

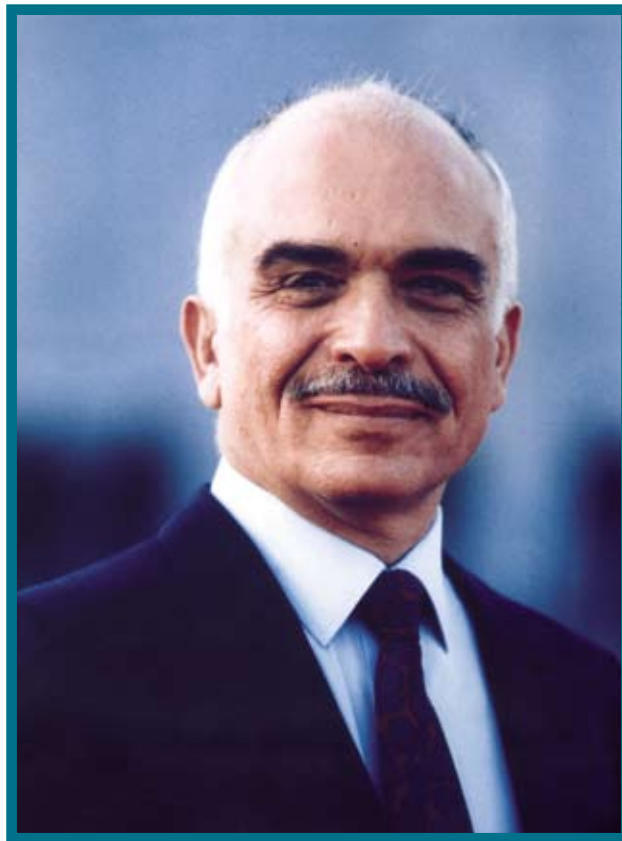






**His Majesty
King Abdullah II bin Al Hussein**





**His Majesty the Late
King Hussien I bin Talal**



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Our Strategic Objectives

Towards Shareholders:

Guarantee continuously increasing high returns.

Towards Customers:

Develop high quality banking products with competitive prices.

Towards Management and Employees:

Ensure a prosperous and professional career for Jordan Ahli Bank staff, and guarantee Competitive and growing salaries for them

Towards Society:

Develop banking products that contribute to the enhancement of the National development and the firm commitment towards the social, and National cultural needs of the kingdom.

Towards Regulatory Authorities:

Firm, transparent, dynamic and cooperative commitment towards Regulatory bodies of the countries in which the Bank operates.



Our Vision

Jordan Ahli Bank's strategic objectives come from a firm will to restructure the Bank and upgrade it to match with the internationally adopted banking principles.

These principles are included in the "Project Jubilee", which we are committed to implement it through three phases:

Phase I: The most profitable bank in Jordan in two years.

Phase II: A recognized leading banking institution on the regional level in five years.

Phase III: A global and key banking player on the international level in seven years.



Board of Directors

H.E. Dr. Rajai. S. Muasher ----- Chairman

Mr. Nadim Y. Muasher ----- Deputy Chairman

Members

Kuwait Investment Authority ----- Represented by Mr. Ahmad Tahous Al Rashed
(Government of Kuwait) until october 7th 2007

Byblos Bank (Lebanon)----- Represented by Mr. Samaan F. Baseel
since July 11th 2007

Abrajj Capital (UAE) ----- Represented by Mr. Mustafa Abd Alwadood

Jordan Investor Center ----- Represented by H.E. Mr. Wasef Azar

Muasher Investment & Trading Co ----- Represented by Mr. Emad Y. Muasher

The Social Security Corporation ----- Represented by H.E. Dr. Mohammad Abu Hammour

Rajai Muasher & Brothers Co. ----- Represented by Mr. Rafiq S. Muasher

ZI & IME Co. (Saudi Arabia)----- Represented by Mr. Ala-Eddin Sami

Arabia S.A.L. Holding (Lebanon) ----- Represented by Mr. Hani Fraij

Mr. Mahmoud Z. Malhas ----- Member

Mr. Tawfik A. Kawar ----- Member

Mr. Rajai S. Sukkar ----- Member

Auditors' Report

Deloitte & Touche (Middle East) -Jordan

Executive Management



H.E. Mr. Marwan AwadCEO/ General Manager

Mr. Fuad AL-Werr.....Deputy CEO/ Head of Group International
Banking & Abroad Branches

Mr. Ibrahim Ghawi..... Deputy CEO/ Head of Group Finance

Mr. Hani Farraj.....Deputy CEO/ Head of Group Administration & Logistics
(secretary of the Board of Directors)

Mrs. Hadeel Kayyali.....Deputy CEO / Head of Group Operations

Mr. Zahi Fakhoury..... Deputy CEO / Head of Group Credit

Miss. Lina Bakhit.....Deputy CEO/Head of Group Ahli Capital Markets

Mr. Samer Sunnuqrot..... Deputy CEO / Head of Group Ahli Investment Banking

Mr. Sa'ad Muasher. Deputy CEO / Head of Group Strategy & Corporate Communications

Mr. Iyad Al Asali.Deputy CEO / Head of Group Corporate Banking

Mr. Faleh Al Najjar..... Deputy CEO / Head of SME Banking Services

Mr. Ahmad Al KubbDeputy CEO /Head of Group Personal Banking
&Branch Management

Mr. Bashar Bakri Assistant GM / Head of Group Human Resources

Mr. Suleiman Dababneh..... Assistant GM/Accounting

Mr. Kameel Haddad Assistant GM / Remedial & Recoveries

Mr. Rageb Halaseh..... Assistant GM / Inspection & Internal Audit

Mr. Yousif Shukri Assistant GM /Information Technology

Mr. Gassan Garaibeh..... Head of Legal Department

Mr. Basem Isleem.....Internal Auditor

Mr. Ziad Kokash.....Risk Management Manager

Advisors

Mr. Issa Khoury..... Chairman's Advisor

Mr. Nahid Hattar..... Chairman's Advisor for Media & Cultural Affairs



Message from the Chairman

Distinguished Shareholders,

On behalf of Jordan Ahli Bank's board members, I am delighted to present to you the 52nd Annual Report for Jordan Ahli Bank. I hope that the report will address a wide array of subjects that will cover all of Ahli Bank's valuable shareholder inquiries. This report represents a summary of the bank's major activities, accomplishments and financial results for the fiscal year of 2007, our strategic plan for 2008, in addition to an overview of the Jordanian economy's performance during the past year.

In 2007, Jordan Ahli Bank has continued aggressively in its implementation of the bank's ambitious "Project Jubilee" recommendations. As you may well recall, "Project Jubilee", which was initiated on the bank's Jubilee year in 2005, established a detailed and ambitious set of strategic imperatives to be implemented across the bank in order to achieve our main strategic objective: to transform Jordan Ahli Bank into a world-class, state-of-the-art financial services firm, on par with the world's best financial institutions. In 2007, and under the motto "The Power of Change", Jordan Ahli Bank continued to aggressively push forward with ambitious changes across the entire bank, implementing hundreds of strategic projects across the bank's numerous divisions. We are gradually building the team, infrastructure, policies, products, services, and mechanisms to ensure that Jordan Ahli Bank becomes the leading financial institution in Jordan, and to establish a foundation in Jordan that can then be used to expand aggressively across the Middle East and ultimately throughout the world.

In 2007, and in line with our sales and delivery channel upgrade strategy, we have introduced three new branches, and renovated and upgraded five other branches in order to improve our customer experience and services. Our Marketing and Sales division also served to reinforce Ahli's brand equity, and to reintroduce the bank as a modern, younger financial institution with the ability to cater to the needs of all market segments, including: Corporate, SME, Investment, Personal, and high net worth banking clients. We also succeeded in consolidating and streamlining our organization, translating our strategic objectives into reality on the ground by hardwiring them into the organization structure. We are gradually building a flatter, more efficient, more profit-focused/cost-centric organization structure that is not only rational but also structured to deliver superior services to our clients.

On the Risk Management front, Jordan Ahli Bank remains committed towards the implementation of Basel II requirements, and we have invested significant time, effort and financial resources towards the development of modern risk management practices, systems and policies. Furthermore, the bank has ensured the continuous adherence to and implementation of our "corporate governance" principles and standards, guaranteeing the highest levels of transparency and corporate responsibility to all our stakeholders.

In 2007, Ahli Bank established the “Ahli Brokerage Company”, a JD 10 million private shareholding company charged with carrying out the bank’s brokerage related services. The company’s capital was recently increased to JD 20 million in line with the requirements of the Jordan Securities Commission and the Central Bank of Jordan.

As of the end of 2007, total assets increased by 13.54% compared to 2006 to reach JD1.976 billion while the ratio of non-performing loans to total loans dropped from 14.78% to 12.78% by the end of 2007. The coverage ratio for non-performing loans reached 74.85% by the end of 2007 compared to 68.5% as of the end of 2006. Also, customers’ deposits increased by 14% to reach JD1.243 billion in 2007.

We are looking forward to an exciting and promising 2008, and hope to more than exceed stakeholder expectations. The major structural improvements we have been making across the bank over the past few years are finally paying off, and our hope and ambition is to make 2008 a year of unprecedented success for Jordan Ahli Bank.

Finally, I would like to extend my thanks and compliments to our employees, executive management and board of directors for the efforts and integrity they showed in performing their tasks and for their outstanding performance in achieving the Bank’s goals and strategic objectives. I would also like to thank the Bank’s shareholders and esteemed clients for the confidence they’ve always put in us and the Central Bank of Jordan, the Jordan Securities Commission, the Ministry of Industry and Trade, the Companies Controller and all bodies and entities that contribute in the national economic development of our country under the wise leadership of His Majesty King Abdullah II ibn Al Hussein.

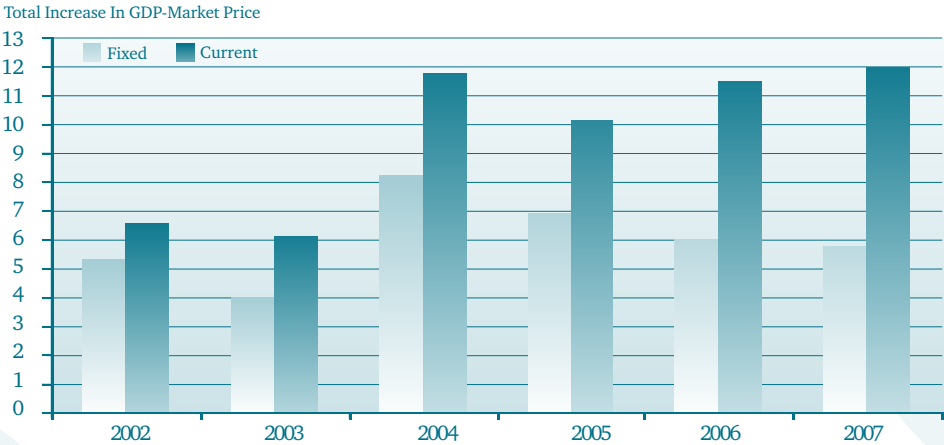
Chairman



The Jordanian Economic Performance (2007)

Over the past few years, Jordan’s economy achieved positive growth rates supported by comprehensive structural reforms and continuous advancements in the business and investment climate. Economic results reflect the commitment of concerned entities and decision makers to adopt a reform agenda and exert efforts that support the overall stability of Jordan’s economy. Jordan was able to maintain its position as a distinctive investment destination across the region which enabled it to play a competitive role in the global market. Gross Domestic Product (GDP) recorded a 6% growth during last year despite the external challenges pertaining to the global increase in oil prices and the decline in foreign grants. As for inflation, which measures fluctuations in the consumer price index, it declined to 5.4% by the end of 2007 compared to 6.25% in 2006. In addition, unemployment levels dropped from 13.9% in 2006 to 13% in 2007. Foreign direct investments continued to record positive growth due to the resilience of the governing regulatory framework which allowed for attracting investments in the financial, real estate and communications sectors. According to the World Investment Report for 2007 published by the United Nations Conference on International Trade, Jordan was ranked 8th globally and the 5th among West Asia countries in terms of FDI influx.

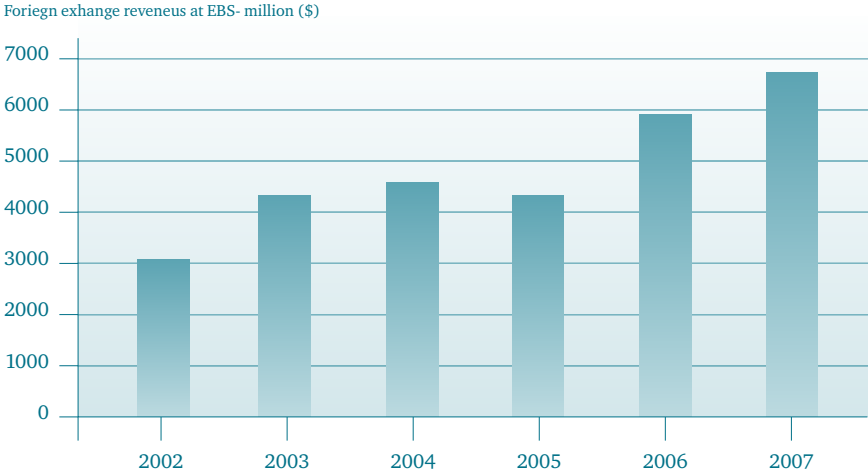
On the other hand, the Jordanian Dinar’s pegged exchange rate policy with the US Dollar continued to serve the monetary policy of the Kingdom. In lieu of monitoring the activities of the U.S. Federal Reserve, in September 2007 the Central Bank of Jordan lowered interest rates by 50 basis points. However, the Central Bank of Jordan has allowed the widening of the differential interest rate spread between domestic and US interest rates, after the latter carried out a series of interest rates cuts as a result of the escalating mortgage crisis and international financial markets fluctuations.



It is worth mentioning that the Central Bank of Jordan’s decision to fix the interest rate at 7% during the last quarter of 2007 was greeted with relief by the World Bank which described it as the appropriate decision in view of the dangers of inflation and its impact on the national economy.

On a related front, the successive interest rates hikes carried out by the Central Bank of Jordan in 2006 have contributed in curbing the domestic liquidity growth during 2007 in light of stabilizing the interest rate at 7.5% in the first nine months of 2007. Accordingly, money supply (M2) increased by 10.6% during 2007 compared to 14% during 2006.

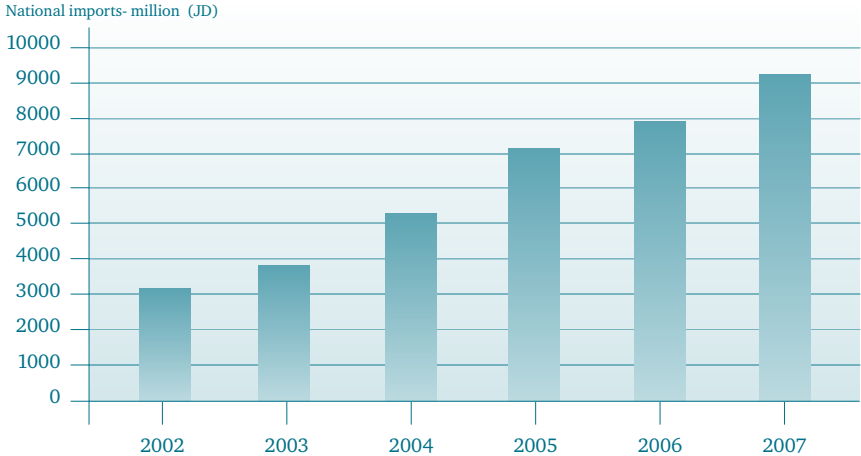
Foreign currency reserves held at the Central Bank of Jordan reached a record high in 2007 standing at \$6.87 billion which were underpinned by the growth in foreign direct investment and remittances all which contributed in supporting the financial and capital accounts of the Kingdom.



The current account deficit rose by 73.66% during last year compared to year end figures of 2006 to settle at \$1.96 billion as of the end of December of last year. This was due to the result of the huge deficit in the trade balance which reached JD4.48 billion by the end of 2007 compared to a deficit of JD3.58 billion in the previous year. The trade balance deficit is attributed to the high oil bill which amounted to JD1.46 billion, accounting for 15.3% of total 2007 imports.

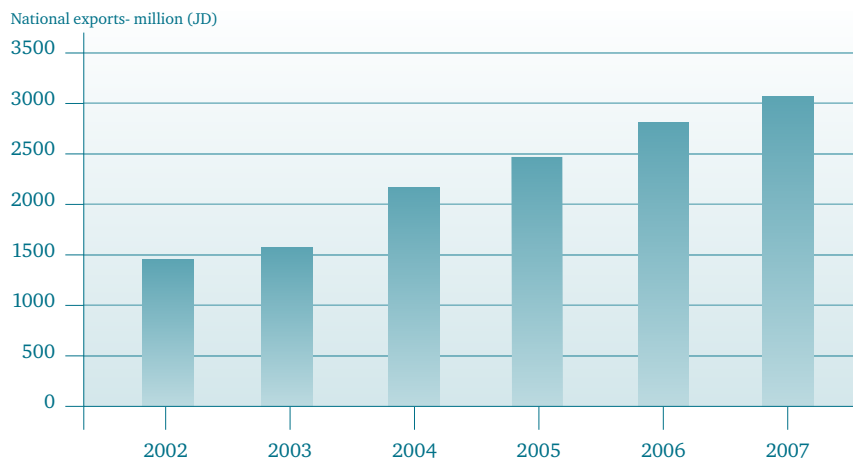
Foreign trade statistics revealed a decline in the growth of national exports during 2007 which registered a growth of 9.5% compared to 21% as of the end of 2006. By the end of 2007, imports witnessed a noticeable increase of 17.2% compared to 10% during 2006. Accordingly, the coverage ratio of exports to imports dropped from 45% in 2006 to around 42.1% by the end of 2007. However, the growth of trading activity during last year in terms of imports and exports increased by 14.9% amounting to over JD12.7 billion.

Jordan has registered a current account deficit of JD614.5 million by the end of November of last year, which contributed to the increase in the overall budget deficit by 79.2% compared to the same period last year. This continuous increase in deficits has been fueled by the increase of the government expenditures by 17.2% for the first eleven months of 2007, while the revenues and foreign grants witnessed an increase of 14.5% for the same period. Government expenditures increased by more than JD540 million in line with the government decision to maintain some level of food and fuel subsidies until early 2008 despite the amendments on the current fuel prices. Specifically, the fuel subsidy line item reached JD306 million last year, while foreign grants reached JD343.4 million as on the government central budget for the same period, compared to JD304.6 million reported at the end of 2006.



On the other hand, last year the Gross Domestic Debt reached JD3.695 billion, growing by JD743 million compared to 2006, bringing the total percentage compared to GDP up to 32.9% compared to 29.6% in the previous year. This rise came as a result of the increase in the financing requirements to cover the deficit of the 2007 budget, where the government –unable to borrow directly from the banking system pursuant the Management of Public Debt Act 2001 - resorted to issuing treasury bonds and bills of more than JD500 million.

The external public debt increased by 1.29% (JD66.8 million) to touch JD5.253 billion (46.8% of GDP) by then end of last year, compared to JD 5.186 billion (51.8% of GDP) reported at the end of 2006. However, it should be noted that the depreciation of the value of the US dollar against the other main currencies is expected to result in the inflation of the value of public external debt, especially considering that a large portion of the public external debt is tied to the Euro and Yen.



As for the capital market, Amman Stock Exchange (ASE) has witnessed an increase of 38.6% in market value during the year 2007 to reach JD29.21 billion. The ASE General Weighted Price Index rose by 36.3% to reach 7,519 points towards the end of the 2007 tradings. On the other hand, the total value of trading decreased by 13.1% to stand at JD12.34 billion compared to JD14.2 billion at the end of 2006. In this context, the outstanding performance of ASE in 2007 came after a wave of reduction resulting from the market correction that affected the larger part of 2006, during which the index declined by 32.6%.



Board of Directors Report for 2007

The Jordan Ahli Bank (JAB) completed its fifty second year, a journey crowned with continuous achievements, development and giving that placed the Bank on the map of internationally renowned financial institutions. Ahli Bank's growth and success is attributed to shareholder commitment as well as the continuous efforts exerted by the management in implementing the ambitious strategic plan which aims to maximize benefits for customers, shareholders and employees, in addition to the improvement and facilitation of procedures and policies that deal primarily with customer service.

First: Productive Services Sector:

(1) Commercial Banking Services and Branches Sector; it consists of:

a. Ahli Corporate: Corporate Banking Services Group

The prime focus of this Group is to offer financial products and services to large corporations. The business nature of such large companies varies to include for example industrial companies, commercial companies, contracting companies and service providers. This Group targets all types of companies regardless of their legal status and its services are offered by all Bank branches, supervised by a central management department that assumes customer relations functions. This department carries out its duties through three working units divided according to specialization. The first unit is specialized in financing contracting companies, industrial companies and projects, in addition to financial leasing, and syndicated loans. The second unit is specialized in financing commercial activities, while the third is responsible for financing activities outside Jordan; primarily managing corporate relations in Cyprus and the West Bank branches and those dealing with the Iraqi market.

Among the key services offered by the Group are credit facilities of all types in addition to foreign exchange services, traditional non-credit banking services and retail services which are offered through cross selling. The Corporate Group offers financial solutions especially tailored to meet the different needs of customers, given that clients or those seeking financing services have differing needs or requirements. Therefore, the Group seeks to understand the nature of the clients' business and financial needs and to focus, at the same time, on the elements that support the success of customers, given that they are the foundation of Jordan Ahli Bank's success and prosperity. The principle of Customer Relationship Management (CRM) was adopted in dealing with customers, whereby the Bank assigns one employee for each company. The designated employee ensures that high quality services are rendered to customers in a timely manner which will benefit the Bank's customers by receiving a single point service for all their banking transactions.

The Group's 2007 achievements include the development of a new database and follow up unit that offers a management information system that supports management in decision making through the provision

of periodic and upon demand reports. An effective cross selling educational program was also provided based primarily on the concept of integration between customers and employees through offering a variety of comprehensive banking services and reorganizing work according to specialization in order to improve services, identify customers' needs while at the same time properly managing risks.

A new risk assessment policy was also adopted based on the return on risks which is measured through a new risk assessment form upon which the required returns can be determined based on a profitability form specifically prepared for this purpose. Both forms fully comply with Basel II requirements.

Strategically, special attention was given to increasing revenues and guarantees without increasing risk, in addition to finalizing engineering blueprints and drawings related to the new branch to be established in cooperation with Group Strategy. This branch will specialize in large corporate services and should be ready during the second half of 2008. Last but not least, the new financial leasing product was launched offering clients the opportunity to acquire asset ownership through leasing and to select the specifications of the asset they want to buy and acquire financing of up to 100% of its value with long term leasing periods commensurate with the production age of the leased asset. Customers benefiting from the financial leasing service can continuously update and renew their leased assets by replacing them without the need to clear the account balance. In implementation of this unique service, the first financial leasing contract of US \$10.5 million was signed with Jordan Airline Training and Simulation Company (JATS) for a leasing period of 10 years in order to finance the purchase of airline training simulator A320 for JATS.

b. Ahli My Business: Small and Medium Enterprises Banking Services Group

The year 2007 witnessed remarkable growth in all activities managed by small and medium enterprises (SME) banking services group. This came in line with the Bank's strategy aimed at achieving excellence and market leadership in this field. The Group succeeded in achieving several major objectives including a 40% growth over last year's figures. The Group also realized significant achievements in increasing the Jordan Ahli Bank client base by 11% while focusing on developing the cross selling ratio and the time dedicated for selling. As for the size of direct and indirect credit facilities portfolio, it also witnessed notable growth. The Group enhanced its efforts aimed at increasing its share of deposits which increased by 22.4%. This Group contributed as well to the success achieved by the Bank in launching several banking products and services that proved to be liable and efficient as it helped in maximizing its share in the local market, providing integrated banking products and services and playing a leading role in financing small and medium sized projects.

Continuous efforts were exerted in providing a comprehensive collection of banking products and services targeting the SME market.

c. Ahli Personal: Personal & Premium Banking Services and Branches Management Group

This Group continued its intensive efforts in providing the best personalized services and simplifying and facilitating procedures to meet customers' needs and requirements. In order to achieve this, the Group organized well planned advertising, media and marketing campaigns so as to promote existing and future products and to enhance customers' confidence in the Bank's products and services following the re-branding of the Bank. As a result, the Group implemented a set of training and development programs aimed at training the Bank's staff including branch employees, middle management and senior management. The call center was also updated, organized and provided with additional employees who were trained in promptly responding to customers' inquiries and questions in a professional manner. Clients can call now on the direct free number "Ahli Ahlan" to follow up their transactions and voice their complaints and resolve them. Moreover, important studies were conducted to determine clients' satisfaction level. A specialized unit was established as well to conduct quality assurance on services offered by the Bank in order to insure that all branches are providing high level services to their customers in order to enhance customer satisfaction levels.

The recently launched "AIDA - Ahli Investment Deposit Account" product noticeably contributed to increasing deposits. This growth in deposits played a significant role in enhancing the Bank's ability to extend more facilities. In order to provide its customers with a variety of credit card services and capture extra share in this field, the Bank launched all types of Visa card services including the classic card, gold card and platinum card, to complement the MasterCard products and services already provided by the Bank.

Realizing the importance of expanding the Jordan Ahli Bank presence through expanding the sales and delivery channels network in order to serve a larger number of customers from different segments all over the Kingdom, additional branches were established during 2007 including Wakalat street branch, Abu Nseir branch, City Mall branch and Jubaiha branch. Additionally, the Group worked on updating several branches such as Abdoun branch, Mecca street branch, Ma'an branch and Hakama branch. More branches will be updated and improved during the year 2008. Some branches were restructured with a view to serve various sectors; individuals, SME's and large corporations. Qualified employees were appointed to deal with each sector according to its needs and requirements. Distinguished customer services are now available at the recently opened branches that operate according to the most recent banking standards. In order to proceed with the efforts of providing premium services, the direct point of sale was staffed with qualified employees to work on supporting branches' efforts to attract new customers. A new point of sale was opened in Irbid.

The Jordan Ahli Bank website was updated to be in conformity with its new identity. This website undergoes continuous improvement and development so it becomes a marketing website that promotes services and provides all necessary information to clients, shareholders and other stakeholders. Ahli Net (online banking) has also been updated to allow customers the ability to manage their accounts online without the need to visit the branch personally.

d. Group International Banking Services and Foreign Branches

(a) Ahli International Bank S.A.L (Subsidiary of Jordan Ahli Bank in Lebanon)

Despite the unstable circumstances in Lebanon, the year 2007 was a year of progress and development. The Bank achieved excellent results in terms of increasing after tax net profits, growth in clients' deposits, advancement in performing facilities and decrease in doubtful debts. Shareholder equity increased by 71% to reach UD \$ 27.9 million after the main shareholder, Jordan Ahli Bank, raised the capital of Ahli International Bank by \$15 million. With this increase, work initiated on implementing an expansion plan and opening new branches in addition to preparing for the application of Basel II requirements. Most financial indicators witnessed progress and improvement as the net accumulated profits after taxation increased by 58% to reach \$1.67 million. Total clients' deposits and deposit certificates increased by 16.5% to reach \$305.6 million after the Bank succeeded in attracting new customers from inside and outside Lebanon. New deposit certificates were issued with the value of \$20 million with a 1.5 year maturity term. Performing facilities increased by 21% to reach \$103.7 million. Net doubtful loans decreased by 31% to reach \$5 million.

As for banking facilities, the Bank continued to attract new customers operating in several market segments and diverse industries. The Bank launched new banking products specialized in retail loans in all its categories, resulting in the increase of performing loans by 21%.

Regarding doubtful debts, the work dedicated for this purpose continued in order to settle as many doubtful debts as possible. Said efforts resulted in decreasing these debts by 21%. The Bank successfully managed to benefit from the announcements made by monetary authorities who provided incentives for banks that settle their doubtful debts under certain conditions.

On the other hand, the Bank started to expand its branches network and bought a new building in Al Hadath area – Gallery Sam'an to host the ninth Ahli Bank branch in Lebanon. This branch is expected to be opened in the third quarter of the year 2008.

On the managerial level, the Bank finalized documentation of work procedures manuals using the specialized information system; Mega Process. These manuals and procedures will be uploaded on the internal network so that all employees can refer to them when needed and use them for training purposes. As for general policies, most are now developed and ready to be used. Systems that are presently used in the Bank have been improved and a number of operations were automated such as ATM and credit cards services. The disaster recovery center and the business continuity plan are checked on regular basis to make sure of their readiness to operate. The Bank has also completed the implementation of the control and self risk assessment system related to operational risk management. The Bank is engaged in laying down fundamentals for credit risk management and market risk management in preparation for applying Basel II requirements and monetary authorities' requirements. The Bank will also change the old motto this year and adopt a new one that harmonizes with the Jordan Ahli Bank's motto.

(b) Cyprus Branch

During the year 2007, the Cyprus Bank was converted from an off-shore branch to a local on-shore branch. The branch now offers banking products and services to the market in Cyprus. Moreover, the Central Bank of Cyprus agreed on the Bank's name change and approved the typical bank image including the new brand and slogan of Jordan Ahli Bank.

(c) Branches in Palestine

The old banking system used in Palestine branches was replaced by a new state of the art system in order to automate banking operations and transactions and link these branches together. This new system also involves installing ATMs to achieve centralized operations and accelerate service provision. The new brand and motto was also applied to all branches in Palestine. The redesigning and updating plan targeting branches and the regional management was implemented to be consistent with the new brand of the Jordan Ahli Bank. In this regard, the following actions were taken:

- Relocate the regional management to its new location in Ramallah city.
- Initiate work on transferring Bethlehem branch to the new modern and updated location.

In terms of performance, assets grew by 20%, and deposits and equities increased by 23%. In addition, Palestine branches achieved operational profits before taxation that amounted to JD2.4 million; approximately 10.6% of the total profits achieved by Jordan Ahli Bank. A financing and lending agreement was signed with the Palestinian European Fund to procure loans for small projects and diversity credit portfolio risk.

[2] Financial Markets and Investments Sector

(a) Ahli Capital: Treasury, Wealth Management, Trading Group

Through its well trained and qualified staff, the Treasury and International Brokerage Department was able to diversify its investment products and services. It successfully realized proceeds that are higher than what is achieved in the market and managed to maintain minimum risk levels. The Department continued to attract new customers who preferred to deal with Jordan Ahli Bank due to the extended expertise and the diverse set of services provided to them by the Treasury and International Brokerage Department, especially in the derivatives markets which became an essential need for clients seeking precautionary measures against price fluctuations. In implementation of the Bank's policy aimed at increasing cross selling, the Treasury Department attentively cooperated with other branches to provide customers with comprehensive services. The Department finalized preparation of a number of plans, policies and requirements related to the Bank's internal policies as well as those required by Jordan Central Bank and Basel II requirements.

(b) Ahli Investment: Investment Banking Group

This Group is specialized in providing investment banking services in the Jordanian capital market. Ahli Investment services include but are not limited to managing investment portfolios, bond and IPO financing, financial and organizational re-structuring of companies and providing financial research and advisory services.

This Group was distinguished by its pioneering services and its achievements in adding value to the capital market in Jordan. These efforts and services aimed at activating and enabling a group of prominent public shareholding companies to enjoy fixed cost and long term financing services through Corporate Bonds. Through its Asset Management Unit, the Group has also managed a number of investment portfolios. Our specialized, highly competent and technically qualified team designed and managed these portfolios diligently and achieved good results. Investment portfolios managed by this Group since the activation of the service in 2005 amounted to JD13 million for regular and corporate clients. The group conducts significant economic, corporate, ASE and other specialized research, and publishes some of their findings in reports that are issued publicly. The research reports are emailed regularly by the Group to customers and any other parties concerned with the Jordanian capital market.

Reflecting the new motto adopted by Jordan Ahli Bank in 2007 “the Power of Change”, Ahli Investment Banking Group focused upon expanding the scale of its investment services in the initial public offering market. The Group employed the most efficient programs in this field achieving a leading position in electronic initial public offering (e-IPO). Jordan Ahli Bank is proud to be the first bank in Jordan that provides this service through its branches whether inside Jordan or abroad after being approved by the securities commission. The Group has also developed a schedule for launching new investment products based on in-depth research and comprehensive policies that will enable the Bank to play a vital role in developing investment banking services and support services in the Jordanian capital market.

