

# 2015

## Annual Report





**His Majesty  
King Abdullah II Bin Al Hussein**





**His Royal Highness Crown  
Prince Al Hussein Bin Abdullah II**



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## Our Strategic Objectives:

For shareholders: Ensure optimal investment and maximize returns.

For customers: Bridge high-quality banking services and products so as to enhance strategic relationships with customers.

For the management and employees: Develop human and self-resources so as to ensure a promising institutional future.

For the society: Commit and contribute to the promotion of national development and address the country's social, cultural and national needs.

For regulatory authorities: Fully comply with official regulatory authorities' laws and regulations.



## Our Vision:

Jordan Ahli Bank's strategic objectives emanate from its unwavering commitment to improve and develop the bank through employing the best globally recognized banking foundations, while focusing on three main axes:

First axis: Sustaining growth and maximizing shareholders' equity.

Second axis: Obtaining best credit ratings.

Third axis: Expanding locally and regionally.

# Board of Directors

H.E. Dr. Omar Razzaz

Chairman

H.E. Mr. Saad Nabeel Muasher

Deputy Chairman

## Members

H.E. Mr. Nadim Yousef Muasher

Member

H.E. Mr. Alan Fuad Wanna

Representing Byblos Bank (Lebanon)

From 15/09/2015

H.E. Dr. François Basil

Representing Byblos Bank (Lebanon)

Until 15/09/2015

H.E. Mr. Emad Yousef Muasher

Representing Mouasher Investment and Trading Co.

H.E. Mr. Wasef Azar

Representing the Jordan Investor Center

H.E. Mr. Rafiq Saleh Muasher

Representing Rajai Mouasher & Brothers Company

H.E. Mrs. Suhair Al Ali

Representing the Social Security Corporation

From 15/06/2015

H.E. Mr. Mohammad Al Abdallat

Representing the Social Security Corporation

Until 15/06/2015

H.E. Mr. Mahmoud Zuhdi Malhas

Member

H.E. Mr. Ala'adin Sami

Representing ZI&IME Co. (Saudi Arabia)

H.E. Mr. Karim Tawfik Kawar

Member

H.E. Mrs. Ibtissam El Ayoubi

Member

From 15/04/2015

H.E. Mr. Tarek Jallad

Member

From 15/04/2015

- Board Session 2013 - 2017

# Executive Senior Management

Mr. Mohammad Musa Daoud	Chief Executive Officer/General Manager
Dr. Ahmad Awad Abdulhalim Alhussein	Senior Deputy Chief Executive Officer/General Manager
Mr. Ibrahim Ghaoui	Finance& Internal Audit
Ms. Lina Bakhit	Treasury, Investment & Financial Institutions
Mrs. Hadil Khalaf	Operations & Shared Services
Mr. Hani Farraj	Acquired Real Estates & Secretary to the Board of Directors
Mr. Kameel Haddad	Remedial
Mr. Bashar Al Bakri	Human Resources & Logistics
Mr. Samer Abu Zayed	Business Technology & Center of Excellence
Mr. Jaafar Majdalawi	Corporate Banking & Projects Finance
Mr. Tareq Omaish	Consumer Banking Services
Mr. Marwan Shahatit	Small & Medium Enterprises (SMEs) Banking
Mr. Michael Nu'man	Risk
Mr. Mouin Al Bahou	Credit Review
Mr. Bassem Sleem	Internal Audit

# Chairman's Foreword



Esteemed Shareholders,

It is with pleasure that I present to you Jordan Ahli Bank's 60<sup>th</sup> annual report, featuring the Board of Directors' report on the bank's achievements and closing accounts for the year 2015.

The fact that it has been 60 years since the establishment of Jordan Ahli Bank and the marked successes it has attained throughout the years represents a source of pride and integrity to all of us towards this national and deeply rooted establishment. It further represents an additional motive to uphold and to build on the commendable achievements that have accompanied Jordan Ahli Bank since its inception. Towards that end, we are confident that our rather ambitious vision marking JAB's 60<sup>th</sup> anniversary will be the forefront of a new era that we hope will live up to the bank's reputation and status and reinforce its leading role among the Jordanian family. Therefore, we are keen to gear our full capacities and efforts towards broadening our achievements spearheaded by creativity, innovation and excellence in everything we offer. All the while, integrating the highest corporate governance standards to pursue new and promising horizons whereby we revitalize our energies to elevate the banking sector and further bolster our presence both locally as well as regionally.

Allow me here to take this opportunity to welcome Mr. Mohammad Musa Daoud, who has joined Jordan Ahli Bank's family as Chief Executive Officer. Mr. Daoud is to take charge of JAB's forward looking strategic shift on the path of facilitating the fulfillment of the bank's viable objectives in a rather competent approach that essentially falls in line with our strategic framework targeting accelerated growth. At the core of the JAB's strategy is to attain growth rates that exceed the averages achieved by the local banking sector by means of optimal capitalization on available growth opportunities, provide a more diversified base for the bank's activities and effectively promote the overall competitive standards. As such, we strive to enrich banking as well as non-banking services in an effort to expand depositors' financial inclusion and to empower small and medium enterprises and sustain their involvement in securing employment for the local workforce. Additionally, Jordan Ahli Bank pushes for the institutionalization of youth entrepreneurship and endorses the spread of financial awareness through a comprehensive framework and approach. Moreover, providing support for matters intrinsically tied with social development and that reflect positively on local communities has always been on JAB's top agendas, in addition to the development of the bank's technological platform, infrastructure and human capital while working in parallel to achieve a balanced budget, improve asset quality and sustain risk management.

While the above stated directives represent the main foundation for our aspirations and future objectives that we are eager to attain through the collaboration of our staff and higher management, we nevertheless, restate our commitment to the advancement of all bank related indicators to further boost depositors' trust and the confidence of shareholders and all stakeholders. This underscores our commitment to continue our pursuit to stay ahead and in the lead. At the same time, we continue to abide by our responsibilities including carrying out our effective and dynamic role as a partner in economic, social and environmental development, while reconfirming our commitment towards our national economy and local communities. Serving as a role model among advanced banks and peers, Jordan Ahli Bank will continue to lead by example by means of providing advanced and innovative solutions adhering to the highest professional standards that meet the diverse needs of our customers and partners throughout the country and its governorates.

On the front of the bank's achievements and latest developments taking place during last year, JAB continued its unwavering support for the SME's sector underscoring its relentless efforts to elevate the sector's capacities and propping up its competitive edge. This was better reflected in JAB's SME Excellence Award from the World Union of Arab Banks. The award was granted to Jordan Ahli Bank in recognition to the pioneering solutions and programs it has offered to facilitate the existence of such enterprises, prompting their viability and driving their success as well as expediting their growth and effectively improving their sustainability. The award also praises the bank's role in providing training and advisory services and consultancy for SME owners and new startups in addition to its contribution to bridge the financing gap of which the sector suffers from. In this context, the bank strives to expand the beneficiaries' base of its Ahli Microfinance Company subsidiary via unprecedented bundle of services and products that go beyond the traditional banking services in an effort to revive the sector's capacity in relation to generating work opportunities and enhancing living standards.

In terms of JAB's involvement and support for its corporate social responsibility efforts, Jordan Ahli Bank continues its patronage for numerous programs and activities that cover all social spectrums and support a variety of community endeavors in an effort to increase the level of involvement in the process of community and economic development. Accordingly, JAB has steered its efforts through its specialized CSR unit to undertake and administer

its programs and ambitious initiatives in collaboration with various public and private sector organizations to endorse sustainable development efforts. Jordan Ahli Bank's CSR endeavors range from environmental and cultural initiatives to include areas such as arts, sports, humanitarian and charitable work. Such endeavors are institutionalized within a structured framework and capacity that better ensures the sustainability of such initiatives on the road of making Jordan Ahli Bank an environmentally and socially responsible establishment as well as an economically viable partner. This comes in part with other initiatives that provide support for a variety of youth activities, with a key focus on education and vocational training to bridge the gap between the academic stage and the more practical work experience in terms of capacity building and providing fresh graduates with the necessary work related skills. Additionally, Jordan Ahli Bank has provided jobs for employees with special needs, facilitating their entrance to the jobs market and hence their integration in the local community. Moreover, JAB developed specialized programs that focus on women empowerment on one hand, while catering for the needs of female driven business ventures on the other hand. Enabling women entrepreneurs to start productive and viable projects and effectively complementing their contribution in achieving the requirements and objectives of comprehensive and sustainable economic and human development, represents an advanced priority within JAB's policies and future aspirations.

Moving on to JAB's financial results, 2015 business generated pre-tax profits from continuing operations of JD 32.5 million, registering an increase of 50%, whereas net profits from continuing operations increased by 45% from 2014. Operating revenue witnessed a 4% increase to approximately JD 106 million, while a share of which was used to feed JAB's reserve, causing an increase in shareholders' total equity to JD 314 million, and accordingly, boosting the capital adequacy to 16.3% compared to 14.3% in 2014. Moreover, JAB's deposits base witnessed a 17% increase to reach JD 1.8 billion, while credit facilities reached JD 1.2 billion. JAB also managed to lower non-performing loans by 6%, which reflected positively on the credit facilities portfolio and improved the efficiency and quality of asset/liability management.

In conclusion, I would like to express my most sincere gratitude to our loyal customers and esteemed shareholders for their unwavering trust and belief in the prospects of our leading institution, as we reaffirm our commitment to pursuit change for the better and to maintain the outstanding image and legacy of this national entity. I also would like to extend my appreciation and gratitude to all our staff and the executive management for their unrelenting efforts and collaboration for actively seeking to realize our aspirations and fulfill our anticipated goals. Finally, I would like to thank the regulatory authorities and commend the efforts and the cooperation expressed by the Central Bank of Jordan, the Securities Commission and the Companies Control Department for ensuring the soundness of the banking sector in Jordan and for bracing the national economy under the wise Hashemite Leadership.

Dr. Omar Razzaz

Chairman of the Board







# Economic Performance and Board of Directors' Report





# Performance of the Jordanian Economy during 2015

The Jordanian economy managed to sustain its stability during the year 2015, despite the economic slowdown overshadowing the regional economies, especially among the gulf countries, as a result of the drop in oil prices that has unfolded during the last year. Meanwhile, the ongoing absence of political stability in a number of neighboring countries, including the closure of borders with Syria and Iraq and the accompanying economic ramifications brought about by that situation, still represents the most straining burden affecting the Jordanian economy during the last year.

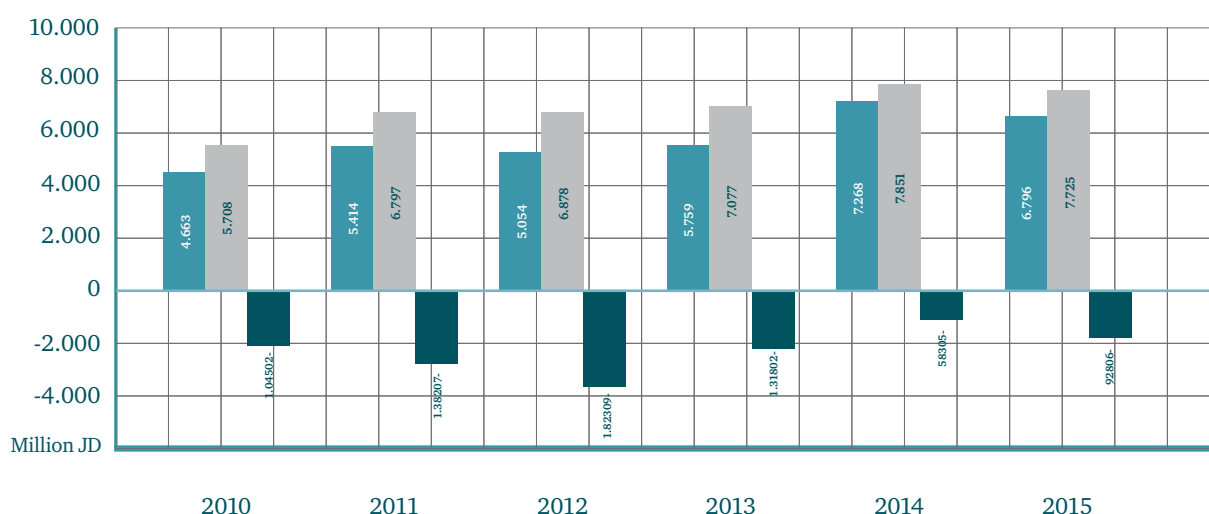
However, reform measures undertaken by the government during the last period complemented by the notable decline in oil prices in international markets have nonetheless contributed to some extent in reducing public spending, and therefore minimizing the state budget deficit as well as restricting the losses related to the energy sector. Meanwhile, the country's foreign reserves have continued their growth adding momentum for the Jordanian Dinar and contributing further to bracing the Jordanian economy in facing future challenges and effectively reinforcing its ability to adapt and adjust accordingly.

Being affected by the political instability in a number of neighboring countries and the state of uncertainty, Gross Domestic Product (GDP) recorded a slowdown during the first three quarters of the last year, as it registered a growth of 2.3% compared to 3% during the same period in 2014. The financial and business services segment along with insurance and manufacturing provided the largest contributions leading to last year's growth. Inflation, on the other hand, as measured by the consumer price index (CPI) retracted to register a negative 0.9% during 2015 compared to an inflation rate of 2.9% recorded in 2014. This was mainly due to the drop in international oil prices as well as the prices of related goods and services, which was reflected in the drop of local prices. As for the unemployment rate, the latest figures show that unemployment registered an increase to 13% by the end of last year, compared to 11.9% recorded at the end of 2014.

Within the fiscal policy framework for 2015, the government has continued making efforts aiming at controlling the budget deficit, which resulted in reducing total spending by 1.6% (JD 126.5 million) by the end of last year standing at JD 7,724.7 million compared to JD 7,851.1 million recorded in 2014. As such, current expenditures dropped by 1.5% (JD 97.6 million), while domestic revenues have witnessed a drop of JD 121.2 million compared to 2014, hence standing at JD 5,909.9 million. Domestic revenues to current expenditures ratio (coverage ratio) declined to 89.3% by the end of last year compared to a rate of 89.8% in 2014. Accordingly, the budget deficit (including foreign grants) stood at JD 928.6 million by the end of December 2015 as opposed to a deficit of only JD 583.5 million recorded in 2014, thus registering an increase of 59%. However, when excluding foreign grants, the budget deficit stands at JD 1,814.8 million in 2015 compared to a deficit of JD 1,820 million recorded in 2014.

## Summary of Central Government Budget

- Total Revenues and Foreign Grants
- Total Expenditures
- Deficit Including Grants

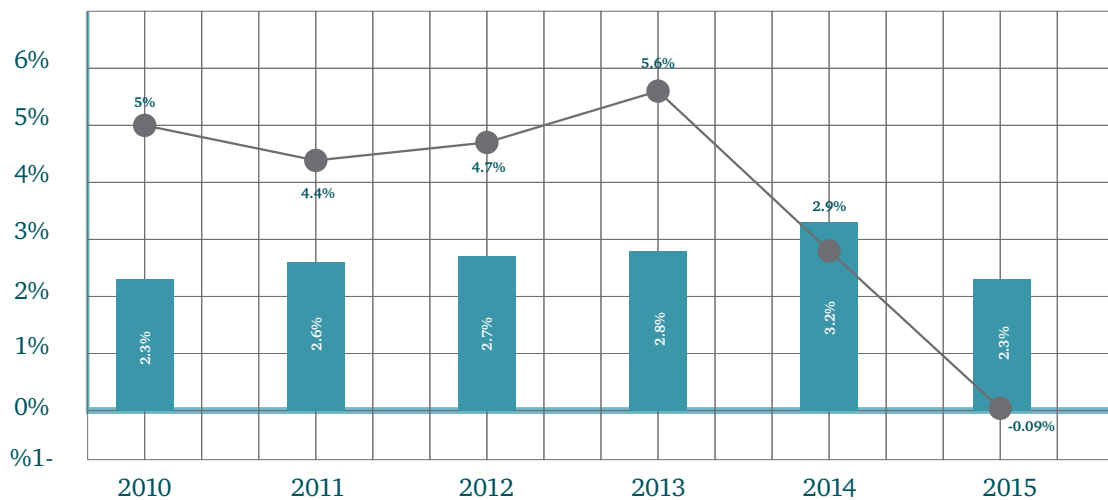




Moving on to the central government's net domestic public debt, which reached JD 13,457.4 million at the end of last year, recording an increase of JD 932 million compared to 2014 end of year level. With regard to the external public debt, it stood at JD 9,390.5 million, increasing by JD 1,360.4 million compared to the end of 2014. Hence, net public debt (domestic and external) reached around JD 22,847.9 million. In other words, the net public debt increased by JD 2,292.4 million during 2015. It is worth mentioning here that net public debt recorded an increase of JD 1,458.8 million during 2014. However, the larger increase in public debt was recorded during 2013. In particular, net public debt went up by JD 2.516 billion during 2013 due to financing the losses incurred by the National Electric Power Company. As a result, the government had approved to raise the electricity tariffs locally so as to reduce electricity losses incurred by outages and irregular pumping of the Egyptian low-cost natural gas used by the government to generate power.

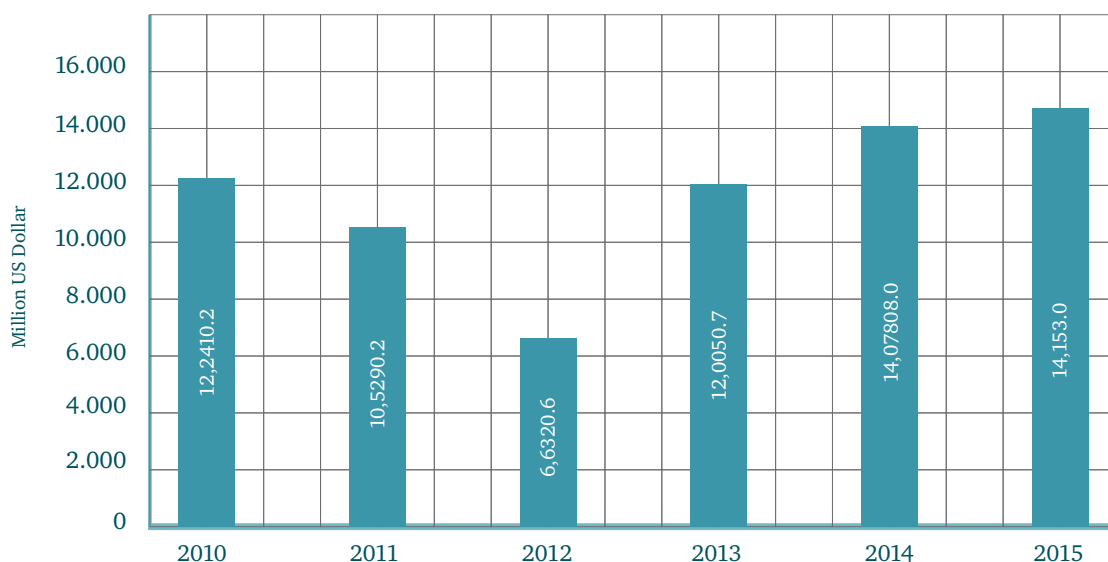
## Growth in Gross Domestic Product and Inflation Rate

- GDP at Constant Market Price (2015 up to the Third Quarter)
- Inflation Rate as Measured by the Relative Change in the Consumer Price Index



Reserves of foreign currencies held at the Central Bank of Jordan reached yet another record level, standing at USD 14,153.5 million by the end of last year, compared to USD 14,077.8 million recorded by the end of 2014. Also worth mentioning here, the fact that foreign reserves have recorded a growth of 17.3% during 2014, while the largest such growth was recorded during 2013, as foreign currency reserves were boosted by 81%, exceeding the USD 12 billion level compared to USD 6.6 billion recorded by the end of 2012.

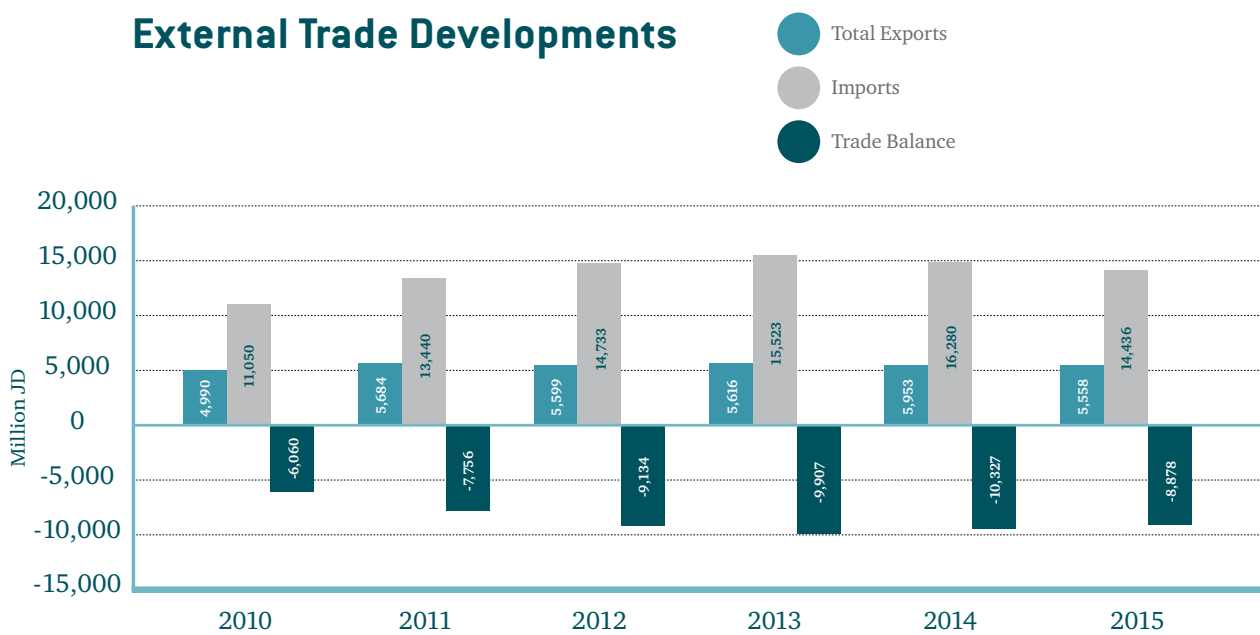
## Central Bank of Jordan Foreign Currency Reserves



On another level, credit facilities extended by licensed banks were up by JD 1.829 billion in 2015, adding 9.5% compared to 2014, thus bringing the outstanding balance of credit facilities extended by licensed banks to JD 21.104 billion. Meanwhile, total deposits at licensed banks increased by JD 2.337 billion, recording a 7.7% growth compared to their 2014 level, to stand at JD 32.598 billion. Therefore, credit facilities to deposits ratio stood at 64.7% by the end of last year compared to a rate of 63.7% recorded in 2004.

The Central Bank of Jordan lowered interest rates on monetary policy tools by 25 basis points to become as follows: CBJ main interest rate (2.50%), re-discount rate (3.75%), interest rate on overnight repurchase agreements (3.50%), overnight deposit window rate (1.50%), and weekly/monthly repurchase agreements (2.50%).

Remittances of Jordanian expatriates reached nearly JD 2,962.5 million by the end of last year, achieving an increase of around 1.5% over 2014, which stood at JD 2,918.2 million. Moreover, the trade balance deficit dropped by 14% to JD 8,878 million by the end of last year compared to 2014. As such, the Kingdom's total exports (including re-exports) have declined by JD 395 million (6.6%) to JD 5,558 million, while imports dropped by JD 1.844 billion, representing a decline of 11.3% to JD 14,436 million, as a direct result in the decline of the Kingdom's oil bill in light of the international drop in oil prices.



# Board of Directors' Report on the Bank's Achievements during 2015

The year 2015 represented a distinguishable mark in Jordan Ahli Bank's history coinciding with the 60<sup>th</sup> anniversary for the establishment of this deeply rooted institution. After 60 years in the business, JAB strives to advance into a new era whereby it revives its future aspirations and promotes its status on the Jordanian banking arena. As such, Jordan Ahli Bank's new leadership is eager to embrace JAB's ongoing development, uplift its capabilities and add on to its commendable accomplishments. The following summarizes JAB's achievements and latest developments taking place during last year within the strategic framework on the path of achieving the bank's ambitious vision.

## Corporate Banking Services Group:

### A. Corporate Banking & Projects Finance

The Corporate Banking & Projects Finance Department continued to abide by JAB's conservative policies, hence enabling it to achieve the set objectives through a number of strategies that were dependent on the following:

- Continuing maintenance of the credit portfolio to reduce the risk and default of non-performing loans in a way that complies with the structure of these portfolio accounts and their cash flows to better secure their obligations toward the bank.
- Working on enhancing and expanding the credit portfolio through growing its customer base, attracting new customers, targeting leading corporations and the most active and stable sectors within the Jordanian market, along with emphasis on financing working capital.
- Conducting customer follow up and encouraging optimal usage of their credit facilities by means of providing competitive rates as well as efficient and accurate services, without compromising risk factors.
- Adjusting the department's structural form in a manner that adds to its expertise and capacity to better serve the department's role and objectives.
- Activating all forms of cross-selling operations.

### B. Small and Medium Enterprises (SMEs) Banking

Stemming from the prominent role that SMEs play in the process of sustainable economic development, JAB's management has placed the development of this segment on its top priorities in the strategic term. The SMEs banking department has contributed rather effectively to growing JAB's operations and business through developing its leading role as witnessed by the figures achieved throughout 2015.

The department continued its contribution towards product development and innovation during 2015, adding to the already existing list of products. As such, the SME Business card was introduced during last year, which was the first of its kind representing a unique and pioneering product that caters specifically to the needs of SMEs covering all company levels, namely top and middle management as well as frontline staff. Moreover, the department launched the "Nashmeyat" product, which is a revolving loan that targets women entrepreneurs to finance their enterprise purchases. This product is directly associated with the "Nashmeyat" initiative reflecting JAB's strong belief in its social responsibility role to empower women and develop their leading role. Additionally, JAB has made full use of the loans provided by the Central Bank of Jordan by developing competitive products with competitive rates that targeted a number of sectors including the agricultural, industrial, renewable energy, and tourism sectors. Soft loans financed directly from the World Bank and the Arab Fund were also channeled to provide credit products and services with competitive features for SMEs.

Towards broadening our business centers operations and achieving better geographical distribution, the opening of "Tabarbour" business center was announced in 2015, hence bringing the total number of operating business centers to 11 centers that are distributed among the Kingdom's different governorates. The business centers have therefore provided an adequate representation of the scope of products and services available at the SMEs department, and have facilitated the monitoring of customer relations in addition to assisting in uncovering customers changing needs and catering for them.

Based on our belief that customer needs are not constrained to financial services, we have provided advisory services through launching the “SME TV” that focuses on success stories of SME owners, whereby such stories are later circulated through the social media. JAB’s pages were also launched through a number of social media platforms aiming at raising awareness of “My Business” segment through introducing a variety of daily subjects complemented by on-line learning sessions that are provided free of charge. In order to bring an added value and greater benefit for the Jordan SME ToolKit surfers, articles and models related to starting, managing and growing a business were added to the ToolKit content in addition to the different models addressing accounting, management, human resources in addition to a page for women entrepreneurs. Moreover, JAB continued to offer free of charge training courses through its SME Academy Unit. Meanwhile, more issues of our “Smart Company” magazine were issued, which is also available through smartphone applications to provide an electronic version of the magazine that includes interviews and articles along with best business practices to better assist in the dissemination of valuable knowledge and information as well as enhancing financing opportunities for SMEs.

On a different note, we strive to play an effective role in achieving JAB’s strategic plans during 2016, which touches upon three basic cores, namely focusing on customers, distinctive business conduct, creativity and innovation. As such, we are looking forward to advance the relationship with our customers and attract new customers from the SME segment to join, as we plan to introduce innovative products that underline financial as well as advisory services in order to expand our portfolio base to better serve the different sectors and attain better geographic coverage.

Products and services targeting female entrepreneurs under the “Nashmeyat” initiative are also in the pipeline, in addition to plans and strategies to make optimal use of the partnerships and funds made available by the financing and consultancy institutions supporting the SME. We also plan to capitalize on the advisory services launched during 2015, expanding their scope and exploiting their popularity to take the business center to a new level making them the number one choice for SMEs financing solution in Jordan and effectively exceeding customer expectations.

## Personal Banking Services Group

Throughout the year 2015, the group strove to reaffirm the bank’s prominent role in the retail market. It maintained Jordan Ahli Bank’s pioneering position at the forefront of banks in this field by expanding its customer base and diversifying the products and services it provides, thereby accomplishing many feats, which have been summarized as follows:

### First: Branches

- A brand new branch has been inaugurated in “Tabarbour”, bringing the total number of branches to 56 and one office in addition to our VIP customer hall. Additionally, the main branch along with our branch in “Jarash” were renovated according to construction standards and specifications that took into account the need for smooth quality services provision as well as promoting the concept of customer service in a friendly environment.

### Second: E-Channels

#### ATM Network:

Expansion of the bank’s ATM network to reach a total of 100 operational ATMs that provide cash deposit services.

#### Ahli Mobile Service:

Development and update of the Ahli Mobile Service to include many new services:

- Bill payment service via eFAWATEERcom
- Financial transfers between customers’ accounts
- ATM status
- Non-financial services available to all customers in addition to traditional services including account enquiries, account statement and other similar services

## Third: Products and Services

### Products Development

- 0% Interest Installment Program (for durable goods), 0% Interest Installment Ahli Loan and Jordan Ahli Bank's Go Green MasterCard, whereby new retail and merchant partners have joined the programs to serve our customers' needs in a variety of sectors that include solar energy, electronics, computers and mobiles, home furniture and appliances, vision correction surgeries, home security equipment, cosmetic dentistry and aluminum and glass
- The housing loans and Ahli Loan campaign, whereby loan features have been amended according to market updates
- Expansion of the approved merchants, institutions and governmental commissions through the electronic gate payment system

### Launching "Travel & Win with Visa" Campaign:

A marketing campaign for Visa card customers was launched in cooperation with Visa International to win a Mini Cooper vehicle aiming at encouraging cardholders to use their Visa cards for all their purchases.

- Various campaigns for loyalty cards program and customers' motivation to increase the use of their cards
- Expanding the merchants' base approved for "Ahli Rewards" program
- Running the "Auto Increase" program to raise credit card ceiling for specific segments of customers

### Motorbikes Loan:

The new motorbikes loan was launched with promotional features and 0% interest rate.

## Fourth: Direct Call Center

In addition to the ordinary duties provided by the direct call center, other services for the center were developed to include conducting a 24-hour surveillance of ATM machines to increase their efficiency.

Inspection and development of phase two of the direct call center project was completed in association with the IVR service that is planned to be launched in parallel with the new banking system (DNA).

## Fifth: VIP Customers

- Increasing the number of centers that provide VIP services to four centers in addition to the VIP hall
- Providing additional services to VIP customers, i.e. launching the World Elite MasterCard

## Sixth: Customers' Data Modernization Project

Completion rate of the customer data-updating project stood at 80% by the end of 2015, which reflected positively on the groups' financial achievements, as individuals' credit facilities portfolio grew by 8.2% during the last year, while deposits' balance grew by 14%.

# Treasury, Investments and Financial Institutions Group

Regional conflicts and unsettled political circumstances in a number of regional countries still represent major challenges facing the development and sustainability of the investment environment in the Kingdom, despite the efforts exerted by all concerned parties to promote the Kingdom as a safe haven and an attractive destination for investments.

Notwithstanding the hardships witnessed by the region, and the economic slowdown affecting the Gulf countries due to falling oil prices during the last year, the Jordanian economy has shown considerable flexibility in adapting to the rather exceptional circumstances as economic growth and foreign currency reserves have continued their growth. The Kingdom has succeeded on many fronts on the path of correcting economic routes as well as preserving monetary and fiscal stability, which are considered an important component and prerequisite to sustain stability of the investment environment and further boost its attractiveness.

In this context, the strategy and investment policy adopted by the Group has taken into consideration the surrounding aspects and the unfolding global and regional circumstances, namely the international economic slowdown and the fluctuations of money markets in terms of interest rates, commodities and exchange rates witnessed by the emerging markets. Therefore, the strategy was built on a conservative investment approach that essentially supports comfortable liquidity ratios that better guarantee a smooth running of banking operations in an ideal and balanced manner.

On the other hand, efforts geared towards restructuring the investment portfolio continued into 2015 aiming at achieving optimal employment of assets with fixed income features to face financial market fluctuations and provide more flexibility to the process of asset/liability management in addition to supporting JAB's financial ratios and indicators.

Through its Financial Institutions Department, the group managed to further improve and develop its banking relations and grow its client base to include more banks along with Arab and foreign financial institutions, and therefore promoting the leading services it offers to JAB's customers that cover a large variety of banking services, and most importantly commercial services.

Additionally, the group continued with its plans to cut costs and increase non-interest revenues through a bundle of investment services that include international brokerage services and advisory, and effectively contributing to making income generation schemes less dependent on traditional sources. The group also worked on reinforcing its presence locally by integrating its key services and secondary services in supporting and elevating the capital market targeting domestic corporations. Such services include adequate financial solutions that cater to the needs and aspirations of customers, as they represent the main components in the investment banking industry.

The group was also keen to provide its cadre of employees with the opportunity to attend local and foreign courses, seminars and conferences to develop and enhance their skills and enable them to obtain specialized professional certificates.

## Human Resources & Logistics Group

### A. Human Resources

Stemming from Jordan Ahli Bank's dedication to its human resources, JAB continued to develop and further qualify its cadre of employees, starting with the recruitment process and finishing with creating the right motivations for employees to work within a healthy and professional environment. As such, JAB's management is keen to make a positive influence on the different life aspects of our staff that includes both, professional as well as the personal side in an effort to secure higher levels of employee satisfaction that will effectively contribute to their development and success.

In this context, and for the coming period that marks Jordan Ahli Bank's 60<sup>th</sup> anniversary, a share of JAB's investments will be allocated towards developing and enhancing the qualifications and capabilities of our staff, which is currently over 1400 employees, in addition to capacity-building efforts for new recruits. Such efforts will be in line with JAB's business development efforts and expansion strategies planned to take place in the coming years.

Keeping pace with the strategic transformation program, changing the organizational and functional structure has already started, in a manner that creates opportunities for specialized jobs that adds to our staff's expertise and contributing to making Ahli employees stand out among their peers.



As for our working environment, the effort to develop and promote its features and advantages is an ongoing process, including creativity incentives that integrate qualifying and training opportunities, along with career development opportunities and promotions, all intended to reflect positively on our teams and staff.

Considerations towards our employees' wellbeing was also on the bank's agenda along with the development of new communication channels with our staff to further promote transparency and team spirit in addition to other programs that reflect our shared value of good deeds and bringing forth positive change.

In this context, JAB's BOD approved the implementation of a job assessment scheme that integrates compensation policies and benefits along with remunerations and salaries. The scheme is described as transparent, competitive and fair and is expected to be implemented during 2016. Moreover, JAB's health insurance policy was extended to cover families of female employees, in addition to JAB's initiative to offer 10 educational scholarships for distinguished students whose parents are employees at Jordan Ahli Bank. An incentive program that encourages inventiveness and creativity was launched with a JD100,000 budget to exploit new ideas that help promote the work environment, develop procedures and/or cut costs in addition to ideas that are related to CSR.

In parallel, human resources policies and procedures such as recruitment and career development policies and procedures were revised in the context of developing overall assessment procedures to adhere to JAB's excellence and performance culture and with reference to quantitative terms in performance measurement. Towards this end, the Strategies Office was established to carry out data analysis in order to build performance indicators for comparative purposes in addition to customer behavior and information analysis to better advance JAB's services and distribution channels. The strategies office will also carry out a number of analytical studies that contribute to the build-up of a more extended SWOT analysis in preparation of configuring the strategic path of the bank and planning its strategies in accordance with the balanced scorecards.

## B. Logistics

In order for the bank to carry out its roles and responsibilities towards its employees, clients, shareholders and society, the bank strives to work within the scope of a well-organized sought out plan carried out by the Department of Administrative Affairs. The Department of Administrative Affairs instills innovation and excellence at the heart of its operations and is very keen to perform the logistical work within sound foundations and in a professional manner by conducting the necessary follow-ups on daily administrative and technical operations and the use of modern methods and technology in a way that ensures proper guidance of expenses.

In this context, the department has thrived in 2015 to offer its managerial and technical services within the highest levels of quality, efficiency, excellence and professionalism to ensure the utmost benefit to the bank as well as its employees. The department carries upon itself the mission to achieve the bank's vision concerning its human resources through meeting the different needs associated with the different levels, namely, managerial, services and logistics. Furthermore, the department is also eager to take on the responsibility to further develop all aspects of its operations technically and professionally, while advancing administrative procedures to maintain pace with modern methods and procedures.

The department was able to document and validate internal instructions, procedures and all work policies related to the department after conducting a thorough review of all procedural guides available and amending them into proportion with the workflow, all the while making sure that they are in line with the bank's overall strategy and goals. In addition, the department introduced new working procedures that cover other work areas whereby control has previously been less disciplined, such as supply, procurement and warehouses.

In terms of organizing managerial departments and attaining employee development, the department has reviewed the current organizational structure of Administrative Affairs to ensure achieving the overall goals and strategy of the bank. The department also developed and updated the job descriptions/titles of the employees in the different managerial levels in line with the guidance of the upper level management towards improvement through change.

In a related context, the "Administrative Affairs Development Unit" was introduced, which includes employees with high competencies from within the bank. The newly established unit deals with preparation of development plans, improvement of work procedures and methods and activation of the electronic systems in accordance with work progress and as instructed by the upper level management. In addition, the IT programs and systems used in some sensitive departments such as procurement, warehouses (monitoring supply) and fixed assets have been modernized and updated in alignment with the systems used in leading financial institutions.

On the other hand, the department conducted a full assessment and review of policies related to expenditure control and restricting expenditures to meet current needs, in addition to choosing the appropriate supplier in terms of lower costs without the need to compromise the quality, while preserving the bank's interest when renewing maintenance contracts.

## C. Marketing and Corporate Communications

Through its Marketing and Corporate Communications Management, Jordan Ahli Bank was able to grow its interaction with local community members from different backgrounds as it continues its efforts to preserve JAB's distinguished position and further strengthen its presence in the minds of Jordanians.

As such, the Marketing and Corporate Communications team, and by embarking on an effective and practical approach, has contributed to attaining JAB's interactive strategic objectives, hence adding more achievements to its track record by launching advertising and marketing campaigns, developing communication tools in addition to facilitating JAB's participation in the different initiatives and activities.

JAB was able to continue its support for the Kingdom's development efforts by focusing on the economic aspects in a push to transform the Kingdom into an economically viable hub and investment destination. In this context, JAB participated as a platinum sponsor in the Prudential Regulatory Procedures and Sound Practices in Risk Management Forum. The bank's participation included co-sponsoring the event's activities and contributing to several of its discussion panels. This participation is in line with JAB's strong belief that sustainable development is not confined to its banking operations and the financial solutions it provides, but it also extends to effective contributions to further solidify the overall banking sector in the Arab world and enhance its ability to face and overcome the unfolding challenges.

Additionally, the Marketing and Corporate Communications team has secured JAB's participation in a number of prominent events and activities during last year, some of which are described below:

JAB provided sponsorship to Jordan AFAQ 7<sup>th</sup> Economic Forum 2015, at which the bank was awarded the best bank award for personal loans.

In supporting the education sector and related initiatives, Jordan Ahli Bank sponsored the initiative entitled "Let's fill the shelves with books" for the second year in a row. The initiative facilitates a learning environment that includes extracurricular activities, while making books more accessible to all students through establishing libraries at less privileged schools, in addition to supporting story-telling activities.

As part of its programs geared towards youth empowerment, Jordan Ahli Bank sponsored the Model United Nations (MUN) conference held at the National Orthodox School, intended to increase student awareness of the basic operations of the United Nations and the essential institutional and political principles applied within the organization. Additionally, JAB sponsored the open day at Princess Sumaya University for Technology, while also sponsoring "Haretna Festival" organized by Al-Ahliyyah School for Girls, The Bishop's School Amman, and Jabal Amman Residents Association (JARA). The bank's sponsorship for this event is one that falls in line with its efforts to support the student segment of the community and also in line with the bank's strategy entailing the empowerment of all sectors of the local community.

As part of its continued efforts to support the Kingdom's artistic and cultural scene, Jordan Ahli Bank extended its support and sponsorship to Dozan wa Awtar musical concert series, which was held at the Rainbow Theatre in Jabal Amman. This comes as part of the bank's ongoing effort to elevate the local art scene, which helps inspire creativity, innovation and collaboration throughout the local community.

