

Annual Report 2016

التقرير السنوي
2016

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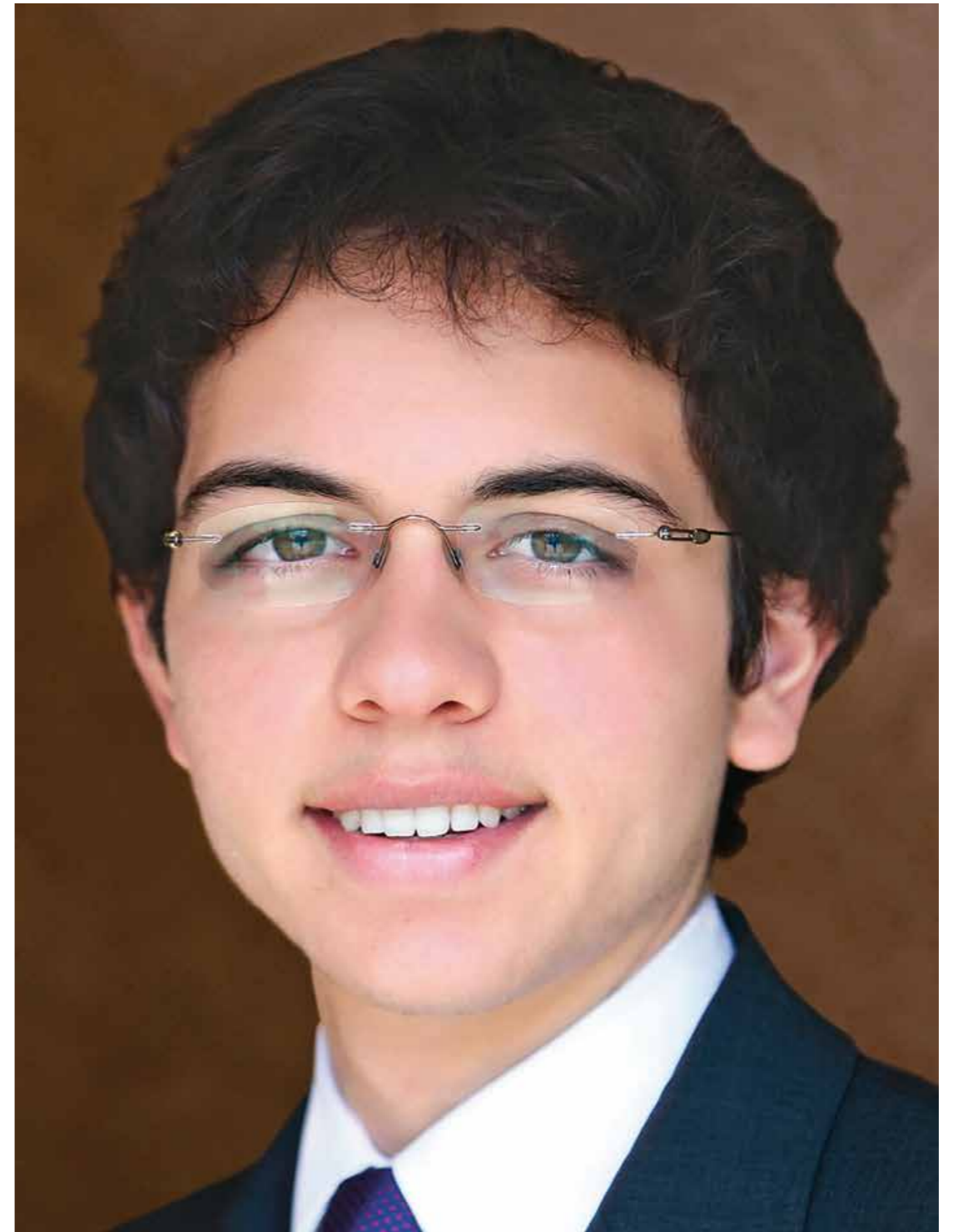
البنك الأهلي الأردني
Jordan Ahli Bank



Annual Report 2016



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



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

Table of Contents

Board of Director's Report

Vision	3
Mission	3
Board of Directors	4
Executive Senior Management	5
Letter from the Chairman of the Board	6
Letter from the Chief Executive Officer/ General Manager	8
Our Strategic Objectives	10
Strategic Themes	11
Means of Communication	12
Performance of the Jordanian Economy during 2016	14
Board of Directors' Report on the Bank's Performance during 2016	20
Rewards and Employee Retention	49
Corporate Culture	51
Code of Conduct	51
Strategic Plan for 2017	54
Key Financial Analysis and Indicators for 2016	55

Financial Statements 2016

Independent Auditor's Report	63
Consolidated Financial Statements	69

Corporate Governance

The 2016 Jordan Securities Commission Requirements and Disclosure Statements	151
Board of Directors' Committees	177
Declaration from the Board of Directors	179
Organizational Charter of Jordan Ahli Bank	180
Corporate Governance Guide	181

Subsidiaries

Ahli Financial Leasing	212
Ahli Microfinance Company	214
Ahli Brokerage Company	216

Corporate Responsibility Report

Jordan Ahli Bank Branches and Offices within the Hashemite Kingdom of Jordan	279
Jordan Ahli Bank ATM locations	282

VISION

We are committed to improve the financial inclusion and prosperity of the communities we serve, to innovate profound customer experience and value, to earn the loyalty of our employees, and to provide our shareholders with balanced growth and a sustainable return on their investment

MISSION

A specialized financial solutions provider that delivers valuable services through innovation, operational excellence, and customer centricity.

Board of Directors

H.E. Dr. Omar Ahmad Razzaz	Chairman
H.E. Mr. Saad Nabil Muasher	Deputy Chairman
Members	
H.E. Mr. Nadim Yousef Mouasher	Member
H.E. Mr. Alan Fuad Wanna	Representing Byblos Bank (Lebanon)
H.E. Mr. Emad Yousef Muasher	Representing Mouasher Investment and Trading Co.
H.E. Mr. Wasef Jacob 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 until 10/04/2016
H.E. Mrs. Reem Mudar Badran	Representing the Social Security Corporation from 11/04/2016
H.E. Mr. Mahmoud Zuhdi Malhas	Member
H.E. Mr. Aladdin Riad Sami	Representing ZI&IME Co. (Saudi Arabia)
H.E. Mr. Karim Tawfik Kawar	Member
H.E. Mrs. Ibtissam Subhi El Ayoubi	Member
H.E. Mr. Tarek Ziad Jallad	Member

- Board Session 2013 – 2017

Executive Senior Management

Mr. Mohammad Musa Daoud	Chief Executive Officer/General Manager
Dr. Ahmad Awad Abdulhalim Alhussein	Deputy Chief Executive Officer /General Manager
Mr. Ibrahim Lutfi Ghaoui	Finance & Internal Audit until 24/03/2016
Mr. Basel Najib Al Naber	Financial Administration starting 11/07/2016
Ms. Lina Najib Bakhit	Treasury, Investment & Financial Institutions
Mrs. Hadil Mohammed Khalaf	Operations & Shared Services
Mr. Hani Suleiman Farraj	Acquired Real Estates, and Secretary to the Board of Directors until 05/06/2016
Mr. Kameel Kamal Haddad	Remedial
Mr. Mohammed Bashar Abdul Wahhab Al Bakri	Human Resources & Logistics
Mr. Samer Ahmed Abu Zayed	Business Technology & Center of Excellence until 16/06/2016
Mr. Aladdin Auni Ahmed	Acting Director of Business Technology starting 17/06/2016
Mr. Jafar Naeem Majdalawi	Corporate Banking & Project Finance
Mr. Tareq Fuad Omaish	Consumer Banking Services
Mr. Marwan Suleiman Shahatit	Small & Medium Enterprises (SMEs) Banking
Mr. Michael Zaki Nu'man	Risk, and Secretary to the Board of Directors starting 05/06/2016
Mr. Mouin Aziz Al Bahou	Credit Review
Mr. Khaled Zuhair Abu Al Shaar	Compliance and Combating Money Laundering
Mr. Eyad Tufic Amari	Acting Internal Audit Director

Letter from the Chairman of the Board

Esteemed shareholders,
Greetings, it is my honor to present you with the 61st annual report of the Jordan Ahli Bank, which includes the report of the Board of Directors on the Bank's results, main activities, and closing accounts for 2016. We will also outline the Bank's plan for 2017.



Personally, and on behalf of everyone at the Jordan Ahli Bank, I would like to thank Dr. Omar Al Razzaz for his wonderful work over the past years as Chairman of the Board of Directors. We would like to express our pride in his achievements, and our trust that he is most worthy of any position that he assumes in the future, in terms of both knowledge and experience. In taking over the chairmanship of the Board from Dr. Al Razzaz, I am happy for the chance to continue leading our efforts during the launch phase of our new banking system, which will usher in a new era for the Jordan Ahli Bank, further consolidating our identity as a well-established and respected institution. Our ambitious vision is to achieve a quantum leap in the Bank's activities. This new system is being implemented as part of the framework of the Bank's post 60-th anniversary strategy in line with our ambitions for growth and expansion. The strategy aims to identify new opportunities to keep up with the banking sector's rapid evolution, and build on six decades worth of accrued experience.

The institutional values espoused by the Bank in achieving its vision are in compliance with the highest standards of institutional governance, transparency and integrity, ensuring success in integrating client and shareholder strategies.

The Jordan Ahli Bank is currently going through an important phase pursuant to its new administration's decision to execute a new strategy in 2016, based on guidelines received from its Board of Directors. The strategy centers around a number of key themes that aim to improve client relations through achieving excellence and diversity in our services and innovative solutions; and reinforce the Bank's competitiveness and performance in order to keep up with today's technology that is revolutionizing the banking sector. The Strategic Transformation Program led to the rollout of the new T24 banking system in 2016, a quantum leap in the bank's infrastructure based on technological innovation. The system provides an unprecedented range of banking solutions, services, and products that meet the needs of clients across various sectors.

We are very excited about this leap forward in our banking system, an initiative that we hope will serve the Bank's long-term objectives, mainly in terms of contributing to the national economy, facilitating access to all segments of society and expanding the network of individuals benefitting from financial and banking services.

Furthermore, the bank realized early on the importance of investing in SMEs in boosting the economy and providing job opportunities. It has therefore continued to provide means and tools to empower this sector and open up new horizons for it.

This support includes sponsoring several regional conferences to promote an incubator business environment for SMEs, in addition to efforts to close the funding gap in this

sector through campaigns that promote SME financing guarantee programs, as well as facilitating access to financial services and obtaining more suitable terms through agreements between the Bank and a number of local and global institutions and strategic partners. We are pleased that these efforts have positioned Jordan Ahli Bank as a leader in empowering SMEs and promoting supportive measures and policies. Our success in this regard is based on our aim to institutionalize youth leadership and tap into youth potential, which has become a key element of our institutional strategy.

The objectives of the Jordan Ahli Bank also include strengthening the foundations of sustainable development through Corporate Social Responsibility tied to the concepts of sustainability and excellence. In this regard, the bank organized several events (forums and workshops) to launch its programs for clean energy solutions in various governorates across the Kingdom and in the capital Amman. These programs provide financial, consultancy, and technical solutions for investing in renewable energy systems and high efficiency technologies to promote energy conservation. These programs are considered the first of their kind in the banking sector in Jordan and stem from the bank's desire to play a responsible role in social and environmental development.

In terms of financial results, the Jordan Ahli Bank started implementing a number of measures and plans in 2016, the most important of which was improving liquidity levels by expanding the client base and increasing sources of funds. The volume of client deposits has registered a growth of 16%, or JOD 285 million, to reach JOD 2.067 billion. This highlights the bank's financial strength and increases its market share, positioning it as a leader in the domestic banking sector. Furthermore, net direct credit facilities increased by 18%, or JOD 220 million, to reach JOD 1.45 billion while the percentage of non-productive debts to overall direct credit facilities reached 9.81% compared to 9.58% in 2015. The bank also succeeded in increasing its net revenue from interests and fees by over JOD 1 million to reach JOD 107 million. The bank's activities generated a profit of JOD 8.18 million before tax, which yielded a net profit after tax and shareholder dividends of JOD 6.28 million.

Additional allocations were made and interests were suspended with a value of JOD 46 million in order to strengthen the Bank's financial position, and deal with commitments that might arise during uncertain circumstances. The bank's capital adequacy ratio was 13.33% compared to 16.3% in 2015.

We have full confidence in our ability to achieve results that exceed expectations, and are today more prepared than ever to face challenges building on our clients' trust and on the strength of our capital.

I conclude this letter by thanking all our clients and shareholders for their trust and their faith in the abilities and aspirations of our leading establishment. We are proud of the Bank's contributions and achievements, and can confirm that it will continue its path toward improvement and promoting a positive image of our great nation. However, I wouldn't be able to express this pride if it weren't for the continuous commitment and efforts of the bank's executive management and employees, who constantly strive to serve the interests of their institution and achieve its objectives. I also wish to thank all monitoring agencies and the Central Bank of Jordan for their efforts in maintaining the strength of the banking sector and developing the Jordanian economy under the blessed patronage of His Majesty King Abdullah II of Jordan, may God protect him.

Saad Nabil Muasher
Chairman

Letter from the Chief Executive Officer/General Manager

Esteemed ladies and gentlemen,

It brings me great pleasure to share with you, in this 2016 annual report, Jordan Ahli Bank's success in achieving levels of excellence in banking performance and development work. This success encompasses the social, environmental, human, and economic aspects, and provides us with a lens to examine our present situation and look ahead towards our bright future.



I would like to take this opportunity to highlight the achievements we have made in our comprehensive strategic transformation, and the efforts we have exerted to move towards a more modern and flexible administrative and operational working model. Indeed, we have many reasons to be proud, especially considering the increasing challenges to development we are facing due to the slow economic growth generally witnessed in the Kingdom and in the region, and the continuous changes brought on by globalization in the banking sector and the resulting increase in domestic competition.

In 2016, we worked on establishing a solid and sustainable foundation for 2017 and the years to come. We based our efforts on several pillars, most importantly technological innovation, the concept of 'Listening and Responding', and the principle of 'Connection, Collaboration, and Engagement'. These pillars help us respond to the current as well as projected critical banking and development needs, and will help make our contributions to overcoming obstacles to sustainability with effective solutions more impactful and wider reaching.

The changes that have accompanied the transformation, supported by our governance regulations and mechanisms, have allowed us to strengthen our ties with our stakeholders, with a primary focus on our customers.

Further to restructuring our banking, finance and investment services, we added the new T24 banking platform to our services, which is an innovative and unprecedented package aimed at improving sustainable development. We were also able to keep our operational expenditures under control, develop and diversify our financing sources, expand our network of branches and ATMs, and give our growing customer base an individual banking experience that can't be matched. Leading social initiatives and programs were launched independently or with civil society partners to encourage the engagement of various sectors in development efforts, while existing initiatives and programs were expanded with palpable results. We worked on reinforcing the performance and social engagement of our human capacities within a safe and motivating environment that encourage success and excellence and continued developing our eco-friendly operational, banking and development practices to support evolution towards a sustainable green economy.

As we move into 2017, we are keen on translating our responsibilities into plans based on our national engagement and accrued experience. Our objective is to unleash more capacities and potential, and to continue pursuing our banking investments on one hand in order to support our existing customers and

attract new ones, and our investments in development on the other hand to help advance our society, its members, and its various sectors. As we do so, we will continue to leverage renewable and alternative banking, human, and natural resources and assets, with focus on energy resources.

We seek to build on our strategic achievements for the post60-th anniversary of our foundation, and are working on developing a new package of innovative banking solutions aligned with a healthy implementation of sustainability. This focus on sustainability will help us achieve our goals of expanding business, increasing profits, and reducing operational expenditures. It will also help increase the banking sector's contributions to the GDP and drive development forward by meeting the needs of customers, society, and the environment.

I look forward to connecting with you again in next year's report with new achievements to celebrate as our strategy continues to be implemented.

Mr. Mohammad Musa Daoud
Chief Executive Officer/General Manager

Our Strategic Objectives

At Jordan Ahli Bank, we adopt a comprehensive strategy to manage our relationships with all direct and indirect stakeholders. This strategy is drafted and renewed based on the results of continuous communication with these stakeholders using various channels. The aim is to identify and meet their needs to provide quantifiable added value with the interest of all parties at heart. This strategy is constantly renewed based on the foundations of effective institutional governance, which includes a value system aimed at strengthening the trust of all stakeholders. Our objective is to identify the priorities of each party and to do our best to meet them.

Shareholders

- Ensure secure investment and maximize returns.
- Provide shareholders with transparent, accurate, and periodic institutional information through meetings, annual reports, etc. to guarantee fairness for all.
- Manage relationships with other stakeholders, and control and supervisory entities.

Customers

- Provide a unique experience with an innovative and unprecedented range of banking and non-banking solutions and services.
- Maintaining a great relationship via outstanding management systems that promote competitive advantages, including complete confidentiality for all customer accounts, deposits and trusts, as well as reward programs, etc.

Human Resources

- Develop capacities and empowerment and provide diverse opportunities to build a promising institutional future.
- Reinforce the competitive advantages granted to human resources within an ideal work environment.
- Continuous internal and external communication through several channels.
- Promote social engagement.

Community and Environment

Serve the objective of sustainable social, economic, and environmental development through products, services, and programs that directly benefit all segments of the community and the environment; and help meet the social, cultural, and national needs of the country.

Official and Control Entities

- Complete compliance with laws and regulations issued by official control entities, and complete commitment to transparency.
- Support official efforts in all fields and on all levels to serve the community.

Suppliers

- Build long-term relationships based on transparency and high-level performance.
- Maintain effective partnerships to increase the quality and efficiency of value management, and improve efficiency and productivity.

Partners (Media and Civil Society Organizations)

- Build strategic partnerships.
- Fruitful collaboration and ongoing transparent communication.

Strategic Themes

Jordan Ahli Bank's strategic objectives were born out of a strong will to develop the bank by adopting the best global banking foundations. Our strategic plan is based on three key themes:

First Theme: Customer Centricity

Second Theme: Operational Excellence

Third Theme: Innovation

Means of Communication



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Post for communications with
official and government entities

Customer Relationships Management (CRM) System

Increase customer centricity with more specialization, and more varied and richer choices.

In 2016, we continued to manage our relationships with our customers in various sectors based on our philosophy of offering comprehensive quality. As we move forward in implementing radical changes through our post 60- anniversary strategy, we have started implementing a more customer-centered approach that seeks to identify and meet their needs before they even arise, as well as offer more diverse and richer services. We complemented our traditional, tried and true practices with advanced and modern administrative and technical practices in line with best global practices. Our efforts were made within a pragmatic and effective framework, and have led to significant progress in CRM, with many of our customers expressing their satisfaction and loyalty to the bank. We have moved from a transactions level to a level of excellent relationships by taking these measures:



Furthermore, 2016 witnessed improved communication with customers, both quantitatively and qualitatively, through our interactive platform based on advanced IT systems and sophisticated marketing and interaction techniques adapted to customer communication trends. This approach has allowed us to achieve the following:

CRM System Achievements

1. Excellence in managing the complaints system
2. Improved presence and positioning for our brand, and a well-established institutional identity
3. Expanded customer base
4. Increased social media following

Alongside these achievements, in 2016, we worked on updating our interactive platform to keep up with new technologies, and on updating the content of our pages within these channels. Our personnel across all our branches were trained on the optimal use of these channels to meet the needs of our customers.

Social Media and Followers in 2016/2015

Social Media Channels	2016	2015
LinkedIn	6,131	4,730
YouTube	3,541,528	2,175,000
Twitter	35,360	34,000
Facebook	629,547	578,000
Instagram	479	0



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Board of Directors' Report

Performance of the Jordanian Economy during 2016

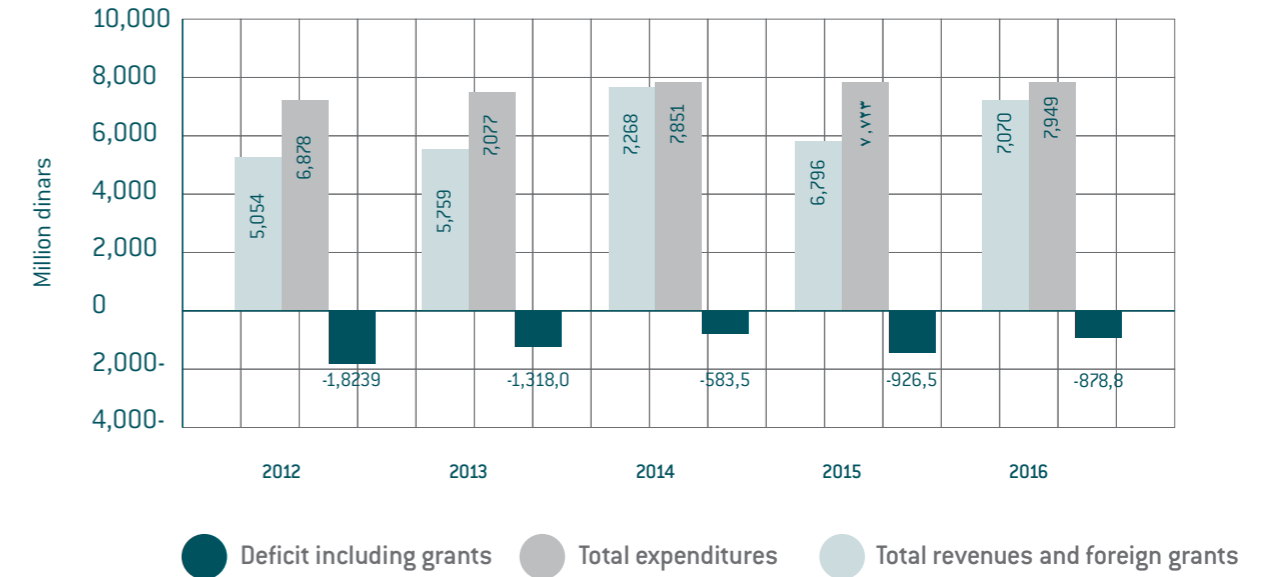
The Jordanian economy managed to maintain its stability in 2016, despite significant challenges arising from economic, political, and security instability in the region. These challenges include public debt reaching record highs and fears of negative impacts on fiscal stability, and pressures on infrastructure and public services as a result of the large number of refugees being hosted in the Kingdom. However, the structural reforms the government is implementing, especially in terms of diversifying energy sources, which were further supported by the decline in oil prices have helped mitigate the energy crisis that the Kingdom is still facing. These factors have in fact helped reduce the import bill for oil derivatives, which in turn reduced the Kingdom's trade balance deficit.

In terms of enhancing the investment environment, the government adopted the Jordan Investment Fund draft law, which aims to secure funding sources for large infrastructure and development projects that can benefit the national economy. The Central Bank of Jordan issued USD 1 billion worth of Eurobonds on international markets with the underwriting applications reaching 400% of the issuance value, with over 300 international investors representing the world's largest investment funds, indicating trust from international investors in the strength of the Jordanian economy.

Nonetheless, influenced by the political instability of many neighboring countries and the continuing state of uncertainty, the Gross Domestic Product (GDP) recorded a slowdown in growth at Constant Market Price during the first three quarters of 2016 and an effective growth of 2.0% compared with a growth of 2.3% recorded during the same period of 2015. The financial services, insurance, business, and manufacturing sectors contributed the most to this growth in 2016. Inflation, as measured by the Consumer Price Index (CPI), was recorded at (0.8%) compared with (0.9%) in 2015, its record high, as a result of the decline in oil prices and the prices of related goods and services on international markets, and consequently in the domestic market. Data also indicates a rise in unemployment to 15.3% at the end of 2016 compared with 13% at the end of 2015.

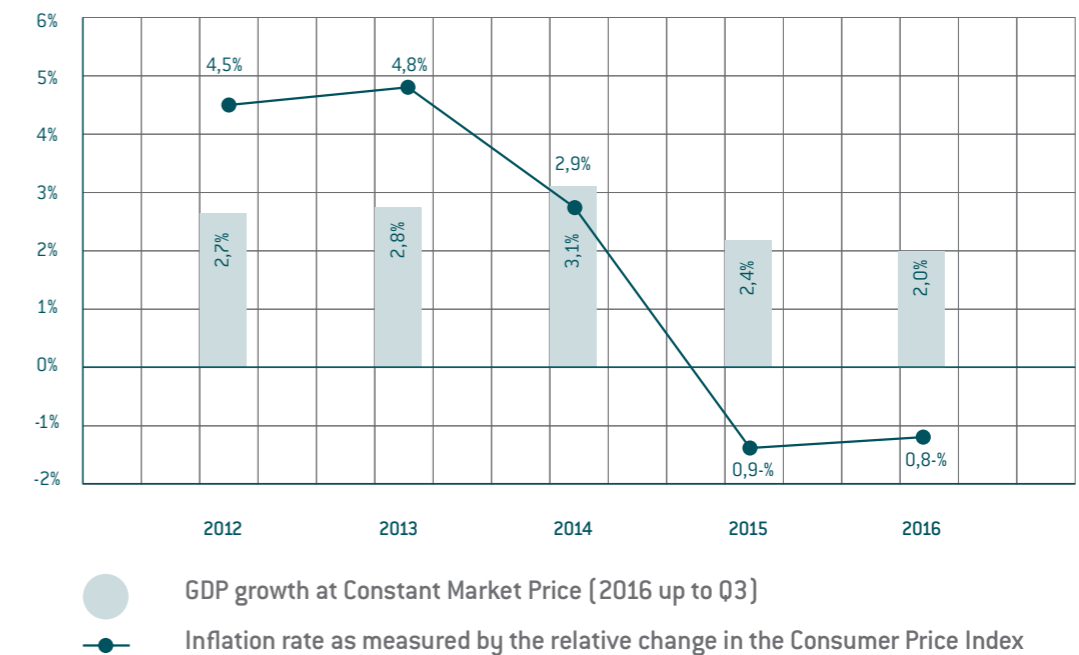
Concerning fiscal policies, the government continued its efforts to contain the budget deficit. In this context, total spending increased by 2.9% (JD 225.6 million) at the end of 2016 to reach JD 7,948 billion compared with JD 7,723 billion at the end of 2015. Current expenditures increased by 4.4% (JD 294.8 million) while domestic revenues recorded an increase of JD 322.8 million since 2015 to reach JD 6,233 billion in 2016. As such, domestic revenues to current expenditures ratio (coverage ratio) declined to 78.4% at the end of 2016 compared with 89.3% in 2015. Accordingly, the budget deficit (including foreign grants) stood at JD 878.8 million at the end of 2016 compared with JD 925.8 million in 2015, a decline of 5.08%. However, when excluding foreign grants, the budget deficit stood at JD 1.715 billion at the end of 2016 compared with JD 1.812 billion in 2015.

Summary of Central Government Budget



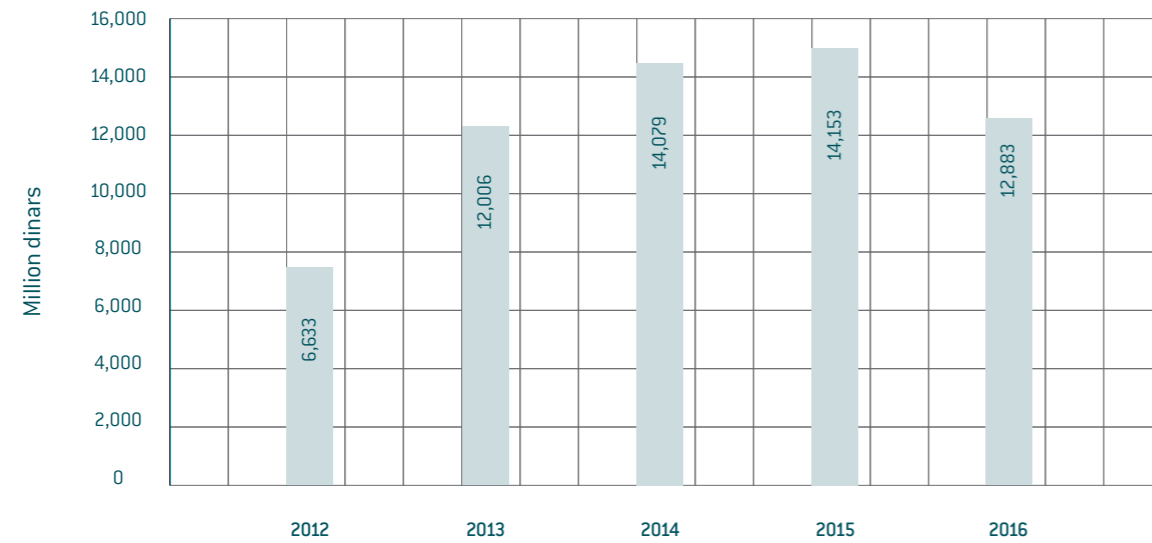
The central government's net domestic public debt (including independent institutions) reached JD 13.780 billion at the end of 2016, recording an increase of JD 323 million compared with 2015. As for foreign public debt, it reached JD 10.299 billion with an increase of JD 908.5 million compared with 2015. Consequently, net public debt (domestic and foreign) reached JD 24.079 billion approximately, meaning an increase of JD 1.232 billion during 2016. It should be noted that the net public debt in 2015 had witnessed an increase of JD 2.292 billion.

Growth in Gross Domestic Product and Inflation Rate



Foreign currency reserves at the Central Bank of Jordan declined by 8.97% to reach USD 12.883 billion at the end of 2016 compared with USD 14.153 billion at the end of 2015. It should be noted that foreign currency reserves had recorded an increase of 17% in 2014 while their record growth came in 2013 when reserves jumped by 81% to exceed the USD 12 billion record compared with USD 6.6 billion at the end of 2012.

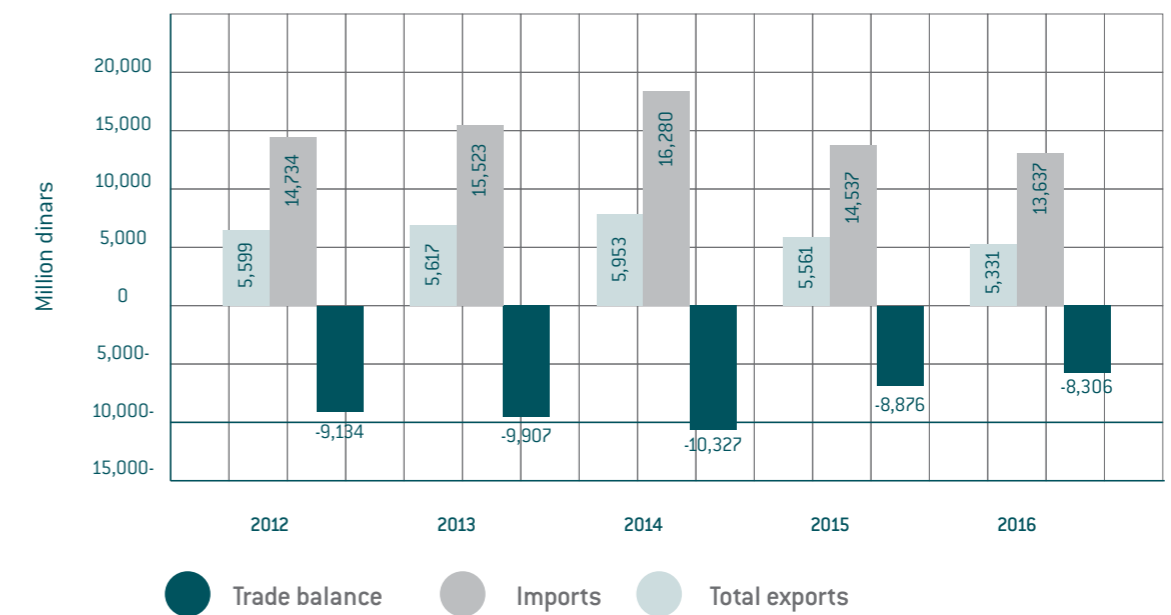
Foreign Currency Reserves at the Central Bank of Jordan



Credit facilities extended by licensed banks increased by 8.54% (JD 1.802 billion) compared with 2015 to reach JD 22.905 billion in 2016. Total deposits at licensed banks went up 0.92% (JD 301.5 million) compared to 2015, to reach JD 32.900 billion in 2016. Therefore, the credit facilities to deposits ratio grew to around 69.6% at the end of 2016 compared with 64.7% at the end of 2015.

The Central Bank of Jordan increased interest rates in 2016 on monetary policy tools by 25 basis points as follows: CBJ main interest rate (weekly repurchase agreements) at 2.75%, rediscount rate (bank rate) at 3.75%, interest rate on overnight repurchase agreements at 3.50%, and overnight deposit window rate at 1.75%.

Remittances of Jordanian expatriates decreased by 4.02% to reach nearly JD 1.767 billion at the end of Q3 2016 compared with JD 1.841 billion at the same time in 2015. The trade balance deficit dropped by 7.5% from last year to reach JD 8.306 billion at the end of 2016. Furthermore, total exports (national exports and re-exports) declined by 4.14% (JD 229.9 million) to reach JD 5.331 billion, while imports went down 6.19% (JD 900.2 million) to reach JD 13.637 billion as a direct result of the decline in the Kingdom's oil bill in light of the global drop in oil prices.



Board of Directors' Report on the Bank's Performance during 2016

Jordan Ahli Bank maintained and improved its leading position in the markets where it operates in 2016. It has built on over 60 years of achievements, excellence, adaptability, a distinguished customer base, and a wise administration that is constantly seeking to improve its capacities to achieve its strategic developments and ambitious vision. The Bank has developed the most modern and secure technologies by launching a new integral banking system, through which it aims to offer its customers world-class quality and excellent services at the highest level of security.

As a result of implementing conservative and wise policies in managing assets and liabilities, the bank was able to improve the efficiency and quality of its credit portfolio. This led to improved growth and quality in credit assets and facilities, customer deposits, and risk mitigation for the coming phase. The Bank's executive administration has played a significant and essential role in exercising the efforts necessary to achieve this level of excellence.

Key Achievements

Successful launch of new banking systems and operational implementation

In October 2016, Jordan Ahli Bank launched its new T24 banking system to improve operations and provide leading banking services that meet the needs and requirements of our customers at our branches across the Kingdom. The new system is supplied by the leading global company in banking software, Temenos, and was rolled out at our branches in Jordan and abroad.

The new T24 system offers a comprehensive platform that includes advanced banking solutions using the latest IT technologies that help improve internal and banking operations. Moreover, the system offers an unprecedented package of banking solutions, services, and products thanks to its technological innovations aimed at meeting the needs of customers from all banking sectors, whether large corporations, SMEs, individuals, or entrepreneurs. It introduces a unique banking experience with true added value that is customized to each party according to their needs.

With this new platform based on Service Oriented Architecture, we now offer our customers more services and advantages, including:

E-services Platform

The Ahli Mobile service was designed with a unique feature that enables customers to design their own banking services and products according to their personal needs, so that these needs are met rapidly at minimal effort. Users can log into the platform 24/7 by using their debit card number to perform all kinds of transactions, and get information on their accounts, credit cards, and loans.



The Ahli Online service is available on the website www.ahlionline.com.jo and can be accessed the first time by registering on the website using the customer's debit card number as login and the CVC code as password. This service includes bank transfers, credit card payments, information on loans, SMS notifications on financial transactions, and a new SMS service for financial actions carried out at branches using electronic banking channels. Customers can also use it to obtain credit information through a customer credit data base that can help make decisions, and to measure the risk level of the Bank's assets.

Current products were also developed and improved to align them with the Bank's orientation and open new financing channels to a new segment of borrowers whom we were not able to serve before. Furthermore, a direct deposit service using ATMs was also launched.

Platform for Other Services

Debit cards can be requested and received immediately from any Instant Issuing branch; account information can be requested and statements can be issued from all branches within the Kingdom; and customer notifications have become easier and clearer with many improvements made to this service.

Being awarded the PCI DSS International Certificate in cyber security for the second year



Jordan Ahli Bank can add a new technological achievement to its list of IT security (cyber security) achievements: receiving the 3.1 version of the Payment Card Industry Data Security Standard (PCI DSS) certificate for the second year in a row. The certificate is the most prestigious international recognition of data security standards and is issued by the PCI Security Standards Council (PCI SSC). This achievement is the result of a rigorous and comprehensive auditing and assessment process of the Bank's security and protection systems, policies, and standards conducted by the IT security and protection consultancy firm Scan Wave CTS through the British company Random Storm LTD. It should be noted that the Bank met all the SSC requirements.

Receiving the Best Bank for SMEs award



Our continuous efforts to support the SME sector paid off when Jordan Ahli Bank was announced 2016's Best Bank for SMEs at the JFEX awards, which were distributed as part of the 9th Jordan Afaq Economic Forum titled 'Leading Projects and Their Economic Impact'.

Corporate Banking Services

A. Corporate Banking and Projects Finance Department

The Corporate Banking and Projects Finance Department is considered one of the main departments at Jordan Ahli Bank. It is tasked with granting and managing direct and indirect commercial facilities, and deposit services for various economic sectors in addition to financing large projects directly from the Bank, or through the administration of banking cluster loans. These services are offered in line with the Bank's rules, regulations and objectives. The Department seeks to attract the best customers and provide them with the best banking services to develop and maintain the continuity of their work, thereby contributing to economic growth and development in Jordan.

The Department offers large companies specialized loan programs, and a range of direct and indirect financing programs. It further works on developing all types of banking relationships with these companies through its competent team, and through a branch dedicated for this purpose.

During 2016, the bank continued its active efforts to support the national economy by providing several large companies in vital economic sectors with the funding they need. The Department focused on financing working capital and vital projects relying on short and medium-term financing. It was able to build and strengthen new relationships with establishments and companies with strong financial positions and stable performance. Furthermore, the Department's work team gained new highly qualified members, and the credit portfolio was reorganized and classified in line with the regulations and guidelines in force.

The year 2016 was filled with instability and challenges that have negatively impacted all social and economic aspects in most countries in the region including Jordan. The Kingdom is still suffering from this impact as it faces many particular challenges such as the ongoing Syrian refugee crisis, which has added pressure to all elements of the national economy, and a large increase in public debt and budget deficit. Nonetheless, despite these challenges, a 2017 plan was set to meet the Bank's business targets through the optimal use of resources available. These objectives are:

- Increasing the Bank's share of corporate deposits and facilities in the Jordanian banking sector.
- Increasing non-interest revenues, developing the Bank's activities, and increasing the Bank's market share of indirect facilities.
- Improving the credit portfolio by expanding and attracting companies with strong financial positions.
- Increasing customer satisfaction and the quality of services offered, and encouraging the use of electronic channels.

B. Small and Medium Enterprises (SMEs) Banking Department

Considering the importance of the SME sector as an economic pillar, and the significant role this sector plays in creating job opportunities and alleviating unemployment and poverty, Jordan Ahli Bank established the SME Banking Department 10 years ago to provide specialized services to the SME sector.

Based on the strategic vision of the Bank's top administration, which aims to develop the SME sector and maintain the Bank's leading position in serving SME customers, Jordan Ahli Bank translated its interest in developing the sector in 2016 through the following steps:

- Serving SME customers at the Bank's 12 business centers distributed across the Kingdom's various governorates.
- Developing new solutions and products and improving existing ones to meet the different needs of SME customers. These include the Al Nashmiat products package, renewable energy products, energy saving products, business cards for SMEs, My Pharmacy, My Project, Finance Your Needs project, advances from the Central Bank of Jordan, and affordable loans. Other products are offered with guarantees from external parties such as the Jordan Loan Guarantee Corporation, Opec, and others. Furthermore, the Department offers innovative solutions for entrepreneurs, start-ups, and female entrepreneurs. It also offers traditional facilities such as overdraft facilities, purchase financing loans (financing of allocations/bills/policies/transfers), sales financing loans, and project and agreement financing loans. Indirect facilities are also provided for allocations and guarantees. It should be noted that the loans programs are varied, competitively priced, have flexible payment terms, and target all sectors and social segments.
- Based on our belief that customer needs are not constrained to financial services but rather include high-level and competent consultancy services, we have continued to provide our advisory services to meet the needs of the SME sector. These services have strengthened our relationships with our current customers, and have created marketing opportunities to attract new clients. They include advisory services at business centers and free training workshops provided through the bank's SME Academy Unit.
- In 2016, Jordan Ahli Bank and the Jordan Loan Guarantee Corporation signed a risk guarantee agreement for SMEs to further support start-ups. The agreement will help the bank increase its financing of the sector as possible risks that arise from funding SMEs are covered.

- Furthermore, a strategic partnership agreement was signed with the Jordan Renewable Energy and Energy Efficiency Fund (Ministry of Energy and Mineral Resources) to fund renewable energy projects under the Fund's various programs. The agreement seeks to support the renewable energy and energy efficiency sector in Jordan, and encourage SMEs to adopt environmentally sustainable approaches by benefiting from banking support. Beneficiaries at the Fund are provided with financial solutions to invest in renewable energy activities with high energy efficiency to help limit the pressures of costly energy and gas imports on the Jordanian economy and GDP by reducing the cost of renewable sources according to an approved financing program. To strengthen these efforts, the Jordan Ahli Bank launched a clean energy solutions program that is the first of its kind in the Jordanian banking sector. The program is launched in collaboration with the USAID Jordan Competitiveness Program and aims to support the renewable energy sector in Jordan.

- Clean energy workshops were held for SME owners inside Amman and in the governorates of Aqaba, Irbid, and Zarqa. The workshops tackled many issues related to clean energy and were held in collaboration with the USAID Jordan Competitiveness Program, the Jordan Renewable Energy and Energy Efficiency Fund (Ministry of Energy and Mineral Resources), the Amman Chamber of Industry, and Idama.



- Jordan Ahli Bank was the official main sponsor of the second SME Regional Conference held by the Jordan Chamber of Industry under the title "Public Private Dialogue: Empowering SMEs, Unleashing Potential". The Bank's sponsorship of the event is part of its efforts towards supporting the sector and the Chamber's activities to improve the business environment locally, regionally, and internationally.

- Given the Bank's extensive experience in developing the SME sector in Jordan, it was chosen to represent the Association of Banks in Jordan in the National Financial Inclusion Strategic Plan.



Al Nashmiat Initiative

The Al Nashmiat initiative was launched in 2014 as a comprehensive program aimed at creating project development opportunities for women, and helping them succeed and maintain their businesses. It offers a wide range of services, including marketing assistance to entrepreneurs through the initiative's contact network with Jordan Ahli Bank, as well as its advisory and training services to reinforce financing opportunities and solvency for female led projects.

Furthermore, the initiative seeks to socially and economically empower women in rural areas by allowing them to play a greater role in production and exports through the encouragement and enhancement of their skills and handcrafts.

In 2015 and 2016, we were able to expand the work scope and beneficiary network of our leading initiative Al Nashmiat by expanding our network of partners to support more female-led projects with programs, solutions, management services, project development, and efficient and skillful project maintenance. Also in 2016, we launched the Al Nashmiat Business Center to meet the needs of female entrepreneurs. This initiative had positive impacts on improving the standing of female entrepreneurs by increasing productivity, and enhancing the social and economic living standards of female entrepreneurs, their female employees, and initiative beneficiaries.

The Al Nashmiat initiative's most important objectives include:

- Empower female entrepreneurs and professionals by helping them best manage their projects, introducing them to best practices, and deepening their banking knowledge through non-banking advisory services and continuous guidance.
- Reach the highest number possible of female entrepreneurs and professionals in Jordan, and create a central data base of Al Nashmiat beneficiaries.
- Improve working conditions for women in Jordan, especially in rural areas, by supporting female entrepreneurs through various means to work toward a more balanced and fairer labor market.

Through our partnerships with entities working on women empowerment, we were able to deploy and motivate women capabilities in various fields. Women were encouraged to work, produce, and market their products by transforming their skills and talents to successful small projects.



Personal Banking Services

Throughout 2016, The Personal Banking Services Department sought to maintain Jordan Ahli Bank's leading role in the retail market, expand its customer base, and diversify its services. It had many achievements, including:

A. Branches and Sales Management

- A Branch Operating Model was drafted to help the bank transform its branches to sales point with the aim of improving productivity and banking services.
- Operations related to cheques, bills, guarantees, etc. were centralized to transform the branch into a sales point.
- The Mecca Mall branch was opened, the Chamber of Commerce branch was merged with the Jabal Amman branch, and the Wakalat branch was merged with the Suwayfiya branch.



B. Personal Credit

- The list of approved companies was reviewed and the approval mechanism was amended.
- The loans and products permissions matrix was re-examined (Jordan and Palestine)
- Customer portfolios were distributed among employees according to category.
- A training program was prepared concerning the management and scheduling of due and defaulting debts to improve the competence of collection officers and liaison officers at branches.
- Credit accounts were closely followed-up and any imbalances resolved to avoid the defaulting of a new account. An external entity approved by the Bank was coordinated with to continue recovering defaulting non-guaranteed loans taken by individuals within 90-364 days.

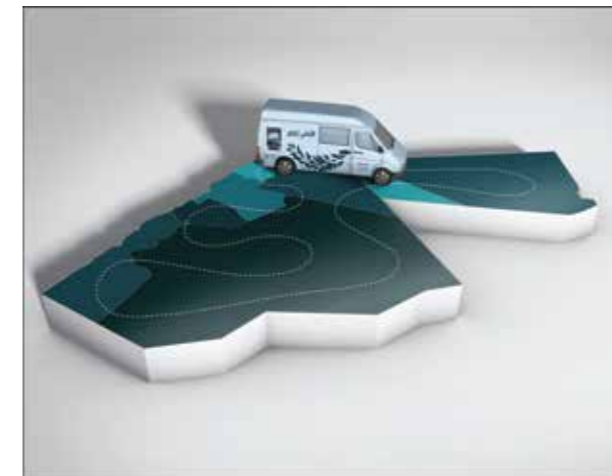


C. Service and product development

- **Housing loans:** Additional advantages were granted for customers taking out housing loans by having the Bank handle mortgages for housing loans. Furthermore, strategies were concluded to help finance apartments and villas in large housing complexes such as Ayla Aqaba (Complex Financing), Eagle Hills Jordan projects, and Lamar Construction Co. projects.

Credit cards

- Online installments
- Strategic partnerships with global establishments and bodies for the issuance of cards
- Launch of the Visa Infinite credit card
- Amendments were made to the Mastercard World Elite benefits
- Demand Deposit Account (DDA) cards replaced Static Data Authentication (SDA) cards for all debit and credit cards (Visa, Mastercard) according to global partnership requirements to help limit fraud and counterfeit operations.
- A service was developed to monitor fraudulent activities abroad in collaboration with Mastercard.
- Savings products: The benefits of all types of savings accounts were modified (Goushan, Abna'i and Jame'ati)



E-channels

- **ATM Network:** Expansion of the Bank's ATM network by adding 14 new ATMs to make a total of 114 operational ATMs.
- The Ahli Mobile and Ahli Online services were relaunched and offered to meet the expectations of customers and grant them additional services, including:
 - The eFAWATEERcom service for bill information and payment
 - Credit card account management and payment
 - Loan balance update service
 - Self registration
 - Transfers between bank customers
- **SMS Banking:** The quality of SMS services was improved and developed to include 33 services.