Generally, this Group represents a supporting financing tool that provides cash flows – that reached up to JD16 million in 2007 - earned from the services it offers in the initial offering market. The Group will focus upon expanding the range of its operations locally and regionally to capture investment opportunities, especially in the field of corporate financial advisory and consultancy, and regional equity and IPO financing.

Second: Support Services Sector:

(1) Operations Group

The Central Operation Group has and is still working on restructuring and enhancing resources to accomplish its tasks of providing a main support point for other groups in the Bank. The Group helps the Bank and branches increase sales and profitability through centralizing banking operations and improving banking products and services.

One of the key projects finalized and sufficiently implemented during 2007 is the Electronic Cheque Clearing System adopted by the Central Bank of Jordan. Jordan Ahli Bank was one of the first and most proficient banks in applying this system centrally and in all branches. This system works on electronically collecting customers' bank cheques without the need for daily clearing sessions. Cheques that are drawn on other banks are collected and deposited in customers' accounts in an electronic way and on the same day of deposit. Another system was applied within the Electronic Clearing System; which is the deferred cheques collection system related to cheques deposited in customer's accounts. All operations

and transactions are executed electronically during night time without any human aid. This will help in minimizing the burden of paper work on both branches' employees and customers. Internal cheques in Jordan Ahli Bank will be included in the system during the year 2008.

On the other hand, the Group has recently updated the Bank's service channels offered to customers. The electronic card system "Maestro" was updated to allow customers to receive their card the next working day and a new advanced system was obtained to replace the old SMS system. In addition, the Ahli Net (online banking) system was also updated. The range of electronic banking services was expanded to include internal and external transfers. Letters of credit (L/C's) will also be added to the electronic services in line with our automation strategy and according to international standards.

The procedures department was restructured, staffed with qualified personnel and provided with administrative tools to enable it to document and issue procedure manuals pertinent to banking operations in an efficient, clear manner. These improved procedures will be easier to understand and implement, improving employee performance and job execution.

(2) Information Technology Group

During 2007, the Information Technology Group concluded its restructuring process. A project management department was established to prepare IT related studies and define projects implementation requirements in terms of human resources and IT equipment. This department is also responsible for monitoring the level of performance of previously implemented projects and the extent to which these projects are in line with the allocated budget. The Group continued to provide its technology related services, including technical assistance for the different systems, departments and branches of the Bank whether in Jordan, Palestine and Cyprus.

During this year, the Group focused on classifying customers according to marketing sectors, in addition to the technical projects designed to provide support in the fields of ATMs and direct interaction via Ahli Net and SMS. It also focused on risk management, investment operation management, and implementation of the electronic clearing system. The Group has also increased the security of the Bank's network to protect it against potential hacking.

(3) Group Finance

During 2007, this Group concluded the implementation of the Oracle GI Module, which constitutes the basis of an advanced, comprehensive information system that utilizes the Oracle Data Warehouse. Analytical and financial statements and reports were developed to evaluate and follow up on the performance of the Bank's branches according to each business segment. The budget estimation and planning process introduced by the Finance Division for 2008 is considered an advanced methodology primarily based on the Bottom-Up approach, where each business unit in the bank is involved in financial target setting and planning. Detailed strategic and executive work plans were developed for all business and support groups in the Bank. These work plans include implementation timelines for the full year which facilitate periodic monitoring and follow up.

(4) Human Resources Group

Based on its comprehensive philosophy and strong belief, Jordan Ahli Bank regards its human resources group as one of the primary agents in realizing the power of change, and HR management is considered vital to the success of the organization. The year 2007 was loaded with a large number of training programs which focused on developing staff's capacities and skills and enhancing their competencies. More than 300 training events in addition to several seminars and workshops were held with the attendance of over 3000 employees from different specializations and areas of interests. Qualified and proficient trainers and experts were outsourced to train employees on various skills pertinent to the banking industry.

Human Resources Group developed programs designed to attract the best and most qualified and promising young individuals to work in the customer service field as well as in specialized, more focused fields. Selection and appointment processes were based on clear and inclusive standards taking into consideration job succession plans and a transparent institutional approach. Based on its strong belief in young ambitious staff, and the energy and enthusiasm they provide in transforming the bank, the Group also focused on hiring young staff, especially in those fields related to customer service, in order to convert branches to sales points that provide comprehensive and modern banking services. Group HR has also appointed specialized staff as a support team to tellers and customer service employees. This team seeks to meet branches' needs and requirements, whether those arising seasonally or in peak times, in an attempt to utilize human resources in an optimal manner. In this respect, employment programs based on outsourcing were initiated to recruit support service staff.

In 2007 the Group initiated work on designing development programs based on a clear vision pertinent to career path for all Bank employees. This will result in providing an incentive and a motive to all employees and to enhance their sense of dedication and belonging. It will also help employees pursue their dreams and ambitions and allow them to enjoy enhanced work stability. Implementation of these programs is planned to be initiated by beginning of this year. The year 2007 witnessed "Ahli Cares" campaign which will be the starting point of projects designed to expand the role of Jordan Ahli Bank towards its community. The Bank's vision is to play a deeper and closer role to Jordan Ahli Bank family. The first campaign was launched mid of 2007, and aimed at preventing smoking in the workplace and raising awareness about its harms and negative effects on the community. Several campaigns will be launched this year as part of the Ahli Cares initiative.

(5) Logistics Group

This Group is considered the core of the Bank's internal affairs; its work is based on the continuity of internal support operation of all sectors. The Group is also responsible for organizing, renovating, developing and maintaining the infrastructure of the Bank including but not limited to computer networks and expansion and re-engineering of all branches and departments. In 2007, this Group equipped and furnished three new branches and re-engineered five existing ones. Control cameras were

updated in all branches and central offices, and new locations were provided to be used as parking areas for employees.

In addition, the Group manages all real estates and land properties owned by the Bank through its real estate department, in order to generate additional income and consequently freeing up the bank's capital.

Third: Group Strategy and Corporate Communication

Group Strategy and Corporate Communication

Group Strategy is driving, monitoring and supporting the execution of the bank's ambitious transformation program. Group Strategy has created a detailed action plan that includes hundreds of key strategic imperatives that need to be executed by the bank's different division in the next 2 years. Monthly updates on the execution of these plans are collected. When projects stall or are not implemented efficiently, the Strategy team steps in to assist the relevant divisions who require execution support.

The Sales and Marketing division introduced many new services including the bank's Call Center, the Public Relations Function in accordance with international standards, the Customer Service Unit, the Customer Retention Unit, and the Collection Unit. The Group is also in charge of supporting and launching fact-based, strategic media campaigns for the bank's services and products. Finally, the group also guides and supports the modernization of the bank's its sales and delivery channels.

Fourth: Control Departments Sector

(1) Risk Management Group

During 2007, the Group completed work on preparing the final organizational structure for the Risk Management Group, recruited needed staff and initiating its activities to be in line with international developments in the banking industry. It was taken into consideration – while preparing the organizational structure - that risk management responsibilities in any bank should be assumed by a specific unit dedicated solely for this purpose. Risk management involves managing market risk, operational risk, credit risk, as well as establishing follow up, early alarm system for credit facilities, contract documentation, control and compliance. In addition, this Group is responsible for applying the risk rating evaluation system in collaboration with one of the most experienced companies in this field.

In light of the efforts exerted to comply with Basel II requirements, the Group has concluded the preparation of a set of policies and procedures. Examples of these policies are the investment policy, instructions related to dealing with margins, corporate governance manual, compliance policies and operational risk policy. The Group is working now on updating all of the Bank's policies and procedures to meet the requirements of leading, state of the art financial institution. A sustainable work plan was also developed for business continuity in case of emergencies in addition to a disaster recovery site in Cyprus branch.

Risk Management also collaborated with the Human Resources Group to prepare for a training program on money laundering prevention, as well as many other specialized risk management and training programs. The programs were attended by all risk management staff.

Fifth: Credit Sector

Group Credit

In 2007, this Group applied effective tools and mechanisms in approving credit facilities through focusing on high-profit low-risk sectors. The risk management system has been efficiently implemented also on the investment portfolio of Jordan Ahli Bank to control the quality of the bank's credit portfolio, and in order to minimize our non performing loans ratio and decrease interest in suspense. The Group maintains a balanced of economic sectors in its credit portfolio focusing on those which enjoy higher growth rates, higher profitability and reasonable risk/return ratios.



The Bank's Code of Conduct

This code of conduct was prepared in order to organize the conduct of staff and everyone in the Bank as well as organizing business ethics, values, restrictions, and obligations in Jordan Ahli Bank and its subsidiaries and affiliates in Jordan and in other countries, which the Bank has presence. This charter obligates all employees at all levels to adhere to the following commitments, responsibilities and duties:

(1) Commitments towards Shareholders:-

- a. Enhancing shareholders' trust in the Bank through persistent efforts to augment the Bank's strength and efficiency, and increase its profits by transforming the Bank to a world class financial institution that adheres to international standards, and is competitive on the local, regional and international levels.
- b. Commitment towards sourcing, following-up on and developing all potential business opportunities and exploiting them in order to realize the highest possible profitability.
- c. Commitment to institutional loyalty and maintaining its confidential matters.
- d. The immediate disclosure and revealing of all material and substantial matters that pertain to shareholders and their rights.

(2) Commitments towards Customers:

- a. Commitment towards presenting the best service to customers through adopting the spirit of friendship, politeness, courtesy, and full respect to their persons, dignities, time and interests, and which are not in conflict with the Bank's interest.
- b. Commitment towards improving performance and accelerating accomplishment as well as applying the principles of impartiality, fairness and objectivity in dealing with customers.
- c. The collective commitment in introducing and applying banking products that serve customers in a wider and more effective manner, which will also achieve the Bank's interests.
- d. The commitment of providing customers with information and proposals with the best possible speed, and through a clear, honest and non-ambiguous manner. Moreover, the staff should be committed to responding to any questions or inquiries from customers, without the need to commit the Bank towards any liability until execution.
- e. The commitment of charging our customers fair and proper prices and fees, which at the same time should also reflect the level and quality of the service provided and the degree of risks incurred by the Bank.
- f. The commitment of establishing relationships with customers based on the mutual respect that is impartial from personal interest.

[3] Commitments towards Regulatory Parties:

- a. Applying all laws, instructions and required rules in the countries where the Bank operates.
- b. Commitment towards the true disclosure of information required by regulators. This commitment should be honest, open, prompt, clear and courteous.
- c. Commitment towards maintaining high-level and professional relationships with regulatory institutions' officials. Jordan Ahli Bank staff shall always work to win the regulators' confidence in the Bank through its full compliance with the rules and regulations in force.
- d. The unconditional commitment towards cooperating with regulatory parties based on professional principles, and assisting the Bank's board of directors members to reach their high performance of their commitments in this field.

[4] Commitments towards Colleagues:

- a. Commitment towards working in a team spirit, because the successful performance of any employee depends directly or indirectly upon the success of the work performed by other staff.
- b. Enhancing the spirits of brotherhood, friendship, mutual respect and appreciation among colleagues.
- c. Presenting the full support and advice to colleagues.
- d. Commitment towards the team work, represented by the following rules: honesty, mutual respect, frankness and accepting middle solutions.
- e. Commitment towards reducing the time of meetings to the minimum needed in order to save the colleagues' time and effort. Staff should also commit to attend meeting in the designated time and preparing a pre schedule thereof.

[5] Commitments towards Society:

a. Professional Commitments:

- Commitment towards presenting proposals, programs, products and services that contribute directly or indirectly to the social development, improve and expand the opportunities to benefit from the banking services by a wider base of customers.
- Commitment towards abiding by the local cultural traditions in the Bank's advertisements and public campaigns, which should always positively contribute to the enhancement of social values, educating the local communities and publicizing professional banking culture.
- The Bank should refrain from providing any programs or services that aim to serve any specific political, religious or ethnic interests.

b. Solidarity Commitments:

- Commitment towards financing a well- prepared annual program for the social support of the voluntary associations operating in the local communities. As well, supporting the cultural initiatives and institutions, publishing books and supporting other cultural activities
- Encouraging the social, productive and scientific initiatives, and improving the standards of living for the less-fortunate people.

(6) Commitment towards Jordan:

Jordan Ahli Bank is a national Jordanian organization that will always maintain the interests of the Jordanian economy internally and externally and on the local, Arab and international levels. The Bank will also preserve the Kingdom's image and the Jordanian people's traditions and reputation.

Corporate Culture

The corporate culture identifies the concepts, beliefs and conducts of individuals and companies in line with the corporate identity of Jordan Ahli Bank. The enhancement of this culture requires from all members of Jordan Ahli Bank family to be committed to the following:

- **Focusing on Profitability**- by maintaining the level of profits achieved and increasing them in the future.
- **Focusing on Selling**- by introducing additional selling jobs and doubling the selling time per staff.
- **Focusing on Customers**- by preparing a new and comprehensive corporate organizational structure that serves all economic sectors
- **Adopting the Scientific Methodology**- by devising modern and scientific techniques in the field of evaluating risks and profits.
- **Aptitude and Merit**- by distributing rewards, bonuses and profit sharing schemes based on the performance, productivity and merit of employees.
- **Excellence**- by focusing on the quality of staff training and the continuous education methodology.
- **Innovation and Creativity**- by introducing new products and delivery channels that match with the actual market.
- **Strategy**- by devising a new way of thinking for Jordan Ahli Bank staff to create the future strategic planning culture.
- **Advanced Technology**- by applying the optimal use of information technology.



Future Plan for the Year 2008

In line with top management efforts to place the Bank on the map of internationally acknowledged banks, providing highest quality banking services that ensure the highest level of customers' satisfaction, Jordan Ahli Bank future plan for the year 2008 can be summarized as follows:

1. Maximize the Bank's revenues by enhancing credit follow up and reduce the non performing loans portfolio to less than 10%.
2. Expand business in our regional locations and encourage cross selling in the countries where the Bank operates. In addition, to increase remedial management and debt collection in these markets.
3. Constantly provide support to the Bank's budget with profit resulting from sale of Ahli Bank lands and properties.
4. Expand the Bank's operations in the initial public offering market through focusing on attracting fixed and low cost deposits, and enhance the budget with low risk profits through the investment banking group.
5. Adopt a unified central database for all branches and departments of the Bank, especially these related to facilities operations, and minimize manual processing in favor of automation and centralization of operations. All this shall be implemented with a view to expand the size of clientele, increase selling and profitability, reduce expenses and improve customer service.
6. Invest in the career planning and retention of employees, and continue to create a corporate culture that is motivating, exciting, and provides employees with endless advancement and learning opportunities.
7. Organize cutting edge advanced internal and external training courses to improve the culture, competence, performance and productivity of the Bank's employees.
8. Achieve the highest level of performance through following up the implemented manual and procedures to enhance internal control as per control authorities' instructions.
9. Apply the all-inclusive risk system in contract documentation, operation and early warning. In addition, apply asset and liabilities management system and Basel II requirements. Expand efforts in implementing the corporate governance principles applied by the Bank recently.
10. Activate and distribute 29 new ATMs all around the Kingdom.
11. Expand "Ahli Cares" campaign to involve huge projects in community services.

Major Financial Indicators for 2007

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 JD 1,976,601,767 as of Dec.31st 2007, compared with JD 1,740,841,639 as of Dec.31st 2006 – an increase of JD 235,760,128. With the inclusion of contra accounts, the 2007 total would amount to JD 2,886,812,755 compared with JD 2,387,676,321 - an increase of JD 499,136,434 over the preceding period.
- 2- Cash in hand and at banks amounted to JD 844,677,543 at the end of 2007, compared with JD 751,878,269 at the end of 2006 – an increase of JD 92,799,274
- 3- The value of securities and investments amounted to JD 257,505,675 at the end of 2007 compared to JD 240,465,861 at the end of 2006. This amount includes JD 197,855,779 of Jordan government bonds and various other government guaranteed bonds, and corporate bonds issued by public institutions and companies, compared to JD 173,822,556 at the end of 2006.
- 4- The balance of credit facilities (before provisions and interest in suspense) amounted to JD 859,936,220 at the end of 2007, compared with JD 739,070,006 at the end of 2006 – an increase of JD 120,866,214 over the preceding year. This amount includes outstanding overdraft accounts amounted to JD 150,908,579, credit cards, loans and advances amounting to JD 709,027,641.
- 5- The net book value of real estate, machinery and equipment, and furniture (after depreciation) amounted to JD 52,384,483 at the end of 2007, compared with JD 49,463,250 at the end of 2006.

Liabilities

- 1- The balance of current and call accounts, savings, term and bank deposits amounted to JD 1,534,015,930 at the end of 2007, compared with JD 1,328,059,783 at the end of 2006 – an increase of JD 205,956,147.
- 2- The balance of reserves and various provisions amounted to JD 44,307,007 on December 31st 2007, compared with JD 40,388,776 at the end of 2006.

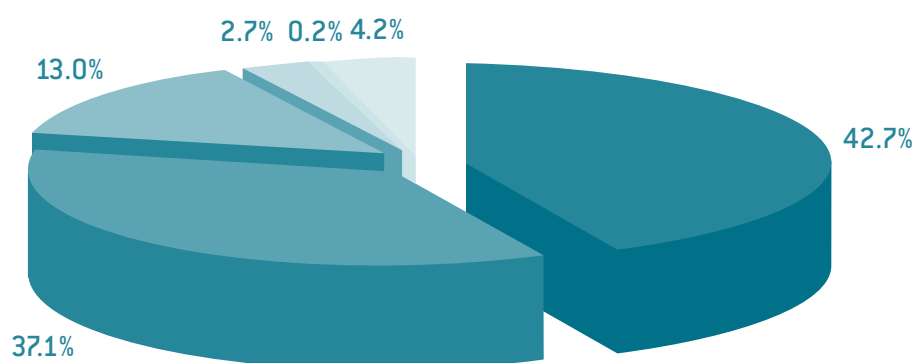
Contra Accounts

- 1- The outgoing letters of credit account increased from JD 69,481,153 in 2006, to JD 155,761,577 in 2007, while the incoming letters of credit decreased from JD 249,669,677 in 2006 to JD 224,581,096 in 2007.
- 2- The balance of guarantees increased to JD 203,925,783 at the end of 2007, compared with JD 193,174,294 at the end of 2006.
- 3- The balance of acceptances for consumers' accounts increased to JD 51,505,733 at the end of 2007, compared with JD 46,851,200 at the end of 2006.

Jordan Ahli Bank Statements Structure

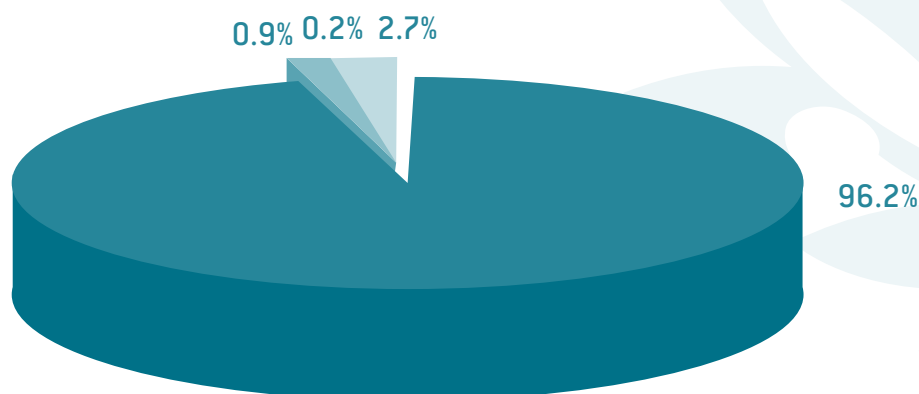
Assets	2007	2006	% change	wieght 2007	weight 2006
Cash, Balances, and Deposits at Banks and Other Institutions	844,677,543	751,878,269	12.3%	42.7%	43.2%
Credit Facilities - Net	733,705,849	621,668,426	18.0%	37.1%	35.7%
Investment Portfolio	257,505,675	240,465,861	7.1%	13.0%	13.8%
Fixed Assets - Net	52,384,483	49,463,250	5.9%	2.7%	2.8%
Intangible Assets	4,415,835	6,134,459	-28.0%	0.2%	0.4%
Deferrered Tax Assets and Other Assets	83,912,382	71,231,374	17.8%	4.2%	4.1%
Total Assets	1,976,601,767	1,740,841,639	13.5%	100.0%	100.0%

Weight 2007



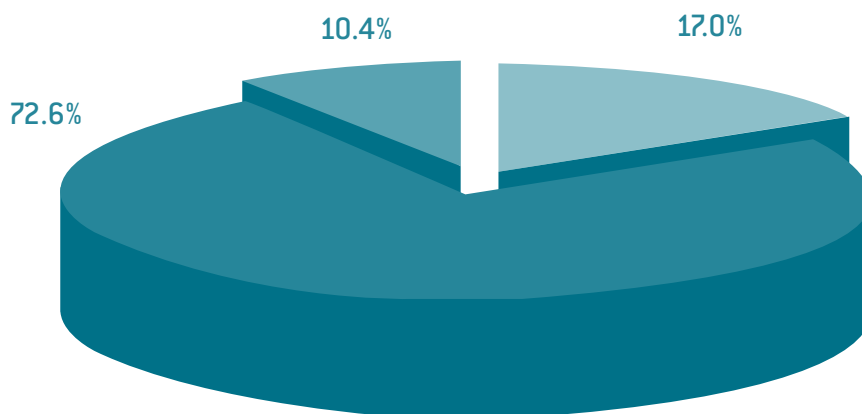
Liabilities	2007	2006	% change	wieght 2007	weight 2006
Deposits of Customers, Banks, and Other Institutions and Cash Margins	1,712,407,225	1,462,489,704	17.1%	96.2%	95.7%
Borrowed Funds	15,270,350	21,437,196	-28.8%	0.9%	1.4%
Various Provisions	3,068,839	3,247,982	-5.5%	0.2%	0.2%
Other Liabilities, Income Tax Provision & Deferred Tax Liability	48,456,923	40,918,278	18.4%	2.7%	2.7%
Total Liabilities	1,779,203,337	1,528,093,160	16.4%	100.0%	100.0%

Weight 2007



Deposits and Cash Margins	2007	2006	% change	wieght 2007	weight 2006
Deposits of Banks and Other Financial Institutions	291,287,177	238,087,648	22.3%	17.0%	16.3%
Customers' Deposits	1,242,728,753	1,089,972,135	14.0%	72.6%	74.5%
Cash Margins	178,391,295	134,429,921	32.7%	10.4%	9.2%
Total Deposits and Borrowed Funds	1,712,407,225	1,462,489,704	17.1%	100.0%	100.0%

Weight 2007



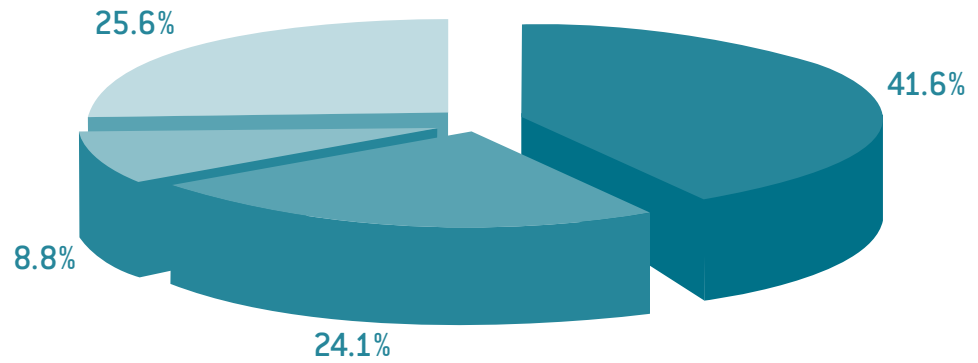
Non-Interest and Non-Commission Income	2007	2006	% change	wieght 2007	weight 2006
Net Interest Income	51,486,131	44,789,680	15.0%	59.4%	58.9%
Net Commission Income	18,062,985	14,738,715	22.6%	20.8%	19.4%
Total Non-Interest and Non-Commission Income	17,184,974	16,517,181	4.0%	19.8%	21.7%
Net Operating Income	86,734,090	76,045,576	14.1%	100.0%	100.0%

Weight 2007



Operating Expenses	2007	2006	% change	wieght 2007	weight 2006
Employees Expenses	27,928,154	25,066,390	11.4%	41.6%	54.7%
Other Operating Expenses	16,204,869	14,878,199	8.9%	24.1%	32.5%
Depreciation and Amortization	5,895,276	3,580,531	64.6%	8.8%	7.8%
Provision for Credit Facilities	17,185,752	2,295,230	648.8%	25.6%	5.0%
Total Operating Expenses	67,214,051	45,820,350	46.7%	100.0%	100.0%

Weight 2007





Independent Auditor's Report

AM/ 4716

To the Shareholders of
Jordan Ahli Bank
Amman – Jordan

We have audited the accompanying financial statements of Jordan Ahli Bank) public shareholding company, (which comprise of the consolidated balance sheet as of December ,2007 ,31 and the consolidated statement of income ,consolidated statement of changes in equity and consolidated cash flows statement for the year then ended ,and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Jordan Ahli Bank as of December 31, 2007, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and we recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report.

The accompanying consolidated financial statements are a translation of the statutory financial statements which are in the Arabic language to which reference should be made.

Deloitte & Touche (M. E.) - Jordan

Amman – Jordan

March 5, 2008

Consolidated Balance Sheets

ASSETS	Note	December 31,	
		2007 JD	2006 JD
Cash and balances at central banks	4	395,210,066	342,553,370
Balances at banks and financial institutions	5	444,851,009	405,446,094
Deposits at banks and financial institutions	6	4,616,468	3,878,805
Trading financial assets	7	26,192,784	34,619,573
Direct credit facilities	8	733,705,849	621,668,426
Available-for-sale financial assets	9	155,370,152	121,916,406
Held-to-maturity investments	10	66,770,348	67,374,268
Investments in associates and unconsolidated subsidiary companies	11	9,172,391	16,555,614
Fixed assets	12	52,384,483	49,463,250
Intangible assets	13	4,415,835	6,134,459
Other assets	14	78,571,002	65,669,966
Deferred tax assets	20	4,891,380	5,561,408
TOTAL ASSETS		1,976,151,767	1,740,841,639

LIABILITIES AND OWNERS' EQUITY	Note	December 31,	
		2007 JD	2006 JD
LIABILITIES :			
Banks and financial institutions deposits	15	291,287,177	238,087,648
Customers deposits	16	1,242,728,753	1,089,972,135
Cash margins	17	178,391,295	134,429,921
Borrowed funds	18	15,270,350	21,437,196
Various provisions	19	3,068,839	3,247,982
Provision for income tax	20	12,448,546	11,593,388
Deferred tax liabilities	20	1,598,891	746,936
Other liabilities	21	33,959,486	28,577,954
TOTAL LIABILITIES		1,778,753,337	1,528,093,160
OWNERS' EQUITY			
Equity - Bank Shareholders:			
Paid-up capital	22	110,000,000	110,000,000
Share premium	22	43,272,534	43,272,534
Treasury shares	22	(17,366,417)	(4,972,239)
Statutory reserve	23	26,066,790	23,669,927
Voluntary reserve	23	8,355,765	8,355,765
Special reserve	23	213,054	213,054
General banking risks reserve	23	6,602,559	4,902,048
Translation of foreign currencies		-	18,000
Cumulative change in fair value	24	3,734,010	2,042,052
Retained earnings	25	14,955,850	23,946,990
Total Equity - Bank Shareholders		195,834,145	211,448,131
Minority interest	26	1,564,285	1,300,348
TOTAL OWNERS' EQUITY		197,398,430	212,748,479
TOTAL LIABILITIES AND OWNERS' EQUITY		1,976,151,767	1,740,841,639

The accompanying notes from (1) to (49) constitute an integral Part of these statements and should be read with them.

Consolidated statements of income

	Note	For the Year Ended	
		December 31,	
		2007	2006
		JD	JD
Interest income	27	109,061,340	87,238,916
Interest expense	28	57,575,209	42,449,236
Net Interest Revenue		51,486,131	44,789,680
Commissions - net	29	18,062,985	14,738,715
Net Interest and Commission		69,549,116	59,528,395
Foreign exchange income	30	2,861,143	2,510,638
(Loss) from trading financial assets	31	(365,506)	(4,523,652)
Income from available-for-sale financial assets	32	1,238,451	4,251,180
Increase in present value of long-term deposits		6,265,949	2,500,862
Other revenue	33	7,184,937	11,778,153
Total Non-Interest and Non-Commission Revenue		17,184,974	16,517,181
Gross Income		86,734,090	76,045,576
Expenses:			
Employees expenses	34	27,928,154	25,066,390
Depreciation and amortization	12 & 13	5,895,276	3,580,531
Other expenses	35	16,204,869	14,878,199
Provision for impairment in direct credit facilities	8	17,185,752	2,295,230
Total Expenses		67,214,051	45,820,350
Income from Operations		19,520,039	30,225,226
(Loss) from selling shares of associates and unconsolidated subsidiary companies		(63,461)	(45,964)
Bank's share of associate company's (loss)	11	(1,078,503)	-
Income before Taxes		18,378,075	30,179,262
Income tax expense	20	7,567,930	9,950,167
Income for the Year		10,810,145	20,229,095
Pertain to:			
Bank shareholders		10,772,431	20,223,290
Minority interest	26	37,714	5,805
		10,810,145	20,229,095
Earnings per Share for Bank Shareholders	36	0.103	0.191

The accompanying notes from (1) to (49) constitute an integral Part of these statements and should be read with them.

Consolidated statements of changes in owners' equity

	Bank Shareholders' Equity														Total												
	Paid-up Capital		Share Premium		Treasury Shares		Statutory Reserve		Voluntary Reserve		Special Reserve		General Banking Risks Reserve		Translation of Foreign Currencies		Cumulative Change in Fair Value		Retained Earnings		Shareholders' Equity		Total				
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Balance - beginning of the year	110,000,000	43,272,534	(4,972,239)	23,669,927	8,355,765	213,054	4,902,048	18,000	2,042,052	23,946,990	211,448,131	1,300,348															
Change in fair value - net	-	-	-	-	-	-	-	-	1,691,958	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226,223	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation differences	-	-	-	-	-	-	-	(18,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total of Revenue and Expenses in Owners' Equity	-	-	-	-	-	-	-	(18,000)	1,691,958	33,548	1,707,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income for the year	-	-	-	-	-	-	-	(18,000)	1,691,958	10,772,431	10,772,431	37,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total of Revenue and Expenses	-	-	-	-	-	-	-	(18,000)	1,691,958	10,805,979	12,479,937	37,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers to reserves	-	-	-	2,396,863	-	-	1,700,511	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends distributed (Note 25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares (at cost)	-	-	(12,394,178)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance - End of the Year	110,000,000	43,272,534	(17,366,417)	26,066,790	8,355,765	213,054	6,602,559	-	3,734,010	14,955,850	195,834,145	1,564,285															
Balance - beginning of the year	82,311,249	32,903,037	-	20,616,916	5,840,034	213,054	5,488,231	18,000	10,594,840	22,095,836	180,081,197	1,294,543															
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total of Revenue and Expenses in Owners' Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	-	-	-	-	-	5,716	20,223,290	5,805	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue and Expenses	-	-	-	-	-	-	-	-	-	20,229,006	11,676,218	5,805	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in paid-in capital	27,688,751	10,369,497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	3,053,011	2,515,731	-	(586,183)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends distributed (Note 25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares (at cost)	-	-	(4,972,239)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance - End of the Year	110,000,000	43,272,534	(4,972,239)	23,669,927	8,355,765	213,054	4,902,048	18,000	2,042,052	23,946,990	211,448,131	1,300,348															

- Retained earnings includes an amount of JD 4,891,380 as of December 31, 2007 (JD 5,561,408 as of December 31, 2006) restricted by the Central Bank of Jordan against deferred tax assets.

