



SHARED PROSPERITY

Sustainability Report 2019



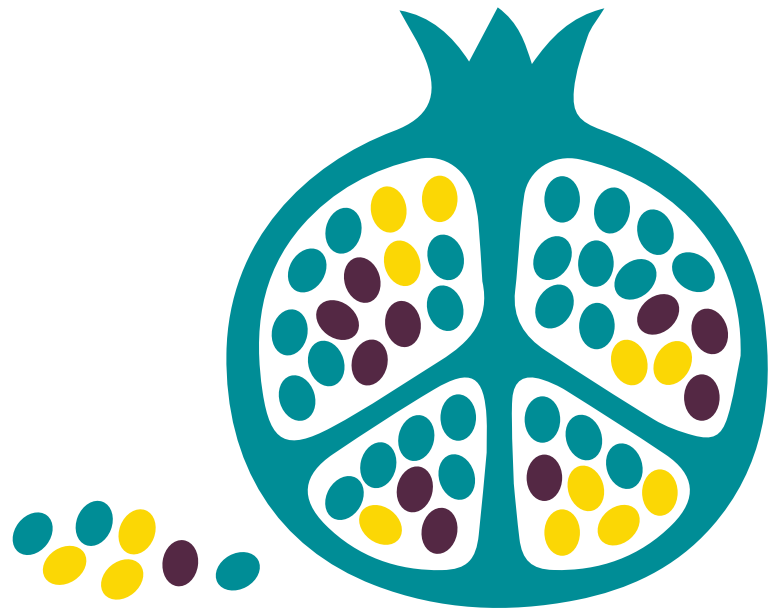


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ABOUT THIS REPORT

This is Jordan Ahli Bank's (ahli bank) third sustainability report covering the calendar year of 2019 and highlights the Bank's activities and sustainability performance. The goal of our annual reporting is to present the environmental, social and governance (ESG) performance of the bank. We hope this report contributes to the adoption of sustainability management and shows our commitment to transparency and international best reporting practices.

This report has been prepared in accordance with the GRI Standards: Core option. It focuses on material sustainability issues to ahli bank and its stakeholders.

We welcome your feedback on this report and our performance through the following channels:

- @ CorporateResponsibility@ahli.com
- 🐦 [@Jordanahlibank](https://twitter.com/Jordanahlibank)
- f www.facebook.com/Jordanahlibank
- in [LinkedIn.com/company/Jordan-ahli-bank](https://www.linkedin.com/company/Jordan-ahli-bank)

Concept of Report Design

In line with our vision, "shared prosperity" is at the heart of our third sustainability report and is symbolized by the pomegranate fruit. The pomegranate, with its many small seeds, represents a life of abundance and prosperity that ahli bank is committed to building. Through our sustainability approach we invest in our local communities to make a positive change and work to strengthen society by promoting innovation, empowering youth and education and safeguarding culture. We promote shared prosperity with increased financial inclusion to create a better future for our customers and communities.

Cautionary Message

This report contains statements that may be deemed as "**forward-looking statements**" that express the way in which ahli bank intends to conduct its activities. Forward statements can be identified by the use of forward-looking terminology such as "**plans**", "**aims**", "**assumes**", "**continues**", "**believes**", or any variations of such words that certain actions, events or results "**may**", "**could**", "**should**", "**might**", "**will**", or "**would**" be taken or be achieved.

ahli bank has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond ahli bank's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will occur.

MESSAGE FROM OUR CHAIRMAN



On behalf of the Board of Directors, it is my great pleasure to present ahli bank's third annual sustainability report that covers our 2019's environmental, social and governance (ESG) performance. Throughout more than sixty years of ahli bank's history, this national organization has been at the forefront of introducing innovation driven financial services to customers and supporting the socioeconomic development of Jordan. In recent years, we have institutionalized our heritage by officially deploying a new business model for the Bank which we have called 'Shared Prosperity': a unique stakeholder focused model that we believe points to the future of sustainability and conscious capitalism. We are currently implementing and evolving this new business model, but our ultimate objective is clear: to deliver long term value to all stakeholders in a responsible, balanced and sustainable way that produces prosperity for all, and sets the stage for a new type of conscious capitalism that we believe has become a moral imperative for humanity in the 21st century.

ahli bank's mission consists of three strategic objectives: Customer Centricity, Operational Excellence, and Innovation. We are also committed to promoting our corporate values of diversity, transparency, integrity, and accountability in the bank's operations and business practices. Everything that we do is aligned with our values, and seeks to achieve dramatic improvements in customer service, operational excellence, and innovation to chart the way to the future.

Our devotion to 'Exceptional' Customer Service continues to guide us towards developing cutting-edge services and products. Our flagship branch in Abdali serves as one of 2019's highlights in this domain; which has introduced a paradigm shift in the world of banking where customers not only can transact with us in a delightful new way, but are also able to use the bank as a platform for Shared Prosperity through knowledge transfer, training, idea exchange, networking, advisory services, and much more. This innovative approach is the first of its kind not only in Jordan, but also across the MENA region. In addition, we were the first bank to introduce automated customer service through WhatsApp for Business, a new channel that offers 24/7 service in a secure and private way from a customer's mobile phone. It is another example of our commitment to providing exceptional customer service. This and many other initiatives have improved our customer experience (CX) index score to 79%. Our target is to continue to increase our CX score as we seek to establish ourselves as the most customer friendly bank in the region.

We cannot fully serve our customer base without our dedicated team. As such, developing and supporting our local workforce is pivotal for achieving our sustainability ambitions. As such, we have offered 365 career development programs for our full time employees, as well as received over 11,000 applications through our ahli777 program; (an internship and part time work program that is dedicated to train university students and graduates on leadership skills and to prepare them for the job market).

Furthermore, as part of promoting diversity and inclusion, we are proud to report that we continue to maintain a 40% female labor participation rate in ahli bank. In addition, we became the first organization in MENA to complete a full review with Freedom House (a US based human rights NGO) to audit and improve the working environment for women, and ensure gender equity in all of our policies, procedures and practices.

On the critical issue of the environment, ahli bank continues to reduce its ecological footprint by adopting more sustainable and environmentally friendly solutions. In 2019, we reduced our electricity consumption and paper usage by 15% and 4.4%, respectively. It is also worth noting that 75% of ahli bank's energy consumption is green and is produced with our own solar energy farm.

As we look towards the future, we will ensure that ahli bank will continue to operate responsibly and to further enhance our sustainability and performance. The upcoming year will indeed be a difficult one, as the world wrestles with the impacts of coronavirus and its health and socioeconomic consequences. Most if not all organizations will be affected as economies slow down and consumer spending and labor productivity decreases. At this stage it is impossible to predict the short- and medium-term economic impact of this crisis. However, we are confident that our committed team, governance frameworks, and regulatory bodies will help us weather the storm with success, especially as we invest in enhanced risk management practices and policies, and credit support programs and policies for customers.

I would like to thank the ahli bank family, most notably the board of directors, our customers, our employees, our shareholders and many supporters for their loyalty, dedicated efforts and contributions to the success we registered in 2019. We remain committed and hopeful, especially as we implement our Shared Prosperity strategy to advance holistic stakeholder capitalism, and as we continue to invest in innovation and sustainability.

Sincerely yours,

Mr. Saad Nabil Mouasher
Chairman of the Board of Directors

ABOUT ahli bank

For more than 64 years, ahli bank has contributed significantly to the growth and development of the financial sector in Jordan, developing strategies based on our ambitious vision of leading Jordan's banking industry towards sustainable socio-economic development. We focus on providing a wide range of banking services and products that deliver added value and efficiency to achieve the highest level of customer satisfaction, and meet the changing needs of our retail, SME and corporate clients.

ahli bank strives to provide high-quality products and services to customers. We have a variety of services that focus on supporting local communities to help customers manage their money safely and offer consultancy and advisory when needed. Our services include loans, debit and credit cards, inbound and outbound transfers, currency exchange and more comprehensive services to serve customers from all segments. We also provide a variety of non-banking solutions, services, and products.

We recently upgraded our T24 core banking system from R13 to R18 and upgraded its infrastructure to accommodate any future upgrade releases to improve automation and support employees and customer value proposition.

Within our framework, ahli bank strives to embody the values of **"Excellence"** and **"Specialization"**, which apply to all of our products and services, and of **"Creativity"** and **"Innovation,"** which drive the company's strategy of adapting and growing to meet and shape the changing needs of our clients.



OUR CHARTER

Our Values

- Shared prosperity
- Transparency and credibility
- Superior customer experience
- Upholding world-class corporate governance standards
- Embracing on results focused, innovation driven culture
- Superior employee experience

Our Vision

We are committed to building a prosperous society and economy with increased financial inclusion. We seek to serve our customers through innovation and excellence, to promote belonging and loyalty among our employees, and to achieve balanced growth and sustainable returns for our shareholders.

Our Mission

To be a financial institution dedicated to providing excellent services through customer centricity, operational excellence and innovation.

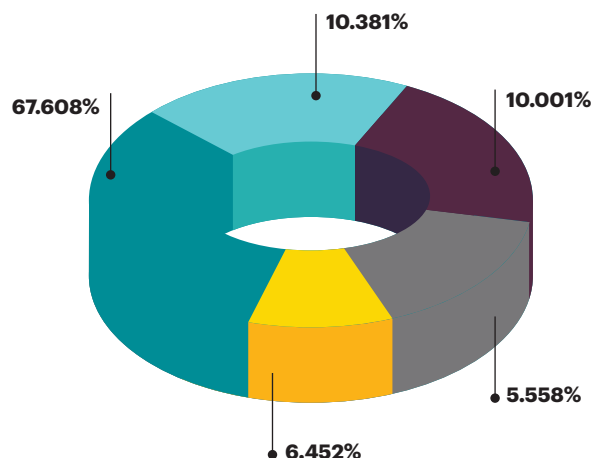
Our Strategic Themes

Our strategic objectives are aligned with our mission, vision and values, and are guided by three strategic themes:



OUR OWNERSHIP

ahli bank is a Public Limited Company (PLC). We have included - in the side chart - the major shareholders, using "Other Shareholders" for the remaining majority:



Major Shareholders

- Byblos Bank
- Social Security Corporation
- Jordan Investor Center
- Jordan Worsted Mill Co.
- Other Shareholders

	2017	2018	2019
Dividends to shareholders	5% as cash dividends, equivalent to JOD 9.19 million, and 5% as bonus shares.	6% as a cash dividends, equivalent to JOD 11.6 million, and 4% bonus shares, equivalent to JOD 7.7 million.	The Central Bank of Jordan issued circular No. 1/1/4693 dated 9 April 2020, in which the central bank of Jordan decided to postpone the Jordanian banks' distribution of dividends to shareholders for the year 2019.

OUR MARKET PRESENCE

Headquartered in Amman, ahli bank is proud to also be present in Palestine and Cyprus. The bank currently operates 52 branches in Jordan, 9 branches in Palestine, and 1 branch in Cyprus. Additionally, we have installed over 122 ATMs in Jordan and Palestine.



