



JORDAN NATIONAL BANK ^{PLC}

A Bank You Trust

**The Forty Seventh Annual Report
of the Board of Directors
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His Majesty King Abdullah



His Royal Highness Crown Prince Hamzah

OUR VISION

- *Enhancing the domestic and regional presence of JNB in preparation for the challenges of globalization.*

OUR VALUES

- *Professionalism, innovation and creativity, honest competition, loyalty and commitment to excellence.*

OUR MISSION

- *Ensuring a pioneering role in rendering comprehensive and integrated banking services with emphasis on the consumer.*
- *Developing the financial ability of the organization to reduce operational costs and achieve the optimal degree of satisfaction to customers and employees, using modern and latest banking systems and technology.*
- *Utilizing the means necessary for high standards of performance, profitability and investing in human resources.*
- *Adopting accurate and flexible banking processes and procedures.*
- *Contributing to the national social and economic development.*

Board of Directors

H.E. Dr. Rajai S. Muasher _____ *Chairman*

Mr. Nadim Y. Muasher _____ *Deputy Chairman*

Jordan Investor Center _____ *Rep. by H.E. Mr. Wasef Azar*

Kuwait Investment Authority _____ *Rep. by Mr. Ali Y. Bin-Ali*

The Social Security Corporation _____ *Rep. by Mr. Na'el Khader*

Muasher Investment & Trading Co. _____ *Rep. by Mr. Emad Y. Muasher*

Mr. Anton Dababneh _____

Arabia S.A.L. (Holding) _____ *Rep. by Mr. Hani Fraij*

Mr. Mahmoud Z. Malhas _____

Mr. Tawfek A. Kwar _____

Rajai Muasher & Brothers Co. _____ *Rep. by Mr. Rafiq S. Muasher*

Mr. Rajai S. Sukkar _____

ZI & IME Co. (Saudi Arabia) _____ *Rep. by Mr. Alaeddin Sami*

Chairman's Statement

To our Shareholders,

I am honored to present to you, on behalf of my colleagues, the members of the Board of Directors, the forty-seventh annual report of Jordan National Bank Group. The report includes a summary of the Bank's achievements during 2002 and the future plan for 2003, in addition to the Bank's longer term aspirations and strategic plans.

I would like to begin by remembering the late founder of Jordan National Bank and its group of subsidiaries and affiliates, our beloved Mr. Yousef Mouasher. Mr. Mouasher passed away in December 2002, soon after he celebrated his latest achievement, the completion and grand opening of the Dead Sea Marriott Hotel & Spa, widely considered as one of the most prominent and impressive luxury resorts in the region. Our visionary founder established himself as one of the primary pillars of the Jordanian economy and business community, and was considered an ideal and distinguished example in his moral leadership, his entrepreneurial spirit, and his drive and ability to build countless success stories. Our late founder was also known for his genuine humility, generosity, tolerant nature, and unfaltering dedication for the well-being of family, citizens, and country. May Yousef's soul rest in peace.

The year 2002 was one of the most difficult years the Bank has passed through since its inception. The Bank was affected by the events of the facilities case, which is related to the forging of official documents that were used as a guarantee for credit facilities extended to a group of customers. Until the date of writing this report, the Attorney General has prepared the indictment list after completing investigation around the case. In mid-June 2003, the case was referred to the State Security Court and the Special Military Tribunal in order to issue the final court resolution on the case. The committee formed within the framework of the case had previously completed the financial report related to the case. It should be noted that the Attorney General had also reserved and sequestered the funds that were obtained through the said facilities in order to prevent their disposal until the final court resolution is issued and all evidence and proof supporting the alleged charges are completely available. The return and surrender of the prime suspect and some of his partners in the case has substantially helped in removing ambiguity and revealing the facts, which proved with certainty the soundness, credibility and proper execution of JNB's procedures in extending the loans related to this case. It should also be noted that JNB's management strongly believes, due to the availability of solid evidence in favor of the Bank, that the extended loans related to the facilities case will be fully repaid following the referral of the case to the courts.

The crisis that occurred during the first quarter of 2002 has helped the Bank consolidate and reinforce its activities. The said crisis served as a testament to the solid foundations of JNB and its immunity against shocks. A good example of the strong confidence in JNB was the subscription by the existing shareholders of 7.4 million dinars/shares through a private placement in the first phase of capital

increase of JD 18 million, ultimately raising the bank's capital base to JD 60 million. The proceeds of the capital increase were considered a good success when taking into consideration the difficult circumstances that surrounded the region during the subscription period. The second phase of increasing the capital is expected to be completed in the second half of 2003 through strategic partners and/or public offering. The high confidence in the Bank is reinforced by both the Bank's capacity to generate high operating profits that would enable it to easily absorb any adversities, and the implicit value of its assets, reserves and provisions - the weight of which can counteract any crises or unfavorable conditions. Forging a strategic partnership will assist JNB in creating more value for its shareholders, clients, and employees as it becomes better equipped to reach new markets. The capital increase process is a part of the Bank's medium-term strategy dedicated to enhance the Bank's position locally and assist it in its regional expansion. Moreover, the capital increase is directed at bolstering and strengthening the Bank's financial position as well as supporting JNB's comprehensive development and restructuring initiative. The capital increase process also aims at enhancing the competitive capabilities of Al-Ahli International Bank S.A.L (a Lebanese subsidiary of JNB). The subscription price was determined at JD 1 per share without an issuance premium for the existing shareholders, even though the book value of JNB's share was approximately JD 1.70 at the time of subscription. The subscription price was set to reward and encourage old shareholders and enable them to benefit from a very promising future of growth and profits for Jordan National Bank.

In 2002, management efforts were centered around the restructuring of operating systems and the reinforcement of the Bank's financial position in order to enhance its financial adequacy, increase and diversify its sources of funds, and reduce the size of both its real estate and equity portfolios in an effort to channel liquidity into more feasible investment avenues. In 2003, the Bank aims to continue its program of developing operating processes and streamline work procedures to facilitate more efficient rendering of services and to achieve a substantial advancement within all banking activities and services. The Bank also seeks to continuously update and develop its banking system in line with the latest technological innovations related to communications, information and electronic systems. During 2002, a new unit was established to manage banking risks and assist management in reducing the Bank's exposure to financial and operational risks. This new unit will identify, measure and control risks and determine the appropriate mechanisms to manage them by setting the required controls as well as the preventive and precautionary procedures to contain them.

Over the past year, JNB maintained its position as the third largest bank in the country. Total assets amounted to JD 1.4 billion while total deposits and cash collaterals increased to about JD 1.3 billion as at the end of 2002. Net credit facilities amounted to JD459 million while shareholders' equity reached about JD 64.1 million at the end of 2002. Net interest and commissions income fell by 16.3%

to reach JD37 million. This fall was due to the impact of the credit facilities case and suspending its related interest income. Moreover, the decline in operating income was mainly due to the reduction in the size of the credit portfolio as the Bank is currently focusing on selective lending and reducing non-performing assets rather than expanding its credit portfolio, whilst simultaneously collecting outstanding loans to reduce credit risk.

The Bank also continued its pioneering role in the field of investment banking services, as it managed another huge success in covering a JD 10 million corporate bond issue for a public shareholding company in cooperation with an investment banking firm. JNB has also signed an agreement with a leading tourism company to lead manage another JD 10 million corporate bond issue. Additionally, the Bank participated as a paying agent for the public offering to sell part of the government's share in Jordan Telecommunications Company as well as for the corporate bond issues of Jordan Phosphate Mines and Jordan Telecommunications Company. The Bank has also launched a new banking product called "Goushan Certificate", which is a non-interest bearing certificate of deposit that grants its holder a revolving monthly opportunity to win a luxurious apartment.

As one of the oldest Jordanian banks, and as the first bank to be established in the Kingdom, JNB has held onto its firmly-established traditions and genuine values, values that have withstood more than four decades of world history and that have firmly prevailed against the face of all crises and adversities. These founding principles will continue to make important achievements possible, and will assist the Bank in becoming one of the pioneering institutions in the region, as it embodies its new motto "A Bank You Trust."

In conclusion, I would like to present my sincere gratitude to all parties that have consistently supported the Bank. I would like to offer special thanks for our old shareholders who participated in JNB's capital increase, solidifying their increased trust and confidence in the Bank. I also wish to thank all employees for their commitment and their tireless efforts, as well as the staff of the Central Bank of Jordan for their persistent labors to maintain the safety and soundness of the banking system.

Dr. Rajai Muasher

Chairman

Economic Performance in 2002

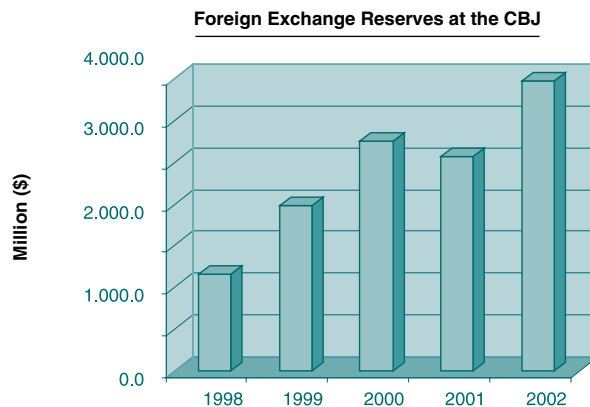
The Jordanian economy recorded a giant leap in its performance during 2002, achieving a real growth rate of 4.9% compared to 4.2% in 2001. This growth is considered one of the best growth rates witnessed in Jordan during the last decade. The extraordinary growth was achieved on the back of the successful implementation of structural reforms. The strength of internal fundamental factors of the economy also enabled it to overcome the negative effects of political fluctuations and tensions which stormed the region and the world during the last two years. Hence, the internal strength of the economy has alleviated its sensitivity towards external events.

The realized growth encompassed all sectors where the merchandise production sectors, including the industrial sector grew by 10.5%. The services production sectors, including the transportation, storage and communications sector grew by 5.7% while the financial services, insurance and real estate sector grew by 2.9%.

In addition to the noticeable achievement in the area of economic growth, the macro economic performance has maintained its key achievement in the field of monetary stability, improving the investment climate and containing inflation within low levels not exceeding 2%. A major success was also recorded when the government rescheduled about \$ 1.2 billion of foreign debts due to the Paris Club creditors during the coming five years. The interest rates structure continued to tend downward in response to the international and local economic conditions and developments. The increase in foreign exchange reserves of the Central Bank to historical record levels, amounting to about \$ 3.5 billion and covering imports for more than seven months, has also helped the CBJ in cutting down interest rates. Furthermore, this has also contributed to support the dinar's stability and enhance the purchasing power of individuals income within the general price stability.

Jordanian banks reduced interest rates in concurrence with the reduction of interest rates on all CBJ's monetary instruments. The per capita share of GDP in terms of market prices rose by 2.4% during 2002 to reach about USD 1745.

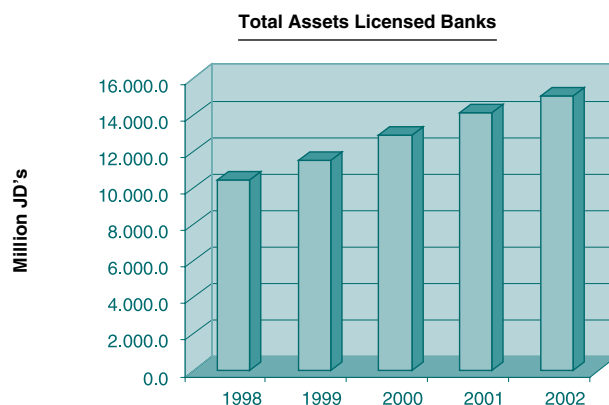
The positive economic indicators and the growth realized during 2002, which exceeded the targets set by the Structural Adjustment Program, connote the success of both the fiscal and monetary policies as well as the structural reform measures adopted by the government



during the last years to resolve previous distortions and imbalances. The government is still implementing its comprehensive reform plan in all areas, where a great deal of emphasis is placed upon transparency, accountability, combating corruption and prevalence of the law. The government is currently concentrating on moving from the stage of organizing partnership between the public and private sectors to the stage of finding solutions related to the investment and export issues as well as preparing all the conditions required by the private sector to play its pioneering role in developing the economy. It should be noted that

the growth achieved during 2002 was led by the strength of national exports, which witnessed a record growth for the second consecutive year amounting to 13.7%. The fast growth of qualified industrial zones exports to the U.S.A was the major driver behind the good growth of Jordanian exports. The American market occupied the second place in terms of the relative importance of exports after Iraq. On the other hand, the growth of imports slowed down to only 2.3% due to the accumulation of high inventory levels of capital goods in the kingdom following the massive imports witnessed during the last couple of years. As a result of the growth in foreign trade activity, the deficit in the trade balance improved as the shortfall declined by JD 240 million or by 13.2% in 2002 while the re-export of goods increased by 48.4% during the same period. The notable improvement in the performance of foreign trade was attributed to the policies and measures taken by the government aiming at exposing Jordan to the global market. The liberalization measures are implemented through abolishing the remaining obstacles impeding external trade activities as well as promoting local investments and attracting foreign ones in addition to the development of the competitive capacity of the national industry and improving its access capabilities in global markets. In the field of public finance, the government has succeeded in raising the efficiency of revenue collection, expanding the base of revenues and identifying the priorities of public expenditures based on allocating resources for the efficient uses.

The government also fully exempted production inputs, reduced the maximum income tax rate levied on individuals to 25% and abolished the withholding tax on shares' dividends. As a consequence of these measures, the performance of the general budget was negatively affected, and the overall deficit rose by JD 35.3 million to reach JD 259.6 million representing about 3.7% of GDP versus 3.6% in 2001. The said deficit resulted from the increase in public expenditures by 4.4%, which is a higher rate than the rate of increase in public revenues amounting to 3.1% only. Despite the increase in the budget deficit in 2002, the government succeeded in controlling the growth in expenditures as compared to 2001. This was due to



the government's policy aimed at rationalizing the current expenditure which increased by only 3.6% in 2002 against 4.1% in 2001. However, capital expenditures rose by 8.2%, comprising about twice the growth in current expenditures. Many projects were executed under the umbrella of the Economic and Social Transformation Program in addition to the commencement of implementing several investment and infrastructure projects in the Aqaba Special Economic Zone.

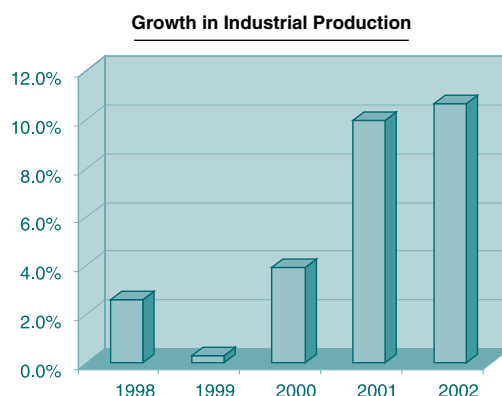
The outstanding balance of the domestic public debt recorded an increase of 18.5% during 2002 to reach JD 1656 million, representing about 25.1% of GDP versus 22.3% in 2001. The outstanding balance of external public debt grew by 8% to amount JD 5.1 billion representing 77.7% of GDP against 75.8% at the end of 2001. This increase was mainly attributed to the appreciation of major foreign exchange rates of creditor countries against the US dollar, which the Jordanian dinar is pegged with.

In the area of enhancing the safety and immunity of the banking system, the Central Bank continued to take the measures required for uplifting the efficiency and effectiveness of the banking sector according to international supervisory and accounting standards. The Central

Bank also proceeded with the implementation of the first and the second phases of the National Payment System. Furthermore, the Central Bank has continued to implement its approach of indirect management of the monetary policy based on open market operations. The Central Bank has continued to issue certificates of deposits to be used as a major tool to control the growth of domestic liquidity and achieve monetary stability in line with the growth of economic activity. The domestic liquidity grew by 7% during 2002 compared to 5.8% during the preceding year. Foreign assets of the banking system has contributed to the growth in liquidity by an amount exceeding three times the contribution of local assets.

The modest growth in credit facilities during 2002 was due to the effects of the unstable circumstances that surrounded the region. Additionally, the credit facilities case, which affected three Jordanian banks in early 2002, might have contributed to the slowdown in credit growth. The outstanding balance of credit facilities extended by banks grew by only 3.7% in 2002 compared with 8.9% in 2001. However, total deposits increased during the same year by 7.4% versus 6% in 2001, leading to a better liquidity ratio of the banking system.