- Retained earnings includes an amount of JD 200,130 restricted against unrealized gains on trading financial assets since the year 2007.

- Use of the general banking risks reserve is restricted and requires a prior approval from the Central Bank of Jordan.

- Share premium as of December 31, 2007 include an amount of JD 11,343,325 restricted according to the instructions of the Central Bank of Jordan against the external branching reserve.

The accompanying notes from (1) to (49) constitute an integral part of these statements and should be read with them.

Consolidated Statements of Cash Flows

	Note	For the Year Ended December 31,	
		2007 JD	2006 JD
Cash flows from operating activities:			
Income before taxes		18,378,075	30,179,262
Adjustments for:			
Depreciation and amortization		5,895,276	3,580,531
Provision for impairment in direct credit facilities		17,185,752	2,295,230
Bank's share of the associate company's (loss)		1,078,503	-
Provision for the impairment in real estate		499,971	600
Provision for employees end-of-service indemnity		438,698	416,185
Provision for lawsuits against the Bank		97,539	-
Provision for foreign currency price decline		90,439	105,597
Foreign currencies translation difference		(18,000)	-
Loss on sale of real estate		62,295	72,624
(Gains) on the sale of available-for-sale assets		(275,276)	(3,289,865)
(Gain) on the sale of fixed assets		(30,092)	(617,617)
(Gains) losses on trading financial assets		(875,474)	3,636,088
Loss from sale of associates and subsidiaries shares		63,461	45,964
Effect of exchange rate fluctuations on cash and cash equivalents		(1,795,526)	(1,712,288)
Net Income before Changes in Assets and Liabilities		40,795,641	34,712,311
Changes in Assets and Liabilities :			
Decrease (increase) in cash and balances at banks due after 3 months and restricted balances			
		4,736,941	(146,182,937)
(Increase) in deposits at banks and financial institutions due after 3 months		(737,663)	(2,896,582)
Decrease (increase) in trading financial assets		9,302,263	(31,348,845)
(Increase) in direct credit facilities		(129,223,175)	(64,407,177)
(Increase) in other assets		(13,463,302)	(7,775,459)
Increase in banks and financial institutions deposits due after 3 months		3,835,999	-
Increase in customers' deposits		152,756,618	18,513,154
Increase (decrease) in cash margins		43,961,374	(9,423,099)
Increase (decrease) in other liabilities		5,381,532	(577,841)
(Decrease) in various provisions		-	(3,893)
Net Cash Flows from (used in) from Operating Activities before Income Tax and Provision Paid		117,346,228	(209,390,368)
Income tax paid		(6,042,744)	(4,308,580)
Provisions paid		(805,819)	(496,489)
Net Cash Flows from (used in) Operating Activities		110,497,665	(214,195,437)
Cash flows from investing activities:			
(Increase) in investments in associates and unconsolidated subsidiary companies - net		(47,031)	(968,269)
(Purchase) of available-for-sale investments - net		(24,346,267)	(9,681,829)
Held-to-maturity investments - net		603,920	(8,318,770)
Proceeds from sale of fixed assets		984,274	594,527
(Purchase) of fixed assets		(6,753,914)	(5,355,974)
(Purchase) of intangible assets		(1,298,153)	(1,456,845)
Net Cash Flows (used in) Investing Activities		(30,857,171)	(25,187,160)

Cash flows from financing activities:			
(Decrease) increase in borrowed funds		(6,166,846)	13,037,017
Increase in paid-up capital		-	27,688,751
Increase in share premium		-	10,369,497
(Purchase) of treasury stock		(12,394,178)	(4,972,239)
Increase in minority interest		259,771	-
Dividends paid		(15,699,745)	(12,750,000)
Net Cash Flows (used in) from Financing Activities		(34,000,998)	33,373,026
Effect of exchange rate fluctuations on cash and cash equivalents		1,795,526	1,712,288
Net Increase (Decrease) in Cash and Cash Equivalents		47,435,022	(204,297,283)
Cash and cash equivalents - beginning of the year		456,418,484	660,715,767
Cash and Cash Equivalents - End of the Year	37	503,853,506	456,418,484

The accompanying notes from (1) to (49) constitute an integral Part of these statements and should be read with them.

Jordan Ahli Bank (A Public Shareholding Limited Company)

Amman – Jordan

Notes To The Consolidated Financial Statements December 31, 2007

1. General

Jordan Ahli Bank was established in the year 1955 as a Jordanian public shareholding limited company in accordance with the Companies Law for the year 1927, with headquarters in Amman - Jordan. It's address is Queen Noor Street P.O Box 3103, Amman 11181 Jordan. It is engaged in banking and related financial operations through its branches in the Hashemite Kingdom of Jordan, Cyprus, Palestine, and the subsidiary company in Lebanon. The Business Bank was merged into the Bank effective December 1, 1996.

During the year 2005, final approval was granted to merge Philadelphia Investment Bank into Jordan Ahli Bank Company Ltd. effective from July 1, 2005.

- The Bank conducts all of its banking and financial operations relating to its activities through its headquarter, branches (46 branches in Jordan and 6 branches abroad) and the subsidiary companies inside and outside Jordan.

- The Bank's shares are listed on Amman Stock Exchange-Jordan.

- The consolidated financial statements have been approved by the Bank's Board of Directors in their meeting No. (1) held on March 5, 2008 and are subject to the approval of the General Assembly of Shareholders.

2. Significant Accounting Policies

Basis of Preparation

- The accompanying consolidated financial statements of the Bank and its subsidiary companies are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB, the prevailing rules of the countries where the Bank operates, and the instructions of the Central Bank of Jordan.

- The consolidated financial statements are prepared under the historical cost convention except for financial assets held for trading, available for sale financial assets, and financial derivatives which are stated at fair value on the date of the consolidated financial statements. Further, hedged assets and liabilities are also stated at fair value.

- The accounting policies for the current year are consistent with those used in the previous year.

- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

Basis of Consolidation and Presentation

The accompanying consolidated financial statements include the financial statements of the Bank's branches in Jordan and abroad and the following subsidiary companies under its control. Moreover, control is achieved when the Bank has the ability to control the financial and operating policies of the subsidiary companies to obtain benefits from their activities. Additionally, transactions, balances, revenues, and expenses between the Bank and its subsidiaries are eliminated. Transactions in transit are shown under "other assets" or "other liabilities" in the consolidated balance sheet.

The Bank's subsidiary companies are the following:

a. Al- Ahli International Bank

Al- Ahli International Bank - Lebanon is owned by Jordan National Bank at 97.88% of the bank's capital and 88.49% of the capital prepayments. The capital of Al-Ahli International Bank - Lebanon is equivalent to JD 14,015,390 in addition to capital prepayments in the amount of JD 9,686,547. Its total assets amounted to JD 278,734,745 and total liabilities to JD 251,903,087 as of December 31, 2007, while its total revenue amounted to JD 21,926,333, and total expenses to JD 20,766,275 for the year ended December 31, 2007.

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

b. Zarqa National College Company

Zarqa National College Company is a wholly owned company 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 800,000, total assets to JD 837,198, and total liabilities to JD 21,911 as of December 31, 2007. Its total revenues amounted to JD 305,200, and total expenses to JD 370,819 for the year ended December 31, 2007.

c. Ahli Micro Finance Company

Ahli Micro Finance Company is a wholly owned company by Jordan National Bank. The company's objectives are to grant loans to limited income individuals. Its capital amounted to JD 2,500,000, total assets to JD 3,996,768, and total liabilities to JD 587,141 as of December 31, 2007. Its total revenue amounted to JD 994,397 and total expenses to JD 801,282, for the year ended December 31, 2007.

d. Al- Ahli Financial Brokerage Company

Al- Ahli Financial Brokerage Company is a wholly owned company by Jordan National Bank with a capital of JD 20 million. Its total assets amounted to JD 35,495,877, and its total liabilities to JD 15,495,877 as of December 31, 2007. Moreover, its revenue amounted to JD 2,781,558, and its expenses to JD 10,501,558 for the year ended December 31, 2007.

- The financial statements of the subsidiary companies are prepared for the same financial year of the Bank using the same accounting policies adopted by the Bank. If the accounting policies adopted by the Companies are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies used by the Bank.

- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed of subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal which is the date on which the Bank loses control over the subsidiaries.

- Minority interest represents the part of owners' equity not owned by the Bank in the subsidiaries.

- In case separate financial statements are prepared for the bank as an independent entity investments in subsidiary company are shown at cost.

Sectors Information

- The business sector represents a group of assets and operations that share in providing products or services subject to risks and rewards different from those of other business sectors.

- The geographic sector relates to the provision of products or services in a specific economic environment subject to risks and rewards different from those of sectors operating in other economic environments.

Financial Assets Held for Trading

- Financial assets held for trading represent investments in companies' shares and bonds traded in active markets. These assets are held to generate profits from the fluctuations in the short-term market prices or trading profit margins.

- Financial assets held for trading are initially recognized at fair value when purchased (acquisition costs and taken to the statement of income). They are subsequently re-measured to fair value, and the resulting change is included in the consolidated statement of income in the period in which it arises. Moreover, fair value differences resulting from the translation of foreign currency non-monetary assets are taken to the consolidated income statement.

- Distributed income or realized interest is recorded in the consolidated statement of income.

Direct Credit Facilities

- A provision for the impairment in direct credit facilities is recognized when it is obvious that the amounts due to the Bank can not be recovered, there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment amount can be estimated. The provision is taken to the consolidated statement of income.

- Interest and commission on non-performing credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan and applicable laws in the countries where the Bank's branches or subsidiaries operate.

- Impaired credit facilities, for which specific provisions have been taken, are written off by charging the provision after all efforts have been made to recover the assets. Any surplus in the provision (if any) is taken to the consolidated statement of income, while debt recoveries are taken to income.

Available-for-Sale Financial Assets

- These represent the financial assets the Bank does not intend to dispose of as trading financial assets or holds to maturity.

- Available-for-sale financial assets are initially recorded at fair value including acquisition costs. They are subsequently re-measured to fair value as of the date of the financial statements. Moreover, changes in fair value are recorded in a separate account within owners' equity. When these assets are fully or partially sold, disposed of, or determined to be impaired, the income or losses are recorded in the consolidated statement of income, including the related amounts previously recorded within owners' equity. The loss resulting from the impaired value of the debt instruments is reversed when it is objectively evident that the increase in their fair value occurred after the losses had been recognized. Moreover, impairment losses resulting from the decline in the value of equity securities can not be reversed as they are recovered through the cumulative change in fair value within owners' equity.

- Income and losses resulting from the foreign exchange of interest-bearing available-for-sale debt instruments are included in the consolidated statement of income. The differences in the foreign currency of equity instruments are included in the cumulative change in fair value within owners' equity.

- Interest from available-for-sale financial instruments is recorded in the consolidated statement of income using the effective interest method. Impairment in assets is recorded in the consolidated statement of income when incurred.

- Financial instruments for which fair value can not be reliably determined are shown at cost. The decline in value is recorded in the consolidated statement of income.

Held-to-Maturity Investments

Held-to-maturity assets are financial assets with fixed or specified payments and the Bank intends and has the ability to hold to maturity.

Held-to-maturity investments are initially recognized at cost (Fair Value) after adding acquisition costs. Premiums and discounts are amortized using the effective interest rate method to be booked on the interest account and to deduct any provision resulting from impairment in its value which may result in not being able to recover the assets value or its partial value. Impairment loss is recorded in the consolidated statement of income.

Fair Value

The fair value of a listed financial asset is based on its closing market price prevailing on the date of the consolidated financial statements. For an unlisted financial asset with no quoted market price, fair value is estimated by one of the following ways:

Comparing it to another financial asset with similar terms and conditions.

Analyzing future cash flows and using the discounted cash flow technique through adopting a discount rate used in a similar instrument.

Adopting options pricing models.

- Long-term non-interest bearing financial assets and financial liabilities are valued according to discounted cash flows and the effective interest rate method. The discount interest is taken to the received interest income within the consolidated statement of income.

The valuation methods aim at obtaining a fair value reflecting market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of the financial assets. Moreover, financial assets the fair value of which can not be reliably measured are stated at cost net of any impairment in their value.

Impairment in the Value of Financial Assets

The Bank reviews the values of financial assets on the date of the consolidated balance sheet in order to determine if there are any indications of impairment in their value individually or in the form of a portfolio. In case such indications exist, the recoverable value is estimated so as to determine the impairment loss.

The impairment is determined as follows:

- The impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the cash flows discounted at the original interest rate.
- The impairment in the financial assets available for sale recorded at fair value represents the difference between the book value and fair value.
- The impairment in the financial assets recorded at cost is determined on the basis of the present value of the expected cash flows discounted at the market interest rate of similar instruments.

The impairment in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous declines in the fair value of financial assets is taken to the consolidated statement of income except for available-for-sale equity securities if the impairment is temporary.

Investment in Associates and Unconsolidated Subsidiary Companies

- Associated companies are those companies whereby the Bank exercises significant influence over their financial and operating policies and whereby the Bank owns between 20% to 50% of voting rights. Investments in associates are stated according to the equity method in the consolidated financial statements.

- Investment in Kuwait Real Estate Company - under liquidation in which the Bank owns more than 50% are stated according to the equity method.

- Investment in Ahluna for Cultural and Social Work Company is shown at cost as it is a not for profit company. Its net income is used for social and charitable work.

In case separate financial statements are prepared for the Bank as an independent entity, investments in subsidiaries are shown at cost.

Fixed Assets

- Fixed assets are stated at cost net of accumulated depreciation. Fixed assets (except for land) are depreciated according to the straight-line method over their estimated useful lives using the following rates:

	%
Buildings	2
Furniture, fixtures and equipment	10 – 15
Vehicles	15
Computers	20
Improvements in buildings	15 – 20

- When the carrying amounts of fixed assets exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of income.

- The useful lives of fixed assets are reviewed at the end of each year. In case the expected useful life is different from what was determined previously, the change in estimate is recorded in the following years, being a change in estimate.

- Fixed assets are eliminated upon their disposal or when there are no expected future benefits from their use or disposal.

Provisions

Provisions are recognized when the Bank has an obligation on the date of the balance sheet as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for Employees End-of-Service Indemnities

- A provision for legal and contractual commitments relating to employees end-of-service indemnities is taken according to the Bank's internal regulations on the balance sheet date.

- The required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income while payments to departing employees are deducted from the provision amount.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

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

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated balance sheet according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

- Deferred tax assets and liabilities are reviewed as of the date of the balance sheet, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Capital

Costs of Issuing or Purchasing the Bank's Shares

Costs of issuing or purchasing the Bank's shares are recorded in retained earnings net of any tax effect of these costs. If the issuing or purchase process has not been completed, these costs are recorded as expenses in the consolidated statement of income.

Treasury Shares

Treasury shares are shown at cost, and they do not have any rights to paid dividends, nor do they have any rights in participating or voting in the Bank's general assembly meetings. Gains or losses from selling the treasury shares are not recognized in the consolidated statement of income. Gains are shown in owners' equity within share premium / discount whereas losses are taken to retained earnings in case there is no treasury share premium balance available.

Accounts Managed on Behalf of Customers

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

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the balance sheet only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Realization of Income and Recognition of Expenses

- Income is realized and expenses are recognized on an accrual basis, except for interest and commission on non-performing loans which are not recognized as revenue but recorded in the interest and commission in suspense account.

- Commission is recorded as revenue when the related services are provided. Moreover, dividends are recorded when realized (approved by the General Assembly).

Recognition of Financial Assets

Financial assets are recognized on the trade date (the date on which the entity commits itself to purchase or sell the financial assets).

Financial Derivatives and Hedge Accounting

Hedged Financial Assets

For hedge accounting purposes, the financial derivatives are stated at fair value. Hedges are classified as follows:

- Fair value hedge: hedge for the change in the fair value exposures of the Bank's assets and liabilities.

When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge is recognized in the consolidated statement of income.

When the conditions of effective portfolio hedge are met, the gain or loss resulting from the revaluation of the hedging instrument at fair value as well as the change in the fair value of the assets or liabilities portfolio are recorded in the consolidated statement of income for the same period.

- Cash flow hedge: hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities.

When the conditions of effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in owners' equity. Such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the income statement.

- Hedge for net investment in foreign entities:

When the conditions of the hedge for net investment in foreign entities are met, fair value is measured for the hedging instrument of the hedged net assets. In case of an effective relationship, the effective portion of the loss or profit related to the hedging instrument is recognized in shareholders' equity. On the other hand, the ineffective portion is recognized in the consolidated statement of income. On the other hand, the effective portion is recorded in the consolidated statement of income when the investment in foreign entities is sold.

- When the conditions of the effective hedge do not apply, gain or loss resulting from the change in the fair value of the hedging instrument is recorded in the consolidated statement of income in the same period.

Financial Derivatives for Trading

The fair value of financial derivatives for trading such as forward foreign currency contracts, future interest rate contracts, swap agreements, and foreign currency options is recorded in the balance sheet under other assets or other liabilities as the case may be. Fair value is measured according to the prevailing market prices, and if not available, the measurement method should be disclosed. The change in fair value is recognized in the consolidated statement of income.

Repurchase and Resale Agreements

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

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

Foreclosed Assets

Assets that have been subject to foreclosure by the Bank are shown under "other assets" at the acquisition value or fair value, whichever is lower. As of the balance sheet date, these assets are revalued individually at fair value. Any decline in their market value is taken to the consolidated statement of income whereas any such increase is not recognized. Subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

Intangible Assets

A- Goodwill

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

- Goodwill is distributed over the cash generating unit(s) for the purpose of testing the impairment in its value.

- The value of goodwill is tested on the date of each balance sheet. Goodwill value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating unit(s) is less than book value. The decline in value is recorded in the income statement as impairment loss.

B- Other Intangible Assets

- Other intangible assets acquired through merging are stated at fair value at the date of acquisition, while other intangible assets purchased otherwise are recorded at cost.

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

- No capitalization of intangible assets resulting from the Banks' operations is made. They are rather recorded as an expense in the consolidated statement of income for the year.

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

- Software and computer programs are amortized over their estimated economic useful lives at a rate of 20%.

Foreign Currency

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

- Financial assets and financial liabilities denominated in foreign currencies are translated at the average exchange rates prevailing on the balance sheet date and declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.
- Translation differences for non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, assets and liabilities of the branches and subsidiaries abroad are translated from the functional currency to the reporting currency using the average exchange rates prevailing on the balance sheet date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year, and exchange differences (if any) are shown in a separate item within owners' equity.

Cash and Cash Equivalents

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

3. Accounting Estimates

Preparation of the financial statements and the application of the accounting policies require the Bank's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown within owners' equity. In particular, this requires the Bank's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

Management believes that the assessments adopted in the financial statements are reasonable. The details are as follows:

- A provision for performing and non-performing loans is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these bases and estimates is compared against the adequacy of the provisions as per the Central

Bank instructions. The most strict outcome that conforms with the (IFRSs) is used for the purpose of determining the provision.

- Impairment loss is taken after a sufficient and recent evaluation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.

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

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

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

- Management frequently reviews financial assets stated at cost to estimate any decline in their value. Impairment is taken to the consolidated statement of income as an expense for the year.

4- Cash and Balances at Central Banks:

This item consists of the following:

	December 31,	
	2007	2006
	JD	JD
Cash in vaults	25,849,306	20,315,134
Balances at central banks:		
Current accounts	6,275,073	6,094,221
Time and notice deposits	16,211,876	14,023,415
Mandatory cash reserve	101,881,532	92,533,790
Certificates of deposit	244,992,279	209,586,810
Total	395,210,066	342,553,370

- In addition to the cash reserve at the Central Bank of Jordan, there are also restricted balances amounting to JD 195,391 as of December 31, 2007 (JD 139,566 as of December 31, 2006).

- Included in cash balances at central banks is an amount of JD 189,344,000 as of December 31, 2007 (JD 193,843,255 as of December 31, 2006) maturing within a period exceeding three months.

- Certificated of deposit maturing within less than three months amounted to JD 178,000,000 (166,000,000 as of 31 December 2006)

5. Balances at Banks and Financial Institutions

This item consists of the following:

	Local Banks & Financial Institutions		Banks & Financial Institutions Abroad		Total	
	December 31,		December 31,		December 31,	
	2007	2006	2007	2006	2007	2006
	JD	JD	JD	JD	JD	JD
Current accounts	578,037	1,927,746	13,252,748	11,151,722	13,830,785	13,079,468
Deposits due within 3 months	35,342,437	24,359,136	395,677,787	368,007,490	431,020,224	392,366,626
Total	35,920,474	26,286,882	408,930,535	379,159,212	444,851,009	405,446,094

- Non-interest bearing balances at banks and financial institutions amounted to JD 5,159,385 as of December 31, 2007 (JD 4,099,184 as of December 31, 2006).

- Restricted balances amounted to JD 9,217,000 as of December 31, 2007 (JD 9,510,511 as of December 31, 2006).

6. Deposits at Banks and Financial Institutions

This item consists of the following:

	Banks & Financial Institutions Abroad		Total	
	December 31,		December 31,	
	2007	2006	2007	2006
	JD	JD	JD	JD
Maturity Period				
Deposits maturing from 3 to 6 months	4,616,468	3,878,805	4,616,468	3,878,805
Total	4,616,468	3,878,805	4,616,468	3,878,805

There are no restricted deposits as of December 31, 2007 and 2006.

7. Trading Financial Assets

This item consists of the following:

	December 31,	
	2007	2006
	JD	JD
Quoted bonds	12,156,131	14,484,216
Quoted shares	14,036,653	20,135,357
Total	26,192,784	34,619,573

8 . Direct Credit Facilities

This item consists of the following:

	December 31,	
	2007 JD	2006 JD
Individuals (retail):		
Current accounts	23,057,937	33,922,425
Loans and promissory notes*	440,987,976	371,189,261
Credit cards	12,812,580	10,582,471
Property loans	70,910,009	50,295,093
Companies:		
a. Large Companies:		
Current accounts	76,495,874	65,656,053
Loans and promissory notes*	79,160,120	73,152,955
b. Small and medium companies:		
Current accounts	51,354,768	47,096,090
Loans and promissory notes*	95,897,827	77,084,407
Government and public sector	9,259,129	10,091,251
Total	859,936,220	739,070,006
Less: Suspended interest	44,076,132	42,064,352
Provision for impairment in direct credit facilities	82,154,239	75,337,228
Net Direct Credit Facilities	733,705,849	621,668,426

* Net after deducting interest and commissions received in advance of JD 9,469,891 as of December 31, 2007 (JD 7,578,881 as of December 31, 2006).

Provision for Impairment in Direct Credit Facilities:

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

2007	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Large	Small and Medium			
	JD	JD	JD	JD	JD		
Balance – beginning of the year	29,910,957	138,578	22,146,447	23,141,246	-	75,337,228	
Provision for the year taken from revenues (surplus)	8,601,127	135,740	8,721,959	(273,074)	-	17,185,752	
Used during the year (written-off) *	(9,526,091)	-	(140,232)	(780,632)	-	(10,446,955)	
Transfer to off-balance sheet Items	(2,469)	-	-	(1,189)	-	(3,658)	
Foreign currencies evaluation difference	21,908	35	32,539	27,390	-	81,872	
Balance – End of the Year	29,005,432	274,353	30,760,713	22,113,741	-	82,154,239	

2006	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Large	Small and Medium			
	JD	JD	JD	JD	JD		
Balance – beginning of the year	55,795,009	237,520	16,295,588	29,212,551	-	101,540,668	
Provision for the year taken from revenues (surplus)	2,258,159	(99,046)	6,131,669	(5,995,552)	-	2,295,230	
Used during the year (written-off)	(28,738,351)	-	(320,892)	(72,208)	-	(29,131,451)	
Transfer from financial risks provision	590,687	-	-	-	-	590,687	
Transfer to off-balance sheet Items	(9,005)	-	-	(3,545)	-	(12,550)	
Foreign currencies evaluation difference	14,458	104	40,082	-	-	54,644	
Balance – End of the Year	29,910,957	138,578	22,146,447	3,141,246	-	75,337,228	

* This item includes a balance of JD 2,500,862 representing bad debts written off from the Philadelphia credit facilities provision during the year 2007.

Interest in Suspense - The movement on interest in suspense was as follows:	Companies					
	Individuals	Real Estate	Large	Small &	Government	Total
		Loans		Medium	& Public	
2007	JD	JD	JD	JD	JD	JD
Balance – beginning of the year	15,043,662	142,365	7,333,412	19,544,913	-	42,064,352
Add: Interest in suspense for the year	1,547,620	27,828	1,728,257	2,341,329	-	5,645,034
Less: Interest taken to income	(940,775)	(147)	(102,122)	(1,083,433)	-	(2,126,477)
Less: transferred to off-balance sheet items	(171,955)	-	(284,117)	(217,804)	-	(673,876)
Less: Interest in suspense written-off	(404,868)	-	(32,261)	(395,772)	-	(832,901)
Balance - End of the Year	15,073,684	170,046	8,643,169	20,189,233	-	44,076,132

2006	Companies					
	Individuals	Real Estate	Large	Small &	Government	Total
		Loans		Medium	& Public	
	JD	JD	JD	JD	JD	JD
Balance – beginning of the year	14,838,644	111,872	7,734,619	18,672,059	-	41,357,194
Add: Interest in suspense for the year	2,175,391	30,493	2,200,096	2,490,666	-	6,896,646
Less: Interest transferred to income	(567,714)	-	(1,418,900)	(353,223)	-	(2,339,837)
Less: transferred to off-balance sheet items	(326,485)	-	(269,305)	(203,157)	-	(798,947)
Less: Interest in suspense written-off	(1,076,174)	-	(913,098)	(1,061,432)	-	(3,050,704)
Balance - End of the Year	15,043,662	142,365	7,333,412	19,544,913	-	42,064,352

- Non-performing credit facilities amounted to JD 155,013,794, which is equivalent to 18.03% of total direct credit facilities (JD151,992,966, which is equivalent to 20.57% of total direct credit facilities as of December 31, 2006).
- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 110,937,662, which is equivalent to 13.60% of total direct credit facilities net of interest and commission in suspense as of December 31, 2007 (JD 109,928,614, which is equivalent to 15.77% of total direct credit facilities as of December 31, 2006).
- Credit facilities granted to / guaranteed by the Government of Jordan amounted to JD 9,259,129 as of December 31, 2007, which is equivalent to 1.08% of total direct credit facilities (JD 15,621,451, which is equivalent to 2.11% of total direct credit facilities as of December 31, 2006).
- The balance of non-performing loans transferred off-balance sheet amounted to JD 20,493,238 as of December 31, 2007 (JD 25,524,291 for the year 2006). These loans are fully covered by provisions and interest in suspense.
- According to the resolutions of the Board of Directors, the balance of non-performing debts of JD 11,279,856 has been written off during the year 2007 (JD 32,182,155 for the year 2006).
- The provision that is no longer needed due to settlements or debts repayments and accordingly transferred to other non-performing debts amounted to JD 8,709,557 as of December 31, 2007 (JD 15,184,113 as of December 31, 2006).

9. Available-for-Sale Financial Assets

The details of this item are as follows:

	December 31,	
	2007	2006
	JD	JD
Quoted Available-for-Sale Financial Assets:		
Treasury bills	35,471,301	28,284,574
Governmental bonds or bonds guaranteed by the Government	64,872,270	50,831,529
Companies bonds and debentures	5,838,980	5,781,530
Other bonds	7,764,188	2,092,614
Companies shares	19,245,648	15,598,340
Total Quoted Available-for-Sale Financial Assets	133,192,387	102,588,587
Unquoted Available-for-Sale Financial Assets:		
Companies bonds and debentures	4,982,561	4,973,825
Companies shares	17,195,204	14,353,994
Total Unquoted Available-for-Sale Financial Assets	22,177,765	19,327,819
Total Available-for-Sale Financial Assets	155,370,152	121,916,406
Bonds Analysis:		
Fixed return	51,465,387	39,565,566
Variable return	67,463,913	52,398,506
Total	118,929,300	91,964,072

- Some available-for-sale financial assets are recorded at cost/amortized cost as their fair values cannot be reliably determined. These assets amounted to JD 22,177,765 as of December 31, 2007 (JD 19,327,819 as of December 31, 2006).

10. Held-to-Maturity Investments

This item consists of the following:

	December 31,	
	2007	2006
	JD	JD
Quoted Financial Assets:		
Treasury bills	9,001,108	3,200,000
Governmental bonds or bonds guaranteed by the Government	53,054,017	62,081,969
Companies bonds and debentures	4,715,223	2,092,299
Total Quoted Financial Assets	66,770,348	67,374,268
Bonds Return Analysis:		
Fixed return	66,770,348	67,303,969
Variable return	-	70,299
Total	66,770,348	67,374,268
The details of held-to-maturity financial assets are as follows:		
	2007	2006
	JD	JD
During the year	21,570,485	5,222,000
From 1 to 3 years	35,614,118	16,909,474
More than 3 years	9,585,745	45,242,794
	66,770,348	67,374,268

11. Investments in Unconsolidated Associates and Subsidiary Companies The Bank owns several associate and subsidiary companies as of December 31, 2007 and 2006. The details are as follows:

	Country of Establishment	Ownership Percentage	December 31,		Nature of Business	Bank's Share of Profit %	Calculation Method	Date
			Shareholders' Equity					
			2007	2006				
			2007	2006				
		%	JD	JD				
Kuwait Real Estate Company *	Lebanon	100	188,431	141,400	Real estate	100	Equity	1986
Beach Hotels and Tourist Resorts Company **	Jordan	25/55	5,370,960	6,449,463	Hotel services	25/55	Equity	2006
Liwan Company for Investment and Tourism Amenities	Jordan	50	1,615,000	1,615,000	Hotel services	50	Equity	2005
					Development and investment			
Almawared for Development and Investment Company (Note 14)	Jordan	-	-	3,459,967		-	***	
General Arab Insurance Co.	Jordan	-	-	2,406,159	Insurance	-	***	
Invest One Brokerage	Emirates	-	-	485,625	Investment	-	***	
Ahluna for Social and Cultural Work Company****	Jordan	99/9	1,998,000	1,998,000	Charity	99/9	Cost	2006
Arab Printers Co.	Jordan	48/823	-	-	Journalism	48/823	Equity	2001
			9,172,391	16,555,614				

* The financial statements of Kuwait Real Estate Company have not been consolidated as the company is under liquidation and its financial statements are considered immaterial compared to the consolidated financial statements.

** The Bank's participation in the Tourist Resorts and Hotels Beach Company resulted from the merger of the National Real Estate Investments Company wholly owned by the Bank with the Tourist Resorts and Hotels Beach Company (related company). The book value of the plot of land owned by the National Real Estate Investments Company has been adopted for merger purposes according to the approval of the General Assembly of the two merged companies. Consequently, the merger resulted in reducing the Bank's share to 46% of the owners' equity of Tourist Resorts and Hotels Beach Company with a capital of JD 10 million after the merger. During the year 2007, the Company's capital was increased through subscription of the old partners and entrance of new partners at the nominal value of JD 1 per share. Consequently, paid-up capital became JD 18 million. Thus, the Bank's participation in the Company decreased to 25.55% of paid-up capital. On the date of capital increase, the book value of the Company's owners' equity amounted to JD 13,747,280, and the book value of the plot of land owned by Tourist Resorts and Hotels Beach Company to JD 18,515,064 as of December 31, 2007, i.e. in excess of the book value by JD 4,767,784. Moreover, management of the Bank didn't subscribe in the increase in order to reduce its participation in compliance with the regulators instruction not to increase the investment more than 10%. This caused the Bank to incur losses of JD 1,078,503 for the year 2007, which were taken to the income statement.

*** Some investments in associate companies have been transferred to available-for-sale financial assets due to the decline in the Bank's participation to less than 20%.

**** The financial statements of Ahluna Cultural and Social Works Company have not been consolidated as it is not-for-profit and its net income is used in financing charitable and social works. The investment is shown at cost, and its assets amounted to JD 2,511,458 while its liabilities to JD zero, its total owners' equity to JD 2,511,458, and its net revenue to JD 511,458.

