

# Annual Report

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# 2013





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





**HRH Crown Prince  
Hussein bin Abdullah II**



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## Our Strategic Objectives

**For Shareholders:** High and sustainable returns

**For Customers:** A wide range of products, excellent service and fair prices

**For Personnel and Management:** Rewarding careers and above average remuneration

**For Society:** Significant contributions to economic and social development

**For the Regulators:** Reliability, integrity and compliance with Basel II



## Our Vision

Jordan Ahli Bank's strategic goals are derived from its unwavering commitment to adhere to banking excellence through employing the best globally recognized banking standards and in achieving development throughout the following three phases:

**Phase 1:** Continuing growth and maximizing shareholders' equity

**Phase 2:** Obtaining best credit ratings

**Phase 3:** Expanding locally and regionally

## Board of Directors

H.E. Dr. Rajai Saleh Muasher	Chairman
Mr. Nadim Yousef Muasher	Deputy Chairman

## Members

Dr. Henry Azzam	Representing Byblos Bank (Lebanon) Until 28/4/2013
H.E. Mr. Sami Haddad	Representing Byblos Bank (Lebanon) From 29/4/2013
Mr. Ahmed Adel Badreldin	Representing Abraaj SPV21 Limited-(“Abraaj Capital”) Dubai From 8/7/2013
H.E. Mr. Marwan Awad	Representing Jordan Worsted Mills Company Until 19/1/2013
H.E. Dr. Umayya Toukan	Representing Jordan Worsted Mills Company From 20/1/2013 until 28/4/2013
Mr. Emad Yousef Muasher	Representing Mouasher Investment and Trading Company
H.E. Mr. Wasef Azar	Representing Jordan Investor Center
Mr. Mohammad Al Abdallat	Representing the Social Security Corporation
Mr. Rafiq Saleh Muasher	Representing Rajai Mouasher & Brothers Company
Mr. Hani Fraij	Representing Arabia S.A.L. Holding Company (Lebanon)
Mr. Mahmoud Zuhdi Malhas	Member
Mr. Ala’adin Sami	Representing ZI&IME Co. (Saudi Arabia)
H.E. Mr. Karim Tawfik Kawar	Member

## Executive Management

<b>H.E. Mr. Marwan Awad</b>	Chief Executive Officer/General Manager
<b>Mr. Issa Khoury</b>	Advisor to H.E. the Chairman
<b>Mr. Saad Mouasher</b>	First Deputy Chief Executive Officer
<b>Ms. Lina Bakhit</b>	Deputy Chief Executive Officer/Head of Group Ahli Capital Markets and Investments
<b>Mrs. Hadil Khalaf</b>	Deputy Chief Executive Officer/Head of Group Operations
<b>Mr. Hani Farraj</b>	Deputy Chief Executive Officer/Head of Group Logistics and Secretary to the Board of Directors
<b>Mr. Zahi Fakhoury</b>	Deputy Chief Executive Officer/Head of Group Credit
<b>Mr. Abdul Aziz Sadaqa</b>	Deputy Chief Executive Officer/Head of Group Corporate Banking
<b>Mr. Bashar Al Bakri</b>	Deputy Chief Executive Officer/Head of Group Human Resource
<b>Mr. Kameel Haddad</b>	Deputy Chief Executive Officer/Head of Group Remedial & Recoveries and Legal Affairs
<b>Mr. Samer Abu Zayed</b>	Deputy Chief Executive Officer/Head of Group Information Technology and Enterprise Programs
<b>Mr. Tareq Omaish</b>	Assistant General Manager/Head of Group Personal & Premium Banking and Branches Management
<b>Mr. Rageb Halaseh</b>	Assistant General Manager/Head of Group Internal Audit
<b>Mr. Basil Al Nabir</b>	Assistant General Manager/Head of Group Finance From 6/6/2013
<b>Mr. Khaled Al Najjar</b>	Assistant General Manager/Head of Group Small and Medium Enterprises (SME) Banking Services From 6/6/2013
<b>Mr. George Farraj</b>	Assistant General Manager/Branches Abroad Management
<b>Dr. Michael Nu'man</b>	Assistant General Manager/Risk Management
<b>Ms. Oraib Hammoudeh</b>	Deputy Assistant to the General Manager/Inspection & Internal Control Department

## Chairman's Letter

### Honored Shareholders,

It is my pleasure to present to you Jordan Ahli Bank's 58<sup>th</sup> annual report. This report highlights the activities and accomplishments of the bank as well as the financial statements for the past year, in addition to the bank's future plan for the year 2014.

First, I would like to say that our bank is determined to continue its path of sustainable development, thus maintaining the achievements of this pioneering National Corporation and preserving its place in the forefront of Jordanian banks. This being said, we are working eagerly and passionately to realize the bank's ambitions and future aspirations, as we strive to endorse the bank's values and responsibilities towards our shareholders and the local community.

Top management efforts during 2013 were centralized towards streamlining plans to bolster the financial position of the bank and safeguarding its financial solvency in addition to expanding and diversifying its sources of funds. This is done in a manner that contributes to attaining the bank's goals and guarantees the resumption of the banking services as well as expanding their scope and progression. This is in line with the bank's development plan that incorporates the most efficient and comprehensive know-how in the banking industry and makes use of the latest and top-of-the-line technologies.

Jordan Ahli Bank was, and still is, devoted towards meeting its clients' ambitions, and strives to maximize the added value of its services through expanding its base of different financing solutions that better meet our clients' growing and changing needs in the context of determining future trends and exposing the potential in promising economic sectors. As such, the year 2013 witnessed the inauguration of a number of new branches to further support the geographical presence of the bank, in addition to launching a series of new products and services including those that promote eco-friendly products, durable goods, in addition to introducing new advantages and benefits to existing housing and personal loans, all of which intend to enhance the competitive edge of the bank's products and services in light of the highly competitive Jordanian banking sector.

In the context of the institutional transformation initiative of Jordan Ahli Bank, and within the strategic approach integrating the slogan "My Power of Change", last year witnessed the completion of some critical stages that involved planning and implementation of the new Core Banking System, thus moving forward to more engaging stages that entail assessment and training, in preparations for the actual execution of the system. Being the technical platform for launching the bank's restructuring objectives, we anticipate that the new banking system will provide a substantial leap forward as it will essentially augment the bank's ability to provide more advanced solutions and innovative banking services, further develop the bank's risk management system and activate distribution channels, thus effectively contribute to enhancing the bank's overall efficiency and competency.

On the social and institutional responsibility front, Jordan Ahli Bank has a long history in supporting the social and development objectives of the local community. The bank has always taken the lead to support local and national initiatives, whether intellectual, scientific or innovative. During last year, the bank provided sponsorship and participated in many activities, conferences and programs targeting a wide variety of sectors, including education, health, sports and art, in addition to supporting initiatives that promote leadership and encourage scientific research along with supporting union, economic and national efforts across Jordan.

Jordan Ahli Bank has always worked to promote and affirm trust ties with its clients whom we consider to be the ultimate backbone of the banking process. This has contributed to making Jordan Ahli Bank their number one choice acting as an active partner in fulfilling their needs and essentially facilitating their success, thus aiding the bank in achieving its primary goal of promoting economic development and elevating the overall wellbeing of our local community.

As an outgrowth to this fruitful partnership, Jordan Ahli Bank managed to increase its deposits base during 2013 by 7% standing at JD 1.461 billion, while credit facilities have witnessed a growth of 4% over the past year, reaching JD 1.188 billion. On the other hand, total assets stood at JD 2.7 billion, representing an increase of 2% from 2012.

Moving on to the main financial indicators, return on equity reached 6% by the end of last year, while return on total assets stood at 0.6%. Capital adequacy ratio was recorded at 12.2%, effectively surpassing the minimum requirement set by the CBJ, due to the increase in owners' equity that stood at JD 284 million. Pre-tax net profits reached approximately JD 24 million being influenced by mainly two factors; on one hand, the drop in economic activities across the Kingdom, and on the other hand, the ability of debtors to make their due payments within the required timeframe. As such, the bank decided to take provisions in the amount of JD 18.5 million as a precautionary procedure to elude future risks and avoid reverting to temporally solutions. Such a precautionary procedure is in line with the banks' best practices and it complies with its benchmarks and transparency policies. It further reflects the bank's commitment to take all necessary measures to support its financial position and maintain its strength, thus constructing the necessary platform to trigger future sustainable growth, falling back on the bank's solvency and its ability to generate operating profits.

In conclusion, I would like to express my deepest gratitude to our loyal customers and honored shareholders for their trust and support. I would like to stress our management's determination and commitment to maintain and further improve the bank's standing while working relentlessly towards attaining the bank's goals and aspirations. I would also like to extend my thanks to all committees and parties that contribute to the safety and soundness of the Jordanian banking sector. Finally I would like to express my sincere appreciation and thanks to all our staff for their continued efforts and contributions. We ask God to guide our success and to preserve our beloved country under the Hashemite leadership of His Majesty King Abdullah II.

Dr. Rajai Muasher  
Chairman of the Board



# **ECONOMIC PERFORMANCE AND THE BOARD OF DIRECTORS' REPORT**



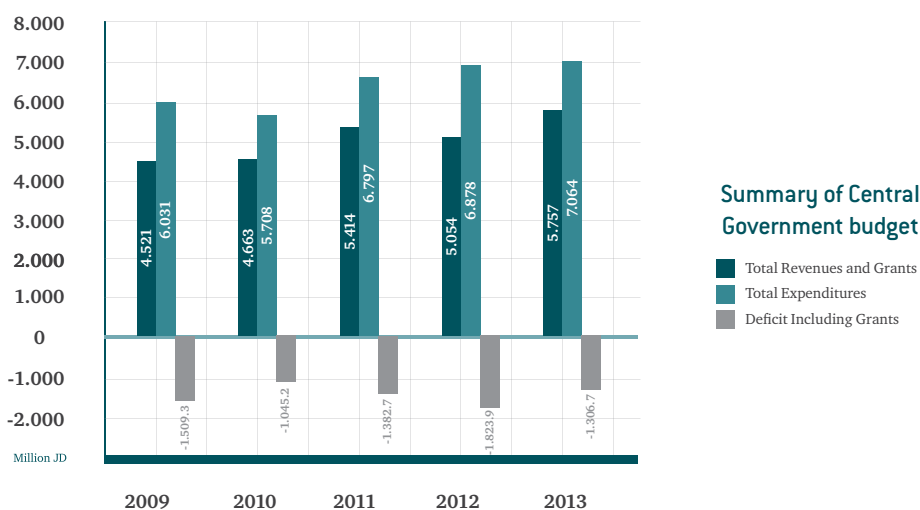
## Performance of the Jordanian Economy During 2013

The Jordanian economy managed to attain some considerable achievements during 2013, despite the uncovering of the challenges brought about by the surrounding regional circumstances and their negative impact on a number of economic indicators. Most importantly, such challenges were in the form of a rather soaring energy bill for the Kingdom in addition to mounting burdens on the general budget due to additional pressures on the country's resources and infrastructure in light of the continuous influx of Syrian refugees. The impact of such circumstances had left its imprints locally and had in fact imposed further challenges for Jordanian decision makers throughout the past year.

Nonetheless, and despite the mounting challenges, the year 2013 stood to witness important stages in the country's economic and development route, whereby the national economy managed to record rather historical achievements. Namely, while continuing with its economic growth, reserves of foreign currencies reached unprecedented levels, hence providing further support for the local currency and essentially providing motives to attract more investments and securing existing ones, in addition to its contribution to bolstering the national economy's ability to face future challenges as well as its adjustability and flexibility.

It remains however, that the focal stage during last year was largely represented by the forward movement in terms of implementing the economic and financial reform program and the level at which the 2013 general budget was in harmony and agreement with the overall framework of the said program. In particular, general budget preliminary results show that the government was on the right track as it has been determined to adopt a number of measures aiming at reducing general spending, minimizing losses of the energy sector and essentially curbing down the general deficit.

The fiscal policy for 2013 had succeeded in controlling the deteriorating deficit, as it managed to reduce it by approximately 28.3% from 2012, thus standing at JD 1.307 billion (including foreign grants) compared to a deficit of JD 1.824 billion recorded at the end of 2012. As such, domestic revenues witnessed an increase of 8.3%, reaching JD 5.118 billion, while foreign grants witnessed a JD 312 million increase, standing at JD 639.3 million by the end of the year. On the other hand, current expenditures dropped by 2.5% compared to its levels in 2012 standing at JD 6.045 billion, while capital expenditures soared by 51% reaching JD 1.019 billion. Capital expenditures have particularly benefited from the funds provided by the Gulf Cooperation Council, which represented a window to counter government spending challenges in terms of promoting economic development and in dealing with the scarcity of financial resources. Moreover, all related government institutions are expected to streamline their plans and strategies to attain a better deployment of the funds during the coming years.

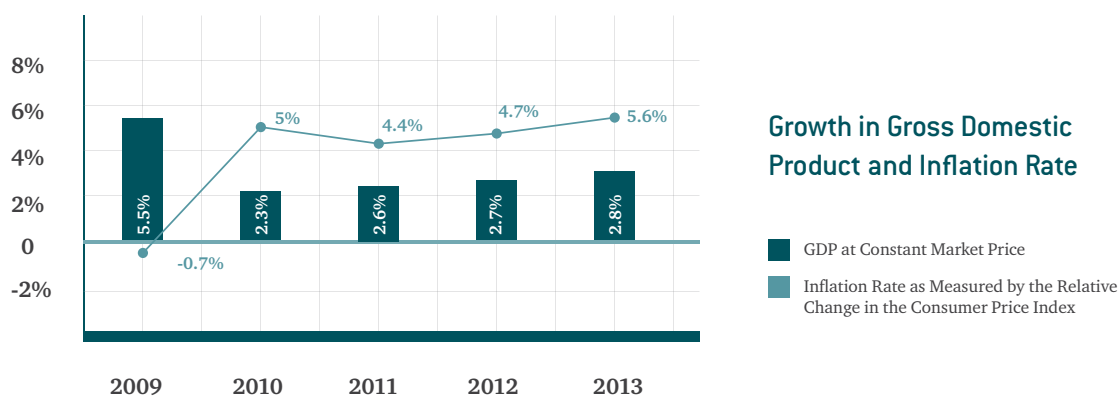




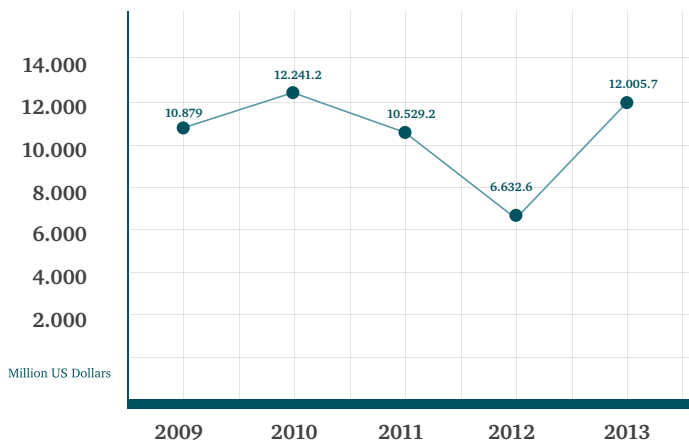
In this context, net domestic debt stood at JD 11.862 billion by the end of the year, adding JD 214 million compared to 2012, while outstanding external public debt reached JD 7.234 billion, adding JD 2.302 billion compared to 2012. The increase in external debt was due to financing the losses accumulated by the National Electric Power Company in light of the interruptions of the gas supply from Egypt during the past three years.

Accordingly, net public debt (domestic and external) went up to approximately JD 19.097 billion, thus representing 79.6% of expected GDP for the year 2013. It is worth mentioning here that the alternatives that are currently available for the government in order to lessen dependence on imported energy sources, including oil shale, requires long periods of time that may extend for many years in order to become operational.

Moving on to economic growth, GDP for the Kingdom recorded a growth of 2.8% in constant prices during the third quarter of 2013, compared to 2.6% for the same period of 2012. Meanwhile, austerity measures adopted by the government and the cutting down of government spending remain to be the main obstacles facing economic growth in the Kingdom, which is also hampered by the Syrian crisis and the mounting number of refugees, estimated at over 576 thousand by the end of last year according to the Ministry of Planning and International Cooperation. Hence, the influx of Syrian refugees represents by far the most challenging burden on the Jordanian economy, as the Kingdom requires financial aid estimated at no less than US\$ 4.12 billion to finance its projects targeting main sectors and infrastructures to handle the ramifications of the Syrian refugee influx.



On the other hand, reserves of foreign currencies held at the Central Bank of Jordan soared by 81% during last year standing at US\$ 12.005 billion. This is enough to cover the Kingdom's imports of products and services for a period of over eight months, which is considered a long period in global terms.



Central Bank of Jordan Foreign Currency Reserves

Remittances of Jordanian expatriates reached JD 2.327 billion by the end of 2013, a 4.4% increase compared to 2012. Moving on to the general price level as measured in the Consumer Price Index (CPI) during 2013, it went up to 5.6% by the end of the year compared to an inflation rate of 4.7% recorded by the end of 2012.

In light of rather limited external inflationary pressures, the Central Bank of Jordan took on a series of measures entailing the reduction of its interest rates on its monetary policy tools, that resulted in reducing interest rates by 50 basis points during 2013, hence bringing the re-discount rate to 4.50% and the interest rate on overnight repurchase agreements to 4.25%, while the overnight window deposit rate was reduced to 3.50% by the end of 2013.

The trade balance deficit witnessed an increase to JD 9.907 billion by the end of 2013, thus adding 8.4% compared to a deficit of JD 9.134 billion recorded by the end of 2012. As such, the Kingdom's imports surged by JD 789.7 million, representing an increase of 5.4%, of which 23.9% were imports in the form of crude oil and other oil derivatives. Meanwhile, exports (including re-exports) have grown by a merely JD 17 million reaching JD 5.616 billion by the end of 2013.



External Trade Development

## The Board of Directors' Report for 2013

Efforts exerted by Jordan Ahli Bank's BOD and Executive Management have resulted in sustaining the bank's valuable achievements and have contributed to bolstering its capacity and role within the Jordanian banking industry. These efforts have contributed to achieving the strategic goals which were carefully set to maneuver through the difficult economic circumstances imposed by local and regional challenges that stalled economic growth and have left their imprint on the overall investment climate for the past few years especially during year 2013.

The bank's key sectors and their respective achievements are as follows:

### 1) Banking Services Sector

This sector consists of the following groups:

#### a. Corporate Banking Group

Despite the deteriorating economic circumstances and the increasing political risk in the region and the negative impact such circumstances have left on most economic sectors including the banking industry, the group has nevertheless managed to maintain its profits level through sustaining its portfolio and securing the bank's assets while achieving the set targets. These accomplishments were realized through conducting accounts' maintenance and exiting high concentration credit portfolios in parallel to expanding our customer base by means of attracting low risk portfolios. Additionally, we succeeded in liquidating a number of high risk portfolios by reducing them by 15%, while focusing on short term revenue operations associated with high turnover rates, aiming at generating commissions that will eventually reflect positively on our profit levels. On the other hand, the group continued with its policies aiming at reducing costs and has successfully carried out an account redistribution scheme without burdening the bank with any additional costs.



#### b. Small and Medium Enterprise (SME) Banking Services Group

We at the SME Group have committed ourselves to enhancing our sustainable competitive advantage, which is encrypted within Jordan Ahli Bank's core strategy aimed towards providing a set of fully integrated banking services in a manner that compliments the bank's objectives and complies with its strategic framework. Our strategy was implemented and carried out through the active participation of the group's managerial staff, aiming at sustaining the pioneering role and further expanding the bank's leadership in providing specialized and top-of-the-line banking services.

Accordingly, the group has managed to increase the bank's market share and continued to achieve high growth rates, hence contributing in the improvement of the bank's overall competitiveness. The group also worked on adopting policies and procedures that are considered as best practices to satisfy the needs of our customers and the different sectors they represent.

The group continued with its policies to further activate the role of the bank's local business centers bringing them to their full capacity, while stretching the geographical network to expand the reach of our banking services through:

1- Providing financial services and solutions to clients with the highest quality standards and creating a genuine value by increasing efficiency and competency.

2- Furnishing the different enterprise segments with optimum financing solutions that guarantee their satisfaction by means of exceeding their expectations.

Moreover, our group focused on direct selling through increasing time dedication for no less than 50%.

Providing core solutions to deliver superior portfolio performance.

Exclusively presenting a range of non-financial services for SMEs as well as optimizing the quality of financing for SME portfolios through:

Supporting the activities of Jordan Ahli Bank's SME Academy presenting it as a national pioneering training unit that further develops the capabilities of SMEs in Jordan in order to fulfill the following objectives:

- 1- Bolstering Jordan Ahli Bank's reputation as one of Jordan's leading institutions in terms of developing Jordan's SME sector
- 2- Contributing largely to the ongoing support acquired by the SME sector.
- 3- Working on expanding Jordan Ahli Bank's client base and activities to reach both current and potential entrepreneurs.
- 4- Improving the bank's client loyalty through innovative ideas and initiatives targeting the SME and business sectors.
- 5- Improving Jordan Ahli Bank's credit portfolio by means of improving the clients' managerial skills through the use of proper financial tools and maintaining the flow of accurate information.
- 6- Unifying business perspectives between Jordan Ahli Bank and its clients.



Furthermore, a total of 16 specialized training sessions were conducted throughout year 2013 and attended by 466 participants. The training sessions that were constructed by professional lecturers discussed a wide range of issues that are of concern to SME owners.

## c- Personal and Premium Banking and Branches Management

Throughout the year 2013, the group strove to reaffirm the bank's prominent role in the retail market. It maintained Jordan Ahli Bank's pioneering position at the forefront of banks in this field by expanding its customer base and diversifying its products and services, thereby accomplishing many feats, which have been summarized as follows:

### Branch Management:

Jordan Ahli Bank added two new branches to its existing network of branches, namely, Al Rabieh and Al Fuhais branches were inaugurated during 2013, while another five existing branches were renovated, namely, Wasfi El Tal Street branch, Queen Rania Street branch, Irbid branch, Aqaba branch in addition to City Mall branch.



Moreover, the branch restructuring process was completed, ensuring customer service efficiency and the time allocated for the sale of banking services. The bank also held several workshops and specialized training courses, focusing on sales and technical skills and improving the quality of customer service.

### E-Channels:

ATM machines: we have expanded our ATM network to reach a total of 88 operational ATMs, while another 6 ATM machines were updated.

Debit Cards: increasing the daily card purchases limit to JD 5,000, and cash withdrawals to JD 1,000. Replacing existing Maestro cards with Smart Chip Master Cards, in addition to issuing debit cards for clients who do not have debit cards.



Ahli Mobile Service: developing and updating the Ahli Mobile Service Application to be compatible with Apple's IOS7.

MoneyGram Service: launching a marketing campaign to promote money transfer transactions to Arab Republic of Egypt, as well as money transfers carried out by the bank's employees.

Electronic Services: launching a campaign for issuing free prepaid cards for users of electronic banking services, in addition to issuing a booklet illustrating all details regarding our electronic banking services.

Statistical Reports: updating and improving reports related to our electronic banking services, while a new period report was developed to determine the users' behavior of electronic banking services.

## Products and Services

The group launched a range of new banking products during the year 2013, including the following:

### Jordan Ahli Bank's Go Green Loan:

- The Go Green Loan was initiated to finance environmentally friendly products at 0% interest rate through strategic partnerships with some major companies to cover all sectors in accordance to our clients' needs.



### Loyalty Cards Program:

- The Loyalty Cards Program was launched in collaboration with a unique and widespread network of merchants to provide exquisite privileges for Jordan Ahli Bank's cardholders.



### Strategic Partnerships:

- An agreement was signed to launch (E-shopping) prepaid MasterCard to be ready in early 2014.

- A strategic partnership was established between Jordan Ahli Bank and the United Nations' World Food Program to issue MasterCards with a shared slogan that will provide people living at Al Za'tari Refugee Camp with prepaid cards.

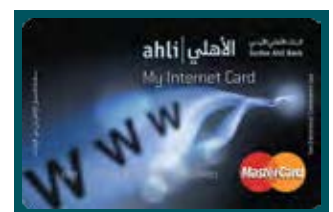
- A strategic partnership was established with Save the Children Foundation to issue cards to individuals benefiting from the foundation's diverse programs.

- A strategic partnership was established with Karitas Foundation to issue banking checks for individuals benefiting from their programs.

### Prepaid Cards:

- We are currently working on launching our prepaid cards product to include two types of cards:

- a. E-shopping cards
- b. Multiuse prepaid cards through point of sale (POS) or ATM



### Credit Cards:

- The bank has commenced issuing the World MasterCard, replacing all credit cards featuring magnetic strips with Smart Chips (MasterCard and Visa Cards).



### Durable Goods Program:

- A list of new merchants we added on board for our Durable Goods Program, in addition to amending a few procedures in order to provide a better service for our clients.





### Training Programs:

- Jordan Ahli Bank hosted various training courses for branch employees aiming to broaden their knowledge of the bank's diverse products and services and to enhance their selling skills.
- Developing the Acrot Tool to derive a special pin number for e-shopping transactions.
- Updating the content of Jordan Ahli Bank's website including all marketing and promotional information involving the bank's products and services and in line with the requirements of transparency.
- Renewing Jordan Ahli Bank's agreement with Priority Pass to provide our clients with the Visa Platinum credit card, granting them full access as well as elite services in most of the globe's international airports.



### Payroll Centralization Program:

- We have completed 55% of the Payroll Centralization Program, while we expect to finalize all related procedures related to the project during the second quarter of year 2014.

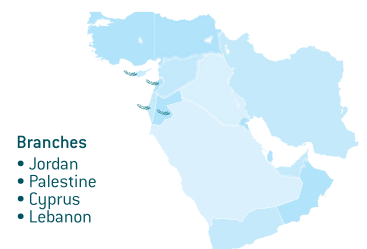
### Marketing in collaboration with the Marketing Department:

- We have prepared and launched numerous marketing and promotional campaigns related to the bank's products and services in order to increase public awareness towards our products and services including retail services.

The above-mentioned accomplishments have reflected positively on our financial achievement over the year 2013, while credit facilities extended for individuals have witnessed an increase of 9%. On the other side, deposits recorded a growth of 13%. In particular, the special deposit account witnessed an increase of 120% by the end of 2013.

### d- Branches Abroad

Notwithstanding the difficulties imposed by Cyprus's financial crisis, which resulted in serious implications on all economic institutions including the banking sector, Jordan Ahli Bank managed to contain the negative impact of the crisis by complying with the emergency law and the restrictive measures imposed by the Central Bank of Cyprus. In particular, the Central Bank of Cyprus has restricted money transfers carried out by banks and financial institution, especially those carried out by non-residents. However, Jordan Ahli Bank was able to posture its Cyprus branch as the first Jordanian Bank and sixth foreign bank with full authorization to freely carryout and execute transactions for its non-resident clients without any restraints or amount limits, which reflected positively on the bank-client relationship.



Branches  
 • Jordan  
 • Palestine  
 • Cyprus  
 • Lebanon

In order to sustain the performance of our Cyprus branch and to further stabilize its financial position, the management is determined to increase customer deposits at the branch during 2014 as well as expanding our customer base. Moreover, we are coordinating with the bank's Corporate Banking Group to attract more clients especially those residing in Jordan in order to achieve higher growth in credit facilities as well as having a more diversified portfolio in order to lessen the risk factor and to lower credit concentrations, which we believe will reflect positively on our ability to generate higher profits.

With regards to Jordan Ahli Bank's branches operating in Palestine and despite the limited number of branches operating there and the highly competitive nature of the banking industry in Palestine, the bank's financial results for year 2013 surpassed those recorded during year 2012 and have in fact exceeded the set targets in terms of credit facilities, revenues and net income. Furthermore, our Palestine branches were able to attract numerous new accounts and expand their clients' base, which came in parallel to lowering non-performing loans and account concentrations. Additionally, Jordan Ahli Bank carried out several advertising and marketing campaigns to promote its products and services, in addition to emphasizing the bank's corporate identity and image in Palestine. Moreover, Jordan Ahli Bank also sponsored and organized many social activities and

supported a variety of institutes and charities in the framework of carrying out and delivering the bank's social responsibilities towards its community.

**The following is a summary of the main achievements during year 2013:**

- Obtaining a written approval from the Central Bank of Jordan and the Palestinian Monetary Authority to establish a new branch at the City of Jenin Northern of the West Bank, hence facilitating the bank's expansion in strategic geographic areas.
- Establishing a specialized department for direct retail sales in Palestine in order to increase the branches market share of credit facilities and deposits.
- Upgrading all personal banking products and services to better cope with the changing needs of our clients.
- Upgrading and modifying many of our work procedures and manuals related to our regional management and Palestine branches to improve our banking services in compliance to all controlling regulations.
- Further developing employees' skills in regional management, Palestine branches and Cyprus branches through specialized training courses.
- The web pages associated with Ahli Bank's branches in Palestine and Cyprus were updated in accordance with the disclosure and transparency directives of the monetary authorities.
- SMS services were implemented and became effective at the Palestine branches, contributing to the development and improvement of the level of services offered to customers in the realm of electronic banking.

## 2) Support Services Sector

This sector consists of the following groups:

### a. Strategy and Corporate Communications Group:

Proceeding in its efforts to further promote and develop Jordan Ahli Bank's corporate identity, the group sustained its instrumental approach during year 2013, hence enabling it to achieve splendid accomplishments that are intended to steer the bank forward based on the development of communication and marketing channels.

In order to achieve these endeavors, the Marketing and Corporate Communications Management drafted a special strategy entailing Jordan Ahli Bank's participation in many local and national social initiatives alongside providing sponsorships and taking part in diverse activities and events, aiming at improving the bank's local presence in addition to contributing to the advancement of the different sectors of the community whilst managing to excel in our banking services.

**Our major contributions and achievements for year 2013 are as follow:**

- Assisting the local youth and promoting their entrepreneurial spirits by hosting the "Shape MENA" Conference held at the Dead Sea, the aim of which is to uncover entrepreneurial characteristics and innovative ideas. The conference acted as a platform that brought together entrepreneurs with members of the Global Community Shapers.
- Sponsoring "(Endeavor Jordan) in its second edition of its Local Selection Panel session (LSP)" for the year 2013, which aims at steering international efforts to stimulate sustainable economic growth by means of supporting and promoting influential entrepreneurs.
- The bank was named the platinum sponsor for the TEDx Amman 2013 conference, and also the event's official banking partner. The TEDx Amman Conference is an independently planned local initiative that provides a proactive space for all entrepreneurs to meet and share their innovative ideas.
- Sponsoring several seminars and conferences, including the Sixth Scientific Research Conference organized by the Jordanian Society for Scientific Research in collaboration with Al-Zaytoonah University in addition to sponsoring the Cultural and Educational Council's tenth Educational Leadership Conference for Private Schools. As part of its ongoing aims to support youth within the community and to also be present in events that promise

further prosperity for this particular sector, Jordan Ahli Bank sponsored the GlobEMUN Conference of 2013.

- As part of the bank's support for the children, it sponsored a ceremony in honor of those who supported the child protection campaign in collaboration with the Jordan River Foundation.

- Supporting a number of artistic initiatives and events, including "Jordan's First Children Creative Arts Festival", which is considered the first of its kind in the Arab world, in addition to Sponsoring the Mobile Museum's activities, which stands out as a pioneering project on both the local and regional level to spread knowledge about the regional art scene on the kingdom's wide scale. Also, Jordan Ahli Bank sponsored "Hakaya" Festival in its sixth round aiming at reviving the storytelling art.

- Jordan Ahli Bank introduced its flagship "Go Green Loan Program" as part of its ongoing aims to enrich the market with innovative financial products and services. The program was officially launched at a ceremonial event hosted at Edama for Water Conservation and Environmental Awareness. In this context, Jordan Ahli Bank also held a workshop to finance environmentally friendly products in addition to hosting an environment day titled Forest Day in collaboration with the Ahli Microfinance Company, which helped in the afforestation of Beren Forest through planting 500 forest trees, while supporting a campaign to clean the Dead Sea shores.

- Sponsoring the annual "Friends of Jordan Association Bazaar", the proceeds of which were invested in the development of Ghor Al Fifa.

- Jordan Ahli Bank hosted a "Happy Day" Iftar banquet. Commemorating the festive spirit of the Holy Month, the event was held at the Zara Center. The bank also participated in the annual charity event held by the Friends and Relatives of the Disabled Foundation as part of the bank's social responsibility strategy to empower the less fortunate members of society.

- Sponsoring the Ayman Dais Academy basketball Tournament hosted at Cambridge Schools for the second consecutive year, echoing the bank's long-term strategy to support younger generations in their athletic and creative pursuits. Furthermore, the bank sponsored the Super Basketball League and the Little League Football Tournament hosted at the Rosary College as well as the sports day at the New English Schools, the Orthodox Club summer school and the sports activity held by "Promise Welfare Society".

- In continuing support of national efforts to fight cancer, the bank offered its support to the "Nojoom El Kheer" Program initiated by the King Hussein Cancer Center to fund the center's expansion project in order to increase its capacity. Additionally, the bank sponsored a ceremony on Mother's Day in honor of mothers who have cancer. Also, the bank supported From the Lowest Point to the Highest Point for Cancer Expedition Team to reach the top of Mount Everest, while also sponsoring the general assembly for The Doctors Social Solidarity Fund as part of its strategy aiming to further improve the Jordanian medical sector through supporting initiatives and providing banking services tailored specifically for the sector.

- Sponsoring the annual exhibition for building and construction, engineering industries and other supporting economic sectors including industry, service and trade. The exhibition intended to market this sector both locally and internationally and induce further investments in the sector as a step towards assisting economic and national efforts across Jordan.

- Jordan Ahli Bank also sponsored the 2013 Fantazia Market, a family event that plays a key role in spearheading social development for Jordan whilst providing the bank with the opportunity to take part in the different occasions involving members of the local community.

The Marketing and Corporate Communications Management at Jordan Ahli Bank maintained its focus towards improving the bank's relationship with its clients. Such efforts have resulted in increasing the bank's Twitter followers by an astonishing 282% as the number of followers surged from 650 in 2012 to reach 2486 by the end of year 2013. On the other hand, members on Jordan Ahli Bank's Facebook page have witnessed an increase of 113%, surging from 120,000 in 2012 to 256,000 members by the end of year 2013, while the



number of visitors to the bank's official webpage was recorded at 900,000 visitors during last year. As for Jordan Ahli Bank's presence on YouTube channel, the bank's content witnessed over 500,000 views during 2013. As such, the Marketing and Corporate Communications Management received over 12,000 e-form requests demanding the bank's products and services via the bank's webpage and social network.

In this context, and through its webpage, the bank organized multiple E-programs in tribute to our loyal customers, in addition to bringing together Jordan Ahli Bank's Numismatics Museum with some of the most active Tweeps. Our marketing and communication efforts along with our longstanding genuine interactions with our customers have proven to be rather fruitful as we managed to strengthen Jordan Ahli Bank's bond with the local community, which reflected positively on the bank's image in all areas of the Kingdom.

As part of its ongoing aims to give clients a rewarding banking experience, Jordan Ahli Bank announced 20 lucky winner of its monthly "Jame'ati" account grand prize; a 2013 model Kia Cerato, licensed and taxed in full, in addition to giving away four dream villas (Greenland) in the Goushan Al Omor raffle draws.

Moreover, all ads and advertisements displayed in all branches were unified and standardized to guarantee fairness and transparency. The shape and color of all ATM machines were made identical, and complaints boxes were installed in all branches. Additionally, all information displayed on the bank's official webpage in relation to our products and services was updated.

## **b. Operations Group:**

Throughout 2013, the Operations Group continued to play a strategic role by rendering support to the business sector and providing supporting services to other bank groups with the upmost proficiency in order to realize Jordan Ahli Bank's strategic goals, maintain our clients' base with the highest levels of satisfaction and grow the bank's market share.

In an effort to improve customer service, the group worked to attain high degrees of competency and professionalism in carrying out its tasks related to incoming and outgoing LCs, guarantees, collection bills as well as local and foreign money transfers. This came in line with the management's approach aiming at increasing selling activities taking place at the branches through the centralization of many of the bank's operations, most importantly, the deployment of a centralized payroll system, which included 248 bodies and approximately 35,000 beneficiaries.

Additionally, the group focused on controlling and reducing risks through the separation of work tasks and lessening the load on branches to clear more time for direct selling and customer care.

Since obtaining and implementing the new core banking system is one of the bank's most important objectives for year 2014, the group is in the process of getting acquainted with the applications of the new system that adhere to global standards of technical effectiveness. The group's staff has participated in various workshops in preparation for the launch of the new banking system, while our team is working closely with the new system provider so as to have a successful adaptation of the system in a manner that complies with the bank's requirements as well as the guidelines set by the regulatory authorities.

The group focused on restructuring banking service operations to attain higher degrees of competency aiming to centralize banking operations and to standardize the level of services provided to customers. Moreover, operating systems were upgraded and reengineered in coordination with the Personal Banking Services Group, hence facilitating the transfer of banking procedures that require more technical expertise from the bank's branches to the centralized operations. Additionally, an upgrade was carried out to improve the performance of the bank's electronic services network, including the bank's ATM machines and electronic bank systems, facilitating and easing access to alternative banking channels for individual clients.

Our group, alongside the bank's other groups and in collaboration with the Central Bank of Jordan implemented a number of projects such as "Check Digit" and "IBAN". Moreover, year 2013 witnessed the replacement of the Maestro Debit Card with the new Master Card Debit, which is on high demand worldwide and has unique anti-fraud characteristics.

A number of our group members took part in training our fellow coworkers as well as receiving training seminars to further boost their knowledge and expertise.

### **c. Logistics Group:**

- The group prepared the launch of 3 new branches namely: Al Fuhais branch, Al Rabieh branch and Khalda branch, in line with the bank's geographic expansion strategy
- Renovating and upgrading Irbid main branch
- Renovating and upgrading a number of the bank's business centers namely: the business centers in Irbid and Aqaba
- The group is presently working on implementing a comprehensive plan that is intended to lessen energy consumption and lower the electricity bill by changing the bank's buildings' lights to LED
- Supplying and installing electricity generators for numerous branches inside and outside of Amman to be used during emergencies and extreme weather conditions

### **d. Human Resources Group:**

The Human Resources Group agenda for 2013 was oriented towards Jordan Ahli Bank's comprehensive strategic approach reflecting the institutional transformation process DNA. As such, the bank's management appreciates the role modern technologies play in attaining higher sufficiency; however, the management also realizes that the complexity of modern technologies are only tools that facilitate outstanding performance, affirming that the bank's employees are the bank's most valuable assets and are the ones able to bring about the desired change. In this context, the group's agenda focused on promoting and strengthening a culture within the bank that values quality performance. The group remained committed to putting a set of comprehensive, objective standards in place, which linked the performance of individuals, departments and groups with the bank's overall corporate performance. This approach, which has roots in goal-oriented management, had a positive effect on the bank's ability to accomplish its goals despite the global financial crisis and the challenges facing the region and the impact they have had on the local economy.

