



# Shared Prosperity



# Shared Prosperity



Annual Report  
**2019**







# Table of Content

<b>Our Charter</b>	11
<b>Chairman's Message</b>	15
<b>CEO's Message</b>	19
<b>Key Economic Indices for the year 2019</b>	21
<b>Board of Directors' Report</b>	
The Bank's Main Accomplishments	25
Geographical Coverage and Number of Employees	32
Branches and Staff Distribution	33
Capital Investment	34
Jordan Ahli Bank Subsidiaries	35
Members of The Board of Directors	42
Senior Executives	56
Competitiveness and Market share	74
Jordan Ahli Bank Organization Chart	75
Number of Staff at The Bank and Its Subsidiaries	76
Risk	78
Financial Impact of Non-Recurring Operations of The Year 2019	83
The Bank's Financial Position Analysis	85
Future Outlook and Plans for 2020	90
External Auditors' Compensation of The Bank and Its Subsidiaries	93
Number of the Bank's Shares Owned by Members of the Board, Senior Executives and their Relatives	94
Names of Major Shareholders	101
Board of Directors and Senior Management Compensations and Benefits	104
Corporate Social Responsibility and Sustainability Report	114
Summary of Performance Appraisal and Performance Incentives Policies	121
Customer Complaints	122

## Jordan Ahli Bank Financial Statements and Notes for The Year 2019

Independent Auditor's Report in Respect of The Financials for The Year 2019	126
Financial Statement of Jordan Ahli Bank	132
Notes Attached to The Financial Statements	139
<b>Attestation Statements</b>	242
<b>Corporate Governance</b>	248
<b>Disclosure Relating to Corporate Governance</b>	269
<b>Governance Report</b>	270
<b>Agenda of the Ordinary General Assembly Meeting</b>	278
<b>Jordan Ahli Bank's Branches &amp; Addresses</b>	279
<b>ATM Locations</b>	282



# Our Charter

## Vision

Committed to building a prosperous economy and society that achieves financial inclusion; delivering stellar customer service through excellence and innovation; reinforcing employee loyalty and commitment; and achieving a worthwhile and sustainable return for our shareholders.

## Mission

A specialised financial institution offering exceptional services through a focus on innovation, excellence and client needs.

## Values

- **Shared Prosperity.**
- Transparency and honesty in all dealings.
- Customer satisfaction at the center of our attention.
- Full compliance with applicable laws and regulations and principals of sound governance.
- Fostering an innovative culture that is abreast of all technological developments
- The employee is the foundation of success..

## Strategic Goals

### Stakeholder engagement

The Jordan Ahli Bank ("Bank") has a holistic strategy to manage its relationship with all direct and indirect stakeholders that is developed and renewed through continuous engagement through various channels in order to address and satisfy each of their requirements by affording measurable added value that corresponds to the interests of all stakeholders. In light of effective and inclusive corporate governance practices, his strategy is constantly evolving for the purpose of addressing all stakeholder needs based on the Bank's established values which are directed at reinforcing stakeholder trust.

### Shareholders

Guarantee a secure investment and maximizing shareholder value.

Provide shareholders with all institutional information in an accurate, transparent and regular manner through general assembly meetings, annual reports and other means in order to ensure equity between all investors.

Regulating the relationship with all other stakeholders including official and regulatory bodies.

### Customers

Offer a unique experience through a bouquet of innovative and unmatched banking and non-banking financial products and solutions.

Maintaining an exceptional relationship through the use of leading customer management systems that reinforce the competitive position of the Ahli Bank and which offer, among other features, complete secrecy for customer accounts and deposits and reward programs.

### Human Resources

Focus on empowerment and capacity building in order to offer diversified opportunities and ensure a promising institutional career.

Reinforce the competitive position of employees by offering an ideal working environment.

Continuous internal and external engagement through various channels.

Reinforce community engagement.

### Society and Environment.

Serving and reinforcing sustainable economic, social and environmental development through products, services and programs that provide direct benefit to different segments of society and to the environment taking into account the country's social, cultural and national needs.

### Official and Regulatory Bodies

Full adherence to applicable laws and regulations and transparent disclosure.

Support official efforts in various fields and fronts in a manner that serves the community.

### Suppliers

Building long term relationships, based on transparency and quality performance.

Maintaining effective long term partnerships built on quality, effectiveness, value add and efficiency.

### Partners (media and civil society institutions).

Building new strategic partnerships.

Fruitful cooperation, transparent and continuous engagement.

## Components of the Strategy

The goals of the Jordan Ahli Bank stem from a determined will to elevate and develop the Bank through the implementation of the highest global banking standards. The strategic plan is based on three components:



**Chairman of Board**

**Mr. Saad Nabil Yousef Mouasher**

**Deputy Chairman**

**H.E. Dr. Umayya Salah Ala Uddin Toukan**

**Board Members**

**Mr. Nadim Yousef Issa Muasher**

**Mr. Rafik Saleh Muasher**

Rajai Muasher & Brothers Co. Representative

**H.E. Mr. Wasef Y. N Azar**

Jordan Investor Center Representative

**Imad Yousef Issa Mouasher**

Mouasher Investmen & Trading Co. Representative

**Mr. Mahmoud Zuhdi Mahmoud Malhas**

**Mr. Eyad Abdelsalam Rashad Abumohammad**

Social Security Corporation Representative as of 30/7/2019

**Mr. Alan Fouad Wanna**

Byblos Bank S.A.L/Lebanon - Representative

**Mr. Aladdin Riad Sami**

ZI&IME Ltd - Representative

**Mrs. Ibtissam (M.S) I. El-Ayoubi**

**Mr. Tarek Ziad Mounir Jallad**

**Mr. Izzat Rashed Dajani**

As of 29/4/2019

**Legal Advisor & Board Secretary**

**Mrs. Maisa Ziad Mohammed Turk**

**Auditors**

**Ernst & Young - Jordan**



## Message from the Chairman

### Our Dear Shareholders,

On behalf of myself and the members of the Board of Directors, allow me to offer my warmest regards and to present you with the sixty fourth annual report for the Jordan Ahli Bank. The report includes the report of the Board of Directors on the working results of the Bank and its primary activities and the closing accounts for the year 2019, as well as, our business plan for the year 2020.

I am pleased to be amongst you today while we highlight the most important achievements of your esteemed institution this past year. These achievements include the launch of the new brand identity of the Bank, which reinforced our leading market position and our commitment and vision to be the banking partner that serves the Jordanian family in all its segments. I would also like to take this opportunity to present to you the main strategic drivers behind our transformation are strengthening our Governance, expanding our business plan within the Shared Prosperity framework, and strengthening our role in respect of Innovation and entrepreneurship under the banking sector to satisfy the expectations of our shareholders, empowered by the trust that you have bestowed upon us, and to pursue, with you, our mission of growth and development.

### Corporate Governance

We at Jordan Ahli Bank are keen to promote the principles of fairness and transparency within the good governance framework based on responsibility and accountability, It also bestows upon us the ability to develop and execute a long term, sustainable strategy that can deliver great value to all stakeholders, We are pleased with the Board of Directors achievements, whose members' efforts during the past three years have resulted in the development of a distinctive governance environment in line with international best practices, in cooperation with Deloitte's global consultancy, by applying and complying with the international standards of corporate governance. Hence, we affirm our keenness to maintain this momentum in elevating good governance frameworks and improving our practices to world class levels of Governance maturity. In this context, during the year 2019 we have engaged with 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 an entire year approximately and concluded with detailed recommendations on further enhancing our oversight capabilities to global best practices. We are already implementing recommendations and anticipate completion of all Deloitte recommendations by end of 2020. In addition, there have been a tremendous number of best practices and recommendations that we have adopted to elevate our governance standards, and we continue to learn more about evolving our governance frameworks which in turn will translate to great value to all our stakeholder community, most notably to our beloved shareholders.

### Shared Prosperity Strategy

We at Jordan Ahli Bank are committed to imbedding the concept of sustainability and entrenching its principles in all aspects of our institutional operations stemming from our unfettered conviction that the implementation and institutionalization of this concept will present the road map for our efforts to achieve our strategic goals and to preserve and build upon our past achievements. Therefore, sustainability is the main element in our Shared Prosperity vision through which we hope to enhance our economic and social contribution and to strengthen our role in the regeneration of the local community and to secure our position as a leading local and international financial institution.

In this context, we ask you to review our second Sustainability Report, issued during the past year, which sheds light on the central issues and decisions that were taken in connection with the operations and activities of the Bank as the bank has been spearheading a holistic value creation strategy to identify hundreds of KPIs in respect of the Bank's business and services provided and to develop appropriate mechanisms to measure their effectiveness in serving all our stakeholder community, including shareholders, customers, employees, regulators, partners in addition to the local community, to benefit in a direct and measurable way from our business activities and services to advance the wheel of development and its sustainability as part of our efforts to push the agenda of development and sustainability as a guiding principle for our strategic and operational planning, serving our relationships with all stakeholders, and empowering us to take wise decisions that correspond with the goals of inclusive and sustainable development.

Today, Jordan Ahli Bank is rapidly progressing towards implementing our transformative strategy in light of our future vision for the banking sector. A key feature being the restructuring of our branches in terms of development and footprint. This restructuring necessitated the opening of a new flagship branch in the Boulevard, Abdali which stands out with its modern design and use of the latest digital tools and banking innovations in a modern and open setting that guarantees that highest amount of flexibility and interaction with customers and presents a first-of-its-kind, unique, experience and an advanced and holistic model for the customer journey. As part of our efforts to reinforce the Bank's new corporate identity and its continuous push to excel and to leverage modern tools and technologies in serving its clients, we are working on transporting the experience of the new branch to the remaining branches of the Bank spread across all governorates of the Kingdom in order to reflect the Bank's identity. This, together with the efforts of offering an electronic platform as an alternative to geographic expansion, translates our vision to expand financial inclusion to all local communities.



As we pursue our vision for Shared Prosperity, the Jordan Ahli Bank has taken long strides towards expanding the scope of financial inclusion - which is one of the main building blocks of the Bank's strategy and a main factor in our focus on sustainable development. We stand here today very proud of the material technological leap that the Bank has taken through the launch of its new banking platform and operating modules that laid a technologically advanced foundation built on innovation. His development has materially and tangibly contributed to the Bank's ability to reach new segments that were not previously accessible thereby expanding the network of beneficiaries of the products and services of the Bank and allowing us to serve their needs effectively and efficiently in an environment where smart solutions are having an increased impact on the financial and banking industries. Our leading position in his field reinforced our market leading position and strengthened our abilities to successfully traverse the technological revolution and allowed us to have more effective offerings that added value to our banking operations and sustainable development priorities.

## Innovation

The adoption of global best practices in governance, as well as holistic stakeholder value creation, is a substantial strategic commitment and value creation framework. However, in an age of exponential disruption and change especially as a result of globalization and digitization, it is also critical to embrace and adopt a culture of 'innovation' in order to keep up and perhaps exceed the pace of change happening in the financial industry and beyond. Ahli Bank's innovation strategy is founded on two primary pillars the cultural transformation program and Ahli Fintech and accelerator.

## Culture Transformation Program

Coupled with the Jordan Ahli Bank's desire to ensure the success and development of its customer experience in a manner that reflects its corporate identity, we are also equally committed to the development of the employee experience and to entrench the positive engagement and to encourage our employees to think different and more entrepreneurially about innovation, through the establishment of an innovation group, a team of financial, technology that are developing uniquely valuable IPs, and also through an enterprise wide cultural transformation program that is creating a more trusting, more open, and more people and results oriented organization that encourages collaboration, and innovation. The second phase of this program was launched at the beginning of 2020 reinforcing our belief that our employees are the key to our success with our corporate culture being the focal point around which we build a working environment that promotes innovation and creativity, enhances the employee experience, and promotes their professional development and loyalty.

## Ahli FinTech and Acceleration Program

As you know, Jordan Ahli Bank is first bank to adopt and apply financial technology at the local banking sector level, in addition to the establishment of its fully owned company Ahli Fintech, is accelerating the development and investment in Fintech Start-ups from across the country, the region, and the world. In 2019 we officially launched our Ahli Fintech Accelerator program to promote the FinTech ecosystem and establish itself as a regional hub for FinTech innovation. and in a very short period of time, we received 116 fintech proposals from 12 countries. During 2020, a public announcement will be made about the accelerated programs and on their capabilities and value propositions to the local and international markets.

## Financial Indicators

In terms of the financial position, the senior management efforts continued on strengthening the financial position of the Bank and bolster its reserves, whereby the credit polity adopted by the Bank, which is based on sound credit and secure management of the assets, revenues, provisions and utilizing transparent and good corporate governance principles has solidified the results of the Bank. The results show an increase in the gross income of 7.56%, an increase in net interest income of 6.20%, a decrease in NPL to coverage ratio to 5.20% together with an improvement of the coverage ratio to 76.8%. Meanwhile the Bank maintained its customer deposits at 1.86 billion Jordanian dinars while the total assets of the Bank amounted to 2.76 billion Jordanian Dinars. As it relates to the most important financial indicators of the Bank, the return on equity reached 7.22% while the return on assets reached 0.8% and the capital adequacy ratio reached 15.66%, exceeding the requirements of the Central Bank of Jordan as a result of the increase of shareholders' equity to 307.8 million Jordanian Dinars. Meanwhile the net income before tax increased 9% to become 36.2 million Jordanian Dinars compared to 33.3 million Jordanian Dinars in 2018. The Bank has also maintained a stable and consistent dividend distribution policy towards its shareholders at a rate of 7% during the past ten years as its a source of income and growth of its profits as a reward for its shareholders and in a way that enhances the high flexibility of the bank's operational capabilities to achieve regular revenue strength in the face of economic fluctuations.

Finally, I would like to extend my deepest thanks to our customers and shareholders and all supporters for their immense trust. I assure you of the commitment of the senior management team to exert all its efforts to translate the ambitions of our leading institution and to achieve its objectives and to maintain its position as a leading Jordanian bank. I would also like to extend my thanks to all regulatory authorities in Jordan, recognizing the efforts and cooperation of the Central Bank of Jordan, the Securities and Exchange Commission and the Companies Control Department for their keenness to ensure the soundness and strength of the Jordanian banking sector. I would also like to extend my thanks for the efforts of the Palestinian Moratory Authority. My thanks and pride are extended to all the team at the Bank and to its executive management for their continuous and tireless efforts. May God bless us all under the Hashemite leadership of His Majesty King Abdullah II Bin Al Hussein.



**Saad Nabil Mouasher**  
Chairman of the Board



## CEO's Message

### Ladies and Gentlemen,

I am pleased to present you with the Jordan Ahli Bank Annual Report for the year 2019. In his report we present the key achievements and successes of the Bank in 2019. The results of the past year were consistent with previous years in which the Ahli Bank played an obvious and central role in the Jordanian banking sector, contributing to the building of a prosperous economy and community focused on financial inclusion. At the same time the Bank continues to focus on distinguished and excellent customer service through reliance on new technological innovation and the provision of up-to-date banking products at competitive prices building upon the values of the Bank, central of which is the Shared Prosperity strategy.

Starting with the vision and direction of the Board of Directors of the Bank, the Bank has worked on pushing forward with the implementation and institutionalization of the "Shared Prosperity" strategy as the reference point for all its activities. The Bank also focused on the role of the private sector in increasing the impact of institutional activities to enhance community investment thereby becoming a core focus of the Bank's operations and strategy to enable and expand social and economic welfare and ensure economic and social empowerment and local community enrichment.

To achieve this strategy, the new corporate identity of the bank was launched as part of our continuous pursuit of excellence and taking precedence at the level of the Jordanian banking sector and keeping pace with the rapid development in the financial sector and the integration of advanced technology into our services, looking forward to the participation of young people and to meet their aspirations, which reinforced our leading market position and our commitment and vision to be the banking partner that serves the Jordanian family in all its segments by providing a distinctive bouquet of services and products and focusing on electronic ones.

In terms of financial performance, the bank continued to make progress in its financial indicators during the year 2019, which were characterized by consistency and stability of income indicators and an optimal balance of its budget and the quality of its assets in addition to the strength and solidity of its credit performance despite the conditions of uncertainty and challenges imposed by the economic conditions and their implications for economic activities and capital markets. Where contributed to the credit policy pursued by the bank, which is based on major axes, the most important of which is credit quality,

creating added value, consistency and stability of revenues growth, hedging and building provisions, in addition to transparency and good governance in strengthening the bank's financial results, which were represented in an increase in profit due to operation by around 9%, while the net profit after tax was at 22.24 million dinars with a growth of 4.5% compared to 2018, at a time when the preliminary results of the listed banking sector witnessed a decline of 2.3% in net profits during the year 2019 compared to 2018>

In addition, the bank's results strengthened its ability to support the Capital Adequacy Ratio, the increase of Coverage Ration and the decrease of the Non Performing Loans, which all has strengthened the bank's financial position.

In pursuit of launching our new corporate identity, we launched our new the Abdali Branch (Ahli Flagship Branch) which offers a new and unique first-of-its-kind experience in the Jordanian and regional banking sectors. The new branch is considered the true launchpad for our new corporate identity. That experience will be transported to all branches of the Bank, as it offers an innovative working model that enriches the customer experience. The customer journey starts with an electronic service portal that includes an interactive teller machine (ITM) in addition to a traditional automatic teller machine. The customer then moves to an integrated product display center that showcases the different products of the Bank which are of relevance to all segments of society and which have been developed in cooperation with the strategic partners of the Bank. The customer journey then continues by visiting the Bank tellers in a new and innovative environment that has been designed by Ahli Bank to remove any barriers between the customer and the teller. The customer then moves to the advisory space where the customer receives consultation and advice in relation to all their routine needs. The most suitable banking products and services which are offered by the Bank are then matched to such needs. The visitor concludes their unique experience in our new branch in the social interaction hub where the Bank connects all visitors from all segments of society in one space, irrespective of whether they are customers or not.

Moreover, the new Jordan Ahli Bank headquarters project has been launched. It will include a large number of facilities that serves customers, employees, and society at large in order to supplement our efforts to develop our corporate culture translating the mission and vision of the Bank in relation to creating an environment for innovation and creativity.

In line with our efforts to improve and upgrade our various services, a bouquet of innovative and unique services were launched including (WhatsApp fit for Business) which allows customers to connect with the Bank at any time, on any day, throughout the week. We also launched the new website of the Bank with a friendly and easy to use interface. We also launched the second version of ahli777 which not only included university students but also covered university graduates who have not been fortunate in their efforts to secure permeant employment to date, where participants were offered to work in the various departments of the Bank on a part-time basis.

In closing I can only conclude my message by thanking all the employees of the Ahli Bank for their dedication and loyalty. They have the primary role in the ability of the Bank to achieve it distinguished results. I reaffirm that the employee is at the core of our interests and the foundation of our success. We are keenly interested in offering a model working environment that offers stability and career certainty = in a manner that improves the employee experience and promotes personal development. I would also like to thank our Board of Directors who has not spared any effort in providing all support to the team at the Bank.

Wishing you all continuous success and prosperity,

**Mohammed Musa Daoud**

Chief Executive Officer/General Manager





## Key Economic Indices for the year 2019

### Productivity, Price and Employment

- Gross Domestic Product (GDP) recorded an increase in market fixed prices of 2.0% in the year 2019 as compared to 1.9% for the year 2018.
- The General Price Level (inflation) increased in correlation with the relative increase of the Consumer Price Index (CPI) from 0.3% in the year 2019 as compared to 4.5% for the year 2018.
- Unemployment in the fourth quarter of 2019 was recorded at 19.0% in the year 2019 as compared to 18.7% for the same period of the year 2018.

### Banking and Financial Sector

- Total foreign reserves deposited with the Central Bank of Jordan (including gold and special drawing rights) amounted to circa 14.3% in the year 2019.
- Total Credit Facilities Granted by licensed banks increased from circa 27.08% billion Jordanian Dinars in the year 2019 as compared to 26.11 billion Jordanian Dinars for the year 2018.
- Total Deposits with licensed banks increased from circa 35.30 billion Jordanian Dinars in the year 2019 as compared to 33.85 billion Jordanian Dinars for the year 2018.

### Public Finance

- The Central Government Budget recorded a fiscal deficit after grants and aid at the end of 2019 amounting to 1.058 million Jordanian Dinars (3.4% of the GDP) as compared to a deficit of 727.6 million Jordanian Dinars (2.4% of the GDP) at the end of 2018.
- Total Internal Public Debt (Central Budget and Independent Commissions) increased at the end of 2019 from its level at the end of 2018 by 1.52 million Jordanian Dinars to reach circa 17.74 billion Jordanian Dinars. The Balance of the External Public Debt (budget and guaranteed) increased by 250.7 million Jordanian Dinars to reach circa 12.34 billion Jordanian Dinars. Total Public Debt (internal and external) reached 96.6% of GDP at the end of 2019 as compared to GDP at the end of 2018.

### External Sector

- The Trade Deficit dropped by 12.2% to become circa 7.83 billion Jordanian Dinars at the end of 2019.
- Travel Receipts increased at the end of 2019 by 10.2% as compared to the same period of 2018 to become 4.11 billion Jordanian Dinars and Travel Payments increased at the end of 2019 by 5.4% as compared to the same period of 2018 to become 1.04 billion Jordanian Dinars.
- Total Remittances of Jordanians Working Abroad as at the end of 2019 recorded a reduction of 0.9% as compared to 2018 to become 2.63 billion Jordanian Dinars.





# Board of Directors' Report



## BOARD OF DIRECTORS' REPORT

### The bank's main accomplishments

#### Business Sector

The Business Sector is one of the most important units of the Ahli Bank as it manages banking relationships with financial institutions as well as SME and Large enterprise and consumer banking and offers banking and project financing solutions with the aim of institutionalizing and developing relationships in a manner consistent with the Shared Prosperity strategy that is central to the Bank's mission.

#### Corporate Banking and Project Finance

The corporate segment is considered one of the most important segments of the Ahli Bank as it is one of the largest drivers of revenue and profit. The department manages banking relationships with clients from the corporate, government and financial sectors by offering a wide array of banking solutions including project financing solutions for key infrastructure projects, either directly or indirectly, through direct leading or participation in lending consortia.

- The Corporate Banking and Project Finance Department was able to establish and develop new client relationships with large corporates through the offering of relevant banking solutions, in addition to building relationships focused on the quality of the credit portfolio utilizing a conservative policy that balances risk and return.
- In 2019 the Bank continued to support the national economy through the offering of a unique bouquet of integrated financial solutions that match the needs of the segment and which correspond with the demands of quality and ever-increasing change in the business environment.
- As a result of the negative impact of regional developments on the Jordanian economy the Department continued to offer facilities and banking solutions to support its customers through specialized loans and direct and indirect commercial financing solutions which has led to supporting a number of them in overcoming the financing gaps that they are facing in light of these regional developments and which protected against irregular facilities.



#### Small and Medium Banking

Stemming from the conviction of the Ahli Bank on the importance of financial inclusion in Jordan and consistent with the Bank's strategy that looks to promote it, the Bank, as the first bank in Jordan, established the small and medium banking department in 2006 as a specialized department focusing on servicing and financing small and medium enterprises through an integrated offering. This was later augmented through the establishment of specialized business hubs in different geographic locations that include West and East Amman in addition to Karak, Irbid, Aqaba and Zarqa where the team manages customer accounts and services them in an effective and efficient manner. In light of the pace of change in his space the Bank undertook a substantial update to all SME focused products and services in 2019 to ensure that it remains the primary choice for the customer.

- The Department launched the new "SME Partner Bank" brand to reinforce the message that it is a "true partner" in the success of the customer starting with the pre-incorporation phase, passing through registration, establishment, growth and business development, and ending with achieving success across all pillars of the company.
- The Department launched specialized SME financing products for various projects, purchases, sales or asset acquisition (fixed and non-fixed assets for purposes of expansion or ownership). The unique products focused on women led start-ups, entrepreneurs and SMEs including the Finance Your Needs product, the Amlaki product, and the Mashroui product that were offered hand-in-hand with the corporate bundles and packages that are offered by the Bank.
- Corporate programs and bundles were offered targeting SMEs to finance their needs at different stages of their development and included the Entrepreneur, Manshaiti (my establishment), and Aamaali (my business). Each program contains a number of credit facilities including overdraft facilities, purchasing financing, sales financing, and financing of receivables and commercial agreements in addition to indirect financing in the form of letters of credit and bank guarantees. The customer also receives advisory solutions within the advisory offerings of the Department.
- The Department continued to direct borrowed funds towards SME financing at competitive rates to grow the sector. The Department is also very keen on geographically diversifying the portfolio and to support women led business that create jobs and employ Jordanians. An example of that is the loans from the European Bank for Reconstruction and Development (EBRD), the Arab Fund for Social and Economic Development and the World Bank, which were procured at very favorable terms and at a low interest rate, in addition to financing from the Central Bank which were directed to specific key sectors.
- Reinforcing our partnerships relating to SME and start-up ease of access to finance through the strategic partnership with the Jordan Loan Guarantee Company which facilitated providing lending to targeted segments that did not have sufficient collateral and in line with the Bank's social responsibility for supporting the segment taking into account the gender and geographical diversity of the portfolio.
- The Bank continued to be involved in SME focused initiatives and strategic partnerships including by way of example the Middle East Investment Initiative (MEII) which manages the Tamweeli electronic platform that allows for the submission of financing requests through the platform and provides access to specialized advisory services.
- Focus on the learning and development of the team to improve customer service and provide specialized training courses and certifications around various technical, finance and credit related topics. These courses were delivered by experts in the field. During 2019, 211 employees spent 2345 hours in training in the various workshops, conferences and courses.

## Consumer Banking

The Retail Department continued with the execution of the Bank's strategy relating to the restructuring of the branches, whether through merging or relocating to distinguished locations in order to maximize operating performance and minimize operating expense. Moreover, the Flagship branch was launched in the Boulevard, Abdali offering banking and non-banking services in a modern non-traditional setting. With regards to the Bank's products, new strategic partnerships in order to provide additional value to all stakeholders and to achieve the Bank's financial and non-financial targets. These partnerships allowed for the offering of new competitive and flexible financial and non-financial solutions that satisfy the needs of all segments of society and included cards, real estate loans, investment programs and doctor loans. With respect to improving the customer experience the Bank automated a number of banking services which benefited the quality of service and customer satisfaction.

- The launch of new projects supported the Bank in the implementation of its strategy and improving its operating efficiency and levels of customer satisfaction through the offering of modern and innovative financial and non-financial solutions focused on improving the customer experience and serving a broader segment of society.

## Treasury and Investment

- The Treasury and Investment Department continued with its conservative approach in managing its assets and receivables balancing its various operating channels and taking a holistic and integrated approach to managing its assets by leveraging its traditional and non-traditional services. In terms of Asset and Liability management the Department effectively utilized available financial instruments in the local cash and capital markets to increase its revenues and reduce its cost basis at the same time. This was achieved by revisiting the investment policy in light of sharp turbulence in the capital markets and by taking advantage of financial tools and treasury technologies that provided for flexibility and resilience in facing economic challenges and their impact on interest rates. Fixed income tools were used to boost revenue, strengthen primary reserves, improve liquidity and marketability of its acquired assets and which provided for a steady cash flows and an improvement in revenues and returns in a low risk approach that consolidated gains and protected shareholder interests.

- With respect to asset management in respect of equity instruments, the efforts to structure the portfolio focused on strategic investments in defensive sectors and fixed income instruments in addition to investments in fintech which offered both growth opportunities and value-added services. The Department was also able to increase its market share in ancillary financial services such as financial advisory, bond issuance management, custody, registration and payment agent services where the total value of the securities managed by the Department exceeded 500 million Jordanian dinars for companies and financial institutions in various sectors.

- The Department, through the Investor Relations Department, focused its efforts to enhance its global exposure and attended international conferences with global investment funds and specialized investment platforms for the purpose of expanding the investor base and diversify institutional investment both regionally and internationally and to elevate the status of the bank internationally.

- With respect to expanding its service offerings and outreach the Financial Institutions Department focused on improving and expanding its service offerings and strengthening its professional network which allowed for the establishment of new avenues or reconnecting with legacy relationships with banks and financial institutions which provided a comprehensive coverage of the sector and a diversification of revenue streams.

- At the end of 2019 wealth management services were launched to respond to customer and potential investor demand in order to present a comprehensive investment offering that satisfies their financial and savings plans and needs.

## Credit Sector

The Credit Sector unit is focused on the entire credit process starting with the initial lending and ending at the point of full repayment and encompassing all intermediary steps including documentation, activation and supervision in order to maintain the quality of the credit portfolio of the Bank. It also entails undertaking all remedial actions in cases of default whether through amicable settlement or legal recourse.

The unit consists of a number of departments including the Credit Execution department that is focused on documentation and activation to ensure compliance with all legal and administrative requirements for activation. The Credit Control department, which through the credit control function, is also responsible for managing and predicting defaults prior to their occurrence thereby maintaining the quality of the portfolio. The Credit Review department is responsible for studying financing requests from the various sales departments including the financial soundness position to determine the capacity of the customer to service the loan in line with requirements of the Central Bank of Jordan. The Remedial Department is responsible for managing long term defaults and restructuring them so that they return to being functional or otherwise taking recourse to resolve the issues whether amicably or through legal action.

## Support Sector

### Operations & Shared Services

The Operations and Central Shared Services department is focused on banking operations including opening and managing accounts, receiving and transmitting bank transfers, managing salary remittances, managing fixed deposits, executing payment orders, managing cards and checks, and managing facilities including legal documentation of individual facilities, treasury operations, commercial operations and cash management.

- Stemming from its commitment to improve the quality of its services, the Operations Department completed its Straight Through Processing for all incoming transfers. It also allowed for bulk transfers allowing corporate clients to settle supplier dues, employee salaries and shareholder dividends through direct electronic means and without having to visit any of the physical branches.
- The Department also benefitted from the fact that Jordan Ahli Bank was one of the first global banks to implement the SWIFT GPI system which transformed the way it sends and receives foreign transfers in a faster and more secure and transparent way and allowed for better tracking of international transfers for its customers with a clear knowledge of the commissions that have been deducted from the issuing and receiving banks.
- As the Bank is focused on customer satisfaction and desires to elevate the quality of the services offered the Department started to send electronic notifications by email to Bank customers notifying them of transaction details in a secure way and in place of previously used paper-based notifications.

### Information Technology.

The information technology department is responsible for providing support for the operations that utilize technology solutions including offering maintenance and continuity of the technical platforms whether hardware or software to ensure an environment of maximum security from cyberthreats and is the Center of Excellence as it relates to the use of information technical for the purpose of promoting and supporting the Corpora Sector.

- Updating the server infrastructure for the banking system and the IBM P9 system as well as upgrading the operating system.
- Upgrading the T24 banking system to the R18 version using bank resources.
- Updating the banking system database and the data base for the data protection and security application.



- Prepared the infrastructure for the alternative web site.
- Participated in the development and implementation of the KONY electronic channels.
- Added account transfer and card payment services through the use of ATMs.
- Upgraded the SWIFT system and adding new services like GPI.
- Added internet banking services for corporate clients to allow for salary transfers, salary payments and dividend distribution.
- Implemented the sending of notifications and account statements electronically through email.
- Implemented the Oracle HR system.
- Selected and implemented the Dealing With Cyber Security Risks Program in compliance with Central Bank of Jordan requirements and which includes systematic protections for systems, programs, networks and network devices from a cyber-attack.

## Human Resources

Stemming from the belief of the Bank that human resources are the key to the success or failure of any institution, the human resources department aims to apply the highest industry standards to recruit, employ and develop top quality human resources and to retain such resources through the implementation of advanced systems that ensure job satisfaction and promote a corporate culture that offers a challenging, creative, innovative environment with competitive benefits and rewards.

- As part of the Bank's ambition to achieve Shared Prosperity the HR Department focused in 2019 on the three pillars of his strategy: creativity, innovation and quality in all aspects of operations and customer service. The HR Department focused on capacity building of the team to address the above. The HR Department also focused on creating a model working environment that provides job stability and security and launched the corporate culture project that focused on core values of the Bank.
- Since the success of the Bank is dependent on attracting and retaining the best talent, especially home grown talent, the recruitment strategy was updated and an electronic system was put in place to support it. Priority was given to internal candidates to provide opportunity and to provide career development and promotion opportunities and creating career paths for employees to progress within the Bank and to diversity and enrich their experience and to achieve equity and transparency. Where internal talent was not available external recruitment was utilized.
- HR systems were upgraded in line with best international administrative practices to improve the HR function and to support institutional goals and support the banking operations in line with the highest professional and sustainability standards. A system was adopted to evaluate and classify positions which allowed for assignment of clear and transparent job descriptions and roles and responsibilities that match position requirements.
- 2019 witnessed a sharp focus on learning and development where a number of pioneering programs were launched including: bank teller and customer service training and development and leadership training for promising talent. With respect to leadership and managerial positions specific leadership training was devised to upgrade management practices and positively impact institutional performance.

## Innovation

As part of the Bank's drive to excel in and pioneer the Jordan banking sector and to keep abreast of the latest developments in the banking sector through the incorporation of advanced technology in its services, a new corporate identity was launched during the year 2019 which allowed the bank to have access to the youth segment and to address their requirements and this will support the Bank's leading position in the market with the aim targeting all segments of society in a modern and attractive format and through the offering of a unique bouquet of products and services with a specific focus on electronic solutions.

- Ahli Flagship Branch was also launched in Abdali during the past year to offer a new and unique first-of-its-kind experience in the Jordanian and regional banking sectors and which is considered the true launchpad of the new corporate identity, which experience will be transported to all branches of the Bank.
- In line with the Bank's efforts to improve and upgrade its various services, a bouquet of innovative and unique services were launched including (WhatsApp fit for Business) which allows customers to connect with the Bank at any time, on any day, throughout the week. The Bank also launched the new website of the Bank with a friendly and easy to use interface. In light of the success of university student empowerment during the first version of ahli777, the second version of ahli777 was launched, which not only included university students but also covered university graduates who have not been fortunate in their efforts to secure permeant employment to date, where participants were offered to work in the various departments of the Bank on a part-time basis.
- Stemming from the vision of the Jordan Ahli Bank incorporated in the Shared Prosperity framework the corporate social responsibility department was repositioned within the Innovation and Development Unit to reinforce the position of the Bank as a leader in sustainability and corporate social responsibility through the initiation or support of various initiatives that seek to maximize benefit with five key areas of focus which are: community empowerment, innovation and creativity, education and youth, environment, and art and culture. The Bank's corporate social responsibility and sustainability efforts are connected to its banking operations and that has been encapsulated in the second annual Sustainability Report issued in accordance with the standards of the Global Reporting Initiative and which is available for review on the Bank's website.
- Launch of new and innovative services including WhatsApp for Business which allows customers to interact with a Bank on a 24 hour, 7 day a week basis.
- Launch of the new user friendly website.
- Launch of the second version of ahli777 which did not limit itself to college/university students only but extended to cover university graduates who are seeking employment offering them a chance for part-time employment allowing them to benefit from on-the-job training in the banking sector.

## Project Management Office

In the implementation and management of the initiatives and projects of the Jordan Ahli Bank the Project Management Office relies on the foundations and goals emanating from the Jordan Ahli Bank strategy where projects are managed through innovative tools and methods focusing primarily on human resources and the highest international standards.

- The project management office managed a wide range of programs and projects and successfully completed 70 projects in 2019.
- Stemming from the central role of the PMO in unifying the vision and goals of the Bank, an Institutional Enterprise Architecture position was created, which focused on coordination between the goals and roles of the various technical services departments.
- All members of the Department, in addition to a select few from other Bank departments who also are involved in project managing other projects, were trained on project management programs.

## Internal Audit

The Internal Audit Department is subject to the direct supervision of the Board Audit Committee emanated from the Board of Directors, which highlights the important function of the Internal Audit Department wherein the internal auditors are independents, qualified and perform their function in accordance with good corporate governance practices and validate the availability of sufficient internal control and oversight systems to ensure that the Bank's activities and remedial measures are being conducted in an efficient and effective manner to achieve the Bank's strategy to the benefit of all stakeholders.

The Internal Audit Unit is also responsible for providing recommendations and proposed solutions that allow for the most effective use of the Bank's resources and in a manner that supports the implementation of the Bank's strategy in the lowest risk environment possible, especially considering the pace of change that the working landscape is undergoing largely as a result of latest technological innovations which have unleashed new challenges and risks for all business segments.

- As part of the supervisory and advisory role of the Internal Audit Department, the COBIT requirements were fully adopted in addition to other systems that aim to provide protection to shareholder, customers, and employees rights and to the Bank.
- Cooperation and coordination with all departments of the Bank and regulatory bodies and strengthening the control environment across the Bank and its subsidiaries and external branches.
- Close follow up to address control gaps if found and to ensure all corrective measures, systems and tools have been adopted.
- Automation of audit function as part of an ambitious plan that involved training all audit and control/compliance team members in general.

## Risk

The Risk Department is directly connected to the Board of Directors and that is in line with the Corporate Governance Regulations issued by the Central Bank of Jordan. The Board of Directors is responsible for ensuring the implementation of risk management strategies, policies and procedures at the Bank. The Board is also responsible for conducting an annual review of these risk management tools. The Board delegates its oversight authority over the Risk's activities to the Board Risk Committee which emanates from it.

The risk management approach is a result of experience, knowledge and a risk culture where each employee is responsible for any potential risks that may arise in the area of activity.

The Risk Department provides an independent control and support that aims to create and promote a holistic understanding of risk management at all administrative levels and which proactively supports the prevention of potential losses and puts in place the appropriate remedial procedures and measures which must be taken to address these risks, in case they occur, in order to minimize costs and potential losses.

The activities of the Risk Department are incorporated as part of the Bank's general policy for Risk Management that allows for the identification of risk and for putting in place appropriate safeguards thereby creating Risk Management Framework for the Bank. In addition the Risk Department develops specific policies addressing key issues, including:

- Credit Risk Management, Market Risk and Operating Risk Management Policies.
- Liquidity Risk and Interest Rate Risk Policies.
- Internal Capital Adequacy Assessment Process (ICAAP).
- Stress Testing Policies.

In addition the credit policy and the investment policy are considered complimentary to the risk management policies for the purpose of managing and controlling other risks.

The Bank's management also affords special attention to the requirements of the Basel Convention and international best practices for risk management considering them to be the framework for entrenching and enhancing the Bank's capability to upgrade its compliance environment as it faces different (operating, market and credit) risks. Tangible steps have been taken to implement the measures mentioned above including the establishment of specialized units for managing the different risks, whose function includes the identification, quantification, management, oversight and control of the various risks and assessing the Bank's compliance with the various laws, regulations, standards and other requirements issued by different local and international bodies in accordance with established international best practices taking into account the size of the Bank, its operations and the various risks that it encounters.

- Developing a risk management strategy that is consistent with the general strategy of the Bank.
- Developing working plans for the various risk departments in a manner that achieves the strategic goals.
- Developing and upgrading policies that regulated risk management and ensure their adoption from the Risk and Compliance Committee.
- Preparing the general framework for acceptable risks and limitations and putting in place targeted benchmarks.
- Putting in place a recovery policy and getting it adopted by the Risk and Compliance Committee.
- Preparing a data base for the reporting framework of the risk department and automating the calculation of capital adequacy ratios.
- Developing a framework of reporting for risk management that improves the risk management and oversight process.
- Promoting a risk management culture through educational and training sessions held with Bank employees on all risk related matters.
- Holding a number of workshops relating to operating risk and which aim to build risk profiles for each of the Banks departments built on self-evaluation of risk and oversight processes.
- Developing and implementing a number of projects relating to data and cyber security.

## Compliance and Anti Money Laundering

The Compliance and Anti Money Laundering Department is an independent department that manages compliance risk at Hordan Ahli Bank Group through the implementation of a number of measures that aim to identify, evaluate, advice, oversee, and report the risks of non-compliance issues within the group.

- Developing a compliance framework that tracks regulatory body requirements and their decisions with respect to the Bank and the sector and overseeing compliance therewith, in addition to promoting a compliance culture in the Bank.
- Participating in the improvement of the customer service experience by managing the complaints department.
- Providing guidance and advice to all members of the group with respect to compliance matters and addressing any questions.
- Taking necessary measures to ensure compliance with all requirements and developments relating to anti-money laundering and terrorism financing.
- Taking necessary measures to ensure compliance with all requirements and developments relating GDPR, FATCA and MiFiD II.
- Holding workshops for Bank employees on compliance matters.



## Internal Control

Jordan Ahli Bank expanded the scope, compliance tools, and evaluation methodologies that are being followed by the Internal Control Department to establish a primary line of defense independent from all the other executive departments of the Bank, as part of an effective response strategy against the risks that the Bank confronts and which is based on division of responsibilities, defining authorities, merging operations and control roles with the aim of effectively meeting operating and strategic goals of the Bank and ensuring the activities and operations comply with the laws, regulations and instructions issued by the various regulatory and legislative bodies that oversee the Bank's functions.

- Develop and document a mature and comprehensive framework for internal control and for the information technology governance apparatus in accordance with best practices (COSO Framework and COBIT 2019) and which emanates from the oversight functions of the Board and takes into account all control, oversight, and advisory roles of the various control and compliance departments and the committees of the Board of Directors as well as the oversight functions performed by the executive units all of which contributed to enhance the operating capacity, policies and procedures of the Bank and positively impacted the customer experience.

## Shareholders Affairs

The Bank undertakes the necessary measures to effectively and continuously engage with shareholders through the Shareholders Affairs at the Board Secretariat according to the best practices in order to reinforce the trust of the shareholders in the Bank. The Shareholders Affairs follows up on the details of their shares and the distribution of any dividends, whether cash or in-kind. The AGM invitations, agenda and annual report are distributed to shareholders at their registered addresses and are also disclosed on the Bank's website and in the necessary media channels.

In order to substantiate the knowledge of the shareholders in the activities of the Bank, a complaints and suggestions process has been adopted, and published on the website under the Shareholders Affairs heading, in line with the requirements of disclosure which is part of the Shared Prosperity vision of the Jordan Ahli Bank.

## Geographical Coverage and Number of Employees

The Bank exercises its operations through a network of branches spreading across Jordan, Palestine and Cyprus as well as through its subsidiaries, in which the total number of branches among Jordan, Palestine and Cyprus are 65 as detailed at the end of this report herein, and the total number of the Bank's employees are 1418 as of the end of 2019. The following list contains the details:

	Number Of Branches	Number of Employees 31/12/2019
Hashemite Kingdom of Jorda	53	1186
Palestine	11	218
Cyprus	1	14
<b>Total</b>	<b>65</b>	<b>1418</b>

## Distribution of Employees and Branches

The distribution of Jordan Ahli Bank branches and number of employees per Governate and its external branches as of the end of 2019 are as follows:

Within the Hashemite Kingdom of Jordan					
Branch	No of Employees	Branch	No of Employees	Branch	No of Employees
<b>Amman</b>					
<b>Central Amman</b>					
Main Branch	14	Wadi Saqra Street	6	Jabal Amman	7
Corporate	22	Abdali Boulevard	10	Ibn Khaldoun Street	5
Exclusive	16	Abdoun	13		
Culture Street	4	Taj Mall	7		
<b>East Amman</b>					
Sahab	6	Dahieh Yasmine	6	Downtown	6
Madaba	11	Marka	7	Middle East Circle	7
Hurriya Street	7	Tabarbour	6	Jabal Al Hussein	8
Khuraibet Al-Souq	6	Al-Hashimi Al-Shamali	5	Marj Hamam	8
<b>West Amman</b>					
Umm Uthaina	5	Abdullah Ghosheh	9	Queen Rania Street	6
Al Bayader	7	Makkah Street	9	City Mall	9
Sweifieh	8	Mecca Mall	10	Khalda	9
Wasfi Al-Tal Street	8				
<b>Balqa</b>					
Deir Alla	6	Balqa Applied University	8	Fuhais	6
Salt	8	Al-Salt Gate	7	Jubaiha	9
<b>Zarqa And Noth</b>					
Zarqa Main Branch	7	Irbid	10	Jerash	7
New Zarqa	7	Ramtha	7	Arabella Mall - Irbid	11
The Free Zone	4	Mafrq	7		
Rusayfa	5	Al-Hashemi Street / Irbid	7		

### Outside The Hashemite Kingdom Of Jordan

Branch	No of Employees	Branch	No of Employees	Branch	No of Employees
<b>South</b>					
Tafila	9	Karak	7	Aqaba	13
Ma'an	8	Mutah	8		
<b>Palestine</b>					
Regional Office	115	Bethlehem	14	Beit Sahour	8
Nablus	16	Salam - Hebron	13	Masyoun	9
Shalala - Hebron	3	Jenin	12	Betonia	9
Ramallah	11	Tulkarm	8		
<b>Cyprus</b>					
Limassol	14				

### Jordan Ahli Bank Subsidiaries

#### Table Providing Detailed Information on Subsidiaries

Name of Company	Type of Company	Address	The nature of the company's business	Capital	No of Employees	No of Branches	Major Shareholders (5% of more of Capital)				
							Name	No of Shares as of 31/12/2018	%	No of Shares as of 31/12/2019	%
Ahli Financial Leasing	Private Shareholding Co.	Amm. - Jo./ Tel: 06 5003333	Leasing	17,500,000	12	1	Jordan Ahli Bank	17,500 JD/Share	100%	17,500 JD/Share	100%
Ahli Micro-finance	Limited Liability Co.	Amm. Jo/ Tel: 06 9706558 Fax: 06 586 5952	Micro-finance	6,000,000	265	25	Jordan Ahli Bank	6,000,000 JD/Share	100%	6,000,000 JD/Share	100%
Ahli Brokerage	Private Shareholding Co.	Amm. Jo/ Tel: 06 5624471 Fax: 06 5651359	Brokerage	3,000,000	7	1	Jordan Ahli Bank	3,000,000 JD/Share	100%	3,000,000 JD/Share	100%
Ahli Fintech	Private Shareholding Co.	Amm. - Jo./ Tel: 06- 526000	Information Technology	100,000		1	Jordan Ahli Bank	100,000 JD/Share	100%	100,000 JD/Share	100%

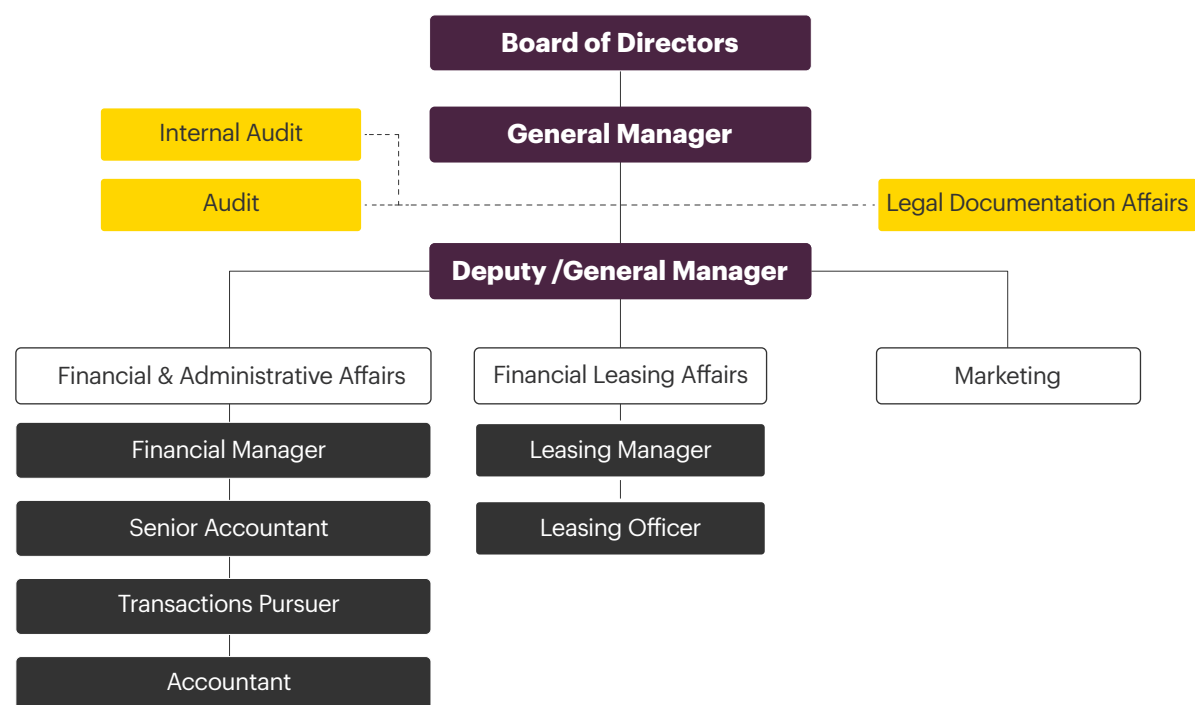
### Capital Investment

The capital investments of the Jordan Ahli Bank amounted to 105 million Jordanian Dinars with fixed assets amounting to 91.6 million Jordanian Dinars and intangible assets amounting to 13.5 million Jordanian Dinars as at the end of 2019.



## Ahli Financial Leasing Company PSC

A private shareholding company fully owned by the Jordan Ahli Bank and considered a pioneer in the leasing sector in Jordan. It was established in 2009 in Jordan and launched its operations in 2010. It has a registered capital of 17,500,000 Jordanian Dinars as at the end of 2019. The company offers integrated leasing and alternative, non-traditional financing solutions taking a modern approach to all segments including companies and individuals. The company offers financing solutions for capital assets including real estate, equipment, machinery as well as medical devices and means of transportation. The company relies on these capital assets as a primary source of repayment and collateral for considered and approved leased assets. It has one branch in the Hashemite Kingdom of Jordan.



### Achievements of the Company in 2019:

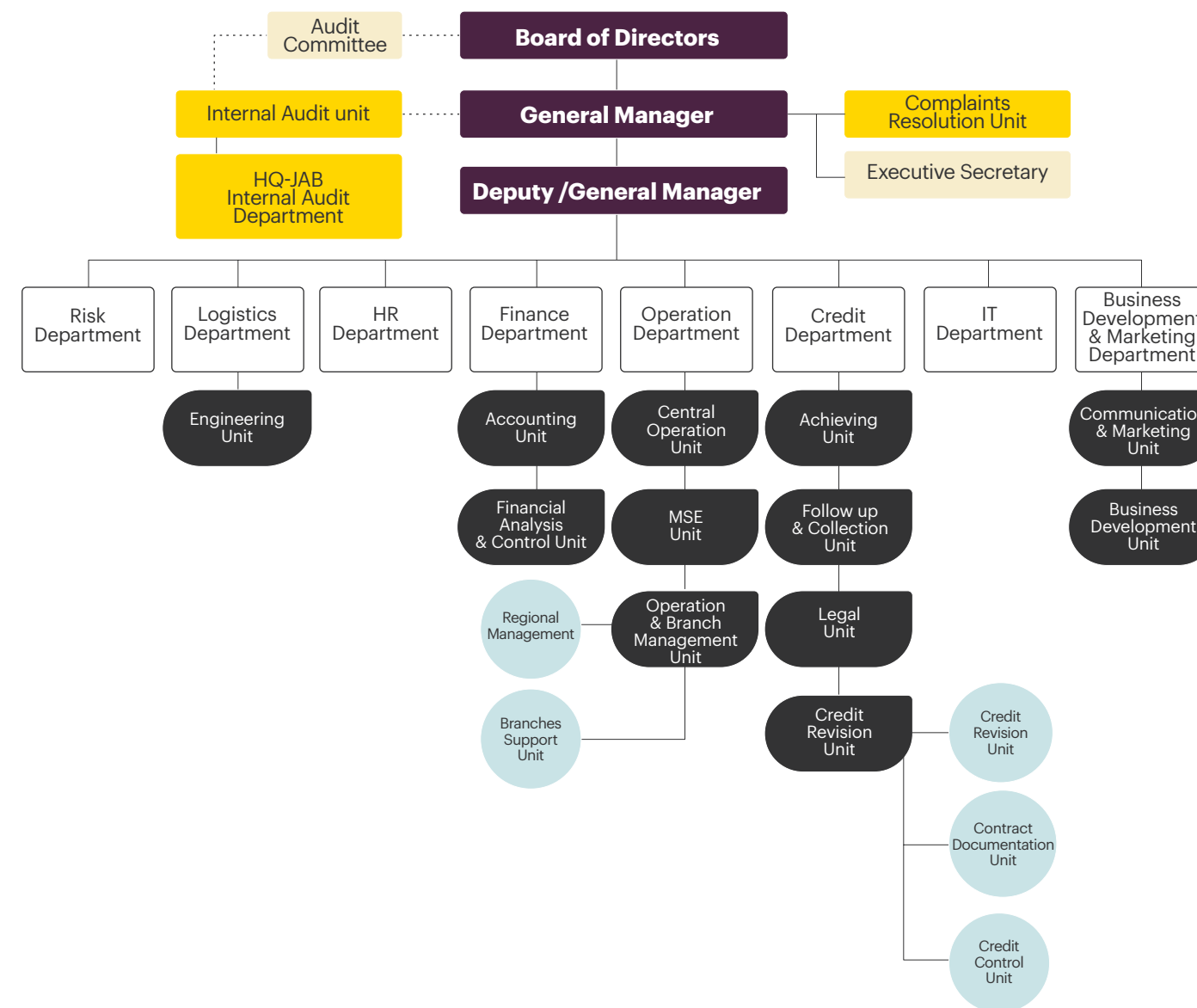
- Offering financial leases amounting to 31 million Jordanian Dinars divided into 271 different leasing agreements.
- Revenue of 7.455 million Jordanian Dinars.
- Total assets of the Company are 87.589 million Jordanian Dinars.
- Total shareholder equity in the company is 32.868 million Jordanian Dinars.
- The company achieved a Return on Equity ratio of 9.5% and a Return on Capital Ratio of 3.3%.

### Future Plan for 2020

- Expanding the customer base through expanded customer events focusing on real estate developers across Amman and Zarqa in cooperation with the Housing Investors Society.
- Launching an electronic platform to market and finance real estate and housing products as well as any other products that the company's clients wish to market.

## Ahli Microfinance Company L.L.C.

A fully-owned subsidiary of the Jordan Ahli Bank and the first for-profit private sector company operating the microfinance space in Jordan. The company was established in 1999 in Jordan with a capital of 6 million Jordanian Dinars as at the end of 2019. It aims to support the development of local communities by providing financing solutions to productive limited income and poor small business owners who are not serviced by traditional financing agencies (banks) and contribute to the reduction of unemployment and poverty by providing seed funding and supporting self-employment thus creating a better economic, social and educational environment with a positive impact on the prosperity of local communities.



### Achievements of the Company in 2019:

- Meeting the financial goals of the Company.
- Developing the infrastructure and applying cybersecurity measures.
- Opening the Jerash branch.
- Participation in a number of social responsibility gatherings and offering free consulting services to promote the concepts of financial inclusion.
- Implementation a comprehensive training plan for 75% of the employees to sharpen and elevate their skills.
- Launching new financial products.

### Future Plan for 2020

- Expanding footprint with new branches.
- Achieving financial targets.
- Continuing with the launch of new services and product development in the new year.
- Improving operating capacity.
- Promoting the corporate culture and Shared Prosperity strategy amongst employees and continuing with capacity building and skill training.
- Developing new technology solutions.
- Continuing to strengthen the infrastructure by upgrading systems and strengthening data security.

