD
Cash and Balances at Central Banks	4	349,318,749	409,067,738
Balances at Banks and Financial Institutions	5	285,931,162	311,750,348
Deposits at Banks and Financial Institutions	6	15,319,506	853,478
Trading Financial Assets	7	-	544,044
Financial Assets at Fair Value Through Profit or Loss	8	22,122,155	-
Direct Credit Facilities - Net	9	1,178,228,195	1,066,252,004
Available-for-Sale Financial Assets	10	-	303,880,874
Financial Assets at Fair Value Through Other Comprehensive Income	11	22,282,330	-
Held-to-Maturity Financial Assets	12	-	264,482,488
Financial Assets Measured at Amortized Cost	13	570,589,172	-
Investments in Associates and Unconsolidated Subsidiary Company	14	11,665,838	9,511,116
Properties and Equipment - Net	15	52,743,439	59,213,833
Intangible Assets	16	3,741,207	3,638,886
Other Assets	17	100,794,379	86,113,756
Deferred Tax Assets	23	3,932,863	4,355,662
<b>Total Assets</b>		<b>2,616,668,995</b>	<b>2,519,664,227</b>

## Liabilities and Owners' Equity

	Notes	December 31	
		2011 JD	2010 JD
<b>Liabilities</b>			
Banks and Financial Institutions Deposits	18	350,561,822	356,746,567
Customers Deposits	19	1,705,259,437	1,664,333,433
Cash Margins	20	242,384,663	216,875,408
Borrowed Funds	21	7,735,444	433,333
Various Provisions	22	4,837,754	4,106,336
Provision for Income Tax	23	9,704,710	9,720,308
Deferred Tax Liabilities	23	841,406	1,796,954
Other Liabilities	24	40,464,512	36,983,665
<b>Total Liabilities</b>		<b>2,361,789,748</b>	<b>2,290,996,004</b>

<b>Owners' Equity</b>			
Equity - Bank Shareholders:			
Authorized Capital	25	150,000,000	110,000,000
Subscribed and Paid-up Capital	25	126,500,000	110,000,000
Capital Increase Payments	25	17,009,660	-
Share Premium	25	9,345,817	10,845,817
Treasury Shares	26	-	(332,195)
Statutory Reserve	27	38,206,182	34,843,080
Voluntary Reserve	27	20,495,157	17,132,055
Periodic Fluctuations Reserve	27	594,029	355,623
Special Reserve		213,054	213,054
External Branching Reserve		-	15,000,000
General Banking Risks Reserve	27	12,566,854	10,739,036
Fair Value Reserve - Net	28	1,956,190	-
Cumulative Change in Fair Value - Net	29	-	5,929,044
Retained Earnings	30	26,259,660	22,257,522
<b>Total Shareholders' Equity</b>		<b>253,146,603</b>	<b>226,983,036</b>
Non-Controlling Interest	31	1,732,644	1,685,187
<b>Total Owners' Equity</b>		<b>254,879,247</b>	<b>228,668,223</b>
<b>Total Liabilities and Owners' Equity</b>		<b>2,616,668,995</b>	<b>2,519,664,227</b>

THE ACCOMPANYING NOTES FROM (1) TO (56) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.



## CONSOLIDATED STATEMENT OF INCOME

	Notes	For the Year That Ended on December 31	
		2011	2010
		JD	JD
Interest Income	32	126,672,532	122,992,686
Interest Expense	33	48,497,973	50,807,400
Net Interest Revenue		78,174,559	72,185,286
Commissions Revenue - Net	34	20,514,187	21,709,745
Net Interest and Commissions Revenue		98,688,746	93,895,031
Foreign Exchange Income	35	4,264,145	3,119,623
(Loss) from Trading Financial Assets	36	-	(279,050)
(Loss) from Financial Assets at Fair Value Through Profit or Loss	37	(873,029)	-
Gain from Available-for-Sale Financial Assets	38	-	3,286,968
Dividends from Financial Assets at Fair Value Through Other Comprehensive Income		1,309,243	-
Other revenue	39	8,452,339	6,474,011
Total Non-Interest and Non-Commissions Revenue		13,152,698	12,601,552
<b>Gross Income</b>		<b>111,841,444</b>	<b>106,496,583</b>

Expenses:			
Employees' Expenses	40	34,579,147	32,338,971
Depreciation and Amortization	15,16	6,402,472	5,854,514
Other Expenses	41	20,325,884	19,559,735
Provision for Impairment in Direct Credit Facilities	9	15,632,307	14,368,356
Provision for Impairment of Financial Assets at Amortized Cost	13	625,338	-
Total Expenses		77,565,148	72,121,576
Income from Operations		34,276,296	34,375,007
Bank's Share of Associate Companies' (loss) Profit	14	(645,278)	54,413
Income for the year before taxes		33,631,018	34,429,420
Income Tax Expense	23	(10,389,094)	(11,422,376)
Income for the Year		23,241,924	23,007,044
Attributable to:			
Bank's Shareholders		23,195,332	22,896,724
Non-Controlling Interests	31	46,592	110,320
		23,241,924	23,007,044
Earnings Per Share for Bank's Shareholders			
Basic	42	-/183	-/181
Diluted	42	-/155	-/181

THE ACCOMPANYING NOTES FROM (1) TO (56) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year That Ended on December 31	
	2011	2010
	JD	JD
Income for the Year	23,241,924	23,007,044
Other Comprehensive Income Items:		
Cumulative Change in Fair Value for Available-for-Sale Financial Assets - Net	-	514,669
Income from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	2,420,640	-
Change in Fair Value Reserve - Net	(953,406)	-
Gross Comprehensive Income	24,709,158	23,521,713
Gross Comprehensive Income Attributable to:		
Bank's Shareholders	24,662,566	23,411,393
Non-Controlling Interests	46,592	110,320
	24,709,158	23,521,713

THE ACCOMPANYING NOTES FROM (1) TO (56) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Bank Shareholders' Equity															
	Reserves						Total Shareholders' Equity									
	Subscribed Notes and Paid-up Capital	Capital Increase Payments	Share Premium	Treasury Shares	Statutory	Voluntary	Periodic Fluctuations	Special	External Branching	General Banking Risks	Cumulative Change in Fair Value - Net	Fair Value Reserve - Net	Retained Earnings	Total Shareholders' Equity	Non- Controlling Interests	Total Owners' Equity
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year That Ended on December 31, 2011																
Balance – Beginning of the Year	110,000,000	-	10,845,817	(332,195)	34,843,080	17,132,055	355,623	213,054	15,000,000	10,739,036	5,929,044	-	22,257,522	226,983,036	1,685,187	228,668,223
The Effect of Adoption IFRS (9)	55	-	-	-	-	-	-	-	-	-	(5,929,044)	2,909,596	(1,684,735)	(4,704,183)	865	(4,703,318)
Adjusted Balance – Beginning of the Year	110,000,000	-	10,845,817	(332,195)	34,843,080	17,132,055	355,623	213,054	15,000,000	10,739,036	-	2,909,596	20,572,787	222,278,853	1,686,052	223,964,905
Income for the Year	-	-	-	-	-	-	-	-	-	-	-	-	23,195,332	23,195,332	46,592	23,241,924
Revenue from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	2,420,640	2,420,640	-	2,420,640
Net Change in Fair Value Reserve	-	-	-	-	-	-	-	-	-	-	(953,406)	(953,406)	-	(953,406)	-	(953,406)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(953,406)	(953,406)	25,615,972	24,662,566	46,592	24,709,158
Increase in Paid-up Capital	25	16,500,000	17,009,660	(1,500,000)	-	-	-	-	(15,000,000)	-	-	-	-	17,009,660	-	17,009,660
Treasury Shares	-	-	-	332,195	-	-	-	-	-	-	-	(136,671)	195,524	-	195,524	-
Transfers to Reserves	-	-	-	-	3,363,102	3,363,102	238,406	-	-	1,827,818	-	(8,792,428)	-	-	-	-
Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	(11,000,000)	-	(11,000,000)	-	(11,000,000)
Balance – End of the Year	126,500,000	17,009,660	9,345,817	-	38,206,182	20,495,157	594,029	213,054	-	12,566,854	-	1,956,190	26,259,660	253,146,603	1,732,644	254,879,247
For the Year That Ended on December 31, 2010																
Balance – Beginning of the Year	110,000,000	-	10,845,817	(332,195)	31,385,116	13,674,091	-	213,054	15,000,000	9,401,268	5,414,375	-	19,008,280	214,609,806	1,574,867	216,184,673
Income for the Year	-	-	-	-	-	-	-	-	-	-	-	-	22,896,724	22,896,724	110,320	23,007,044
Cumulative Change in Fair Value – Available-for-Sale Financial Assets - Net	-	-	-	-	-	-	-	-	-	-	514,669	-	-	514,669	-	514,669
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	514,669	-	-	514,669	-	514,669
Others	-	-	-	-	-	-	-	-	-	-	-	-	(48,341)	(48,341)	-	(48,341)
Transfers to Reserves	-	-	-	-	3,457,964	3,457,964	355,623	-	-	1,337,768	-	-	(8,609,319)	-	-	-
Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	(10,989,822)	(10,989,822)	-	(10,989,822)
Balance – End of the Year	110,000,000	-	10,845,817	(332,195)	34,843,080	17,132,055	355,623	213,054	15,000,000	10,739,036	5,929,044	-	22,257,522	226,983,036	1,685,187	228,668,223

- Retained earnings include an amount of JD 3,932,863 as of December 31, 2011 restricted by the Central Bank of Jordan against deferred tax assets (JD 4,355,662 as of December 31, 2010).

- The use of the general banking risks reserve and periodic fluctuations reserve is restricted and requires a prior approval from the Central Bank of Jordan and the Palestinian Monetary Authority.

- According to the resolution of the General Assembly of Shareholders in its ordinary meeting held on March 21, 2011, 10% of capital equivalent to JD 11 million, and a 15% stock dividends were approved for distribution to shareholders for the year 2010.

\* The General Assembly of Shareholders decided in its extraordinary meeting held on March 21, 2011 to increase the Bank's paid up capital by an amount of JD 16.5 million through the capitalization of JD 15 million of external branching reserve and JD 1.5 million of share premium.

The increase in capital has been distributed as stock dividends to the Bank's shareholders in proportion with their contribution percentage in capital, whereby the Bank's capital reached JD 126,500,000. Furthermore, the capital increase procedures have been finalized at the Ministry of Industry and Trade on April 3, 2011, at the Central Bank of Jordan on April 28, 2011, and at the Jordan Securities Commission on 23 May 2011.

THE ACCOMPANYING NOTES FROM (1) TO (56) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year That Ended on December 31,		
	Notes	2011 JD	2010 JD
<b>Cash Flows from Operating Activities:</b>			
Income for the Year Before Taxes		33,631,018	34,429,420
Adjustments for Non-Cash Items:			
Depreciation and Amortization		6,402,472	5,854,514
Provision for Impairment in Direct Credit Facilities		15,632,307	14,368,356
Provision for Lawsuits Against the Bank and Others		1,608,873	955,690
Loss from Revaluation of Trading Financial Assets		-	280,357
(Gain) on the Sale of Available-for-Sale Financial Assets		-	(3,073,601)
Loss from Revaluation of Financial Assets at Fair Value Through Profit or Loss		931,677	-
Impairment in Available-for-Sale Financial Assets		-	1,102,168
(Gain) on the Sale of Properties and Equipment		(403,512)	(775,093)
Impairment in Financial Assets Measured at Amortized Cost		625,338	-
Bank's Share of the Associate Companies Loss (Profit)		645,278	(54,413)
Interest Revenue - Net		(3,707,962)	(9,619,508)
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		(3,311,576)	(2,098,585)
Net Income Before Changes in Assets and Liabilities		52,053,913	41,369,305
<b>Changes in Assets and Liabilities:</b>			
Decrease (Increase) in Cash and Balances at Banks and Financial Institutions Due After 3 Months		19,929,926	(3,479,793)
(Increase) in Deposits at Banks and Financial Institutions Due After 3 Months		(14,466,028)	(1,357)
Decrease in Trading Financial Assets		-	248,088
(Increase) in Financial Assets at Fair Value Through Profit or Loss		(15,430,972)	-
(Increase) in Direct Credit Facilities - Net		(127,013,912)	(100,122,485)
(Increase) Decrease in Other Assets		(5,064,734)	11,058,194
Increase in Banks and Financial Institutions Deposits Due After 3 Months		386,645	5,086,291
Increase in Customers' Deposits		40,926,004	146,170,768
Increase in Cash Margins		25,509,255	33,294,703
(Decrease) Increase in Other Liabilities		(3,032,758)	583,752
(Decrease) in Various Provisions		(877,455)	(328,700)
Net Change in Assets and Liabilities		(79,134,029)	92,509,461
Net Cash Flows (Used in) Generated from Operating Activities Before Income Tax		(27,080,116)	133,878,766
Income Tax Paid		(10,582,900)	(10,718,715)
Net Cash Flows (Used in) Generated from Operating Activities		(37,663,016)	123,160,051

	For the Year That Ended on December 31,		
	Notes	2011	2010
Cash Flows from Investing Activities:		JD	JD
Investments in Associate Company		(2,800,000)	(559,000)
(Purchase) of Available-for-Sale Financial Assets		-	(6,978,940)
Decrease in Financial Assets at Fair Value Through Other Comprehensive Income		3,636,154	-
(Purchase) of Financial Assets Measured at Amortized Cost		(35,774,184)	-
Sale of Held-to-Maturity Investments		-	4,577,069
(Purchase) of Intangible Assets, Properties and Equipments		(5,707,117)	(5,290,083)
Proceeds from Sale of Properties and Equipment		2,135,804	1,579,901
Net Cash Flows (Used in) Investing Activities		(38,509,343)	(6,671,053)
Cash Flows from Financing Activities:			
Increase (Decrease) in Borrowed Funds		7,302,111	(5,000,000)
Proceeds from Sale of Treasury Stock		195,524	-
Proceeds from Capital Increase Underwriting		17,009,660	-
Dividends Paid to Shareholders		(10,713,371)	(10,989,822)
Net Cash Flows from (Used in) Financing Activities		13,793,924	(15,989,822)
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		3,311,576	2,098,585
Net (Decrease) Increase in Cash and Cash Equivalents		(59,066,859)	102,597,761
Cash and Cash Equivalents - Beginning of the Year		485,034,777	382,437,016
Cash and Cash Equivalents - End of the Year	43	425,967,918	485,034,777

THE ACCOMPANYING NOTES FROM (1) TO (56) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

Jordan Ahli Bank was established in the year 1955 as a Public Shareholding Limited Company in accordance with the Companies Law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O. Box 3103, Amman 11181 Jordan. The Business Bank was merged into the Bank effective from December 1, 1996. Moreover, Philadelphia Investment Bank was merged into Jordan Ahli Bank Company PSC effective July 1, 2005.

- The Bank provides all banking and financial services related to its business through its main office and branches in Jordan (50 branches), external branches (6 branches), and subsidiary companies in Jordan and abroad.
- The Bank's shares are listed in Amman Stock Exchange-Jordan.
- The consolidated financial statements for the year ended December 31, 2011 have been approved by the Bank's Board of Directors in its meeting No. (1) held on January 30, 2012 and are subject to the approval of the General Assembly of Shareholders.

## 2. Significant Accounting Policies

### Basis of Preparation

- The accompanying consolidated financial statements of the Bank and its subsidiary companies are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB, the prevailing rules of the countries where the Bank operates, and the instructions of the Central Bank of Jordan.
- The consolidated financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial derivatives which are stated at fair value as of the date of the consolidated financial statements. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2010 except for what is stated in note (55) to the consolidated financial statements and except for the effect of applying the following:



## **IFRS (9) Financial Instruments Issued in November 2009 and amended in October 2010**

The bank and its subsidiaries have early adopted IFRS (9) in preparing the consolidated financial statements. The Bank and its subsidiaries have chosen January 1, 2011 as its date of initial application, in accordance with the requirements of Central Bank of Jordan, the Securities Exchange Commission and the transitional provisions of the standard. Therefore the comparative figures for the previous period have not been modified, in line with the requirements of the standard. However, the beginning balances for retained earnings, cumulative change in fair value and deferred tax liabilities have been reclassified as of January 1, 2011.

IFRS (9) Financial Instruments (issued in November 2009 and amended in October 2010) introduces new requirements for the classification and measurement of the fair value of financial assets and financial liabilities as per the following:

- IFRS (9) requires all recognised financial assets that are within the scope of IAS (39) Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments held within a business model with the objective to collect the contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt instruments and equity instruments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of IFRS (9) regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated at fair value through profit or loss was recognised in profit or loss in the consolidated statement of income.

The effects of applying IFRS (9) are detailed in note (55) to the consolidated financial statements. The followings are the most significant new and revised IFRSs adopted during the year ended December 31, 2011:

### **a. Financial Assets Measured at Amortized Cost**

- Financial assets measured at amortized cost are the financial assets which the Bank's management intends according to its business model to hold to collect the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

- Financial assets measured at amortized cost are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium \ discount is amortized using the effective interest rate method, and recorded to interest. Any allocations resulting from the decline in value of these investments leading to the inability to recover the investment or part thereof are recorded, and any impairment is recorded in the consolidated statement of income.

- Impairment in financial assets represent the difference between the book value recorded at amortized cost and the present value of the expected cash flows discounted at the market interest rate of similar instruments.

It is not allowed to reclassify any financial assets to or from this item except for the cases specified in International Financial Reporting Standards ( in case any of these assets were sold before maturity date , the result of this sale is recorded in the consolidated statement of income in a separate line item along with its explanation according to the IFRS requirements regarding this issue ).

## **b. Financial Assets at Fair Value through Profit or Loss**

- Financial assets at fair value through profit or loss represent shares, bonds and debentures held by the company for the purpose of trading and achieving gains from the fluctuations in market prices in the short term.

- Financial assets at fair value through the statement of income are initially stated at fair value at acquisition date (purchase costs are recorded at statement of income upon purchase). They are subsequently re-measured to fair value as of the date of the financial statements. Moreover, changes in fair value are recorded in the consolidated statement of income including the change in fair value resulting from foreign currency exchange translation of non monetary assets Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of income.

- It is not allowed to reclassify any financial assets to/from this item except for the cases specified in International Financial Reporting Standards.

- It is not allowed to reclassify any financial assets that do not have prices in active markets and active dealings in this item.

- Dividends and interests from these financial assets are recorded in the consolidated statement of income.

## **c. Financial Assets at Fair Value through Other Comprehensive Income**

- These assets represent investments in equity instruments for the purpose of keeping them to generate profits on the long term and not for trading purposes.

- Financial assets at fair value through other comprehensive income are initially stated at fair value in addition to acquisition costs upon purchase. They are subsequently re-measured to fair value, the change in fair value appears in the consolidated statement of comprehensive income and in the owner's equity including change in fair value resulting from foreign currency exchange translation of non monetary assets. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of comprehensive income and owner's equity. The fair value reserve balance that belongs to the equity instruments sold is transferred directly to the retained earnings and not through the consolidated statement of income.

- There is no impairment testing on these assets.

- Dividends from these financial assets are recorded in the consolidated statement of income.

## **IAS (24) Related Party Disclosures - Amended**

IAS (24): Related Party Disclosures simplifies disclosures for related entities to simplify the determination of a related party and reduce the discrepancies upon implementation.

There was no major effect on the financial position or financial performance upon the implementation of the amended IAS as of December 31, 2011 .

## **IAS (32) Financial Instruments – Classification and Presentation of Rights Issues**

The definition of the derivative liabilities was amended by states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

There was no major effect on the Bank's financial position or financial performance upon the implementation of the standard as of December 31, 2011.

## **Basis of Consolidation and Presentation**

The accompanying consolidated financial statements include the financial statements of the Bank's branches in Jordan and abroad and the following subsidiary companies under its control. Moreover, control is achieved when the Bank has the ability to control the financial and operating policies of the subsidiary companies to obtain benefits from their activities. Additionally, transactions, balances, revenues, and expenses between the Bank and its subsidiaries are eliminated. Transactions in transit are shown under "other assets" or "other liabilities" in the consolidated statement of financial position.

## **The Bank's subsidiary companies are as follows:**

### **a. Al- Ahli International Bank**

Al- Ahli International Bank - Lebanon is 97.89% owned by Jordan Ahli Bank and 88.49% of the capital prepayments. The capital of Al-Ahli International Bank - Lebanon is equivalent to JD 14,015,390 in addition to capital prepayments in the amount of JD 9,686,546. Its total assets amounted to JD 434,522,582 and total liabilities to JD 395,610,145 as of December 31, 2011, while its total revenue amounted to JD 10,311,613 and total expenses to JD 8,103,755 for the year ended December 31, 2011.

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

### **b. Zarqa National College Company**

Zarqa National College Company is wholly owned by Jordan Ahli Bank. 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 1,063,678 and total liabilities to JD 111,003 as of December 31, 2011. Its total revenue amounted to JD 503,976 and total expenses to JD 399,528 for the year ended December 31, 2011.

### **c. Ahli Micro Finance Company**

Ahli Micro Finance Company is wholly owned by Jordan Ahli Bank. The Company's objective is to grant loans to limited income individuals. Its paid-up capital amounted to JD 3.5 million, total assets to JD 6,127,063 and total liabilities to JD 987,380 as of December 31, 2011. Its total revenue amounted to JD 1,901,241 and total expenses to JD 1,490,498 for the year ended December 31, 2011.

### **d. Ahli Financial Brokerage Company**

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 15 million. Its total assets amounted to JD 19,900,049 and total liabilities to JD 8,625,538 as of December 31, 2011. Moreover, its revenue amounted to JD 1,234,969 and its expenses to JD 5,608,276 for the year ended December 31, 2011.

### **e. Ahli Financial Leasing Company**

Ahli Financial Lease Company is wholly owned by Jordan Ahli Bank and its capital is JD 10 million. Its total assets amounted to JD 21,744,656 and total liabilities to JD 9,868,683 as of December 31, 2011. Moreover, its revenue amounted to JD 2,043,836 and its expenses to JD 939,286 for the year ended December 31, 2011.

- The financial statements of the subsidiary companies are prepared for the same financial year using the same accounting policies adopted by the Bank. If the accounting policies adopted by the companies are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies followed by the Bank.

- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal which is the date on which the Bank loses control over the subsidiaries.

- Non – controlling interests represent the portion of owners' equity not owned by the Bank in the subsidiaries.

- In case separate financial statements are prepared for the Bank as a standalone entity, investments in subsidiary companies are shown at cost.

### **Sectors Information**

- The business sector represents a group of assets and operations that share in providing products or services subject to risks and rewards different from those of other business sectors.

- The geographic sector relates to the provision of products or services in a specific economic environment subject to risks and rewards different from those of sectors operating in other economic environments.

### **Trading Financial Assets**

The policy that was adopted prior to January 1, 2011.

- Trading financial assets represent investments in companies' shares and bonds traded in

active markets. These assets are held to generate profits from the fluctuations in the short-term market prices or trading profit margins.

- Trading financial assets are initially recognized at fair value when purchased (acquisition costs are taken to the consolidated statement of income). They are subsequently re-measured to fair value, and the resulting change is included in the consolidated statement of income in the period in which it arises. Moreover, fair value differences resulting from the translation of non-monetary assets in foreign currency are taken to the consolidated statement of income.
- Distributed income or realized interest is recorded in the consolidated statement of income.

### **Direct Credit Facilities**

- A provision for the impairment in direct credit facilities is recognized when it is obvious that the amounts due to the Bank can not be recovered, there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment amount can be estimated. The provision is taken to the consolidated statement of income.
- Interest and commission on non-performing credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan and applicable laws in the countries where the Bank's branches or subsidiaries operate.
- Impaired credit facilities, for which specific provisions have been taken, are written off by charging the provision after all efforts have been made to recover the assets. Any surplus in the provision is taken to the consolidated statement of income, while debt recoveries are taken to income.

### **Available-for-Sale Financial Assets**

The policy that was adopted prior to January 1, 2011.

- These represent financial assets that the Bank does not intend to dispose of as trading financial assets or hold them to maturity.
- Available-for-sale financial assets are initially recorded at fair value including acquisition costs. They are subsequently re-measured to fair value as of the date of the financial statements. Moreover, changes in fair value are taken to the consolidated statement of comprehensive income in a separate account within owners' equity. When these assets are fully or partially sold, disposed of, or determined to be impaired, the income or losses are recorded in the consolidated statement of income, including the related amounts previously recorded within owners' equity. The loss resulting from the impaired value of the debt instruments is reversed when it is objectively evident that the increase in their fair value occurred after the losses had been recognized. Moreover, impairment losses resulting from the decline in the value of equity securities can not be reversed as they are recovered through the cumulative change in fair value and consolidated statement of comprehensive income and owners' equity.
- Income and losses resulting from the foreign exchange of interest-bearing available-for-sale debt instruments are included in the consolidated statement of income. The differences in the foreign currency of equity instruments are included in the cumulative change in fair value in the consolidated statement of comprehensive income and owners' equity.
- Interest from available-for-sale financial instruments is recorded in the consolidated statement

of income using the effective interest rate method. Impairment in assets is recorded in the consolidated statement of income when incurred.

- Financial instruments for which fair value can not be reliably determined are shown at cost. The decline in value is recorded in the consolidated statement of income.

### **Held-to-Maturity Financial Assets**

The policy that was adopted prior to January 1, 2011.

- Held-to-maturity Financial Assets are financial assets with fixed or specified payments and the Bank intends and has the ability to hold them to maturity.

- Held-to-maturity investments are initially recognized at cost (fair value) after adding acquisition costs. Premiums / discounts are amortized using the effective interest rate method. Such assets are shown net of any provision from impairment in their value which may result from not being able to recover the asset value or part of it. Impairment loss is recorded in the consolidated statement of income.

### **Fair Value**

The fair value of a listed financial asset is based on its closing market price prevailing on the date of the consolidated financial statements.

For an unlisted financial asset with no quoted market price, no active trading for some financial assets or derivatives, or no active market, fair value is estimated by one of the following ways:

- Comparing it to another financial asset with similar terms and conditions.

- Analyzing future cash flows and using the discounted cash flow technique through adopting a discount rate used in a similar instrument.

- Adopting options pricing models.

- Long-term non-interest bearing financial assets and financial liabilities are valued according to the discounted cash flows and the effective interest rate method. The discount interest is taken to interest income within the consolidated statement of income.

The valuation methods aim at obtaining a fair value reflecting market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of the financial assets. Moreover, financial assets fair value of which can not be reliably measured are stated at cost net of any impairment in their value.

### **Impairment in the Value of Financial Assets**

The Bank reviews the values of financial assets on the date of the consolidated statement of financial position in order to determine if there are any indications of impairment in their value individually or in the form of a portfolio. In case such indications exist, the recoverable value is estimated so as to determine the impairment loss.

The impairment is determined as follows:



- The impairment in financial assets measured at amortized cost is the difference between the book value and present value of the future cash flows discounted at the original interest rate.
- The impairment in the financial assets at fair value through profit or loss and through the other comprehensive income recorded at fair value represents the difference between the book value and fair value.
- The impairment in the financial assets recorded at cost is the difference between the book value and the present value of the expected cash flows discounted at the market interest rate of similar instruments.

The impairment in value is recorded in the consolidated statement of income. Any surplus in the subsequent period resulting from previous declines in the fair value of financial assets is taken to the consolidated statement of income except for the impairment of financial assets at fair value through the statement of comprehensive income, in which case the impairment is recovered through the fair value reserve.

### **Investment in Associates and Unconsolidated Subsidiary Company**

- Associated companies are those companies whereby the Bank exercises significant influence over their financial and operating policies but does not control them and whereby the Bank owns between 20% to 50% of voting rights. Investments in associates are stated according to the equity method in the consolidated financial statements.
- Investment in Kuwait Real Estate Company – under liquidation in which the Bank owns more than 50% is stated according to the equity method.
- Investment in Ahluna for Cultural and Social Work Company is shown at cost as it is a not-for-profit company. Its net income is used for social and charitable work.

In case separate financial statements are prepared for the Bank as an independent entity, investments in subsidiaries are shown at cost.

### **Properties and Equipment**

- Properties and equipment are stated at cost net of accumulated depreciation and any impairment in their values. Properties, and equipment (except for land) are depreciated when ready for use according to the straight-line method over their estimated useful lives using the following annual rates:

	%
Buildings	2
Furniture, fixtures and equipment	10 –15
Vehicles	15
Computers	20
Other	15 –20

- When the carrying amounts of properties and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of income.

- The useful lives of properties and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined previously, the change in estimate is recorded in the following years, being a change in estimate.

- Properties and equipment are derecognized upon their disposal or when there are no expected future benefits from their use or disposal.

## **Provisions**

Provisions are booked when the Bank has an obligation on the date of the consolidated statement of financial position as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

### **Provision for Employees End-of-Service Indemnities**

- A provision for legal and contractual commitments relating to employees end-of-service indemnities is taken according to the Bank's internal regulations on the consolidated statements of financial position date.

- Payments to terminated employees are deducted from the provision amount. Moreover, the required provision for end-of-service indemnities for the year is charged to the consolidated statement of income.

## **Income Tax**

- Income tax expenses represent accrued taxes and deferred taxes.

- Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not allowable for tax purposes or subject to tax.

- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions of the countries where the Bank operates.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

- Deferred tax assets and liabilities are reviewed as of the date of the consolidated statement of financial position, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

## **Capital**

### **- Costs of Issuing or Purchasing the Bank's Shares**

Costs of issuing or purchasing the Bank's shares are recorded in retained earnings net of any tax effect of these costs. If the issuing or purchase process has not been completed, these costs are recorded as expenses in the consolidated statement of income.

## **- Treasury Shares**

Treasury shares are shown at cost, have no rights to get dividends, and no rights in participating or voting in the Bank's general assembly meetings. Gains or losses from selling the treasury shares are not recognized in the consolidated statement of income. Gains are shown in owners' equity within share premium / discount whereas losses are taken to retained earnings in case there is no treasury share premium balance available.

## **Accounts Managed on Behalf of Customers**

These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets. The fees and commissions on managing these accounts are taken to the consolidated statement of income. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers.

## **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

## **Realization of Income and Recognition of Expenses**

- Income is realized and expenses are recognized on an accrual basis except for interest and commission on non-performing credit facilities which are not recognized as revenue but taken to the interest and commission in suspense account.

- Commission is recorded as revenue when the related services are provided. Moreover, dividends are recorded when realized (approved by the General Assembly).

## **Recognition of Financial Assets**

Financial assets are recognized on the trade date (the date on which the Bank commits itself to purchase or sell the financial assets).

## **Financial Derivatives and Hedge Accounting**

### **- Hedged Financial Assets**

For hedge accounting purposes, the financial derivatives are stated at fair value. Hedges are classified as follows:

#### **- Fair value hedge:**

hedge for the change in the fair value exposures of the Bank's assets and liabilities.

When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge as well as change in the fair value of hedged assets and liabilities is recognized in the consolidated statement of income.

When the conditions of effective portfolio hedge are met, the gain or loss resulting from the revaluation of the hedging instrument at fair value as well as the change in the fair value of the assets or liabilities portfolio are recorded in the consolidated statement of income for the same period.

- **Cash flow hedge:** hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities.

When the conditions of effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in the consolidated statement of comprehensive income and owners' equity. Such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.