In line with government's policy of incorporating the Jordanian economy into the global economy and liberalizing trade to meet the requirements of the World Trade Organization, the government signed during 2002 several trade and investment agreements with a number of Arab and foreign countries. The Euro-Jordanian partnership agreement has went into effect since May 1st, 2002. Moreover, Jordan started to benefit from the advantages of the Free Trade Agreement with the USA, which has become effective at the end of 2001. The institutions working in the field of investment promotion continued to implement their programs to improve the investment environment in the Kingdom and attract foreign direct



investments towards the various economic sectors. The government also granted some encouraging incentives to activate exports, enter new markets and promote the national industries abroad.

Despite the above mentioned positive developments, the poverty and unemployment problems are still posing the hardest challenges facing the Jordanian economy. Therefore, the government has made additional efforts to curb these two problems and reduce their negative effects. These efforts included the creation of additional job opportunities, upgrading and development of human resources and responding to job market's needs, executing the economic and social productivity enhancement programs, and the continuation of extending financial support for social and developmental funds.

Despite the continued unfavorable regional circumstances, the tourism sector witnessed a slight improvement during 2002. The value added for this sector, as measured in market prices, increased by 7.3% versus a decline of 3% in 2001. The tourism sector's contribution to GDP in current base prices amounted to 4.7% in 2002 compared with 4.6% in the preceding year. The tourism income contribution to GDP rose from 9.1% in 2001 to 9.7% in 2002. Total arrivals from Arab states recorded an increase of 7.1%, thus offsetting part of the decrease in arrivals from Europe by 16.7%. Furthermore, the room occupancy rates in classified hotels rose to 32% in 2002 against 30.5% in 2001.

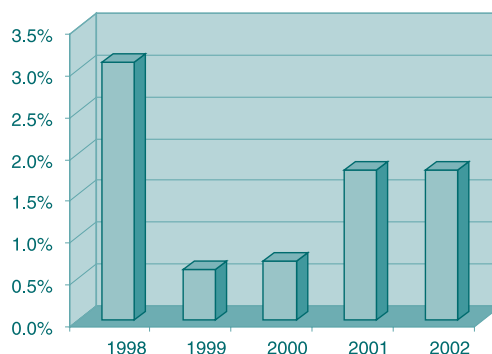
The industrial sector witnessed distinguished performance in 2002, where the growth rate of its real value added, in both the extracting and the manufacturing sectors, has doubled to 10.5% against 5.5% in 2001. The industrial sector contributed by more than one-third of the real growth rate in 2002. The manufacturing industry sector maintained its leading position in accelerating the pace of economic growth, where it has contributed by a large share of the real growth rate as it grew by 10.6% versus 5.8% in 2001. The relative importance of this sector to the GDP increased to 16.8%. The noticeable growth of the manufacturing industry sector was due to the increased foreign demand, especially on garments, which increased its exports by 70% during 2002. The extracting industry sector recorded a massive growth amounting to about twice the growth recorded during the preceding year (9.8% versus 4%). This growth mainly resulted from the increase in production capacity and the improved competitive capability of the Phosphate Mines Company following the corrective measures taken by its management and the increased foreign demand on Phosphate. The record figures of the industrial production output reflected the notable improvement witnessed by this sector during 2002. The industrial production index rose by 11.2% versus 10.8% in 2001 while the new industrial investments increased to JD 32.2 million compared with JD 23.6 million in 2001.

The construction sector continued its positive activity during 2002 as it grew by 6.8%. The sector's contribution to GDP increased to 5.5%, and the licensed areas for construction increased by 20.3% while cement production jumped by 8.9% during the same year.

The government continued to implement its privatization program during 2002 as a part of the structural reform process of public sector institutions and activating the private sector's role in the economy. The privatization proceeds amounted to about JD 615 million until the end of 2002, where approximately JD 309 million was utilized. The main achievement of the privatization program in 2002 was the sale of a part of government's stake in Jordan Telecommunications Company, a representing about 10.5% of its capital and amounting to JD 61.6 million. The sale was conducted through a public offering, which diluted the government's share to 40.5%.

The performance indicators of the Amman Stock Exchange during 2002 showed positive results for the second consecutive year, except for the general price index, which fell by 1.6%. The trading volume increased by 42.9% to reach its highest level since 1993. The number of traded shares also increased by 37.1% and the market capitalization of listed stocks rose by 12.3%. The good performance of the bourse during 2002 was attributed to the improved profitability of public shareholding companies and the increase in economic growth as a result of reducing interest rates. Furthermore, the improved performance was due to the technological developments that took place in the bourse as well as the increased confidence in the Jordanian capital market by investors following the organizational efforts of the Securities Commission in regulating and supervising the activities of the capital market.

Inflation Rate (Cost of Living Index)



Board of Directors' Report for 2002

The management has focused its attention during 2002 on the reorganization of banking operations to consolidate and coordinate efforts between the Bank's business development divisions (profit centers) and its support divisions (Cost Centers). The new setup is aimed at attaining the optimal specialization level for each profitable activity and providing support services for these divisions. This will ultimately lead to integrating operations and concentrating on achieving the objectives and strategic plans of the Bank.

Business Development Divisions:

(1) The Corporate Division:

The facilities department work was reorganized and restructured to concentrate especially on the completion of establishing the corporate facilities department. The new department was supported with a number of specialized, experienced and qualified staff in the area of corporate finance. The said department was reorganized according to the concept of customer relationship management, as account manager in this department are assigned the responsibility of managing and following up a group of accounts according to the latest globally-known credit principles and standards.

A new credit risk control and administration department was established to perform the duties of credit supervision as well as the duties of credit administration and support. The new department will review and audit the credit extension process in all aspects and respects. The duties of this department will also make sure that each credit decision is made in accordance with the authorities given, the credit policy and the directives of the monetary authorities supervising the Bank's branches. Moreover, A periodic review is performed for facilities contracts, collaterals, mortgages and documentations. These documents are then saved after checking the soundness of their legal safety and conditions fulfillment procedures. The new department also supervises the activity of direct facilities and reviews its compatibility with the volume of indirect facilities as well as the credit portfolio distribution over economic sectors. Additionally, the staff of this department will also be responsible for following up with the repayment of accounts on their due maturities in addition to controlling the portfolio's performance in terms of activity, quality, periodicity and adequacy of provisions.

The purpose of establishing the above mentioned supervisory department is summarized by controlling credit risks before they occur in addition to averting and controlling the risks or mitigating them to the minimum possible levels. Furthermore, the objective of this department is to watch accounts before they are classified and suggest practical solutions to avoid their classification and stumbling. The department will continuously look for any alarming signs or early indicators that might point to the existence of probable risks or weaknesses in the performance of some accounts. Thus, the Bank will avert having any future surprises by immediately solving problematic accounts in advance to avoid classification and stumbling of debts.

During 2002, the development team updated and upgraded the credit policy according to the new organization of credit departments in line with international best practice. Specific standards were established to select customers, identify targeted sectors and set acceptable risk levels. Additionally, a clear mechanism was also established for

pricing loans to align profitability to risks size. The Bank has also taken some corrective measures to adjust the status of some credit concentration accounts in accordance with Central Bank of Jordan directions in this regard. Furthermore, efforts were focused towards increasing the size of indirect credit facilities, especially imports financing and rendering other trade finance services for the customers dealing in the Jordanian market.

In a step aimed at improving the credit portfolio quality and reducing the size of non-performing loans to reach internationally-accepted levels, the management has persistently worked during 2002 to remove a large number of classified credit accounts through repayments, rescheduling or settlements. The work of the remedial department was also centralized at the Head Office in order to consolidate efforts, facilitate remedial procedures, organize bad debts and expedite their repayment.

The foreign trade unit has achieved exceptional results during 2002. The unit continued its extensive activity in the field of foreign trade financing and documentary LC's, especially under the MOU program (Oil for Food and Medicine Program). The Bank dealt with a large number of distinguished customers who have proved their commitment to execute with no delays. However, the Bank's operations in the last period of 2002 were cautious and conservative towards the political events in Iraq.

(2) Retail Banking Operations:

JNB was very active in the field of retail banking operations and personal loans for individuals. The Bank looks forward to capitalize on its wide customer base in order to distribute credit risks over a large segment of customers. JNB has benefited from expanding its small depositors base after the launch of the Goushan Certificate service. This certificate is a saving instrument, which grants its beneficiary an increased and revolving monthly opportunities to win an apartment. This new product also provides many other features, such as obtaining personal loans amounting to limits reaching 90% of the certificates' value as well as obtaining JNB's MasterCard cards with preferential advantages. It is worth noting that this new banking service encourages small saving customers to save small amounts with the ability of cashing the certificate (regaining its value) immediately and at any time the beneficiary desires to do so at any branch. The customers who maintain their certificates will be eligible to double the beneficiaries' chances to win month after month, with an average of once a month.

JNB has managed during 2002 to increase the number of affiliated issuers of MasterCard card and the prepaid card for electronic commerce (e-comcard) through JNB, as the main issuer and acquirer. Moreover, the affiliated members network of the MoenyGram transfer service was expanded after a number of distinguished exchange offices in the Kingdom joined JNB's network of MoneyGram service. The number of ATM sites increased to 39 centers including the first car-used ATM machine. It should be mentioned that the performance efficiency of these machines increased significantly during the last year.

The Bank has completed the preparation of a restructuring plan of the credit cards department in terms of internal procedures, administrative affairs and financial accounts. This plan aims at upgrading the performance level of extending the service to customers. The plan also includes designing programs that are directed at increasing the issuance turnover, expanding the merchants' base and installing point of sale machines in Jordan and abroad.

(3) Treasury Operations:

The treasury and financial institutions department continued its distinguished activities in foreign banking operations, especially in the area of international money and financial markets, as well as dealing in the domestic treasury instruments. The Bank continued to participate actively in primary and secondary financial markets to achieve the ultimate goal of converting JNB to primary dealer in the market.

By being highly flexible, the treasury department succeeded in adapting and dealing with the temporary circumstances in managing the Bank's liquidity under all cases. The treasury department has proved its superior efficiency in managing the Bank's assets and liabilities in cooperation with the ALCO Committee. The department continued to employ funds within calculated risk limits commensurate with investment returns. Additionally, the cost of funds is periodically reviewed and amended to achieve a better competitive position.

JNB succeeded during 2002 in strengthening and bolstering the dealing relations with international correspondent banks and financial institutions in order to gain better dealing terms and reduce the costs of different dealing operations. Furthermore, JNB continued to set the dealing limits for major countries and main correspondent banks, based on analyzing the risks associated with these dealings. Additional studies are also prepared by the financial institutions department according to the well-known scientific and banking standards.

(4) Investment Banking Operations:

During 2002, JNB succeeded in diversifying its activities in the area of investment banking services in order to diversify the Bank's earnings through maximizing fee-based income, such as the fees for investment portfolio management for customers, primary issues management fees, financial brokerage fees, investment trustee fees, custody fees and other investment and consultative services fees. The Bank's aim of presenting these services is to gradually reduce its increased dependence on the interest income generated from the pure credit activity, hence maximizing the return on both assets and shareholders' equity, since the investment services activity mostly depends on accounts classified as off-balance sheet items. The Bank's role is limited to perform as a broker between capital market investors and investors with financial deficits.

JNB has sustained its pioneering role in the field of issuing corporate bonds in the local capital market. The value of issues managed by the Bank during the last three years amounted to JD 35 million. In the area of portfolio management for customers, the number of clients and the size of managed portfolios both increased substantially, and attractive returns were realized for investors. The portfolio management service saves the time and effort of customers wishing to manage their funds by an experienced team in the area of asset management. The Bank also continued to render its professional consulting services to assist companies in restructuring their debts and provide them with advice and consultation on the best and appropriate financing schemes.

The trading volume of JNB's brokerage office increased during 2002 by 80%. The Bank's profits were supported by the good income generated from brokerage dealings, while the number of customers dealing in ASE through JNB has increased substantially. The old brokerage system used was replaced with a new one that keeps pace with the new developments in electronic trading.

(5) Branches Abroad Operations:

Al-Ahli International Bank S.A.L

(A Lebanese Subsidiary of Jordan National Bank)

Al-Ahli International Bank in Lebanon consummated during 2002 the process of consolidating and merging the branches resulting from the merger between the Bank of Lebanon and Kuwait and JNB's branches in Lebanon. Efforts were focused on enhancing AIB's image in the Lebanese market and reinforcing the internal position of AIB. Moreover, the buildings of branches were renovated while at the same time expenses were squeezed, and work procedures were reorganized in accordance with the directions of the mother company in Jordan.

AIB's management implemented a strategy of cautious expansion and calculated lending while the investment policy was highly conservative pursuant to the prevailing circumstances and economic conditions. AIB dedicated a considerable attention to improve its credit portfolio quality by concentrating on customers with high financial adequacy and good reputation. The management also focused on extending low-risk small loans that were guaranteed by insurance companies. Furthermore, AIB entered the housing loans market, which is characterized by its limited risks, whether through the programs offered by the General Housing Corporation or the Military Housing Corporation, or the schemes designed by the Bank's management. AIB commenced the issuance of credit cards (MasterCard) under its name as well as the Maestro cards for cash withdrawals from ATM machines and for payment of purchases. AIB also started to market the new electronic banking services like the phone bank and the mobile bank. It is worth mentioning that AIB was the first bank to introduce and present such services in the Lebanese banking market.

Despite the several measures taken by the Lebanese government to accelerate the economic activity and expedite growth, the impact of these procedures will begin to take effect during 2003. Thus, AIB is expected to achieve good profits after accomplishing the restructuring process and completing the merger procedures.

The International Banking Unit (Cyprus Branch):-

The international banking unit in Limassol continued to occupy a leading position among foreign banks operating in Cyprus, especially in the area of financing foreign trade in the region. JNB is currently preparing for extending its services to local nationals as Cyprus is approaching to join the European Union. This will reduce the restrictions imposed on bank dealings by international banking units operating in the island, especially in terms of extending banking services for the local market.

Branches In Palestine:

In accordance with the directives of the Branches Abroad Management in the Head Office, the Regional Management of Palestine branches implemented an emergency plan, through which our Palestine branches succeeded in overcoming the negative repercussions of the ongoing Israeli occupation and closure of the Palestinian Authority territories. JNB has managed to realize the least possible losses and continued to present its banking services and provide the liquidity needs for customers despite all difficult circumstances that surrounded the Palestinian cities during most of 2002. JNB aims at linking branches in Palestine electronically with each other as well as with the general management in Jordan. This move will facilitate communications and operating processes. The Bank also aims during 2003 at designing banking loan

instruments, which suits the current situation in the Palestinian market ,especially in the field of long term housing loans financing.

Support Divisions

1-Operations and Information Technology:

The branches operations and automation department continued to train the staff of branches and central departments employees on the new automated applications in addition to setting the technical specifications required for programming new products or amending the existing services according to users' needs. As well, the department continued to provide the required technical support for branches through its role as a coordinator between the users and the computer department besides applying and implementing the programs of services and the computerized products.

The computer department maintained the smooth running and the highly flexible operation of the banking system. The automated system was modified and upgraded in order to meet some new needs of users and adding certain new services and products. Moreover, a new system was installed for trade finance services (letters of credits, letters of guarantees, bills of collection). The system has become operational under an information network connected real time online between all branches in Jordan, Lebanon and Cyprus. Also, the programming and analysis department has designed several new programs aimed at improving and developing the current programs, especially with respect to automating a large number of reports in the field of management information systems. The Bank accomplished during 2002 the process of developing and enhancing the communications network infrastructure in compliance to the latest digital, information and security systems.

2-Banking Risk Management:

JNB has established a risk management unit in order to identify, measure and control various related risks, and further to determine the negatively susceptible assets to such risks, where the Bank contracted with a specialized international consultancy company in order to install the Control and Risk Self Assessment System (CRSA). The main functions of this system could be summarized in the surveillance and control of business centers performance and informing the top management with recent updates. The purpose of this system is directed to study the risks associated with the activities of the Bank among different departments. The system will also install programs and systems customized specifically for each department. These programs will set up the required controls to prevent and parry the banking risks or mitigate them. In addition, periodic tests would be carried out to make sure that such regulations and controlling procedures are working in an efficient and effective way within a continuously changing environment. The managers of the different units will be held accountable for implementing this system and should be committed to execute the control procedures on their due dates. They are also required to follow-up the correcting process of the weaknesses included in the banking risks reports. Each manager should identify risks and make sure that control procedures are in place to prevent or ward-off the impact of these risks according to detailed and specific standards. The department will also be responsible for checking the adequacy of procedures and try to improve them in order to assure the preservation of an updated and effective set of control procedures. In the early stages of implementation, the mission of the risk management unit will be the supervision and facilitation of implementing the system in the different work centers. This will be achieved through organizing workshops

and training programs on the system implementation mechanism. The subsequent stages will be followed by conducting periodic tests to check the extent of adherence to control procedures implementation. Finally, the results of implementing the system will be analyzed, and plans will be proposed to correct any shortcomings or weaknesses.