D. Direct Call Center

The Center was developed as a profit-generating center at the Bank by deploying Tele Marketing/Tele Sales using specialized marketing campaigns. Moreover, center staff started using the IVR phoning service system to directly check the identity of callers, and the Amyo Call Center Application was linked to the customer data base to better help clients and analyze their demands.

The completion rate of the customer data updating project reached %88 by the end of 2016, the updating of job titles for branch employees was completed, and a Corporate Customer Services position was created.

Treasury, Investments and Financial Institutions

During 2016, the Treasury, Investments and Financial Institutions Group maintained its conservative investment policy at the Bank, prioritizing safety and liquidity factors, in light of the continuing instability in the capital markets. In terms of liquidity management, the group targeted fixed income and risk free instruments, in addition to expanding the group's portfolio in terms of government bonds and bills, hence attaining low risk return in order to sustain gains acquired throughout the past years and securing shareholders' equity. Also, despite the unprecedented growth in deposits, the group adopted a strategy to have a better control over cost of funds.

Moreover, the group managed to provide a large variety of services to the Bank's customers including hedging against currency and interest rate fluctuations, in addition to other investment products targeting developed and emerging markets. Such services were complimented by the Bank's higher level of compliance and distinct risk policies in terms of liquidity, interest rate and contingency plans. This has reflected positively in terms of expanding the Bank's clientele base, in addition to attracting new customers. The group's achievements have exceeded by far the targets set for 2016, thus providing adequate liquidity levels at ideal costs despite challenges and intense competition in attracting deposits by other banks. Accordingly, these developments have contributed in the bank's growing commissions, while minimizing dependency on interest revenues, especially with the prevailing low interest rates in capital markets.

Furthermore, the group continued to develop its asset and liability management by means of having a more effective alignment among the sources of funds and their uses, while continuing to re-arranging its investment portfolio within standards targeting asset quality, fixed income, and acceptable risk, in addition to eliminating non-productive contributions and seeking alternative investments associated with low risk returns.

The group has further strengthened its presence and leadership on the Jordanian investment banking front, through its main and secondary services targeting corporates in the local capital market. In particular, the Bank was a pioneer in the area of providing capital market services; managing the issuance of 69 million securities involving 9 public shareholding companies during 2016, in addition to acting as a custodian, paying agent and registrar for issued securities exceeding 250 million Jordanian Dinars, recording a growth of 70% over 2015.

Through its financial institutions department, the group managed to develop its business operations, enabling it to offer its banking services to a wider variety of banks, in addition to attracting local and foreign financial institutions. Also, strengthening its trade finance services, and allowing for more diversification for the Bank's sources of income. This has contributed in enhancing corresponding Banks' confidence, and increasing their lines of credit in light of the Bank's growing volume related to trade finance, which witnessed a 95% growth during 2016 compared to the previous year. In addition to choosing Jordan Ahli Bank as a main corresponding bank to a number of major American and International banks.

On a different note, the Treasury, Investments and Financial Institutions Group has contributed in providing the capital markets with specialized equity and research reports serving as useful references for decision makers in a number of economic sectors. The group was also keen on providing its staff with professional certificates, in addition to providing them with the chance to participate in seminars and conferences both locally and abroad, in order to develop their careers and optimize its human resources. With much enthusiasm and drive, we look forward to year 2017, aiming to take full advantage of genuine investment opportunities both locally and internationally that would benefit the Bank and its shareholders.

Credit Management

The Credit Department supervises the quality of the credit portfolio and has many subdivisions that collectively cover the entire credit process. The department includes the following subdivisions:

- a. Credit Review Division: Studies and reviews credit applications after they are submitted by business departments.
- b. Credit Management Division: Includes the credit documentation unit and the credit operations unit, and works on credit documentation and determining caps.
- c. Credit Control Division: Mainly oversees the credit process from the approval date until complete repayment.
- d. Credit Remedy and Recovery Division: Mainly concerned with following-up on the recovery and settlement of non-performing loans, and with guaranteeing their collection by all means possible.

To allow branches to better serve customers, we started centralizing some operations. A financial approval unit was established as part of the Credit Management Division, and tasked to deal with clearing cheques that can lead to violations for Jordan Ahli Bank customers and with acquiring the necessary approvals in this regard.

In 2017, we will seek to optimize the features of the new banking system to reinforce the roles of these divisions to complement their work with that of other departments.

Finance Management

Throughout 2016, the Finance Management contributed to launching the new banking system and implementing it in its activities. The implementation covered the accounting system, central accounting activities, and regular reports submitted to the Central Bank of Jordan and regulatory authorities. The Management participated in the auditing and simulation stages of the new system, and in checking data in the old system against that transferred to the new system. Moreover, the Management monitored compliance with the work plans and estimated budgets concerning the expenditures of all departments, and continued implementing the approved policy for current and capital spending control at the bank (permissions, caps, approvals, exceptions, measurements, and analysis). It also completed a draft of the 2017 estimated budget and work plans, and set detailed plans for the Bank's business departments and supporting departments, as well as evaluated the performance of the bank's various departments compared with the 2016 work plans and estimated budget. The Finance Management provided higher management with many analyses and studies that helped take measures and make decisions to improve the Bank's performance. It also submitted studies comparing Jordan Ahli Bank's performance with that of other banks in Jordan, and reports measuring growth in the Bank's business items and market share.

Operations and Information Technology Management

A. Joint Central Services Operations Management

The Joint Central Services Operations Management continued to provide technical support to other branches and departments through fast high-level services. In line with the administration's objective to help branches focus more on sales activities and implementing the new banking system, most technical operations previously conducted by branches were centralized: domestic guarantees, collection policies, customer salaries, and Shared Service Center operations, which are back office operations (deposits, account openings, domestic guarantees, centralizing cheques, card operations, facilities). Back office technical operations were transferred to a center operating within the framework of Service Level Agreements (SLA) for branches and profit departments. Furthermore, a new e-transfers project was launched that includes the Real Time Gross Settlement (RTGS) and Automated Clearing House (ACH) systems. The measures taken for banking operations and systems internally and externally were documented using the latest technological means available.

Concerning the 2017 plan, electronic services were added such as the ability to open credits and make transfers online to reduce costs and increase customer satisfaction. Current operations will be restructured to amend execution and maintenance measures to save time, avoid overlapping tasks, and reduce costs. Archiving operations will be updated to keep copies of all transactions and documents; the information/seizure/release system for social security operations will be implemented; and the process of keeping and categorizing Post Dated Cheques will be automated.

B. Acquired Real Estate

This department handles the marketing of real estate acquired by the Bank within the frameworks and regulations set in this regard. It leverages useful real estate, concludes relevant contracts, and follows-up on their progress.

The value of real estate sales executed by this department grew from JD 10.4 million in 2015 to JD 11.2 million in 2016. In 2017, the administration will work on expanding real estate sales activities with the hope of registering additional growth, depending on the economic situation.

C. Business Technology

The Business Technology Department provides the necessary technical support to the Bank's various departments, and works on developing the Bank's business by using IT technologies in line with the bank's strategy.

In 2016, the DNA strategic transformation program was completed and a new banking stage was launched based on the best banking systems and the latest business technologies. The new Temenos-T24 system was launched after it was tested and the accuracy of transferred information was checked. Supporting banking systems to complement T24, e-channels, and e-payment gateways were also launched.

Over the coming years, we look forward to strengthening the new banking system and its relevant technologies, and to collaborating with the Bank's other departments to build on and leverage the new system. For this purpose, programs and projects will be launched to improve customer service, and start building the foundations for e-channels that will lead to Virtual and Digital Banking. Data and information will be leveraged using a smart business system, while plans are ongoing to implement the new system in Palestine and continue work in Cyprus.

Furthermore, we are working on updating communications networks, setting security systems that meet international standards, and implementing a disaster recovery plan to guarantee work continuity and quality.

D. Internal Control

The Inspection and Control Department's achievements in 2016 include:

- Reinforcing internal control operations by reviewing the Bank's various operations.
- Controlling all banking operations, and remedying violations, if any.
- Automating all regular inspection and control reports, and developing them to correspond with the new banking system.
- Increasing awareness among employees, branches, central departments, etc. on the importance of control operations to avoid the repetition of violations and operation mistakes.
- Evaluating regulatory performance at branches and central administrations, and providing recommendations to higher management.
- Effective participation in inventory and destruction committees.
- Work is ongoing to develop the necessary software to internally match banking accounts, and match them with other banks locally and abroad.

Human Resources and Logistics Management

Human Resources

In 2016, Human Resources programs focused mainly on spreading the culture of performance, and setting KPIs based on balanced performance scorecards. The scorecards were completed for all higher management positions and business departments, and individual performance was linked to institutional performance. This was accompanied by the development of e-systems that allow employees to regularly view their objectives and achievements, and to approve or protest the data in line with institutional transparency principles. As the launching of the new banking system this year required training employees to use the system according to their specialization, training activities were implemented to raise the competency of employees to the highest level, whether in terms of banking knowledge or in terms of personal and technical skills, the ability to take on new functions, and the ability of new employees to take on responsibilities. In 2016, we sought to train employees as good as possible to improve their knowledge, their personal and technical skills, and to allow them to take on their new responsibilities. We executed 282 internal and external training programs, provided 2831 training opportunities, and various on job training workshops to train personnel on the new banking system.



A collection of human resources guidelines were reviewed and adopted to keep up with changes in the institution and with the continuous development of institutional governance. In 2016, disclosure and confidentiality policies, solvency policies, and employee rewards, incentives and retention policies were developed. The code of conduct was re-drafted as were many human resources policies to keep up with these developments.

Moreover, the Human Capital Management (HCM) system was updated to provide self-services to employees, facilitate procedures, and allow employees to receive these services quickly and efficiently within the framework of comprehensive controls.

Insurance

The Bank's insurance contracts were restructured in collaboration with the Bank's insurance consultant to include additional benefits and coverage, to improve their terms, to align them with current changes and developments in the insurance market on one hand and in the banking sector on the other, and to align them with the Bank's strategy and developments seen this year. Insurance coverage was expanded by concluding a new policy that insures board members and executive directors. As for bank employees, and with the aim of improving job satisfaction, the health insurance system was developed and improved through amendments that granted employees and their families additional coverage. Among the most important amendments are: increased annual limit for hospital treatments and for each case, removing insurance limits for out of hospital treatments, covering birth and hereditary diseases up to JD 5,000 for each new-born, coverage of gynaecological and hormonal tests, Hepatitis A tests and treatments, and full coverage of septum deviation operations. A separate ceiling for chronic medication was created and pregnant women (employees or spouses of employees) were given five additional forms. The dental health care program was improved by adopting a new network of excellent dental centres and dentists distributed throughout the Kingdom. Jordan Ahli Bank was one of the leading institutions to provide blood glucose meters free of charge to employees or their families who suffer from diabetes, with 50 tests performed every month.

The Comprehensive Health Insurance Conference organized by the Jordan Health Insurance Association was sponsored by Jordan Ahli Bank as part of our continuous support to national events, including health related events. The Bank was allocated its private wing at the conference where it presented its most important products and services related to banking insurance, and we participated in the opening session through an address given by the Bank's former board of directors, in which he highlighted issues concerning health insurance in Jordan, and through a presentation of our strategic plan to implement a comprehensive health insurance system for all Jordanians.



The department launched an insurance system that includes health insurance and will work on including life insurance and insurance on personal accidents in the future, and insuring the King Hussein Cancer Center with a similar system.

Service Quality

The Service Quality Department mainly works on spreading the culture of quality within the Bank by planning, coordinating, and managing relevant programs according to global standards and criteria to control and improve quality and reach excellence. Based on our desire to guarantee customer satisfaction, we worked on the following programs during 2016:

- Worked on conducting a customer satisfaction study and analyzing its findings.
- Worked on conducting a survey to get customers' opinion about services provided at branches, and analyze findings.
- Continued implementing the mystery customer program for all key service provision channels.
- Continued to manage customer complaints, and improved the Bank's response since the launch of the new system.
- Conducted studies to find out to what extent products meet the expectations of customers. The studies included accounts and exclusive customers in Palestine, and their findings were sent to the Product Development Department.

Logistics

The Logistics Department was restructured in 2016 to provide administrative and technical services with the utmost quality, efficiency, and professionalism to best benefit the Bank and its employees. During this year, policies and comprehensive procedures were developed to increase the added value of services provided by the department with the highest level of quality and as part of a comprehensive spending control policy. These policies and procedures regulated procedural operations through specific controls and contracts with external entities. Procurement, warehousing, and fixed assets operations were also automated and linked to the Finance Department. It should be noted that most of these contracts were reviewed and improved, while a large number was signed with the best providers for suitable prices according to the Bank's 2016 procurement policy.

In another context, security gaps were analyzed based on instructions from the Central Bank of Jordan, and the laws and regulations in force in Jordan, and security policies were developed to guarantee the implementation of internal control and monitoring systems issued by the Central Bank of Jordan and relevant laws. Furthermore, a central monitoring and operations room was established, and logistics plans were developed to guarantee work can continue in cases of emergency.

During 2016, the department sought to align its work with the Bank's plan to cut spending either directly supervising the parts in this plan that concerned logistics or by participating in the plan. This participation took the form of merging some branches, implementing energy saving systems, transferring the Data Center and IT Department, helping implement a distribution and updating plan for branches, and collaborating on an ATM distribution plan. An alternative energy project was launched to be completed next year, and will help reduce costs and protect the environment. The IP Telephone project was also rolled out, as was a project to update the department in collaboration with the consultancy company Deloitte. Comprehensive systems governed by the EPR system will be adopted for the department to increase revenues and optimize added value.

Marketing and Corporate Communications

During 2016, the Marketing and Corporate Communications Department adopted an efficient approach that allowed the bank to reach its strategic outreach goals and add many achievements to its record. In fact, the department launched and implemented several marketing and advertising campaigns using various channels; and developed and managed effective marketing and communication tools; and executed sponsorships and engagements in various activities and conferences.

The department participated in numerous important activities and events to support education, sponsor students especially young children and support scientific conferences held by Mutah University and Al Balqa' Applied University.

Furthermore, as part of the Bank's programs aimed at supporting culture and art, the department sponsored several activities such as the Khan Al Funoun Festival and Jerash Festival for Culture and Arts. It also encouraged sports and supported young and teenage athletes of both genders as part of its sponsorship of sports events and activities.

In line with the Bank's support of the youth, and the spirit of leadership and innovation, the Jordan Ahli Bank contributed to the success of the EY Entrepreneur of the Year award. This gave our customers, whether large companies or SMEs, the opportunity to stand out in their fields of finance or IT.

As the Bank seeks to support female entrepreneurs, it expanded the scope of its leading initiative Al Nashmiat by renewing its collaboration and partnership agreement with the Jordan Forum for Business and Professional Women. The renewal sought to expand the network of beneficiaries with existing projects to help them develop their businesses, and consequently support women's contribution to the economy. The Bank also participated in the conference held by the Central Bank of Jordan with AMF and GIZ through one of its Al Nashmiat beneficiaries who shared her success story in cultivating crops, producing and preserving food, and contributing to the economy and national production. The Bank's engagement in this context included several other national events, including sponsoring forums on renewable energy in Aqaba, Irbid, Zarqa, and Amman.



Moreover, Jordan Ahli Bank succeeded in growing its base of followers online to 627,000 members on Facebook, 35,500 followers on Twitter, 6,100 followers on LinkedIn, and 470 followers on Instagram.

The Marketing Department updated the Bank's website www.ahli.com in both Arabic and English to make it more modern and interactive. The interactive page now offers visitors a complete platform of banking data and tools, and allows easy access to the website's contents and information. By using the best available technologies, the website is compatible with computers, smart phones, and tablets, and offers all the information needed on the Bank's history, organizational structure, and the geographic distribution of its branches and ATMs.



In collaboration with the Bank's various departments, the Marketing and Corporate Communications Department developed an internal and external communication plan for the strategic transformation program launched by the bank last October. The plan included introducing to staff to the internal communication system and its benefits, and familiarizing customers and stakeholders with the external communication system. Marketing campaigns were also deployed for the launching of this program.

Risk Management

General Risk Management Framework

Risk management at the Bank is conducted through various regulatory levels at the Bank's different business departments: Compliance Department, Risk Department, Internal Audit Department, and the Board's Risk and Compliance Committee. The Risk Department works in line with the instructions issued by regulatory authorities. Its activities include:

- Setting the Bank's Risk Management Framework
- Preparing risk management strategies, policies, and procedures
- Studying and analyzing the risks facing the Bank
- Adopting approaches to setting, measuring, monitoring, and controlling all types of risks
- Prepare for and monitor the compliance of the Bank's executive management with the set levels of acceptable risk
- Provide recommendations for any risk, and record cases that are exceptions to the risk management policy
- Prepare an internal evaluation form for the Bank's capital to risk adequacy ratio
- Conduct stress tests
- Prepare publications to raise awareness of risks at the Bank's departments

The Risks Management Department also handles responsibilities assigned to it by the following departments:

Basel Department

The Basel Department works on calculating the capital ratio according to the Basel II standard. It also works on developing models for calculating the ratio as well as financial leverage according to Basel III requirements in terms of first pillar level regulatory capital and risk-weighted assets (credit risks, market risks, operational risks) with the aim of keeping up-to-date with banking sector developments and improving capital quality.

The department also handles stress test scenarios to analyze sensitivity at the level of single variant scenarios and multiple variant scenarios, so as to analyze findings against capital to risk adequacy, and expected profits and losses, using mild, medium, and severe level scenarios.

The department further prepares the general framework for acceptable risk levels, which aims to manage, measure, and monitor acceptable risk levels within a governance framework approved by the Board of Directors. It does so by setting the tasks and responsibilities of the Board and of executive management, and by setting a list of acceptable risk levels for capital, assets, profitability, liquidity, credit portfolio, and investment portfolio.

Furthermore, the department sets the policy and internal assessment report concerning capital to risk adequacy, which seek to improve risk management and the Bank's internal environment by setting key objectives in this regard, as well as measurement methods used for quantitative and qualitative risk elements in line with the institutional governance guide and best practices in the field.

Credit Risk

Credit risks are managed through a system of policies and procedures aligned with the Bank's directives and strategies. They include:

- A comprehensive policy to manage credit risks that identifies the types of risks, their control methods, and their measurement methods.
- A credit policy and work procedures that set the bases and controls for granting credit, credit concentrations, acceptable guarantee bases, and the separation of credit execution decisions from credit granting decisions to implement proper regulatory principles and procedures.
- Approval of credit committees at various levels. The committees are formed and granted their authorities by the Board of Directors, and follow credit ratings to ensure sound credit decision making and neutral decisions.
- Moody's credit risk rating system to measure credit to assess the credit rating of customers, guarantors, companies, and other stakeholders the bank deals with. The system relies on financial results as shown in financial statements provided by the client, and on the client's qualitative aspects as related to management, the sector, the environment, and the customer's credit history.
- Comprehensive regular reports that analyze the quality of the credit portfolio to identify KPIs and detect weaknesses in quality early on.
- Guaranteeing that the credit risk policy, credit policy, and customer procedures are continuously updated, and submit regular and ad hoc reports and recommendations to the Risk Committee.

Moreover, the Credit Risk Department helped set a plan to implement International Accounting Standard No. 9, and to set and continuously monitor acceptable risk levels for customers, groups, and banking sectors. It also monitored the process of registering customers on the credit rating system to determine their Obligor Rating, Probability of default (PD), and Facilities Rating. The process entails entering all of the customer's facilities and related guarantees as enablers provided by the internal rating system. The bank is currently seeking to leverage this system to determine Exposure at Default (EAD) and implement the second alternative to Internal Rating Based credit risk measurement.

The department also work on developing a credit pricing mechanism using Risk Based Pricing, by implementing the RAROC Framework.

Early Warning Unit

The Early Warning Unit conducts periodic studies that analyze the Bank's portfolio of direct credit facilities in terms of concentration levels and default rate, in addition to conducting other economic studies that compare the Bank's performance to that of the banking sector. It also performs regular assessments of products targeting individuals and submits reports on credit risk indicators for companies affiliated with the Bank.

Market Risks

The Market Risks Department manages interest risks, currency exchange risks, equity instrument risks, and risks concerning commodities through a set of policies that include a market risk management policy, a liquidity risk policy, and a bank portfolio interest risk policy. It further guarantees compliance with the Central Bank's requirements and Basel guidelines concerning market risks. In fact, risks are managed and controlled by monitoring investment caps adopted in investment policies approved by the Board, calculating acceptable risk levels, and submitting regulatory reports to the Market Risk and Monitoring Department. The department adopts several approaches to measuring market risk, including: value at risk, stop loss limits, analysis of banking portfolio allocations, and study of portfolio concentrations that are submitted to the Risk Committee affiliated with the Board of Directors.

The department's responsibilities also include monitoring liquidity risks, and banking portfolio interest risks within the permitted limits in each of the liquidity risk policy and the banking portfolio interest risk policy. The department conducts measurements by analysing re-pricing gaps, monitoring deposit concentrations, calculating financial indicators, and examining legal liquidity.

The department plays an active role in Assets and Liability Committee meetings at the bank where it helps reach an optimal distribution of the Bank's assets and liabilities.

Furthermore, it supervises the works of the middle office through measures aimed at monitoring the investment limits set in the investment policy, and by monitoring compliance with the caps set for dealing with correspondent banks. It also monitors the credit ratings of banks and bonds; conducts the necessary studies on these banks by analyzing their budgets; gathers information and statistics on economic, fiscal, and monetary indicators; and monitors the financial centers of foreign currencies.

In addition, the Market Risks Department reviews and develops the Bank's market risk management policy in line with the Central Bank's instructions, Basel II guidelines, and economic developments. It then drafts regulatory reports to help improve the effective control and management of risks.

Operational Risks

The Operational Risks Department manages operational risks by:

- Drafting and reviewing the operational risks policy
- Holding awareness workshops for Bank employees to raise their awareness and deepen their knowledge on operational risks and the importance of reporting operational risks they encounter.
- Building a database of operational risks at the bank according to the mechanism adopted for this purpose.
- Reviewing the Bank's procedures to set controls for all of the Bank's activities and operations, and contributing to the review of procedures set for the purpose of implementing the new banking system.

- Identifying and measuring operational risks, and setting regulatory controls through workshops held at the Bank's departments and units to adopt the CARE web operational risk management system that allows the setting of risk profiles. The department also measures operational risks, examines the effectiveness of regulatory controls in limiting or reducing operations risks, implements the Control Risk Self-Assessment (CRSA) system as an operational risk management and assessment tool, and looks into the effectiveness and efficiency of regulatory policies in limiting such risks.

- Supervising the setting of a plan to guarantee business continuity by establishing committees dedicated for this purpose. The department set and adopted sub-plans for the Bank's departments and branches, an evacuation plan for the Bank's premises, and a branch risk rating document in preparation for a key business continuity plan.

Information Security

The Information Security Department works on reducing information technology risks by reinforcing the implementation of regulatory and security controls over the various systems being used. It encourages compliance with new IT security practices within the Bank's business environment. It collaborates with the Bank's various departments to complete its responsibilities in the field of information security, most importantly:

- Identify security needs during initial project stages, and assess related risks.
- Develop a response framework and reporting mechanism for information security incidents.
- Set security controls and standards (material and technical) to protect and rank ATMs.
- Evaluate the preparedness of the bank's alternative location in terms of systems and equipment.
- Help prepare a business continuity plan and sub-plans for the Bank's departments and branches by reviewing the Business Impact Analysis and sub-plans for business continuity.
- Set standards for choosing a Disaster Recovery Site.
- Hold awareness and training sessions for the Bank's employees and affiliated companies on the risks of information security.

Compliance and Money Laundering Management

The Compliance, and Anti-Money Laundering/Combating the Financing of Terrorism Department was established as an independent department based on Jordan Ahli Bank's commitment to implementing the best banking practices and maintaining institutional values. Its establishment complied with legal and regulatory requirements.

The department aims to guarantee the Bank's compliance with all laws, regulations, guidelines, and practices issued by concerned regulatory authorities to protect the Bank from regulatory and legal risks, including fines and risks to the Bank's reputation. The department is affiliated with the Risks Committee at the Board of Directors, and is in direct contact with the CEO/General Manager to allow it the highest level of independence and access.

The department's registered several achievements in 2016 thanks to its hard work, commitment to meeting regulatory requirements, and the implementation of annual plan items with the highest standards of banking performance. Below is a summary of these achievements:

- Re-drafted policies and guidelines in line with the laws, rules, and best practices in force.
- Concluded an agreement with MG Paradigm to acquire an electronic compliance monitoring system and implement the Regulatory Compliance Program throughout the Bank and its local and regional branches.
- The Bank purchased electronic systems to combat money laundering and the funding of terrorism from the same company that supplied the new banking system. The purchased systems were linked to international black lists to guarantee that the bank doesn't deal with any person or entity subject to sanctions. These systems also rank customers according to money laundering and terrorism funding risk. Furthermore, customer actions are monitored through daily reports issued by the department's team.
- Provided advice and guidance to the Bank's employees and executive management on compliance, money laundering, terrorism funding, and international sanctions.
- Submitted regular reports to the Board of Directors on the effectiveness of the Bank's compliance systems.
- Contributed to drafting procedures and plans for the Bank's new products.
- Monitored external branches and affiliated companies to identify violations/gaps related to compliance.
- Provided training for its own employees to guarantee they are informed of the latest developments in the field.
- Received several offers to implement an e-learning compliance training system for the Bank's employees to reinforce the culture of compliance, and ethical behavior.
- Set "Know Your Customer" due diligence rules, and a comprehensive methodology to manage risks related to the international sanctions system.
- Acted as a liaison between the Bank and regulatory authorities, mainly the Central Bank of Jordan.
- Guaranteed the Bank's compliance with institutional governance rules to reinforce proper institutional ethics and values.

The department has many additional aspirations that it seeks to translate into plans with clear objectives and timeframes, most importantly:

- Improve compliance programs to reach the highest levels of compliance at Jordan Ahli Bank within the framework of regulatory expectations and banking practices.
- Increase institutional awareness on the importance of compliance by implementing e-learning solutions.
- Develop and improve compliance programs implemented at the levels of monitoring compliance, anti-money laundering operations, combatting terrorism funding operations, and international sanctions systems.
- Invest in electronic systems and solutions to increase the effectiveness and efficiency of its activities.
- Expand its team to expand its work and increase regulatory efficiency.

Enterprise Programs and Projects

The Enterprise Programs and Projects Department seeks to enable the achievement of the institution's strategic objectives by managing the programs and projects portfolio. These objectives include:

- Informing senior management on all institutional programs and projects, consequently guaranteeing strategic alignment between institutional objectives and proposed programs and projects.
- Limiting the overlap of efforts at the institution's various entities and departments.
- Increasing the number of completed programs/projects within the set terms, timeframes, budgets work scopes, human resources, and outcome quality.
- Improving decision making and problem solving when it comes to challenges facing projects and programs, and guaranteeing optimal communication between the various parties involved. The department also implements the Board's decisions and submits relevant reports back to the Board.

During 2016, the department completed documenting all procedures, operations, and models related to project management, improved them based on feedback, and implemented them in several projects. Moreover, it followed-up on the implementation of 2016 projects and managed some complicated projects (that fell under the responsibility of more than one department). It submitted regular and detailed reports on project completion to provide a full image to senior management on the development and progress of projects. The department also raised awareness among employees at various entities on the concepts of project management and approved procedures. These employees were then invited to manage projects within their departments using approved procedures, operations, and models with the continuous support of the department.

A mechanism to follow-up on the decisions of the Board and its affiliated committees was deployed, and progress reports were submitted to the concerned entities to guarantee a clear image of the progress made in implementing tasks and executing projects. Executive management also received support in implementing DNA related decisions.

As for the department's aspirations, it seeks to reach Business Maturity Level by raising awareness within all parties concerned with the concepts and procedures of program/project portfolio management and program/project management. It further seeks to implement project management procedures for all of the bank's projects, define clear lines for all relevant measures, measure the performance of projects subjectively, and include project performance in the Performance Management System.

Internal Audit

Internal auditing is an independent and subjective activity that provides confirmations and advice to add value to the institution and improve its operations. It helps achieve the institution's objectives by adopting a regulated systematic approach to evaluate and improve the effectiveness of governance, risk management, and monitoring operations.

During 2016, the Internal Audit Department worked on the following:

- Implementing the adopted operational plan through the Internal Audit Unit in Palestine (affiliated with the Internal Audit Department in Jordan).
- Conducting auditing activities for all companies affiliated with the Bank.
- Continuing the provision of consultancy services for the Bank's units in line with internal auditing standards and best practices.
- Preparing and adopting measures that seek to remedy comments mentioned in internal audit reports.
- Checking the effectiveness and sufficiency of regulatory controls imposed on banking operations, and on IT activities within the new banking system.
- Participating in several training programs and conferences related to auditing and banking to improve the skills of its auditors.

Shareholder Affairs

The Shareholder Affairs Department is the key link between the Bank's administration and investors. It works on developing and improving relations between shareholders and management by facilitating the services provided to the latter using the latest technologies and following informed strategic plans developed with the interest of shareholders in mind.

The department recently replaced the old shareholder system with a new, advanced, and highly ranked system that meets the needs of both the Bank and its shareholders. It also adopted the comprehensive monetary allocations system that was linked to the Bank's branches to allow shareholders to receive their profits any time from the branch closest to them. Furthermore, the department manages and regulates the Bank's record of shares, and compares it to the central record at the Securities Depository Center. It follows-up on the distribution of monetary and in-kind profits approved by the Board of Directors and General Assembly based on approved rates and as fast as possible. The department is also authorized to disclose information on the Bank's ownership according to compliance guidelines issued by the Central Bank of Jordan and the Jordan Securities Commission.

The department's other responsibilities include preparing for meetings of the General Assembly and encouraging shareholders to attend them to vote for their, and the Bank's, interests. It sends out invitations and annual reports, which are considered as the main source of information for shareholders, in line with the principles of transparency and good relations. The annual report is also published on the Bank's website.

Social Responsibility

Jordan Ahli Bank's social contributions increase every year with more positive impact. This progress is made possible through strategic partnerships with civil society organizations, the sponsorship and support of initiatives that contribute to sustainable development, and a list of programs and initiatives that the Bank independently implements to benefit various sectors and social segments. The Bank's corporate social responsibility strategy was put in place to allow the bank to develop an excellent and model system in the field of CSR, and to help it take on the social role it aspires to. The strategy was drafted to benefit various sectors, with a focus on innovation and leadership, social empowerment, arts and culture, the environment, and youth and education.

Through its Corporate Social Responsibility Department, the Bank was able to implement several plans, initiatives, and programs in line with best practices that compare with international standards in the field. The strategy adopted was flexible and the policy transparent, and were inspired by the Bank's vision and values. It sought to accommodate social developments, and was based on partnerships, support, and sponsorship reflecting optimal choices and helping the Bank reach many of its objectives. Work will build on the achievements made so far and will continue in the future.

During 2016, agreements and strategic partnerships were signed with several development organizations to implement impactful initiatives, events, and programs that support development on all levels. The aim was to positively impact the lives of many people from various social segments, mainly disadvantaged communities. The bank's ambitious objective is to expand, develop, and diversify its CSR work to meet the aspirations and needs of everyone.



Based on these goals, the Bank created new communication channels on its website to allow everyone to send proposals for projects and areas of support, which will then be objectively assessed based on the Bank's strategy and policy.

The Corporate Social Responsibility Department played a big role in encouraging employees to participate in the Bank's year-round volunteer programs. The internal program "We Are All Ahli" was launched with a direct positive impact on the local community as it reflected true love for the country from both the Bank and its employees. Such individual and institutional commitments are pillars of unity and growth for communities.



Internally, the Bank's Corporate Social Responsibility Department launched an internal program to honor the Bank's employees and show appreciation for their loyalty to the bank. The program was titled "Your Giving is Our Success and Your Efforts Keep Us Going", and honored many employees based on a set of standards, the most important of which was years of experience. The benefits and services provided to employees were also improved by improving their work environment, with services such as food and beverages enhanced through the provision of vending machines.



Rewards and Employee Retention

The Rewards and Employee Retention Policy adopted by the Board of Directors at the start of the year considers human resources to be one of the most important foundations of any institution, directly impacting progress and success in an ever-changing competition and work environment conditions. For an institution to maintain its excellent standing, it must adopt good policies toward its human resources and must couple these policies with practices that reflect the institution's care on the ground. This can help retain competent employees, and guarantee sustainability and continuous success.

Setting comprehensive policies for rewards and incentives is therefore important in retaining employees and motivating them to achieve the institution's general and strategic objectives. They create a feeling of ownership for employees as they seek to meet employee needs and, in particular, give them satisfaction in their jobs. They are especially powerful when paired with incentives related to efforts and performance, on the short, medium and long terms, and with clear individual performance indicators in line with institutional performance.

General framework and key bases of the awards policy

This policy aims to set the general frameworks of incentives and awards, and the various aspects of employee retention. Its general frameworks, from which incentives and rewards policies, and retention policies derive, is based on the following principles:

1. Reflect the Bank's vision, objectives, and values.
2. Be transparent and objective, and seek to retain, attract, and improve the performance of employees who have the competence, and necessary skills and experience.
3. Be linked to individual performance (of the employee) while taking into consideration the contribution made by the employee's position to the Bank's general performance.
4. Set clear objectives related to the Bank's general objectives for each position at the Bank.
5. Create a balance between financial and non-financial incentives on one hand, and the Bank's short and long-term plans on the other hand so that the reward is not granted solely based on the performance of the current year but also on the medium and long terms (3-5 years).
6. Be designed to guarantee it can't be used to undermine the Bank's solvency or reputation.
7. Take into consideration risks, liquidity, profits, and timing.
8. Rewards can be granted as compensation, salaries, allowances, bonuses, choices of shares, or any other benefit.
9. Guarantee the possibility of postponing a reasonable percentage of rewards, with the percentage and delay period set according to the nature of the work, its risks, and the employee's activities.
10. Take into consideration any conflict of interests for employee in regulatory departments (Risk, Audit, Compliance, etc.), and avoid having rewards for employees in these departments linked to the outcomes of the departments they monitor.

Work Strategies

Five strategies were adopted for rewards, incentives, and employee retention. To clarify, these strategies concern the following:

1. Work environment
2. Internal relations
3. Support and assistance
4. Professional growth and development
5. Financial compensation

Each of these strategic aspects was clarified and the responsibilities of all concerned parties were well defined:

- Responsibility of the Board of Directors
- Responsibility of CEO
- Responsibility of Human Resources Director
- Responsibility of regulatory departments
- Responsibility of department directors

The policy was also divided into two separate plans:

Incentives Plan

A program for annual incentives was developed that links financial incentives to performance and achieving personal objectives while also taking into consideration the Bank's annual goals.

A long-term rewards plan was also set for executive management, middle management, and other employees known for their excellent performance (High Flyers). The plan is objective and transparent, and its policy is approved by the Board. Furthermore, the participation in annual profits program was set and will be implemented in cases decided by the Board where exceptional profits are made by the bank.

Rewards Program

The rewards program mainly seeks to reward individuals who show excellent performance, and to motivate them to keep improving their performance. It tries to improve morale and reinforce the sense of belonging to the Bank, while taking into consideration the accuracy of reward decisions and their objectivity. The policy also sets the objectives, conditions, and reward types of the reward programs.

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 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 market requirements.
- Strategic Focus: To create a future strategic planning culture among 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 and 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 equitably, 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; and commit to respecting the dates set for meetings and preparing an agenda prior to the meeting.

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's 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.

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.

Strategic Plan for 2017

In drawing its 2017 strategic plan, Jordan Ahli Bank relied on the following key pillars:

- Restructuring the Bank's operations to fit with the new banking system.
- Using the new banking system to improve services and products.
- Gradual transformation to a digital and virtual bank.
- Continuing to reinforce the Bank's liquidity at acceptable cost. (Changing the structure of the Bank's deposits by focusing on savings and call accounts).
- Focusing growth on SME and retail assets.
- Achieving growth in trade finance and retail commissions.
- Continuing to cut down on spending and operational expenditures.
- Managing assets and liabilities (aligning assets and liabilities, and pricing efficiency for every sector).
- Increasing the collection efficiency for defaulting debts.

Key Financial Analysis and Indicators for 2016

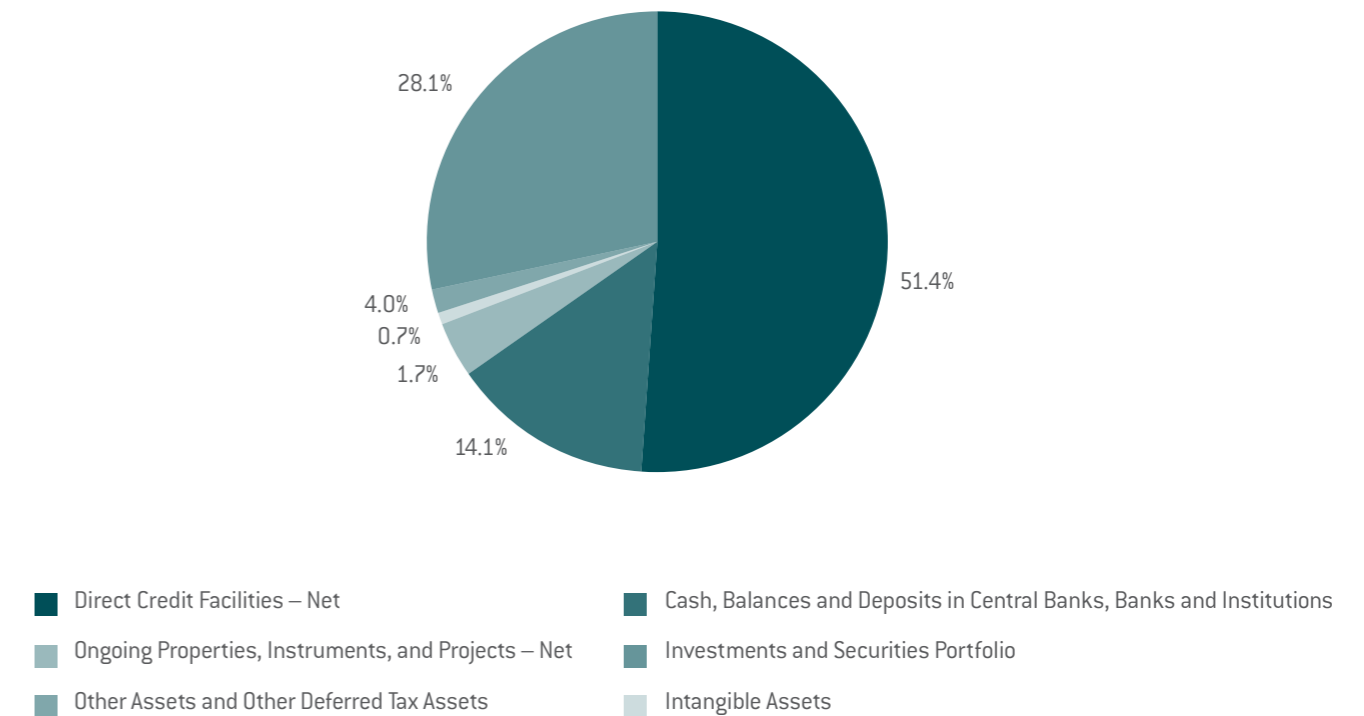
The following are details of changes to key items under assets, liabilities and contra accounts:

First: Assets

1. The total balance sheet (excluding contra accounts) amounted to JD 2,815,518,550 by the end of 2016, compared to JD 2,494,628,998 at the end of 2015, registering an increase of JD 320,889,552. Inclusion of the contra accounts would bring the total to JD 3,316,452,710 by the end of 2016, against JD 2,929,997,271 registered at the end of 2015, amounting to an increase of JD 386,455,439.

Bank Assets	2016	2015	Relative Change (%)	Relative 2016 (%) Importance	Relative 2015 (%) Importance
Cash, Balances and Deposits in Central Banks, Banks and Institutions	397,815,487	454,475,595	-12.5%	14.1%	18.2%
Direct Credit Facilities – Net	1,447,236,602	1,227,323,101	17.9%	51.4%	49.2%
Investments and Securities Portfolio	789,897,238	635,385,048	24.3%	28.1%	25.5%
Fixed Assets – Net	46,831,590	59,745,149	-21.6%	1.7%	2.4%
Intangible Assets	21,141,035	1,428,562	1379.9%	0.7%	0.1%
Other Assets and Other Deferred Tax Assets	112,596,598	116,271,543	-3.2%	4.0%	4.7%
Total Assets	2,815,518,550	2,494,628,998	12.9%	100.0%	100.0%

2016 Relative Importance



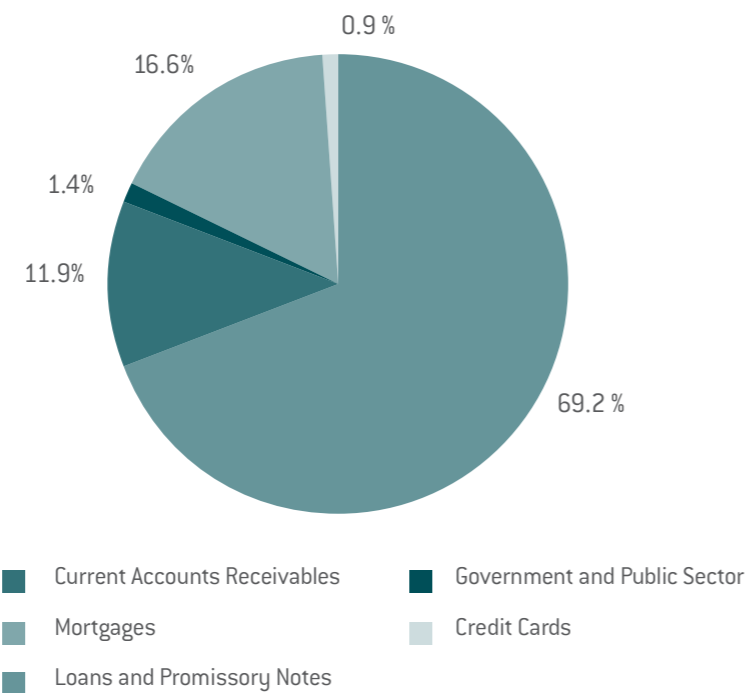
2. Cash at banks amounted to JD 397,815,487 in 2016, compared to JD 454,475,595 at the end of 2015, registering a decrease of JD 56,660,108.

3. The net value of securities amounted to JD 789,897,238 at the end of 2016, compared to JD 635,385,048 at the end of 2015. This amount includes JD 754,809,955 worth of treasury bonds, treasury bills and corporate debentures, which amounted to JD 601,857,948 by 2015.

4. The balance of credit facilities (excluding allowances and interests in suspense) was JD 1,572,275,401 at the end of 2016, compared to JD 1,322,002,157 in 2015, an increase of JD 250,273,244 compared to the end of 2015. This number includes current accounts receivables amounting to JD 186,463,767 in addition to loans, promissory notes and credit cards totaling JD 1,103,387,106.

Direct Credit Facilities	2016	2015	Relative Change (%)	Relative 2016 (%) Importance	Relative 2015 (%) Importance
Overdraft Current Accounts	186.463.767	151.496.137	23.1%	11.9%	11.5%
Loans and Promissory Notes	1.088.693.470	955.023.350	14.0%	69.2%	72.2%
Credit Cards	14.693.636	13.019.522	12.9%	0.9%	1.0%
Mortgages	260.807.630	180.761.972	44.3%	16.6%	13.7%
Government and Public Sector	21.616.898	21.701.176	-0.4%	1.4%	1.6%
Total Direct Credit Facilities	1.572.275.401	1.322.002.157	18.9%	100.0%	100.0%

2016 Relative Importance



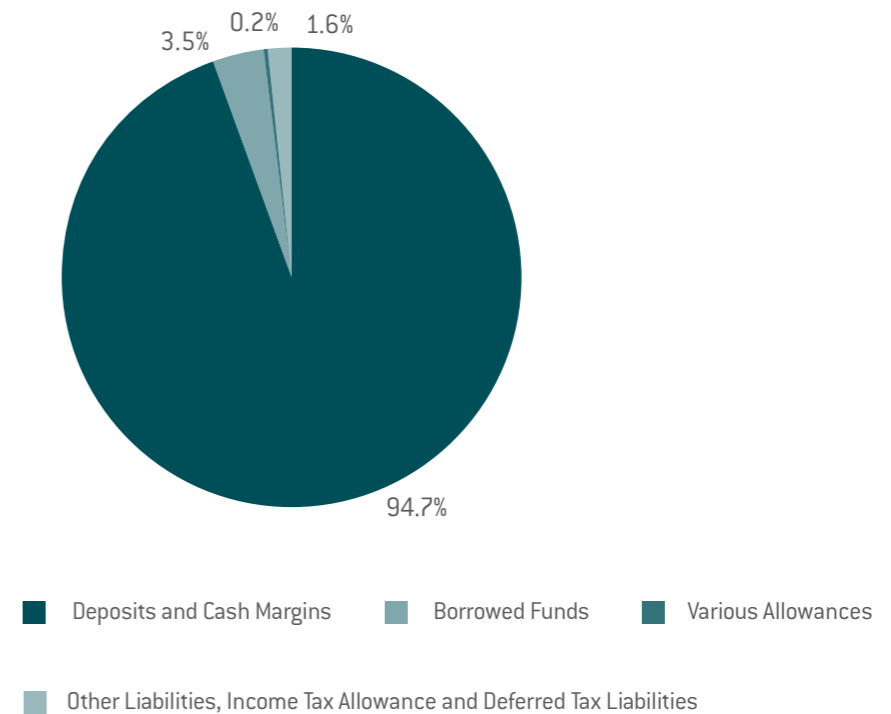
5. Net fixed assets amounted to JD 46,831,590 by the end of 2016, compared to JD 59,745,149 at the end of 2015.

Second: Liabilities

1. The balance of deposits in current and call accounts, savings, term and bank accounts amounted to JD 2,380,531,454 at the end of 2016, compared to JD 2,092,051,572 in 2015, registering an increase of JD 288,479,973.

