

Annual Report 2009



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 excellent team of employees.

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Bank of Jordan

Public Shareholding Limited Company, established in 1960,
Commercial Registration No. 13, paid Capital JD100,000,000
P.O. Box 2140 Amman 11181 Jordan, Tel.: 5696277 Fax: 5696291

E-mail: boj@bankofjordan.com.jo

Website: www.bankofjordan.com



His Majesty King Abdullah II Bin Al Hussein



His Royal Highness Crown Prince Hussein Bin Abdullah II



Board of Directors

Chairman

Mr. Shaker Tawfiq Fakhouri

Vice Chairman

Dr. Abdel Rahman Samih Toukan

Members

Mr. Walid Tawfiq Fakhouri

Mr. Yahya Zakariya Al-Kadamani as of 7/3/2009

Dr. Mazen Mohammed Al-Bashir

Dr. Yanal Mawloud Naghouj

Mr. Bader G. Al Zahrani

Mr. Jan Joseph Shamoun as of 7/3/2009

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali as of 7/3/2009

Mr. Haitham Abu Nasr Al Mufti as of 7/3/2009

Representative of AL-EKBAL Jordanian - General Trading (LLC)

Mr. Haitham Mohammed Samih Barakat as of 7/3/2009

Representative of Arabian Gulf General Inv. & Transport Co.

Dr. Abdullah Abdel Hamid El Khatib until 6/3/2009

Mr. Nabih Amro Al Nimer until 6/3/2009

Representative of AL-EKBAL Jordanian - General Trading (LLC)

Mr. Yahya Zakariya Al-Kadamani until 6/3/2009

Representative of Arabian Gulf General Inv. & Transport Co.

H.E. Sa'ad Eddin "Mohammed Juma'h" until 6/3/2009

H. E. Muhye din Mustafa Al Husseini untill 6/3/2009

Representative of Al Yamama for General Investments (LLC)

General Manager

Mr. Shaker Tawfiq Fakhouri

Auditors

Deloitte & Touche (M. E.) - Jordan

Chairman's Letter



Dear Shareholders,

At the time of my last writing in the 2008 Annual Report, the sub-prime debt crisis that swept the world of finance a few months earlier was still casting a dark and gloomy shadow not only over banks and financial institutions, but over entire economies. The forecasters and various pundits at the time were hoping for a break in the clouds by the end of 2009. The rest of the world was praying they were right.

I write to you today as the first quarter of an equally turbulent 2010 draws to a close. Though the inter-bank market had mostly returned to normal activity by the end of last year, it is now the sovereigns' turn in the spotlight. The first 3 months of this year marked the resurgence of the US Dollar, most prominently against the Euro, and the main reason for that are the worries over Greece and their ability to service their debt obligations. Portugal, Italy and Ireland are feeling the strain as well. The financial markets are standing ready to take advantage of the weakness, awaiting every announcement out of Brussels, and speculating on a default that would test the resolve of the single currency zone.

The Arab world has not escaped unscathed either. Speculation over a potential default in Dubai, which is sovereign in all but name played its part in a turbulent time in the financial market as 2009 drew to a close. That scenario would also raise serious questions over the legality of Islamic-issue default and cross-default clauses in a Western court of law.

Now as we look forward to the remainder of the year and beyond, the liquidity measures put in place by central banks the world over, and the low interest rate environment that has been maintained in the hopes of nursing ailing economies back to full health look certain to be ending. As the shoots of recovery emerge, we can only hope the withdrawal of remedial measures does not stunt the recovery.

Within the Bank of Jordan, we have maintained our conservative financial and investment policies throughout the year. And despite the marked slowdown in the local economy where economic growth in 2009 registered a mere 2.8% (compared with 7.8% in 2008), we have managed, comparatively, to maintain our excellent performance. Total assets are up 13.2% (JOD222 million) to JOD1,908 million, deposits up by 11.1% (JOD141 million) to JOD1,418 million, and an increase in total credit facilities of 4.6% to JOD865 million. Given the market conditions, net profits have predictably dropped 22.8% to JOD25.4 million (2008: JOD32.9 million), yet shareholders' equity is up 7.3% to JOD193 million.

I am also very pleased to report on the continued growth of our Syrian Arab Republic venture, the Bank of Jordan-Syria. 2009 witnessed the opening of 6 new branches to reach a total of 7 branches since the bank's launch in late 2008. The paid up capital of the bank was increased by SYP 3 billion (USD60 million) to enable the bank to further grow its operations and grow its market share in what is a very nascent market with huge growth prospects. I look forward to reporting on this aspect of our business in years to come.

Operationally, Bank of Jordan continued to successfully expand its range of services tailored to our clients' needs, by further developing not only our IT infrastructure, but our internal processes as well. We have now completed the roll-out of smart cards to all of our debit and credit card clients further enhancing not only the quality of service offered to them, but most importantly the security of card transactions.

As part of our improved risk management and corporate governance processes, we have now established a "Chinese Wall" where sales & marketing are on one side, while risk management controls are on the other. We have also further enhanced our risk controls by re-evaluating our various credit exposures by client silos, and ensuring that each silo has sufficient capital usage attributed to whether the turbulent economic conditions. The bank has also contracted an independent company to implement and monitor an anti-money laundering system further enhancing our ability to meet our obligations to local and regional monetary authorities, as well as enhancing our credibility with financial institutions on a global level.