By these prudential procedures, JNB has anchored the building of a solid background dedicated to protect the Bank against exposures to undesirable risks and performance mistakes. These procedures also enable the Bank to confront the challenges faced through operations and banking activities, thus controlling the risks surrounding the Bank and impeding the realization of its goals. It is necessary to mention that the banking risk management and control became an essential requirement imposed by the central banks and Basel Committee (2), which sets the general framework to assess the efficiency and effectiveness of internal control systems in banks.

3- Human Resources Management:

The Bank started to apply a performance management system in order to assist management at all levels in planning, controlling, appraising and realizing the ongoing improvements in productivity, in addition to make sure that resources are being appropriately and effectively exploited. As well, new annual staff performance evaluation forms were designed, where the evaluation process is conducted according to objective and fair principles in order to eliminate weakness points and avoid them, as well as utilize strong points to build on them. Moreover, the management plans to apply the concept of reward and accountability.

Preparations are in process to apply the career path methodology, whereby future potential career advancements are planned for all staff levels according to the employees' skills, characters and qualifications. Moreover, future promotion plans will be directly linked to supportive training courses and programs for each administrative position.

In the field of training and developing the staff, the Bank also aims at applying the principle of job rotation by training the employees at all levels on the work of all sections and divisions in each branch or central department. This will lead the Bank to attain the concept of the comprehensive employee and thus to assure that all employees are able to replace their absent colleagues. Hence, substitutes will be always in hand, besides refining the employees' skills and expanding their experience and knowledge span. The Bank participated during year 2002 in 279 training programs, containing 2909 training opportunities, upon which the Bank has continued to occupy the first rank of Jordan's banking system for the fourth consecutive year in terms of the number of training opportunities administered by the Institute of Banking Studies. As well, the Bank focused its training programs on the subjects that embody the concept of Customer First, where the Bank cooperated with an international consultancy company to develop and implement a specialized training program for all employees of Jordan National Bank who deal with clients. The said training course primarily concentrated on the aspects related to customer service and the communication and dealing skills.

4-Auditing and Financial Control Systems:

The financial control department continued to play an essential role in controlling and supervising the performance of branches and profit centers through reviewing the individual business plans, which represent the work methodology of branches and various departments, as well as the measure of performance evaluation. The

department is responsible for checking any deviations from the budgets and identifying the reasons behind them, first by first in order to find proper solutions for such deviations as soon as they are discovered. Control tools and automated reports were developed by using the latest technologies to conduct the control procedures.

A new system was introduced to classify and evaluate branches in terms of financial and qualitative performance based on the reports prepared by the auditing teams upon their visits to the different units and departments. Also, an internal system was also designed to facilitate the follow-up process of correcting the notes reported by the auditing teams, while a specialized liaison officer was appointed to control the quality of audit work. JNB has applied the concept of specialized auditing for each of the Bank's activities.

5- Branches Affairs:

A large number of working manuals, procedures and processes of the services and operations of the Bank were accomplished during year 2002. In addition, some procedures were reformulated while others were developed, updated and documented within a unified standard, then they were circulated over the whole Bank after they were officially approved.

During the last quarter of 2002, Gardens branch was merged into Wasfi Al-Tal branch, as both branches were adjacent to each other. The branches affairs department kept on following up the progress of implementing the business plans of all branches, where the extent of achieving the budgets is being measured and followed up in order to probe the harmony between actual performance and the preset business plans. The Bank emphasized the need for the immediate correction of deviations and resolving their reasons, while at the same time adhering to the financial and non-financial objectives to achieve the overall goals of the Bank.

Social Responsibility:

Within the framework of JNB's commitment to develop and uplift the community and promote cultural and traditional activities, the Bank actively participated in the festivals and celebrations held on the occasion of declaring Amman as the capital of Arab Culture, through a distinctive cultural program that included brochures, activities, prizes and theater shows. In addition, the Bank contributed in sponsoring and financing the construction of the largest modern mosaic mural for Amman. These programs aim at giving the chance to the innovative youth to express their talents, art and opinion.

Along with the cultural role of JNB, the National Museum of Numismatics was completed during 2002, which JNB had constructed in year 2000. This museum contains the rarest and most complete collection of coins and numismatics throughout four thousand years of the history of Jordan and the Arab Orient. The Municipality of Greater Amman will use this museum in its activities and cultural programs. Moreover, Jordan National Bank honored during 2002 the journalists and editors in a gesture to emphasize its belief in the strong connection between the economic and development process on one hand, and the media sector on the other hand. With regard to the Bank's realization of the importance of the continued communication with the society, the Bank honored during the last year the superiors in the high school level by granting them JNB's Goushan Certificates as appreciation prizes.

Future Plan for 2003

Jordan National Bank pursuits to achieve during the year 2003 the following objectives and detailed plans within the medium-term strategy (2001 - 2003):

- 1- Applying the concept of centralized operations for branches, in addition to standardizing and unifying the Bank's services in order to reduce operating costs, and benefit from the large economies of scale. The Bank intends to improve control over the quality of services, in addition to boost up the accuracy and execution speed. Such step would downsize branches operations to the minimum extent and dedicate the branches' staff to market the Bank's products and services.
- 2- The Bank will focus on applying the principle of Customer First and placing the client as the core axis of the Bank's attention. Efforts will take place to assure a high quality of personal service. As well, the Bank intends to motivate cross-selling of the Bank's various services through intensifying field visits to targeted clients, and thus attracting low-cost deposits via introducing a new set of lending and saving products and programs designed specifically for individuals.
- 3- Changing the Bank's image through embodying the new motto of JNB "A Bank You Trust", and concentrating on the Bank's old traditions, its long history and genuine values.
- 4- Expanding the market share through marketing the Bank's services to access wider segments in geographical areas and different economic sectors in order to enlarge the customers base and reduce the concentration degree.
- 5- Improving the quality of the credit facilities portfolio through the solid commitment to the new credit policy of the Bank and selecting clients according to their aptitude, credit worthiness, and ability to repay. Also, the Bank will direct intensive efforts to follow up with the collection of outstanding bad debts and organizing the non-performing accounts.
- 6- Adopting a decision support system in order to shift from the management information system into the management analysis system, which would enable the top management to analyze profits, cost structures, and plan the marketing policy to manage it in an effective manner. JNB also aims at directing the Bank's extension of services towards the minimum costs possible by using the latest technological methods.

- 7- Applying new systems to be used as distribution channels to render the Bank's services and products, such as the Call Center, Customers Relationship Management (CRM), Internet Banking and Unmanned Banking.
- 8- Completing the automation process for reports required by the Central Bank of Jordan as well as computerizing the regulations, rules and the archive.
- 9- The Bank plans to expand in the Investment Banking field, and the continuous follow-up with the recent developments in the capital market through issuing and distributing weekly market performance reports to clients and interested parties. Furthermore, JNB plans to issue research and analysis reports on the performance of companies, sectors, and the macro-economy. The bank will also intensify its marketing of investment portfolio management services and the financial brokerage services through the Bank's branches.
- 10- Instilling the concept of Corporate Governance and educating the Bank's staff to perceive the Corporate Culture of JNB, besides enhancing the teamwork spirit to realize the strategic goals of the Bank.
- 11- Designing and constructing a specialized center for training and developing the related training materials, which would satisfy the professional needs of the employees to reduce the high external training costs.

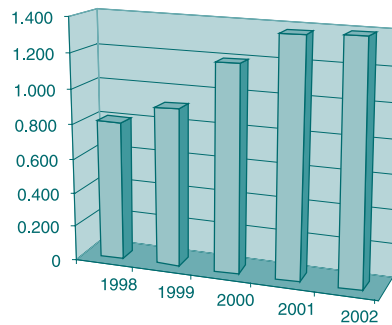
BALANCE SHEET AND FINAL ACCOUNTS

The Balance Sheet of Jordan National Bank as of December 31,2002 shows a noticeable increase in most items. The following are details of the main items of changes in assets, liabilities, and contra accounts :

Assets

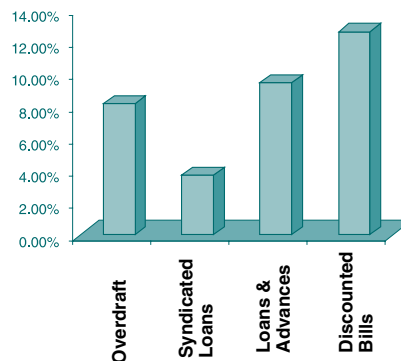
- 1 - The Balance Sheet total (excluding contra accounts) amounted to JD1,384,867,553 as at Dec.31st,2002, compared with JD1,353,923,343 as at Dec. 31st,2001 - an increase of JD30,944,210. With the inclusion of contra accounts, the 2002 total would amount to JD2,177,559,644 compared with JD1,895,942,887 - an increase of JD281,616,757 over the preceding period.
- 2 - Cash in hand and at banks amounted to JD679,282,682 at the end of 2002, compared with JD559,972,730 at the end of 2001 - an increase of JD119,309,952. The liquidity ratio rose to 52.8 percent at the end of 2002 compared with 44.9 percent at the end of 2001.

Total Assets (JD mn)



- 3 - The value of securities and investments amounted to JD144,132,987 at the end of 2002 compared to JD138,340,353 at the end of 2001. This amount includes JD116,912,600 of Jordan government bonds and various other government guaranteed bonds, and corporate bonds issued by public institutions and companies.
- 4 - The balance of credit facilities (before provisions and interest in suspense) amounted to JD585,225,260 at the end of 2002, compared with JD638,636,528 at the end of 2001 - a decrease of JD53,411,268 over the preceding year. This amount includes discounted commercial bills amounting

Market Share for Direct Facilities (Jordan Branches)

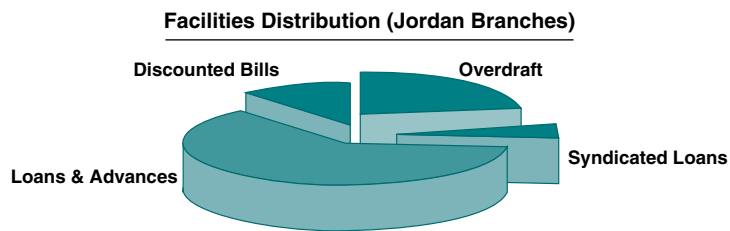


to JD74,388,043 in addition to outstanding overdraft accounts, credit cards, and loans and advances amounting to JD510,837,217.

- 5 - The net book value of real estate, machinery and equipment, and furniture (after depreciation) amounted to JD54,138,823 at the end of 2002, compared with JD56,159,238 at the end of 2001.

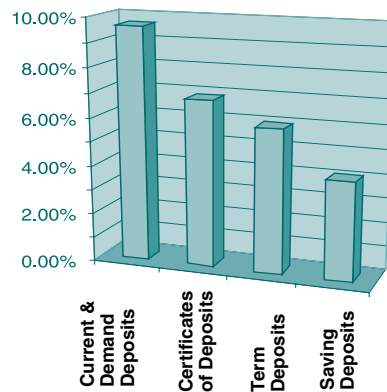
Liabilities

- 1 - The balance of current and call accounts, savings, term and bank deposits amounted to JD1,037,363,255 at the end of 2002, compared with JD1,002,250,360 at the end of 2001 - an increase of JD35,112,895.



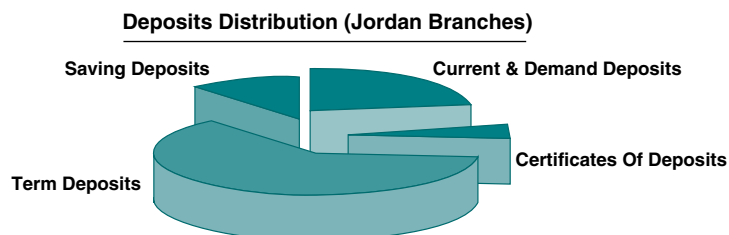
- 2 - The balance of reserves and various other provisions amounted to JD27,749,214 at December 31st, 2002, compared with JD29,203,971 at the end of 2001.

Market Share of Deposits (Jordan Branches)



Contra Accounts

- 1 - The balance of documentary credits increased to JD466,369,170 at the end of 2002, compared with JD309,114,743 at the end of 2001.
- 2 - The balance of guarantees increased to JD172,763,095 at the end of 2002, compared with JD167,287,092 at the end of 2001.
- 3- The balance of acceptances for customers' accounts increased to JD62,264,669 at the end of 2002, compared with JD34,727,229 at the end of 2001.



AUDITORS' REPORT

To The Shareholders of Jordan National Bank Amman - Jordan

We have audited the consolidated balance sheet of Jordan National Bank (a Jordanian Public Shareholding Limited Company) as of December 31, 2002 and the related consolidated statements of income, consolidated changes in shareholders' equity and consolidated cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which, to the best of our knowledge and believe, were necessary for the purpose of our audit. We have previously audited the consolidated financial statements for the year ended December 31, 2001, which figures are stated for comparison purposes, and issued our qualified report thereon dated April 22, 2002.

Except as discussed in the following paragraph, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As mentioned in note (8) to the financial statements, there are overdue debts representing 10% of the net credit facilities included in the balance sheet as of December 31, 2002. these debts are due from three debtors (individually and/ or jointly), and have been classified as non-performing. Moreover, interest and commission thereon have been suspended. Due to the circumstances surrounding these debts, management has not estimated the amount of loss the Bank might be exposed to nor has it taken any provision thereon. Additionally, we have been unable to estimate the required provision for doubtful debts in connection with these credit facilities.

The Bank maintains proper accounting records, and the accompanying financial statements are in agreement therewith. Furthermore, the financial data presented by the Board of Directors are in agreement with these records.

In our opinion, except for the effect of being unable to determine the appropriate amount of the required provision for doubtful debts and the final outcome of the uncertainty surrounding the above-mentioned matter, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Jordan National Bank as of December 31, 2002 and the results of its operations and its cash flows for the year then ended, in conformity with the Law and with International Accounting Standards. We recommend that the General Assembly take what is stated above into consideration upon approving these financial statements.

Without any further qualification, in our opinion, as stated in note (47) to the accompanying financial statements, the Bank's operations are currently under the impact of uncertainty mentioned in note (8) to the accompanying financial statements. This requires that the Bank's management should continue in its efforts to accomplish the plan and objectives stated in note (47) mentioned above, particularly to adhere to the requirements of the regulatory authorities.