From this standpoint, and drawing on several large institutional steps that were brought into effect years ago, the Service Level Agreements (SLA) between a range of support centers and profit centers came into effect, hence, defining the means by which different parties relate in accordance to efficiency and performance standards. Approved SLAs were distributed to all related parties at all levels, thereby raising the caliber of the bank's services, while also providing an easy means to ideal performance management.

In addition to that, the group worked on the development of an electronic system on the bank's intranet for the use of branch and profit centers' employees. The program can be used to specify monthly goals, as well as yearly goals, accordingly. Additionally, the program allows employees and management to concentrate on their strengths to identify the appropriate means to improve weakness and to tie incentives to performance. It should be noted that a similar, manual system is in place for the benefit of employees in other profit centers with a similar goal-oriented focus.

Jordan Ahli Bank's management devoted much of its efforts towards the development of the Bank's human resources, as it is fully aware that human resources are the primary element of change. Throughout 2013, a total of 297 training courses were held, attended by a total of 3,181 participants. The cumulative time dedicated to training bank employees in the Jordanian and Palestinian branches exceeded 10,095 days.

Moreover, four development programs were organized, 3 of which were dedicated for the bank's newly recruited employees, in addition to our special Training of Trainers (TOT) Program which was held for the third time during the past two years with the aim of enabling the bank's employees to pass on their knowledge and expertise in a professional manner.

With reference to the Jordan Ahli Bank SME Academy Unit, which was established at the end of year 2012, the unit held 20 training activities with over 530 participants including the bank's clients as well as university graduates and individuals seeking to enter the business world. The unit supports the SME sector, the largest sector of the national economy, and contributes to its empowerment by providing knowledge and training regarding the use of financial tools, as well as the basics of management and planning for those intending to enter the market. The unit also reinforces customer loyalty among the bank's SME customers.

In the field of corporate social responsibility, the bank provided more than 450 work-training opportunities for university, junior college and school students during 2013. Training was offered as part of students' overall education, providing them with practical experience that suited their different academic approaches and educational backgrounds.

On a different level, and given the importance of recruitment, selection and recruitment systems were updated, thereby prioritizing the deployment of the bank's internal staff to fill up vacancies. The basis on which new employees are chosen was expanded; this particularity affected standards for the recruitment of recent graduates who are chosen from a wide selection of students making up a database of more than 40,000 online applicants. In cooperation with the King Abdullah II Development Fund and various universities, the bank has access to distinguished graduate students, whereby applicants are entered into a yearlong qualifying program during which recruits undergo theoretical and practical training for their occupational duties with the guidance of Jordan Ahli Bank's expertise. On this subject, we also work with the Jordanian Civil Service Bureau to benefit from their database. Jordan Ahli Bank also renewed its employment page on the bank's website to establish links with all social media platforms available in Jordan, Palestine, Lebanon and Cyprus.

Given the importance of sustaining a healthy work environment, Jordan Ahli Bank conducts annual scientific surveys that measure job satisfaction levels, while the upper management initiates an open-door policy and arranges for seminars between staff and administration. In addition, the bank is continually improving the level of benefits and incentives it offers to its employees and their families. Trips and events featuring live entertainment were also arranged for employees and their families on many occasions, hence facilitating more than 23 planned events with more than 3,200 participating employees aiming to form strong communication channels between staff members.



Moreover, the group, in cooperation with the IT Group, completed 90% of the bank's **My Ahli portal** internal communication tool and platform to discuss original ideas and to contribute to the improvement of all aspects of the work environment.

As we understand the importance of our employees' overall wellbeing and maintaining a healthy smoke-free environment, the group, with the help of the marketing department, launched an internal campaign via (Ahli Cares portal) in celebration of the World No Tobacco Day aiming at raising awareness of smoke related diseases. Moreover, in celebration of Mother's Day, and in a gesture showing appreciation for women's leading role in the business environment and their role in raising future generations, the group carried out an award ceremony for Ahli Bank's working mothers.

We also organized a blood donation campaign, in manifestation of genuine citizenship, while a number of the bank's employees have participated in charity events in the governance of Mafraq, thus reflecting the moral as well as the financial support the bank provides for the local community.

On a different scale, year 2013 witnessed the finalization of career development and career planning guides for each occupational group, acquainting employees with the requirements they would need to advance. These manuals include replacement policies, which put focus on recruiting promising leaders and putting sufficient investments into the process in order to recruit qualified replacements, particularly in rare and specialized fields.

The Mystery Customer Program's electronic application displaying the results of each visit was activated. All relevant parties at our branches and their managing departments were provided with the username that grants them access to the application. Additionally, a complete procedures manual for the Mystery Customer Program

was prepared in order to be finalized and approved.

Furthermore, the group developed a set of protocols to deal with customer complaints, so that all issues could be handled effectively and in line with requirements of the Central Bank of Jordan. In particular, a direct hotline for customer complaints along with a fax line were setup at the quality service department in order to determine all requirements related to having an automated follow up on customer complaints (Customer Complaints System), which was prepared in collaboration with the Information Technology and Enterprise Management Group. Additionally, we carried out a study to determine the elapsed time for executing client transactions by our tellers, hence enabling us to determine excess or shortage in the number of tellers at Jordan Ahli Bank's different branches.



### **e. Information Technology and Enterprise Programs Group:**

The year 2013 saw the implementation of many large-scale projects in the realm of information technology (IT) and enterprise. The projects, which aimed to provide the best in electronic services to the bank's customers and to increase competency on internal procedures, can be summarized as follows:

- Temenos, a leading international banking software company, was chosen to provide the bank with its most recent, comprehensive and flexible system: "T24", which is used by many banks around the world. Upon its launch, the banking system was dubbed "DNA" to reflect its vital role as the bank's new technological platform representing the focal point around which other banking processes revolve. As such, last year witnessed the completion of some critical stages that involved planning and implementation of the new Core Banking System, thus moving forward to more engaging stages that entail assessment and training, in preparations for the actual execution of the system.
- Also, all supporting hardware and software have been obtained in relation to the new banking system.
- We have finalized phase one of the Business Intelligence & Management Information Systems Program that provides decision makers with all analytical data and indicators, thus facilitates swift and accurate decisions making process.
- New systems have been developed in correspondence with the guidelines of the Central Bank of Jordan that relate to customer transparency as well as disclosures of commissions associated with all sorts of banking products.

### **f. Inspection and Internal Control Department:**

- The department continued to improve its inspection and internal control processes while taking corrective measures if any irregularities emerge
- Issuing audit reports related to daily portfolios in addition to other reports related to the Business Groups
- Issuing monthly audit reports for local branches' accounts as well as reconciliation reports for corresponding banks and the Central Bank of Jordan
- Issuing quarterly audit reports for the bank's general management
- Updating daily audit reports to include instructions for the bank's branches' employees aiming at raising audit awareness and reduce error repetition
- Achieving 85% of the department's operational plan
- Increasing the competency and efficiency of the department's employees through enrolling them in several training programs
- Applying all instructions related to reviewing employee accounts including transactions, which do not conform to the employee's salary.

## Third: Other Groups

This sector is composed of the following groups:

### a. Credit Group:

In 2013, the Credit Group continued to follow a carefully constructed credit facility plan by focusing on high-profit, low-risk sectors, effectively applying a risk management system to the bank's credit portfolio on all levels. The bank's financial portfolio was therefore secured due to steps taken to limit bad debts, non-performing loans and interest in suspense.

Moreover, in order to keep pace with technological advancements, the group has adopted Moody's risk classification and rating.

### b. Capital Markets and Investments Group:

Year 2013 may be considered to be a year of stability and the beginning of partial recovery for the global economy. Such positive signs have emerged after seven years of global economic turbulence that almost tumbled the entire capitalist system if not for the swift and rather generous interference of central banks worldwide led by the United States Federal Reserve.



Locally, the Kingdom witnessed a number of economic challenges, one of which was a severe drop in its foreign currency reserves in early 2013. However, the collaboration of the government, the Ministry of Finance and the Central Bank of Jordan resulted in the announcement of a series of policies and decisions that have contributed to restoring economic balance and financial stability in addition to elevating foreign reserves to unprecedented levels. This will undoubtedly initiate a strong and optimistic jump start for the coming year overlooking year 2013's economic cautiousness.

The group extended its professional expertise to the local capital market through its Investment Banking Department, hence, demonstrating its leadership in the field by providing companies and investors with creative financial advisory, while further spreading its basic and support services to a network of investors via specialized economic and sectoral reports. From the outset, the group has focused on its large collection of services, including financial solutions available to achieve long-term aspirations of the bank's customers.

The Investment Banking Department was able to develop its banking operations, offering specialized services in securities including both debt and equity instruments issued locally. On the other hand, and in compliance with our group's strategy to achieve the optimum deployment of available financial sources, we have successfully carried out portfolio restructuring plan, thus channeling some of our securities into fixed income, medium term and low-risk tools. Moreover, by endorsing its approved strategy and building upon the principles of conservatism and safety, the group was able to achieve high returns within an increasingly risky environment. Despite the stressful conditions and fierce competition between banks to attract deposits from the public, the group was able to provide comfortable liquidity levels at typical financing costs.

Notwithstanding the plummeting of key foreign currencies interest rates, the group managed to find alternative sources for its revenues without compromising on safety issues, in addition to expanding its international brokerage client base to further increase commission revenue and diversify its income sources.

Jordan Ahli Bank's Capital Markets and Investments Group, with the assistance of the Financial Institutions Department, managed to attract more reputable Arab and foreign banks and financial institutions, many of which have chosen Jordan Ahli Bank to act as their main correspondent in Jordan due to the services it provides and the expertise it possesses.

The group spared no effort in training its staff members by sending them to attend workshops, seminars and conferences held locally and abroad and undergoing training to raise their efficiency levels and achieve professional certificates.



The group is looking forward for next year, having a rather optimistic outlook and gearing towards adopting a more flexible strategy that will enable us to seize emerging opportunities in order to increase the group's returns, and consequently, benefit both the bank and its shareholders.

### **c. Finance Group**

The group prepared the 2014 draft budgets and the bank's financial and non-financial objectives for the different operations and support groups in a detailed manner, while developing a performance assessment model that monitors deviations on monthly basis through a set of measuring tools that contribute to detecting nonconformities rather precisely.

The group also contributed to the Central Bank's project targeting the development of regulatory processes on banks including the automation of the Central Bank's reports among other automation procedures in line with the Central Bank's requirements.

In addition, the group developed models for the calculation and allocation of debt provisions, outstanding interest and automated related procedures, hence raising efficiency and precision and reducing manual work to its minimum.

Finally, the group continued to enforce its existing policy regarding controlling the bank's current and capital expenditures, hence overseeing the group's adherence to their approved work plans and budgets as well as expenses related to new and existing projects.

### **d. Remedial & Recoveries and Legal Affairs Group**

In 2013, the Remedial & Recoveries and Legal Affairs Group contributed to supplementing the bank's income by JD 14 million from outstanding allocations and interest as a result of cash collections, which amounted to JD 25 million. Moreover, the group will continue to focus on reducing the bank's non-performing loans to approximately 10% of the bank's gross credit facilities as part of a three-year plan. As such, and by the end of the third year, the group will reduce 66% of all non-performing loans, hence collecting 50% of outstanding debt provisions.

### **e. Risk Management and Compliance Group**

- Preparing and approving a procedures' manual for the Credit Risk Department, Basel Department as well as calculating return on asset backed securities

- Conducting reviews and follow-ups related to data entry procedures involving Moody's risk classification system in preparation to adopting the internal classification system IRB

- Preparing special studies related to economic sector analysis and determining recommendations accordingly

### **Market Risk Department**

- Monitoring investment controls and parameters described in the investment policy in accordance with CBJ's instructions, while the Middle Office monitors treasury operations and assures adherence to CBJ's guidelines

- Preparing periodic reports for the bank's abroad braches including the regional management in Ramallah and Cyprus, whereby investment risk is subject to assessment

### **Operational Risk**

- Following up the effectiveness of regulatory controls for existing units through conducting tests that measure adherence levels to assess overall regulatory environment

- Attending workshops related to the new Core Banking System DNA, in addition to overseeing work procedures and operations taking place via the new system and carrying out necessary amendments accordingly, while determining risk factors along the way and reviewing emerging requirements for the system and expressing recommendations accordingly

## Credit Management and Documentation

- The Credit Management and Documentation Department conducted a comprehensive examination involving all credit contracts and their amendments in view of the CBJ's regulations related to fairness and transparency. In addition to reviewing the credit policy for Personal & Premium Banking Group and SME Banking Services Group in order to assess their adherence to CBJ's regulations and directives
- The department also participated in DNA workshops and provided its input with relation to the discussed topics

## Compliance Department

- Preparing and finalizing the customer dealing policy according to the principles of transparency and fairness and acquiring the BOD approval on the said policy
- The department staff participated in all committees overlooking the implementation of these regulations and directives to insure accuracy
- Taking part in drawing up the general framework and determining requirements for the new automated program to combat money laundry and financing of terrorism intended to take effect the coming year
- During the final quarter of the year, the department initiated the formulation of a work plan and policy for the implementation of the Foreign Account Tax Compliance Act (FATCA)

## f. Internal Audit Group

- The group implemented its operational plan, which was based on the established strategic plan approved by the Internal Audit Committee of the Board of Directors.
- Offering consultancy services for the bank's different departments, groups and branches, which resulted in better operational activities and reduced risk exposure
- The group also continued to enroll its staff members and employees in training courses, collaborating with top-of-the-line developers in the Middle East, hence qualifying our staff to attain professional certificates in the field of internal auditing. Moreover, our employees have also acquired special certificates in the field of combating money laundry and financing of terrorism and have in fact provided training for their peer employees
- The group will work on the completion of the final stage of the TeamMate project, while also completing the development project related to the risk assessment system for the Internal Audit Group

## Corporate Culture

Jordan Ahli Bank's corporate values are considered to be the backbone not only of its brand identity, but also of the bank's strong corporate culture. These 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 the organization
- Client Focus: to grow into a financial services institution that places clients' 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 they see continuous improvements in 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:

- 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.
- Commitment to seeking, following-up on, and developing all potential business opportunities and make the most of them in order to achieve the highest profitability possible.
- Commitment to institutional loyalty to the bank and to safeguarding its confidential matters.
- The immediate disclosure of all substantial and material matters that pertain to shareholders and their rights.

### (2) Commitment towards clients:

- 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.
- Commitment to improving performance and efficiently completing tasks while applying the principles of integrity, fairness and objectivity in dealing with clients.
- 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.
- 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.
- Commitment to charging appropriate and fair commissions to clients, which concurrently reflect the quality of services and degree of risk.
- Commitment to establishing relationships with clients on the basis of mutual respect, impartial of personal interests.

### (3) Commitment towards regulatory authorities:

- Commitment towards application of all laws, bylaws and rules required in countries where the bank operates.
- Commitment to the true disclosure of information required by regulatory authorities expressly, clearly, efficiently and respectfully.
- Commitment to safeguarding professional relationships with officials in regulatory authorities and seeking to gain their confidence in the bank and its commitment to all stipulated rules.
- Unconditional commitment to cooperating with regulatory authorities on professional grounds and assisting members of the Board of Directors in the superior performance of their commitments in this regard.

### (4) Commitment towards colleagues:

- 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.
- Reinforce the ties of brotherhood, friendship, mutual respect and appreciation among colleagues.
- Provide full support and advice to colleagues.
- Commitment to group work ethics represented by the following three rules: honesty, mutual respect and

readiness to build common grounds of agreement.

- Commitment to decreasing 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 offering 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 funding 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 Plan 2014

Through its strategic plan for the year 2014, Jordan Ahli Bank aims to improve shareholders' returns while employing an institutional approach that relies on product innovation in answering to the needs and aspirations of the bank's stakeholders.

**The Institutional Transfer Project (DNA):** The project is considered to be the bank's new technical platform facilitating the launch of top-of-the-line electronic services. As such, implementation procedures entailing systemizing all bank operations using the new banking system (T24) will be completed, while the data center will be transferred to its new location that is equipped with high-end facilities that allow for 24/7 continuous operations, and therefore offer our customers an uninterrupted full access to our services through delivery channels. Also, this would allow the bank to further develop its services in order to attain a better customer experience, whereby new services will be added to delivery channels, i.e. mobile banking services and budgetary consolidation services among other innovative services.

**Small & Medium Enterprise (SME) Banking:** Jordan Ahli Bank will continue to focus its efforts on deploying new products and services to meet the growing needs of SME customers, increase our market share and bolster our competitive status in addition to activating the role of business centers and expanding geographic coverage of the banking services.

**Jordan Ahli Bank's Small and Medium Enterprise (SME) Academy:** Jordan Ahli Bank will continue its support to the SME sector by providing it with free business training and educational programs through the academy, which is considered a pioneering training facility aiming at developing the capabilities of small business owners and providing them with state-of-the-art solutions to empower SMEs throughout the Kingdom.

**Personal Banking:** Jordan Ahli Bank will continue its aggressive growth into the personal banking market and will continue to innovate new products and services that will introduce delightful and productive personal banking solutions to customers through its growing network of branches as well as electronic channels.

**Corporate Social Responsibility (CSR):** Supporting the different social development initiatives, both intellectual and inventive, has become an integral part of the bank's culture and known philosophy that endorses the principles of social responsibility.

**Financial Performance:** Jordan Ahli Bank follows a rather conservative policy that targets bolstering the bank's financial position, increasing and diversifying its sources of funds, restructuring its real estate portfolio of non-productive assets, and therefore, allowing for value added benefits in terms of asset and liability management. We at Jordan Ahli Bank trust that the strategic approach of the bank within the "My Power of Change" slogan is capable to enforce a substantial leap forward in terms of the bank's products and services, thus contributing to making Jordan Ahli Bank the number one choice for customers, acting as an active partner in fulfilling their needs and essentially facilitating their success, and eventually aiding the bank in achieving its primary goal of promoting economic development and elevating the overall wellbeing of our local community.

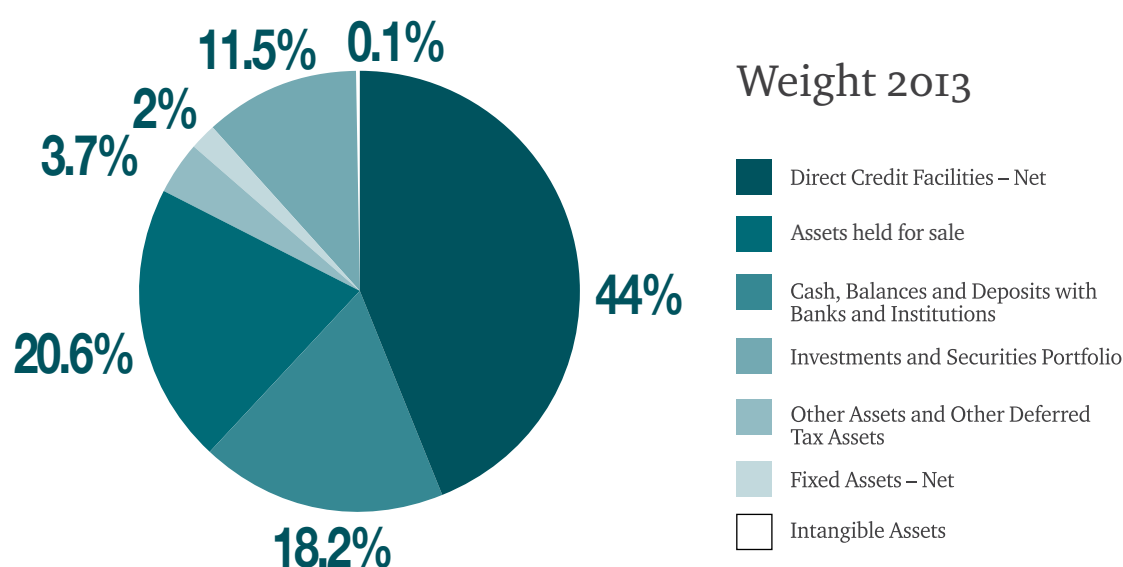
## Key Financial Analysis and Indicators for 2013

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

### First: Assets

1- The Balance Sheet total (excluding contra accounts) amounted to JD 2,702,629,821 by the end of 2013, compared to JD 2,650,286,719 as of 31/12/2012; an increase of JD 52,343,102. Inclusion of the contra accounts would bring the total to JD 3,101,533,570 by the end of 2013, against JD 3,039,563,104 registered at the end of 2012, amounting to an increase of JD 61,970,466.

Bank Assets	2013	2012	% Change	Weight 2013	Weight 2012
Cash, Balances and Deposits with Banks and Institutions	491,192,355	663,268,491	-25.9%	18.2%	25.0%
Direct Credit Facilities – Net	1,188,001,847	1,274,022,910	-6.8%	44.0%	48.1%
Investments and Securities Portfolio	310,584,529	548,461,563	-43.4%	11.5%	20.7%
Fixed Assets – Net	54,013,760	57,657,523	-6.3%	2.0%	2.2%
Intangible Assets – Net	1,777,341	3,458,438	-48.6%	0.1%	0.1%
Other Assets and Other Deferred Tax Assets	99,914,170	103,417,794	-3.4%	3.7%	3.9%
Assets Held for Sale	557,145,819	0	100.0%	20.6%	0.0%
<b>Total Assets</b>	<b>2,702,629,821</b>	<b>2,650,286,719</b>	<b>2.0%</b>	<b>100.0%</b>	<b>100.0%</b>

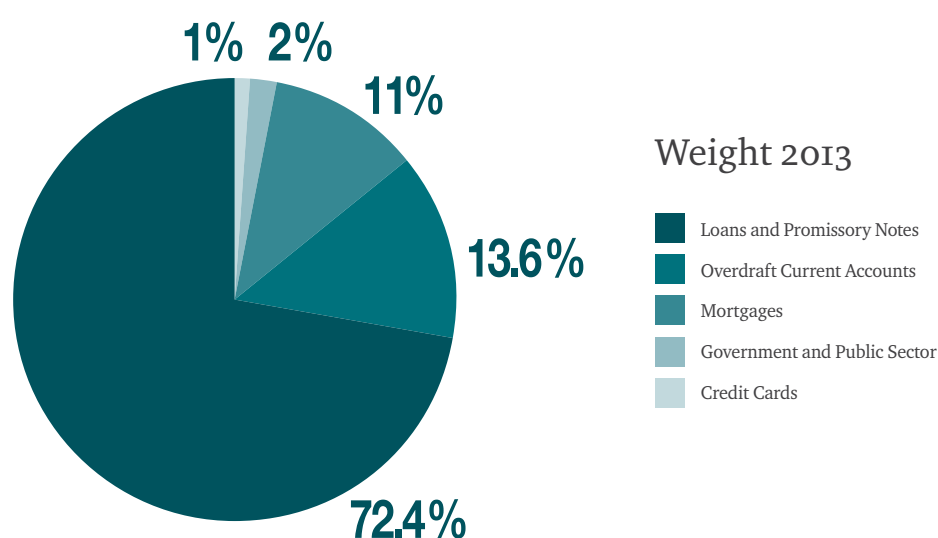


2- Cash in hand and at banks amounted to JD 491,192,355 by the end of 2013, compared to JD 663,268,491 at the end of 2012, a decrease of JD 172,076,136.

3- The net value of securities amounted to JD 310,584,529 at the end of 2013, compared to JD 548,461,563 at the end of 2012. This amount includes 275,491,290 worth of treasury bonds, treasury bills and corporate debentures, which amounted to JD 216,545,212 by the end of 2012.

4- The balance of credit facilities (before provisions and interest in suspense) was JD 1,316,341,342 at the end of 2013, compared to JD 1,426,151,651 at the end of 2012, a decrease of JD 109,810,309 from what it was at the end of 2012. This figure includes outstanding overdraft accounts amounting to JD 179,609,299, in addition to loans, promissory notes and credit cards totaling JD 966,038,907.

Direct Credit Facilities	2013	2012	% Change	Weight 2013	Weight 2012
Overdraft Current Accounts	179,609,299	225,232,327	-20.3%	13.6%	15.8%
Loans and Promissory Notes	953,018,048	1,046,209,900	-8.9%	72.4%	73.4%
Credit Cards	13,020,859	13,809,671	-5.7%	1.0%	1.0%
Mortgages	144,820,281	113,264,850	27.9%	11.0%	7.9%
Government and Public Sector	25,872,855	27,634,903	-6.4%	2.0%	1.9%
<b>Total Direct Credit Facilities</b>	<b>1,316,341,342</b>	<b>1,426,151,651</b>	<b>-7.7%</b>	<b>100.0%</b>	<b>100.0%</b>

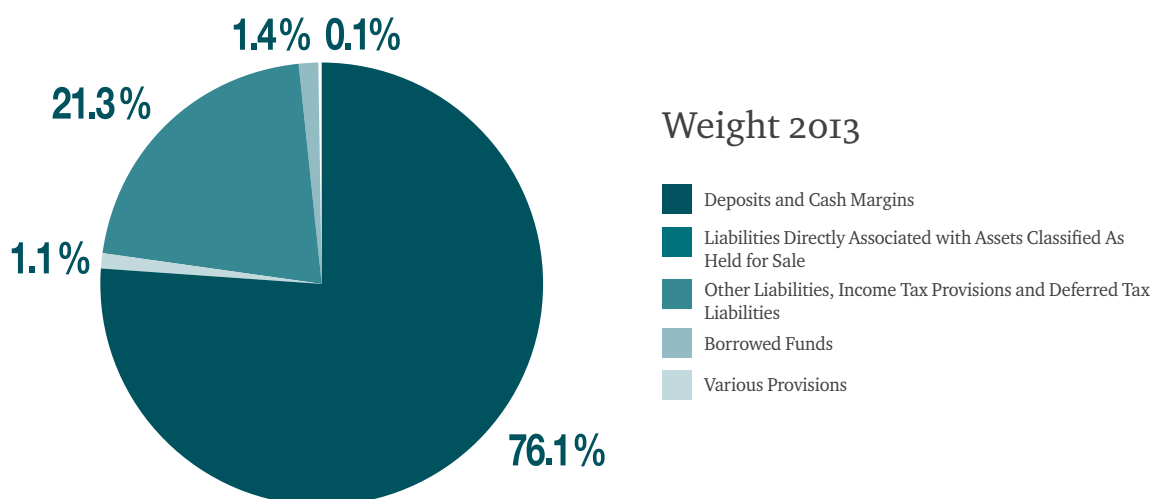


5- Net fixed assets amounted to JD 54,013,760 by the end of 2013, compared to JD 57,657,523 at the end of 2012.

## Second: Liabilities

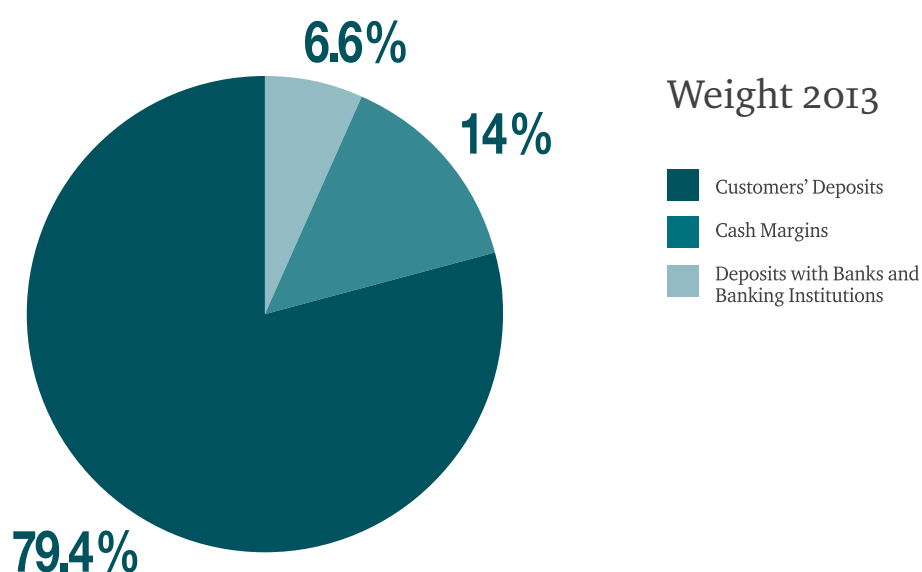
1- The balance of deposits in current and call accounts, savings, term and bank accounts amounted to JD 1,839,268,349 at the end of 2013, compared to JD 2,260,756,201 in 2012; a decrease of JD 421,487,852.

Bank Liabilities	2013	2012	% Change	Weight 2013	Weight 2012
Deposits and Cash Margins	1,839,268,349	2,260,756,201	-18.6%	76.1%	95.0%
Borrowed Funds	26,536,110	68,942,209	-61.5%	1.1%	2.9%
Various Provisions	3,375,908	5,059,440	-33.3%	0.1%	0.2%
Other Liabilities, Income Tax Provisions and Deferred Tax Liabilities	34,268,324	45,413,895	-24.5%	1.4%	1.9%
Liabilities Directly Associated with Assets Classified As Held for Sale	514,895,799	0	100.0%	21.3%	0.0%
<b>Total Liabilities</b>	<b>2,418,344,490</b>	<b>2,380,171,745</b>	<b>1.6%</b>	<b>100.0%</b>	<b>100.0%</b>



2- The balance of reserves and various provisions amounted to JD 94,717,631 by the end of 2013, compared to JD 96,749,339 at the end of 2012.

Deposits and Cash Margins	2013	2012	% Change	Weight 2013	Weight 2012
Deposits with Banks and Banking Institutions	120,685,322	200,070,160	-39.7%	6.6%	8.8%
Customers' Deposits	1,461,194,373	1,797,070,926	-18.7%	79.4%	79.5%
Cash Margins	257,388,654	263,615,115	-2.4%	14.0%	11.7%
<b>Total Deposits and Cash Margins</b>	<b>1,839,268,349</b>	<b>2,260,756,201</b>	<b>-18.6%</b>	<b>100.0%</b>	<b>100.0%</b>



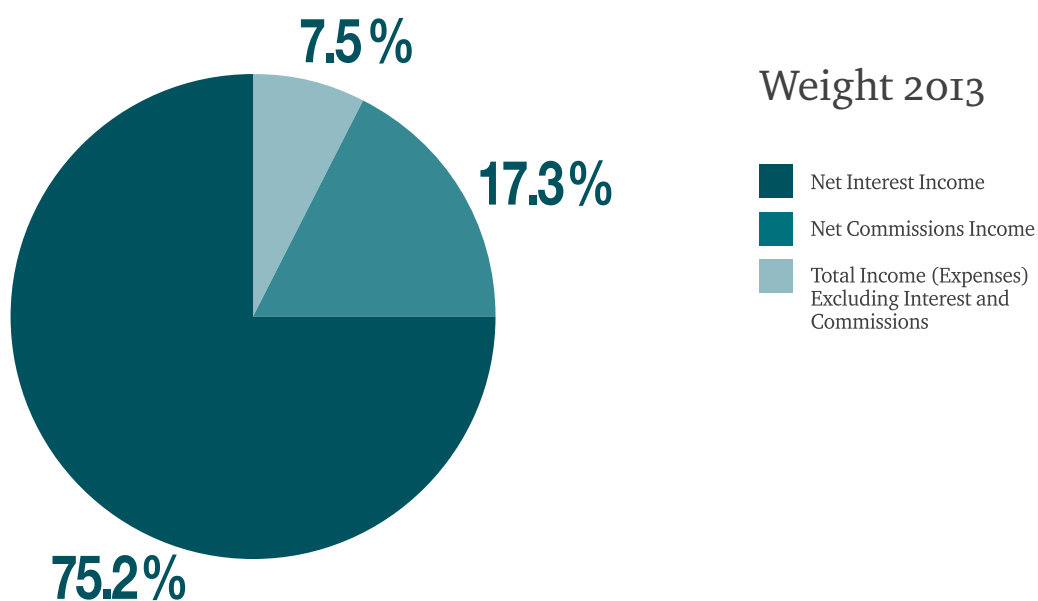
### Third: Contra Accounts

- 1- The balance of letters of credit and acceptances decreased to JD 110,779,344 compared to JD 112,538,224 in 2012.
- 2- The balance of the non-utilized limits increased to JD 104,358,528 at the end of 2013, compared to JD 88,613,454 in 2012.
- 3- The balance of guarantees decreased to JD 183,765,877 by the end of 2013, compared to JD 188,124,707 at the end of 2012.

## Fourth: Operating Income and Expenses

### Operating Income:

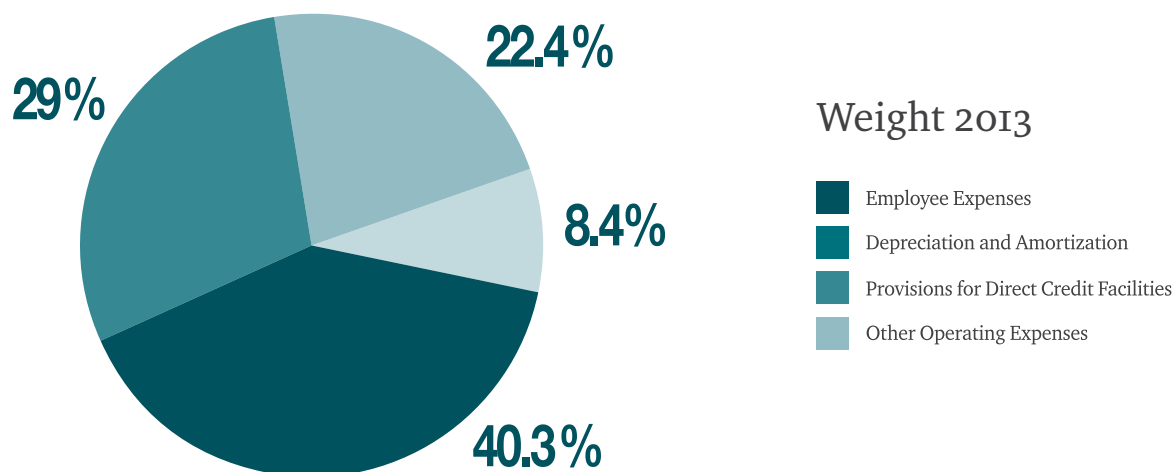
Net Operating Income	2013	2012	% Change	Weight 2013	Weight 2012
Net Interest Income	77,870,222	74,681,684	4.3%	75.2%	71.4%
Net Commission Income	17,891,924	19,525,912	-8.4%	17.3%	18.7%
Total Income (Expenses) Excluding Interest and Commissions	7,730,787	10,368,836	-25.4%	7.5%	9.9%
<b>Total Operating Income</b>	<b>103,492,933</b>	<b>104,576,432</b>	<b>-1.0%</b>	<b>100.0%</b>	<b>100.0%</b>





## Operating Expenses:

Operating Expenses	2013	2012	% Change	Weight 2013	Weight 2012
Employees' Expenses	33,262,395	32,713,578	1.7%	40.3%	44.7%
Other Operating Expenses	6,909,305	6,499,056	6.3%	8.4%	8.9%
Depreciation and Amortization	23,986,800	19,008,769	26.2%	29.0%	26.0%
Provisions for Direct Credit Facilities	18,472,130	14,886,684	24.1%	22.4%	20.4%
<b>Total Operating Income</b>	<b>82,630,630</b>	<b>73,108,087</b>	<b>13.0%</b>	<b>100.0%</b>	<b>100.0%</b>





# FINANCIAL DATA



## Independent Auditor's Report

AM/ 4716

**To the Shareholders of  
Jordan Ahli Bank  
Amman – Jordan**

We have audited the accompanying consolidated financial statements of Jordan Ahli Bank (a public shareholding limited company), which comprise of the consolidated statement of financial position as of December 31, 2013, the related consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Ahli Bank as of December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards.

## Report on Regulatory Requirements

The bank maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the consolidated financial statements presented in the Board of Directors' report, and we recommend that the General Assembly of Shareholders approve them.