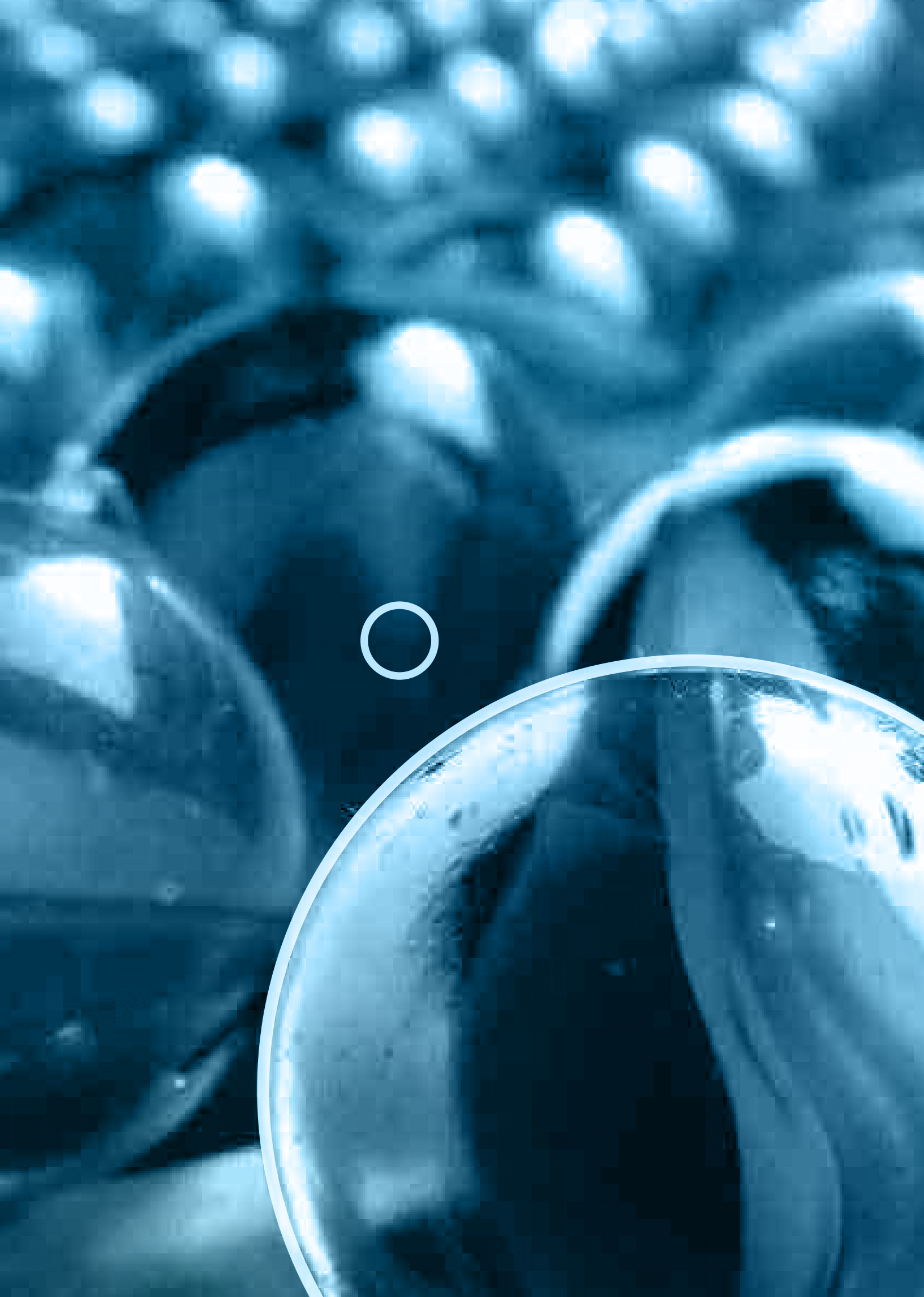
The Bank of Jordan, your bank, has a special celebration this year. Almost fifty years ago, this bank was founded, and has since weathered through countless challenges to become one of the leading local and regional financial institutions. Always growing, always serving our loyal clients who become more numerous by the day, and without a doubt always growing in stature, thanks to you, our devoted shareholders. It brings me immense pride and great pleasure to be leading this financial institution towards its half-centenary, celebrating not only past achievements, but planning and achieving great things to come on a daily basis.

In line with our previous disbursement, the Board of Directors is recommending to the General Assembly a cash dividend disbursement of 15% per share (JOD15 million).

In closing, on behalf of myself and the Board of Directors, I would like to extend our gratitude, thanks and appreciation to you the shareholders for supporting us through this challenging year, and to you we extend a promise that our hard work will continue unabated into the coming year. My final words are, as always, and as they should be, heartfelt thanks on behalf of you the shareholders to our dedicated employees, without whom our success in this year would not have been possible.

Shaker Tawfiq Fakhouri

Chairman of the Board of Directors
and Chief Executive Officer





Board of Directors' Report 2009

Jordan's Economic Performance - 2009

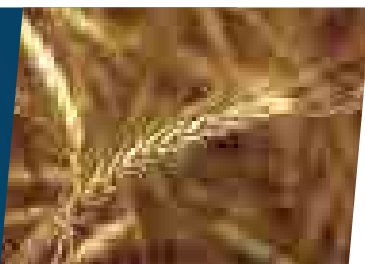
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Jordan's Economic Performance - 2009



The financial crisis that has rocked the world in the beginning of the second half of 2008 has impacted virtually every economy. In Jordan, several sectors saw sluggish activity in 2009 with the domestic economy growing at a slower pace compared to a few years back. However, inflation retracted to negative territory, Jordan's trade deficit shrank significantly, and foreign currency reserves touched unprecedented levels during the year.

Starting with output growth, official figures reveal that Gross Domestic Product (GDP) grew by 2.7% at constant prices in the first three quarters of 2009 against 9.1% during the same period in 2008 (lower by 6.4%). Remittances also dropped by 5.6% during the first eleven months of 2009 compared to the corresponding period the year before, clocking in at JD2.3 billion. Unemployment also rose to 12.9% in 2009 compared with 12.7% in 2008. Furthermore, external trade fell by 19.7% on a drop in national exports and imports by 20.6% and 19.3% respectively, in the first eleven months of 2009.