Bank Liabilities	2016	2015	Relative Change (%)	Relative 2016 (%) Importance	Relative 2015 (%) Importance
Deposits and Cash Margins	2,380,531,454	2,092,051,572	13.8%	94.7%	95.9%
Borrowed Funds	88,520,033	45,564,564	94.3%	3.5%	2.1%
Various Allowances	3,392,889	3,663,206	-7.4%	0.2%	0.2%
Other Liabilities, Income Tax Allowance and Deferred Tax Liabilities	40,408,679	39,830,870	1.5%	1.6%	1.8%
Total Liabilities	2,512,853,146	2,181,110,212	15.2%	100.0%	100.0%

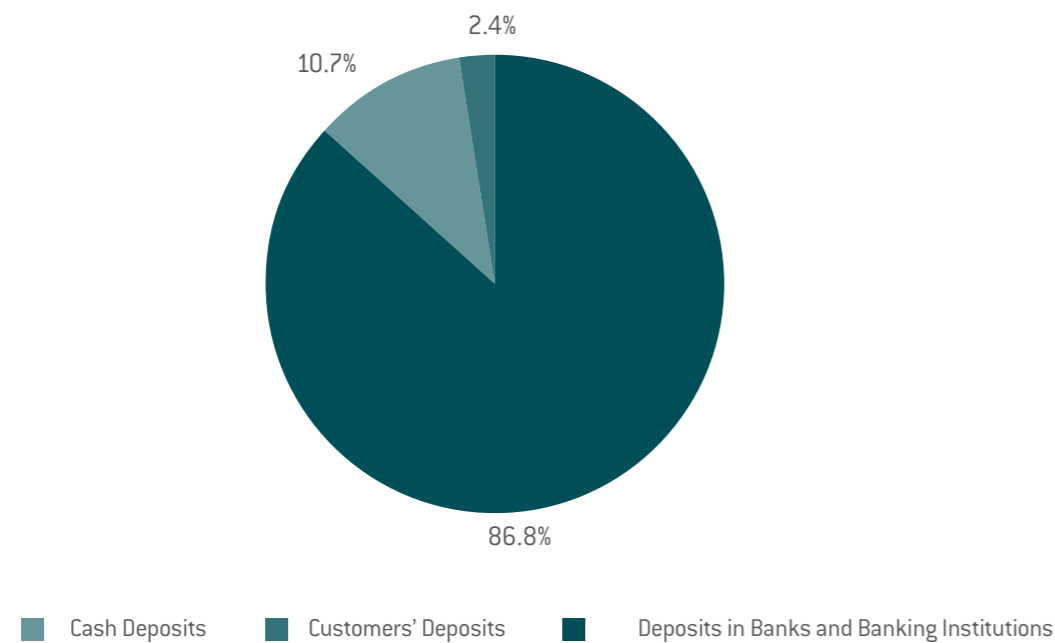
2016 Relative Importance



2. The balance of various allowances and other liabilities amounted to JD 43,801,568 by the end of 2016, compared to JD 43,494,076 at the end of 2015, registering an increase of JD 307,492.

Deposits and Cash Margins	2016	2015	Relative Change (%)	2016 Relative Importance (%)	2015 Relative Importance (%)
Deposits in Banks and Banking	57,353,655	30,631,530	87.2%	2.4%	1.5%
Institutions	2,067,294,759	1,782,222,725	16.0%	86.8%	85.2%
Customers' Deposits Cash Margins	255,883,131	279,197,317	-8.4%	10.7%	13.3%
Total Deposits and Cash Margins	2,380,531,545	2,092,051,572	13.8%	100.0%	100.0%

2016 Relative Importance



Third: Contra Accounts

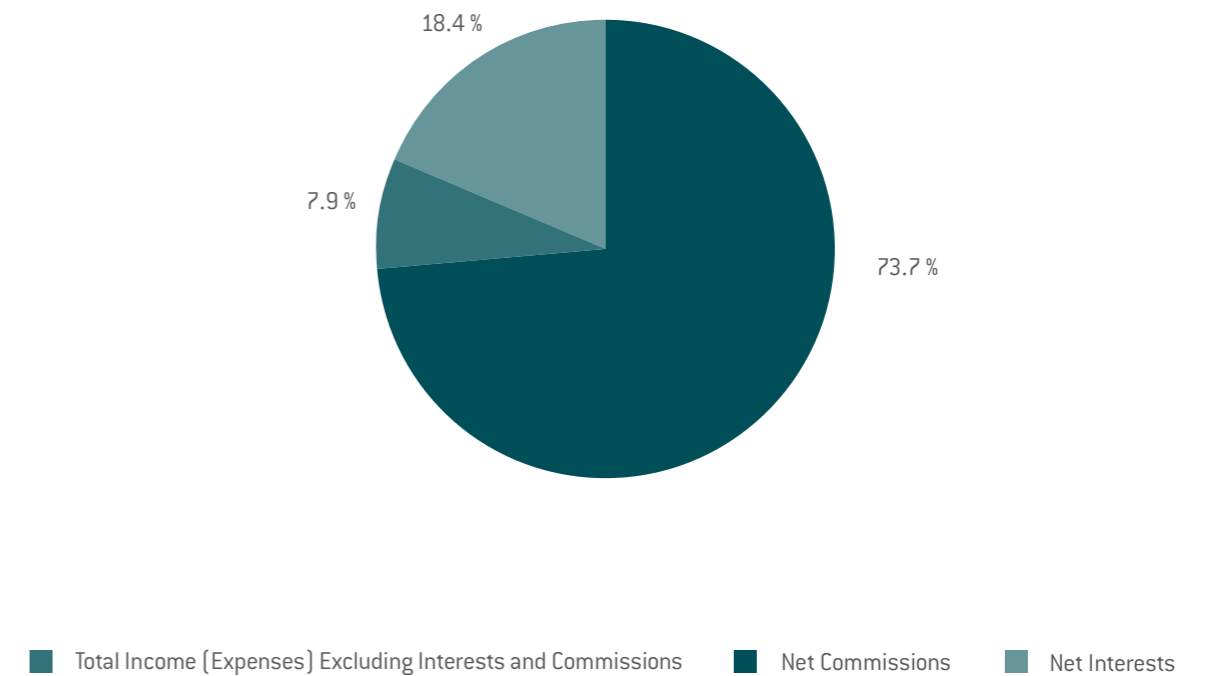
1. The balance of letters of credit and acceptances increased to JD 146,543,427 by the end of 2016, compared to JD 94,852,178 in 2015.
2. The balance of non-utilized limits increased to JD 139,061,512 by the end of 2016, compared to JD 138,977,083 in 2015.
3. The balance of guarantees increased to JD 215,329,221 by the end of 2016, compared to JD 201,539,012 at the end of 2015.

Fourth: Operating Income and Expenses

1. Operating Income: Operating income decreased by JD 3,524,291 to reach JD 116,248,895 by the end of 2016, compared to JD 119,773,186 recorded in 2015.

Operating Income	2016	2015	Relative Change (%)	2016 Relative Importance (%)	2015 Relative Importance (%)
Net Interests	85,668,814	85,583,223	0.1%	73.7%	71.5%
Net Commissions	21,332,904	20,328,775	4.9%	18.4%	17.0%
Total Income (Expenses) Excluding Interests and Commissions	9,247,177	13,861,188	-33.3%	7.9%	11.6%
Net Operating Income	116,248,895	119,773,186	-2.9%	100.0%	100.0%

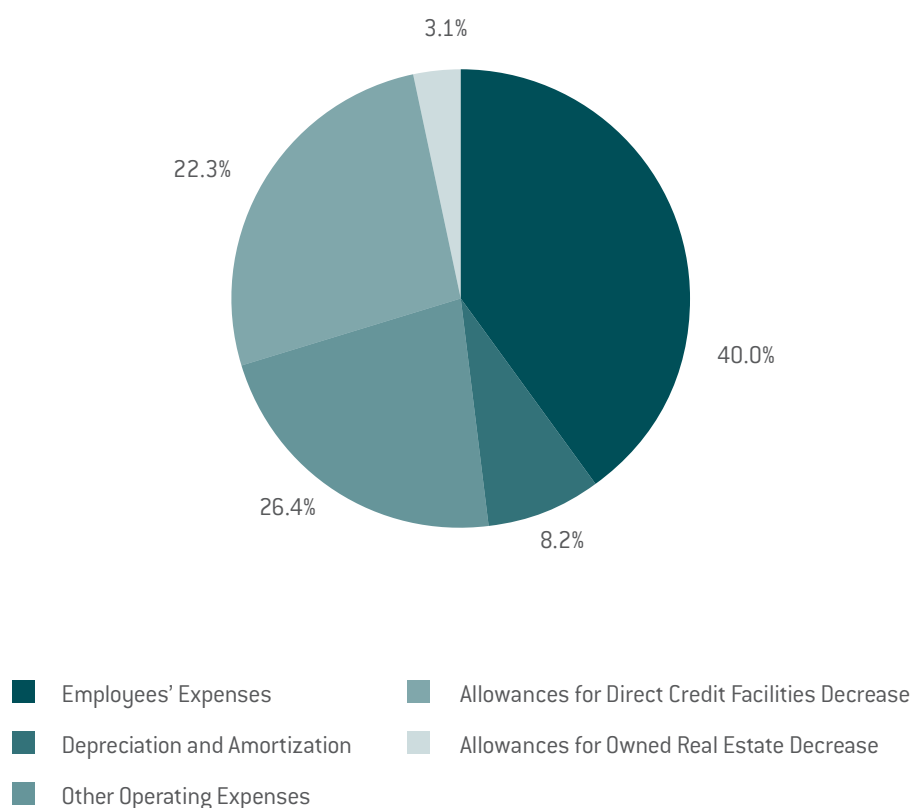
2016 Relative Importance



2. Operating Expenses: Operating expenses increased by JD 20,711,667 to reach JD 108,054,388 by the end of 2016, compared to JD 87,342,721 recorded in 2015.

Operating Expenses	2016	2015	Relative Change (%)	2016 Relative Importance (%)	2015 Relative Importance (%)
Employees' Expenses	43,185,981	39,672,359	8.9%	40%	45.4%
Depreciation and Amortization	8,909,010	7,800,586	14.2%	8.2%	8.9%
Other Operating Expenses	28,534,590	26,259,092	8.7%	26.4%	30.1%
Allowances for Direct Credit Facilities Decrease	24,031,418	7,299,465	229.2%	22.3%	8.4%
Allowances for Owned Real Estate Decrease	3,393,389	6,311,219	-46.2%	3.1%	7.2%
Total Operating Expenses	108,054,388	87,342,721	23.7%	100.0%	100.0%

2016 Relative Importance





02

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

AM/ 4716

To the Shareholders of
Jordan Ahli Bank
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Ahli Bank and its subsidiaries "the Bank" which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphases of a Matter Without qualifying our opinion above, and as stated in Note [47] to the consolidated financial statements, some of the accompanying notes to the consolidated financial statements for the year 2016 were adjusted based on the request of Central Bank of Jordan and as mentioned in the above note.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Adequacy of Credit Facilities Impairment Provision

The provision for credit facilities impairment is significant to the Bank's financial statements. Moreover, its calculation requires making assumptions and management's use of estimates for the drop in credit ratings and un-collectability due to some sectors' deteriorating financial and economic conditions, inadequate guarantees, and the suspension of interest arising from default according to regulatory authorities' instructions. Moreover, the net credit facilities granted by the Bank to customers amounted to JD 1,447 million, which represent %51 of total assets as of December 31, 2016.

The nature and characteristics of credit facilities granted to customers do vary from one sector to another, and from one country to another, due to the Bank's geographical deployment. Consequently, the calculation method of the provision for credit facilities impairment varies due to diverse sectors and different risk assessments for those countries, as well as due to their legal and statutory requirements and the requirements of the Central Bank of Jordan.

Scope of Audit to Address Risks

The performed audit procedures included understanding the nature of credit facilities portfolios, examining the internal control system adopted in granting and monitoring credit, and evaluating the reasonableness of management's estimates of the provision for credit facilities impairment, collection procedures and follow-up, as well as suspension of interest. Furthermore, we reviewed and understood the Bank's policy for calculating provisions. We also selected and reviewed a sample of performing, watch-list, and non-performing credit facilities at the Bank's level as a whole. In addition, we evaluated the factors affecting the calculation of the provision for credit facilities impairment such as evaluating available guarantees and collaterals, customers' financial solvency, management's estimates of expected cash flows, and regulatory authorities' statutory requirements. We also discussed these factors with executive management to verify the adequacy of recorded provisions. Moreover, we re-calculated the provisions to be taken for those accounts and verified suspension of interest on non-performing or defaulted accounts and the Bank's adherence to the regulatory authorities' instructions, requirements and related International Accounting Standards, and assumptions used for the calculation of the provision for credit facilities impairment.

We also evaluated the adequacy of disclosure relating to credit facilities, provision for credit facilities impairment, and risks set out in Note [8].

Financial Assets not Listed in Active Markets

The Bank holds non-current financial assets within the financial assets portfolio through the comprehensive income statement of JD 16,708,382 as of December 31, 2016. These assets should be stated at fair value in accordance with International Financial Reporting Standard.

Fair value determination of financial assets requires the Bank's management to make several judgments and assessments and to rely on non-listed prices input.

Consequently, management's fair value estimation of these assets was significant to our audit.

Assets Foreclosed by the Bank against Debts

Assets seized by the Bank are shown at 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 based on approved bases and methods according to the requirements of the International Financial Reporting Standards. Moreover, any related impairment in their value is recorded based on recent real estate evaluations and approved by certified real estate appraisers. A gradual provision has been calculated on the foreclosed assets whose seizure exceeded 4 years according to the Instructions of the Regulatory Authorities.

Scope of Audit to Address Risks

Audit procedures included evaluating internal procedures relating to the determination of financial assets fair value and examination of their efficiency. In addition, audit procedures include evaluating the estimates adopted by the Bank's management to determine the fair value of non-current financial assets. Moreover, these estimates have been compared to the requirements of International Financial Reporting Standards and discussed in light of available information.

The audit procedures also included evaluating the adopted methodology, appropriateness of evaluation models, and input used to determine the fair value of financial assets. They included as well reviewing the reasonableness of the most significant input in the evaluation process through reviewing investee companies' financial statements or obtaining secondary market prices as well as other reviewed input.

Scope of Audit to Address Risks

A revaluation of the foreclosed assets is required by the Bank at least once every two years to determine their fair value and to reflect the effect of their impairment (if any) in the income statement according to International Financial Reporting Standards. Moreover, our audit procedures included obtaining experts' assistance to help us verify the fair value of the foreclosed assets and review the reports of the real estate appraisers hired by the management to evaluate these properties. Also, a gradual provision has been recalculated on the foreclosed assets whose seizure exceeds 4 years according to the regulatory authorities' instructions regarding this matter.

The Information Technogym System on the Banking System

During the year 2016, the old banking system has been replaced with a newly developed one. Moreover, the Bank has journalized the data from the old system to the new one after September 2016 works have been closed. A reconciliation of the raw data has been carried out after the data has been transferred to the new system. The Bank has also performed another reconciliation after closure of the first journal. Furthermore, the required amendments have been made on the new banking system to adjust the differences according to the priorities determined by the management.

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor's report thereon, which is expected to be made available to us after the date of our audit report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Scope of Audit to Address Risks

The Bank has studied and estimated the design and operating effectiveness of the new banking internal control system related to financial reporting adopted by the Bank. Moreover, we have examined internal controls related to auditing. We also reviewed the management's report on the outcome of the data transfer from the old accounting system to the new one.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement on our compliance with relevant ethical requirements regarding independence, and communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards procedures.

From matters communicated with those charged with governance, we determine those matters of most significance in the audit of the consolidated financial statements of the current years, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements.

Deloitte & Touche (Middle East) – Jordan

Amman – Jordan

February 28, 2017 (except for Note (47) dated April 12, 2017)

Consolidated Statement of Financial Position

ASSETS	Note	December 31,	
		2016 JD	2015 JD
Cash and balances at central banks	4	201,989,051	287,831,587
Balances at banks and financial institutions	5	185,788,643	151,996,498
Deposits at banks and financial institutions	6	10,037,793	14,647,510
Financial assets at fair value through profit or loss	7	968,373	465,972
Direct credit facilities - net	8	1,447,236,602	1,227,323,101
Financial assets at fair value through other comprehensive income	9	29,011,930	27,841,330
Financial assets at amortized cost	10	754,809,955	601,857,948
Investments in associates and unconsolidated subsidiary company	11	5,106,980	5,219,798
Properties, equipment, and projects under construction- net	12	46,831,590	59,745,149
Intangible assets - net	13	21,141,035	1,428,562
Other assets	14	106,377,371	110,133,567
Deferred tax assets	20	6,219,227	6,137,976
TOTAL ASSETS		2,815,518,550	2,494,628,998

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	December 31,	
		2016 JD	2015 JD
LIABILITIES:			
Banks and financial institutions deposits	15	57,353,655	30,631,530
Customers deposits	16	2,067,294,759	1,782,222,725
Cash margins	17	255,883,131	279,197,317
Borrowed funds	18	88,520,033	45,564,564
Various provisions	19	3,392,889	3,663,206
Provision for income tax	20	926,721	7,557,618
Deferred tax liabilities	20	1,002,584	1,058,399
Other liabilities	21	38,479,374	31,214,853
TOTAL LIABILITIES		2,512,853,146	2,181,110,212
SHAREHOLDERS' EQUITY:			
Subscribed and paid-up capital	22	175,000,000	175,000,000
Statutory reserve	23	52,015,203	51,197,108
Voluntary reserve	23	33,486,083	33,486,083
Periodic fluctuations reserve	23	2,394,566	2,080,497
Special reserve		213,054	213,054
General banking risk reserve	23	14,988,716	11,693,374
Fair value reserve - net	24	1,861,943	1,203,412
Retained earnings	25	22,705,839	38,645,258
Total Shareholders' Equity		302,665,404	313,518,786
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,815,518,550	2,494,628,998

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,	
		2016 JD	2015 JD
Interest income	26	139,234,932	130,915,392
Interest expense	27	53,566,118	45,332,169
Net interest Revenue		85,668,814	85,583,223
Commissions revenue - net	28	21,332,904	20,328,775
Net interest and commissions revenue		107,001,718	105,911,998
Foreign exchange income	29	3,313,517	3,316,790
Income (loss) from financial assets at fair value through profit or loss	30	(61,783)	118,374
Dividends from financial assets at fair value through other comprehensive income		763,627	967,280
Other revenue	31	5,231,816	9,458,744
Total Non-Interest and Non-Commissions Revenue		9,247,177	13,861,188
Gross Income		116,248,895	119,773,186
Expenses:			
Employees expenses	32	43,185,981	39,672,359
Depreciation and amortization	12,13	8,909,010	7,800,586
Other expenses	33	28,534,590	26,259,092
Provision for impairment in direct credit facilities	8	24,031,418	7,299,465
Foreclosed assets impairment provision	14	3,393,389	6,311,219
Total expenses		108,054,388	87,342,721
Income from operations		8,194,507	32,430,465
Bank's share of associate companies (losses) gains	11	(13,559)	63,675
Income for the year before taxes		8,180,948	32,494,140
Income tax	20	(1,906,015)	(9,661,416)
Income for the Year		6,274,933	22,832,724
Attributable to:			
Bank's shareholders		6,274,933	22,832,724
		6,274,933	22,832,724
Earnings per share			
Attributable to the Bank's shareholders:			
Basic and Diluted	34	0/036	0/130

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,	
	2016 JD	2015 JD
Income for the year	6,274,933	22,832,724
Other comprehensive income items:		
Items not to be subsequently transferred to the consolidated statement of income:		
(Loss) from sale of financial assets at fair value through other comprehensive income	(286,846)	(7,151)
Change in fair value reserve - net	658,531	(629,608)
Gross Comprehensive Income	6,646,618	22,195,965
Gross Comprehensive Income Attributable to:		
Bank's shareholders	6,646,618	22,195,965
	6,646,618	22,195,965

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

For the Year Ended December 31, 2016	Subscribed and Paid-up Capital JD	Statutory JD	Voluntary JD	Reserves Fluctuations JD	Special JD	General Banking Risks JD	Fair Value Reserve - net JD	Retained Earnings JD	Total Shareholders' Equity
Balance - beginning 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
Income for the year	-	-	-	-	-	-	-	6,274,933	6,274,933
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	256,549	(286,846)	(30,297)
Net change in fair value	-	-	-	-	-	-	401,982	-	401,982
Gross comprehensive income	-	-	-	-	-	-	658,531	5,988,087	6,646,618
Transfers to reserves	-	818,095	-	314,069	-	3,295,342	-	(4,427,506)	-
Dividends distributed *	-	-	-	-	-	-	-	(17,500,000)	(17,500,000)
Balance - End of the Year	175,000,000	52,015,203	33,486,083	2,394,566	213,054	14,988,716	1,861,943	22,705,839	302,665,404
For the Year Ended December 31, 2015									
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

- As of December 31, 2016, an amount of JD 6,219,227 from retained earnings is restricted against deferred tax assets according to the Central Bank of Jordan's instructions (JD 6,137,976 as of December 31, 2015).

- 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 ordinary meeting held on April 27, 2016, to distribute 10% of paid-up capital as of December 31, 2015, which is equivalent to JD 17.5 million, as cash dividends to shareholders for the year 2015.

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 CASH FLOWS

		For the Year Ended December 31,	
CASH FLOWS FROM OPERATING ACTIVITIES:	Note	2016 JD	2015 JD
Income for the year before taxes		8,180,948	32,494,140
Adjustments:			
Depreciation and amortization	12,13	8,909,010	7,800,586
Provision for impairment in direct credit facilities	8	24,031,418	7,299,465
Various provisions	19	836,558	518,115
Foreclosed assets impairment provision	14	2,603,231	1,736,427
Provision for doubtful debts of sold foreclosed assets	14	790,158	4,574,792
Loss (gain) from revaluation of financial assets at fair value through profit or loss	30	36,231	(112,181)
(Gain) on the sale of properties and equipment		(657,020)	(4,142,825)
Bank's share of associate companies (gains)	11	13,559	(63,675)
Decrease in various provisions	19	(959,164)	-
Net interest		(3,682,554)	(1,413,684)
Effect of exchange rate fluctuations on cash and cash equivalents	29	(2,345,473)	(2,600,846)
Net Income before Changes in Assets and Liabilities		37,756,902	46,090,314
Changes in Assets and Liabilities:			
(Increase) in cash and balances at central banks due after 3 months		(779,900)	(7,497,425)
Decrease (increase) in deposits at banks and financial institutions due after 3 months		4,609,717	(14,647,510)
(Increase) decrease in balances with restricted withdrawal		(31,265)	10,000,000
(Increase) decrease in financial assets at fair value through profit or loss		(538,632)	35,464
(Increase) in direct credit facilities - net		(243,944,919)	(33,627,651)
Decrease in other assets		9,877,430	402,917
(Decrease) in banks and financial institutions deposits due after 3 months		-	(1,312,540)
Increase in customers' deposits		285,072,034	259,117,911
(Decrease) in cash margins		(23,314,186)	(2,580,477)
Increase (decrease) in other liabilities		1,781,593	(6,382,633)
Net Changes in Assets and Liabilities		32,731,872	203,508,056
Net Cash flows generated from operating activities before income tax and provisions paid		70,488,774	249,598,370
Income tax paid	20	(9,028,571)	(13,047,955)
End-of-service indemnity paid and other	19	(147,711)	(1,140,333)
Net Cash Flows generated from Operating Activities		61,312,492	235,410,082
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in investment in associate		99,259	4,218,519
(Increase) in financial assets at fair value through other comprehensive income		(854,731)	(1,225,642)
(Increase) in financial assets at amortized cost		(152,952,007)	(207,400,406)
(Purchase) of properties and equipment, projects under construction, and intangible assets	12,13	(16,216,565)	(13,977,044)
Proceeds from sale of properties and equipment		1,165,661	9,315,432
Net Cash Flows (used in) Investing Activities		(168,758,383)	(209,069,141)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in borrowed funds		42,955,469	10,980,599
Dividends paid to shareholders		(17,438,732)	(17,301,511)
Net cash flows from (used in) financing activities		25,516,737	(6,320,912)
Effect of exchange rate fluctuations on cash and cash equivalents	29	2,345,473	2,600,846
Net (Decrease) increase in cash and cash equivalents		(79,583,681)	22,620,875
Cash and cash equivalents - beginning of the year		401,578,930	378,958,055
Cash and Cash Equivalents - End of the Year	35	321,995,249	401,578,930

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 - General

- Jordan Ahli Bank was established in the year 1955 as a Public Shareholding Limited Company under ID No. (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 (55 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. (3) held on February 23, 2017, 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 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, 2015, except for what is stated in note (46.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 also shown under "other assets" or "other liabilities" in the consolidated statement of financial position.

The Bank's subsidiary companies as of December 31, 2016 are as follows:

A - Ahli Micro Finance Company

Ahli Micro Finance Company is wholly owned by the Jordan Ahli Bank. The Company's objective is to grant loans to limited income individuals. Its paid-up capital amounted to JD 6 million, total assets to JD 20,310,914, and total liabilities to JD 9,873,322 as of December 31, 2016. Its total revenue amounted to JD 6,599,469, and total expenses to JD 5,854,206 for the year ended December 31, 2016, 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 5 million. Its total assets amounted to JD 6,184,699, and total liabilities to JD 745,049, as of December 31, 2016. Moreover, its revenue amounted to JD 290,999, and its expenses to JD 533,608 for the year ended December 31, 2016, 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 17.5 million. Its total assets amounted to JD 83,214,044, and total liabilities to JD 53,363,081 as of December 31, 2016. Moreover, its total revenue amounted to JD 4,851,364, and its total expenses to JD 1,711,078 for the year ended December 31, 2016, 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 stand-alone 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, and 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.
- 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 to hold according to its business model 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, and the change in fair value is included in the consolidated statement of comprehensive income and in shareholders' equity, including the change in the 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. Moreover, 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 by one of the following ways:

- Comparing it to another financial asset with similar terms and conditions.
- Analyzing future cash flows and using the discounted cash flow technique through adopting a discount rate used in a similar instrument.
- Adopting options pricing models.
- Long-term non-interest bearing financial assets and financial liabilities are valued according to the discounted cash flows and the effective interest rate method. The discount interest is taken to interest income within the consolidated statement of income.

The valuation methods aim 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 the 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 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 do 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.
- In case separate financial statements are prepared for the Bank as an independent entity, investments in the subsidiaries are shown according to 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 resigned 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, and the deferred taxes are calculated 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.
- 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.

The impairment in value of foreclosed assets is recorded based on recent and reliable assessments conducted by certified estimators for the purpose of impairment calculation, and such impairments are reviewed periodically. Since the beginning of the year 2015, a gradual provision has been taken for foreclosed assets against debts owned for more than 4 years. According to the Central Bank of Jordan's Circular issued on February 14/2017, regarding the provision for the assets foreclosed against debts, a minimum of 10% is deducted as provision for assets foreclosed against doubtful debts as of the end of the year 2016. Moreover, a provision of 10% is to be taken until it reaches 50% of the amount of these properties.

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 14% 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 of cash balances with central banks and balances with banks and financial institutions maturing within three months, less balances due to banks and financial institutions maturing within three months and restricted funds.

3. Accounting Estimates

Preparation of the consolidated financial statements and the application of the accounting policies require 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. Also, for the beginning of 2015 a gradual provision has been calculated for the foreclosed assets against debts which has been owned for a period more than 4 years according to the instructions of the Central Bank of Jordan regarding this issue.

- Management estimates the impairment in value when the market prices reach a certain limit that indicates the impairment loss provided that this does not contradict the instructions of the regulatory authorities or International Financial Reporting Standards.

- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.

- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.

- A provision is set for lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

- Management frequently reviews financial assets stated at fair value or at cost to estimate any impairment in their value. The impairment amount is taken to the consolidated statement of income.

- 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 the 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,	
	2016 JD	2015 JD
Cash in vaults	55,827,031	42,996,094
Balances at central banks:		
Current and demand accounts	8,024,658	26,831,234
Time and notice deposits	15,261,385	72,444,500
Mandatory cash reserve	122,875,977	95,759,759
Certificate of deposit	-	49,800,000
Total Balances at Central Banks	146,162,020	244,835,493
Total Cash and Balances at Central Banks	201,989,051	287,831,587

- In addition to the cash reserve at the central banks, there are restricted balances amounting to JD 204,390 as of December 31, 2016 (JD 173,125 as of December 31, 2015).

- The balances that mature within a period exceeding three months amounted to JD 8,224,400 as of December 31, 2016 (JD 7,444,500 as of December 31, 2015)

5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31,	
	2016 JD	2015 JD
Local Banks and Financial Institutions:		
- Current and demand accounts	300,992	2,126,483
- Deposits due within 3 months or less	49,500,000	29,598,000
Total Local	49,800,992	31,724,483
Banks and Financial Institutions Abroad:		
- Current and demand accounts	63,131,952	35,941,120
- Deposits due within 3 months or less	72,855,699	84,330,895
Total Abroad	135,987,651	120,272,015
	185,788,643	151,996,498

- Non-interest bearing balances at banks and financial institutions amounted to JD 63,143,246 as of December 31, 2016 (JD 35,852,950 as of December 31, 2015).

- There are no restricted balances as of December 31, 2016 and December 31, 2015.

6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Local Banks and Financial Institutions		Banks and Financial Institutions Abroad		Total	
	2016 JD	2015 JD	2016 JD	2015 JD	2016 JD	2015 JD
Deposits maturing within a period:						
From 6 to 9 months	10,000,000	10,000,000	-	4,647,510	10,000,000	14,647,510
From 9 months to 1 year	-	-	37,793	-	37,793	-
Total	10,000,000	10,000,000	37,793	4,647,510	10,037,793	14,647,510

- The restricted deposits amounting to 5 million as of December 31, 2016 (JD 10 million as of December 31, 2015).

7. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2016 JD	2015 JD
Company shares	968,373	465,972
Total	968,373	465,972

8. Direct Credit Facilities - Net

This item consists of the following:

	December 31,	
	2016 JD	2015 JD
Individuals (retail):		
Overdraft accounts	14,987,764	9,506,126
Loans and promissory notes*	389,850,749	331,945,222
Credit cards	14,693,636	13,019,522
Real estate loans	260,807,630	180,761,972
Companies:		
a- Corporates:		
Overdraft accounts	129,226,465	93,574,939
Loans and promissory notes*	571,436,672	490,424,407
b- Small and Medium Companies:		
Overdraft accounts	42,249,538	48,415,072
Loans and promissory notes*	127,406,049	132,653,721
Government and public sector	21,616,898	21,701,176
Total	1,572,275,401	1,322,002,157
(Less): Provision for impairment in direct credit facilities	(97,303,171)	(74,723,925)
Suspended interest	(27,735,628)	(19,955,131)
Net Direct Credit Facilities	1,447,236,602	1,227,323,101

* Net after deducting interest and commissions received in advance of JD 19,156,300 as of December 31, 2016 (JD 15,907,468 as of December 31, 2015).

Provision for Impairment in Direct Credit Facilities

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

For the Year 2016	Individuals JD	Real Estate Loans JD	Companies			Total JD
			Corporates JD	Medium Companies JD	Small and Medium Companies JD	
Balance-beginning of the year	22,540,150	847,252	40,477,786	10,858,737	74,723,925	
Deduction for the year taken from revenue	3,573,884	10,832	18,450,896	1,995,806	24,031,418	
Used during the year (written-off)	(528,392)	(624)	(149,231)	(195,492)	(873,739)	
Transferred to off-consolidated statement of financial position items	(45,162)	(11,336)	(186,830)	(292,803)	(536,131)	
Foreign currencies evaluation difference	(228,917)	-	8,458	178,157	(42,302)	
Balance-end of the year	25,311,563	846,124	58,601,079	12,544,405	97,303,171	
Provision for non-performing facilities on an individual customer basis	25,153,759	846,124	57,470,144	12,384,550	95,854,577	
Provision for under watch facilities on an individual customer basis	157,804	-	1,130,935	159,855	1,448,594	
Balance – end of the year	25,311,563	846,124	58,601,079	12,544,405	97,303,171	

For the Year 2015	Individuals JD	Real Estate Loans JD	Companies			Total JD
			Corporates JD	Medium Companies JD	Small and Medium Companies JD	
Balance - beginning of the year	21,863,752	730,654	55,729,933	12,914,835	91,239,174	
Deduction for the year taken from revenue	1,445,239	373,494	3,286,103	2,194,629	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	(705,661)	(256,882)	(17,270,181)	(4,314,157)	(22,546,881)	
Foreign currencies evaluation difference	(8,462)	-	(114,583)	73,210	(49,835)	
Balance - end of the year	22,540,150	847,252	40,477,786	10,858,737	74,723,925	
Provision for non-performing facilities on an individual customer basis	22,318,361	843,844	38,567,452	9,932,054	71,661,711	
Provision for under watch facilities on an individual customer basis	221,789	3,408	1,910,334	926,683	3,062,214	
Balance - end of the year	22,540,150	847,252	40,477,786	10,858,737	74,723,925	

Suspended interest

The movement on suspended interest is as follows:

For the Year 2016	Individuals JD	Real Estate Loans JD	Real Estate Loans JD	Companies			Total JD
				Corporates JD	Small and Medium Companies JD	Small and Medium Companies JD	
Balance - beginning of the year	5,481,492	707,230	9,589,593	4,176,816	19,955,131		
Add: Interest in suspense for the year	1,513,703	55,154	6,856,900	1,613,068	10,038,825		
(Less:) Surplus taken to income	(158,427)	(77,777)	(58,319)	(192,419)	(486,942)		
Interest in suspense written-off	(201,671)	(32,502)	(1,033,660)	(382,756)	(1,650,589)		
Transferred to off - consolidated statement of financial position items	(23,847)	(10,765)	(38,491)	(130,653)	(203,756)		
Foreign currencies evaluation difference	3,673	-	13,517	65,769	82,959		
Balance - end of the year	6,614,923	641,340	15,329,540	5,149,825	27,735,628		

For the Year 2015	Individuals JD	Real Estate Loans JD	Real Estate Loans JD	Companies			Total JD
				Corporates JD	Small and Medium Companies JD	Small and Medium Companies JD	
Balance - beginning of the year	5,239,807	912,520	12,488,554	4,386,322	23,027,203		
Add: Interest in suspense for the year	1,649,556	378,816	4,297,682	1,592,094	7,918,148		
(Less:) Surplus taken to income	(264,467)	(93,264)	(570,969)	(860,251)	(1,788,951)		
Interest in suspense written-off	(330,138)	(30,194)	(1,292,640)	(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	5,481,492	707,230	9,589,593	4,176,816	19,955,131		

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

	Inside Jordan	Outside Jordan	December 31, 2016 JD	December 31, 2015 JD
Financial	170,013,666	47,960,666	217,974,332	159,869,491
Industrial	146,003,713	21,766,509	167,770,222	104,133,633
Trade	305,919,439	50,773,157	356,692,596	449,174,081
Real Estate	394,834,516	16,504,837	411,339,353	322,979,956
Agricultural	56,730,879	1,519,489	58,250,368	11,497,136
Shares	10,722,269	-	10,722,269	11,952,689
Individuals	254,986,943	20,712,772	275,699,715	206,182,914
Government and public sector *	840,984	20,775,914	21,616,898	21,701,176
Other	52,209,648	-	52,209,648	34,511,081
Total	1,392,262,057	180,013,344	1,572,275,401	1,322,002,157

* 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 178,454,833, which is equivalent to 11.35% of total direct credit facilities as of December 31, 2016 (JD 144,396,634, which is equivalent to 10.92% of total direct credit facilities as of December 31, 2015).

- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 151,586,946, which is equivalent to 9.81% of total direct credit facilities net of interest and commission in suspense as of December 31, 2016 (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).

- There are no credit facilities granted to and guaranteed by the Government of Jordan as of December 31, 2016 and 2015.

- The balance of non-performing loans transferred to off-consolidated statement of financial position items amounted to JD 43,365,900 up to December 31, 2016 (JD 43,811,011 up to December 31, 2015). 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 suspenses, of JD 2,550,862 have been written-off during the year 2016 for on-and-off statement of financial position items (JD 31,466,250 for the year 2015).

- The provisions no longer needed due to settlements or debt repayments, and accordingly, transferred to other non-performing debts amounted to JD 8,719,144 as of December 31, 2016 (JD 11,186,265 as of December 31, 2015).

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Quoted shares	12,303,548	11,935,225
Unquoted shares *	11,840,388	11,794,614
Mutual fund **	4,867,994	4,111,491
Total	29,011,930	27,841,330

* 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 of US Dollars 5.6 million, which was stated at fair value as of December 31, 2016. The total fund capital amounted to US Dollars 2 billion. Moreover, the fund capital is not guaranteed.

- Cash dividend distributions for the above-mentioned financial assets amounted to JD 763,627 for the year-ended December 31, 2016 (JD 967,280 for the year ended December 31, 2015).

10. Financial Assets Measured at Amortized Cost

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Treasury bills and bonds	696,556,757	583,650,973
Companies bonds and debentures	58,878,536	18,832,313
	755,435,293	602,483,286
Less: Impairment provision	(625,338)	(625,338)
	754,809,955	601,857,948
Bills and Bonds Return Analysis:		
Fixed return	754,809,955	601,857,948
Total	754,809,955	601,857,948

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

	December 31,	
	2016 JD	2015 JD
During a year	288,171,855	175,484,129
From 1 to 3 years	325,388,559	300,300,129
More than 3 years	141,249,541	126,073,690
Total	754,809,955	601,857,948

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

	2016 JD	2015 JD
Balance - beginning of the year	5,219,798	9,374,642
Disposals	-	(4,218,519)
Cash dividends	(99,259)	-
Bank's share from investing in associated companies gains	(13,559)	63,675
Balance - End of the Year	5,106,980	5,219,798

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

11. Investment in Associates and Unconsolidated Subsidiary Company

- The Bank owns shares in several associated companies and an unconsolidated subsidiary company as of December 31, 2016 and 2015. 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
			2016 JD	2015 JD				
Beach Hotels and Tourist Resorts Company *	Jordan	24.815	3,553,481	3,666,299	Hotel services	24.815	Equity	2006
Ahluna for Social and Cultural Work Company **	Jordan	100	1,553,499	1,553,499	Charity	100	Equity	2006
			5,106,980	5,219,798				

* 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 the 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 share 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 their shares in the company except for Jordan Ahli Bank. Therefore, the Bank became the sole owner of the company. The Ministry of Industry and Trade's 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. Moreover, 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.

12. Properties, Equipment and Projects Under Construction - Net

The details of this item are as follows:

For the Year Ended December 31, 2016	Land		Buildings		Furniture, Fixtures and Equipment		Vehicles		Computers		Other		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:														
Balance - beginning of the year	8,091,758	25,439,782	32,009,696	971,980	18,625,406	8,503,918	93,642,540							
Additions	555,561	4,666,571	1,416,905	180,529	2,905,220	442,148	10,166,934							
Disposals	-	-	(333,615)	(172,000)	(823,654)	-	(1,329,269)							
Balance - end of the year	8,647,319	30,106,353	33,092,986	980,509	20,706,972	8,946,066	102,480,205							
Accumulated depreciation:														
Balance - beginning of the year	-	7,370,642	25,688,509	566,176	14,498,373	4,813,011	52,936,711							
Additions	-	819,171	1,118,211	93,254	2,477,442	380,897	4,888,975							
Disposals	-	-	(354,922)	(87,999)	(377,707)	-	(820,628)							
Balance - end of the year	-	8,189,813	26,451,798	571,431	16,598,108	5,193,908	57,005,058							
Net book value of property and equipment	8,647,319	21,916,540	6,641,188	409,078	4,108,864	3,752,158	45,475,147							
Down payments for projects under construction	-	-	1,356,443	-	-	-	1,356,443							
Net book value of property and equipment - end of the year	8,647,319	21,916,540	7,997,631	409,078	4,108,864	3,752,158	46,831,590							
For the year ended december 31, 2015														
Cost:														
Balance - beginning of the year	11,654,292	25,809,252	30,861,124	875,755	17,006,356	6,985,662	93,192,441							
Additions	601,072	114,493	2,065,840	246,455	1,843,791	1,518,256	6,389,907							
Disposals	(4,163,606)	(483,963)	(917,268)	(150,230)	(224,741)	-	(5,939,808)							
Balance - end of the year	8,091,758	25,439,782	32,009,696	971,980	18,625,406	8,503,918	93,642,540							
Accumulated depreciation:														
Balance - beginning of the year	-	7,284,977	23,943,239	530,008	12,914,356	3,965,651	48,638,231							
Additions	-	530,616	1,909,278	79,395	1,699,032	847,360	5,065,681							
Disposals	-	(444,951)	(164,008)	(43,227)	(115,015)	-	(767,201)							
Balance - end of the year	-	7,370,642	25,688,509	566,176	14,498,373	4,813,011	52,936,711							
Net book value of property and equipment	8,091,758	18,069,140	6,321,187	405,804	4,127,033	3,690,907	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	8,091,758	18,069,140	6,703,479	405,804	22,784,061	3,690,907	59,745,149							
Annual depreciation rate %	-	2	10 - 20	15	20 - 30	15 - 20	-							

Properties and equipment include fully depreciated assets which amounted to JD 34,760,577 as of December 31, 2016 (JD 31,257,595 as of December 31, 2015).

13. Intangible Assets - Net

The details of this item are as follows:

Description	2016		2015	
	Computer Software and Applications JD	Total	Computer Software and Applications JD	Total
Balance-beginning of the year	1,428,562	1,428,562	1,475,817	1,475,817
Additions	23,732,508	23,732,508	2,687,650	2,687,650
Amortization for the year	(4,020,035)	(4,020,035)	(2,734,905)	(2,734,905)
Balance-end of the year	21,141,035	21,141,035	1,428,562	1,428,562
Annual amortization rate %	14-30		20-30	

* On the first of October 2016 a new banking system was launched T24 after the old system was canceled.

14. Other Assets

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Real estate foreclosed by the Bank against debts *	65,696,413	72,339,431
Accrued interest and commissions	9,554,288	6,451,441
Checks and transfers under collection	6,967,877	6,293,504
Foreclosed assets sold - net **	9,796,507	7,993,477
Prepaid expenses	2,686,002	2,547,205
Various debtors	3,598,306	3,916,688
Real estate for sale	55,151	55,151
Prepaid rent	1,634,445	2,052,232
Receivables - disposal of a subsidiary ***	743,048	825,000
Refundable deposits ****	315,419	258,115
Revenue stamps	154,537	194,885
Prepaid income tax	989,257	-
Temporary advances	4,134,579	5,308,000
Other debit balances	51,542	1,898,438
Total	106,377,371	110,133,567

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

Description	Foreclosed Real Estate	
	2016 JD	2015 JD
Balance - beginning of the year	72,339,431	75,727,167
Additions	1,981,134	6,431,957
Disposals	(6,972,850)	(3,725,315)
Impairment loss	(2,603,231)	(1,736,427)
Provision for doubtful debts of foreclosed assets *****	(790,158)	(4,574,792)
Recovered impairment loss	1,366,175	216,841
Recovered provision for doubtful debts of foreclosed assets	375,912	-
Balance - End of the Year	65,696,413	72,339,431

- 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 No. (879), Basin No. (3), Qatna South; and Land No. (418), Basin No. (3), Qatna South of Amman Village 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 erected on Lands Nos. (923 and 924), Basin No. (5), Al Shailieh Qwaisme Village of Amman's southern lands, known as (Baghdad Garage), to Jamal Al Shawabkeh and Partner Company for JD 3.6 million in installments. During 2017, the sale transaction was canceled, and the Bank returned the first payment of JD 900,000 to the buyer.

*** 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.

**** 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 JD 79,864 as of December 31, 2016 (JD 89,442, as of December 31, 2015).

***** According to the Central Bank of Jordan's Circular No. 10/1/4076 , 10/1/7096 , 10/1/6841 and 10/1/2510 issued on February 14/2017, regarding the provision for the assets foreclosed against debts, a minimum of 10% is deducted as a provision for the assets foreclosed against the amount of doubtful debts as of the end of the year 2016. Moreover, a provision of 10% is to be taken until it reaches 50% of these properties. A provision of JD 790 thousands has also been taken as of December, 31, 2016.

The movement on provision for doubtful debts of foreclosed assets is as follows:

	2016 JD	2015 JD
Balance - beginning of the year	4,574,792	-
Additions	790,158	4,574,792
Amortization for the year	(375,912)	-
Balance-end of the year	4,989,038	4,574,792

15. Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2016			December 31, 2015		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Current accounts and demand deposits	892,433	5,307,454	6,199,887	597,946	4,029,174	4,627,120
Time deposits	-	51,153,768	51,153,768	117,975	25,886,435	26,004,410
Total	892,433	56,461,222	57,353,655	715,921	29,915,609	30,631,530

- There are no banks and financial institutions deposits maturing within a period exceeding three months as of December 31, 2016 and 31 December, 2015.

16. Customers Deposits

The details of this item are as follows:

For the Year Ended December 31, 2016	Individuals JD	Corporates JD	Small and	Government	Total JD
			Medium Companies JD	and Public Sector JD	
Current accounts and demand deposits	254,672,627	129,955,006	122,701,997	15,354,235	522,683,865
Saving accounts	257,598,870	78,469	598,102	-	258,275,441
Time and notice deposits	755,905,663	277,147,028	165,436,522	87,846,240	1,286,335,453
Total	1,268,177,160	407,180,503	288,736,621	103,200,475	2,067,294,759

For the Year Ended December 31, 2015	Individuals JD	Corporates JD	Small and	Government	Total JD
			Medium Companies JD	and Public Sector 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
Total	1,080,456,416	304,291,154	286,061,445	111,413,710	1,782,222,725

- Government and public sector deposits inside Jordan amounted to JD 103,190,383, which is equivalent to 4.99% of total deposits as of December 31, 2016 JD 111,325,653, which is equivalent to 6.25% of total deposits as of December 31, 2015).

- Non-interest bearing deposits amounted to JD 528,350,577, which is equivalent to 25.56% of total deposits as of December 31, 2016 (JD 452,550,667, which is equivalent to 25.39% as of December 31, 2015).

- Restricted deposits amounted to JD 1,796,457, which is equivalent to 0.09% of total deposits as of December 31, 2016 (JD 975,257 which is equivalent to 0.05% as of December 31, 2015).

- Dormant accounts amounted to JD 45,258,348, as of December 31, 2016 (JD 45,799,529 as of December 31, 2015).

- Dormant deposits fund amounted to JD 589,600, which is equivalent to 0.03% of total deposits as of December 31, 2016 (JD 621,733 which is equivalent to 0.03% as of December 31, 2015).