Amman - Jordan
june 9, 2003

Saba & Co.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31ST. , 2002 AND 2001

ASSETS	Note No.	December 2002 JD	December 2001 JD
Cash and balances at Central Banks	4	250,959,069	223,610,669
Cash at Banks and other Financial Institutions	5	418,000,653	336,362,061
Deposits at Banks and other financial institutions	6	10,322,960	-
Trading Financial assets	7	50,577,674	65,741,038
Credit Facilities - Net	8	459,004,146	540,482,060
Available for Sale Financial Assets	9	52,686,916	48,576,353
Held to Maturity Investments - Net	10	40,868,397	16,637,050
Investments in Subsidiaries & Affiliates	11	-	7,385,912
Fixed Assets - Net	12	54,138,823	56,159,238
Other Assets	13	42,872,949	52,588,521
Deferred Tax Assets	14	5,435,966	6,380,441
Total Assets		1,384,867,553	1,353,923,343

LIABILITIES & SHAREHOLDERS' EQUITY	Note No.	December 2002 JD	December 2001 JD
Deposits of Banks' and other Financial Institutions	15	217,635,002	144,594,143
Customers' Deposits	16	819,728,253	857,656,217
Cash margins	17	250,325,154	246,181,137
Borrowed Funds	18	10,471,189	8,641,349
Various Provisions	19	3,256,548	4,711,390
Other Liabilities	20	18,268,185	21,844,929
Provision for Income Tax	21	313,109	-
Total Liabilities		<u>1,319,997,440</u>	<u>1,283,629,165</u>
Minority Interest	22	740,982	984,108
Paid-up Capital	23	43,320,331	42,000,000
Statutory Reserve		17,184,142	17,184,142
Voluntary Reserve		2,407,260	2,407,260
Foreign Branches Reserve		4,550,000	4,550,000
Other Reserves		213,054	213,054
Reserve at Subsidiaries		138,210	138,125
Translation Adjustments for Foreign Currencies		18,000	18,000
Cumulative Change in Fair Value	24	(2,389,909)	77,977
Retained Earnings	25	(1,311,957)	2,721,512
Total Shareholders' Equity		<u>64,129,131</u>	<u>69,310,070</u>
Total Liabilities and Shareholders' Equity		<u>1,384,867,553</u>	<u>1,353,923,343</u>

The accompanying notes constitute an integral part of these statements

CONSOLIDATED STATEMENT OF INCOME

FOR THE TWO YEARS ENDED DECEMBER 31^{ST.} , 2002 AND 2001

	Note No.	December 2002 JD	December 2001 JD
Interest Income	26	61,920,004	82,959,817
Interest Expense	27	38,817,273	51,673,573
Net Interest Income		23,102,731	31,286,244
Commission Income - Net	28	13,917,739	12,927,239
Net Interest and Commissions Income		37,020,470	44,213,483
Non-Interest and Non-Commissions Income			
Banks' Share in Subsidiaries' and Affiliates' Companies & Branches (Losses) Profits		(2,079,729)	2,437
Income (Losses) from Financial Assets and Instruments	29	(320,242)	773,046
Other Operating Income	30	5,073,815	5,755,102
Total of Non-Interest and Non-Commission Income		2,673,844	6,530,585
Net Operating Income		39,694,314	50,744,068
Expenses :			
Employees expenses	31	15,236,742	14,075,769
Other operating expenses	32	7,302,930	6,045,290
Depreciation and amortization		4,030,834	3,661,128
Provision for credit facilities		12,486,457	21,414,181
Debts written-off		1,726,541	279,754
Other various provisions	33	418,885	5,378,712
Total Operating Expenses		41,202,389	50,854,834
Net Operating Income (Loss)		(1,508,075)	(110,766)
Non-operating revenues (expenses)	34	(1,267,650)	(357,923)
Net (Loss) before Tax and Fees and Minority Interest		(2,775,725)	(468,689)
Less : Income tax provisions	21	1,303,723	-
Educational council and vocational and technical training fees		8	-
Net (Loss) after Tax and Fees and before Minority Interest		(4,079,456)	(468,689)
Add : Share of minority interest from subsidiaries' net losses		321,141	575,439
Net (Loss) Income for the year		(3,758,315)	106,750
Earnings per Share	35	(0,088)	-
Weighted Average Number of Shares		42,660,166	42,000,000

The accompanying notes constitute an integral part of these statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IN JORDANIAN DINARS)

FOR THE TWO YEARS ENDED DECEMBER 31ST, 2002 AND 2001

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Foreign Branches Reserve	Other Reserves	Reserves at Subsidiaries	Translation Adjustments of Foreign Currencies	Cumulative Change in Fair Value	Retained Earnings (Accumulated) (Losses) (Note25)	Total
2002										
Balance - beginning of the year	42,000,000	17,184,142	2,407,260	4,550,000	213,054	138,125	18,000	77,977	2,721,512	69,310,070
Net (loss) for the year	-	-	-	-	-	-	-	-	(3,758,315)	(3,758,315)
Reserve at Subsidiaries	-	-	-	-	-	85	-	-	(85)	-
Increase in paid-up capital	1,320,331	-	-	-	-	-	-	-	-	1,320,331
Cumulative change in fair value	-	-	-	-	-	-	-	(2,621,816)	-	(2,621,816)
Realized losses (Note 25)	-	-	-	-	-	-	-	-	(121,139)	(121,139)
Transfers (Note 25)	-	-	-	-	-	-	-	153,930	(153,930)	-
Balance - End of the Year	43,320,331	17,184,142	2,407,260	4,550,000	213,054	138,210	18,000	(2,389,909)	(1,311,957)	64,129,131
2001										
Balance - beginning of the year	42,000,000	17,184,142	2,407,260	4,550,000	213,054	31,892	18,000	-	-	66,404,348
Net (income) for the year / Reserve at Subsidiaries	-	-	-	-	-	106,750	-	-	-	106,750
Prior years' adjustments	-	-	-	-	-	(517)	-	-	-	(517)
The effect of adopting IAS (39) (Note25)	-	-	-	-	-	-	-	-	685,662	685,662
Deferred tax benefits (note25)	-	-	-	-	-	-	-	-	2,035,850	2,035,850
Cumulative change in fair value	-	-	-	-	-	-	-	77,977	-	77,977
Balance - End of the Year	42,000,000	17,184,142	2,407,260	4,550,000	213,054	138,125	18,000	77,977	2,721,512	69,310,070

- included in retained earnings as of December 31, 2002 is an amount of JD 5,435,966 restricted as required by the Central Bank of Jordan against deferred tax assets (of which JD 4,500,000 has been used to offset accumulated losses as of year-end 2000) and an amount of JD 410,593 representing the effect of implementing IAS (39) as of the beginning of the year 2001.

The accompanying notes constitute an integral part of these statements

CONSOLIDATED CASH FLOW STATEMENT

FOR THE TWO YEARS ENDED DECEMBER 31ST, 2002. AND 2001

	2002	2001
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net (loss) before tax and fees and minority interest	(4,079,448)	(468,689)
Adjustments:		
Depreciation and amortization	4,975,309	3,661,128
Provision for credit facilities	12,486,457	21,414,181
Loss (income) on sale of available-for-sale financial assets	995,438	(294,771)
(Income) on sale of trading financial assets	(100,985)	(75,999)
Bank's share in subsidiaries' and affiliates' losses (profits)	2,079,729	(2,437)
Effect of exchange rate fluctuations on cash and cash equivalents	(2,826,436)	(3,213,818)
Various provisions	(1,141,741)	1,593,569
Total	<u>12,388,323</u>	<u>22,613,164</u>
Changes in Assets and Liabilities :		
(Increase) in deposits at banks and other financial institutions	(10,322,960)	-
Decrease (increase) in trading financial assets	15,264,349	(7,852,979)
Decrease (increase) in credit facilities	68,991,457	(49,911,941)
Decrease (increase) in other assets	9,715,572	(12,119,738)
Decrease (increase) in customers' deposits	(37,927,964)	105,890,650
Increase in cash margins	4,144,017	41,681,829
Decrease (increase) in other liabilities	(3,576,744)	(1,467,712)
Net Cash from operating Activities before tax	<u>58,676,050</u>	<u>98,833,273</u>
Income tax paid	-	(420,598)
Net cash from operating Activities	<u>58,676,050</u>	<u>98,412,675</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Decrease (increase) in investment in affiliates & subsidiaries	5,306,183	(233,193)
(Purchase) of available-for-sale financial assets	(7,848,956)	(1,050,230)
sale of held-to-maturity investments	(24,231,347)	(2,045,745)
increased in minority interest	78,015	2,525
Net (increased) in fixed assets	(2,010,419)	(7,369,271)
Net Cash from Investing Activities	<u>(28,706,524)</u>	<u>(10,695,914)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in borrowed funds	1,829,840	6,670,160
Increased in paid-up capital	1,320,331	-
Net Cash from Financing Activities	<u>3,150,171</u>	<u>6,670,160</u>
Effect of exchange rate fluctuations on cash and cash equivalents	<u>2,826,436</u>	<u>3,213,818</u>
Net Increase in Cash and Cash Equivalents	35,946,133	97,600,739
Cash and Cash equivalents-beginning of the year (Note 36)	<u>415,378,587</u>	<u>317,777,848</u>
Cash and Cash Equivalents-End of the Year (Note 36)	<u>451,324,720</u>	<u>415,378,587</u>

The accompanying notes constitute an integral part of these statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

- A. Jordan National Bank (JNB) was established in 1955 as a Jordanian public shareholding limited company in accordance with the Companies Law for the year 1927. The Bank has its head office in Amman - Jordan and operates through its branches in Jordan, Cyprus and Palestine as well as through its subsidiary in Lebanon. Business Bank, a small Jordanian bank, merged with JNB on December 1, 1996.
- B. The number of the Bank's employees was (1418) as of December 31, 2002 (1359 as of December 31, 2001).
- C. The consolidated financial statements were approved by the Bank's Board of Directors in its meeting held on June 8, 2003.

2. Basis of Consolidation

- a.
- The accompanying consolidated financial statements include the financial statements of the Bank's local branches in Jordan and abroad and the following subsidiary companies after eliminating inter-branch transactions and balances:
 - Holding - Lebanon.
 - The National Real Estate Investment Co.
 - Zarqa National College.
 - Ahli Micro Finance Company.
 - Jordan Marketing Company.

Transactions in transit are shown under "other assets" or "other liabilities" in the consolidated balance sheet.

- Holding-Lebanon is wholly owned by Jordan National Bank and owns 53% of Al-Ahli International Bank while Jordan National Bank owns directly 32% thereof. Thus, ownership of Jordan National Bank represents 85% of the capital of its operating Lebanese subsidiary. JNB branches in Lebanon have been sold to the Bank of Lebanon and Kuwait. Moreover, the Bank of Lebanon has preliminarily approved the sale in its letter No. 716/mm/17 dated December 8, 2000, and ultimately approved the sale in its letter No. 204/mm/17 dated May 26, 2001. Furthermore, it has agreed on changing the name of the Bank of Lebanon and Kuwait to Al-Ahli International Bank in its letter No. 179/mm/17 dated May 18, 2001. The Capital of Holding-Lebanon is equivalent to JD 4.899.190. The total assets of Holding-Lebanon amounted to JD 154.557.983 and its total liabilities to JD 146.391.534 as of December 31, 2002, while its total revenues amounted to JD 13.288.412 and total expenses to JD 15.397.593 for the year ended December 31, 2002.

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

- The National Real Estate Investment Company is a subsidiary wholly owned by Jordan National Bank. This Company is engaged in the acquisition of real-estate as well as in dealing and investing in the moveable and immovable assets. Its capital amounted to JD 7 million, total assets to JD 6.755.480, and total liabilities to JD 4.300 as of December 31, 2002. Its total revenues amounted to JD 39.424 and total expenses to JD 132.523 for the year ended December 31, 2002.
- Zarqa National College is a subsidiary wholly owned by Jordan National Bank. Its activities include establishing colleges for higher academic education as well as schools and kindergartens in Jordan. Its capital amounted to JD 700 thousand, total assets to JD 781.927 and total liabilities to JD 17.933 as December 31, 2002. Its total revenues amounted to JD 122.948 and total expenses to JD 122.368 for the year ended December 31, 2002.

- Ahli Micro Finance Company is a subsidiary wholly owned by Jordan National Bank. The company's objectives are to grant loans to limited income individuals. Its capital amounted to JD 750.000, total assets to JD 2.604.876, and total liabilities to 507.780 as of December 31, 2002. Its total revenues amounted to JD 357.567 and total expenses to JD 356.726 for the year ended December 31, 2002.
 - Jordan Marketing Company is 89.335% owned by Jordan National Bank. The company is specialized in export management with a total capital of JD 600.000, total assets of JD 387.179 and total liabilities of JD 334.163 as of December 31, 2002. Its total revenues amounted to JD 237.271 and total expenses to JD 386.884 for the year ended December 31, 2002.
- b. The assets and liabilities of subsidiaries and affiliates outside Jordan are translated to Jordanian Dinar for consolidation purposes at the exchange rates prevailing at year-end. The net investment in the subsidiaries outside Jordan is translated at the historical exchange rates. Gains and losses resulting from the translation of financial statements are reported as currency translation adjustments under shareholders' equity in the consolidated balance sheet.
- c. Investments in subsidiaries and associated companies are accounted for using the equity method in the Bank's stand-alone financial statements. Inter-company transactions and balances are eliminated from the consolidated financial statements. Transactions in transit at year-end are shown according to their nature under "other assets" or "other liabilities" in the accompanying balance sheet and are presented in Jordanian Dinar.

3. Significant Accounting Policies :

The consolidated financial statements have been prepared in accordance with the forms determined by the Central Bank of Jordan, and the laws and regulations of the Central Bank of Jordan and the banking regulations prescribed by the regulatory authorities in the countries in which the Bank operates. The significant accounting policies are as follows :

- a. Basis of preparation :
- The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS) and related interpretations and on the historical cost basis, except for available-for-sale financial assets, trading financial assets and financial instruments which have been stated at their fair values at year-end. Moreover, hedged financial assets and financial liabilities have been stated at fair value.
- b. Financial assets sale and purchase transactions are recognized using commitment dates.
- c. Trading financial assets :
- Financial assets for trading are initially recognized at cost and remeasured at their values at year-end. Gains or losses resulting there from are taken to the statement of income when incurred.
- d. Available-for-sale financial assets :
- Available-for-sale financial assets are initially recognized at cost and re-measured at their fair values at year-end. Gains or losses resulting therefrom are taken to a separate account within shareholders' equity, until the investments are sold, disposed of or determined to be impaired. At that time, the cumulative gain or loss previously recognized in equity is included in the statement of income for the period.
- e. Held-to-maturity investments :
- Held-to-maturity investments are initially recognized at cost less any impairment losses. Premiums and discounts 'if any' are amortized using the effective interest rate method.

f. Investment in the associate company is initially recorded at cost and the carrying amount is revalued using the equity method. Net income or loss is recognized in the statement of income.

g. Credit Facilities :

1. Credit facilities are stated at cost, net of provisions and interest and commissions in suspense.
2. A specific provision for non-performing credit facilities is taken when it is evident to management that these facilities cannot be recovered in part or in full. Such a provision is calculated based on the difference between the book value and recoverable amount, which is the present value of the expected future cash flows including recoverable guarantees discounted at the effective interest rate in accordance with IAS (39), or the amount calculated in accordance with the Central Bank of Jordan's regulations, whichever is higher. The resultant provision is recorded in the statement of income.
3. Interest and commission in suspense on non-performing direct credit facilities are computed in accordance with the regulations of the Central Bank of Jordan.
4. A general provision for other direct and indirect credit facilities against unforeseen future losses is computed in accordance with the instructions of the Central Bank of Jordan.
5. Loans and advances which cannot be recovered are written-off and charged against the provision for losses. Any surplus in the provision is credited to the statement of income. Recovery of debts previously written-off is taken to the statement of income. Collected bad debts previously written-off are credited to the statement of income.

h. Fair value :

The fair value of a listed financial asset is based on its quoted closing price in the financial markets. For an unlisted financial asset, which does not have a quoted market price, fair value is estimated by comparing it to another financial asset with similar terms and conditions, using the discounted cash flow technique or alternative pricing models. Financial assets, for which the fair value cannot be reliably determined, are stated at cost/amortized cost, less the provision for impairment loss, if any.

i. Revenue and expenses recognition :

Revenue and expenses are accounted for according to the accrual basis, except for commission and companies dividends, which are recognized when realized. Interest and commissions on non-performing loans are recognized as interest and commissions in suspense and recorded as revenue when received. Prior years' income tax differences are taken to the statement of the income when paid.

j. Fixed Assets :

Fixed assets are stated at cost or on the basis of the revaluation of fixed assets conducted during the year 1996 net of accumulated depreciation. Depreciation expense is computed (except for land) according to the straight-line method at annual rates ranging from 2% to 20% based on their useful life.

When the recoverable amount of a fixed assets is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the impairment loss is taken to the statement of income.

k. Income Tax :

The provision for income tax is computed according to the laws, regulations and prevalent banking practices either in Jordan or in the countries where the Bank's branches operate. Deferred taxes are computed and recorded in accordance with IAS (12). The provision for income tax is taken based on the expected future tax liabilities.