The following is a summary of the movement on investments in associates :

	2007 JD	2006 JD
Balance - beginning of the year	16,555,614	15,633,309
Additions	47,031	2,484,325
The bank share from the loss from associate company	(1,078,503)	-
Sales of shares	(3,459,967)	(1,562,020)
Transfers to available-for-sale financial assets	(2,891,784)	-
Balance - End of the Year	9,172,391	16,555,614

The following is the summary of the Bank's portion of the associates assets and liabilities:

	2007 JD	2006 JD
Current assets	3,961,889	11,461,327
Non-current assets	5,230,755	6,912,252
Current liabilities	17,298	615,061
Non-current liabilities	2,955	1,202,904
Net Value	9,172,391	16,555,614

12. Fixed Assets

The details of this item are as follows:

	Land *		Buildings		Furniture, Fixtures and Equipment		Vehicles		Computers		Other		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:														
Balance - beginning of the year	12,102,194		28,860,453		24,042,609		1,385,154		8,531,227		574,402		75,496,039	
Additions	528,458		-		3,017,193		152,334		1,585,408		457,256		5,740,649	
Disposals	-		-		(1,913,066)		(120,449)		(355,661)		-		(2,389,176)	
Balance - End of the Year	12,630,652		28,860,453		25,146,736		1,417,039		9,760,974		1,031,658		78,847,512	
Accumulated Depreciation:														
Balance - beginning of the year	-		4,925,407		16,561,652		806,663		6,361,334		-		28,655,056	
Additions	-		688,297		1,291,927		141,598		721,142		35,535		2,878,499	
Disposals	-		-		(1,114,793)		(98,021)		(222,177)		-		(1,434,994)	
Balance - End of the Year	-		5,613,704		16,738,783		850,240		6,860,299		35,535		30,098,561	
Net Book Value of Fixed Assets	12,630,652		23,246,749		8,407,953		566,799		2,900,675		996,123		48,748,951	
Down payments on fixed assets purchases	-		-		3,635,532		-		-		-		3,635,532	
Balance - End of the Year 2007	12,630,652		23,246,749		12,043,485		566,799		2,900,675		996,123		52,384,483	
Cost:														
Balance - beginning of the year	12,007,998		28,810,537		21,478,708		1,424,780		8,373,958		533,184		72,629,165	
Additions	156,896		244,384		3,267,247		238,803		736,749		41,218		4,685,297	
Disposals	(62,700)		(194,468)		(703,346)		(278,429)		(579,480)		-		(1,818,423)	
Balance - End of the Year	12,102,194		28,860,453		24,042,609		1,385,154		8,531,227		574,402		75,496,039	
Accumulated Depreciation:														
Balance - beginning of the Year	-		4,273,519		15,906,246		913,038		5,865,358		-		26,958,161	
Additions	-		695,659		1,250,685		138,699		532,515		-		2,617,558	
Disposals	-		(43,771)		(595,279)		(245,074)		(36,539)		-		(920,663)	
Balance - End of the year	-		4,925,407		16,561,652		806,663		6,361,334		-		28,655,056	
Net Book Value of Fixed Assets	12,102,194		23,935,046		7,480,957		578,491		2,169,893		574,402		46,840,983	
Down payments on fixed assets purchases	-		-		2,622,267		-		-		-		2,622,267	
Balance - End of the Year 2006	12,102,194		23,935,046		10,103,224		578,491		2,169,893		574,402		49,463,250	

- Fixed assets balance as of December 31, 2007 includes an amount of JD 17,240,357 representing fully depreciated fixed assets (JD 17,073,772 as of December 31, 2006).

* During the year 2007, the Bank bought a plot of land by means of an irrevocable agency authenticated by a notary public in the name of a member of executive management.

The plot of land was registered in the Bank's name in the first quarter of the year 2008.

13. Intangible Assets

This item consists of the following:

	2007		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance-beginning of the year	2,818,553	3,315,906	6,134,459
Additions	1,298,153	-	1,298,153
Amortization for the year	(1,118,871)	(1,897,906)	(3,016,777)
Balance-End of the Year	2,997,835	1,418,000	4,415,835

	2006		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance-beginning of the year	2,324,681	3,315,906	5,640,587
Additions	1,456,845	-	1,456,845
Amortization for the year	(962,973)	-	(962,973)
Balance-End of the Year	2,818,553	3,315,906	6,134,459

* Goodwill resulted from the purchase revaluation difference on Al- Ahli International Bank – Lebanon, Kuwait Real Estate Company and National Zarqa College. During the year 2007, part of Al-Ahli International Bank's goodwill and the goodwill of National Zarqa College have been fully amortized against the decline in their value.

14. Other Assets

This item consists of the following:

	December 31,	
	2007 JD	2006 JD
Real estate seized by the Bank against debts *	22,272,662	21,925,141
Accrued interest and commissions and present value difference on long-term financial liabilities	26,112,934	22,765,306
Real estate investment **	9,964,578	-
Checks and transfers under collection	6,717,469	3,371,668
Foreclosed real estate sold	2,555,289	3,139,361
Prepaid expenses	2,473,111	2,246,197
Various debtors	1,640,557	448,917
Real estate for sale ***	1,507,417	2,800,927
Branches off-setting	994,676	2,718,929
Prepaid rent	484,968	486,943
Certificate of Qoushan prizes	213,349	289,552
Refundable deposits	140,037	124,793
Revenue stamps	120,430	171,619
Advances to employees	94,042	170,984
Other debit balances	3,279,483	5,009,629
Total	78,571,002	65,669,966

- The movement on assets foreclosed by the Bank was as follows:

	2007 JD		2006 JD	
	Balance - beginning of the year	21,925,141	16,773,714	
Additions	5,095,881	8,416,258		
Disposals	(4,248,389)	(3,264,231)		
(Loss) on property impairment	(499,971)	(600)		
Balance - End of the Year	22,272,662	21,925,141		

* According to the Banks Law, buildings and plots of land seized by the Bank against debts due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan can extend this period for two consecutive years at maximum.

** During the year 2007, the Bank purchased additional shares in Al-Mawared Investment and Development Company so that the Bank's participation became approximately 77.3% of the Company's capital which amounted to JD 11 million. Subsequently, the Bank sold all the investment in Al-Mawared Investment and Development Company against ownership of a plot of land as per an irrevocable power of attorney authenticated by a notary public in the name of the Chairman of the Board of Directors who conceded the plot of land to the favor of the Bank. The book value of the plot of land amounted to JD 12,069,265 according to the last assessment. As per the instructions of the Central Bank of Jordan, the Bank should dispose of the land within a period not later than December 31, 2008.

*** The fair value of real estates for sale amounted to JD 3,669,129 as of December 31, 2007 (JD 2,986,892 as of December 31, 2006). The fair value of the real estates for sale is estimated by real estate assessors.

15. Banks and Financial Institutions Deposits

This item consists of the following:

	December 31, 2007			December 31, 2006		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
	Current accounts and demand deposits	6,717,475	8,900,332	15,617,807	4,188,373	11,649,376
Time deposits	212,567,323	63,102,047	275,669,370	175,561,867	46,688,032	222,249,899
Total	219,284,798	72,002,379	291,287,177	179,750,240	58,337,408	238,087,648

16. Customers Deposits

This item consists of the following :

	For the Year Ended December 31, 2007				
	Individuals	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	298,677,922	45,140,731	81,821,954	14,255,569	439,896,176
Saving accounts	52,662,215	1,695,881	6,344,118	167,189	60,869,403
Time and notice deposits	415,070,320	106,452,013	114,285,870	77,052,648	712,860,851
Qoushan certificates of deposit	12,781,067	-	-	-	12,782,067
Certificates of deposit	14,180,000	-	-	-	14,180,000
Other	2,141,256	-	-	-	2,141,256
Total	795,512,780	153,288,625	202,451,942	91,475,406	1,242,728,753

	For the Year Ended December 31, 2006				
	Individuals	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	137,659,859	44,511,941	83,780,639	19,079,723	285,032,162
Saving accounts	55,438,506	4,555,080	6,911,723	212,362	67,117,671
Time and notice deposits	480,321,690	59,381,542	112,271,025	59,374,366	711,348,623
Qoushan certificates of deposit	12,293,679	-	-	-	12,293,679
Certificates of deposit	14,180,000	-	-	-	14,180,000
Total	699,893,734	108,448,563	202,963,387	78,666,451	1,089,972,135

- Public sector deposits inside Jordan amounted to JD 79,325,292, which is equivalent to 6.38% of total deposits as of December 31, 2007 (JD 65,902,740, which is equivalent to 6.05% of total deposits as of December 31, 2006).
- Non-interest bearing deposits amounted to JD 259,181,147, which is equivalent to 20.86% of total deposits as of December 31, 2007 (JD 263,933,558, which is equivalent to 24.21% of total deposits as of December 31, 2006)
- Restricted deposits amounted to JD 11,374,117, which is equivalent to 0.92% of total deposits as of December 31, 2007 (JD 6,403,910, which is equivalent to 0.59% as of December 31, 2006).
- Dormant accounts amounted to JD 36,603,393 as of December 31, 2007 (JD 34,125,721 as of December 31, 2006).
- Restricted fund deposits amounted to JD 792,558, which is equivalent to 0.06% of total deposits as of December 31, 2007 (JD 713,278, which is equivalent to 0.07% as of December 31, 2006).

17. Cash Margins

This item consists of the following:

	December 31,	
	2007 JD	2006 JD
Cash margins on direct credit facilities	102,079,476	75,455,872
Cash margins on indirect credit facilities	68,335,837	53,695,871
Marginal deposits	5,432,357	4,457,520
Other margins	2,543,625	820,658
Total	178,391,295	134,429,921

18. Borrowed Funds

This item consists of the following:

Year 2007	Number of Installments			Installments	Interest Rate %	Guarantees
	Amount JD	Total	Remaining			
Jordan Mortgage Refinance Co. *	5,000,000	1	1	One-time payment upon maturity	5/95%	-
Jordan Mortgage Refinance Co. *	1,000,000	16	4		7/636%	-
Local banks (overdraft accounts of a subsidiary) **	9,270,350	-	-	-	8/25%	-
Total	15,270,350					14,379,385

Year 2006	Number of Installments			Installments	Interest	Guarantees
	Amount	Total	Remaining		Rate	
	JD				%	
Jordan Mortgage Refinance Co. *	5,000,000	1	1	One-time payment upon maturity	5/95%	-
Jordan Mortgage Refinance Co. *	1,500,000	14	6		6/213%	-
Local banks (overdraft accounts of a subsidiary) **	14,937,196	-	-	-	7/75%	-
Total	21,437,196					14,900,953

* Collaterals against loans submitted by Jordan Mortgage Refinance Company amounted to JD 14,379,385 as of December 31, 2007 (JD 14,900,953 as of December 2006). These funds are re-lended as housing loans at annual interest rates ranging from 6/5% to 8/5% according to the funding percentage ranging from 60% to 80%.

** This item represents overdraft accounts with a ceiling of JD 15,000,000 granted to a subsidiary by few local banks with annual interest rate of 8.25% (7/75% in 2006) calculated daily and it was granted against the Company's guarantee.

19. Various Provisions

This item consists of the following:

Year 2007	Balance	Additions	Disposals	Reconciliation	Balance
	Beginning of			of Philadelphia	End of the Year
	the Year			Bank Provisions	
	JD	JD	JD	JD	JD
Provision for staff indemnity	2,535,427	438,698	(769,932)	-	2,204,193
Provision for foreign currencies	418,059	90,439	-	-	508,498
Provision for legal claims	158,329	97,539	(25,000)	-	230,868
Other provisions	136,167	-	(10,887)	-	125,280
	3,247,982	626,676	(805,819)	-	3,068,839
Year 2006					
Provision for staff indemnity	2,542,610	416,185	(423,368)	-	2,535,427
Provision for foreign currencies	312,462	105,597	-	-	418,059
Provision for legal claims	705,619	-	(53,340)	(493,950)	158,329
Other provisions	7,064,852	-	(19,781)	(6,908,904)	136,167
	10,625,543	521,782	(496,489)	(7,402,854)	3,247,982

20. Income Tax Provision

a) Provision for income tax:

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

	2007	2006
	JD	JD
Beginning balance	11,593,388	6,302,182
Transferred from Philadelphia Bank	-	(3,893)
Income tax paid	(6,362,022)	(4,520,260)
Income tax for the year	6,897,902	9,585,496
Additional Value Added Tax	319,278	229,863
Ending Balance	12,448,546	11,593,388

- A final settlement with the Income and Sales Tax Department has been reached for Jordan branches up to the year 2004. Moreover, the Income and Sales Tax Department has reviewed the Bank's records for the years 2005 and 2006 but no final assessments have been served yet.

- A final settlement with the Income Tax and Value-Added Tax Department has been reached for Palestine branches up to the end of the year 2006.

- A final tax settlement has been reached for the subsidiary company in Lebanon up to the end of the year 2003 .

- A final tax settlement has been reached for the Bank's branches in Cyprus up to the end of the year 2005.

In the opinion of management and the Company's tax advisor, the provision of JD 12,448,546 taken in the consolidated financial statements as of December 31, 2007 is adequate for meeting the expected tax liabilities.

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

	2007		2006	
	Assets	Liabilities	Assets	liabilities
	JD	JD	JD	JD
Balance - beginning of the year	5,561,408	746,936	5,907,896	3,446,253
Additions	620,920	860,300	468,619	-
Deduction	(1,290,948)	(8,345)	(815,107)	(2,699,317)
Balance - End of the Year	4,891,380	1,598,891	5,561,408	746,936

b. Deferred Tax Assets / Liabilities:

The details of this item are as follows:

Accounts Included	2007				
	Beginning	Additions	Amounts	Year End	Deferred
	Balance		Released	Balance	Tax
	JD	JD	JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	10,514,854	405,665	(2,910,398)	8,010,121	2,611,344
Interest on suspense	3,121,049	514,024	(120,069)	3,515,004	1,007,541
Impairment loss in real estate	1,149,965	464,759	(213,663)	1,401,061	490,321
Provision for foreign currencies	416,221	90,439	-	506,660	177,331
Provision for lawsuits against the Bank	158,329	97,539	(25,000)	230,868	77,062
Provision for staff indemnity	1,893,442	400,636	(747,302)	1,546,776	491,821
Other provisions	136,167	-	(10,887)	125,280	35,910
	17,390,027	1,973,062	(4,027,319)	15,335,770	4,891,380
b. Deferred Tax Liabilities *					
Cumulative change in fair value					
of available-for-sale financial assets	2,845,471	3,277,335	(31,790)	6,091,016	1,598,891
	2,845,471	3,277,335	(31,790)	6,091,016	1,598,891
Accounts Included	2006				
	Beginning	Additions	Amounts	Year End	Deferred
	Balance		Released	Balance	Tax
	JD	JD	JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	11,388,058	586,625	(1,459,829)	10,514,854	3,406,673
Interest on suspense	2,730,883	650,314	(260,148)	3,121,049	894,617
Impairment loss in real estate	1,395,481	600	(246,116)	1,149,965	402,488
Provision for foreign currencies	310,624	105,597	-	416,221	145,677
Provision for lawsuits against the Bank	208,828	-	(50,499)	158,329	51,673
Provision for staff indemnity	1,880,778	241,146	(228,482)	1,893,442	621,249
Other provisions	155,948	-	(19,781)	136,167	39,031
	18,070,600	1,584,282	(2,264,855)	17,390,027	5,561,408
b. Deferred Tax Liabilities *					
Cumulative change in fair value of available-					
for-sale financial assets	12,098,549	-	(9,253,078)	2,845,471	746,936
	12,098,549	-	(9,253,078)	2,845,471	746,936

* Deferred tax liabilities include JD1,598,891 as of December 31, 2007 (JD 746,936 for the previous year) resulting from the revaluation gains of available-for-sale financial assets presented at a net amount within the cumulative change in fair value under equity.

c- Summary reconciliation between financial income with taxable income:

	2007	2006
	JD	JD
Declared income	18,378,075	30,179,262
Tax exempted income	(11,143,568)	(11,097,191)
Non-deductible expenses	8,824,644	12,702,963
Taxable Income	16,059,151	31,785,034

The income tax rate for banks in Jordan is 35% while the income tax rate in the countries where the Bank has investments or branches ranges from 15% to 35%. Deferred tax has been calculated according to these rates.

21. Other Liabilities

This item consists of the following:

	December 31,	
	2007	2006
	JD	JD
Cash margins and accepted checks	7,076,877	6,826,543
Accounts payable for financial brokerage customers	6,254,093	4,842,179
Accrued interest	5,318,630	5,028,709
Temporary deposits	4,083,854	3,238,858
Various creditors	3,554,390	3,632,415
Accrued expenses	2,876,172	1,772,679
Interest and commissions received in advance	2,404,395	1,269,318
Checks and transfers-delayed payment	1,174,880	829,574
Provision for scientific research	712,446	514,917
Provision for universities fees	220,940	236,879
Provision for Technical and Vocational Education and Training Support Fund fees	130,938	229,896
Board of Directors members remuneration	65,000	65,000
Unearned revenue	31,622	45,252
Other liabilities	28,661	29,412
Unearned rent revenue	21,916	3,332
Trading contracts revaluation	4,672	12,991
	33,959,486	28,577,954

22. Capital, Share Premium Reserve, and Treasury Shares

A- Subscribed capital amounted to JD110 million divided into 110 million shares at a par value of JD 1 per share as of December 31, 2007 and 2006.

B - Share premium reserve amounted to JD 43,272,534 as of December 31, 2007 and 2006, and it includes an amount of JD 11,343,325 restricted as per the instructions of the Central Bank of Jordan against the external branching.

C- Treasury Stocks

The treasury stock balance includes 5,335,030 shares which amounted to 17,366,417 JD (at cost) as of December 31, 2007 (1,681,060 shares which amounted to 4,972,239 as of December 31, 2006).

23. Reserves

The details of the reserves as of December 31, 2007 and 2006 are as follows:

a- Statutory Reserve

This account represents the accumulated amount of the appropriations from income before tax at 10% per year according to the Banks Law. This amount is not to be distributed to shareholders.

b- Voluntary Reserve

This account represents the accumulated amount of appropriations from income before tax at a maximum rate of 20% per year. The voluntary reserve is to be used according to a resolution by the Board of Directors. The General Assembly has the right to distribute this reserve or any portion therefrom as dividends to shareholders.

c- General Banking Risks Reserve.

This reserve represents the general banking risks reserve in accordance with the Central Bank of Jordan regulations.

- The details of the restricted reserves are as follows:

Description	December 31,		Nature of Restriction
	2007 JD	2006 JD	
General banking risks reserve	6,602,559	4,902,048	According to the Central Bank of Jordan regulations
Statutory reserve	26,066,790	23,669,927	According to the Law

24. Cumulative Change in Fair Value - Net

This item consists of the following:

	2007			2006		
	Available-for-Sale Financial Assets			Available-for-Sale Financial Assets		
	Shares JD	Bonds JD	Total JD	Shares JD	Bonds JD	Total JD
Beginning balance	2,386,236	(344,184)	2,042,052	8,966,496	1,628,344	10,594,480
Unrealized profits (losses) - net	3,180,206	(604,503)	2,575,703	(4,974,909)	(2,318,464)	(7,293,373)
Deferred tax liabilities	(826,459)	(25,496)	(851,955)	2,342,126	357,191	2,699,317
Realized (profit) transferred to the income statement - net	(31,790)	-	(31,790)	(3,947,477)	(3,771)	(3,951,248)
Foreign currencies differences	-	-	0	-	(7,484)	(7,484)
Ending Balance	4,708,193	(974,183)	3,734,010	2,386,236	(344,184)	2,042,052

* The cumulative change in fair value is presented as a net amount after deducting deferred tax liabilities of JD 1,598,891 as of the year 2007 (JD 746,936 as for the year 2006).

25. Retained Earnings

The details of this item are as follows:

	2007 JD	2006 JD
Balance -beginning of the year	23,946,990	22,095,836
Income for the year	10,772,431	20,223,290
Distributed dividends	(15,699,745)	(12,750,000)
Other	33,548	5,716
Transfers to reserves	(4,097,374)	(5,627,852)
Balance - End of the Year	14,955,850	23,946,990

- Included in retained earnings an amount of JD 4,891,380 restricted by the Central Bank of Jordan due to deferred tax assets as of December 31, 2007 (JD 5,561,408 as of December 31, 2006).

- The Board of Directors recommended to the Bank's General Assembly to distribute 8% of capital, equivalent to JD 8.8 million as cash dividends to shareholders. This percentage is subject to the approval of the General Assembly of Shareholders. Moreover, dividends paid to shareholders in the prior year amounted to 15% of capital, equivalent to JD 15.7 million after the elimination of the treasury shares.

26. Minority Interest

This item consists of the following:

	December 31, 2007			December 31, 2006		
	Percentage of	Minority	Minority	Percentage of	Minority	Minority
	Minority	Portion of	Portion of	Minority	Portion of	Portion of
	Interest*	Net Income	Net Assets	Interest *	Net Income	Net Assets
	%	JD	JD	%	JD	JD
Al - Ahli International Bank - Lebanon	2/110	37,714	1,564,285	2.787	5,805	1,300,348
		37,714	1,564,285		5,805	1,300,348

* Minority interest in the subsidiary's capital (Al-Ahli International Bank- Lebanon) is 2.11% (2.787% for the year 2006) while keeping 11.51% of capital prepayments.

27. Interest Income

This item consists of the following:

	2007	2006
	JD	JD
Direct credit facilities:		
Individuals (Retail):		
Current accounts	1,698,715	2,864,616
Loans and promissory notes	30,437,511	22,353,591
Credit cards	1,188,678	578,078
Property loans	4,946,574	3,325,301
Companies:		
Large Companies:		
Current accounts	5,994,795	6,520,544
Loans and promissory notes	5,599,636	4,418,144
Small and medium Companies:		
Current accounts	4,836,375	3,838,965
Loans and promissory notes	7,212,704	5,076,850
Government and public sector	749,575	746,679
Balances at central banks	10,620,677	8,598,317
Balances and deposits at banks and financial institutions	21,489,702	15,632,748
Trading financial assets	1,073,701	888,357
Available-for-sale financial assets	7,856,848	7,730,747
Held-to-maturity financial assets	5,355,849	4,665,979
Total	109,061,340	87,238,916

28. Interest Expense

This item consists of the following:

	2007	2006
	JD	JD
Deposits at banks and financial institutions	6,939,989	4,208,340
Customers deposits:		
Current and demand deposits	9,075,122	482,984
Saving accounts	835,334	873,607
Time and notice deposits	33,294,609	30,854,646
Certificates of deposit	1,036,985	904,007
Koshan certificates	617,770	305,501
Cash margins	4,360,055	3,356,530
Borrowed funds	378,871	415,967
Loan guarantee fees	1,036,474	1,047,654
Total	57,575,209	42,449,236

29. Commission - Net

This item consists of the following:

	2007	2006
	JD	JD
Credit commissions:		
Direct credit facilities	6,104,506	4,509,138
Indirect credit facilities	12,119,323	9,805,773
Other commissions	905,629	910,415
Less : commissions paid	(1,066,473)	(486,611)
Net Commissions	18,062,985	14,738,715

30. Income from Foreign Currencies

This item consists of the following:

	2007	2006
	JD	JD
Foreign currencies trading	1,065,617	798,350
As a result of evaluation	1,795,526	1,712,288
Total	2,861,143	2,510,638

31. (Loss) from Trading Financial Assets

This item consists of the following:

	2007			Total JD
	Realized Profit JD	Unrealized Profit JD	Dividends JD	
Companies' shares	968,685	(1,347,146)	122,471	(255,990)
Treasury bonds and bills	(92,081)	(19,378)	3,073	(108,386)
Future contracts	(1,130)	-	-	(1,130)
	875,474	(1,366,524)	125,544	(365,506)

	2006			Total JD
	JD	JD	JD	
Companies' shares	(1,079,515)	(3,703,129)	254,127	(4,528,517)
Treasury bonds and bills	-	2,716	-	2,716
Future contracts	2,149	-	-	2,149
	(1,077,366)	(3,700,413)	254,127	(4,523,652)

32. Income from Available-for-Sale Financial Assets

This item consists of the following:

	2007	2006
	JD	JD
Dividends income	963,175	961,315
Income from the sale of available-for-sale financial assets	275,276	3,289,865
Total	1,238,451	4,251,180

33. Other Income

This item consists of the following:

	2007	2006
	JD	JD
Interest in suspense recovered *	2,181,667	2,627,450
Brokerage commission income	1,927,008	4,900,472
Income from sale of fixed assets	1,287,707	617,617
Recovery of debts previously written-off **	645,765	2,150,730
Income from managing investment portfolios	107,375	70,403
Income from check books	99,851	109,716
Rental income of Bank's real estate	47,252	146,421
Rental income of safe deposit boxes	59,281	58,309
Income from cash boxes differences	7,926	5,575
Income from credit cards	532	1,530
Net income from trading contracts	-	11,149
Other	820,573	1,078,781
	7,184,937	11,778,153

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

	2007 JD	2006 JD
Interest in suspense from on-balance sheet items	2,126,477	2,339,837
Interest in suspense from debts written-off	55,190	287,613
	2,181,667	2,627,450

** This account represents recoveries of debts fully written-off in prior years.

34. Employees Expenses

This item consists of the following:

	2007 JD	2006 JD
Salaries, bonuses and employees' benefits	22,236,835	19,434,804
Bank's contribution in social security	1,891,483	1,758,314
Bank contribution in staffs' provident fund	1,054,091	1,014,412
Medical expenses	1,208,188	1,376,140
End-of-service indemnity	438,698	416,185
Staff training expenses	347,135	311,538
Travel expenses	325,624	332,076
Employees life insurance	191,751	193,814
Employees meals	216,161	200,750
Employees uniforms	18,188	28,357
	27,928,154	25,066,390

35. Other Expenses

This item consists of the following:

	2007	2006
	JD	JD
Fees and subscriptions	2,758,796	2,538,268
Maintenance and repair	2,292,841	1,797,374
Advertisements	1,544,547	1,886,630
Printing and stationery	1,398,200	1,040,999
Rent and key money	1,023,057	873,633
Studies, research and consulting expenses	868,338	1,689,586
Insurance expenses	834,175	724,152
Water, electricity and heating	714,165	569,427
Legal fees	584,659	511,180
Donations	571,382	342,277
Transportation	508,540	420,301
Impairment in real estate value	499,971	600
Telecommunication expenses	403,583	517,905
Miscellaneous expenses	354,757	147,930
General assembly meetings expenses	280,862	267,263
Security expenses	241,448	201,536
Professional fees	236,693	216,595
Fees, taxes and stamps	141,865	175,790
Entertainment	102,155	75,491
Appraisal expenses of land and real estate	44,086	68,626
Cash boxes difference	3,097	1,943
Provision for litigations	97,539	-
Losses on real estate sales	62,295	72,624
Provision for scientific research	220,940	225,766
Provision for Technical and Vocational Education and Training Support Fund fees	130,938	221,537
Jordanian universities fees	220,940	225,766
Board of Directors' remunerations	65,000	65,000
	16,204,869	14,878,199

36. Earnings Per Share - Bank Shareholders

The details of this items are as follows:

	2007	2006
	JD	JD
Income for the year	10,772,431	20,223,290
Weighted average number of shares	104,832,907	105,835,616
Earnings Per Share - Bank Shareholders:		
Basic	0.103	0.191
Diluted	0.103	0.191

37. Cash and Cash Equivalents

The details of this items are as follows:

	2007	2006
	JD	JD
Balances at central banks maturing within 3 months	205,866,066	148,710,115
Add: Balances at banks and financial institutions due within 3 months	444,851,009	405,446,094
Less: Banks and financial institutions deposits due within 3 months	(137,451,178)	(88,087,648)
Restricted balances	(9,412,391)	(9,650,077)
	503,853,506	456,418,484

38 - Related Parties Transactions

Consolidated financial statements include the following subsidiaries:

Company Name	Percentage of Ownership %	Company's Capital	
		December 31,	
		2007	2006
		JD	JD
Al - Ahli Financial Brokerage Company	100	20,000,000	20,000,000
Al- Ahli International Bank	97.88	14,015,390	3,386,269
National Micro Finance Co.	100	2,500,000	2,500,000
Zarqa National College	100	800,000	800,000

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

	Subsidiaries	Related Party			Total
		Board of Directors Members	Executive Management	Other	
	JD	JD	JD	JD	December 31, 2007 JD
On-Balance-Sheet items:					
Credit facilities	12,092,012	4,211,700	1,052,052	44,894,078	62,249,842
Customers' deposits	6,592,294	1,606,813	779,362	4,647,947	13,626,416
Cash margins	401,220	858,563	650,812	2,262,092	4,172,687
Off-Balance Sheet Items:					
Letters of guarantee	867,920	10,893	536	5,576,850	6,456,199
Statement of Income:					
Interest and commissions income	-	236,835	74,563	1,370,411	1,681,809
Interest and commissions expense	113,604	96,780	65,142	284,496	560,022
Provision for the impairment in direct credit facilities	1,165,976	-	-	3,163,558	4,329,534
Other Information:					
Interest in suspense *	1,655,809	-	-	-	1,655,809
Provision for the impairment in direct credit facilities *	10,040,983	-	-	-	10,040,983

	Subsidiaries	Related Party			Total
		Board of Directors Members	Executive Management	Other	December 31, 2006
On-Balance-Sheet items:	JD	JD	JD	JD	JD
Credit facilities	10,083,205	8,639,543	1,715,107	37,625,480	58,063,335
Customers' deposits	2,874,905	1,361,442	391,563	4,283,988	8,911,898
Cash margins	-	500,000	-	4,682,849	5,182,849
Off-Balance Sheet Items:					
Letters of guarantee	1,400,000	10,807	-	5,107,941	6,518,748
Statement of Income:					
Interest and commissions income	-	164,114	105,208	1,189,995	1,459,317
Interest and commissions expense	61,261	50,836	1,526	208,083	321,706
Provision for the impairment in direct credit facilities	-	-	-	8,429	8,429
Other Information:					
Interest in suspense *	1,655,801	-	-	-	1,655,801
Provision for the impairment in direct credit facilities *	8,875,007	-	-	-	8,875,007

- The salaries of executive management of the Bank and its subsidiaries amounted to JD 2,515,488 for the year 2007 (JD 1,820,371 for the year 2006) in addition to bonuses and incentives related to performance.

* This item represents the provision and interest in suspense relating to the credit facilities extended to Arab Printers Company (associate company).

These credit facilities were classified and interest thereon was suspended in prior years, and the investment has a JD zero value.

39- Fair Value of Financial Instruments Not Shown at Fair Value in the Financial Statements There are no significant differences between the book value and fair value of the financial assets or liabilities as of the year-end 2007 and 2006.

40. Financial Derivatives

This item consists of the following:

	Positive Fair Value	Negative Fair Value	Total Nominal Amounts	Within 3 Months	Maturity of Nominal Value		
					More than 3 Months up to 12 Months	From 1 Year up to 3 Years	More than 3 Years
As of December 31, 2007	JD	JD	JD	JD	JD	JD	JD
Trading Derivatives:							
Forward sales contracts in foreign currencies	-	-	-	-	-	-	-
Forward purchase contracts in foreign currencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
As of December 31, 2006							
Trading Derivatives:							
Forward sales contracts in foreign currencies	-	(70,698)	(70,698)	(70,698)	-	-	-
Forward purchase contracts in foreign currencies	70,965	-	70,965	70,965	-	-	-
Total	70,965	(70,698)	267	267	-	-	-

Nominal value represents the value of the deals outstanding at year-end and does not represent market risks or credit risks.