#### - Hedge for Net Investment in Foreign Entities:

When the conditions of the hedge for net investment in foreign entities are met, fair value is measured for the hedging instrument of the hedged net assets. In case of an effective relationship, the effective portion of the loss or profit related to the hedging instrument is recognized in the consolidated statement of comprehensive income and owners' equity. On the other hand, the ineffective portion is recognized in the consolidated statement of income. The effective portion is recorded in the consolidated statement of income when the investment in foreign entities is sold.

- When the conditions of the effective hedge do not apply, gain or loss resulting from the change in the fair value of the hedging instrument is recorded in the consolidated statement of income in the same period.

#### Financial Derivatives for Trading

The fair value of financial derivatives for trading (such as forward foreign currency contracts, future interest rate contracts, swap agreements and foreign currency options) is recorded in the consolidated statement of financial position. Fair value is measured according to the prevailing market prices, and if not available, the measurement method should be disclosed. The change in fair value is recognized in the consolidated statement of income.

#### Repurchase and Resale Agreements

- Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Bank's continuous control over these assets and as the related risk and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

- Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Bank has no control over such assets and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recorded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest rate method.

#### Foreclosed Assets

Assets that have been subject to foreclosure by the Bank are shown under "other assets" at the acquisition value or fair value, whichever is lower. As of the consolidated statement of financial position date, these assets are revalued individually at fair value. Any decline in their market value is taken as a loss to the consolidated statement of income whereas any such increase is not recognized. Subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

# Intangible Assets

## A- Goodwill

- Goodwill is recorded at cost, and represents the excess amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an associated company constitutes part of the investment in that company. The cost of goodwill is subsequently reduced by any decline in the value of the investment.

- Goodwill is distributed over the cash generating units for the purpose of testing the impairment in its value.

- The value of goodwill is tested on the date of each consolidated financial statements. Goodwill value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating units is less than book value. The decline in value is recorded in the consolidated statement of income as impairment loss.

## B- Other Intangible Assets

- Other intangible assets acquired through merging are stated at fair value at the date of acquisition, while other intangible assets purchased otherwise are recorded at cost.

- Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives using the straight line method for a period not more than 5 years from the acquisition date and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is recorded in the consolidated statement of income.

- No capitalization of intangible assets resulting from the Bank's operations is made. They are rather recorded in the consolidated statement of income in the same period.

- Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in the subsequent period.

- Software and computer programs are amortized over their estimated economic useful lives at rates ranging from 20% to 30%.

## Foreign Currency

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

- Financial assets and financial liabilities denominated in foreign currencies are translated at the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan.

- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.
- Translation differences for non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, assets and liabilities of the branches and subsidiaries abroad are translated from the functional currency to the reporting currency using the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year, and exchange differences are shown in the consolidated statement of comprehensive income within owners' equity. When one of these subsidiaries or branches is sold, the related foreign currency differences taken to the consolidated statement of income.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions maturing within three months, less balances due to banks and financial institutions maturing within three months and restricted funds.

### **3. Accounting Estimates**

Preparation of the consolidated financial statements and the application of the accounting policies require the Bank's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the consolidated statement of other comprehensive income and owners' equity. In particular, this requires the Bank's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

Management believes that the assessments adopted in the consolidated financial statements are reasonable. The details are as follows:

- A provision for non-performing loans is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these bases and estimates is compared against the provisions that should be taken under the instructions of the regulatory authorities, through which the Bank branches and subsidiary companies operate. Moreover, the strictest outcome that conforms with the (IFRSs) is used.
- Impairment loss is taken after a sufficient and recent evaluation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.
- Management estimates the impairment in value when the market prices reach a certain limit that indicates the impairment loss provided that this does not contradict the instructions of the regulatory authorities or International Financial Reporting Standards.



- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.
- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.
- A provision is set for lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.
- Management frequently reviews financial assets stated at fair value or at cost to estimate any impairment in their value. The impairment amount is taken to the consolidated statement of income for the year.
- Fair Value Hierarchy: The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, which may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

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

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Cash in Vaults	34,796,619	33,453,038
Balances at Central Banks:		
Current and Demand Accounts	21,967,201	24,349,331
Time and Notice Deposits	161,898,820	219,205,883
Mandatory Cash Reserve	130,656,109	132,059,486
Total Balances at Central Banks	314,522,130	375,614,700
Total Cash and Balances at Central Banks	349,318,749	409,067,738

- In addition to the cash reserve at the central banks, there are restricted balances amounting to JD 71,121 as of December 31, 2011 (JD 208,280 as of December 31, 2010).

- Included in cash balances at central banks is an amount of JD 14,121,986 as of December 31, 2011 (JD 176,587,030 as of December 31, 2010) maturing within a period exceeding three months.

## 5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Local Banks and Financial Institutions:		
Current and Demand Accounts	17,794	629,765
Deposits Due Within 3 Months or Less	77,083,386	59,499,187
Total	77,101,180	60,128,952
Banks and Financial Institutions Abroad:		
Current and Demand Accounts	66,082,183	20,214,412
Deposits Due Within 3 Months or Less	142,747,799	231,406,984
Total	208,829,982	251,621,396
	285,931,162	311,750,348

- Non-interest bearing balances at banks and financial institutions amounted to JD 8,477,889 as of December 31, 2011 (JD 5,699,094 as of December 31, 2010).

- There are no restricted balances as of December 31, 2011 and 2010.

## 6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Local Banks and Financial Institutions		Banks and Financial Institutions Abroad		Total	
	December 31,		December 31,		December 31,	
	2011	2010	2011	2010	2011	2010
	JD	JD	JD	JD	JD	JD
Deposits Maturing Within a Period:						
From 3 to 6 Months	14,963,000	-	356,506	853,478	15,319,506	853,478
Total	14,963,000	-	356,506	853,478	15,319,506	853,478

- Restricted balances amounted to JD 10 million for borrowed funds by a subsidiary company as of December 31, 2011 (There was no restricted balances as of December 31, 2010).

## 7. Trading Financial Assets

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Quoted Shares	-	544,044
	-	544,044

## 8. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Shares	2,592,991	-
Bonds	19,529,164	-
	22,122,155	-

## 9. Direct Credit Facilities - Net

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Individuals (Retail):		
Overdraft Accounts	17,643,096	19,010,391
Loans and Promissory Notes*	344,539,498	292,467,260
Credit Cards	12,968,422	14,036,195
Real Estate Loans	96,931,207	74,815,187
Companies:		
A. Corporate:		
Overdraft Accounts	98,574,159	98,108,096
Loans and Promissory Notes*	501,312,579	478,314,194
B. Small and Medium Companies:		
Overdraft Accounts	76,495,554	62,978,108
Loans and Promissory Notes*	152,078,775	128,279,005
Government and Public Sector	13,225,618	27,097,386
Total	1,313,768,908	1,195,105,822
(Less): Provision for Impairment in Direct Credit Facilities	(88,064,730)	(81,438,989)
Suspended Interest	(47,475,983)	(47,414,829)
Net Direct Credit Facilities	1,178,228,195	1,066,252,004

\* Net after deducting interest and commissions received in advance of JD 6,971,346 as of December 31, 2011 (JD 9,303,547 as of December 31, 2010).

## Provision for Impairment in Direct Credit Facilities:

	2011						
	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Corporate	Small and Medium			
JD	JD	JD	JD	JD	JD	JD	
Balance – Beginning of the Year	15,132,975	2,450,470	46,869,553	16,985,991	-	81,438,989	
Deduction (Surplus) for the Year Taken from Revenue	5,103,052	(577,351)	9,591,395	1,515,211	-	15,632,307	
Used During the Year (Written-off)	(462,465)	-	(6)	(4,508)	-	(466,979)	
Transfer to off-Consolidated Statement of Financial Position Items	(1,808,043)	(18,826)	(499,953)	(6,127,107)	-	(8,453,929)	
Foreign Currencies Evaluation Difference	(56,610)	-	(26,002)	(3,046)	-	(85,658)	
Balance – End of the Year	17,908,909	1,854,293	55,934,987	12,366,541	-	88,064,730	
Provision for Non-Performing Facilities on an Individual Customer Basis	17,848,943	1,835,578	54,070,356	12,059,287	-	85,814,164	
Provision for Under Watch Facilities on an Individual Customer Basis	59,966	18,715	1,864,631	307,254	-	2,250,566	
Balance – End of the Year	17,908,909	1,854,293	55,934,987	12,366,541	-	88,064,730	

	2010						
	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Corporate	Small and Medium			
JD	JD	JD	JD	JD	JD	JD	
Balance – Beginning of the Year	11,861,869	1,038,329	35,895,260	19,158,683	-	67,954,141	
Deduction (Surplus) for the Year Taken from Revenue	3,489,593	1,412,141	11,056,645	(1,590,023)	-	14,368,356	
Used During the Year (Written-off)	(449,415)	-	(2,763)	(684,156)	-	(1,136,334)	
Transfer to / from off-Consolidated Statement of Financial Position Items	193,981	-	53,033	100,921	-	347,935	
Foreign Currencies Evaluation Difference	36,947	-	(132,622)	566	-	(95,109)	
Balance – End of the Year	15,132,975	2,450,470	46,869,553	16,985,991	-	81,438,989	
Provision for Non-Performing Facilities on an Individual Customer Basis	14,801,692	2,431,766	44,771,705	16,656,072	-	78,661,235	
Provision for Under Watch Facilities on an Individual Customer Basis	331,283	18,704	2,097,848	329,919	-	2,777,754	
Balance – End of the Year	15,132,975	2,450,470	46,869,553	16,985,991	-	81,438,989	

## Suspended Interest

The movement on suspended interest was as follows:

	2011						Total JD
	Companies					Government and Public Sector JD	
	Individuals JD	Property Loans JD	Corporate JD	Small and Medium JD			
Balance – Beginning of the Year	9,394,584	1,272,299	13,776,640	22,971,306	-	47,414,829	
Add: Interest in Suspense for the Year	(2,083,670)	378,211	4,906,356	8,347,118	-	11,548,015	
(Less:) Surplus Taken to Income	(694,037)	(163,079)	(570,859)	(930,881)	-	(2,358,856)	
Interest in Suspense Written-off	(429,087)	(4,216)	(744,539)	(500,617)	-	(1,678,459)	
Transferred to off-Consolidated Statement of Financial Position Items	(2,078,483)	(16,006)	(163,959)	(5,216,818)	-	(7,475,266)	
Translation of Foreign Currencies	6,807	-	13,721	5,192	-	25,720	
Balance - End of the Year	4,116,114	1,467,209	17,217,360	24,675,300	-	47,475,983	

	2010						Total JD
	Companies					Government and Public Sector JD	
	Individuals JD	Property Loans JD	Corporate JD	Small and Medium JD			
Balance – Beginning of the Year	8,406,302	606,875	10,294,740	21,707,183	-	41,015,100	
Add: Interest in Suspense for the Year	2,152,978	689,204	4,415,358	3,022,273	-	10,279,813	
(Less:) Surplus Taken to Income	(794,778)	(21,249)	(835,534)	(696,427)	-	(2,347,988)	
Interest in Suspense Written-off	(298,819)	(2,531)	(49,725)	(1,037,475)	-	(1,388,550)	
Transferred to off-Consolidated Statement of Financial Position Items	(90,510)	-	(52,563)	(69,720)	-	(212,793)	
Translation of Foreign Currencies	19,411	-	4,364	45,472	-	69,247	
Balance - End of the Year	9,394,584	1,272,299	13,776,640	22,971,306	-	47,414,829	

**Direct credit facilities are distributed according to the geographic location and economic sector as follows:**

Economic Sector	Inside Jordan	Outside Jordan	December 31,	
			2011	2010
			JD	JD
Financial	177,864,583	4,687,477	182,552,060	172,644,372
Industrial	106,488,109	12,642,388	119,130,497	108,835,206
Trade	381,153,841	120,111,263	501,265,104	427,349,530
Real Estate	128,863,190	22,415,654	151,278,844	146,002,257
Agricultural	8,832,272	614,566	9,446,838	10,284,369
Shares	-	-	-	3,660,943
Individuals	235,829,860	31,772,359	267,602,219	258,773,885
Government and Public Sector	2,679,364	10,546,254	13,225,618	27,097,386
Other	48,536,249	20,731,479	69,267,728	40,457,874
	1,090,247,468	223,521,440	1,313,768,908	1,195,105,822

- Non-performing credit facilities amounted to JD 176,287,582, which is equivalent to 13.42% of total direct credit facilities as of December 31, 2011 (JD 174,438,369, which is equivalent to 14.60% of total direct credit facilities as of December 31, 2010).
- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 122,975,808, which is equivalent to 9.71% of total direct credit facilities net of interest and commission in suspense as of December 31, 2011 (JD 128,350,436 which is equivalent to 11.18% of total direct credit facilities net of interest and commission in suspense as of December 31, 2010).
- Credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 354,500 as of December 31, 2011, which is equivalent to 0.03% of total direct credit facilities as of December 31, 2011 (JD 709,000, which is equivalent to 0.06% of total direct credit facilities as of December 31, 2010).
- The balance of non-performing loans transferred to off-consolidated statement of financial position amounted to JD 42,458,894 up to December 31, 2011 (JD 31,792,313 up to December 31, 2010). These loans are fully covered by provisions and interest in suspense.
- According to the Board of Directors resolutions, the balance of non-performing debts in addition to its related interest of JD 5,831,010 have been written-off during the year 2011 to on and off-statement of financial position (JD 2,597,455 for the year 2010).
- The provision no longer needed due to settlements or debt repayments and accordingly transferred to other non-performing debts amounted to JD 14,595,417 as of December 31, 2011 (JD 8,395,609 as of December 31, 2010).

## 10. Available-for-Sale Financial Assets

The details of this item are as follows:

	December 31,	
	2011	2010
	JD	JD
Quoted Available-for-Sale Financial Assets:		
Treasury Bills	-	147,623,000
Governmental Bonds or Bonds Guaranteed by the Government	-	123,291,289
Other Bonds	-	4,338,136
Shares	-	17,443,023
Total Quoted Available-for-Sale Financial Assets	-	292,695,448
Unquoted Available-for-Sale Financial Assets:		
Shares	-	11,185,426
Total Unquoted Available-for-Sale Financial Assets	-	11,185,426
Total Available-for-Sale Financial Assets	-	303,880,874
Bonds Return Analysis:		
Fixed Return	-	275,252,425
Total	-	275,252,425

## 11. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Quoted Shares	13,744,292	-
Unquoted Shares*	8,538,038	-
	22,282,330	-

\* The fair value for the unquoted shares is determined according to owner's equity method, which is considered the best tool available to measure the fair value of these investments.

- During the year 2011, the Bank sold the whole investment in VISA- Jordan which represent 273 thousand shares for around JD 4,039 million, which was classified according to the bank's business model within the financial assets at fair value through other comprehensive income, the net profit from the sale transaction after tax was around JD 2,421 million which was recognized in the consolidated statement of comprehensive income for the year that ended on December 31, 2011.

- Cash dividends from the investments mentioned above are JD 1,309,243 for the year that ended on December 31, 2011, of which JD 175,000 represent dividends from investments sold during the year.



## 12. Held-to-Maturity Financial Assets

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Quoted Financial Assets:		
Treasury Bills	-	11,000,000
Governmental Bonds Guaranteed by the Government	-	250,200,262
Companies Bonds and Debentures	-	3,282,226
Total Quoted Financial Assets	-	264,482,488
Bonds Return Analysis:		
Fixed Return	-	264,482,488
<b>Total</b>	<b>-</b>	<b>264,482,488</b>

The Maturity Dates of Held-to-Maturity Financial Assets Are as Follows:

	2011	2010
	JD	JD
During a Year	-	32,860,793
From 1 to 3 Years	-	176,607,298
More Than 3 Years	-	55,014,397
	-	264,482,488

## 13. Financial Assets Measured at Amortized Cost

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Treasury Bills and Bonds	330,801,897	-
Governmental Bonds Guaranteed by the Government	237,078,995	-
Companies Bonds and Debentures	3,333,618	-
	571,214,510	-
Less: Impairment Provision	(625,338)	-
	570,589,172	-
Bonds Return Analysis:		
Fixed Return	570,589,172	-
<b>Total</b>	<b>570,589,172</b>	<b>-</b>

**The maturity dates of financial assets measured at amortized cost are as follows:**

	2011	2010
	JD	JD
During a Year	296,290,310	-
From 1 to 3 Years	108,661,292	-
More Than 3 Years	165,637,570	-
	570,589,172	-

**14. Investments in Associates and Unconsolidated Subsidiary Company**

The Bank owns shares in several associate companies and an unconsolidated subsidiary company as of December 31, 2011 and 2010. The details are as follows:

	Country of Establishment	Ownership Percentage	Shareholders' Equity		Nature of Business	Bank's Share of Profit	Calculation Method	Acquisition Date
			December 31,					
			2011	2010				
		%	JD	JD		%		
Kuwait Real Estate Company*	Lebanon	100	141,400	141,400	Real estate	100	Equity	1986
Beach Hotels and Tourist Resorts Company**	Jordan	24/815	7,432,628	5,302,776	Hotel services	24/815	Equity	2006
Ahluna for Social and Cultural Work Company	Jordan	49/875	2,000,000	2,000,000	Charity	49/875	Cost	2006
Al-Ahli Investment Group Company***	Lebanon	37/500	475,450	507,940	Brokerage company	37/500	Equity	2005
Middle East Payment Services Company****	Jordan	25	1,616,360	1,559,000	Financial services	25	Equity	2009
			11,665,838	9,511,116				

\* The financial statements of Kuwait Real Estate Company have not been consolidated as the company is under liquidation and its financial statements are immaterial compared to the consolidated financial statements.

\*\* The Bank's participation in the Tourist Resorts and Hotels Beach Company resulted from the merger of the National Real Estate Investments Company, which was wholly owned by the Bank, with the Tourist Resorts and Hotels Beach Company (related company). The book value of the land owned by the National Real Estate Investments Company has been adopted for merger purposes according to the approval of the General Assembly of the two merged Companies. Consequently, the merger resulted in reducing the Bank's share to 46% of the owners' equity of Tourist Resorts and Hotels Beach Company with a capital of JD 10 million after the merger. During the year 2007, the Company's capital was increased through subscriptions of the old partners and entrance of new partners at the nominal value of JD 1 per share. Consequently, paid-up capital became JD 18 million. Thus, the Bank's participation in the Company decreased to 25.55% of paid-up capital. During the first half of the year 2011, the Company's capital was increased to become JD 20 million. Consequently the Bank's share in

the Company was decreased to become 23% from the paid-up capital. During the second half of the year 2011, the Company's capital was increased to become JD 27 million. The Bank's contribution in this increase amounted to JD 2.1 million. Thus, the Bank's contribution share in the Company became 24.8%.

\*\*\* During the year 2009, Al - Ahli Investment Group increased its capital from JD 705,473 to JD 1,883,612. Moreover, the Bank has not participated in this increase. Consequently, the Bank's ownership in this Company declined from 100% to 37.5%, and the Company has been classified as an associated company.

\*\*\*\* During the year 2011, Middle East Payment Services Company has written off its accumulated losses amounted to JD 2 million, the bank's share was JD 500 thousand. More over the company increased it's capital with an amount of JD 2 million, and the Bank's participation in the capital increase was JD 700 thousand. Thus, the bank's contribution percentage after the increase became 28.333% from the paid-up capital, nothing that the capital increase procedures are still in progress.

**The following is a summary of the movement on investments in associated companies and the unconsolidated subsidiary company:**

	2011	2010
	JD	JD
Balance – Beginning of the Year	9,511,116	8,897,703
Additions	2,800,000	559,000
Bank's Share from Associated Companies (Loss) Profit	(645,278)	54,413
Balance – End of the Year	11,665,838	9,511,116

## 15. Properties and Equipment - net

The details of this item are as follows:

For the Year That Ended December 31, 2011							
	Lands	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
<b>Cost:</b>							
Balance – Beginning of the Year	14,510,662	33,944,411	30,087,820	1,146,661	12,064,466	5,185,423	96,939,443
Additions	-	91,978	2,096,888	99,411	1,124,374	642,061	4,054,712
Disposals*	(4,357,126)	(438,409)	(621,062)	(41,203)	(1,481)	(8,472)	(5,467,753)
Balance – End of the Year	10,153,536	33,597,980	31,563,646	1,204,869	13,187,359	5,819,012	95,526,402
<b>Accumulated Depreciation:</b>							
Balance – Beginning of the Year	-	7,578,393	19,985,271	751,302	9,413,497	1,052,884	38,781,347
Additions	-	731,657	2,021,534	118,392	1,193,957	786,849	4,852,389
Disposals	-	(149,571)	(70,468)	(31,971)	(1,373)	-	(253,383)
Balance – End of the Year	-	8,160,479	21,936,337	837,723	10,606,081	1,839,733	43,380,353
Net Book Value	10,153,536	25,437,501	9,627,309	367,146	2,581,278	3,979,279	52,146,049
Down Payments on Properties and Equipment Purchases	-	-	597,390	-	-	-	597,390
Balance – End of the Year	10,153,536	25,437,501	10,224,699	367,146	2,581,278	3,979,279	52,743,439

For the Year That Ended December 31, 2010							
	Lands	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance – Beginning of the Year	14,450,809	33,384,733	28,858,585	1,456,108	11,523,315	3,995,252	93,668,802
Additions	59,853	559,678	1,835,298	-	789,566	1,191,501	4,435,896
Disposals	-	-	(606,063)	(309,447)	(248,415)	(1,330)	(1,165,255)
Balance – End of the Year	14,510,662	33,944,411	30,087,820	1,146,661	12,064,466	5,185,423	96,939,443
Accumulated Depreciation:							
Balance – Beginning of the Year	-	6,801,647	18,298,244	917,009	8,354,602	556,533	34,928,035
Additions	-	776,746	1,940,381	138,955	1,160,540	497,485	4,514,107
Disposals	-	-	(253,354)	(304,662)	(101,645)	(1,134)	(660,795)
Balance – End of the Year	-	7,578,393	19,985,271	751,302	9,413,497	1,052,884	38,781,347
Net Book Value	14,510,662	26,366,018	10,102,549	395,359	2,650,969	4,132,539	58,158,096
Down Payments on Properties and Equipment	-	-	1,055,737	-	-	-	1,055,737
Balance – End of the Year	14,510,662	26,366,018	11,158,286	395,359	2,650,969	4,132,539	59,213,833
Annual Depreciation Rates %	-	2	10-15	15	20	15-20	

The properties and equipment balance as of December 31, 2011 includes an amount of JD 20,294,271 representing fully depreciated assets (JD 19,252,054 as of December 31, 2010).

\* Disposals include an amount of JD 4,206,630, which represents land transferred to the other assets item (Real estate for sale) as requested by the Central Bank of Jordan.

## 16. Intangible Assets

This item consists of the following:

	2011		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance – Beginning of the Year	2,220,886	1,418,000	3,638,886
Additions	1,652,404	-	1,652,404
Amortization for the Year	(1,550,083)	-	(1,550,083)
Balance – End of the Year	2,323,207	1,418,000	3,741,207

	2010		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance – Beginning of the Year	2,707,106	1,418,000	4,125,106
Additions	854,187	-	854,187
Amortization for the Year	(1,340,407)	-	(1,340,407)
Balance – End of the Year	2,220,886	1,418,000	3,638,886
Annual Amortization rate %	20-30	-	-

\* Goodwill resulted from the acquisition of Al-Ahli International Bank - Lebanon and Kuwait Real Estate Company. During the year 2007, part of Al-Ahli International Bank's goodwill has been amortized against the decline in its value.

## 17. Other Assets

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Real Estate Foreclosed by the Bank Against Debts*	44,132,493	38,947,665
Unpaid Accrued Interest and Commissions and Present Value Difference on Long-Term Financial Liabilities	9,615,889	14,819,728
Real Estate Investment**	11,231,818	11,231,818
Checks and Transfers Under Collection	8,333,123	8,121,637
Foreclosed Real Estate Sold***	7,969,553	2,367,168
Prepaid Expenses	2,766,143	2,472,055
Various Debtors	3,674,381	1,538,742
Real Estate for Sale	4,470,614	281,040
Prepaid Rent	1,057,145	754,199
Refundable Deposits	170,639	163,933
Revenue Stamps	198,518	158,012
Advances to Employees	36,847	21,847
Temporary Advances	3,995,328	2,373,700
Other Debit Balances	3,141,888	2,862,212
<b>Total</b>	<b>100,794,379</b>	<b>86,113,756</b>



**\* The movement on foreclosed assets was as follows:**

Description	2011	2010
	JD	JD
Balance – Beginning of the Year	38,947,665	37,020,975
Additions	14,283,604	4,764,711
Disposals	(8,994,369)	(2,142,053)
Impairment Loss	(104,407)	(695,968)
Balance – End of the Year	44,132,493	38,947,665

- According to the Banks Law, buildings and plots of land foreclosed by the Bank against debts due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan may extend this period for two additional years.

\*\* During the year 2007, the Bank acquired additional shares in Al-Mawared Investment and Development Company so that the Bank's participation became approximately 3.77% of the Company's capital, which amounted to JD 11 million. Subsequently, the Bank sold all the investment in Al-Mawared Investment and Development Company against ownership of a plot of land.

During the first quarter of the year 2010, the land was registered under the name of the Bank and an amount of JD 1.3 million was paid for ownership transfer and other fees, capitalized to value of the land. The average estimated value of the land amounted to JD 12,183,781 according to the last assessment during 2010.

\*\*\* During the year 2011, the Bank sold Land number (879) basin number (3) qatna south and land number (418) basin number (3) qatna south from the village of Amman in Installments for JD 4.4 million to the south House Trade and Investment company. An amount of JD 2.4 million has been received during January 2012.

## 18. Banks and Financial Institutions Deposits

**This item consists of the following:**

	December 31, 2011			December 31, 2010		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	1,583,469	10,369,719	11,953,188	1,664,637	12,157,324	13,821,961
Time Deposits	267,441,436	71,167,198	338,608,634	255,732,462	87,192,144	342,924,606
<b>Total</b>	<b>269,024,905</b>	<b>81,536,917</b>	<b>350,561,822</b>	<b>257,397,099</b>	<b>99,349,468</b>	<b>356,746,567</b>

## 19. Customers Deposits

This item consists of the following:

	For the Year That Ended December 31, 2011				
	Individuals	Corporate	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	211,116,118	96,851,798	104,486,077	7,802,529	420,256,522
Saving Accounts	126,565,760	2,012,274	13,398,974	13,689	141,990,697
Time and Notice Deposits	745,039,287	162,879,547	134,731,915	77,212,636	1,119,863,385
Goushan Certificates of Deposit	1,878,833	-	-	-	1,878,833
Certificates of Deposit	21,270,000	-	-	-	21,270,000
	1,105,869,998	261,743,619	252,616,966	85,028,854	1,705,259,437

	For the Year That Ended December 31, 2010				
	Individuals	Corporate	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	207,144,023	110,213,949	93,617,076	6,110,373	417,085,421
Saving Accounts	102,592,055	1,244,671	7,812,222	-	111,648,948
Time and Notice Deposits	733,732,074	179,919,294	135,426,408	66,332,188	1,115,409,964
Goushan Certificates of Deposit	2,464,100	-	-	-	2,464,100
Certificates of Deposit	17,725,000	-	-	-	17,725,000
Total	1,063,657,252	291,377,914	236,855,706	72,442,561	1,664,333,433

- Government and public sector deposits inside Jordan amounted to JD 65,973,018, which is equivalent to 3/87% of total deposits as of December 31, 2011 (JD 64,938,135, which is equivalent to 3/90% of total deposits as of December 31, 2010).

- Non-interest bearing deposits amounted to JD 353,337,988, which is equivalent to 20/72% of total deposits as of December 31, 2011 (JD 339,433,356, which is equivalent to 20/39% of total deposits as of December 31, 2010).

- Restricted deposits amounted to JD 7,478,056, which is equivalent to 0/44 % of total deposits as of December 31, 2011 (JD 6,757,468 which is equivalent to 0/41% as of December 31, 2010).

- Dormant accounts amounted to JD 55,246,979 as of December 31, 2011 (JD 42,511,917 as of December 31, 2010)

- Restricted fund deposits amounted to JD 714,493, which is equivalent to 0/04% of total deposits as of December 31, 2011 (JD 725,059, which is equivalent to 0/04% as of December 31, 2010).

## 20. Cash Margins

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Cash Margins on Direct Credit Facilities	170,044,582	133,807,532
Cash Margins on Indirect Credit Facilities	57,448,742	65,024,088
Marginal Deposits	3,982,456	8,259,512
Other Margins	10,908,883	9,784,276
<b>Total</b>	<b>242,384,663</b>	<b>216,875,408</b>

## 21. Borrowed Funds

This item consists of the following:

	Amount	Number of Installments		Installments Maturity Frequency	Guarantees	Interest Rate	Relending Interest Rate
		Total	Remaining				
December 31, 2011	JD					%	%
Local Banks (Loan to Subsidiary)	7,003,500	24	24	24 monthly installments effective from the withdrawal date	10 million deposit belong to the Jordan Ahli Bank	4.5	-
Development and Employment Fund (Loan to Subsidiary)	731,944			42 monthly installments effective from the withdrawal date	Without guarantees	6 - 7	6 - 7
<b>Total</b>	<b>7,735,444</b>				-		

December 31, 2010						%	%
Development and Employment Fund (Loan to Subsidiary)	433,333			42 monthly installments effective from the withdrawal date	Without guarantees	6 - 7	6 - 7
<b>Total</b>	<b>433,333</b>				-		

## 22. Various Provisions

This item consists of the following:

	Balance Beginning of the Year	Additions	Disposals	Reversals of Provision	Balance End of the Year
Year 2011	JD	JD	JD	JD	JD
Provision for End-of-Service Indemnity	2,985,580	836,651	(474,680)	-	3,347,551
Provision for the Decline in Foreign Currencies	415,653	-	-	(402,014)	13,639
Provision for Lawsuits	602,690	730,664	-	-	1,333,354
Other Provisions	102,413	41,558	(761)	-	143,210
	4,106,336	1,608,873	(475,441)	(402,014)	4,837,754

Year 2010					
Provision for End-of-Service Indemnity	2,722,935	590,571	(327,926)	-	2,985,580
Provision for the Decline in Foreign Currencies	118,802	296,851	-	-	415,653
Provision for Lawsuits	580,790	21,900	-	-	602,690
Other Provisions	56,819	46,368	(774)	-	102,413
	3,479,346	955,690	(328,700)	-	4,106,336

## 23. Provision for Income Tax

a - Income tax provision:

The movement on the provision for income tax was as follows:

	2011 JD	2010 JD
Balance Beginning of the Year	9,720,308	9,546,315
Income Tax Paid	(10,582,900)	(10,718,715)
Income Tax for the Year	9,588,450	9,838,003
Prior Years Income Tax	377,845	1,054,705
Income Tax / Profit from Financial Assets Through Other Comprehensive Income	601,007	-
Balance End of the Year	9,704,710	9,720,308

**Income tax expense for the year which appears in the consolidated statement of income consists of the following:**

	2011	2010
	JD	JD
Accrued Income Tax on the Year's Profit	9,588,450	9,838,003
Accrued Income Tax on Prior Years	377,845	1,054,705
Deferred Tax Assets for the Year	(561,705)	(545,807)
Amortization of Deferred Tax Assets	984,504	1,075,475
Balance – End of the Year	10,389,094	11,422,376

- The income tax rate for banks in Jordan is 30% The income tax rate for banks in the countries where the Bank has investments or branches ranges from 10% to 30%.