- Assets Seized by the Bank :

Assets seized by the bank are stated at their detained values under other assets in accordance with the instructions of the Central Bank of Jordan. A provision is taken,

on an individual basis, in case the market value is lower than the book value, while any increase in value is not recorded as income.

m. Provision for Staff Indemnity :

A provision for staff indemnity is charged to the statement of income for commitments resulting from the termination of the employees' services. Staff indemnities paid to employees who resigned are booked against the related provision account when paid.

n. Foreign Currency Transactions :

- Transactions in foreign currency are recorded at the exchange rates prevailing at the transaction date. Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar according to the average selling and buying exchange rates published by the Central Bank of Jordan and prevailing at year-end. Exchange gains and losses resulting therefrom are taken to the statement on income.
- Foreign currency forward contracts are translated to Jordanian Dinar using the average exchange rates published by the Central Bank of Jordan and prevailing at year-end. Exchange gains and losses resulting therefrom are taken to the statement of income.
- In translating the assets and liabilities of the bank's branches and the subsidiary companies for incorporation in the consolidated financial statements, the year-end exchange rates published by the Central Bank of Jordan are used. Income and expenses denominated in foreign currencies are translated using the average exchange rates prevailing during the year. Translation differences (if any) resulting therefrom are taken to shareholders' equity.

o. Derivatives :

Derivatives held for trading :

Derivatives held for trading are initially recorded at cost as other assets/liabilities in the balance sheet and subsequently carried at fair value. Fair value is determined according to the market price (if available). Gains or losses resulting therefrom are taken to the statement of income.

p. Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand and balances held with banks and other financial institutions with maturities of 3 months or less (including balances with the Central Bank of Jordan), less banks and financial institutions deposits due within 3 months.

q. Risk Management :

The Bank adopts certain financial policies in managing its different risk exposures, in line with a specified strategy, through a responsible committee for the management of the Bank's financial assets and liabilities. These risks include the following :

1. Interest rate risk that may occur due to the fluctuation in the value of a financial instrument as a result of changes in market interest rates.
2. Exchange rate risk that may result from the fluctuation in foreign currencies prices. Note (40) to the consolidated financial statements shows net assets and liabilities denominated in foreign currencies.
3. Market risk that may occur due to the fluctuation in the value of a financial instrument as a result of changes in market prices.
4. Credit risk that may occur from one party to a financial instrument failing to discharge an obligation and causing the other party to incur a financial loss.

(4) Cash and Balances at Central Banks

	2002 JD	2001 JD
Cash on Hand	14,751,864	14,094,365
Cash at Central Banks:		
Current Accounts	14,964,727	38,852,905
Time & Notes Deposits	12,641,769	8,565,217
Statutory Reserve	72,200,709	60,573,084
Certificates of Deposit	136,400,000	99,000,000
Others	-	2,525,098
Total Balances at Central Banks	<u>236,207,205</u>	<u>209,516,304</u>
Total	<u>250,959,069</u>	<u>223,610,669</u>

Restricted balances except for Statutory Reserve amounted to JD 4,727,038 as at Dec. 31, 2002 compared with JD 25,836,482 as at Dec. 31, 2001 in Jordan & in Jordan & Abroad & subsidiaries.

(5) Cash at Banks and other Financial Institutions

	2002 JD	2001 JD
Banks and Local Financial Institutions:		
Current Accounts	9,245,575	5,446,506
Deposit Accounts (3 months & less)	239,274	9,725,115
Certificates of Deposit	-	3,000,000
Sub-Total	<u>9,484,849</u>	<u>18,171,621</u>
Banks and External Financial Institutions:		
Current Accounts	13,048,820	19,336,131
Deposit Accounts (3 months & less)	391,921,984	294,245,809
Certificates of Deposit	3,545,000	4,608,500
Sub-Total	<u>408,515,804</u>	<u>318,190,440</u>
Total	<u>418,000,653</u>	<u>336,362,061</u>

Non-Interest Baring Deposits at Banks and other Financial Institutions amounted to JD 476,540 for Jordan & abroad & subsidiaries (JD 329,088 for Jordan) at Dec. 31, 2002 and JD 3,352,057 for Jordan & abroad & subsidiaries (JD 3,352,057 for Jordan) as at Dec. 31, 2001 in (329,088 for Jordan).

6- Deposits at Banks and other Financial Institutions

	Local Banks & Financial Institutions		Banks & Financial Institutions Abroad		Total	
	2002 JD	2001 JD	2002 JD	2001 JD	2002 JD	2001 JD
Maturity Period						
From 3 months to 6 months	70.900	-	9.252.060	-	9.322.960	-
From 6 months to 9 months	-	-	-	-	-	-
From 9 months to 12 months	-	-	-	-	-	-
More than a year	-	-	-	-	-	-
Certificates of deposit	1.000.000	-	-	-	1.000.000	-
	<u>1.070.900</u>	-	<u>9.252.060</u>	-	<u>10.322.960</u>	-

	2002 JD	2001 JD
(7) Trading Financial Assets		
Investments Listed in Financial Markets	2,363,444	4,692,806
Bonds & Depentures Listed in Financial Markets	48,214,230	61,048,232
Total	50,577,674	65,741,038

	2002 JD	2001 JD
(8) Credit Facilities - Net		
Notes & Bills Discounted	74,388,043	88,259,705
Overdraft Accounts	160,932,460	190,455,008
Utilized Advances and Loans	345,460,608	354,870,440
Credit Cards	4,444,149	5,051,375
Total	585,225,260	638,636,528
Less : Provision for Credit Facilities	78,517,378	67,130,628
Less : Interest & Commissions in Suspense	47,703,736	31,023,840
Total Deductions	126,221,114	98,154,468
Net Credit Facilities	459,004,146	540,482,060

a. Credit Facilities distributed over the following sectors:

	2002 JD	2001 JD
Agriculture	13,566,414	20,600,636
Industry and Mining	77,137,569	83,810,529
Construction	74,934,737	76,295,219
General Trade	229,727,957	238,400,918
Transport Services	13,508,247	14,759,278
Tourism, Hotels and Restaurants	38,178,311	31,667,259
Services and Public Utilities	18,267,429	32,270,902
Financial Services	4,556,531	6,251,186
Purchase of Stocks	1,031,662	1,641,329
Real Estate Financing	16,444,328	19,076,664
Cars Financing	14,694,490	16,505,403
Consumer Goods Financing	8,280,865	6,851,621
Other Purposes	74,896,720	90,505,584
Total	585,225,260	638,636,528

b. Credit facilities shown in the balance sheet embody risks relating to material credit facilities that comprise 10% of the net credit facilities as of December 31, 2002 (approximately 8,5% as of December 31, 2001). They are due from three debtors (individually and/or jointly), and were due for payment during the year 2002.

c. The Bank classified these debts as non-performing and suspended the interest and commission thereon effective from the end of the year 2001. No provision for the loss of impairment of these credit facilities has been taken in the financial statements.

d. Management of the Bank together with the Jordanian official authorities are following up on the collection of these debts. These authorities are currently interrogating the debtors and other persons. In this regard, there are presently no indicators as to the

collectibility of these debts and the impairment loss to which the bank might be exposed as a result of not collecting these debts in full or in part. The prosecutor General has already foreclosed assets belonging to the debtors and others. Collectibility of the debts depends on the proceeds emanating from the foreclosed assets and the effectivity of the guarantees submitted by certain parties against these credit facilities.

- e. As per the regulations of the Central Bank of Jordan, non-performing credit facilities for Jordan and abroad and subsidiaries amounted to JD 270,192,292- i.e. 46.17% of total credit facilities mentioned in the preceding paragraph (JD 209,298,842 for Jordan Branches - i.e. 45.85%) as of December 31, 2002 compared to JD 191,367,292 for Jordan and abroad and subsidiaries - i.e. 30% of total credit facilities (JD 128,662,457 for Jordan - i.e. 27.1%) as of December 31, 2001.
- f. Credit facilities granted to and guaranteed by the government amounted to JD 9,327,394 for Jordan and abroad and subsidiaries (JD 9,327,394 for Jordan) as of December 31, 2002 compared to JD 31,405,798 for Jordan and abroad and subsidiaries (JD 31,405,798 for Jordan) as of December 31, 2001.
- g. Interest and commission on classified debts are suspended and included in interest and commission in suspense but not taken to revenue.

h. The movement on the credit facilities provision is as follows:

	2002			2001		
	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
Provision balance-beginning of the year	60,017,659	7,112,969	67,130,628	40,671,957	6,419,063	47,091,020
Net deductions from revenues during the year*	13,264,310	-	13,264,310	20,636,126	778,055	21,414,181
Used from provision during the year (debts written-off)	(2,062,005)	-	(2,062,005)	(1,374,573)	-	(1,374,573)
Transfers between the general & special provision	213,720	(213,720)	-	84,149	(84,149)	-
Foreign currencies revaluation differences	(28,255)	-	(28,255)	-	-	-
Transfers from restricted deposits	212,700	-	212,700	-	-	-
Provision Balance - End of the year	71,618,129	6,899,249	78,517,378	60,017,659	7,112,969	67,130,628

* This item includes an amount of JD 777,853 representing additional provisions required to cover the deficit in the credit facilities provision of the Bank's branch in Palestine and the subsidiary Company in Lebanon, Holding-Lebanon. This amount has been included in the income statement within the Bank's share of associate and subsidiary companies and branches (losses).

- i. Provisions no longer needed, due to settlements or debt repayments, amounted to JD 5,451,593 for Jordan and abroad and subsidiaries (JD 4,880,140 for Jordan) as of

December 31, 2002, and JD5,828,414 for Jordan and abroad and subsidiaries (JD4,503,979 for Jordan) as of December 31, 2001.

- j. The credit facilities special provision, computed in accordance with the regulations of the Central Bank of Jordan, exceeds the provision calculated according to IAS No. (39) by JD 1,728,968 as of December 31, 2002.
- k. The fair value of the credit facilities guarantees amounted to JD 505,770,738 for Jordan and abroad and subsidiaries (JD 415,539,443 for Jordan) as of December 31, 2002, and JD 541,887,915 for Jordan and abroad and subsidiaries (JD 419,975,271 for Jordan as of December 31, 2001).

l. The movement on interest in suspense is follows :

	<u>2002</u> JD	<u>2001</u> JD
Balance-beginning of the year	31,023,840	23,307,671
Add : Interest suspended during the year	24,817,894	12,910,876
Transfer to Cyprus	-	-
Less: Suspended interest transferred to revenue	1,131,986	1,547,405
Suspended interest written-off	7,006,012	3,647,302
Balance-End of the year	<u>47,703,736</u>	<u>31,023,840</u>

(9) Available for Sale Financial Assets

	<u>2002</u>			<u>2001</u>		
	<u>Quoted</u> JD	<u>Unquoted</u> JD	<u>Total</u> JD	<u>Quoted</u> JD	<u>Unquoted</u> JD	<u>Total</u> JD
Shares	12,477,770	12,379,173	24,856,943	13,400,245	8,183,363	21,583,608
Bonds	27,829,973	-	27,829,973	26,992,745	-	26,992,745
Total	<u>40,307,743</u>	<u>12,379,173</u>	<u>52,686,916</u>	<u>40,392,990</u>	<u>8,183,363</u>	<u>48,576,353</u>

- There are unquoted available for sale Financial Assets the fair value of which cannot be practically determined. Financial Assets are shown at cost amortized cost at an amount of JD 12,379,173 for Jordan & abroad & subsidiaries (JD 12,222,075 for Jordan) as of Dec. 31, 2002.

(10) Held to Maturity Investments

	2002 JD	2001 JD
Treasury Bills	15,877,504	12,807,513
Government Bonds or Bonds Guaranteed by the Government	24,709,811	-
Companies Bonds & debentures	281,082	3,829,537
Total	40,868,397	16,637,050

(11) Investments in Subsidiaries and Affiliates

Company Name	Established in	Ownership Percentage %	2002 JD	2001 JD	Nature of Business	Date of financial statements	Bank's Share of Profit	Computation Method
Holding Company - Lebanon and Al-Ahli International Bank	Lebanon	85.493	-	-	Banking	31/12/02	85.493	Equity Method
National Real Estate Investment Co.	Jordan	100	-	-	Real Estate	31/12/02	100	Equity Method
Ahli Micro Finance Company	Jordan	100	-	-	Funding & Credit	31/12/02	100	Equity Method
Zarqa National College	Jordan	100	-	-	Educational	31/12/02	100	Equity Method
Jordan Marketing Company	Jordan	89.335	-	-	Commercial	31/12/02	89.335	Equity Method
Arab Printing Presses	Jordan	48.823	-	-	Advertising	30/6/01	48.823	Equity Method
Jordanian Investor Center Company*	Jordan	36	-	2,770,282	Investment	-	-	Equity Method
Tourism Activities Company*	Jordan	13.333	-	4,166,717	Tourism	-	-	Equity Method
Industrial Cities Company*	Jordan	10	-	420,741	Industrial	-	-	Equity Method
Assala for Advertising and Publishing	Jordan	50	-	28,172	Advertising	-	-	Equity Method
			-	<u>7,385,912</u>				

* During the year ended December 31, 2002, the Bank's share in these investments has been reduced through either selling or not participating in the increase of these companies capital.

(12) Fixed Assets - Net

	2002					
	Land	Buildings	Furniture, Fixtures & Equipments	Vehicles	Others	Total
Beginning Balance	12,759,533	34,368,972	23,115,224	1,015,911	393,580	71,653,220
Additions	-	368,467	2,377,449	56,788	24,502	2,827,206
Deductions	488,732	261,335	1,361,107	36,774	-	2,147,948
Accumulated Depreciation	-	2,351,165	15,083,752	758,738	-	18,193,655
Ending Balance	12,270,801	32,124,939	9,047,814	277,187	418,082	54,138,823

	2001					
	Land	Buildings	Furniture, Fixtures & Equipments	Vehicles	Others	Total
Beginning Balance	6,490,389	34,983,916	22,874,865	795,916	355,000	65,500,086
Additions	6,269,144	3,084,885	1,553,341	219,995	38,580	11,165,945
Deductions	-	3,699,829	1,312,982	-	-	5,012,811
Accumulated Depreciation	-	1,805,896	13,047,528	640,558	-	15,493,982
Ending Balance	12,759,533	32,563,076	10,067,696	375,353	393,580	56,159,238

(13) Other Assets

	2002 JD	2001 JD
Real Estate Seized by the Bank to cover accrued loans	12,051,255	8,415,012
Real Estate for Sale	5,509,037	6,688,496
Inter-Branch Balances	4,223,544	12,153,785
Accrued Interest & Commission	4,214,127	6,284,281
Accrued Dividends	-	55,927
Compensation of Merger Costs ***	842,411	3,771,986
Other Accounts Receivables	1,397,661	1,237,647
Advances to Employees	133,855	157,197
Decrease in Cash	-	214
Revaluation Differences*	3,696,620	4,055,525
Revenue Stamps	112,544	126,197
Advances	115,424	73,595
Refundable Deposits	110,274	104,823
Prepaid Expenses	1,558,429	1,069,509
Prepaid Rent	231,696	241,710
Prepaid Income Tax**	1,432,715	1,575,989
Other	151,137	2,916
Rent Receivable	15,507	19,591
Cheques & Transfers Under Collection	7,076,713	6,554,121
Total	42,872,949	52,588,521

* This item represents the difference upon the revaluation of Lebanon & Kuwait Bank upon acquisition. This amount was amortized as of July 1, 2001 since the final approval on the acquisition of JNB's branches in Lebanon was obtained at the end of the first half of 2001.

** This item represents the amount paid on account of income tax for 2001.

*** This item represents the compensation approved for JNB by the Central Bank of Jordan against merger incentives, as per letter No. (10/3995) dated Feb. 28th, 2001. This compensation is recovered by monthly installments starting from July 1st, 2001 over 22 months, so as the total present value for the said compensation equals JD 5 million as at January 1st, 2001. It should be mentioned that a sum of JD 4,157,589 was received until Dec. 31,2002.

(14) Deferred Tax Assets:

Items Giving Rise to Deferred Taxes	Beginning Balance as of January 1, 2002	Additions	Amounts Released	Balance End of the Year	Deferred tax assets as of 31/12/ 2002	Deferred tax assets as of 31/12/ 2001
	JD	JD	JD	JD	JD	JD
Prior Years' provision for non-performing debts	16,650,115	-	2,663,548	13,986,567	4,895,299	5,827,540
Provision for staff indemnity	1,579,717	208,858	243,811	1,544,764	540,667	552,901
	18,229,832	208,858	2,907,359	15,531,331	5,435,966	6,380,441

The Movement on the Deferred Tax Assets Account was as Follows:

Description	2002 JD	2001 JD
Beginning balance	6,380,441	4,500,000
Additions during the year (prior years' adjustments)	-	2,035,850
Amount amortized during the year (income tax expense)	944,475	155,409
Ending Balance	5,435,966	6,380,441

- The deferred taxes of JD 5,435,966 resulted from temporary timing differences of provisions against which has been paid during prior years. The provisions are calculated at a rate of 35%.
- During the year 2002, amounts released and additions to deferred tax assets amounted to JD 2,698,501. The actual net amortization of this amount is JD 944,475 for the year 2002, and it is included in other various provisions in the statement on income.
- There were no deferred tax liabilities as of December 31, 2002.

