

Annual Report
2015



Together we reap the
fruits of our success

Excel

Our Vision

To be a pioneering bank that excels in providing products and services, offers comprehensive financial solutions and acquires an advanced position in the Arab region.

Our Mission

To build amicable relations with our customers, optimize the returns to shareholders and contribute to social advancement by providing comprehensive financial solutions through high-quality and efficient service channels and a modern business environment that comprises an excelling team of employees.

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Bank of Jordan

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His Majesty
King Abdullah II Bin Al Hussein



His Royal Highness
Crown Prince Hussein Bin Abdullah II



Board of Directors

Chairman & CEO

Mr. Shaker Tawfiq Fakhouri

Vice Chairman

Dr. Abdel Rahman Touqan

Members:

Mr. Yahya Zakaria Al Kadamani

Dr. Mazen Mohammad Al Basheir

Dr. Yanal Mawloud Naghouj

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali

Mr. Haitham Abu Nasr Al Mufti

Representative of Al-Ekbal Jordanian General Trading (LLC)

Mr. Ammar Mahmoud Abu Namous

Representative of Al Pharaenah Int'l for Industrial Investments Co.

Mr. Haitham Mohammed Samih Barakat as of 30/07/2015

Mr. Husam Rashed Manna' as of 30/07/2015

Mr. Mohammad Anwar Hamdan as of 30/07/2015

Mr. Walid Tawfiq Fakhouri until 14/06/2015

Mr. Jan Joseph Shamoun until 23/06/2015

Mr. Haitham Mohammed Samih Barakat

Representative of Arabian Gulf General Inv. & Transport Co. until 30/07/2015

General Manager

Mr. Shaker Tawfiq Fakhouri

Auditors

Deloitte & Touche (M. E.) - Jordan

Chairman's Letter

Dear Fellow Bank of Jordan Shareholders,

It is with pleasure that I present you with the Fifty Fifth Annual Report for the Bank of Jordan.

Year 2015 was a challenging year. Geopolitics continued to affect many countries in the region, albeit the leadership in Jordan has steered the country away from the mayhem that engulfed some of our neighboring countries. Nevertheless, the regional situation has cast a noticeable shadow on many business sectors. Trade activities in Jordan, as well as tourism, have continued to be directly and negatively affected in 2015. Additionally, the transport sector and sub-sectors of the industry, focused on exports to neighboring countries, have suffered considerable damage from this regional unrest.

Global financial turmoil, with a slowing global growth estimated at 3.1% for 2015 has also affected the Jordanian economy. Particularly, Europe and China, Jordan's major trading partners, seem to have suffered the most. The collapse of oil prices and their negative effects on the expatriate workforce and Direct Foreign Investments were noticeable factors influencing the Jordanian economy. Admittedly, helped by the positive effect of the dropping oil prices, the trade imbalance for Jordan somewhat improved, yet it remained decidedly negative. All in all, the Jordanian economy managed to achieve an estimated GDP growth of 2.9% with inflation recorded at negative 0.9%, and unemployment rising to 13.8%.

Pegged to the Dollar, the Jordanian Dinar interest rates were further affected by the rising rates in the USA. The Federal Reserve expressed intent on hiking the overnight rate from the current near-zero levels, and took the first step to do so in December. This, combined with the easing tendency of central banks outside the US, created an awkward interest rate disparity for banks in Jordan to operate in. Notably, these outside interest rate pressures did not affect the JOD exchange-rate stability, as foreign reserves at Central Bank of Jordan continued to be at near record levels ending the year at \$13.9 billion USD.

The challenges facing Jordanian banks, due to this changed environment of Year 2015, were most significantly related to the serious drop in the interest rates that Central Bank of Jordan pays for overnight deposits (currently standing at 1.5%) and other monetary-policy instruments. Furthermore, the decision by the Jordanian government to continue borrowing through USD-based-US-secured bonds and through unsecured Eurodollar bonds in international markets generated serious pressure on the ability of banks to price government bonds. Additionally, governmental internal USD and JOD borrowing remained at somewhat-elevated levels, while other governmental and pseudo-governmental agencies expanded borrowing (locally) in US Dollar. Combined, these factors generated Jordanian Dinar excess liquidity that could not be properly deployed in the private sector, due to the aforementioned circumstances affecting quality-demand for corporate loans.

Last but not least, there were regulatory changes that affected banking net profits. The Tax Law changes for 2015 resulted in an increase of the tax bracket on banking income to 35% from its year 2014 level of 30%; creating a significant 17% increase in the tax burden due to this item alone. Additionally, regulatory changes to provision accounting were mandated by the banking regulators in Jordan and Palestine. In 2015, banks were required to provision for real estate assets acquired due to foreclosure proceedings on non-performing loans. The decrees imposed impairment provisions on assets held by banks for four years or longer, regardless of fair market value. The regulator in Palestine chose an aggressive lump-sum provisioning approach, instead of the 5-year-schedule elected by the Central Bank of Jordan to reach the eventual full 100% impairment.



Dear Valued Shareholders,

It is in this truly challenging environment to the banking industry that we are very proud to comfort you that your bank, Bank of Jordan, fared very well in year 2015, and continues to be optimistic about prospects for year 2016. It is with hard work, focus, and close attention to balancing risks-and-rewards, that the bank managed to achieve the highest return on average assets in the industry: an ROA ratio of 1.9%. Further, Bank of Jordan achieved an 11.7% return on shareholder equity. Albeit lower than last year numbers, due to the stated challenges the sector faced in 2015, these performance numbers remain some of the highest in the Jordanian banking sector. This performance was achieved while maintaining a non-performing loan (NPL) ratio of 5.94% (as opposed to 7.21% in year 2014) and a provision coverage ratio for such loans of 101.2%; also some of the best numbers in the Jordanian banking industry.

For more specifics, Bank of Jordan, in year 2015, maintained a JD125.2 million return on its portfolio, similar to year 2014 numbers, with interest income accounting for 88.9% of that. This was achieved while the bank, reacting to the severe changes in the interest rate structure, reduced its customer deposits to JD1,564.9 million (down 3.9% from 2014), and at the same time increased its loan portfolio to JD1,142.2 million (up 3.8% from 2014). Total assets for the bank by the end of year 2015 reached JD2,206.2 million, while shareholder equity jumped 7.2%, up to JD362.2 million.

The reduction in customer deposits was by design. Banks that have practiced efficient pricing of their liabilities, such as Bank of Jordan, did not have the same pricing-luxury as less-efficient banks when it came to lowering their cost of funds. As such, to reduce excess liquidity and to avoid deploying such liquidity at the lower CBJ-overnight and interbank rates, Bank of Jordan opted to reduce its costliest customer deposit base. This was in addition to several measures taken by the bank to deploy excess liquidity, securely, at higher return venues. As such, the bank continued to manage an efficient and balanced asset-liability portfolio. The Capital Adequacy Ratio for the bank reached 18.2%, far exceeding the Central Bank of Jordan requirement of 12% and the Basel II requirement of 8%. The liquidity ratio at the end of 2015 was 131.8%, also exceeding Central Bank of Jordan requirements.

Dear Valued Shareholders,

The above performance numbers and risk metrics are the reason we are hopeful about year 2016. Our decision as a bank to build our capital position, liquidity ratios, and NPL provisions at the described levels was to form a base that allows us to expand business as the macroeconomic picture hopefully improves in year 2016. It is to this end that Bank of Jordan is seeking to raise its paid-capital to JD200 million— an increase of JD44.9 million, hence reaching one of the highest in the Jordanian banking sector. This capital increase will be paid for by utilizing statutory reserves and retained earnings. Further, the bank will comfortably distribute to shareholders the equivalent of 20% of its paid-capital, or JD31.02 million, in the form of cash dividends. In conclusion, my sincerest thanks to you, our valued shareholders, for your continued support, and to our board members and staff for their relentless efforts to serve this bank and the community it represents.

**Yours very Truly,
Shaker Tawfiq Fakhouri
Chairman & CEO**

The background of the page is a watercolor-style illustration of a mountain range. The mountains are rendered in various shades of blue and white, with soft, painterly textures. The sky is a pale, light blue. The overall style is artistic and serene.

Board of Directors' Report 2015

Economic Performance 2015

Achievements in 2015

Analysis of Financial Position and Business Results for the Year 2015

Our Goals for 2016

Additional Information as Required by the Jordan Securities Commission 2015

Economic Performance 2015

In 2015, Jordan's economy has once again proven its ability to turn challenges into opportunities, sailing in rough seas for three years in a row (2012-2014), blamed on a regional crisis that was on the verge of crippling economic activity. An ongoing war in Syria, which has almost cut Jordan's vital transit routes, dealt a blow to the trade sector. The turmoil has also brought more than one million refugees into the resource-poor country. The situation was exacerbated by the conflict in neighboring Iraq, tensions in Lebanon and Palestine, and the fighting in Yemen led by Saudi Arabia. Despite all these challenges, Jordan's economy succeeded in realizing growth in 2015. This was made possible as the government aggressively pursued sustainable development goals aimed at increasing the overall growth rates while focusing on value added projects and job creation. Efforts were also largely focused on creating a stable macroeconomic framework and a competitive investment climate. These efforts were supplemented by an array of reforms that seek to attract more local and foreign investments. Another landmark achievement was the endorsement of the Investment Promotion Law and the Public-Private Partnership Law. In addition, services related to the IT sector were added to the list of activities that enjoy incentives and exemptions under the Investment Promotion Law, making it the 9th sector to join the beneficiary list. Moreover, amendments to the same Law have granted additional benefits to the passenger transport services. They have also extended grace periods for incomplete investment projects whose grace periods expired under previous legislation. The income tax was also scrapped for trade activities in free zones. Furthermore, new insurance companies that resulted from mergers were granted certain exemptions. Another milestone achievement for Jordan was its success in winning global confidence. This was evident in the huge global demand for the government-guaranteed bond issuance that was oversubscribed by 5.2 times the target. It is worth noting that these reforms are consistent with the Royally-approved ten-year reform blueprint (Jordan 2025) that seeks to reinvigorate the economy and subdue unemployment.

In light of these steps, macroeconomic indicators came in as projected in 2014 with real GDP growing by 3.1% by year end. However, real GDP growth retracted to 2.3% in the first three quarters of 2015 due to a slowdown in economic activity attributed to regional turbulence that has affected investment and trade. This compares with a growth of 3% realized during the first three quarters in 2014. The general level of prices against the relative change in the Consumer Price Index (CPI) was also lower by 0.9% against an increase of 2.9% in 2014. Unemployment reached 13.8% in Q3 in 2015, versus 11.4% recorded in Q3 in 2014. Foreign reserves with the Central Bank of Jordan (CBJ) maintained comfortable levels of USD 13.9 million at the end of 2015, a slight drop of 1.4% when compared to the previous year.

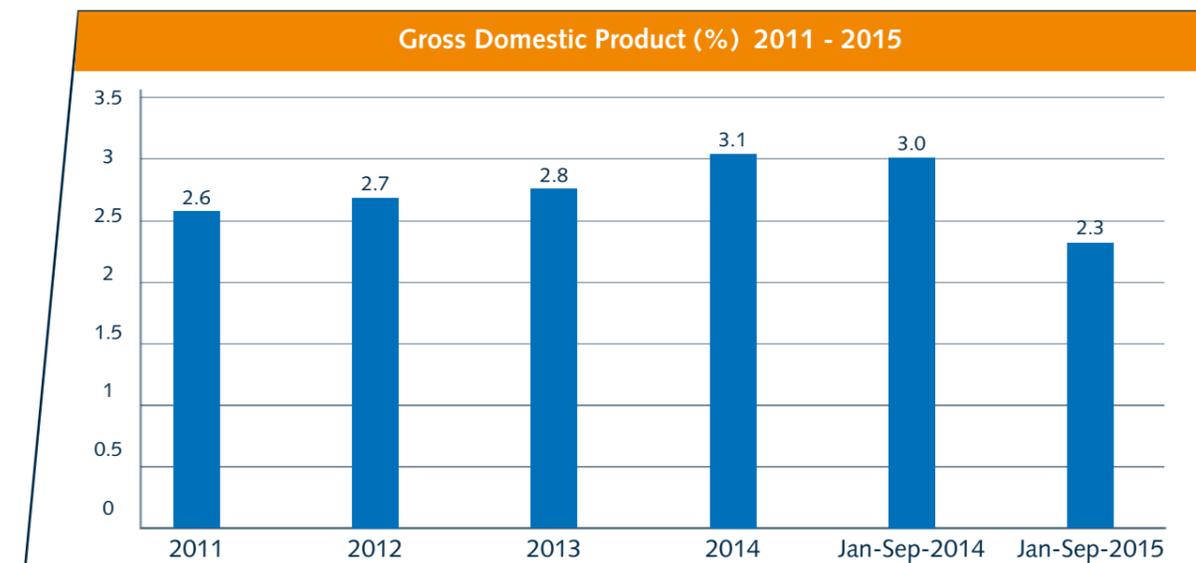
CBJ figures also show an increase in total banks' deposits to JD 32.6 billion, and a rise in credit facilities of the banking sector to JD 21 billion at the end of 2015. Credit provided to the private sector (resident) stood at JD 18 billion of total credit. The trade balance deficit, which represents the difference between total exports and imports shrank by 12.8% to JD 7,451.9 million. The current account of the balance of payments, in the meantime, recorded a deficit of JD 1,135.5 million, or 9.2% of GDP in the first half in 2015, against 9.9% in the corresponding half in 2014. Remittances of Jordanians working abroad increased by 1.9% to JD 2.3 billion at the end of the first ten months of 2015. The trading volume of the real estate sector, however, witnessed a drop of 2% when compared to 2014, reaching JD 7.6 billion. Tourism income, (travel receipts) also declined by 7.6% to JD 2.7 billion in the first eleven months of 2015 compared to the same period the year before. Net foreign direct investment in the Kingdom, at the same time, saw inflows of JD 608.9 million year-to-September versus JD 1,061.9 million registered during the same period in 2014. On the debt front, statistics unveiled that the outstanding balance of net public debt (net domestic and external) surged by JD 2 billion, or 9.9% at the end of October 2015 over its level at the end of 2014, representing 83.3% of projected GDP for 2015.

Gross Domestic Product

GDP at constant prices witnessed a slowdown in the first three quarters of 2015, clocking in at 2.3% against an expansion of 3% recorded in the corresponding period the year before. This is largely blamed on regional political and social instability that continued to affect major economic sectors. It is worth noting that some sectors recorded higher growth rates than others, mainly the "extractive industries – mining and quarrying" which expanded by 16.8% versus an expansion of 14.1% registered between January and September 2014. The "electricity and water" sector inched up 8.6% against 4.4% and the "transport, storage, and communications" sector grew by 3% compared with 1.8% for the same period. The "finance, insurance, real estate, and business services" sector expanded by 3.8% compared with 2.7%. "Producers of government services" reported a growth of 2.4% against 1.9%, while "producers of non-profit private services to households" picked up 6.3% against 6.1% during the period in comparison.

On another front, some economic sectors saw sluggish performance in the first nine months of 2015, when compared to the corresponding period a year earlier. "The trade, restaurants, and hotels" sector inched up 0.9% versus 4.3%, while agriculture inched up 0.7% against 3%. "Social and personal services" rose by 4% versus 5%.

"Manufacturing" sustained the same growth level realized in the first three quarters of 2014, rising by 1.5% at the end of September 2015. Nevertheless, the "construction" sector declined by 2.7% after recording a growth of 7.8% at the end of September 2014. Consequently, inflation dropped by 0.9% in 2015 after recording an increase of 2.9% in 2014.



Public Finance

Domestic revenues and foreign grants totaled JD 5.3 billion during the first ten months of 2015, a drop of 5.5% when compared to the same period in 2014. Foreign grants plunged by 43.3% to JD 409.1 million, while domestic revenues were unchanged during the period in comparison, reaching JD 4.9 billion. A breakdown of domestic revenues reveal a rise of JD 65.1 million in tax revenues, a JD 57.9 million drop in other revenues, and a JD 1.8 million in pension contributions. Total expenditures during the same period fell by 2.7% to JD 6.1 billion on the back of a drop of 2.6% and 3.2% in current and capital spending respectively. Given these developments, the general budget deficit after grants stood at JD 835.6 million against a shortfall of JD 696 million. The outstanding balance of net public debt (net domestic and external) jumped by 9.9% settling at JD 22.6 billion when compared to its level at the end of 2014, representing 83.3% of projected GDP for 2015.

The Monetary and Banking Sector

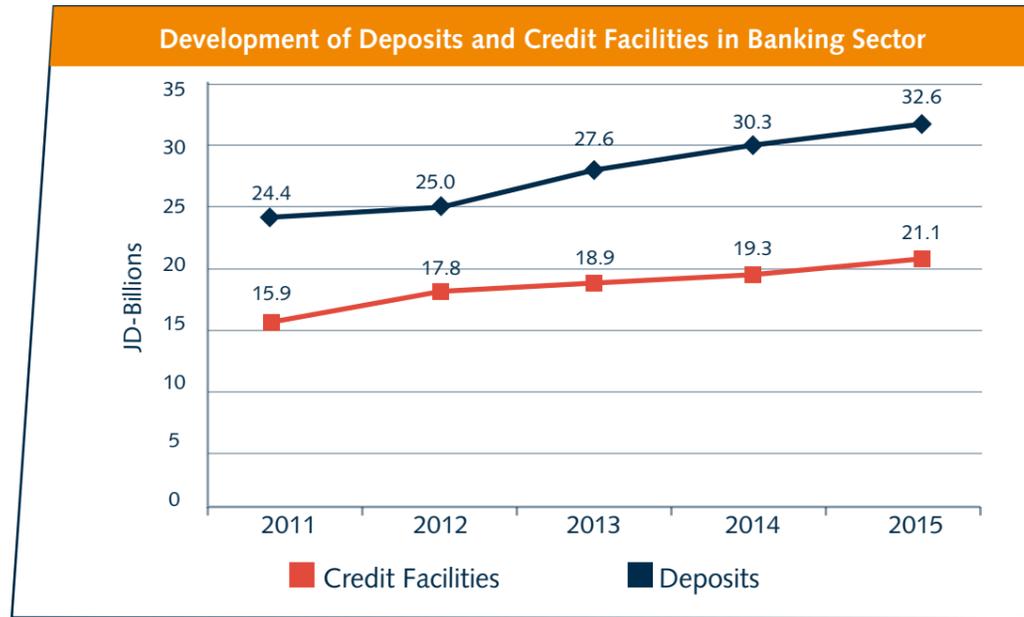
The Central Bank of Jordan continued to be vigilant to any monetary or financial imbalances, and ensured the banking system was sound and robust. In due course, the CBJ adopted several measures in 2015 aimed at maintaining monetary stability and creating an economic and banking environment that would contribute to economic growth. These included developing the operational framework for the monetary policy in February 2015 which helps improve the liquidity management function in banks.

Furthermore, the CBJ issued certificates of deposit (CDs) of various maturities and continued to accept banks' deposits – after subscribing to CDs – at the CBJ. It has also adopted a primary interest rate that has become the benchmark rate for the banking system, set against one-week repo rates. Added to that, medium term credit lines and advances were launched to finance various economic sectors, such as the industrial tourism, renewable energy, agriculture, and IT sectors against an interest rate that is two percentage points lower than the rediscount rate. Furthermore, the CBJ, cut interest rates on monetary instruments - by 25 basis points on two occasions during 2015 each.

The first such move took effect on 3/02/2015, and the second 25 basis point cut was enforced on 9/07/2015. Last year also witnessed the launch of the first credit information bureau, which provides credit information and assesses the credit rating of individual and corporate clients.

As for monetary and banking indicators, figures show that foreign reserves saw a light drop of 1.4% to USD 13.9 billion at the end of 2015 from a year earlier, while domestic liquidity rose by 8.1% to JD 31.6 billion. Banks' deposits climbed by 7.7% to JD 32.6 billion at the end of 2015: Dinar-denominated deposits increased by 8.3% to JD 26 billion, while those in foreign currency rose by 5.3% to JD 6.58 billion. Credit facilities, in the meantime, grew by 9.5% year-on-year to JD 21.1 billion – at the end of 2015.

By sector, credit extended to the "public services and utilities" sector registered the highest growth of 48.9% as compared to 2014. The "others" sector, which largely represents retail clients, recorded the second highest growth of 16.8% in credit. Loans to the "construction" sector rose by 7.7%, and those granted to the "tourism, restaurants, and hotels" sector by 3.8% from a year ago. Banks' assets continued their upward trend settling at JD 47 billion, up 5% when compared to their balance at the end of 2014.



On another development, interest on deposits and credit witnessed a decline in 2015: the weighted average interest on demand, savings, and time deposits stood at 0.32%, 0.62% and 3.06% respectively. This represents a drop of 11 basis points on demand deposits, 17 basis points on savings deposits, and 1.5 basis points on time deposits as compared to their level at the end of 2014. On credit facilities, the weighted average interest stood at 8.01% for overdraft, down by 114 basis points from the previous year. The weighted average interest on loans and advances went down by 60 basis points to 8.24%, and by 125 basis points on discounted bills to 8.70% as compared to 2014.

Amman Stock Exchange (ASE)

Regional political turbulence continued to cast a shadow on the Jordanian economy at large in 2015 and has affected the risk appetite of investors as reflected on the performance of Amman Stock Exchange (ASE). Official figures released by the ASE reveal that market capitalization declined by 0.5% to JD 18 billion at the end of 2015 as compared to the end of 2014, comprising 70.7% of GDP for 2015. The Share Price Index weighted by market capitalization went down by 0.2% to 4,229.9 points versus 4,237.6 points at the end of 2014.

The trading value, in the meantime, increased by 51% to JD 3.4 billion. The net of non-Jordanian investments in the bourse grew by JD 10.6 million compared with a drop of JD 22.2 million in 2014. Thus, the net investments of non-Jordanians in listed companies made up 49.5% of the total market value against 48.9% at the end of 2014.

External Trade

Leading trade indicators were varied in the first ten months of 2015. Total external trade (national exports and imports) dropped by 9.4% year-to-October to JD 16.1 billion compared to the corresponding span in 2014. National exports also retracted by JD 275.2 million to JD 4.02 billion during the period in comparison.

The US market was the biggest market for Jordanian exports, accounting for 21% of the total, followed by the Saudi market with 16.8%. Likewise, Jordan's imports fell by 10.3% to JD 12.1 billion between January and October. The Saudi market topped the list of exporters to the Kingdom, accounting for 15.8% of Jordan's total imports, while China came in second with 12.7% of the total. Crude oil and oil derivatives made up 15.4% of total imports, valued at JD 1.47 billion.

It is worth noting that the remarkable drop in global oil prices resulted in a substantial 41% drop in the cost of oil imports in the first ten months of 2015 when compared to the corresponding period the year before. Developments in the trade scene had led to a 12.8% retraction in the trade deficit to JD 7.5 billion during the period in comparison.

The Economic Performance 2016

Global economic projections indicate that the global economy will realize a growth of 3.1% in 2015, three points lower than the 3.4% growth achieved in 2014. This is based on expectations of a gradual recovery in advanced economies and a slowdown in emerging and developing economies. In 2016, the global activity is expected to expand by 3.6% buoyed by growth in advanced economies, favorable financial conditions, a drop in the price of oil and raw material, enhanced confidence, and better market conditions.

Based on IMF reports, Jordan's GDP is projected to grow by 2.9% in 2015, and by 3.7% in 2016. Inflation is expected to reach 3.1% in 2016. In line with the budget law for 2016, the total budget (central government) is projected to reach JD 8.49 billion (JD7.2 billion in current expenditures and JD 1.3 billion in capital expenditures). Thus, the budgetary shortfall is expected to hit JD 906.7 million (including grants estimated at JD 814 million). The budget of government units is expected at JD 1.9 billion, with a deficit of JD 376.3 million before financing. It is worth noting that the 2016 budget envisions higher capital expenditures that would account for 15.4% of total expenditures against a revised figure of 14% for 2015.

On the monetary and banking sector, the foreign currency reserves are expected to keep their comfortable levels. More aggressive growth and investment enhancing mechanisms are also expected to be enforced, with continued financing for the private sector. Local banks will also be encouraged to lend SMEs, a step that will be supported by the launch of the credit information bureau at the end of 2015. The new entity will provide credit information about customers and assess their credit rating, be they individual or corporate clients. Prices will likely be stable given that the downward trend in oil prices is expected to continue in 2016.

After the completion of Jordan's three-year Stand-by Arrangement with the IMF (2012-2015), a new assistance program is expected to be concluded in 2016. The program will help the Kingdom implement medium term structural reforms and to benefit from the Fund's financing tools. The reforms are aimed at enhancing the investment climate and the labor market consistent with (Jordan Vision 2025), developed under the directives of His Majesty King Abdullah the Second.

Achievements in 2015

Bank of Jordan continued to bolster its leading position in the markets where it operates backed by 55 years of excellence in the banking industry. The Bank also continued to develop its products and services, IT programs, electronic distribution outlets and e-payment systems to sustain the delivery of first class services.

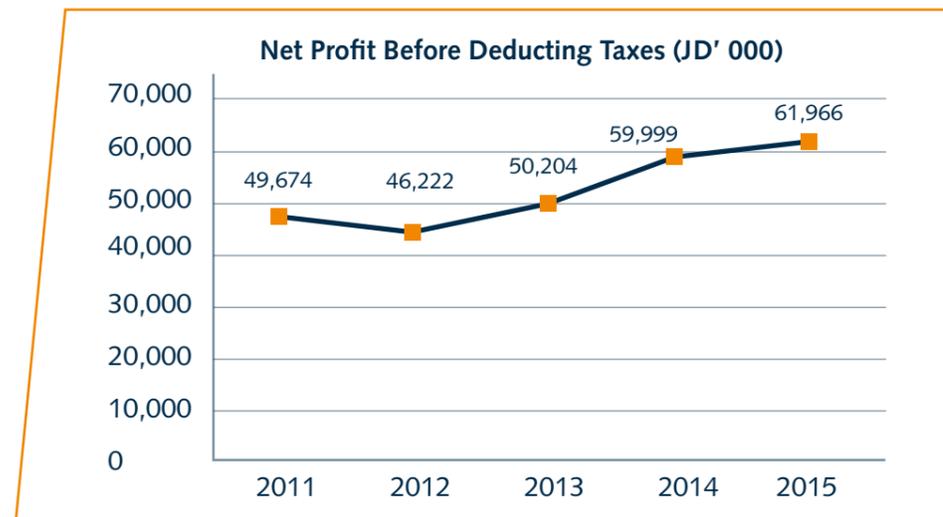
The bank's prudence in managing assets and liabilities and maintaining the quality of the loan portfolio through smart investments that take into account market variables has further boosted its competitiveness. Moreover, the bank pressed ahead with implementing its strategic projects and action plans.

In 2015, the bank worked on enhancing the security of customer credit cards, and is now compliant with the Payment Card Industry Data Security Standard PCI – DSS Version 3.1 - issued by the PCI Security Standards Council. Added to that, BoJ ranked high in two global surveys published by "Global Custodian" and "Global Investor" magazines in the field of custodial services.

Financial Results

A track record of success has enabled Bank of Jordan to make further advancements in 2015, supported by improved performance, a diversification of revenue streams, and the application of up-to-date financial systems. Main qualitative and quantitative targets were also met as reflected in the Bank's financial results for the year. Figures show that key financial ratios were maintained within the requirements of supervisory authorities: the capital adequacy ratio reached 18.2%, while the legal liquidity ratio stood at 131.8%. Non-performing facilities to total facilities (net of suspended interest) did not surpass 5.94% as compared to the international benchmark ratio of 10%. The coverage ratio of provisions for non-performing loans, in the meantime, reached 101.2%.

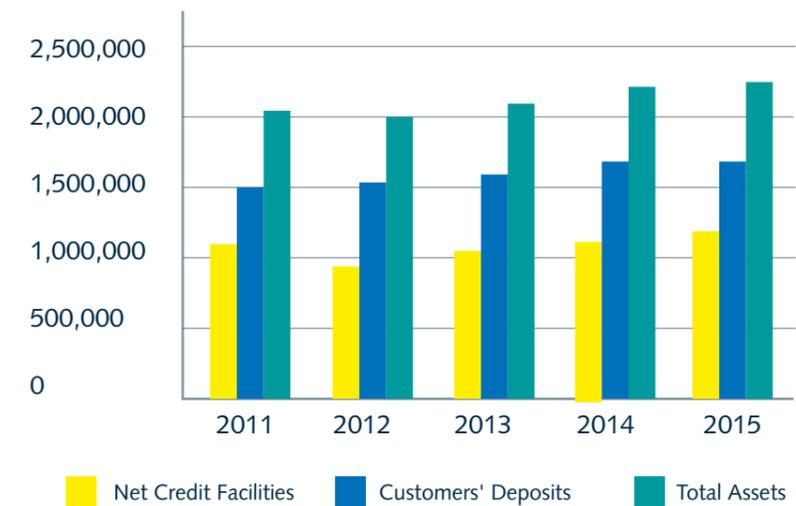
As for owner's equity, the bank's statements reveal a 13.4% drop in net profit attributable to Bank shareholders in 2015, which amounted to JD40.8 million. This projected decline is blamed on the higher income tax slapped on banks: the levy has been upped to 35% from 30% effective 2015. Another factor was the slowdown in the corporate sector affected by regional instability. Net profit before tax settled at JD61.9 million against JD60 million in 2014, higher by 3.3%. Assets slightly rose by 0.7% to JD2,206.2 million, while shareholder equity was up by 7.9% to JD362.2 million.



As for sources of funding, figures indicate that customer deposits settled at JD1,564.9 million. Demand deposits climbed by 6% to JD488.9 million, and savings accounts jumped by 7.7% to JD667.6 million. Time deposits and CDs, however, plunged by 25.6% and 23.5% respectively as compared to their balance at the end of 2014.

On the credit side, Bank of Jordan continued to cover the financing needs of various economic sectors. Yet, it was vigilant to risks and closely monitored market developments. It is worth noting that the net credit portfolio grew by 3.8% in 2015 to JD1,142.2 million as compared to 2014. Loans to the retail sector rose by 7.3% year- on-year reaching JD276.8 million at the end of 2015. Loans extended to the real estate activity jumped by 8.3% to JD208.8 million, while credit granted to the "government and public sector" reached JD149.5 million, up by JD86.1 million from a year earlier. Loans to the corporate sector dwindled by 16.5% to JD460.4 million, and those extended to SMEs dropped by 3.5% to JD126.5 million

The Development of Financial Position (JD' 000)



Main items on the income statement unveil that total income remained unchanged year-on-year at JD125.2 million, of which net operational income represented 88.9% or JD111.4 million. Cash dividends from investments in financial assets stood at JD3.1 million. Foreign currency income amounted to JD2.8 million, while total expenditures fell by 2.2% to JD63.2 million at the end of 2015.

Competitive Position

Bank of Jordan continued to secure a sizeable share of total customer deposits and credit facilities in the markets where it operates. In Jordan, the Bank's share of total customer deposits stood at 3.7% and 5% of total credit facilities. In the Palestinian market, the bank secured 10.27% and 8.54% of total customer deposits and credit facilities of Jordanian banks operating in Palestine respectively. In spite of the ongoing fighting in Syria, Bank of Jordan-Syria managed to clinch 2.13% of total deposits and 4.78% of total credit facilities of private banks, according to recent statistics.

Products and Services:

Bank of Jordan has strived to lead in a competitive industry despite tough market conditions that have plagued the region with no solution yet in sight. Banking on a solid foundation and huge resources, BoJ has developed a shrewd marketing strategy that focuses on offering innovative products and services, and on growing its customer base.

Retail Services:

The bank was keen on serving retail clients through offering products catered to their needs and which are based on the best international practices. Thus, it has introduced several financing programs including a new car financing program, under which customers can get a loan on the same day and without a down payment. This is in addition to The Cash Back campaign launched in cooperation with Hyundai Dealers when applying for a car loan. As for housing loans, the Bank offered "The Choice is Yours" program, where Jordanian expatriates and non-Jordanian residents can choose between benefiting from a reduced interest rate or relief from bank commissions and mortgage fees on real estate loans. The real estate loans campaign was also offered with certain benefits for Jordanians and non-Jordanians alike. Special offers were also made on personal loans. In the Palestinian market, the real estate loan program was put on offer in addition to an arrangement for postponing personal loan repayment during the month of Ramadan.

Additional incentives were granted to credit card users in 2015, including a 5% cash refund on the value of silver card purchases. "Aqsati" program was also introduced, allowing credit card holders to pay against their purchases in installments with zero interest. The "Credit Card Payment Alert" service was also introduced. Furthermore, holders of the platinum and gold credit cards have now the chance to win gold coins under the "Gold Back campaign". The credit card points system has also been expanded after several agreements were concluded with leading shopping centers including Safeway, Smart Buy, and Haidar Murad Group.

To measure customer satisfaction, the Bank started implementing the second phase of the customer satisfaction program after contracting a specialized research firm. In parallel, the mystery shopper program continued to be implemented in branches and the call center.

Corporate Services:

The Bank continued providing the necessary financing for large businesses after ensuring the feasibility of the proposed projects, a step that would help the Bank realize maximum profits against minimum risks. The bank also continued to nurture client relationships, adding a team of professional experts who visited customers and explained the comprehensive financial solutions on offer.

Main sectors financed in this category in 2015 were the energy, construction, manufacturing, car trading, and food-related business. Aside from that, the bank participated in syndicated loans valued at JD33.5 million at the end of 2015.

SMEs Services:

Realizing the vital role of SMEs in sustaining employment and contributing to GDP, Bank of Jordan provided access to short and long term financing for this important "growth engine". Loans were extended to commercial, industrial, and services activities across the Kingdom in 2015 through specialized centers that cater to the changing needs of SMEs. Added to that, the bank continued to implement "Kinz program", a huge database that allows the Bank to communicate with customers and inquire about target establishments. Another program, "Al Qistas" was also implemented, providing valuable information to the bank on court cases – if any - filed against customers.

Financial Leasing:

For customers who opt for non-conventional financing solutions, Bank of Jordan continued to offer financial leasing services for various asset types and sectors. In due course, a marketing strategy was developed for the real estate, services, and contracting sectors. At the same time, efforts were focused on attracting housing companies outside the capital. A real estate leasing program for individuals was also launched in 2015. Contracts with designated insurance firms were also concluded, under which life and property insurance is offered to lessees. In efforts to promote financial leasing products, the Bank participated in and co-sponsored the First Conference for the Jordanian Association of Leasing Companies that took place in September 2015.

Network of Branches:

As part of its expansion strategy, Bank of Jordan opened new branches in target areas in 2015 so that it can reach out to potential customers inside and outside the capital Amman. Older branches were also renovated in line with the Bank's corporate identity requirements, a move that aims to provide a convenient business environment for customers. The Bank's subsidiaries: Excel for Financial Investments Company and Jordan Leasing Company are also scheduled to move to new headquarters in 2016.

Moreover, the Bank renovated its headquarters in 2015 embracing modernity and adding a touch of aesthetic beauty to the work environment. The Bank has also installed LED exterior lighting at its headquarters, which would result in major energy savings. On top of that, the Bank's took a step forward, making its ATM service accessible for persons with disability.

With an aggressive expansion strategy to command a bigger share of the Arab market, Bank of Jordan plans to open a new "Conventional Wholesale Bank" in Bahrain – a major financial hub in the Arab Gulf. It is worth noting that the Bank has begun working on fulfilling the licensing requirements of both the Central Bank of Jordan (CBJ) and the Central Bank of Bahrain.

Electronic Banking Options:

Bank of Jordan continued to invest in electronic services in 2015, launching its new website to foster communication with its customers and keep them updated on the latest products and services on offer. This is in addition to introducing the mobile and tablet versions, applications that speed up client access to information. Furthermore, new countries were added to the list of states where customers can receive SMS. For customers not yet subscribed, text messages are sent once a loan is executed, a credit card is issued, and when the credit card outstanding balance is paid. The check number has also been added to text messages that notify customers about bad checks. To further improve e-services, the bank has partnered with Alhouool for Mobile Payment Company.

In Palestine, Bank of Jordan has completed the execution of the national code project among Palestinian banks – in compliance with the requirements of the Palestine Monetary Authority.

The year 2015 also witnessed an expansion in the bank's fleet of ATMs, which numbered 120 in Jordan, 51 of which include the instant cash deposit service. The Bank has also complied with the ATM security guidelines required by the CBJ. In Palestine, a total of 39 ATMs are serving clients .

Organizational Structure and Technical Resources:

In its quest for excellence, the Bank continued to develop its operational and organizational structures and to embrace the latest technological trends in the banking industry. In due course, a contract was struck with a pioneering company to develop central hosts. Another arrangement was concluded with Paltel to speed up communication among branches in Palestine, replacing them with Fiber – MPLS. The communications network that connects branches was also upgraded under an agreement with Zain. In the headquarters, the communications network was upgraded in cooperation with JBS-Cisco.

Plans are also underway to replace the current on-line banking system in order to improve customer service, and several applications using the Mobile Banking system were introduced in accordance with the CBJ requirements.

As for work procedures, a system for automating the credit decision (FICO-CDA) has been developed in addition to the credit assessment scorecard (FICO-EA Scorecard). The BlueRing (Phase 2) - for automating the credit granting decision - has also been executed as it includes connection with (FICO-CDA). In Palestine the S2M-MXP system has been connected with the national code as per the Palestine Monetary Authority guidelines. Furthermore, the Share Point was tested, and work is under way to fulfill its implementation requirements.

The Bank was also keen on complying with the requirements of regulatory bodies. This includes complying with the PCI DSS. It is also working on upgrading the MXP system in Jordan and Palestine in line with PCI standards. The main pillars of the Integrated Computerized Banking System (ICBS) were also adhered to including a re-delegation of authority at the level of automated systems in Jordan and Palestine. Furthermore, ATMs and personal computers are now running Windows7.

Other projects were tested and executed including the Straight-Through Processing (STP) project which speeds up the processing of transactions and the Real Time Gross Settlement (RTGS) project, in accordance with the CBJ guidelines. Furthermore, VISA credit cards are now printed at the Bank, while the VISA ELECTRON cards are printed at the Palestine regional headquarters. Moreover, the new versions of CareWeb and IGrax systems were installed. Added to that, the modifications needed for the automated system of Jordan Leasing Company have also been completed.

Furthermore, work procedures related to issuing check books in branches were completed in efforts to ensure tighter monitoring. This is in addition to developing procedures pertaining to retail loans to bring them in line with the credit analysis and credit decision automation systems. The bank has also updated work instructions needed for implementing the ICBS ORACLE VAULT project.

New work instructions pertaining to real estate loans were introduced in Palestine. Credit card forms were also replaced as a result of applying the PCI DSS. The account attachment was also updated in compliance with the Foreign Account Tax Compliance Act (FATCA).

Moving to the organizational structure, new structures were developed for the "Project Management" and "Credit Portfolio Risk" Departments. At the same time, several other departments were re-structured including the "Collection, Credit remedial, the Retail Banking Management, and the Branches Support" departments. The Help Desk Operations units in the Central Operation Management and IT Departments, were merged into one unit affiliated with the Branches Support Department. The merger aims to enhance the efficiency of processes at these departments.

A restructuring scheme for branches in Palestine was also executed, and operating procedures were developed for several departments, including the Administrative and Procurement Unit in the headquarters and the Services Administration Departments in Palestine. The regional headquarters' committees were also re-organized and a new AML unit was established and separated from the Compliance Unit in accordance with the Palestine Monetary Authority guidelines.