## Explanatory Paragraph

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

Amman – Jordan  
February 2, 2014

Deloitte & Touche (M. E.) - Jordan

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	December 31,	
		2013	2012
ASSETS		JD	JD
Cash and Balances at Central Banks	4	256,658,379	352,763,581
Balances at Banks and Financial Institutions	5	207,872,141	279,234,910
Deposits at Banks and Financial Institutions	6	26,661,835	31,270,000
Financial Assets at Fair Value Through Profit or Loss	7	1,440,320	17,010,005
Direct Credit Facilities - Net	8	1,188,001,847	1,274,022,910
Financial Assets at Fair Value Through Other Comprehensive Income	9	23,973,527	24,150,414
Financial Assets Measured at Amortized Cost	10	274,865,952	496,031,823
Investments in Associates and Unconsolidated Subsidiary Company	11	10,304,730	11,269,321
Properties ,Equipment ,and Projects Under Construction - Net	12	54,013,760	57,657,523
Intangible Assets	13	1,777,341	3,458,438
Other Assets	14	95,516,308	99,261,192
Deferred Tax Assets	20	4,397,862	4,156,602
Assets Held for Sale	47	557,145,819	-
<b>Total Assets</b>		<b>2,702,629,821</b>	<b>2,650,286,719</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>LIABILITIES:</b>			
Banks and Financial Institutions Deposits	15	120,685,322	200,070,160
Customers 'Deposits	16	1,461,194,373	1,797,070,926
Cash Margins	17	257,388,654	268,538,828
Borrowed Funds	18	26,536,110	68,942,209
Various Provisions	19	3,375,908	5,059,440
Provision for Income Tax	20	6,948,876	9,176,344
Deferred Tax Liabilities	20	635,514	658,596
Other Liabilities	21	26,683,934	30,655,242
Liabilities Directly Associated with Assets Classified as Held for Sale	47	514,895,799	-
<b>Total Liabilities</b>		<b>2,418,344,490</b>	<b>2,380,171,745</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	December 31,	
		2013	2012
OWNERS' EQUITY:		JD	JD
SHAREHOLDERS' EQUITY			
Subscribed and Paid-up Capital	22	165,000,000	150,000,000
Share Premium	22	9,345,817	9,345,817
Statutory Reserve	23	43,935,175	41,600,704
Voluntary Reserve	23	26,224,150	23,889,679
Periodic Fluctuations Reserve	23	1,393,405	1,008,374
Special Reserve		213,054	213,054
General Banking Risk Reserve	23	11,147,743	14,275,658
Fair Value Reserve - Net	24	1,479,320	1,526,086
Retained Earnings	25	25,546,667	26,468,886
Total Shareholders 'Equity		284,285,331	268,328,258
Non-Controlling Interest	26	-	1,786,716
Total Owners 'Equity		284,285,331	270,114,974
<b>Total Liabilities And Owners 'Equity</b>		<b>2,702,629,821</b>	<b>2,650,286,719</b>

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

## CONSOLIDATED STATEMENT OF INCOME

	Notes	For the Year Ended December 31,	
		2013 JD	2012 (Represented) JD
Interest Income	27	123,014,122	111,373,296
Interest Expense	28	45,143,900	36,691,612
Net Interest Revenue		77,870,222	74,681,684
Commissions Revenue - Net	29	17,891,924	19,525,912
Net Interest and Commissions Revenue		95,762,146	94,207,596
Foreign Exchange Income	30	2,898,259	3,811,273
(Loss) from Financial Assets at Fair Value Through Profit or Loss	31	(440,601)	(308,021)
Dividends from Financial Assets at Fair Value Through Other Comprehensive Income		871,322	854,495
Other Revenue	32	4,401,807	6,011,089
Total Non-Interest and Non-Commissions Revenue		7,730,787	10,368,836
<b>Gross Income</b>		<b>103,492,933</b>	<b>104,576,432</b>
<b>Expenses:</b>			
Employees' Expenses	33	33,262,395	32,713,578
Depreciation and Amortization	12,13	6,909,305	6,499,056
Other Expenses	34	23,986,800	19,008,769
Provision for Impairment in Direct Credit Facilities	8	18,472,130	14,886,684
Total Expenses		82,630,630	73,108,087
Income from Operations		20,862,303	31,468,345
Bank's Share of Associate Companies 'Gains (Loss)	11	11,474	(755,732)
Income for the Year Before Taxes		20,873,777	30,712,613
Income Tax Expense	20	(7,340,818)	(9,429,188)
Income for the Year from Continuing Operations		13,532,959	21,283,425
Net Income from Discontinued Operations	47	2,470,930	2,562,271
Income for the Year		16,003,889	23,845,696
Attributable to:			
Bank's Shareholders		16,003,889	23,791,624
Non-Controlling Interests	26	-	54,072
		16,003,889	23,845,696
Earnings Per Share from Continuing and Discontinued Operations Attributable to the Bank's Shareholders:			
Basic	35	-/097	-/148
Diluted	35	-/097	-/144
Earnings Per Share from Continuing Operations Attributable to the Bank's Shareholders :			
Basic	35	-/082	-/133
Diluted	35	-/082	-/129

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year	
	Ended December 31,	
	2013	2012
	JD	JD
Income for the Year	16,003,889	23,845,696
Other Comprehensive Income Items:		
(Loss) from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	(50)	(173)
Change in Fair Value Reserve - Net	(46,766)	(430,104)
Gross Comprehensive Income	15,957,073	23,415,419
Gross Comprehensive Income Attributable to:		
Bank's Shareholders	15,957,073	23,361,347
Non-Controlling Interests	-	54,072
	15,957,073	23,415,419

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

# CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Bank Shareholders' Equity															
	Notes		Subscribed and Paid-up Capital		Capital Increase Payments		Share Premium		Statutory		Reserves		Total Shareholders' Equity	Non-Controlling Interests	Total Owners' Equity	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD				JD
For the Year Ended December 31, 2013																
Balance - Beginning of the Year	150,000,000	-	9,345,817	41,600,704	23,889,679	1,008,374	213,054	14,275,658	1,526,086	26,468,886	268,328,258	1,786,716	270,114,974			
Income for the Year	-	-	-	-	-	-	-	-	-	16,003,889	16,003,889	-	16,003,889			
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(50)	(50)	-	(50)		(50)	
Net Change in Fair Value	-	-	-	-	-	-	-	-	(46,766)	-	(46,766)	-	(46,766)		(46,766)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	(46,766)	16,003,839	15,957,073	-	15,957,073		(1,786,716)	
Classified to Liabilities Directly Associated with Assets Classified as Held for Sale	-	-	-	-	-	-	-	-	-	-	-	(1,786,716)	-		(1,786,716)	
Transfers to Reserves	-	-	-	2,334,471	2,334,471	385,031	-	(3,127,915)	-	(1,926,058)	-	-	-		-	
Dividends Distributed *	15,000,000	-	-	-	-	-	-	-	-	(15,000,000)	-	-	-		-	
Balance - End of the Year	165,000,000	-	9,345,817	43,935,175	26,224,150	1,393,405	213,054	11,147,743	1,479,320	25,546,667	284,285,331	-	284,285,331			
For the Year Ended December 31, 2012																
Balance - Beginning of the Year	126,500,000	17,009,660	9,345,817	38,206,182	20,495,157	594,029	213,054	12,566,854	1,956,190	26,259,660	253,146,603	1,732,644	254,879,247			
Income for the Year	-	-	-	-	-	-	-	-	-	23,791,624	23,791,624	54,072	23,845,696			
(Loss) from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(173)	(173)	-	(173)		(173)	
Net Change in Fair Value	-	-	-	-	-	-	-	-	(430,104)	-	(430,104)	-	(430,104)		(430,104)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	(430,104)	23,791,451	23,361,347	54,072	23,415,419			
Increase in Paid-up Capital	22	23,500,000	(17,009,660)	-	-	-	-	-	-	-	6,490,340	-	6,490,340			
Transfers to Reserves	-	-	-	3,394,522	3,394,522	414,345	-	1,708,804	-	(8,912,193)	-	-	-		-	
Dividends Distributed **	-	-	-	-	-	-	-	-	-	(14,670,032)	(14,670,032)	-	(14,670,032)		(14,670,032)	
Balance - End of the Year	150,000,000	-	9,345,817	41,600,704	23,889,679	1,008,374	213,054	14,275,658	1,526,086	26,468,886	268,328,258	1,786,716	270,114,974			

- As of December 31, 2013 an amount of JD 4,397,862 of retained earnings is restricted against deferred tax assets according to the Central Bank of Jordan's instructions (JD 4,156,602 as of December 31, 2012).

- The general banking risks reserve and periodic fluctuations reserve cannot be used except with the pre-approval of the Central Bank of Jordan and the Palestinian Monetary Authority.

\* The General Assembly resolved in its extraordinary meeting held on April 29, 2013 to distribute 10% of the capital as of that date, which is equivalent to JD 15 million, as stock dividends to shareholders for the year 2012.

\*\* The General Assembly resolved in its ordinary meeting held on March 14, 2012 to distribute 10% of the capital as of that date, which is equivalent to JD 14.6 million, as cash dividends to shareholders for the year 2011.

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the Year Ended	
		December 31,	
		2013	2012
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income for the Year Before Taxes		20,873,777	30,712,613
Net Income from Discontinued Operations		2,470,930	2,562,271
Adjustments:			
Depreciation and Amortization	12,13	6,909,305	7,236,853
Provision for Impairment in Direct Credit Facilities	8	18,472,130	15,155,213
Various Provisions	19	840,610	678,567
Loss from Impairment of Foreclosed Assets	34	366,372	200,000
Provision for Doubtful Debts of Sold Foreclosed Assets	34	1,000,000	-
Loss from Impairment of Investments	34	-	210,000
Loss from Revaluation of Financial Assets at Fair Value Through Profit or Loss		450,534	202,626
(Gain) on the Sale of Properties and Equipment		(38,582)	(20,750)
Bank's Share of Associate Companies (Gains) Losses		(11,474)	631,099
Net Interest		563,913	(1,601,739)
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		(2,155,068)	(2,522,563)
Net Income Before Changes in Assets and Liabilities		49,742,447	53,444,190
Changes in Assets and Liabilities:			
(Increase) Decrease in Cash and Balances at Central Banks Due After 3 Months		(7,305,969)	13,673,442
Decrease (Increase) in Deposits at Banks and Financial Institutions Due After 3 Months		4,608,165	(15,950,494)
Decrease in Balances with Restricted Withdrawal		55,000,000	-
Decrease in Financial Assets at Fair Value Through Profit or Loss		128,464	4,909,524
(Increase) in Direct Credit Facilities - Net		(66,153,571)	(110,949,928)
(Increase) Decrease in Other Assets		(1,350,174)	6,643,225
(Increase) in Assets Held for Sale		(42,826,751)	-
(Decrease) in Banks and Financial Institutions Deposits Due After 3 Months		(19,490,076)	(121,732,321)
Increase in Customers' Deposits		90,302,564	91,811,489
Increase in Cash Margins		21,415,958	21,230,452
(Decrease) in Other Liabilities		(3,966,686)	(10,906,779)
Increase in Liabilities Directly Associated with Assets Classified as Held for Sale		40,264,722	-
(Decrease) in Various Provisions		(11,407)	(319,603)
Net Changes in Assets and Liabilities		70,615,239	(121,590,993)
Net Cash Flows Generated from (Used in) Operating Activities Before Income Tax and Provisions Paid		120,357,686	(68,146,803)
Income Tax Paid	20	(9,187,590)	(10,851,632)
Legal Claims Paid	19	(802,866)	
End of Service Indemnity Paid	19	(379,348)	(137,278)
Net Cash Flows Generated from (Used in) Operating Activities		109,987,882	(79,135,713)

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the Year Ended	
		December 31,	
		2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES:		JD	JD
Investments in Associate Companies		-	(234,582)
(Increase) in Financial Assets at Fair Value Through Other Comprehensive Income		(23,932)	(2,481,171)
(Increase) Decrease in Financial Assets at Amortized Cost		(56,945,336)	74,557,349
(Purchase) of Properties and Equipment ,Projects Under Construction, and Intangible Assets	12,13	(12,502,173)	(7,808,305)
Proceeds from Sale of Properties and Equipment		518,360	729,472
Net Cash Flows (Used in) from Investing Activities		(68,953,081)	64,762,763
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
(Decrease) Increase in Borrowed Funds		(42,406,099)	6,206,765
Proceeds from Capital Increase Underwriting		-	6,490,340
Dividends Paid to Shareholders		-	(14,829,334)
Net Cash Flows Used in Financing Activities		(42,406,099)	(2,132,229)
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		2,155,068	2,522,563
Net Increase (Decrease) in Cash and Cash Equivalents		783,770	(13,982,616)
Cash and Cash Equivalents - Beginning of the Year		410,149,281	424,131,897
Cash and Cash Equivalents Classified to Assets Held for Sale -Beginning of the Year		(60,662,948)	-
Cash and Cash Equivalents - End of the Year	36	350,270,103	410,149,281

THE ACCOMPANYING NOTES FROM (1) TO (48) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

Jordan Ahli Bank was established in the year 1955 as a Public Shareholding Limited Company under ID number (6) on the first of July 1955 in accordance with the Companies Law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O. Box 3103, Amman 11181 Jordan. The Business Bank was merged into the bank effective from December 1, 1996. Moreover, Philadelphia Investment Bank was merged into Jordan Ahli Bank Company PSC effective from July 1, 2005.

- The bank provides all banking and financial services related to its business through its main office, branches in Jordan (53 branches), external branches (6 branches) and subsidiary companies in Jordan and Lebanon.

- The bank's shares are listed in Amman Stock Exchange - Jordan.

- The consolidated financial statements have been approved by the bank's Board of Directors in its meeting No. (1) held on February 2, 2014 and are subject to the approval of the Central Bank of Jordan and 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 at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives which are stated at fair value as of the date of the consolidated financial statements. Furthermore, hedged financial assets and financial 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 when preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2012 except for what is stated in note (48.a) and except for the effect of applying IFRS (5) "Non-current Assets Held for Sale and Discontinued Operations" in note (47).

### 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 statement of financial position.

The bank's subsidiary companies are as follows:

### **a. Al-Ahli International Bank**

Al-Ahli International Bank - Lebanon is 97.891% owned by Jordan Ahli Bank and 89.41% 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.

According to the Jordan Ahli Bank's Chairman of Board of Directors letter dated December 22, 2013 addressed to the Jordan Securities Commission, and his letter dated January 20, 2014 addressed to the Central Bank of Jordan it was noted that there is a serious attempt to sell the bank's investment in Al-Ahli International Bank - Lebanon, where there is intense negotiations with potential serious buyers and it is expected to complete the sale within the next few months. Due to the aforementioned, Al-Ahli International Bank - Lebanon's net revenue and expenses after tax from January 1, 2013 to December 31, 2013 have been shown as net income from discontinued operations item, in addition to classifying its assets to assets held for sale and its liabilities to liabilities directly associated with assets classified as held for sale item (note 47).

### **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 1,147,582 and total liabilities to JD 137,285 as of December 31, 2013. Its total revenue amounted to JD 627,239 and total expenses to JD 497,452 for the year ended December 31, 2013 before excluding any transactions, balances, revenue, and expenses between the company and the bank.

### **c. Ahli Micro Finance Company**

Ahli Micro Finance Company is wholly owned by Jordan Ahli Bank. The company's objective is to grant loans to limited income individuals. Its paid-up capital amounted to JD 3.5 million, total assets to JD 10,252,468 and total liabilities to JD 4,184,401 as of December 31, 2013. Its total revenue amounted to JD 3,512,797 and total expenses to JD 3,088,689 for the year ended December 31, 2013 before excluding any transactions, balances, revenue, and expenses between the company and the bank.

### **d. Ahli Financial Brokerage Company**

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 15 million. Its total assets amounted to JD 15,582,692 and total liabilities to JD 1,153,773 as of December 31, 2013. Moreover, its revenue amounted to JD 600,267 and its expenses to JD 1,826,511 for the year ended December 31, 2013 before excluding any transactions, balances, revenue, and expenses between the company and the bank.

### **e. Ahli Financial Leasing Company**

Ahli Financial Leasing Company is wholly owned by Jordan Ahli Bank and its capital is JD 10 million. Its total assets amounted to JD 37,806,575 and total liabilities to JD 23,029,097 as of December 31, 2013. Moreover, its total revenue amounted to JD 2,661,811 and its total expenses amounted to JD 1,151,534 for the year ended December 31, 2013 before excluding any transactions, balances, revenue, and expenses between the company and the bank.

- 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 are different from those used by the bank, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies followed 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 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 portion of owners' equity not owned by the bank in the subsidiaries.
- In case separate financial statements are prepared for the bank as a standalone 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, which is measured according to the reports used by the executive manager and the bank's main decision maker.
- 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.

## Direct Credit Facilities

- The provision for the impairment of direct credit facilities is recognized when it is obvious that the amounts due to the bank cannot be recovered or when 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.

## Financial assets measured at amortized cost

- Financial assets measured at amortized cost are the financial assets which the banks management intends according to its business model to hold to collect the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.
- Financial assets measured at amortized cost are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium/discount is amortized using the effective interest rate method, and recorded to interest. Any allocations resulting from the decline in value of these investments leading to the inability to recover the investment or part thereof are recorded, and any impairment is recorded in the consolidated statement of income.
- Impairment in financial assets represent the difference between the book value recorded at amortized cost and the present value of the expected cash flows discounted at the market interest rate.

It is not allowed to reclassify any financial assets to or from this item except for the cases specified in International Financial Reporting Standards (in case any of these assets were sold before maturity date, the result of this sale is recorded in the consolidated statement of income in a separate line item along with its explanation according to the IFRS requirements regarding this issue).



## Financial assets at fair value through profit or loss

- Financial assets at fair value through profit or loss represent shares, bonds and debentures held by the company for the purpose of trading and achieving gains from the fluctuations in market prices in the short term.

Financial assets at fair value through the statement of income are initially stated at fair value at acquisition date (purchase costs are recorded at statement of income upon purchase). 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 income including the change in fair value resulting from foreign currency exchange translation of non-monetary assets. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of income.

It is not allowed to reclassify any financial assets to/from this item except for the cases specified in International Financial Reporting Standards.

It is not allowed to reclassify any financial assets that do not have prices in active markets and active dealings in this item.

- Dividends and interests from these financial assets are recorded in the consolidated statement of income.

## Financial assets at fair value through other comprehensive income

- These assets represent investments in equity instruments for the purpose of keeping them to generate profits on the long term and not for trading purposes.

Financial assets at fair value through other comprehensive income are initially stated at fair value in addition to acquisition costs upon purchase. They are subsequently re-measured to fair value, the change in fair value appears in the consolidated statement of comprehensive income and in the owner's equity including change in fair value resulting from foreign currency exchange translation of non-monetary assets. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of comprehensive income and owner's equity. The fair value reserve balance that belongs to the equity instruments sold is transferred directly to the retained earnings and not through the consolidated statement of income.

- There is no impairment testing on these assets.

- Dividends from these financial assets are 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, its 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 to obtain 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' fair value of which cannot 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 statement of financial position in order to determine if there are any indications of impairment in their value individually or as 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 measured at amortized cost is the difference between the book value and present value of the future cash flows discounted at the original interest rate.
- The impairment in the financial assets at fair value through profit or loss income 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 market interest rate of similar instruments.

The impairment in value is recorded in the consolidated statement of income. Any surplus in the subsequent period resulting from previous declines in the fair value of financial assets is taken to the consolidated statement of income except for the impairment of financial assets at fair value through the statement of comprehensive income, in which case the impairment is recovered through the fair value reserve.

## Investment in Associates and Unconsolidated Subsidiary Company

- Associated companies are those companies whereby the bank exercises significant influence over their financial and operating policies but do 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.

## Properties and Equipment

- Properties and equipment are stated at cost net of accumulated depreciation and any impairment in their values. Properties and equipment (except for land) are depreciated when ready for use according to the straight-line method over their estimated useful lives using the following annual rates

	%
Buildings	2
Furniture, fixtures and equipment	10 – 20
Vehicles	15
Computers	20 – 30
Other	15 – 20

- When the carrying amounts of properties and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of income.
- The useful lives of properties and equipment 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.
- Properties and equipment are derecognized upon their disposal or when there are no expected future benefits from their use or disposal.

## Provisions

Provisions are booked when the bank has an obligation on the date of the consolidated statement 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 consolidated statements of financial position date.
- Payments to terminated employees are deducted from the provision amount. Moreover, the required provision for end-of-service indemnities for the year is charged to 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, taxable income differs from income declared in the consolidated 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 allowable 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 consolidated 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 consolidated 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 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.

## 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.

## Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated 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 are 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 credit facilities which are not recognized as revenue but taken to 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 the consolidated statement of comprehensive income and owners' equity. Such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.

### **- Hedge for net investments 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 the consolidated statement of comprehensive income and owners' 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 statement 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 rate 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 consolidated statement 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- Goodwill**

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

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

- The value of goodwill is tested on the date of the consolidated financial statements. 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 statement of income 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 consolidated 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 consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in the subsequent period.

- Software and computer programs are amortized over their estimated economic useful lives at rates ranging from 20% to 30%.

### **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 consolidated 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 consolidated 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 and within owners' equity. When one of these subsidiaries or branches is sold, the related foreign currency differences are included in the revenue/expenses within the consolidated statement of income.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise of 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.

### **Non-Current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the bank is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. The company's business results are recorded separately as net income from discontinued operations in the consolidated statement of income.

### 3. Accounting Estimates

Preparation of the consolidated 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, financial liabilities, fair value reserve 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 other 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.

We believe that the assessments adopted in the consolidated 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 strictest 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 based 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.
- Fair value hierarchy: The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized 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, which may require judgment 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,	
	2013	2012
	JD	JD
Cash in Vaults	42,989,938	40,606,914
Balances at Central Banks		
Current and Demand Accounts	9,739,318	48,638,791
Time and Notice Deposits	124,713,054	128,380,866
Mandatory Cash Reserve	79,216,069	135,137,010
Total Balances at Central Banks	213,668,441	312,156,667
Total Cash and Balances at Central Banks	256,658,379	352,763,581

- In addition to the cash reserve at the central banks, there are restricted balances amounting to JD 311,336 as of December 31, 2013 (JD 295,416 as of December 31, 2012).

- Included in cash balances at central banks is an amount of JD 7,514,298 as of December 31, 2013 (JD 224,249 as of December 31, 2012) which matures within a period exceeding three months.

## 5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31,	
	2013	2012
	JD	JD
<b>Local Banks and Financial Institutions:</b>		
Current and Demand Accounts	49,209	11,414
Deposits Due Within 3 Months or Less	53,624,549	62,917,101
Total Local	53,673,758	62,928,515
	December 31,	
	2013	2012
	JD	JD
<b>Banks and Financial Institutions Abroad:</b>		
Current and demand accounts	27,517,513	67,688,977
Deposits Due Within 3 Months or Less*	126,680,870	148,617,418
Total Abroad	154,198,383	216,306,395
	207,872,141	279,234,910

\* This item includes JD 8,218,468 as of December 31, 2013, which represents deposits at Al-Ahli International Bank - Lebanon.



- Non-interest bearing balances at banks and financial institutions amounted to JD 27,400,216 as of December 31, 2013 (JD 25,712,622 as of December 31, 2012).

- There are no restricted balances as of December 31, 2013 and 2012.

## 6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Local Banks and Financial Institutions		Banks and Financial Institutions Abroad		Total	
	December 31,		December 31,		December 31,	
	2013 JD	2012 JD	2013 JD	2012 JD	2013 JD	2012 JD
Deposits Maturing Within a Period:						
From 3 to 6 Months	-	-	1,367,911	-	1,367,911	-
From 6 to 9 Months	10,000,000	-	-	-	10,000,000	-
From 9 to One Year	10,000,000	20,635,000	5,293,924	-	15,293,924	20,635,000
More Than One Year	-	10,635,000	-	-	-	10,635,000
Total	10,000,000	31,270,000	6,661,835	-	26,661,835	31,270,000

- Restricted deposits amounted to JD 10 million for borrowed funds from a subsidiary company as of December 31, 2013 and 2012.

## 7. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2013	2012
	JD	JD
Company Shares	1,440,320	2,019,317
Bonds	-	11,401,777
Investment in a Mutual Fund *	-	3,588,911
	1,440,320	17,010,005

\* This item represents Al-Ahli International Bank - Lebanon's investment in a mutual fund of approximately 5 million US Dollars which is presented at fair value. This investment resulted in a revaluation gain of JD 31,236 for the year 2012; moreover, the fund capital is not guaranteed.

## 8. Direct Credit Facilities - Net

This item consists of the following:

	December 31,	
	2013	2012
	JD	JD
<b>Individuals (Retail):</b>		
Overdraft Accounts	5,646,259	22,211,257
Loans and Promissory Notes *	333,705,903	397,728,411
Credit Cards	13,020,859	13,809,671
Real Estate Loans	144,820,281	113,264,850
<b>Companies:</b>		
<b>a. Corporates:</b>		
Overdraft Accounts	115,255,995	131,520,657
Loans and Promissory Notes *	459,746,374	491,071,172
<b>b. Small and Medium Companies:</b>		
Overdraft Accounts	58,707,045	71,500,413
Loans and Promissory Notes *	159,565,771	157,410,317
<b>Government and Public Sector</b>	25,872,855	27,634,903
<b>Total</b>	<b>1,316,341,342</b>	<b>1,426,151,651</b>
<b>(Less):</b>		
Provision for Impairment in Direct Credit Facilities	(104,360,716)	(99,854,563)
Suspended Interest	(23,978,779)	(52,274,178)
<b>Net Direct Credit Facilities</b>	<b>1,188,001,847</b>	<b>1,274,022,910</b>

\*Net after deducting interest and commissions received in advance of JD 11,238,289 as of December 31 ,2013 (JD 13,150,190 as of December 31 ,2012).

## Provision for Impairment in Direct Credit Facilities:

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

For the Year 2013	Companies				
	Individuals	Real Estate Loans	Corporates	Small and Medium	Total
	JD	JD	JD	JD	JD
Balance – Beginning of the Year	22,999,455	1,826,388	62,239,093	12,789,627	99,854,563
Deduction (Surplus) for the Year Taken from Revenue	4,248,215	(335,769)	12,113,555	2,446,129	18,472,130
Used During the Year (Written-off)	(2,543,150)	(3,146)	(1,251,309)	-	(3,797,605)
Transferred to off-Consolidated Statement of Financial Position Items	(1,131,893)	-	(327,089)	(68,296)	(1,527,278)
Classified to Assets Held for Sale	(4,554,180)	-	(1,282,380)	(2,890,351)	(8,726,911)
Foreign Currencies Evaluation Difference	14,453	-	65,752	5,612	85,817
Balance – End of the Year	19,032,900	1,487,473	71,557,622	12,282,721	104,360,716
Provision for Non-Performing Facilities on an Individual Customer Basis	18,895,343	1,475,674	69,633,515	11,964,139	101,968,671
Provision for Under Watch Facilities on an Individual Customer Basis	137,557	11,799	1,924,107	318,582	2,392,045
Balance – End of the Year	19,032,900	1,487,473	71,557,622	12,282,721	104,360,716

For the Year 2012	Companies				
	Individuals	Real Estate Loans	Corporates	Small and Medium	Total
	JD	JD	JD	JD	JD
Balance – Beginning of the Year	17,908,909	1,854,293	55,934,987	12,366,541	88,064,730
Deduction (Surplus) for the Year Taken from Revenue	5,538,393	(27,778)	7,189,526	2,455,072	15,155,213
Used During the Year (Written-off)	(144,270)	-	-	(75,805)	(220,075)
Transferred to off-Consolidated Statement of Financial Position Items	(329,180)	(127)	(915,501)	(1,960,853)	(3,205,661)
Foreign Currencies Evaluation Difference	25,603	-	30,081	4,672	60,356
Balance – End of the Year	22,999,455	1,826,388	62,239,093	12,789,627	99,854,563
Provision for Non-Performing Facilities on an Individual Customer Basis	22,937,628	1,807,673	60,742,384	12,482,373	97,970,058
Provision for Under Watch Facilities on an Individual Customer Basis	61,827	18,715	1,496,709	307,254	1,884,505
Balance – End of the Year	22,999,455	1,826,388	62,239,093	12,789,627	99,854,563

## Suspended Interest

The movement on suspended interest was as follows:

	Companies				
	Individuals	Real Estate Loans	Corporates	Small and Medium	Total
For the Year 2013	JD	JD	JD	JD	JD
Balance - Beginning of the Year	5,979,267	1,476,777	22,317,217	22,500,917	52,274,178
Add: Interest in Suspense for the Year	1,410,011	(46,870)	3,694,123	1,042,794	6,100,058
(Less) Surplus Taken to Income	(142,273)	(106,131)	(1,121,916)	(145,814)	(1,516,134)
Interest in Suspense Written-off	(311,395)	(30,622)	(3,404,252)	(148,901)	(3,895,170)
Transferred to off - Consolidated Statement of Financial Position Items	(239,622)	-	(1,300,520)	(116,798)	(1,656,940)
Classified to Assets Held for Sale	(2,626,428)	-	(6,472,785)	(18,291,865)	(27,391,078)
Translation of Foreign Currencies	48,513	-	153	15,199	63,865
Balance - End of the Year	4,118,073	1,293,154	13,712,020	4,855,532	23,978,779

	Companies				
	Individuals	Real Estate Loans	Corporates	Small and Medium	Total
For the Year 2012	JD	JD	JD	JD	JD
Balance - Beginning of the Year	4,116,114	1,467,209	17,217,360	24,675,300	47,475,983
Add: Interest in Suspense for the Year	3,566,722	295,799	6,503,131	745,113	11,110,765
(Less) Surplus Taken to Income	(490,081)	(265,041)	(581,694)	(347,870)	(1,684,686)
Interest in Suspense Written-off	(214,924)	(12,365)	(220,083)	(345,212)	(792,584)
Transferred to off-Consolidated Statement of Financial Position Items	(975,892)	(8,825)	(595,055)	(2,202,749)	(3,782,521)
Translation of Foreign Currencies	(22,672)	-	(6,442)	(23,665)	(52,779)
Balance - End of the Year	5,979,267	1,476,777	22,317,217	22,500,917	52,274,178

## Direct credit facilities are distributed according to geographic location and economic sector as follows before provisions and suspended interest:

Economic Sector	Inside Jordan	Outside Jordan	December 31,	
			2013	2012
	JD	JD	JD	JD
Financial	163,437,830	15,939,253	179,377,083	187,059,720
Industrial	112,169,848	7,648,950	119,818,798	128,407,864
Trade	387,907,579	34,120,684	422,028,263	539,722,691
Real Estate	313,193,968	22,824,680	336,018,648	286,624,359
Agricultural	9,817,299	31,141	9,848,440	11,227,306
Shares	12,237,964	-	12,237,964	16,139,649
Individuals	157,297,963	401,707	157,699,670	176,014,770
Government and Public Sector	1,986,373	23,886,482	25,872,855	27,634,903
Other	38,558,189	14,881,432	53,439,621	53,320,389
	1,196,607,013	119,734,329	1,316,341,342	1,426,151,651

- Non-performing credit facilities amounted to JD 165,529,937 which is equivalent to 12.58% of total direct credit facilities as of December 31, 2013 (JD 186,972,202, which is equivalent to 13.11% of total direct credit facilities as of December 31, 2012).

- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 141,696,784 which is equivalent to 10.96% of total direct credit facilities net of interest and commission in suspense as of December 31, 2013 (JD 138,348,700 which is equivalent to 10.07% of total direct credit facilities net of interest and commission in suspense as of December 31, 2012).

- There are no credit facilities granted to and guaranteed by the Government of Jordan as of December 31, 2013 and December 31, 2012.

- The balance of non-performing loans transferred to off -consolidated statement of financial position items amounted to JD 32,523,016 up to December 31, 2013 after excluding an amount of JD 11,510,117 which belongs to Al-Ahli International Bank - Lebanon (JD 43,250,973 up to December 31, 2012). These loans are fully covered by provisions and interest in suspense.

- According to the Board of Directors resolutions, the balance of non-performing debts in addition to its related interest in suspense of JD 11,322,551 have been written-off during the year 2013 to on and off - statement of financial position items (JD 7,148,248 for the year 2012).

- The provision no longer needed due to settlements or debt repayments and accordingly transferred to other non-performing debts amounted to JD 7,527,855 as of December 31, 2013 (JD 6,711,004 as of December 31, 2012).

## 9. Financial Assets at Fair Value Through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2013	2012
	JD	JD
Quoted Shares	13,638,560	13,754,598
Unquoted Shares *	8,042,061	8,035,413
Mutual Fund **	2,292,906	2,360,403
	23,973,527	24,150,414

\* The fair value for the unquoted shares is determined according to the equity method, which is considered the best tool available to measure the fair value of these investments and according to the latest financial information available.

\*\* This item represents investment in Abraj Capital Fund in the amount of 3.5 million US Dollars which was stated at fair value as of December 31, 2013. The total fund capital amounted to 2 billion US Dollars; moreover, the fund capital is not guaranteed.

- Cash dividend distributions for the above mentioned financial assets amounted to JD 871,322 for the year-ended December 31, 2013. (JD 854,495 for the year ended December 31, 2012).

## 10. Financial Assets Measured at Amortized Cost

The details of this item are as follows:

	December 31,	
	2013	2012
	JD	JD
Treasury Bills and Bonds*	265,432,885	209,715,644
Governmental Bonds Guaranteed by the Government	-	280,111,949
Companies Bonds and Debentures	10,058,405	6,829,568
	275,491,290	496,657,161
<u>Less: Impairment Provision</u>	(625,338)	(625,338)
	274,865,952	496,031,823
Bonds Return Analysis:		
Fixed Return	274,865,952	496,031,823
<b>Total</b>	<b>274,865,952</b>	<b>496,031,823</b>

The maturity dates of financial assets measured at amortized cost are as follows:

	2013		2012	
	JD		JD	
During a Year	126,122,084		97,571,806	
From 1 to 3 Years	148,038,801		191,583,222	
More Than 3 Years	705,067		206,876,795	
	274,865,952		496,031,823	

\* This item consists of Jordanian treasury bills and bonds restricted against a repurchase agreement with an amount of JD 55 million as of December 31, 2012. It was executed with the Central Bank of Jordan on Jordanian treasury bills and bonds with an interest rate of 4%, which matured on January 2, 2013.

## 11. Investment in Associates and Unconsolidated Subsidiary Company

- The Bank owns shares in several associate companies and an unconsolidated subsidiary company as of December 31, 2013 and 2012 The details are as follows:

	Country of Establishment	Ownership Percentage	Shareholders' Equity		Nature of Business	Bank's Share of Profit	Calculation Method	Acquisition date
			December 31,					
			2013	2012				
		%	JD	JD		%		
Kuwait Real Estate Company - Under Liquidation *	Lebanon	100	-	141,400	Real estate	100	Equity	1986
Beach Hotels and Tourist Resorts Company **	Jordan	24.815	7,730,140	7,478,327	Hotel services	24.815	Equity	2006
Ahluna for Social and Cultural Work Company ***	Jordan	100	1,561,322	2,000,000	Charity	100	Equity	2006
Al-Ahli Investment Group Company ****	Lebanon	37.500	-	834,665	Brokerage company	37.500	Equity	2005
Middle East Payment Services Company *****	Jordan	20.669	1,013,268	814,929	Financial services	20.669	Equity	2009
			10,304,730	11,269,321				

\* The financial statements of Kuwait Real Estate Company have not been consolidated as the company is under liquidation for the year 2012. Moreover, it has been excluded for the year 2013 since it is a subsidiary company of Al-Ahli International Bank - Lebanon, which is classified within the assets held for sale.

\*\* The bank's participation in the Tourist Resorts and Hotels Beach Company resulted from the merger of the National Real Estate Investments Company, which was 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 subscriptions 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 the first half of the year 2011, the company's capital was increased to become JD 20 million. Consequently the bank's share in the company was decreased to become 23% from the paid-up capital. During the second half of the year 2011, the company's capital was increased to become JD 27 million. The bank's contribution in this increase amounted to JD 2.1 million. Thus, the bank's contribution share in the company became 24.8%.

\*\*\* According to the resolution of Ahluna for Social and Cultural Work Company partners (associated company) in their meeting held on May 21, 2012, all partners have agreed to withdraw from their contribution in the company except for Jordan Ahli Bank. Therefore, the bank became the complete/only owner of the company. The Ministry of Industry and Trade's approval has been obtained on March 28, 2013. Moreover, the investment in the company is presented according to the equity method as of December 31, 2013. Noting that the financial statements of the company have not been consolidated because it is a not-for-profit organization, in which all its work is charitable and the entire net revenue is donated.

\*\*\*\* During the year 2009, Al-Ahli Investment Group increased its capital from JD 705,473 to JD 1,883,612; however, Al-Ahli International Bank - Lebanon has not participated in this increase and consequently the bank's ownership in this company declined from 100% to 37.5%, and it has been classified as an associated company. Moreover, the investment in the company has been transferred to assets held for sale during the year 2013 since it is an associated company of Al-Ahli International Bank - Lebanon.

\*\*\*\*\* During the year 2012, Middle East Payment Services Company increased its capital several times to become JD 8,225,000 and accordingly the bank's ownership in this company declined from 25% to 20.669%.



The following is a summary of the movement on investments in associated companies and the unconsolidated subsidiary company:

	2013	2012
	JD	JD
Balance - Beginning of the Year	11,269,321	11,665,838
Additions	-	234,582
Disposals	(300,000)	-
Bank's Share from Investing in Associated Companies' Gains (Losses)	311,474	(631,099)
Classified to Assets Held for Sale	(976,065)	-
Balance - End of the Year	10,304,730	11,269,321

- The bank's voting rights in the General Assembly decisions for these companies is according to its ownership percentage in each company.

## 12. Properties and Equipment and Projects Under Construction - Net

The details of this item are as follows:

Cost:	For the Year Ended December 31, 2013						
	Lands	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of the Year	10,339,303	34,345,375	32,503,671	838,373	14,926,440	6,038,935	98,992,097
Additions	-	1,386,634	1,959,574	71,409	541,304	376,313	4,335,234
Disposals	-	-	(604,449)	(31,195)	(114,798)	-	(750,442)
Classified to Assets Held for Sale	-	(8,538,491)	(4,625,339)	(110,452)	(1,404,985)	-	(14,679,267)
Balance - End of the Year	10,339,303	27,193,518	29,233,457	768,135	13,947,961	6,415,248	87,897,622
Accumulated Depreciation:							
Balance - Beginning of the Year	-	8,895,736	24,237,099	655,406	11,951,912	2,127,964	47,868,117
Additions	-	468,972	2,381,820	53,229	1,233,006	801,424	4,938,451
Disposals	-	-	(148,069)	(21,318)	(101,277)	-	(270,664)
Classified to Assets Held for Sale	-	(2,480,049)	(3,837,794)	(97,762)	(1,136,872)	-	(7,552,477)
Balance - End of the Year	-	6,884,659	22,633,056	589,555	11,946,769	2,929,388	44,983,427
Net Book Value for Property and Equipment	10,339,303	20,308,859	6,600,401	178,580	2,001,192	3,485,860	42,914,195
Down Payments for Projects Under Construction	-	-	1,041,331	-	10,058,234	-	11,099,565
Balance - End of the Year	10,339,303	20,308,859	7,641,732	178,580	12,059,426	3,485,860	54,013,760
Cost:	For the Year Ended December 31, 2012						
	Lands	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of the Year	10,153,536	33,597,980	31,563,646	1,204,869	13,187,359	5,819,012	95,526,402
Additions	185,767	747,395	1,761,620	-	1,960,554	220,523	4,875,859
Disposals	-	-	(821,595)	(366,496)	(221,473)	(600)	(1,410,164)
Balance - End of the Year	10,339,303	34,345,375	32,503,671	838,373	14,926,440	6,038,935	98,992,097
Accumulated Depreciation:							
Balance - Beginning of the Year	-	8,160,479	21,936,337	837,723	10,606,081	1,839,733	43,380,353
Additions	-	735,257	2,508,633	114,433	1,542,052	288,831	5,189,206
Disposals	-	-	(207,871)	(296,750)	(196,221)	(600)	(701,442)
Balance - End of the Year	-	8,895,736	24,237,099	655,406	11,951,912	2,127,964	47,868,117
Net Book Value for Property and Equipment	10,339,303	25,449,639	8,266,572	182,967	2,974,528	3,910,971	51,123,980
Down Payments for Projects Under Construction	-	-	1,764,958	-	4,768,585	-	6,533,543
Balance - End of the Year	10,339,303	25,449,639	10,031,530	182,967	7,743,113	3,910,971	57,657,523
Annual Depreciation Rate %	-	2	10-20	15	20-30	15-20	

Properties and equipment include fully depreciated assets which amount to JD 21,598,789 as of December 31, 2013 (JD 21,648,325 as of December 31, 2012).

## 13. Intangible Assets - Net

The details of this item are as follows:

Description	2013		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance - Beginning of the Year	2,040,438	1,418,000	3,458,438
Additions	1,772,303	-	1,772,303
Transferred to Assets Held for Sale	(64,546)	(1,418,000)	(1,482,546)
Amortization for the Year	(1,970,854)	-	(1,970,854)
Balance - End of the Year	1,777,341	-	1,777,341
Annual Amortization Rate %	20 - 30	-	

Description	2012		
	Computer Software and Applications	Goodwill *	Total
	JD	JD	JD
Balance - Beginning of the Year	2,323,207	1,418,000	3,741,207
Additions	1,764,878	-	1,764,878
Amortization for the Year	(2,047,647)	-	(2,047,647)
Balance - End of the Year	2,040,438	1,418,000	3,458,438
Annual Amortization %	20 - 30	-	

\* Goodwill resulted from the acquisition of Al-Ahli International Bank - Lebanon and Kuwait Real Estate Company. During the year 2007, part of Al-Ahli International Bank's goodwill has been amortized against the decline in its value. Moreover, during the year 2013 goodwill has been classified to the assets held for sale since it relates to Al-Ahli International Bank - Lebanon.