(15) Deposits of Banks and Other Financial Institutions:

	2002			2001		
	Jordan Branches	Branches Abroad	Total	Jordan Branches	Branches Abroad	Total
Current Accounts and Demand Deposits	163,696,480	33,956,401	197,652,881	88,753,430	33,992,736	122,746,166
Deposits Due within 3 months	6,324,830	13,657,291	19,982,121	9,030,799	12,817,178	21,847,977
Total	170,021,310	47,613,692	217,635,002	97,784,229	46,809,914	144,594,143

(16) Customers' Deposits :

	2002	2001
Current Accounts and Demand Deposits	216,495,632	191,108,017
Saving Accounts	53,107,478	56,581,815
Time Deposits	540,541,543	607,832,385
Al-Qushan Certificate Deposits	7,464,600	-
Certificates of Deposits	2,119,000	2,134,000
Total	819,728,253	857,656,217

- a. The public sector deposits amounted to JD 177,103,337 which is equivalent to 21.6% of total customers deposits as of December 31, 2002, for Jordan and abroad and subsidiaries (against JD 186,293,793 which is equivalent to 21.7% of total customers deposits as of December 31, 2001), and JD 175,794,193 which is equivalent to 29.1% of total customers deposits as of December 31, 2002, for Jordan (against JD 186,147,696 which is equivalent to 30.2% as of December 2001).
- b. Non-interest bearing deposits amounted to JD 113,748,032 which is equivalent to 13.9% of total customers deposits as of December 31, 2002, for Jordan and abroad and subsidiaries (against JD 104,370,481 which is equivalent to 12.2% as of December 31, 2001) and JD 96,833,499 which is equivalent to 16% as of December 31, 2002, for Jordan (against JD 87,223,646 which is equivalent to 14.1% as of December 2001).
- c. Inactive demand deposits amounted to JD 4,397,818 as of December 31, 2002 for Jordan and abroad (JD 4,132,606 for Jordan) against JD 1,989,691 for Jordan and abroad as of December 31, 2001.
- d. Restricted deposits (blocked) amounted to JD 5,175,389 which is equivalent to 0.6% of total customers deposits as of December 31, 2002, for Jordan and abroad and subsidiaries (JD 5,008,038 which is equivalent to 0.6% of total deposits as of December 31, 2001) and JD 5,165,559 which is equivalent to 0.9% of total deposits as of December 31, 2002, for Jordan (JD 5,008,038 which is equivalent to 0.81% of total deposits as of December 31, 2001).

(17) Cash Margins :

	2002	2001
Cash Margins on Direct Credit Facilities	78,682,604	118,492,947
Cash Margins on Indirect Credit Facilities	165,600,756	122,758,867
Customers Marginal Deposits	6,041,794	4,929,323
Total	250,325,154	246,181,137

(18) Borrowed Funds :

	2002	2001
Jordan Refinance Mortgage Co.	10,471,189	8,471,189
Arab Trade Financing Program	-	170,160
Total	10,471,189	8,641,349

* The housing bonds have been re-mortgaged to the Jordan Mortgage Refinance Company. The details are as follows :

1. JD 549,628 in February 1999 with interest rate 150.125% for 5 years.
2. JD 724,179 in February 2000 with interest rate 8.5% for 3 years.
3. JD 2,500,000 in December 2001 with interest rate 6.2% for 3 years.
4. JD 3,500,000 in September 2001 with interest rate 6.25% for 8 years.

5. JD 2,500,000 in April 2002 with interest rate 6.45% for 3 years.
6. JD 697,382 in May, 2002 with interest rate 6.45% for 3 years.
Total Amount 10,471,189

(19) Various Provisions :

	2002			
	Beginning Balance	Additions	Disposals	Ending Balance
	JD	JD	JD	JD
Provision for staff indemnity	2,821,018	386,310	538,582	2,668,746
Provision for scientific research	37,693	199	37,693	199
Provision for Jordanian universities fees	-	4,878	-	4,878
Educational council and vocational and technical training fees	-	8	-	8
Other provisions	1,852,679	216,591	1,486,553	582,717
Total	4,711,390	607,986	2,062,828	3,256,548

	2001			
	Beginning Balance	Additions	Disposals	Ending Balance
	JD	JD	JD	JD
Provision for Staff Indemnities	2,982,465	3,313,206	3,474,653	2,821,018
Provision for Scientific Research	37,693	-	-	37,693
Other Provisions	128,704	1,734,935	10,960	1,852,679
Total	3,148,862	5,048,141	3,485,613	4,711,390

(20) Other Liabilities :

	2002	2001
Accepted Cheques	5,975,752	4,753,034
Unearned Interest & Commission	6,447,719	8,539,476
Accrued Interest Unpaid	3,320,430	3,591,031
Temporary Deposits	591,399	486,572
Accrued Rents	21,310	21,310
Outstanding Dividends Checks	96,410	101,207
Checks & Transfers-Delayed Payment	239,274	171,975
Trading Contracts Revaluation	1,392	8,913
Capital Grants	-	34,202
Other Liabilities	201	1,996
Subsidiaries' Inter-Branch Balances	269,995	172,097
Unearned Rent and Revenue	19,319	57,665
Accrued Expenses Unpaid	572,769	525,395
Other Accounts Payable	712,215	3,380,056
Total	18,268,185	21,844,929

(21) Provision for Income Tax

	<u>2002</u>
Beginning balance	-
Prepaid income tax	(39,245)
Income tax for the year	352,354
Ending Balance	<u>313,109</u>

- The income tax stated in the statement of income consists of the following :

Accrued income tax on the income of the period	352,354
Accrued income tax on prior years' income	6,894
Amortization of deferred tax assets/liabilities	944,475
	<u>1,303,723</u>

(22) Minority Interest

This item represents the minority interest's share in the net assets and results of operations of Al-Ahli International Bank, which is equivalent to about 15% of shareholders' equity. Further, the minority interest's share in the net assets and result of operations of the Jordan Marketing Co. is equivalent to about 10.67% of shareholders' equity.

(23) Paid-up Capital

According to the resolution of the Bank's General Assembly, in its extraordinary meeting held on July 16, 2002, and upon the approvals of the Ministry of Trade and Industry, in its letter No. MSH/1/6/0072 dated August 21, 2002, and the Securities Commission, in its letter No. 6/1/143 dated January 19, 2003, to increase the Bank's authorized capital by JD 18 million to become JD 60 million (distributed over 60 million shares of one JD each) through public and private subscriptions, the increase in capital was offered for private subscriptions in the first phase for one JD per share. The subscription was extended to January 21, 2003, and consequently, 1.320.331 shares were subscribed to and fully paid up to the end of the year 2002.

Further, 4.990.928 shares were subscribed to and were fully paid during the subsequent period up to the date of the financial statements. Additionally, 1.100.000 shares were subscribed to and are to be paid prior to the end of June 2003. Moreover, the procedures of increasing the capital will be finalized during the year 2003 through offering shares not subscribed to in the private subscription offer to public subscription or/ and to the strategic partner.

(24) Cumulative Change in Fair Value

	<u>2002</u>	<u>2001</u>
Beginning Balance	77,977	-
Unrealized Profits (Losses)-Net	(2,621,816)	77,977
Transferred from retained earnings	153,930	-
Ending Balance	<u>(2,389,909)</u>	<u>77,977</u>

(25) Retained Earnings (Accumulated Losses)

	2002	2001
Beginning balance	2,721,512	-
Net (loss) for the year	(3,758,315)	-
The effect of implementing IAS (39) on available-for-sale financial assets	-	685,662
The effect of implementing IAS (12) (deferred tax benefits)	-	2,035,850
Reserve at subsidiaries	(85)	-
(Losses) incurred	(121,139)	-
transferred to cumulative change in fair value	(153,930)	-
ending Balance	(1,311,957)	2,721,512

(26) Interest Income

	2002	2001
Direct credit facilities		
Bills	5,957,104	8,200,721
Debit current accounts	12,663,804	21,683,207
Advances and loans	20,064,001	25,100,136
Credit cards	416,772	218,270
Balances at central banks	5,260,509	4,607,030
Balances at banks and other financial institutions	8,159,390	13,586,268
Deposits at banks and other financial institutions	313,411	-
Trading financial assets	7,144,456	6,101,133
Available-for-sale financial assets	1,760,039	2,942,099
Held-to-maturity investments	180,518	520,953
	61,920,004	82,959,817

(27) Interest Paid :

	2002	2001
Deposits at Banks and Other Financial Institutions	3,317,018	5,044,079
Customers' Deposits :		
Current and Demand Deposits	2,067,335	3,415,968
Saving Accounts	1,169,174	2,013,426
Time & Notice Deposits	25,645,687	30,668,797
Al Qushan Certificates	63,000	-
Other	114,470	947,174
Cash Margins	4,734,483	8,036,615
Other Creditors	-	203,257
Borrowed Funds	679,887	409,516
Deposit Guarantee Fees	1,026,219	934,741
Total	38,817,273	51,673,573

(28) Commission income-Net	<u>2002</u>	<u>2001</u>
Credit Commissions :		
Direct Facilities Commissions	4,744,173	4,277,306
Indirect Facilities Commissions	8,665,466	7,964,319
Other	760,711	772,976
Debit Commissions	<u>(252,611)</u>	<u>(87,362)</u>
Net Commissions	<u>13,917,739</u>	<u>12,927,239</u>

(29) Income (Loss) from Financial Assets and Instruments	<u>2002</u>	<u>2001</u>
Gains from trading financial assets	100,985	75,999
(Losses) gains on sale or impairment of available-for sale-investments	(995,438)	294,771
Distribution proceeds	<u>574,211</u>	<u>402,276</u>
Total	<u>(320,242)</u>	<u>773,046</u>

(30) Other Operational Income	<u>2002</u>	<u>2001</u>
Rental of safe deposit boxes	33,900	34,334
Foreign currencies differences	2,826,436	3,213,818
Gains and losses from trading in contracts and derivatives	247,002	(319,886)
Refundable interest in suspense	1,131,986	1,547,405
Credit cards income	41,281	36,789
Other income	283,263	10,954
Issuance discount on bonds with fluctuating prices	321,258	4,057
Income from check books	34,194	41,552
Student fees	113,841	145,770
Grant income*	34,202	1,026,613
Cash differences	3,643	9,621
Loan application fees	<u>2,809</u>	<u>4,075</u>
Total	<u>5,073,815</u>	<u>5,755,102</u>

* This item represents a grant from USAID to Ahli Micro Financing Co., the financial statements of which are included in the accompanying consolidated financial statements.

(31) Employee Expenses:	<u>2002</u>	<u>2001</u>
Salaries, bonuses and employees' benefits	11,949,219	11,015,531
Bank's share in social security	1,158,589	1,021,662
Bank's share in provident fund	690,953	652,099
Medical expenses	892,586	813,472
Staff training expenses	59,644	61,601
Travel expenses	243,953	208,012
Employees life insurance	122,113	140,609
Employees meals	107,245	139,313
Employees uniforms	<u>12,440</u>	<u>23,470</u>
Total	<u>15,236,742</u>	<u>14,075,769</u>

(32) Other Operational Expenses :-	2002	2001
Rent	747,748	721,194
Stationery	678,003	706,644
Fees and subscriptions	853,322	710,378
Telephone	657,242	498,643
Maintenance and repairs	1,172,093	1,126,477
Insurance	451,922	246,394
Legal fees and expenses	492,165	482,804
Utilities	446,061	360,514
Stamps	52,020	33,166
Other expenses	226,750	25,244
Security	150,453	137,244
Key money	5,200	10,200
Entertainment	152,326	91,769
General assembly meeting expenses	81,375	72,173
Engineering consultations	186,951	90,071
Lands and real estate valuation expenses	39,844	24,469
Advertisement	513,482	367,825
Audit fees	121,980	100,741
Transportation	208,853	171,808
Cash differences	280	2,587
Cooperative Housing Foundation's expenses	-	85
General management expenses	64,860	64,860
	7,302,930	6,045,290

(33) Other Various Provisions:	2002	2001
Provision for staff indemnities	382,407	3,313,206
Provision for risks and burdens	36,478	123,780
Mastercard provisions	-	5,473
Bonds premium amortization	-	4,115
Tax expenses*	-	1,932,138
	418,885	5,378,712

* This item represents the following :

	2002	2001
Prior years' income tax	-	1,222,920
Tax benefits amortization	-	155,409
Income tax for Palestine branches	-	500,000
Income tax for the Micro Finance Co.	-	35,000
Lebanon income tax	-	2,357
Zarqa College income tax	-	16,452
	-	1,932,138

- Tax expenses which include the amortization of deferred taxes, taxes of the external branches and subsidiaries, and prior years' income tax, are stated as a separate item in the statement of income.

(34) Non-Operational Revenues (Expenses):	<u>2002</u>	<u>2001</u>
(Loss) on sale of fixed assets	(261,799)	(26,623)
Bank real estate rent revenue	271,717	258,230
Prior years' revenues (expenses)	(435,509)	(51,944)
Loss on impairment of real estates	(654,691)	(380,824)
Donations	(187,368)	(156,762)
	<u>(1,267,650)</u>	<u>(357,923)</u>

(35) Earnings Per Share :	<u>2002</u>	<u>2001</u>
Net (Loss) for the Year	(3,758,315)	-
Weighted Average Number of Shares	42,660,166	42,000,000
Net (Loss) Per Share for the Year	<u>(0,088)</u>	<u>-</u>

(36) Cash & Cash Equivalents:

Cash & Cash equivalent cash shown in the Cash Flow Statement is comprised of the amounts shown in the Balance Sheet as follows :

	<u>2002</u>	<u>2001</u>
Cash & Balances at Central Banks	250,959,069	223,610,669
Add : Balances at Banks and other financial Institutions (due within 3 months)	418,000,653	336,362,061
Less : Deposits of Banks and Other financial Institutions' Deposits (due within 3 months)	217,635,002	144,594,143
Total	<u>451,324,720</u>	<u>415,378,587</u>

(37) Financial Derivatives

The following schedule illustrates the financial derivatives' positive & negative fair values and the distribution of par value according to the maturity date for Jordan as of December 31, 2002.