OUR SUBSIDIARIES

The following companies are fully owned by ahli bank:



ahli | الأهلي
BROKERAGE وساطة

Offers financial brokerage services. Repeatedly ranked among top brokerage firms, the company trades all types of financial market securities in the Amman Stock Exchange.

www.ahlibrokerage.com



Ahli Microfinance Company
الشركة الأهلية للتمويل الأصغر

The first microfinance company in the private sector in Jordan, offers credit facilities to micro and small businesses, supporting the economic and social development of the Kingdom of Jordan. The company's mission is to provide responsible and innovative financial and non-financial services to individuals to help them grow their own projects and achieve a better quality of life.

www.amc.com.jo



AHLI FINTECH
www.ahlifintech.com

The company develops FinTech talent through various activities and initiatives, including fintech events, conferences, workshops, and training sessions. The company offers fintech innovators the opportunity to accelerate their business models, offering up to USD 200k in startup capital, access to the banks global networks of advisors and mentors, free workspace, and access to over 200 application programming interfaces (APIs) on the Bank's virtual testing environment, providing the ability to create customer-facing applications through the open-banking API AHLI SANDBOX environment (ahlisandbox.com). Once innovators pass compliance reviews and verifications, they begin running their own applications live with the bank's customers, becoming part of the ahli family.

www.ahlifintech.com



الأهلي للتأجير التمويلي
Ahli Financial Leasing

Provides a comprehensive range of banking products and non-traditional alternative financing solutions in order to cater to the various needs of its clients.

<https://ahli.com/article/financial-leasing/>

SUSTAINABILITY MANAGEMENT

At the start of our journey of integrating sustainability across our operations, Ahli Bank's senior leadership and board members highlighted the importance of demonstrating our commitment to sustainability and disclosing details of the Bank's environmental, social and governance (ESG) performance. In line with the recommendations of our leadership, we began fully integrating sustainability into our business strategy in 2017.

In 2019, we changed the name of the Corporate Social Responsibility (CSR) department to "CSR & Sustainability Programs" to ensure the intentional integration of sustainability into our business strategy and underpin the Bank's long-term sustainability strategy. We believe in the ability of the banking sector to address the economic, social and environmental challenges that the world is currently facing. We are committed to fostering diversity and inclusion to help create a better future for our customers and communities.

We believe that sustainability is essential to our business strategy and long-term objectives. We are committed to integrating sustainability in our business operations, conducting responsible banking activities, and creating greater value for our stakeholders. Through our sustainability approach, we demonstrate our commitment to the environment and socioeconomic development of Jordan. The Bank is committed to supporting local suppliers and businesses to help create more jobs and investing in our local communities to make a positive change in people's lives. Moreover, our approach focuses on strengthening our society by promoting innovation, empowering youth and education and safeguarding culture and the environment.

Stakeholder Engagement

We believe that our success as a financial institution is achieved by continuously pursuing maximum value for our stakeholders.

By engaging with all of our stakeholders, we can continue to ensure that our operations and sustainability approach is holistic and inclusive. We consistently review and update our stakeholder engagement strategy, which is based on a value system that aims to build trust, and subsequently fortify our relationships with all our stakeholders. After we identify our stakeholders' needs, we work to ensure that we serve them to exceed their expectations.

Stakeholder Group	How ahli bank Engages with Stakeholders	
 Our Customers	<ul style="list-style-type: none"> Branches ahli online ahli mobile Website Social media (including WhatsApp For Business) 	<ul style="list-style-type: none"> ATMs Relationship managers ahlibot Events and activities Contact Center
 Our Shareholders	<ul style="list-style-type: none"> General assembly meetings Investor relations function Investor conferences Annual reports 	
 Our Environment	<ul style="list-style-type: none"> Facilities for environmentally friendly projects Supporting projects that promote environmental stewardship Solar energy farm 	
 Our Regulators and Official Agencies	<ul style="list-style-type: none"> Reports to organizational and regulatory bodies Compliance with laws and regulations Regulatory reviews Best practice corporate governance standards 	
 Our Employees	<ul style="list-style-type: none"> Learning and capacity development programs Clear KPIs and periodic performance reviews Human Resources services Employee Experience programs and initiatives Code of Conduct 	<ul style="list-style-type: none"> Internal meetings Town hall meetings Internal committees Volunteering programs Moments that matter Organizational Culture project
 Our Local Community	<ul style="list-style-type: none"> Annual reports Sustainability reports Corporate Social Responsibility activities Training, advisory programs and workshops 	
 Our Suppliers	<ul style="list-style-type: none"> Procurement policy Invitations to biddings 	

ahli bank Memberships:

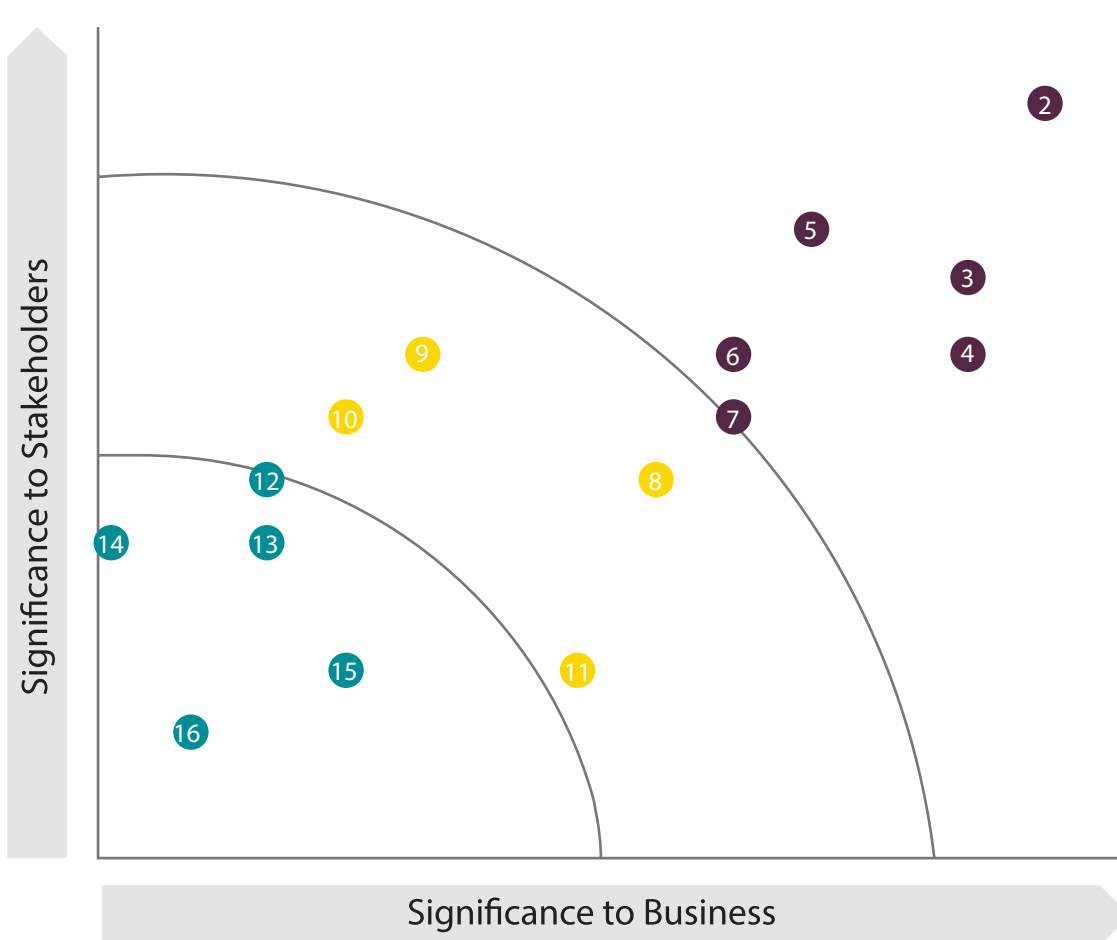
- Union of Arab Banks
- Association of Banks
- Jordan Strategy Forum (JSF)
- National Committee for Financial Inclusion
- Jordan Securities Commission
- Securities Depository Center
- Amman Stock Exchange
- Financial Services Companies Association
- Endeavor Jordan

Materiality Assessment

As part of our sustainability strategy, we have focused on public disclosure and reporting for 16 material issues that are considered most important to achieve sustainability across the Bank's operations. External and internal stakeholders identified these as the issues that matter most in our most recent materiality assessment in 2018.

Materiality Matrix ahli bank 2019

● Somewhat Material ● Material ● Very Material



Rank Issue

- 1 Financial and economic performance
- 2 Systematic risk management
- 3 Market presence
- 4 Governance, transparency, and compliance
- 5 Customer privacy and data security
- 6 Customer Satisfaction
- 7 Talent attraction, development, and retention
- 8 Financial inclusion
- 9 SME growth

Rank Issue

- 10 Digital innovation
- 11 Responsible lending and investment
- 12 Diversity and equal opportunity
- 13 Sustainable procurement practices
- 14 Community investment and socioeconomic opportunity
- 15 Financial literacy and education
- 16 Direct environmental impact of operations

Shared Prosperity

These material issues have been identified through the consultation of national, international and sector visions, including the GRI, SASB, SDGs and Jordan National Vision 2025.

Material Topics	GRI	SASB	PRI	Equator Principles	SDGs	Jordan National Vision 2025
Financial and economic performance	•	•			•	•
Systematic risk management	•	•		•		•
Market presence	•					•
Governance, transparency and compliance	•	•	•	•	•	•
Customer privacy and data security	•	•				
Customer satisfaction						•
Talent attraction, development and retention	•				•	•
Financial inclusion		•			•	•
SME growth					•	•
Digital innovation					•	•
Responsible lending and investment	•	•	•			
Diversity and equal opportunity	•	•			•	•
Sustainable procurement practices	•				•	•
Community investment and socioeconomic opportunity	•				•	•
Financial literacy and education	•	•			•	•
Direct environmental impact of operations	•			•	•	•