As always, the bank continues supporting sports initiatives aimed at building a base of young athletes of both genders in the Kingdom through the sponsorship of extracurricular activities and engagement in sports. Jordan Ahli Bank sponsored the youth football league at the Rosary College Schools in Marj El-Hamam and Shmeisani, Cambridge School and Amman Baptist School, which falls in line with the bank's aims to encourage a healthy lifestyle among today's youth, while also helping create a future generation of talented local athletes.

Furthermore, in terms of encouraging entrepreneurship, innovation and supporting efforts to transform SME projects into reality, the bank sponsored the "New Thought Studio" initiative that encourages and inspires positive thinking among youth, in addition to sponsoring "The Small & Medium Enterprises Forum", which concluded with a number of recommendations that were intended to boost SMEs future prospects. The bank was also keen to promote long-term growth, sustainability and increase the Kingdom's competitiveness in foreign markets. Towards that end, JAB sponsored and participated in an Open Financing Day targeting the Kingdom's industrial sector to overcome the challenges of attaining financing and investments, bridging the gap between the banking and the industrial sectors and developing comprehensive and integrated financial solutions.

In its capacity to expand the support of female-driven business ventures in the Kingdom, Jordan Ahli Bank collaborated with the Jordan Women Industrial Community (JWIC) towards securing new opportunities for local businesswomen to grow their projects by leveraging on the services provided by the bank's "Nashmeyat" initiative. The bank continues its efforts to broaden the reach of the initiative's program, which the bank had launched in order to provide local women with the basic requirements for sustaining and growing their business ventures. This will help reinforce female representation in the local business landscape, thereby



decreasing unemployment and allowing women from various segments of the community to contribute to the Kingdom's socioeconomic development.

Based on its strong interest in the status of the Jordanian women and in strengthening their leading role and economic participation, the bank sponsored the Jordanian National Forum of Women (JNFW) in the city of Karak on the occasions of Mother's Day, International Women's Day and Karamah Day.

The bank continued with its activities dedicated for community empowerment intended to support various groups and community segments while focusing on the least privileged as part of its charitable and humanitarian efforts. In this context, Jordan Ahli Bank announced its initiative for using sign language in its banking transactions to service deaf and mute clients, in addition to its participation in the launch of the new Jordan-Arabic Sign Language Dictionary, both in Arabic and in English. This comes under expanding the umbrella of services towards a more inclusive society that aims at empowering people with special needs.

Jordan Ahli Bank's patronage activities during 2015 were extended to cover a variety of national endeavors, including the Second International Investment Forum for Renewable Energy and Energy Efficiency (IIFREEE), which was held to discuss challenges facing the renewable energy sector in the Arab world and to facilitate and encourage the culture of renewable energy and its usage.

As part of its continuous efforts to connect with its employees and strengthening their relationship outside the work environment, Jordan Ahli Bank hosted its 60<sup>th</sup> anniversary celebration that included honoring a number of its senior employees in recognition of their ongoing efforts in serving the bank's goals. The bank also hosted another celebration with its VIP clients shedding light on the bank's long history and its contributions to the efforts of comprehensive and sustainable development.

In terms of the bank's marketing efforts and interactive campaigns, the bank organized and carried out a large number of campaigns and activities to promote its initiatives and products. Those included the Nashmeyat initiative campaign, multiple lending offers products such as SME loans, and Harley Davidson loans, plus Visa cards, Ghoushan Al Omor and Jame'ati saving accounts, Bancassurance, banking services with JO Petrol, special deposit services and SME credit cards.

The bank was able to develop a database of its social media accounts followers; their number on Facebook increased to 578,000 followers, while the bank's Twitter account has reached 34,000 followers. The bank's YouTube channel registered 2,175,000 views, plus 4,730 followers on its LinkedIn page.

## **D. Social Responsibility**

Over the years, Jordan Ahli Bank's commitments have exceeded the core banking operations, essentially, driving JAB closer towards socially and environmentally viable practices targeting a variety of sectors and social spectrums. In doing so, JAB focused on two streams, on one hand, it targeted sectors that achieve sustainable development with efficient support in terms of initiatives, programs and other activities, while on the other hand, providing a long-term strategic framework and vision for the bank's supporting initiatives and socially responsible endeavors. The latter ensures sustainable influence and a tangible impact on community segments through diversifying, expanding and developing social responsibility endeavors in a manner that does not conflict with its strategic banking objectives, while at the same time adhering to the requirements of social, environmental and economic development.

Towards that end, JAB announced in mid-2015 the establishment of a department that specializes in social responsibility. The department will take charge of laying out all plans, initiatives and programs that touch on different areas of development in a manner that guarantees positive impact in the lives of many people with different social backgrounds. Strategies undertaken by the department are flexible and are derived and inspired by JAB's future vision to become more than a banking/financial institution. Particularly, strategies are made adaptive to social and environmental changes and developments, which facilitate a positive interaction with these developments according to international best practices.

JAB's rather active role in corporate social responsibility was well recognized; the bank has been rewarded many distinguished awards in that field, the latest of which was the Golden Shield of Excellence from Arab Organization for Social Responsibility for the year 2015.

Jordan Ahli Bank's various contributions have been made independently and in collaboration with a number of civil society organizations, in order to differentiate its scope and keep pace with the needs of society and youth within the five basic sectors of work: community empowerment, youth and education, environment social leadership, art and culture.

One of the most important activities undertaken by the department during 2015 was the sponsorship of the Regional Social Responsibility Forum by the Arab Women's Council in Amman, which was entitled "The Roadmap towards a Better Community".

As for the charitable and humanitarian work emanating from Jordan Ahli Bank's corporate social responsibility, the department organized a charity campaign. With the participation of its employees, clothing containers were distributed in a number of its branch facilities to collect clothing for 1070 individuals of chaste families benefiting from the clothing bank. In addition, the department carried out a Ramadan campaign, whereby it provided food packages for hundreds of needy and disadvantaged families across all governorates.

On the front of supporting the health care sector, the department carried out a number of initiatives and programs in support of King Hussein Cancer Center. The department also provided support for the independent reading program in cooperation with "Khutawat" association, in addition to the supporting of the "8<sup>th</sup> Hakaya Storytelling Festival", the "Karama Film Festival" for human rights movies, "Haya Cultural Center" and "Jabal Weibdeh through Your Eyes" photographic competition designed to strengthen the ambiance in Jabal Weibdeh and upgrade the skills of amateurs and professionals in the art of photography.

Moreover, the department also developed an internal training program targeting students and new graduates, while in the environmental area, it provided support for the activities of the Arab Association for Nature Preservation.

## Training & Development

In line with JAB's aspirations to become more than just a banking institution, the bank dedicates a great deal of attention to its human resources, which it considers its prime asset. Therefore, the bank has always been keen to develop its cadre of employees through the Training and Development Department, which has managed to achieve many accomplishments in this area. Notably, the department reviewed the recruitment policies and procedures, updated the recruitment page on Jordan Ahli Bank's website, participated in the development of the charter of professional conduct and disclosure policies, as well as drafting procedures related to employees affairs.

Throughout 2015, a total of 249 training and development programs were held with an investment value of JD 140,000, which included 794 employees, bringing the total number of training opportunities to 3,056. Male participants have accounted for 60% of the trainees and female participants have accounted for 40%. Other projects for the department included qualifying 14 new branch employees through specialized training programs focusing on a variety of banking skills, in addition to 470 training scholarships, of which 180 went to male students and 290 went to female students.

## Insurance Affairs

Stemming from the bank's concern regarding its human capital and the focus on enhancing their level of satisfaction, Jordan Ahli Bank was keen during the year 2015 on bracing the benefits granted to its employees through emphasizing the health insurance benefits in order to maintain their health and well-being.

In this context, the Health Insurance Affairs department has intensified its efforts according to a plan with multiple goals to achieve various accomplishments. One of their most prominent accomplishments was the initiation of additional coverage within the agreement "Ria'aya" concluded with King Hussein Cancer Center. The agreement raises the treatment ceiling to JD 30,000 instead of JD 20,000, while the employee bears a percentage that is equal to the difference in registration fees. In addition, the thyroid gland function test has been added to the free laboratory tests campaign offered to our employees, which led to an early diagnosis of some health-related issues for a number of employees with Thyroid diseases. Early diagnosis contributed to having early and successful treatments.

On another level, the Health Insurance Affairs department has moved in the right direction towards stabilizing and minimizing the health expenditures through the health insurance agreement signed with NatHealth Insurance for the primary benefit of the regional administration employees and the branches in Palestine. Furthermore, the department has initiated a new Insurance System that includes health insurance (for the current phase), while plans are to include life insurance, personal accidents insurance as well as insurance for Hussein Cancer foundation during the coming few months.

In addition to the health insurance services provided and in an effort to improve their quality, the department has signed a consulting agreement with one of the leading insurance consulting and intermediary companies in the field. Such an agreement will assist the department in tender offering, and the study of contracts and insurance policies including converges, exceptions and overall conditions, in addition to keeping pace with internal and external insurance offerings and market updates.

On the other hand, the department has allocated a corner on the "My Ahli" page for the employees to go over the department's recent developments and insurance affairs. The insurance corner on "My Ahli" page will serve as

a means of communication between the department and employees; including all the department's broadcasts, policies and all issues relating to employees' insurance.

The Insurance Affairs department has set new targets to achieve in year 2016. In particular, the department plans to expand the insurance coverage through a new insurance policy, which provides insurance coverage to BOD members as well as the executive managers to better control insurance expenses by integrating insurance policies where possible. Furthermore, the department aims to raise employees' awareness about insurance in general and the health insurance in particular through "My Ahli" page.

## Service Quality for 2015

- 1- Activating phone feedback related to services at the business centers.
- 2- Preparing working schemes to expose clients' experience with the bank and prepare plans and implementation strategies for the year 2016.
- 3- Developing a mechanism to follow-up on the complaints received as well as ensuring it is in accordance with the Central Bank's instructions on transparency.
- 4- Participating in implementing the action plans for the SMEs, especially, Service Level Agreements (SLA).
- 5- Participating along with the New Banking System implementation team to develop a methodology intended to elaborate and follow up on Service Level Agreements (SLA).

# Operations & Information Technology Group

## A. Joint Central Services Operations

Based on the strategic objectives set for Ahli Bank, the Joint Central Services Operations Group has relied on the following pillars to achieve the desired goals:

In the year 2015, the focus was primarily on rendering enough support to the DNA system as well as providing the supplier with information and relevant requirements related to all banking operations in accordance with the international standards and within the highest levels of efficiency in order to receive, examine and implement the system during the year 2016. In addition to documenting the elements and requirements involved in the implementation of the automatic system, while exerting the highest degrees of cooperation with the Information Technology Group to ensure the success of the system, which will have a substantial impact over the bank's operations during the coming years.

The DNA system will lead to restructuring the Operations Group to become as follows:

- 1- Foreign Banking Operations, which consist of Trade Finance (export and import Letter of Credits, export and import Letter of Guarantees and inward and outward Bills of Collection), Treasury back office operations and Remittance transactions and Operations amongst banks.
- 2- Shared Service Center, which will perform the operations of branches centrally (exchange, maintenance, retail credit facilities, corporate, small and medium sized enterprises, central clearing, spot and post-dated cheques operations, opening and identifying information of clients and banks and implementation and maintenance of the client's instructions).

The Joint Central Services Operations Group is working on automating of all the banking operations based on the "Best Practice Approach" in order to meet the objectives of implementing the new banking system. Thus, this will contribute to maintaining the current existing clients, serving them and thriving to satisfy them as well as attracting new clients in terms of the speed of introducing new services and increasing the market share particularly in the field of non-banking services such as: remittances, letter of credits, letter of guarantees and advisory services.

Reengineering of the existing operations processes in order to modify the maintenance and implementation procedures as much as possible to shorten the time, cancel functional redundancy, reduce expenses, enhance productivity and increase the control and monitoring mechanism as it relates to implementation.

Parallel with the development of the banking system, the Joint Central Services Operations Group provided proper training to its employees in an effort to prop up their experiences and skills to ensure they carry out their assigned responsibilities within the highest levels of efficiency.

## B. Business Technology and Center of Excellence

The DNA program aims to replace the aging banking systems that are currently running our banking operations with more advanced and modern ones that will serve as the core IT platform for new capabilities and growth. The program will help achieve the bank's strategic goals, assist us in taking forward leaps on the path of development and attain more accomplishments. This will guarantee the growth of our client base on one hand and enhance the quality of our offered services and their implementation on the other hand, by relying on the main following props:

- Reinforcing specialization in the different banking sectors.
- Managing advanced risks through a more developed institutional infrastructure.
- Advanced information technology.
- Supporting sales and marketing management operations.
- Efficient human resources management.

The following points highlight the goals of the DNA program:

### Goals related to the clients

- Preemptive identification of clients' needs.
- Creativity in client interaction and communication.
- Client oriented marketing campaigns.

### Goals on a commercial level

- Reinforcing the bank's competitiveness.
- Understanding market demands and meeting them through the design of smart and advanced banking services and products and making them available to clients.
- Developing the service channels on an ongoing basis.
- Automating the full operations of the back office.

### Goals on an institutional level

- Providing a control and monitoring system on the different financial and non-financial operations.
- Making regulations more compatible with all international standards in areas of risk management on an ongoing basis.
- Unifying all branch regulations to improve performance monitoring and decision making.
- Measuring the efficiency of internal operations in order to improve them.
- Measuring the profitability of the different sectors and services accurately.
- Providing all the analytical information needed to make strategic decisions in a timely manner.

## C. Real Estate Affairs Management

The Real Estate Affairs Management has carried out sales operations that are worth almost JD 14 million during 2015.

## Credit Group

The Credit Group emerged as an independent group that overlooks the quality of the credit portfolio, while it has multiple subdivisions that collectively cover the entire credit process. In particular, the group includes the credit

review department that essentially studies and reviews credit applications after they have been submitted by business departments. There is also the credit management that is subdivided into credit documentation unit and credit operations unit, while the credit control department oversees the credit process from the day it is approved to the day until it is completely repaid. Finally, there is the credit remedy and recoveries department that is concerned with the follow-up and recovery of non-performing loans and securing collections using all means possible.

Accordingly, there has been a total separation between the sales/marketing side and the control/ review side of the credit issuing process, therefore guaranteeing a better control over issued credit and securing a better quality for the credit portfolio.

## Credit Remedy Department

The Remedial & Recoveries Department contributed to supplementing the bank's income by a total of JD 15.8 million from outstanding provisions and interest in suspense as a result of compromises and repayments that contributed in the reduction of the non-performing loans portfolio by JD 35.7 million. Whereas, supplementing the bank's revenues is expected by at least JD 10 million in 2016 while reducing the non-performing loan portfolio by at least JD 21 million. Thus, the non-performing loan portfolio will be reduced to represent approximately 10% of the bank's total credit portfolio.

## Finance and Internal Audit Group

The Finance and Internal Audit Group worked on completing the application of the Business Intelligence project on the existing banking system, while taking advantage of all the financial and analytical extracts provided by the system on a daily basis and at maximum speed. This was reflected in the accuracy and speed of business with the Group.

Developing the performance measurement models and following-up on the monthly deviations through a set of measurement tools adopted, which ensure the deviations are determined, the accurate identification of its causes and the provision of advanced Dash Boards for the bank's senior management.

Continuing to apply the policy adopted to lower the bank's current and capital expenses adjustment procedures, which includes all relevant aspects in terms of powers and authorities, limits, approvals, exceptions and measurement and analysis methods. Likewise, continuing to monitor compliance with the action plans and the budget estimated for the expenses of all the groups, whether those related to the new projects expenses or the ongoing expenses.

Completing the estimated budget project and the action plans for 2015 and preparing detailed action plans for the business groups and the bank's supporting groups.

Evaluating the performance of the different bank groups to assure compliance with action plans and the estimated budget for 2015.

The Department worked on expanding the Inspection section tasks and functions in order to ensure the revision of the branches compliance with the customer data updating instructions according to the Foreign Account Tax Compliance Act (FATCA) and sending the reports to the Internal Revenue Service of the United States federal government (IRS).

Providing the Senior Management with several analytical and specialized studies that help in the decision making process, which will be reflected positively on the bank's performance.

Providing the Senior Management with studies of the bank's performance in comparison with other banks operating in Jordan, and measuring growth rates and market share, as well as detailed comparison studies with competitive banks

Participating actively in the new banking system application process with respect to all the work related to the Finance Group, including the structuring of the accounting system, Central Bank and regulatory authorities' periodic reports, in addition to the requirements related to calculating the debt provisions.



# Risk Management & Compliance Group

## Information Security Department

The Information Security Department was established during the second quarter of 2015 in order to enhance information security aspects for JAB according to the best practices. Information security related policies and accompanying procedures have been developed, and the Department is keen to apply all regulatory controls to be in a better position to face security threats and challenges, while minimizing risks that are associated with technology advances.

## Basel Department

The Basel Department worked on the internal environment assessment and the preparation of a plan to meet the observations of the supervisory review process through the development of the capital adequacy ratio calculation models, which cover the risks of the first pillar (credit risks, market risks, operational risks). Stress test models and a methodology for determining the alternative scenarios assumed by the bank were developed. A set of policies (internal assessment policy for capital adequacy and stress test policy) were developed to enhance the risk management process and improve the internal environment by identifying the tasks and responsibilities associated with the Executive Management and the Board of Directors.

The Department also seeks to identify the approved measurement methods to assess the risks of the first and second pillars (liquidity risks, interest within the banking portfolio, concentrations, business cycle, strategy and reputation), and activate the Sound Management process (optimization) of capital.

Moreover, a methodology and matrix for the acceptable risk levels at the bank were determined and monitored and reports were sent to the risk and compliance committee. The Department also developed a qualitative assessment approach for risk factors that covers corporate governance, board of directors, executive management, risk management and internal audit using scorecards aiming at enhancing the internal environment.

## Credit Risks Department

Jordan Ahli Bank is keen to conduct periodic credit assessments to its clients as well as assessments to credit risk elements that include items shown on the financial statements, such as loans and bonds, or other items outside the financial statements, such as letters of credit and letters of guarantee.

The Credit Risk Department continued following up on the data entry procedures to the credit rating system (Moody's), to create a link between the credit rating and the credit committees, whereby risk is restricted to the preset frame already agreed upon in the credit and credit risk policies, hence maintaining a healthy balance between risk, return and liquidity. As such, the process of managing credit risk is done through a set of policies and procedures that are intended to identify, measure and handle that type of risk in accordance with the bank's directives and strategies.

## Market Risks Department

The Market Risk Department monitors and measures risks resulting from price fluctuations in domestic and international markets through the development of multiple surveillance reports. The Department has amended its interest rate risk policy related to the bank portfolio and the liquidity risk policy in light of the unfolding economic developments and circumstances, while conducting an analytical study of public shareholding companies in the bank's investment portfolio.

On the other hand, the Middle Office oversees the investment constraints and controls as they are explained in the investment policy, and makes sure they are strictly followed and adhered to in compliance with the Central Bank of Jordan (CBJ) regulations.

## **Operational Risks Department**

The Operational Risks Department prepared and adopted an operational risk policy and held a number of courses for the bank's employees in order to raise the level of awareness and understanding of operational risks. The Department also participated in workshops related to the execution and implementation of the DNA new banking system and revised the handbooks, work procedures and amendments in order to verify the existence of adequate risk control measures according to the working mechanism to be adopted in the new banking system. Specialized committees were formed to prepare and adopt a business continuity plan in preparation for the completion of the master and subsidiary business continuity plans preparation process (BCP).

## **Early Warning Unit**

The Early Warning Unit operating within the Risk Group conducts periodic studies that analyze the bank's portfolio of direct credit facilities in terms of concentration levels and default rate for each of the bank's sectors, in addition to periodic assessment of the bank's products introduced by the business centers. The Unit also conducts other studies focusing on risk indicators as they relate to JAB's subsidiaries.

## **Internal Audit**

During last year, the audit teams as part of the Internal Audit Department completed the implementation of the operational plan items based mainly on a strategic plan adopted by the Audit Committee of the Board of Directors.

The department continued providing advisory services to all the bank's units according to the Internal Audit standards and best practices.

For matters concerning correctional procedures, the Internal Audit group worked side by side along with the bank's various groups to correct the notes and observations that were pointed out either in the internal or external audit reports or the Central Bank of Jordan (CBJ) reports.

With regard to the training and the development of knowledge and skills, the Internal Audit Department employees received a practical and theoretical training as part of the development and training programs prepared by the transformation management of the new banking system in line with the role of the Internal Audit Department in this context.

The Internal Audit group will work during the year 2016 on updating the systems of internal auditing, known as "Teammate", upgrading it to the latest release in collaboration with its supplying company CCH Group of Wolters Kluwer.

## **Enterprise Programs and Projects Department**

Stemming from the Department's vision that is centered on "creating and promoting a culture of program and project management", in addition to the fact that it is newly established department, the Department's efforts during 2015 were geared towards increasing the awareness of project management through the following:

### **- Procedure Documentation**

Completing the documentation of all procedures, operations and models related to project management and therefore asserting effectiveness and accuracy.

### **- Management of 2015 Projects**

Completing the follow-up and implementation of 2015 projects, which included approximately 20 projects, in addition to submitting detailed periodic reports, in pace with the progress and development of the projects throughout the year.

In cooperation with all involved parties, the Department played a major role in preparing and implementing a road map that is specifically designed for SME projects and programs, which included six main programs.

### **- Increasing institutional awareness with regards to the concepts of project management**

Believing that employees represent the essence of change, various workshops intended to raise employees' awareness with regards to the main concepts of project management were held at different departments of the bank. The employees then took part in running a number of projects with procedures and models, while receiving constant guidance from the project's support and assistant unit within the Department.

- Prioritizing projects and programs

The Department has held a number of workshops with the different management groups to document the projects and the various initiatives in order to prioritize and prepare plans for its implementation, which ensures maximum utilization of the institution's resources.

- Following up on the execution of the Board of Directors (BOD) directives

The Department collaborated with the BOD's administrative assistance to set up a mechanism to follow-up on the BOD decisions as well as the decisions of the committees emanating from the BOD, while issuing reports on the progress directed to the concerned parties. This ensures a clear vision on the advancement of implementing the operational tasks and projects.



# Corporate Culture

Corporate culture defines the individual and collective values, beliefs and behaviors which must comply with the Jordan Ahli Bank corporate identity. In this respect, the promotion of this culture requires all bank's employees to abide by the following:

- Profit Focus: To maintain and increase the profits in the future.
- Sales Focus: To introduce more sales jobs and double the employees' sales times.
- Client Focus: To prepare a comprehensive and new corporate organizational structure to serve all economic sectors.
- Scientific Approach: To introduce modern and scientific methods to be used in evaluating risks and profits.
- Merit-Based Reward System: To disburse bonuses and participate in making profits according to each individual's performance, productivity and merit.
- Excellence: To focus on the employees' training quality and continuous education methodology.
- Creativity and Innovation: To introduce new products and distribute channels in line with the market requirements.
- Strategic Focus: To create a future strategic planning culture among the employees.
- Technology Focus: To optimize the use of information technology.

# 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) Commitments towards shareholders:

- Reinforce shareholder confidence in the bank through persevering efforts to strengthen the bank, and strengthen and increase its capabilities and profits, by transforming it to a banking establishment that adheres to international standards and seeks to compete on local, regional and international levels.
- Commit to seeking, following up on and developing all potential business opportunities and make the most out of them in order to achieve the highest levels of profitability.
- Commit to ensuring institutional loyalty to the bank and safeguard its confidential information.
- Disclose all substantial and material information that pertain to shareholders and their rights immediately.

## (2) Commitments towards customers:

- Commit to providing the best services to customers with a spirit of camaraderie, courteousness and respect to their character, dignity, time and interests, without conflict with those of the bank.
- Commit to improving performance and efficiently completing tasks while applying the principles of integrity, fairness and objectivity in dealing with customers.
- Commit to innovating and applying banking products that serve customers in a wider and more effective manner while serving the bank's interests.
- Commit to providing customers with information, offers and responding to their queries in a professional, direct, unambiguous and transparent manner, in the quickest way possible, with the bank bearing no liability until implementation.
- Commit to charging appropriate and fair commissions to customers, which concurrently reflect the quality of services and degree of risk.
- Commit to establishing relationships with customers on the basis of mutual respect, impartial of personal interests.

## (3) Commitments towards regulatory authorities:

- Commit to applying all laws, bylaws and rules required in countries where the bank operates.
- Commit to sincerely disclosing information required by regulatory authorities expressly, clearly, efficiently and respectfully.
- Commit to safeguarding professional relationships with officials in regulatory authorities and seeking to gain their confidence in the bank and its commitment to all stipulated rules.
- Commit to unconditionally cooperating with regulatory authorities on professional grounds and assisting members of the Board of Directors in the superior performance of their commitments in this regard.

## (4) Commitments towards colleagues:

- Commit to ensure 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.
- Commit to group work ethics represented by the following three rules: honesty, mutual respect and readiness to build common grounds of agreement.
- Commit to decreasing the times set for meetings to the bare minimum so as to save the colleagues' time and effort. Also, to commit to respecting the dates set for meetings and preparing an agenda prior to the meeting.

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

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

- Commit to offering suggestions, programs, products and services that contribute, either directly or indirectly, to social development and improvement and expansion of banking opportunities to a wider base of clients.
- Commit to the adherence of the bank advertisements and advertising campaigns to local cultural traditions, positively contributing to reinforcing social values, enlightening local communities and endorsing a sophisticated banking culture.
- Refrain from offering any programs or services that aim at catering to sectarian interests based on politics, sects or races.

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

- Commit to funding a planned annual program to socially support volunteer institutions operating in local communities and cultural institutions and initiatives, as well as publishing books and supporting other cultural activities.
- Encourage other social, productive and scientific initiatives, and improve the living standards of underprivileged sectors of society.

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

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

# Jordan Ahli Bank Strategic Plan for 2016

In drawing its 2016 strategy, Jordan Ahli Bank relies on key pillars to advance forward in a spearheaded role that reflects the added value the bank offers its shareholders and clients, with an accumulating banking expertise that extends over 60 years.

## Quality & Excellence

Focus will be geared towards sustaining asset quality as well as competency in services provided in a manner that supports the full-fledged operational prospects and advanced applications of the newly adopted banking system. This will provide for a more comprehensive and integrated framework for traditional banking services for all the bank's operational channels.

## Business Sector

- To achieve qualitative and quantitative growth within a framework that facilitates quality integration in various sectors targeted with credit facilities, while increasing collection efficiency and recovery.
- Adapting and executing best banking practices aimed to achieve higher returns without compromising risk factors.
- To attain an optimal operational level for the Joint Central Services Group (Operations) by means of capitalizing on the technological platform of the new banking system.

## Shareholders' Equity:

- To increase return on shareholders' equity by adhering to international best practices in order to enhance the efficiency of asset-liability employment within an acceptable risk level.

## Social Responsibility and Sustainable Development

- To reach a distinctive level in the social responsibility department, through building more strategic partnerships with development-oriented institutions.
- To provide support for a variety of sectors that covers the community spectrum, while extending participation in sustainable development endeavors within an institutionalized framework that better ensures the sustainability of such initiatives, as a step towards making Jordan Ahli Bank an environmentally and socially responsible establishment as well as an economically viable partner.

# Corporate Governance and the Regulatory Environment

To adhere to corporate governance principles and the regulatory rules and policies in a manner that conforms to the relative regulations and directives.

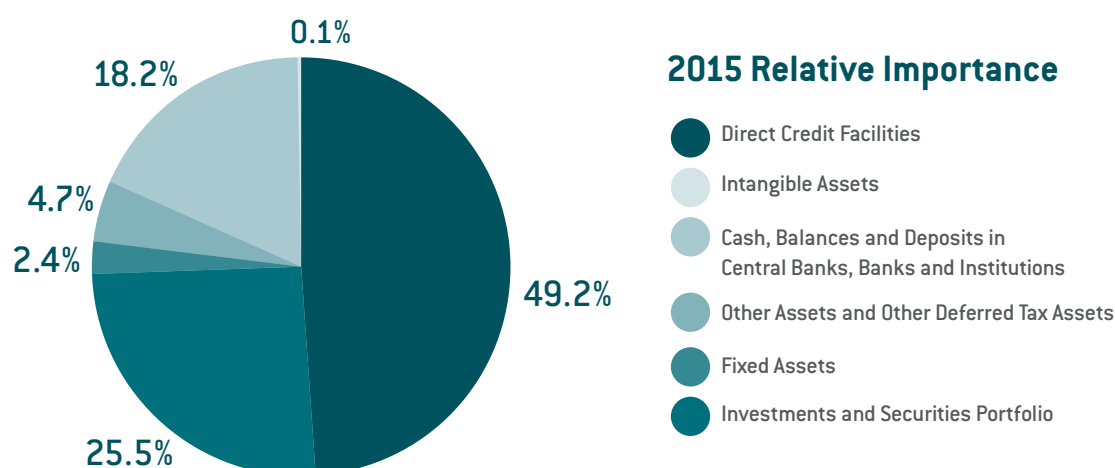
## Key Financial Analysis and Indicators for 2015

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

### First: Assets

1. The total balance sheet (excluding contra accounts) amounted to JD 2,494,628,998 by the end of 2015, compared to JD 2,325,144,263 as of 31/12/2014, registering an increase of JD 169,484,735. Inclusion of the contra accounts would bring the total to JD 2,929,997,271 by the end of 2015, against JD 2,691,004,483 registered at the end of 2014, amounting to an increase of JD 238,992,788.

Bank Assets	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Cash, Balances and Deposits in Central Banks, Banks and Institutions	454,475,595	517,126,558	-12.2%	18.2%	22.2%
Direct Credit Facilities – Net	1,227,323,101	1,200,994,915	2.2%	49.2%	51.7%
Investments and Securities Portfolio	635,385,048	431,812,907	47.1%	25.5%	18.6%
Fixed Assets – Net	59,745,149	58,694,043	1.8%	2.4%	2.5%
Intangible Assets	1,428,562	1,475,817	-3.2%	0.1%	0.1%
Other Assets and Other Deferred Tax Assets	116,271,543	115,040,033	1.1%	4.7%	4.9%
<b>Total Assets</b>	<b>2,494,628,998</b>	<b>2,325,144,263</b>	<b>7.3%</b>	<b>100.0%</b>	<b>100.0%</b>



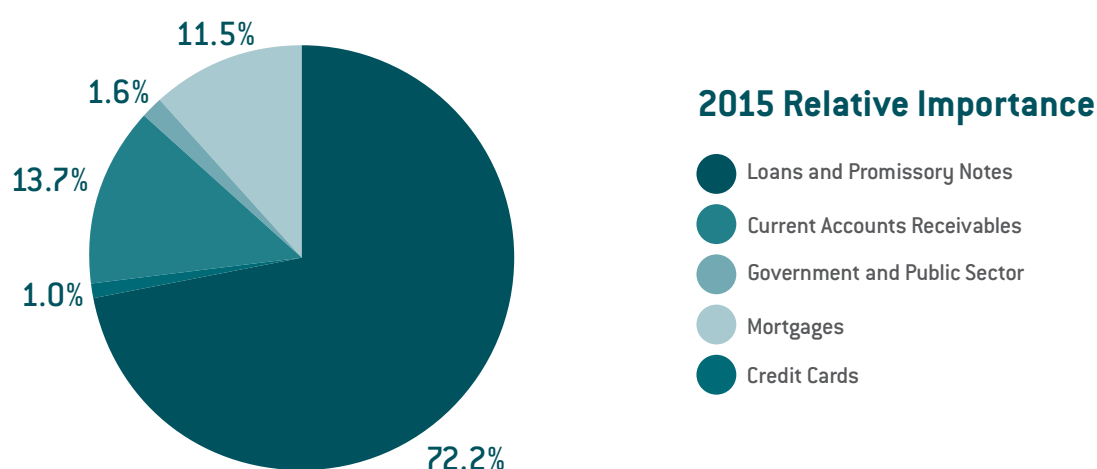
2. Cash in hand and at banks amounted to JD 454,475,595 in 2015, compared to JD 517,126,558 at the end of 2014, registering a decrease of JD 62,650,963.

3. The net value of securities amounted to JD 635,385,048 at the end of 2015, compared to JD 431,812,907 at the end of 2014. This amount includes JD 601,857,948 worth of treasury bonds, treasury bills and corporate debentures, which amounted to JD 394,457,542 by 2014.

4. The balance of credit facilities (excluding allowances and interests in suspense) was JD 1,322,002,157 at the end of 2015, compared to JD 1,315,261,292 in 2014, an increase of JD 6,740,865 compared to the end of 2014. This number includes current accounts receivables amounting to JD 151,496,137, in addition to loans, promissory notes and credit cards totaling JD 968,042,872.

5. Net fixed assets amounted to JD 59,745,149 by the end of 2015, compared to JD 58,694,043 at the end of 2014.

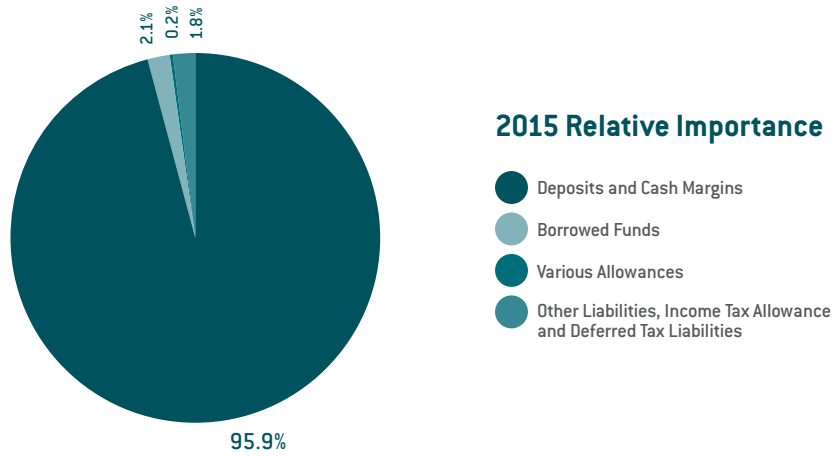
Direct Credit Facilities	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Overdraft Current Accounts	151,496,136	151,474,825	0%	11.5%	11.5%
Loans and Promissory Notes	955,023,350	966,033,208	-1.1%	72.2%	73.4%
Credit Cards	13,019,522	13,710,816	-5.0%	1.0%	1.0%
Mortgages	180,761,972	160,280,430	12.8%	13.7%	12.2%
Government and Public Sector	21,701,176	23,762,013	-8.7%	1.6%	1.8%
<b>Total Direct Credit Facilities</b>	<b>1,322,002,156</b>	<b>1,315,261,292</b>	<b>0.5%</b>	<b>100.0%</b>	<b>100.0%</b>



## Second: Liabilities

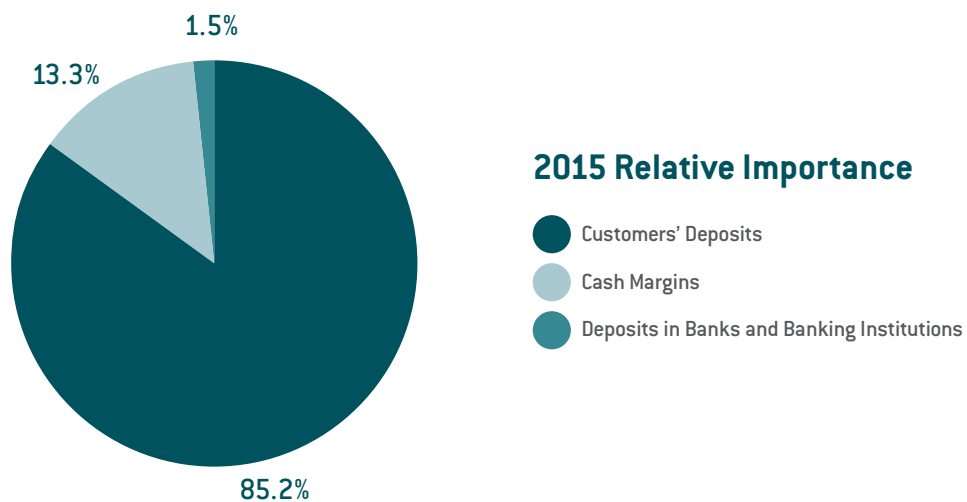
1. The balance of deposits in current and call accounts, savings, term and bank accounts amounted to JD 2,092,051,572 at the end of 2015, compared to JD 1,934,243,451 in 2014, registering an increase of JD 157,808,121.

Bank Liabilities	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Deposits and Cash Margins	2,092,051,572	1,934,243,451	8.2%	95.9%	95.9%
Borrowed Funds	45,564,564	34,583,965	31.8%	2.1%	1.7%
Various Allowances	3,663,206	4,285,424	-14.5%	0.2%	0.2%
Other Liabilities, Income Tax Allowance and Deferred Tax Liabilities	39,830,870	43,208,602	-7.8%	1.8%	2.1%
<b>Total Liabilities</b>	<b>2,181,110,212</b>	<b>2,016,321,442</b>	<b>8.2%</b>	<b>100.0%</b>	<b>100.0%</b>



2. The balance of reserves and various allowances amounted to JD 111,094,352 by the end of 2015, compared to JD 107,173,120 at the end of 2014.

Deposits and Cash Margins	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Deposits in Banks and Banking Institutions	30,631,530	129,360,843	-76.3%	1.5%	6.7%
Customers' Deposits	1,782,222,725	1,523,104,814	17%	85.2%	78.7%
Cash Margins	279,197,317	281,777,794	-0.9%	13.3%	14.6%
<b>Total Deposits and Cash Margins</b>	<b>2,092,051,572</b>	<b>1,934,243,451</b>	<b>8.2%</b>	<b>100.0%</b>	<b>100.0%</b>



## Third: Contra Accounts

1. The balance of letters of credit and acceptances increased to JD 94,852,178 by the end of 2015, compared to JD 84,934,452 in 2014.

2. The balance of non-utilized limits increased to JD 138,977,083 by the end of 2015, compared to JD 101,124,169 in 2014.

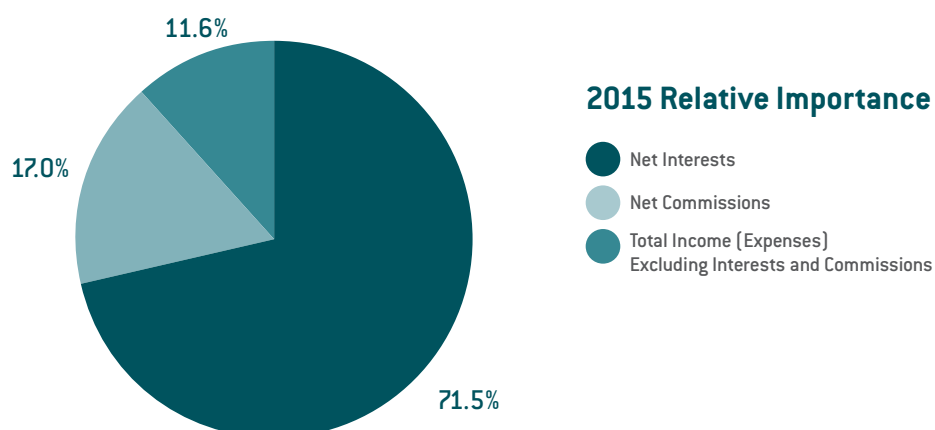
3. The balance of guarantees increased to JD 201,539,012 by the end of 2015, compared to JD 179,801,599 at the end of 2014.

## Fourth: Operating Income and Expenses

### 1. Operating Income:

Operating income increased by JD 10,483,517 to reach JD 119,773,186 by the end of 2015, compared to JD 109,289,669 recorded in 2014.

