

ahli | الأهلي

البنك الأهلي الأردني
Jordan Ahli Bank



The Power of CHANGE

Annual Report 2009



**His Royal Majesty
King Abdullah The Second**

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Our Strategic Objectives

For Shareholders: High and Sustainable Returns

For Personnel and Management: Rewarding Careers and Above Average Remuneration

For Customers: A Wide Range of Products, Excellent Service and Fair Prices

For Society: Significant Contributions to Economic & Social Development

For the Regulators: Reliability, Integrity and Compliance with Basel II



Our Vision

Jordan Ahli Bank's unyielding resolve to advance and develop in line with internationally accepted banking standards guides our vision, with the growth of the Bank envisioned over three developmental phases:

Phase I: To grow Jordan Ahli Bank into one of the largest and most profitable financial services groups in Jordan.

Phase II: To grow Jordan Ahli Bank into a recognised leader across the Middle East.

Phase III: To grow Jordan Ahli Bank to become a significant player at the global level.



Board of Directors

H.E. Dr. Rajai Muasher	Chairman Until 15/12/2009
Mr. Nadim Muasher	Chairman As of 16/12/2009
Jordan Worsted Mills Company	Deputy Chairman Represented by H.E. Mr. Marwan Awad as of 16/12/2009

Members:

Byblos Bank (Lebanon)	Represented by H.E. Mr. Sami Haddad
Jordan Investor Center	Represented by H.E. Mr. Wasef Azar
Mouasher Investment & Trading Company	Represented by Mr. Imad Yousef Mouasher
Rajai Mouasher & Brothers Company	Represented by Mr. Rafiq Saleh Mouasher
Arabia S.A.l Holding (Lebanon)	Represented by Mr. Hani Fraij
ZI&IME Co. (Saudi Arabia)	Represented by Mr. Ala'adin Sami
The Social Security Corporation	Represented by H.E. Mr. Mohammad Rawashdeh
Mr. Mahmoud Z. Malhas	Member
H.E. Mr. Abdel-Elah Al-Khatib	Member
H.E Mr. Karim Tawfik Kawar	Member

Auditors

Messrs. Deloitte & Touche (Middle East) – Jordan

Executive Management

H.E. Mr. Marwan Awad	Chief Executive Officer / General Manager
Mr. Issa Khoury	Advisor to H.E the Chairman
Mr. Ibrahim Ghawi	Deputy Chief Executive Officer / Head of Group Finance
Ms. Lina Bakhit	Deputy Chief Executive Officer/Head of Group Ahli Capital Markets and Investments
Mrs. Hadil Kayyali	Deputy Chief Executive Officer/Head of Group Operations
Mr. Hani Farraj	Deputy Chief Executive Officer/Head of Group Administration & Logistics/Secretary of the Board of Directors)
Mr. Zahi Fakhoury	Deputy Chief Executive Officer/Head of Group Credit
Mr. Sa'ad Mouasher	Deputy Chief Executive Officer/Head of Group Strategy and Corporate Communications
Mr. Iyad Al Asali	Deputy Chief Executive Officer/Group Corporate Banking
Mr. Faleh Al Najjar	Deputy Chief Executive Officer/Group SME Banking Services
Mr. Ahmad Al Khubb	Deputy Chief Executive Officer/ Head of Group Personal and Premium Banking and Branches Management
Mr. Bashar Bakri	Deputy Chief Executive Officer/Head of Group Human Resource
Mr. Kameel Haddad	Deputy Chief Executive Officer/Head of Group Remedial and Recoveries
Mr. Samer Abu Zayed	Deputy Chief Executive Officer/Head of Group Information Technology and enterprise programs
Mr. Ragheb Halaseh	Assistant General Manager / head of Group Internal Audit
Mr. Ziad Kokash	Executive Manager / Group Risk Management
Ms. Oraib Hammoudeh	Executive Manager/Inspection & Internal Control Department



Mr Nadim Muasher
From 16/12/2009



H.E. Dr. Raja'i Muasher
Until 15/12/2009

Message from the Chairman of the Board of Directors

Dear Shareholders,

I am pleased to present to you the 54th annual report for Jordan Ahli Bank, which contains an overview of the main activities and accomplishments of the bank in accordance with its outlined strategies for the year 2009. The report also details the bank's plans for 2010 and the key economic indicators for the Kingdom over the previous year.

I would like to express my utmost gratitude to His Excellency Dr. Rajai Mouasher for his unwavering leadership of Jordan Ahli Bank throughout the years. Dr. Mouasher has left us to assume the position of First Deputy Prime Minister and will continue to service the Kingdom with his wealth of experience. Jordan Ahli Bank has always been a national institution and a source of pride to all those affiliated with it, all of whom have tremendous respect for the bank's former Chairman of the Board. On behalf of the bank's team, I would like to wish His Excellency the best of luck in his journey.

The challenges that struck the global economy were quite severe. Jordan has had its fair share of these challenges as the global economic downturn initiated a chain reaction that carried its effects to various global sectors. The crisis placed in perspective the critical risks associated with structured credit products and real estate loans, not to mention the flaws inherently present in the risk management and monitoring strategies implemented by the global banking sector. We can safely say, however, that the measures taken by the various governments and financial institutions around the world have been somewhat effective in restoring financial stability. All efforts now are being poured into reviving the economy by implementing conscious crisis management tactics, and all forecasts point to a favourable outcome.

Jordan's banking sector has proven to be quite resilient to the crisis, particularly in its early stages, and this is primarily due to the conservative loaning policies adopted by most banks under the governance of the Central Bank of Jordan. These policies have helped preserve the sovereignty of the banking sector and helped maintain stability in our economy. Today, 18 months after the onset of the crisis, Jordan's banking industry has managed to overcome its most critical phases, which has allowed the country to retain its investment allure and safeguard the assets of the Jordanian people. The strength of the sector has preserved its unceasing supply of banking services despite the absence of real growth, which will allow Jordan to maintain its economic growth until the crisis passes.

Here, it becomes necessary to point out some of the effects of the crisis and their repercussions on the banking sector. After the recession managed to find its way to the real economy, it culminated in a decrease in the GDP accompanied by an increase in unemployment. This resulted in a hike in the costs associated with decreasing direct credit facilitations for a number of banks, which also resulted in a decrease in profits. Investment portfolios were also left with compromised values due to the deteriorating performance at the Amman Stock Exchange.

Jordan Ahli Bank, however, has taken all the necessary measures to improve its risk management. We have begun developing new risk management concepts and implementing Central Bank guidelines with regards to stress testing, prioritization, and asset development. The bank recently signed an agreement with the renowned financial research and analysis company, Moody's, under which the bank will import an automated internal ratings-based (IRB) system to assess the credit risk of its clients. The system will be implemented in all sectors of the bank's credit portfolio, which will increase its financial integrity and decrease the number of bad debts and hanging interests. Our facilitations are now geared primarily towards industries with the highest growth potential and with reasonable risks.

The bank continued restructuring its branches in accordance with different banking sectors. A special unit was designated for the development of bancassurance products, launching several insurance programs to service the bank's existing clients and attract new ones. The bank is also organizing new advertising and marketing campaigns to promote its product line-up in an effort to reinforce its position and identity.

The bank also founded the Financial Leasing Company (FLC) as a wholly-owned, independent entity with a start-up capital of JD 20 million. FLC will offer various financial services to companies, institutions and individuals. The launch of FLC comes to crown the success achieved by Jordan Ahli Bank's Financial Leasing Department over the last two years. The expansion and launch of the department as an independent company is a continuation of its pioneering role in complementing the bank's rich line-up of high end financial services.

We have every confidence that we can weather the current challenges, as proven by the bank's performance benchmarks which show a pre-tax net profit of JD 27.3 million, which translates to a 9.5% growth. This has registered a 9.5% increase in the average return on equity, adding to the bank's ever-expanding streak of remarkable achievements.

There is no doubt that these are exceptional times and it would be difficult to predict when they will come to pass. We have no doubt, however, that the current period is indeed a fleeting state of affairs that we are sure to recover from in due time, particularly with the unrelenting efforts exerted by all concerned parties to develop the bank's operations. The recession is bringing us a wealth of new lessons which are bolstering our ability to make use of all opportunities that come our way.

In closing, I would like to express my utmost gratitude to our management and team for their steadfast commitment and perseverance during these trying times. I would also like to thank our clients and shareholders for the trust they place in our institution. Of course, credit should also be given to the Central Bank of Jordan and its pertinent authorities for their efforts in safeguarding the Jordanian economy.

Nadim Y. Muasher
Chairman of the Board of Directors of Jordan Ahli Bank



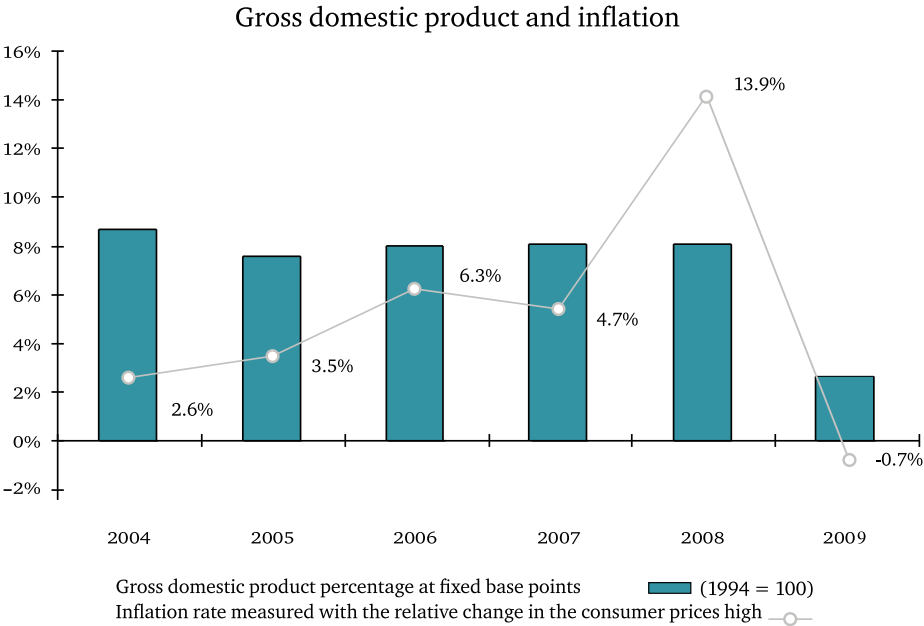
Performance of the Jordanian Economy During 2009

Owing primarily to the soundness of its banking system, the Jordanian economy was able to steer clear of many of the repercussions of the financial crisis which led to the downfall of some of the largest international establishments, threatening the financial and monetary stability of many countries around the world. The sound credit policies of local banks, in addition to competent regulatory authorities, capital adequacy, and the accumulation of liquidity surpluses during the past years, have contributed to fortifying the Jordanian economy. With such safeguards, the economy was protected from the risks that ensued on a number of international banks as a result of their exposure to mortgage risks and structured credit instruments, with catastrophic effects on their economies.

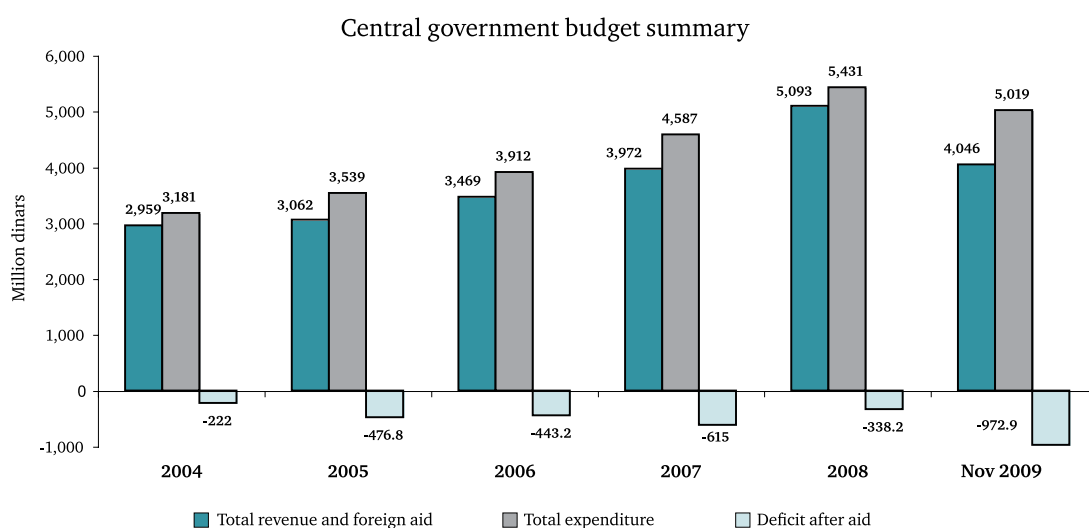
However, and despite the resilience of the banking system and the soundness of its financial state, the real effect of the global financial crisis was felt in 2009 with the decline of foreign trade resulting from the global recession, in tandem with the contraction of FDI flows, decreased expatriate remittances, especially those working in the Arabian Gulf, and other factors. This all led to a tangible deceleration in the real growth rate, the aggravation of the country's budget deficit concurrent with the deterioration in foreign aid, in turn reflected on public debt, particularly internal debt, which witnessed a sharp increase during the past year. And with reduced overall demand and declining local consumption averages in the national economy, coupled with increased risk premiums at banks, the growth of credit facilities provided by licensed banks deteriorated considerably. In light of these developments, the Government and the Central Bank adopted a number of provisional measures, the most prominent of which has been the guarantee of all bank deposits, with no limit, until the end of 2009, later extended until the end of 2010. The percentage of compulsory reserves on deposits at banks was decreased from 10% to 7%, whilst the conditions for classifying non-operating credit facilities were eased. In the interim, and as of the end of 2008, the Central Bank refrained from issuing Certificates of Deposit as part of its measures intended at reinforcing local liquidity. Interest rates were also lowered on the Central Bank's main loan instruments in light of decreasing inflationary pressures, as were various tax exemptions granted to a number of economic sectors to limit the repercussions of the global financial crisis and in turn stimulate the national economy.

The economic situation remained at the forefront of the priorities for the Government that was formed at the end of last year, which issued a provisional income tax law that exempts the first twelve thousand dinars of the income of individuals and the first twenty-four thousand dinars of the income of families, while levying an income tax of 7% on the first additional twelve thousand dinars and 14% on all amounts over and above. Additionally, income tax imposed on banks and financial institutions was reduced to 30%, while telecommunications, brokerage, insurance and financial leasing companies were subjected to an income tax of 24%. Finally, an income tax of 14% was levied on the remaining companies and sectors, while the agriculture sector was fully exempted save for agricultural companies, which obtained exemptions for the first seventy-five thousand dinars of their income. These measures are expected to propel economic growth and improve the investment climate of the Kingdom.

The general level of prices during 2009, as measured against the Consumer Price Index (CPI), witnessed a decline of 0.7% at year end, in comparison with comparative levels recorded for consumer prices in 2008, which had reached 13.9%. This is mainly attributed to the significant decrease in the prices of imports to the Kingdom, and in particular those of crude oil, which witnessed a substantial decline amidst the continued global financial crisis. And in light of receding external inflationary pressures, the Central Bank of Jordan executed a series of reductions on its monetary policy instruments interest rates, which resulted in reducing interest rates by 150 base points during 2009. This brought the rediscount rate to 4.75%, and the interest rate on overnight repurchase agreements to 4.5%, while the overnight deposit window rate was a recorded 2.5% at year end 2009.



The Kingdom’s Gross Domestic Product (GDP) at fixed market prices recorded a growth of 2.6% during the first three quarters of the past year compared to a growth rate of 6.2% during the same period in 2008. This came as a consequence of the general economic slowdown that prevailed in many sectors, which in turn negatively impacted the general financial performance particularly in terms of shrinking government revenues and declining foreign aid. Specifically, and during the first eleven months of the year, GDP amounted to approximately JD3.815 billion, a decrease of 5.7% compared to the same period in 2008, while the value of foreign aid decreased by JD327.1 million to reach JD230 million as at the end of November 2008. On the other hand, and as a result of the increase in capital expenditures at a rate of 23.2% and a decline in current expenses at a rate of 0.1%, government expenditure increased by 3.8% during the first eleven months of 2009 to reach JD5.018 billion. The Government had earlier adopted an annex to the budget at the end of last year with an approximate value of JD300 million, thereby increasing the budget deficit to an unprecedented amount of JD972.9 million calculated after factoring in aid as at the end of November 2009 compared to a deficit that did not exceed 230 million dinars during the same period of 2008. It is worth mentioning at this point, that the moderate deficit recorded during 2008 included non-recurring revenue from the sale of land in Aqaba at a value of JD354.5 million.

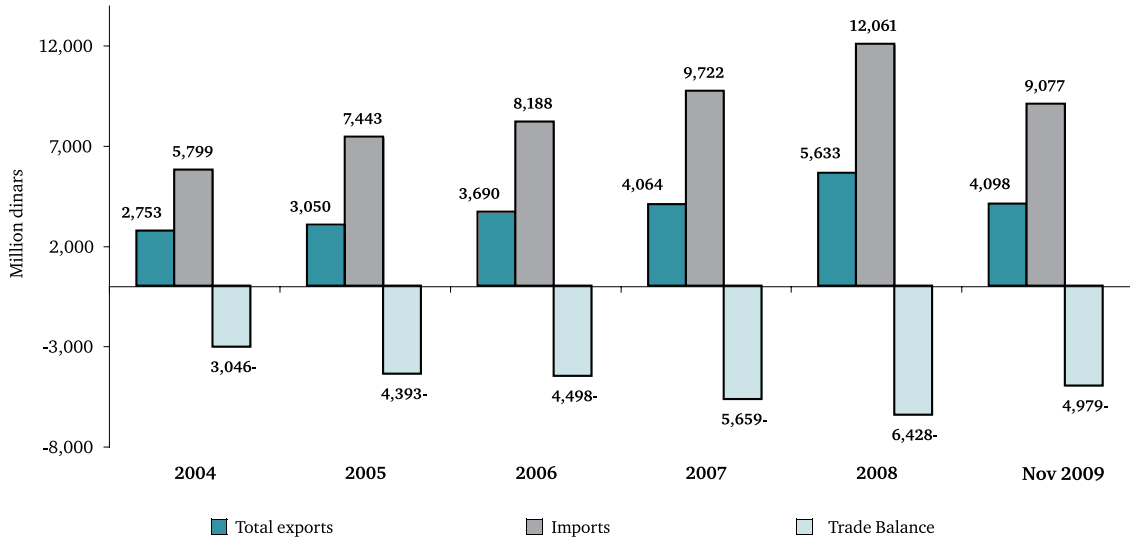


In light of this steady increase in the budget deficit, the Government resorted to internal borrowing, which led the net internal public debt of the central government to reach JD5.91 billion as at the end of November of last year, thereby recording an increase of JD999 million as compared to the data of year end 2008. This brings the percentage of net public debt to GDP to 36.4%. With increased financing requirements that aimed to cover the budget deficit for 2009, and the Government's inability to borrow directly from the banking system in accordance with the Public Debt Management Law for 2001, the Government resorted to increasing issues of treasury bonds to over JD990 million.

Conversely, the external public debt balance reached JD3.741 billion, recording an increase of JD100 million compared to JD3.63 billion recorded at year end 2008. As a consequence, external public debt to GDP reached approximately 23.1%, bringing the net public debt (internal and external) to JD9.651 billion as at the end of November 2009, thus accounting for 59.5% of total GDP compared to JD8.551 billion (56.8% of total GDP) as at year end 2008. The law amending the Public Debt Law and its Management for 2008 stipulated new ceilings for public debt, whereby debt balances are not to exceed 60% of total GDP for the sum of internal and external balances.

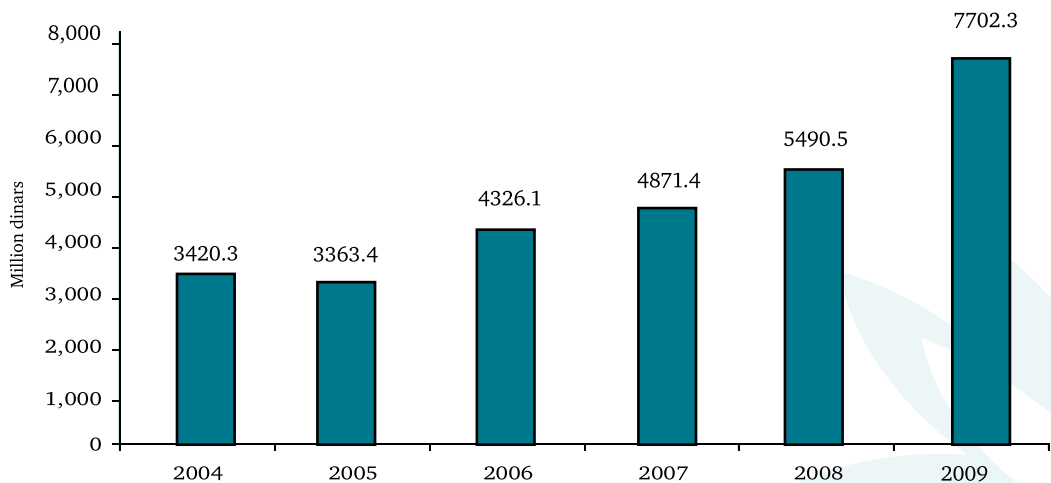
The deficit in the trade balance decreased to JD4.979 billion as at the end of November of last year, at a rate of 17.9%, and as a result of a JD2.173 billion decrease in the Kingdom's imports which reached JD9.077 billion as at the end of November, at a rate of 19.3% of which 11.1% is attributed to oil imports. Concurrently, total exports (including re-exports) declined at a rate of 21% to reach JD4.098 billion, while exports of clothing represented 16.7% of the kingdom's total exports. Despite the decrease in the trade balance in favor of the Kingdom, the volume of external trade shrunk by 19.6% during the first eleven months of last year as a result of the slowdown in the global economy.

Foreign trade developments



The foreign exchange reserves with the Central Bank of Jordan rose to new highs of US\$10.879 billion at year end 2009; an increase of 40.5% compared to year end 2008. Overseer remittances from Jordanian workers amounted to US\$2.553 billion as at year end 2009, thus recording a decrease of 5.2% compared to JD2.69 billion as at year end 2008. This decline can mainly be attributed to the repercussions of the global crisis on the economies of countries with the largest numbers of Jordanian expatriates, and in specific, the Gulf countries.

Foreign exchange reserve with Central Bank of Jordan



As for the capital market, the Amman Stock Exchange (ASE) witnessed a decline during 2009 in terms of market value of approximately JD2.8 billion, reaching approximately JD22.571 billion at the end of December 2009. The share price index, weighted by free float shares, also dropped by 8.2% to reach 2533.5 points as of conclusion of dealings for 2009. The value of trade dropped by 52.4% to record JD9.665 billion, which represents a decrease of JD10.652 billion compared to 2008. Statistics reveal that the volume of investments made by non-Jordanians in the ASE reached JD10.44 billion as of conclusion of dealings for 2009, representing 45.5% of the total market value of the ASE for 2009.

Board of Directors Report on the Bank's Achievements During 2009

In light of the continued repercussions of the global financial crisis on the banking system in Jordan and the national economy in general, the efforts of Jordan Ahli Bank's Board of Directors during 2009 focused on improving the ability of the Bank to detect risks, effectively apply its management system, and reduce bad and non-performing loans. In accordance with best international banking standards and practices, the Bank also worked towards prudent operating expenditures, increased operational efficiency of branches and sales points, the development of new products, and improved services for customers. Included hereunder are the most significant achievements of the different sectors and groups of the Bank, as follows:

Group Strategy & Corporate Communication

Group Strategy's mandate is to guide the bank towards gradually yet effectively becoming a world class financial services institution. The five major "pillars of change" that Group Strategy has been spearheading:

1. **Segmentation:** instituting complete business segments across the bank (corporate bank, SME bank, personal bank, etc.) and ensuring that each segment develops its own specialized products, sales and delivery channels, credit policies, specialized staff, and much more.
2. **Risk Management:** encouraging the bank to move towards best practice risk management frameworks, methodologies and systems.
3. **Human Resource Management:** ensuring that a systematic HR culture, systems, and policies are developed properly within the bank in order to encourage organizational excellence.
4. **Sales and Marketing:** ensuring that the bank becomes more sales intensive, and finding ways to automate, centralize, and streamline operations in order to free up more people to focus on producing income.
5. **Information Technology:** guiding the bank towards the selection and implementation of state of the art IT infrastructure and services, in order to transform IT into a strategic, competitive advantage.

Group Strategy has developed a highly sophisticated mechanism for executing these changes across the bank, in line with the balanced scorecard methodology. Strategic planning is managed in the following way:

1. Group strategy presents guidelines every year to all business and support divisions on which to build their detailed strategic plans.
2. Each division then provides Group Strategy with a detailed list of their strategic imperatives. Each imperative has a deadline, and is measurable in terms of its impact on one of four issues: financial, human resource, customer service, or internal business process.
3. Group Strategy reviews and makes additions, improvements to strategic imperatives
4. Group Strategy then follows up implementation of these strategic imperatives across the organization, and ensures that they are being executed properly and on time.
5. Group Strategy gets involved in some of the key imperatives, especially the ones that are enterprise wide and that are highly sensitive and or difficult to implement (strategic projects).

Group Strategy is slowly yet effectively guiding the bank towards becoming a best practice financial services institution.

Marketing and Corporate Communications:

The marketing and Corporate Communications Department is considered to be among the most important departments that provide job support to all banking divisions through the setting of marketing PR strategies and the management of advertising and marketing campaigns. It constantly strives to develop its methodologies for building a marketing strategy that is based on fact based criteria for marketing financial products and services , using the best and most effective channels to focus on the targeted market segments.

The achievements of the Department during 2009 included participation in many different educational, sporting and cultural sponsorships and events, as part of the Bank's commitment to fulfil its social responsibility towards society and country.

The Department also continuously undertakes the updating and restructuring of the Bank's website and information, in addition to its supervision of the corporate identity development process and the design and management of marketing campaigns for the different products of the Bank. In 2009, the most significant of these campaigns was the launching of the new savings accounts campaign for "Abna'i saving account" , "Jame'ati saving account" and " Ghoushan Al-Omor saving account." These campaigns aim to reinforce the concept of saving and are a reflection of our belief in the importance of the role we play in terms of encouraging our clients and the community in general to save responsibly for the benefit of the future.

It is worth noting that Jordan Ahli Bank took first place in the banking sector during the Jordan Advertising Awards ceremony in 2009; the Bank secured 6 awards that ranged between gold, silver and bronze.



Banking Services and Branches Sector; comprised of:

a. Group Corporate Banking:

The Group was able to achieve all its targets for deposits and direct facilities. Indirect facilities witnessed some decline in light of the global and local economic conditions that resulted in a deceleration in credit movement in general, and caution with regards to expanding credit lines to various sectors in light of the Bank's approach to lowering specific credit ceilings.

In spite of reducing facilities to clients with high credit concentration in our credit portfolio, the Corporate Group witnessed growth in total volume of facilities compared to 2008. The Group also continued its work to gradually reduce the size of the Iraq portfolio and increase the size of guarantees provided by clients, in addition to implementing the credit policies set by the Executive Committee. This resulted in a large reduction in the volume approved credit limits, in line with the bank's strategy to reduce the volume of non-secured credit risk in general.

Other key areas of focus included:

- Continuous follow up of non-performing loans, thus allowing for the collection of outstanding balances of bad debt in coordination with the Bank's legal advisor; rigorous follow up on incomplete documentation; routine and periodic follow up with clients for settlement of the payables on their accounts; and exiting relationships that do not comply with the Bank's regulations and requirements.
- Continuous adherence to a policy of augmenting guarantees and minimizing credit risk in accordance with the policy pursued by the Bank.
- Bearing in mind the abovementioned, the adoption of profitability as a fundamental premise in the process of granting credit, and continuing to employ a policy of enhancing account profitability concurrent with the minimum acceptable standard, in accordance with what has been established during 2008 through the profitability index and risk rating models, relationships that do not achieve the benchmark adopted by the Jordan Ahli Bank are exited or alternatively, account profitability is increased in a mutually beneficial way.
- Maintenance of a policy espousing closeness to the client, through routine visits and direct contact to improve account transparency and risk mitigation, or to seize opportunities for expansion, in addition to maintaining our distinctive clients and providing them with better service.

The most significant achievement for the Group was the official inauguration of the Ahli Corporate Branch, the first one-stop shop branch dedicated exclusively for corporations in the Middle East. Another achievement was the Group's success in structuring and leading the first syndicated loan facility in the history of the Bank, for (the Arab Mining Company (ARMICO) with the participation of three Jordanian banks, and for the amount of USD 22.5 million, which resonated well in the Jordanian market. In addition to this, Ahli Financial Leasing Company was established and officially commenced operations with the onset of 2010. On

another front, work between the Bank's branches in Palestine and its Head Office was organized through Service Level Agreements, and the branches were granted their own credit authorities.

b. Group Small and Medium Enterprises Banking

The Group effectively contributed to the development of the Bank's business, achieving all targets, and in specific, in regard to banking products and services and participation in maximizing the Bank's market share while continuing to achieve high growth rates in terms of loans and deposits. This has only reinforced the competitive position of the Bank in light of the Group's strategy which aims to develop its products and services to serve the needs of all SME clients. Of the many achievements realised by the Group, the following are noteworthy:

- Improved its leading position in the market and significantly growing our SME client base.
- Expanded the Bank's high credit rated client base.
- Improved and redesigned banking products to be of high quality and to satisfy the needs of the different SME segments.
- Improved relationship management with clients and developed additional opportunities for cross selling.

In order to strengthen the ability of the Group to provide banking services of the highest quality and effectiveness and of the highest professional standards to the Bank's network of SME clients, specialized SME business centres were launched during 2009 in Aqaba, Irbid and Zarqa, in addition to many different areas within the capital Amman. These centers are managed by a work group specialized in providing banking services to clients in the SME sector.

c. Group Personal & Premium Banking and Branches Management

During 2009, the Group continued to implement the Bank's strategy in developing and expanding the retail business, which was adopted during the previous year and which included various strategic plans in the field of developing branch operations, restructuring them, expanding the network in accordance with the new identity of the Bank, and reinforcing direct sales centres with qualified cadres to support the branches in attracting new clients.



In addition, it organized advertising and marketing campaigns to promote the existing products of the Bank. The Group has come a long way in terms of restructuring the network of branches by adopting a model framework conforming to the accepted classification of segments, and it completed the centralization of most operations functions in the Bank's branches. The Group focused its efforts on enhancing the qualifications and the training of existing and new branch employees through intensive training courses in coordination with Group Human Resources. New work manuals were also updated for branch operations, and a special cash unit for transporting cash to and from branches was established. Approximately, 85% of branch reports have been centralized and are now prepared by the respective departments, thus allowing branch employees to concentrate efforts on the marketing and sales of banking services.

To increase the expansion of the Bank's branch network, a new branch was opened during 2009 on Ibn Khaldoun Street to serve the personal and as well as SME segments in the area. The operations of the Yarmouk branch were integrated with those of the Al Sharq Al Awsat branch, as were the operations of the Saqf Al-Sail and Amman branches. The decision to integrate branches was issued in order to improve the performance of branches and increase the market share of the Bank in those areas. The Group also closed Prince Mohammad St. branch and integrated its operations with those of Jabal Amman branch, which is in the same area. A new branch was also opened in Wadi Saqra, and the Madaba branch was moved to a new and more customer friendly location. The Group plan for 2010 includes opening 4 new branches in selected areas that offer growth opportunities. New ATMs were installed in pre-approved locations including Cozmo Supermarket, University of Jordan, the Amman Marriot Hotel, and the Wadi Saqra branch, thus expanding the outreach of our electronic services. The expansion plan and the general modernization process for the coming year also includes approving new targeted locations to widen expansion, increasing the number of ATMs from 61 to 75 functioning machines, and replacing of existing machines with modern advanced machines that offer a variety of banking services.

The Group also worked on upgrading existing branches during 2009, in line with the Bank's new corporate identity introduced in 2006. Branches in Marka, Sahab, and Sweifieh were refurbished, and work is underway to complete the renovation of a number of branches during 2010.

Also during the year 2009, the Group launched banking insurance products through a specialized unit that was established and staffed with a qualified cadre to sell banking insurance services. The unit commenced work by introducing various insurance programs to serve the Bank's customer base and to attract new customers. It also concentrated on modernizing and developing existing personal products through offering additional competitive benefits to make Jordan Ahli Bank the most creative and advanced in this field. The Group was also able to launch several savings accounts serving a number of sectors, and to transform "Ghoushan account" to "Ghoushan Al-Omor Saving Account". This included distributing 720 monthly cash prizes in addition to a grand prize announced through a program for these drawings. It also completed the redesign and development of the premium client service and electronic transfers service, in addition to further modernizing the Ahli Online Banking electronic services, which is to be completed during 2010, to provide the largest number of possible financial operations and services. The Group also circulated an automatic system to facilitate and speed the process of granting personal loans, and employees of all branches were trained on its use. And to simplify procedures and guarantee efficiency and speed in the processing of credit facility applications, the amendment of accepted policies and procedures for granting personal loans was completed. The Group is also developing and updating a new commission list that aims to enhance the Bank's profitability from fees and commissions on non-

credit services. Operations for approving credit cards and businessmen services were transferred from the Cards Department to a specialized company owned by the Bank with several local banks, to allow for a greater focus on the issuance and sale of credit cards.

Furthermore, the Group continued to strengthen the direct sales team with qualified cadres. The Call Center was also modernized and its staff was enlarged and trained to accept inquiries from clients, while responding to them promptly and professionally. Additionally, the Group continued to follow up on the performance of branches by applying basic standards for quality assurance to increase client satisfaction towards the Bank's services. These standards are measured by the Quality Assurance Department, in coordination with the Marketing and Corporate Communications Group.

The work plan for 2010 is based on many issues including completing the restructuring of the Bank's branch network whilst simultaneously examining and evaluating the current conditions of existing branches, the opening of new branches in select locations, the further rehabilitation of branches and sales centres and electronic services to serve as effective distribution channels for the Bank's services, the reduction of branch expenses through expediting the centralization of administrative and financial reports, the reduction of paper work in branches, the continued development and effective promotion of products in line with the needs of targeted sectors, and the follow up on upgrading work manuals and procedures applied in branches.

d. Group International Banking Services & External Branches

The Group aims to provide the best service to the Bank's clients, enabling them to manage their accounts or inquire about them around the clock and from any location. Within this framework, and during March 2009, Ahli Net service was launched for personal and corporate banking for branches in Jordan, Palestine, and Cyprus. ATM machines were also installed in Palestine's branches in addition to issuing ATM cards to clients to facilitate cash withdrawals and deposits. The Group completed installing a queuing system in the Bank's branches in Palestine, in branches that have been modernized, providing clients with banking services in an orderly and systematic manner.

Further along the path to modernization and development, and following the opening of the new model Bethlehem Branch, the main Ramallah Branch was also refurbished in line with Ahli Bank's new design standards.