***GRI:** Global Reporting Initiative

SASB: Sustainability Accounting Standards Board

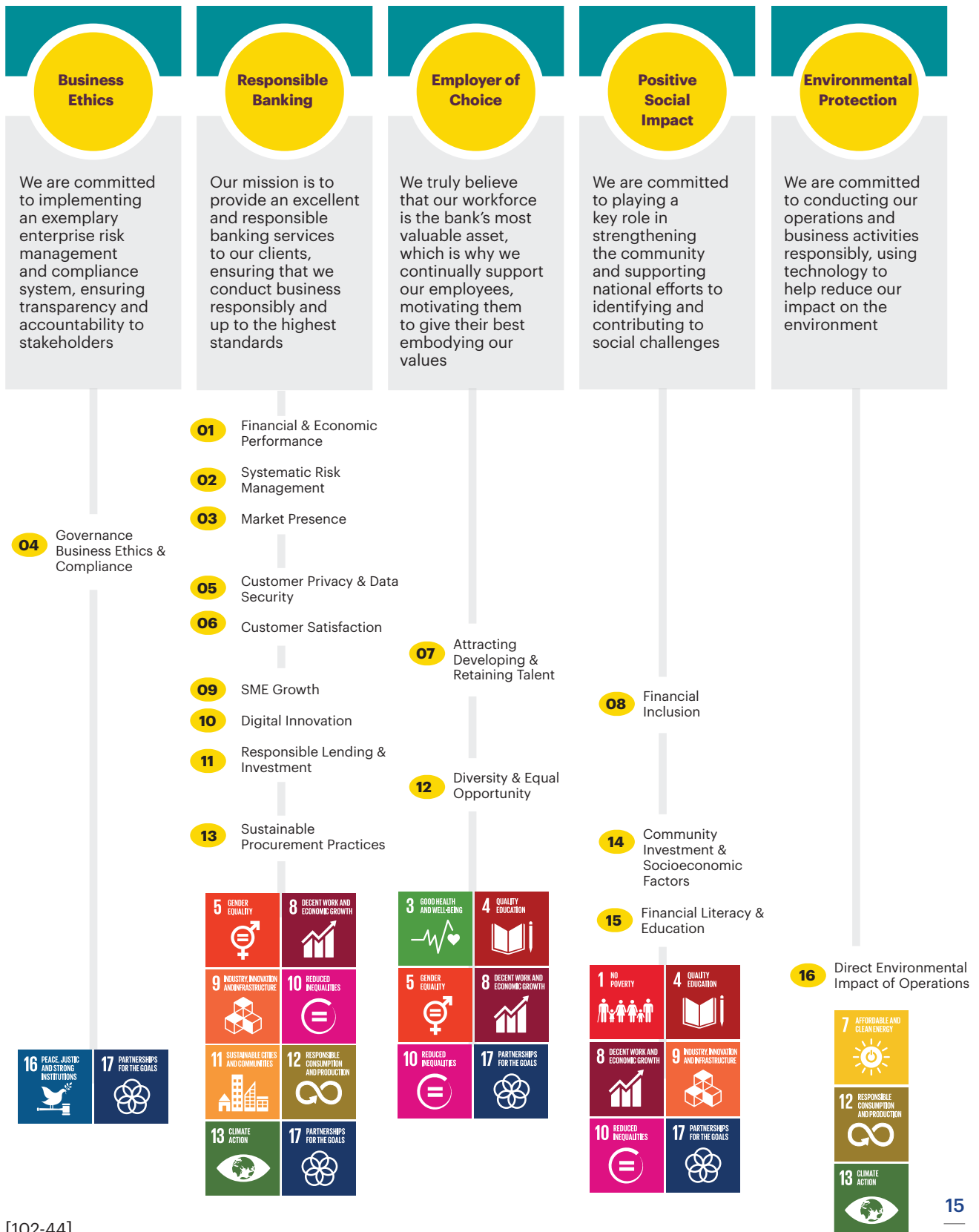
PRI: Principles for Responsible Investment

SDGs: Sustainable Development Goals

OUR SUSTAINABILITY FRAMEWORK

We have arranged these material issues into five pillars to create ahli bank's sustainability framework:

Business Ethics, Responsible Banking, Employer of Choice, Positive Social Impact and Environmental Protection.



01

BUSINESS ETHICS

Material Issues Covered

Governance, transparency, and compliance

Sustainable Development Goals





CORPORATE GOVERNANCE

Corporate governance is the system of rules, policies and procedures which govern, direct and control the Bank. Our Board of Directors and auditors are responsible for ensuring that appropriate governance structures are in place and maintain the balance between the Bank's interests and of its all stakeholders. We believe a well-developed corporate governance structure helps us achieve our strategic objectives by promoting responsible business practices that ensure high standards of transparency and disclosures. This ensures sustainable and trustworthy operations and ensures honest and open relationships with our various stakeholders. Therefore, over the past few years, we have adopted numerous new best practices to elevate governance standards and comply with regulatory guidelines issued by the Central Bank of Jordan and other international regulators. We are also committed to implementing requirements in accordance with the legislative framework governing the banking sector.

In 2019, ahli bank employed Deloitte to conduct a third party assurance review of the board's oversight functions including audit, compliance, and risk management. The review took place over a full year and concluded with detailed recommendations on further enhancing our oversight capabilities to global best practices. We aim to implement nearly all recommendations by end of 2020.

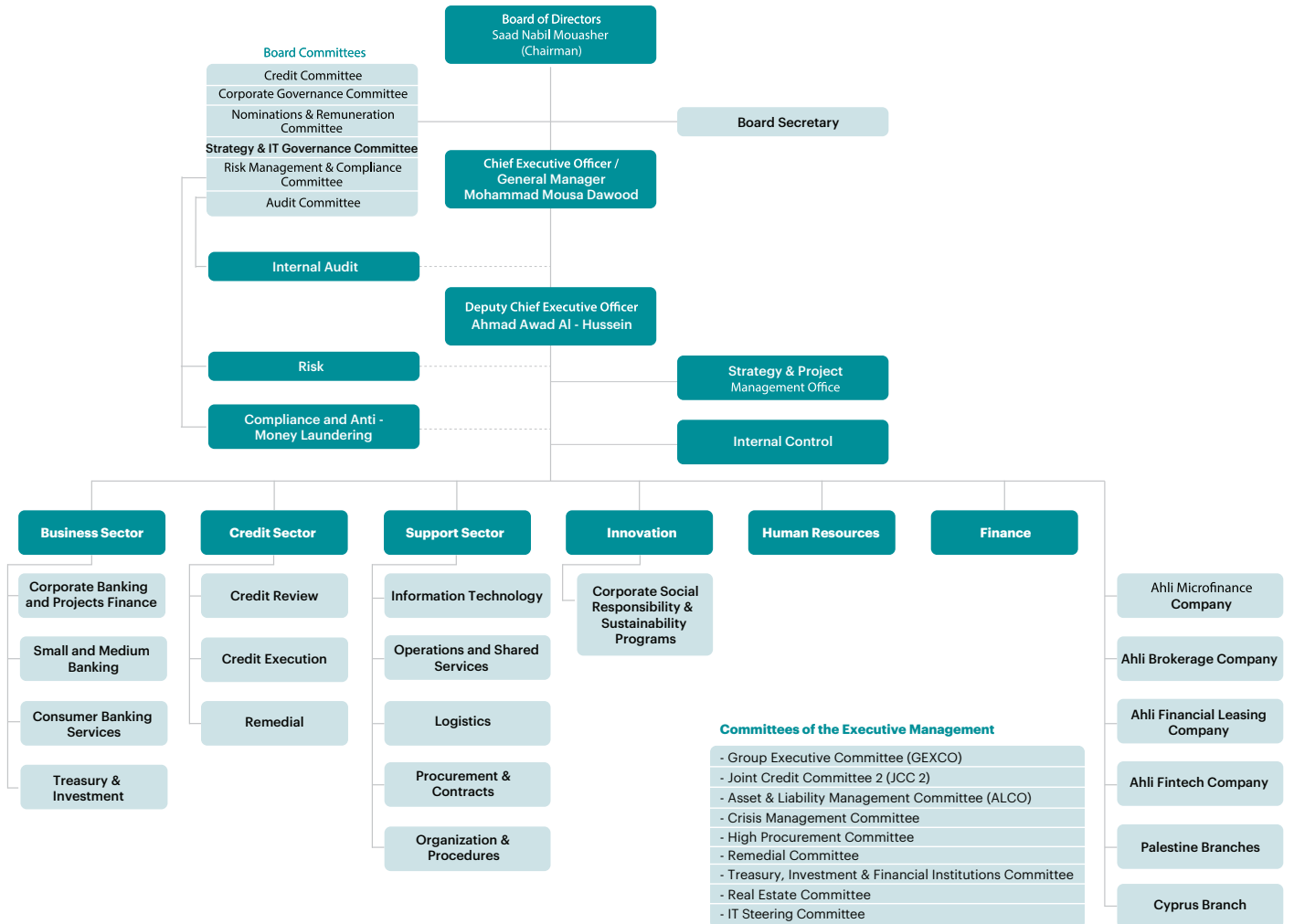
Code Of Conduct

As the basis for controlling our day-to-day activities and guaranteeing our employees conduct business practices responsibly, the ahli bank's Code of Conduct document is developed to reflect our work ethics, values, and controls. Its purpose is to align the Bank's activities with the expectations of our stakeholders. Topics covered in the Code include privacy of information, improper practices that may lead to a conflict of interest, and a set of procedures that regulates interactions with stakeholders.

Conflict Of Interest

Moreover, we have a Conflict of Interest policy that protects the integrity of the Bank. This policy considers the Bank's interests when contemplating a situation of a transaction or arrangement that might benefit the private interest of one of its officers or directors, or might result in a possible excess benefit transaction that exploit a professional or official capacity in some way for their personal benefit. It also entails disclosures of any identified incident that may lead to a conflict of interest.

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS

The responsibilities of our Board of Directors include identifying the strategic objectives of Ahli Bank, establishing clear plans to ensure accountable and responsible organizational behavior, overseeing overall performance, and monitoring control frameworks implemented in the Bank. By law, the Board of Directors must include a minimum of 11 members elected by the General Assembly and all members are non-executive members. Currently, there are 13 members of the board, 4 of which are independent.

Our Board members form 6 committees. These are the Corporate Governance Committee, the Audit Committee, the Nominations and Remuneration Committee, the Risk and Compliance Committee, the Credit Committee, and the Strategy and IT Governance Committee.

Board of Directors	2017	2018	2019
Percentage of independent directors in the Board	31%	31%	31%
Total members of the Board	13	13	13
Female	2	2	1
Male	11	11	12

INTERNAL AUDIT

We are committed to ensuring the compliance of the Bank and its internal policies with all laws, regulations, and global best practices issued by both domestic and international regulators. Our Internal Audit department complies with the latest international standards issued by the Institute of Internal Auditors (IIA), the Attribute Standards (1000) and Performance Standards (2000). We conduct structured and periodic internal audits to assess and monitor the implementation of any environmental or social policies.

We also have a Whistle-Blowing policy, where reporting is made through multiple communication channels. Such reports are received and dealt with by the Chairman, CEO and/or Audit Manager and with complete confidentiality and protection of the reporter's identity, be it from external or internal reporters.

In 2019, an external quality assurance was conducted to evaluate our internal audit department and ensure that it operates in compliance with the regulations of the Central Bank of Jordan and international standards. As a result, we acquired - and plan to deploy - the Audit Command Language (ACL) System. Its primary usefulness lies in its ability to perform analysis and audit tests on 100% of available data rather than merely through sampling. In addition, we have initiated and are utilizing 'TeamMate': a comprehensive audit management system to manage all aspects of the audit process. This empowers departments and allows auditors to spend less time documenting and more time providing value. We also implemented a cyber security policy and procedures to address cyber security challenges.

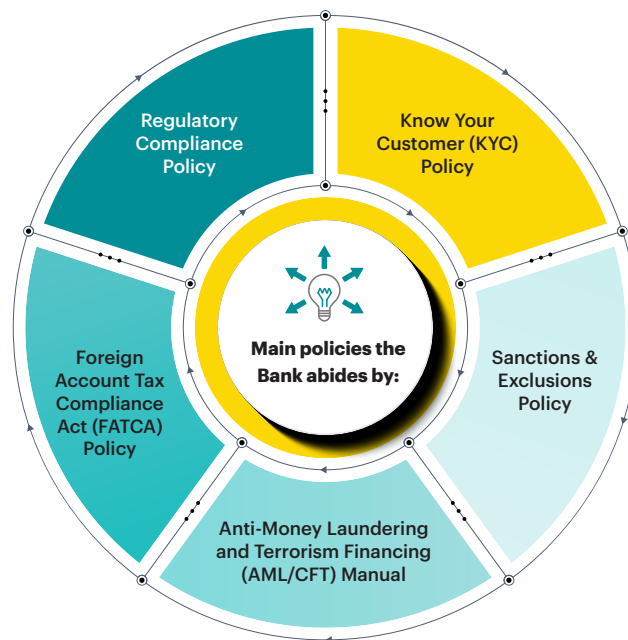
AHLI BUSINESS INTELLIGENCE (BI) DASHBOARDS

The current market is customer-centric and highly digitized, and so it is of utmost importance for business management to base decisions on objective and scientific methods. To achieve the highest levels of precision when taking strategic decisions, the ahli BI project aims to translate ahli bank's data into meaningful, actionable, real-time business intelligence data. The ahli BI platform includes key intelligence data and interactive dashboards covering functional areas such as risk, credit, finance, retail banking, SME and corporate banking.