In the meantime, the Amman Stock Exchange continued its downward trend in 2009 with the trading volume falling by a staggering JD10.9 billion or 52.4% from JD20.3 billion recorded at the end of 2008. It is worth noting that the real estate sector received a heavy blow in 2009, witnessing a year-on-year decline of 20.4% in the volume of trading which amounted to JD4.7 billion.

Moving to public finance, figures show that the fiscal deficit (including foreign aid) ballooned to JD972.9 million by end of November 2009 against JD584.5 million registered by the end of November 2008. The net public debt, on the other hand, shot to JD9.6 billion, up 12.9%.

On a positive note, the proactive supervision and intervention by the CBJ and other regulatory authorities to mitigate the repercussions of the global crisis had positively reflected on certain areas of the economy. Statistics unveiled that inflation was muted to -0.7% after rising by 13.9% in 2008. Added to that, the investment climate in Jordan was still lucrative in 2009, as investments benefiting from the Investment Promotion Law amounted to JD1.86 billion in 2009; higher than the average JD1.5 billion for the years 2004-2008. Foreign currency reserves with the CBJ continued to build up, jumping by 41.5% year-on-year to USD10.9 billion (which is equivalent to around seven months of imports). Banks' deposits also rose by 12.1% in 2009 to JD20.3 billion, while the trade deficit narrowed by 17.9% in the first eleven months of 2009 due to lower imports.

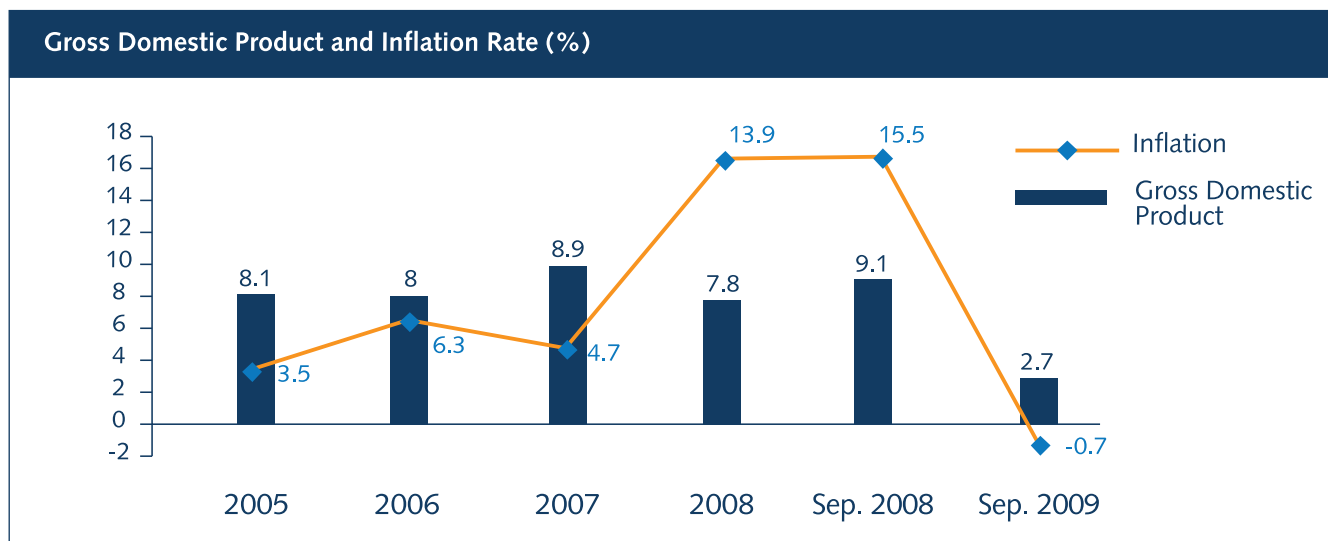
Gross Domestic Product:

GDP at constant prices had significantly slowed down in the first three quarters of 2009, registering a slight pick up of 2.7% against a growth of 9.1% for the same span in 2008, lower by 6.4%.

The decline is attributed to sluggish economic activity, with most sectors reporting weaker performance during the nine-month period when compared to the corresponding period of 2008. The trade, restaurant and hotels sector edged up a minimal 1.7% against a growth of 12.4%, the manufacturing industry inched up 2.7% against 6.6%, and the transport and communications sector rose by 5.8% compared to 8.9%. Growth in the social and personal services sector stood at 1.8% against 12.3% while it stood at 3% for the electricity and water sector versus 15.1%. Construction activity grew by 14.4%, down from 16.8%. The "mining and quarrying" and the "finance, insurance and real estate" sectors retracted by 27.7% and 0.8% respectively, against an expansion of 12.9% and 10.9% successively.

Yet the agriculture and producers of government services sectors were the top performers in the first three quarters of 2009, picking up 14.4% and 7.3% compared to 1.1% and 3.2% respectively. As for contribution to GDP growth, figures indicate that producers of government services and the transport and communications sectors each contributed 0.9%, while the construction sector added 0.7%. Combined, the three sectors contributed 89.7% to the total GDP growth during the first nine months of 2009.

Inflation had notably receded in 2009, recording a negative growth of 0.7% compared to a rise of 13.9% in 2008. The drop is due to the decline in the prices of oil derivatives and basic goods.



Public Finance:

Preliminary data for the first eleven months of 2009 unveiled that total revenues fell by JD202.9 million (or 4.8%) to JD4,045.8 million from JD4,248.7 million during the same period in 2008. Foreign assistance also declined by JD327.1 million to JD230 million from JD557.1 million, while domestic revenues jumped by 3.4% to JD3,815.8 million for the same period.