### Company's Branches:

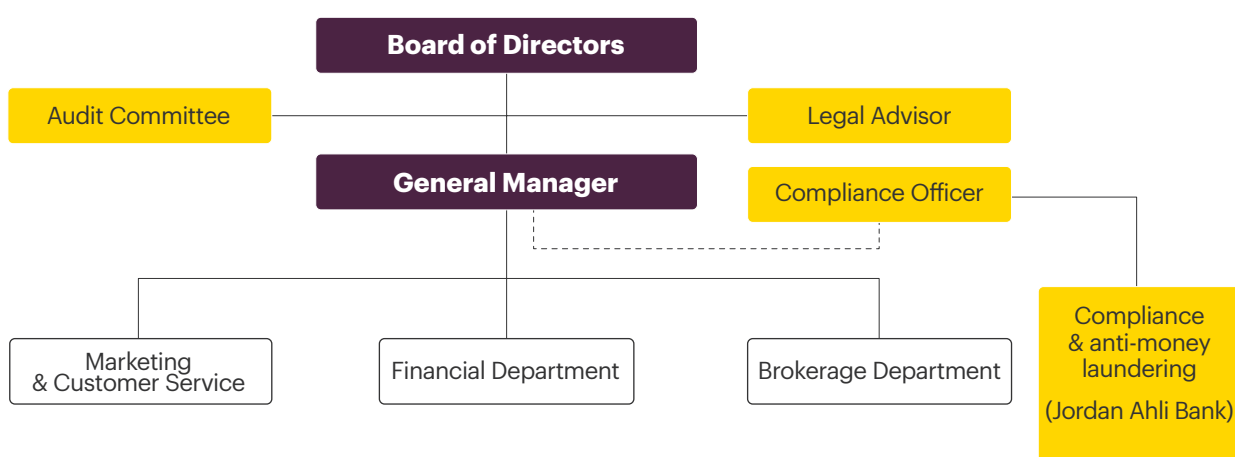
Branch	Address	Phone No.	No. of Employees
Bayader	Bayader Street, Ata Ali traffic light, opposite to Jordan Kwait Bank - Ground floor	(06) 5820993	7
Zarqa	Al-Saadeh Street, building 20 - 4th floor, on top of Ahli Bank	(05) 3980083	10
Middle East	Khawla Bent Al Azwar Street, Al Entlaq AL Mowahad building-next to Total gas station - Ground floor	(06) 4777310	9
Irbid	Al Husoun Street, Raed AL Hijazi building, opposite to Jordan Ahli Bank - Ground floor.	(02) 7251072	11
Swaileh	Princess Haya Street, Al Jude building, next to Jo Petrol gas station - Ground floor	(06) 5347594	10
Zarqa Jadeedeh	36 Street, building 37, next to Nuram Shamia sweets - Ground floor	(50) 3863354	8
Rsaifeh	King Hussain Street, building 100 - Ground floor	(05) 3755115	5
Rsaifeh (Jabal Al Shamali)	Yajouz Street, opposite to Prince Faisal Hospital - Ground floor	(05) 3756844	5
Al Hashmi	Al Bathaa Street, AL Montaser building, next to Anabtawi traffic light - Ground floor	(06) 5064990	10
Baqaa'	Al Shu'un Street, opposite to Al Wakaleh school - Ground floor	(06) 4727124	10
Marka	Esawiah Street, building 8 - Ground floor	(06) 4884123	7
Jabal Al Hussien	Khaled Ben Al walid Street, buidling 130, opposite to Opera House - Ground floor	(06) 4657201	16
Aqaba	Petra Street, opposite to Super Market Hamam - Ground floor	(03) 2030320	8
Irbid - Aydoun	New bus station - Al Sydawi complex, next to Jordan Kwait Bank	(02) 7070260	9
Madaba	Greater Madaba Municipality Street, next to Alawneh Exchange - Ground floor	(05) 3244432	8
Al Karak	Mothalath Al Thonaya Street, Sabri Dal'een building - Ground floor	(03) 2386082	11
Ajloun	Ishtafina Street, traffic, under Ministry of Justice - Ground floor	(02) 6440344	9
Marj Al Hamam	Prince Nayef Street, Abu Khaled Al Manaseer building, next to pharmacy One - Ground floor	(06) 5733984	8
Abu Nseir	Abu Nser Street, next to Cairo Amman Bank-building 224 - Ground floor	(06) 5105786	7
Hai Nazal	Ad-Dustour Street, next to the Jordan Post - Ground floor	(06) 4370999	9
Fuhais	Hummar Street, Mihyar Dawood Building, close to Societe Generale Bank - Ground floor	(06) 4721157	5
Al Hurria	Al-Hurriyah Street, building 95, next to National Poultry Company - Ground floor	(06) 4205072	4
Jabal Al Naser	Adan Street, next to Flamingo Restaurant - Ground floor	(06) 4967529	7
Tabarbour	Tabarbour - Tareq Street, opposite to Tareq Post Office	(06) 5059350	7
Jarash	Hasan Al Kayed Street, near Al Kairwan circle, opposite to the bus station, Al Baraka commercial complex	(02) 6342070	6
Main Office	8 <sup>th</sup> circle, King Abdulla II Street, building 449	(06) 5865970	58





## Ahli Financial Brokerage Company L.L.C.

A financial services company operating as a third party broker fully owned by the Jordan Ahli Bank and established in 2006. It has a registered capital of 3,000,000 Jordanian Dinars as at the end of 2019. The company offers its customers financial brokerage services for securities (both stocks and bonds) listed on the Amman Stock Exchange. It is licensed to act as financial broker for the account of others, broker, and to offer margin trading services.



### Achievements of the Company in 2019:

The company continued with its conservative strategy in light of the general uncertainty that the region is going through and which has had an impact on the Kingdom and which has led in general to the noticeable decline in the trading volumes in the Amman Stock Exchange and which has had an impact on the performance of financial service companies in the Kingdom. However, the company has dealt with these challenges professionally and in a manner that corresponds with the current conditions and has maintained a comfortable financial solvency position amounting to 117.5% at the end of 2019 exceeding the minimum required level set by the Securities Commission set at 75%.

### Future Plan for 2020

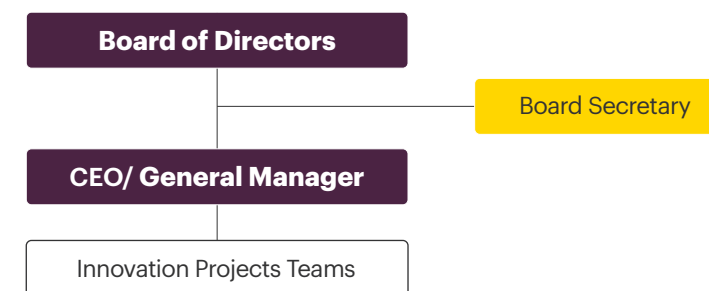
Continue with the efforts aimed at expanding the client base and increasing market share from traded volumes to reinforce the competitive position of the company in the capital market by focusing on innovation in utilizing financial technology tools to satisfy client demand. The company will launch a market information system (MIS) that will provide customers with information about companies listed on the Amman Stock Exchange including:

- Financial indicators and ratios for companies.
- Information about companies and their board members and their representatives.
- Trading activities of the major shareholders and board members including their shareholding percentages.
- Disclosures and circulars

## Ahli Financial Technology Company P.S.C.

related to all listed companies.

A fully owned subsidiary of the Jordan Ahli Bank founding in 2017 with a capital of 100,000 Jordanian Dinars as at the end of 2019. The company develops and offers fintech solutions and through the AHLI FINTECH-Seed Accelerator operates as a growth accelerator to support entrepreneurial financial technology companies and start-ups.



### Achievements of the Company in 2019:

The company launched the **AHLI FINTECH - Hackathon** and conducted a number of activities for participants through which they have been able to procure support and guidance through regular meetings with the AHLI FINTECH team and the innovation team at the Ahli Bank, including receiving a comprehensive overview about banking products from experts in the various departments of the Bank.

With respect to the **AHLI FINTECH - Seed Accelerator Program**, more than 115 applications from 12 countries were considered for participation in the accelerator. Several rounds of interviews were conducted with more than 35 candidates. The ideas were evaluated by the AHLI FINTECH investment committee which lead to agreement with 5 start-up companies to participate in the first batch of the program with a total investment value amounting to 490,000 Jordanian Dinars to support their development and expansion plans in the fintech space.

## Members of the Board of Directors



Name	<b>Mr. Saad Nabil Yousef Mouasher</b>
Title	<b>Board Member, Non-Executive Non-Independent</b>
Date of Membership	2014.
Date of birth	26/10/1974.
Academic qualifications	<ul style="list-style-type: none"> <li>• MBA Business Administration and Management, General, Stanford University.</li> <li>• B.A. Economics, North-western University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Senior Deputy CEO with more than 20 years of experience.</li> <li>• Managing Partner of Al Nabil for Trade and Investments.</li> <li>• Fellow - Aspen Institute.</li> <li>• Board Member - Endeavour Venture Corps and mentor to entrepreneurs' start-ups.</li> <li>• Founder and active board member for many non-profit institutions including Queen Rania Foundation for Education and Development, Jordan Strategy forum, Naua.</li> <li>• Member of the Board of Trustees - Crown Prince Foundation.</li> <li>• Deputy Chairman - Al Nabil for Trade and Investments.</li> <li>• Member of Board - the Generous Palms.</li> <li>• Deputy Chairman - Fig Tree Ventures.</li> </ul> <p>(Al Nabil for Trade and Investments representative).</p>



Name	<b>H.E Dr. Umayya Salah Toukan</b>
Title	<b>Board Member Non-Executive Independent</b>
Date of Membership	2017.
Date of birth	26/02/1946.
Academic qualifications	<ul style="list-style-type: none"> <li>• PhD in economics in the field of monetary economics (money and financial markets) - Columbia University.</li> <li>• Postgraduate Diploma in Economic Development - University of Oxford.</li> <li>• MBA - American University of Beirut.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Member of the Senate House- present.</li> <li>• Chairman of the Economic and Financial Committee – Senate House – Present.</li> <li>• Governor of the Central Bank of Jordan during the period 2001-2010 for two consecutive terms.</li> <li>• Former Finance Minister.</li> <li>• Ambassador to the European Union.</li> <li>• Non-executive director at the European Arab Bank.</li> <li>• He worked as part of the experts' group at the International Monetary Fund for the year 2011.</li> <li>• Jordan's representative in the United Nations (Second Economic and Financial Committee).</li> <li>• Economic Adviser to the Prime Minister.</li> <li>• General Manager of the Financial Market.</li> </ul>





Name	<b>Mr. Nadim Yousef Issa Muasher</b>
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997.
Date of birth	07/08/1950.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master’s degree in Civil Engineering, from Stanford University, USA.</li> <li>• BA in Architecture from England.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Served as a Former Member of the Senate House.</li> <li>• Member of the Economic and Financial Affairs Committee and the Tourism Committee.</li> <li>• Rapporteur for the Investment Committee/Economic Advisory Council; Investment Deepening Committee Chairman/National Agenda.</li> <li>• Chairman of the National Tourism Strategic Steering Committee.</li> <li>• He is Chairman of the Arab International Hotels Co.(Marriott) and affiliated companies (Business Tourism Company LLC and Beaches for Hotels and Spas Co.); Chairman of Ad Dawliya for Hotels and Malls Co. – Sheraton Hotel; and Chairman of the Jordan Investor Center Co. and the El-Zay Ready Wear Manufacturing Co. He is also Deputy Chairman of the Jordan Worsted Mills Co., and Chairman of the Board of Directors of the Jordanian Hospitality and Tourism Education Company (JHTEC).</li> <li>• Was awarded the Order of the Star of Jordan (third degree) and the Equestrian Order of the Holy Sepulchre of Jerusalem.</li> </ul>



Name	<b>Mr. Rafik Saleh Muasher</b> Rajai Muasher & Brothers Co Representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997.
Date of birth	01/09/1949.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master’s degree in Construction Engineering, USA.</li> <li>• Master’s degree in Engineering Projects Management, USA.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Managing business in business and investments.</li> <li>• Al Ahliah for Securities 1988 - present.</li> <li>• Board Member - Rajai Muasher &amp; Brothers Co.</li> <li>• Held positions in RANCO for construction and commerce 1980.</li> <li>• Rajai Muasher &amp; Brothers Co 1980 – 1985.</li> </ul>



Name	<b>Mr. Wasef Y. N Azar</b> Jordan Investor Center Representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997.
Date of birth	01/01/1936.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master's degree in Economics and Development Management from the American University of Beirut.</li> <li>• High degrees in Economics and Statistics – Iowa University, USA.</li> <li>• BA of Law, Damascus University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Former member of the Senate.</li> <li>• Former Minister of Industry and Trade.</li> <li>• General Manager of Phosphate Mines Company.</li> <li>• General Manager of the Jordan Investment Corporation.</li> <li>• General Manager of the Retirement Fund.</li> <li>• General Director of the Department of Statistics   Head of the Economics Department.</li> <li>• General Director of the General Population Census.</li> <li>• General Manager of Jordan Ahli Bank.</li> <li>• The General Secretary of the National Planning Council, which was later transferred to the Ministry of Planning.</li> <li>• Director of Research and Studies - Royal Scientific Society.</li> <li>• Board Member- Middle East Insurance Company.</li> <li>• Board Member- Beit Al Mal Saving &amp; Investment for Housing PLC.</li> </ul>



Name	<b>Mr. Imad Yousef Issa Mouasher</b> Mouasher Investment & Trading Co Representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997
Date of birth	21/09/1957
Academic qualifications	<ul style="list-style-type: none"> <li>• Master's degree in International Business Administration, USA.</li> <li>• BA in Economics, USA.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Deputy Chairman – Business Tourism Company PSC (Mouasher Investment &amp; Trading Co representative).</li> <li>• Chairman of Board – Beaches for Hotels &amp; Spas PSC. (Arab International Hotels Company's representative).</li> <li>• Chairman of Board – the Generous Palms Ltd.</li> <li>• Deputy Chairman- Wings of Hope Society.</li> </ul>





Name	<b>Mr. Mahmoud Zuhdi Mahmoud Malhas</b>
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997
Date of birth	26/08/1938
Academic qualifications	<ul style="list-style-type: none"> <li>• BA in Economics, from the American University of Beirut.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Economist and businessman, owner of Al Mahmoudiah Trading Co., operating in general trade and trademarks.</li> <li>• Deputy Chairman - Mediterranean Tourism Investment Company.</li> <li>• Chairman of Board Mahmoudia for Renewable Energy Company.</li> <li>• Chairman of Board Mahmoudia Trading Company.</li> <li>• Chairman of Board Mahmoudia for Jewellery Company.</li> </ul>



Name	<b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> Social Security Corporation Representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	Legal Entity : 1997. Legal Entity's Representative: 30/07/2019.
Date of birth	31/07/1969.
Academic qualifications	<ul style="list-style-type: none"> <li>• Bachelor's of Art in Business Administration and Political Sciences.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• CEO - Darat Jordan Holdings from 2013 – present.</li> <li>• General Manager -Noor Jordan-Kuwait Financial Investment from 2006 – 2010.</li> <li>• Vice Chairman - Airport International Group and Acting CEO from 2007 until 2010.</li> <li>• Deputy Director - Economic &amp; Development Division, the Royal Hashemite Court from 2004 until 2006.</li> <li>• Financial consultant -Al Saudi Al Fransi Bank, Al Khobar, KSA from 2004 until 2006.</li> <li>• Financial Consultant, Merrill Lynch International Bank, Manama, Bahrain from 1998 until 2001.</li> <li>• Account Officer, Credit Department, Arab Jordan Investment Bank from 1994 until 1998.</li> <li>• Assistant Manager, Credit Department, Bank Dohfar Al-Omani Al-Fransi from 1992 until 1994.</li> </ul>



Name	<b>Mr. Alan Fouad Wanna</b> Byblos Bank representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	Legal Entity : 1997.
Date of birth	18/11/1969.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master's Degree in Banking &amp; Financial Sciences .</li> <li>• BA in Economics.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Deputy General manager - Byblos Bank.</li> <li>• Board Member at Byblos Bank Africa.</li> </ul>



Name	<b>Mr. Aladdin Riad Sami</b> ZI&IME representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997.
Date of birth	16/05/1953.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master of Financial Management and International Finance - American University in Cairo.</li> <li>• BA in Accounting - Economics - Cairo University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• He held the position of director of Alawwal Bank branch and Vice President of Zahid Holding Group and Zahid Travel.</li> <li>• Vice President of Zahid Group of Companies.</li> <li>• Chairman of the Board of Directors of the Arab Sudanese Truck Company.</li> <li>• Member of the Board of Directors of the Arabian Vehicles &amp; Trucks Industry Co – Saudi Arabia.</li> <li>• Member of the Board of Directors of Laguna Tourism Development Company - Egypt.</li> <li>• Member of the Board of Directors of the United International Transportation Company – BUDGET SAUDI.</li> </ul>





Name	<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>
Title	<b>Board Member Non-Executive Independent</b>
Date of Membership	2015.
Date of birth	1/4/1959.
Academic qualifications	<ul style="list-style-type: none"> <li>• MA in Monetary and Banking Sciences (American University / Beirut).</li> <li>• BA in Accounting.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Former Deputy General Manager of Capital Bank.</li> <li>• Director of Support Department - Capital Bank.</li> <li>• Experience in the banking sector in the Arab Bank and Jordan Commercial Bank.</li> <li>• Former Board Member of Middle East Payment Services Company.</li> <li>• Full time Professor in practice - Al-Hussein Technical University.</li> <li>• Member – Jordan National Forum for Women.</li> </ul>



Name	<b>Mr. Tarek Ziad Mounir Jallad</b>
Title	<b>Board Member Non-Executive Independent</b>
Date of Membership	2015.
Date of birth	12/09/1979.
Academic qualifications	<ul style="list-style-type: none"> <li>• Master's degree from London school of economics.</li> <li>• BA in Economics from University of Pennsylvania.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Deputy Chairman - Jordan Tractors and Equipment.</li> <li>• Deputy Chairman - CA. for Generators and Equipment's.</li> <li>• Chairman of Board - Jallad Corp. Group.</li> </ul>



Name	<b>Mr. Izzat Rashed Izzat Dajani</b>
Title	<b>Board Member Non-Executive Independent</b>
Date of Membership	29/04/2019.
Date of birth	22/11/1953.
Academic qualifications	<ul style="list-style-type: none"> <li>• BSc Pharmacy, Liverpool School of Pharmacy. UK.</li> <li>• Master's degree in public administration, Harvard University, USA.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Chairman of Board- Alternatif Lease- Turkey.</li> <li>• Advisor to the Board of Directors - United Arab Bank – UAE.</li> <li>• Chairman &amp; CEO -Citibank N.A. Qatar.</li> <li>• Head, Key and Priority Clients, Investment Management Division IMD -Goldman Sachs International.</li> <li>• Chief Executive - Government of Ras Al Khaimah, Investment &amp; Development Office.</li> <li>• Managing Director- IMCapital.- Dubai.</li> </ul>

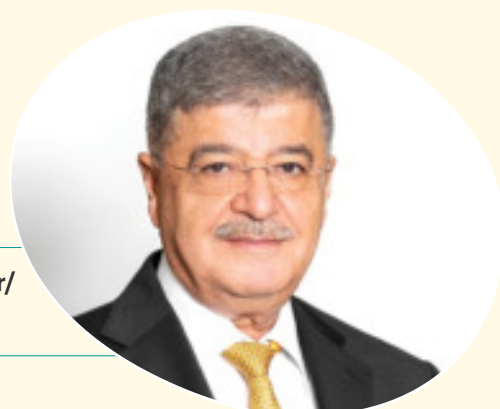
## Resigned Members of the Board of Directors



Name	<b>Mr. Imad Najib Ayed Fakhoury</b>
Title	<b>Board Member Non-Executive Independent</b>
Date of Membership	28/06/2018.
Date of birth	25/01/1968.
Academic qualifications	<ul style="list-style-type: none"> <li>• Executive MBA degree from North-western University.</li> <li>• Master's degree in Public Policy (MPP) Harvard University.</li> <li>• MSc. Engineering Management , Case Western Reserve University.</li> <li>• BS.c. in Biomedical Engineering.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Minister of Planning and International Cooperation from 2015 – 2018.</li> <li>• Former member of the Senate from 2014 until 2015.</li> <li>• Chairperson – King Abdulla II Fund for development 2014.</li> <li>• Chief Staff/ Director o Officer of His Majesty King Abdullah II from 2011 until 2014.</li> <li>• Minister of public Sector Development and Minister of State for Mega Projects from 2009 until 2011.</li> <li>• Chief for Staff for his Majesty King Abdullah II for Planning &amp; Programming.</li> <li>• Director of Research and Economic Affairs nd Economic Advisor on the Peace Process at the Ministry of Foreign Affairs of Jordan from 1995 until 1999.</li> </ul>



## Senior Executives



**Mr. Moh'd Mousa Dawood Moh'd Issa** Chief Executive Officer/  
General Manager

Date of Appointment 08/11/2015

Commencement date of the current job 08/11/2015

Date of Birth 01/02/1956

### Academic qualifications

- B.Sc - Math with minor in Business Administration- University of Jordan- 01/01/1978.

### Experience

#### Previous Experience:

#### • All within Arab Bank Group :

- Executive Vice President – Country Manager of Jordan from 16/12/2012 until 05/11/2015.
- Executive Vice President – Head of Libya project from 09/2012 until 11/2012.
- Executive Vice President – Head of Corporate and Investment Banking/ Jordan & Palestine 04/2009 until 07/2012.
- Senior Vice President – Head of Credit/ Jordan & Palestine from 10/2006 until 03/2009.
- Head of Corporate Finance/ Jordan & Palestine from 08/2004 until 09/2006.
- Other senior posts within Arab Bank plc, Jordan including: Head of Commercial Lending, Head of Syndicated Loans Unit 10/1983 – 07/2004.
- Head of Guarantees Department - Arab National Bank – Saudi Arabia from 08/1982 until 09/1983.
- Credit Officer – Investment and Finance Department 11/1978 until 07/1982.

#### He held many board memberships, the most important of which is:

- Deputy Chairman of the Board of the International Islamic Arab Bank
- Deputy Chairman of the Board of Directors of the Arab National Leasing Company
- Board Member at the Arab Bank – Syria
- Board Member at the Jordan Mortgage Refinance Company
- Board Member at the Jordan Loan Guarantee Corporation
- Board Member at the Jordan Hotels and Tourism Company

#### Current Board of Directors Membership:

- Chairman of Board– Ahli FinTech
- Chairman of Board – Ahli For Financial Leasing.
- Board Member- AIDawlah for Hotels and Malls PLC.
- Board Member- Arab International Company.
- Board Member – Jordan Banks Association.



**Dr. Ahmad Awad Abd Al Halim Al Hussein**

**Deputy Chief Executive Officer/ General Manager**

Date of Appointment 10/11/2015.

Commencement date of the current job 10/11/2015.

Date of Birth 16/07/1966.

### Academic qualifications

- Bachelor's Degree -Business Administration and Economies 07/06/1987.
- Master's Degree in Finance Management 29/08/1993.
- Ph.D Degree in Finance from Amman Arab University for Graduate Studies 19/12/2005.

### Experience

#### Previous Experience:

- Arab Bank from 03/12/1994 until 10/11/2015 in which the last position held was the Director of Credit Corporate Department (Levant) SVP.

#### Also held the following positions :

- Head of Credit
- Corporate Credit Director
- Corporate Credit Director (Jordan and Palestine)
- Jordan Gulf Bank from 02/01/1994 until 30/11/1994.
- Cairo Amman Bank from 03/03/1991 until 01/01/1994.
- Bank of Jordan from 08/07/1989 until 10/03/1991.

#### He held many board memberships, the most important of which is:

- Board Member at the International Islamic Arab Bank.
- Board Member at the Arab Bank – Syria.
- Board Member at the Arab National Leasing Company.
- Board Member at Jordan National Shipping Lines Company.
- Board Member at the Palestine Real Estate Investment Company.
- Board Member at the Palestine Mortgage Refinance Company.

#### Current Board of Directors Membership:

- Chairman of Board – Ahli Microfinance.
- Deputy Chairman – Ahli For Financial Leasing.
- Deputy Chairman – Ahli FinTech.
- Board Member- Business Tourism Company.
- Board Member – Jordan Worsteds Mills.



**Ms. Lina Najib Al Bakhit  
AIDababneh**

**Chief Business  
Officer**

Date of Appointment 01/04/1998

Commencement date  
of the current job 01/01/2019

Date of Birth 28/04/1963

#### Academic qualifications

- Bachelor's degree of Political Science & Public Administration – American University of Beirut 11/07/1984.

#### Experience

##### Experience within Ahli Bank from 01/04/1998 – 31/12/2018:

- DCEO/ Deputy General Manager Treasury, Investments & Financial Institutions

##### Previous Experience:

- Head of Treasury and Foreign Investments -AJIB from 17/04/1990 until 20/12/1998.
- Dealer- Petra Bank from 16/04/1985 until 23/12/1989.

##### Current Board of Directors Membership:

- Deputy Chairman- Ahli Microfinance



**Mr. Majed A. M. Hijab**

**Head of Treasury,  
Investments & Financial  
Institutions**

Date of Appointment 07/02/1998.

Commencement date  
of the current job 01/01/2019.

Date of Birth 11/02/1967.

#### Academic qualifications

- Bachelor's degree – Economics Banking and Finance 22/08/1988.
- Masters degrees – Banking- Arab Banking Institute 24/09/1997.

#### Experience

##### Experience within Ahli Bank from December 2016 until now:

- Head of Investment Investments from 1/9/2016 until 31/12/2018.
- Investments Senior Manager from 4/1/2012 until 31/8/2016.
- Corporate Restructuring Manager from 1/1/20008 until 31/3/2012.
- Corporate Finance Manager from 01/07/2007 until 31/12/2007.
- Corporate Finance Supervisor from 01/6/2007 until 30/06/2007.
- Investments and Financial Analysis from 12/9/1998 until 31/05/2007.
- Branch Senior Officer (Middle East Branch) from 07/02/1998 until 11/9/1998.

##### Current Board of Directors Membership

- Chairman of Board – Ahli Brokerage.
- Board Member- Beaches for Hotels & Spas PSC
- Board Member – Jordanian Banks Group Company for Investment.
- Board Member – Commercial Banks Company for Corporate Contributions ( resigned in on 21/11/2019)
- Board Member – Ahli FinTech.





**Mr. Zaid Wasef Shams-Eddin El-Khatib** **Head of Consumer Banking**

Date of Appointment 18/12/2016.

Commencement date of the current job 21/01/2018.

Date of Birth 08/08/1976.

#### Academic qualifications

- Bachelor's degree in Accounting - Al-Ahliyya Amman University 02/02/2000.

#### Experience

##### Experience within Ahli Bank from December 2016 until now:

- Head of Consumer Banking from January 2018 until now.
- Branches Network and Sales Management Department Manager from September 2017 until January 2017.
- Business Development and Corporate Communications Manager from December 2016 until September 2017.

##### Previous Experience

- Regional Director for Levant & GCC – Emerging Markets Payments EMP .
- Executive Manager – EMP from 2013- 2016.
- District Manager – consumer banking from 2009 until 2013.
- Products Development Manager at the Housing Bank for Trade and Finance from 2006 until 2009.
- Car Laon Manager – consumer banking – Standard Chartered from 2005 until 2006.

##### Current Board of Directors Membership

- Board Member- Middle East Payment services (MEPS)



**Mr. Sofyan Ayed Mohammad Duais** **Head of Corporate Banking & Projects Finance**

Date of Appointment 14/02/2016.

Commencement date of the current job 01/01/2019.

Date of Birth 30/10/1976.

#### Academic qualifications

- Bachelor's degree in Accounting - Jordan University 25/01/1998.

#### Experience

##### Experience within Ahli Bank from 14/02/2016 – 31/12/2018:

- Deputy Head of Corporate Banking and Projects Finance from 01/01/2018 until 31/12/2018.
- Corporate Relationship Management and Projects Finance – AGM- from 01/07/2016 until 31/12/2017.
- Corporate Relationship Management and Projects Finance Senior Manager from 14/02/2016 until 30/06/2016.

##### Previous Experience

- Client Relationship Senior Manager – Corporate- Arab Bank from 20/10/2009 until 09/02/2016.
- Client Relationship Manager – Business Development- Arab Bank from 23/11/2008 until 20/10/2009.
- Client Relationship Manager – Corporate- Arab Bank from 10/10/1998 until 10/11/2008.

##### Current Board of Directors Membership

- Deputy Chairman – Arabic Insurance Company
- Board Member- Ahli Financial Leasing Company



**Mr. Ammar MS. R. Al Sa'id**      **Head of SME**

Date of Appointment      01/11/2017

Commencement date of the current job      01/11/2017

Date of Birth      04/05/1980

#### Academic qualifications

- Bachelor's degree in Accounting/ Banking and Finance from Yarmouk University 31/08/2004.

#### Experience

##### Previous Experience

- Head of Commercial Banking – National Bank of Abu Dhabi – Jordan from 20/04/2014 until 30/10/2017.
- Client Relationship Senior Manager – AJIB – from 02/09/2012 until 23/04/2014.
- Credit Manager – Corporate – National Bank of Kuwait from 07/01/2007 until 05/07/2012.
- Credit Analyst – Arab Bank from 19/02/2005 until 10/01/2007.



**Mr. Dirar Shebli Khalaf Haddadin**      **Chief Financial Officer**

Date of Appointment      02/09/2018

Commencement date of the current job      02/09/2018

Date of Birth      22/10/1973

#### Academic qualifications

- Bachelor's degree - Accounting & Business Administration 11/06/1995.
- Master degree in Accounting & Financial Management from Essex Business School 30/11/2009.

#### Experience

##### Previous Experience

- Chief Financial Officer / AGM – rab Jordan Investment Bank from 02/01/2013 until 31/08/2018.
- Manager, Head Strategic Planning and Financial Analysis Department – Jordan Commercial Bank from 06/10/2002 until 01/01/2013.
- Senior Budgeting & Financial Analyst – the Housing Bank for Trade and Finance from 21/10/1995 until 01/10/2002.

Current Board of Directors Membership

- Board Member- Ahli Brokerage Company.





**Mr. Moein Aziz Naseef Al- Baho**      **Chief Credit Officer**

Date of Appointment      13/09/2004.

Commencement date  
of the current job      01/05/2017.

Date of Birth      24/03/1967.

#### Academic qualifications

- Bachelor's degree - Banking and Finance/ Accounting from Yarmouk University 22/1/1989.

#### Experience

##### Experience within Ahli Bank from 13/09/2004 – 30/04/2017:

- Assistant General Manager Credit Review from 01/11/2013 until 30/04/2017.
- Deputy Assistant General Manager - Corporate Credit from 15/08/2010 until 31/10/2013.
- Deputy Assistant General Manager Foreign Credit from 01/06/2010 until 14/08/2010.
- Foreign Credit Executive Manager from 21/09/2008 until 20/09/2008.
- Syndicate Loans Manager from 01/01/2008 until 30/04/2008.
- Corporate Banking Relationship Manager from 13/09/2004 until 31/12/2007.

##### Previous Experience:

- Central Credit Monitor – Amman Cairo Bank from 11/11/1995 until 12/09/2004.
- ANZ Grindlays Bank from 1/3/1992 until 31/10/1995.

##### Current Board of Directors Membership:

- Deputy Chairman for Ahli Brokerage Company.
- Board Member- Ahli for Financial Leasing.



**Mr. Khalid Zuhair Jamil Abuesh- Shaer**      **Chief Compliance Officer**

Date of Appointment      01/02/2016.

Commencement date  
of the current job      01/02/2016.

Date of Birth      11/06/1968.

#### Academic qualifications

- Bachelor's degree -business administration 07/06/1995.
- Master of Business (E-Commerce & Marketing) from Victoria University 07/06/2006.
- MBA from Victoria University 07/06/2006.

#### Experience

##### Previous Experience

- Executive Manager – Head of Compliance – Invest bank from 16/07/2006 until 31/01/2016.
- Credit Officer – The Housing Bank for Trade & Finance from 06/07/1996 until 01/01/2002.
- Assistant Auditor – Tema Abuesh- Shaer for auditing from 01/07/1995 until 01/07/1996.



**Mr. Mr. Iyad T. N. Ammari** **Chief Internal Auditor**

Date of Appointment 01/04/1996.

Commencement date of the current job 01/05/2017.

Date of Birth 09/04/1971.

#### Academic qualifications

- Bachelor's degree -Accounting – Mutah University 18/09/1994.

#### Experience

##### Experience within Ahli Bank from 01/04/1996 – 30/04/2017:

- Acting Chief Internal Auditor from 14/11/2016 until 30/04/2017.
- Acting Chief Internal Auditor from 20/01/2016 until 18/07/2016.
- Audit Manager from 01/04/2011 until 19/01/2016.
- Audit Team Assistant Manager from 01/05/2009 until 31/12/2011.
- Audit Supervisor from 01/07/2007 until 30/04/2009.
- Senior Auditor from 01/01/2004 until 30/06/2007.
- Auditor from 01/04/1996 until 31/12/2003.

##### Previous Experience

- Accountant – The Commercial & Industrial Co CIC from 01/06/1995 until 30/03/1996.



**Mr. Taha Mousa Taha Zeid** **Acting as Chief Risk Officer**

Date of Appointment 08/12/2013.

Commencement date of the current job 21/08/2019.

Date of Birth 23/08/1985.

#### Academic qualifications

- Bachelor's degree -Risk Management – The Hashemite University 29/01/2007.

#### Experience

##### Experience within Ahli Bank:

- AVP- Basel from 01/01/2018 until 20/08/2019.
- Basel Manager from 01/06/2015 until 31/12/2017.
- Basel Assistant Manager – from 08/12/2013 until 31/05/2015.

##### Previous Experience

- Market and Liquidity Risk Manager – Investment Bank from 01/03/2012 until 03/12/2013.
- Market and Liquidity Risk Manager – Capital Bank – from 01/11/2020 until 23/02/2012.
- Head of Market Risk – Middle Officer – Bank of Jordan from 13/01/2009 until 25/10/2010.
- Banker Remittances and Transfers – Arab Jordan Investment Bank from 19/08/2007 until 12/01/2009.





**Mr. Rami Marwan Abdulhadi Al Karmi** **Chief Innovation Officer**

Date of Appointment 09/04/2017

Commencement date of the current job 09/04/2017

Date of Birth 06/06/1976

#### Academic qualifications

- Bachelor degree -Electrical Engineering (BCs) 14/06/1998.

#### Experience

##### Previous Experience

- CEO – Founder – F03 Venture Partners from 2013 until 2017.
- CEO - N2VLabs & Group Executive – from 2010 until 2013.
- CEO - Shabakat Al Ordon – from 2005 until 2010.
- General Manager – Alternatives Inc from 2004 until 2005.
- Advisor to H.E. Minister Health on Information Technology - Ministry of Health – from 2003 until 2004.
- Group Chief Technology Officer / Jordan Country Manager - SigmaSoft Solutions from 1999 – 2003.
- Knowledge Server - iHorizons from 1998 until 1999.

##### Current Board of Directors Membership

- Board Member- Ahli FinTech.



**Mr. Rami (Moh'd Murshed) Khalaf Da'na**

**Head of Operations and Shared Services**

Date of Appointment 02/01/2017.

Commencement date of the current job 02/01/2017.

Date of Birth 26/03/1973.

#### Academic qualifications

- Bachelor of Science (BSc) Business Administration (Major) and Accounting (Minor) 22/01/1995.

#### Experience

##### Previous experience:

- Head of Operations – Al Khalij Commercial Bank (al Khaliji – Qatar) from 22/12/2011 until 15/12/2016.
- Head of Credit Administration – Credit Control Department – The Saudi Investment Bank from 10/06/1999 until 20/12/2011.
- Loans and Investments Officer- Credit Department - Jordan – Arab Bank from 15/03/1997 until 14/06/1999.

##### Current Board of Directors Membership

- Board Member- Hemaia Jordan for Cash in Transit Ltd.



**Mr. Jwallant Vasani** **Chief Information Officer**

Date of Appointment 01/08/2017

Commencement date of the current job 01/08/2017

Date of Birth 21/12/1971

#### Academic qualifications

- Bachelor of Engineering (B.Eng.) – Minor Computer 15/12/1993
- Masters of Business Administration in Marketing - University of Pune 01/04/1995

#### Experience

##### Previous experience:

- Head of Applications Development and Support- Al Khalij Commercial Bank q.s.c from 07/07/2013 to 20/07/2017.
- First Gulf Bank - SVP-Information Technology from 15/04/2006 to 17/05/2010.



**Mrs. Maha** **Acting as Head of Human Resources**

Date of Appointment 15/05/2005

Commencement date of the current job 02/06/2019

Date of Birth 05/06/1980

#### Academic qualifications

- Bachelor's degree -Industrial Engineering – University of Jordan – 17/02/2003.

#### Experience

##### Experience within Ahli Bank from 15/05/2005 – 01/06/2019:

- AVP Talent Programs from 01/01/2018 until 01/06/2019.
- HR Programs Development Senior Manager from 01/04/2015 until 31/12/2017.
- HR Programs Development Manager from 08/03/2011 until 31/01/2013.
- Performance Management and C&B Manager from 01/05/2010 until 07/03/2011.
- Performance Management Assistant Manager from 01/08/2008 until 30/04/2010.
- Performance Management Assistant Supervisor from 01/11/2007 until 31/07/2008.
- Performance Management Section Head from 15/05/2005 until 31/10/2007.

##### Previous experience:

- Management Consultant at Philadelphia Consulting Group from 01/02/2003 until 01/05/2005.



## Resigned Senior Management During The Year 2019



**Mr. Moh'd Bashar Abdulwahhab Bakri** He held the Position of  
Head of Human Resources

Date of Appointment 16/11/2003

Commencement date  
of the current job 30/06/2019

Date of Birth 06/04/1963

### Academic qualifications

- Bachelor's degree -Business Administration (B.B.A.)-Business administration (Major), Economics (Minor) – 06/02/1983.

### Experience

#### Previous experience:

- Chief Administration Officer Mekshaf services Limited from 04/10/1998 until 01/11/2003.
- HR Manager at Royal Jordanian from 13/06/1983 until 17/01/1998.



**Dr. Michael Zaki Nu'man** He held the Position of  
Chief Risk Officer and  
Board Secretary

Date of Appointment 25/09/2013

Commencement date of the current  
job 31/08/2019

Date of Birth 04/10/1973

### Academic qualifications

- PHD in Financial Management – Banking and Financial Sciences Uni. 20/06/2012.
- Master's degree in financial management – The Arab Academy for Management, Banking and Financial Sciences 22/10/2002.
- Bachelor's in economics – University of Jordan 20/06/1995.

### Experience

#### Previous experience:

- He held several positions at Invest Bank from 2010 - 2013.
- AVP – Capital Bank 1999- 2010.
- Manager – HSBC 1995 – 1999.

### Competitive Position of the Bank in its Area of Operation

The Jordan Ahli Bank stands as the fifth largest bank in terms of Total Assets and the sixth largest bank in term of Total Direct Credit Portfolio. It also is ranked fifth in terms of Customer Deposits.

The Bank also operates through its branch network inside and outside Jordan in Palestine and Cyprus in which the market share among licensed banks in the Kingdom stands at 4.12% in terms of the granted credit facilities, and the market share stands at 5% in terms of deposits.

On the level of the bank’s competitive position in Palestine, the Bank’s market share stands at 2.21% in terms of credit facilities granted, and 2.51% in terms of customer deposits in addition to its branch in Cyprus.

### Degree of Dependence on Specific Suppliers or Significant Customers

The Bank does not depend on any specific supplier or customer whether local or international who represent more than 10% or more of the total purchases and/or sales.

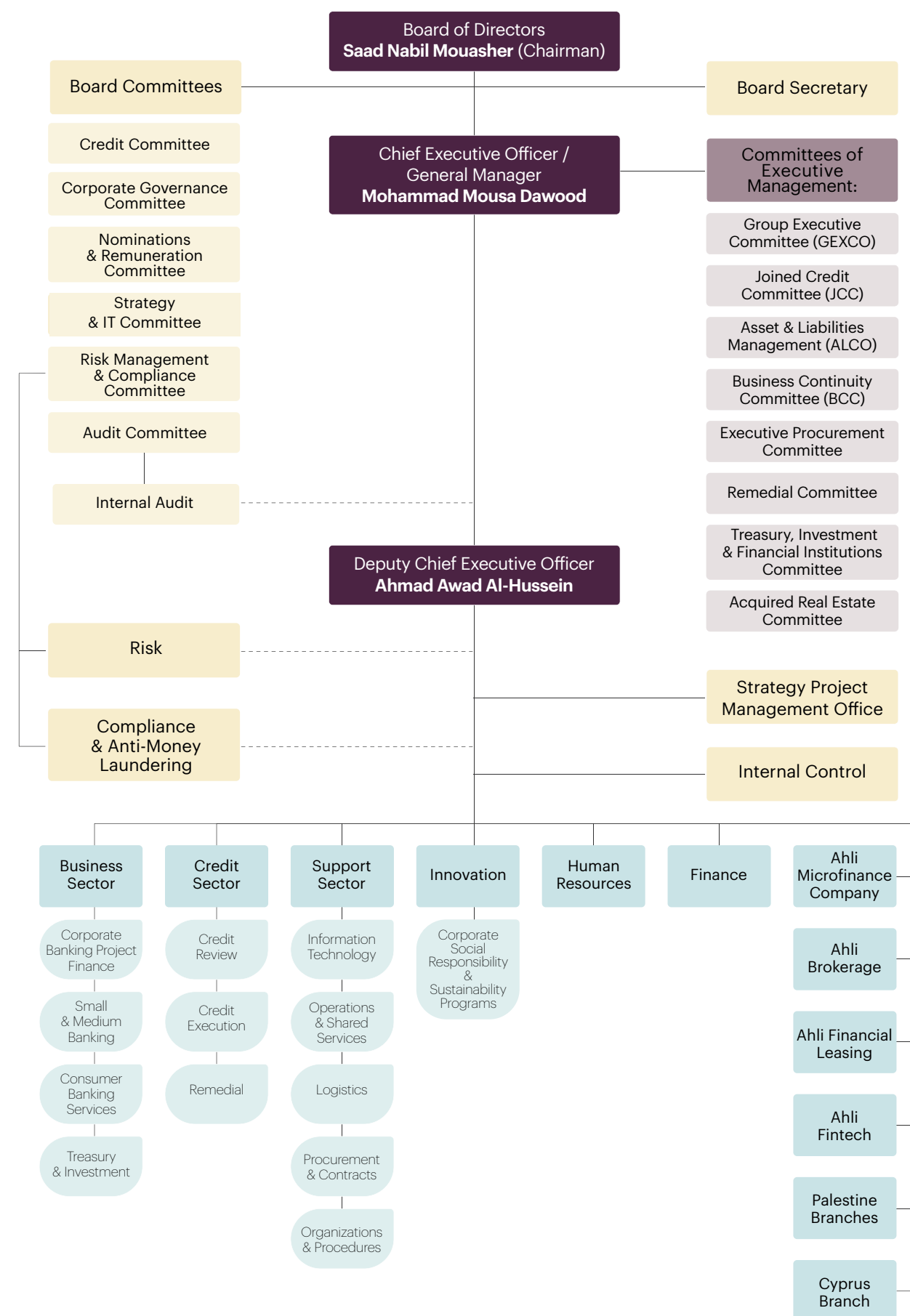
### Government Protections or Concessions that the Bank or Any of its Product enjoy by Virtue of Applicable Law, Regulations or Otherwise

There are no government protections or concessions which the Jordan Ahli Bank or any of its products enjoy by virtue of application laws, regulations or otherwise.

### Decisions Issued by Government or International Agencies that have a Material Impact on the Operations or Products of the Bank or its Competitive Position

There are no decisions issued by government or international agencies that have a material impact on the operations or products of the Bank or its competitive position, and the bank complies with all the applicable laws, regulations , instructions and standards related to its business, and applies quality standards specifically those related to services and internal audit. The Bank does not enjoy any government or preferential protection and has obtained neither preferential advantages nor specific patents from local or international agencies.

### Jordan Ahli Bank Organization Chart

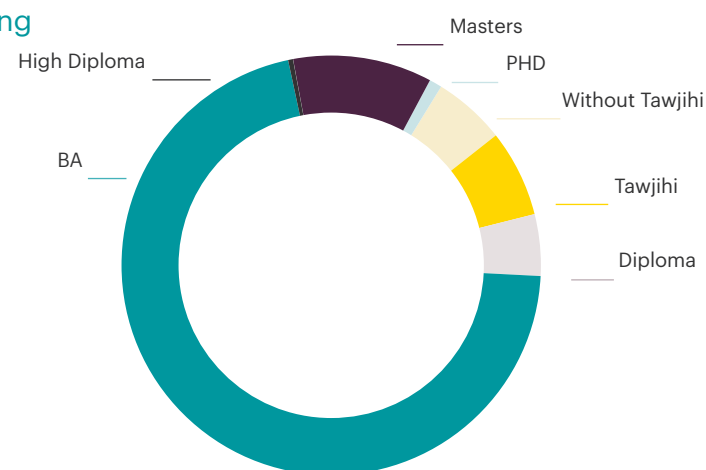




## Number of Staff at the Bank and its Subsidiaries

Qualifications	Jordan	Palestine	Cyprus	Ahli Leasing	Ahli Micro-finance	Ahli Brokerage	Ahli Fintech
PHD	7	0	0	1	1	0	-
Masters	110	11	5	4	4	0	-
High Diploma	3	0	0	0	0	0	-
BA	863	173	5	6	197	5	-
Diploma	48	18	3	0	34	0	-
Tawjihi	81	10	1	1	21	0	-
Without Tawjihi	74	6	0	0	8	2	-
<b>Total</b>	<b>1186</b>	<b>218</b>	<b>14</b>	<b>12</b>	<b>265</b>	<b>7</b>	<b>-</b>

The distribution of employee according to their academic experience



## The Learning and Development Curriculum at the Bank

The Bank undertook a learning and development program during the financial year as detailed below:

Type of Program	No.	Number of training Opportunities	Males	Females
<b>Within the Hashemite Kingdom of Jordan</b>				
Programs within the training center	86	1708	879	829
Programs with local / foreign companies and training agencies	162	1647	958	689
Training programs / Institute of Banking Studies	42	99	71	28
<b>Outside the Hashemite Kingdom of Jordan</b>				
Programs with foreign companies and training bodies	24	40	34	6
Training Programs / Palestine	44	221	153	68
Training programs / Cyprus	15	22	5	17
<b>Total</b>	<b>373</b>	<b>3737</b>	<b>2100</b>	<b>1637</b>

With respect to specific courses the details can be found below:

The course	Number of Programs	Number of training Opportunities	Males	Females
Audit programs	7	36	28	8
Awareness programs	25	506	318	188
Certificates and diplomas	26	72	50	22
Compliance programs	25	279	148	131
Forums, conferences and seminars	38	82	61	21
Credit	12	85	55	30
Sales and customer service skills	12	94	37	57
Computer Programs	4	20	11	9
Work ethics programs	1	2	0	2
Financial programs	20	136	106	30
Functional programs	28	446	223	223
Programs in human resources	7	10	1	9
Programs in insurance	9	125	66	59
Information technology programs	10	13	10	3
Language programs	9	11	4	7
Legal programs	11	56	38	18
Administrative programs	29	361	233	128
Programs in Marketing	3	8	5	3
Operations programs	5	64	32	32
Knowledge programs in banking products	13	213	101	112
Collection programs	1	4	4	0
Risk programs	23	423	233	190
personal skills	30	483	233	250
Technical programs	16	156	71	85
Treasury programs	2	25	9	16
workshops	7	27	23	4
<b>Total</b>	<b>373</b>	<b>3737</b>	<b>2100</b>	<b>1637</b>

## Risk

### Credit Risk

The management of credit risk is conducted through a framework of policies and procedures that comply with the strategic direction of the Bank and sound international best practices. These include having in place a comprehensive credit risk management policy that details the types of risk and the methods for flagging, measuring and overseeing these risks; having a credit policy and operating practices that set limitations and parameters for the granting of credit, the concentration of credit and the determination of acceptable collateral; demarcating decisions relating to credit approval from credit execution in order to achieve oversight; as well as putting in place oversight measures throughout the process and putting in place a credit risk rating system to measure the credit worthiness of customers.

The credit risk policy aims to diversify customers, economic sectors and geographical footprint which allows for the reduction of potential credit risks. The Credit Committee, a sub-committee of the Board of Directors, meets regularly to discuss all issues related to credit risk. It receives comprehensive quarterly reports to analyze the quality of the credit portfolio and to identify weakness and areas of concentration in the various economic sectors, as well as to review default rates. The Credit Department seeks to continuously monitor and supervise credit exposure and credit risk and concentration and to ensure that they remain within the risk parameters adopted by the Board.

In compliance with IFRS9 issued by the International Accounting Standards Board and the Central Bank regulations issued at the beginning of 2018, the Credit Risk Department launched a project for the deployment of an anticipated credit loss calculation system. This also included an upgrade to the operating procedures, standards and measures used and the implementation of a specific authority matrix for the various departments that is consistent with the methodology adopted as part of the implementation.

### The Basel Department

The Basel Department calculates capital adequacy in accordance with Basel III. This considers working capital and exposures that are subject to market risk capital under the first pillar (credit, market and operating risk) in order to operate in line with the latest developments in the banking sector and to enhance the quality of the capital of the Bank. The Basel Department also stress tests high-pressure or sensitive scenarios and consider the level of impact (low, medium, high) on capital adequacy and on anticipated profit and loss.

The Basel Department also put in place the general framework for the Risk Appetite levels for the purpose of managing, measuring and monitoring Risk Appetite levels within a governance framework adopted by the Board of Directors and which puts in place an authority matrix demarcating the authorities of the Board of Directors and the executive management team and lists Risk Appetite levels for each of capital, assets, profit, liquidity, credit portfolio, and investment portfolio. The Basel Department also prepares an internal evaluation on capital adequacy in compliance with Basel III requirements and IFRS9 which is conducted in accordance with best international practices and the Corporate Governance Guidelines for the purpose of managing, measuring and monitoring risk and capital adequacy and development of the risk management framework to remain in line with the latest local, regional and international developments.

### Market Risk

The Market Risk Department manages losses that may arise as a result of any financial positions that the Bank may have taken, whether in budget or out of budget, as a result of market changes in respect of interest rates, exchange rates, asset value, product pricing and as an extension of the Jordan Ahli Bank's efforts to implement best local and international practices in managing, measuring, and monitoring market risk in compliance with Central Bank risk management requirements and Basel guidelines. In order to enhance the internal compliance function within the Bank the Market Risk Department prepared a Market Risk Management Policy and a Liquidity and Portfolio Interest Rate Risk Policy consistent with the Corporate Governance Guidelines and international best practices.

In order to enhance oversight measures a new set of reporting was adopted through which all equity investment activities of the Bank could be monitored and the potential losses of the portfolio and open financial positions of the Bank could be evaluated, monitored and calculated on a daily basis to ensure that they remain within the Risk Appetite levels in addition to monitoring reports that were developed to manage and oversee market risk. The Market Risk Department continues to review and upgrade the compliance framework within the Bank in a manner compliant with the Central Bank requirements and the overall economic ecosystem and in a manner that empowers the oversight role of the Department on international branches.

### Information Security Risk

The Information Security Department at the Bank aims at reducing the risk connected with cyber and information security and to build the cyber resilience of the Bank. The Department works on strengthening the monitoring and security environment and on building a cyber breach response framework that protects the confidentiality, security and accuracy of the data. The Department also works at promoting the utilization of best acceptable security practices in relation to the use of technology in a secure operating environment. The Department also works at raising awareness about Information Security risks and promotes best practices and arranges learning and training sessions for Bank employees. The Department also performs the following:

- Implementation of the cyber security program at the Ahli Bank in line with Adaptation to Cyber Risk Instructions issued by the Central Bank of Jordan in 2018.
- Implement GDPR legislation in Jordan.
- Implement the requirements of COBIT as it relates to the management and processing of secure data.
- Empower the Secure Operations and Cyber Breaches Response Center.
- Holding awareness sessions for all departments and bank employees in relation to data and cyber security.
- Implement the Information Security program in the Bank through a number of Information Security related projects in response to regulatory and risk mitigation requirements.

### Operating Risk

Operating risk is defined as the risk of loss resulting from the failure or insufficiency of internal operations, personnel or systems and which arise as a result of external circumstances, including legal risks.

Based on the above the Ahli Bank adopted a Risk Control Self-Assessment Framework to manage operating risk. The Bank manages operating risk within the following parameters:

- An established operating risk management policy that gives the Bank a general framework for managing operating risks from all departments and operations of the Bank.
- Implementing a specialized operating risk management system.
- Preparing a risk profile for all operating risks for every department of the Bank and putting in place control measures to mitigate them. Conducting a self-assessment that identifies and manages areas of weakness and measures the effectiveness of the oversight function in order to identify and enhance areas of weakness or to implement additional oversight procedures that aim to mitigate or protect against such risks.
- Building a data base around operating losses in order to assess the level of exposure of the bank to operating risk and the effectiveness of safeguards in place.
- Review of the policies and procedures of the Bank and opining thereon as it relates to matter of risk and sufficiency of oversight measures contained therein.
- Providing the executive management team and the Risk Management & Compliance Sub-Committee with necessary reporting on operating risk.

In addition, and as part of the care the Bank affords to business continuity, the Operating Risk Department prepares, in coordination with concerned units and departments, business continuity plans that allow for the provision of electronic banking services in a manner consistent the Bank's strategy and policies.

In addition to the above the Operating Risk Department will review and update the Business Impact Analysis results to ensure that business continuity plans remain up-to-date and effective.

## Risk Management Framework

The Bank has put in place a regulatory framework that contains different layers of oversight and which can be summarized as follows:

**First level:** operating units are the first line of defense and are directly responsible for risk management and evaluating oversight procedures related thereto.

**Second Level:** The Risk and Compliance and Anti-Money Laundering Departments are the second line of defense as they are responsible for coordinating risk management and compliance tools being used and followed by the Bank to manage risk and to comply with applicable laws, regulations and instructions.

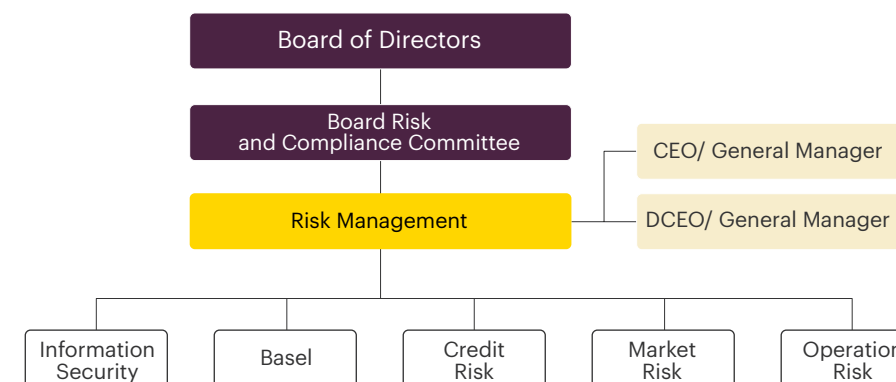
**Third Level:** the Internal Audit Department represents the third line of defense and is responsible for conducting its independent assessment.