	Positive Fair Value	Negative Fair Value	Total Par Value	Maturities of Par Value		
				within 3 months	from 3 months to 1 year	from 1 year to 3 years
As of December 31, 2002						
Financial derivatives for trading purposes:						
Foreign currency forward contracts (selling)	-	(29,787,453)	(26,966,391)	(22,003,391)	(4,963,000)	-
Foreign currency forward contracts (purchasing)	29,885,879	-	26,963,158	22,000,158	4,963,000	-
Total	29,885,879	(29,787,453)	(3,233)	(3,233)	-	-
As of December 31, 2001						
Financial derivatives for trading purposes:						
Foreign currency forward contracts (selling)	-	(1,103,357)	(1,081,445)	(794,461)	(286,984)	-
Foreign currency forward contracts (purchasing)	1,103,412	-	1,078,583	582,843	495,740	-
Total	1,103,412	(1,103,357)	(2,862)	(211,618)	208,756	-

(38) Interest Rate Risk :

a- As of Dec. 31st. ,2002:

Assets :	Subject to Interest Rate Risk							Weighted Interest Rate %
	Up to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Non-Interest Bearing	Total	
Cash and balances at central banks	177,622,309	8,000,000	-	-	-	65,336,760	250,959,069	3 - 8.75
Cash at banks and other financial institutions	417,524,113	-	-	-	-	476,540	418,000,653	2.32 - 2.85
Deposits at banks and other financial institutions	-	9,322,960	1,000,000	-	-	-	10,322,960	2.95
Trading financial assets	11,087,402	4,021,405	6,392,461	24,151,699	2,561,263	2,363,444	50,577,674	-
Credit facilities	117,331,001	68,795,854	111,445,412	124,121,696	37,310,183	-	459,004,146	11
Available-for-sale financial assets	3,000,000	100,000	10,385,824	10,193,814	4,150,335	24,856,943	52,686,916	3.74 - 10.5
Held-to-maturity investments	13,910,504	4,803,000	2,836,000	13,471,000	5,847,893	-	40,868,397	2.81 - 6
Fixed assets	-	-	-	-	-	54,138,823	54,138,823	-
Other assets	735,000	107,411	-	-	-	47,466,504	48,308,915	-
Total Assets	741,210,329	95,150,630	132,059,697	171,938,209	49,869,674	194,639,014	1,384,867,553	
Liabilities and shareholders' Equity								
Deposits at banks and other financial institutions	217,635,002	-	-	-	-	-	217,635,002	2.75
Customers' deposits	549,658,857	118,923,793	36,820,619	576,952	-	113,748,032	819,728,253	4.3
Cash margins	110,160,864	60,247,766	69,004,236	4,551,786	4,961,502	1,399,000	250,325,154	3.5
Borrowed funds	974,179	-	250,000	7,747,010	1,500,000	-	10,471,189	6.25 - 10.125
Other liabilities	-	-	-	-	-	18,268,185	18,268,185	-
Various provisions	-	-	-	-	-	3,256,548	3,256,548	-
Provision for income tax	-	-	-	-	-	313,109	313,109	-
Minority interest	-	-	-	-	-	740,982	740,982	-
Shareholders' equity	-	-	-	-	-	64,129,131	64,129,131	
Total liabilities, Minority Interest and Shareholders' Equity	878,428,902	179,171,559	106,074,855	12,875,748	6,461,502	201,854,987	1,384,867,553	
Sensitivity difference of balance sheet items	(137,218,573)	(84,020,929)	25,984,842	159,062,461	43,408,172	(7,215,973)	-	
Sensitivity difference of off-balance sheet items	24,862,696	2,762,522	-	-	-	-	27,625,218	
Cumulative Sensitivity Difference	(112,355,877)	(193,614,284)	(167,629,442)	(8,566,981)	34,841,191	27,625,218	-	

(38) Interest Rate Risk :

b- As of Dec. 31st. ,2001:

Assets :	Subject to Interest Rate Risk							Weighted Interest Rate %
	Up to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Non-Interest Bearing	Total	
Cash and balances at central banks	110,090,315	-	-	-	-	113,520,354	223,610,669	3.50
Cash at banks and other financial institutions	333,010,004	-	-	-	-	3,352,057	336,362,061	5.50
Trading financial assets	2,705,987	8,397,649	11,721,494	19,949,012	18,274,088	4,692,808	65,741,038	7
Credit facilities	209,933,724	49,412,812	69,284,284	143,502,244	68,348,996	-	540,482,060	11.65
Available-for-sale financial assets	47,128	4,529,215	9,682,502	11,195,451	1,538,449	21,583,608	48,576,353	8
Held-to-maturity investments	5,045,000	10,000,000	1,307,513	-	284,537	-	16,637,050	6.87
Investments in subsidiaries and affiliates	-	-	-	-	-	7,385,912	7,385,912	-
Fixed assets	-	-	-	-	-	56,159,238	56,159,238	-
Other assets	735,000	735,000	1,470,000	831,986	-	55,196,976	58,968,962	-
Total Assets	661,567,158	73,074,676	93,465,793	175,478,693	88,446,070	261,890,953	1,353,923,343	
Liabilities and shareholders' Equity								
Customers' deposits	595,800,404	135,796,628	16,460,679	5,228,022	-	104,370,484	857,656,217	5.1
Deposits of banks and other financial institutions	144,594,143	-	-	-	-	-	144,594,143	3.5
Cash margins	241,611,585	670,981	3,731,344	167,227	-	-	246,181,137	5
Borrowed funds	2,500,000	1,971,189	4,170,160	-	-	-	8,641,349	7.25
Other liabilities	-	-	-	-	-	21,844,929	21,844,929	6.5
Various provisions	-	-	-	-	-	4,711,390	4,711,390	-
Minority interest	-	-	-	-	-	984,108	984,108	-
Shareholders' equity	-	-	-	-	-	69,310,070	69,310,070	-
Total liabilities and Shareholders' Equity	984,506,132	138,438,798	24,362,183	5,395,249	-	201,220,981	1,353,923,343	
Sensitivity difference of balance sheet items	(322,938,974)	(65,364,122)	69,103,610	170,083,444	88,446,070	60,669,972	-	
Sensitivity difference of off-balance sheet items	7,882,958	14,365,227	6,482,268	-	-	-	28,730,453	
Cumulative Sensitivity Difference	(315,056,016)	(366,054,911)	(290,469,033)	(120,385,589)	(31,939,519)	28,730,453	-	

(39) Liquidity Risks for 2002

a- The table below illustrates the maturities of assets and liabilities as of December 31, 2002 :

Assets :	Assets & Liabilities Maturities							Total
	Up to One Month	From One Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to One Year	From One Year to 3 Years	More than 3 Years	Without Maturity Dates	
	JD	JD	JD	JD	JD	JD	JD	JD
Cash in vaults	14,751,864	-	-	-	-	-	-	14,751,864
Mandatory cash reserve at the Central Bank	-	-	-	-	-	-	72,200,709	72,200,709
Balances at central banks	88,837,689	62,441,769	8,000,000	-	-	-	4,727,038	164,006,496
Cash at banks and other financial institutions	407,126,379	10,874,274	-	-	-	-	-	418,000,653
Deposits at banks and other financial institutions	-	-	9,322,960	1,000,000	-	-	-	10,322,960
Trading financial assets	1,599,072	9,488,330	4,021,405	6,392,461	24,151,699	2,561,263	2,363,444	50,577,674
Credit facilities	57,133,334	60,197,667	68,795,854	111,445,412	124,121,696	37,310,183	-	459,004,146
Available-for-sale financial assets	94,015	3,000,000	100,000	10,385,824	10,193,814	28,913,263	-	52,686,916
Held-to-maturity investments	-	13,910,504	4,803,000	2,836,000	13,471,000	5,847,893	-	40,868,397
Fixed assets	-	-	-	-	-	-	54,138,823	54,138,823
Other assets	7,149,944	2,483,607	1,383,133	1,580,564	1,471,848	12,393,138	21,846,681	48,308,915
Total Assets	576,692,297	162,396,151	96,426,352	133,640,261	173,410,057	87,025,740	155,276,695	1,384,867,553
Liabilities and shareholders' Equity								
Customers' deposits	486,060,651	177,346,238	118,923,793	36,820,619	576,952	-	-	819,728,253
Deposits of banks and other financial institutions	207,767,928	9,867,074	-	-	-	-	-	217,635,002
Cash margins	82,627,588	28,932,276	60,247,766	69,004,236	4,551,786	4,961,502	-	250,325,154
Borrowed funds	-	974,179	-	250,000	7,747,010	1,500,000	-	10,471,189
Other liability	11,560,820	1,866,832	1,705,620	971,125	769,312	410,246	984,230	18,268,185
Various provisions	-	-	-	-	-	-	3,256,548	3,256,548
Provision for income tax	-	313,109	-	-	-	-	-	313,109
Minority interest	-	-	-	-	-	-	740,982	740,982
Shareholders' equity	-	-	-	-	-	-	64,129,131	64,129,131
Total Liabilities and Shareholders' Equity	788,016,987	219,299,708	180,877,179	107,045,980	13,645,060	6,871,748	69,110,891	1,384,867,553
Gap per category	(211,324,690)	(56,903,557)	(84,450,827)	26,594,281	159,764,997	80,153,992	86,165,804	-
Cumulative Gap	(211,324,690)	(268,228,247)	(352,679,074)	(326,084,793)	(166,319,796)	(86,165,804)	-	-

(39) Liquidity Risks for 2001

b- The table below illustrates the maturities of assets and liabilities as of December 31, 2001 :

Assets :	Assets & Liabilities Maturities							Total
	Up to One Month	From One Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to One Year	From One Year to 3 Years	More than 3 Years	Without Maturity Dates	
	JD	JD	JD	JD	JD	JD	JD	JD
Cash in vaults	14,094,365	-	-	-	-	-	-	14,094,365
Sandatory cash reserve at the Central Bank	-	-	-	-	-	-	60,573,084	60,573,084
Balances at central banks	38,852,905	110,090,315	-	-	-	-	-	148,943,220
Cash at banks and other financial institutions	308,463,864	27,898,197	-	-	-	-	-	336,362,061
Trading financial assets	-	2,705,987	8,397,649	11,721,494	19,949,012	18,274,088	4,692,808	65,741,038
Credit facilities	145,462,469	64,471,255	49,412,812	69,284,284	143,502,244	68,348,996	-	540,482,060
Available-for-sale financial assets	-	47,128	4,529,215	9,682,502	11,960,212	22,263,215	94,081	48,576,353
Held-to-maturity investments	5,045,000	-	10,000,000	1,307,513	-	284,537	-	16,637,050
Investments in subsidiaries and affiliates	-	-	-	-	-	-	7,385,912	7,385,912
Fixed assets	-	-	-	-	-	-	56,159,238	56,159,238
Other assets	21,147,006	4,448,956	1,624,177	1,841,839	9,287,492	3,026,986	17,592,506	58,968,962
Total Assets	533,065,609	209,661,838	73,963,853	93,837,632	184,698,960	112,197,822	146,497,629	1,353,923,343
Liabilities and shareholders' Equity								
Customers' deposits	568,155,302	132,015,586	135,796,628	16,460,679	5,228,022	-	-	857,656,217
Deposits of banks and other financial institutions	135,694,023	8,900,120	-	-	-	-	-	144,594,143
Cash margins	238,715,047	2,896,538	670,981	3,731,344	167,227	-	-	246,181,137
Borrowed funds	2,500,000	1,971,189	4,170,160	-	-	-	-	8,641,349
Other liability	6,739,906	1,657,986	1,865,349	4,215,086	801,911	3,744,985	2,819,706	21,844,929
Various provisions	-	-	-	-	-	-	4,711,390	4,711,390
Minority interest	-	-	-	-	-	-	984,108	984,108
Shareholders' equity	-	-	-	-	-	-	69,310,070	69,310,070
Total Liabilities and Shareholders' Equity	951,804,278	147,441,419	142,503,118	24,407,109	6,197,160	3,744,985	77,825,274	1,353,923,343
Gap per category	(418,738,669)	62,220,419	(68,539,265)	69,430,523	178,501,800	108,452,837	68,672,355	-
Cumulative Gap	(418,738,669)	(356,518,250)	(425,057,515)	(355,626,992)	(177,125,192)	(68,672,355)	-	-

(40) Foreign Currency Risks

	2002		2001	
	Amount	JD Equivalent	Amount	JD Equivalent
US Dollar	11,276,135	7,994,780	15,900,882	11,273,726
Pound Sterling	(48,238)	(54,847)	2,069,617	2,129,284
Euro	(494,163)	(367,440)	(27,615)	(17,340)
French France	-	-	(222,173)	(22,023)
Deutsche Mark	(6)	(2)	(186,635)	(59,920)
Swiss France	167,904	85,844	(28,704)	(12,171)
Japanese Yen	(2,560,266)	(15,315)	(9,673,276)	(51,264)
Other currencies *	-	(459,500)	-	(6,853,932)
Total		7,183,520		6,386,360

* This amount represents the Jordanian Dinar equivalent of a basket of other foreign currencies.

(41) Sectoral & Geographical Distribution of Assets, Liabilities and off-Balance Sheet Items:

	2002			2001		
	Assets	Liabilities	Off-Balance Sheet Items	Assets	Liabilities	Off-Balance Sheet Items
	JD	JD	JD	JD	JD	JD
According to Geographical Regions :-						
Jordan	737,446,936	1,086,455,093	323,017,319	786,867,819	1,054,134,650	48,034,931
Other Arab countries	234,943,893	229,774,951	77,075,617	240,921,593	246,122,930	63,460,639
Asia *	15,047,029	264,545	82,509,646	5,737,416	5,827,000	117,912,134
Europe	371,400,019	52,004,903	155,660,593	300,298,541	36,661,435	279,145,819
Africa *	-	957,354	1,803,130	-	-	3,199,356
America	25,575,717	15,111,030	143,807,625	12,198,562	5,348,328	27,240,865
Other countries	453,959	299,677	8,818,161	7,899,412	5,829,000	3,025,800
Total	1,384,867,553	1,384,867,553	792,692,091	1,353,923,343	1,353,923,343	542,019,544
According to Sector :						
Individual Accounts	302,279,405	527,765,268	132,641,876	338,358,615	617,504,292	215,070,681
Institutional Accounts	977,829,797	661,838,074	627,446,203	884,212,379	487,357,666	294,923,960
Other	104,758,351	195,264,211	32,604,012	131,352,349	249,061,385	32,024,903
Total	1,384,867,553	1,384,867,553	792,692,091	1,353,923,343	1,353,923,343	542,019,544

* Except for Arab countries.

(42) Fair Value of Financial Instruments

	2002			2001		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
	JD	JD	JD	JD	JD	JD
Financial Assets :						
Cash and balances at central banks*	250,959,069	250,959,069	-	223,610,669	223,610,669	-
Cash at banks and other financial institutions	418,000,653	418,000,653	-	336,362,061	336,362,061	-
Held-to-maturity investments	40,868,397	40,868,397	-	16,637,050	16,637,050	-
Investments in subsidiaries and affiliates	-	-	-	7,385,912	7,385,912	-
Unlisted available-for-sale financial assets the fair value of which can not be practically measured**	12,379,173	12,379,173	-	8,183,363	8,183,363	-
Financial Liabilities						
Deposits of banks and other financial institutions	217,635,002	217,635,002	-	144,594,143	144,594,143	-
Customers' deposits	819,728,253	819,728,253	-	857,656,217	857,656,217	-
Cash margins	250,325,154	250,325,154	-	246,181,137	246,181,137	-
Borrowed funds	10,471,189	10,471,189	-	8,641,349	8,641,349	-

* This items does not include accrued interest shown separately within other assets and other liabilities.

** Investments are stated at cost as their fair values can not be reliably estimated.

(43) Transactions with Related Parties:

- This item also includes the transactions with subsidiaries & affiliates.

	2002 JD	2001 JD
Balance Sheet Items:		
Credit Facilities	49,110,014	59,004,755
Deposits	59,784,874	30,515,930
Off - Balance Sheet Items:		
Guarantees	8,964,732	11,645,463
Income Statement Items:-		
Interest & Commissions Received	1,753,248	2,235,834
Interest & Commissions Paid	2,635,958	807,435
Additional Information :-		
Interest In Suspense	559,915	-
Non-Performing Loans Provision	2,784,209	1,122,000
Non-Performing Credit Facilities	6,737,646	5,739,219

(44) Contingent Liabilities and Commitments	2002 JD	2001 JD
Letters of Credit	466,369,170	309,114,743
Acceptances	62,264,669	34,727,229
Guarantees:		
- Payment	93,670,544	76,925,592
- Performance	44,235,965	49,176,592
- Other	34,856,586	41,184,908
Total	701,396,934	511,129,064
Unutilized Credit Facilities Extended	35,977,594	28,730,453
Foreign Currency Contracts for Less than One Year.	55,317,563	2,160,027
	792,692,091	542,019,544

(45) Litigations Against the Bank

The total amount of lawsuits against the Bank was JD 502,041 as of December 31, 2002 (JD 824,440 as of December 31, 2001). According to the Bank's lawyer, no financial obligations are expected to arise as a result of these lawsuits.

(46) Income tax

A final settlement has been reached with the Income Tax Department until the year 2000. However, no final tax assessment has been concluded for the year 2001.

(47) Future Plans and Procedures Taken

As mentioned in note (8) to the financial statements, the Bank is exposed to credit risks relating to material amounts overdue on credit facilities granted to a small group of debtors, who are currently under interrogation and follow-up by the Jordanian official authorities.

These risks may expose the Bank to losses due to impairment of these debts. In order to be able to face these risks, the Board of Directors has set a continuous plan that aims at reinforcing the Bank's financial position and its shareholders' equity.

This plan includes a number of procedures of which we mention the following:

1. To increase the Bank's capital so as to improve the capital adequacy ratio and reach the ratios set by the regulatory authorities. This procedure has been partly implemented in the first quarter of the year 2003.

2. To liquidate non-performing assets and non-revenue generating assets in order to enhance the quality of assets and increase interest-bearing assets.
3. To restructure the operational aspects of the Bank's activities and improve its financial and investment operations.