COMPLIANCE AND ANTI - MONEY LAUNDERING

Financial crimes are a significant issue for banks and financial institutions around the globe. Ahli Bank devotes significant efforts to protect its business, customers, and employees from the consequences of potential financial crime.

The Compliance and Anti-Money Laundering (AML) department adopts all available measures to ensure the Bank complies with all laws and regulations and aligns itself with global best practices issued by both domestic and international regulators. Therefore, we implement compliance policies and procedures such as - but not limited to - due diligence policies and procedures supported by documentation to prevent money laundering, terrorist financing and other financial crimes.



In addition to reviewing our major policies in 2019, we also accomplished the following:



Managed the execution of the proper classification of our clients as per the Risk Based Approach.



Deployed Regulatory Compliance Management (RCM) Systems in Cyprus and Palestine.



Adopted updates for our ATMs and website to better serve our clients with disabilities, and fully meet the related Central Bank of Jordan requirements.

Conducted several training sessions for employees, aimed at raising awareness regarding different topics related to compliance, such as regulatory compliance, Anti-Money Laundering and terrorist financing, sanctions, and requirements of the Foreign Account Tax Compliance Act (FATCA).

There were no incidents of Non-Compliance with Laws and Regulations or legal or exemplary cases over the past few years and we are always working towards maintaining this clear record.

02

RESPONSIBLE BANKING

Material Issues Covered

- Financial and economic performance
- Systematic risk management
- Customer privacy and data security
- Customer satisfaction
- SME growth
- Responsible lending and investment
- Sustainable procurement practices

2019 Performance Highlights

- 79% customer satisfaction rate
- 32,000 users reached on the ahli Chatbot Service (ahlibot)
- 4.5% increase in net profits compared to 2018
- No incidents of data breaches
- 53% decrease in the number of customer complaints filed
- 80% of procurement expenditure spent on local suppliers
- More than 1.1 million automated transactions made through online, mobile and eFAWATEERcom channels.
- Over 11,000 applications received through our ahli777 program's Second Wave.
- Completed the second round of the AHLI FINTECH Hackathon
- 1st Bank in Jordan to Launch "WhatsApp for Business" service.

At ahli bank, we are committed to conducting our operations in a responsible manner through our various activities and banking services. As a major bank that impacts many facets of society and economic life, we believe it is our responsibility to play a role in enabling economic, social, and environmental development and promoting sustainability practices among our clients and shareholders.

Sustainable Development Goals



SUSTAINABLE BUSINESS PRACTICES

Jordan's stability is challenged by regional socioeconomic hardship and chronic rates of underemployment and unemployment. These challenges have been exacerbated by regional conflicts and national dynamics, leading to a series of protests and strikes over the past two years. The most recent strike by teachers had a far-reaching impact on the public, which came with significant economic, social, and political burdens. Ahli Bank's role has never been more important in contributing to the economic growth of the kingdom. We support the youth, women, entrepreneurs, corporations and Jordanian society as a whole, by providing households, communities and businesses with the resources, services and products they need to invest, grow and participate in a well-functioning economy that aligns with Jordan's National Vision and Strategy 2025 in addition to improving stability and socio-economic outcomes.

By integrating sustainability factors into our business, we contribute to our institutional stability and the Bank's ability to withstand the shocks and risks of the most severe contemporary financial crises. We embrace innovation and stay current with technology trends, as well as taking practical steps to stay ahead in various areas of operations. Ahli Bank will continue to launch innovative initiatives to develop our digital banking efforts.

In 2019, we automated most of our clients' transactions, where more than 1.1 million automated transactions were made through online, mobile and eFAWATEER.com channels. We began implementation of hyper-converged infrastructure which consolidates the traditional layers of IT equipment into a virtual environment, reducing spaces and overall energy requirements. Security systems such as encryption, file integrity monitoring, data leakage prevention and two-factor-authentication were also implemented. We upgraded our T24 Core Banking from R13 to R18 and upgraded its infrastructure to accommodate any future upgrade releases to improve automation and support employees and customer value proposition.

We aim to implement Omni-channels to enhance the customer experience and have better relationships with our clients through the development and integration of various communication channels including branches, mobile banking, online banking and ATMs. We are planning to automate our back-office operations through deploying Robotics Process Automation (RPA) Technology, thus, streamlining our processes and eliminating the need and use of paper. We consider the environment to be an indispensable priority and an integral aspect of our strategies towards sustainable corporate responsibility. On that front, we intend to form strategic partnerships with key stakeholders to launch various initiatives aimed at protecting the environment, reducing energy consumption, and promoting eco-friendly products. We will continue to offer products and services to SMEs that consider environmental and social sustainability and enhance financial literacy. Additionally, we aim to provide training programs for SMEs within Ahli Bank's Academy. The programs will include specialized training courses and workshops on various topics with the purpose of supporting financial inclusion. By equipping several branches, customizing ATMs and our website, Ahli Bank is looking forward to offering more people with disabilities various products and services that attend to their specific needs.

BANKING SERVICES

Retail Banking

We offer a wide range of financial products and services to our customers, including private banking, safe deposit boxes, electronic payment gateways, personal access to support services through, online banking, mobile banking, one-time password (OTP) cards, eFAWATEERcom (electronic bill payment channel), access to our contact center, money transfers, personal loans, and personal bancassurance. In addition to more than 26 services from “Customer World Services”.

We ensure full compliance with Central Bank of Jordan regulations including providing clients with advisory services, to ensure that customers are provided with transparent information and fair advice on consumer financing products and services.

We offer additional products that offer forms of debt cancellation, deferral, or reschedule and restructure loans in return of regular payments.

Corporate Banking

Our corporate banking directly contributes to achieving our vision and strategic objectives, by achieving financial inclusion and positive impact in various economic sectors.

We provide a holistic bundle of financial facilities to corporations, governmental institutions, and the public sector. These include financial leasing, documentary bills, letters of credit, letters of guarantee, syndicated loans, commercial loans, commercial discounted bills and overdraft facilities, which contribute to a positive impact in terms of reducing unemployment and improving social development of governorates.

We regularly assess our corporate clients’ activities, taking into consideration their impacts on the environment and society. We take preventive procedures if any negative impacts are identified.



Small And Medium - Sized Enterprises (SMEs)

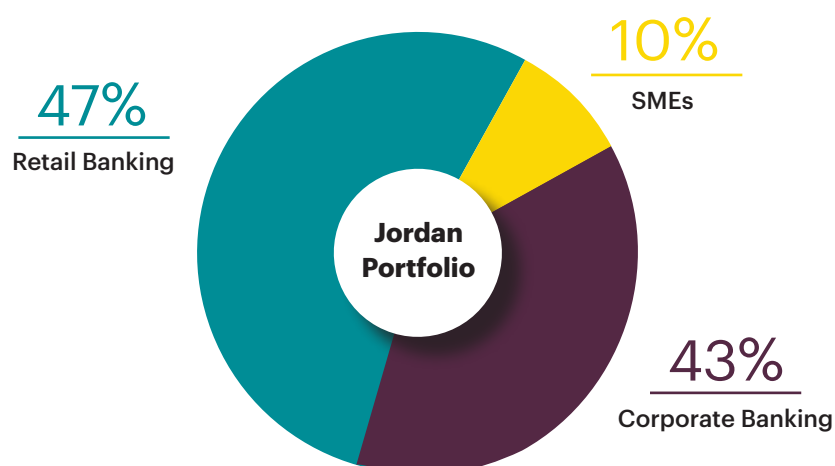
We believe that developing the SME sector in Jordan plays an integral role in growing the economy, contributing to financial inclusion and fostering a culture of entrepreneurship. In 2019, we announced a new campaign under the theme “SME Partner Bank”. The aim is to align ourselves as a real partner for clients, where we can cater for the requirements and needs of SMEs, entrepreneurs and startups, and women in business.

We provide tailored financial and non-financial holistic services that are developed to meet the needs of Micro, Small and Medium Enterprises (MSMEs). We ensure that our repayment periods and schedules are flexible, with interest rates that are suitable for the segment, enabling us to stimulate the growth of SMEs in the Kingdom, facilitate their access to finance and contribute to financial inclusion.

Our services, products and initiatives go beyond offering the basic account services like current, deposit, saving accounts, and credit cards. They also expand to cover multiple financing solution programs, package programs, bundles and trade finance solutions. We provide support services to our SME clients through various electronic banking services and offer advisory services through our experts in the SME business centers. We also provide training programs to our customers to enhance their technical and interpersonal skills through our SME Academy and in cooperation with ahli Microfinance Company, AHLI FINTECH, and the ahli flagship branch in Abdali.

In 2019, we continued providing support to our clients to help them meet their different requirements, such as by offering flexible terms and interest rates through subsidized loans under the targeted segments through the Central Bank of Jordan. We provide a loan guarantee program in partnership with the Jordan Loan Guarantee Corporation. We maintain our fruitful collaboration with our key strategic partnership with the European Bank for Reconstruction and Development (EBRD), who provided us with a financing line dedicated to eligible SME clients. We maintain our partnership with the Middle East Investment Initiative (MEII) who facilitated our reach through the Tamweeli website. In our efforts to facilitate access to finance, we have always been able to develop procedures that cover the ESG criteria whilst building our team capacity. In 2019, we provided the majority of our SME-based employees with 2,345 training hours in key subjects such as credit and financial analysis and risk management, in addition to other technical skills, so they can support our clients to the highest standards.

We also assess current and potential client commitments to social and environmental criteria. We encourage our clients to integrate ESG indicators, to apply best practices to their business and raise client awareness on the direct and indirect impacts ESG performance has on a company’s reputation, financial, and legal status. We monitor clients’ performance by conducting periodic visits.



FINANCIAL PERFORMANCE

Despite the economic conditions prevailing in Jordan, Ahli Bank was able to achieve growth across the majority of its financial indicators in 2019. Our net profit after tax increased by 4.5% compared to 2018.

There was a 104.6% increase of JOD 9.3 million in non-interest and commission income from JOD 8.9 million in 2018 to JOD 18.2 million in 2019. There was also a 7.6 % increase of JOD 8.3 million in total revenues from JOD 109.8 million in 2018 to JOD 118.1 million in 2019. Our capital expenditure (net fixed assets) in 2019 reached JOD 91.6 million compared to JOD 81.2 million at the end of 2018, an increase of 12.8%.

In 2019 we looked to reduce our costs, and we have improved our operational efficiency from 68% in 2018 to reach 63% in 2019.

Financial Performance (JOD)	2017	2018	2019
Revenues	118,369,952	109,790,122	118,077,369
Total capital	183,750,000	192,937,500	200,655,000
Total assets	2,728,951,577	2,783,487,914	2,762,823,525
Total shareholders' equity	306,186,261	301,312,334	307,809,867
Operating costs*	40,167,921	33,310,467	34,133,176
Employee benefits	40,184,806	41,234,749	40,257,255
Income tax	6,760,042	11,933,475	13,966,755
Capital adequacy ratio (%)	14.04%	14.73%	15.66%
Return on equity ratio (%)	4.38%	7.00%	7.30%
Loans	1,602,520,571	1,520,516,872	1,463,693,562
Net loans and advances	1,483,922,385	1,424,510,189	1,369,737,583
Net deposits	1,996,965,070	2,009,930,098	2,014,166,666
Ratio of loans to deposits (%)	80.25%	75.65%	72.67%
Net profit after taxes	13,318,885	21,277,280	22,236,385

* This figure excludes employees' benefits

RISK MANAGEMENT

ahli bank is committed to embedding an exemplary enterprise-wide integrated risk and compliance framework. We take an active approach to managing and identifying credit, market, operational, and information security risks, while ensuring we maintain transparency and accountability to our stakeholders. Our risk management system is in line with the latest national and international practices on managing, measuring, and monitoring all forms of potential risks.