The Bank also gives the requirements of Basel and other international best practices for risk management consideration as they represent a framework for entrenching and improving the Bank's ability to upgrade its compliance environment and to address different kinds of risk, including operating, market and credit risks. The Bank has taken practical steps toward the implementation of their requirements including establishing specialized units to manage the various risks and whose responsibility is to monitor, measure, manage and mitigate the different kinds of risk and to assess the degree of compliance of the Bank with applicable laws, regulations, standards and requirements issued by the various local and international bodies in line with international best practice and taking into account the size of the Bank, its operations and the nature of the risks that it faces.

In This regards the Risk Department undertakes the following functions:

- Preparing the Risk Management Framework for the Bank.
- Preparing and executing the risk management strategy and developing policies and procedures that assign roles and responsibilities for each of the stakeholders on all levels of management.
- Preparing risk policies and regularly updating them to ensure effectiveness.
- Preparing a Capital Adequacy Self-Assessment Framework that is comprehensive and effective and can identify potential risks taking into account the Bank's strategic and capital planning.
- Prepare Risk Appetite framework for the Bank.
- Overseeing the compliance of all executing departments of considered levels of Risk Appetite.
- Ensuring the presence and assessment of business continuity plans.
- Presenting risk reports in relation to the expansion of the banking activities to the Board Risk and Compliance Committee emanating by the Board of Directors.
- Conducting regular stress testing analysis to assess the ability of the Bank to withstand shocks and high-risk scenarios and presenting the same to the Board of Directors.
- Raising regular reports to the Board Risk Committee that includes the actual risk profile for the activities of the Bank and comparing it to the risk appetite and to address any discrepancies.
- Ensure the integration of risk assessment measures with utilized management systems.
- Raising awareness in relation to risk management in all units of the Bank to entrench the compliance environment and create a risk sensitive culture with a deep understanding of relevant issues faced by the Bank at all managerial levels.
- Reviewing all strategic decisions and providing recommendations to avoid risk and ensure the most effective deployment of capital.
- Coordinating with various oversight departments to ensure effective oversight measures to control these risks or to otherwise outsource such risks or insure against them.

Based on the above the following risk management structure has been adopted:



## Risk Appetite Levels

- Risk Appetite Levels are set through a process that takes into account the nature of the various risks and their role in the Bank being able to achieve its strategic objectives. These parameters are included in the risk appetite study that is adopted by the Bank and which is subject to regular review and oversight in order to address any breaches or shortcomings.
- The general framework for risk appetite is set taking into account the strategic priorities of the Bank and the requirements of regulatory bodies as well as the requirements of sound management of credit, liquidity and capital risk in support of the Bank's growth and development plans.

## Stress Testing

- Stress tests across the Bank represent an integrated part of the risk assessment program where these tests provide information about the financial stability of the Bank and the adequacy of the risk framework. They also provide early warning signals to possible threats to the Bank's capital.
- Stress tests are also considered an integral and indivisible part of the Bank's corporate governance framework as it relates to risk management. It alerts management teams to the potential unexpected results of the various risks and it has an impact on decision making on both an administrative and strategic level and provides the Board of Directors and the executive management team with required capitalization level indicators to withstand shocks or changes that could occur and which would have an impact on the Bank

and its financial position. Stress tests are of significant importance in that they are future-focused unlike other utilized models that focus on past performance instead of unexpected future events.

- Stress test results are analyzed and evaluated in terms of impact on the quality of the Bank's asset base and financial position whether in terms of expected financial or reputational loss. The results are utilized in capital planning and in consideration of reserve requirements in accordance with Internal Capital Adequacy Assessment Program (ICAAP).

- Various scenarios are played out taking into account the size and nature of the risks that face the Bank. They are listed from the lowest to the highest impact, depending on the level of potential loss that the Bank could face in order to uncover risks that have not been addressed. These scenarios are carefully planned and regularly revisited taking into account developments in the Bank specifically or in the banking sector in general.

- Stress tests are conducted bi-annually in a manner that complies with regulatory requirements and may be conducted more frequently depending on the recommendation of the Risk Department based on the development in the banking sector or the economy in general.



## Internal Capital Adequacy Assessment

The Internal Capital Adequacy Assessment aims to achieve the following:

- Use of best practices to manage risk to ensure capital adequacy.
- Determining the responsibilities of the Board of Directors and executive management in developing the Internal Capital Adequacy Assessment program and putting in place capital targets that match the risk profile of the Bank and its regulatory environment.
- Comprehensive quantitative and qualitative evaluation of risks that the Bank may face in the current environment and in stress scenarios.
- Addressing risks that have not been addressed under the first pillar (liquidity, interest, concentration, reputational, strategic, business cycle).
- Understanding the nature and level of risk that the Bank might face and how to connect between those risks and capital requirements.
- Ensure that the management team of the Bank continues to take responsibility for ensuring capital adequacy to face all risks and to exceed minimum set requirements.

## Financial Impact of Non-Recurring Operations of the Year 2019

The bank has sold the property of the Credit Administration Building (formerly Philadelphia Building) for an amount of 5.3 million dinars, which has a positive impact on the financial statements for the year 2019. This building is built on plot No. (621), 14 Al Weibdeh Al Wastani Basin- Amman with an area of 1930 square meter.

### Time Series Data for Major Financial Indicators

	2015	2016	2017	2018	2019
<b>Total Assets</b>	2495	2816	2729	2783	2763
Customers' Deposits	1782	2067	1919	1912	1864
Loans and Credit Facilities (Net)	1227	1447	1484	1425	1370
Shareholders' Equity	314	303	306	301	308
<b>Profit before Tax</b>	32.5	8.2	20.1	33.2	36.2
<b>Profit After Tax</b>	22.8	6.3	13.3	21.3	22.2
<b>Profit attributable to Equity holders of the bank</b>	17.5	8.8	9.2	11.6	0*
Basic and diluted earnings per share	0.13	0.034	0.069	0.106	0.111
Earnings per share attributes to the shareholders	0.10	0.05	0.05	0.06	-
Number of Issues Shares	% 0	% 5	% 5	% 4	% 0
Share price on last working day (JOD)	1.25	1.15	1.18	1.08	0.95

\*Amounts in million dinars.

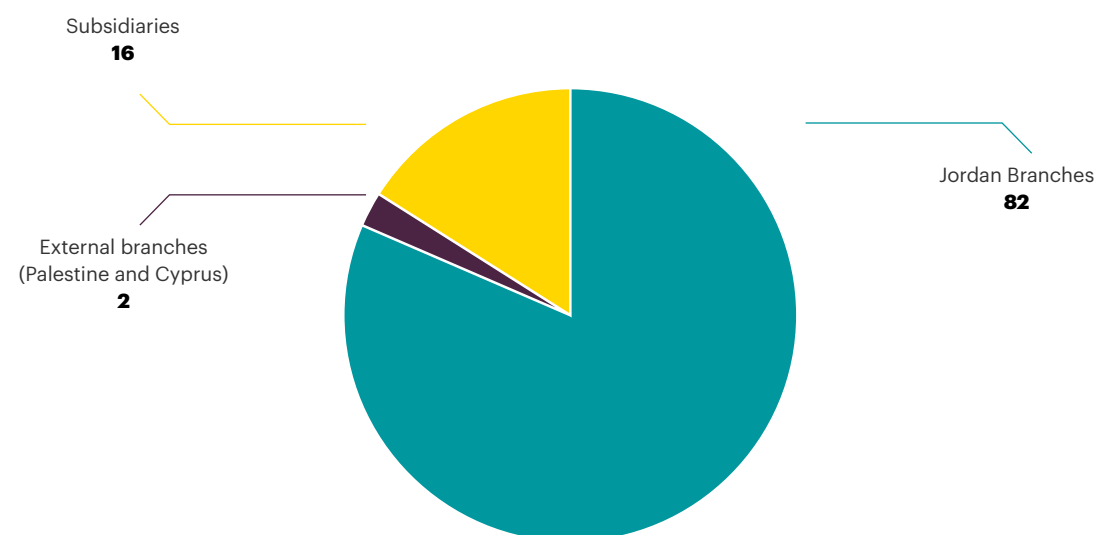
\* The Central Bank of Jordan issued circular No 1/1/4693 dated 9 April 2020, in which the Central bank of Jordan decided to postpone the Jordanian Banks distribution of dividends to shareholders for the year 2019.

In a competitive and turbulent environment in light of political and economic uncertainty in the region, Jordan Ahli Bank was able to continue its positive performance during the year 2019 and to achieve positive financial results.

In million dinars	Income before	Profit After Tax
2018	33.2	21.3
2019	36.2	22.2
Growth	9%	4.5%



### The Proportional Distribution of Profits Before Tax



### Reasons for Increase in Profits Before Tax

1- Increase in gross income for 2019 by 8.3 million Jordanian Dinars amounting to 7.6% to become 118.1 million Jordanian Dinars as compared to 109.8 million Jordanian Dinars during the previous year.

This increase of gross income is the result of the following:

- Maintaining net revenue from interest and commissions at around 100 million Jordanian Dinars, which reflects the success of the Bank in applying changes to interest rates to sources of funds and to manage the capital in a manner consistent with market practice through transparent dealings with customers.
- Increase of the non-interest and commission revenue from 8.9 million Jordanian Dinars in 2018 to 18.2 million Jordanian Dinars in 2019, meaning an increase of 9.3 million Jordanian Dinars amounting to 105% in which the other revenues has included non-recurring items, such as:
  - Gains from properties and equipment and projects under construction amounting to 0.4 million Jordanian Dinars in 2018 as compared to 5.4 million Jordanian Dinars in 2019 resulting from the sale of one of the buildings owned by the Bank which was used for the Bank's operations.
  - Written-off debt collections of 2.4 million Jordanian Dinars in 2018 as compared to 7.3 million Jordanian Dinars in 2019.

2- The Bank was able to maintain its levels of spending for the previous year at approximately 74.5 million Jordanian Dinars which reflects the successful cost-cutting strategy in relation to costs curtailment notwithstanding the increase of non-controlling costs which grew as a result of the operational requirements and which resulted in the improvement of our operational efficiency which dropped from 68% in the year 2018 to 63% in 2019.

3- Increase in the expected credit loss provision cost from 1 million Jordanian Dinars in 2018 to 6.9 million Jordanian Dinars in 2019 as a result of the Bank's commitment to the implementation of IFRS 9 and improving the quality of its credit portfolio.

4- Reduction in impairment on assets seized by the bank from 1 million Jordanian Dinars in the year 2018 to 0.6 million Jordanian Dinars in the year 2019.

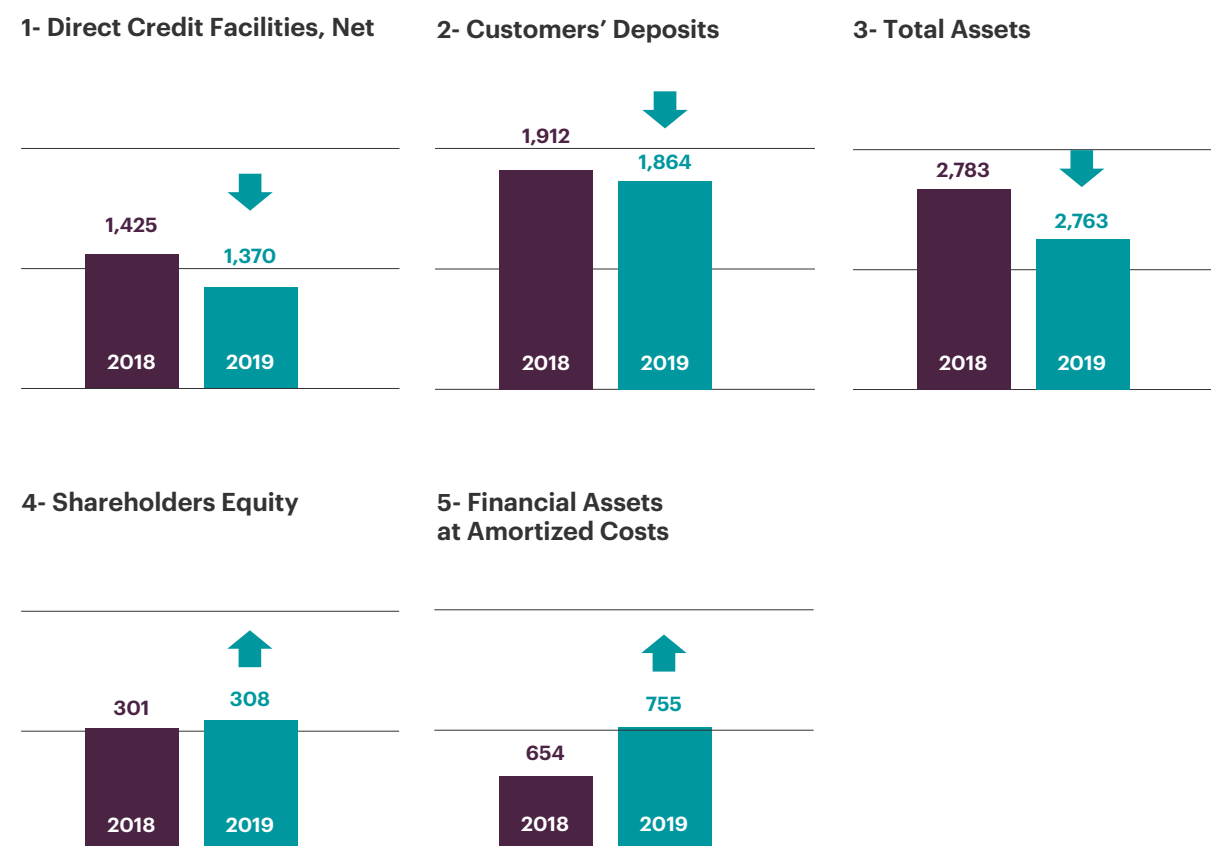
### The Bank's Financial Position Analysis

This part of the Board of Directors' Report includes a summary of the most important matters detailed in the consolidated financial statements of Jordan Ahli Bank for the year 2019 and which were prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards Board (IASB) and the requirements of laws and regulations of countries in which the Jordan Ahli Bank operates, as well as the regulations of the Central Bank of Jordan. This financial analysis is considered an integral part of the financial statements and explanations relating thereto.

In addition, the Jordan Ahli Bank provides internal control and control systems that guarantee the quality and transparency of the published financial information and data, in accordance with the Instructions for Internal Control and Control Systems (35/2007).

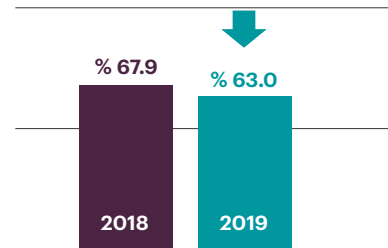
#### Financial Position key points

\* Amount in million Jordanian Dinars.

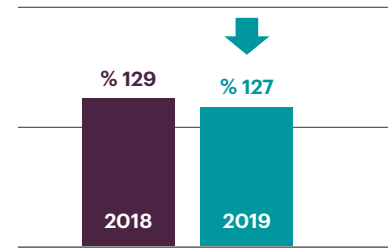


### Key Financial Performance Indicators

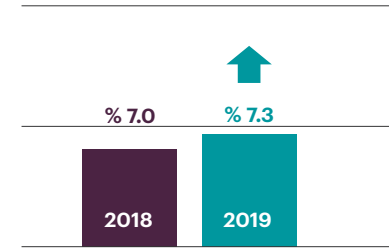
1- Operational Efficiency



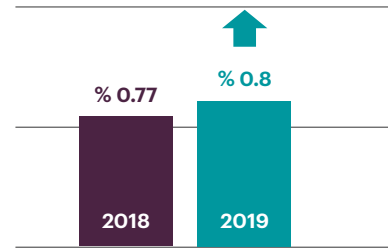
2- Liquidity Ratio



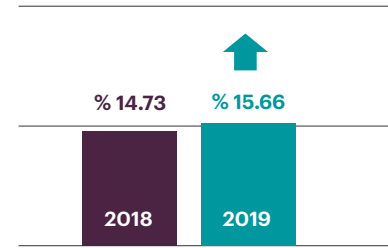
3- Return on Average Equity



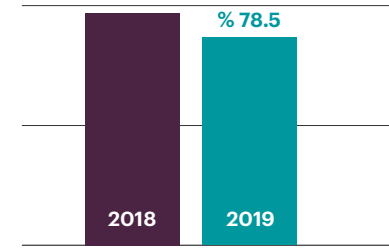
4- Return on Average Assets



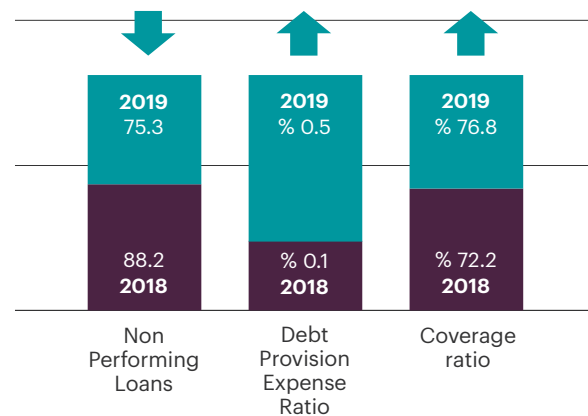
5- Capital Adequacy Ratio



6- Credit to Deposit Ratio

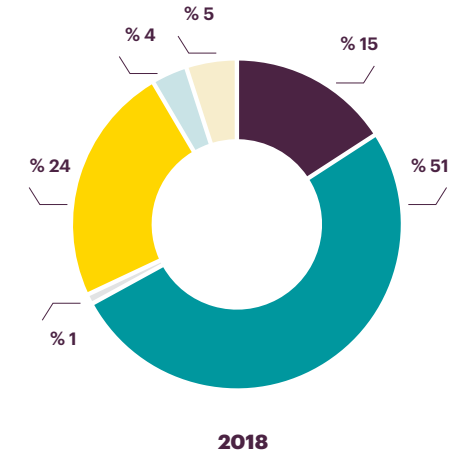
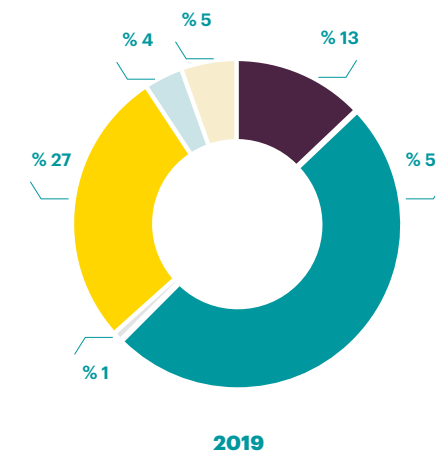


7- Non- performing Credit Facilities and Coverage Ratio



Ratio of NPL

2018: 5.82%  
2019: 5.20%



### Assets

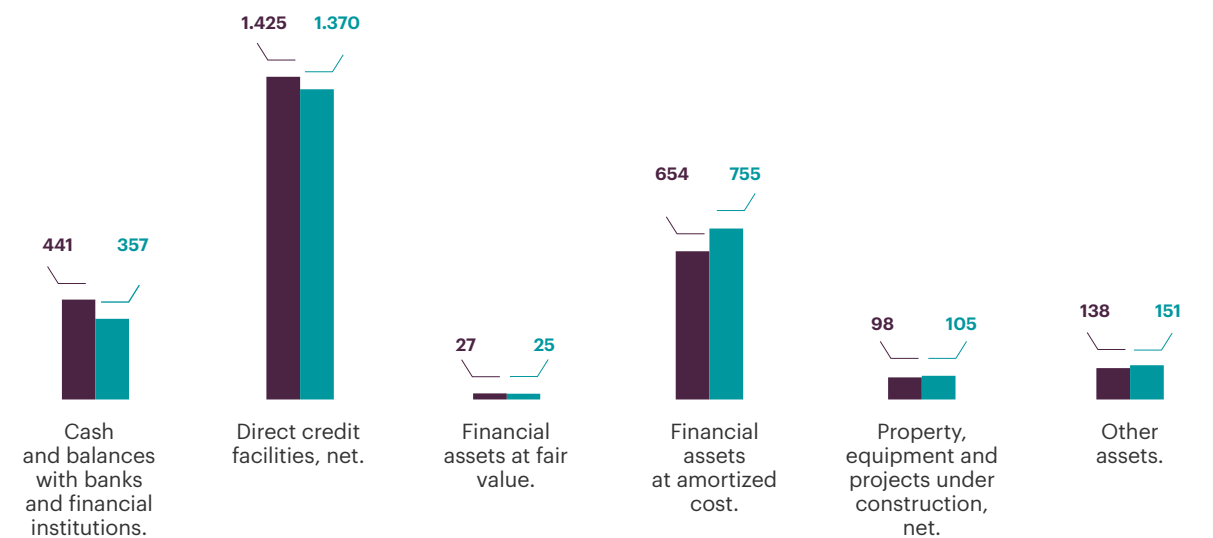
- Cash and balances with banks and financial institutions.
- Direct credit facilities, net.
- Financial assets at fair value.
- Financial assets at amortized cost.
- Property, equipment and projects under construction, net.
- Other assets.

The maximum increase was in the Financial assets at amortized cost with a percentage of **15%**

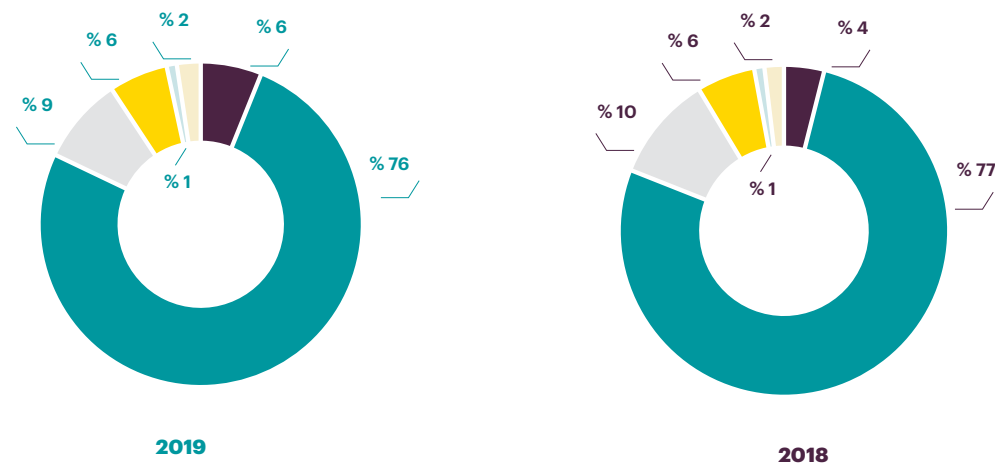
The maximum decrease was in the Cash and balances with a percentage of **19%**

- 2018
- 2019

\* Amount in million Jordanian Dinars.

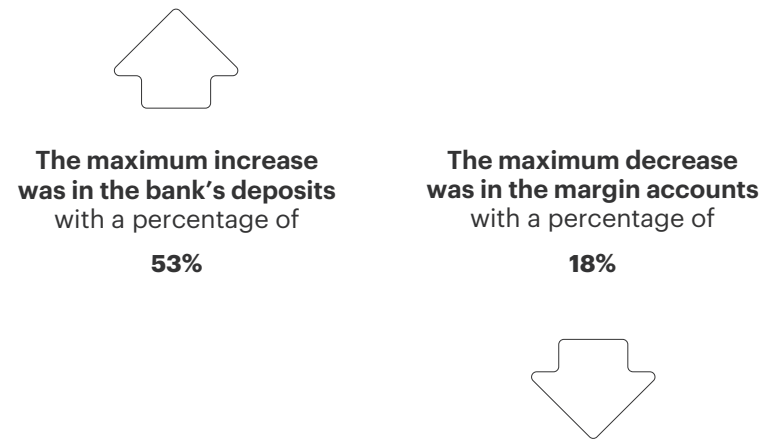






Liabilities

- Banks's and financial institutions' deposits
- Customers' deposits
- Margin accounts
- Loans and borrowings
- Sundry provisions
- Other liabilities

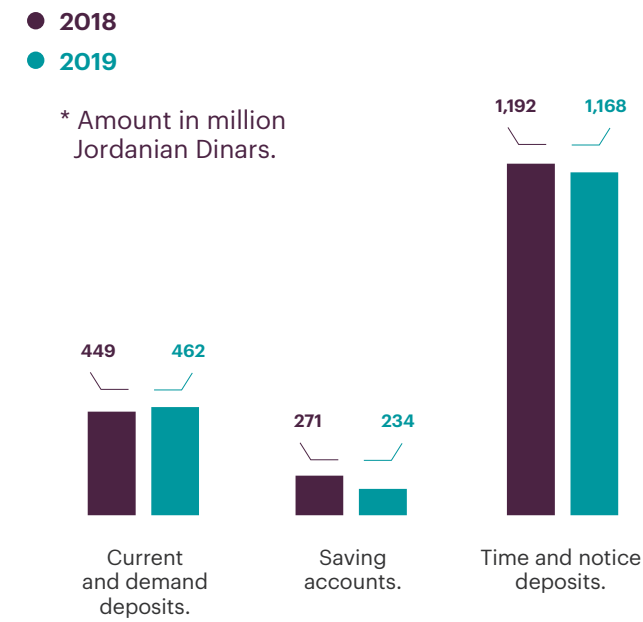
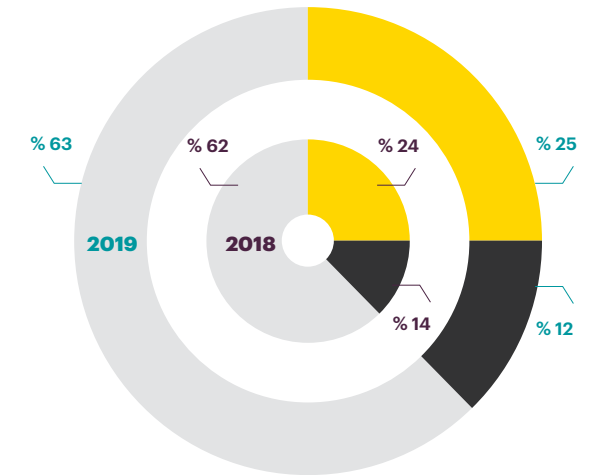


- 2018
  - 2019
- \* Amount in million Jordanian Dinars.



Customers' Deposits

- Time and notice deposits
- Saving accounts
- Current and demand deposits



## Future Outlook and Plans for 2020

### Corporate Banking and Project Finance

- Despite the ongoing difficult economic conditions and stagnation in the region in general as a result of the political conditions in the regional countries and their negative repercussions on social, political and economic life in Jordan, a work plan for the next year has been prepared based on exerting effort and working in a team spirit to achieve maximum growth in a way that guarantees achieving the bank's target results in all aspects.

### Small and Medium Banking

- We have engaged with an international company to automate lending operations for small and medium-sized companies in full with the aim of speeding up the service provided to the customer and enhancing his exceptional experience with Jordan Ahli Bank of Jordan within the axes of our strategic plan, which includes customer service, operational excellence, innovation and creativity, which will be launched in 2020.
- We always strive for excellence in providing endless permanent solutions to small and medium-sized companies, emerging enterprises, entrepreneurs and working women. These solutions aspire to reflect a bright image of Jordan Ahli Bank and its team, this team is fully prepared to serve the customer anywhere and anytime, and with it we seek For Jordan Ahli Bank to be the first and the best choice for the customer and the true partner for success, in which the customer will enjoy an un paralleled, unique and distinct experience.

### Consumer Banking

- Developing the operational model for the branches through the automation of many banking services provided to customers, in order to provide the best customer experience and meet all their needs in the least time and the best quality possible. The Bank will provide the utmost banking services through electronic channels and other new services without the need to visit the branch and within the highest security and safety standards, in addition to providing electronic services for various banking services that are immediately available to customers.
- Working within a Paperless Environment within the bank's branches, where an innovative business model will be developed to serve all customer requests without the need to use papers and in which we ensure that the customers receive various banking services in a fast, accurate and environmentally friendly way.
- Expanding the bank's customer base by developing distinguished banking and non-banking products and services to ensure that the customers' needs are met with highly competitive benefits. Developing the bank's ATM network by expanding in some new locations and updating the existing devices.
- Developing some branches of Jordan to provide a unique and innovative experience, similar to what has been developed in Al Abdali - Boulevard branch, as the branch is considered a center that brings together many experts and advisors to provide a distinct and integrated customer experience for customers in addition to providing advisory services through a selective group of bank employees to give customers a distinct experience.

### Treasury and Investment

- Continuing and striving to increase the Total Return Fixed- Income Portfolio in the Medium Term and Long-Term portfolio investments.
- Increasing investment in the areas of financial technology.

- Reactivating wealth management products and services to integrate private banking services into the capital market as an outcome.
- Launching the smart application in respect of investment banking to achieve the principle of financial and investment inclusion for the masses of dealers and potential clients.

### Credit Sector

- The Credit Sector will continue its approach through the effective presence of its departments in all stages of the credit cycle and will continue to monitor the Bank's credit portfolio accurately and efficiently and develop appropriate solutions for hardship cases in addition to continuing to strengthen early warning processes and what is required of automation and modernization work in line with the latest technological concepts to enhance its various operations and its positive impact on continuing to maintain the quality of the bank's credit portfolio.

### Support Sector

#### Operations & Shared Services

- As part of our belief in the importance of innovation in developing the banking business, the Bank will consider the Robotics Process Automation technology in 2020 to automate all banking operations to ensure the accuracy and speed of completion, in addition to reducing costs and greatly raising efficiency rates, which will positively affect the quality of banking services provided to our customers.
- SWIFT GPI will also be available to the customers through the bank's electronic channels to enable them to track their incoming and outgoing external transfers from the moment they are issued and until they are received by the beneficiary.

#### Information Technology

- To upgrade the banking system of Cyprus to version R19
- To implement the T24 system at Palestine branches
- To complete the implementation of projects related to the 2020 Cyber Risk Adaptation Program
- To implement a new signature system
- To implement the Loan Origination system for corporate customers
- To implement Moody's updated system application
- To implement New Contact Center system
- To implement a new IT Service Management system

#### Human Resources

- Regarding the directions of human resources management for the year 2020, strengthening the corporate culture will be sustained at various administrative levels to ensure the achievement of a unified institutional culture that promotes effectiveness, flexibility and integration, and so that it is reflected in all practices. The Department will also review the competencies to reflect the principles and concepts of the desired corporate culture. The bank will also endeavor to apply an effective management methodology for workforce by launching the workforce planning project.
- Also, e-learning system will be launched the Department will enhance the employee's experience and achieve the Shared Prosperity through the qualitative development of the employees skills and capabilities as the main driver for the sustainable performance and in order to meet the growing needs of human capital, based on strategic plans that include many initiatives and projects.

## Innovation

- To move forward with Ahli Fintech Seed Accelerator program and launch the second wave of the same.
- Expanding Heroes of Cash services that aim to sharing the children passion for education and financial literacy in respect of the basics of how to handle cash, learn the values and how to make the right financial decisions through organizing fun and constructive activities.
- Strive to grow in the the digital identity "AnaMeen" user base throughout the Kingdom, and to expand in the number and categories of institutions participating in AlamMeen" "Meen. World" to benefit from the digital eKYC-as-a-service platform, which is completed electronically in an instant manner.
- Digital transformation in banking services that are provided to the bank's customers, the most important of which are payment bank cards solutions, Internet banking services, Ahli mobile application and others.

## Project Management Office

- The implementation of a hi-tech system for all project management processes has been completed. The Project Management Office will use this system, starting from 2020, in various enterprise project management processes, which will provide the necessary tools for planning and implementation of all projects within a single- window system, which also provides a unified base for all reports and documentation. In addition, the role of the Project Management Department will be developed to become more of a directive than a monitoring role.

## Internal Audit

- Stand ready for the digital performance transformation and the necessary audit for that, which is currently at the forefront of the bank's strategic gradual transformation plans in line with technological advancements in the world in general and in the banking industry in particular.
- The foregoing shall include qualification and training on the latest systems, applications and theories, which would also change the way auditing is performed and how to deal with new technology and processes.

## Risk

- Upgrading the risk management process by developing and updating methods of measuring risks of all kinds
- Increasing the efficiency of the process of supervising the risk management activities of subsidiaries and external branches in a way that ensures keeping pace with any changes or control requirements that may occur to subsidiaries and external branches.
- Continuing to work on updating and reviewing the risk management policies and procedures in a way that ensures keeping pace with any changes that may occur, requirements or instructions issued by the Central Bank of Jordan and the regulatory authorities.
- Continue to work on improving risk management reports in line with business developments and the requirements of the Board Risk and Compliance Committee.
- Continuing to spread the culture of risk management at all administrative levels and for all departments of the bank by holding training courses and workshops for all types of risks, so that risk management becomes the responsibility of all bank employees of all levels and jobs, and strive to build a unified risk profile for all types of risks.

## Compliance and Anti Money Laundering

- Continuing to spread awareness of the compliance culture as a shared responsibility, and to meet all local and global regulatory compliance requirements within banking best practices.
- Developing the compliance management system to keep pace with the most important developments in a dynamic way.
- Developing the AML / CFT management process in line with the latest developments, in particular, and meeting the risk-based methodology .
- Participating in raising the level of the customer's experience with the bank, by managing customers' complaints in an effective manner.

## Internal Control

- In 2020, the bank will continue to develop an integrative model that ensures harmony between an effective and flexible operating model and simulates best banking practices and casts its outputs in a continuous development to design and organize the course of banking operations, and the integrated framework for the internal control system and information technology governance.

## External Auditors' Compensation of the Bank and its Subsidiaries

No.	Name of Company	Fess in Jordanian Dinars
1	Jordan Ahli Bank	305,208
2	Ahli Microfinance Company	16,008
3	Ahli Brokerage Company	9,860
4	Ahli for Financial Leasing	10,846
5	Ahli Fintech Company	1,740
Total		343,662

\*The other consulting fees amounted 66,640 Jordanian dinars during the year 2019



## A-(1) Jordan Ahli Bank Shares Owned by Members of the Board

Name	Position	Nationality	No. of shares as of	
			2019	2018
Mr. Saad Mouasher	Chairman of Board	Jordanian	2,442,882	2,348,925
H.E Dr. Umayya Toukan	Deputy Chairman	Jordanian	116,953	112,455
Mr. Nadim Muasher	Board Member	Jordanian	7,296,542	7,015,906
Byblos Bank	Board Member	Lebanese	20,829,355	20,028,226
Represented by Mr. Alan Wanna			-----	-----
Jordan Investor Center	Board Member	Jordanian	11,151,938	10,721,518
Represented by H.E Wasef Azar			112,681	108,348
Mouasher Investment & Trading Co.	Board Member	Jordanian	529,240	508,885
Represented by Mr. Imad Mouasher			7,329,722	7,047,810
Rajai Muasher & Brothers Co	Board Member	Jordanian	13,097	12,594
Represented by Mr. Rafik Muasher			2,625,000	2,625,000
Social Security Corporation	Board Member	Jordanian	20,067,580	19,295,750
Represented by Mr. Eyad Abumohammad			-----	-----
Mr. Mahmoud Malhas	Board Member	Saudi	91,088	2,152,200
ZI & IME	Board Member	Bahamian	1,559,759	1,499,769
Represented by Mr. Aladdin Sami		Egyptian	-----	-----
Mrs. Ibtissam El-Ayoubi	Board Member	Jordanian	2,293	2,205
Mr. Tarek Jallad	Board Member	Jordanian	908,951	873,992
Mr. Izzat Dajani	Board Member	Jordanian	2,600	0

## A-(2) Number of Jordan Ahli Bank Shares Owned by the Companies Controlled By any of the Board Of Directors

Board Members	Companies Controlled by any of them	No. of shares owned by the companies controlled any of such Board Members	
		31/12/2019	31/12/2018
Mr. Saad Mouasher	Al Nabil for Trade and Investments	2,846,598	2,747,114
Mr. Nadim Muasher Board Member	Jordan Fabric & Worsted Manufacturing Co.	5,118,757	4,921,882
	Arab International Hotels Company	1,580,277	1,519,498
	ELZAY Ready Wear Manufacturing Company	671,580	645,750
	RANCO Diversified Investments Co.	1,194,582	1,148,637
	World Fashion Trading Co WFT	114,917	110,498
	Jordan Investor Center co. PSC	11,151,938	10,721,518
	Jordan Worsted Mills Co. PLC	12,945,315	12,295,750
Rajai Muasher & Brothers Co Board Member	Jordan Worsted Mills Co. PLC	12,945,315	12,295,750
	Arab International Hotels Company	1,580,277	1,519,498
	ELZAY Ready Wear Manufacturing Company	671,580	645,750
Jordan Investor Center Board Member	Middle East Insurance Company PLC	133,767	128,623
	Jordan Worsted Mills Co. PLC	12,945,315	12,295,750
	Arab International Hotels Company	1,580,277	1,519,498
Mouasher Investment & Trading Co. Board Member	Jordan Fabric & Worsted Manufacturing Co.	5,118,757	4,921,882
	Arab International Hotels Company	1,580,277	1,519,498
	ELZAY Ready Wear Manufacturing Company	671,580	645,750
	RANCO Diversified Investments Co.	1,194,582	1,148,637
	World Fashion Trading Co WFT	114,917	110,498
	Jordan Investor Center	11,151,938	10,721,518
	Jordan Worsted Mills Co. PLC	12,945,315	12,295,750
Mr. Mahmoud Malhas Board Member	Mahmoudia	62,949	60,528
	Mahmoud Malhas Investments Ltd	2,147,200	0

## B-Jordan Ahli Bank Shares Owned by the Relatives of the Board Members and the companies controlled by them

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2019	2018	2019	2018
<b>Mr. Saad Mouasher</b> Chairman of Board						
Mrs Tania Anwar Boulos Harb	Spouse	Jordanian	256,698	246,825	----	----
	Minors	----	----	----	----	----
<b>H.E Dr.Umayya Toukan</b> Deputy Chariman						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Nadim Mouasher</b> Board Member						
Mrs. Rania Issa Mubadda Dallal	Spouse	----	107,420	103,289	----	----
	Minors	----	----	----	----	----
Byblos Bank <b>Mr. Alan Wanna</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Jordan Investor Center <b>H.E. Wasef Y. N. Azar</b> Board Member						
Mrs. Abla Salem Y. Muasher	Spouse	Jordanian	105,222	101,175	----	----
	Minors	----	----	----	----	----
Mouasher Investment & Trading Co. <b>Mr. Imad Mouasher</b> Board Member						
Mrs Nadine Wadi Khalil Halaseh	Spouse	Jordanian	101,019	97,134	----	----
	Minors	----	----	----	----	----

## B-Jordan Ahli Bank Shares Owned by the Relatives of the Board Members and the companies controlled by them/ Continued

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2019	2018	2019	2018
Rajai Muasher & Brothers Co <b>Mr. Rafik Muasher</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Social Security Corporation <b>Mr. Eyad Abumohammad</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Mahmoud Malhas</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
ZI&IME Ltd <b>Mr. Aladdin Sami</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mrs. Ibtissam El-Ayoubi</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Tarek Jallad</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Izzat Dajani</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----

### C-Jordan Ahli Bank Shares Owned by the Senior Executives and the companies controlled by any of such senior Executives

Name	Nationality	No. of Shares as of		No. of shares owned by the companies controlled any of them		Companies Controlled by any of the seniors Executives'
		2019	2018	2019	2018	
<b>Mr. Moh'd Issa</b> Chif Executive Officer / General Manager	Jordanian	11,466	11,025	1,580,277	1,519,498	Arab International Hotels Company
<b>Dr. Ahmad Al- Hussein</b> Deputy Chief Executive Officer / General Manager	Jordanian	0	0	12,945,315	12,295,750	Jordan Worsted Mills Co.
<b>Ms. Lina Al Bakhit AlDababneh</b> Chief Business Officer	Jordanian	10,260	9,866	0	0	----
<b>Mr. Majed Hijab</b> Head of Treasury, Investments & Financial Institutions	Jordanian	196	189	0	0	----
<b>Mr. Sofyan Duais</b> Head of Corporate Banking & Projects Finance	Jordanian	0	0	0	1,293,356	----
<b>Mr. Ammar Al Sa'id</b> Head of SME	Jordanian	0	0	0	0	----
<b>Mr. Zaid El-Khatib</b> Head of Consumer Banking	Jordanian	9,420	9,058	0	0	----
<b>Mr. Dirar Haddadin</b> Chief Financial Officer	Jordanian	0	0	0	0	----
<b>Mr. Moein Al- Baho</b> Chief Credit Officer	Jordanian	0	0	0	0	----
<b>Mr. Khalid Abuesh- Shaer</b> Chief Compliance Officer	Jordanian	0	0	0	0	----
<b>Mr. Iyad Ammari</b> Chief Internal Auditor	Jordanian	0	0	0	0	----
<b>Mr. Taha Zeid</b> Acting as Chief Risk Officer	Jordanian	0	0	0	0	----
<b>Mr. Rami Al Karmi</b> Chief Innovation Officer	Jordanian	0	0	0	0	----
<b>Mr. Rami Da'na</b> Head of Operations & Shared Services	Jordanian	0	0	0	0	----
<b>Mr. Jwallant Vasani</b> Chief Information Officer	Indian	0	0	0	0	----
<b>Mrs. Maha Dado</b> Acting as Chief Human Resources Head	Jordanian	0	0	0	0	----

### D-Jordan Ahli Bank Shares Owned by the Relatives of Senior Executives and the companies controlled by any of such relatives as compares with the Previous Year

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2019	2018	2019	2018
Mr. Moh'd Issa Chif Executive Officer/ General Manager						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Dr. Ahmad Al- Hussein Deputy Chief Executive Of- ficer / General Manager						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Ms. Lina Al Bakhit AlDababneh Chief Business Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Mr. Majed Hijab Head of Treasury, Investments & Financial Institutions						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Mr. Sofyan Duais Head of Corporate Banking & Projects Finance						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Mr. Ammar Al Sa'id Head of SME						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Mr. Zaid El-Khatib Head of Consumer Banking						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----



D-Jordan Ahli Bank Shares Owned by the Relatives of Senior Executives and the companies controlled by any of such relatives as compares with the Previous Year/ Continued

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2019	2018	2019	2018
Mr. Dirar Haddadin Chief Financial Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Moein Al- Baho Chief Credit Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Khalid Abuesh- Shaer Chief Compliance Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Iyad Ammari Chief Internal Auditor	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Taha Zeid Acting as Chief Risk Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Rami Al Karmi Chief Innovation Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mr. Rami Da'na Head of Operations & Shared Services	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---

D-Jordan Ahli Bank Shares Owned by the Relatives of Senior Executives and the companies controlled by any of such relatives as compares with the Previous Year/ Continued

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2019	2018	2019	2018
Mr. Jwallant Vasani Chief Information Officer	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---
Mrs. Maha Dado Acting as Chief Human Resources Head	Spouse	---	---	---	---	---
	Minors	---	---	---	---	---

### Names of Major Shareholders of 5% and More

Name of Shareholder	2019		2018	
	No. of shares 31/12/2019	Ownership %	No. of shares 31/12/2018	Ownership %
Byblos Bank	20,829,355	10.381%	20,028,226	10.381%
Social Security Corporation	20,067,580	10.001%	19,295,750	10.001%
Jordan Worsted Mills Co.	12,945,315	6.452%	12,447,419	6.452%
Jordan Investor Center	11,151,938	5.558%	10,721,518	5.557%



### Major Shareholders Owning 1% or more of the share Capital of the Bank as of 31/12/2019, the Ultimate Beneficial Owner and pledges shares

Shareholder Name	Nationality	No. of Shares owned 31/12/2019	Ownership %	Ultimate Beneficiary Owner	No. of pledged shares	Percentage %	Pledgee
<b>Byblos Bank</b>	Lebanese	20,829,355	10.381%	Byblos Invest Holding S.A 29.43%.	--	--	--
				Luxembourg 11.11%.			
				The bank of New York International Finance corporation 8.36%.			
				Bassil Family 8.62%			
<b>Social Security Corporation</b>	Jordanian	20,067,580	10.001%	Same ultimate owner	--	--	--
<b>Jordan Worsted Mills Co.</b>	Jordanian	12,945,315	6.452%	Social Security Corporation 20%	--	--	--
				Jordan Ahli Bank 9.98%			
				Arab Bank 9.36%			
				Jordan Investor Center 8.26%			
				Arab International Hotels Company 6%			
<b>Jordan Investor Center</b>	Jordanian	11,151,938	5.558%	AlDawlah for Hotels and Malls PLC 7.49%	1,513,653	13.573%	Bank of Jordan
				Business Tourism Company 7.49%	3,439,779	31.195%	National Bank of Kuwait
				Nadim Yousef Issa Mouasher 7.49%	1,615,234	14.648%	Housing Bank for Trade and Finance
				Jordan Ahli Bank 10%	4,457,980	40.429%	Societe Generale Bank
				Arab International Hotels Company 49.342%	-	-	-
					11,026,646	99.846%	Total
				Jordan Worsted Mills Co. 18.186%			
<b>Imad Yousef Mouasher</b>	Jordanian	7,329,722	3.653%	Same ultimate beneficiary	--	--	--

Major Shareholders Owning 1% or more of the share Capital of the Bank as of 31/12/2019, the Ultimate Beneficial Owner and pledges shares/ Continued

Shareholder Name	Nationality	No. of Shares owned 31/12/2019	Ownership %	Ultimate Beneficiary Owner	No. of pledged shares	Percentage %	Pledgee
<b>Nadim Yousef Mouasher</b>	Jordanian	7,296,542	3.636%	Same ultimate beneficiary	--	--	--
<b>Jordan Fabric &amp; Worsted Manufacturing Co.</b>	Jordanian	5,118,757	2.551%	Kingdom Investment Group 50%	--	--	--
				Jordan Worsted Mills Co. 50%			
<b>Al Nabil for Trade and Investments</b>	Jordanian	2,846,598	1.419%	Ibrahim Nabil Yousef Mouasher 33.333%	--	--	--
				Saad Nabil Yousef Mouasher 33.333%			
				Yousef Nabil Yousef Mouasher 33.333%			
<b>Sideeq Abu Sido</b>	Jordanian	2,812,018	1.401%	Same ultimate beneficiary	--	--	--
<b>Mustafa Habib</b>	Iraqi	2,675,397	1.333%	Same ultimate beneficiary	--	--	--
<b>Rafik Muasher</b>	Jordanian	2,625,000	1.308%	Same ultimate beneficiary	--	--	--
<b>Saad Mouasher</b>	Jordanian	2,442,882	1.217%	Same ultimate beneficiary	--	--	--
<b>Yousef Mouasher</b>	Jordanian	2,282,800	1.138%	Same ultimate beneficiary	--	--	--
<b>Ibrahim Mouasher</b>	Jordanian	2,262,616	1.128%	Same ultimate beneficiary	--	--	--
<b>Basim Shihadeh</b>	Jordanian	2,185,797	1.089%	Same ultimate beneficiary	--	--	--
<b>Al Raja Investment Co.</b>	Jordanian	2,163,510	1.078%	Mary Lana Rajai Saleh Muasher 33.333%	--	--	--
				Saleh Rajai Saleh Muasher 33.333%			
				Huda Yousef Issa Mouasher 33.333%			
<b>Mahmoud Malhas Investments LTD</b>	British Virgin Island	2,147,200	1.070%	Mahmoud Malhas			

## The Chairman and Board of Directors Remuneration and Benefits in 2019

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration for attendance Board & Committees Meetings	Annual Travel Expenses	Annual Remuneration	Total
<b>Mr. Saad Mouasher</b> Chairman of Board	-	560,000	-	10,693	5,000	575,693
<b>H.E Dr. Umayya Toukan</b> Deputy Chairman	-	12,000	105,600		5,000	122,600
<b>Mr. Nadim Muasher</b> Board Member	-	12,000	24,000		5,000	41,000
Byblos Bank S.A.L/Lebanon <b>Mr. Alan Wanna</b> Board Member	-	12,000	4,000	6,460	5,000	27,460
Jordan Investor Center <b>H.E. Mr. Wasef Azar</b> Board Member	-	12,000	22,000		5,000	39,000
Mouasher Investment & Trading Co. <b>Imad Mouasher</b> Board Member	-	12,000	13,600	570	5,000	30,600
Rajai Muashe & Brothers Co <b>Mr. Rafik Muasher</b> Board Member	-	12,000	15,200		5,000	32,200
Social Security Corporation <b>Mr. Eyad Abumohammad</b> Board Member	-	12,000	12,800		5,000	29,800
<b>Mr. Mahmoud Malhas</b> Board Member	-	12,000	6,400		5,000	23,400
ZI&IME Ltd <b>Mr. Aladdin Riad Sami</b> Board Member	-	12,000	4,000	7,240	5,000	28,240
<b>Mrs. Ibtissam El-Ayoubi</b> Board Membe	-	12,000	84,000		5,000	101,000
<b>Mr. Tarek Jallad</b> Board Member	-	12,000	20,800		5,000	37,800
<b>Mr. Izzat Dajani</b> Board Membe	-	9,000	22,200	34,200		65,400

## Resigned Board of directors Remuneration and Benefits in 2019

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration for attendance Board & Committees Meetings	Annual Travel Expenses	Annual Remuneration	Total
<b>H.E Imad Fakhoury</b> Board Memeber Resigned – as of 3/2/2019	-	1,000	1,800		2,300	5,100



## Executive Management Compensation and Benefits in 2019

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration for attendance Board & Committees Meetings	Annual Travel Expenses	Annual Remuneration
<b>Mr. Moh'd Issa</b> Chief Executive Officer / General Manager	544,800	0	298,000	15,969	858,769
<b>Dr. Ahmad Al- Hussein</b> Deputy Chief Executive Officer / General Manager	382,200	0	190,000	9,707	581,907
<b>Ms. Lina Al Bakhit</b> Chief Business Officer	184,000	0	26,688	3,120	213,808
<b>Mr. Majed Hijab</b> Head of Treasury, Investments & Financial Institutions	104,000	0	11,900	10,833	126,733
<b>Mr. Sofyan Duais</b> Head of Corporate Banking & Projects Finance	97,600	3,600	16,500	2,200	119,900
<b>Mr. Ammar Al Sa'id</b> Head of SME	72,800	2,400	6,075	0	81,275
<b>Mr. Zaid El-Khatib</b> Head of Consumer Banking	116,800	2,400	10,041	4,445	133,686
<b>Mr. Dirar Haddadin</b> Chief Financial Officer	178,336	0	7,294	570	186,200
<b>Mr. Moein Al- Baho</b> Chief Credit Officer	105,600	0	12,000	1,300	118,900
<b>Mr. Khalid Abuesh- Shaer</b> Chief Compliance Officer	96,800	0	11,000	685	108,485
<b>Mr. Iyad Ammari</b> Chief Internal Auditor	64,000	2,400	8,250	0	74,650
<b>Mr. Taha Zeid</b> Acting as Chief Risk Officer	43,904	0	5,276	0	49,180
<b>Mr. Rami Al Karmi</b> Chief Innovation Officer	153,680	0	26,415	11,080	191,175

## Executive Management Compensation and Benefits in 2019/ Continued

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration for attendance Board & Committees Meetings	Annual Travel Expenses	Annual Remuneration
<b>Mr. Rami Da'na</b> Head of Operations & Shared Services	137,600	0	24,000	3,740	165,340
<b>Mr. Jwallant Vasani</b> Chief Information Officer	252,000	0	13,125	1,155	266,280
<b>Mrs. Maha Dado</b> Acting as Chief Human Resources Head	54,400	0	7,668	0	62,068

## Resigned Executive Management Compensation and Benefits in 2019

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration for attendance Board & Committees Meetings	Annual Travel Expenses	Annual Remuneration
<b>Mr. Mohammad Al Bakri</b> Human Resources Head Resigned as of 30/06/2019	466,494	0	29,811	1,300	497,605
<b>Mr. Micheal Numan</b> Chief Risk Officer Resigned as of 31/08/2019	332,377	0	19,958	570	352,905

## Jordan Ahli Bank donations during the financial year 2019

Category	Mount in (JOD)
Community Support and Empowerment (Local Development)	825,831
Education and youth	316,058
Art and culture	133,777
Internal social responsibility	23,151
The environment	5,953
Entrepreneurship and creativity	7,320
business support and others	10,594
<b>Total</b>	<b>1,322,684</b>

## Transactions with Related Parties

Contracts, projects and dealings concluded between the Bank with subsidiaries, members of the Board of Directors, the General Manager or any employee of the company or their relatives.

All contracts, projects and dealings concluded between the Bank with subsidiaries, members of the Board of Directors, the General Manager or any employee of the company or their relatives are compliant with the policies and procedures of the Bank and the requirements of the Central Bank of Jordan and the Banking Law and are detailed in explanatory note [.] of the financial statements of the Bank.