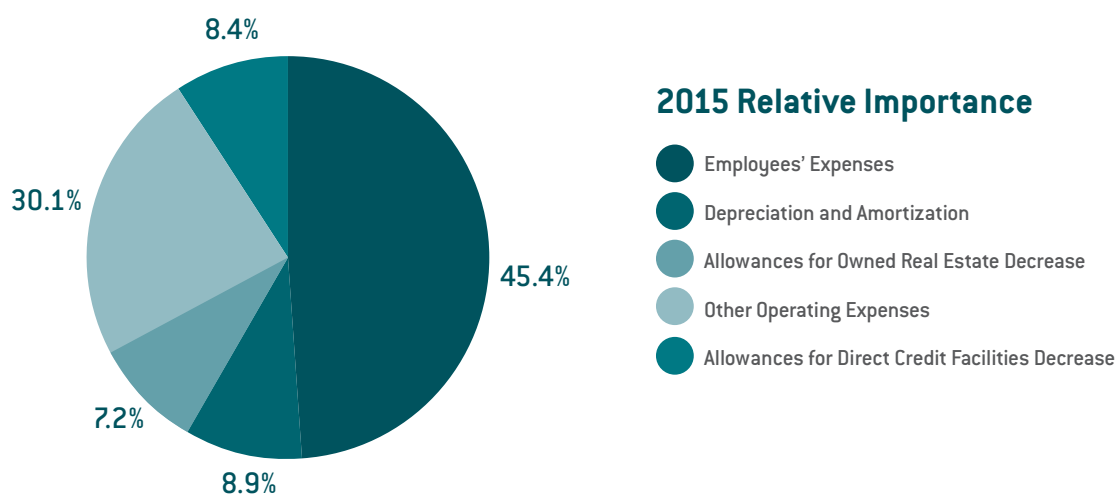
Operating Income	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Net Interests	85,853,223	81,400,105	5.1%	71.5%	74.5%
Net Commissions	20,328,775	20,069,160	1.3%	17.0%	18.4%
Total Income (Expenses) Excluding Interests and Commissions	13,861,188	7,820,404	77.2%	11.6%	7.2%
Net Operating Income	119,773,186	109,289,669	9.6%	100.0%	100.0%





## 2. Operating Expenses:

Operating Expenses	2015	2014	Relative Change (%)	2015 Relative Importance (%)	2014 Relative Importance (%)
Employees' Expenses	39,672,359	39,224,689	1.1%	45.4%	44.0%
Depreciation and Amortization	7,800,586	7,704,965	1.2%	8.9%	8.6%
Other Operating Expenses	26,259,092	22,659,803	15.9%	30.1%	25.4%
Allowances for Direct Credit Facilities Decrease	7,299,465	18,100,318	-59.7%	8.4%	20.3%
Allowances for Owned Real Estate Decrease	6,311,219	1,553,077	306.4%	7.2%	1.7%
<b>Total Operating Expenses</b>	<b>87,342,721</b>	<b>89,242,852</b>	<b>-2.1%</b>	<b>100.0%</b>	<b>100.0%</b>









# 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 of the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of income, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and 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 consolidated 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, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Report on Regulatory Requirements

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

## Explanatory Paragraph

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.

Deloitte & Touche (M. E.) - Jordan

Amman - Jordan

March 27, 2016

# Consolidated statement of financial position

## List A

	Note	December 31,	
		2015	2014
<u>Assets</u>		JD	JD
Cash and balances at central banks	4	287,831,587	310,339,062
Balances at banks and financial institutions	5	151,996,498	206,787,496
Deposits at banks and financial institutions	6	14,647,510	-
Financial assets at fair value through profit or loss	7	465,972	389,255
Direct credit facilities - net	8	1,227,323,101	1,200,994,915
Financial assets at fair value through other comprehensive income	9	27,841,330	27,591,468
Financial assets at amortized cost	10	601,857,948	394,457,542
Investments in associates and unconsolidated subsidiary company	11	5,219,798	9,374,642
Properties, equipment, and projects under construction - net	12	59,745,149	58,694,043
Intangible assets - net	13	1,428,562	1,475,817
Other assets	14	110,133,567	110,396,262
Deferred tax assets	20	6,137,976	4,643,761
<b><u>Total assets</u></b>		<b>2,494,628,998</b>	<b>2,325,144,263</b>

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.



# Consolidated statement of financial position

Continued

		December 31,	
	Note	2015	2014
		JD	JD
<b>Liabilities:</b>			
Banks' and financial institutions' deposits	15	30,631,530	129,360,843
Customers' deposits	16	1,782,222,725	1,523,104,814
Cash margins	17	279,197,317	281,777,794
Borrowed funds	18	45,564,564	34,583,965
Various provisions	19	3,663,206	4,285,424
Provision for income tax	20	7,557,618	9,860,350
Deferred tax liabilities	20	1,058,399	987,012
Other liabilities	21	31,214,853	32,361,240
<b>Total liabilities</b>		<b>2,181,110,212</b>	<b>2,016,321,442</b>
<b>Shareholders' equity:</b>			
Subscribed and paid-up capital	22	175,000,000	175,000,000
Statutory reserve	23	51,197,108	47,947,694
Voluntary reserve	23	33,486,083	30,236,669
Periodic fluctuations reserve	23	2,080,497	1,791,584
Special reserve		213,054	213,054
General banking risk reserve	23	11,693,374	11,005,325
Fair value reserve - net	24	1,203,412	1,833,020
Retained earnings	25	38,645,258	40,795,475
Total shareholders' equity		313,518,786	308,822,821
<b>Total liabilities and shareholders' equity</b>		<b>2,494,628,998</b>	<b>2,325,144,263</b>

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

## Consolidated Statement Of Income

	Note	For the year ended December 31,	
		2015 JD	2014 JD
Interest income	26	130,915,392	128,889,544
Interest expense	27	45,332,169	47,489,439
Net interest revenue		85,583,223	81,400,105
Commissions revenue - net	28	20,328,775	20,069,160
Net interest and commissions revenue		105,911,998	101,469,265
Foreign exchange income	29	3,316,790	2,887,274
Income (loss) from financial assets at fair value through profit or loss	30	118,374	(389,999)
Dividends from financial assets at fair value through other comprehensive income		967,280	944,249
Other revenue	31	9,458,744	4,378,880
Total non-interest and non-commissions revenue		13,861,188	7,820,404
<b>Gross income</b>		<b>119,773,186</b>	<b>109,289,669</b>
<b>Expenses:</b>			
Employees' expenses	32	39,672,359	39,224,689
Depreciation and amortization	12,13	7,800,586	7,704,965
Other expenses	33	26,259,092	22,659,803
Provision for impairment in direct credit facilities	8	7,299,465	18,100,318
Foreclosed assets impairment provision	14	6,311,219	1,553,077
Total expenses		87,342,721	89,242,852
Income from operations		32,430,465	20,046,817
Revaluation gain from the dilution of the bank's share in former associate		-	1,536,732
Bank's share of associate companies' gains	11	63,675	83,180
Income for the year from continuing operations before taxes		32,494,140	21,666,729
Income tax	20	(9,661,416)	(5,964,380)
Income for the year from continuing operations		22,832,724	15,702,349
Net income from discontinued operations (after tax)	46	-	18,458,463
Income for the year		22,832,724	34,160,812
Attributable to:			
Bank's shareholders		22,832,724	34,160,812
		22,832,724	34,160,812
Earnings per share from continuing and discontinued operations attributable to the bank's shareholders:			
Basic	34	130-/-	195-/-
Diluted	34	130-/-	195-/-
Earnings per share from continuing operations attributable to the bank's shareholders:			
Basic	34	130-/-	090-/-
Diluted	34	130-/-	090-/-

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

## Consolidated statement of other comprehensive income

	For the year ended December 31,	
	2015	2014
	JD	JD
Income for the year	22,832,724	34,160,812
Other comprehensive income items:		
Items that will not be subsequently transferred to the consolidated statement of income:		
(Loss) from sale of financial assets at fair value through other comprehensive income	(7,151)	(77,022)
Change in fair value reserve - net	(629,608)	353,700
Gross comprehensive income	22,195,965	34,437,490
Gross comprehensive income attributable to:		
Bank's shareholders	22,195,965	34,437,490

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

## Consolidated Statement Of Changes In Shareholders' Equity

	Subscribed and paid-up capital		Share premium		Statutory		Voluntary		Reserves		Fair value reserve - net		Retained earnings		Total shareholders' equity		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
<b>For the year ended December 31, 2015</b>																	
Balance - beginning of the year	175,000,000	-	-	47,947,694	30,236,669	1,791,584	213,054	11,005,325	1,833,020	40,795,475	308,822,821						
Income for the year	-	-	-	-	-	-	-	-	-	22,832,724	22,832,724						
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	9,275	(7,151)	2,124						
Net change in fair value	-	-	-	-	-	-	-	-	(638,883)	-	(638,883)						
Gross comprehensive income	-	-	-	-	-	-	-	-	(629,608)	22,825,573	22,195,965						
Transfers to reserves	-	-	-	3,249,414	3,249,414	288,913	-	688,049	-	(7,475,790)	-						
Dividends distributed *	-	-	-	-	-	-	-	-	-	(17,500,000)	(17,500,000)						
Balance - end of the year	175,000,000	-	-	51,197,108	33,486,083	2,080,497	213,054	11,693,374	1,203,412	38,645,258	313,518,786						
<b>For the year ended December 31, 2014</b>																	
Balance - beginning of the year	165,000,000	9,345,817	43,935,175	26,224,150	1,393,405	213,054	11,147,743	1,479,320	25,546,667	284,285,331							
Income for the year	-	-	-	-	-	-	-	-	-	34,160,812	34,160,812						
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	162,972	(77,022)	85,950						
Net change in fair value	-	-	-	-	-	-	-	-	190,728	-	190,728						
Gross comprehensive income	-	-	-	-	-	-	-	-	353,700	34,083,790	34,437,490						
Transferred to increase in paid-up capital **	10,000,000	(9,345,817)	-	-	-	-	-	-	-	(654,183)	-						
Transfers to reserves	-	-	-	4,012,519	4,012,519	398,179	-	(142,418)	-	(8,280,799)	-						
Dividends distributed *	-	-	-	-	-	-	-	-	-	(9,900,000)	(9,900,000)						
Balance - end of the year	175,000,000	-	-	47,947,694	30,236,669	1,791,584	213,054	11,005,325	1,833,020	40,795,475	308,822,821						

- As of December 31, 2015, an amount of JD 6,137,976 from retained earnings is restricted against deferred tax assets according to the Central Bank of Jordan's instructions (JD 4,643,761 as of December 31, 2014).

- The general banking risks reserve and periodic fluctuations reserve cannot be used except upon approval by the Central Bank of Jordan and the Palestinian Monetary Authority.

\* The General Assembly resolved in its extraordinary meeting held on April 19, 2015 to distribute 10% of paid-up capital as of December 31, 2014, which is equivalent to JD 17/5 million as cash dividends to shareholders for the year 2014.

\*\* The General Assembly resolved in its extraordinary meeting held on April 27, 2014 to distribute 6% of the paid-up capital as of December 31, 2013, which is equivalent to JD 9.9 million, and distribute 6/06% of the paid-up capital as of that date from the share-capital premium and retained earnings which is equivalent to JD 10 million as cash dividends to shareholders for the year 2013.

## Consolidated Statement Of Cash Flows

		For the year ended December 31,	
	Note	2015	2014
		JD	JD
<b>Cash flows from operating activities:</b>			
Income for the year from continuing operations before taxes		32,494,140	21,666,729
Net income from discontinued operations (after tax)		-	18,458,463
Adjustments:			
Depreciation and amortization	12,13	7,800,586	7,704,965
Provision for impairment in direct credit facilities	8	7,299,465	18,100,318
Various provisions	19	518,115	2,993,985
Foreclosed assets impairment provision	14	1,736,427	1,553,077
Provision for doubtful debts of sold foreclosed assets	14	4,574,792	-
(Gain) from revaluation from the dilution of the bank's share in former associate		-	(1,536,732)
(Gain) loss from revaluation of financial assets at fair value through profit or loss	30	(112,181)	86,840
(Gain) on the sale of properties and equipment		(4,142,825)	(78,552)
Bank's share of associate companies (gains)	11	(63,675)	(83,180)
Net interest		(1,413,684)	(1,499,899)
Effect of exchange rate fluctuations on cash and cash equivalents	29	(2,600,846)	(2,113,831)
Net income before changes in assets and liabilities		46,090,314	65,252,183
Changes in assets and liabilities:			
(Increase) decrease in cash and balances at central banks due after 3 months		(7,497,425)	7,705,434
(Increase) decrease in deposits at banks and financial institutions due after 3 months		(14,647,510)	26,661,835
Decrease (increase) in balances with restricted withdrawal		10,000,000	(10,000,000)
Decrease in financial assets at fair value through profit or loss		35,464	964,225
(Increase) in direct credit facilities - net		(33,627,651)	(31,093,386)
Decrease (increase) in other assets		402,917	(9,596,176)
Decrease in assets held for sale		-	557,145,819
(Decrease) in banks' and financial institutions' deposits due after 3 months		(1,312,540)	(12,937,999)
Increase in customers' deposits		259,117,911	61,910,441
(Decrease) increase in cash margins		(2,580,477)	24,389,140
(Decrease) increase in other liabilities		(6,382,633)	8,126,422
(Decrease) in liabilities directly associated with assets classified as held for sale		-	(514,895,799)
Net changes in assets and liabilities		203,508,056	108,379,956
Net cash flows generated from operating activities before income tax and provisions paid		249,598,370	173,632,139
Income tax paid	20	(13,047,955)	(11,285,403)
Legal claims paid	19	(137,085)	(51,500)
End-of-service indemnity paid and other	19	(1,003,248)	(2,032,969)
Net cash flows generated from operating activities		235,410,082	160,262,267

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

		For the year ended December 31,	
	Note	2015	2014
		JD	JD
<b>Cash flows from investing activities:</b>			
Decrease in investment in associate		4,218,519	-
(Increase) in financial assets at fair value through other comprehensive income		(1,225,642)	(399,396)
(Increase) in financial assets at amortized cost		(207,400,406)	(119,591,590)
(Purchase) of properties and equipment, projects under construction, and intangible assets	12,13	(13,977,044)	(12,762,847)
Proceeds from sale of properties and equipment		9,315,432	757,675
Net cash flows (used in) investing activities		(209,069,141)	(131,996,158)
<b>Cash flows from financing activities:</b>			
Increase in borrowed funds		10,980,599	8,047,855
Dividends paid to shareholders		(17,301,511)	(9,739,843)
Net cash flows (used in) financing activities		(6,320,912)	(1,691,988)
Effect of exchange rate fluctuations on cash and cash equivalents	29	2,600,846	2,113,831
Net increase in cash and cash equivalents		22,620,875	28,687,952
Cash and cash equivalents - beginning of the year		378,958,055	350,270,103
Cash and cash equivalents - end of the year	35	401,578,930	378,958,055

The accompanying notes from (1) to (47) constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.



# 1. General

- Jordan Ahli Bank was established in the year 1955 as a Public Shareholding Limited Company under ID number (6) on July 1, 1955 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 from July 1, 2005.

- The bank provides all banking and financial services related to its business through its main office, branches in Jordan (56 branches), external branches (6 branches) and subsidiary companies in Jordan.

- The bank's shares are listed in Amman Stock Exchange - Jordan.

- The consolidated financial statements have been approved by the bank's Board of Directors in its meeting No. (1) held on February 9, 2016 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 when preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2014 except for what is stated in note (47.a).

### 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 as of December 31, 2015 are as follows:**

#### A. 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 3,500,000, total assets amounted to JD 16,016,926 and total liabilities of JD 8,824,597 as of December 31, 2015. Its total revenue amounted to JD 5,434,232 and total expenses amounted to JD 4,819,672 for the year ended December 31, 2015 before excluding any transactions, balances, revenue and expenses between the company and the bank.

## B. Ahli Financial Brokerage Company

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 7,500,000. Its total assets amounted to JD 9,086,340 and total liabilities amounted to JD 933,535 as of December 31, 2015. Moreover, its revenue amounted to JD 437,466 and its expenses amounted to JD 776,889 for the year ended December 31, 2015 before excluding any transactions, balances, revenue and expenses between the company and the bank.

## C. Ahli Financial Leasing Company

Ahli Financial Leasing Company is wholly owned by Jordan Ahli Bank and its capital is JD 17,500,000. Its total assets amounted to JD 56,735,103 and total liabilities amounted to JD 30,024,426 as of December 31, 2015. Moreover, its total revenue amounted to JD 4,608,968 and its total expenses amounted to JD 2,027,136 for the year ended December 31, 2015 before excluding any transactions, balances, revenue and expenses between the company and the bank.

- 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 the subsidiary companies are shown in accordance with the equity method.

## 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, which is measured according to the reports used by the executive manager and the bank's main decision maker.
- 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.

## Direct Credit Facilities

- The provision for the impairment of direct credit facilities is recognized when it is obvious that the amounts due to the bank cannot be recovered or when 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.
- The direct credit facilities are financial assets with fixed or limited installments provided by the bank or acquired in active markets with no market value.

- Interest and commission on non-performing credit facilities granted to customers 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.

## 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 asset 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.

- 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).

## 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 the acquisition date (purchase costs are recorded in the statement of income upon purchase). They are subsequently re-measured to fair value. 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.

## 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 in 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 is included in the consolidated statement of comprehensive income and in shareholders' 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 shareholders' equity. The fair value reserve balance that relates to the equity instruments sold is transferred directly to 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.

## 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, its fair value is estimated through 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 to obtain 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 cannot 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 as 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, 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 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 and the entire net revenue is donated. The General Assembly resolved in its extraordinary meeting held on October 8, 2015 to voluntarily liquidate the company and appoint a liquidator.

- Revenues and expenses arising from transactions between the bank and its subsidiary companies are eliminated according to the bank's share in these companies.

- In case separate financial statements are prepared for the bank as an independent entity, investments in the subsidiaries are shown at the equity method.

## 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	10-20
Vehicles	15
Computers	20-30
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.

## 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 are 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.

- Expenses are recorded according to the accrual basis.

- 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 shareholders' 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 investments 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 shareholders' 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" in the consolidated statement of financial position 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 the consolidated financial statements and reduced when there is evidence that it has declined or the recoverable value of the cash generating units is less than their 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 and within shareholders' equity. When one of these subsidiaries or branches is sold, the related foreign currency differences are included in the revenue/ expenses within 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.

## Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the bank is committed to a sale plan involving loss of control of a subsidiary, all of the assets and

liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Non-current assets classified as held for sale are measured at their previous carrying amount or fair value less costs to sell whichever is lower. The company's business results are recorded separately as net income from discontinued operations in the consolidated statement of income.

### 3. Accounting Estimates

Preparation of the consolidated financial statements and the application of the accounting policies require from the bank's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and 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 shareholders' 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.

We believe 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's 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 and 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 on 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.

- Fair value hierarchy: The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized 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 judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial asset or liability, the bank uses information from the market if available and in absence of the first level inputs, the bank deals with the independent and qualified parties to prepare evaluation studies. Appropriate methods of assessment and inputs used to prepare the evaluation are reviewed by management.

## 4. Cash and Balances at Central Banks

This item consists of the following:

	December 31,	
	2015	2014
	JD	JD
Cash in vaults	42,996,094	36,972,686
Balances at central banks:		
- Current and demand accounts	26,831,234	53,704,785
- Time and notice deposits	72,444,500	134,445,405
- Mandatory cash reserve	95,759,759	85,216,186
- Certificate of deposit	49,800,000	-
Total balances at central banks	244,835,493	273,366,376
<b>Total cash and balances at central banks</b>	<b>287,831,587</b>	<b>310,339,062</b>

- In addition to the cash reserve at the central banks, there are restricted balances amounting to JD 173,125 as of December 31, 2015 (JD 120,200 as of December 31, 2014).

- The balances that mature within a period exceeding three months amounted to JD 7,444,500 as of December 31, 2015 (there are no balances that mature within a period exceeding three months as of December 31, 2014).

## 5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31,	
	2015	2014
	JD	JD
Local banks and financial institutions:		
- Current and demand accounts	2,126,483	92,153
- Deposits due within 3 months or less	29,598,000	64,898,999
<b>Total local</b>	<b>31,724,483</b>	<b>64,991,152</b>
Banks and Financial Institutions Abroad:		
- Current and demand accounts	35,941,120	40,386,158
- Deposits due within 3 months or less	84,330,895	98,574,186
- Certificates of deposit which mature within 3 months or less	-	2,836,000
<b>Total abroad</b>	<b>120,272,015</b>	<b>141,796,344</b>
	<b>151,996,498</b>	<b>206,787,496</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 35,852,950 as of December 31, 2015 (JD 39,798,801 as of December 31, 2014).

- There are no restricted balances as of December 31, 2015 (JD 10 million as of December 31, 2014 against borrowed funds by a subsidiary company).



## 6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Local banks and financial institutions December 31,		Banks and financial institutions abroad December 31,		Total December 31,	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
deposits maturing within a period:						
- From 6 to 9 months	10,000,000	-	4,647,510	-	14,647,510	-
Total	10,000,000	-	4,647,510	-	14,647,510	-

- Restricted deposits amounted to JD 10 million for borrowed funds from a subsidiary company as of December 31, 2015.

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

This item consists of the following:

	December 31,	
	2015	2014
	JD	JD
Company shares	465,972	389,255
Total	465,972	389,255

## 8. Direct Credit Facilities - Net

This item consists of the following:

	December 31,	
	2015	2014
	JD	JD
Individuals (retail):		
Overdraft accounts	9,506,126	8,113,579
Loans and promissory notes*	402,341,468	350,270,879
Credit cards	13,019,522	13,710,816
Real estate loans	180,761,972	160,280,430
Companies:		
a- Corporates:		
Overdraft accounts	93,574,939	89,596,857
Loans and promissory notes*	432,839,006	440,565,494
b- Small and medium companies:		
Overdraft accounts	48,415,072	53,764,389
Loans and promissory notes*	119,842,876	175,196,835
Government and public sector	21,701,176	23,762,013
<b>Total</b>	<b>1,322,002,157</b>	<b>1,315,261,292</b>
Provision for impairment in direct credit facilities	(74,723,925)	(91,239,174)
Suspended interest	(19,955,131)	(23,027,203)
<b>Net direct credit facilities</b>	<b>1,227,323,101</b>	<b>1,200,994,915</b>

\* Net after deducting interest and commissions received in advance of JD 15,907,468 as of December 31, 2015 (JD 11,371,344 as of December 31, 2014).

# Provision for Impairment in Direct Credit Facilities

The movement on the provision for impairment in direct credit facilities is as follows:

	Companies				
	Individuals	Real estate loans	Corporates	Small and medium companies	Total
<u>For the Year 2015</u>	JD	JD	JD	JD	JD
Balance - beginning of the year	20,892,076	730,654	56,895,718	12,720,726	91,239,174
Deduction for the year taken from revenue	2,126,505	373,494	2,852,686	1,946,780	7,299,465
Used during the year (written-off)	(54,718)	(14)	(1,153,486)	(9,780)	(1,217,998)
Transferred to off-consolidated statement of financial position items	(1,030,274)	(256,882)	(17,270,181)	(3,989,544)	(22,546,881)
Foreign currencies evaluation difference	(8,462)	-	(114,583)	73,210	(49,835)
Balance - end of the year	21,925,127	847,252	41,210,154	10,741,392	74,723,925
Provision for non-performing facilities on an individual customer basis	21,391,124	843,844	39,611,046	9,815,697	71,661,711
Provision for under watch facilities on an individual customer basis	534,003	3,408	1,599,108	925,695	3,062,214
Balance - end of the year	21,925,127	847,252	41,210,154	10,741,392	74,723,925

	Companies				
	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Total
<u>For the Year 2014</u>	JD	JD	JD	JD	JD
Balance - beginning of the year	19,032,900	1,487,473	71,557,622	12,282,721	104,360,716
Deduction (surplus) for the year taken from revenue	2,192,855	(512,421)	14,478,662	1,941,222	18,100,318
Used during the year (written-off)	(1,500)	-	(6,974,709)	(730,067)	(7,706,276)
Transferred to off-consolidated statement of financial position items	(229,562)	(244,398)	(21,961,399)	(696,341)	(23,131,700)
Foreign currencies evaluation difference	(102,617)	-	(204,458)	(76,809)	(383,884)
Balance - end of the year	20,892,076	730,654	56,895,718	12,720,726	91,239,174
Provision for non-performing facilities on an individual customer basis	20,623,645	727,246	54,546,477	11,795,031	87,692,399
Provision for under watch facilities on an individual customer basis	268,431	3,408	2,349,241	925,695	3,546,775
Balance - end of the year	20,892,076	730,654	56,895,718	12,720,726	91,239,174

# Suspended Interest

The movement on suspended interest is as follows:

	Companies				
	Individuals	Real estate loans	Corporates	Small and medium companies	Total
	JD	JD	JD	JD	JD
<u>For the Year 2015</u>					
Balance - beginning of the year	5,530,087	912,520	12,198,274	4,386,322	23,027,203
Add: Interest in suspense for the year	1,850,272	378,816	4,096,966	1,592,094	7,918,148
<u>(Less:)</u> Surplus taken to income	(264,467)	(93,264)	(570,969)	(860,251)	(1,788,951)
Interest in suspense written-off	(676,665)	(30,194)	(946,113)	(131,387)	(1,784,359)
Transferred to off-consolidated statement of financial position items	(834,920)	(460,648)	(5,327,241)	(818,704)	(7,441,513)
Foreign currencies evaluation difference	21,654	-	(5,793)	8,742	24,603
Balance - end of the year	5,625,961	707,230	9,445,124	4,176,816	19,955,131

	Companies				
	Individuals	Real estate loans	Corporates	Small and medium companies	Total
	JD	JD	JD	JD	JD
<u>For the Year 2014</u>					
Balance - beginning of the year	4,118,073	1,293,154	13,712,020	4,855,532	23,978,779
Add: Interest in suspense for the year	1,982,693	49,370	5,112,624	1,881,344	9,026,031
<u>(Less:)</u> Surplus taken to income	(213,473)	(147,334)	(623,564)	(72,154)	(1,056,525)
Interest in suspense written-off	(258,364)	(39,173)	(464,239)	(1,918,396)	(2,680,172)
Transferred to off-consolidated statement of financial position items	(52,332)	(243,497)	(5,508,880)	(359,521)	(6,164,230)
Foreign currencies evaluation difference	(46,510)	-	(29,687)	(483)	(76,680)
Balance - end of the year	5,530,087	912,520	12,198,274	4,386,322	23,027,203

## Direct credit facilities are distributed according to geographic location and economic sector as follows before provisions and suspended interest:

Economic Sector	Inside Jordan	Outside Jordan	December 31, 2015	December 31, 2014
	JD	JD	JD	JD
Financial	133,618,379	26,251,112	159,869,491	149,271,821
Industrial	97,363,550	6,770,083	104,133,633	117,823,362
Trade	408,818,468	40,355,613	449,174,081	440,952,258
Real estate	300,680,234	22,299,722	322,979,956	337,734,843
Agricultural	11,401,083	96,053	11,497,136	7,581,563
Shares	11,952,689	-	11,952,689	11,622,338
Individuals	203,025,373	3,157,541	206,182,914	183,879,954
Government and public sector *	1,239,524	20,461,652	21,701,176	23,762,013
Other	34,067,542	443,539	34,511,081	42,633,140
<b>Total</b>	<b>1,202,166,842</b>	<b>119,835,315</b>	<b>1,322,002,157</b>	<b>1,315,261,292</b>

\* This item includes credit facilities granted to the Palestinian National Authority of around JD 21 million, which was rescheduled based on the Palestinian Monetary Authority's approval.

- Non-performing credit facilities amounted to JD 144,396,634 which is equivalent to 10.92% of total direct credit facilities as of December 31, 2015 (JD 154,052,354, which is equivalent to 11.71% of total direct credit facilities as of December 31, 2014).

- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 124,677,776 which is equivalent to 9.58% of total direct credit facilities net of interest and commission in suspense as of December 31, 2015 (JD 131,282,924 which is equivalent to 10.16% of total direct credit facilities net of interest and commission in suspense as of December 31, 2014).

- There are no credit facilities granted to and guaranteed by the Government of Jordan as of December 31, 2015 and 2014.

- The balance of non-performing loans transferred to off-consolidated statement of financial position items amounted to JD 43,811,011 up to December 31, 2015 (JD 41,138,101 up to December 31, 2014). 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 in suspense of JD 31,466,250 have been written-off during the year 2015 for on and off-statement of financial position items (JD 29,528,629 for the year 2014).

- The provisions no longer needed due to settlements or debt repayments and accordingly transferred to other non-performing debts amounted to JD 11,186,265 as of December 31, 2015 (JD 13,430,261 as of December 31, 2014).



## 9. Financial Assets at Fair Value Through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2015	2014
	JD	JD
Quoted shares	11,935,225	12,872,746
Unquoted shares *	11,794,614	11,477,174
Mutual fund **	4,111,491	3,241,548
<b>Total</b>	<b>27,841,330</b>	<b>27,591,468</b>

\* The fair value for the unquoted shares is determined according to the equity method, which is considered the best tool available to measure the fair value of these investments and according to the latest financial information available.

\*\* This item represents investment in Abraj Capital Fund in the amount of 5.6 million US Dollars, which was stated at fair value as of December 31, 2015. The total fund capital amounted to 2 billion US Dollars; moreover, the fund capital is not guaranteed.

- Cash dividend distributions for the above-mentioned financial assets amounted to JD 967,280 for the year ended December 31, 2015 (JD 944,249 for the year ended December 31, 2014).

## 10. Financial Assets Measured at Amortized Cost

The details of this item are as follows:

	December 31,	
	2015	2014
	JD	JD
Treasury bills and bonds	583,650,973	375,252,321
Companies bonds and debentures	18,832,313	19,830,559
	602,483,286	395,082,880
Impairment provision	(625,338)	(625,338)
	601,857,948	394,457,542
Bills and Bonds Return Analysis:		
Fixed return	601,857,948	394,457,542
<b>Total</b>	<b>601,857,948</b>	<b>394,457,542</b>

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

	2015	2014
	JD	JD
During a year	175,484,129	100,055,460
From 1 to 3 years	300,300,129	267,313,408
More than 3 years	126,073,690	27,088,674
<b>Total</b>	<b>601,857,948</b>	<b>394,457,542</b>

## 11. Investment in Associates and Unconsolidated Subsidiary Company

- The bank owns shares in several associate companies and an unconsolidated subsidiary company as of December 31, 2015 and 2014. The details are as follows:

	Country of establishment	Ownership percentage %	Shareholders' equity December 31,		Nature of business	Bank's share of profit %	Calculation method	Acquisition date
			2015 JD	2014 JD				
Beach Hotels and Tourist Resorts Company *	Jordan	24.815	3,666,299	7,813,320	Hotel services	24.815	Equity	2006
Ahluna for Social and Cultural Work Company **	Jordan	100	1,553,499	1,561,322	Charity	100	Equity	2006
<b>Total</b>			<b>5,219,798</b>	<b>9,374,642</b>				

\* The bank's share in the Beach Hotels and Tourist Resorts Company resulted from the merger of the National Real Estate Investments Company, which was wholly owned by the bank, with the Beach Hotels and Tourist Resorts 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 Beach Hotels and Tourist Resorts 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 JD 20 million, consequently the bank's share in the company was decreased to 23% from paid-up capital. During the second half of the year 2011, the company's capital was increased to JD 27 million. Moreover the bank's contribution in this increase amounted to JD 2.1 million, and thus the bank's share in the company became 24.8%.

\*\* According to the resolution of the partners of Ahluna for Social and Cultural Work Company (associated company) in their meeting held on May 21, 2012, all partners have agreed to withdraw from their share in the company except for Jordan Ahli Bank. Therefore, the bank became the sole owner of the company. The Ministry of Industry and Trade approval has been obtained on March 28, 2013. Moreover, the investment in the company is presented according to the equity method as of December 31, 2014. Noting that the financial statements of the company have not been consolidated since it is a not-for-profit organization, and all its work is charitable and the entire net revenue is donated. The General Assembly resolved in its extraordinary meeting held on October 8, 2015 to voluntarily liquidate the company and appoint a liquidator for the company.

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

	2015	2014
	JD	JD
Balance - beginning of the year	9,374,642	10,304,730
Disposals	(4,218,519)	(1,013,268)
Bank's share from investing in associated companies gains	63,675	83,180
<b>Balance - end of the year</b>	<b>5,219,798</b>	<b>9,374,642</b>

- The bank's voting rights in the General Assembly's decisions for these companies is based on its ownership percentage in each company.

## 12. Properties, Equipment and Projects Under Construction - Net

The details of this item are as follows:

Cost:	For the Year Ended December 31, 2015						
	Land	Buildings	Furniture, fixtures and equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	10,975,042	26,594,640	31,402,285	1,007,501	17,006,356	6,206,617	93,192,441
Additions	601,072	732,513	2,065,840	246,455	2,044,411	699,616	6,389,907
Disposals	(4,163,606)	(483,963)	(917,268)	(150,230)	(224,741)	-	(5,939,808)
Balance - end of the year	7,412,508	26,843,190	32,550,857	1,103,726	18,826,026	6,906,233	93,642,540
Accumulated depreciation:							
Balance - beginning of the year	-	7,124,580	24,111,614	656,933	13,091,382	3,653,722	48,638,231
Additions	-	779,539	1,909,278	79,395	1,699,032	598,437	5,065,681
Disposals	-	(444,951)	(164,008)	(43,227)	(115,015)	-	(767,201)
Balance - end of the year	-	7,459,168	25,856,884	693,101	14,675,399	4,252,159	52,936,711
Net book value of property and equipment	7,412,508	19,384,022	6,693,973	410,625	4,150,627	2,654,074	40,705,829
Down payments for projects under construction	-	-	382,292	-	18,657,028	-	19,039,320
Net book value of property and equipment - end of the year	7,412,508	19,384,022	7,076,265	410,625	22,807,655	2,654,074	59,745,149

Cost:	For the Year Ended December 31, 2014						
	Land	Buildings	Furniture, fixtures and equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	10,339,303	27,193,518	29,233,457	768,135	13,947,961	6,415,248	87,897,622
Additions	-	14,900	3,095,541	239,366	3,109,553	683,298	7,142,658
Disposals	-	-	(147,506)	-	(51,158)	(75,929)	(274,593)
Conversions	816,000	-	-	-	-	(816,000)	-
Disposals belonging to the sold subsidiary	(180,261)	(613,778)	(779,207)	-	-	-	(1,573,246)
Balance - end of the year	10,975,042	26,594,640	31,402,285	1,007,501	17,006,356	6,206,617	93,192,441
Accumulated depreciation:							
Balance - beginning of the year	-	6,884,659	22,633,056	589,555	11,946,769	2,929,388	44,983,427
Additions	-	492,645	2,344,385	67,378	1,194,778	724,334	4,823,520
Disposals	-	-	(118,461)	-	(50,165)	-	(168,626)
Disposals belonging to the sold subsidiary	-	(252,724)	(747,366)	-	-	-	(1,000,090)
Balance - end of the year	-	7,124,580	24,111,614	656,933	13,091,382	3,653,722	48,638,231
Net book value for property and equipment	10,975,042	19,470,060	7,290,671	350,568	3,914,974	2,552,895	44,554,210
Down payments for projects under construction	-	-	331,862	-	13,807,971	-	14,139,833
Net book value for property and equipment - end of the year	10,975,042	19,470,060	7,622,533	350,568	17,722,945	2,552,895	58,694,043
Annual depreciation rate %	-	2	10 - 20	15	20 - 30	15 - 20	

Properties and equipment include fully depreciated assets which amounted to JD 31,257,595 as of December 31, 2015 (JD 26,140,352 as of December 31, 2014).

## 13. Intangible Assets - Net

The details of this item are as follows:

Description	2015	
	Computer software and applications	Total
	JD	JD
Balance - beginning of the year	1,475,817	1,475,817
Additions	2,687,650	2,687,650
Amortization for the year	(2,734,905)	(2,734,905)
Balance - end of the year	1,428,562	1,428,562
Annual amortization rate %	20-30	

Description	2014	
	Computer software and applications	Total
	JD	JD
Balance - beginning of the year	1,777,341	1,777,341
Additions	2,579,921	2,579,921
Amortization for the year	(2,881,445)	(2,881,445)
Balance - end of the year	1,475,817	1,475,817
Annual amortization rate %	20 - 30	

## 14. Other Assets

The details of this item are as follows:

Description	December 31,	
	2015	2014
	JD	JD
Real estate foreclosed by the bank against debts *	72,339,431	75,727,167
Accrued interest and commissions	6,451,441	6,877,226
Checks and transfers under collection	6,293,504	4,700,337
Foreclosed assets sold - net **	7,993,477	5,657,958
Prepaid expenses	2,547,205	2,268,867
Various debtors	3,916,688	2,446,266
Real estate for sale (Note 31)	55,151	3,248,621
Prepaid rent	2,052,232	1,945,792
Receivables - disposal of a subsidiary ***	825,000	1,100,000
Refundable deposits ****	258,115	217,624
Incoming stamps	194,885	169,393
Advances to employees	-	46,847
Temporary advances	5,308,000	4,816,290
Other debit balances	1,898,438	1,173,874
Total	110,133,567	110,396,262

\* The movement on foreclosed assets by the bank against debts is as follows:

Description	Foreclosed Real Estate	
	2015	2014
	JD	JD
Balance - beginning of the year	75,727,167	68,646,822
Additions	6,431,957	15,038,159
Disposals	(3,725,315)	(6,404,737)
Impairment loss	(1,736,427)	(1,553,077)
Provision for doubtful debts of foreclosed assets *****	(4,574,792)	-
Retained impairment loss	216,841	-
Balance - end of the year	72,339,431	75,727,167

- 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 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 for installments of JD 4.4 million to the South House Trade and Investment Company.

An amount of JD 3.4 million has been received during the year 2012. Moreover, during the year 2013, a provision of JD one million has been booked for the entire balance since the amount is considered a doubtful debt, during the year 2015 the bank sold the estate that is based on land number (923,924) basin number (5) Al Shailieh Qwaisme Village from Amman's south lands known as (Baghdad garage) for Chain Management of Tourist facilities company for an amount of JD 3.8 million the details are as follows:

- The buyer paid an amount of JD 300,000 as a down payment for the purchase (on January 21, 2015).
- The buyer paid an amount of JD 500,000 on the July 1, 2015.
- The buyer has to pay the remaining amount as semi-annual installments for five years until the full repayment.

\*\*\* On December 29, 2014, an agreement was signed with Al Quds Company for Learning, Training and Consulting to sell the bank's interest in Al Zarqa National College Company, including its capital share of 100% of the company's capital.

Furthermore, the investment was derecognized on June 30, 2014 as presented in note (46-b).

\*\*\*\* This item represents cash deposits in a foreign trading and financial brokerage company, under liquidation, and is currently restricted until the liquidation procedures are finalized. A provision was booked for an amount of JD 89,442 as of December 31, 2015 (JD 202,847, which is stated at net realizable value less impairment provision of JD 210 thousand as of December 31, 2014).

\*\*\*\*\* According to the Central Bank of Jordan's announcement number 10/1/4076 and 10/1/7096, a provision of JD 4.5 million was taken as of December 31, 2015.

## 15. Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2015			December 31, 2014		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	597,946	4,029,174	4,627,120	649,385	9,787,682	10,437,067
Time deposits	117,975	25,886,435	26,004,410	59,631,936	59,291,840	118,923,776
Total	715,921	29,915,609	30,631,530	60,281,321	69,079,522	129,360,843

- There are no banks and financial institutions' deposits maturing within a period exceeding three months as of December 31, 2015 (JD 1,312,540 as of December 31, 2014).



## 16. Customers' Deposits

The details of this item are as follows:

	For the Year Ended December 31, 2015				
	Individuals	Corporates	Small and medium companies	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	243,782,489	117,960,151	118,291,790	19,670,881	499,705,311
Saving accounts	202,599,698	2,459,343	18,136,351	34,616	223,230,008
Time and notice deposits	634,074,229	183,871,660	149,633,304	91,708,213	1,059,287,406
<b>Total</b>	<b>1,080,456,416</b>	<b>304,291,154</b>	<b>286,061,445</b>	<b>111,413,710</b>	<b>1,782,222,725</b>

	For the Year Ended December 31, 2014				
	Individuals	Corporates	Small and medium companies	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	248,328,771	130,367,541	107,680,314	11,489,693	497,866,319
Saving accounts	187,904,294	2,821,568	15,517,247	470	206,243,579
Time and notice deposits	531,148,815	140,423,401	126,550,889	20,094,218	818,217,323
Koshan certificates of deposit	777,593	-	-	-	777,593
<b>Total</b>	<b>968,159,473</b>	<b>273,612,510</b>	<b>249,748,450</b>	<b>31,584,381</b>	<b>1,523,104,814</b>

- Government and public sector deposits inside Jordan amounted to JD 111,325,653 which is equivalent to 6.25% of total deposits as of December 31, 2015 (JD 31,522,515, which is equivalent to 2.07% of total deposits as of December 31, 2014).