17. Cash Margins

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Cash margins on direct credit facilities	207,565,613	222,182,281
Cash margins on indirect credit facilities	31,491,165	41,043,151
Marginal deposits	4,188,881	3,115,413
Other margins	12,637,472	12,856,472
Total	255,883,131	279,197,317

18. Borrowed Funds

The details of this item are as follows:

December 31, 2016	Amount JD	Number of		Installments Maturity Frequency	Guarantees	Interest Rate	Relending Interest Rate
		Installments	Remaining				
Central Bank of Jordan	4,000,000	30	26	semi-annual installments	-	2.13	-
Central Bank of Jordan	1,350,000	20	18	semi-annual installments	-	2.5	-
Central Bank of Jordan	1,350,000	19	19	semi-annual installments	-	2.5	-
Central Bank of Jordan	2,305,000	20	20	semi-annual installments	-	2.39	-
Central Bank of Jordan	5,910,441	20	20	semi-annual installments	-	2.5	-
Central Bank of Jordan	3,714,352	20	20	semi-annual installments	-	2.5	-
Central Bank of Jordan	4,582,181	20	20	semi-annual installments	-	2.5	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	10,000,000	1	1	-	-	4.3	-
Local Bank (Loan to a subsidiary)	7,189,625	-	-	first of March 2017	-	5	-
Local Bank (Overdraft to a subsidiary)	4,491,796	-	-	JD 5 million overdraft ceiling	5 million deposit relating to the Jordan Ahli Bank	4	-
Local Bank (Loan to a subsidiary)	5,947,557	24	-	24 monthly installments effective from the withdrawal date	-	4.25	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	30,000,000	5	5	first of July 28, 2018 December 3, 2018 April 2, 2019 May 2019 and 11 May 2019	-	4.55-4.75	-
Local Bank (Loan to a subsidiary)	944,444	24	-	24 monthly installments effective from the withdrawal date	-	7.5	-
Local Bank (Loan to a subsidiary)	922,647	36	-	36 monthly installments effective from the withdrawal date	-	6.75	-
Local Bank (Loan to a subsidiary)	1,134,113	24	-	24 monthly installments effective from the withdrawal date	-	5.45-5.85	-
Local Bank (Loan to a subsidiary)	4,594,544	36	-	36 monthly installments effective from the withdrawal date	-	6	-
Development and Employment Fund (Loan to a subsidiary)	83,333	30	-	30 monthly installments effective from the withdrawal date after the grace period of six months	-	6	-
Total	88,520,033						

December 31, 2015							
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 monthly installments effective from the withdrawal date	5 million deposit relating to the Jordan Ahli Bank	4.25	-
Local Bank (Overdraft to a subsidiary)	4,973,175	-	-	JD 5 million overdraft ceiling	5 million deposit relating to the Jordan Ahli Bank	4	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	17,500,000	3	3	29 April 2016, 11 May 2016, first of July 2018 and 28 December 2018	-	4.55 - 5.75	-
Local Bank (Loan to a subsidiary)	4,657,098	24	-	24 monthly installments effective from the withdrawal date	-	7 - 7.5	-
Local Bank (Loan to a subsidiary)	868,083	36	-	36 monthly installments effective from the withdrawal date	-	6.75	-
Local Bank (Loan to a subsidiary)	1,400,000	36	-	36 monthly installments effective from the withdrawal date	-	7	-
Development and Employment Fund (Loan to a subsidiary)	500,000	30	-	30 monthly installments effective from the withdrawal date after the grace period of six months	-	6 - 7	6 - 7
Total	45,564,564						

- Loans with a fixed interest rate amounted to JD 88,520,033 as of December 31, 2016 (JD 45,564,564 as of December 31, 2015)

19. Various Provisions

The details of this item are as follows:

Year 2016	Balance Beginning of the Year JD	Additions JD	Disposals JD	Returned to Revenue JD	Balance End of the Year JD
Provision for end-of-service indemnity	2,609,731	528,871	(110,968)	-	3,027,634
Provision for the decline in foreign currencies	234,156	115,097	-	(349,247)	-
Provision for legal claims against the Bank	241,903	11,000	(36,743)	-	216,160
Other provisions	577,416	181,596	-	(609,917)	149,095
Total	3,663,206	836,558	(147,711)	(959,164)	3,392,889

Year 2015	Balance Beginning of the Year JD	Additions JD	Disposals JD	Returned to Revenue JD	Balance End of the Year 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

20. Provision for Income Tax

A - Income tax provision:

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

	2016 JD	2015 JD
Balance - beginning of the year	7,557,618	9,860,350
Income tax paid	(9,028,571)	(13,047,955)
Income tax for the year	2,397,674	10,745,223
Balance - End of the Year	926,721	7,557,618

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

	2016 JD	2015 JD
Accrued income tax on the year's profit	2,397,674	10,745,223
Deferred tax assets for the year	(1,341,408)	(2,452,276)
Amortization of deferred tax assets	1,260,157	958,061
Deferred tax liabilities	(410,408)	410,408
Balance - End of the Year	1,906,015	9,661,416

- 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 end of 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 2014 and it is expected to finish 2015 settlements during the year 2017

- 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, 2014 and 2015. Also, the Income Tax Department has reviewed the tax returns up to the year 2013, and no final decision has been taken yet.

- A final settlement for income tax for the subsidiary company (Ahli Brokerage Company) has been reached up to the end of the year 2014, moreover, the company has filed its income tax return. However, the Income and Sales Tax Department has not reviewed them 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 2014.

Moreover, the company has filed its income tax return for the year 2015. 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 up to the end of the year 2014.

Moreover, the company has filed its income tax return for the year 2015. However, the Income and Sales Tax Department has not reviewed them yet.

- A provision for income tax for the year ended December 31, 2016 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, 2016 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, 2016 and 2015, according to the following rates:

Income tax rate	December 31,	
	2016	2015
Jordan Branches	%35	%35
Palestine Branches	%28.79	%28.79

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

	2016		2015	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Balance - beginning of the year	6,137,976	1,058,399	4,643,761	987,012
Additions	1,341,408	403,949	2,452,276	457,577
Amortized	(1,260,157)	(459,764)	(958,061)	(386,190)
Balance - end of the year	6,219,227	1,002,584	6,137,976	1,058,399

b - Deferred Tax Assets / Liabilities:

The details of this item are as follows:

2016	Beginning Balance JD	Additions JD	Amounts Released JD	Year - End Balance JD	Deferred Tax JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	3,031,893	168,813	(1,073,214)	2,127,492	612,572
Interest in suspense	2,175,444	69,361	(64,609)	2,180,196	627,747
Provision for impairment in real estate	9,875,238	3,393,389	(2,469,956)	10,798,671	3,779,535
Provision for lawsuits	241,903	11,000	(36,743)	216,160	72,346
Provision for end-of-service indemnity	2,534,552	492,664	(110,098)	2,917,118	868,237
Provision for the decline in foreign currencies	234,156	115,091	(349,247)	-	-
Provision for impairment of financial assets measured at amortized cost	625,338	-	-	625,338	218,868
Other provisions	106,437	32,211	-	138,648	39,922
Total	18,824,961	4,282,529	(4,103,867)	19,003,623	6,219,227
b. Deferred Tax Liabilities					
Fair value reserves for financial assets at fair value through other comprehensive income*	1,851,404	1,013,123	-	2,864,527	1,002,584
Other	1,172,595	-	(1,172,595)	-	-
Total	3,023,999	1,013,123	(1,172,595)	2,864,527	1,002,584

2015	Beginning Balance JD	Additions JD	Amounts Released JD	Year - End Balance JD	Deferred Tax JD
a. Deferred Tax Assets					
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
Total	13,506,541	7,129,845	(1,811,425)	18,824,961	6,137,976
b. Deferred Tax Liabilities					
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

* Deferred tax liabilities resulted from changes in the fair value of the financial assets at fair value through other comprehensive income which is stated as net of deferred tax liabilities within the fair value reserve under shareholders' equity.

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

	2016 JD	2015 JD
Accounting income	8,180,948	32,494,140
Tax exempted income	(11,944,363)	(9,984,506)
Non-deductible expenses	6,824,081	10,162,067
Taxable Income	3,060,666	32,671,701

21. Other Liabilities

The details of this item are as follows:

	2016 JD	December 31, 2015 JD
Accepted checks and transfers	9,803,241	9,900,297
Accounts payable for financial brokerage customers	594,886	851,493
Accrued interest	6,128,897	5,110,566
Temporary deposits	12,202,163	7,507,119
Various creditors	3,627,961	4,616,550
Accrued expenses	3,380,080	1,163,840
Interest and commissions received in advance	612,616	240,354
Checks and transfers-delayed in payment	1,633,114	1,567,407
Provision for Technical and Vocational Education and Training Support Fund fees	157,255	157,255
Board of Directors remuneration	83,018	77,809
Revenues received in advance	24,079	16,294
Other liabilities	232,064	5,869
Total	38,479,374	31,214,853

22. Capital and Share Premium

- The Bank's authorized and paid-up capital amounted to JD 175 million divided into 175 million shares of JD 1 each as of December 31, 2016 (JD 175 million as of December 31, 2015).
- The General Assembly resolved, in its ordinary meeting held on April 27, 2016, to distribute 10% of paid-up capital as cash dividends as of December 31, 2015, which is equivalent to JD 17.5 million, to the shareholders for the year 2015.
- The General Assembly resolved, in its ordinary 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.

23. Reserves

The details of reserves as of December 31, 2016 and 2015 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 have 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 instructions.
- d - Periodic fluctuations reserve: This reserve represents the periodic fluctuations reserve, calculated according to the Palestinian Monetary Authority's 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
	2016 JD	2015 JD	
General banking risks reserve	14,988,716	11,693,374	"According to the Central Bank of Jordan Instructions"
Statutory reserve	52,015,203	51,197,108	According to Banks and Companies Laws
Periodic fluctuations reserve	2,394,566	2,080,497	According to the Palestinian Monetary Authority Instructions

24. Fair Value Reserve - Net

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Balance - beginning of the year	1,203,412	1,833,020
Sold shares	256,549	9,275
Deferred tax liabilities	(354,593)	339,020
Net unrealized income (losses) transferred to the consolidated statement of comprehensive income	756,575	(977,903)
Balance - end of the year	1,861,943	1,203,412

* Fair value reserve is stated net of deferred tax liabilities of JD 1,002,584 as of December 31, 2016 (JD 647,991 as of December 31, 2015).

25. Retained Earnings

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Balance -beginning of the year	38,645,258	40,795,475
Income for the year	6,274,933	22,832,724
Distributed dividends *	(17,500,000)	(17,500,000)
Transfers to reserves	(4,427,506)	(7,475,790)
[Loss] from sale of financial assets at fair value through other comprehensive income	(286,846)	(7,151)
Balance - end of the year	22,705,839	38,645,258

- Retained earnings include an amount of JD 6,219,227 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2016 (JD 6,137,976 as of December 31, 2015).

* The Board of Directors recommended to the Bank's General Assembly to distribute 5% of the Bank's paid-up Capital, at the date of the Annual General Assembly's meeting, as cash dividends and 5% free stocks to the Shareholders for the year to the Shareholders for the year 2016. 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, which is equivalent to JD 17.5 million.

26. Interest Income

The details of this item are as follows:

	2016 JD	2015 JD
Direct credit facilities:		
Individuals (Retail):		
Current accounts	1,469,574	1,051,528
Loans and promissory notes	23,572,123	21,770,362
Credit cards	2,155,438	2,336,573
Real estate loans	14,620,978	13,772,142
Companies:		
Corporates:		
Current accounts	8,527,212	7,619,853
Loans and promissory notes	39,849,134	37,175,727
Small and Medium Companies:		
Current accounts	3,311,967	3,998,196
Loans and promissory notes	16,907,938	17,363,744
Government and Public Sector	1,358,624	1,786,272
Balances at central banks	1,535,510	2,853,283
Balances and deposits at banks and financial institutions	1,050,544	1,045,789
Financial assets measured at amortized cost	24,875,890	20,141,923
Total	139,234,932	130,915,392

27. Interest Expense

The details of this item are as follows:

	2016 JD	2015 JD
Banks and financial institutions deposits	605,855	800,872
Customers deposits:		
Current and demand deposits	213,456	415,779
Saving accounts	907,593	1,576,248
Time and notice deposits	38,922,593	30,611,317
Cash margins	6,170,997	7,007,241
Borrowed funds	2,765,523	1,679,120
Loan guarantee fees	3,980,101	3,241,592
Total	53,566,118	45,332,169

28. Commissions Revenue - Net

The details of this item are as follows:

	2016 JD	2015 JD
Credit commissions:		
Direct credit facilities	7,767,326	6,346,531
Indirect credit facilities	4,395,349	4,949,486
Other commissions	9,804,700	9,647,352
(Less): Commissions paid	(634,471)	(614,594)
Net Commissions Revenue	21,332,904	20,328,775

29. Foreign Exchange Income

The details of this item are as follows:

	2016 JD	2015 JD
As a result of trading	968,044	715,944
As a result of evaluation	2,345,473	2,600,846
Total	3,313,517	3,316,790

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

The details of this item are as follows:

	Realized (Loss) Profit JD	Unrealized (Loss) Profit JD	Total JD
2016			
Companies shares	(25,552)	(36,231)	(61,783)
Total	(25,552)	(36,231)	(61,783)
2015			
Companies shares	6,193	112,181	118,374
Total	6,193	112,181	118,374

31. Other Revenue

The details of this item are as follows:

	2016 JD	2015 JD
Recovered interest in suspense *	534,306	1,905,445
Brokerage commission income	138,233	120,065
Income from sale of properties and equipment	657,020	386,295
Income from sale of foreclosed assets**	-	3,756,530
Recovery of debts previously written-off ***	950,689	1,316,979
Income from check books	153,690	206,699
Rental income of Bank's real estate	205,446	244,432
Rental income of safe deposit boxes	146,991	152,751
Income from cash boxes differences	4,245	24,635
Refundable equipments impairment losses	1,366,175	216,841
Income from previous years	493,553	271,940
Other income	581,468	856,132
Total	5,231,816	9,458,744

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

	2016 JD	2015 JD
Recovered interest in suspense	486,942	1,788,951
Interest in suspense from debts written-off	47,364	116,494
Total	534,306	1,905,445

** During the year 2015, two plots of land No. (609 and 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 a full provision has been taken in the previous years.

32. Employees Expenses

The details of this item are as follows:

	2016 JD	2015 JD
Salaries, bonuses and employees' benefits	35,283,650	32,110,544
Bank's contribution to social security	3,022,972	2,850,326
Bank's contribution to staff provident fund	1,797,145	1,766,718
Medical expenses	1,512,289	1,558,971
End-of-service indemnity	528,871	210,504
Employees' training	324,398	424,182
Travel expenses	271,140	387,530
Employees' life insurance	148,945	203,106
Employees' meals	266,021	146,052
Employees' uniforms	30,550	14,426
Total	43,185,981	39,672,359

33. Other Expenses

The details of this item are as follows:

	2016 JD	2015 JD
Fees and subscriptions	4,412,232	4,114,465
Maintenance and repair	4,800,997	5,288,824
Advertisement	2,288,477	2,691,015
Printing and stationery	976,655	1,064,812
Rent and key money	2,771,830	2,769,729
Studies, research and consulting expenses	1,514,400	492,317
Insurance fees	1,613,153	1,450,436
Water, electricity and heating	2,155,647	2,076,121
Legal fees	1,540,948	1,260,599
Donations	555,865	637,994
Transportation	634,274	628,463
Telecommunication	1,170,330	836,449
Miscellaneous	536,910	337,121
Other operating expenses*	1,211,100	-
General assembly meeting expenses	49,857	44,945
Board of Directors' expenses	960,600	903,300
Security	548,000	508,872
Professional fees	354,261	341,193
Stamps fees	6,213	171,450
Entertainment and hospitality	21,228	28,352
Appraisal expenses of land and real estate	25,848	34,608
Lawsuits provision expenses	11,000	100,000
Loss on real estate sales	309,765	413,027
Board of Directors' remunerations	65,000	65,000
Total	28,534,590	26,259,092

* According to Board of Directors decision issued on March 3, 2016 the accounts restricted in the banks' Books which are related to the Cards Department have been amortized.

34. Earnings per Share for Bank's Shareholders

The details of this items are as follows:

	2016 JD	2015 JD
Income for the year	6,274,933	22,832,724
Weighted average number of shares	175,000,000	175,000,000
Earnings Per Share - Bank Shareholders:		
Basic & Diluted	-/036	-/130

35. Cash and Cash Equivalents

The details of this items are as follows:

	2016 JD	2015 JD
Cash and balances at central banks maturing within 3 months	193,764,651	280,387,087
Add: Balances at banks and financial institutions due within 3 months	185,788,643	151,996,498
Less: Banks and financial institutions deposits due within 3 months	(57,353,655)	(30,631,530)
Restricted balances	(204,390)	(173,125)
Total	321,995,249	401,578,930

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	
		2016 JD	2015 JD
Ahli Micro Finance Company	100	6,000,000	3,500,000
Ahli Financial Leasing Company	100	17,500,000	17,500,000
Ahli Brokerage Company	100	5,000,000	7,500,000

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

	Related Party					Total December 31, 2016 JD
	Associates JD	Subsidiaries* JD	Board of Directors Members JD	Executive Management JD	Other** JD	
On-Consolidated Statement of Financial Position Items:						
Credit facilities	-	3,588,734	7,792,644	2,887,296	86,911,332	101,180,006
Customers' deposits	322,474	4,462,114	18,734,998	2,373,339	8,327,021	34,219,946
Cash margins	-	-	-	60,881	1,921,060	1,981,941
Off-Consolidated Statement of Financial Position Items:						
Letters of guarantee	50,000	58,000	-	-	5,890,735	5,998,735
Consolidated Statement of Income:						
Interest and commissions income	13	60,909	317,960	133,742	5,848,976	6,361,600
Interest and commissions expense	27,515	175,006	1,933,205	34,605	312,800	2,483,131

	Related Party					Total December 31, 2015 JD
	Associates JD	Subsidiaries* JD	Board of Directors Members JD	Executive Management JD	Other** JD	
On-Consolidated Statement of Financial Position Items:						
Credit facilities	-	1,311,841	6,644,706	4,307,345	85,596,969	97,860,861
Customers' deposits	776,639	3,016,713	46,633,522	1,950,547	12,441,114	64,818,535
Cash margins	-	-	353,056	65,883	1,982,265	2,401,204
Off-Consolidated Statement of Financial Position Items:						
Letters of guarantee	50,000	1,055,008	90,379	-	5,122,358	6,317,745
Consolidated Statement of Income:						
Interest and commissions income	2,795	52,319	366,021	222,513	6,937,265	7,580,913
Interest and commissions expense	201,924	97,225	333,483	56,350	628,981	1,317,963

* The transactions and balances between the Bank and its subsidiaries have been excluded from the consolidated financial statements.

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

- During the year 2015, credit facilities granted to related parties of JD 3.2 million were transferred 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 2,451,075, belonging to a related party as of December 31, 2016. On October 31, 2013, the Company signed a settlement agreement with those clients to pay the obligations through an advance payment upon signing the settlement agreement, in addition to monthly installments, as well as enhancement of their guarantees.

- 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 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, for JD 940,000.

- During the first half of 2016, an amount of JD 300,000 was paid to the former Chief Executive Officer as an additional bonus according to a decision pursuant to the Board of Directors' decision on December 20, 2015.

- Interest income prices range from 4.5% to 9.25%.

- Interest expense prices range from 0% to 5.5%.

b. The following is a summary of the executive management salaries and benefits:

	2016 JD	2015 JD
Salaries and benefites	4,244,591	5,593,438
Travelling	194,980	235,312
Other	113,164	15,877
Total	4,552,735	5,844,627

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 2016 and 2015.

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 credit standing 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 methods:
The Bank's risk management activity depends on several methods to mitigate risk as follows:
 - Collaterals and their convertibility to cash and coverage of the credit granted.
 - Pre-approval 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 of 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 policy includes setting up credit approval authorities and clarifying credit limits and the method of determining the risk degree.
The Bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards 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 ceilings granted to banks and countries with high credit ratings, 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):

	2016 JD	2015 JD
On-the Consolidated Statement of Financial Position Items		
Balances at the Central Banks	146,162,020	244,835,493
Balances at banks and financial institutions	185,788,643	151,996,498
Deposits at banks and financial institutions	10,037,793	14,647,510
Credit facilities:		
Individuals	387,605,663	326,449,228
Real estate loans	259,320,166	179,207,490
Companies:		
Corporates	626,732,518	533,931,967
Small and Medium Companies	151,961,357	166,033,240
Government and public sector	21,616,898	21,701,176
Bonds, bills and debentures:		
Financial assets measured at amortized cost	754,809,955	601,857,948
Other assets	10,566,183	10,210,192
Total	2,554,601,196	2,250,870,742
Off the Consolidated Statement of Financial Position Items		
Letters of guarantee	215,329,221	201,539,012
Letters of credit	91,392,693	39,774,771
Letters of acceptance	55,150,734	55,077,407
Unutilized facility ceilings	139,061,512	138,977,083
Total	500,934,160	435,368,273

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 guarantees.

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

As of December 31, 2016	Companies				Banks and Other			Total
	Individuals JD	Real Estate Loans JD	Corporates JD	Small and Medium Companies JD	Government and Public Sector JD	Financial Institutions JD	Other JD	
Low risk	40,381,810	-	57,671,960	27,813,407	842,718,777	-	-	968,585,954
Acceptable risk	341,971,335	256,212,750	488,791,900	105,238,782	21,616,898	254,079,634	10,566,183	1,478,477,482
Of which is due (*):								
Within 30 days	113,269	-	698,533	44,690	-	-	-	856,492
From 31 to 60 days	798,282	-	123,667	155,543	-	-	-	1,077,492
Watch list	8,111,432	-	40,158,207	5,852,087	-	-	-	54,121,726
Non-performing:								
Sub-standard	2,076,057	220,427	1,627,945	4,690,588	-	-	-	8,615,017
Doubtful	1,812,378	-	11,995,180	5,158,281	-	-	-	18,965,839
Bad debt	25,179,137	4,374,453	100,417,945	20,902,442	-	-	-	150,873,977
Total	419,532,149	260,807,630	700,863,137	169,655,587	864,335,675	254,079,634	10,566,183	2,679,639,995
Less: Interest in suspense	6,614,923	641,340	15,329,540	5,149,825	-	-	-	27,735,628
Impairment provision	25,311,563	846,124	58,601,079	12,544,405	-	-	-	97,303,171
Net	387,605,663	259,320,166	626,732,518	151,961,357	864,335,675	254,079,634	10,566,183	2,554,601,196

As of December 31, 2015	Companies				Banks and Other			Total
	Individuals JD	Real Estate Loans JD	Corporates JD	Small and Medium Companies JD	Government and Public Sector JD	Financial Institutions JD	Other JD	
Low risk	38,256,808	22,602,496	43,946,433	14,916,784	828,486,466	-	-	948,208,987
Acceptable risk	281,945,448	155,669,418	330,070,616	121,121,704	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	7,583,057	49,482	121,545,314	18,196,787	-	-	-	147,374,640
Non-performing:								
Sub-standard	1,120,539	37,966	23,908,371	4,221,629	-	-	-	29,288,505
Doubtful	2,117,136	248,189	6,100,513	3,849,935	-	-	-	12,315,773
Bad debt	23,447,882	2,154,421	58,428,099	18,761,954	-	-	-	102,792,356
Total	354,470,870	180,761,972	583,999,346	181,068,793	850,187,642	184,850,983	10,210,192	2,345,549,798
Less: Interest in suspense	5,481,492	707,230	9,589,593	4,176,816	-	-	-	19,955,131
Impairment provision	19,040,150	847,252	43,977,786	10,856,737	-	-	-	74,723,925
Net	329,949,228	179,207,490	530,431,967	166,033,240	850,187,642	184,850,983	10,210,192	2,250,870,742

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

As of December 31, 2016	Companies					Total JD
	Individuals JD	Real Estate Loans JD	Corporates JD	Small and Medium Companies JD	Government and Public Sector JD	
Guarantees Against:						
Low risk	71,532,750	-	77,838,985	42,114,225	-	191,485,960
Acceptable risk	268,784,447	240,238,065	377,668,894	220,737,472	21,616,898	1,129,045,776
Watch list	5,585,256	-	7,712,283	7,606,795	-	20,904,334
Non-performing:						
Sub-standard	7,628,516	425,427	6,159,584	1,670,857	-	15,884,384
Doubtful	4,265,936	165,515	31,793,188	7,915,437	-	44,140,076
Bad debt	7,305,860	4,719,453	63,580,518	23,910,495	-	99,516,326
Total	365,102,765	245,548,460	564,753,452	303,955,281	21,616,898	1,500,976,856
Of it: Cash Margins	77,847,870	-	82,537,629	42,272,834	-	202,658,333
Accepted letters of guarantee	2,835,490	-	13,646,915	3,901,966	-	20,384,371
Real estate	36,300,452	240,953,580	391,907,444	166,106,851	-	835,268,327
Quoted stocks	221,926	-	12,996,421	-	-	13,218,347
Vehicles and equipment	10,775,743	-	42,900,002	56,326,195	-	110,001,940
Total	127,981,481	240,953,580	543,988,411	268,607,846	-	1,181,531,318

As of December 31, 2015	Companies					Total JD
	Individuals JD	Real Estate Loans JD	Corporates JD	Small and Medium Companies JD	Government and Public Sector 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

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 1,615,407 for the year 2016 (JD 11,317,083 for the year 2015).

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 22,278,472 for the year 2016 (JD 12,947,760 for the year 2015).

Bonds, Bills, Debentures and Mutual Funds:

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

Rating Grade	Rating Institution	As of December 31, 2016		
		Within Financial Assets at Fair Value through Comprehensive Income JD	Within Financial Assets Measured at Amortized Cost JD	Total JD
AA3	MOODY'S	-	708,198	708,198
Unclassified	-	4,867,994	57,545,000	62,412,994
Governmental	Governmental & Government guaranteed bonds	-	696,556,757	696,556,757
Total		4,867,994	754,809,955	759,677,949

Rating Grade	Rating Institution	As of December 31, 2015		
		Within Financial Assets at Fair Value through Comprehensive Income JD	Within Financial Assets Measured at Amortized Cost JD	Total JD
AA3	MOODY'S	-	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

Concentration of Credit Risk Exposure According to Geographical Areas is as follows:

Geographical Area	Inside Jordan JD	Other Middle East Countries JD	Europe JD	Asia* JD	America JD	Other Countries JD	Total JD
Balances at the central banks	109,528,966	36,082,755	550,299	-	-	-	146,162,020
Balances at banks and financial institutions	34,763,366	34,734,931	71,395,962	549,776	44,344,608	-	185,788,643
Deposits at banks and financial institutions	5,390,283	4,647,510	-	-	-	-	10,037,793
Credit facilities:							
To individuals	326,302,144	59,566,277	1,737,242	-	-	-	387,605,663
Real estate loans	227,609,055	1,711,111	-	-	-	-	229,320,166
Corporates	579,681,749	36,142,442	40,908,327	-	-	-	656,732,518
Small and Medium Companies	136,243,684	15,465,119	252,554	-	-	-	151,961,357
Government and public sector	840,984	20,775,914	-	-	-	-	21,616,898
Bonds, Bills, and Debentures:							
Financial assets measured at amortized cost	722,252,255	32,557,700	-	-	-	-	754,809,955
Other assets	6,139,386	4,400,462	26,335	-	-	-	10,566,183
Total 2016	2,148,751,872	246,084,221	114,870,719	549,776	44,344,608	-	2,554,601,196
Total 2015	1,935,302,157	198,325,037	97,133,951	1,442,845	18,457,254	209,498	2,250,870,742

*Excluding Middle East countries.

Concentration of Credit Risk Exposure according to Economic Sector Is as follows:

Economic sector	Financial JD	Industrial JD	Trade JD	Real Estate JD	Agriculture JD	Shares JD	Individuals JD	Government and Public Sector		Total JD
								JD	JD	
Balances at the central banks	-	-	-	-	-	-	-	146,162,020	-	146,162,020
Balances at banks and financial institutions	185,788,643	-	-	-	-	-	-	-	-	185,788,643
Deposits at banks and financial institutions	10,037,793	-	-	-	-	-	-	-	-	10,037,793
Credit facilities	202,888,870	153,664,664	304,703,479	404,508,325	56,914,203	2,685,816	248,044,699	21,616,898	52,209,648	1,447,236,602
Bonds, bills, and debentures:										
Financial assets measured at amortized cost	62,294,898	-	-	-	-	-	-	692,515,057	-	754,809,955
Other assets	10,566,183	-	-	-	-	-	-	-	-	10,566,183
Total 2016	471,576,387	153,664,664	304,703,479	404,508,325	56,914,203	2,685,816	248,044,699	860,293,975	52,209,648	2,554,601,196
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

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, 2016

Currency	Change (Increase) in	Interest Income	Owners' Equity
	Interest Rate	Sensitivity (Gain and Loss)	Sensitivity
	%	JD	JD
US Dollar	1	1,264,578	14,902
Euro	1	87,688	-
GBP	1	(25,514)	-
Yen	1	(38,173)	-
Other currencies	1	(26,179)	-

Currency	Change (Decrease) in	Interest Income	Owners' Equity
	Interest Rate	Sensitivity (Gain and Loss)	Sensitivity
	%	JD	JD
US Dollar	1	(1,264,578)	(14,902)
Euro	1	(87,688)	-
GBP	1	25,514	-
Yen	1	38,173	-
Other currencies	1	26,179	-

December 31, 2015

Currency	Change (Increase) in	Interest Income	Owners' Equity
	Interest Rate	Sensitivity (Gain and Loss)	Sensitivity
	%	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

Currency	Change (Decrease) in	Interest Income	Owners' Equity
	Interest Rate	Sensitivity (Gain and Loss)	Sensitivity
	%	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)

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, 2016

Currency	Change in Foreign Currency Exchange Rate %	Effect on Profit and Loss JD	Effect on Shareholders' Equity JD
US Dollar	-	-	-
Euro	5	(4,520)	-
GBP	5	1,248	-
Yen	5	(4,537)	-
Other currencies	5	1,490	-

December 31, 2015

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

- 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, 2016

Indicator	Change in Indicator %	Impact on Profit and Loss JD	Impact on Owners' Equity JD
Amman Stock Exchange	5	23,299	596,761

December 31, 2015

Indicator	Change in Indicator %	Impact on Profit and Loss JD	Impact on Owners' Equity JD
Amman Stock Exchange	5	48,419	615,177

- 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, 2016	Up to 1 Month JD	More than 1 Month up to 3 Months JD	More than 3 Months up to 6 Months JD	More than 6 Months up to 1 Year JD	More than 1 Year up to 3 Years JD	More than 3 Years JD	Non-Interest Bearing JD	Total JD
Assets								
Cash and balances at central banks	15,811,684	-	-	-	8,224,400	-	177,952,967	201,989,051
Balances at banks and financial institutions	101,820,232	20,825,165	-	-	-	-	63,143,246	185,788,643
Deposits at banks and financial institutions	-	-	-	10,037,793	-	-	-	10,037,793
Financial assets at fair value through profit or loss	-	-	-	-	-	-	968,373	968,373
Direct credit facilities - net	38,333,693	81,696,443	99,898,714	230,274,033	246,674,464	696,838,901	53,520,354	1,447,236,602
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	29,011,930	29,011,930
Financial assets measured at amortized cost	7,000,000	58,802,097	43,541,209	178,828,549	325,388,559	141,249,541	-	754,809,955
Investments in associates and unconsolidated subsidiary companies	-	-	-	-	-	-	5,106,980	5,106,980
Properties, equipment, and projects under construction - net	-	-	-	-	-	-	46,831,590	46,831,590
Intangible assets - net	-	-	-	-	-	-	21,141,035	21,141,035
Other assets	-	-	-	-	-	-	106,377,371	106,377,371
Deferred tax assets	-	-	-	-	-	-	6,219,227	6,219,227
Total Assets	162,965,609	161,323,705	143,439,923	419,140,375	580,287,423	838,088,442	510,273,073	2,815,518,550
Liabilities								
Banks and financial institutions' deposits	35,616,826	21,736,829	-	-	-	-	-	57,353,655
Customers' deposits	763,987,789	199,484,305	169,131,483	176,688,582	229,652,023	-	528,350,577	2,067,294,759
Cash margins	21,355,800	12,868,454	15,090,907	25,540,201	181,027,769	-	-	255,883,131
Borrowed funds	-	-	-	18,840,478	69,679,555	-	-	88,520,033
Various provisions	-	-	-	-	-	-	3,392,889	3,392,889
Provision for income tax	-	-	-	-	-	-	926,721	926,721
Deferred tax liabilities	-	-	-	-	-	-	1,002,584	1,002,584
Other liabilities	-	-	-	-	-	-	38,479,374	38,479,374
Total Liabilities	820,960,415	234,089,588	184,222,390	221,069,261	480,359,347	-	572,152,145	2,512,853,146
Interest rate repricing Gap	(657,994,806)	(72,765,883)	(40,782,467)	198,071,114	99,928,076	838,088,442	(61,879,072)	302,665,404
As of December 31, 2015								
Total assets	184,053,042	341,150,600	127,179,934	254,108,363	697,322,437	492,854,450	397,960,172	2,494,628,998
Total liabilities	436,618,334	350,562,077	229,925,104	231,871,429	273,862,528	162,225,997	496,044,743	2,181,110,212
Interest Rate Repricing Gap	(252,565,292)	(9,411,477)	(102,745,170)	22,236,934	423,459,909	330,628,453	(98,084,571)	313,518,786

Concentration in Foreign Currencies Risk

As of December 31, 2016	US Dollar JD	Euro JD	Pound Sterling JD	Japanese Yen JD	Others JD	Total JD
Assets						
Cash and balances at central banks	34,644,314	5,282,631	868,883	-	25,243,086	66,038,914
Balances at banks and financial institutions	92,351,674	15,607,980	12,491,627	567,301	6,920,118	127,938,700
Deposits at banks and financial institutions	-	-	-	-	37,793	37,793
Direct credit facilities - net	249,060,911	3,805,508	206	243,023	54,190,783	307,300,431
Financial assets at fair value through other comprehensive income	5,204,940	-	-	-	-	5,204,940
Financial assets measured at amortized cost	29,142,368	-	-	-	451,060	29,593,428
Properties and equipment, and projects under construction - net	793,640	-	-	-	-	793,640
Intangible assets - net	204,320	-	-	-	-	204,320
Other assets	945,276	147,006	1,450	130,152	5,369,727	6,593,611
Total Assets	412,347,443	24,843,125	13,362,166	940,476	92,212,567	543,705,777
Liabilities						
Banks and financial institutions' deposits	4,590,298	4,082,441	130,041	-	16,162,219	24,964,999
Customers' deposits	343,272,624	27,295,237	11,757,193	431,310	67,544,739	450,301,103
Cash margins	36,599,883	2,551,201	315,702	266,827	9,649,780	49,383,393
Various provisions	29,318	-	-	-	106,649	135,967
Provision for Income tax	73,366	-	-	-	-	73,366
Other liabilities	(1,472,320)	4,358	9,243	333,086	1,043,750	(81,883)
Total Liabilities	383,093,169	33,933,237	12,212,179	1,031,223	94,507,137	524,776,945
Net Concentration on-the consolidated statement of financial position	29,254,274	(9,090,112)	1,149,987	(90,747)	(2,294,570)	18,928,832
Off-the-consolidated statement of financial position contingent liabilities	247,949,493	21,325,717	2,421,316	2,125,263	9,394,038	283,215,827
As of December 31, 2015						
Total assets	343,461,612	35,668,482	6,441,185	1,432,336	58,669,921	445,673,536
Total liabilities	339,657,586	38,327,269	6,520,014	1,140,792	60,039,496	445,685,157
Net-concentration on-the consolidated statement of financial position	3,804,026	(2,658,787)	(78,829)	291,544	(1,369,575)	(1,162)
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

38 c. Liquidity Risks

Liquidity risk represents the Bank's inability to make available the necessary funding to fulfill its obligations on their maturities. To protect the Bank against these risks, management diversifies funding sources, manages assets and liabilities, matches their maturities, and maintains an adequate balance of cash, 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 individuals, establishments, and corporations. 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 (55 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 the central banks in the 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, 2016:

Liabilities	Up to One Month JD	1 More than 3 Month up to 3 Months JD	More than 3 Months up to 6 Months JD	More than 6 Months up to 1 Year JD	More than 1 Year up to 3 Years JD	More than 3 Years JD	Without Maturity JD	Total JD
Banks and financial institutions' deposits	35,616,826	21,736,829	-	-	-	-	-	57,353,655
Customers' deposits	763,987,789	727,834,882	169,131,483	176,688,582	229,652,023	-	-	2,067,294,759
Cash margins	21,355,800	12,868,454	15,090,907	25,540,201	181,027,769	-	-	255,883,131
Borrowed funds	-	-	-	18,840,478	69,679,555	-	-	88,520,033
Various provisions	-	-	-	-	-	-	3,392,889	3,392,889
Income tax provision	-	-	-	-	-	-	926,721	926,721
Deferred tax liabilities	-	-	-	-	-	-	1,002,584	1,002,584
Other liabilities	-	-	-	-	-	-	38,479,374	38,479,374
Total Liabilities	820,960,415	762,440,165	184,222,390	221,069,261	480,359,347	-	43,801,568	2,512,853,146
Total Assets	458,550,549	161,323,705	143,439,923	419,140,375	580,287,423	838,088,442	214,688,133	2,815,518,550

- 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 JD	1 More than 3 Month up to 3 Months JD	More than 3 Months up to 6 Months JD	More than 6 Months up to 1 Year JD	More than 1 Year up to 3 Years JD	More than 3 Years JD	Without Maturity JD	Total 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
Total Liabilities	436,618,334	803,112,744	229,925,104	231,871,429	273,862,528	162,225,997	43,494,076	2,181,110,212
Total Assets	371,506,832	341,150,600	127,179,934	254,108,363	697,322,437	492,854,450	210,506,382	2,494,628,998

Off- Consolidated Statement of Financial Position items:

December 31, 2016	Up to One Year	More than One Year up to 5 Years	Total
	JD	JD	JD
Letters of credit and acceptances	254,024,264	1,681,961	255,706,225
Unutilized credit facilities	139,061,512	-	139,061,512
Letters of guarantee	209,710,446	5,618,775	215,329,221
Total	602,796,222	7,300,736	610,096,958

December 31, 2015	Up to One Year	More than One Year up to 5 Years	Total
	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
Total	518,506,111	30,492,727	548,998,838

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, shareholders' 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:

	Individual Funding		Small and Medium Companies		Corporations' Funding		Treasury		Investments and Foreign Currencies		Other		2015	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	2016
Gross revenue	45,282,213	21,421,599	39,954,011	3,361,166	282,494	5,947,412	116,248,895	119,773,186						
Provision for impairment in direct credit facilities	(3,584,716)	(1,995,806)	(18,450,896)	-	-	-	(24,031,418)	(7,299,465)						
Results of Business Sector	41,697,497	19,425,793	21,503,115	3,361,166	282,494	5,947,412	92,217,477	112,473,721						
Distributed (expenses) - net	(38,034,918)	(12,165,449)	(14,169,743)	(231,707)	(156,233)	(15,871,531)	(80,629,581)	(73,732,036)						
Foreclosed assets impairment provision	-	-	-	-	-	(3,393,389)	(3,393,389)	(6,311,220)						
Bank's share in associate companies' gain	-	-	-	-	(13,559)	-	(13,559)	63,675						
Income for the year before taxes	3,662,579	7,260,344	7,333,372	3,129,459	112,702	(13,317,508)	8,180,948	32,494,140						
Income tax	-	-	-	-	-	-	(1,906,015)	(9,661,416)						
Income for the Year							6,274,933	22,832,724						
Additional Information														
Sector's assets	61,705,546	140,081,399	770,933,654	1,061,698,746	29,082,709	85,182,224	2,704,034,199	2,379,275,633						
Investments in associates and unconsolidated subsidiary companies	-	-	-	-	-	5,106,980	5,219,798	5,219,798						
Assets not distributed over sectors	-	-	-	-	-	106,377,371	106,377,371	110,133,567						
Total Assets	61,705,546	140,081,399	770,933,654	1,061,698,746	29,082,709	196,666,575	2,815,518,550	2,494,628,998						
Sector's liabilities	1,348,554,338	318,944,115	668,388,826	87,160,599	-	51,325,894	2,474,373,772	2,149,895,359						
Liabilities not distributed over sectors	-	-	-	-	-	38,479,374	38,479,374	31,214,853						
Total Liabilities	1,348,554,338	318,944,115	668,388,826	87,160,599	-	89,805,268	2,512,853,146	2,181,110,212						
Capital expenditures	-	-	-	-	-	-	16,216,565	13,977,044						
Depreciation and amortization	-	-	-	-	-	-	8,909,010	7,800,586						

b. Information on the Geographical Distribution:

This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations, which represent local operations, mainly in the Kingdom. 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	
	2016	2015	2016	2015	2016	2015
Gross revenue	105,197,924	109,377,649	11,050,971	10,395,537	116,248,895	119,773,186
Total assets	2,488,822,276	2,250,968,953	326,696,274	243,660,045	2,815,518,550	2,494,628,998
Capital expenditures	13,725,756	13,006,773	2,490,809	970,271	16,216,565	13,977,044

* 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. Moreover, 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's instructions require that the ratio of regulatory capital to assets weighted by risks and market's risks (capital adequacy ratio) be not less than 14%, 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. Adequacy of Capital

On October 31, 2016, the Central Bank of Jordan issued instructions on capital adequacy according to Basel III Standards and cancelled Basel II instructions.

The Bank manages capital in a manner that ensures continuity of its operations while maximizing the return on equity to shareholders. The composition of regulatory capital, as defined by Basel Committee, is as follows:

	December 31, 2015 (In thousand JD)
Primary Capital for Ordinary Shareholders CET 1	287,676
Regulatory Adjustments (Deductions From the Primary Capital for Ordinary Shareholders' Equity CET 1)	(41,217)
Additional capital	-
Supplementary capital	14,989
Total Regulatory Capital	261,448
Total Risk-Weighted Assets	1,961,446
Primary Capital Adequacy Ratio (CET 1) (%)	12.57
Regulatory Capital Adequacy Ratio (%)	13.33

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

The following is the capital adequacy ratio which has been calculated according to the instructions of Basel II as of December 31, 2015 based on Basel Committee resolutions.

December 31, 2015	
(In thousand JD)	
Primary capital items	
Subscribed and paid-up capital	175,000
Statutory reserve	51,197
Voluntary reserve	33,486
Other reserves	2,294
Retained earnings	21,145
Less:	
Deferred provisions under the Central Bank's approval	(2,699)
Deferred tax assets and other intangible assets	(7,566)
Investment in insurance companies and unconsolidated financial institutions	(1,603)
Total Primary Capital	271,254
Supplementary Capital Items:	
General banking risks reserve	11,693
Fair value reserve	541
Less:	
Investments in insurance companies and unconsolidated financial institutions	13
Total Supplementary Capital	10,631
Total Regulatory Capital	281,885
Total Risk-Weighted Assets	1,730,762
Regulatory Capital Adequacy Ratio (%)	16.29
Primary Capital Adequacy Ratio (%) *	15.67

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

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:

December 31, 2016	Up to One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Cash and balances at central banks	193,764,651	8,224,400	201,989,051
Balances at banks and financial institutions	185,788,643	-	185,788,643
Deposits at banks and financial institutions	10,037,793	-	10,037,793
Financial assets at fair value through profit or loss	968,373	-	968,373
Direct credit facilities - net	503,723,237	943,513,365	1,447,236,602
Financial assets at fair value through other comprehensive income	29,011,930	-	29,011,930
Financial assets measured at amortized cost	288,171,855	466,638,100	754,809,955
Investments in associates and unconsolidated subsidiary companies	-	5,106,980	5,106,980
Properties, equipment and projects under construction - net	-	46,831,590	46,831,590
Intangible assets - net	-	21,141,035	21,141,035
Other assets	-	106,377,371	106,377,371
Deferred tax assets	-	6,219,227	6,219,227
Total Assets	1,211,466,482	1,604,052,068	2,815,518,550
Liabilities:			
Banks and financial institutions' deposits	57,353,655	-	57,353,655
Customers' deposits	1,837,642,736	229,652,023	2,067,294,759
Cash margins	74,855,362	181,027,769	255,883,131
Borrowed funds	18,840,478	69,679,555	88,520,033
Various provisions	3,392,889	-	3,392,889
Provision for income tax	926,721	-	926,721
Deferred tax liabilities	-	1,002,584	1,002,584
Other liabilities	-	38,479,374	38,479,374
Total Liabilities	1,993,011,841	519,841,305	2,512,853,146
Net	(781,545,359)	1,084,210,763	302,665,404

December 31, 2015	Up to One Year	More than One Year	Total
	JD	JD	JD
Assets:			
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
Total Assets	1,121,787,059	1,372,841,939	2,494,628,998
Liabilities:			
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
Total Liabilities	1,712,748,435	468,361,777	2,181,110,212
Net	(590,961,376)	904,480,162	313,518,786

42. Accounts Managed on Behalf of Customers

	December 31,	
	2016 JD	2015 JD
Accounts managed on behalf of customers*	19,954,122	10,178,656

* 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

The details of this item are as follows:

	December 31,	
	2016 JD	2015 JD
Letters of credit:		
Letters of credit - outgoing	91,392,693	39,774,771
Letters of credit - incoming	109,162,798	113,630,565
Acceptances	55,150,734	55,077,407
Letters of guarantee:		
- Payments	110,086,167	109,491,621
- Performance bonds	69,249,069	66,463,924
- Other	35,993,985	25,583,467
Unutilized direct credit facilities	139,061,512	138,977,083
Total	610,096,958	548,998,838

44. Lawsuits against the Bank

The lawsuits filed against the Bank amounted to JD 5,606,615 as of December 31, 2016 (JD 11,842,721 as of December 31, 2015). In the opinion of the Bank's management and its legal advisors, no liabilities exceeding the provision of JD 216,160 as of December 31, 2016 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 December 31,		Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	2016 JD	2015 JD			
Financial assets at fair value					
Financial assets at fair value through profit or loss:					
Companies' Stocks	968,373	465,972	Quoted Shares	Not Applicable	Not Applicable
	968,373	465,972			
Financial assets at fair value through other comprehensive income:					
Quoted Shares	12,303,548	11,935,225	Quoted Shares	Not Applicable	Not Applicable
Mutual Fund	4,867,994	4,111,491	The fund manager's evaluation of the fair value	Not Applicable	Not Applicable
Unquoted Shares	11,840,388	11,794,614	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	29,011,930	27,841,330			
Total Financial Assets at Fair Value	29,980,303	28,307,302			

There were no transfers between level 1 and level 2 during the year ended December 31, 2016 and 2015.

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, 2016		December 31, 2015		Fair Value Hierarchy
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD	
Financial Assets not Calculated at Fair Value					
Deposits at central banks	15,261,385	15,262,590	122,244,500	122,247,171	Level 2
Balances and deposits at banks and financial institutions	195,826,436	195,961,063	166,644,008	166,774,884	Level 2
Direct credit facilities at amortized cost	1,447,236,602	1,449,821,971	1,227,323,101	1,228,664,901	Level 2
Other financial assets at amortized cost	754,809,955	761,548,541	601,857,948	607,862,634	Level 1 & 2
Foreclosed assets against debts	75,495,083	65,696,413	81,214,668	72,339,431	
Total Financial Assets not Calculated at Fair Value	2,488,629,461	2,488,290,578	2,199,284,225	2,197,889,021	
Financial Liabilities not Calculated at Fair Value					
Banks and financial institutions' deposits	57,353,655	57,421,102	30,631,530	30,686,845	Level 2
Customer's deposits	2,067,294,759	2,072,801,518	1,782,222,725	1,787,165,292	Level 2
Cash margin	255,883,131	255,911,686	279,197,317	279,199,702	Level 2
Borrowed funds	88,520,033	88,749,342	45,564,564	45,606,940	Level 2
Total Financial Liabilities not Calculated at Fair Value	2,469,051,578	2,474,883,648	2,137,616,136	2,142,658,779	

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

46. Adoption 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 January 1/2016, 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.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 presentation of financial statements relating to disclosure initiative
- Amendments to IFRS 11 joint arrangements relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 property, plant and equipment and IAS 38 intangible assets relating to clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 16 property, plant and equipment and IAS 41 agriculture: bearer plants
- Amendments to IAS 27 separate financial statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- 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
- Annual improvements to IFRSs 2012 – 2014 cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

B. New and revised IFRSs in issue but not yet effective and not early adopted

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

New and revised IFRSs	Effective for annual periods beginning on or after
Annual improvements to IFRS standards 2014 – 2016 cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018, the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017
Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities	January 1, 2017
IFRIC 22 Foreign Currency Transactions and Advance Consideration The interpretation addresses foreign currency transactions or parts of transactions where: <ul style="list-style-type: none"> • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary. 	January 1, 2018
Amendments to IFRS 2 Share Based Payment regarding classification and measurement of share based payment transactions	January 1, 2018

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 40 Investment Property: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018
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 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. 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:	January 1, 2018

New and revised IFRSs	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • 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 recognised • 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 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IFRS 15 Revenue from contracts with customers In May 2014, 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.	January 1, 2018

New and revised IFRSs	Effective for annual periods beginning on or after
<p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	
<p>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.</p>	January 1, 2019
<p>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 and investor to its associate or joint venture.</p>	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Bank's financial statements 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 Bank in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Bank's financial statements for the annual period beginning January 1, 2018 and that IFRS 16 will be adopted in the Bank's financial statements for the annual period beginning January 1, 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Bank's financial statements in respect of revenue from contracts with customers and the Bank's financial assets and financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Bank's financial statements in respect of its leases. However, it is not practical to provide a reasonable estimate regarding the claims of applying the standard till the Bank makes a review regarding this matter.