Details of the credit facilities granted to members of the Board of Directors and related parties are listed below:

### Credit facilities granted to members of the Board of Directors as of 31 December 2019:

Board Members	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)	Notes
<b>Mr. Saad Mouasher</b>				
Inside the Kingdom	123,394	1,000	-	
Outside the Kingdom	-	-	-	
<b>Mr. Nadim Muasher</b>				
Inside the Kingdom	1,972,821	-	-	
Outside the Kingdom	428,945	-	-	
<b>Mr. Rafik Muasher</b>				
				Rajai Muasher & Brothers Co representative
Inside the Kingdom	740,650	-	-	
Outside the Kingdom	840,165	-	-	
<b>Jordan Investor Center</b>				
Inside the Kingdom	28,887	-	3,525,000	
Outside the Kingdom	2,988,435	-	-	
<b>H.E Wasef Azar</b>				
				Jordan Investor enter representative
Inside the Kingdom	53,979	-	-	
Outside the Kingdom	-	-	-	
<b>Mouasher Investment &amp; Trading Co</b>				
Inside the Kingdom	104,601	-	-	
Outside the Kingdom	-	-	-	
<b>Mr. Imad Mouasher</b>				
				Mouasher Investment & Trading Co representative .
Inside the Kingdom	990	-	-	
Outside the Kingdom	-	-	-	

Credit facilities granted to members of the Board of Directors as of 31 December 2019/ Continued

Board Members	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)	Notes
<b>Byblos Bank</b>				
Inside the Kingdom	-	50,000	-	
Outside the Kingdom	-	-	-	
<b>Mr. Mahmoud Malhas</b>				
Inside the Kingdom	2,346,527	-	-	
Outside the Kingdom	-	-	-	
<b>Mr. Imad, Mr. Nadim Yousef Mouasher, and Yousef Mouasher sons</b>				
Inside the Kingdom	978,403	5,000	-	
Outside the Kingdom	-	-	-	

Credit facilities granted to the Board of Directors related parties as of 31 December 2019:

Group	Where the Credit Facilities are granted	Name	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)	
<b>Mr. Nadim Mouasher Group</b>	Inside the Kingdom	ELZAY Ready Wear Manufacturing Company	20,346,512	832,134	192,773	
		Arab International Hotels Company	9,140,609	12,000	4,279,887	
		AlDawlah for Hotels and Malls PLC	6,997,231	-	2,138,580	
		Business Tourism Company PSC	4,241,064	10,500	4,330,613	
		Beaches for Hotels & Spas P.S.C	-	50,000	3,516,259	
		Jordan Investor Center co. PSC	28,887	-	3,525,000	
		Jordan Worsted Mills Co. PLC	502,583	-	3,443,100	
		Nadim Yousef Issa Mouasher	1,972,821	-	-	
		RANCO Diversified Investments Co.	1,279,808	-	-	
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	978,403	5,000	-	
		World Fashion Trading Co WFT	537,137	388,192	-	
		Jordanian Hospitality and Tourism Education Co LTD	952,524	3,000	-	
		Jordan Fabric & Worsted Manufacturing Co.	-	500,000	-	
		AlKaram for Agriculture Products Co.	365,159	-	-	
		Interior Design Studio IDS	182,565	-	-	
		The Generous Palms Company	142,906	10,000	-	
		Shaker Nadim Mouasher and Shaker Nadim Mouasher	21,648	-	-	
		Al Izdihar Center for Trade & Investment Company	20,407	-	-	
		Outside the Kingdom		Jordan Investor Center co. PSC	2,988,435	-
			Nadim Yousef Issa Mouasher	428,945	-	-
<b>Mr. Rafik Muasher Group</b>	Inside the Kingdom	Rawad Security and Protection Company	-	50,000	-	
		Rafik Saleh Issa Muasher	740,650	-	-	
	Outside the Kingdom	Rafik Saleh Issa Muasher	840,165	-	-	



Credit facilities granted to the Board of Directors related parties as of 31 December 2019/ Continued

Group	Where the Credit Facilities are granted	Name	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)
<b>Mr. Imad Mouasher Yousef Group</b>	Inside the Kingdom	Arab International Hotels Company	9,140,609	12,000	4,279,887
		AlDawlah for Hotels and Malls PLC	6,997,231	-	2,138,580
		Business Tourism Company PSC	4,241,064	10,500	4,330,613
		Beaches for Hotels & Spas P.S.C	-	50,000	3,516,259
		Jordan Investor Center co. PSC	28,887	-	3,525,000
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	978,403	5,000	-
		Jordan Investor Center co. PSC	502,583	-	3,443,100
		Jordan Fabric & Worsted Manufacturing Co.	-	500,000	-
		AlKaram for Agriculture Products Co.	365,159	-	-
		The Generous Palms Company	142,906	10,000	-
		Mouasher Investment & Trading Co.	104,601	-	-
		Al Izdihar Center for Trade & Investment Company	20,407	-	-
		Imad Yousef Issa Mouasher	990	-	-
	Outside the Kingdom	Jordan Investor Center co. PSC	2,988,435	-	-
<b>Jordan Investment Center Group</b>	Inside the Kingdom	Jordan Investor Center co. PSC	28,887	-	3,525,000
		Jordanian Hospitality and Tourism Education co LTD	952,524	3,000	-
		Al Izdihar Center for Trade & Investment Company	20,407	-	-
		Middle East Insurance Company PLC	-	523,947	-
		Rawad Security and Protection Company	-	50,000	-
		Wasef Y. N Azar & Abla Salem Y. Muasher	53,979	-	-
	Outside the Kingdom	Jordan Investor Center co. PSC	2,988,435	-	-

Credit facilities granted to the Board of Directors related parties as of 31 December 2019/ Continued

Group	Where the Credit Facilities are granted	Name	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)
<b>Mr. Saad Mouasher Group</b>	Inside the Kingdom	Saad Nabil Yousef Mouasher	123,394	1,000	-
		Ibrahim Nabil Yousef Mouasher	86,138	-	-
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	978,403	5,000	-
		Al Nabil for Trade and Investments	124,051	-	-
		AlKaram for Agriculture Products Co.	365,159	-	-
		<b>Mr. Mahmoud Malhas Group</b>	Inside the Kingdom	Mahmoud Zuhdi Mahmoud Malhas	2,346,527
Mahmoudia Motors Co. Ltd	494,263			-	-
Mahmoudia for Jewelry Trading Co.	-			826	-
Al-Mahmoudieh Trading Co. Ltd	-			826	-
<b>Mr. Tarek Jallad Group</b>	Inside the Kingdom	Jordan Tractor and Equipment Co (CAT)	500,000	-	-
	Outside the Kingdom	M. Ezzat Jallad & Fils S.A.L	3,044,942	-	-



## Banks Contribution to Environment Protection

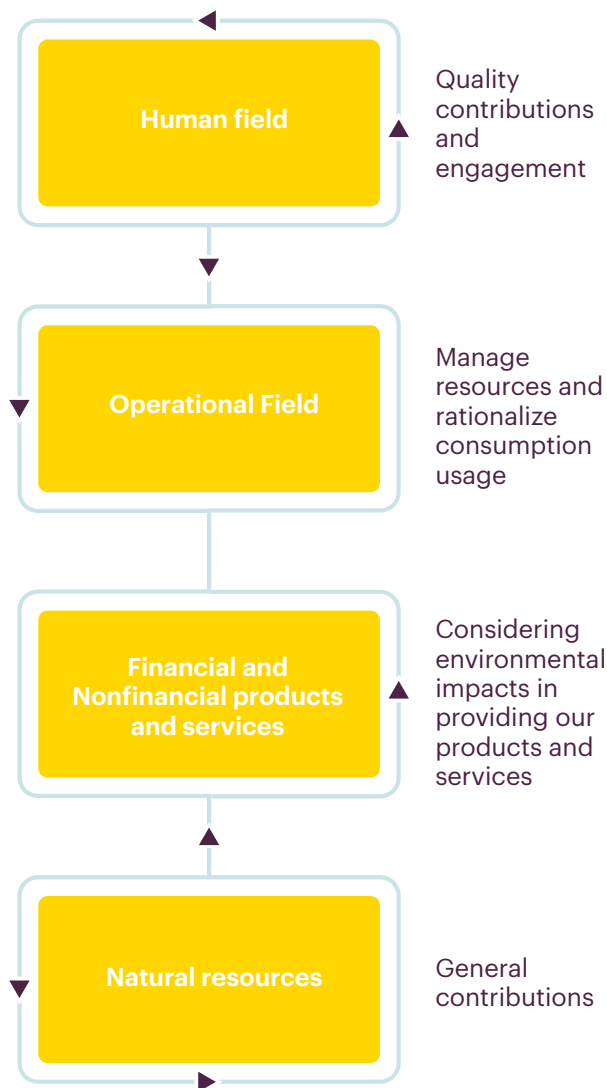
The Jordan Ahli Bank is committed to finding natural consumption methods which are responsible and to utilize technology and to limit its environmental footprint. Through the years the Bank has reinforced its environmental responsibility by utilizing more efficient consumption methods through the use of limited environmental impact measures and to present environmentally friendly products and services.

Since the protection of the environment plays an important part in the Bank's sustainability strategy, the Bank continued to support the "Green Prints" initiative, launched by Princess Alia Foundation in cooperation with the Jordan Banks Association and by virtue of which the Bank committed to designate revenue generated from the sale of paper sold for recycling purposes towards supporting government school budgets for buying paper materials needed for their learning activities.

The Bank continued its cooperation with the Arab Association for the Preservation of Nature to support their program to plant citrus trees in lands owned by needy farmers as they provide productivity and employment opportunities.

Our environmental strategy is based on four pillars: operations, human resource, financial products and services, and natural resources.

The Jordan Ahli Bank realizes the importance of protecting the environment and its importance and therefore gives it primary importance.



## Banks Contribution to Local Community Service – Corporate Social Responsibility and Sustainability at Jordan Ahli Bank

Through the "Clothes Collecting Bus" initiative which was established by the Ahli Bank as part of its strategic partnership with the Jordan Hashemite Society to collect in-kind donations to be incorporated into boxes distributed by the Clothing Bank and by the end of 2019 the number of beneficiaries increased to 124,440 needy individuals.

As a strategic partner of the King Hussein Cancer Center, the Bank continued its support for programs and campaigns of the Center including its silver sponsorship of musician Zeid Dirani and participation of employees in donation collections for the "Pink Piggybank" project launched by the Center as part of the breast cancer awareness month. We are also supporters of the "Riaaya (Care) Program" by making the Bank's national network of marketing channels and branches available for subscribers in the program irrespective of whether they are Bank customers or not. Based on the positive results of our partnerships with Tkiyet Um Ali during the past four years the Bank has renewed its partnership by sponsoring 100 needy families to ensure the provision of sufficient nutrition for the year in addition to having its employees participate in the package distribution campaign and the serving of food in the designated tents (Mawa'ed Al Rahman) during the holy month of Ramadan.

With support from the Ahli Bank, the Children's Museum-Jordan opened its interactive educational exhibit (Bank) which was fully revamped and upgraded with the aim of instilling a financial understanding culture within the children. Over 202,000 children were exposed to the exhibit which included all aspects relating to the world of finance including the his/herstory of money, the concept of capital, and sources of money in addition to many interactive displays.

We participated in supporting the "Bags of Good" campaign launched by the Princess Alia Foundation, which included a three week donation collecting initiative with participation from Bank employees and ahli777 participants. The Bank in turn matched the total donations collected through the campaign thereby doubling the number of students from all governorates who would benefit. The Bank also partnered with the Palestine International Institute to provide support for Palestinian brethren to address their various medical needs.

With a goal of providing equal opportunity employment 1000 students were able to visit the Haya Cultural Center and to participate in its cultural and artistic activities and programs. In addition the Bank supported the Second West Asian Paralympic Games which involved teams from 12 countries under the patronage of His/her Royal Highness Prince Faisal bin Al Hussein, in addition to sponsoring the 14th Wings of Hope basketball tournament for students and which is organized by the Wings of Hope Foundation and is hosted in the Amman Baccalaureate School with participation of teams from less-fortunate areas from Jordan and Lebanon.

For the third year running the Bank provided its support to the Hakeem Academy Annual Competition which aims to promote entrepreneurial projects that focus on health-tech. The Bank provided the prizes for the top three winners in addition to offering follow-on cash allocations that could be used by the winners to further develop their concepts and apply their projects on the ground.

With respect to gender related matters, in 2019 the Bank concluded its Gender Related Survey. The Bank was the pioneer in the sector to conduct the survey which is supervised by the Freedom House. His was launched as part of "You are My Role Model" Campaign that looked to promote the ratio of women participation in the work force and to empower her contribution to sustainable development and to local productivity by considering the woman a role model for all those around her. The Bank is proud to be a pioneer in his social engagement space as women represent 40% of the workforce in the Bank and which is considered very high in the banking sector and one of the highest percentages nationally (averaging around 15%). The Bank also was the diamond sponsor for the "Women in the Board Room: Why and How" Conference that was organized by the Women's Association with a local and regional audience.

In addition 32 women from the Southern Ghour/Fifa received work opportunities through the "Pure Felt" program organized through a strategic partnership with the Princess Taghreed Foundation for Training and Development, in addition to supporting the participation of 10 women from various governorates in "Souq Qarya" which is a cultural and social market organized by the Foundation to support their handicraft products and provide them with expanded access to local and regional markets.



Following on the success of the first phase of the “Self-Sustainability Through Home Agriculture” Project the Bank continued to support the second phase so that the total number of beneficiaries included 20 families from the Joufeh Area in the Ghor where their gardens became a source of nourishment and income after sale of their excess crops. This was implemented as part of the partnership of the Bank with Naua for Sustainable Development Company and which is an initiative of the Crown Prince Foundation that works to instill a culture of giving and community service by connecting donors with local charities and NGOs.

In an effort to promote Jordanian culture the Bank supported the activities of the Petra National Trust including the launch of the “Yaish House” in Jabal Weibdeh and which acts as a cultural and artistic center.

The Bank continued its support for the Hashemite Fund for Human Development through the support of the annual “Righteousness and Benevolence” campaign and the Queen Alia Social Responsibility Competition which aims to promote important social issues where “Social Equity” was chosen as the theme for the 2019 competition in order to increase awareness on issues relating to social justice and its daily applications.

Through the Bank’s internal volunteering campaign “We are Family” the Bank worked to promote employees to get involved in volunteering and to leave a positive social impact. The number of volunteers and volunteer hours doubled from the previous year where a total of 432 volunteers participated in 21 different activities throughout a year logging a total of 1368 volunteer hours.



## Sustainability in Jordan Ahli Bank

Before the beginning of our journey of integrating sustainability, Jordan Ahli Bank’s senior leadership and our board members highlighted the importance to demonstrate Jordan Ahli Bank’s commitment to sustainability and provide more details regarding our environmental, social and governance (ESG) performance. In line with the recommendation of our leadership, we began integrating sustainability into our business strategy in 2017.

In 2019, we have adjusted the name of the CSR department to CSR & Sustainability Programs Department to ensure the integration of our approach to sustainability into our business strategy and develop the bank’s sustainability long-term strategy. We believe in the ability of the banking sector to address the economic, social and environmental challenges. We are committed to fostering diversity and inclusion to help create a better future for our customers and communities.

### Key 2019 Highlights:

**54%** Decrease in the number of customer complaints filed in 2019 compared to 2018.

**Over 11,000** Applications received from university students and graduates to join Jordan Ahli Bank’s team through our Ahli777 Program’s Second wave.

**6%** Increase in the amount invested in 2019 on training and developing our employees in comparison to 2018.

**40%** Percentage of Women at Jordan Ahli Bank. For three consecutive years, we maintained a high percentage of female employment rate.

**1.1million +** Automated transactions in 2019. Done through online, mobile and efawateercom-channels

**79.17%** Our 2019 customer satisfaction rate.

**53%** Increase of total training hours provided in 2019 to our employees compared to 2018.

**432** Employees volunteered in our initiatives to support the community during 2019. This number is nearly 3 times the number of volunteers in 2018

**1st** Bank in Jordan to Launch “WhatsApp for Business” service, adding a new digital communication channel.

**FINTECH Round 2** Of AHLI FINTECH HACKATHON Program was launched in 2019, with 14 student teams (35 students from 7 universities) that qualified from the previous round. The top 5 student teams were selected to pitch to the investment committee along with other AHLI FINTECH Seed Accelerator Global Finalists.



## Jordan Ahli Bank's Approach to Sustainability

At Jordan Ahli Bank, 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 socio-economic development of Jordan. Jordan Ahli 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, Jordan Ahli Bank's approach focuses on strengthening our society by promoting innovation, empowering youth and education and protecting environment and culture.

## Material Issues to Jordan Ahli Bank

As part of our sustainability strategy, we focus on reporting and public disclosure on 16 material issues that are considered important to achieve sustainability. External and internal stakeholders identified these as the issues that matter most in our most recent materiality assessment.

## Our Sustainability Framework

We have gathered these material issues into the five pillars of Jordan Ahli Bank's sustainability framework: Business Ethics, Responsible Banking, Employer of Choice, Positive Social Impact and Environmental Protection.

## 2020 Priorities to Jordan Ahli Bank's Sustainability Strategy

**Digital Innovation** – Jordan Ahli Bank will continue to launch innovative initiatives to enhance our efforts towards promoting digital banking. We aim to implement Omni-channels to enhance customer experience and have better relationships with our clients through integrating different communication channels including branches, mobile banking, online banking and ATMs. We seek to automate our back-office operations through deploying Robotics Process Automation Technology, thus, streamlining our processes and eliminating the need and use of paper.

**Financial Inclusion** – We will continue to offer products and services to SMEs that achieve the highest levels of environmental and social sustainability and enhance their financial literacy. Additionally, we aim to provide training programs for SMEs within the Jordan Ahli Bank's Academy. The programs will include specialized training courses and workshops on various topics with the purpose of accomplishing financial inclusion. By equipping several branches, customising ATMs and our website, Jordan Ahli Bank is looking forward to offering more people with disabilities various products and services that attend to their specific needs.

**Environmental Protection** – Jordan Ahli Bank has always considered the environment to be an indispensable priority and an integral aspect of its strategies towards sustainable corporate responsibility. On that front, we will form strategic partnerships with key stakeholders to launch various initiatives aimed at protecting the environment, reducing energy consumption, and promoting eco-friendly products.

## Our Sustainability Framework/ Continued



## Summary of Performance Appraisal and Performance Incentives Policies

The Employee Bonus and Retention Policy that was adopted by the Board of Directors at the start of 2019 included a number of points which centered around employees being the foundation stone of any organization with a direct impact on its success and prosperity in an ever-changing and competitive environment. In order for any establishment to maintain its distinguished position, it is essential for it to provide extreme attention to its human resource policies and to accompany those policies with concrete actions that reflect the primary importance of ensuring employee retention and continued success.

From here it was important to put in place a comprehensive bonus and reward policy that encourages and stimulates employees to achieve general institutional goals and strategies and which create a sense of ownership for all employees. These policies are designed to satisfy employee needs and to specifically improve employee satisfaction, especially as these incentives are not tied to short term goals but also consider medium and long term efforts that take into account individual performance metrics that correspond to institutional performance.

## The General Framework and Main Components of the Reward Policy

His policy aims to put in place the general framework for the bonus, reward and retention program and is based on the following key components:

- Express the vision and values of the Bank.
- Objective and transparent and seeks to retain and recruit effective, skilled and experienced employees and to incentivize and promote them.
- Linked to individual performance but taking into account the role of the individual in the overall performance of the Bank.
- Provides clear objectives for each position at the Bank that match the Bank's general objectives.
- Provides a balance between financial and non-financial incentives on the one hand, and short and long term goals on the other, where the reward is not only tied to current year performance but also looks at the 3-5 year performance.
- Designed to ensure that it is not used in a way that affects the soundness or reputation of the Bank.
- Takes into account risk, liquidity, profitability and timing.
- Determines incentives in the form of salaries, allowances, raises, options or others.
- Includes a methodology that allows for payment of a reasonable percentage of the reward, taking into account the nature, job and risk profile of the employee in order to determine the basis and term of his deferment.
- Conflicts of interest of oversight functions (risk, internal audit, compliance, internal control) are considered and the rewards of these departments are not tied to the results of the units that they are supervising.

## Operating Strategy

Five strategies for bonus, reward and retention have been adopted to include:

- Work environment.
- Internal relationships
- Logistics and support
- Growth and career development
- Financial reward

In addition each of the elements of these strategies have been clarified and the roles of each of the stakeholders (Board, CEO/GM, human resources, oversight functions, department heads) have been clearly demarcated.

The policy was divided into two different plans:

**Incentives Plan:** Annual incentive plan tied to financial performance and the meeting of specific pre-set objectives tied to the annual objectives of the Bank.

In addition, a transparent and objective long term incentive plan was put in place for the executive team and their management teams and other high flyers. The plan was adopted by the Board of Directors and allowed for a profit-share scheme to be implemented when decided by the Board in years of exceptional performance.

**Reward Plan:** Primarily aims at rewarding exceptional performers and incentivizing them to continue to perform and develop and to boost their morale and loyalty to the Bank. Taking into account the sensitive and subjective nature of the reward, parameters and clear terms and conditions were put in place.

## Customer Complaints Handling

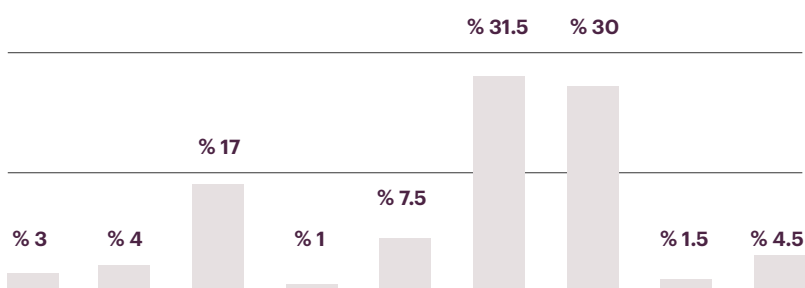
In line with the Handling of Customer Complaints for Financial Service Providers Regulations (1/2017) and the Transparent and Equitable Handling of Customers Regulations (56/2012) an independent Customer Complaints Department was established and equipped with technology systems and staff. It reports into the compliance department and works on directly receiving and handling customer complaints received from the channels listed below:

The Bank offers the following communication channels for receipt and handling of customer complaints:

Website	<b>www.ahli.com</b>
Phone	06 5656300 06 5007777
Email	complaints@ahli.com
Physical Visit	Visiting one of the customer complaints units in the General Management Head Office - Shmeisani during working hours.
PO Box	3103 Amman 11181 Jordan.

A total of 417 complaints were received in 2019 of which 160 were considered real and 257 were considered frivolous:

Classification	Total Number of Complaints
Electronic services	3%
Commissions and fees	4%
Professional dealing behaviour	17%
Bank cards	1%
Interest rates / returns	7.5%
Contracts and its terms	31.5%
Work environment	30%
Remittances	1.5%
Other	4.5%



Complaints that were received were handled through the above listed channels and the necessary measures were taken to address such complaints within the timelines set by the Bank's internal guidelines for dealing with customer complaints in line with the Customer Complaints for Financial Service Providers Regulations (1/2017).



هويتك الوطنية  
رقمية ومحمية



A close-up photograph of an olive branch with several green olives. The leaves are elongated and have a silvery-green hue. The background is a blurred olive grove with rows of trees and a dirt path.

# Consolidated Financial Statements





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**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Jordan Ahli Bank**  
**Amman - Jordan**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Jordan Ahli Bank (the "Bank") and its subsidiaries and foreign branches (the "Group"), which comprised of the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Adequacy of expected credit losses allowance on credit facilities Refer to the note (7) on the consolidated financial statements	
<p><b>Key audit matter:</b></p> <p>This is considered as a key audit matter as the group exercises significant judgement to determine when and how much to record as impairment.</p> <p>The provision for credit facilities is determined in accordance with the group's impairment and provisioning policy, which is aligned to the requirements of IFRS 9.</p> <p>Credit facilities form a major portion of the Group's assets, there is a risk that inappropriate impairment provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk.</p> <p>As at 31 December 2019, the Group's gross credit facilities amounted to JD 1,463,693,562 and the related impairment provisions amounted to JD 70,601,047.</p>	<p><b>How the key audit matter was addressed in the audit:</b></p> <ul style="list-style-type: none"> <li>We gained an understanding of the Group's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over granting and booking processes.</li> <li>We reviewed the Group's impairment provisioning policy and compared it with the requirements of IFRS 9 as well as relevant regulatory guidelines and pronouncements.</li> </ul> <p><b>Stage 1 and Stage 2 provision:</b></p> <ul style="list-style-type: none"> <li>For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Group's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management.</li> <li>We obtained an understanding of the Group's internal rating model for credit facilities.</li> <li>For exposures moved between stages we have checked the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality.</li> </ul>



	<ul style="list-style-type: none"> <li>• For a sample of exposures, we checked the appropriateness of the Group's staging.</li> <li>• For forward looking assumptions used by the Group in its Expected Credit Loss ("ECL") calculations, we held discussions with management and corroborated the assumptions using publicly available information.</li> <li>• For a sample of exposures, we checked the appropriateness of determining Exposure at Default, including the consideration of cash flows resulted from settlement process and the resultant arithmetical calculations.</li> <li>• We checked that the assumption of Loss Given Defaults used by the Group's management in the ECL calculations were appropriate.</li> <li>• We assessed theoretical soundness and mathematical integrity of the ECL Model.</li> <li>• We assessed the financial statements, disclosures to ensure compliance with IFRS 9.</li> <li>• The accounting policies, estimates and judgments, disclosures of credit facilities and credit risks are detailed in notes 3, 7 and 38 to the consolidated financial statements.</li> </ul> <p><b>Stage 3 (Specific) provisions:</b></p> <ul style="list-style-type: none"> <li>• For exposures determined to be individually impaired, we obtained an understanding of the latest developments in the counterparty's situation, examined management's estimate of future cash flows, and checked the resultant provision calculations. For each exposure selected, we performed the provision calculation by considering alternative scenarios.</li> </ul>
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#### Other information included in the Bank's 2019 annual report.

Other information consists of the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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





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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

Ernst & Young / Jordan

Waddah Issam Barkawi  
Registration No. 591

Amman – Jordan  
16 February 2020

*Ernst & Young*

## Jordan Ahli Bank

**Consolidated Statement of Financial Position**

As at 31 December 2019

	Notes	31 December 2019	31 December 2018
		JD	JD
<b>Assets</b>			
Cash and balances with central banks	4	212,324,788	248,221,805
Balances at banks and financial institutions	5	135,787,335	173,568,186
Deposits at banks and financial institutions	6	8,520,926	19,414,579
Direct credit facilities, net	7	1,369,737,583	1,424,510,189
Financial assets at fair value through other comprehensive income	8	25,014,042	27,344,278
Financial assets at amortized cost, net	9	754,893,973	654,335,587
Investment in associates	10	3,516,259	3,531,147
Property, equipment and projects under construction, net	11	91,633,021	81,224,526
Intangible assets, net	12	13,502,104	16,478,637
Other assets	13	138,352,740	125,228,773
Deferred tax assets	20	9,540,754	9,630,207
<b>Total Assets</b>		<b>2,762,823,525</b>	<b>2,783,487,914</b>
<b>Liabilities And Shareholders' Equity</b>			
<b>Liabilities</b>			
Banks' and financial institutions' deposits	14	150,146,290	98,159,977
Customers' deposits	15	1,864,020,376	1,911,770,121
Margin accounts	16	211,783,599	257,416,155
Loans and borrowings	17	145,009,726	142,471,809
Subordinated bonds	18	25,000,000	25,000,000
Sundry provisions	19	3,551,062	3,609,508
Income tax provision	20	10,097,921	7,222,551
Other liabilities	21	45,404,684	36,525,459
<b>Total Liabilities</b>		<b>2,455,013,658</b>	<b>2,482,175,580</b>
<b>Shareholders' Equity</b>			
Share capital	22	200,655,000	192,937,500
Statutory reserve	23	60,964,485	57,344,171
Voluntary reserve	23	15,761,637	15,761,637
Pro-cyclicality reserve	23	3,678,559	3,678,559
Fair value reserve - net	24	(7,388,412)	(3,225,878)
Retained earnings	25	34,138,598	34,816,345
<b>Total Shareholders' Equity</b>		<b>307,809,867</b>	<b>301,312,334</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,762,823,525</b>	<b>2,783,487,914</b>

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

**Consolidated Income Statement**

For the Year ended 31 December 2019

	Notes	2019	2018
		JD	JD
Interest income	26	164,583,280	154,970,443
Interest expense	27	80,755,724	70,773,780
Net interest income		83,827,556	84,196,663
Net commission income	28	16,067,225	16,694,500
Net interest and commission income		99,894,781	100,891,163
Gain from foreign currencies	29	2,511,192	2,814,590
Dividends from financial assets at fair value through other comprehensive income	8	686,497	908,047
Other revenues	31	14,999,787	5,173,841
<b>Gross income</b>		<b>18,197,476</b>	<b>8,896,478</b>
		118,092,257	109,787,641
Personnel expenses	32	40,257,255	41,234,749
Depreciation and amortization	11,12	11,774,331	10,156,015
Expected credit losses, net	30	6,908,437	1,016,077
Impairment on assets seized by the Bank	13	575,361	1,018,074
Other expenses	33	22,358,845	23,154,452
<b>Total expenses</b>		<b>81,874,229</b>	<b>76,579,367</b>
Operating profit		36,218,028	33,208,274
Bank's share of associate companies profits (losses)	10	(14,888)	2,481
Profit for the year before tax		36,203,140	33,210,755
Income tax expense	20	(13,966,755)	(11,933,475)
Profit for the year		22,236,385	21,277,280
Profit for the year Attributable to: Equity holders of the Bank		22,236,385	21,277,280
<b>Profit for the year</b>		<b>22,236,385</b>	<b>21,277,280</b>
Basic and diluted earnings per share attributable to bank's shareholders	34	0.111	0.106

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

**Consolidated Statement Of Comprehensive Income**

For the Year Ended 31 December 2019

	2019	2018
	JD	JD
Profit for the year	22,236,385	21,277,280
Other comprehensive income items not to be reclassified to statement of income in subsequent year		
Change in fair value reserve-Net	(4,162,602)	(3,781,896)
Total comprehensive income for the year	18,073,783	17,495,384
Total comprehensive income attributable to:		
Equity holders of the Bank	18,073,783	17,495,384

## Jordan Ahli Bank

**Consolidated Statement Of Changes In Equity**

For the Year Ended 31 December 2019

	Reserves							
	Subscribed and paid in capital	Statutory	Voluntary	Pro-cyclicality	General banking risk	Fair value reserve, net	Retained earnings	Total Shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the year ended 31 December 2019</b>								
Balance as at 1 January 2019	192,937,500	57,344,171	15,761,637	3,678,559	-	(3,225,878)	34,816,345	301,312,334
Profit for the year	-	-	-	-	-	-	22,236,385	22,236,385
Loss from sale of Financial assets at fair value through other comprehensive income	-	-	-	-	-	68	(68)	-
Net change in fair value reserve	-	-	-	-	-	(4,162,602)	-	(4,162,602)
Total comprehensive income	-	-	-	-	-	(4,162,534)	22,236,317	18,073,783
Transferred to reserves	-	3,620,314	-	-	-	-	(3,620,314)	-
Dividends distributed (note 22)	7,717,500	-	-	-	-	-	(19,293,750)	(11,576,250)
Balance as at 31 December 2019	200,655,000	60,964,485	15,761,637	3,678,559	-	(7,388,412)	34,138,598	307,809,867
<b>For the year ended 31 December 2018</b>								
Balance as at 1 January 2018	183,750,000	54,023,096	24,949,137	2,612,649	15,353,859	912,985	24,584,535	306,186,261
Transferred from general banking risk reserve	-	-	-	-	(15,353,859)	-	15,353,859	-
Impact of applying IFRS (9)	-	-	-	-	-	(330,204)	(12,851,607)	(13,181,811)
Balance as at 1 January 2018 (Amended)	183,750,000	54,023,096	24,949,137	2,612,649	-	582,781	27,086,787	293,004,450
Profit for the year	-	-	-	-	-	-	21,277,280	21,277,280
Gain from sale of Financial assets at fair value through other comprehensive income	-	-	-	-	-	(26,763)	26,763	-

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.



## Jordan Ahli Bank

## Consolidated Statement Of Changes In Equity / Continued

For the Year Ended 31 December 2019

	Reserves							
	Subscribed and paid in capital	Statutory	Voluntary	Pro-cyclicality	General banking risk	Fair value reserve, net	Retained earnings	Total Shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
Net change in fair value reserve	-	-	-	-	-	(3,781,896)	-	(3,781,896)
Total comprehensive income	-	-	-	-	-	(3,808,659)	21,304,043	17,495,384
Transferred to reserves	-	3,321,075	-	1,065,910	-	-	(4,386,985)	-
Dividends distributed (note 22)	9,187,500	-	(9,187,500)	-	-	-	(9,187,500)	(9,187,500)
Balance as at 31 December 2018	192,937,500	57,344,171	15,761,637	3,678,559	-	(3,225,878)	34,816,345	301,312,334

\* The Central Bank of Jordan issued circular No. 10/1/7702 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The circular also instruct that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan. The restricted balance amounted to JD 3,125,029.

- As at 31 December 2019, an amount of JD 9,540,754 within retained earnings which represents deferred tax assets and it is restricted to use in accordance with the Central Bank of Jordan regulations.
- The Pro-cyclicality reserve is restricted to use without prior approval of the Palestinian Monetary Authority.
- The use of the negative balance of the fair value reserve amounted to JD 7,388,412 is prohibited, in accordance with the Jordan Securities Commission.

## Jordan Ahli Bank

## Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Notes	2019 JD	2018 JD
<b>Operating Activities</b>			
Profit for the year before tax		36,203,140	33,210,755
<b>Adjustments for:</b>			
Depreciation and amortization	11,12	11,774,331	10,156,015
Expected credit losses, net	30	6,908,437	1,016,077
Sundry provision	19	928,737	785,302
Impairment on assets seized the Bank	13	575,361	1,018,074
Cash dividends	8	686,497	908,047
(Gain) from sale of property and equipment	31	(5,489,410)	(367,032)
Bank's share of associate companies' losses (profit)	10	14,888	(2,481)
Net interest income		(6,537,819)	(4,464,481)
Effect of exchange rate changes on cash and cash equivalents	29	(406,153)	(590,460)
Operating profit before changes in assets and liabilities		44,658,009	41,669,816
<b>Changes in assets and liabilities -</b>			
Increase in cash and balances at central banks due after 3 months		-	(2,410,600)
Cash and balances at banks due after 3 months		10,891,484	(14,400,840)
Decrease in restricted balances		-	270,305
Direct credit facilities		49,438,136	44,078,326
Other assets		2,672,905	1,533,740
Increase in banks' deposits matured within 3 months		14,012,017	11,498,858
Customers' deposits		(47,749,745)	(6,890,251)
Margin accounts		(45,632,556)	5,456,639
Other liabilities		(13,848,976)	(8,521,757)
Net change in assets and liabilities		(30,216,735)	30,614,420
Net cash flows from operating activities before income tax		14,441,274	72,284,236
Income tax paid	20	(11,001,932)	(7,684,980)
End of service indemnity paid and others	19	(987,183)	(1,060,919)

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

**Consolidated Statement of Cash Flows / Continued**

For the Year Ended 31 December 2019

	Notes	2019 JD	2018 JD
Net cash flows from operating activities		2,452,159	63,538,337
<b>Investing Activities</b>			
Increase of financial assets at fair value through other comprehensive income		(1,832,366)	(1,127,198)
(Increase) decrease of financial assets at amortized cost		(100,589,550)	(112,106,859)
Purchases of property and equipment, projects under construction, and intangible assets	11,12	(10,692,125)	(32,200,745)
Cash Dividends		(686,497)	(908,047)
Proceeds from sale of property and equipment		8,328,395	859,868
Net cash flows (used in) from investing activities		(105,472,143)	(145,482,981)
<b>Financing Activities</b>			
Increase in loans and borrowings		2,537,917	35,695,544
Dividends paid to shareholders		(11,576,250)	(9,187,500)
Net cash flows (used in) from financing activities		(9,038,333)	26,508,044
Effect of exchange rate changes on cash and cash equivalents	29	406,153	590,460
Net (decrease) in cash and cash equivalents		(111,652,164)	(54,846,140)
Cash and cash equivalents, beginning of the year		324,493,872	379,340,012
Cash and cash equivalents, end of the year	35	212,841,708	324,493,872

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

**Notes to The Consolidated Financial Statements**

For the Year Ended 31 December 2019

**(1) General**

Jordan Ahli Bank was established in the year 1955 as a public shareholding Company under registration No. (6) on 1 July 1955 in accordance with the companies law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O Box 3103, Amman 11181 Jordan. The Business Bank was merged with the Bank effective from December 1996. Moreover Philadelphia Investment Bank was merged with Jordan Ahli Bank Company PSC effective from 1 July 2005.

The general assembly decided in its meeting held on 29 April 2019 to increase paid-in capital by 4% to become 200,655,000 share / JD. The increase was through distribution of 4% of retained earnings as stock dividends. The increase was approved by the companies control department on 19 May 2019 and the Board of Commission of Jordan Securities Commission on 7 July 2019.

The Bank provides all banking and financial services related to its business through its main office, branches in Jordan (53 branches), foreign branches in Palestine and Cyprus (9 branches) and its subsidiaries in Jordan.

The Bank's shares are listed in Amman Stock Exchange – Jordan.

The consolidated financial statements have been approved by the Board of Directors in its meeting No. (1) held on 29 January 2020 and are subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

**(2-1) Basis of preparation of the consolidated financial statements**

The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Interpretations Committee stemming from the International Accounting Standards Board and in conformity with the applicable laws and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on the historical cost basis except for financial assets at fair value through profit and Loss and financial assets at fair value through other comprehensive income and financial derivatives which have been measured at fair value at the date of the consolidated financial statements, moreover assets and liabilities that have been hedged for change in fair value are stated at fair value.

The consolidated financial statements are presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

**(2-2) Basis of consolidation of the consolidated financial statements**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions income, and expenses between the Bank and subsidiaries are eliminated.

**The Bank's subsidiaries as at 31 December 2019 are as follows:**

**A. Ahli Micro Finance Company**

Ahli Micro Finance Company is wholly owned by Jordan Ahli Bank. The Company's objective is to grant loans to limited income individuals. Its capital amounted to JD 6 million, total assets amounted to JD 20,438,672 and total liabilities amounted to JD 9,689,126 as at 31 December 2019. Its total revenues amounted to JD 7,287,129 and total expenses amounted to JD 5,918,273 for the year ended 31 December 2019, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

**B. Ahli Financial Brokerage Company**

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 3 million. Its total assets amounted to JD 4,314,340, and total liabilities amounted to JD 786,899, as at 31 December 2019. Moreover, its total revenues amounted to JD 163,179, and its total expenses amounted to JD 302,657 for the year ended 31 December 2019, before excluding any transactions, balances, revenues and expenses between the Company and the Bank.

**C. Ahli Financial Leasing Company**

Ahli Financial Leasing Company is wholly owned by Jordan Ahli Bank with a capital of JD 17.5 million. Its total assets amounted to JD 87,589,635, and total liabilities amounted to JD 54,721,278 as at 31 December 2019. Moreover, its total revenues amounted to JD 5,074,446, and its total expenses amounted to JD 2,119,438 for the year ended 31 December 2019, before excluding any transactions, balances, revenues, and expenses between the Company and the Bank.

**D. Ahli Financial Technology Company**

Ahli Financial Technology Company is wholly owned by Jordan Ahli Bank with a capital of JD 100 thousands. Its total assets amounted to JD 121,030, and total liabilities amounted to JD 701 as at 31 December 2019. Moreover, its total revenues amounted to JD 4,448, and its total expenses amounted to JD 3,424 for the year ended 31 December 2019, before excluding any transactions, balances, revenues, and expenses between the Company and the Bank.

- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the date of disposal, which is the date on which the Bank loses control over the subsidiaries.
- The financial statements of the subsidiary companies are prepared for the same financial year, using the same accounting policies adopted by the Bank. If the accounting policies adopted by the companies different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiaries are made to comply with the accounting policies followed by the Bank.
- Non - controlling interests represent the portion of owners' equity not owned by the Bank in the subsidiaries.
- In case separate financial statements are prepared for the Bank as a stand-alone entity, investments in the subsidiaries are shown in accordance with the equity method.

**(3-1) Changes in accounting policies**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2018, except for the adoption of the following new standards effective as at 1 January 2019:

**IFRS (16) Leases**

- IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.
- Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.
- The bank adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The bank elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.
- The Group has lease contracts for various branches. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

**Leases previously accounted for as operating leases**

- The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- The Group also applied the available practical expedients wherein it:
  - Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
  - Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
  - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
  - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

**Based on the above, as at 1 January 2019:**

- Right-of-use assets of JD 9,738,850 were recognised and presented in the consolidated statement of financial position within "other assets - note 11".
- Additional lease liabilities of JD 9,873,697 were recognised and presented in the consolidated statement of financial position within (included in "Other liabilities - note 21").
- No impacts were found on the statement of changes in equity.



The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2018, as follows:

	JD
Total operating lease obligation as at 31 December 2018	9,214,391
Weighted average incremental borrowing rate as at 1 January 2019	5.45%
Discounted total operating lease obligations at 1 January 2019	10,464,789
Less: Obligations related to short-term leases exempted from the adoption of the standard	(591,092)
Lease obligations as of 1 January 2019	9,873,697

### IFRIC Interpretation (23) Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS (12) and does not apply to taxes or levies outside the scope of IAS (12), nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

### These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS (3), between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

### These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 clarify the accounting when a plan amendment, curtailment or settlement occurs during a fiscal year. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in the consolidated statement of comprehensive income.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in the consolidated statement of comprehensive income.

### These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28: Long-term investments in associate companies and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term investments in an associate companies or joint ventures to which the equity method is not applied but that, in substance, form part of the net investment in the associate companies or joint ventures (long-term). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term investments.

The amendments also clarifies that, in applying IFRS 9, an entity does not take account of any losses of the associate companies or joint ventures, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate companies or joint ventures that arise from applying IAS 28 Investments in Associate companies and Joint Ventures.

These amendments do not have any impact on the Group's consolidated financial statements.

## (3-2) Significant Accounting Policies

### Segments Information

Segment business represents a group of assets and operations shared to produce products or risk attributable services different from which related to other segments.

Geographic sector linked to present the products or the services in a specific economic environment attributable for risk and other income different from which related to other sectors work in other economic environment.

Recognition of Interest Income

### The effective interest rate method

**According to IFRS (9) Interest income** is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortized through interest and similar income in the consolidated statement of comprehensive income.

### Interest and similar income and expense

For all financial instruments measured at amortized cost, financial instruments designated at FVOCI and FVTPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

## Fees and commission income

### Fees income can be divided into the following two categories:

A. Fees income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and private wealth and asset management fees, custody and other management fees.

B. Fee income forming an integral part of the corresponding financial instrument

### Fees that the Bank considers to be an integral part of the corresponding financial instruments include:

Loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees.

## Financial Instruments – Initial Recognition

**Date of recognition:** Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Group recognizes balances due to customers when funds are transferred to the Group.

**Initial measurement of financial instruments:** The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

**Day 1 of profit or loss:** When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

**Measurement categories of financial assets and liabilities:** The Group classifies its financial assets (Debt Instruments) based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized cost
- FVOCI
- FVTPL

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

**Financial Assets and Liabilities:** The Group only measures due from banks, loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

**Business model assessment:** The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**The SPPI test:** As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

**Derivatives recorded at fair value through profit or loss:** A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, futures and cross-currency swaps. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

**Debt instruments at FVOCI:** The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to the consolidated income statement.

### Equity instruments at FVOCI

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the consolidated income statement. Dividends are recognized in consolidated income statement as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

### Financial guarantees, letters of credit and unused facilities ceilings

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the consolidated financial statements (within other liabilities) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the consolidated statement of income as expected credit loss.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements, starting from 1 January 2019.

The premium received is recognized in the consolidated statement of income net of fees and commission income on a straight line basis over the life of the guarantee.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the consolidated statement of financial position.

The Group occasionally issues loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

### Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

### A. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset
- Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset
- Or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.



When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

## B. Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in consolidated statement of income.

Impairment of financial assets

### Overview of the ECL principles

The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** When financial assets are first recognized, the Group recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- **Stage 2:** When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- **Stage 3:** Financial assets considered credit-impaired. The Bank records an allowance for the LTECLs. For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

IFRS 9 application methodology is detailed in note (3) – use of estimate.

### Leasing contracts (Policy applicable before 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases:

**1. The Bank as a lessor:** Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and on a straight-line basis over the lease term.

**2. The Bank as a lessee:** Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum future lease payments. The finance lease obligation is recorded at the same value. Lease payments are apportioned between finance costs and reduction of the lease liabilities so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to the consolidated statement of income.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

### Leases (Policy applicable after 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

### Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

### Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Bank's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Bank's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Bank's other comprehensive income (OCI). In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Bank's share of profit or loss of an associate is shown on the face of the consolidated income statement within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period as the Bank. When necessary, adjustments are made to bring the accounting policies in line with those of the Bank.

### Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value. Moreover Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful lives when ready for use of these assets using the following annual rates.

	%
Buildings	2
Equipment furniture and fixtures	9-15
Vehicles	20
Computer	12-15
Others	2-12

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the consolidated statement of income.

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

Property and equipment are derecognized when disposed or when there is no expected future benefit from their use or disposal.

### Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### Intangible Assets

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

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

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

**B- Other intangible assets:** Other intangible assets acquired through mergers are stated at fair value at the date of acquisition, while other intangible assets (not acquired through mergers) are recorded at cost.

Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives using the straight line method, and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed in statement income for impairment as of the consolidated financial statements date, and impairment loss is recorded in the consolidated statement of income.

Intangible assets resulting from the banks operations are not capitalized. They are rather recorded in the consolidated statement of income in the same period.

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

**Provisions:** Provisions are recognized when the bank has an obligation as of the date of the consolidated financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

**Provision for employees' end-of-service indemnities:** Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the bank operates.

**Income Taxes:** Income tax expenses represent current and deferred taxes.

Income tax expense is measured on the basis of taxable income. Taxable income differs from income reported in the consolidated financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

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

Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

**Capital cost of issuing or buying the Bank's shares:** Cost arising from the issuance or purchase of the bank's shares are charged to retained earnings (net of the tax effect of these costs if any). If the shares issuance or purchase process is incomplete these costs are recorded as expenses in the consolidated statement of income.

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

**Offsetting:** Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when there is a legal right to offset the recognized amounts, and the bank intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

**Seized assets:** Such assets are those that have been the subject of foreclosure by the bank, and are initially recognized among "other assets" at the foreclosure value or fair value whichever is least.

At the date of the consolidated financial statements, seized assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the consolidated statement of income. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

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

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

**Foreign currencies:** Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the date of the consolidated financial statements using the exchange rate prevailing at the date of the consolidated financial statement. Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.

Non-monetary items measured at historical cost are translated according to the exchange at fair value rate prevailing at the transaction date, using the exchange rate prevailing at the date of evaluation.

Differences resulting from the translation of non-monetary assets and liabilities at fair value denominated in foreign currency, such as equity shares, are recorded as part of the change in the fair value using the exchange rates prevailing at the date of evaluation.

On consolidation, the assets and liabilities in foreign operations are translated into the reporting currency in accordance with the average currency prices at the reporting date and issued prices by the central bank. Income and expense items are translated on a average price rate basis and the exchange differences arising on translation for consolidation are recognised in OCI. In case of selling any of these companies or branches, the amount of differences is included in the consolidated income statement

Profits and losses resulting from foreign currency exchange differences for debt instruments (interest-bearing) are recorded in financial assets at fair value through comprehensive income in the consolidated income statement. Foreign currency exchange differences for equity instruments are recorded in the fair value reserve in the shareholders' equity in the consolidated statement of financial position.

**Fair value:** The Bank measures financial instruments is at fair value at each financial statement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

Impairment is calculated through the difference between the book value of financial assets at amortized cost and the present value of expected future cash flows discounted using the original effective interest rate.

The book value of financial assets is reduced by the amortized cost by the impairment loss through the impairment reserve account. The change is recognized in the consolidated income statement

Cash and cash equivalents

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

### (3-3) Use of estimates

#### Provision for impairment on direct credit facilities

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The Bank computes the provision for impairment of financial assets in accordance to the International Financial Reporting Standards (IFRSs) which also complies to the instructions of the Central Bank of Jordan instructions.



### Inputs, assumptions and techniques for ECL calculation - IFRS 9 methodology:

**Risk Management System:** The Risk Management Department at the Bank reports to the Board of Directors according to the Corporate Governance instructions issued by the Central Bank of Jordan. The Board of Directors assumes responsibility of reviewing and approving risk management strategies, policies and procedures at the Bank on an annual basis, which illustrates the general risk management framework. The Board of Directors delegates its powers to the monitoring of all risk management activities to the Risk Management Committee established under the board of directors' decision.

**Risk Management:** The Bank's risk management approach is based on experience, knowledge and culture of risks in which each employee is responsible for the potential risks included in their scope of work.

Risk management provides independent monitoring and support to establish and disseminate the risk management concept as a whole and at all administrative levels. It also proactively helps in identifying potential losses, setting plans for the appropriate responses and to implement the required procedures encounter such risks in the event of such occurrences contributing to the reduction potential losses and expenses.

Risk management activities are listed in a general risk management policy which enables the bank to identify risks and set appropriate limits for them. The said policy serves as a general framework for managing the main risks along with a number of separate policies for every types of risk, including:

- Policies for managing credit risks, market risks and operational risks;
- Liquidity risks policy and interest rates risk policy for the bank's portfolio.
- Policy of internal assessment of capital adequacy.
- Stress testing policy.
- Credit policy and investment policy are considered to be a complement risk management policy for the purpose of risks control and management.

The Bank's management pays special attention to Basel requirements and the best practices internationally for managing risks as they serve as a framework for enhancing the bank's ability in upgrading the control environment and encountering all risks (operational, market and credit). All practical steps were taken for implementation, whereas specialized units were established to manage all risks. Such units will take the responsibility of recognizing, measuring, managing and controlling all types of risks and determining the extent of compliance with regulations, laws and standards issued by local or international bodies in accordance to best known practices, size of the Bank's operations and types of the risks it is exposed to.

The Risk Management of the Group is responsible for performing the following functions:

- Developing the Bank's Risk Management Framework.
- Developing and executing risk management's strategy and enhancing policies and procedures which determine the roles and responsibilities of each of the parties at all administrative levels.
- Developing and reviewing risk management's policies regularly to ensure their effectiveness and amending them accordingly, as required.
- Developing a methodology for internal evaluation of the Bank's capital adequacy, whereas is comprehensive, effective and capable of identifying the risks which the Bank may encounter, taking into consideration the Bank's strategic and capital management plan.
- Developing a document on the bank's acceptable risks.
- Monitoring the level of the bank's executive departments' compliance with the specified levels of the acceptable risks.
- Ensuring a business continuity plan is in place and reviewing it regularly.
- Reporting the risks resulting from any expansion in the activities of the Bank to the Risk Management Committee established by the Board of Directors.
- Performing stress tests regularly to measure the Bank's resilience to withstanding shocks and encountering high risks and obtaining the approval of the Board of Directors.

- Submitting regular reports to Risk Management Committee containing information on actual risk management system (Profile Risk) for all activities of the Bank compared to the acceptable risk document and (Risk Appetite) following-up addressing negative deviations.
- Verifying the integration of risk measurement mechanisms with the used management information systems.
- Raising awareness on risk management in the Bank units to enhance the control environment and help staff of all administrative levels in gaining a deep understanding of the risks the Bank encounters.
- Reviewing strategic decisions and making recommendations to avoid risks and optimally utilizing the capital.
- Coordinating with all control departments of the Bank to ensure that the internal controls are in place or delegating the management of these risks to external parties or insuring them.

**Levels of Acceptable Risks:** The process of identifying levels of acceptable risks is performed according to the quantitative measurement methods, nature and the distinctiveness of various risks. The said process aims to identify the risk levels accepted by the Bank in order to achieve its strategic objectives. Such limits are reflected in the risk appetite document approved by the bank which is subject to monitoring mechanism on a regular basis, as well as mechanism to address any deviations and violations, if any.

The general acceptable risks framework is developed in line with on the Bank's strategic plan, issued by regulatory bodies in regard to credit liquidity risks, as well as capital management in a manner that supports growth and development of the Bank's operations.

**Stress Testing:** Stress testing at the bank level is an integral part of the risks review and evaluation. Stress testing provides information on the financial integrity and risk matrix at the bank. It also provides early warning indicators regarding the Bank's capital.

Stress testing is an integral part of the corporate governance system and risk management process as they notify the bank departments on the impact of unexpected negative events associated with various risks. The stress testing significantly impacts the administrative and strategic decisions and provide the board of directors and the executive management with indicators on the size of the capital required to encounter any losses that might result from changes that impact the bank's position and creditworthiness. Stress testing is considered important as it has a future-oriented nature in evaluating risks, compared to other methods that depend on historical data without taking into considerations the future events.

Stress testing is carried out at the levels of sensitive and analytical scenarios and their impact is reflected on capital adequacy ratio, profits and losses in a set of levels, including: moderate, medium and severe. The results of stress testing are analyzed and evaluated to identify their impact on the type of the bank's assets and financial position either through the size of the expected losses and/or their impact on the bank's reputation and capital adequacy. The results of stress testing are used in capital planning and identification of their impact on generating additional capital according to the Internal Capital Adequacy Assessment Process (ICAAP).

Scenarios prepared are proportionate to the nature and type of risks encountering the bank from the least influential to the most influential, including scenarios determining size of losses the Bank may bear in order to identify uncovered risks. The scenarios' scope is identified accurately, reviewed periodically and amended as per the changes at the bank level, banking industry level and economy level in general. Stress testing is performed semi-annually to meet the requirements of the controlling authorities and it can be performed more based on the recommendations of the risk management committee based on the conditions of the banking industry and economy in general.

### Internal Assessment of Capital Adequacy:

The process of internally assessing the capital adequacy aims to:

- Use best techniques to manage risks in order ensure capital adequacy.
- Identify the responsibilities of the board of directors and the executive management in developing the process of internal assessment of capital adequacy and setting capital objectives that are consistent with the Bank's risk and control environment.
- Conduct a comprehensive evaluation of the quantitative and qualitative components of risks which the Bank may encounter in the current conditions and in stress conditions.

- Address the risks which were not covered operational (liquidity risks, interest, concentration, reputation, strategy and operational cycle).
- Understand the nature and level of risks which the Bank may encounter and the methods of associating risks with capital levels.
- Ensure that the bank's management is continuously responsible for the availability of adequate capital to encounter risks which might exceed approved limits set.

#### Non-performing and Mechanism of Processing by the Bank:

- For the purposes of classifying accounts as non-performing or defaulted debts, the instructions of the Central Bank of Jordan or Control Bodies at the branches hosting countries or subsidiary banks concerning debts classification are adhered to.

Irregular/ non-performing facilities are defined as credit facilities that meet the following requirements:

- 90 days or more elapsed upon the maturity of all or one of its installments, irregular payment of the principal and/or interest rates or freezing status of overdraft account.
- Overdraft balance exceeding the allowed limit by 10% or more and for 90 days or more.
- Credit facilities that were expired and not renewed 90 days ago or more.
- Credit facilities granted to any client who declared bankruptcy or to any company that was put in liquidation.
- Credit facilities structured three times within a year.
- Current accounts and overdrawn accounts for 90 days or more.
- The value of guarantees paid on behalf of clients and not debited to their accounts for 90 days or more.

**Internal Credit Rating System:** The Bank uses Moody's System for Internal credit rating to evaluate business clients, identify credit risks and evaluate default probability of the counterparty. The Bank applies internal rating models designed for various categories of clients based on exposure nature, type of borrower and banking sector managed by the borrower. The Credit Rating System consists of three main models used by business departments to analyze and classify clients based on financial and non-financial data of the clients. Credit Departments review, archive and approve the financial and non-financial data. The System allows selecting one model out of the three models. The model is selected based on availability and clarity of the financial data provided by the client and a set of questions relating to the client activity, including:

#### Model I: Fundamental Analysis Financials (only):

This model is used if clear, adequate and detailed financial statements (audited or non-audited) are available. They can be used to reflect the client's financial situation. The highest weight is devoted to the financial statements and the client's financial situation in the classification process.

#### Model II: SME Rating Model- Financial Statements Provided:

This model is used if the provided financial statements are non-detailed (containing some items). They are devoted a lower weight in the classification process and the highest weight is devoted to the quality aspects in classification.

#### Model III : SME Rating Model- No Financial Statements Provided:

This model is used when the client has not provided financial statements. and risks classification is completely dependent on the quality aspects.

The system is applied to clients' portfolio including large firms, small and medium enterprises in the Bank's branches at Jordan, Palestine and Cyprus.

**The ratings are detailed below:** The Credit Rating System consists of 10 credit ratings. The default risks increase upward depending on the risk degree. There is a definition for each credit rating as internally approved by the Bank.