The Group's achievements culminated with the launch of the real estate product for clients throughout Palestine. The product was launched at the beginning of September 2009 in tandem with an advertising campaign in daily newspapers and on the radio. The effect of this campaign was reflected in increased demand of existing and prospective clients for real estate loans. The branches in Palestine were also restructured and the job descriptions of employees were updated, each in accordance with the main economic sectors covering individuals and SMEs in addition to stream highly and aligning the organizational structure of the regional management.

The previous year also witnessed the launching of a modern website for the branches in Cyprus and Lebanon to enable clients to access all the banking services provided by our branches including the new life insurance services for clients.

Based on the requirements of the monetary authority in Palestine, a risk management unit was established in the Regional Management office for Palestine branches. In Cyprus, a system to calculate liquidity was installed based on the maturity of deposits and facilities in the Cyprus Branch, and in line with the liquidity requirements of the Central Bank of Cyprus. The Group also focused on providing general and special training opportunities for the employees in Palestine and Cyprus in order to raise their competencies and increase their productivity.

In line with the Bank's "Power of Change" slogan, and in keeping with its strategy for 2010, the Group is set to modernize the remaining branches of the Bank in Palestine (Nablus, Al-Salam, Shallalah), to guarantee client satisfaction and comfort. It is also following up on the performance of existing products such as personal loans and auto loans and creating new products in the personal banking sector to suit the banking needs of the local market. ATM machines are also being installed in strategic locations in Palestine to facilitate cash withdrawals and deposits in various places, and marketing campaigns are being launched within Jordan to make clients aware of the banking services and benefits offered by the Bank's branch in Cyprus, in order to expand the offshore client base. The Group will work on supporting all the Bank's branches in Palestine in all ways possible in its quest to lessen the work load of branch employees, allowing them to better concentrate on customer service and marketing to increase the Bank's market share. This will be realized through preparing to deploy a central operations system, centralizing internal oversight functions and transferring them from branches to the regional management in Ramallah, activating and implementing credit operations, and centralizing the issuance of periodic and non-periodic reports in the regional management headquarters.

Credit Sector

Group Credit:

During 2009, the Group implemented effective policies that focus on granting credit facilities to high profit economic acceptable credit sectors with risks. It also effectively installed a risk management system on the credit portfolio for all the sectors of Jordan Ahli Bank, to guarantee the financial quality of the portfolio, thus reducing bad and non-performing loans and decreasing suspended interest. The Group is diversifying credit facilities into all targeted economic sectors, while focusing on the highest growth sectors with the highest profitability and reasonable risks, keeping abreast of current developments.

Capital Markets and Investment Sector

Group Ahli Capital Markets and Investments

The Group worked, through its specialized cadre, on adjusting to the challenges of the global financial crisis and the high risks associated with various investments. It was able to focus on the available opportunities, and succeeded through the prudent management of its assets and liabilities and the diversification of its investment tools in achieving rewarding returns, while leveraging on a high level of security to maintain shareholder equity and maximize profits.

The Group concentrated on expanding its high net worth client base and providing superlative services to these clients. As a result, the Group was able to attract new clients wishing to seize global investment opportunities. In turn, this had a great impact on maximizing the Group's profits from commissions. The Group also placed great emphasis on improving its systems, procedures and methods, which played a significant role in helping steer the Group and Bank clear of possible market, credit or operational risks.

Based on its belief that it is difficult to foresee the future, and in spite of the fact that economic contexts seem to be improving across financial markets, the Group will continue to follow a conservative policy whilst pursuing opportunities that may arise. It will also give priority to liquidity management, in a manner that guarantees returns with the lowest possible risks to safeguard the achievements of the Bank and the rights of its stakeholders.

In the local market, the Group focused on providing new investment banking services, including performing the tasks of "liquidator" for a local investment fund considered the first of its kind in Jordan, and taking on the role of investment trustee of the fund. The Group also instigated the role of Jordan Ahli Bank as a paying agent "for the first time in Jordan for a number of acquisitions valued at JD13 million during the past year.

With regards to corporate issuances and their management, the Group successfully completed dealings for raising the capital of several companies despite the challenging times facing capital markets, whereby the Bank was able to cover capital issuances of six local companies for a total of JD21 million, thus maintaining its leading position in this field. During 2009, the Group continued to redeem debentures issued by companies in the tourism and financial sectors, and valued at JD15 million. These were fully

paid by the issuer through the Bank in its capacity as the issuance manager and trustee, custodian, paying agent and registrar. It also continued achieving returns as a result of its portfolio management, which includes income shares with long term stable annual returns.

The Group also issued sector and company-specific financial reports for select companies through its research and studies department, which highlight solid assets and operating revenue strength, in addition to issuing specialized weekly stock market and corporate financial indicator reports for investors.

Support Services Sector:

a. Group Finance

Group Finance developed new mechanisms to oversee and control capital and current expenditures in the Bank, monitoring abidance by the direction of business plans and the estimated budget for the expenditures of all groups whether those of new projects or current expenses. The new policy includes all relevant aspects in terms of authorities, ceilings, approvals, exceptions and methods of measurement and analysis. The Group updated the Bank's financial and accounting policies in line with the latest internationally accepted standards, in addition to completing the estimated budget and business plans for 2010 using the Bottom-Up methodology. It also prepared detailed strategic business plans for the business and support groups of the Bank which included timelines for completion throughout the year, to facilitate periodic oversight and follow-up.

All reports and requirements mandated by the regulatory authorities in countries where the Bank operates were automated. The development of financial and analytical data and reports to measure and follow up on the performance of the business groups in the Bank according to approved client sectors also continued. In addition, the Group continued to conduct its evaluation of quarterly performance of the Bank's groups against work plans and budgets for 2009. In cooperation and coordination with business groups, the Group evaluated the performance of products, calculated their profitability, and analyzed alternative solutions for developing and maximizing returns. It also provided upper management with several studies that supported the key management decisions which positively affected on the performance of the Bank. The Group also provided detailed comparative studies against competing banks. In addition to the aforementioned, the Group also prepares, oversees and calculates debt allocations, outstanding interest, write-offs and repossession, on a monthly basis.

The Group's future plan for 2010 adopts a participatory approach in endorsing and approving the new policy for the disbursement of current and capital expenditures, and for realizing the Bank's strategic plan and long-term budget for the next five years, with continued efforts to follow-up and oversee expenditures and develop new and advanced mechanisms to achieve this. The Group's plan also includes the completion of the automation of all new reports and requirements of regulatory authorities, the realization of budget items, monthly financial analysis, and the quarterly re-examination of the budget.

b. Group Operations

The Group's work during 2009 was focused on centralizing banking operations to improve customer service in terms of speed and accuracy, reduce expenses, and provide the best service as a support group. The Group also reengineered the Methods and Procedures Department, and restructured the systems committee responsible for issuing banking instructions and systems, which in turn increased efficiency by including other groups in banking procedure documentation, each group within its specific area.

The Central Operations Unit completed the preparation and handover of the "Ibank Program" for personal banking, whereby decisions are automated and come directly from branches. The Program was delivered to the group responsible for deploying it to all branches. Additionally, the Unit also prepared, tested and deployed the "Ibank Straight-Through-Processing Outgoing Money Transfers System" in five leading branches and transferred it to Group Personal Banking to be deployed in the remaining branches. This program directly and electronically transfers client instructions from all branches to the center where the transfer is issued, allowing for the transfer to be made on the same day. The Unit also prepared and tested the outgoing transfers on "Ibank" and deployed the Program at the Treasury Operations Unit. ATM services were also upgraded significantly. The Unit also cooperated with the IT department to upload the instant cash deposit project on new ATM machines (Win Core), and coordinated with branch management and the IT department to implement the Priority Pass project.

On another front, the organizational restructuring of the Commercial Services Unit was completed and employees were given specific authorities through job descriptions. The focus was on the exchange of experiences and best practices between employees to enhance their skills through several internal training and discussion sessions. In addition, the content for letters of credit / guarantees / collection bills was redrafted following developments in these areas.

The automation of the outgoing transfers system, and its testing and application in five branches was also completed, while an inbound transfers system was automated, tested and applied in two branches. In addition, a number of periodic reports issued by the Unit were automated, and employees were enrolled in specialized training programs. The plan for centralizing direct facilities operations and transferring them from the branches to the Central Operations Unit was also completed within the framework of centralizing the Bank's operations in order to improve services provided to the client in terms of speed and accuracy.

During 2009, the Group also conducted a study for a project to fully automate the transferred salaries of Ahli Bank clients. Implementation of this project is expected to commence during the first quarter of 2010, which will contribute to improving this service in terms of speed of execution and will increase the possibility of cross selling other services. The centralization of operations as explained above also resulted in reducing the number of employees required to perform the same tasks by 70%, thus impacting expenses. This percentage is expected to further improve when the scope of the project expands during 2010.

c. Group Logistics

During 2009, the Group set up, equipped and activated a number of new branches, in addition to modernizing and renovating a number of existing branches in Jordan and Palestine including: Madaba Branch, Bethlehem Branch, Ramallah Branch, Sweifieh Branch, Marka Branch and Sahab Branch. The Group also provided the operational requirements for the Bancassurance Unit, and set into operation the Central Monetary Unit at the Central Monetary Treasury Unit in Jabal Al-Hussein as well as the new Ahli Financial Leasing Company offices at the Credit Management Building in Shmesani. An asset system and an electronic archive system were also developed, and the central warehouse of the archive of the branches in Palestine was equipped.

The Group's plan for 2010 is centered on fully refurbishing all branches/offices in Bawabat Al Salt, in addition to the new branches in Zarqa, Dahiyat Al Yasmeen, Um-Uthaina and Huriah St. The existing plan includes equipping the central archive warehouses in Al Qastal area and closing some current archive warehouses spread across several locations, all within a specific timeline. The Group will also work with the Greater Amman Municipality to establish Al Ahli Park, in addition to the construction of two additional stories at the Bank's building in Harika area in Damascus after completing the required procedures.

d. Group Human Resource

The Group focused during the past year on meeting the needs of the Bank in terms of qualified human resources, through internal employment opportunities, employment secondment programs, and the best use of Talent Management programs. Its efforts also focused on augmenting and expanding tasks and responsibilities, which in turn reflected positively on the employment process in a cost efficient manner.

As has always been the case, the Bank's concern for continued education and the methodical development of workforce capacities commanded the training plan for 2009, which was based on specialization standards for different jobs and management levels in the Bank. Approximately 422 training courses were held, representing 18,300 training days benefitting 4,754 employees. For this purpose, the Bank retained trainers and experts to cover various skills in all areas of banking, with the focus remaining on service quality, selling skills, and leadership skills. Employees of international branches also had an exceptional training year, with more than 25 training courses held for 160 employees in Palestine. A number of development courses were also held for branch employees and credit officers. The leadership program for branches was also completed in order to be implemented during the first quarter of 2010.

From an organizational perspective, the job descriptions of all employees and positions in the Bank were updated following the redesign of a model for jobs in line with the organizational needs of the Bank, paving the way for the implementation of a job evaluation system. The human resources information systems of branches in Palestine were also completed, and the employee database was connected to headquarters in Amman. This comes as part of a series of procedures aimed at supporting external branches and all human resources systems, and the model will be applied in Palestine and Cyprus as part of the strategic plan for regional expansion.

Social activities were also increased and expanded through “Ahli Cares Program” and other social committee programs, aimed at strengthening institutional values in our employees and reinforcing the familial atmosphere which distinguishes the Bank. Programs geared towards employees and their health, social and entertainment events for the Bank’s employees and their families such as Ramadan evenings, and the festival for employees’ children - “My Parents are Ahli Employees” were organized, in addition to religious trips abroad to holy Islamic and Christian sites.

e. Group Information Technology

During 2009, the Group completed the main requirements of Bank2000 for responding to the different needs of central departments and branches, to include reports and statements and amendment of programs such as the new commissions application, pricing of services, redesigning Bank notices in accordance with new forms, completing compliance reports, client classification, accounts management, follow-up and development of the collections unit programs, as well as meeting the demands of external and internal auditors . The system was also applied to many programs including the prize draws on new savings accounts and group insurance policy. The Group also played a key role in the consolidation of branches.

The Group also worked on upgrading the systems for letters of credit / applications of the system from the third version to the fourth version, and updated the databases from SQL 2000 to SQL 2005. The programming for centralizing the issued letters of credit and commissions, local guarantees in Arabic, client profitability reports, and modification of the programs for transferring commissions, interest and currency prices from bank2000 to Eximbills was also completed. “Customer Enterprise”, a new system for guarantees was purchased to service customers (corporate) through electronic services and is currently being tested.

Additionally, reports on financial applications were programmed and a study was prepared for adjusting the current version of the programs/applications. With regard to the SWIFT system, a backup server has been prepared and the system has been connected with the transfers systems. Payone, the electronic payment gateway, was also completed with the inclusion of transfers, letters of credit services, automated connection with the cards system, and the development of the telephone banking system and the new SMS services system. The main system browser for the electronic training system was also developed and annual employee appraisal programs were adjusted.

On the other hand, a main server was equipped and CITRIX was updated by replacing version 4.5 with version 5.0 and purchasing 200 new licences. The number of stations connected to the system, whether the main server or a user server, was increased, and facilities and transfers systems for IBANK were added. The new emergency site (DR SITE) was delivered and a committee for preparing the site was formed. A list of the central data on all the available systems in the Bank was also prepared, the GRIT Committee assigned those responsible for each system, and the Group requested offers from companies. It also established a Quality Assurance Unit and continued to develop the current systems and provide its different services and follow-up on the problems of the departments and branches and provide necessary technical support for the different systems applied throughout the Bank.

The Group also worked on a number of IPOs with the Bank for a number of other companies on the IPO system, in addition to establishing an office/unit for managing the systems' security within the Information Technology Group, and applying key sections of the information policies adopted by the Bank. Furthermore, several procedures to comply with international standards and best practices and instructions and recommendations of regulatory authorities in terms of systems' security and information protection were adopted.

Other Departments and Groups:

a. Remedial & Recoveries and Legal Affairs Group

The Group contributed towards increasing the Bank's revenues by JD10.6 million through returning outstanding allocations and interest as a result of cash collections that amounted to JD20.5 million. It is expected, during 2010, that the Group will augment Bank revenues by at least JD8 million and will reduce the non-performing loan portfolio to less than 10%.

b. Internal Audit Department

The Department implemented the plan established and adopted by the Board of Directors' Audit Committee for the years 2008/2009 and any amendments on it based on continuous review of the audit plan and the evaluation results. It continued to measure and evaluate the performance of branches, departments and groups using a risk based audit approach. The Department gave top priority to ensuring that instructions and recommendations of regulatory authorities are applied in support of the regulatory process. It also prepared and adopted an internal audit plan for 2010/2011 using the risk based audit approach.

c. Group Risk Management

During 2009, the policies and procedures necessary for activating risk management strategy effectively were completed. The Board approved the general policy for risk management which includes the management of credit policy and the market and operational risks policy, in addition to approving the plan for business continuity for branches in Jordan and Palestine, which will be applied during 2010. The Bank's credit policy was also updated and a procedures authorities manual was developed in line with of risk management best practice. Additionally, a department for risk management in the regional management of the branches in Palestine is being established for evaluating and managing risk in the country.

The Bank entered into an agreement with Moody's which will provide an automated system for credit risk rating of clients (Internal Rating Based – IRB). This system will directly assist in the credit decision making process. The implementation of such systems falls under the framework of compliance with the instructions of the Central Bank of Jordan and Basel II provisions to improve the quality of the facilities portfolio and thus the ability to manage the credit portfolio with high efficiency and in order to apply risk adjusted pricing policies effectively. Implementation will commence with the onset of the current year.

In the field of compliance monitoring, the Department, and in cooperation with the information technology departments, developed a number of detailed daily statements which reinforced the Department's follow-up and its analysis of financial transactions in accordance with required standards. It also continued its work with regard to reinforcing the concept of governance and compliance and subscribed to the specialized international website, Bankers Almanac. All the data and information related to compliance requests were listed, which enabled our correspondent banks and others to quickly review the updated Bank data. In order to increase awareness anti-money laundering and counter terrorism financing issues, specialized training courses were held for employees.

The market risks department continued to evaluate and monitor the performance of different investment portfolios of the Bank for shares and bonds, whether in local or foreign currency. Procedures for the middle office were developed and implemented to increase oversight efficiency over specific functions.

The credit review department continued to oversee the quality of the credit portfolio by preparing reports to study the volume and quality of banking facilities granted in every sector and issued recommendations in this regard. In addition, the documentation and credit management department enforced oversight controls on the facilities documentation and activation processes and on guarantees.

The processes and operational risks department continued its implementation of the control and risk self-evaluation system (CRSA) in the different departments and divisions of the Bank, especially in the profit centers. A standard operating procedures manual for the department was prepared.

d. Inspection & Internal Control Department

The Department develops, follows-up, and rectifies violations and notices from branches to safeguard the business of these branches and effectively contribute towards disseminating information to increase awareness of work manuals and procedures that were adopted during the year, to support employees and facilitate their ability to implement the instructions included in these manuals.

The Department participated in inspecting branches that were opened last year. It also inspected a number of other Bank branches, which contributed in uncovering the points of strength and weakness in these branches. The Department actively followed-up in detail the work of the Corporate Branch , especially with regards to manually transferring accounts from other branches to the Branch, during the first phase, and automatically, at a later stage. The Department also actively contributed and participated in the integration process and closure of some branches during 2009.

In 2010, the Department is seeking to establish a new “follow-up, analysis and review” unit which will be responsible for analyzing, reviewing and following-up on violations and comments and any other matters that will provide support and assistance to the branches. The Department’s plan is also focused on increasing field visits to branches by internal auditors to prevent violations before they occur and to expand the Department’s tasks in coordination with other oversight entities from internal audit and risk management, to reinforce internal oversight and raise it to the highest standards in line with the Bank’s vision. The Department will assume the role of internal oversight in the West Bank branches after preparing a detailed study that will be designed during field visits to those sites in coordination with the foreign Branches Management

Corporate Values

Our Corporate Values are considered to be the backbone not only of our brand identity, but also of the bank's strong corporate culture. Our Corporate Values can be summarized as follows:

Profit Focus – maintaining and growing the profits of the bank as ambitiously and as securely as possible

Sales Focus – a constant focus on continuing to grow the sales intensity of our organization

Client Focus – to grow into a financial services institution that places Client Needs and Customer Satisfaction in the heart of its strategic planning, execution, policies and targets

Strategic, Fact Based Approach – to ensure that all decisions and policies within the bank are strategic, objective, well studied and supported as scientifically as possible by facts and numbers

Merit Based Reward System – ensuring that rewards and promotions within the bank are purely merit based, and tied to the objective performance of individuals

Excellence – to build a culture of excellence, where employees are continuously learning how to improve their skills, abilities, and ideas, and where clients see continuous improvements in our products and services.

Creativity and Innovation – to encourage an environment where new ideas, creativity, and innovation thrive

Technology Focus – to invest in information technology, and slowly yet surely transform IT in a source of major competitive advantage for the bank



Code of Conduct

This Code has been prepared with the aim of organizing the conduct of employees, work values and ethics, controls, and commitments at Jordan Ahli Bank and its subsidiaries and affiliates, whether in Jordan or other countries where the Bank is active. Employees at different levels are committed to this Code, which contains the following commitments, responsibilities and duties:

(1) Commitment towards shareholders:

- a. Reinforce shareholder confidence in the Bank through persevering efforts to strengthen the Bank and its capability, and increase its profits by transforming the Bank to a banking establishment that adheres to international standards and seeks to compete on local, regional, and international levels.
- b. Commitment to seek, follow-up on and develop all potential business opportunities, and making the most of them, in order to achieve the highest profitability possible.
- c. Commitment to institutional loyalty to the Bank and safeguarding its confidential matters.
- d. The immediate disclosure of all substantial and material matters that pertain to shareholders and their rights.

(2) Commitment towards clients:

- a. Commitment to providing the best services to customers with a spirit of camaraderie, courteousness and respect to their persons, dignities, time, and interests that are not in conflict with those of the Bank.
- b. Commitment to improving performance and efficiently completing tasks while applying the principles of integrity, fairness and objectivity in dealing with clients.
- c. Group commitment to innovation and application of banking products that serve customers in a wider and more effective manner, while achieving the interests of the Bank.
- d. Commitment to the provision of clients with information, offers and responses to their queries in a professional, direct, unambiguous and transparent manner, in the quickest way possible, with the Bank bearing no liability until implementation.
- e. Commitment to charging appropriate and fair commissions to clients, which concurrently reflect the quality of services, and degree of risk.
- f. Commitment to establishing relationships with clients on the basis of mutual respect impartial of personal interests.

(3) Commitment towards regulatory authorities:

- a. Commitment towards application of all laws, bylaws, and rules required in countries where the Bank operates.
- b. Commitment to the true disclosure of information required by regulatory authorities expressly, clearly, efficiently and respectfully.
- c. Commitment to safeguard professional relationships with officials in regulatory authorities

- and seek to gain their confidence in the Bank, and its commitment to all stipulated rules.
- d. Unconditional commitment to cooperate with regulatory authorities on professional grounds and assist Members of the Board of Directors in the superior performance of their commitments in this regard.

(4) Commitment towards colleagues:

1. Commitment to team-spirit during work, as success in the performance of any employee depends, directly or indirectly, on the success of work performed by the team.
2. Reinforce the ties of brotherhood, friendship, and mutual respect and appreciation among colleagues.
3. Provide full support and advice to colleagues.
4. Commitment to group work ethics represented in the following three rules: honesty, mutual respect, and readiness to build common grounds of agreement.
5. Commitment to decrease the times set for meetings to the bare minimum so as to save the time and effort of colleagues. Also, commitment to dates set for meetings and preparation of an agenda ahead of the date set for the meeting.

(5) Commitment towards the community:

- a. Professional commitments:
 - Commitment to offer suggestions, programs, products, and services that contribute, either directly or indirectly, to social development and the improvement and expansion of banking opportunities to a wider base of clients.
 - Commitment that bank advertisements and advertising campaigns shall always adhere to local cultural traditions, positively contribute to reinforcing social values, enlighten local communities, and endorse a sophisticated banking culture.
 - Refrain from offering any programs or services that aim to cater to sectarian interests based on politics, sects or races.
- b. Solidarity commitments:
 - Commitment to fund a planned annual program to socially support volunteer institutions active in local communities and also support cultural institutions and initiatives, publish books and support other cultural activities.
 - Encourage other social, productive and scientific initiatives, and improve the living standards of underprivileged sectors of society.

(6) Commitment towards Jordan:

Jordan Ahli Bank is a Jordanian national establishment that will safeguard, in Jordan and abroad, at national, Arab and international levels Jordan's economic interests, the Kingdom's image and the traditions of the Jordanian nation and its reputation.

Strategic Areas of Focus – 2010 Onwards

Segmentation: continue to segment the bank by focusing on building out the Corporate, SME, Personal, Premium, and Investment banking segments. Ensure specialized services, staff, products, policies, sales and delivery channels, and strategies are continued to be developed, in order to become customers' "most preferred bank", and to build a major competitive advantage going forward.

Risk Management: to continue improving the quality of our risk management policies, procedures, systems, and people. Most notably, to invest heavily in activating our risk rating models, to apply more focused risk adjusted pricing policies, to improve our credit decision making standards, to reduce our NPLs, and to improve our credit policies in a way where they become much more scientific and fact based.

Sales & Marketing: to improve the level of sales intensity of our organization by further automating processes, centralizing operations, delegating authorities, investing in CRM systems, investing in sales and customer service training, refining incentives to improve sales performance, and building a more aggressive and professional sales force across the organization.

Human Resource Management: improving our HR functions in order to attract, traing and retain the best staff in the industry, and to create cultural as well as strategic alignment across the organization.

Information Technology: upgrading our core banking system, IT infrastructure, enterprise architecture, and quality of IT staff such that IT becomes a major competitive advantage for the bank. Upgrading our IT systems should present major customer service improvements, income improvement opportunities, cost reduction opportunities, risk management upgrades, as well as state of the art MIS reports to assist management in setting strategy and driving the strategy of the bank with more objectivity.

Regional Expansion: to use Jordan Ahli Bank's best practice financial services foundation to expand intelligently across MENA region, possibly through Greenfield operations, by attracting strategic partners, or by acquiring or merging with other financial organizations.

Social Responsibility and Jordan Ahli Bank's Community Support

In retrospect, and over the years, Jordan Ahli Bank's record of significant initiatives reflects its firm commitment to joint social responsibility. The year 2009 was not an exception; Ahli Bank continued on its path of giving through its participation in activities that had a large effect on sustainable development in the community. The Bank has always believed that its responsibility is not restricted to its duties towards its clients but extends to include the entire Jordanian community.

The Bank has previously launched the "Ahli Cares" initiative, which is considered the first pioneering project in a series of programs designed to change the institutional culture in the Bank. These programs continuously work on effectively developing the organizational structure and internal environment in the Bank. The Bank cooperated, during March 2009, with the World Health Organization to launch an internal health awareness campaign aimed at educating employees on the importance of leading a healthy lifestyle. The campaign sought to support the quality of the employees' work and overall performance through creating a culture that encourages behavioural change through creating a balance between preventative practices and health promoting practices.

In continuation of its support to the education sector, the Bank patronized many activities aimed at Jordanian youth. It dedicated significant efforts within the social responsibility framework to promote the importance of focusing on athletic talent and abilities. In this area, the Bank sponsored several activities that were organized by different schools in various areas in the Kingdom, including the children's little league football championship which was held at the De La Salle School, the children's 22nd little league basketball championship held at the Ahlia School for Girls, and a football camp organized by the Rosary College for Girls, and a little league football championship organized by the The Jordanian Football Academy for Children.

The Banks activities also included cultural events, whereby it sponsored a cultural evening that was organized by Asria Schools under the patronage of His Excellency the Mayor of Amman, Eng. Omar Maani. The cultural evening included many traditional and contemporary activities and events that presented a cultural portrait of the city of Amman. In a similar initiative that targeted children in the Kingdom, and on a larger scale celebrating Christmas, the Bank sponsored White Wonderland celebration that was held in the Children's Museum in Amman. The event was attended by about eight hundred children and their parents, and included many celebratory activities including decorating the Christmas tree, wrapping gifts and taking photographs with Santa Claus. The Bank will continue during the come year to support the Museum as a platinum sponsor.

On a wider social scale, Ahli Bank sponsored many social initiatives during 2009 by working closely with the institutions of the local community to guarantee sustainable development in the community. In line with its tradition, the Bank once again organized a series of visits to homes for the elderly, where Bank employees visited and provided food, clothes, blankets and many other basic articles to those shelters to satisfy the needs of the residents.

Internally, the social committee of the Bank's employees organized many activities aiming to reinforce the values of cooperation and solidarity between the employees of the Bank. The best example of such initiatives is the annual Iftar banquet that the Bank organized for its employees and their families to

celebrate the holy month of Ramadan. A family atmosphere prevailed during the banquet which allowed the Bank's employees more space to interact among each other on a personal level.

The year 2009 also witnessed Bank contributions that exceeded Jordan's national border. In February of last year, and during the Gaza events, the Bank organized a donation campaign to help the victims of the war there. As part of the campaign, every Bank employee donated the salary of one day to the victims and the collected amount was doubled by the management of the Bank. The value of donations sent to Gaza finally reached sixty-eight thousand dinars.

Within the framework of the far reaching initiatives, Ahli Bank sponsored a charity lunch organized by the administrative committees in International Inner Wheel (IIW), one of the largest women's organizations in the field of voluntary work. A forum for women wishing to participate in community service and reinforcing international understanding was established. Jordan Ahli Bank also distributed a number Ghoushan Al-Omor saving account that provide advanced services in financial planning in addition to an interest rates on savings rates.

The Jordan Ahli Bank remains determined and is unwavering in its social responsibility initiatives, in line with its strategy for 2010. The Bank foresees many opportunities in the future, especially with its continued development of the "Ahli Cares" initiative and the growth of its relationship with the education sector in Jordan, through which the Bank can have a positive and lasting impact on the local and international communities.

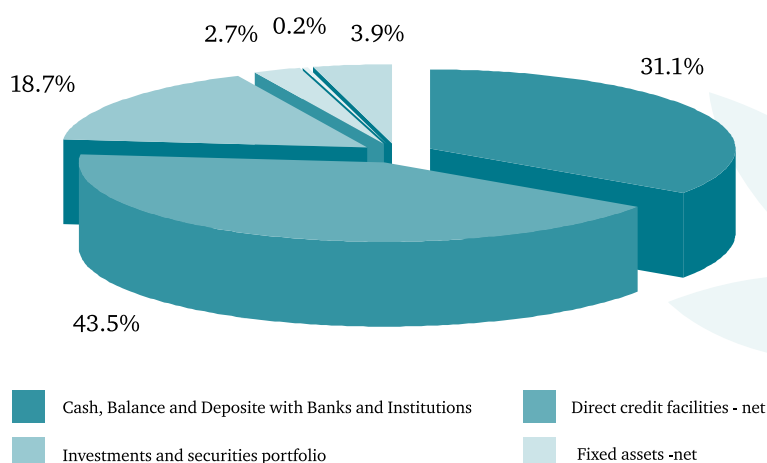
Key Financial Analysis and Indicators for 2009

Following are details of the changes and amendments to key items under assets, liabilities and contra accounts:

First: Assets

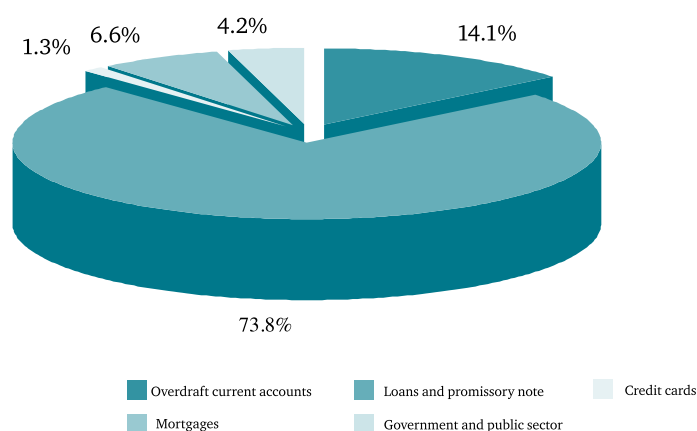
- The Balance Sheet total (excluding contra accounts) amounted to JD2,256,082,381 as of 31/12/2009 compared to JD2,106,172,872 as of 31/12/2008; an increase of JD149,909,509. Inclusion of the contra accounts would bring the total to JD2,810,214,147 as of 31/12/2009, against JD2,800,838,767 as of 31/12/2008; an increase of JD9,375,380.

Bank Assets	2009	2008	% change	weight 2009	weight 2008
Cash, Balances and Deposits with Banks and Institutions	700,940,295	724,257,874	-3.2%	31.1%	34.4%
Direct Credit Facilities – net	980,816,924	889,730,076	10.2%	43.5%	42.2%
Investments and Securities Portfolio	422,865,652	345,830,659	22.3%	18.7%	16.4%
Fixed Assets – net	60,096,852	54,919,012	9.4%	2.7%	2.6%
Intangible Assets – net	4,125,106	4,454,885	-7.4%	0.2%	0.2%
Other Assets and Other Deferred Tax Assets	87,237,552	86,980,366	0.3%	3.9%	4.1%
Total Assets	2,256,082,381	2,106,172,872	7.1%	100.0%	100.0%



2. Cash in Hand and at Banks amounted to JD700,940,295 at the end of 2009, compared to JD724,257,874 at the end of 2008; a decrease of JD23,317,579.
3. The net value of securities amounted to JD422,865,652 at the end of 2009, compared to JD345,830,659 at the end of 2008. This amount includes JD119,059,557 worth of treasury bonds, treasury bills and corporate debentures, which in 2008 amounted to JD157,491,355.
4. The balance of credit facilities (before provisions and interest in suspense) was JD1,089,786,165 at the end of 2009, compared to JD1,009,802,214 at the end of 2008; an increase of JD79,983,951 from end of 2008. This figure includes outstanding overdraft accounts amounting to JD154,101,222, in addition to loans, promissory notes and credit cards amounting to JD818,658,064.

Direct Credit Facilities	2009	2008	% change	weight 2009	weight 2008
Overdraft current accounts	154,101,222	177,763,059	-13.3%	14.1%	17.6%
Loans and promissory notes	804,656,204	723,760,026	11.2%	73.8%	71.7%
Credit cards	14,001,860	13,614,939	2.8%	1.3%	1.3%
Mortgages	71,529,594	75,290,065	-5.0%	6.6%	7.5%
Government and public sector	45,497,285	19,374,125	134.8%	4.2%	1.9%
Total Direct Credit Facilities	1,089,786,165	1,009,802,214	7.9%	100.0%	100.0%

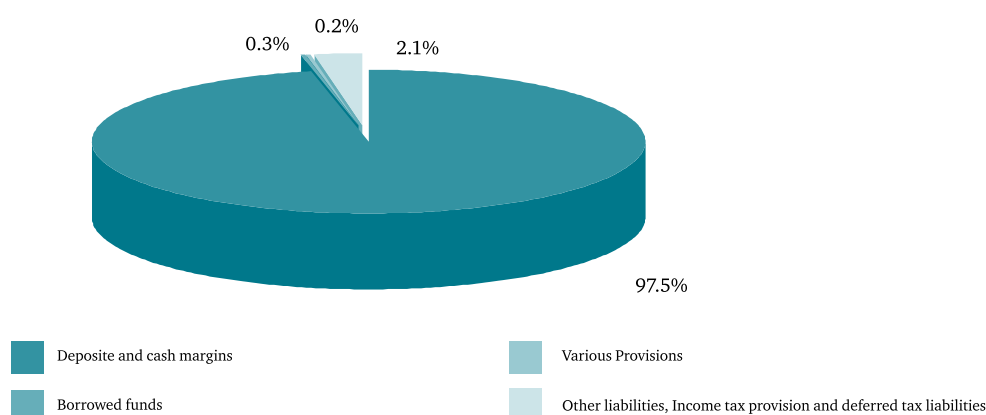


Net fixed assets amounted to JD60,096,852 at the end of 2009, compared to JD54,919,012 at the end of 2008.

Second: Liabilities

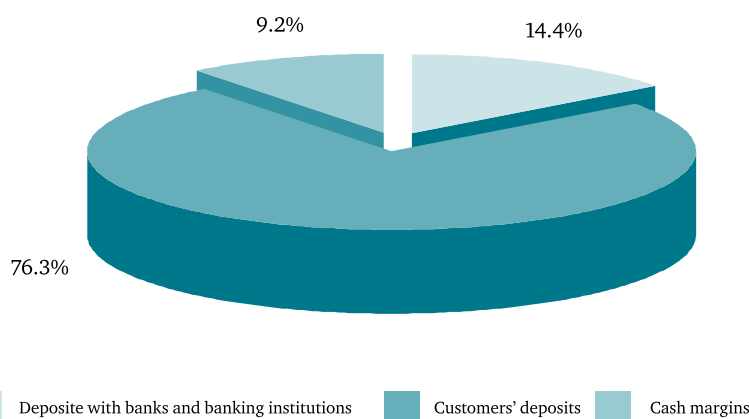
- The balance of deposits in current and call accounts, savings, term, and bank accounts amounted to JD1,805,170,583 at the end of 2009, compared to JD1,642,486,095 in 2008; an increase of JD162,684,488.