(48) Subsequent Events

Subsequent to the balance sheet date, a military action against Iraq impeded the implementation of the United Nations Oil-for-Food Exchange Program. As of March 31, 2003, the Bank had credit facilities risks in connection with suppliers to Iraq in the amount of JD 92 million of which around JD 30 million is against cash collaterals, almost JD 3 million is covered by the Jordanian Iraqi protocol, and about JD 59 million relates to the UN Oil-for-Food Exchange Program.

Purchases relating to the UN Oil-for-Food Exchange Program have already been shipped or are in transit. The procedures governing the payment and delivery of these items are presently being reviewed by the United Nations.

(49) Comparative Figures

Some of the figures for the year 2001 have been reclassified to correspond with the current year's presentation.

Additional Information Required By Disclosure Directives Issued By The Jordan Securities Commission

1. Auditors' Fees

Total auditors' fees paid for 2002 amounted to JD121,980.

2. Board of Directors' shareholdings in the Bank's capital amounted to 49,8% as of December 31st , 2002.

No.	Name	No of Shares 31/12/2002	%	No of Shares 31/12/2001	%
1	H.E. Dr. Rajai Muasher	6,120	0,015	6,120	0,015
2	Mr. Nadim Muasher	352,013	0,838	342,013	0,814
3	Jordan Investor Center	4,883,499	11,627	3,368,532	8,020
4	Kuwait Investment Authority	4,829,287	11,498	4,829,287	11,498
5	The Social Security Corporation	3,564,498	8,487	3,564,498	8,487
6	Muasher Investment & Trading Co.	3,519,636	8,380	3,519,636	8,380
7	Mr. Anton Dababneh	1,203,248	2,865	1,203,248	2,865
8	Arabia S.A.L. (Holding)	1,036,093	2,467	1,036,093	2,467
9	Mr. Mahmoud Malhas	625,680	1,490	625,680	1,490
10	Mr. Tawfek A. Kwar	276,570	0,659	276,570	0,659
11	Rajai Muasher & Brothers Co.	150,584	0,359	150,584	0,359
12	Mr. Rajai Sukkar	24,032	0,057	24,032	0,057
13	ZI & IME	450,000	1,071	450,000	1,071
	Total	20,921,260	49,813	19,396,293	46,182

3. Board of Directors Members whose Shareholdings Exceed 5% of the Bank's Capital :

- Jordan Investor Center 11,6%.
- Kuwait Investment Authority 11,5%.
- The Social Security Corporation 8,5%.
- Mouasher Investment & Trading Co. 8,40%.

4. Total donations granted to various parties amounted to JD189,368 during 2002.

5. The Board of Directors of Jordan National Bank declares , to the best of it's knowledge and belief, that there are no significant matters or events that might affect the Bank as a going concern during the financial year 2003. The Board also acknowledges its responsibility for preparing the financial statements and confirm that the Bank implements an effective control system.

6. Senior Executive Staff and their Shareholdings in the Bank's Capital

No.	Name	Title	No of Shares 31/12/2002	No of Shares 31/12/2001
1	H.E. Dr. Rajai Muasher	Chairman	6,120	6,120
2	H.E. Mr. Wasef Azar	Chief Executive Officer/General Manager	32,800	32,800
3	Mr. Nabil Wahbeh	Deputy CEO/DGM	15,000	10,000
4	Mr. Khalil Nasr	General Manager - Branches Abroad	22,500	9,225
5	Mr. Issa Khoury	DGM-Credit Facilities	2,417	1,692
6	Mr. Rasheed Dawoudi	DGM-Operations & Technology	0	0
7	Mr. Hani Farraj	AGM-Administration	3,428	3,000
8	Mr. Khalil Zuaiter	AGM-Credit Facilities Risk Control	850	850
9	Mr. Talal Fareed	AGM-Follow-up	0	0
10	Mr. Zahi Fakhoury	AGM-Facilities	5,000	2,300
11	Mrs. Hadeel Kayyali	AGM-Operations	1,240	1,240
12	Ms. Lina Bakhit	AGM-Treasury & Financial Institutions	8,000	8,000
13	Mr. Saleem Ghandour	AGM-Branches Abroad	6,334	6,334
14	Mr. Firas Suhaimat	AGM-Corporate Finance	0	0
15	Mr. Samer Sunnuqrot	Investment Manager	1,428	1,000
16	Mr. Munem Qutob	Strategic Planning Executive Manager	7,000	7,000
17	Mr. Amer Muasher	Executive Manager-Brokerage	0	0
18	Mr. Sa'ed Muasher	Executive Manager-Risk Management	107,894	107,894
19	Mr. Marwan Shehadeh	Auditing & Financial Control Manager	0	0
20	Mrs. Nawzat Al-Qudsi	Private Banking Manager	8,950	8,950
21	Mr. Majed Al-Kabariti	Foreign Trade Unit Manager	0	1,000

7. Total salaries , benefits and remunerations paid to senior executive staff during 2002 amounted to JD1,186,243, representing about 10% of total salaries of the Bank.

8. The total number of shares of major shareholders who own more than 5% , amounted to 20,201,783 shares at the end of 2002, representing 48% of the Bank's capital. These shareholders are as follows:

No.	Name	No of Shares 31/12/2002	%	No of Shares 31/12/2001	%
1	Jordan Investor Center	4,883,499	11,627	3,368,532	8,020
2	Kuwait Investment Authority	4,829,287	11,498	4,829,287	11,498
3	The Social Security Corporation	3,564,498	8,487	3,564,498	8,487
4	Mouasher Investment & Trading Co.	3,519,636	8,380	3,519,636	8,380
5	Jordan Worsted Mills	3,404,863	8,107	3,347,163	7,969
	Total	20,201,783	48,099	18,629,116	44,355

9. Development of JNB's Major Financial Indicators since the Merger with the Business Bank :

Financial Year	Shareholders' Equity (mn JD)	Dividends %	Net Profit Before Tax (mn JD)	Market Price (JD)
1996	39.7	18%	5.9	4.1*
1997	70.0	7%	7.2	1.78
1998	73.8	-	4.8	1.73
1999	57.0	-	(15.8)	1.17
2000	66.4	-	0.523	0.90
2001	69.3	-	(0.468)	1.25
2002	64.1	-	(2.776)	0.96

* Prior to the merger, JNB shareholders received a 125% stock dividend.

10. Number of Employees at the End of 2001.

Jordan Branches	1136
Palestine Branches	120
Lebanon Branches (Al-Ahli International Bank)	143
Cyprus Branch	19
TOTAL	1418

JORDAN NATIONAL BANK BRANCHES & OFFICES

GENERAL MANAGEMENT & HEAD OFFICE

Amman - Queen Noor Street - Shmeisani
P.O.Box 3103 , Amman 11181 , Jordan
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Swift : JONB JOAX
Web Site : <http://www.ahli.com> , E-mail : info@jnb.com.jo

JORDAN BRANCHES MANAGEMENT

Jabal Amman , 3rd Circle
P.O.Box 1578 , Amman 11118 , Jordan
Tel : 4642391 / 3 , 4657601
Fax : 4628809 , Tlx : 21820

BRANCHES ABROAD MANAGEMENT

Queen Noor Street , Shmeisani
P.O.Box 3103 , Amman 11181 , Jordan
Tel : 5622282 / 5 , 5622621 / 3 , 5696741
Fax : 5689355 , Tlx : 23501

Dealing Room

Tel: 4649367 / 9
Fax: 4649460
Jabal Amman, 3rd Circle

Private Banking

Tel: 5624807, Fax: 5624806
General Management - Shmeisani

Foreign Trade Unit

Tel: 5622621 , 5689327
Fax: 5689163
General Management - Shmeisani

Corporate Finance Unit

Tel: 4642391 , 4657601/ 3
Fax: 4611176
Jabal Amman, 3rd Circle

Brokerage Department

P.O.Box 3103
Amman, 11181 Jordan
Tel: 5624361/ 5674124
Fax: 5624362
E-mail: brokerage@jnb.com.jo

BRANCHES IN JORDAN

Amman Main Branch

Reda Street - Amman
P.O. Box 791
Amman 11118, Jordan
Tel: 4625126 / 7, Mgr: 4624218
Fax: 4625120, Tlx: 21820

King Hussein's Str.

P.O. Box 7943
Amman 11118, Jordan
Tel: 4638393 / 4, Fax: 4649033
Mgr: 4638251

Saqf Al-Sail

Commercial Area
P.O. Box 151390
Amman 11115, Jordan
Tel: 4616742 / 3, Mgr: 4637916
Fax: 4658318

Middle East Circle

Middle East Circle - Wehdat
P.O. Box 620190
Amman 11162, Jordan
Tel: 4777279 / 80, Mgr : 4777288
Fax: 4777289

Qwaismeh

Madaba Str., Near Customs Dept.
P.O. Box 38108
Amman 11593, Jordan
Tel: 4778951, Fax: 4746996

Al - Yarmouk Street

Wadi Al - Nasr,
P.O. Box 6643
Amman 11118, Jordan
Tel: 4910801 / 2, Fax: 4920803
Mgr: 4923062

Ras Al - Ain

Jerusalem Str.
P.O. Box 151174
Amman 11115, Jordan
Tel: 4757201 / 2, Fax: 4757203
Mgr: 4749889

Marka

Opposite To Military Hospital
P.O. Box 15397
Amman 11134, Jordan
Tel: 4894825 / 7, Mgr: 4890970
Fax: 4890360

Amman Customs Office

Main Bldg. - Amman Customs
P.O. Box 38108
Amman 11593, Jordan
Telfax: 4756954

Al - Hashmi Al - Shamali

Prince Rashed Str.
P.O. Box 230120
Amman 11123, Jordan
Tel: 4901343 / 4901363
Mgr: 4901334, Fax: 4901302

Ghwairiah Office

Zerka - King Ghazi Street
P.O. Box 6199
Zerka 13114, Jordan
Tel: 05 3855232 / 3 , Mgr : 05 3852313
Fax: 05 3858464

Zerka

Zerka - King Hussein Street
P.O. Box 111
Zerka 13110, Jordan
Tel: 05 3983363 , 3983150
Fax: 05 3996555 , Mgr: 05 3903463

Free Zone / Zerka

Free Zone
P.O.Box 60
Zerka 13134 , Jordan
Tel : 05 3826214 , Telfax : 05 3826200

Al - Rusaifeh

King Hussein's Street
P.O. Box 2000
Amman 13710, Jordan
Tel: 053 746190 , 746191
Fax: 053 746192

Free Hot Line : 800 22 777 Fax : 4618431

Queen Noor Street

Shmeisani
P.O.Box 941273
Amman 11194 , Jordan
Tel : 5685905 / 5672495
Manager : 5685901
Fax : 5699867 , Tlx : N.P. 21343

Omar Ben Al - Khattab Street

Behind Malhas Hospital
P.O.Box 811835
Amman 11180 , Jordan
Tel : 4653571 , Mgr : 4656215
Fax : 4612668

Prince Mohammad Street

P.O.Box 182352
Amman 11118 , Jordan
Tel : 4645701 / 3
Fax : 4611531, Mgr : 4654163

Marj Al - hamam

Princess Taghreed Street
P.O.Box 776
Amman 11732 , Jordan
Tel : 5716133 / 4
Fax : 5716915, Mgr : 5716902

Chamber Of Industry Building

2nd Circle P.O.Box 2958
Amman 11181 , Jordan
Tel : 4644896 , 4644391
Fax : 4649564 , Mgr : 4641142

Jabal Amman

3rd Circle , P.O.Box 35011
Amman 11180 , Jordan
Tel : 4653645 / 6 , Mgr : 4628819
Fax : 4611541

Sweifieh / 1

Commercial Center
P.O.Box 850454
Amman 11185 , Jordan
Tel : 5817083 , Mgr : 5863928
Fax : 5826718

Sweifieh / 2

Haddad Commercial Center
P.O.Box 850663
Amman 11185 , Jordan
Tel : 5865401 , Fax : 5865402
Mgr : 5825651

Bayader Wadi Seer

Main Street
P.O.Box 140278
Amman 11814 , Jordan
Tel : 5857791 , Fax : 5819834
Mgr : 5859934

Um - Uthaina

7th Circle , P.O.Box 850664
Amman 11185 , Jordan
Tel : 5817920 , 5828717
Mgr : 5857782 , Fax : 5817921

Abdoon Office

Cairo Street
P.O.Box 850454
Amman 11185 , Jordan
Tel : 5929431 , 5929397
Fax : 5929652

Shmeisani

Al-Thaqafeh Street
P.O.Box 940017
Amman 11194 , Jordan
Tel : 5681382 , Fax : 5681326
Mgr : 5673578

Wasfi Al - Tal Street

Wasfi Al-Tal Str. , Muhtaseb Bldg
P.O.Box 1114
Amman 11953 , Jordan
Tel : 5682124 , Mgr : 5682177
Fax : 5682188

Jabal Al-Hussein

Jabal Al-Hussein , Beer Al-Sabe'a St.
P.O.Box 921085
Amman 11192 , Jordan
Tel : 5667216 , Mgr : 5673984
Fax : 5698069

Sweileh

Main Street , P.O.Box 15
Amman 11910 , Jordan
Tel : 5343143 / 4 , Mgr : 5343357
Fax : 5333632

Deir Alla

Main Street , P.O.Box 99
Deir Alla 18110 , Jordan
Tel : 05 3573057 , Mgr : 05 573161
Fax : 05 3573186

Salt

Municipality Street
P.O.Box 50
Salt 19110 , Jordan
Tel : 05 3555771 /2/3 , Mgr : 05 3558015
Fax : 05 3555774

Al-Balqa' Applied University Office

Salt - Balqa' University
P.O.Box 50
Salt 19110 , Jordan
Via Balqa University Telephones
Tel : 05 3557519 , 05 3530467
Ext. : 3610

Mecca Street

P.O.Box 1114
Amman 11953 , Jordan
Tel : 5856017 , 5866197
Fax : 5866097, Mgr : 5852511

Queen Rania Al-Abdullah Street

Arab Printers Bldg
Sport City Circle
P.O.Box 19285
Amman, 11196, Jordan
Tel : 5698883 , 5698619
Mgr : 5699042, Fax : 5699742

Free Hot Line : 800 22 777 Fax : 4618431

Irbed

Irbed - Army Street
P.O.Box 61
Irbed 21110 , Jordan
Tel : 02 7242201 / 2 , Mgr : 02 7242686
Fax : 02 7276146

Hakama Street

Irbed - Hakama Street
P.O.Box 368
Irbed 22110 , Jordan
Tel : 02 7278613 , 7254377
Fax : 02 7278614 , Mgr : 7254378

Ramtha

Banks Street
P.O.Box 198
Ramtha 21410 , Jordan
Tel : 02 7383817 ,Fax : 02 7382610
Mgr : 02 7381670

Mafraq

Mafraq - Al-Shaheed Farhan Al-Husban Str.
P.O.Box 510
Mafraq 25110 , Jordan
Tel : 02 6231550 / 1 , Mgr : 02 6236239
Fax : 02 6230303

Jerash

Jerash - King Abdulla Street
P.O.Box 125
Jerash 26110, Jordan
Tel : 02 6351891/ 2 , Mgr : 02 6351890
Fax : 02 6351893

Industrial City Office / Irbed

P.O.Box 61
Irbed 21110 , Jordan
Telfax : 02 7400055

Aqaba

Aqaba , Hammamat Street
P.O.Box 49
Aqaba 77110 , Jordan
Tel : 03 2022351 / 2 , Mgr : 03 2022350
Fax : 03 2022353

Maan

Maan - King Hussein Street
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Maan 71111 , Jordan
Tel: 03 2132347 / 8
Fax : 03 2132799 , Mgr : 03 2133749

Tafila

Tafila - Main Street
P.O.Box 13
Tafila 66110 , Jordan
Tel : 03 341120 , Fax :03 341710

Kerak

Kerak - Italian Hospital Street
P.O.Box 177
Kerak 61110 , Jordan
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Fax : 03 351676

Sahab

Sahab - Main Street
P.O.Box 2
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Madaba

Madaba - Municipality Bldg.
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Mgr : 4125088 , Fax : 4127610

Free Hot Line : 800 22 777 Fax : 4618431

BRANCHES ABROAD

PALESTINE

Regional Management

Palestine Branches

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Al - Salam Street Branch - Hebron

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Fax : +970 / 2 / 2226712
E-mail : jnb-sal@alqudsnet.com

Bethlehem Branch

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Jerusalem Branch:Temporarily Closed .

CYPRUS

International Banking Unit

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