**Working Mechanism of the System:** Full details of clients are entered by business departments as they can contact the clients and learn about their conditions and activities.

Credit Review Department reviews the input data and credit ratings of the clients to ensure the accuracy, objectivity and compatibility of the data entered to the system with the credit data and study provided to the client in general. Override feature may be used by users with credit-related powers to increase or decrease risks degrees according to specified information to estimate the borrower conditions.

The Credit Rating System maintains a complete record of the risk degrees of the archived accounts for clients, starting from establishment of the credit relationship and regular updates conducted annually at least or reclassifying the client's rating if required.

Risks department executes system administration and reporting process that is presented to the competent authorities to verify the complete rating of the accounts portfolio.

#### Application and Initial Recognition

**Existing Credit Exposures:** To rate credit exposures through internal rating system, the existing rating of the credit exposure is compared to the rating upon initial recognition by internally prepared studies to document historical information of the risks of each debt to identify risk degree in initial recognition. As for unrated credit exposures in the date of the financial statements, they are included in Phase II until they are duly classified.

**New Credit Exposures:** The new accounts must be rated using the internal rating system and their ratings are considered as an initial recognition in the classification date.

**Approved Mechanism to Measure Expected Credit Losses:** IFRS 9 requirements include measuring expected credit losses (impairment losses/provision losses) of the credit exposures and debt instruments within IFRS 9 scope in terms of the method of inserting the credit exposures/debt instruments. In addition, IFRS 9 requirements includes a general approach and framework for ECL calculation through 3-phase approach defined by the new standard to recognize credit impairment that is dependent on the quality of credit risks since initial recognition. Assets are transferred between the three phases according to the changes in the credit risks. Based on these phases the change in ECL is recognized.

The model of ECL calculation for debt instruments that subject to IFRS 9 was applied to all Jordan branches, subsidiaries and external branches in line with the instructions of the central bank of Jordan as well as IFRS9 requirements.

The Bank followed an approach to measure ECL on case-by-case basis for credit exposures and debt instruments without identifying common components and specifications on a collective basis. ECL are calculated on the single contract (account) level that shows the impact of an individual details for each contract through identifying ECL formula variables by calculation of EAD, PD, LGD, time of maturity according to the detailed information of each contract. The following formula was used to calculate ECL:

$$\text{Expected Credit Loss (ECL)} = \text{Probability of Default (PD)} \% \times \text{Exposure at Default (EAD)} \times \text{Loss Given Default (LGD)}\%$$

**Probability of Default (PD):** Transition Matrix is developed for facilities sector (including large firms and small-sized and medium-sized enterprises) as reflected in the rating data in Moody's Internal Rating System for one year. The data covers two periods for credit exposures at the branches of Jordan, Palestine and Cyprus at the level of individual clients. PDs and their annual updates available in Moody's System are used to generate default values for default probability at the level of banking sectors to be integrated in the approved ECLs model.

Retail banking transition matrix for branches in Jordan, external branches and subsidiaries is developed based on Delinquency Buckets information for the past 24 Months. Transition matrix is developed as per the product type, including guaranteed and unguaranteed products.

Transition matrix and short-term default rate are used. Vasicek Model to link macroeconomic variables (growth rates of Gross Domestic Product (GDP) and unemployment rates as per the banking sector) based on the historical data for 10 years and 5 years for economic variable are used to develop PiT PD for 12 months. PiT PD is modified to reflect the impact of the economic factors for developing Life Time PD by using Markov Chain Model that take statistical variables and past default rates into account.

The default probability matrix for credit exposures and debt instruments owed by sovereign bodies and banks in all regions of the world is developed by using the transition matrix for sovereign bodies and banks based on reports prepared by Standard & Poor's. PiT PD is extracted through Vasicek Model in which macroeconomic variables are linked (growth rates of Gross Domestic Product (GDP) and as per the region) and based on the historical data for 10 years and 5 years for economic variable are used to develop PiT PD for 12 months. PiT PD is modified to reflect the impact of the economic factors for developing Life Time PD by using Markov Chain Model that takes statistical variables and past default rates into account.

PD of degree 5 of risks was applied for all unrated exposures according to the opinion of the consulting firm responsible for application.

**Exposure at Default (EAD):** EAD is followed based on credit limits available for clients or utilized EAD whichever is greater for direct or indirect exposures. Amounts that may be withdrawn by the debtor in future are considered. The Credit Conversion Factor (CCF) of 100% is applied to indirect facilities (including bank guarantees and documentary credits) and to unutilized credit ceilings. The expected life time for debt is considered in behavioral analysis the period during which the debt remains outstanding, especially revolving exposures, such as overdrafts and credit cards for which a 3-year maturity has been applied.

The value of unutilized ceilings is proportionately distributed to contracts relating to this ceiling. In other words, the unutilized EAD for the contracts within this ceiling is divided to the total value for utilized contracts within the same ceiling. This mechanism is also applied when guarantees are distributed to ensure proper distribution of credit exposures to their corresponding guarantees.

#### Loss Given Default (LGD):

##### • Portion Not Covered with Guarantees

The historical data of the non-performing credit exposures for portions covered and uncovered with guarantees and collections made in the upcoming periods and in 3 years cut-in time from default date are used to study and analyze recovery rate for all banking sectors (large firms, small-sized enterprises and medium-sized enterprises) and to individually specify LGD percentage. LGD for portion uncovered with guarantees for various banking sectors and according to the approved procedure by the bank.

##### • Portion Covered with Guarantees

The managerial LGD model is applied to the portion covered with guarantees. Acceptable financial and non-financial guarantees deemed as credit mitigates against such exposures that are legally documented in credit contracts. There is no legal impediment preventing access to them. Hair-cut percentages for each type of acceptable guarantees are considered according to the instructions of the Central Bank of Jordan. The following formula is applied to calculate LGD for the portion covered with guarantee as follows:

$$\text{LGD}=1 - (\text{Exposure After Mitigation} / \text{Exposure Before Mitigation} \times 100\%)$$

It is worth highlighting that a fixed LGD rate has been applied in Jordan branches, external branches and subsidiaries for portions covered and uncovered with guarantees for credit exposures /debt instruments and according to the mechanism approved by the bank.

The percentage losses identified by assuming defaulting for some banking sectors within the branches of Jordan, the banking group, subsidiaries and foreign branches according to the methodology used in the bank.

**Application Scope:** According to the followed approach, credit exposures and financial instruments fall within ECL and in a manner that meet IFRS 9 requirements:

**Loans and credit facilities (direct and indirect):** ECLs are calculated based on credit ceilings or utilized exposure whichever is higher to identify EAD by using CCF at 100%. As for Probability Default (PD), matrices developed for banking sectors in the upcoming 12 months or residual lifetime for the credit exposure. Phases required by IFRS 9 are considered to rate credit exposures based on the significant change determinants in credit risks. LGD for the portion uncovered with guarantee is applied as per the review of recovery rate for banking sectors. The acceptable financial and non-financial guarantees will be taken after application of standard hair-cut rates for all types of guarantees. The current value of the cash flows for the lifetime of the credit are calculated through Effective Interest Rate (EIR) given at the calculation date. It is noteworthy that one-year was used on average for all exposures with no outstanding date.

Debt instruments recorded at the amortized cost or at fair value through the other comprehensive income.

The ECLs are calculated by using the balances of debt instruments and interest is applied to the total debt instrument to calculate EAD. As for PD, the matrices developed for all types of debt instruments are applied and a LGD of 45% was applied.

The current value of the cash flows for the lifetime of the debt instruments are calculated using Effective Interest Rate (EIR).

It should be noted that debt instruments (treasury bills) of the Jordanian Government have been treated without calculation of ECL.

**Credit exposures by banks, sovereign bodies and financial institutions:** ECLs are calculated by using the balances of credit exposures to calculate EAD. As for PD, the matrices developed for banks, sovereign bodies and financial institutions according to their geographical distribution at local, regional and international levels. LGD of 45% was applied.

The current value of the cash flows for the lifetime of the credit are calculated through Effective Interest Rate (EIR).



**Determinants for significant changes in credit risks:** All credit exposures and financial instruments subject to ECL measurement must have specific determinants to be considered as a significant increase in credit risks. Financial instrument and credit exposures are moved through the three phases using the following change determinants as per the banking sector:

Variable	Criteria for transitioning to Phase II	Criterion for transitioning to Phase III
Change in the debt instrument/credit exposure credit rating.	- Decline in the credit rating of the credit exposure and debt instruments by two degrees in the credit rating system. Significant or expected decline in the external credit rating.	
Debts without credit rating.	- Absence of a credit rating for credit exposure or debt instrument that subject to internal credit rating.	- Accounts that meet the definition of non-performing debts. - Cases of bankruptcy or companies under liquidation.
Degree of default probability	Clients with credit rating 7	- The internal credit rating (8-9-10)
Accruals	Presence of accruals for duration ranging from 50 to 89 days (Gradually decreased to 30 days)	
Account status/condition	- Accounts meeting the definition of watch list debts.	

All credit exposures that are classified as retail must be treated by individual portfolio method and must have determinants to be considered as a significant increase in credit risks. Credit exposures are moved through the three phases using the following change determinants:

Variable	Criteria for transitioning to Phase II	Criterion for transitioning to Phase III
Accruals	Presence of accruals for duration ranging from 50 to 89 days (Gradually decreased to 30 days)	Accounts meeting the definition of non-performing debts.
Account Status/condition	Accounts meeting the definition of watch list Debts	

Taking into consideration other indicators that are considered appropriate to evaluate the increase in credit risk level or indicate the presence of default in this case the debt should be classified in stage 3/2 in reference to IFRS 9.

**Application Governance of IFRS 9:** Corporate governance is one of the modern management requirements of companies. It plays a fundamental role in identifying responsibilities and relations between parties to achieve the bank vision and objectives. It also provides the board of directors and the executive management with appropriate tools and means to achieve strategic objectives and ensure creating an effective control environment.

The Bank adheres to corporate governance requirements according to the instructions of the Central Bank of Jordan and best international practices set by Basel Committee. To achieve application governance of IFRS 9, the responsibilities of the board of directors, executive management, involved business units are detailed below.

#### Responsibilities of the Board of Directors:

- Identifying the bank strategic objectives, directing the executive management to formulate and approve strategies that aim at achieving objectives and approving action plans consistent with such strategies.
- Evaluating existing infrastructure, taking decisions concerning changes and improvements to ensure ECLs calculation according to the relevant legislation.
- The executive management supervision committees established by the board of directors ensure that internal control systems are in place, ensure availability of policies, plans and procedures and verify compliance with the bank's internal policies and application of international standards and relevant legislation.
- Taking procedures for effective monitoring of the IFRS 9 sound application and protection of the systems used in application.
- Ensuring that oversight units (including Risks Management Department and Internal Audit Department) take all needed actions to validate approaches and systems used in IFRS 9 application and provide necessary support.
- Approving business models used in identification of objectives and rules of financial instruments' acquisition and classification.
- Adopting appropriate policies and procedures related to IFRS 9 application, exceptional cases and system outputs. An independent party will be responsible for deciding upon exceptions or changes. Such exceptions or changes must be presented to board of directors or audit committee formed by it.
- Ensuring that credit rating systems and ECLs calculation systems are in place.

#### Executive Management's Responsibilities:

- Providing appropriate infrastructure, making recommendations on changes or improvements that support IFRS 9 application accurately and thoroughly by qualified professionals and through adequate database and appropriate information system.
- Reviewing regulations, policies, procedures and any relevant standards and identify how appropriate they are for the standard application.
- Distributing tasks and responsibilities and business units' involvement in proper application of the international accounting standard.
- Following up regular reports related to the findings of IFRS 9 application and identifying the impact of its application on the bank's financial condition from quantitative and qualitative aspects.
- Setting corrective procedures approved by the board of directors.
- Protecting systems used in the application process.
- Reflecting IFRS 9 impact on pricing strategies and policies.

#### Risks Management Department:

- Validating the integrity of the approach and system used in IFRS 9 application.
- Regular update of PD matrices at the banking group level and for all sectors and reflecting amendments to the system used in ECLs calculation.
- Regular update of LGD matrix at the banking group level and for all sectors and reflecting outputs to the system used in ECLs calculation.
- Reviewing ICAAP and stress tests to meet IFRS 9 requirements.
- Preparing regular qualitative and quantitative disclosures to meet IFRS 9 requirements.
- Ensuring validity of the calculated provisions.

**Audit Department:**

- Validating the integrity of approaches and systems used in IFRS 9 application and checking samples confirming integrity of the results extracted.
- Ensuring that ECLs are measured for all debt instruments and credit exposures and ensuring adequacy of ECL (impairment loss) monitored by the Bank is measured on each financial statement
- Verifying the required regular disclosures to comply with applying IFRS 9 as instructed by the central bank of Jordan

**Compliance Department:** Ensuring compliance with laws, regulations and instructions relating to the preparation of the financial statements, and the application of IFRS 9 and disclosures required under IFRS 7.

**Business Departments:** Setting risk rating degrees in the internal rating system, ensuring that credit ratings defined for credit facilities are updated regularly to reflect the client's credit condition and identifying credit ratings and economic situation in which customer operates

**Credit Group:**

- Setting indicators to evaluate increase in the credit risks relating to the credit exposures' ratings according to the instructions of the central bank of Jordan and the accounting standards in this regard
- Ensure the existence of credit rating and the validity of the client risks are rated in a manner that reflects client's credit condition, defining the credit ratings and economic situation of the client's activities and verifying inputs to MOODYS system and ensuring they are updated and archived regularly.
- Reviewing and documenting the historical information of the risks of each debt to identify rating in initial recognition.
- Ensuring that the system outputs reflect staging and client's credit risks and reviewing calculated provisions and their changes.
- Ensuring the application of change valuation indicators on exposures which meet the definition of watchlist debts and stage 2 and reviewing its collaterals according to the approved mechanism of inputs which is subject to the calculation process.
- Identifying the credit risk valuation indicators and ensuring the application of it on these accounts which meet the definition of default/ stage 3, and reviewing its collaterals according to the approved mechanism of inputs which is subject to the calculation process.
- Preparing regular quantitative disclosures to meet IFRS requirements over stage 2 and 3 classified accounts.
- Ensuring validity of transfer between stages.
- Preparing sheet of transfer between stages (ECL Change).
- Maintaining default information and analyzing the accounts that will be transferred to off- statement of financial position and the accounts that will be written off.
- Updating, on a regular basis, collection rates and loss rates for different banking segments using historical information under the approved mechanism.
- Updating the list of accounts that meet the definition of default at the bank level

**Financial Department:**

- Identifying financial instruments that subject to credit risks allocation according to IFRS 9.
- Distributing portfolios and ratings in banking sectors and inserting them in ECL template.
- Reconciling balances of the calculable financial instruments and the bank general ledger and comparing results of IFRS 9 application with the allocations required under the instructions of the Central Bank of Jordan 47/2009 and applying whichever is the heavier.
- Participating in the preparation and review of the regular disclosures to comply with applying IFRS 9.
- Preparing regular stage 1 disclosures.

**Treasury and Investment Department**

- Reviewing and updating the external credit ratings of the banks and financial institutions.
- Ensuring that the system outputs reflect staging and client's credit condition and reviewing calculated allocations.
- Developing business model/models specifying objectives and rules of acquisition and rating of financial instruments in manner that meets working requirements and IFRS 9 requirements.
- Participating in the regular disclosures relating to investments to comply with IFRS 9.

**Information Technology Department**

- Running download of financial and non-financial information and folders from the banking systems and supporting system to perform calculation.
- Managing the system and communicating with the provider in case any errors or malfunctions in the system.
- Managing features and powers of the users in the user profile and according to the approved authority's matrix.

**Key Economic Indicators Used in Calculating Expected Credit Losses (ECLs):** Key economic indicators are considered in measuring probability default (PD) for several sectors. Historical information, current conditions and future events expected according to information or meaningful conclusions may be relied upon.

A statistical model with economic single variable is used and macroeconomic variables are relied upon. Macroeconomic variables represent growth rates in GDP and difference in unemployment rates for the past ten years. They are linked with the forecasted economic variable in future for the next five years to reflect the impact of changes to the annual PD rates expected in future. GDP for the following sectors and geographical areas were relied upon:

- Jordan: Exposures of debt instruments owed by large firms, small-sized enterprises and medium-sized enterprises.
- Palestine: Exposures of debt instruments owed by large firms, small-sized enterprises and medium-sized enterprises.
- Cyprus: Exposures of debt instruments owed by large firms, small-sized enterprises and medium-sized enterprises.
- North America: Exposures of debt instruments owed by sovereign bodies and banks.
- Europe & Central Asia: Exposures of the debt instruments owed by sovereign bodies and banks.
- East Asia & Pacific: Exposures of the debt instruments owed by sovereign bodies and banks.
- Arab World: Exposures of the debt instruments owed by sovereign bodies and banks.

Differences in annual un-employment rates for the following sectors and geographical areas were relied upon:

- Jordan: exposures given to retail banking sector.
- Subsidiaries in Jordan: Exposures given by the subsidiaries.
- Palestine: Exposures given to retail banking sector.
- Cyprus: Exposures given to retail banking sector.

#### (4) Cash And Balances With Central Banks

The details of this item are as following:

	31 December 2019	31 December 2018
	JD	JD
Cash in vaults	58,230,973	42,814,521
<b>Balances at the Central Banks:</b>		
Current and call accounts	5,377,533	10,607,440
Time and notice deposits	38,445,126	60,662,656
Statutory cash reserve	110,271,156	107,237,188
Certificates of deposit	-	26,900,000
Total Balances at the Central Banks	154,093,815	205,407,284
Total	212,324,788	248,221,805

• Except for cash reserves with central banks and the capital deposit with the Palestine Monetary Authority amounted to JD 10,635,000, there are no restricted balances as at 31 December 2019 and 31 December 2018.

• There are no balances, matured in more than three months as at 31 December 2019 and 31 December 2018.

The classification of gross balance with central banks according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Governmental	154,093,815	-	-	154,093,815	205,407,284
Total	154,093,815	-	-	154,093,815	205,407,284

The movement on balances with central banks is as follows:

	31 December 2019				31 December 2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	205,407,284	-	-	205,407,284	241,314,750
New balances during the year	41,107,496	-	-	41,107,496	79,184,462
Withdrawn balances	(92,420,965)	-	-	(92,420,965)	(115,091,928)
Total balance at the end of year	154,093,815	-	-	154,093,815	205,407,284

#### (5) Balances At Banks And Financial Institutions

	Banks and financial institutions					
	Local		Foreign		Total	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	JD	JD	JD	JD	JD	JD
Current and term accounts	108,761	65,610	40,683,675	38,367,245	40,792,436	38,432,855
Deposits matures in 3 months or less	2,118,000	23,551,506	92,906,050	111,610,807	95,024,050	135,162,313
Total	2,226,761	23,617,116	133,589,725	149,978,052	135,816,486	173,595,168
Less: ECL provision charged for the year	1,250	3,043	27,901	23,939	29,151	26,982
	2,225,511	23,614,073	133,561,824	149,954,113	135,787,335	173,568,186

• The non-interest-bearing balances held at banks and financial institutions amounted to JD 40,792,436 as at 31 December 2019 (31 December 2018: JD 38,432,855).

• There are no restricted balances as at 31 December 2019 and 31 December 2018.

The classification of gross balances with banks and financial institutions according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	125,397,889	-	-	125,397,889	172,412,468
7	1,500,000	-	-	1,500,000	-
Un-rated	8,918,597	-	-	8,918,597	1,182,700
Total	135,816,486	-	-	135,816,486	173,595,168

The movement on balances at banks and financial institutions is as follows:

	31 December 2019				31 December 2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	173,595,168	-	-	173,595,168	177,424,795
New balances during the year	33,197,169	-	-	33,197,169	123,540,259
Withdrawn balances	(70,975,851)	-	-	(70,975,851)	(127,369,886)
Total balance at the end of year	135,816,486	-	-	135,816,486	173,595,168



The movement on the provision for expected credit losses on balances with banks and financial institutions is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	26,982	-	-	26,982	10,597
ECL for new balances during the year	3,305	-	-	3,305	18,168
Recoveries from ECL related to withdrawn balances	(1,136)	-	-	(1,136)	(1,783)
Total balance at the end of year	29,151	-	-	29,151	26,982

## (6) Deposits At Banks And Financial Institutions

	Banks and financial institutions					
	Local		Foreign		Total	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	JD	JD	JD	JD	JD	JD
Deposits mature within:						
3 months to 6 months	5,000,000	5,000,000	3,545,000	14,400,855	8,545,000	19,400,855
9 months to 1 year	-	-	-	37,798	-	37,798
Total	5,000,000	5,000,000	3,545,000	14,438,653	8,545,000	19,438,653
Less: ECL	6,877	6,877	17,197	17,197	24,074	24,074
	4,993,123	4,993,123	3,527,803	14,421,456	8,520,926	19,414,579

- There are no restricted deposits balances as at 31 December 2019 and as at 31 December 2018.

The classification of gross deposits at banks and financial institution according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Classification 3	3,545,000	-	-	3,545,000	14,400,855
Classification 4	-	-	-	-	37,798
Classification 5	5,000,000	-	-	5,000,000	5,000,000
Total	8,545,000	-	-	8,545,000	19,438,653

The movement on deposits at banks and financial institutions is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	19,438,653	-	-	19,438,653	5,037,813
New balances for the year	3,545,000	-	-	3,545,000	14,400,855
Withdrawn balances	(14,438,653)	-	-	(14,438,653)	-
Foreign exchange adjustments	-	-	-	-	(15)
Total balance at the end of year	8,545,000	-	-	8,545,000	19,438,653

The movement on the provision for expected credit losses for deposits at banks and financial institutions is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	24,074	-	-	24,074	6,743
ECL for new balances during the year	-	-	-	-	17,331
Total balance at the end of year	24,074	-	-	24,074	24,074

## (7) Direct Credit Facilities – net

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
Individuals (Retail)		
Overdrafts	1,762,455	2,661,039
Loans and bills *	325,235,548	332,902,737
Credit Cards	11,277,737	11,397,510
Real Estate Loans	314,887,921	322,816,366
Corporate Customers		
Overdrafts	139,797,925	170,961,542
Loans and bills *	479,649,797	475,293,402
Small and medium enterprises "SMEs"		
Overdrafts	37,487,368	60,173,422
Loans and bills *	130,614,170	123,181,791
Governmental and public sectors	22,980,641	21,129,063
Total	1,463,693,562	1,520,516,872
Less: Provision for expected credit losses	(70,601,047)	(75,149,293)
Less: Suspended interests	(23,354,932)	(20,857,390)
Direct credit facilities, net	1,369,737,583	1,424,510,189

\* Net of interest and commission received in advance amounted to JD 15,612,939 as at 31 December 2019 (31 December 2018: JD 16,537,152).

- Non-performing credit facilities amounted to JD 91,879,675 as at 31 December 2019 (31 December 2018: JD 103,639,285), representing 6.28% as at 31 December 2019 (31 December 2018: 6.82%) of total direct credit facilities.
- Non-performing credit facilities, net of suspended interests and commissions, amounted to JD 75,289,469 as at 31 December 2019 (31 December 2018: JD 88,179,183), representing 5.20% as at 31 December 2019 (31 December 2018: 5.82%) of total direct credit facilities excluding the suspended interests.
- Non-performing credit facilities transferred to off consolidated financial position items, amounted to JD 109,807,682 as at 31 December 2019 (31 December 2018: JD 97,402,837), Moreover, these credit facilities are fully covered with the suspended interests and provisions.
- There are no credit facilities granted to and guaranteed by the Jordanian government as at 31 December 2019 and 31 December 2018

## Provision for Expected Credit Losses

The movement on the provision for expected credit losses is as follows:

	31 December 2019					
	Individuals	Real estate	Corporate	SME's	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
Balances as at 1 January 2019	18,971,978	4,788,116	37,421,934	13,882,271	84,994	75,149,293
Provision for expected credit loss on new facilities during the year	3,784,103	736,334	2,749,925	1,646,201	-	8,916,563
Reversal of provision for expected credit loss	(2,324,689)	(833,648)	(4,712,592)	(2,545,219)	-	(10,416,148)
Transferred to stage 1	648,705	108,459	(7,519)	116,149	-	865,794
Transferred to stage 2	(910,057)	(102,515)	(118,084)	(116,019)	-	(1,246,675)
Transferred to stage 3	261,352	(5,944)	125,603	(130)	-	380,881
Transferred to off statement of financial position	(162,797)	(335,929)	(8,903,240)	(632,095)	-	(10,034,061)
Effect on provision-resulting from reclassification among three stages for the year	1,866,086	308,298	2,654,991	882,247	-	5,711,622
Changes resulting from adjustments	(806,672)	1,792,904	(70,660)	199,278	7,583	1,122,433
Written-off facilities	(126,572)	(7,777)	(150)	(68,370)	-	(202,869)
Foreign exchange adjustments	(55,662)	48,657	427,997	(66,778)	-	354,214
Net loss in direct credit facilities at the end of the year	21,145,775	6,496,955	29,568,205	13,297,535	92,577	70,601,047
Re-allocation:						
Individual	21,145,775	6,496,955	29,568,205	13,297,535	92,577	70,601,047
Collective	-	-	-	-	-	-

	31 December 2018					
	Individuals	Real estate	Corporate	SME's	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
Balance as of 1 January 2018	21,842,724	2,523,560	54,501,185	11,610,389	-	90,477,858
Transition adjustment on adoption of IFRS 9	3,364,131	694,533	8,399,190	2,038,525	142,815	14,639,194
At 1 January 2018 – “amended”	25,206,855	3,218,093	62,900,375	13,648,914	142,815	105,117,052
Provision for expected credit loss on new facilities during the year	4,661,281	1,273,731	1,583,971	2,899,981	-	10,418,964
Changes resulting from adjustments	(3,071,332)	1,504,737	2,698,785	257,661	-	1,389,851
Reversal of provision for expected credit loss	(2,532,744)	(958,960)	(9,851,436)	(1,923,858)	(57,821)	(15,324,819)
Transferred to stage 1	281,599	133,378	(169,698)	(134,036)	84,994	196,237
Transferred to stage 2	(978,226)	(364,708)	(409,638)	(1,048,640)	(84,994)	(2,886,206)
Transferred to stage 3	696,627	231,330	579,336	1,182,676	-	2,689,969
Transferred to off statement of financial position	(9,012,192)	(172,330)	(15,180,508)	(2,135,515)	-	(26,500,545)
Effect on provision-resulting from reclassification among three stages for the year	3,625,593	174,744	(688,709)	1,099,052	-	4,210,680
Written-off facilities	(323,664)	(2,969)	(3,698,747)	(14,740)	-	(4,040,120)
Foreign exchange adjustments	418,181	(248,930)	(341,797)	50,776	-	(121,770)
Net loss in direct credit facilities at the end of the year	18,971,978	4,788,116	37,421,934	13,882,271	84,994	75,149,293
Re-allocation:						
Individual	18,971,978	4,788,116	37,421,934	13,882,271	84,994	75,149,293
Collective	-	-	-	-	-	-

- The provisions no longer needed due to settlements or repayments and transferred against other facilities amounted to JD 10,416,148 for the year ended 31 December 2019 (JD 15,324,819 for the year ended 31 December 2018).

The classification of gross balances relating to corporate facilities according to the Group's internal credit rating is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	449,095,395	66,696,259	3,716,757	519,508,411	538,851,051
7	697,593	27,645,044	-	28,342,637	21,750,588
From 8 to 10	-	-	19,859,132	19,859,132	13,500,394
Unrated	38,786,153	8,135,751	4,815,638	51,737,542	72,152,911
Total	488,579,141	102,477,054	28,391,527	619,447,722	646,254,944

The movement on corporate facilities at year end is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	514,517,756	90,236,039	41,501,149	646,254,944	707,960,833
New facilities during the year	89,556,047	34,841,078	798,983	125,196,108	276,766,300
Settled facilities	(96,875,236)	(36,108,690)	(5,378,834)	(138,362,760)	(308,850,902)
Transferred to stage 1	3,587,454	(3,587,454)	-	-	-
Transferred to stage 2	(21,803,923)	21,803,923	-	-	-
Transferred to stage 3	(402,957)	(4,707,842)	5,110,799	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(13,640,570)	(13,640,570)	(29,621,287)
Total balance at the end of year	488,579,141	102,477,054	28,391,527	619,447,722	646,254,944



The movement on the provision for expected credit losses for corporate facilities for the year is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	1,376,243	4,211,866	31,833,825	37,421,934	62,900,375
ECL for new facilities during the year	4,632	995,199	1,750,094	2,749,925	1,583,971
Recoveries from ECL related to settled facilities	-	-	(4,712,592)	(4,712,592)	(9,851,436)
Transferred to stage 1	28,256	(28,256)	-	-	-
Transferred to stage 2	(35,437)	35,437	-	-	-
Transferred to stage 3	(338)	(125,265)	125,603	-	-
Effect on provision-resulting from reclassification among three stages for the year	(20,047)	604,965	2,070,073	2,654,991	(688,709)
Changes resulting from adjustments	1,688,663	(682,065)	(1,077,258)	(70,660)	2,698,785
Written-off facilities and transferred to off statement of financial position items	-	-	(8,903,390)	(8,903,390)	(18,879,255)
Adjustments due to exchange rate changes	-	-	427,997	427,997	(341,797)
Total balance at the end of year	3,041,972	5,011,881	21,514,352	29,568,205	37,421,934

The classification of gross balances relating to SMEs Facilities according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	100,246,426	15,904,212	5,606,384	121,757,022	137,073,279
7	-	11,556,002	1,950,659	13,506,661	11,222,552
From 8 to 10	-	-	10,102,430	10,102,430	7,122,121
Un-rated	13,625,215	779,404	8,330,806	22,735,425	27,937,261
Total	113,871,641	28,239,618	25,990,279	168,101,538	183,355,213

The movement on SMEs facilities at year end is as follows:

	31 December 2019				31 December 2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	126,896,408	28,610,165	27,848,640	183,355,213	192,362,502
New facilities during the year	32,105,320	16,627,512	4,696,772	53,429,604	85,963,553
Settled facilities	(37,768,535)	(19,778,512)	(9,896,895)	(67,443,942)	(91,220,133)
Transferred to stage 1	3,058,172	(2,978,240)	(79,932)	-	-
Transferred to stage 2	(6,811,525)	7,508,822	(697,297)	-	-
Transferred to stage 3	(3,608,199)	(1,750,129)	5,358,328	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(1,239,337)	(1,239,337)	(3,750,709)
Total balance at the end of year	113,871,641	28,239,618	25,990,279	168,101,538	183,355,213

The movement on the provision for expected credit losses for SMEs facilities for the year is as follows:

	31 December 2019				31 December 2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	292,860	749,676	12,839,735	13,882,271	13,648,914
ECL for new facilities during the year	-	-	1,646,201	1,646,201	2,899,981
Recoveries from ECL related to settled facilities	-	-	(2,545,219)	(2,545,219)	(1,923,858)
Transferred to stage 1	128,726	(92,757)	(35,969)	-	-
Transferred to stage 2	(3,914)	4,102	(188)	-	-
Transferred to stage 3	(8,663)	(27,364)	36,027	-	-
Effect on provision-resulting from reclassification among three stages for the year	(113,913)	26,373	969,787	882,247	1,099,052
ECL for old facilities during the year	(3,780)	(1,520)	204,578	199,278	257,661
Written-off facilities and transferred to off statement of financial position items	-	-	(700,465)	(700,465)	(2,150,255)
Adjustments due to exchange rate changes	-	-	(66,778)	(66,778)	50,776
Total balance at the end of year	291,316	658,510	12,347,709	13,297,535	13,882,271

The classification of gross balances relating to retail facilities according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	4,622,168	107,822	49,589	4,779,579	12,019,357
7	27,673	927,501	170	955,344	1,125,485
From 8 to 10	-	-	86,643	86,643	59,394
Un-rated	302,812,399	6,860,819	22,780,956	332,454,174	333,757,050
<b>Total</b>	<b>307,462,240</b>	<b>7,896,142</b>	<b>22,917,358</b>	<b>338,275,740</b>	<b>346,961,286</b>

The movement on retail facilities at year end is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	317,562,765	9,935,412	19,463,109	346,961,286	370,824,137
New facilities during the year	61,249,065	1,540,178	2,746,472	65,535,715	99,801,891
Settled facilities	(67,851,691)	(3,506,858)	(2,388,552)	(73,747,101)	(110,220,255)
Transferred to stage 1	2,952,745	(2,636,817)	(315,928)	-	-
Transferred to stage 2	(4,228,678)	4,379,369	(150,691)	-	-
Transferred to stage 3	(2,221,966)	(1,815,142)	4,037,108	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(474,160)	(474,160)	(13,444,487)
<b>Total balance at the end of year</b>	<b>307,462,240</b>	<b>7,896,142</b>	<b>22,917,358</b>	<b>338,275,740</b>	<b>346,961,286</b>

The movement on the provision for expected credit losses for retail facilities for the year is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	1,739,246	2,443,424	14,789,308	18,971,978	25,206,855
ECL for new facilities during the year	6,128	-	3,777,975	3,784,103	4,661,281
Recoveries from ECL related to settled facilities	-	-	(2,324,689)	(2,324,689)	(2,532,744)
Transferred to stage 1	757,764	(577,438)	(180,326)	-	-
Transferred to stage 2	(63,367)	108,054	(44,687)	-	-
Transferred to stage 3	(45,692)	(440,673)	486,365	-	-
Effect on provision-resulting from reclassification among three stages for the year	(732,389)	658,891	1,939,584	1,866,086	3,625,593
Changes resulting from adjustments	(740,777)	(471,198)	405,303	(806,672)	(3,071,332)
Written-off facilities and transferred to off statement of financial position items	-	-	(289,369)	(289,369)	(9,335,856)
Adjustments due to exchange rate changes	-	-	(55,662)	(55,662)	418,181
<b>Total balance at the end of year</b>	<b>920,913</b>	<b>1,721,060</b>	<b>18,503,802</b>	<b>21,145,775</b>	<b>18,971,978</b>

The classification of gross balances relating to real estate facilities according to the Group's internal credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	21,578,625	2,557,138	560,880	24,696,643	32,670,230
7	-	3,038,549	31,547	3,070,096	1,016,720
From 8 to 10	-	13,460	1,389,492	1,402,952	415,716
Un-rated	264,376,903	8,742,735	12,598,592	285,718,230	288,713,700
<b>Total</b>	<b>285,955,528</b>	<b>14,351,882</b>	<b>14,580,511</b>	<b>314,887,921</b>	<b>322,816,366</b>

The movement on real estate at year end is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	291,116,113	16,873,865	14,826,388	322,816,366	308,677,814
New facilities for the year	43,151,192	3,930,735	775,858	47,857,785	75,272,264
Settled facilities	(49,301,773)	(3,241,453)	(2,454,806)	(54,998,032)	(61,113,448)
Transferred to stage 1	10,217,309	(9,472,774)	(744,535)	-	-
Transferred to stage 2	(7,455,729)	9,667,197	(2,211,468)	-	-
Transferred to stage 3	(1,771,584)	(3,405,688)	5,177,272	-	-
Written-off facilities and transferred off statement of financial position items	-	-	(788,198)	(788,198)	(20,264)
Total balance at the end of year	285,955,528	14,351,882	14,580,511	314,887,921	322,816,366

The movement on the provision for expected credit losses for real estate facilities for the year is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	348,342	276,358	4,163,416	4,788,116	3,218,093
ECL for new facilities during the year	-	-	736,334	736,334	1,273,731
Recoveries from ECL related to settled facilities	-	-	(833,648)	(833,648)	(958,960)
Transferred to stage 1	128,857	(78,975)	(49,882)	-	-
Transferred to stage 2	(19,346)	23,576	(4,230)	-	-
Transferred to stage 3	(1,052)	(47,116)	48,168	-	-
Effect on provision-resulting from reclassification among three stages for the year	(118,974)	383,055	44,217	308,298	174,744
Changes resulting from adjustments	79,470	81,900	1,631,534	1,792,904	1,504,737
Written-off facilities and transferred off statement of financial position items	-	-	(343,706)	(343,706)	(175,299)
Adjustments due to exchange rate changes	-	-	48,657	48,657	(248,930)
Total balance at the end of year	417,297	638,798	5,440,860	6,496,955	4,788,116

The movement on government and public sector facilities at year end is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	21,129,063	-	-	21,129,063	22,695,285
New facilities for the year	1,851,578	-	-	1,851,578	-
Settled facilities	-	-	-	-	(1,566,222)
Total balance at the end of year	22,980,641	-	-	22,980,641	21,129,063

The classification of gross balances relating to government and public sector facilities according to the Group's internal credit rating is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Un-rated	22,980,641	-	-	22,980,641	21,129,063
Total	22,980,641	-	-	22,980,641	21,129,063

The movement on the provision for expected credit losses for government and public sector facilities for the year is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January 2019	84,994	-	-	84,994	142,815
Recoveries from ECL related to settled facilities	-	-	-	-	(57,821)
Changes resulting from adjustments	7,583	-	-	7,583	-
Total balance at the end of year	92,577	-	-	92,577	84,994

The classification of gross balances relating to total direct facilities according to the Group's internal credit rating is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	575,542,614	85,265,431	9,933,610	670,741,655	720,613,917
7	725,266	43,167,096	1,982,376	45,874,738	35,115,345
From 8 to 10	-	13,460	31,437,697	31,451,157	21,097,625
Un-rated	642,581,311	24,518,709	48,525,992	715,626,012	743,689,985
Total	1,218,849,191	152,964,696	91,879,675	1,463,693,562	1,520,516,872



The movement on facilities at collective basis at year-end is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January 2019	1,271,222,105	145,655,481	103,639,286	1,520,516,872	1,602,520,571
New facilities for the year	227,913,202	56,939,503	9,018,085	293,870,790	537,804,008
Settled facilities	(251,797,235)	(62,635,513)	(20,119,087)	(334,551,835)	(572,970,960)
Transferred to stage 1	19,815,680	(18,675,285)	(1,140,395)	-	-
Transferred to stage 2	(40,299,855)	43,359,311	(3,059,456)	-	-
Transferred to stage 3	(8,004,706)	(11,678,801)	19,683,507	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(16,142,265)	(16,142,265)	(46,836,747)
Total balance at the end of year	1,218,849,191	152,964,696	91,879,675	1,463,693,562	1,520,516,872

The movement on the provision for expected credit losses for facilities at collective basis for the year is as follows:

	31 December 2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January 2019	3,841,685	7,681,324	63,626,284	75,149,293	105,117,052
ECL for new facilities during the year	10,760	995,199	7,910,604	8,916,563	10,418,964
Recoveries from ECL related to settled facilities	-	-	(10,416,148)	(10,416,148)	(15,324,819)
Transferred to stage 1	1,043,603	(777,426)	(266,177)	-	-
Transferred to stage 2	(122,064)	171,169	(49,105)	-	-
Transferred to stage 3	(55,745)	(640,418)	696,163	-	-
Effect on provision-resulting from reclassification among three stages for the year	(985,323)	1,673,284	5,023,661	5,711,622	4,210,680
Changes resulting from adjustments	1,031,159	(1,072,883)	1,164,157	1,122,433	1,389,851
Written-off facilities and transferred to off statement of financial position items	-	-	(10,236,930)	(10,236,930)	(30,540,665)
Adjustments due to exchange rate changes	-	-	354,214	354,214	(121,770)
Total balance at the end of year	4,764,075	8,030,249	57,806,723	70,601,047	75,149,293

## Suspended Interests

The movement on suspended interests is as follows:

	Individuals	Real estate loans	Corporates	Small and medium Companies	Total
	JD	JD	JD	JD	JD
	<b>For the year ended 31 December 2019</b>				
Balance at the beginning of the year	2,634,502	1,894,601	11,306,976	5,021,311	20,857,390
Add: Interests in suspense for the year	1,833,846	1,189,930	4,329,314	1,993,488	9,346,578
Less: Interests transferred to revenues	(90,622)	(178,745)	(71,778)	(587,942)	(929,087)
Transferred to stage 1	7,802	14,352	-	-	22,154
Transferred to stage 2	8,695	(13,646)	(501,567)	10,848	(495,670)
Transferred to stage 3	(16,497)	(706)	501,567	(10,848)	473,516
Less Transferred to off-Consolidated statement of financial position items	(76,011)	(428,288)	(4,611,342)	(144,005)	(5,259,646)
Interests in suspense written-off	(122,286)	(16,204)	(125,838)	(395,975)	(660,303)
Balance at the end of the year	4,179,429	2,461,294	10,827,332	5,886,877	23,354,932

<b>For the year ended 31 December 2018</b>					
Balance at the beginning of the year	5,599,893	1,040,621	17,107,587	4,372,227	28,120,328
Add: Interests in suspense for the year	2,637,116	1,089,467	5,654,994	2,271,409	11,652,986
Less: Interests transferred to revenues	(107,061)	(101,326)	(528,938)	(95,576)	(832,901)
Transferred to stage 1	3,911	11,586	2,591	(13,452)	4,636
Transferred to stage 2	(243)	19,917	50,929	(161,102)	(90,499)
Transferred to stage 3	(3,668)	(31,503)	(53,520)	174,554	85,863
Less Transferred to off-Consolidated statement of financial position items	4,326,623	(116,447)	(7,572,144)	(1,414,410)	(13,429,624)
Interests in suspense written-off	(1,168,823)	(17,714)	(3,354,523)	(112,339)	(4,653,399)
Balance at the end of the year	2,634,502	1,894,601	11,306,976	5,021,311	20,857,390

## (8) Financial Assets at Fair Value Through other Comprehensive Income

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
Quoted shares	8,945,265	10,649,493
Unquoted shares	16,068,777	14,312,545
Mutual funds	-	2,382,240
Total financial assets at fair value through OCI	25,014,042	27,344,278

- Cash dividends distributions for the above-mentioned financial assets amounted to JD 686,497 for the year ended 31 December 2019 (JD 908,047 for the year ended 31 December 2018).

## (9) Financial Assets at Amortized Cost

The details are as follows:

	31 December 2019	31 December 2018
	JD	JD
Treasury bonds and bills	636,518,949	552,079,399
Corporate bonds	118,795,000	102,645,000
	755,313,949	654,724,399
Provision for expected credit losses	(419,976)	(388,812)
Total	754,893,973	654,335,587
Fixed rate	754,893,973	654,335,587
Total	754,893,973	654,335,587
Unquoted bonds and bills	754,893,973	654,335,587

The classification of gross balance for financial assets at amortized cost according to the Group's internal risk rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Governmental	636,518,949	-	-	636,518,949	552,079,399
Un-rated	118,795,000	-	-	118,795,000	102,645,000
<b>Total</b>	<b>755,313,949</b>	<b>-</b>	<b>-</b>	<b>755,313,949</b>	<b>654,724,399</b>

The movement of the financial assets at amortized cost at year end is as follows:

	31 December 2019				2018
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Fair value at 1 January	654,724,399	-	-	654,724,399	542,617,540
New investment during the year	262,192,093	-	-	262,192,093	327,851,079
Matured investment	(161,622,999)	-	-	(161,622,999)	(215,377,892)
Change in fair value	20,456	-	-	20,456	(366,328)
Total balance at the end of year	755,313,949	-	-	755,313,949	654,724,399

The movement on the provision for expected credit losses of financial assets at amortized cost for the year is as follows:

	31 December 2019				2018
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
At 1 January	388,812	-	-	388,812	232,965
ECL for new investments during the year	33,392	-	-	33,392	161,255
Recoveries from ECL related to matured investment	(2,228)	-	-	(2,228)	(5,408)
Total balance at the end of year	419,976	-	-	419,976	388,812

## (10) Investment in Associates

- The Bank has one associate as at 2019 and 2018, as shown in the table below:

		Shareholders' equity							
		31 December							
Country of establishment	Ownership percentage	2019	2018	Nature of business	Banks share of profit	Calculation method	Acquisition date		
	%	JD	JD		%				
Beach Hotels and Tourist Resorts Company *	Jordan 24/815	3,516,259	3,531,147	Hospitality	24/815	Equity	2006		
		3,516,259	3,531,147						

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

The following is a summary of the movement on investment in the associated company.

	2019	2018
	JD	JD
Balance – at the beginning of the year	3,531,147	3,528,666
Bank's share from investing in associated company's profit (losses)	(14,888)	2,481
Balance – at the end of the Year	3,516,259	3,531,147

## (11) Property, Equipment and Projects Under Construction - Net

	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Other	Right of use assets	Total
2019 -	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost:</b>								
Balance – at the beginning of the year	23,681,289	50,283,409	36,979,468	1,019,020	19,426,789	9,837,887	-	141,227,862
Transition adjustment on adoption of IFRS 16	-	-	-	-	-	-	9,738,850	9,738,850
Balance – at the beginning of the year (amended)	23,681,289	50,283,409	36,979,468	1,019,020	19,426,789	9,837,887	9,738,850	150,966,712
Additions	1,744,858	322,375	1,784,456	-	2,033,803	754,520	1,614,303	8,254,315
Disposals	(2,214,001)	(1,591,860)	(12,469,002)	(11,585)	(7,641,646)	(955,138)	-	(24,883,232)
Balance – at the end of the year	23,212,146	49,013,924	26,294,922	1,007,435	13,818,946	9,637,269	11,353,153	134,337,795
<b>Accumulated Depreciation :</b>								
Balance- at the beginning of the year	-	9,720,258	28,193,742	443,932	16,076,537	6,339,898	-	60,774,367
Depreciation for the year	-	957,442	2,001,299	134,598	1,711,690	844,649	1,761,754	7,411,432
Disposals	-	(1,224,533)	(12,475,932)	-	(7,519,847)	(823,935)	-	(22,044,247)
Balance – at the end of the year	-	9,453,167	17,719,109	578,530	10,268,380	6,360,612	1,761,754	46,141,552
Net book value of property and equipment	23,212,146	39,560,757	8,575,813	428,905	3,550,566	3,276,657	9,591,399	88,196,243
Down payments for projects under construction	-	-	3,436,778	-	-	-	-	3,436,778
Net Book Value – at the end of the year	23,212,146	39,560,757	12,012,591	428,905	3,550,566	3,276,657	9,591,399	91,633,021



	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Other	Right of use assets	Total
2018 -	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost:</b>								
Balance – at the beginning of the year	11,456,391	36,603,654	33,122,248	1,021,709	18,173,485	9,008,118	-	109,385,605
Additions	12,259,330	13,679,755	4,299,652	60,500	1,447,185	1,127,736	-	32,874,158
Disposals	(34,432)	-	(442,432)	(63,189)	(193,881)	(297,967)	-	(1,031,901)
Balance – at the end of the year	23,681,289	50,283,409	36,979,468	1,019,020	19,426,789	9,837,887	-	141,227,862
<b>Accumulated Depreciation :</b>								
Balance- at the beginning of the year	-	8,834,215	27,095,396	391,897	14,116,260	5,453,344	-	55,891,112
Depreciation for the year	-	886,043	1,484,481	131,003	2,001,720	919,073	-	5,422,320
Disposals	-	-	(386,135)	(78,968)	(41,443)	(32,519)	-	(539,065)
Balance – at the end of the year	-	9,720,258	28,193,742	443,932	16,076,537	6,339,898	-	60,774,367
Net book value of property and equipment	23,681,289	40,563,151	8,785,726	575,088	3,350,252	3,497,989	-	80,453,495
Down payments for projects under construction	-	-	771,031	-	-	-	-	771,031
Net Book Value – at the end of the year	23,681,289	40,563,151	9,556,757	575,088	3,350,252	3,497,989	-	81,224,526

- Property and equipment include fully depreciated assets amounted to JD 20,801,002 as at December 31, 2019 (JD 37,795,823 as of December 31, 2018).

## (12) Intangible Assets- Net

The details of this item are as follows:

	Computer, software and applications	
	2019	2018
	JD	JD
Balance – at the beginning of the year	16,478,637	19,787,541
Additions	1,386,366	1,424,791
Amortization for the year	(4,362,899)	(4,733,695)
Balance – at the end of the year	13,502,104	16,478,637
Annual amortization rate %	14-30	14-30

## (13) Other Assets

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
Real estate seized by the Bank against debts *- Net	89,610,670	84,107,268
Accrued interest and commissions	16,818,483	14,241,044
Checks and transfers under collection	11,553,716	5,850,019
Seized assets sold - net	11,681,294	12,411,423
Prepaid expenses	2,803,297	2,946,126
Various debtors	3,098,050	3,217,546
Prepaid rent	705,482	1,109,834
Refundable deposits - Net	275,434	334,008
Temporary advances	1,728,695	872,523
Other debit balances	77,619	138,982
Total	138,352,740	125,228,773

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

	2019	2018
	JD	JD
Balance – at the beginning of the year	84,107,268	76,838,461
Additions	9,625,922	18,129,960
Disposals	(3,865,823)	(10,384,335)
Impairment loss	(575,361)	(1,018,074)
Recoveries	318,664	541,256
Balance – at the end of the Year	89,610,670	84,107,268

- The Central Bank of Jordan regulations require a disposal of these assets during a maximum period of two years from the date of foreclose.

\*\* Movement on the impairment on breached assets sized by the bank:

	31 December 2019	31 December 2018
	JD	JD
Balance at the beginning of the year	9,874,974	10,037,839
Provision for sold property for the year	(27,330)	(162,865)
Balance at the end of the year	9,847,644	9,874,974

## (14) Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2019		
	Inside Jordan	Outside Jordan	Total
	JD	JD	JD
Current accounts and demand deposits	269,980	11,451,178	11,721,158
Time deposits	39,059,702	99,365,430	138,425,132
Total	39,329,682	110,816,608	150,146,290

	December 31, 2018		
	Inside Jordan	Outside Jordan	Total
	JD	JD	JD
Current accounts and demand deposits	1,008,676	2,514,280	3,522,956
Time deposits	14,062,455	80,574,566	94,637,021
Total	15,071,131	83,088,846	98,159,977

- There are banks and financial institutions deposits maturing within a period exceeding three months amounted to JD 25,510,875 as at 31 December 2019 and (11,498,858 as of 31 December 2018).

## (15) Customers' Deposits

The details of this item are as follows:

	Individual	Corporate	SMEs	Governmental and public Sectors	Total
	JD	JD	JD	JD	JD
<b>31 December 2019</b>					
Current and demand deposits	173,846,753	129,254,301	145,247,233	13,587,840	461,936,127
Saving accounts	234,151,134	-	-	-	234,151,134
Time and notice deposits	731,440,624	221,267,320	147,439,518	67,785,653	1,167,933,115
Total	1,139,438,511	350,521,621	292,686,751	81,373,493	1,864,020,376
<b>31 December 2018</b>					
Current and demand deposits	172,064,077	111,622,519	138,014,912	27,505,990	449,207,498
Saving accounts	270,936,226	-	-	-	270,936,226
Time and notice deposits	744,337,898	245,934,330	142,624,401	58,729,768	1,191,626,397
Total	1,187,338,201	357,556,849	280,639,313	86,235,758	1,911,770,121

- Public sectors and the government of Jordan deposits inside the Kingdom amounted to JD 78,655,404 representing 4.22% of total customers' deposits as at 31 December 2019 compared to JD 85,780,909 representing 4.49% of total customers' deposits as at 31 December 2018.
- Non-interest-bearing deposits amounted to JD 545,502,770 representing 29.26% of total customers' deposits as at 31 December 2019 compared to JD 550,004,317 representing 28.77% of total customers' deposits as at 31 December 2018.
- Restricted deposits amounted to JD 3,369,675 representing 0.18% of total customers' deposits of as at 31 December 2019 compared to JD 3,328,706 representing 0.17% of total customers' deposits as at 31 December 2018.

## (16) Margin accounts

The details of this item are as follows:

	December 31	
	2019	2018
	JD	JD
Cash margins on direct credit facilities	168,933,805	215,107,461
Cash margins on indirect credit facilities	31,337,550	29,520,800
Other margins	11,512,244	12,787,894
	211,783,599	257,416,155

## (17) Loans And Borrowings

The details of this item are as follows:

	Amount	Number of instalments		Instalment maturity frequency	Collater-als	Interest rate	Relending interest rate
		Total	Remain-ing				
	JD	JD	JD			%	
<b>31 December 2019 -</b>							
Central Bank of Jordan	3,200,000	30	26	Semi - annual instalments	-	3/85	6/79
Central Bank of Jordan	441,393	30	30	Semi - annual instalments	-	3	6/143
Central Bank of Jordan	437,986	30	30	Semi - annual instalments	-	2	6/143
Central Bank of Jordan	1,755,000	14	9	Semi - annual instalments	-	2/5	6/143
Central Bank of Jordan	2,305,000	20	20	Renewed monthly	-	3/9	6/166
Central Bank of Jordan	15,300,841	-	-	Renewed monthly	-	1/870	4/692
European Bank for Recon-struction and Develop-ment	5,064,286	7	5	Semi - annual instalments	-	4/18	9-12
Jordan Mortgage Refer-ence Company	65,000,000	1	1	One pay-ment	-	4/3-6	4/5-8/5
Local Bank (loan to a Sub-sidiary)	2,287,613	24	15	30 June 2021	-	6/5	10/17
Local Bank (loan to a Sub-sidiary)	8,919,844	24	24	30 May 2021	-	6	10/17
Jordan Mortgage Refer-ence Company (loan to a Subsidiary)	35,000,000	8	8	3 May 2020 11 May 2020 3 October 2020 1 July 2021 24 Septem-ber 2021, 28 December 2021	-	4/75-6/2	10/17
Local Bank (loan to a Sub-sidiary)	5,191,236	-	-	36 monthly installments effective from the withdrawal date	-	7	15-18
Local Bank (loan to a Sub-sidiary)	106,527	-	-	36 monthly installments effective from the withdrawal date	-	6/7	15-18
<b>Total</b>	<b>145,009,726</b>						

	Amount	Number of instalments		Instalment maturity frequency	Collater-als	Interest rate	Relending interest rate
		Total	Remain-ing				
	JD	JD	JD			%	
<b>31 December 2018 -</b>							
Central Bank of Jordan	3,600,000	30	29	Semi - annual instalments	-	4/14	6/79
Central Bank of Jordan	441,393	30	30	Semi - annual instalments	-	3	6/143
Central Bank of Jordan	2,133,000	14	13	Semi - annual instalments	-	2/5	6/143
Central Bank of Jordan	2,305,000	20	20	Semi - annual instalments	-	4/150	6/166
Central Bank of Jordan	17,781,042	-	-	Renewed monthly	-	1/870	4/692
European Bank for Recon-struction and Develop-ment	7,090,000	7	7	Semi - annual instalments	-	4/18	12-9
Jordan Mortgage Refer-ence Company	50,000,000	1	1	One payment	-	6/4/3	8/5-4/5
Local Bank (loan to a Subsidiary)	1,083,333	24	13	Eighth of every month	-	6/25	10/17
Local Bank (loan to a Subsidiary)	5,000,000	1	1	31/3/2019	-	5	10/17
Local Bank (loan to a Subsidiary)	9,463,180	24	24	30/12/2020	-	5/75	10/17
Jordan Mortgage Refer-ence Company (loan to a Subsidiary)	35,000,000	8	8	3 April 2019, 2 May 2019 11 May 2019 ,23 August 2019, 18 December 2019 1 July 2021, 28 De-cember 2021	-	6/2-4/6	10/17
Local Bank (loan to a Subsidiary)	5,141,525	-	-	* 36 monthly installments effective from the withdrawal date	-	6/75	18-15
Local Bank (loan to a Subsidiary)	3,433,336	-	-	* 36 monthly installments effective from the withdrawal date	-	6/5	18-15
<b>Total</b>	<b>142,471,809</b>						

\* Loans with fixed-interest rates amounted to JD 145,009,726 as at 31 December 2019 (31 December 2018: JD 142,471,809).