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

	2007	2006
On Balance Sheet Items	JD	JD
Cash and balances at the Central Bank	369,360,760	322,238,236
Balances at banks and financial institutions	444,851,009	405,446,094
Deposits at banks and financial institutions	4,616,468	3,878,805
Direct credit facilities:		
Individuals	432,779,377	370,739,538
Property loans	70,465,610	50,014,150
Companies:		
Large companies	116,252,112	109,329,149
Small and medium companies	104,949,621	81,494,338
Government and public sector	9,259,129	10,091,251
Bonds and Bills:		
Included in trading financial assets	12,156,131	14,484,216
Included in available-for-sale financial assets	118,929,300	91,964,072
Included in held-to-maturity financial assets	66,770,348	67,374,268
Other assets	30,630,688	25,745,726
Off Balance Sheet Items		
Letters of guarantee	203,925,783	193,174,294
Letters of credit	380,342,673	319,150,830
Letters of acceptance	51,505,733	46,851,200
Unutilized facility ceilings	70,511,016	87,658,358
Total	2,487,305,758	2,199,634,525

The types of guarantees against the loans and credit facilities are as follows:

- Real estate mortgages.
- Mortgage of financial instruments such as shares.
- Bank guarantees.
- Cash guarantees.
- Government guarantee.

The Bank management monitors the market value of those guarantees periodically.

In case the value of the guarantee declines, the Bank requests additional guarantees to cover the shortfall. Moreover, the Bank evaluates the guarantees against non-performing credit facilities periodically.

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

As of December 31, 2007	Individuals		Property Loans		Large Companies		Small and Medium Companies		Government and Public Sector		Banks and Other Financial Institutions		Total	
	JD		JD		JD		JD		JD		JD		JD	
Low risk	86,977,080		20,689,686		40,511,113		40,506,524		9,259,129		814,211,769		1,012,155,301	
Acceptable risk	328,603,510		48,626,242		6,693,343		51,642,884		-		-		435,565,979	
Of which is due:*														
Within 30 days	5,797,570		-		-		3,834,170		-		-		9,631,740	
From 31 to 60 days	3,870		-		-		-		-		-		3,870	
Under watch	9,333,259		482,961		57,830,611		3,725,088		-		-		71,371,919	
Non-performing:														
Below level	2,071,966		687,407		9,590,806		2,705,205		-		-		15,055,384	
Allowance provided	36,005,462		119,553		8,075,688		10,399,557		-		-		54,600,260	
Bad debt	13,867,216		304,160		32,954,433		38,273,337		-		-		85,399,146	
Total	476,858,493		70,910,009		155,655,994		147,252,595		9,259,129		814,211,769		1,674,147,989	
Less: Interest in suspense	15,073,684		170,046		8,643,169		20,189,233		-		-		44,076,132	
Impairment provision	29,005,432		274,353		30,760,713		22,113,741		-		-		82,154,239	
Net	432,779,377		70,465,610		116,252,112		104,949,621		9,259,129		814,211,769		1,547,917,618	
As of December 31, 2006														
Low risk	55,890,827		36,624,791		16,623,022		26,120,741		10,091,251		727,684,330		873,034,962	
Acceptable risk	285,500,815		12,706,207		34,754,115		33,525,630		-		-		366,486,767	
Of which is due:*														
Within 30 days	4,066,873		-		-		8,007,090		-		-		12,073,963	
From 31 to 60 days	5,480		-		-		-		-		-		5,480	
Under watch	11,238,373		623,480		52,380,463		10,997,325		-		-		75,239,641	
Non-performing:														
Below level	1,789,863		185,276		1,906,187		2,860,873		-		-		6,742,199	
Allowance provided	47,605,725		32,223		8,098,128		10,870,185		-		-		66,606,261	
Bad debt	13,668,554		123,116		25,047,093		39,805,743		-		-		78,644,506	
Total	415,694,157		50,295,093		138,809,008		124,180,497		10,091,251		727,684,330		1,446,754,336	
Less: Interest in suspense	15,043,662		142,365		7,333,412		19,544,913		-		-		42,064,352	
Impairment provision	29,910,957		138,578		22,146,447		23,141,246		-		-		75,337,228	
Net	370,739,538		50,014,150		109,329,149		81,494,338		10,091,251		727,684,330		1,329,352,756	

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

As of December 31, 2007	Individuals JD	Property Loans JD	Large Companies JD	Small and Medium Companies JD	Government and Public Sector JD	Total JD
Guarantees Against:						
Low risk	102,422,274	20,800,807	34,856,469	35,878,271	-	193,957,821
Acceptable risk	176,589,914	27,430,974	5,371,193	28,548,614	-	237,940,695
Under watch	4,343,258	355,500	13,814,627	2,778,778	-	21,292,163
Non-performing:						
Below level	322,353	583,471	639,214	2,237,325	-	3,782,363
Allowance provided	13,661,956	137,593	10,008,866	1,975,009	-	25,783,424
Bad debt	6,847,153	225,100	5,986,821	8,456,149	-	21,515,223
Total	304,186,908	49,533,445	70,677,190	79,874,146	-	504,271,689
Of it:						
Cash Margins	24,284,773	87,013	5,667,786	25,426,544	-	55,466,116
Accepted letters of guarantee	-	-	10,116,721	8,044,928	-	18,161,649
Real estate	184,603,420	49,446,432	54,342,320	31,747,351	-	320,139,523
Traded stocks	32,243,849	-	-	14,459,723	-	46,703,572
Vehicles and equipment	1,144,361	-	550,363	195,600	-	1,890,324
Total	242,276,403	49,533,445	70,677,190	79,874,146	-	442,361,184
As of December 31, 2006						
	Individuals JD	Property Loans JD	Large Companies JD	Small and Medium Companies JD	Government and Public Sector JD	Total JD
Guarantees Against:						
Low risk	77,580,193	30,506,348	11,594,009	11,759,087	-	131,439,637
Acceptable risk	152,327,750	921,690	21,580,106	24,952,312	-	199,781,858
Under watch	2,949,346	2,494	5,568,322	301,306	-	8,821,468
Non-performing:						
Below level	844,689	-	2,410,291	1,174,352	-	4,429,332
Allowance provided	12,024,326	6,016,462	2,076,110	636,261	-	20,753,159
Bad debt	7,575,956	214,657	4,263,450	13,320,139	-	25,374,202
Total	253,302,260	37,661,651	47,492,288	52,143,457	-	390,599,656
Of it:						
Cash Margins	17,348,552	21,697,056	3,592,431	17,327,196	-	59,965,235
Accepted letters of guarantee	-	-	3,357,824	6,123,446	-	9,481,270
Real estate	192,890,254	15,964,594	29,688,982	25,161,634	-	263,705,464
Traded stocks	26,620,475	-	10,853,051	3,283,789	-	40,757,315
Vehicles and equipment	983,781	-	-	247,392	-	1,231,173
Total	237,843,062	37,661,650	47,492,288	52,143,457	-	375,140,457

Bonds, Bills, and Debentures

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

As of December 31, 2007					
Rating Grade	Rating Institution	Within Trading	Within Available-	Within Held-to-	Total
		Financial Assets	for- Sale Financial	Maturity Financial	
		JD	Assets	Assets	
		JD	JD	JD	JD
AA	Capital Intell	-	1,424,027	-	1,424,027
AA	FITCH	-	1,410,343	-	1,410,343
AA3	MOODYS	-	-	709,000	709,000
A+	FITCH	-	1,423,176	2,082,864	3,506,040
A	FITCH	-	2,833,376	-	2,833,376
A-1	S & P	-	284,089	1,423,359	1,707,448
A-F1	FITCH	-	705,455	-	705,455
A-F2	FITCH	-	1,414,455	-	1,414,455
BB	S & P	12,156,131	-	-	12,156,131
Unclassified	-	-	9,090,808	500,000	9,590,808
CCC+	Governmental Bonds & guaranteed	-	63,965,572	53,054,017	117,019,589
Unclassified	Governmental Bonds & guaranteed	-	36,377,999	9,001,108	45,379,107
Total		12,156,131	118,929,300	66,770,348	197,855,779

* Governmental bonds, include bonds issued by the Government of Lebanon rated (CCC).

As of December 31, 2006					
Rating Grade	Rating Institution	Within Trading	Within Available-	Within Held-to-	Total
		Financial Assets	for- Sale Financial	Maturity Financial	
		JD	Assets	Assets	
		JD	JD	JD	JD
A	FITCH	-	1,413,888	-	1,413,888
A-1	S & P	141,800	301,325	-	443,125
A-(F1)	FITCH	-	710,985	-	710,985
A-(F2)	FITCH	-	1,419,985	-	1,419,985
BB	S & P	14,342,416	-	-	14,342,416
Unclassified	-	-	10,001,786	2,092,299	12,094,085
CCC+	Governmental Bonds & guaranteed	-	48,902,711	62,081,969	110,984,680
Unclassified	Governmental Bonds & guaranteed	-	29,213,392	3,200,000	32,413,392
Total		14,484,216	91,964,072	67,374,268	173,822,556

* Governmental bonds include bonds issued by the Government of Lebanon related (CCC).

Credit Risk Exposure According to Geographical Areas:

Geographical Area	Inside Jordan JD	Other Middle East Countries JD	Europe JD	Asia * JD	America JD	Other Countries JD	Total JD
Balances at central banks	308,792,456	58,007,877	2,560,427	-	-	-	369,360,760
Balances at banks and financial Institutions	35,920,474	47,587,780	369,742,110	82,431	(8,759,819)	278,033	444,851,009
Deposits at banks and financial Institutions	-	2,116,418	2,500,050	-	-	-	4,616,468
Credit Facilities:							
Individuals	398,826,193	60,656,141	2,302,475	-	-	-	461,784,809
Real estate loans	70,249,311	490,652	-	-	-	-	70,739,963
Corporate	94,584,213	23,893,638	28,534,974	-	-	-	147,012,825
Small and medium companies	103,427,928	19,660,071	3,975,363	-	-	-	127,063,362
Government and public sector	9,259,129	-	-	-	-	-	9,259,129
Bonds, Bills, and Debentures:							
Within trading financial assets	-	12,156,131	-	-	-	-	12,156,131
Within available-for-sale financial assets	43,888,843	66,085,482	8,954,975	-	-	-	118,929,300
Within held-to-maturity financial assets	9,501,108	54,477,376	-	-	2,791,864	-	66,770,348
Other assets	29,475,164	510,809	644,715	-	-	-	30,630,688
Total for 2007	1,103,924,819	345,642,375	419,215,089	82,431	(5,967,955)	278,033	1,863,174,792
Total for 2006	935,517,402	316,010,556	368,596,235	1,275,733	3,668,199	30,306	1,625,098,431

* Excluding Middle East Countries.

Exposure According to Economic Sector:

Economic Sector	Financial		Industrial		Trade		Real Estate		Agricultural		Shares		Individuals		Government & Public Sector		Total
	JD		JD		JD		JD		JD		JD		JD		JD		JD
Balances at central banks	-		-		-		-		-		-		-		369,360,760		369,360,760
Balances at banks & financial Institutions	444,851,009		-		-		-		-		-		-		-		444,851,009
Deposits at banks & financial institutions	4,616,468		-		-		-		-		-		-		-		4,616,468
Credit facilities	287,464,829		44,248,964		233,798,693		93,707,732		17,168,197		37,932,656		136,356,020		9,259,129		859,936,220
Bonds, Bills and Debentures:																	
Within trading financial assets	12,156,131		-		-		-		-		-		-		-		12,156,131
Within available-for-sale financial assets	18,585,729		-		-		-		-		-		-		100,343,571		118,929,300
Held-to-maturity financial assets	4,715,223		-		-		-		-		-		-		62,055,125		66,770,348
Others assets	30,630,688		-		-		-		-		-		-		-		30,630,688
Total for 2007	803,020,077		44,248,964		233,798,693		93,707,732		17,168,197		37,932,656		136,356,020		541,018,585		1,907,250,924
Total for 2006	684,689,269		49,209,582		190,645,790		46,019,537		13,594,381		63,812,675		142,463,990		476,727,559		1,667,162,783

41. Risk Management

The Bank's risk management conducts its activities (identification, measurement, management, monitoring, and controlling) through applying the best international practices in connection with risk management, administrative organization, and risk management tools in accordance with the size of the Bank, its activities, and types of risks it is exposed to.

The organizational structure of the Bank is integrated by risk management control according to each level. Moreover, the Corporate Governance Committee, at the Board of Directors' level, decides on the Bank's risk policy and strategy, and ensures the management of risk. This is to ensure setting up and controlling the policies and instructions at an appropriate level for the types of risks the Bank is exposed to until the achievement of the acceptable return for the shareholders without impacting the Bank's financial strength. In this context, the work of the Risk Management Department is complemented by the work of the committees of executive management such as the Assets and Liabilities Committee and the Credit Facilities Committee.

(41.a) Credit Risk

The Bank's operations involve the Bank's exposure to many risks such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank which causes losses. An important duty of the Bank and its management to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within a balanced relationship among risks, return, and liquidity. Credit management at the Bank is conducted by several committees from higher management and executive management. Moreover, credit facilities ceilings that can be granted to one client (individual or corporate) or related parties are specified in compliance with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed while taking into consideration the geographic area in a manner that achieves congruence among risks, returns, and the optimal utilization of the available resources and the enhancement of the Bank's ability to diversify lending and allocate it to customers and economic sectors.

The Bank monitors credit risks through periodically evaluating the credit standing of customers in accordance with the credit customers evaluation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons, in addition to obtaining proper guarantees from customers for the cases requiring that according to each customer's risk level and extension of additional credit facilities.

Moreover, the Bank monitors credit risk and is continuously evaluating the credit standing of customers, in addition to obtaining proper guarantees from its customers.

The Bank's credit risk management policy includes the following:

1. Specifying credit ceilings and concentrations:

The credit policy includes specific and clear ratios for the maximum credit that can be granted to a customer. Moreover, there are ceilings for the credit grantable by each administrative level.

2. Determining the risk mitigation methods:

The Bank's risk management activity depends on several methods to mitigate risk as the following:

- Collaterals and their convertibility to cash and coverage of the credit granted.

- Preapproval of the credit facilities committee on the extension of credit.
- Credit approval authority varies from one management level to another based on the customer's portfolio size, maturity, and customer's risk degree.

3. Mitigating the assets and liabilities concentration risk:

The Bank works efficiently to manage this risk. Moreover, its annual plan includes the well-studied distribution of credit focusing on the most promising sectors, in addition, to distributing it to several geographic areas inside and outside Jordan.

4. Studying, monitoring, and following up on credit:

The Bank developed the necessary policies and procedures to determine the study method of credit, maintaining the objectivity and integrity of decision – making, and ensuring that credit risk is evaluated accurately, properly approved, and continuously monitored.

The credit policy general framework includes setting up credit approval authorities and clarifying credit limits and the method of determining the risk degree.

The Bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards the credit terms, soundness of the credit decision, implementation of all credit extension terms, adherence to the credit ceilings and determinants in the credit policy, and other related matters.

Moreover, there are specific procedures for following up on performing credit facilities to keep them performing and non-performing credit facilities to treat them.

The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside Jordan. Moreover, the Banks adopts a specific policy that shows the credit ceilings granted to bank and countries with high credit rating and reviews them continuously through the Assets and Liabilities Committee to distribute risks and utilize credit evaluation. The investment policy specifies the investment allocation ratios and their determinants so that they are distributed in a manner that achieves a high return and lowers risks.

41.b. Market Risk

Market risk is the potential losses that may arise from the changes in market prices such as the change in interest rates, foreign currency exchange rates, and equity instrument prices, and consequently, the change in the fair value of the cash flows of the on-and off – balance sheet financial instruments.

Within the Bank's investment policy approved by the Board of Directors, acceptable risks are set and monitored monthly by the Assets and Liabilities Committee which provides guidance and recommendations thereon. Moreover, the available systems calculate the effect of the fluctuations in interest rates, exchange rates, and share prices.

Interest Rate Risk:

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the fair value of financial instruments.

The Bank is exposed to interest rate risks as a result of the timing gaps of repricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee through reviewing the report to identify interest rate risks in the short-and long-terms and take the proper decisions to restrict these risks in light of the expectations of the interest rate trend through using all or some of the following methods:

- Repricing deposits and/or loans.
- Changing the maturities and size of the assets and liabilities sensitive to interest rates.
- Buying or selling financial investments.
- Using financial derivatives for interest rate hedging purposes.

41c. Liquidity Risks

Liquidity risk represents the Bank's inability to make available the necessary funding to fulfill its obligations on their maturities. To protect the Bank against these risks, management diversifies funding sources, manages assets and liabilities, matches their maturities, and maintains an adequate balance of cash and cash equivalents and marketable securities.

The Bank's liquidity management policy aims at enhancing the procurability of liquidity at the lowest costs possible. Through managing liquidity, the Bank seeks to maintain reliable and stable funding sources at a reasonable cost rate.

Management, measurement, and control of liquidity are conducted based on normal and emergency conditions. This includes analyses of the maturities of assets and various financial ratios.

Fund Sources:

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

Moreover, the Bank has a large customer base comprising individuals and corporations. In addition, the Bank's ability to access cash markets, due to its financial strength, represents additional, available funding sources.

The existence of the Bank in most of the cities of the country (45 branches) in addition to its branches in Palestine and Cyprus and its subsidiary company in Lebanon enable the Bank to diversify its funding sources and not to rely on one geographical area as a source of funding.

In order to comply with the instructions of the regulatory authorities, the Bank maintains part of its customers' deposits at central banks as a restricted cash reserve that can not be utilized except for specified conditions and keeps liquidity ratios at levels higher than the minimum imposed by central banks.

The contractual maturity dates of the assets and liabilities in the schedule have been determined based on the remaining period from the date of the balance sheet until the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

Sensitivity analysis :

Interest Rate Risk

December 31, 2007

Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain/Loss) JD	Owners' Equity Sensitivity JD
US Dollar	1	(95,630)	19,160
Euro	1	248,942	1,821
GBP	1	5,837	-
Yen	1	26,481	-
Other currencies	1	364,990	23,544

Currency	Decrease in Interest Rate %	Interest Income Sensitivity (Gain/Loss) JD	Owners' Equity Sensitivity JD
US Dollar	1	1,673,100	68,420
Euro	1	(179,742)	1,821
GBP	1	(5,837)	-
Yen	1	(26,481)	-
Other currencies	1	529,660	23,544

December 31, 2006

Currency	Increase in Interest Rate %	Interest Income Sensitivity (Gain/Loss) JD	Owners' Equity Sensitivity JD
US Dollar	1	281,154	(15,680)
Euro	1	106,403	1,821
GBP	1	(11,622)	-
Yen	1	70,382	-
Other currencies	1	347,755	18,597

Currency:	Decrease in Interest Rate %	Interest Income Sensitivity (Gain/Loss) JD	Owners' Equity Sensitivity JD
US Dollar	1	1,317,948	133,480
Euro	1	(37,203)	1,821
GBP	1	11,622	-
Yen	1	(70,382)	-
Other currencies	1	358,927	18,597

Currencies risk

The following table illustrates the currencies to which the Bank is exposed and the potential and reasonable change in their rates against the Jordanian Dinar and the related impact on the profit and loss statements. The currencies positions are monitored daily to ensure that they are within the determined limits. Moreover, the related reports are submitted to the Bank's management.

Currency	Change in Foreign Currency Rate	December 31, 2007	
		Effect on Income & Losses	Effect on Owner's Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	1,275	-
GBP	5	31,210	-
Yen	5	(457)	-
Other currencies	5	10,321	-

Currency	Change in Foreign Currency Rate	December 31, 2006	
		Effect on Income & Losses	Effect on Owner's Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	4,486	-
GBP	5	63,570	-
Yen	5	(909)	-
Other currencies	5	(1,893)	-

-Foreign Currencies Risks

Within its approved investment policy, the Bank's Board of Directors sets up limits for the positions of all currencies at the Bank. These positions are monitored daily through the Treasury and Investment Department and are submitted to executive management to ensure the maintenance of the currencies positions within the approved limits. Moreover, the Bank follows the hedging policy to mitigate the risks of foreign currencies through financial derivatives.

- Risks of Changes in Shares Prices:

This represents the risk resulting from the decline in the fair value of the investment portfolio of the shares due to the changes in the value of the shares indicators and the change in the value of shares individually.

Indicator	Change in Indicator (%)	December 31, 2007	
		Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5%	533,836	757,154

Indicator	Change in Indicator (%)	December 31, 2006	
		Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5%	1,005,464	647,772

- Shares Price Risk

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

As of December 31, 2007	Less than 1 Month		More than 1 Month		More than 3 Months up to 6 Months		More than 6 Months up to 1 Year		From 1 Year up to 3 Years		More than 3 Years		Non-Interest Bearing		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Assets																
Cash and balances at the Central Banks	69,216,213	50,780,779	28,000,000	-	11,344,000	150,000,000	85,869,074	395,210,066								
Balances at banks and financial institutions	322,497,963	117,193,661	-	-	-	-	5,159,385	444,851,009								
Deposits at banks and financial institutions	-	-	4,616,468	-	-	-	-	4,616,468								
Trading financial assets	-	-	-	-	9,915,584	2,240,547	14,036,653	26,192,784								
Direct credit facilities - net	48,098,612	152,918,752	96,847,612	140,945,906	185,461,645	56,141,725	53,291,597	733,705,849								
Available-for-sale financial assets	766,536	8,090,000	-	16,724,464	55,242,165	38,106,135	36,440,852	155,370,152								
Held-to-maturity financial assets - net	2,877,763	6,716,331	5,000,000	6,976,390	28,875,335	16,324,529	-	66,770,348								
Investments in associate and unconsolidated subsidiary companies	-	-	-	-	-	-	9,172,391	9,172,391								
Fixed assets - net	-	-	-	-	-	-	52,384,483	52,384,483								
Intangible assets	-	-	-	-	-	-	4,415,835	4,415,835								
Other assets	-	-	-	-	-	-	78,571,002	78,571,002								
Deffered tax assets	-	-	-	-	-	-	4,891,380	4,891,380								
Total Assets	443,457,087	335,699,523	134,464,080	164,646,760	290,838,729	262,812,936	344,232,652	1,976,151,767								
Liabilities																

Banks and financial institutions	20,744,774	116,706,403	3,836,000	-	-	150,000,000	-	291,287,177
Customers' deposits	318,788,902	450,658,724	109,436,364	75,260,489	29,403,127	-	259,181,147	1,242,728,753
Cash margins	39,034,751	34,726,178	33,387,879	31,621,422	37,036,043	68,100	2,516,922	178,391,295
Borrowed funds	-	9,520,350	5,000,000	250,000	500,000	-	-	15,270,350
Various provisions	-	-	-	-	-	-	3,068,839	3,068,839
Income tax provision	-	-	-	-	-	-	12,448,546	12,448,546
Deferred Tax Liabilities	-	-	-	-	-	-	1,598,891	1,598,891
Other liabilities	-	-	-	-	-	-	33,959,486	33,959,486
Total Liabilities	378,568,427	611,611,655	151,660,243	107,131,911	66,939,170	150,068,100	312,773,831	1,778,753,337
<hr/>								
Interest Rate Repricing Gap	64,888,660	(275,912,132)	(17,196,163)	57,514,849	223,899,559	112,744,836	31,458,821	197,398,430
<hr/>								
As of December 31, 2006								
Total Assets	120,342,499	506,028,347	281,285,786	129,417,984	177,774,076	176,310,157	349,682,790	1,740,841,639
Total liabilities	192,272,074	671,476,143	73,154,657	104,363,189	21,259,330	155,544,392	310,023,375	1,528,093,160
Interest Rate Repricing Gap	(71,929,575)	(165,447,796)	208,131,129	25,054,795	156,514,746	20,765,765	39,659,415	212,748,479

b. Concentration in foreign currencies risk:

As of December 31, 2007	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances at the Central Banks	69,981,559	5,349,259	249,316	190	18,185,435	93,765,759
Balances at banks and financial institutions	362,812,948	24,659,753	18,276,518	197,758	13,877,695	419,824,672
Deposits at banks and financial institutions	2,500,050	-	-	-	2,116,418	4,616,468
Trading financial assets	4,176,606	1,438,838	-	-	6,678,290	12,293,734
Direct credit facilities - net	163,964,446	15,884,133	652,889	3,095,595	21,311,812	204,908,875
Available-for-sale financial assets	41,127,073	1,918,451	4,580,381	-	35,433,407	83,059,312
Held-to-maturity financial assets - net	49,486,721	2,082,864	-	-	5,699,655	57,269,240
Investments in associates and unconsolidated subsidiary companies	-	-	-	-	188,432	188,432
Fixed assets - net	2,764,619	-	-	-	5,395,209	8,159,828
Intangible assets	1,630,411	-	-	-	130,743	1,761,154
Other assets	2,153,074	619,232	582,030	3,339	7,345,720	10,703,395
Total Assets	700,597,507	51,952,530	24,341,134	3,296,882	116,362,816	896,550,869
Liabilities:						
Banks and financial institutions deposits	102,068,999	4,424,359	25,413	217,464	5,217,652	111,953,887
Customers' deposits	500,305,151	40,456,701	19,695,811	2,306,160	90,980,491	653,744,314
Cash margins	99,832,989	6,978,539	209,382	390,761	3,996,840	111,408,511
Various provisions	15,358	-	-	-	613,427	628,785
Income tax provision	-	-	-	-	96,885	96,885
Other liabilities	8,620,338	976,602	230,471	382,227	2,434,875	12,644,513
Total Liabilities	710,842,835	52,836,201	20,161,077	3,296,612	103,340,170	890,476,895
Net Concentration on-Balance Sheet	(10,245,328)	(883,671)	4,180,057	270	13,022,646	6,073,974
Off-balance Sheet Contingent Liabilities	443,858,884	68,765,118	1,755,724	14,015,727	13,474,320	541,869,773
As of December 31, 2006						

Total assets	674,455,463	45,509,738	16,113,000	8,680,140	65,246,232	810,004,573
Total liabilities	662,063,529	45,167,867	11,553,193	8,641,392	65,091,421	792,517,402
Net Concentration on- Balance sheet						
for the Current Year	12,391,934	341,871	4,559,807	38,748	154,811	17,487,171
Off-balance Sheet Contingent Liabilities						
for the Current Year	370,591,083	104,504,156	610,739	2,901,336	6,358,899	484,966,213

The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2007:

Liabilities:	Less than One Month		More than 1 Month up to 3 Months		More than 3 Months up to 6 Months		More than 6 Months up to 1 Year		From 1 Year Up to 3 Years		More than 3 Years		Non-Interest Bearing		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Banks and financial institutions deposits	20,744,773	116,706,404	3,836,000	-	-	-	150,000,000	-	-	-	-	-	-	-	-	291,287,177
Customers' deposits	575,336,703	453,292,070	109,436,364	75,260,489	29,403,127	-	-	-	-	-	-	-	-	-	-	1,242,728,753
Cash margins	41,551,673	34,726,178	33,387,879	31,621,422	37,036,043	68,100	-	-	-	-	-	-	-	-	-	178,391,295
Borrowed funds	-	9,520,350	5,000,000	250,000	500,000	-	-	-	-	-	-	-	-	-	-	15,270,350
Various provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	3,068,839	-	3,068,839
Income tax provision	409,319	-	-	12,039,227	-	-	-	-	-	-	-	-	-	-	-	12,448,546
Other liabilities	8,471,124	1,108,207	1,083,971	356,412	1,290,159	255,385	21,394,228	-	-	-	-	-	-	-	-	33,959,486
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,598,891	-	1,598,891
Total Liabilities	646,513,592	615,353,209	152,744,214	119,527,550	68,229,329	150,323,485	26,061,958	1,778,753,337	1,976,151,767	302,606,120	3,068,839	12,448,546	21,394,228	26,061,958	1,598,891	1,778,753,337
Total Assets	472,338,393	348,306,812	134,464,080	164,646,760	290,976,666	262,812,936	302,606,120	1,976,151,767	302,606,120	302,606,120	3,068,839	12,448,546	21,394,228	26,061,958	1,598,891	1,976,151,767
- The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2006:																
Liabilities:																
Banks and financial institutions deposits	15,837,749	72,249,899	-	-	-	-	150,000,000	-	-	-	-	-	-	-	-	238,087,648
Customers' deposits	386,242,332	551,314,630	44,905,796	91,901,860	15,607,517	-	-	-	-	-	-	-	-	-	-	1,089,972,135
Cash margins	56,049,108	32,724,418	28,248,861	12,211,329	4,651,813	544,392	-	-	-	-	-	-	-	-	-	134,429,921
Borrowed funds	-	15,187,196	-	250,000	1,000,000	5,000,000	-	-	-	-	-	-	-	-	-	21,437,196
Various provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	3,247,982	-	3,247,982
Income tax provision	635,250	-	-	10,958,138	-	-	-	-	-	-	-	-	-	-	-	11,593,388
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	746,936	-	746,936
Other liabilities	8,289,027	917,057	878,508	268,825	271,830	300,637	17,652,070	-	-	-	-	-	-	-	-	28,577,954
Total Liabilities	467,053,466	672,393,200	74,033,165	115,590,152	21,531,160	155,845,029	21,646,988	1,528,093,160	209,906,802	176,410,832	207,986,581	12,448,546	21,394,228	26,061,958	1,598,891	1,778,753,337
Total Assets	218,195,199	511,772,297	284,384,289	132,185,639	209,906,802	176,410,832	207,986,581	1,740,841,639	209,906,802	176,410,832	207,986,581	12,448,546	21,394,228	26,061,958	1,598,891	1,778,753,337

Off-balance sheet items:

December 31, 2007	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and Acceptances	430,391,101	1,457,305	-	431,848,406
Unutilized credit facilities	70,511,016	-	-	70,511,016
Letters of Guarantee	141,182,326	58,093,825	4,649,632	203,925,783
Total	642,084,443	59,551,130	4,649,632	706,285,205

December 31, 2006	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	365,599,462	402,568	-	366,002,030
Unutilized credit facilities	87,658,358	-	-	87,658,358
Letters of Guarantee	164,355,968	23,836,867	4,981,459	193,174,294
Total	617,613,788	24,239,435	4,981,459	646,834,682

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

	Individuals			Corporations			Institutional			Total		
	JD		JD	JD		JD	Funding		JD	2007		2006
Gross income	10,503,642		16,907,399			23,205,678			36,117,371	86,734,090		76,045,576
Provision for credit facilities	-		-			-			(17,185,752)	(17,185,752)		(2,295,230)
Impairment of financial assets	-		-			-			-	-		-
Results of Business Sector	10,503,642		16,907,399			23,205,678			18,931,619	69,548,338		73,750,346
Undistributed Expenditures	-		-			-			(50,028,299)	(50,028,299)		(43,525,120)
(Loss) from selling shares of associates and unconsolidated subsidiary companies	-		-			-			(63,461)	(63,461)		(45,964)
Bank's share of associate company's (loss)	-		-			-			(1,078,503)	(1,078,503)		-
Income before Taxes										18,378,075		30,179,262
Less: Income tax										(7,567,930)		(9,950,167)
Income (loss) for the Year										10,810,145		20,229,095
December 31,												
Additional Information:												
Sector's assets	495,993,707		1,136,823,560			-			263,377,973	1,896,195,240		1,623,371,373
Eliminating inter-sector assets and liabilities	-		-			-			-	-		-
Investments in subsidiary and associates companies	-		-			-			9,172,391	9,172,391		16,555,614
Assets not distributed over sectors	-		-			-			70,784,136	70,784,136		100,914,652
Total Assets	495,993,707		1,136,823,560			0			343,334,500	1,976,151,767		1,740,841,639
Sector's liabilities	909,539,212		497,307,663			-			312,830,386	1,719,677,261		1,465,926,322
Liabilities not distributed over sectors	-		-			-			59,076,076	59,076,076		62,166,838
Total Liabilities	909,539,212		497,307,663			-			37,906,462	1,778,753,337		1,528,093,160

Capital Expenditures	6,991,672	6,991,672	15,010,575
Depreciation and Amortization	5,895,276	5,895,276	3,580,531

b. Information on the Geographical Allocation:

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

The following is the Bank's revenue assets, and capital expenditures according to it's geographical allocation:

	Inside Jordan		Outside Jordan		Total	
	2007	2006	2007	2006	2007	2006
	JD	JD	JD	JD	JD	JD
Total revenue	72,298,961	60,896,408	14,453,129	15,149,168	86,752,090	76,045,576
Total assets	1,434,494,432	1,074,532,660	541,657,335	666,308,979	1,976,151,767	1,740,841,639
Capital expenditures	5,927,227	4,813,972	1,064,445	10,196,603	6,991,672	15,010,575

* After excluding balances and transactions between the external branches and subsidiaries of the Bank.