47. Subsequent Events

According to the decision of the Board of Directors in their meeting No. (3) held on February 23, 2017, the consolidated financial statements have been approved and were subject to the approval of the Central Bank of Jordan. On April 12, 2017, the approval of the Central Bank of Jordan was received after adjusting the following notes in the consolidated financial statements:

- 1 Note (6) which is related to the deposits at banks and financial institutions.
- 2 Note (18) which is related to the borrowed funds.
- 3 Note (36) which is related to the related party balances and transactions.
- 4 Note (40-d) which is related to the adequacy of capital.



03

Disclosure Statements

The 2016 Jordan Securities Commission 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. Geographic location

Jordan Ahli Bank's general management is located in Shmeisani, Queen Nour St., and hosts a total of 855 employees. The Bank's network of 55 branches and offices is optimally distributed among Jordan's governorates, and is particularly concentrated in Amman. The Bank's branches also cover Palestine, with six branches and Cyprus with one branch. Details of the aforementioned branches are presented at the end of this annual report. The total number of employees working for the Bank during 2016 reached 1,565 employees, distributed among its various branches as follows:

Branches in Jordan

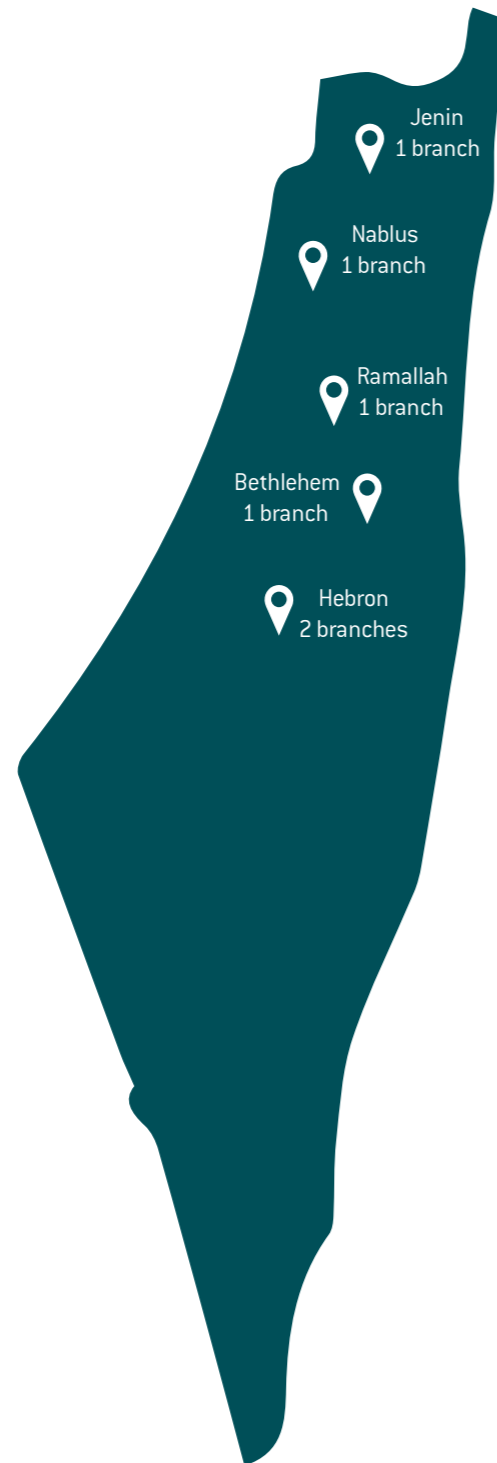
Branch name	No. of employees	Branch name	No. of employees	Branch name	No. of employees
Main branch	23	Um Uthaina	9	Balqa University	7
Corporate	23	Rabia	8	Bawabat Al Salt	9
Abdoun	10	City Mall	8	Al Fuhais	10
Taj Mall	6	Khalda	6	Deir Alla	8
Jabal Amman	12	Sweileh	7	Zarqa	12
Mecca St.	11	Abu Nseir	7	New Zarqa	7
Sweifieh	12	Hashmi Al Shamali	7	Free Zone - Zarqa	5
VIP Banking Services	9	Hurriya St.	8	Jerash	9
Thaqafa St.	10	Sahab	6	Mafraq	9
Queen Rania Al Abdullah St.	10	Marka	9	Ramtha	9
Jabal Al Hussein	10	Dahiyat Al Yasmeen	7	Army St. - Irbid	15
Wasfi Al Tal St.	13	Ibn Khaldoun St.	4	Hashmi St. - Irbid	10
Wadi Saqra St.	9	Ruseifah	8	Karak	16
Downtown Amman	13	Al Jubeiha	6	Tafilah	9
Middle East Circle	10	Khreibet Al Souk	7	Maan	12
Bayader Wadi Al Seer	9	Marj Al Hamam	8	Aqaba	20
Tabarbour	9	Madaba	13	Arabella Mall	5
Tlaa Al Ali	7	Industrial Zone - Irbid	5	Salt	9
Abdullah Ghosheh St.	10				

Jordan 2016



Branches in Palestine

Branch name	No. of employees	Branch name	No. of employees	Branch name	No. of employees
Bireh - Ramallah	90	Bethlehem	23	Shallalah St. - Hebron	3
Nablus	22	Salam St. - Hebron	19	Jenin	13



Branches in Cyprus

Branch name	No. of employees
Limassol	13

C. Volume of Capital Investment

As of December 31, 2016, the volume of capital investment at Jordan Ahli Bank reached JD 46.8 million.

2. As of the end of 2016, the bank's numerous subsidiaries are as follows:

No.	Company name	Main activity	No. of employees	Capital (JD million)	Ownership percentage
1	Ahli Microfinance Co. LLC	Micro projects financing	203	6	100%
2	Ahli Brokerage Co. PS	Financial brokerage	12	5	100%
3	Al-Ahli Financial Leasing Co. PS	Financial leasing	11	17.5	100%

3.A. Brief Introduction of members of Jordan Ahli Bank's Board of Directors



H.E. Dr.
Omar "Ahmad Munif" Razzaz

Chairman
 - Appointed in 2014.
 - Jordanian, born in 1961.
 - Holds 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); Chairman of the Board of Trustees at the King Abdullah II Fund for Development (KAFD); Member of the Board of Trustees at the National Center for Human Rights and its Economic Council. He has published numerous studies in renowned research journals, and several books.
 - **An Independent member.**



H.E. Mr.
Saad Nabil Muasher

Deputy Chairman
 - Appointed in 2014.
 - Jordanian, born in 1974.
 - Holds a Master's Degree in Business Administration (MBA) from Stanford University; and a BA in Economics from Northwestern University.
 - Served as Chairman of the Board of Directors of Jordan Ahli Bank for over two years where he headed the Risk Management and Compliance Committee and the IT and Strategy Committee. In collaboration with the Board of Directors, he made continuous improvements to the Board's policies and procedures to better adopt good governance principles. He served as an Executive Officer at Jordan Ahli Bank with various positions, the last of which was First Deputy Director General.
 - He is a board member at several national institutions, including Founding Member Deputy Chairman of the Board of Directors of the Queen Rania Foundation for Education and Development (QRF). In 2012, he was appointed Chairman of the Work Committee at the Queen Rania Center for Entrepreneurship (QRCE) where he designed numerous national initiatives concerning entrepreneurship and the economy. The most notable initiative is a proposal to support the establishment of a national economic forum. He thus became a founding member of the Jordan Strategy Forum (JSF), today considered the leading economic research center and a group that can foster support with financing that is completely sourced from the private sector financing in Jordan. He founded the Nawa non-profit platform to develop and fund impactful and leading civil society initiatives. He is a Consulting Member at the international institution Endeavor Venture Corps, and a mentor for local and international entrepreneurs and start-ups.
 - **A Non-independent member.**



H.E. Mr.
Nadim Yousef Muasher

Member
 - Appointed in 1997.
 - Jordanian, born in 1950.
 - Holds a Master's degree in Civil Engineering, from Stanford University, USA; and a BA in Architecture from England.
 - Served as a Former Member of the Senate House; and a member of the Economic and Financial Affairs Committee and the Tourism Committee in 2016.
 - He is Chairman of the Arab International Hotels Co. (Marriott) and affiliated companies (Business Tourism Company LLC and Beaches for Hotels and Spas Co.); Chairman of Ad Dawliya for Hotels and Malls Co. – Sheraton Hotel; and Chairman of the Jordan Investor Center Co. and the El-Zay Ready Wear Manufacturing Co. He is also Deputy Chairman of the Jordan Worsted Mills Co., and Chairman of the Board of Directors of the Jordanian Hospitality and Tourism Education Company (JHTEC).
 - He previously served as a Rapporteur for the Investment Committee/Economic Advisory Council; Investment Deepening Committee Chairman/National Agenda; and Chairman of the National Tourism Strategic Steering Committee.
 - He is the author of numerous studies and reports on the public budget, encouraging investments, income taxes, and Jordanian tourism laws.
 - Was awarded the Order of the Star of Jordan (third degree) and the Equestrian Order of the Holy Sepulchre of Jerusalem.
 - **A Non-independent member.**



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

Member
 - Appointed in 2015.
 - Lebanese, born in 1969.
 - Holds a Master's degree in Banking & Financial Sciences, and a BA in Economics.
 - Deputy Director General Byblos Bank, Board Member of Byblos Bank, and Board Member of Byblos Bank 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.
 - Holds 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 Yacub Azar
Representative, Jordan
Investor Center

Member
 - Appointed in 1997.
 - Jordanian, born in 1936.
 - Holds a Master's degree in Economics and Development Management from the American University of Beirut; tertiary education degrees from the USA, and a BA in Law from Damascus.
 - Member of the Senate House; Former Minister of Industry and Trade; Chairman of the Economic and Social Council; Director General of Planning; Director General of the Jordan Investment Commission; Director of the Department of Statistics; Director General of the Jordan Phosphate Mines Co.
 - Board Member of various companies with many years of experience in both the public and private sectors, and in various fields.
 - **A Non-independent member.**



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

Member
 - Appointed in 1997.
 - Jordanian, born in 1949.
 - Holds a Master's degree in Construction Engineering; and a Master's degree in Engineering Projects Management from the USA.
 1980 - Ranco Co. for Contracting and Trade;
 1980-1985 - Rajai Muasher & Brothers Co.
 1985-1988 - Al Ahliyya Financial Investments Co.
 1988- Present - Al Ahliyya National Securities Co.
 - **A Non-independent member.**



H.E. Mrs.
Reem Mudar Badran
Representative, The Social Security Corporation

Member as of 11/4/2016
 - Appointed in 2016
 - Jordanian, born in 1963.
 - Holds a Master's degree in International Economy and Middle East Policy from Johns Hopkins University in Washington DC; and a BA in English Literature and Business Administration.
 - Served as Director General of the Jordan Investment Commission; Board Member and CEO of the Kuwaiti Jordanian Holding Company; Chairman of the Board of Directors of Al Hurra for Project Development and Management; Chairman of the Board of Directors of the Kuwait Finance House; Chairman of the Board of Directors of the National Microfinance Bank; and member of numerous non-profit institutions working on women empowerment, and the support of arts, education, and youth.
 - **A Non-independent member.**



H.E. Mr.
Mahmoud Zuhdi Malhas

Member
 - Appointed in 1997.
 - Saudi Arabian, born in 1938.
 - Holds 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

- Member**
- Appointed in 2015.
 - Jordanian, born in 1959.
 - Holder of a Master's degree in Money and Banking, from the American University of Beirut.
 - Over 27 years of experience in the banking sector.
 - Served as Former Board Member at MEPS; Executive Partner at a consultancy firm
 - **An Independent Member.**



H.E. Mr. Tarek Jallad

- Member**
- Appointed in 2015.
 - Jordanian, born in 1979.
 - Holder of a Master's degree in Economics, from the London School of Economics, and a BA in Economics from Pennsylvania University.
 - Held different positions in banks and companies, and a Deputy President for Jordan Tractors and Equipment CAT.
 - Board Member of Jallad Group.
 - **An Independent Member.**

B. Brief Introduction of the resigned members of Jordan Ahli Bank's Board of Directors



H.E. Mrs. Suhair Al Ali
Representative,
Social Security Corporation

- Appointed in 2015.
- Jordanian, born in 1958.
- Holds a Master's degree in Development Economics, from Georgetown University, USA.
- Held various positions, including 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 the Jordanian Royal Film Commission.
- A Non-independent member.
- Resigned on 10/4/2016

C. 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.
- Holds a BA in Mathematics and Business Administration from the University of Jordan
- Currently holds the following positions:
Chairman of the Board of Ahli Financial Leasing Company
Board Member of Al Dawliya for Hotels and Malls
Board Member of the Association of Banks
- Has over 37 years of experience in the banking sector at Arab Bank (1978-2015) where he held various positions, the last of which was Jordan Director.
- Was previously a board member at several banks and companies:
Board Member at the International Islamic Arab Bank
Board Member at the Arab Bank – Syria
Board Member at the Jordan Mortgage Refinance Company
Board Member at the Jordan Loan Guarantee Corporation
Board Member at the Jordan Hotels and Tourism Company



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

- Appointed in 2015.
- Jordanian, born in 1966.
- Holds a phd in Finance from Amman Arab University.
- Currently holds the following positions:
Deputy Chairman of the Board of the Ahli Financial Leasing Company
Chairman of the Board of the Ahli Microfinance Company
Board Member at the Jordan Worsted Mills Co.
- Has over 28 year experience in credit and banking operations:
Arab Bank (1994-2015)
Cairo Bank (1991 – 1994)
Bank of Jordan (1989 – 1991)
- Previously held various positions:
Corporate Credit Director/Eastern Mediterranean at Arab Bank
Board Member at the International Islamic Arab Bank
Board Member at the Arab Bank – Syria
Board Member at the Arab National Leasing Company
Board Member at Jordan National Shipping Lines
Board Member at the Palestine Real Estate Investment Company
Board Member at the Palestine Mortgage Refinance Company



Mr. Bassel Najib Al Naber
Head of Financial Administration

- Appointed in 2016
- Jordanian, born in 1968.
- Holds a Master's degree in Accounting from the University of Jordan
- Held various positions at numerous institutions, including:
ABC Bank (2004-2011)
Cairo Amman Bank (1996-2004)
Jordan Ahli Bank (1995-1996)
Housing Bank for Trade & Finance (1991-1992)



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

- Appointed in 1998.
- Jordanian, born in 1963.
- Holds a BA in Business Administration from the American University of Beirut.
- Former Head of the Treasury Department at the Jordan Investment and Finance Bank.



Mrs. Hadil Khalaf
Head of Operations &
Shared Services

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



Mr. Hani Suleiman Farraj
Head of Acquired Real
Estates & Secretary to the
Board of Directors until 5/6/2016

- Appointed in 1995.
- Jordanian, born in 1946.
- Holds a BA in Literature; and a Diploma in Management.
- Past experience in the fields of administration, finance and legal affairs 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.
- Holds a BA in Statistics from the University of Baghdad, Iraq.
- Served as a Statistics Unit Manager and Deposits Department Manager at the Amman Investment Bank; and as Clearance Manager at Madanat Commercial Establishment.



Mr. Mohammed Bashar Al Bakri
Head of Human Resources

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



Mr. Ala'adin Auni Ahmed
Acting Director of Business Technology
starting 17/06/2016

- Appointed in 2000
- Jordanian, born in 1966
- Holds a BA in Computer Science
- Held various positions, including at:
Intertext Overseas Company LTD (1999-1992)
Elmesher Brother LTD (1991)
Bank of Kuwait and Middle East (190-1989)



Mr. Jafar Majdalawi
Head of Corporate Banking
& Projects Finance

- Appointed in 1994.
- Jordanian, born in 1962.
- Holds a Master's degree 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.



Mr. Tareq Fuad Omaish
Head of Consumer Banking Services

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



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

- Appointed in 1997.
- Jordanian, born in 1970
- Holds a BA in Finance and Banking from Yarmouk University.
- Held several positions including at Bank Al Etihad (1994 – 1997)



Dr. Michael Zaki Nu'man
Head of Risk and Secretary to
the Board of Directors
starting 05/06/2016

- Appointed in 2013.
- Jordanian, born in 1973.
- Holds a PhD in Finance and Banking.
- Held several positions, including:
Investment Bank (2010-2013)
Assistant General Manager at Capital Bank (1999-2010)
Officer at HSBC (1995-1999).



Mr. Mouin Aziz Al Bahou
Head of Credit

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



Mr. Khaled Zuhair Abu Al Shaar
Head of Compliance and
Combating Money Laundering

- Appointed in 2016
- Jordanian, born in 1968
- Holds a Master's degree in Business Administration and a Master's degree in Electronic Commerce and Marketing from Victoria University
- Held several positions including at:
Investment Bank (2006-2016)
Housing Bank for Trade & Finance (1996-2002)
Tomah Abu Al Shaar Accounting Company (1995-1996)



Mr. Eyad Tufic Amari
Acting Internal Audit Director

- Appointed in 1996.
- Jordanian, born in 1971.
- Holds a BA in Accounting from Mutah University.
- Held several positions, including at the Commercial & Industrial Company.

Brief Introduction of the independent members of Jordan Ahli Bank's Senior Executive Management

Mr. Ibrahim Lutfi Ghaoui
Head of Finance & Internal Audit

- Appointed in 2014.
- Jordanian, born in 1954.
- Holds 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 at Cairo Amman Bank; and Deputy CEO/Head of Finance Department at the Palestine Telecommunications Company (PALTEL).
- His resignation was accepted on 2016/3/24

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

- Appointed in 2009.
- Jordanian, born in 1963.
- Holds a Master's degree in Computer Science, from the University of Kuwait.
- Held several positions, including: Manager of Enterprise Programs Execution at the National Bank of Kuwait (2006–2009); Banking Implementation & Business Development Group Manager at International Turnkey Systems (ITS) (1999-2006); Executive IT Manager at Middle East Investment Bank (1995-1998); and IT Manager, Ahli Bank (1993–1995).
- His resignation was accepted on 16/6/2016

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

No.	Name	Total shares 2016	Ownership percentage	Total shares 2015	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%
		56,483,399	32.28%	56,483,399	32.28%

5. Competition and ranking

Jordan Ahli Bank currently ranks number three in terms of assets and number three as well in terms of direct credit facilities and customer deposits. The Bank operates in Jordan, Palestine and Cyprus and has an excellent market share in each of the aforementioned locations.

Market share

Market share	2016	2015
Market share of direct facilities	5.63%	5.33%
Market share of indirect facilities	8.03%	6.29%
Market share of deposits	5.66%	4.97%

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 its 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 organizational structures of the Bank and its subsidiaries 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	57	109	143	944	4	114	11	1382
Cyprus	-	3	2	5	-	3	-	13
Palestine	5	11	18	125	-	11	-	170
Total	62	123	163	1074	4	128	11	1565

And subsidiaries

	Less than High School	High School	Community College	Bachelor's Degree	Graduate Diploma	Master's Degree	PhD	Total
Ahli Microfinance Co. LLC	5	20	23	151	-	4	-	230
Ahli Brokerage Co. PS	3	-	1	8	-	-	-	12
Al-Ahli Financial Leasing Co. PS	0	1	1	4	-	4	1	11

C. Training and qualification programs for Jordan Ahli Bank's employees:

The Development and Training Department organized 282 training programs, with a total of 2,831 participants, 1,580 of whom were male and 1,251 were female.

Type of program	No. of programs	Training opportunities	Male participants	Female participants	Training days
Programs within the training center	172	2,603	1,410	1,193	6,006
External programs - Inside Jordan					
Programs with local training companies and bodies	80	166	119	47	693
External programs - Outside Jordan					
Programs with foreign training companies and bodies*	7	10	10	0	23
Programs of the Palestine Institute for Financial & Banking Studies	23	52	41	11	405
Total	282	2,831	1,580	1,251	7,127

*Programs that include employees from the Cyprus branch

Details of the training courses are as follows:

Training course	No. of Programs	Training opportunities	Male participants	Female participants
Audit	1	15	7	8
Financial & Accounting	6	12	12	0
Certificates & Diplomas	12	17	11	6
Desktop Training	4	20	11	9
Language	1	4	2	2
IT	1	1	1	0
Operations	3	52	25	27
Credit & Risk	20	49	36	13
Compliance & Legal	8	64	29	35
Management	3	17	9	8
Selling Skills & Customer Care	5	22	14	8
Product Knowledge	17	306	157	149
Functional	4	26	11	15
Technical	89	1,221	674	547
Soft Skills	8	109	55	54
Seminars & Workshops	43	698	409	289
Forums & Awareness	57	198	117	81
Total	282	2,831	1,580	1,251

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

11. During 2016, the Bank did not witness any significant process or event that affected its position.

Description of achievements: as detailed and supported by figures in the Board's report on the Bank's achievements.

12. No financial impact was recorded during 2016 from non-reoccurring operations that do not fall under the Bank's main activities.

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

Fiscal year	Net shareholders' equity (in JD Million)	Cash dividends (%)	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
2016	302.7	%5	8.75	8.2	1.15

The General Assembly will advise to distribute 5% in cash profits among shareholders and 5% in free shares.

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

	2016	2015
Return on shareholders' equity	2.04%	7.28%
Return on assets	0.24%	0.92%
Return on paid-up capital	3.590%	13.05%
Credit to assets ratio	51.40%	49.20%
Credit to total deposits ratio	70.0%	67.70%
Non-performing facilities to total facilities ratio	9.81%	9.580%
Profit after tax per employee	JD 3,452	JD 12,777

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 2016 amounted to JD 271,044 detailed as follows:

No.	Company name	Audit fee (in JD)
1	Jordan Ahli Bank	235,954
2	Ahli Microfinance Co.	12,760
3	Ahli Brokerage Co.	15,370
4	Ahli Financial Leasing Co.	6,960
Total		271,044

17.A. Share ownership of board members and their relatives

No.	Name	Title	Nationality	No. of shares 2016	No. of shares 2015
1	H.E. Dr. Omar Razzaz	Chairman of the Board	Jordanian	110,000	110,000
2	H.E. Mr. Saad Muasher Mrs. Tania Hareb	Vice Chairman of the Board	Jordanian	2,091,875	2,091,875
			Jordanian	173,879	879,173
3	H.E. Mr. Nadim Yousef Muasher Mrs. Rania Dallal	Member	Jordanian	6,363,635	6,363,635
			Jordanian	93,687	93,687
4	Byblos Bank H.E. Mr. Alan Fuad Wanna	Member	Lebanese	18,166,192	18,166,192
			Lebanese	-	-
5	Muasher Investment & Trading Co. H.E. Mr. Imad Muasher Mrs. Nadine Halasa	Member	Jordanian	461,575	461,575
			Jordanian	6,392,572	6,392,572
6	Jordan Investor Center H.E. Mr. Wasef Yacoub Azar Mrs. Abla Muasher	Member	Jordanian	9,627,030	9,527,030
			Jordanian	98,276	98,276
7	Rajai Muasher & Brothers Co. H.E. Mr. Rafiq Saleh Muasher	Member	Jordanian	91,770	91,770
			Jordanian	11,424	11,424
8	Social Security Corporation H.E. Mrs. Reem Mudar Badran	Member	Jordanian	2,500,000	2,500,000
			Jordanian	17,500,000	17,500,000
9	H.E. Mr. Mahmoud Zuhdi Malhas	Member	Saudi Arabian	-	-
			Saudi Arabian	1,952,110	1,952,110
10	ZI & IME Co. (Saudi Arabia) H.E. Mr. Ala'adin Sami	Member	Bahamian	1,360,336	1,235,379
			Egyptian	-	-
11	H.E. Mr. Karim Tawfik Kawar	Member	Jordanian	115,115	115,115
12	H.E. Mrs. Ibtissam Mohammed Sobhi El Ayoubi	Member	Jordanian	2,000	2,000
13	H.E. Mr. Tarek Ziyad Jallad	Member	Jordanian	792,738	792,738

B. Share ownership of Senior Executive Management members and their relatives

No.	Name	Title	Nationality	No. of shares 2016	No. of shares 2015
1	Mr. Mohammad Musa Daoud	Chief Executive Officer/General Manager	Jordanian	10,000	-
2	Dr. Ahmad Awad Abdulhalim Alhussein	Senior Deputy Chief Executive Officer/ General Manager	Jordanian	-	-
3	Mr. Basel Al Naber	Head of Financial Administration	Jordanian	-	-
4	Ms. Lina Bakhit	Head of Treasury, Investment & Financial Institutions	Jordanian	5,321	5,321
5	Mrs. Hadil Khalaf	Head of Operations & Shared Services	Jordanian	15,253	15,253
6	Mr. Hani Farraj	Head of Acquired Real Estates	Jordanian	21,212	21,212
7	Mr. Bashar Al Bakri	Head of Human Resources and Logistics	Jordanian	7,530	7,530
8	Mr. Kameel Haddad	Head of Remedial Department	Jordanian	11,849	11,849
9	Mr. Jaafar Majdalawi	Corporate Banking & Projects Finance	Jordanian	15,552	15,552
10	Mr. Tareq Omaish	Head of Consumer Banking Services	Jordanian	-	-
11	Mr. Marwan Shahatit	Head of Small & Medium Enterprises (SMEs) Banking	Jordanian	1,180	1,180
12	Dr. Michael Nu'man	Head of Risk & Secretary to the Board of Directors	Jordanian	-	-
13	Mr. Mouin Al Bahou	Head of Credit Review	Jordanian	-	-
14	Mr. Khaled Zuhair Abu Al Shaar	Head of Compliance and Combating Money Laundering	Jordanian	-	-
15	Mr. Eyad Tufic Amari	Acting Internal Audit Director	Jordanian	-	-
16	Mr. Ala'adin Auni Ahmed	Acting Director of Business Technology	Jordanian	-	-

C. Companies controlled by the Board members and their relatives

No.	Name	Name	No. of shares 2016	No. of shares 2015
1	H.E. Mr. Saad Muasher	- Al Nabil for Trade & Investment Management	2,482,644	2,482,644
		- Arabia Insurance Co.	1,173,113	2,686,670
2	H.E. Mr. Nadim Muasher	- Jordan Fabrics & Worsted Mills Manufacturing Co.	4,464,293	4,464,293
		- Arab International Hotels Co.	1,372,838	1,371,838
		- Al Zay Ready Wear Manufacturing Co.	585,044	335,044
		- Ranko Public Contracting and Housing Co.	1,027,848	1,027,848
		- World Fashion Trading Co.	100,226	100,226
3	Muasher Investment & Trading Co. H.E. Mr. Imad Muasher	- Jordan Investor Center Co.	9,627,030	9,527,030
		- World Fashion Trading Co.	100,226	100,226
		- Arab International Hotels Co.	1,371,838	1,371,838
		- Ranko Public Contracting and Housing Co.	1,027,848	1,027,848
4	Jordan Investor Center Co. H.E. Mr. Wasef Azar	- Jordan Fabrics & Worsted Mills Manufacturing Co.	4,464,293	4,464,293
		- Middle East Insurance Co.	116,666	116,666
5	Rajai Muasher & Brothers Co. H.E. Mr. Rafiq Muasher	- Jordan Worsteds Mills Co.	11,290,177	11,290,177
		- Arab International Hotels Co.	1,371,838	1,371,838
6	H.E. Mr. Mahmoud	- Al Mahmodieh Trading	54,901	54,901
7	Zuhdi Malhas ZI & IME Co. H.E. Mr. Ala'adin Sami	- Arab International Hotels Co.	1,371,838	1,371,838
		- Arab International Hotels Co.	1,371,838	1,371,838
8	H.E. Mr. Karim Tawfik Kwar	- 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 2016	Shares owned in Ahli Bank 2015
1	Dr. Ahmad Awad Abdulhalim Alhussein	Jordan Worsteds Mills Co.	11,290,177	11,290,177
2	Mr. Hani Suleiman Farraj	Al Ruwwad for Security	33,139	23,139
		Asala for Advertisement	22,803	22,803
3	Mr. Kameel Haddad	Al Zay Ready Wear Manufacturing Co.	585,044	335,044

18. The total salaries, benefits and remunerations granted to members of the Board of Directors and Senior Executive Management in 2016 amounted to JD 4,552,735.

A. Salaries, benefits and remunerations of members of the Board of Directors

Name	Transportation and travel allowance	Committee meeting	Annual remuneration	Other benefits	Total
H.E. Dr. Omar Razzaz	7,200	3,300	5,000	560,000	575,500
H.E. Mr. Saad Muasher	21,715	12,800	5,000	144,000	183,515
H.E. Mr. Nadim Muasher	12,000	11,200	5,000	-	28,200
H.E. Mr. Alan Wanna Representative, Byblos Bank	25,045	1,100	1,458	-	27,603
H.E. Mr. Imad Muasher Representative, Muasher Investment & Trading Co.	12,000	7,000	5,000	-	24,000
H.E. Mr. Wasef Azar Representative, Jordan Investor Center Co.	12,000	15,500	5,000	-	32,500
H.E. Mr. Rafiq Muasher Representative, Rajai Muasher & Brothers Co.	12,000	10,900	5,000	-	27,900
H.E. Mrs. Suhair Al Ali, from 15/06/2015					
H.E. Mrs. Reem Mudar Badran, from 11/4/2016 Representative, Social Security Corporation	12,000	2,900	5,000	-	19,900
H.E. Mr. Mahmoud Zuhdi Malhas	12,000	2,900	5,000	-	19,900
H.E. Mr. Ala'adin Sami Representative, ZI & IME Co. (Saudi Arabia)	21,050	200	5,000	-	26,250
H.E. Mr. Karim Kwar	12,000	10,400	5,000	12,000	39,400
H.E. Mrs. Ibtissam El Ayoubi	12,000	20,200	5,000	18,542	55,742
H.E. Mr. Tarek Jallad	12,000	4,400	3,542	-	19,942

B. Salaries, benefits and remunerations of members of the Senior Executive Management

Name	Total salaries	Total benefits	Transportation and travel allowance	Per-deem	Total
Mr. Mohammad Musa Daoud - Chief Executive Officer/ General Manager	464,800	-	5,785	5,287	475,872
Dr. Ahmad Awad Abdulhalim Alhussein - Senior Deputy Chief Executive Officer/ General Manager	240,800	-	2,305	2,227	245,332
Mr. Basel Al Naber - Head of Financial Administration starting 11/7/2016	60,444	-	-	-	60,444
Ms. Lina Bakhit - Head of Treasury, Investment & Financial Institutions	151,776	17,972	1,055	450	171,253
Mrs. Hadil Khalaf - Head of Operations & Shared Services	152,176	18,020	-	-	170,196
Mr. Hani Farraj - Head of Acquired Real Estates	148,384	17,868	-	-	165,952
Mr. Mohammed Bashar Al Bakri - Head of Human Resources and Logistics	140,976	16,686	-	-	157,662
Mr. Kameel Haddad - Head of Remedial Department	139,600	16,524	800	1,800	158,724
Mr. Jaafar Majdalawi - Corporate Banking & Projects Finance	75,120	4,466	-	-	79,586
Mr. Tareq Omaish - Head of Consumer Banking Services	126,624	22,467	150	-	149,241
Mr. Marwan Shahatit - Head of Small & Medium Enterprises (SMEs) Banking	72,208	8,500	-	-	80,708
Dr. Michael Nu'man - Head of Risk & Secretary to the Board of Directors as of 5/6/2016	152,000	18,000	-	-	170,000
Mr. Mouin Al Bahou - Head of Credit Review	84,000	5,000	-	-	89,000
Mr. Khaled Zuhair Abu Al Shaar - Head of Compliance and Combating Money Laundering	62,333	-	925	600	63,858
Mr. Ala'adin Auni Ahmed - Acting Director of Business Technology	62,960	5,550	-	-	68,510
Mr. Eyad Tufic Amari - Acting Internal Audit Director	28,656	1,674	-	-	30,330

- Salaries, benefits and remunerations of independent members of the Senior Executive Management

Name	Total salaries	Transportation and travel allowance	Per-deem	Total
Mr. Ibrahim Lutfi Ghaoui Head of Finance & Internal Audit until 24/3/2016	168,850	950	-	196,514
Mr. Samer Abu Zayed Head of Business Technology & Center of Excellence until 16/6/2016	74,235	-	-	93,305

- Names of shareholders who own 1% or more of the Jordan Ahli Bank's capital as on 31/12/2016, with pledged shares and ultimate beneficiaries

Shareholder's name	No. of shares 31/12/2016	% of ownership	No. of pledged shares	Ultimate beneficiary
Byblos Bank	18,166,192	10,381%	0	-
Social Security Corporation	17,500,000	10,000%	0	-
Jordan Worsted Mills Co.	11,290,177	6,452%	0	-
Jordan Investor Center Co.	9,627,030	5,501%	1,454,110	Bank of Jordan National Bank of Kuwait Housing Bank for Trade & Finance Cairo Amman Bank Total
Mr. Emad Yousef Muasher	6,392,572	3,653%	0	-
Mr. Nadim Yousef Muasher	6,363,635	3,636%	0	-
Sadiq Omar Hashim Abu Sido	4,600,305	2,629%	0	-
Jordan Fabrics & Worsted Mills Manufacturing Co.	4,464,293	2,551%	0	-
Mr. Rafiq Saleh Muasher	2,500,000	1,429%	0	-
Al Nabil for Trade & Investment Management	2,482,644	1,419%	0	-
Mustafa Diya Habib	2,333,333	1,333%	0	-
Mr. Saad Nabil Yousef Muasher	2,091,875	1,195%	0	-
Mr. Yousef Nabil Yousef Muasher	2,000,000	1,143%	0	-
Mr. Ibrahim Nabil Yousef Muasher	1,973,328	1,128%	0	-

19. Total donations granted to various parties during 2016 amounted to JD 555,865, and are distributed as follows:

Name	Amount
Social assistance and empowerment (local development)	260,255
Education and youth	155,825
Arts and culture	57,720
Other, and business support	36,170
Internal social responsibility	16,722
Environment	5,000
Leadership and excellence	24,172
Total	555,865

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

- Facilities granted to Board members under non-preferential terms.

Board member	Balance 31/12/2016 (in JD)	Cash securities (in JD)
H.E. Mr. Nadim Muasher		
(A) Within the Kingdom	1,158,100	-
(B) Outside the Kingdom	857,890	-
Mr. Saad Muasher	370,600	-
Jordan Investor Center Co.		
(A) Within the Kingdom	29,600	-
(B) Outside the Kingdom	3,013,250	-
H.E. Mr. Rafiq Muasher		
(A) Within the Kingdom	281,100	-
(B) Outside the Kingdom	850,800	-
Muasher Investment & Trading Co.	293,500	293,500
H.E. Mr. Imad Muasher	932,500	-
Byblos Bank - Guarantees	50,000	-

- Facilities granted to individuals with links* to Board members.

Board member	Balance (in JD) 2016/12/31	Cash securities (in JD)
(A) Facilities related to H.E. Mr. Nadim Muasher:		
Ranko Public Contracting and Housing Co.	1,856,300	-
M/S Nadim and Imad Muasher, and Nabil Muasher's sons	596,200	-
Guarantees	5,000	-
Jordan Fabrics & Worsted Mills Manufacturing Co.	-	-
Guarantees	500,000	500,000
World Fashion Trading Co.	501,700	-
Guarantees	197,400	19,786
Business Tourism Co.	5,089,700	-
Guarantees	10,500	5,600
Al Remah Contracting and Enterprise Management	-	-
Guarantees	6,000	600
Beaches for Hotels and Spas	-	-
Guarantees	50,000	-
Al-Aydi Al-Karima for Agricultural Products	147,600	-
Guarantees	10,000	500
Al Karam for Agricultural Products	301,200	-
Guarantees	-	-
(B) Facilities related to Rafiq Muasher & Brother Co.:		
Ahlia Stock Exchange Co.	326,900	-
(C) Facilities related to the Jordan Investor Center Co.:		
Al Izdihar Center for Trade and Investment	315,300	-
Jordan Tourism & Hotels Education	555,200	108,411
Guarantees	1,000	-
(D) Facilities related to H.E. Mr. Saad Muasher:		
Al Nabil for Trade & Investment Management	34,500	-
Ibrahim Nabil Muasher	122,900	-
Yousef Nabil Muasher	258,800	-
(E) Facilities related to Mr. Mahmoud Malhas:		
Al Mahmodieh Trading	477,200	-
(F) Facilities related to H.E. Mr. Karim Kawar:		
Amin Kawar & Sons Co.	357,000	-
Kawar Energy Co.	244,800	-
Arab Directory for Websites	141,000	-

* According to the definition of "linked to" 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 and members of the local community by contributing to several fields. These contributions are detailed in the Corporate Social Responsibility Report within this annual report.

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 of this compliance to ensure compliance with the code. This includes 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:

- | | |
|---------------------------|---|
| 1. H.E. Dr. Omar Razzaz | Chairman of the Committee - Independent |
| 3. H.E. Mr. Nadim Muasher | Member - Non-independent |
| 4. H.E. Mr. Tareq Jallad | Member - Independent |

B. Audit Committee:

- | | |
|--------------------------------|---|
| 1. H.E. Mr. Karim Kawar | Chairman of the Committee - Independent |
| 2. H.E. Mrs. Ibtissam El Ayoub | Deputy Chairman of the Committee - Independent |
| 3. H.E. Mr. Wasef Azar | Member/Representative, Jordan Investor Center Co. Non - independent |

C. Risk Management and Compliance Committee:

1. H.E. Mr. Saad Muasher	Chairman of the Committee - Non-independent
2. H.E. Mr. Rafiq Muasher	Member/Representative, Rajai Muasher & Brothers Co. - Non-independent
3. H.E. Mrs. Ibtissam El Ayoubi	Member - Independent
4. H.E. Mrs. Reem Mudar Badran	Member/Representative, Social Security Corporation - Non-independent
5. Chief Executive Officer	Member-General Manager
6. Dr. Ahmad Awad Abdulhalim	Member Alhussein
7. Dr. Michael Nu'man	Member

D. Nominations and Remunerations Committee:

1. H.E. Dr. Omar Razzaz	Chairman of the Committee - Independent
2. H.E. Mr. Wasef Azar	Member/Representative, Jordan Investor Center Co. - Non-independent
3. H.E. Mr. Rafiq Muasher	Member/Representative, Rajai Muasher & Brothers Co. - Non-independent
4. H.E. Mr. Mahmoud Malhas	Member - Non-independent
5. H.E. Mrs. Ibtissam El Ayoubi	Member - Independent

E. Board Facilities Committee:

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

F. Strategies & Information Technology Committee:

1. H.E. Mr. Saad Muasher	Chairman of the Committee - Non-independent
2. H.E. Mr. Nadim Muasher	Member - Non-independent
3. H.E. Mr. Karim Kawar	Member - Independent
4. H.E. Mrs. Ibtissam El Ayoubi	Member - Independent
5. H.E. Mr. Tareq Jallad	Member - Independent

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

Meetings schedule for the Board and its offshoot committees

Member's name	Board meetings	Board Facilities Committee meetings	Audit Committee meetings	Nominations and Remunerations Committee meetings	Strategies & Information Technology Committee meetings	Risk Management and Compliance Committee meetings	Corporate Governance Committee meetings
Dr. Omar Razzaz	11	17	-	8	-	-	1
Mr. Saad Muasher	11	14	-	-	6	4	-
Mr. Nadim Muasher	10	16	-	-	5	-	1
Mr. Alan Wanna	5	-	-	-	-	-	-
Mr. Imad Muasher	10	14	-	-	-	-	-
Mr. Wasef Azar	12	14	12	7	-	-	-
Mr. Rafiq Muasher	8	12	-	7	-	1	-
Representative, Social Security Corporation	11	-	-	-	-	1	-
Mr. Mahmoud Malhas	5	-	-	6	-	-	-
Mr. Ala'adin Sami	11	-	-	-	-	-	-
Mr. Karim Kawar	11	8	12	-	3	-	-
Mrs. Ibtissam El Ayoubi	6	18	13	6	6	4	-
Mr. Tareq Jallad	12	-	-	-	4	-	1
Total no. of meetings		19	13	8	6	4	1


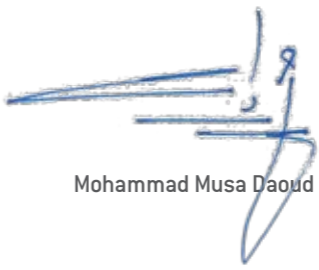
Declaration from the Board of Directors

The Board of Directors of Jordan Ahli Bank, PLC, hereby confirms that, to the best of its knowledge and belief, there are no substantial issues that might affect the continuity of the Bank's work during the 2017 fiscal year. It further acknowledges its responsibility for the preparation of the financial statements, and confirms the existence of an effective internal control and monitoring system.

1	Mr. Saad Muasher	Chairman of the Board	
2	Dr. Umayya Salah Toukan	Vice Chairman of the Board	
3	Mr. Nadim Yousef Muasher	Member	
4	Mr. Alan Fuad Wanna Representative, Byblos Bank (Lebanon)	Member	
5	Mr. Imad Muasher Representative, Muasher Investment & Trading Co.	Member	
6	Mr. Wasef Yacub Azar Representative, Jordan Investor Center	Member	
7	Mrs. Reem Mudar Badran Representative, Social Security Corporation	Member	
8	Mr. Rafiq Saleh Muasher Representative, Rajai Muasher & Brothers Co.	Member	
9	Mr. Ala'adin Sami Representative, ZI&IME Co. (Saudi Arabia)	Member	
10	Mr. Mahmoud Zuhdi Malhas	Member	
11	Mr. Tareq Mohammed Hamuri	Member	
12	Mrs. Ibtissam Mohammed Sobhi El Ayoubi	Member	
13	Mr. Tarek Ziyad Jallad	Member	

Acknowledgement

We, the undersigned, Chairman of the Board, Chief Executive Officer/Director General, and Director of Financial Administration of Jordan Ahli Bank, hereby confirm that the information and data mentioned in the Bank's 2016 annual report are valid, accurate and complete.

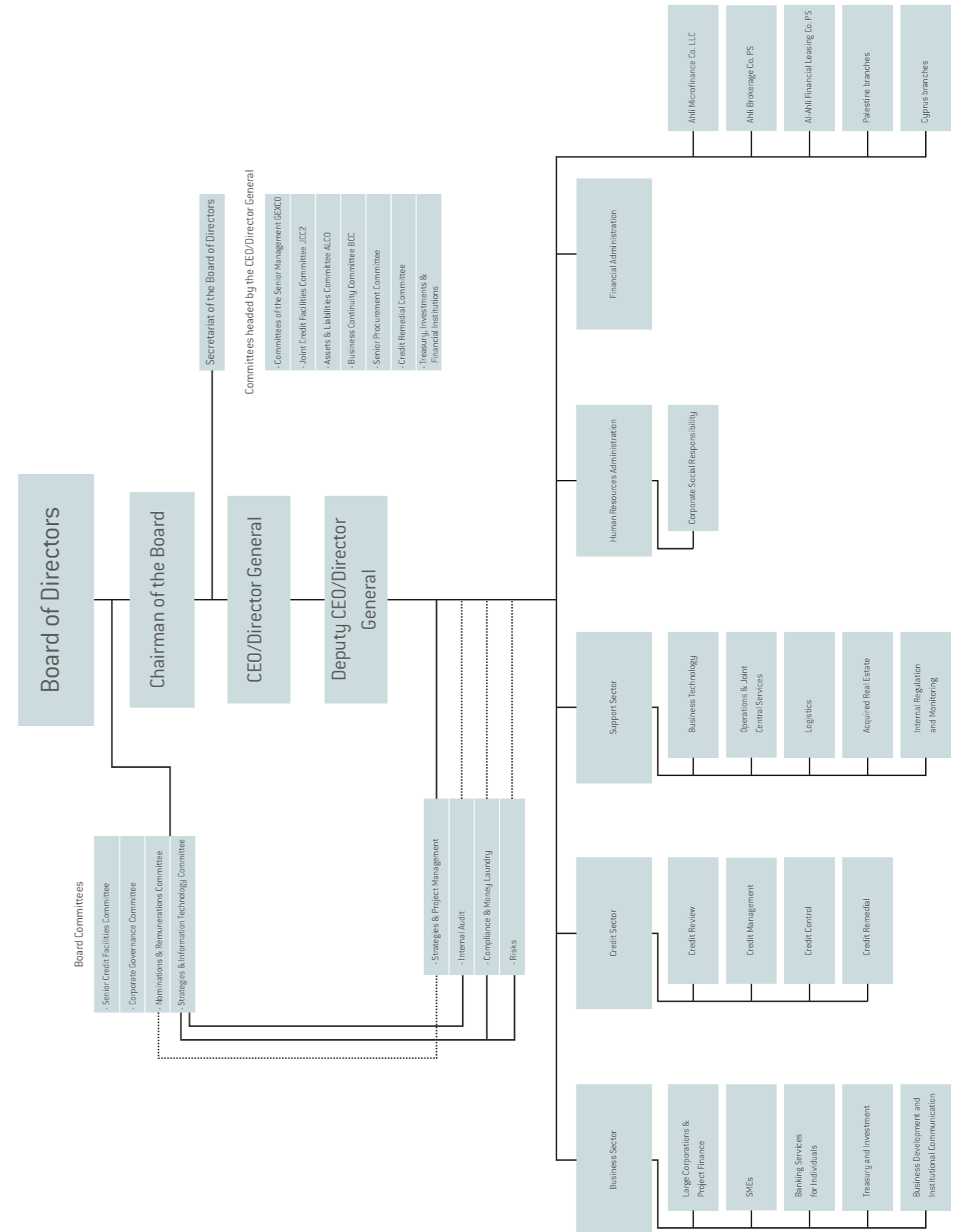
		
Saad Muasher	Mohammad Musa Daoud	Bassel Najib Al Naber
Chairman of the Board	Chief Executive Officer/ General Manager	Head of Financial Administration

Declaration from the Board of Directors

The Board of Directors of Jordan Ahli Bank, PLC, hereby confirms that none of its members have received any material or in-kind benefits, either personally or through any person related to them, during the fiscal year 2016.