Credit Risk

We ensure that credit risk exposure is within acceptable risk limits as set by the Board. Through our credit policy and business procedures we ensure separation between credit execution, decisions and granting. We monitor credit risk limits and evaluate credit risk per customer by using a risk rating system (Moody's). We estimate the expected loss for customers based on the International Financial Reporting Standards (IFRS9) model. Our strategy ensures appropriate measures are identified and implemented as needed, credit risks are controlled and assessed, and regular reports are prepared to assess credit portfolio quality.

Basel

We calculate the capital adequacy ratio according to Basel III requirements. In 2019 we automated capital adequacy ratio calculations using the T-insight reporting system with the aim of keeping abreast of developments in the banking sectors and building on high quality capital. To maintain the continuity of our business operations, we prepare stress test scenarios that analyze the sensitivity at the levels of both single variant and multiple variant scenarios. These stress test scenarios assess the bank's ability to manage risks that it may be exposed to, and the impact of these risks on the capital adequacy ratio and on profit and loss. Moreover, we prepare an assessment report based on the Internal Capital Adequacy Assessment Process (ICAAP) at both the stand alone and consolidated levels, as well as monitoring acceptable risk levels for the Bank.

Operational Risk

We instill an effective operational risk culture through engaging our employees in awareness workshops to deepen their knowledge of operational risks. We manage operational risk through establishing our policy and implementing it across the Bank, which includes the standards for defining and measuring risks in addition to the accepted risk appetite. ahli bank implements an operational risk management system, creating risk profiles for Bank entities which include all operational risks that may affect the entity and the related controls to mitigate them, and we are continuously evaluating these risk profiles. Additionally, we established a database for operational incidents, and the submitted reports are analyzed as appropriate.

Market Risk

We constantly assess and monitor the risks caused by price fluctuations in domestic and global markets, by creating a set of regulatory reports that examine interest rates, currency rates, and stock prices, as well as the impact of these risks on the bank's investment portfolio. We frequently review and create reports to sufficiently monitor and evaluate market risks. We also have a liquidity risk policy, interest rate risk policy and a contingency funding plan to determine acceptable risk levels for market and liquidity risks. Additionally, we monitor these levels to make sure they do not exceed the acceptable parameters.

Information Security Risk

ahli bank's Information Security objective is to set, implement and monitor processes and methodologies to secure information across operations, keeping the associated risks identified and managed to maintain business processes. Some of our adopted best practices include:



ISO 27001 (Information Security Management System). This is a framework of policies and procedures which include all legal, physical, and technical controls involved in an organization's information risk management processes.



NIST¹, CIS² and Central Bank Instructions. The implementation of these instructions protects networks, devices, and data from unauthorized access or criminal attempts to ensure confidentiality, integrity, and availability of information.



COBIT 2019 - the Control Objectives for Information and Related Technology. This is mandated by the Central Bank for IT governance and management.

In addition, ahli bank strives to ensure compliance with data protection and privacy regulations and laws, such as Central Bank Customer Data Protection instructions and GDPR (European General Data Protection Regulation).

The Information Security risk department is responsible for providing security awareness to all Bank employees and builds an effective risk culture through regularly encouraging the use of good security practices.

Business Continuity

Business continuity is a proactive strategy to avoid and mitigate risks associated with a disruption of operations, which might happen due to disasters, or malfunctions in branches and/or systems. It details steps to be taken before, during and after an event to maintain the financial viability of the Bank. We have developed business continuity plans and disaster recovery procedures for our banking operations in order to continue providing services to customers in the event of a disruption of operations. This is carried out through alternative branches and centers, and a set of measures, policies and procedures for potential emergencies enables employees to continue providing services with efficiency, appropriate to the situation.

Our updated continuity plans have succeeded in minimizing the impact on the Bank of the 2020 coronavirus pandemic. Through a concerted team effort to improve efficiency and maintain essential operations, we utilized the current strategies and policies in place and have been able to adapt to the crisis with minimal impact.

¹ NIST: The National Institute of Standards and Technology

² CIS: Center of Internet Security

CUSTOMER RELATIONSHIPS

Our first strategic theme is Customer Centricity. Our corporate identity is defined by our slogan, “Antom ahli”, which means “we are one family”. It reflects the sentiment that our customers as an integral part of the ahli family. Satisfying our clients’ needs and handling their complaints in an efficient manner - whereby all our capabilities are utilized to provide the best possible solutions - must meet their expectations.

The Bank has an independent Complaints Unit under the umbrella of the Compliance department, which is exclusively specialized in handling customer complaints, from the moment of receipt until full closure. The unit prepares a detailed monthly report detailing the nature of complaints received, classifies the complaints as high, medium, or low risk, and registers the time required for their full resolution. These reports, in addition to recommendations related to the amendment of procedures, are distributed to the relevant departments to improve services, and implement the required measurements to reduce the number and occurrence of complaints.

In 2019, we achieved a significant decrease of 53% in the number of complaints received, and we increased our response rate to 100%. We maintained our customer satisfaction rate of 79%.

Customer Complaints	2017	2018	2019
Number of customer complaints	1233	883 ³	411

Customer Product Developments

ahli Mobile

We developed and launched ahli’s new mobile banking application, with a robust suite of services and capabilities, and enhanced user experience. These include eFAWATEERcom, cards management, money transfers, ahli Customer World’s suite of service requests, improved user interface, and a myriad of enhanced functionalities and features to enable a comprehensive mobile banking experience.

WhatsApp for Business

ahli bank was the first bank in Jordan to establish an official WhatsApp for Business account, adding to the digital communication channels available for customers to contact the Bank. ahli’s WhatsApp for Business account enables customers to communicate with the Bank using all the capabilities of WhatsApp, such as sharing images and videos, location services, and others. The Bank also developed a chatbot to support and compliment this communication channel with quick and intuitive responses to customer inquiries.

ahli.com Website Revamp

The ahli.com website was fully revamped with a new approach for serving visitors to the Bank’s website, namely the performance of the website and the addition of a highly responsive search engine, allowing visitors to find what they need instantly, for both bank-related and financial education/literacy content.

Strategic Alliances

To further meet ahli bank members’ and clients’ needs, a list of top merchants were approached to be added to our list of alliances to provide more added value for our members through the Easy Payment Plan (EPP) agreements and special discounts. The EPP agreement enables The Bank’s customers to settle their credit card repayments with monthly installments ranging from 6 -24 months, at 0% interest, for purchases made at partner merchants.

³ In our 2018 Sustainability Report the number of customer complaints was stated as 718. It has been recalculated in 2019 to be 883.

Shared Prosperity

Exclusive Segment CRM Pipeline

The Bank developed and launched in-house tracking tools specialized for managing the Exclusive Customer segment and identifying their banking needs for direct sales.

“All-See” Bot to Track for Real-Time Marketing Campaign Analytics

This tool enables our business decision makers to identify the effectiveness of marketing campaigns and tactics being implemented in real-time, in order to enhance and adjust for more efficient approaches.

Enabling Digital Capabilities

The Bank has established tools to digitize several services and capabilities with the goal of enhancing the customer experience, by increasing accessibility and convenience to the customer where possible. The initial projects implemented were:

- ▶ Loan Deferment Requests
- ▶ Credit Card Repayment Postponement Requests
- ▶ Customers with Preapproved Cards
- ▶ Customer Call-Back Scheduling
- ▶ Customer Data Cleansing
- ▶ King Hussein Cancer Foundation’s applications for cancer insurance

ahlibot

Introduced at the end of 2017, ahlibot became the first personal banking chatbot assistant in the Kingdom, using Facebook Messenger to communicate with its customers on a 24/7 basis. Chatting in both Arabic and English, ahlibot offers users easy access to learn about the Bank’s services, solutions, and banking products, as well as receive announcements and the latest news. Through ahlibot, customers can also be transferred to chat with a live agent for more advanced banking support needs. In 2019, ahlibot evolved to generate a variety of chatbots to serve different purposes. Furthermore, our user base increased from 14,000 in 2018 to 32,000 in 2019.

AHLI FINTECH Seed Accelerator

In 2019 ahli bank reviewed and evaluated over 115 applications submitted for participation in the AHLI FINTECH Seed Accelerator program from 12 countries around the globe. The Bank then interviewed over 35 shortlisted applicants and hosted live pitching sessions with the AHLI FINTECH Investment Committee from 21 finalist applicants. This led to signing agreements with 5 FinTech startups to participate in the first wave of the AHLI FINTECH Seed Accelerator, with planned investments reaching up to JOD 490,000 to support in developing and scaling FinTech startups.

AHLI FINTECH Hackathon

2019 also saw the Bank complete round 2 of the AHLI FINTECH Hackathon, which kicked off at the end of 2018 and encompassed pre-acceleration activities for the 14 student teams that qualified from the previous round, to support them with developing their FinTech prototypes. The students received support, mentorship, and guidance through regular bi-weekly meetups with AHLI FINTECH and ahli bank’s innovation team. Students were exposed to different learning opportunities through a series of workshops and received additional guidance and education about banking from ahli bank’s experts across various departments. By the end of February 2019, the student teams presented live demos of their FinTech prototypes to the AHLI FINTECH team, and the top 5 student teams were selected to pitch to the investment committee along with the other AHLI FINTECH Seed Accelerator global finalists.

Launch of the 2nd wave of ahli777

After the success of the first wave of ahli777 -a dedicated program for university students and graduates- we opened the doors again for more undergraduates in addition to graduates who have not had opportunity to work since 2014 to apply. We received more than 11,000 applications after our visits to 9 Jordanian universities. The program aims to develop the team members' professional and leadership skills to prepare them for the job market with skills that cannot be acquired through academics.

In partnership with Startup Grind, ahli bank offered tailor-made sessions to different segments of society to spread financial literacy and increase awareness in financial matters. The Bank engaged student and parent communities during the school's activities through different activities and events. We reached more than 10,000 students and their parents across more than 8 schools. We organized a special campaign targeting doctors, which allows them to access loans and credit cards with competitive rates. Several visits and activities were made to reach out to doctors at their clinics. We also offered a special promotion that allows cardholders from other banks to access a credit card with the same limit from ahli bank without transferring their salaries. A series of activities were held including an ahli777 tour at local retail stores and hot spots.

In partnership with more than 15 merchants, ahli bank organized a festival targeting students and parents to provide them with everything they need for the new scholastic year. The festival took place in Amman with a total of 400,000 visitors during the festival's duration. We implemented a series of events and activities including live performances, prizes, challenges, kids' games and activities, musical shows, and Christmas bazars. ahli bank was able to reach out and engage with more than 1.5 million individuals through 2019.



DATA PRIVACY AND SECURITY

At ahli bank, we ensure safeguarding of customer privacy and personal information receives the utmost care and attention to earn the confidence of our customers. We have implemented numerous security and privacy measures to protect our customers and facilitate transactions across different platforms, including online, mobile, and ATMs. As part of the information security awareness training, we provide our staff with privacy awareness training. Internal audits on information security are conducted multiple times during the year, while an external audit is performed annually.