On the credit management front, an independent Credit Portfolio Risk Management Department was set up, for which an independent credit risk management policy was drafted. Policies related to operational, market, and liquidity risk management were also revised and amended to cope with latest developments in this field. In parallel with these adjustments, new policies for Palestinian branches related to liquidity, interest rate risks, and data security were adopted by the Board. The Bank has also reviewed and adjusted Stress testing scenarios and continued to conduct such tests.

All operational risks were also re-assessed for all units, while the operational errors were classified and linked to the relevant risks. In addition, the Key Risk Indicators (KRI) are now applied electronically. The Internal Capital Adequacy Assessment Process (ICAAP) was also put in place based on the Bank's statements as of 31/12/2014, which showed that the level of capital was adequate to absorb all potential risks.

In compliance with FATCA, all requirements and customer data were prepared and completed. All conditions to shift to the Internal Revenue Service (IRS) were also fulfilled for branches in Jordan and Palestine, and for Excel for Financial Investments Company within the set time. Training courses were held during the course of the year to educate employees on FATCA compliance requirements. As part of a collaborative effort to combat money laundering and terrorism financing, an automated system has been installed to closely monitor all operations and transactions processed in the bank. The customer data base is also being updated regularly.

Committed to providing excellent customer service, the bank was keen to receive customer feedback, review all complaints, and address any shortcoming in accordance with its customer complaint management policy. A similar policy "for managing customer complaints" has been put in place for branches in Palestine.

The Advanced Cyber Security Center project has also been executed in order to enhance data security around-the-clock in line with best international standards. A Penetration test was also conducted. The AML/CTF policies were amended, and indicators for detecting fraud and suspicious transactions were adopted. Tailor-made training courses, in the meantime, were offered for all concerned units.

As part of efforts to enhance performance and risk management functions, the bank has amended its Corporate Governance framework in accordance with the Corporate Governance Guidelines no. (58/2014). These amendments help to ensure that the bank protects its shareholders and customers alike through complying with regulatory requirements. A new policy for assessing the skills and experience of board members and the senior management was drafted and adopted accordingly to ensure members meet the necessary qualifications.

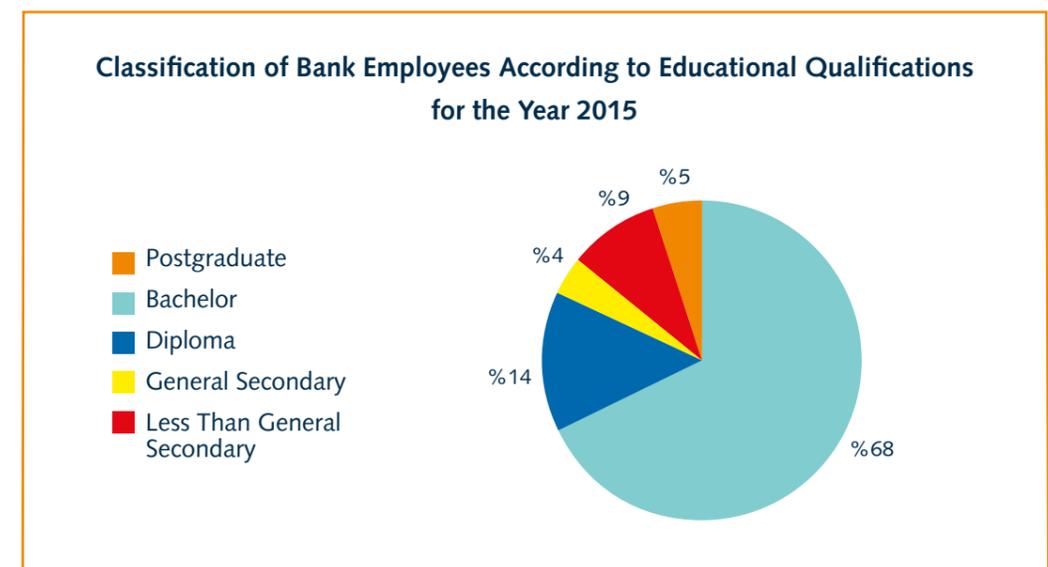
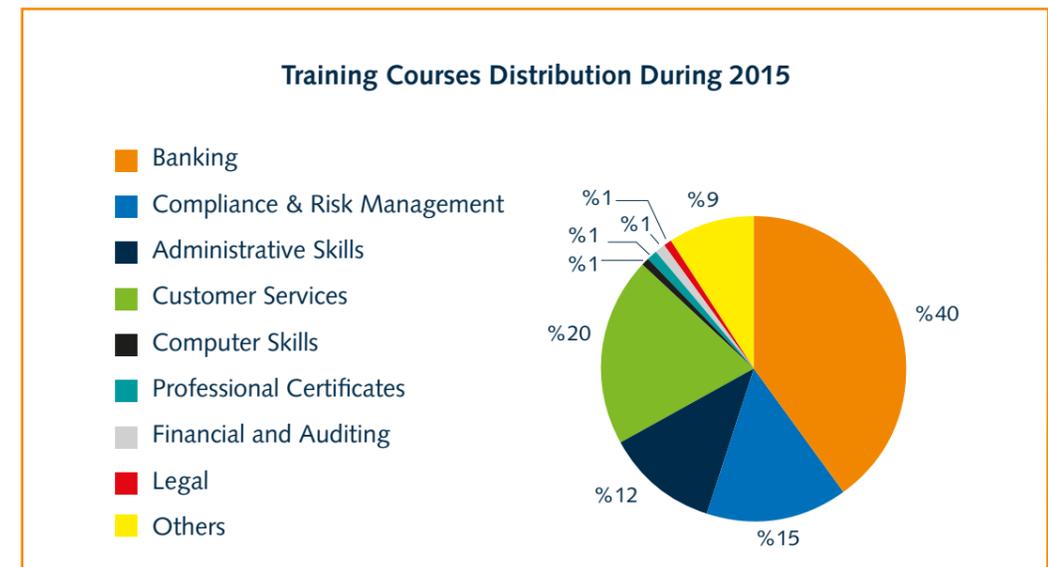
Human Resources:

Bank of Jordan has continued to invest in its human capital, with projects and strategies implemented year-round to improve its employees' skills and efficiency. The Core & Leadership Competencies as well as the Technical Competencies dictionaries were also prepared. Moreover, the Bank has contracted a consulting firm to implement the outcomes of the Technical Competencies project on HR systems so that equal opportunities are offered to all employees based on merit and productivity.

For the purposes of consistency, a unified HR system and policies are being prepared for the Bank's subsidiaries in Jordan and for Bank of Jordan – Syria.

As for the regional management for branches in Palestine, the OPM system is being implemented following the application of the payroll, self service, and attendance systems - core parts of the HRMS.

As part of a wider scheme to develop the skills of its staff, the bank organized training courses for bank tellers, the customer service, direct sales, and call center departments. This came hand in hand with programs targeting sales and customer service managers. In another token, an E-learning program on money laundering, FATCA, financial crimes, fraud, and corruption was held in 2015. The internal trainers and induction programs were also offered during the year.



Corporate Social Responsibility:

With a strong sense of responsibility towards the community and the environment, Bank of Jordan continued to support various scientific, cultural, sports, and social activities and charities.

Defining education as a top priority, the Bank has launched the " University Scholarships Fund ", offering 32 scholarships for excelling students for the 2015/2016 scholastic year. Ten other one-year scholarships were granted to 10 students to help them pursue their university education, in cooperation with Al Aman Fund for the Future of Orphans. Furthermore, the Bank contributed to establishing Martyr Mu'ath Al Kassasbeh Fund for University Scholarships in cooperation with the Association of Banks in Jordan, under which 52 scholarships will be granted and implemented through the Ministry of Higher Education and Scientific Research. The Bank also granted a distinguished student a scholarship to study at the prestigious King's Academy school. Added to that, the Bank helped over 39 students and researchers access valuable information needed to complete their studies.

Focusing on children's education, the bank extended its partnership with the program "Hikayat Simsim" for another year. And, for the seventh consecutive year, it continued to provide free-of-charge entry to the Children's Museum every first Friday of each month. This allows hundreds of children and their parents the opportunity to enjoy a valuable learning and educational experience.

Also in 2015, the Bank joined hands with the Central Bank of Jordan in raising financial awareness among citizens. It further supported the Jordan Armed Forces and the Border Guards in recognition of their invaluable efforts in maintaining national security and stability.

Contributions made in 2015 also covered charitable initiatives organized by the Hashemite Fund for Human Development. The Bank also provided assistance to the Circassian Charity Association to build a multi-purpose community hall. It further sponsored a charitable event held at Al Hussein Cancer Center.

Other beneficiaries – from the bank's donations – included Al Karak Construction Association, the Jordan Medical Aid for Palestinians Association, INJAZ, Palestine International Institute, and the Cerebral Palsy Foundation. The Bank also supported the Cycling for Palestine initiative, and the First Jordanian Youth Forum. In Palestine, the Bank partially contributed to rebuilding houses in Gaza.

In the meantime, Bank of Jordan continued to serve environmental causes through providing support to various environmental organizations. In due course, the Bank took part in a tree-planting campaign in Salt and Jerash in cooperation with the Arab Group for the Protection of Nature. The initiative is part of efforts to increase green space and to combat desertification in the largely arid Kingdom. Furthermore, the Bank extended financial support to the Jordan Society for the Prevention of Road Accidents in a bid to help protect lives and raise community awareness about road safety. Bank of Jordan had also contributed to printing the 2016 calendar issued by the Friend of Environment Society, which was part of a drawing competition launched by the society in public schools.

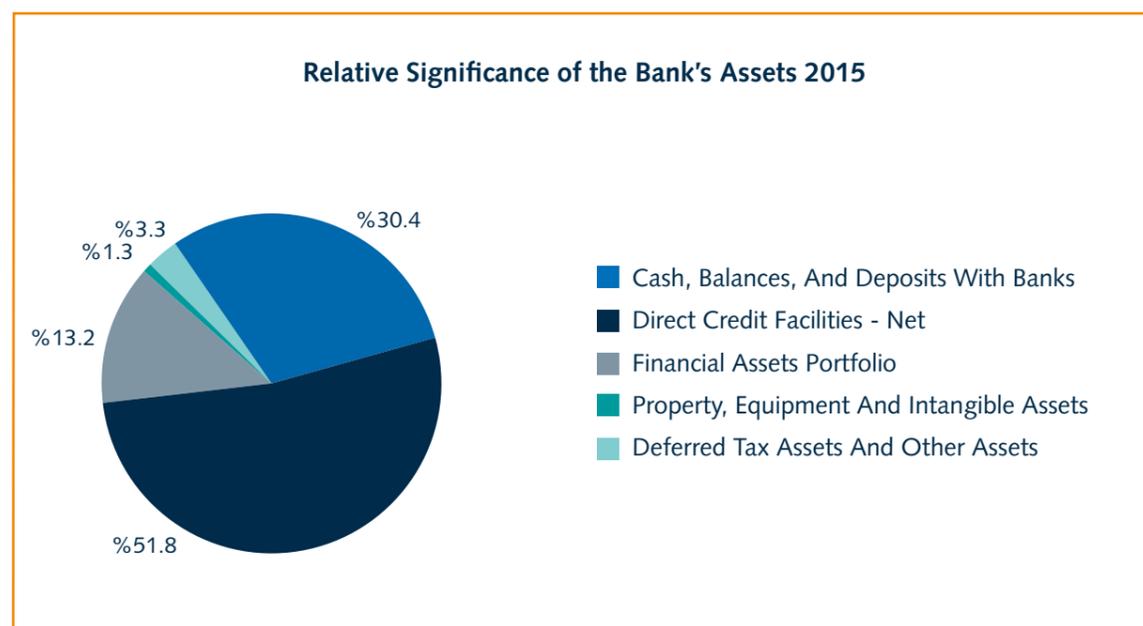
It is worth noting that total contributions in 2015 amounted to JD 573,876.



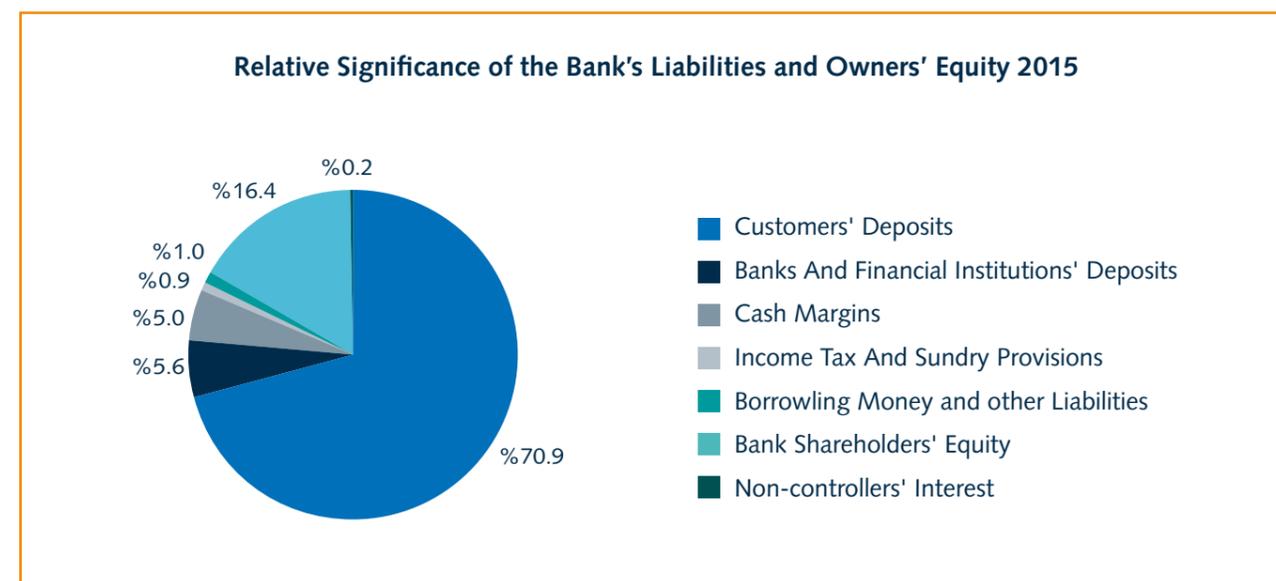
Analysis of Financial Position and Business Results for the Year 2015

The Bank's assets grew by 0.7% to JD 2,206.2 million at the end of 2015 against JD 2,190.2 million at the end of 2014. Efforts had largely focused on growing shareholder equity whilst striking a balance between profitability on the one hand and investing in low risk assets, on the other. The Bank also worked on providing sufficient liquidity to help it meet its financial obligations that have various maturities. It also continued to utilize available funds efficiently which helped the Bank maintain a solid financial position, and achieve higher revenue growth.

The Bank's Assets				
	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Cash, Balances, And Deposits With Banks	670.8	463.6	30.4%	21.2%
Direct Credit Facilities - Net	1,142.2	1,100.6	51.8%	50.2%
Financial Assets Portfolio	292.3	505.0	13.2%	23.1%
Property Equipment And Intangible Assets	29.1	30.6	1.3%	1.4%
Deferred Tax Assets And Other Assets	71.8	90.4	3.3%	4.1%
Total Assets	2,206.2	2,190.2	100%	100%



Liabilities and Owners' Equity				
	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Customers' Deposits	1,564.9	1,628.5	70.9%	74.4%
Banks And Financial Institutions' Deposits	123.6	74.4	5.6%	3.4%
Cash Margins	111.2	102.1	5.0%	4.7%
Income Tax And Sundry Provisions	19.4	24.8	0.9%	1.1%
Borrowing Money and Other Liabilities	20.2	20.5	1.0%	0.9%
Bank Shareholders' Equity	362.2	335.8	16.4%	15.3%
Non-controllers' Interest	4.7	4.1	0.2%	0.2%
Total Liabilities And Owners' Equity	2,206.2	2,190.2	100%	100%



Direct Credit Facilities

Total credit facilities rose by 2.1% in 2015 compared to the previous year to JD 1,222 million, as the Bank adopted a balanced credit policy - under the Executive Committee's supervision. The cautious approach took into account fluctuations in interest rates and the credit yield spread.

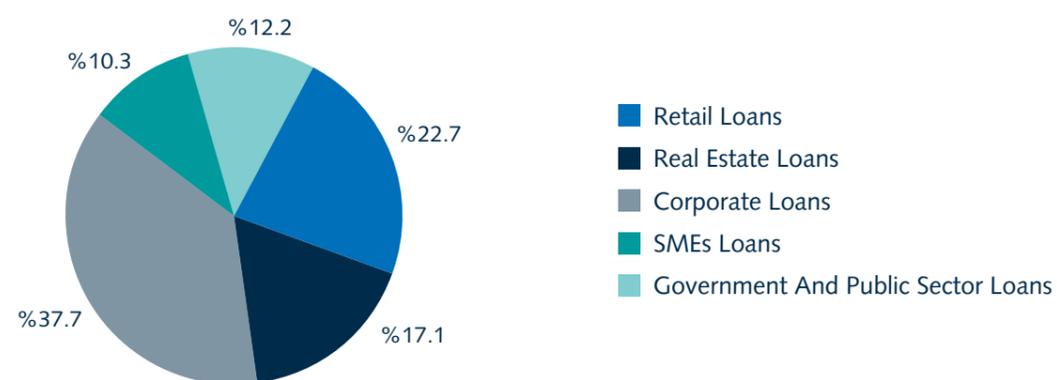
It was also informed by an in-depth market and credit risk analysis conducted in the markets where the Bank operates. The Bank also focused on maintaining the quality of the investment portfolio and on collecting its dues. As a result, the ratio of non-performing facilities to total credit facilities (net interest in suspense) stood at 5.94% against 7.21% in 2014 - which is within the benchmark ratio.

The Bank made sure its credit portfolio is carefully managed, where risks are properly distributed and funds are efficiently managed. In due course, the Bank continued to finance feasible economic projects representing various sectors and client segments: the retail sector, SMEs, large corporations, and the public sector.

Total of Credit Facilities Portfolio (After Deducting Interest and Commission Received in Advance)

	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Retail Loans	276.8	257.9	22.7%	21.5%
Real Estate Loans	208.8	192.9	17.1%	16.1%
Corporate Loans	460.4	551.6	37.7%	46.1%
SMEs Loans	126.5	131.1	10.3%	11.0%
Government And Public Sector Loans	149.5	63.4	12.2%	5.3%
Total	1,222	1,196.9	100%	100%

Relative Significance of Credit Facilities Portfolio According to Type 2015



Provision for Impairment of Direct Credit Facilities

The Bank continued to hold on to its well-established policy of putting aside sufficient reserves against any potential losses. In line with the Bank's credit policy, a provision for impairment of bad debt is set aside for each loan separately and for the whole portfolio. This is in line with the requirements of the International Accounting Standards (IAS) and those set by monetary authorities. This step also conforms to auditors' recommendations. Thus, the coverage of provisions for non-performing loans (net of interest in suspense and cash margins) stood at 101.2% for 2015 as compared to 101.9% in 2014. On another note, loan-loss provisions amounting to JD 11 million were deemed as "no longer needed" and were put aside against other debts. This is apart from a provision of JD 4.1 million allocated for 2015. A note to mention is that the fair value of collateral against loans increased to JD 444.6 million from JD 407.3 million in 2014.

Financial Assets Portfolio

The financial assets portfolio saw a year-on-year drop of 42.1% to rest at JD 212.7 million in 2015. Figures show that financial assets at fair value through comprehensive income soared by 32.1% or JD 15.2 million, representing investments in active stock markets. In the meantime, financial assets at fair value through profit and loss dropped by JD 3.8 million. However, financial assets at amortized cost registered a decline of JD 224.3 million or 49.6%. These represent the Bank's investments in bonds and treasury bills (issued and guaranteed by the government) as well as other bonds and corporate debentures.

Financial Assets Portfolio

	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Financial Assets at Fair Value through Profit or Loss	1.1	4.9	0.4%	1%
Financial Assets at Fair Value through Comprehensive Income	62.6	47.4	21.4%	9.4%
Financial Derivatives	0.9	0.8	0.3%	0.1%
Financial Assets at Amortized Cost	227.7	451.9	77.9%	89.5%
Total	292.3	505.0	100%	100%

Relative Significance of Financial Assets Portfolio According to Type 2015

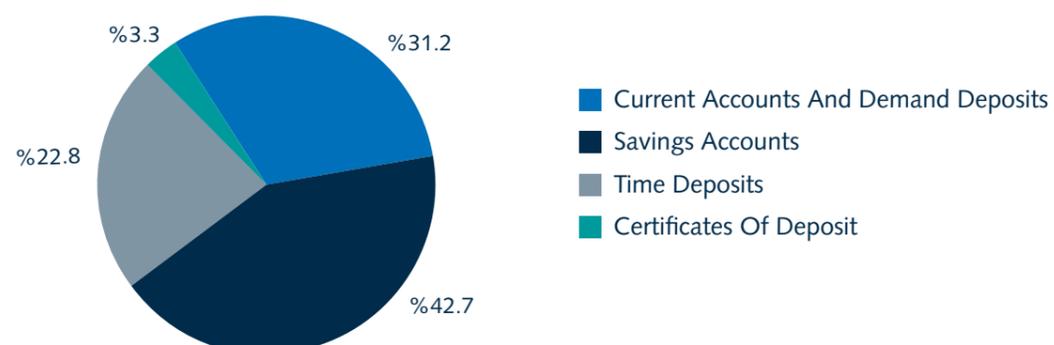


Customers' Deposits

Customers' deposits saw a decline of 3.9% to JD 1,564.9 million at the end of 2015. As part of its growth strategy, the Bank continued to offer financing programs for customers while fulfilling liquidity requirements. On another front, the bank continued to expand its client base, while promoting the savings accounts and certificates of deposits (CDs) campaigns. The 2015 figures revealed that savings accounts surged by 7.7%, while current accounts and demand deposits rose by 6% as compared to 2014. Yet, time deposits recorded a drop of 25.6%, while CDs registered a drop of 23.5%. Non-interest bearing deposits totaled JD 864.9 million versus JD 718.6 million in 2014.

Customer Deposits According to Type				
	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Current Accounts And Demand Deposits	488.9	461.1	31.2%	28.3%
Saving Accounts	667.6	620	42.7%	38.1%
Time Deposits	356.5	479.5	22.8%	29.4%
Certificates Of Deposit	51.9	67.9	3.3%	4.2%
Total	1,564.9	1,628.5	100%	100%

Relative Significance of Customers' Deposits 2015



Bank Shareholders' Equity

The Bank's shareholders' equity grew by 7.9% resting to JD362.2 million in 2015 compared to a year earlier. Statutory reserves rose by 10.7% to JD67.7 million while the voluntary reserves reached JD13.7 million. It is worth noting here that the Board recommended to the General Assembly the distribution of cash dividends of 20% of capital (equaling JD31.02 million). Furthermore, the Board decided to raise the Bank's capital by JD44.9 million through distributing bonus shares emanating from the capitalization of voluntary reserves and a portion of retained earnings. Thus, the Bank's capital rose to 200 million dinar/stock, while the remaining retained earnings were carried over into next year's balance.

Capital Adequacy

The capital adequacy ratio stood at 18.21% in 2015 against 16.98% in 2014, double the 8% minimum required by the Basel Committee. It is also higher than the 12% minimum ratio set by the CBJ. The regulatory capital adequacy to risk-weighted assets ratio reached 17.34% for 2015 compared to 16.39% the previous year.

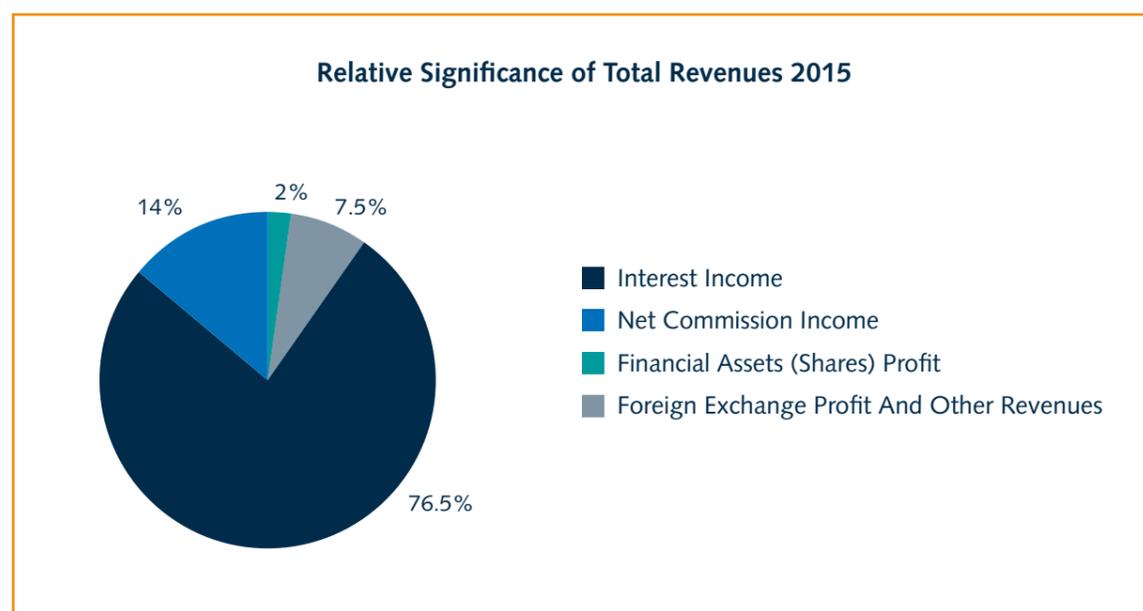
Bank's Financial Results

Total revenues saw a decline of 5.6%, resting at JD146.1 million in 2015, as compared to a year earlier. Total income edged up 0.5% amounting to JD125.2 million. Net interest and commission income, meanwhile, settled at JD111.4 million, up 0.3% when compared to 2014.

Profits before taxes and provisions amounted to JD71.1 million against JD71.6 million in 2014. Net profit stood at JD40.1 million in 2015, against JD44.8 million in 2014, lower by 10.6%. The net figure is calculated after deducting the provision for impairment of credit facilities and for assets seized by the Bank.

Net Profit Before And After Taxes And Provisions			
	JD (Millions)		Difference
	2015	2014	2015
Net Profit before Taxes and Provisions	71.1	71.6	(0.5)
Provision for Impairment of Direct Credit Facilities	(4.1)	(9.4)	5.3
provision for assets seized by the bank	(3.9)	-	(3.9)
Sundry Provisions	(1.1)	(2.2)	1.1
Net Profit (before Tax)	62.0	60.0	2.0
Income Tax Expenses	(21.9)	(15.2)	(6.7)
Net Profit	40.1	44.8	(4.7)

Total Realized Revenue				
	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Interest Income	111.7	122.8	76.5%	79.4%
Net Commission Income	20.5	18.3	14%	11.8%
Financial Assets (Shares) Profit	3.0	4.2	2%	2.7%
Foreign Exchange Profit and Other Revenues	10.9	9.5	7.5%	6.1%
Total	146.1	154.8	100%	100%



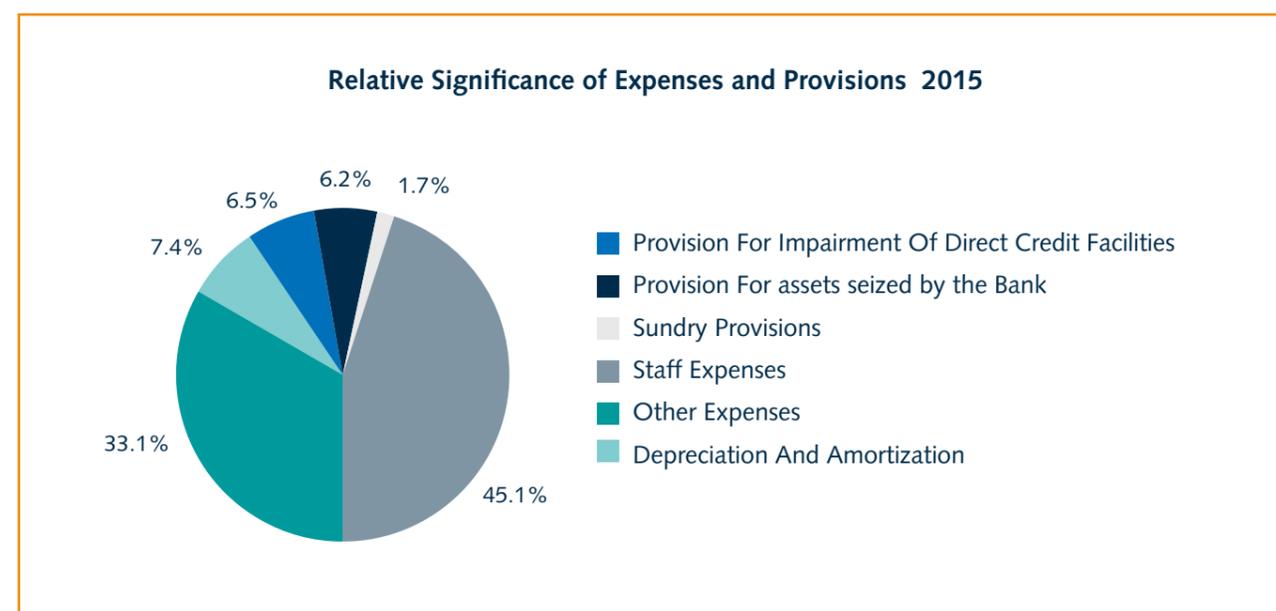
Expenses and Provisions

Total expenses and provisions declined by 2.2% to JD63.2 million in 2015 as compared to 2014. This resulted from a significant 56.7% drop (equaling JD5.3 million) in the provision for impairment of credit facilities and an 8.9% (equaling 456 thousand) drop in the depreciation item. Employee expenses, at the same time, were lower by around JD180 thousand.

Other expenses, however, surged by JD1.7 million due to higher cost of insurance, advertising, subscriptions, maintenance, stationery, printing, rent, and higher donations. Phone bills, expenses associated with mail service, professional fees, and other expenses had also recorded a rise in 2015. A drop was reported in the fees, licenses and taxes item.

The salaries and remunerations of the senior executive management reached JD2 million in 2015. Fees paid to Bank of Jordan auditors amounted to JD142.5 thousand while fees paid in exchange for auditing Bank of Jordan –Syria amounted to JD18.900. Excel for Financial Investments and Jordan Leasing Company paid audit fees amounting to JD5.2 thousand and JD1.7 thousand respectively.

Expenses and Provisions				
	JD (Millions)		Relative Significance %	
	2015	2014	2015	2014
Provision for Impairment of Direct Credit Facilities	4.1	9.4	6.5%	14.5%
Provision for Assets seized by the bank	3.9	-	6.2%	-
Sundry Provisions	1.1	2.2	1.7%	3.4%
Staff Expenses	28.5	28.7	45.1%	44.4%
Other Expenses	20.9	19.2	33.1%	29.8%
Depreciation and Amortization	4.7	5.1	7.4%	7.9%
Total	63.2	64.6	100%	100%



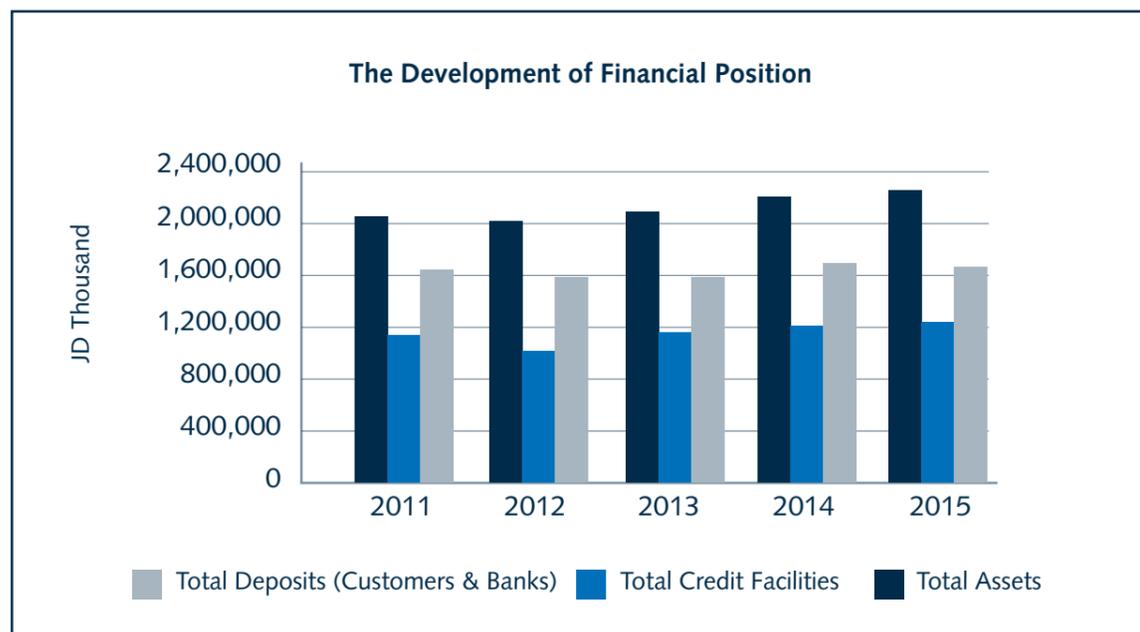
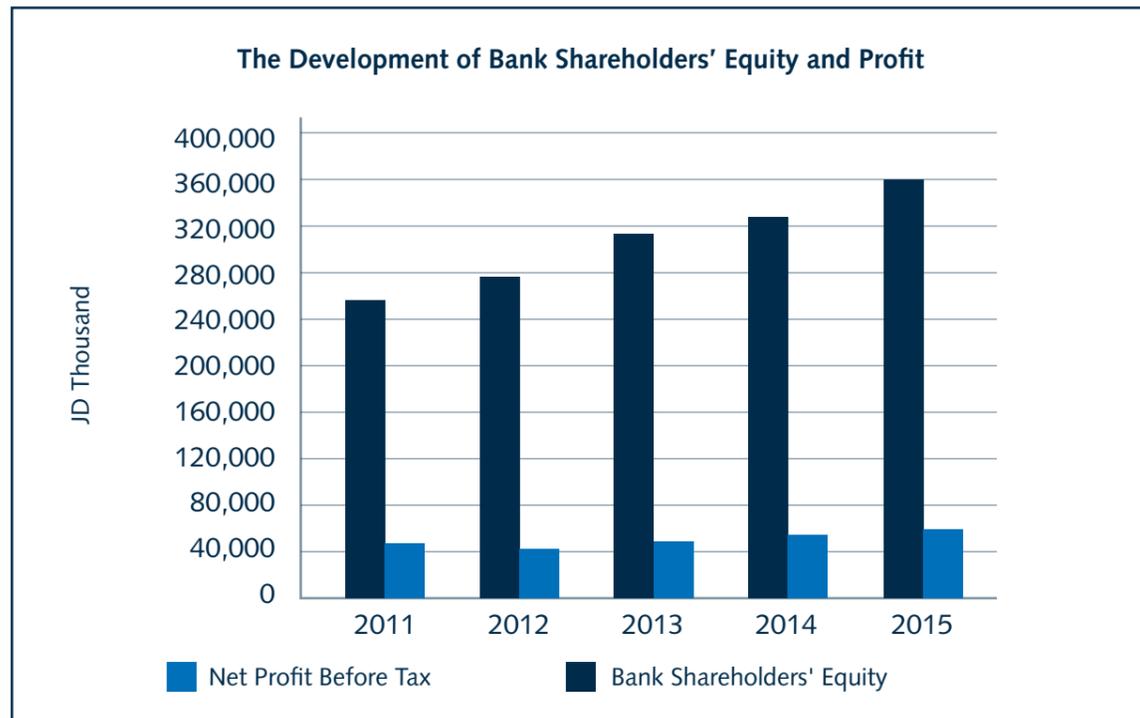
Main Financial Ratios

	2015	2014
Return on Average Bank shareholders' Equity	11.7%	14.44%
Return on Capital	26.33%	30.39%
Return on Average Assets	1.86%	2.21%
Profitability per Employee (after Tax)	JD 19,677	JD 21,898
Interest Income / Average Assets	5.08%	5.76%
Interest Expense / Average Assets	0.95%	1.41%
Interest Margin / Average Assets	4.13%	4.34%
Coverage Ratio of provisions for Non-Performing Loans (Net)	101.2%	101.9%
Non-performing loans / total credit facilities (after deducting interest in suspense)	5.94%	7.21%

Our Goals for 2016

- Bolstering the bank's competitive position and improving key financial ratios in line with the guidelines and requirements set by local and international regulatory authorities.
- Developing comprehensive and innovative banking solutions, and enhancing service delivery in efforts to retain current clients and attract new groups of customers.
- Building and fostering client relationships and capturing opportunities where the bank can provide an all-encompassing service package for promising projects run by large businesses and SMEs.
- Moving ahead with executing the Bank's aggressive expansion strategy in the region through completing the necessary regulatory requirements for opening a "Conventional Wholesale Bank" in Bahrain. The Bank, in the meantime, will continue to consider and assess expansion opportunities in other market, deemed necessary for growth and risk distribution.
- Mapping the location of potential customers and opening more branches accordingly. All branches are guaranteed to provide a convenient business environment consistent with the Bank's corporate identity. Several energy saving schemes are also scheduled to be implemented this year.
- Developing business processes, policies, and procedures related to data bases to ensure a smooth work flow and service delivery. These enhanced working procedures will also help meet the current and future growth needs of both the Bank and its subsidiaries.
- Embracing the latest technological trends in efforts to upgrade the e-payment system which covers the Internet and Mobile Banking services. The Bank also aims to create more demand for these electronic options – applied through the Automated Clearing House (ACH) system.
- Introducing top notch technical, communications, and IT systems in order to achieve efficiency and mitigate risks. Main projects in 2016 include the application of an upgraded version of the Electronic Check Clearing (ECC), and the ACH systems, and the Oracle database upgrade 11g. This is in addition to implementing the CCM Bluering for large corporations and SMEs, and the HRMS system for Bank of Jordan-Syria. The internet banking system will be also replaced with a new one.
- Developing a risk management framework in line with best international practices. This entails putting in place credit risk management procedures that cope with market developments and building risk indicators. The concerned departments will also closely monitor and manage data security round-the-clock. The Bank will also work on adhering to requirements of the regulatory and legislative bodies in the countries where it maintains presence. This will be realized through completing the execution of the Assets Liabilities Management (ALM) system in line with Basel III requirements, and the automaton of the Risk Rating system. Moreover, the Bank will document and adopt the ICAAP results and continue to conduct Stress Testing. The automated system for monitoring customer accounts will also be applied as required by FATCA. The bank also plans to meet the requirements of the newly-established credit information bureau.
- Investing in human capital development to increase employee efficiency. The Bank also plans to implement the outcomes of the Core & Leadership Competencies project to ensure equal opportunities are provided to employees – based on merit and productivity. The Bank will also continue to offer training courses year-round in a bid to improve the skills and enhance the performance of its employees.
- Serving the local community and environmental causes through extending support to community-based organizations and focusing on sustainable development projects. In parallel, the Bank plans to foster its strategic partnerships with local institutions in line with the good governance guidelines.