1	Mr. Saad Muasher	Chairman of the Board	
2	Dr. Umayya Salah Toukan	Vice Chairman of the Board	
3	Mr. Nadim Yousef Muasher	Member	
4	Mr. Alan Fuad Wanna Representative, Byblos Bank (Lebanon)	Member	
5	Mr. Imad Muasher Representative, Muasher Investment & Trading Co.	Member	
6	Mr. Wasef Yacub Azar Representative, Jordan Investor Center	Member	
7	Mrs. Reem Mudar Badran Representative, Social Security Corporation	Member	
8	Mr. Rafiq Saleh Muasher Representative, Rajai Muasher & Brothers Co.	Member	
9	Mr. Ala'adin Sami Representative, ZI&IME Co. (Saudi Arabia)	Member	
10	Mr. Mahmoud Zuhdi Malhas	Member	
11	Mr. Tareq Mohammed Hamuri	Member	
12	Mrs. Ibtissam Mohammed Sobhi El Ayoubi	Member	
13	Mr. Tarek Ziyad Jallad	Member	

Organizational Charter of Jordan Ahli Bank



04

Corporate Governance Guide

* Approved by the Board of Directors during
its 11th meeting held on 9/12/2016

Contents

Section	Contents
	Introduction Definitions
Section 1	Corporate Governance Stakeholders Shareholders Board Members Bank Employees Customers and Third Parties
Section 2	Board of Directors Composition of the Board Meetings of the Board Responsibilities and Duties of the Board of Directors The Chairman Organization of the Board of Directors' Operations Limits of the Boards' Responsibilities and Accountability Secretary of the Board Director General/CEO
Section 3	Committees Deriving from the Board The Corporate Governance Committee The Audit Committee The Nominations and Remunerations Committee The Risk and Compliance Committee (Senior Facilities Committee) Executive Committee Strategy and IT Committee
Section 4	Suitability of Board Members Suitability of Senior Executives Performance Evaluation and Remuneration
Section 5	Evaluating the Performance of the Board Evaluating the Performance of Senior Executives and their Remuneration Remuneration for Executives
Section 6	Interest Conflict of Interest Transactions with Stakeholders Code of Conduct Confidential Reporting Policy
Section 7	Control, and Internal and External Regulatory Systems Internal Audit External Audit Risk Management Compliance Management
Section 8	Stakeholder Rights, Disclosure and Transparency
Section 9	General Provisions

Introduction

Corporate governance has become one of the most important requirement for companies and establishments in world economies. It presents 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.

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. Therefore, 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.

Consequently, 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, 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 implementing the Corporate Governance Code in accordance with the Jordanian Banking environment and the legislative and legal framework governing the Bank.

With the guide 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 guide 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 Guide was prepared in accordance with the following laws and regulations:

- Banks Law no. 28 of 2000
- Companies Law no. 22 of 1997
- Securities Law no. 76 of 2002
- Corporate Governance Guide no. 58 of 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
Corporate Governance	The system of rules by which the Bank is directed and controlled and which identifies 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.
Suitability	The fulfillment of certain requirements and criteria by the members of the Board and senior executives.
Independent Member	A board member who is not subject to any influences that might limit his ability to make objective decisions in the Banks' interests. An independent member must fulfil the terms mentioned in Article 6/D of the Corporate Governance instructions issued by the Central Bank of Jordan.
Executive Member	management of the work.

Senior Executive Management	The Senior Executive Management comprises the General Manager, Deputy General Manager, Assistant General 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.
Affiliates	Are 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.
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.
Affiliate	A person controlling another person or vice versa or both persons being controlled by a third person.
Concerned party	Two or more people who form one Banking risk due to the control of one person on the other, due to a mutual exchange of guarantees, due to the fact that the payment of their loans comes from the same source, due to taking loans for the same project, or due to other similar cases. The parties concerned are considered as one person.

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 party 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.
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.
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.
Compliance Risk	Risks of legal or regulatory penalties, financial risks, or risks to the Banks' reputation that result from non-compliance with laws, regulations, instructions, orders, codes of conduct, standards, and proper Banking practices.

Chapter 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 disclose and provide material information on its activities to all stakeholders through its website, annual report as well as its shareholders' relations section.
- The Bank shall encourage shareholders to participate in the Annual General Assembly by clarifying their rights, and publishing documents concerning the meetings, including the full text of invitations and the minutes of meetings 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 shareholders with controlling interests.
- The Board shall put in place adequate procedures to ensure a clear separation between the authorities of shareholders with controlling interests on one side and the executive management on the other side, whereby none of the shareholders with controlling interests 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 system 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 are any member of the Jordan Ahli Bank's Board of Directors, whether in their personal status or as representatives of moral persons. They have the responsibility of managing the Bank on behalf of the shareholders. Their responsibilities and tasks shall be subject to the relevant rules, regulations and internal policies governing the Bank.

1.3 Bank Employees:

All Bank employees have the task to apply executive measures and 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 understanding of the operations of the Bank, the industry, the market and pertinent risks.

1.4 Customers and External Parties:

The various parties having contractual relations with the Bank, such as customers, suppliers and creditors. The relationship between them and the Bank is governed by a set of policies and approved procedures.

Chapter 2

Board of Directors

1. Composition of the Board

The composition of the Board shall comply with the following:

- The Board shall comprise of no less than eleven members elected by the Bank's General Assembly.
- The Bank always accounts that none of the Board members is an executive member.
- The Board shall have a minimum of four independent members.
- The Bank defines the independent member as a Board member who is not subject to any influences that might limit his ability to make objective decisions in the Bank's interests. An independent member must fulfil the terms mentioned in Article 6/D of the Corporate Governance instructions issued by the Central Bank of Jordan:
 - 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.
 - 2- Has not been employed by the Bank or any of its subsidiaries in the three years prior to his election.
 - 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- 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.
 - 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.
 - 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, and is not a major shareholder of one of the Bank's subsidiaries or in the group owning the Bank.
 - 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.
 - 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.
 - 9- Has adequate knowledge and experience in the financial and Banking sectors.
 - 10- The board is elected through secret ballot by the General Assembly according to the provisions of the Companies Law. It shall perform the tasks and responsibility of managing the Bank's affairs for four years starting the date of its election.
 - 11- An independent member shall lose his independent status after eight years of being appointment an independent member.
 - 12- Neither the Chairman nor any of the Board members, or major shareholders may be related to the Director General up to the fourth degree.

2- Composition of the Board

- Members of the Board shall attend board meetings in person. If unable to attend in person, a member may express his view by video or telephone, after receiving approval to do so from the Chairman, but may not vote or sign the minutes of the meeting.
- Minutes of board meetings are noted accurately and fully without any reservations from any member. The Bank must appropriately keep all of these records.
- The Senior Executive Management shall provide sufficient and accurate information to board members regarding the items on the meeting agenda and related documents, and must do so sufficiently ahead of the meeting. The Chairman shall confirm that this is done.

3- Responsibilities and Duties of the Board of Directors

The Board of Directors shall have the following duties and responsibilities:

- Specify the strategic objectives of the Bank, instruct the executive management to set a strategy for achieving these objectives and approve the strategy and relevant work plans.
- Set the Bank's institutional values, and clear plans for responsibility and accountability regarding the Bank's activities; and instill a culture of compliance with ethical standards, integrity and professional conduct among managers, while also reflecting these standards in the Bank's code of conduct.
- Adopt strategies, policies, and organizational structures for the Bank and its affiliates clarifying administrative affiliation, including board committees and executive management. Comply with similar instructions issued by central Banks or the regulatory authorities in the countries where the affiliated companies operate, and inform these authorities of the relations and links between the Bank and its affiliate units, and of the adequacy of corporate governance within the group. Adopt a guide for corporate governance at the level of the group in line with instructions issued in this regard in the country of the mother company (Jordan) and in the countries where the affiliated companies operate. In case of any conflict between the two, the Bank shall refer to the Central Bank to settle the issue.
- Adopt the appropriate policies and procedures necessary to monitor and control the Bank's performance.
- Oversee and monitor the executive management and its performance, ensure the financial soundness and solvency of the Bank, ensure the availability of appropriate policies, plans and procedures that comprehensively cover the Bank's activities in line with relevant legislation, and ensure their circulation on all administrative levels and their continuous review.
- Adopt a policy to monitor and review the executive management by setting KPIs to determine, measure, and monitor performance and progress toward key objectives.
- 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.
- Adopt sufficient procedures to ensure clear separation of powers between shareholders with controlling interests 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 shareholders with controlling interests, which shall include but are not limited to:

- No shareholders with controlling interests may hold any position in the Senior Executive Management.
- The Senior Executive Management's authority comes from the Board alone and it can only work within the framework of the assignment given to it by the Board.
- 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.
- 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.
- Be informed of and stay up to date with the legislation and principles related to the Banking sector and the Bank's operational environment, and external developments related to the Bank's work, including appointment requirements for the Bank's Senior Executive Management.
- 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.
- Take the necessary measures to remedy weaknesses in the internal control systems or any other issues raised by the external auditor.
- Ensure the availability of sufficient and reliable MIS systems that cover all of the Bank's activities.
- 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.
- Ensure that the Bank's credit policy, in addition to being comprehensive, 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.
- Ensure that the Bank adopts social initiatives in the field of environment, health and education; and provide funding for SMEs with suitable terms and prices.
- Appoint the Secretary of the Board, and define his responsibilities and duties.
- Appoint the Director General, the Auditing Director, the Risk Management Director, and the Compliance Director; and accept their resignation or termination of services based on recommendations from the concerned committee. Obtain a no objection certificate from the Central Bank for the resignation or termination of services.
- Guarantee and reinforce the independence of internal auditors, and grant them an appropriate position in the Bank's employment ladder. Provide these internal auditors with support, and guarantee that they are qualified to perform their duties, including their right to access all records, information and communications regarding any Bank employee, so they can perform their duties and draft their reports without any external intervention.
- Adopt and circulate the Internal Audit Charter, which shall include the duties, authorities and responsibilities of the Audit Department.
- Guarantee the independence of external auditors at the beginning of their work and throughout.
- Guarantee the independence of the Risk Management Department at the Bank by having the department send its reports to the risk and Risks and Compliance Committee. Grant the department all needed authorities and powers to facilitate acquiring all information from the Bank's various departments and cooperation with other committees to carry on its tasks.

- Adopt and monitor the execution of a risk management strategy, which includes acceptable risk levels, guarantees that the Bank is not exposed to high risks, and knowledge of the Bank's operational environment and relevant risk. Guarantee the availability of the necessary tools and infrastructure for risk management to enable the Bank to determine, measure, control, avoid, and monitor all types of risks the Bank may be exposed to.
- Guarantee that the Risk Management Department regularly conducts stress tests to measure the Bank's ability to tolerate shocks and face high risks. The Board plays a key role in adopting the assumptions and scenarios used, discussing the tests' results, and approving the measures to be taken based on these results.
- Adopt an internal evaluation method to assess the suitability of the Bank's capital. This method must be comprehensive, effective and capable of identifying all the risks the Bank may face. It must take into consideration the Bank's strategic plan and capital plan. The method shall be regularly reviewed and compliance monitored, and the Bank's capital must be maintained at a suitable level to face all possible risks.
- Before approving the expansion of any of the Bank's activities, take into consideration the risks involved, and the abilities and qualifications of the Risk Management Department's employees.
- Adopt a policy to guarantee the Bank's compliance with all relevant legislation, regularly review it, and ensure its implementation.
- Adopt the duties and responsibilities of the Compliance Management Department.
- Guarantee the independence of the Compliance Management Department, and continuously ensure that it is staffed with sufficient and trained personnel.

The Board's Orientation Program

The Board of Directors offers its new members the opportunity to attend its Orientation Program organized through the Board's Secretary to help continuously develop their skills and knowledge each according to his background in the Banking sector. The program covers the following subjects:

- The Bank's organizational structure, corporate governance, and code of conduct.
- Corporate objectives and plans, the Bank's strategies, and its policies.
- The Bank's financial standing.
- The Bank's risk structure and its risk management framework.
- Information on the Bank's activities as compared with other local Banks.

4-Chairman of the Board

In addition to supervisory tasks mentioned in Article 3 above, the Chairman of the Board of Directors shall have the following duties:

- Encourage a positive and constructive relationship between the Board of Directors and the executive management.
- Promote critical discussions of issues deliberated by the Board, ensure different views are expressed and discussed during the decision-making process, and that votes are cast.
- Ensure that board members are provided with and sign the minutes of previous meetings, and ensure the 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.
- Ensure the availability of a charter that sets out the Board of Directors' mandate and scope of work.

- Encourage thorough discussions of strategic and critical issues during board meetings.
- Provide each board member, upon his election, with the laws and regulations that govern the Banks' activities as well as 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.
- Provide each member with a comprehensive summary of the Bank's activities upon his election or request.
- Discuss, 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 legal and regulatory requirements, the term of board membership, the dates of meetings, responsibilities and duties of board committees, remuneration amounts, and the possibility of obtaining independent technical and specialized advice when necessary.
- Accommodate the Board members' needs for continuous improvement and learning, and give new board members the opportunity to participate in the Orientation Program, taking into consideration his Banking background. The program covers the Bank's organizational structure, corporate governance and 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 risk management framework.
- Inform the Central Bank of Jordan of any material information that might negatively affect the suitability of any of its board members.

5. Regulating the Board's Operations

- The Board shall meet at least 6 times per year.
- The Chairman is entitled to call for a meeting in the event of any developments.
- The Secretary of the Board shall provide all board members with the meeting agenda, at least a week prior to the meeting date, ensuring that the agenda includes all relevant information on the topics to be discussed during the meeting, and the progress on the decisions taken in previous meetings.
- Board members must attend the meetings in person.
- If unable to attend, any board member can present his perspective through video or telephone, after approval of the Chairman, in which case such member will not be entitled to vote or sign the minutes of the meeting.
- 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. The Secretary shall also note down all deliberations, suggestions, objections, and results of voting on board resolutions.
- Such records, minutes and decisions shall be duly and properly kept by the Secretary of the Board.
- The Chairman shall ensure that the Senior Executive Management provides all board members with adequate and accurate information prior to board meetings.
- The Secretary of the Board ensures that all attendees sign the Board's minutes.
- If a member is unable to attend, the votes of present members shall be counted.
- The Chairman must attend the meetings and is entitled to assign any other board member to head the meeting in case he was unable to attend.

6- Limits of the Board's Responsibilities and Accountability

- The board shall have clear limits for responsibility and accountability, to which it commits and ensures all the Bank's administrative levels commit to as well.
- The Board shall ensure that the organizational structure clearly demarcates responsibilities and authorities, and at least includes the following regulatory levels:
 - The Board and its committees
 - Separate administrations for risk, compliance, and auditing that don't practice daily executive tasks.
 - Units/employees that don't participate in the Bank's daily activities (such as credit review and middle office employees)
- The Board shall ensure that the Senior Executive Management fulfils its responsibilities regarding the Bank's daily operations, contributes to implementing corporate governance, assigns powers to employees, builds an effective administrative structure that reinforces accountability, and executes tasks across the Bank's various fields of activity in line with the policies and procedures adopted by the Board.
- The board adopts appropriate regulatory controls that enable it to hold the Senior Executive Management accountable.
- The positions of Chairman of the Board and Director General cannot be combined. The Chairman of the Board, board members, or major shareholders cannot be related to the Director General below the fourth degree.

7- Secretary of the Board

In addition to acting as a liaison between the Board of Directors and the executive management, the Secretary of the Board shall be responsible for the following:

- Attend all meetings of the Board and recording all deliberations, suggestions, objections, and results of voting on board resolutions.
- Ensure that all board members sign the minutes of the meetings and board resolutions.
- Monitor the implementation of board resolutions, and follow-up on topics postponed from previous meetings.
- Keep records and documents of board meetings.
- Take all necessary measures and ensure that the draft resolutions intended to be issued by the Board are consistent with the applicable rules and regulations.
- Prepare for General Assembly meetings and coordinate with the Board's committees in this regard.
- Submit suitability attestations signed by each of the Board members to the Central Bank.

8-Director General/CEO

In addition to the duties mentioned in legislation, the Director General shall:

- Set the Bank's strategic direction.
- Implement the Bank's strategies and policies.
- Implement the Board's decisions.
- Provide guidance for the implementation of short and long-term work plans.
- Convey the Bank's message and strategy to employees.
- Inform the Board of all important aspects of the Bank's operations.
- Manage the Bank's daily operations.

Chapter 3

Committees Deriving 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 its 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.
- Each committee deriving from the Board of Directors must have no less than three members appointed by the Board based on a recommendation from the Nominations and Remuneration Committee, including the committee's chairman, unless mentioned otherwise in the committee's charter.
- A charter is drafted for each committee and approved by the Board. It specifies each committees' duties, responsibilities and powers and indicates the nature of the committee (permanent or temporary).
- Every member must show credibility, integrity, competency, 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.
- 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 periodically submit their reports, recommendations and results to the Board.
- No board member may head more than one of the following committees: Corporate Governance Committee, Audit Committee, Nominations and Remuneration Committee, Risk and Compliance Committee. No board member may head more than two committees deriving from the Board, which are:
 - Corporate Governance Committee
 - Audit Committee
 - Nominations and Remuneration Committee
 - Risk and Compliance Committee
 - Senior Facilities Committee (Executive Committee)
 - Strategy and IT Committee

1- Corporate Governance Committee

The Corporate Governance Committee comprises three members from the Board of Directors, of whom two members are independent, including the Chairman of the Board.

The Head of the Committee may also summon any employee from the Senior Executive Management to attend the meetings (without the right to vote). The Committee shall have the following duties:

- Operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.

- Provide guidance and supervision in preparing the Corporate Governance Code.
- Monitor the implementation of the Corporate Governance Code and report to the Board of Directors on the extent of compliance with the Code.
- Promote and emphasize the concepts of Corporate Governance in the Bank.
- Recommend the Corporate Governance Code for the Board to approve.
- Review, amend and update the Corporate Governance Code on a yearly basis or when needed in accordance with the Central Bank of Jordan's instructions and in line with the needs and policies of the Bank.
- Ensure that the Code is published on the Bank's website for the public to view.
- Ensure the availability of a Code of Conduct that sets the Bank's corporate values, demarcates responsibility and accountability, and reinforces ethical behavior, integrity, and professional conduct for the Bank's directors.

2- Audit Committee

The Audit Committee comprises at least three board members with the majority of members, including the Head of the Committee, as independent members. The Head of the Committee may not head any other committee deriving from the Board.

- The committee operates according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- The Audit Committee's 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.
- Provided that such authority is granted to the Audit Committee in its charter, the committee may obtain any information from the executive management, and may summon any executive or director to attend its meetings.
- The committee shall submit 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 he has performed, in addition to assessing the independence of the external auditor.
- 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.
- The committee monitors and reviews the procedures that enable an employee to report any error in financial reports or any other matters confidentially. The committee ensures the availability of the necessary arrangements for an independent investigation, makes sure to follow the results of the investigation and ensures they are addressed objectively.
- The activities of another committee may not overlap with those of the Audit Committee.
- 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 at least:
 - The scope, results and adequacy of the Bank's internal and external audits.
 - Accounting issues that have a material impact on the Bank's financial statements.
 - The Bank's internal controls.

- Ensure the availability of sufficient resources and qualified cadres for managing and training the Internal Audit Department.
- Rotate internal auditors to audit all the Bank's activities every three years at a minimum.
- Ensure that internal auditors do not perform any executive duties.
- Make sure that all the Bank's activities are subject to audit including outsourced activities.
- The committee has direct supervision over the Internal Audit Department, which reports directly to the Head of the Audit Committee.
- Evaluate the performance of the Internal Audit Department manager and employees and determine their remunerations.
- Ensure that the Internal Audit Department is capable of carrying out the following tasks at least:
 - Ensure the availability of adequate internal controls at the Bank and its subsidiaries and that such controls are being adhered to.
 - Ensure compliance with the Bank's internal policies and to relevant laws and regulations.
 - Ensure adherence to the Corporate Governance Code.
- The committee submits its reports, recommendations and findings to the Board of Directors.

3- Nominations and Remuneration Committee

The Nomination and Remuneration Committee shall be comprised of three board members, two of whom at least shall be independent including the Head of the Committee. The committee's duties are as follows:

- The committee operates according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- Recommend 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.
- Recommend to the Board qualified candidates for appointment to Senior Executive Management jobs.
- Ensure 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 developments in the Banking industry.
- Define and annually review the criteria applicable to independent members, taking into consideration the definition of an independent member mentioned in Article 6/D of the Corporate Governance instructions issued by the Central Bank of Jordan no. 2016/63. The definition is mentioned in this guide.
- Set specific standards to evaluate the performance of the Board and the Chief Executive Officer objectively.
- Provide, upon request, background information and summaries to the members of the Board regarding certain significant matters about the Bank, and ensure that members remain informed with regards to material developments in the Banking industry.
- Ensure 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.
- Ensure that every Board and Senior Executive Management member possesses credibility, integrity, competency, necessary experience, commitment and devotion for the Bank.
- Annually evaluate the Board, committees and members' conduct and inform the Central Bank of Jordan of its findings.

- Set an annual evaluation mechanism that includes key performance indicators to assess the performance of the Chief Executive Officer. The evaluation criteria shall include the Bank's administrative and financial performance, and the achievement of medium and long-term goals and strategies. The committee shall inform the Central Bank of Jordan of its findings.

4- Risk and Compliance Committee

The Risk and Compliance Committee comprises three members, one of whom shall be an independent member. Members of the Senior Executive Management are permitted to join. The committee shall have the following duties:

- The committee operates according to a charter adopted by the Board of Directors to set its tasks, authorities, and responsibilities.
- Review the Bank's risk management framework.
- Review the Bank's risk management strategy prior to being approved by the Board.
- Ongoing monitoring of risk factors that might affect the risk profile of the Bank and submitting regular reports to the Board.
- Identify any variance between the actual risk taken by the Bank and acceptable risk as approved by the Board.
- Identify and regularly report to the Board on 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 acceptable risk approved by the Bank, and follow up on identified issues.
- Ensure that the Bank and its subsidiaries comply with all Banking legislation and with the Bank's policies with regards to compliance control, combatting money laundering and the funding of terrorism, international sanctions, and the FACTA law.

5- Senior Facilities Committee [Executive Committee]

The Senior Facilities Committee comprises at least five members of the Board of Directors. One of its members may be independent provided he is not a member of the Audit Committee.

- The committee operates according to a charter adopted by the Board of Directors to set its tasks, authorities, and responsibilities.
- 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 as stipulated in its charter.
- Limits are set for the authority the Senior Facilities Committee has in terms of granting, amending, renewing, or setting the structure of credit facilities so that the Board of Directors has a clear image of prerogatives in this regard.
- The committee's powers are limited to making suitable decisions concerning the facilities recommended by the Executive Management Committee for approval.
- Quorum at the committee's meeting shall be set at the presence of at least four members. Decisions are made with the approval of the majority of members regardless of the number of those present.
- The committee regularly reports to the Board about details of the facilities it approved.
- Committee members must attend meetings and vote in person. If a member's presence is not possible, he can voice his opinion by video or telephone and may vote and sign the meetings provided this process is duly documented.

- The Board of Directors may assign some or all of the committee's authorities with regards to amending the terms or structure of facilities granted to the above-mentioned Executive Management Committee. Facilities committees must be informed of the decisions made concerning these facilities.

6- Strategy and IT Committee

The Strategy and IT Committee comprises of at least three members and shall have the following duties:

- The committee operates according to a charter adopted by the Board of Directors to set its tasks, authorities, and responsibilities.
- Issue recommendations to the Board of Directors concerning the Bank's general strategy, including IT objectives, guide the Senior Executive Management in setting a strategic plan to achieve these objectives and in having the Board approve the plan, and adopt work plans in line with this strategy within an effective execution framework.
- Review and approve Balanced Scoreboards to assess the performance of the Senior Executive Management in line with the Bank's approved strategy.
- Review KPIs concerning issue of strategy, finance, quality, and quantity as proposed by the CEO/Director General, and issue recommendations to improve the efficiency of strategic plans and reinforce alignment in executing these plans within an effective systematic framework in preparation for the Board's approval of said plans.
- Follow-up on and support the development of a corporate identity that reflects the Bank's strategy.
- Adopt strategic objectives for IT issues and their corresponding regulations, including for steering committees within the Senior Executive management, especially the IT Steering Committee. Support, in doing so, the achievement of the Bank's strategic objectives and the achievement of the highest added value for IT projects and investments, while ensuring that the appropriate tools and criteria are used to monitor the former, such as IT Balanced Scorecards, Return on Investment calculations, and the impact on increasing operational and financial efficiency.
- Adopt a general framework for managing, controlling, and regulating IT projects and resources in line with the relevant best international practices, especially the Control Objectives for Information and Related Technology (COBIT). The framework must meet the objectives and requirements of Instructions no. 2016/65 issued by the Central Bank of Jordan by sustainably meeting corporate objectives, fulfilling the appropriate IT objectives matrix, and cover IT governance operations as mentioned in the instructions.
- Adopt a corporate objectives matrix and its relevant IT objectives as mentioned in Instructions no. 2016/65 issued by the Central Bank of Jordan. The criteria of the matrix shall be considered as the minimum requirements and sub-objectives shall be identified to achieve it.
- Adopt a responsibility matrix (RACI Chart) for key IT governance operations as mentioned in Instructions no. 2016/65 issued by the Central Bank of Jordan and deriving sub-instructions in terms of the entity(ies) or party(ies) initially Responsible, ultimately Accountable, those Consulted, and those Informed for operations subject to these instructions. The COBIT 5 Enabling Processes criterion shall be taken into consideration.
- Ensure that a general framework for IT risks is in place, and is aligned and complements the overall risk framework at the Bank. The IT risk framework shall take into consideration and shall seek to fulfill the Bank's strategy in guaranteeing a minimal level of control over risks, protecting customer interests, and fulfilling all IT governance operations as mentioned in Instructions no. 2016/65 issued by the Central Bank of Jordan.

- Approve the budget for IT projects and resources in line with the Bank's strategic objectives.
- Supervise and follow-up on IT operations, resources, and projects, and follow-up on their efficiency and contribution to meeting the Bank's requirements.
- Review IT audit reports and take the necessary measures to remedy any problems.
- Submit recommendations to the Board on the measures that should be taken to remedy any problem.
- Any other tasks assigned to it by the Board of Directors.

Chapter 4 Suitability

1- Suitability of Board Members

- The Board of Directors adopts an effective strategy to guarantee that its members possess the minimum requirements and standards to fulfill the membership criteria. The said policy is subject to review whenever necessary. Adequate procedures are set to ensure that all board members fulfill their suitability requirements, and that they continue to do so.
- The Chairman and board members must meet the following requirements:
 - Must not be less than twenty-five years of age.
 - Must not be a member of the Board of any other Bank in Jordan, or a general manager, regional manager, or an employee of any other Bank in Jordan unless the other Bank is a subsidiary of the Jordan Ahli Bank.
 - Must not be the Bank's lawyer, legal advisor or auditor.
 - Must 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.
 - Must not be a government employee or an employee of an official public institution unless he is a representative of that entity.
 - Must not be a member of the Boards of more than five public shareholding companies in Jordan, whether in a personal capacity or as a representative of a legal entity.
 - Must possess a minimum five of years in Banking, finance or similar specializations.
- The Chairman and board members must each sign a Suitability Attestation in the form approved by the Central Bank of Jordan in its corporate governance instructions.
- 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.

2- Suitability of Senior Executives

- 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. The board shall also develop adequate procedures to ensure that all members fulfill their suitability requirements and that they continue to do so.
- The Board of Directors shall appoint a Chief Executive Officer who possesses a high level of integrity, technical competence and Banking experience after obtaining the approval of the Central Bank of Jordan.
- The approval of the Board of Directors must be obtained when appointing any of the Senior Executive Management members.
- The board shall ensure that any critical information that may adversely affect the suitability of any senior executive is disclosed to the Central Bank of Jordan.
- The following conditions should be fulfilled by an appointed senior executive:
 - 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.
 - Should be dedicated full-time to the management of the Bank's business.
 - Should have, at a minimum, a bachelors' degree in economics, finance, accounting, business administration or any other related field.
 - Should have a minimum of five years of 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.
- A "No Objection" letter should be obtained from the Central Bank of Jordan prior to the appointment of any Senior Executive Management member. The Bank, prior to the appointment of a senior executive, must obtain from the candidate his Curriculum Vitae along with any academic certificates, certificates of expertise, certificate of good conduct and any other necessary documentation. 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.

Chapter 5 Performance Evaluation and Remuneration

1- Evaluating the Performance of the Board and their Remunerations

The mechanism to evaluate the performance of board members is an important tool in guaranteeing good performance for the Board and its committees. Therefore, specific and approved principles must be followed during the evaluation process to ensure assessment criteria are objective. The mechanism must take into consideration the following:

- The extent to which members acquired skills, knowledge and expertise that effectively regulate the Bank's work.
- The extent to which members communicate with internal and external stakeholders at certain times.
- How clear the structure of committees deriving from the Board is, and how much members are provided with the necessary data and tools to perform their tasks effectively.
- The extent to which members focus on the important aspects at the right time.
- The extent to which members have team spirit and seek to find the right level of confidence and challenge.

- The Chairman of the Board's role as an effective board leader.
- The extent of continuous development and improvement for the Board and its members as a group and as individuals.

The general framework for the performance assessment policy for board members, and their financial remunerations.

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:

- 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.
- The board shall set specific goals and define the role of the Board to achieve these goals in a measurable manner.
- The board shall identify key performance indicators based on the plans and strategic goals and use them to measure the performance of the Board.
- Communication between the Board and the shareholders, and the regularity of this communication.
- Regularity of the meetings of the Board of Directors with the Senior Executive Management.
- The member's participation in the Board's meetings, comparing his performance with that of other board members, and receiving the members' feedback as a means to improve the evaluation process.
- The board shall set measures to determine the remunerations granted to its members based on the approved evaluation system.
- The board's incentives program links financial incentives to performance and meeting the Board's objectives as linked to the Bank's annual objectives. This encourages the Board to exert all efforts to improve the efficiency and impact of corporate performance, and to direct all capacities toward achieving the Bank's general goals and improving corporate governance.
- This program is implemented at the end of every fiscal year after the incentive amounts are allocated in the estimated budget approved by the Board. The payment of these incentives must fully fulfill the adopted goals.

Evaluation form for the Board of Directors and its members:

- The Nomination and Remuneration Committee prepares a form for evaluation, the review of evaluation criteria, and the weights attributed to each criterion.
- This model evaluates board members and the Board's performance. Below are examples of criteria covered by the form:
 - Aspects relating to individual contributions, challenges, independence of opinions, integrity, training, and development.
 - The quality of decisions or recommendations issued by the committee(s) in which the member participates. This includes but is not limited to:
 - The member's commitment to attending committee meetings, and regular attendance.
 - The impact of the member's contribution in the committee(s) in which he participates.
 - Allowing ideas provided by management to the Board to be discussed.
 - Evaluation levels vary between 1 and 5.

- The Nomination and Remuneration Committee sends the form to all board members for self-evaluation and submission to the Chairman of the Board.
- The Nomination and Remuneration Committee provides support and advice to every board member.
- The Chairman of the Board meets with each board member individually to review their self-assessments, and discuss weak points (points that require development and improvement).
- The final forms are sent to the Nomination and Remuneration Committee for approval.
- The Nomination and Remuneration Committee calculates the results of the Board members' performance based on the weights set for each evaluation criterion.
- The Chairman of the Board informs the Board members of the evaluation results.
- The Central Bank of Jordan is informed of the results and of final recommendations through an official letter issued by the Nomination and Remuneration Committee.

2- Evaluating the Performance of Senior Executives and their Remunerations

- The Board shall, on an annual basis, evaluate the performance of the Director General according to an evaluation mechanism set by the Nomination and Remuneration Committee, which includes key performance indicators. The Director General's evaluation includes the following criteria:
 - The Bank's financial and administrative performance.
 - The extent to which the Bank's medium and short-term plans and strategies are achieved.
 - The Nomination and Remuneration Committee informs the Central Bank of Jordan of the findings.
 - The Board shall adopt a system to measure the performance of the Bank's executives who are not members of the Board and are not the Director General. This system should include at a minimum the following:
 - Attribute appropriate weights to criteria to measure the extent of commitment to the framework of risk management, internal controls and regulatory requirements.
 - 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 when possible.
 - One's position of power must not be abused, and the presence of conflicts of interest.
 - The Nomination and Remuneration Committee is responsible for setting an objective and transparent remuneration policy for the Executive Management. The policy must be approved by the Board.
 - The Remuneration Policy should include the following key points:
 - To be structured to retain and recruit qualified and experienced executives, and to motivate them and promote their performance.
 - To be designed to ensure that it will not be used in a manner that might affect the soundness and reputation of the Bank.
 - To take into consideration the risks, liquidity, profits and timing.
 - To ensure that remunerations are not based on the performance of the current year only, but also on the medium and long-term performance (3-5 years).
 - To reflect the goal, value and strategy of the Bank through clear KPIs.
 - To define the form of the remuneration such as fees, salaries, allowances, bonuses, share options or any other form of benefits.
 - 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.
 - Executives of supervisory departments (risk management, audit, compliance, etc.) should not be given remunerations based on the performance of their respective departments.

Chapter 6

Conflict of Interest

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 and entities (administrative, regulatory, Board of Directors).

- The Board shall adopt procedures to handle conflicts of interest that may arise from the Bank's position within a Banking group and disclose any such conflicts that may arise as a result of inter-group relationships.
- The Board shall ensure that the Senior Executive Management implements the adopted policies and procedures.
- The Board shall adopt controls to manage the transfer of information within the various departments to prevent using such information for personal gain.
- The Board shall ensure that the executive management exercises high integrity and avoids conflict of interest.

2- Transactions with Stakeholders

- The Board shall adopt specific policies and procedures for transactions with 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 adherence to the set policies and procedures.
- Regulatory departments at the Bank shall ensure that all dealings with stakeholders are carried out according to the related policies and procedures.
- The Audit Committee shall review all stakeholders' dealings and transactions and present them to the Board of Directors.

3- Code of Conduct

The Code of Conduct is a key document that regulates the Bank's transactions – in relation to all activities – with stakeholders. It governs work ethics, values, and controls.

- The Board shall adopt the code of conduct and circulate among all executives. The code shall include the following:
 - Executives are not to use any internal and confidential information related to the Bank for their personal benefit.
 - Rules and procedures that govern dealings with stakeholders.
 - Cases that may lead to conflicts of interest.
- The Compliance and Anti-Money Laundering/Combating the Financing of Terrorism Department shall be responsible for drafting the code of conduct, and for answering any questions about it. It shall update it regularly and whenever necessary.

Chapter 7

Control, and Internal and External Audit Systems

The Board of Directors shall adopt the Bank's 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:

1- Internal Audit

The Audit Committee deriving from the Board of Directors ensures that the Bank's Internal Audit Department is capable of fulfilling, among others, the following duties:

- To ascertain that there are adequate internal controls for the activities of the Bank and its subsidiaries, and to ensure compliance therewith.
- To ascertain adherence to internal policies, international standards and procedures, and applicable laws and regulations.
- To audit the Bank's financial statements and administrative reports while ensuring accuracy, credibility, and timeliness (and that they cover important issues such as allocations and defaulting debts).
- To assess compliance with the Corporate Governance Code.
- To examine the comprehensiveness and accuracy of stress tests in accordance with the methodology approved by the Board.
- To ensure the accuracy of procedures used for the internal evaluation of the Bank's capital adequacy (ICAAP).

2- External Audit

- The Audit Committee deriving from the Board of Directors shall choose the best auditing firms, and shall guarantee the regular rotation of the external auditor among auditing firms, and companies affiliated, allied, or linked to them in any way. The rotation must happen no later than every seven years.
- The seven-year period shall be computed starting implementation in 2010.
- The new external auditing firm (when rotation is implemented) shall work jointly with the old firm for the first year.
- Apart from the joint auditing task, the old external auditing firm shall not be re-elected before at least two years from the date of its last election.
- The independence of the external auditor is assessed annually by the Audit Committee.

3. Risk Management

The Risk Management Department shall have the following duties:

- Prepare and review the Bank's risk management framework to be approved by the Board.
- Implement the risk management strategy, and develop policies and procedures to manage all types of risks.
- Develop methodologies to identify, measure, monitor and control all types of risks.
- Monitor the compliance of the Bank's executive departments to the set levels of acceptable risk.
- Report to the Board of Directors through the Risk Management Committee, and send a copy of the report to the Senior Executive Management. The report shall include information on the Bank's actual risk profile for all its activities compared with the risk appetite. It shall also follow-up on measures taken to remedy any problems.

- Verify the compatibility of the risk measurement methodologies with the applied management information systems.
- Review and analyze all types of risks that the Bank may face.
- Submit recommendations to the Risk Management Committee on risk exposures and any exceptions to the risk management policy.
- Provide the necessary information about the Bank's risks for use in the Bank's disclosures.
- The Audit and Compliance Committee deriving from the Board of Directors shall check that violations related to acceptable risks are remedied, including holding the Senior Executive Management accountable for such violations.

4- Compliance

- Monitoring compliance is considered an independent duty that seeks to guarantee the compliance of the Bank and its internal policies to all laws, regulations, instructions, resolutions, codes of conduct, standards, and safe practices issued by local and international regulatory entities.
- The Board of Directors, represented by the Risk and Compliance Committee, shall ensure the independence of the Compliance Department and that adequate and well-trained personnel are being employed.
- The Compliance Department forms part of and reports to the Risk and Compliance Committee deriving from the Board of Directors. It shall have intermittent communication with the Bank's executive management to provide them with copies of these reports.

The Compliance Department has many duties, including:

- Manage "compliance risks" that the Bank faces within the limits of the laws, regulations, and standards in force and their amendments.
- Continuously monitor compliance at the Bank, test this compliance using adequate and sufficient tools, and issue reports in this regard.
- Adopt a training, development and awareness plan to increase awareness about subjects related to compliance and professional conduct, and answer employee questions about compliance.
- Act as a link and liaison center between the Bank and concerned regulatory entities.
- Monitor the Bank's operations to combat money laundering and the funding of terrorism, in line with recognized best practices and within the framework of international sanctions systems.
- Comply with the FACTA law.
- Receive and timely resolve customer complaints, and issue recommendations to the concerned entities to take the necessary measures to avoid their reoccurrence.

Chapter 8

Stakeholder Rights, Disclosure and Transparency

In order to guarantee the rights of stakeholders and meet disclosure and transparency requirements, the Board of Directors shall guarantee the following:

- The board shall ensure that all financial and non-financial information that are of interest to the stakeholders are published.

Mechanism shall be developed to guarantee communication with stakeholders by disclosing and providing relevant information about the Bank's activities through:

- General Assembly meetings
- Annual Report
- 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
- The Bank's website
- Shareholders' division
- 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.
- 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.
- The Board shall ensure that the annual report includes the following information:
 - Disclosures that allow current and potential stakeholders to be informed of operation results and the Bank's financial standing.
 - Summary of the organizational chart of the Bank.
 - Summary of the roles and responsibilities of board committees, and the authorities delegated to each committee.
 - Useful information to stakeholders as identified in the Corporate Governance Code and the extent of compliance with the code.
 - Information about each board member in terms of his 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.
 - Information about Risk Management Department, including its structure and nature of its operations and its development.
 - Number of board and Board Committee meetings and attendance of each member at such meetings.
 - Names of each board member and senior executive who have resigned during the year.
 - Summary of the remuneration policy and full disclosure of all forms of remuneration to board members and executive management individually for the previous year.
 - 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.

- Attestations from all board members confirming that he or any of the members' relatives did not receive any benefits from the Bank during the previous year which has not been previously disclosed.
- 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. It shall also include a report from the Board in relation to the Bank's traded shares and the financial status throughout the year.

Chapter 9

General Provisions

- The Chairman of the Board shall extend an invitation, sufficiently ahead of time, to the Central Bank of Jordan to attend General Assembly meetings for the CBJ to name its representative.
- The Chairman of the Board shall provide the Central Bank of Jordan with the minutes of General Assembly meetings no later than five days after the General Corporate Controller or his representative approves the minutes.
- At least 30 days before the date of the General Assembly meeting, the Bank shall inform the Central Bank of Jordan of its wish to nominate an external auditor for election (or reelection) by the General Assembly.
- The Bank shall provide the Central Bank of Jordan with the number of shares pledged by the Bank's shareholders who own 1% or more of the Bank's capital, and the party to which they are pledged.
- The Bank shall provide the Central Bank of Jordan with information on board members and committees, and Senior Executive Management members, according to approved forms. This information must be sent semi-annually and whenever amended.
- The Bank shall provide the Central Bank of Jordan with information on department members and executive entities, and Senior Executive Management departments at subsidiary companies inside and outside the Kingdom, according to approved forms. This information must be sent semi-annually and whenever amended.
- The Central Bank of Jordan may summon any candidate to a senior executive position at the Bank for a personal interview before his appointment, and may, as it deems necessary, summon any board member for an interview.
- The Central Bank of Jordan may appoint any external entity to evaluate the Bank's governance at the expense of the Bank.
- The Central Bank of Jordan, may at any time, summon Audit Committee members, the Internal Audit Department Director, or the Compliance Department Director to discuss any issue related to their work.
- The Central Bank of Jordan shall a maximum limit of independent members for the Board's structure as it deems necessary.
- The Central Bank of Jordan may consider any member non-independent according to specific criteria even if all terms in Article 6/D of its Corporate Governance instructions apply.
- This guide shall take into consideration the Corporate Governance instructions as a minimum requirement in line with its needs and policies. The guide shall be adopted by the Board and a copy shall be sent to the Central Bank of Jordan.
- This guide reflects the Bank's perspective on corporate governance in terms of notions, importance and key principles in line with legislation and international best practices.
- This guide shall be reviewed and updated regularly and whenever necessary.
- This guide shall be published on the Bank's website www.ahli.com. The Bank shall disclose the existence of this guide in its annual report, and shall disclose information of interest to stakeholder and its commitment to implementing the guide's content.

05

Subsidiaries

Ahli Financial Leasing Overview



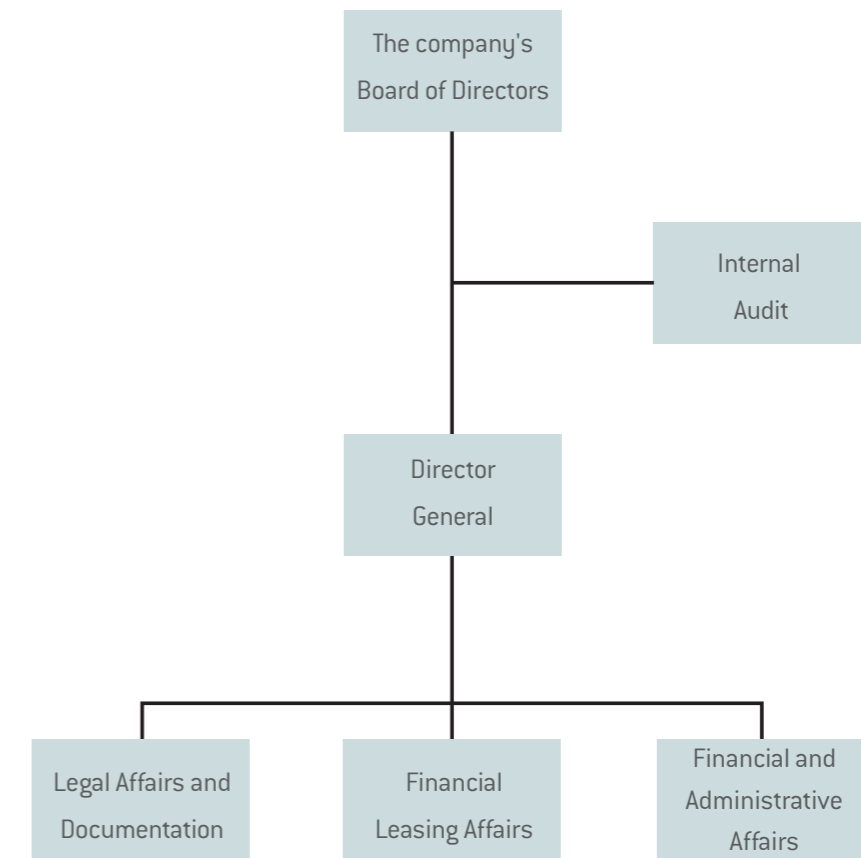
The Ahli Financial Leasing is a private joint company wholly owned by Jordan Ahli Bank. It was established with a capital of JD 10 million and its capital currently stands at JD 17.5 million. The company aims to offer comprehensive services ranging from financial leasing to non-traditional and alternative financial solutions based on a modern financing method that covers all production sectors, whether individuals or corporate. It does so by funding capital sources such as real estate, equipment, industrial machines, medical equipment, transport media, etc. using assets as a key source for repayment and as a guarantee, and financial and technical studies for the funded assets. During a short period of time, Ahli Financial Leasing was able to become one of the most important, prominent and distinguished companies in the field.

Achievements in 2016

- JD 29 million was granted in financial leasing through 160 new financial leasing contracts.
- The company achieved a 17% growth before tax in its net profits, making its net profits before tax JD 4,141 compared to JD 3,540 in 2015.
- Assets witnessed a 46.7% growth and the company's loan portfolio grew by 50.7% in 2016.
- Actual profits after tax decreased by 3% (JD 100,000) from the target set in the estimated budget.
- Overall assets grew by 41% (JD 24.2 million) compared to the target set in the estimated budget.

Plan for 2017

- Achieve a growth of 17.6% in overall revenues and 15.2% in net profits before tax.
- Achieve a growth of 9% in the company's overall assets.
- Achieve a return of 20% on capital, 11.2% on equity, and 4.8% on assets.



Ahli Microfinance Company

Overview



The Ahli Microfinance Company is wholly owned by Jordan Ahli Bank and was established as a limited liability company on 20 July th, 1999 with a capital of JD 750,00 per share. The company's capital grew at several stages and currently stands at JD 6 million per share as on 24 May 2016. The company aims to invest 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 to be the first company engaged in financing small enterprises in the private sector.

Achievements in 2016

During the second quarter of 2016, the company's capital increased by JD 2.5 million to become JD 6 million. The company's customers increased by 15.86% in 2016 to become around 32,863 customers, and its assets grew by 27% compared to 2015 to become JD 20.3 million.

The company's loan portfolio also grew by 25.4% in 2016 compared with 2015 to become JD 18,212,158 while its growth in profit reached 30% compared to the previous year.

Equity grew by 45.1% in 2016 compared to the previous year to reach JD 10.43 million.