- Non-interest bearing deposits amounted to JD 452,550,667 which is equivalent to 25.39% of total deposits as of December 31, 2015 (JD 449,101,272, which is equivalent to 29.49% as of December 31, 2014).

- Restricted deposits amounted to JD 975,257 which is equivalent to 0.05% of total deposits as of December 31, 2015 (JD 543,729 which is equivalent to 0.04 % as of December 31, 2014).

- Dormant accounts amounted to JD 45,799,529 as of December 31, 2015 (JD 36,251,286 as of December 31, 2014).

- Dormant deposits fund amounted to JD 621,733 which is equivalent to 0.03% of total deposits as of December 31, 2015 (JD 682,617 which is equivalent to 0.04% as of December 31, 2014).

## 17. Cash Margins

The details of this item are as follows:

	December 31,	
	2015	2014
	JD	JD
Cash margins on direct credit facilities	222,182,281	215,905,937
Cash margins on indirect credit facilities	41,043,151	45,070,393
Marginal deposits	3,115,413	4,935,058
Other margins	12,856,472	15,866,406
	<b>279,197,317</b>	<b>281,777,794</b>

## 18. Borrowed Funds

The details of this item are as follows:

	Amount	Number of installments		Installments Maturity frequency	Guarantees	Interest Rate	Relending interest Rate
		Total	Remaining				
<u>December 31, 2015</u>	JD					%	
Central Bank of Jordan	3,967,372	30	25	semi-annual installments	-	2.13	-
Central Bank of Jordan	1,350,000	20	18	semi-annual installments	-	2.5	-
Central Bank of Jordan	5,350,000	20	20	semi-annual installments	-	2.5	-
Local bank (Loan to a subsidiary)	4,998,836	24	-	24-month installments effective from the withdrawal date	5-million deposit relating to Jordan Ahli Bank	4.25	-
Local bank (Overdraft to a subsidiary)	4,973,175	-	-	JD 5-million overdraft ceiling	5-million deposit relating to Jordan Ahli Bank	4	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	17,500,000	3	3	April 29, 2016, May 11, 2016, July 1, 2018 and December 28, 2018	-	4.55 - 5.75	-
Local bank (Loan to a subsidiary)	4,657,098	24	-	24-month installments effective from the withdrawal date	-	7 - 7.5	-
Local bank (Loan to a subsidiary)	868,083	36	-	36-month installments effective from the withdrawal date	-	6.75	-
Local bank (Loan to a subsidiary)	1,400,000	36	-	36-month installments effective from the withdrawal date	-	7	-
Development and Employment Fund (Loan to a subsidiary)	500,000	30	-	30-month installments effective from the withdrawal date after the grace period of six months	-	6 - 7	6 - 7
<b>Total</b>	<b>45,564,564</b>						
<b><u>December 31, 2014</u></b>							
Central Bank of Jordan	4,000,000	30	27	Semi-annual installments	-	2.5	-
Central Bank of Jordan	1,350,000	20	20	Semi-annual installments	-	2.5	-
Local Bank (Loan to a subsidiary)	8,749,964	24	-	24-month installments effective from the withdrawal date	10-million deposit relating to Jordan Ahli Bank	4.2	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	15,000,000	4	4	Feb 11, 2015, July 1, 2015, April 20, 2016, and May 11, 2016	-	5.6-7.75	-
Local bank (Loan to a subsidiary)	4,013,168	24	-	24-month installments effective from the withdrawal date	-	7-7.5	-
Development and Employment Fund (Loan to a subsidiary)	1,470,833	30	-	30-month installments effective from the withdrawal date after the grace period of six months	-	6-7	6-7
<b>Total</b>	<b>34,583,965</b>						

- Loans with a fixed interest rate amounted to JD 45,564,564 as of December 31, 2015 (JD 34,583,965 as of December 31, 2014).

## 19. Various Provisions

The details of this item are as follows:

	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
<u>Year 2015</u>	JD	JD	JD	JD
Provision for end-of-service indemnity	3,188,392	210,504	(789,165)	2,609,731
Provision for the decline in foreign currencies	247,648	-	(13,492)	234,156
Provision for legal claims against the bank	278,988	100,000	(137,085)	241,903
Other provisions	570,396	207,611	(200,591)	577,416
Total	4,285,424	518,115	(1,140,333)	3,663,206
<u>Year 2014</u>				
Provision for end-of-service indemnity	2,759,501	2,461,860	(2,032,969)	3,188,392
Provision for the decline in foreign currencies	121,185	126,463	-	247,648
Provision for legal claims against the bank	330,488	-	(51,500)	278,988
Other provisions	164,734	405,662	-	570,396
Total	3,375,908	2,993,985	(2,084,469)	4,285,424

## 20. Provision for Income Tax

### a) Income tax provision:

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

	2015	2014
	JD	JD
Balance - beginning of the year	9,860,350	6,948,876
Income tax paid	(13,047,955)	(11,285,403)
Income tax for the year	10,745,223	6,210,279
Income tax on profit from the sale of the bank's interest in subsidiary companies (Note 46)	-	7,986,598
Balance - end of the year	7,557,618	9,860,350

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

	2015	2014
	JD	JD
Accrued income tax on the year's profit	10,745,223	6,210,279
Deferred tax assets for the year	(2,452,276)	(1,852,516)
Amortization of deferred tax assets	958,061	1,606,617
Deferred tax liabilities	410,408	-
Balance - end of the year	9,661,416	5,964,380

- The income tax rate for banks in Jordan is 35%; moreover, the income tax rates in the countries where the bank has investments or branches range from 12.5% to 28.79%.
- A final settlement was reached with the Income and Sales Tax Department up to the year 2014 for Jordan branches.
- 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 2012.
- A final tax settlement has been reached for the bank's branch in Cyprus up to the year 2009. Moreover the company has filed its income tax return for the years 2010, 2011, 2012, 2013 and 2014, the income tax department has reviewed them to the year 2013 and no final decision has been taken.
- A final settlement for income tax for the subsidiary company (Ahli Brokerage Company) has been reached up to the end of the year 2014, except the year 2013 which has not been audited yet.
- A final settlement for income tax for the subsidiary company (Ahli Financial Leasing Company) has been reached up to the end of the year 2013. Moreover, the company has filed its income tax return for the year 2014. However the income and sales tax department has not reviewed them yet.
- A final settlement for income tax for the subsidiary company (Ahli Micro Finance Company) has been reached for the end of the year 2014.
- A provision for income tax for the year ended December 31, 2015 has been booked for the bank, its branches abroad and subsidiary companies. In the opinion of management and its tax advisor, the provision taken in the consolidated financial statements as of December 31, 2015 is adequate for meeting the expected tax liabilities and no further liabilities will exceed the provision taken by the bank.
- Deferred tax assets and liabilities have been calculated as of December 31, 2015 and 2014 according to the following rates:

Income tax rate	December 31,	
	2015	2014
Jordan branches	35%	35%
Palestine branches	28.79%	33.79%

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

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the year	4,643,761	987,012	4,397,862	635,514
Additions	2,452,276	457,577	1,852,516	351,498
Amortized	(958,061)	(386,190)	(1,606,617)	-
Balance - end of the year	6,137,976	1,058,399	4,643,761	987,012

## b) Deferred tax assets / liabilities:

The details of this item are as follows:

<u>Included accounts</u>	Beginning balance	Additions	2015		
			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	3,053,870	437,590	(459,567)	3,031,893	890,369
Interest in suspense	2,271,454	87,064	(183,074)	2,175,444	626,376
Provision for impairment in real estate	3,838,440	6,311,220	(274,422)	9,875,238	3,456,334
Provision for lawsuits	278,988	100,000	(137,085)	241,903	81,356
Provision for end-of-service indemnity	3,095,379	182,958	(743,785)	2,534,552	752,073
Provision for the decline in foreign currencies	247,648	-	(13,492)	234,156	81,954
Provision for impairment of financial assets measured at amortized cost	625,338	-	-	625,338	218,868
Other provisions	95,424	11,013	-	106,437	30,646
	13,506,541	7,129,845	(1,811,425)	18,824,961	6,137,976
<b>b. Deferred tax liabilities *</b>					
Fair value reserves for financial assets at fair value through other comprehensive income	2,820,033	134,768	(1,103,397)	1,851,404	647,991
Other	-	1,172,595	-	1,172,595	410,408
Total	2,820,033	1,307,363	(1,103,397)	3,023,999	1,058,399
<b>2014</b>					
<u>Included accounts</u>	Beginning balance	Additions	2014		
			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	5,369,826	64,769	(2,380,725)	3,053,870	1,039,413
Interest in suspense	2,350,943	22,014	(101,503)	2,271,454	767,615
Provision for impairment in real estate	2,355,304	1,553,077	(69,941)	3,838,440	1,343,455
Provision for lawsuits	330,488	-	(51,500)	278,988	97,002
Provision for end-of-service indemnity	2,670,214	2,418,021	(1,992,856)	3,095,379	1,058,485
Provision for the decline in foreign currencies	121,185	126,463	-	247,648	86,677
Provision for impairment of financial assets measured at amortized cost	625,338	-	-	625,338	218,868
Other provisions	-	95,424	-	95,424	32,246
	13,823,298	4,279,768	(4,596,525)	13,506,541	4,643,761
<b>b. Deferred tax liabilities *</b>					
Fair value reserves for financial assets at fair value through other comprehensive income	2,118,380	701,653	-	2,820,033	987,012
	2,118,380	701,653	-	2,820,033	987,012

\* Deferred tax liabilities include JD 647,991 as of December 31, 2015 (JD 987,012 as of December 31, 2014) 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 shareholders' equity.

## c- Summary of the reconciliation of accounting income to taxable income:

	2015	2014
	JD	JD
Accounting income	32,494,140	48,465,490
Tax exempted income	(9,984,506)	(8,037,989)
Non-deductible expenses	10,162,067	12,667,103
Taxable income	32,671,701	53,094,604

## 21. Other Liabilities

The details of this item are as follows:

	December 31,	
	2015	2014
	JD	JD
Accepted checks and transfers	9,900,297	10,852,328
Accounts payable for financial brokerage customers	851,493	878,930
Accrued interest	5,110,566	5,377,326
Temporary deposits	7,507,119	7,359,976
Various creditors	4,616,550	3,387,395
Accrued expenses	1,163,840	2,506,432
Interest and commissions received in advance	240,354	238,063
Checks and transfers-delayed in payment	1,567,407	1,373,609
Provision for technical and vocational education and training support fund fees	157,255	157,255
Board of Directors' remuneration	77,809	73,871
Unearned revenue	16,294	74,398
Other liabilities	5,869	81,657
Total	31,214,853	32,361,240

## 22. Capital and Share Premium

- The bank's authorized capital amounted to JD 175 million divided into 175 million shares of JD 1 each as of December 31, 2015 (JD 175 million as of December 31, 2014).

- The General Assembly resolved, in its extraordinary meeting held on April 19, 2015, to distribute 10% of paid-up capital as cash dividends as of December 31, 2014, which is equivalent to JD 17.5 million to the shareholders for the year 2014.

- The General Assembly resolved, in its extraordinary meeting held on April 27, 2014, to distribute 6% of paid-up capital as cash dividends as of December 31, 2013, which is equivalent to JD 9.9 million, and to distribute stock dividends of 6.06% from paid-up capital as of that date from the share capital premium and retained earnings, which is equivalent to JD 10 million, as cash dividends to the shareholders for the year 2013.



## 23. Reserves

The details of reserves as of December 31, 2015 and 2014 are as follows:

### a. Statutory reserve

The accumulated balances in this account represent appropriations from net income before tax at 10% according to the Banks Law and the Companies Law. 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%. 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 after 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
	2015	2014	
	JD	JD	
General banking risks reserve	11,693,374	11,005,325	According to the Central Bank of Jordan's instructions
Statutory reserve	51,197,108	47,947,694	According to Banks and Companies Laws
Periodic fluctuations reserve	2,080,497	1,791,584	According to the Palestinian Monetary Authority's instructions

## 24. Fair Value Reserve - Net

The details of this item are as follows:

	December 31,	
	2015	2014
	JD	JD
Balance - beginning of the year	1,833,020	1,479,320
Sold shares	9,275	162,972
Deferred tax liabilities	339,020	(351,498)
Net unrealized (losses) income transferred to the consolidated statement of comprehensive income	(977,903)	542,226
Balance - end of the year	1,203,412	1,833,020

\* Fair value reserve is stated net of deferred tax liabilities of JD 647,991 as of December 31, 2015 (JD 987,012 as of December 31, 2014).

## 25. Retained Earnings

The details of this item are as follows:

	December 31,	
	2015 JD	2014 JD
Balance - beginning of the year	40,795,475	25,546,667
Income for the year	22,832,724	34,160,812
Distributed dividends *	(17,500,000)	(9,900,000)
Transfers to reserves	(7,475,790)	(8,280,799)
Transfers to increase capital	-	(654,183)
(Loss) from sale of financial assets at fair value through other comprehensive income	(7,151)	(77,022)
Balance - end of the year	38,645,258	40,795,475

- Retained earnings include an amount of JD 6,137,976 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2015 (JD 4,643,761 as of December 31, 2014).

\* The Board of Directors recommended to the bank's General Assembly to distribute 10% of the bank's paid-up capital, at the date of the Annual General Assembly meeting, as cash dividends to the Shareholders for the year 2015. Such distribution is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders. Moreover, profits of 10% were distributed to shareholders during the last year as cash dividends.

## 26. Interest Income

The details of this item are as follows:

	2015 JD	2014 JD
Direct credit facilities:		
Individuals (Retail):		
Current accounts	1,051,528	849,684
Loans and promissory notes	32,719,533	29,394,714
Credit cards	2,336,573	2,219,667
Real estate loans	13,772,142	12,515,296
Companies:		
Corporates:		
Current accounts	7,619,853	7,046,009
Loans and promissory notes	31,442,706	31,958,732
Small and medium companies:		
Current accounts	3,998,196	4,236,448
Loans and promissory notes	12,147,594	15,811,728
Government and public sector	1,786,272	2,071,116
Balances at central banks	2,853,283	3,177,526
Balances and deposits at banks and financial institutions	1,045,789	1,765,921
Financial assets measured at amortized cost	20,141,923	17,842,703
Total	130,915,392	128,889,544

## 27. Interest Expense

The details of this item are as follows:

	2015	2014
	JD	JD
Banks and financial institutions deposits	800,872	1,656,870
Customers deposits:		
Current and demand deposits	415,779	268,299
Saving accounts	1,576,248	1,314,075
Time and notice deposits	30,611,317	32,568,358
Cash margins	7,007,241	6,985,498
Borrowed funds	1,679,120	1,692,773
Loan guarantee fees	3,241,592	3,003,566
Total	45,332,169	47,489,439

## 28. Commissions Revenue - Net

The details of this item are as follows:

	2015	2014
	JD	JD
Credit commissions:		
Direct credit facilities	6,346,531	6,023,374
Indirect credit facilities	4,949,486	5,786,745
Other commissions	9,647,352	8,883,743
<u>(Less):</u> Commissions paid	(614,594)	(624,702)
Net commissions revenue	20,328,775	20,069,160

## 29. Foreign Exchange Income

The details of this item are as follows:

	2015	2014
	JD	JD
As a result of trading	715,944	773,443
As a result of evaluation	2,600,846	2,113,831
Total	3,316,790	2,887,274

## 30. Income (loss) from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

2015	Realized profit (Loss)	Unrealized profit (Loss)	Total
	JD	JD	JD
Companies' shares	6,193	112,181	118,374
Total	6,193	112,181	118,374

2014			
Companies' shares	(303,159)	(86,840)	(389,999)
Total	(303,159)	(86,840)	(389,999)

## 31. Other Revenue

The details of this item are as follows:

	2015	2014
	JD	JD
Recovered interest in suspense *	1,905,445	1,267,473
Brokerage commission income	120,065	173,589
Income from sale of properties and equipment	386,295	149,069
Income from sale of foreclosed assets **	3,756,530	-
Recovery of debts previously written-off ***	1,316,979	1,750,486
Income from managing investment portfolios	-	446
Income from check books	206,699	183,249
Rental income of bank's real estate	244,432	197,367
Rental income of safe deposit boxes	152,751	164,667
Income from cash boxes differences	24,635	11,292
Refundable equipments impairment losses	216,841	-
Income from previous years	271,940	185,818
Other income	856,132	295,424
Total	9,458,744	4,378,880

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

	2015	2014
	JD	JD
Recovered interest in suspense	1,788,951	1,056,525
Interest in suspense from debts written-off	116,494	210,948
Total	1,905,445	1,267,473

\*\* During the year 2015, two plots of land number (609,894) Basin 16 South Al Waibdeh were sold, resulting in a gain of JD 3.7 million.

\*\*\* This account represents amounts recovered from debts for which full provision has been taken in the previous years.

## 32. Employees Expenses

The details of this item are as follows:

	2015 JD	2014 JD
Salaries, bonuses and employees' benefits	32,110,544	30,350,123
Bank's contribution to social security	2,850,326	2,554,380
Bank's contribution to staff provident fund	1,766,718	1,628,553
Medical Expenses	1,558,971	1,366,049
End-of-service indemnity	210,504	2,461,860
Employees' training	424,182	369,700
Travel expenses	387,530	196,541
Employees' life insurance	203,106	125,388
Employees' meals	146,052	154,497
Employees' uniforms	14,426	17,598
Total	39,672,359	39,224,689

## 33. Other Expenses

The details of this item are as follows:

	2015 JD	2014 JD
Fees and subscriptions	4,114,465	3,279,997
Maintenance and repair	5,288,824	4,736,532
Advertisement	2,691,015	2,667,483
Printing and stationery	1,064,812	1,153,744
Rent and key money	2,769,729	2,258,825
Studies, research and consulting expenses	492,317	210,368
Insurance fees	1,450,436	1,535,327
Water, electricity and heating	2,076,121	1,958,524
Legal fees	1,260,599	1,177,493
Donations	637,994	372,082
Transportation	628,463	903,791
Telecommunication	836,449	746,266
Miscellaneous	331,947	302,575
General Assembly meeting expenses	44,945	57,882
Board of Directors' expenses	903,300	189,002
Security	508,872	416,850
Professional fees	341,193	318,545
Stamp fees	171,450	183,778
Entertainment and hospitality	28,352	38,566
Appraisal expenses of land and real estate	34,608	42,141
Cash boxes difference	5,174	4,589
Lawsuits provision expenses	100,000	-
Loss on real estate sales	413,027	40,443
Board of Directors' remunerations	65,000	65,000
Total	26,259,092	22,659,803

## 34. Earnings Per Share for Bank's Shareholders

The details of this items are as follows:

	2015	2014
	JD	JD
<u>From continuing operations:</u>		
Income for the year	22,832,724	15,702,349
Weighted average number of shares	175,000,000	175,000,000
<u>Earnings per share - bank's shareholders:</u>		
Basic and diluted	130/-	090/-
<u>From discontinued operations:</u>		
Income for the year	-	18,458,463
Weighted average number of shares	175,000,000	175,000,000
<u>Earnings per share - bank shareholders:</u>		
Basic and diluted	-/-	105/-
Total	130/-	195/-

## 35. Cash and Cash Equivalents

The details of this items are as follows:

	2015	2014
	JD	JD
Cash and balances at central banks maturing within 3 months	280,387,087	310,339,062
<u>Add:</u> Balances at banks and financial institutions due within 3 months	151,996,498	206,787,496
<u>Less:</u> Banks and financial institutions deposits due within 3 months	(30,631,530)	(128,048,303)
Restricted balances	(173,125)	(10,120,200)
Total	401,578,930	378,958,055



## 36. Related Party Balances and Transactions

a. The consolidated financial statements include the financial statements of the bank and the following subsidiaries:

Company name	Equity Ratio %	Capital of the company	
		2015	2014
		JD	JD
Ahli Micro Finance Company	100	3,500,000	3,500,000
Ahli Financial Leasing Company	100	17,500,000	10,000,000
Ahli Brokerage Company	100	7,500,000	15,000,000

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

	Related party				Total
	Associates	Board of Directors' members	Executive management	Other *	December 31, 2015
	JD	JD	JD	JD	JD

### On-consolidated statement of financial position items:

Credit facilities	-	6,644,706	4,307,345	85,596,969	96,549,020
Customers' deposits	776,639	46,633,522	1,950,547	12,441,114	61,801,822
Cash margins	-	353,056	65,883	1,982,265	2,401,204

### Off-consolidated statement of financial position items:

Letters of guarantee	50,000	90,379	-	5,122,358	5,262,737
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### Consolidated statement of income:

Interest and commissions income	2,795	366,021	222,513	6,937,265	7,528,594
Interest and commissions expense	201,924	333,483	56,350	628,981	1,220,738

	Related party				Total
	Associates	Board of Directors' members	Executive management	Other *	December 31, 2014
	JD	JD	JD	JD	JD

### On-consolidated statement of financial position items:

Credit facilities	498,395	8,363,252	4,538,562	83,595,155	96,995,364
Customers' deposits	15,775,249	4,609,421	3,901,051	21,694,079	45,979,800
Cash margins	857,464	4,500	127,357	3,105,257	4,094,578

### Off-consolidated statement of financial position items:

Letters of guarantee	50,000	90,000	-	6,125,587	6,265,587
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### Consolidated statement of income:

Interest and commissions income	32,771	315,313	253,700	6,503,377	7,105,161
Interest and commissions expense	463,764	1,457,662	175,388	841,465	2,938,279

\* This item represents companies partially owned by members of the bank's Board of Directors, Board of Directors' relatives, and the bank's employees.

- According to the Board of Directors' decision on December 17, 2014, a contract was signed with the former chairman of the board on January 15, 2015 for providing consulting services to the bank for JD 30,000 monthly, in addition to health and life insurance and other benefits, for five years. The contract was terminated in the subsequent period effective from the beginning of January 2016.

- The credit facilities granted to the related parties of JD 3.2 million were transferred, during the year 2015, to off-consolidated statement of financial position items. Moreover, these facilities were fully covered by provisions.

- There are accounts receivable from a subsidiary company (Ahli Brokerage Company) of JD 2,504,905, belonging to a related party as of December 31, 2015. On October 31, 2013, the company signed a settlement agreement with those clients to pay the obligations in an advance payment upon signing the settlement agreement, in addition to monthly installments plus the enhancement of their guarantees.

- Interest income prices vary between 4.5% to 9.25%.

- Interest expense prices vary between 0% to 4%.

**b. The salaries of executive management of the Bank and its subsidiaries amounted to JD 5,844,627 for the year 2015 (JD 6,132,348 for the year 2014), in addition to bonuses and incentives associated with productivity.**

## 37. Financial Instruments That Do Not Appear at Fair Value in the Consolidated Financial Statements

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities at the end of the year 2015 and 2014.

## 38. 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's 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.

### 38 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 by 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 by periodically evaluating the standing credit of the customers in accordance with the customers' credit valuation system based on credit risk elements and probabilities of non-payment for financial, managerial or competition reasons, in addition the bank obtains 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 them.

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 different credit ceilings for each administrative level.

**2. Determining the risk mitigation's methods:**

The bank's risk management's 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' risks' concentration:**

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, credit is distributed 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 general framework of the credit's policy includes setting up credit's 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 to the credit terms, soundness of the credit decision, implementation of all credit extension terms, adherence to the credit ceilings and determinants in the credit's 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's ceilings granted to banks and countries with high credit's rating and reviews them continuously through the Assets and Liabilities Committee to distribute the risks and utilize the credit evaluation. The investment policy specifies the investment allocation ratios and their determinants in order to distribute them in a way that achieves a high return and lowers the risk.

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

	December 31,	
	2015	2014
	JD	JD
On the Consolidated Statement of Financial Position Items		
Balances at central banks	244,835,493	273,366,376
Balances at banks and financial institutions	151,996,498	206,787,496
Deposits at banks and financial institutions	14,647,510	-
<u>Direct credit facilities:</u>		
Individuals	397,316,028	345,673,111
Real estate loans	179,207,490	158,637,256
Companies:		
Corporates	475,758,667	461,068,359
Small and medium companies	153,339,740	211,854,176
Government and public sector	21,701,176	23,762,013
Bonds, bills and debentures:		
Financial assets measured at amortized cost	601,857,948	394,457,542
Other assets	10,210,192	7,146,603
Total	2,250,870,742	2,082,752,932
Off the Consolidated Statement of Financial Position Items		
Letters of guarantee	201,539,012	179,801,599
Letters of credit	39,774,771	40,665,434
Letters of acceptance	55,077,407	44,269,018
Unutilized facility ceilings	138,977,083	101,124,169
Total	435,368,273	365,860,220

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
- Governmental guarantee

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

As of December 31, 2015	Companies							Total
	Individuals	Real estate loans	Corporates	Small and medium companies	Government and public sector	Banks and other financial institutions	Other	
	JD	JD	JD	JD	JD	JD	JD	
Low risk	38,256,808	22,602,496	43,946,433	14,916,784	828,486,466	-	-	948,208,987
Acceptable risk	344,606,665	155,669,418	279,611,174	108,919,929	21,701,176	184,850,983	10,210,192	1,105,569,537
Of which is due (*):								
Within 30 days	32,514	-	-	-	-	-	-	32,514
From 31 to 60 days	407,164	-	526,522	45,208	-	-	-	978,894
Watch list	9,490,744	49,482	119,704,946	18,129,468	-	-	-	147,374,640
Non-performing:								
Sub-standard	1,773,637	37,966	23,414,462	4,062,440	-	-	-	29,288,505
Doubtful	2,374,551	248,189	6,073,537	3,619,496	-	-	-	12,315,773
Bad debt	28,364,711	2,154,421	53,663,393	18,609,831	-	-	-	102,792,356
Total	424,867,116	180,761,972	526,413,945	168,257,948	850,187,642	184,850,983	10,210,192	2,345,549,798
Less: Interest in suspense	5,625,961	707,230	9,445,124	4,176,816	-	-	-	19,955,131
Impairment provision	21,925,127	847,252	41,210,154	10,741,392	-	-	-	74,723,925
Net	397,316,028	179,207,490	475,758,667	153,339,740	850,187,642	184,850,983	10,210,192	2,250,870,742
As of December 31, 2014	Companies							Total
	Individuals	Real estate loans	Corporates	Small and medium companies	Government and public sector	Banks and other financial institutions	Other	
	JD	JD	JD	JD	JD	JD	JD	
Low risk	35,489,956	21,411,175	43,093,421	23,529,736	649,888,915	-	-	773,413,203
Acceptable risk	293,528,329	136,441,794	312,253,458	139,851,963	22,491,795	225,992,717	7,146,603	1,137,706,659
Of which is due (*):								
Within 30 days	78,638	-	32,191	28,246	-	-	-	139,075
From 31 to 60 days	408,019	-	93,337	162,911	-	-	-	664,267
Watch list	10,353,907	178,956	84,556,786	36,757,444	-	-	-	131,847,093
Non-performing:								
Sub-standard	1,899,848	-	14,388,319	2,281,300	-	-	-	18,569,467
Doubtful	3,188,199	372,858	544,800	4,302,894	-	-	-	8,408,751
Bad debt	27,635,035	1,875,647	75,325,567	22,237,887	-	-	-	127,074,136
Total	372,095,274	160,280,430	530,162,351	228,961,224	672,380,710	225,992,717	7,146,603	2,197,019,309
Less: Interest in suspense	5,530,087	912,520	12,198,274	4,386,322	-	-	-	23,027,203
Impairment provision	20,892,076	730,654	56,895,718	12,720,726	-	-	-	91,239,174
Net	345,673,111	158,637,256	461,068,359	211,854,176	672,380,710	225,992,717	7,146,603	2,082,752,932

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

As of December 31, 2015	Companies					Total
	Individuals	Real estate loans	Corporates	Small and medium companies	Government and public sector	
	JD	JD	JD	JD	JD	JD
Guarantees against:						
Low risk	38,256,808	22,602,496	44,017,446	14,916,784	-	119,793,534
Acceptable risk	330,944,252	194,594,323	278,071,904	108,077,549	21,701,176	933,389,204
Watch list	3,850,055	10,429	22,989,062	1,207,246	-	28,056,792
Non-performing:						
Sub-standard	1,828,775	25,600	14,235,882	4,407,815	-	20,498,072
Doubtful	1,966,584	174,040	4,539,200	4,061,405	-	10,741,229
Bad debt	10,485,172	2,124,318	17,850,757	17,508,861	-	47,969,108
Total	387,331,646	219,531,206	381,704,251	150,179,660	21,701,176	1,160,447,939
Of it: Cash margins	72,423,254	23,485,681	97,896,412	28,376,934	-	222,182,281
Accepted letters of guarantee	-	-	14,236,695	3,481,718	-	17,718,413
Real estate	192,850,523	217,290,263	197,349,418	74,004,657	-	681,494,861
Quoted stocks	7,557,962	-	11,674,925	-	-	19,232,887
Vehicles and equipment	28,662,639	23,100	789,716	2,189,981	-	31,665,436
Total	301,494,378	240,799,044	321,947,166	108,053,290	-	972,293,878
As of December 31, 2014	Companies					Total
	Individuals	Real estate loans	Corporates	Small and medium companies	Government and public sector	
	JD	JD	JD	JD	JD	JD
Guarantees against:						
Low risk	35,687,637	21,411,175	43,093,421	23,529,736	1,270,218	124,992,187
Acceptable risk	320,384,308	161,980,631	325,406,799	146,659,025	22,885,506	977,316,269
Watch list	1,402,948	52,441	5,929,713	4,449,880	-	11,834,982
Non-performing:						
Sub-standard	1,116,847	-	2,674,917	3,856,707	-	7,648,471
Doubtful	631,770	311,739	3,676,970	4,762,169	-	9,382,648
Bad debt	11,477,545	1,424,792	29,296,246	20,938,753	-	63,137,336
Total	370,701,055	185,180,778	410,078,066	204,196,270	24,155,724	1,194,311,893
Of it: Cash margins	54,199,735	28,197,248	83,703,376	49,805,578	-	215,905,937
Accepted letters of guarantee	-	-	24,975,146	3,347,955	-	28,323,101
Real estate	215,688,711	212,655,820	185,964,581	111,265,469	-	725,574,581
Quoted stocks	8,118,783	-	13,045,674	3,307	-	21,167,764
Vehicles and equipment	35,572,501	31,600	2,292,307	7,231,282	-	45,127,690
Total	313,579,730	240,884,668	309,981,084	171,653,591	-	1,036,099,073



The bank's management monitors the market value of those 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 11,317,083 for the year 2015 (JD 10,355,197 for the year 2014).

## Restructured Debts:

Restructuring means rearranging credit facilities through adjusting the installments, prolonging the credit facilities, postponing some installments, or extending the grace period, etc. These debts have been classified as watch list debts and amounted to JD 12,947,760 for the year 2015 (JD 6,069,256 for the year 2014).

## Bonds, bills, debentures and mutual funds:

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

As of December 31, 2015

Rating grade	Rating institution	Within financial assets at fair value through comprehensive income	Within financial assets measured at amortized cost	Total
		JD	JD	JD
AA3	MOODYS	-	706,975	706,975
Unclassified	-	4,111,491	17,500,000	21,611,491
Governmental	Governmental & Government - guaranteed bonds	-	583,650,973	583,650,973
Total		4,111,491	601,857,948	605,969,439

As of December 31, 2014

Rating grade	Rating institution	Within financial assets at fair value through comprehensive income	Within financial assets measured at amortized cost	Total
		JD	JD	JD
AA3	MOODYS	-	706,021	706,021
B1	MOODYS	-	1,643,871	1,643,871
Unclassified	-	3,241,548	18,499,200	21,740,748
Governmental	Governmental & Government - guaranteed bonds	-	373,608,450	373,608,450
Total		3,241,548	394,457,542	397,699,090

Concentration on credit risk exposure according to geographical areas are as follows:

Geographical area	Inside Jordan	Other middle east countries	Europe	Asia*	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	206,618,688	37,894,023	322,782	-	-	-	244,835,493
Balances at banks and financial institutions	27,065,679	33,838,840	70,982,382	1,442,845	18,457,254	209,498	151,996,498
Deposits at banks and financial institutions	10,000,000	4,647,510	-	-	-	-	14,647,510
Credit facilities:							
To individuals	357,075,251	40,066,351	174,426	-	-	-	397,316,028
Real estate loans	176,824,226	2,383,264	-	-	-	-	179,207,490
Corporates	433,929,390	16,285,361	25,543,916	-	-	-	475,758,667
Small and medium companies	141,102,130	12,153,503	84,107	-	-	-	153,339,740
Government and public sector	1,239,524	20,461,652	-	-	-	-	21,701,176
Bonds, bills, and debentures:							
Financial assets measured at amortized cost	576,886,948	24,971,000	-	-	-	-	601,857,948
Other assets	4,560,321	5,623,533	26,338	-	-	-	10,210,192
Total 2015	1,935,302,157	198,325,037	97,133,951	1,442,845	18,457,254	209,498	2,250,870,742
Total 2014	1,775,435,703	181,999,628	121,406,550	1,018,850	2,892,201	-	2,082,752,932

\* Excluding Middle East countries

Concentration on credit risk exposure according to the economic sector are as follows:

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 central banks	-	-	-	-	-	-	-	244,835,493	-	244,835,493
Balances at banks and financial institutions	151,996,498	-	-	-	-	-	-	-	-	151,996,498
Deposits at banks and financial institutions	14,647,510	-	-	-	-	-	-	-	-	14,647,510
Credit facilities	153,245,341	103,165,282	401,598,711	312,292,687	11,360,134	575,105	189,345,652	21,701,176	34,039,013	1,227,323,101

Bonds, bills, and debentures:										
Financial assets measured at amortized cost	18,206,975	-	-	-	-	-	-	583,650,973	-	601,857,948
Other assets	10,210,192	-	-	-	-	-	-	-	-	10,210,192
Total 2015	348,306,516	103,165,282	401,598,711	312,292,687	11,360,134	575,105	189,345,652	850,187,642	34,039,013	2,250,870,742
Total 2014	407,146,790	113,763,138	392,054,782	320,615,742	7,436,499	3,342,344	123,397,238	672,380,710	42,615,689	2,082,752,932

## 38 b. Market Risk

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

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 the 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's strategy.

The bank is exposed to interest rate risks as a result of the timing gaps of re-pricing 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's 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, 2015	Change (Increase) in interest rate	Interest income sensitivity (gain and loss)	Owners' equity sensitivity
Currency	%	JD	JD
US Dollar	1	2,158,185	15,889
Euro	1	(13,254)	5
GBP	1	9,082	-
Yen	1	(7,291)	-
Other currencies	1	(20,013)	9

December 31, 2015	Change (Decrease) in interest rate	Interest income sensitivity (gain and loss)	Owners' equity sensitivity
Currency	%	JD	JD
US Dollar	1	(2,158,185)	(15,889)
Euro	1	13,254	(5)
GBP	1	(9,082)	-
Yen	1	7,291	-
Other currencies	1	20,013	(9)

December 31, 2014	Change (Increase) in interest rate	Interest income sensitivity (gain and loss)	Owners' equity sensitivity
Currency	%	JD	JD
US Dollar	1	2,436,626	23,086
Euro	1	(96,370)	8
GBP	1	11,232	-
Yen	1	(9,464)	11
Other currencies	1	(25,756)	70

December 31, 2014	Change (Increase) in interest rate	Interest income sensitivity (gain and loss)	Owners' equity sensitivity
Currency	%	JD	JD
US Dollar	1	(2,436,626)	(23,086)
Euro	1	96,370	(8)
GBP	1	(11,232)	-
Yen	1	9,464	(11)
Other currencies	1	25,756	(70)

## 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.

December 31, 2015	Change in Foreign Currency Exchange Rate	Effect on Profit & Loss	Effect on Shareholders' Equity
Currency	%	JD	JD
US Dollar	-	-	-
Euro	5	(22,565)	-
GBP	5	18,948	-
Yen	5	51	-
Other currencies	5	15,829	-

December 31, 2014	Change in Foreign Currency Exchange Rate	Effect on Profit & Loss	Effect on Shareholders' Equity
Currency	%	JD	JD
US Dollar	-	-	-
Euro	5	34,011	-
GBP	5	7,199	-
Yen	5	368	-
Other currencies	5	(63,257)	-

## 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 the executive management to ensure that the currencies' positions are within the approved limits.

Moreover, the bank follows the hedging policy to mitigate the risks of foreign currencies by using 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, 2015	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
Indicator	%	JD	JD
Amman Stock Exchange	5	23,299	596,761

December 31, 2014	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
Indicator	%	JD	JD
Amman Stock Exchange	5	19,463	643,637

## Shares' Price Risk

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

## 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 is nearer. The bank uses this policy to reduce risks, as it also studies the related interest rate gaps, and uses hedging policies through developed tools.

Classification is based on interest rate repricing periods or maturities, whichever is nearer. Interest rate sensitivity is as follows:

As of December 31, 2015	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 one year	More than 1 year up to 3 years	More than 3 years	Non-Interest bearing	Total
Assets	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	42,996,094	134,860,113	-	-	7,444,500	-	102,530,880	287,831,587
Balances at banks and financial institutions	106,262,258	9,881,290	-	-	-	-	35,852,950	151,996,498
Deposits at banks and financial institutions	-	-	-	14,647,510	-	-	-	14,647,510
Financial assets at fair value through profit or loss	-	-	-	-	-	-	465,972	465,972
Direct credit facilities - net	33,900,690	153,612,959	96,679,025	138,167,871	389,577,808	366,780,760	48,603,988	1,227,323,101
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	27,841,330	27,841,330
Financial assets measured at amortized cost	894,000	42,796,238	30,500,909	101,292,982	300,300,129	126,073,690	-	601,857,948
Investments in associates and unconsolidated subsidiary company	-	-	-	-	-	-	5,219,798	5,219,798
Properties, equipment, and projects under construction - net	-	-	-	-	-	-	59,745,149	59,745,149
Intangible assets - net	-	-	-	-	-	-	1,428,562	1,428,562
Other assets	-	-	-	-	-	-	110,133,567	110,133,567
Deferred tax assets	-	-	-	-	-	-	6,137,976	6,137,976
<b>Total Assets</b>	<b>184,053,042</b>	<b>341,150,600</b>	<b>127,179,934</b>	<b>254,108,363</b>	<b>697,322,437</b>	<b>492,854,450</b>	<b>397,960,172</b>	<b>2,494,628,998</b>
<b>Liabilities</b>								
Banks' and financial institutions' deposits	25,023,644	5,607,886	-	-	-	-	-	30,631,530
Customers' deposits	385,171,427	327,138,376	194,315,898	189,823,092	233,223,265	-	452,550,667	1,782,222,725
Cash margins	26,423,263	17,815,815	35,609,206	22,774,216	25,016,192	151,558,625	-	279,197,317
Borrowed funds	-	-	-	19,274,121	15,623,071	10,667,372	-	45,564,564
Various provisions	-	-	-	-	-	-	3,663,206	3,663,206
Provision for income tax	-	-	-	-	-	-	7,557,618	7,557,618
Deferred tax liabilities	-	-	-	-	-	-	1,058,399	1,058,399
Other liabilities	-	-	-	-	-	-	31,214,853	31,214,853
<b>Total liabilities</b>	<b>436,618,334</b>	<b>350,562,077</b>	<b>229,925,104</b>	<b>231,871,429</b>	<b>273,862,528</b>	<b>162,225,997</b>	<b>496,044,743</b>	<b>2,181,110,212</b>
<b>Interest rate repricing gap</b>	<b>(252,565,292)</b>	<b>(9,411,477)</b>	<b>(102,745,170)</b>	<b>22,236,934</b>	<b>423,459,909</b>	<b>330,628,453</b>	<b>(98,084,571)</b>	<b>313,518,786</b>
<b>As of December 31, 2014</b>								
<b>Total assets</b>	<b>344,275,529</b>	<b>201,653,548</b>	<b>135,955,270</b>	<b>264,473,063</b>	<b>548,563,934</b>	<b>403,519,657</b>	<b>426,703,262</b>	<b>2,325,144,263</b>
<b>Total liabilities</b>	<b>551,752,418</b>	<b>220,472,905</b>	<b>200,590,128</b>	<b>167,630,336</b>	<b>283,528,525</b>	<b>95,751,832</b>	<b>496,595,298</b>	<b>2,016,321,442</b>
<b>Interest rate repricing gap</b>	<b>(207,476,889)</b>	<b>(18,819,357)</b>	<b>(64,634,858)</b>	<b>96,842,727</b>	<b>265,035,409</b>	<b>307,767,825</b>	<b>(69,892,036)</b>	<b>308,822,821</b>



## Concentration in foreign currencies risk

<u>As of December 31, 2015</u>	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
<u>Assets</u>	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	43,883,122	8,012,010	248,059	-	18,348,874	70,492,065
Balances at banks and financial institutions	89,856,576	23,079,151	6,598,183	1,468,870	8,052,088	129,054,868
Deposits at banks and financial institutions	4,647,510	-	-	-	-	4,647,510
Direct credit facilities - net	169,371,108	7,847,065	31	-	27,697,380	204,915,584
Financial assets at fair value through other / comprehensive income	4,448,316	-	-	-	-	4,448,316
Financial assets measured at amortized cost	23,749,475	-	-	-	-	23,749,475
Properties and equipment, and projects under construction - net	707,798	-	-	-	-	707,798
Intangible assets - net	105,832	-	-	-	-	105,832
Other assets	6,691,875	(3,269,744)	(405,088)	(36,534)	4,571,579	7,552,088
<b>Total assets</b>	<b>343,461,612</b>	<b>35,668,482</b>	<b>6,441,185</b>	<b>1,432,336</b>	<b>58,669,921</b>	<b>445,673,536</b>
<b>Liabilities</b>						
Banks and financial institutions deposits	3,407,506	1,000,099	232,896	-	21,558	4,662,059
Customers' deposits	287,378,016	33,742,758	6,065,148	907,790	53,905,887	381,999,599
Cash margins	43,336,859	3,330,941	189,571	233,002	5,456,027	52,546,400
Various provisions	101,528	-	-	-	-	101,528
Other liabilities	5,433,677	253,471	32,399	-	656,024	6,375,571
<b>Total liabilities</b>	<b>339,657,586</b>	<b>38,327,269</b>	<b>6,520,014</b>	<b>1,140,792</b>	<b>60,039,496</b>	<b>445,685,157</b>
Net concentration on the consolidated statement of financial position	3,804,026	(2,658,787)	(78,829)	291,544	(1,369,575)	(11,621)
off the consolidated statement of financial position contingent liabilities	208,081,247	26,365,700	238,229	2,992,853	6,079,562	243,757,591
<b>As of December 31, 2014</b>						
Total assets	385,846,963	40,842,157	11,477,050	1,037,858	54,291,229	493,495,257
Total liabilities	406,614,918	40,410,211	13,427,925	1,031,531	51,516,533	513,001,118
Net concentration on the consolidated statement of financial position	(20,767,955)	431,946	(1,950,875)	6,327	2,774,696	(19,505,861)
off the consolidated statement of financial position contingent liabilities	244,996,146	27,959,964	1,261,177	3,503,469	9,868,126	287,588,882

## 38 C. Liquidity Risks

Liquidity risk represents the bank's inability to make the available 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, cash equivalents and marketable securities.