- A final settlement with the Income and Sales Tax Department has been reached for Jordan branches up to the year 2009.

- The tax returns of the Bank, external branches and subsidiaries have been submitted for the year 2010, but have not been reviewed by the Income and sales Tax Department yet.

- A final settlement with the Income Tax and Value-Added Tax Department has been reached for Palestine branches up to the end of the year 2008. It is expected to complete Settlement for the tax years after that During 2012.

- A final tax settlement has been reached for the subsidiary company in Lebanon up to the end of the year 2006. Moreover, the tax returns for the years 2007, 2008, 2009 and 2010 have been submitted. However, no related tax settlements have been reached yet.

- A final tax settlement has been reached for the Bank's branches in Cyprus up to the year 2009.

- Deferred tax assets and liabilities have been calculated as of December 31, 2011 and 2010 according to the following rates.

Income tax rate	
Jordan Branch	30%
Palestine Branches	28%

- A provision for income tax for the year that ended December 31, 2011 has been taken. In the opinion of management and the Bank's tax advisor, the provision taken in the consolidated financial statements as of December 31, 2011 is adequate for meeting the expected tax liabilities.

- The movement on the deferred tax assets / liabilities account is as follows:

	2011		2010	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance – Beginning of the Year	4,355,662	1,796,954	4,885,330	1,168,684
Additions	561,705	-	545,807	871,133
Amortized	(984,504)	(955,548)	(1,075,475)	(242,863)
Balance – End of the Year	3,932,863	841,406	4,355,662	1,796,954

## b - Deferred Tax Assets / Liabilities:

The details of this item are as follows:

Description	2011					Deferred Tax JD
	Beginning Balance	Additions	Amounts Released	Year-End Balance		
	JD	JD	JD	JD		
<b>a. Deferred Tax Assets</b>						
Prior Years' Provision for Non-Performing Loans	7,894,252	-	(1,682,121)	6,212,131	1,805,304	
Interest in Suspense	3,373,814	59,727	(914,505)	2,519,036	696,866	
Impairment Loss in Real Estate	1,422,061	73,974	(432,957)	1,063,078	318,923	
Provision for Lawsuits	602,690	730,664	-	1,333,354	398,760	
Provision for End-of-Service Indemnity	1,894,153	683,710	(453,448)	2,124,415	604,978	
Impairment of Financial Assets Measured at Amortized Cost	-	349,801	-	349,801	104,940	
Other Provisions	11,934	-	(761)	11,173	3,092	
	15,198,904	1,897,876	(3,483,792)	13,612,988	3,932,863	
<b>b. Deferred Tax Liabilities*</b>						
Fair Value Reserves for Financial Assets at Fair Value Through Other Comprehensive Income	7,699,258	-	(4,894,572)	2,804,686	841,406	
	7,699,258	-	(4,894,572)	2,804,686	841,406	

Description	2010				
	Beginning Balance	Additions	Amounts Released	Year-End Balance	Deferred Tax
	JD	JD	JD	JD	JD
<b>a. Deferred Tax Assets</b>					
Prior Years' Provision for Non-Performing Loans	8,076,471	579,391	(761,610)	7,894,252	2,272,035
Interest in Suspense	3,386,017	343,036	(355,239)	3,373,814	933,332
Impairment Loss in Real Estate	1,160,189	695,968	(434,096)	1,422,061	426,618
Provision for Lawsuits	580,790	21,900	-	602,690	179,560
Provision for End-of-Service Indemnity	1,924,320	268,039	(298,206)	1,894,153	540,815
Provision for Impairment in Held-to-Maturity Financial Assets	1,810,229	-	(1,810,229)	-	-
Other Provisions	12,708	-	(774)	11,934	3,302
	16,950,724	1,908,334	(3,660,154)	15,198,904	4,355,662
<b>b. Deferred Tax Liabilities*</b>					
Cumulative Change in Fair Value of Available-for-Sale Financial Assets	3,895,613	4,644,861	(809,543)	7,730,931	1,796,954
	3,895,613	4,644,861	(809,543)	7,730,931	1,796,954

\* Deferred tax liabilities include JD 841,406 as of December 31, 2011 resulting from changes in the fair value of financial assets at fair value through other comprehensive income which is stated net of deferred tax liabilities within the fair value reserve under owners' equity.

### c- Summary of the reconciliation between accounting income with taxable income:

	2011	2010
	JD	JD
Accounting Income	33,631,018	34,429,420
Tax Exempted Income	(8,520,730)	(7,980,354)
Non-Deductible Expenses	4,851,279	9,482,618
Taxable Income	29,961,567	35,931,684



## 24. Other Liabilities

This item consists of the following:

	December 31,	
	2011	2010
	JD	JD
Accepted Checques	10,652,533	10,956,196
Accounts Payable for Financial Brokerage Customers	825,648	1,272,923
Unpaid Accrued Interest	5,907,927	5,200,220
Temporary Deposits	8,789,162	4,193,184
Various Creditors	8,075,127	7,760,028
Unpaid Accrued Expenses	2,583,589	4,505,412
Interest and Commissions Received in Advance	704,316	333,129
Checks and Transfers-Delayed in Payment	1,544,227	1,470,351
Provision for Universities Fees	-	233,699
Provision for Technical and Vocational Education and Training Support Fund Fees	157,255	193,916
Board of Directors Remuneration	65,000	69,583
Unearned Revenue	72,297	83,714
Other Liabilities	1,087,431	711,310
	40,464,512	36,983,665

## 25. Capital and Share Premium

a. The Bank's authorized capital amounted to JD 150 million divided into 150 million shares of JD 1 each as of December 31, 2011 (JD 110 million as of December 31, 2010); whereas, subscribed and paid up capital amounted to JD 126.5 million as of December 31, 2011 (JD 110 million as of December 31, 2010).

- The General Assembly of Shareholders decided in its extraordinary meeting held on March 21, 2011 to increase the Bank's paid up capital by an amount of JD 16.5 million through the capitalization of JD 15 million of external branching reserve and JD 1.5 million of share premium. The increase in capital has been distributed as stock dividends to the Bank's shareholders in proportion with their contribution percentage in capital, whereby the Bank's capital reached JD 126.5 million. Furthermore, the capital increase procedures have been finalized at the Ministry of Industry and Trade on April 3, 2011, at the Central Bank of Jordan on April 28, 2011, and at the Jordan Securities Commission on 23 May 2011.

- The General Assembly decided in their extraordinary meeting held on October 26, 2011 to reduce its authorized paid up capital amounted to JD 135 million/share to become JD 126.5 million/share. Furthermore, the Bank's authorized capital has been increased by an amount of JD 23.5 million, through private placement of shares to the Bank's shareholders in proportion with their contribution percentage in capital. The necessary approvals have been obtained from the Ministry of Industry and Trade on November 3, 2011, from the Central Bank of Jordan on October 3, 2011, and from the Jordan Securities Commission on November 22, 2011. Moreover, the total amounts received for capital increase was JD 17,009,660 as of December 31, 2011.

b. Share premium amounted to JD 9,345,817 as of December 31, 2011 (JD 10,845,817 as of December 31, 2010).

c. The General Assembly decided in their meeting held on March 21, 2011 to distribute cash dividends a 10% of capital, equivalent to JD 11 million, and 15% stock dividends to shareholders for the year 2010.

## 26. Treasury Shares

As of December 31, 2011, the Bank owns the following treasury shares:

	December 31,	
	2011 JD	2010 JD
Treasury Shares	-	101,782
Ratio of Treasury Shares to Total Subscribed Shares	-	0/001
Cost of Treasury Shares	-	332,195

The movement on the treasury shares is as follows:

	Number of Shares December 31,	
	2011 Share	2010 Share
Balance – Beginning of the Year	101,782	101,782
Shares sold	(101,782)	-
Balance – End of the Year	-	101,782

## 27. Reserves

The details of reserves as of December 31, 2011 and 2010 are as follows:

### a - Statutory Reserve

The accumulated balances in this account represent appropriations from net income before tax at 10% during the year and previous years according to banks and companies' laws. This reserve cannot be distributed to shareholders.

### b - Voluntary Reserve

The accumulated balances in this account represent appropriations from net income before tax at a maximum of 20% during the year and previous years. The voluntary reserve can be used for the purposes decided by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to distribute it as dividends to shareholders in part or in full.

### c - General Banking Risks Reserve

This item represents the general banking risks reserve according to the Central Bank of Jordan's instructions.

### d - Periodic Fluctuations Reserve

This reserve represents the periodic fluctuations reserve calculated according to the Palestinian Monetary Authority Instructions No. (1) for the year 2011 concerning all banks operating in Palestine on January 27, 2010. Moreover, the periodic fluctuations reserve is calculated at 15% of the net profit of the tax.

Additionally, the Bank continues to make this annual deduction provided that this reserve balance does not exceed 20% of paid-up capital. The reserve cannot be used for any purpose unless a prior written approval is obtained from the Palestinian Monetary Authority.

## The restricted reserves are as follows:

Reserve	December 31,		Restriction Nature
	2011	2010	
	JD	JD	
General Banking Risks Reserve	12,566,854	10,739,036	According to the Central Bank of Jordan's Instructions
Statutory Reserve	38,206,182	34,843,080	According to Banks and Companies' Laws
External Branching Reserve	-	15,000,000	According to the Central Bank of Jordan's Instructions
Periodic Fluctuations Reserve	594,029	355,623	According to the Palestinian Monetary Authority's Instructions

## 28. Fair Value Reserve - Net

### The details are as follows:

	December 31,	
	2011	2010
Financial Assets at Fair Value Through Comprehensive Income	JD	JD
Balance - Beginning of the Year	-	-
The Effect of Applying IFRS (9)	2,909,596	-
Deferred Tax Liabilities	405,563	-
Net Unrealized (Losses) Transferred to the Consolidated Statement of Comprehensive Income	(1,358,969)	-
Balance - End of the Year	1,956,190	-

\* Fair value reserve is stated net of the deferred tax liabilities JD 841,406 as of December 31, 2011.

## 29. Cumulative Change in Fair Value - Net

The details are as follows:

	2011			2010		
	Available - for - Sale Investments			Available - for - Sale Investments		
	Shares	Bonds	Total	Shares	Bonds	Total
	JD	JD	JD	JD	JD	JD
Balance - Beginning of the Year	-	-	-	2,862,537	2,551,838	5,414,375
Unrealized (Losses)	-	-	-	(249,673)	(311,033)	(560,706)
Deferred Tax Liabilities	-	-	-	(29,596)	(598,674)	(628,270)
Net (Losses) Income Incurred and Transferred to the Consolidated Statement of Income	-	-	-	(753,839)	1,355,316	601,477
Impairment Transferred to the Consolidated Statement of Income	-	-	-	1,102,168	-	1,102,168
Balance - End of the Year	-	-	-	2,931,597	2,997,447	5,929,044

\* Cumulative change in fair value is stated net of deferred tax liabilities of JD 1,796,954 as of December 31, 2010.

## 30. Retained Earnings

The details of this item are as follows:

	2011	2010
	JD	JD
Balance – Beginning of the Year	22,257,522	19,008,280
The Effect of Applying IFRS (9)	(1,684,735)	-
Income for the Year	23,195,332	22,896,724
Distributed Dividends*	(11,000,000)	(10,989,822)
Loss from Sale of Treasury Shares	(136,671)	-
Other	-	(48,341)
Transfers to Reserves	(8,792,428)	(8,609,319)
Income from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	2,420,640	-
Balance – End of the Year	26,259,660	22,257,522

- Retained earnings include an amount of JD 3,932,863 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2011, (JD 4,355,662 as of December 31, 2010).

\* The Board of Directors resolved to recommend to the Bank's General Assembly to distribute 10% of the Bank's capital at the date of the General Assembly as cash dividends to the shareholders for the year 2011. Such distribution is subject to the approval of the Central Bank of Jordan and the General Assembly. Furthermore, the percentage of cash dividends was 10% of the capital in prior year, equivalent to JD 11 million, and 15% stock dividends.

### 31. Non-Controlling Interest

This item consists of the following:

	December 31, 2011			December 31, 2010		
	Percentage of Non-Controlling Interest*	Non-Controlling Interest Portion of Net Income	Non-Controlling Interest Portion of Net Assets	Percentage of Non-Controlling Interest*	Non-Controlling Interest Portion of Net Income	Non-Controlling Interest Portion of Net Assets
	%	JD	JD	%	JD	JD
Al-Ahli International Bank - Lebanon	2/110	46,592	1,732,644	2/110	110,320	1,685,187
		46,592	1,732,644		110,320	1,685,187

\* Non-controlling interest in the subsidiary's capital (Al-Ahli International Bank - Lebanon) is 2/110% for the year 2011, 2010 while maintaining 11/51% of capital prepayments.

### 32. Interest Income

This item consists of the following:

	2011	2010
	JD	JD
Direct Credit Facilities:		
Individuals (Retail):		
Current Accounts	1,361,297	1,616,866
Loans and Promissory Notes	24,498,427	21,060,888
Credit Cards	1,115,800	1,058,196
Real Estate Loans	7,193,373	5,641,674
Companies:		
Corporate:		
Current Accounts	6,554,043	6,760,581
Loans and Promissory Notes	34,621,752	33,249,037
Small and Medium Companies:		
Current Accounts	4,839,160	3,938,639
Loans and Promissory Notes	12,513,267	10,261,494
Government and Public Sector	771,593	1,515,790
Balances at Central Banks	2,085,228	4,096,190
Balances and Deposits at Banks and Financial Institutions	3,004,511	4,099,667
Financial Assets at Fair Value Through Profit or Loss	1,119,397	-
Financial Assets Measured at Amortized Cost	26,994,684	-
Available-for-Sale Financial Assets	-	19,160,974
Held-to-Maturity Financial Assets	-	10,532,690
<b>Total</b>	<b>126,672,532</b>	<b>122,992,686</b>

### 33. Interest Expense

This item consists of the following:

	2011	2010
	JD	JD
Banks and Financial Institutions Deposits	2,923,368	2,904,954
Customers Deposits:		
Current and Demand Deposits	214,144	438,812
Saving Accounts	685,328	636,959
Time and Notice Deposits	36,507,325	39,855,667
Certificates of Deposit	887,148	845,878
Cash Margins	4,933,491	3,947,554
Borrowed Funds	35,583	99,588
Loan Guarantee Fees	2,311,586	2,077,988
<b>Total</b>	<b>48,497,973</b>	<b>50,807,400</b>

### 34. Commissions Revenue - Net

This item consists of the following:

	2011	2010
	JD	JD
Credit Commissions:		
Direct Credit Facilities	6,655,984	8,955,029
Indirect Credit Facilities	6,747,562	6,527,079
Other Commissions	7,646,111	6,858,250
(Less): Commissions Paid	(535,470)	(630,613)
Net Commissions Revenue	20,514,187	21,709,745

### 35. Foreign Exchange Income

This item consists of the following:

	2011	2010
	JD	JD
As a Result of Trading	952,569	1,021,038
As a Result of Evaluation	3,311,576	2,098,585
<b>Total</b>	<b>4,264,145</b>	<b>3,119,623</b>

### 36. (Loss) from Trading Financial Assets

This item consists of the following:

	Realized Profit (Loss)	Unrealized (Loss)	Dividends	Total
December 31, 2011	JD	JD	JD	JD
Companies' Shares	-	-	-	-
	-	-	-	-
December 31, 2010				
Companies' Shares	1,307	(280,357)	-	(279,050)
	1,307	(280,357)	-	(279,050)

### 37. (Loss) from Financial Assets at Fair Value through Profit or Loss

	Realized Profit	Unrealized (Loss)	Dividends	Total
December 31, 2011	JD	JD	JD	JD
Companies' Shares	(14,677)	(77,540)	13,056	(79,161)
Bonds	60,269	(854,137)	-	(793,868)
	45,592	(931,677)	13,056	(873,029)
December 31, 2010				
Companies' Shares	-	-	-	-
	-	-	-	-



## 38. Gain from Available-for-Sale Financial Assets

This item consists of the following:

	2011	2010
	JD	JD
Dividends Income from Companies' Share	-	1,315,535
Income from the Sale of Available-for-Sale Financial Assets	-	3,073,601
(Less): Impairment of Available-for-Sale Financial Assets	-	(1,102,168)
	-	3,286,968

## 39. Other Revenue

This item consists of the following:

	2011	2010
	JD	JD
Interest in Suspense Recovered*	2,513,028	2,391,802
Brokerage Commission Income	239,494	552,323
Income from Sale of Properties and Equipment	403,512	775,093
Recovery of Debts Previously Written-off**	2,337,014	1,038,995
Income from Managing Investment Portfolios	577	2,924
Income from Check Books	266,867	211,561
Rental Income of Bank's Real Estate	329,675	305,282
Recovery of Real Estate Impairment Provision	400,552	88,974
Rental Income of Safe Deposit Boxes	125,575	106,972
Income from Cash Boxes Differences	17,886	14,638
Income from Credit Cards	66,382	83,060
Income from Student Fees	493,524	383,997
Other	1,258,253	518,390
	8,452,339	6,474,011

\* The following are the details of recovered interest in suspense:

	2011	2010
	JD	JD
Recovered Interest in Suspense	2,358,856	2,347,988
Interest in Suspense from Debts Written-off	154,172	43,814
	2,513,028	2,391,802

\*\* This account represents what has been recovered from debts fully provided for in previous years.

## 40. Employees' Expenses

This item consists of the following:

	2011	2010
	JD	JD
Salaries, Bonuses and Employees' Benefits	27,294,836	25,880,287
Bank's Contribution to Social Security	2,491,519	2,287,829
Bank's Contribution to Staff Provident Fund	1,436,046	1,327,982
Medical	1,245,411	1,168,269
End-of-Service Indemnity	836,651	590,571
Training	490,563	253,004
Travel Expenses	420,548	421,109
Employees' Life Insurance	155,864	196,517
Employees Meals	153,668	190,998
Employees Uniforms	54,041	22,405
	34,579,147	32,338,971

## 41. Other Expenses

This item consists of the following:

	2011	2010
	JD	JD
Fees and Subscriptions	2,175,310	2,524,864
Maintenance and Repair	3,831,007	3,445,410
Advertisement	3,599,966	2,974,858
Printing and Stationery	1,283,624	1,220,271
Rent and Key Money	1,442,946	1,272,762
Studies, Research and Consulting	205,678	193,141
Insurance Expenses	920,447	1,067,650
Water, Electricity and Heating	1,001,192	959,176
Legal Fees	1,040,035	1,046,904
Donations	567,577	695,398
Transportation	811,787	787,385
Telecommunication	675,835	530,341
Miscellaneous	340,213	438,597
General Assembly Meeting	394,149	338,471
Security	336,338	279,776
Professional Fees	337,713	309,951
Fees, Taxes and Stamps	255,042	260,983
Entertainment	127,267	127,029
Appraisal Expenses of Land and Real Estate	28,256	49,077
Cash Boxes Difference	4,990	6,131
Provision for Litigations	730,664	21,900
Losses on Real Estate Sales	46,441	14,993
Real Estate Impairment Losses	104,407	695,968
Jordanian Universities' Fees	-	233,699
Board of Directors' Remunerations	65,000	65,000
	20,325,884	19,559,735

## 42. Earnings per Share for Bank's Shareholders

The details of this items are as follows:

	2011	2010
	JD	JD
Income for the Year	23,195,332	22,896,724
Weighted Average Number of Shares	126,500,000	126,500,000
Earnings Per Share - Bank Shareholders:		
Basic	-/183	-/181
Income for the Year	23,195,332	22,896,724
Weighted Average Number of Shares Authorized*	150,000,000	126,500,000
Earnings Per Share - Bank Shareholders:		
Diluted	-/155	-/181

\* The weighted average number of shares has been calculated for the diluted earnings per share attributable to the Bank's shareholders for the number of authorized shares for the year 2011. The weighted average number of shares for the year 2010 has been adjusted on the assumption that the increase in the Bank's capital had a retroactive effect.

The following is a comparison for the calculation of earnings per share for the year after the implementation of International Financial Reporting Standard (9) "Financial Instruments" resulting from the reclassification of investments and the measurement of its fair value in accordance with the standard, and the earnings per share for the year had the Bank continued to implement International Accounting Standard (39) "Recognition and Measurement" and not IFRS (9):

	IFRS	IAS
	(9)	(39)
	JD	JD
Income for the Year	23,195,332	24,125,594
Weighted Average Number of Shares	126,500,000	126,500,000
Earnings Per Share for the Year - Attributable to the Bank's Shareholders:		
Basic	-/183	-/191
Diluted	-/155	-/161

### 43. Cash and Cash Equivalents

The details of this items are as follows:

	2011 JD	2010 JD
Cash and Balances at Central Banks Maturing Within 3 Months	335,196,763	382,480,708
Add: Balances at Banks and Financial Institutions Due Within 3 Months	285,931,162	304,422,625
Less: Banks and Financial Institutions Deposits Due Within 3 Months	(195,088,886)	(201,660,276)
Restricted Balances	(71,121)	(208,280)
	425,967,918	485,034,777

### 44. Related Party Balances and Transactions

The consolidated financial statements include the financial statements of the Bank and the following subsidiary companies:

Company Name	Equity Ratio %	Capital of the Company	
		2011 JD	2010 JD
Al-Ahli International Bank - Lebanon	97/889	14,015,390	14,015,390
Ahli Micro Finance Company	100	3,500,000	2,500,000
Zarqa National College Company	100	800,000	800,000
Ahli Financial Leasing Company	100	10,000,000	20,000,000
Ahli Financial Brokerage Company	100	15,000,000	20,000,000

The Bank entered into transactions with sister companies, major shareholders, Board of Directors, and executive management within the normal banking practice according to the normal interest rates.

On-Consolidated Statement of Financial Position Items:	Related Party				Total December 31, 2011 JD
	Associates JD	Board of Directors' Members JD	Executive Management JD	Other* JD	
Credit Facilities	1,814,976	6,101,144	4,405,955	64,808,172	77,130,247
Customers' Deposits	13,406,895	29,611,335	3,376,227	21,478,005	67,872,462
Cash Margins	106,350	-	22,096	2,058,929	2,187,375
Off-Consolidated Statement of Financial Position Items:					
Letters of Guarantee	50,000	781	9,500	3,811,036	3,871,317
Consolidated Statement of Income:					
Interest and Commissions Income	80,262	178,230	219,523	3,730,463	4,208,478
Interest and Commissions Expense	291,780	2,313,618	66,382	641,384	3,313,164

On-Consolidated Statement of Financial Position Items:	Related Party				Total
	Associates	Board of Directors' Members	Executive Management	Other*	December 31, 2010
	JD	JD	JD	JD	JD
Credit Facilities	855,855	2,436,950	3,617,874	70,860,443	77,771,122
Customers' Deposits	7,323,657	27,896,135	2,707,660	16,390,620	54,318,072
Cash Margins	-	-	95,813	1,367,761	1,463,574
Off-Consolidated Statement of Financial Position Items:					
Letters of Guarantee	-	801	3,000	4,359,349	4,363,150
Consolidated Statement of Income:					
Interest and Commissions Income	11,539	166,596	189,392	3,221,275	3,588,802
Interest and Commissions Expense	304,041	458,191	86,663	383,003	1,231,898

- The salaries of the executive management of the Bank and its subsidiaries amounted to JD 4,977,915 for the year 2011 (JD 4,447,435 for the year 2010), in addition to bonuses and incentives relating to performance.

\* This item represents companies partially owned by members of the Bank's Board of Directors, executive management and shareholders.

#### 45. Financial instruments that do not appear at fair value consolidated financial statements

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities as at the end of 2011 and 2010.

#### 46. Risk Management

The Bank's risk management conducts its activities (identification, measurement, management, monitoring, and controlling) through applying the best international practices in connection with risk management, administrative organization, and risk management tools in accordance with the size of the Bank, its activities, and types of risks it is exposed to.

The organizational structure of the Bank is integrated by risk management control according to each level. Moreover, the Corporate Governance Committee, at the Board of Directors' level, decides on the Bank's risk policy and strategy, and ensures the management of risk. This is to ensure setting up and controlling the policies and instructions at an appropriate level for the types of risks the Bank is exposed to until the achievement of the acceptable return for the shareholders without impacting the Bank's financial strength. In this context, the work of the Risk Management Department is complemented by the work of the committees of executive management such as the Assets and Liabilities Committee and the Credit Facilities Committee.

## (46/a) Credit Risk

The Bank's operations involve the Bank's exposure to many risks such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank which causes losses. An important duty of the Bank and its management is to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within a balanced relationship among risk, return, and liquidity. Credit management at the Bank is conducted by several committees from higher management and executive management. Moreover, credit facilities ceilings that can be granted to one client (individual or corporate) or related parties are specified in compliance with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed while taking into consideration the geographic area in a manner that achieves congruence among risks, returns, and the optimal utilization of the available resources and the enhancement of the Bank's ability to diversify lending and allocate it to customers and economic sectors.

The Bank monitors credit risks through periodically evaluating the credit standing of customers in accordance with the credit customers evaluation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons, in addition to obtaining proper guarantees from customers for the cases requiring that according to each customer's risk level and extension of additional credit facilities.

Moreover, the Bank monitors credit risk and is continuously evaluating the credit standing of customers, in addition to obtaining proper guarantees from its customers.

The Bank's credit risk management policy includes the following:

### 1. Specifying Credit Ceilings and Concentrations:

The credit policy includes specific and clear ratios for the maximum credit that can be granted to a customer. Moreover, there are ceilings for the credit grantable by each administrative level.

### 2. Determining the Risk Mitigation Methods:

The Bank's risk management activity depends on several methods to mitigate risk as the following:

- Collaterals and their convertibility to cash and coverage of the credit granted.
- Preapproval of the credit facilities committee on the extension of credit.
- Credit approval authority varies from one management level to another based on the customer's portfolio size, maturity, and customer's risk degree.

### 3. Mitigating the Assets and Liabilities Concentration Risk:

The Bank works efficiently to manage this risk. Moreover, its annual plan includes the well-studied distribution of credit focusing on the most promising sectors, in addition, to distributing it to several geographic areas inside and outside the kingdom.

### 4. Studying, Monitoring, and Following Up on Credit:

The Bank developed the necessary policies and procedures to determine the study method of credit, maintaining the objectivity and integrity of decision – making, and ensuring that credit risk is accurately evaluated, properly approved, and continuously monitored.

The credit policy general framework includes setting up credit approval authorities and clarifying credit limits and the method of determining the risk degree.



The Bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards the credit terms, soundness of the credit decision, implementation of all credit extension terms, adherence to the credit ceilings and determinants in the credit policy, and other related matters.

Moreover, there are specific procedures for following up on performing credit facilities to keep them performing and non-performing credit facilities to treat them.

The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside the kingdom. Moreover, the Bank adopts a specific policy that shows the credit ceilings granted to banks and countries with high credit rating and reviews them continuously through the Assets and Liabilities Committee to distribute risks and utilize credit evaluation. The investment policy specifies the investment allocation ratios and their determinants so that they are distributed in a manner that achieves a high return and lowers risks.