## 14. Other Assets

The details of this item are as follows:

	December 31,	
	2013 JD	2012 JD
Real Estate Foreclosed by the Bank Against Debts *	67,359,952	59,598,397
Accrued Interest and Commissions	5,231,981	8,452,602
Checks and Transfers Under Collection	5,078,247	4,112,599
Foreclosed Assets Sold - Net **	3,871,105	5,726,943
Prepaid Expenses	2,117,151	2,836,592
Various Debtors	1,878,035	1,855,741
Real Estate for Sale	4,535,491	3,669,096
Prepaid Rent	1,726,245	1,730,100
Refundable Deposits ***	647,902	1,426,442
Incoming Stamps	197,626	210,236
Advances to Employees	41,847	36,847
Temporary Advances	2,210,667	5,878,861
Other Debit Balances	620,059	3,726,736
<b>Total</b>	<b>95,516,308</b>	<b>99,261,192</b>

\* The Movement on Foreclosed Assets was as Follows:

Description	2013	2012
	JD	JD
Balance - Beginning of the Year	59,598,397	55,364,311
Additions	13,047,872	8,600,225
Disposals	(3,928,221)	(4,166,139)
Transferred to Assets Held for Sale	(991,724)	-
Impairment Loss	(366,372)	(200,000)
<b>Balance - End of the Year</b>	<b>67,359,952</b>	<b>59,598,397</b>

- According to the Banks' Law, buildings and plots of land foreclosed 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 may extend this period for two additional years.

\*\* During the year 2011, the bank sold Land number (879) basin number (3) qatna south and land number (418) basin number (3) qatna south from the village of Amman in installments for JD 4.4 million to the South House Trade and Investment Company. An amount of JD 3.4 million has been received during the year 2012. Moreover, during the year 2013 a provision of JD one million has been booked for the entire balance since the amount is considered a doubtful debt.

\*\*\* This item includes an amount of JD 489,986 as of December 31, 2013 which is stated at net realizable value less impairment provision with an amount of JD 210 thousand (JD 1,202,204 as of December 31, 2012). This item represents cash deposits in a foreign trading and financial brokerage company, which is under liquidation, and is currently restricted until the liquidation procedures are finalized.

## 15. Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2013			December 31, 2012		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	1,519,833	13,393,063	14,912,896	850,624	11,097,524	11,948,148
Time Deposits	43,686,483	62,085,943	105,772,426	119,639,716	68,482,296	188,122,012
Total	45,206,316	75,479,006	120,685,322	120,490,340	79,579,820	200,070,160

- Banks and financial institutions' deposits include an amount of JD 14,250,539 as of December 31, 2013 (JD 33,740,615 as of December 31, 2012) which mature within a period exceeding three months.

## 16. Customers Deposits

The details of this item are as follows:

	For the Year Ended December 31, 2013				
	Individuals	Corporates	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	245,116,275	94,448,332	104,628,338	5,350,891	449,543,836
Saving Accounts	152,610,731	6,236,836	17,502,382	-	176,349,949
Time and Notice Deposits	513,460,393	139,640,051	125,724,902	55,631,834	834,457,180
Koshan Certificates of Deposit	843,408	-	-	-	843,408
	912,030,807	240,325,219	247,855,622	60,982,725	1,461,194,373
	For the Year Ended December 31, 2012				
	Individuals	Corporates	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts and Demand Deposits	225,180,679	105,009,661	105,803,713	5,996,310	441,990,363
Saving Accounts	150,796,646	2,850,392	14,865,455	5,058	168,517,551
Time and Notice Deposits	826,147,075	132,459,649	130,134,776	74,955,006	1,163,696,506
Koshan Certificates of Deposit	1,596,506	-	-	-	1,596,506
Certificates of Deposit	21,270,000	-	-	-	21,270,000
	1,224,990,906	240,319,702	250,803,944	80,956,374	1,797,070,926

- Government and public sector's deposits inside Jordan amounted to JD 60,936,114 which is equivalent to 4.17% of total deposits as of December 31, 2013 (JD 68,884,006, which is equivalent to 3.83% of total deposits as of December 31, 2012).

- Non-interest bearing deposits amounted to JD 381,483,684 which is equivalent to 26.11% of total deposits as of December 31, 2013 (JD 343,728,919, which is equivalent to 19.13% of total deposits as of December 31, 2012).

- Restricted deposits amounted to JD 907,167 which is equivalent to 0.06 % of total deposits as of December 31, 2013 (JD 819,088 which is equivalent to 0.05 % of total deposits as of December 31, 2012).

- Dormant accounts amounted to JD 38,108,662 as of December 31, 2013 (JD 27,046,142 as of December 31, 2012).

- Restricted fund deposits amounted to JD 763,495 which is equivalent to 0.05% of total deposits as of December 31, 2013 (JD 733,697 which is equivalent to 0.04% of total deposits as of December 31, 2012).

## 17. Cash Margins

The details of this item are as follows:

	December 31,	
	2013	2012
	JD	JD
Cash Margins on Direct Credit Facilities	193,906,541	196,539,892
Cash Margins on Indirect Credit Facilities	48,080,840	56,414,646
Marginal Deposits	4,440,408	4,682,520
Other Margins	10,960,865	10,901,770
Total	257,388,654	268,538,828

## 18. Borrowed Funds

The details of this item are as follows:

	Amount	Number of Installments		Installments Maturity Frequency	Guarantees	Interest Rate	Relending Interest Rate
		Total	Remaining				
December 31, 2013	JD					%	%
Central Bank of Jordan	4,000,000	10	10	Semi-Annual Installments	-	2.5	-
Local Bank (Loan to Subsidiary)	12,155,504	24	17	24 monthly installments effective from the withdrawal date	10 million deposit belonging to the Jordan Ahli Bank	4.5	-
Jordan Mortgage Refinance Company (Loan to Subsidiary)	7,500,000	1	1	One installment	-	7.25	-
Local Bank (Loan to Subsidiary)	912,550	24	-	24 monthly installments effective from the withdrawal date	-	7.5	-
Development and Employment Fund (Loan to Subsidiary)	1,968,056	24	-	24 monthly installments effective from the withdrawal date	-	6 - 7	6 - 7
	26,536,110						
December 31, 2012							
Central Bank of Jordan *	55,000,000	1	1	One installment	Treasury bills and bonds/ Jordanian Government	4	-
Local Banks (Loan to Subsidiary)	6,778,333	24	15	24 monthly installments effective from the withdrawal date	10 million deposit belonging to the Jordan Ahli Bank	4.5	-
Jordan Mortgage Refinance Company (Loan to Subsidiary)	5,000,000	2	2	Semi-annual installments	-	6.25	-
Local Banks (Loan to Subsidiary)	1,195,820	24	24	24 monthly installments effective from the withdrawal date	-	7.5	-
Development and Employment Fund (Loan to Subsidiary)	968,056	-	-	42 monthly installments effective from the withdrawal date	-	6 - 7	6 - 7
	68,942,209						

- Loans with a fixed interest rate amounted to JD 26,536,110 as of December 31, 2013 (JD 68,942,209 as of December 31, 2012).

\* This item consists of liabilities against repurchase agreement contracts in the amount of JD 55 million as of December 31, 2012, which was executed with the Central Bank of Jordan for Jordanian treasury bills and bonds with an interest rate of 4% to be used in temporary financing activities, which matured on January 2, 2013.

## 19. Various Provisions

The details of this item are as follows:

Year 2013	Balance Beginning of the Year	Additions	Disposals	Reversals of Provision	Transferred to Liabilities Directly Associated with Assets Classified as Held for Sale	Balance End of the Year
	JD	JD	JD	JD	JD	JD
Provision for End-of-Service Indemnity	3,867,401	588,330	(379,348)	-	(1,316,882)	2,759,501
Provision for the Decline in Foreign Currencies	13,639	121,185	-	-	(13,639)	121,185
Provision for Legal Claims	1,033,354	100,000	(802,866)	-	-	330,488
Other Provisions	145,046	31,095	(11,407)	-	-	164,734
	5,059,440	840,610	(1,193,621)	-	(1,330,521)	3,375,908
Year 2012						
Provision for End-of-Service Indemnity	3,347,551	657,128	(137,278)	-	-	3,867,401
Provision for the Decline in Foreign Currencies	13,639	-	-	-	-	13,639
Provision for Legal Claims	1,333,354	-	-	(300,000)	-	1,033,354
Other Provisions	143,210	21,439	(19,603)	-	-	145,046
	4,837,754	678,567	(156,881)	(300,000)	-	5,059,440

## 20. Provision for Income Tax

### a) Income tax provision:

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

	2013 JD	2012 JD
Balance Beginning of the Year	9,176,344	9,704,710
Income Tax Paid	(9,187,590)	(10,851,632)
Income Tax for the Year	7,582,078	10,207,777
Prior Years Income Tax	-	115,489
Classified to Liabilities Directly Associated with Assets Classified as Held for Sale	(621,956)	-
Balance End of the Year	6,948,876	9,176,344



- Income tax expense for the year which appears in the consolidated statement of income consists of the following:

	2013	2012 (Represented)
	JD	JD
Accrued Income Tax on the Year's Profit	7,582,078	9,537,438
Accrued Income Tax on Prior Years	-	115,489
Deferred Tax Assets for the Year	(724,809)	(638,626)
Amortization of Deferred Tax Assets	483,549	414,887
Balance - End of the Year	7,340,818	9,429,188

- The income tax rate for banks in Jordan is 30%; moreover, the income tax rates in the countries where the bank has investments or branches ranges between 10% and 33.79%.

- A final settlement with the Income and Sales Tax Department has been reached for Jordan's branches up to the year 2010.

- The income tax return of the bank - Jordan branches has been submitted for the year 2011, and has been reviewed by the Income and Sales Tax Department; however, they rejected it and transferred it to court.

- The income tax return of the bank -Jordan branches has been submitted for the year 2012, and has been reviewed by the Income and Sales Tax Department; however, no final decision has been reached.

- 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 2010. It is expected to conclude the settlement for the following tax years during the year 2014.

- A final tax settlement has been reached for the bank's branch in Cyprus up to the year 2009.

- A final tax settlement has been reached for the Subsidiary Company (Ahli Financial Brokerage Company) up to the year 2010. Moreover, the company submitted its income tax return for the year 2011 and 2012; however, the Income and Sales Tax Department has not reviewed the company's records yet. Furthermore, the company has not booked a provision for income tax for the year 2013 because it incurred losses for the year.

- A tax settlement has been reached for the Subsidiary Company (Ahli Financial Leasing Company) up to the year 2010. Moreover, the company submitted its income tax return for the year 2011 and 2012; however, the Income and Sales Tax Department has not reviewed the company's records yet.

- A final tax settlement has been reached for the Subsidiary Company (Ahli Micro Finance Company) up to the year 2011. Moreover, income tax provision was not booked for the period starting from the beginning of 2008 until July 20, 2012, since the company was not subject to income tax during that period. However, the tax exemption was not renewed for the periods afterwards. Accordingly, income tax provision has been booked for the income related to the period from July 21, 2012 until December 31, 2013.

- Deferred tax assets and liabilities have been calculated as of December 31, 2013 and 2012 according to the following rates:

Income tax rate	December 31,	
	2013	2012
Jordan Branch	30%	30%
Palestine Branches	33.79%	33%

- A provision for income tax for the year ended December 31, 2013 has been booked for the bank, its branches abroad, and subsidiary companies. In the opinion of management and the bank's tax advisor, the provision taken in the consolidated financial statements as of December 31, 2013 is adequate for meeting the expected tax liabilities.

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

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - Beginning of the Year	4,156,602	658,596	3,932,863	841,406
Additions	724,809	-	638,626	44
Amortized	(483,549)	(23,082)	(414,887)	(182,854)
Balance - End of the Year	4,397,862	635,514	4,156,602	658,596

## b. Deferred Tax Assets/Liabilities:

The details of this item are as follows:

Included Accounts	Beginning Balance JD	Additions JD	2013		Deferred Tax JD
			Amounts Released JD	Year - End Balance JD	
a. Deferred Tax Assets					
Prior Years' Provision for Non-Performing Loans	5,538,372	1,288	(169,834)	5,369,826	1,703,339
Interest in Suspense	2,320,971	42,126	(12,154)	2,350,943	794,478
Impairment Loss in Real Estate	1,199,508	1,379,309	(223,513)	2,355,304	706,591
Provision for Lawsuits	1,033,354	100,000	(802,866)	330,488	101,170
Provision for End-of-Service Indemnity	2,475,265	574,296	(379,347)	2,670,214	868,327
Provision for the Decline in Foreign Currencies	-	121,185	-	121,185	36,356
Impairment of Financial Assets Measured at Amortized Cost	625,338	-	-	625,338	187,601
Other Provisions	11,407	-	(11,407)	-	-
	13,204,215	2,218,204	(1,599,121)	13,823,298	4,397,862
b. Deferred Tax Liabilities *					
Fair Value Reserves for Financial Assets at Fair Value Through Other Comprehensive Income	2,195,318	-	(76,938)	2,118,380	635,514
	2,195,318	-	(76,938)	2,118,380	635,514

Included Accounts	Beginning Balance JD	Additions JD	2012		Deferred Tax JD
			Amounts Released JD	Year - End Balance JD	
a. Deferred Tax Assets					
Prior Years' Provision for Non-Performing Loans	6,212,131	-	(673,759)	5,538,372	1,735,799
Interest in Suspense	2,519,036	-	(198,065)	2,320,971	766,849
Impairment Loss in Real Estate	1,063,078	200,000	(63,570)	1,199,508	359,853
Provision for Lawsuits	1,333,354	-	(300,000)	1,033,354	311,628
Provision for End-of-Service Indemnity	2,124,415	470,199	(119,349)	2,475,265	791,103
Impairment of Financial Assets Measured at Amortized Cost	349,801	275,537	-	625,338	187,601
Other Provisions	11,173	234	-	11,407	3,769
	13,612,988	945,970	(1,354,743)	13,204,215	4,156,602
b. Deferred Tax Liabilities *					
Fair Value Reserves for Financial Assets at Fair Value Through Other Comprehensive Income	2,804,686	146	(609,514)	2,195,318	658,596
	2,804,686	146	(609,514)	2,195,318	658,596

\* Deferred tax liabilities include JD 635,514 as of December 31, 2013 (JD 658,596 as of December 31, 2012) resulting from changes in the fair value of financial assets at fair value through other comprehensive income which is stated net of deferred tax liabilities within the fair value reserve under owners' equity.

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

	2013	2012 (Represented)
	JD	JD
Accounting Income	23,344,707	33,274,884
Tax Exempted Income	(4,027,943)	(5,382,231)
Non-Deductible Expenses	9,268,111	7,082,102
Taxable Income	28,584,875	34,974,755

## 21. Other Liabilities

The details of this item are as follows:

	December 31,	
	2013	2012
	JD	JD
Accepted Checks	6,789,747	7,991,147
Accounts Payable for Financial Brokerage Customers	1,032,433	793,700
Accrued Interest	5,795,894	6,850,863
Temporary Deposits	6,396,273	6,262,675
Various Creditors	3,492,165	2,913,974
Accrued Expenses	986,216	1,845,297
Interest and Commissions Received in Advance	581,358	1,313,371
Checks and Transfers-Delayed in Payment	1,220,139	1,330,704
Provision for Technical and Vocational Education and		
Training Support Fund fees	157,255	157,255
Board of Directors' Remuneration	68,253	65,000
Unearned Revenue	81,620	66,285
Other Liabilities	82,581	1,064,971
	26,683,934	30,655,242

## 22. Capital and Share Premium

a. The bank's authorized capital amounted to JD 165 million divided into 165 million shares of JD 1 each as of December 31, 2013 (JD 150 million as of December 31, 2012).

- The General Assembly resolved in its extraordinary meeting held on April 29, 2013 to distribute 10% of the capital as of that date, which is equivalent to JD 15 million, as stock dividends to shareholders for the year 2012.

b. Share premium amounted to JD 9,345,817 as of December 31, 2013 and 2012.

c. According to the resolution of the General Assembly of Shareholders in its ordinary meeting held on March 14, 2012, 10% of capital equivalent to JD 14.6 million were approved for distribution as a cash dividend to shareholders for the year 2011.

## 23. Reserves

The details of reserves as of December 31, 2013 and 2012 are as follows:

### a. Statutory Reserve:

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

### b. Voluntary Reserve:

The accumulated balances in this account represent appropriations from 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 has 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's instructions.

### d. Periodic Fluctuations Reserve:

This reserve represents the periodic fluctuations reserve calculated according to the Palestinian Monetary Authority Instructions No. (1) for the year 2011 concerning all banks operating in Palestine on January 27, 2010. Moreover, the periodic fluctuations reserve is calculated at 15% of the net profit of the tax. Additionally, the bank continues to make this annual deduction provided that this reserve balance does not exceed 20% of paid-up capital. The reserve cannot be used for any purpose unless a prior written approval is obtained from the Palestinian Monetary Authority.

The restricted reserves are as follows :

Reserve	December 31,		Restriction Nature
	2013 JD	2012 JD	
General Banking Risks Reserve	11,147,743	14,275,658	According to the Central Bank of Jordan's Instructions
Statutory Reserve	43,935,175	41,600,704	According to Banks and Companies' Laws
Periodic Fluctuations Reserve	1,393,405	1,008,374	According to the Palestinian Monetary Authority Instructions

## 24. Fair Value Reserve - Net

The details of this item are as follows:

	December 31,	
	2013	2012
Financial Assets at Fair Value Through Other Comprehensive Income	JD	JD
Balance - Beginning of the Year	1,526,086	1,956,190
Sold Shares	50	173
Deferred Tax Liabilities	23,082	182,809
Net Unrealized (Losses) Transferred to the Consolidated Statement of Comprehensive Income	(69,898)	(613,086)
Balance - End of the Year	1,479,320	1,526,086

\* Fair value reserve is stated net of the deferred tax liabilities JD 635,514 as of December 31, 2013 (JD 658,596 as of December 31, 2012).

## 25. Retained Earnings

The details of this item are as follows:

	2013	2012
	JD	JD
Balance - Beginning of the Year	26,468,886	26,259,660
Income for the Year	16,003,889	23,791,624
Distributed Dividends *	(15,000,000)	(14,670,032)
Transfers to Reserves	(1,926,058)	(8,912,193)
(Loss) from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	(50)	(173)
Balance - End of the Year	25,546,667	26,468,886

- Retained earnings include an amount of JD 4,397,862 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2013 (JD 4,156,602 as of December 31, 2012).

## 26. Non-Controlling Interest

The details of this item are as follows:

	December 31, 2013			December 31, 2012		
	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	2.108	-	-	2.110	54,072	1,786,716
		-	-		54,072	1,786,716

\* Non-controlling interest in the subsidiary's capital (Al-Ahli International Bank - Lebanon) is 2.110% as of December 31, 2012 while maintaining 11.51% of capital prepayments as of December 31, 2012. Moreover, the non-controlling interest attributable to Al-Ahli International Bank - Lebanon was classified during the year 2013 to liabilities directly associated with assets classified as held for sale.

## 27. Interest Income

The details of this item are as follows:

	2013	(Represented) 2012
	JD	JD
<b>Direct Credit Facilities:</b>		
<b>Individuals (Retail):</b>		
Current Accounts	540,928	525,039
Loans and Promissory Notes	28,225,630	23,811,533
Credit Cards	2,278,352	2,151,738
<b>Real Estate Loans</b>	11,010,526	8,707,665
<b>Companies:</b>		
<b>Corporates:</b>		
Current Accounts	8,749,139	7,138,946
Loans and Promissory Notes	33,735,654	34,494,394
<b>Small and Medium Companies:</b>		
Current Accounts	4,768,373	4,542,677
Loans and Promissory Notes	12,234,764	12,292,497
<b>Government and Public Sector</b>	896,097	1,242,679
Balances at Central Banks	2,143,610	1,879,298
Balances and Deposits at Banks and Financial Institutions	2,750,132	3,263,181
Financial Assets Measured at Amortized Cost	15,680,917	11,323,649
	123,014,122	111,373,296

## 28. Interest Expense

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
Banks and Financial Institutions Deposits	2,125,331	3,041,347
Customers Deposits:		
Current and Demand Deposits	130,471	36,497
Saving Accounts	395,512	387,424
Time and Notice Deposits	32,291,298	25,289,354
Cash Margins	5,812,320	4,408,811
Borrowed Funds	2,139,727	1,158,542
Loan Guarantee Fees	2,249,241	2,369,637
	45,143,900	36,691,612

## 29. Commissions Revenue - Net

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
Credit Commissions:		
Direct Credit Facilities	5,432,848	6,254,067
Indirect Credit Facilities	5,464,126	6,312,987
Other Commissions	7,569,955	7,497,970
(Less): Commissions Paid	(575,005)	(539,112)
Net Commissions Revenue	17,891,924	19,525,912

## 30. Foreign Exchange Income

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
As a Result of Trading	743,191	1,024,891
As a Result of Evaluation	2,155,068	2,786,382
Total	2,898,259	3,811,273

## 31. (Loss) from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	Realized Profit (Loss)	Unrealized (Loss)	Dividends	Total
	JD	JD	JD	JD
2013				
Companies' Shares	9,932	(450,533)	-	(440,601)
	9,932	(450,533)	-	(440,601)
2012 (Represented)				
Companies' Shares	(99,477)	(217,853)	9,309	(308,021)
	(99,477)	(217,853)	9,309	(308,021)

## 32. Other Revenue

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
Interest in Suspense Recovered *	1,542,873	1,799,932
Brokerage Commission Income	126,739	474,715
Income from Sale of Properties and Equipment	38,582	6,169
Income from Sale of Foreclosed Assets	321,510	1,057,640
Recovery of Debts Previously Written-off **	576,842	436,375
Income from Managing Investment Portfolios	527	729
Income from Check Books	201,075	198,707
Rental Income of the Bank's Real Estate	225,423	211,767
Rental Income of Safe Deposit Boxes	136,478	140,249
Income from Cash Boxes Differences	14,625	16,978
Income from Credit Cards	-	183,365
Income from Student Fees	611,519	545,164
Other	605,614	939,299
	4,401,807	6,011,089

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

	2013	2012 (Represented)
	JD	JD
Recovered Interest in Suspense	1,516,134	1,684,686
Interest in Suspense from Debts Written-off	26,739	115,246
	1,542,873	1,799,932

\*\* This account represents the recovered amounts from debts for which full provision has been taken in previous years.



### 33. Employees' Expenses

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
Salaries, Bonuses and Employees' Benefits	26,939,309	26,569,011
Bank's Contribution to Social Security	2,245,642	2,262,368
Bank's Contribution to Staff Provident Fund	1,506,776	1,506,487
Medical	1,260,360	1,232,518
End-of-Service Indemnity	588,330	484,840
Training	291,693	270,556
Travel Expenses	187,259	127,942
Employees' Life Insurance	100,564	151,026
Employees' Meals	125,503	93,175
Employees' Uniforms	16,959	15,655
	33,262,395	32,713,578

## 34. Other Expenses

The details of this item are as follows:

	2013	2012 (Represented)
	JD	JD
Fees and Subscriptions	2,751,313	2,019,727
Maintenance and Repair	3,759,365	3,641,350
Advertisement	3,394,885	2,978,236
Printing and Stationery	1,108,264	1,091,856
Rent and Key Money	2,059,784	1,531,644
Studies, Research and Consulting	243,417	46,594
Insurance Expenses	1,336,176	1,152,274
Water, Electricity and Heating	1,874,966	1,554,142
Legal Fees	1,168,299	1,036,948
Donations	598,330	411,333
Transportation	899,184	808,656
Telecommunication	1,263,742	939,499
Miscellaneous	646,258	406,490
General Assembly Meeting	58,226	69,632
Security	324,768	313,592
Professional Fees	357,395	282,090
Stamps Fees	194,157	158,310
Entertainment	43,434	43,407
Appraisal Expenses of Land and Real Estate	38,135	38,473
Cash Boxes Difference	4,787	7,768
Lawsuits Provision Expenses	100,000	-
Loss on Real Estate Sales	317,605	1,748
Investment Impairment Losses	-	210,000
Real Estate Impairment Losses	366,372	200,000
Provision for Doubtful Debts on Sale of Foreclosed Assets (Note 14)	1,000,000	-
Sold Foreclosed Assets Impairment Losses	12,938	-
Board of Directors' Remunerations	65,000	65,000
	23,986,800	19,008,769

## 35. Earnings Per Share for the Bank's Shareholders

The details of this items are as follows:

	2013	2012 (Represented)
	JD	JD
<b>From Continuing Operations:</b>		
Income for the Year	13,532,959	21,283,425
Weighted Average Number of Shares	165,000,000	160,466,893
Earnings Per Share – Bank's Shareholders:		
Basic	-/082	-/133
<b>From Discontinued Operations:</b>		
Income for the Year **	2,470,930	2,508,199
Weighted Average Number of Shares *	165,000,000	160,466,893
Earnings Per Share – Bank's Shareholders:		
Basic	-/015	-/015
Total	-/097	-/148
<b>From Continuing Operations:</b>		
Income for the Year	13,532,959	21,283,425
Weighted Average Number of Shares	165,000,000	165,000,000
Earnings Per Share – Bank's Shareholders:		
Diluted	-/082	-/129
<b>From Discontinued Operations:</b>		
Income for the Year **	2,470,930	2,508,199
Weighted Average Number of Shares *	165,000,000	165,000,000
Earnings Per Share – Bank's Shareholders:		
Diluted	-/015	-/015
Total	-/097	-/144

\* The weighted average number of shares for the earning per share has been calculated from the diluted income for the year that belongs to the bank's shareholders divided by the authorized number of shares for the year ended December 31, 2013 and 2012. Accordingly, the comparative figures have been recalculated according to the average capital after the stock dividends distribution/capitalization according to the International Accounting Standard No. (33) requirements.

\*\* The income from discontinued operations for the year 2012 has been calculated after deducting an amount of JD 54,072 which represents the non-controlling interest share of the income for the year 2012.

## 36. Cash and Cash Equivalents

The details of this items are as follows:

	2013	2012
	JD	JD
Cash and Balances at Central Banks Maturing Within 3 Months	249,144,081	352,539,332
<u>Add:</u> Balances at Banks and Financial Institutions Due Within 3 Months	207,872,141	279,234,910
<u>Less:</u> Banks and Financial Institutions Deposits Due Within 3 Months	(106,434,783)	(166,329,545)
Repurchase Agreements	-	(55,000,000)
Restricted Balances	(311,336)	(295,416)
	350,270,103	410,149,281

## 37. Related Party Balances and Transactions

a. The consolidated financial statements include the financial statements of the bank and the following subsidiaries companies:

Company Name	Equity Ratio %	Capital of the Company	
		2013	2012
		JD	JD
Ahli Micro Finance Company	100	3,500,000	3,500,000
Zarqa National College Company	100	800,000	800,000
Ahli Financial Leasing Company	100	10,000,000	10,000,000
Ahli Financial Brokerage Company	100	15,000,000	15,000,000

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

	Associates ** JD	Board of Directors Members JD	Related Party			Total December 31, 2013 JD
			Executive Management JD	Assets Held for Sale JD	Other * JD	
<u>On-Consolidated Statement of Financial Position Items:</u>						
Credit Facilities	709,373	8,240,426	4,309,182	-	71,226,877	84,485,858
Customers' Deposits	7,901,384	39,073,773	4,617,760	8,218,468	19,485,214	79,296,599
Cash Margins	892,542	20,250	68,764	-	2,643,097	3,624,653
<u>Off-Consolidated Statement of Financial Position Items:</u>						
Letters of Guarantee	123,506	405,000	9,500	-	6,403,402	6,941,408
<u>Consolidated Statement of Income:</u>						
Interest and Commissions Income	95,637	575,628	211,086	213,042	5,498,501	6,593,894
Interest and Commissions Expense	494,056	1,934,119	230,719	-	567,331	3,226,225

	Associates JD	Board of Directors' Members JD	Related Party			Total December 31, 2012 JD
			Executive Management JD	Assets Held for Sale JD	Other * JD	
<u>On-Consolidated Statement of Financial Position Items:</u>						
Credit Facilities	783,194	6,912,920	4,406,070	-	69,050,756	81,152,940
Customers' Deposits	10,976,540	35,172,730	3,873,529	-	15,601,466	65,624,265
Cash Margins	787,316	-	153,783	-	2,418,441	3,359,540
<u>Off-Consolidated Statement of Financial Position Items:</u>						
Letters of Guarantee	123,506	800	9,500	-	4,048,852	4,182,658
<u>Consolidated Statement of Income:</u>						
Interest and Commissions Income	63,250	261,366	228,004	-	5,356,962	5,909,582
Interest and Commissions Expense	512,922	1,538,199	96,854	-	565,785	2,713,760

\* This item represents companies partially owned by members of the bank's Board of Directors, Board of Directors' relatives, and bank employees.

\*\* According to the resolution of Ahluna for Social and Cultural Work Company partners (associated company) in their meeting held on May 21, 2012, all partners have agreed to withdraw from their contribution in the company except for Jordan Ahli Bank. Therefore, the bank became the complete/only owner of the company. The Ministry of Industry and Trade's approval was obtained on March 28, 2013.

- There are accounts receivable from a subsidiary company (Ahli Brokerage Company) that amounted to JD 2,624,389 which belong to a related party as of December 31, 2013. On October 31, 2013, the company signed a settlement with those clients to settle the obligation by paying an advance payment upon signing the settlement and monthly installments thereafter, in addition to reinforcing their guarantees.

- Interest Income Prices Vary Between 4.5% and 9.25%.

- Interest Expense Prices Vary Between Zero% and 5.5%.

b. The salaries of executive management of the bank and its subsidiaries amounted to JD 4,397,516 for the year 2013 (JD 5,184,981 for the year 2012), in addition to bonuses and incentives associated with productivity.

## 38. Financial Instruments That Do Not Appear at Fair Value in the Consolidated Financial Statements

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities at the end of 2013 and 2012.

## 39. 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.

### 39- 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 by 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 by periodically evaluating the standing credit of the customers in accordance with the customers' credit evaluation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons, in addition the Bank obtains 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 different credit ceilings for 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 that it is distributed to several geographic areas inside and outside of the Kingdom.

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

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

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

The bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards to the credit terms, 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 of the Kingdom. 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 the risks and utilize the credit evaluation. The investment policy specifies the investment allocation ratios and their determinants in order to distribute them in a way that achieves a high return and lowers the risk.

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

	December 31,	
	2013 JD	2012 JD
On the Consolidated Statement of Financial Position Items		
Balances at the Central Banks	213,668,441	312,156,667
Balances at Banks and Financial Institutions	207,872,141	279,234,910
Deposits at Banks and Financial Institutions	26,661,835	31,270,000
Direct Credit Facilities:		
<b>Individuals</b>	329,222,048	404,770,617
<b>Real Estate Loans</b>	142,039,654	109,961,685
<b>Companies:</b>		
Corporates	489,732,727	538,035,519
Small and Medium Companies	201,134,563	193,620,186
<b>Government and Public Sector</b>	25,872,855	27,634,903
Bonds and Bills:		
Financial Assets at Fair Value Through Profit or Loss	-	11,401,777
Financial Assets Measured at Amortized Cost	274,865,952	496,031,823
<b>Other Assets</b>	6,956,282	5,968,340
<b>Total</b>	<b>1,918,026,498</b>	<b>2,410,086,427</b>
Off the Consolidated Statement of Financial Position Items		
Letters of Guarantee	183,765,877	188,124,707
Letters of Credit	69,771,684	72,381,681
Letters of Acceptance	41,007,660	40,156,543
Unutilized Facility Ceilings	104,358,528	88,613,454
<b>Total</b>	<b>398,903,749</b>	<b>389,276,385</b>

**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
- Governmental Guarantee

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

As of December 31, 2013	Companies							Total
	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	Other	
	JD	JD	JD	JD	JD	JD	JD	
Low Risk	53,364,470	1,932,839	61,515,960	38,469,831	502,987,808	-	-	658,270,908
Acceptable Risk	254,597,091	139,275,444	269,975,969	131,647,780	1,986,373	243,967,043	6,956,282	1,048,405,982
<b>Of which is due*:</b>								
Within 30 Days	31,566	-	35,410	13,407	-	-	-	80,383
From 31 to 60 Days	29,388	-	64,312	65,712	-	-	-	159,412
Under Watch	13,328,594	-	139,590,622	21,239,950	-	-	-	174,159,166
<b>Non-performing:</b>								
Below Level	1,779,234	-	863,488	3,222,749	-	-	-	5,865,471
Allowance Provided	4,216,701	71,015	2,690,778	4,434,724	-	-	-	11,413,218
Bad Debt	25,086,931	3,540,983	100,365,552	19,257,782	-	-	-	148,251,248
<b>Total</b>	<b>352,373,021</b>	<b>144,820,281</b>	<b>575,002,369</b>	<b>218,272,816</b>	<b>504,974,181</b>	<b>243,967,043</b>	<b>6,956,282</b>	<b>2,046,365,993</b>
<u>Less:</u> Interest in Suspense	4,118,073	1,293,154	13,712,020	4,855,532	-	-	-	23,978,779
Impairment Provision	19,032,900	1,487,473	71,557,622	12,282,721	-	-	-	104,360,716
<b>Net</b>	<b>329,222,048</b>	<b>142,039,654</b>	<b>489,732,727</b>	<b>201,134,563</b>	<b>504,974,181</b>	<b>243,967,043</b>	<b>6,956,282</b>	<b>1,918,026,498</b>

As of December 31, 2012	Companies							Total
	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	Other	
	JD	JD	JD	JD	JD	JD	JD	
Low Risk	59,820,981	2,849,700	71,842,882	30,392,632	827,280,727	-	-	992,186,922
Acceptable Risk	328,248,079	104,345,191	332,566,420	144,135,300	13,740,213	316,709,140	5,968,340	1,245,712,683
<b>Of which is due*:</b>								
Within 30 Days	27,598	-	37,512	32,587	-	-	-	97,697
From 31 to 60 Days	6,865	-	72,084	29,078	-	-	-	108,027
Under Watch	4,519,975	1,109,644	108,409,444	23,304,298	-	-	-	137,343,361
<b>Non-performing:</b>								
Below Level	3,092,409	378,361	10,530,209	3,350,564	-	-	-	17,351,543
Allowance Provided	13,154,815	315,663	24,237,506	8,770,756	-	-	-	46,478,740
Bad Debt	24,913,080	4,266,291	75,005,368	18,957,180	-	-	-	123,141,919
<b>Total</b>	<b>433,749,339</b>	<b>113,264,850</b>	<b>622,591,829</b>	<b>228,910,730</b>	<b>841,020,940</b>	<b>316,709,140</b>	<b>5,968,340</b>	<b>2,562,215,168</b>
<u>Less:</u> Interest in Suspense	5,979,267	1,476,777	22,317,217	22,500,917	-	-	-	52,274,178
Impairment Provision	22,999,455	1,826,388	62,239,093	12,789,627	-	-	-	99,854,563
<b>Net</b>	<b>404,770,617</b>	<b>109,961,685</b>	<b>538,035,519</b>	<b>193,620,186</b>	<b>841,020,940</b>	<b>316,709,140</b>	<b>5,968,340</b>	<b>2,410,086,427</b>



**Credit exposures according to the fair value of the collaterals held against credit facilities are as follows :**

As of December 31, 2013	Companies					Total
	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Government and Public Sector	
	JD	JD	JD	JD	JD	JD
<b>Guarantees against:</b>						
Low Risk	66,698,933	1,932,839	55,283,195	31,847,953	2,117,030	157,879,950
Acceptable Risk	220,748,955	141,383,316	269,531,428	146,622,726	23,755,825	802,042,250
Under Watch	3,439,784	-	19,662,057	2,009,369	-	25,111,210
<b>Non-Performing:</b>						
Below Level	1,535,744	-	892,364	2,972,218	-	5,400,326
Allowance Provided	2,862,846	83,015	2,567,514	5,714,130	-	11,227,505
Bad Debt	10,163,156	3,167,257	37,065,636	16,490,646	-	66,886,695
<b>Total</b>	<b>305,449,418</b>	<b>146,566,427</b>	<b>385,002,194</b>	<b>205,657,042</b>	<b>25,872,855</b>	<b>1,068,547,936</b>
Of it: Cash Margins	83,649,717	1,932,839	66,729,633	38,162,561	-	190,474,750
Accepted Letters of Guarantee	-	-	23,397,574	2,758,185	-	26,155,759
Real Estate	185,705,233	174,823,940	142,518,893	113,126,398	-	616,174,464
Quoted Stocks	7,548,180	-	7,425,240	-	-	14,973,420
Vehicles and Equipment	22,116,619	31,600	2,767,010	2,312,599	-	27,227,828
<b>Total</b>	<b>299,019,749</b>	<b>176,788,379</b>	<b>242,838,350</b>	<b>156,359,743</b>	<b>-</b>	<b>875,006,221</b>

As of December 31, 2012	Companies					Total
	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Government and Public Sector	
	JD	JD	JD	JD	JD	JD
<b>Guarantees against:</b>						
Low Risk	145,582,323	4,724,517	93,282,053	43,581,703	25,296,467	312,467,063
Acceptable Risk	236,158,054	97,787,105	344,745,246	135,985,309	2,338,436	817,014,150
Under Watch	358,848	-	14,509,773	490,572	-	15,359,193
<b>Non-Performing:</b>						
Below Level	2,780,555	426,401	9,380,839	3,924,947	-	16,512,742
Allowance Provided	11,825,052	353,195	22,527,326	8,479,683	-	43,185,256
Bad Debt	4,218,772	3,650,271	16,400,640	13,455,937	-	37,725,620
<b>Total</b>	<b>400,923,604</b>	<b>106,941,489</b>	<b>500,845,877</b>	<b>205,918,151</b>	<b>27,634,903</b>	<b>1,242,264,024</b>
Of it: Cash Margins	82,198,686	123,500	82,174,977	73,629,177	-	238,126,340
Accepted Letters of Guarantee	-	-	19,421,128	1,083,994	-	20,505,122
Real Estate	207,102,434	108,435,958	263,425,682	102,114,476	-	681,078,550
Quoted Stocks	6,875,510	-	10,871,920	1,600	-	17,749,030
Vehicles and Equipment	25,201,407	31,600	2,650,799	1,615,028	-	29,498,834
<b>Total</b>	<b>321,378,037</b>	<b>108,591,058</b>	<b>378,544,506</b>	<b>178,444,275</b>	<b>-</b>	<b>986,957,876</b>

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 shortage. Moreover, the bank evaluates the guarantees against non-performing credit facilities periodically.