For the fifth year in a row ahli bank applied the Payment Card Industry Data Security Standard (PCI DSS) to the highest international standards for our information security practices. This achievement attests to the bank's commitment to be a responsible bank that handles information with the utmost care. We conduct regular penetration tests, data leakage prevention and coding system applications, which help us in detecting security vulnerabilities, and address these vulnerabilities. The Bank conducts benchmarking checks to ensure that the best technical and security controls are applied to various systems, applications, operating systems, and networking devices. In 2019, we commenced the implementation of the Security Operation Center and Data Leakage system. There were no data privacy breaches in 2019. We are compliant with the General Data Protection Regulation (GDPR) requirements in our Cyprus branch, and in 2019 we started preparations for the implementation of GDPR in Jordan.



SUSTAINABLE SUPPLY CHAIN

In 2019, we engaged with 297 suppliers for purchases of various products and services, a 37.5% increase compared to 2018. We are committed to ensuring that suppliers and contractors conduct their activities based on ethical and environmental principles and follow our requirements to conduct business in a socially responsible manner.

Through our procurement activities, we exemplify a commitment to support economic growth in Jordan by investing in local suppliers where possible. This approach creates and sustains local jobs and contributes to maintaining a stable business environment. Our procurement department have developed policies to manage purchases and contracts with suppliers, which give priority to local suppliers in a highly secure yet transparent environment. All suppliers undergo a social and environmental audit before contracting and we exclude any supplier that does not meet our criteria.

In 2019, we carried out a satisfaction survey for our beneficiaries. As a result of this survey we have improved the efficiency and quality of supplies and services provided. We are few steps away from implementing an enterprise resource planning (ERP) system that will digitize our procurement processes. In addition, we are planning to implement a sustainable purchasing policy and procedures to further enhance the sustainability strategy of the Bank. Moreover, all consumables and maintenance contracts are purchased from local suppliers, and so many local IT companies are involved in our procurement cycle. Therefore in 2019, our local procurement rate reached 80% from total procurement expenditures. In addition, we were able to save around JOD 5 million.

Suppliers Social and Environmental Audit	2019
Number of suppliers that are subject to audit	300
Number of suppliers identified as having direct or potential adverse effects	3
Suppliers approved as a result of audit	297
Suppliers whose contracts have been terminated as a result of audit	0

Procurement	2017	2018	2019
Number of suppliers	114	216	297
Number of local suppliers	32	43	200
Total purchases (millions JOD)	18.7	9	25
Total expenditure on purchases from local suppliers (millions JOD)	1.68	1	20
Percentage of expenditure on local suppliers	9%	12%	80%

03

EMPLOYER OF CHOICE

Material Issues Covered

- Talent attraction, development, and retention
- Diversity and equal opportunity
- Organizational Culture project

2019 Performance Highlights

- Approximately 40% Women at ahli bank.
- 28% Youth employment rate
- 365 Career development programs offered to employees
- 77% New hires were under the age of 30
- 13.2% Total turnover rate, the lowest rate in 3 years.
- 6% Increase in the amount invested on training and developing our employees
- 53% Increase of total training hours provided to our employees.

Sustainable Development Goals



WORKFORCE OVERVIEW

Our workforce is one of the most valuable assets in our Bank. Their knowledge and combined experience are essential tools in providing our customers with high quality financial services. Therefore, we continually support our employees to feel passionate about their jobs and motivated to give their best by embodying our values.

Collective Bargaining

The majority of ahli bank's employees are covered by collective bargaining agreements. This is mandated under the Bank's internal policy which provides employees the option of joining the 'General Union of Employees in Banks, Insurance and Accounting' upon signing their contract with ahli bank. In effect, this mirrors the bank's commitment to supporting employees' rights to exercise freedom of association and collective bargaining.

Total Workforce	2017	2018	2019
Total number of employees (Full Time Employees (FTE))	1,209	1,216	1,184
By gender			
Female	467	478	467
Male	742	738	719
By age			
Under 30	326	387	335
Between 30 and 50	810	776	748
50+	73	53	67
Nationalization			
Number of Jordanian Employees	1,208	1,216	1,183

Total Workforce by Job Category	2018	2019
Senior management	16	16
Middle management	290	285
Non-managerial staff	910	885

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Diversity is a fundamental part of Ahli Bank's corporate sustainability strategy and key to helping us thrive in the market. We embrace diversity and inclusion because we believe it is important to have a workforce with different backgrounds and perceptions for improving our operational activities, boosting the bank's performance, driving innovation, and attracting talented people. We work hard to create a work environment that is dynamic and respectful. We consider all qualified applicants for employment at the bank regardless of race, age, gender, disability, or religion.

For the past three years, we have been able to maintain our female employment rate at 40%, which is higher than the average of operating banks in Jordan and the national average of female employment. We look forward to increasing our female employment rate in the future.

Female Employment	2018	2019
Total number of female employees	478	467
Number of female employees in middle management	77	75
Number of female employees in senior management	1	2

In 2019, our youth employment rate stood at 28%. Furthermore, 0.25% are employees with disabilities.

Workforce	2018	2019
Total number of employees (Full Time Employees (FTE))	1,216	1,184
Young Employees		
Under 30	387	335
Disabled Employees		
Number of disabled employees	2	3
Percentage of disabled employees	0.16%	0.25%

At Ahli Bank, we provide our employees with competitive benefits. These include subsidized loans, life insurance, health insurance, coverage of disability and inability to work, provident funds, variable pay plans, and performance bonuses, in addition to parental, marriage, and bereavement leave.

Through our parental leave policy, which all our employees are entitled to, we encourage our employees to balance their parental responsibilities with their careers. Our policy includes a maternity leave of up to ten weeks with full salary, including allowances and bonuses, in addition to offering three days paternity leave. After returning to work, also offer paid maternity leave for one year to extend our support to new mothers. The employee also has the right to take an additional unpaid leave of up to one year to care for their children.

Parental Leave	2017	2018	2019
Number of employees who took parental leave			
Female	36	38	21
Male*	0	47	28
Returnees from parental leave			
Female	36	35	18
Male*	0	47	28
Returnees from parental leave who were still working for the bank 12 months later			
Female	7	35	18
Male*	0	39	28

*Paternity leave was put into effect in 2018

Protecting the rights of our employees is crucial to the Bank. Through our internal grievance procedure, we provide a secure and confidential framework where our employees are able to raise concerns confidentially on aspects of the Bank's management system that may have a negative impact on the interests of the bank and its stakeholders. Cases that should be reported include, but are not limited to, sexual harassment, discrimination, and risks to the health and safety of individuals. Our procedure ensures that the grievance is taken seriously, thoroughly investigated, and resolved.

HEALTH AND SAFETY

At Ahli Bank, we work to meet health and safety standards wherever we operate. As risk administrators, we recognize the importance of protecting our employees as one of our most valuable assets. Injuries and the ill-health of our employees may lead to the loss of working days or business opportunities, and a safe and healthy workplace contributes to healthy employee morale and improved productivity. Therefore, maintaining a safe and healthy workplace is a good investment with promising returns.

We aim to identify potential hazards where applicable and find solutions to these problems. We provide a comprehensive course on public safety according to requirements from the Central Bank of Jordan. We continuously train our staff in all administrative buildings of the bank, some of whom are certified in supervising health and safety and others trained in emergency evacuation and incident response. Our health and safety committee typically consists of roughly 37 employees, representing 3% of our workforce.

Health and Safety Committee	2018	2019
Percentage of total labor force represented in official health and safety committees	3%	3%

EMPLOYEE ATTRACTION AND RETENTION

In 2019, 113 new employees joined our Bank. 78% of them were under the age of 30, and 42% were females. Moving forward, we look forward to increasing the number of female employees at ahli bank.

New Hires	2018	2019
Total number of new hires	182	113
By gender		
Female	68	47
Male	114	66
By age		
Under 30	131	81
30-49	50	32
50+	1	0

Our total turnover rate stood at 13.2% in 2019, the lowest in 3 years.

Turnover	2017	2018	2019
Turnover rate (%)	21%	14%	13.2%
Total turnover	255	171	157
By gender			
Female	112	56	69
Male	133	115	88
By age			
Under 30	55	54	54
30-49	126	96	90
50+	64	21	13

Employee Experience Index (EXI)

Using the Jacob Morgan EXI framework, ahli EXI tracks and measures scores and improvements over time of the ahli bank's employee experience by providing EX surveys for all employees. In 2019 we scored 70% and there are BI dashboards to measure and track ahli EXI score.

ahli Store

An internal online store for the Bank's employees that offers a variety of branded items at discounted prices.

EMPLOYEE TRAINING AND CAREER DEVELOPMENT

ahli bank places a solid emphasis on providing our employees with comprehensive training and development activities to empower and enhance their ability to deliver high quality services to our customers. In 2019, we invested JOD 207,961.79 in training and developing our employees. Additionally, our workforce received more than 37,000 hours of training in 2019, which is a significant increase compared to 2018, and an increase in the average hour per employee received by our workforce during 2019.

We provide our employees with numerous training and development programs that enhance employee competence, technical skills, and communication skills. During 2019, we offered a total of 365 career development programs across Jordan, Palestine and Cyprus. We developed and expanded our current training programs by adding new programs to enhance the skills of our workforce. These include job shadowing programs, the pursuit of specialized professional certificates, training of trainers (TOT) courses, and English language courses. During 2019, there was a significant increase of 52.5% in total training hours in comparison with the previous year.

Training	2017	2018	2019
Total number of training hours	24,879	24,488	37,345
Female	9,092	9,242	13,621
Male	15,787	15,246	23,723
Average hours of training per employee	6.5	7.5	9.5
Female	6	7	8.3
Male	7	8	10.5

Performance and Career Development Reviews	2017	2018	2019
Percentage of total staff who received regular review of performance and career development (%)	100%	100%	100%

The ahli bank believes in the competencies and potentials of its employees and working teams and seeks to set out its distinct teams' experience to be at the highest level of responsibility and transparency and derived from the spirit at work. Therefore, ahli bank adopted the organizational culture project, which is linked to the bank's approach of "shared prosperity" with our clients, shareholders, and the communities where we operate. During inception, an assessment of the current culture was conducted. Afterward, the desired culture was designed and created. To define and standardize the organizational culture, numerous awareness-raising workshops, on the concept of organizational culture, were held with the participation of all bank employees from all levels. Additionally, key performance indicators (KPIs) were set to ensure the success and continuity of the organizational culture within a clear, and measurable institutional work approach.