### Credit risk exposure (less impairment and interest in suspense and before guarantees and other risk - mitigating factors):

	December 31,	
	2011 JD	2010 JD
On the Consolidated Statement of Financial Position Items		
Balances at the Central Banks	314,522,130	375,614,700
Balances at Banks and Financial Institutions	285,931,162	311,750,348
Deposits at Banks and Financial Institutions	15,319,506	853,478
Direct Credit Facilities:		
Individuals	353,125,993	300,986,287
Property Loans	93,609,705	71,092,418
Companies:		
Corporate	526,734,391	515,776,097
Small and Medium Companies	191,532,488	151,299,816
Government and Public Sector	13,225,618	27,097,386
Bonds and Bills:		
Financial Assets at Fair Value Through Profit or Loss	19,529,164	-
Included in Available-for-Sale Financial Assets	-	275,252,425
Included in Held-to-Maturity Financial Assets	-	264,482,488
Included in Financial Assets Measured at Amortized Cost	570,589,172	-
Other Assets	12,007,504	9,660,379
<b>Total</b>	<b>2,396,126,833</b>	<b>2,303,865,822</b>
Off-Consolidated Statement of Financial Position Items		
Letters of Guarantee	184,923,925	206,750,870
Letters of Credit	121,205,599	87,012,412
Letters of Acceptance	52,098,513	47,620,914
Unutilized Facility Ceilings	86,851,195	65,300,139
<b>Total</b>	<b>445,079,232</b>	<b>406,684,335</b>

The types of guarantees against the loans and credit facilities are as follows:

- Real Estate mortgages
- Mortgage of financial instruments such as shares
- Bank guarantees
- Cash collaterals
- Government guarantee

**Credit exposures according to the degree of risk are categorized according to the following table:**

	Companies							Total
	Individuals	Real Estate Loans	Corporate	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	Others	
As of December 31, 2011	JD	JD	JD	JD	JD	JD	JD	JD
Low Risk	95,712,827	3,665,552	60,808,844	35,452,553	893,303,776	-	-	1,088,943,552
Acceptable Risk	229,972,463	84,500,272	304,131,964	145,263,662	2,324,864	301,250,668	34,244,948	1,101,688,841
Of Which Is Due								
Within 30 Days	14,852	-	16,520	27,140	-	-	-	58,512
From 31 to 60 Days	11,341	-	41,983	42,853	-	-	-	96,177
Under Watch	5,864,329	3,356,625	138,222,589	17,304,028	-	-	-	164,747,571
Non-Performing:								
Below Level	2,775,755	337,631	1,987,263	2,388,125	-	-	-	7,488,774
Allowance Provided	15,199,645	926,984	20,609,459	12,105,627	-	-	-	48,841,715
Bad Debt	25,625,997	4,144,143	74,126,619	16,060,334	-	-	-	119,957,093
<b>Total</b>	<b>375,151,016</b>	<b>96,931,207</b>	<b>599,886,738</b>	<b>228,574,329</b>	<b>895,628,640</b>	<b>301,250,668</b>	<b>34,244,948</b>	<b>2,531,667,546</b>
Less: Interest in Suspense	4,116,114	1,467,209	17,217,360	24,675,300	-	-	-	47,475,983
Impairment Provision	17,908,909	1,854,293	55,934,987	12,366,541	-	-	-	88,064,730
<b>Net</b>	<b>353,125,993</b>	<b>93,609,705</b>	<b>526,734,391</b>	<b>191,532,488</b>	<b>895,628,640</b>	<b>301,250,668</b>	<b>34,244,948</b>	<b>2,396,126,833</b>

	Companies							Total
	Individuals	Real Estate Loans	Corporate	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	Others	
As of December 31, 2010	JD	JD	JD	JD	JD	JD	JD	JD
Low Risk	100,971,868	5,737,463	47,593,459	26,238,637	934,826,637	-	-	1,115,368,064
Acceptable Risk	172,563,708	61,747,065	270,516,460	107,509,733	-	312,603,826	17,280,741	942,221,533
Of Which Is Due								
Within 30 Days	42,237	-	-	-	-	-	-	42,237
From 31 to 60 Days	44,316	-	29,945	-	-	-	-	74,261
Under Watch	5,703,588	-	177,758,168	17,229,918	-	-	-	200,691,674
Non-Performing:								
Below Level	14,197,203	546,761	2,517,959	1,596,236	-	-	-	18,858,159
Allowance Provided	14,958,012	1,063,904	23,217,732	9,494,490	-	-	-	48,734,138
Bad Debt	17,119,467	5,719,994	54,818,512	29,188,099	-	-	-	106,846,072
<b>Total</b>	<b>325,513,846</b>	<b>74,815,187</b>	<b>576,422,290</b>	<b>191,257,113</b>	<b>934,826,637</b>	<b>312,603,826</b>	<b>17,280,741</b>	<b>2,432,719,640</b>
Less: Interest in Suspense	9,394,584	1,272,299	13,776,640	22,971,306	-	-	-	47,414,829
Impairment Provision	15,132,975	2,450,470	46,869,553	16,985,991	-	-	-	81,438,989
<b>Net</b>	<b>300,986,287</b>	<b>71,092,418</b>	<b>515,776,097</b>	<b>151,299,816</b>	<b>934,826,637</b>	<b>312,603,826</b>	<b>17,280,741</b>	<b>2,303,865,822</b>

**Credit exposures according to the fair value of the collaterals held against credit facilities are as follows:**

As of December 31, 2011	Companies					Total
	Individuals	Real Estate Loans	Corporate	Small and Medium Companies	Government and Public Sector	
	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low Risk	92,316,672	3,665,552	62,859,653	35,366,686	3,931,849	198,140,412
Acceptable Risk	217,485,209	84,213,308	290,155,768	135,324,567	2,324,864	729,503,716
Under Watch	6,360,659	144,088	9,925,097	2,760,940	-	19,190,784
Non-Performing:						
Below Level	1,716,692	321,412	6,476,683	3,825,280	-	12,340,067
Allowance Provided	13,806,694	1,121,894	18,717,598	10,016,048	-	43,662,234
Bad Debt	5,790,685	4,570,892	23,286,043	9,032,262	-	42,679,882
<b>Total</b>	<b>337,476,611</b>	<b>94,037,146</b>	<b>411,420,842</b>	<b>196,325,783</b>	<b>6,256,713</b>	<b>1,045,517,095</b>
Of It: Cash Margins	81,809,716	59,121	77,726,296	58,700,724	-	218,295,857
Accepted Letters of Guarantee	76,879	-	18,859,453	851,994	-	19,788,326
Real Estate	179,835,775	94,096,267	272,331,428	44,886,897	-	591,150,367
Quoted Stocks	11,261,434	-	9,797,342	689,980	-	21,748,756
Vehicles and Equipment	12,947,936	-	4,632,789	1,781,168	-	19,361,893
<b>Total</b>	<b>285,931,740</b>	<b>94,155,388</b>	<b>383,347,308</b>	<b>106,910,763</b>	<b>-</b>	<b>870,345,199</b>

	Companies					Total
	Individuals	Real Estate Loans	Corporate	Small and Medium Companies	Government and Public Sector	
As of December 31, 2010	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low Risk	99,991,963	4,993,082	48,831,202	26,178,386	16,693,914	196,688,547
Acceptable Risk	178,861,821	62,391,593	246,970,163	106,981,717	-	595,205,294
Under Watch	3,316,537	-	16,254,182	39,839	-	19,610,558
Non-Performing:						
Below Level	7,303,747	707,855	1,680,068	840,781	-	10,532,451
Allowance Provided	12,686,463	1,173,088	23,194,283	8,888,801	-	45,942,635
Bad Debt	5,413,643	4,695,878	33,089,429	14,973,492	-	58,172,442
<b>Total</b>	<b>307,574,174</b>	<b>73,961,496</b>	<b>370,019,327</b>	<b>157,903,016</b>	<b>16,693,914</b>	<b>926,151,927</b>
Of It: Cash Margins	66,055,208	217,325	43,103,432	54,579,297	-	163,955,262
Accepted Letters of Guarantee	123,163	-	27,002,785	1,796,855	4,268,624	33,191,427
Real Estate	124,646,608	73,667,321	93,624,002	23,120,351	-	315,058,282
Quoted Stocks	28,412,461	-	366,068	424,349	-	29,202,878
Vehicles and Equipment	21,836,976	76,850	14,047,611	4,086,543	-	40,047,980
<b>Total</b>	<b>241,074,416</b>	<b>73,961,496</b>	<b>178,143,898</b>	<b>84,007,395</b>	<b>4,268,624</b>	<b>581,455,829</b>

The Bank's management monitors the market value of these guarantees periodically. In case the value of the guarantee declines, the Bank requests additional guarantees to cover the shortage. Moreover, the Bank evaluates the guarantees against non-performing credit facilities periodically.

### Scheduled Debts:

These are the debts that have been previously classified as non-performing credit facilities but taken out therefrom according to proper scheduling. These debts have been classified as watch list and amounted to JD 32,018,121 for the year 2011 (JD 21,393,310 for the year 2010).

### Restructured Debts:

Restructuring means rearranging credit facilities through adjusting the installments, prolonging the credit facilities, postponing some installments, or extending the grace period. These debts have been classified as watch list restructured debts amounted to JD 6,514,035 for the year 2011 (JD 14,832,259 for the year 2010).

### Bonds, Bills, and Debentures:

The following table illustrates the classification of bonds, bills, and debentures according to external rating institutions:

### As of December 31, 2011

Rating Grade	Rating Institution	Within Financial Assets at Fair Value Through Profit or Loss	Within Financial Assets at Fair Value Through Other Comprehensive Income	Within Financial Assets Measured at Amortized Cost	Total
		JD	JD	JD	JD
A	FITCH	7,023,199	-	-	7,023,199
A+	FITCH	-	-	709,000	709,000
A-3	S & P	5,465,794	-	-	5,465,794
AA3	MOODYS	1,451,408	-	-	1,451,408
Unclassified	-	-	-	1,999,280	1,999,280
Governmental	Governmental & Government Guaranteed Bonds	5,588,763	-	567,880,892	573,469,655
<b>Total</b>		<b>19,529,164</b>	<b>-</b>	<b>570,589,172</b>	<b>590,118,336</b>

### As of December 31, 2010

Rating Grade	Rating Institution	Within Trading Financial Assets	Within Available-for-Sale Financial Assets	Within Held-to-Maturity Financial Assets	Total
		JD	JD	JD	JD
AA	FITCH	-	1,413,037	-	1,413,037
A-1	S & P	-	1,432,145	-	1,432,145
A-3	S & P	-	1,492,953	-	1,492,953
AA3	MOODYS	-	-	709,000	709,000
BB-	-	-	117,291,290	90,200,262	207,491,552
Unclassified	-	-	-	2,573,226	2,573,226
Governmental	Governmental and Government – Guaranteed Bonds	-	153,623,000	171,000,000	324,623,000
<b>Total</b>		<b>-</b>	<b>275,252,425</b>	<b>264,482,488</b>	<b>539,734,913</b>

## Concentration on Credit Risk Exposure According to Geographical Areas:

Geographical Area	Inside Jordan	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at the Central Banks	217,664,470	95,060,585	1,797,075	-	-	-	314,522,130
Balances at Banks and Financial Institutions	70,089,886	59,219,968	114,980,153	254,015	41,387,140	-	285,931,162
Deposits at Banks and Financial Institutions	14,963,000	354,292	2,214	-	-	-	15,319,506
Credit Facilities:							
To Individuals	265,354,825	87,439,402	331,766	-	-	-	353,125,993
Property Loans	91,637,000	1,972,705	-	-	-	-	93,609,705
Corporate	450,418,119	30,352,499	45,963,773	-	-	-	526,734,391
Small and Medium Companies	178,550,972	12,718,148	263,368	-	-	-	191,532,488
Government and Public Sector	2,679,364	6,968,905	3,577,349	-	-	-	13,225,618
Bonds, Bills, and Debentures:							
Financial Assets at Fair Value Through Profit or Loss	-	19,529,164	-	-	-	-	19,529,164
Financial Assets at Fair Value Through other Comprehensive Income	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	312,804,296	257,075,876	-	-	709,000	-	570,589,172
Other Assets	9,920,375	2,017,924	69,205	-	-	-	12,007,504
<b>Total 2011</b>	<b>1,614,082,307</b>	<b>572,709,468</b>	<b>166,984,903</b>	<b>254,015</b>	<b>42,096,140</b>	<b>-</b>	<b>2,396,126,833</b>
<b>Total 2010</b>	<b>1,512,751,914</b>	<b>112,950,562</b>	<b>668,582,858</b>	<b>52,977</b>	<b>9,527,511</b>	<b>-</b>	<b>2,303,865,822</b>

\* Excluding Middle East Countries



## Concentration on Credit Risk Exposure According to Economic Sector:

Economic Sector	Financial	Industrial	Trade	Real Estate	Agriculture	Shares	Individuals	Government and Public Sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at the Central Banks	-	-	-	-	-	-	-	314,522,130	-	314,522,130
Balances at Banks and Financial Institutions	285,931,162	-	-	-	-	-	-	-	-	285,931,162
Deposits at Banks and Financial Institutions	15,319,506	-	-	-	-	-	-	-	-	15,319,506
Credit Facilities	182,552,060	119,130,497	501,265,104	151,278,844	9,446,838	-	267,602,219	13,225,618	69,267,728	1,313,768,908
Bonds, Bills, and Debentures:										
Financial Assets at Fair Value Through Profit or Loss	19,529,164	-	-	-	-	-	-	-	-	19,529,164
Financial Assets Measured at Amortized Cost	570,589,172	-	-	-	-	-	-	-	-	570,589,172
Other Assets	12,007,504	-	-	-	-	-	-	-	-	12,007,504
<b>Total 2011</b>	<b>1,085,928,568</b>	<b>119,130,497</b>	<b>501,265,104</b>	<b>151,278,844</b>	<b>9,446,838</b>	<b>-</b>	<b>267,602,219</b>	<b>327,747,748</b>	<b>69,267,728</b>	<b>2,531,667,546</b>

<b>Total 2010</b>	<b>1,034,643,490</b>	<b>108,835,206</b>	<b>427,349,530</b>	<b>146,002,257</b>	<b>10,284,369</b>	<b>3,660,943</b>	<b>258,773,885</b>	<b>402,712,086</b>	<b>40,457,874</b>	<b>2,432,719,640</b>
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### (46/b) Market Risk

Market risk is the potential losses that may arise from the changes in market prices such as the change in interest rates, foreign currency exchange rates, and equity instrument prices, and consequently, the change in the fair value of the cash flows of the on - and off - the consolidated statement of financial position instruments.

Within the Bank's investment policy approved by the Board of Directors, acceptable risks are set and monitored monthly by the Assets and Liabilities Committee which provides guidance and recommendations thereon. Moreover, the available systems calculate the effect of the fluctuations in interest rates, exchange rates, and share prices.

### **- Interest Rate Risk:**

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the fair value of financial instruments. The Bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities according to the various time limits or review of interest rates in a certain period. Moreover, the Bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy.

The Bank is exposed to interest rate risks as a result of the timing gaps of repricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee through reviewing the report to identify interest rate risks in the short-and long-terms and take the proper decisions to restrict these risks in light of the expectations of the interest rate trend through using all or some of the following methods:

- Repricing deposits and/or loans.
- Changing the maturities and size of the assets and liabilities sensitive to interest rates.
- Buying or selling financial investments.
- Using financial derivatives for interest rate hedging purposes.

## Sensitivity Analysis:

### Interest Rate Risk

December 31, 2011	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	2,730,145	1,322,618
Euro	1	240,591	32,269
GBP	1	54,260	360
Yen	1	37,464	366
Other Currencies	1	1,016,014	935,685

December 31, 2011	Change (Decrease) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	(2,730,145)	(1,322,618)
Euro	1	(240,591)	(32,269)
GBP	1	(54,260)	(360)
Yen	1	(37,464)	(366)
Other Currencies	1	(1,016,014)	(935,685)

December 31, 2010	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	1,582,916	1,150,473
Euro	1	105,442	31,335
GBP	1	23,001	69
Yen	1	8,190	69
Other Currencies	1	1,000,272	968,949

December 31, 2010	Change (Decrease) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	(1,582,916)	(1,150,473)
Euro	1	(105,442)	(31,335)
GBP	1	(23,001)	(69)
Yen	1	(8,190)	(69)
Other Currencies	1	(1,000,272)	(968,949)

## Currencies Risk

The following table illustrates the currencies to which the Bank is exposed and the potential and reasonable change in their rates against the Jordanian Dinar and the related impact on the profit and loss statements. The currencies positions are monitored daily to ensure that they are within the determined limits. Moreover, the related reports are submitted to the management.

Currency	Change in Foreign Currency Rate	December 31, 2011	
		Effect on Profit & Loss	Effect on Owners' Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	32,164	-
GBP	5	3,044	-
Yen	5	(25,755)	-
Other currencies	5	106,914	-

Currency	Change in Foreign Currency Rate	December 31, 2010	
		Effect on Profit & Loss	Effect on Owners' Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	53,094	-
GBP	5	12,099	-
Yen	5	(31,760)	-
Other currencies	5	67,001	-

## Foreign Currencies Risks

Within its approved investment policy, the Bank's Board of Directors sets up limits for the positions of all currencies at the Bank. These positions are monitored daily through the Treasury and Investment Department and are submitted to executive management to ensure the maintenance of the currencies positions within the approved limits. Moreover, the Bank follows the hedging policy to mitigate the risks of foreign currencies through financial derivatives.

## Risks of Changes in Shares Prices:

This represents the risk resulting from the decline in the fair value of the investment portfolio of the shares due to the changes in the value of the shares indicators and the change in the value of shares individually.

December 31, 2011			
Indicator	Change in Indicator (%)	Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5	11,527	105,430

December 31, 2010

Indicator	Change in Indicator (%)	Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5	28,848	358,486

### Shares Price Risk

The Board of Directors adopts a specific policy in diversifying investments in shares based on geographic and sectorial distribution at predetermined percentages monitored daily. According to this policy, it is recommended to invest in listed shares of well-reputed international markets that enjoy a high liquidity rate to face any risks that might arise there from.

### Interest Repricing Gap

The Bank adopts the policy of matching the amounts and maturities of assets and liabilities to narrow gaps through dividing assets and liabilities into several categories with different durations or interest rate review maturities, whichever are nearer. This policy reduces risks, includes a study of the related interest rate gaps, and uses hedging policies through developed tools. Classification is based on interest rate repricing periods or maturities, whichever are nearer.

## Interest rate sensitivity is as follows:

As of December 31, 2011	Up to 1 Month	More Than 1 Month up to 3 Months	More Than 3 Months up to 6 Months	More Than 6 Months up to 1 Year	From 1 Year up to 3 Years	More Than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Assets</b>								
Cash and Balances at the Central Banks	191,045,047	13,495,607	2,127,000	6,586,362	5,408,624	-	130,656,109	349,318,749
Balances at Banks and Financial Institutions	279,555,518	6,375,644	-	-	-	-	-	285,931,162
Deposits at Banks and Financial Institutions	-	-	15,319,506	-	-	-	-	15,319,506
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	22,122,155	22,122,155
Direct Credit Facilities - Net	55,108,182	193,676,353	86,460,817	141,690,530	240,194,074	425,675,427	35,422,812	1,178,228,195
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	22,282,330	22,282,330
Financial Assets Measured at Amortized Cost	3,292,206	23,293,152	205,780,339	63,924,613	108,661,292	165,637,570	-	570,589,172
Investments in Associates and Unconsolidated Subsidiary Company	-	-	-	-	-	-	11,665,838	11,665,838
Properties and Equipment - Net	-	-	-	-	-	-	52,743,439	52,743,439
Intangible Assets	-	-	-	-	-	-	3,741,207	3,741,207
Other Assets	-	-	-	-	-	-	100,794,379	100,794,379
Deferred Tax Assets	-	-	-	-	-	-	3,932,863	3,932,863
<b>Total Assets</b>	<b>529,000,953</b>	<b>236,840,756</b>	<b>309,687,662</b>	<b>212,201,505</b>	<b>354,263,990</b>	<b>591,312,997</b>	<b>383,361,132</b>	<b>2,616,668,995</b>
<b>Liabilities</b>								
Banks and Financial Institutions Deposits	165,350,388	29,738,498	155,472,936	-	-	-	-	350,561,822
Customers' Deposits	713,321,546	243,328,952	146,666,079	123,181,574	125,423,298	-	353,337,988	1,705,259,437
Cash Margins	23,937,747	45,376,193	33,918,715	28,313,525	110,831,940	6,543	-	242,384,663
Borrowed Funds	-	-	-	-	7,735,444	-	-	7,735,444
Various Provisions	-	-	-	-	-	-	4,837,754	4,837,754
Provision for Income Tax	-	-	-	-	-	-	9,704,710	9,704,710
Deferred Tax Liabilities	-	-	-	-	-	-	841,406	841,406
Other Liabilities	-	-	-	-	-	-	40,464,512	40,464,512
<b>Total Liabilities</b>	<b>902,609,681</b>	<b>318,443,643</b>	<b>336,057,730</b>	<b>151,495,099</b>	<b>243,990,682</b>	<b>6,543</b>	<b>409,186,370</b>	<b>2,361,789,748</b>
Interest Rate Repricing Gap	(373,608,728)	(81,602,887)	(26,370,068)	60,706,406	110,273,308	591,306,454	(25,825,238)	254,879,247
<b>As of December 31, 2010</b>								
Total Assets	637,817,966	219,871,846	114,413,484	201,157,979	519,592,127	463,246,839	363,563,986	2,519,664,227
Total Liabilities	887,160,863	311,005,514	183,010,979	131,190,410	383,384,025	64,350	395,179,863	2,290,996,004
Interest Rate Repricing Gap	(249,342,897)	(91,133,668)	(68,597,495)	69,967,569	136,208,102	463,182,489	(31,615,877)	228,668,223

## Concentration in Foreign Currencies Risk:

As of December 31, 2011	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Assets:	JD	JD	JD	JD	JD	JD
Cash and Balances at the Central Banks	85,523,327	2,909,999	187,622	547	34,152,347	122,773,842
Balances at Banks and Financial Institutions	152,455,201	43,621,986	15,699,379	217,691	9,812,726	221,806,983
Deposits at Banks and Financial Institutions	5,319,506	-	-	-	-	5,319,506
Financial Assets at Fair Value Through Profit or Loss	19,529,164	-	-	-	-	19,529,164
Direct Credit Facilities - Net	242,873,221	3,864,535	38	306,964	42,689,463	289,734,221
Financial Assets at Fair Value Through Other Comprehensive Income	353,246	-	-	-	130,921	484,167
Financial Assets Measured at Amortized Cost	122,827,596	3,153,072	-	-	106,804,208	232,784,876
Investments in Associates and Unconsolidated Subsidiary Company	-	-	-	-	616,850	616,850
Properties and Equipment - Net	1,922,794	-	-	-	6,322,384	8,245,178
Intangible Assets	1,554,380	-	-	-	150,584	1,704,964
Other Assets	13,315,626	23,784	74,115	42,941	5,353,735	18,810,201
<b>Total Assets</b>	<b>645,674,061</b>	<b>53,573,376</b>	<b>15,961,154</b>	<b>568,143</b>	<b>206,033,218</b>	<b>921,809,952</b>

Liabilities:						
Banks and Financial Institutions Deposits	57,120,689	15,494,612	5,286,755	838,440	474,290	79,214,786
Customers' Deposits	406,507,019	19,891,818	7,937,926	148,284	288,933,064	723,418,111
Cash Margins	77,607,797	5,404,411	651,603	-	7,106,969	90,770,780
Various Provisions	37,213	-	-	-	1,168,294	1,205,507
Provision for Income Tax	-	-	-	-	508,182	508,182
Other Liabilities	7,055,474	437,569	213,852	531,774	3,090,917	11,329,586
<b>Total Liabilities</b>	<b>548,328,192</b>	<b>41,228,410</b>	<b>14,090,136</b>	<b>1,518,498</b>	<b>301,281,716</b>	<b>906,446,952</b>
Net Concentration on - the Consolidated Statement of Financial Position	97,345,869	12,344,966	1,871,018	(950,355)	(95,248,498)	15,363,000
Off-Consolidated Statement of Financial Position Contingent Liabilities	317,040,449	35,860,647	780,460	2,861,498	9,859,012	366,402,066

As of December 31, 2010						
Total Assets	663,483,641	57,003,801	20,536,607	532,229	179,485,565	921,041,843
Total Liabilities	653,984,109	54,932,613	20,276,069	900,091	174,565,242	904,658,124
Net Concentration on - the Consolidated Statement of Financial Position	9,499,532	2,071,188	260,538	(367,862)	4,920,323	16,383,719
Off-Consolidated Statement of Financial Position Contingent Liabilities	281,235,633	40,557,466	770,942	10,580,566	8,102,942	341,247,549



## **(46/c) Liquidity Risks**

Liquidity risk represents the Bank's inability to make available the necessary funding to fulfill its obligations on their maturities. To protect the Bank against these risks, management diversifies funding sources, manages assets and liabilities, matches their maturities, and maintains an adequate balance of cash and cash equivalents and marketable securities.

The Bank's liquidity management policy aims at enhancing the procurability of liquidity at the lowest costs possible. Through managing liquidity, the Bank seeks to maintain reliable and stable funding sources at a reasonable cost rate.

Management, measurement, and control of liquidity are conducted based on normal and emergency conditions. This includes analyses of the maturities of assets and various financial ratios.

### **Fund Sources:**

The Bank diversifies its funding sources to achieve financial flexibility and lower funding costs.

Moreover, the Bank has a large customer base comprising individuals and corporations. In addition, the Bank's ability to access cash markets, due to its financial strength, represents additional, available funding sources.

The existence of the Bank in most of the cities of the kingdom (50 branches) in addition to its branches in Palestine, Cyprus and its subsidiary company in Lebanon enable the Bank to diversify its funding sources and not to rely on one geographical area as a source of funding.

In order to comply with the instructions of the regulatory authorities, the Bank maintains part of its customers' deposits at central banks as a restricted cash reserve that cannot be utilized except for specified conditions and keeps liquidity ratios at levels higher than the minimum imposed by central banks in the countries in which the bank operate.

The contractual maturity dates of the assets and liabilities in the schedule have been determined based on the remaining period from the date of the consolidated statement of financial position until the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

- The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2011 and 2010:

2011	Up to 1 Month	More Than 1 Month up to 3 Months	More Than 3 Months up to 6 Months	More Than 6 Months up to 1 Year	From 1 Year up to 3 Years	More Than 3 Years	Without Maturity	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Banks and Financial Institutions Deposits	165,350,388	29,738,498	155,472,936	-	-	-	-	350,561,822
Customers' Deposits	1,066,659,534	243,328,952	146,666,079	123,181,574	125,423,298	-	-	1,705,259,437
Cash Margins	23,937,747	45,376,193	33,918,715	28,313,525	110,831,940	6,543	-	242,384,663
Borrowed Funds	-	-	-	-	7,735,444	-	-	7,735,444
Various Provisions	-	-	-	-	-	-	4,837,754	4,837,754
Income Tax Provision	-	-	-	-	-	-	9,704,710	9,704,710
Deferred Tax Liabilities	-	-	-	-	-	-	841,406	841,406
Other Liabilities	14,092,363	805,180	496,463	510,615	1,091,611	-	23,468,280	40,464,512
Total Liabilities	1,270,040,032	319,248,823	336,554,193	152,005,714	245,082,293	6,543	38,852,150	2,361,789,748
Total Assets	705,130,121	243,876,523	311,646,549	213,413,288	422,380,105	576,975,679	143,246,730	2,616,668,995

2010	Up to 1 Month	More Than 1 Month up to 3 Months	More Than 3 Months up to 6 Months	More Than 6 Months up to 1 Year	From 1 Year up to 3 Years	More Than 3 Years	Without Maturity	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Banks and Financial Institutions Deposits	187,863,913	13,796,363	123,291	4,963,000	150,000,000	-	-	356,746,567
Customers' Deposits	1,024,312,830	269,852,141	148,689,140	93,647,849	127,831,473	-	-	1,664,333,433
Cash Margins	17,556,720	27,357,010	34,198,548	32,355,181	105,343,599	64,350	-	216,875,408
Borrowed Funds	-	-	-	224,380	208,953	-	-	433,333
Various Provisions	-	-	-	-	-	-	4,106,336	4,106,336
Income Tax Provision	-	-	-	-	-	-	9,720,308	9,720,308
Deferred Tax Liabilities	-	-	-	-	-	-	1,796,954	1,796,954
Other Liabilities	13,689,630	1,600,927	332,336	355,422	378,952	669,616	19,956,782	36,983,665
Total Liabilities	1,243,423,093	312,606,441	183,343,315	131,545,832	383,762,977	733,966	35,580,380	2,290,996,004
Total Assets	856,620,750	230,463,186	118,132,202	208,707,615	561,588,873	461,310,825	82,840,776	2,519,664,227

## Off- Consolidated Statement of Financial Position items:

December 31, 2011	Up to One Year	More than One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	312,470,912	141,325	-	312,612,237
Unutilized credit facilities	86,851,195	-	-	86,851,195
Letters of guarantee	170,884,166	14,039,759	-	184,923,925
Total	570,206,273	14,181,084	-	584,387,357

December 31, 2010	Up to One Year	More than One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	278,657,205	914,901	-	279,572,106
Unutilized credit facilities	65,300,139	-	-	65,300,139
Letters of guarantee	192,376,758	14,374,112	-	206,750,870
Total	536,334,102	15,289,013	-	551,623,115

## 47. Sectors Analysis

### a. Information on the Bank's Activity Sectors

For management purposes, the Bank is organized into three major activity sectors in addition to financial brokerage and consultation services through Al – Ahli Financial Brokerage Company.

- **Accounts of individuals:** include following up on individual customers deposits, granting them loans, debts, credit cards, and other services.
- **Accounts of corporations:** include following up on deposits, credit facilities, and other banking services relating to corporations.
- **Treasury:** includes providing dealing, treasury, and fund management services.
- **Financial brokerage services:** practicing most of the financial brokerage and consultation services.

The following table represents information on the Bank's sectors according to activities:

							Total	
	Individuals	Small and Medium Companies	Institutional Funding	Treasury	Investments and Foreign Currencies	Others	2011	2010
	JD	JD	JD	JD	JD	JD	JD	JD
Gross Revenue	38,774,245	17,452,511	40,094,813	9,771,087	593,586	5,155,202	111,841,444	106,496,583
Provision for Impairment in Direct Credit Facilities	(4,525,701)	(1,515,211)	(9,591,395)	-	-	-	(15,632,307)	(14,368,356)
Results of Business Sector	34,248,544	15,937,300	30,503,418	9,771,087	593,586	5,155,202	96,209,137	92,128,227
Distributed Expenses	(28,086,487)	(11,094,640)	(16,171,473)	(3,096,754)	(1,060,732)	(2,422,755)	(61,932,841)	(57,753,220)
Bank's Share of Associates Company's (Loss) Gain	-	-	-	-	(645,278)	-	(645,278)	54,413
Income for the Year Before Taxes	6,162,057	4,842,660	14,331,945	6,674,333	(1,112,424)	2,732,447	33,631,018	34,429,420
Income Tax							(10,389,094)	(11,422,376)
Income for the Year							23,241,924	23,007,044

a. Additional Information							December 31,	
							2011	2010
							JD	JD
Sector's Assets	404,496,777	230,240,817	553,553,932	1,202,424,472	44,483,065	69,009,715	2,504,208,778	2,424,039,355
Investments in Associates and Unconsolidated Subsidiary Company Assets Not Distributed over Sectors	-	-	-	-	-	11,665,838	11,665,838	9,511,116
Total Assets	404,496,777	230,240,817	553,553,932	1,202,424,472	44,483,065	181,469,932	2,616,668,995	2,519,664,227
Sector's Liabilities	1,091,854,201	346,059,053	434,720,535	382,910,484	-	65,780,963	2,321,325,236	2,254,012,339
Liabilities Not Distributed over Sectors	-	-	-	-	-	40,464,512	40,464,512	36,983,665
Total Liabilities	1,091,854,201	346,059,053	434,720,535	382,910,484	-	106,245,475	2,361,789,748	2,290,996,004
Capital Expenditures							5,707,117	5,290,083
Depreciation and Amortization							6,402,472	5,854,514

## b. Information on the Geographical Allocation:

This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations mainly in the Kingdom, and these operations represent the local operations. Moreover, the Bank conducts regional operations through its branches in Palestine, Cyprus and its subsidiary in Lebanon.

The following are the Bank's revenue, assets, and capital expenditures according to geographical allocation:

	Inside Jordan*		Outside Jordan*		Total	
	2011	2010	2011	2010	2011	2010
	JD	JD	JD	JD	JD	JD
Total Revenue	92,498,913	83,368,166	19,342,531	23,128,417	111,841,444	106,496,583
Total Assets	1,948,061,213	1,853,807,727	668,607,782	665,856,500	2,616,668,995	2,519,664,227
Capital Expenditures	4,677,056	4,190,557	1,030,061	1,099,526	5,707,117	5,290,083

\* After excluding balances and transactions between the external branches and subsidiaries of the Bank.

## 48. Capital Management

### a. Description of what is Considered as Paid-Up Capital

Capital is categorized into paid-up capital, economic capital, and regulatory capital whereby regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio as per the Central Bank of Jordan instructions. Furthermore, capital consists of two parts: Primary Capital (Tier 1) made up of paid-up capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings, excluding restricted and minority interest amounts net of loss for the period, costs of the acquisition of treasury stock, decrease in the provisions required from the Bank, and goodwill; and Support capital (Tier 2) consisting of the undeclared reserves, exchange rate differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the cumulative change in fair value, if positive, and 100%, if negative. A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks Investments in subsidiary banks and financial institutions are deducted (if their financial statements are not consolidated). Moreover, investments in the capitals of banks and financial institutions are deducted.

### b. Regulatory Parties Requirements Concerning Capital and the Manner in which they are Met

Instructions of the Central Bank of Jordan require that paid-up capital be not less JD 100 million and equity-to-assets ratio be not less than 6%. Moreover, the Central Bank of Jordan instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12%, which is considered by the Bank.

Additionally, the Bank complies with Article (62) of the Banks Law which requires the Bank to appropriate 10% of its net profits in the Kingdom and continue to do so until the reserve equals the Bank's paid-up capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The Bank complies with Article (41) of the Banks Law which requires adherence to the limits set by the Central Bank of Jordan relating to:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.
2. Ratio of total loans to regulatory capital the Bank is allowed to grant to one person, his allies, or to related stakeholders.
3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.

### **c. Method of Achieving Capital Management Objectives**

- Capital management includes the optimal employment of funds to achieve the highest return on capital possible while maintaining the minimum required by laws and regulations. The Bank adopts a policy of exerting efforts to reduce the cost of funds as much as possible through finding low-cost funds, increasing the customers base, and optimally employing these funds in acceptable risk activities to achieve the highest return possible on capital.

- The General Assembly decided in their extraordinary meeting held on October 26, 2011 to reduce its authorized paid up capital amounted to JD 135 million/share to become JD 126,5 million/share. Furthermore, the Bank's authorized capital has been increased by an amount of JD 23.5 million, through private placement of shares to the Bank's shareholders in proportion with their contribution percentage in capital. The necessary approvals have been obtained from the Ministry of Industry and Trade on November 3, 2011, from the Central Bank of Jordan on October 3, 2011, and from the Jordan Securities Commission on November 22, 2011. Moreover, the total received payments for capital increase was JD 17,009,660 as of December 31, 2011.