### Scheduled Debts:

These 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 3,852,757 for the year 2013 (JD 7,655,410 for the year 2012).

### 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 15,856,417 for the year 2013 (JD 23,265,902 for the year 2012).

### Bonds, Bills, Debentures and Mutual Funds:

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

#### As of December 31, 2013

Rating Grade	Rating Institution	Within Financial Assets at Fair Value Through Profit or Loss	Within Financial Assets at Fair Value Through Other Comprehensive Income	Within Financial Assets Measured at Amortized Cost	Total
		JD	JD	JD	JD
AA3	MOODYS	-	-	705,067	705,067
Unclassified	-	-	2,292,906	8,728,000	11,020,906
Governmental	Governmental & Government Guaranteed Bonds	-	-	265,432,885	265,432,885
Total		-	2,292,906	274,865,952	277,158,858

#### As of December 31, 2012

Rating Grade	Rating Institution	Within Financial Assets at Fair Value Through Profit or Loss	Within Financial Assets at Fair Value Through Other Comprehensive Income	Within Financial Assets Measured at Amortized Cost	Total
		JD	JD	JD	JD
AA3	MOODYS	-	-	704,113	704,113
B+	S&P	3,588,911	-	-	3,588,911
Unclassified	-	-	2,360,403	5,500,117	7,860,520
Governmental	Governmental & Government Guaranteed Bonds	11,401,777	-	489,827,593	501,229,370
Total		14,990,688	2,360,403	496,031,823	513,382,914

**Concentration on Credit Risk Exposure According to Geographical Areas:**

Geographical Area	Inside Jordan	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	189,342,046	23,855,445	470,950	-	-	-	213,668,441
Balances at Banks and Financial Institutions	52,662,464	54,815,883	91,055,334	452,870	8,292,192	593,398	207,872,141
Deposits at Banks and Financial Institutions	20,000,000	-	6,661,835	-	-	-	26,661,835
<b>Credit Facilities:</b>							
To individuals	299,639,354	29,378,563	204,131	-	-	-	329,222,048
Real Estate Loans	138,935,614	3,104,040	-	-	-	-	142,039,654
Corporates	431,033,535	22,829,177	35,870,015	-	-	-	489,732,727
Small and Medium Companies	199,394,043	1,689,481	51,039	-	-	-	201,134,563
Government and Public Sector	1,986,373	21,769,452	2,117,030	-	-	-	25,872,855
<b>Bonds, Bills, and Debentures:</b>							
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	249,160,885	25,705,067	-	-	-	-	274,865,952
Other Assets	2,845,064	4,089,883	21,335	-	-	-	6,956,282
<b>Total 2013</b>	<b>1,584,999,378</b>	<b>187,236,991</b>	<b>136,451,669</b>	<b>452,870</b>	<b>8,292,192</b>	<b>593,398</b>	<b>1,918,026,498</b>
<b>Total 2012</b>	<b>1,534,577,829</b>	<b>649,970,128</b>	<b>183,685,620</b>	<b>434,706</b>	<b>41,418,144</b>	<b>-</b>	<b>2,410,086,427</b>

\* Excluding Middle Eastern Countries.

**Concentration on Credit Risk Exposure According to the Economic Sector:**

Economic Sector	Financial	Industrial	Trade	Real Estate	Agriculture	Shares	Individuals	Government and Public Sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	213,668,441	-	213,668,441
Balances at Banks and Financial Institutions	207,872,141	-	-	-	-	-	-	-	-	207,872,141
Deposits at Banks and Financial Institutions	26,661,835	-	-	-	-	-	-	-	-	26,661,835
Credit Facilities	167,941,857	111,987,246	400,868,154	306,272,452	9,712,213	3,706,470	125,150,374	25,872,855	36,490,226	1,188,001,847
Bonds, Bills, and Debentures:										
Financial Assets Measured at Amortized Cost	274,865,952	-	-	-	-	-	-	-	-	274,865,952
Other Assets	6,956,282	-	-	-	-	-	-	-	-	6,956,282
<b>Total 2013</b>	<b>684,298,067</b>	<b>111,987,246</b>	<b>400,868,154</b>	<b>306,272,452</b>	<b>9,712,213</b>	<b>3,706,470</b>	<b>125,150,374</b>	<b>239,541,296</b>	<b>36,490,226</b>	<b>1,918,026,498</b>
<b>Total 2012</b>	<b>1,002,467,307</b>	<b>120,749,683</b>	<b>432,906,344</b>	<b>151,249,258</b>	<b>11,104,244</b>	<b>6,348,907</b>	<b>292,168,506</b>	<b>339,791,570</b>	<b>53,300,608</b>	<b>2,410,086,427</b>

### 39- b. Market Risk

Market risk is the potential loss 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 for the financial instruments that are on and off-consolidated statement of financial position.

Within the bank's investment policy approved by the Board of Directors, acceptable risks are set and monitored monthly by the Assets and Liabilities Committee which provide 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 the financial instruments. The bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities according to the various time limits or review of interest rates in a certain period. Moreover, the bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy.

The bank is exposed to interest rate risks as a result of the timing gaps of re-pricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee through reviewing the report to identify interest rate 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, 2013	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	3,197,536	1,381,871
Euro	1	83,379	30,771
GBP	1	6,308	-
Yen	1	1,189	6
Other Currencies	1	1,289,472	1,229,794

December 31, 2013	Change (Decrease) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	(3,197,536)	(1,381,871)
Euro	1	(83,379)	(30,771)
GBP	1	(6,308)	-
Yen	1	(1,189)	(6)
Other Currencies	1	(1,289,472)	(1,229,794)

December 31, 2012	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	4,261,967	1,541,035
Euro	1	25,831	31,087
GBP	1	13,391	-
Yen	1	5,183	44
Other Currencies	1	1,269,287	1,167,385

December 31, 2012	Change (Decrease) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
Currency	%	JD	JD
US Dollar	1	(4,261,967)	(1,541,035)
Euro	1	(25,831)	(31,087)
GBP	1	(13,391)	-
Yen	1	(5,183)	(44)
Other Currencies	1	(1,269,287)	(1,167,385)

## 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 management.

December 31, 2013			
Currency	Change in Foreign Currency Rate	Effect on Profit & Loss	Effect on Owners' Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	507,832	-
GBP	5	36,562	-
Yen	5	102,348	-
Other currencies	5	260,197	-

December 31, 2012			
Currency	Change in Foreign Currency Rate	Effect on Profit & Loss	Effect on Owners' Equity
Currency:	%	JD	
US Dollar	-	-	-
Euro	5	17,351	-
GBP	5	2,372	-
Yen	5	192,228	-
Other currencies	5	1,034,286	-

## 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 the executive management to ensure that the maintenance of the currencies positions are within the approved limits. Moreover, the bank follows the hedging policy to mitigate the risks of foreign currencies by using financial derivatives.

## Risks of Changes in Shares Prices:

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

December 31, 2013			
Indicator	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
	(%)	JD	JD
Amman Stock Exchange	5	72,016	681,928

December 31, 2012			
Indicator	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
	(%)	JD	JD
Amman Stock Exchange	5	100,966	687,730

## - Shares Price Risk

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

## Interest Repricing Gap

The bank adopts the policy of matching the amounts and maturities of assets and liabilities to narrow gaps through dividing assets and liabilities into several categories with different durations or interest rate review maturities, whichever are nearer. This policy reduces risks, includes a study of the related interest rate gaps, and uses hedging policies through developed tools. Classification is based on interest rate repricing periods or maturities, whichever are nearer.



**Interest rate sensitivity is as follows:**

As of December 31, 2013	Up to 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
<b>Assets</b>								
Cash and Balances at Central Banks	162,359,522	2,308,669	69,798	-	-	7,444,500	84,475,890	256,658,379
Balances at Banks and Financial Institutions	156,667,721	26,153,958	-	-	-	-	25,050,462	207,872,141
Deposits at Banks and Financial Institutions	-	-	1,367,911	25,293,924	-	-	-	26,661,835
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	1,440,320	1,440,320
Direct Credit Facilities - Net	37,051,482	184,158,037	88,453,976	141,075,736	147,509,235	550,265,073	39,488,308	1,188,001,847
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	23,973,527	23,973,527
Financial Assets Measured at Amortized cost	17,581,878	23,686,365	51,352,781	33,501,060	148,038,801	705,067	-	274,865,952
Investments in Associates and Unconsolidated Subsidiary Company	-	-	-	-	-	-	10,304,730	10,304,730
Properties, Equipment, and Projects Under Construction - Net	-	-	-	-	-	-	54,013,760	54,013,760
Intangible Assets	-	-	-	-	-	-	1,777,341	1,777,341
Other Assets	-	-	-	-	-	-	95,516,308	95,516,308
Deferred Tax Assets	-	-	-	-	-	-	4,397,862	4,397,862
Assets Held for Sale	-	-	-	557,145,819	-	-	-	557,145,819
<b>Total Assets</b>	<b>373,660,603</b>	<b>236,307,029</b>	<b>141,244,466</b>	<b>757,016,539</b>	<b>295,548,036</b>	<b>558,414,640</b>	<b>340,438,508</b>	<b>2,702,629,821</b>
<b>Liabilities</b>								
Banks and Financial Institutions Deposits	101,539,798	4,894,985	1,412,539	10,000,000	2,838,000	-	-	120,685,322
Customers' Deposits	410,454,062	240,044,327	132,536,720	122,684,274	173,991,306	-	381,483,684	1,461,194,373
Cash Margins	41,672,644	38,244,592	18,307,873	27,607,725	131,416,976	138,844	-	257,388,654
Borrowed Funds	-	-	2,500,000	7,790,978	12,245,132	4,000,000	-	26,536,110
Various Provisions	-	-	-	-	-	-	3,375,908	3,375,908
Provision for Income Tax	-	-	-	-	-	-	6,948,876	6,948,876
Deferred Tax Liabilities	-	-	-	-	-	-	635,514	635,514
Other Liabilities	-	-	-	-	-	-	26,683,934	26,683,934
Liabilities Directly Associated with Assets Classified as Held for Sale	-	-	-	514,895,799	-	-	-	514,895,799
<b>Total Liabilities</b>	<b>553,666,504</b>	<b>283,183,904</b>	<b>154,757,132</b>	<b>682,978,776</b>	<b>320,491,414</b>	<b>4,138,844</b>	<b>419,127,916</b>	<b>2,418,344,490</b>
Interest Rate Repricing Gap	(180,005,901)	(46,876,875)	(13,512,666)	74,037,763	(24,943,378)	554,275,796	(78,689,408)	284,285,331
<b>As of December 31, 2012</b>								
Total Assets	556,681,198	233,961,477	135,626,560	181,178,671	459,116,290	689,785,688	393,936,835	2,650,286,719
Total Liabilities	715,454,516	348,056,931	312,334,904	219,347,297	142,493,823	248,282,020	394,202,254	2,380,171,745
Interest Rate Repricing Gap	(158,773,318)	(114,095,454)	(176,708,344)	(38,168,626)	316,622,467	441,503,668	(265,419)	270,114,974

## Concentration in Foreign Currencies Risk:

As of December 31, 2013	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Assets	JD	JD	JD	JD	JD	JD
Cash and Balances at the Central Banks	45,872,911	9,060,749	261,748	1,370	9,935,963	65,132,741
Balances at Banks and Financial Institutions	119,857,851	31,826,234	10,364,120	292,873	5,125,140	167,466,218
Deposits at Banks and Financial Institutions	6,661,835	-	-	-	-	6,661,835
Direct Credit Facilities - Net	185,407,482	6,209,706	20	-	26,859,840	218,477,048
Financial Assets at Fair Value Through Other Comprehensive Income	2,771,072	-	-	-	-	2,771,072
Financial Assets Measured at Amortized Cost	23,747,567	-	-	-	-	23,747,567
Properties and Equipment and Projects Under Construction - Net	527,567	-	-	-	-	527,567
Intangible Assets - Net	120,232	-	-	-	-	120,232
Other Assets	2,068,429	39,523	304,848	33,936	4,462,256	6,908,992
Assets Held for Sale	557,145,819	-	-	-	-	557,145,819
<b>Total Assets</b>	<b>944,180,765</b>	<b>47,136,212</b>	<b>10,930,736</b>	<b>328,179</b>	<b>46,383,199</b>	<b>1,048,959,091</b>
<b>Liabilities</b>						
Banks and Financial Institutions Deposits	17,852,074	3,927,980	3,057,859	298,281	7,148,143	32,284,337
Customers' Deposits	329,609,113	27,428,229	7,842,682	1,507,434	39,443,755	405,831,213
Cash Margins	49,285,440	5,315,957	494,039	192,890	4,382,970	59,671,296
Various Provisions	49,174	-	-	-	-	49,174
Other Liabilities	3,434,529	307,409	267,402	376,525	612,261	4,998,126
Liabilities Directly Associated with Assets Classified as Held for Sale	514,895,799	-	-	-	-	514,895,799
<b>Total Liabilities</b>	<b>915,126,129</b>	<b>36,979,575</b>	<b>11,661,982</b>	<b>2,375,130</b>	<b>51,587,129</b>	<b>1,017,729,945</b>
Net Concentration on - the Consolidated Statement of Financial Position	29,054,636	10,156,637	(731,246)	(2,046,951)	(5,203,930)	31,229,146
Off-the Consolidated Statement of Financial Position Contingent Liabilities	294,652,916	30,608,104	5,025,188	10,141,123	10,977,292	351,404,623
<b>As of December 31, 2012</b>						
Total Assets	787,147,534	53,004,452	16,016,216	4,600,916	230,172,984	1,090,942,102
Total Liabilities	781,911,890	53,351,465	16,163,642	756,371	209,487,277	1,061,670,645
Net Concentration on - the Consolidated statement of financial position	5,235,644	(347,013)	(147,426)	3,844,545	20,685,707	29,271,457
Off-the Consolidated Statement of Financial Position Contingent Liabilities	268,445,390	35,561,803	1,151,098	3,495,210	15,043,997	323,697,498

## 39 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, the 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 to lower funding costs.

Moreover, the bank has a large customer base comprising of individuals, establishments, and corporations. In addition, due to its financial strength, the Bank has an ability to access cash markets, which represents an additional available funding source.

The existence of the bank in most of the cities of the Hashemite Kingdom of Jordan (53 branches) in addition to its branches in Palestine, Cyprus and its subsidiary company in Lebanon enables 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 the central banks as a restricted cash reserve that cannot be utilized except under specified regulations. In addition, the liquidity ratios are reserved at levels higher than the minimum imposed by the central banks in the countries in which the bank operates.

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 consolidated statement of financial position until the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

- The distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2013:

Liabilities	Up to One Month	More Than 1 Month up to 3 Months	More Than 3 Months up to 6 Months	More Than 6 Months up to 1 Year	From 1 Year up to 3 Years	More Than 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks and Financial Institutions Deposits	101,539,798	4,894,985	1,412,539	10,000,000	2,838,000	-	-	120,685,322
Customers' Deposits	791,937,746	240,044,327	132,536,720	122,684,274	173,991,306	-	-	1,461,194,373
Cash Margins	41,672,644	38,244,592	18,307,873	27,607,725	131,416,976	138,844	-	257,388,654
Borrowed Funds	-	-	2,500,000	7,790,978	12,245,132	4,000,000	-	26,536,110
Various Provisions	-	-	-	-	-	-	3,375,908	3,375,908
Income Tax Provision	-	-	-	-	-	-	6,948,876	6,948,876
Deferred Tax Liabilities	-	-	-	-	-	-	635,514	635,514
Other Liabilities	-	-	-	-	-	-	26,683,934	26,683,934
Liabilities Directly Associated with Assets								
Classified as Held for Sale	-	-	-	514,895,799	-	-	-	514,895,799
<b>Total Liabilities</b>	<b>935,150,188</b>	<b>283,183,904</b>	<b>154,757,132</b>	<b>682,978,776</b>	<b>320,491,414</b>	<b>4,138,844</b>	<b>37,644,232</b>	<b>2,418,344,490</b>
<b>Total Assets</b>	<b>524,115,583</b>	<b>236,307,029</b>	<b>141,244,466</b>	<b>757,016,539</b>	<b>295,548,036</b>	<b>558,414,640</b>	<b>189,983,528</b>	<b>2,702,629,821</b>

- The distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2012:

Liabilities	Up to One Month	More Than 1 Month up to 3 Months	More Than 3 Months up to 6 Months	More Than 6 Months up to 1 Year	From 1 Year up to 3 Years	More Than 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks and Financial Institutions Deposits	95,623,203	70,706,342	1,303,365	10,635,000	21,802,250	-	-	200,070,160
Customers' Deposits	893,681,789	269,358,638	258,328,041	157,249,437	95,173,651	123,279,370	-	1,797,070,926
Cash Margins	19,802,156	7,991,951	52,703,498	41,973,006	21,065,567	125,002,650	-	268,538,828
Borrowed Funds	55,000,000	-	-	9,489,854	4,452,355	-	-	68,942,209
Various Provisions	-	-	-	-	-	-	5,059,440	5,059,440
Income Tax Provision	-	-	-	-	-	-	9,176,344	9,176,344
Deferred Tax Liabilities	-	-	-	-	-	-	658,596	658,596
Other Liabilities	-	-	-	-	-	-	30,655,242	30,655,242
<b>Total Liabilities</b>	<b>1,064,107,148</b>	<b>348,056,931</b>	<b>312,334,904</b>	<b>219,347,297</b>	<b>142,493,823</b>	<b>248,282,020</b>	<b>45,549,622</b>	<b>2,380,171,745</b>
<b>Total Assets</b>	<b>750,664,543</b>	<b>233,961,477</b>	<b>135,626,560</b>	<b>181,178,671</b>	<b>459,116,290</b>	<b>689,785,688</b>	<b>199,953,490</b>	<b>2,650,286,719</b>

**Off- Consolidated Statement of Financial Position items:**

December 31, 2013	Up to One Year	More than One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	240,209,528	-	-	240,209,528
Unutilized credit facilities	104,358,528	-	-	104,358,528
Letters of guarantee	170,658,903	13,106,974	-	183,765,877
<b>Total</b>	<b>515,226,959</b>	<b>13,106,974</b>	<b>-</b>	<b>528,333,933</b>

December 31, 2012	Up to One Year	More than One Year to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	252,788,557	99,442	-	252,887,999
Unutilized credit facilities	88,613,454	-	-	88,613,454
Letters of guarantee	183,122,184	5,002,523	-	188,124,707
<b>Total</b>	<b>524,524,195</b>	<b>5,101,965</b>	<b>-</b>	<b>529,626,160</b>

## 40. Sectors Analysis

### a. Information on the Bank's Activity Sectors

For managerial purposes, the Bank is organized into six major activity sectors as well as financial brokerage and consultation services provided by Al-Ahli Financial Brokerage Company.

- Accounts of individuals: includes following up on individual customers' deposits, granting them loans, debts, credit cards, and other services.

- Accounts of small & middle companies: includes following up on deposits and credit facilities granted to the clients of this sector, who are classified according to their deposits and facilities volume in accordance to the Bank's established policies and procedures, which conform to the regulatory authorities instructions.

- Accounts of corporations: includes following up on deposits and credit facilities granted to the clients of this sector, who are classified according to their deposits and facilities volume in accordance to the Bank's established policies and procedures, which conform to the regulatory authorities instructions.

- Treasury: includes providing dealing, treasury, fund management services, and long-term investments measured at amortized cost that are held until the collection of contractual cash flows.

- Investment and foreign currency management: includes the bank's local and foreign investments recorded at fair value in addition to foreign currency trading services.

- Other: includes all accounts not listed in the above mentioned sectors. For example, shareholder's equity, investments in subsidiaries, property and equipment, and general and supporting management accounts.

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

	Individuals	Small and Medium Companies	Corporates	Treasury	Investments and Foreign Currencies	Other	Total	
	JD	JD	JD	JD	JD	JD	2013	2012 (Represented)
Gross Revenue	41,281,761	15,691,554	31,338,374	11,515,388	242,958	3,422,898	103,492,933	104,576,432
Provision for Impairment in Direct Credit Facilities	(3,912,446)	(2,671,702)	(11,887,982)	-	-	-	(18,472,130)	(14,886,684)
Results of the Business Sector	37,369,315	13,019,852	19,450,392	11,515,388	242,958	3,422,898	85,020,803	89,689,748
Distributed Expenses	(32,108,902)	(10,497,533)	(14,049,807)	(3,021,849)	(768,689)	(3,711,720)	(64,158,500)	(58,221,403)
Bank's Share of Associates Company's Gain (Loss)	-	-	-	-	11,474	-	11,474	(755,732)
Income for the Year Before Taxes	5,260,413	2,522,319	5,400,585	8,493,539	(514,257)	(288,822)	20,873,777	30,712,613
Income Tax							(7,340,818)	(9,429,188)
Income for the Year from Continuing Operations							13,532,959	21,283,425
Net Income from Discontinued Operations							2,470,930	2,562,271
Income for the Year							16,003,889	23,845,696
Additional Information							JD	JD
Sector's Assets	481,837,829	222,018,276	527,885,170	775,328,215	70,127,496	519,611,797	2,596,808,783	2,534,987,621
Investments in Associates and Unconsolidated Subsidiary Company	-	-	-	-	-	10,304,730	10,304,730	11,269,321
Assets not Distributed over Sectors	-	-	-	-	-	95,516,308	95,516,308	104,029,777
Total Assets	481,837,829	222,018,276	527,885,170	775,328,215	70,127,496	625,432,835	2,702,629,821	2,650,286,719
Sector's Liabilities	968,092,839	340,056,247	352,916,653	137,455,228	-	593,139,589	2,391,660,556	2,344,592,790
Liabilities Not Distributed over Sectors	-	-	-	-	-	26,683,934	26,683,934	35,578,955
Total Liabilities	968,092,839	340,056,247	352,916,653	137,455,228	-	619,823,523	2,418,344,490	2,380,171,745
Capital Expenditures							11,397,186	6,640,737
Depreciation and Amortization							6,909,305	6,499,056

## 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, which represents the local operations. Moreover, the bank conducts regional operations through its branches in Palestine, Cyprus and its subsidiary in Lebanon.

The following are the bank's revenue, assets and capital expenditures according to geographical allocation:

	Inside Jordan *		Outside Jordan *		Total	
	2013	2012	2013	2012	2013	2012
	JD	JD	JD	JD	JD	JD
Total Revenue	93,306,226	94,460,924	10,186,707	10,115,508	103,492,933	104,576,432
Total Assets	1,863,546,174	1,900,475,894	839,083,647	749,810,825	2,702,629,821	2,650,286,719
Capital Expenditures	11,014,246	5,221,616	382,940	1,419,121	11,397,186	6,640,737

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

## 41. 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's instructions. Furthermore, capital consists of two parts: Primary Capital (Tier 1) made up of paid-up capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings, excluding restricted and minority interest amounts net of loss for the period, costs of the acquisition of treasury stock, decrease in the provisions required from the bank, and goodwill; and Support capital (Tier 2) consisting of the undeclared reserves, exchange rate differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the cumulative change in fair value, if positive, and 100%, if negative. A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks Investments in subsidiary banks and financial institutions are deducted (if their financial statements are not consolidated). Moreover, investments in the capitals of banks and financial institutions are deducted.

### b. Regulatory party's 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 than 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 objectives

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 customer's 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	
	2013 (in thousand)	2012 (in thousand)
Primary Capital Items		
Subscribed and Paid-up Capital	165,000	150,000
Statutory Reserve	43,935	41,601
Voluntary Reserve	26,224	23,890
Share Premium	9,346	9,346
Other Reserves	1,606	1,221
Retained Earnings	21,149	22,313
Less:		
Real Estate Foreclosed by the Bank Against Debts	(33,285)	(24,944)
Goodwill and Other Intangible Assets	(1,777)	(3,458)
Investment in Insurance Companies and Unconsolidated Financial Institutions	(22,362)	(1,447)
Deficit in Additional Paid-up Capital	(10,548)	-
Total Primary Capital	199,288	218,522
Supplementary Capital Items:		
General Banking Risks Reserve	11,148	14,276
Fair Value Reserve	666	687
Less:		
Investments in Insurance Companies and Unconsolidated Financial Institutions	(22,362)	(1,447)
Total Supplementary Capital	-	13,516
Total Regulatory Capital	199,288	232,038
Total Risk-Weighted Assets	1,627,977	1,920,895
Regulatory Capital Adequacy Ratio (%)	12.24	12.08
Primary Capital Adequacy Ratio (%) *	12.24	11.38

\* 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, 2013 and as of December 31, 2012.



## 42. 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, 2013	Up to One Year	More than One Year	Total
Assets:	JD	JD	JD
Cash and Balances at Central Banks	249,213,879	7,444,500	256,658,379
Balances at Banks and Financial Institutions	207,872,141	-	207,872,141
Deposits at Banks and Financial Institutions	26,661,835	-	26,661,835
Financial Assets at Fair Value Through Profit or Loss	1,440,320	-	1,440,320
Direct Credit Facilities - Net	490,227,539	697,774,308	1,188,001,847
Financial Assets at Fair Value Through Other Comprehensive Income	23,973,527	-	23,973,527
Financial Assets Measured at Amortized Cost	126,122,084	148,743,868	274,865,952
Investments in Associates and Unconsolidated Subsidiary Company	-	10,304,730	10,304,730
Properties, Equipment, and Projects Under Construction - Net	-	54,013,760	54,013,760
Intangible Assets - Net	-	1,777,341	1,777,341
Other Assets	-	95,516,308	95,516,308
Deferred Tax Assets	-	4,397,862	4,397,862
Assets Held for Sale	557,145,819	-	557,145,819
<b>Total Assets</b>	<b>1,682,657,144</b>	<b>1,019,972,677</b>	<b>2,702,629,821</b>
<b>Liabilities:</b>			
Banks and Financial Institutions Deposits	117,847,322	2,838,000	120,685,322
Customers Deposits	1,287,203,067	173,991,306	1,461,194,373
Cash Margins	125,832,834	131,555,820	257,388,654
Borrowed Funds	10,290,978	16,245,132	26,536,110
Various Provisions	3,375,908	-	3,375,908
Provision for Income Tax	6,948,876	-	6,948,876
Deferred Tax Liabilities	-	635,514	635,514
Other Liabilities	-	26,683,934	26,683,934
Liabilities Directly Associated with Assets Classified as Held for Sale	514,895,799	-	514,895,799
<b>Total Liabilities</b>	<b>2,066,394,784</b>	<b>351,949,706</b>	<b>2,418,344,490</b>
<b>Net</b>	<b>(383,737,640)</b>	<b>668,022,971</b>	<b>284,285,331</b>

December 31, 2012	Up to	More than	Total
	One Year	One Year	
Assets:	JD	JD	JD
Cash and Balances at Central Banks	352,612,756	150,825	352,763,581
Balances at Banks and Financial Institutions	279,234,910	-	279,234,910
Deposits at Banks and Financial Institutions	20,635,000	10,635,000	31,270,000
Financial Assets at Fair Value Through Profit or Loss	5,606,912	11,403,093	17,010,005
Direct Credit Facilities - Net	545,769,867	728,253,043	1,274,022,910
Financial Assets at Fair Value Through Other Comprehensive Income	24,150,414	-	24,150,414
Financial Assets Measured at Amortized Cost	97,571,806	398,460,017	496,031,823
Investments in Associates and Unconsolidated Subsidiary Company	-	11,269,321	11,269,321
Properties, Equipment, and Projects Under Construction - Net	-	57,657,523	57,657,523
Intangible Assets - Net	-	3,458,438	3,458,438
Other Assets	-	99,261,192	99,261,192
Deferred Tax Assets	-	4,156,602	4,156,602
<b>Total Assets</b>	<b>1,325,581,665</b>	<b>1,324,705,054</b>	<b>2,650,286,719</b>
<b>Liabilities:</b>			
Banks and Financial Institutions Deposits	178,267,910	21,802,250	200,070,160
Customers Deposits	1,578,617,905	218,453,021	1,797,070,926
Cash Margins	122,470,611	146,068,217	268,538,828
Borrowed Funds	64,489,854	4,452,355	68,942,209
Various Provisions	5,059,440	-	5,059,440
Provision for Income Tax	9,176,344	-	9,176,344
Deferred Tax Liabilities	-	658,596	658,596
Other Liabilities	-	30,655,242	30,655,242
<b>Total Liabilities</b>	<b>1,958,082,064</b>	<b>422,089,681</b>	<b>2,380,171,745</b>
<b>Net</b>	<b>(632,500,399)</b>	<b>902,615,373</b>	<b>270,114,974</b>

## 43. Accounts Managed on Behalf of Customers

	December 31,	
	2013	2012
	JD	JD
Accounts Managed on Behalf of Customers *	40,646,141	27,816,323

\* This item represents accounts with no guaranteed capital managed on behalf of customers. These accounts do not appear on the consolidated statement of financial position.

## 44. Commitments and Contingent Liabilities

### a. Commitments and Contingent Liabilities:

	December 31,	
	2013	2012
	JD	JD
Letters of Credit:		
Letters of Credit - Outcoming	69,771,684	72,381,681
Letters of Credit - Incoming	129,430,184	140,349,775
Acceptances	41,007,660	40,156,543
Letters of Guarantee:		
- Payments	102,226,349	101,546,837
- Performance Bonds	58,151,439	64,549,239
- Other	23,388,089	22,028,631
Unutilized Credit Facilities	104,358,528	88,613,454
Total	528,333,933	529,626,160

b. The bank signed multiple agreements to purchase a new banking system with a total cost of around JD 14 million. The system is still under construction. Noting that there is around JD 3.5 million not paid yet as of December 31, 2013.

## 45. Lawsuits Against the Bank

The lawsuits filed against the bank amounted to JD 10,696,032 as of December 31, 2013 (JD 4,464,287 as of December 31, 2012). In the opinion of the bank's management and its legal advisors, no liabilities exceeding the provision of JD 330,488 as of December 31, 2013 are expected to arise.

## 46. Fair Value Hierarchy

### A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs):

Financial Assets	Fair Value December 31, 2013	Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	JD				
Financial Assets at Fair Value					
<b>Financial Assets at Fair Value Through Profit or Loss:</b>					
Companies Stocks	1,440,320	Level 1	Quoted Shares	Not Applicable	Not Applicable
	1,440,320				
<b>Financial Assets at Fair Value Through Other Comprehensive Income:</b>					
Quoted Shares	13,638,560	Level 1	Quoted Shares	Not Applicable	Not Applicable
Mutual Funds	2,292,906	Level 2	The fund manager's evaluation of the fair value	Not Applicable	Not Applicable
Unquoted Shares	8,042,061	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	23,973,527				
<b>Total Financial Assets at Fair Value</b>	<b>25,413,847</b>				

There were no transfers between level 1 and level 2 during the year 2013.

**B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:**

Except what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the bank's financial statements approximate their fair values:

	December 31, 2013		
	Book Value	Fair Value	Fair Value Hierarchy
Financial Assets Not Calculated at Fair Value	JD	JD	
Deposits at Central Banks	124,713,054	124,724,261	Level 2
Balances and Deposits at Banks and Financial Institutions	207,872,141	208,267,657	Level 2
Direct Credit Facilities at Amortized Cost	1,188,001,847	1,193,338,402	Level 2
Other Financial Assets at Amortized Cost	274,865,952	278,848,197	Level 1 & 2
<b>Total Financial Assets Not Calculated at Fair Value</b>	<b>1,795,452,994</b>	<b>1,805,178,517</b>	
<b>Financial Liabilities Not Calculated at Fair Value</b>			
Banks and Financial Institutions Deposits	120,685,322	121,286,118	Level 2
Customers' Deposits	1,461,194,373	1,466,338,719	Level 2
Cash Margin	257,388,654	257,399,127	Level 2
Borrowed Funds	26,536,110	26,594,382	Level 2
<b>Total Financial Liabilities Not Calculated at Fair Value</b>	<b>1,865,804,459</b>	<b>1,871,618,346</b>	

For the items listed above, the fair value of the financial liabilities have been classified as level two in accordance with the generally accepted pricing models that reflect credit risk of counterparties.

## 47. Assets Held For Sale and Discontinued Operations

According to the Jordan Ahli Bank's Chairman of Board of Directors letter dated December 22, 2013 addressed to the Jordan Securities Commission, and his letter dated January 20, 2014 addressed to the Central Bank of Jordan, it was noted that there is a serious attempt to sell the bank's investment in Al-Ahli International Bank – Lebanon, where there is intensive negotiations with potential serious buyers and it is expected to complete the sale within the next few months. Due to the aforementioned, Al-Ahli International Bank – Lebanon's net revenue and expenses after tax from January 1, 2013 to December 31, 2013 have been shown as net profit from discontinued operations, in addition to classifying its assets to assets held for sale and its liabilities to liabilities directly associated with assets classified as held for sale item. Noting that the bank's management expects that the selling price of Al-Ahli International Bank – Lebanon will exceed the carrying amount. Moreover, and in accordance to IFRS (5) requirements, the comparative figures in the consolidated statement of income have been restated where Al-Ahli International Bank – Lebanon business results are presented as net income from discontinued operations, and the comparative figures for the consolidated financial position are not presented.

The results of the discontinued operations included in the income for the year are as follows:

	For the Year Ended December 31,	
	2013	2012
	JD	JD
Income for the Year from Discontinued Operations:		
Net Revenue from Interest and Commissions	11,467,250	10,516,188
Other Revenue	1,441,159	1,614,111
	12,908,409	12,130,299
Gross Operational Expenses	(9,673,809)	(9,022,322)
Bank's Share of Subsidiaries (Loss)/Gains	(126,469)	124,633
	(9,800,278)	(8,897,689)
Income before Tax	3,108,131	3,232,610
Income Tax	(637,201)	(670,339)
Net Income from Discontinued Operations	2,470,930	2,562,271

Details of the assets held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	December 31, 2013 JD
<b>Assets Held for Sale:</b>	
Cash and Balances at Central Banks	106,218,573
Balances at Banks and Financial Institutions	3,897,207
Balances at Associate Companies	5,734
Direct Credit Facilities - Net	155,983,703
Financial Assets at Fair Value Through Profit or Loss	15,523,809
Financial Assets at Fair Value Through Other Comprehensive Income	130,921
Financial Assets Measured at Amortized Cost	257,684,406
Investments in Associate Companies	846,873
Properties and Equipment - Net	7,628,235
Intangible Assets	1,422,996
Other Assets	7,803,362
<b>Total Assets</b>	<b>557,145,819</b>
<b>Liabilities Directly Associated with Assets Classified as Held for Sale:</b>	
Banks and Financial Institutions Deposits	8,010,951
Customers Deposits	457,736,424
Cash Margins	35,224,831
Subsidiaries and Associate Companies' Deposits	4,736,520
Various Provisions	1,349,994
Provision for Income Tax	454,795
Other Liabilities	7,382,284
<b>Total Liabilities</b>	<b>514,895,799</b>

## 48. Adoption of new and revised International Financial Reporting Standards (IFRSs)

### a. New and revised IFRSs and interpretation applied during 2013:

The following new and revised IFRSs and interpretation have been adopted in the preparation of the bank's consolidated financial statements for which they did not have any material impact on the amounts and disclosures of the consolidated financial statements (except IFRS 12 and 13 disclosures), however, they may affect the accounting for future transactions and arrangements:

IFRS 10 Consolidated Financial Statements.	Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.
IFRS 11 Joint Arrangements.	Replaces IAS 31 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.
IFRS 12 Disclosure of Interests in Other Entities.	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Has disclosed this information in its annual report.
IFRS 13 Fair Value Measurement	Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.
IAS 19 Employee Benefits (2011)	An amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.
IAS 27 Separate Financial Statements (2011)	Amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.
IAS 28 Investments in Associates and Joint Ventures (2011)	This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.
Amendments to IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities	Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.
Annual Improvements IFRSs 2009-2011 Cycle	IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34.
Amendments to IFRS 10, IFRS 11 and IFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	Provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.



## b. New and revised IFRSs and interpretation issued but not yet effective:

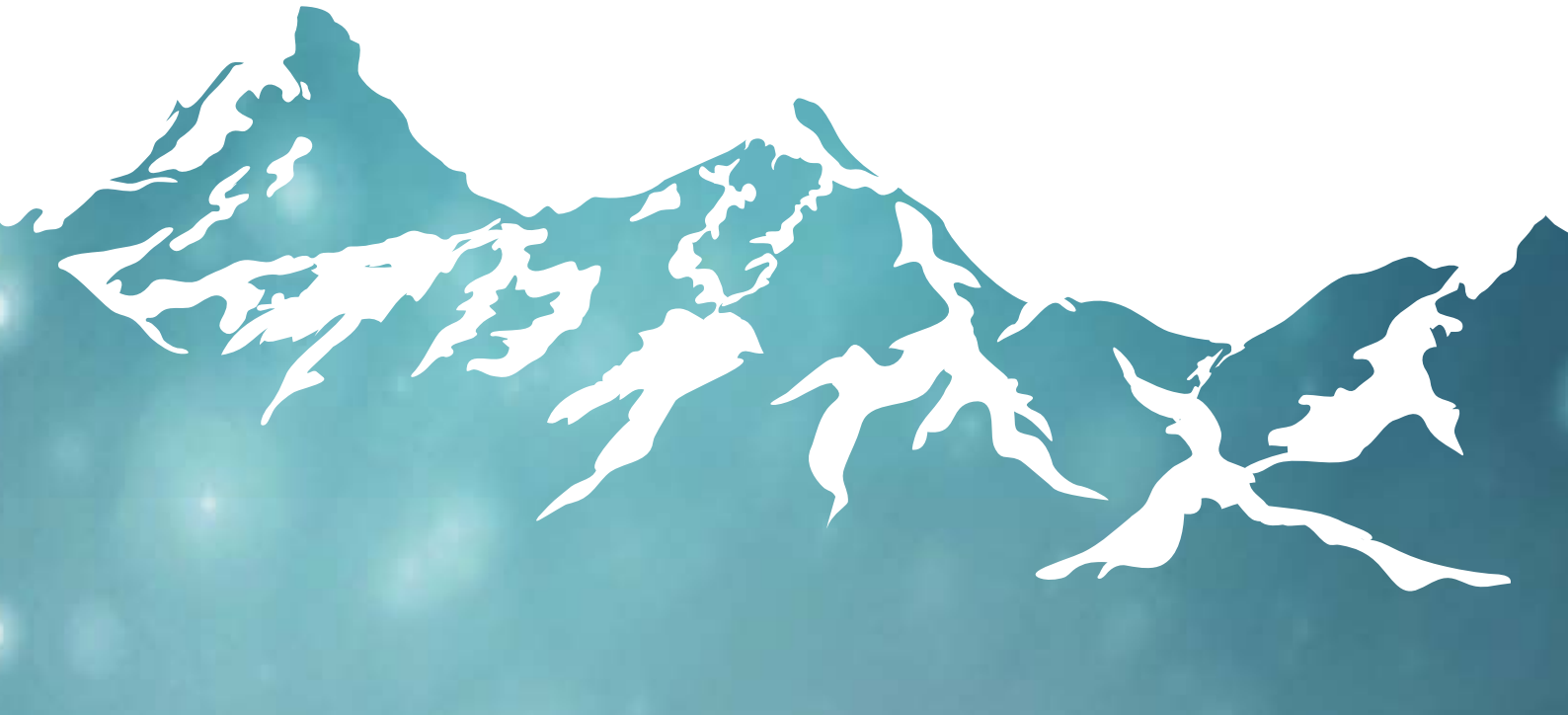
The bank has not applied the following new and revised IFRSs and interpretation that are available for early application but are not effective yet:

	Effective for Annual Periods Beginning On or After
Amendments to IAS 32 presentation Financial instruments - presentation / Offsetting Financial Assets and Liabilities.	1 January 2014.
Amendments to IFRS 10, IFRS 12 and IAS 27 separate financial statements.	1 January 2014.
Amendments to IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets.	1 January 2014.
Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting.	1 January 2014.
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions.	1 July 2014.
IFRIC 21 Levies	1 January 2014.