The bank's liquidity management policy aims to enhance 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 analysis of the maturity dates of assets and various financial ratios.

### Fund Sources:

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

Moreover, the bank has a large customer base comprising of individuals, establishments and corporations. In addition, due to its financial strength, the bank has an ability to access cash markets, which represent an additional available funding source.

The existence of the bank in most of the cities of the Hashemite Kingdom of Jordan (56 branches) in addition to its branches in Palestine and Cyprus enables 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 the central banks as a restricted cash reserve that cannot be utilized except under specified regulations. In addition, the liquidity ratios are reserved at levels higher than the minimum imposed by central banks in countries in which the bank operates.

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 distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2015:**

Liabilities	Up to one 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	More than 1 year up to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks' and financial institutions' deposits	25,023,644	5,607,886	-	-	-	-	-	30,631,530
Customers' deposits	385,171,427	779,689,043	194,315,898	189,823,092	233,223,265	-	-	1,782,222,725
Cash margins	26,423,263	17,815,815	35,609,206	22,774,216	25,016,192	151,558,625	-	279,197,317
Borrowed funds	-	-	-	19,274,121	15,623,071	10,667,372	-	45,564,564
Various provisions	-	-	-	-	-	-	3,663,206	3,663,206
Income tax provision	-	-	-	-	-	-	7,557,618	7,557,618
Deferred tax liabilities	-	-	-	-	-	-	1,058,399	1,058,399
Other liabilities	-	-	-	-	-	-	31,214,853	31,214,853
<b>Total liabilities</b>	<b>436,618,334</b>	<b>803,112,744</b>	<b>229,925,104</b>	<b>231,871,429</b>	<b>273,862,528</b>	<b>162,225,997</b>	<b>43,494,076</b>	<b>2,181,110,212</b>
<b>Total assets</b>	<b>371,506,832</b>	<b>341,150,600</b>	<b>127,179,934</b>	<b>254,108,363</b>	<b>697,322,437</b>	<b>492,854,450</b>	<b>210,506,382</b>	<b>2,494,628,998</b>

**- The distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2014:**

Liabilities	Up to one 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	More than 1 year up to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks' and financial institutions' deposits	123,768,303	4,280,000	1,312,540	-	-	-	-	129,360,843
Customers' deposits	411,929,422	631,207,589	172,343,860	118,825,178	188,798,765	-	-	1,523,104,814
Cash margins	16,054,693	34,086,588	26,933,728	33,494,733	75,456,220	95,751,832	-	281,777,794
Borrowed funds	-	-	-	15,310,425	19,273,540	-	-	34,583,965
Various provisions	-	-	-	-	-	-	4,285,424	4,285,424
Income tax provision	-	-	-	-	-	-	9,860,350	9,860,350
Deferred tax liabilities	-	-	-	-	-	-	987,012	987,012
Other liabilities	-	-	-	-	-	-	32,361,240	32,361,240
<b>Total liabilities</b>	<b>551,752,418</b>	<b>669,574,177</b>	<b>200,590,128</b>	<b>167,630,336</b>	<b>283,528,525</b>	<b>95,751,832</b>	<b>47,494,026</b>	<b>2,016,321,442</b>
<b>Total assets</b>	<b>558,802,798</b>	<b>201,653,548</b>	<b>135,955,270</b>	<b>264,473,063</b>	<b>548,563,934</b>	<b>403,519,657</b>	<b>212,175,993</b>	<b>2,325,144,263</b>

## Off-Consolidated Statement of Financial Position items:

	Up to One Year	More Than One Year up to 5 Years	Total
December 31, 2015	JD	JD	JD
Letters of credit and acceptances	206,028,680	2,454,063	208,482,743
Unutilized credit facilities	134,292,793	4,684,290	138,977,083
Letters of guarantee	178,184,638	23,354,374	201,539,012
<b>Total</b>	<b>518,506,111</b>	<b>30,492,727</b>	<b>548,998,838</b>

	Up to One Year	More than One Year up to 5 Years	Total
December 31, 2014	JD	JD	JD
Letters of credit and acceptances	255,633,752	-	255,633,752
Unutilized credit facilities	101,124,169	-	101,124,169
Letters of guarantee	161,412,904	18,388,695	179,801,599
<b>Total</b>	<b>518,170,825</b>	<b>18,388,695</b>	<b>536,559,520</b>

## 39. Sectors Analysis

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

- For managerial purposes, the bank is organized into six major activity sectors as well as financial brokerage and consultation services provided by Al-Ahli Financial Brokerage Company.

- **Accounts of individuals:** includes following up on individual customers' deposits, granting them loans, debts, credit cards and other services.

- **Accounts of small & medium companies:** includes following up on deposits and credit facilities granted to the clients of this sector who are classified according to their deposits and facilities volume in accordance with the bank's established policies and procedures, which conform to the regulatory authorities instructions.

- **Accounts of corporations:** includes following up on deposits and credit facilities granted to the clients of this sector who are classified according to their deposits and facilities volume in accordance with the bank's established policies and procedures, which conform to the regulatory authorities instructions.

- **Treasury:** includes providing dealing, treasury, fund management services and long-term investments measured at amortized cost and held until the collection of contractual cash flows.

- **Investment and foreign currency management:** includes the bank's local and foreign investments recorded at fair value in addition to foreign currency trading services.

- **Other:** includes all accounts not listed in the above-mentioned sectors; for example, shareholder's equity, investments in associates, property and equipment and head office and its related supporting managements.

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

							Total	
	Individual funding	Small and medium companies	Corporations funding	Treasury	Investments and foreign currencies	Other	2015	2014
	JD	JD	JD	JD	JD	JD	JD	JD
Gross revenue	55,741,505	18,114,264	31,935,877	5,041,880	784,833	8,154,827	119,773,186	109,289,669
Provision for impairment in direct credit facilities	(2,499,999)	(1,946,780)	(2,852,686)	-	-	-	(7,299,465)	(18,100,318)
Results of business sector	53,241,506	16,167,484	29,083,191	5,041,880	784,833	8,154,827	112,473,721	91,189,351
Distributed (expenses) - net	(38,737,272)	(11,572,920)	(16,818,587)	(3,734,638)	(1,044,282)	(1,824,337)	(73,732,036)	(69,589,457)
Foreclosed assets impairment provision	-	-	-	-	-	(6,311,220)	(6,311,220)	(1,553,077)
Revaluation gain from the dilution of the bank's share in former associate	-	-	-	-	-	-	-	1,536,732
Bank's share in associate companies' gain	-	-	-	-	63,675	-	63,675	83,180
Income for the year before taxes	14,504,234	4,594,564	12,264,604	1,307,242	(195,774)	19,270	32,494,140	21,666,729
Income tax							(9,661,416)	(5,964,380)
Income for the year from continuing operations							22,832,724	15,702,349
Net income from discontinued operations							-	18,458,463
Income for the Year							22,832,724	34,160,812
<u>Additional information</u>							JD	JD
Sector's assets	577,658,394	164,820,159	506,284,778	1,020,285,228	26,253,121	83,973,953	2,379,275,633	2,205,373,359
Investments in associates and unconsolidated subsidiary company	-	-	-	-	-	5,219,798	5,219,798	9,374,642
Assets not distributed over sectors	-	-	-	-	-	110,133,567	110,133,567	110,396,262
Total assets	577,658,394	164,820,159	506,284,778	1,020,285,228	26,253,121	199,327,318	2,494,628,998	2,325,144,263
Sector's liabilities	1,162,938,008	352,413,901	429,955,147	90,375,463	-	114,212,840	2,149,895,359	1,983,960,202
Liabilities not distributed over sectors	-	-	-	-	-	31,214,853	31,214,853	32,361,240
Total liabilities	1,162,938,008	352,413,901	429,955,147	90,375,463	-	145,427,693	2,181,110,212	2,016,321,442
Capital expenditures							13,977,044	12,762,847
Depreciation and amortization							7,800,586	7,704,965

## b. Information on the geographical distribution:

This sector represents the geographical distribution of the bank's operations. The bank performs its operations mainly in the Kingdom, which represents the local operations. Moreover, the bank conducts regional operations through its branches in Palestine and Cyprus.

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

	Inside Jordan *		Outside Jordan *		Total	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Gross revenue	109,377,649	97,438,451	10,395,537	11,851,218	119,773,186	109,289,669
Total assets	2,250,968,953	2,074,979,680	243,660,045	250,164,583	2,494,628,998	2,325,144,263
Capital expenditures	13,006,773	10,924,227	970,271	1,838,620	13,977,044	12,762,847

\* After excluding balances and transactions between the bank and its external branches and subsidiaries.

## 40. 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's 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) and investments in the capitals of banks and financial institutions are deducted as well.

### b. Regulatory party's 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 than 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's 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 the following:

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 customer's base and optimally employing these funds in acceptable risk activities to achieve the highest return possible on capital.

## d. Capital adequacy

The capital adequacy ratio is calculated according to the instructions of the Central Bank of Jordan based on Basel Committee resolutions. The following is the capital adequacy ratio compared to previous year:

	December 31,	
	2015	2014
	(In thousand JD)	(In thousand JD)
Primary capital items		
Subscribed and paid-up capital	175,000	175,000
Statutory reserve	51,197	47,948
Voluntary reserve	33,486	30,236
Other reserves	2,294	2,005
Retained earnings	21,145	23,295
Less:		
Deferred provisions under the Central Bank of Jordan's approval	(2,699)	(4,696)
Real estate foreclosed by the bank against debts	-	(38,914)
Deferred tax assets and other intangible assets	(7,566)	(6,119)
Investment in insurance companies and unconsolidated financial institutions	(1,603)	(1,609)
<b>Total Primary Capital</b>	<b>271,254</b>	<b>227,146</b>
Supplementary Capital Items:		
General banking risks reserve	11,693	11,005
Fair value reserve	541	825
Less:		
Investments in insurance companies and unconsolidated financial institutions	(1,603)	(1,609)
<b>Total supplementary capital</b>	<b>10,631</b>	<b>10,221</b>
<b>Total regulatory capital</b>	<b>281,885</b>	<b>237,367</b>
<b>Total risk-weighted assets</b>	<b>1,730,762</b>	<b>1,653,188</b>
Regulatory capital adequacy ratio (%)	16.29	14.36
Primary capital adequacy ratio (%) *	15.67	13.74

\*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 resolutions as of December 31, 2015 and as of December 31, 2014.

## 41- Assets and liabilities maturity analysis:

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

	Up to one year	More than one year	Total
<u>December 31, 2015</u>	JD	JD	JD
<b>Assets:</b>			
Cash and balances at central banks	280,387,087	7,444,500	287,831,587
Balances at banks and financial institutions	151,996,498	-	151,996,498
Deposits at banks and financial institutions	14,647,510	-	14,647,510
Financial assets at fair value through profit or loss	465,972	-	465,972
Direct credit facilities - net	470,964,533	756,358,568	1,227,323,101
Financial assets at fair value through other comprehensive income	27,841,330	-	27,841,330
Financial assets measured at amortized cost	175,484,129	426,373,819	601,857,948
Investments in associates and unconsolidated subsidiary companies	-	5,219,798	5,219,798
Properties, equipment and projects under construction - net	-	59,745,149	59,745,149
Intangible assets - net	-	1,428,562	1,428,562
Other assets	-	110,133,567	110,133,567
Deferred tax assets	-	6,137,976	6,137,976
<b>Total assets</b>	<b>1,121,787,059</b>	<b>1,372,841,939</b>	<b>2,494,628,998</b>
<b>Liabilities:</b>			
Banks' and financial institutions' deposits	30,631,530	-	30,631,530
Customers' deposits	1,548,999,460	233,223,265	1,782,222,725
Cash margins	102,622,500	176,574,817	279,197,317
Borrowed funds	19,274,121	26,290,443	45,564,564
Various provisions	3,663,206	-	3,663,206
Provision for income tax	7,557,618	-	7,557,618
Deferred tax liabilities	-	1,058,399	1,058,399
Other liabilities	-	31,214,853	31,214,853
<b>Total liabilities</b>	<b>1,712,748,435</b>	<b>468,361,777</b>	<b>2,181,110,212</b>
<b>Net</b>	<b>(590,961,376)</b>	<b>904,480,162</b>	<b>313,518,786</b>

	Up to One Year	More than One Year	Total
<u>December 31, 2014</u>	JD	JD	JD
<b>Assets:</b>			
Cash and balances at central banks	310,339,062	-	310,339,062
Balances at banks and financial institutions	206,787,496	-	206,787,496
Financial assets at fair value through profit or loss	389,255	-	389,255
Direct credit facilities - net	543,313,406	657,681,509	1,200,994,915
Financial assets at fair value through other comprehensive income	27,591,468	-	27,591,468
Financial assets measured at amortized cost	100,055,460	294,402,082	394,457,542
Investments in associates and unconsolidated subsidiary companies	-	9,374,642	9,374,642
Properties, equipment and projects under construction - net	-	58,694,043	58,694,043
Intangible assets - net	-	1,475,817	1,475,817
Other assets	-	110,396,262	110,396,262
Deferred tax assets	-	4,643,761	4,643,761
<b>Total assets</b>	<b>1,188,476,147</b>	<b>1,136,668,116</b>	<b>2,325,144,263</b>
<b>Liabilities:</b>			
Banks' and financial institutions' deposits	129,360,843	-	129,360,843
Customers' deposits	1,334,306,049	188,798,765	1,523,104,814
Cash margins	110,569,742	171,208,052	281,777,794
Borrowed funds	15,310,425	19,273,540	34,583,965
Various provisions	4,285,424	-	4,285,424
Provision for income tax	9,860,350	-	9,860,350
Deferred tax liabilities	-	987,012	987,012
Other liabilities	-	32,361,240	32,361,240
<b>Total liabilities</b>	<b>1,603,692,833</b>	<b>412,628,609</b>	<b>2,016,321,442</b>
<b>Net</b>	<b>(415,216,686)</b>	<b>724,039,507</b>	<b>308,822,821</b>

## 42. Accounts Managed on Behalf of Customers

	December 31,	
	2015	2014
	JD	JD
Accounts managed on behalf of customers*	10,178,656	32,900,722

\* This item represents accounts with no guaranteed capital managed on behalf of customers. These accounts do not appear within the assets and liabilities of the bank in the consolidated statement of financial position.

## 43. Commitments and Contingent Liabilities

### a. Commitments and contingent liabilities

	2015	2014
	JD	JD
Letters of credit:		
Letters of credit - outgoing	39,774,771	40,665,434
Letters of credit - incoming	113,630,565	170,699,300
Acceptances	55,077,407	44,269,018
Letters of guarantee:		
- Payments	109,491,621	95,046,541
- Performance bonds	66,463,924	62,225,739
- Other	25,583,467	22,529,319
Unutilized direct credit facilities	138,977,083	101,124,169
<b>Total</b>	<b>548,998,838</b>	<b>536,559,520</b>

b. The bank signed multiple agreements to purchase a new banking system for a total cost of around JD 20 million. The system is still under construction. Moreover, around JD 1.6 million is not paid yet as of December 31, 2015.

c. A contract with the former chairman of the board was signed on January 15, 2015, for providing consulting services to the bank for JD 30,000 monthly, in addition to health and life insurance and other benefits for five years. The contract was terminated in the subsequent period as of the beginning of January 2016.

## 44. Lawsuits Against the Bank

The lawsuits filed against the bank amounted to JD 11,842,721 as of December 31, 2015 (JD 13,234,790 as of December 31, 2014). In the opinion of the bank's management and its legal advisors, no liabilities exceeding the provision of JD 241,903 as of December 31, 2015 are expected to arise.

## 45. Fair Value Measurement

### a. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs):

Financial assets	Fair Value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable
	December 31,					
	2015	2014				
Financial assets at fair value	JD	JD				

Financial assets at fair value through profit or loss:

Companies' stocks	465,972	389,255	Level 1	Quoted Shares	Not Applicable	Not Applicable
	465,972	389,255				

Financial assets at fair value through other comprehensive income:

Quoted shares	11,935,225	12,872,746	Level 1	Quoted Shares	Not Applicable	Not Applicable
Mutual fund	4,111,491	3,241,548	Level 2	The fund manager's evaluation of the fair value	Not Applicable	Not Applicable
Unquoted shares	11,794,614	11,477,174	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	27,841,330	27,591,468				
Total financial assets at fair value	28,307,302	27,980,723				

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2015 and 2014.

**b. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:**

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the bank's financial statements approximate their fair values:

	December 31, 2015		December 31, 2014		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
Financial assets not calculated at fair value	JD	JD	JD	JD	
Deposits at central banks	122,244,500	122,247,171	134,445,405	134,454,914	Level 2
Balances and deposits at banks and financial institutions	166,644,008	166,774,884	206,787,496	206,821,051	Level 2
Direct credit facilities at amortized cost	1,227,323,101	1,228,664,901	1,200,994,915	1,203,025,420	Level 2
Other financial assets at amortized cost	601,857,948	607,862,634	394,457,542	399,946,376	Level 1 & 2
<b>Total financial assets not calculated at fair value</b>	<b>2,118,069,557</b>	<b>2,125,549,590</b>	<b>1,936,685,358</b>	<b>1,944,247,761</b>	
<b>Financial liabilities not calculated at fair value</b>					
Banks' and financial institutions' deposits	30,631,530	30,686,845	129,360,843	129,459,145	Level 2
Customers' deposits	1,782,222,725	1,787,165,292	1,523,104,814	1,528,302,739	Level 2
Cash margin	279,197,317	279,199,702	281,777,794	281,783,801	Level 2
Borrowed funds	45,564,564	45,606,940	34,583,965	34,616,799	Level 2
<b>Total financial liabilities not calculated at fair value</b>	<b>2,137,616,136</b>	<b>2,142,658,779</b>	<b>1,968,827,416</b>	<b>1,974,162,484</b>	

For the items listed above, the fair value of the financial assets and liabilities classified as Level 2 has been determined in accordance with the generally accepted pricing models that reflect the credit risk of counterparties.

## 46. Discontinued Operations

The details of this item are as follows:

	For the Year Ended	
	December 31,	
	2015	2014
	JD	JD
Net profit from sale of Ahli Bank's contribution in Al-Ahli International Bank - Lebanon (A)	-	18,250,936
Net profit from sale of Ahli Bank's contribution in Al Zarqa National College Company (B)	-	207,527
<b>Total</b>	<b>-</b>	<b>18,458,463</b>



A. On May 23, 2014, the Bank signed an agreement with Fransabank SAL to sell the bank's interest in Al-Ahli International Bank - Lebanon, including its capital shares of 97.891% of the bank's capital, in addition to its 89.41% share of the capital prepayments. Moreover, the investment has been derecognized as of April 30, 2014, where by the legal procedures were completed and approval from the Lebanese Central Bank were obtained on June 25, 2014.

The details of the assets and the liabilities (net book value) related to the sold investment and the computation of the profit resulting from the sale transaction are as follows:

	April 30, 2014
Assets:	JD
Cash and balances at central banks	100,846,819
Balances at banks and financial institutions	3,976,769
Direct credit facilities - net	158,908,594
Financial assets	267,468,670
Investment in associate companies	141,400
Properties and equipment - net	7,338,841
Intangible assets - net	1,418,000
Other assets	3,734,116
<b>Total assets</b>	<b>543,833,209</b>
<b>Liabilities:</b>	
Banks and financial institutions deposits	15,703,345
Customer deposits	478,850,308
Cash margins	314,271
Various provisions	1,520,798
Other liabilities	4,423,026
<b>Total Liabilities</b>	<b>500,811,748</b>
Net book value for the sold investment after profit for the period up to April 30, 2014	43,021,461

The details of the net profit resulting from the sale of Ahli Bank's share in Al-Ahli International Bank - Lebanon are as follows:

	Amount	Amount
	USD	JD
Net sale proceeds after reducing the profit for the period up to April 30, 2014		
(The amount was received on July 23, 2014)	101,911,930	72,255,558
Used for the following charges:		
Less: Compensation of employees and the cost of terminating managers' contracts	(4,280,000)	(3,034,520)
Financial and legal consultation expenses	(275,000)	(194,975)
Cost of releasing the bank's real-estate mortgage in Lebanon	(380,000)	(269,420)
Amortized costs for licenses and computer programs (non-transferrable)	(441,000)	(312,669)
Amortization of expenses previously allocated to the company	(709,000)	(502,681)
Board of Directors' remunerations	(550,000)	(389,950)
Total expenses related to the sales transaction	(6,635,000)	(4,704,215)
Net sales after reducing the related expenses	95,276,930	67,551,343
Less: Net book value for the sold investment before profit for the period up to April 30, 2014	(59,591,001)	(42,250,020)
Profit Resulting from the Sales Transaction	35,685,929	25,301,323
Add: Al-Ahli International Bank - Lebanon profit for the four-month period ended April 30, 2014	1,088,070	771,442
Net profit from the sales transaction before taxes	36,773,999	26,072,765
Less: Income tax expense (Note 20)	(11,032,199)	(7,821,829)
Net profit from the sales transaction	25,741,800	18,250,936

B. On December 29, 2014, an agreement was signed with Al Quds Company for Learning, Training and Consulting to sell the bank's interest in Al Zarqa National College Company, including the bank's capital share of 100% of the company's capital for an amount of JD 1.2 million to be paid as follows:

- 1- JD 100,000 to be paid before signing the agreement (the amount was received on December 24, 2014).
- 2- JD 200,000 within 10 working days from the date of signing the agreement (the amount was received on January 14, 2015).
- 3- JD 400,000 due after 6 months from the date of executing the transfer of ownership before the Companies Control Department.
- 4- JD 500,000 due after 12 months from the date of the transfer of ownership before the Companies Control Department; moreover, the investment was derecognized on June 30, 2014.

The net assets and the liabilities (net book value) for the sold investment and the profit calculation resulting from the sales transaction are as follows:

	June 30, 2014 JD
<b>Assets:</b>	
Cash and balances at banks and financial institutions	653,802
Properties and equipment - net	565,749
Other assets	37,406
<b>Total assets</b>	<b>1,256,957</b>
<b>Liabilities:</b>	
Various provisions	57,421
Other liabilities	72,802
<b>Total liabilities</b>	<b>130,223</b>
<b>Net book value of the sold investment after the profit for the period up to June 30, 2014</b>	<b>1,126,734</b>

The details of the profit calculation resulting from the sale of the bank's share in Al Zara National College Company are as follows:

	Amount JD
Sales proceed excluding the distributed profit up to June 30, 2014	1,199,850
<b>Uses of the following charges:</b>	
<u>Less:</u> Compensation of employees and the cost of terminating managers' contracts	(26,580)
Financial and legal consultation expenses	(24,000)
Total expenses related to the sales transaction	(50,580)
Net sales after reducing the related expenses	1,149,270
<u>Less:</u> Net book value for the sold investment before the profit for the period up to June 30, 2014	(1,010,297)
Profit resulting from the sales transaction	138,973
<u>Add:</u> Distributed income up to June 30, 2014	233,323
Net Profit from the sales transaction before taxes	372,296
<u>Less:</u> Income tax expense (Note 20)	(164,769)
Net profit from the sales transaction	207,527

## 47. Application of New and Revised International Financial Reporting Standards (IFRSs)

a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

b. New and Revised IFRSs issued but not yet effective:

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

	Effective for Annual Periods Beginning on or After
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative	January 1, 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations	January 1, 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization	January 1, 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants	January 1, 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for either by cost according to IFRS (9) or using the equity method in separate financial statements	January 1, 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities	January 1, 2016

Annual Improvements to IFRSs 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

January 1, 2016

IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

January 1, 2018

A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

· Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.

· Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

· Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

· Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9

When IFRS 9 is first applied

IFRS 7 Financial Instruments: Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9

When IFRS 9 is first applied

## IFRS 15 Revenue from Contracts with Customers

In May 2015, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

January 1, 2018

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

## IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

January 1, 2019

## Amendments to IFRS 10 Consolidated Financial Statements and IAS 28

Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture

Effective date deferred indefinitely

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the company's financial statements for the year beginning January 1, 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the company in the period of initial application.

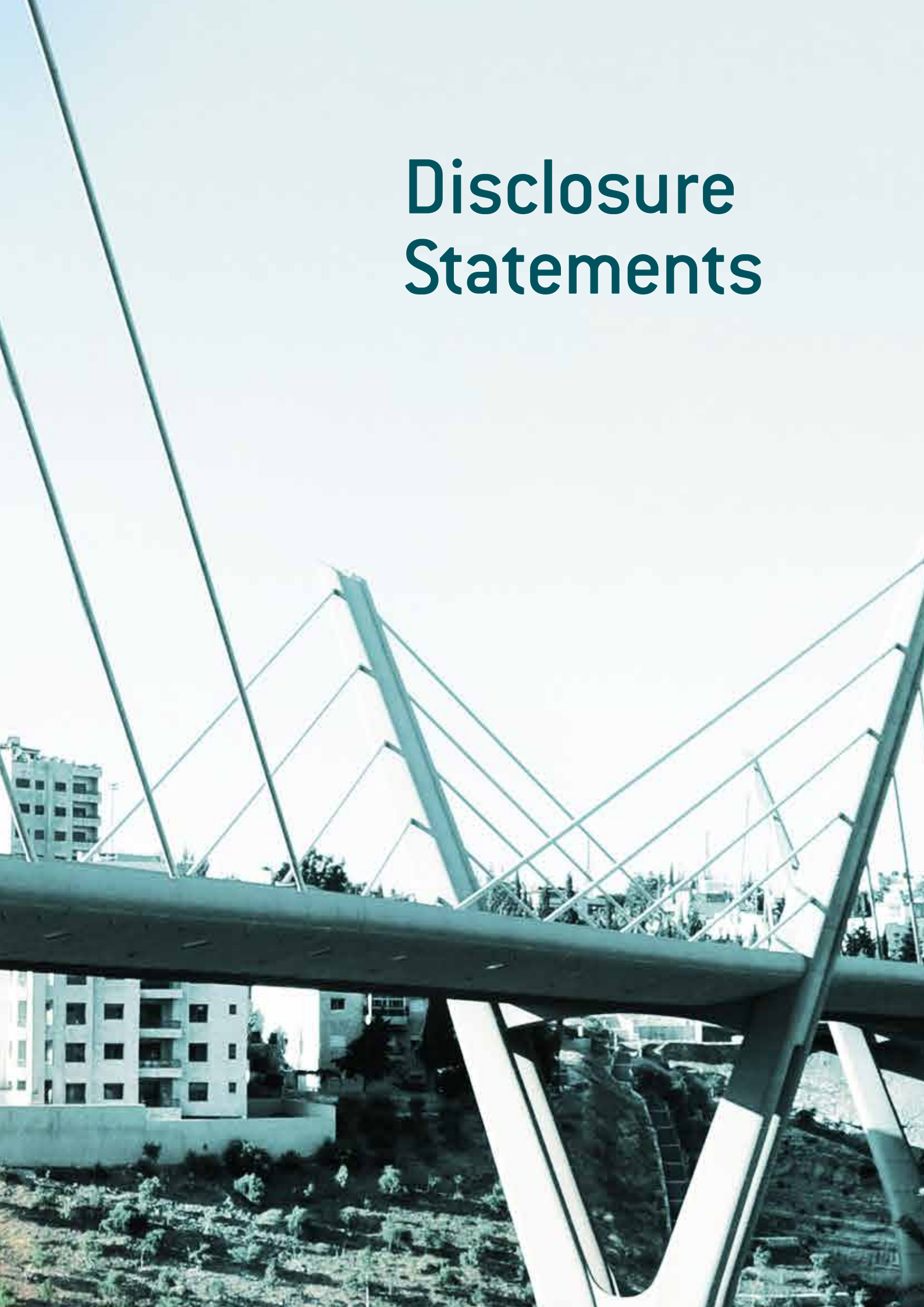
Management anticipates that IFRS 15 and IFRS 9 will be adopted in the company's financial statements for the annual year beginning January 1, 2018 and IFRS 16 for the annual year beginning January 1, 2019. The application of IFRS 15, IFRS 9 and IFRS 16 may have significant impact on amounts reported and disclosures made in the company's financial statements in respect of revenue from contracts with customers, the company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the company performs a detailed review.







# Disclosure Statements



# The 2015 Jordan Securities Commission's Requirements and Disclosure Statements

## 1- (A) Description of the bank's main activities

The bank provides comprehensive banking and financial services, and supplies its customers with a comprehensive range of services and technological developments in the field of banking and in all economic sectors.

## (B) Location of branches

Jordan Ahli Bank's general management is located in Shmeisani, Queen Nour St., and hosts a total of 869 employees. The bank's network of 57 branches and offices is ideally distributed among Jordan's governorates, concentrated particularly in Amman. It also provides coverage to Palestine, which hosts six branches, in addition to one branch in Cyprus. Details of the aforementioned branches are presented at the end of this annual report. The total number of employees working for the bank during 2015 reached 1,589 employees, distributed among the branches as follows:

Branch name	No. of employees	Branch name	No. of employees	Branch name	No. of employees
Main branch	22	Um Uthaina Souk	7	Balqa University	7
Corporate	33	Rabia	8	Bawabat Al Salt	9
Abdoun	9	City Mall	7	Al Fuhais	7
Taj Mall	6	Khalda	7	Deir Alla	7
Jabal Amman	14	Sweileh	8	Zarqa	15
Mecca St.	12	Abu Nseir	6	New Zarqa	8
Sweifieh	8	Hashmi Al Shamali	6	Free Zone - Zarqa	5
Al Wakalat St.	9	Hurriya St.	7	Jerash	10
Culture St.	9	Sahab	7	Mafraq	9
Queen Rania Al Abdullah St.	9	Marka	9	Ramtha	9
Jabal Al Hussein	10	Dahiyat Al Yasmeen	8	Army St. - Irbid	13
Wasfi Al Tal St.	14	Ibn Khaldoun St.	5	Hashmi St. - Irbid	11
Wadi Saqra St.	10	Ruseifah	7	Karak	13
Downtown - Amman	16	Al Jubeiha	7	Tafilah	9
Middle East Circle	9	Khreibet Al Souk	8	Maan	11
Bayader Wadi Al Seer	8	Marj Al Hamam	8	Aqaba	19
Chamber of Industry Building	8	Madaba	10	Arabella Mall	6
Tlaa Al Ali	7	Industrial Zone - Irbid	6	Salt	8
Abdullah Ghosheh St.	8	VIP Banking Services	11	Tabarbour	8
Palestine					
Bireh - Ramallah	19	Bethlehem	23	Shallalah St. - Hebron	3
Nablus	21	Salam St. - Hebron	18	Jenin	12
Cyprus					
Limassol	13				

## (C) Capital Investment Volume

As of December 31, 2015, the capital investment volume of Jordan Ahli Bank amounted to JD 59.7 million.

### 2 - As of the end of 2015, the bank's numerous subsidiaries are as follows:

No.	Company name	Main activity	No. of employees	Capital in millions	Ownership percentage
1	Ahli Microfinance Co. LLC	Micro-projects financing	175	3.5	100%
2	Ahli Brokerage Co. PS	Financial brokerage	12	7.5	100%
3	Al-Ahli Financial Leasing Co. PS	Financial leasing	11	17.5	100%

### 3- (A) Brief Introduction of the members of Jordan Ahli Bank's Board of Directors:



**H.E. Dr. Omar Razzaz**  
Chairman

- Appointed in 2014.
- Jordanian, born in 1961.
- Holder of a post-doctoral degree from Harvard Law School; a PhD in Urban Planning from Harvard University; a Master's degree in International Development and Regional Planning from MIT University; and a BA in Civil Engineering/Transportation Planning and Environmental Design from Louisiana Tech University.
- Served as a Director General of the World Bank in Washington and Beirut; Director General of Jordan's Social Security Corporation; Head of the National Strategy Technical Team; Chairman of the Jordan Privatization Committee; Chairman of the Jordan Strategy Forum (JSF); and Chairman of the Board of Trustees, King Abdullah II Fund for Development (KAFD).
- An Independent member.



**H.E. Mr. Saad Nabil Muasher**  
Deputy Chairman

- Appointed in 2014.
- Jordanian, born in 1974.
- Holder of a Master Degree in Business Administration (MBA) from Stanford University; and a BA in Economics from Northwestern University.
- Served as a First Deputy Director General of the Jordan Ahli Bank; Deputy Director General of the Ad Dawliya for Hotels and Malls Co. – Sheraton Hotel; and BOD member of various companies.
- A Non-independent member.



**H.E. Mr. Nadim Yousef Muasher**  
Member

- Appointed in 1997.
- Jordanian, born in 1950.
- Holder of a Master's degree in Civil Engineering, from the USA; and a BA in Architecture.
- Served as a Former Member of the Senate House.
- Chairman of 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 Hotel) and Business Tourism Co.
- A Non-independent member.



**H.E. Mr. Alan Wanna**  
Representative, Byblos Bank  
Member

- Appointed in 2015.
- Lebanese, born in 1969.
- Holder of a Master's degree in Banking & Financial Sciences, and a BA in Economics.
- Deputy Director General Byblos Bank, Board Member of Byblos Bank / Lebanon, Africa.
- A Non-independent member.



**H.E. Mr. Emad Yousef Muasher**  
Representative, Muasher  
Investment and Trading Co.  
Member

- Appointed in 1997.
- Jordanian, born in 1957.
- Holder of a Master's degree in International Business Administration, from the USA; and a BA in Economics.
- Serves as Deputy Chairman and Board Member of various companies.
- A Non-independent member.



**H.E. Mr. Wasef Azar**  
Representative, Jordan  
Investor Center  
Member

- Appointed in 1997.
- Jordanian, born in 1936.
- Holder of a Master's degree of Economics and Development Management, from the USA; and a BA of Law, from Damascus.
- Member of the Senate House; Former Minister of Industry and Trade; Board Member of various companies; Many years of experience in both the public and private sectors, and in various fields; Manager of several establishments and companies.
- A Non-independent member.



**H.E. Mrs. Suhair Al Ali**  
Representative, Social Security  
Corporation  
Member  
From 15/6/2015

- Appointed in 2015.
- Jordanian, born in 1958.
- Holder of a Master's degree in Development Economics, from George Town University, from USA.
- Served as General Manager of the Representative Office of Saudi American Bank (SAMBA) New York, General Manager of Citigroup Amman, and former Minister of Planning and International Cooperation.
- Member of the Board of Trustees of the Hashemite Fund, Jordanian National Commission for Women, King Hussein Cancer Center, Princess Sumaya University for Technology, Royal Society for Fine Arts and Jordanian Royal Film Commission.
- A Non-independent member.



**H.E. Mr. Rafiq Saleh Muasher**  
Representative, Rajai Muasher  
& Brothers Co.  
Member

- Appointed in 1997.
- Jordanian, born in 1949.
- Holder of a Master's degree in Construction Engineering; and a Master's degree in Engineering Projects Management, from the USA.
- Serves as General Manager for Ranco Co. for Contracting and Trade; Rajai Muasher & Brothers Co.; Al Ahliyya Financial Investments and National Securities Co.
- A Non-independent member.



**H.E. Mr. Mahmoud Zuhdi  
Malhas**  
Member

- Appointed in 1997.
- Jordanian, born in 1935.
- Holder of a BA in Economics, from the American University of Beirut.
- Businessman, owner of Al Mahmoudiah Trading Co., operating in general trade and trademarks representation since 1994; Chairman and Board Member in several banks and companies.
- A Non-independent member.





**H.E. Mr. Ala'adin Sami**  
 Representative, ZI&IME Co. -  
 Saudi Arabia  
 Member

- Appointed in 1997.
- Egyptian, born in 1953.
- Holder of a Master's degree in Financial Management and BA in Accounting
- Serves as Deputy Chairman of Al Zahid Group, Saudi Arabia; Chairman of Arab-Sudanese Truck Co.; Board Member of Arab Truck and Vehicle Saudi Co.; and Board Member of Laguna Tourism Development Co., Egypt.
- A Non-independent member.



**H.E. Mr. Karim Tawfik Kawar**  
 Member

- Appointed in 2008.
- Jordanian, born in 1966.
- Holder of a BA in Financial Management and Computer Science, from Boston College.
- Served as Former Jordanian Ambassador to the USA; Former Managers' Committee Member at: Ideal Group, Vision Investment, Batelco Jordan, and National Equipment and Technical Services; Former Economic Advisory Board Member; Current Chairman of the Board, Kawar Group; Board Member, JWICO; Head of Managers' Committee at: Iris Guard, Nathealth, and Kawar Power Co., King Abdullah II Development Fund Board of Trustees, Jordan River Foundation Board of Trustees; 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.
- An Independent member.



**H.E. Mrs. Ibtissam El Ayoubi**  
 From 15/4/2015  
 Member

- Appointed in 2015.
- Jordanian, born in 1959.
- Holder of a Master's degree in Money and Banking, from the American University of Beirut.
- Served as Former Board Member at MEPS – Representative – Capital Bank, Executive Partner in consulting and capacity building
- An Independent Member.



**H.E. Mr. Tarek Jallad**  
 From 15/4/2015  
 Member

- Appointed in 2015.
- Jordanian, born in 1979.
- Holder of a Master's degree and BA in Economics, from London, The United Kingdom
- Held different positions in banks and companies, including Arab Bank and Jordan Petroleum Refinery Company and as a Deputy President for Jordan Tractors and Equipment CAT.
- An Independent Member.