#### d. Capital Adequacy

The capital adequacy ratio is calculated according to the instructions of the Central Bank of Jordan based on Basel Committee resolution. The following is the comparative capital adequacy ratio:

	December 31,	
	2011 (In Thousand)	2010 (In Thousand)
Primary Capital Items		
Subscribed and Paid-up Capital	126,500	110,000
Payments to Increase Capital	17,010	-
Statutory Reserve	38,206	34,843
Voluntary Reserve	20,495	17,132
Share Premium	9,346	10,846
Other Reserves	807	15,569
Retained Earnings	8,327	6,902
Less:		
Cost of Treasury Shares Purchases	-	(332)
Real Estate Foreclosed by the Bank Against Debts	(10,359)	-
Goodwill and Other Intangible Assets	(3,741)	(3,639)
Investment in Insurance Companies and Unconsolidated Financial Institutions	(1,697)	(2,363)
Total Primary Capital	204,894	188,958
Supplementary Capital Items:		
General Banking Risks Reserve	12,567	10,739
Cumulative Change in Fair Value for Available-for-Sale Financial Assets	-	2,668
Fair Value Reserve	880	-
Less:		
Investments in Insurance Companies and Unconsolidated Financial Institutions	(1,697)	(2,363)
Total Supplementary Capital	11,750	11,044
Total Regulatory Capital	216,644	200,002
Total Risk-Weighted Assets	1,766,476	1,713,655
Regulatory Capital Adequacy Ratio (%)	12/26	11/67
Primary Capital Adequacy Ratio (%)*	11/60	11/03

\* Primary capital is calculated net of investments in banks and subsidiary financial institutions as their financial statements were not consolidated.

The capital adequacy ratio has been calculated according to Basel II resolution as of December 31, 2011 and 2010.



## 49. Analysis of the Maturities of Assets and Liabilities:

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement:

December 31, 2011	Up to 1 Year JD	More Than 1 Year JD	Total JD
<b>Assets:</b>			
Cash and Balances at Central Banks	343,910,125	5,408,624	349,318,749
Balances at Banks and Financial Institutions	285,931,162	-	285,931,162
Deposits at Banks and Financial Institutions	15,319,506	-	15,319,506
Financial Assets at Fair Value Through Profit or Loss	22,122,155	-	22,122,155
Direct Credit Facilities - Net	512,165,536	666,062,659	1,178,228,195
Financial Assets at Fair Value Through Other Comprehensive Income	22,282,330	-	22,282,330
Financial Assets Measured at Amortized Cost	296,290,310	274,298,862	570,589,172
Investments in Associates and Unconsolidated Subsidiary Company	-	11,665,838	11,665,838
Properties and Equipment - Net	-	52,743,439	52,743,439
Intangible Assets	-	3,741,207	3,741,207
Other Assets	36,997,938	63,796,441	100,794,379
Deferred Tax Assets	-	3,932,863	3,932,863
<b>Total Assets</b>	<b>1,535,019,062</b>	<b>1,081,649,933</b>	<b>2,616,668,995</b>
<b>Liabilities:</b>			
Banks and Financial Institutions Deposits	350,561,822	-	350,561,822
Customers Deposits	1,579,836,139	125,423,298	1,705,259,437
Cash Margins	131,546,180	110,838,483	242,384,663
Borrowed Funds	-	7,735,444	7,735,444
Various Provisions	4,837,754	-	4,837,754
Provision for Income Tax	9,704,710	-	9,704,710
Deferred Tax Liabilities	-	841,406	841,406
Other Liabilities	28,522,321	11,942,191	40,464,512
<b>Total Liabilities</b>	<b>2,105,008,926</b>	<b>256,780,822</b>	<b>2,361,789,748</b>
<b>Net</b>	<b>(569,989,864)</b>	<b>824,869,111</b>	<b>254,879,247</b>

December 31, 2010	Up to 1 Year JD	More Than 1 Year JD	Total JD
<b>Assets:</b>			
Cash and Balances at Central Banks	409,067,738	-	409,067,738
Balances at Banks and Financial Institutions	311,750,348	-	311,750,348
Deposits at Banks and Financial Institutions	853,478	-	853,478
Trading Financial Assets	544,044	-	544,044
Direct Credit Facilities - Net	501,429,514	564,822,490	1,066,252,004
Available-for-Sale Financial Assets	117,486,093	186,394,781	303,880,874
Held-to-Maturity Financial Assets	39,151,794	225,330,694	264,482,488
Investments in Associates and Unconsolidated Subsidiary Company	-	9,511,116	9,511,116
Properties and Equipment - Net	-	59,213,833	59,213,833
Intangible Assets	-	3,638,886	3,638,886
Other Assets	76,082,749	10,031,007	86,113,756
Deferred Tax Assets	-	4,355,662	4,355,662
<b>Total Assets</b>	<b>1,456,365,758</b>	<b>1,063,298,469</b>	<b>2,519,664,227</b>

<b>Liabilities:</b>			
Banks and Financial Institutions Deposits	206,746,567	150,000,000	356,746,567
Customers Deposits	1,536,501,960	127,831,473	1,664,333,433
Cash Margins	111,467,459	105,407,949	216,875,408
Borrowed Funds	224,380	208,953	433,333
Various Provisions	4,106,336	-	4,106,336
Provision for Income Tax	9,720,308	-	9,720,308
Deferred Tax Liabilities	-	1,796,954	1,796,954
Other Liabilities	25,339,358	11,644,307	36,983,665
<b>Total Liabilities</b>	<b>1,894,106,368</b>	<b>396,889,636</b>	<b>2,290,996,004</b>
<b>Net</b>	<b>(437,740,610)</b>	<b>666,408,833</b>	<b>228,668,223</b>

## 50. Accounts Managed on Behalf of Customers

	December 31,	
	2011	2010
	JD	JD
Accounts Managed on Behalf of Customers*	33,325,376	44,126,134

\* This item represents accounts with no guaranteed capital managed on behalf of customers. These accounts do not appear on the consolidated financial position .

## 51. Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
December 31, 2011				
Financial Assets:				
Financial Assets Through Profit or Loss	22,122,155	-	-	22,122,155
Financial Assets Through Other Comprehensive Income	13,744,292	8,538,038	-	22,282,330
	35,866,447	8,538,038	-	44,404,485

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
December 31, 2010				
Financial Assets:				
Trading Financial Assets	544,044	-	-	544,044
Available-for-Sale Financial Assets	292,695,448	11,185,426	-	303,880,874
	293,239,492	11,185,426	-	304,424,918

## 52. Commitments and Contingent Liabilities

	December 31,	
	2011	2010
	JD	JD
Letters of Credit:		
Letters of Credit	121,205,599	87,012,412
Letters of Credit Incoming	139,308,125	144,938,780
Acceptances	52,098,513	47,620,914
Letters of Guarantee:		
- Payments	97,138,998	112,131,903
- Performance Bonds	64,662,581	73,947,324
- Other	23,122,346	20,671,643
Unutilized Credit Facilities	86,851,195	65,300,139
<b>Total</b>	<b>584,387,357</b>	<b>551,623,115</b>

## 53. Lawsuits Against the Bank

The lawsuits filed against the Bank amounted to JD 6,247,140 as of December 31, 2011 (JD 5,467,901 as of December 31, 2010). In the opinion of the Bank's management and its legal advisors, no liabilities exceeding the provision of JD 1,333,354 as of December 31, 2011 are expected to arise.

## 54. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

### a - New and Revised IFRSs Applied with No Material Effects on the Financial Statements:

The following new and revised IFRSs have also been adopted in the preparation of the Bank's consolidated financial statements for which it did not have any material impact on the amounts and disclosures of the consolidated financial statements, however, may affect the accounting for future transactions or arrangements.

IAS (24) Related Party Disclosures (2009)	Amends the requirements of the previous version of IAS (24) to: Provide a partial exemption from related party disclosure requirements for government-related entities Clarify the definition of a related party Include an explicit requirement to disclose commitments involving related parties.
Amendments to IFRS 1 relating to Limited Exemption from Comparative IFRS (7) Disclosures for First-time Adopters	Provides additional exemption on IFRS transition in relation to IFRS (7) Financial Instruments: Disclosures, to avoid the potential use of hindsight and to ensure that first-time adopters are not disadvantaged as compared with current IFRS preparers.
Amendments to IAS (32) Financial Instruments: Presentation, relating to classification of Rights Issues	Amends IAS (32) Financial Instruments: Presentation to require a financial instrument that gives the holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Prior to this amendment, rights issues (rights, options, or warrants) denominated in a currency other than the functional currency of the issuer were accounted for as derivative instruments.
Amendments to IFRIC (14): Prepayments of a Minimum Funding Requirement	Makes limited-application amendments to IFRIC (14) IAS (19) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendments apply when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements, permitting the benefit of such an early payment to be recognized as an asset.
Improvements on IFRSs issued in 2010	The application of Improvements to IFRSs issued in 2010 which amended IFRS (1), IFRS (3), IFRS (7), IAS (1), IAS (27), IAS (32), IAS (34) and IFRIC (13) has not had any material effect on amounts and disclosures reported in the consolidated financial statements.
IFRIC (19) Extinguishing Liabilities with Equity Instruments	Requires the extinguishment of a financial liability by the issue of equity instruments to be measured at fair value (preferably using the fair value of the equity instruments issued) with the difference between the fair value of the instrument issued and the carrying value of the liability extinguished being recognized in profit or loss. The Interpretation does not apply where the conversion terms were included in the original contract (such as in the case of convertible debt) or to common control transactions.

## b - New and revised IFRSs issued but not yet effective:

The Bank has not adopted the following new and revised IFRSs that have been issued but are not effective yet:

	Effective for annual periods beginning on or after
Amendments to IAS (12): Income Taxes relating to Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IAS (32): Financial Statements – Offsetting Financial Assets and Liabilities	1 January 2014
Amendments to IFRS (7): Financial Instruments: Disclosures / Financial Instruments – Transfer of Assets	1 July 2011
Amendments to IFRS (7): Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities	1 July 2013
IAS (1): Presentation of Financial Statements	1 July 2012
IAS (19): Employee Benefits	1 January 2013
IAS (27): Separate Financial Statements	1 January 2013
IAS (28): Investments in Associates and Joint Ventures	1 January 2013
IFRS (10): Consolidated Financial Statements	1 January 2013
IFRS (11): Joint Arrangements	1 January 2013
IFRS (12): Disclosures of Interests in Other Entities	1 January 2013
IFRS (13): Fair Value Measurement	1 January 2013
IFRIC (20): Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Bank's management anticipate that the adoption of the above Standards and Interpretations in future years will have no material impact on the consolidated financial statements of the Bank in the period of initial application.

## 55- The Effect of Adopting IFRS (9)

The Bank and its subsidiaries have elected an early adoption of IFRS (9) effective January 1, 2011, the following are the most significant effects resulting from such adoption.

a - The reclassification of the financial assets to equity instrument, debt instruments, liabilities and owner's equity items, as per the following:

Description	Measurement criteria		January 1, 2011		Difference JD
	IAS(39)	IFRS(9)	Book value		
			IAS(39) JD	IFRS(9) JD	
Equity instruments	Trading financial assets	Financial assets at fair value through profit or loss	544,043	544,043	-
Equity instruments	Available-for-sale financial assets	Financial assets at fair value through profit or loss	4,123,002	4,123,002	-
Debt instruments	Available-for-sale financial assets	Financial assets at fair value through profit or loss	2,955,814	2,955,814	-
Equity instruments	Available-for-sale financial assets	Financial assets at fair value through other comprehensive income	25,918,484	24,167,135	(1,751,349)
Debt instruments	Available-for-sale financial assets	Financial assets measured at amortized cost	270,883,574	270,883,574	-
Debt instruments	Held-to-maturity financial assets	Financial assets measured at amortized cost	264,482,488	264,482,488	-
Liabilities	Deferred tax liabilities	Financial assets measured at amortized cost	533,322	533,322	-
Liabilities	Deferred tax liabilities	Retained Earnings	9,581	9,581	-
Owners' Equity	Cumulative Change in fair value	Fair value reserve	2,909,596	2,909,596	-
Owners' Equity	Cumulative Change in fair value	Retained Earnings	57,033	57,033	-
Owners' Equity	Cumulative Change in fair value	Financial assets measured at amortized cost	2,961,399	2,961,399	-
Owners' Equity	Retained Earnings	Retained Earnings	22,257,522	20,572,787	(1,684,735)

b - Investment in shares previously classified as available-for-sale financial assets measured at fair value, the part which management believes they are long term strategic investments according to the Bank's business model were classified as financial assets at fair value through other comprehensive income. As a result of the aforementioned, an amount of JD 2,909,596 was reclassified from cumulative change in fair value to the fair value reserve as of January 1, 2011. As for the other part of these available-for-sale investments which management believes are for trading purposes according to the business model, such investments were classified as financial assets at fair value through profit or loss, as a result an amount of JD 66,614 was reclassified from cumulative change in fair value to the retained earnings as of January 1, 2011. Furthermore, an amount of JD 1,751,349 represents the difference between the book value of available-for-sale investments according to IAS (39), and the recalculated book value of such investments according to IFRS (9), was transferred to retained earnings balance as of January 1, 2011; therefore, the net transferred amounts to the retained earnings, due to the effect of the early adoption of IFRS (9), is JD 1,684,735 .

c - As a result of applying IFRS (9) , the available-for-sale financial assets were reclassified to financial assets measured at amortized cost, accordingly, an amount of JD 3,494,721 which represents cumulative change of fair value of these investments in addition to its deferred tax liabilities which was added to the financial assets cost to bring such financial assets to their amortized cost value as of January 1, 2011 in accordance with the requirements of the standard mentioned above.

d - Implementing IFRS (9) did not result in any changes to the consolidated statement of income items for the year ended December 31, 2010.

## **56- Subsequent Events**

In the subsequent period, the capital increase procedures were finalized, and 18,966,893 share out of 23.5 million shares were issued according to the Securities Depository Center certificate, as a result the subscribed and paid-up capital has become 145,466,893 share / JD.



# Figures Reaffirming our Commitment

DISCLOSED  
DATA

# Jordan Ahli Bank

## Jordan Securities Commission Requirements

### Disclosure Data for 2011

#### 1. (a) Description of Bank's Main Activities

The Bank provides comprehensive banking and financial services, and it makes available to the customer all services and technological developments in the field of banking, and all economic sectors on the national and regional level.

#### (b) Location of Branches

The Jordan Ahli Bank's main offices are located in Shmeisani, Queen Nour St. The total number of bank employees is 678. The Jordan Ahli Bank's network of 52 branches and offices is spread and ideally distributed covering the governorates of Jordan, with particular concentration in Amman. The Bank's branches also cover Lebanon, with nine branches operated through the subsidiary Ahli International Bank Company, 5 branches in Palestine, and a branch in Cyprus. Details of those branches are presented at the end of this Annual Report. The total number of employees during 2011 reached 1,640 employees distributed among the branches as follows:

Branch Name	Number of Employees	Branch Name	Number of Employees	Branch Name	Number of Employees
Main Branch	43	Mecca St.	15	Chamber of Industry Building	11
Corporate	41	Queen Rania Al Abdullah St.	11	Jabal Amman	14
Middle East Circle	13	Thaqafa St.	12	Wadi Saqra	9
Al Horriya St.	9	Abdoun	10	Wasfi Al-Tal St.	16
Sweifieh	14	Al Hashmi Al Shamali	8	Jabal Al-Hussein	12
Dahiyat Al Yasameen	51	Al Zarqa'	15	Sweileh	11
Marka	9	Free Zone, Zarqa	6	Salt	13
University St.	5	Al Rusaifeh	7	Deir Alla	8
Bayader Wadi Al Sir	10	City Center	23	Irbid, Army St.	20
Abdullah Ghousheh St.	10	Ibn Khaldon St.	4	Irbid, Hashimi St.	14
Wakalat St., Sweifieh	11	Marj Al Hamam	9	Al Ramtha	11
Mafrq	10	Abu Nseir	6	Ma'an	12
Jarash	11	Aqaba	20	Tafila	11
Karak	14	Madaba	14	Bawabat Al Salt	8
Sahab	8	Khreibet El Suq	9	City Mall	6
Arabella Mall	7	Um Othaynah Market	8	New Zarqa	7
Taj Mall	6	Al Balqa' Applied University	7		
<b>Al-Ahli International Bank S.A.L, Lebanon Branches</b>					
Jdeideh	9	Dora	8	Verdun	9
Al Hamra	6	Kaslik	8	Tripoli	13
Bab Idriss	11	Sam'an Gallery	8	Saida	11
<b>Palestine Branches</b>					
Nablus	21	Ramallah	17	Bethlehem	22
Al Shallalah St., Hebron	5	Salam St., Hebron	18		
<b>Cyprus Branch</b>					
Limassol			16		

## (c) Capital Investment Volume

The capital investment volume of Jordan Ahli Bank amounted to JD52.74 million as of the end of 2011.

### 2. The Bank has a number of subsidiaries, shown hereunder, as of the end of 2011:

Number	Company Name	Main Activity	Number of Employees	Capital in millions	Ownership Percentage
1	Ahli Micro financing Co. LLC	Micro projects financing	111	3.50	100%
2	Zarqa National College LLC	Educational services	54	0.80	100%
3	Al Ahli Brokerage Co. PS	Brokerage	13	15	100%
4	Al Ahli Financial Leasing Co. PS	Financial leasing	8	10	100%
5	Al Ahli International Bank S.A.L	Financial institution, Lebanon	179	29.80	97.89%

### 3. (a) Biographies of the Members of the Jordan Ahli Bank Board of Directors

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience	Date of Appointment
H.E. Dr. Rajai Saleh Muasher Representative Al Raja' for Investments	Chairman of the Board Executive	1944	Jordanian	PhD Business Administration/ Marketing, USA; Master of Business Administration (MBA), USA; BA Chemistry, American University of Beirut (AUB)	Deputy Prime Minister; Former Minister of State; Former Minister of Industry and Trade; Minister of Supply - multiple cycles; Member of the House of Senate - multiple cycles; Chairman and member of various companies	2010
H.E. Mr. Nadim Yousef Muasher	Deputy Chairman Part Time	1950	Jordanian	MSc Civil Engineering, USA; BA Architecture	Former Member of the House of Senate; Chairman to the following companies: Arab International Hotels Co. (Marriott); El Zay Ready Wear Manufacturing Co.; Jordan Worsted Mills Co.; Ad Dawliya for Hotels and Malls Co. (Sheraton); Business Tourism Co.	1997
H.E. Mr. Sami Haddad Representative, Byblos Bank	Non-Executive Member	1950	Lebanese	PhD Economic Development, Wisconsin University; BA and Master of Economics, American University of Beirut (AUB)	Former Minister of Industry and Trade, Lebanon; Chairman and General Manager, Byblos Bank, MENA Area Manager, IFC, World Bank, Washington DC; Central Bank of Lebanon; Branch Manager, Societe Generale, Lebanon	2008
H.E. Mr. Marwan Awad Representative Jordan Worsted Mills Co.	Member Executive	1951	Jordanian	Master of Economics; Higher Diploma in Economic Development; BA Business Administration	Current Deputy Chairman and CEO / General Manager of Jordan Ahli Bank; Head of Association of Banks in Jordan in both the 2010 and 2011 cycles; Former Minister of Finance; Former General Secretary, Ministry of Industry and Trade; Former General Manager, Industrial Development Bank; Former General Manager, Qatar Islamic Bank; Former General Manager of Middle East Investment Bank; Central Bank of Jordan – several positions Author of several books and publications on dealing with foreign exchange, investment, finance, and economic studies; Board Member of several companies	2009

Name	Position	DOB	Nationality	Educational Qualifications	Experience	Date of Appointment
H.E. Mr. Wasef Azar Representative, Jordan Investor Centre	Member  Independent	1936	Jordanian	Master of Economics and Development Management, USA; Bachelor of Law (LLB), Damascus	Member of the house of Senate; Former Minister of Industry and Trade; Board Member of various companies; Many years experience in both the public and private sectors, and in various other fields; Manager of several establishments and companies	1997
Mr. Emad Yousef Muasher	Member  Non- executive	1957	Jordanian	MA International Business Administration, USA; BA Economics	Deputy Chairman and Board Member of various companies, including Muasher Company, part of Muasher Group	1997
Mr. Rafiq Saleh Muasher	Member  Non- executive	1949	Jordanian	MSc Construction Engineering; MSc Engineering, Projects Management, USA	1976–1980: Ranco Company for Contracting and Trade; 1980–1985: Rajai Muasher and Brothers Co; 1985–1988: Al Ahliyya Financial Investments; 1988–to date: National Securities Co.	1997
Mr. Mohammad Al Abdullat	Member  Independent	1946	Jordanian	BA Commerce, Cairo University	Executive Director, Nuqul Group; Board Member / Treasurer, Chamber of Industry, Amman; Board Member, Arab Union Council for Paper Industry; Chairman of the Board, Pearl Sanitary Paper Converting Co PLC; Advisor to the Office of the Prime Minister; Deputy Chairman, Civil Service Consumer Cooperation; Board Member in various foreign companies	2010
Mr. Hani Atallah Fraij	Member  Independent	1940	Lebanese	BA Business Administration, American University of Beirut (AUB)	General Manager of Atallah Fraij Institution, Beirut; Deputy Chairman of Arabia Insurance Co., Beirut; Chairman of Andlosya Company, Beirut	1997

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience	Date of Appointment
Mr. Mahmoud Zuhdi Malhas	Member Independent	1935	Jordanian	BA Economics, American University of Beirut (AUB)	Prominent businessman and owner of Al Mahmoudiah Trading Company, operating in general trade and trademarks representation since 1994; Chairman and Board Member to several banks and companies	1997
Mr. Ala'adin Sami	Member Independent	1953	Egyptian	MA Financial Management; BA Accounting	Deputy Chairman of Al Zahid Group, S.A.; Chairman of Arab-Sudanese Truck Co.; Board Member of Arab Truck and Vehicle Saudi Co.; Board Member of Laguna Tourism Development Co., Egypt	1997
Mr. Kareem Tawfik Kawar	Member Independent	1966	Jordanian	BA Financial Management and Computer Science, Boston College	Former HKJ Ambassador to the USA; Former Managers' Committee Member, Ideal Group, and Vision Investment, and Batelco Jordan, and National Equipment and Technical Services; Former Member, Economic Advisory Board; Currently Board Member, Kawar Group; Board Member, JWICO; Head of Managers Committee: Iris Guard, and Kawar Energy, and Board of Trustees of King Abdullah II Development Fund, and Board of Trustees of Jordan River Foundation; Founder and President of the Management Committee for the Information Technology Companies' Society; President of Jordan Computer Society, as well as various other initiatives, societies, and groups	2008
H.E. Dr. Abdel Elah Al Khatib	Member Independent	1953	Jordanian	MA International Media; Master of International Economics and Development; BA Political Science	Member of the House of Senates; Several-time Former Minister of Foreign Affairs; Chairman of Lafarge Jordan Cement Co.; Occupied several diplomatic posts in the Ministry of Foreign Affairs; President of the Royal Society for the Conversation of Nature; Member in Board of Trustees of King Hussein Foundation; Member in Board of Trustees of Hussein Cancer Centre; Member in Board of Trustees of American Centre for Oriental Research; Former Board Member, Central Bank of Jordan	2009

## b) Biographies of the Members of the Jordan Ahli Bank Senior Executive Management

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
H.E. Mr. Marwan Awad	Chief Executive Officer, General Manager	1951	Jordanian	MA Economics, Vanderbilt University, USA; High Diploma in Economic Development, Vanderbilt University, USA; BA Business Administration, Jordan University	Current Chief Executive Officer, General Manager, Jordan Ahli Bank; President, Jordan Banking Society for 2010 and 2011 cycles; Former Minister of Finance; Former Secretary General of Ministry of Industry and Trade; General Manager, Industrial Development Bank; General Manager, Qatar Islamic Bank; General Manager, Middle East Investment Bank; Held several positions at the Central Bank of Jordan; Authored several books and publications in the fields of foreign currency, investment, finance and economics; Board member of several companies
Mr. Issa Khoury	Advisor to HE the Chairman of the Board	1941	Jordanian	Higher Diploma in Administration, Bier Zait University	Teacher in Catholic School in Ramallah 1962–1963, Ottoman Bank / Grindlays Bank 1963-1978; Petra Bank 1978-1992; Business Bank / Jordan Ahli Bank 1992–to date; Deputy Chairman, Al Ahli Brokerage Co. PS
Mr. Ibrahim Ghawi	Deputy Chief Executive Officer; Head of Group Finance	1954	Jordanian	MA International Management, Phoenix University, USA; BA Accounting, University of Jordan	Financial Controller at Cairo Amman Bank; Deputy General Manager and Financial Manager of Palestine Telecom
Ms. Lina Bakhit	Deputy Chief Executive Officer; Head of Group Ahli Capital Markets & Investments	1963	Jordanian	BA Business Administration, American University of Beirut (AUB)	Chairman of the Board of Al Ahli Brokerage Company PS; Former Head of Treasury Department, Jordan Investment and Finance Bank

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Ms. Hadeel Khalaf	Deputy Chief Executive Officer; Head of Group Operations	1959	Jordanian	BA Business Administration, American University of Beirut (AUB)	Jordan Ahli bank since 1997; Business Bank since 1990
Mr. Hani Farraj	Deputy Chief Executive Officer; Head of Group Logistics & Secretary to the Board of Directors	1946	Jordanian	BA Literature; Diploma in Management	Past experience in civil societies experience in the fields of administration, finance and law at the Radio and Television Corp. and the Arab Radio Stations Union. Held the position of Assistant General Manager for Administrative and Financial Affairs at the Radio and Television Corp
Mr. Zahi Fakhoury	Deputy Chief Executive Officer; Head of Group Credit	1951	Jordanian	BA Accounting	Arab Bank; Credit and Commerce Bank
Mr. Saad Muasher	Deputy Chief Executive Officer; Head of Group Strategy and Corporate Communications	1974	Jordanian	MBA Stanford University; BA Economics, North Western University	Assistant General Manager, Al Dawliyah for Hotels and Malls Co. (Sheraton Hotel); Board Member in several companies
Mr. Faleh Al Najjar	Deputy Chief Executive Officer; Head of SME Banking	1955	Jordanian	BA Economics and Political Science, Al Rabat	Bank of Jordan; ABC Bank; National Bank of Kuwait



Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Ahmad Al Khub	Deputy Chief Executive Officer; Head of Group Personal and Premium Banking and Local Branches Management	1957	Jordanian	BA Economics, Finance and Banking, Yarmouk University, 1993	ABC Bank, Jordan (1993); Jordan Gulf Bank (1988); Petra Bank (1985); Jordan Gulf Bank (1980); Arab Bank (1975)
Mr. Bashar Al Bakri	Deputy Chief Executive Officer; Head of Group Human Resources	1963	Jordanian	BA Business Administration and Economics, University of Jordan; Higher Studies in Enterprise Management	Administrative Manager for Makshaf Holding, Riyadh; Human Resources Manager, Royal Jordanian
Mr. Kameel Haddad	Deputy Chief Executive Officer; Group Remedial, Recoveries, and Legal Affairs	1959	Jordanian	BA Statistics, University of Baghdad, Iraq	Manager Statistics Unit; Manager Deposits Department; Manager Amman Investment Bank; Clearance Manager, Mdanat Commercial Establishment
Mr. Samer Abu Zayed	Deputy Chief Executive Officer; Head of Group Information Technology and Enterprise Programmes	1963	Jordanian	MA in Computer Science University of Kuwait	Executive Manager Group Information Technology and Enterprise Programs Kuwait National Bank (2006–2009); Manager Banking Group, International Integrated Information Systems Co. (1999-2006); Executive Manager, Middle East Investment Bank (1995–1998); Information Systems Manager, Ahli Bank (1993–1995)
Mr. Ragheb Halaseh	Assistant General Manager, Head of Group Internal Audit	1950	Jordanian	BA Business Administration, Minor in Accounting, University of Damascus	Jordan Ahli Bank, since 1973, Main Branch, Internal Audit, Branch Management, Internal Audit

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Abdul Aziz Sadaqa	Assistant General Manager; Acting Head of Group Corporate Banking	1965	Jordanian	Master in Banking, Arab Academy for Banking and Financial Sciences; BA Public Administration, University of Jordan	Manager, Credit Marketing Unit, Jordan Bank; Manager, Credit Unit, Arab Banking Corporation (ABC); Jordan Ahli Bank since 2004
Mr. Ziad Kokash	Assistant General Manager, Risk Management	1970	Jordanian	MA Finance Administration, Arab Academy for Financial and Banking Science; BA Financial and Banking Sciences and Business Administration, Yarmouk University	Arab Banking Corporation (ABC) Bank, Jordan (2000–2004); Cairo Amman Bank (1992–2000)
Mr. George Farraj	Assistant General Manager, Branches Abroad	1969	Jordanian	BA Business Administration and Economics, University of Jordan	Executive Manager Personal Banking Services, HSBC Bank (1994-2006); Jordan Ahli Bank since 2006
Ms. Oraib Hammoudeh	Deputy Assistant General Manager, Inspection and Internal Control Department	1969	Jordanian	Diploma in Programming and System Analysis; Higher Diploma in Financial and Banking Sciences	Inspection and Internal Control Department (2005–to date); Jordan Ahli Bank branches (1990–2005)

#### 4. Major Shareholders of Jordan Ahli Bank owning 5% or more of the Capital

Number	Name	Number of Shares 2011*	Ownership %	Number of Shares 2010	Ownership %
1	Byblos Bank - Lebanon	15,571,022	10.38 %	11,418,750	10.38 %
2	Abraaj Capital Co. - UAE	13,989,648	9.33 %	12,164,912	11.06%
3	Jordan Worsted Mills	8,873,603	5.92 %	6,440,700	5.86 %
4	Jordan Investor Centre Co.	8,218,636	5.48 %	6,140,428	5.58 %
	<b>Total</b>	<b>46,652,909</b>	<b>31.10 %</b>	<b>36,164,790</b>	<b>32.88 %</b>

\* Number of shares after subscription with an increase in capital amounting to 18.577 %

**5. Competition and Ranking:** The Jordan Ahli Bank ranks fifth in terms of capital, and third in terms of profit growth, which reached 12.7%. Jordan Ahli Bank also achieved third ranking among other banks in terms of growth in Net Granted Direct Credit Facilities, which amounted to 9.90%. Additionally, the Net Interest Revenue increased by 10.40% to rank first place, as previously accomplished in 30 September, 2011. Jordan Ahli Bank operates in Jordan, Lebanon, Palestine, Cyprus, and enjoys an excellent market share therein.

**6. There are no specific suppliers or main clients, whether internally or externally, forming 10% of the Bank's purchases or revenues.**

**7. Neither the Jordan Ahli Bank nor any of its products enjoy any government protection or privilege pursuant to laws, regulations or others.**

\* Jordan Ahli Bank has no patents or franchises.

**8. There are no decisions issued by the Government, or international organisations or similar institutions that have a material impact on the Bank, its products, or its competitiveness.**

\* There are quality standards specific to the Bank's activities, especially in relation to the quality of the Bank's services and products and the quality of internal audit activities. International quality standards do not apply to the Bank.

**9. a) The organisational structure of Jordan Ahli Bank and its subsidiaries:**

As outlined in the last pages of the Annual Report for the Bank and its subsidiaries.