The banks' management anticipates that each of the above standards and interpretations will be adopted in the consolidated financial statements by its date mentioned above without having any material impact on the bank's consolidated financial statements.



# Disclosure Data



## Jordan Securities Commission Requirements Disclosure Data for 2013

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

The bank provides comprehensive banking and financial services, supplying its customers with a comprehensive range of services and technological developments in the field of banking, and in all economic sectors on the national and regional level.

### (b) Location of Branches

Jordan Ahli Bank's general management and headquarters is located in Shmeisani, Queen Nour St., and hosts a total of 743 employees. Jordan Ahli Bank's network of 55 branches and offices is ideally distributed among Jordan's governorates, concentrated particularly in Amman. The bank also provides coverage to Lebanon, which hosts nine branches operated through the subsidiary Ahli International Bank Co., in addition to the bank's five branches in Palestine, and one branch in Cyprus. Details of the aforementioned branches are presented at the end of this Annual Report. The total number of employees working for the bank during 2013 reached 1,666 employees, distributed among the branches as follows:

Branch Name	No. of Employees	Branch Name	No. of Employees	Branch Name	No. of Employees
Main Branch	37	Mecca St.	11	Chamber of Industry Building	9
Corporate	39	Queen Rania Al Abdullah St.	10	Jabal Amman	14
Middle East Circle	11	Culture St.	8	Wadi Saqra	8
Hurriya St.	7	Abdoun	10	Wasfi Al Tal St.	14
Sweifieh	9	Hashmi Al Shamali	8	Jabal Al Hussein	11
Dahiyat Al Yasmeen	8	Zarqa	14	Sweileh	10
Marka	9	Zarqa/Free Zone	8	Salt	9
University St.	5	Ruseifah	7	Deir Alla	8
Bayader Wadi Al Seer	10	Downtown – Amman	20	Irbid	14
Abdullah Ghosheh St.	10	Ibn Khaldoun St.	3	Hashmi St. – Irbid	12
Sweifieh/Al Wakalat	10	Marj Al Hamam	89	Ramtha	10
Mafraq	8	Abu Nseir	8	Maan	12
Jerash	10	Aqaba	19	Tafilah	11
Karak	14	Madaba	11	Bawabat Al Salt	9
Sahab	8	Khreibet Al Souk	9	City Mall	7
Al Fuhais	6	Taj Mall	7	Balqa University	7
Um Uthaina Souk	9	Khalda	7	New Zarqa	7
Rabia	6				

#### Al-Ahli International Bank - Lebanon

Jdeideh	9	Dora	9	Verdun	8
Hamra	6	Kaslik	9	Tripoli	13
Bab Idriss	11	Samaan Gallery	9	Sidon	11

#### Palestine

Nablus	21	Bireh – Ramallah	18	Bethlehem	21
Shallalah St. - Hebron	4	Salam St. – Hebron	19		

#### Cyprus

Limassol	15				
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### (c) Capital Investment Volume

As of December 31, 2013, the capital investment volume of Jordan Ahli Bank amounted to JD 54 million.

## 2. As of the end of 2013, the bank's numerous subsidiaries were as follows:

No.	Company Name	Main Activity	No. of Employees	Capital in Millions	Ownership Percentage
1	Ahli Micro Financing Co. LLC	Micro-projects financing	124	3.5	100 %
2	Zarqa National College LLC	Educational assessment services	61	0.8	100 %
3	Al Ahli Brokerage Co. PS	Brokerage	11	15	100 %
4	Al Ahli Financial Leasing Co. PS	Financial leasing	8	10	100 %
5	Ahlonia Social Work	Social work	1	1,7	100 %
6	Al Ahli International Bank S.A.L	Financial institution – Lebanon	197	29.8	97.92%

## 3. (a) Brief introduction of the Members of the Jordan Ahli Bank Board of Directors:

Name	Position	Year of Birth	Nationality	Educational Qualifications	Experience	Year of Appointment
H.E. Dr. Rajai Muasher	Chairman of the Board	1944	Jordanian	PhD Business Administration/ Marketing, USA; Master of Business Administration (MBA), USA; BA Chemistry, American University of Beirut	Deputy Prime Minister; Former Minister of State; Former Minister of Industry and Trade; Minister of Supply - multiple cycles; Member of the Senate - multiple cycles; Chairman and member of various companies	1997
H.E. Mr. Nadim Yousef Muasher	Executive Deputy Chairman	1950	Jordanian	MSc Civil Engineering, USA; BA Architecture	Former member of the Senate; Chairman to the following companies: Arab International Hotels Co. (Marriott); El Zay Ready Wear Manufacturing Co.; Jordan Worsted Mills Co.; Ad Dawliya for Hotels and Malls Co. (Sheraton); Business Tourism Co.	1997
Dr. Henry Azzam	Member Representative, Non-Executive	1949	Jordanian	PhD Economics; MA Statistics and Finance	Chairman and CEO, Deutsche Bank MENA; CEO, Amwal Invest/Jordan (2005-2007); Managing Director, Middle East Capital Group in Amman and Beirut (1998-2001)	2012
Until 28/4/2013						

Name	Position	Year of Birth	Nationality	Educational Qualifications	Experience	Year of Appointment
H.E. Dr. Sami Haddad From 29/4/2013	Member Non-Executive	1950	Lebanese	PhD Economic Development, Wisconsin University, USA; BA and Master of Economics, American University of Beirut	Assistant General Board Of Directors, Byblos Bank 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	2013
H.E. Mr. Ahmad Adel Badreddin	Member	1972	Egyptian	MBA of Business, Cranfield School of Management, UK BA Mechanical Engineering, The American University in Cairo	Barclays Capital - London, 8 Years Director of Integrated Diagnostics Holdings Manager in Spinneys, Stanford Marine, Viking and OMS Board Member of Endeavor Egypt	2013
H.E. Mr. Marwan Awad Representative, Jordan Worsted Mills Co. Until 19/1/2013	Member Executive	1951	Jordanian	Master of Economics, Vanderbilt University, USA; Higher Diploma in Economic Development, Vanderbilt University, USA; BA Business Administration, University of Jordan	Current CEO/General Manager of Jordan Ahli Bank; Head of Association of Banks in Jordan - multiple cycles; Former Minister of Finance; Former General Secretary, Ministry of Industry and Trade; Former General Manager, Industrial Development Bank; Former General Manager, Qatar Islamic Bank; Former General Manager, Middle East Investment Bank; Central Bank of Jordan – several positions; Author of several books and publications dealing with foreign exchange, investment, finance, and economic studies; Board Member of several companies	2009
H.E. Mr. Wasef Azar Representative, Jordan Investor Centre	Member Independent	1936	Jordanian	Master of Economics and Development Management, USA; Bachelor of Law (LLB), Damascus	Member of the House of Senate; Former Minister of Industry and Trade; Board Member of various companies; many years of experience in both the public and private sectors, and in various fields; Former Minister of Industry and Trade; Manager of several establishments and companies	1997
Mr. Emad Yousef Muasher Representative, Muasher Investment and Trading Co.	Member Non-Executive	1957	Jordanian	MA International Business Administration, USA; BA Economics	Deputy Chairman and Board Member of various companies, including Muasher Co., part of Muasher Group	1997

Name	Position	Year of Birth	Nationality	Educational Qualifications	Experience	Year of Appointment
Mr. Rafiq Saleh Muasher	Member Representative, Rajai Muasher & Brothers Co.	1949	Jordanian	MSc Construction Engineering; MSc Engineering, Project Management, USA	Ranco Co. for Contracting and Trade (1976–1980); Rajai Muasher & Brothers Co (1980–1985); Al Ahliyya Financial Investments (1985–1988); National Securities Co. (1988 to date)	1997
Mr. Mohammad Al Abdullat	Member Independent	1946	Jordanian	BA Commerce, Cairo University	Executive Director, Nuqul Group; Board Member/Treasurer, Chamber of Industry, Amman; Board Member, Arab Union Council for Paper Industry; Chairman of the Board, Pearl Sanitary Paper Converting Co. PLC; Advisor to the Office of the Prime Minister; Deputy Chairman, Civil Service Consumer Cooperation; Board Member in various foreign companies	2010
Mr. Hani Atallah Fraij	Member Independent	1940	Lebanese	BA Business Administration, American University of Beirut	General Manager of Atallah Fraij Institution, Beirut; Deputy Chairman of Arabia Insurance Co., Beirut; Chairman of Andlosya Co., Beirut	1997
Mr. Mahmoud Zuhdi Malhas	Member Independent	1935	Jordanian	BA Economics, American University of Beirut	Prominent businessman and owner of Al Mahmoudiah Trading Co., operating in general trade and trademarks representation since 1994; Chairman and Board Member to several banks and companies	1997
Mr. Ala'adin Sami	Member Independent	1953	Egyptian	MA Financial Management; BA Accounting	Deputy Chairman of Al Zahid Group, Saudi Arabia; Chairman of Arab-Sudanese Truck Co.; Board Member of Arab Truck and Vehicle Saudi Co.; Board Member of Laguna Tourism Development Co., Egypt	1997

Name	Position	Year of Birth	Nationality	Educational Qualifications	Experience	Year of Appointment
Mr. Karim Tawfik Kawar	Member	1966	Jordanian	BA Financial Management and Computer Science, Boston College	Former Jordanian Ambassador to the USA; Former Managers' Committee Member at: Ideal Group, Vision Investment, Batelco Jordan, and National Equipment and Technical Services; Former Economic Advisory Board Member; Current Chairman of the Board, Kawar Group; Board Member, JWICO; Head of Managers' Committee at: Iris Guard, Nathealth, Kawar Power Co., King Abdullah II Development Fund Board of Trustees, Jordan River Foundation Board of Trustees; Founder and President of the Management Committee for the Information Technology Companies' Society; President of Jordan Computer Society, as well as various other initiatives, societies, and groups	2008



### 3. (b) Brief Introduction to the Members of the Jordan Ahli Bank Senior Executive Management:

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
H.E. Mr. Marwan Awad	Chief Executive Officer, General Manager	1951	Jordanian	Masters in Economics, Vanderbilt University, USA; High Diploma in Economic Development, Vanderbilt University, USA; BA Business Administration, University of Jordan	Current CEO/General Manager, Jordan Ahli Bank; President, Jordan Banking Society – current cycle; Former Minister of Finance; Former Secretary General of Ministry of Industry and Trade; General Manager, Industrial Development Bank; General Manager, Qatar Islamic Bank; General Manager, 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 of the Board	1941	Jordanian	Higher Diploma in Administration, Bierzeit University	Teacher at the 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, Al Ahli Brokerage Co. PS
Mr. Saad Muasher	First Deputy Chief Executive Officer	1974	Jordanian	MBA Stanford University, USA; BA Economics, Northwestern University, USA	Assistant General Manager, Al Dawliyah for Hotels and Malls Co./ Sheraton Hotel; Board Member in several companies
Ms. Lina Bakhit	Deputy Chief Executive Officer Head of Ahli Capital Markets & Investments Group	1963	Jordanian	BA Business Administration, American University of Beirut	Chairman of the Board of Al Ahli Brokerage Co. PS; Former Head of Treasury Department, Jordan Investment and Finance Bank
Ms. Hadeel Khalaf	Deputy Chief Executive Officer; Head of Operations Group	1959	Jordanian	BA Business Administration, American University of Beirut	Jordan Ahli Bank (1997-to date); Business Bank (1990-to date)

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Hani Farraj	Deputy Chief Executive Officer; Head of Logistics Group & Secretary to the Board of Directors	1946	Jordanian	BA Literature; Diploma in Management	Past experience in the fields of administration, finance and law at the Radio and Television Corp. and the Arab Radio Stations Union for 27 years; Most recently held the position of Assistant General Manager for Administrative and Financial Affairs at the Radio and Television Corp.
Mr. Zahi Fakhoury	Deputy Chief Executive Officer; Head of Credit Group	1974	Jordanian	BA Accounting	Arab Bank; Credit and Commerce Bank
Mr. AbdulAziz Sadaqa	Deputy Chief Executive Officer; Head of Corporate Banking Group	1965	Jordanian	Master in Banking, Arab Academy for Banking and Financial Sciences; BAPublic Administration, University of Jordan	Manager of Credit Marketing Unit, Jordan Bank; Manager of Credit Unit, ABC
Mr. Bashar Al Bakri	Deputy Chief Executive Officer; Head of Human Resources Group	1963	Jordanian	BA Business Administration and Economics, University of Jordan; Higher Studies in Enterprise Management	Administrative Manager for Makshaf Holding, Riyadh; Human Resources Manager, Royal Jordanian
Mr. Kameel Haddad	Deputy Chief Executive Officer; Remedial, Recoveries, and Legal Affairs Group	1959	Jordanian	BA Statistics, University of Baghdad	Manager Statistics Unit, Manager Deposits Department, 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	MA in Computer Science, University of Kuwait	Executive Manager of Enterprise Programs, Kuwait National Bank (2006–2009); Banking Group Manager, International Integrated Information Systems Co. (1999–2006); Executive Manager, Middle East Investment Bank (1995–1998); Information Systems Manager, Ahli Bank (1993–1995)

Name	Position	Date of Birth	Nationality	Educational Qualifications	Experience
Mr. Tareq Omaish	Assistant General Manager, Head of Group Personal & Premium and branches management	1971	Jordanian	BA Economics/Politics, University of Jordan	Ahli Bank (1994-to date)
Mr. Ragheb Halaseh	Assistant General Manager, Head of Internal Audit Group	1950	Jordanian	BA Business Administration; Minor in Accounting, University of Damascus	Jordan Ahli Bank (1973-to date), Main Branch, Internal Audit, Branch Management, Internal Audit
Mr. Basel Naber	Assistant General Manager, Head of Group Finance	1968	Jordanian	MA Accounting	ABC Bank; Assistant Manager Financial Control, Cairo Amman Bank; Head of Section, Housing Bank
Mr. Khaled Najjar	Assistant General Manager, Head of Group SME	1964	Jordanian	BA Accounting, University of Jordan	Executive Manager, Industrial Development Bank; Branch Manager, Jordan Gulf Bank, Bank of Jordan, Jordan Kuwait Bank
Mr. George Farraj	Assistant General Manager Branches Abroad	1969	Jordanian	BA Business Administration and Economics, University of Jordan	Executive Manager Personal Banking Services, HSBC Bank (2000-2004); Cairo Amman Bank (1992-2000)
Dr. Michele Numan	Assistant General Manager, Head of Group Risk & Compliance	1973	Jordanian	PhD Banking and Financial Sciences	Investment Bank; Capital Bank; HSBC Bank
Ms. Oraib Hammoudeh	Deputy Assistant General Manager, Inspection and Internal Control Department	1969	Jordanian	Diploma in Programming and System Analysis; Diploma in Financial and Banking Sciences	Inspection and Internal Control Department (2005-to date); Jordan Ahli Bank branches(1990–2005)

## 4- Major Shareholders, Owning 5% or More of Jordan Ahli Bank's Capital:

No.	Name	Total Shares 2013	Ownership Percentage	Total Shares 2012	Ownership Percentage
1	Byblos Bank	17,128,124	10.38 %	15,571,022	10.38 %
2	Abraaj Capital Co. – UAE	15,388,612	9.33 %	13,989,648	9.32 %
3	Jordan Worsted Mills Co.	10,098,167	6.12 %	9,180,152	6.12 %
4	Jordan Investor Centre Co.	8,817,214	5.34 %	8,499,747	5.67 %
<b>Total</b>		<b>51,432,117</b>	<b>31.17 %</b>	<b>47,240,569</b>	<b>31.49 %</b>

## 5. Competition and Ranking:

Jordan Ahli Bank ranks third in terms of assets and net credit facilities, and fourth in terms of shareholders' equity and deposits. The bank operates in Jordan, Lebanon, Palestine and Cyprus and enjoys an excellent market share in each of the aforementioned locations.

**6. There are no specific suppliers or primary clients, internally or externally, which form 10% of the bank's purchases or revenues.**

**7. Neither Jordan Ahli Bank nor any of its products enjoy any government protection or privilege pursuant to laws, regulations or any other means.**

\* Jordan Ahli Bank has no patents or franchises.

**8. There have been no decisions issued by the government, international organizations or any similar institutions that have had a material impact on the bank, its products or its competitiveness.**

\* The bank adheres to specific quality standards regarding its activities, especially those related to the quality of the bank's services and products, in addition to 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:

The bank and its subsidiaries' organizational structures are outlined in the final pages of the Annual Report.

## b) Jordan Ahli Bank and Its Subsidiaries' Employees by Numbers, Categories and Qualifications:

	Less Than High School	High School	Community College	Bachelor's Degree	Graduate Diploma	Master's Degree	PhD	Total
Jordan Branches	56	146	175	830	7	101	6	1,321
Cyprus	-	4	3	44	-	3	-	14
Palestine	4	7	21	97	-	5	-	134
Lebanon (Ahli International Bank)	12	34	31	92	-	27	1	197
<b>Total</b>	72	191	230	1,023	7	136	7	1,666
Al Ahliya Microfinance	5	15	27	75	-	2	-	124
Zarqa National College	14	4	7	20	-	11	5	61
Al Ahli Brokerage	3	-	1	7	-	-	-	11
Al Ahli Leasing	-	1	1	2	-	4	-	8

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

Throughout 2013, Jordan Ahli Bank held 297 training courses, adding up to the equivalent of more than 10,095 training days, with a total of 3,181 participants in Jordan and the bank's Palestine branches. The details of the training courses are as follows:

Training Courses Attended by Jordan Ahli Bank Employees During 2013		
Type of Course	No. of Courses	No. of Participants
Professional Courses	12	35
Computer Courses	6	36
Audit Courses	4	23
English Courses	8	12
Information Technology Courses	11	25
Marketing Courses	2	5
Operations Courses	22	146
Treasury and Financial Market Courses	8	55
Methods and Procedures Courses	34	711
Credit and Risk Courses	15	53
Human Resources Courses	4	7
Compliance and Legal Courses	29	353
Financial and Accounting Courses	13	55
Management Courses	20	88
Sales Skills and Customer Service Courses	13	126
Banking Products Awareness Courses	28	693
Functional Courses	28	212
Technical Courses	10	135
Personal Skills	30	411
<b>Total</b>	<b>297</b>	<b>3,181</b>

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

**11. The bank did not witness, during 2013, any significant process or event that affected its position.**

\* The bank's record of achievements: as detailed and supported by numbers in the board's report on the bank's achievements.

**12. Non-reoccurring operations that do not fall under the bank's principle activities had no financial impact during 2013.**

### 13. Timeline of the development of Jordan Ahli Bank's financial indicators during the last five years:

Financial Year	Net Owners' Equity (in JD Million)	Cash Dividends Percentage	Value of Cash Dividends (in JD Million)	Pre-Tax Net Profit (in JD Million)	Share Market Price (in JD)
2009*	216,2	10%	11	27,3	1.52
2010	228,7	10%	11	34,4	1.92
2011**	253,1	10%	14.5	33,6	1.43
2012***	268,3	-	-	30,7	1.26
2013	284,3	6%	9.9	20,9	1.22

\* In 2009, Treasury shares were distributed to shareholders amounting to 5% per shareholder.

\*\* In 2011, free shares were distributed to shareholders amounting to 15% per shareholder.

\*\*\* In 2012, free shares were distributed to shareholders amounting to 10% per shareholder.

- The General Assembly advised to distribute 6% cash, and 6.06% as free shares for the year 2013.

### 14. Analysis of the Bank's Financial Position

	2013	2012
Return on Owners Equity (ROE)	5.63 %	8.87 %
Return on Assets (ROA)	0.60 %	0.90 %
Return on Paid-Up Capital	9.70 %	15.86 %
Credit to Assets Ratio	43.96 %	48.07 %
Credit to Total Deposits Ratio	75.1 %	70.89 %
Non-Performing Facilities to Total Facilities Ratio	12.58 %	13.11 %
Profit After Tax Per Employee	JD 9,606	JD 14,454

15. Jordan Ahli Bank's key developments and plans for the future are listed separately in the Board of Directors' Report.

16. Audit fees for Jordan Ahli Bank and its subsidiaries in the year 2013 amounted to JD 435,140, detailed as follows:

No.	Company Name	Audit Fee (in JD)
1	Jordan Ahli Bank	272,082
2	Ahli International Bank (Lebanon)	129,292
3	Ahli Microfinance Co.	10,000
4	Ahli Brokerage Co.	15,447
5	Ahli Financial Leasing Co.	5,829
6	Ahluna for Social Work	750
7	Zarqa National College	1,740
<b>Total</b>		<b>435,140</b>

## 17. a) Share Ownership of Board Members and their Relatives:

No.	Name	No. of Shares 2013	Ownership Percentage	No. of Shares 2012	Ownership Percentage
1	H.E. Dr. Rajai Saleh Muasher	37,276	0.02 %	33,888	0.02 %
	Mrs. Huda Muasher	534,924	0.32 %	486,295	0.32 %
2	H.E. Mr. Nadim Muasher	5,999,999	3.64 %	5,454,545	3.64 %
	Mrs. Rania Dallal	41,191	0.02 %	37,447	0.02 %
3	Byblos Bank	17,128,124	10.38 %	15,571,022	10.38 %
4	Abraj Capital SPV 21	15,388,612	9.33%	13,989,648	9.33%
	Ahmad Adel Badreddine	-	0.0%	-	0.0%
5	Jordan Worsted Mills Co.	10,098,167	6.12 %	9,180,152	6.12 %
6	Muasher Investment and Trading Co.	435,200	0.26 %	395,637	0.26 %
	Mr. Imad Muasher	6,027,283	3.65 %	5,479,349	3.65 %
	Ms. Nadine Halasa	83,070	0.05 %	75,519	0.05 %
	Mr. Tareq Imad Muasher	88,002	0.05 %	80,002	0.05 %
7	Jordan Investor Centre	8,795,000	5.33 %	8,499,747	5.67 %
	H.E. Mr. Wasef Azar	92,661	0.06 %	84,238	0.06 %
	Mrs. Abla Muasher	124,241	0.08 %	112,947	0.08 %
8	The Social Security Corporation	3,915,525	2.37%	3,559,569	2.37%
	Mr. Mohammad Al Abdallat	-	0.0%	-	0.0%
9	Rajai Muasher & Brothers Co.	7,793	0.01%	10,772	0.01%
	H.E. Mr. Rafiq Muasher	2,500,000	1.52%	2,450,000	1.63%
10	Arabia S.A.L Holding Co.	2,533,146	1.54%	2,302,860	1.54%
	Mr. Hani Fraij	17	0.0%	16	0.0%
11	Mr. Mahmoud Zuhdi Malhas	1,840,561	1.12%	1,673,238	1.12%
12	ZI & IME Co. (Saudi Arabia)	1,164,786	0.71%	1,58,897	0.71%
	Mr. Ala'adin Sami	0.0	00.0%	27,203	0.02%
13	Mr. Karim Tawfik Kawar	108,537	0.07%	98,670	0.07%



## b) Share Ownership of Senior Executive Management Members and Their Relatives:

No.	Name	Title	No. Of Shares 2013	No. of Shares 2012
1	H.E. Mr. Marwan Awad	CEO/General Manager	22,000	20,000
2	Mr. Issa Khoury Mrs. Nuha Shamiyyeh	Advisor to the Chairman Wife	17,425 2,046	18,841 1,860
3	Mr. Saad Muasher	First Deputy CEO	2,066,904	1,802,104
	Ms. Tania Harb	Wife	121,405	110,369
	Mr. Rakan Saad	Son	0	39,667
	Ms. Sara Saad	Daughter	0	37,233
4	Ms. Lina Bakhit	Deputy CEO/Head of Ahli Capital Markets and Investments Group	33,303	30,276
5	Ms. Hadeel Khalaf	Deputy CEO/Head of Operations Group	14,382	13,075
6	Mr. Hani Farraj	Deputy CEO for Administrative Affairs/Head of Logistics Group and Board of Directors Secretary	20,000	18,120
7	Mr. Zahi Fakhoury	Deputy CEO/Head of Credit Group	141,749	128,863
8	Mr. Abd Al Aziz Rida	Deputy CEO/Head of Group Corporate	8,355	7,596
9	Mr. Bashar Al Bakri	Deputy CEO/Head of Human Resources Group	7,100	0
10	Mr. Kameel Haddad	Deputy CEO for Remedial and Recoveries Group	11,172	10,157
11	Mr. Samer Abu Zayed	Deputy CEO/Head of Information Technology Group and Enterprise Programs	194	177
12	Mr. Tareq Omaish	Assistant General Manager/Head of Group Personal & Premium Banking and Branches Management	0	0
13	Mr. Ragheb Halaseh	Assistant General Manager/Head of Group Internal Audit	8,212	7,466
14	Mr. Basel Naber	Assistant General Manager/Head of Group Finance	0	0
15	Mr. Khaled Najjar	Assistant General Manager/Head of Group Small and Medium Enterprises (SME)	0	0
16	Mr. George Farraj	Assistant General Manager/Branches Abroad	0	0
17	Dr. Michele Nu'man	Assistant General Manager/Head of Group Risk and Compliance	0	0
18	Ms. Oraib Hammoudeh	Deputy Assistant General Manager/Inspection and Internal Control Department	541	492

## c) Companies Controlled by the Board of Directors and their Relatives:

No.	Board of Directors Member	Companies Controlled by Member	Shares Owned in Ahli Bank 2013	Shares Owned in Ahli Bank 2012
1	H.E. Dr. Rajai Muasher	Jordan Green Valley	565,856	514,415
2	H.E. Mr. Nadim Muasher	- Jordan Fabric & Worsted Mills Manufacturing Co.	2,916,813	2,651,649
		- Arab International Hotels Co.	925,733	841,576
		- Beaches for Hotels and Spas Co.	1,541,000	898,173
		- Al Zay Ready Wear Manufacturing Co.	315,899	287,181
		- Ranko Public Contracting and Housing Co.	799,400	726,728
		- World Fashion Trading	94,499	85,909
		- Jordan Investor Centre Co.	8,795,000	8,499,747
3	Jordan Worsted Mills Co.	- Jordan Investor Centre	8,795,000	8,499,747
4	Jordan Investor Centre Co. H.E. Mr. Wasef Azar	Middle East Insurance Co.	110,000	100,000
5	Muasher Investment and Trading Co. Mr. Imad Muasher Mr. Mohammad Abdullat	- World Fashion Trading	94,944	85,909
		- Jordanian Investor Centre	8,795,000	8,499,747
		- Arab International Hotels Co.	925,733,576	841,576
		- Ranko Public Contracting and Housing Co.	799,400	726,728
		- Jordan Fabric & Worsted Mills Manufacturing Co.	2,916,813	2,651,649
		- Beaches for Hotels and Spas Co.	1,541,000	898,173
6	Rajai Muasher & Brothers Co. Mr. Rafiq Muasher	- Jordan Worsted Mills Co.	10,098,167	9,180,152
		- Arab International Hotels Co.	925,733	841,576
7	Mr. Mahmoud Zuhdi Malhas	Al Mahmodieh Trading	51,764	47,059
8	ZI & IME (Saudi Arabia) Mr. Ala'adin Sami	- Arab International Hotels Co.	825,733	841,576
9	Mr. Karim Kawar	- United Insurance Co.	196,930	179,028

## d) Companies Controlled by Senior Executive Management and Their Relatives:

No.	Senior Executive Management Member	Companies Controlled by Member	Shares Owned in Ahli Bank 2013	Shares Owned in Ahli Bank 2012
1	Mr. Saad Muasher	Al Nabeel for Investments and Trading	2,086,986	1,897,260
		Arabia Insurance - Jordan	1,035,364	941,240
		International Hotels and Malls	0	0
2	Mr. Hani Farraj	Al Ruwwad For Security	18,899	17,181
3	Mr. Khaled Najjar	Jordan Worsted Mills Co.	10,098,167	9,180,152

**18) The total salaries, benefits and remunerations granted to members of the Board of Directors and Senior Executive Management in 2013 amounted to JD (3,704,356) distributed as follows:**

### a) Benefits and Remunerations of Members of the Board of Directors

Name	Transportation and Travel Allowance	Meetings	Remunerations	Total
H.E .Dr. Rajai Saleh Muasher	6,696	300	4,650	11,646
H.E. Mr. Nadim Muasher	6,696	400	4,650	11,746
Dr. Henry Azzam	2,232	-	3,308	5,540
H.E. Dr. Sami Haddad Representative, Byblos Bank	4,464	-	1,613	6,077
Ahmad Adel Badreddin Representative, Abraj Capital SPV	3,906	-	-	3,906
H.E. Mr. Marwan Awad H.E. Omayyah Tawqan Representative, Jordan Worsted Mills Co.	2,232 1,116	200 -	4,650 -	7,082 1,116
H.E. Mr. Wasef Azar Representative, Jordan Investor Centre Co.	6,696	600	4,650	11,946
Mr. Imad Muasher Representative, Muasher Investment and Trading Co.	6,696	100	4,650	11,446
Mr. Rafiq Muasher Representative, Rajai Muasher & Brothers Co.	6,696	400	4,650	11,746
Mr. Mohammad Al Abdallat Representative, Social Security Corporation	6,696	500	4,650	11,846
Mr. Hani Fraij Representative, Arabia S.A.L Holding Co.	6,696	-	4,650	11,346
Mr. Mahmoud Zuhdi Malhas	6,696	-	4,650	11,346
Mr. Ala'adin Sami ZI & IME Co. (Saudi Arabia)	6,696	100	4,650	11,446
Mr. Karim Kawar	6,696	100	4,650	11,446

## 19. Total donations granted to various parties during the year 2013 amounted to JD 536,614, distributed as follows:

Donations Granted During 2013	
Name	Amount (in JD)
King Abdullah II Fund for Development	7,763
National societies	38,275
King Hussein Cancer Foundation - Extension	20,000
White Bids Society	21,000
Security Fund for Orphans Future	34,000
Sport and culture clubs	33,150
Religious activities	1,357
Art and culture forums	39,900
Social development funds and charity organizations	69,019
Cultural centers/universities/schools/education	264,900
Unions	6,000
Governorates and official departments	1,250
<b>Total</b>	<b>536,614</b>

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

## 1- Facilities Granted to Board Members Under Non-Preferential Terms:

Board Member	Balance as of 31/12/2013 (in JD)	Cash Securities (in JD)
H.E. Mr. Nadim Muasher	1,893,860	-
Jordan Worsted Mills Co.	1,585,941	-
Jordan Investor Centre		
Within the Kingdom	11,825	-
Outside the Kingdom	3,013,250	-
H.E. Mr. Rafiq Muasher		
a) Within the Kingdom	32,380	-
b) Outside the Kingdom	992,600	-
Muasher Investment and Trading Co.	505,428	-
H.E. Mr. Emad Muasher	205,149	-
Mr. Karim Kwar	405,000	20,250

## 2-Facilities Granted to Relatives of Board Members:

Board Member	Balance as of 31/12/2013 (in JD)	Cash Securities (in JD)
(a) Related to H.E. Mr. Nadim Muasher Ranko Public Contracting and Housing Co.	698,230	-
M/S Nadim and Imad Muasher, and Nabil Muasher's sons	979,600	-
Guarantees	5,000	-
Jordan Fabric and Worsted Mills Co.	-	-
Guarantees	250,000	-
Yousef Muasher Sons Co.	87,885	-
World Fashion Trading Co.	847,208	23,102
Guarantees	238,922	-
Business Tourism Co.	3,975,155	7,100
Guarantees	7,100	-
Al Remah Contracting and Enterprise Management	-	-
Guarantees	6,000	600
Interior Design Studio	121,400	100
Guarantees	1,000	-
Jordan Tourism and Hotels Education	440,847	147,169
Guarantees	28,616	-
Beaches for Hotels and Spas	764,301	821,642
Guarantees	123,506	-
Arab Real Estate Co.	1,224,700	-
(b) Related to Rajai Muasher & Brothers Co. Ahlia Stock Exchange Co. Beta Housing Co.	176,218	-
	938,914	-
(c) Related to Jordan Investor Centre Co. Jordan Tourism and Hotels Education	440,847	147,169
Guarantees	28,616	-
(d) Related to H.E. Dr. Raja' Muasher Jordan Green Valley (Outside)	507,177	-
(e) Related to Mr. Karim Kawar Amin Kawar & Sons Co.	785,999	-
Arab Directory for Websites	150,316	-

\*According to the definition of "relative" as defined by the Central Bank of Jordan, regulation number 9/2001, dated 1/8/2001.

## 21. The Bank's Contribution to Environmental Protection:

a) Jordan Ahli Bank supports environmental conservation activities through its care and maintenance of "Al-Ahli Park", located opposite to the bank's head office.

b) Jordan Ahli Bank contributes to the support of members of the local community in various areas, as detailed below:

Bank's Contribution to Environmental Conservation and Local Community Service in 2013	
Name	Amount (in JD)
Local societies dedicated to community members	7,249
The Children's Museum	53,100
Amman Municipality	625
Total	60,974

## The Bank's Commitment to Corporate Governance Requirements

Based on the regulations of the Central Bank of Jordan and the Jordanian Securities Commission, and under the supervision of the Board of Directors' various offshoot committees, the bank's executive management continued to monitor the full implementation of the bank's adopted Corporate Governance Code.

The bank exhibited its strong commitment to the regulations set out in the code and those specified by the government; its monitoring of adherence to both is ongoing, ensuring the bank's total compliance.

The established board committee is as follows:

### a) Corporate Governance Committee, Comprises:

1. H.E. Dr. Rajai Muasher	Committee Head
2. H.E. Mr. Nadim Muasher	Member
3. H.E. Mr. Wasef Azar	Member/Representative, Jordan Investor Centre
4. H.E. Mr. Mohammad Al Abdalat	Member/Representative, Social Security Corporation

#### Committee Duties:

The Corporate Governance Committee, formed by the board, will be comprised of a chairman and two non-executive members.

The committee shall supervise the development of the bank's Corporate Governance Code and shall oversee its implementation. In addition, the committee shall ensure that effective follow-up mechanisms are in place for the code's implementation across all managerial levels. The committee shall also supervise all updates to the manual, in accordance with the directives of the Central Bank of Jordan and with the approval of the board.

### b) Audit Committee, Comprises:

1. H.E. Mr. Wasef Azar	Committee Head/Representative, Jordan Investor Centre
2. H.E. Mr. Karim Kwar	Member
3. H.E. Mr. Mohammad Al Abdallat	Member/Representative, Social Security Corporation
4. Aham Adel Badreddin	Member/Representative, Abraj Capital SPV 21 - Dubai

#### Committee Duties:

- The Audit Committee will be comprised of three non-executive members, provided that at least two members possess academic qualifications and/or practical experience in the field of financial management. In addition, no less than two members should be independent.

- The committee shall carry out the responsibilities and authorities assigned to it by the Banking Law and any other relevant legislation, which include the review of the following:

1. The scope, results and adequacy of external and internal audits of the bank
2. Accounting issues with material effect on financial statements
3. The bank's internal monitoring and control systems

- The committee shall submit recommendations to the board regarding the appointment, termination, remuneration and any other relevant contractual issues related to the external auditor. The committee will also assess the objectivity of the external auditor, taking into account any actions undertaken outside the realm of auditing.
- The committee shall have the authority to access any information from executive management and to call on any executive staff or board member to attend its meetings. These terms should be documented in the committee's charter.
- The committee shall meet with the external auditor and the Head of Compliance in the absence of executive management at least once per year.
- It is agreed that the responsibilities of the Audit Committee do not absolve the bank's board or executive management of their responsibilities with respect to overseeing the effectiveness of the internal monitoring and controlling systems.

## c) Risk Management Committee, Comprises:

- |                                  |   |
|----------------------------------|---|
| 1. H.E. Mr. Nadim Muasher        | Committee Head                                      |
| 2. H.E. Mr. Hani Fraij           | Member/Representative, Arabia/Lebanon S.A.L.        |
| 3. H.E. Mr. Rafiq Muasher        | Member/Representative, Rajai Muasher & Brothers Co. |
| 5. H.E. Mr. Mohammad Al Abdullat | Member/Representative, Social Security Corporation  |

### Committee Duties:

- The Risk Management Committee shall review all risks to which the bank is exposed. The committee shall be comprised of board members and may also include members of executive management.
- The committee shall review the bank's risk management policies and strategies before they are endorsed by the board. The bank's executive management is responsible for implementing said strategies and developing policies and procedures for managing the various types of risks.
- The bank's executive management shall propose a structure for the Risk Management Group and its development process; the suggested structure shall be reviewed by the committee and must be endorsed by the board.
- The committee shall stay abreast of the rapid developments and many complexities which have the potential to impact the bank's risk management process; the committee shall submit regular reports on these developments to the board.

## d) Nominations and Remunerations Committee, Comprises:

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



### Committee Duties:

- The Nominations and Remunerations Committee shall be formed by the board, consisting of its own, independent members.
- The committee shall put forward the names of nominated board members for consideration, taking nominees' abilities and qualifications into consideration. In the event of a re-nomination, the nominee's attendance record, and the quality and effectiveness of his/her participations during board meetings shall be taken into consideration.
- The committee is responsible for determining whether or not a nominee qualifies as an independent member as defined by the Central Bank of Jordan.
- The committee shall assess the board's effectiveness according to specific, standardized criteria.
- The committee is responsible for supplying board members with information and briefs providing background information on various important bank issues upon their request. The committee must ensure that the board is always up to date on the latest issues of importance in the banking industry.
- The committee shall recommend the extent of remuneration (including bonuses, monthly salary and other benefits) to be received by the CEO/General Manager. The committee shall also review remuneration (including salaries) granted to the remainder of executive management.
- The committee shall assume the responsibility of devising a remunerations policy that ensures bonuses/salaries that are sufficient to attract and retain qualified personnel to work at the bank. Remuneration policies should be in line with those offered by other, comparable banks in the market.