The increase in domestic revenues came on a JD93 million and a JD31.7 million increase in tax revenues and other revenues successively. Total expenditure climbed by 3.8% (or JD185.5 million) to settle at JD5,018.7 million from JD4,833.2 million for the same period a year ago.

Thus, the general budget suffered a huge shortfall amounting to JD972.9 million (foreign aid included) against JD584.5 million recorded between January and November 2008. The net public debt (internal and external) jumped by JD1,099.8 million (or 12.9%) to JD9,651 million, constituting 59.5% of the estimated GDP for 2009.

The Banking and Monetary Sector:

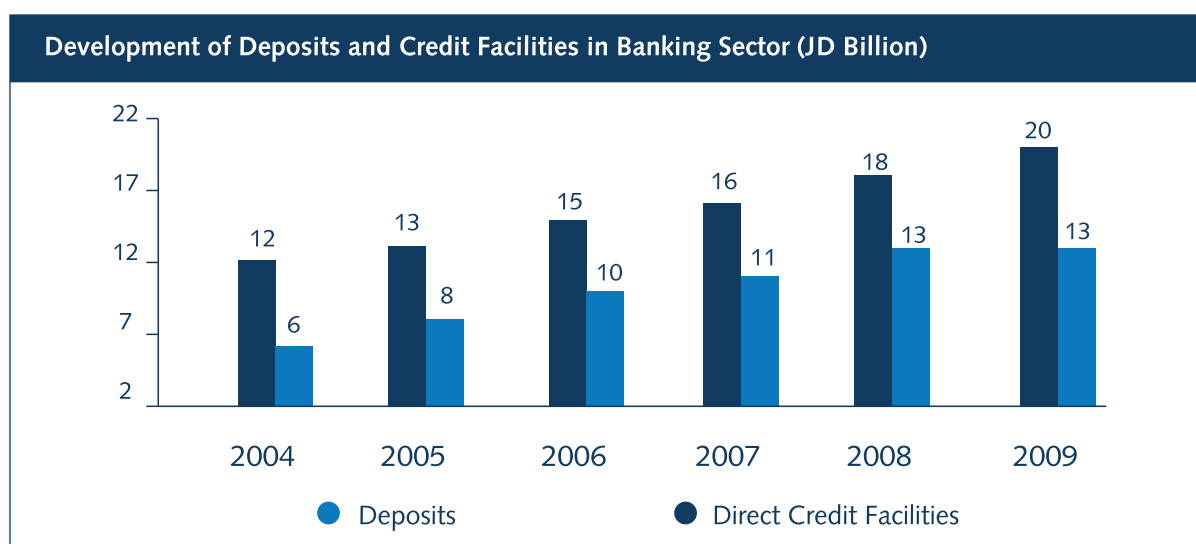
The Jordanian banking system managed to deal with the economic challenges brought about by the international crisis, and remained sound despite the general economic slowdown. A set of actions by the CBJ that aimed at stimulating growth and pumping sufficient liquidity into the banking sector yielded positive results and largely contributed to alleviating the effects of the turmoil.

With several cuts in interest rates on monetary instruments and a cut in reserve requirements to 7% as of May 2009, the CBJ helped shield the sector against the financial turbulence. In addition, the CBJ relaxed constraints on overdrafts and eased up conditions related to debt restructuring, Letters of Guarantee, real estate collaterals and the minimum cash requirement. This helped provide sufficient liquidity levels to spur growth.

Added to that, the Jordanian government decided to continue to fully guarantee bank deposits without any limits until the end of 2010, reflecting the solid financial position of the local banking sector. Furthermore, the CBJ continued to boost its foreign currency reserves which touched a record USD10.9 billion (JD7.7 billion) end of 2009, up JD2.3 billion or 41.5% from a year earlier. Domestic liquidity, in the meantime, surged by 9.3% year-on-year to JD20,013.3 million.

Banks' deposits also jumped by JD2,195.8 million or 12.1% compared with 2008 to stand at JD20,298.4 million as deposits in the Jordanian dinar rose by 18.9% to JD15,865 million while those in foreign currency retracted by 6.8% to JD4,433.4 million. This reflects higher demand for the Jordanian dinar by both individual and corporate investors to benefit from the interest-rate differentials.

Credit facilities recorded a slight increase of 2.1% to JD13,317.2 million affected by the slowdown and recession due to lower internal and external demand for goods and services and after banks revisited their investment portfolios. By sector, it is clear that the general trade sector accounted for the biggest share of credit at 24%, followed by the construction sector whose share stood at 19.4%. Banks' assets also continued to grow, reaching JD31,956.9 million, up 7.3% compared to their balance in 2008.



Interest rates on deposits declined in 2009, with the weighted average interest rate on demand deposits standing at 0.67%, 0.84% on saving deposits and 4.23% on time deposits at a year-on-year retraction of 34, 20, and 143 basis points respectively.

The weighted average interest on credit facilities varied among banks although the CBJ had lowered interest on monetary instruments in a bid to stimulate economic activity. The weighted average interest on overdrafts stood at 9.03%, down 28 basis points, and on loans and advances it went down 41 basis points to 9.07%. On discounted bills, the rate rose by 28 basis points reaching 9.17% when compared to the previous year.