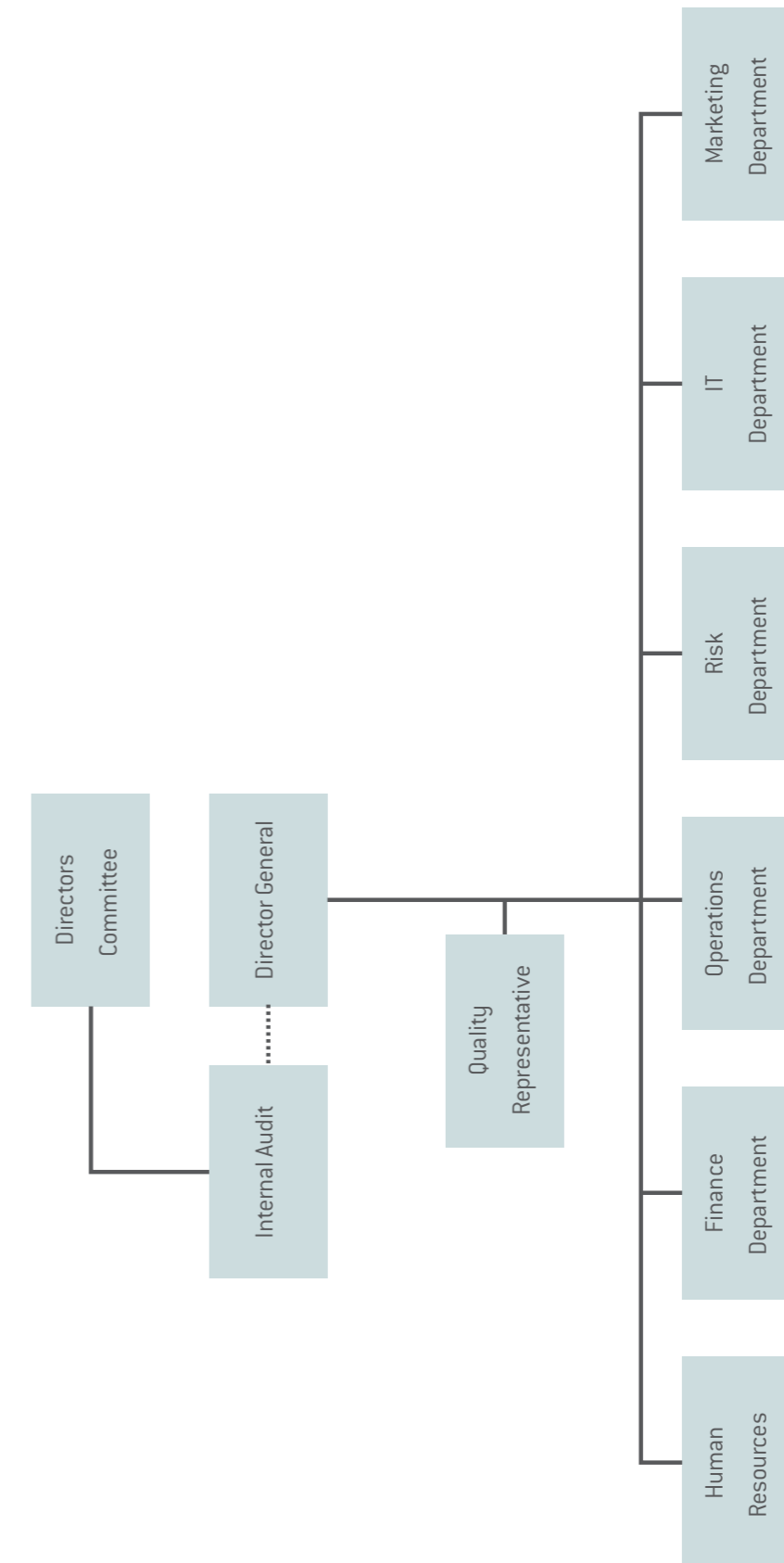
Two new branches were opened in Al Fumes and Horreya Street during Q1 and Q2 in 2016, making the overall number of branches 23.

Plan for 2017

- The 2017 plan seeks to reach 37,000 active customers, registering a growth of 12.6%.

It also seeks to increase the JD 20.3 million in assets. The company currently registers JD 23.1 million at the end of 2017, an increase of 13.7%. The loan portfolio should increase from its current JD 18.2 million to JD 20.3 million at the end of 2017, registering a growth of 11.5%; the company's net profits should grow by 25.9%; and equity should grow by 15.9% from JD 10.4 million to JD 12.05 million at the end of 2017.

- The 2017 annual plan requires the opening of three new branches in Tabarbour, Bani Kinana, and Jabal Al Akhdar during Q1 and Q2 of 2017, increasing the number of branches to 26.



Ahli Brokerage Company Overview



The Ahli Brokerage Company is wholly owned by Jordan Ahli Bank and 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 1st September, 2006, and its capital currently stands at JD 5 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.

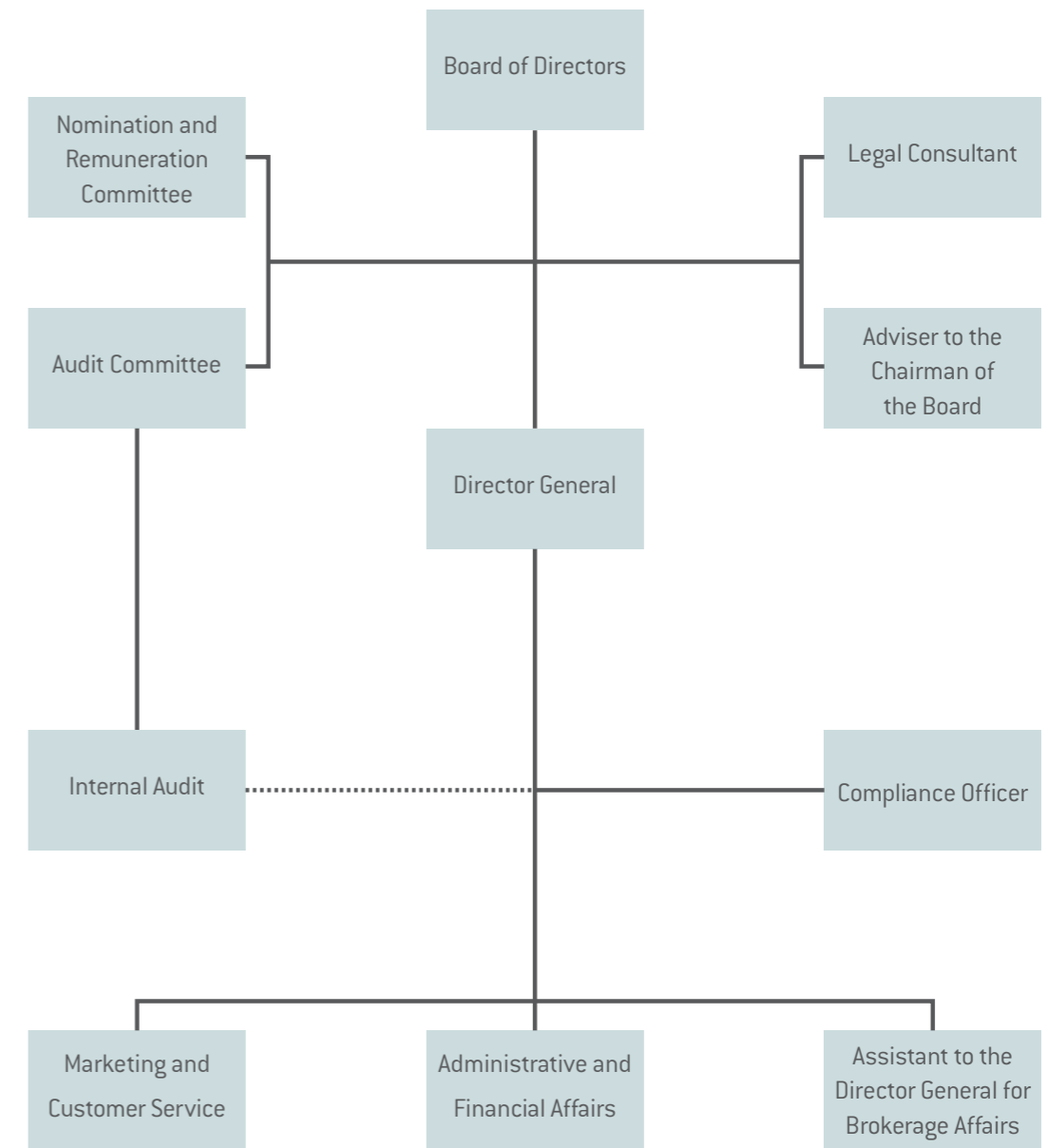
Achievements in 2016

Considering prevailing challenges and the circumstances in the region and the Arab world in general and in the Kingdom in particular; and considering the resulting hesitancy of investors to enter capital markets, the decline in liquidity levels, and the negative impact this has had on corporate performance among financial service companies in Jordan; Ahli Brokerage Company has been able to deal with these challenges with a high level of professionalism. It has been able to retain the trust of its clients, and regain some allocations, which has helped it reduce its losses after tax and allocations by 29% at the end of 2016 to reach JD 242,600 compared to JD 339,400 in 2015. The company also worked hard to preserve its financial rights by following-up on the collection of defaulting debts and obtaining sufficient guarantees from customers, which will have a positive impact on the company next year,

The company succeeded in maintaining a good solvency ratio of 108.8% by the end of 2016 compared to 106.7% in 2015, thus exceeding the minimum of 75% required by the Jordan Securities Commission (JSC). This ratio testifies to the company's solid capital base and its ability to adhere to the requirements issued by the JSC. It should be noted that the company worked on amending its FACTA policy and its procedures guide in collaboration with the bank's Compliance and Anti-Money Laundering/Combating the Financing of Terrorism Department, which confirmed compliance.

Plan for 2017

- Reinforce the company's competitive position in the capital market, and expand its activities in the financial brokerage sector to include Arab and regional markets with the aim of expanding investment services, attracting new customers, and meeting their needs in the capital market.
- Continue increasing financial ratios, collecting debt payments, and focusing on the company's operational solvency by improving the efficiency of operations and procedures, and reducing future risks by providing the company's personnel with care and quality and professional training.



Numismatic Museum



Numismatics is the study of coins, tokens, medallions, paper money, seals, and medals, as well as measurement tools used for trade such as weights, scales, and other related objects.

Since Jordan Ahli Bank began its activities under the guidance and leadership of His Excellency Dr. Rajai Muasher, its former Chairman, it has been performing its duties and responsibilities under the slogan of "actions not words". Dr. Muasher had the firm belief that in addition to playing an economic role, the Bank must also play a cultural and social part towards the people it serves.

It is with the vision, generosity and directorship of Dr. Muasher, whose foresight in recognizing the historical and cultural value of Dr. Nayef Goussous' collection which had been in the making for over 30 years, that he gave instructions to set up the Jordan Ahli Bank Numismatic Museum. This initiative was the embodiment of the management's belief in the role the Museum would play in preserving the cultural heritage of Jordan. The Museum was inaugurated in early 1999, employing the expertise and knowledge of its director Dr. Goussous, winner of the Shamma prize of the Royal Numismatic Society 1998, to guarantee the continuity of the Museum and the preservation of its collections for generations to come.

The Museum is the first of its kind in the region, with collections numbering about 40,000 coins. The ideals of collectors rarely coincide with the generosity of a banking institution, but the two sides came together in this rare occasion to produce an excellent educational legacy that benefits the community.

The Jordan Ahli Bank Numismatic Museum is a specialized museum whose collections span over 2,500 years. The oldest coin dates back to the year 600 B.C.E, and the latest ones include commemorative editions from the Arab Revolt kept in the Hashemite Treasury. The Museum is proud to possess one of the finest Umayyad copper coin collections in the world, having published the most important pieces in 2004 in Dr. Nayef Goussous' book "Rare and Inedited Copper Umayyad Coins". In 2014, two more books were published by the staff of the museum, "Inedited and Rare Ancient, Classical and Byzantine Coins" and "Inedited and Rare Islamic Coins".

In addition, the Museum has valuable collections of Mesopotamian, Phoenician, Roman, Byzantine, and Islamic weights. The Museum also has as a unique collection of Nabatean coins, including currencies from the Decapolis and Provincia Arabia. There are over 4,500 pieces on display in 25 cabinets in the Museum's hall, and the walls are decorated with enlarged images of the coins with brief descriptions in Arabic and English for each one.

The Museum's library contains many books and journals about the study of numismatics, and as part of its educational mission, there is also a specialized lecture hall equipped with the latest educational technical facilities.

The Museum is open to the public; visitors can enjoy the coin collections and learn about the history of the civilizations they belong to. Researchers and specialists can benefit even more from the collections and library through regular visits and assistance from the Museum staff.

Jordan Ahli Bank - Palestine

At Jordan Ahli Bank, we continue to play the role we are committed to: develop and improve the banking sector in Palestine through our branches and ATMs to serve and empower our customer base, and expand our activities and business to service our strategy and to fulfil our vision of becoming a leading banking and financial institution in the Middle East.

However, our role is not limited to banking and achieving a balance in consumer and trade services across market sectors. It also seeks to continue contributing to the development of the Palestinian economy through the engagement of our skilled employees who are committed to our values and standards, especially providing overall quality in all our products.

Jordan Ahli Bank has ambitious expansion goals that will reinforce its presence in excellent locations across Palestine to facilitate access to our services and to meet the needs of our customers as fast and as best as we can. Our project in Palestine started in 1995 after the 1967 closure in Ramallah. At the time, we reopened our branch in Nablus and in Hebron and opened a new branch in Ramallah and another in Bethlehem. Our branches then reached Jenin in 2015. We plan to open four new branches in 2015 in Tulkarm, Beit Sahour, Rafidia-Nablus, and Masyoun-Ramallah.

Furthermore, the bank has many ATMs spread across several regions to provide easy and comfortable banking services 24/7 in all locations. Jordan Ahli Bank was in fact one of the first banks to join the National Switch System 194 that allows customers to withdraw cash from non-affiliated ATMs and sales points in Palestine.

We have also succeeded in having a positive impact on the Palestinian community through our programs and initiatives, which were reinforced in 2016. As part of these programs, we focused on key development issues in Palestine, mainly issues that concern the youth, education, culture, and the environment. For example:

Education

Open day at the Saint George High School for Girls

The Bank sponsored an open day at the Saint George High School for Girls, which took the form of a sports, arts, science, cultural, and literary festival with many activities. To accompany the event, the Bank provided symbolic gifts to participants and attendees, and offered an introduction to its savings account at the Bank's booth.



Open day at An-Najah National University

Jordan Ahli Bank participated at the An-Najah National University open day. As part of the event, the Bank had its own booth where visitors were introduced to the Bank's key products and services, with a focus on savings accounts, especially the Jame'ati savings account.



Open day at Al Quds University

Jordan Ahli Bank participated at the Al Quds University – Beit Jala open day. As part of the event, the Bank had its own booth where visitors were introduced to the Bank's key products and services, with a focus on savings accounts, especially the Jame'ati savings account.

Support for the Excellent Students and Students in Need Fund at An-Najah National University

Jordan Ahli Bank provided financial support to the Excellent Students and Students in Need Fund at An-Najah National University to grant disadvantaged students more opportunities to complete their education.

Support for leading graduates at An-Najah National University

Jordan Ahli Bank provided financial rewards of USD 350 each to three leading BA graduates from An-Najah National University who majored in different fields. The rewards were an incentive for the students to continue their work and sought to encourage others to follow their lead.

Education, Awareness and Training

Sponsored Banking Week for Children and Youth

Jordan Ahli Bank sponsored the events of the 2016 Banking Week for Children and Youth organized by the Palestine Monetary Authority. The event was held for the fifth year in a row, and the Bank contributed to it by raising banking and financial awareness among all segments of the Palestinian community, with a focus on children and youth. Accompanying this event, the Bank participated in workshops and seminars aimed at school students, and hosted these students at its branches so they can get a closer look at the banking business. The event was concluded by distributing gifts to the students.



Supported the College De La Salle – Freres scouts

The bank provided support to the College De La Salle – Frères scouts in Ramallah by helping to print their calendar containing an overview of their various programs.

Supported the Palestine Monetary Authority's awareness campaign

In 2016, we complied with the instructions issued by the Palestine Monetary Authority by distributing informative publications on banking services. The aim was to reinforce disclosure and transparency, and raise banking and financial awareness among the community so they can identify what meets their needs in this regard.

Supported the summer camp organized by Wi'am, The Palestinian Conflict Transformation Center

Wi'am, The Palestinian Conflict Transformation Center, held a summer camp in Bethlehem to train more youth and help them engage in conflict resolution through dialogue and understanding. Jordan Ahli Bank offered its support through the provision of many items, including clothes. It also provided an introduction to its banking services, especially the Abna'i savings account.

Sponsorship of environmental events

Sponsored National Cleanliness Day in Ramallah

The Bank sponsored National Cleanliness Day in Ramallah, a day organized by the Ramallah Municipality that acts as a city-wide cleanliness campaign focused on the importance of continuously caring for the environment and maintaining public spaces. The campaign had the slogan "Cleanliness is forever not just a day" and our employees participated in various events.

During 2017, we hope to continue our work in Palestine and to implement ambitious plans that increase our presence, facilitate access to our services and products for a larger customer base, and reinforce the scope of our social work.



06

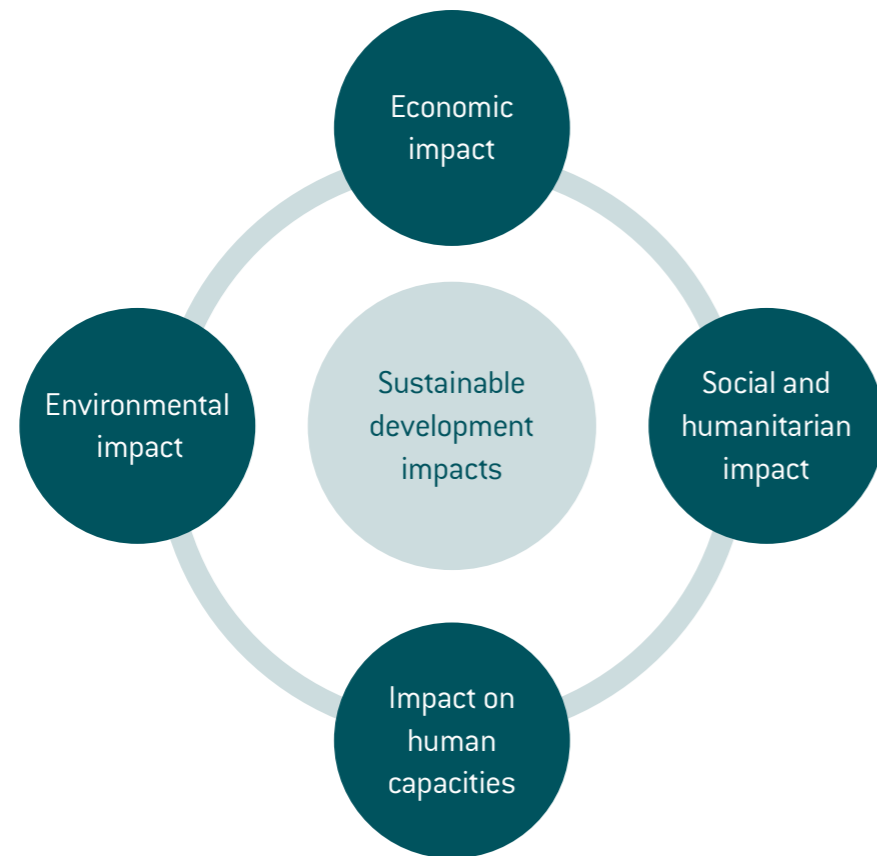
Corporate Responsibility Report

Introduction

At Jordan Ahli Bank, would like to update our shareholders, customers and the general public on the main sustainability themes that we focused on in 2016, as well as the procedures and best practices we've implemented in order to develop our banking activity and improve our development work. This was done in line with best global practices for institutional sustainability, and in harmony with national priorities.

would like to shed light on the main sectors and social categories that benefited from our responsible banking and development services, and underline the short and long-term differences we were able to make in the reality of those sectors and categories. In doing so, we further support the Kingdom's efforts and strengthen its capacities to achieve our shared objectives for the future in terms of comprehensive sustainable development.

would also like to take the opportunity to talk about our cooperation with our network of partners, along with the positive impact achieved, allowing us to go beyond simple providers of financial and investment services, to larger horizons of corporate social responsibility. These impacts include:



Would like to point out the different options that we offer in terms of banking and non-banking products, solutions and services (that are developmentally responsible), with which we support various economic sectors. Would also like to share the Bank's various social causes, charity and humanitarian work, as well as the different community and sustainability issues the bank was involved with either directly or through its support of leadership and innovation. We are firmly committed to empowering the community, the arts and culture, the environment, as well as youth and education.

In other areas, would like to highlight the steps taken within the Bank's vision to achieve rationalized environmental governance, whether within the Bank or within the community and the Kingdom at large, in order to reduce its carbon footprint and support national environmental development. Will also talk about the Bank's investment programs in human capacities both in terms of our own employees as well as people from the community at large.

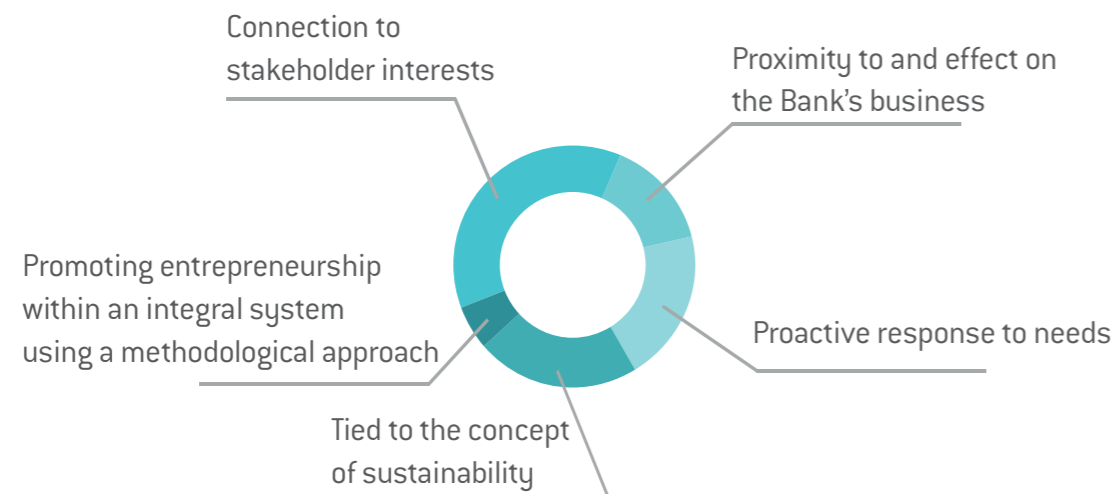
And lastly, we will give an overview of the Bank's comprehensive vision, its objectives and aspirations to constantly improve its performance and participation in economic, social and environmental development. Our strategy is comprehensive and effective in meeting all these various needs, and aims for quality at all levels.

Social impact

A strategy that ties corporate social responsibility with sustainability in a methodical framework:

During 2016, we continued on the course already initiated in terms of our institutional social work, as part of our overarching strategy and vision of being more than just a financial and banking institution. Our priorities stem from the different aspects highlighted in the figure below, initially laid out in 2015, and which have helped us succeed in a variety of social missions and causes.

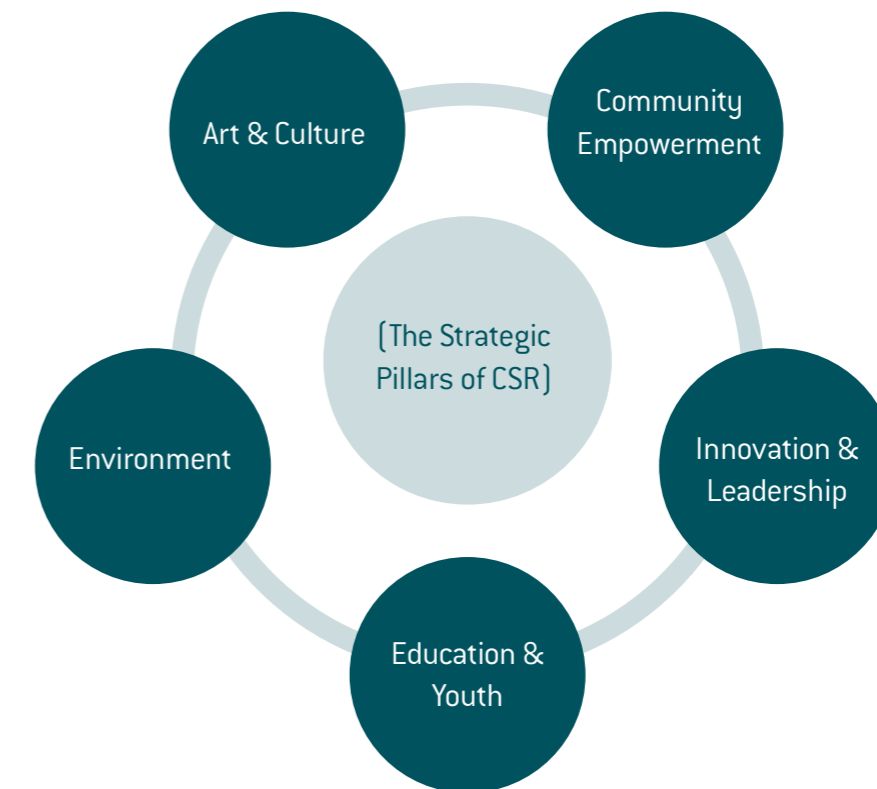
The priorities of our CSR strategy:



Our strategy remained flexible and able to absorb needs as they arise, and was able to keep pace with global trends in CSR and humanitarian work. During 2016, we translated our promises into action, thereby playing a pivotal role in entrenching notions and practices of sustainable development, in line with national priorities and best global practices.

The Strategic Pillars of Corporate Social Responsibility

The contributions in 2016 were varied, both those we carried out on our own or in partnership with a number of civil society organizations. They were led by our newly founded CSR department, which began operating in 2015, to address various sectors and categories of society through a range of initiatives and effective programs targeting developmental challenges. These included:



Integrating social activities and investments with real-life challenges in order to find sustainable and effective solutions:

Our banking and operational model has recently undergone a major overhaul, and we wanted the same for our CSR strategy. During 2016, we succeeded in integrating our investments and activities with the real challenges faced by various categories of people in society, in order to find sustainable and effective solutions, based on turning these challenges into opportunities that create a lasting positive impact.

Based on our strategy that draws from the five CSR priorities listed above and was implemented by our CSR department, we came up with innovative programs and initiatives that were able to tie our developmentally minded products with our objectives. Thus, we were able to make great strides in this regard and yield both short and long-term lasting impact.

Our CSR initiatives and programs in 2016 focused on several themes which we are passionate about, listed below. These were carried out either on our own, or in partnership with CSOs (civil society organizations), or in the form of guidance provided to a number of NGOs to support them in their implementation of sustainable impact initiatives. Our CSR initiatives include the following:

Support for the King Hussein Cancer Center program “Ri’aya”

We provided support for the King Hussein Cancer Center through marketing and promotion of the “Ri’aya” program which aims at covering treatment costs for cancer patients. We received the people who wanted to take part in the program, whether they were bank clients or not, and offered the possibility to our clients of paying the participation fees in installments with zero interest. This was done by virtue of a Memorandum of Understanding which we signed with the Center, which was represented by the Chairman of its board of trustees, Her Royal Highness Princess Ghida Talal.



Strengthening support for the Charity Clothing Bank to reach the greatest number of governorates

We strengthened our support for the Clothing Bank to help it cover the greatest number of beneficiaries, through expanding its fleet of vehicles by ensuring a new transportation method (minivan) to collect and distribute donations. This allowed the Clothing Bank to cover more governorates, expand its donor base and provide clothing for even more needy families. The support comes under a partnership signed with the Jordan Hashemite Charity Organization (JHCO).



Partnership with the Princess Taghrid Institute and Training to support a number of development projects

We entered into a strategic partnership with the Princess Taghrid Institute for Development and Training, thereby providing our support to a number of development projects that the Institute is in charge of, with a focus on those initiatives that support people who have lost family care. These projects included, for example, a project to revive the felt-making craft in the Al-aghwar/Ghourfifa region, which will be launched in 2017, as well as the project for granting training certificates for home healthcare givers in cooperation with specialized institutions, and support for the Institute's productive kitchen, as well as other projects. This has allowed us to play a leading role in stimulating the SME sector, especially enterprises specializing in production and craftsmanship.



Support for the Jordan River Foundation through a partnership and collaboration agreement

By virtue of an agreement with the Jordan River Foundation, we were able to offer our support to the Foundation in two of its areas of operation: youth and children's empowerment in order to create the leaders of the future, and supporting youth entrepreneurship with a focus on female entrepreneurship. This was done through our sponsorship and funding of a number of the Foundation's programs and activities. As an initial step in our partnership, we sponsored a charity gala held by the Foundation, whose proceeds were used to support a children's protection program.



Organizing many volunteering activities during the Blessed Month of Ramadan with broad participation by our employees:

We launched the Jordan Ahli Bank Blessed Month program which included a range of charity initiatives implemented with Tkiyet Um Ali and the Children's Museum – Jordan. Under this program, we provided logistical support to Tkiyet Um Ali to prepare food baskets and deliver them to needy families in Zarqa and Madaba governorates, in addition to providing food for the Iftar meals hosted at Tkiyet Um Ali headquarters. Thus we added 60 new families to our sponsorship, as well as sponsorship of the character "Hakawati Tkiyet Um Ali". We also hosted over 150 children from the Homeland Forearms Society for Orphans at the headquarters of the Madaba Museum for a Ramadan Iftar meal, which was an event that included many activities along with distributing gifts to the children.



Participation in Mix 'n Mentor

We extended our sponsorship to the Mix 'n Mentor event organized by Wamda, which brought together young entrepreneurs and experienced mentors for different fields in order to build bonds within the entrepreneurship community. Our sponsorship included the participation of a number of employees from the SME Department at the Bank, and from the Ahli Microfinancing Company. These mentors offered consulting services to participating entrepreneurs regarding banking transactions and opening accounts.



Sponsorship of the 9th Edition of the Hakaya Festival

We were official sponsors of the 9th Edition of the Hakaya Festival, organized by Al Balad Theater and the Arab Educational Forum, with the support of the European Union. Our contribution is our way of supporting the revival of the artistic and cultural scene in the Kingdom through spreading different art forms and making them accessible to all segments of society for free.



Sponsorship of the Second Khan Al Funoun Festival

We extended our official sponsorship to the Second Edition of the Khan Al Funoun Festival, organized by the Khan Al Funoun training and development company in collaboration with the Greater Amman Municipality in Amman and in the Salt and Madaba governorates. We chose to support this festival given its importance as a non-profit event that showcases artistic expression for free in a way that is accessible to people from all social backgrounds without discrimination.



Support for the Great Arab Revolution exhibit

We supported the Great Arab Revolution exhibit which was organized through a collaboration between the Australian Embassy and the Museum of Jordan under the patronage of His Highness Prince Ra'ad bin Zeid, as part of the Kingdom's 100th celebration of the revolution. The exhibit lasted two months, and aimed at raising awareness about the intellectual movement behind the revolution and its humanitarian mission.



Participation in the 100th anniversary march of the Great Arab Revolution by a large number of our employees

A large number of our employees took part in the march celebrating the 100th anniversary of the Great Arab Revolution, which took place in the King Hussein Business Park. Our participation is an expression of our sentiments of national unity and belonging.



Diamond sponsorship and support for the International Circassian Culture Academy's programs through a strategic partnership

We extended Diamond sponsorship and support for the ICCA's programs and activities, which aim to preserve and promote Circassian Jordanian heritage and culture as an integral part of the Jordanian society's cultural mosaic. Our partnership, which promotes integration into a united Jordanian society, was announced at the annual gala dinner which we also sponsored, which was held under the royal patronage of His Royal Highness Prince Ali bin Al Hussein.



Holding the Clean Energy Solutions forum

We held the Clean Energy Solutions forum in Amman in collaboration with the Jordanian Competitiveness Program funded by USAID and the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF), the Amman Chamber of Commerce and EDAMA. The forum included a number of roundtables discussing topics related to clean energy. As part of our organization of this forum, we launched the Clean Energy Solutions Program, which is the first program of its kind in the banking sector in Jordan. The program offers a range of solutions and financial and non-financial services aimed at encouraging different sectors to manage energy consumption more efficiently and stimulate energy consumption, and rationalizing programs in order to reduce the carbon footprint.



Participation in the Amman Design Week through support for the Namliyah Company

We took part in the events of the First Edition of the Amman Design Week through our support for the Namliyah Artisanal Jam Company. Namliyah is a dynamic brand focused on authenticity and craftsmanship to create high quality artisanal products using local products only. They were present at the artisanal food sections in all three locations where the event was held. We also helped give the opportunity to "Qaryat Bayoudeh" products, a women's cooperative project, to be showcased and marketed at the Amman Design Week.



Support for the Breast Cancer Awareness Campaign

We launched a breast cancer awareness campaign which included an intensive internal awareness program spanning the World Breast Cancer Awareness month, to increase awareness of the disease among employees and clients, and to offer moral support to those suffering from it. All bank employees wore pink ribbons to show their support, and were able to attend an educational session about fighting this form of cancer. As part of an awareness media campaign, the Bank included the pink ribbon on all of its media materials during the month.



Organizing the blood drive “We’re all one family with the same blood” in collaboration with the National Blood Bank

We organized the blood drive in collaboration with the National Blood Bank, who oversaw its implementation in a number of our corporate offices over a two-day period, as an extension of previous similar blood drives. Our employees across all levels were enthusiastic in their support and participation in the blood drive.



Sponsorship of a dialogue to discuss the results of the London Conference on the Syrian Refugee Crisis

We extended our sponsorship to an Iftar celebration held by the Jordan Strategy Forum to discuss the results of the London conference aimed at supporting Syria through its refugee crisis and their potential impact on Jordan's economy. Our sponsorship stems from our keen desire to support the Kingdom's efforts to face the different challenges associated with hosting refugees, and to promote social empowerment for all social categories and sectors. In parallel with the Iftar, we set up our own wing where we shared with participants an overview of our main services, products and solutions.



Sponsorship of the annual Easter Holiday Celebration by the Al Mahabba Committee

We were pleased to sponsor the annual Easter Holiday Celebration held by the Al Mahabba Committee, whose proceeds were used to support sick children who are unable to receive the necessary care. During the event, we set up a booth to tell visitors about our main banking services, products and solutions, with a focus on savings accounts and various savings and planning packages.



Support for the Monaco Dentalcare Awareness program

We extended our support to the two-month Healthy Habits Campaign organized by the Monaco Foundation, targeting a number of orphanages in order to raise awareness among children and youth about dental and oral hygiene. The program covered a variety of topics in a real-life way in order to help create healthy habits and lifestyles.



Sponsorship of the Conference on Mechanisms for Drying up the Funding Sources for Terrorism

We also extended our Platinum sponsorship to the Union of Arab Banks' conference, Mechanisms for Drying up the Funding Sources for Terrorism. This is our way of supporting national efforts aimed at strengthening procedures and measures towards combating terrorism and money laundering, in order to achieve overall security including economic and social security. On the sidelines of the conference, we set up a special wing where we presented to participants and visitors an overview of our main services, productions and solutions.



Sponsorship of the Financial Inclusion Forum

We were proud to be Platinum sponsors of the Financial Inclusion Forum that carried the slogan "Strategic Directions for Financial and Social Stability." The Forum, organized by the Union of Arab Banks, spanned two days, and our support for it aimed at raising awareness about financial inclusion in the Arab region. It also underscored the importance of making all financial and banking services accessible to different categories of people in society, as a driver for improving social and financial stability through helping alleviate poverty and unemployment, thus achieving comprehensive sustainable development.



Sponsorship of the 3rd Jordan International Oil Shale Symposium, and participation in its events

We were sponsors of the 3rd Jordan International Oil Shale Symposium organized by the Ministry of Energy and Mineral Resources with the Colorado Mining University and various oil shale companies invested in the Kingdom. The Symposium was attended by many senior government officials and decision-makers, oil shale industrial technology developers, engineers, technicians, researchers, and representatives of domestic and international agencies specialized in energy and mining investment projects.



Sponsorship of the 2nd International Economic Conference

We sponsored the 2nd International Economic Conference organized by the Jordanian Scientific Research Society under the patronage of former Prime Minister and Chairman of the Society's Board of Trustees, Dr. Abd Salam Al Majali. The Conference was titled "Financing the economics of the new millennium – future opportunities and challenges". On the sidelines of our sponsorship, our former Chairman of the Board Dr. Oman Razzaz, participated in the opening session, where he talked about challenges and opportunities facing Jordan's post-Arab Spring economy. We also set up a booth to showcase our main banking and non-banking responsible services and products, geared towards different sectors and social categories, and designed to develop these sectors with special focus on education and scientific research.



Sponsorship of the photography competition “Al-Weibdeh Through Your Eyes”

For the second year in a row, we sponsored the “Al-Weibdeh Through Your Eyes” photography competition, and were pleased to attend the closing ceremony during which the winners were announced. We strove to support amateur and professional artists alike, and create a space for creative expression that enriches that national artistic scene and encourages tourism to the Al-Weibdeh area.



Support for the 16th Amman International Book Fair

We were happy to extend our support to the 16th Amman International Book Fair, which is considered one of the Kingdom’s most important cultural events and a great lever for culture in Jordan.



Sponsorship of the Orthodox Club open house

We sponsored the Orthodox Club open house, held at the club’s headquarters in Abdoun, as we consider the club to be a platform for entertainment, culture, art and sports, that supports institutions with development missions and goals. It also afforded us the opportunity to connect with our clients in a friendly and fun atmosphere, and our bank representatives gave gifts to the children in attendance at the end of the event.



Sponsorship of the Jericho Culture and Arts Festival

We offered our sponsorship to the Jericho Culture and Arts Festival 2016 for the second year in a row, as part of our ongoing efforts to enrich the Kingdom’s cultural scene and promote its heritage and civilization.



Sponsorship of the Jordan Environment Society's "Environmental Theater" competition on the occasion of Arab Environment Day

We were official sponsors of the environmental competition organized by the Jordan Environment Society in collaboration with the Ministry of Education in celebration of Arab Environment Day. We presented the prizes awarded by the Society for best theatrical pieces as well as best environment-related artwork submitted by students from participating public and private schools.



Supporting the tree-planting campaign to beautify the entrance of Greater Amman Municipality

We provided support for the tree-planting campaign carried out by the Greater Amman Municipality to beautify the entrance of the Municipality and the borders of the Sahrawi road connecting Amman the capital with Aqaba. A thousand palm trees were planted through this initiative.



Support for the Green Caravan program

In collaboration with the Arab Society for the Protection of Nature, we planted over 500 citrus trees, that are able to produce up to three times a year, on lands belonging to farmers from needy families. The lands are situated in the Deir Alla region, and the tree planting is part of the Green Caravan program which aims at expanding green space, fighting desertification and protecting the environment, as well as providing sources of income and achieving food security.



Support for the 4th Annual Science Day at the Faculty of Agricultural Technology at the Balqa Applied University

We were happy to support the Faculty of Agricultural Technology's 4th Annual Science Day at Balqa Applied University, titled "Best practices for agricultural sustainability." On the sidelines of this event, we also held a booth to present our main products, services and solutions, and offering gifts throughout the day to visitors, banking clients and others, thus helping create positive ties with them.



Sponsorship of the Model United Nations conference for students of Al Asria School

We were pleased to extend our sponsorship to the Model United Nations conference organized by Al Asria School over the course of three days on school grounds. MUN is an important event that creates a positive impact on upcoming generations, enabling them to assume positions of responsibility in the future.



Sponsorship of the 5th Model United Nations conference for students of the National Orthodox School

We were Gold sponsors of the 5th Model United Conference for Students organized by the National Orthodox School over the course of three days at the Sheraton Amman Al Nabil Hotel.



Support for the closing ceremony of the ISUSTAIN Awards by the Engineering Business Forum

We supported the closing ceremony of the ISUSTAIN competition for 2016, organized by the Engineering Business Forum under the "Kafa'a" initiative aimed at increasing awareness among Engineering and Architecture students of sustainable green design through collaboration between students, professors and private sector engineers and architects.



Sponsorship of the 10th Science Symposium of the Faculty of Medicine at Mutah University

We offered our sponsorship to the 10th Science Symposium of the Faculty of Medicine organized by Mutah University, titled "New innovations in medical sciences". On the sidelines of this event, we had a booth to present our main banking and non-banking responsible products and services that have a social development aspect.



Support for the Amman Baccaulareate School marathon

We provided support for the Amman Baccaulareate School's children's marathon, during which we presented gifts to the Jordan Ahli Bank team members participating in the marathon.



Sponsorship for a number of the Jubilee School's extracurricular activities

We supported the Jubilee School through our sponsorship of its literary competition "Second Jubilee Creative Writing Podium" aimed at preserving cultural diversity among youth through developing social work skills as well as intellectual and leadership skills among participating students. We also sponsored many of the school's extracurricular activities including the end of the year celebration of the 11th grade students.



Sponsorship of the 11th Ayman Al Mashar Charity Basketball Tournament

We sponsored the 11th Ayman Al Mashar Annual Charity Basketball Tournament for both men and women, organized by the Wings of Hope Society in collaboration with the Baccaulareate School. School teams from across the Kingdom participated in the tournament, as well as, for the third year in a row, teams from neighboring countries.



Sponsorship of the Children's Football Tournament at Cambridge School

We were pleased to sponsor the Children's Football Tournament at Cambridge School, which we concluded by distributing prizes to the Ahli Jordan Bank team made up of 13 players.



Sponsorship of children's football tournament at the Modern English School

We extended our sponsorship to the children's football tournament at the Modern English School, which we helped celebrate one of our representatives presenting gifts and prizes to the 14 players of the Al Ahli team during the closing ceremony held at the school.



Sponsorship of the Princ Ali bin Al Hussein Football Clup for theDeaf and Mute

We were proud sponsors of the Princ Ali bin Al Hussein Football Clup for theDeaf and Mute during tournaments both at home and abroad for football clubs for individuals with special needs during the 2016 season, especially the Football Tournament for the Deaf, the Jordan Cup, and the Cup of Cups. This came as an extension of our leading services for the deaf and the hard of hearing that we launched previously, during which we started using sign language at a number of our branches.



Sponsorship of the Children's Basketball Tournament at the Rosary College School

We sponsored the Children's Basketball Tournament at the Rosary College School Al Shmeisani, which we concluded by distributing prizes and gifts to the Jordan Ahli Bank team composed of 13 players.



Sponsorship of the Late Doctor Walid Sh'hatit Tennis Tournament

We extended our sponsorship to the Late Doctor Walid Sh'hatit Tennis Tournament, held on the land of the Orthodox Club. On the sidelines of this event, we set up a booth to let visitors know about our main services, products and banking solutions.



Granting 250 students the opportunity to attend the Women's Under 16 World Cup

We were pleased to be able to help 250 students from underprivileged schools have the chance to attend the events of the Women's Under 16 World Cup. This was done through a national campaign launched by the local organizing committee to support the tournament, and led by the Jordanian Football Federation and the Ministry of Youth to encourage the participation of the Jordanian Women's team in the tournament.



Promoting the events of the Clean Energy Solutions forum in the Aqaba, Irbid and Zarqa governorates

As a follow-up to the events of the Clean Energy Solutions forum, we ran many workshops in the Aqaba, Irbid and Zarqa governorates, in the same vein as the workshops we ran in Amman the capital.

Participation in the closing ceremony of the "I build the future with my own hands" initiative in the context of the "Nashmiyat" initiative

Through our pioneering initiative "Nashmiyat", under our partnership with the Jordanian Women Industrial Community, we participated in the closing event of the "I build the future with my own hands" initiative of the Vocational Training Institute. The event celebrated the graduation of the participants in the training program and announced the winners of the "Girls' projects" grants that will empower them to establish their own enterprises. We had previously been involved in the training program which included participants from 7 governorates through the "Nashmiyat" program.

Sponsorship of the 11th Annual Charity Gala Dinner of the Palestine International Institute

We extended sponsorship to the 11th Annual Charity Gala Dinner of the Palestine International Institute which was called "Palestine Night". Proceeds from the event were used to cover urgent medical needs in Palestine.

Sponsorship of the Garden and Flower Show

We offered our sponsorship to the Garden and Flower Show held for the first time in Jordan in 2016, organized by the Hussein Foundation for Individuals with Impaired Mobility, the Jordan Training and Integration Center on the Al Abdali Boulevard. The Show gave local growers, plant importers and flower arrangers the opportunity to exhibit their products and market them, and proceeds were donated to the Hussein Foundation to support individuals with impaired mobility.

Participation in the Pharmacy One exhibit

We participated in the Pharmacy One exhibit held at the Landmark Hotel Amman, during which we also set up a booth to give visitors an overview of our products and services.

Support for the Insurance Competition held by the Public Institution for Social Security (PIFSS)

We supported the Insurance Competition held by PFISS for the general public and Jordanian citizens residing both at home and abroad, which was part of Kingdom's celebration of the 100th anniversary of the Great Arab Revolution, and of Labour Day as well as many retired persons from PFISS. The competition was aimed at increasing awareness of insurance in the community to broaden the circle of social protection offered and to activate social security money in projects that generate employment opportunities and are levers for the economy. As part of our support for the competition, we sponsored the ceremony where we awarded prizes in the form of savings accounts for the winners.

Sponsorship of the Jordan and Iraq Conference, Future Perspectives

We sponsored the economic conference: Jordan and Iraq, Future Perspectives, which was aimed at researching opportunities for economic cooperation between the two countries. We also had a booth at the conference to present our main banking and investments products, services and solutions.

Sponsorship of the 10th edition of the "Reading For All" festival

We extended our sponsorship to the "Reading for All" festival organized by the Ministry of Culture, which aimed at making books available and accessible covering a large range of topics that enrich the mind, awaken the soul and build life skills. The books are offered at symbolic prices that are accessible to all citizens.

Sponsorship of the 16th South Asian Men's National Basketball Team Tournament

We were proud official sponsors of the 16th South Asian Men's National Basketball Team Tournament.

Competitive Behavior and Anti-Money Laundering Efforts on Local Communities

Monitoring Compliance and Anti-Money Laundering and Counter-Terrorism Financing in Local Communities

- We've continued to abide by laws and regulations in force related to banking including those related to AML (Anti-Money Laundering) and Counter-Terrorism Financing (CTF), through the policies and guidelines issued by our Compliance Department, which are then approved by the Board of Directors of the Jordan Ahli Bank.
- We strengthened our effective monitoring and administrative system that was developed in response to the requirements of the monitoring climate in the Kingdom and the global banking industry. This system is comprised of policies and guidelines to combat various criminal activities related to money, including AML and CTF.
- We've committed to compliance, AML and CTF through the following:
 - Involving employees in implementing policies related to compliance, AML and CTF after apprising them of these policies and encouraging their complete adherence, as well as informing the Compliance, AML and CTF Department of any violations as soon as any suspicions arise concerning an individual, commission or banking operation.
 - Taking necessary measures to promote integrity and healthy professional habits within the Bank, placing compliance as a main objective that must be achieved by all.
 - Taking necessary measures that help in AML and CTF efforts, including "Know your customer", Due Diligence, in order to determine the identity of the Ultimate Beneficiary Owner.
 - Enhanced Due Diligence for bank accounts classified as high-risk by the Compliance, AML and CTF Department.
 - Ongoing monitoring of customer accounts and their movements to determine any operations that may be suspected to be connected to AML or CTF.
 - Reviewing suspicious cases exhaustively and submitting reports of suspicion to the AML and CTF Unit if there is any proof or logical basis for suspicion, to be done by the Compliance, AML and CTF Department.

Achievements and Impact of our CSR Strategy

We succeeded in achieving the goals of our CSR strategy, which involved playing an effective role in developing and supporting various social categories and sectors. This earned us many certificates of appreciation and honors for our support from a large number of government and private sector institutions and civil society organizations.