## (B) Brief Introduction of the members of Jordan Ahli Bank's Senior Executive Management:



**Mr. Mohammad Musa Daoud**  
Chief Executive Officer/  
General Manager

- Appointed in 2015.
- Jordanian, born in 1956.
- Holder of BA in Mathematics and Business Administration from the University of Jordan
- Executive Vice President – Country Manager of Jordan Arab Bank (12/2012-10/2015)
- Executive Vice President – Head of Libya project Arab Bank (9/2012-11/2012)
- Executive Vice President – Head of Corporate and Investment Banking /Jordan & Palestine Arab Bank (4/2009-7/2012)
- Senior Vice President – Head of Credit/Jordan & Palestine Arab Bank (10/2006-3/2009)
- Other senior posts within Arab Bank plc. Jordan including: Head of Commercial Lending, Head of Syndicated Loans Unit (10/1983-7/2004)
- Board Member of Arab Bank – Syria (till 8/2012)
- Deputy of the Supervisory Board of Arab National Leasing Company (till 7/2012)
- Deputy Chairman of International Islamic Arab Bank (till 10/2015)
- Board Member of Jordan Hotels and Tourism Company (till 10/2015)
- Chairman of Ahli Financial Leasing Company (since 11/2015)



**Dr. Ahmad Awad Abdulhalim Alhussein**  
Senior Deputy Chief Executive  
Officer/ General Manager

- Appointed in 2015.
- Jordanian, born in 1966.
- Holder of PHD in Finance/Amman Arab University
- 27 year experience in the Banking Sector with focus on Credit & Banking Operations:  
Arab Bank (1994-2015)  
Jordan Gulf Bank (1/1994 – 7/1994)  
Cairo Bank (1991 – 1994)  
Bank of Jordan (1989 – 1991)



**Mr. Ibrahim Ghaoui**  
Head of Finance & Internal Audit

- Appointed in 2014.
- Jordanian, born in 1954.
- Holder of a Master's degree in International Management from the University of Phoenix in the USA; and a BA in Accounting from the University of Jordan.
- Held several positions, including: Financial Controller – Cairo Amman Bank; and Deputy CEO/Head of Finance Department – Palestine Telecommunications Company (PALTEL).



**Ms. Lina Bakhit**  
Head of Treasury, Investment  
& Financial Institutions

- Appointed in 1998.
- Jordanian, born in 1963.
- Holder of a BA in Business Administration, from the American University of Beirut.
- Serves as the Chairman of the Board of the Ahli Brokerage Co.
- Former Head of Treasury Department, Jordan Investment and Finance Bank.



**Mrs. Hadil Khalaf**  
Head of Operations &  
Shared Services

- Appointed in 1984.
- Jordanian, born in 1959.
- Holder of a BA in Business Administration, from the American University of Beirut.
- Jordan Ahli Bank (since 1997); and Business Bank (since 1990).





**Mr. Hani Farraj**  
Head of Acquired Real  
Estates & Secretary to the  
Board of Directors

- Appointed in 1995.
- Jordanian, born in 1946.
- Holder of a BA in Literature; and a Diploma in Management.
- Past experience in the fields of administration, finance and legal issues at the Jordan Radio and Television Corporation (JRTV) and the Arab States Broadcasting Union for 27 years; last held position was of Assistant Director General for Administrative and Financial Affairs at JRTV.



**Mr. Kameel Haddad**  
Head of Remedial  
Department

- Appointed in 1998.
- Jordanian, born in 1959.
- Holder of a BA in Statistics, from the University of Baghdad.
- Served as a Statistics Unit Manager/ Deposits Department Manager, Amman Investment Bank; and Clearance Manager at Madanat Commercial Establishment.



**Mr. Bashar Al Bakri**  
Head of Human Resources  
and Logistics

- Appointed in 2003.
- Jordanian, born in 1963.
- Holder of a BA in Business Administration and Economics, from the University of Jordan; and completed Higher Diploma in Enterprise Management.
- Held several positions, including: Chief Administration Officer for Makshaf Holding, Riyadh; and Human Resources Manager, Royal Jordanian Airlines.



**Mr. Samer Abu Zayed**  
Head of Business  
Technology & Center of  
Excellence

- Appointed in 2009.
- Jordanian, born in 1963.
- Holder of an MA in Computer Science, from the University of Kuwait.
- Held several positions, including: Manager of Enterprise Programs Execution, National Bank of Kuwait (2006–2009); Banking Implementation & Business Development Group Manager at International Turnkey Systems (ITS) (1999–2006); Executive IT Manager, Middle East Investment Bank (1995–1998); IT Manager, Ahli Bank (1993–1995)



**Mr. Tareq Omaish**  
Head of Consumer Banking  
Services

- Appointed in 1994.
- Jordanian, born in 1971.
- Holder of a BA in Economics and Political Science from the University of Jordan.



**Dr. Michael Nu'man**  
Head of Risk

- Appointed in 2013.
- Jordanian, born in 1973.
- Holder of a PhD in Finance and Banking.
- Held several positions, including: Assistant General Manager for Risk and Compliance at Investment Bank (2010-2013); Assistant General Manager - Risk - Capital Bank (1999-2010); and Credit Control & Administration Officer – HSBC Middle East (1995-1999).



**Mr. Mouin Al Bahou**  
Head of Credit Review

- Appointed in 2004.
- Jordanian, born in 1967.
- Holder of a BA in Finance and Banking, from Yarmouk University.
- Held several positions, Cairo Amman Bank (1995-2004); and Grindlays Bank (1992-1995).



**Mr. Bassem Sleem**  
Head of Internal Audit

- Appointed in 1993.
- Jordanian, born in 1966.
- Holder of a BA in Business Administration, from Yarmouk University.



**Mr. Jaafar Majdalawi**  
Head of Corporate Banking  
& Projects Finance

- Appointed in 1994.
- Jordanian, born in 1962.
- Holder of an MA in Accounting and Finance, from the University of Juba, Sudan.
- Held several positions in the following organizations:
  - Jordan Kuwait Bank (1988 – 1994); Azmi Sabri and Partners Company (1987 – 1988); Ibrahim Hanna Khoury for Auditing and Accounting (1984 – 1986)



**Mr. Marwan Shahatit**  
Head of Small & Medium  
Enterprises (SMEs) Banking

- Appointed in 1997.
- Jordanian, born in 1970
- Holder of a BA in Finance and Banking, from Yarmouk University.
- Bank Al Etihad (1994 – 1997)

## 4- Major shareholders, owning 5% or more of Jordan Ahli Bank's capital:

No.	Name	Total shares 2015	Ownership percentage	Total shares 2014	Ownership percentage
1	Byblos Bank	18,166,192	10.38%	18,166,192	10.38%
2	Social Security Corporation	17,500,000	10.00%	17,500,000	10.00%
3	Jordan Worsted Mills Co.	11,290,177	6.45%	11,290,177	6.45%
4	Jordan Investor Center Co.	9,527,030	5.44%	9,527,030	5.44%
Total		56,483,399	32.28%	56,483,399	32.28%

## 5- Competition and ranking:

Jordan Ahli Bank ranks number four in terms of paid in capital, credit facilities, total deposits and total assets among Jordanian banks that total 13. In terms of shareholders' equity, Jordan Ahli Bank ranks number five. The bank operates in Jordan, Palestine and Cyprus and has an excellent market share in each of the aforementioned locations.

**6- The bank does not rely on specific suppliers or primary customers, internally or externally, that form 10% of the bank's purchases or revenues.**

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

\* Jordan Ahli Bank has no patents or franchises.

**8. There have been no decisions issued by the government, international organizations or any similar institutions that have had a material impact on the bank, its products or competitiveness.**

\* The bank adheres to specific quality standards regarding its activities, especially those related to the quality of the services and products, in addition to the quality of internal audit activities. International quality standards do not apply to the bank.

## 9- (A) The organizational structure of Jordan Ahli Bank and its subsidiaries:

The bank and its subsidiaries' organizational structures are outlined in the final pages of the annual report.

## (B) Jordan Ahli Bank' employees by numbers, categories and qualifications:

Branches	Less than High School	High School	Community College	Bachelor's Degree	Graduate Diploma	Master's Degree	PhD	Total
Jordan	54	138	153	946	7	108	10	1416
Cyprus	-	2	4	4	-	3	-	13
Palestine	5	10	21	118	-	6	-	160
<b>Total</b>	<b>59</b>	<b>150</b>	<b>178</b>	<b>1068</b>	<b>7</b>	<b>117</b>	<b>10</b>	<b>1589</b>
Subsidiaries:								
Ahli Microfinance Co.	6	20	28	118	-	3	-	175
Ahli Brokerage Co.	3	-	1	8	-	-	-	12
Ahli Financial Leasing Co.	-	1	1	4	-	4	1	11

## (C) Training and qualification programs for Jordan Ahli Bank's employees:

The Development and Training Department held 249 training programs, with a total of 3,056 participants, 1,887 of whom are males and 1,169 females, divided as follows:

Type of programs	No. of programs	No. of training opportunities	Number of males	Number of females	No. of training days
Programs within the Training Center	100	2,563	1,544	1,019	44,633
External programs - inside Jordan:					
Programs with Local Training Companies and Bodies	102	315	219	96	43,532
External programs - outside Jordan:					
*Programs with Foreign Training Companies and Bodies	15	28	16	12	30,179
Programs of the Palestine Institute for Financial & Banking Studies	32	150	108	42	22,219
<b>Total</b>	<b>249</b>	<b>3,056</b>	<b>1,887</b>	<b>1,169</b>	<b>140,563</b>

\*Programs that include employees from the Cyprus branch.

The details of the training courses are as follows:

Training course	Training domain	No. of programs	No. of training opportunities	Number of males	Number of females
Audit Courses	Audit	3	5	4	1
Finance and Accounting Courses	Financial & Accounting	14	59	48	11
Financial Certificates Courses	Certificates & Diploma	3	5	2	3
Computer Courses	Desktop Training	6	46	28	18
Language Courses	Language	2	28	5	23
Information Technology Courses	IT	15	158	83	75
Marketing Courses	Marketing	3	6	4	2
Operations Courses	Operations	12	81	60	21
Treasury and Financial Market Courses	Treasury	6	12	8	4
Credit and Risk Courses	Credit & Risk	21	92	65	27
Human Resources Courses	HR	6	50	36	14
Compliance and Legal Courses	Compliance & Legal	25	215	145	70
Management Courses	Management	14	110	75	35
Sales Skills and Customer Service Courses	Selling Skills & Customer Care	24	220	145	75
Banking Products Awareness Courses	Product Knowledge	13	169	97	72
Functional Courses	Functional	11	72	61	11
Technical Courses	Technical	2	26	14	12
Personal Courses	Soft Skills	17	168	92	76
Remedial Programs	Remedial	2	2	1	1
Seminars and Workshops	Seminars & Workshops	19	156	83	73
Forums & Awareness Sessions	Forums & Awareness	31	1376	831	545
<b>Total</b>		<b>249</b>	<b>3056</b>	<b>1,887</b>	<b>1,169</b>

**10- There are no potential risks that may have a material effect on the bank during the coming financial year.**

**11- During 2015, the bank did not witness any significant process or event that affected its position.**

\* The bank's record of achievements: as detailed and supported by figures in the board's report on the bank's achievements.

**12- Non-reoccurring operations that do not fall under the bank's main activities had no financial impact during 2015.**

**13- Timeline of the development of Jordan Ahli Bank's financial indicators during the last five years:**

Financial year	Net shareholders' equity (in JD Million)	Cash dividends percentage (%)	Value of cash dividends (in JD Million)	Pre-tax net profit (in JD Million)	Share market price (in JD)
2011	253.1	10%	14.5	33.6	1.43
2012	268.3	-	-	30.7	1.26
2013	284.3	6%	9.9	20.9	1.22
2014	308.8	10%	17.5	21.7	1.32
2015	313.5	10%	17.5	32.5	1.25

The General Assembly will advise to distribute 10% cash among shareholders.

In 2014, free shares were distributed to shareholders amounting to 6.06% per shareholder.

In 2013, free shares were distributed to shareholders amounting to 10% per shareholder.

In 2011, free shares were distributed to shareholders amounting to 15% per shareholder.

**14- Analysis of the bank's financial position:**

	2015	*2014	2013
Return on shareholders' equity (ROE)	7.28%	11.06%	5.63%
Return on assets (ROA)	0.92%	1.47%	0.60%
Return on paid-up capital	13.05%	19.52%	9.70%
Credit to assets ratio	49.20%	51.65%	43.96%
Credit to total deposits ratio	67.70%	72.68%	75.10%
Non-performing facilities to total facilities ratio	9.58%	10.16%	12.58%
Profit after tax per employee	JD 14,369	JD 21,457	JD 9,606

\* Nonrecurring events due to selling "Jordan Ahli International" an affiliate company.

**15- Jordan Ahli Bank's future plan is listed separately in the Board of Directors' report.**

**16- Audit fees for Jordan Ahli Bank and its subsidiaries in the year 2015 amounted to JD 197,896 detailed as follows:**

No.	Company name	Audit fee (in JD)
1	Jordan Ahli Bank	163,212
2	Ahli Microfinance Co.	12,241
3	Ahli Brokerage Co.	15,447
4	Ahli Financial Leasing Co.	6,996
<b>Total</b>		<b>197,896</b>



## 17- (A) - Share ownership of board members and their relatives:

No.	Name	No. of shares 2015	Ownership percentage	No. of shares 2014	Ownership percentage
1	H.E. Dr. Omar Razzaz	110,000	0.06%	2,000	0.0%
2	H.E. Mr. Saad Muasher Mrs. Tania Hareb	2,091,875 879,173	1.20% 0.50%	2,091,875 131,944	1.20% 0.07%
3	H.E. Mr. Nadim Muasher Mrs. Rania Dallal	6,363,635 93,687	3.64% 0.05%	6,363,635 93,687	3.64% 0.05%
4	Byblos Bank H.E Mr. Alan Wanna	18,166,192 -	10.38% 0.0%	18,166,192 -	10.38% 0.0%
5	Jordan Investor Center H.E. Mr. Wasef Azar Mrs. Abla Muasher	9,527,030 98,276 91,770	5.44% 0.06% 0.05%	9,427,030 98,276 131,770	5.39% 0.06% 0.07%
6	Muasher Investment & Trading Co. H.E. Mr. Imad Muasher Mrs. Nadine Halasa Mr. Tareq Imad Muasher	461,575 6,392,572 88,104 93,335	0.26% 3.65% 0.05% 0.05%	461,575 6,392,572 88,104 93,335	0.26% 3.65% 0.05% 0.05%
7	Rajai Muasher & Brothers Co. H.E. Mr. Rafiq Muasher	11,424 2,575,000	0.01% 1.47%	11,424 2,500,000	0.01% 1.43%
8	Social Security Corporation H.E. Mrs. Suhair Al Ali	17,500,000 -	10.00% 0.0%	17,500,000 -	10.00% 0.0%
9	H.E. Mr. Mahmoud Zuhdi Malhas	1,952,110	1.12%	1,952,110	1.12%
10	ZI & IME Co. (Saudi Arabia) H.E. Mr. Ala'adin Sami	1,235,379 -	0.71% 0.0%	1,235,379 -	0.71% 0.0%
11	H.E. Mr. Karim Tawfik Kawar	115,115	0.07%	115,115	0.07%
12	H.E. Mrs. Ibtissam El Ayoubi	2,000	0.001%	-	0.0%
13	H.E. Mr. Tarek Jallad	792,738	0.45%	792,738	0.45%

## (B) Share ownership of Senior Executive Management members and their relatives:

No.	Name	Title	No. of shares 2015	No. of shares 2014
1	Mr. Mohammad Musa Daoud	Chief Executive Officer/General Manager	-	-
2	Dr. Ahmad Awad Abdulhalim Alhussein	Senior Deputy Chief Executive Officer/ General Manager	-	-
3	Mr. Issa Khoury	Advisor to the Chairman	18,481	18,481
4	Mr. Ibrahim Ghaoui	Head of Finance & Internal Audit	-	-
5	Ms. Lina Bakhit	Head of Treasury, Investment & Financial Institutions	5,321	5,321
6	Mrs. Hadil Khalaf	Head of Operations & Shared Services	15,253	15,253
7	Mr. Hani Farraj	Head of Acquired Real Estates & Secretary to the Board of Directors	21,212	21,212
8	Mr. Bashar Al Bakri	Head of Human Resources and Logistics	7,530	7,530
9	Mr. Kameel Haddad	Head of Remedial Department	11,849	11,849
10	Mr. Samer Abu Zayed	Head of Business Technology & Center of Excellence	205	205
11	Mr. Jaafar Majdalawi	Corporate Banking & Projects Finance	15,552	-
12	Mr. Mouin Al Bahou	Head of Credit Review	-	-
13	Mr. Marwan Shahatit	Head of Small & Medium Enterprises (SMEs) Banking	1,180	-
14	Mr. Bassem Sleem	Head of Internal Audit	871	871
15	Mr. Tareq Omaish	Head of Consumer Banking Services	-	-
16	Dr. Michael Nu'man	Head of Risk	-	-

## (C) Companies controlled by the board members and their relatives:

No.	Name	Company	No. of shares 2015	No. of shares 2014
1	H.E. Mr. Saad Muasher	- Al Nabil for Trade & Investment Management - Arabia Insurance Co. - Al Dawliyah for Hotels and Malls	2,482,644 2,686,670 -	2,482,644 2,686,670 26,458
2	H.E. Mr. Nadim Muasher	- Jordan Fabrics & Worsted Mills Manufacturing Co. - Arab International Hotels Co. - Beaches for Hotels and Spas Co. - Al Zay Ready Wear Manufacturing Co. - Ranko Public Contracting and Housing Co. - World Fashion Trading Co. - Jordan Investor Center Co. - Ahlona for Social and Cultural Work	4,464,293 1,371,838 - 335,044 1,027,848 100,226 9,527,030 -	4,464,293 1,371,838 - 335,044 1,027,848 100,226 9,527,030 -
3	Jordan Investor Center Co. H.E. Mr. Wasef Azar	- Middle East Insurance Co.	116,666	116,666
4	Muasher Investment & Trading Co. H.E. Mr. Imad Muasher	- World Fashion Trading Co. - Ahlona for Social and Cultural Work - Jordan Investor Center Co. - Arab International Hotels Co. - Ranko Public Contracting and Housing Co. - Jordan Fabrics & Worsted Mills Manufacturing Co. - Beaches for Hotels and Spas Co.	100,226 - 9,527,030 1,371,838 1,027,848 4,464,293 -	100,226 - 9,527,030 1,371,838 1,027,848 4,464,293 -
5	Rajai Muasher & Brothers Co. H.E. Mr. Rafiq Muasher	- Jordan Fabrics & Worsted Mills Manufacturing Co.	11,290,177	11,290,177
6	H.E. Mr. Mahmoud Zuhdi Malhas	- Al Mahmodieh Trading	54,901	54,901
7	ZI & IME Co. H.E. Mr. Ala'adin Sami	- Arab International Hotels Co.	1,371,838	1,371,838
8	H.E. Mr. Karim Tawfik Kawar	- United Insurance Co.	208,865	208,865

## (D) Companies controlled by Senior Executive Management members and their relatives:

No.	Senior Executive Management member	Companies controlled by the member	Shares owned in Ahli Bank 2015	Shares owned in Ahli Bank 2014
1	Mr. Hani Farraj	Al Ruwwad for Security	33,139	33,139

## 18- The total salaries, benefits and remunerations granted to members of the Board of Directors and Senior Executive Management in 2015 amounted to JD 5,041,042.

### A) Salaries, benefits and remunerations of members of the Board of Directors:

Name	Transportation and travel allowance	Committees meeting	Annual remuneration	Total
H.E. Dr. Omar Razzaz	7,200	3,400	1,062	11,662
H.E. Mr. Saad Muasher	7,200	3,100	1,062	11,362
H.E. Mr. Nadim Muasher	7,200	1,700	5,000	13,900
H.E Dr. François Basil Until 15/09/2015 H.E. Mr. Alan Wanna From 15/09/2015 Representative, Byblos Bank	1,800	3,000	987	5,787
H.E. Mr. Wasef Azar Representative, Jordan Investor Center Co.	7,200	4,100	5,000	16,300
H.E. Mr. Imad Muasher Representative, Muasher Investment & Trading Co.	7,200	1,400	5,000	13,600
H.E. Mr. Rafiq Muasher Representative, Rajai Muasher & Brothers Co.	7,200	3,200	5,000	15,400
H.E. Mr. Hani Fraij Representative, Arabia S.A.L. Holding Co.	1,800	0	5,000	6,800
H.E. Mr. Ala'adin Sami Representative, ZI & IME Co. (Saudi Arabia)	9,010	100	5,000	14,110
H.E. Mr. Mohammed Abdallat Until 15/06/2015 H.E. Mrs. Suhair Al Ali From 15/06/2015 Representative, Social Security Corporation	7,200	1,300	5,000	13,500
H.E. Mr. Mahmoud Zuhdi Malhas	7,200	400	5,000	12,600
H.E. Mr. Karim Kawar	7,200	3,300	5,000	15,500
H.E. Mr. Tarek Jallad From 15/04/2015	5,100	300	-	5,400
H.E. Mrs. Ibtissam El Ayoubi From 15/04/2015	5,100	3,900	10,000	19,000

## B) Salaries, benefits and remunerations of members of the Senior Executive Management:

Name	Total salaries	Transportation and travel allowance	Per-deem	Total
Mr. Mohammad Musa Daoud - Chief Executive Officer/ General Manager From 1/11/2015	68,429	800	-	69,229
H.E. Marwan Awad - Chief Executive Officer/General Manager Until 30/10/2015	426,465	940	1200	428,605
Mr. Issa Khoury - Advisor to the Chairman	93,328	-	-	93,328
Dr. Ahmad Awad Abdulhalim Alhusein - Senior Deputy Chief Executive Officer/ General Manager From 8/11/2015	43,313	-	-	43,313
Mr. Ibrahim Ghaoui - Head of Finance & Internal Audit	193,608	7,006	3,086	203,700
Ms. Lina Bakhit - Head of Treasury, Investment & Financial Institutions	144,576	1,650	267	146,493
Mrs. Hadil Khalaf - Head of Operations & Shared Services	144,960	593	1,623	147,176
Mr. Hani Farraj - Head of Acquired Real Estates & Secretary to the Board of Directors	141,344	-	-	141,344
Mr. Bashar Al Bakri - Head of Human Resources and Logistics	134,288	-	-	134,288
Mr. Kameel Haddad - Head of Remedial Department	132,992	943	2,738	136,673
Mr. Samer Abu Zayed - Head of Business Technology & Center of Excellence	153,360	9,096	3,663	166,119
Mr. Tareq Omaish - Head of Consumer Banking Services	115,624	4,096	3,300	123,020
Mr. Jaafar Majdalawi - Corporate Banking & Projects Finance	72,256	-	-	72,256
Mr. Marwan Shahatit - Head of Small & Medium Enterprises (SMEs) Banking	61,546	-	-	61,546
Dr. Michael Nu'man - Head of Risk	127,200	-	-	127,200
Mr. Mouin Al Bahou - Head of Credit Review	80,800	-	-	80,800
Mr. Bassem Sleem - Head of Internal Audit	75,840	-	-	75,840

## 19- Total donations granted to various parties during 2015 amounted to JD 512,443, and are distributed as follows:

Donations granted during 2015 Name	Amount
National associations	267,634
Sports and cultural clubs	8,550
Religious activities	3,910
Art and cultural forums	48,590
Social development funds and charity organizations	60,395
Cultural centers/universities/schools/educational institutions	12,019
Unions	6,000
Governorates and official departments	105,345
Total	512,443

## 20- Jordan Ahli Bank did not enter into any agreement, project or commitment with the Chairman of the board, board members, Director General, bank employees or any of their relatives.

\*Facilities granted to board members under non-preferential terms:

Board members	Balance 31/12/2015 (in JD)	Cash securities (in JD)
H.E. Mr. Nadim Muasher (A) Within the Kingdom (B) Outside the Kingdom	729,566 857,890	0
Mr. Saad Muasher	472,800	0
Jordan Investor Center Co. (A) Within the Kingdom (B) Outside the Kingdom	25,713 3,013,250	0 0
H.E. Mr. Rafiq Muasher (A) Within the Kingdom (B) Outside the Kingdom	170,369 1,134,400	0 0
Muasher Investment & Trading Co.	75,785	0
H.E. Mr. Imad Muasher	154,107	0
H.E. Mr. Karim Kawar	90,000	4,500



**\*Facilities granted to relatives of board members\*:**

Board members	Balance 31/12/2015 (in JD)	Cash securities (in JD)
<b>(A) Facilities related to H.E. Mr. Nadim Muasher:</b>		
Ranko Public Contracting and Housing Co.	1,965,293	-
M/S Nadim and Imad Muasher, and Nabil Muasher's sons Guarantees	985,741 5,000	-
Jordan Fabrics & Worsted Mills Manufacturing Co. Guarantees	- 500,000 126,998	513,041 -
Yousef Muasher Sons Co.	94,358	-
World Fashion Trading Co. Guarantees	521,075 202,494	23,703 -
Business Tourism Co. Guarantees	3,042,643 11,000	5,600 -
Al Remah Contracting and Enterprise Management Guarantees	0 6,000	- 600
Interior Design Studio Guarantees	64,350 37,577	- 37,577
Beaches for Hotels and Spas Guarantees	- 50,000	- -
Al-Aydi Al-Karima for Agricultural Products Guarantees	152,365 10,000	500 -
Al Karam for Agricultural Products Guarantees	- 427,787	- -
<b>(B) Facilities related to Rafiq Muasher &amp; Brother Co.:</b>		
Ahlia Stock Exchange Co.	265,246	-
<b>(C) Facilities related to the Jordan Investor Center Co.:</b>		
Al Izdihar Center for Trade and Investment	483,190	-
Jordan Tourism & Hotels Education Guarantees	516,776 15,850	67,107 -
<b>(D) Facilities related to H.E. Mr. Saad Muasher:</b>		
Al Nabil for Trade & Investment Management	54,611	-
Ibrahim Nabil Muasher	171,728	-
Yousef Nabil Muasher	385	-
<b>(E) Facilities related to Mr. Mahmoud Malhas:</b>		
Al Mahmodieh Trading	493,301	-
<b>(F) Facilities related to H.E. Mr. Karim Kawar:</b>		
Amin Kawar & Sons Co.	931,489	-
Arab Directory for Websites	155,500	-
Kawar Energy Co.	191,216	-

\* According to the definition of "relative" as defined by the Central Bank of Jordan, regulation number 9/2001, dated 1/8/2001.

**21- (A) Jordan Ahli Bank supports environmental conservation activities maintaining Al Ahli Garden opposing the General Management Building.**

**(B) Jordan Ahli Bank contributes to supporting members of the local community in various areas, as detailed below:**

Bank's contribution to environmental conservation and local community service in 2015	Amount
Name	
Local associations dedicated to community members	19,558
The Zakat Fund/ Torood Al Khair/ Mawaed Rahman	23,365
The Children's Museum	57,388
Support for the local community	1,432
Total	101,743

# The Bank's Commitment to Corporate Governance Requirements

Based on the regulations of the Central Bank of Jordan and the Jordanian Securities Commission, and under the supervision of the Board of Directors' various offshoot committees, the bank's executive management continued to monitor the full implementation of the Corporate Governance Code adopted by the bank. In this respect, the bank exhibited its strong commitment to the regulations, adherence to governance rules, as well as continuous supervision thereof so as to ensure compliance with the code, including the adoption of the Board of Directors' Charter, as well as the disclosure and supervision policy to ensure compliance with the best local and international rules and practices in this regard. The committees also continued to perform their functions according to the provisions of the Corporate Governance Code. These committees are detailed as follows:

## (A) Corporate Governance Committee, which comprises:

1- H.E. Dr. Omar Razzaz	Chairman of the Committee
2- H.E. Mr. Saad Muasher	Deputy Chairman of the Committee
3- H.E. Mr. Nadim Muasher	Member
4- H.E. Mr. Tareq Jallad	Member

## (B) Audit Committee, which comprises:

1- H.E. Mr. Karim Kawar	Chairman of the Committee
2- H.E. Mrs. Ibtissam El Ayoubi	Deputy Chairman of the Committee
3- H.E. Mr. Wasef Azar	Member/Representative, Jordan Investor Center Co.
4- H.E. Mrs. Suhair Al Ali	Member/Representative, Social Security Corporation

## (C) Risk Management Committee, which comprises:

1- H.E. Mr. Saad Muasher	Chairman of the Committee
2- H.E. Mr. Rafiq Muasher	Member/Representative, Rajai Muasher & Brothers Co.
3- H.E. Mrs. Ibtissam El Ayoubi	Member
4- H.E. Mrs. Suhair Al Ali	Member/Representative, Social Security Corporation
5- Chief Executive Officer/General Manager	Member
6- Dr. Ahmad Alhussein - Senior Deputy Chief Executive Officer	Member
7- Dr. Michael Nu'man	Member

## (D) Nominations and Remunerations Committee, which comprises:

1- H.E. Omar Razzaz	Chairman of the Committee
2- H.E. Mr. Wasef Azar	(Independent) Member/Representative, Jordan Investor Center Co.
3- H.E. Mr. Rafiq Muasher	(Non-Executive) Member/Representative, Rajai Muasher & Brothers Co.
4- H.E. Mr. Mahmoud Malhas	(Independent) Member

## **(E) Board Facilities (Executive) Committee, which comprises:**

1- H.E. Dr. Omar Razzaz	Chairman of the Committee
2- H.E. Mr. Saad Muasher	Deputy Chairman of the Committee
3- H.E. Mr. Nadim Muasher	Member
4- H.E. Mr. Rafiq Muasher	Member/Representative, Rajai Muasher & Brothers Co.
5- H.E. Mr. Wasef Azar	Member/Representative, Jordan Investor Center Co.
6- H.E. Mr. Karim Kawar	Member
7- H.E. Mr. Imad Muasher	Member/Representative, Muasher Investment & Trading Co.
8- H.E. Mrs. Ibtissam El Ayoubi	Member
9- H.E. CEO/Director General	Member

## **(F) Strategies & Information Technology Committee, which comprises:**

1- H.E. Mr. Saad Muasher	Chairman of the Committee
2- H.E. Dr. Omar Razzaz	Member
3- H.E. Mr. Nadim Muasher	Member
4- H.E. Mr. Karim Kawar	Member
5- H.E. Mrs. Ibtissam El Ayoubi	Member
6- H.E. Mr. Tareq Jallad	Member

The committees have been reformed on 19/4/ 2015 based on the BOD's fourth meeting in 2015.

The Committees' duties are included in the Corporate Governance Code.

## **Board and Committees' Meetings during 2015:**

- (A) The board held twelve meetings during 2015.
- (B) The Audit Committee held twelve regular meetings during 2015, in addition to another three non-regular ones.
- (C) The Nominations and Remunerations Committee held nine meetings during 2015.
- (D) The Risk Management Committee held seven meetings during 2015.
- (E) The Board Facilities (Executive) Committee held twenty-six meetings during 2015.
- (F) The Corporate Governance Committee held two meetings during 2015.
- (G) The Strategies & Information Technology Committee held five meetings in 2015.

# Corporate Governance Guide

Approval of the board at its sixth meeting dated on 12/05/2015

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## Introduction

Rules of corporate governance have become one of the most important issues discussed in the world economies. They present an important factor that reinforces the success of economic and organizational reforms currently undertaken in the context of globalization; openness of economies towards each other. As such, it is considered as one of the mechanisms to achieve managerial reform through embracing the principles of fairness, transparency, disclosure as well as accountability and control in addition to clearly specifying responsibilities and relations between all stakeholders to achieve the bank's vision and objectives. Accordingly, the importance of corporate governance is such that it is considered a platform for the development of the institutional performance that further reinforces overall trust in the bank as an investment safeguarding tool for depositors' and shareholders' savings on one hand, while on the other hand enabling the bank to effectively contribute to the development of the banking sector which is considered one of the main pillars for economic and social sustainable development.

Corporate governance is defined as the system by which the bank is being guided and managed through specifying and achieving the bank's corporate objectives, safely running its operations, safeguarding depositors' interests, commitment towards shareholders and all stakeholders as well as the bank's adherence to internal policies and legislations.

The Organization of Economic Cooperation and Development (OECD) defines corporate governance as "A set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, thereby encouraging firms to use resources more efficiently."

Effective corporate governance is considered the basis for institutional success, whereby it provides the appropriate tools and practices for the Board of Directors and the Executive Management to achieve the corporate strategic objectives, and creates an environment of effective control; hence it is highly regarded as a key to win the trust of all stakeholders.

Based on that, Jordan Ahli Bank's Board of Directors has decided to adopt the guidelines for corporate governance, which will be later referred to as the guide/code, which was prepared according to the corporate governance guidelines issued by the Central Bank of Jordan and best international practices as pertained in Basel Committee recommendations on corporate governance, in addition to implementing the requirements of the regulatory authorities in other countries that host the bank's branches. Moreover, the board is committed to implement the Corporate Governance Code in accordance with the Jordanian banking environment and the legislative and legal framework governing the bank.

The bank reviews, updates and amends the code from time to time and whenever necessary in order to keep pace with its changing needs and expectations. Accordingly, the bank has published an updated copy of the code attached to the annual report, in addition to a report that specifies the bank's commitment to the code's provisions.

With the code in place, the bank wishes to achieve the guiding principles to deal with all stakeholders with the utmost fairness and transparency, in addition to accurate disclosure with regards to the bank's administrative and financial status. The code will also emphasize the principles of accountability towards the relations between the Executive Management and the Board of Directors as well as the relations between the Board of Directors on one hand and shareholders and stakeholders on the other hand through verifying the existence of a clear separation of responsibilities and authority delegation.

## Legal Framework and Guide Preparation Resources

The Corporate Governance Code/Guide was prepared in accordance with the following laws and regulations:

- Banks Law number 28 for the year 2000
- Companies Law number 22 for the year 1997
- Securities Law number 76 for the year 2002
- Corporate Governance Guide number 58 for the year 2014 issued by the Central Bank of Jordan
- Basel Committee Regulations

## Definitions

Central Bank	Central Bank of Jordan
The Bank	Jordan Ahli Bank
The Board	Jordan Ahli Bank's Board of Directors
Members of the Board of Directors	Member of the Jordan Ahli Bank's Board of Directors, whether personally or as a representative on behalf of a legal person.
Corporate Governance	The system of rules by which the bank is directed and controlled and which essentially involves identifying the bank's corporate objectives and the framework for attaining them, the safe operation of the bank's business, securing the interests of depositors, shareholders and other stakeholders, and compliance with the bank's bylaws and internal policies.
Executive Member	Member of the board, who in turn participates in the daily management of the work.
Senior Executive Management	The Senior Executive Management comprises the General Manager or Regional Manager, Deputy General Manager or Deputy Regional Manager, Assistant General Manager or Assistant Regional Manager, Financial Manager, Operational Manager, Risk Management Manager, Internal Audit Manager, Treasury (Investment) Manager and Compliance Manager, in addition to any employee who has executive authority parallel to any authority of the above-mentioned and is directly functionally associated with the General Manager.
Subsidiary	A company comprising one person or more with joint interest and not less than 50% in seed capital, or influential interest that allows them to control its management or its general policy.
Suitability	The fulfillment of certain requirements and criteria by the members of the board and senior executives.
Third Party	A third party (person or bank) is considered if either of them has directly or indirectly controlling interest on one another, (the bank's subsidiaries are regarded as third party), or an executive person at the bank or has joint interest with one of the executives, or if the person was a husband of one of the executives, or is a cousin or wife of one of the executives up to the second degree or has a joint interest with any of the above-mentioned.
Control	The ability to effectively influence the work or decisions of another person directly or indirectly.
Controlling Interest	The control of not less than 10% in seed capital of a legal person.
Major Shareholder	The person who directly or indirectly holds 5% or more in seed capital of the bank.
Stakeholders	Any person/group/organization that has interest or concern in the bank, such as depositors, shareholders, employees, debtors, customers or competent regulatory authorities.
Conflict of Interest	Any relationship that exists between any of the board members or the bank's employees or the clients or suppliers or competitors that limits their ability to fully perform their duties and responsibilities objectively and the end result of this relationship is to achieve personal benefit, either morally or materialistically, on the account of the bank.
Affiliates	Are those companies in which the bank practices effective influence on the financial and operational policies (without the bank controlling it) and holds between 20% to 50% of voting rights.



Affiliate	A person controlling another person or vice versa or both persons being controlled by a third person.
Auditor	All the auditors (normal people) grouped under the name of an auditing firm, which audits the bank's accounts, and is registered under the list the Central Bank issues annually.
Credit	Is the total of direct and indirect credit facilities and bonds by the bank and stemming by a person.
Independent Member	<p>A board member who meets the following conditions, according to the provisions of article 6/D of the instructions of the Corporate Governance as provided by the Central Bank of Jordan:</p> <ol style="list-style-type: none"> <li>1- Has not been an executive member of the board during the three years preceding the date of his candidacy for membership of the Board of Directors.</li> <li>2- Has not been employed by the bank or any of its subsidiaries in the three years prior to the date on which this code has been put into force.</li> <li>3- Is not a relative (up to the second degree) of any of the other members of the board or any board member of the subsidiaries of the bank or a relative of any of the bank's major shareholders.</li> <li>4- Is not a relative of any of the senior executive management members of the Bank or any of the senior executive management members of the subsidiaries of the Bank up to the second degree.</li> <li>5- Is not a partner or employee of the external auditor of the bank, or has been such a partner or employee during the past three years preceding the date of his election as member of the board and is not a relative (up to the first degree) with the partner responsible for the audit.</li> <li>6- Is not a major shareholder in the bank or a representative or associate of a major shareholder in the bank, nor should his shareholding constitute, along with his associate shareholder, a major shareholding, nor is a major shareholder of one of the bank's subsidiaries.</li> <li>7- Has not been a member of the Board of Directors of the bank or any of its subsidiaries for more than eight consecutive years.</li> <li>8- Has not obtained, personally or through any other company in which he is a board member or owner or a major shareholder, credit facilities from the bank in excess of 5% of the bank's share capital, nor is a guarantor of a facility which amounts in excess of the said percentage.</li> <li>9- Has adequate knowledge and experience in the financial and banking sectors.</li> </ol>
Internal Capital Adequacy Assessment Process (ICAAP)	A future operation to evaluate the capital adequacy of all the risk elements the bank might face whether it was expected or unexpected. The risk elements include the first risk pillar (credit, market, operational), the second risk pillar (liquidity, interest in the bank's portfolio, credit concentrations, strategies, reputation and business cycle) and the specific risk elements (Corporate Governance, Board of Directors, Executive Management, risk management, internal audit and internal controls).
Stress Tests	A group of hypothetical scenarios that cover all types of risks (credit, market, operational, concentrations, liquidity) designed to evaluate the bank's ability to continue under normal conditions and stressful situations by assessing the extent of unexpected losses and its impact on the profit and loss, the bank's financial status and strategic and contingency plans.
Acceptable Risk Document	It is the document that specifies the acceptable levels of risks the bank might face.

# 1- Corporate Governance Stakeholders

## 1/1 Shareholders:

Aiming at reinforcing adequate corporate governance, the bank, represented by its Board of Directors has taken considerable measures to protect shareholders' rights and their equal treatment according to the following criteria:

- The bank shall provide adequate and timely essential and material information on its activities to all stakeholders through its website, annual report as well as its shareholders' relations section.
- The bank shall take active steps to encourage shareholders to participate in the Annual General Assembly through acquainting them with meeting agendas and enabling shareholders to view the General Assembly's minutes of meeting on the bank's website.
- Separate voting shall be taken into consideration on every issue raised during the General Assembly's annual meeting.
- The board shall limit the influence of major shareholders.
- The board shall put in place adequate procedures to ensure a clear separation between the authorities of major shareholders on one side and the executive management on the other side, whereby none of the major shareholders is to hold a position in the bank's senior executive management.
- The bank shall separate between the Chairman of the Board and the General Manager position, while observing that there is no family relation between the Chairman or any of the board members or major shareholders and the General Manager below fourth degree.
- The bank shall develop a criterion to evaluate the performance of the board and its members, whereby it facilitates continuous communications between the board and shareholders.

## 1/2 Board Members:

Board members have the prime responsibility for the management and performance of the bank whereby board members, on behalf of the shareholders, oversee the work of the management within the framework of the relevant rules, regulations and internal policies.

## 1/3 Bank Employees:

All bank employees have the task to apply internal control procedures as part of their respective responsibilities in achieving the goals of the bank. All employees should possess the necessary knowledge, skills, information and authority to perform their duties. This requires that employees have a complete understating of the operations of the bank, the industry, the market and pertinent risks.

## 1/4 Stakeholders:

The various parties having contractual relations with the bank, such as customers, suppliers and creditors. The relationship between the bank and the various stakeholders is governed by a set of policies and procedures that better organize such a relationship.