Financial Indicators For The Years (2011 – 2015) Amount in JD Thousand					
Fiscal Year	2011	2012	2013	2014	2015
Total Assets	2,052,858	2,016,628	2,076,937	2,190,187	2,206,222
Total Credit Facilities	1,125,667	1,028,093	1,146,687	1,196,856	1,221,967
Total Deposits (Customers & Banks)	1,631,418	1,587,636	1,614,125	1,702,899	1,688,476
Bank Shareholders' Equity	259,194	276,510	316,986	335,746	362,242
Non-Controllers' Interest	18,114	14,267	4,506	4,116	4,703
Net Profit Before Tax	49,674	46,222	50,204	59,999	61,966



Consolidated Financial Statements and
Independent Auditor's Report

2015

Independent Auditor's Report

Consolidated Statement of Financial Position

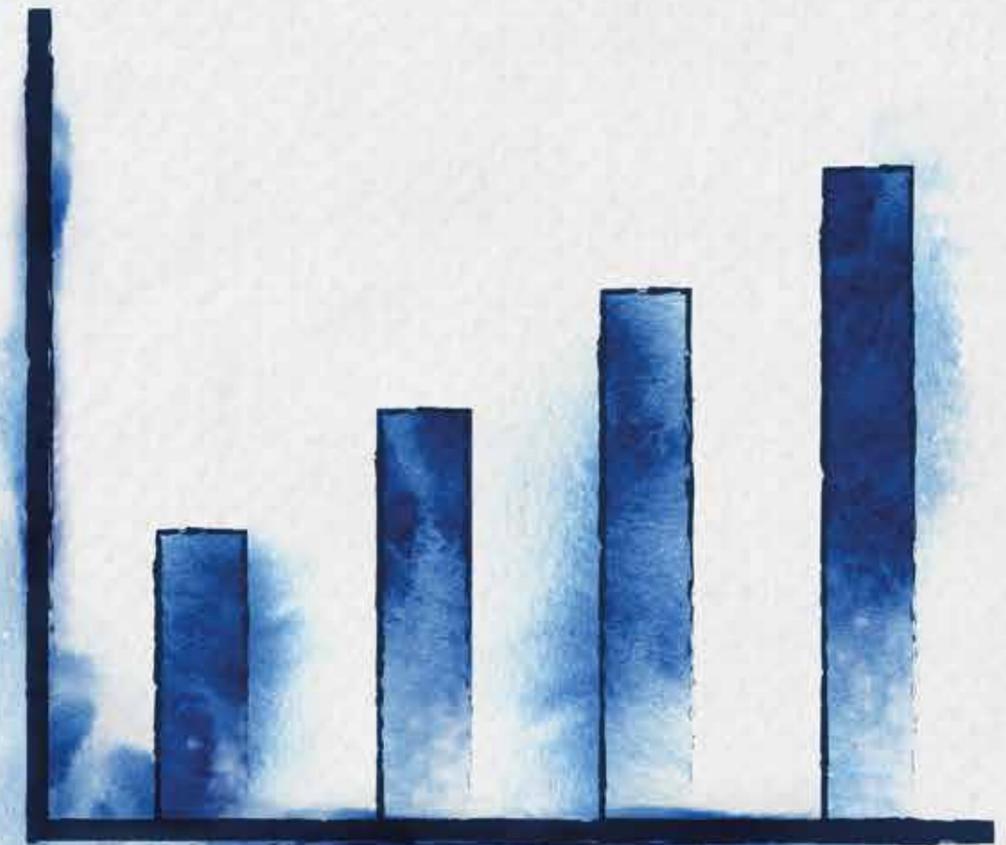
Consolidated Statement of Income

Consolidated Statement of Comprehensive Income

Consolidated Statement of Changes in Owners' Equity

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements



Independent Auditor's Report

Deloitte.

Independent Auditor's Report

AM/ 8572

To the Shareholders of
Bank of Jordan
Amman – The Hashemite Kingdom of Jordan

We have audited the accompanying consolidated financial statements of Bank of Jordan (Public Shareholding Limited Company) which comprises of the Consolidated Statement of Financial Position as of December 31, 2015, and the 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 for 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 Bank of Jordan as of December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on the Legal and Regulatory Requirements

The Bank maintains proper accounting records duly organized and inline with the accompanying consolidated financial statements and with the consolidated financial statements presented within the Board of Directors' report. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

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

Amman – Jordan
March 20, 2016


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Consolidated Statement of Financial Position

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan		JD	
	Note	December 31	
		2015	2014
Assets			
Cash and balances with central banks	4	234,500,507	258,250,810
Balances with banks and financial institutions	5	281,318,758	205,319,866
Deposits with banks and financial institutions	6	155,000,000	-
Financial assets at fair value through profit or loss	7	1,095,828	4,855,899
Financial assets at fair value through comprehensive income	8	62,655,399	47,428,226
Financial derivatives	38	866,107	750,745
Direct credit facilities - net	9	1,142,237,246	1,100,617,301
Financial assets at amortized cost	10	227,655,707	451,957,464
Investments in associates	11	1	1
Property and equipment - net	12	25,795,455	27,268,112
Intangible assets	13	3,320,303	3,371,359
Deferred tax assets	19/b	12,217,573	19,984,865
Other assets	14	59,558,989	70,382,718
Total Assets		2,206,221,873	2,190,187,366
Liabilities and Owners' Equity			
Liabilities:			
Banks and financial institutions' deposits	15	123,589,030	74,426,183
Customers' deposits	16	1,564,886,963	1,628,473,303
Cash margins	17	111,171,152	102,111,486
Sundry provisions	18	6,226,165	8,792,943
Income tax provision	19/a	13,197,654	15,998,305
Borrowing money	20	500,956	500,956
Other liabilities	21	19,704,999	20,022,138
Total Liabilities		1,839,276,919	1,850,325,314
Owners' Equity:			
Equity attributable to the Bank's shareholders			
Paid-up capital	22	155,100,000	155,100,000
Statutory reserve	23	67,716,833	61,177,439
Voluntary reserve	23	13,709,740	13,714,543
General banking risks reserve	23	12,646,252	13,128,988
Special reserve	23	2,921,601	2,921,601
Foreign currencies translation differences	24	(11,481,891)	(10,326,397)
Fair value reserve	25	33,186,645	17,959,472
Retained earnings	26	88,442,614	82,070,084
Total Equity Attributable to The Bank's Shareholders		362,241,794	335,745,730
Non- controllers' interest		4,703,160	4,116,322
Total Owners' Equity		366,944,954	339,862,052
Total Liabilities and Owners' Equity		2,206,221,873	2,190,187,366

Board of Director's Chairman/Chief Executive Officer

The Accompanying Notes From (1) To (48) Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them.

Consolidated Statement of Income

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan JD			
	Note	For the year ended December 31	
		2015	2014
Interest income	28	111,672,273	122,842,904
Interest expense	29	20,826,542	30,139,957
Net Interest Income		90,845,731	92,702,947
Commissions income – net	30	20,514,522	18,282,731
Net Interest and Commissions Income		111,360,253	110,985,678
Foreign currencies income	31	2,791,535	2,826,654
(Losses) Gains from financial assets at fair value through profit or loss	32	(130,717)	352,470
Cash dividends from financial assets at fair value through comprehensive income	8	3,107,684	3,851,253
Other income	33	8,091,777	6,631,878
Total Income		125,220,532	124,647,933
Employees expenses	34	28,514,832	28,695,069
Depreciation and amortization	12,13	4,674,828	5,131,143
Other expenses	35	20,921,269	19,248,982
Provision for impairment of direct credit facilities	9	4,071,190	9,396,842
Provision for assets seized by the Bank	14	3,941,057	-
Sundry provisions	18	1,131,178	2,178,042
Total Expenses		63,254,354	64,650,078
Profit from Operations		61,966,178	59,997,855
The Bank's share of gain from investment in associate	11	-	2,042
Profit before income tax		61,966,178	59,999,897
Less: Income tax expense	19	(21,903,385)	(15,175,308)
Profit for the Year		40,062,793	44,824,589
Attributable to:			
Bank's Shareholders		40,835,470	47,127,403
Non-Controllers' Interest		(772,677)	(2,302,814)
		40,062,793	44,824,589
Earnings per share for the year attributable to the Banks' shareholders			
Basic/diluted	36	0.263	0.304

Board of Director's Chairman/Chief Executive Officer

The Accompanying Notes From (1) To (48) Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them.

Consolidated Statement of Comprehensive Income

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan JD		
	For the year ended December 31	
	2015	2014
Profit For The Year	40,062,793	44,824,589
Other Comprehensive Income Items:		
Items That May Be Reclassified Subsequently To Consolidated Statement Of Income:		
Foreign Currencies Translation Differences	4,065,419	3,870,140
	4,065,419	3,870,140
Items That Will Not Be Reclassified Subsequently To Consolidated Statement Of Income:		
(Loss) From Sales Of Financial Assets At Fair Value Through Comprehensive Income	-	(1,029,646)
Change In Fair Value Reserve - Net Of Tax	15,227,173	(6,029,617)
	15,227,173	(7,059,263)
Total Comprehensive Income	59,355,385	41,635,466
Total Comprehensive Income Attributable To:		
The Bank's Shareholders	58,129,781	42,024,982
Non-controllers' Interest	1,225,604	(389,516)
	59,355,385	41,635,466

The Accompanying Notes From (1) To (48) Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them.

Consolidated Statement of Changes in Owners' Equity

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan												
	Reserves					Special	Foreign Currencies Translation Differences	Fair Value Reserve-Net	Retained Earnings	Total Banks Shareholders' Equity	Non-Controllers' Interest	Total Shareholders' Equity
	Paid-up Capital	Statutory	Voluntary	General Banking Risks								
	JD	JD	JD	JD	JD							
For The Year Ended December 31, 2015												
Balance - beginning of the year	155,100,000	61,177,439	13,714,543	13,128,988	2,921,601	(10,326,397)	17,959,472	82,070,084	335,745,730	4,116,322	339,862,052	
Adjustments (Note 47)	-	-	-	-	-	-	-	(613,717)	(613,717)	(638,766)	(1,252,483)	
Adjusted beginning balance	155,100,000	61,177,439	13,714,543	13,128,988	2,921,601	(10,326,397)	17,959,472	81,456,367	335,132,013	3,477,556	338,609,569	
Foreign currencies translation differences	-	(4,803)	(4,803)	(23,293)	-	(1,155,494)	-	3,255,531	2,067,138	1,998,281	4,065,419	
Profit for the year	-	-	-	-	-	-	-	40,835,470	40,835,470	(772,677)	40,062,793	
Changes in fair value reserve	-	-	-	-	-	-	15,227,173	-	15,227,173	-	15,227,173	
Total comprehensive income	-	(4,803)	(4,803)	(23,293)	-	(1,155,494)	15,227,173	44,091,001	58,129,781	1,225,604	59,355,385	
Transfer to reserves	-	6,544,197	-	(459,443)	-	-	-	(6,084,754)	-	-	-	
Dividends paid *	-	-	-	-	-	-	-	(31,020,000)	(31,020,000)	-	(31,020,000)	
Balance - End of the Year	155,100,000	67,716,833	13,709,740	12,646,252	2,921,601	(11,481,891)	33,186,645	88,442,614	362,241,794	4,703,160	366,944,954	
For the Year Ended December 31, 2014												
Balance - beginning of the year	155,100,000	54,601,184	13,715,928	11,907,433	2,319,566	(11,643,042)	33,450,490	57,534,189	316,985,748	4,505,838	321,491,586	
Foreign currencies translation differences	-	(1,385)	(1,385)	(6,718)	-	1,316,645	-	649,685	1,956,842	1,913,298	3,870,140	
Profit for the year	-	-	-	-	-	-	-	47,127,403	47,127,403	(2,302,814)	44,824,589	
"(Losses) from sale of financial assets at fair value through comprehensive income"	-	-	-	-	-	-	(9,785,321)	8,755,675	(1,029,646)	-	(1,029,646)	
Changes in fair value reserve - net of tax	-	-	-	-	-	-	(6,029,617)	-	(6,029,617)	-	(6,029,617)	
The effect of the decrease of the Bank's ownership in the associate company	-	-	-	-	-	-	323,920	(323,920)	-	-	-	
Total comprehensive income	-	(1,385)	(1,385)	(6,718)	-	1,316,645	(15,491,018)	56,208,843	42,024,982	(389,516)	41,635,466	
Transfer to reserves	-	6,577,640	-	1,228,273	602,035	-	-	(8,407,948)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	(23,265,000)	(23,265,000)	-	(23,265,000)	
Balance - End of the Year	155,100,000	61,177,439	13,714,543	13,128,988	2,921,601	(10,326,397)	17,959,472	82,070,084	335,745,730	4,116,322	339,862,052	

* According to the resolution of the Bank General Assembly in its ordinary meeting held on March 28, 2015, it was approved to distribute 20% of the Bank's capital in cash to shareholders which is equivalent to JD 31,020,000.

** In Accordance to the instructions of the regulatory bodies:

- The general banking risks reserve and the special reserve cannot be utilized without prior approval from the Central Bank of Jordan and Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 12,217,573 against deferred tax benefits as of December 31, 2015. According to the Central Bank of Jordan instructions, this restricted amount cannot be utilized through capitalization or distribution unless actually realized.
- Retained earnings include an amount of JD 5,562,276 as of December 31, 2015 which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.
- The fair value reserve cannot be utilized including the capitalization, distribution, write-off losses or any other commercial acts unless realized through actual sale as instructed by Central Bank of Jordan and Jordan Security Commission.

The Accompanying Notes From (1) To (48) Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them.

Consolidated Statement of Cash Flows

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan JD			
	Note	For the year ended December 31	
		2015	2014
Cash Flows From Operating Activities			
Profit before income tax		61,966,178	59,999,897
Adjustments for:			
Depreciation and amortization	12,13	4,674,828	5,131,143
Provision for impairment in direct credit facilities	9	4,071,190	9,396,842
(Gain) from sale of property and equipment	33	(16,988)	(2,712)
Losses from financial assets at fair value through profit or loss – unrealized	32	61,466	110,653
Effect of exchange rate fluctuations	31	(2,758,803)	(2,804,769)
Losses from financial assets at fair value foreclosed by the Bank against doubtful debts - unrealized	33 18	-	584,000
Sundry provisions		1,131,178	2,178,042
Provisions for assets foreclosed by the Bank		3,941,057	-
Bank's share of (gains) from investment in associate	11	-	(2,042)
Foreign currency exchange differences		3,214,347	289,863
Profit before changes in assets and liabilities		76,284,453	74,880,917
Changes in Assets and Liabilities:			
Decrease (increase) in restricted balances		221,572	(553,097)
(Increase) decrease in deposits with banks and financial institutions (maturing over 3 months)		(155,000,000)	8,508,000
Decrease (increase) in financial assets at fair value through profit or loss		3,698,605	(4,211,480)
(Increase) in direct credit facilities		(45,691,135)	(69,666,959)
Decrease in other assets		6,882,672	3,834,703
Increase in deposits and financial institutions (maturing over 3 months)		3,159,000	-
(Decrease) increase in customers deposits		(63,586,340)	84,267,580
Increase in cash margins		9,059,666	9,969,981
Increase in borrowing money		-	500,956
(Decrease) in other liabilities		(781,850)	(4,736,904)
Net change in assets and liabilities		(242,037,810)	27,912,780
Net cash flows (used in) from operating activities before taxes, end-of-service indemnity provision, and lawsuits provision		(165,753,357)	102,793,697
Paid from end-of-service indemnity provision and lawsuits provision	18	(3,627,631)	(859,451)
Income tax paid	19	(19,562,896)	(19,882,159)
Net cash flows (used in) from operating activities		(188,943,884)	82,052,087
Cash Flows From Investing Activities			
(Purchase) of financial assets at amortized cost		(94,490,374)	(231,132,000)
Maturity of financial assets at amortized cost		318,792,131	219,373,741
(Purchase) of financial assets at fair value through comprehensive income		-	(250,002)
Sale of financial assets at fair value through comprehensive income		-	12,758,045
Proceeds from the sales of investments in associate companies		-	1,718,163
(Purchase) maturity of financial derivatives		(115,362)	116,577
(Purchase) of property and equipment and advance payments to acquire property and equipment		(4,634,780)	(5,669,521)
Sale of property and equipment		199,536	1,063,036
(Purchase) of intangible assets	13	(609,886)	(1,476,967)
Net cash flows from (used in) investing activities		219,141,265	(3,498,928)
Cash Flows From Financing Activities			
Foreign currencies translation differences		4,065,419	3,870,140
Dividends paid to shareholders		(30,555,289)	(23,162,870)
Net cash flows (used in) financing activities		(26,489,870)	(19,292,730)
Effect of exchange rate fluctuations on cash and cash equivalents	31	2,758,803	2,804,769
Net increase in cash and cash equivalents		6,466,314	62,065,198
Cash and cash equivalents - beginning of the year		376,789,520	314,724,322
Cash and Cash Equivalents - End of the Year	37	383,255,834	376,789,520

The Accompanying Notes From (1) To (48) Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them.

Notes to Consolidated Financial Statements

1. General

Bank of Jordan was established in 1960 as a public shareholding limited company with headquarters in Amman – Jordan. On March 3, 1960, it was registered under number (1983) according to the Companies Law No. 33 for the year 1962 with an authorized capital of JD 350,000, represented by 70,000 shares at a par value of JD 5 per share. However, the Bank's authorized and paid-up capital was increased in stages last of which took place in 2011. Thus, authorized, subscribed and paid-up capital reached JD 155/1 million with a par value of JD 1 per share.

The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (70) branches in Jordan, (14) branches in Palestine and its subsidiaries in Jordan and Syria (Excel for Financial Investments Company, Jordan Leasing Company and Bank of Jordan-Syria).

The consolidated financial statements have been approved by the Board of Directors in its meeting No.585 held on January 21, 2016 subjected to approval by the General Assembly of Shareholders.

2. Summary Of Significant Accounting Policies

Basis of Preparation

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

- The consolidated financial statements were prepared on the historical cost basis except for financial assets at fair value through profit or loss, financial assets at fair value through comprehensive income and financial derivatives which are measured at fair value at the date of the consolidated financial statements. Moreover, hedged assets and liabilities are stated at fair value.

- The consolidated financial statements are presented in Jordanian Dinar "JD", being the functional currency of the Bank.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2014 except for the effect of the adoption of new and modified standard as in note (48 – A).

Basis of Consolidation

- The consolidated financial statements incorporate the financial statements of the Bank and the subsidiaries controlled by the Bank. Control is achieved whereby the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated in full.

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

As of December 31, 2015 and 2014, the Bank owns the following subsidiary companies:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage %	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006
Bank of Jordan-Syria *	3,000 Million (Syrian – Lira)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 10 Million	100	Finance Lease	Amman	October 24, 2011

The most important information of the subsidiaries for the year 2015 is as follows:

Name of Subsidiary	December 31, 2015		For the Year 2015	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
Excel for Financial Investments Company	7,017,489	2,430,982	1,412,703	504,875
Bank of Jordan–Syria *	50,334,900	39,830,543	1,838,176	3,353,229
Jordan Leasing Company	12,055,570	244,054	917,938	317,060

- 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 subsidiary 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–Controllers' interest represents the portion of equity not held by the Bank in the subsidiary.

*The results of Bank of Jordan–Syria have been incorporated in the consolidated financial statements due to the Bank's power to govern the financial and operating policies of the subsidiary.

Segmental Information

- Business is a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments, to the effect that it is measured according to the reports used by the Executive Director and the main decision maker at the Bank.

- Geographical sector relates to providing products or services in an economic environment subject to specific risks and returns different from those operating in other sectors of other economic environments

Direct Credit Facilities

- A provision for the impairment of direct credit facilities is recognized when the Bank cannot obviously recover the overdue amounts, there is objective evidence that the future cash flows of the direct credit facilities have been negatively impacted by an event, and the impairment loss can be estimated. The provision amount is recorded in the consolidated statement of income.

- Interest and commission earned on non-performing credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan, and in accordance with the instructions of the regulatory authorities in Syria and the Palestinian Monetary Authority, whichever is more conservative.

- Credit facilities are written off against its provision when the procedures to collect these direct credit facilities are not feasible. Any surplus in the gross provision - if any - is reversed through the consolidated statement of income. Subsequent recoveries of amounts previously written off are credited to revenue.

- The credit facilities and its own suspended interests that have been fully covered by provisions, are transferred to off-consolidated financial position statement based on the board of directors' decisions regarding this issue.

- The suspended interests are accounted for the accounts off – the consolidated financial position which have legal suits based on the board of directors' decisions.

Financial Derivatives and Hedge Accounting

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; the change in fair value is recognized in the consolidated statement of income.

Financial Derivatives for Hedging:

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 an effective fair value hedge are met, the resulting gains and losses from re-measuring the valuation of fair value hedge and the change in the fair value of the hedged assets or liabilities is recognized in the consolidated statement of income.
 - When the conditions of an 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 is recorded in the consolidated statement of income for the same year.
- **Cash Flow Hedge:** hedge for the change in the current and expected cash flow exposures of the Bank's assets and liabilities.
 - When the conditions of an effective cash flow hedge are met, the gain or loss of the hedging instruments is recognized in owners' equity. Such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.
 - When the conditions of the effective hedge do not apply, the gain or loss resulting from change in the fair value of the hedging instrument is recorded in the consolidated statement of income in the same year.
 - Profit or loss resulting from the foreign exchange of interest-bearing debt instruments and within financial assets at fair value through other comprehensive income is included in the consolidated statement of income. Differences in the foreign currency translation of equity instruments are included in the cumulative change in fair value reserve within owners' equity in the consolidated statement of financial position.

Financial Assets At Amortized Cost

- Financial assets at amortized cost are the financial assets which the Bank management intends, according to its business model, to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.

- Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium \ discount is amortized using the effective interest rate method, and recorded as debit or credit in the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is recorded in the consolidated statement of income and should be presented subsequently at amortized cost less any impairment losses.

- The amount of the impairment loss recognised at amortized cost is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

- It is not allowed to reclassify any financial assets from / to this category except for certain cases specified at the International Financial Reporting Standards (and in the case of selling any of those assets before its maturity date, the results should be recorded in a separate account in the consolidated statement of comprehensive income, disclosures should be made in accordance with the requirements of relevant International Financial Reporting Standards).

Financial Assets At Fair Value Through Profit Or Loss

- Financial assets at fair value through profit or loss are the financial assets purchased by the Bank for the purpose of trading in the near future and achieving gains from the fluctuations in the short-term market prices or trading margins.

- Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded in the consolidated statement of income upon acquisition) and subsequently measured in fair value. Moreover, changes in fair value are recorded in the consolidated statement of income including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets or part of them are taken to the consolidated statement of income.

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

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

Financial Assets At Fair Value Through Other Comprehensive Income

- These financial assets represent the investments in equity instruments held for long term.
- These financial assets are recognized at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the consolidated statement of comprehensive income and within the consolidated owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not through the consolidated statement of income.
- No impairment testing is required for these assets.
- Dividends are recorded in the consolidated statement of income.

Fair Value

Fair value represents the closing market price (Asset Purchase/Liabilities Selling) in active markets of financial assets and derivatives that have declared market prices as of the date of the consolidated financial statements.

In case declared market prices do not exist, active trading of some financial assets and derivatives is not available, or the market is inactive, fair value is estimated by:

- Comparison with the current market value of a highly similar financial instrument.
- The estimated future cash flows and discounted cash flows at current rates applicable for items with similar terms and risk characteristics.
- Options pricing models.
- Evaluation of long-term assets and liabilities that bear no interest in accordance with discounted cash flows using effective interest rate. Premiums and discounts are amortized within interest revenues or expense in the consolidated statement of income.

The evaluation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors and any expected risks or benefits at the time of evaluation of the financial instruments. In case the fair value of a financial instrument cannot be measured reliably, it is stated at cost less any impairment.

Impairment in Financial Assets

The Bank reviews the values of financial assets recorded 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 in the form of a portfolio. In case such indication exists, the recoverable value is estimated so as to determine the impairment loss.

Investments in Associates

- An associate is an entity over which the Bank has significant influence on the decisions related to Financial and operating policies (but does not control) and whereby the Bank owns 20% - 50% of its voting rights. Moreover, the Bank recognizes its share in the associate based on the equity method.
- Profits and losses resulting from transactions between the Bank and its associates are eliminated according to the Bank's ownership percentage in these companies.

Property and Equipment:

- Property and equipment are stated at cost less accumulated depreciation and any impairment loss in its value. Moreover, depreciation is calculated (except for lands) when the assets are ready for use on the straight-line basis over the estimated useful lives of these assets as follows:

	%
Buildings	2 – 15
Equipment and Fixtures	15
Furniture	9
Vehicles	15
Computers	15
Improvements and Decorations	15

- When the carrying amounts of Property 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 Property and Equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being a change in estimate.

- Property and Equipment are derecognized when disposed of or when there is no expected future benefit from their use.

Provisions

Provisions are recognized when the Bank has an obligation on the date of the consolidated statement of financial position arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

End-of-Service Indemnity

The required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income while payments to departing employees are deducted from the provision amount. Provision against commitments of end-of-service indemnity is taken 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 revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable upon the tax law, and items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions enforced in 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 assets and liabilities in the consolidated financial statements and the value of taxable amounts. Deferred tax is calculated on the basis of liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or deferred tax assets are recognized.
- Deferred tax assets and deferred tax liabilities are reviewed as of the date of the consolidated statement of financial position, and reduced in case it is expected that no benefit or need will arise, partially or totally.

Paid-up Capital

- *Cost of issuing or purchasing the Bank's shares*
The cost of issuance or purchase of the Bank's shares is recognized in the Retained Earnings (net after tax effect if any). If the purchase/issue transaction has not been completed, then the cost will be recognized as an expense in the consolidated statement of income.
- *Treasury Shares*
No gain or loss is recognised in the consolidated statement of income on the sale of treasury shares but recognised in owners' equity within share premium/discount. Moreover, loss is recorded in retained earnings in case the share premium of treasury shares has been used up.

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 such accounts are shown in the consolidated statement of income.
- A provision against the impairment in the capital-guaranteed portfolios managed on behalf of customers is taken.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Bank intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Realization of Income and Recognition of Expenses

- Interest income is realized by using the effective interest method except for interest and commissions from non-performing credit facilities, which have not been recognized as income and registered in interest and commissions in suspense.

- Revenues and expenses are recognised according to the accrual basis.

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

Recognition of Financial Assets

Purchase and sale of financial assets are recognized on the trading date (which is the date on which the Bank commits itself to purchase or sell the financial asset).

Mortgaged Financial Assets

Mortgaged financial assets are assets mortgaged to third parties, which hold the right to sell or refinance the mortgage. Those assets are continuously evaluated according to the accounting policies designated for each of them and to its original class.

Foreclosed Assets

Assets that have been subjected to foreclosure by the Bank are shown at the consolidated financial position under "other assets" at the acquisition value or fair value, whichever is lower. As of the consolidated financial statements date, these assets are re-valued individually at fair value. Any decline in their market value is taken to the consolidated statement of income as a loss whereas any such increase is not recognized. Subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the previously recorded impairment.

Intangible Assets:

A - Goodwill:

- Goodwill is recorded at cost which represents the excess of the acquisition costs or investment costs in a subsidiary over the net assets fair value of the subsidiary as of the acquisition date. Goodwill that arises from the investment in the subsidiary is recognised as a separate item in intangible assets. Later on, goodwill will be reviewed and reduced by any impairment amount.

- Goodwill is allocated to cash generating unit(s) to test impairment in its value.

- Impairment testing is done on the date of the consolidated financial statements. Goodwill is reduced if the test indicates that there is impairment in its value, and that the estimated recoverable value of the cash generating unit(s) relating to goodwill is less than the book value of the cash generating unit(s). Impairment is recognised in the consolidated statement of income.

B - Other intangible assets :

- Intangible assets purchased in an acquisition are stated at fair value on the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

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

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

- Any indications of impairment in the value of intangible assets as of the 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.

The accounting policy for the intangible assets of The Bank:

Computer Software:

Software is shown at cost at the time of purchase and amortized at an annual rate of 15% - 20%.

Foreign Currency

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

- Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the consolidated statement of financial position date as declared by the Central Bank of Jordan, Central Bank of Syria and the Palestinian Monetary Authority.

- 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 (such as equity securities) are recorded as part of the change in fair value.

- When consolidating the financial statements, the assets and liabilities of foreign branches and subsidiary companies are translated into the functional currency of each entity at the average exchange rates of the Central Bank of Jordan prevailing on the consolidated statement of financial position date. Income and expense items are translated at the average exchange rates for the year. Any exchange differences are taken directly to a foreign currency translation adjustment reserve within owners' equity. Exchange differences arising from the sale of foreign branches or subsidiaries are recorded as part of the revenues or expenses within the consolidated statement of income.

Cash and Cash Equivalents

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

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 assets, liabilities, disclosures and contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions and the balance of fair value reserves within capital and reserves. In particular, this requires the Bank's management to issue significant judgments and assumptions to assess the future cash flows amounts and their timing. Moreover, the beforementioned 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 arising from the conditions and circumstances of those assessments in the future.

We believe that the assumptions and estimates with material impacts on the recognition of balances recorded in the consolidated financial statements are fairly presented. And the details of these assumptions are as follows:

- A provision for credit facilities is taken on the basis and estimates approved by management in conformity with the International Financial Reporting Standards (IFRS). The outcomes of these basis and estimates are compared against the adequacy of the provisions as per the instructions of the Central Banks where the Bank branches and subsidiaries operate. The strictest outcomes that conform with the IFRS are used for the purpose of determining the provision.

- 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 expected useful economic lives. Impairment loss is taken to the consolidated statement of income.

- Impairment of assets foreclosed are recorded based on recent and approved evaluations of these assets performed by approved evaluators for the purposes of calculating the impairment. The impairment for these assets is reviewed periodically. In accordance with the dissemination of the Central Bank No. 10/1/4076 dated on March 27, 2014, the Bank has started from the beginning of the year 2015 to calculate a gradual provision against the assets foreclosed against debts with period exceeding 4 years.

- A provision for lawsuits raised against the Bank is taken. This provision is based on a legal study prepared by the Bank's legal advisors. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

- A provision for income tax is taken on the current year's profit and for accrued and estimated tax of the deducted provision for the prior year in case a final settlement with the Income Tax Department is reached for the prior year.

- Fair value hierarchy

The Bank is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in the IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When assessing the financial assets and liabilities' fair value, the Bank uses market information when available. In case level 1 inputs are not present, the Bank will deal with independent, qualified parties to prepare evaluation studies. Proper evaluation methods and inputs used in preparing the evaluation are reviewed by the administration.

4. Cash And Balances With Central Banks		
This Item Consists Of The Following:	December 31	
	2015	2014
	JD	JD
Cash in vaults	60,743,739	60,613,399
Balances at Central Banks:		
- Current accounts and demand deposits	43,126,936	32,931,186
- Term and notice deposits *	9,958,189	75,179,761
- Certificates of deposit	33,700,000	-
- Statutory cash reserve	86,971,643	89,526,464
	234,500,507	258,250,810

- Except for the statutory cash reserve, restricted balances amounted to JD 2,513,689 as of December 31, 2015 (JD 2,735,261 as of 31 December 2014).

* This balance includes JD 7,444,500 maturing within a period exceeding three months (JD 7,444,500 as of December 31, 2014).

5. Balances With Banks And Financial Institutions						
This Item Consist Of The Following:	Local Banks and Financial Institutions December 31		Foreign Banks and Financial Institutions December 31		Total December 31	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Current Accounts And Demand Deposits	-	-	54,171,877	32,946,081	54,171,877	32,946,081
Deposits Maturing Within 3 Months Or Less	160,141,720	39,617,900	67,005,161	132,755,885	227,146,881	172,373,785
	160,141,720	39,617,900	121,177,038	165,701,966	281,318,758	205,319,866

- Non-interest bearing balances at banks and financial institutions amounted to JD 49,667,196 as of December 31, 2015 (JD 14,529,831 as of December 31, 2014).

- Restricted balances at banks and financial institutions amounted to 2,175,212 JD as of December 31, 2015 (JD 2,175,212 as of December 31, 2014).

6. Deposits With Banks And Financial Institutions						
This Item Consists Of The Following:	Local Banks and Financial Institutions December 31,		Foreign Banks and Financial Institutions December 31,		Total December 31,	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	10,000,000	-	-	-	10,000,000	-
Deposits maturing within 6 to 9 months	90,000,000	-	-	-	90,000,000	-
Deposits maturing within 9 months to a year	55,000,000	-	-	-	55,000,000	-
	155,000,000	-	-	-	155,000,000	-

- There are no restricted deposits as of December 31, 2015 and 2014.

7. Financial Assets At Fair Value Through Profit Or Loss		
This Item Consists Of The Following:	December 31	
	2015	2014
	JD	JD
Shares Listed in Local Active Markets	173,300	595,171
Shares Unlisted in Local Active Markets	68,770	64,560
Shares Listed in Foreign Active Markets	853,758	4,196,168
	<u>1,095,828</u>	<u>4,855,899</u>

8. Financial Assets At Fair Value Through Comprehensive Income		
This Item Consist Of The Following:	December 31	
	2015	2014
	JD	JD
Shares listed in local active markets	47,209,483	33,328,286
Shares unlisted in local active markets	7,324,125	7,366,218
Shares listed in foreign active markets	6,407,983	5,018,006
Shares unlisted in foreign active markets	1,713,808	1,715,716
	<u>62,655,399</u>	<u>47,428,226</u>

- Total cash dividends on financial assets at fair value through comprehensive income amounted to JD 3,107,684 for the year ended December 31, 2015 (JD 3,851,253 for the year ended December 31, 2014).

9. Direct Credit Facilities - Net		
This Item Consists Of The Following:	December 31	
	2015	2014
	JD	JD
Individual (Retail Customers):	276,767,171	257,870,312
Overdraft Accounts	10,941,372	10,312,052
Loans And Discounted Bills*	254,102,985	235,822,212
Credit Cards	11,722,814	11,736,048
Real Estate Loans	208,815,795	192,882,364
Corporate:	586,872,921	682,669,123
Large Corporate Customers	460,396,554	551,592,725
Overdraft Accounts	62,930,449	96,508,951
Loans And Discounted Bills*	397,466,105	455,083,774
SMEs	126,476,367	131,076,398
Overdraft Accounts	36,179,899	36,549,208
Loans And Discounted Bills*	90,296,468	94,527,190
Government & Public Sector	149,510,740	63,433,842
Total	1,221,966,627	1,196,855,641
Less: Provision For Impairment In Direct Credit Facilities	(70,706,100)	(85,114,033)
Less: Interest In Suspense	(9,023,281)	(11,124,307)
Net Direct Credit Facilities	1,142,237,246	1,100,617,301

* Net of interest and commission received in advance amounting to JD 8,554,432 as of December 31, 2015 (JD 7,560,935 as of December 31, 2014).

- Non-performing credit facilities amounted to JD 81,073,382 representing (6.63 %) of the direct credit facilities balance for the year (JD 96,661,025 representing (8.08%) as of the end of the prior year).

- Non-performing credit facilities after deducting the suspended interest amounted to JD 72,050,101 representing (5.94%) of direct credit facilities after deducting the suspended interest (JD 85,536,718 representing (7.21%) for the end of prior year).

- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 84,054,200 representing (6.88%) of total direct credit facilities for the year (JD 41,100,410 representing (3.4%) for the end of previous year). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 65,456,540 (JD 22,333,432 for the end of prior year).

Provision For Impairment In Direct Credit Facilities:							
The Following Is The Movement On The Provision For Impairment In Direct Credit Facilities:	Individual (Retail Customers)		Real Estate	Corporate entities		Total	
	JD	JD	JD	Large Corporate Customers	SMEs		Public Sector
	JD	JD	JD	JD	JD		JD
2015							
Balance – Beginning of the year	17,328,609	3,465,954		45,130,258	19,189,212	85,114,033	
Foreign currency differences	(411,477)	(52,758)		6,971,806	(12,596,534)	(6,088,963)	
Provision for the year taken from revenues	3,061,198	(1,130,136)		2,305,307	(165,179)	4,071,190	
Provisions transferred to off- statement of financial position accounts	(2,506,012)	-		(8,462,767)	(1,421,381)	(12,390,160)	
Balance – End of the year	17,472,318	2,283,060		45,944,604	5,006,118	70,706,100	

Provision For Impairment In Direct Credit Facilities:							
The Following Is The Movement On The Provision For Impairment In Direct Credit Facilities:	Individual (Retail Customers)		Real Estate	Corporate entities		Total	
	JD	JD	JD	Large Corporate Customers	SMEs		Public Sector
	JD	JD	JD	JD	JD		JD
2014							
Balance – Beginning Of The Year	18,159,503	5,336,925		58,689,354	10,651,509	92,837,291	
Foreign Currency Differences	(100,046)	(32,482)		(1,586,808)	(110,023)	(1,829,359)	
Provision For The Year Taken From Revenues	2,509,896	(1,569,950)		(3,570,594)	12,027,490	9,396,842	
Provisions Transferred To Off- Statement Of Financial Position Accounts	(3,240,744)	(268,539)		(8,401,694)	(3,379,764)	(15,290,741)	
Balance – End Of The Year	17,328,609	3,465,954		45,130,258	19,189,212	85,114,033	

The amount of calculated provisions on a single client basis and on a portfolio basis and not reported yet is as follows:

	Individual (Retail Customers)		Real Estate	Corporate entities		Total	
	JD	JD	JD	Large Corporate Customers	SMEs		Public Sector
	JD	JD	JD	JD	JD		JD
2015							
On A single Client Basis	17,254,739	2,283,060		45,800,617	4,921,414	70,259,830	
On A Portfolio Basis	217,579	-		143,987	84,704	446,270	
Balance – End Of Year	17,472,318	2,283,060		45,944,604	5,006,118	70,706,100	

	Individual (Retail Customers)		Real Estate	Corporate entities		Total	
	JD	JD	JD	Large Corporate Customers	SMEs		Public Sector
	JD	JD	JD	JD	JD		JD
2014							
On A single Client Basis	17,049,496	3,414,474		44,839,823	19,036,949	84,340,742	
On A Portfolio Basis	279,113	51,480		290,435	152,263	773,291	
Balance – End Of Year	17,328,609	3,465,954		45,130,258	19,189,212	85,114,033	

- The provisions no longer needed due to settlements or repayments and transferred against other debts amounted to JD 11,006,261 as of December 31, 2015 (JD 6,541,435 as of December 31, 2014).

- There are direct credit facilities with a balance of JD13,673,729, its suspended interest is JD 1,283,569 and its provision is JD 12,390,160 as of December 31, 2015 have been transferred within off- statement of financial position accounts as per the Board of Directors decisions, as these credit facilities are fully provided for as of the date of the consolidated financial statements.