**b) Number, categories and qualifications of Jordan Ahli Bank Employees and its subsidiaries.**

	Below High School	High School	Community Collage	Bachelor Degree	Graduate Diploma	Master Degree	PhD	Total
Jordan Branches	101	123	203	783	7	95	5	1,317
Cyprus	0	5	3	5	0	3	0	16
Palestine	4	9	22	88	0	5	0	128
Lebanon (Ahli International Bank)	12	36	33	72	0	26	0	179
<b>Total</b>	<b>117</b>	<b>173</b>	<b>261</b>	<b>948</b>	<b>7</b>	<b>129</b>	<b>5</b>	<b>1,640</b>

Al Ahliya Microfinance	6	14	25	64	0	2	0	111
Zarqa National Collage	12	5	8	17	0	10	2	54
Al Ahli Brokerage	1	4	1	7	0	0	0	13
<b>Al Ahli Leasing</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>8</b>

**c) Training and Qualification Programs for Jordan Ahli Bank Employees:**

During 2011, the Bank's Training and Development Department held 470 training courses, equivalent to 19,900 training days, for the benefit of employees of its Jordan and Palestine branches, with a total participation of 6,408 employees. The Bank's Training Centre hosted 307 courses that were attended by 5,892 employees. The department also managed three developmental programs, two of which were aimed at newly recruited employees and share a full year duration for each program, in addition to a specialised programme for credit officers, which is the second of its kind during the last two years.

A total of 135 training courses were held in local training centres and attended by 363 employees. Moreover, 5 courses were held in overseas locations and were attended by 8 employees. Several training courses were held for the benefit of the regional management team in our Palestine branches located in the west bank, amounting to 23 training course attended by 145 employees. The courses are detailed hereunder as follows:

Training Courses Attended by Jordan Ahli Bank Employees During 2011		
Name of Training Course	Number of Courses	Number of Participants
Audit Courses	4	11
Accounting Courses	5	49
Financial Courses	6	24
Legal Courses	10	89
Courses in Anti-Money Laundering and Terrorism Financing	11	194
Treasury Courses	11	44
Human Resources Courses	13	62
Computer Skills Courses	15	135
Vocational Certificates and Diplomas	20	79
Functional Courses	20	581
Operational Courses	23	234
Management Training Courses	23	201
IT Training Courses	24	156
Credit Courses	27	184
Courses in Marketing, Sales and Customer Service skills	39	911
Soft/Personal Skills	46	585
Technical Courses	58	727
Risk Management and BASEL II and abiding by Corporate Governance's rules and regulations	47	764
New Banking Products	68	1,378
<b>Grand Total</b>	<b>470</b>	<b>6,408</b>

**10. There are no risks facing Jordan Ahli Bank during the coming financial year that may have a material effect on the Bank.**

**11. The Bank did not witness, during 2011, any significant event or process that may affect its position.**

\* The Bank's achievements: as detailed and supported with numbers in the Board's report on the Bank's achievements.

**12. There is no financial impact for non-recurring operations that occurred in 2011 that do not fall under the Bank's main activities.**

**13. Timeline for the development of Jordan Ahli Bank's Main financial indicators during the previous five years:**

Financial Year	Net Owners' Equity (JD million)	Cash Dividends %	Value of Cash Dividends (JD million)	Pre Tax Net Profit (JD million)	Share Market Price (JD)
2006	212	15 %	16.5	30.4	3.14
2007	197.4	8 %	8.8	18.4	3.14
2008	202.4	10 %	10.5	24.9	1.65
2009	216.2	10 %	11	27.3	1.52
2010	228.7	10 %	11	34.4	1.92
2011*	253.1	10 %	14.5*	33.6	1.43

\* Recommendations to the Public Authority will be to distribute 10% cash dividend for 2011, noting that the additional subscribed shares will benefit from the Bank's profits, in accordance with the Companies Act in force.

\* Free shares were distributed to shareholders amounting to 15% per shareholder.

\* Capital was raised by 18.577% totalling 150 million dinars of declared capital.

#### 14. Analysis of The Bank's Financial Position:

	2011	2010
Return on Owners Equity (ROE)	9.74 %	10.31 %
Return on Assets (ROA)	0.94 %	0.93 %
Return on Paid-up Capital (including capital increase)	17.19 %	21.28 %
Credit to Assets Ratio	45.03 %	42.32 %
Credit to Total Deposits Ratio (including deposits from banks and corporate)	57.31 %	53.28 %
Non-Performing Facilities to Total Facilities Ratio	9.71 %	11.18 %
Profit After Tax Per Employee	15,038.20	14,613.90

15. The key developments and future plans for Jordan Ahli Bank are listed separately on page ( ).

16. Audit fees for the year 2011 covering the Jordan Ahli Bank and its subsidiaries, amounted to 337,713 dinar, detailed as follows:

No.	Company Name	Audit Fee
1	Jordan Branches	136,081
2	Palestine Branches	30,686
3	Cyprus Branch	24,390
4	Ahli International Bank (Lebanon)	93,120
5	Al Ahliya Micro Financing Co.	14,820
6	Al Ahli Brokerage Co.	20,490
7	Al Ahli Financial Leasing Co.	16,734
8	Zarqa National Collage Co.	1,392
<b>Total</b>		<b>337,713</b>

## 17. a) Share Ownership by Board Member and their Relatives:

No.	Name	No. of Shares 2011*	% Ownership	No. of Shares 2010	% Ownership
1	Al Raja' for Investments	2,389,090	1.59 %	1,183,709	1.08 %
	H.E. Dr. Rajai Saleh Muasher	64,024	0.04 %	46,952	0.04 %
	Mrs. Huda Muasher	486,295	0.32 %	356,617	0.32 %
2	H.E. Mr. Nadim Muasher	5,454,545	3.64 %	4,000,000	3.63 %
	Mrs. Rania Dallal	37,447	0.02 %	27,462	0.02 %
3	Byblos Bank	15,571,022	10.38 %	11,418,750	10.38 %
	H.E. Mr. Sami Haddad	-	0.00 %	-	0.00 %
4	Jordan Worsted Mills Company	8,873,603	5.92 %	6,440,700	5.86 %
	H.E. Mr. Marwan Awad	20,000	0.01 %	10,500	0.01 %
5	Jordan Investor Centre	8,218,636	5.48 %	6,140,428	5.58 %
	H.E. Mr. Wasef Azar	84,238	0.06 %	61,775	0.06 %
	Mrs. Abla Muasher	112,947	0.08 %	82,828	0.08 %
6	Muasher Investment and Trading Company	395,637	0.26 %	290,134	0.26 %
	Mr. Imad Muasher	5,479,349	3.65 %	4,018,190	3.65 %
	Mrs. Nadine Halasa	75,519	0.05 %	55,381	0.05 %
	Mr. Khalid Imad Muasher	80,001	0.05 %	58,669	0.05 %
	Mr. Firas Imad Muasher	84,093	0.06 %	61,669	0.06 %
	Mr Tareq Imad Muasher	80,002	0.05 %	58,669	0.05 %
7	Rajai Muasher and Brothers Co.	9,793	0.01 %	7,182	0.01 %
	H.E. Mr. Rafiq Muasher	2,523,626	1.68 %	2,000,000	1.81 %
8	The Social Security Corporation	3,559,569	2.37 %	2,990,000	2.72 %
	Mr. Mohammad Al Abdallat	-	0.00 %	-	0.0 %
9	Arabia S.A.L Holding Company	2,302,860	1.54 %	1,688,765	1.54 %
	Mr. Hani Frajj	16	0.00 %	14	0/0 %
10	Mr. Mahmoud Zuhdi Malhas	1,673,238	1.12 %	1,227,042	1.12 %
11	ZI&IME Co. (Saudi)	1,058,897	0.71 %	776,526	0.71 %
	Mr Ala'adin Sami	27,203	0.02 %	19,950	0.02 %
12	Mr. Karim Tawfik Kawar	98,670	0.07 %	72,359	0.05 %
	Mr Faisal Kawar	1,910	0.00 %	1,401	0.00 %
13	H.E. Dr. Abdel Elah Al Khatib	5,750	0.00 %	5,000	0.00 %

\* Number of shares after subscription with an increase in capital amounting to 18.577%

## b) Share Ownership by Senior Executive Management Members and their Relatives:

No.	Name	Title	No. of Shares 2011*	No. of Shares 2010
1	H.E. Mr. Marwan Awad	CEO/ General Manager	20,000	10,500
	Mr. Issa Khoury	Advisor to HE the Chairman	15,841	11,618
	Mrs. Nuha Shamiyyeh	Wife	1,860	1,365
2	Mr. Ramzi Khoury	Son	2,185	1,603
	Mr. Areen Khoury	Son	2,630	1,929
	Ms. Dima Khoury	Daughter	811	595
3	Mr. Ibrahim Ghawi	Deputy CEO/Head of Financial Management Group	-	-
	Ms. Hanan Kattoura	Wife	-	-
4	Ms. Lina Bakhit	Deputy CEO/Head of Ahli Capital Markets & Investments Group	30,276	22,203
5	Mrs. Hadeel Khalaf	Deputy CEO/Head of Group Operations	13,075	9,589
6	Mr. Hani Farraj	Deputy CEO for Administrative affairs/ Head of group Logistics & Board of Directors Secretary	18,120	11,550
7	Mr. Zahi Fakhoury	Deputy CEO/Head of Group Credit	128,863	94,500
	Mr. Saad Muasher	Deputy CEO/Head of Group Strategy and Corporate Communications	1,802,104	1,309,479
8	Mrs. Tania Harb	Wife	110,369	67,005
	Mr. Rakan Saad Muasher	Son	39,667	20,090
	Ms. Sara Saad Muasher	Daughter	37,233	27,305
9	Mr. Faleh Al Najjar	Deputy CEO/Head of Group SME Banking	-	-
10	Mr. Ahmad Al-khub	Deputy CEO/Group Personal and Premium Banking and Branches Management	-	-
11	Mr. Bashar Al Bakri	Deputy CEO/Head of Group Human Resources	-	-
12	Mr. Kameel Haddad	Deputy CEO for Group Remedial and Recoveries and Legal Affairs	10,157	7,449
13	Mr. Samer Abu Zayed	Deputy CEO/Head of Group Information Technology and Enterprise Programs	177	154
14	Mr. Ragheb Halaseh	Assistant General Manager/Head of Group Internal Audit	7,466	5,476
15	Mr. Abdul Aziz Sadaqa	Assistant General Manager / Acting Head of Group Corporate Banking	7,596	5,571
16	Mr Zaid Kokash	Assistant General Manager/Risk Management	-	-
17	Mr. George Farraj	Assistant General Manager / Branches Abroad	-	-
18	Ms. Oraib Hammoudeh	Deputy Assistant General Manager/ Inspection and Internal Control Department	492	-

\* Number of shares after subscription with an increase in capital amounting to 18.577%



**c) Companies Mastered by the Board of Directors and Relatives as of 31 December 2011:**

No.	Board of Directors Member	Companies Mastered by the Member	Shares Owned in Ahli Bank 2011	Shares Owned in Ahli Bank 2010
1	Alraja' for Investments H.E. Dr. Rajai Muasher	Jordan Green Valley	514,415	985,530
2	H.E. Mr. Nadim Muasher	- Jordan Fabric & Worsted Mills Manufacturing Co.	2,522,727	1,850,000
		- Arab International Hotels Co.	518,984	326,000
		- Beaches for Hotels and Spas Co.	898,173	597,925
		- Al Zay Ready Wear Manufacturing Co.	287,181	210,600
		- Ranko Public Contracting and Housing Co.	726,728	532,934
		- World Fashion Trading	85,909	63,000
		- Ahlona Social and Cultural Association	1,133,522	831,250
3	Jordan Worsted Mills Co. H.E. Mr. Marwan Awad	- Jordanian Investor Centre	8,218,636	6,140,428
		- Ahlona Social and Cultural Assosiation	1,133,522	831,250
4	Jordanian Investor Center Co. H.E. Mr. Wasef Azar	Middle East Insurance Co.	149,318	109,500
5	Muasher Investment and Trading Company Mr. Imad Muasher	- World Fashion Trading	85,909	63,000
		- Ahlona Social and Cultural Association	1,133,522	831,250
		- Jordanian Investor Centre	8,218,636	6,140,428
		- Arab International Hotels Co.	518,984	326,000
		- Ranko Public Contracting and Housing Co.	726,728	532,934
6	Rajai Muasher & Brothers Co. Mr. Rafiq Muasher	- Jordan Fabric & worsted Mills Manufacturing Co.	2,522,727	1,850,000
		- Beaches for Hotels and Spas Co.	898,173	597,925
		- Jordan Worsted Mills	8,873,603	6,440,700
7	Mr. Mahmoud Malhas	- Arab International Hotels Co.	518,984	326,000
8	Mr. Mahmoud Malhas	Al Mahmodieh Trading	47,059	34,511
9	ZI & IME (Saudi) Mr Ala'adin Sami	- Arab International Hotels Co.	518,984	326,000
9	Mr. Karim Kawar	- United Insurance Co.	179,028	131,288

\* Number of shares after subscription with an increase in capital amounting to 18.577%



#### d) Companies Mastered by the Executive Management and Relatives:

No.	Executive Management	Companies Mastered by Member	Shares Owned in Ahli Bank 2011	Shares Owned in Ahli Bank 2010
1	H.E. Mr. Marwan Awad	- Ahlona Social and Cultural Association	1,133,522	831,250
		- Jordanian Investor Center	8,218,636	6,140,428
2	Mr. Saad Muasher	- Al Nabeel for Investments and Trading	1,897,260	1,379,260
		- General Arabia Insurance Co.	941,240	690,244

\* Number of shares after subscription with an increase in capital amounting to 18.577%

#### 18) The 2011 Total Salaries, Benefits and Remunerations of Members of the Board of Directors and Senior Executive Management are as follows:

##### a) Benefits and Remunerations of Members of the Board of Directors

Name	Transportation and Travel Allowance	Per Diems	Remuneration	Total
H.E. Dr. Rajai Saleh Muasher	6,417	200	-	6,617
H.E. Mr. Nadim Muasher	6,346	600	5,000	11,946
H.E. Dr. Sami Haddad Representative, Byblos Bank	6,346	-	5,000	11,346
H.E. Mr. Marwan Awad Representative, Jordan Worsted Mills	6,346	300	5,000	11,646
H.E. Mr. Wasef Azar Jordan Investor Centre Co. Representative	6,346	1,100	5,000	12,446
Mr. Imad Muasher Representative, Muasher Investment and Trading Company	6,346	200	5,000	11,546
Mr. Rafiq Muasher Representative, Rajai Muasher & Brother Co.	6,346	700	5,000	12,046
Mr. Mohammad Al Abdallat Representative, The Social Security Corporation	6,346	100	5,000	11,446
Mr. Hani Fraij Representative, Arabia S.A.L Holding Company (Lebanon)	6,346	-	5,000	11,346
Mr. Mahmoud Zuhdi Malhas	6,346	-	5,000	11,346
Mr. Ala'adin Sami ZI & IME Co. (Saudi)	6,346	200	5,000	11,546
Mr. Karim Kawar	6,346	400	5,000	11,746
H.E. Mr. Abdel-Elah Al-Khatib	6,346	600	5,000	11,946

## b) Senior Executive Management Benefits and Remunerations

Name	Transportation and Travel Allowance	Per Diems	Total
H.E Mr Marwan Awad, Chief Executive Officer / General Manager	-	8,169	8,169
Mr. Issa Khoury, Advisor to the Chairman	1,897	2,956	4,853
Mr. Ibrahim Ghawi, Head of Financial Management Group	4,088	6,797	10,885
Ms. Lina Al Bakhit, Head of Group Capital Markets and Investments	212	450	662
Mrs. Hadeel Khalf, Head of Group Operations	-	-	-
Mr. Hani Farraj, Head Of Logistics & Board of Directors Secretary	1,674	200	1,874
Mr. Zahi Fakhoury, Head of Group Credit	2,424	4,400	6,824
Mr. Saad Muasher, Head of Group Strategy and Corporate Communications	9,090	7,037	16,127
Mr. Faleh Al Najjar, Head of Group SME Banking	-	600	600
Mr. Ahmad Al Khub, Head of Group Personal and local Branches Management	-	200	200
Mr. Bashar Al Bakri, Head of Human Resources group	-	200	200
Mr. Kameel Haddad, Head of Remedial Recoveries and Legal Affairs Group	-	-	-
Mr. Samer Abu Zayed, Head of Group Information Technology and Enterprise Program	670	600	1,270
Mr. Ragheb Halaseh, Head of Group Internal Audit	-	-	-
Mr. Abdul Aziz Sadaqa, Acting Head of Group Corporate Banking	-	-	-
Mr. Ziad Kokash, Assistant General Manager / Risk Management	-	-	-
Mr. George Farraj, Assistant General Manager/ Braches Abroad	-	-	-
Ms. Oraib Hammoudeh, Deputy Assistant to the General Manager / Inspection & Internal Control Department	-	-	-

**19. Total donations extended to various bodies amounted to 228,612 dinar, during 2011, detailed as follows:**

Name	Amount
King Abdullah Fund	78,052
National societies	48,920
Sport and culture clubs	20,950
Religious activities	1,950
Art and cultural forums	7,132
Social development funds and charity organizations	56,177
Cultural Centres/ universities/ schools/ education	10,430
Unions	4,500
Government Directorates and agencies	500
<b>Total</b>	<b>228,612</b>

20. The Jordan Ahli Bank did not enter any contracts, projects or dealings with the Chairman, Board Members, General Manager, any Bank employee or any of their relatives.

**First: Credit facilities granted to Board Members under non-preferential conditions**

Name/ Type of Facility	Limit JD	Balance in JD as of 31/12/2011	Notes
H.E. Mr. Nadim Yousef Issa Muasher			
Revolving loan	163,549	163,549	
Overdraft	50,000	11,989	
Jordan Worsted Mills Co.			
Guarantees	100,000	12,000	Against a 100% cash deposits, on hold under the texture manufacturing account
Overdraft (1)	2,000,000	1,190,197	
Overdraft (2)	500,000	295,808	
Jordan Investor Centre			
a) Within the Kingdom			
Overdraft	100,00	432	
b) Outside the Kingdom			
Renewed loan – original value of \$ 4.25 million	3,013,250	3,013,250	
Muasher Investment and Trading Company			
Revolving loan	906,200	906,200	
Overdraft	500,000	371,534	

## Second: Facilities Granted to Relatives of the Board of Directors:

Name/Type of Facility	Limit JD	Balance in (JD) as of 31/12/2011	Notes
<b>1. Related to Al Raja' for Investments</b>			
Green Valley Co.			
Revolving Loan balance \$1,924,180	1,364,243	1,364,243	
<b>2. Related to H.E. Mr. Nadim Muasher</b>			
Ranko Public Contracting and Housing Co.			
Revolving Loan	906,218	906,218	
Overdraft	500,000	492,633	
M/S Nadim & Imad & Nabil Muasher Sons			
Guarantees	5,000	5,000	
Jordan Fabric and Worsted Mills Co.			
Guarantees	300,000	100,000	
LCs	250,000	18,249	
Overdraft	500,000	0	
Yousef Muasher Sons Co.			
Overdraft	100,000	73,536	
World Fashion Trading Co.			
Revolving Loan	91,887	91,887	
Overdraft	500,000	501,405	
Stand By L.C/ 5182109 Euro	180,000	180,000	
Guarantees	600	600	
Business Tourism Co.			
Overdraft	1,400,000	0	
Revolving Loans Amounted to in Dollars \$5,992,810	4,248,902	4,248,902	
Guarantees	20,000	5,500	
Al Remah Contracting and Enterprise Management			
Guarantee	6,000	6,000	
Interior Design Studio			
Overdraft	50,000	22,292	
Guarantees	1,000	1,000	
Jordan Tourism and Hotels Education			
Revolving Loan	500,000	503,881	
Overdraft	150,000	155,415	
Guarantees	28,616	28,616	
Beaches for Hotels and Spas			
Revolving Loan	850,000	855,863	
One-Time-Only Guarantee	50,000	50,000	
Blessed Hands Farming Tools Co.			
One-Time-Only Guarantee	10,000	10,000	
<b>3. Related to Rajai Muasher &amp; Brothers Co.</b>			
Al Ofoq Real Estate Company			
Overdraft	500,000	241,850	
<b>4. Related to Muasher Investment and Trading Company</b>			
Imad Yousef Muasher			
Overdraft	500,000	264,538	
<b>5. Related to Mr Mahmoud Zuhdi Malhas</b>			
Al Mahmoudiah Car Trading Co.			
Overdraft	500,000	78,172	
Sales Sponsorship Loan	500,000	0	
<b>6. Related to Mr Karim Tawfiq Kawar</b>			
Amin Kawar & Sons Co.			
Overdraft	1,000,000	481,743	
Guarantees	500,000	0	
Arab Directory for Websites			
Overdraft	150,000	151,191	
Kawar Power Co.			
Overdraft	350,000	130,044	

\* The definition of "Related Parties" is in accordance with the instructions number 9/2001 of the Central Bank of Jordan

## 21. The Bank's Contribution to Environment Protection:

a) The Jordan Ahli Bank supports environmental conservation activities through the maintenance and servicing of the "Al-Ahli Park" opposite to the Jordan Ahli Bank head office.

b) The Jordan Ahli Bank Participates in supporting members of the local community in various areas as detailed below:

Bank's Contribution to Local Community Service for 2011	
Name	Amount
Local societies concerned with community members	3,750
The children's Museum	53,100
Ministry of Health	2,500
Dead Sea Co.	8,480
<b>Total</b>	<b>67,830</b>

# Bank's Commitment to Corporate Governance Requirements

Based on the regulations of the Central Bank of Jordan and those of the Securities Commission, the Executive Management, and under the supervision of the committees emanating from the board, continued to monitor the full implementation of the bank-accredited Corporate Governance Manual.

The Bank exhibited high commitment levels to the Manual and Corporate Governance regulations, among those which were achieved during 2011 were the adoption of both the board members' framework and the policy on disclosure. The monitoring is ongoing to ensure compliance to the manual's instructions and best practices by local and international organisations operating within this field. Furthermore, the board committees continued performing their duties in line with the Corporate Governance Manual. Below is the detailed list of the established board committees:

## a) Corporate Governance Committee comprised of Messrs:

- |                            |  |
|----------------------------|--|
| 1. H.E. Dr. Rajai Muasher  | Committee Head                                     |
| 2. H.E. Mr. Nadeem Muasher | Member   |
| 3. H.E. Mr. Wasef Azar     | Member/Representative, Jordan Investor Centre      |
| 4. Mr. Mohammad Al Abdalat | Member/Representative, Social Security Corporation |

## Committee Mandate:

The Board shall form a Corporate Governance Committee comprised of the Chairman and two None-executive Members

The Committee shall supervise the development of the Bank's Corporate Governance Manual, and shall oversee its implementation and ensure that effective follow up mechanisms are in place for its implementation across all managerial levels. The Committee shall also supervise updating the manual, in accordance with the instructions of the Central Bank of Jordan and accompanied with the approval of the Board

## b) Audit Committee Comprised of Messrs:

- |                                  |  |
|----------------------------------|--|
| 1. H.E. Mr. Abdel Ilah Al-Khatib | Committee Head                                 |
| 2. H.E. Mr. Wasef Azar           | Member / Jordan Investor Centre representative |
| 3. H.E. Mr. Karim Kawar          | Member   |

## Committee Mandate:

The Board shall form an Audit Committee comprised of three Non-executive Members, provided that at least two Members possess academic qualifications and/or practical experience in financial management fields, and that at least two of the Members are independent

The Committee shall carry out the responsibilities and authorities assigned to it pursuant to the Banking Law and any other relevant legislation, which include reviewing the following:

1. The scope, results and adequacy of internal and external audits of the Bank
2. Accounting issues with material impact on the financial statements
3. The Bank's internal monitoring and control systems

- The Committee shall present its recommendations to the Board regarding the appointment, dismissal and remuneration of the external auditor and any other relevant contractual issues. It will also assess the objectivity of the external auditor while taking into account any other work undertaken by the auditor, beyond the audit scope to ensure their objectivity.
- The Committee shall have the authority to access any information from the Executive Management and to call on any executive staff or Director to attend its meetings, and to have this term recorded in the committee's charter.
- It is agreed that the responsibilities of the audit committee do not substitute for the responsibilities of the Bank's Board or Executive Management with respect to monitor the effectiveness of the internal monitoring and controlling systems.

### **c) Risk Management Committee comprised of Messers:**

1. H.E. Mr. Nadim Muasher	Committee Head
2. H.E. Mr. Hani Fraij	Member / Representative, Arabia/Lebanon S.A.L.
3. H.E. Mr. Abdel Ilah Al-Khatib	Member
4. Mr. Rafiq Saleh Muasher	Member / Representative, Rajai Muasher & Brothers Company
5. H.E. Mr. Mohammad Al Abdullat	Member / Representative, Social Security Corporation

### **Committee Mandate:**

- All risks to which the Bank is exposed to are reviewed by the Risk Management Committee, which the Bank forms from the Members of the Board of Directors. It may include Members of the Executive Management.
- The Committee shall review the Bank's risk management policies and strategies before their endorsement by the Board. The Bank's Executive Management is responsible for implementing the said strategies and developing policies and procedures for managing the various types of risks.
- The Bank's Executive Management shall propose a structure for the risk management group and its development process, provided it is reviewed by the Committee and endorsed by the Board.
- The Committee shall stay abreast of rapid developments and increasing complexities that befall the Risk Management Department of the Bank and shall submit regular reports in this regard to the Board.

### **d) Nominations and Remunerations Committee comprised of Messers:**

1. H.E. Mr. Wasef Azar	Independent / Committee Head
2. Mr. Rafiq Saleh Muasher	Non-executive Member / Representative, Rajai Muasher & Brothers Co.
3. Mr. Ala'adin Sami	Independent Member / Representative, ZI & IME Saudi Co.
4. H.E. Mr. Mahmoud Malhas	Independent Member

## Committee Mandate

- The Board shall form the Nominations and Remunerations Committee from its Independent Members.
- The Committee shall nominate all Board appointments, duly considering abilities and qualifications of the nominated individuals and, for re-nominations, their attendance, and the quality and effectiveness of their participation in Board meetings.
- The Committee shall determine whether a Member qualifies to be considered “Independent” in accordance with the definition stipulated in the Central Bank of Jordan’s instructions.
- The Committee shall implement a formal method of assessing the effectiveness of the Board.
- The Committee shall be responsible for providing background information and summaries covering key issues concerning the Bank to the Directors when requested, and ensure that they are continuously updated on relevant banking topics.
- The Committee shall recommend the remunerations (including the monthly salary and other benefits for the CEO/General Manager). The Committee will also review the remunerations (including monthly salaries) granted to the remaining Executive Management Members.
- The Committee shall ensure that the Bank has a remunerations policy, which is sufficient to attract and retain qualified individuals, and is in line with that of the Bank’s peers in the market.

### e) Executive Committee comprised of Messrs:

1. H.E. Mr. Raji Muasher	Committee Head
2. H.E. Mr. Nadim Muasher	Deputy / Committee Head
3. H.E. Mr. Rafiq Muasher	Member / Representative, Rajai Muasher & Brothers Company
4. H.E. Mr. Wasef Azar	Member / Representative, Jordan Investor Centre
5. Mr. Karim Kawar	Member
6. Mr. Emad Yousef Muasher	Member / Muasher Investment and Trading Company
7. Chief Executive Officer (CEO) / General Manager	Member

## Committee Mandate

- Review credit facilities that exceed the higher credit committee authority, or any request that any Committee member expresses reservations about.
- Writing off suspended interest or other overdue interest payments on discounted promissory notes and outstanding due guaranteed withdrawals, and from the special allocations/reserves, and any amounts in excess of the authorities of the CEO/General Manager and the Chairman, through a recommendation by the Credit Committee and the CEO/General Manager.

### Board and Committee Meetings during 2011:

1. The Board held eleven meetings
2. The Audit Committee held four meetings, in addition to a private meeting with Deloitte and Touche the external auditor and the Appliance Control Manager without the attendance of the Bank’s Executive Management
3. The Nominations and Remunerations Committee held one meeting
4. The Risk Management Committee held two meetings
5. The Executive Committee held four meetings
6. The Corporate Governance Committee held two meetings



# Corporate Governance Manual

## Preamble

The Organization for Economic Cooperation and Development (OECD) defined Corporate Governance as the system organizing the rights and responsibilities of those managing an organization – such as its board, shareholders and other stakeholders – and lays down the rules and procedures for decision making and defines the mechanism that clarifies the aims of the organization and means to achieve and monitor same. Thus good corporate governance provides the Board and Executive Management with the appropriate incentives to achieve the aims that benefit the Organization and facilitates the establishment of an effective monitoring process, therefore assisting the Organization in effectively making use of its resources.

The importance of Corporate Governance in the Bank emerges from the fact that it provides a foundation for development and future corporate performance with the aim of instilling confidence in the Bank's

activities as a recipient of the funds of depositors and shareholders, and enables it to successfully participate in developing the banking services provided in Jordan to raise the competence of the national economy. Based on this, the Board has decided to adopt the "Corporate Governance Manual" to conform with all the Central Bank of Jordan's instructions, and best international practices. The Manual is based on the following four guiding principles:

- Fairness in treating all stakeholders (such as shareholders, depositors, creditors, Bank employees and regulatory authorities).
- Transparency and disclosure in a manner that enables related authorities to evaluate the Bank's position and its financial performance.
- Accountability in relationships between the Bank's Executive Management and the Board of Directors, and between the Board of Directors and shareholders, and between the Board of Directors and other concerned entities.
- Responsibility in terms of a clear separation between the responsibilities and delegating authorities.

## Introduction

Jordan Ahli Bank seeks to achieve the aims of its shareholders, clients and employees while conforming to the highest ethical standards of professional banking conduct in performance excellence, and disclosing the results of its operations accurately and transparently, in addition to fully complying with all the laws, rules and instructions regulating the activities of the Bank.

In reaffirmation of the aforementioned basic principle, the “Jordan Ahli Bank Corporate Governance Manual” was prepared and approved by the Board of Directors and implemented as of 1/1/2008. Although the Manual records several procedures currently applied at the Bank, their documentation in the Manual allows all concerned parties dealing with the Bank to familiarize themselves with its policies and procedures and provides assurance with regards to the principal foundations organizing the Bank’s management and its control, internal audit, transparency and disclosure mechanisms.

By adopting the Corporate Governance Manual, the Bank’s Board of Directors confirms its full commitment to its content and confirms its absolute support to its implementation. The Corporate Governance Committee of the Board will follow-up on the implementation and will hold all the responsible entities included in the Manual responsible, regardless of their administrative levels, to ensure that they are effectively implementing the Manual’s clauses in full.

The Corporate Governance Manual shall be published within the Bank’s Annual Report and any updated version will also be published on the Bank’s website. The provisions of the Manual shall apply to the Bank’s branches operating in the Hashemite Kingdom of Jordan and the branches operating abroad, to the extent permitted by the laws and regulations in effect in the countries of operation, and in case of contradiction, the laws and regulations of the country in which the branch operates shall apply.

The Manual shall be amended in accordance with the legislative and regulatory developments under the supervision of the Corporate Governance Committee of the Board. The amendments shall come into effect after the Board endorses same.

In order to strengthen the culture of corporate governance, the Bank, as part of its credit approval process, will evaluate the quality of corporate governance in its corporate customers, especially public shareholding companies, whereby the risk evaluation of customers will include their points of strength or weakness, in respect of their practices in governance.