# 2- Organizational Structure

The Board of Directors shall approve an organizational structure that suits the bank's nature of activities. This shall include:

- An organizational structure for the bank and its affiliates showing administrative hierarchy that includes board committees and executive management.
- Set and enforce clear guidelines for responsibility and accountability at all levels at the bank and comply and ensure compliance therewith.
- Ensure that the organizational chart clearly reflects the lines of responsibility and authority, which chart shall include at least the following supervisory levels:

1- Board of Directors

2- Separate departments for risk, compliance and internal audit that do not carry out daily executive tasks

3- Units/employees not involved in the daily operations of the bank's activities

## 3- Board of Directors

### 3/1 Composition of the Board

- 1- The board shall comprise of no less than eleven members elected by the bank's General Assembly.
- 2- The bank always accounts that none of the board members is an executive member.
- 3- The board shall have a minimum of four independent members.
- 4- The bank defines the independent member as the member who meets the following requirements:
  - 4/1 Has not been an executive member of the board during the three years preceding the date of his candidacy for membership of the Board of Directors.
  - 4/2 Has not been employed by the bank or any of its subsidiaries in the three years prior to the date on which this code has been put into force.
  - 4/3 Is not a relative (up to the second degree) of any of the other members of the board or any board member of the subsidiaries of the bank or a relative of any of the bank's major shareholders.
  - 4/4 Is not a relative of any of the senior executive management members of the bank or any of the senior executive management members of the subsidiaries of the bank up to the second degree.
  - 4/5 Is not a partner or employee of the external auditor of the bank, or has been such a partner or employee during the past three years preceding the date of his election as member of the board and is not a relative (up to the first degree) with the partner responsible for the audit.
  - 4/6 Is not be a major shareholder in the bank or a representative or associate of a major shareholder in the bank, nor should his shareholding constitute, along with his associate shareholder, a major shareholding, nor is a major shareholder of one of the bank's subsidiaries.
  - 4/7 Has not been a member of the Board of Directors of the bank or any of its subsidiaries for more than eight consecutive years.
  - 4/8 Has not obtained, personally or through any other company in which he is a board member or owner or a major shareholder, credit facilities from the bank in excess of 5% of the bank's share capital, nor is a guarantor of a facility which amount is in excess of the said percentage.
  - 4/9 Has adequate knowledge and experience in the financial and banking sectors.
- 5- Each member of the board shall serve a term of four years.
- 6- Board members are to attend board meetings in person, in case it is impossible to attend he/she can participate through video conferencing or phone after acquiring the approval of the board's Chairman, however, without the right to vote or sign the minutes of meeting.
- 7- Neither the Chairman nor any of the board members is related to the Chief Executive Officer up to the second degree.

### 3/2 Responsibilities and Duties of the Board of Directors

- 1- Oversee and monitor the executive management and its performance, ensure the financial soundness and solvency of the bank, and approve appropriate policies and procedures to supervise and control the bank's performance.
- 2- Specify the strategic objectives of the bank, instruct the executive management to set a strategy for achieving those objectives and approve the strategy and such work plans that are compatible therewith.
- 3- Approve a policy for monitoring and supervising the performance of the executive management by setting key performance indicators to gauge and observe performance and progress towards the implementation of the strategic plan of the bank.
- 4- Ensure the availability of policies, plans and procedures for all the bank's activities and that such policies, plans and procedures are in compliance with the relevant applicable legislation, are being circulated to all levels of management and are being regularly reviewed.
- 5- Identify a corporate culture of high ethical standards and integrity alongside setting and enforcing clear lines of responsibility and accountability throughout the bank.
- 6- Bear the ultimate responsibility for the bank's business including its financial status, and its compliance with the requirements of the Central Bank and such other regulatory authorities. The board shall also be ultimately responsible for safeguarding the interests of the stakeholders, ensuring that the bank is being operated in accordance with its bylaws and internal policies and that effective supervision and control measures over the activities of the bank, including those outsourced, are always available.
- 7- Appoint and accept the resignation of the Head of Internal Audit, Head of Risk Management and Head of Compliance based on the recommendation of the Nomination and Remuneration Committee.
- 8- Approve and annually review the internal control systems of the bank and ensure that the internal and external auditors review the structure of these systems once a year at least, and ensure the publication of a disclosure on the adequacy of those controls in the annual report.

- 9- Ensure the constant independence of the external auditor.
- 10- Approve and monitor the implementation of the risk management strategy including the bank's risk tolerance/ appetite and ensure that the bank is not exposed to high risks, that the board is cognizant of the of the operational environment and associated risks and that all needed risk management instruments and infra structure bare available and able to identify, measure, control and supervise all kinds of risks to which the Bank may be exposed.
- 11- Ensure an adequate and reliable information management system covering all the activities of the bank.
- 12- Ensure that the bank's credit policy includes a corporate governance evaluation system for its corporate clients, in particular the public shareholding companies whereby the risk is evaluated by points of weakness and strength according to their implementation of sound corporate governance practices.
- 13- Ensure that the Bank adopts social initiatives in the field of environment, health and education.
- 14- Adopt sufficient procedures to ensure clear separation of powers between controlling shareholders on the one part and executive management of the bank on the other, in order to reinforce sound corporate governance. The board shall also attain proper mechanisms to limit the influence of the controlling shareholders.
- 15- Approve the organizational structure of the bank that shows the administrative hierarchy including board committees and executive management.
- 16- Approve the strategies and policies at the group level (including the sister company), approve the administrative structures for the subsidiaries and establish a Corporate Governance Code at the group level taking into account the instructions issued in this regard by the central banks or regulatory authorities in the countries in which the subsidiaries operate.
- 17- Determine the banking operations which require the approval of the Board of Directors, subject always to limiting the scope of operations requiring the board's approval in order not to prejudice the supervisory role of the board, and subject also to not granting the board any executive authorities including the granting of credit to a single board member including the Chairman.
- 18- Appointment of the Secretary of the Board and determine his/her responsibilities.
- 19- Allow direct communication between the members of the Board of Directors and its committees with the executive management and the Secretary of the Board and facilitate the performance of their duties including seeking the assistance, at the expense of the bank and upon its approval, of third parties.
- 20- Ensure that the acts of the members of the board do not influence the decisions of the executive management apart from through deliberations during the meetings of the board or its committees.
- 21- The board approves succession plans for the bank's senior executives that are reviewed at least once a year.
- 22- The board shall inform the Central Bank of any material information that may negatively affect the suitability of its board members or the members of the senior executive management.
- 23- The board shall guarantee the independence of the risk management department at the bank by sending its reports to the risk and compliance committee in addition to granting the risk department all needed authorities and powers to facilitate acquiring all information from the various bank departments and cooperation with other committees to carry on its tasks.
- 24- The board shall guarantee the independence of the compliance management and further guarantee that it is acquainted with sufficient and trained cadre.

### 3/3 The Chairman of the Board

#### Role of the Chairman:

- 1- Encourage efficient relationship between the Board of Directors and the executive management.
- 2- Promote critical discussions of issues deliberated by the Board and ensure different views are expressed and discussed during the decision-making process.
- 3- Ensure that the board secretary provide the board members with the minutes of previous meetings and get them signed, and ensure timely provision of board meetings' agendas and documents, provided that the said agendas contain sufficient information about the items that will be discussed. The Secretary of the Board shall be responsible for providing the board members with the documents.
- 4- Ensure that there exists a charter that sets out the Board of Directors' mandate and scope of work.
- 5- Encourage thorough discussions of strategic and critical issues by the board.
- 6- Provide each board member, upon his election, with the laws and regulations that govern banks' activities and the instructions of the Central Bank of Jordan including this Corporate Governance Code and a manual outlining the rights, responsibilities and duties of the member and the responsibilities and duties of the Secretary of the Board.
- 7- Provide each member with comprehensive summary of the bank's activities upon his/her election or request.

- 8- Discussing with each new member and in cooperation with the bank's legal Counsel, the duties and responsibilities of the board, in particular; issues pertaining to the legal and regulatory requirements, the term of the board membership, dates of the meetings, responsibilities and duties of the Board Committees and the amount of remuneration.
- 9- To accommodate the board members' needs for continuous enhancement of their knowledge and expertise and to allow new board members, taking into consideration his/her banking background, to join an orientation program that includes the organizational structure of the bank, corporate governance and the code of conduct, corporate objectives and the bank's strategic plan and approved policies, in addition to the financial position of the bank as well as the bank's risk structure and the risk management framework.
- 10- Ensure high standards of corporate governance by the bank.
- 11- Inform the CBJ of any material information that might negatively affect the suitability of any of its board members.

## 3/4 Board Members

### 3/4/1 Suitability

The Board shall develop an effective policy to ensure suitability of its members. The following are considered the necessary qualifications and expertise that any board member should possess:

#### A- Board Membership Requirements and Qualifications:

Chairman and Board members should fulfill the following requirements:

- 1- Is at least 25 years of age.
- 2- Is not a board member of any other bank in Jordan, nor is he/she a general manager or a regional manager, or an employee of that bank, unless the said bank is considered an affiliate bank.
- 3- Is not a lawyer, legal consultant or an auditor for the bank.
- 4- Is a holder of a university degree in any of the following specialties: economics, finance, accounting, business management or any other similar fields, whereby the Nominations and Remunerations Committee is allowed to add other specialties if associated with expertise that is bank related.
- 5- Is not a government employee or any other public institution, unless he/she is a representative of that particular entity.
- 6- Is not a Board member of more than five public shareholding companies inside Jordan.
- 7- Is to have at least five years of experience in banking, financial or any other similar fields.

#### B- Integrity and Accountability:

- 1- Board members, senior executive management and all bank employees shall possess the highest standards of integrity, accountability and competence along with expertise and commitment to devote time towards working for the best interest of the bank, while it is the responsibility of the board and the Nominations and Remunerations Committee to ensure maintaining such standards and commitments.
- 2- The Chairman and board members shall sign a suitability attestation in accordance with the form approved by the Central Bank of Jordan.
- 3- The Chairman shall advise the Central Bank of Jordan of any material information that might negatively affect the suitability of any of the board members.
- 4- Avoid exploitation of bank related information to gain personal benefits.
- 5- Prioritize the bank's interest in all transactions with any other company in which he/she has a personal interest, not allow competition over business opportunities between the bank and such other company, avert conflict of interests and disclose to the Board of Directors the details of any conflict of interest situation and abstain from attending or voting in the meeting in which such matter is to be discussed. Such disclosure should be recorded in the minutes of meeting.
- 6- Avert any potential conflict of interest.
- 7- Disclose any conflict of interest that may occur due to having affiliate companies within the group.

### 3/4/2 Board Members Duties and Responsibilities:

Members of the Board of Directors shall:

- 1- Have adequate knowledge of applicable legislation and principles pertaining to the banking industry and the operational environment of the bank, and keep up with major changes in these fields including the requirements of employment in senior executive management positions.
- 2- Attend board meetings, board committees and the General Assembly meetings.

### **3/4/3 The Boards' Orientation Program**

Each board member is to have the opportunity to attend the Orientation Program to further develop his/her knowledge and expertise. The program takes into consideration the members' banking background and includes the following subjects:

- 1- The bank's organizational structure, corporate governance and the code of conduct.
- 2- Corporate objectives and the bank's strategic plan and approved policies.
- 3- The bank's financial position.
- 4- The bank's risk structure and risk management framework.
- 5- Information about the bank's activities in comparison with other local banks.

### **3/5 Secretary of the Board**

The Secretary of the Board is responsible for the following:

- 1- Attending all meetings of the board and recording all deliberations, suggestions, objections, and results of voting on board resolutions.
- 2- Setting the dates for the board meetings in coordination with the Chairman.
- 3- Ensuring that all board members sign the minutes of the meetings and the board resolutions.
- 4- Monitor the implementation of the board resolutions, and following-up on topics postponed from previous meetings.
- 5- Keeping records and documents of board meetings.
- 6- Ensuring that the draft resolutions intended to be issued by the board are consistent with the applicable rules and regulations.
- 7- Prepare for the General Assembly meetings and coordinate with the board's committees in this regard.
- 8- Submit the suitability attestations signed by each of the board members to the Central Bank.

### **3/6 Organization of the Board Operations**

- 1- The board shall meet at least 6 times per year.
- 2- The Chairman is entitled to call for a meeting in the event of any developments.
- 3- The Secretary of the Board shall deliver to all the board members the meeting agenda, at least a week prior to the meeting date, ensuring that the agenda includes all the relevant information on the topics that will be discussed in the meeting, and the progress on the decisions taken in previous meetings.
- 4- Board members must attend the meetings in person.
- 5- If unable to attend, any board member can present his/her perspective through video or telephone, after the approval of the Chairman, in which case such member will not be entitled to vote or sign the minutes of the meeting.
- 6- The Secretary of the Board shall fully and accurately minute the deliberations and proceedings of the meetings of the board and its committees along with any reservation that may be voiced by any member.
- 7- Such minutes shall be duly and properly kept by the Secretary of the Board.
- 8- The Chairman shall ensure that the senior executive management provides all board members with adequate and accurate information prior to board meetings.
- 9- The Secretary of the Board ensures that all the attendees sign the board minutes.
- 10- The Secretary of the Board must deliver the agenda of the board meeting at least a week before the scheduled meeting.
- 11- The Chairman must attend the meetings and is entitled to assign any other board member to head the meeting in case he/she was unable to attend.
- 12- In the absence of any board member, the votes of the remaining board members are accounted for.

## **4- Committees Emanating from the Board**

In order to organize the board's workflow and increase its efficiency and competency, the board has formed different committees delegated with certain powers and responsibilities in line with the regulations of the Central Bank of Jordan regarding corporate governance and the bank's strategies and objectives. Nevertheless, the presence of these committees does not exempt the Board of Directors from their direct responsibilities towards the bank. The following is taken into account when forming these committees:

- The board committees must have an odd number of members for voting purposes.
- Preparing a charter for each committee that is approved by the board, whereby specifying each committees' duties, responsibilities and powers and also indicating the nature of the committee (permanent or temporary).
- Each committee consists of no less than three members appointed by the board under the recommendations of the Nominations and Remuneration Committee including the Head of the Committee.



- Every member should possess as much credibility, integrity, competency, the necessary experience, dedication, commitment and devotion for the bank.
- Every member should have the knowledge, experience and qualifications that will assist him/her in taking suitable decisions independently and objectively.
- A member can be part of more than one committee, as long as it does not represent a conflict of interest.
- The head for each committee is appointed by the Chairman, whereby the former is responsible for overseeing the performance of the committee and submitting periodic reports to the board.
- The committees emanating from the board meet on a regular basis according to the charter approved by the board.
- The bank discloses the names of the different committee members as well as the duties and responsibilities of each in the bank's annual report.
- The committees raise their reports, recommendations and results to the board periodically.

## 4/1 The Corporate Governance Committee

- 1- The Corporate Governance Committee comprises of three members of the board, of whom two members are independent including the Chairman.
- 2- The Head of the Committee may also summon any employee from the senior executive management to attend the meetings (without the right to vote).
- 3- Provide guidance and supervision in preparing the Corporate Governance Code.
- 4- Monitor the implementation of the Corporate Governance Code.
- 5- Promoting and emphasizing the concepts of Corporate Governance in the bank.
- 6- Recommend the Corporate Governance Code for the board to approve.
- 7- Review, amend and update the Corporate Governance Code on a yearly basis or when needed in accordance with the Central Bank's instructions and in line with the needs and policies of the bank.
- 8- Submit a report to the board showing the management's level of commitment towards the articles in the code.
- 9- Ensure that the code is on the bank's website for the public to view.

## 4/2 The Audit Committee

- 1- The Audit Committee shall be comprised of at least three board members provided that the majority of the members, including the Head of the Committee, are independent members.
- 2- The Audit Committee members should have professional financial or accounting qualifications and practical experience in the fields of accountancy, finance or any other specializations or similar areas that are relevant to the bank's business.
- 3- The committee operates under a charter of its functions and responsibilities approved by the board.
- 4- Provided that such authority is granted to the Audit Committee in its chart, the committee may obtain any information from executive management, and summon any executive or director to attend its meetings.
- 5- The Audit Committee shall submit its recommendations to the board regarding the external auditor's appointment / termination of appointment, remuneration, and other terms of engagement taking into account any non-audit services that they have performed, in addition to assessing the independence of the external auditor.
- 6- The Audit Committee shall meet, at least once a year, with each of the bank's external auditor, internal auditor and compliance officer, without the presence of the executive management.
- 7- Yearly verification of the independence of the external auditor.
- 8- The committee monitors and reviews the procedures that enable an employee to report any error in the financial reports or any other matters confidentially. The committee ensures the necessary arrangements for an independent investigation, makes sure to follow the results of the investigation and ensures they are addressed objectively.
- 9- The committee exercises its role in accordance with the banks' laws, the Corporate Governance Code and other relevant laws and regulations to include the following:
  - 9/1 Assess the scope, results and adequacy of the bank's internal and external audits.
  - 9/2 Review accounting issues that will have a material impact on the bank's financial statements.
  - 9/3 The bank's internal controls.
- 10- Ensure the availability of sufficient resources and qualified cadres for managing and training the internal audit.
- 11- The committee works to enhance the independence of the internal auditors, ensures they are qualified to perform their duties including the right to obtain all records and information as well as contact any employee within the bank and prepare their reports without any external interference.
- 12- Rotation of the internal auditors to audit all the bank's activities every three years at a minimum.
- 13- Ensure that the internal auditors do not perform any executive duties.



- 14- Enhance the effectiveness of the internal audit by emphasizing the importance of the auditing process and continue to follow-up on the correctional notes.
- 15- Make sure that all the bank's activities are subject to audit including those assigned to outsourced activates.
- 16- The committee is to have direct supervision over the Internal Audit Department, and to present a report to the Head of Audit.
- 17- The committee is to review and certify the Internal Audit Charter which includes the duties and responsibilities of the Internal Audit Department.
- 18- The committee evaluates the performance of the Internal Audit Department manager and employees and determines their remunerations.
- 19- Ensure that the Internal Audit Department is capable of carrying out the following tasks:
  - 19/1 Ensure the availability of adequate internal controls at the bank and its subsidiaries and that such controls are being adhered to.
  - 19/2 Ensure compliance with the bank's internal policies and to the relevant laws and regulations.
  - 19/3 Review financial and managerial issues so as to ensure their accuracy, reliability and that they are being provided in a timely manner.
  - 19/4 Adherence to the Corporate Governance Code.
  - 19/5 Review the accuracy and comprehensiveness of the Stress Testing in accordance with the methodology approved by the board.
  - 19/6 Ensure the accuracy of the procedures for the ICAAP.
- 20- The committee submits its reports and recommendations to the Board of Directors.

### 4/3 The Nominations and Remuneration Committee

- 1- The Nomination and Remuneration Committee shall be comprised of three board members, at least two of whom shall be independent including the Head of the Committee.
- 2- The duties and responsibilities of the Nomination and Remuneration Committee are as follows:
  - 2/1 Recommending qualified candidates for the membership of the Board of Directors, taking into consideration the candidates' qualifications and skills. In case of re-nomination, the regular attendance of such candidate of board meetings and active participation in the meetings shall be taken into consideration.
  - 2/2 Recommending to the board qualified candidates for appointment to senior executive management jobs.
  - 2/3 Ensuring that board members attend workshops or seminars related to banking topics with particular emphasis on Risk Management, Corporate Governance and other topics covering the latest updates in the banking industry.
  - 2/4 Defining the criteria applicable to independent members.
  - 2/5 Defining and annually reviewing the fulfillment criteria that designates a member as independent.
  - 2/6 Setting specific standards to evaluate the performance of the board and the Chief Executive Officer objectively.
  - 2/7 Providing, upon request, background information and summaries to the members of the board regarding certain significant matters about the bank, and ensure keeping the members informed with regards to material updates in the banking industry.
  - 2/8 Ensuring that a Performance Incentives Policy is in place and that the policy is being implemented and periodically reviewed. The committee shall also recommend the compensation and benefit plan for the Chief Executive Officer and other senior executive managers.
  - 2/9 Ensuring that a succession plan for the senior executive management exists.
  - 2/10 Ensure that every Board and Senior Executive Management member possesses as much credibility, integrity, competency, the necessary experience, commitment and devotion for the bank.
  - 2/11 The committee annually evaluates the board, committees and members' conduct and informs the Central Bank of Jordan of the results.
  - 2/12 Evaluate the performance of the Chief Executive Officer according to an evaluation mechanism set by the Nomination and Remuneration Committee which shall include key performance indicators. The aspects of evaluation of the performance of the Chief Executive Officer shall include the administrative and financial operation of the bank, and the achievement of the medium and long term goals and strategies of the bank. The committee shall inform the Central Bank of Jordan of the results of the evaluation.

### 4/4 The Risk and Compliance Committee

- 1- The Board Risk and Compliance Committee comprises of three members, one of whom shall be an independent member. Members of the senior executive management are permitted to join.
- 2- The committee carries out the following duties:

- 2/1 Review the bank's risk management framework.
- 2/2 Review the bank's risk management strategy prior to being approved by the board.
- 2/3 Ongoing monitoring of risk factors that might affect the risk profile of the bank and submitting regular reports to the board.
- 2/4 Identify any variance between the actual risk taken by the bank and tolerable risk as approved by the board.
- 2/5 Identify and regularly report to the board any risk factors with major effect on the bank, or any other activities that might put the bank at a risk level higher than the tolerable risk approved by the bank, and follow up on the identified issues.
- 3- Ensure the independency of the Risk Department through the submission of reports to the Risk and Compliance Committee and grant the department the necessary privileges to obtain information from other departments and committees.
- 4- Determine a strategy related to risk management and monitor its implementation. The strategy shall specify the level of risk tolerance accepted by the bank and avoids high risk exposure. As such, the board and committee members shall be aware of the bank's operating environment as well as the associated risks, while ensuring that adequate risk management tools and infrastructure are in place, and are capable of determining, measuring and monitoring all potential risk factors that the bank might face.
- 5- Review and certify the bank's risk tolerance statement for approval by the board.
- 6- Ensure that the Risk Management Department conducts periodical Stress Tests to gauge the bank's ability to absorb shocks and deal with high risks. The board shall also have a fundamental role in approving the hypothesis and scenarios used and discuss the results of the Stress Tests results, and approve the measures to be taken based on the results.
- 7- Adopt a methodology for assessing capital adequacy. The methodology ought to be comprehensive, efficient and able to identify all risks that the bank might face and shall take into consideration the bank's strategic and capital plan. Additionally, the board shall review the methodology regularly and ensure that it is duly implemented, and that the bank has adequate capital to face any risks.
- 8- Before approving any expansion in the banks activities, the committee will have to consider all associated risks, and the skills and qualifications of the Risk Management Department's personnel.
- 9- Ensure the independence of the Compliance Department and that adequate and well-trained recruits are being employed.
- 10- Approve the compliance policy and ensure its annual review and implementation.
- 11- Approve the responsibilities and duties of the Compliance Department.
- 12- The Compliance Department submits reports to the Risk and Compliance Committee as well as copies of these reports to the General Manager.

## 4/5 The Board Credit Committee

- 1- The committee comprises of at least five members. Members of the senior executive management are permitted to join.
- 2- The committee operates under a charter approved by the board specifying its duties and responsibilities.
- 3- The committee has the right to obtain any information from the executive management and has the right to summon any executive to attend any of its meetings.
- 4- The committee carries out the following duties:
  - 4/1 Deciding on credit facilities that exceed the powers of the higher Credit Committee.
  - 4/2 As stipulated in the terms of reference and recommendations by the internal committee, the committee has the power to write off interest in suspense or other interests on discounted bills and the special provision.

## 5- Suitability

### 5/1 Suitability of Board Members:

It is essential that board members and executive management possess the highest standards of integrity, accountability and competence along with sufficient expertise and commitment to devote time towards working for the best interest of the bank, according to the following criteria:

- 1- The board shall develop an effective policy to ensure the suitability of its members, whereby it includes the minimum requirements to fulfill the membership criteria. The said policy is subject to review whenever necessary.
- 2- Develop adequate procedures to ensure that all board members fulfill their suitability requirements, and that they continue to do so.
- 3- The Chairman and board members should meet the following criteria :

- 3/1 Must not be less than twenty five years of age.
- 3/2 Must not be a member of the board of any other bank in Jordan or a General Manager or an employee unless the other bank is a subsidiary of the Jordan Ahli Bank.
- 3/3 Must not be the bank's lawyer, legal advisor or auditor.
- 3/4 Have a bachelor's degree at a minimum, specializing either in economics, finance, accounting, business administration or any other related field, whereby the Nomination and Remuneration committee is permitted to consider adding new specialties if combined with an experience that is related to banking.
- 3/5 Must not be a government employee or employee of an official public institution unless he/she is a representative of that entity.
- 3/6 Must not be a member of the Board of Directors of more than five public shareholding companies in Jordan, whether in a personal capacity or as a representative of a legal entity.
- 3/7 Must possess expertise of five years minimum in banking, finance or similar specializations.
- 3/8 The Chairman and board members should each sign a Suitability Attestation in the form approved by the Central Bank of Jordan on corporate governance.
- 3/9 The Chairman shall ensure that any critical information that may adversely affect the suitability of any board member is disclosed to the Central Bank of Jordan.

## 5/2 Suitability of Senior Executives:

- 1- The Board shall develop an effective policy to ensure the suitability of members of the senior executive management, whereby it includes the minimum requirements to fulfill the membership criteria. The said policy is subject to review whenever necessary.
- 2- Develop adequate procedures to ensure that all members fulfill their suitability requirements and that they continue to do so.
- 3- Appointment of a Chief Executive Officer by the Board of Directors who possesses a high level of integrity, technical competence and banking experience after obtaining the approval of the Central Bank of Jordan.
- 4- Attain the approval of the Board of Directors when appointing any of the senior executive management members.
- 5- Approve a succession plan for the senior executive management and review the plan once a year at a minimum.
- 6- The Following conditions should be fulfilled by an appointed senior executive:
  - 6/1 Should not be a member of the Board of Directors of any other bank in Jordan unless the other bank is a subsidiary of Jordan Ahli Bank.
  - 6/2 Should be dedicated full-time to the management of the bank's business.
  - 6/3 Should have, at a minimum, a bachelors' degree in economics, finance, accounting, business administration or any other related field.
  - 6/4 Should have a minimum of five year experience in banking or any related field, except for the position of Chief Executive Officer, in which a minimum of ten-year experience in banking is required.
- 7- The bank, prior to the appointment of a senior executive, ought to obtain from the candidate his/her Curriculum Vitae along with any academic certificates, certificates of expertise, certificate of good conduct and any other necessary documentation.
- 8- A "No Objection" letter should be obtained from the Central Bank of Jordan prior to the appointment of any senior executive management member. The member will also be asked to sign the approved Suitability Attestation form and the bank will provide the Central Bank of Jordan with a copy thereof along with the Curriculum Vitae.

## 6- Performance Evaluation and Remuneration

### 6 /1 Evaluating the Performance of the Board:

The Board of Directors shall develop a mechanism to evaluate its performance and that of its members, provided that the mechanism must at least include the following:

- 1- The Nomination and Remuneration Committee shall be responsible for evaluating, on an annual basis, the performance of the board as a whole, its committees and its members, and inform the Central Bank of the results of the evaluation.
- 2- Set specific goals and define the role of the board to achieve these goals in a measurable manner.
- 3- Identify key performance indicators based on the plans and strategic goals and use them to measure the performance of the board.

- 4- Regular communication between the board and the shareholders.
- 5- Regularity of the meetings of the Board of Directors with the senior executive management.
- 6- The member's participation in the board's meetings, comparing his –her performance with that of other board members, and receiving the members' feedback as a means to improve the evaluation process.

## 6 /2 Evaluating the Performance of the Senior Executives:

- 1- The board shall, on an annual basis, evaluate the performance of the Chief Executive Officer according to an evaluation mechanism set by the Nomination and Remuneration Committee which includes key performance indicators. The aspect of evaluation of the performance of the Chief Executive Officer shall include the administrative and financial operation of the bank and the achievement of the medium and long term goals and strategies of the bank. The committee shall inform the Central Bank of Jordan of the results of the evaluation.
- 2- The board shall adopt a system to measure the performance of the bank's executives who are not members of the board and Chief Executive Officer. This system should include at a minimum the following:
  - 2 /1 To appropriately measure the extent of commitment to the framework of risk management, internal controls and regulatory requirements.
  - 2 /2 The total revenue and profitability shall not be the sole measurement indicator; risks related to basic operations, customer satisfaction, and other indicators should also be considered.
  - 2 /3 Must not use one's position of power and conflict of interest.

## 6 /3 Remuneration for Executives:

- 1- The Board of Directors must adopt procedures to determine the remuneration of its members, based on the evaluation system, approved thereby.
- 2- The Nomination and Remuneration Committee is responsible for setting an objective and transparent remuneration policy for the Executive Management.
- 3- The Remuneration Policy should include the following key points:
  - 3 /1 To be structured to retain and recruit qualified and experienced executives, and to motivate them and promote their performance.
  - 3 /2 To be designed to ensure that it will not be used in a manner that might affect the soundness and reputation of the bank.
  - 3 /3 To take into consideration the risks, liquidity, profits and timing.
  - 3 /4 To ensure that remuneration is not based on the performance of the current year only, but also on the medium and long term performance (3-5 years).
  - 3 /5 To reflect the goal, value and strategy of the bank.
  - 3 /6 To define the form of the remuneration such as fees, salaries, allowances, bonuses, share options or any other form of benefits.
  - 3 /7 The possibility of postponing the payment of a reasonable proportion of the remuneration. The amount of such proportion and the postponement period will depend on the nature of the work, the risks associated therewith and the concerned executive's activities.
  - 3 /8 Executives of supervisory departments (risk management, audit, compliance, etc.) should not be given remunerations based on the performance of their respective departments.

## 7- Conflict of Interest

### 7 /1 Conflict of Interest:

To ensure that there is no conflict of interest between board members and the bank or between the executive management and the bank, Jordan Ahli Bank has adopted a special policy that covers all related aspects according to the following:

- 1- Executives should avoid conflict of interest.
- 2- The board shall adopt a policy and procedures to handle conflict of interest and disclose any such conflicts that may arise as a result of inter-group relationships.
- 3- The board shall ascertain that the senior executive management implements the adopted policies and procedures.
- 4- The board shall adopt controls to manage the transfer of information within the various departments to prevent using such information for personal gain.
- 5- The board shall ensure that the executive management exercises high integrity and avoids conflict of interest.

## 7/2 Stakeholders:

- 1- The board shall decide on specific policies and procedures for dealings –transactions with the various stakeholders that include a clear definition of the different stakeholders while taking into consideration the legislations, conditions, approval procedures and the mechanism overlooking such dealings and transactions, whereby ensuring the full adherence to the set policies and procedures.
- 2- Control departments at the bank shall ensure that all dealings with stakeholders are carried out according to the related policies and procedures set forth.
- 3- The Audit Committee shall review all stakeholders' dealings and transactions and present them to the Board of Directors.

## 7 /3 Code of Conduct:

The board shall decide on the policies and charter related to the code of conduct to be disclosed to all executives, whereby it includes the following:

- 1- Executives are not to use any internal and confidential information related to the bank for their personal benefit.
- 2- Rules and procedures that govern dealings with stakeholders.
- 3- Cases that may lead to conflict of interest.

## 7/4 Confidential Reporting Policy

- The bank must develop and decide on a policy that provides guidelines and procedures for reporting illegal incidents i.e. fraud, wrongdoing and collusion, in a manner that facilitates employees' communication with the senior management –Audit Committee, to report any concerns related to any potential fraud or misconduct, whereby an independent investigation will look into these concerns and at the same time provide protection from threats or reprisals against the reporter.

- The Audit Committee shall oversee the procedures that allow employees to confidentially report any errors in financial reporting or in any other areas for that matter while ensuring sufficient arrangements for carrying out an independent investigation, and to follow up on results in an objective manner.

## 8- Control and Audit Systems

The Board of Directors is responsible for ensuring that sufficient internal control systems are in place and that the duties of the different departments are clearly specified in order to attain adequate control in accordance with the set duties and responsibilities assigned to the following departments:

### 8/1 Internal Audit

Ensure that the bank's internal audit department is capable of fulfilling, among others, the following duties:

- 1- To ascertain that there are adequate internal controls of the bank's and subsidiaries' activities and to ensure compliance therewith.
- 2- To ascertain adherence to internal policies, international standards and procedures, and applicable laws and regulations.
- 3- To audit the bank's financial statements and administrative reports while ensuring accuracy and timeliness.
- 4- To assess compliance with the Corporate Governance Code.
- 5- To examine the comprehensiveness and accuracy of the stress tests in accordance with the methodology approved by the board.
- 6- To ensure the accuracy of the procedures used for the internal evaluation of the bank's capital adequacy.
- 7- To ensure and enhance the independence of the internal auditors, ensure that they are well positioned in the bank's hierarchical structure and that they are well qualified to perform their duties including being entitled to access all records and information and to communicate with any employee of the bank in order to perform their work and prepare reports with no external influence.

## 8 /2 External Audit

- 1- Rotation of external auditors should take place every seven years at most starting from the date of election.
- 2- The seven-year period shall be computed upon implementation; in 2010.
- 3- The new external auditor firm (when rotation is implemented) shall work jointly with the old firm for the first year.
- 4- Apart from the joint audit, the old external auditor firm shall not be re-elected before at least two years from the date of its last election.
- 5- The independence of the external auditor is to be assessed annually by the Audit Committee.
- 6- The Board of Directors shall take necessary measures to timely correct any flaws in the internal control system or any other flaws identified by the external auditor.

## 8 /3 Risk Management

- 1- The risk management is responsible for monitoring compliance of the executive departments at the bank within the acceptable levels of risk tolerance.
- 2- The Board of Directors shall ensure that correction measures and remedies are taken to mitigate risk exposures, and holding executive management accountable for exceeding the limits.
- 3- The Board of Directors shall ensure that the Risk Management Department conducts periodical stress tests to gauge the bank's ability to absorb shocks and deal with high risks. The board shall also have a fundamental role in approving the hypothesis and scenarios used and discuss the stress tests' results and approve the measures to be taken based on the said results.
- 4- The Board of Directors shall adopt a methodology for assessing capital adequacy. The methodology ought to be comprehensive, efficient and able to identify all risks that the bank may face, taking into consideration the bank's strategic and capital plan. Additionally, the board shall review the methodology regularly and ensure that it is duly implemented and that the bank has adequate capital to face any risks.
- 5- Before approving any expansion in the bank's activities, the Board of Directors will have to consider all associated risks and the skills and qualifications of the Risk Management Department's personnel.
- 6- The Board of Directors shall give sufficient authority to the risk management department to report to the Risk Management Committee, have access to all information from the various departments within the bank and to cooperate with other committees in order for it to fulfill its duties.
- 7- The Board of Directors should adopt a charter for the bank's tolerable risks.
- 8- The responsibilities of the Risk Management Department shall include:
  - 8 /1 Reviewing the risk management framework before being approved by the Board of Directors.
  - 8 /2 Implementing the risk management strategy in addition to developing policies and procedures to manage all types of risks.
  - 8 /3 Developing methodologies to identify, measure, monitor and control all types of risks.
  - 8 /4 Reporting to the executive management and the Board of Directors, through the Risk Management Committee, and with a copy to the senior executive management, on the actual risk exposures for all the bank's activities compared to the charter of tolerable risks, and to follow-up on the measures taken to remedy any negative deviations.
  - 8 /5 Verify the compatibility of the risk measurement methodologies with the applied management information systems.
  - 8 /6 Review and analyze all types of risks that the bank may face.
  - 8 /7 Submitting recommendations to the Risk Management Committee on risk exposures and any exceptions to the risk management policy.
  - 8 /8 Providing the necessary information about the bank's risks for use in the bank's disclosures.

## 8 /4 Compliance

Compliance aims at ensuring that the bank's internal policies comply with all the rules, legislations, code of conduct, banking standards and best practices issued by the local and international regulators, hence, the board must rely on the following:

- 1- The board shall approve the compliance policy and ensure its annual review and implementation.
- 2- The Board of Directors shall approve roles and responsibilities of the compliance management.
- 3- The Board of Directors shall ensure the independence of the Compliance Department and that adequate and well-trained recruits are being employed.
- 4- Compliance management shall report to the board or the offshoot committee with a copy to the Chief Executive Officer.



## 9- Disclosure and Transparency

- 1- The board shall ensure that all financial and non-financial information that are of interest to the stakeholders shall be published.
- 2- A mechanism shall be developed to guarantee communication with stakeholders by disclosing and providing relevant information about the bank's activities through:
  - 2 /1 General Assembly meetings
  - 2 /2 Annual Report
  - 2 /3 Quarterly financial reports which enclose financial data, and the board's report on the bank's share trading and the bank's financial status during the year
  - 2 /4 The bank's website
  - 2 /5 Shareholders' division
- 3- A part of the bank's website shall be designated to clarify shareholders' rights and to encourage them to attend and vote at the General Assembly meetings. Also, the documents of the General Assembly meetings, including the invitation and minutes of meetings, shall be published on the website.
- 4- The board shall ensure that the bank's financial disclosures are consistent with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank of Jordan's regulations, and other relevant legislations. Also, the executive management shall remain well informed of changes and updates on the related International Financial Reporting Standards.
- 5- The board shall ensure that the annual report includes the following information:
  - 5 /1 Summary of the organizational chart of the bank;
  - 5 /2 Summary of the roles and responsibilities of the Board Committees, and the authorities delegated to each committee;
  - 5 /3 Useful information to stakeholders as identified in the Corporate Governance Code and the extent of compliance with the code;
  - 5 /4 Information about each board member in terms of his –her qualifications, experience, shareholding, status (independent –non-executive, etc.) membership in Board Committees, date of appointment, any other board memberships in the boards of other companies and remunerations of all forms for the previous year in addition to loans granted to the member by the bank and any other transaction that has taken place between the bank on the one part and the member or stakeholders on the other;
  - 5 /5 Information about risk management department, including its structure and nature of its operations and its development;
  - 5 /6 Number of board and Board Committee meetings and attendance of each member at such meetings;
  - 5 /7 Names of each board member and senior executive who have resigned during the year;
  - 5 /8 Summary of the remuneration policy and full disclosure of all forms of remuneration to board members and executive management individually for the previous year;
  - 5 /9 A list of shareholders who own 1% or more of the share capital of the bank, the ultimate beneficiary owner of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged;
  - 5 /10 Attestations of all board members confirming that he –she or any of the members' relatives did not receive any benefits from the bank during his –her tenor which has not been previously disclosed.
  - 5 /11 The annual report shall include a statement to the effect that the board is liable for the accuracy and completeness of the financial statements of the bank and all other information in the report in addition to the adequacy of the internal control systems.
  - 5 /12 The board shall ensure that the bank's annual and quarterly reports identify key financial and operational results that enable the shareholders to understand the financial position of the bank.
  - 5 /13 The bank's annual report shall include a board's report in relation to the bank's traded shares and the financial status throughout the year.



## Acknowledgments of the Board of Directors

The Jordan Ahli Bank's Board of Directors acknowledges, to the best of its knowledge and belief, that there are no substantial issues that may affect the continuity of the bank's work during the financial year 2016, as well as its responsibility for the preparation of financial statements and availability of an effective internal control and monitoring system.

1- H.E. Dr. Omar Razzaz	Chairman
2- H.E. Mr. Saad Muasher	Deputy Chairman
3- H.E. Mr. Nadim Muasher	Member
4- H.E. Mr. Alan Wanna Representative, Byblos Bank (Lebanon)	Member
5- H.E. Mr. Imad Yousef Muasher Representative, Muasher Investment and Trading Co.	Member
6- H.E. Mr. Wasef Azar Representative, Jordan Investor Center Co.	Member
7- H.E. Mrs. Suhair Al Ali Representative, Social Security Corporation	Member
8- H.E. Mr. Rafiq Saleh Muasher Representative, RajaiMuasher& Brothers Co.	Member
9- H.E. Mr. Ala'adin Sami Representative, ZI & IME Co. (Saudi Arabia)	Member
10- H.E. Mr. Mahmoud Malhas	Member
11- H.E. Mr. Karim Kwar	Member
12- H.E. Mrs. Ibtissam El Ayoubi	Member
13- H.E. Mr. Tarek Jallad	Member

## Acknowledgments

We, the undersigned, Chairman of the Jordan Ahli Bank's Board of Directors, CEO –Director General, and Head of Finance Group, acknowledge and recognize the validity, accuracy and completeness of information and data set out in the bank's annual report for 2015.