Amman Stock Exchange (ASE):

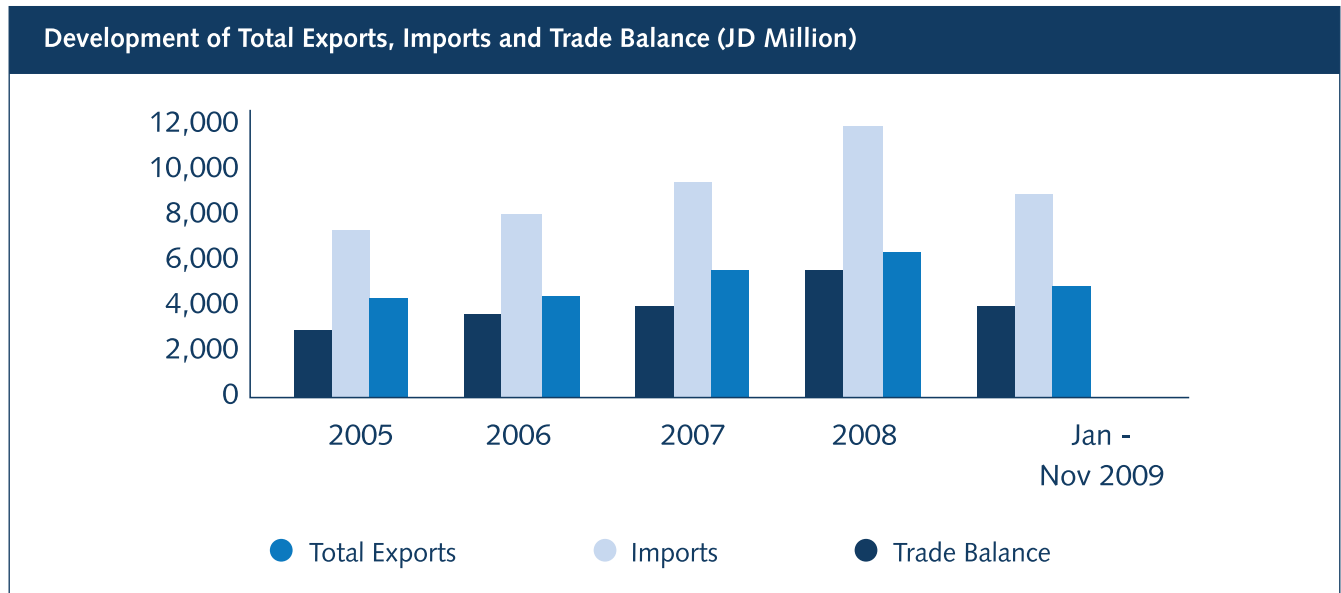
The bourse continued its downward trend it started in the second half of 2008, with market capitalization falling by 11% to JD22.6 billion at the end of 2009, and the General Price Index descending by 11.6% to 5520.1 points versus 6243.1 points at the end of 2008. Market capitalization to GDP plunged by 150% at the end of 2009 compared to 216.7% at the end of 2008. The total trading value fell by a whopping JD10 billion (or 52.4%) year-on-year, settling at JD9.7 billion. Net outflow of non-Jordanian investment stood at JD3.8 million in 2009 against a net inflow amounting to JD310 million in 2008. Thus, the share of non-Jordanians in listed companies constituted 48.9% of total market value.

External Trade:

The recession and economic slowdown that hit most of Jordan's trade partners in 2009 and the consequent drop in international demand for goods and services had a negative impact on the external trade figures for the year. External trade (national exports and imports) fell by JD3,013 million or 19.7% year-to-November to JD12,309.6 million compared with the corresponding period of 2008. National exports declined by JD839.6 million or 20.6% to JD3,232 million from JD4,071.6 million during the period of comparison.

The US was the largest market for Jordanian exports, accounting for 17.4% of the total, followed by the Iraqi market with 17.1% of the total.

Likewise, the Kingdom's imports plunged by JD2,173.4 million or 19.3% to JD9,077.6 million in the first eleven months of 2009. Imports from the Saudi market accounted for 17.7% of total imports, and China came in second with around 10.8% of the total. Based on the above, the trade deficit narrowed to JD4,979.2 million, down 17.9% compared to the January-November period of 2008.



Economic Outlook for 2010:

International and local studies expect the Jordanian economy to pick up modestly in 2010 as it will still be affected by the global downturn. According to the IMF, growth is estimated at 4% in 2010 compared with a 2.8% growth in 2009. In the meantime, the Consumer Price Index is projected to rise by 4% against -0.7% in 2009. As for monetary policy, the CBJ is expected to continue to build up its foreign currency reserves, maintaining the levels realized in 2009.

With signs of gradual global economic recovery, both exports and imports are projected to increase in 2010. The slowly-rising global demand for goods and services will result in higher exports, but they will not likely reach the levels registered before 2009, according to estimates. Jordan's imports' bill, on the other hand, will also rise as demand for energy and basic goods to fuel growth in industrial countries will boost energy prices.

The Jordanian banking sector remains sound and is expected to post higher results in 2010 on the projected economic recovery. The sector is also banking on the high liquidity and capitalization ratios maintained during the time of the credit crunch. The ratio of liquidity stood at 155.6% end of the first half of 2009 and the capital adequacy ratio stood at 19.3%, higher than the 12% minimum set by the CBJ and the 8% minimum set by the Basel II Committee. Furthermore, the ratio of non-performing loans to total debt was as low as 6.4% end of June 2009, lower than their levels a few years back when the ratio exceeded 10%.



Achievements in 2009



Despite the global credit crunch and its consequences on the banking industry and the domestic economy in general, Bank of Jordan managed to deliver solid results in 2009. Although net gains declined from their record levels in 2008, the Bank's main macro indicators remained strong and the non-performing loans to total credit ratio was under control.