42. Sectors Analysis

Information on the Bank's Activity Sectors

For management purposes, the bank is organized into three major activity sectors in addition to financial brokerage and consultation services through Al – Ahli Financial Brokerage Company. Moreover, the Bank owns an associate specialized in insurance services. The details are as follows:

- Accounts of individuals: include following up on individual customers deposits, granting them loans, debts, credit cards, and other services.
- Accounts of corporations: include following up on deposits, credit facilities, and other banking services relating to corporations.
- Treasury: includes providing dealing, treasury, and fund management services.
- Financial brokerage services: practicing most of the financial brokerage and consultation services.

43 - Capital Management

a. Description of what is considered a paid-up capital

Capital is categorized into paid-up capital, economic capital, and regulatory capital. Where regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio as per the Central Bank of Jordan instructions. Furthermore, capital consists of two parts: Primary Capital (Tier 1) made up of paid-up capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings, excluding restricted and minority interest amounts net of loss for the period, costs of the acquisition of treasury stock, decrease in the provisions required from the Bank, and goodwill; and Support capital (Tier 2) consisting of the undeclared reserves, exchange rate differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the cumulative change in fair value, if positive, and 100%, if negative. A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks.

Investments in subsidiary banks and financial institutions are deducted (if their financial statements are not consolidated). Moreover, investments in the capitals of banks and financial institutions are deducted.

b. Regulatory parties requirements concerning capital and the manner in which they are met.

Instructions of the Central Bank of Jordan require that equity-to-assets ratio be not less than 6%. Moreover, the Central Bank of Jordan instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12%, which is considered by the Bank.

Additionally, the Bank complies with Article (62) of the Banks Law which requires the Bank to appropriate 10% of its net profits in the Kingdom and continue to do so until the reserve equals the Bank's paid-up capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The Bank complies with Article (41) of the Banks Law which requires adherence to the limits set by the Central Bank of Jordan relating to:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.
2. Ratio of total loans to regulatory capital the Bank is allowed to grant to one person, his allies, or to related stakeholders.
3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.

c. Method of achieving capital management goal

Capital management includes the optimal employment of funds to achieve the highest return on capital possible while maintaining the minimum required by laws and regulations. The Bank adopts a policy of exerting efforts to reduce the cost of funds as much as possible through finding low-cost funds, increasing the customers base, and optimally employing these funds in acceptable risk activities to achieve the highest return possible on capital.

d. The amount the Bank considers as capital and capital adequacy ratio are as follows:

	2007 JD	2006 JD
Primary capital items	160,987,618	196,375,005
Additional capital items	8,304,617	6,451,525
Auxiliary capital items	-	-
Total regulatory capital	169,292,235	202,826,530
Total risk – weighted assets	1,260,500,432	1,137,723,065
Capital adequacy ratio (%)	13.43%	17.83%
Primary capital ratio (%)	12.77%	17.26%

44. Analysis of the Maturities of Assets and Liabilities:

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

December 31, 2007	Up to One Year	More than One Year	Total
Assets:	JD	JD	JD
Cash and balances at central banks	233,866,066	161,344,000	395,210,066
Balances at banks and financial institutions	444,851,009	-	444,851,009
Deposits at banks and financial institutions	4,616,468	-	4,616,468
Trading financial assets	14,036,653	12,156,131	26,192,784
Direct credit facilities - net	492,102,479	241,603,370	733,705,849
Available-for-sale financial assets	62,021,852	93,348,300	155,370,152
Held-to-maturity investments - net	21,570,484	45,199,864	66,770,348
Investments in associates and subsidiary companies	-	9,172,391	9,172,391
Fixed assets - net	-	52,384,483	52,384,483
Intangible assets	-	4,415,835	4,415,835
Other assets	41,922,988	36,648,014	78,571,002
Deferred tax assets	-	4,891,380	4,891,380
Total Assets	1,314,987,999	661,163,768	1,976,151,767
Liabilities:			
Banks and financial institutions deposits	141,287,177	150,000,000	291,287,177
Customers deposits	1,213,325,626	29,403,127	1,242,728,753
Cash margins	141,287,152	37,104,143	178,391,295
Borrowed funds	14,770,350	500,000	15,270,350
Provisions	3,068,839	-	3,068,839
Provision for income tax	12,448,546	-	12,448,546
Deferred tax liabilities	-	1,598,891	1,598,891
Other liabilities	22,374,539	11,584,947	33,959,486
Total Liabilities	1,548,562,229	230,191,108	1,778,753,337
Net	(233,574,230)	430,972,660	197,398,430
December 31, 2006			
Assets:			
Cash and balances at central banks	185,310,115	157,243,255	342,553,370
Balances at banks and financial institutions	405,446,094	-	405,446,094
Deposits at banks and financial institutions	3,878,805	-	3,878,805
Trading financial assets	20,301,928	14,317,645	34,619,573
Direct credit facilities - net	374,356,310	247,312,116	621,668,426
Available-for-sale financial assets	32,232,883	89,683,523	121,916,406
Held-to-maturity investments - net	5,222,000	62,152,268	67,374,268
Investments in associates and subsidiary companies	-	16,555,614	16,555,614
Fixed assets - net	-	49,463,250	49,463,250

Intangible assets	-	6,134,459	6,134,459
Other assets	19,999,330	45,670,636	65,669,966
Deferred tax assets	-	5,561,408	5,561,408
Total Assets	1,046,747,465	694,094,174	1,740,841,639
Liabilities:			
Banks and financial institutions deposits	88,087,648	150,000,000	238,087,648
Customers deposits	1,074,364,618	15,607,517	1,089,972,135
Cash margins	129,233,716	5,196,205	134,429,921
Borrowed funds	15,437,196	6,000,000	21,437,196
Provisions	-	3,247,982	3,247,982
Provision for income tax	-	11,593,388	11,593,388
Deferred tax liabilities	-	746,936	746,936
Other liabilities	28,005,487	572,467	28,577,954
Total Liabilities	1,335,128,665	192,964,495	1,528,093,160
Net	(288,381,200)	501,129,679	212,748,479

45. Accounts Managed on Behalf of Customers

	December 31,	
	2007	2006
	JD	JD
Accounts Managed on Behalf of Customers*	46,776,648	26,727,866

* These accounts do not appear in the consolidated financial statements

46. Commitments and Contingent Liabilities

	December 31,	
	2007	2006
	JD	JD
Letters of credit:		
Letters of credit-out	155,761,577	69,481,153
Letters of credit-in	224,581,096	249,669,677
Acceptances	51,505,733	46,851,200
Letters of guarantee:		
Payments	97,835,329	97,897,321
Performance bonds	70,548,663	68,391,327
Other	35,541,791	26,885,646
Unutilized credit facilities	70,511,016	87,658,358
Total	706,285,205	646,834,682

47. Litigation Against the Bank

There were lawsuits raised against the Bank claiming amounts totaling to JD 10,809,959 as of December 31, 2007 (JD 15,264,162 as of December 31, 2006).

According to the Bank's management and its lawyer, no financial obligations are expected to arise higher than the recorded provision of JD 230,868 as of December 31, 2007.

Interest Repricing Gap

The Bank adopts the policy of matching the amounts and maturities of assets and liabilities to narrow gaps through dividing assets and liabilities into several categories with different durations or interest rate review maturities, whichever are nearer.

This policy reduces risks, includes a study of the related interest rate gaps, and uses hedging policies through developed tools.

Classification is based on interest rate repricing periods or maturities, whichever, are nearer.

Interest rate sensitivity is as follows:

48. New Financial Reporting Standards

a. Standards and Interpretations Effective in the Current Period

During the current year the Bank applied the standards and interpretations issued by the International Accounting Standards based that were effective January 1, 2007, and which details are as follows:

International Financial Reporting Standard No. (7) Financial Instruments – Disclosure

Amendments to International Accounting Standard No. (1) – Financial Statements Presentation

Application of International Financial Reporting Standard No. (7) and amendments to IAS (1) led to expanding the disclosure and notes to the financial statements relating to financial instruments and management of capital.

The International Financial Reporting Interpretations Committee (IFRIC) issued the following four interpretations which have become effective during the year 2007:

IFRIC 7: Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies

IFRIC 8: Scope of IFRS No.2, Share-based Payments.

IFRIC 9: Reassessment of Embedded Derivatives.

IFRIC10: Interim Financial Reporting and Impairment.

The application of these interpretations has had no material impact on the accounting policies adopted by the Bank.

b. Standards and Interpretations in Effective in the Current Period

The following International Financial Reporting Standards and accounting interpretations were not in effect at the time of the preparation of the accompanying financial statements:

IFRS 2 – Share – based Payments (amendments). *

IFRS 3 – Business Combinations (amendments). *

IFRS 8 – Operating Segments (amendments). *

IAS 1 – Financial Statements Presentation (amendments) *

IAS 23 – Accounting Treatment of Borrowing Costs (amendments)*

IAS 27 – Consolidated and Separate Financial Statements (amendments) *

IAS 32: Financial instruments –presentation and disclosure(amendments). *

IFRIC 11: IFRS2: Group Treasury Shares Transactions. **

IFRIC 12 – Service Concession Arrangements. ***

IFRIC 13 – Non-monetary Contributions of Joint Venturers. ****

IFRIC 14 – IAS 19: Limit of Defined Benefit Asset and Minimum Funding Requirements and their Interactions. ***

* Effective from January 1, 2009.

** Effective from March 1, 2007.

*** Effective from January 1, 2008.

**** Effective form July 1, 2008.

Management of the Bank expects to apply the above International Financial Reporting Standards and interpretations to the Bank's financial statements at the effective date of each as shown above within having a material impact on the Bank's financial statements.

49. Comparative Figures

Some of the comparative figures for the year 2006 have been reclassified to correspond with the year 2007 presentation.

Jordan Ahli Bank

Jordan Securities Commission Requirements

Disclosure for the Year 2007

1. (a) Description of the Bank's Principal Activities

Provide comprehensive banking and finance services and make available to customers all services and technological developments in the field of banking and all economic sectors.

(b) Location of Branches and Respective Number of Employees

Jordan Ahli Bank's branches consist of a total of 698 staff members. The network of branches covers all 46 governorates, with concentration in Amman. Our branches also extend to Lebanon, with 8 branches that are operated through our subsidiary International Ahli Bank Company; to Palestine (5 branches); and to Cyprus (1 branch). Their details are presented at the end of the annual report. Regarding the number of employees, in 2007 the total number reached 1483 in both branches and in head office. The distribution of employees across the various branches is as follows:

Branches of the Hashemite Kingdom of Jordan

Branch name	No. of employees	Branch name	No. of employees
Queen Noor Street	46	Irbid – Hakama Street	12
Main Branch	29	Wasfi Al-Tal St.	21
Zerka	19	Yarmouk Street	12
Irbid	28	Shmeisani / 11 Ab	16
Aqaba	17	Jerash	11
Salt	19	Saqf Al-Sail	12
Sweileh	9	Chamber of Industry Building	17
Sahab	9	Um - Uthaina	13
Tafila	12	Sweifieh	14
Jabal Amman	17	Sweifieh-Wakalat	9
Madaba	14	Middle East Circle	12
Deir Alla	10	Private Banking	24
Ramtha	11	Al - Hashmi Al - Shamali	9

Branch name	Number of employees	Branch name	Number of employees
Maan	12	Queen Rania Al-Abdullah Street	13
Jabal Al-Hussein	16	Al - Rusaifeh	7
Mafrq	9	Marj Al - hamam	10
Bayader Wadi Seer	13	Free Zone / Zerka	6
Qwaismeh	13	Abdoon	10
Karak	16	Abu Nussair	7
Marka	9	Jubaihah	6
Prince Mohammad Street	9	City Mall	4
Khreibet El-Suq	7	Ras Al - Ain	9
Irbid - Hashimi Street	12	Mecca Street	16

Al-Ahli International Bank S.A.L. Branches

Branch Name	Number of Employees
Bab Idriss Branch	11
Verdun Branch	11
Jdeideh Branch	11
Dora Branch	8
Tripoli Branch	14
AL - Hamra Branch	9
Kaslik Branch	7
Saida Branch	11

Palestine Branches

Branch Name	Number of Employees
Ramallah Branch / Albireh	16
Nablus Branch	20
Bethlehem Branch	23
Al-Shallalah Street Branch-Hebron	6
Al-Salam Street Branch-Hebron	18

Cyprus Branch

No. of employees	11
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(c) Capital Investment

As of 31/12/2007 invested capital volume of the Jordan Ahli Bank amounted to JD195,834,145.

2. Main Subsidiary Companies

The following table lists the name, activity, percent of ownership and number of employees per subsidiary company:

No.	Company Name	Core Activity	Number of Employees	Capital (JD Million)	% of Ownership
1	Ahli Micro Financing Co.	Micro projects financing	75	2.5	100%
2	Zarqa National College	Educational services	54	0.8	100%
3	Ahli Brokerage Company	Financial brokerage services	15	20	100%
4	Ahluna for Social & Cultural Work	Community serving	2	2	99.9%
5	Al-Ahli International Bank	Financial institution - Lebanon	157	29.8	97.92%



3) A - profile on The Board of Directors:

Name	Position	Date of Birth	Country of Origin	Educational Qualifications	Experience	Date of Appointment
H.E. Dr. Rajai Muasher	Chairman	1944	Jordan	PhD Business Administration & Marketing – USA	Former Minister of Industry & Trade Minister of Supply for multiple terms Senate member for several terms Chairman and board member of several companies	1997
Mr. Nadim Muasher	Deputy Chairman	1950	Jordan	MSc Civil Engineering / USA	Chairman of the following companies: Arab International Hotels Co. (Marriott), El-Zay Ready Wear Manufacturing Co, Jordan Worsted Mills Co., Ad-Dawliya for Hotels & Malls Co., sheraton Business Tourism Co.	1997
Ms. Samaan Françoise Basil (Byblos Bank representative)	Independent Member	1965	Lebanon	MBA Cambridge University, UK Business Administration Degree, Boston University, USA	Deputy Chairman / General Manager / Byblos Bank – Beirut, Chairman and board member of Byblos Bank –Europe / Byblos Bank – Syria / Byblos Bank S.A.L. Credit Risk Manager / Fidelity Bank / USA	2007
Mr. Mustafa Abd Alwadood (Abraaj Capital representative)	Independent Member	1970	Egypt	MBA – Georgetown University, USA, BA Business Administration, American University of Cairo (AUC)	15 years of experience in M&A and establishing projects at EFG-Hermes-Dubai. Founder and CEO of Sigma. Bord member in Qatar Capital – Spinneys-BMA Lebanon – Jordan Aircraft Maintenance Co. – Orascom.	2006
H.E. Mr. Wasef Azar (Jordan Investor Center representative)	Independent Member	1936	Jordan	Masters of Economics and Development Management/ USA LLB Law / Damascus	Board member of various companies. Long experience in both the public and private sector. Former minister of industry and trade. Manager of many companies and institutions.	1997
Mr. Imad Y. Muasher (Muasher Investment & Trading Co. representative)	Independent Member	1957	Jordan	BA Economics MA International Business Administration / USA	Deputy Chairman and board member of many companies.	1997

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience	Appointment Date
H.E. Dr. Mohammad Abu Hammour (Social Security Corporation representative)	Independent Member	1957	Jordan	PhD Economics & Public Finance – Surrey University / UK	Chairman of the Executive Privatization Commission since 2005. Former minister of finance and industry and trade. Awarded the best minister of finance in the Middle East award in 2004. Published several studies and researches. Board member of several companies and institutions.	1997
Mr. Rafiq S. Muasher (Rajai Muasher & Brothers Co. representative)	Independent Member	1949	Jordan	MSc Construction Engineering MSc Engineering Projects Management / USA	1976 – 1980: Ranco Company for Contracting and Trading 1980 – 1985: Rajai Muasher and Bros. Company 1985 – 1988: Al Ahlia Financial Investments 1988 – to date: National Securities Co.	1997
Mr. Ala-Eddin Sami (ZI & IME Co. representative)	Independent Member	1953	Egypt	MA Financial Management BA Accounting	Deputy Chairman of Al-Zahid Group – S.A. Chairman of Arab-Sudanese Truck Co. Board member of Laguna Tourism Development Co. - Egypt	1997
Mr. Hani A. Fraij (Arabia S.A.L. representative)	Independent Member	1940	Lebanon	BA Business Administration – American University of Beirut (AUB)	General Manager of Atallaj Fraij Institution – Beirut Deputy Chairman of Arabia Insurance Co. – Beirut Chairman of Andlosya Company – Beirut	1997
Mr. Mahmoud Z. Malhas	Independent Member	1935	Jordan	BA Economics – American University of Beirut (AUB)	Prominent businessman and owner of Al-Mahmoudiah Trading Company operating in general trade and trademarks representation.	1997

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience	Appointment Date
Mr. Tawfek A. Kawar	Independent Member	1927	Jordan	LLB Law – University of London	<p>1952 – 1957: Board secretary of the Jordan Phosphate Mines (JOPH), JOPH General Manager, Export and Marketing Manger.</p> <p>1957: General Manger of Amin Kawar & Sons Co.</p> <p>Board member of several companies.</p>	2001
Mr. Rajai S. Sukkar	Independent Member	1942	Jordan	BA Business Administration – American University of Beirut (AUB)	Experience working in shipping and insurance companies. On the board of several companies.	1997

(b) - Summary Profile –Ahli Bank Senior Executive Staff

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
H.E. Marwan Awad	CEO/ General Manager	1951	Jordan	MBA Economics – Vanderbilt University / USA High Diploma in Economics - Vanderbilt University / USA BA Business Administration – Jordan University	General manager of the Industrial Development Bank, General Manager of Qatar Islamic Bank, former Minister of Finance, General manager of Middle East Investment Bank, Secretary General of Ministry of Industry and Trade, held several positions at the Central Bank of Jordan. Authored several books and publications in the fields of foreign currency, investment, finance and economics. On the board of several companies.
Mr. Fuad AL-Werr	Deputy CEO/ Head of Group International Banking and Abroad Branches	1950	Jordan	MBA Finance / USA	Head of Marketing / Saudi American Bank Branches Manager – Citibank Deputy General Manager – Societe General e De Banque – Jordan.
Mr. Ibrahim Ghawi	Deputy CEO/ Head of Group Finance	1954	Jordan	MBA International Management – Phoenix University / USA BA Accounting / Jordan University	Financial controller at Cairo Amman Bank, Deputy General Manager and Financial Manager of Palestinian Telecom
Mr. Hani Farraj	Deputy CEO/ Head of Group Administration & Logistics (BOD's secretary)	1946	Jordan	BA Literature Diploma in management	27 years of experience in the fields of administration, finance and law at the Radio and Television Corp. and the Arab Radio Stations Union. Held the position of Assistant General manager for Administrative Affairs at the Radio & Television Corp.
Mrs. Hadeel Kayyali	Deputy CEO/ Head of Group Operations	1959	Jordan	BA Business Administration, American University of Beirut (AUB)	Jordan Ahli bank since 1997, Business Bank since 1984.
Mr. Zahi Fakhoury	Deputy CEO/ Head of Group Credit	1951	Jordan	B.A of Accounting	Arab Bank BCCI Credit and Commerce Bank

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Ms. Lina Bakhit	Deputy CEO/ Head of Group Ahli Capital Markets	1963	Jordan	BA Business Administration, American University of Beirut (AUB)	Head of Treasury Department – former Jordan Investment & Finance Bank.
Mr. Samer Sunnugrot	Deputy CEO/ Head of Group Ahli Investments Banking	1965	Jordan	M Financial Markets BA Business Administration – Georgia State University, USA	Jordan Ahli Bank since 1995, licensed as Investment Manager and Investment Custodian by the Jordan Securities Commission, member of the Association of Certified Capital Market Professionals.
Mr. Saad Mouasher	Deputy CEO/ Head of Group Strategy & Corporate Communications	1974	Jordan	MBA Stanford University BA Economics, Northwestern University	Assistant general manager of Al-Dawliyah for Hotels & Malls Co. (Sheraton Hotel), Managing Partner of Al-Nabil Investment Company, on the board of several companies.
Mr. Iyad Asali	Deputy CEO/ Head of Group Corporate Banking	1966	Jordan	MA Management, American University of Cairo (AUC) BA Business Administration, Jordan University	National Arab Bank, Saudi Arabia – Head of Commercial Banking Services Management (1999 – 2007). ABC Bank, Jordan, Head of Credit Department (1992 – 1999). Al Mashriq Bank, Dubai (1992 – 1998)
Mr. Faleh Alnajjar	Deputy CEO/ Head of SME Banking	1955	Jordanian	B.A Economics and Political Science – Al-Rebat	Bank of Jordan /ABC Bank/ National Bank of Kuwait
Mr. Ahmad Al- Khob	Deputy CEO/ Head of Group Personal Banking and Branches Management	1957	Jordan	BA Economics / Finance and Banking, Yarmouk University	ABC Bank – Jordan (1993) Jordan Gulf Bank (1988) Petra Bank (1985) Jordan Gulf Bank (1980) Arab Bank (1975)

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Bashar Bakri	Assistant General Manager/ Head of Group Human Resources	1963	Jordan	BA Business Administration and Economics, Jordan University High studies in enterprise management	Executive manager for human resources since 2003, Administrative manager for Makshaf Holding, Saudi Arabia.
Mr. Suleiman Dababneh	Assistant General Manager/ Accounting	1957	Jordan	BA Business Administration	Al-Najah Clearance Co. Elia Nino Auditing Construction Production and Assembling Co.
Mr. Kameel Haddad	Assistant General Manager/ Remedial & Recoveries	1959	Jordan	BA Business Administration, Damascus University	Jordan Ahli Bank (main branch) since 1973 - Internal Audit - Branches Affairs Management - Internal Monitoring
Mr. Rageb Halaseh	Assistant General Manager / Inspection & Internal Audit	1950	Jordan	B.A of Business Administration- Accounting / University of Damascus	Jordan Ahli Bank since 1973- Main Branch Internal Audit Branch Management Internal Audit
Mr. Yousef Shukri	Assistant General Manager, Information Technology	1962	Jordan	BSc Computer Science, Jordan University AA Computer Science, Khawarizmi College	Jordan Ahli Bank – 1998 Executive Manager – programming Department Assistant GM/ Information Technology Business Bank(1993-1998) Analysis Programmer and Assistant Manager for Computer Department Cairo Amman Bank – 1988-1993
Mr. Ghassan Gharaybeh	Head of Legal Department	1953	Jordan	LLB Law, Beirut Arab University BA Public Administration, Lebanese University	Head of legal department since 2000. Legal advisor of the Bank since 1991 Jordan Ahli Bank, Main Branch – Amman, Transfers Department.

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Basem Isleem	Internal Auditor	1966	Jordan	BA Business Administration	BCCI Business Bank Jordan Ahli Bank since 1996
Mr. Ziad Kokash	Risk Management Manager	1970	Jordan	MA Financial Management, Arab Academy for Financial Studies BA Banking, Finance and Business Administration, Yarmouk University	Jordan Ahli Bank since 2004. ABC Bank – Jordan (2000 – 2004) Cairo Amman Bank (1992 – 2000)
Advisors:					
Mr. Issa Khoury	Advisor to the Chairman	1941	Jordan	High Diploma in Public Administration, Bier Zait University	Deputy General Manager – Facilities Assistance General manager – Petra Bank
Mr. Nahid Hattar	Advisor to the Chairman, Media & Cultural Affairs	1960	Jordan	MA Philosophy in Islamic Studies, Jordan University	Renowned media and culture expert. Authored several books, articles and publications on economic, social and political affairs in Jordan.

4. Major shareholders who own more than 5 % of the Bank's capital:

No.	Name	No of Shares 2007	Ownership %	No of Shares 2006	Ownership %
1	Abraaj Capital - UAE	11,585,631	10.35%	11,785,631	10.71%
2	Byblos Bank –Lebanon	10,875,000	9.89%	0	0
3	Jordan Investor Center	6,418,391	5.83%	6,731,394	6.12%
4	Jordan Worsted Mills	6,104,450	5.55%	6,660,500	6.06%
	Total	34,983,472	31.80%	25,177,525	22.89%

5 – Competitive Standing

The Ahli Bank ranks fourth in terms of capital; sixth in terms of shareholders rights (equity); fourth in terms of total assets and operating revenue. The Jordan Ahli Bank operates currently in Jordan with a market share of 6.1% in terms of assets and 5.01% in terms of credit, or 5.29% in terms of deposits. The Jordan Ahli Bank also operates in Lebanon, Palestine and Cyprus.

6 – There are no major specific suppliers or clients, either internally or externally, forming 10% of the Bank's purchases or revenues.

7 - Neither the Jordan Ahli Bank nor any of its products possess any government protection or privilege pursuant to laws, regulations or others.

* Jordan Ahli Bank has no patents or franchises.

8 – There are no decisions issued by the government, international organizations or other entities that have material impact on the Bank, its products, or its competitiveness.

* There are quality standards specific to the activities of the bank, particularly related to quality of services and products offered and quality of internal audits activities. International quality standards do not apply to the Bank.

9 – (a) Organizational structure of Jordan Ahli Bank and its subsidiary companies,

As outlined on page (155) of the Bank's annual report and that of its subsidiary companies.

(b) Jordan Ahli Bank employees classified according to number, categories and qualifications:

	PhD	Masters Degree	Graduate Diploma	Bachelor Degree	Associate Degree	High School	Below High School	Total
Jordan Branches	2	75	8	657	183	151	114	1190
Palestine	-	4	-	71	21	5	6	107
Lebanon	-	10	-	61	9	61	24	165
Cyprus	-	2	-	10	6	3	-	21
Total	2	91	8	799	219	220	144	1483

•The number of employees of subsidiary companies is outlined in item number (2) of the aforementioned disclosure instructions on page (120).

(c) Staff training programs:

The Training and Development Department held several training programs during 2007 which were attended by around 3,051 participants. 28 employees attended trainings abroad. In-country trainings were held at local training centers, which were attended by 395 employees, and at the Jordan Ahli Bank Training Center at which approximately 2,628 employees were trained. The trainings included the following:

Training Courses Attended by Jordan Ahli Bank Employees During 2007	
Name of training Course	Number of Participants
Comprehensive banking training course	669
Risk management and BASEL II	181
Management training Courses	131
Credit training courses	356
Sales and marketing skills courses	144
Audit and financial analysis training courses	114
IT training courses	367
New banking products	711
Other	378
Total	3,051

10 – There are no risks facing Jordan Ahli Bank during the coming financial year that may have material effect on the bank.

11 – The Bank’s achievements for the 2007 financial year are listed in the Board of Directors Report (pages 23 – 32).

12 – There is no financial impact for operations of non-repetitive nature that took place in 2007 and that do not fall under the banks’ main activities.

13 – Jordan Ahli Bank’s Main Financial Indicators for the Period 2003 – 2007

Year	Net Shareholders’ Equity (JD million)	Cash Dividends (%)	Cash Dividends (JD million)	Pre Tax Net Profit (JD million)	Share Market Price (JD)	Free Shares
2003	73.1	-	-	0.14	1.4	-
2004	101.9	5%	3.0	7.3	4.13	-
2005	180	15%	12.3	34.3	4.8	10%
2006	212	15%	16.5	30.4	3.14	20%
2007	197.4	8%	8.8	18.4	3.14	-

- During 2005 the Bank’s capital was raised from 60 million JD / share to 85 million JD / share through the distribution of 10% stock dividends, private placement of 10% and allocation of 0.5 million shares for employees. Later in 2005 another private placement took place valued at 12.5 million JD / share.
- During 2006 the Bank’s capital was raised from 85 million JD / share to 110 million JD through distributing stock dividends at 20% and attracting a strategic partner.
- A recommendation to distribute 8% as cash dividends for the year 2007 will be presented to the General Assembly meeting scheduled to be held 14/5/2008.

14 – Analysis of the Bank’s 2007 Financial Standing

Financial indicators	2007	2006
Return on Owners Equity (ROE)	5.50%	9.56%
Return on Assets (ROA)	0.55%	1.16%
Return on Capital	9.79%	18.38%
Credit to Assets Ratio	37.13%	35.71%
Credit to Total Deposits Ratio	48.82%	46.81%
Non-performing Loans to Total Credit Ratio	18.03%	20.57%
Profit After Tax Per Employee	7.289%	12.925%

- Financial analysis and indicators may be also reviewed on page 38.

15 – Key future developments and plans for the Jordan Ahli Bank are listed separately on page 37.

16 – Auditor’s Fees - Jordan Ahli Bank and subsidiary companies

The Bank’s external auditor provides special consultation services related to means of applying international accounting standards and training. Total auditor’s fees for the Jordan Ahli Bank and its subsidiaries for the year 2007 amounted to JD 236,443 distributed as follows:

Company	Audit Fees
Jordan Ahli Bank	154,700
Ahli International Bank (Lebanon)	65,263
Ahli Micro Financing Co.	6,000
Ahli Brokerage Company	9,280
Zarqa National College	1,200
Total	236,443

17 – (a) – Shares ownership by BOD Members and their relatives

No.	Name	Title	No of Shares 2007	No of Shares 2006
1	H.E. Dr. Rajai Muasher	Chairman	11,152	11,152
	Mrs. Huda Muasher (wife)		339,636	339,636
2	Mr. Nadim Muahser	Vice	3,686,525	3,686,525
	Mrs. Rania Dallal (wife)	Chairman	26,115	26,115
3	Byblos Bank (Lebanon)	Member	10,875,000	-
	Represented by Mr. Samaan Basil)		-	-
4	Messrs. Abraaj Capital (UAE)	Member	11,585,631	11,785,631
	Represented by Mr. Mustafa Abd Alwadood		-	-
5	Jordan Investor Center	Member	6,418,391	6,731,394
	Represented by H.E. Mr. Wasef Azar		58,834	58,834
6	Mrs. Abla Muasher (wife)	Member	78,884	78,884
	Mouasher Investment & Trading Co.		276,319	552,638
	Represented by Mr. Imad Muasher		3,770,049	3,755,859
	Mrs. Nadine Halasa (wife)		27,030	27,030
	Mr. Khalid Imad Mouasher (son)		55,876	55,876
	Mr. Firas Imad Muasher (son)		55,876	55,876
7	Mr. Tareq Imad Muasher (son)	Member	55,876	55,876
	The Social Security Corporation		2,800,000	5,841,613
8	Represented by H.E. Dr. Mohammad Abu Hammour	Member	-	-
	Rajai Muasher & Brothers Co.		66,840	66,840
9	Represented by Mr. Rafiq Muasher	Member	600,000	600,000
	ZI & IME Co. (Saudi Arabia)		739,549	739,549
10	Represented by Mr. Ala-Eddin Sami	Member	19,000	19,000
	Arabia S.A.L. (Holding)		1,608,348	1,608,348
11	Represented by Mr. Hani Fraij	Member	14	14
	Mr. Mahmoud Zuhdi Malhas		1,168,612	1,168,612
12	Mr. Tawfiq Amin Kawar	Member	572,208	572,208
13	Mr. Rajai Suleimam Sukkar	Member	39,494	39,494

- No companies are controlled by the members of the board or their relatives

(b) - Shares ownership by members of the executive management and their relatives

No.	Name	Title	No of Shares	
			2007	2006
1	H.E. Marwan Awad	CEO/ General Manager	10,000	10,000
2	Mr. Fouad Werr	Deputy CEO, International Banking Services Group and Foreign Branches	-	-
3	Mr. Ibrahim Ghawi	Deputy CEO, Financial Management Group	-	1,095
	Mrs. Hanan Kattoura	Wife	14,346	15,234
4	Mr. Hani Farraj	Deputy CEO, Administrative Affairs	6,939	6,439
5	Mrs. Hadeel Kayyali	Deputy CEO, Operations	9,133	9,133
6	Mr. Zahi Fakhoury	Deputy CEO, Credit Group	90,000	90,000
7	Ms. Lina Bakhit	Deputy CEO, Ahli Financial Markets Group	21,146	21,146
8	Mr. Samer Sunnuqrot	Deputy CEO, Ahli Banking Investments Group	15,312	15,312
9	Mr. Saad Mouasher	Deputy CEO, Strategy & Corporate Communications Group	1,110,560	1,106,910
	Mrs. Tania Harb	Wife	7,022	5,422
	Mr. Rakan Saad	Son	4,800	4,800
	Ms. Sara Saad	Daughter	3,100	-
10	Mr. Iyad Asali	Deputy CEO, Corporate Banking Group	1,000	-
11	Mr. Faleh Al Najjar	Deputy CEO, SME Banking Group	-	-
12	Mr. Ahmad Al-Khob	Deputy CEO, Personal Banking and Branches Management Group	-	-
		Assistant General Manager, Human Resources Group	-	12,000
14	Mr. Suleiman Dababneh	Assistant General Manager, Accounting	21,768	25,568
	Mrs. Fadia Dababneh	Wife	3,800	-
15	Mr. Kameel Haddad	Assistant General Manager, Credit Affairs	7,095	7,095
16	Mr. Ragheb Halaseh	Assistant General Manager, Internal Audit & Inspection	-	500
17	Mr. Yousef Shukri	Assistant General Manager, Information Technology	960	960
18	Mr. Ghassan Gharaybeh	Head of Legal Department	-	-
19	Mr. Basem Isleem	Internal Auditor	620	620
20	Mr. Ziad Kokash	Risk Management Manager	-	-

Advisors:

No.	Name	Title	No of Shares	
			2007	2006
21	Mr. Issa Khoury	Advisor to the Chairman	11,065	11,065
	Mrs. Nuha Shamiyyeh	Wife	1,300	1,300
	Mr. Ramzi Khoury	Son	1,527	1,527
	Mr. Areen Khoury	Son	1,838	1,838
	Miss. Dima Khoury	Daughter	567	567
22	Mr. Nahid Hattar	Advisor to the Chairman, Media & Cultural Affairs	4,095	4,095
	Mrs. Randa Qaqish	Wife	2,310	2,310

18 – During 2007 total salaries, benefits and remunerations of board members and executive management amounted to JD2,017,459, accounting for 11.7% of total salaries.