Interest In Suspense:	2015						
	Individual (Retail Customers)		Real Estate	Large Corporate Customers		SMEs	Total
	JD	JD	JD	JD	JD	JD	
The following is the movement on the interest in suspense:							
Balance – Beginning of the Year	2,792,647	762,950	5,805,793	1,762,917	11,124,307		
Add: Interest suspended during the year	290,860	138,064	(265,351)	378,726	542,299		
Less: Interest in suspense reversed to income	(211,913)	(310,639)	(408,802)	(428,402)	(1,359,756)		
Suspended interest transferred to off - statement of financial position accounts	(343,340)	-	(672,028)	(268,201)	(1,283,569)		
Balance - End of the year	2,528,254	590,375	4,459,612	1,445,040	9,023,281		
Interest In Suspense:	2014						
	Individual (Retail Customers)		Real Estate	Large Corporate Customers		SMEs	Total
	JD	JD	JD	JD	JD	JD	
The following is the movement on the interest in suspense:							
Balance – Beginning of the Year	2,705,614	991,808	6,947,804	2,857,172	13,502,398		
Add: Interest suspended during the year	686,788	123,721	1,683,962	226,560	2,721,031		
Less: Interest in suspense reversed to income	(420,125)	(294,875)	(511,429)	(290,269)	(1,516,698)		
Less: Interest in suspense written off during the year	(2,391)	-	(561,047)	-	(563,438)		
Suspended interest transferred to off - statement of financial position accounts	(177,239)	(57,704)	(1,753,497)	(1,030,546)	(3,018,986)		
Balance - End of the year	2,792,647	762,950	5,805,793	1,762,917	11,124,307		

10. Financial Assets At Amortized Cost		
This item consists of the following:	December 31	
	2015	2014
	JD	JD
Financial assets with market prices:		
Governmental bonds or bonds guaranteed by the government	202,032,574	278,686,959
Bonds and debentures of companies	25,623,133	35,460,500
Total financial assets with market prices	227,655,707	314,147,459
Financial assets without market prices:		
Treasury bills or guaranteed by the government	-	137,810,005
Total financial assets without market prices	-	137,810,005
Financial assets at amortized cost – net	227,655,707	451,957,464

Analysis Of Bonds And Bills:		
	December 31	
	2015	2014
	JD	JD
Financial assets with fixed-rate-of-return	227,655,707	439,461,339
Financial assets with variable-rate-of-return	-	12,496,125
	227,655,707	451,957,464

The maturities of these assets are as follows:

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 1 Year	More than 1 Year Up to 3 Years	More than 3 Years
-	32,930,822 JD	9,998,971 JD	78,688,145 JD	63,049,691 JD	42,988,078 JD

The proceeds of the financial assets at amortized cost are to be paid in semi-annual instalments.

11. Investments In Associates		
The summarized movement on the Bank's investment in associates is as follows:	2015	2014
	JD	JD
Balance – Beginning of the year	1	2,724,672
Disposal of investment in associate companies *	-	(2,724,671)
Balance – End Of The Year **	1	1

* During the second half of the year 2014, the Bank has decreased its investment share in the North Industrial Co. (associate company), by selling a part of this investment to comply with the Article (38/A/1) of the Banks' Law No. (28) for the year 2000 and its amendments in this regard. This transaction has been conducted with a company related to one of the Bank's major shareholders, which resulted in a gain amounting to JD 2,042. Moreover, the Bank transferred the remaining shares to financial assets through other comprehensive income.

** The Bank's share in National Industries Company is one Jordanian Dinar only, since the Company is under liquidation and a full provision has been booked against the value of the Bank's investment in previous years for this Company.

The details of investments in associates are as follows:							
December 31, 2015							
Cost							
Company's Name	Percentage of Ownership	Book Value - Beginning of the Year	Additions (Disposals)		Revaluation Using the Equity Method	Bank's Share of (Losses)	Industry Type
			JD	JD			
Jordanian companies:							
National Industries Co. (under liquidation)	46.74	1	-	-	1	-	Industrial
		1	-	-	1	-	

The details of investments in associates are as follows:							
December 31, 2014							
Cost							
Company's Name	Percentage of Ownership	Book Value - Beginning of the Year	Additions (Disposals)		Revaluation Using the Equity Method	Bank's Share of (Losses)	Industry Type
			JD	JD			
Jordanian companies:							
National Industries Co. (under liquidation)	46.74	1	-	-	1	-	Industrial
Palestinian Companies:							
North Industrial Co.	-	2,724,671	(2,724,671)	-	-	-	Industrial
		2,724,672	(2,724,671)	1	-	-	

12. Property and Equipment - Net														
The details of this Item are as Follows:														
2015	Land		Buildings		Equipment, Furniture and Fixtures		Vehicles		Computer		Decorations and Improvements		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:														
Beginning balance	3,237,388	14,881,753	19,796,496	1,131,660	10,941,103	20,116,449	70,104,849							
Additions	38,652	50,687	1,384,714	66,221	1,115,950	1,190,416	3,846,640							
(Disposals)	-	(47,880)	(641,856)	(221,960)	(1,374,628)	(772,709)	(3,049,033)							
Foreign currencies differences	(142,994)	(1,561,615)	(353,246)	(21,079)	(118,939)	(409,252)	(2,607,125)							
Ending balance	3,133,046	13,322,945	20,186,108	964,842	10,563,486	20,124,904	68,295,331							
Accumulated depreciation:														
Beginning balance	-	5,855,328	14,124,474	989,159	8,572,983	15,305,829	44,847,773							
Annual depreciation	-	197,885	1,571,866	78,260	513,677	1,668,460	4,030,148							
(Disposals)	-	(29,218)	(584,761)	(206,048)	(1,316,979)	(729,479)	(2,866,485)							
Foreign currencies differences	-	(130,878)	(202,412)	(17,031)	(85,356)	(276,707)	(712,384)							
Ending balance	-	5,893,117	14,909,167	844,340	7,684,325	15,968,103	45,299,052							
Net book value of property and equipment	3,133,046	7,429,828	5,276,941	120,502	2,879,161	4,156,801	22,996,279							
Payments on acquisition of property and equipment*	-	1,874,162	281,333	-	502,907	140,774	2,799,176							
Net property and equipment at the end of the year	3,133,046	9,303,990	5,558,274	120,502	3,382,068	4,297,575	25,795,455							
2014														
Cost:														
Beginning balance	3,278,631	13,237,005	20,413,238	1,243,287	12,547,723	19,356,469	70,076,353							
Additions	-	2,043,779	972,971	46,210	640,248	1,306,306	5,009,514							
(Disposals)	-	(6,339)	(1,493,405)	(151,757)	(2,213,561)	(431,541)	(4,296,603)							
Foreign currencies differences	(41,243)	(392,692)	(96,308)	(6,080)	(33,307)	(114,785)	(684,415)							
Ending balance	3,237,388	14,881,753	19,796,496	1,131,660	10,941,103	20,116,449	70,104,849							
Accumulated depreciation:														
Beginning balance	-	5,675,693	13,954,920	1,025,100	9,616,506	13,999,393	44,271,612							
Annual depreciation	-	210,727	1,655,519	101,720	932,485	1,596,404	4,496,855							
(Disposals)	-	(1,200)	(1,440,869)	(133,662)	(1,956,089)	(228,771)	(3,760,591)							
Foreign currencies differences	-	(29,892)	(45,096)	(3,999)	(19,919)	(61,197)	(160,103)							
Ending balance	-	5,855,328	14,124,474	989,159	8,572,983	15,305,829	44,847,773							
Net book value of property and equipment	3,237,388	9,026,425	5,672,022	142,501	2,368,120	4,810,620	25,257,076							
Payments on acquisition of property and equipment*	-	636,556	193,062	-	1,123,012	58,406	2,011,036							
Net property and equipment at the end of the year	3,237,388	9,662,981	5,856,084	142,501	3,491,132	4,869,026	27,268,112							

* The financial obligations relating to the acquisition of property and equipment amounted to JD 2,123,913 for the year 2015, and will be settled in accordance with the contractual conditions on the purchase of these assets.

- Fully depreciated property and equipment amounted to JD 32,444,421 for the year 2015 (JD 27,841,133 for the year 2014)

13. Intangible Assets		
This item consists of softwares that get amortized with an annual rate from 15% to 20% and its details are as the following:	For the year ended December 31	
	2015	2014
	JD	JD
Balance - Beginning of the year	3,371,359	2,534,327
Additions	609,886	1,476,967
Amortization for the year	(644,680)	(634,288)
Foreign currencies differences	(16,262)	(5,647)
Balance - end of the year	3,320,303	3,371,359

14. Other Assets		
This Item Consists Of The Following:	December 31	
	2015	2014
	JD	JD
Accrued interest income	6,638,640	7,435,082
Prepaid expenses	2,107,795	2,512,113
Assets foreclosed by the Bank in repayment of debts *	37,373,852	42,387,170
Financial assets foreclosed by the Bank in repayment of debts **	-	5,037,000
Clearance checks	2,434,194	2,560,577
Advanced payments on the acquisition of land & real estate	1,015,307	1,335,491
Prepaid tax expenses	1,473,124	1,788,929
Accounts receivables and other debit balances	8,448,822	7,291,345
Transactions in transit	67,255	35,011
	59,558,989	70,382,718

* The following is the movement on the assets foreclosed by the Bank:	Foreclosed Assets	
	2015	2014
	JD	JD
Balance - Beginning of the Year	42,387,170	42,027,842
Additions	2,379,766	4,178,502
Disposals	(3,452,027)	(3,830,206)
Recoveries from impairment (losses) – (Note 33)	(3,941,057)	11,032
Balance - End of the Year	37,373,852	42,387,170

- According to the Jordanian Banks' Law, buildings and plots of land foreclosed by the Bank against debts due from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for a maximum of two more years in exceptional cases. In accordance with the dissemination of the Central Bank No. 10/1/4076 dated on March 27, 2014 the Bank has started to calculate a gradual provision against the assets foreclosed against debts with period exceeding 4 years.

** The following is the movement on the financial assets foreclosed by The Bank in repayment at debts:	Financial Assets (stocks)	
	2015	2014
	JD	JD
Balance - Beginning of the Year	5,037,000	5,621,000
Impairment (losses) – Note (33)	-	(584,000)
Sold financial assets foreclosed by the Bank	(5,037,000)	-
Balance - End of the Year	-	5,037,000

* This item represents sold shares during the year 2015, which were classified within other assets. The selling transaction resulted in a profit of JD 1,861,500 which were booked in the consolidated statement of income.

15. Banks And Financial Institutions' Deposits						
This Item Consists Of The Following:	December 31, 2015			December 31, 2014		
	Inside the Kingdom of Jordan	Outside the Kingdom of Jordan	Total	Inside the Kingdom of Jordan	Outside the Kingdom of Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	14,763,256	14,763,256	-	12,550,183	12,550,183
Time deposits	-	108,825,774	108,825,774	9,217,000	52,659,000	61,876,000
Total	-	123,589,030	123,589,030	9,217,000	65,209,183	74,426,183

16. Customers' Deposits					
This Item Consists Of The Following:	December 31, 2015				
	Individuals	Large Corporate	SMEs	Public Sector and Government	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	328,240,342	55,898,871	82,188,847	22,522,530	488,850,590
Saving accounts	650,414,852	1,342,623	15,734,630	60,065	667,552,170
Time and notice deposits	235,603,488	50,752,929	24,982,634	45,204,607	356,543,658
Certificates of deposit	49,509,355	40,000	2,391,190	-	51,940,545
Total	1,263,768,037	108,034,423	125,297,301	67,787,202	1,564,886,963

	December 31, 2014				
	Individuals	Large Corporate	SMEs	Public Sector and Government	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	292,456,616	89,744,245	58,756,495	20,099,093	461,056,449
Saving accounts	603,967,644	14,664,102	1,312,977	90,429	620,035,152
Time and notice deposits	305,892,704	35,476,228	69,971,624	68,184,578	479,525,134
Certificates of deposit	65,340,308	50,000	2,466,260	-	67,856,568
Total	1,267,657,272	139,934,575	132,507,356	88,374,100	1,628,473,303

- Deposits of the Jordanian Government and the public sector inside Jordan amounted to JD 58,092,471 equivalent to (3.71%) of total customers' deposits for the year (JD 78,086,639 equivalent to 4.80% for the prior year).

- Non-interest bearing deposits amounted to JD 864,982,291 equivalent to (55.27%) of total customers' deposits for the year (JD 718,630,284 equivalent to 44.13% of total deposits for the prior year).

- Restricted deposits amounted to JD 13,059,220 equivalent to (0.83%) of total customers' deposits for the year (JD 6,129,436 equivalent to 0.38% of total deposits for the prior year).

- Dormant deposits amounted to JD 82,805,617 for the year (JD 48,725,628 for the prior year).

17. Cash Margins		
This Item Consists Of The Following:	December 31,	
	2015	2014
	JD	JD
Cash margins on direct credit facilities	90,930,302	81,918,468
Cash margins on indirect credit facilities	20,240,850	20,193,018
Total	111,171,152	102,111,486

18. Sundry Provisions					
This item consists of the following:	Beginning Balance	Provided for During the Year	Used During the Year	Foreign Currencies Differences	Ending Balance
2015	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	8,165,555	776,715	(3,604,397)	-	5,337,873
Provision for lawsuits	346,924	277,111	(23,234)	-	600,801
Other Provisions	280,464	77,352	-	(70,325)	287,491
	<u>8,792,943</u>	<u>1,131,178</u>	<u>(3,627,631)</u>	<u>(70,325)</u>	<u>6,226,165</u>
2014					
Provision for end-of-service Indemnity	6,923,287	2,101,719	(859,451)	-	8,165,555
Provision for lawsuits	610,523	(263,599)	-	-	346,924
Other Provisions	43,136	339,922	-	(102,594)	280,464
	<u>7,576,946</u>	<u>2,178,042</u>	<u>(859,451)</u>	<u>(102,594)</u>	<u>8,792,943</u>

19. Income Tax		
A. Income Tax Provision	2015	2014
The Movement on the income tax provision is as follows:	JD	JD
Beginning of year balance	15,998,305	16,947,814
Income tax paid	(19,562,896)	(19,882,159)
Income tax for the year	<u>16,762,245</u>	<u>18,932,650</u>
End of year balance	<u>13,197,654</u>	<u>15,998,305</u>
Income tax in the consolidated statement of income represents the following:	2015	2014
Income tax on the year's profit	16,762,245	18,932,650
Deferred tax assets for the year-addition	(1,587,473)	(4,279,809)
Amortization of deferred tax assets	6,728,613	522,467
	<u>21,903,385</u>	<u>15,175,308</u>

- Legal income tax rate in Jordan amounts to 35% starting from the beginning of the year 2015, whereas the legal income tax rate in Palestine where the Bank has investments and branches amounts to 15%, in Syria (a subsidiary) to 25% and 24% for the subsidiary companies in Jordan.
- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of the year 2013. Moreover the Bank submitted its tax returns for the years 2011, 2014 and has paid the required amounts according to the law, however, no final settlement has been reached with the Income and Sales Tax Department for these years yet. The Income and Sales Tax Department claims the Bank for tax differences for the year 2011 amounting to JD 1,750,030. The Bank has objected this assessment and raised a lawsuit against Income and Sales Tax Department in this regards which is still in its preliminary stages. In the opinion of the management and its tax consultant that the Bank will not entail any obligations in excess of the provision booked in the consolidated financial statements.
- The Bank has reached at the end of the year 2014 a final settlement with Income Tax and Value added Tax Department on the Bank's operations in Palestine. Moreover, the Bank has allocated an amount of JD 144,000 to meet the Tax obligations on the Bank's results for the year 2015 (JD zero against income tax and JD 144,000 against value added tax). In the opinion of the Bank's management and its tax consultant the allocated provisions are sufficient to meet the tax obligations for the year 2015.
- A final settlement was reached with the Income and Sales Tax Department up to the end of the year 2011 regarding Excel for Financial Investments Company (subsidiary). Furthermore, the Company has submitted its tax returns for the year 2012, however, no final settlement has been reached with the Income and Sales Tax Department yet. Moreover, the Company has submitted its tax returns for the years 2013 and 2014 and paid the declared taxes. In the opinion of the Company's management and its tax consultant the allocated provisions in the financial statements are sufficient to meet any tax obligations
- Jordan Leasing Company (subsidiary) has reached a final settlement with the Income and Sales Tax Department up to the year 2013. Moreover, the Company has submitted its tax returns for the year 2014 and paid the declared taxes, however, it has not been reviewed by the Income and Sales Tax Department yet.

B. Deferred Tax Assets/Liabilities	2015						2014	
	Balance - Beginning of the Year	Adjustments	Adjusted balance	Amounts Released	Amounts Added	Balance - End of the Year	Deferred Tax	Deferred Tax
Accounts Included	JD	JD	JD	JD	JD	JD	JD	JD
Deferred Tax Assets								
Provisions for non-performing debts	21,636,027	-	21,636,027	5,232,971	-	16,403,056	5,741,070	7,572,609
Provision for n on-performing debts - prior years	3,807,362	-	3,807,362	25,626	-	3,781,736	1,090,151	1,286,870
Provision for staff end-of-service indemnity	8,165,555	-	8,165,555	3,604,397	776,715	5,337,873	1,663,191	2,819,361
Interest in suspense	998,113	-	998,113	-	-	998,113	263,258	337,292
Provision for lawsuits raised against the Bank	346,924	-	346,924	23,234	277,111	600,801	201,900	118,949
Impairment in assets foreclosed by the Bank	327,655	-	327,655	-	3,941,057	4,268,712	1,331,622	113,407
Impairment in assets available for sale	7,079,808	-	7,079,808	7,016,977	-	62,831	21,991	2,477,933
Other provisions	18,376,573	(5,009,932)	13,366,641	5,749,081	-	7,617,560	1,904,390	4,594,144
Evaluation of financial assets foreclosed by the Bank in repayment of debts	1,898,000	-	1,898,000	1,898,000	-	-	-	664,300
	<u>62,636,017</u>	<u>(5,009,932)</u>	<u>57,626,085</u>	<u>23,550,286</u>	<u>4,994,883</u>	<u>39,070,682</u>	<u>12,217,573</u>	<u>19,984,865</u>

- The Movement On Deferred Tax Assets/Liabilities is As Follows:	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - Beginning of the Year	19,984,865	-	16,613,171	-
Adjustments (note 47)	(1,252,483)	-	-	-
Adjusted balance-beginning of the year	18,732,382	-	16,613,171	-
The effect of the amendments of Income Tax Law in Palestine and Jordan *	(414,598)	-	1,798,374	-
Added during the year	1,587,473	-	2,481,435	-
Amortized during the year	(6,314,015)	-	(522,467)	-
Foreign currencies differences	(1,373,669)	-	(385,648)	-
Balance - End of the Year	<u>12,217,573</u>	-	<u>19,984,865</u>	-

* At the beginning of the year 2015, a new Income Tax Law has been issued in Jordan and Palestine, accordingly the deferred tax assets have been amended for the previous year in Jordan to match with the new tax rates as the Bank will benefit from these assets in the subsequent years according to the new tax rates which is stated at 35%, and it has been amended in the branches of Palestine after it has been approved in the first half of the year 2015 to become 15%.

c. The following is a summary of the reconciliation between accounting profit and taxable profit:		
	2015	2014
	JD	JD
Accounting profit	61,966,178	59,999,897
Tax-Exempt profit	(23,222,541)	(6,729,106)
Tax-Unacceptable expenses	7,976,757	5,891,961
Taxable profit	46,720,394	59,162,752
Income tax rate	35.9%	32%
	16,762,245	18,932,650

20. Borrowing Money						
This account's details are as follows:	Number of Instalments					
	Amount	In total	The remaining	Installments Maturity	Collaterals	Price of Borrowing Interest
2015	JD	JD	JD	JD	JD	JD
Borrowing from the Central Bank of Jordan	500,956	60	60	Monthly	Treasury Bonds	2.25%
Total	500,956					

	Number of Instalments					
	Amount	In total	The remaining	Installments Maturity	Collaterals	Price of Borrowing Interest
2014	JD	JD	JD	JD	JD	JD
Borrowing from the Central Bank of Jordan	500,956	60	60	Monthly	Treasury Bonds	2.25%
Total	500,956					

- The above amount has been re-borrowed to one of the Bank's customers listed under small and medium entities with an interest rate of 5.25%.
- This balance is borrowed with fixed interest rate, and there are no borrowing in variable rates or with no interest rate as of December 31, 2015.

21. Other Liabilities		
This Item Consists Of The Following:	December 31	
	2015	2014
	JD	JD
Accrued interest payable	3,449,363	6,337,248
Accepted cheques	7,346,676	7,122,010
Temporary deposits	2,114,422	1,873,177
Dividends payable	1,807,742	1,343,031
Deposits on safe boxes	166,306	158,329
Sold real estate margins	96,850	97,000
Other liabilities *	4,723,640	3,091,343
	19,704,999	20,022,138

* The details of other liabilities are as follows:		
	December 31	
	2015	2014
	JD	JD
Social security deposits	240,624	219,228
Income tax deposits	207,090	241,605
Accrued expenses	2,628,509	2,159,624
Incoming transfers	197,322	140,234
Board of Directors' remuneration	55,000	55,000
Other credit balances	1,395,095	275,652
	4,723,640	3,091,343

22. Paid-up capital

- The authorized capital of the Bank is JD 155,100,000 as of December 31, 2015 (JD 155,100,000 as of December 31, 2014)
- The authorized capital of the Bank is JD 155,100,000 by year end, divided into 155,100,000 shares at a par value of JD 1 each.

23. Reserves

- **Statutory Reserve**
The amount accumulated in this account is transferred from the annual net income before tax at 10% during the year and previous years according to the Banks Law and Companies Law. This reserve cannot be distributed to shareholders.
- **Voluntary Reserve**
The amounts accumulated in this account are transferred from the annual net income before taxes at 10% during the previous years. This reserve will be used for the purposes approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or part thereof as dividends.
- **General Banking Risks Reserve**
This item represents the general banking risks reserve in line with the instructions of the Central Bank of Jordan, and other supervisory Authorities.
- **Special Reserve**
This reserve represents the periodic fluctuation reserve calculated according to the instructions of the Palestinian Monetary Authority concerning The Bank's branches operating in Palestine.
- *The restricted reserves are as follows:*

Reserve	Amount	Nature of Restriction
	JD	
Legal reserve	67,716,833	Companies and Banks Laws
General banking risks reserve	12,646,252	Supervisory authorities requirements
Special reserve	2,921,601	Supervisory authorities requirements

24. Foreign Currencies Translation Differences

This item represents the differences resulting from the translation of net investment in foreign subsidiary (Bank of Jordan-Syria) upon consolidating the financial statements.

The movement on this item is as follows:		
	2015	2014
	JD	JD
Balance – Beginning of the Year	(10,326,397)	(11,643,042)
Changes in the translation of net investment in the subsidiary during the year*	(1,155,494)	1,316,645
Balance – End of the Year	(11,481,891)	(10,326,397)

* This item includes the Bank's net share of the structural position related to the investment in the capital of Bank of Jordan-Syria for the year 2015.

25. Fair Value Reserve - Net		
The Details Of The Fair Value Reserve As Follows:	December 31	
	2015	2014
	JD	JD
Balance - Beginning of the Year	17,959,472	33,450,490
Unrealized gains (losses)	15,227,173	(6,029,617)
(Transferred) as result for sale of financial assets at fair value through comprehensive income – recognized	-	(9,785,321)
The effect of the decrease of the Bank's ownership in the associate company	-	323,920
Balance – End of the Year	33,186,645	17,959,472

26. Retained Earnings		
The details of this item are as follows:	2015	2014
	JD	JD
Balance - Beginning of the Year	82,070,084	57,534,189
Adjustments	(613,717)	-
Adjusted Balance - Beginning of the Year	81,456,367	57,534,189
Dividends distributed to shareholders	(31,020,000)	(23,265,000)
Profit for the year	40,835,470	47,127,403
Transferred to reserves	(6,084,754)	(8,407,948)
Gain from sale of financial assets at fair value through comprehensive income	-	8,755,675
The currencies translation differences	3,255,531	649,685
The effect of the decrease of the Bank's ownership in the associate company	-	(323,920)
Balance - End of the Year *	88,442,614	82,070,084

* Retained earnings include an amount of JD 12,217,573 restricted against deferred tax benefits as of December 31, 2015 (JD 19,984,865 as of December 31, 2014).

- Retained earnings include an amount of JD 5,562,276 as of December 31, 2015 which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Commission.

27. Proposed dividends

The Board of Directors recommended the distribution of 20% of capital as cash dividends to the shareholders, equivalent to JD 31,020,000 and increasing the Bank's capital by JD 44,900,000 through distributing free shares as a result of capitalizing the voluntary reserve and part of the retained earnings to become share/JD 200M, this is subject to the approval of the General Assembly of Shareholders. Whereas in the year 2015, cash dividends of 20% of capital were distributed to shareholders equivalent to JD 31,020,000 from the revenues of the year 2014.

28. Interest Income		
This Item Consists Of The Following:	2015	2014
	JD	JD
Direct Credit Facilities:		
Individual (retail customers):	27,000,838	26,505,985
Overdraft accounts	933,050	1,128,571
Loans and discounted bills	23,512,401	21,588,085
Credit cards	2,555,387	3,789,329
Real estate loans	14,588,962	11,396,638
Corporate Entities:	42,736,340	49,925,942
Large corporate customers:	31,230,700	37,319,986
Overdraft accounts	6,253,408	7,395,109
Loans and discounted bills	24,977,292	29,924,877
SMEs:	11,505,640	12,605,956
Overdraft accounts	2,731,466	2,959,261
Loans and discounted bills	8,774,174	9,646,695
Government and public sector	5,455,068	5,978,500
Balances with central banks	1,592,584	1,243,400
Balances and deposits with banks and financial Institutions	3,677,829	2,146,134
Financial assets at amortized cost	16,620,652	25,646,305
Total	111,672,273	122,842,904

29. Interest Expense		
This Item Consists Of The Following:	2015	2014
	JD	JD
Banks and financial institution deposits	981,608	1,901,214
Customers' deposits:		
Current and demand deposits	187,585	149,438
Saving accounts	1,936,905	1,650,251
Time and notice deposits	10,347,143	17,386,665
Certificates of deposit	2,985,355	4,506,749
Borrowed funds	11,250	6,626
Cash margins	952,606	1,281,442
Fees of deposits guarantees	3,424,090	3,257,572
	20,826,542	30,139,957

30. Commissions Income - Net		
This Item Consists Of The Following:	2015	2014
	JD	JD
Commission Income:		
Direct Credit Facilities	5,221,393	5,141,745
Indirect Credit Facilities	2,906,688	3,063,251
Other Commissions	12,650,131	10,333,464
Less: Commission Expense	(263,690)	(255,729)
Net Commissions Income	20,514,522	18,282,731

31. Foreign Currency Income		
This Item Consists Of The Following:	2015	2014
	JD	JD
From Trading/Dealing	32,732	21,885
From Revaluation	2,758,803	2,804,769
	2,791,535	2,826,654

32. Gains (Losses) from Financial Assets at Fair Value Through Profit or Loss				
This Item Consists Of The Following:	Realized Gains	Unrealized Gains	Dividends	Total
Year 2015	JD	JD	JD	JD
Local shares	135,324	(51,487)	11,845	95,682
Foreign shares	(306,721)	(9,979)	90,301	(226,399)
	(171,397)	(61,466)	102,146	(130,717)

This Item Consists Of The Following:	Realized Gains	Unrealized Gains	Dividends	Total
Year 2014	JD	JD	JD	JD
Local shares	-	(95,341)	13,145	(82,196)
Foreign shares	429,960	(15,312)	20,018	434,666
	429,960	(110,653)	33,163	352,470

33. Other Income		
This Item Consists Of The Following:	2015	2014
	JD	JD
Revenue from prior years returned to income	1,074,059	1,154,650
Gains from the sale of assets foreclosed by the Bank	1,628,485	1,768,592
Revenue from telephone, post, and swift	476,359	507,379
Real estate rent	170,896	195,126
Gains from the sale of property and equipment	16,988	2,712
Interest in suspense reversed to income	1,359,756	1,516,698
(Losses) of impairment of financial assets foreclosed by the bank in repayment of debts	-	(584,000)
Gains from sale of financial assets foreclosed by the Bank	1,861,500	-
Returned from impairment in lands and real estate foreclosed by the Bank	-	11,032
Other income	1,503,734	2,059,689
	8,091,777	6,631,878

34. Employees Expenses		
This Item Consists Of The Following:	2015	2014
	JD	JD
Salaries, Bonuses, and employees' benefits	22,846,565	23,072,605
Bank's Contribution to social security	1,895,371	1,754,917
Bank's Contribution to provident fund	1,477,886	1,489,339
Medical expenses	1,360,857	1,175,680
Staff training expenses	295,605	479,564
Transportation and travel expenses	638,548	722,964
	28,514,832	28,695,069

35. Other Expenses		
This Item Consists Of The Following:	2015	2014
	JD	JD
Rent	3,191,913	3,053,106
Printing and stationery	895,352	870,770
Telephone, post and swift	1,560,769	1,414,119
Maintenance, repairs, and cleaning	3,039,529	2,724,832
Fees, taxes, and licences	1,853,840	2,722,125
Advertisements and subscriptions	3,508,021	2,804,403
Insurance expenses	1,908,703	1,660,821
Electricity and heating	2,455,768	2,225,349
Donations	522,106	305,125
Hospitality	236,702	218,434
Professional, consultancy and legal fees	1,056,962	644,092
Board of Directors remunerations	55,000	55,000
Miscellaneous	636,604	550,806
	20,921,269	19,248,982

36. Earnings Per Share		
This Item Consists Of The Following:	2015	2014
	JD	JD
Profit for the year (Bank's Shareholders)	40,835,470	47,127,403
Weighted Average Number Of Shares	155,100,000	155,100,000
Net Income for the year/share (Bank's Shareholders):		
Basic	0.263	0.304
Diluted	0.263	0.304

37. Cash And Cash Equivalents		
The Details Of This Item Are As Follows:	December 31	
	2015	2014
	JD	JD
Cash And Balances With Central Banks Maturing Within 3 Months	227,056,007	250,806,310
Add: Balances With Banks And Other Financial Institutions Maturing Within 3 Months	281,318,758	205,319,866
Less: Banks And Financial Institutions' Deposits Maturing Within 3 Months	(120,430,030)	(74,426,183)
Restricted Accounts	(4,688,901)	(4,910,473)
	<u>383,255,834</u>	<u>376,789,520</u>

38. Financial Derivatives Instruments						
The Details Of Financial Derivatives As Of Year-end Are As Follows:	Positive Fair Value	Total Nominal Value	Nominal Value Maturities			
			During 3 Months	From 3 To 12 Months	Total	
			JD	JD	JD	
2015	JD	JD	JD	JD	JD	
Foreign Currencies Forward Contracts (Purchase)	866,107	2,995,051	2,995,051	-	2,995,051	
Total	<u>866,107</u>	<u>2,995,051</u>	<u>2,995,051</u>	<u>-</u>	<u>2,995,051</u>	
2014	Positive Fair Value	Negative Fair Value	Total Nominal Value	Nominal Value Maturities		
				During 3 Months	From 3 To 12 Months	Total
				JD	JD	JD
Foreign Currencies Forward Contracts (Purchase)	752,075	1,330	6,014,667	6,014,667	-	6,014,667
Total	<u>752,075</u>	<u>1,330</u>	<u>6,014,667</u>	<u>6,014,667</u>	<u>-</u>	<u>6,014,667</u>

Nominal value indicates the value of transactions at year-end, and does not relate to market risk or credit risk.

39. Related parties transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon.

The consolidated financial statements include the following balances and transactions with related parties:							
	Major Shareholders	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	Total December 31	
						2015	2014
						JD	JD
Consolidated Statement Of Financial Position Items:							
Credit Facilities	5,000,000 *	4,226,577	761,352	-	21,576,099	31,564,028	41,069,163
Deposits	25,570	3,787,553	1,312,377	286,119	1,724,286	7,135,905	3,637,367
Cash Margins	-	10,908	-	-	584,999	595,907	501,882
Off-Consolidated Statement Of Financial Position Items:							
Letters Of Guarantee	-	101,685	-	-	236,872	338,557	500,425
						Total For the Year Ended December 31	
						2015	2014
						JD	JD
Consolidated Statement Of Income Items:							
Credit Interest And Commission	424,636	328,129	37,312	-	914,687	1,704,764	1,809,732
Debit Interest And Commission	-	37,040	6,865	19,308	10,983	74,196	281,873

The lowest interest rate on the employees' housing loans was 4.5%, whereas the lowest interest rate on related parties' loans was 5.125% (against cash margins 1.75% for JD) and 3% for USD, and the highest interest rate received on loans was 11.49% for JD and 3% for USD. The highest interest rate paid to related parties was 4.875% for JD and 0.4% for USD, and the lowest interest rate paid was 0.025% for JD and 0.02% for USD.

* This balance represents the partial financing made by the Bank to a company related to one of the Bank's major shareholders for the sale of the portion of investments which exceeded the allowed limits per Article (38/A/1) of the Banks Law No. (28) for the year 2000. These investments summarized by financial assets at fair value through comprehensive income represented by 984,835 shares in El-Eqbal Investment Company at its fair value as of the sale date which is equivalent to JD 13 per share, in addition to the sale of 1,940,000 shares of the Bank's investment in North Industrial Company (a non traded associate company).

Salaries and Remunerations of Executive Management:		
	December 31	
	2015	2014
	JD	JD
Salaries And Benefits	1,966,566	2,172,885
Transportation And Board Secretary	45,242	48,000
Total	<u>2,011,808</u>	<u>2,220,885</u>

40. Risk management

First: Descriptive Disclosures:

The Bank manages banking risks through identifying the risks that it might be exposed to and methods of challenging and mitigating them. This is achieved through implementing a group of restructuring projects using best standards and banking acts that aim at separating risk management activities from those related to development of business and operations (execution).

* In this context, the Bank has formed a Risk Management Committee, comprising executive management, so as to analyse, scrutinize, monitor risks, and submit reports periodically to the Risk Management Committee, under the Board of Directors. The Risk Management Committee's main duty is to ensure the presence of an effective internal monitoring function in accordance with the policies and scope of work set for it by the Board of Directors.

* Risk management assumes the responsibility of managing the various types of risks through:

- Preparing policies and getting them approved by the Board of Directors.
- Analysing the risk types (credit, market, or operations).
- Developing measurement and control methodologies for each risk type.
- Providing the Board of Directors and executive management with reports and information about quantitative and qualitative measurements of the Bank risks.

* The Bank has prepared the requirements needed for the purpose of Basel III calculation and Stress Testing as well as preparing an internal valuation for Capital adequacy ICAAP.

Credit Risks

Credit risks arise from the probable inability and/or lack of desire of the borrower or third party to fulfil its obligations in a timely manner. These risks include on-consolidated financial statements items such as loans and bonds and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the Bank.

In this regard, the Bank reinforces institutional frameworks that govern the management of credit through the following:

1. Setting up independent specialized departments for the management of credit as follows:
 - Companies Credit Risk Department (for management of companies credit risks).
 - Small and Medium Size Enterprises (SMEs) Risk Management Department (for management of SMEs credit risks).
 - Individuals Credit Risk Department (for management of individuals credit portfolios risks).
2. Separation of Business Development Department from Credit Risk Departments.
3. Implementing a set of approved policies and procedures that outline principles for defining, measuring, and managing the type of risk.
4. Applying a customers' credit rating system that classifies customers into ten levels through:
 - Rating borrower's risks (economic sector, management, financial status, experience, etc.)
 - Rating credit risks (risks are weighed according to credit nature and type).
 - Rating guarantees (risks are weighed according to nature and type of guarantee provided).
5. Determining credit concentrations at the credit type level, economic sector, geographical distribution, credit portfolios, etc. Credit risks are managed by departments according to their specialization.
6. Implementing an authorization and relationship management system:

Bank of Jordan adopts an authorization system that includes authority granting, delegation, monitoring and relationship management of the various credit activities.

7. Determining credit risk mitigation methods:

Bank of Jordan adopts various methods to mitigate credit risks such as the following:

- Providing the proper credit structure that matches its purpose and repayment period.
- Ensuring the completion of all control aspects relating to the utilization of credit and the sources of its payment.
- Obtaining proper guarantees to hedge against any risks in this regard.
- Analysing and evaluating credit transactions by credit risks departments.
- Periodically evaluating guarantees according to the nature, type, and degree of risks to reinforce guarantees and ensure their adequacy constantly.
- Setting up specialized committees for approving credit.

8. Controlling credit execution by the credit control department in addition to a unit concerned with documentation, completion of legal audit, and execution.

9. Applying the credit management mechanisms (CREMS and E-loan).

10. Setting up a specialized department to follow up on the collection of dues and non-performing debts.

11. Setting up a committee for risk management on the level of the executive management and a risk management committee on the level of the Board of Directors to review policies, credit strategies, investments and risks.

12. Determining the duties of the various credit risks departments concerning the mechanism and periodicity of controls and issuance/submission of reports to the Board of Directors and Executive Management.

13. Analysing economic fluctuations and changes in the structure and quality of credit portfolios.

14. Stress Testing:

This aims at testing the Bank's ability to face tough hypothetical scenarios with low probability of occurrence. The following scenarios have been assumed and their impact on the Bank's financial position and capital adequacy has been assessed:

- The default of general trade finance by 15%, the default of tourism sector by 15%, the increase of credit facilities granted to manufacturing sector by 25% and the default of construction sector by 10%.

- The default of major 3 customers in the following sectors (Tourism, Industrial, Construction and General Trade) have been classified as non-performing.

15. Control Reports:

- The credit risks departments, each according to its specialization, control and evaluate all credit operations through a set of control procedures:

- Daily control:
Monitoring/Controlling credit violations, un-renewed due credit ceilings, due accounts, and others.

- Controlling the quality and distribution of the credit portfolio.

- Rating credit risks, economic sector, credit type, guarantees, concentration, credit asset quality trends, and others.

- Controlling credit exposure at the customer level (total exposure), geographic area, credit type, economic sector, maturity date, guarantee type, and others.

These reports are submitted periodically to the Executive Risks Committee under the Board of Directors. Timely reports on daily operations are submitted to the CEO.

Operational Risks

Operational risks arise from the inefficiency or failure of internal operations, employees, or systems or may stem from external events including legal risks. The Bank's Operational Risks Department was set up since the year 2003. It has qualified staffers and automated systems. It is affiliated with Risks Management.

The Bank manages operational risks based on the following criteria:

1. Preparing the operational risks policy, approving it by the Board of Directors, and applying it. This includes the criteria for defining and measuring risks in addition to the acceptance level of this type of risk.
2. Applying an operational risk management system (CARE).
3. Setting up a risk profile that includes all operational risk types and control procedures that restrict them and the periodicity of their testing in a manner that ensures their efficiency and continuity at the unit level of the Bank.
4. Evaluating, by the Internal Audit Department, the validity of the monthly tests relating to self-assessment of the Bank's various units, classifying these units according to the pertinent approved classification standards, and incorporating them into the internal audit report it submits to the Audit Committee on a timely basis.
5. Continuous evaluation of the Risk Profile:

In this regard, a self-assessment tool (CRSA) has been applied to manage and constantly evaluate risks, to identify new risks, ensure the efficiency of control procedures to limit these risks, and renew the risk profile on a timely basis to reflect the reality of business environments.

6. Setting up a database for operating errors, analysing them, and submitting a report on the concentration of and type of these errors to the Risk Management Committee / Board of Directors.
7. Applying rating standards and evaluating the Bank's units according to international principles and standards and the business environment.
8. Setting up and determining key risk indicators at the Bank's level.
9. Stress testing
10. Providing the risk committee, whether on the Board of Directors or the Executive Management level, with periodic reports (monthly, quarterly, semi-annually, and annually) that reflect the reality of the control environment for the various units of the Bank.