Bank Liabilities	2009	2008	% change	weight 2009	weight 2008
Deposits and Cash Margins	1,988,751,288	1,839,130,001	8.1%	97.5%	96.6%
Borrowed Funds	5,433,333	6,148,611	-11.6%	0.3%	0.3%
Various Provisions	3,479,346	3,130,015	11.2%	0.2%	0.2%
Other Liabilities, Income Tax Provision and Deferred Tax Liabilities	42,233,741	54,767,867	-22.9%	2.1%	2.9%
Total Liabilities	2,039,897,708	1,903,176,494	7.2%	100.0%	100.0%



- The balance of reserves and various provisions amounted to JD73,152,875 at the end of 2009, compared to JD65,638,435 at the end of 2008.

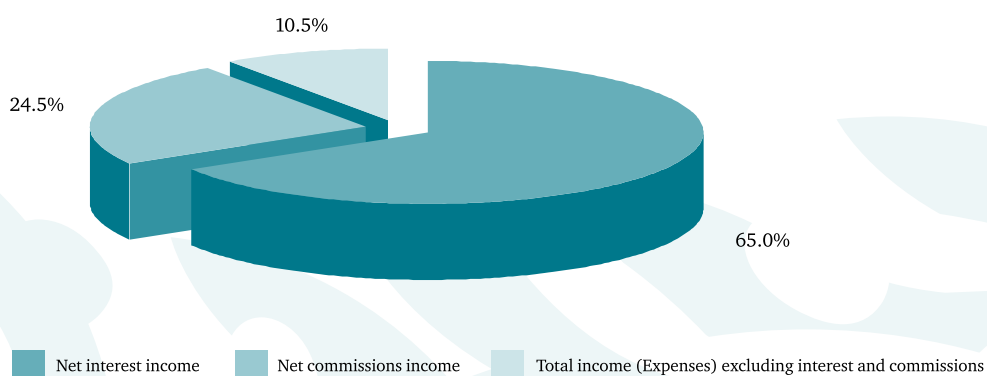
Deposits and Cash Margins	2009	2008	% change	weight 2009	weight 2008
Deposits with Banks and Banking Institutions	287,007,918	268,902,121	6.7%	14.4%	14.6%
Customers > Deposits	1,518,162,665	1,373,583,974	10.5%	76.3%	74.7%
Cash Margins	183,580,705	196,643,906	-6.6%	9.2%	10.7%
Total Deposits and Cash Margins	1,988,751,288	1,839,130,001	8.1%	100.0%	100.0%



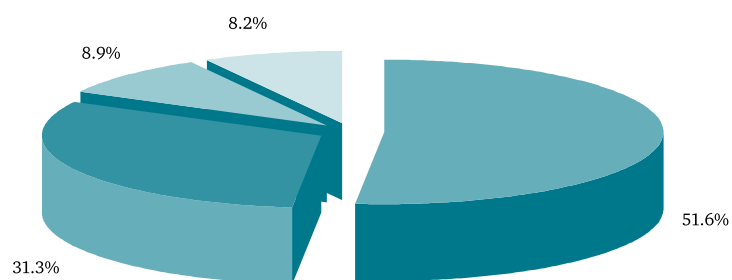
Third: Contra Accounts

1. The balance of letters of credit and acceptances decreased to JD295,418,199 at the end of 2009, compared to JD427,724,602 in 2008.
2. The balance of the non-utilized limits decreased to JD57,158,500 at the end of 2009, compared to JD71,262,626 in 2008.
3. The balance of guarantees increased to JD201,555,067 at the end of 2009 compared, to JD195,678,667 in 2008.

Net Operating Income	2009	2008	% change	weight 2009	weight 2008
Net Interest Income	58,137,171	59,819,096	-2.8%	65.0%	66.5%
Net Commissions Income	21,877,944	21,256,192	2.9%	24.5%	23.6%
Total Income (Expenses) excluding Interest and Commissions	9,366,523	8,855,372	5.8%	10.5%	9.8%
Total Operating Income	89,381,638	89,930,660	-0.6%	100.0%	100.0%



Operating expenses	2009	2008	% change	weight 2009	weight 2008
Employee Expenses	31,989,731	30,644,039	4.4%	51.6%	46.8%
Other Operating Expenses	19,434,344	18,583,366	4.6%	31.3%	28.4%
Depreciation and Amortization	5,530,555	4,847,867	14.1%	8.9%	7.4%
Provisions for Direct Credit Facilities	5,066,147	9,571,128	-47.1%	8.2%	14.6%
Provisions for Cash Assets Maintained until Due Date	0	1,810,229	-100.0%	0.0%	2.8%
Total Operating Expenses	62,020,777	65,456,629	-5.2%	100.0%	100.0%



Employee Expenses
 Other operating expenses
 Depreciation and amortization
 Provisions for direct credit facilities



Financial Reports



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 (a public shareholding company), which comprise of the consolidated statement of financial position as of December 31, 2009, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated 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, 2009, 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 financial statements are a translation of the original financial statements in the Arabic language to which reference is to be made.

Deloitte & Touche (M. E.) - Jordan
Amman – Jordan
February 1, 2010



JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

List (A)

	Note	December 31,	
		2009	2008
ASSETS		JD	JD
Cash and balances at central banks	4	521,592,592	470,808,817
Balances at banks and financial institutions	5	178,495,582	251,713,158
Deposits at banks and financial institutions	6	852,121	1,735,899
Trading financial assets	7	1,072,490	8,290,703
Direct credit facilities - net	8	980,816,924	889,730,076
Available-for-sale financial assets	9	293,835,902	172,686,201
Held-to-maturity investments	10	119,059,557	157,491,355
Investments in associates and unconsolidated subsidiary companies	11	8,897,703	7,362,400
Fixed assets - net	12	60,096,852	54,919,012
Intangible assets	13	4,125,106	4,454,885
Other assets	14	82,352,222	81,699,479
Deferred tax assets	20	4,885,330	5,280,887
TOTAL ASSETS		2,256,082,381	2,106,172,872

THE ACCOMPANYING NOTES FROM (1) TO (52) CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND SHOULD BE READ WITH THEM.

LIABILITIES AND OWNERS' EQUITY	Note	December 31,	
		2009	2008
LIABILITIES :		JD	JD
Banks and financial institutions deposits	15	287,007,918	268,902,121
Customers deposits	16	1,518,162,665	1,373,583,974
Cash margins	17	183,580,705	196,643,906
Borrowed funds	18	5,433,333	6,148,611
Various provisions	19	3,479,346	3,130,015
Provision for income tax	20	9,263,701	14,533,728
Deferred tax liabilities	20	1,168,684	397,122
Other liabilities	21	31,801,356	39,837,017
TOTAL LIABILITIES		2,039,897,708	1,903,176,494

OWNERS' EQUITY			
Equity - Bank Shareholders:			
Subscribed and Paid-up capital	22	110,000,000	110,000,000
Share premium	22	10,845,817	28,272,534
Treasury shares	23	(332,195)	(17,366,417)
Statutory reserve	24	31,385,116	28,600,654
Voluntary reserve	24	13,674,091	10,889,629
Special reserve		213,054	213,054
External branching reserve		15,000,000	15,000,000
General banking risks reserve	24	9,401,268	7,805,083
Cumulative change in fair value - net	25	5,414,375	435,869
Retained earnings	26	19,008,280	17,608,535
Total Equity - Bank Shareholders		214,609,806	201,458,941
Non - controlling interests	27	1,574,867	1,537,437
TOTAL OWNERS' EQUITY		216,184,673	202,996,378
TOTAL LIABILITIES AND OWNERS' EQUITY		2,256,082,381	2,106,172,872

THE ACCOMPANYING NOTES FROM (1) TO (52) CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND SHOULD BE READ WITH THEM.

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENTS OF INCOME

List (B)

	Note	For the Year Ended	
		December 31,	
		2009	2008
		JD	JD
Interest income	28	116,559,295	119,596,454
Interest expense	29	58,422,124	59,777,358
Net Interest Revenue		58,137,171	59,819,096
Commissions Revenue - net	30	21,877,944	21,256,192
Net Interest and Commissions revenue		80,015,115	81,075,288
Foreign exchange income	31	3,644,517	4,502,519
Gain (Loss) from trading financial assets	32	7,036	(1,530,489)
(Loss) from available-for-sale financial assets	33	(3,433,055)	(1,926,150)
Other revenue	34	9,148,025	7,809,492
Total Non-Interest and Non-Commissions Revenue		9,366,523	8,855,372
Gross Income		89,381,638	89,930,660
Expenses:			
Employees expenses	35	31,989,731	30,644,039
Depreciation and amortization	12 , 13	5,530,555	4,847,867
Other expenses	36	19,434,344	18,583,366
Provision for impairment in direct credit facilities	8	5,066,147	9,571,128
Provision for impairment in held-to-maturity financial assets		-	1,810,229
Total Expenses		62,020,777	65,456,629
Income from operations		27,360,861	24,474,031
Gain from selling shares of associates and unconsolidated			
subsidiary companies	11	77,338	439,986
Bank's share of associate companies (loss)	11	(170,169)	(4,946)
Income for the year before taxes		27,268,030	24,909,071
Income tax expense	20	(8,576,037)	(7,512,874)
Income for the Year		18,691,993	17,396,197
Pertain to:			
Bank's shareholders		18,654,232	17,350,150
Non - controlling interests	27	37,761	46,047
		18,691,993	17,396,197
Earnings per Share for Bank's Shareholders	37	0,170	0,166

THE ACCOMPANYING NOTES FROM (1) TO (52) CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND SHOULD BE READ WITH THEM.

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

List (C)

	For the Year	
	Ended December 31,	
	2009	2008
	JD	JD
Income for the Year	18,691,993	17,396,197
Comprehensive Income Items:		
Cumulative change in fair value - available- for -sale financial assets	4,978,506	(3,298,141)
Gross Comprehensive Income	23,670,499	14,098,056
Gross Comprehensive Income Attributable to:		
Bank's Shareholders	23,632,738	14,052,009
Non - Controlling Interests	37,761	46,047
	23,670,499	14,098,056

THE ACCOMPANYING NOTES FROM (1) TO (52) CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND SHOULD BE READ WITH THEM.

**JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY**

Bank Shareholders' Equity
Reserves

List (D)

	Subscribed		Statutory Reserve				Voluntary Reserve		Special Reserve		External Branching Reserve		General Banking Risks Reserve		Cumulative Change in Fair Value-net		Retained Earnings		Total Shareholders' Equity		Total Owners' Equity	
	Capital	Share Premium	Treasury Shares	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year ended December 31, 2009																						
Balance - beginning of the year	110,000,000	28,272,534	(17,366,417)	28,600,654	10,889,629	213,054	15,000,000	7,805,083	435,869	17,608,535	201,458,941	1,537,437	202,996,378									
Income for the year	-	-	-	-	-	-	-	-	-	18,654,232	18,654,232	37,761	18,691,993									
Cumulative change in fair value - Available - for - sale financial assets	-	-	-	-	-	-	-	-	-	4,978,506	4,978,506	-	4,978,506									
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	18,654,232	23,632,738	37,761	23,670,499									
Others	-	-	-	-	-	-	-	-	-	(15,376)	(15,376)	(331)	(15,707)									
Dividends distributed	-	(10,466,497)	-	-	-	-	-	-	-	-	(10,466,497)	-	(10,466,497)									
Treasury shares	-	(6,960,220)	17,034,222	-	-	-	-	-	-	(10,074,002)	-	-	-									
Transfers to reserves	-	-	-	2,784,462	2,784,462	-	-	1,596,185	-	(7,165,109)	-	-	-									
Balance - End of the Year	110,000,000	10,845,817	(332,195)	31,385,116	13,674,091	213,054	15,000,000	9,401,268	5,414,375	19,008,280	214,609,806	1,574,867	216,184,673									
For the Year ended December 31, 2008																						
Balance - beginning 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	197,398,430									
Income for the year	-	-	-	-	-	-	-	-	-	17,350,150	17,350,150	46,047	17,396,197									
Cumulative change in fair value - Available - for - sale financial assets	-	-	-	-	-	-	-	-	-	(3,298,141)	(3,298,141)	-	(3,298,141)									
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	17,350,150	14,052,009	46,047	14,098,056									
Non - controlling interests	-	-	-	-	-	-	-	-	-	-	-	(72,895)	(72,895)									
Others	-	-	-	-	-	-	-	-	-	(54,016)	(54,016)	-	(54,016)									
Dividends distributed	-	-	-	-	-	-	-	-	-	(8,373,197)	(8,373,197)	-	(8,373,197)									
Transfers to reserves	-	(15,000,000)	-	2,533,864	2,533,864	-	15,000,000	1,202,524	-	(6,270,252)	-	-	-									
Balance - End of the Year	110,000,000	28,272,534	(17,366,417)	28,600,654	10,889,629	213,054	15,000,000	7,805,083	435,869	17,608,535	201,458,941	1,537,437	202,996,378									

- Retained earnings includes an amount of JD 4,885,330 as of December 31, 2009 (JD 5,280,887 as of December 31, 2008) restricted by the Central Bank of Jordan against deferred tax assets.

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

- According to the resolution of the General Assembly of Shareholders in its ordinary meeting held on March 31, 2009, an amount of JD 10,466,497 was approved for distribution as cash dividends to shareholders in addition to 5% as treasury shares at book value.

THE ACCOMPANYING NOTES FROM (1) TO (52) CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND SHOULD BE READ WITH THEM.

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	For the Year Ended December 31,	
		2009	2008
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before tax		27,268,030	24,909,071
Adjustments for non - cash items:			
Depreciation and amortization		5,530,555	4,847,867
Provision for impairment in direct credit facilities		5,066,147	9,571,128
Bank's share of the associate companies (loss)		170,169	4,946
Provision for end-of-service indemnity		618,082	349,619
Provision for lawsuits against the Bank and other provision		45,159	366,947
Provision for foreign currency price decline - net		105,163	(494,859)
Loss on sale of real estates		-	28,077
Loss (Gains) on the sale of available-for-sale financial assets		12,851	(226,569)
Impairment in available-for-sale financial assets		4,903,322	3,379,096
(Gain) on the sale of fixed assets		(2,952,836)	(458,488)
Loss from revolution of trading financial assets		573,526	1,944,714
Impairment in held-to-maturity investment		-	1,810,229
(Gains) from sale of associates and subsidiaries shares		(77,338)	(439,986)
Effect of exchange rate fluctuations on cash and cash equivalents		(2,426,743)	(3,234,432)
Net Income before Changes in Assets and Liabilities		38,836,087	42,357,360
Changes in Assets and Liabilities:			
Decrease (increase) in cash and balances at banks due after 3 months and restricted balances		11,700,767	(3,000,007)
Decrease in balances at financial institutions due after 3 months		2,652,854	6,759,537
Decrease in deposits at banks and financial institutions due after 3 months		883,778	2,880,569
Decrease in trading financial assets		6,644,687	877,613
(Increase) in direct credit facilities - net		(96,152,995)	(156,899,470)
(Increase) in other assets		(652,743)	(3,156,554)
(Decrease) in deposits at banks and financial institutions due after 3 months		(212,700)	(3,623,299)
Increase in customers' deposits		144,578,691	130,855,221
(Decrease) increase in cash margins		(13,063,201)	18,252,611
(Decrease) increase in other liabilities		(8,035,661)	5,877,531
Net Cash Flows from Operating Activities before Income Tax and Provision Paid		87,179,564	41,181,112
Income tax paid		(13,450,507)	(5,817,199)
Provisions paid		(419,073)	(160,531)
Net Cash Flows from Operating Activities		73,309,984	35,203,382

Consolidated Statement of Income.....

List (E)

CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in investments in associates and unconsolidated subsidiary companies - net	(1,628,134)	2,245,031
Decrease in available-for-sale financial assets - net	(120,315,806)	(36,282,033)
Decrease (increase) in held-to-maturity investments - net	38,431,798	(74,833,820)
Proceeds from sale of fixed assets	6,134,941	672,890
(Purchase) of fixed assets - net	(12,585,123)	(6,397,016)
(Purchase) of intangible assets	(975,598)	(1,238,832)
Net Cash Flows (used in) Investing Activities	(90,937,922)	(115,833,780)

CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) in borrowed funds	(715,278)	(9,121,739)
(Decrease) in non - controlling interests	(15,707)	(126,911)
Dividends paid to shareholders	(10,466,497)	(8,373,197)
Net Cash Flows (used in) Financing Activities	(11,197,482)	(17,621,847)
Effect of exchange rate fluctuations on cash and cash equivalents	2,426,743	3,234,432
Net (Decrease) in Cash and Cash Equivalents	(26,398,677)	(95,017,813)
Cash and cash equivalents - beginning of the year	408,835,693	503,853,506
Cash and Cash Equivalents - End of the Year	38 382,437,016	408,835,693

THE ACCOMPANYING NOTES FROM (1) TO (52) 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, 2009

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. Its address is Queen Noor Street, P.O Box 3103, Amman 11181 Jordan. The Business Bank was merged into the Bank effective from December 1, 1996. Moreover, Philadelphia Investment Bank was merged into Jordan Ahli Bank Company Ltd effective from July 1, 2005.

- The Bank provides all banking and financial services related to its business through its main office, branches in Jordan (44 branches), external branches (6 branches), and subsidiary companies in Jordan and abroad.
- The Bank's shares are listed on Amman Stock Exchange-Jordan.
- The consolidated financial statements for the year ended December 31, 2009 have been approved by the Bank's Board of Directors in its meeting No. (1) held on February 1, 2010 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 reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The accounting policies adopted for the current year are consistent with those applied in December 31, 2008, except for the following:
 - IFRS 7 'Financial Instruments: Disclosures'
 - The IASB published amendments to IFRS 7 in March 2009, which became effective in 2009.
 - The amendment requires enhanced disclosures about fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the Bank.
 - IFRS 8 – Operating Segments. This standard, which replaced International Accounting Standard No. 14 "segment reporting", requires the adoption of the "management style in the presentation of internal reports" in the presentation of operating segments. This resulted in the presentation of additional operating segments. Moreover, these operating segments will be presented in a manner consistent with internal reports presented to decision makers.
- IAS 1 (2007) Presentation of Financial Statements (effective for annual periods on or after January 1, 2009). The amendment to IAS 1 has led to some changes including amended titles

for the financial statements in addition to some changes in their presentation and disclosure. However, this standard has had no effect on the results of operations and financial position of the Bank. The adjusted standard requires that all changes in non-equity holders' accounts (i.e. comprehensive income) be disclosed separately within the statement of comprehensive income.

Note (51) state the new and revised International Financial Reporting Standards.

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 statements of financial position.

The Bank's subsidiary companies are the following:

a. Al- Ahli International Bank

Al- Ahli International Bank - Lebanon is owned by Jordan Ahli 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 9,686,546. Its total assets amounted to JD 383,775,981 and total liabilities to JD 349,440,077 as of December 31, 2009, while its total revenue amounted to JD 10,569,930 and total expenses to JD 8,780,544 for the year ended December 31, 2009.

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 wholly owned by Jordan Ahli 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 908,327 and total liabilities to JD 84,457 as of December 31, 2009. Its total revenues amounted to JD 366,606 and total expenses to JD 369,313 for the year ended December 31, 2009.

c. Ahli Micro Finance Company

Ahli Micro Finance Company is wholly owned by Jordan Ahli Bank. The company's objectives are to grant loans to limited income individuals. Its paid-up capital amounted to JD 2.5 million, total assets to JD 4,216,373 and total liabilities to JD 515,218 as of December 31, 2009. Its total revenue amounted to JD 1,031,813 and total expenses to JD 852,658 for the year ended December 31, 2009.

d. Ahli Financial Brokerage Company

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 20 million. Its total assets amounted to JD 29,032,534 and total liabilities to JD 5,223,617 as of December 31, 2009. Moreover, its revenue amounted to JD 2,647,040 and its expenses to JD 870,345 for the year ended December 31, 2009.

e. Ahli Financial Lease Company

Ahli Financial Lease Company is wholly owned by Jordan Ahli Bank and its capital is JD 20 million. Moreover, its total revenue amounted to JD 91,849 and total expenses to JD 91,849 for the year ended December 31, 2009. The Company did not conduct any business activities during the year 2009.

- The financial statements of the subsidiary companies are prepared for the same financial year using the same accounting policies adopted by the Bank. If the accounting policies adopted by the companies differ 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.
- Non – controlling interests represent 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 companies 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.

Trading Financial Assets

- Trading financial assets 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.
- Trading financial assets are initially recognized at fair value when purchased (acquisition costs are 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 non-monetary assets in foreign currency 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 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 the consolidated statement of comprehensive income 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 and consolidated statement of comprehensive income and 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 in the consolidated statement of comprehensive income.
- 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 investment 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 / discounts are amortized using the effective interest rate method to be booked to or on the interest account less any provision from impairment in their value which may result from 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, no active trading for some financial assets or derivatives, or no active market, fair value is estimated by one of the following ways:

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

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

Adopting options pricing models.

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

The valuation methods aim 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 statements of financial position 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 the difference between the book value and 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 the difference between the book value and the present value of the expected cash flows discounted at the market interest rate of similar instruments.

The impairment in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous declines in the fair value of financial assets is taken to the consolidated statement of income except for the impairment in available-for-sale equity securities, in which case the impairment is recovered through the cumulative change in fair value.

Investment in Associates and Unconsolidated Subsidiary Companies

- Associated companies are those companies whereby the Bank exercises significant influence over their financial and operating policies but does not control them and whereby the Bank owns between 20% to 50% of voting rights. Investments in associates are stated according to the equity method in the consolidated financial statements.
- Investment in Kuwait Real Estate Company - under liquidation in which the Bank owns more than 50% is 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 and any impairment in their values. Fixed assets (except for land) are depreciated when ready for use 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 statements of financial position as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for Employees End-of-Service Indemnities

- A provision for legal and contractual commitments relating to employees end-of-service indemnities is taken according to the Bank's internal regulations on the statements of financial position date.
- Payments to departing employees are deducted from the provision amount. Moreover, required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are accounted for on the basis of taxable income. Moreover, 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 statement of financial position 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 statement of financial position, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Capital

Costs of Issuing or Purchasing the Bank's Shares

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

Treasury Shares

Treasury shares are shown at cost, have no rights to paid dividends, and no 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 consolidated statement of income. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers below capital.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities 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 Bank commits itself to purchase or sell the financial assets).

Financial Derivatives and Hedge Accounting

Hedged Financial Assets

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

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

When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge as well as change in the fair value of hedged assets and liabilities is recognized in the consolidated statement of income.

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

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

When the conditions of effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in 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. The effective portion is recorded in the consolidated statement of income when the investment in foreign entities is sold.

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

Financial Derivatives for Trading

The fair value of financial derivatives for trading (such as forward foreign currency contracts, future interest rate contracts, swap agreements, and foreign currency options) is recorded in the consolidated statements of financial position. Fair value is measured according to the prevailing market prices, and if not available, the measurement method should be disclosed. The change in fair value is recognized in the consolidated statement of income.

Repurchase and Resale Agreements

- Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Bank's continuous control over these assets and as the related risk and benefits are transferred to the Bank upon

occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

- Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Bank has no control over such assets and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recorded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest 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 statements of financial position date, these assets are revalued individually at fair value. Any decline in their market value is taken as a loss to the consolidated statement of income whereas any such increase is not recognized. Subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

Intangible Assets

A- Good will

- Goodwill is recorded at cost, and represents the excess amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an associated company constitutes part of the investment in that company. The cost of goodwill is subsequently reduced by any decline in the value of the investment.
- Goodwill is distributed over the cash generating units for the purpose of testing the impairment in its value.
- The value of goodwill is tested on the date of each statement of financial position. Goodwill value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating units is less than book value. The decline in value is recorded in the consolidated 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 using the straight line method for a period not more than 5 years from the acquisition date and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the financial statements date, and impairment loss is recorded in the consolidated statement of income.
- No capitalization of intangible assets resulting from the Bank's operations is made. They are rather recorded in the consolidated statement of income in the same period.
- Any indications of impairment in the value of intangible assets as of the 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 statement of financial position date and declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.
- Translation differences for non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, assets and liabilities of the branches and subsidiaries abroad are translated from the functional currency to the reporting currency using the average exchange rates prevailing on the statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year, and exchange differences are shown in the consolidated statement of comprehensive income within owners' equity. When one of these subsidiaries or branches is sold, the related foreign currency differences are recorded in revenues/expenses in the consolidated statement of income.

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, liabilities, cumulative change in fair value and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the consolidated statement of comprehensive income and 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 non-performing loans is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these bases and estimates is compared against the provisions that should be taken under the instructions of the regulatory authorities, through which the Bank branches and subsidiary companies operate. Moreover, the most strict outcome that conforms with the (IFRSs) is used.
- Impairment loss is taken after a sufficient and recent evaluation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.
- Management estimates the impairment in value when the market prices reach a certain limit that indicates the impairment loss provided that this does not contradict the instructions of the regulatory authorities or International Financial Reporting Standards.
- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.
- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.
- A provision is set for lawsuits raised against the Bank. This provision is 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 fair value or at cost to estimate any impairment in their value. The impairment amount is taken to the consolidated statement of income for the year.

- Fair value hierarchy

The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.



4. Cash and Balances at Central Banks:

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Cash in vaults	30,105,119	30,888,468
Balances at central banks:		
Current accounts	-	4,210,036
Time and notice deposits	217,323,870	26,679,487
Mandatory cash reserve	124,163,603	142,037,520
Certificates of deposit	150,000,000	266,993,306
Total balances at central bank	491,487,473	439,920,349
Total cash and balances at central bank	521,592,592	470,808,817

- In addition to the cash reserve at the Central Bank of Jordan, there are also restricted balances amounting to JD 409,693 as of December 31, 2009 (JD 278,186 as of December 31, 2008).
- Included in cash balances at central banks is an amount of JD 180,233,547 as of December 31, 2009 (JD 192,344,000 as of December 31, 2008) maturing within a period exceeding three months.
- Certificates of deposit maturing within more than three months amounted to JD 150,000,000 (JD 181,000,000 as of 31 December 2008).

5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	867,676	943,876
Deposits due within 3 months or less	21,893,369	27,045,245
Local Total	22,761,045	27,989,121
Banks and Financial Institutions Abroad:		
Current and demand accounts	17,555,033	30,087,321
Deposits due within 3 months or less	134,634,504	190,091,716
Certificates of deposit maturing within 3 months or less	3,545,000	3,545,000
Abroad Total	155,734,537	223,724,037
	178,495,582	251,713,158

- Non interest bearing balances at banks and financial institutions that don't take interest were valued at JD 7, 890, 358 as recorded on 31st , December 2009 (in return for JD 4,175,188) as recorded on 31st December 2008.

- There are no restricted balances as of 31st December 2009 and 2008

6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Banks and Financial		Total	
	Banks & Financial Institutions Abroad			
	December 31,		December 31,	
	2009	2008	2009	2008
	JD	JD	JD	JD
Deposits maturing within a period:				
3 to 6 months	852,121	1,735,899	852,121	1,735,899
	852,121	1,735,899	852,121	1,735,899

There are no restricted deposits as of December 31, 2009 and 2008.

7 . Trading Financial Asset

This item consists of the following:

	December 31,	
	2009 JD	2008 JD
Quoted bonds	-	6,634,203
Quoted shares	1,072,490	1,656,500
Total	1,072,490	8,290,703

8 . Direct Credit Facilities - net

This item consists of the following:

	December 31,	
	2009 JD	2008 JD
Individuals (retail):		
Overdraft accounts	19,098,098	19,974,331
Loans and promissory notes*	219,672,691	209,725,639
Credit cards	14,001,860	13,614,939
Property loans	71,529,594	75,290,065
Companies:		
a. Large Companies:		
Overdraft accounts	82,284,859	103,559,267
Loans and promissory notes*	469,561,368	418,106,431
b. Small and medium companies:		
Overdraft accounts	52,718,265	54,229,461
Loans and promissory notes*	115,422,145	95,927,956
Government and public sector	45,497,285	19,374,125
Total	1,089,786,165	1,009,802,214
Less		
Provision for impairment in direct credit facilities	67,954,141	80,398,238
Suspended interest	41,015,100	39,673,900
Net Direct Credit Facilities	980,816,924	889,730,076

- Net after deducting interest and commissions received in advance of JD 9,584,782 as of December 31, 2009 (JD8,881,869 as of December 31, 2008).

Provision for Impairment in Direct Credit Facilities:

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

	2009						
	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Large	Small and Medium			
JD	JD	JD	JD	JD	JD		
Balance – beginning of the year	23,303,122	1,169,181	34,781,612	21,144,323	-	80,398,238	
Deduction (surplus) for the year taken from revenues	(9,410,322)	(130,349)	13,612,250	994,568	-	5,066,147	
Used during the year (written-off)	(2,136,950)	(503)	(12,608,310)	(145,340)	-	(14,891,103)	
Transfer to / from off-consolidated statement of financial position items	76,173	-	21,500	(2,859,149)	-	(2,761,476)	
Foreign currencies evaluation difference	29,846	-	88,208	24,281	-	142,335	
Balance – End of the Year	11,861,869	1,038,329	35,895,260	19,158,683	-	67,954,141	
Provision for non-performing facilities on an individual customer basis	11,529,126	1,019,625	34,074,671	18,828,764	-	65,452,186	
Provision for under watch facilities on an individual customer basis	332,743	18,704	1,820,589	329,919	-	2,501,955	
Balance – End of the Year	11,861,869	1,038,329	35,895,260	19,158,683	-	67,954,141	

	2008						
	Companies					Government and Public Sector	Total
	Individuals	Property Loans	Large	Small and Medium			
JD	JD	JD	JD	JD	JD		
Balance – beginning of the year	28,457,792	295,507	31,730,385	21,670,555	-	82,154,239	
Deduction for the year taken from revenues	2,806,817	881,926	5,296,713	585,672	-	9,571,128	
Used during the year (written-off)	(7,662,279)	(1,974)	(36,435)	(328,817)	-	(8,029,505)	
Transfer to off-consolidated statement of financial position items	(303,262)	(6,278)	(2,110,284)	(793,223)	-	(3,213,047)	
Foreign currencies evaluation difference	4,054	-	(98,767)	10,136	-	(84,577)	
Balance – End of the Year	23,303,122	1,169,181	34,781,612	21,144,323	-	80,398,238	
Provision for non-performing facilities on an individual customer basis	22,971,369	1,150,477	32,961,023	20,811,695	-	77,894,564	
Provision for under watch facilities on an individual customer basis	331,753	18,704	1,820,589	332,628	-	2,503,674	
Balance – End of the Year	23,303,122	1,169,181	34,781,612	21,144,323	-	80,398,238	

Interest in Suspense						
- The movement on interest in suspense was as follows:						
2009						
Companies						
						Government
		Real Estate		Small &		& Public
	Individuals	Loans	Large	Medium	Sector	Total
	JD	JD	JD	JD	JD	JD
Balance – beginning of the year	9,407,933	501,004	8,341,648	21,423,315	-	39,673,900
Add: Interest in suspense for the year	1,422,672	141,927	3,940,707	3,625,601	-	9,130,907
Less: Surplus taken to income	(1,298,018)	(33,213)	(184,515)	(1,140,255)	-	(2,656,001)
Interest in suspense written-off	(871,309)	(2,843)	(1,655,998)	(1,306,009)	-	(3,836,159)
Transferred to off - consolidated statement of financial position items	(242,587)	-	(111,366)	(909,677)	-	(1,263,630)
Translation of foreign currencies	(12,389)	-	(35,736)	14,208	-	(33,917)
Balance - End of the Year	8,406,302	606,875	10,294,740	21,707,183	-	41,015,100

2008						
Companies						
						Government
		Real Estate		Small &		& Public
	Individuals	Loans	Large	Medium	Sector	Total
	JD	JD	JD	JD	JD	JD
Balance – beginning of the year	14,910,709	318,179	8,668,360	20,178,884	-	44,076,132
Add: Interest in suspense for the year	1,472,687	210,742	2,649,108	3,456,037	-	7,788,574
Less: Surplus taken to income	(1,047,967)	(16,470)	(231,098)	(211,535)	-	(1,507,070)
Transferred to off - consolidated statement of financial position items	(5,146,773)	(1,485)	(555,450)	(1,167,587)	-	(6,871,295)
Interest in suspense written-off	(802,210)	(9,962)	(2,189,272)	(832,484)	-	(3,833,928)
Balance - End of the Year	21,487	-	-	-	-	21,487
	9,407,933	501,004	8,341,648	21,423,315	-	39,673,900

Direct credit facilities are distributed according to geographic location and economic sector as follows:

Economic Sector	Inside	Outside	December 31,	December 31,
	Jordan	Jordan	2009	2008
	JD	JD	JD	JD
Financial	257,643,670	30,814,687	288,458,357	327,109,124
Industrial	65,277,499	20,013,930	85,291,429	46,033,086
Trade	261,562,550	83,456,704	345,019,254	290,111,041
Real Estate	89,449,928	25,887,625	115,337,553	113,436,513
Agricultural	16,864,495	531,132	17,395,627	19,659,004
Shares	3,952,005	-	3,952,005	4,253,494
Individuals	155,080,565	33,754,090	188,834,655	189,825,827
Government and Public Sector	10,327,807	35,169,478	45,497,285	19,374,125
	860,158,519	229,627,646	1,089,786,165	1,009,802,214

- Non-performing credit facilities amounted to JD 156,350,519, which is equivalent to 14.35% of total direct credit facilities as of December 31, 2009 (JD 154,194,307 which is equivalent to 15.27% of total direct credit facilities as of December 31, 2008).
- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 115,335,419 which is equivalent to 11% of total direct credit facilities net of interest and commission in suspense as of December 31, 2009 (JD 114,687,172 which is equivalent to 11.82% of total direct credit facilities as of December 31, 2008).
- Credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 10,327,807 as of December 31, 2009, which is equivalent to 0.95% of total direct credit facilities as of December 31, 2009 (JD 8,490,237, which is equivalent to 0.84% of total direct credit facilities as of December 31, 2008).
- The balance of non-performing loans transferred to off - consolidated statement of financial position amounted to JD 32,358,463 as of December 31, 2009 (JD 27,751,233 as of December 31, 2008). 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 18,826,115 has been written off during the year 2009 (JD 9,385,697 for the year 2008).
- The provision no longer needed due to settlements or debt repayments and accordingly transferred to other non-performing debts amounted to JD 10,390,323 as of December 31, 2009 (JD 9,852,391 as of December 31, 2008).