(a) Board of Directors Benefits

Name	Transportation	Per Diems	Travel	2007 Remuneration	Total
H.E. Dr. Rajai Muasher	3,600	5,483	6,405	5,000	20,488
Mr. Nadim Muahser	3,600	0	0	5,000	8,600
Mr. Samaan Basil)	1,500	0	1,005	0	2,505
Byblos Bank representative as of 11/7/2007					
Mr. Ahmad Tahoush Al Rashed	1,800	0	1,446	5,000	8,246
Public Investment Bureau up to 10/7/2007					
Mr. Mustafa Abd Alwadood Abraaj Capital (UAE) representative	3,600	0	3,220	833	7,653
H.E. Mr. Wasef Azar	3,600	0	0	5,000	8,600
Jordan Investor Center representative					
Mr. Imad Muasher	3,600	0	0	5,000	8,600
Mouasher Investment & Trading Co. representative					
H.E. Dr. Mohammad Abu Hammour	3,600	0	0	5,000	8,600
The Social Security Corporation representative					
Mr. Rafiq Muasher	3,600	0	0	5,000	8,600
Rajai Muasher & Brothers Co. representative					
Mr. Ala-Eddin Sami	3,600	0	1,819	5,000	10,419
ZI & IME Co. (Saudi Arabia) representative					
Mr. Hani Fraij	3,600	0	1,039	5,000	9,639
Arabia S.A.L. (Holding) representative					
Mr. Mahmoud Zuhdi Malhas	3,600	0	0	5,000	8,600
Mr. Tawfiq Amin Kawar	3,600	0	0	5,000	8,600
Mr. Rajai Suleimam Sukkar	3,600	0	0	5,000	8,600

(b) Senior Executive Management Benefits

Name	Transportation	Per Diems	Travel	Total
H.E. Marwan Awad	0	105	0	105
Mr. Hani Farraj	1,800	0	0	1,800
Mr. Fouad Werr	105	1,722	760	2,587
Mr. Ibrahim Ghawi	0	2,253	778	3,031
Ms. Lina Bakhit	0	1,125	1,795	2,920
Mr. Samer Sunnuqrot	0	900	496	1,396
Mr. Faleh Al Najjar	0	100	0	100
Mr. Basem Isleem	0	600	650	1,250
Mr. Yousef Shukri	0	3,050	855	3,905

19 – Donations and grants paid in 2007

Total donations and grants extended to different bodies during 2007 amounted to JD 167,868 distributed as follows:

Total Amounts Donated During 2007	
Organization	Amount
King Abdullah Fund	35,106
Local societies	38,511
Sports and cultural clubs	16,500
Art and culture forums	15,823
Development funds and charity organizations	3,350
Cultural centers / universities / schools / education	40,533
Governorates	2,706
Other	15,339
Total	167,868

20 – The Jordan Ahli Bank did not enter into contracts, projects or dealings with: any affiliate or subsidiary company, the Chairman, the General Manager, any Bank employee or any of their relatives.

The Bank did not extend any preferential treatment to any board member or senior executive management regarding loans or grant

21 – The Bank’s Contribution to Environment Protection

- (a) The Bank supports environment conservation initiatives through the maintenance and servicing of the “Al-Ahli Park” opposite to the Jordan Ahli Bank head office in Shmeisani – Queen Nour St.
- (b) The Jordan Ahli Bank supports members of the local community in various areas as detailed below:

The Jordan Ahli Bank’s Contribution in Environment Protection and Local Community Support	
Organization	Amount
Committee for Supporting Orphans	3,020
Support to Petra	5,000
Local NGO’s concerned with local community members	4,657
Youth Fund for Road Safety	20,000
The Children’s National Museum	53,100
King Hussein Cancer Center	100,000
Zakat fund / charity rations / Mawaed Arrahman	38,922
Total	224,699

- The Bank also furthered its social and development role through being actively involved and providing material and moral support to the Jordanian community. This was underpinned by the establishment and the launching of the “Ahluna for Social and Cultural Development” non-profit company, designed to support social and charitable initiatives.



Incentives Scheme

The aim is to build a comprehensive and competitive remunerations and benefits system that ensures the attraction, retention and development of high-level, creative and talented employees. To this end, the following measures must be undertaken:

- Perform a continuous review and assessment of active jobs to determine the value and classification of each function within the Bank according to fair and just basis.
- Conduct a comprehensive mapping of remunerations and benefits schemes adopted by other entities and competing organizations in the local market and compare them with the Bank's scheme on a regular basis.
- Define the upper and lower limits of the basic salary for each job to effectively address potential changes and competition in the local market.
- Define the number of annual increases per job category (category scale).
- Develop a unified remunerations and benefits scheme for all job levels on fair basis and accordingly increase the potential of achieving compatibility and balance among employees across various administrative levels and bank administrations.
- Link the remunerations and benefits scheme to other HR systems such as selection, appointment, performance evaluation and training.

In addition, an incentives scheme for staff was developed that is linked to the Bank's performance. Implementation of said scheme is based on clear business criteria such as the profit and expenses resulting from lowered service quality, productivity, job satisfaction surveys, initiatives to sell among other established performance indicators. The scheme will further the role of an employee, regardless of post, in achieving the overall and strategic objectives of the Bank.

Corporate Governance Requirements

1 – Pursuant to the sixth Board of Directors Decision on 28/10/2007, Board Committees were formed as follows:

(a) – Corporate Governance Committee, comprised of the following members:

- | | |
|----------------------------------|---|
| 1. H.E. Dr. Rajai Muasher | Committee Head |
| 2. H.E. Mr. Wasef Azar | Member / Jordan Investor Center representative |
| 3. H.E. Dr. Mohammad Abu Hammour | Member / Social Security Corporation representative |

Committee Mandate:

- The Board forms a Corporate Governance Committee with its membership comprised of the Chairman as committee head and the membership of two non-executive members.
- The Committee supervises the development of the Bank's Corporate Governance Manual, oversees its implementation and ensures that effective follow-up mechanisms are in place for its implementation across all management levels. The Committee also supervises its update according the Central Bank of Jordan regulations with the approval of the Board.

(b) Audit Committee, comprised of the following members:

- | | |
|----------------------------------|--|
| 1. H.E. Dr. Mohammad Abu Hammour | Committee Head |
| 2. Mr. Rajai Sukkar | Member |
| 3. Imad Muasher | Member / Muasher Investment & Trading Co. representative |

Committee Mandate:

- The Board forms an Audit Committee comprised of three non-executive members, provided that at least one member possesses qualification and / or practical experience in financial management areas, and that at least two of the members are independent directors.
- The Committee carries out the responsibilities and authorities assigned to it pursuant to the Banking Law and any other relevant legislations, which include revision of the following:
 1. The scope, results and adequacy of internal and external audits.
 2. Accounting issues with material impact on the financial statements.
 3. The Bank's internal monitoring and control systems.

- The Committee presents its recommendations to the Board with regard to internal auditor appointment, dismissal and remuneration and any other relevant contractual issues. In addition, it assesses the objectivity of the external auditor including any other actions undertaken by the auditor, beyond the audit scope to ensure their objectivity.
- The Committee has authority to access any information from the executive management and to call any executive staff or Board member to its meetings.
- The Committee meets with the external auditor and the compliance monitoring director at least once a year without the presence of the executive management.
- It is agreed that the responsibility of the Audit Committee does not forfeit the responsibility of the Board or executive management with regard to the adequacy of the Bank's internal and external monitoring and control systems.

(c) Risk Management Committee, formed of the following members:

- | | |
|-----------------------------|--|
| 1. Mr. Nadim Muasher | Committee Head |
| 2. Mr. Mustafa Abd Alwadood | Member / Abraaj Capital (UAE) representative |
| 3. Mr. Hani A. Fraij | Member / Arabia S.A.L. representative |
| 4. Ms. Samaan Basil | Member / Byblos Bank representative |

Committee Mandate:

- All risks to which the Bank is exposed to are reviewed by the Risk Management Committee which the Bank forms from the members of the Board of Directors and it may include members of the executive management.
- The Committee reviews the bank's risk management policies and strategies before their endorsement by the Board. The Bank's executive management is responsible for implementing said strategies and developing policies and procedures for managing the various types of risks.
- The Bank's executive management proposes a structure for the risk management group, which is reviewed by the Committee and endorsed by the Board.
- The Committee keeps up with the fast developments and increased complexities that arise at the Bank pertaining to risk management and submits its report in that regard to the Board.

(d) Compensation and Remunerations Committee, formed of the following members:

- | | |
|----------------------------|--|
| 1. H.E. Mr. Wasef Azar | (Independent) Committee Head |
| 2. Mr. Rafiq Saleh Muasher | (Independent) Member / Rajai Muasher & Brothers Co. representative |
| 3. Mr. Ala-Eddin Sami | (Independent) Member / ZI & IME Co. representative |

Committee Mandate

- The Board forms the Compensations and Remunerations Committee from its independent directors.
- The Committee nominates all Board appointments, duly considering candidates' abilities and qualifications and, for re-nominations, their attendance and the quality and extent of their participation in Board meetings.
- The Committee determines whether a Director qualifies to be considered 'independent' in accordance with the definition stipulated in the Central Bank of Jordan regulations.
- The Committee implements a formal method of assessing the effectiveness of the Board.
- The Committee has the responsibility to provide background briefing material for Directors covering key issues when requested, as well as ensuring that they are kept up to date on relevant banking topics.
- The Committee recommends to the Board the remuneration (including monthly salary and other benefits) of the General Manager. The Compensation and Remuneration Committee also reviews the remuneration (including monthly salary) of other executive management.
- Ensure that the bank has a remunerations policy, which is sufficient to attract and retain qualified individuals, and is in line with the Bank's peers in the market.
- The Bank's remuneration policy is disclosed in the Annual Report, particularly the remuneration of individual Directors and the highest-paid non-Director executives paid during the year.

2 – Board Meetings

- (a) The Board held seven meetings during 2007.
- (b) The Audit Committee held four meetings during 2007.
- (c) The Executive Committee held nine meetings during 2007.



The Bank's Compliance with the Corporate Governance Manual

Jordan Ahli Bank's compliance with corporate governance stems from deep conviction of its importance and the positive impact it has on the Bank's future success, growth. In addition, corporate governance guarantees the development of an institutional corporate culture that is a requirement not only for the bank's growth but also for its long term success.

Since the Central Bank of Jordan issued regulations pertinent to corporate governance in August of 2007, the Bank's management formed a committee to draft the Bank's corporate governance manual based on the required regulations. A plan was also devised that covered the different stages of the manual's development, endorsement and dissemination among those concerned (members of the board of director and the executive departments defined in the manual) in preparation for its final implementation. In parallel, and in accordance with Central Bank regulations, board committees were formed among which is the Corporate Governance Committee, headed by His Excellency the Chairman and the membership of two directors, to guide the implementation and monitoring process.

Jordan Ahli Bank is proud that in throughout the course of 2007, it has achieved a high level of compliance with corporate governance requirements, which was made possible by the Bank's diligent efforts to instill the principles of a corporate governance culture and the detailed corporate governance manual which outlined mechanisms to develop, document, endorse and adopt the required principles. The Banks management undertook the following measures:

- Issued the "Jordan Ahli Bank Corporate Governance Manual" after receiving endorsement from the Board.
- Published the Manual in the Bank's annual report and on its website.
- The organization of the Board's schedule and functions is currently adopted.
- Separate between the authorities and responsibilities of the Chairman and the General Manager (this was implemented formerly at Ahli Bank).
- Formed board committees stipulated in the Manual.
- Accounted for the requirements pertinent to board formulation and management of its agenda and activities as set out in the Manual (while noting that most of these requirements are currently applied) in such a manner in order to avoid contradiction with the valid rules and regulations as the corporate and banking regulations. With the effectiveness of each of the previously mentioned terms, serious and efficient steps will be taken in order to achieve a higher level of compliance with the code's requirements.

- Compliance with internal monitoring and control requirements whereby the organizational structure that determines the related departments, their activities and interactions is effective and in place .The Bank places significant importance on such requirements.
- Compliance with highest transparency and disclosure standards, which is an ethical and professional commitment, entrenched in the Bank's strategy and which the Bank unreservedly upholds. The Bank management also complies with disclosing any matters that are in line with international banking practices requirements and which support the principle of disclosure and transparency in a manner that serves the interests of all stakeholders.



Introduction

The Jordan Ahli Bank seeks to achieve the objectives of its shareholders, customers and employees while adhering to the finest moral standards in the banking professional behavior, in order to achieve distinguished performance, to declare the results of its performance accurately and with transparency and to comply totally with the laws, principles and instructions that organize the activities of the Bank.

In confirmation of the above basic principle the "Corporate Governance Policy of the Jordan Ahli Bank" was prepared and adopted by the Board of Directors and put into effect as from 1/1/2008. The Policy documents many of the previously applied measures at the Bank, but its significance allows many of the concerned parties dealing with the Bank to examine its policies and measures and to be reassured of its major backing that organizes the Bank Management. as well as the control tools and internal audit, transparency and disclosure.

By adopting the Corporate Governance Policy, the Bank's Board of Directors underlines its total commitment to its contents and confirms its absolute support of its application. The Corporate Governance Committee, which emerged from the Board, will follow up the application and accountability of all responsible parties included in the Policy and in their various administrative positions to make sure of the efficiency of their application of the articles of the Policy each in their related field.

The Corporate Governance Policy will be applied in all branches of the Jordan Ahli Bank, within and outside the Hashemite Kingdom of Jordan, while consideration is given to the non-violation of the Policy with the laws and regulations enforced in these countries by the control authorities of the Corporate Governance where these branches operate. In the case of contravention the laws and regulations of the state where the branch operates will be applied.

Any amendment on the Policy will be carried out according to the latest methodical and controlled developments under the supervision of the Corporate Governance Committee of the Board. The amendments will take effect following endorsement by the Board.

In confirmation of the background of the Corporate Governance, the Bank, as part of the approval procedure to grant credit by evaluating the quality of the Corporate Governance to its corporate customers, especially the public shareholding companies, will include the customer risk evaluation within the strong and weak points of their practice in the Governance field.

Definitions

The following designations and terms in the Policy and wherever they appear shall have the following meanings:

The Bank: The Jordan Ahli Bank

Policy: The Corporate Governance Policy of the Jordan Ahli Bank

The Board: The Board of Directors of the Jordan Ahli Bank.

Chairman of the Board: Chairman of the Board of Directors of the Jordan Ahli Bank.

Vice Chairman of the Board: Vice-Chairman of the Board of Directors of the Jordan Ahli Bank.

Board Members: Members of the Board of Directors of the Jordan Ahli Bank

Chief Executive Officer/General Manager: Chief Executive Officer/General Manager of the Jordan Ahli Bank.

Secretary: Secretary of the Board of Directors of the Jordan Ahli Bank.

The Executive Member (on the Board): Full-time Member holding a position at the Bank.

Independent Member* (on the Board): The Member (whether in his personal capacity or representing a legal personality) who does not have any other connection with the Bank except being a member on the Board of Directors, a position which renders his judgement of issues free of any external considerations.

Board Committees: Committees formed by the Board of Directors of the Jordan Ahli Bank and mentioned in the Policy.

Executive Management: The Executive Management of the Jordan Ahli Bank.

* The minimum limit of requirements that must be available in the Independent Member (according to the definition of the Central Bank of Jordan) must include the following:

1. he must not have worked as an employee at the Bank during the three years prior to the date of his nomination to the Board membership.
2. he must not be related to any administrative official of the Bank below the second degree.
3. he must not receive any salary or an amount of money from the Bank except the remuneration he receives in lieu of his Board membership.
4. he is not a Board member or a company owner with whom the Bank deals except the transactions that result from services and/or conventional business which the Bank offers his customers provided it is ruled by the conditions that govern similar transactions with any other party and without any detailed terms.
5. he must not be a partner with the external auditor or in his employment during the three years prior to his nomination to the Board membership.
6. his shares do not constitute a powerful interest in the Bank's capital or be an ally to another shareholder.

Board of Directors

1/1 General Principles

1. The Board is responsible for all Bank operations and its financial integrity. It has to make sure that it meets the requirements of the Central Bank of Jordan and the interest of the shareholders, depositors, creditors, employees and other parties of concern. It must also make certain that the management of the Bank is conducted prudently and within the framework of effective rules and regulations and the Bank's internal policy.
2. The Board emphasizes the concept of loyalty from every member of the Board to the Bank and all its shareholders and not to particular shareholder.
3. The Board sets the strategic objectives for the Bank in addition to monitoring its executive management responsible for the day-to-day operations.
4. The Board ratifies the control and internal audit regulations and makes certain of its effectiveness and the Bank's adherence to its strategic plan, policies and the credited or required measures according to the laws and regulations issued thereof. Moreover it ascertains that all Bank risks have been dealt with soundly.

1/2 Chairman of the Board and the Chief Executive Officer/ General Manager

1. Separation between the positions of Chairman of the Board and the Chief Executive Officer/General Manager is drawn, provided no relationship below the third degree is established between them.
2. If the Chairman of the Board held executive powers, the Bank would appoint an independent member as Vice Chairman with the objective of securing an independent source to speak for the shareholders. There would follow a statement explaining the position of the Chairman of the Board whether executive or non-executive.

1/3 Role of the Chairman of the Board

1. The Chairman of the Board will establish a constructive relationship between each of the Board and the Bank's executive Management and the executive and non-executive members.
2. The Chairman will create a background – during Board meetings - that will encourage constructive criticism of matters where differences of opinion exist among the members, and will support discussions and voting on these issues.
3. The Chairman will make sure that adequate information reaches each member of the Board and each shareholder at the appropriate time.
4. The Chairman will make certain that high standards from the Corporate Governance are available at the Bank.

Board of Directors/cont.

1/4 The Structure of the Board

1. In the composition of the Board diversity is taken into consideration in practical and professional experience and in specialized skills.
2. The Board should be composed of executive members (who occupy positions in the Bank) and non-executives (members who do not hold positions in the Bank).
3. Three independent members at least should be included among the non-executive members of the Board. Their presence will consolidate the Board's objectivity and its role as an auditor.

1/5 Organizing the Board's Agenda

1. The responsibility of the Board members must be defined and clear and in conformity with the laws concerned. The Bank must provide every member of the Board, upon his election, with a letter explaining his rights, responsibilities and duties. He should also receive an appropriate briefing on the Bank's performance on his appointment and while in the chair or on demand.
2. Clarification must be made and in writing of all banking transactions which require the approval of the Board (including, for example, the Board's authority vis a vis granting loans in excess of a certain amount or the authority regarding business dealings with the concerned parties or any other banking operation within the Board's jurisdiction.)
3. The Bank must draw up an organization chart defining its hierarchical structure (including the committees of the Board and the executive management.)
4. Members of the Board and its committees must be allowed direct contact with the executive management.
5. With the objective of securing the inclusion of the topics to be dealt with at the Board meetings, which should not be less than six per year, the executive committee set about to propose the subjects that it deems important on the agenda of every meeting.
6. The Bank will provide the Board members with adequate information and a good time before the Board meeting is held in order to enable them to take the proper decisions. The members of the Board and its Committees will have the authority, should the need arise, to seek external help in order to perform their duties in the best possible way.
7. The Secretary of the Board must record all Board discussions, suggestions and voting of members,

which takes place during Board meetings.

8. The Board's secretary must make sure that Board members follow the Board's approved procedures, and pass on information among Board members, Board committees and the executive management, in addition to setting the time table for the Board's meetings and writing down the minutes thereof.

9. The Board will officially and in writing define the job and duties of the Board's Secretary in conformity with the level of responsibilities referred to above. The Board will also take any decision related to his appointment or dismissal unanimously.

Board of Directors/cont.

1/6 The Board's Activities

1/6/1 Appointments and Replacements

1. The Board will appoint an executive officer/general manager who enjoys integrity, technical efficiency and banking experience.

2. Approval of the Board should be obtained when appointing certain executive managers such as the Chief of the Financial Management Group and the Chief of the Internal Audit Group. The Board should also make sure the appointees have the required experience.

3. The Board will approve the succession plans for the Bank's executive managers provided they include the qualifications and requirements that should be available in such managers.

1/6/2 Self Assessment and Evaluating the Performance of The Chief Executive Officer/ General Manager

1. The Board, through the Nominations and Bonuses Committee- will appraise the performance of the Board as a whole at least once per year.

2. The Board will evaluate the Chief Executive Officer/General Manager annually.

1/6/3 Planning, Control and Audit Regulations, Work Code of Ethics , Conflict of Interest

1. The Board will define the objectives of the Bank as well as advising the Executive Management to draw up a strategy to achieve these objectives.

2. The Executive Management will set up work plans in compliance with those strategies through a planning process that will include the participation of the Bank's departments. The Board will endorse the strategy and the work plans and will make certain that the Executive Management will revise the performance accomplishments in accordance with the work plans, and that corrective measures have been carried out where necessary.

3. The Board emphasizes the importance of the commitment of all employees to the "Professional Code of Ethics" recognized by the Bank which includes basic rules for interaction from the point of commitment to the institutional work, professional behavior and transparency that will guarantee the interest of the Bank and its integrity.

4. The Board affirms the rule that the obtainment of a Bank credit by Board members and their companies must be processed according to current market rates and not to preferential terms. A Board member must not participate in any meeting where discussion of the interaction, the contract or the voting takes place. Declaration about these dealings will appear in the Bank's annual report.

5. The Bank must have written policies covering all its banking activities. They are circulated to all administrative levels, and are reviewed regularly to ascertain their inclusion of any amendments or alterations on the rules, regulations and economic circumstances or any other matters related to the Bank.

2. Board Committees

1/2 General Principles

1. Committees emanating from the Board are set up with specified objectives. They are delegated with powers and responsibilities for a specified period of time and they report periodically to the Board. A charter is drawn up explaining the mechanism of these committees and describing their objectives, tasks, authorities and the required reports to the Board.

2. The Board may merge the tasks of a number of its committees if it were suitable or more appropriate from the management standpoint.

2/2 The Audit Committee

7. The Board will form a committee composed of three non-executive members provided that at least two of the Committee members are academically qualified and/or have work experience in Financial Management. Independent members in the committee should not be less than two.

8. The Audit Committee shall carry out the responsibilities and powers it is given according to the banking law and any other related legislation. This will include reviewing the following:

- The scope, result and adequacy of both the internal and external audit of the Bank.
- Accountancy cases of intrinsic significance on the financial data.
- Internal Control and Audit Regulations at the Bank.

9. The Audit Committee will submit its recommendations to the Board regarding the appointment, termination of service, fees of the external auditor, and any contractual terms related thereto. In addition

an objective evaluation of the external auditor will be put forward while considering any other work he conducted outside the external audit sphere with the aim of ensuring this objectivity.

10. The Audit Committee shall have authority to obtain any information from the Executive Management in addition to its right to summon any executive officer or Board Member to attend its meetings.

11. The Audit Committee shall meet with the external Auditor, the Internal Auditor, and the Manager of Compliance Control at least once per year without the presence of the Executive Management.

12. It is agreed upon that the responsibility of the Audit Committee shall not regard the those of the Board or the Executive Management towards the Bank indispensable where control on the adequacy of the Internal Audit and Control Regulations are concerned.

Board Committees/cont.

2/3 Nominations and Bonuses Committee

9. The Board forms the Nominations and Bonuses Committee from amongst its members provided it includes three non-executive members at least, and that the majority of them (including the chairman of the Committee) are independent members.

10. The Nominations and Bonuses Committee proposes Board members names taking into account the capabilities and qualifications of the nominated individuals. In the case of re-nomination, the number of their attendance and the quality and effectiveness of their participation in the Board debates are taken into consideration.

11. The Nominations and Bonuses Committee is responsible for deciding whether the member meets the required specifications of the independent member as so defined in the regulations of the Central Bank of Jordan.

12. The Nominations and Bonuses Committee follows specified rules accredited in the assessment of the Board's effectiveness

13. The Nominations and Bonuses Committee is charged with providing information and summaries on the background of some important issues related to banking.

14. The Nominations and Bonuses Committee recommends bonuses (including the monthly salary and the other benefits for the CEO/GM). The Committee will review the bonuses (including the salaries) for the rest of the Executive Management.

15. The Nominations and Bonuses Committee is charged with the responsibility of making sure of the existence of bonuses policy at the Bank which includes that bonuses/salaries are enough to attract qualified personnel to the Bank and maintain them in way that would agree with the bonuses/salaries

offered by similar banks in the market.

16. The Summary of the bonuses policy at the Bank shall be declared in the Bank's Annual Report. It will include specifically the remuneration for each member of the Board, the highest salaries paid to the Executive Managers who are not members of the Board.

2/4 Risk Management Committee

5. The risks, which the Bank is subjected to by the Risk Management Committee, composed from the Bank's Members of the Board and may include members from the Executive Management, are reviewed.

6. The Risk Management Committee shall review the Committee's policies and strategies at the Bank before being approved by the Board. The Bank's executive management is responsible for the implementation of these strategies in addition to developing the policies and procedures of various risk managements.

7. The structure of the Risk Management Group and their development by the Bank's Executive Management shall be proposed, reviewed by the Risk Management Committee and approved by the Board.

8. The Risk Management Group joins the rapid developments and the increasing complications affecting the Risk Management inside the Bank. It reports on these developments to the Board periodically.

2/5 The Corporate Governance Committee

1. The Board will form the Corporate Governance Committee composed of the Chairman of the Board and two non-executive members.

2. The Corporate Governance Committee shall be in charge of supervising the setting up of the Corporate Governance Policy at the Bank. It will also organize its application especially to make sure of the existence of follow up and effective tools to implement its articles on all managerial levels. It shall also take charge of its updating in accordance with the regulations of the Central Bank of Jordan and the approval of the Board.

Control and Internal Audit.

1/3 General

1. Both the Internal and External Auditors review the structure of the Regulations of Control and Internal Audit at least once every year. The Bank's Annual Report must include a report on the adequacy of the Regulations of Control and Internal Audit on financial reporting.

2. The Bank will set procedures to allow employees to secretly notify on any fears related to the possibility

of violations, and in a way that would allow the investigation into these fears to go on independently and to follow them up. The Audit Committee shall monitor the implementation of these procedures.

2/3 The Internal Audit

1. The Internal Audit Group are entitled to obtain any information or contact any employee inside the Bank. The Group is given the authority that would empower them to perform the task they are entrusted with as required.

2. The Internal Audit Group report to the Chairman of the Audit Committee.

3. The Internal Audit employees must not be charged with executive responsibilities. The Internal Audit Group, however, will be responsible for the proposition of a structure and domain of the Internal Audit as well as informing the Audit Committee of any possibility of the presence of a conflict of interest.

4. The Internal Audit Group will exercise their duties and prepare their reports without any external interference. They have the right to discuss their reports with the departments that have been audited.

5. The fundamental responsibility of the Internal Audit Group, which must be risk based, is to review, at the minimum level, the following:

- The financial reporting operations at the Bank. (To insure that basic information on financial and administrative issues and the transactions requiring accuracy, confirmation and proper timing).
- Compliancy with the internal policies of the Bank, the standards and international procedures and the rules and regulations of concern.

3/3 External Auditing

1. The basis of Regular Cycle of External Audit between audit firms is adopted. Should difficulty, from the practical side, arise in the application thereof, the Bank requests the regular cycles for the principal partner responsible for the Bank's external auditing.

2. The external Auditor will provide the Audit Committee with a copy of his report. He meets with the Audit Committee in the absence of the Executive Management at least once a year.

3/4 Risk Management

1. The Risk Management Group at the Bank will report to the Risk Management Committee. As for the daily transactions they will be linked with the Chief Executive Officer/the General Manager.

2. The responsibilities of the Risk Management Group at the Bank include the following:

- a. Analyzing all risks including those of credit, market, liquidity and operations.

- b. Developing the Measurement and Control Systems of every kind of risk.
- c. Recommending risk limits, approvals, reporting as well as recording cases of exceptional nature to the policy of the Risk Management, to the Risk Management Committee.
- d. Providing the Board and the Senior Executive Management with information on Risk Measurement and Risk Profile at the Bank. (The Board shall, at every meeting, review, regularly, the quality and quantity of the risk statistics at the Bank.)
- e. Providing information on Risks at the Bank for use in announcements and publications.

3. Bank committees, such as the Credit Committee, the Management of Assets and Liabilities/the Treasury Committee, the Operational Risk Committee, will, with the help of the Management Risk Department, perform their tasks in accordance with the specified authorities given thereto.

3/5 Compliancy

1. An independent Compliancy Management will be set up in accordance with the regulations of the Central Bank of Jordan issued to this effect.
2. The Compliancy Management will prepare an effective methodology to insure the Bank's compliancy with all effective laws and regulations and any directives and manuals of concern.
3. The Board will adopt and monitor the policy of compliance. Its preparation, development and application at the Bank will be the responsibility of the Compliance Management.
4. The Compliance Management will report on the outcome of its performance and its monitoring thereof, to the Board or the Committee emanating therefrom, with a copy to the Executive Management and in accordance with the regulations of the Central Bank of Jordan issued to this effect.

4. Relationship with the Shareholders

1. The Bank will take steps to encourage shareholders, especially the younger ones, to attend the Annual Meeting of the General Assembly and to vote either in person or, in their absence, by proxy.
2. Chairpersons of the Committees of Auditing, Nominations and Bonuses, and any other committees sprung from the Board, should attend the General Assembly Annual Meeting.
3. Following the Annual Meeting of the General Assembly, a report will be prepared on the observations, which take place, and the results of the voting as well as the questions and answers exchanged between the shareholders and the Executive Management.

4. Transparency and Disclosure

1. The Bank is committed to disclosure, pursuant to the International Financial Reports Standards (IFRS),

and the effective regulations of the Central Bank of Jordan issued in accordance with the Banks' law and regulations in force. It is the responsibility of the Executive Management to follow up the changes that take place on the International Practices of Financial Reporting and the domain of transparency required of financial institutions, and to make sure of the application thereof and confirm the Bank's practices in the scope of disclosure.

2. The Bank is bound to provide valid and meaningful information on its activities to each of the Central Bank of Jordan, the shareholders, depositors, other banks and the public in general and to disclose this information periodically and make it available to all.

3. The Bank shall make clear in its Annual Report its responsibility for the accuracy and adequacy of the Bank's financial data and the information stated therein.