04

POSITIVE SOCIAL IMPACT

Material Issues Covered

- Financial inclusion
- SME growth
- Digital innovation
- Community investment and socioeconomic opportunity
- Financial literacy and education

2019 Performance Highlights

- 39% Increase in total investments in the community
- 432 Employees volunteered in our initiatives to support the community
- 1,368 Volunteering hours

Sustainable Development Goals



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY PROGRAMS

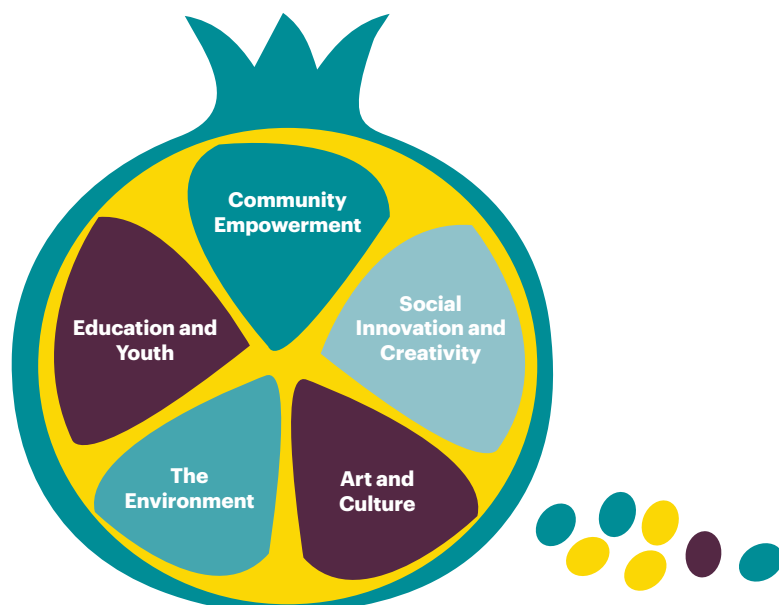
The Department of Corporate Social Responsibility and Sustainability Programs has been established to contribute towards our strategy of shared prosperity, which is a comprehensive framework for creating shared value for stakeholders. We strive to achieve local and international objectives related to sustainability. In 2019, there was a 39% increase in the total amount invested in our community.

Community investment	2017	2018	2019
Investments in the community (JOD)	1,160,147	954,790	1,322,684
Total employee volunteering hours	550	420	1,368
Number of volunteers	176	175	432

Initiatives

Through launching and sponsoring various community initiatives, ahli bank is proud to contribute to the national development objectives of the Kingdom of Jordan. The initiatives we have selected are in line with our strategic pillars of social responsibility: Community Empowerment, Education and Youth, The Environment, Social Innovation and Creativity, Art and Culture.

Social Responsibility Pillars



Community Empowerment

In 2019, in our support to women, we completed our review on gender equity project of which ahli bank was the first in the banking sector in Jordan to conduct, the project executed by Freedom House (a US based human rights NGO). The “You Are My Role Model” campaign was launched, aimed at emphasizing the importance of women’s participation in the workforce and the impact of its contribution to sustainable development and the Gross Domestic Product (GDP).

Working women are role models for everyone around them, and we at ahli bank are proud to be one of the leading banks in the field of gender. The national average of woman working in the national banking sector is 15%, yet ahli bank is proud to foster a female friendly environment, where females consistently represent 40% of the workforce.

The Bank also provided a Diamond Sponsorship for the “Women in the Board of Directors: Why and How?” Conference organized by Women on Board Association with a distinguished local and regional presence.

For the third year in a row, we sponsored the “Pure Felt” project organized by Princess Taghrid Institution that aims to empower women. In 2019 the project helped 32 women develop new skills and contributed to their self-employment. In addition, we supported 10 women from various governorates to participate in the EWA⁴ Village Market, which helped them to improve and grow their businesses, thus improving their income and the opportunities of their families.

For several years, we have continued our strategic cooperation with the Jordanian Hashemite Fund for Human Development to support the annual “Goodwill Campaign” and the Queen Alia Competition for Social Responsibility to increase awareness of topics affecting the community. “Social Justice” was chosen as the theme for 2019.

ahli bank believes in supporting young entrepreneurs, exemplified by having our Chairman Mr. Saad Mouasher serving at Endeavor Jordan’s Board of Directors after being a mentor for several years with them. Endeavor is focused on stimulating global entrepreneurial activity by providing mentorship to innovative founders based in emerging markets, present in nearly 40 markets. Endeavor Jordan’s portfolio has continued to grow, and the focus on building out an entrepreneur services framework began in earnest.

⁴ EWA: East and West Africa Women Initiative Forum.

Education and Youth

ahli bank also sponsored the Princess Alia Foundation’s School Bags Campaign, which involved distributing school bags to students across various governorates of the Kingdom.

In addition, under the patronage of His Royal Highness Prince Faisal bin Al Hussein, ahli bank supported the second West Asian Paralympic Games, with the participation of 12 countries.



For the third year in a row, ahli bank supported medical students and graduates from several Jordanian universities by sponsoring the fourth annual Hakim Academy competition. The competition aims to foster innovation and entrepreneurship in the field of health informatics and information technology, thus promoting a better-quality healthcare system in Jordan.



For the third year in a row, in partnership with Queen Rania Foundation for Education and Development, under the “My School” initiative, ahli bank provided its support for the implementation of “Masahati” program. This program is implemented across government schools with the aim of creating a model educational environment that contributes to instilling ideas of life values and strengthening perceptions of the self, developing mental skills, and enriching knowledge and learning experiences.



For the fourth year, the Bank continues to support children by supporting 1000 students to visit the Haya Cultural Center and participate in various cultural and artistic events and programs.



For the sixth consecutive year, ahli bank sponsored the annual Wings of Hope basketball championship for students. The event was organized by the Wings of Hope Association, with the participation of several basketball teams from less fortunate schools in Jordan and Lebanon.



We have supported the Children's Museum of Jordan since 2007. In 2019 we helped fund a modern interactive educational exhibit in the museum that aims to promote financial literacy and education for children through presenting the concept of money and the benefits of financial management. In 2019, 202,000 children visited the exhibit.

In our commitments towards financial literacy and education, we continued with "Hasalet Al Khair- Piggy Bank for Philanthropy" initiative. The initiative aims to develop principles of savings amongst children, further educating them about financial management and promoting a culture of giving.

The Environment

For the second year in a row, ahli bank continues to support the "Green Prints" initiative launched by Princess Alia Foundation to recycle paper. The Bank sells its used paper to a recycling scheme and donates the income to the foundation. The Foundation then uses these funds to provide free paper to schools in need.



For the second year in a row we supported Naua for Sustainable Development as a founding partner, in addition to supporting the second phase of 'Home Gardens' project, organized by Naua, an initiative of Crown Prince Foundation. Since 2018, the total number of beneficiaries of this project were 20 families in total.

We have continued our collaboration with the Arab Group for the Protection of Nature to support programs aimed at preserving the environment in local communities, including the planting of trees for families in need in their lands, so they can benefit from the trees as a source of food and income.

Social Innovation and Creativity

As part of our internal volunteering program "We Are All Family", we seek to motivate employees to participate in community activities and leave a tangible societal impact. 432 volunteers participated in 21 different activities throughout the year and a total of 1,368 volunteering hours was recorded.

In 2019, we continued supporting the campaigns and programs under the King Hussain Cancer Foundation (KHCF), including the Cancer Care Program (CCP). Our support for this program involves receiving subscription fees from participants across our branches in the Kingdom. Our employees also proudly participated in KHCF's "Piggy Bank Campaign" during the Breast Cancer Awareness month.

Shared Prosperity



Since our cooperation with the Jordan Hashemite Charity Organization in 2016, ahli bank donated a clothes collection bus to collect and distribute clothing to all governorates across Jordan. In 2019, we were able to reach out to 124,440 individuals.



For the third year in a row, we renewed our partnership with Tkiyet Um Ali by sponsoring food requirements for 100 families in need across different governorates of the Kingdom, year-round. In addition to this, we also support Tkiyet Um Ali's initiative to distribute food parcels during the Holy month of Ramadan.

We ensure continuous cooperation with the Palestine International Foundation to provide monetary assistance to our people in Palestine to meet their different medical needs.



In our commitment to fostering a positive corporate culture amongst our employees, we encourage them to give back to the local community. As a result of this, many of our employees and customers participate every year on World Blood Donor Day (WBDD) 14th of June, in our annual blood donation campaign in partnership with the National Blood Bank.

Art and Culture

ahli bank supported the activities of the Petra National Trust, including the inauguration of a cultural hub called 'Bait Yaish' in Jabal Al-Weibdeh. The hub has become a destination for hosting cultural and artistic events with the aim of celebrating and enhancing the cultural heritage in Jordan.

Social Committee

ahli bank's social committee has a significant role in achieving the Bank's CSR strategy. The committee is responsible for promoting corporate culture, enhancing employees' engagement, and strengthening loyalty to subsequently improve performance and productivity, as well as organizing various activities and events for employees and their families that foster deeper relationships.

In 2019, our social committee organized and held multiple events for our employees and their families:

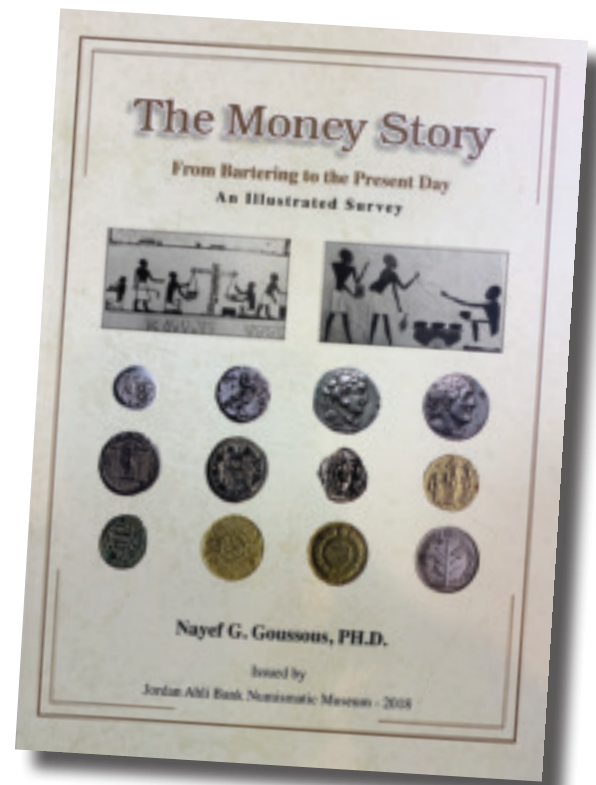
- Celebration of Mothers' Day
- Easter event
- Ramadan Iftar for all bank employees, executive management, and the Board of Directors
- Trip to Panorama Dead Sea
- Cinema night to watch a family movie
- Trip to Aqaba and Wadi Rum
- Trip to Dead Sea
- A Christmas event



ahli bank's Numismatic Museum

Numismatics is the study of coins, tokens, paper money, seals, and medals; as well as measuring tools used for trade such as weights, scales, and other related objects. ahli bank Numismatic Museum was inaugurated in early 1999. This initiative was the embodiment of the management's belief in the role a museum would play in preserving the cultural heritage of Jordan. It is a specialized museum with collections that span over 2,500 years. The oldest coin dates back to the year 600 B.C.E, and the latest ones include recent commemorative editions. The Museum is open to the public, and visitors can enjoy the coin collections and learn about the history of the civilizations they belong to. Researchers and specialists can benefit from the collections and library through their visits and from the assistance of the Museum staff. The Museum - located in the same building as the Bank's headquarter in Shmeisani- is open to the public, free of charge. The annual number of visits in 2019 was around 150 visitors.

In 2019, the Museum manager became a member of the Faculty of Archaeology and Anthropology Council and Samir Shamma Chair for Islamic Numismatics and Civilization at Al Yarmouk University, after attending a 10-day numismatics workshop in the University of Tübingen in Germany.