Ibrahim Ghaoui

Head of Finance Department  
Signature

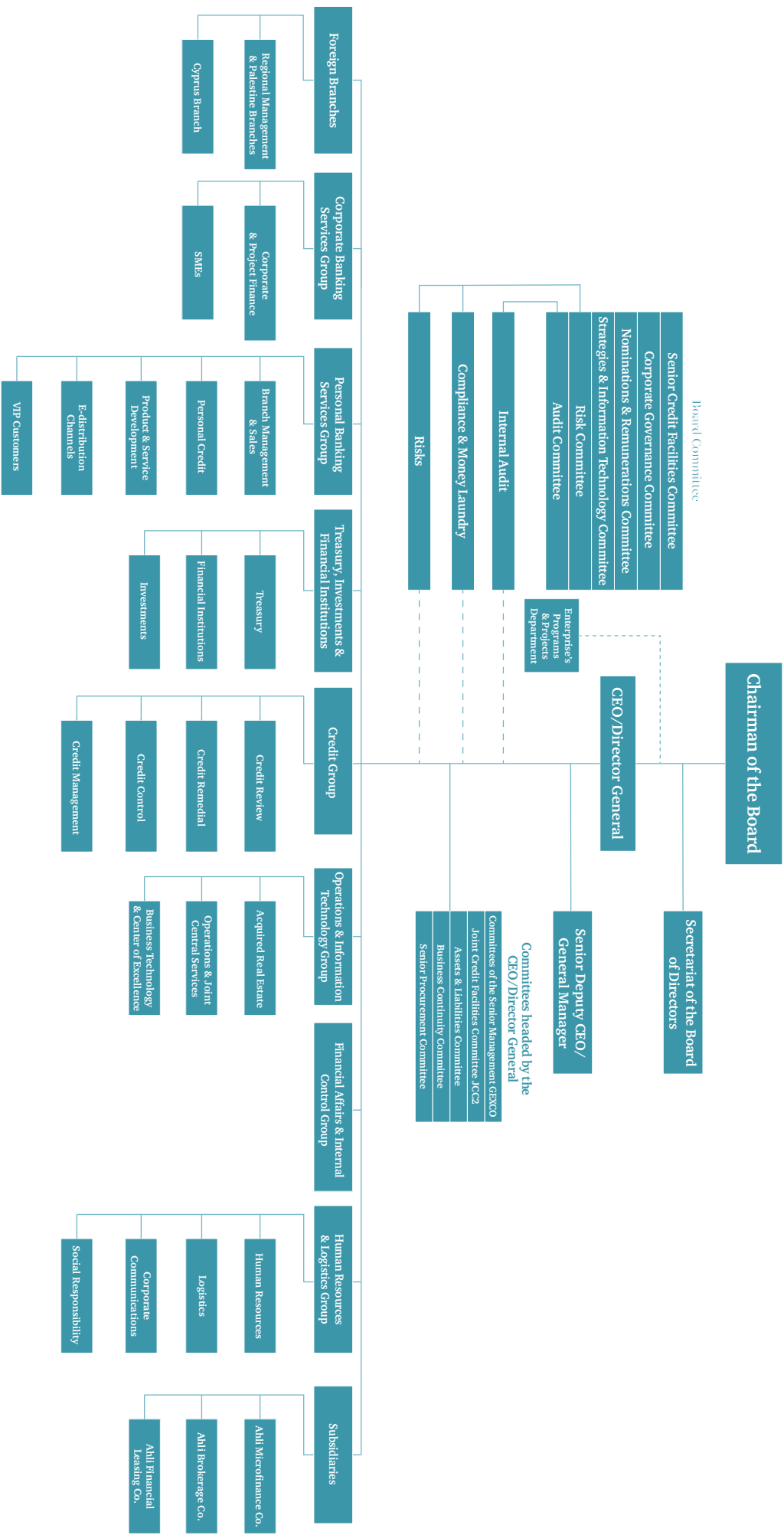
Mohammad Musa Daoud

CEO –Director General  
Signature

Dr. Omar Razzaz

Chairman  
Signature

# Jordan Ahli Bank



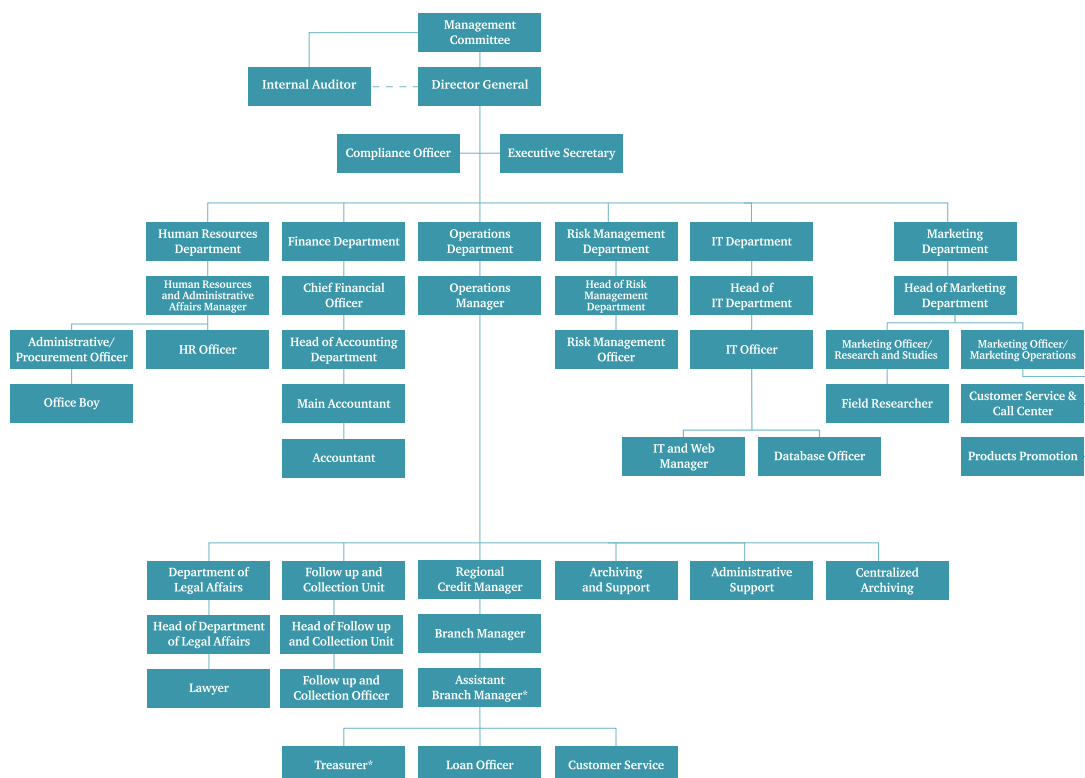
## Overview:

The Ahli Microfinance Co., wholly owned by Jordan Ahli Bank, was established as a limited liability company on July 20<sup>th</sup>, 1999. Its capital currently stands at JD 3.5 million –share. The company aims at investing its funds and funding sources in financing small enterprises in financial, industrial, commercial, tourism and services sectors. The company was exempted from all duties, taxes and licenses, and all other financial burdens such as income and sales tax. The Ahli Microfinance Co. is considered as the first company engaged in financing small enterprises in the private sector.

## Achievements:

The year 2015 was a very successful one for Ahli Microfinance Co., whereby the company managed to achieve a 23.6% growth in its loan portfolio by the end of the year compared to year 2014. As such, the portfolio of outstanding loans granted by Ahli Microfinance Co. stood at JD 14.515 million. The following is a summary of the main developments and achievements that have accompanied the company during year 2015:

- Outstanding number of clients registered a growth of 11.17% standing at 28,405 clients compared to 25,549 clients recorded in year 2014.
- Assets have witnessed a 17% growth during year 2015 compared to year 2014, reaching JD 16 million.
- Profits for the year ending December 31<sup>st</sup>, 2015, have registered a 12% growth standing at JD 843.6 thousand.
- Shareholders' equity witnessed a 9% growth by the end of year 2015, standing at JD 7.1 million.



\*Available when needed.

## Overview:

The Ahli Brokerage Co., wholly owned by Jordan Ahli Bank, was established as a private joint stock company according to the Jordanian Companies Law with a capital of JD 10 million. The company started operating on the first of September 2006, and its capital currently stands at JD 15 million. It is engaged in providing brokerage services and trading in securities listed in the Amman Stock Exchange. The company also holds licenses to carry out brokerage operations and provide financing services on the sidelines.

## Achievements:

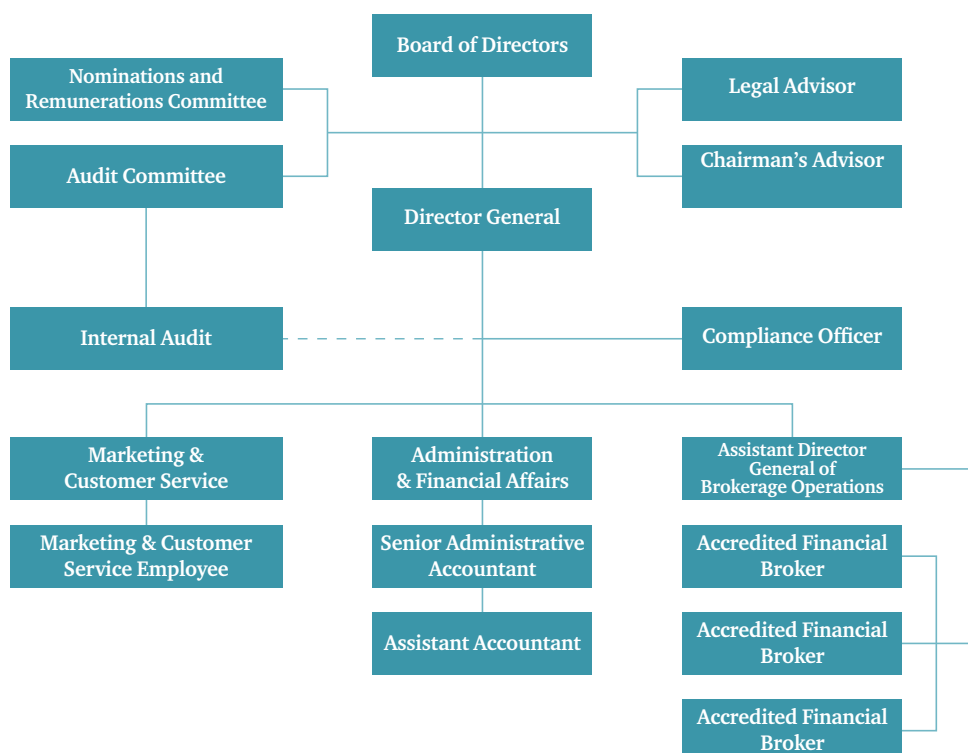
In light of the prevailing challenges and the economic slowdown overshadowing the region and neighboring countries, as well as the growing uncertainty in terms of investors' decisions and their hesitancy to enter the capital markets, Ahli Brokerage Company has continued its strategic plans to strengthen its shareholders' equity and enhance its solvency ratios in addition to diversifying its income sources in order to better achieve its objectives. Meanwhile, the Company continued to adhere to its policies with regards to carrying out its "cash basis" transactions with its clients, which has proven to be very effective in overcoming many of the risks that are associated with the transactions in Amman Bourse, hence minimizing overall risk and maintaining the quality of the company's assets.

As a result of a rather conservative policy, solvency ratio enhanced to 108.7% by the end of year 2015 compared to 106.6% in year 2014, which further testifies to the company's solid capital base and its ability to adhere to the requirements issued by the Jordan Securities Commission (JSC).

It is noteworthy here to point out that the total trading value at Amman Bourse has witnessed an increase of JD 1.16 billion during year 2015 (a 51% increase) standing at JD 3.42 billion compared to JD 2.26 billion recorded in year 2014. Nonetheless, when excluding block deals, which are considered as nonrecurring, growth in traded value stands at only 15% during year 2015, whereby speculative stocks were targeted with rather heavy trading during last year.

On the front of the financial results for the year 2015, the company has taken adequate provisions in compliance with the requirements of regulatory bodies in order to avoid any financial risks that the company might face. The company has also lowered its capital during last year to stand at JD 7.5 million compared to JD 15 million, which has resulted in lowering its assets to JD 9.1 million compared to JD 16.9 million for year 2014, while shareholders' equity also dropped to JD 8.2 million compared to JD 15.9 million in year 2014.

The company will continue to promote its investment services to lure in new customers and increase its revenues. It will also continue to develop its brokerage security systems and operating information technological systems and customer data in addition to enhancing the electronic security procedures according to the standards approved by the JSC. Ahli Brokerage Company's plans include raising the competency of its cadre and the proficiency of its services by providing adequate training for its staff of employees.



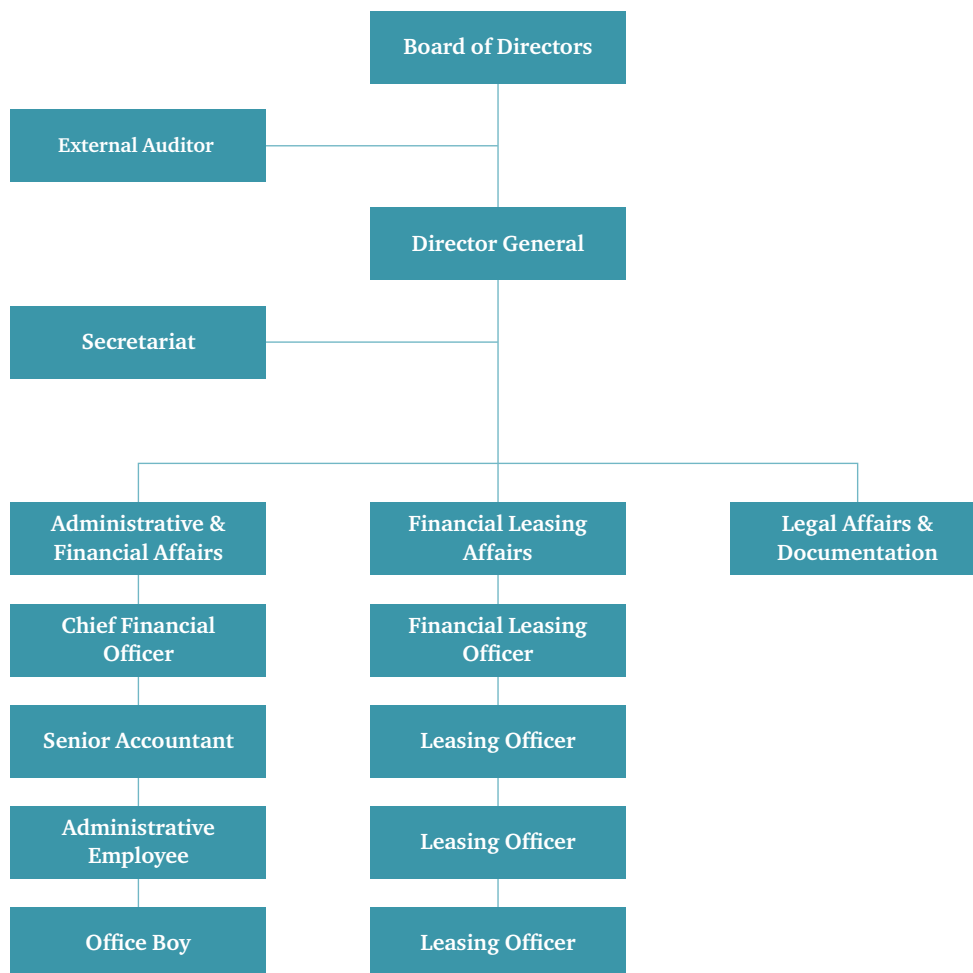
## Overview:

The Ahli Financial Leasing Co., wholly owned by Jordan Ahli Bank, was established in 2010 as a private joint stock company with a capital of JD 10 million. The company is engaged in providing financial leasing services to all the production sectors according to a modern financing method and through financing capital assets, such as real estate, industrial equipment and machinery, medical apparatus devices and transportation means, while relying on assets as a primary source of repayment and guarantee. This is carried out through conducting financial and technical studies on the funded assets.

## Achievements:

During 2015, the company achieved a 29.4% growth in total assets, while the balance of net investment in financial leasing also increased by 15.7% during the same period, as a result of extending 157 contracts, amounting to JD 27.952 million. Consequently, leasing income rose by 27.1% during 2015 as the company achieved a 45.1% growth in net profit before taxes, while return on shareholders' equity registered 60.8% of total shareholders' equity amounting to JD 26.731 million by the end of 2015, as compared to JD 16.629 million in the previous year.

It is expected that the company achieves a growth in net profits before calculating the taxes by 23.5% in 2016, as well as a growth in total assets by approximately 10%.



# Jordan Ahli Bank Branches and Offices inside the Hashemite Kingdom of Jordan

## The Administration

Amman – Shmeisani – Queen Noor St.  
P.O. Box 3103 Amman 11181 Jordan  
Telephone: 5638800, Fax: 5622281  
Swift Code: JONB JOAX  
Website: <http://www.ahli.com.jo>  
E-mail: [info@ahlibank.com.jo](mailto:info@ahlibank.com.jo)

## Operations Department

Jabal Amman – Third Circle  
P.O. Box 1578 Amman 11118 Jordan  
Telephone: 4657601, 5002130  
Fax: 4628801, Telex: 21820

## Credit Department

Amman – Yacoub Sarrouf St. – Shmeisani  
P.O. Box 925993 Amman 11118 Jordan  
Telephone: 5609800, Fax: 5663145

## Main Branch

Amman – Shmeisani – Queen Noor St.  
P.O. Box 941273 Shmeisani 11194 Jordan  
Telephone: 5638800, Manager: 5685901, Fax: 5699867

## Corporate Branch

Amman – Shmeisani – Yacoub Sarrouf St.  
P.O. Box 925993 Amman 11118 Jordan  
Telephone: 5608730, Manager: 5696761, Fax: 5699867

## Abdoun Branch

Amman – Abdoun – Cairo St.  
P.O. Box 851216 Sweifieh 11185 Jordan  
Telephone: 5929397, 5929431, Manager: 5923024, Fax: 5929652

## Taj Mall Branch

Taj Mall – Abdoun – Saad Abdo Shamout St.  
P.O. Box 850663 Sweifieh 11185 Jordan  
Telephone: 5930961 –75 –86, Manager: 5930895, Fax: 5931024

## Jabal Amman Branch

Jabal Amman – Third Circle  
P.O. Box 35011 InterContinental Hotel 11180, Jordan  
Telephone: 5002130, 4653645, Manager: 4628819, Fax: 4611541

## Wakalat St. Branch – Sweifieh

Amman – Sweifieh – Wakalat St.  
P.O. Box 852126 Sweifieh 11185 Jordan  
Telephone: 5852486, Manager: 5821509, Fax: 5854283

## Culture St. Branch – Shmeisani

Amman – Shmeisani – Culture St.  
P.O. Box 940017 Shmeisani 11194 Jordan  
Telephone: 5681382, Manager: 5673578, Fax: 5681326

## Queen Rania Al-Abdullah St. Branch

Amman – Sports City Circle – Arab Printers Building  
P.O. Box 19285 Amman 11196 Jordan  
Telephone: 5698883, 5698619, Manager: 5699042, Fax: 5699742

## Jabal Al-Hussein Branch

Amman – Jabal Al-Hussein – Beer Al-Sabe' St.  
P.O. Box 921085 Jabal Al-Hussein 11192 Jordan  
Telephone: 5667216, Manager: 5673984, Fax: 5698069

## Wasfi Al-Tal St. Branch

Amman – Wasfi Al-Tal St. – Muhtaseb Building  
P.O. Box 1114 Tlaa Al Ali 11953 Jordan  
Telephone: 5682124, Manager: 5682177, Fax: 5682188

## Wadi Saqra Branch

Wadi Saqra Branch – Saqra Commercial Complex – Arar St. – Building No. 238B  
P.O. Box 182352 Amman 11118 Jordan  
Telephone: 5679138, Manager: 5679317, Fax: 5678612

## City Center Branch

Amman – Reda St.  
P.O. Box 791 Amman 11118 Jordan  
Telephone: 4625126 –7, Manager: 4624218, Fax: 4625120

## Middle East Circle Branch

Amman – Middle East Circle  
P.O. Box 620190 Al Sha'aileyah Neighborhood 11162 Jordan  
Telephone: 4777279, Manager: 4777288, Fax: 4777289

## Mecca St. Branch

Amman – Mecca St.  
P.O. Box 973 Tlaa Al Ali 11821 Jordan  
Telephone: 5856017, 5866197, Manager: 5852511, Fax: 5866097

## Sweifieh Branch

Amman – Sweifieh – Haddad Commercial Complex, P.O. Box 850663 Sweifieh 11185 Jordan  
Telephone: 5865401, Manager: 5825651, Fax: 5865402

## Um Uthaina Market Branch

Amman – Shat Al-Arab St.  
Telephone: 5523181, 5523469, Manager: 5522907, Fax: 5523028

## Al Rabieh Branch

Amman – Al Rabieh – Kabul Commercial St. – Yarmouk Plaza Complex  
P.O. Box 17411 Al Rabieh 11195 Jordan  
Telephone: 4603126, 4603125, Manager: 4603124, Fax: 5516594

## City Mall Branch

Medical City St. – City Mall  
P.O. Box 4822 Amman 11953 Jordan  
Telephone: 5823156, Manager: 5823154, Fax: 5825174

## Khalda Branch

Amer Bin Malek St. – Khalda Center Complex No. 9  
P.O. Box 2867 Amman 11821 Jordan  
Telephone: 5340598, 5340698, 5341653, Manager: 5341409, Fax: 5341263

## Sweileh Branch

Amman – Sweileh – Main St.  
P.O. Box 15 Sweileh 11910 Jordan  
Telephone: 5343143 –4, Manager: 5343357, Fax: 5333632

## Abu Nseir Branch

Amman – Abu Nseir – Karameh St.  
P.O. Box 542113 Abu Nseir 11937 Jordan  
Telephone: 5105137, Manager: 5105146, Fax: 5105142



Bayader Branch  
Amman – Bayader – Main St.  
P.O. Box 140278 Bayader 11814 Jordan  
Telephone: 5857791, Manager: 5859934,  
Fax: 5819834

Chamber of Industry Building Branch  
Jabal Amman – Second Circle – The Islamic Scientific  
College St.  
P.O. Box 2958 First Circle 11181 Jordan  
Telephone: 4644896, 4644391, Manager: 4641142, Fax:  
4649564

Abdullah Ghosheh St. Branch  
Amman – Seventh Circle - Abdullah Ghosheh St.  
P.O. Box 850664 Sweifieh 11185 Jordan  
Telephone: 5817920, 5828717, Manager 5857782, Fax:  
5817921

IbnKhalidoun St. Branch  
Jabal Amman – Third Circle – IbnKhalidoun St. – Building No.  
67  
P.O. Box 3103 Amman 11181 Jordan  
Telephone: 4641320, 4641310, Manager: 4641377, Fax:  
4641399

Jubayhah Branch  
Amman – Yajouz St. – Municipality Neighborhood  
P.O. Box 2666 Amman 11941 Jordan  
Telephone: 5354843, Manager: 5349836, Fax: 5354782

Khreibet El-Souq Branch  
Amman – Khreibet El-Souq – Madaba St.  
P.O. Box 665 Khreibet El-Souq 11621 Jordan  
Telephone: 4126522, Manager: 4125088, Fax: 4127610

Marj Al-Hamam Branch  
Marj Al-Hamam – Princess Taghreed St.  
P.O. Box 776 Amman 11732 Jordan  
Telephone: 5716133 –4, Manager: 5716906, Fax: 5716915

Ruseifah Branch  
King Hussein St.  
P.O. Box 2000 Ruseifah 13710 Jordan  
Telephone: 05-3746190, 05-3746191, Manager: 05-3746190,  
Fax: 05-3746192

Al-Hashmi Al-Shamali Branch  
Amman – Al-Hashmi Al-Shamali – Prince Rashid St.  
P.O. Box 230120 Al-Hashmi Al-Shamali 11123 Jordan  
Telephone: 4901363, 4901343, Manager: 4901334, Fax:  
4901302

Al-Horrieh St. Branch  
Amman – Al-Horrieh St. – Um Al-Qsir Neighborhood  
P.O. Box 110171 Amman 11110 Jordan  
Telephone: 4206174, 4206108, Manager: 4206194, Fax:  
4206214

Sahab Branch  
Prince Hassan St.  
P.O. Box 2 Sahab 11511 Jordan  
Telephone: 4021092, Manager: 4025673, Fax: 4021609

Marka Al-Shmaliyeh Branch  
Amman – Marka Al-Shmaliyeh – Opposite to Military Hospital  
P.O. Box 15397 Marka 11134 Jordan  
Telephone: 4894825 –7, Manager: 4890970, Fax: 4890360

Dahiyat Al-Yasmeen Branch  
Amman – Al-Yasmeen Neighborhood  
P.O. Box 630688 Amman 11163 Jordan  
Telephone: 4206842, Manager: 4206841, Fax: 4206759

Zarqa Branch  
King Hussein St.  
P.O. Box 111 Zarqa 13110 Jordan  
Telephone: 05-3983363 –4, Manager 05-3983150, Fax: 05-  
3996555

New Zarqa Branch  
Al-Kurdi Plaza – St. 36 – Facing Al-Hirafiyah Al-Shamaliyah Area  
P.O. Box 12499 Zarqa 13112 Jordan  
Telephone: 05-3858951, Manager: 05-3859697, Fax: 05-3859110

Free Zone Branch  
Zarqa – Free Zone  
P.O. Box 60 Free Zone 13134 Jordan  
Telephone: 05-3826214, 05-3826626, Manager: 05-3826171, Fax:  
05-3826200

Madaba Branch  
King Hussein St. – Near the Municipality Circle  
P.O. Box 295 Madaba 17110 Jordan  
Telephone: 05-3244254, Manager: 05-3245181, Fax: 05-3240260

Salt Branch  
Municipality St.  
P.O. Box 50 Salt 19110 Jordan  
Telephone: 05-3555771 –2 –3, Manager: 05-3558014, Fax: 05-  
3555774

Al Balqa University Branch  
Salt – Al Balqa University  
P.O. Box 929 Salt 19117 Jordan  
Telephone: 05-3532691 –2, Ext.: 3610, Fax: 05-3532690

Bawabat Al Salt Branch  
Al Salt Entrance – Next to the Palace of Justice  
P.O. Box 106 Salt 19110 Jordan  
Telephone: 05-3553358, Manager: 05-3533144, Fax: 05-3551440

Al Fuhais Branch  
Al Hejaz St. – After Amman Baccalaureate School – Ala'a& Ali  
Akroush Complex  
P.O. Box 3328 Al Fuhais 19153 Jordan  
Telephone: 06-4603128, 06-4603129, Fax: 06-4621702, Direct.  
06-47221703, 06-4721702

Deir Alla Branch  
Main St.  
P.O. Box 99 Deir Alla 18210 Jordan  
Telephone: 05-3573057, Manager: 05-3573161, Fax: 05-3573186

Industrial Zone Office  
Irbid – Industrial Zone  
P.O. Box 61 Irbid 21110 Jordan  
Telephone – Fax: 02-7400055, Manager: 02-7404143

Karak Branch  
Karak – Italian Hospital St.  
P.O. Box 177 Karak 61110 Jordan  
Telephone: 03-2351248 –9, Manager: 03-2243945, Fax: 03-  
2351676

Jerash Branch  
King Abdullah St.  
P.O. Box 125 Jerash 26110 Jordan  
Telephone: 02-6351891 –2, Manager: 02-6351890, Fax: 02-6351893

Mafraq Branch  
Municipal St. – Facing Electronic Store  
P.O. Box 510 Mafraq 25110 Jordan  
Telephone: 02-6232501, Manager: 02-6232535, Fax: 02-6230303

Ramtha Branch  
Banks' St.  
P.O. Box 198 Al-Ramtha 21410 Jordan  
Telephone: 02-7383817, Manager: 02-7381670, Fax: 02-7382610

Irbid Branch  
Army St.  
P.O. Box 61 Irbid 21110 Jordan  
Telephone: 02-7242201 –2, Manager: 02-7242686, Fax: 02-7276146

Arabella Mall Branch  
Irbid – King Abdullah II St.  
P.O. Box 3205 Irbid 21110 Jordan  
Telephone: 02-7249324, 02-7249252, Manager: 02-7249154, Fax: 02-7249236

Hashmi St. Branch –Irbid  
Irbid – Hashmi St.  
P.O. Box 368 Irbid 22110 Jordan  
Telephone: 02-7278613, 02-7250374, Manager: 02-7250371, Fax: 02-7278614, 02-7250364

Hakama St. Office  
Irbid – Hakama St.  
P.O. Box 368 Irbid 22110 Jordan  
Telephone: 02-7278613, 02-7254377, Manager: 02-7254378, Fax: 02-7278614

Tafila Branch  
Tafila – Main St.  
P.O. Box 13 Tafila 66110 Jordan  
Telephone: 03-2241120, Manager: 03-2243945, Fax: 03-2241710

Maan Branch  
Maan – King Hussein St.  
P.O. Box 114 Maan 71111 Jordan  
Telephone: 03-2132347 –8, Manager: 03-2133749, Fax: 03-2132799

Aqaba Branch  
Aqaba – Hamamat Al Tunisiyah St.  
P.O. Box: 49 Aqaba 77110 Jordan  
Telephone: 03-2022350 –1 –2, Manager: 03-2013535, Fax: 03-2022353

## Jordan Ahli Bank's Branches and Offices Abroad

### Palestine Branches

Regional Management – Palestine Branches

Al Zahra' St. – Ramallah

Manager: 00972 –2 –2959340

Assistant Manager: 00972 –2 –2959347

Ext.: 00972 –2 –2959343 –4

Fax: 00972 –2 –2959341

P.O. Box 550 Ramallah, Palestine

E-mail: regional@ahlibank.com.ps –info@ahlibank.com.ps

Nablus Branch

Commercial Center (B) – Building No. 8

Manager: 00972 –9 –2374501

Telephone: 00972 –9 –2382280 –1 –2

Fax: 00972 –9 –2382283

P.O. Box 40

E-mail: nablus@ahlibank.com.ps

Shallaleh St. Branch

Al-Khaleel No. 15 – Shallaleh St.

Manager: 00972 –2 –2224804

Telephone: 00972 –2 –2224801 –2 –3

Fax: 00972 –2 –2224805

P.O. Box 623

E-mail shallaleh@ahlibank.com.ps

Al-Salam St. Branch

Al-Khaleel – Al-Salam St.

Manager: 00972 –2 –2212770

Telephone: 00972 –2 –2226713 –4

Fax: 00972 –2 –2226712

P.O. Box 718

E-mail: salam@ahlibank.com.ps

Ramallah Branch

Al Zahra' St.

Manager: 00972 –2 –2986310

Telephone: 00972 –2 –2986313 –4

Fax: 00972 –2 –2986311

P.O. Box 550

E-mail: ramallah@ahlibank.com.ps

Business Center – Ramallah

Ramallah – Rukab St. – Dunia Commercial Center – 2<sup>nd</sup> Floor

Manager: 00972 –2 –2989008

Telephone – Fax: 00972 –2 –2989006 –7

00972 –2 –2977805 –7

Bethlehem Branch

Al-Mahd St.

Manager: 00972 –2 –2770353

Telephone: 00972 –2 –2770351 –2

Fax: 00972 –2 –2770354

P.O. Box: 807

E-mail: bethlehem@ahlibank.com.ps

### Cyprus Branches:

#### Jordan Ahli Bank – Cyprus

Pecora Tower, 2<sup>nd</sup> Floor, Anexartias St. 1

P.O. Box 53587 3303 Lemesos, Cyprus

Telephone: 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

Telephone: 00357 –25 –871123

Reuters Code: JNBC

Swift Code: JONB CY 21

## ATMs Inside Jordan Ahli Bank Branches

1	Main Branch	Shmeisani– Queen Noor St. – Administration Building
2	Jabal Amman Branch	Jabal Amman – Third Circle – Next to InterContinental Hotel
3	Chamber of Industry Building Branch	Jabal Amman – Second Circle – Chamber of Industry Building
4	Sweifieh Branch	Sweifieh– Haddad Commercial Complex
5	Mecca St. Branch	Amman– Mecca St.
6	Abdullah Ghosheh St. Branch	Seventh Circle – Abdullah Ghosheh St.
7	Queen Rania St. Branch	Amman – Sports City Circle – Arab Printers Building
8	City Center Branch	Amman –Reda St.
9	Culture St. Branch	Shmeisani – Culture St.
10	Al-Horrieh St. Branch	Al-Binyat Al-Horrieh St.
11	Abdoun Branch	Abdoun – Cairo St.
12	Marj Al-Hamam Branch	Marj Al-Hamam – Princess Taghreed St.
13	Jabal Al-Hussein Branch	Jabal Al-Hussein –Beer Al Sabe’ St.
14	(Wasfi Al-Tal Branch (1	Wasfi Al-Tal St. –Muhtaseb Building
15	(Wasfi Al-Tal Branch (2	Wasfi Al-Tal St. –Muhtaseb Building
16	Ahli Brokerage Co. Building	Shmeisani – Opposite to Wahbi Tamari Kindergarten
17	Al-Bayader Branch	Al-Bayader – Main St.
18	Wakalat Branch	Sweifieh –Wakalat St.
19	City Mall Branch	Khalda – Medical City St.
20	Credit Building – Philadelphia	Shmeisani –YacoubSarrouf St.
21	WadiSaqra Branch	Saqr Commercial Complex –Arar St.
22	Dahiyat Al-Yasmeen Branch	Bader Area – Al-Yasmeen Neighborhood –Jabal Arafat St. – Building No. 9
23	Um Uthaina Market Branch	Um Uthaina Market–Shat Al-Arab St. – Building No. 14
24	Taj Mall Branch	Abdoun –SaadAbdoShamout St.– Inside the Commercial Market
25	Data Cleansing Department Building	Seventh Circle – Next to DHL
26	King Hussein Business Park	Amman – Al-Jandaweel – Al Shaeb St.
27	(Al-Rabieh Branch (1	Amman–Al-Hay Al-Tijari St.– Al-Yarmouk Plaza Complex
28	(Al-Rabieh Branch (2	Amman –Al-Hay Al-Tijari St. – Al-Yarmouk Plaza Complex
29	Tlaa Al Ali Branch	Amman –Tlaa Al Ali – Khalil Al Salim St.
30	Abu Nseir Branch	Abu Nseir –Al-Karama St.
31	Middle East Circle Branch	Al Wehdat – Middle East Circle Branch
32	Sweileh Branch	Sweileh –Main St. – Building No. 6B
33	Sahab Branch	Sahab – Prince Hassan St.
34	Khreibet Al-Souq Branch	Khreibet Al-Souq –Madaba St.
35	Marka Branch	Marka –Opposite to the Military Hospital
36	(Khalda Branch (1	Khalda Center – Opposite to the New English School
37	(Khalda Branch (2	Khalda Center – Opposite to the New English School
38	Al-Hashmi Al-ShamaliBranch	Al-Hashmi – Prince Rashid St.
39	Jubayhah Branch	Yajouz St.

## Balqa Governorate

40	Al-Salt Branch	Al-Salt – Municipality St.
41	Al-Salt Gate Branch	Al-Salt Town Entrance – Next to the Palace of Justice
42	DeirAlla Branch	DeirAlla – Main St.
43	Al-Balqa University Branch	Al-Salt – Inside Al-Balqa University
44	Al-Fuhais Branch	Al-Fuhais – Al-Hijazi St.– Next to Amman Bacculaureate School

## Zarqa Governorate

45	Zarqa Branch	Zarqa – King Hussein St. (Al-Sa’adeh St.)
46	New Zarqa Branch	New Zarqa – Al-Kurdi Plaza
47	Al-Ruseifah Branch	Al-Ruseifah – King Hussein St.

## North Region

48	(Irbid Branch (1	Army St. –Jordan Ahli Bank Building
49	(Irbid Branch (2	Army St. –Jordan Ahli Bank Building
50	Industrial Zone Branch – Irbid	Al-Yaziji St. – Next to Mitsubishi
51	Ramtha Branch	Ramtha –Banks’ St.
52	Hashmi St. Branch –Irbid	Irbid –Hashmi St.
53	Arabella Mall Branch	Irbid –King Abdullah II St. – inside the Commercial Market

## Tafila Governorate

54	Tafila Branch	Tafila –Main St.
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## Karak Governorate

55	Karak Branch	Karak – Italian Hospital St.
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## Aqaba

56	Aqaba Branch	Aqaba –Hamamat Al-Tunisiyah St.
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## Madaba Governorate

57	Madaba Branch	Madaba –Next to the Municipality Building
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## Mafraq Governorate

58	Mafraq Branch	Mafraq –Municipality St. facing the Electronic Store
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## Jerash Governorate

59	Jerash Branch	Jerash – King Abdullah St.
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## Maan Governorate

60	Maan Branch	Maan – King Hussein St.
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## ATMs Outside Jordan Ahli Bank Branches

1	Plaza Super Stores	Shmeisani – Queen Noor St. inside the Commercial Market
2	Safeway (Seventh Circle)	Seventh Circle – Inside the Commercial Market
3	Amman Mall	Tlaa Al Ali – Inside the Commercial Market
4	Al-Kiswani Station	Al Madina Al Munawara St. – Al-Kiswani Station
5	Al Salam Market	Al Jandaweel – Inside the Commercial Market
6	Safeway (Shmeisani)	Shmeisani – Inside the Commercial Market
7	Mecca Mall	Khalda –Inside Mecca Mall
8	Sheraton Hotel	Fifth Circle – Inside Sheraton Hotel
9	Cozmo (SeventhCircle)	Seventh Circle – Inside the Commercial Market
10	University of Jordan	Inside the University of Jordan Campus
11	Marriott Hotel Amman	Shmeisani – Inside Marriott Hotel
12	Corner Supermarket	Fourth Circle –Behind the Belgium Embassy
13	Maxim Mall	JabalAl-Hussein –Firas Circle
14	Safeway Wholesale Center	Muqabalein –Inside the Commercial Market
15	Israa University	Airport Road – Inside Israa University Campus
16	Al-Hussein Cancer Center	University of Jordan St. – Inside the Center
17	Al-Baraka Mall	Sweifieh – Inside Al-Baraka Mall
18	Al-Mukhtar Mall	Queen Rania Abdullah St. –Next to the Sports City Circle
19	ATM Shop	Jabal Amman –First Circle –Rainbow St.
20	Landmark Hotel Amman	Amman –Jabal Amman
21	Ministry of Industry and Trade –Corporate Control	Amman –Jabal Al-Hussein
22	ShafaBadran Licensing	North Amman –Drivers & Vehicles Licensing Department
23	Children’s Museum	Amman –Al-Hussein Public Parks – King Abdullah St.
24	Plaza Mall	Al-Hashmi Al-Shamali –Inside Plaza Mall
25	Marka Licensing Center	Marka – Inside the Licensing Center
26	Safeway Marj Al-Hamam	Marj Al-Hamam – Princess Taghreed St. –Al-Jundi Circle – Al-Khalifieh Complex
27	University of Jordan St.	University of Jordan St. – Opposite to the University’s Mosque
28	Civil Status and Passports Department	Tabarbour – Next to the Arab Open University
29	Traffic Tech - Station	Station – Army St.
30	Safeway ShafaBadran	ShafaBadran – Inside the Commercial Market
31	Al-Hussein Medical City	Dabouq – Al-Hussein Medical City
32	Snacks Supermarket – Al-AhliyyehAmmanUniversity	Inside Al-AhliyyehAmmanUniversity – Salt
33	Total Gas Station - Safoot	Inside Total Station –Safoot

## Balqa

- |    |                           |   |
|----|---------------------------|---|
| 34 | Marriott Dead Sea         | Inside Marriott Dead Sea                                    |
| 35 | Al- Salt Licensing Center | Balqa –Al-Saru St. –Opposite to Al-Ahliyya Amman University |

## Zarqa

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|----|---------------|--|
| 36 | Safeway Zarqa | New Zarqa – Inside the Commercial Market |
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## Aqaba

- |    |                               |  |
|----|-------------------------------|--|
| 37 | InterContinental Hotel –Aqaba | Aqaba –Inside the Hotel                    |
| 38 | Safeway Aqaba                 | Aqaba – Inside the Commercial Market       |
| 39 | Aqaba Market                  | Aqaba – Previous Jordan Ahli Bank Building |

## North Region

- |    |               |                                      |
|----|---------------|--------------------------------------|
| 40 | Safeway Irbid | Irbid – Inside the Commercial Market |
|----|---------------|--------------------------------------|

## Madaba Governorate

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|----|---|---|
| 41 | Madaba Carrefour Market – Farah Complex | Al-Yarmouk St. –Opposite to Al-Shakhatira Station |
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