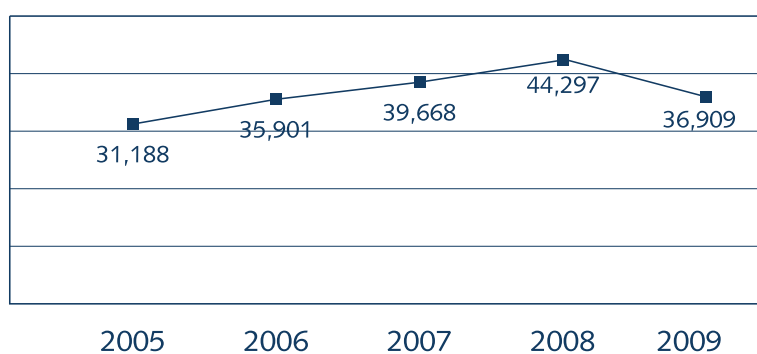
The bank also continued to implement a number of strategic plans across its scope of operations in efforts to enhance the level of service and expand client base. This has reflected positively on the financial performance and helped achieve the target growth targets.

Financial Results:

With high capital adequacy and liquidity ratios of 13.72% and 160% respectively, Bank of Jordan managed to weather the troubled market conditions in 2009. In addition, the bank's vigilant credit policy helped lower the non-performing loans to total credit ratio to 7.7% compared to 10% (standard international ratio).

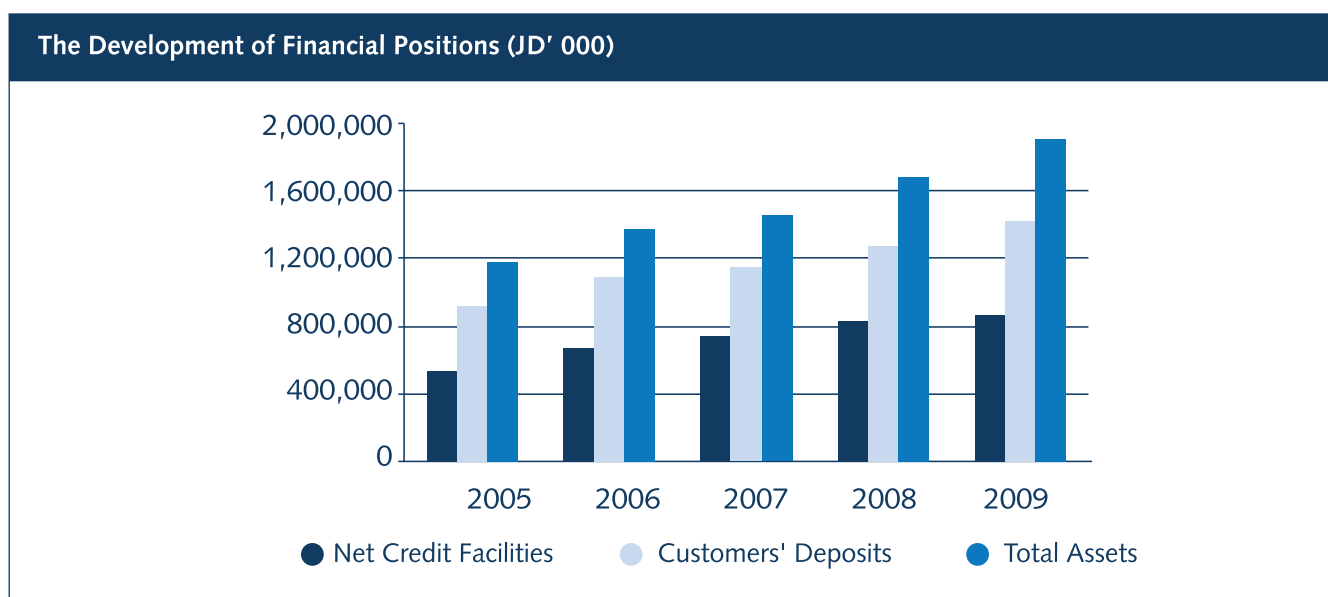
Net profits after taxes and provisions amounted to JD25.4 million against JD32.9 million in 2008, and profits before taxes fell by 16.7% to JD36.9 million versus JD44.3 million in 2008. Assets, however, grew by 13.2% to JD1,908 million and shareholders' equity jumped by 7.3% to JD192.7 million.

Net Profit Before Deducting Taxes (JD' 000)



As for sources of funding, the 2009 figures indicated that customers' deposits rose by 11.1% to JD1,418 million from a year earlier, driven by a 21.1% growth in saving deposits to JD405.5 million and a 9.5% growth in time deposits to JD616.8 million. Demand deposits also rose by 14.3% to JD333.6 million.

On the credit side, the bank continued to provide financing for projects in the various economic sectors in spite of the general slowdown that followed the crisis. Net credit facilities rose by 4.6% in 2009 to JD864.7 million which chiefly came on a 19.1% increase in loans extended to large corporate customers to JD422.9 million. A 20.1% increase in loans to SMEs to JD105.6 million had also contributed to the rise.



The income statement showed a 6.7% drop in total income to JD84.5 million as the bank adopted a conservative policy in dealing with the prevailing economic challenges.

Net interest and commissions income was unchanged year-on-year at JD78.6 million despite an 11.1% growth in customers' deposits. This is attributed to higher efficiency in managing interest margins, paid and received. Furthermore, foreign currencies income surged by 32% to JD2.8 million.

Expenditure, in the meantime, rose by 2.8% totaling JD47.6 million to cover expenses related to expansion and growth.

Competitive Position:

Once again, Bank of Jordan was in a leading position in the local market in terms of assets, deposits, credit facilities, adequacy ratios and revenues. Recent figures show that the bank secured a market share of 5% of total deposits and 5.9% of total credit facilities. The bank's share stood at 12.3% and 12.5% of total deposits and credit extended by Jordanian banks operating in the Palestinian market. With less than 14 months in the Syrian market, Bank of Jordan - Syria was able to clinch a share of 1.3% of total deposits and 3.3% of total credit facilities.