9. Available-for-Sale Financial Assets

The details of this item are as follows:

	December 31,	
	2009	2008
	JD	JD
Quoted Available-for-Sale Financial Assets:		
Treasury bills	120,355,765	38,693,765
Governmental bonds or bonds guaranteed by the Government	121,261,650	77,191,231
Companies bonds and debentures	8,398,817	7,390,755
Other bonds	7,589,490	7,122,188
Companies shares	19,853,111	20,997,413
Total Quoted Available-for-Sale Financial Assets	277,458,833	151,395,352

Unquoted Available-for-Sale Financial Assets:		
Companies bonds and debentures	-	3,734,246
Companies shares	16,377,069	17,556,603
Total Unquoted Available-for-Sale Financial Assets	16,377,069	21,290,849
Total Available-for-Sale Financial Assets	293,835,902	172,686,201

Bonds Analysis:		
Fixed return	254,749,905	54,814,158
Variable return	2,855,817	79,318,027
Total	257,605,722	134,132,185

10. Held-to-Maturity Investments

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Quoted Financial Assets:		
Treasury bills	11,690,278	60,006,285
Governmental bonds guaranteed by the Government	102,686,666	91,340,627
Companies bonds and debentures	6,492,842	7,954,672
Total Quoted Financial Assets	120,869,786	159,301,584
Less: Impairment provision	1,810,229	1,810,229
	119,059,557	157,491,355
Bonds Return Analysis:		
Fixed return	119,059,557	157,491,355
Total	119,059,557	157,491,355

The maturity dates of held-to-maturity financial assets are as follows:

	2009	2008
	JD	JD
During the year	38,288,015	62,962,871
From 1 to 3 years	38,503,124	48,408,445
More than 3 years	42,268,418	46,120,039
	119,059,557	157,491,355

11. Investments in Associates and Unconsolidated Subsidiary Company

The Bank owns several associate and unconsolidated subsidiary companies as of December 31, 2009 and 2008. The details are as follows:

	Country of Establishment	Ownership Percentage	December 31,		Nature of Business	Bank's Share of Profit	Calculation Method	meeting date.
			Shareholders' Equity					
			2009	2008				
		%	JD	JD		%		
Kuwait Real Estate Company *	Lebanon	100	141,400	141,400	Real estate	100/000	Equity	1986
Beach Hotels and Tourist Resorts Company **	Jordan	25/55	5,154,300	5,221,000	Hotel services	25/550	Equity	2006
Ahluna for Social and Cultural Work Company	Jordan	49/875	2,000,000	2,000,000	Charity	49/875	Cost	2006
Al-Ahli Investment Group***	Lebanon	37/50	602,003	-	Studies & consultation	37/500	Equity	2005
Middle East Payment Services Company	Jordan	20/-	1,000,000	-	financial services	20/000	Cost	2009
			8,897,703	7,362,400				

* 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 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.

*** During 2009, Al - Ahli Investment Group increased its capital from JD 705,473 to JD 1,883,612. Moreover, the Bank has not participated in this increase. Consequently, the Bank's ownership in this Company declined from 100% to 37.5%, and the Company has been classified as an associate company. Based on the resolution of the Extraordinary General Assembly of the Arab Printers Co. Ltd, in its meeting held on June 18, 2009, dictating the sale and transfer of ownership of all shares of the shareholders of Arab Printers Co. Ltd to Jordan Green Valley Company (partially owned by one of the shareholders) for JD 0,100 per share, the Bank, during the third quarter of the year 2009, sold 773,375 shares of its shares in Arab Printers Co. Ltd totaling 793,375 shares. Moreover, the sale resulted in gains of JD 77,338.

The remaining shares, totaling 20,000 shares, are restricted against membership on the Board of Directors. Concession of these shares is to be made during six months from the of the meeting.

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

	2009 JD	2008 JD
Balance - beginning of the year	7,362,400	9,172,391
Additions	1,705,472	2,000
Disposals	-	(347,031)
The Bank's share from (loss) of associate companies	(170,169)	(4,946)
Sales of shares	-	(1,460,014)
Balance - End of the Year	8,897,703	7,362,400

12. Fixed Assets - net

The details of this item are as follows:

	For the Year End December 31, 2009						
	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance - beginning of the year	12,650,809	30,521,992	27,508,951	1,560,050	10,117,738	1,783,255	84,142,795
Additions	1,800,000	2,862,741	4,280,063	135,156	1,295,166	2,211,997	12,585,123
Disposals	-	-	2,353,216	239,098	510,987	-	3,103,301
Balance - End of the Year	14,450,809	33,384,733	29,435,798	1,456,108	10,901,917	3,995,252	93,624,617
Accumulated Depreciation:							
Balance - beginning of the year	-	6,080,671	17,905,323	962,725	7,319,506	190,605	32,458,830
Additions	-	720,976	1,940,953	161,966	1,030,355	370,928	4,225,178
Disposals	-	-	1,069,184	200,682	518,292	-	1,788,158
Balance - End of the Year	-	6,801,647	18,777,092	924,009	7,831,569	561,533	34,895,850
Net Book Value of Fixed Assets	14,450,809	26,583,086	10,658,706	532,099	3,070,348	3,433,719	58,728,767
Down payments on fixed assets purchases	-	-	1,368,085	-	-	-	1,368,085
Balance - End of the Year	14,450,809	26,583,086	12,026,791	532,099	3,070,348	3,433,719	60,096,852

For the Year End December 31, 2008							
Cost:							
Balance - beginning of the year	12,630,652	28,860,453	25,146,736	1,417,039	9,760,974	1,031,658	78,847,512
Additions	20,157	1,661,539	3,377,509	187,011	799,688	751,597	6,797,501
Disposals	-	-	1,015,294	44,000	442,924	-	1,502,218
Balance - End of the Year	12,650,809	30,521,992	27,508,951	1,560,050	10,117,738	1,783,255	84,142,795
Accumulated Depreciation:							
Balance - beginning of the Year	-	5,613,704	16,738,783	850,240	6,860,299	35,535	30,098,561
Additions	-	466,967	1,976,729	148,158	901,161	155,070	3,648,085
Disposals	-	-	810,189	35,673	441,954	-	1,287,816
Balance - End of the year	-	6,080,671	17,905,323	962,725	7,319,506	190,605	32,458,830
Net Book Value of Fixed Assets	12,650,809	24,441,321	9,603,628	597,325	2,798,232	1,592,650	51,683,965
Down payments on fixed assets purchases	-	-	3,235,047	-	-	-	3,235,047
Balance - End of the Year	12,650,809	24,441,321	12,838,675	597,325	2,798,232	1,592,650	54,919,012

- The fixed assets balance as of December 31, 2009 includes an amount of JD 17,406,010 representing fully depreciated fixed assets (JD 16,835,323 as of December 31, 2008).

13. Intangible Assets

This item consists of the following:

	2009		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance-beginning of the year	3,036,885	1,418,000	4,454,885
Additions	975,598	-	975,598
Amortization for the year	(1,305,377)	-	(1,305,377)
Balance-End of the Year	2,707,106	1,418,000	4,125,106

	2008		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance-beginning of the year	2,997,835	1,418,000	4,415,835
Additions	1,238,832	-	1,238,832
Amortization for the year	(1,199,782)	-	(1,199,782)
Balance-End of the Year	3,036,885	1,418,000	4,454,885

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

14. Other Assets

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Real estate seized by the Bank against debts *	37,020,975	26,059,760
Unpaid accrued interest and commissions and present value difference on long-term financial liabilities	17,207,477	24,052,424
Real estate investment **	9,964,578	9,964,578
Checks and transfers under collection	9,079,975	9,245,978
Foreclosed real estate sold	1,930,376	2,365,625
Prepaid expenses	2,589,194	3,140,184
Various debtors	850,703	1,682,612
Real estate for sale ***	311,601	1,496,417
Prepaid rent	546,719	802,234
Certificate of Qoushan prizes	-	90,609
Refundable deposits	150,301	147,110
Revenue stamps	202,411	225,338
Advances to employees	68,455	106,369
Other debit balances	2,429,457	2,320,241
Total	82,352,222	81,699,479

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

Description	2009	2008
	JD	JD
Balance - beginning of the year	26,059,760	22,272,662
Additions****	12,607,163	6,759,936
Disposals	(1,645,948)	(2,972,838)
Balance - End of the Year	37,020,975	26,059,760

* 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 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. and was delayed one additional year to the end of 2009.

***The fair value of real estates for sale amounted to JD 316,126 as of December 31, 2009 (JD1,678,024 as of December 31, 2008). The fair value of the real estates for sale is estimated by real estate assessors.

**** During 2009, the Bank bought a plot of land at a total cost of JD 3.3 million registered in the name of one of the executive management employees who signed a pledge to transfer ownership title of the plot of land to the Bank or any other party upon request. The estimated value of the plot of land on the acquisition date is JD 3.7 million.

15. Banks and Financial Institutions Deposits

This item consists of the following:

	December 31, 2009			December 31, 2008		
	Inside	Outside	Total	Inside	Outside	Total
	Jordan	Jordan		Jordan	Jordan	
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	7,050,450	12,036,357	19,086,807	4,836,692	5,872,095	10,708,787
Time deposits	219,311,249	48,609,862	267,921,111	220,600,179	37,593,155	258,193,334
Total	226,361,699	60,646,219	287,007,918	225,436,871	43,465,250	268,902,121

16. Customers Deposits

This item consists of the following :

	For the Year Ended December 31, 2009				
	Individuals	Large	Small and Medium	Government	Total
	JD	Companies	Companies	and Public Sector	
	JD	JD	JD	JD	JD
Current accounts and demand deposits	178,922,323	65,625,397	86,910,744	11,953,922	343,412,386
Saving accounts	81,195,579	1,955,709	5,537,287	-	88,688,575
Time and notice deposits	680,891,984	175,477,339	136,873,806	74,803,917	1,068,047,046
Qoushan certificates of deposit	3,834,658	-	-	-	3,834,658
Certificates of deposit	14,180,000	-	-	-	14,180,000
Total	959,024,544	243,058,445	229,321,837	86,757,839	1,518,162,665

For the Year Ended December 31, 2008					
	Individuals	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	164,855,995	64,929,294	83,423,589	12,661,054	325,869,932
Saving accounts	50,039,332	1,563,964	4,216,572	165,227	55,985,095
Time and notice deposits	634,883,191	131,146,466	122,866,134	74,356,516	963,252,307
Qoushan certificates of deposit	12,340,291	-	-	-	12,340,291
Certificates of deposit	14,180,000	-	-	-	14,180,000
Other	1,956,349	-	-	-	1,956,349
Total	878,255,158	197,639,724	210,506,295	87,182,797	1,373,583,974

- Government and public sector deposits inside Jordan amounted to JD 77,948,023, which is equivalent to 5.13% of total deposits as of December 31, 2009 (JD76,153,187 which is equivalent to 5.54% of total deposits as of December 31, 2008).
- Non-interest bearing deposits amounted to JD 304,163,782, which is equivalent to 20.03% of total deposits as of December 31, 2009 (JD 284,002,698, which is equivalent to 20.68% of total deposits as of December 31, 2008).
- Restricted deposits amounted to JD 16,441,257 which is equivalent to 1.08 % of total deposits as of December 31, 2009 (JD 8,515,754, which is equivalent to 0.62% as of December 31, 2008).
- Dormant accounts amounted to JD 37,350,766 as of December 31, 2009 (JD 35,783,423 as of December 31, 2008).
- Restricted fund deposits amounted to JD 776,029, which is equivalent to 0.05% of total deposits as of December 31, 2009 (JD 752,248, which is equivalent to 0.05% as of December 31, 2008).

17. Cash Margins

This item consists of the following:

	December 31,	
	2009 JD	2008 JD
Cash margins on direct credit facilities	103,688,983	108,464,501
Cash margins on indirect credit facilities	60,599,789	77,214,307
Marginal deposits	10,822,504	6,653,153
Other margins	8,469,429	4,311,945
Total	183,580,705	196,643,906

18. Borrowed Funds

This item consists of the following:

	Number of Installments			Installments Due Frequency	Guarantees	Interest	Relending Interest Rate
	Amount	Total	Remaining			Rate	
December 31, 2009	JD						
Jordan Mortgage Refinance Co.	5,000,000	1	1	One-time payment upon maturity	Real estate mortgage bonds for JD 13,036,123	7.710	6.5 - 8.5
Local banks (overdraft accounts of subsidiaries)	433,333			-	-	7.750	-
Total	5,433,333				13,036,123		

December 31, 2008							
Jordan Mortgage Refinance Co.	5,000,000	1	1	One-time payment upon maturity	Real estate mortgage bonds for JD 13,392,662	7.710	6.5 - 8.5
Jordan Mortgage Refinance Co.	500,000	16	2	JD 250,000 semi annually		8.050	6.5 - 8.5
Local banks (overdraft accounts of a subsidiary)	648,611			-	-	8.25	-
Total	6,148,611				13,392,662		

- Loans with fixed interest rates amounted to JD 5,000,000 as of December 31, 2009 (JD 5,500,000 as of December 31, 2008) whereas loans with variable interest amounted to JD 433,333 as of December 31, 2009 (JD 648,611 as of December 31, 2008).

19. Various Provisions

This item consists of the following:

Year 2009	Balance			Balance
	Beginning of the Year	Additions	Disposals	End of the Year
	JD	JD	JD	JD
Provision for end - of - service indemnity	2,393,281	618,082	(288,428)	2,722,935
Provision for the decline in foreign currencies	13,639	105,163	-	118,802
Provision for lawsuits against the Bank	586,518	-	(5,728)	580,790
Other provisions	136,577	45,159	(124,917)	56,819
	3,130,015	768,404	(419,073)	3,479,346
Year 2008				
Provision for end - of - service indemnity	2,204,193	349,619	(160,531)	2,393,281
Provision for the decline in foreign currencies	508,498	11,801	(506,660)	13,639
Provision for lawsuits against the Bank	230,868	355,650	-	586,518
Other provisions	125,280	11,297	-	136,577
	3,068,839	728,367	(667,191)	3,130,015

20. Income Tax Provision

a) Income tax provision:

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

	2009	2008
	JD	JD
Beginning balance	14,533,728	12,448,546
Income tax paid	(13,450,507)	(5,817,199)
Income tax for the year	8,180,480	7,902,381
Ending Balance	9,263,701	14,533,728

- Income tax expense for the year consists of the following:

	2009	2008
	JD	JD
Accrued income tax on year's profit	8,180,480	7,902,381
Deferred tax assets for the year	(482,226)	(1,224,777)
Amortization of deferred tax assets	877,783	835,270
Balance - End of the Year	8,576,037	7,512,874

- A final settlement with the income and sales tax department has been reached for Jordan branches up to the year 2007.

Moreover, the Income and Sales Tax Department has reviewed the Bank's records for the year 2008 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 2006 .

- A final tax settlement has been reached for the Bank's branches in Cyprus up to the end of the year 2004 except for the year 2003.

In the opinion of management and the Company's tax advisor, the provision of JD 9,263,701 taken in the consolidated

financial statements as of December 31, 2009 is adequate for meeting the expected tax liabilities.

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

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the year	5,280,887	397,122	4,891,380	1,598,891
Additions	482,226	1,527,728	1,224,777	887,013
Deduction	(877,783)	(756,166)	(835,270)	(2,088,782)
Balance - End of the Year	4,885,330	1,168,684	5,280,887	397,122

b. Deferred Tax Assets / Liabilities:

The details of this item are as follows:

2009

Accounts Included	Beginning	Additions	Amounts	Year - End	Deferred
	Balance		Released	Balance	Tax
	JD		JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	8,014,315	1,040,785	(978,629)	8,076,471	2,328,070
Interest on suspense	3,461,185	150,681	(225,849)	3,386,017	936,708
Impairment loss in real estate	1,274,574	-	(114,385)	1,160,189	348,057
Provision for lawsuits	586,518	-	(5,728)	580,790	172,991
Provision for end - of - service indemnity	1,561,634	521,126	(158,440)	1,924,320	552,920
Provision for impairment in held-to-maturity financial assets	1,810,229	-	-	1,810,229	543,069
Other provisions	136,577	1,048	(124,918)	12,707	3,515
	16,845,032	1,713,640	(1,607,949)	16,950,723	4,885,330
b. Deferred Tax Liabilities *					
Cumulative change in fair value of available- for-sale financial assets	1,512,845	4,903,322	(2,520,554)	3,895,613	1,168,684
	1,512,845	4,903,322	(2,520,554)	3,895,613	1,168,684

Accounts Included	2008				
	Beginning		Amounts	Year - End	Deferred
	Balance	Additions	Released	Balance	Tax
	JD	JD	JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	8,010,121	1,588,597	(1,584,403)	8,014,315	2,525,765
Interest in suspense	3,515,004	213,870	(267,689)	3,461,185	957,502
Impairment loss in real estate	1,401,061	-	(126,487)	1,274,574	446,101
Provision for the decline in foreign currencies	506,660	-	(506,660)	-	-
Provision for lawsuits against the Bank	230,868	355,650	-	586,518	201,539
Provision for staff indemnity	1,546,776	153,144	(138,286)	1,561,634	479,208
Provision for impairment of held-to-maturity financial assets	-	1,810,229	-	1,810,229	633,580
Other provisions	125,280	11,297	-	136,577	37,192
	15,335,770	4,132,787	(2,623,525)	16,845,032	5,280,887

b. Deferred Tax Liabilities *					
Cumulative change in fair value of available-					
For-sale financial assets	6,091,016	3,379,096	(7,957,267)	1,512,845	397,122
	6,091,016	3,379,096	(7,957,267)	1,512,845	397,122

* Deferred tax liabilities include JD 1,168,684 as of December 31, 2009 against JD 397,122 for the year ended December 31, 2008 resulting from changes in fair value of available-for-sale financial assets presented at a net amount within the cumulative change in fair value under equity.

c- Summary of the reconciliation between accounting income with taxable income:

	2009	2008
	JD	JD
Accounting income	27,268,030	24,909,071
Tax exempted income	(11,485,198)	(3,502,392)
Non-deductible expenses	13,375,479	8,409,620
Taxable Income	29,158,311	29,816,299

The income tax rate for banks in Jordan is 35% while the income tax rate for banks in the countries where the Bank has investments or branches ranges from 10% to 35%. Deferred tax has been calculated according to these rates. According to the new tax law effective from the beginning of 2010, a rate of 30% is used for calculating differ tax as of December 31, 2009 (35%) as of December 31,2008).

21. Other Liabilities

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Accepted checks	7,974,211	12,105,833
Accounts payable for financial brokerage customers	1,585,337	2,587,719
Unpaid accrued interest	6,351,864	6,716,631
Temporary deposits	2,956,101	3,686,481
Various creditors	5,647,516	4,195,339
Unpaid accrued expenses	3,212,446	4,010,052
Interest and commissions received in advance	1,345,403	2,956,122
Checks and transfers-delayed in payment	1,557,088	2,547,646
Provision for scientific research fees	633,030	587,769
Provision for universities fees	204,982	154,470
Provision for Technical and Vocational Education and Training Support Fund fees	138,291	75,101
Board of Directors remuneration	66,250	65,000
Unearned revenue	34,110	29,305
Other liabilities	94,727	119,549
	31,801,356	39,837,017

22. Capital and Share Premium

- a. Subscribed capital amounted to JD 110 million divided into 110 million shares of JD 1 each as of December 31, 2009 and 2008.
- b. Share premium amounted to JD 10,845,817 as of December 31, 2009 against JD 28,272,534 as of December 31, 2008 net of paid dividends and the difference between the book value and cost of purchasing the treasury shares distributed to shareholders.
- c. The General Assembly of Shareholders, in its ordinary meeting held on March 31, 2009, resolved to distribute cash dividends at a rate of 10% amounting to JD 10.5 million for the year 2008 after eliminating the treasury shares in addition to distributing treasury shares at 5% to the shareholders at the book value of the share as of December 31, 2008.

23. Treasury Shares

As of December 31, 2009, the Bank owns the following treasury shares:

	December 31,	
	2009	2008
	JD	JD
Treasury shares	101,782	5,335,030
Ratio of treasury shares to total subscribed shares	0.001	0.049
Cost of treasury shares	332,195	17,366,417
Market value of shares	154,708	8,802,800

The movement on the treasury shares is as follows:

	Number of Shares	
	December 31,	
	2009	2008
	share	share
Balance - beginning of the year	5,335,030	5,335,030
Distributed free shares	(5,233,248)	-
Balance - at year - end	101,782	5,335,030

24. Reserves

The details of reserves as of December 31, 2009 and 2008 are as follows:

a. Statutory Reserve

The accumulated balances in this account represent appropriations from the net income before tax at 10% during the year and previous years according to the Banks Law and the Companies Law. This reserve can not be distributed to shareholders.

b. Voluntary reserve

The accumulated balances in this account represent appropriations from the net income before tax at a maximum of 20% during the year and previous years. The voluntary reserve can be used for the purposes decided by the Board of Directors. Moreover, the General Assembly of Shareholders have the right to distribute it as dividends to shareholders in part or in full.

c. General banking risks reserve

This item represents the general banking risks reserve according to the Central Bank of Jordan instructions.

Reserve	December 31,		Recording nature
	2009	2008	
	JD	JD	
General Banking Risks Reserve	9,401,268	7,805,083	According to the Central Bank of Jordan Instructions
Statutory Reserve	31,385,116	28,600,654	According to Banks and Companies Laws

25. Cumulative Change in Fair Value - Net

The details are as follows:

	2009			2008		
	Available - for - sale Investments			Available - for - sale Investments		
	Shares	Bonds	Total	Shares	Bonds	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	1,443,240	(1,007,371)	435,869	4,708,193	(974,183)	3,734,010
Unearned gains (losses)	(2,618,702)	3,564,344	945,642	(7,729,853)	(86,846)	(7,816,699)
Deferred tax liabilities	(713,105)	(58,457)	(771,562)	1,162,101	39,668	1,201,769
Net (losses) incurred transferred to consolidated income statement	(152,218)	53,322	(98,896)	(76,297)	13,990	(62,307)
Impairment transferred to consolidated income statement	4,903,322	-	4,903,322	3,379,096	-	3,379,096
Balance - end of the year	2,862,537	2,551,838	5,414,375	1,443,240	(1,007,371)	435,869

* Cumulative change in fair value is stated net of deferred tax liabilities of JD 1,168,684 as of December 31, 2009 against JD 397,122 as of December 31, 2008.

26. Retained Earnings

The details of this item are as follows:

	2009	2008
	JD	JD
Balance -beginning of the year	17,608,535	14,955,850
Income for the year	18,654,232	17,350,150
Distributed dividends	-	(8,373,197)
Transfers to dividends of treasury shares	(10,074,002)	-
Other	(15,376)	(54,016)
Transfers to reserves	(7,165,109)	(6,270,252)
Balance - End of the Year	19,008,280	17,608,535

- Included in retained earnings is an amount of JD 4,885,330 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2009. (JD 5,280,887 as of December 31, 2008).
- The Board of Directors resolved to recommend to the Bank's General Assembly of Shareholders to distribute 10% of capital, equivalent to JD11 million net of the portion of the treasury shares, as cash dividends to shareholders for the year 2009. These distributions are subject to the approval of the General Assembly of Shareholders. Moreover, dividends paid to shareholders in the prior year amounted to 10% of capital, equivalent to JD 10.5 million after the elimination of the treasury shares, in addition to distributing treasury shares at 5% as in-kind shares to shareholders

27. Non-Controlling Interest

This item consists of the following:

	December 31, 2009			December 31, 2008		
	Percentage of Non-Controlling Interest*	Non-Controlling Interest Portion of Net Income	Non-Controlling Interest Portion of Net Assets	Percentage of Non-Controlling Interest*	Non-Controlling Interest Portion of Net Income	Non-Controlling Interest Portion of Net Assets
	%	JD	JD	%	JD	JD
Al - Ahli International Bank - Lebanon	2/110	37,761	1,574,867	2/110	46,047	1,537,437
		37,761	1,574,867		46,047	1,537,437

* Minority interest in the subsidiary's capital (Al-Ahli International Bank- Lebanon) is 2.110% for the year 2009 (2.110% for the year 2008) while keeping 11.51% of capital prepayments.

28. Interest Income

This item consists of the following:

	2009	2008
	JD	JD
Direct credit facilities:		
Individuals (Retail):		
Current accounts	1,751,980	1,970,085
Loans and promissory notes	19,077,214	16,266,915
Credit cards	1,091,551	1,758,103
Property loans	5,578,690	6,050,868
Companies:		
Large Companies:		
Current accounts	5,815,966	7,697,705
Loans and promissory notes	32,126,872	30,644,991
Small and Medium Companies:		
Current accounts	3,772,870	3,260,349
Loans and promissory notes	9,657,106	8,326,389
Government and Public Sector	1,675,674	760,580
Balances at central banks	6,010,621	10,586,286
Balances and deposits at banks and financial institutions	3,769,686	13,262,332
Trading financial assets	121,771	955,958
Available-for-sale financial assets	15,434,181	11,903,190
Held-to-maturity financial assets	10,675,113	6,152,703
Total	116,559,295	119,596,454

29. Interest Expense

This item consists of the following:

	2009	2008
	JD	JD
Deposits at banks and financial institutions	3,198,926	4,308,299
Customers deposits:		
Current and demand deposits	616,695	1,030,556
Saving accounts	773,029	711,020
Time and notice deposits	46,315,892	45,891,247
Certificates of deposit	1,032,733	1,025,863
Koshan certificates	204,032	454,187
Cash margins	4,073,102	4,590,980
Borrowed funds	409,540	425,715
Loan guarantee fees	1,798,175	1,339,491
Total	58,422,124	59,777,358

30. Commissions Revenue - Net

This item consists of the following:

	2009	2008
	JD	JD
Credit commissions:		
Direct credit facilities	7,461,567	8,392,905
Indirect credit facilities	13,880,989	12,600,609
Other commissions	1,284,384	1,015,132
Less : commissions paid	(748,996)	(752,454)
Net Commissions Revenue	21,877,944	21,256,192

31. Income from Foreign Currencies

This item consists of the following:

	2009	2008
	JD	JD
Foreign currencies trading	1,217,774	1,268,087
As a result of evaluation	2,426,743	3,234,432
Total	3,644,517	4,502,519

32. Gain (Loss) from Trading Financial Assets

This item consists of the following:

	2009			
	Realized Profit	Unrealized (Loss)	Dividends	Total
	JD	JD	JD	JD
Companies shares	612,461	(573,526)	-	38,935
Treasury bonds and bills	(31,899)	-	-	(31,899)
	580,562	(573,526)	-	7,036
	2008			
	Realized Profit	Unrealized Profit (Loss)	Dividends	Total
	JD	JD	JD	JD
Companies shares	50,287	(1,733,893)	52,961	(1,630,645)
Treasury bonds and bills	41,575	18,106	-	59,681
Other	40,475	-	-	40,475
	132,337	(1,715,787)	52,961	(1,530,489)

33. (Loss) Income from Available-for-Sale Financial Assets

This item consists of the following:

	2009	2008
	JD	JD
Dividends income	1,483,118	1,226,377
(Loss) Income from the sale of available-for-sale financial assets	(12,851)	226,569
Less: Impairment of available-for-sale financial assets	(4,903,322)	(3,379,096)
Total	(3,433,055)	(1,926,150)

34. Other Income

This item consists of the following:

	2009	2008
	JD	JD
Increase in fair value for long - term deposit	-	1,202,081
Interest in suspense recovered *	2,781,686	1,533,691
Brokerage commission income	1,703,422	2,794,390
Income from sale of fixed assets **	2,952,836	458,488
Recovery of debts previously written-off ***	391,750	509,336
Income from managing investment portfolios	2,344	46,896
Income from check books	135,343	88,292
Rental income of Bank's real estate	148,033	166,259
Rental income of safe deposit boxes	90,361	69,729
Income from cash boxes differences	26,190	16,350
Income from credit cards	6,748	8,493
Other	909,312	915,487
	9,148,025	7,809,492

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

	2009	2008
	JD	JD
Interest in suspense from on-balance sheet items	2,656,003	1,507,070
Interest in suspense from debts written-off	125,683	46,621
	2,781,686	1,553,691

** This item includes an amount of JD 2,491,944 representing gains on the sale of the assets of the Master Card Unit at a net book value of JD 508,056 on the sale date. During the year 2009, the Bank, following an agreement with a group of banks and companies, sold them the software systems and hardware used in the Master Card Unit for an amount of JD 3 million in order to establish a new company owned by the above parties. Moreover, the Bank and one of its subsidiaries own 20% of the new company's capital. Establishment of the company has been completed, and it started operations on April 2, 2009.

*** This account represents what has been recovered from debts fully provided for in previous years.

35. Employees Expenses

This item consists of the following:

	2009 JD	2008 JD
Salaries, bonuses and employees' benefits	25,541,132	24,477,622
Bank's contribution in social security	2,172,175	2,009,695
Bank's contribution in staff provident fund	1,344,719	1,230,992
Medical expenses	1,224,947	1,066,675
End-of-service indemnity	618,082	349,619
Staff training expenses	272,188	567,916
Travel expenses	364,243	371,449
Employees life insurance	215,690	215,043
Employees meals	214,019	296,282
Employees uniforms	22,536	58,746
	31,989,731	30,644,039



36. Other Expenses

This item consists of the following:

	2009	2008
	JD	JD
Fees and subscriptions	3,179,956	2,981,904
Maintenance and repair	3,458,461	3,300,254
Advertisements	2,569,805	2,326,637
Printing and stationery	1,215,962	1,254,607
Rent and key money	1,070,885	1,040,283
Studies, research and consulting expenses	128,378	132,577
Insurance expenses	971,662	987,707
Water, electricity and heating	963,176	881,737
Legal fees	1,036,667	850,025
Donations	1,009,602	742,207
Transportation	855,547	822,863
Telecommunication expenses	670,791	621,447
Miscellaneous expenses	265,550	537,379
General assembly meeting expenses	394,251	278,163
Security expenses	302,580	298,105
Professional fees	278,949	254,171
Fees, taxes and stamps	267,047	297,924
Entertainment	134,806	141,919
Appraisal expenses of land and real estate	44,671	-
Cash boxes difference	5,010	689
Provision for litigations	-	355,650
Losses on real estate sales	15,789	28,077
Provision for scientific research	204,982	154,470
Provision for Technical and Vocational Education and Training Support Fund fees	119,835	75,101
Jordanian universities fees	204,982	154,470
Board of Directors' remunerations	65,000	65,000
	19,434,344	18,583,366

37. Earnings Per Share - Bank's Shareholders

The details of this items are as follows:

	2009	2008
	JD	JD
Income for the year	18,654,232	17,350,150
Weighted average number of shares	109,898,218	104,664,970
Earnings Per Share - Bank Shareholders:		
Basic	0.170	0.166
Diluted	0.170	0.166

38. Cash and Cash Equivalents

The details of this items are as follows:

	2009	2008
	JD	JD
Balances at central banks maturing within 3 months	341,359,045	278,464,810
Add: Balances at banks and financial institutions due within 3 months	178,495,582	249,338,490
Less: Banks and financial institutions deposits due within 3 months	(137,007,918)	(118,689,421)
Restricted balances	(409,693)	(278,186)
	382,437,016	408,835,693

39. Related Parties Transactions

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

	Related Party				Total
	Subsidiaries	Board of Directors Members	Executive Management	Other	December 31, 2009
On-Consolidated Statement of Financial Position items:	JD	JD	JD	JD	JD
Credit facilities	-	4,596,348	2,114,444	63,637,521	70,348,313
Customers' deposits	5,813,811	2,608,378	2,425,218	9,923,173	20,770,580
Cash margins	-	-	20,873	2,053,365	2,074,238
Off-Balance Sheet Items:					
Letters of guarantee	-	5,869	3,521	3,298,273	3,307,663
Statement of Income:					
Interest and commissions income	-	195,092	125,592	2,277,580	2,598,264
Interest and commissions expense	201,500	160,912	116,933	493,453	972,798

On-Consolidated Statement of Financial Position items:	Related Party				Total
	Subsidiaries	Board of		Other	December 31,
		Directors	Executive		
	JD	JD	JD	JD	JD
Credit facilities	13,062,427	3,493,748	1,999,769	50,357,009	68,912,953
Customers' deposits	6,323,166	4,529,655	3,361,517	6,546,632	20,760,970
Cash margins	395,220	-	20,598	1,243,513	1,659,331
Off-Consolidated Statement of Financial Position Items:					
Letters of guarantee	207,746	10,000	3,000	3,770,381	3,991,127
Statement of Income:					
Interest and commissions income	15	304,693	96,609	1,497,626	1,898,943
Interest and commissions expense	422,312	180,416	95,765	555,734	1,254,227
Provision for the impairment in direct credit facilities	970,415	-	-	-	970,415
Other Information:					
Interest in suspense *	1,655,809	-	-	-	1,655,809
Provision for the impairment in direct credit facilities **	11,011,398	-	-	-	11,011,398

- The salaries of executive management of the Bank and its subsidiaries amounted to JD 4,013,693 for the year 2009 (JD 3,665,754 for the year 2008) in addition to bonuses and incentives related to performance.
- During the year 2009, the land and building of Al - Ahli Financial Brokerage Company (subsidiary) were bought from a related party (Al - Ahli Securities Company) for an amount of JD 3.630 million according to the subsidiary Company's Board of Directors' resolution taken in its meeting held on February 26, 2009. According to this purchase, the debts due to the subsidiary (Al - Ahli Financial Brokerage Company) from Al - Ahli Securities Company and Imar Horizon Company were settled.
- During the third quarter of the year 2009, the Bank sold 773,375 shares of its shares in Arab Printers Company amounting to JD 793,375 shares to the Jordan Green Valley Company (partially owned by one of the members of the Board of Directors) for JD 0.100 per share. The sale resulted in gains of JD 77,338. According to the Board of Directors' resolution, debts relating to the Company of JD 14.3 million as of December 31, 2009 were written off of which JD 1.7 million represents interest in suspense.

* This item represents subsidiaries partially owned by members of the Bank's Board of Directors, executive management and personnel.

** 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. The investment has a value of JD Zero. Moreover, the balance relating to these credit facilities as of December 31, 2009 was written off according to the Board of Directors' resolution.

40. 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 2009 and 2008.

41. Financial Derivatives

This item consists of the following:

As of December 31, 2009	Maturity of Nominal Value						
	Positive Fair Value	Negative Fair Value	Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years	More than 3 Years
	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, 2008							
Trading Derivatives:							
	Positive Fair Value	Negative Fair Value	Total Nominal Amounts	Within 3 Months	From 3 Months up to 12 Months	From 1 Year up to 3 Years	More than 3 Years
	JD	JD	JD	JD	JD	JD	JD
Forward sales contracts in foreign currencies	-	(1,951,158)	(1,951,158)	(1,951,158)	-	-	-
Forward purchase contracts in foreign currencies	1,960,938	-	1,960,938	1,960,938	-	-	-
Total	1,960,938	(1,951,158)	9,780	9,780	-	-	-

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

42. 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.