## (18) Subordinated bonds

The details of this item are as follows:

	Nominal amount	Maturity date	No. of issued bonds			Interest rate
			Total	Remaining	Guarantees	
	JD					%
<b>31 December 2019</b>						
Subordinated bonds non transferrable to shares	25,000,000	12 October 2023	250	-	-	7/25
<b>31 December 2018</b>						
Subordinated bonds non transferrable to shares	25,000,000	12 October 2023	250	-	-	7/5

During the year 2017, the bank issued subordinated bonds non transferrable to shares for a period of six years through private subscription and the nominal value of the bond is JD 100,000 at variable interest rate that equals the discounted interest rate to the Central Bank of Jordan in addition to 2% margin. Moreover, the interest is paid semi-annually and the bonds mature on 12 October 2023.

## (19) Sundry Provisions

The details of this item are as follows:

	Balance at the beginning of the year	Additions	Disposals	Balance at the end of the year
	JD	JD	JD	JD
<b>2019</b>				
Provision for end of service indemnity	3,229,271	626,952	(885,770)	2,970,453
Provision for legal claims against the Bank	323,585	120,569	(1,800)	442,354
Other provisions	56,652	181,216	(99,613)	138,255
	3,609,508	928,737	(987,183)	3,551,062
<b>2018</b>				
Provision for end of service indemnity	3,092,330	521,118	(384,177)	3,229,271
Provision for legal claims against the Bank	458,660	10,000	(145,075)	323,585
Other provisions	334,135	254,184	(531,667)	56,652
	3,885,125	785,302	(1,060,919)	3,609,508

## (20) Income Tax

The movement on the income tax provision was as follows:

	31 December 2019	31 December 2018
	JD	JD
Balance at the beginning of the year	7,222,551	4,418,203
Income tax paid	(11,001,932)	(7,684,980)
Income tax for the year	12,709,854	10,489,328
Prior years' income tax expense	1,167,448	-
Balance at the end of the year	10,097,921	7,222,551

Income tax in the consolidated income statement represents the following:

	31 December 2019	31 December 2018
	JD	JD
Accrued income tax on the year's profit	12,709,854	10,489,328
Prior years' income tax expense	1,167,448	-
Deferred tax assets for the year	(324,082)	(1,042,404)
Amortization of deferred tax assets for the year	413,535	2,486,551
	13,966,755	11,933,475

- The statutory tax rate for the banks in Jordan was changed to be 35% + 3% social contribution which represent 38% starting from 1 January 2019 according to tax law no. (34) for the year 2014, which was amended by law no. (38) for the year 2018. (35% for the year 2018) and the statutory tax rates for the foreign branches and subsidiaries range between 12.5% to 28.79%.
- The Bank has reached a final settlement with the Income and Sales Tax Department for all previous years up to the year 2014 for Jordan Branches.
- Financial years 2015 and 2016: The Income and Sales Tax Department audited the Bank's records for both years and imposed an additional tax amounted to JD 1,479,310 and JD 805,719, respectively. The Bank appealed the decision and filed a lawsuit against the Income and Sales Tax Department. The case is still pending at the Tax Court of First Instance. In the opinion of the Bank's management and the tax consultant, there is no need to book any additional provision.
- Financial year 2017: Tax return was submitted for the year 2017. However, the Income and Sales Tax Department did not review the records until the date of preparation these consolidated financial statements.
- Financial year 2018: income tax return was accepted.
- A final tax settlement has been reached with the income tax and value-added tax for Palestine balances up to the year 2018.
- A final tax settlement has been reached for Cyprus branch up to the year 2017.
- Ahli Financing Brokerage Company (a subsidiary) – has reached a final settlement with the Income and Sales Tax Department up to 2014. In addition, the income tax return was submitted for the years 2015, 2016, 2017 and 2018. Noting that an objection was issued for the year 2015 along with a claim of 43,000 JOD in which the company is held liable of. In the opinion of the company's tax consultant, there is no need to take provision against the fiscal year 2015 because the decision is against the law. In the opinion of the management and tax consultant, no tax provision are required for that year.

- Ahli Financing Leasing Company (a subsidiary) – has reached a final settlement with the Income and Sales Tax Department up to the year 2015. The Company has submitted its income tax return for the years 2016 and 2018. However, the income tax department did not review the records until the date of these consolidated financial statements. The Income and Sales Tax Department has accepted 2017 income tax return without amendments.
- Ahli Micro Finance Company (a subsidiary) – has reached a final settlement with the Income and Sales Tax Department up to the year 2017. Income tax return was submitted for the year 2018.

Income tax rate	31 December 2019		31 December 2018	
	JD		JD	
Jordan Branches	38%		35%	
Palestine Branches	28.79%		28.79%	
Cyprus Branch	12.5%		12.5%	

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

	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance – at the beginning of the year	9,630,207	-	7,659,003	491,607
Effect of applying IFRS 9	-	-	3,415,351	-
Additions	324,082	-	1,042,404	-
Amortized	(413,535)	-	(2,486,551)	(491,607)
Balance – at the end of the year	9,540,754	-	9,630,207	-

### Accounts included

	2019				
	Beginning Balance	Additions	Amounts released	Year-end balance	Deferred Tax
	JD	JD	JD	JD	JD
<b>A. Deferred tax assets</b>					
Prior years' provision for non-performing loans	2,041,781	-	138,073	1,903,708	508,750
Interest in suspense	2,135,576	-	75,846	2,059,730	550,445
Provision for impairment in real estate	10,874,974	-	27,330	10,847,644	4,122,104
Provision for lawsuits	173,785	100,000	1,800	271,985	97,467
Provision for end-of-service indemnity	3,122,739	597,754	885,770	2,834,723	780,487
Provision for expected credit losses	8,758,142	-	-	8,758,142	3,328,094
Other provisions	406,642	507,754	404,351	510,045	153,407
Total	27,513,639	1,205,508	1,533,170	27,185,977	9,540,754

	2018				
	Beginning Balance	Additions	Amounts released	Year-end balance	Deferred Tax
	JD	JD	JD	JD	JD
<b>A. Deferred tax assets</b>					
Prior years' provision for non-performing loans	2,062,287	-	(20,506)	2,041,781	545,648
Interest in suspense	2,212,309	-	(76,733)	2,135,576	570,714
Provision for impairment in real estate	15,398,592	-	(4,523,618)	10,874,974	4,132,490
Provision for lawsuits	308,860	10,000	(145,075)	173,785	59,949
Provision for end-of-service indemnity	3,008,496	497,446	(383,203)	3,122,739	884,641
Provision for expected credit losses	9,758,142	-	(1,000,000)	8,758,142	3,328,094
Other provisions	150,773	406,642	(150,773)	406,642	108,671
Total	32,899,459	914,088	(6,299,908)	27,513,639	9,630,207
<b>B. Deferred tax liabilities</b>					
Fair value reserve for financial assets at fair value through other comprehensive income*	1,404,591	-	(4,630,469)	(3,225,878)	-
Total	1,404,591	-	(4,630,469)	(3,225,878)	-

Summary of the reconciliation of accounting income to taxable income:

	2019	2018
	JD	JD
Accounting profit	36,203,140	33,210,755
Non-taxable profit	(9,954,771)	(9,221,481)
Non-deductible expenses	5,873,327	3,755,551
Taxable profit	32,121,696	27,744,825
Effective income tax rate	35.35%	35.93%

## (21) Other Liabilities

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
Accepted checks and transfer	4,924,118	4,437,743
Accounts payable to financial brokerage customers	719,509	333,736
Accrued interests	10,280,665	9,776,565
Temporary deposits	5,566,853	9,037,866
Various creditors	2,663,284	3,194,964
Accrued expenses	4,525,161	4,063,617
Interest and commissions received in advance	1,819,550	953,993
Check and transfers – delayed in payment	1,846,261	2,552,015
Board of directors' remuneration	99,585	83,018
Provision for expected credit losses on indirect credit facilities and unutilized facilities limits*	3,373,953	1,833,319
Lease liability**	9,214,391	-
Others	371,354	258,623
	45,404,684	36,525,459

\* The classification of gross balance for letters of guarantees according to the Group's international credit rating is as follows:

	2019				2018
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	184,487,686	32,358,277	265,516	217,111,479	206,494,454
7	50,000	6,560,252	255,500	6,865,752	2,019,864
From 8 to 10	-	484,041	1,301,921	1,785,962	1,227,931
Un-rated	1,343,553	2,154,057	1,231,859	4,729,469	12,047,866
Total	185,881,239	41,556,627	3,054,796	230,492,662	221,790,115

\* The movement on letters of guarantees is as follows.

	31 December 2019			
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	193,989,736	21,380,693	6,419,686	221,790,115
New facilities during the year	74,183,959	15,090,254	-	89,274,213
Settled facilities	(66,757,219)	(12,996,454)	(817,993)	(80,571,666)
Transferred to stage 1	6,657,320	(6,624,996)	(32,324)	-
Transferred to stage 2	(22,056,737)	25,718,274	(3,661,537)	-
Transferred to stage 3	(135,820)	(1,011,144)	1,146,964	-
Total balance at the end of year	185,881,239	41,556,627	3,054,796	230,492,662

The movement on the provision for expected credit losses for letters of guarantees and unutilized facilities ceilings is as follows:

	31 December 2019			
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	705,951	46,710	-	752,661
ECL for new facilities during the year	(5,492)	460,230	1,022,853	1,477,591
Recoveries from ECL related to settled facilities	(246)	-	-	(246)
Transferred to stage 1	84,472	(58,613)	(25,859)	-
Transferred to stage 2	(26,234)	2,801,894	(2,775,660)	-
Transferred to stage 3	(1,216)	(5,261)	6,477	-
Effect on provision-resulting from reclassification among three stages during the year	(408,491)	(2,490,593)	131,840	(2,767,244)
Changes resulting from adjustments	(25,034)	44,581	2,652,138	2,671,685
Balance at the end of the year	323,710	798,948	1,011,789	2,134,447



The classification of gross balance for letters of credits according to the Group's international credit rating is as follows:

	2019				2018
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	127,059,385	4,275,711	-	131,335,096	108,091,387
7	-	356,692	-	356,692	45,282
From 8 to 10	-	-	-	-	-
Un-rated	-	-	-	-	1,639,916
Total	127,059,385	4,632,403	-	131,691,788	109,776,585

\* The movement on letters of credits is as follows.

	31 December 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	103,930,104	5,846,481	-	109,776,585
New facilities during the year	121,267,655	3,954,567	-	125,222,222
Settled facilities	(99,371,777)	(3,935,242)	-	(103,307,019)
Transferred to stage 1	1,639,917	(1,639,917)	-	-
Transferred to stage 2	(406,514)	406,514	-	-
Transferred to stage 3	-	-	-	-
Total balance at the end of year	127,059,385	4,632,403	-	131,691,788

The movement on the provision for expected credit losses for letters of credits is as follows:

	31 December 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	226,026	30,399	-	256,425
ECL for new facilities during the year	3,932	-	-	3,932
Recoveries from ECL related to settled facilities	-	-	-	-
Transferred to stage 1	7,250	(7,250)	-	-
Transferred to stage 2	(409)	409	-	-
Transferred to stage 3	-	-	-	-
Effect on provision-resulting from reclassification among three stages during the year	(2,183)	(295)	-	(2,478)
Changes resulting from adjustments	147,232	(4,368)	-	142,864
Balance at the end of the year	381,848	18,895	-	400,743

The classification of gross balance for unutilized facilities limits according to the Group's international credit rating is as follows:

	2019				2018
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	118,504,122	7,041,836	-	125,545,958	146,525,143
7	10,096	493,663	-	503,759	328,483
From 8 to 10	-	-	-	-	50,102
Un-rated	35,748,535	152,601	-	35,901,136	3,510,307
Total	154,262,753	7,688,100	-	161,950,853	150,414,035

\* The movement on unutilized facilities limits is as follows.

	31 December 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	146,955,006	3,459,029	-	150,414,035
New exposures during the year	134,691,176	6,115,645	-	140,806,821
Re-paid/derecognized facilities	(125,239,644)	(4,030,359)	-	(129,270,003)
Transferred to stage 1	295,316	(295,316)	-	-
Transferred to stage 2	(2,446,722)	2,446,722	-	-
Transferred to stage 3	7,621	(7,621)	-	-
Total balance at the end of year	154,262,753	7,688,100	-	161,950,853

The movement on the provision for expected credit losses for unutilized limits is as follows:

	31 December 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January	469,377	354,856	-	824,233
ECL for new facilities during the year	14,019	511	-	14,530
Recoveries from ECL related to settled facilities	-	-	-	-
Transferred to stage 1	(27,393)	27,393	-	-
Transferred to stage 2	(11,865)	11,865	-	-
Transferred to stage 3	20	(20)	-	-
Effect on provision-resulting from reclassification among three stages during the year	38,558	(38,558)	-	-
Balance at the end of the year	482,716	356,047	-	838,763

The classification of gross balance for indirect facilities according to the Group's international credit rating is as follows:

	2019				2018
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	430,051,193	43,675,824	265,516	473,992,533	461,110,984
7	60,096	7,410,607	255,500	7,726,203	2,393,629
From 8 to 10	-	484,041	1,301,921	1,785,962	1,278,033
Un-rated	37,092,088	2,306,658	1,231,859	40,630,605	17,198,089
Total	467,203,377	53,877,130	3,054,796	524,135,303	481,980,735

\* The movement on gross indirect facilities is as follows.

	31 December 2019				2018
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	444,874,846	30,686,203	6,419,686	481,980,735	565,878,327
New facilities during the year	330,142,790	25,160,466	-	355,303,256	182,397,348
Settled facilities	(291,368,640)	(20,962,055)	(817,993)	(313,148,688)	(266,294,940)
Transferred to stage 1	8,592,553	(8,560,229)	(32,324)	-	-
Transferred to stage 2	(24,909,973)	28,571,510	(3,661,537)	-	-
Transferred to stage 3	(128,199)	(1,018,765)	1,146,964	-	-
Total balance at the end of year	467,203,377	53,877,130	3,054,796	524,135,303	481,980,735

The movement on the provision for expected credit losses for indirect credit facilities is as follows:

	31 December 2019				2018
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	1,401,354	431,965	-	1,833,319	1,698,316
ECL for new facilities during the year	12,459	460,741	1,022,853	1,496,053	220,557
Recoveries from ECL related to settled facilities	(246)	-	-	(246)	(85,554)
Transferred to stage 1	64,329	(38,470)	(25,859)	-	-
Transferred to stage 2	(38,508)	2,814,168	(2,775,660)	-	-
Transferred to stage 3	(1,196)	(5,281)	6,477	-	-
Effect on provision-resulting from reclassification among three stages during the year	(372,116)	(2,529,446)	131,840	(2,769,722)	-
Changes resulting from adjustments	122,198	40,213	2,652,138	2,814,549	-
Balance at the end of the year	1,188,274	1,173,890	1,011,789	3,373,953	1,833,319

\*\* The movement on lease liability contracts is as follows:

	31 December 2019
	JD
Balance as 1 January	9,873,697
Additions	974,103
Cost of lease liabilities	461,039
Payments	(2,094,448)
Balance at the end of the year	9,214,391

## (22) Capital and Share Premium

The bank's authorized and paid-up capital amounted to JD 200,655,000 divided into 200,655,000 shares of one Jordanian Dinar each as at 31 December 2019 (JD 192,937,500 as at December 2018).

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.

The General Assembly of Shareholders decided in its ordinary meeting held on 29 April 2019 to approve the distribution of cash dividends at 6% of the capital amounting to JD 11,576,250 and 4% stock dividends of the capital amounting to JD 7,717,500 of the retained earnings balance to the shareholders as profits for the year 2018.

## (23) Reserves

The details of reserves as at 31 December 2019 and 2018 are as follows:

### Statutory Reserve

The accumulated amounts in this account represent the amounts transferred from the annual net income before tax at 10% according to the Bank's Law and the Companies law. This reserve cannot be distributed to shareholders.

### Voluntary Reserve

This reserve represents amounts transferred from the pre-tax income at a rate not exceeding 20% during previous years. The voluntary reserve shall be utilized for the purposes determined by the Board of Directors. The General Assembly has the right to distribute it in full or in partially as dividends to shareholders.

### General banking risks reserve

The Central Bank of Jordan issued a new regulations No. 13/2018 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as at 1 January 2018. The regulations also instruct that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.

### Pro-cyclicality reserve

This reserve represents the periodic fluctuations reserve, calculated according to the Palestinian Monetary Authority's Instructions No. (1) for the year 2011 dated 27 January 2010, for all the banks operating in Palestine on. Moreover, the periodic fluctuations reserve is calculated at 15% of the net income after tax. Reference to Monetary Authority's Instructions No. (1) for year 2019 the percentage was amended to become 0.57% of risk weighted average assets starting from the year 2019. The reserve cannot be used for any purpose unless a prior written approval is obtained from the Palestinian Monetary Authority.

The restricted reserves are as follows:

Reserve	31 December		Restriction nature
	2019	2018	
	JD	JD	
Statutory reserve	60,964,485	57,344,171	According to Banks and Companies Laws
Periodic fluctuation reserve	3,678,559	3,678,559	According to the Palestinian Monetary Authority Instructions

## (24) Fair Value Reserve - Net

The movement on this item is as follows:

	31 December 2019	31 December 2018
	JD	JD
Balance at the beginning of the year	(3,225,878)	912,985
IFRS 9 implementation impact	-	(330,204)
Balance as at 1 January (amended)	(3,225,878)	582,781
Sold shares	68	(26,763)
Deferred tax liabilities	-	491,607
Net unrealized loss transferred to the consolidated statement of comprehensive income	(4,162,602)	(4,273,503)
Balance at the end of the year	(7,388,412)	(3,225,878)



## (25) Retained Earning and Distributed Dividends

### Retained earnings

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
Balance at the beginning of the year	34,816,345	24,584,535
General banking risk reserve	-	15,353,859
Expected credit losses on financial (ECL) for assets resulted from adopting IFRS 9 implementation	-	(16,597,162)
The effect of IFRS (9) (effect of reclassification of financial assets)	-	330,204
The effect of IFRS (9) on deferred tax assets	-	3,415,351
Balance as at 1 January (amended)	34,816,345	27,086,787
Profit for the year	22,236,385	21,277,280
(Loss) gain from sale of financial assets at fair value through other comprehensive income statement	(68)	26,763
Distributed dividends	(19,293,750)	(9,187,500)
Transferred to reserves	(3,620,314)	(4,386,985)
Balance at the end of the year	34,138,598	34,816,345

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.

The General Assembly of Shareholders decided in its ordinary meeting held on 29 April 2019 to approve the distribution of cash dividends at 6% of the capital amounting to JD 11,576,250 and 4% stock dividends of the capital amounting to JD 7,717,500 of the retained earnings balance to the shareholders as profits for the year 2018.

## (26) Interest Income

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
<b>Direct Credit Facilities:</b>		
Individuals (Retail)		
Overdraft	258,611	432,691
Loans and discounted notes	32,249,013	32,676,007
Credit cards	1,965,992	2,230,452
Real estate mortgages	26,147,662	27,417,018
Companies		
Large corporates		
Overdraft	15,105,083	12,279,371
Loans and discounted notes	31,253,661	32,708,945
Small and medium enterprises lending:		
Overdraft	4,530,562	5,218,327
Loans and discounted notes	14,004,527	14,203,037
Government and Public Sector	1,172,773	1,187,558
Balances at Central Banks	508,340	1,116,682
Balances and deposits at banks and financial institutions	2,543,372	3,008,857
Financial assets measured at amortized cost	34,843,684	22,491,498
	164,583,280	154,970,443

**(27) Interest Expense**

The details of this item are as follows:

	For the year ended 31 December	
	2019	2018
	JD	JD
Banks and financial institutions deposits	5,613,050	3,529,495
<b>Customers' deposits:</b>		
Current accounts and demand deposits	449,242	359,073
Saving accounts	133,423	1,245,387
Time and notice placements	53,114,416	47,835,902
Lease liability interest	461,039	-
Cash margins	8,711,277	6,545,902
Borrowed funds	7,345,186	5,293,334
Subordinated bonds	1,892,466	1,791,781
Deposit insurance fees	3,035,625	4,172,906
	80,755,724	70,773,780

**(28) Commissions income – net**

	2019	2018
	JD	JD
<b>Commissions income:</b>		
Direct credit facilities	3,485,117	4,245,215
Indirect credit facilities	5,259,411	4,852,276
Other commissions	8,000,326	8,287,803
Less: Commission expense	(677,629)	(690,794)
	16,067,225	16,694,500

**(29) Foreign Exchange Income**

	2019	2018
	JD	JD
From trading	2,105,039	2,224,130
From re-evaluation	406,153	590,460
	2,511,192	2,814,590

**(30) Credit Loss expense, net**

	Notes	31 December 2019			31 December 2018	
		Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
		JD	JD	JD	JD	JD
Balances and deposits at Banks and financial institution	6/5	2,169	-	-	2,169	30,551
Financial assets at amortized cost	9	31,164	-	-	31,164	155,847
Direct credit facilities	7	56,596	1,595,600	3,682,274	5,334,470	694,676
Indirect credit facilities and unutilized limits	21	12,459	505,322	1,022,853	1,540,634	135,003
Total		102,388	2,100,922	4,705,127	6,908,437	1,016,077

**(31) Other revenues**

The details of this item are as follows:

	2019	2018
	JD	JD
Interest suspense recoveries	929,087	832,901
Brokerage commission income	53,245	101,430
Gain from sale of properties and equipment	3,046,186	367,032
Recovery from written-off debts	6,355,081	1,604,665
Income from check books	169,095	148,795
Revenue from sale of capital assets not subject to depreciation	2,443,224	-
Rental income of Bank's real estate	222,904	301,050
Rental income of safe deposit boxes	152,962	152,120
Recovered impairment loss from seized assets sold	318,664	541,256
Others	1,309,339	1,124,592
	14,999,787	5,173,841

**(32) Employees Expenses**

	2019	2018
	JD	JD
Salaries, bonuses and employees' benefits	32,248,329	33,404,274
Bank's contribution to social security	2,919,740	2,919,729
Bank's contribution to employees saving fund	1,728,270	1,734,495
Medical expenses	1,569,602	1,597,881
End-of-service indemnity	626,952	521,118
Employees' training expenses	523,608	236,550
Travel expenses	397,258	511,516
Employees' life insurance	82,269	137,075
Employees' meals	158,362	169,141
Employees' uniforms	2,865	2,970
	40,257,255	41,234,749

**(33) Other expenses**

	2019	2018
	JD	JD
Fees and subscriptions	3,256,622	3,143,735
Maintenance, repair and cleaning	1,709,808	1,473,326
Information Technology	4,477,846	4,505,995
Advertisement	1,667,782	1,381,433
Printing and stationary	771,251	670,333
Rent and key money	457,578	2,793,783
Studies, research and consulting expenses	629,893	526,716
Insurance fees	1,210,560	1,220,542
Water, electricity and heating	959,225	1,138,230
Legal fees	1,744,785	1,430,363
Donations	1,322,684	954,790
Transportation	470,943	385,937
Telecommunication	644,634	853,905
Other operating expenses	263,095	614,400
General assembly meeting expenses	92,506	80,778
Board of Directors' expenses	1,337,279	1,043,148
Security	706,522	502,487
Professional fees	382,511	279,769
Entertainment and hospitality	57,305	53,275
Expenses of land and real estate evaluations	30,447	26,507
Lawsuits provision expenses	120,569	10,000
Board of Director's remunerations	45,000	65,000
	22,358,845	23,154,452

**(34) Earnings Per Share Attributed to The Shareholders of the Bank**

	2019	2018
	JD	JD
Profit for the year	22,236,385	21,277,280
Weighted average number of shares *	200,655,000	200,655,000

The share of profit for the year attributable to shareholder.

Basic and diluted earnings per share	-/111	-/106
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\* Weighted average number of shares to the diluted earnings per share attributed to shareholders was calculated based on the number of shares authorized for the year 2019. Moreover, the weighted average number of shares was adjusted for the year 2018 assuming that he increases in the bank's capital took place retrospectively.



### (35) Cash and Cash Equivalents

The details of this item are as follows:

	2019	2018
	JD	JD
Cash and balances with central banks maturing within three months	212,324,788	248,221,805
<u>Add:</u> Balances at banks and financial institutions maturing within three months	135,787,335	173,568,186
<u>Less:</u> Banks and financial institutions' deposits maturing within three months	(124,635,415)	(86,661,119)
Restricted cash balances	(10,635,000)	(10,635,000)
	212,841,708	324,493,872

### (36) Related Parties Transactions and balances

The Consolidated Financial Statements includes the financial statements of the Bank and its subsidiaries include the following:

	Ownership Percentage	Company's Capital	
		2019	2018
	%	JD	JD
Ahli Micro Finance Company	100	6,000,000	6,000,000
Ahli Financial Leasing Company	100	17,500,000	17,500,000
Ahli Brokerage Company	100	3,000,000	5,000,000
Ahli Financial Technology	100	100,000	100,000

The Bank has entered into transactions with members of the Board of Directors and Executive Management within the normal course of its activities at the commercial interest rates and commissions. All facilities granted to the related parties are performing and classified under Stage 1 and ECL for these facilities was calculated according to IFRS 9 requirements.

The following is a summary of the transactions with related parties during the year:

	Associates	Subsidiaries	Board of directors	Executive Management	Other*	Total	
						31 December	
						2019	2018
	JD	JD	JD	JD	JD	JD	JD
<b>Consolidated Statement of Financial Position Items:</b>							
Credit facilities	-	3,591,145	11,040,972	4,620,333	79,701,844	98,954,294	97,369,308
Related Parties' deposits at the bank	9,692	1,561,629	40,005,467	2,974,870	20,489,448	65,041,106	57,458,377
Cash margins	-	-	200,360	55,376	7,057,088	7,312,824	6,537,234
Assets at amortized cost	-	-	-	-	3,576,776	3,576,776	3,576,365
<b>Off- Consolidated Statement of Financial Position Items:</b>							
Indirect facilities	50,000	846,000	51,000	3,350	2,904,911	3,855,261	10,703,632
<b>Consolidated Statement of Income Items:</b>							
Credit interest and commission	688	126,689	562,869	276,652	4,477,795	5,444,693	4,284,631
Debit interest and commission	275	35,362	2,674,235	73,579	671,963	3,455,414	1,723,036

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

- There are accounts receivable from a subsidiary company (Ahli Brokerage Company) of JD 2,395,899, belonging to a related party as at 31 December 2019. On 31 October 2013, the Company signed a settlement agreement with those clients to pay the obligations through an advance payment upon signing the settlement agreement, in addition to monthly instalments, as well as enhancement of their guarantees.
- The bank doesn't have any deposits at the subsidiaries, associates and other related parties.
- Interest income rate range from 3,4% to 10,5%.
- Interest expense rate range from 0% to 6,5%.

The following is a summary of the benefits (salaries and remunerations plus other benefits) of the executive management of the Bank:

	For the year ended 31 December	
	2019	2018
	JD	JD
Salaries and other benefits	3,547,429	3,625,317
Travel and transportation	38,965	197,338
Perdiems	27,713	35,554
	3,614,107	3,858,209

### (37) Financial Instruments That Do Not Appear at Fair Value In The Consolidated Financial Statements

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities at the end of the year 2019 and 2018.

### (38) Risk Management

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

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

#### (38/A) Credit Risk

The Bank's operations involve the Bank's exposure to many risk such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank, which causes losses. An important duty of the Bank and its management is to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within the balanced relationship among risk, return and liquidity.

The credit risk management at the bank is conducted by several committees from top management and executive management. Where the limits are specified for the amount of credit facilities that can be granted to one customer (individual or corporate) and related parties according with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed by taking into consideration the geographic area in a manner that achieves confluence among risks, returns and the optimal utilization of the available resources and the enhancement of the Bank's ability to diversify lending and allocate it to customers and economic sectors.

The bank monitors credit risk by periodically evaluating the credit worthiness of the customers in accordance with the customer's credit valuation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons. In addition, the Bank obtains proper collaterals from customers for the cases requiring that according to each customer's risk level and extension of additional facilities.

Moreover, the Bank monitors credit risk and is continuously evaluating the credit worthiness of customers, in as well obtaining proper collaterals from them.

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

#### 1- Specifying credit ceilings and concentrations:

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

#### 2- Determining the risk mitigation methods:

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

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

#### 3- Mitigating the assets and liabilities' risk concentration:

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

#### 4- Studying, monitoring, and following up on credit:

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

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

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

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

The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside the kingdom. Moreover, the bank adopts a specific policy that shows the credit ceilings granted to banks and countries with high credit ratings and reviews them continuously through the assets and liabilities committee, to distribute the risk and utilize the credit evaluation. The investment policy specifies the Investment allocation ratios and their determinants in order to distribute them in a way that achieves a high return and lowers the risk.

Exposure to credit risk (net of ECL provision, interest in suspense and before collaterals and other risk mitigations)

	2019	2018
	JD	JD
<b>On- Consolidated Statement of Financial Position</b>		
Balances at Central Banks	154,093,815	205,407,284
Balances at banks and financial institutions	135,787,335	173,568,186
Deposits at banks and financial Institutions	8,520,926	19,414,579
<b>Credit Facilities:</b>		
Individual	312,950,536	325,354,806
Real-estate loans	305,929,672	316,133,649
Corporate	579,052,185	597,526,034
Small and medium entities	148,917,126	164,451,631
Government & public sector	22,888,064	21,044,069
<b>Bonds and Treasury Bills:</b>		
Financial assets measured at amortized cost	754,893,973	654,335,587
Other assets	16,818,483	14,241,044
Total	2,439,852,115	2,491,476,869
<b>Off- Statement of Financial Position Items</b>		
Letters of guarantees	228,358,215	221,037,454
Letters of credit and acceptances	131,291,045	109,520,160
Un-utilized credit facilities limits	161,112,090	149,589,802
Total	520,761,350	480,147,416

The credit exposure is distributed according to the degree of risks as follows:

	Individual	Real Estate	corporate	Small and	Government	Banks and	Others	Total
		Loans		medium	ment and	financial		
	JD	JD	JD	entities	public	institutions	JD	JD
	JD	JD	JD	JD	sector	JD	JD	JD
<b>31 December 2019-</b>								
Low Risk	33,334,166	20,243,040	76,954,509	33,785,944	790,612,764	-	-	954,930,423
Acceptable risk	278,292,145	275,112,484	447,092,309	90,112,109	22,980,641	263,156,486	16,818,483	1,393,564,657
From which past due								
Up to 30 days	201,285	8,097,451	62,721	1,038,004	-	-	-	9,399,461
From 31 to 60 days	91,863	4,442,662	1,564,860	125,539	-	-	-	6,224,924
Watch list	3,732,071	4,951,886	67,009,377	18,213,206	-	-	-	93,906,540
Non- performing:								
Substand-ard grade	478,075	1,021,424	-	833,118	-	-	-	2,332,617
Doubtful	1,956,478	3,282,245	2,285,801	2,223,947	-	-	-	9,748,471
Loss	20,482,805	10,276,842	26,105,726	22,933,214	-	-	-	79,798,587
Total	338,275,740	314,887,921	619,447,722	168,101,538	813,593,405	263,156,486	16,818,483	2,534,281,295
Less: Interest in suspense	4,179,429	2,461,294	10,827,332	5,886,877	-	-	-	23,354,932
Less: Provision for impairment	21,145,775	6,496,955	29,568,205	13,297,535	92,577	473,201	-	71,074,248
Net	312,950,536	305,929,672	579,052,185	148,917,126	813,500,828	262,683,285	16,818,483	2,439,852,115



	Individual	Real Estate	corporate	Small and	Government	Banks and	Others	Total
	Loans	Loans	Loans	medium	and public	financial		
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2018-</b>								
Low Risk	35,920,966	28,771,020	95,154,686	35,939,917	757,486,683	-	-	953,273,272
Acceptable risk	287,864,665	272,443,656	444,096,140	104,063,220	21,129,063	295,678,821	14,241,044	1,439,516,609
From which past due								
Up to 30 days	583,386	232,489	115,064	780,463	-	-	-	1,711,402
From 31 to 60 days	7,640	-	2,363	12,614	-	-	-	22,617
Watch list	3,712,546	6,775,302	65,502,970	15,503,436	-	-	-	91,494,254
Non-performing:								
Substandard grade	756,028	1,972,870	5,558,633	2,035,530	-	-	-	10,323,061
Doubtful	3,276,443	4,622,677	88,180	4,634,543	-	-	-	12,621,843
Loss	15,430,638	8,230,841	35,854,335	21,178,567	-	-	-	80,694,381
Total	346,961,286	322,816,366	646,254,944	183,355,213	778,615,746	295,678,821	14,241,044	2,587,923,420
Less: Interest in suspense	2,634,502	1,894,601	11,306,976	5,021,311	-	-	-	20,857,390
Less: Provision for impairment	18,971,978	4,788,116	37,421,934	13,882,271	84,994	439,868	-	75,589,161
Net	325,354,806	316,133,649	597,526,034	164,451,631	778,530,752	295,238,953	14,241,044	2,491,476,869

Fair value of collaterals obtained against total credit exposures as of 31 December 2019:

	Total Exposure Value	Collateral Fair Value						Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ELC)
		Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others			
<b>Credit exposure related to on- consolidated statement of financial position:</b>										
Balances at Central Banks	154,093,815	-	-	-	-	-	-	154,093,815	-	-
Balances at Banks and Financial Institutions	135,816,486	-	-	-	-	-	-	135,816,486	29,151	-
Deposits at Banks and Financial Institutions	8,545,000	-	-	-	-	-	-	8,545,000	24,074	-
Credit Facilities:	1,463,693,562	124,501,372	17,678,640	6,737,949	945,104,036	32,764,591	67,245,386	1,194,031,974	269,661,588	70,601,047
Individuals	338,275,740	50,552,257	124,093	82,047	12,718,251	6,809,273	14,564	70,300,485	267,975,255	21,145,775
Real Estate Loans	314,887,921	571,580	-	-	392,956,184	66,667	65,155,151	458,749,582	(143,861,661)	6,496,955
Corporate	619,447,722	37,118,213	16,704,547	523,336	415,805,370	10,407,877	479,460	481,038,803	138,408,919	29,568,205
SMEs	168,101,538	36,259,322	850,000	6,132,566	123,624,231	15,480,774	1,596,211	183,943,104	(15,841,566)	13,297,535
Government and Public Sectors	22,980,641	-	-	-	-	-	-	-	22,980,641	92,577
Financial Assets At Amortized Cost	755,313,949	-	-	-	-	-	-	-	755,313,949	419,976
Other Assets	16,818,483	-	-	-	-	-	-	-	16,818,483	-
Total balance sheet items	2,534,281,295	124,501,372	17,678,640	6,737,949	945,104,036	32,764,591	67,245,386	1,194,031,974	1,340,249,321	71,074,248
Total off balance sheet items	524,135,303	36,011,941	703,398	-	47,181,716	6,842,894	-	90,739,949	433,395,354	3,373,953
Total	3,058,416,598	160,513,313	18,382,038	6,737,949	992,285,752	39,607,485	67,245,386	1,284,771,923	1,773,644,675	74,448,201

Fair value of collaterals obtained against Stage 3 credit exposures as at 31 December 2019:

	Collateral Fair Value							Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ELC)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechan-ics	Others			
<b>Credit exposure related to on- consolidated statement of financial position</b>										
Balances at Central Banks	-	-	-	-	-	-	-	-	-	-
Balances at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Deposits at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Credit Facilities:	91,879,675	3,072,258	784,860	870,423	63,562,509	5,479,951	1,447,314	75,217,315	16,662,360	57,806,723
Individuals	22,917,358	73,428	14,253	56,646	2,701,683	1,184,722	14,564	4,045,296	18,872,062	18,503,802
Real Estate Loans	14,580,511	47,881	-	-	26,505,280	-	155,151	26,708,312	(12,127,801)	5,440,860
Corporate	28,391,527	2,558,092	770,607	64,287	8,013,484	950,887	479,460	12,836,817	15,554,710	21,514,352
SMEs	25,990,279	392,857	-	749,490	26,342,062	3,344,342	798,139	31,626,890	(5,636,611)	12,347,709
Government and Public Sectors	-	-	-	-	-	-	-	-	-	-
Financial Assets At Amortized Cost	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total balance sheet items	91,879,675	3,072,258	784,860	870,423	63,562,509	5,479,951	1,447,314	75,217,315	16,662,360	57,806,723
Total off balance sheet items	3,054,796	1,515,821	-	-	5,966,366	6,335,991	-	13,818,178	(10,763,382)	1,011,789
<b>Total</b>	<b>94,934,471</b>	<b>4,588,079</b>	<b>784,860</b>	<b>870,423</b>	<b>69,528,875</b>	<b>11,815,942</b>	<b>1,447,314</b>	<b>89,035,493</b>	<b>5,898,978</b>	<b>58,818,512</b>

Fair value of collaterals obtained against total credit exposures as of 31 December 2018:

	Collateral Fair Value							Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ELC)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechan-ics	Others			
<b>Credit exposure related to on- consolidated statement of financial position</b>										
Balances at Central Banks	205,407,284	-	-	-	-	-	-	-	205,407,284	-
Balances at Banks and Financial Institutions	173,595,168	-	-	-	-	-	-	-	173,595,168	26,982
Deposits at Banks and Financial Institutions	19,438,653	-	-	-	-	-	-	-	19,438,653	24,074
Credit Facilities:	1,520,516,872	169,442,335	12,719,764	31,482,607	1,054,822,487	39,995,702	1,333,355	1,309,796,250	210,720,622	75,149,293
Individuals	346,961,286	50,055,211	365,554	242,979	21,209,997	8,982,209	10,219	80,866,169	266,095,117	18,971,978
Real Estate Loans	322,816,366	661,070	-	4,178,266	437,967,972	84,000	229,407	443,120,715	(120,304,349)	4,788,116
Corporate	646,254,944	82,515,210	11,503,986	-	432,799,944	11,650,125	451,495	538,920,760	107,334,184	37,421,934
SMEs	183,355,213	36,210,844	850,224	27,061,362	162,844,574	19,279,368	642,234	246,888,606	(63,533,393)	13,882,271
Government and Public Sectors	21,129,063	-	-	-	-	-	-	-	21,129,063	84,994
Financial Assets At Amortized Cost	654,724,399	-	-	-	-	-	-	-	654,724,399	388,812
Other Assets	14,241,044	-	-	-	-	-	-	-	14,241,044	-
Total balance sheet items	2,587,923,420	169,442,335	12,719,764	31,482,607	1,054,822,487	39,995,702	1,333,355	1,309,796,250	1,278,127,170	75,589,161
Total off balance sheet items	481,980,735	28,285,236	1,341	-	46,758,737	304,270	-	75,349,584	406,631,151	1,833,319
<b>Total</b>	<b>3,069,904,155</b>	<b>197,727,571</b>	<b>12,721,105</b>	<b>31,482,607</b>	<b>1,101,581,224</b>	<b>40,299,972</b>	<b>1,333,355</b>	<b>1,385,145,834</b>	<b>1,684,758,321</b>	<b>77,422,480</b>

Fair value of collaterals obtained against Stage 3 credit exposures as at 31 December 2018:

	Collateral Fair Value							Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ELC)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others			
Balances at Central Banks	-	-	-	-	-	-	-	-	-	-
Balances at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Deposits at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Credit Facilities:	103,639,286	575,526	1,078,713	-	88,807,556	6,111,554	1,294,354	97,867,703	5,771,583	63,626,284
Individuals	19,463,109	93,250	203,254	-	5,000,207	1,206,243	10,219	6,513,173	12,949,936	14,789,307
Real Estate Loans	14,826,388	49,879	-	-	24,281,653	-	229,407	24,560,939	(9,734,551)	4,163,417
Corporate	41,501,149	65,415	875,459	-	20,957,866	1,261,200	451,495	23,611,435	17,889,714	31,833,825
SMEs	27,848,640	366,982	-	-	38,567,830	3,644,111	603,233	43,182,156	(15,333,516)	12,839,735
Government and Public Sectors	-	-	-	-	-	-	-	-	-	-
Financial Assets at Amortized Cost	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total statement of financial position items	103,639,286	575,526	1,078,713	-	88,807,556	6,111,554	1,294,354	97,867,703	5,771,583	63,626,284
Total off statement financial position items	-	-	-	-	-	-	-	-	-	-
Total	103,639,286	575,526	1,078,713	-	88,807,556	6,111,554	1,294,354	97,867,703	5,771,583	63,626,284

#### A. Total credit exposures classified as of 31 December 2019

	Stage 2		Stage 3		Total Reclassified Exposures	Percentage of Reclassified Exposures
	Total Exposure Value	Reclassified Exposures	Total Exposure Value	Reclassified Exposures		
	JD	JD	JD	JD		
Balances at Central Banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities:	152,964,696	13,005,225	91,879,675	15,483,656	28,488,881	11,64%
Financial assets at amortized cost	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total balance sheet exposure	152,964,696	13,005,225	91,879,675	15,483,656	28,488,881	
Total Off-balance sheet exposure	53,877,130	18,992,516	3,054,796	(2,546,897)	16,445,619	28,89%
Total	206,841,826	31,997,741	94,934,471	12,936,759	44,934,500	



**B. Expected credit losses of reclassified exposures as of 31 December 2019**

	Reclassified Exposures			Expected credit loss of reclassified exposures					Percentage of loss for reclassified exposures
	Total exposures reclassified from stage 2	Total exposures reclassified from stage 3	Total reclassified exposures	Stage 2 (Individual)	Stage 2 (Collective)	Stage 3 (Individual)	Stage 3 (Collective)	Total	
	JD	JD	JD	JD	JD	JD	JD	JD	
Balances at Central Banks	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-
Credit facilities:	13,005,225	15,483,656	28,488,881	(1,246,675)	-	380,881	-	(865,794)	(3,039%)
Financial assets at amortized cost	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total balance sheet exposure	13,005,225	15,483,656	28,488,881	(1,246,675)	-	380,881	-	(865,794)	
Total Off-balance sheet exposure	18,992,516	(2,546,897)	16,445,619	2,770,417	-	(2,795,042)	-	(24,625)	
Total	31,997,741	12,936,759	44,934,500	1,523,742	-	(2,414,161)	-	(890,419)	(0,150%)

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

- Mortgages.
- Mortgage financial instruments such as stocks.
- Bank guarantees.
- Cash collateral.
- Governmental guarantee.

The Bank management monitor, the market value of those guarantees periodically. In case the value of the guarantee declines, the Bank request additional guarantees to cover the shortage. Moreover, the Bank evaluates the guarantees against nonperforming credit facilities periodically.

**Rescheduled loans:** Represent loans classified previously as non-performing credit facilities but taken out furtherly according to proper scheduling and classified as watch list loans which amounted to JD 20,944,256 as at 2019 (2018: JD 43,945,292).

**Restructured loans:** Restructuring means to rearrange facilities instalments or by increasing their duration or postpone some instalments or increase the grace period...etc. Restructured loans are classified as a watch-list debt and are amounted to JD 16,007,795 as at 2019 (2018: JD 33,806,050).

**Bills bonds and debentures:** The table below shows the classification of bills bonds and debentures according to external rating agencies:

Rating Grade	Rating Institution	Within financial assets measured at amortized cost	Total
		JD	JD
<b>As of 31 December 2019</b>			
Un-rated	-	118,795,000	118,795,000
Governmental	Government bonds and government guaranteed	636,518,949	636,518,949
Total		755,313,949	755,313,949
<b>As of 31 December 2018</b>			
Un-rated	-	102,645,000	102,645,000
Governmental	Government bonds and government guaranteed	552,079,399	552,079,399
Total		654,724,399	654,724,399

**(39/B) Market risks:**

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

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

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

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

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

**Interest rate benchmark reform:** A fundamental reform of major interest rate benchmarks is being undertaken globally to replace or reform IBOR with alternative risk-free rates (referred to as 'IBOR reform'). The Group has exposure to interbank offered rates (IBORs) on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is uncertainty over the timing and the methods of transition.

The Group anticipates that IBOR reform may have operational, risk management and accounting impacts.

The Bank is not directly exposed to IBOR because most of the lending operations are based on the JODIBOR rate.

The Bank is in the process of reviewing the impact of the IBOR reform on their floating rate loans and advances to customers' contracts and their floating rate financial liabilities contracts.

The Group does not have hedging contracts and accordingly, there is no effect of the IBOR adjustment resulting from hedge accounting.

**Derivatives held for risk management purposes and hedge accounting:** The Group holds derivatives for risk management purposes, some of which are designated as hedging relationships and management is in the process of assessing the impact.

Sensitivity Analysis 2019			
Currency	Change (increase) in interest rate (%)	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
		JD	JD
US Dollar	1	508,617	-
Euro	1	54,417	-
British Pound	1	12,913	-
Japanese Yen	1	(7,832)	-
Others	1	522,677	-

Currency	Change (Decrease) in interest rate (%)	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
		JD	JD
US Dollar	1	(508,617)	-
Euro	1	(54,417)	-
British Pound	1	(12,913)	-
Japanese Yen	1	7,832	-
Others	1	(522,677)	-

Sensitivity Analysis 2018			
Currency	Change (increase) in interest rate (%)	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
		JD	JD
US Dollar	1	(271,095)	-
Euro	1	17,640	-
British Pound	1	(13,664)	-
Japanese Yen	1	(6,158)	-
Others	1	105,101	-

Currency	Change (Decrease) in interest rate (%)	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
		JD	JD
US Dollar	1	271,095	-
Euro	1	(17,640)	-
British Pound	1	13,664	-
Japanese Yen	1	6,158	-
Others	1	(105,101)	-

#### Foreign currencies risk:

Sensitivity Analysis 2019			
Currency	Change (increase) in interest rate (%)	Effect on profits and losses	Sensitivity of shareholders' equity
		JD	JD
US Dollar	-	-	-
Euro	5	(8,773)	-
British Pound	5	(2,432)	-
Japanese Yen	5	52	-
Other currencies	5	19,793	-

Sensitivity Analysis 2018			
Currency	Change (increase) in interest rate (%)	Effect on profits and losses	Sensitivity of shareholders' equity
		JD	JD
US Dollar	-	-	-
Euro	5	20,610	-
British Pound	5	20,181	-
Japanese Yen	5	237	-
Other currencies	5	5,246	-

Within its approved investment policy, the Bank's Board of Directors sets up limits for the positions of all currencies at the Bank. These positions are monitored daily through the Treasury and Investment Department and are submitted to the executive management to ensure that the currencies positions are within the approved limits.

Moreover, the bank follows the hedging policy to mitigate the risks of foreign currencies by using financial derivatives.

#### Risks of Changes in Shares Prices:

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

#### Sensitivity analysis 2019

Sensitivity Analysis 2019			
Indicator	Change in equity prices (%)	Effect on profit and losses	Effect on shareholders
		JD	JD
Financial markets	5	-	447,263

#### Sensitivity Analysis 2018

Sensitivity Analysis 2018			
Indicator	Change in equity prices (%)	Effect on profit and losses	Effect on shareholders
		JD	JD
Financial markets	5	-	532,475

#### Shares prices risks:

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

#### Interest repricing gap:

- The bank follows a policy to match the amounts of assets and liabilities and align the maturities and to decrease the gap through dividing the assets and liabilities to various periodic maturities or review the interest rates in order to decent the interest rates risk and o study the gaps in the related interest rate or by using advanced hedging tools.
- The rating is based on interest repricing periods or maturity.
- The Bank follows a policy of compatibility in asset and liability amounts and matching accruals to reduce gaps by dividing assets and liabilities into multiple time-period categories or interest rate repricing benefits whichever is lower, in order to reduce interest rate risk, examine price gaps, and use hedging policies with advanced tools
- The rating is based on interest repricing periods or maturity whichever is earlier.

**Interest rate sensitivity gap:** Classification is done according to interest re-pricing or maturity whichever is closer.

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 3 years	Over 3 years	Non interest bearing Items	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2019</b>								
<b>Assets</b>								
Cash and balances at central Banks	27,810,126	-	-	-	-	10,635,000	173,879,662	212,324,788
Balances at banks and financial institutions	53,122,308	37,619,452	4,254,000	-	-	-	40,791,575	135,787,335
Deposits at banks and financial institutions	-	-	8,520,926	-	-	-	-	8,520,926
Direct credit facilities	31,549,031	77,557,553	129,156,193	165,975,893	358,634,647	597,155,108	9,709,158	1,369,737,583
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	25,014,042	25,014,042
Financial assets at amortized costs	26,558,401	20,228,995	17,006,222	121,233,530	267,157,727	302,709,098	-	754,893,973
Investments in associate company	-	-	-	-	-	-	3,516,259	3,516,259
Property and equipment - Net	-	-	-	-	-	-	91,633,021	91,633,021
Intangible assets - Net	-	-	-	-	-	-	13,502,104	13,502,104
Other assets	-	-	-	-	-	-	138,352,740	138,352,740
Deferred tax assets	-	-	-	-	-	-	9,540,754	9,540,754
<b>Total assets</b>	<b>139,039,866</b>	<b>135,406,000</b>	<b>158,937,341</b>	<b>287,209,423</b>	<b>625,792,374</b>	<b>910,499,206</b>	<b>505,939,315</b>	<b>2,762,823,525</b>
<b>Liabilities</b>								
Banks and financial institution deposits	92,868,322	31,767,093	25,510,875	-	-	-	-	150,146,290
Customers' deposits	193,024,249	316,323,790	326,698,203	283,618,552	198,852,812	-	545,502,770	1,864,020,376
Cash collaterals	5,085,743	10,650,027	15,078,580	29,437,232	151,529,000	3,017	-	211,783,599
Borrowed funds from the central bank of Jordan	-	1,810,744	10,585,039	14,789,364	94,231,954	23,592,625	-	145,009,726
Subordinated bonds	-	-	-	-	-	25,000,000	-	25,000,000
Various provisions	-	-	-	-	-	-	3,551,062	3,551,062
Income tax provisions	-	-	-	-	-	-	10,097,921	10,097,921
Other liabilities	-	-	-	-	-	-	45,404,684	45,404,684
<b>Total Liabilities</b>	<b>290,978,314</b>	<b>360,551,654</b>	<b>377,872,697</b>	<b>327,845,148</b>	<b>444,613,766</b>	<b>48,595,642</b>	<b>604,556,437</b>	<b>2,455,013,658</b>
<b>Interest rate sensitivity gap</b>	<b>(151,938,448)</b>	<b>(225,145,654)</b>	<b>(218,935,356)</b>	<b>(40,635,725)</b>	<b>181,178,608</b>	<b>861,903,564</b>	<b>(98,617,122)</b>	<b>307,809,867</b>
<b>31 December 2018</b>								
<b>Total Assets</b>	<b>282,627,242</b>	<b>99,641,150</b>	<b>165,574,736</b>	<b>203,461,742</b>	<b>641,305,318</b>	<b>920,715,725</b>	<b>470,162,001</b>	<b>2,783,487,914</b>
<b>Total Liabilities</b>	<b>560,881,812</b>	<b>276,399,430</b>	<b>272,073,549</b>	<b>207,394,138</b>	<b>542,918,254</b>	<b>25,146,562</b>	<b>597,361,835</b>	<b>2,482,175,580</b>
<b>Interest rate sensitivity gap</b>	<b>(278,254,570)</b>	<b>(176,758,280)</b>	<b>(106,498,813)</b>	<b>(3,932,396)</b>	<b>98,387,064</b>	<b>895,569,163</b>	<b>(127,199,834)</b>	<b>301,312,334</b>

**Foreign Currency risk concentration:**

	USD	Euro	Sterling Pounds	Japanese Yen	Others	Total
	JD	JD	JD	JD	JD	JD
<b>31 December 2019</b>						
<b>Assets</b>						
Cash and balances at Central Banks	46,121,557	2,361,226	71,723	130	39,375,005	87,929,641
Balances at banks and financial institutions	79,095,490	29,998,600	10,717,809	693,454	1,329,632	121,834,985
Deposits at banks and financial institutions	3,527,803	-	-	-	-	3,527,803
Direct credit facilities	238,701,387	4,387,095	116,186	13,366	54,546,472	297,764,506
Financial assets at fair value through other comprehensive income	65,077	384,548	-	-	-	449,625
Financial assets measured at amortized cost	84,635,503	-	-	-	2,877,292	87,512,795
Properties and equipment and projects under construction	776,430	-	-	-	-	776,430
Intangible assets - net	160,447	-	-	-	-	160,447
Other assets	4,561,104	34,763	12,835	5	5,445,570	10,054,277
<b>Total Assets</b>	<b>457,644,798</b>	<b>37,166,232</b>	<b>10,918,553</b>	<b>706,955</b>	<b>103,573,971</b>	<b>610,010,509</b>
<b>Liabilities</b>						
Banks and financial institutions deposits	17,108,513	183,239	3,290,549	-	13,798,590	34,380,891
Customers' deposits	406,800,348	34,560,224	7,672,583	55,316	80,137,787	529,226,258
Cash margins	34,513,004	2,619,092	67,553	650,601	8,613,902	46,464,152
Borrowed funds	5,064,286	-	-	-	-	5,064,286
Various provisions	55,338	-	-	-	-	55,338
Income tax provision	59,431	-	-	-	-	59,431
Other Liabilities	4,808,675	(20,867)	(63,487)	-	627,834	5,352,155
<b>Total Liabilities</b>	<b>468,409,595</b>	<b>37,341,688</b>	<b>10,967,198</b>	<b>705,917</b>	<b>103,178,113</b>	<b>620,602,511</b>
Net concentration on - balance sheet for the current year	(10,764,797)	(175,456)	(48,645)	1,038	395,858	(10,592,002)
Contingent liabilities off - balance sheet for the current year	204,775,943	17,298,288	1,486,402	5,527,071	11,988,202	241,075,906
<b>31 December 2018</b>						
<b>Total Assets</b>	<b>445,418,826</b>	<b>35,783,459</b>	<b>11,836,576</b>	<b>497,697</b>	<b>95,059,375</b>	<b>588,595,933</b>
<b>Total Liabilities</b>	<b>450,035,267</b>	<b>35,371,263</b>	<b>11,432,953</b>	<b>492,948</b>	<b>94,954,465</b>	<b>592,286,896</b>
Net concentration on - balance sheet for the current year	(4,616,441)	412,196	403,623	4,749	104,910	(3,690,963)
Contingent liabilities off - balance sheet for the current year	200,187,820	12,135,310	1,481,815	3,281,408	8,680,094	225,766,447

**(39) Liquidity risk**

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

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

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

**Fund sources:**

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

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

- The existence of the Bank in most of the cities of the Hashemite Kingdom of Jordan (53 branches) in addition to its branches in Palestine and Cyprus, enables the Bank to diversify its funding sources and not to rely on one geographic area as a source of funding.