Al Aman Center donation boxes located in our branches	JOD 2850
Hussein Center donation boxes located in our branches	JOD 4277
Clothing Bank van	6990 bags 41,940 kg 10,486 beneficiaries
Clothing donation boxes in certain Jordan Ahli Bank branches for the Clothing Bank (4 boxes in 4 branches)	4 boxes 362 bags 2172 kg 465 beneficiaries
Volunteer work (14 employee volunteering activities)	Total volunteer hours: 819 Number of volunteers: 283
Internal program to honor employees: "With your giving, we succeed; with your efforts, we continue."	25 years: 36 employees 20 years: 131 employees 15 years: 144 employees 10 years: 222 employees
Savings accounts offered as prizes to social institutions and schools	51 savings accounts awarded

Zakat campaign/ outcome of zakat campaign directed towards the King Hussein Cancer Center	JOD 4360
Charity Shop/ support for the King Hussein Cancer Center through our employees purchasing Christmas presents from the Charity Shop affiliated with the King Hussein Cancer Center	JOD 4360
Gifts for charity/support for the King Hussein Cancer Center through our employees purchasing gifts from the "Gifts for charity" initiative at the Center on Mother's Day	JOD 955
Planting trees in collaboration with the Arab Group for the Protection of Nature to support the Green Caravan program	500 trees
Fund to support visits to the Haya Cultural Center by a number of charity organizations from different regions	2001 children
Sponsorship of many families in collaboration with Tkiyet Um Ali	60 needy families
Distributing Ramadan food baskets during the holy month of Ramadan	200 food baskets
Support of the Monaco Program for dental health	120 children

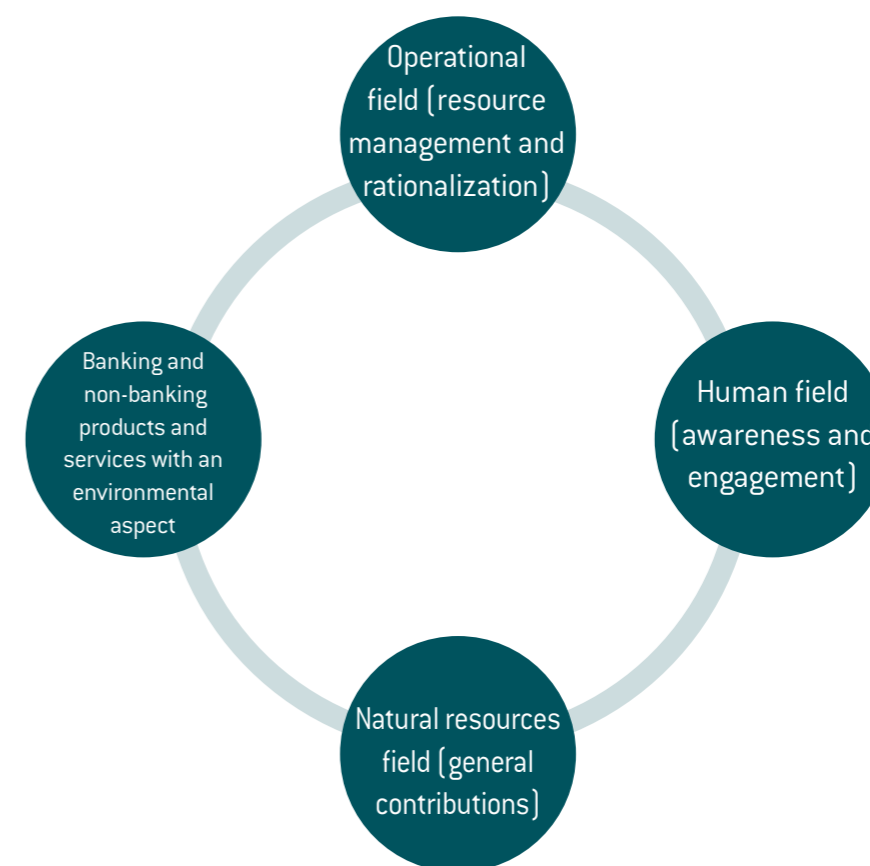
Environmental Impact

Continuing on the path of Environmental Governance towards a Green Economy

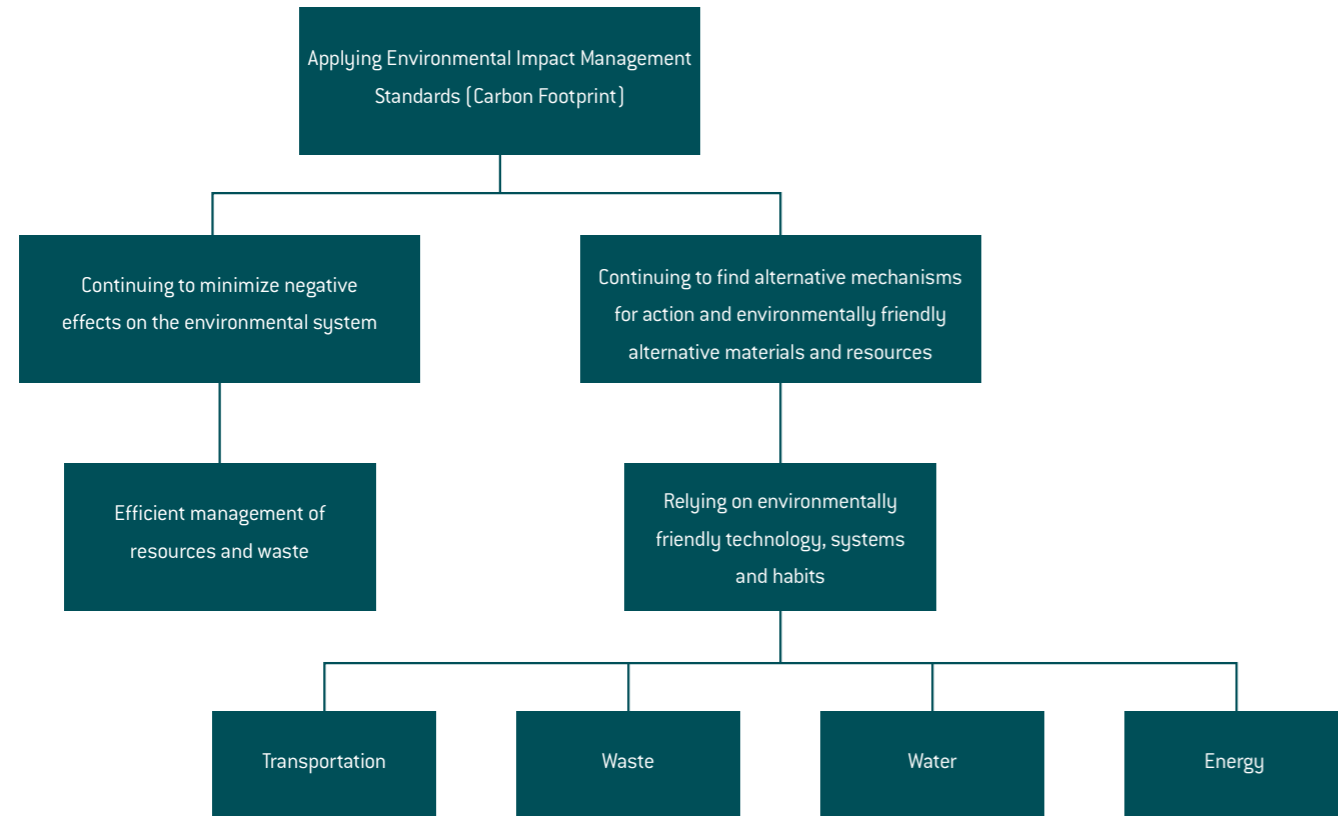
In 2016, we at Jordan Ahli Bank have made great strides in terms of managing our environmental footprint, which has started to shrink thanks to our environmental responsibility policy. We aim to be a truly environmentally friendly banking institution that plays a pivotal role in promoting environmental governance in the Kingdom in order to make green economy a reality.

In this context, we carried on our efforts in 2016 to create an environment with clean and sustainable elements, not only internally but also in our surrounding environment and local communities. This was done through our environmentally friendly banking and non-banking programs, services and products, as well as our mechanisms for action. All these elements work together to support national efforts to protect the environment and preserve resources through their optimal use and through finding alternatives. In this way, we foresee the arrival at the green economy we all aspire to, which in turn will drive comprehensive sustainable development and create a better future for coming generations.

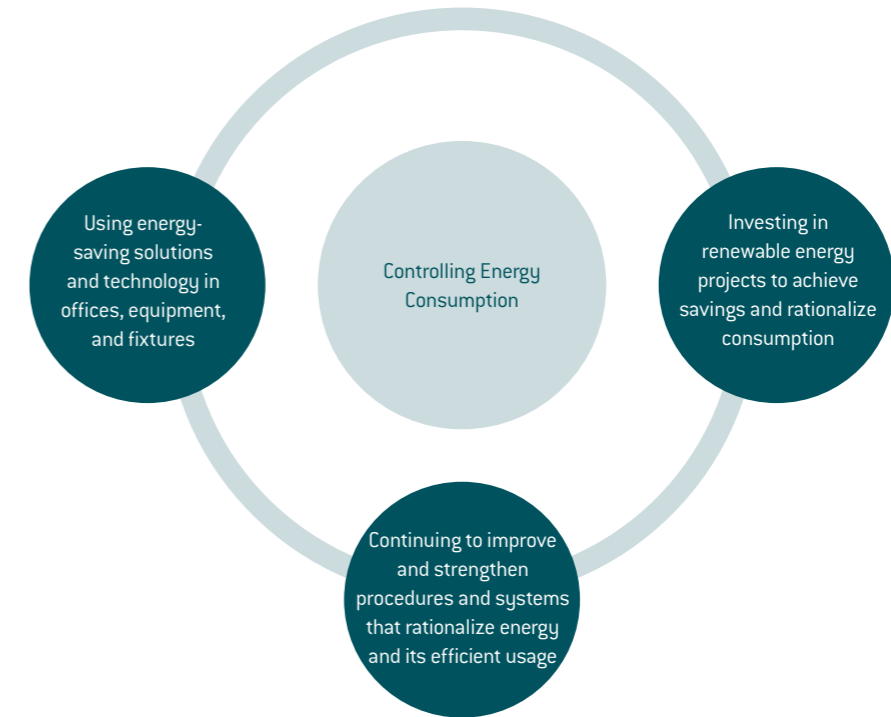
We have previously delineated our strategy and the responsibility that we are taking on towards the environment, as follows:



Operational Field (Resource management and rationalization)



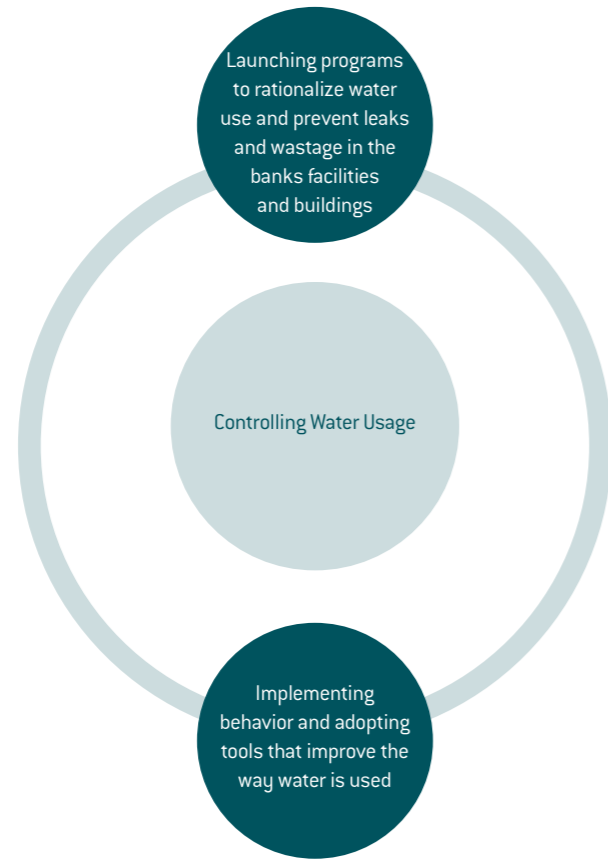
ENERGY



Based on this strategy, we have taken many steps that are currently in progress, such as:



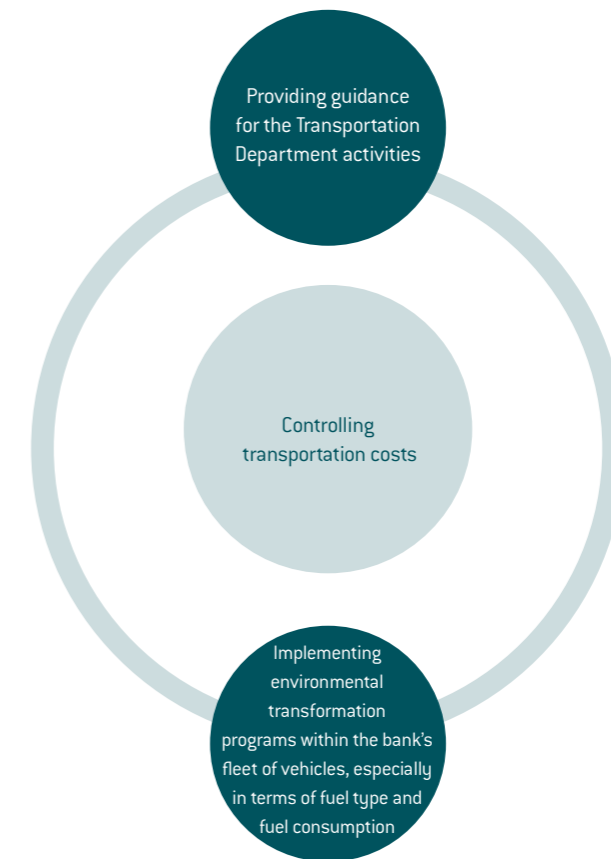
WATER



WASTE



TRANSPORTATION



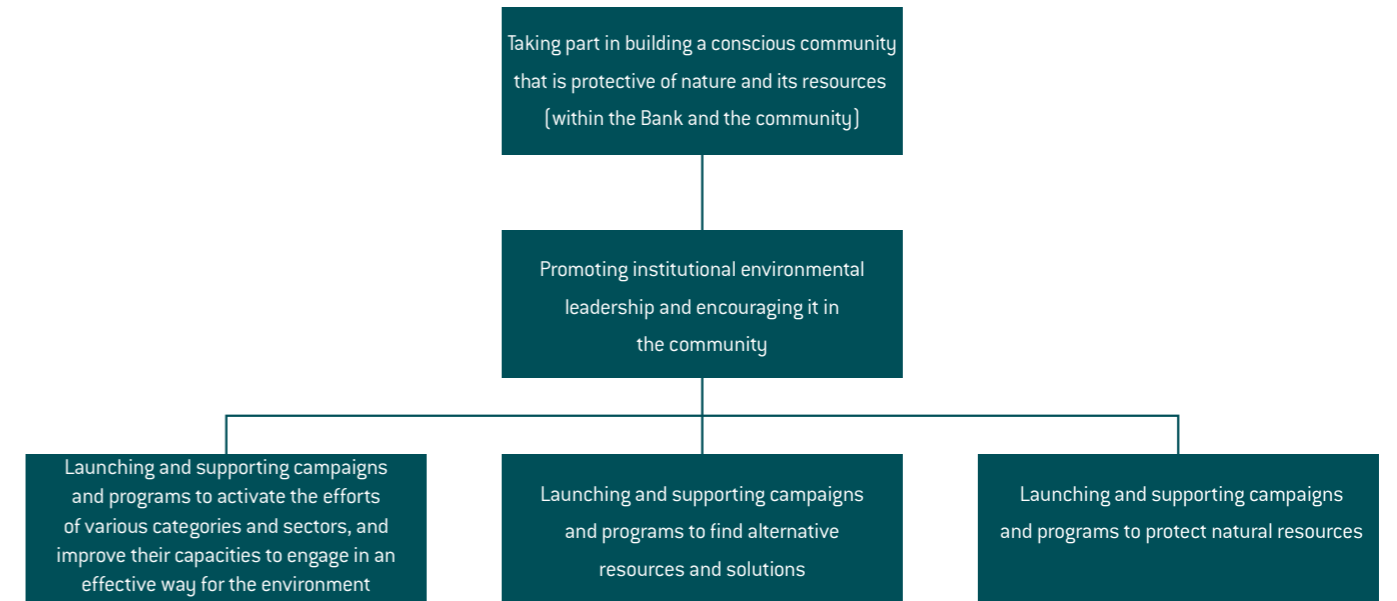
Based on our multi-themed efforts in applying Environmental Impact Management standards, with a focus on resource and waste management, we have succeeded in instilling a culture of energy rationalization and environmental transformation within our institution, which will help us with our efforts towards:

- Reducing water consumption across all bank branches and affiliated buildings
- Reducing the consumption of petrol, solar and diesel in the Bank's fleet of vehicles, and transforming a number of these vehicles into energy-saving ones.
- Reducing electricity consumption in all bank branches and buildings by switching to new environmental-friendly systems, as well as launching the project to generate solar electricity in the Bank branches and buildings.
- Reducing paper costs including printing customer statements by 8% through switching from paper-based transactions to automatic ones
- Supplying a number of entities with shredded paper and cardboard for their usage, as well as using the metal boxes resulting from shredding in order to store files.
- Reducing CO2 emissions.

Human field (raising awareness)



Natural resources field (general contributions)



Banking and non-banking solutions, products and services with an environmental aspect

Environmentally friendly financial solutions

The Go-Green Loan is considered a unique financing and credit program in the Kingdom, contributing to achieving both personal and national economic savings. It allows Jordanians, both Ahli bank clients and non-clients in the personal and SME sector, from obtaining the financing they need quickly and easily, at 100% and over a period of 48 months at zero percent interest rate. The loan offers many advantages, the main one being the Go-Green Card at a monthly rate of up to %2 and a validity period of up to 5 years, without any issuing fees.

The Renewable Energy Loan for SMEs that was designed and launched in collaboration with the Jordan Central Bank, to afford SMEs and corporations long-term savings through reducing electricity bill expenses. The loan offers enterprises financing of up to 90% of the value of investments in renewable energy projects and/or investments in energy efficiency, with a ceiling of JOD 500,000, and a fixed interest rate over the loan period with a maximum of 5%, as well as a grace period of up to one year, with the possibility of payment over a period of up to 10 years. The loan offers many advantages, the main one being the My Business Credit Card for loan holders.

Financing services for renewable energy and energy rationalization projects and/or investment in energy efficiency, offering a financing loan of up to %80 of the value of the investments in renewable energy and energy rationalization projects and/or investment in energy efficiency for companies using the loan service. These services are offered under the Clean Energy Solutions program that was launched in collaboration with the Jordan Competitiveness Program funded by USAID, the Jordan Renewable Energy and Energy Efficiency Fund under the Ministry of Energy and Mineral Resources, the Amman Chamber of Commerce and EDAMA Association for Energy, Water and the Environment.

Non-financial solutions

- Free consultation services for clean and renewable energy projects.
- Oversight of application and implementation of renewable energy projects and/or investment in energy efficiency projects.
- Initial studies of energy saving opportunities; support in terms of determining the best systems and their technical specifications; help in analyzing and selecting the best offers; getting guidance for the necessary approvals; all this for renewable energy projects and/or investment in energy efficiency projects benefiting from JREEEF.

The Jordan Ahli Bank's commitment to applying measures stipulated by law for the protection of the environment

We see ourselves as an essential part of the sustainability matrix as well as the process of development and progress which the environment is a fundamental basis of, and therefore we've ensured, in 2016, to strengthen the role we play in promoting Jordan's environment, protecting its resources and preserving its biodiversity.

We were able to do this in the way that we planned thanks to our overall policy that is in harmony with the environment, as well as the steps taken based on requirements of the Jordanian environmental protection law, the Ministry of the Environment's strategic goals, as well as the National Agenda for Sustainable Development and the UN global charter. We strive to reach these goals through ongoing efforts and environmental measures that we apply in line with best global practices, taking on three distinct aspects:

Aspects related to fulfilling legal environmental protection requirements: Taking a proactive approach to environmental challenges and encouraging its adopting within the bank and surrounding community

Aspects related to fulfilling legal environmental protection requirements: Strengthening the scope of CSR programs and activities that serve environmental causes

Aspects related to fulfilling legal environmental protection requirements: Developing banking technologies and infrastructure (secure) that are environmentally friendly

In addition to this, and as we have done in previous years, in line with our path towards environmental governance, we are continuing, through this report, the transparent disclosure we are committed to in terms of our environmental performance and special programs in this area based on clean development and carbon reduction protocols.

And our efforts do not stop there, in 2016 we carried on with our collaboration with environmentally friendly institutions working to find effective solutions to environmental issues, especially the EDAMA Association for Energy, Water and the Environment. We became members of the companies affiliated with EDAMA many years ago. The Association aims to create an environment that is conducive to green economy, promotes scientific research, innovation, and development and marketing of Jordanian technology related to water, energy and the environment. It also aims to raise public awareness and support policies that promote these sectors in order to arrive at a more sustainable development in Jordan.

The Bank's commitment to protecting the environment in coming years

In light of our efforts to arrive at sustainable environmental governance, which we see as a natural extension of the institutional governance that we follow, at the Jordan Ahli Bank we are committed to establishing a referential framework in line with the economic, social and cultural context, which translates into long-term work programs that aim to achieve a number of goals, most importantly:



In 2017, a new qualitative leap is planned in terms of environmental action, which we plan to tackle through new programs, initiatives and activities, especially the Energy Bank project, in addition to the environmentally friendly services and solutions that we plan to offer.

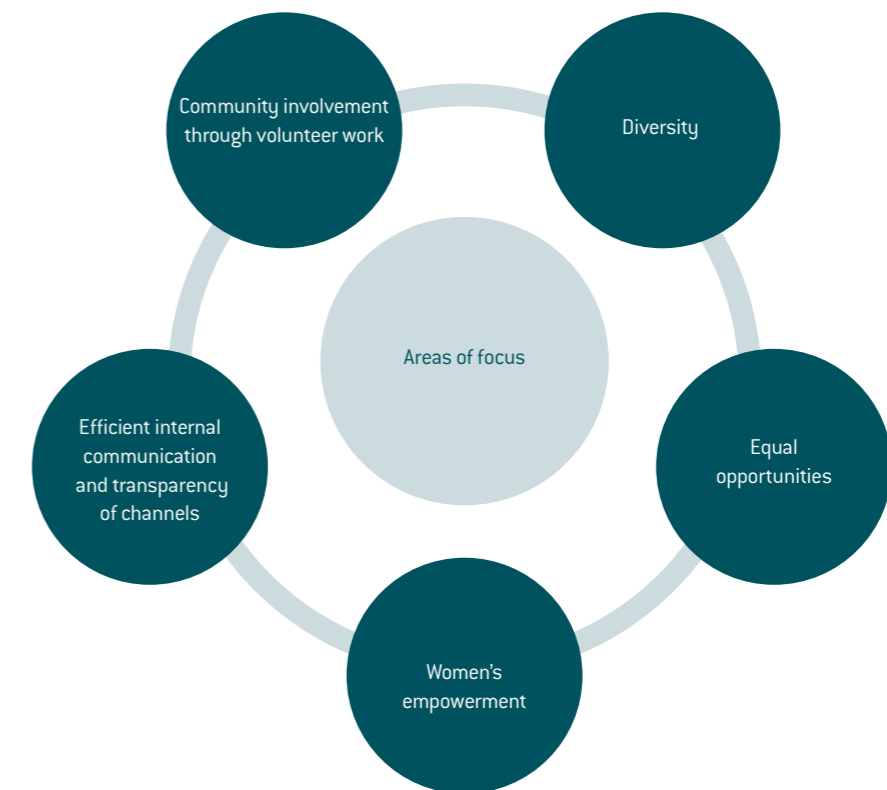
Impact on human capacities

Investment in human capital

We believe that the human element is a truly invaluable element and the basis of our success. It contributes to developing our institutional performance and improving its indicators, thus helping develop the domestic banking industry and putting it firmly on the global map. The human element is also one of the indispensable pillars of comprehensive development, no matter what technical and technological progress is achieved. In 2016, we continued to invest in human capital in two main areas:

A- First area: investment in human capacities for Bank employees

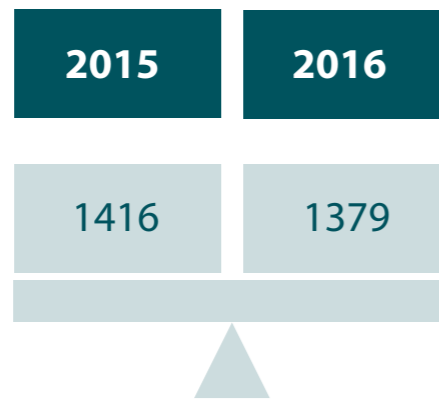
In 2016, we continued in the course we set out on in previous years of putting our employees on our order of priorities, to empower them in a stimulating work environment. We aim to achieve this by placing greater focus on the following aspects, stemming from our After Sixty strategy and from organizational and functional restructuring under the strategic transformation program:



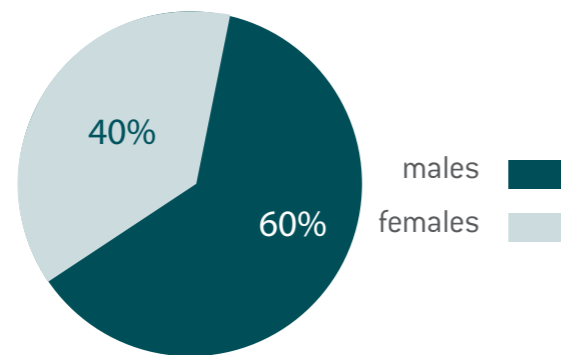
Diversity

In 2016, we were able to maintain diversity among our staff and promote it in terms of gender, age and professional levels, as shown in the figures below:

Total number of employees in 2015 and 2016



Employees by gender in 2016 (in %)



Employees by gender in 2015 and 2016 (in #)

Gender	2015	2016
Male	855	823
Female	561	556
Total	1416	1379

Employees by age for 2015 and 2016

Age category	2015	2016
20-29	457	413
30-39	490	514
40-49	348	334
50-60	123	115
60+	4	3
Total	1416	1379

Employees by employment level in 2015 and 2016

Employment level	2015	2016
Upper management	17	18
Middle management	188	191
Oversight jobs	361	379
Specialist jobs	731	675
Worker	119	116
Total	1416	1379

Employees by field for 2015 and 2016

Field	2015	2016
Credit and risk	115	121
Support services	483	475
Banking services	818	783
Total	1416	1379

Equal opportunities:

In 2016, we ensured that equal opportunities were available to our female and male employees, based on our firmly rooted value system.



Our indirect employee advantages and benefits

- Organizing training programs to build capacities of new and current employees
- Organizing Training of Trainers programs, especially for employees assigned to the strategic transformation program
- Giving priority to Bank employees to fill vacancies by announcing them internally
- Comprehensive medical coverage for employees and their family members
- Employee life insurance
- University scholarships for children of Bank employees
- Professional development and promotions
- Helping develop potential capacities of outstanding employees
- Program to reward employee innovation and creativity
- Health and safety standards and measures are enforced inside all Bank buildings, especially smoking risks
- Awareness activities and programs for employees about many issues of concern to them
- Internal program to honor employees according to the length of time they have served the Bank, such as the program "Your hard work is our success, through your efforts we shall forge ahead."

In 2016, we also launched a program to celebrate and reward employee excellence, and highlight their personal accomplishments and participation in the Bank's advancement, titled "With your giving, we succeed; with your efforts, we continue." The program falls under the Bank's After Sixty plan, which focuses on several key elements, most notably the development of human resources through training and continuous motivation, stemming from our belief in the importance of investing in human capital. An integral part of any organization, employees constitute one of the most important features and strengths of sustainable competitiveness. At Jordan Ahli Bank, institutional social responsibility includes ongoing attention to staff and striving to ensure their satisfaction.



Women's empowerment

As we were not simply satisfied with our achievements in terms of developing women's presence in our work force, in 2016, stemming from our belief in women's capacities, we offered the tools necessary for women's participation in leading change.

Efficiency of internal communication and transparency of channels

At Jordan Ahli Bank, we believe that communication with our human resources is one of the pillars of our success, as it reinforces our clear and shared understanding of our goals and needs as a work team, as well as the needs of our clients. As we mark our sixtieth anniversary, we have strived in 2016 to develop our communication channels in line with our new technological system, in order to increase productivity and raise performance and satisfaction levels through:

- Developing the Bank's internal website "My Ahli" which was launched in 2015 to be our tool for transferring and exchanging information, updates, news and opinions as well as receiving feedback.
- Holding meetings and sessions between employees and Bank seniors following an open-door policy.
- Organizing fun events to facilitate communication with employees outside the workplace, via the Bank's special social committee.

Community involvement through volunteer work

Together we move forward and make a difference

Because our employees are the cornerstone of the Jordan Ahli Bank's success, we continued to honor our commitments towards them in 2016, as well as investing in them through two main approaches:

Enhancing the work environment	<ul style="list-style-type: none">- Empowerment, capacity building and diverse opportunities- Offering incentives, promoting competitive qualities and direct and indirect advantages- Promoting a safe and healthy work environment- Promoting professional practices that govern the flow of work and the relationship between employees, and between the employees and the administration.
Promoting sharing and involvement	<ul style="list-style-type: none">- Improving transparent communication on the internal level through many channels- Promoting social communication outside of work- Raising awareness about the notions of institutional governance, thus encouraging employee engagement in carrying a sense of responsibility towards the bank and towards customers. We encouraged their participation in implementing policies related to a number of issues, especially compliance and fighting money-related crimes- Promoting awareness of the concept of sustainability, therefore strengthening employees' social engagement

With our employees, we were able to continue to offer an excellent banking experience in our branches across the Kingdom, as well as create positive impact among our local communities. We worked hand in hand, as partners in hard work, success and progress, sharing in those values, on our path to achieving our ambitious vision for the future. This vision entails our committed service to social development in parallel to our efforts towards promoting economic development.

We work according to the principles of Specialization, Innovation, Sharing and Involvement, as well as Sustainability in all that we do and offer. In 2016, we implemented a creative strategy that strengthened employee involvement in the different aspects of our work, with a focus on CSR work, which is considered the most effective channel to come closer to the community, become aware of its needs and come up with innovative ways to address these needs. In this manner, we fulfill our moral obligations and institutional commitments, and c

Therefore, in our efforts in 2016, we sought to continue spreading the values of social responsibility among our employees and their families, who are part of our greater family. We value their efforts as one of the main pillars of sustainability. contribute to improving the reality of many social categories and sectors.

The year 2016 saw the expansion of our employees' scope of volunteer involvement in our programs and initiatives, which were carried out under the supervision of our specialized CSR unit. Together we were able to achieve our developmental goals for 2016, thanks to the CSR unit's tireless efforts and ability to deepen our community involvement, in record time since its establishment in 2015. Furthermore, 2016 saw our employees' volunteer participation in our CSR programs and initiatives as part of a methodical approach and a specialized volunteering team, the "We are all family" team, which was formed so that our employees, who have become our brand ambassadors in charity and development work could work towards sustainable community development.

As a result of our commitment and passion, we were able to record the following numbers that represent our good citizenship:

Employee volunteer participation in CSR programs and initiatives

Number of volunteers: 283

Number of hours of volunteer work in different contexts: 819



Activity	Number of participants	Location
Helping beneficiaries in the Clothing Bank display rooms distributed across the Kingdom	80 volunteers over 5 days	Clothing Bank display rooms – Amman governorate and Mahata region
Filling and wrapping food packages	20 volunteers	Tkiyet Um Ali warehouses – Qustul in the Northern Aghwar regions
Planting trees	60 volunteers	Wadi Rayan region and the ring road – Wadi Qitar region
The internal blood drive "We are all family, we have the same blood" in collaboration with the National Blood Bank	123 donors, at 1 unit of blood per donor	Bank buildings

In addition to this, we organized some internal programs designed to strengthen and deepen our community engagement, including:

Supporting the King Hussein Cancer Center campaigns and programs

We organized an internal campaign to support the "Charity Gift" program launched by the King Hussein Cancer Center around Christmas. The program encouraged people who wish to exchange gifts during holiday seasons to buy these "Charity Gifts", which are cards making a donation in the name of the gift's recipient to the King Hussein Center. The proceeds are used to help the King Hussein Centers underprivileged patients pay for their care. Our employees were very enthusiastic in their support for this program, who went one step further and took part in the "Friends of Hussein Center" program through monthly deductible donations.

B- Second area: Investing in national human capacities

As part of our investment in human capacities, we continued to support youth potential in 2016, seeking to open up new horizons for young people through:

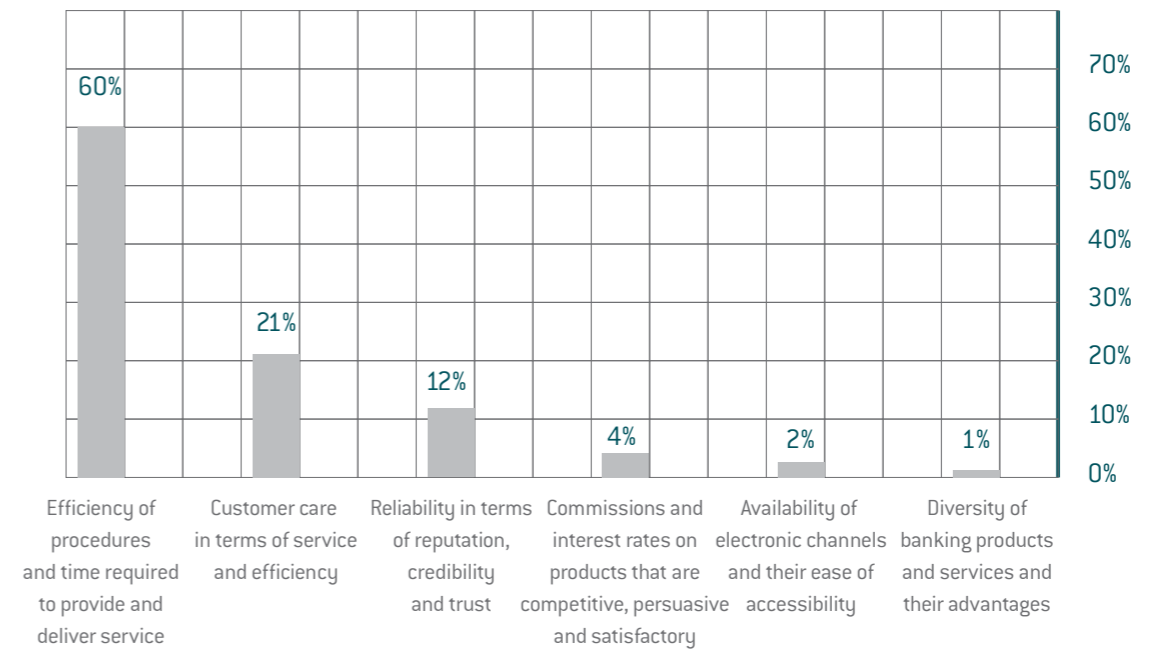
Expanding the human resources database	Continuously updating our database of outstanding university graduates and adding it to our human resources database
Providing practical training opportunities to students	<ul style="list-style-type: none"> - Continuing to provide practical training opportunities to university and community college students as well as school students, at a rate of 130 students per year - Continuing to help students in higher education by providing them with data and any other information they may require



Customer complaints and a qualitative analysis of their nature

- The total number of customer complaints in 2016 was 1447
- The qualitative analysis of the nature of these complaints is as follows:

Proportion of customer complaints based on customer satisfaction elements:



Complaints received were dealt with and solved, and measures were taken to prevent their reoccurrence in the future.

Jordan Ahli Bank Branches and Offices within the Hashemite Kingdom of Jordan

Main Branch
Shmeisani - Queen Noor Street
Phone 00962 6 5685907

Thaqafa Street Branch
Shmeisani - Thakafa Street
Phone 00962 6 5681382

Queen Rania Street Branch
Sport City Circle - Arab Printers Bldg.
Phone 00962 6 5698883

Al-Bayader Branch
Bayader Wadi Al Ser - Main Street
Phone 00962 6 5857791

Sweifieh Branch
Sweifieh - Haddad Commercial Complex
Phone 00962 6 5865401

Abdulla Ghosheh Street Branch
7th Circle - Abdulla Ghosheh Street
Phone 00962 6 5861408

Ibn Khaldoun Branch
Ibn Khaldoun(AlKhaldi St.) Building No. 67
Phone 00962 6 4641310

Jabal Amman Branch
Jabal Amman - Third Circle -
beside InterContinental hotel
Phone 00962 6 4653645

Khalda Branch
Khalda Center - Amer Bin Malik Street
Phone 00962 6 5340698

City Mall Branch
khalda - Medical City Street - City Mall
Phone 00962 6 5823154

Mecca Street Branch
Mecca Street
Phone 00962 6 5856017

Abdoon Branch
Abdoon - Cairo Street
Phone 00962 6 4641310

Um Uthaina Market Branch
Um Uthinah Market - Shat Al Arab Street
Building No. 14
Phone 00962 6 5523181

Al-Rabieh Branch
Amman - Al Hay Al Tijari Street - Al Yarmouk
Plaza Complex
Phone 00962 6 4603125

Taj Mall Branch
Abdoun - Prince Hashem Street - Inside Taj Mall
Phone 00962 6 5930961

Marj Al-Hamam Branch
Marj Al Hamam - Prince Taghreed Street
Phone 00962 6 5716133

Wasfi Al-Tal Street Branch
Wasfi Al Tal Street - Muhtaseb Building
Phone 00962 6 5682124

Jabal Al-Hussein Branch
Jabal Al Hussien - Beer Al Sabe Street
Phone 00962 6 5653374

Wadi Saqra Street Branch
Wadi Saqra - Arar Street Building No. 238B
Phone 00962 6 5679138

Jubeiha Branch
Yajuz Street
Phone 00962 6 5354843

Sweileh Branch
Main Street - Building No.6B
Phone 00962 6 5343143

Al-Salt Branch
Al Salt - Municipality Street
Phone 00962 5 3555771

Al-Salt Gate Branch
Salt Town entrance - next to the Palace of Justice
Phone 00962 5 3553443

Al-Balqa Applied University Branch
Al Salt - Inside Al Balqa University Building
Phone 00962 5 3532691

Deir Alla Branch
Deir Allah - Main Street
Phone 00962 5 3573057

Abu Nsair Branch
Abu Nsair - Al Karama Street
Phone 00962 6 5105139

Fuhais Branch
Al Fuhais - Al Hijaz Street - Beside Baccalaureate School
Phone 00962 6 4603128

Dahiyet Al-Yasmeen Branch
Bader Place - Dahiyet Al Yasmin - Jabal Arafat
Street Building No. 9
Phone 00962 6 4206842

City Center Branch
Down Town - Reda Street
Phone 00962 6 4625126

Hurrieh Street Branch
Al Hurriyeh Street - Um Al Qaser neighborhood
Phone 00962 6 4206174

Middle East Circle Branch
Al Wehdat
Phone 00962 6 4777279

Sahab Branch
Sahab - Prince Hasan Street
Phone 00962 6 4021769

Khreibet Al-Souq Branch
Madaba Street - Near Taibeh Bridge
Phone 00962 6 4126522
Madaba Branch
Madaba - King Hussien Street - Near
TheMunicipality Building
Phone 00962 6 53244640

Al-Hashmi Al-Shamali Branch
Northern Hashmi - Prince Rashed Street
Phone 00962 6 4901343

Marka Branch
Marka - Main Street - Opposite the Military
Hospital
Phone 0096264894827

Zarqa Branch
Al Zarqa - Al Sa'adeh Street
Phone 00962 5 3961603

New Zarqa Branch
New Zarqa - Al Kurdi Plaza
Phone 00962 5 3858951

Al-Rusaifeh Branch
Rusaifeh - King Hussein Street
Phone 0096253746191

Palestine Branches
 Regional Management of Palestine Branches
 Al Zahra Avenue – Ramallah
 Director's phone: 00972/2/2959340
 Director's assistant phone: 00972/2/2959347
 Department phone: 00972/2/2959343
 Fax: 00972/2/2959341
 P.O. Box 550 Ramallah, Palestine
 Email:
 regional@ahlibank.com.psinfo@ahlibank.com.ps

Nablus Branch
 Commercial Center B, Building No. 8
 Director's phone 00972/9/2374501
 Phone: 00972/9/2382280
 Fax: 00972/9/2382283
 P.O. Box 40
 Email: nablus@ahlibank.com.ps

Shallaleh Street Branch
 No. 10, Shalala Street Hebron
 Director's phone 00972/2/222
 Phone: 00970/2/2224801
 Fax: 00970/2/2224805
 P.O. Box 623
 Email Shallaleh@ahlibank.com.ps

Salam Street Branch
 Salam Street – Hebron
 Director's phone 00972/2/2212770
 Phone: 00972/2/2226713
 Fax: 00972/2/2226712
 P.O. Box 718
 Email: salam@ahlibank.com.ps

Ramallah Branch
 Zahra Street
 Director's phone 00972/2/2986310
 Phone: 00972/2/2986313/4
 Fax: 00972/2/2986311
 P.O. Box 550
 Email: ramallah@ahlibank.com.ps

Business Center Ramallah
 Ramallah - Rakab Street - Donia Commercial
 Center, Second Floor
 Director's phone: 00972/2/2989008
 Fax: 00972/2/2989006/7
 00972/2/2977805

Bethlehem Branch
 Mahd Street
 Director's phone: 00972/2/2770353
 Phone: 00972/2/2770351/2
 Fax: 00972/2/2770354
 P.O. Box 807
 Email: bethlehem@ahlibank.com.ps

Jordan Ahli Bank – Cyprus

Jordan Ahli Bank – Cyprus
 Pecora Tower
 2nd Floor Anextartisias Str1
 P.O. Box 53587 3303 Lemosos-Cyprus
 Phone: 00357/25/356669
 Fax : 00357/25/356673
 Email : jnb@cytanet.com.cy
 info@ahlibank.com.cy
 humanresources@ahlibank.com.cy
 treasury@ahlibank.com.cy

Front office
 Phone: 00357/25/871123
 Reuters Code: JNBC
 Swift Code: JONB CY 21

Jordan Ahli Bank ATM locations

1	Department of Civil Status and Passports	Tabarbur / next to the Arab Open University
2	Safeway Marj Al Hamam	Marj Al-hamam / Princess Taghreed Street /Al-Jundi Circle
3	University Street	Opposite to University of Jordan Mosque / Al-Khalifah Complex
4	Al-Salt Licensing Center	Licensing of vehicles and drivers/ Al-Salt/ Al-Saru Street opposite to Al-Ahliyya Amman University
5	Safeway Shmeisani	Shmeisani / Safeway Building
6	Al Salam Market	Al Jandaweel / Inside Al Salam Market Building
7	Licensing Center Marka	Marka / licensing center building
8	Safeway Airport Road	Airport Road
9	Jordan University	Jordan University Street / Inside Jordan University
10	Corner Supermarket	Jabal Amman / 4th Circle / Behind Belgium Embassy
11	LandMark Hotel Amman	Amman / Jabal Amman
12	Al Ahlia Company	Shmeisani- opposite Wahbi Tamari Kindergarten
13	ShafaBadran Licensing Center	Shafa Badran
14	Children's Museum	King Abdulla Street- Al-Hussein Public Parks / The Children's Museum Building
15	Carrefour madaba - Farah Complex	Al-Yarmouk Street / Opposite to Al-Shakhatreh station
16	Safeway Zarqa	New Zarqa / Inside Safeway Building
17	Safeway Aqaba	Aqaba / Inside Safeway building
18	Marriott Hotel Amman	Al Shmisani / Inside Marriott Hotel
19	Maim Mall	Jabal Al Hussien - Firas Circle - Inside Maxim Mall
20	Souq Al Aqaba	Al Aqaba / City Center
21	Al Barakeh Mall	Sweifeyeh / Inside AlBaraka Mall
22	ATM Shop	Jabal Amman - 1st circle - Rainbow Street
23	Safeway Whole Center	Muqabalein / Inside safeway building
24	Plaza Mall	Al Hashmi Northern - inside Plaza mall building
25	Israa University	Airport Road / Inside the university
26	Ministry of Industry & Trade	Amman - Jabal al Hussein
27	Marriott Dead Sea	Dead Sea / Marriott Hotel
28	Cozmo Seventh Circle	Seventh Circle - Inside Cozmo Building
29	Al Hussein Cancer Center	Queen Rania Street / inside Al Hussein Cancer Center
30	Amman Mall	Tlaa al Ali / Al Waha Circle / Amman Mall
31	Snax Supermarket - Amman Al-Ahliyyeh University	Amman Al-Ahliyyeh University/ Al- Salt / Al-saru Street
32	King Hussein Business Park (ATM shop)	Al Jandaweel / Al Shaeb Street
33	Central Traffic Department - Al Mahatta	Al- Mahatta / Al-Jaysh Street
34	Sheraton Hotel	Fifth Circle - Inside Sheraton Hotel
35	InterContinental Hotel Aqaba	Aqaba / InterContinental Hotel

36	Keswani Station	Al Madina Al Munawara Street / Next to Sameh Mall
37	Mukhtar Mall	Queen Rania Street / Inside al mukhtar mall building
38	Data Cleansing Department	7th circle Beside DHL
39	Plaza Super Stores	Shmeisani / Queen Noor Street / Plaza Super Store
40	Safeway Irbid	Irbid / Inside Safeway building
41	Irbid City Center	Irbid / Prince Hasan Street / Inside the Mall
42	Safeway Khalda	Khalda / Isa Al Subaie / Opposite to Sadeen Hotel
43	Safeway ShafaBadran	Shafa Badran / Opposite to Applied Science University
44	Umniah Head Office	Shmeisani / Queen Nour Street / Next to Civil Defense building
45	Orthodox Club	Amman / Abdoun / Cairo Street
46	Al Hussein Medical City	Amman / King Abdulla Bin Al-Hussein Street
47	Total Gas Station Akroush	Safout / Jarash Highway
48	Safeway Seventh Circle	Seventh Circle / Airport Road / Safeway Building
49	Dead Sea Spa	Dead Sea / Dead Sea Spa Hotel
50	Galleria Mall	Sweifieh / Galleria Mall
51	Khalid Markets	Al Zarqa / Army Street
52	Days Inn Hotel	Al Rabieh / Omar Bin Abdul Aziz Street
53	Jordan Ahli Bank - Zakarneh Building	Amman / Ras Al Ain
54	Wasfi Al Tal Market / Irbid	Irbid / Next to The Palace of Justice
55	Wasfi Al Tal Market / Irbid	WasfiAltall Martyr Building - Next to the Palace of Justice
56	Manaseer Station Saru Street	Al Saru Street / Opposite to Amman / Ahliyeh University
57	Manaseer Station / Queen Alia Street	Queen Alia Street / Opposite to The Royal Cultural Center
58	Izmir Mall	Northern Hashmi / Prince Rashed Street
59	Ahwar mall / Carrefour	Tabarbour / Tarek Traffic Lights
60	Maan – Trading Complex	Maan / Moawiya Bin Abi Sofyan Street
61	Amman Civil Airport	Marka / Amman Civil Airport