Compliance Risks

These represent the risks that arise from the probable failure by the Bank to comply with (violate/transgress) the prevailing laws, regulations, instructions, banking laws, and code of ethics issued by the international and local regulatory bodies, including the Bank's internal policies.

The Bank has set up a compliance department, staffed with qualified and trained personnel, equipped with automatic systems, and assigned with the task of managing this type of risk according to the following criteria:

- Preparing the compliance policy, approving it by the Board of Directors, and enforcing it. This policy includes the principles for defining, measuring, and controlling risks.
- Applying an automatic system for managing compliance risks.
- Evaluating and adopting all work policies and procedures and ensuring their compliance with laws, regulations, and instructions governing the Bank's work.
- Preparing and applying compliance matrices, which include limiting the violation of laws and regulations and ensuring compliance with them periodically according to the nature and type of the matrix.
- Preparing and applying a conflict of interests management mechanism.

- Promulgating and applying the code of ethics to all employees of the Bank.

- Qualifying and training all employees of the Bank.

- Providing the Board of Directors and Executive Management with periodic reports that include violations and non-compliance at the Bank's unit level.

As for Anti-Money Laundering activities, an autonomous unit within the Compliance Department has been set up with appropriate and qualified capabilities and systems, the Bank manages the unit of Anti-money laundering and terrorism finance as follows:

1. Preparing a policy for anti-money laundering and Terrorism Financing Combat approved from the Board of Directors, the policy is in line with the instruction of Anti-Money Laundering and Terrorism Financing Combat number 51 for the year 2010, and implementing it effectively.
2. The implementation of an automated system to check daily customer's transactions.
3. Rating of customers in accordance to their risk grade.
4. A periodic automated check to ensure that none of the Bank's customers are included in prohibited lists.
5. Periodic check for customers with high risks.
6. Awareness of the Banks' employees, each as per their specialities.

The Bank has also established a unit to meet the requirements of tax compliance for foreign accounts (FATCA) and supply them with qualified human resources. The requirements of compliance operation management for FATCA law were prepared within the following basis:

- The preparation and adoption of a policy to deal with the law of the FATCA.
- The preparation and adoption of a compliance program with the law of FATCA.
- Rehabilitation and training of all employees of the Bank to deal with the requirements of the law FATCA.
- Contract with a specialized company to implement an automated system to manage the requirements of FATCA.
- Adjusting opening new accounts application forms to meet the requirements of the law FATCA.
- Develop a mechanism to update customer data on an ongoing basis.

Liquidity Risk

Liquidity risk represents the Bank's inability to make available the necessary funding to meet its obligations on their maturity dates or to finance its activities without incurring high costs or losses. Moreover, liquidity risks are divided into two types:

- Funding Liquidity Risk

This risk represents the Bank's inability to change assets into cash - such as the collection of receivables - or to obtain funding to meet its obligations.

- Market Liquidity Risk

This risk represents the Bank's inability to sell the asset in the market or selling the asset at a huge financial loss due to weak liquidity or demand in the market.

The Bank manages liquidity risks through:

- Installing a set of liquidity management policies and procedures, approved by the Board of Directors, that specifies the criteria for definition, measurement, control, follow-up, and management of liquidity risk.

- Setting up a liquidity crisis management plan that includes the following:

- Special procedures for the management of liquidity risk.
- A special committee to manage liquidity risk.
- A liquidity contingency plan.

- Developing liquidity risk tools, measurement, management, and monitoring through:

- Preparing liquidity risk reports according to the maturity scale.
- Monitoring ceilings and quality of the investment portfolio.
- Identifying sources of funds, and classifying/analyzing them according to their nature.
- Controlling legal liquidity and daily cash liquidity. This means keeping an adequate amount of liquid assets (cash and cash equivalents) to meet obligations.
- Matching maturities of assets and liabilities, taking into consideration all internal and external cash flows.
- Performing stress testing.

- Submitting periodic reports to the Investment Committee, Executive Risk Management Committee, and Risk Management Committee/Board of Directors.

Second: Quantitative Disclosures:

(40/A) Credit Risk

Exposure To Credit Risk (After impairment provisions and before collateral held or other mitigation factors):		
	2015	2014
	JD	JD
On- Statement of Financial Position Items		
Balances with central banks	173,756,768	197,637,411
Balances with banks and financial institutions	281,318,758	205,319,866
Deposits with banks and financial institutions	155,000,000	-
Credit facilities:	1,142,237,246	1,100,617,301
Individual (retail customers)	256,766,599	237,749,056
Real estate Loans	205,942,360	188,653,460
Corporate entities	530,017,547	610,780,943
Large corporate customers	409,992,338	500,656,674
SMEs	120,025,209	110,124,269
Government & public sector	149,510,740	63,433,842
Financial derivatives instruments	866,107	750,745
Financial assets at amortized cost (Bonds & Treasury Bills)	227,655,707	451,957,464
Other assets	19,696,706	19,834,128
Off- Statement of Financial Position Items		
Letters of guarantee	104,648,914	90,954,592
Letters of credit	45,308,135	47,796,284
Acceptances	30,657,185	14,407,378
Un-utilized facilities	136,379,535	146,454,657
Total	2,317,525,061	2,275,729,826

The guarantees and mitigating credit risk factors against credit exposure mentioned above include the following:

- Obtaining suitable guarantees and recording them correctly against any potential risks. These guarantees represent cash guarantees, and non-cash guarantees such as real estate, vehicles, equipment and stock mortgages in addition to guarantees and credit derivatives binding to all parties involved and legally exercisable at all competent courts.
- Having a credit rating system for the Bank's customers and relying on the credit ratings issued by international credit agencies for banks and companies.
- Performing periodic evaluations of guarantees according to the nature, type and degree of risk to ensure regularly their adequacy against the credit granted.
- Conducting a legal audit of all contracts and documents and their applicability according to the Bank's system, laws and regulations.
- Having Financial derivatives that mitigate market risks.

Credit exposure is distributed according to the degree of risk as follows:									
December 31, 2015									
	Corporate Entities						Total		
	Individual (Retail Customers)	Real Estate	Large Corporate Customers	SMEs	Other assets	Government & Public Sector		Banks & other Financial Institutions	
Grades:	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Grade	-	-	-	-	-	351,543,314	174,622,875	526,166,189	
Standard Grade	257,545,788	200,546,466	424,415,343	105,915,579	19,696,706	-	446,306,891	1,454,426,773	
From Which Past Due*:									
Up To 30 Days	1,633,070	834,308	4,486,294	1,350,895	-	-	-	8,304,567	
From 31 To 60 Days	478,433	33,235	848,564	540,557	-	-	-	1,900,789	
Watch List	2,115,455	2,793,366	9,721,011	3,964,497	-	-	-	18,594,329	
Non-performing:	17,105,928	5,475,963	41,895,200	16,596,291	-	-	-	81,073,382	
Substandard	1,389,273	593,771	1,682,720	285,999	-	-	-	3,951,763	
Doubtful	1,867,645	1,010,483	864,583	1,115,828	-	-	-	4,858,539	
Losses Written-off	13,849,010	3,871,709	39,347,897	15,194,464	-	-	-	72,263,080	
Total	276,767,171	208,815,795	476,031,554	126,476,367	19,696,706	351,543,314	620,929,766	2,080,260,673	
Less: Interest In Suspense	(2,528,254)	(590,375)	(4,459,612)	(1,445,040)	-	-	-	(9,023,281)	
Less: Allowance For Impairment Losses	(17,472,18)	(2,283,060)	(45,944,604)	(5,006,118)	-	-	-	(70,706,100)	
Net	256,766,599	205,942,360	425,627,338	120,025,209	19,696,706	351,543,314	620,929,766	2,000,531,292	

Credit exposure is distributed according to the degree of risk as follows:

		December 31, 2014															
		Corporate Entities															
		Individual (Retail Customers)		Real Estate		Large Corporate Customers		SMEs		Other assets		Government & Public Sector		Banks & other Financial Institutions		Total	
Grades:		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Grade		-	-	-	-	-	-	-	-	-	-	-	479,930,806	198,389,486	678,320,292		
Standard Grade		237,297,957	181,224,703	507,098,611	104,071,215	19,834,128							-	218,284,241	1,267,810,855		
From Which Past Due*:																	
Up To 30 Days		895,132	6,259,069	2,477,293	449,767	-							-	-	10,081,261		
From 31 To 60 Days		175,125	1,227,447	815,912	173,647	-							-	-	2,392,131		
Watch List		2,270,406	3,635,977	15,093,609	8,563,091	-							-	-	29,563,083		
Non-performing:		18,301,949	8,021,684	51,895,300	18,442,092	-							-	-	96,661,025		
Substandard		2,774,153	292,162	-	107,595	-							-	-	3,173,910		
Doubtful		2,284,770	1,029,756	6,135,613	530,414	-							-	-	9,980,553		
Losses Written-off		13,243,026	6,699,766	45,759,687	17,804,083	-							-	-	83,506,562		
Total		257,870,312	192,882,364	574,087,520	131,076,398	19,834,128							479,930,806	416,673,727	2,072,355,255		
Less: Interest In Suspense		(2,792,647)	(762,950)	(5,805,793)	(1,762,917)	-							-	-	(11,124,307)		
Less: Allowance For Impairment Losses		(17,328,609)	(3,465,954)	(45,130,258)	(19,189,212)	-							-	-	(85,114,033)		
Net		237,749,056	188,653,460	523,151,469	110,124,269	19,834,128							479,930,806	416,673,727	1,976,116,915		

- Credit risk exposure include balances and deposits at banks and financial institutions, treasury bills and any assets which has credit exposure.

* All of the loan balance is considered mature if any instalment or interest matures for a period that exceeds 90 days, as for the overdraft it is considered mature if it exceeds the limit for a period that exceeds 90 days.

The following table breaks down the fair value of collaterals held as security for credit facilities:

		December 31, 2015											
		Corporate Entities											
		Individual (Retail Customers)		Real Estate		Large Corporate Customers		SMEs		Government and Public Sector		Total	
Grades:		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Grade		-	-	-	-	-	-	-	-	-	-	-	-
Standard Grade		40,043,562	175,213,476	107,481,641	74,028,359	1,347,306	3,936,695	-	-	-	-	396,767,038	
Watch List		674	2,748,959	1,347,306	3,936,695	-	-	-	-	-	-	8,033,634	
Non-performing:		1,103,084	4,782,671	22,903,837	10,976,346	10,976,346	10,976,346	10,976,346	10,976,346	10,976,346	10,976,346	39,765,938	
Substandard		28,224	537,998	1,814,300	920,728	-	-	-	-	-	-	3,301,250	
Doubtful		60,232	835,813	375,518	1,262,120	-	-	-	-	-	-	2,533,683	
Losses Written-off		1,014,628	3,408,860	20,714,019	8,793,498	-	-	-	-	-	-	33,931,005	
Total		41,147,320	182,745,106	131,732,784	88,941,400	131,732,784	88,941,400	131,732,784	88,941,400	131,732,784	131,732,784	444,566,610	
As:													
Cash Margins		12,920,358	33,950	17,732,635	7,913,390	-	-	-	-	-	-	38,600,333	
Real Estate		16,052,513	182,677,306	84,271,617	68,482,274	-	-	-	-	-	-	351,483,710	
Listed Shares		-	-	24,679,606	506,850	-	-	-	-	-	-	25,186,456	
Equipment And Vehicles		12,174,449	33,850	5,048,926	12,038,886	-	-	-	-	-	-	29,296,111	
Total		41,147,320	182,745,106	131,732,784	88,941,400	131,732,784	88,941,400	131,732,784	88,941,400	131,732,784	131,732,784	444,566,610	

The following table breaks down the fair value of collaterals held as security for credit facilities:

December 31, 2014									
	Corporate Entities								
	Individual (Retail Customers)		Large Corporate Customers		SMEs		Government and Public Sector		Total
Grades:	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Grade	-	-	-	-	-	-	-	-	-
Standard Grade	49,744,588	135,426,097	96,012,119	59,137,189	-	-	-	-	340,319,993
Watch List	8,353	3,349,231	8,509,204	7,309,671	-	-	-	-	19,176,459
Non-performing:	3,676,080	5,736,975	26,379,385	12,017,713	-	-	-	-	47,810,153
Substandard	358,273	252,738	5,331,479	848,876	-	-	-	-	6,791,366
Doubtful	109,440	927,154	-	419,105	-	-	-	-	1,455,699
Losses Written-off	3,208,367	4,557,083	21,047,906	10,749,732	-	-	-	-	39,563,088
Total	53,429,021	144,512,303	130,900,708	78,464,573	-	-	-	-	407,306,605
As:									
Cash Margins	16,025,115	-	19,441,397	14,218,670	-	-	-	-	49,685,182
Real Estate	25,438,447	144,492,115	91,496,580	58,293,083	-	-	-	-	319,720,225
Listed Shares	-	-	17,446,389	358,879	-	-	-	-	17,805,268
Equipment And Vehicles	11,965,459	20,188	2,516,342	5,593,941	-	-	-	-	20,095,930
Total	53,429,021	144,512,303	130,900,708	78,464,573	-	-	-	-	407,306,605

1. Rescheduled Loans

These represent loans classified previously as non-performing, removed from non-performing credit facilities according to proper scheduling, and reclassified as debts under watch list. Total rescheduled loans amounted to JD 9,147,883 as of December 31, 2015 (JD 5,239,016 as of December 31, 2014).

This balance represents the rescheduled loans either classified as watch list or returned to performing loans.

2. Restructured Loans

Restructuring means to rearrange facilities instalments by increasing their duration, postponing some instalments, or increasing their grace period. They are classified as debts under watch list and amounted to JD 23,839,111 as of December 31, 2015 (JD 37,357,279 as of December 31, 2014).

3. Debit Securities and Treasury Bills

The schedule below shows the distribution of bonds and bills according to the international agencies' classification:				
	Rating Agency	Classification	Within Financial Assets at Amortized Cost	Total
Rating Grade		JD	JD	JD
Foreign Bank Bonds	Moody's	A2	5,678,934	5,678,934
Foreign Bank Bonds	Moody's	A1	4,309,199	4,309,199
Unrated			15,635,000	15,635,000
Jordanian Government Bonds			202,032,574	202,032,574
Total			227,655,707	227,655,707

4. Concentration of credit risk exposure according to geographical distribution as follows:
(Distributed in accordance to the country of residence for the counterparty)

Geographical Distribution	Inside Jordan		Other Middle East Countries		Europe		Asia *		America		Rest of the World		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	126,833,593	46,923,175	-	-	-	-	-	-	-	-	-	-	-	173,756,768
Balances with banks and financial institutions	195,591,720	52,553,505	20,642,223	523,998	12,007,312	-	-	-	-	-	-	-	-	281,318,758
Deposits with banks and financial institutions	155,000,000	-	-	-	-	-	-	-	-	-	-	-	-	155,000,000
Credit Facilities:	989,461,108	152,776,138	-	-	-	-	-	-	-	-	-	-	-	1,142,237,246
Individual (retail customers)	220,729,682	36,036,917	-	-	-	-	-	-	-	-	-	-	-	256,766,599
Real estate	204,684,571	1,257,789	-	-	-	-	-	-	-	-	-	-	-	205,942,360
Corporate Entities:	479,992,655	50,024,892	-	-	-	-	-	-	-	-	-	-	-	530,017,547
Large corporate customers	373,859,005	36,133,333	-	-	-	-	-	-	-	-	-	-	-	409,992,338
SMEs	106,133,650	13,891,559	-	-	-	-	-	-	-	-	-	-	-	120,025,209
Government & public sector	84,054,200	65,456,540	-	-	-	-	-	-	-	-	-	-	-	149,510,740
Financial derivatives instrument	-	866,107	-	-	-	-	-	-	-	-	-	-	-	866,107
Bonds, debentures, and bills:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost	177,800,607	49,855,100	-	-	-	-	-	-	-	-	-	-	-	227,655,707
Other assets	15,423,850	4,272,856	-	-	-	-	-	-	-	-	-	-	-	19,696,706
Total 2015	1,660,110,878	307,246,881	20,642,223	523,998	12,007,312	360,975	2,000,531,292							
Total 2014	1,598,709,709	317,401,382	36,370,359	56,766	23,217,724	360,975	1,976,116,915							

* Excluding Middle East Countries.

5. Concentration of credit risk exposure according to economic activities as follows:

Economic Sector	Finance		Manufacturing		Trade		Real Estate		Construction		Agriculture		Restaurants, Hotels and Public Facilities		Shares		Individual (Retail Customers)		Government and Public Sector		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balances with central banks	173,756,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173,756,768
Balances with banks and financial institutions	281,318,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,318,758
Credit Facilities:	155,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155,000,000
Financial assets at fair value	2,355,395	184,290,220	258,534,498	139,341,955	43,291,495	15,963,955	66,303,190	9,176,609	273,469,189	149,510,740	1,142,237,246	866,107	-	-	-	-	-	-	-	-	-	-	1,142,237,246
Financial derivatives instrument	866,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	866,107
Bonds, debentures, and bills:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within the financial assets at amortized cost	14,988,133	-	10,635,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	227,655,707
Other assets	19,596,202	41,041	51,702	7,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,696,706
Total 2015	647,881,363	184,331,261	269,221,200	139,349,716	43,291,495	15,963,955	66,303,190	9,176,609	273,469,189	149,510,740	1,142,237,246	866,107	-	-	-	-	-	-	-	-	-	-	2,000,531,292
Total 2014	478,644,048	222,036,901	244,815,319	169,144,953	21,420,451	17,226,894	83,487,728	25,985,926	270,667,540	442,687,155	1,976,116,915	866,107	-	-	-	-	-	-	-	-	-	-	1,976,116,915

40.b. Market Risks:

Descriptive Disclosures:

These risks arise from the fluctuations in the fair values or the future cash flows of financial instruments due to the changes in market prices such as interest rate, currency exchange rate, and shares prices. Moreover, market risks arise from the existence of open positions in interest rates, currency exchange rates, and investments in share. These risks are monitored according to specific policies and procedures through special committees and associated work centres and include the following:

- Interest rate risks.
- Currency exchange rate risks.
- Fluctuation in share price risks.
- Market risks: are the risks of exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange.

Market risks arise from:

- Changes that may occur in the political and economic conditions in markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments held for future buying and selling.
- Foreign currency fluctuations.
- Gaps in maturities of assets and liabilities and interest rate re-pricing.
- Creation of uncovered positions.

Interest Rate Risks

Interest rate risks arise from the probable impact of changes in interest rates on the value of other financial assets. 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 undertaken by the Asset and Liability Management Committee. The Bank follows a policy of hedging all financial assets and financial liabilities whenever the need arises. Hedging is against anticipated future risks.

The Bank has developed analysis scenarios to measure the sensitivity of interest rate risk in addition to providing a system for controlling the difference in the history of re-pricing. This ensures control; reduces risk, and takes into account acceptable risk and balancing maturities of assets with liabilities, as well as the gaps and benefits of hedging their prices.

Foreign Currency Risks

Foreign currency risks are the risks arising from changes in the values of financial instruments as a result of fluctuations in the prices of foreign currencies using good policy to manage its foreign currency positions.

The Bank's investment policy includes a set of controls that limit this type of risk monitored by a market risk unit such as the following:

- Exceeding limits is not allowed, and any currency excess is settled immediately.
- Any dealer should close the position immediately when the loss reaches the allowed maximum limit.
- The Treasury and Investment Department analyses and controls open positions daily. It closes the positions in case of excesses of ceiling, loss limits or heightened risks due to market fluctuations.

The following is the net of major foreign currencies positions at the Bank:		
	December 31	
	2015	2014
Currency Type	JD	JD
US Dollar	(20,004,009)	(17,441,672)
Sterling Pound	1,071,016	19,130
Euro	(3,590,984)	(4,601,194)
Japanese Yen	188,325	39,417
Other Currencies	(21,491,911)	(7,634,588)
	<u>(43,827,563)</u>	<u>(29,618,907)</u>

Share Price Risks

Share price risks result from the changes in the fair values of investments in shares. The Bank manages these risks through diversifying investments across various geographical areas and economic sectors. Most of the investments held by the Bank are listed in Amman Stock Exchange.

Market Risk Management

The Bank follows financial and investment policies for risk management within a specified strategy. Moreover, the Bank has an Asset and Liability Management Committee that supervises and controls risks and performs the optimal strategic distribution of assets and liabilities both on and off the Consolidated Statement of Financial Position. Moreover, a market risk unit was established, staffed with qualified human resources, and equipped with electronic systems. These risk management procedures include the following:

- Preparation and implementation of an investment policy approved by the Board of Directors and the Central Bank of Jordan.
- Preparation and application of a market risk management policy approved by the Board of Directors including the criteria for the definition, measurement, and monitoring of this type of risk.
- Preparation of a mechanism for management of ceilings of local and foreign investments.
- Development of market risk measurement, management, and monitoring tools through:
 - Value at risk (VAR).
 - Basis point analysis.
 - Stress testing.
 - Defining stop loss limit.
 - Preparation of investment concentration reports (geographical distribution, economic sector, currency, tool, etc).
 - Controlling investment ceilings.
 - Controlling investment operations, open financial positions, local and international stocks.
- Preparation of periodic reports, to present to the Investment Committee, Executive Risk Management Committee, and Risk Management Committee/ Board of Directors.

Quantitative disclosures:

1. Interest Rate Risks			
	December 31, 2015		
	Increase in Interest Rate (1%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
Currency		JD	JD
US Dollar	2%	(400,080)	-
Sterling Pound	2%	21,420	-
Euro	2%	(71,820)	-
Japanese Yen	2%	3,767	-
Other Currencies	2%	(429,838)	-
	(Decrease) in Interest Rate (1%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
Currency		JD	JD
US Dollar	2%	400,080	-
Sterling Pound	2%	(21,420)	-
Euro	2%	71,820	-
Japanese Yen	2%	(3,767)	-
Other Currencies	2%	429,838	-

1. Interest Rate Risks			
	December 31, 2014		
	Increase in Interest Rate (1%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
Currency		JD	JD
US Dollar	2%	(348,833)	-
Sterling Pound	2%	383	-
Euro	2%	(92,024)	-
Japanese Yen	2%	788	-
Other Currencies	2%	(152,692)	-
	(Decrease) in Interest Rate (1%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
Currency		JD	JD
US Dollar	2%	348,833	-
Sterling Pound	2%	(383)	-
Euro	2%	92,024	-
Japanese Yen	2%	(788)	-
Other Currencies	2%	152,692	-

2. Foreign Currencies Risks			
	December 31, 2014		
	Increase in Currency Exchange Rate (1%)	Effect on Gain or Loss	Effect on Equity
Currency		JD	JD
US Dollar	5%	(1,000,200)	-
Sterling Pound	5%	53,551	-
Euro	5%	(179,549)	-
Japanese Yen	5%	9,416	-
Other Currencies	5%	(1,074,596)	-
	Increase in Currency Exchange Rate (1%)	Effect on Gain or Loss	Effect on Equity
Currency		JD	JD
US Dollar	5%	(872,083)	-
Sterling Pound	5%	957	-
Euro	5%	(230,060)	-
Japanese Yen	5%	1,971	-
Other Currencies	5%	(381,729)	-

3. Fluctuation in Share Price Risks			
	December 31, 2014		
	Increase in Index	Effect on Gain or Loss	Effect on Equity
Indicator		JD	JD
Amman Stock Exchange	5%	8,665	2,360,474
Palestine Stock Exchange	5%	-	320,399
New York Stock Exchange	5%	42,688	-
	Increase in Index	Effect on Gain or Loss	Effect on Equity
Indicator		JD	JD
Amman Stock Exchange	5%	29,759	1,666,414
Palestine Stock Exchange	5%	-	250,900
New York Stock Exchange	5%	209,808	-

Interest Rate Sensitivity Gap:											
Classification is based on interest rate repricing periods or maturities, whichever is nearer.											
2015	Interest Rate Sensitivity										
	Less than 1 Month	1 to 3 Months	More than 3 to 6 Months	More than 6 Months to 1 Year	More than 1 to 3 Years	Over 3 Years	Non-Interest Bearing Items	Total	Interest Rate		
Assets	JD	JD	JD	JD	JD	JD	JD	JD	%		
Cash and balances with Central Banks	38,334,799	-	-	-	7,444,500	188,721,208	234,500,507				
Balances with banks and financial institutions	220,097,599	11,553,963	-	-	-	49,667,196	281,318,758				
Deposits with banks and financial institutions	-	-	10,000,000	145,000,000	-	-	155,000,000				
Financial assets at fair value through profit/loss	-	-	-	-	-	1,095,828	1,095,828				
Financial assets at fair value through comprehensive income	-	-	-	-	-	62,655,399	62,655,399				
Financial derivatives instruments	-	866,107	-	-	-	-	866,107				
Direct credit facilities - Net	99,574,230	195,454,815	145,513,469	215,967,167	255,117,299	-	1,142,237,246				
Financial assets at amortized cost	-	32,930,822	9,998,971	78,688,145	63,049,691	-	227,655,707				
Investments in associates	-	-	-	-	-	1	1				
Property and equipment – net	-	-	-	-	-	25,795,455	25,795,455				
Intangible assets	-	-	-	-	-	3,320,303	3,320,303				
Deferred tax assets	-	-	-	-	-	12,217,573	12,217,573				
Other assets	-	-	-	-	-	59,558,989	59,558,989				
TOTAL ASSETS	358,006,628	240,805,707	165,512,440	439,655,312	293,659,957	305,549,877	2,206,221,873				
LIABILITIES											
Banks and financial institutions' deposits	94,802,136	421,201	3,159,000	-	-	-	123,589,030				
Customers' deposits	125,857,355	79,940,273	67,252,528	87,962,492	88,657,336	250,234,688	1,564,886,963				
Cash margins	15,698,289	8,251,579	7,326,749	18,010,730	6,597,664	45,734,429	111,171,152				
Sundry provisions	-	-	-	-	-	6,226,165	6,226,165				
Deferred tax liabilities	-	-	-	-	-	13,197,654	13,197,654				
Borrowing Money	-	-	-	-	-	-	500,956				
Other liabilities	-	-	-	-	-	19,704,999	19,704,999				
TOTAL LIABILITIES	236,357,780	88,613,053	77,738,277	105,973,222	95,255,000	260,287,356	1,839,276,919				
Interest re-pricing gap	121,648,848	152,192,654	87,774,163	333,682,090	198,404,957	45,262,521	366,944,954				
2014											
TOTAL ASSETS	417,227,075	223,282,934	210,494,141	448,087,699	333,105,353	200,015,170	2,190,187,366				
TOTAL LIABILITIES	316,704,820	136,129,690	108,448,412	107,419,704	230,131,203	125,822,704	1,850,325,314				
Interest re-pricing gap	100,522,255	87,153,244	102,045,729	340,667,995	102,974,150	74,192,466	339,862,052				

Concentration of Foreign Currency Risk:															
December 31, 2015															
Currency	US Dollar			Sterling Pound			Euro			Japanese Yen			Other	Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD			
Assets															
Cash and balances with Central Banks	51,356,775	375,871	2,614,999	-	-	-	-	-	-	-	-	32,996,747	87,344,392		
Balances with banks and financial institutions	114,665,305	8,619,012	33,466,253	282,574	42,640,621	199,673,765	-	-	-	-	-	-	-		
Financial derivatives instruments	-	-	866,107	-	-	-	-	-	-	-	-	-	866,107		
Direct credit facilities - Net	191,143,206	-	2,487,279	-	-	-	-	-	-	-	-	86,526,422	280,156,907		
Financial assets (at amortized cost & at fair value & investments in associates)	55,489,926	-	-	-	-	-	-	-	-	-	-	-	55,489,926		
Other assets	2,088,699	439	32,729	38	8,471,293	10,593,198	-	-	-	-	-	-	-		
TOTAL ASSETS	414,743,911	8,995,322	39,467,367	282,612	170,635,083	634,124,295									
LIABILITIES															
Banks and financial institutions' deposits	52,185,928	5,451	5,088,091	-	10,237,703	67,517,173	-	-	-	-	-	-	-		
Customers' deposits	320,017,948	7,866,655	36,818,728	1,646	153,150,673	517,855,650	-	-	-	-	-	-	-		
Cash margins	23,458,920	40,371	1,162,897	92,641	8,904,870	33,659,699	-	-	-	-	-	-	-		
Other liabilities	39,085,124	11,829	(11,365)	-	19,833,748	58,919,336	-	-	-	-	-	-	-		
TOTAL LIABILITIES	434,747,920	7,924,306	43,058,351	94,287	192,126,994	677,951,858									
Net position inside financial position 2015	(20,004,009)	1,071,016	(3,590,984)	188,325	(21,491,911)	(43,827,563)									
Commitments and contingent liabilities off the Statement of Financial Position during the year 2015	89,699,325	12,991	3,173,882	1,852,830	13,840,145	108,579,173	-	-	-	-	-	-	-		
	December 31, 2014														
Assets															
Cash and balances with Central Banks	382,753,131	9,399,562	27,157,970	45,651	164,798,855	584,155,169	-	-	-	-	-	-	-		
Balances with banks and financial institutions	400,194,803	9,380,432	31,759,164	6,234	172,433,443	613,774,076	-	-	-	-	-	-	-		
Financial derivatives instruments	(17,441,672)	19,130	(4,601,194)	39,417	(7,634,588)	(29,618,907)	-	-	-	-	-	-	-		
Direct credit facilities - Net	82,328,798	166,479	13,910,923	-	61,353,711	157,759,911	-	-	-	-	-	-	-		
Financial assets (at amortized cost & at fair value & investments in associates)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL ASSETS	847,759,063	10,566,003	47,427,767	85,101	316,650,535	1,342,300,363									
LIABILITIES															
Banks and financial institutions' deposits	52,185,928	5,451	5,088,091	-	10,237,703	67,517,173	-	-	-	-	-	-	-		
Customers' deposits	320,017,948	7,866,655	36,818,728	1,646	153,150,673	517,855,650	-	-	-	-	-	-	-		
Cash margins	23,458,920	40,371	1,162,897	92,641	8,904,870	33,659,699	-	-	-	-	-	-	-		
Other liabilities	39,085,124	11,829	(11,365)	-	19,833,748	58,919,336	-	-	-	-	-	-	-		
TOTAL LIABILITIES	434,747,920	7,924,306	43,058,351	94,287	192,126,994	677,951,858									
Net position inside financial position 2014	(20,004,009)	1,071,016	(3,590,984)	188,325	(21,491,911)	(43,827,563)									
Commitments and contingent liabilities off the Statement of Financial Position during the year 2014	89,699,325	12,991	3,173,882	1,852,830	13,840,145	108,579,173	-	-	-	-	-	-	-		

Liquidity Risk

First: The table below represents the distribution of liabilities (not discounted) on the basis of the remainder of the contractual maturity at the date of the consolidated financial statements:

December 31, 2015										
	Up to 1 Month	More than 1 to 3 Months	More than 3 to 6 Months	More than 6 Months to 1 Year	More than 1 to 3 Years	Over 3 Years	Without Maturity	Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:										
Banks and financial institutions' deposits	116,849,830	3,580,200	3,159,000	-	-	-	-	123,589,030		
Customers' deposits	355,863,716	147,853,782	121,397,937	303,272,202	224,783,530	328,910,179	82,805,617	1,564,886,963		
Cash margins	15,662,250	7,851,450	7,001,549	14,506,262	6,393,726	9,755,649	50,000,266	111,171,152		
Sundry provisions	-	-	-	-	-	-	6,226,165	6,226,165		
Income tax provision	3,306,417	-	9,891,237	-	-	-	-	13,197,654		
Borrowing money	-	-	-	-	-	500,956	-	500,956		
Other liabilities	6,504,502	5,180,662	5,915,453	90,633	156,909	-	1,856,840	19,704,999		
TOTAL LIABILITIES	498,186,715	164,466,094	147,365,176	317,869,097	231,334,165	339,166,784	140,888,888	1,839,276,919		
TOTAL ASSETS (Anticipated Maturity)	535,409,693	237,369,494	165,512,440	439,655,312	293,659,958	298,105,377	236,509,600	2,206,221,874		
December 31, 2014										
	Up to 1 Month	More than 1 to 3 Months	More than 3 to 6 Months	More than 6 Months to 1 Year	More than 1 to 3 Years	Over 3 Years	Without Maturity	Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Banks and financial institutions' deposits	73,550,697	875,486	-	-	-	-	-	74,426,183		
Customers' deposits	430,562,692	149,710,382	127,583,484	187,283,986	329,987,442	326,763,743	76,581,574	1,628,473,303		
Cash margins	18,653,609	19,155,847	21,705,707	21,881,046	9,839,076	10,876,201	-	102,111,486		
Sundry provisions	533,499	1,656,516	240,000	1,405,158	500,764	4,457,006	-	8,792,943		
Income tax provision	3,581,343	-	12,416,962	-	-	-	-	15,998,305		
Borrowing money	-	-	-	-	-	500,956	-	500,956		
Other liabilities	6,762,787	3,830,717	3,579,210	4,629,130	689,296	528,774	2,224	20,022,138		
TOTAL LIABILITIES	533,644,627	175,228,948	165,525,363	215,199,320	341,016,578	343,126,680	76,583,798	1,850,325,314		
TOTAL ASSETS (Anticipated Maturity)	511,842,122	229,900,742	213,871,042	448,337,699	338,013,496	201,903,271	246,318,994	2,190,187,366		

Second: The table below represents maturities of financial derivatives on the basis of the remainder of the contractual maturity at the date of consolidated financial statements:

- Financial derivatives liabilities, which have been totally settled:

December 31, 2015		
	Up to 3 Months	Total
	JD	JD
Currency Derivatives:		
Outflow	(2,128,944)	(2,128,944)
Inflow	2,995,051	2,995,051
Total	866,107	866,107

December 31, 2014		
	Up to 3 Months	Total
	JD	JD
Currency Derivatives:		
Outflow	(5,263,922)	(5,263,922)
Inflow	6,014,667	6,014,667
Total	750,745	750,745

Off-consolidated statement of financial position items:				
	December 31, 2015			
	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters Of Credit And Acceptances	75,965,320	-	-	75,965,320
Un-utilized Facilities	136,379,535	-	-	136,379,535
Letters Of Guarantee	104,648,914	-	-	104,648,914
Capital Commitments	2,123,913	-	-	2,123,913
Total	319,117,682	-	-	319,117,682
	December 31, 2014			
	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters Of Credit And Acceptances	62,203,662	-	-	62,203,662
Un-utilized Facilities	146,454,657	-	-	146,454,657
Letters Of Guarantee	90,954,592	-	-	90,954,592
Capital Commitments	1,225,517	-	-	1,225,517
Total	300,838,428	-	-	300,838,428

41. Information On The Bank's Business Segments

1. The business segments of the Bank are:

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: include following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: include following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: include providing purchase and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.

	Below is the information about the Bank's business segments distributed according to activity:						Total							
	Retail		Corporate		Treasury		Financial Brokerage Services		Other		2015		2014	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Total Income	60,960,113	43,648,671	18,301,921	308,010	2,001,817	125,220,532	124,647,933							
Direct Facilities Impairment Provision	(2,992,623)	(1,078,567)	-	-	-	(4,071,190)	(9,396,842)							
Segment Result	57,967,490	42,570,104	18,301,921	308,010	2,001,817	121,149,342	115,251,091							
Other Expenses	(33,944,272)	(18,372,551)	(2,860,201)	(211,523)	(3,794,617)	(59,183,164)	(55,253,236)							
Banks Share Of (Losses) From Investment In An Associate	-	-	-	-	-	-	2,042							
Profit Before Tax	24,023,218	24,197,553	15,441,720	96,487	(1,792,800)	61,966,178	59,999,897							
Income Tax	(8,311,639)	(6,811,849)	(6,625,489)	(291,487)	137,079	(21,903,385)	(15,175,308)							
Profit For The Year	15,711,579	17,385,704	8,816,231	(195,000)	(1,655,721)	40,062,793	44,824,589							
Other Information														
Capital Expenditures	2,559,338	42,284	131,084	2,284	1,899,790	4,634,780	5,669,521							
Depreciation And Amortization	2,159,656	106,764	401,192	22,544	1,984,672	4,674,828	5,131,143							
Total Assets	405,104,405	767,475,506	960,092,310	2,483,376	71,066,276	2,206,221,873	2,190,187,366							
Total Liabilities	1,312,834,961	354,103,022	120,589,986	302,518	51,446,432	1,839,276,919	1,850,393,814							

2. Information about Geographical Distribution:

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities through its branches in Palestine and the subsidiary company Bank of Jordan - Syria.

The following is the geographical distribution of the revenues, assets, and capital expenses of the Bank according to geographical location:						
	Inside the Kingdom		Outside the Kingdom		Total	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Total Revenues	131,376,085	137,299,275	14,934,679	23,248,413	146,310,764	160,547,688
Total Assets	1,809,983,454	1,786,289,123	396,238,419	403,898,243	2,206,221,873	2,190,187,366
Capital Expenditures	3,638,732	5,486,160	996,048	183,361	4,634,780	5,669,521

42. Assets and liabilities maturities:

The following table provides analysis of assets and liabilities according to the expected period of their recoverability or settlement:			
	December 31, 2015		
	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	161,731,165	72,769,342	234,500,507
Balances with banks and financial Institutions	279,143,546	2,175,212	281,318,758
Deposits with banks and financial Institutions	155,000,000	-	155,000,000
Financial assets at fair value through profit or loss	-	1,095,828	1,095,828
Financial assets at fair value through comprehensive income	-	62,655,399	62,655,399
Financial derivatives instruments	866,107	-	866,107
Direct Credit facilities – net	653,692,992	488,544,254	1,142,237,246
Financial assets at amortized cost	121,617,938	106,037,769	227,655,707
Investments in associates	-	1	1
Property and equipment – net	-	25,795,455	25,795,455
Intangible assets	-	3,320,303	3,320,303
Deferred tax assets	-	12,217,573	12,217,573
Other Assets	5,895,191	53,663,798	59,558,989
TOTAL ASSETS	1,377,946,939	828,274,934	2,206,221,873
LIABILITIES			
Banks and financial institutions' deposits	123,589,030	-	123,589,030
Customers' deposits	928,387,637	636,499,326	1,564,886,963
Cash margins	45,021,512	66,149,640	111,171,152
Sundry provisions	-	6,226,165	6,226,165
Income tax provision	13,197,654	-	13,197,654
Borrowing Money	-	500,956	500,956
Other liabilities	17,691,250	2,013,749	19,704,999
TOTAL LIABILITIES	1,127,887,083	711,389,836	1,839,276,919
Net	250,059,856	116,885,098	366,944,954

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

	December 31, 2014		
	Up to 1 Year	Over 1 Year	Total
Assets	JD	JD	JD
Cash and balances with Central Banks	161,279,846	96,970,964	258,250,810
Balances with banks and financial Institutions	205,319,866	-	205,319,866
Financial assets at fair value through profit or loss	-	4,855,899	4,855,899
Financial assets at fair value through comprehensive income	-	47,428,226	47,428,226
Financial derivatives instruments	750,745	-	750,745
Direct Credit facilities – net	710,071,214	390,546,087	1,100,617,301
Financial assets at amortized cost	316,827,528	135,129,936	451,957,464
Investments in associates	-	1	1
Property and equipment – net	-	27,268,112	27,268,112
Intangible assets	-	3,371,359	3,371,359
Deferred tax assets	600,000	19,384,865	19,984,865
Other Assets	9,102,406	61,280,312	70,382,718
TOTAL ASSETS	1,403,951,605	786,235,761	2,190,187,366
LIABILITIES			
Banks and financial institutions' deposits	74,426,183	-	74,426,183
Customers' deposits	895,140,544	733,332,759	1,628,473,303
Cash margins	81,396,209	20,715,277	102,111,486
Sundry provisions	3,835,173	4,957,770	8,792,943
Income tax provision	15,998,305	-	15,998,305
Borrowing Money	-	500,956	500,956
Other liabilities	18,801,844	1,220,294	20,022,138
TOTAL LIABILITIES	1,089,598,258	760,727,056	1,850,325,314
Net	314,353,347	25,508,705	339,862,052

43. Capital management:

Capital Components:

- Paid-up Capital:

The paid-up capital of Bank of Jordan consists of 155/1 million ordinary shares at a nominal value of JD 1 per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.