	Less than 1 Month	1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 year	From 1 To 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2019</b>								
<b>Liabilities</b>								
Banks' And Financial Institution's Deposits	92,868,322	31,963,668	25,971,430	-	-	-	-	150,803,420
Customers' Deposits	193,691,820	865,105,594	328,160,684	285,520,643	199,773,236	-	-	1,872,251,977
Cash Margins	5,085,743	10,650,027	15,078,580	29,464,129	151,538,091	3,017	-	211,819,587
Borrowed Funds From The Central Bank Of Jordan	-	1,810,744	10,585,039	14,789,364	94,675,661	23,592,625	-	145,453,433
Subordinated Bonds	-	-	-	-	-	25,402,226	-	25,402,226
Miscellaneous Provisions	-	-	-	-	-	-	3,551,062	3,551,062
Income Tax Provision	2,205,630	-	7,892,291	-	-	-	-	10,097,921
Other Liabilities	-	-	-	-	-	-	35,634,032	35,634,032
<b>Total</b>	<b>293,851,515</b>	<b>909,530,033</b>	<b>387,688,024</b>	<b>329,774,136</b>	<b>445,986,988</b>	<b>48,997,868</b>	<b>39,185,094</b>	<b>2,455,013,658</b>
<b>Total Assets (According To Expected Maturities)</b>	<b>363,925,799</b>	<b>135,987,073</b>	<b>159,610,870</b>	<b>288,832,740</b>	<b>629,756,757</b>	<b>919,657,655</b>	<b>265,052,631</b>	<b>2,762,823,525</b>



- The table below summarizes the distribution of liabilities on the basis of the remainder undiscounted contractual maturity at 31 December 2019 and 2018

	Less than 1 Month	1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 year	From 1 To 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2018</b>								
<b>Liabilities</b>								
Banks' And Financial Institution's Deposits	27,759,746	59,003,618	11,601,103	-	-	-	-	98,364,467
Customers' Deposits	517,634,063	750,199,155	231,238,379	156,743,130	264,019,634	-	-	1,919,834,361
Cash Margins	16,418,075	12,256,682	13,813,673	37,231,928	177,728,432	-	-	257,448,790
Borrowed Funds From The Central Bank Of Jordan	1,101,880	7,660,496	16,474,706	14,320,593	103,826,676	146,562	-	143,530,913
Subordinated Bonds	-	-	-	-	-	25,416,096	-	25,416,096
Miscellaneous Provisions	-	-	-	-	-	-	3,609,508	3,609,508
Income Tax Provision	1,566,763	-	5,655,788	-	-	-	-	7,222,551
Other Liabilities	-	-	-	-	-	-	26,748,894	26,748,894
<b>Total</b>	<b>564,480,527</b>	<b>829,119,951</b>	<b>278,783,649</b>	<b>208,295,651</b>	<b>545,574,742</b>	<b>25,562,658</b>	<b>30,358,402</b>	<b>2,482,175,580</b>
Total Assets (According To Expected Maturities)	490,741,558	100,024,451	165,929,269	206,227,117	644,462,063	926,882,750	249,220,706	2,783,487,914

To comply with the instructions of the regulatory authorities, the bank maintains part of its customers' deposits at the central banks as a statutory cash reserve that cannot be utilized except under specified regulations. In addition, the liquidity ratios are maintained at levels higher than the minimum imposed by the central banks in the countries in which the Bank operates.

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

Off- consolidated statement of financial position items:

	Up to 1 Year	from 1-5 Years	Total
	JD	JD	JD
<b>31 December, 2019</b>			
Letters of credit and acceptances	159,684,363	8,189,383	167,873,746
Un-utilized facilities	161,950,853	-	161,950,853
Letters of guarantee	210,145,274	20,347,388	230,492,662
<b>Total</b>	<b>531,780,490</b>	<b>28,536,771</b>	<b>560,317,261</b>
<b>31 December, 2018</b>			
Letters of credit and acceptances	182,687,494	5,213,905	187,901,399
Un-utilized facilities	150,414,035	-	150,414,035
Letters of guarantee	203,774,583	18,015,532	221,790,115
<b>Total</b>	<b>536,876,112</b>	<b>23,229,437</b>	<b>560,105,549</b>

## (40) Segment Information

### Information on Bank Activities

The Bank is organized for administrative purposes through six main operating segments, also brokerage and consulting services through the Bank's subsidiary (Ahli Financing Brokerage Company).

- 1-Individual accounts: Principally following up on individual customers accounts real estate loans overdrafts credit cards facilities and transfer facilities.
- 2- SME's: Principally "SME's' transactions on loans credit facilities and deposits and whom classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- 3- Corporate accounts: Principally corporate transactions on loans credit facilities and deposits, whom classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- 4- Treasury: principally providing money market trading and treasury services as well as management of the Bank's funding operations through treasury bills government securities placements and acceptances with other banks and that is through treasury and banking services.
- 5- Investment and Foreign currency management: The activity of this sector is related to local and foreign bank investment as well as those restricted at fair value, in addition services for trading in foreign currency.
- 6- Others: This sector includes all non-listed accounts in the above sectors, for example equity and investments in associates, receivables, equipment, and general management.

	Individuals	SME's	Corporate	Institutional Financing and treasury	Others	Total	
						For the year ended 31 December	
						2019	2018
	JD	JD	JD	JD	JD	JD	JD
Gross Income	38,930,790	22,217,131	38,975,745	10,932,532	7,036,059	118,092,257	109,787,641
Expected credit losses allowance	(4,434,134)	(264,313)	(2,176,657)	(33,333)	-	(6,908,437)	(1,016,077)
Segment results	34,496,656	21,952,818	36,799,088	10,899,199	7,036,059	111,183,820	108,771,564
Not distributed expenses	-	-	-	-	(74,390,431)	(74,390,431)	(74,545,216)
Impairment provision on seized assets	-	-	-	-	(575,361)	(575,361)	(1,018,074)
Bank's share of profit (loss) in associate companies' profit (loss)	-	-	-	(14,888)	-	(14,888)	2,481
Income before tax	34,496,656	21,952,818	36,799,088	10,884,311	(67,929,733)	36,203,140	33,210,755
Income tax						(13,966,755)	(11,933,475)
Income for the year						22,236,385	21,277,280
Other-information:							
Segment assets	591,701,821	197,753,284	605,580,303	1,111,243,241	114,675,877	2,620,954,526	2,654,727,994
Investments in associates	-	-	-	-	3,516,259	3,516,259	3,531,147
Asset not distributed over sector	-	-	-	-	138,352,740	138,352,740	125,228,773
Total assets	591,701,821	197,753,284	605,580,303	1,111,243,241	256,544,876	2,762,823,525	2,783,487,914
Segment liabilities	1,210,072,224	353,275,242	512,177,521	295,435,003	38,648,984	2,409,608,974	2,445,650,121
Liabilities not distributed over sector	-	-	-	-	45,404,684	45,404,684	36,525,459
Total Liabilities	1,210,072,224	353,275,242	512,177,521	295,435,003	84,053,668	2,455,013,658	2,482,175,580
Capital Expenditure						10,692,125	32,200,745
Depreciation and amortization						11,774,331	10,156,015

### Geographical distribution information

This sector represents the geographical distribution of the Banks operation. The Bank operates mainly in the Kingdom, which represents the local business. The Bank also carries out international activities in the Middle East, Europe, Asia, America and the Near East representing international business.

	Inside Jordan		Outside Jordan		Total	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	JD	JD	JD	JD	JD	JD
Bank's Assets	2,395,279,886	2,447,937,208	367,543,639	335,550,706	2,762,823,525	2,783,487,914
Gross income	107,542,639	98,387,559	10,549,618	11,400,082	118,092,257	109,787,641
Capital Expenditure	7,158,659	31,051,890	3,533,466	1,148,855	10,692,125	32,200,745

The table shows economical distribution of credit risk exposure as at 31 December 2019:

	Financial	Industrial	Trading	Real-estate	Agricultural	Services and public facilities	Shares	Individual	Governmental and other sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	-	-	-	-	-	-	-	-	154,093,815	-	154,093,815
Balances at banks and financial institutions	135,787,335	-	-	-	-	-	-	-	-	-	135,787,335
Deposits at banks and financial institutions	8,520,926	-	-	-	-	-	-	-	-	-	8,520,926
Direct credit facilities	4,343,351	134,541,646	294,118,250	464,391,353	27,016,620	117,318,942	9,183,828	288,244,461	22,888,063	7,691,069	1,369,737,583
Financial assets at amortized cost	118,375,024	-	-	-	-	-	-	-	636,518,949	-	754,893,973
Other assets	16,818,483	-	-	-	-	-	-	-	-	-	16,818,483
Total current year	283,845,119	134,541,646	294,118,250	464,391,353	27,016,620	117,318,942	9,183,828	288,244,461	813,500,827	7,691,069	2,439,852,115
LGs	228,358,215	-	-	-	-	-	-	-	-	-	228,358,215
LCs	131,291,045	-	-	-	-	-	-	-	-	-	131,291,045
Other obligations	161,112,090	-	-	-	-	-	-	-	-	-	161,112,090
Total	804,606,469	134,541,646	294,118,250	464,391,353	27,016,620	117,318,942	9,183,828	288,244,461	813,500,827	7,691,069	2,960,613,465

Credit exposure categorized by economic sector and stages according to IFRS 9 as at 31 December 2019.

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Financial	790,179,216	14,427,210	43	804,606,469
Industrial	96,689,456	35,623,361	2,228,829	134,541,646
Trading	234,244,535	53,448,353	6,425,362	294,118,250
Real estates	392,050,846	64,496,601	7,843,906	464,391,353
Agricultural	25,435,003	1,378,296	203,321	27,016,620
Services and public facilities	100,362,348	15,315,151	1,641,443	117,318,942
shares	8,653,485	-	530,343	9,183,828
Individual	281,404,537	6,193,682	646,242	288,244,461
Governmental and Public sector	813,500,827	-	-	813,500,827
Other	7,691,069	-	-	7,691,069
Total	2,750,211,322	190,882,654	19,519,489	2,960,613,465

The below table shows geographical distribution of credit risk exposure as at 31 December 2019:

	Inside Jordan	Middle east	Europe	Asia *	America	Total
	JD	JD	JD	JD	JD	JD
Balances with central banks	112,546,323	40,973,025	574,467	-	-	154,093,815
Balances at banks and financial institutions	107,900	25,040,783	84,162,266	665,878	25,810,508	135,787,335
Deposits at banks and financial institutions	4,993,123	-	3,527,803	-	-	8,520,926
Direct credit facilities	1,203,577,843	141,818,337	24,341,403	-	-	1,369,737,583
Financial assets at amortized cost	712,265,601	42,628,372	-	-	-	754,893,973
Other assets	15,681,105	984,764	152,614	-	-	16,818,483
Total current year	2,049,171,895	251,445,281	112,758,553	665,878	25,810,508	2,439,852,115
LGs	220,378,091	7,478,371	501,753	-	-	228,358,215
LCs	123,071,958	8,219,087	-	-	-	131,291,045
Other obligations	142,494,920	10,929,245	7,687,925	-	-	161,112,090
Total	2,535,116,864	278,071,984	120,948,231	665,878	25,810,508	2,960,613,465

\* Except the Middle East countries

Credit exposure categorized by geographical distribution and stages in accordance to IFRS 9as at 31 December 2019:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Inside Jordan	2,340,989,209	178,168,791	15,958,864	2,535,116,864
Middle east	266,397,206	8,116,465	3,558,313	278,071,984
Europe	116,348,521	4,597,398	2,312	120,948,231
Asia *	665,878	-	-	665,878
America	25,810,508	-	-	25,810,508
Total	2,750,211,322	190,882,654	19,519,489	2,960,613,465

\* Except the Middle East countries

#### (41) Capital Management

Through the management of its capital, the Bank seeks to achieve the below goals:

- Compliance with the Central Bank capital related requirements.
- To keep the ability of the Bank to continue as a going concern.
- Having a strong capital base for supporting the Bank's expansion and development.

Capital adequacy is reviewed monthly and reported quarterly to the Central Bank of Jordan.

According to the Central Bank Instructions, the minimum requirement for capital adequacy is 12%. Banks are classified into 5 categories, the best of which is having an average capital adequacy equal to or more than 14%.

The Bank restructures its capital and makes the necessary adjustments in terms of working conditions. No adjustments were made on the objectives, policies and procedures related to capital restructuring during the year

The Bank manages its capital in a way that ensures the continuation of its operating activities and achieving the highest possible return on equity, and capital is defined according to BASIL III as shown in the below table:

	2019	2018
	JD	JD
In Thousands		
Primary capital according to bank's management requirements		
Paid-up capital	200,655	192,937
Retained Earnings	34,139	34,816
Cumulative change in fair value	(7,388)	(3,226)
Statutory Reserve	60,964	57,344
Voluntary Reserve	15,762	15,762
Other Reserves	3,678	3,678
Total Ordinary Share Capital (CET 1)	307,810	301,311
Total regulatory Adjustments (deductions from capital)		
Goodwill and Intangible assets	(13,502)	(16,479)
Proposed dividends	-	(11,576)
Investment in Bank's capital and financial institutions and insurance companies	(3,575)	(3,525)
Investments where the bank owns more than 10%	(3,516)	(3,531)
Deferred tax assets	(9,541)	(9,630)
Net Ordinary Shareholders	277,676	256,570
Additional Capital		
Net primary Capital (Tier 1)	277,676	256,571
Secondary Capital (Tier 2)		
Provision required against credit facilities in stage 1	6,425	5,689
Total Stable loan	15,000	20,000
Net stable capital	21,425	25,689
Total regulatory capital	299,101	282,259
Total risk weighted assets	1,909,457	1,916,753
Capital percentage from regular shares (CET 1) (%)	%14.54	%13.39
Regulatory capital percentage (%)	%15.66	%14.73

\* During October 2017, the bank issued subordinated bonds in the amount of JD 25 million for a period of six year. The bonds were issued at the discounted interest rate to the Central Bank of Jordan in addition to 2% margin. In order to improve the capital adequacy percentage.

\* Ordinary shares capital was calculated net of investments more than 10% in banks and subsidiary financial institution.

## (42) Assets and liabilities Maturity Analysis

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

	Up to One Year	More than One Year	Total
	JD	JD	JD
<b>December 31, 2019</b>			
<b>Assets:</b>			
Cash and balances at central banks	201,689,788	10,635,000	212,324,788
Balances at banks and financial institutions	135,787,335	-	135,787,335
Deposits at banks and financial institutions	8,520,926	-	8,520,926
Direct credit facilities - net	413,947,828	955,789,755	1,369,737,583
Financial assets at fair value through other comprehensive income	-	25,014,042	25,014,042
Financial assets measured at amortized cost	651,178,531	103,715,442	754,893,973
Investments in associates and unconsolidated subsidiary companies	-	3,516,259	3,516,259
Properties, equipment and projects under construction - net	-	91,633,021	91,633,021
Intangible assets - net	-	13,502,104	13,502,104
Other assets	-	138,352,740	138,352,740
Deferred tax assets	-	9,540,754	9,540,754
<b>Total Assets</b>	<b>1,411,124,408</b>	<b>1,351,699,117</b>	<b>2,762,823,525</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	150,146,290	-	150,146,290
Customers' deposits	1,665,167,564	198,852,812	1,864,020,376
Cash margins	60,251,582	151,532,017	211,783,599
Borrowed funds	27,185,147	117,824,579	145,009,726
Subordinated bonds	-	25,000,000	25,000,000
Various provisions	-	3,551,062	3,551,062
Provision for income tax	10,097,921	-	10,097,921
Other liabilities	-	45,404,684	45,404,684
<b>Total Liabilities</b>	<b>1,912,848,504</b>	<b>542,165,154</b>	<b>2,455,013,658</b>
<b>Net</b>	<b>(501,724,096)</b>	<b>809,533,963</b>	<b>307,809,867</b>



	Up to One Year	More than One Year	Total
	JD	JD	JD
<b>December 31, 2018</b>			
<b>Assets:</b>			
Cash and balances at central banks	237,586,805	10,635,000	248,221,805
Balances at banks and financial institutions	173,568,186	-	173,568,186
Deposits at banks and financial institutions	19,414,579	-	19,414,579
Direct credit facilities - net	393,999,024	1,030,511,165	1,424,510,189
Financial assets at fair value through other comprehensive income	-	27,344,278	27,344,278
Financial assets measured at amortized cost	582,507,984	71,827,603	654,335,587
Investments in associates and unconsolidated subsidiary companies	-	3,531,147	3,531,147
Properties, equipment and projects under construction - net	-	81,224,526	81,224,526
Intangible assets - net	-	16,478,637	16,478,637
Other assets	46,474,114	78,754,659	125,228,773
Deferred tax assets	-	9,630,207	9,630,207
<b>Total Assets</b>	<b>1,453,550,692</b>	<b>1,329,937,222</b>	<b>2,783,487,914</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	98,159,977	-	98,159,977
Customers' deposits	1,649,656,473	262,113,648	1,911,770,121
Cash margins	79,687,846	177,728,309	257,416,155
Borrowed funds	39,248,950	103,222,859	142,471,809
Subordinated bonds	-	25,000,000	25,000,000
Various provisions	-	3,609,508	3,609,508
Provision for income tax	7,222,551	-	7,222,551
Other liabilities	-	36,525,459	36,525,459
<b>Total Liabilities</b>	<b>1,873,975,797</b>	<b>608,199,783</b>	<b>2,482,175,580</b>
<b>Net</b>	<b>(420,425,105)</b>	<b>721,737,439</b>	<b>301,312,334</b>

### (43) Accounts Managed on Behalf of Customers

The details of this item are as follows:

	December 31	
	2019	2018
	JD	JD
Accounts managed on behalf of customers*	9,481,913	12,585,665

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

### (44) Commitments and Contingent liabilities

The details of this item are as follows:

	31 December 2019	31 December 2018
	JD	JD
<b>Letter of credit:</b>		
Letter of credit-outgoing	60,127,006	61,226,604
Letter of credit-incoming	36,181,958	78,124,814
Acceptances	71,564,782	48,549,981
Letter of guarantees:		
-Payment	115,548,667	110,146,698
-Performance bonds	85,175,801	77,304,183
-Others	29,768,194	34,339,234
Unutilized direct credit facilities ceilings	161,950,853	150,414,035
	560,317,261	560,105,549

### (45) Litigation

- Lawsuits raised against the Bank amounted to JD 3,334,078 as at 31 December 2019 (31 December 2018: JD 2,541,116). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 442,354 is required as at 31 December 2019 (31 December 2018: JD 323,585).
- Lawsuits raised by the bank against others amounted around JD 204 million, those lawsuits are still pending at the specialized court and they have no financial impact on the Bank.

## (46) Fair Value Measurement

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

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

	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs of fair value
	31 December 2019	31 December 2018				
	JD	JD				
<b>Financial assets at fair value through Comprehensive income:</b>						
Quoted shares	8,945,265	10,649,493	Level 1	Quoted shares	Not applicable	Not applicable
Mutual fund	-	2,382,240	Level 2	The fund managers evaluation of the fair value	Not applicable	Not applicable
Unquoted shares	16,068,777	14,312,545	Level 2	Through using the equity method and latest financial information available	Not applicable	Not applicable
	25,014,042	27,344,278				
Total financial assets at fair value	25,014,042	27,344,278				

- There is no transfer between Level 1 and Level 2 during the year ended 31 December 2019 and the year ended 31 December 2018.

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

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

	31 December 2019		31 December 2018		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not calculated at fair value</b>					
Deposits at Central Banks	38,445,126	38,453,529	87,562,656	87,596,505	Level 2
Balances and deposits at banks and financial institutions	144,308,261	144,449,083	192,982,765	193,162,071	Level 2
Direct credit facilities at amortized cost	1,369,737,583	1,375,105,003	1,424,510,189	1,430,072,257	Level 2
Financial assets at amortized cost	754,893,973	765,907,664	654,335,587	662,662,486	Level 2
Seized assets against debts	89,610,670	104,223,556	84,107,268	98,812,408	Level 1+2
Total financial assets not calculated at fair value	2,396,995,613	2,428,138,835	2,443,498,465	2,472,305,727	
<b>Financial liabilities not calculated at fair value</b>					
Banks and financial institutions' deposits	150,146,290	150,803,420	98,159,977	98,338,562	Level 2
Customers' deposits	1,864,020,376	1,872,251,977	1,911,770,121	1,919,860,264	Level 2
Cash margin	211,783,599	211,819,587	257,416,155	257,448,791	Level 2
Borrowed funds	145,009,726	145,453,433	142,471,809	143,222,188	Level 2
Total financial Liabilities not calculated at fair value	2,370,959,991	2,380,328,417	2,409,818,062	2,418,869,805	

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

## (47) New International Financial Reporting Standards and its explanations and issued amendments and not implemented yet

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

### IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Bank does not expect to be affected by this standard.

### Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

### Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

### Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project. The bank has not early adopted the amendments and has concluded that the uncertainty arising from IBOR reform is not affecting its hedge relationships to the extent that the hedge relationships need to be discontinued.

## (48) Comparative figures

Some of the comparative figures in the consolidated financial statements for the year 2018 have been reclassified to be consistent with the year 2019 presentation, with no effect on profit and equity for the year.

## ATTESTATION STATEMENT ON GOING CONCERN


The Board of Directors confirms, in accordance to their knowledge and belief that there are no significant issues that may affect the continued operations of the Bank during the financial year 2020.



**Saad Nabil Mouasher**  
Chairman Of Board



**H.E. Dr. Umayya Salah Toukan**  
Deputy Of Chairman



**Nadim Yousef Muasher**  
Board Member



**H.E. Wasef Azar**  
Representing Jordan Investor  
Center / Board Member



**Imad Mouasher**  
Representing Mouasher  
Investment & Trading Co / Board  
Member



**Rafik Muasher**  
Representing Rajai Muasher &  
Brothers Co / Board Member



**Mahmoud Malhas**  
Board Member



**Eyad Abdelsalam Rashad**  
Representing Social Security  
Corporation / Board Member



**Ibtissam El-Ayoubi**  
Board Member



**Alan Wana**  
Representing Byblos Bank /  
Board Member



**Aladdin Sami**  
Representing Zi And Ime Ltd /  
Board Member



**Tarek Ziad Jallad**  
Board Member



**Izzat Dajani**  
Board Member

## ATTESTATION STATEMENT CONFIRMING THAT NON OF THE BOARD OF DIRECTORS MEMBERS OR THOSE RELATED TO THEM RECEIVED ANY BENEFITS, WHETHER MATERIAL OR IN-KIND

The Board Of Director's confirms that none of its members or those related to them received any benefits that were not disclosed, whether material or in kind, s for the fiscal year 2019.



**Saad Nabil Mouasher**  
Chairman Of Board



**H.E. Dr. Umayya Salah Toukan**  
Deputy Of Chairman



**Nadim Yousef Muasher**  
Board Member



**H.E. Wasef Azar**  
Representing Jordan Investor  
Center / Board Member



**Imad Mouasher**  
Representing Mouasher  
Investment & Trading Co / Board  
Member



**Rafik Muasher**  
Representing Rajai Muasher &  
Brothers Co / Board Member



**Mahmoud Malhas**  
Board Member



**Eyad Abdelsalam Rashad**  
Representing Social Security  
Corporation / Board Member



**Ibtissam El-Ayoubi**  
Board Member



**Alan Wana**  
Representing Byblos Bank /  
Board Member



**Aladdin Sami**  
Representing Zi And Ime Ltd /  
Board Member



**Tarek Ziad Jallad**  
Board Member



**Izzat Dajani**  
Board Member



## ATTESTATION ON THE FINANCIAL STATEMENTS AND THE INTERNAL CONTROL SYSTEM


The Board of Directors confirms its responsibility for the preparation of the financial statements and for implementing an effective internal control system in line with international standards..



**Saad Nabil Mouasher**  
Chairman Of Board



**H.E. Dr. Umayya Salah Toukan**  
Deputy Of Chairman



**Nadim Yousef Muasher**  
Board Member



**H.E Wasef Azar**  
Representing Jordan Investor  
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Member



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Board Member



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Board Member



**Aladdin Sami**  
Representing Zi And Ime Ltd /  
Board Member



**Tarek Ziad Jallad**  
Board Member



**Izzat Dajani**  
Board Member

## ATTESTATION STATEMENT ON COMPLETENESS OF FINANCIAL INFORMATION

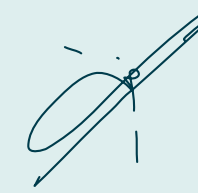
We, the undersigned, hereby attest to the accuracy and completeness of the financial statements and the financial information of this report as of 2019.



**Saad Nabil Mouasher**  
Chairman Of Board



**Moh'd Mousa Dawood**  
CEO / General Manager



**Dirar Haddadin**  
Chief Financial Officer



A close-up photograph of an olive branch with several dark olives. The leaves are green and elongated. The background is blurred, showing more of the tree and some blue sky. The text 'Corporate Governance' is overlaid in the top left corner in a white, sans-serif font. There are decorative white dotted lines in the top left and bottom right corners.

# Corporate Governance



## Corporate Governance Guidelines

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

### Introduction

Corporate governance has become one of the most important requirements for companies and establishments in world economies. It is considered an important factor that reinforces the success of economic and organizational reforms currently undertaken in the context of globalization and open economies. It is considered tool for administrative and managerial reform. It emphasizes principles of fairness, transparency, and disclosure, accountability and control. In addition it clearly specifies responsibilities and defines relationships between all stakeholders in order to achieve the Bank's vision and objectives. Accordingly, corporate governance is used as a platform for the development of institutional performance. On one hand, it reinforces overall trust in the Bank as it safeguards depositors' and shareholders' savings. On the other hand, it enables the Bank to effectively contribute to the development of the banking sector; which is considered one of the main pillars for sustainable economic and social development.

The Organization of Economic Cooperation and Development ("OECD") defines corporate governance as a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set. Additionally, it determines the means of monitoring performance and attaining those objectives. Good corporate governance should provide proper incentives for the Board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, all of which encourages firms to use resources more efficiently. Therefore, effective corporate governance is considered the basis for institutional success. It provides appropriate tools and practices for the Board of Directors and the Senior to achieve corporate strategic objectives and creates an environment of effective control. Therefore, it is an essential element required to win the trust of all stakeholders. Jordan Ahli Bank's Board of Directors decided to adopt the Corporate Governance Guide (hereinafter referred to as "the Guide"). The Guide was prepared according to the corporate governance guidelines issued by the Central Bank of Jordan, the Banking Law and its amendments and international best practices as detailed in the Basel Committee recommendations on corporate governance. The

Guide also implements the requirements of the regulatory authorities in other countries that host the Bank's branches. Moreover, the Board committed to implement the Guide in accordance with Jordanian banking sector norms and the legislative and legal framework governing the Bank.

With the Guide in place, the Bank aims to offer all stakeholders with the highest levels of fairness and transparency, with accurate disclosure with regards to the Bank's administrative and financial standing. Through the implementation of clear separation of responsibilities and authority delegation the Guide also emphasizes the principles of accountability between the Senior and the Board of Directors, as well as between the Board of Directors on one hand and shareholders and stakeholders on the other.

#### Legal Framework and Guide Sources

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

- Banking Law no. 28 of 2000 and its amendments.
- Companies Law no. 22 of 1997 and its amendments.
- Securities Law no. 18 for the year 2017.
- Regulations Amending the Institutional Corporate Governance Guidelines for Banks. (63/2016) issued by the Central Bank of Jordan.
- Basel Committee regulations on the topic.
- Corporate Governance Regulations for Publicly listed entities for the year 2017.

### Definitions

Central Bank	Central Bank of Jordan.
The Bank	Jordan Ahli Bank.
The Board	Board of Directors of the Jordan Ahli Bank.
Corporate Governance	The system of rules by which the Bank is directed and controlled and which identifies the Bank's corporate objectives and the framework for attaining them, the safe operation of the Bank's business, securing the interests of depositors, shareholders and other stakeholders, and compliance with the Bank's bylaws and internal policies.
Suitability	The fulfillment of certain requirements and criteria by the members of the Board and senior executives.
Independent Member	A Board member who is a non main shareholder who is not controlled by any of them and not subject to any influences that might limit his/her ability to make objective decisions in the Bank's interests. An independent member must fulfil the conditions mentioned in Article 6/D of the Corporate Governance instructions issued by the Central Bank of Jordan.
Executive Member	Member of the Board, who in turn participates in the daily management of the operations of the Bank.
Senior Executive Management	The Senior Executive Management comprises the General Manager, Deputy General Manager, Assistant General Manager, Financial Manager, Operations Manager, Risk Manager, Internal Audit Manager, Treasury (Investment) Manager and Compliance Manager, in addition to any employee who has executive authority parallel to any authority of the above-mentioned and is directly functionally associated with the General Manager.
Subsidiary	A company where at least 50% of its share capital is owned by one person or by multiple persons with joint interests, or where such person (or persons) have an influential stake that allows for control of its management of general policy.
Affiliates	Are companies in which the Bank practices effective influence on the financial and operational policies (without the Bank controlling it) and where the Bank holds between 20% to 50% of voting rights.
Related Party	A person is considered related to the Bank if either of them has directly or indirectly a Controlling Interest in the other, (the Bank's Subsidiaries are considered Related Parties), or if that person has a managerial position at the Bank or has joint interest with one of the managers, or if the person was a spouse of one of the managers, or is related up to the third degree to the manager or his/her spouse or has a joint interest with any of the above-mentioned.
Affiliate	A person controlling, controlled by, or under common control with another person.

## Chapter 1: Corporate Governance Stakeholders

Concerned Party	Two or more people who form one banking risk due to the control of one person on the other, due to a mutual exchange of guarantees, due to the fact that the payment of their loans comes from the same source, due to taking loans for the same project, or due to other similar cases. The parties concerned are considered as one person.
Control	The ability to effectively influence the work or decisions of another person directly or indirectly.
Controlling Interest	The control of not less than 10% in the share capital of a legal person.
Major Shareholder	The person who directly or indirectly holds 5% or more in share capital of the bank.
Stakeholders	Any party that has interest or concern in the Bank, such as depositors, shareholders, employees, debtors, customers or competent regulatory authorities.
Conflict of Interest	Any relationship that exists between any of the Board Members or the Bank's employees or the clients or suppliers or competitors that limits their ability to fully perform their duties and responsibilities objectively and the end result of his relationship is to achieve personal benefit, either morally or financial, on the account of the Bank.
External Auditor	All the auditors (natural persons) grouped under the name of an auditing firm, which audits the Bank's accounts, and are registered in the list issued by the Central Bank annually.
Auditing Team	All team members who conduct the audit under the supervision of the External Auditor and does not included members of the additional services team for services which fall outside the auditing services.
Internal Capital Adequacy Assessment Process (ICAAP)	A future operation to evaluate the capital adequacy for all the risk elements the Bank might face whether expected or unexpected. The risk elements include the first risk pillar (credit, market, operational), the second risk pillar (liquidity, interest in the Bank's portfolio, credit concentrations, strategies, reputation and business cycle) and the specific risk elements (Corporate Governance, Board of Directors, Senior, risk, internal audit and internal controls).
Stress Tests	A group of hypothetical scenarios that cover all types of risks (credit, market, operational, concentrations, liquidity) designed to evaluate the Bank's ability to continue under normal conditions and stressful situations by assessing the extent of unexpected losses and its impact on the profit and loss, the Bank's financial status and strategic and contingency plans.
Acceptable Risk Document	It is the document that specifies the acceptable levels of risks the Bank might face.
Compliance Risks	Risks of legal or regulatory penalties, financial risks, or risks to the Bank's reputation that result from non-compliance with laws, regulations, instructions, orders, codes of conduct, standards, and proper banking practices.

### 1. Shareholders:

With the aim of enhancing institutional corporate governance the Board has adopted considerable measures to protect shareholders' rights and to ensure their equitable treatment according to the following criteria:

- The Bank shall disclose and provide material information on its activities to all Stakeholders through its website, annual report as well as its investor relations section.
- The Bank shall encourage shareholders to participate in the Annual General Assembly by clarifying their rights, and publishing documents concerning the meetings, including the full text of invitations and the minutes of meetings on the Bank's website.
- Separate voting shall be taken into consideration on every issue raised during the General Assembly's annual meeting.
- The Board shall limit the influence of shareholders with Controlling Interests.
- The Board shall put in place adequate procedures to ensure a clear separation between the authorities of shareholders with Controlling Interests on one side and the Senior on the other side, whereby none of the shareholders with Controlling Interests will hold a position in the bank's Senior Executive Management.
- The Bank shall separate between the Chairman of the Board and the General Manager position, while ensuring that there is no family relationship between the Chairman, any of the Board Members or a Major Shareholders with the General Manager below third degree.
- The Bank shall develop a system to evaluate the performance of the Board and its members, whereby it facilitates continuous communications between the Board and shareholders.

### 2. Board Members:

Board members are any member of the Jordan Ahli Bank's Board of Directors, whether in their personal capacity or as representatives of corporate bodies. They have the responsibility for managing the Bank on behalf of the shareholders. Their responsibilities and tasks shall be subject to the relevant rules, regulations and internal policies governing the Bank.

### 3. Bank Employees:

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

### 4. Customers and external parties:

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



## Chapter 2: Board of Directors

### 1. Composition of the Board:

The composition of the Board shall comply with the following:

- The Board shall comprise of no less than eleven members elected by the Bank's General Assembly.
- The Bank shall ensure that none of the Board members is an Executive Member.
- The Board shall have a minimum of four Independent Members.
- An Independent Member is a Board member who is not subject to any influence that might limit his/her ability to make objective decisions in the Bank's interests. An independent member must fulfil the conditions listed under Article (6/D) of the Corporate Governance instructions issued by the Central Bank of Jordan, namely:

Has not been an Executive Member of the Board during the three years preceding the date of his/her candidacy for membership of the Board of Directors.

- Has not been employed by the Bank or any of its subsidiaries in the three years prior to his/her election.

- Is not a relative (up to the second degree) of any of the other members of the Board or any board member of the Subsidiaries of the Bank or a relative of any of the Bank's Major Shareholders.

- Is not a relative of any of the Senior Executive Management members of the Bank or any of the Senior Executive Management members of the Subsidiaries of the Bank up to the second degree.

- Is not a partner or employee of the external Auditor of the Bank, or has been a partner or employee during the past three years preceding the date of his/her election as member of the Board and is not a relative (up to the first degree) with the partner responsible for the audit.

- Is not a Major Shareholder in the Bank or a representative or Affiliate of a Major Shareholder in the Bank, nor should his/her shareholding constitute, along with his/her Affiliate, a Major Shareholding, and is not a Major Shareholder of one of the Bank's Subsidiaries or in the group owning the Bank.

- Has not been a member of the Board of Directors of the Bank or any of its subsidiaries for more than eight consecutive years.

- Has not obtained, personally or through any other company in which he is a board member or owner or a major shareholder, credit facilities from the Bank exceeding 5% of the Bank's share capital, nor is a guarantor of a facility which amount exceeds the percentage.

- Has adequate knowledge and experience in the financial and banking sectors.

- The Board is elected by secret ballot of the General Assembly according to the provisions of the Companies Law. It shall perform the tasks and responsibilities of managing the Bank's affairs for four years starting from the date of its election.

- An Independent Member shall lose his/her independent status after eight years of being appointed as an independent member.

- The Bank shall develop a system to evaluate the performance of the Board and its members, whereby it facilitates continuous communications between the Board and shareholders and neither the Chairman nor any of the Board members, or Major Shareholders may be related, up to the third degree, to the General Manager.

### 2. Meetings of the Board of Directors:

- Members of the Board shall attend Board meetings in person. In the event a member is unable to attend in person, a member may provide his opinion in the meeting through video or telephone conference; after receiving approval from the Chairman to do so, provided that the Chairman and the Board Secretary ratifies the minutes of meeting and its quorum.

- Minutes of Board meetings are noted accurately and fully including any reservations from any member. The Bank must keep all of these records appropriately.

- The Senior Executive Management shall provide sufficient and accurate information and related documents to Board members regarding the items on the meeting agenda, and must do so promptly and prior to the meeting. The Chairman shall confirm that the process is complete.

- It is possible for members of the Boards sub-committees to vote on committee meetings which have been fully attended by video or telephone conference, due to inability to attend in person for reasons approved by the Board, and

to also sign minutes of those meetings provided that the following conditions are met: 1) That is properly documented, 2) the total number of those attending in persons is not less than 2/3 of the members of the committee and 3) that the in-person attendance rate of the member to committee meetings is not less than 50%.

### 3. Responsibilities and Duties of the Board of Directors:

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

- Specify the strategic objectives of the Bank, instruct the Executive Management to set a strategy for achieving these objectives and approve the strategy and relevant work plans.

- Set the Bank's institutional values, and clear plans for responsibility and accountability regarding the Bank's activities; and incorporate a culture of compliance with ethical standards, integrity and professional conduct among managers, while also reflecting these standards in the Bank's code of conduct.

- Adopt strategies, policies, and organizational structures for the Bank and its Affiliates clarifying reporting lines, including those of the Board committees and Senior. Comply with instructions issued by central banks or the regulatory authorities in the countries where the Affiliates operate, and inform these authorities of the relationships and links between the Bank and its Affiliates, and of the adequacy of corporate governance within the group. Adopt a guide for corporate governance at the level of the group in line with instructions issued in his regard in the country of the mother company (Jordan) and in the countries where the Affiliates operate. In the event of any conflict arising between the two, the bank shall refer to the Central Bank to resolve the issue.

- Adopt the appropriate policies and procedures necessary to monitor and control the Bank's performance.

- Oversee and monitor the Senior and its performance, ensure the financial soundness and solvency of the Bank; ensure the availability of appropriate policies, plans and procedures that comprehensively cover the Bank's activities in line with relevant legislation; and ensure their circulation to all administrative levels and maintain continuous review.

- Adopt a policy to monitor and review the Senior by setting KPIs to determine, measure, and monitor performance and progress toward key objectives.

- Bear the ultimate responsibility for the bank's Business including its financial standing, and its compliance with the requirements of the Central Bank and other regulatory authorities.

Ultimately, the Board shall also be responsible for safeguarding the interests of the stakeholders, ensuring that the Bank is being operated in accordance with its bylaws and internal policies. His supervision and control of the activities of the Bank, including those that are outsourced, should be continually and effectively maintained.

- Adopt adequate procedures to ensure clear separation of powers between Controlling Shareholders and the Senior in order to reinforce sound corporate governance. The Board shall also maintain proper mechanisms to limit the influence of Controlling Shareholders, which shall include but are not limited to:

- No Controlling Shareholder may hold any position in the Senior Executive Management.

- The Senior Executive Management's authority comes from the Board alone and it can only work within the framework of the assignment given to it by the Board.

- Allow direct communication between the members of the Board of Directors and its committees with the Senior Executive Management and the Secretary of the Board and facilitate the performance of their duties including seeking the assistance, at the expense of the Bank and upon its approval, of third parties.

- Ensure that the acts of the members of the Board do not influence the decisions of the Senior Executive Management apart from through deliberations held during the meetings of the Board or its committees.

- Be informed of and stay up to date with legislation and principles related to the banking sector and the Bank's operational environment, stay abreast of external developments related to the bank's work, including appointment requirements for the Bank's Senior Executive Management.

- Approve and annually review the internal control systems of the Bank and ensure that the internal and external auditors review those systems once a year at least.

- Take the necessary measures to remedy weaknesses in the internal control systems or any other issues raised by the external auditor.

- Ensure the availability of sufficient and reliable MIS systems that cover all of the Bank's activities.

- Determine the banking operations which require the approval of the Board of Directors, subject always to limiting the scope of operations requiring the Board's approval in order not to prejudice the supervisory role of the Board, and subject also to not granting the Board any executive authorities including not delegating any authorities relating to the granting of credit to a single Board member including the Chairman.

- Ensure that the Bank's credit policy, in addition to being comprehensive, includes a corporate

governance evaluation system for its corporate clients. Particularly, the public shareholding companies whereby the risk is evaluated by assessing points of weakness and strength according to their implementation of sound corporate governance practices.

- Ensure that the Bank adopts social initiatives in the field of environment, health and education; and provide funding for SMEs with suitable terms and prices.
- Appoint the Secretary of the Board, and define his/her responsibilities and duties.
- Appoint the General Manager, the Audit Director, the Risk Director, and the Compliance Director; and accept their resignation or termination of services based on recommendations from the concerned committee. Obtain a no objection certificate from the Central Bank for the resignation or termination of services.
- Guarantee and reinforce the independence of internal auditors, and grant them an appropriate position in the Bank's organizational structure. Provide these internal auditors with support, and guarantee that they are empowered to perform their duties, including ensuring their right to access all records, information and communications regarding any Bank employee, so they can perform their duties and draft their reports without any external intervention.
- Adopt and circulate the Internal Audit Charter, which shall include the duties, authorities and responsibilities of the Audit Department.
- Guarantee the independence of external auditors at the beginning of their work and throughout.
- Guarantee the independence of the Risk Department at the Bank by having the department send its reports to the Risk and Compliance Committee. Grant the department all needed authorities and powers to facilitate its acquisition of all information from the Bank's various departments and ensuring cooperation by other committees to carry on its tasks.
- Adopt and monitor the execution of a risk management strategy, which includes acceptable risk levels, guarantees that the Bank is not exposed to high risks, and oversight of the Bank's operational environment and relevant risk. Guarantee the availability of the necessary tools and infrastructure for risk management to enable the Bank to determine, measure, control, avoid, and monitor all types of risks the bank may be exposed to.
- Guarantee that the Risk Department regularly conducts stress tests to measure the Bank's ability to tolerate shocks and face high risks. The Board plays a key role in adopting the assumptions and scenarios used, discussing the tests' results, and approving the measures to be taken based on these results.
- Adopt an internal evaluation methodology to assess the adequacy of the Bank's capital. His method must be comprehensive, effective and capable of identifying all the risks the Bank may face. It must take into consideration the Bank's strategic plan and capital plan. The method shall be regularly reviewed and compliance thereto monitored, and the Bank's capital must be maintained at a suitable level to face all possible risks.
- Before approving the expansion of any of the Bank's activities, take into consideration the risks involved, and the abilities and qualifications of the Risk Department's employees.
- Adopt a policy to guarantee the Bank's compliance with all relevant legislation, regularly review it, and ensure its implementation.
- Adopt the duties and responsibilities of the Compliance Department.
- Guarantee the independence of the Compliance Department, and continuously ensure that it is staffed with sufficient and trained personnel.

#### The Board's Orientation Program:

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

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

#### 4. Chairman of the Board:

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

- Encourage a positive and constructive relationship between the Board of Directors and the Senior Executive Management.
- Promote critical discussions of issues deliberated by the Board, ensure different views are expressed and discussed during the decision-making process, and that votes are cast.
- Ensure that Board members are provided with and sign the minutes of previous meetings, and

ensure the timely provision of Board meeting agendas and relevant documents, provided that the said agendas contain sufficient detail about the items that will be discussed. The Secretary of the Board shall be responsible for providing the Board members with the documents.

- Ensure the availability of a charter that sets out the Board of Directors' mandate and scope of work.
- Encourage thorough discussions of strategic and critical issues during Board meetings.
- Provide each Board member, upon his/her election, with the laws and regulations that govern the Banks' activities as well as the instructions of the Central Bank of Jordan, including his Guide and a manual outlining rights, responsibilities and duties of the member and the responsibilities and duties of the Secretary of the Board.
- Provide each member with a comprehensive summary of the Bank's activities upon his/her election or request.
- Discuss, with each new member and in cooperation with the Bank's legal counsel, the duties and responsibilities of the Board, in particular: issues pertaining to legal and regulatory requirements, the term of Board membership, the dates of meetings, responsibilities and duties of Board committees, remuneration amounts, and the possibility of obtaining independent technical and specialized advice when necessary.
- Accommodate the Board members' needs for continuous improvement and learning, and give new Board members the opportunity to participate in the Orientation Program, taking into consideration his/her banking background. The program covers the Bank's organizational structure, corporate governance and code of conduct, corporate objectives and the Bank's strategic plan and approved policies, in addition to the financial position of the Bank as well as the Bank's risk structure and risk management framework.
- Inform the Central Bank of Jordan of any material information that might negatively affect the suitability of any of its Board members.

#### 5. Regulating the Board's Operations:

- The Board shall meet at least 6 times per year.
- The Chairman is entitled to call for a meeting in the case of any developments.
- The Secretary of the Board shall provide all Board members with the meeting agenda, at least a week prior to date of the meeting, ensuring that the agenda includes all relevant information on the topics to be discussed during the meeting and provides an update on the progress on the decisions taken in previous meetings.

Board members must attend the meetings in person. In the event a member is unable to attend in person, a member may provide his opinion in the meeting through video or telephone conference; after receiving approval from the Chairman to do so, provided that the Chairman and the Board Secretary ratifies the minutes of meeting and its quorum.

- The Secretary of the Board shall fully and accurately monitor the deliberations and proceedings of the meetings of the Board and its committees along with any reservation that may be voiced by any member. The Secretary shall also note down all deliberations, suggestions, objections, and results of voting on Board resolutions.
- Such records, minutes and decisions shall be duly and properly kept by the Secretary of the Board.
- The Chairman shall ensure that the Senior Executive Management provides all Board members with adequate and accurate information prior to Board meetings.
- If a member is unable to attend, the votes of present members shall be counted.
- The Chairman must attend the meetings and is entitled to delegate to any other Board member the responsibility the meeting in case he was unable to attend.

#### 6. Limits of the Board's Responsibilities and Accountability:

- The Board shall have clear limitations on for responsibility and accountability, to which it commits to and ensures all the Bank's executive team commit to as well.
- The Board shall ensure that the organizational structure clearly demarcates responsibilities and authorities, and at least includes the following regulatory levels:
  - The Board and its committees.
  - Separate administrations for risk, compliance, and auditing that don't practice daily executive tasks.
  - Units/employees that don't participate in the Bank's daily operations (such as credit review and middle office employees).
- The Board shall ensure that the Senior Executive Management fulfils its responsibilities regarding the Bank's daily operations, contributes to implementing corporate governance, assigns powers to employees, builds an effective administrative structure that reinforces accountability, and executes tasks across the Bank's various fields of activity in line with the policies and procedures adopted by the Board.



- The Board shall adopt appropriate regulatory controls that enable it to hold the Senior Executive Management accountable.
- The positions of Chairman of the Board and General Manager should not overlap. The Chairman of the Board, Board members, or Major Shareholders cannot be related to the General Manager below the third degree.

## 7. Secretary of the Board:

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

- Attending all meetings of the Board and recording all deliberations, suggestions, objections, and results of voting on Board resolutions.
- Ensure that all Board members sign the minutes of the meetings and Board resolutions.
- Monitor the implementation of Board resolutions, and follow-up on topics postponed from previous meetings.
- Keep records and documents of Board meetings.

Take all necessary measures and ensure that the draft resolutions intended to be issued by the Board are consistent with the applicable rules and regulations.

- Prepare for General Assembly meetings and coordinate with the Board's committees in this regard.
- Submit suitability attestations signed by each of the Board members to the Central Bank.
- Providing direct contact for Board Members and its committees with the executive management and the secretary of the board and facilitating the tasks entrusted to them, including the use of external sources when necessary at the expense of the bank subject to the Board approval, with an emphasis on the fact that none of the board members influence the decisions of the executive management except through the deliberations that take place in the meetings of the Board or its committees.

## 8. General Manager/CEO:

In addition to the duties mentioned under applicable legislation, the General Manager shall:

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

## Chapter 3: Committees Emanating from the Board

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

- The Board committees must have an odd number of members for voting purposes.
- Each committee emanating from the Board of Directors must have no less than three members appointed by the Board based on a recommendation from the Nominations and Remuneration Committee, including the committee's chairman, unless otherwise mentioned in the committee's charter.
- A charter is drafted for each committee and approved by the Board. It specifies each committee's duties, responsibilities and powers and indicates the nature of the committee (permanent or temporary).
- Every member must show credibility, integrity, competence, necessary experience, dedication, commitment and devotion for the Bank.
- Every member should have the knowledge, experience and qualifications that will assist him/her in taking suitable decisions independently and objectively.
- The committees emanating from the Board meet on a regular basis according to the charter approved by the Board.
- The Bank shall disclose the names of the different committee members as well as the duties and responsibilities of each in the Bank's annual report.
- The committees periodically submit their reports, recommendations and results to the Board.
- No Board member may head more than one of the following committees: Corporate Governance Committee, Audit Committee, Nominations and Remuneration Committee, Risk and Compliance Committee. No Board member may head more than two committees emanating from the Board. The committee are:
  - Corporate Governance Committee.
  - Audit Committee.
  - Nominations and Remuneration Committee.
  - Risk and Compliance Committee.
  - Senior Facilities Committee.
  - Strategy and IT Committee.

### 1. Corporate Governance Committee:

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

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

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

### 2. Audit Committee:

The Audit Committee is comprised from at least two Board members and a Chairperson with the majority of members, provided that the chairperson and at least one other member are independent members and that the committee chair is not the Chairman of the board or the Chairman of any other Committee emanating from the board.

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities. The Audit Committee meets periodically every three months as a minimum and submits its reports to the Board of Directors provided that the number of its meetings is not less than four times a year, and that the minutes of these meetings are duly written.

- The Audit Committee's members should have professional financial or accounting qualifications and practical experience in the fields of accounting, finance or any other specializations in similar areas that are relevant to the Bank's business.
- Provided that such authority is granted to the Audit Committee in its charter, the committee may obtain any information from the Senior Executive Management, and summon any executive or director to attend its meetings.
- The committee shall submit recommendations to the Board regarding the external Auditor's appointment/termination of appointment, remuneration, and other terms of engagement; taking into account any non-audit services that he have performed, in addition to assessing the independence of the external Auditor.
- The Audit Committee shall meet, at least once a year, with the presence of the bank's external auditor, internal auditor and compliance officer, without the presence of the Senior Executive Management.
- The Committee must monitor and reviews the procedures that enable an employee to report any error in financial reports or any other matters confidentially. The committee must ensure also the availability of the necessary independent investigative arrangement and that findings are addressed in an objective manner.
- The activities of any other committee may not overlap with those of the Audit Committee.
- The Committee exercises its role in accordance with the Bank Laws the Corporate Governance Guide and other relevant laws and regulations to include the following at least:
  - The scope, results and adequacy of the Bank's internal and external audits.
  - Accounting issues that have a material impact on the Bank's financial statements.
  - The Bank's internal controls.
- Ensure the availability of sufficient resources and qualified cadres for managing and training the Internal Audit Department.
- Rotate internal Auditors to audit all the Bank's activities every three years at a minimum.
- Ensure that internal Auditors do not perform any executive duties.
- Make sure that all the Bank's activities are subject to audit, including outsourced activities.
- The committee has direct supervision over the Internal Audit Department, which reports directly to the Head of the Audit Committee.
- Evaluate the performance of the Internal Audit Department manager and employees and determine their remuneration.
- Ensure that the Internal Audit Department is capable of carrying out the following tasks at least:
  - Ensure the availability of adequate internal controls at the Bank and its Subsidiaries and that such controls are being adhered to.

- Ensure compliance with the Bank's internal policies and to relevant laws and regulations.
- Ensure adherence to the Corporate Governance Guide.
- The Committee performs under the supervision of the Board of Directors and submits its reports, recommendations and findings to the Board of Directors.

### 3. Nominations and Remuneration Committee:

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

- To operate according to a charter adopted by the Board of Directors that sets its tasks, authority, and responsibilities.
- Recommend qualified candidates for the membership of the Board of Directors, taking into consideration the candidates' qualifications and skills. In case of re-nomination, the regular attendance of such candidate of Board meetings and active participation in the meetings shall be taken into consideration.
- Recommend to the Board qualified candidates for appointment to Senior Executive Management jobs.
- Ensure that Board Members attend workshops or seminars related to banking topics with particular emphasis on risk management, corporate governance and other topics covering the latest developments in the banking industry.
- Define and annually review the criteria applicable to Independent Members, taking into account the definition of an Independent Member under Article (6/D) of the Corporate Governance instructions issued by the Central Bank of Jordan no. (63/2016), which is referred to throughout this Guide.
- Follow specific standards to evaluate the performance of the Board and the Chief Executive Officer objectively.
- Provide, upon request, background information and summaries to the members of the Board regarding certain significant matters relating to the Bank, and ensure that members remain informed with regards to material developments in the banking industry.
- Ensure that a Performance Incentives Policy is in place and that the policy is being implemented and periodically reviewed. The Committee shall also recommend the compensation and benefit plan for the Chief Executive Officer and other senior executive managers.
- Ensure that every Board and Senior Executive Management member possesses credibility, integrity, competency, necessary experience, commitment and devotion for the Bank.
- Put in place a framework to evaluate the performance of the Board as a whole and each of

its committees and members and to inform the Central Bank of the results of this evaluations.

- Put in place a framework to annually evaluate the performance of the General Manager and putting in place KPIs that address administrative and financial metrics, as well as an evaluation of the achievement to medium and long-term goals and strategies.
- Provide a summary of the Bank rewards plan and to disclose all rewards, of any kind, granted to each Member of the Board and to the Senior Executive Management during the past year.
- Put in place an evaluation framework for Senior Executive Management, other than Board Members and the General Manager, that gives proper weighting to commitment to the risk related matters, the implementation of internal control, and regulatory requirements so that profit and loss is not the only element that is considered for measuring performance with consideration of the risk surrounding the core functions of the Bank as well as customer satisfaction and also taking into account conflicts of interest and undue influence.
- Putting in place a policy to ensure the adequacy of members of the Board which would include the minimum level of requirements and conditions that need to be met for a person to be considered for membership in the Board and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Putting in place a policy to ensure the adequacy of members of the Senior Executive Management which would include the minimum level of requirements and conditions that need to be met for a person to be considered for a role in the Senior Executive Management and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Ensuring there is a contingency plan in place for Senior Executive Management.

### 4. Risk and Compliance Committee:

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

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- Review the Bank's risk management framework.
- Review the Bank's risk management strategy prior to being approved by the Board and to evaluate its effectiveness and to continuously monitor it is up-to-date with latest developments.
- Ensure automated systems are in place that assist in the monitoring and measuring of risk.
- Overseeing the development of the necessary data base for the risk management group.