42. (a) Credit Risk

The Bank's operations involve the Bank's exposure to many risks such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank which causes losses. An important duty of the Bank and its management is to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within a balanced relationship among risk, return, and liquidity. Credit management at the Bank is conducted by several committees from higher management and executive management. Moreover, credit facilities ceilings that can be granted to one client (individual or corporate) or related parties are specified in compliance with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed 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 accurately evaluated, 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 Bank adopts a specific policy that shows the credit ceilings granted to banks 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.



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

	2009	2008
On Financial Position Items	JD	JD
Balances at the Central Bank	367,323,870	297,882,829
Balances at banks and financial institutions	178,495,582	251,713,158
Deposits at banks and financial institutions	852,121	1,735,899
Direct credit facilities:		
Individuals	232,504,478	210,603,854
Property loans	69,884,390	73,619,880
Companies:		
Large companies	505,656,227	478,542,438
Small and medium companies	127,274,544	107,589,779
Government and public sector	45,497,285	19,374,125
Bonds and Bills:		
Included in trading financial assets	-	6,634,203
Included in available-for-sale financial assets	257,605,722	134,132,185
Included in held-to-maturity financial assets	119,059,557	157,491,355
Other assets	47,263,254	38,500,589
Total	1,951,417,030	1,777,820,294
Off Financial Position Items		
Letters of guarantee	201,555,067	195,678,667
Letters of credit	75,274,901	119,349,247
Letters of acceptance	49,003,343	78,991,902
Unutilized facility ceilings	57,158,500	71,262,626
Total	382,991,811	465,282,442

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

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

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

In case the value of the guarantee declines, the Bank requests additional guarantees to cover the 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, 2009	Companies						Total
	Individuals	Property Loans	Large Companies	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	
	JD	JD	JD	JD	JD	JD	
Low risk	95,934,923	24,208,089	33,402,172	13,435,408	45,497,285	669,983,055	882,460,932
Acceptable risk	125,766,054	37,575,392	340,724,759	100,485,050	-	-	604,551,255
Of which is due:*							
Within 30 days	17,672	-	-	-	-	-	17,672
From 31 to 60 days	15,299	-	-	-	-	-	15,299
Under watch	2,362,064	5,697,572	99,636,593	8,710,285	-	-	116,406,514
Non-performing:							
Below level	734,986	942,240	11,706,893	3,340,809	-	-	16,724,928
Allowance provided	16,714,686	499,005	22,420,968	9,563,651	-	-	49,198,310
Bad debt	11,259,936	2,607,296	43,954,842	32,605,207	-	-	90,427,281
Total	252,772,649	71,529,594	551,846,227	168,140,410	45,497,285	669,983,055	1,759,769,220
Less: Interest in suspense	8,406,302	606,875	10,294,740	21,707,183	-	-	41,015,100
Impairment provision	15,361,869	1,038,329	32,395,260	19,158,683	-	-	67,954,141
Net	229,004,478	69,884,390	509,156,227	127,274,544	45,497,285	669,983,055	1,650,799,979

As of December 31, 2008	JD	JD	JD	JD	JD	JD	JD
Low risk	97,462,712	22,936,681	60,335,612	17,585,019	19,374,125	691,633,507	909,327,656
Acceptable risk	102,916,065	39,703,783	312,616,430	86,012,495	-	-	541,248,773
Of which is due:*							
Within 30 days	4,523	-	-	-	-	-	4,523
From 31 to 60 days	4,269	-	-	4,275	-	-	8,544
Under watch	15,976,617	10,019,215	67,456,485	3,212,668	-	-	96,664,985
Non-performing:							
Below level	1,032,770	483,149	5,781,918	3,232,914	-	-	10,530,751
Allowance provided	14,772,349	806,316	28,196,554	5,861,459	-	-	49,636,678
Bad debt	11,154,396	1,340,921	47,278,699	34,252,862	-	-	94,026,878
Total	243,314,909	75,290,065	521,665,698	150,157,417	19,374,125	691,633,507	1,701,435,721
Less: Interest in suspense	9,407,933	501,004	8,341,648	21,423,315	-	-	39,673,900
Impairment provision	23,303,122	1,169,181	34,781,612	21,144,323	-	-	80,398,238
Net	210,603,854	73,619,880	478,542,438	107,589,779	19,374,125	691,633,507	1,581,363,583

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

As of December 31, 2009	Individuals	Property Loans	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low risk	110,002,446	23,966,337	46,881,331	9,449,081	15,999,807	206,299,002
Acceptable risk	143,638,203	13,116,771	259,184,109	70,786,179	-	486,725,262
Under watch	3,567,143	-	-	152,537	-	3,719,680
Non-performing:						
Below level	36,598	918,320	5,620,821	7,784,858	-	14,360,597
Allowance provided	10,312,457	751,521	33,328,737	5,546,286	-	49,939,001
Bad debt	3,156,691	2,335,493	16,897,842	16,055,997	-	38,446,023
Total	270,713,538	41,088,442	361,912,840	109,774,938	15,999,807	799,489,565

Of it:						
Cash Margins	29,299,066	381,874	34,499,584	60,952,501	-	125,133,025
Accepted letters of guarantee	5,089,583	-	26,087,568	535,927	-	31,713,078
Real estate	168,253,231	4,056,645	102,176,115	31,851,941	-	306,337,932
Traded stocks	30,380,086	-	1,093,622	1,336,439	-	32,810,147
Vehicles and equipment	7,290,485	165,498	-	6,848,603	-	14,304,586
Total	240,312,451	4,604,017	163,856,889	101,525,411	-	510,298,768

As of December 31, 2008	Individuals	Property Loans	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low risk						
Acceptable risk	111,966,552	22,403,420	74,649,750	11,387,116	8,490,237	228,897,075
Under watch	97,592,569	13,147,662	197,645,005	9,852,212	-	318,237,448
Non-performing:						
Below level	4,121,438	-	-	378,258	-	4,499,696
Below level	16,547,011	2,248,603	41,635,007	18,199,388	-	78,630,009
Allowance provided	371,049	178,487	2,139,278	1,191,341	-	3,880,155
Bad debt	11,482,175	336,817	25,744,235	3,326,350	-	40,889,577
Total	4,693,787	1,733,299	13,751,494	13,681,697	-	33,860,277
	230,227,570	37,799,685	313,929,762	39,816,974	8,490,237	630,264,228
Of it:						
Cash Margins						
Accepted letters of guarantee	48,899,596	52,500	17,876,825	20,614,314	-	87,443,235
Real estate	1,572,878	-	29,632,744	262,895	-	31,468,517
Traded stocks	143,035,361	13,482,917	198,450,604	13,998,612	-	368,967,494
Vehicles and equipment	3,019,850	-	-	294,383	-	3,314,233
Total	509,538	-	120,014	216,210	-	845,762
	197,037,223	13,535,417	246,080,187	35,386,414	-	492,039,241

Scheduled Debts:

These debts are the debts that have been previously classified as non-performing credit facilities but taken out therefrom according to proper scheduling. These debts have been classified as “watch list” and amounted to JD 20,364,983 for the year 2009 (JD 10,146,568 for the year 2008).

Restructured Debts:

Restructuring means rearranging credit facilities through adjusting the installments, prolonging the credit facilities, postponing some installments, or extending the grace period. These debts have been classified as watch list.

Restructured debts amounted to JD 11,121,745 for the year 2009 (JD 12,610,255 for the year 2008).



Bonds, Bills, and Debentures:

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

institutions:					
As of December 31, 2009					
Rating Grade	Rating Institution	Within Trading	Within Available-	Within Held-to-	Total
		Financial Assets	for- Sale Financial	Maturity Financial	
		JD	Assets	Assets	
AA	FITCH	-	1,368,370	-	1,368,370
A. +	FITCH	-	-	931,359	931,359
A	FITCH	-	4,241,238	-	4,241,238
A-1	S & P	-	781,992	-	781,992
AA	S & P	-	673,550	-	673,550
A. +	S & P	-	1,400,275	-	1,400,275
BB	S & P	-	1,271,237	-	1,271,237
BB	FITCH	-	117,261,650	99,686,666	216,948,316
Unclassified	-	-	1,543,000	3,751,254	5,294,254
Governmental	Governmental &	-	-	-	-
	Government -	-	-	-	-
	guaranteed Bonds *	-	129,064,410	14,690,278	143,754,688
Total		-	257,605,722	119,059,557	376,665,279

institutions:					
As of December 31, 2008					
Rating Grade	Rating Institution	Within Trading	Within Available-	Within Held-to-	Total
		Financial Assets	for- Sale Financial	Maturity Financial	
		JD	Assets	Assets	
AA	FITCH	-	1,276,200	-	1,276,200
AA3	MOODYS	-	-	709,000	709,000
AA2	MOODYS	-	2,119,031	-	2,119,031
A+	FITCH	-	1,305,836	180,375	1,486,211
A-	FITCH	-	1,333,204	-	1,333,204
A-1	S & P	-	802,687	1,418,722	2,221,409
AA	S & P	-	601,090	-	601,090
A-F1	FITCH	-	658,023	-	658,023
A-F2	FITCH	-	1,314,628	-	1,314,628
BB	FITCH	6,634,203	-	-	6,634,203
BBB+	FITCH	-	1,270,953	-	1,270,953
B-	FITCH	-	691,842	-	691,842
Unclassified	-	-	7,748,573	3,836,346	11,584,919
Governmental	Governmental &	-	-	-	-
	Government -	-	-	-	-
	guaranteed Bonds *	-	115,010,118	151,346,912	266,357,030
Total		6,634,203	134,132,185	157,491,355	298,257,743

* Included in governmental bonds are bonds relating to the Lebanese Government classified as Grade (B-).

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	416,954,772	72,124,007	2,408,694	-	-	-	491,487,473
Balances at banks and financial institutions	20,946,992	43,344,927	107,072,696	1,116,565	5,950,074	64,328	178,495,582
Deposits at banks and financial institutions	-	-	852,121	-	-	-	852,121
Credit Facilities:	860,158,519	166,866,009	62,761,637	-	-	-	1,089,786,165
Individuals	174,206,799	69,329,901	9,235,949	-	-	-	252,772,649
Real estate loans	71,243,228	286,366	-	-	-	-	71,529,594
Corporate	462,304,112	42,515,783	47,026,332	-	-	-	551,846,227
Small and medium companies	142,076,573	25,236,481	827,356	-	-	-	168,140,410
Government and public sector	10,327,807	29,497,478	5,672,000	-	-	-	45,497,285
Bonds, Bills, and Debentures:	139,650,297	227,712,141	8,371,482	-	931,359	-	376,665,279
Within trading financial assets	-	-	-	-	-	-	-
Within available-for-sale financial assets	129,898,765	119,335,475	8,371,482	-	-	-	257,605,722
Within held-to-maturity financial assets	9,751,532	108,376,666	-	-	931,359	-	119,059,557
Other assets	40,863,022	6,327,946	72,286	-	-	-	47,263,254
Total for 2009	1,478,573,602	516,375,030	181,538,916	1,116,565	6,881,433	64,328	2,184,549,874
Total for 2008	1,333,306,406	419,912,973	254,991,499	4,068,494	27,397,132	86,683	2,039,763,187

* Excluding Middle East Countries.

Exposure According to Economic Sector:

Economic Sector	Real								Government & Public Sector	Total
	Financial	Industrial	Trade	Estate	Agricultural	Shares	Individuals			
	JD	JD	JD	JD	JD	JD	JD	JD		
Balances at central banks	-	-	-	-	-	-	-	491,487,473	491,487,473	
Balances at banks & financial institutions	178,495,582	-	-	-	-	-	-	-	178,495,582	
Deposits at banks & financial institutions	852,121	-	-	-	-	-	-	-	852,121	
Credit facilities	288,458,357	85,291,429	345,019,254	115,337,553	17,395,627	3,952,005	188,834,655	45,497,285	1,089,786,165	
Bonds, Bills and Debentures:	367,975,279	-	-	-	-	-	-	8,690,000	376,665,279	
Within trading financial assets	-	-	-	-	-	-	-	-	-	
Within available-for-sale financial assets	257,605,722	-	-	-	-	-	-	-	257,605,722	
Held-to-maturity financial assets	110,369,557	-	-	-	-	-	-	8,690,000	119,059,557	
Others assets	9,930,678	-	-	37,332,576	-	-	-	-	47,263,254	
Total for 2009	845,712,017	85,291,429	345,019,254	152,670,129	17,395,627	3,952,005	188,834,655	545,674,758	2,184,549,874	
Total for 2008	913,801,696	44,106,205	250,165,299	133,987,356	19,659,004	4,253,494	167,009,504	506,780,629	2,039,673,187	

42. 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 ñ 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.



- Sensitivity analysis:

Interest Rate Risk

December 31, 2009

Currency	Increase in Interest Rate	Interest Income Sensitivity (Gain/Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	1,587,237	1,150,447
Euro	1	182,278	33,777
GBP	1	34,556	-
Yen	1	63	-
Other currencies	1	975,288	912,439

Currency	Decrease in Interest Rate	Interest Income Sensitivity (Gain/Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	(1,587,237)	(1,150,447)
Euro	1	(182,278)	(33,777)
GBP	1	(34,556)	-
Yen	1	(63)	-
Other currencies	1	(975,288)	(912,439)

December 31, 2008

Currency	Increase in Interest Rate	Interest Income Sensitivity (Gain/Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	847,191	934,617
Euro	1	29,954	33,497
GBP	1	33,073	-
Yen	1	14,631	-
Other currencies	1	760,979	754,187

Currency	Decrease in Interest Rate	Interest Income Sensitivity (Gain/Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	(847,191)	(934,436)
Euro	1	(29,954)	(33,497)
GBP	1	(33,073)	-
Yen	1	(14,631)	-
Other currencies	1	(760,979)	(754,187)

- 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.

December 31, 2009			
Currency	Change in Foreign Currency Rate	Effect on Income & Losses	Effect on Owner's Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	6,865	-
GBP	5	211,692	-
Yen	5	315	-
Other currencies	5	16,595	-

December 31, 2008			
Currency	Change in Foreign Currency Rate	Effect on Income & Losses	Effect on Owner's Equity
	%	JD	
US Dollar	-	-	-
Euro	5	(34,522)	-
GBP	5	12,167	-
Yen	5	81,141	-
Other currencies	5	198,076	-

- 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, 2009	
		Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5	53,625	992,656

Indicator	Change in Indicator (%)	December 31, 2008	
		Impact on Profit and Loss	Impact on Owners' Equity
		JD	JD
Amman Stock Exchange	5	82,825	1,049,871

- 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.

Interest Re-pricing Gap

The Bank adopts the policy of matching the amounts and matures 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 re-pricing periods or maturities, whichever are nearer.

Interest rate sensitivity is as follows:

As of December 31, 2009	Less than 1 Month		More than 1 Month Up to 3 Months		More than 3 Months up to 6 Months		More than 6 Months up to One 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	22,835,771	217,643,541	2,083,655	28,005,500	150,144,392	-	-	-	-	-	-	-	100,879,733	-	-	521,592,592
Balances at banks and financial institutions	38,060,362	140,435,220	-	-	-	-	-	-	-	-	-	-	-	-	-	178,495,582
Deposits at banks and financial institutions	-	-	852,121	-	-	-	-	-	-	-	-	-	-	-	-	852,121
Trading financial assets	-	-	-	-	-	-	-	-	-	-	-	-	1,072,490	-	-	1,072,490
Direct credit facilities - net	62,550,549	188,645,505	108,737,211	114,354,442	275,117,282	183,094,416	48,317,519	-	-	-	-	-	-	-	-	980,816,924
Available-for-sale financial assets	943,004	6,404,280	11,811,060	28,909,549	145,370,939	64,166,890	36,230,180	-	-	-	-	-	-	-	-	293,835,902
Held-to-maturity financial assets - net	-	278,464,483	8,693,248	1,748,284	38,503,124	42,268,418	-	-	-	-	-	-	-	-	-	119,059,557
Investments in associate and unconsolidated	-	-	-	-	-	-	-	-	-	-	-	-	8,897,703	-	-	8,897,703
Subsidiary companies																
Fixed assets - net	-	-	-	-	-	-	-	-	-	-	-	-	60,096,852	-	-	60,096,852
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	4,125,106	-	-	4,125,106
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	82,352,222	-	-	82,352,222
Differed tax assets	-	-	-	-	-	-	-	-	-	-	-	-	4,885,330	-	-	4,885,330
Total Assets	124,389,686	580,975,029	132,177,295	173,017,775	609,135,737	289,529,724	346,857,135	2,256,082,381	2,256,082,381	2,256,082,381	2,256,082,381	2,256,082,381	346,857,135	2,256,082,381	2,256,082,381	2,256,082,381
Liabilities																
Banks and financial institutions deposits	46,543,421	90,464,497	-	-	1,500,000,000	-	-	-	-	-	-	-	-	-	-	287,007,918
Customers' deposits	484,946,515	340,660,980	196,743,367	72,864,045	118,783,97	118,783,97	304,163,782	-	-	-	-	-	-	-	-	1,518,162,665
Cash margins	20,207,571	18,025,817	39,612,492	24,813,737	80,790,456	130,632	-	-	-	-	-	-	-	-	-	183,580,705
Borrowed funds	433,333	-	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	5,433,333
Various provisions	-	-	-	-	-	-	-	-	-	-	-	-	3,479,346	-	-	3,479,346
Income tax provision	-	-	-	-	-	-	-	-	-	-	-	-	9,263,701	-	-	9,263,701
Differed tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,168,684	-	-	1,168,684
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	31,801,356	-	-	31,801,356
Total Liabilities	552,130,840	449,151,294	241,355,859	97,677,782	349,574,432	130,632	349,876,869	2,039,897,708	2,039,897,708	2,039,897,708	2,039,897,708	2,039,897,708	349,876,869	2,039,897,708	2,039,897,708	2,039,897,708
Interest Rate Re-pricing Gap	(427,741,154)	131,823,735	(109,178,564)	75,339,993	259,561,305	289,399,092	(3,019,734)	-	-	-	-	-	-	-	-	216,184,673
As of December 31, 2008																
Total Assets	306,503,851	344,300,169	174,733,228	126,734,199	496,445,121	307,519,130	349,937,174	2,106,172,872	2,106,172,872	2,106,172,872	2,106,172,872	2,106,172,872	349,937,174	2,106,172,872	2,106,172,872	2,106,172,872
Total Liabilities	419,085,413	536,432,049	165,340,415	94,941,813	147,237,223	198,239,001	341,900,580	1,903,176,494	1,903,176,494	1,903,176,494	1,903,176,494	1,903,176,494	341,900,580	1,903,176,494	1,903,176,494	1,903,176,494
Interest Rate Re-pricing Gap	(112,581,413)	(192,131,880)	9,392,813	31,792,386	349,207,898	109,280,129	8,036,594	-	-	-	-	-	-	-	-	202,996,378

Concentration in foreign currencies risk:

As of December 31, 2009	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total JD
Assets:						
Cash and balances at the Central Banks	73,055,497	3,046,245	417,827	399	26,877,714	103,397,682
Balances at banks and financial institutions	100,227,820	46,031,236	11,392,247	1,207,033	6,798,848	165,657,184
Deposits at banks and financial institutions	852,121	-	-	-	-	852,121
Direct credit facilities - net	251,477,542	3,544,178	-	465,197	38,778,910	294,265,827
Available-for-sale financial assets	50,316,013	3,537,367	4,114,105	-	78,063,201	136,030,686
Held-to-maturity financial assets - net	79,226,321	222,359	-	-	21,169,345	100,618,025
Investments in associates and unconsolidated subsidiary companies	-	-	-	-	743,403	743,403
Fixed assets - net	2,499,282	-	-	-	5,962,111	8,461,393
Intangible assets	1,588,219	-	-	-	201,473	1,789,692
Other assets	17,204,096	79,437	106,423	-	7,667,252	25,057,208
Total Assets	576,446,911	56,460,822	16,030,602	1,672,629	186,262,257	836,873,221
Liabilities:						
Banks and financial institutions deposits	42,827,654	12,118,277	5,466,780	28,711	3,722,452	64,163,874
Customers' deposits	450,990,711	43,802,008	5,909,444	1,127,465	154,542,716	656,372,344
Cash margins	76,203,823	7,235,232	185,060	130,767	6,044,199	89,799,081
Various provisions	23,032	-	-	-	766,143	789,175
Income tax provision	-	-	-	-	369,181	369,181
Other liabilities	6,219,871	540,814	25,924	468,188	3,403,704	10,658,501
Total Liabilities	576,265,091	63,696,331	11,587,208	1,755,131	168,848,395	822,152,156
Net Concentration on-Balance Sheet	181,820	(7,235,509)	4,443,394	(82,502)	17,413,862	14,721,065
Off-balance Sheet Contingent Liabilities	286,979,837	3,134,472	12,028,919	40,228,535	26,383,710	368,755,473
As of December 31, 2008						
Total Assets	599,031,039	64,056,581	23,656,323	5,155,251	156,325,510	848,224,704
Total Liabilities	576,920,482	72,136,992	19,568,659	7,196,769	147,278,916	823,101,818
Net Concentration on-Balance Sheet	22,110,557	(8,080,411)	4,087,664	(2,041,518)	9,046,594	25,122,886
Off-balance Sheet Contingent Liabilities	405,731,921	76,368,107	1,335,327	14,180,662	8,591,901	506,207,918

42 c. Liquidity Risks

Liquidity risk represents the Bank's inability to make available the necessary funding to fulfill its obligations on their maturities. To protect the Bank against these risks, management diversifies funding sources, manages assets and liabilities, matches their maturities, and maintains an adequate balance of cash 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 (44 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.

The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2009:

	Less than One Month		More than 1 Month up to 3 Months		More than 3 Months to 6 Months		More than 6 Months to 1 Year		From 1 Year Up to 3 Years		More than 3 Years		Without Maturity		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Liabilities:																	
Banks and financial institutions deposits	46,543,421	90,464,497	-	-	-	-	150,000,000	-	-	-	-	-	-	-	-	-	287,007,918
Customers' deposits	789,110,297	340,660,980	196,743,367	72,864,045	118,783,976	-	-	-	-	-	-	-	-	-	-	-	1,518,162,665
Cash margins	20,207,571	18,025,817	39,612,492	24,813,737	80,790,456	-	-	-	-	-	-	-	-	-	-	-	183,580,705
Borrowed funds	433,333	-	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,433,333
Various provisions	-	-	-	-	-	-	-	-	-	-	-	-	3,479,346	-	-	-	3,479,346
Income tax provision	-	-	-	-	-	-	-	-	-	-	-	-	9,263,701	-	-	-	9,263,701
Other liabilities	8,920,538	1,789,970	1,328,934	483,115	696,177	-	-	-	-	-	-	-	17,913,006	-	-	-	31,801,356
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,168,684	-	-	-	1,168,684
Total Liabilities	865,215,160	450,941,264	242,684,793	98,160,897	350,270,609	669,616	31,824,737	2,039,897,708	157,929,791	1,168,684	1,168,684	1,168,684	1,168,684	1,168,684	1,168,684	1,168,684	2,039,897,708
Total Assets	307,830,581	549,019,013	134,002,514	169,596,358	648,174,400	289,529,724	157,929,791	2,256,082,381	157,929,791	157,929,791	157,929,791	157,929,791	157,929,791	157,929,791	157,929,791	157,929,791	2,256,082,381
- The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2008:																	
Liabilities:																	
Banks and financial institutions deposits	42,324,168	76,365,253	212,700	-	-	-	150,000,000	-	-	-	-	-	-	-	-	-	268,902,121
Customers' deposits	640,401,442	415,439,877	131,735,362	75,687,804	78,768,332	-	-	-	-	-	-	-	-	-	-	-	1,373,583,974
Cash margins	20,362,501	44,376,919	28,392,353	19,004,009	67,820,280	-	-	-	-	-	-	-	-	-	-	-	196,643,906
Borrowed funds	250,000	250,000	5,000,000	250,000	648,611	-	-	-	-	-	-	-	-	-	-	-	6,148,611
Various provisions	-	-	-	-	-	-	-	-	-	-	-	-	3,130,015	-	-	-	3,130,015
Income tax provision	-	-	-	-	-	-	-	-	-	-	-	-	14,533,728	-	-	-	14,533,728
Deferred tax liabilities	11,651,998	1,313,670	878,508	286,909	1,574,376	-	-	-	-	-	-	-	23,278,794	-	-	-	39,837,017
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	397,122	-	-	-	397,122
Total Liabilities	714,740,109	537,745,719	166,218,923	95,228,722	148,811,599	199,091,763	41,339,659	1,903,176,494	41,339,659	41,339,659	41,339,659	41,339,659	41,339,659	41,339,659	41,339,659	41,339,659	1,903,176,494
Total Assets	455,731,431	352,078,319	177,738,395	129,150,717	534,219,750	247,950,275	209,303,985	2,106,172,872	209,303,985	209,303,985	209,303,985	209,303,985	209,303,985	209,303,985	209,303,985	209,303,985	2,106,172,872

Off-balance sheet items:

December 31, 2009	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	294,993,051	425,148	-	295,418,199
Unutilized credit facilities	57,158,500	-	-	57,158,500
Letters of guarantee	190,114,497	11,440,570	-	201,555,067
Total	542,266,048	11,865,718	-	554,131,766

December 31, 2008	Up to One Year	From One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	426,446,545	1,278,057	-	427,724,602
Unutilized credit facilities	71,262,626	-	-	71,262,626
Letters of guarantee	187,450,204	8,228,463	-	195,678,667
Total	685,159,375	9,506,520	-	694,665,895

43. 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.

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

	Institutional				Total	
	Individuals	Funding	Treasury	Others	2009	2008
	JD	JD	JD	JD	JD	JD
Gross income	22,237,234	36,908,621	21,260,756	8,975,027	89,381,638	89,930,660
Provision for credit facilities	9,540,671	(14,606,818)	-	-	(5,066,147)	(9,571,128)
Impairment of financial assets held to maturity	-	-	-	-	-	(1,810,229)
Results of Business Sector	31,777,905	22,301,803	21,260,756	8,975,027	84,315,491	78,549,303
Undistributed expenditures	(21,465,792)	(15,064,740)	(14,361,519)	(6,062,579)	(56,954,630)	(54,075,272)
Profit from selling shares of associates and unconsolidated subsidiary companies	-	-	-	77,338	77,338	439,986
Bank's share of associate company's (loss)	-	-	-	(170,169)	(170,169)	(4,946)
Income before Taxes					27,268,030	24,909,071
Less: Income tax					(8,576,037)	(7,512,874)
Income for the Year					18,691,993	17,396,197

Additional Information:	December 31,					
					2009	2008
					JD	JD
Sector's assets	306,841,341	1,424,568,394	-	408,322,144	2,139,731,879	2,032,285,993
Investments in subsidiary and associate companies	-	-	-	8,897,703	8,897,703	7,362,400
Assets not distributed over to sectors	-	-	-	107,452,799	107,452,799	66,524,479
Total Assets	306,841,341	1,424,568,394	-	524,672,646	2,256,082,381	2,106,172,872
Sector's liabilities	1,070,214,680	916,467,031	-	21,414,641	2,008,096,352	1,849,069,642
Liabilities not distributed over to sectors	-	-	-	31,801,356	31,801,356	54,106,852
Total Liabilities	1,070,214,680	916,467,031	-	53,215,997	2,039,897,708	1,903,176,494
Capital Expenditures				13,560,721	13,560,721	7,945,407
Depreciation and Amortization				5,530,555	5,530,555	4,847,867

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 are the Bank's revenue, assets, and capital expenditures according to geographical allocation:

	Inside Jordan		Outside Jordan *		Total	
	2009	2008	2009	2008	2009	2008
			JD	JD	JD	JD
Total revenue	70,914,233	71,638,560	18,467,405	18,292,100	89,381,638	89,930,660
Total assets	1,813,381,909	1,524,923,040	442,700,472	581,249,832	2,256,082,381	2,106,172,872
Capital expenditures	10,584,139	6,863,230	2,976,582	1,082,177	13,560,721	7,945,407

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

44. Capital Management

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

Capital is categorized into paid-up capital, economic capital, and regulatory capital whereby regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio as per the Central Bank of Jordan 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 good will; 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 paid-up capital be not less JD 100 million and 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. Capital adequacy

The capital adequacy ratio is calculated according to the instructions of the Central Bank of Jordan based on Basel Committee resolution.



The following is the comparative capital adequacy ratio:

	December 31,	
	2009 JD (in thousand)	2008 JD (in thousand)
Primary capital items:		
Subscribed and paid capital	110,000	110,000
Statutory reserve	31,385	28,601
Voluntary reserve	13,674	10,890
Share premium	10,846	28,273
Other reserves	15,213	15,213
Retained earnings	3,123	1,862
Non-Controlling interest *	1,575	-
Less:		
Cost of treasury shares	(332)	(17,366)
Goodwill and other intangible assets	(4,125)	(4,455)
Investment in insurance companies	(1,188)	(808)
Total Primary Capital	180,171	172,209
General banking risks reserve	9,401	7,805
Cumulative change in the fair value of available – for-sale assets	2,436	436
Total Supplementary Capital	11,837	8,241
Investments in the capital of banks and other financial institutions	(500)	-
Investments in insurance companies	(688)	(808)
Total Regulatory Capital	190,820	179,424
Total Risk-Weighted Assets	1,479,818	1,485,911
Regulatory capital adequacy ratio (%)	12.89	12.08
Primary capital adequacy ratio (%) **	12.18	11.7

* A declaration has been obtained from the Board of Directors of the subsidiary company in Lebanon during the year 2009.

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

The capital adequacy ratio has been calculated according to Basel II resolution as of December 31, 2009 and December 31, 2008.

45. 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, 2009	Up to	More than	Total
	One Year	One Year	
Assets:	JD	JD	JD
Cash and balances at central banks	371,448,200	150,144,392	521,592,592
Balances at banks and financial institutions	178,495,582	-	178,495,582
Deposits at banks and financial institutions	852,121	-	852,121
Trading financial assets	1,072,490	-	1,072,490
Direct credit facilities - net	599,316,907	381,500,017	980,816,924
Available-for-sale financial assets	84,298,073	209,537,829	293,835,902
Held-to-maturity investments - net	38,288,015	80,771,542	119,059,557
Investments in associates and subsidiary companies	-	8,897,703	8,897,703
Fixed assets - net	-	60,096,852	60,096,852
Intangible assets	-	4,125,106	4,125,106
Other assets	32,883,541	49,468,681	82,352,222
Deferred tax assets	-	4,885,330	4,885,330
Total Assets	1,306,654,929	949,427,452	2,256,082,381
Liabilities:			
Banks and financial institutions deposits	137,007,918	150,000,000	287,007,918
Customers deposits	1,399,378,689	118,783,976	1,518,162,665
Cash margins	102,659,617	80,921,088	183,580,705
Borrowed funds	5,433,333	-	5,433,333
Provisions	3,479,346	-	3,479,346
Provision for income tax	9,263,701	-	9,263,701
Deferred tax liabilities	-	1,168,684	1,168,684
Other liabilities	28,172,849	3,628,507	31,801,356
Total Liabilities	1,685,395,453	354,502,255	2,039,897,708
Net	(378,740,524)	594,925,197	216,184,673

46. 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, 2008	Up to One Year	More than One Year	Total
Assets:	JD	JD	JD
Cash and balances at central banks	309,464,817	161,344,000	470,808,817
Balances at banks and financial institutions	251,713,158	-	251,713,158
Deposits at banks and financial institutions	1,735,899	-	1,735,899
Trading financial assets	8,290,703	-	8,290,703
Direct credit facilities - net	455,298,146	434,431,930	889,730,076
Available-for-sale financial assets	56,526,697	116,159,504	172,686,201
Held-to-maturity investments - net	62,962,871	94,528,484	157,491,355
Investments in associates and subsidiary companies	-	7,362,400	7,362,400
Fixed assets - net	-	54,919,012	54,919,012
Intangible assets	-	4,454,885	4,454,885
Other assets	50,719,256	30,980,223	81,699,479
Deferred tax assets	-	5,280,887	5,280,887
Total Assets	1,196,711,547	909,461,325	2,106,172,872
Liabilities:			
Banks and financial institutions deposits	118,902,121	150,000,000	268,902,121
Customers deposits	1,263,264,485	110,319,489	1,373,583,974
Cash margins	112,135,782	84,508,124	196,643,906
Borrowed funds	5,500,000	648,611	6,148,611
Provisions	3,130,015	-	3,130,015
Provision for income tax	14,533,728	-	14,533,728
Deferred tax liabilities	-	397,122	397,122
Other liabilities	34,211,866	5,625,151	39,837,017
Total Liabilities	1,551,677,997	351,498,497	1,903,176,494
Net	(354,966,450)	557,962,828	202,996,378

47. Accounts Managed on Behalf of Customers

	December 31,	
	2009 JD	2008 JD
Accounts Managed on Behalf of Customers*	56,269,679	41,274,427

* This item represents accounts with no guaranteed capital managed on behalf of customers.

These accounts do not appear in the consolidated financial statements

48. Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2009	JD	JD	JD	JD
Financial Assets:				
Trading financial assets	1,072,490	-	-	1,072,490
Available - for - sale financial assets	277,458,833	16,377,069	-	293,835,902
	278,531,323	16,377,069	-	294,908,392
December 31, 2008				
Financial Assets:				
Trading financial assets	8,290,73	-	-	8,290,703
Available - for - sale financial assets	151,395,352	21,290,849	-	172,686,201
	159,686,055	21,290,849	-	180,976,906

49. Commitments and Contingent Liabilities

Commitments and contingent liabilities:

	December 31,	
	2009 JD	2008 JD
Letters of credit:		
Letters of credit-out	75,274,901	119,349,247
Letters of credit-in	171,139,955	229,383,453
Acceptances	49,003,343	78,991,902
Letters of guarantee:		
Payments	100,673,881	103,395,589
Performance bonds	77,108,387	67,475,599
Other	23,772,799	24,807,479
Unutilized credit facilities	57,158,500	71,262,626
Total	554,131,766	694,665,895

50. Lawsuits against the Bank

The lawsuits raised against the Bank amounted to JD 5,306,508 as of December 31, 2009 (JD 4,584,278 as of December 31, 2008). In the opinion of the Bank's management and its tax consultant, no liabilities exceeding the provision of JD 580,790 as of December 31, 2009 shall arise.

51. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

51- a. Standards affecting presentation and disclosure

The following new and revised standards have been adopted in these financial statements for the current period. The details of other Standards and Interpretations that have been adopted but that have had no effect on the financial statements are set out in section 51- b below.

<ul style="list-style-type: none">• IAS 1 (as revised in 2007) Presentation of Financial Statements	IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
<ul style="list-style-type: none">• Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)	The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Bank has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.
<ul style="list-style-type: none">• IFRS 8 Operating Segments	IFRS 8 is a disclosure standard that has resulted in re-designation of the Bank's reportable segments.