- Regulatory Capital:

Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (II) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:

- (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
- (Undisclosed reserves, general banking risks reserve, special reserve subordinated debts, and the positive fair value reserve at 45% or deduct.
- Foreign currency translation differences.

- Regulatory Authorities' Requirements:

The regulatory authorities' instructions entail that the minimum capital shall be JD 100 million. Moreover, banks have been requested to increase their capital adequacy ratio to no less than 12% according to the Central Bank of Jordan instructions. The ratio of owners' equity to total assets must not be less than 6%.

- Achieving the Objectives of Capital Management:

The Banks management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenues, and optimally investing available funds. All of this is geared towards reaching the targeted growth in Owners' equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.

- The change in regulatory capital resulted in an increase of JD 43/414 million as capital was increased through the growth in reserves and retained earnings. Regulatory capital and the capital adequacy ratio are as follows:

	In Thousands	
	2015	2014
	JD	JD
Primary Capital Items		
Subscribed and paid-up capital	155,100	155,100
Statutory reserve	67,717	61,177
Voluntary reserve	13,710	13,716
Other reserves	2,922	2,922
Retained earnings	42,146	27,856
Minority interest in the capital of subsidiaries	777	1,638
Less: Total intangible assets	(3,320)	(3,371)
Foreclosed property over 4 years	-	(18,187)
50% in the investments in banks and insurance companies	(2,232)	(2,232)
Total Primary Capital	276,820	238,619
Additional Capital Items		
Translation of foreign currencies	(11,482)	(10,326)
Financial assets assessment reserve	14,934	8,082
Banking risk reserve	12,646	13,129
Less: 50% in the investments in banks and insurance companies	(2,232)	(2,232)
Total additional capital	13,866	8,653
Total regulatory capital	290,686	247,272
Total risk weighted assets	1,596,094	1,455,943
Capital adequacy ratio (%)	18.21%	16.98%
Regulatory capital adequacy ratio (%)	17.34%	16.39%

44. Fair value hierarchy

A. The fair value of financial assets and financial liabilities of The Bank specified at fair value on an ongoing basis. Some financial assets and Liabilities of the bank are evaluated at fair value at the end of each fiscal period, the following table shows information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

	Fair Value December 31, 2015	Fair Value December 31, 2014	The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation Between the Fair Value & the Important Intangible Inputs
Financial Assets/Financial Liabilities						
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Income Statement						
Shares that have an available market price	1,027,058	4,791,339	Level One	Stated rates in financial markets	Does not apply	Does not apply
Shares that don't have an available market price	68,770	64,560	Level Two	Financial statements issued by companies		
Total	1,095,828	4,855,899				
Forward Contracts (Foreign Currency)	866,107	752,075	Level One	Stated rates in financial markets	Does not apply	Does not apply
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	53,617,466	38,346,292	Level One	Stated rates in financial markets	Does not apply	Does not apply
Shares that do not have available market price	9,037,933	9,081,934	Level Two	Financial statements issued by companies	Does not apply	Does not apply
Total	62,655,399	47,428,226				
Financial Assets foreclosed by The Bank in repayment of debts	-	5,037,000	Level One	Stated rates in financial markets	Does not apply	Does not apply
Total Financial Assets at Fair Value	64,617,334	58,073,200				
Financial Liabilities at Fair Value						
Forward Contracts (Foreign Currency)	-	1,330	Level One	Stated rates in financial markets	Does not apply	Does not apply
Total Financial Liabilities at Fair Value	-	1,330				

There were no transfers between level 1 and level 2 during the year 2015.

B - Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the financial statements of The Bank approximate their fair value, because The Bank management believes that the carrying value of the items is equivalent to the fair value, and this is due to either maturity or short-term interest rates that have been repriced during the year.

	December 31, 2015		The Level of Fair Value
	Book value	Fair Value	
Financial Assets of Non-specified Fair Value	JD	JD	JD
Balances at central banks	173,756,768	173,763,000	Level Two
Balances at banks and financial institutions	281,318,758	281,500,129	Level Two
Deposits at banks and financial institutions	155,000,000	156,740,544	
Laons, bills and others	1,142,237,246	1,144,815,610	Level Two
Financial assets at amortized cost	227,655,707	229,740,861	Level Two
Other assets	37,373,852	86,260,538	Level Two
Total Financial Assets of Non-specified Fair Value	2,017,342,331	2,072,820,682	
Financial Liabilities of Non-specified Fair Value			
Deposits at banks and financial institutions	123,589,030	123,735,494	Level Two
Customer's deposits	1,564,886,963	1,568,106,070	Level Two
Cash margins	111,171,152	111,364,079	Level Two
Total Financial Liabilities of Non-specified Fair Value	1,799,647,145	1,803,205,643	
	December 31, 2014		The Level of Fair Value
	Book value	Fair Value	
Financial Assets of Non-specified Fair Value	JD	JD	JD
Balances at central banks	197,637,411	197,642,308	Level Two
Balances at banks and financial institutions	205,319,866	205,546,538	Level Two
Deposits at banks and financial institutions	-	-	
Laons, bills and others	1,041,749,382	1,044,435,648	Level Two
Financial assets at amortized cost	451,957,464	456,371,828	Level Two
Other assets	42,387,170	90,930,613	Level Two
Total Financial Assets of Non-specified Fair Value	1,939,051,293	1,994,926,935	
Financial Liabilities of Non-specified Fair Value			
Deposits at banks and financial institutions	74,426,183	75,004,303	Level Two
Customer's deposits	1,628,473,303	1,634,277,609	Level Two
Cash margins	102,111,486	102,443,869	Level Two
Total Financial Liabilities of Non-specified Fair Value	1,805,010,972	1,811,725,781	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to an agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

45. Commitments and contingent liabilities

A. Contingent Liabilities:	2015	2014
	JD	JD
Letters of credit	45,308,135	47,796,284
Acceptances	30,657,185	14,407,378
Letters of guarantee:		
Payment	28,963,635	30,256,171
Performance	43,153,376	38,479,204
Other	32,531,903	22,219,217
Direct un-utilized credit facilities	136,379,535	146,454,657
Total	316,993,769	299,612,911

B. Contractual Liabilities:	2015	2014
	JD	JD
Contracts for purchasing property and equipment	2,123,913	993,604
Contracts for operating and capital lease	-	231,913
Total *	2,123,913	1,225,517

* These commitments mature in less than a year.

46. Lawsuits against The Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of checks. These lawsuits amounted to JD 49,926,727 as of December 31, 2015 (JD 50,347,871 as of December 31, 2014). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits above the provision recorded which amounted to JD 600,801 as of December 31, 2015 (JD 346,924 as of December 31, 2014). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of Income or against the recorded provision when paid.

47. Comparative Figures

During the first quarter of the year 2015, the Bank corrected the accounting error relating to deferred tax assets for the subsidiary company in Syria according to the Central Bank of Syria request, by reversing deferred tax assets in the amount of SYP 350 million (which is equivalent to JD 1,252,483 as of December 31, 2014) on the subsidiary company's financial statements (Bank of Jordan – Syria) for the year ended December 31, 2014. Accordingly, deferred tax assets, retained earnings and non-controlling interest's balances have been adjusted at the beginning of the year 2015 as it is impractical to adjust the comparative figures retrospectively since they have been approved by regulatory authorities, the general assembly and the official authorities at that time.

The financial effect for this adjustment is as follows:

Consolidated Statement of	January 1, 2015	Adjustments	Adjusted Balance
	JD		JD
Financial Position			
Deferred tax assets	19,984,865	(1,252,483)	18,732,382
Retained earnings	82,070,084	(613,717)	81,456,367
Non-controlling interest	4,116,322	(638,766)	3,477,556

48. Application of New and Revised International Financial Reporting Standards (IFRSs)

48.A. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these consolidation financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

48.B. New and Revised IFRSs issued but not yet effective:

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

	Effective for annual periods beginning on or after
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative	1 January 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants	1 January 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements	1 January 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.	1 January 2018

	Effective for annual periods beginning on or after
<p>A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:</p> <ul style="list-style-type: none"> • Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. • Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised • Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. 	
Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 Financial Instruments: Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied
<p>FRS 15 Revenue from Contracts with Customers</p> <p>In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.</p>	1 January 2018
<p>The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:</p> <ul style="list-style-type: none"> • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.</p>	

	Effective for annual periods beginning on or after
<p>IFRS 16 Leases</p> <p>IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.</p>	1 January 2019
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Bank's consolidated financial statements for the year beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the consolidated financial statements of the Bank in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Bank's consolidated financial statements for the annual year beginning 1 January 2018. Moreover, the management anticipates that IFRS 16 will be adopted in the Bank's consolidated financial statements for the annual year beginning January 1, 2019. The application of IFRS 15, IFRS 9 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Bank's consolidated financial statements in respect of revenue from contracts with customers and the Bank's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Bank performs a detailed review.

Additional Information as Required by
the Jordan Securities Commission

2015

Names and Brief Résumés of Board of Directors and
Executive Managers

Major Shareholders' Equity

Board of Directors' Equity

Executive Managers' Equity

Addresses of Bank of Jordan Branches

Organizational Structure



Additional Information as Required by the Jordan Securities Commission 2015

A. Chairman's Letter

B. Board of Directors' Report

1. a- Description of Main Activities:

The Bank provides a comprehensive range of banking products and services. These include accepting all types of deposits (demand, savings, and time deposits), and issuing certificates of deposit, letters of credit, as well as letters of guarantee to all clients in the various economic sectors locally and abroad. The Bank also provides financial leasing services and custody services.

1. b- Location of Branches and Number of Employees:

The Bank has 70 branches and 11 exchange offices in Jordan, in addition to 14 branches and one office in Palestine. The address of each branch and office is listed at the end of the report under the section "Addresses of Bank of Jordan branches".

The total number of the Bank's employees is 1,818. The table below illustrates the number of employees in each branch and office.

Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees
Head Office	850	Deir Abi Saeed	7	Aqaba	12	Al Rabiye	6
Regional Management	163	Sweileh	10	Al Bayader	9	Abdoun	12
Shmeisani	20	Al Fuheis	9	Industrial Area – Al Bayader	7	Hurrieh St.–Moghablain	10
Amman	7	Abu Nsair	8	Al Mafraq	11	Al Rawnaq	9
Kerak	8	Madaba	9	North Azraq	7	Sport City	9
Irbid	15	First Circle	11	Jabal Al Weibdeh	9	Taj Mall	11
AlHussun St.	9	Airport	4	Tareq	10	North Hashmi	9
Eidoun St.	7	Hakama St., Irbid	8	Al Zarqa Free Zone	7	Sahab	7
Ma'an	6	Zarqa	8	Marj Al Hamam	9	Ramallah	23
Rumtha	7	Faisal St., Zarqa	10	Al Jeezah	9	Hebron	20
Al Turrah	4	New Zarqa	7	Ras Al Aein	8	Jenin	20
Salt	8	North Shuneh	7	Al Yasmeen	9	Nablus	22
Jerash	10	Kufranjah	5	Sweifieh	11	Gaza	13
Al Mahatta	9	Al Qweismeh	12	Al Wehdat	12	Al Ram	7
Yarmouk St.– Al Nasser	7	Third Circle	9	Jabal Shamali	7	Al Eizaryeh	7
Marka	11	Mecca St.	11	Durret Khalda	10	Industrial Area/Ramallah	5
Ajloun	9	University of Jordan	7	Al Ruseifa	8	Bethlehem	10
Jabal Al Hussein	12	Thirty St. /Irbid	11	Al-Madina Al-Monawara	9	Tulkarm	8
Al Khalidi	6	Al Nuzha	8	/Tla'a Al-Ali		Qabatiya	7
Al Jubaiha	11	Gardens	19	Abu Alanda	10	Rafidia	5
Commercial Market	8	Al Madina	8	Khalda	11	Al Naser	12
Wadi Al Seer	7	Al Monawara St.		City Mall	12	Al Ersal	7

1. c- Capital Investment Volume:

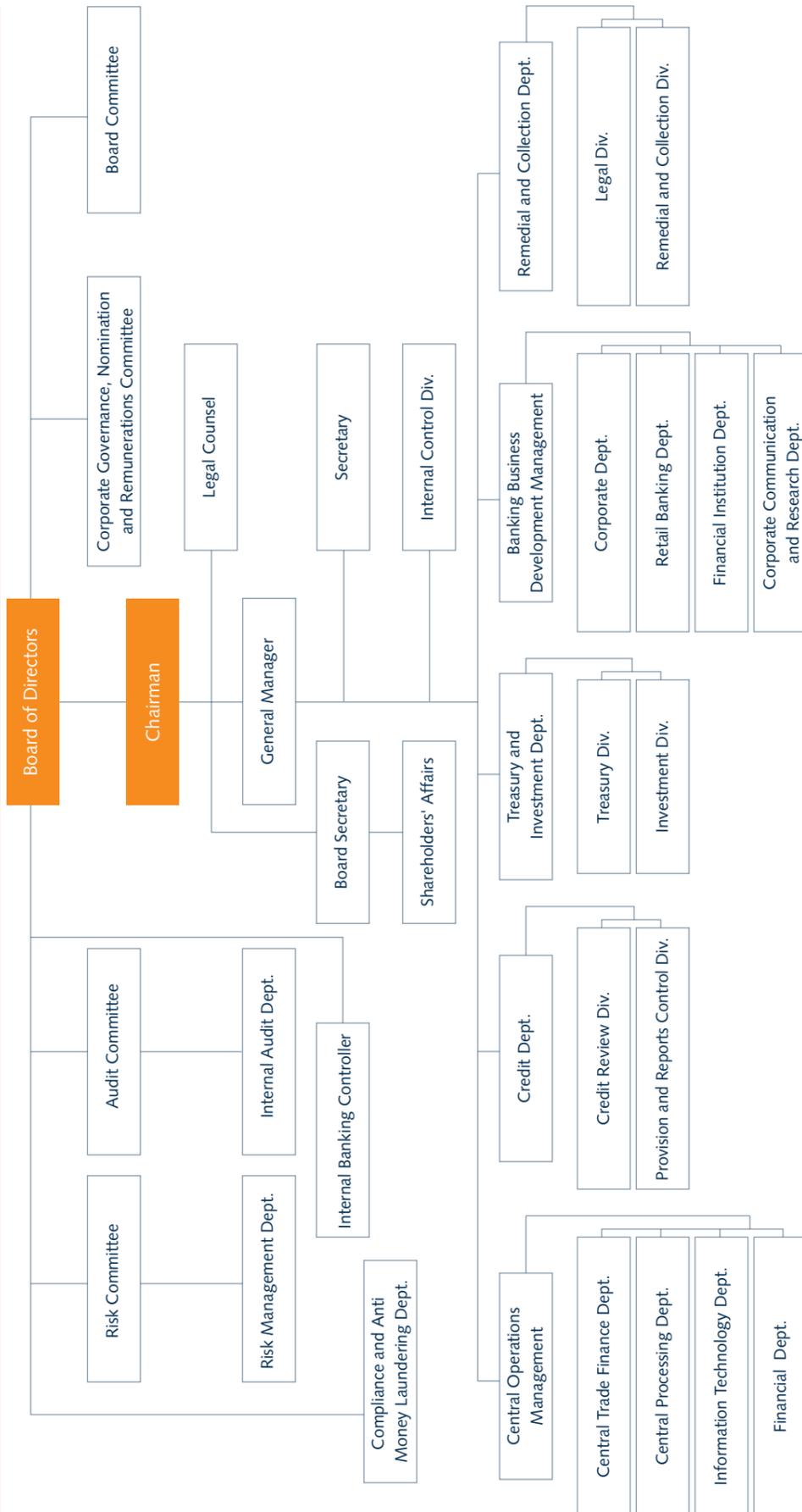
JD 362.2 million as of December 31st, 2015.

2. Subsidiaries:

a. Bank of Jordan – Syria / Syrian Arab Republic

Name of Company	Bank of Jordan – Syria	
Type of Company	Joint Stock Company	
Date of Association	28/5/2008	
Core Business	All Banking Operations	
Paid-up Capital	SYP 3,000,000,000	
Bank's Ownership Percentage	49%	
Address	Sabaa Bahrat Square, Baghdad St. - Damascus P.O. Box 8058 Damascus, Syria Tel: 00963-11-22900100 Fax: 00963-11-2315368	
Number of Employees	208 employees	
Branch Location and Number of Employees	<p>Baghdad St. Branch Sabaa Bahrat Square - Damascus Tel: 00963-11-22900100 Fax: 00963-11-2317730 P.O. Box 8058 Damascus, Syria Employees: 12</p> <p>Abu Rumaneh Branch Arab League Square, Damascus Tel: 00963-11-3354500 Fax: 00963-11-3354506 P.O. Box 8058 Damascus, Syria Employees: 15</p> <p>Abaseen Branch Abaseen Square - Damascus Tel: 00963-11-4645322 Fax: 00963-11-4645326 P.O. Box 8058 Damascus, Syria Employees: 9</p> <p>Jarmana Branch Al Raees Square - Damascus Suburban Tel:00963-11-22911221 P.O. Box 8058 Damascus, Syria Employees: 7</p> <p>Harasta Branch (Temporarily closed) Hrasta – Damascus Suburban Tel: 00963-11-5376711 Fax: 00963-11-5376717 P.O. Box 8058 Damascus, Syria Employees: None</p> <p>Sahnaya Branch (Temporarily closed) Sahnaya – Damascus Suburban Tel: 00963-11-63900333 Fax: 00963-11-8140614 P.O. Box 8058 Damascus, Syria Employees: None</p> <p>Al Faisal St. Branch/Aleppo Al-Malek Faisal St. - Aleppo Tel: 00963-21-2228070 Fax: 00963-21-2228081 P.O. Box 8058 Damascus, Syria Employees: 9</p> <p>Baroon Branch/Aleppo Baroon St. - Aleppo Tel: 00963-21-2126996 Fax: 00963-21-2125985 P.O. Box 8058 Damascus, Syria Employees: 4</p> <p>Al Azeziah Branch/Aleppo Alazeziah Area – Alzahraa Cinema St. - Aleppo Tel: 00963-21-2122667 Fax: 00963-21-2125672 P.O. Box 8058 Damascus, Syria Employees: 5</p> <p>Al Hamdanieh Branch/Aleppo (Temporarily closed) Aleppo – Almartini Hotel Tel: 00963-21-5120152 Fax: 00963-21-5120156 P.O. Box 8058 Damascus, Syria Employees: None</p> <p>Lattakia Branch Al-Korneish Al-Gharbee St. Lattakia Tel: 00963-41-457166 Fax: 00963-41-456768 P.O. Box 8058 Damascus, Syria Employees: 13</p> <p>Homs Branch Square 94, Abou Tammam St. - Homs Tel: 00963-31-2220605 Fax: 00963-31-2222305 P.O. Box 8058 Damascus, Syria Employees: 6</p> <p>Tartous Branch Al Thawra St. - Tartous Tel: 00963-43-313733 Fax: 00963-43-313793 P.O. Box 8058 Damascus, Syria Employees: 9</p>	
Projects Owned by the Bank and their Capitals	There are no projects owned	

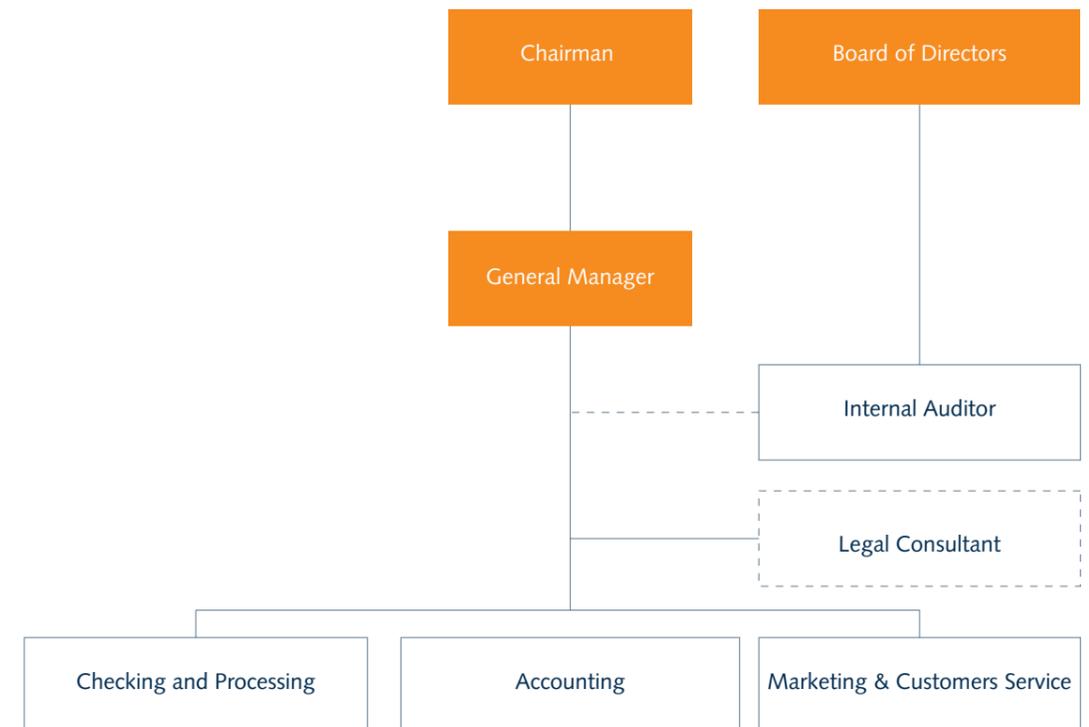
Organizational Structure/Bank of Jordan-Syria



b. Jordan Leasing Company - Limited Private Shareholding/ Hashemite Kingdom of Jordan

Name of Company	Jordan Leasing Company
Type of Company	Limited Private Shareholding Company
Date of Association	24/10/2011
Core Business	Financial Leasing
Paid-up Capital	JD 10,000,000
Bank's Ownership Percentage	100%
Address	Bldg. No. 165, Mecca St. – Amman P.O. Box 2140 Amman 11181 Jordan Tel: 5542695 Fax: 5542698
Number of Employees	2 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

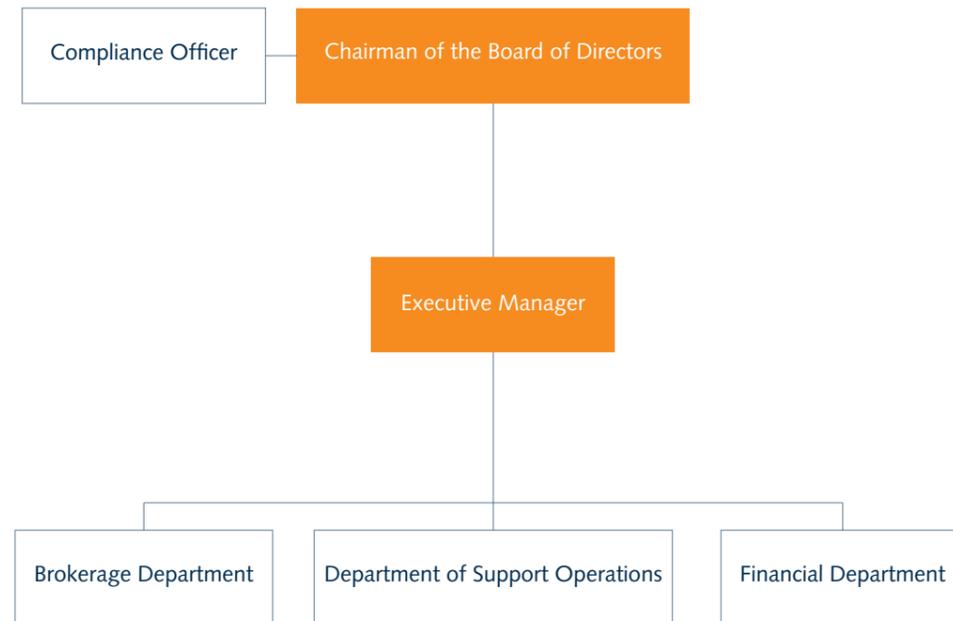
Organizational Structure/ Jordan Leasing Company



C. Excel for Financial Investments - Limited Private Shareholding Company/ Hashemite Kingdom of Jordan

Name of Company	Excel for Financial Investments Company
Type of Company	Limited Private Shareholding Company
Date of Association	23/3/2006
Core Business	Brokerage Services (Buying and Selling Securities)
Paid-up Capital	JD 3,500,000
Bank's Ownership Percentage	100%
Address	Bldg. No. 95, Al Sharif Abdul Hamid Sharaf St. Intersection with Ibn Abd Rabbuh St., Al Shmeisani - Amman P.O. Box 942453 Amman 11194 Jordan Tel: 5654990 Fax: 5675951
Number of Employees	8 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

Organizational Structure/ Excel for Financial Investments Company



3. a- Names and Résumés of Board of Directors:



Mr. Shaker Tawfiq Fakhouri
Chairman & CEO

Date of Birth: 14/11/1969 **Date of Appointment:** 21/1/1995
Date of Membership: 14/6/2001
Nature of Membership: Executive/Non-Independent

Educational Background:

- M.A. in Business Administration and Professional Accounting from Canisius College, Buffalo/USA, 1995.
- B.A. in Economics from the University of Southern California/USA, 1990.

Professional Experience:

- Chairman and CEO of Bank of Jordan, as of August 2007.
- General Manager of Bank of Jordan, as of August 2003.
- Deputy General Manager of Bank of Jordan, from December 1996 until August 2003.
- Executive Assistant to the General Manager of Bank of Jordan, from January 1995 until December 1996.
- Attended several advanced banking and leadership seminars and courses, including:
 - The "Comprehensive Banking Operations" training program at Bank of Jordan branches, from February 1991 until January 1993.
 - A specialized credit training course at the Headquarters of Manufacturers /Hanover Bank, USA, from September 1990 until February 1991.

Other Current Board Memberships:

- Chairman of the Board of Directors of Bank of Jordan – Syria.
- Chairman of the Board of Directors of Excel for Financial Investments Co.
- Member of the Board - Investment fund for Yarmouk University.
- Member of the Board of Trustees – King Abdullah II Center for Excellence.
- Board Member of the Association of Banks in Jordan.
- Board Member of the Middle East Company for Insurance.



Dr. Abdel Rahman Samih Toukan
Vice Chairman of the Board of Directors

Date of Birth: 5/2/1935 **Date of Membership:** 31/5/1997
Nature of Membership: Non-Executive/Non-Independent

Educational Background:

- PhD in Economics from Vanderbilt University/USA, 1967.
- M.A. in Economics from Vanderbilt University/USA, 1959.
- B.A. in Economics from the American University of Beirut/Lebanon, 1958.

Professional Experience:

- Former Chairman of the Board of Directors of Amman Stock Exchange, from 2000 until 2004.
- Former General Manager of Jordan Ahli Bank, from 1976 until 1997.
- Former General Manager of the National Real Estate Company in Kuwait, from 1974 until 1976.
- Deputy General Manager of Jordan Ahli Bank, from 1971 until 1974.
- Former Director General of the Import, Export, and Supply Department/Government of Jordan, from 1969 until 1970.
- Head of planning Department, in the Jordanian Development Board, from 1961 until 1969.

Former Board Memberships:

- Former Chairman of the Board of Directors of Amman Stock Exchange.
- Board Member of the Jordan Cement Factories Company.
- Board Member of the Industrial Development Bank.
- Board Member of Jordan Ahli Bank.
- Committee Member of Jordan Commercial Bank (previously Jordan Gulf Bank).
- Board Member of Jordan Hotels & Tourism Company.



Mr. Yahya Zakariya Al-Kadamani
Board Member

Date of Birth: 1/1/1957 **Date of Membership:** 7/3/2009
Nature of Membership: Non-Executive/Non-Independent

Educational Background:

- B.A. in Business Administration from Minnesota University/USA, 1979.

Professional Experience:

- Vice Chairman of the Board of Directors of Arab Islamic Bank/Palestine, as of 1993 to date.
- Manager of the Holy Lands Tourist Company – General Agents for Alitalia/Jordan, from 1979 until 2004.

Other Current Board Memberships:

- Vice Chairman of the board of Directors of Arab Islamic Bank/ Palestine.

Former Board Memberships:

- Board Member of Jordan Express Tourist Transportation Company (JETT), from 1981 until 1999.
- Board Member of the International Tobacco and Cigarettes Company.
- Board Member of Al-Ekbal Printing & Packaging Company.



Dr. Mazen Mohammed Al-Bashir
Board Member

Date of Birth: 6/7/1955 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/Non-Independent

Educational Background:

- M.Sc. in Family Medicine, London University/UK, 1990.
- Membership of the Royal College of Family Physicians/UK, 1987.
- M.B.B.Ch. in Medicine from Cairo University / Egypt, 1980.

Professional Experience:

- Founder and Director of the Jordan Center of Family Medicine, as of October 1991.
- Family Physician in the private sector, as of 1992.
- Part-time Lecturer at Liverpool University, University of Jordan, Jordan University of Science and Technology, during the period between 1987 until 2000.
- President of the Jordanian Society of Family Physicians, serving several terms from 7/1993 until 2012.

Other Current Board Memberships:

- Board Chairman and Chief Executive Officer of the Consultant and Investment Group Company (Istishari Hospital).



Dr. Yanal Mawloud Naghouj
Board Member

Date of Birth: 13/12 /1956 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/Independent

Educational Background:

- B.A. in Literature / Philosophy and Social Studies from Beirut Arab University / Lebanon, 1986.
- B.Sc. in Medicine and Surgery from Alexandria University / Egypt, 1987.



Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali
Board Member

Date of Birth: 6/7/1962 **Date of Membership:** 7/3/2009
Nature of Membership: Non-Executive/Independent

Educational Background:

- M.Sc. in Software Engineering (Computer Science/Systems Analysis) from George Washington University, Washington D.C./USA, 1985.
- B.Sc. in Mathematics & Military Sciences from The Citadel USA – The Military College of South Carolina/USA, 1983.

Professional Experience:

- CEO of King Abdullah II Design and Development Bureau, from July 2010 until May 2014.
- CEO of Aqaba Development Corporation, from January 2010 until July 2010.
- General Manager of Saraya Aqaba, from February 2007 until December 2009.
- Revenues and Customs Commissioner in Aqaba Special Economic Zone Authority (ASEZA), from January 2004 until February 2007.
- Gulf Area Manager of Qatar for the Middle East Contracting Company, from September 2002 until December 2003.
- Tala Bay CEO, from October 2000 until September 2002.
- General Manager of Trans Jordan for Communications Services Company, from May 1997 until September 2000.
- General Manager of Al-Nisr for Advanced Telecommunications Company, from February 1997 until November 2003.
- Vast military experience, serving in the military, from 1985 until 1996.

Other Current Board Memberships:

- Member of the Board of Trustees – Mutah University, as of November 2014.
- Board Member of Jordan Investment Trust Co., as of July 2014.

Former Board Memberships:

- Chairman of the board of the king Abdullah II Design & Development Bureau (KADDB) from December 2010 until May 2014.
- Member of the Board of Trustees – The Royal Tank Museum.
- Member of the Board of Trustees – Jordan University for Science and Technology (JUST).
- Member of the Board of Aqaba Water Company, from January 2010 until August 2010.
- Member of the Board of the Aqaba port and Containers Company, from January 2010 until August 2010.
- Member of the Board of Directors of Aqaba Airports Company, from January 2010 until August 2010.
- Member of the Board of Trustees – Mutah University, from November 2009 until August 2010.
- Member of the Board of Trustees – Applied Sciences University, from January 2006 until October 2009.
- ASEZA Commissioner, from January 2004 until February 2007.
- Board Member of Jordan Electricity Distribution Company, from June 2006 until March 2007.
- Board Chairman of Aqaba International School, from June 2006 until February 2007.
- Board Member of the Yemeni payphone Company, from September 1998 until September 2000.
- Board Member of the Middle East Defense and Security Agency, from August 1997 until November 2003.
- Vice Chairman of the King Abdullah Special Operation Training Center (KASOTC), from December 2010 until February 2013.
- Member of Greater Amman Municipality Council, from August 2010 until August 2013.



Mr. Haitham Abu Nasr Al Mufti

Board Member/Representative of Al-Ekbal Jordanian General Trading (LLC)

Date of Birth: 17/9/1950 **Date of Membership:** 7/3/2009
Nature of Membership: Non-Executive/Non-Independent

Educational Background:
- B.Sc. in Automotive Engineering from the University of Chelsea/UK, 1975.

Professional Experience:
- Former Board Chairman of King Abdullah II Design and Development Bureau, from 2004 until 2006.

Other Current Board Memberships:
- Board Member of the International Company of Science and Technology.

Former Board Memberships:
- Board Member of Alfa for Mining and Technology.
- Board Chairman of Al Weibdeh for Tourist Restaurants Co.
- Member of the Association committee of King Abdullah II Design and Development Bureau.
- Board Member of the Royal Automobile Museum.
- Vice Chairman of the Special Operations Forces Exhibition and Conference (SOFEX).
- Member of the Royal Commission for Motor Sports.
- Board Chairman of CLS Company/Jordan.
- Board Chairman of JoSecure International Company.
- Board Chairman of Jordan Electronic Logistics Support.



Mr. Ammar Mahmoud Abu Namous

Board Member/Representative of Al Pharaenah Int'l for Industrial Investments Co.

Date of Birth: 16/12/1968 **Date of Membership:** 16/6/2011
Nature of Membership: Non-Executive/Non-Independent

Educational Background:
- B.A. in Law from the University of Jordan, 1992.

Professional Experience:
- Advocate as of 1994 to date.
- International Court of Justice – STL. / Member as of January 2012 to date.
- Vast experience in different fields, including:
• Local and International Market Mergers and acquisition.
• Administration buy-outs and private company sales.
• Re-organization private Equity and venture capital investment.
• Joint venture.
• International Arbitration.
• Dealing and consulting with Swiss private Banking Concerning foreign investment and Family Trust.

Current Board Memberships in Other Companies:
- Board Member/Jordan Decapolis properties company.

Previous Board Memberships in Other Companies:
- Member of the Board of executives/Raya Jet Aviation.
- Board Member/Alsytara for Investments.
- Board Member/Aljuman for Investments.
- Chairman of Ahya Amman for rehabilitation and developing the property - Representative of Jordan Decapolis properties Company.
- Board Member of Ma'in Hot Spring Resort Company.
- Board Member/Aldaman Al-Mumayaza Tourism investment.
- Board Member/Jordan Decapls for Private Investment Company.



Mr. Haitham Mohammed Samih Barakat

Board Member

Date of Birth: 1/5/1960 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/Non-Independent

Educational Background:
- B.Sc. in Electrical Engineering from the Portland State University/USA, 1984.

Professional Experience:
- General Manager of the Advanced Engineering Group/Jordan, as of 2007 to date.
- Founder and CEO of Quartz Electro Mechanic Company/Ras Al-Khaima, UAE, as of 2006 to date.
- Founder and partner of the Advanced Electrical Engineering Company/ Qatar, as of 2001 to date.
- CEO of Kuwait Electrical Poles & Lighting Industries Company WLL (KEPLIC)/Kuwait, as of 1999 to date.
- Founder and CEO of the Qatar Electromechanical Company/Qatar, as of 1998 to date.
- Founder and CEO of Faddan Electromechanical Contracting Company/ Jordan, from 1994 until 1997.
- Deputy General Manager of the National Industries Company/Jordan, from January 2004 until July 2004.
- Deputy General Manager of Faddan for Trading and Contracting Company/Kuwait, from 1984 until 1990.

Other Current Board Memberships:
- Board Member of the United Cable Industries Company/Jordan.
- Founding Member of the Clean Energy Company/Jordan.
- Board Member of the Arab Islamic Bank/Palestine.

Former Board Memberships :
- Board Member of Al-Saqr Insurance Company.

Professional Experience Acquired from Private Business:
- Over 25 years of experience in Jordan, the Gulf, and the USA including founding and managing various engineering companies in several countries.

Other Professional Experience:
- Experience in project management and development.



Mr. Husam Rashed Manna'
Board Member

Date of Birth: 6/9/1963 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/Independent

Educational Background:

- Master of Business Administration (MBA) from California State University, Chico, 1989.
- Bachelor of Science, Business Administration from California State University, Chico, 1987.

Professional Experience:

- Chief Commercial officer of Shams Ma'an Power Generation Co. as of October 2015 to date.
- Portfolio Manager/Private business, as of May 2004 to date.
- General Manager of Aqaba Manufacturing & Refining Vegetable Oils CO. (AMRV), from May 2011 until May 2013.
- Member of the Auditing Committee of Al Janoub Filter Manufacturing Company (AJFM), from May 2008 until October 2010.
- Portfolio Manager at Arab Banking Corporation/Investment Department, from March 2002 until April 2004.
- Corporate Head/Manager at Arab Banking Corporation/Credit Facilities Department, from September 2000 until February 2002.
- Senior International Credit Officer/Supervisor at Arab bank Plc./Credit Facilities Division-Int'l Branches & Assoc. Co.'s, from July 1994 until May 2000.
- Credit Officer/Section Head at Arab Bank Plc-Mahatta Branch/Credit Facilities Dept. from June 1991 until June 1994.
- Account Executive at Metropolitan Life-San Francisco/California, USA, from June 1989 until June 1990.

Former Board Memberships:

- Member of the Board of Directors of Al Janoub Filter Manufacturing Company (AJFM) from May 2008 until October 2010.
- Member of the Board of Directors of Real Estate Investment Compound Company from March 2002 until April 2004.



Mr. Mohammad Anwar Hamdan
Board Member

Date of Birth: 5/12/1949 **Date of Appointment:** 30/7/2015
Nature of Membership: Non-Executive/Independent

Educational Background:

- MBA in international Management from Thunderbird University/USA, 1979.
- B.A. in Accounting from the University of Jordan, 1973.

Professional Experience:

- Deputy General Manager of Bank of Jordan from January 2007 until June 2012.
- Assistant General Manager/Credit Management/Bank of Jordan, from November 1994 until January 2007.
- Assistant General Manager/ Credit Management/Cairo Amman Bank, from January 1990 until November 1994.
- Senior Manager/Credit Management/ Bank of Jordan, from August 1985 until December 1990.
- Assistant Manager for Investment & Branches/Jordan Kuwait Bank, from July 1979 until August 1985.
- Senior Financial Analyst/Central Bank of Kuwait, from May 1976 until May 1978.
- Financial Analyst/Central Bank of Jordan, from August 1973 until May 1976.