## Definitions

**The following designations and terms in the Manual and wherever they appear shall have the following meanings:**

Bank:	The Jordan Ahli Bank
Manual:	The Corporate Governance Manual of the Jordan Ahli Bank
Board:	The Board of Directors of the Jordan Ahli Bank
Chairman:	Chairman of the Board of Directors of the Jordan Ahli Bank
Deputy Chairman:	Deputy Chairman of the Board of Directors of the Jordan Ahli Bank
Board Members:	Members of Board of Directors of the Jordan Ahli Bank
CEO/General Manager:	Chief Executive Officer/General Manager of the Jordan Ahli Bank
Secretary:	Secretary of the Board of Directors of the Jordan Ahli Bank
Executive Member (of the Board):	Full-time Member holding a position at the Bank
Independent Member* (of the Board):	Member (whether in his personal capacity or as a representative of a corporate personality) who has no other connection with the Bank than being a Member on the Board of Directors, a position which renders his judgment of issues free of any external considerations or matters
Board Committees:	Committees formed by the Board of Directors of the Jordan Ahli Bank and stipulated in the Manual
Executive Management:	Executive Management of the Jordan Ahli Bank

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\* The minimum requirements that must be available in the Independent Member (in accordance with the definition of the Central Bank of Jordan) must include the following:

1. The individual must not have worked as an employee at the Bank during the three years prior to the date of his/her nomination to the Board membership.
2. The individual must not be related to any administrative official of the Bank below the second degree.
3. The individual must not receive any salary or amount of money from the Bank except the remuneration he/she receives in lieu of his/her Board membership.
4. The individual is not a board member or owner of a company with which the Bank deals, except for transactions that result from conventional services and/or businesses which the Bank offers its customers, and provided that they are governed by the same regulations which govern similar dealings with any other party, and without any preferential conditions.
5. The individual must not be a partner with the external auditor or an employ thereof during the three years prior to the date of his/her nomination to the Board membership.
6. His/her shares do not constitute a controlling interest in the Bank's capital, or he/she an ally to another shareholder.

# 1- Board of Directors

## 1/1 General Principles

1. The Board is responsible for all Bank operations and its financial integrity. It must ensure that it meets the requirements of the Central Bank of Jordan and the interests of the shareholders, depositors, creditors, employees and other concerned stakeholders. It must also ascertain that the management of the Bank is conducted prudently and within the framework of effective rules and regulations and the Bank's internal policy.
2. The Board reiterates the commitment of each Member of the Board towards the Bank and all its shareholders, and not towards a particular shareholder.
3. The Board establishes the strategic objectives for the Bank, in addition to monitoring its Executive Management which is responsible for the day-to-day operations.
4. The Board endorses the systems for control and internal audit and ascertains their effectiveness and the Bank's adherence to the strategic plan, policies and the approved or required procedures, in accordance with the laws and regulations issued thereof. Moreover it ascertains that all Bank risks have been soundly managed.

## 1/2 Chairman and the CEO / General Manager

1. The positions of Chairman and the CEO/General Manager will be separated, provided no familial relationship beneath the third degree is established between them.
2. Separation between the responsibilities shall be realized by virtue of written instructions endorsed by the Board, and shall be revised whenever the need arises.
3. Should the Chairman hold executive powers, the Bank shall appoint an Independent Member as Deputy-Chairman ensuring an independent party to speak for the shareholders. The status of the Chairman, whether Executive or Non-executive, must be disclosed.

## 1/3 Role of the Chairman

1. The Chairman will establish a constructive relationship between the Board and the Bank's Executive Management and Executive and Non-executive Members.
2. The Chairman will create a culture – during Board meetings – that encourages constructive criticism concerning matters where differences of opinion exist among the Members, and will support discussions and voting on these issues.
3. The Chairman will ensure that timely and adequate information is provided to each Member of the Board and each shareholder.
4. The Chairman will ascertain that high standards of Corporate Governance are implemented in the Bank.

## 1/4 Board Composition

1. Diversity in practical and professional experience and specialized skills shall be taken into consideration when forming the Board.
2. The Board shall be composed of Executive Members (who occupy positions in the Bank) and Non-executive Members (Members who do not hold positions in the Bank). It is preferred that the majority of be comprised of Non-executive Members.
3. At least three Independent Members should be included among the Non-executive Members of the Board. The Bank shall maintain the appropriate number of Independent Members to assure the objectivity of decisions, so as to guarantee that the Board maintains a level of monitoring which ensures that the influence of all parties, including the Executive Management and the principal shareholders, is balanced, and to ascertain that all the decisions are issued in favor of the Bank.

## **1/5 Organizing the Board's Agenda**

1. The responsibility of the Board Members must be defined and clear, and in conformity with the relevant laws. The Bank must provide every Member of the Board, upon his/her election, with a letter explaining his/her rights, responsibilities and duties.
2. Board Members must be constantly aware of the developments inside the Bank and the local and international banking sectors. The Bank must provide the Members with an appropriate summary of the Bank's activities upon appointment and during the Member's tenure, or upon demand.
3. All banking transactions which require the Board's approval (including, for example, the Board's authority vis-à-vis granting loans in excess of a certain amount or the authority regarding related-party transactions or any other banking operations within the Board's jurisdiction) must be clarified in writing.
4. The Bank must draw up an organizational chart defining its administrative hierarchy (including the Board's committees and the Executive Management). The component regarding the administrative framework showing the Senior Management levels in the Bank must be disclosed to the public.
5. Members of the Board and its Committees must be allowed direct contact with the Executive Management.
6. In order to guarantee that topics raised during the Board meetings, which should not be less than six per year, are comprehensive, the Executive Management must propose the subjects that it deems important in the agenda of each meeting.
7. The Bank will provide the Board Members with adequate information in advance of the Board meeting to enable them to take appropriate decisions. The Members of the Board and its Committees will have the authority, should the need arise, to seek external resources to help them perform their duties in the best possible way.
8. The Secretary of the Board must record all Board deliberations, suggestions and voting of Members during Board meetings.
9. The Secretary of the Board must ensure that Board Members follow the Board's approved procedures, and must circulate the information among the Members of the Board and its Committees and the Executive Management. The Secretary must also set the schedule of the Board's meetings and record the minutes of meetings.
10. The Board will define the job and duties of the Board's Secretary, officially and in writing, in conformity with the level of responsibilities referred to above. The Board will also take any decision related to his/her appointment or dismissal unanimously.

## **1/6 Activities of the Board**

### **1/6/1 Appointments and Replacements**

1. The Board shall appoint an Executive Officer/General Manager who enjoys integrity, technical efficiency and banking experience.
2. The Board must approve the appointment of certain Executive Managers such as the Head of Group Financial Management and the Head of Group Inspection and Internal Control. It must also ensure the appointees have the required experience.
3. The Board will approve the succession plans for the Bank's Executive Managers provided they include the qualifications and requirements that should be available in such managers.

### **1/6/2 Self-assessment and Evaluation of the Performance of the CEO / General Manager**

1. The Board will evaluate the performance of the Board as a whole at least once annually through its Nominations and Remuneration Committee.
2. The Board will evaluate the performance of the CEO/General Manager annually.

## **1/6/3 Planning, Control and Audit Systems, Code of Ethics, Conflict of Interest**

1. The Board will define the Bank's objectives and will direct the Executive Management to draw up a strategy to achieve these objectives.
2. The Executive Management will establish work plans that comply with those strategies through a planning process that includes the participation of all the Bank's departments.

The Board will endorse the strategy and the work plans and will ensure the Executive Management's review of the performance accomplishments in accordance with the work plans, and that corrective measures have been carried out where necessary. The process of preparing the budget is considered part of the short-term planning and performance evaluation process.

3. The Board must ensure that the Bank enjoys a high level of integrity during the course of conducting its work. This is achieved through providing policies and a code of ethics that define conflict of interest and transactions that are not at-arms length, and that are carried out by the Bank employees for their personal interest using insider information concerning the Bank that was acquired / viewed as a result of the authorities granted to them. These policies and the code of ethics shall be circulated to all Bank employees and Board Members, and same shall approve them, after which they will be made available to the public. These policies must include the following:

a. The rules and procedures that organize transactions with related parties whether between the Bank and its employees or the Board Members or their companies or parties related to them, including mutual lending and trading transactions with the Bank. These rules must also include assurance that credit will be granted to Board Members and their companies in accordance with the prices prevailing in the market and not in accordance with preferential terms, and that the concerned Member will not participate in the meeting in which this transaction or contract is deliberated or voted on.

Such transactions must be disclosed in the Annual Report of the Bank.

The Bank departments concerned with internal audit and inspection systems must ensure that the related party transactions were realized in accordance with this policy.

b. Clear audit systems that prohibit Board Members or employees from exploiting internal Bank information for their personal benefit. The Bank must have written policies that cover all its banking activities and same must be circulated at all managerial levels and periodically reviewed to ensure they include any amendments or changes that may have occurred to the laws, instructions, economic conditions, or any other matters related to the Bank.

## **2. Board Committees**

### **2/1 General Principles:**

1. Committees emanating from the Board are set up with specified objectives. The Board, to whom they periodically report, delegates them with powers and responsibilities for a specified period of time. These committees shall submit periodic reports to the Board as a whole. A charter is drawn up explaining the mechanism of establishing these Committees and describing their objectives, duties, and authorities. The establishment of those Committees does not relieve the Board from direct responsibility for all Bank related matters.
2. The appointment of the Members of Board Committees shall be transparent. The names of the Members in those committees, and a summary of their duties and responsibilities shall be



disclosed in the Bank's Annual Report.

3. The Board may merge the tasks of a number of its Committees if more suitable or appropriate from an administrative perspective.

## **2/2 The Audit Committee:**

1. The Board shall form an Audit Committee composed of three Non-executive Members, provided that at least two of the Committee Members are academically qualified and/or enjoy practical experience in the fields of financial management. The Committee should have at least two Independent Members.
2. The Audit Committee shall carry out the responsibilities and powers granted thereto in accordance with the banking law and any other related legislation. This will include reviewing the following:
  - The scope, results and adequacy of both the Bank internal and external audit.
  - Accountancy cases with a material effect on the financial statements.
  - Internal audit and inspection systems at the Bank.
3. The Audit Committee will submit its recommendations to the Board regarding the appointment, termination and remuneration of the external auditor, and any other contractual terms related thereto. In addition, it shall evaluate the objectivity of the external auditor while taking into consideration any other work same conducted outside the scope of the external audit to ensure this objectivity.
4. The Audit Committee shall have authority to obtain any information from the Executive Management in addition to its right to summon any Executive Officer or Board Member to attend its meetings, provided this is stipulated in its Charter which includes the duties and responsibilities of the Committee.
5. The Audit Committee shall meet with the external auditor, the internal auditor, and the Compliance Manager at least once a year without the presence of the Executive Management.
6. It is agreed upon that the responsibility of the Audit Committee shall not relieve the Bank's Board or the Executive Management of their responsibilities regarding oversight of the adequacy of the internal audit and inspection systems therewith.

## **2/3 Nominations and Remuneration Committee:**

1. The Board shall form the Nominations and Remuneration Committee from among its Members, provided it includes at least three Non-executive Members and that the majority of them (including the Chairman of the Committee) are Independent Members.
2. The Nominations and Remuneration Committee shall suggest the names of Board Members, while taking into consideration, the capabilities and qualifications of the nominees. In the case of re-nomination, their attendance and the quality and effectiveness of their participation in Board meetings shall be taken into consideration.
3. The Nominations and Remuneration Committee is responsible for deciding whether the Member is an Independent Member as per the definition stipulated in the Central Bank of Jordan's instructions.
4. The Nominations and Remuneration Committee shall follow specified and approved rules to assess the Board's effectiveness, whereby the performance evaluation criteria is objective, includes a comparison with other Banks, in addition to criteria for the soundness and correctness of the financial statements of the Bank and criteria for the level of compliance with regulatory requirements.
5. The Nominations and Remuneration Committee shall undertake the responsibility of providing the Board Members, upon request, with information and summaries on the background of some important issues related to banking. It shall also ensure same are routinely updated with the latest issues related to banking.

6. The Nominations and Remuneration Committee will recommend the remuneration (including the monthly salary and the other benefits for the CEO/General Manager). The Committee will also review the remuneration (including the salaries) for the rest of the Executive Management.
7. The Nominations and Remuneration Committee is charged with the responsibility of ensuring the existence of an incentive scheme at the Bank that guarantees that remuneration/salaries are adequate to attract qualified personnel to the Bank and retain them in a manner that conforms to the remuneration/salaries granted by similar banks in the market.
8. A summary of the Bank's incentive scheme will be disclosed in the Bank's Annual Report. Specifically, it will include the remuneration for each Board Member, and the highest salaries paid to Executive Managers, who are not Board Members.

### **2/4 Risk Management Committee:**

1. The Risk Management Committee, established by the Bank from Board Members, and which may include Members from the Executive Management, will review the risks to which the Bank is exposed.
2. The Risk Management Committee shall review the Bank's risk policies and strategies before same are approved by the Board. The Bank's Executive Management is responsible for the implementation of these strategies in addition to developing the policies and procedures for managing various risks.
3. The structure of the Risk Management Group and its development shall be suggested by the Bank's Executive Management, reviewed by the Risk Management Committee, and approved by the Board.
4. The Risk Management Committee shall keep abreast of the rapid developments and increasing complications affecting risk management in the Bank. It shall periodically report on these developments to the Board.

### **2/5 The Corporate Governance Committee:**

1. The Board shall form the Corporate Governance Committee so that it includes the Board Chairman and two Non-executive Members.
2. The Corporate Governance Committee shall undertake supervising the preparation of the Bank's Corporate Governance Manual. It will also supervise its implementation, particularly in regard to the existence of effective follow up mechanisms to implement its clauses on all administrative levels. It shall also supervise updating the Manual in accordance with the regulations of the Central Bank of Jordan and with the Board's approval.

## **3- Inspection and Internal Control**

### **3/1 General**

1. The internal and external auditors will review the structure of inspection and internal control systems at least once a year.
2. The Bank's Annual Report must include a report on the adequacy of the inspection and internal control systems on financial reporting. The report must include the following:
  - a. A paragraph explaining the Executive Management's responsibility for the status of the inspection and internal control systems regarding financial reporting in the Bank and maintaining these systems.



- b. A paragraph on the framework used by the Executive Management to evaluate the effectiveness of the inspection and internal control systems.
  - c. The Executive Management's evaluation of the effectiveness of the inspection and internal control systems as of the date of the financial statements included in the Bank's Annual Report.
  - d. Disclosure of any material weaknesses in the inspection and internal control systems (any material weakness is a weakness or a number of clear weaknesses that result in the probability of failing to prevent or expose an incorrect material statement).
  - e. The external auditor's report stating its opinion concerning the Executive Management's evaluation of the efficiency of the inspection and internal control systems.
3. The Bank will set procedures to allow employees to confidentially report any fears related to the possibility of violations, and in a manner that allows an independent investigation of those fears and follow up thereon. The Audit Committee shall monitor the implementation of these procedures.

### **3/2 Internal Audit:**

1. The Bank shall provide the Internal Audit Group with a sufficient cadre of qualified human resources whereby they are provided with appropriate training and remuneration. The Internal Audit Group shall be entitled to obtain any information or contact any employee inside the Bank. The Group is given all the authorities that empower it to properly perform the duties delegated thereto. The Bank will document the duties, authorities and responsibilities of the Audit Group within the Internal Audit Charter approved by the Board and shall circulate same in the Bank.
2. The Internal Audit Group shall report to the Chairman of the Audit Committee.
3. Internal audit employees must not be delegated with any executive responsibilities. The Internal Audit Group shall be responsible for suggesting the structure and scope of internal audit and will also be responsible for informing the Audit Committee of any possibility of the existence of conflict of interest.
4. The Internal Audit Group will exercise its duties and prepare its complete reports without any external interference. It is entitled to discuss its reports with the audited departments.
5. The main responsibility of the Internal Audit Group, which must follow a risk based audit, is to review the following, as a minimum:
  - The financial reporting operations in the Bank (to ensure that basic information concerning financial and administrative issues and transactions is accurate, reliable and timely).
  - Compliance with the Bank's internal policies, international standards and procedures, and the relevant rules and regulations.

### **3/3 External Auditing:**

1. The regular rotation principal of external audit between audit firms shall be adopted. In case applying this principal proves difficult from the practical aspect, the Bank will request regular rotation of the principal partner responsible for the Bank's external audit.
2. The external auditor will provide the Audit Committee with a copy of its report. The external auditor will meet with the Audit Committee without the presence of the Executive Management at least once a year.

### **3/4 Risk Management**

1. The Bank's Risk Management Group will report to the Risk Management Committee. Daily transactions will be reported to the CEO/General Manager.
2. The responsibilities of the Bank's Risk Management Group include the following:
  - a. Analyze all risks including those of credit, market, liquidity and operations.

- b. Develop measurement and control methodologies for every kind of risk.
  - c. Recommend risk limits, approvals, reporting as well as documenting exceptions to the risk management policy to the Committee.
  - d. Provide the Board and the Senior Executive Management with information on the Bank's risk measurement and risk profile. (The Board shall, at every meeting, regularly review the Bank's quality and quantity of risk statistics.)
  - e. Provide information on the Bank's risks for use in disclosures and publications to the public.
3. The Bank's Committees, such as the Credit Committee, Assets and Liabilities Management Committee /Treasury, and the Operational Risk Committee, will perform their tasks, with the assistance of the Risk Management Group, in accordance with the authorities defined thereto.
  4. The Bank's Annual Report will include information on the Risk Management Group regarding its structure, nature of operations and developments that may occur thereto.

### **3/5 Compliance**

1. An independent Compliance Department shall be established in accordance with the instructions of the Central Bank of Jordan issued in this regard.
2. The Compliance Department will prepare an effective methodology to guarantee the Bank's compliance with all the effective laws and legislation and any relevant directives and manuals. The Bank will document the duties, authorities and responsibilities of the Compliance Department and same shall be circulated in the Bank.
3. The Board will adopt and monitor the compliance policy. The Compliance Department will be responsible for its preparation, development and application at the Bank.
4. The Compliance Department will report on the outcome of its performance and its monitoring of compliance, to the Board or the Committee emanating there from. A copy will be sent to the Executive Management, in accordance with the instructions of the Central Bank of Jordan issued in this regard.

## **4. Relationship with the Shareholders**

1. The Bank will take steps to encourage Shareholders, especially minority shareholders, to attend the General Assembly Annual Meeting and vote either in person, or in their absence, by proxy.
2. The Chairpersons of the Auditing and Nominations and Remunerations Committees and any other Committees emanating from the Board, shall attend the General Assembly Annual Meeting.
3. Representatives of the external auditors shall attend the General Assembly Annual Meeting in order to respond to any inquiries that may be raised regarding auditing and the audit report.
4. Individual voting shall be taken into consideration on every issue raised during the General Assembly Annual Meeting.
5. The Companies Law stipulates that Board Members shall be elected or re-elected during the General Assembly Annual Meeting. Voting on the external auditor shall also be carried out during the same meeting.
6. Following the General Assembly Annual Meeting a report must be prepared for the shareholders. The report must contain the observations that were made during the meeting and the results, including voting results, the inquiries made by the shareholders, and the responses of the Executive Management thereon.

## 5. Transparency and Disclosure

1. The Bank is committed to disclosure in accordance with the International Financial Reporting Standards (IFRS) and the instructions of the Central Bank of Jordan in effect, and that are issued in accordance with the effective Bank's Law and legislation. The Executive Management is responsible for following up on changes that may occur to the International Financial Disclosure Practices and the extent of transparency required of financial institutions, and must ascertain their application in a manner that reinforces the Bank's practices in disclosure.
2. The Bank is committed to providing valid and meaningful information on its activities to the Central Bank of Jordan, shareholders, depositors, other banks and the public in general, while focusing on issues that may be of concern to shareholders. The Bank must periodically disclose this information and make it available to everyone.
3. The Bank shall clarify, in its Annual Report, its responsibility for the accuracy and adequacy of its financial statements and the information stated therein.
4. The Bank is committed to maintaining communication channels with the regulatory authorities, shareholders, depositors, other banks, and the public in general. These communication channels shall be realized through the investor's relations function, the Annual Report, the quarterly and periodic financial reports, the Board's report on the negotiation of the Bank's shares and its financial status during the year, periodic meetings, and periodic summaries to shareholders. Updated information (contained in the Bank's Annual Report or in its quarterly reports or in the lectures presented by the Executive Management) shall also be made available through the investor's relations function or on the Bank's website in both Arabic and English.
5. The Bank's Annual and Quarterly reports shall include a "Management Discussion and Analysis" (MD&A) disclosure on the Executive Management. This disclosure allows investors to understand the results of current and future operations, the Bank's financial position including the possible ramifications of common trends, and events and cases of uncertainty. The Bank undertakes that all the explanatory notes contained in this disclosure are reliable, complete, fair, balanced, and clear, and that same rely on the published financial statements of the Bank.
6. The Bank's Annual Report includes, as part of its commitment to transparency and complete disclosure, the following in particular:

The Bank's "Corporate Governance Manual" and the annual details of the Bank's commitment to its clauses with a report containing the extent of the commitment of the Bank's Management to implementing each of the Manual's clauses and the reasons for non-compliance with any clause not implemented.

Information on every Board Member: Qualifications and experience and share in the Bank's capital, whether same is Independent, Executive or Non-executive, in addition to membership in Board Committees, date of appointment to the Board, any membership in other boards, remunerations/salaries received from the Bank, loans granted by the Bank and any other operations between the Bank and the Member/s or their companies or other related parties.

Disclosure of credit facilities obtained by Board Members and their companies in accordance with the approved prevailing rates and not at preferential terms. The non-participation of the Member in any meeting where this transaction, contract or vote occurred must be considered.

A summary of the Bank's organizational structure.

A summary of duties and responsibilities of the Board Committees, and any powers the Board delegated thereto.

The number of the meetings held by the Board and Board Committees.

A summary of the Incentives Scheme of the Bank and the highest salary paid to the Executive Management.

The Board's written statement on the adequacy of inspection and internal control systems.

A description of the structure and activities of the Risk Management Group.

The majority shareholders of the Bank (such as the shareholder or related parties that own or control more than 10% of the Bank's capital) with a definition of the ultimate beneficial owners who are majority shareholders in companies considered principal shareholders of the Bank, where applicable.

Disclosure of any other matters that strengthen the principal of disclosure and transparency that are recommended by the Executive Management and approved or requested by the Board.

# The Executive Management's Evaluation of the Effectiveness of Inspection and Internal Control Systems

The Executive Management prepares and develops strategies and policies and works on implementing them after same are approved by the Board. It also prepares and develops work procedures for all business sectors and activities in the Bank and on all operational levels, taking into consideration defining, controlling and inspecting the risks that the Bank is exposed to. It ensures the effectiveness of performance through regular and continuous oversight of the internal inspection and control systems to fortify the Bank and guarantee sound banking practices and safe dealings at all times.

Inspection and internal control procedures are applied through the following organizational structures:

**Human resources:** includes the methodologies organizing the work of the operational structure, job descriptions, career path planning and career succession and replacement policies, employee bylaws, employee loans systems, pension fund instructions, employment instructions and procedures, bonus instructions, training policies, promotions systems and others. The review and development of the systems and instructions shall be performed in accordance with the regulatory changes and best practices in human resource management.

**Internal audit:** includes the methodologies organizing the work of the internal audit charter, audit procedures manual and an annually approved plan. A documented follow up of the issued audit reports and the extent of correction shall be carried out. The internal audit group is currently in the process of developing its operations in a manner that follows a risk based audit methodology aiming to increase further its effectiveness. Audit procedures shall be independently performed and the reports shall be submitted to the Audit Committee emanating from the Board.

**Group Strategy & Corporate Communications:** includes inter alia following up on the execution of strategic plans that are passed on to all groups and support groups, and revising each group's priorities, adding or modifying its tasks and conducting a monthly follow up on progress to ensure that targets are being met.

**Risk Management:** includes the methodologies organizing the work of the general policy of risk management. It includes the Credit Risk Management Policy, Operational and Operations Risk Management Policy, Market Risks Management Policy in addition to the Compliance Oversight Policy and the Anti-money Laundering Policy and its procedures.

It is worth noting that the Group Risk Management is represented in the Products Committee and in the Methods and Procedures Committee which guarantees verifying, and prior to the provision of any new product, process, or system, that it is in line with the policy of the Bank and the regulatory requirements, and that the inherent risks have been defined and oversight controls activated, and the risks are in harmony with the level of acceptable risks in the Bank.

**Group Finance:** The Bank applies financial and accounting systems that conform with international standards for financial reports and guarantee a real and accurate reflection of the financial position of the Bank, and provide necessary information for decision making. The quarterly performance of the Groups in the Bank shall be assessed against the work plans and trial balances.

**Group Operations:** The Group focuses through its various departments on creating integrated steps in the banking operations aimed at verifying that each operation that is performed is done in line with the accounting principles in effect and the instructions of internal and external regulatory authorities. The development and documentation of manuals for banking procedures and methods shall be done within the Group. These manuals are prepared in accordance with international standards for quality and are approved by a neutral specialized committee. The Oversight and Reporting Unit within the Group will perform the tasks of daily and periodic audit of the computer generated reports, records, matching results, banking accounts, external accounts and placements and other. It will also verify that implementation is in line with adopted instructions.

**Credit:** Group Credit (which is completely independent from the business sectors – financing banking services) participates in credit decision making after reviewing credit requests neutrally and objectively. It is represented by Credit Committees and enjoys the necessary authorities. It also continuously oversees credit activities through reviews focused on credit portfolios. From a procedural risk aspect, customer sectors are reviewed, the level of authorities and the soundness and completeness of provided guarantees submitted to the Bank are verified, the adequacy of existing guarantees whose value is subject to change and the course of the credit process is reviewed and facilities on the banking system are activated after verifying the soundness of all the procedures for granting credit and proper documentation.

On another front, and in regard to accounts that exhibit signs of default, the procedures for early warning and close follow up that are applied guarantee taking the necessary preventative steps.

**Inspection and Internal Control:** Procedures to verify that the banking operations and related records are correct and implemented in accordance with the adopted work instructions, manuals and procedures. These procedures include prevention, warning, correction and follow up and are performed routinely – daily, monthly and annually – through reviewing and auditing daily accounting portfolios for branches and reviewing exceptions reports that are automatically issued at end of day. They also include matching current accounts in branches with the operations management and the foreign bank accounts with operations. A workshop under the title “Inspection and Control Awareness” took place recently as a preventative control step among other control procedures implemented by the group.

**Information Technology:** The Group Information Technology works in accordance with a strategic plan and effective policies and procedures that define the system owners. It also provides security of the automated system and incorporates strict controls that secure its use, which in turn allows the monitoring of performance measurement and assigning responsibility.

**Safety and security requirements:** The Bank abides by applying strict requirements in regard to safety and security in accordance with adopted procedures, whereby efficiency and safety procedures are being constantly revised to safeguard employees and assets.

Using this evaluation, the Executive Management can affirm that the managements concerned with inspection and internal control have implemented the set plans and that their work was performed within the framework of a high level of discipline and professionalism.



## Statement of Declaration by the Board of Directors

Jordan Ahli Bank's Board of Directors acknowledges, and to the best of its knowledge and belief, that there are no substantial matters that may affect the continuity of the Bank's work during the fiscal year of 2012. The Board also acknowledges its responsibility for the preparation of financial statements and the availability of an efficient and effective internal inspection and control system.

**H.E. Dr. Rajai Saleh Muasher**  
Representative, Al Raja' Investment Company

Chairman of the Board

**H.E. Mr. Nadim Muasher**

Deputy Chairman of the Board

**H.E. Mr. Marwan Yousef Awad**  
Representative, Jordan Worsted Mills Company

Member

**Mr. Rafiq Saleh Muasher**  
Representative, Rajai Muasher and Brothers Company

Member

**H.E. Mr. Wasef Azar**  
Representative, Jordan Investor Centre

Member

**Mr. Emad Yousef Muasher**  
Representative, Muasher Investment and Trading Company (MITACO)

Member

**H.E. Mr. Sami Haddad**  
Representative, Byblos Bank (Lebanon)

Member

**Mr. Mohammad Al Abdallat**  
Representative, Social Security Corporation

Member

**Mr. Ala'adin Sami**  
Representative, ZI & IME Co. (Saudi Arabia)

Member

**Mr. Hani Atalla Fraij**  
Representative, Arabia S.A.L Holding Company (Lebanon)

Member

**Mr. Mahmoud Zuhdi Malhas**

Member

**Mr. Karim Tawfik Kawar**

Member

**H.E. Mr. Abdel Elah Al Khatib**

Member

## Declaration

We, the undersigned, Chairman of the Jordan Ahli Bank, Chief Executive Officer and General Manager, and Head of Group Finance, confirm the validity, accuracy and completeness of the information and data contained in the annual report of the Bank for the year 2011.