51-b. Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

<ul style="list-style-type: none">• Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)	The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.
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<ul style="list-style-type: none"> • IFRS 8 Operating Segments 	<p>IFRS 8 is a disclosure Standard that requires re-designation of the Bank's reportable segments based on the segments used by the Chief Operating Decision Maker to allocate resources and assess performance. There was no material impact of this Standard on the previous disclosures and reported results or the financial position of the Bank since the business segments reported earlier as per the requirements of IAS 14 Segment Reporting are also used by the General Manager to allocate resources to the segments and to assess their performance.</p>
<ul style="list-style-type: none"> • IFRS for SMEs Small and Medium-sized Entities 	<p>This Standard is available immediately but its adoption has to be decided by the jurisdiction of implementation</p>
<ul style="list-style-type: none"> • Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations 	<p>The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.</p>
<ul style="list-style-type: none"> • IAS 23 (as revised in 2007) Borrowing Costs 	<p>The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Bank's accounting policy to capitalize borrowing costs incurred on qualifying assets.</p>
<ul style="list-style-type: none"> • Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Potable Financial Instruments and Obligations Arising on Liquidation 	<p>The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain potable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.</p>
<ul style="list-style-type: none"> • IFRIC 13 Customer Loyalty Programs 	<p>The Interpretation provides guidance on how entities should account for customer loyalty programs by allocating revenue on sale to possible future award attached to the sale.</p>
<ul style="list-style-type: none"> • IFRIC 15 Agreements for the Construction of Real Estate 	<p>The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognized.</p>
<ul style="list-style-type: none"> • IFRIC 16 Hedges of a Net Investment in a Foreign Operation 	<p>The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.</p>

- IFRIC 18 Transfers of Assets from Customers (adopted in advance of effective date of transfers of assets from customers received on or after 1 July 2009)

The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of the transfer, with the credit recognized as revenue in accordance with IAS 18 Revenue.

- Improvements to IFRSs (2008)

Amendments to IFRS 3, IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from May and October 2008 Annual Improvements to IFRSs the majority of which is effective for annual periods beginning on or after January 1, 2009.

51- c. Standards and Interpretations in issue not yet effective

At the date of authorization of these financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

New Standards and Amendments to Standards:

	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • IFRS 1 (revised) First time Adoption of IFRS and IAS 27 (revised) Consolidated and Separate Financial Statements – Amendment relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate 	1 July 2009
<ul style="list-style-type: none"> • IFRS 3 (revised) Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) Consolidated and Separate Financial Statements, IAS 28 (revised) Investments in Associates and IAS 31 (revised) Interests in Joint Ventures 	1 July 2009
<ul style="list-style-type: none"> • IAS 39 (revised) Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items (such as hedging inflation risk and hedging with options) 	1 July 2009
<ul style="list-style-type: none"> • IFRS 1 (revised) First time Adoption of IFRS – Amendment on additional exemptions for First-time Adopters 	1 January 2010
<ul style="list-style-type: none"> • IFRS 2 (revised) Share-based Payment – Amendment relating to Bank cash-settled Share-based payments 	1 January 2010

• IAS 32 (revised) Financial Instruments: Presentation – Amendments relating to classification of Rights Issue	1 February 2010
• IAS 24 Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government	1 January 2011
• IFRS 9 Financial Instruments: Classification and Measurement (intended as complete replacement for IAS 39 and IFRS 7)	1 January 2013
• Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 28, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs.	Majority effective for annual periods beginning on or after 1 January 2010

New Interpretations and amendments to Interpretations:

	Effective for annual periods beginning on or after
• IFRS 17: Distributions of Non-cash Assets to Owners	1 July 2009
• IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
• Amendment to IFRIC 14: IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
• Amendment to IFRIC 16: Hedges of a Net Investment in a Foreign Operation	1 July 2009
• Amendment to IFRIC 9 (revised): Reassessment of Embedded Derivatives relating to assessment of embedded derivatives in case of reclassification of a financial asset out of the 'FVTPL' category	1 July 2009

The Bank's management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Bank in the period of initial application.

IFRS 9

The application of the current version of IFRS 9 would mainly result in applying different classification and measurement criteria for financial assets. The requirements of IFRS 9 apply a consistent approach to classifying financial assets and replace the numerous categories of financial assets in IAS 39, each of which has its own classification criteria. They also result in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

IFRS (3) and IAS (27), (28), and (31) - Revised

The application of these amended standards would mainly result in applying new policies regarding the Bank's new investments in associates and subsidiaries, partial disposal of its stocks in associates and subsidiaries, and an increase in the current investments in associates and subsidiaries.

52. Comparative Figures

Some of the comparative figures for the year 2008 have been reclassified to correspond with the year 2009 presentation. Such reclassifications do not affect the previously reported results.





Jordan Ahli Bank
 Jordan Securities Commission Requirements
 Disclosure Data for 2009

1.(a) Description of Bank's Main Activities

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

(b) Location of Branches and Respective Number of Employees

The Jordan Ahli Bank's headquarters are located in Shmeisani – Queen Noor Street with 695 employees. The Jordan Ahli Bank's network of 48 branches and offices is spread and ideally distributed covering the governorates of Jordan, with particular concentration in Amman. Our branches also cover Lebanon, with eight branches operated through the subsidiary Ahli International Bank Company, with five branches in Palestine, and a branch in Cyprus. Details of those branches are presented at the end of this Annual Report. The number of employees during 2009 reached 1,614 employees distributed among the branches as follows:

Hashemite Kingdom of Jordan Branches			
Branch Name	Number of Employees	Branch name	Number of Employees
Corporate Branch	32	Al-Rusaifeh	7
Abdoun	12	Ras Al-ain	9
Headquarter	50	Abu Nseir	7
Mecca St.	16	Sweileh	10
Wakalat St.	12	Qwaismeh	7
Sweifieh	15	Sahab	9
City Mall	5	Khreibet El-Suq	9
Culture St.	16	Marj Al-Hamam	10
Queen Rania Al Abdullah Street	14	Madaba	13
Amman - Downtown	28	Salt	22
Wasfi Al-Tal Street	19	Dier Alla	8
Bayader Wadi Seer	11	Zarqa	17
Jabal Al-Hussein	15	Free Zone / Zarqa	5
Wadi Saqra	11	Irbid	21
Chamber of Industry Building	14	Irbid – Hashimi St.	16
Jabal Amman	18	Jerash	11
Abdullah Gosheh St.	12	Mafraq	11
Ibn Khaldon St.	3	Ramtha	11
University St.	6	Karak	16
Middle East Circle	16	Tafila	12
Al-Hashemi Al-Shamali	8	Ma'an	11
Marka	10	Aqaba	16

Al-Ahli International Bank S.A.L – Lebanon Branches	
Branch Name	Number of Employees
Jdeideh	9
Al-Hamra	7
Bab Idriss	11
Dora	8
Kaslik	8
Verdun	9
Tripoli	13
Saida	11

Palestine Branches	
Branch Name	Number of Employees
Nablus	20
Al-Shallalah St. – Hebron	6
Ramallah	16
Salam St. - Hebron	18
Bethlehem	22

Cyprus Branch	
Limassol	17

(c) Capital Investment Volume

The capital investment volume of Jordan Ahli Bank amounted to JD60.1 million, representing fixed assets on 31/12/2009 against JD54.9 million as at the close of 2008.

2. Subsidiaries

The Bank has a number of subsidiaries, shown hereunder as of the end of 2009:

Number	Company Name	Core Activity	Number of Employees	Capital (JD Million)	% of Ownership
1	Ahli Microfinancing Co. LLC	Micro projects financing	73	2.5	100%
2	Zarqa National College LLC	Provision of Educational services	51	0.8	100%
3	Al-Ahlia Brokerage Co. PS	Financial brokerage	13	20	100%
4	Ahli Financial Leasing Company	Financial leasing	4	20	100%
5	Al-Ahli International Bank S.A.L	Financial institution - Lebanon	179	29.8	97.89%

3. (a) Biographies of the Members of the Jordan Ahli Bank Board of Directors:

Name	Position	DOB	Nationality	Educational Qualifications	Experience	Date of Appointment
H.E. Dr. Rajai Muasher	Chairman Until 15/12/2009 Executive	1944	Jordanian	Ph.D. Business Administration & Marketing – USA MBA – USA Bachelor Degree of Chemistry - American University of Beirut (AUB)	Deputy Prime Minister / Minister of State currently Former Minister of Industry & Trade Former Minister of Supply Senate Member for several terms Chairman and board member of several companies	1997
Mr. Nadim Muasher	Chairman As of 16/12/2009 Part-time	1950	Jordanian	MSc Civil Engineering - USA BArch	Chairman 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
H.E. Mr. Marwan Awad (Jordan Worsted Mills Company representative)	Deputy Chairman Executive	1951	Jordanian	Masters of Economics – Higher Diploma in Economic Development – Business Administration BA	Current Deputy Chairman and CEO / General Manager of Jordan Ahli Bank Head of Association of Banks in Jordan in its current cycle 2009 Former Minister of Finance Former General Secretary of Ministry of Industry and Trade Former General Manager of Industrial Development Bank Former General Manager of Qatar Islamic Bank Former General Manager of Middle East Investment Bank Central Bank of Jordan – several positions Author of several books and publications regarding dealing with foreign exchange, investment, finance and economic studies Board member of several companies	2009
H.E. Mr. Sami Haddad (Byblos Bank representative)	Independent Member	1950	Lebanese	Ph.D. Economic Development – Wisconsin University BA and Masters of Economics - American University of Beirut (AUB)	Former Minister of Industry and Trade – Lebanon Chairman and General Manager - Byblos Bank MENA Area Manager / IFC – World Bank – Washington DC Central Bank of Lebanon Branch Manager - Societe Generale / Lebanon	2008

Name	Position	DOB	Nationality	Educational Qualifications	Experience	Date of Appointment
H.E. Mr. Wasef Azar (Jordan Investor Center representative)	Independent Member	1936	Jordanian	Masters of Economics and Development Management - USA LLB Law - Damascus	Former Minister of Industry & Trade Board member of various companies. Long experience in both the public and private sector and in different fields. Manager of several establishments and companies.	1997
Mr. Imad Yousef Mouasher (Muasher Investment & Trading Co. representative)	Independent Member	1957	Jordanian	BA Economics MA International Business Administration - USA	Deputy Chairman and board member of diversified companies in different sectors of the economy.	1997
H.E. Mr. Rafiq Saleh Muasher (Rajai Muasher & Brothers Co. representative)	Non-executive Member	1949	Jordanian	MSc Construction Engineering MSc Engineering Projects Management - USA	1976 – 1980: Ranco Company for Contracting and Trading 1980 – 1985: Rajai Muasher and Brothers Co. 1985 – 1988: Al Ahlia Financial Investments 1988 – to date: National Securities Co.	1997
Mr. Hani Atallah Fraij (Arabia S.A.L. representative - Lebanon)	Independent Member	1940	Lebanese	BA Business Administration – American University of Beirut (AUB)	General Manager of Atallah Fraij Institution – Beirut Deputy Chairman of Arabia Insurance Co. – Beirut Chairman of Andlosya Company – Beirut	1997
Mr. Ala-Eddin Sami (ZI & IME Co. representative)	Independent Member	1953	Egyptian	MA Financial Management BA Accounting	Deputy Chairman of Al-Zahid Group – S.A. Chairman of Arab-Sudanese Truck Co. Board member of Arab Truck & Vehicle Saudi Co. Board Member of Laguna Tourism Development Co. -Egypt	1997

Name	Position	DOB	Nationality	Educational Qualifications	Experience	Date of Appointment
Mr. Mohammad Rawashdeh (The Social Security Representative)	Independent Member	1975	Jordanian	BA and MA Economics	Economic Secretary for the Prime Minister General Manager of Economic Department in the Royal Court Economic advisor to the Prime Minister	2009
Mr. Mahmoud Zuhdi Malhas	Independent Member	1935	Jordanian	BA Economics – American University of Beirut (AUB)	Prominent businessman and owner of Al-Mahmoudiah Trading Company operating in general trade and trademarks representation since 1994 / chairman and member in several boards of banks and companies	1997
Mr. Abdul Ilah Al-Khatib	Independent Member	1953	Jordanian	MA International Media Masters of International Economics and Development BA Political Science	Several-time former minister of foreign affairs Chairman of Lafarge Jordan Cement Co. Occupied several diplomatic posts in the Ministry of foreign affairs President of the Royal Society for the Conversation of Nature Member in board of trustees of King Hussein Foundation Member in board of trustees of Hussein Cancer Centre Member in board of trustees of American Centre for Oriental Research Former board member of Central Bank of Jordan	2009
Mr. Kareem Tawfik Kawar	Independent Member	1966	Jordanian	BA Financial Management and Computer Science - Boston College	Former HKJ ambassador to Washington – USA Former managers committee member in Ideal Group / Vision Investment / Batelco Jordan / National Equipment and Technical Services / also former member in the Economic Advisory Board Currently Board Member in Kawar Group and Board Member in JWICO Company / management Committee President in Nathealth / Iris Guard / Kawar Energy / Board of Trustees of King Abdullah II Development Fund / Board of Trustees of Jordan River Foundation / Founder and President of the management committee for the Information Technology Companies Society / President of Jordan Computer Society / and a number of initiatives, societies and groups.	2008

(b) Biographies of the Members of the Jordan Ahli Bank Senior Executive Management:

Name	Position	DOB	Nationality	Educational Qualifications	Experience
H.E. Marwan Awad	Deputy Chairman CEO / General Manager	1951	Jordanian	MBA Economics – Vanderbilt University / USA High Diploma in Economic Development -Vanderbilt University / USA BA Business Administration – Jordan University	Deputy Chairman & CEO / General Manager of Jordan Ahli Bank currently President of Jordan Banking Society for 2009 Former Minister of Finance Former Secretary General of Ministry of Industry & Trade General Manager of the Industrial Development Bank General Manager of Qatar Islamic Bank General Manager of Middle East Investment Bank Held several positions at the Central Bank of Jordan Authored several books and publications in the fields of foreign currency, investment, finance and economics Board member of several companies
Mr. Issa Khoury	Advisor to H.E. the Chairman	1941	Jordanian	Higher Diploma in Public Administration / Bier Zait University	Teacher in Catholic School in Ramallah 1962 – 1963 Ottoman Bank / Grindlays Bank 1963 – 1978 Petra Bank 1978 – 1992 Business Bank / Jordan Ahli Bank 1992 – to date Deputy Chairman of Al-Ahlia Brokerage Co. PS
Mr. Ibrahim Ghawi	Deputy CEO/ Head of Group Finance	1954	Jordanian	MBA International Management – Phoenix University / USA BA Accounting / Jordan University	Chairman of Ahli Brokerage Company P.S. Financial Controller at Cairo Amman Bank Deputy General Manager and Financial Manager of Palestine Telecom
Ms. Lina Bakhit	Deputy CEO / Head of Group Ahli Capital Markets & Investments	1963	Jordanian	BA Business Administration / American University of Beirut (AUB)	Board Member of Ahli Brokerage Company P.S. Former Head of Treasury Department / Jordan Investment & Finance Bank

Name	Position	DOB	Nationality	Educational Qualifications	Experience
Ms. Hadeel Kayyali	Deputy CEO / Head of Group Operations	1959	Jordanian	BA Business Administration / American University of Beirut (AUB)	Jordan Ahli bank since 1997, Business Bank since 1990
Mr. Hani Farraj	Deputy CEO for Administrative Affairs Head of Group Logistics Board of Directors' Secretary	1946	Jordanian	BA Literature	27 years 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 and Financial Affairs at the Radio & Television Corp
Mr. Zahi Fakhoury	Deputy CEO/ Head of Group Credit	1951	Jordanian	BA in Accounting	Arab Bank Credit and Commerce Bank
Mr. Sa'ad Mouasher	Deputy CEO/ Head of Group Strategy & Corporate Communications	1974	Jordanian	MBA Stanford University BA Economics, Northwestern University	Deputy General Manager of Al-Dawliyah for Hotels & Malls Co. (Sheraton Hotel) Board member in several companies
Mr. Iyad Asali	Deputy CEO/ Head of Group Corporate Banking	1966	Jordanian	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 Mashreq Bank, Dubai (1992 – 1998)
Mr. Faleh Alnajjar	Deputy CEO/ Head of SME Banking	1955	Jordanian	B.A Economics and Political Science – Al-Rabat	Bank of Jordan ABC Bank National Bank of Kuwait
Mr. Ahmad Al-Khubb	Deputy CEO/ Head of Group Personal Banking and Branches Management	1957	Jordanian	BA Economics / Finance and Banking, Yarmouk University 1993	ABC Bank – Jordan (1993) Jordan Gulf Bank (1988) Petra Bank (1985) Jordan Gulf Bank (1980) Arab Bank (1975)

Name	Position	DOB	Nationality	Educational Qualifications	Experience
Mr. Bashar Bakri	Deputy CEO / Head of Group Human Resources	1963	Jordanian	BA Business Administration and Economics, Jordan University Higher studies in Enterprise Management	Administrative Manager for Makshaf Holding - Riyadh Human Resources Manager – Royal Jordanian
Mr. Kameel Haddad	Deputy CEO / Remedial & Recoveries	1959	Jordanian	BA Statistics – University of Baghdad / Iraq	Manager – Statistics Unit Manager – Deposits Department Manager / Amman Investment Bank Clearance Manager – Mdanat Commercial Establishment
Mr. Samer Abu Zayed	Deputy Chief Executive Officer / Head of Group Information Technology and enterprise programs	1963	Jordanian	BA in Computer Science / University of Kuwait MA in Computer Science / University of Kuwait	Executive Manager of Enterprise programs / Kuwait National Bank (1/7/2006 - 30/11/2009) Manager – Banking Group / International Integarted Information Systems Co. (22/1/1999 - 30/6/2006) Executive Manager / Middle East Investment Bank (1/11/1995 – 30/12/1998) Ahli Bank / Information Systems Manager (3/1999 – 31/10/1995)
Mr. Ragheb Halaseh	Assistant General Manager / Head of Group Internal Audit	1950	Jordanian	BA Business Administration-Accounting specialization / University of Damascus	Jordan Ahli Bank since 1973- Main Branch Internal Audit Branch Management Internal Audit
Mr. Ziad Kokash	Executive Manager / Group Risk Management	1970	Jordanian	MA Finance Administration / Arab Academy for Financial and Banking Science BA Financial and Banking Sciences and Business Administration / Yarmouk University	Arab Banking Corporation (ABC) Bank (2000 – 2004) Cairo Amman Bank (1992 – 2000)
Ms. Oraib Hammoudeh	Executive Manager / Inspection & Internal Control Department	1969	Jordanian	Programming and System Analysis Diploma Financial and Banking Sciences Higher Diploma	Inspection & Internal Control Department (2005 – to date) Jordan Ahli Bank branches (1990 – 2005)

4. Major Jordan Ahli Bank Shareholders owning 5% or more of the Capital:

No.	Name	Number of Shares 2009	Ownership %	Number of Shares 2008	Ownership %
1	Abraaj Capital - UAE	12,164,912	11.06%	11,585,631	10.53%
2	Byblos Bank –Lebanon	11,418,750	10.38%	10,875,000	9.89%
3	Jordan Investor Center Co.	6,604,500	6.00%	6,275,000	5.7%
4	Jordan Worsted Mills	6,440,700	5.86%	6,134,000	5.58%
Total		36,628,862	33.30%	34,869,631	31.7%

5. Ranking:

The Jordan Ahli Bank ranks fourth in terms of capital and equity, and third in terms of total assets during 2009. Compared to 2008, Jordan Ahli Bank showed a 9.5% increase in its net earned revenue before taxes for 2009. The Jordan Ahli Bank operates in Jordan, Lebanon, Palestine and Cyprus, and enjoys an excellent market share therein.

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

7. Neither the Jordan Ahli Bank nor any of its products enjoy 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 others, that have a material impact on the Bank, its products, or its competitiveness.

* There are quality standards specific to the Bank's activities, especially in relation to the quality of the Bank's services and products and the quality of internal audit activities. International quality standards do not apply to the Bank.

9. (a) The Organizational Structure of Jordan Ahli Bank and its Subsidiaries:

As outlined in the last pages of the Annual Report for the Bank and its subsidiaries.

(b) Number, categories and qualifications of Jordan Ahli Bank Employees:

	Below High School	High School	Community College	Bachelor's Degree	Graduate Diploma	Masters Degree	Ph.D.	Total
Jordan Branches	73	159	221	741	9	94	5	1302
Cyprus	3	3	3	7	0	1	0	17
Palestine	5	15	19	74	0	4	0	117
Lebanon (Ahli International Bank)	14	38	36	68	4	18	0	178
Total	95	215	279	890	13	117	5	1614

* The number of employees of subsidiaries is outlined in item number (2) of the disclosure instructions above.

(c) Training and Qualification Programs for Jordan Ahli Bank Employees:

During 2009, the Bank's Training and Development Department held 422 training courses, equivalent to 18,324 training days, from which 4,754 employees benefitted. The Bank's Training Center hosted 215 courses that were attended by 4,004 employees. Two groups of new employees who attended the Bank's induction program were also graduated. Additionally, 171 courses were held in local training centers that were attended by 573 employees, in addition to 10 training courses held abroad and attended by 15 employees. Additionally, 26 courses were held in the West Bank and attended by 162 employees. The courses are detailed hereunder as follows:

Training Courses Attended by Jordan Ahli Bank Employees During 2009	
Name of Training Course	Number of Participants
Risk Management and BASEL II	189
Management training courses	781
Credit training courses	362
Selling and marketing skills courses	114
Financial analysis and audit training courses	961
IT training courses	285
New banking products	155
Other	1907
Total	4,754

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

11. The Bank did not witness, during 2009, any significant event or process that may affect its position.

** The Bank's achievements: as detailed and supported with numbers in the Board's report on the Bank's achievements.

12. There is no financial impact for non-recurring operations that occurred in 2009 that do not fall under the Bank's main activities.

13. Timeline for the development of Jordan Ahli Bank's Main financial indicators during the previous five years:

Financial Year	Net Owners' Equity (JD million)	Cash Dividends (%)	Value of Cash Dividends (JD million)	Pre Tax Net Profit (JD million)	Share Market Price (JD)
2005	180	15%	12.3	34.3	4.8
2006	212	15%	16.5	30.4	3.14
2007	197.4	8%	8.8	18.4	3.14
2008	202.9	10%	11	24.9	1.65
2009	216.2	10%	11	27.3	1.52

* A recommendation will be made to the General Assembly to distribute 10% as profits for the year 2009.

** During 2009 treasury shares were distributed for free among shareholders at a rate of 5% to each shareholder.

14. Analysis of the Bank's 2009 Financial Position:

	2009	2008
Return on Owners Equity (ROE)	8.69%	8.61%
Return on Assets (ROA)	0.83%	0.82%
Return on Paid-up Capital	16.96%	15.77%
Credit to Assets Ratio	43.47%	42.24%
Credit to Total Deposits Ratio	54.33%	54.17%
Non-operating Facilities to Total Facilities Ratio	14.35%	15.27%
Profit After Tax Per Employee	11.558	10.152

15. The key developments and future plans for Jordan Ahli Bank are listed separately on page 31.

16. Auditor's Fees for Jordan Ahli Bank and its Subsidiaries

The Bank's external auditor provides special consultation services related to the manner of applying international accounting standards and training courses. Total auditor's fees for the Jordan Ahli Bank and its subsidiaries for the year 2008 amounted to JD218,047 detailed as follows:

No.	Company Name	Audit Fee
1	Jordan Ahli Bank	126,313
2	Ahli International Bank (Lebanon)	71,184
3	Ahli Micro Financing Co.	7,500
4	Ahli Brokerage Co.	11,658
5	Ahli Financial Leasing Co.	--
6	Zarqa National College Co.	1,392
	Total	218,047

17. (a) – Share Ownership by Relatives of the Board of Directors:

No.	Name	No. of Shares 2008	% ownership	No. of Shares 2007	% ownership
1	H.E. Dr. Rajai Muasher	46,952	0.04%	44,717	0.04%
	Mrs. Huda Muasher	356,617	0.32%	339,636	0.31%
2	Mr. Nadim Muasher	3,870,851	3.52%	3,686,525	3.35%
	Mrs. Rania Dallal	27,462	0.02%	26,155	0.02%
3	Jordan Worsted Mills Company	6,440,700	5.86%	6,134,000	5.58%
	H.E. Mr Marwan Awad	10,500	0.01%	10,000	0.01%
4	Byblos Bank (Lebanon)	11,418,750	10.38%	10,875,000	9.89%
	H.E. Mr. Sami Haddad	--	0.0%	--	0.0%
5	Jordan Investor Center	6,604,500	6.00%	6,275,000	5.7%
	H.E. Mr. Wasef Azar	61,775	0.06%	58,834	0.05%
	Mrs. Abla Muasher	82,828	0.08%	78,884	0.07%
6	Mouasher Investment & Trading Co.	290,134	0.26%	276,319	0.25%
	Mr. Imad Muasher	3,958,551	3.60%	3,770,049	3.43%
	Mrs. Nadine Halasa	28,381	0.03%	27,030	0.02%
	Mr. Khalid Imad Mouasher	58,669	0.05%	55,876	0.05%
	Mr. Firas Imad Muasher	58,669	0.05%	55,876	0.05%
7	Mr. Tareq Imad Muasher	58,669	0.05%	55,876	0.05%
	Rajai Muasher & Brothers Co.	7,182	0.01%	66,840	0.06%
	Mr. Rafiq Muasher	1,750,000	1.59%	900,000	0.55%
	Arabia S.A.L. (Holding)	1,688,765	1.54%	1,608,348	1.46%
9	Mr. Hani Fraij	14	0.0%	14	0.0%
	ZI&IME (Saudi)	776,526	0.71%	739,549	0.67%
10	Mr. Ala-Eddin Sami	19,950	0.02%	19,000	0.02%
	The Social Security Corporation	3,090,000	2.81%	2,930,000	2.66%
11	Mr. Mohammad Rawashdeh	--	0.0%	--	0.0%
	Mr. Mahmoud Zuhdi Malhas	1,227,042	1.12%	1,168,612	1.06%
12	H.E. Abdel Ilah Al-Khatib	5,000	0.05%	5	0.0%
13	H.E Mr. Karim Tawfiq Kawar	57,359	0.05%	54,628	0.05%

(b) Share Ownership by Senior Executive Management Members and their Relatives:

No.	Name	Title	No. of Shares 2009	No. of Shares 2008
1	H.E. Marwan Awad	CEO / General Manager	10,500	10,000
2	Mr. Issa Khoury	Advisor to H.E. the Chairman	11,618	11,065
	Mrs. Nuha Shamiyyeh	Wife	1,365	1,300
	Mr. Ramzi Khoury	Son	1,603	1,527
	Mr. Areen Khoury	Son	1,929	1,838
	Ms. Dima Khoury	Daughter	595	567
3	Mr. Ibrahim Ghawi Ms. Hanan Kattoura	Deputy CEO/ Head of Group Finance Management Wife	-- --	-- --
4	Ms. Lina Bakhit	Deputy CEO/ Head of Ahli Financial Markets Group	22,203	21,146
5	Mrs. Hadeel Kayyali	Deputy CEO/ Head of Group Operations	9,589	9,133
6	Mr. Hani Farraj	Deputy CEO for Administrative Affairs / Head of Group Logistics / Board of Directors Secretary	11,550	11,000
7	Mr. Zahi Fakhoury	Deputy CEO / Head of Group Credit	94,500	90,000
	Mr. Sa'ad Mouasher	Deputy CEO/ Head of Group Strategy & Corporate Communications	1,243,338	1,135,560
8	Mrs. Tania Harb	Wife	17,873	17,022
	Mr. Rakan Saad	Son	16,590	9,800
	Ms. Sara Saad	Daughter	14,805	8,100
9	Mr. Iyad Asali	Deputy CEO/ Head of Group Corporate Banking	1,050	1,000
10	Mr. Faleh Al Najjar	Deputy CEO/ Head of Group SME Banking	10,500	--
11	Mr. Ahmad Al-Khob	Deputy CEO/ Group Personal and Premium Banking and Branches Management	--	--
12	Mr. Bashar Bakri	Deputy CEO/ Head of Human Resources Group	--	2,000
13	Mr. Kameel Haddad	Deputy CEO for Group Remedial and Recoveries and Legal Affairs	7,449	7,095
14	Mr. Samer Abu Zayed	Deputy CEO/ Head of Information Technology and enterprise programs	154	147
15	Mr. Ragheb Halaseh	Assistant General Manager / Head of Group Internal Audit	3,465	3,300
16	Mr. Ziad Kokash	Executive Manager/ Group Risk Management	--	--
17	Ms. Oraib Hammoudeh	Executive Manager/ Inspection & Internal Control Department	428	408

18. During 2009, total salaries, benefits and remunerations of Members of the Board of Directors and Senior Executive Management amounted to JD2,823,482.

Salaries, Benefits and Remunerations of Members of the Board of Directors (a)

Name	Transportation Allowance	Per Diems & Travel	Remuneration	Total
H.E. Dr. Rajai Muasher Until 15/12/2009	7,700	10,424	5,000	23,124
Mr. Nadim Muasher As of 16/12/2009	7,600	1,603	5,000	14,203
H.E. Mr Marwan Awad Jordan Worsted Mills Company representative	5,200	2,548	--	7,784
H.E. Mr. Sami Haddad Byblos Bank representative	7,200	4,800	--	12,000
H.E. Mr. Wasef Azar Jordan Investor Center representative	8,000	--	5,000	13,000
Mr. Imad Muasher Mouasher Investment & Trading Co. representative	7,300	--	5,000	12,300
Mr. Rafiq Muasher Rajai Muasher & Brothers Co. representative	7,800	--	5,000	12,300
Mr. Hani Fraij Arabia S.A.L. (Holding) representative	7,400	7,200	--	14,600
Mr. Ala-Eddin Sami ZI & IME Co. (Saudi Arabia) representative	7,200	4,800	--	12,000
Mr. Mohammad Rawashdeh The Social Security Corporation representative	8,200	--	5,000	13,200
Mr. Mahmoud Zuhdi Malhas	7,200	--	5,000	12,200
H.E. Mr. Abdel Ilah Al- Khatib	5,200	--	--	5,200
H.E Mr. Karim Kawar	7,600	--	625	8,225

Senior Executive Management Benefits and Remunerations (b)

Name	Transportation and external Travel Allowance	Per Diems	Total
Mr. Issa Khoury – Advisor to H.E. the Chairman	--	2,700	2,700
Mr. Ibrahim Ghawi - Head of Financial Management Group	58	3,825	3,883
Ms. Lina Bakhit - Head of Ahli Financial Markets and Investment Group	--	--	--
Mrs. Hadeel Kayyali - Head of Group Operations	--	--	--
Mr. Hani Farraj - Head of Group Logistics / Board of Directors Secretary	--	--	--
Mr. Zahi Fakhoury - Head of Group Credit	--	--	--
Mr. Saad Mouasher - Head of Group Strategy & Corporate Communications	28	673	701
Mr. Iyad Asali - Head of Group Corporate Banking	157	200	357
Mr. Faleh Al Najjar - Head of Group SME Banking	156	1,365	1,521
Mr. Ahmad Al-Khob – Head of Group Personal and Branches Management	156	915	1,071
Mr. Bashar Bakri - Head of Human Resources Group	184	223	407
Mr. Kameel Haddad – Head of Remedial and Recoveries and Legal Affairs Group	--	--	--
Mr. Samer Abu Zayed - Head of Group Information Technology and enterprise programs	--	--	--
Mr. Ragheb Halaseh – Head of Inspection & Internal Control Group	--	--	--
Mr. Ziad Kokash – Executive Manager of Risk Management	--	--	--
Ms. Oraib Hammoudeh - Executive Manager of Inspection & Internal Control Department	--	--	--

(19) Donations and Grants paid in 2009
Total donations extended to various bodies amounted to
JD252,992 during 2009 detailed as follows:

Donations Extended During 2009	
Name	Amount
King Abdullah Fund	79,133
National societies	37,630
Religious activities	2,000
Sports and cultural clubs	22,550
Art and cultural forums	6,098
Social development funds and charity organizations	63,180
Cultural centers / universities / schools / education	42,400
Total	252,992

(20) The Jordan Ahli Bank did not enter into any contracts, projects or dealings with the Chairman, Board Members, General Manager, any Bank employee or any of their relatives.

Facilities granted to Board Members under non-preferential conditions:

Board Members	Title	Limit JD	Balance / JD 31/12/2009	Guarantees
Mr. Nadim Yousef Muasher	Chairman	381,849	381,849	Personal guarantee of Mr. Nadim Muasher
Diminishing loan with a principal of JD750,000				
Overdraft		20,000	18,438	
Jordan Worsted Mills Co.	Deputy CEO			Represented by H.E. Mr. Marwan Awad
Overdraft		2,000,000	175,000 (Cr)	
		100,000	236,159	Signature of contracts
Jordan Investor Center Co	Member			Represented in the Board by H.E. Mr. Wasif Azar
Inside the Kingdom:				
Overdraft		100,000	79,792	
Abroad:				
Diminishing loan / Cyprus		1,301,015	1,301,015	Signature of contracts
Revolving loan / Cyprus		1,180,485	1,180,485	
Mouasher Investment & Trading Co.	Member			Represented in the Board by Mr. Imad Mouasher
Overdraft		500,000	281,821	
Revolving loan		1,500,000	1,510,656	Personal guarantee for Mr. Imad Mouasher

The total facilities granted to related parties to Board Members (as per the definition of “related parties” in accordance with the Central Bank of Jordan no. 9/2001 dated 1/8/2001) amounted to JD10,138,513 of direct facilities of which only JD7,320,853 is utilized.

(21) The Bank’s Contribution to Environment Protection:

- (a) The Jordan Ahli Bank supports environmental conservation activities through the maintenance and servicing of the “Al-Ahli Park” opposite to the Jordan Ahli Bank head office. The Bank will provide 72 parking spaces for its customers within the Park in cooperation with the Greater Amman Municipality.
- (b) The Jordan Ahli Bank participates in supporting members of the local community in various areas as detailed below:

Bank’s Contribution to Local Community Service for 2009	
Name	Amount
Local societies concerned with community members	17,446
The Children’s Museum	53,100
Zakat fund / charity rations / Mawaed Arrahman	31,696
Dead Sea Co.	19,108
King Hussein Centre	7,530
King Hussein Club	5,000
Ahluna	211,427
Total	345,307

Bank's Commitment to Corporate Governance Requirements

The Executive Management continued to supervise the Committees emanating from the Board and to verify the application of the Corporate Governance Manual, whereby high and advanced levels of commitment to the Manual, and continuous follow up within a regulatory framework have been achieved and guarantee proper application.

These committee are detailed as follows:

(a) Corporate Governance Committee comprised of Messrs:

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

Committee Mandate:

- The Board shall form a Corporate Governance Committee comprised of the Chairman and two Non-executive Members.
- The Committee shall supervise the development of the Bank's Corporate Governance Manual, and shall oversee its implementation and ensure that effective follow-up mechanisms are in place for its implementation across all managerial levels. The Committee shall also supervise updating it according to the Central Bank of Jordan's instructions and with the approval of the Board.