05

PROTECTING OUR ENVIRONMENT

Material Issues Covered

Direct environmental impact of operations

2019 Performance Highlights

- 4.4% Reduction of paper consumption
- 15% Decrease in electricity consumption
- 8% Decrease in fuel consumption

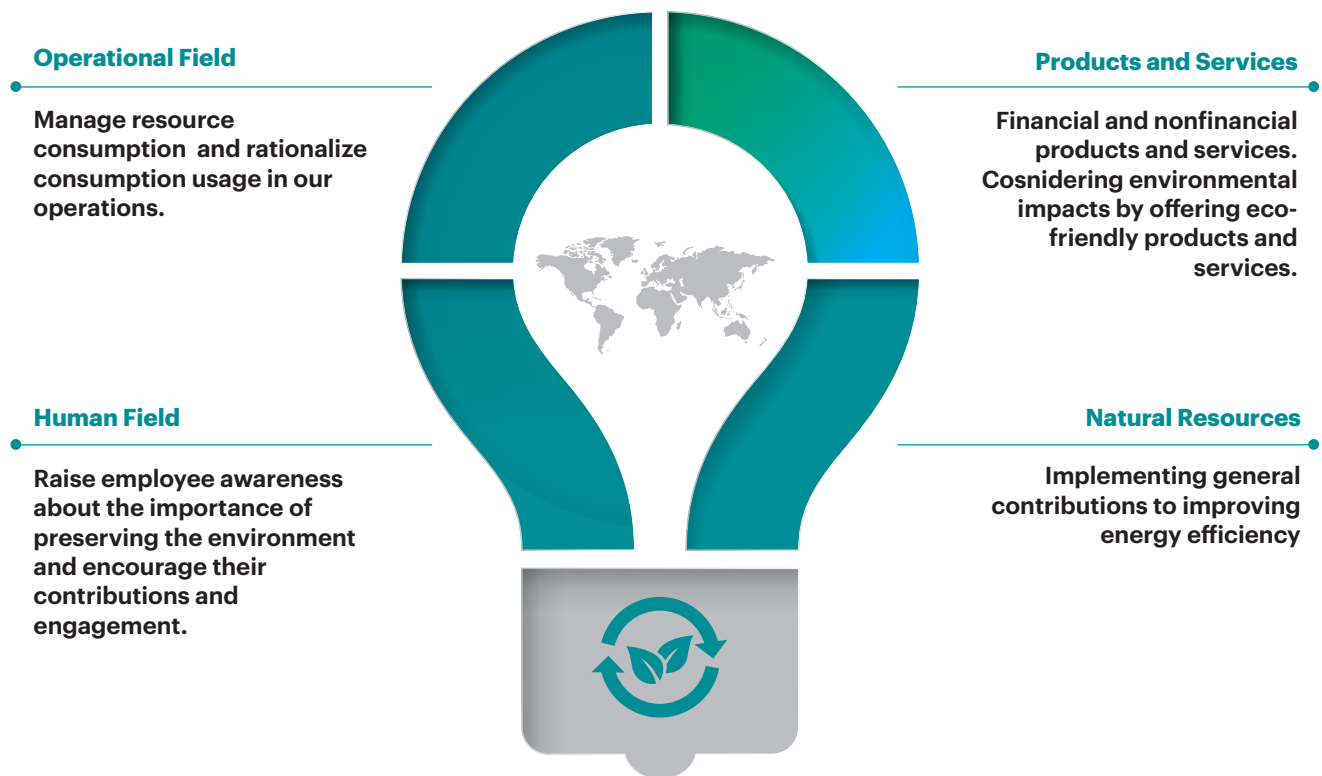
Sustainable Development Goals



ENVIRONMENTAL MANAGEMENT AND STRATEGY

At ahli bank, we recognize the importance and necessity of conserving the environment. Therefore, we are committed to providing significant support to help tackle environmental challenges and meet the environmental objectives of the Jordan National Vision 2025. We are always seeking to recognize, control and reduce our environmental impacts and risks, and encourage our workforce to be aware of and responsible about our resource consumption and its impact on the environment. We are working to improve our sustainability impacts to protect the planet for future generations.

Our environmental strategy focuses on four pillars: operational field, human field, financial and non-financial products and services, and natural resources.



Eco-Friendly Products And Services

ahli bank aims to contribute to a future generation that obtains energy through natural resources such as photovoltaic (PV) systems, energy-saving products, solar heaters, high-efficiency equipment, and insulating materials. We offer a variety of services that support our customers in pursuing environmentally friendly projects.

Finally, our Go-Green Program offers several distinct features to our retail and SME customers desiring to purchase eco-friendly products from a network of suppliers, including a 0% interest installment plan with 100% funding of eco-friendly products.

Energy Efficiency And Renewable Energy

ahli bank is always aware of its energy consumption and has implemented a few changes in recent years such as installing LED lightbulbs across its premises, setting timers to heating and cooling systems, adjusting the thermostats, replacing boilers with modern air conditioners, using hybrid cars and building a solar power plant. In addition to, having an incremental generators installation since 2018, due implementing the business continuity plan (BCP) in all our renovated sites.

In 2019, we witnessed a 15% decrease in electricity consumption, with an 8% decrease in fuel consumption compared to 2018 and therefore an overall improvement in GHG emissions.

Energy Consumption	2017	2018	2019
Total electricity consumption (kWh)	4,279,272	2,495,114	2,129,046
Total fuel consumption (liters)	29,643	36,550	33,475
Total heat consumption (liters)	7,560	10,794	22,128
Direct GHG emissions (Scope 1) (CO ₂ equivalent)*	79.325	97.808	81.901
Indirect GHG emissions (Scope 2) (CO ₂ equivalent)*	2,797.753	1,648.606	1,441.769

Source: www.ghgprotocol.org

Emissions factors as per IPCC emission factors.

* GHG emissions calculations revised in 2019 and reflected in this table.

Materials And Waste Management

We are committed to managing our consumption of natural resources responsibly. Water management is an increasingly critical issue in the Kingdom of Jordan, where freshwater resources are scarce. At ahli bank, we recognize the importance of managing our water consumption responsibly. Therefore, we have installed water efficient technology across all our branches. In 2019, we digitized most of our internal processes, automated our procedures and expanded our reporting systems.

Paper consumption is considered one of our most significant impacts on the environment as a bank. In 2019, we employed several measures to reduce our paper use, including frequent employee awareness activities to promote responsible consumption of paper and recycling. These measures helped us reduce our consumption of paper in 2019 by 4.4% compared to 2018 and maintain recycling percentage of the paper consumption per year at approximately 81% on average.

Waste Management	2018	2019
Total paper consumption (kg)	84,188	80,411
Total recycled paper (kg)	70,290	63,670
Total water consumption (liters)	15,529	18,500*
Water consumption density (liters/employee)	12.770 **	15.625

* This increase is due to PV plant cleaning and commissioning JAB PV plant with all capacity

** Recalculated in 2019.



APPENDICES

APPENDIX A - REPORT SCOPE AND BOUNDARIES

Completeness and Aspect Boundaries	ahli bank has attempted to make this report as complete as possible. This report covers major activities from the bank's departments, and includes activities in its branches in Jordan, Palestine, and Cyprus, where applicable.
Materiality	ahli bank believes this report covers the most material issues to the bank and its stakeholders. In alignment with the principles of the GRI Standards, ahli bank's materiality assessment consists of four steps: 1) identifying relevant topics; 2) prioritizing topics according to impact on the bank and its stakeholders; 3) validating the prioritized topics through reviews and evaluations; 4) review its materiality matrix on an annual basis.
Stakeholder Inclusiveness	ahli bank has identified and considered all key stakeholders and has outlined ways that the bank engages with them to identify their needs and priorities.
Sustainability Context	ahli bank has considered regional trends in sustainability that affect the bank's activities.
Reporting Cycle	This report covers the calendar year for 2019.
Balance	This report seeks to demonstrate transparency, presenting our performance in economic, social, and environmental topics in a balanced way.
Comparability	Comparisons are made throughout the report against 2017 and 2018.
Accuracy and Reliability	To the best of ahli bank's ability, all the information presented in this report is accurate and represents the best data available to the bank and its stakeholders.
Clarity	This report targets a wide audience with varying degrees of understanding of finance and banking. Therefore, ahli bank strived to ensure this report is easily understandable to all anticipated readers.
Assurance	The report has not been externally audited or assured.

APPENDIX B - GRI STANDARDS

CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option, and the table below provides a reference for GRI content in the report. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the English version of the report.



GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or direct answers	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organizational profile		
	102-1 Name of the organization	Jordan ahli bank	
	102-2 Activities, brands, products, and services	8, 10, 24,25	
	102-3 Location of headquarters	Amman, Jordan	
	102-4 Location of operations	10	
	102-5 Ownership and legal form	9	
	102-6 Markets served	10	
	102-7 Scale of the organization	10, 18, 19	
	102-8 Information on employees and other workers	35, 36, 37, 38, 39	
	102-9 Supply chain	33	
	102-10 Significant changes to the organization and its supply chain	No significant changes.	
	102-11 Precautionary Principle or approach	27, 28	
	102-12 External initiatives	41,42,43,44	
	102-13 Membership of associations	12	
	Strategy		
	102-14 Statement from senior decision-maker	6,7	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	9	
	Governance		
	102-18 Governance structure	19	
	102-21 Consulting stakeholders on economic, environmental, and social topics	12	
	102-22 Composition of the highest governance body and its committees	19	
	102-25 Conflicts of interest	17	
	102-26 Role of highest governance body in setting purpose, values, and strategy	17, 19	
	Stakeholder engagement		
	102-40 List of stakeholder groups	12	

GRI Standard	Disclosure	Page number(s) and/or direct answers	Omission
General Disclosures			
GRI 102: General Disclosures 2016	102-41 Collective bargaining agreements	35	
	102-42 Identifying and selecting stakeholders	11,12	
	102-43 Approach to stakeholder engagement	11,12	
	102-44 Key topics and concerns raised	13,14,15	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	26	
	102-46 Defining report content and topic Boundaries	50	
	102-47 List of material topics	13	
	102-48 Restatements of information	29, 48	
	102-49 Changes in reporting	No significant changes.	
	102-50 Reporting period	January 1, 2019 - December 31, 2019	
	102-51 Date of most recent report	2018	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	5	
	102-54 Claims of reporting in accordance with the GRI Standards	5	
	102-55 GRI content index	51, 52,53,54	
	102-56 External assurance	This report has not been externally assured.	
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26	
	103-2 The management approach and its components	26	
	103-3 Evaluation of the management approach	26	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	26	
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33	
	103-2 The management approach and its components	33	
	103-3 Evaluation of the management approach	33	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	33	

GRI Standard	Disclosure	Page number(s) and/or direct answers	Omission
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	17, 20, 21	
	103-2 The management approach and its components	17, 20, 21	
	103-3 Evaluation of the management approach	17, 20, 21	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	17, 20, 21	
	205-2 Communication and training about anti-corruption policies and procedures	17, 20, 21	
GRI 300 Environmental Standards Series			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47	
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	48	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	48	
	302-4 Reduction of energy consumption	48	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47	
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	48	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	48	
	305-2 Energy indirect (Scope 2) GHG emissions	48	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38	
	401-3 Parental leave	37	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37	
	103-2 The management approach and its components	37	
	103-3 Evaluation of the management approach	37	
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	37	

GRI Standard	Disclosure	Page number(s) and/or direct answers	Omission
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39	
	103-2 The management approach and its components	39	
	103-3 Evaluation of the management approach	39	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39	
	404-2 Programs for upgrading employee skills and transition assistance programs	39	
	404-3 Percentage of employees receiving regular performance and career development reviews	39	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19, 36	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41	
	103-2 The management approach and its components	41	
	103-3 Evaluation of the management approach	41	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	42,43,44	
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32	
	103-2 The management approach and its components	32	
	103-3 Evaluation of the management approach	32	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32	