**Dr. Rajai Saleh Muasher**



**Chairman of the Board**

**Marwan Yousef Awad**



**Chief Executive Officer  
and General Manager**

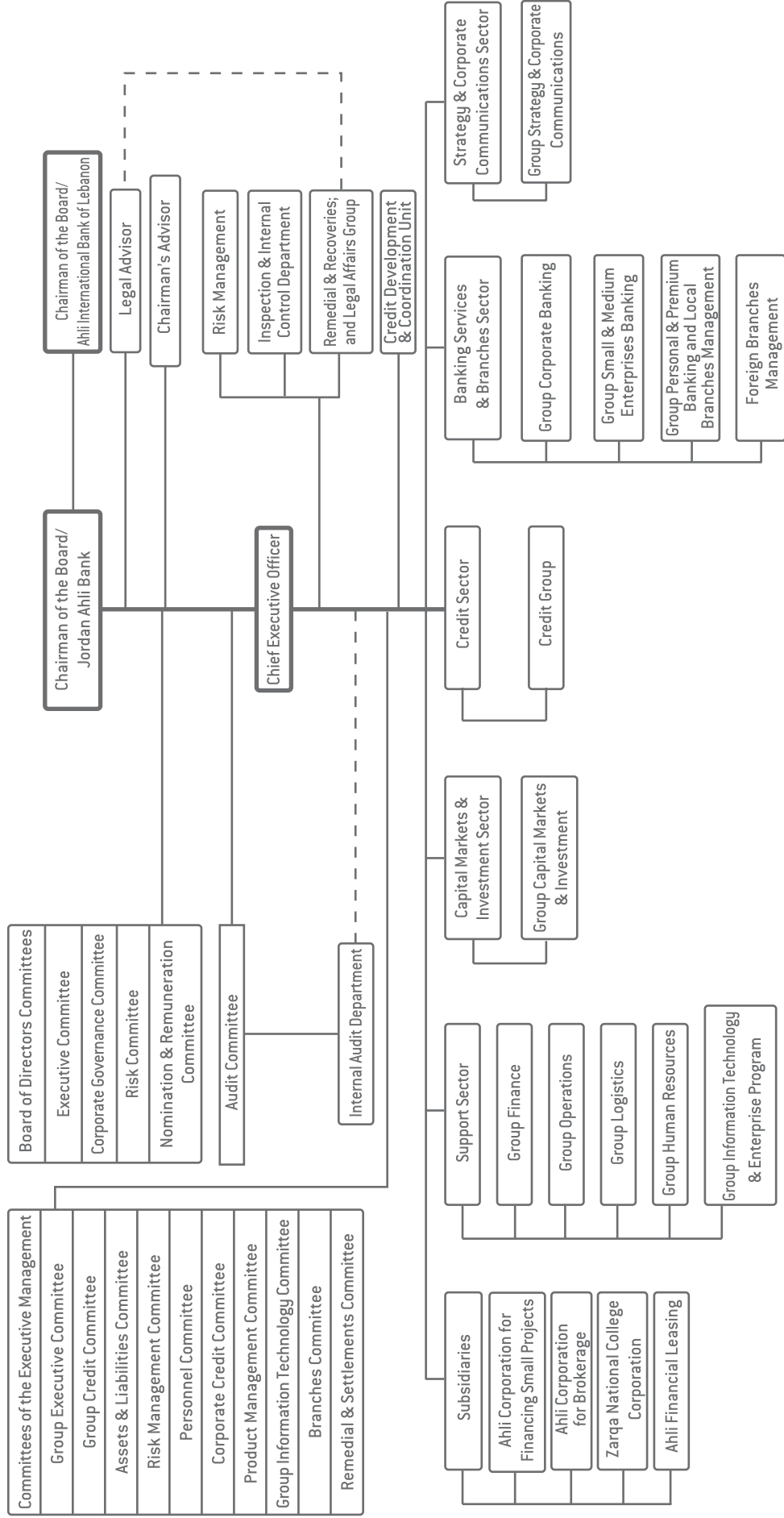
**Ibrahim Ghawi**



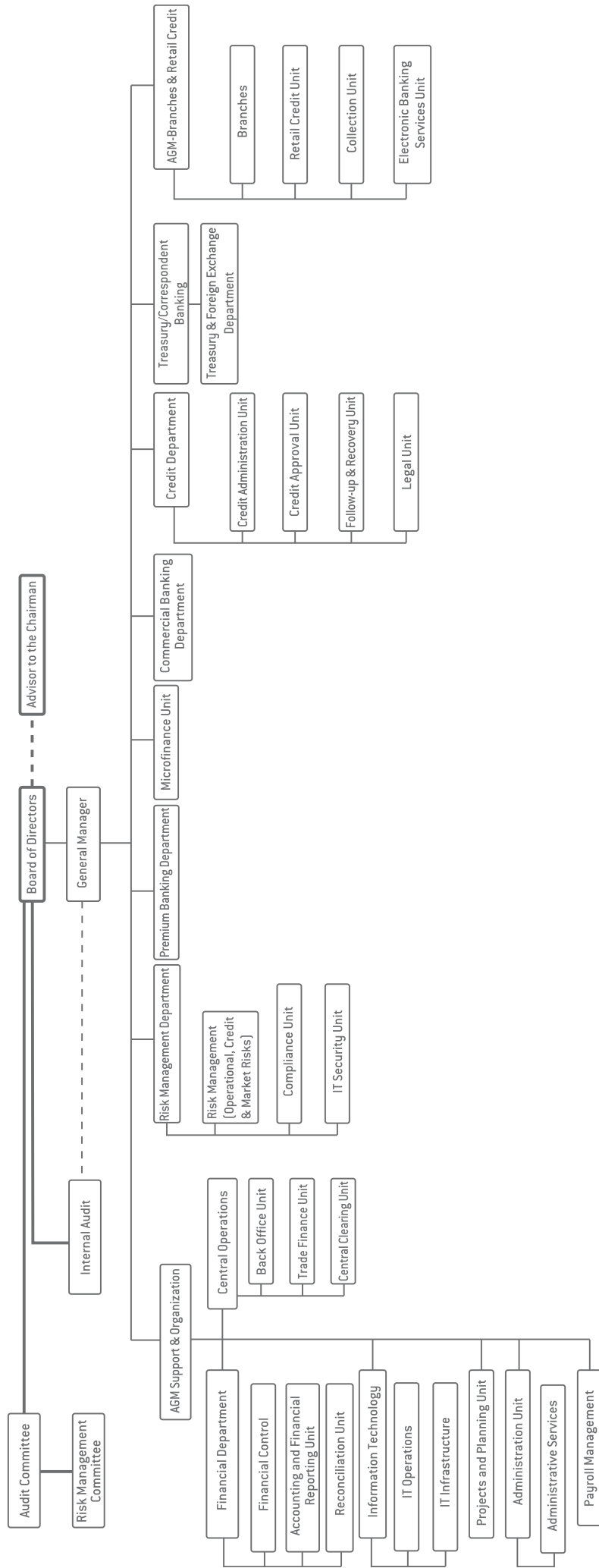
**Head of Group Finance**



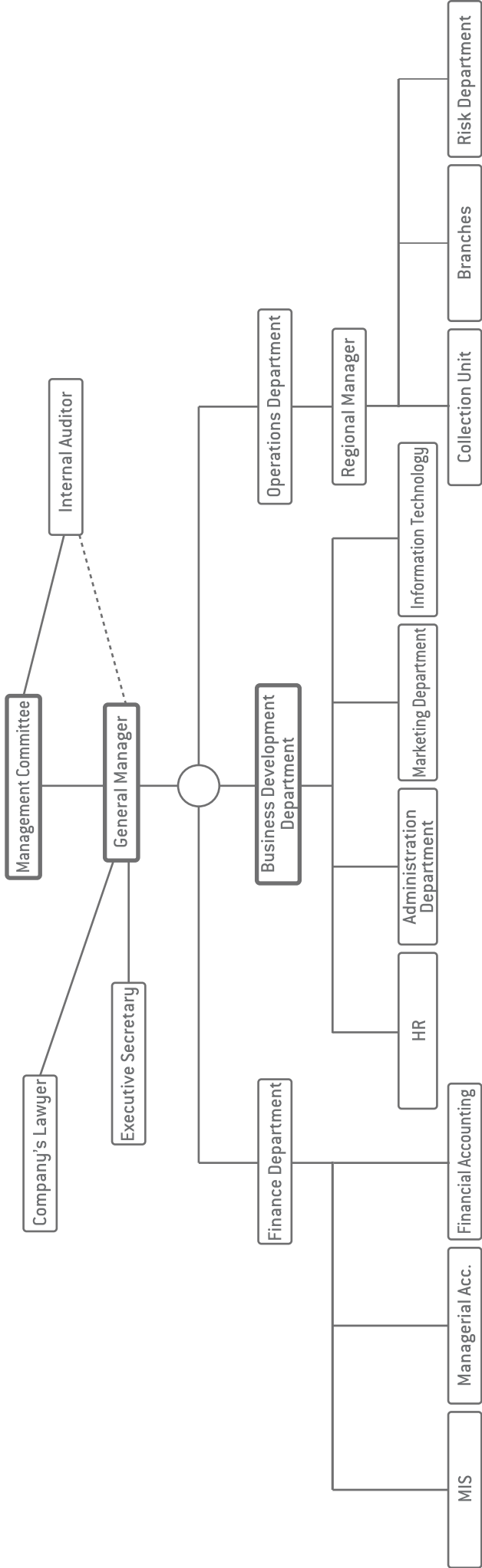
# Jordan Ahli Bank PLC



## Ahli International Bank SAL

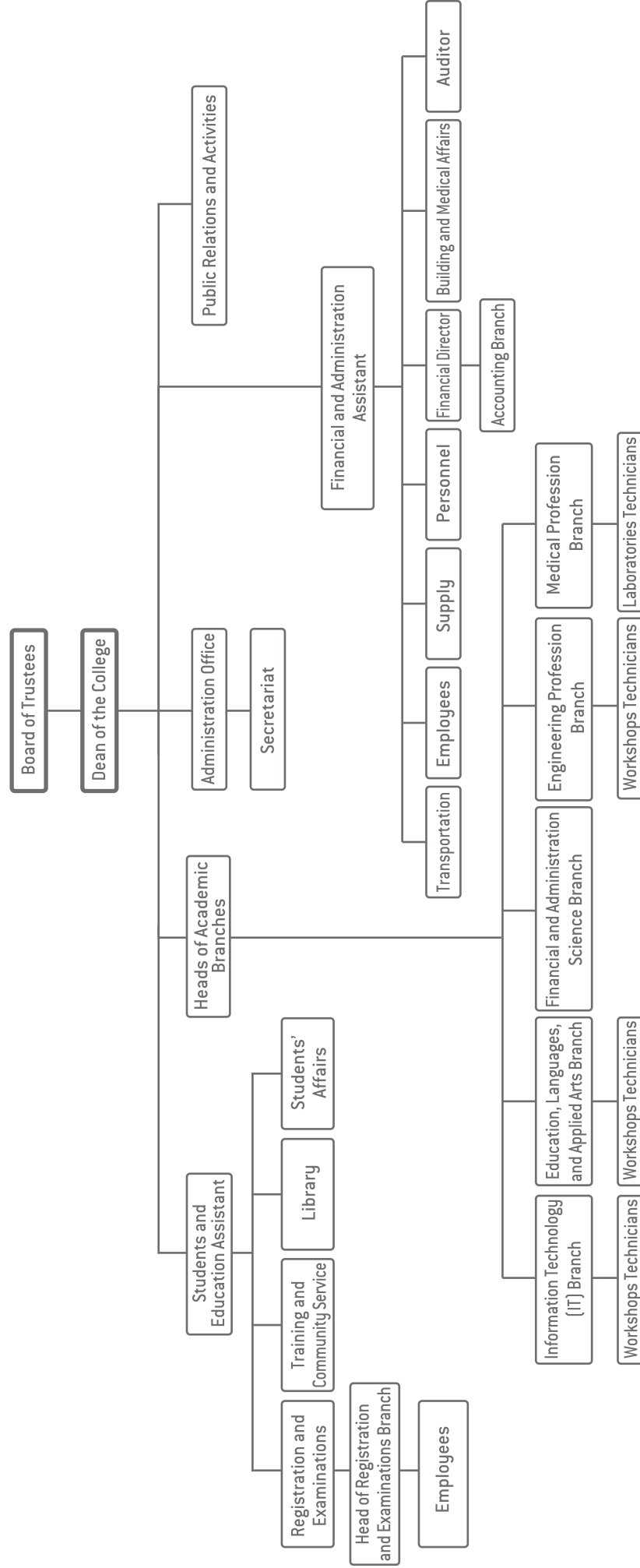


### Ahli Microfinance Company

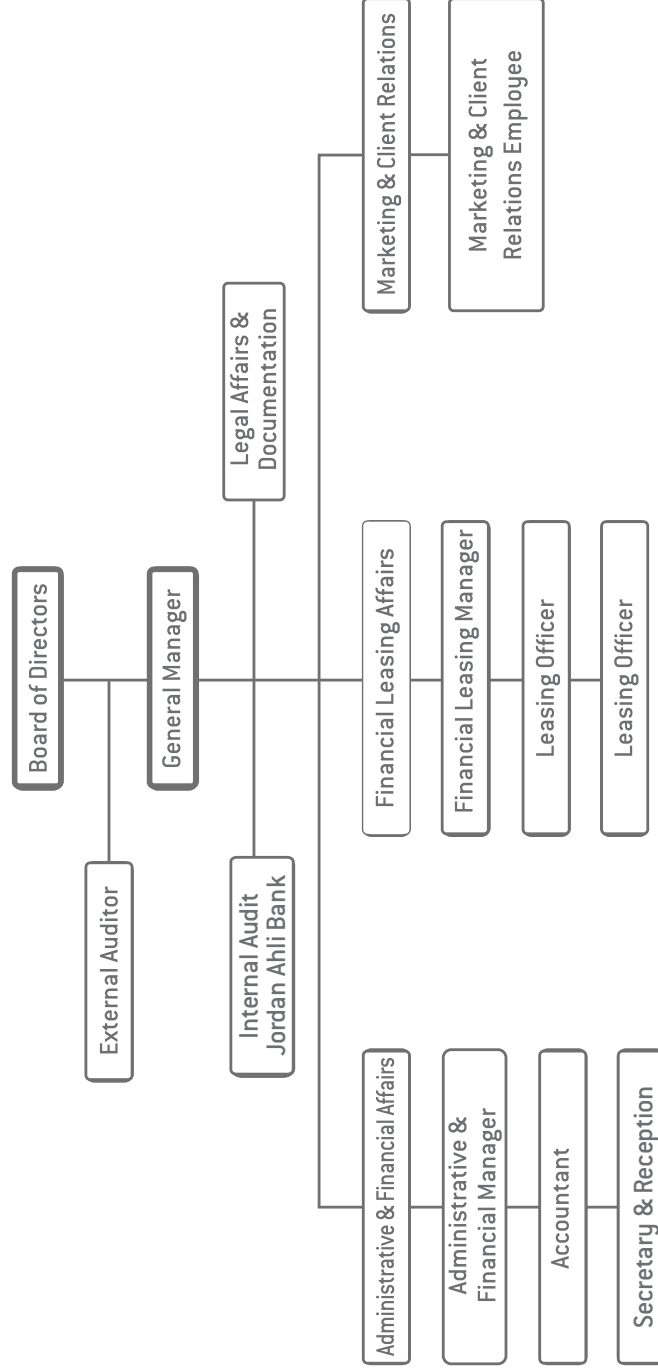




# Zarqa National College



## Ahli Financial Leasing



# Ahli Branches Inside the Hashemite Kingdom of Jordan

## Main Branch

Queen Noor St. - Shmeisani  
P.O.Box 3103 Amman 11181 Jordan  
Tel.: 5622282/5, 5622621  
Fax: 5622281  
SWIFT Code: JONB JOAX  
Website: www.ahli.com  
E-mail: info@ahlibank.com.jo

## Operations Management

3rd Circle - Jabal Amman  
P.O. Box 1578 Amman 11118 Jordan  
Tel.: 4342391/3, 4657601  
Fax: 4628801  
Telex: 21820

## Credit Management

Yaqoub Sarrouf Street - Shmeisani  
P.O. Box 3103 Amman 11181 Jordan  
Tel.: 5609800  
Fax: 5663145

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## Main Branch

Amman- Shmeisani - Queen Noor Street  
P.O. Box 941273 Shmesani 11194 Jordan  
Tel.: 5638800  
Manager: 5685901  
Fax: 5699867

## Corporate Branch

Amman- Shmeisani - Yaqoub Sarrouf Street -  
Building No. 2  
P.O. Box 925993 Amman 11118 Jordan  
Tel.: 5608730  
Fax: 5699867

## Abdoun

Amman-Abdoun-Cairo Street  
P.O. Box 850454 Swaifieh 11185 Jordan  
Tel.: 5929397, 5929431  
Manager: 5923024  
Fax: 5929652

## Jabal Amman

3rd Circle- The Islamic Scientific College  
Street.  
P.O. Box 35011 Amman InterContinental  
11180 Jordan  
Tel.: 5002130, 4653645  
Manager: 4628819  
Fax: 4611541

## Mecca Street

Amman-Mecca Street  
P.O. Box 973 Tla Al Ali 11821 Jordan  
Tel.: 5856017, 5866197  
Manager: 5852511  
Fax: 5866097

## Sweifieh

Amman- Sweifieh  
Haddad Commercial Complex  
P.O. Box 850663 Sweifieh 11185 Jordan  
Tel.: 5865401  
Manager: 5825651  
Fax: 5865402

## Sweifieh - Wakalat

Amman- Sweifieh- Wakalat Street  
P.O. Box 852126 Amman 11185 Jordan  
Tel.: 5852486  
Manager: 5821509  
Fax: 5854283

## Thaqafa Street

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

## Queen Rania Al-Abdullah Street

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

## Jabal Al-Hussein

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



### **Wasfi Al-Tal**

Amman -Wasfi Al-Tal Street, Muhtaseb Building  
P.O. Box 1114 Tla Al Ali 11953 Jordan  
Tel.: 5682124  
Manager: 5682177  
Fax: 5682188

### **Wadi Saqra Branch**

Wadi Saqra- Saqra Mall  
Arar Street - Building No. 238B  
P.O. Box 182352 Amman 11118 Jordan  
Tel.: 5679138  
Manager: 5679317  
Fax: 5678612

### **City Center Branch**

Reda Street - Amman  
P.O. Box 791 Amman 11118 Jordan  
Tel.: 4625126 / 7  
Manager: 4624218  
Fax: 4625120

### **Middle East Circle**

Middle East Circle - Wehdat  
P.O. Box 620190 Amman 11162 Jordan  
Tel.: 4777279  
Manager: 4777288  
Fax: 4777289

### **Bayader - Wadi Seer**

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

### **Chamber of Industry Building**

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

### **Abdullah Ghosheh Street**

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

### **City Mall**

Amman- Medical City Street  
P.O. Box 4822 Amman 11953 Jordan  
Tel.: 5823156  
Manager: 5823154  
Fax: 5825174

### **Sweileh**

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

### **Abu Nussair**

Amman- Abu Nussair- Karameh Street  
P.O. Box 542113 Abu Nussair 11937 Jordan  
Tel.: 5105137  
Manager: 5105146  
Fax: 5105142

### **Al-Hashmi Al-Shamali**

Amman- Prince Rashed Street  
P.O. Box 230120 Al-Hashmi Al-Shamali 11123 Jordan  
Tel.: 4901343, 4901363  
Manager: 4901334  
Fax: 4901302

### **Qwaismeh**

Amman- Madaba Street, near Customs Department  
P.O. Box 38108 Qwaismeh 11593 Jordan  
Tel.: 4778951  
Manager: 4773630  
Fax: 4746996

### **Sahab**

Sahab – Prinace Hassan Street - Main Street  
P.O. Box 2 Sahab 11511 Jordan  
Tel.: 4021092  
Manager: 4025673  
Fax: 4021609

### **Marka**

Amman- Marka- Opposite to Military Hospital  
P.O. Box 15397 Marka 11134 Jordan  
Tel.: 4894825/7  
Manager: 4890970  
Fax: 4890360

### **Dahiyat Al Yasameen Branch**

Amman - Bader area - Al Yasameen Neighborhood – Jabal Arafat Street – Building No. 9  
P.O. Box: 630688 Al Zuhour Area, 11163 Amman – Jordan.  
Tel.: 4206842  
Fax: 4206759

### **Al-Rusaifeh**

P.O. Box 2000 Rusaifeh  
Amman 13710 Jordan  
Tel.: 05 3746190, 05 3746191  
Manager: 053 746190  
Fax: 05 3746192

### **Ibn Khaldoun Street Branch**

Jabal Amman, Ibn Khaldoun Street (Al-Khalidi Street), Building No. 67  
P.O. Box 3103 Amman 11181 Jordan  
Tel.: 4641310, 4641320  
Fax: 4641399

### **University Street**

Queen Rania Al-Abdullah Street  
P.O. Box 2666 Amman 11941 Jordan  
Tel.: 5354843  
Manager: 5349836  
Direct: 5349813  
Fax: 5354782

### **Khreibet El-Suq**

Madaba Street - Near Taibeh Bridge  
P.O. Box 665 Amman 11621 Jordan  
Tel.: 4126522  
Manager: 4125088  
Fax: 4127610

### **Marj Al-Hamam**

Princess Taghreed Street  
P.O. Box 776 Amman 11732 Jordan  
Tel.: 5716133/4  
Manager: 5716906  
Fax: 5716915

### **Madaba**

Madaba - King Hussein Street , near the Municipality Building  
P.O. Box 295 Madaba 17110 Jordan  
Tel.: 05 3244254  
Manager: 05 3245181  
Fax: 05 3240260

### **Salt**

Municipality Street  
P.O. Box 50 Salt 19110 Jordan  
Tel.: 05 3555771/2/3  
Manager: 05 3558014  
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, Ext.: 3610  
Fax: 05 3532690

### **Bawabat Al-Salt Branch**

Salt town entrance, next to the Palace of Justice  
P.O. Box 106 Salt 19110 Jordan  
Tel.: 05 3553358, 05 3553443, 05 3555218, 05 3532748  
Manager: 05 3533144  
Fax: 05 3551440

### **Deir Alla**

Main Street  
P.O. Box 99 Deir Alla 18110 Jordan  
Tel.: 05 3573057  
Manager: 05 3573161  
Fax: 05 3573186

### **Zerka**

Zerka - King Hussein Street  
P.O. Box 111 Zerka 13110 Jordan  
Tel: 05 3983363/4  
Manager: 05 3983150  
Fax: 05 3996555

### **New Zarka Branch**

New Zarka, Al Kurdi Plaza, 36 Street  
P.O. Box 12499 Zerka 13115 Jordan  
Tel.: 05 3858951, 05 3858993, 05 3859637, 05 3858321  
Manager: 05 3859697  
Fax: 05 3859110

### **Free Zone - Zerka**

Free Zone  
P.O. Box 60 Zerka 13134 Jordan  
Tel.: 05 3826214, 05 3826626  
Manager: 05 3826171  
Fax: 05 3826200

### **Jerash**

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

### **Mafraq**

Mafraq - Al-Shaheed Farhan Al-Husban Street  
P.O. Box 510 Mafraq 25110 Jordan  
Tel.: 02 6232501  
Manager: 02 6232435  
Fax: 02 6230303

### **Ramtha**

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

### **Aqaba**

Aqaba, Hammamat Street  
P.O. Box 49 Aqaba 77110 Jordan  
Tel.: 03 2022350/1/2  
Manager: 03 2013535  
Fax: 03 2022353

### **Irbed**

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

### **Hashimi Street - Irbed**

Irbed - Hashimi Street  
P.O. Box 368 Irbed 21110 Jordan  
Tel.: 02 7278613, 02 7250374 02 7250376  
Manager: 02 7250371  
Fax: 02 7278614, 02 7250364

### **Hakama Street**

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

### **Industrial City Office - Irbed**

P.O. Box 61 Irbed 21110 Jordan  
Telefax: 02 7400055  
Manager: 02 7404143

### **Kerak**

Kerak - Italian Hospital Street  
P.O. Box 177 Kerak 61110 Jordan  
Tel.: 03 2351248/9  
Manager: 03 2354200  
Fax: 03 2351676

### **Tafila**

Tafila - Main Street  
P.O. Box 13 Tafila 66110 Jordan  
Tel.: 03 2241120  
Manager: 03 2243945  
Fax: 03 2241710

### **Maan**

Maan - King Hussein Street  
P.O. Box 114 Maan 71111 Jordan  
Tel.: 03 2132347 / 8  
Manager: 03 2133749  
Fax: 03 2132799

# Jordan Ahli Bank's Branches and Offices Abroad

## Palestine Branches

### Regional Management – Palestine Branches

Address: Al-Zahra Street – Ramallah  
Manager's Tel.: 00972 (2) 2959340  
Mob.: 00972 599 520360  
Assistant Regional Manager's  
Tel.: 00972 (2) 2989382  
Mob.: 00972 599 318346  
Operator: 00972 (2) 2959343 / 4  
Fax: 00972 (2) 2959341  
P.O. Box 550  
Ramallah – Palestine  
E-mail: regional@ahlibank.com.ps  
info@ahlibank.com.ps  
Website: www.ahli.com

### Nablus Branch

Address: Commercial Center (B) – Building  
No. 8  
Manager's Tel.: 00972 (9) 2374501  
Tel.: 00972 (9) 2382280 / 1 / 2  
Mob.: 00972 599 418689  
Fax: 00972 (9) 2382283  
P.O. Box: 40  
E-mail: Nablus@ahlibank.com.ps

### Shallaleh Street Branch – Hebron

Address: Shallaleh Street – No. 15  
Manager's Tel.: 00972 (2) 2224804  
Tel.: 00972 (9) 2224801 / 2 / 3  
Mob.: 00972 599 839723  
Fax: 00972 (2) 2224805  
P.O. Box 623  
E-mail: shallaleh@ahlibank.com.ps

### Salam Street Branch – Hebron

Address: Al-Salam Street  
Manager's Tel.: 00972 (2) 2212770  
Tel.: 00972 (2) 2226713 / 4  
Mob.: 00972 599 674938  
Fax: 00972 (2) 2226712  
P.O. Box: 718  
E-mail: salam@ahlibank.com.ps

### Ramallah Branch

Address: Al-Zahra Street  
Manager's Tel.: 00972 (2) 2986310  
Tel.: 00972 (2) 2986313 / 4  
Mob.: 00972 599 929991  
Fax: 00972 (2) 2986311  
P.O. Box 550  
E-mail: ramallah@ahlibank.com.ps

### Bethlehem Branch

Address: Al-Mahd Street  
Manager's Tel.: 00972 (2) 2770353  
Tel.: 00972 (2) 2770351 / 2  
Mob.: 00972 599 674941  
Fax: 00972 (2) 2770354  
P.O. Box 807  
E-mail: bethlehem@ahlibank.com.ps

## Cyprus Branches

### Jordan Ahli Bank - Cyprus

Pecora Tower, 2nd Floor, 1 Anexartisias Street  
P.O. Box 53587 3303 Limassol Cyprus  
Tel.: 00357 25 356669  
Fax: 00357 25 356673  
E-mail: jnb@cytanet.com.cy  
info@ahlibank.com.cy  
humanresources@ahlibank.com.cy  
treasury@ahlibank.com.cy

### Dealing Room

Tel.: 00357 25 371118  
Routers Code: JNBC  
SWIFT Code: JONB CY 2I

# Lebanon Branches (International Ahli Bank)

## Headquarters

Bab Idriss, Omar Daouk Street  
Tel.: 00961 (1) 970921 - 00961 (1) 970929  
General Manager's Fax: 00961 (1) 970944  
Operations Fax: 00961 (1) 970935  
Facilities Fax: 00961 (1) 970946  
P.O. Box 11-5556 Riad El Solh –  
Beirut 11072200 Lebanon  
SWIFT: JNBB LB BE  
E-mail: info@ahli.com.lb  
gm@ahli.com.lb

## Treasury and Private Banking

General Administration Building – Bab Idriss,  
Omar Daouk Street  
Tel.: 00961 (1) 970960 – 970957 / 8  
Fax: 00961 (1) 970959  
P.O. Box 11-5556 Riad El Solh – Beirut  
11072200

## Bab Idriss

Bab Idriss – Omar Daouk Street, Ahli  
International Bank Building, Ground Floor  
Manager's Telefax: 00961 (1) 970951  
Tel.: 00961 (1) 970921  
Fax: 00961 (1) 970952  
P.O. Box 11-5556  
Beirut 11072200 Lebanon  
E-mail: idriss@ahli.com.lb

## Verdun

Rashid Karamah Street – Diamond Tower, 1st  
Floor  
Manager's Telefax: 00961 (1) 797083  
Tel.: 00961 (1) 797078 – 00961 (1) 797079  
Fax: 00961 (1) 797082  
P.O. Box 11-5556  
Beirut 11072200 Lebanon  
E-mail: verdun@ahli.com.lb

## Jdeideh

Barbar Bou-Jawdeh Street – Bou-Jawdeh  
Building, 1st Floor  
Manager's Tel.: 00961 (1) 883890  
Tel.: 00961 (1) 881680 – 00961 (1) 881719  
Fax: 00961 (1) 883891  
P.O. Box 20012 – Bouchrieh – Beirut  
E-mail: jdeideh@ahli.com.lb

## Hamra

Emile Edde Street – Hoss Building, 2nd Floor  
Hamra – Beirut  
Manager's Tel.: 00961 (1) 355069  
Tel.: 00961 (1) 350303 – 00961 (1) 340270  
Fax: 00961 (1) 742843  
P.O. Box 11-5556  
Beirut 11072200 Lebanon  
E-mail: hamra@ahli.com.lb

## Dora

Dora Highway – Kassardjian Building, 1st Floor  
Beirut – Lebanon  
Manager's Tel.: 00961 (1) 883722  
Tel.: 00961 (1) 899121 – 00961 (1) 875570  
Fax: 00961 (1) 894721  
P.O. Box 11-5556  
Beirut 11072200 Lebanon  
E-mail: dora@ahli.com.lb

## Kaslik

Zouk Highway – Damaa Center, Ground Floor  
Kaslik – Lebanon  
Manager's Tel.: 00961 (9) 210760  
Tel.: 00961 (9) 210769 – 00961 210770210  
00961 (9) 210773  
Fax: 00961 (9) 210773  
P.O. Box 11-5556  
Beirut 11072200 Lebanon  
E-mail: kaslik@ahli.com.lb

## Tripoli

Fouad Chehab Boulevard – Awkaf Building,  
Ground Floor  
Manager's Tel.: 00961 (6) 430105  
Tel.: 00961 (6) 430106 / 7  
Fax: 00961 (6) 432720  
P.O. Box 900 Tripoli – Lebanon  
E-mail: tripoli@ahli.com.lb

## Saida

Fakhreddine Street – Moukhlasiyeh Building,  
1st Floor  
Manager's Tel.: 00961 (7) 720418  
Tel.: 00961 (7) 728930 – 00961 (7) 720458  
Fax: 00961 (7) 728931  
P.O. Box 116 Saida – Lebanon  
E-mail: saida@ahli.com.lb

## Ahli Branches That Have ATM Machines

Main Branch Branch - Shmeisani	Dahiyat Al Yasameen Branch
Thaqafa Street Branch - Shmeisani	Khreibet El-Suq Branch
Financial Leasing Company Branch - Shmeisani	Sahab Branch
Jabal Amman Branch	Sweileh Branch
Chamber of Industry Building Branch - Jabal Amman	Salt Branch
Wasfi Al-Tal Street Branch	Bawabat Al-Salt Branch
Jabal Al-Hussein Branch	Al-Balqa Applied University Office Branch - Salt
Queen Rania Al-Abdullah Street Branch	Deir Alla Branch
Abdoun Branch	Al-Sa'adeh Street Branch - Zerka
Taj Mall Branch	New Zarka Branch
Sweifieh Branch	Madaba Branch
Wakalat Street Branch - Sweifieh	Kerak Branch
Wadi Saqra Branch	Tafila Branch
Mecca Street Branch	Maan Branch
City Mall Branch	Aqaba Branch
Abdullah Ghosheh Street Branch	Jerash Branch
University Street Branch	Irbed Branch
Bayader Branch	Arabella Mall Branch - Irbed
Middle East Circle Branch	Hashimi Street Branch - Irbed
Marj Al-Hamam Branch	Mafraq Branch
Um Uthaina Branch	Ramtha Branch
City Center Branch	
Marka Branch	
Al-Rusaifeh Branch	
Al-Hashmi Al-Shamali Branch	
Abu Nussair Branch	
Al- Horryah Street Branch	

## Other Retail Outlets That Have ATM Machines from Ahli Bank

Plaza Super Stores - Shmeisani

Marriott Hotel - Shmeisani

Sheraton Hotel - Jabal Amman

Safeway - Shmeisani

Corner Super Market - 5th Circle

Safeway - 7th Circle

Cosmo - 7th Circle

Al Baraka Mall - Sweifieh

Maxim Mall - Jabal Al-Hussein

Mecca Mall

Plaza Mall - Al-Hashmi Al-Shamali

King Hussein Cancer Center - Queen Rania Al-Abdullah Street

The University of Jordan

Al Mukhtar Mall - Sport City Circle

Eye Specialty Hospital - Al Madina Al Monawara Street

Amman Mall - Tla'a Al Ali

Kiswani Gas Station - Al Madina Al Monawara Street

Al Salam Stores - Kursi Area

Queen Alia International Airport

Isra University

Safeway Retail Store - Radio and TV Street

Vehicle Licensing Department - Marka

Safeway - Zarka

Safeway - Irbed

Marriott Hotel - Dead Sea

Safeway - Aqaba

City Center - Aqaba