Former Board Memberships:

- Board Member in Ready Mix Concrete & Construction Supplies Company - representing Bank of Jordan.
- Board Member in Baton for Concrete Blocks and Interlocking Tiles Company - representing Bank of Jordan.

b- Names and Résumés of Senior Executive Managers:

Mr. Nicola Yousef Bahou
Executive AGM/
Chief Business Officer

Date of Birth: 17/7/1965 **Date of Appointment:** 1/10/2015

Educational Background:

- M.A. in Enterprise Management from Durham University/UK, 2006.
- B.A. in Banking and Finance from the Ahliyya Amman University/Jordan, 2004.
- Diploma in Banking and Finance from the Institute of Banking Studies/Jordan, 1987.

Professional Experience:

- Executive AGM/Chief Business Officer, since October 2015 to date.
- Executive AGM/Chief Business Officer, since December 2014 to July 2015.
- Executive AGM/Chief Operating Officer at Bank of Jordan, since March 2013 until December 2014.
- AGM/Chief Operating Officer at Bank of Jordan, since May 2005 until February 2013.
- Held many executive and administrative positions at HSBC Bank, from 1983 until 2005.
- Member of the Chartered Management Institute of London.

Other Current Board Memberships:

- Board Member of Bank of Jordan - Syria.
- Board Member of Excel for Financial Investments Company.

Former Board Memberships:

- Board Member of Jordan Express Tourist Transportation Company (JETT).

Mr. Saleh Rajab Hammad

* AGM/Chief Risk Officer
* Board Secretary

Date of Birth: 27/7/1962 **Date of Appointment:** 27/7/2015

Educational Background:

- B.Sc. in Computer Science from University of Jordan, 1985.

Professional Experience:

- AGM/Chief Risk Officer, as of July 2015 to date.
- AGM/Chief Risk Officer, from December 2014 until May 2015.
- Executive Manager/Compliance and Risk Department at Bank of Jordan, from January 2009 until December 2014.
- Manager of Compliance and Operational Risk Department at Bank of Jordan, from December 1994 until December 2008.
- Long-standing experience in auditing and operations.
- Attended several courses on risk management and the Basel II requirements organized in Jordan and abroad.
- Holds several professional certificates including CCO, and CORE certificates.

Other Current Board Memberships:

- Chairman of the Jordan Leasing Company.
- Vice Chairman of the Board of Directors of the Consultant and Investment Group Co. (LTD).
- Board Member of Al-Ekbal Investment Co. (PLC).
- Board Member of Arab Islamic Bank.

**Dr. Nasser Mustafa
khraishi**

**AGM/Chief
Operating Officer**

Date of Birth: 25/4/1962

Date of Appointment: 9/4/2014

Educational Background:

- PhD in Electrical Engineering/Control Theory/Stanford University/USA, 1990.
- M.Sc. in Engineering Economic systems/Stanford University/USA, 1985.
- B.Sc. in Electrical Engineering/Kuwait University/Kuwait, 1984.

Professional Experience:

- AGM/Chief Operating Officer, as of December 2014 to date.
- Executive Manager/Capital Markets Department, from April 2014 until December 2014.
- General Manager/Monere LLC/California, from 2011 until 2014.
- Assistant General Manager/Operations and Information Systems/Bank Al Etihad, from 2009 until 2011.
- Assistant General Manager/Information Systems/Jordan Kuwait Bank, from 2004 until 2009.
- Held several executive/senior positions in several research and consulting firms offering services in Information Systems/USA, from 1988 until 2004.

Other Current Board Memberships :

- Board Member of Al-Eqbal Investment Co. (PLC).

**Mr. Osama
Samih Sukkari**

Legal Advisor

Date of Birth: 27/4/1955

Date of Appointment as a Legal Advisor: 28/4/2015

Educational Background:

- B.A. in Law from Beirut Arab University/Lebanon, 1977.

Professional Experience:

- Legal Advisor, Bank of Jordan as of April 2015 to date.
- Legal Advisor & Head of legal Department, Bank of Jordan from April 1994 until April 2015.
- Extensive experience in Legal consultations and lawsuits, as of 1981.

Other Current Board Memberships:

- Board Member of Bank of Jordan - Syria.

Former Board Memberships:

- Vice Chairman of the Board of Directors of Jordan Leasing Company.
- Member of the Insurance Council of the Social Security Corporation.
- Board Member of Excel for Financial Investments Company.
- Board Member of Al-Mowahadah for Transportation Company.
- Board Member of the National Industries Company.
- Board Member of Al-Takamolyeh Investments Company.
- Board Member of Al-Shamikha for Real Estate Investments Company.

**Mrs. Rabab Jamil
Abbadi**

**Executive Manager/Human
Resources Department**

Date of Birth: 10/12/1963

Date of Appointment: 7/9/2015

Educational Background:

- MBA - Marketing/Coventry University/UK, 2003.
- B.Sc. in Chemical Engineering/Baghdad University/Iraq, 1987.

Professional Experience:

- Executive manager/HR Department/Bank of Jordan, as of September 2015 to date.
- Executive manager/HR Department/Bank of Jordan, from September 2009 until July 2015.
- Acting manager/Financial control Department/Bank of Jordan, from August 2014 until January 2015.
- Head of HR/Bahrain and Egypt/Standard Chartered Bank, from September 2006 until August 2009.
- Head of HR/LEVANT/Standard Chartered Bank, from September 2004 until August 2006.
- Worked for Great Plains in the Middle East in several positions including HR Products Manager, from October 2000 until August 2002.
- HR Senior Officer/the American University of Sharjah/UAE, from July 1999 until October 2000.
- Credit Officer/Bank Al Etihad, from September 1996 until May 1999.
- Credit Officer/Industrial Development Bank, from April 1991 until August 1996.
- Chemical Engineer/Intermediate Petrochemicals Industries (IPI), from November 1988 until November 1990.

**Mr. Turki Yousef
Al-Jabour**

**Executive Manager/
Internal Audit Department**

Date of Birth: 9/10/1952

Date of Appointment: 1/11/1994

Educational Background:

- B.A. in Accounting from the University of Jordan, 1976.

Professional Experience:

- Vast experience in auditing and banking, including:
- Executive Manager/Internal Audit Department, Bank of Jordan as of January 2009 to date.
- Manager of Internal Audit Department at Bank of Jordan, from December 2007 until January 2009.
- Manager of Bank of Jordan/Amman Branch, from April 2006 until December 2007.
- Manager of Internal Audit Department at Bank of Jordan, from November 1994 until April 2006.
- Senior Inspector at Cairo Amman Bank, from January 1987 until October 1994.
- Huge experience in auditing and accounting gained through years of work with major auditing firms, including Al-Sha'er Auditing Firm.
- Lecturer on Banking Operations and Auditing at training courses organized by Bank of Jordan.
- Attended several advanced courses and seminars on administration and banking.

**Mr. Dumam
Mohammad Khraisat**
Executive Manager/Central
Operations Management

Date of Birth: 20/12/1972

Date of Appointment: 1/7/2015

Educational Background:

- M.A. in Accounting/University of Jordan/Jordan, 1996.
- B.A. in Accounting/University of Jordan/Jordan, 1994.

Professional Experience:

- Executive Manager/Central Operations Management/Bank of Jordan as of July 2015 to date.
- Executive Manager/Central Operations Management/Bank of Jordan from March 2015 until May 2015.
- Manager Processes Reengineering Department/Bank of Jordan, from November 2005 until February 2015.
- Manager/Operations Engineering Department/Bank of Jordan, from June 2005 until November 2005.
- Manager/Banking Operations Department/Bank of Jordan, from June 2005 until June 2005.
- Head of the Program testing Unit/Bank of Jordan, from August 2004 until May 2005.
- Branch Assistant Manager/Bank of Jordan/Marka Branch, from November 2003 until August 2004.
- Supervisor/the Branches Management Department/Bank of Jordan, from October 2002 until November 2003.
- Internal Auditor/Internal Audit Department/Bank of Jordan, from March 1998 until October 2002.
- Internal Auditor/Internal Audit Department/Cairo-Amman Bank, from 1994 until 1998.

**Mr. Hatem
ANafi' Foqahaa**
Regional Manager/
Palestine Branches
Management

Date of Birth: 4/5/1965

Date of Appointment: 28/1/1992

Educational Background:

- M.A. in Accounting/University of Jordan/Jordan, 1993.
- B.A. in Accounting/Birzeit University/Palestine, 1989.

Professional Experience:

- Regional Manager/Palestine Branches Management/Bank of Jordan, as of January 2015 to date.
- Acting Regional Manager/Palestine Branches Management/Bank of Jordan, from March 2014 until December 2014.
- Assistant Regional Manager/Palestine Branches Management/Bank of Jordan, from July 2012 until March 2014.
- Credit Manager/Palestine Branches/Bank of Jordan, from August 2010 until July 2012.
- Manager/Ramallah Branch/Bank of Jordan, from September 2001 until August 2010.
- Assistant Manager/Ramallah Branch/Bank of Jordan, from May 1999 until September 2001.
- Supervisor/the Letters of Credit and Guarantee Department/Bank of Jordan, from October 1996 until May 1999.
- Letters of Credit and Guarantee Officer/Bank of Jordan, from January 1992 until October 1996.

Mr. Nader Mohammad Sarhan
Executive Manager/
Credit Review Management

Date of Birth: 7/10/1967

Date of Appointment: 28/10/2007

Educational Background:

- M.A. in Accounting from the Arab Academy for Banking and Financial Sciences/Jordan, 2002.
- B.A. in Accounting from Mansoura University/Egypt, 1990.

Professional Experience:

- Executive Manager/Credit Review Management/Bank of Jordan, as of December 2014 to date.
- Manager/Credit Department (Corporate, commercial, branches abroad)/Bank of Jordan, from April 2013 until December 2014.
- Manager/Credit Department (Corporate and branches abroad)/Bank of Jordan, from November 2007 until April 2013.
- Head of Credit Review (specialized Lending)/The Housing Bank for Trade and Finance, from June 2005 until October 2007.
- Team Leader/the Commercial Credit Department/The Housing Bank for Trade and Finance, from October 2004 until June 2005.
- Manager/Commercial Credit/Commercial Credit Department/The Housing Bank for Trade and Finance, from September 2003 until October 2004.
- Head of the Companies Accounts/Jordan Commercial Bank, from October 2002 until September 2003.
- Head of Commercial Credit Relations/the Commercial Credit Department/The Housing Bank for Trade and Finance, from 1992 until October 2002.

Mr. Mousa Yousef Mousa
Treasurer/Treasury &
Investment Department

Date of Birth: 13/2/1980

Date of Appointment: 6/6/2007

Educational Background:

- B.A. in Accounting /Al Zaytoonah University/Jordan, 2002.

Professional Experience:

- Treasurer/Treasury and Investment Department/Bank of Jordan, as of March 2014 to date.
- Chief Trader/Treasury and Investment Department/Bank of Jordan, from 2007 until 2014.
- Trader/Treasury and Investment Department/Cairo Amman Bank, from 2002 until 2007.

Mrs. Lana Fayez Al-Barrishi
Manager/Compliance Department

Date of Birth: 30/7/1980

Date of Appointment: 29/11/2015

Educational Background:

- B.A. in Business Administration /University of Jordan/Jordan, 2002.

Professional Experience:

- Manager/Compliance Department/Bank of Jordan, as of November 2015 to date.
- Manager/Compliance Department/Bank of Jordan, from June 2014 until September 2015.
- Head of the Anti-Money Laundering and Combating Financing Terrorism Unit/Bank of Jordan, from 2011 until May 2014.
- Officer/the Anti-Money Laundering and Terror Financing Unit/Cairo-Amman Bank, from 2009 until 2011.
- Customer Service Officer/Cairo Amman Bank, from 2002 until 2009.
- Certified Anti-Money Laundering specialist CAMS.
- Certified Anti-Corruption Manager CACM.

Mr. Hani Hasan Mansi
**Acting manager/
 Financial Control
 Department**

Date of Birth: 30/6/1981

Date of Appointment: 1/2/2015

Educational Background:

- B.A. in Accounting From Applied Sciences University/Jordan,2005.

Professional Experience:

- Acting manager/Financial Control Department/Bank of Jordan as of February 2015 to date.
- Manager - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from June 2012 until 2014.
- Assistant manager - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from December 2011 until November 2012.
- Supervisor - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from December 2010 until November 2011.
- Senior 2 - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from June 2010 until November 2010.
- Senior 1 Auditor - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from June 2009 until May 2010.
- Acting Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from June 2008 until May 2009.
- Semi Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from June 2007 until May 2008.
- Junior level - External Audit Division - Deloitte & Touche M.E, Amman/Jordan from December 2005 until May 2007.

Other Professional Experience:

- Financial Consultant–Binladin Holding Company, Jeddah/Saudi Arabia from 2014 until 2015.

Other Current Board Memberships:

- Board Member of Jordan Leasing Company.

4. Shareholders who own 1% or more of the Bank's shares (2015 & 2014):

Name	Nationality	No. of Shares 2015	Percentage 2015	No. of Shares 2014	Percentage 2014	The ultimate beneficiary of shares 2015	The status of shares 2015*
Mr. Tawfiq Shaker Fakhouri	Jordanian	36,286,204	23.4%	36,286,204	23.4%	Himself	partially mortgaged (12,095,293)
Al-Ekbal Jordanian General Trading (LLC)	Jordanian	19,958,077	12.87%	19,958,077	12.87%	Mr. Tawfiq Shaker Fakhouri Mrs. Ni'mat Tawfiq Fakhouri	-
Al Pharaenah Int'l for Industrial Investments Co.	Jordanian	15,328,427	9.88%	15,328,427	9.88%	Mr. Laith bin Ghaith bin Rashad Pharaon Mrs. Dima bint Ghaith bin Rashad Pharaon Mr. Wael bin Ghaith bin Rashad Pharaon Mrs. Lana bint Ghaith bin Rashad Pharaon	partially mortgaged (4,200,000)
Al Araka for Investments Co.	Jordanian	9,489,347	6.12%	9,489,347	6.12%	Mr. Walid Tawfiq Fakhouri Mr. Samer Tawfiq Fakhouri	-
Libyan Foreign Bank	Libyan	7,050,000	4.55%	7,050,000	4.55%	-	-
Mr. Graeme Allah bin Raddad Al-Zahrani	Saudi Arabian	6,230,027	4.02%	6,230,027	4.02%	Himself	-
Mr. Rafiq Bin Mohammed Abdul Qadir	Saudi Arabian	4,947,140	3.19%	4,947,140	3.19%	Himself	-
Mrs. Awatef Mohammed Almasri	Jordanian	4,345,721	2.80%	4,345,721	2.80%	Herself	-
Mr. Hussni Jalal AlKurdy	Jordanian	3,035,814	1.96%	3,035,814	1.96%	Himself	-
Mr. Qasem Abdul Irsheid	Spanish	2,168,013	1.39%	3,373,227	2.17%	Himself	Partially mortgaged (2,148,836)
Mrs. Maha Nasri Nasser	Jordanian	1,997,532	1.29%	-	-	Herself	-
Al-Yamama For General Investments Co.	Jordanian	1,898,325	1.22%	1,898,325	1.22%	Mr. Walid Tawfiq Fakhouri Mr. Samer Tawfiq Fakhouri	-
Mr. Mohammed Samih Abdel Rahman Barakat	Jordanian	1,837,783	1.18%	1,492,500	0.96%	Himself	-
Jordan Commercial Bank	Jordanian	-	-	2,136,361	1.38%	-	-

* The status of shares (fully or partially mortgaged)

5. Competitive Position of the Bank and its Market Share:

Mentioned within the Bank's achievements in 2015 (page 18).

6. There are no specific suppliers and/or Key clients (locally or abroad) that represent 10% or more of the bank's volume of operations whether in the business of supplies and contracting or in deposits and credit facilities.
7. The Bank does not have any governmental protection, or any privileges, nor do any of its products or services, as stated by laws and regulations or others.
- The Bank has not obtained any patents or concession rights.
8. - There are no decisions issued by the government or international organizations or any other entity that would have any material effect on the Bank's operations, products, or competitive capabilities.
- The Bank adheres to all laws, regulations, and international standards that are related to its business.
 - International Quality Standards do not apply to the Bank.
9. a- An Organizational Structure of the Bank and its Subsidiaries:
- Bank of Jordan Organizational Structure can be found on (page 146).
 - Bank of Jordan-Syria Organizational Structure can be found on (page 107).
 - Jordan Leasing Company Organizational Structure can be found on (page 108).
 - Excel Company Organizational Structure can be found on (page 109).

B. Number of Employees and Educational Qualifications:				
Academic Qualification	No. of Employees/ Bank of Jordan	No. of Employees/ Bank of Jordan –Syria	No. of Employees/ Jordan Leasing Co.	No. of Employees/ Excel for Financial Investments Co.
PhD	2	-	-	-
Master's Degree	77	9	-	3
Higher Diploma	7	1	-	-
Bachelor's Degree	1,237	148	1	4
Diploma	255	27	-	-
General Secondary Education	66	11	-	-
Pre-Secondary Education	174	12	1	1
Total	1,818	208	2	8

C. Details of Training Programs in 2015:		
Description	No. of Courses	No. of Participants
In-house Courses (organized by the Bank's Training Department)	384	7,171
External Courses	44	83
Total	428	7,254

Areas of Training:		
Topic	No. of Courses	No. of Participants
Banking	172	3,185
Compliance and Risk Management	66	1,691
Administrative Skills	52	896
Customer Services	87	1,175
Computer Skills	3	3
Professional certificates	5	8
Financial & Audit	2	3
Legal	3	4
Others	38	289
Total	428	7,254

10. Description of Risks:

Mentioned within the Bank's achievements on (page 137). These risks include:

- Credit Risk: this risk arises from the probable inability and/or lack of desire of the borrower or third party to fulfill its obligations at the specified time. These risks include on-consolidated financial statements items such as loans and bonds and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the bank.
- Operational Risk: this risk arises from the inefficiency or failure of internal operations, employees, or systems or it may stem from external events including legal risks.
- Compliance Risk: this arises from the probable failure by the Bank to comply with (violate/transgress) the prevailing laws, regulations, instructions, banking laws (including the Bank's internal policies), and code of ethics issued by international and local regulatory authorities.
- Liquidity Risk: this risk represents the Bank's inability to make available the necessary funding to meet its obligations on maturity dates or to finance its activities without incurring high costs or losses.
- Market Risk: this risk refers to the exposure of the positions on and off the Bank's consolidated statement of financial position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investments portfolios, both for the purpose of trading or exchange.

Market risks arise from:

- Changes that may occur in the political and economic conditions in the markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments, and buying and selling futures.
- Foreign currency fluctuations.
- Gaps in the maturities of assets and liabilities and interest rate re-pricing.
- Creation of uncovered positions.
- Interest Rate Risk: this risk arises from the probable impact of changes in interest rates on the value of the financial assets. The bank is exposed to this risk 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.
- Foreign Currency Risk: this risk arises from the changes in the values of financial instruments as a result of the fluctuations in the prices of foreign currencies.
- Share Price Risk: this risk results from the changes in the fair value of investments in shares.

11. Bank Achievements in 2015:

Mentioned in the Board of Directors' Report under a separate section (page 17), supported with figures and a description of the Bank's main events in 2015.

12. There is no financial impact of non-recurring operations during 2015 and no intervention in the Bank's main activities.

13. Realized Profits/Losses, Dividends, Bank Shareholders' Equity, and the Closing Price of Share 2011-2015:

Financial Indicators for the past five years (2011-2015)							In JD (Thousand)	
Fiscal Year	Bank Shareholders' Equity	Non-Controllers' Interest	Net Profit Before Tax	Cash Dividends		Distribution of Bonus Shares	Closing Price of Share (JD)	
				Amount	%			
2011	259,194	18,114	49,674	23,265	15%	-	2.05	
2012	276,510	14,267	46,222	23,265	15%	-	2.30	
2013	316,986	4,506	50,204	23,265	15%	-	2.50	
2014	335,746	4,116	59,999	31,020	20%	-	2.65	
2015	362,242	4,703	61,966	31,020	20%	44,900	2.60	

2015	Recommendation to distribute JD 44.9 million/share
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14. Analysis of Bank's Financial Position and Business Results for the Year 2015:

Mentioned in the Board of Directors' Report, under a separate section (page25). Below are the main financial ratios:

No.	Financial Ratios	2015	2014
1	Return on Average Shareholders' Equity	11.70%	14.44%
2	Return on Capital	26.33%	30.39%
3	Return on Average Assets	1.86%	2.21%
4	Profitability per Employee (After tax)	JD19,677	JD21,898
5	Interest Income to Average Assets	5.08%	5.76%
6	Interest Expense to Average Assets	0.95%	1.41%
7	Interest Margin to Average Assets	4.13%	4.34%
8	Non-Performing Loans to Total Credit Facilities (After deducting interest in suspense)	5.94%	7.21%

15. The Bank's Future Plan

The Bank's strategic future plans, projects, and the Board of Directors' projections, are all mentioned within Bank of Jordan's Goals for 2016, listed under a separate section (page 34).

16. Auditors' Remuneration (for Bank of Jordan and its Subsidiaries):

Statement	Auditors' Remuneration (JD)
Bank of Jordan	142,515
Bank of Jordan-Syria	18,954
Excel For Financial Investments Company	5,246
Jordan Leasing Company	1,749
Total	168,464

* Auditors were paid an amount of JD21,166 in 2015, against other consulting services.

17. Statement of the Number of Financial Securities Issued by the Bank:

A. Number of Shares Owned by Members of the Board of Directors and/or their relatives:

Name	Status	Nationality	No. of Shares 2015	No. of Shares 2014
Mr. Shaker Tawfiq Fakhouri	Chairman & CEO	Jordanian	5,000	7,050
Mrs. Suha Faisal Sroor	Wife	Jordanian	50,000	-
Aya Shaker Fakhouri	Daughter	Jordanian	-	6,496
Tala Shaker Fakhouri	Daughter	Jordanian	-	6,473
Sarah Shaker Fakhouri	Daughter	Jordanian	-	6,334
Salma Shaker Fakhouri	Daughter	Jordanian	-	1,456
Tamara Shaker Fakhouri	Daughter	Jordanian	-	2,838
Dr. Abdel Rahman Samih Toukan	Vice Chairman of the Board of Directors	Jordanian	91,031	91,031
Mr. Yahya Zakariya Al-Kadamani	Board Member	Jordanian	952,000	950,000
Mrs. Amaal Amin Al-Turk	Wife	Jordanian	205,000	205,000
Dr. Mazen Mohammad Al-Bashir	Board Member	Jordanian	107,050	107,050
Dr. Farihan Fakhri Al-Barghouti	Wife	Jordanian	39,347	39,347
Dr. Yanal Mawloud Naghoutj	Board Member	Jordanian	5,000	5,000
Mrs. Dana Kayd Zagha	Wife	Jordanian	544,494	493,308
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member	Jordanian	14,100	14,100
Al-Ekbal Jordanian General Trading (LLC)	Board Member	Jordanian	19,958,077	19,958,077
Mr. Haitham Abu Nasr Al-Mufti	Representative of the Company	Jordanian	-	-
Al Pharaenah Int'l for Industrial Investments Co.	Board Member	Jordanian	15,328,427	15,328,427
Mr. Ammar Mahmoud Abu Namous	Representative of the Company	Jordanian	-	-
Mr. Haitham Mohammed Samih Barakat	Board Member as of 30/7/2015 Board Member/ Representative of Arabian Gulf General Inv. & Transport Co. until 30/7/2015	Jordanian	5,130	-
Mrs. Dina Mohammed Al-Qaq	Wife	Jordanian	51	-
Mr. Husam Rashed Manna'	Board Member as of 30/7/2015	Jordanian	5,000	-
Mr. Mohammad Anwar Hamdan	Board Member as of 30/7/2015	Jordanian	5,000	-
Mr. Walid Tawfiq Fakhouri	Board Member until 14/6/2015	Jordanian	8,796	8,196
Mrs. Shatha Abdel Majid Al-Dabbas	Wife	Jordanian	286	286
Rakan Walid Fakhouri	Son	Jordanian	24,211	19,983
Mariam Walid Fakhouri	Daughter	Jordanian	44,604	35,303
A'asha Walid Fakhouri	Daughter	Jordanian	10,088	7,505
Ahmad Walid Fakhouri	Son	Jordanian	8,952	6,489
Mr. Jan Joseph Shamoun	Board Member until 23/6/2015	Jordanian	316,414	316,414
Arabian Gulf General Inv. & Transport Co.	Board Member until 30/7/2015	Jordanian	8,197	8,197

B. Number of Shares Owned by the Executive Managers and/or their Relatives:

Name	Status	Nationality	No. of Shares	
			2015	2014
Mr. Nicola Yousef Bahou	Executive AGM/Chief Business Officer	Jordanian	115,000	110,000
Mr. Saleh Rajab Hammad	AGM/Chief Risk Officer Board Secretary	Jordanian	28,755	23,755
Dr. Nasser Mustafa Khraishi	AGM/Chief Operating Officer	Jordanian	4	4
Saleen Nasser Khraishi	Daughter	Jordanian	1,000	-
Mr. Osama Samih Sukkari	Legal Advisor	Jordanian	28,655	23,655
Mrs. Najwa Mohammad Saeed Manku	Wife	Jordanian	88,537	86,600
Mrs. Rabab Jamil Abbadi	Executive Manager/ Human Resources Department.	Jordanian	-	7,180
Mr. Turki Yousef Al-Jabour	Executive Manager/ Internal Audit Department	Jordanian	36,000	24,000
Mr. Dumam Mohammad Khraisat	Executive Manager /Central Operations Management	Jordanian	-	-
Mr. Hatem Nafi' Foqahaa	Regional Manager/ Palestine Branches	Palestinian	-	-
Mr. Nader Mohammad Sarhan	Executive Manager/ Credit Review Management	Jordanian	14,570	10,230
Mrs. Nida'a Hasan Abu Zahra	Wife	Jordanian	8,000	4,000
Shaker Nader Sarhan	Son	Jordanian	2,290	-
Mr. Mousa Yousef Mousa	Treasurer/Treasury & Investment Department	Jordanian	-	-
Mrs. Lana Fayeze Al Braishi	Manager/Compliance Department	Jordanian	-	-
Mr. Hani Hasan Mansi	Acting manager/ Financial Control Department	Jordanian	-	-
Mrs. Shereen Ahmad Kreshan	Manager/Market & Operations Risk Department until 2/12/2015	Jordanian	-	-

C. Companies Controlled by the Chairman, Board Members, the Executive Managers and/or their relatives, and the number of shares held by those Companies in Bank of Jordan for the Years 2015 and 2014:

Name	Position	Company	Equity Share in Bank of Jordan	
			2015	2014
Mr. Shaker Tawfiq Fakhouri	Chairman & CEO	Shaker Fakhouri & Associates Co.	25,227	-
Dr. Mazen Mohammed Al-Bashir	Board Member	Consultant and Investment Group Company (Istishari Hospital)	-	-
Mr. Haitham Abu Nasr Al Mufti	Board Member	Alfa for Mining and Technology Co.	-	-
Mr. Osama Samih Sukkari	Legal Advisor	Osama Sukkari & Associates – Attorneys at Law	-	-
Mr. "Shadi Ramzi" Abd Al-Salam Al- Majali	Board Member	New Vision for Electronics and Electrical Application	-	-
		Jordan Investment Trust Plc. - Jordinvest	8,600	8,600
Mr. Walid Tawfiq Fakhouri	Board Member until 14/6/2015	Al Tawfiq Investment House - Jordan	8,483	2,983
Mr. Jan Joseph Shamoun	Board Member until 23/6/2015	Dana for General Trading (LLC)	-	-
		Arab Trade Consultants Co.	-	-
		Al-Faris Company for Agricultural Products (LLC)	-	-
Mr. Ammar Mahmoud Abu Namous	Board Member	Almubadalh Investment Co.	-	-
		Ten Cites Investment Co.	-	-
		Al Aela Al Mutakamila For Trading Investment Co.	-	-
		Alrashad For Industrial Investment Co.	-	-
		Six Senses Travels Co.	-	-
		Tryada For International Investment Co.	-	-
		Makasib for International Investment Co.	-	-
		Jordan Decapolis Properties PLC	-	-

There are no companies controlled by other Board Members and/or their relatives nor by the Executive Managers and/or their relatives.

18. The Benefits and Remuneration of the Board Chairman, Board Members, and Executive Managers:

A. Benefits and Remuneration of the Chairman and Board Members for the Year 2015:

Name	Position	Annual Salary JD	Transport Allowance JD	Remuneration JD	Total JD
Mr. Shaker Tawfiq Fakhouri	Chairman & CEO	400,176	30,000	295,664	725,840
Dr. Abdel Rahman Samih Toukan	Vice Chairman of the Board of Directors	-	30,000	5,000	35,000
Mr. Yahya Zakariya Al-Kadamani	Board Member	-	30,000	5,000	35,000
Dr. Mazen Mohammed Al Bashir	Board Member	-	30,000	5,000	35,000
Dr. Yanal Mawloud Naghouj	Board Member	-	30,000	5,000	35,000
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member	-	30,000	5,000	35,000
Mr. Haitham Abu Nasr Al Mufti	Board Member/ Representative of Al-Ekbal Jordanian General Trading (LLC)	-	30,000	5,000	35,000
Mr. Ammar Mahmoud Abu Namous	Board Member/Representative of Al Pharaenah Int'l for Industrial Investments Co.	-	30,000	5,000	35,000
Mr. Haitham Mohammed Samih Barakat	Board Member as of 30/7/2015 Board Member/Representative of Arabian Gulf General Inv. & Transport Co. until 30/7/2015	-	30,000	5,000	35,000
Mr. Husam Rashed Manna'	Board Member as of 30/7/2015	-	12,500	-	12,500
Mr. Mohammad Anwar Hamdan	Board Member as of 30/7/2015	-	12,500	-	12,500
Mr. Walid Tawfiq Fakhouri	Board Member until 14/6/2015	-	13,682	5,000	18,682
Mr. Jan Joseph Shamoun	Board Member until 23/6/2015	-	19,380	5,000	24,380
Total		400,176	328,062	345,664	1,073,902

The Board of Directors acknowledge that they didn't receive any benefits or remunerations either personally or from related parties whether cash or in kind other than mentioned above.

B. Benefits and Remuneration of the Executive Managers for the Year 2015:

Name	Position	Annual Salary JD	Remuneration JD	Allowance for Transportation & Assuming Board Secretary Position JD	Total JD
Mr. Nicola Yousef Bahou	Executive AGM / Chief Business Officer	179,764	73,024	-	252,788
Mr. Saleh Rajab Hammad	*AGM / Chief Risk Officer *Board Secretary	92,749	25,756	15,242	133,747
Dr. Nasser Mustafa khraishi	AGM / Chief Operating Officer	86,000	25,800	-	111,800
Mr. Osama Samih Sukkari	Legal Advisor	166,368	54,915	-	221,283
Mrs. Rabab Jamil Abbadi	Executive Manager/ Human Resources Department.	73,901	24,759	-	98,660
Mr. Turki Yousef Al-Jabour	Executive Manager/ Internal Audit Department	69,290	17,897	-	87,187
Mr. Dumam Mohammad Khraisat	Executive Manager /Central Operations Management	41,767	15,064	-	56,831
Mr. Hatem Nafi' Foqahaa	Regional Manager/ Palestine Branches	91,936	-	-	91,936
Mr. Nader Mohammad Sarhan	Executive Manager/ Credit Review Management	77,824	30,551	-	108,375
Mr. Mousa Yousef Mousa	Treasurer/Treasury & Investment Department	37,504	7,547	-	45,051
Mrs. Lana Fayez Al Braishi	Manager/Compliance Department	24,094	5,837	-	29,931
Mr. Hani Hasan Mansi	Acting manager/ Financial Control Department	25,562	-	-	25,562
Ms. Shereen Ahmad Kreshan	Manager/Market & Operations Risk Department until 2/12/2015	22,022	5,795	-	27,817
Total		988,781	286,945	15,242	1,290,968

19. Donations, Grants, and Contribution to the Local Community:

The Bank's donations and support of activities related to the protection of the environment and the local community stood at JD 573.9 thousand, as detailed below:

Activities	Amount (JD)
Supporting Jordan Armed Forces	100,000
Bank of Jordan Educational Initiative/Partnership Agreement with Hikayat Simsim	51,770
Supporting the National Financial and Social Education Program	51,700
Supporting the Children's Museum	50,000
Scholarship /student in the school of King's Academy	28,360
Supporting The Jordanian Hashemite Fund For Human Development	25,000
Supporting The Circassian Charity Association	25,000
Supporting King Hussein Cancer Center	25,000
Supporting Social and Charitable Organizations and Activities	141,353
Supporting Educational Activities	35,508
Supporting Cultural Activities	12,979
Supporting Environmental Activities	8,086
Supporting Sports Activities	7,700
Miscellaneous	11,421
Total	573,876

20. Contracts, Projects and Commitments Signed Between the Bank and its Subsidiaries, Affiliates, Chairman, Board Members, the General Manager, Employees in the Bank or their Relatives:

The Bank has assigned "Excel for Financial Investments Company" to manage the Bank's investment portfolio against annual management fees. No other contracts have been signed between the Bank and any of its subsidiaries or affiliates or with the Board Chairman/Director General or board members or with any bank employee or their relatives. This is with the exception of the normal banking transactions - disclosed in note No. (39) on the financial statements - to which commercial interest and commission rates apply. All credit facilities granted to the related parties are classified as performing loans against which no provisions have been allocated.

21. Bank's Contribution to Environmental Protection and Corporate Social Responsibility:

A. Bank's Contribution to the Protection of Environment:

Bank of Jordan continued to serve environmental causes through providing support to various environmental organizations. In due course, the bank took part in a tree-planting campaign in Salt and Jerash in cooperation with the Arab Group for the Protection of Nature. The initiative is part of efforts to increase green space and to combat desertification in the largely arid Kingdom. Furthermore, the bank extended financial support to the Jordan Society for the Prevention of Road Accidents in a bid to help protect lives and raise community awareness about road safety. Bank of Jordan had also contributed to printing the 2016 calendar issued by the Jordan Environment Society, which was part of a drawing competition launched by the society in public schools.

B. Bank's Corporate Social Responsibility:

With an unwavering commitment towards serving the society at large, Bank of Jordan stepped up its support to social, cultural, charitable, and sports activities.

Defining education as a top priority, the Bank has launched the "University Scholarships Fund", offering 32 scholarships for excellent students. Another 10 scholarships were granted to 10 students to help them pursue their university education in cooperation with Al Aman Fund for the Future of Orphans. Focusing on children's education, the bank extended its partnership with the program "Hikayat Simsim" for another year. And, for the seventh consecutive year, it continued to provide free-of-charge entry to the Children's Museum every first Friday of each month. This allows hundreds of children and their parents the opportunity to enjoy a valuable learning and educational experience. The Bank also granted a distinguished student a scholarship to study at the prestigious King's Academy school.

Also in 2015, the Bank joined hands with the Central Bank of Jordan in raising financial awareness among citizens. It further supported the Jordan Armed Forces and the Border Guards in recognition of their invaluable efforts in maintaining national security and stability.

Mentioned within the Bank's achievements in 2015 (page 23).

C. Annual Financial Statements - 2015

The Bank's annual financial statements, audited by the Bank's auditors Deloitte and Touche (Middle East - Jordan) and a comparison with the previous year (2014), can be found in the second part of the report (Page 38).

D. Report of the Bank's Auditors

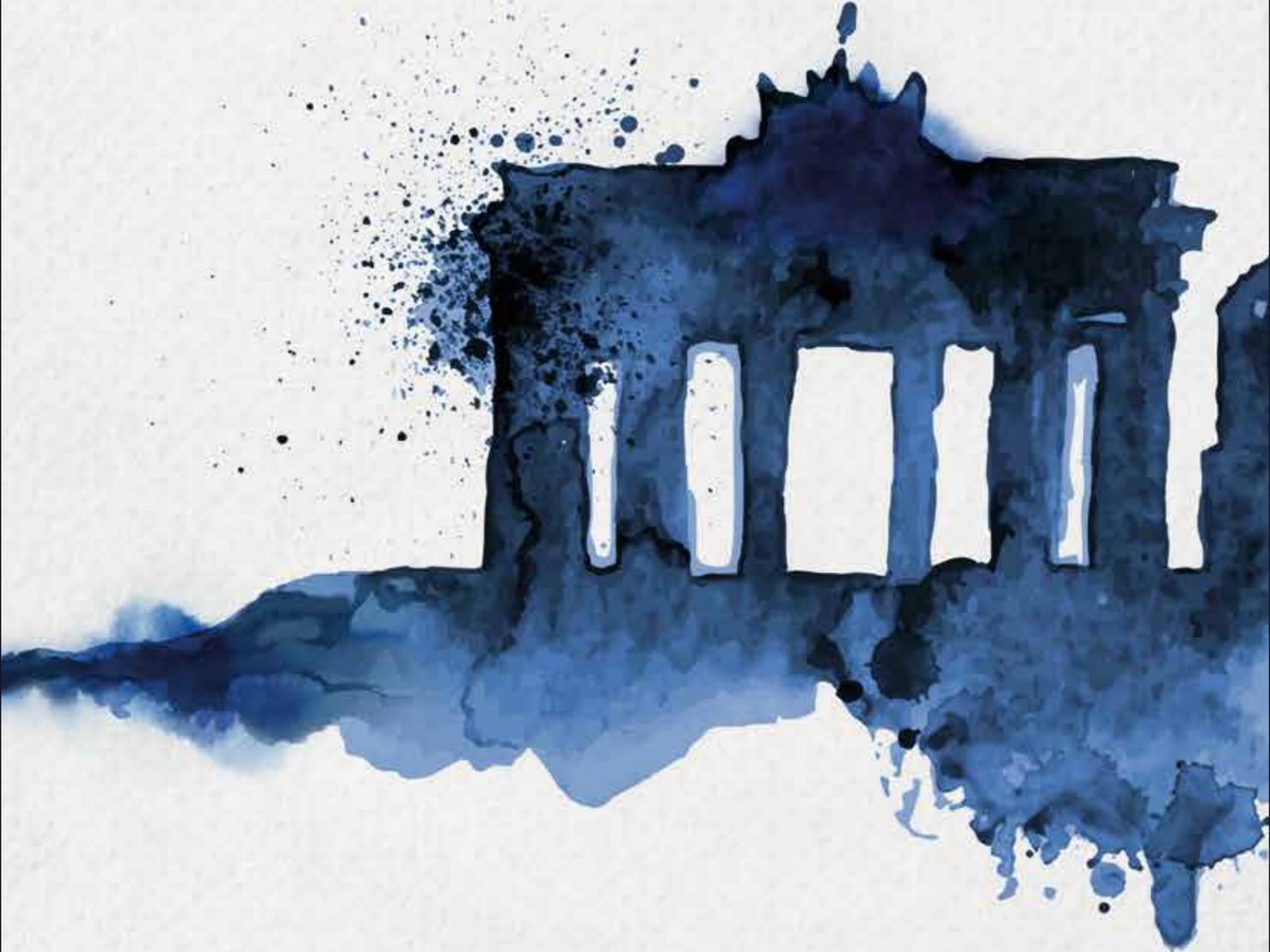
The report from the Bank's auditors, Deloitte and Touche, which include the Bank's annual financial statements, reveals that the audit process was conducted in accordance with international auditing standards. It can be found at the beginning of the 2015 annual financial statements (Page 37).