(b) Audit Committee comprised of Messrs:

- | | | |
|----|-------------------------------|--|
| 1. | H.E. Mr. Abdel Ilah Al-Khatib | Member |
| 2. | H.E. Mr. Wasef Azar | Member / Jordan Investor Center representative |
| 3. | H.E. Mr. Karim Qawar | Member |

Committee Mandate:

- The Board shall form an Audit Committee comprised of three Non-executive Members, provided that at least two Members possess academic qualifications and/or practical experience in financial management fields, and that at least two of the Members are independent.
- The Committee shall carry out the responsibilities and authorities assigned to it pursuant to the Banking Law and any other relevant legislations, which include reviewing the following:
 1. The scope, results and adequacy of internal and external audits of the Bank.
 2. Accounting issues with material impact on the financial statements.
 3. The Bank's internal monitoring and control systems.

- The Committee shall present its recommendations to the Board regarding the appointment, dismissal and remuneration of the external auditor and any other relevant contractual issues. It will also assess the objectivity of the external auditor while taking into account any other work undertaken by the auditor, beyond the audit scope to ensure their objectivity.
- The Committee shall have the authority to access any information from the Executive Management and to call on any executive staff or Director to attend its meetings.

(c) Risk Management Committee comprised of Messrs:

- | | |
|---------------------------------|---|
| 1. H.E Mr. Nadim Muasher | Committee Head |
| 2. Mr. Hani Frajj | Member / Arabia/Lebanon S.A.L. representative |
| 3. H.E Mr. Abdel Ilah Al-Khatib | Member |
| 4. Mr. Rafiq Saleh Mouasher | Member / Rajai Mouasher & Brothers Company representative |

Committee Mandate:

- All risks to which the Bank is exposed are reviewed by the Risk Management Committee, which the Bank forms from the Members of the Board of Directors. It may include Members of the Executive Management.
- The Committee shall review the Bank's risk management policies and strategies before their endorsement by the Board. The Bank's Executive Management is responsible for implementing the said strategies and developing policies and procedures for managing the various types of risks.
- The Bank's Executive Management shall propose a structure for the risk management group and its development process, provided it is reviewed by the Committee and endorsed by the Board.
- The Committee shall stay abreast of rapid developments and increasing complexities that befall the Risk Management Department of the Bank and shall submit regular reports in this regard to the Board.

(d) Nominations and Remunerations Committee comprised of Messrs:

- | | |
|----------------------------|--|
| 1. H.E. Mr. Wasef Azar | (Independent) / Committee Head |
| 2. Mr. Rafiq Saleh Muasher | (Non-executive) Member / Rajai Muasher & Brothers Co. representative |
| 3. Mr. Ala'aldin Sami | (Independent) Member / ZI & IME Saudi Co. Representative |
| 4. Mr. Mahmoud Z. Malhas | (Independent) / Member |

Committee Mandate

- The Board shall form the Nominations and Remunerations Committee from its Independent Members.
- The Committee shall nominate all Board appointments, duly considering abilities and qualifications of the nominated individuals and, for re-nominations, their attendance, and the quality and effectiveness of their participation in Board meetings.
- The Committee shall determine whether a Member qualifies to be considered 'Independent' in accordance with the definition stipulated in the Central Bank of Jordan's instructions.
- The Committee shall implement a formal method of assessing the effectiveness of the Board.
- The Committee shall be responsible for providing background information and summaries covering key issues concerning the Bank to the Directors when requested, and ensure that they are continuously updated on relevant banking topics.
- The Committee shall recommend the remunerations (including the monthly salary and other benefits for the CEO/General Manager). The Committee will also review the remunerations (including monthly salaries) granted to the remaining Executive Management Members.
- The Committee shall ensure that the Bank has a remunerations policy, which is sufficient to attract and retain qualified individuals, and is in line with that of the Bank's peers in the market.

(e) Executive Committee, comprised of Messer:

1. H.E. Mr. Nadim Muasher	Committee Head
2. H.E. Mr. Wasef Azar	Member / Jordan Investor Center representative
3. H.E. the CEO / General Manager	Member
4. Mr. Rafiq Saleh Mouasher	Member / Rajai Mouasher & Brothers Company representative
5. H.E. Mr. Karim Qawar	Member
6. Mr. Imad Yousef Mouasher	Member / Mouasher Investment & Trading Company

Committee Mandate:

- Review credit facilities that exceed the higher credit committee authority, or any request that any Committee member expresses reservations about.
- Written off suspended interest or other overdue interest payments on discounted promissory notes and outstanding due guaranteed withdrawals, and from the special allocations/ reserves, and any amounts in excess of the authorities of the CEO/General Manager and the Chairman, through a recommendation by the Credit Committee and the CEO/General Manager.

2– Board and Committee Meetings:

- a. The Board held twelve meetings during 2009.
- b. The Audit Committee held four meetings during 2009 in addition to one special meeting with the auditors Deloitte & Touche.
- c. The Nominations and Remunerations Committee held three meetings during 2009.
- d. The Risk Management Committee held two meetings during 2009.
- e. The Executive Committee held five meetings during 2009.

Corporate Governance Manual

Preamble

The Organization for Economic Cooperation and Development (OECD) defined Corporate Governance as the system organizing the rights and responsibilities of those managing an organization – such as its board, shareholders and other stakeholders – and lays down the rules and procedures for decision making and defines the mechanism that clarifies the aims of the organization and means to achieve and monitor same. Thus good corporate governance provides the Board and Executive Management with the appropriate incentives to achieve the aims that benefit the Organization and facilitates the establishment of an effective monitoring process, therefore assisting the Organization in effectively making use of its resources.

The importance of Corporate Governance in the Bank emerges from the fact that it provides a foundation for development and future corporate performance with the aim of instilling confidence in the Bank's activities as a recipient of the funds of depositors and shareholders, and enables it to successfully participate in developing the banking services provided in Jordan to raise the competence of the national economy. Based on this, the Board has decided to adopt the "Corporate Governance Manual" to conform with all the Central Bank of Jordan's instructions, and best international practices. The Manual is based on the following four guiding principles:

- Fairness in treating all stakeholders (such as shareholders, depositors, creditors, Bank employees and regulatory authorities).
- Transparency and disclosure in a manner that enables related authorities to evaluate the Bank's position and its financial performance.
- Accountability in relationships between the Bank's Executive Management and the Board of Directors, and between the Board of Directors and shareholders, and between the Board of Directors and other concerned entities.
- Responsibility in terms of a clear separation between the responsibilities and delegating authorities.



Introduction

Jordan Ahli Bank seeks to achieve the aims of its shareholders, clients and employees while conforming to the highest ethical standards of professional banking conduct in performance excellence, and disclosing the results of its operations accurately and transparently, in addition to fully complying with all the laws, rules and instructions regulating the activities of the Bank.

In reaffirmation of the aforementioned basic principle, the “Jordan Ahli Bank Corporate Governance Manual” was prepared and approved by the Board of Directors and implemented as of 1/1/2008. Although the Manual records several procedures currently applied at the Bank, their documentation in the Manual allows all concerned parties dealing with the Bank to familiarize themselves with its policies and procedures and provides assurance with regards to the principal foundations organizing the Bank’s management and its control, internal audit, transparency and disclosure mechanisms.

By adopting the Corporate Governance Manual, the Bank’s Board of Directors confirms its full commitment to its content and confirms its absolute support to its implementation. The Corporate Governance Committee of the Board will follow-up on the implementation and will hold all the responsible entities included in the Manual responsible, regardless of their administrative levels, to ensure that they are effectively implementing the Manual’s clauses in full.

The Corporate Governance Manual shall be published within the Bank’s Annual Report and any updated version will also be published on the Bank’s website. The provisions of the Manual shall apply to the Bank’s branches operating in the Hashemite Kingdom of Jordan and the branches operating abroad, to the extent permitted by the laws and regulations in effect in the countries of operation, and in case of contradiction, the laws and regulations of the country in which the branch operates shall apply.

The Manual shall be amended in accordance with the legislative and regulatory developments under the supervision of the Corporate Governance Committee of the Board. The amendments shall come into effect after the Board endorses same.

In order to strengthen the culture of corporate governance, the Bank, as part of its credit approval process, will evaluate the quality of corporate governance in its corporate customers, especially public shareholding companies, whereby the risk evaluation of customers will include their points of strength or weakness, in respect of their practices in governance.

Definitions

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

Bank:	The Jordan Ahli Bank
Manual:	The Corporate Governance Manual of the Jordan Ahli Bank
Board:	The Board of Directors of the Jordan Ahli Bank
Chairman:	Chairman of the Board of Directors of the Jordan Ahli Bank
Deputy Chairman:	Deputy Chairman of the Board of Directors of the Jordan Ahli Bank
Board Members:	Members of Board of Directors of the Jordan Ahli Bank
CEO/General Manager:	Chief Executive Officer/General Manager of the Jordan Ahli Bank
Secretary:	Secretary of the Board of Directors of the Jordan Ahli Bank
Executive Member (of the Board):	Full-time Member holding a position at the Bank
Independent Member ^{1*} (of the Board):	Member (whether in his personal capacity or as a representative of a corporate personality) who has no other connection with the Bank than being a Member on the Board of Directors, a position which renders his judgment of issues free of any external considerations or matters
Board Committees:	Committees formed by the Board of Directors of the Jordan Ahli Bank and stipulated in the Manual
Executive Management:	Executive Management of the Jordan Ahli Bank

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

The individual must not have worked as an employee at the Bank during the three years prior to the date of his/her nomination to the Board membership.

The individual must not be related to any administrative official of the Bank below the second degree.

The individual must not receive any salary or amount of money from the Bank except the remuneration he/she receives in lieu of his/her Board membership.

The individual is not a board member or owner of a company with which the Bank deals, except for transactions that result from conventional services and/or businesses which the Bank offers its customers, and provided that they are governed by the same regulations which govern similar dealings with any other party, and without any preferential conditions.

The individual must not be a partner with the external auditor or an employ thereof during the three years prior to the date of his/her nomination to the Board membership.

His/her shares do not constitute a controlling interest in the Bank's capital, or he/she 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 must ensure that it meets the requirements of the Central Bank of Jordan and the interests of the shareholders, depositors, creditors, employees and other concerned stakeholders. It must also ascertain 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 reiterates the commitment of each Member of the Board towards the Bank and all its shareholders, and not towards a particular shareholder.
3. The Board establishes the strategic objectives for the Bank, in addition to monitoring its Executive Management which is responsible for the day-to-day operations.
4. The Board endorses the systems for control and internal audit and ascertains their effectiveness and the Bank's adherence to the strategic plan, policies and the approved or required procedures, in accordance with the laws and regulations issued thereof. Moreover it ascertains that all Bank risks have been soundly managed.

1/2 Chairman and the CEO / General Manager

1. The positions of Chairman and the CEO/General Manager will be separated, provided no familial relationship beneath the third degree is established between them.
2. Separation between the responsibilities shall be realized by virtue of written instructions endorsed by the Board, and shall be revised whenever the need arises.
3. Should the Chairman hold executive powers, the Bank shall appoint an Independent Member as Deputy-Chairman ensuring an independent party to speak for the shareholders. The status of the Chairman, whether Executive or Non-executive, must be disclosed.

1/3 Role of the Chairman

1. The Chairman will establish a constructive relationship between the Board and the Bank's Executive Management and Executive and Non-executive Members.
2. The Chairman will create a culture – during Board meetings – that encourages constructive criticism concerning matters where differences of opinion exist among the Members, and will support discussions and voting on these issues.
3. The Chairman will ensure that timely and adequate information is provided to each Member of the Board and each shareholder.
4. The Chairman will ascertain that high standards of Corporate Governance are implemented in the Bank.

1/4 Board Composition

1. Diversity in practical and professional experience and specialized skills shall be taken into consideration when forming the Board.
2. The Board shall be composed of Executive Members (who occupy positions in the Bank) and Non-executive Members (Members who do not hold positions in the Bank). It is preferred that the majority of be comprised of Non-executive Members.
3. At least three Independent Members should be included among the Non-executive Members of the Board. The Bank shall maintain the appropriate number of Independent Members to assure the objectivity of decisions, so as to guarantee that the Board maintains a level of monitoring which ensures that the influence of all parties, including the Executive Management and the principal shareholders, is balanced, and to ascertain that all the decisions are issued in favor of the Bank.

1/5 Organizing the Board's Agenda

1. The responsibility of the Board Members must be defined and clear, and in conformity with the relevant laws. The Bank must provide every Member of the Board, upon his/her election, with a letter explaining his/her rights, responsibilities and duties.
2. Board Members must be constantly aware of the developments inside the Bank and the local and international banking sectors. The Bank must provide the Members with an appropriate summary of the Bank's activities upon appointment and during the Member's tenure, or upon demand.
3. All banking transactions which require the Board's approval (including, for example, the Board's authority vis-à-vis granting loans in excess of a certain amount or the authority regarding related-party transactions or any other banking operations within the Board's jurisdiction) must be clarified in writing.
4. The Bank must draw up an organizational chart defining its administrative hierarchy (including the Board's committees and the Executive Management). The component regarding the administrative framework showing the Senior Management levels in the Bank must be disclosed to the public.
5. Members of the Board and its Committees must be allowed direct contact with the Executive Management.
6. In order to guarantee that topics raised during the Board meetings, which should not be less than six per year, are comprehensive, the Executive Management must propose the subjects that it deems important in the agenda of each meeting.
7. The Bank will provide the Board Members with adequate information in advance of the Board meeting to enable them to take appropriate decisions. The Members of the Board and its Committees will have the authority, should the need arise, to seek external resources to help them perform their duties in the best possible way.
8. The Secretary of the Board must record all Board deliberations, suggestions and voting of Members during Board meetings.
9. The Secretary of the Board must ensure that Board Members follow the Board's approved procedures, and must circulate the information among the Members of the Board and its Committees and the Executive Management. The Secretary must also set the schedule of the

Board's meetings and record the minutes of meetings.

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

1/6 Activities of the Board

1/6/1 Appointments and Replacements

1. The Board shall appoint an Executive Officer/General Manager who enjoys integrity, technical efficiency and banking experience.
2. The Board must approve the appointment of certain Executive Managers such as the Head of Group Financial Management and the Head of Group Inspection and Internal Control. It must also ensure 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 Evaluation of the Performance of the CEO / General Manager

1. The Board will evaluate the performance of the Board as a whole at least once annually through its Nominations and Remuneration Committee.
2. The Board will evaluate the performance of the CEO/General Manager annually.

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

1. The Board will define the Bank's objectives and will direct the Executive Management to draw up a strategy to achieve these objectives.
2. The Executive Management will establish work plans that comply with those strategies through a planning process that includes the participation of all the Bank's departments. The Board will endorse the strategy and the work plans and will ensure the Executive Management's review of the performance accomplishments in accordance with the work plans, and that corrective measures have been carried out where necessary. The process of preparing the budget is considered part of the short-term planning and performance evaluation process.
3. The Board must ensure that the Bank enjoys a high level of integrity during the course of conducting its work. This is achieved through providing policies and a code of ethics that define conflict of interest and transactions that are not at-arms length, and that are carried out

by the Bank employees for their personal interest using insider information concerning the Bank that was acquired / viewed as a result of the authorities granted to them. These policies and the code of ethics shall be circulated to all Bank employees and Board Members, and same shall approve them, after which they will be made available to the public. These policies must include the following:

- a. The rules and procedures that organize transactions with related parties whether between the Bank and its employees or the Board Members or their companies or parties related to them, including mutual lending and trading transactions with the Bank. These rules must also include assurance that credit will be granted to Board Members and their companies in accordance with the prices prevailing in the market and not in accordance with preferential terms, and that the concerned Member will not participate in the meeting in which this transaction or contract is deliberated or voted on. Such transactions must be disclosed in the Annual Report of the Bank. The Bank departments concerned with internal audit and inspection systems must ensure that the related party transactions were realized in accordance with this policy.
- b. Clear audit systems that prohibit Board Members or employees from exploiting internal Bank information for their personal benefit. The Bank must have written policies that cover all its banking activities and same must be circulated at all managerial levels and periodically reviewed to ensure they include any amendments or changes that may have occurred to the laws, instructions, economic conditions, or any other matters related to the Bank.

2. Board Committees

2/1 General Principles:

1. Committees emanating from the Board are set up with specified objectives. The Board, to whom they periodically report, delegates them with powers and responsibilities for a specified period of time. These committees shall submit periodic reports to the Board as a whole. A charter is drawn up explaining the mechanism of establishing these Committees and describing their objectives, duties, and authorities. The establishment of those Committees does not relieve the Board from direct responsibility for all Bank related matters.
2. The appointment of the Members of Board Committees shall be transparent. The names of the Members in those committees, and a summary of their duties and responsibilities shall be disclosed in the Bank's Annual Report.
3. The Board may merge the tasks of a number of its Committees if more suitable or appropriate from an administrative perspective.

2/2 The Audit Committee:

1. The Board shall form an Audit Committee composed of three Non-executive Members, provided that at least two of the Committee Members are academically qualified and/or enjoy practical experience in the fields of financial management. The Committee should have at least two Independent Members.

2. The Audit Committee shall carry out the responsibilities and powers granted thereto in accordance with the banking law and any other related legislation. This will include reviewing the following:
 - The scope, results and adequacy of both the Bank internal and external audit.
 - Accountancy cases with a material effect on the financial statements.
 - Internal audit and inspection systems at the Bank.
3. The Audit Committee will submit its recommendations to the Board regarding the appointment, termination and remuneration of the external auditor, and any other contractual terms related thereto. In addition, it shall evaluate the objectivity of the external auditor while taking into consideration any other work same conducted outside the scope of the external audit to ensure this objectivity.
4. 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, provided this is stipulated in its Charter which includes the duties and responsibilities of the Committee.
5. The Audit Committee shall meet with the external auditor, the internal auditor, and the Compliance Manager at least once a year without the presence of the Executive Management.
6. It is agreed upon that the responsibility of the Audit Committee shall not relieve the Bank's Board or the Executive Management of their responsibilities regarding oversight of the adequacy of the internal audit and inspection systems therewith.

2/3 Nominations and Remuneration Committee:

1. The Board shall form the Nominations and Remuneration Committee from among its Members, provided it includes at least three Non-executive Members and that the majority of them (including the Chairman of the Committee) are Independent Members.
2. The Nominations and Remuneration Committee shall suggest the names of Board Members, while taking into consideration, the capabilities and qualifications of the nominees. In the case of re-nomination, their attendance and the quality and effectiveness of their participation in Board meetings shall be taken into consideration.
3. The Nominations and Remuneration Committee is responsible for deciding whether the Member is an Independent Member as per the definition stipulated in the Central Bank of Jordan's instructions.
4. The Nominations and Remuneration Committee shall follow specified and approved rules to assess the Board's effectiveness, whereby the performance evaluation criteria is objective, includes a comparison with other Banks, in addition to criteria for the soundness and correctness of the financial statements of the Bank and criteria for the level of compliance with regulatory requirements.
5. The Nominations and Remuneration Committee shall undertake the responsibility of providing the Board Members, upon request, with information and summaries on the background of some important issues related to banking. It shall also ensure same are routinely updated with the latest issues related to banking.
6. The Nominations and Remuneration Committee will recommend the remuneration (including the monthly salary and the other benefits for the CEO/General Manager). The Committee will also review the remuneration (including the salaries) for the rest of the Executive

Management.

7. The Nominations and Remuneration Committee is charged with the responsibility of ensuring the existence of an incentive scheme at the Bank that guarantees that remuneration/salaries are adequate to attract qualified personnel to the Bank and retain them in a manner that conforms to the remuneration/salaries granted by similar banks in the market.
8. A summary of the Bank's incentive scheme will be disclosed in the Bank's Annual Report. Specifically, it will include the remuneration for each Board Member, and the highest salaries paid to Executive Managers, who are not Board Members.

2/4 Risk Management Committee:

1. The Risk Management Committee, established by the Bank from Board Members, and which may include Members from the Executive Management, will review the risks to which the Bank is exposed.
2. The Risk Management Committee shall review the Bank's risk policies and strategies before same are 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 for managing various risks.
3. The structure of the Risk Management Group and its development shall be suggested by the Bank's Executive Management, reviewed by the Risk Management Committee, and approved by the Board.
4. The Risk Management Committee shall keep abreast of the rapid developments and increasing complications affecting risk management in the Bank. It shall periodically report on these developments to the Board.

2/5 The Corporate Governance Committee:

1. The Board shall form the Corporate Governance Committee so that it includes the Board Chairman and two Non-executive Members.
2. The Corporate Governance Committee shall undertake supervising the preparation of the Bank's Corporate Governance Manual. It will also supervise its implementation, particularly in regard to the existence of effective follow up mechanisms to implement its clauses on all administrative levels. It shall also supervise updating the Manual in accordance with the regulations of the Central Bank of Jordan and with the Board's approval.

Inspection and Internal Control

3/1 General

1. The internal and external auditors will review the structure of inspection and internal control systems at least once a year.
2. The Bank's Annual Report must include a report on the adequacy of the inspection and internal control systems on financial reporting. The report must include the following:

- a. A paragraph explaining the Executive Management’s responsibility for the status of the inspection and internal control systems regarding financial reporting in the Bank and maintaining these systems.
 - b. A paragraph on the framework used by the Executive Management to evaluate the effectiveness of the inspection and internal control systems.
 - c. The Executive Management’s evaluation of the effectiveness of the inspection and internal control systems as of the date of the financial statements included in the Bank’s Annual Report.
 - d. Disclosure of any material weaknesses in the inspection and internal control systems (any material weakness is a weakness or a number of clear weaknesses that result in the probability of failing to prevent or expose an incorrect material statement).
 - e. The external auditor’s report stating its opinion concerning the Executive Management’s evaluation of the efficiency of the inspection and internal control systems.
3. The Bank will set procedures to allow employees to confidentially report any fears related to the possibility of violations, and in a manner that allows an independent investigation of those fears and follow up thereon. The Audit Committee shall monitor the implementation of these procedures.

3/2 Internal Audit:

1. The Bank shall provide the Internal Audit Group with a sufficient cadre of qualified human resources whereby they are provided with appropriate training and remuneration. The Internal Audit Group shall be entitled to obtain any information or contact any employee inside the Bank. The Group is given all the authorities that empower it to properly perform the duties delegated thereto. The Bank will document the duties, authorities and responsibilities of the Audit Group within the Internal Audit Charter approved by the Board and shall circulate same in the Bank.
2. The Internal Audit Group shall report to the Chairman of the Audit Committee.
3. Internal audit employees must not be delegated with any executive responsibilities. The Internal Audit Group shall be responsible for suggesting the structure and scope of internal audit and will also be responsible for informing the Audit Committee of any possibility of the existence of conflict of interest.
4. The Internal Audit Group will exercise its duties and prepare its complete reports without any external interference. It is entitled to discuss its reports with the audited departments.
5. The main responsibility of the Internal Audit Group, which must follow a risk based audit, is to review the following, as a minimum:
 - The financial reporting operations in the Bank (to ensure that basic information concerning financial and administrative issues and transactions is accurate, reliable and timely).
 - Compliance with the Bank’s internal policies, international standards and procedures, and the relevant rules and regulations.

3/3 External Auditing:

- 1.The regular rotation principal of external audit between audit firms shall be adopted. In case applying this principal proves difficult from the practical aspect, the Bank will request regular rotation of the principal partner responsible for the Bank's external audit.
- 2.The external auditor will provide the Audit Committee with a copy of its report. The external auditor will meet with the Audit Committee without the presence of the Executive Management at least once a year.

3/4 Risk Management

- 1.The Bank's Risk Management Group will report to the Risk Management Committee. Daily transactions will be reported to the CEO/General Manager.
- 2.The responsibilities of the Bank's Risk Management Group include the following:
 - a. Analyze all risks including those of credit, market, liquidity and operations.
 - b. Develop measurement and control methodologies for every kind of risk.
 - c. Recommend risk limits, approvals, reporting as well as documenting exceptions to the risk management policy to the Committee.
 - d. Provide the Board and the Senior Executive Management with information on the Bank's risk measurement and risk profile. (The Board shall, at every meeting, regularly review the Bank's quality and quantity of risk statistics.)
 - e. Provide information on the Bank's risks for use in disclosures and publications to the public.
- 3.The Bank's Committees, such as the Credit Committee, Assets and Liabilities Management Committee /Treasury, and the Operational Risk Committee, will perform their tasks, with the assistance of the Risk Management Group, in accordance with the authorities defined thereto.
- 4.The Bank's Annual Report will include information on the Risk Management Group regarding its structure, nature of operations and developments that may occur thereto.

3/5 Compliance

- 1.An independent Compliance Department shall be established in accordance with the instructions of the Central Bank of Jordan issued in this regard.
- 2.The Compliance Department will prepare an effective methodology to guarantee the Bank's compliance with all the effective laws and legislation and any relevant directives and manuals. The Bank will document the duties, authorities and responsibilities of the Compliance Department and same shall be circulated in the Bank.
- 3.The Board will adopt and monitor the compliance policy. The Compliance Department will be responsible for its preparation, development and application at the Bank.
- 4.The Compliance Department will report on the outcome of its performance and its monitoring of compliance, to the Board or the Committee emanating there from. A copy will be sent to the Executive Management, in accordance with the instructions of the Central Bank of Jordan issued in this regard.

4. Relationship with the Shareholders

1. The Bank will take steps to encourage Shareholders, especially minority shareholders, to attend the General Assembly Annual Meeting and vote either in person, or in their absence, by proxy.
2. The Chairpersons of the Auditing and Nominations and Remunerations Committees and any other Committees emanating from the Board, shall attend the General Assembly Annual Meeting.
3. Representatives of the external auditors shall attend the General Assembly Annual Meeting in order to respond to any inquiries that may be raised regarding auditing and the audit report.
4. Individual voting shall be taken into consideration on every issue raised during the General Assembly Annual Meeting.
5. The Companies Law stipulates that Board Members shall be elected or re-elected during the General Assembly Annual Meeting. Voting on the external auditor shall also be carried out during the same meeting.
6. Following the General Assembly Annual Meeting a report must be prepared for the shareholders. The report must contain the observations that were made during the meeting and the results, including voting results, the inquiries made by the shareholders, and the responses of the Executive Management thereon.

5. Transparency and Disclosure

1. The Bank is committed to disclosure in accordance with the International Financial Reporting Standards (IFRS) and the instructions of the Central Bank of Jordan in effect, and that are issued in accordance with the effective Bank's Law and legislation. The Executive Management is responsible for following up on changes that may occur to the International Financial Disclosure Practices and the extent of transparency required of financial institutions, and must ascertain their application in a manner that reinforces the Bank's practices in disclosure.
2. The Bank is committed to providing valid and meaningful information on its activities to the Central Bank of Jordan, shareholders, depositors, other banks and the public in general, while focusing on issues that may be of concern to shareholders. The Bank must periodically disclose this information and make it available to everyone.
3. The Bank shall clarify, in its Annual Report, its responsibility for the accuracy and adequacy of its financial statements and the information stated therein.
4. The Bank is committed to maintaining communication channels with the regulatory authorities, shareholders, depositors, other banks, and the public in general. These communication channels shall be realized through the investor's relations function, the Annual Report, the quarterly and periodic financial reports, the Board's report on the negotiation of the Bank's shares and its financial status during the year, periodic meetings, and periodic summaries to shareholders. Updated information (contained in the Bank's Annual Report or in its quarterly reports or in the lectures presented by the Executive Management) shall also be made available through the investor's relations function or on the Bank's website in both Arabic and English.
5. The Bank's Annual and Quarterly reports shall include a "Management Discussion and

Analysis” (MD&A) disclosure on the Executive Management. This disclosure allows investors to understand the results of current and future operations, the Bank’s financial position including the possible ramifications of common trends, and events and cases of uncertainty. The Bank undertakes that all the explanatory notes contained in this disclosure are reliable, complete, fair, balanced, and clear, and that same rely on the published financial statements of the Bank.

6. The Bank’s Annual Report includes, as part of its commitment to transparency and complete disclosure, the following in particular:

The Bank’s “Corporate Governance Manual” and the annual details of the Bank’s commitment to its clauses with a report containing the extent of the commitment of the Bank’s Management to implementing each of the Manual’s clauses and the reasons for non-compliance with any clause not implemented.

Information on every Board Member: Qualifications and experience and share in the Bank’s capital, whether same is Independent, Executive or Non-executive, in addition to membership in Board Committees, date of appointment to the Board, any membership in other boards, remunerations/salaries received from the Bank, loans granted by the Bank and any other operations between the Bank and the Member/s or their companies or other related parties.

Disclosure of credit facilities obtained by Board Members and their companies in accordance with the approved prevailing rates and not at preferential terms. The non-participation of the Member in any meeting where this transaction, contract or vote occurred must be considered.

A summary of the Bank’s organizational structure.

A summary of duties and responsibilities of the Board Committees, and any powers the Board delegated thereto.

The number of the meetings held by the Board and Board Committees.

A summary of the Incentives Scheme of the Bank and the highest salary paid to the Executive Management.

The Board’s written statement on the adequacy of inspection and internal control systems.

A description of the structure and activities of the Risk Management Group.

The majority shareholders of the Bank (such as the shareholder or related parties that own or control more than 10% of the Bank’s capital) with a definition of the ultimate beneficial owners who are majority shareholders in companies considered principal shareholders of the Bank, where applicable.

Disclosure of any other matters that strengthen the principal of disclosure and transparency that are recommended by the Executive Management and approved or requested by the Board.

The Executive Management's Evaluation of the Effectiveness of Inspection and Internal Control Systems

The Executive Management prepares and develops strategies and policies and works on implementing them after same are approved by the Board. It also prepares and develops work procedures for all business sectors and activities in the Bank and on all operational levels, taking into consideration defining, controlling and inspecting the risks that the Bank is exposed to. It ensures the effectiveness of performance through regular and continuous oversight of the internal inspection and control systems to fortify the Bank and guarantee sound banking practices and safe dealings at all times. Inspection and internal control procedures shall be applied through the following organizational structures:

Human resources: includes the methodologies organizing the work of the operational structure, job descriptions, employee bylaws, employee loans systems, pension fund instructions, employment instructions and procedures, bonus instructions, promotions systems and others. The review and development of the systems and instructions shall be performed in accordance with the regulatory changes in a manner that serves the aims of the Bank.

Internal audit: includes the methodologies organizing the work of the internal audit charter, audit procedures manual and an annually approved plan. A documented follow up of the issued audit reports and the extent of correction shall be carried out and this will be measured accurately using a mechanism set up for this purpose. Audit procedures shall be independently performed and the reports shall be submitted to the Audit Committee emanating from the Board.

Risk Management: includes the methodologies organizing the work of the general policy of risk management. It includes the Credit Risk Management Policy, Operational and Operations Risk Management Policy, Market Risks Management Policy in addition to the Compliance Oversight Policy and the Anti-money Laundering Policy and its procedures.

It is worth noting that the Group Risk Management is represented in the Products Committee and in the Methods and Procedures Committee which guarantees verifying, and prior to the provision of any new product, process, or system, that it is in line with the policy of the Bank and the regulatory requirements, and that the inherent risks have been defined and oversight controls activated, and the risks are in harmony with the level of acceptable risks in the Bank.

Group Finance: The Bank applies financial and accounting systems that guarantee a real and accurate reflection of the financial position of the Bank, and provide necessary information for decision making to enable the preparation of periodic financial statements that conform with international standards for financial reports. The quarterly performance of the Groups in the Bank shall be assessed against the work plans and trial balances. The necessary mechanisms to verify the quality of the financial information and data submitted to regulatory authorities shall be provided.

Group Operations: The Group performs through the Central Operations Department and the Treasury Operations Department a pivotal role in applying the general policies of the Bank such as credit, risks, and anti-money laundering and anti-terrorist financing policies through the creation of integrated steps in the banking operations aimed at verifying that each operation that is performed is done in line with

the accounting principles in effect and the instructions of internal and external regulatory authorities. In this context, timing shall be taken into consideration with regards to the discovery of failure at early stages, minimizing the cost required for correction. The development and documentation of manuals for banking procedures and methods shall be done within the Group. These manuals are prepared in accordance with international standards for quality and are approved by a neutral specialized committee. The Oversight and Reporting Unit within the Group will perform the tasks of daily and periodic audit of the computer generated reports, records, matching results, banking accounts, external accounts and placements and other. It will also verify that implementation is in line with adopted instructions.

Credit: Group Credit (which is completely independent from the business sectors – financing banking services) participates in credit decision making after reviewing credit requests neutrally and objectively. It is represented by Credit Committees and enjoys the necessary authorities. On another front, and in regard to accounts that exhibit signs of default, the procedures for early warning and close follow up that are applied guarantee taking the necessary preventative steps. It also continuously oversees credit activities through reviews focused on credit portfolios. From a procedural risk aspect, customer sectors are reviewed, the level of authorities and the soundness and completeness of provided guarantees submitted to the Bank are verified, the adequacy of existing guarantees whose value is subject to change and the course of the credit process is reviewed and facilities on the banking system are activated after verifying the soundness of all the procedures for granting credit and proper documentation.

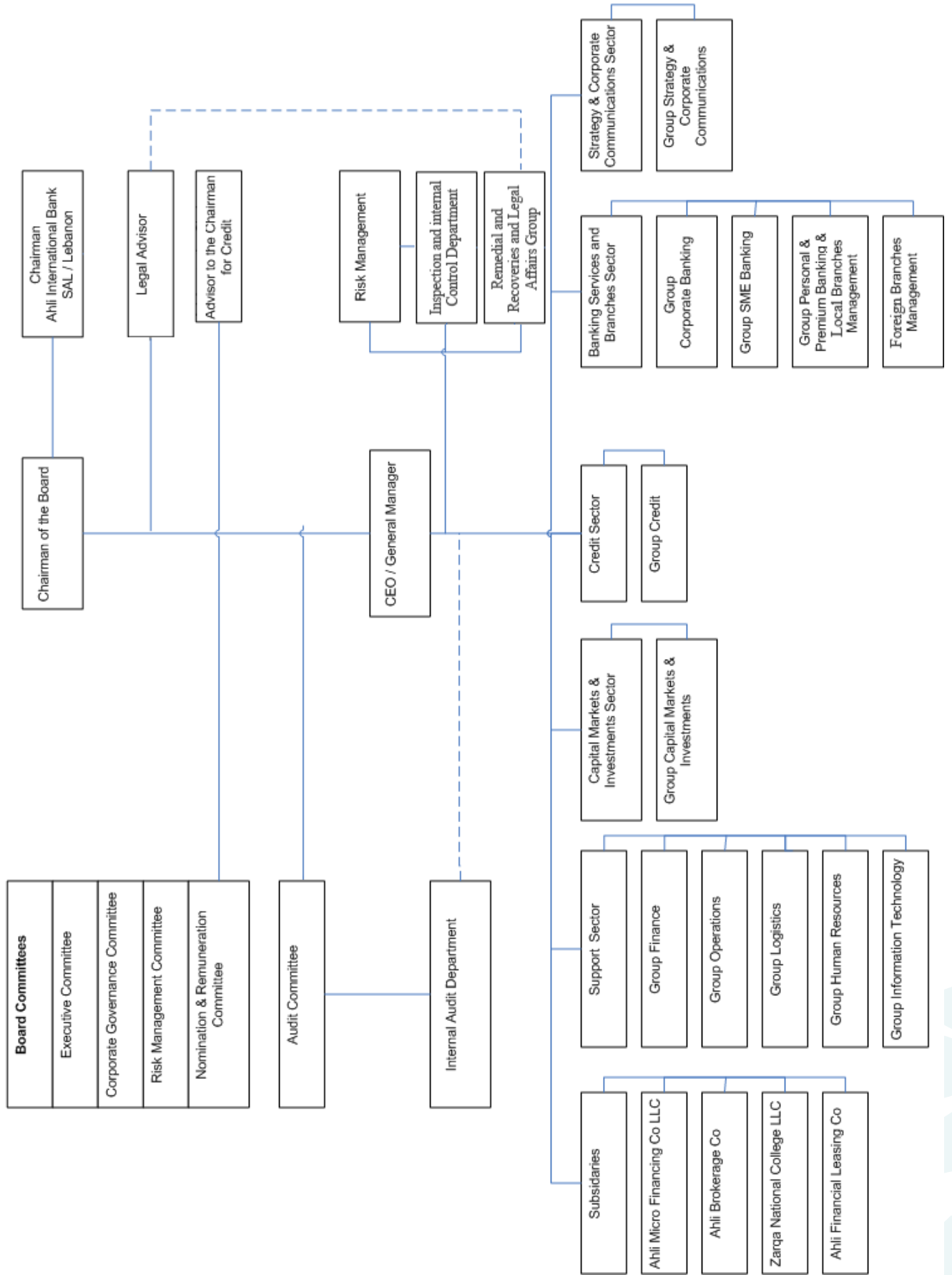
Inspection and Internal Control: Procedures to verify that the banking operations and related records are correct and implemented in accordance with the adopted work instructions, manuals and procedures. These procedures include prevention, warning, correction and follow up and are performed routinely – daily, monthly and annually – through reviewing and auditing daily accounting portfolios for branches and reviewing exceptions reports that are automatically issued at end of day. They also include matching current accounts in branches with the operations management and the foreign bank accounts with operations.