- Ongoing monitoring of risk factors that might affect the risk profile of the bank and submitting regular reports to the Board.
- Identify any variance between the actual risk exposure of the Bank and acceptable risk levels approved by the Board and to address any additional exposure beyond acceptable levels and to hold the Senior Executive Team accountable for such discrepancies.
- Approving the expansion of Bank activities taking into account associated risk and the capabilities and capacity of the Bank risk management team.
- Ensure that the risk department is conducting Stress Tests on a regular basis to measure the capability of the Bank to withstand shocks and high-risk situations.
- Review reports generated by the risk department and adopting recommendations and putting in place remedial measures to limit exposure due to any breaches which may expose the bank to legal liability, material financial loss or loss of reputation taking into account unpredictable or exceptional risk not addressed the in the risk policy.
- Creating a suitable environment that predicts material risk and flags any activities of the Bank which may expose the Bank to levels of unacceptable risk and raising the necessary reports to the Board and to follow up on and remedy such matters.
- To make recommendations to the Board to adopt a risk policy that is consistent with the strategic direction of the Bank.
- Ensure that members of the Board and Senior Executive Management enjoy the highest levels of credibility, integrity, qualification, experience, ability and time commitment and dedication necessary for the Bank.
- Preparing evaluation forms for the Board, its subcommittees and members and informing the Central Bank of the results of this evaluation.
- Preparing an annual evaluation system for the General Manager and putting in place KPI that evaluate the financial and administrative performance of the Bank and the degree of implementation of the Bank's medium and long-term strategies and plans and information the Central Bank of the results of this evaluation.
- Preparing a summary of the bonus and rewards policy at the Bank and disclosing all types of rewards granted to each member of the Board and to members of the Senior Executive Management for the past year.
- Put in place an evaluation framework for executives at the Bank, other than Board Members and the General Manager, that gives proper weighting to commitment to the risk related matters, the implementation of internal control, and regulatory requirements so that profit and loss is not the only element that is considered for measuring performance with consideration of the risk surrounding the core functions of the Bank as well as customer satisfaction and also taking into account conflicts of interest and undue influence.



- Putting in place a policy to ensure the adequacy of members of the Board which would include the minimum level of requirements and conditions that need to be met for a person to be considered for membership in the Board and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Putting in place a policy to ensure the adequacy of members of the Senior Executive Management which would include the minimum level of requirements and conditions that need to be met for a person to be considered for a role in the Senior Executive Management and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Ensuring there is a contingency plan in place for Senior Executive Management.

### 5. Senior Facilities Committee:

The Senior Facilities Committee is comprised of at least five members of the Board of Directors. One of its members must be an Independent Member provided he is not a member of the Audit Committee.

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- The Committee has the right to obtain any information from the Senior Executive Management and has the right to summon any executive to attend any of its meetings as stipulated in its charter.
- Limits are set for the authority the Senior Facilities Committee in terms of granting, amending, renewing, or setting the structure of credit facilities so that the Board of Directors has a clear understanding of prerogatives in this regard.
- The Committee's powers are limited to making suitable decisions concerning the facilities recommended by the Executive Management Committee for approval.
- Quorum at the Committee's meeting shall require the presence of at least four members. Decisions are made with the approval of the majority of members regardless of the number of those present.
- The Committee regularly reports to the Board about details of the facilities it approved.
- Committee members must attend meetings and vote in person. If a member's presence is not possible, he can voice his/her opinion by video or telephone and may vote and sign the meetings provided this process is duly documented provided that the percentage of personal attendance of the member is not less than 50% of the committee's meetings during the year.
- The Board of Directors may assign some or all of the committee's authorities with regards to amending the terms or structure of facilities granted to the aforementioned Executive

Management Committee. Facilities committees must be informed of the decisions made in this regard.

- Ensuring that the credit policy of the Bank which requires investigation of the corporate governance framework of corporate clients is applied to measure the customer risk in terms of strength and weakness of the corporate governance practices.
- Recommending the credit policy and overseeing the performance of the credit portfolio.
- Directing the executive management to prepare policies and plans relating to credit matters and then raising and recommending the same to the Board for proper adoption and to abide by their terms post-adoption in order to achieve the following goals:
  - Grant/increase/renew credit.
  - Oversee and process credit.
  - Collection and bad debt provisions.
- Ensure that the executive management/credit departments take the necessary care to make correct credit decisions based on objective criteria applied in accordance with set credit analysis practices and that they exert their efforts to provide the necessary information as required by the credit policy in order to allow for proper decision making that maintains and elevates the quality of decision making and reduces levels of risk to the maximum extent all of which reflects positively on the quality of the credit portfolio.
- Ensure that the authority matrix of the Bank as it relates to credit in authorities granted by the Board.
- Taking necessary decisions in relations to matters that are outside the scope of the internal credit committee or the Senior Executive Management and in accordance with the authorities guide adopted and approved by the Board of Directors.
- Making recommendations to the Board with respect to matters that are outside the scope of authority of the committee.
- Setting the limits to the authorities granted to the committee relating to granting, amending, renewing or structuring facilities where these authorities are clearly apparent to the Board.
- Reviewing the facilities granted to the top 20 corporate customers in the credit portfolio once every six months at least.
- Reviewing the facilities granted to the top 20 SME customers in the credit portfolio once every six months at least.
- Reviewing the default rate dashboard and analyzing the underlying reasons for all business units.
- Reviewing the early warning signal dashboard for all business units.
- Making recommendations for writing off bad debt for delinquent customers.
- Adopting a review and oversight policy that puts in place KPIs that measure performance against

specific institutional goals relating to credit facilities.

- Reviewing the Central Bank report on business departments.

### 6. Strategy and IT Committee:

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

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- Issue recommendations to the Board of Directors concerning the Bank's general strategy, including IT objectives, guide the Senior Executive Management in setting a strategic plan to achieve these objectives and in having the Board approve the plan, and adopt work plans in line with this strategy within an effective execution framework.
- Review and approve balanced scoreboards to assess the performance of the Senior Executive Management in line with the Bank's approved strategy.
- Review KPIs concerning issues of strategy, finance, quality, and quantity as proposed by the CEO/ General Manager, and issue recommendations to improve the efficiency of strategic plans and reinforce alignment in executing these plans within an effective systematic framework in preparation for the Board's approval of said plans.
- Follow-up on and support the development of a corporate identity that reflects the Bank's strategy.
- Adopt strategic objectives for IT issues and their corresponding regulations, including for steering committees within the Senior Executive Management, especially the IT Steering Committee. In doing so, support the achievement of the Bank's strategic objectives and the achievement of the highest added value for IT projects and investments, while ensuring that the appropriate tools and criteria are used to monitor the former, such as IT Balanced Scorecards, return on investment calculations, and the impact on increasing operational and financial efficiency.
- Adopt a general framework for managing, controlling, and regulating IT projects and resources in line with the relevant best international practices, especially the Control Objectives for Information and Related Technology (COBIT). The framework must meet the objectives and requirements of Instructions no. 65/2016 issued by the Central Bank of Jordan by sustainably meeting corporate objectives, fulfilling the appropriate IT objectives matrix, and cover IT governance operations as mentioned in the instructions.
- Adopt a corporate objectives matrix and its relevant IT objectives as mentioned in Instructions no. (65/2016) issued by the Central Bank of Jordan. The criteria of the matrix shall be considered as the minimum requirements and sub-objectives shall be identified to achieve it.

• Adopt a responsibility matrix (RACI Chart) for key IT governance operations as mentioned in Instructions no. (65/2016) issued by the Central Bank of Jordan and deriving sub-instructions in terms of the entities or parties initially Responsible, ultimately Accountable, those Consulted, and those Informed for operations subject to these instructions. The COBIT 5 Enabling Processes criterion shall be taken into consideration.

- Ensure that a general framework for IT risks is in place, and is aligned and complements the overall risk framework at the bank. The IT risk framework shall take into consideration and shall seek to fulfill the bank's strategy in guaranteeing a minimal level of control over risks, protecting customer interests, and fulfilling all IT governance operations as mentioned in Instructions no. 65/2016 issued by the Central Bank of Jordan.
- Approve the budget for IT projects and resources in line with the Bank's strategic objectives.
- Supervise and follow-up on IT operations, resources, and projects, and follow-up on their efficiency and contribution to meeting the bank's requirements.
- Review IT audit reports and take the necessary measures to remedy any problems.
- Submit recommendations to the Board on the measures that should be taken to remedy any problem.
- Any other tasks assigned to it by the Board of Directors.

## Chapter 4: Suitability

### 1. Suitability of Board Members:

The Board of Directors adopts an effective strategy to ensure that its members possess the minimum requirements and standards to fulfill the membership criteria. The policy referred to is subject to review whenever necessary. Adequate procedures are set to ensure that all Board members fulfill their suitability requirements, and that they continue to do so and shall provide the Central Bank of Jordan with a copy of such policy.

- The Chairman and Board members must meet the following requirements:
  - Must not be less than twenty-five years of age.
  - Must not be a member of the Board of any other bank in Jordan, or a general manager, regional manager, or an employee of any other bank in Jordan unless the other bank is a subsidiary of the Jordan Ahli Bank.
  - Must not be the Bank's lawyer, legal advisor or auditor.
  - Must have a bachelor's degree at a minimum, specializing either in economics, finance, accounting, business administration or any other related field, whereby the Nomination and Remuneration committee is permitted to consider adding new specialties if combined with an experience that is related to banking.
  - Must not be a government employee or an employee of an official public institution unless he is a representative of that entity.
  - Must not be a member of the boards of more than five public shareholding companies in Jordan, whether in a personal capacity or as a representative of a legal entity.
  - Must possess a minimum expertise of five years in banking, finance or similar specializations.
- The Chairman and Board members must each sign a suitability attestation in the form approved by the Central Bank of Jordan in its corporate governance instructions.
- The Chairman shall ensure that any critical information that may adversely affect the suitability of any Board member is disclosed to the Central Bank of Jordan.
- The Central Bank may object to the nomination of any person as a member of the Board of the Bank on the basis that they do not meet any of the conditions set out above.

### 2. Suitability of Senior Executives:

The Board shall develop an effective policy to ensure the suitability of members of the Senior Executive Management that includes the minimum requirements to fulfill the membership criteria. The said policy is subject to review whenever necessary. The Board shall also develop adequate procedures to ensure that all members fulfill their suitability requirements and that they continue to do so and shall provide the Central Bank of Jordan with a copy of such policy.

- The Board shall adopt a succession plan for members of the Senior Executive Management and shall review this plan once a year, at least.
- The Board of Directors shall appoint a Chief Executive Officer who possesses a high level of integrity, technical competence and banking experience after obtaining the approval of the Central Bank of Jordan.
- The approval of the Board of Directors must be obtained prior to the appointment, acceptance of the resignation or termination of any of the Senior Executive Management members.
- The Board shall ensure that any critical information that may adversely affect the suitability of any senior executive is disclosed to the Central Bank of Jordan.
- The following conditions should be fulfilled by an appointed senior executive:
  - Should not be a member of the Board of Directors of any other bank in Jordan unless the other bank is a subsidiary of Jordan Ahli Bank.
  - Should be dedicated full-time to the management of the Bank's business.
  - Should have, at a minimum, a bachelors' degree in economics, finance, accounting, business administration or any other related field.
  - Should have a minimum of five years of experience in banking or any related field, except for the position of Chief Executive Officer, in which a minimum of ten-year experience in banking is required.
  - A "No Objection" letter should be obtained from the Central Bank of Jordan prior to the appointment of any Senior Executive Management member. The Bank, prior to the appointment of a senior executive, must obtain from the candidate his/her Curriculum Vitae along with any academic certificates, certificates of expertise, certificate of good conduct and any other necessary documentation. The member will also be asked to sign the approved suitability attestation form and the Bank will provide the Central Bank of Jordan with a copy thereof along with the Curriculum Vitae.

## Chapter 5: Performance Evaluation and Remuneration

### 1. Evaluating the Performance of the Board and their Remunerations

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

- The extent to which members were able to acquire skills, knowledge and expertise that effectively regulate the Bank's work.
- The extent to which members communicate with internal and external stakeholders at certain times.
- How clear the structure of committees deriving from the Board is, and how many members are provided with the necessary data and tools to perform their tasks effectively.
- The extent to which members focus on the important aspects at the right time.
- The extent to which members have a team spirit and seek to find the right level of confidence and challenge.
- The Chairman of the Board's role as an effective board leader.
- The extent of continuous development and improvement for the Board and its members as a group and as individuals.

#### The General Framework for the Performance Assessment Policy for Board Members, and their Financial Remuneration

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

- The Nomination and Remuneration Committee shall be responsible for evaluating, on an annual basis, the performance of the Board as a whole, its committees and its members, and inform the Central Bank of the results of the evaluation.
- The Board shall set specific goals and define the role of the Board in order to achieve these goals in a measurable manner.
- The Board shall identify KPIs based on the plans and strategic goals and use them to measure the performance of the Board.
- Communication between the Board and the shareholders, and the regularity of this communication.

- Regularity of the meetings of the Board of Directors with the Senior Executive Management.
- The member's participation in the Board's meetings, comparing his/her performance with that of other Board members, and receiving the members' feedback as a means to improve the evaluation process.
- The Board shall set measures to determine the remuneration granted to its members based on the approved evaluation system.
- The Board's incentives program links financial incentives to performance and to meeting the Board's objectives as linked to the Bank's annual objectives. This encourages the Board to exert all efforts to improve the efficiency and corporate performance, and to direct all capacities toward achieving the Bank's general goals and improving corporate governance.
- The program is implemented at the end of every fiscal year after the incentive amounts are allocated in the estimated budget approved by the Board. The payment of these incentives must fully fulfill the adopted goals.

#### Evaluation form for the Board of Directors and its Members:

The Nomination and Remuneration Committee prepares a form for evaluation, the review of evaluation criteria, and the weights attributed to each criterion. The model evaluates Board Members and the Board's performance. Below are examples of criteria covered by the form:

- Aspects relating to individual contributions, challenges, independence of opinions, integrity, training, and development.
- The quality of decisions or recommendations issued by the committee(s) in which the member participates. This includes but is not limited to:
  - The member's commitment to attending committee meetings, and regular attendance.
  - The impact of the member's contribution in the committee(s) in which he participates.
  - Allowing ideas provided by management to the Board to be discussed.
- Evaluation levels vary between 1 and 5.
- The Nomination and Remuneration Committee sends the form to all Board members for self-evaluation and submission to the Chairman of the Board.
- The Nomination and Remuneration Committee provides support and advice to every Board member.



- The Chairman of the Board meets with each Board member individually to review their self-assessments, and discuss points of weakness (points that require development and improvement).
- The final forms are sent to the Nomination and Remuneration Committee for approval.
- The Nomination and Remuneration Committee calculates the results of the Board members' performance based on the weights set for each evaluation criterion.
- The Chairman of the Board informs the Board members of the evaluation results.
- The Central Bank of Jordan is informed of the results and of final recommendations through an official letter issued by the Nomination and Remuneration Committee.
- Maintaining confidentiality of personal feedback and disclosing data relating to collective feedback only.

## 2. Evaluating the Performance of Senior Executives and their Remunerations:

The Board shall, on an annual basis, evaluate the performance of the General Manager according to an evaluation mechanism set by the Nomination and Remuneration Committee, which includes key performance indicators. The General Manager's evaluation includes the following criteria:

- The Bank's financial and administrative performance.
- The extent to which the Bank's medium and short-term plans and strategies are achieved.

The Nomination and Remuneration Committee informs the Central Bank of Jordan of the findings.

The Board shall adopt a system to measure the performance of the Bank's executives who are not members of the Board and are not the General Manager. This system should include at a minimum the following:

- Attribute appropriate weighting to criteria in order to measure the extent of commitment to the framework of risk management, internal controls and regulatory requirements.
- The net revenue and profit should not be the sole measurement indicator; risks related to basic operations, customer satisfaction, and other indicators should also be considered when possible.
- Not abusing a person's position and taking into account conflicts of interest.
- The Nomination and Remuneration Committee is responsible for setting an objective and transparent reward policy for the Executive Management. The policy must be approved by the Board.

- The Reward Policy should include the following key points:

- To be structured to retain and recruit qualified and experienced executives, and to motivate them and promote their performance.

To be designed to ensure that it will not be used in a manner that might affect the soundness and reputation of the Bank.

To take into consideration the risks, liquidity, profit and their timing.

- To ensure that rewards are not based on the performance of the current year only, but also consider medium and long-term performance (3-5 years).

- To reflect the achievement of the goals, values and strategy of the Bank through clear KPIs.

- To define the form of the reward will take such as fees, salaries, allowances, bonuses, share options or any other form of benefits.

- The possibility of postponing the payment of a reasonable proportion of the reward. The amount of such proportion and the postponement period will depend on the nature of the work, the risks associated therewith and the concerned executive's activities.

- Executives of supervisory departments (risk management, audit, compliance, etc.) should not be given a reward based on the performance of their respective departments.

## Chapter 6: Conflict of Interest

### 1. Conflict of Interest:

- To ensure that there is no conflict of interest between Board members and the Bank or between the Senior Executive Management and the Bank, Jordan Ahli Bank has adopted a conflict of interest policy addressing all different aspects or units (administrative, regulatory, Board of Directors).
- The Board shall adopt procedures to handle conflicts, of interest that may arise from the Bank's position within a banking group and disclose any such conflicts that may arise as a result of inter-group relationships.
- The Board shall ensure that the Senior Executive Management implements the adopted policies and procedures.
- The Board shall adopt controls to manage the transfer of information within the various departments to prevent using such information for personal gain.
- The Board shall ensure that the Senior Executive Management exercises high integrity and avoids conflict of interest in the conducting of its affairs.

### 2. Related Party Transactions:

- The Board shall adopt specific policies and procedures addressing related party transactions that include a clear definition of the different stakeholders while taking into consideration applicable legislation, procedures, practices and mechanisms governing such dealings and transactions with restrictions in place to ensure adherence to such policies and procedures.
- Oversight departments at the Bank shall ensure that all related party transactions are carried out according to the related policies and procedures.
- The Audit Committee shall review all related party transactions and present them to the Board of Directors.

### 3. Code of Conduct:

- The Code of Conduct is a key document that regulates the Bank's transaction – in relation to all activities – with related parties. It addresses ethical practices, values, and controls.
- The Board shall adopt the code of conduct and will circulate it among all executives. The code shall include the following:
  - Executives are not to use any insider or confidential information related to the Bank for their personal benefit.

- Rules and procedures that govern related party transactions.

- Examples of cases that may lead to conflicts of interest.

- The Compliance and Anti-Money Laundering/Combating the Financing of Terrorism Department shall be responsible for drafting the code of conduct, and for answering any questions about it. It shall update it regularly and whenever necessary.

### 4. Whistleblowing (Confidential Reporting Policy):

- The Bank will prepare and adopt a whistleblowing (confidential reporting) policy and procedures for the reporting of illegal activities, fraud, manipulation, collusion and which will allow employees to contact the Senior Executive Management – Audit Committee to report any concerns that they may have about any potential breaches or fraud in a manner that would allow for the initiation of an independent investigation into these concerns and to follow up on them in a manner that allows the Bank to afford such employees with the necessary protections against threats or retribution in case the fears do not materialize.
- The Audit Committee will review and supervise the procedures that allow for whistleblowing (confidential reporting) of any error in the financial reports or any other matter and which ensure that arrangements are in place to allow for independent investigation and ensuring that the results have been objectively pursued and followed up.



## Chapter 7: Control, and Internal and External Audit Systems

The Board of Directors shall ensure that the Bank's internal control systems are in place and that the duties of the different departments are clearly specified in order to put in place adequate controls are in place based on the duties and responsibilities assigned to each of the following departments:

### 1. Internal Audit:

- The Audit Committee emanating from the Board of Directors ensures that the Bank's Internal Audit Department is capable of fulfilling, among others, the following duties:
- To ascertain that there are adequate internal controls for the activities of the Bank and its subsidiaries, and to ensure compliance therewith.
- To ascertain adherence to internal policies, international standards and procedures, and applicable laws and regulations.
- To audit the Bank's financial statements and administrative reports while ensuring accuracy, credibility, and timeliness (and that they cover important issues such as allocations and defaulting debts).
- To assess compliance with the Corporate Governance Guide.
- To examine the comprehensiveness and accuracy of stress tests in accordance with the methodology approved by the Board.
- To ensure the accuracy of procedures used for the internal evaluation of the bank's capital adequacy (ICAAP).

### 2. External Audit:

- The Audit Committee emanating from the Board of Directors shall choose the best auditing firms, and shall guarantee the regular rotation of the External Auditors at the Auditor firms and at their Subsidiaries, Affiliates, and other related entities. The rotation must happen at intervals of no longer than seven years.
- The seven-year period shall be computed as of the date of the launch in 2010.
- The new external Auditing firm (when rotation is implemented) shall work jointly with the old firm for the first year.
- Apart from the joint auditing task, the old external auditing firm shall not be re-elected before at least two years from the date of its last election.
- The independence of the External Auditor is assessed annually by the Audit Committee.

- The Board of Directors shall take appropriate measures to address the weaknesses in the control and internal control systems or any other points revealed by the external auditor.

### 3. Risk Management

- The Risk Management Department shall have the following duties:
- Prepare and review the Bank's risk management framework to be approved by the Board.
- Implement the risk management strategy, and develop policies and procedures to manage all types of risks.
- Develop methodologies to identify, measure, monitor and control all types of risks.
- Monitor the compliance of the Bank's executive departments to the set levels of acceptable risk.
- Report to the Board of Directors through the Risk Management Committee, and send a copy of the report to the Senior Executive Management. The report shall include information on the Bank's actual risk profile for all its activities compared with the risk appetite. It shall also follow-up on measures taken to remedy any problems.
- Verify the compatibility of the risk measurement methodologies with the applied management information systems.
- Review and analyze all types of risks that the Bank may face.
- Submit recommendations to the Risk Management Committee on risk exposures and any exceptions to the risk management policy.
- Provide the necessary information about the Bank's risks for use in the Bank's disclosures.
- The Audit and Compliance Committee deriving from the Board of Directors shall check that violations related to acceptable risks are remedied, including holding the Senior Executive Management accountable for such violations.

### 4. Compliance

- Monitoring compliance is considered an independent duty that seeks to guarantee the compliance of the Bank and its internal policies to all laws, regulations, instructions, resolutions, codes of conduct, standards, and safe practices issued by local and international regulatory entities.
- The Board of Directors, represented by the Risk

and Compliance Committee, shall ensure the independence of the Compliance Department and that adequate and well-trained personnel are being employed.

- The Compliance Department forms part of and reports to the Risk and Compliance Committee emanating from the Board of Directors. It shall have a dotted line to Bank's Senior Executive Management and will provide them with copies of these reports.
- The Compliance Department has many duties, including:
  - Manage "compliance risks" that the Bank faces within the limits of the laws, regulations, and standards in force and their amendments.
  - Continuously monitor compliance at the Bank, test compliance using adequate and sufficient tools, and issue reports in this regard.
  - Adopt a training, development and awareness plan to increase awareness about subjects related to compliance and professional conduct, and answer employee questions about compliance.
  - Act as a link and liaison center between the Bank and concerned regulatory entities.
  - Monitor the Bank's operations to combat money laundering and the funding of terrorism, in line with recognized best practices and within the framework of international sanctions systems.
  - Comply with FACTA requirements.
  - Receive and timely resolve customer complaints, and issue recommendations to the concerned entities to take the necessary measures to avoid their reoccurrence.

## Chapter 8: Stakeholder Rights, Disclosure and Transparency

In order to guarantee the rights of Stakeholders, and meet disclosure and transparency requirements, the Board of Directors should ensure the following:

- The Board shall ensure that all financial and non-financial information that is of interest to the Stakeholders is published.
- A mechanism shall be developed to guarantee communication with Stakeholders by disclosing and providing relevant information about the Bank's activities through:
  - General Assembly meetings.
  - Annual Report.
  - Quarterly financial reports which enclose financial data, and the Board's report on the Bank's share trading and the bank's financial status during the year.
  - The Bank's website.
  - Investors' division.
- A part of the Bank's website shall be designated to clarify investors' rights and to encourage them to attend and vote at the General Assembly meetings. Also, the documents of the General Assembly meetings, including the invitation and minutes of meetings, shall be published on the website.
- The Board shall ensure that the Bank's financial disclosures are consistent with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank of Jordan's regulations, and other relevant legislation. Also, the Senior Executive Management shall remain well informed of changes and updates on related International Financial Reporting Standards (IFRS).
- The Board shall ensure that the annual report includes the following information:
  - Disclosures that allow current and potential Stakeholders to be informed of operation results and the Bank's financial standing.
  - Summary of the organizational chart of the Bank.
  - Summary of the roles and responsibilities of Board committees, and the authorities delegated to each committee.
  - Useful information to Stakeholders as identified in the Corporate Governance Guide and the extent of compliance with the Guide.
  - Information about each Board member in terms of his/her qualifications, experience, shareholding, status (independent –non-executive, etc.) membership in Board committees, date of appointment, any other board memberships in the boards of other companies and remunerations of all forms for the previous year in addition to loans

granted to the member by the Bank and any other transaction that has taken place between the Bank on the one part and the member or stakeholders on the other.

- Information about Risk Management Department, including its structure and nature of its operations and its development.
- Number of Board and Board Committee meetings and attendance of each member at such meetings.
- Names of each Board member and senior executive who have resigned during the year.
- Summary of the rewards policy and full disclosure of all forms of reward to Board members and Senior Executive Management team member individually for the previous year.
- A list of shareholders who own 1% or more of the share capital of the Bank, the ultimate beneficiary owner of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged.
- Attestations from all Board members confirming that he/she or any of the members' relatives did not receive any benefits from the Bank during the previous year which has not been previously disclosed.
- The annual report shall include a statement to the effect that the Board is liable for the accuracy and completeness of the financial statements of the Bank and all other information in the report in addition to the adequacy of the internal control systems. It shall also include a report from the Board in relation to the Bank's traded shares and the financial status throughout the year.

## Chapter 9: General Provisions

- The Chairman of the Board shall extend an invitation, sufficiently ahead of time, to the Central Bank of Jordan to attend General Assembly meetings for the CBJ to name its representative.
- The Chairman of the Board shall provide the Central Bank of Jordan with the minutes of General Assembly meetings no later than five days after the Companies Controller or his/her representative approves the minutes.
- At least 30 days before the date of the General Assembly meeting, the Bank shall inform the Central Bank of Jordan of its wish to nominate an external auditor for election (or reelection) by the General Assembly.
- The Bank shall provide the Central Bank of Jordan with the number of shares pledged by the Bank's shareholders who own 1% or more of the Bank's capital, and the party to which they are pledged.
- The Bank shall provide the Central Bank of Jordan with information on Board members and committees, and Senior Executive Management members, according to approved forms. His/her information must be sent semi-annually and whenever amended.
- The Bank shall provide the Central Bank of Jordan with information on department members and executive entities, and Senior Executive Management departments at subsidiary companies inside and outside the Kingdom, according to approved forms. This information must be sent semi-annually and whenever amended.
- The Central Bank of Jordan may summon any candidate for a senior executive position at the Bank for a personal interview before his/her appointment, and may, as it deems necessary, summon any Board member for an interview.
- The Central Bank of Jordan may appoint any external entity to evaluate the bank's governance at the expense of the bank.
- The Central Bank of Jordan, may at any time, summon Audit Committee members, the Internal Audit Department Director, or the Compliance Department Director to discuss any issue related to their work.
- The Central Bank of Jordan set a maximum limit of Independent Members for the Board's structure as it deems necessary.
- The Central Bank of Jordan may consider any member to be non-independent based on specific criteria, even if all terms in Article 6/D of its Corporate Governance instructions apply.
- This Guide shall take into consideration the Corporate Governance Instructions for Banks as a minimum requirement in line with the Bank's

needs and policies. The guide shall be adopted by the Board and a copy shall be sent to the Central Bank of Jordan.

- This Guide reflects the Bank's perspective on corporate governance in terms of concepts, importance, principles and in line with relevant legislation and international best practices.
- This Guide shall be reviewed and updated regularly and whenever necessary.
- This Guide shall be published on the Bank's website [www.ahli.com](http://www.ahli.com). The Bank shall disclose the existence of this Guide in its annual report, and shall disclose information of interest to Stakeholders and announce its commitment to implementing the Guide's content.

### Disclosure Relating to Corporate Governance

The Jordan Ahli Bank confirms its commitment to the Corporate Governance Guide adopted by the Board of Directors and for the implementation of its terms and conditions in accordance with the Amended Corporate Governance Instructions and the Banking Law in force as published on the Bank's website.

The Jordan Ahli Bank has also adopted and published the associated Information Technology Management and Governance Guide which have been published on the Bank's website based on the Central Bank Instructions and confirms its commitment to apply the Guide and its terms.

## Governance Report

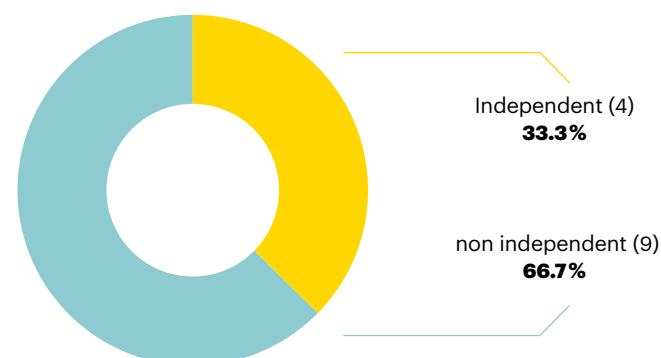
The Jordan Ahli Bank is committed to implement all the provisions of the Amended Corporate Governance Instructions issued by the Central Bank of Jordan and the Publicly Listed Companies Instructions which are issued by the Securities Commission and in compliance with those instructions and the Corporate Governance Instructions issued by the regulatory authorities (Instructions) a mechanism and procedures were put in place to ensure compliance with all instructions and where this mechanism and instructions are reviewed annually to include:

- Ensuring that the composition of the Board and the committees emanating from it, including the number of members, number of independent members, and number of non-executive members and qualification requirements are all compliant with the instructions.
- Implementation of all provisions of the Corporate Governance Guide and which was prepared in accordance with the Corporate Governance For Banks Instructions issued by the Central Bank of Jordan and the Corporate Governance Guidelines for Listed Companies issued by the Securities Commission and its amendments and the Banking Law in force.
- Ensure the application of the Board and subcommittee codes of conduct in a manner consisted with applicable Instructions.
- Ensure the application of the Disclosure Policy in accordance with local and international best practices in additional to having in place adopted policies for all the activities and operations of the Bank and in accordance with applicable legislation.
- Ensure that meetings of the Board and committees in accordance with Instructions and Laws and that the subcommittees are performing their duties in accordance with best practices relating to corporate governance.
- Ensure the conditions and requirements for Independent Members are met and that Independent Members sign the suitability attestation forms annually.
- Ensure that the Board and each of the subcommittees emanating from it undergo self-evaluation overall evaluation in accordance with the Instructions.

**In compliance with the Publicly Listed Companies Instructions which are issued by the Securities Commission this Governance Report was prepared in accordance with the below:**

### Board of Directors of the Jordan Ahli Bank

One of the functions of the Board includes setting in place the strategic objectives of the Bank and putting in place a clear accountability plans and having in place oversight systems and controls.



The Board of Directors of the Jordan Ahli Bank is composed on (13) thirteen non executive member (4) four of which are independent members.

#### A-1 Names of Board Members and Representatives of Corporate Entities

Name	Position	Independency	Executive/nonexecutive
<b>Mr. Saad Nabil Mouasher</b> first join was in 2014	Chairman	Non-Independent	Non-Executive
<b>H.E Dr. Umayya Salah Toukan</b> fist join was in 2017	Deputy Chairman	Independent	Non-Executive
<b>Mr. Nadim Yousef Muasher</b> First join was on 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Rafik Saleh Muasher</b> Rajai Muasher & Brothers Co representative First join was on 1997	Board Member	Non-Independent	Non-Executive
<b>H.E. Mr. Wasef Y. N Azar</b> Jordan Investor Center representative First join was on 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Imad Yousef Mouasher</b> Mouasher Investment & Trading Co. representative First join was on 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Mahmoud Zuhdi Malhas</b> first join was in 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> As of 30/7/2019 Social Security Corporation representative First join was on 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Alan Fouad Wanna</b> Byblos Bank S.A./Lebanon representative first join was in 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Aladdin Sami</b> ZI&IME Ltd representative	Board Member	Non-Independent	Non-Executive
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> first join was in 2015	Board Member	Independent	Non-Executive
<b>Mr. Tarek Ziad Jallad</b> His first join was in 2015	Board Member	Independent	Non-Executive
<b>Mr. Izzat Rashed Dajani</b> As of 29/4/2019	Board Member	Independent	Non-Executive



**A-2 Names of Independent Members:**

Name	Position	Independency	Executive/ nonexecutive
<b>Mr. Imad Najib Ayed Fakhoury</b> Resigned as of 3/2/2019	Board Member	Independent	Non-Executive
<b>Ms. Areej Obaidat</b> Social Security Representative	Board Member	Non-Independent	Non-Executive

\*Jordan Ahli Bank Board of Directors was elected by the General Assembly of the bank on 30/4/2017.

**B- Secretary of the Board**

Tracking the decisions of the Board and the committees emanating from it are an important part of the responsibilities of the Board. Keeping in mind the importance of the role of the Secretary for Corporate Governance, Advocate Mrs. Maisa Ziad Mohd Turk was appointed as Secretary to the Board of Directors- legal counsel and the roles and responsibilities of the Secretary were included in the Corporate Governance Guide and the procedures relating thereto.

**C- 1 Executive Positions at the Jordan Ahli Bank and Names of People Occupying Those Positions**

Executive Position	Name
CEO/ General Manager	<b>Mr. Moh'd Mousa Dawood Moh'd Issa</b>
DCEO/ General Manager	<b>Dr. Ahmad Awad Abd Al Halim Al- Hussein</b>
Chief Business Officer	<b>Ms. Lina Najib Al Bakhit AlDababneh</b>
Head of Treasury, Investments & Financial Institutions	<b>Mr. Majed A. M. Hijab</b>
Head of Consumer Banking	<b>Mr. Zaid Wasef Shams- Eddin El-Khatib</b>
Head of Corporate Banking & Projects Finance	<b>Mr. Sofyan Ayed Mohammad Duais</b>
Head of SME	<b>Mr. Ammar MS. R. Al Sa'id</b>
Chief Financial Officer	<b>Mr. Dirar Shebli Khalaf Haddadin</b>
Chief Credit Officer	<b>Mr. Moein Aziz Naseef Al- Baho</b>
Chief Compliance Officer	<b>Mr. Khalid Zuhair Jamil Abuesh- Shaer</b>
Chief Internal Auditor	<b>Mr. Iyad T. N. Ammari</b>
Acting as Chief Risk Officer	<b>Mr. Taha Mousa Taha Zeid</b>
Chief Innovation Officer	<b>Mr. Rami Marwan Abdulhadi Al Karmi</b>
Head of Operations & Shared Services	<b>Mr. Rami (Moh'd Murshed) Khalaf Da'na</b>
Chief Information Officer	<b>Mr. Jwallant Vasani</b>
Acting as Chief Human Resources Head	<b>Mrs. Maha Khalid Fathallah Dado</b>

**C-2 Executive Positions at the Jordan Ahli Bank and Names of People Occupying Those Positions**

Executive Position	Name
Human Resources Head Resigned as of 30/06/2019	<b>Mr. Mohammad Bashir AbdelWahhab Al Bakri</b>
Chief Risk Officer Resigned as of 31/08/2019	<b>Mr. Micheal Zaki Numan</b>







**D- Board Memberships Occupied by Members of the Board (natural persons) in Other Publicly Listed Companies in Jordan**

Name	-Board Memberships in Other Publicly Listed Companies.
<b>H.E Dr. Umayya Salah Toukan</b>	-Al Dawliya for Hotels & Malls Plc.
<b>Mr. Nadim Yousef Muasher</b>	-Arab International Hotels Plc. -Al Dawliya for Hotels & Malls Plc. -Jordan Worsted Mills Co. -El-Zay Ready Wear Manufacturing.
<b>Mr. Mahmoud Zuhdi Malhas</b>	-Mediterranean Tourism Investments.

**E- Governance Liaison Officer at the Bank**

**Mrs. Muna George Saliba Baqlouq**  
Governance Liaison Officer/ Compliance and AML

**F- Names of Board Sub-Committees.**

-  Board Corporate Governance Committee
-  Board Nominations and Remunerations Committee
-  Board Risk and Compliance Committee
-  Board Audit Committee
-  Board Credit Committee
-  Board Strategy and Information Technology Governance Committee

### G- Names of Members of the Audit Committee and their Financial and Accounting Qualifications.

Name	Qualifications	Experience
<b>H.E Dr. Umayya Salah Toukan</b>	<ul style="list-style-type: none"> <li>-PhD in economics in the field of monetary economics (money and financial markets).</li> <li>-Columbia University.</li> <li>-Postgraduate Diploma in Economic Development.</li> <li>-University of Oxford.</li> <li>-MBA.</li> <li>-American University of Beirut.</li> </ul>	<ul style="list-style-type: none"> <li>-Governor of the Central Bank of Jordan during the period 2001-2010 for two consecutive terms.</li> <li>-Former Finance Minister.</li> <li>-Ambassador to the European Union.</li> <li>-Non-executive director at the European Arab Bank.</li> <li>-He worked as part of the experts group at the International Monetary Fund for the year 2011.</li> <li>-Jordan's representative in the United Nations (Second Economic and Financial Committee).</li> <li>-Economic Adviser to the Prime Minister.</li> <li>-General Manager of the Financial Market.</li> </ul>
<b>H.E Wasef Wasef Y. N Azar</b>	<ul style="list-style-type: none"> <li>-MA in Development and Economics Management.</li> <li>-American University of Beirut.</li> <li>-Postgraduate Economics and Statistics.</li> <li>-University of Iowa - United States of America.</li> <li>-BA in Law.</li> <li>-Damascus University.</li> </ul>	<ul style="list-style-type: none"> <li>-Former member of the Senate.</li> <li>-Former Minister of Industry and Trade.</li> <li><b>He held senior administrative positions in the public and private sectors as follows:</b></li> <li>-General Manager of Phosphate Mines Company.</li> <li>-General Manager of the Jordan Investment Corporation.</li> <li>-General Manager of the Retirement Fund.</li> <li>-General Director of the Department of Statistics   Head of the Economics Department.</li> <li>-General Director of the General Population Census.</li> <li>-General Manager of Jordan Ahli Bank.</li> <li>-The General Secretary of the National Planning Council, which was later transferred to the Ministry of Planning.</li> <li>-Director of Research and Studies.</li> <li>-Royal Scientific Society.</li> <li>-Professor lawyer.</li> </ul>
Mrs. Ibtissam (M.S) I. El-Ayoubi	<ul style="list-style-type: none"> <li>-Master of Monetary and Banking Sciences (American University / Beirut).</li> <li>-BA in Accounting.</li> </ul>	<ul style="list-style-type: none"> <li>-Deputy General Manager of Capital Bank.</li> <li>-Director of Support Department - Capital Bank.</li> <li>-Experience in the banking sector in Arab Bank and Jordan Commercial Bank.</li> <li>-Former Board Member of the Middle East Payment Services Company.</li> </ul>









### H- Names of Chairs and Members of the Committees.









<b>Board Corporate Governance Committee</b> 	<ul style="list-style-type: none"> <li>- <b>Mr. Tarek Ziad Jallad</b>   Chairperson   Independent</li> <li>- <b>Mr. Saad Nabil Mouasher</b>   Member   Non-Independent</li> <li>- <b>H.E Dr. Umayya Salah Toukan</b>   Member   Independent</li> <li>- <b>Mr. Nadim Yousef Muasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Izzat Rashed Dajani</b>   Member   Independent</li> </ul>
<b>Board Nomination and Remuneration Committee</b> 	<ul style="list-style-type: none"> <li>- <b>Mr. Izzat Rashed Dajani</b>   Chairperson   Independent</li> <li>- <b>H.E Dr. Umayya Salah Toukan</b>   Member   Independent</li> <li>- <b>Mr. Rafik Saleh Muasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Mahmoud Zuhdi Malhas</b>   Member   Non-Independent</li> <li>- <b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>   Member   Independent</li> </ul>
<b>Board Risk &amp; Compliance Committee</b> 	<ul style="list-style-type: none"> <li>- <b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>   Chairperson   Independent</li> <li>- <b>Mr. Saad Nabil Mouasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Nadim Yousef Muasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Eyad Abdelsalam Rashad Abumohammad</b>   Member   Non-Independent</li> </ul>
<b>Board Audit Committee</b> 	<ul style="list-style-type: none"> <li>- <b>H.E Dr. Umayya Salah Toukan</b>   Chairperson   Independent</li> <li>- <b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>   Member   Independent</li> <li>- <b>H.E Wasef Wasef Y. N Azar</b>   Member   Non-Independent</li> </ul>
<b>Board Credit Committee</b> 	<ul style="list-style-type: none"> <li>- <b>Mr. Saad Nabil Mouasher</b>   Chairperson   Non-Independent</li> <li>- <b>Mr. Nadim Yousef Muasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Rafik Saleh Muasher</b>   Member   Non-Independent</li> <li>- <b>H.E Wasef Wasef Y. N Azar</b>   Member   Non-Independent</li> <li>- <b>Mr. Imad Yousef Mouasher</b>   Member   Non-Independent</li> <li>- <b>Mr. Izzat Rashed Dajani</b>   Member   Independent</li> </ul>
<b>Board Strategy and Information Technology Governance Committee</b> 	<ul style="list-style-type: none"> <li>- <b>Mr. Saad Nabil Mouasher</b>   Chairperson   Non-Independent</li> <li>- <b>H.E Dr. Umayya Salah Toukan</b>   Member   Independent</li> <li>- <b>Mr. Nadim Yousef Muasher</b>   Member   Non-Independent</li> <li>- <b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>   Member   Independent</li> <li>- <b>Mr. Tarek Ziad Jallad</b>   Member   Independent</li> <li>- <b>Mr. Eyad Abdelsalam Rashad Abumohammad</b>   Member   Non-Independent</li> </ul>

### I- Conflict of Interest.

The Board confirmed as part of the Corporate Governance Guide that each member of the Board must disclose their relationship with the Bank and the nature of that relationship on an annual basis and in the event of a conflict of interest and to adhere to the relevant professional code on conduct and to disclose in writing of any developments.

## J- Meetings of the Committees of the Board during the year 2019 and Names of Attendees.

	 Board of Directors	 Board Credit Committee	 Board Audit Committee	 Board Nomination and Remuneration Committee	 Board Strategy and Information Technology Governance Committee	 Board Risk & Compliance Committee (Risk) ***	 Board Risk & Compliance Committee (Compliance) ***	 Board Corporate Governance Committee
<b>Mr. Saad Nabil Yousef Mouasher</b> Chairman of Board	12	12	-----	-----	4	2	2	2
<b>H.E. Dr. Umayya Salah Ala Uddin Toukan</b> Deputy Chairman	12	-----	11	5	4	-----	-----	2
<b>Mr. Nadim Yousef Issa Muasher</b> Board Member	12	18	-----	-----	4	2	2	2
Rajai Muasher & Brothers Co. <b>Mr. Rafik Saleh Muasher</b> Board Member	10	15	11	-----	-----	-----	-----	-----
Jordan Investor Center <b>H.E. Mr. Wasef Y. N Azar</b> Board Member	10	14	-----	-----	-----	-----	-----	-----
Mouasher Investment & Trading Co. <b>Imad Yousef Issa Muasher</b> Board Member	12	13	-----	4	-----	-----	-----	-----
<b>Mr. Mahmoud Zuhdi Mahmoud Malhas</b> Board Member	6	-----	-----	3	-----	-----	-----	-----
Social Security Corporation ****	(12/11)	-----	-----	-----	4/1	1/1	1/1	-----
<b>Ms Areej Obiadat</b> until 7/5/2019	6/6	-----	-----	-----	4/3	1/1	-----	-----
<b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> As of 30/7/2019	5/5	-----	-----	-----	-----	-----	-----	-----
Byblos Bank S.A.L/ Lebanon <b>Mr. Alan Fouad Wanna</b> Board Member	6	-----	-----	-----	-----	-----	-----	-----
ZI&IME Ltd <b>Mr. Aladdin Riad Sami</b> Board Member	6	-----	-----	-----	-----	-----	-----	-----

	 Board of Directors	 Board Credit Committee	 Board Audit Committee	 Board Nomination and Remuneration Committee	 Board Strategy and Information Technology Governance Committee	 Board Risk & Compliance Committee (Risk) ***	 Board Risk & Compliance Committee (Compliance) ***	 Board Corporate Governance Committee
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> Board Member	12	-----	11	5	4	2	2	-----
<b>Mr. Tarek Ziad Mounir Jallad</b> Board Member	7	-----	-----	-----	3	-----	-----	2
<b>Mr. Izzat Rashed Dajani</b> As of 29/4/2019 Board Member	9/8	8	-----	3/3	-----	-----	-----	2
<b>H.E Imad Najib Ayed Fakhoury</b> Resigned – as of 3/2/2019	0	-----	0	1/1	0	0	0	0
<b>Total Number of Meetings</b>	12	18	11	5	4	2	2	2

\*All Committees emanating from the board carry out their duties in line with the Corporate Governance Manual and the legislation in force.

\*\* The total number of Meetings of the Board Audit Committee during the year 2019 was 5 meetings including the meeting with the external auditor without the presence of the executive management or its representatives.

\*\*\* The Board Risk and Compliance Committee comprises of executive members who are: CEO/General Manager, DCEO/General Manager, Chief Risk Officer, Chief Compliance Officer, and they all attended all the committee meetings.

\*\*\*\* the Social Security Corporation Representative has been changed during the year 2019.



Chairman of Board  
**Saad Nabil Mouasher**



## Agenda of the Ordinary General Assembly Meeting

To read the preceding ordinary general assembly meeting decisions, which was held on 29/4/2019.

To vote and ratify the Board of Directors report for the fiscal year 2019 and the bank's future business plan.

To vote on the bank's auditors report for the fiscal year 2019, the bank's statements and budget for the fiscal year ending 31/12/2019 and ratify it.

(Dividends will not be distributed to shareholders for the fiscal year 2019 pursuant to the circular issued by H.E the Governor of the Central Bank of Jordan No. (1/1/4693 date 9/4/2020).

To read the Board subcommittees summary report.

To absolve the members of the Board of Directors from liability for the fiscal year 2019.

To elect of the bank's auditors for the fiscal year 2020 and determining their fees or authorize the Board of Directors to determine their fees.

## Jordan Ahli Bank's Branches and Addresses:

### Within the Hashemite Kingdom of Jordan

#### Amman

##### Central Amman

###### Main

Tel. +962 (6) 5807677  
Fax +962 (6) 5689634

###### Al Thaqafa Street

Tel. +962 (6) 5807679  
Fax +962 (6) 5681326

###### Wadi Saqra

Tel. +962 (6) 5807678  
Fax +962 (6) 5678612

###### Abdoun

Tel. +962 (6) 5929397  
Fax +962 (6) 5929652

###### Taj Mall

Tel. +962 (6) 5930961  
Fax +962 (6) 5931024

###### Jabal Amman

Tel. +962 (6) 5807676  
Fax +962 (6) 4611541

###### Ibn Khaldoun Street

Tel. +962 (6) 5807675  
Fax +962 (6) 4622685

###### Abdali Boulevard

Tel. +962 (6) 5807666  
Fax +962 (6) 5102844

##### East Amman

###### Sahab

Tel. +962 (6) 5807677  
Fax +962 (6) 4025673

###### Madaba

Tel. +962 (5) 3903466  
Fax +962 (5) 3240260

###### Al Hurriah Street

Tel. +962 (6) 5807673  
Fax +962 (6) 4206214

###### Khuraybet al-Souq branch

Tel. +962 (6) 5807672  
Fax +962 (6) 4127610

###### Dahiyat Al-Yasmeen

Tel. +962 (6) 5807671  
Fax +962 (6) 4206759

###### Marka

Tel. +962 (6) 5807658  
Fax +962 (6) 4890360

###### Tabarbour

Tel. +962 (6) 4603112/3  
Fax +962 (6) 5061694

###### Al Hashmi Al Shamali

Tel. +962 (6) 5807657  
Fax +962 (6) 4901302

###### Downtown

Tel. +962 (6) 5807656  
Fax +962 (6) 4645717

###### Middle East Circle

Tel. +962 (6) 5807655  
Fax +962 (6) 4777289

##### Jabal Al Hussein

Tel. +962 (6) 5807662  
Fax +962 (6) 5698069

##### Marj Al-Hamam

Tel. +962 (6) 5807670  
Fax +962 (6) 5716915

##### West Amman

###### Souq Um Uthaina

Tel. +962 (6) 5807668  
Fax +962 (6) 5523029

###### Al-Bayader

Tel. +962 (6) 5857791  
Fax +962 (6) 5819834

###### Sweifieh

Tel. +962 (6) 5865401  
Fax +962 (6) 5865402

###### Abdullah Ghosheh street

Tel. +962 (6) 5861408/9  
Fax +962 (6) 5817921

###### Mecca Street

Tel. +962 (6) 5807669  
Fax +962 (6) 5852512

###### Mecca Mall

Tel. +962 (6) 4603103

###### Wasfi Al-Tal Street

Tel. +962 (6) 5807664  
Fax +962 (6) 5682188

**Khilda**

Tel. +962 (6) 5807663  
+962 (6) 5341263

**Queen Rania Street**

Tel. +962 (6) 5807659  
Fax +962 (6) 5699742

**City Mall**

Tel. +962 (6) 5823154  
Fax +962 (6) 5825174

**Balqa****Deir Alla**

Tel. +962 (5) 3903467  
Fax +962 (5) 3573186

**Al Salt**

Tel. +962 (5) 3903465  
Fax +962 (5) 3555774

**Al-Balqa Applied University**

Tel. +962 (5) 3903470  
Fax +962 (5) 3532690

**Al Salt Gate**

Tel. +962 (5) 3903469  
Fax +962 (5) 3551440

**Fuheis**

Tel. +962 (6) 4603128  
Fax +962 (6) 4721702

**Jubaiha**

Tel. +962 (6) 5807665  
Fax +962 (6) 5354782

**Zarqa and the North****Zarqa -Main**

Tel. +962 (5) 3961603  
Fax +962 (5) 3996555

**New Zarqa**

Tel. +962 (5) 3903473  
Fax +962 (5) 3859110

**Free Zone**

Tel. +962 (5) 3826214  
Fax +962 (5) 3826200

**Rusaifa**

Tel. +962 (5) 3903464  
Fax +962 (5) 3746192

**Irbid**

Tel. +962 (2) 7242201  
Fax +962 (2) 7276146

**Al-Hashemi Street -Irbid**

Tel. +962 (2) 7278613  
Fax +962 (2) 7278614

**Arabella Mall - Irbid**

Tel. +962 (2) 7249252  
Fax +962 (2) 7249236

**Ramtha**

Tel. +962 (2) 7201651  
Fax +962 (2) 7382610

**Mafraq**

Tel. +962 (2) 7201650  
Fax +962 (2) 6230303

**Jerash**

Tel. +962 (2) 7201649  
Fax +962 (2) 6351893

**South****Tafila**

Tel. +962 (3) 2090998  
Fax +962 (3) 32241710

**Ma'an**

Tel. +962 (3) 2090995  
Fax +962 (3) 2132799

**Karak**

Tel. +962 (3) 2090997  
Fax +962 (3) 2351676

**Mu'ta**

Tel. +962 (3) 2090996  
Fax +962 (3) 2360377

**Aqaba**

Tel. +962 (3) 2022351  
Fax +962 (3) 2013520

**Corporate**

Tel. +962 (6) 4603124  
Fax +962 (6) 5699867

**Exclusive**

Tel. +962 (6) 5638800  
Fax +962 (6) 5624806

**Outside the Hashemite Kingdom of Jordan****Cyprus and Palestine****Palestine****Nablus**

Commercial Center Street,  
Aloul Building  
Tel. +972 (2) 2948861

**Al Shalala**

Hebron - Al Shalala Street  
Tel. +972 (2) 2948862

**Ramallah**

City Center - Al Zahraa Street,  
Audi Al Shami Building  
Tel. +972 (2) 2948863

**Bethlehem**

AlMahd Street- Katlu Building  
Tel. +972 (2) 2948864

**AlSalam**

Hebron-Al Salam Street opposite  
to Al Salam gas station  
Tel. +972 (2) 2948865

**Jenin**

Haifa Street / AlBareeq Street  
Tel. +972 (2) 2948866

**Tulkarm**

University Street,  
AlBareeq Building  
Tel. +972 (2) 2948868

**Beit Sahour**

President Mahmoud Abbas  
Street / Micheal Kamsieh Street  
Tel. +972 (2) 2948867

**AlMasyoun**

Naji Al Ali Street,  
Ahli bank Building  
Tel. +972 (2) 2948869

**Betonia**

Athens Street - Totah Building  
Tel. +972 (2) 2948870

**Cyprus****Limassol**

Pecora Tower 2nd Floor

## Automated Teller Machines Locations (ATM)

### Amman

Amman Chamber of Industry building  
Safeway Airport  
Amman Mall  
Al-Kiswani Station  
Al-Ahlia Building - Ahli Bank  
Safeway Shmeisani  
Marka (DVLD)  
Manaseer Marca  
Sheraton hotel  
Manaseer – Al Quds Street  
The Philadelphia Building  
Al Jameaa street  
Cosmo 7<sup>th</sup> Circle  
Safeway- University of Jordan  
Marriott Amman Hotel  
Corner supermarket  
Maxim Mall  
Safeway wholesale market  
Isra University  
King Hussein Cancer Center  
Al-Mukhtar Mall  
ATM shop  
KHBP  
Landmark Hotel  
Ministry of Industry and Trade  
Shafa Badran (DLVD)  
Children Museum  
Manaseer Station - Airport Road  
Safeway Marj Al Hamam  
Jopetrol Medina  
Safeway Shafa Badran  
Medical City  
Umniah building  
Orthodox club  
Avenue Mall  
Istiklal Mall  
Galleria Mall  
Manaseer Station - Cultural Centre  
Izmir Mall - Al Hashemi  
Ahwar Mall - Tabarbour

Sweifieh Village  
Medical City Street  
The main branch  
Al Thaqafa Street Branch  
Al Bayader Branch  
Sweifieh Branch  
Abdullah Ghosheh Street branch  
Jabal Amman branch  
City Mall Branch  
Abdoun Branch  
Taj Mall branch  
Marj Al-Hamam branch  
Jabal Al-Hussein Branch  
Wadi Saqra Street Branch  
Jubeiha branch  
Downtown branch  
Al Hurriah Street Branch  
Middle East Circle  
Sahab branch  
Khuraybet al-Souq branch  
Hashmi Shamali Branch  
Marka branch  
Tabarbour branch  
Mecca Mall Branch  
Ibn Khaldoun branch  
Mecca Street Branch  
Khalda branch  
Queen Rania Al-Abdullah st. Branch  
Wasfi Al-Tal Street Branch  
Souq Umm Atinah branch  
Al-Yasmeen Branch  
Abdali Branch - Boulevard

### Balqa

Manaseer Station - Al Sarw street  
Salt Branch  
Salt Gate Branch  
Al-Balqa Applied University Branch

Deir Alla branch  
Fuheis Branch  
Total station - Akroush

### Zarqa and the North

Zarqa Safeway  
Khalid markets  
Zarqa branch  
New Zarqa  
Rusaifa Branch  
Ramtha branch  
Mafraq branch  
Jerash branch  
Safeway Irbid  
ATM of Kafr Asad Irbid  
Manaseer Al-Hosn  
Irbid City Center  
Al-Hashemi Street Branch / Irbid  
Arabella Mall branch  
Irbid branch

### South

Carrefour Madaba  
Madaba branch  
Dead Sea Spa Hotel  
Tafila branch  
Tafila commercial complex  
Ma'an commercial complex  
Ma'an Branch  
Manaseer Station - Karak  
Karak branch  
Mu'ta branch  
Aqaba branch





**ahli bank**