4. The Bank is obliged to maintain lines of communication with the audit authorities, the shareholders, the depositors, other banks and the public in general. These lines shall be through the investors' relations' office, the annual report, the financial quarterly and periodic reports, and the regular meetings. Information in the Bank's Annual Report or in its quarterly reports or in the lectures presented by the Executive Management are provided through the office of investors' relations or in the website of the Bank in an updated form in both Arabic and English.

5. The Bank's annual and quarterly reports must include a disclosure from the Executive Management called "Management Discussion and Analysis" (MD & A) whereby investors are allowed to discuss the results of current and future operations, the Bank's financial position including the possible ramifications of the common trends and events and cases of uncertainty. The Bank undertakes to vouch that all explanatory notes in this disclosure are reliable, complete, fair, balanced, and understandable, and that it relies on the financial data published by the Bank.

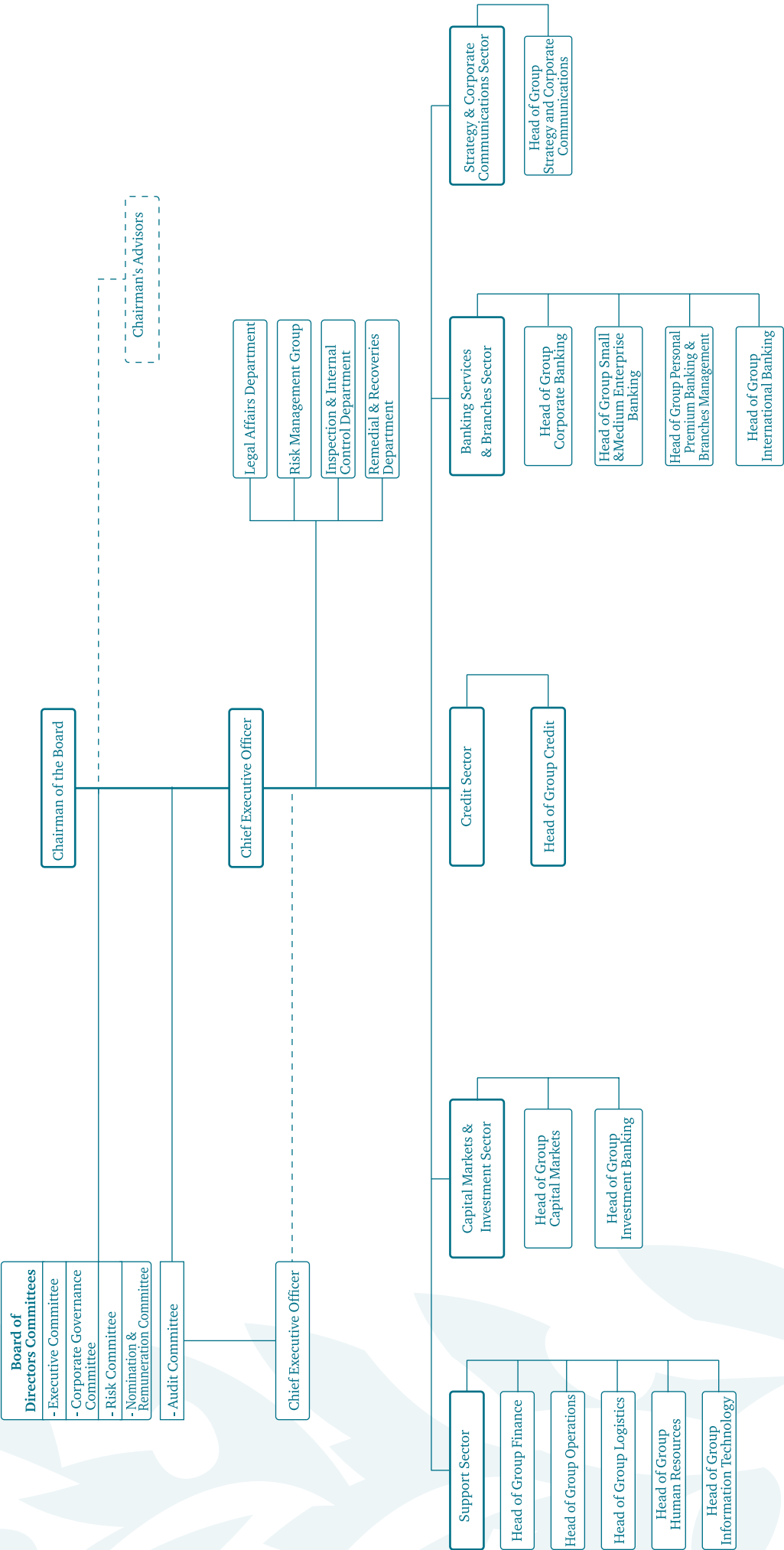
6. The Annual Report includes as part of the total commitment to transparency and disclosure:

- The endorsed "Corporate Governance Policy" and the annual details for the Bank's commitment to its articles The Corporate Governance Policy must be published in an updated form on the Bank's electronic website.
- Information on every Board Member: Qualifications and experience, share in the Bank's capital, whether independent, executive or non-executive, membership on Board committees, date of appointment on the Board, any membership on other boards of directors, bonuses/salaries received from the Bank, Bank loans and any other operations between the Bank and the member or his firms or other parties connected to him.
- Disclosure of credit facilities obtained by Members the Board of Directors and their firms at the current approved rates and not at preferential terms while taking into account the non-involvement of the member in any meeting where this deal, contract or vote takes place.
- A summary of the Bank's Organization structure.
- A summary of duties responsibilities of the Board committees, and any powers the Board has delegated thereto.

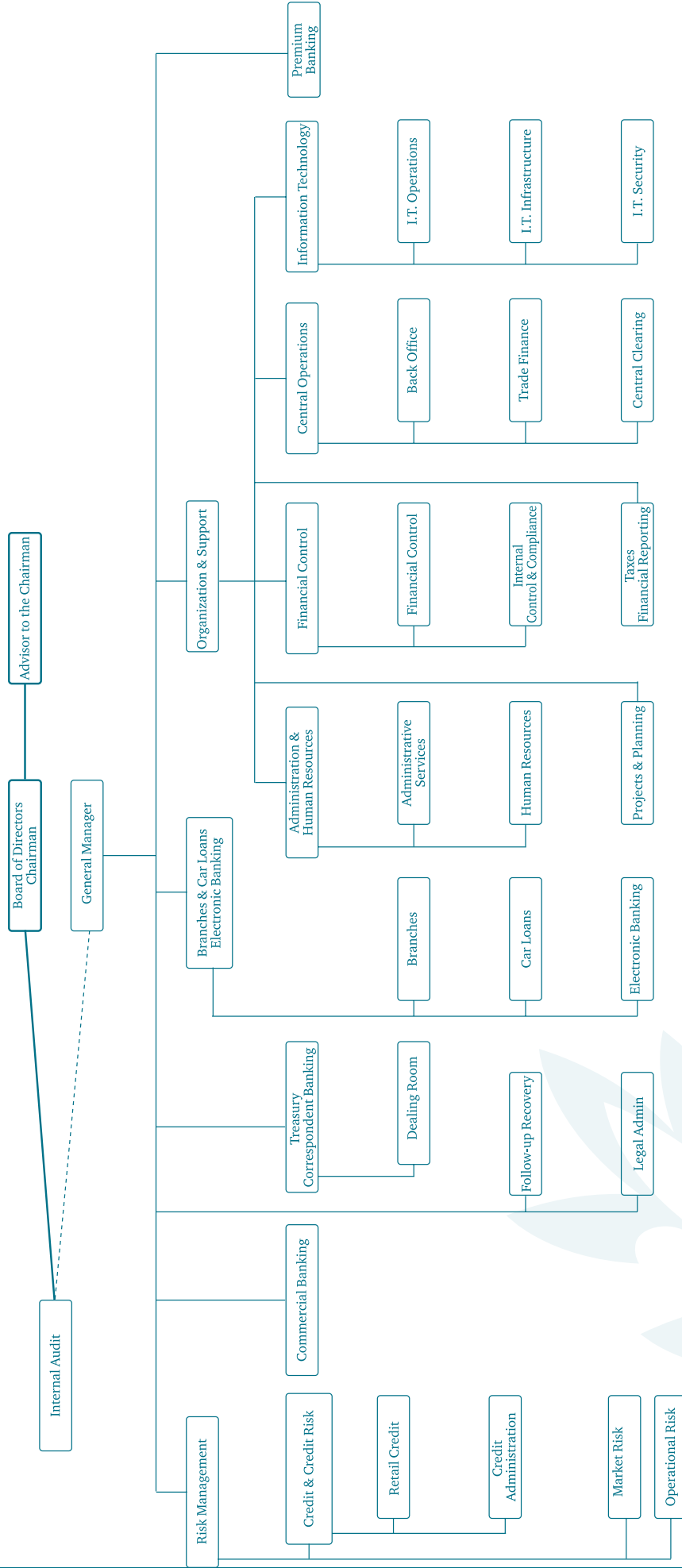
- The number of meetings the Board and its committees have held.
- A summary of the Bank's bonus policy, and the highest salary paid to the executive management.
- The Board's testimony of the adequacy of Internal Control and Audit regulations.
- A description of the structure and activities of the Risk Management Group.
- The major shareholders of the Bank (such as the shareholder or parties of concern that own or control more than 10% of the Bank's capital) while defining the ultimate beneficial owners who are the major shareholders in companies considered major shareholders of the Bank.
- Disclosure of any other matters that confirm the concept of Disclosure and Transparency and are recommended by the Executive Management and approved or requested by the Board.



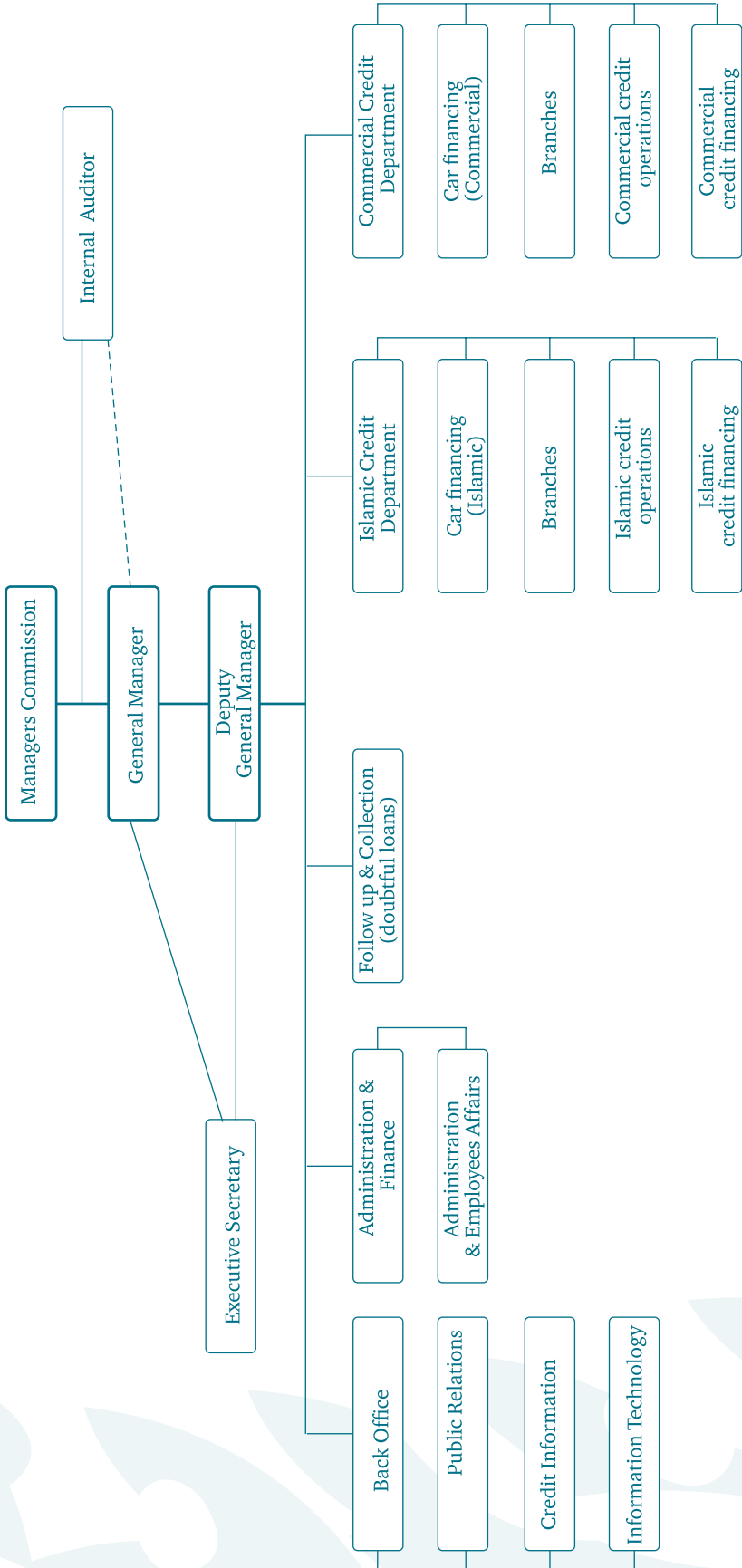
Organization Chart



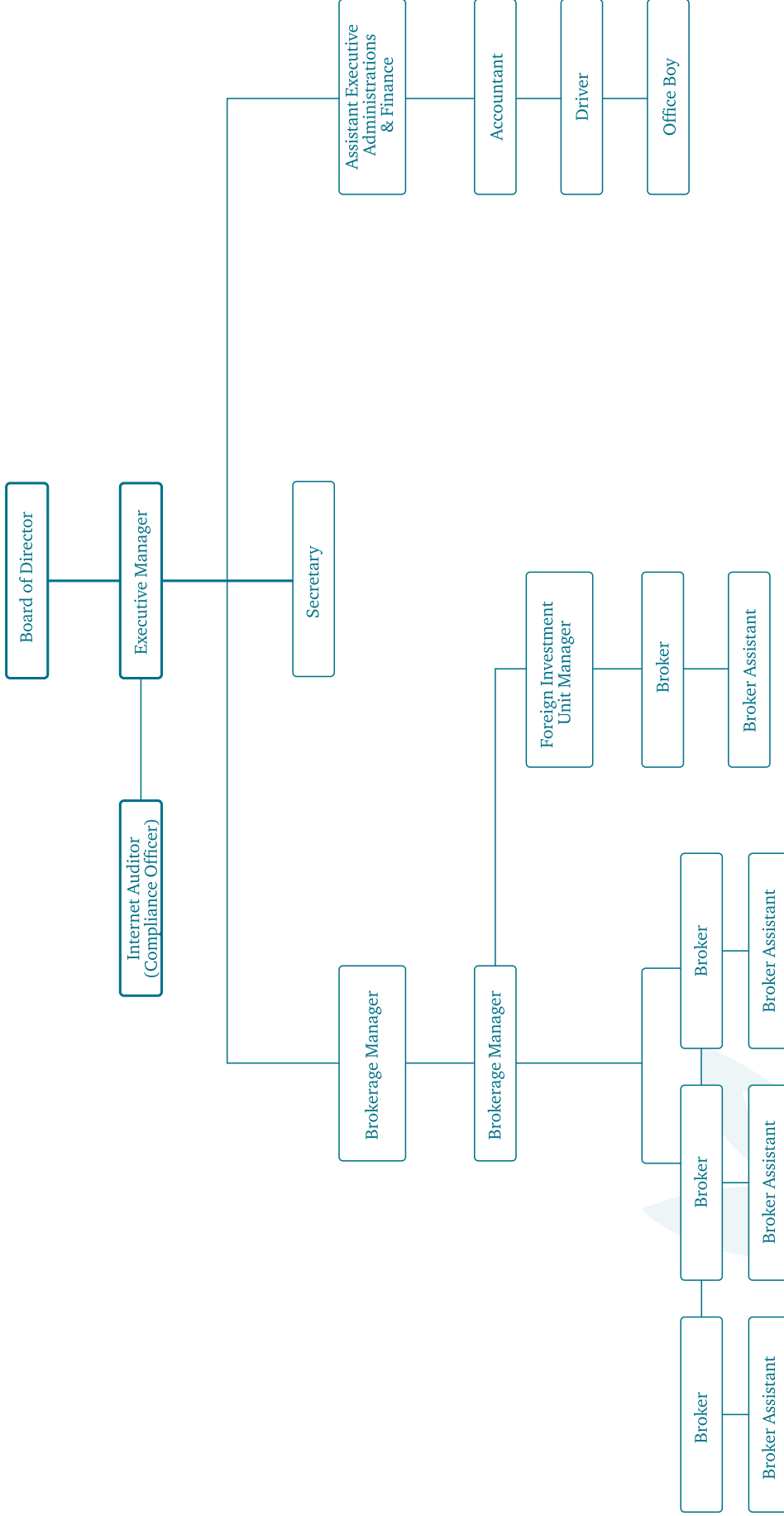
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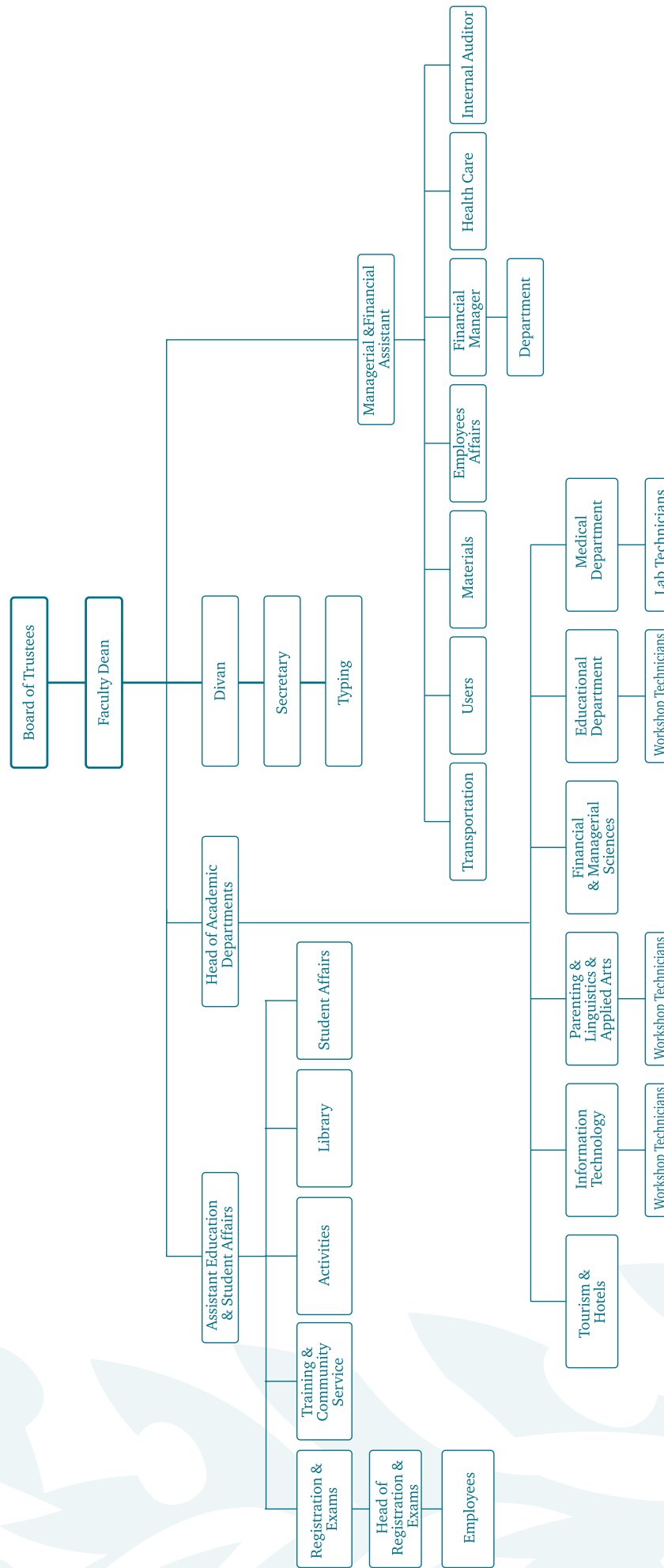
Ahli Micro Financing Co.



Ahli Brokerage Company



Zarqa National College Company





Branches and Offices in Jordan and Abroad

Jordan Ahli Bank

General Management

Queen Noor str. - Shmeisani

P.O.Box 3103, Amman 11181, Jordan

Tel: 5622282/5, 5622621/3, Fax: 5622281

Internet: [Http://www.ahli.com](http://www.ahli.com)

E-mail : Info@ahlibank.com.jo

Ahli International Banking Group

Queen Noor str., Shmeisani

P.O.Box 3103, Amman 11181, Jordan

Direct Tel: +962-6-5696741

Tel: +962-6-563800 Ext: 3301

Fax: +962-6-5689355

E-mail:bam@ahlibank.com.jo

Ahli Capital Markets Group

Tel: 4649367/9

Fax: 4649460

Jabal Amman, 3rd Circle

Ahli Investment Banking Group

P.O.Box 3103, Amman 11181, Jordan

Tel: 5689851/7

Fax: 5689864

Private Banking

General Management - Shmeisani

Tel: 5624806

Fax: 5624807

Corporate Banking Group

Shmeisani - Yaquob Saruf str.

Tel: 5609800

Fax: 5654982

Small & Medium Enterprises/ Group

Tel: 5609800

Fax: 5657536

Premium & Personal Banking (PPBS) Group

Tel: 5609800

Fax: 5673238

Ahli Brokerage Company (Subsidiary)

P.O.Box 3103, Amman 11181, Jordan

Tel: 5624361

Fax: 56243620

Brokerage@ahlibank.com.jo

Branches In Jordan

Amman Main Branch

Reda str. - Amman

P.O.Box 791 Amman 11118 Jordan

Tel: 4625126 Mgr :4624218

Fax: 4625120

Saqf Al-Sail

Commercial Area-Amman,

P.O.Box 151390 Mohagereen 11115 Jordan

Tel: 4616742/3, Mgr: 4637916

Fax: 4658318

Middle East Circle - Wehdat

Middle East Circle - Amman

P.O.Box 620190 Shealeh Area 11162 , Jordan

Tel: 4777279/80, Mgr: 4777288

Fax: 4777289

Qwaismeh

Madaba str. near Customs Dept. Amman

P.O.Box 38108 Qwaismeh 11593, Jordan

Tel: 4778951 Mgr: 4773630

Fax: 4746996

Al-Yarmouk str.

Wadi Al-Nasr-Amman

P.O.Box 6643 Amman 11118, Jordan

Tel: 4910801/2, Mgr: 4901334 Fax: 4920803

Ras Al-Ain

Jerusalem str.-Amman
P.O.Box 151174 Mohagereen11115, Jordan
Tel: 4757201/2, Mgr : 4757201 Fax: 4757203

Marka

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

Amman Customs Office

Main Bldg - Amman Customs- Qwaismeh
-Amman
P.O.Box 38108 Qwaismeh 11593, Jordan
Tel: 4771060 Fax: 4756954

Al-Hashmi Al-Shamali

Prince Rashed str.- Al-Hashmi-Amman
P.O.Box230120 Al-Hashmi Al-Shamali 11123,
Jordan
Tel: 4901343/4901363 Mgr.: 4901334 Fax:
4901302

Zerka

Zerka-king Hussein str.
P.O.Box 111 Zerka 13110, Jordan
Tel: 05 3983363/4 , Mgr.: 053983150 Fax: 05
3996555

Free Zone Office / Zerka

Free Zone- Zerka
P.O.Box 60 Free Zone 13134, Jordan
Tel: 05 3826214, 05826626, Mgr.: 053826171
Fax: 05 3826200

Al-Rusaifeh

King Hussein's str.- Al-Rusaifeh
P.O.Box 2000 Rusaifeh 13710, Jordan
Tel: 05 3746190, 053746191, Mgr.: 053746190
Fax: 05 3746192

Queen Noor str.

Shmeisani – Queen Noor Str. -Amman
P.O.Box 941273 Shmeisani 11194, Jordan
Tel: 5685905, 5672495 Manager: 5685901 Fax:
5699867

Prince Mohammad str.

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

Marj Al-Hamam

Princes Taghreed str. – Marj Al-Hamam
P.O.Box 776 Amman 11732, Jordan
Tel: 5716133/4, 5716906 Fax: 5716915

Chamber of Industry Building

2nd Circle – Jabal Amman
P.O.Box 2958 1st Circle 11181, Jordan
Tel: 4644896, 4644391, Mgr.: 4641142 Fax:
4649564

Jabal Amman

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

Sweifieh

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

Wakalat

Wakalat str. -Sweifieh
P.O.Box 852126 Sweifieh 11185, Jordan
Tel: 5852486/ 5821509 Fax: 5854283

Bayader Wadi Seer

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

Um-Uthaina

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

Abdoun

Cairo str. – Abdoun - Amman
P.O.Box 850454 Sweifieh 11185, Jordan
Tel: 5929431, 5929397 Fax: 5929652

Shmeisani

11 Ab str. – Shmeisani - Amman
P.O.Box 940017 Shmeisani 11194, Jordan
Tel: 5681382, Mgr. 5673578 Fax: 5681326

Wasfi Al-Tal

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

Jabal El-Hussien

Beer Al-Sabe'a Str. – Jabal El-Husseini - Amman
P.O.Box 921085 Jabal El-Husseini 11192, Jordan
Tel: 5667216, Mgr.: 5673984 Fax: 5698069

Sweileh

Main Str. – Sweileh- Amman
P.O.Box 15 Sweileh 11910, Jordan
Tel: 5343143,4 Mgr.: 5343357 Fax: 5333632

Deir Alla

Main str.- Deir Alla
P.O.Box 99 Deir Alla 18110, Jordan
Tel: 05 3573057, Mgr.: 05 3573161 Fax: 05
3573186

Salt

Municipality str. - Salt
P.O.Box 50 Salt 19110, Jordan
Tel: 05 3555771/2/3, Mgr. 053558014:
0535558014 Fax: 05 3555774

Al-Balka University Office

Al- Balka University -Salt
P.O.Box 50 Salt 19110 Jordan
Tel: 05 3532691/2 Ext: 3610 Fax: 05 3532690

Mecca str.

Mecca Str. - Amman
P.O.Box 973 Tla'a Al-Ali 11821
Tel: 5856017, 5866197, 5852511 Fax: 5866097

Queen Rania Al-Abdullah

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

Irbed

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

Hakama

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

Ramtha

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

Mafraq

Mafraq- Municipality Str.-Opposite. Of Electronic Operator
P.O.Box 150 Mafraq 25110, Jordan
Tel: 02 6232501 Mgr. 026232435 Fax: 02 6230303

Jerash

Jerash - King Abdullah str.
P.O.Box125 Jerash 26110, Jordan
Tel: 02 6351891/2 Mgr.: 02 6351890 Fax: 02 6351893

Industrial City Office / Irbed

Industrial City / Irbed
P.O.Box 61 Irbed 21110, Jordan
Telfax: 02 7400055, Mgr. 02 7404143

Aqaba

Aqaba-Hammamat str.
P.O.Box 49 Aqaba 77110, Jordan
Tel: 03 2022350/1/2, Mgr.: 03 2022354 Fax: 03 2022353

Maan

Maan - King Hussein str.
P.O.Box 114 Maan 71111, Jordan
Tel: 03 2132347/8 Mgr.: 03/2133749 Fax: 03 2132799

Tafila

Tafila –Main str.
P.O.Box 13 Tafila 66110, Jordan
Tel : 032241120 Mgr : 032243945 Fax: 032241710

Kerak

Kerak - Italian Hospital str.
P.O.Box 177 Kerak 61110, Jordan
Tel: 032351248/9 Mgr : 032355749 Fax: 032351676

Sahab

Sahab -Prince Hassan str.
P.O.Box 2. Sahab 11511, Jordan
Tel: 4021092, Mgr.: 4025673 Fax: 4021609
Madaba
Madaba-Municipality Bldg.
P.O.Box 295 Madaba 17110, Jordan
Tel: 053244254 Mgr.: 053245181 Fax: 053240260

Khreibet El-Suq

Madaba str -Amman.-Khreibet El Suq near Taibeh Bridge
P.O.Box 665 Khreibet El-Suq 11621, Jordan
Tel: 4126522, Mgr.: 4125088 Fax: 4127610



Branches & Subsidiaries Abroad

Palestine

Regional Management

Al-Quds str., Elbireh Ramalloah P.O.Box 550

Tel: + 970/2/2959343/4 /Mgr. :+

970/2/2959340 Fax: +970/2/2959341

Email: jnb@Palnet.com www.ahli.com

Elbireh Branch

Al-Zahra str. Ramallah P.O.Box 550

Tel: + 970/2/986310/13 Mgr.:

+970/2/2986373

Fax: +970/2/2986311

E-mail: jnb-ram@alqudsnet.com

Nablus Branch

Commercial Center B, Building No.8 P.O.Box 40

Tel: +970 /9/2382280/1,

Mgr.:+970/2/2374501

Fax: +970/9/2382283

E-Mail: jnb-nab@alqudsnt.com

Shallalah str. Branch – Al-Khalil

No.15 Shallalah str. P.O.Box 623

Tel: +970 /2/2224801/3,

Mgr.:+ 970/2/2224804

Fax: +970/2/2224805

E-Mail: Jnb-shal@alqudsnet.com

Al-Salam str. Branch – Al-Khalil

Al-Salam str. P.O.Box 718

Tel: +970/2/2226713,Mgr.: 970/2/2212770

Fax: +970/2/2226712

E-mail: Jnb-sal@alqudsnet.com

Bethlehem Branch

Al-Mahed str. P.O.Box 807

Tel: +970/2/2770351/2 , Mgr.:+

970/2/2770353

Fax: +970/2/2770354

E-Mail: Jnb-beth@alqudsnet.com

Cyprus

Regional Management - Cyprus Branch

Pecora Tower, 2nd Floor

1, Anexartisias str.

P.O.Box 53587

Lemesos - Cyprus 3303

Tel: +357 25 356669

Fax: + 357 25 356673

Tlx: 54713547 AHLIBK CY

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jo

Dealing Room

Tel: + 357 25 37 1118

Reuters Code: JNBC Swift

Code: JObcB CY21

E-Mail: ahlibank@cytanet.com.cy

Lebanon

Al-Ahli International Bank S.A.l. (Subsidiary)

General Management.- Bab Idriss Omar Daouk

str. P.O.Box 11-5556 Reyad Al-solh - Beirut

11072200

Tele Operator: 00961/1/970921-970929

Fax, Mgr. : 00961/1/970944

Fax Operations: 00961/1/970935

Fax Facilities: 00961/1/970946

Private Banking & Treasury

Tele: 00961/1/970960-970957/8

Fax: 00961/1/970959

E-Mail: DM@ahli.com.lb

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Bab Idriss Branch

Bab Idriss - Omar Daouk str., Ahli Intr.bldg
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Fax: +961/1/970952
TeleFax, Mgr.: +961/1/970951

Verdun Branch

Rachid Karamah str. – Diamond Tower Bldg.1st
Floor P.O.Box 5186, Beirut
Tel: + 961/1/797078
TeleFax, Mgr.: +961/1/790082
E-Mail: verdum@ahli.com.lb

Jdeideh Branch

Barbar Bou Jaoudeh str P.O.Box 20012
Bousharieh-Beirut.
Tel :+ 961/1/881719, Mgr.: +961/1/883890
Fax: +961/1/883891 Telx: 42270 LENATIOB
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Al-Hamra Branch

Emile Eddeh str., Ali Al-Huss Bldg,2nd floor,Al-
Hamra-Beirut
Tel: +961/1/340270 Fax: + 961/1/742843
E-Mail: hamra@ahli.com.lb

Dora Branch

Dora Highway, Kassarjian Bldg., 2nd Floor,
Beirut-Lebanon
Tel: +961/1/899121
Fax: + 961/1/894721 Mgr: 961/1/883722
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Kaslik Branch

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Kaslik, Lebanon
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E-Mail: Kaslik@ahli.com.lb

Tripoli Branch

Tripoli-Lebanon Awkaf Bldg.-Abdul-Hamid
Karamah Str. 1st Floor.P.O Box 900
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Fax: +961/06/430105
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Saida Branch

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