Corporate Governance:

Realizing that good corporate governance is the key to success, Bank of Jordan has adopted a Corporate Governance Code which complies with the Central Bank of Jordan's recommendations and international best practices recommended by the Basel Committee. The code also conforms to the Corporate Governance Code for banks in Jordan. It is worth noting that Bank of Jordan also adheres to the regulatory requirements and guidelines in other countries where it operates when applying corporate governance principles.

The bank revises, upgrades and modifies this guide from time to time and whenever it is deemed necessary in order to keep up with the changes related to its needs and expectations as well as with the changes in the banking market.

To highlight this effort, the bank published an updated copy of the code on a CD attached to the annual report (Arabic version). Furthermore, the annual report contains an account to the public about the extent of the bank management's adherence to the articles of the code according to the parts included in the guide.

Pivot One (Board of Directors)

- Chairman of the Board:

Instructions 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 position.
2. There should be no kinship between the Chairman of the Board (president) and the General Manager, up to the third level.
3. Separation in duties between the Chairman of the Board and the General Manager according to written instructions approved by the Board and revised when necessary.
4. In the case of Executive Chairman, the bank should appoint an independent member of the Board as a deputy Chairman to act as an independent resource and conduit for shareholders. Executive Chairman has to have a full-time job in the bank.
5. The status of the Chairman (whether executive or non-executive) is publicly disclosed.
6. The role of the Chairman of the Board:
 - The Chairman promotes a constructive relationship between the Board and the bank's senior management, and between the executive directors and the non-executive directors.
 - The Chairman promotes culture in the boardroom that encourages constructive criticism and alternative views on certain issues under consideration, and encourages discussion and voting on these issues.
 - The Chairman ensures that directors receive adequate and timely information.
 - The Chairman ensures that the bank's shareholders receive adequate and timely information.
 - The Chairman ensures high standard of corporate governance by the bank.

In accordance with the bank's policies that aim to meet the requirements of the Corporate Governance Code for Bank of Jordan which was drafted according to the directives of the Central Bank of Jordan, the bank works on meeting all the requirements in accordance with the bank's interests, the Jordanian banking system environment and the legislative frameworks regulating the bank's operations. Noting that the Chairman of the Board/General Manager is an Executive Chairman and the Vice Chairman of the Board is independent.

- Board of Directors:

While the Executive Management is responsible for running the 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 of the bank is comprised of 11 members who are elected by the general assembly for a four-year term. The board members should have high expertise that qualifies them to pass objective judgments during board meetings. The Chairman is elected by the members of the Board.

Thus, a new Board was elected by the general assembly on 7/3/2009 for a four-year term. The board convened 8 times during 2009. The board has a specific agenda in each meeting, and the minutes of meetings are officially documented by the board secretary.

The names of the Board Members appear on page (5) of the annual report.

As per the Corporate Governance Code, five committees stem from the Board of Directors to ease implementation of responsibilities.

The committees are: the Audit Committee, the Corporate Governance Committee, the Nominations and Remuneration Committee, the Risk Management Committee and the Executive Committee.

- The Audit Committee:

Three non – executive Board members were elected to form the Audit Committee. The Corporate Governance Code defines the tasks and authorities of the committee. It also grants the Audit Committee the right to acquire any information from the Executive Management, in addition to the right to ask any executive staff or board member to attend its meetings.

The Audit Committee consists of:

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Head of the Committee
Mr. Jan Joseph Shamoun	Member
Mr. Haitham Abu Naser Al Mufti	Member
Mr. Saleh Rajab Hammad	Board Secretary/Committee Repertoire

The Audit Committee held 14 meetings in 2009.

The Committee's responsibilities include the following:

1. Reviewing amendments made to accounting policies and implements a commitment to apply international accounting standards.
2. Reviewing the bank's internal control systems.
3. Reviewing accounting issues that are intrinsic to the financial statements.
4. Monitoring internal auditing in the bank.
5. Assessing the comprehensiveness and objectivity of the external auditor.
6. Ensuring the accuracy of accounting and control procedures and the extent of compliance therewith.
7. Reviewing notes mentioned in the CBJ and the external auditor's reports, and following up on related procedures.
8. Reviewing financial reports and data referred to the Board of Directors, especially those related to the CBJ instructions (ensuring that sufficient provisions have been allocated against doubtful loans, and giving opinion regarding the bank's non - performing loans or which could be classified as bad debts).
9. Examining the annual internal audit plan, reviewing notes mentioned in the inspection reports, and following up on related procedures.
10. Looking into any issue referred by the Board of Directors or any other issue deemed necessary for discussion or expressing opinion about.
11. The audit committee shall meet the bank's external auditor, the manager of the internal audit department, and the compliance manager at least once a year. Executive managers shall not attend these meetings.
12. Ensuring that the bank's general policies are in line with applicable laws and regulations and ensure compliance therewith.
13. Ensuring that the bank has adopted a framework for professional practices.
14. Ensuring that the bank has a comprehensive internal control system and constantly improve it, and whenever necessary.
15. Reviewing reports on violations (violation of laws, bylaws, regulations, abuse of office) and putting in place the necessary mechanisms to avoid such violations.
16. Recommending to the Board the appointment or the removal, the remuneration, and the other contractual terms of the external auditor.
17. Ensures that there is no conflict of interest that might arise in case the bank signs business deals or contracts or becomes a partner in projects with related parties.
18. Reviewing any potential business agreement between the related parties and the bank and submitting recommendations to the Board about such deals before concluding them.

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 Committee:

Four Board Members were elected to serve on the Corporate Governance Committee which is chaired by the Board Chairman/General Manager, as follows:

Mr. Shaker Tawfiq Fakhouri	CEO/General Manager – Head of the Committee
Dr. Mazen Mohammed Al-Bashir	Member
Mr. Bader G. Al Zahrani	Member
Mr. Jan Joseph Shamoun	Member
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Repertoire

The Corporate Governance Committee held three meetings during the year 2009.