### e) Executive Committee, Comprises:

1. H.E. Dr. Rajai Muasher	Committee Head
2. H.E. Mr. Nadim Muasher	Deputy Committee Head
3. H.E. Mr. Rafiq Muasher	Member/Representative, Rajai Muasher & Brothers Co.
4. H.E. Mr. Wasef Azar	Member/Representative, Jordan Investor Centre
5. H.E. CEO/General Manager	Member
6. H.E. Mr. Karim Kawar	Member
7. H.E. Mr. Emad Muasher	Member/Representative, Muasher Investment and Trading Co.

### Committee Duties:

- Reviewing credit facilities that exceed the Senior Credit Committee's authority, and reviewing any requests any committee members express reservations about.
- Writing off outstanding (and other types of) interest, in addition to overdue interest payments on discounted promissory notes, outstanding due guaranteed withdrawals, unpaid withdrawals, and withdrawals from the special reserve, as well as any amount in excess of the authority of the CEO/General Manager and the Chairman. This must occur upon the recommendation of the Credit Committee and the CEO/General Manager.

### Board and Committee Meetings Held During 2013:

- (a) The board held eight meetings.
- (b) The Audit Committee held four meetings.
- (c) The Nominations and Remunerations Committee held two meetings.
- (d) The Risk Management Committee held one meeting.
- (e) The Executive Committee held three meetings.
- (f) The Corporate Governance Committee held one meeting.

## Corporate Governance Code

### Preamble

According to the definition of corporate governance provided by the Organization for Economic Cooperation and Development (OECD), corporate governance organizes the rights and responsibilities of those in charge of running a corporation, such as the Board of Directors, shareholders and its other stakeholders. It also illustrates the mechanism used to determine the corporation's objectives as well as its means to achieving and monitoring said objectives. Therefore, quality corporate governance is the key to providing each member of the board and of the executive management with the motivation to achieve these goals for the betterment of the institution. It also provides the drive to initiate an effective control system, thereby helping the corporation to make the best use of its resources.

Corporate governance's importance to the bank stems from the fact that it provides a base upon which the corporation's future performance is built. It aims to instill confidence in the bank as a recipient of depositors' and shareholders' funds, and to enable the bank to successfully develop the banking services offered in Jordan, thereby contributing to a more efficient national economy. Because of this, the Board of Directors decided to create the Corporate Governance Code, which abides by all Central Bank of Jordan guidelines and international best practices. The code focuses on the four following guiding principles:

- Fairness in the treatment of all stakeholders (e.g. shareholders, depositors, bank employees and regulatory authorities).
- Transparency and disclosure, allowing stakeholders to assess the status of the bank and its financial performance.
- Accountability in relations between the bank's executive management and the Board of Directors, between the Board of Directors and shareholders, and between the Board of Directors and other concerned bodies.
- Responsibility achieved through a clear separation of responsibilities and delegation of authority.

## Introduction

Jordan Ahli Bank strives to achieve the goals of its shareholders, customers and employees while conforming to the highest ethical standards in professional banking conduct. It values excellence in performance, accurate and transparent disclosure of operations and absolute compliance to the rules, regulations and guidelines that regulate the bank's activities.

In an affirmation of the main principles outlined above, the Jordan Ahli Bank Corporate Governance Code was prepared and adopted by the Board of Directors and implemented as of 1/1/2008. The code documents a number of procedures that were previously applied at the bank. However, by including such procedures in the code, the bank has made its policies and procedures available to all parties interested in dealing with the bank. Concerned parties can now be reassured of the bank's main guiding principles, as well as its control, internal auditing, transparency and disclosure mechanisms.

In adopting the Corporate Governance Code, the Board of Directors assures its complete compliance with its content and its absolute support of its application. The Corporate Governance Committee, an offshoot of the board, will be responsible for following up on the code's application and on the accountability of all responsible parties, in their various administrative positions, as mentioned in the code, to ensure that all of the code's provisions are being effectively applied as outlined.

The Corporate Governance Code is being published as part of the bank's Annual Report; any updated versions will be published on the bank's website. The code's provisions apply to its branches operating within the Hashemite Kingdom of Jordan, as well as to branches operating abroad to the extent permitted by the laws and regulations of the countries in which they operate; in the case of a contradiction, the laws and regulations of the country in which the branch operates shall be applied.

Amendments to the code are made according to legislative and regulatory developments under the supervision of the board's Corporate Governance Committee. Amendments go into effect after being endorsed by the board.

In an effort to strengthen the culture of corporate governance, as part of the bank's approval process for granting credit, it will evaluate the corporate governance standards of its corporate customers, particularly those from public shareholder companies. This will thereby guarantee the assessment of each customer's risks, determining their strengths and weaknesses in respect of practices related to governance.

## Definitions

The following terms as used throughout the code will signify the following meanings:

Bank	Jordan Ahli Bank
Code	The Jordan Ahli Bank Corporate Governance Code
Board	The Jordan Ahli Bank Board of Directors
Chairman	Chairman of the Jordan Ahli Bank Board of Directors
Deputy Chairman	Deputy Chairman of the Jordan Ahli Bank Board of Directors
Board members	Members of the Jordan Ahli Bank Board of Directors
CEO/General Manager	CEO/General Manager of the Jordan Ahli Bank
Secretary	Jordan Ahli Bank Board of Directors' Secretary
Executive member (of the board)	Board member who occupies a position at the bank
Independent member* (of the board)	Board member (whether in his/her personal capacity or as a representative of a corporate body) with no relationship to the bank outside of board membership, rendering him/her with impartial judgment, unaffected by external factors
Board committees	Committees formed by Jordan Ahli Bank listed in the code
Executive management	Jordan Ahli Bank executive management

\*The minimum qualifications required of an independent member (in accordance with the Central Bank of Jordan's definition) are as follows:

1. That the member has not worked in the bank for at least three years prior to the date of his/her candidacy for membership in the board.
2. That the member must not be related to any administrative official above the secondary degree.
3. That the member does not receive any salary or compensation from the bank with the exception of what he/she receives due to membership on the board.
4. That the member is not a board member or owner of a company that deals with the bank, with the exception of interactions initiated through the regular services or operations of the bank with its customer; these regular services shall be governed by the same conditions governing similar transactions with any other party and without any preferential terms.
5. That the member not be a partner or employee of the external auditor during the three years prior to his/her candidacy for membership of the board.
6. That his/her contributions to the bank do not form a significant interest to the bank's capital and that he/she is not an ally to another shareholder.

# 1- Board of Directors

## 1/1 General Principles

1. The board bears all responsibility for the bank's operations and its financial integrity. It must ensure that the bank meets the requirements of the Central Bank of Jordan, as well as the interests of its shareholders, depositors, creditors, employees and other stakeholders. It is also responsible for ensuring that the bank is run prudently and within the framework of the bank's rules, regulations and internal policies.
2. The board guarantees the commitment of each of its members toward the bank and all of its shareholders, and not towards any one shareholder in particular.
3. The board shall draft the strategic objectives of the bank and will monitor the actions of executive management, which is responsible for the bank's day-to-day operations.
4. The board shall ratify inspection and internal control policies, and ensure their effectiveness. The board shall also ascertain the bank's measure of adherence to its strategic plan, to its policies, to the procedures it has adopted or that are required under law, and to the regulations issued thereafter. In addition, the board shall ensure that all risks undertaken by the bank have been managed soundly.

## 1/2 Chairman of the Board and Chief Executive Officer (CEO)/General Manager

1. The posts of Chairman of the Board and the CEO/General Manager shall be separated. The holders of each post should bear no direct relation to each other, i.e. they should not be related above the secondary degree.
2. The division of responsibilities between the two posts listed above will be according to the directives of a written manual endorsed by the board and revised when necessary.
3. If the Chairman of the Board should hold executive powers, the bank shall appoint an independent member, such as the Deputy Chairman, to ensure the presence of an independent spokesperson on behalf of shareholders. The status of the chairman, whether executive or non-executive, shall be disclosed.

## 1/3 Role of the Chairman of the Board

1. The chairman establishes a constructive relationship between the board and the bank's executive management, and between executive members and non-executive members.
2. Through the utilization of board meetings, the chairman will create a culture encouraging constructive criticism on issues on which board members display differences of opinion, and encourage members to debate and vote on said issues.
3. The chairman shall make sure that all board members and shareholders receive relevant information in a timely matter.
4. The chairman shall ensure that the bank operates according to high corporate governance standards.

## 1/4 Board Composition

1. When forming the board, diversity in practical experience, professional experience and specialized skills shall be taken into consideration.
2. The board will consist of executive members (members who occupy positions within the bank) and non-executive members (members who do not occupy positions within the bank), taking into account that it is preferable for the majority of the board to consist of non-executive members.
3. Among the board's non-executive members, there should be at least three independent members; an appropriate number of independent members should be maintained to ensure that decisions are made objectively. This policy aims to secure high standards of internal controls, thereby allowing decisions to be weighed depending on their effects on all parties, including executive management and key shareholders, and ensuring that all decisions made are in the best interests of the bank.

## **1/5 Organization of Board Operations**

1. The responsibilities of each board member should be specific and clearly outlined in accordance with relevant legislation. The bank must also present each board member with a document illustrating his/her rights, responsibilities and duties upon his/her election.
2. Board members must always be up to date on developments within the bank and within the local and international banking sector. The bank must provide board members with a suitable compendium on its operations upon each member's appointment, throughout his/her tenure or at any other time upon his/her request.
3. Board members must be informed in writing on the procedures involved in all bank operations that require the board's approval (e.g. the board's authority regarding granting loans in excess of a certain amount, its authority regarding transactions with related parties or any other banking operations under the jurisdiction of the Board).
4. The board must establish an organizational structure illustrating the administrative hierarchy (including board committees and executive management). The aforementioned passages must be disclosed to the public.
5. Members of the board and of the board committees must have access to direct contact with executive management.
6. Executive management shall propose the topics that they deem relevant for the agenda of every board meeting. This is to ensure the comprehensiveness of topics discussed at board meetings, which should occur no less than six times a year.
7. The bank shall provide board members with sufficient information, and with sufficient notice, before board meetings, allowing them the resources they need to make appropriate decisions. If necessary, members of the board and its committees have the authority to utilize external resources to assist them in performing their designated duties to the fullest.
8. The Secretary of the Board must record all the conversations, suggestions and votes of board members during their meetings.
9. The Secretary of the Board must ensure that board members adhere to the board's approved protocol and that information is successfully circulated between members of the board, its committees and executive management. The secretary must also determine board meeting dates, as well as record the minutes of the meetings.
10. The board shall officially define the duties of the secretary of the board in writing, in accordance with the level of responsibilities outlined above. Any move to appoint or remove a secretary must be a unanimous decision of the board.

## **1/6 Board Activities**

### **1/6/1 Appointments and Replacements**

1. The board shall appoint a CEO/General Manager who possesses integrity, technical competence and banking experience.
2. The approval of the board must be obtained for appointments made to specific positions, such as President of the Financial Management Group and Head of the Internal Auditing Group. The board must ensure that appointees to these positions possess the required experience.
3. The board shall adopt succession plans for the bank's chief executives that include the qualifications and requirements that those who occupy those positions must possess.

### **1/6/2 Self-Assessment and Evaluation of the Performance of the Chief Executive Officer (CEO)/General Manager**

1. The board, through the actions of the Nomination and Remuneration Committee, shall evaluate its performance as a whole at least once per year.
2. The board shall evaluate the CEO/General Manager annually.

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

1. The board shall determine the bank's objectives and shall direct executive management to draft a strategy to achieve said goals.

2. Executive management shall lay out plans of action in accordance with the bank's strategies and incorporating all of its departments. The board shall endorse the devised strategy and plans of action, and then ensure that executive management monitors the results achieved accordingly, taking corrective measures where necessary. The preparation of the budget shall be considered part of the short-term planning and performance evaluation process.

3. The board must ensure that the bank operates with the utmost integrity. To achieve this, the bank will provide a guide to its policies as well as a Code of Ethics, which includes the bank's definition of a conflict of interest. The charter also includes the definition of transactions undertaken by bank employees for their own personal benefit, which are based upon insider information received through the access granted to them by the bank. These policies and the Code of Ethics apply to all bank employees and board members. Board members must approve said documents, as well as their dissemination to the public. The following policies must be included:

a- Rules and regulations governing operations with related parties, whether between the bank and its employees, members of its board or their companies or related parties, including those involved in mutual lending or trading transactions with the bank. These rules must include provisions ensuring that board members and their companies are granted a level of credit in accordance with prevailing market rates; they shall not receive any preferential treatment or participate in any meeting in which their personal transactions or dealings are discussed or come to a vote. Furthermore, board members' personal bank transactions shall be disclosed in the bank's annual report. Bank departments concerned with control systems and internal inspections must ensure that all stakeholder procedures are conducted according to this policy.

b- Clear audit systems in place prohibiting the board and bank employees from exploiting insider information for their own personal benefit.

4. The bank must possess written policies, covering all of its banking activities, which must be circulated to employees of all administrative levels. These policies must be regularly revised to include any amendments or changes to rules, regulations, economic conditions and any other bank-related issues.

## 2- Board Committees

### 2/1 General Principles

1. The board shall form offshoot committees with specific goals, awarding them with authorities and responsibilities for a specified time period. Committees shall submit periodic reports to the remainder of the board. A charter shall be prepared outlining the mechanism of these committees' formation, describing their objectives, duties and authorities. The formation of board committees does not absolve the board as a whole from their direct responsibility toward all bank-related matters.

2. Transparency will be upheld upon the appointment of board committee members. The names of committee members and a summary of their duties and responsibilities will be disclosed within the bank's annual report.

3. The board may merge the duties of multiple committees if it is appropriate or more administratively convenient.

### 2/2 Audit Committee

1. The board shall form an Audit Committee consisting of three non-executive members. At least two committee members must hold academic credentials and/or professional experience in the field of financial management. At least two members of the committee must be independent members.

2. The Audit Committee shall exercise the responsibilities and powers allocated to it under the Banking Law and any other relevant legislation, including a review of the following:

- The scope, results and adequacy of the bank's internal and external audits
- Accounting issues with a material impact on financial statements



- The bank's internal audit and inspection systems

3. The Audit Committee shall provide recommendations to the board on decisions regarding the appointment, termination, remuneration and any other contractual issues related to the external auditor. The committee shall also assess the objectivity of the external auditor, taking any relevant actions taken outside of the scope of his/her auditing into consideration.

4. The Audit Committee has the authority to obtain any information it deems necessary from executive management, as well as the right to summon any executive or board member to attend its meetings. This must be stated in the committee's charter, which specifies the committee's duties and responsibilities.

5. The Audit Committee shall meet with the external auditor, internal auditor and the compliance manager at least once per year, in the absence of executive management.

6. It is agreed upon that the responsibilities allocated to the Audit Committee do not absolve the board or the bank's executive management of their responsibilities to monitor the adequacy of the bank's internal audit and inspection systems.

## **2/3 Nomination and Remuneration Committee**

1. The board shall form the Nomination and Remuneration Committee from among its own members. The committee shall consist of at least three non-executive members, and the majority of members (including its chairman) must be independent members.

2. The Nomination and Remuneration Committee shall put forward the names of nominated board members, taking nominees' abilities and qualifications into consideration. In the event of a re-nomination, the nominee's attendance record and the quality and effectiveness of his/her participations during board meetings shall be taken into consideration.

3. The Nomination and Remuneration Committee is responsible for determining whether or not a nominee qualifies as an independent member based on the definition provided by the Central Bank of Jordan.

4. The Nomination and Remuneration Committee shall assess the board's effectiveness according to specific, standard criteria, which should be objective and include comparisons to other banks. The committee shall also assess the soundness and accuracy of the bank's financial statements, as well as its compliance with regulatory requirements.

5. The Nomination and Remuneration Committee is responsible for supplying board members with information and briefs providing background information on various important bank issues upon their request. The committee must ensure that the board remains continuously up to date on the latest issues of importance in the banking industry.

6. The Nomination and Remuneration Committee shall recommend the extent of remuneration (including bonuses, monthly salary and other benefits) to be received by the CEO/General Manager. The committee shall also review remuneration (including salaries) granted to the remainder of the executive management.

7. The Nomination and Remuneration Committee shall assume the responsibility of devising a remunerations policy that ensures bonuses/salaries that are sufficient to attract and retain qualified personnel to work at the bank. Remuneration policies should be in line with the bonuses/salaries offered by other, comparable banks in the market.

8. A summary of the bank's remuneration policy shall be disclosed in the bank's annual report, detailing the remunerations received by each board member and the maximum salaries paid to non-board member executives throughout the year.

## **2/4 Risk Management Committee**

1- The Risk Management Committee, which will consist of board members and may also include members of executive management, shall evaluate the risks to which the bank is exposed.

2. The Risk Management Committee shall review the bank's risk management policies and strategies before they are adopted by the board. Executive management shall uphold the responsibility to carry out these strategies and to



develop policies and procedures to manage a variety of types of risks.

3. The bank's executive management shall propose and develop an organizational structure for the Risk Management Group. The proposed structure shall be reviewed by the Risk Management Committee and adopted by the board.

4. The Risk Management Committee shall remain up to date on the rapid developments and the growing complexities that may arise within the bank's risk management process. The committee shall prepare periodic reports on these developments, to be submitted to the board.

## **2/5 Corporate Governance Committee**

1. The Corporate Governance Committee shall consist of the Chairman of the Board and two non-executive members.

2. The Corporate Governance Committee shall oversee the production of the bank's Corporate Governance Code. It shall also manage its application and ensure the existence of effective evaluation mechanisms to ensure that its provisions are implemented at all administrative levels. It shall also oversee any updates of the code, according to Central Bank of Jordan directives and with the approval of the board.

# **3 – Inspection and Internal Control**

## **3/1 General**

1. The bank's Inspection and Internal Control System's organizational structure shall be reviewed by the internal auditor and external auditor at least once per year.

2. The board shall include within the bank's annual report an account of the adequacy of the bank's Inspection and Internal Control System with regards to financial reporting. The report should include the following:

a. A passage describing executive management's responsibility to establish and maintain an Inspection and Internal Control system on the bank's financial reporting.

b. A passage outlining the basis upon which executive management assessed the effectiveness of the Inspection and Internal Control System.

c. Executive management's assessment of the effectiveness of the Inspection and Internal Control System as is on the date that appears on financial statements included in the bank's annual report.

d. The disclosure of any material weaknesses in the Inspection and Internal Control System (a material weakness is defined as any clear point of weakness or group of weaknesses that could potentially result in the inability to prevent the creation or detection of a false, significant financial statement).

e. The external auditor's report, in which he/she expresses his/her opinion on the executive management's assessment of the effectiveness of the Inspection and Internal Control System.

3. The bank shall establish procedures that allow staff to submit immediate, confidential reports in the case of concerns regarding potential irregularities. These procedures shall allow for an independent investigation and follow-up of these concerns. The Audit Committee shall oversee the implementation of these procedures.

## **3/2 Internal Audits**

1. The bank shall provide the Internal Audit Group with a sufficient cadre of qualified human resources who will be trained and compensated appropriately. The Internal Audit Group has the right to obtain any information and to contact any employee within the bank, and is also granted the authority necessary to perform the duties assigned to it in the required manner.

2. The Internal Audit Group shall submit its reports to the chairman of the Audit Committee.

3. Internal auditing employees may not be assigned any executive responsibilities. The Internal Audit Group is responsible for proposing the structure and scope of an internal audit, and must also inform the Audit Committee of the presence of any potential conflicts of interest.

4. The Internal Audit Group shall perform its duties and prepare its report in full with no external interference. The group has the right to discuss its reports with the departments that were audited.
5. The primary responsibilities of the Internal Audit Group—whose operations should be based on a risk-based audit—are to review, at a minimum, the following:
  - The bank's financial reporting operations (ensuring the accuracy, reliability and timeliness of key information regarding financial, executive and procedural issues).
  - Compliance with the bank's internal policies and standards, as well as international procedures, laws and related regulations.

### **3/3 External Audits**

1. The position of external auditor shall be rotated regularly among audit firms. If this policy becomes difficult to apply in practice, the bank shall request the regular rotation of the principal partner responsible for the external audit of the bank.
2. The external auditor shall provide the Audit Committee with a copy of his/her report. The external auditor shall meet with the Audit Committee in the absence of executive management at least once per year.

### **3/4 Risk Management**

1. The bank's Risk Management Group shall submit its reports to the Risk Management Committee. However, day-to-day transactions shall be reported to the CEO/General Manager.
2. The responsibilities of the bank's Risk Management Group include the following:
  - a. Analyzing all risks, whether they be credit risks, market risks, liquidity risks or operational risks.
  - b. Developing methodologies for the measurement and control of each type of risk.
  - c. Providing recommendations to the Risk Management Committee on appropriate risk limits and approvals, while submitting reports and documenting exceptions to risk management policies
  - d. Providing the board and senior executive management with information on the bank's risk measurement and its risk profile. (The board shall, at every meeting, regularly review the bank's quality and quantity of risk statistics.)
  - e. Providing information on the bank's risks to be disclosed or published for the public.
3. The bank's other committees, such as the Credit Committee, Assets and Liabilities Management Committee/Treasury, and the Operational Risk Committee, will assist the Risk Management Group in the performance of its duties, according to the authority granted to each committee.
4. The bank's annual report will include information on the Risk Management Group regarding its structure, nature of operations and its latest developments.

### **3/5 Compliance**

1. An independent Compliance Department shall be established in accordance with the relevant Central Bank of Jordan directives.
2. The Compliance Department will prepare an effective methodology to ensure that the bank is in compliance with all valid laws and legislation, as well as any other relevant directives. The bank will document the duties, authorities and responsibilities of the Compliance Department, and then circulate said document within 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 shall report on the outcome of its operations and its monitoring of compliance to the board or its offshoot committee. A copy will be sent to executive management, in accordance with the relevant directives of the Central Bank of Jordan.

## 4. Shareholder Relationships

1. The bank will take steps to encourage shareholders, particularly minority shareholders, to attend the annual meeting of the General Assembly and vote either in person, or, in the event of their absence, by proxy.
2. The chairmen of the Audit Committee, the Nominations and Remunerations Committees, and any other offshoot committees of the board, shall attend the annual meeting of the General Assembly.
3. Representatives of the external auditors shall attend the annual meeting of the General Assembly in order to answer to any questions attendees may have regarding the auditing process and audit report.
4. Separate voting shall be taken into consideration on every issue raised during the General Assembly's annual meeting.
5. In accordance with the Companies Law, board members shall be elected or re-elected during the annual meeting of the General Assembly. Voting on the external auditor shall also be carried out during the same meeting.
6. Following the conclusion of the General Assembly's annual meeting, a report shall be prepared and provided to shareholders. The report must contain the comments made during the meeting and the meeting's outcomes, including voting results, shareholder inquiries and the responses provided by executive management.

## 5. Transparency and Disclosure

1. The bank is committed to disclosure, which shall occur in accordance with International Financial Reporting Standards (IFRS) and in line with current Central Bank of Jordan directives, issued under the Bank Law and other relevant legislation. Executive management is responsible for following up on potential changes to international financial reporting practices and the extent of transparency required of financial institutions. Executive management must also ensure the application of said standards, thereby reinforcing the bank's commitment to disclosure.
2. The bank shall commit to providing valid and meaningful information on its activities to the Central Bank of Jordan, its shareholders, its 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 the public.
3. The bank shall clarify in its annual report its responsibility to ensure the accuracy and adequacy of its financial statements and of the information stated within the report.
4. The bank is committed to keeping its lines of communication open to regulatory authorities, shareholders, depositors, other banks and the public in general. These communication channels shall be established through the post of investor's relations, the dissemination of the annual report, the quarterly and periodic financial reports and by regularly submitting briefs to shareholders. Information contained in the bank's annual report, its quarterly reports or in the lectures presented by executive management shall also be made available through the investor's relations post or in an update to the bank's website, posted in both Arabic and English.
5. The bank's annual and quarterly reports shall include a Management Discussion and Analysis Disclosure from executive management. This disclosure allows investors to understand the results of current and future operations, as well as the bank's financial position and the possible ramifications of common trends, events and uncertain circumstances. The bank vows that all explanatory notes contained in this disclosure shall be reliable, comprehensive, fair, balanced, and clear, and that they shall be based on the bank's published financial records.

6. As part of its commitment to transparency and absolute disclosure, the bank's annual report shall contain the following:

- The bank's Corporate Governance Code, as well as a yearly report on the bank's commitment to each of the code's clauses, including any reasons for non-compliance with a particular clause.
- Information on each individual board member: his/her qualifications and experience; his/her share of the bank's capital; whether the member is independent, executive or non-executive; membership to any board committees; date of appointment to the board; any membership to other boards; remunerations/salaries received from the bank; loans granted by the bank; any other operations between the bank and the board member, their companies or any other related parties.
- Disclosures of credit facilities obtained by board members and their companies in accordance with approved prevailing market rates and not at preferential terms. Members must not participate in any meetings in which their personal transactions or contracts are discussed or come to vote.
- A summary of the bank's organizational structure.
- A summary of the board committees' duties and responsibilities, as well as any authorities they have been granted by the board.
- The number of meetings held by the board and board committees.
- A summary of the bank's remuneration policies and the highest salary paid to executive management.
- The board's statement verifying the adequacy of its Inspection and Internal Control System.
- A description of the structure and activities of the Risk Management Group.
- The bank's principle shareholders (such as the shareholders or related parties who own or control more than 10% of the bank's capital), identifying the ultimate beneficial owners, who are principle shareholders at companies considered principal shareholders of the bank (where applicable).
- Disclosure of any other matters that may strengthen the bank's commitment to disclosure and transparency. These other matters must be proposed by executive management and approved or requested by the board.

## Executive Management's Assessment of Internal Inspection and Control Systems:

Executive management is responsible for preparing and developing the bank's strategies and policies, as well as enforcing said policies after their adoption by the board. Executive management also prepares work procedures for all managerial levels of the bank's various departments and activities, specifying means to identify and control potential risks to the bank. Through supervision and regular ongoing reviews of internal inspection and control systems, executive management ensures competency across the board, protecting the bank and guaranteeing sound banking practices and secure dealings at all times.

Internal inspection and control procedures are carried out according to the following framework:

**Human Resources Group:** Work procedure references refer to: operational structure, job descriptions, occupational development and career path manuals, termination policies, the bank employee manual, employee loan manual, pension fund regulations, recruitment procedures, incentive regulations, training policies, performance evaluation methods and promotion. Manuals and instructions shall be reviewed and updated to be consistent with legislative and regulatory changes, as well as best practices, in the field of human resource management.

**Internal Audit Group:** Auditing procedure references include the Internal Audit Charter, audit procedure guide and adopted plans. Audit reports are verified through follow-up procedures, which include providing corrective measures to all branches and departments where required. The Audit Group is also currently developing risk management-based work methods to increase effectiveness. Audit procedures are fully independent, with all reports being submitted to the Audit Committee, an offshoot of the Board of Directors.

**Strategy and Corporate Communications Group:** The Strategy and Communications Group's responsibilities include following up on the execution of the annual plans of action prepared by each of the bank's groups. The Strategy and Corporate Communications Group must also verify that the banks' different groups' plans are complementary and do not conflict with each other. Adherence to plans of action is reviewed on a monthly basis, and any deviations found are noted before performance is assessed.

**Risk Management Group:** Work procedure references refer to general risk management policies, which include: credit risk policies, operational risk management policies and market risk management policies, in addition to compliance inspection and anti-money laundering policy and procedures.

The Risk Management Group is represented on both the Products Committee and the Methods and Procedure Committee. Its presence ensures that any new product, procedure or system will be reviewed before its launch to verify that it is compatible with the bank's regulatory policies and regulations, and that the level of risk associated with it has been identified and found to be within the bank's acceptable risk level.

**Financial Group:** The bank's financial and accounting systems are compatible with international standards of financial reporting. The bank's financial status is accurately divulged, thereby providing customers with the information necessary to the decision-making process. Quarterly, the performance of the bank's different groups is evaluated objectively and impartially based on their identified goals and allocated budgets.

**Operations Group:** Through its various subsections, the Operations Group applies the many steps integrated into banking procedure; its primary goal is to ensure that each operation is carried out in accordance with banking standards and within a tight regulatory framework. The group also develops and documents banking procedures and methods in manuals, which are prepared according to international quality standards and endorsed by a specialized, neutral committee. The Inspections and Reporting Unit also operates within the group, carrying out daily auditing tasks and drafting regular reports regarding computers, restrictions,

reconciliations, bank accounts, external balances, investments, etc. The group makes sure that implementation is in line with adopted directives.

**Credit Group:** The Credit Group is fully independent from the business sector and from the bank's financing services. It participates in the credit decision-making process after impartially and objectively reviewing facility applications. The group is represented in the Facilities Committee and possesses all necessary powers to carry out its tasks.

In addition, the group continuously monitors facilities' activities through reviews, which focus on credit portfolios; the group also studies business sectors and assesses them from a risk-management perspective. Procedurally, before any facilities are disbursed, the group relies on a number of regulatory standards to ensure their sufficient authority levels, their soundness and the completeness of securities offered to the bank. The group also reviews existing security safeguards, which are subject to a change in value, as well as securities with specified end dates. Thus, facilities are only activated following the verification of the soundness of all granting procedures and related documentation.

In the case of accounts that show the beginning signs of collapse, early warning methods and diligent follow-up procedures ensure that the appropriate corrective and preventative measures can be taken. These actions are based upon extremely conservative standards, allowing for rapid response, tightly-run account management and whatever else may be required, depending on the situation.

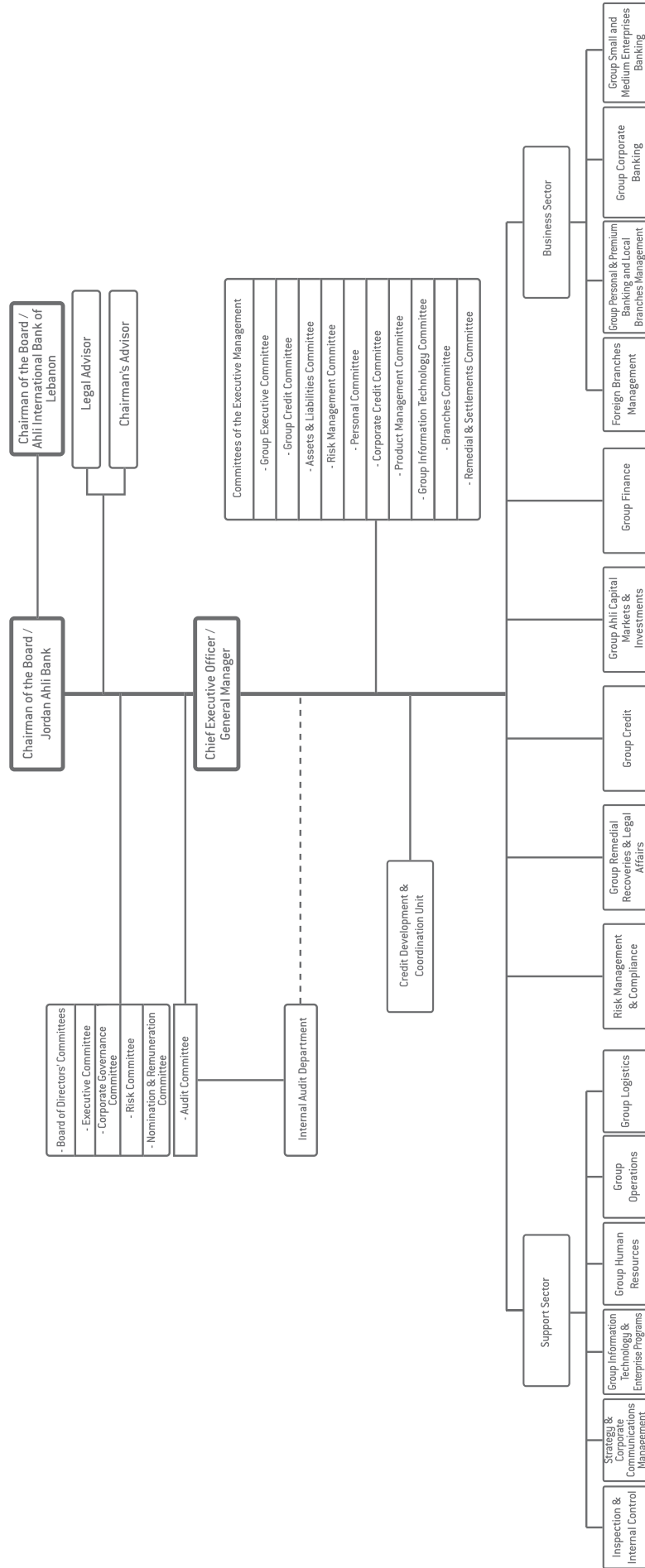
**Inspection and Internal Control:** The Inspection and Internal Control Group is responsible for the rigorous application of measures to verify that banking operations and their accompanying records are carried out correctly, in line with adopted directives and work procedure guides. These measures include prevention, warning, correction and follow-up. All are carried out regularly—daily, monthly or annually—through reviews and audits of the branches' daily accounting portfolios, as well as extraordinary reports issued automatically at closures. These measures also include the preparation of reconciliations for branches' checking accounts, along with management of procedures and foreign bank accounts through field visits. Recently, a workshop for branch employees was held under the title "Employee Oversight Awareness" in a preventative step among the department's other standard controls.

**Information Technology:** The Information Technology Group works according to a comprehensive and coherent plan laid out by the creators of the bank's systems. The group ensures the safe use of the automated system according to the tight controls built into it, allowing performance monitoring and exclusivity of responsibilities.

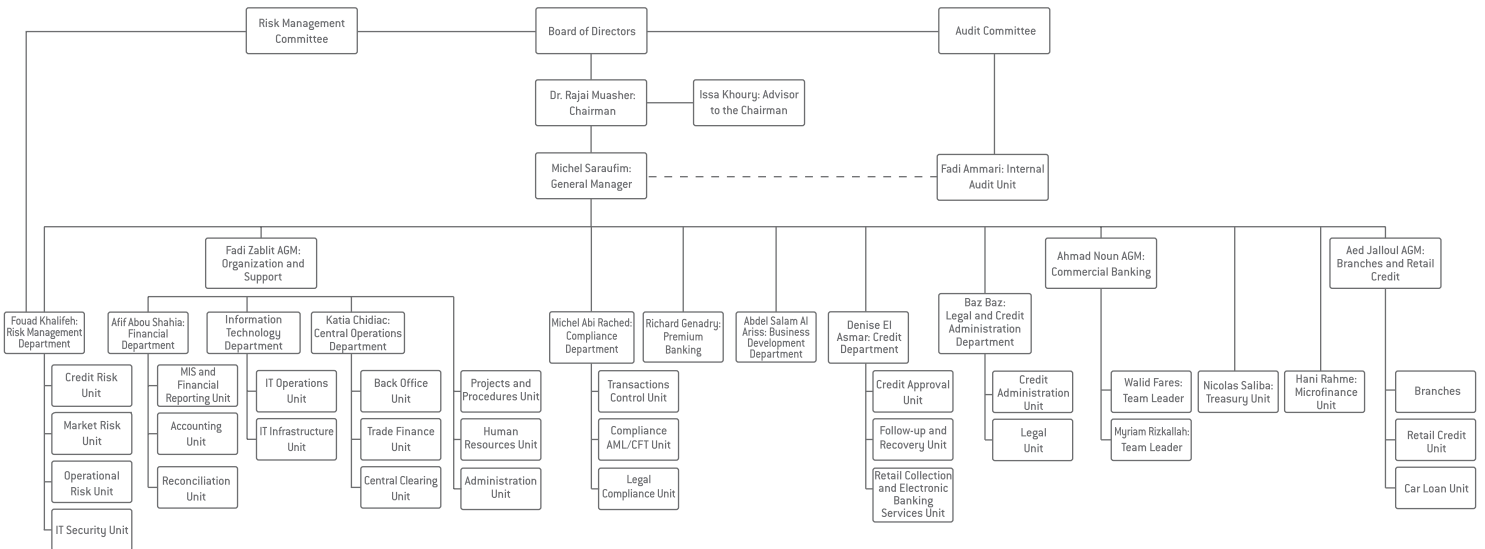
**Security and Safety Requirements:** The bank is committed to applying strict security and safety standards that meet regulatory requirements. The effectiveness and preparedness of the bank, in addition to the efficacy of its protective measures, are under ongoing review to ensure the safety of the bank's employees and assets.

Through this evaluation, executive management can determine that departments concerned with internal inspection and control have carried out their set plans and that their work has adhered to the bank's high standards of discipline and professionalism.