E. Acknowledgment

As per Paragraph (E)/Article (4) of the Disclosure and Accounting Standards Instructions issued by the Jordan Securities Commission Board of Commissioners:

1. The Board of Directors of Bank of Jordan concedes that, to the best of its knowledge and belief, there are no material matters that may affect the continuity of the Bank's operations during the fiscal year 2016.
2. The Board of Directors of Bank of Jordan acknowledges responsibility for the preparation of the 2015 financial statements and that the Bank operates an effective monitoring and evaluation system.
3. The Chairman & CEO and the Financial Manager acknowledge that the information and data mentioned in the Bank of Jordan 2015 Annual Report are true, accurate, and complete.

Corporate Governance



Bank Commitment to the Corporate Governance Guide

Realizing that good corporate governance is a key to success, the Bank's Board of Directors is keen on applying corporate governance practices that comply with the regulations issued by the Central Bank of Jordan and the Corporate Governance Code for banks in Jordan. These practices, which have been incorporated into the Bank of Jordan Corporate Governance Code, also comply with the best international practices recommended by the Basel Committee. It is worth noting that Bank of Jordan also adheres to regulatory requirements and guidelines in other countries where it operates.

The Bank reviewed, amended, and improved on this Guide in compliance with the Corporate Governance Code No. (58/2014) dated 30/9/2014. It is worth noting that the Bank has published an updated version of the code in the Annual Report (Arabic version). The Annual Report also has a dedicated section that demonstrates the extent to which the Management adheres to provisions of the code.

Component One (Board of Directors)

Chairman of the Board:

Regulations of the Corporate Governance Code, regarding the position of the Chairman of the Board, state the following:

- 1- Separation between the Chairman of the Board and the General Manager positions.
- 2- There should be no kinship (up to the fourth degree) between the Chairman of the Board (president) and the General Manager.
- 3- The tasks and duties/responsibilities entrusted to the Board chairman shall be based on written instructions that are approved by the board, and shall not be in conflict with the enforced banking laws and regulations.

The continuation of policies of the Bank aimed to meet the application of the corporate governance guide of Bank of Jordan, which was prepared based on the instructions of the corporate governance requirements for banks no. 58/2014 dated 30/9/2014.

The Bank seeks to work to meet these requirements in order to serve the interests of the Bank and in accordance with the Jordanian banking business environment, legislative, legal and regulatory frame works of the banks in this regard, the Chairman of the Board of Directors holds an executive post (general manager) and this is not consistent with the item (1) above.

Board of Directors:

While the Executive Management is responsible for running daily operations of the Bank, the Board is in charge of drawing up strategies that best serve the interests of the Bank, its shareholders and clients, in accordance with respective laws and regulations.

The board shall consist of 11 members who will be elected by the general assembly to a four-year term. The members shall have the expertise and qualifications that shall enable each of them to voice his/her opinion independently during board discussions. The suitability of board members has been assessed against the policy related to board members' suitability in line with the requirements of the Corporate Governance Code, and adjustments/corrections have been made accordingly. The board chairman shall be elected by the board members.

The Board convened (8) times during 2015. The Board has a specific agenda in each meeting, and the minutes of meetings and decisions are officially documented by the Board Secretary.

Names of the Board Members:

Name	Status	No. of Attendance	outstanding Loan Balance of Board Members (JD)
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board	8	24,278
Dr. Abdel Rahman Samih Toukan	Vice Chairman of the Board	8	-
Mr. Yahya Zakariya Al-Kadamani	Member	6	3,905,363
Dr. Mazen Mohammed Al-Bashir	Member	8	100,080
Dr. Yanal Mawloud Naghouj	Member	7	-
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member	8	66,972
Mr. Haitham Abu Nasr Al-Mufti	Member	7	-
Mr. Ammar Mahmoud Abu Namous	Member	2	6,657
Mr. Haitham Mohammed Samih Barakat As of 30/7/2015	Member	6	-
Mr. Husam Rashed Manna' as of 30/7/2015	Member	3	-
Mr. Mohammad Anwar Hamdan as of 30/7/2015	Member	2	56
Mr. Saleh Rajab Hammad	Board Secretary/Committee Rapporteur	7	-

Mr. Walid Tawfiq Fakhouri until 14/6/2015

Mr. Jan Joseph Shamoun until 23/6/2015

Mr. Haitham Mohammed Samih Barakat Representative of Arabian Gulf General Inv. & Transport Co. until 30/7/2015

The Committees of the Board:

As per the Corporate Governance Code, five committees stem from the Board of Directors to ease implementation of responsibilities. The committees are as follows: the Audit Committee, the Corporate Governance and Strategy Committee, the Nominations and Remunerations Committee, the Risk Management Committee, and the Executive Committee

The Audit Committee:

Three board members were elected to the audit committee on the condition that the majority of the committee members including the head are independent (non-executive) members. All committee members shall have academic qualifications, and shall enjoy suitable practical experience in accounting, finance, or any other related specialization.

The Audit Committee consists of the following:	Status	No. of Attendance
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Head of the Committee	8
Mr. Haitham Abu Naser Al Mufti	Member	8
Mr. Mohammad Anwar Hamdan as of 30/7/2015	Member	2
Mr. Saleh Rajab Hammad	Board Secretary/Committee Rapporteur	6

Mr. Jan Joseph Shamoun until 23/6/2015

The Audit Committee held (8) meetings in 2015.

However, the Audit Committee does not substitute for the responsibilities of the Board of Directors or the Bank's Executive Management for the supervision and adequacy of the Bank's internal control system.

The Corporate Governance and Strategy Committee:

The corporate governance and strategy committee was elected, comprising the board chairman and two independent members as a minimum.

The Corporate Governance and Strategy Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee	2
Dr. Mazen Mohammed Al-Bashir	Member	2
Mr. Shadi Ramzi Abd Al-Salam Al-Majali	Member	2
Mr. Husam Rashed Manna' as of 30/7/2015	Member	2
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Rapporteur	2

Mr. Jan Joseph Shamoun until 23/6/2015

Mr. Ammar Mahmoud Abu Namous until 27/7/2015

The Corporate Governance and Strategy Committee held (2) meetings during 2015.

The Risk Management Committee:

The committee shall consist of three board members – one of whom shall be independent, in efforts to deal with and manage all risks facing the Bank.

The Risk Management Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee	5
Dr. Mazen Mohammed Al-Bashir	Member	6
Mr. Mohammad Anwar Hamdan as of 30/7/2015	Member	2
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Rapporteur	5

Mr. Jan Joseph Shamoun until 23/6/2015

The Risk Management Committee held (6) meetings during 2015.

The Executive Committee:

The Executive Committee was elected from six board members.

The Executive Committee consists of the following:	Status	No. of Attendance
Dr. Abdel Rahman Samih Toukan	Head of the Committee	35
Dr. Mazen Mohammed Al-Bashir	Member	43
Dr. Yanal Mawloud Naghouj	Member	38
Mr. Haitham Mohammed Samih Barakat	Member	5
Mr. Mohammad Anwar Hamdan as of 30/7/2015	Member	18
Mr. Husam Rashed Manna' as of 30/7/2015	Member	20
Facilities Committee's Rapporteur/Committee's Rapporteur		43

Mr. Ammar Mahmoud Abu Namous until 27/7/2015

The Executive Committee held (43) meetings in 2015.

The Nominations and Remunerations Committee:

The Nominations and remunerations committee was elected and consists of three members, with at least two, including the head, independent members.

The Nominations and Remunerations Committee consists of:	Status	No. of Attendance
Dr. Yanal Mawloud Naghouj	Head of the Committee	15
Dr. Mazen Mohammed Al-Bashir	Member	17
Mr. Mohammad Anwar Hamdan as of 30/7/2015	Member	7
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Rapporteur	14

Mr. Yahya Zakariya Al-Kadamani until 27/7/2015

The Nominations and Remunerations Committee held (17) meetings in 2015.

The Board Secretary:

Minutes of meetings are significant for the Bank, shareholders, and supervisory agencies because they are a permanent register that demonstrate the Board's activities and deliverables, Board of Director's decisions and any other decisions made by committees operating under the Board. Given the vital role of the Board Secretary, it has been decided to appoint Mr. Saleh Rajab Hammad AGM/Chief Risk Officer, as Board Secretary. Duties and responsibilities of the Board Secretary are incorporated in the Corporate Governance Code of the Bank.

The Senior Executive Management:

The senior executive management team shall meet the requirements pertaining to the suitability criteria of the senior executive management stated in the Bank's Corporate Governance Guide.

Conflict of Interests:

The Board of Directors emphasized in the Bank's Corporate Governance Code that all members of the Board must specify their relationships with the Bank, disclose the nature of this connection, avoid conflicts of interest, and abide by the substance of the Code of Conduct in this regard. A written disclosure must be given on an annual basis or in case of any development that so requires.

Component Two (Planning and Policy Formulation)

The Board of Directors undertakes responsibility for devising the Bank's general strategy and its strategic course of action as well as defining the general objectives for the executive management and supervising their achievements.

Component Three (Control Environment)

The Board of Directors undertakes responsibility to adopt a general framework for internal control in order to achieve the following:

- Effectiveness and efficiency of operations.
- Credibility of financial reports.
- Adherence to laws and regulations in force.

The Board hereby affirms the existence of a general framework for internal control that enables it to follow up on its tasks and take whatever measures are necessary within the following framework:

1- Internal Audit:

The Bank realizes that having an effective internal audit department would fundamentally enhance the internal control systems and the general framework for managing risks related to the Bank's various activities. The internal audit administration performs its tasks within the following specifics:

- a. Preparing the Internal Audit Charter and sanctioning it by the Board of Directors. The charter details the functions of the audit administration including its responsibilities, authorities, and work methodology.
- b. Preparing internal auditing procedures that conform to the new organization of the Bank.
- c. Ensuring the preparation of an annual audit plan to be approved by the Audit Committee. The plan should cover most of the Bank's activities as well as organizational units based on risks associated with its activities.
- d. Preparing an annual report about the adequacy of internal control and audit systems in order to eliminate risks and provide suitable recommendations to remove weaknesses.
- e. Ensuring the recruitment and appointment of employees possessing high academic qualifications and appropriate practical experience to audit all activities and operations. This process should include qualified staff to assess data security and IT risks.
- f. Following up on violations and remarks stated in the reports of supervisory agencies and the external auditor; ensuring that they are addressed and that the executive management has adequate controls to ensure such violations are not repeated.
- g. Ensuring that necessary procedures are in place to receive, process, and keep customer complaints as well as remarks related to the accounting system, internal control, and audit processes. Periodic reports concerning these matters have to be submitted.
- h. Keeping audit reports and sheets in a safe and organized manner for a period that conforms to applicable laws and regulations so that they can be examined by the regulatory authorities and the external auditor.
- i. Reviewing the reporting procedures in the Bank to ensure key information about financial, administrative, and operational matters are accurate, reliable and timely.
- j. Ensuring compliance with the Bank's internal policies, the international standards as well as related laws and regulations.
- k. Submitting reports to the Head of the Audit Committee.

2- External Audit:

The External Auditor represents another level of control on the credibility of financial data issued by the Bank's accounting and information systems. In particular, this entails expressing clear and honest opinions about the fairness of these statements and the extent to which they mirror actual reality during a certain period. When dealing with external audit firms, the Board of Directors has to consider the Bank's interest and professionalism of the auditing firms, keeping in mind the importance of regular audit rotations and previous experiences with such offices.

3- Risk Management:

The management of Bank of Jordan paid special attention to Basel II requirements as a framework to reinforce and enhance the Bank's capability to upgrade the control environment and challenge various types of risks.

To implement these requirements, practical steps were taken such as establishing administrations in the Bank specialized in managing different risks (credit, operations, and market) and manning them with qualified staff and systems.

The Bank has also worked on enhancing credit risk management practices through setting up specialized departments (including Corporate Credit Review Department/SME Credit Review Department, Retail Credit Review Department, Credit Review Department for branches in Palestine and Credit Portfolios Risk Department). Furthermore, the Bank has updated and developed policies and procedures related to risk management aimed at ensuring credit quality. In addition, the Bank implemented the "Reveleus System" for calculating the capital adequacy ratio.

As for operational risks, the Bank has been implementing the CARE system since 2003 and a Risk Profile has been created for each of the Bank's departments in addition to a database for operational errors. As for market risks, the Bank has set up a risk management unit comprised of qualified employees.

Moreover, the Bank formed a committee for risk management at the executive management level. This committee is entrusted to review and evaluate the performance of all different risk departments and to submit periodic reports about its work to the Board's Risk Management Committee.

The Risk Management functions in line with the following general framework:

- a. The Bank's Risk Management submits periodic reports to the Executive Risk Management Committee whereas daily operations are referred to the General Manager.
- b. The Risk Management undertakes the following responsibilities:
 - Preparing risk policies for all types of risks and sanctioning them from the Board of Directors.
 - Analyzing all risks including credit, market, liquidity and operational risks.
 - Developing methodologies for measuring and controlling all types of risks.
 - Recommending risk limits and approvals to the Executive Risk Management Committee and submitting reports and exceptions pertaining to the risk management policy.
 - Providing the Board and the Executive Management with information about risk assessment and risk profile in the Bank. The Board regularly reviews the Bank's qualitative and quantitative risk statistics.
 - Approving the means that help risk management, such as:
 - Self-assessment of risks and setting risk indicators.
 - Preparation of a historical database of the losses in terms of their sources and classification according to type of risk.
 - Provision of the necessary systems suitable for risk management at the Bank.
- c. Committees such as Credit, Assets, and Liabilities' Management/Treasury, and Operational Risk assist Risk Management in performing its tasks in accordance with the authorizations defined for these committees.
- d. Incorporating information about risk management in terms of its structure, nature of operations, and progress in the Bank's annual report.
- e. Providing information about risks facing the Bank for the purposes of disclosure and publication to the public.

4- Compliance:

In accordance with the Bank's commitment with the Basel II requirements, the Compliance Department was established to ensure compliance with laws, ethical regulations, legislation, and standards, defined by different supervisory bodies and the Bank's internal policies. Qualified human resources and automatic systems were provided to the Department.

On the Compliance Department level, all laws and regulations regulating the Bank's operations were gathered, and compliance awareness was spread among employees through booklets and training courses. An anti-money laundering policy was developed to comply with the instruction of Anti-Money Laundering and Terrorist Finance No. (51/2010) date 23/11/2010.

A special anti-money laundering and terrorism financing unit has been set up in the Bank. A specialized unit has also been established to meet FATCA requirements. A unit for handling and managing customer complaints was also set up.

The Compliance Department has the following responsibilities:

- a. Drawing up the compliance policy as well as improving and reviewing it regularly (at least once a year) and whenever necessary.
- b. Applying the compliance policy at the Bank.
- c. Preparing an efficient methodology to ensure the Bank's compliance with effective laws and legislation in addition to any related regulations.
- d. Submitting its periodic (bi-annual) reports on its work and on the compliance of the Bank's departments and employees to the Executive Risk and Compliance Management Committee which will in turn refer them to the Board's Risk Management Committee.
- e. Evaluating and following up on applying Corporate Governance practices in the Bank.
- f. Special policies pertaining to anti money laundering and terrorism financing were drafted and implemented. Other policies related to implementing FATCA requirements and to managing customer complaints were also formulated and implemented.

Disclosure and Transparency

5- Financial Reports

The Executive Management of the Bank shall undertake the following tasks:

- a. Preparing financial reports according to International Accounting Standards.
- b. Presenting the reports to the Board members at each regular meeting.
- c. Publishing financial data every three months.
- d. Sending financial reports and full reports to the shareholders annually

6- Code of Conduct:

The Bank has a Code of Conduct that was approved by the Board and circulated to all employees. Several training courses were organized to educate the Bank's employees on the concept of the Code. The compliance department ensures compliance with these concepts.

Component Four (Treatment of Shareholders)

Under the law, each shareholder has the right to vote during the General Assembly meetings and the right to discuss issues placed on the General Assembly's ordinary and extraordinary agendas. Added to that, shareholders enjoy the right to suggest any other topics to be added for discussion on the General Assembly's ordinary agenda, after obtaining the approval of a number of shareholders (representing at least 10% of stocks recorded) in the meeting. In order to foster this relationship, the Bank works on encouraging shareholders, mainly minority shareholders, to attend the annual General Assembly meetings and to vote in person or in their absence by proxy.

The Board shall provide shareholders with the following:

- A copy of the Annual Report mailed to their respective mailing addresses.
- An invitation to the General Assembly meeting and its agenda.
- All of the information and publicity items addressed to the shareholders in general.

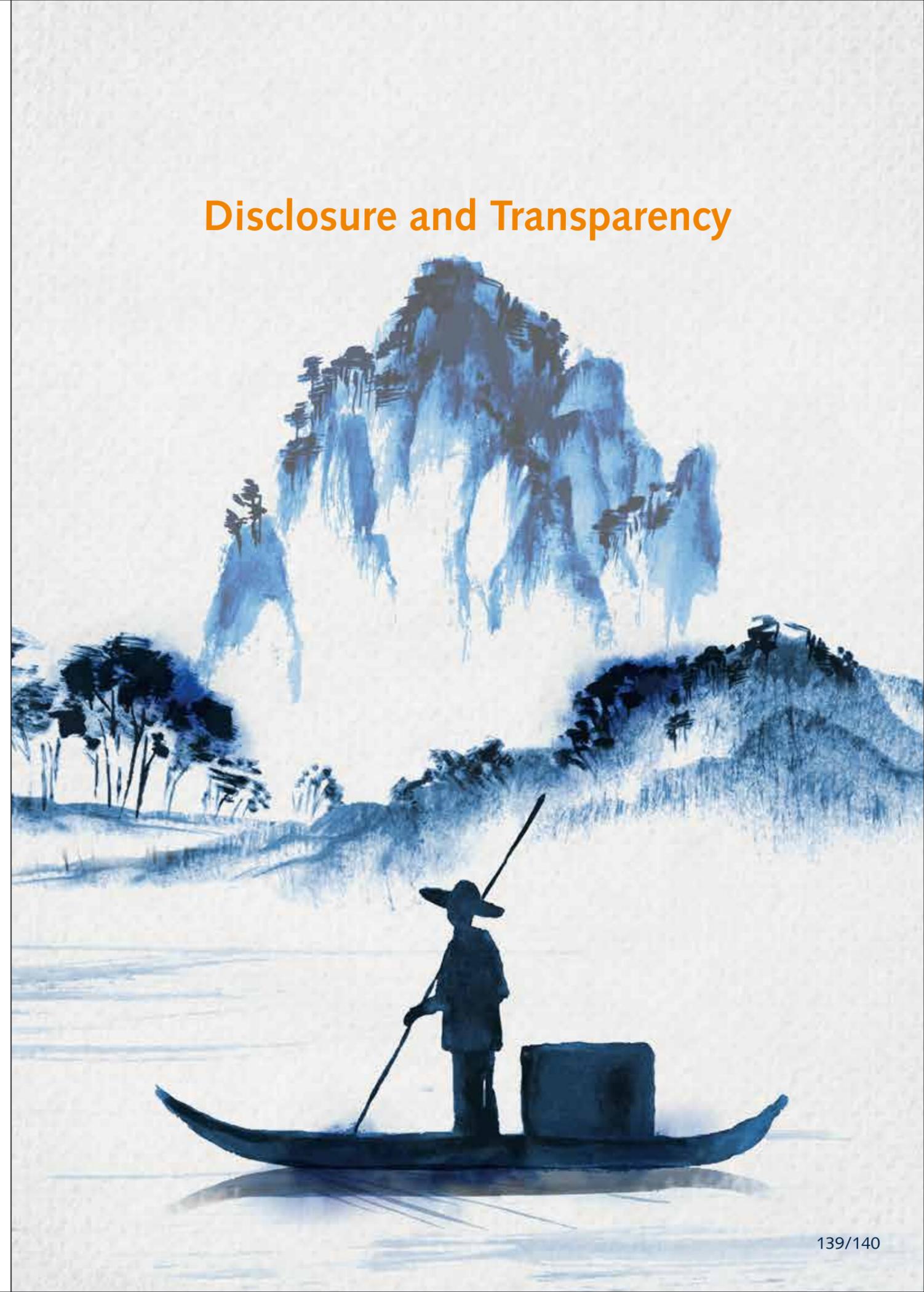
Furthermore, each shareholder has the right to get acquainted with the shareholders' register to get to know his/her own share. The Board shall be keen on the fair distribution of profits, which should be based on the number of stocks held by each shareholder.

Component Five (Transparency and Disclosure)

Bank of Jordan Corporate Governance Guidelines are based on the principles of integrity, objectivity, transparency, disclosure, openness, and accountability for decisions adopted by the Bank. This stems from the Bank's belief that disclosure offers the only means to provide transparent, accurate, comprehensive, and timely information. This helps users assess the Bank's financial position, its achievements and activities, as well as risks facing the Bank and the risk management policies.

The Bank discloses all required information from different regulatory institution. It also publishes the Corporate Governess Guide to the public and the extent of the management adhering to it.

In accordance with the instructions of dealing with customers fairly and transparently No. (56/2012) date 31/10/2012 the Bank established a dedicated unit to manage and address customers' complaints. The unit was equipped with qualified human resources and automated systems and all necessary means available to accommodate and resolve complaints. This unit was administratively subordinated to the compliance department in the Bank.



Disclosure and Transparency

Based on the instructions of dealing with customers fairly and transparently No. 56/2012 issued by the Central Bank of Jordan on 31/10/2012, a unit was established to manage and address customer complaints. The unit was equipped with qualified human resources and automated systems to be controlled and managed administratively by the compliance department. The Bank addresses and manages customer complaints within the following principles:

- Preparation of a mechanism to manage and address customer complaints that is then generalized to the whole Bank.
- Preparation of a policy to deal with customers fairly and transparently that is then adopted and disseminated to the whole Bank.
- The provision of different communication channels for receiving customer complaints is in the following ways:

- Direct call to the unit dialing (06-5692572) or a toll-free number (080 022 335).
- Email complainthandling@bankofjordan.com.jo
- Fax to 06-5600918.
- Telephone complaints allotted to the Bank's branches in times of official business.
- Personal visit to the General Administration Building.
- Call Center for complaints made after official hours.

- Adoption of Service Level Agreement (SLA) and escalation procedures in the event of delay to respond to customer complaints from various units of the Bank in order to meet customer requirements within the specified time frame.
- Study and evaluation of customer complaints to find out actual facts of these complaints and concentration, classification and impact.
- provision of the Board of Directors and senior management with periodic disclosures including a summary of complaints by the degree of risk concentration and classified according to the degree of risk and the actions taken to reduce their recurrence in the future.
- provision of Central Bank of Jordan with the statistics periodically (quarterly) of complaints received by the unit.

Following is statistical report of the complaints that were received from customers in 2015 through various channels distributed according to Electronic Services, (Interest Rates, Commissions, Fees), Professional Conduct, (Credit Cards and Remittances). and (Contracts, Terms and Conditions).

Electronic Services	Interest Rates, Commissions, Fees	Professional Conduct	Credit Cards and Remittances	Contracts, Terms and Conditions	Total
191	32	264	117	482	1,086

These complaints were resolved within the following framework:

- Complaints were given a reference number which was also provided to customers with the aim of follow-up.
- Complaints were studied, analyzed and responded to within the time frame specified by the degree and nature of complaints classification.
- Recommendation of the following proposed actions to reduce the recurrence of such complaints in the future:
 - Modify work procedures, if necessary.
 - Taking disciplinary measures against underperforming employees.
 - Rehabilitation and training of staff on working procedures, products, communication skills with customers, etc.
 - Development of the Bank's various sites to receive customers and improve the service provided to them.

Addresses of Bank of Jordan Branches

Addresses of Bank of Jordan Branches

Jordan Branch Network

Head Office – Al Shmeisani

Website: www.bankofjordan.com

Tel.: 5696277 Fax: 5696291 P.O. Box 2140
Amman 11181 Jordan

Amman Area

Al Shmeisani – Main Branch

Tel.: 5696329 Fax: 5696092 P.O. Box 2140
Amman 11181 Jordan

Amman – Downtown Branch

Tel.: 4624348 Fax: 4657431 P.O. Box 2140
Amman 11181 Jordan

Commercial Market Branch

Tel.: 4617003 Fax: 4624498 P.O. Box 2140
Amman 11181 Jordan

Al Mahatta Branch

Tel.: 4655707 Fax: 4651728 P.O. Box 2140
Amman 11181 Jordan

Yarmouk St./Al Nasser Branch

Tel.: 4910037 Fax: 4910038 P.O. Box 2140
Amman 11181 Jordan

First Circle Branch

Tel.: 4625131 Fax: 4653914 P.O. Box 2140
Amman 11181 Jordan

Third Circle Branch

Tel.: 4616528 Fax: 4656632 P.O. Box 2140
Amman 11181 Jordan

Al Khalidi Branch

Tel.: 4680025/7 Fax: 4680028 P.O. Box 2140
Amman 11181 Jordan

Jabal Al-Hussein Branch

Tel.: 4656004 Fax: 4653403 P.O. Box 2140
Amman 11181 Jordan

Gardens Branch

Tel.: 5688391/2 Fax: 5688416 P.O. Box 2140
Amman 11181 Jordan

Al Madina Al Monawara St. Branch

Tel.: 5513953 Fax: 5514938 P.O. Box 2140
Amman 11181 Jordan

Jabal Al Weibdeh Branch

Tel.: 4646980 Fax: 4615605 P.O. Box 2140
Amman 11181 Jordan

Tareq Branch

Tel.: 5053898 Fax: 5053908 P.O. Box 2140
Amman 11181 Jordan

Marka Branch

Tel.: 4893581/2 Fax: 4894341 P.O. Box 2140
Amman 11181 Jordan

Al Qweismeh Branch

Tel.: 4778626 Fax: 4745301 P.O. Box 2140
Amman 11181 Jordan

Abu Alanda Branch

Tel.: 4164204 Fax: 4162697 P.O. Box 2140
Amman 11181 Jordan

Al Bayader Branch

Tel.: 5852009 Fax: 5815391 P.O. Box 2140
Amman 11181 Jordan

Industrial Area – Al Bayader Branch

Tel.: 5861057 Fax: 5813642 P.O. Box 2140
Amman 11181 Jordan

Sweileh Branch

Tel.: 5349823 Fax: 5342318 P.O. Box 2140
Amman 11181 Jordan

Al Fuheis Branch

Tel.: 4720832 Fax: 4720831 P.O. Box 2140
Amman 11181 Jordan

Abu Nusair Branch

Tel.: 5237481 Fax: 5249080 P.O. Box 2140
Amman 11181 Jordan

Jabal Al Nuzha Branch

Tel.: 4645933 Fax: 4645934 P.O. Box 2140
Amman 11181 Jordan

Wadi Al Seer Branch

Tel.: 5814255 Fax: 5816552 P.O. Box 2140
Amman 11181 Jordan

Ras Al Aein Branch

Tel.: 4748314 Fax: 4786311 P.O. Box 2140
Amman 11181 Jordan

Al Yasmine Branch

Tel.: 4392693 Fax: 4391242 P.O. Box 2140
Amman 11181 Jordan

Marj Al Hamam Branch

Tel.: 5713568 Fax: 5713569 P.O. Box 2140
Amman 11181 Jordan

Sweifieh Branch

Tel.: 5861235/6 Fax: 5861237 P.O. Box 2140
Amman 11181 Jordan

Al Wehdat Branch

Tel.: 4780281 Fax: 4778982 P.O. Box 2140
Amman 11181 Jordan

Mecca St. Branch

Tel.: 5826647/38 Fax: 5826649 P.O. Box 2140
Amman 11181 Jordan

Khalda Branch

Tel.: 5534367 Fax: 5534593 P.O. Box 2140
Amman 11181 Jordan

Al Jubaiha Branch

Tel.: 5357189 Fax: 5354739 P.O. Box 2140
Amman 11181 Jordan

University of Jordan Branch

Tel.: 5355975 Fax: 5355974 P.O. Box 2140
Amman 11181 Jordan

City Mall Branch

Tel.: 5823512 Fax: 5857684 P.O. Box 2140
Amman 11181 Jordan

Al Rabiye Branch

Tel.: 5523195 Fax: 5521653 P.O. Box 2140
Amman 11181 Jordan

Abdoun Branch

Tel.: 5929860 Fax: 5929872 P.O. Box 2140
Amman 11181 Jordan

Al Rawnaq Branch

Tel.: 5829503 Fax: 5829042 P.O. Box 2140
Amman 11181 Jordan

Hurrieh St./Mogablain Branch

Tel.: 4203178 Fax: 4203376 P.O. Box 2140
Amman 11181 Jordan

Sport City Branch

Tel.: 5159214 Fax: 5159304 P.O. Box 2140
Amman 11181 Jordan

Taj Mall Branch

Tel.: 5930241 Fax: 5930517 P.O. Box 2140
Amman 11181 Jordan

North Hashmi Branch

Tel.: 5051398 Fax: 5051648 P.O. Box 2140
Amman 11181 Jordan

Durret Khalda Branch

Tel.: 5510825 Fax: 5510948 P.O. Box 2140
Amman 11181 Jordan

Al-Madina Al-Monawara/Tla'a Al-Ali Branch

Tel.: 5513208 Fax: 5513029 P.O. Box 2140
Amman 11181 Jordan

Sahab Branch

Tel.: 4025694 Fax: 4025693 P.O. Box 2140
Amman 11181 Jordan

Central Jordan

Salt Branch

Tel.: 05/3554901 Fax: 05/3554902 P.O. Box 2140
Amman 11181 Jordan

Zarqa Branch

Tel.: 05/3985091/2 Fax: 05/3984741 P.O. Box 2140
Amman 11181 Jordan

Faisal St. Branch – Zarqa

Tel.: 05/3936725 Fax: 05/3936728 P.O. Box 2140
Amman 11181 Jordan

New Zarqa Branch

Tel.: 05/3862581 Fax: 05/3862583 P.O. Box 2140
Amman 11181 Jordan

Zarqa Free Zone Branch

Tel.: 05/3826193 Fax: 05/3826194 P.O. Box 2140
Amman 11181 Jordan

Al Ruseifa Branch

Tel.: 05/3746923 Fax: 05/3746913 P.O. Box 2140
Amman 11181 Jordan

Airport Branch

Tel.: 4451155 Fax: 4451156 P.O. Box 2140
Amman 11181 Jordan

Al Geezah Branch

Tel.: 4460179 Fax: 4460133 P.O. Box 2140
Amman 11181 Jordan

Madaba Branch

Tel.: 05/3244081 Fax: 05/3244723 P.O. Box 2140
Amman 11181 Jordan

Jabal Shamali Branch

Tel.: 05/3744038 Fax: 05/3744029 P.O. Box 2140
Amman 11181 Jordan

North Jordan

Irbid Branch

Tel.: 02/7242347 Fax: 02/7276760 P.O. Box 2140
Amman 11181 Jordan

Al Hussun St. Branch

Tel.: 02/7279066/5 Fax: 02/7270496 P.O. Box 2140
Amman 11181 Jordan

Eidoun St. Branch

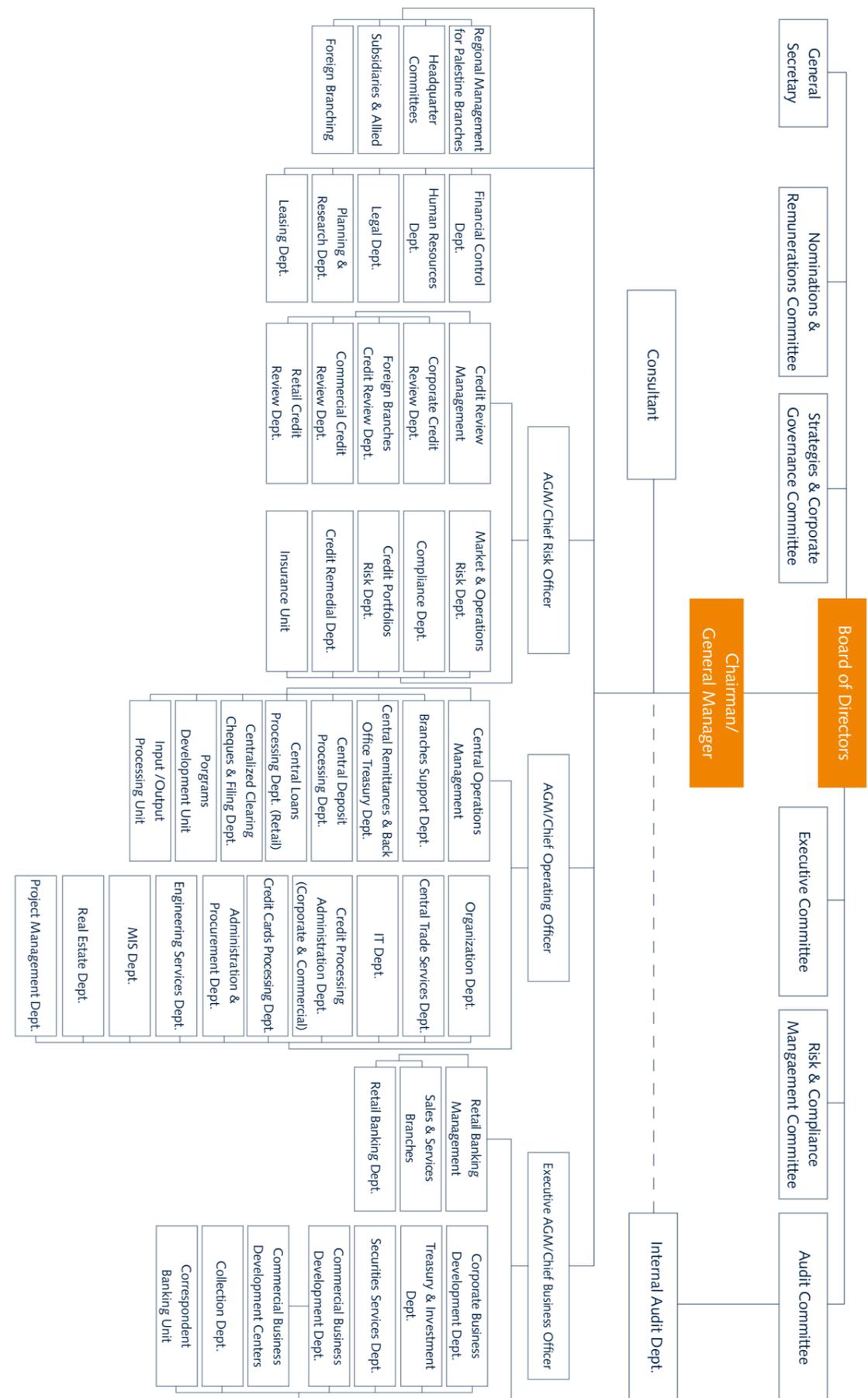
Tel.: 02/7276403 Fax: 02/7276504 P.O. Box 2140
Amman 11181 Jordan

Thirty St. Branch

Tel.: 02/7246636 Fax: 02/7248772 P.O. Box 2140
Amman 11181 Jordan

Hakama St. Branch

Tel.: 02/7400018 Fax: 02/7406375 P.O. Box 2140
Amman 11181 Jordan



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|--|--|
| Deir Abi Saeed Branch
Tel.: 02/6521351 Fax: 02/6521350 P.O. Box 2140
Amman 11181 Jordan | Umari Office
Tel.: 05/3838014
Aqaba Port- Arrivals/ Departures Office
Tel.: 03/2022702
Sheikh Hussein Bridge - Departures/Arrivals Office
Tel.: 02/6550473 |
| Ramtha Branch
Tel.: 02/7383706 Fax: 02/7381388 P.O. Box 2140
Amman 11181 Jordan | King Hussein Bridge - Arrivals Office
Tel.: 05/3581146 Fax: 05/3581147
King Hussein Bridge - Departures Office
Tel.: 05/3539138 Fax: 05/3581147 |
| Al Turrah Branch
Tel.: 02/7360011 Fax: 02/7360200 P.O. Box 2140
Amman 11181 Jordan | King Hussein Bridge - Departures Office
Tel.: 05/3539138 Fax: 05/3581147 |
| Ajloun Branch
Tel.: 02/6420039 Fax: 02/6420841 P.O. Box 2140
Amman 11181 Jordan | Palestine Branch Network
Regional Management
Tel.: 0097022952703/2 Fax: 0097022952705 P.O. Box 1328 |
| Kufranjah Branch
Tel.: 02/6454973 Fax: 02/6454053 P.O. Box 2140
Amman 11181 Jordan | Ramallah Branch
Tel.: 0097022958686 Fax: 0097022958684 P.O. Box 1829 |
| Jerash Branch
Tel.: 02/6351453 Fax: 02/6351433 P.O. Box 2140
Amman 11181 Jordan | Nablus Branch
Tel.: 0097092381120/5 Fax: 0097092381126 P.O. Box 107 |
| Al Mafraq Branch
Tel.: 02/6233317 Fax: 02/6233316 P.O. Box 2140
Amman 11181 Jordan | Jenin Branch
Tel.: 0097042505403 Fax: 0097042505402 P.O. Box 183 |
| North Shuneh Branch
Tel.: 02/6587177 Fax: 02/6587377 P.O. Box 2140
Amman 11181 Jordan | Jenin Municipality Office
Tel.: 0097042505233 Fax: 0097042505231 P.O. Box 183 |
| North Azraq Branch
Tel.: 05/3834308 Fax: 05/3834307 P.O. Box 2140
Amman 11181 Jordan | Qabatiya Branch
Tel.: 0097042512482 Fax: 0097042512483 P.O. Box 183 |
| South Jordan
Kerak Branch
Tel.: 03/2351043 Fax: 03/2353451 P.O. Box 2140
Amman 11181 Jordan | Gaza Branch
Tel.: 0097082865281 Fax: 0097082824341 P.O. Box 528 |
| Ma'an Branch
Tel.: 03/2132090 Fax: 03/2131855 P.O. Box 2140
Amman 11181 Jordan | Al Naser Branch
Tel.: 0097082857230 Fax: 0097082859258 P.O. Box 528 |
| Aqaba Branch
Tel.: 03/2013118 Fax: 03/2014733 P.O. Box 2140
Amman 11181 Jordan | Hebron Branch
Tel.: 0097022224351 Fax: 0097022224350 P.O. Box 494 |
| Exchange Offices
Jaber Border Office – Arrivals*
Tel.: 02/6254074 | Al Ram Branch
Tel.: 0097022343840 Fax: 0097022343842 P.O. Box 1328 |
| Jaber Border Office – Departures*
Tel.: 02/6254073 | Al Eizaryeh Branch
Tel.: 0097022790243 Fax: 0097022790245 P.O. Box 148 |
| Ramtha Border – Travellers*
Tel.: 02/7382425 | Industrial Area Branch/ Ramallah
Tel.: 0097022963785 Fax: 0097022963788 P.O. Box 1484 |
| Ruweished Office*
Tel.: 02/6295320 | Tulkarm Branch
Tel.: 0097092687882 Fax: 0097092687884 P.O. Box 18 |
| | Bethlehem Branch
Tel.: 0097022749938 Fax: 0097022749941 P.O. Box 207 |
| | Rafidia Branch
Tel.: 0097092343647 Fax: 0097092343747 P.O. Box 107 |
| | Al Eersal Branch
Tel.: 0097022976315 Fax: 0097022976320 P.O. Box 1328 |

* We temporary suspended the operations in these exchange offices due to the security conditions in their locations.