Information Technology: The Group Information Technology works in accordance with a strategic plan and effective policies and procedures that define the system owners. It also provides security of the automated system and incorporates strict controls that secure its use, which in turn allows the monitoring of performance measurement and assigning responsibility. The application of the correct controls to guarantee the efficiency of the development processes or purchase of application programs and infrastructure, business continuity and protection of systems and data is verified.

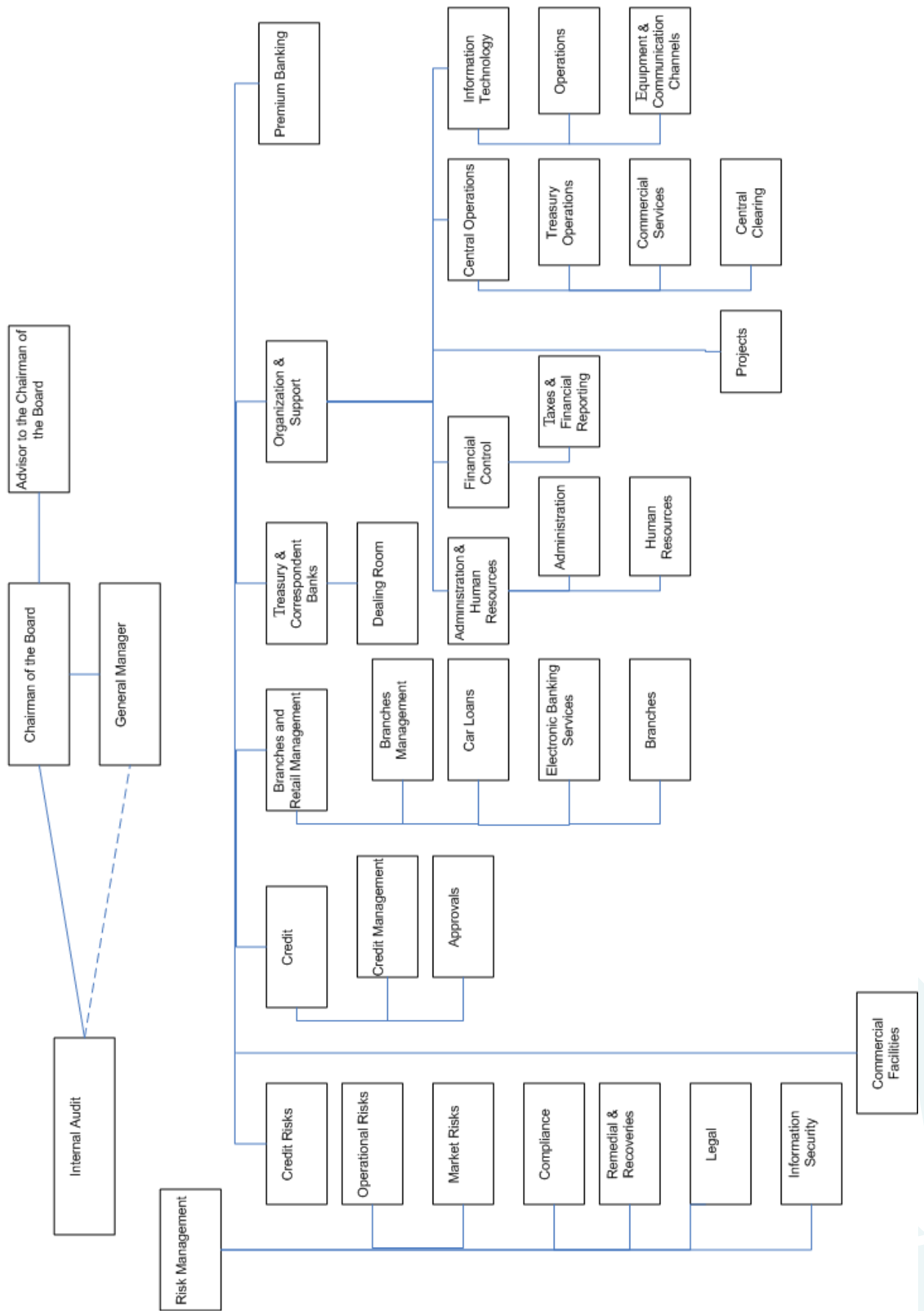
Safety and security requirements: the Bank shall abide by applying strict requirements in regard to safety and security that include regulatory requirements stipulated in the instructions of the Central Bank of Jordan. The precision of application in accordance with adopted procedures shall be continually reviewed.

Using this evaluation, the Executive Management can affirm that the managements concerned with inspection and internal control have implemented the set plans and that their work was performed within the framework of a high level of discipline and professionalism.

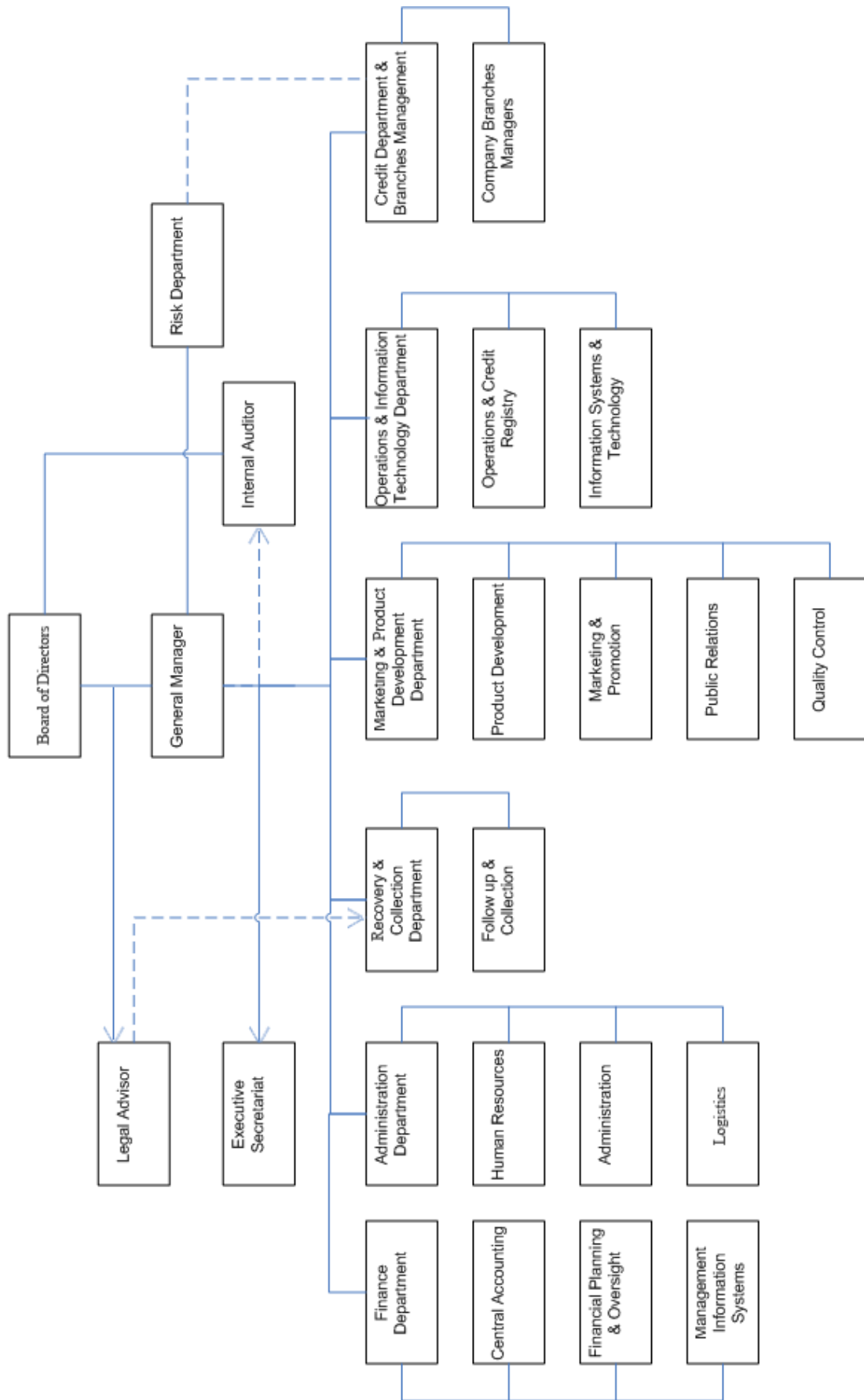
Jordan Ahli Bank



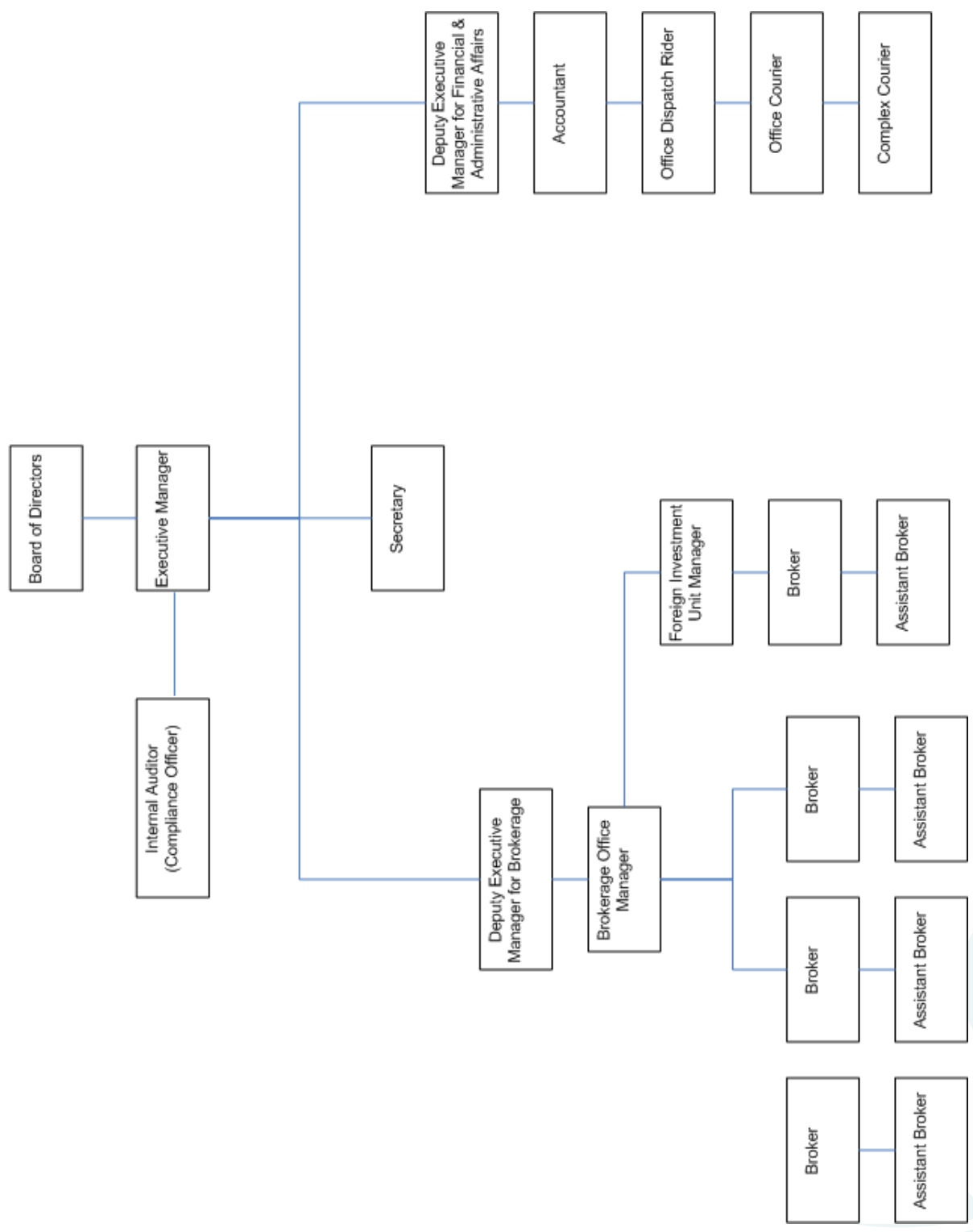
Ahli International Bank SAL



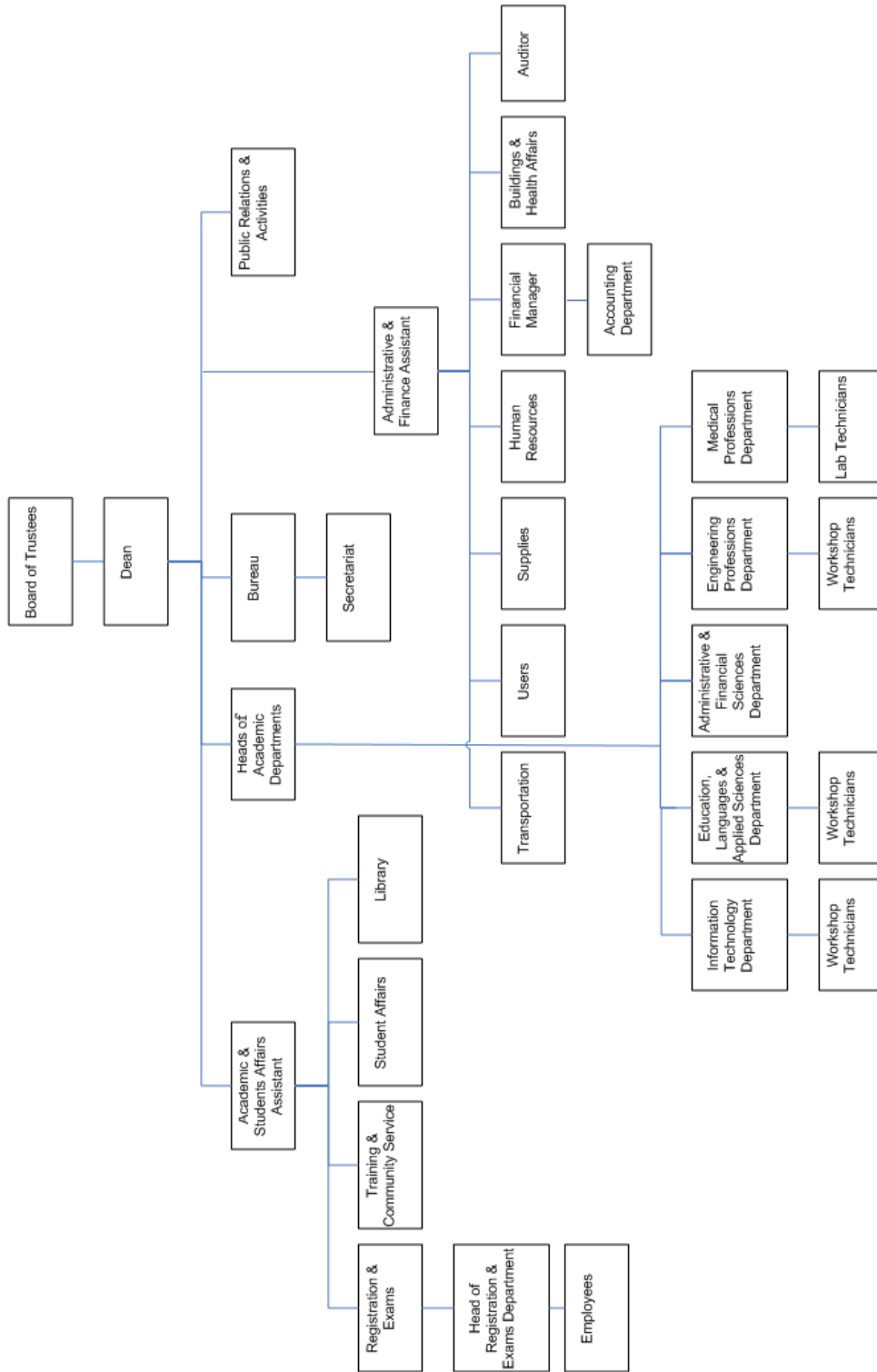
Ahli Micro Financing Co. LLC



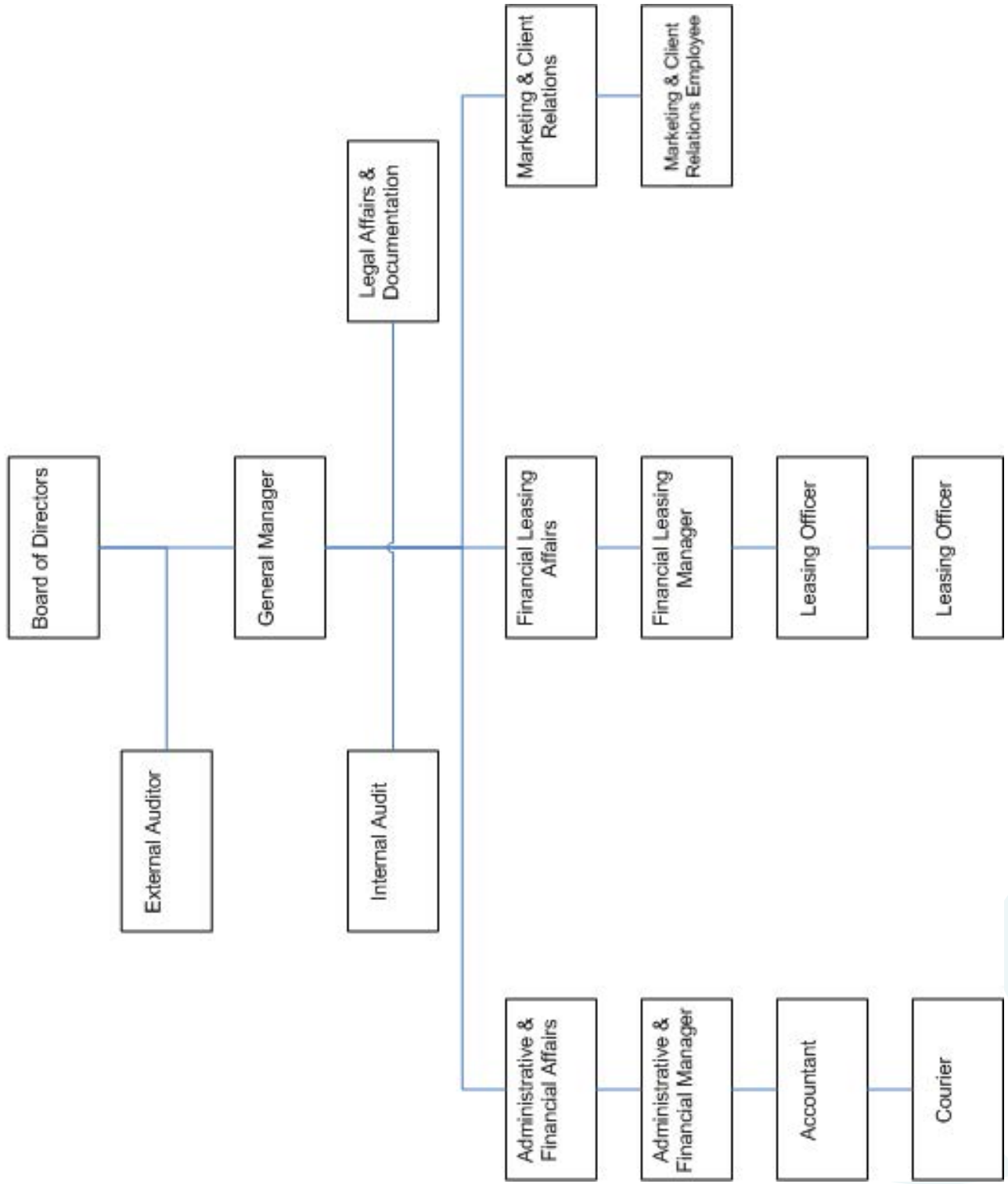
Ahli Brokerage Co. PS



Zarqa National College LLC



Ahli Financial Leasing PS



Jordan Ahli Bank Branches and Offices in Jordan

Corporate Banking

Shmeisani – Yacoub Srouf St. – Building No. 2 P.O. Box 925993 Amman
11118 Jordan
Tel.: 5608730
Fax: 5699867

Abdoun

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

Main Branch

Shmeisani - Queen Noor St.
P.O. Box 941273, Shmeisani 11194, Jordan
Tel.: 5638800 / 5672495, Manager: 5685901
Fax: 5699867

Mecca St.

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

Wakalat St. – Sweifieh

Sweifieh - Wakalat St.
P.O. Box 852126 Sweifieh 11185, Amman Sweifieh
Tel: 5852486, Manager: 5821509
Fax: 5854283

Sweifieh

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

City Mall

Medical City St., City Mall
P.O. Box 4822 Amman 11953 Jordan
Tel.: 5823156, Manager: 5823154
Fax: 5825174

Culture St.

Amman - Shmeisani - 11 Ab St.
P.O. Box 940017 Shmeisani 11194, Jordan
Tel.: 5681382, Manager: 5673578
Fax: 5681326

Downtown

Amman – Rida St.
P.O. Box 791 – Amman 11118 Jordan
Tel.: 4625126/7, Manager: 4624218
Fax: 4625120

Wasfi Al-Tal St.

Amman - Wasfi Al-Tal St.- Muhtaseb Building.
P.O. Box 1114 Tla' Al-Ali 11953, Jordan
Tel.: 5682124 Manager: 5682177
Fax: 5682188

Al Bayader

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

Jabal Al-Hussein

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

Wadi Saqra

Wadi Saqra, Wadi Saqra Commercial Center – Arrar
St. (Mustafa Wahbi Al-Tal) Building
No. 238b
P.O. Box 182352 Amman 11118 Jordan
Tel.: 5679140, 5679189, 5679138, 5679249,
Manager: 5679317
Fax: 5678612

Chamber of Commerce

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

Jabal Amman

Jabal Amman - 3rd Circle
P.O. Box 35011 Intercontinental Hotel 11180, Jordan
Tel: 5002130, Manager: 4628819
Fax: 4611541

Abdullah Ghosheh St.

Amman - 7th Circle - Abdullah Ghosheh St.
P.O. Box 850664 Sweifieh 11185, Jordan
Tel: 5817920, 5828717, Manager: 5857782
Fax: 5817921

Queen Rania St.

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

University St.

P.O. Box 2666 Amman 11941 Jordan
Tel.: 5354843, Manager: 5349836
Fax: 5354782, Direct: 5349813

Middle East Circle

Amman – Middle East Circle
P.O. Box 620190 Sha'eliah Neighborhood 11162, Jordan
Tel: 4777279, Manager: 4777288
Fax: 4777289

Al-Hashemi Al-Shamali

Amman - Al-Hashemi - Prince Rashid St.
P.O. Box 230120 Al-Hashemi Al-Shamali 11123, Jordan
Tel.: 4901343 / 4901363, Manager: 4901334
Fax: 4901302

Marka

Amman – Northern Marka – Opposite the Military Hospital
P.O. Box 15397 Marka 11134, Jordan
Tel.: 4894825/7 Manager: 4890970, Fax: 4890360

Al-Rusaifeh

Al-Rusaifeh - King Hussein St.
P.O. Box 2000 Rusaifeh 13710, Jordan
Tel: 05-3746190 / 05-3746191, Manager: 05-3746190, Fax: 05-3746192

Salt

Municipality St. - Salt
P.O. Box 50 Salt 19110, Jordan
Tel: 05-3555771/2/3, Manager: 05-35558014
Fax: 05-3555774

Al-Balka University Office

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

Deir Alla

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

Ibn Khaldoun St.

P.O. Box 3103 Intercontinental Hotel 11181 Jordan
Tel.: 4641310, 4642898, 4642833, 4641320
Fax: 4641399

Amman Customs Office

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

Khreibet El-Suq

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

Marj Al-Hamam

Marj Al-Hamam - Princess Taghreed St.
P.O. Box 776 Amman 11732, Jordan
Tel: 5716133/4, Manager: 5716906
Fax: 5716915

Madaba

Madaba – King Hussein St. – Near the Municipality Circle
P.O. Box 295 Madaba 17110, Jordan
Tel.: 05-3244254, 05-3299640, 05-3295889,
Manager: 05-3245181, Fax: 05-3240260

Ras Al-Ain

Amman - Jerusalem St.
P.O. Box 151174 Mohagereen 11115, Jordan
Tel: 4757201/2, Manager: 4749889
Fax: 4757203

Abu Nseir

Abu Nseir – Al-Karama St.
P.O. Box 542113-11937 Amman Abu Nseir
Tel.: 5105137, Manager: 5105146
Fax: 5105142

Sweileh

Amman - Sweileh- Main St.
P.O. Box 15 Sweileh 11910, Jordan
Tel: 5343143/4, Manager: 5343357
Fax: 5333632

Zarqa

Zarqa - King Hussein St.
P.O. Box 111 Zarqa 13110, Jordan
Tel.: 05-3983363/4, Manager: 05-3983150
Fax: 05-3996555

Qwaismeh

Amman – Madaba St. –Near the Customs
P.O. Box 38108 Qwaismeh 11593, Jordan
Tel.: 4778951, Manager: 4773630
Fax: 4746996

Free Zone Branch

Zarqa - Free Zone
P.O. Box 60 Free Zone 13134, Jordan
Tel.: 05-3826214, 05-3826626, Manager: 05-3826171
Fax: 05-3826200

Ma'an

Ma'an - King Hussein St.
P.O. Box 114 Maan 71111, Jordan
Tel: 03-2132347/8, M anager: 03-2133749
Fax: 03-2132799

Aqaba

Aqaba – Tunisian Hammamat St.
P.O. Box 49 Aqaba 77110, Jordan
Tel.: 03-2022350/1/2, Manager: 03-2013535
Fax: 03-2022353

Karak

Karak - Italian Hospital St.
P.O. Box 177 Karak 61110, Jordan
Tel.: 03-2351248/9, Manager: 03-2354200
Fax: 03-2351676

Hekma St. Office

Irbid - Hekma St.
P.O. Box 368 Irbid 22110, Jordan
Tel.: 02-7278613 / 02-7254377, Manager: 02-7254378
Fax: 02-7278614
Industrial City Office - Irbid

Irbid - Industrial City

P.O. Box 61 Irbid 21110, Jordan
Telefax: 02-7400055, Manager: 02-7404143

Jerash

Jerash - King Abdullah St.
P.O. Box 125 Jerash 26110, Jordan
Tel.: 02-6351891/2, Manager: 02-6351890
Fax: 02-6351893

Mafraq

Mafraq - Municipality St.- Opposite the Electronic Operator
P.O. Box 510 Mafraq 25110, Jordan
Tel.: 02-6232501, Manager: 02-6232435
Fax: 02-6230303

Ramtha

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

Sahab

Sahab – Prince Hassan St.
P.O. Box 2 Sahab 11511 Jordan
Tel.: 4021092, Manager: 4025673
Fax: 4021609

Irbid

Irbid - Army St.
P.O. Box 61 Irbid 21110, Jordan
Tel.: 02-7242201/2, Manager: 02-7242686
Fax: 02-7276146

Al-Hashemi St.

Al-Hashemi St. - Irbid
P.O. Box 368 Irbid 22110, Jordan
Tel.: 02-7278613 / 02-7250374 / 02-7250376,
Manager: 02-7250371
Fax: 02-7278614 / 02-7250364

Tafileh

Tafileh – Main St.
P.O. Box 13 Tafileh 66110, Jordan
Tel.: 03-2241120, Manager: 03-2243945
Fax: 03-2241710

Branches in Lebanon (Al-Ahli International Bank S.A.L.)

General Management

Bab Idriss - Omar Daouk St.
Operator Tel.: +961-1-970921 +961-1-970929
Manager Fax: +961-1-970944
Operations Fax: +961-1-970935
Facilities Fax: +961-1-970946
P.O. Box 11-5556 Riyad Al-Solh – Beirut 11072200
Lebanon
Lebanon Swift: JNBB LB BE
E-mail: info@ahli.com.lb
gm@ahli.com.lb

Treasury & Private Banking

Location: Ahli International Bank Building - Bab Idriss / Omar Daouk St. -
Tel.: +961-1-970960 +961-1-970957/8
Fax: +961-1-970959
P.O. Box 11-5556 Riyad Al Solh - Beirut 11072200 -
Lebanon

Bab Idriss Branch

Bab Idriss - Omar Daouk St. - Ahli International Bank
Building – Ground Floor
Manager Telefax: +961-1-970951
Branch Tel.: +961-1-970921
Branch Fax: +961-1-970952
P.O. Box 11-5556 Beirut 11072200 - Lebanon
Email: idriss@ahli.com.lb

Verdun Branch

Rachid Karamah St. – Diamond Tower Building
1st Floor
Manager Telefax: +961-1-797083
Branch Tel.: +961-1-797078, +961-1-797079
Branch Fax: +961-1-797082
P.O. Box 11-5556 Beirut 11072200 - Lebanon
E-mail: verdun@ahli.com.lb

Jdeideh Branch

Barbar Bou Joudeh St., Barbar Bou Joudeh Building, 1st floor
Manager Tel.: +961-1-883890
Branch Tel.: +961-1-881719, +961-1-881680/6
Fax: +961-1-883891
P.O. Box 20012 Bousharieh - Beirut
E-Mail: jdeideh@ahli.com.lb

Al-Hamra Branch

Emile Eddeh St., Ali Al-Huss Building, 2nd floor
Al-Hamra – Beirut
Manager Tel.: +961-1-355069
Branch Tel.: +961-1-350303 +961-1-340270
Fax: +961-1-742843
P.O. Box 11-5556
Beirut 11072200
E-Mail: hamra@ahli.com.lb

Dora Branch

Dora Highway, Kassarjian Building, 1st floor
Beirut - Lebanon
Manager Tel.: +961-1-883722
Branch Tel.: +961-1-899121 +961-1-875570
Fax: +961-1-894721
P.O. Box 11-5556
Beirut 11072200
E-mail: dora@ahli.com.lb

Kaslik Branch

Zouk Highway - Damaa Center, Ground Floor
Kaslik, Lebanon
Manager Tel.: +961-9-210760
Branch Tel.: +961-9-210769 +961-9-210770
Fax: +961-9-210773
P.O. Box 11-5556
Beirut 11072200
E-mail: kaslik@ahli.com.lb

Tripoli Branch

Fouad Shhab Boulevard - Awkaf Building – Ground Floor
Manager Tel.: +961-6-430105
Branch Tel.: +961-6-430106/7
Fax: +961-6-432720
P.O. Box 900 Tripoli, Lebanon
E-mail: tripoli@ahli.com.lb

Saida Branch

Fhakhreddine St. – Moukhlasih Bldg- 1st Floor
Manager Tel.: +961-7-720418
Branch Tel.: +961-7-728930 +961-7-720458
Fax: +961-7-728931
P.O. Box 116 Saida, Lebanon
E-mail: saida@ahli.com.lb

Branches in Palestine**Regional Management for Palestine Branches**

Al-Zahraa St. - Ramallah
Manager Tel.: +972-2-2959340
Mobile: +972-599-520360
Operator Tel.: +972-2-2959343/4
Fax: +972-2-2959341
P.O. Box 550
E-mail: regional@ahlibank.com.ps
info@ahlibank.com.ps
Website: www.ahli.com

Nablus Branch

Commercial Center (B) – Building. No. 8
Manager Tel.: +972-9-2374501
Branch Tel.: +972-9-2382280/1/2
Mobile: +972-599-418689
Fax: +972-9-2382283
P.O. Box 40
E-mail: nablus@ahlibank.com.ps

Shallaleh St. Branch - Al-Khalil

No. 15 - Shallaleh St.
Manager Tel.: +972-2-2224804
Branch Tel.: +972-2-2224801/3
Mobile: +972-599-839723
Fax: +972-2-2224805
P.O. Box 623
E-mail: shallaleh@ahlibank.com.ps

Al-Salam St. Branch – Al-Khalil

Al-Salam St.
Manager Tel.: +972-2-2212770
Branch Tel.: +972-2-2226713/4
Mobile: +972-599-674938
Fax: +972-2-2226712
P.O. Box 718
E-mail: salam@ahlibank.com.ps

Ramallah Branch

Al-Zahra St.
Manager Tel.: +972-2-2986310
Branch Tel.: +972-2-2986313/4
Mobile: +972-598-929991
Fax: +972-2-2986311
P.O. Box 550
E-mail: ramallah@ahlibank.com.ps

Bethlehem Branch

Al-Mahed St.
Manager Tel.: +972-2-2770353
Branch Tel.: +972-2-2770351/2
Mobile: +972-599-674941
Fax: +972-2-2770354
P.O. Box 807
E-mail: bethlehem@ahlibank.com.ps

Branches in Cyprus

Jordan Ahli Bank - Limassol

Pecora Tower, 2nd Floor, Anexartias St. 1
P.O. Box 53587 3303 Limassol - Cyprus
Tel.: +357-25-356669
Fax: +357-25-356673
jnb@cytanet.com.cy
info@ahlibank.com.cy
humanresources@ahlibank.com.cy
treasury@ahlibank.com.cy

Dealing Room

Tel: +357-25-371118
Reuters Code: JNBC
Swift Code: JONB CY2I