# Jordan Ahli Bank

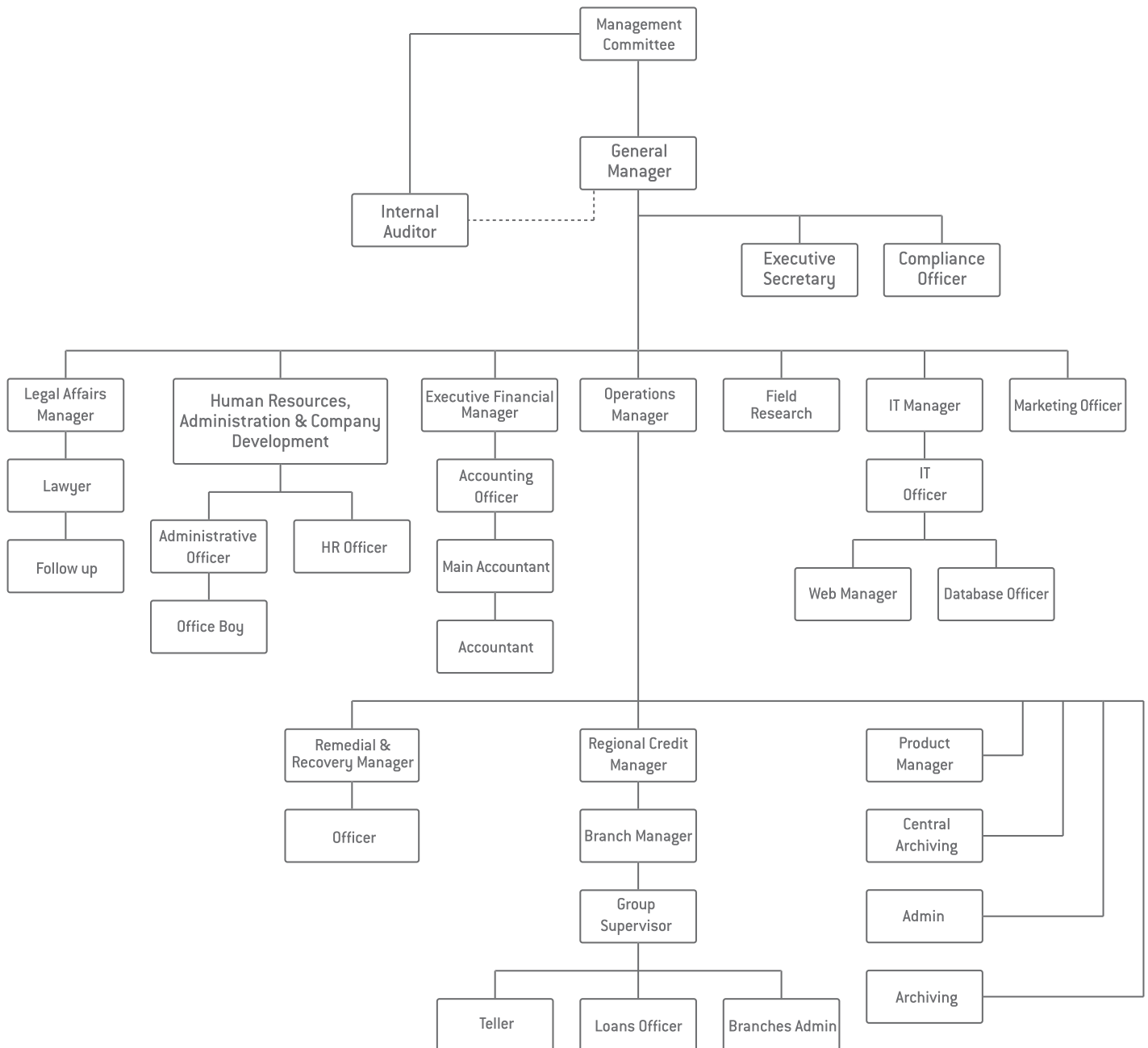


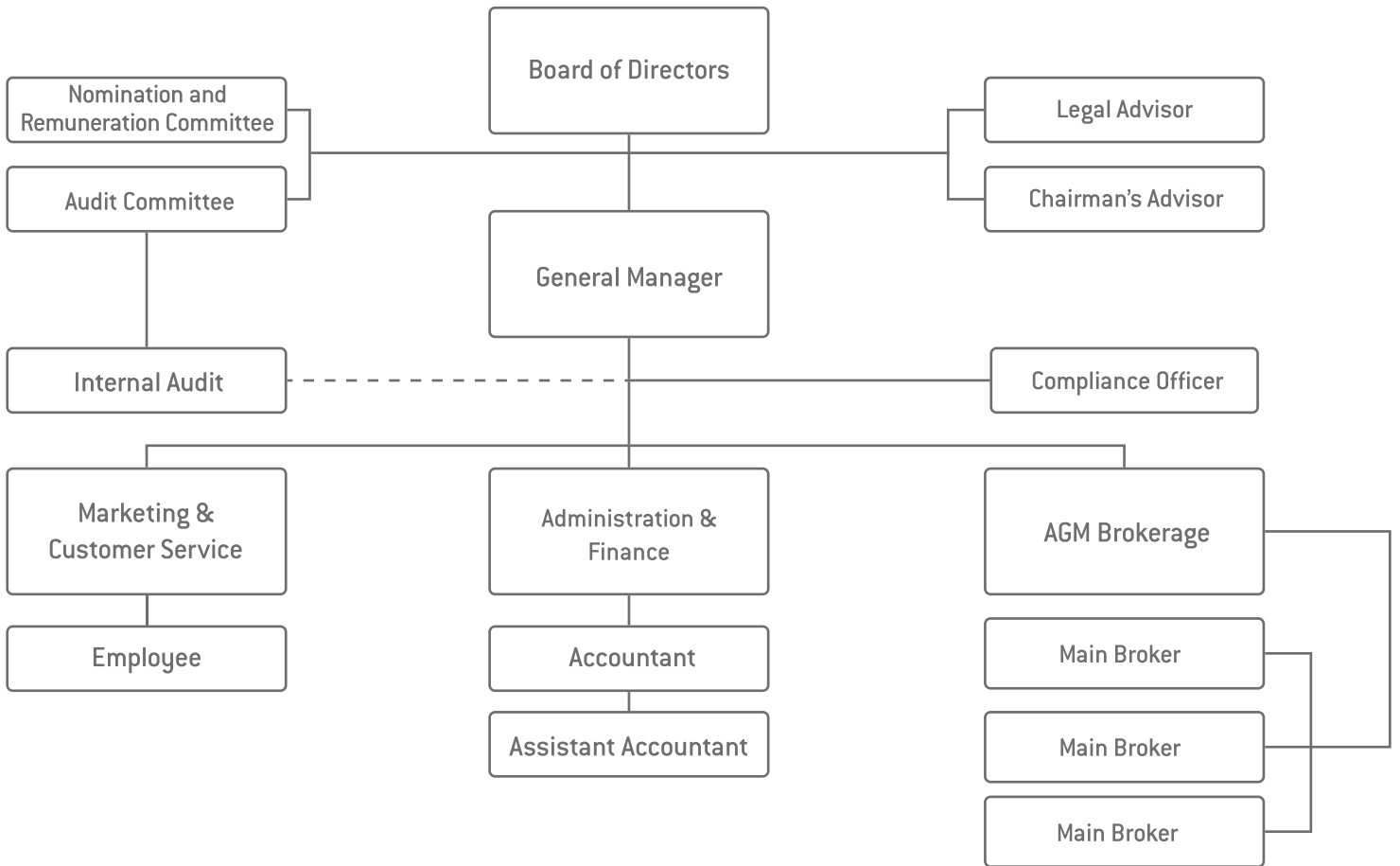




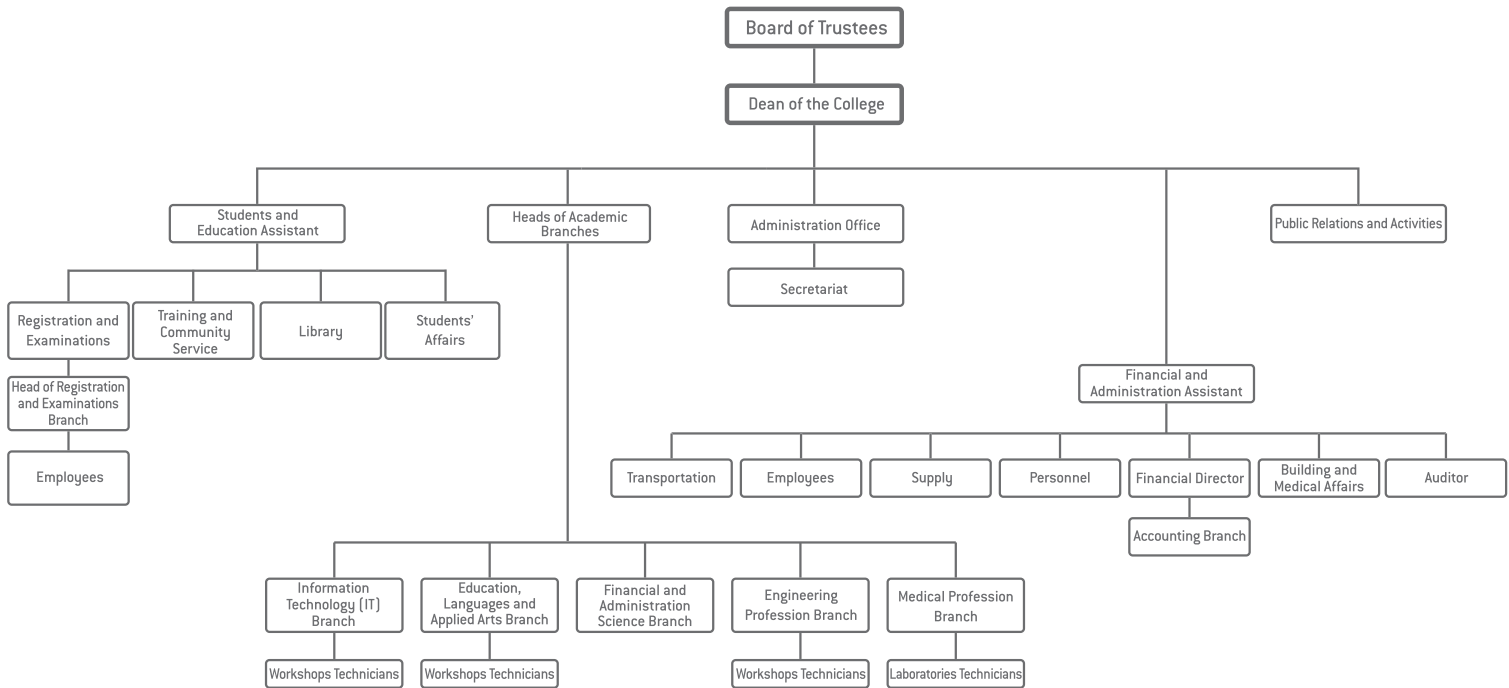


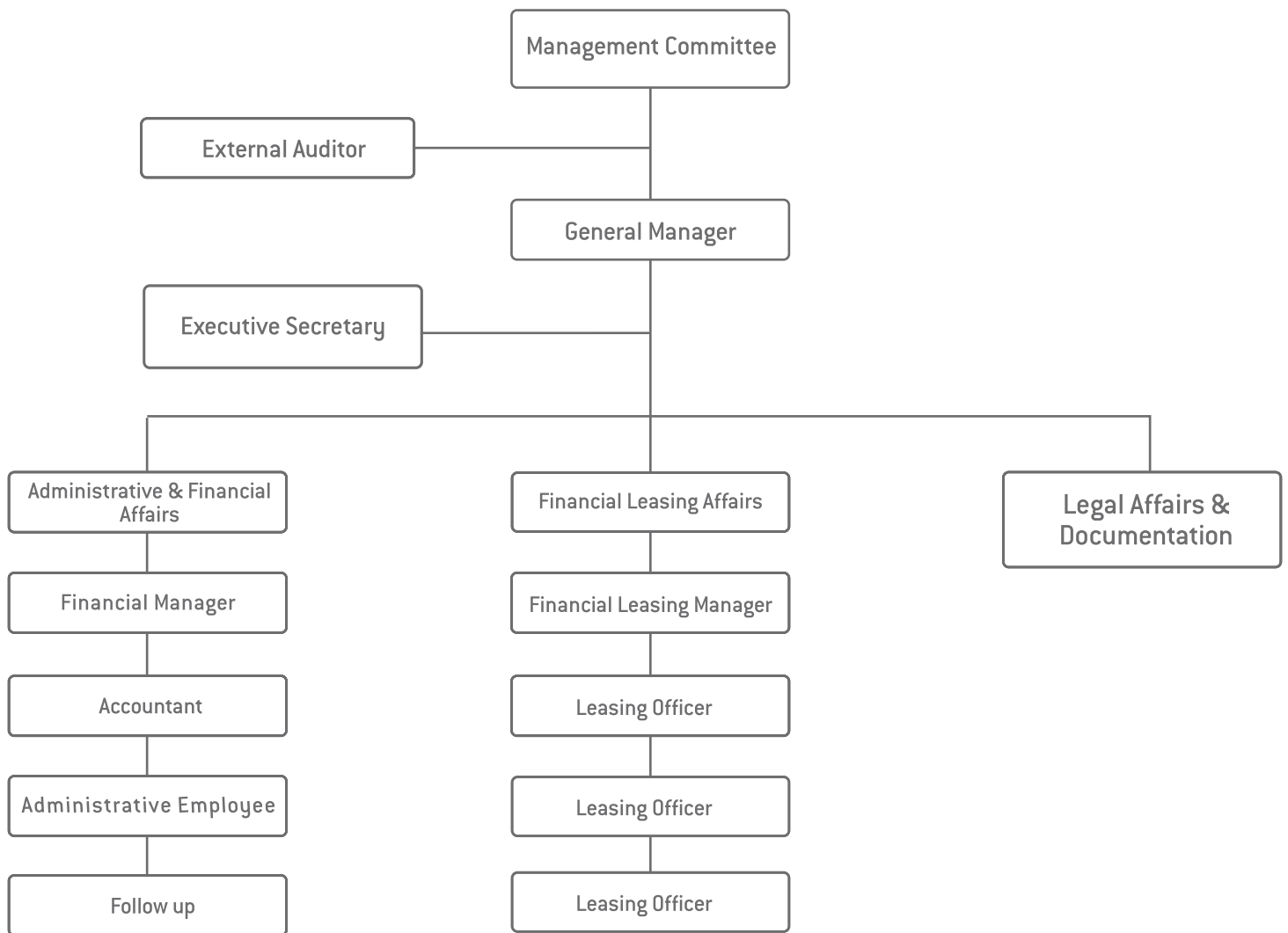
# Ahli Microfinance Company



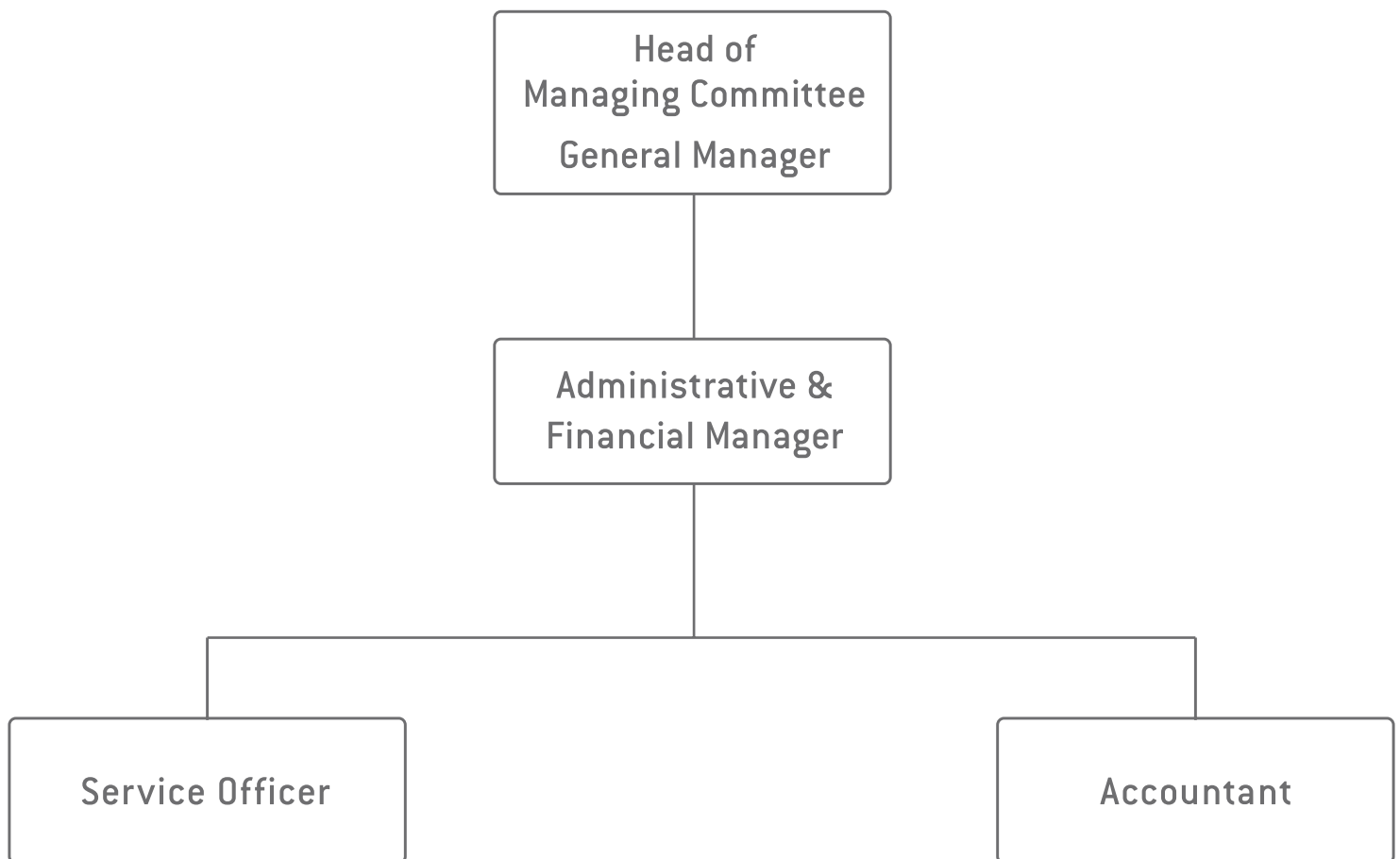


# Zarqa National College





## Ahlouna for Social Cultural Welfare – Non-Profit



## Ahli Branches Inside the Hashemite Kingdom of Jordan

### Main Branch

Amman - Shmeisani - Queen Noor Street  
P.O. Box 941273 Shmeisani 11194 Jordan  
Tel.: 5638800  
Manager: 5685901  
Fax: 5699867

### Corporate Branch

Amman - Shmeisani - Yaqoub Sarrouf Street  
P.O. Box 925993 Amman 11118 Jordan  
Tel.: 5608730  
Manager: 5696761  
Fax: 5699867

### Abdoun

Amman - Abdoun - Cairo Street  
P.O. Box 851216 Sweifieh 11185 Jordan  
Tel.: 5929397, 5929431  
Manager: 5923024  
Fax: 5929652

### Jabal Amman

3<sup>rd</sup> Circle - The Islamic Scientific College Street  
P.O. Box 35011 Amman InterContinental 11180 Jordan  
Tel.: 5002130, 4653645  
Manager: 4628819  
Fax: 4611541

### Mecca Street

Amman - Mecca Street  
P.O. Box 973 Tlaa' Al-Ali 11821 Jordan  
Tel.: 5856017, 5866197  
Manager: 5852511  
Fax: 5866097

### Sweifieh

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

### Sweifieh - Wakalat

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

### Thaqafa Street

Amman - Shmeisani - Thaqafa Street  
P.O. Box 940017 Shmeisani 11194 Jordan  
Tel.: 5681382  
Manager: 5673578  
Fax: 5681326

### Queen Rania Al-Abdullah Street

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

### Jabal Al-Hussein

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

### Wasfi Al-Tal

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

### Wadi Saqra

Wadi Saqra - Saqra Mall - Arar Street - Building No. 238B  
P.O. Box 182352 Amman 11118 Jordan  
Tel.: 5679138  
Manager: 5679317  
Fax: 5678612

### City Center Branch

Reda Street - Amman  
P.O. Box 791 Amman 11118 Jordan  
Tel.: 4625126 / 7  
Manager: 4624218  
Fax: 4625120

### Middle East Circle

Middle East Circle - Amman  
P.O. Box 620190 Al-Sha'a'ilayah Neighborhood 11162 Jordan  
Tel.: 4777279  
Manager: 4777288  
Fax: 4777289

### Bayader

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

### Chamber of Industry Building

Jabal Amman - 2<sup>nd</sup> Circle - The Islamic Scientific College Street  
P.O. Box 2958 Amman Circle 11181 Jordan  
Tel.: 4644896, 4644391  
Manager: 4641142  
Fax: 4649564

#### Abdullah Ghosheh Street

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

#### Um Uthaina Market Branch

Amman - Shat Al-Arab Street  
P.O.Box: 851676 Amman 11185 Jordan  
Tel.: 5523181, 5523469  
Manager: 5522907  
Fax: 5523028

#### City Mall

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

#### Sweileh

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

#### Abu Nusair

Amman - Abu Nusair - Karameh Street  
P.O. Box 542113 Abu Nusair 11937 Amman  
Tel.: 5105137  
Manager: 5105146  
Fax: 5105142

#### Al-Hashmi Al-Shamali

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

#### Al-Horrieh Street

Amman - Al-Horrieh Street - Um Al-Qsir Neighborhood - Amman  
P.O. Box 110171 Amman 11110 Jordan  
Tel.: 4206174, 4206108  
Manager: 4206194  
Fax: 4206214

#### Sahab

Sahab - Prince Hassan Street  
P.O. Box 2 Sahab 11511 Jordan  
Tel.: 4021092  
Manager: 4025673  
Fax: 4021609

#### Marka Al-Shmaliyeh

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

#### Dahiyat Al-Yasmeen

Amman - Al-Yasmeen Neighborhood  
P.O. Box: 630688 Amman 11163 Jordan  
Tel.: 4206842  
Manager: 4206841  
Fax: 4206759

#### Al-Rusaifeh

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

#### Ibn Khaldoun Street

Jabal Amman - 3<sup>rd</sup> Circle - Ibn Khaldoun Street - Building No. 67  
P.O. Box 3103 Amman 11181 Jordan  
Tel.: 4641320, 4641310  
Manager: 4641377  
Fax: 4641399

#### University Street

Amman - Queen Rania Al-Abdullah Street  
P.O. Box 2666 Amman 11941 Jordan  
Tel.: 5354843  
Manager: 5349836  
Fax: 5354782

#### Khreibet El-Souq

Amman - Khreibet El-Souq - Madaba Street  
P.O. Box 665 Khreibet El-Souq 11621 Jordan  
Tel.: 4126522  
Manager: 4125088  
Fax: 4127610

#### Marj Al-Hamam

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

#### Madaba

Madaba - King Hussein Street - Near the Municipal Circle  
P.O. Box 295 Madaba 17110 Jordan  
Tel.: (05) 3244254  
Manager: (05) 3245181  
Fax: (05) 3240260

**Al-Salt**

Al-Salt - Municipality Street  
P.O. Box 50 Al-Salt 19110 Jordan  
Tel.: (05) 3555771 / 2 / 3  
Manager: (05) 3558014  
Fax: (05) 3555774

**Al-Balqa' Applied University Office**

Al-Salt - Al-Balqa' University  
P.O. Box 929 Al-Salt 19117 Jordan  
Tel.: (05) 3532691 / 2, Ext.: 3610  
Fax: (05) 3532690

**Bawabet Al-Salt**

Al-Salt Town Entrance - Next to the Palace of Justice  
P.O. Box 106 Salt 19110 Jordan  
Tel.: (05) 3553358  
Manager: (05) 3533144  
Fax: (05) 3551440

**Deir Alla**

Deir Alla - Main Street  
P.O. Box 99 Deir Alla 18210 Jordan  
Tel.: (05) 3573057  
Manager: (05) 3573161  
Fax: (05) 3573186

I unified the word "Zarqa" in branches and ATM

**Zarqa**

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

**New Zarqa**

New Zarqa - Al-Kurdi Plaza - 36 Street - Facing Al-Hirafiyah  
Al-Shimaliyah Area  
P.O. Box 12499 Zarqa 13112 Jordan  
Tel.: (05) 3858951  
Manager: (05) 3859697  
Fax: (05) 3859110

**Free Zone**

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

**Jarash**

Jarash - King Abdullah Street  
P.O. Box 125 Jarash 26110 Jordan  
Tel.: (02) 6351891 / 2  
Manager: (02) 6351890  
Fax: (02) 6351893

**Mafraq**

Mafraq - Municipal Street - Facing Electronic Store  
P.O. Box 510 Mafraq 25110 Jordan  
Tel.: (02) 6232501  
Manager: (02) 6232535  
Fax: (02) 6230303

**Ramtha**

Ramtha - Banks' Street  
P.O. Box 198 Ramtha 21410 Jordan  
Tel.: (02) 7383817  
Manager: (02) 7381670  
Fax: (02) 7382610

**Irbid**

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

**Arabella Mall - Irbid**

Irbid - King Abdullah II Street  
P.O. Box 3205 Irbid 21110 Jordan  
Tel.: (02) 7249324, (02) 7249252  
Manager: (02) 7249154  
Fax: (02) 7249236

**Hashmi Street - Irbid**

Irbid - Hashmi Street  
P.O. Box 368 Irbid 22110 Jordan  
Tel.: (02) 7278613, (02) 7250374  
Manager: (02) 7250371  
Fax: (02) 7278614, (02) 7250364

**Hakama Street**

Irbid - Hakama Street  
P.O. Box 368 Irbid 22110 Jordan  
Tel.: (02) 7278613, (02) 7254377  
Manager: (02) 7254378  
Fax: (02) 7278614

**Industrial Area - Irbid**

Irbid - Industrial City  
P.O. Box 61 Irbid 21110 Jordan  
Manager: (02) 7404143  
Fax: (02) 7400055

**Karak**

Karak - Italian Hospital Street  
P.O. Box 177 Karak 61110 Jordan  
Tel.: (03) 2351248 / 9  
Manager: (03) 2243945  
Fax: (03) 2351676

**Tafila**

Tafila - Main Street  
P.O. Box 13 Tafila 66110 Jordan  
Tel.: (03) 2241120  
Manager: (03) 2243945  
Fax: (03) 2241710



**Ma'an**

Maan - King Hussein Street  
P.O. Box 114 Maan 71111 Jordan  
Tel.: (03) 2132347 / 8  
Manager: (03) 2133749  
Fax: (03) 2132799

**Aqaba**

Aqaba, Hammamat Street Al-Tunisiyah  
P.O. Box 49 Aqaba 77110 Jordan  
Tel.: (03) 2022350 / 1 / 2  
Manager: (03) 2013535  
Fax: (03) 2022353

**Taj Mall**

Taj Mall - Abdoun - Saad Abdo Shamoot Street  
P.O. Box 850663 Sweifieh 11185 Jordan  
Tel.: 5930961 / 75 / 76 / 86  
Manager: 5930895  
Fax: 5931024

**Tlaa' Al-Ali Branch**

Tel.: (06) 5536834  
Fax: (06) 5541591

**Jubeha Branch**

Tel.: 5354843  
Manager: 5349836  
Fax: 5354782

## Jordan Ahli Bank's Branches and Offices Abroad

### Palestine Branches

#### Regional Management – Palestine Branches

Address: Al-Zahra Street – Ramallah  
Manager's Tel.: 00972 (2) 2959340  
Mob.: 00972 599 520360  
Assistant Regional Manager's  
Tel.: 00972 (2) 2989382  
Mob.: 00972 599 318346  
Operator: 00972 (2) 2959343 / 4  
Fax: 00972 (2) 2959341  
P.O. Box 550  
Ramallah – Palestine  
E-mail: regional@ahlibank.com.ps  
info@ahlibank.com.ps  
Website: www.ahli.com

#### Nablus Branch

Address: Commercial Center (B) – Building No. 8  
Manager's Tel.: 00972 (9) 2374501  
Tel.: 00972 (9) 2382280 / 1 / 2  
Mob.: 00972 599 418689  
Fax: 00972 (9) 2382283  
P.O. Box: 40  
E-mail: Nablus@ahlibank.com.ps

#### Shallaleh Street Branch – Hebron

Address: Shallaleh Street – No. 15  
Manager's Tel.: 00972 (2) 2224804  
Tel.: 00972 (9) 2224801 / 2 / 3  
Mob.: 00972 599 839723  
Fax: 00972 (2) 2224805  
P.O. Box 623  
E-mail: shallaleh@ahlibank.com.ps

#### Salam Street Branch – Hebron

Address: Al-Salam Street  
Manager's Tel.: 00972 (2) 2212770  
Tel.: 00972 (2) 2226713 / 4  
Mob.: 00972 599 674938  
Fax: 00972 (2) 2226712  
P.O. Box: 718  
E-mail: salam@ahlibank.com.ps

#### Ramallah Branch

Address: Al-Zahra Street  
Manager's Tel.: 00972 (2) 2986310  
Tel.: 00972 (2) 2986313 / 4  
Mob.: 00972 599 929991  
Fax: 00972 (2) 2986311  
P.O. Box 550  
E-mail: ramallah@ahlibank.com.ps

#### Bethlehem Branch

Address: Al-Mahd Street  
Manager's Tel.: 00972 (2) 2770353  
Tel.: 00972 (2) 2770351 / 2  
Mob.: 00972 599 674941  
Fax: 00972 (2) 2770354  
P.O. Box 807  
E-mail: bethlehem@ahlibank.com.ps

### Cyprus Branches

#### Jordan Ahli Bank - Cyprus

Pecora Tower, 2nd Floor, 1 Anexartisias Street  
P.O. Box 53587 3303 Limassol Cyprus  
Tel.: 00357 25 356669  
Fax: 00357 25 356673  
E-mail: jnb@cytanet.com.cy  
info@ahlibank.com.cy  
humanresources@ahlibank.com.cy  
treasury@ahlibank.com.cy

#### Dealing Room

Tel.: 00357 25 371118  
Routers Code: JNBC  
SWIFT Code: JONB CY 2I

## Lebanon Branches (Ahli International Bank)

### Headquarters

Bab Idriss, Omar Daouk Street  
 Tel.: 00961 (1) 970921 - 00961 (1) 970929  
 General Manager's Fax: 00961 (1) 970944  
 Operations Fax: 00961 (1) 970935  
 Facilities Fax: 00961 (1) 970946  
 P.O. Box 11-5556 Riad El Solh –  
 Beirut 11072200 Lebanon  
 SWIFT: JNBB LB BE  
 E-mail: info@ahli.com.lb  
 gm@ahli.com.lb

### Treasury and Private Banking

General Administration Building – Bab Idriss,  
 Omar Daouk Street  
 Tel.: 00961 (1) 970960 – 970957 / 8  
 Fax: 00961 (1) 970959  
 P.O. Box 11-5556 Riad El Solh – Beirut  
 11072200

### Bab Idriss

Bab Idriss – Omar Daouk Street, Ahli  
 International Bank Building, Ground Floor  
 Manager's Telefax: 00961 (1) 970951  
 Tel.: 00961 (1) 970921  
 Fax: 00961 (1) 970952  
 P.O. Box 11-5556  
 Beirut 11072200 Lebanon  
 E-mail: idriss@ahli.com.lb

### Verdun

Rashid Karamah Street – Diamond Tower, 1st Floor  
 Manager's Telefax: 00961 (1) 797083  
 Tel.: 00961 (1) 797078 – 00961 (1) 797079  
 Fax: 00961 (1) 797082  
 P.O. Box 11-5556  
 Beirut 11072200 Lebanon  
 E-mail: verdun@ahli.com.lb

### Jdeideh

Barbar Bou-Jawdeh Street – Bou-Jawdeh Building, 1st Floor  
 Manager's Tel.: 00961 (1) 883890  
 Tel.: 00961 (1) 881680 – 00961 (1) 881719  
 Fax: 00961 (1) 883891  
 P.O. Box 20012 – Bouchrieh – Beirut  
 E-mail: jdeideh@ahli.com.lb

### Hamra

Emile Edde Street – Hoss Building, 2nd Floor  
 Hamra – Beirut  
 Manager's Tel.: 00961 (1) 355069  
 Tel.: 00961 (1) 350303 – 00961 (1) 340270  
 Fax: 00961 (1) 742843  
 P.O. Box 11-5556  
 Beirut 11072200 Lebanon  
 E-mail: hamra@ahli.com.lb

### Dora

Dora Highway – Kassardjian Building, 1st Floor  
 Beirut – Lebanon  
 Manager's Tel.: 00961 (1) 883722  
 Tel.: 00961 (1) 899121 – 00961 (1) 875570  
 Fax: 00961 (1) 894721  
 P.O. Box 11-5556  
 Beirut 11072200 Lebanon  
 E-mail: dora@ahli.com.lb

### Kaslik

Zouk Highway – Damaa Center, Ground Floor  
 Kaslik – Lebanon  
 Manager's Tel.: 00961 (9) 210760  
 Tel.: 00961 (9) 210769 – 00961 210770210  
 00961 (9) 210773  
 Fax: 00961 (9) 210773  
 P.O. Box 11-5556  
 Beirut 11072200 Lebanon  
 E-mail: kaslik@ahli.com.lb

### Tripoli

Fouad Chehab Boulevard – Awkaf Building,  
 Ground Floor  
 Manager's Tel.: 00961 (6) 430105  
 Tel.: 00961 (6) 430106 / 7  
 Fax: 00961 (6) 432720  
 P.O. Box 900 Tripoli – Lebanon  
 E-mail: tripoli@ahli.com.lb

### Saida

Fakhreddine Street – Moukhlasih Building,  
 1st Floor  
 Manager's Tel.: 00961 (7) 720418  
 Tel.: 00961 (7) 728930 – 00961 (7) 720458  
 Fax: 00961 (7) 728931  
 P.O. Box 116 Saida – Lebanon  
 E-mail: saida@ahli.com.lb

## ATMs Inside Ahli Bank Branches

### Amman

Main Branch	Shmeisani - Queen Noor Street
Jabal Amman Branch	Jabal Amman - 3rd Circle
Chamber of Industry Branch	Jabal Amman - 2nd Circle
Sweifieh Branch	Sweifieh - Haddad Commercial Complex
Mecca Street Branch	Mecca Street
Abdullah Ghosheh Street Branch	7th Circle - Abdullah Ghosheh Street
Queen Rania Street Branch	Sports City Circle - Arab Printers Building
City Center Branch	Downtown - Reda Street
Thaqafa Street Branch	Shmeisani - Thaqafa Street
Hurryeh Street Branch	Hurryeh Street - Um Al Qaser neighborhood
Abdoun Branch	Abdoun - Cairo Street
Marj Al-Hamam Branch	Marj Al-Hamam - Princess Taghreed Street
Jabal Al-Husseini Branch	Jabal Al-Hussien - Beer Al Sabe' Street
Wasfi Al-Tal Street Branch	Wasfi Al-Tal Street - Muhtaseb Building
Al-Ahlia Company ATM	Shmeisani - Opposite Wahbi Tamari Kindergarten
Al-Bayader Branch	Bayader Wadi Al-Seer - Main Street
Wakalat Street Branch	Sweifieh - Wakalat Street
City Mall Branch	Medical City Street - City Mall
Philadelphia Building	Shmeisani - Yaqoub Sarrouf Street - Building No. 2
University Street Branch	University Street - Khalifa Complex
Wadi Saqra Street Branch	Wadi Saqra - Arar Street - Building No. 238B
Dahiyat Al-Yasameen Branch	Al-Yasmeen Neighborhood - Jabal Arafat Street - Building No. 9
Um Uthaina Market Branch	Um Uthinah Market - Shat Al-Arab Street - Building No. 14
Taj Mall Branch	Abdoun - Prince Hashem Street
Data Cleansing Department	7th Circle - Beside DHL
King Hussien Business Park	Al Jandaweel - Al-Shaeb Street
Al-Rabieh Branch	Al Rabieh - Al-Hay Al-Tijari Street - Al-Yarmouk Plaza Complex
Tla' Al-Ali Branch	Khalil Al-Salim Street
Abu Nsair Branch	Abu Nsair - Al-Karama Street
Middle East Circle Branch	Al Wehdat
Sweileh Branch	Main Street - Building No. 6B
Sahab Branch	Sahab - Prince Hasan Street
Khreibet Al-Souq Branch	Madaba Street - Near Taibeh Bridge
Marka Branch	Marka - Main Street - Opposite the Military Hospital
Khalda Branch	Khalda - Amer Bin Malik Street
Al-Hashmi Al-Shamali Branch	Northern Hashmi - Prince Rashed Street

## Balqa' Province

Al-Salt Branch	Al-Salt - Municipality Street
Al-Salt Gate Branch	Al-Salt Town Entrance - Next to the Palace of Justice
Deir Alla Branch	Deir Alla - Main Street
Al-Balqa' Applied University	Al Salt - Al-Balqa' Applied University
Fuhais Branch	Fuhais - Al-Hijaz Street

## Zarqa Province

Zarqa Branch	Zarqa - Al-Sa'adeh Street
New Zarqa Branch	New Zarqa - Al-Kurdi Plaza
Al-Rusaifeh Branch	Rusaifeh - King Hussein Street

## North Region

Irbid Branch	Irbid - Army Street
Industrial Area Branch	Irbid - Industrial City
Ramtha Branch	Al Ramtha - Banks' Street
Hashmi Street Branch - Irbid	Irbid - Hashmi Street
Arabella Mall Branch	Irbid - King Abdullah Street

## Tafila Province

Tafila Branch	Tafilah - Main Street
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## Karak Province

Karak Branch	Karak - Italian Hospital Street
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## Aqaba

Aqaba Branch	Aqaba - Tunisian Hammamat Street
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## Madaba Province

Madaba Branch	Madaba - King Hussein Street - Near the Municipality Building
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## Mafraq Province

Mafraq Branch	Mafraq - Municipality Street
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## Jarash Province

Jerash Branch	Jerash - King Abdullah Street
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## ATMs Outside Ahli Bank Branches

### Amman

Plaza Super Stores Stores	Shmeisani - Queen Noor Street
Safeway Airport Road	Airport Road
Amman Mall	Al Waha Circle - Amman Mall
Keswani Station ATM	Al Madina Al Munawara Street Next to Sameh Mall
Al Salam Market ATM	Al Jandaweel
Safeway Shmeisani ATM	Shmeisani - Safeway
Mecca Mall ATM	Mecca Street - Mecca Mall
Sheraton Hotel ATM	5th Circle
Cozmo ATM	7th Circle - Airport Road
Jordan University ATM	Jordan University Street - Inside Jordan University
Marriott Hotel Amman ATM	Amman - Marriott Hotel
Corner Supermarket ATM	Jabal Amman - 4th Circle Behind the Belgium Embassy
Maxim Mall ATM	Jabal Al-Hussien - Firas Circle
Safeway Whole Center ATM	Muqabalein
Israa University ATM	Airport Road - Inside the University
Al-Hussein Cancer Center ATM	Queen Rania Street
AlBaraka Mall ATM	Sweifieh - AlBaraka Mall
Mukhtar Mall ATM	Sports City Circle - Queen Rania Street
Eyes Specialty Hospital ATM	Al-Madina Al-Munawara Street
ATM Shop	Jabal Amman - Rainbow Street
Landmark Hotel Amman ATM	Wadi Saqra – Al-Hussein Bin Ali Street
Ministry of Industry and Trade ATM	Shmeisani
Shafa Badran Licensing	Shafa Badran
Children’s Museum ATM	King Abdullah Street - Al-Hussein Public Parks - The Children’s Museum Building
Plaza Mall ATM	Al-Hashmi Northern
Licensing Center Marka ATM	Marka
Safeway Marj Al-Hamam	Marj Al-Hamam - Princess Taghreed Street - Al-Jundi Circle

Department of Civil Status and Passports Tabarbur - Next to the Arab Open University

## Balqa'

Marriott Dead Sea ATM Dead Sea - Marriott Hotel

Al-Salt Licensing ATM Licensing of Vehicles and Drivers - Al-Salt - Al-Saru Street Opposite to Al-Ahliyya Amman University

## Zarqa

Safeway Zarqa ATM New Zarqa

## Aqaba

InterContinental Hotel Aqaba ATM Aqaba - InterContinental Hotel

Safeway Aqaba Aqaba

Aqaba Market Aqaba - City Center

## North Region

Safeway Irbid ATM Irbid - Safeway