Among the Committee's responsibilities are:

1. Prepare and review the Corporate Governance Code of the bank as per the laws and legislations regulating the bank's operations.
2. Define proper measures to ensure adherence to the Corporate Governance Code items.
3. Conduct an annual review of the Corporate Governance Code and ensure that it is being properly published.
4. The Committee should review on an annual basis the bank's compliance with the Corporate Governance Code and report the results to the Board and the concerned parties.
5. Follow up on any developments related to this issue.

- The Risk Management Committee:

The committee comprises of three members of the Board in order to manage and deal with all kinds of risks that face the bank's operations.

The Risk Management Committee consists of:

Mr. Shaker Tawfiq Fakhouri	CEO/General Manager-Head of the Committee
Dr. Mazen Mohammed A-Bashir	Member
Mr. Jan Joseph Shamoun	Member
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Repertoire

The Risk Management Committee held six meetings during 2009.

The Risk Management Committee's responsibilities include the following:

1. Reviewing risk management policies and strategies including (credit risks, market risks, operational risks, liquidity risks, credit concentration risks, interest rate risks, etc.) before submitting them to the Board for approval.
2. Define strategies and methods to alleviate risks in accordance to the control requirements to limit the effects of the risks on the bank's financial safety and stability.
3. The executive management is responsible for implementing the aforementioned policies and strategies under the supervision of the risk management committee.
4. Reviewing and possibly amending the executive management remarks/suggestions regarding the structure and development of the risk management department before submitting them to the Board for approval.
5. The bank considers that the rapid development and increasing complexity of risk management requires that the Risk Management Committee keep fully informed of the developments in the bank's risk management functions. Accordingly, the Committee makes regular reports to the full Board Members.
6. Acquires information about any issue related to its responsibilities.

- The Executive Committee:

The Executive Committee was elected from five Board Members and consists of:

Dr. Abdel Rahman Samih Toukan	Head of the Committee
Mr. Walid Tawfiq Fakhouri	Member
Dr. Mazen Mohammed Al-Bashir	Member
Dr. Yanal Mawloud Naghouj	Member
Mr. Haitham Mohammed Samih Barakat	Member
Mr. Mohammad Ahmad Odeh	Committee's Repertoire/Facilities Committee's Repertoire

The Executive Committee held 51 meetings in 2009.

The Executive Committee's responsibilities include the following:

- Approving credit applications that exceed the authority of executive management.
- Reviewing decisions related to dues, settlements, debt rescheduling, and exemptions that have been approved by the CEO/General Manager.
- Sanctioning decisions for selling repossessed property.
- Approving investment transactions that exceed the authorities of the executive management.

- The Nominations and Remuneration Committee:

The election of the three members of this committee was from the non-executive members of the Board. Most of those, including the Committee Chairman, are independent members.

The Nominations and Remuneration Committee consists of:

Dr. Mazen Mohammed Al-Bashir	Head of the Committee
Mr. Yahya Zakariya Al-Kadamani	Member
Dr. Yanal Mawloud Naghouj	Member
Mr. Saleh Rajab Hammad	Board Secretary/Committee's Repertoire

The Nominations and Remuneration Committee held 6 meetings in 2009.

The Nominations and Remuneration Committee's responsibilities include the following:

1. Providing the Board with background briefing material on vital issues related to the bank upon request, and ensuring that board members are kept up to date on relevant banking topics.
2. Conducting objective and regular (bi-annual) evaluation on the effectiveness of the Board based on specific criteria, including comparison with other banks and similar financial institutions. The committee shall also assess the soundness of financial statements and compliance with regulatory requirements.
3. Ensuring the independence of the independent board members in line with the guidelines set out in this Code.
4. Recommending to the Board the remuneration (including monthly salary and other benefits) of the general manager. The Remuneration Committee also reviews the remunerations (including salaries) of other senior executive managers.
5. Ensuring that the bank has a remuneration policy, which guarantees that benefits/salaries are attractive enough to lure and retain qualified individuals and that they are similar to benefits/salaries paid by peers in the local market.
6. Ensuring that a summary of the bank's remuneration policy is disclosed in the annual report, mainly the remuneration of each Board member and the highest salaries paid during the year to executive managers who are not Board members.
7. Nominating Board members and duly considering candidates' abilities and qualifications. For re-nomination, the attendance of members and their effectiveness and participation in Board meetings shall be considered.
8. Ensuring that the bank's senior management is staffed by highly professional individuals.
9. Putting in place a selection criteria for the executive management.

- The Board Secretary:

The significance of the meeting's minutes to the bank, shareholders and control authorities, arise from the permanent record that reflects the work and decisions of the Board and the committees emanating from it throughout the bank's operational history.

Given the vital role of the board secretary, it has been decided to appoint Mr. Saleh Rajab Hammad/executive manager/ the Compliance and Risk Department as board secretary, the duties and responsibilities of whom has been defined in the bank's Corporate Governance Code.

- Conflict of Interest:

The Board of Directors emphasized in the bank's Corporate Governance Code that each member of the board has to specify his relationship with the bank, disclose the nature of this connection, avoid conflict of interests, and abide by the essence 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.

Pivot Two (Planning and Formulation Policy)

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.

Pivot Three (Control Environment)

The Board of Directors undertakes responsibility to adopt the 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 that 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. Prepares 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. Prepares internal auditing procedures that conform to the new organization of the bank.
- c. The internal audit administration is keen to prepare an annual audit plan 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. Prepares an annual report about the adequacy of internal control systems in order to eliminate risks, and submitting suitable recommendations to rectify weaknesses.
- e. The internal audit administration seeks to furnish the department with employees possessing high academic qualifications and appropriate practical experience to audit all activities and operations. This process should include qualified cadres to assess data security and IT risks.
- f. Follows-up on violations and remarks stated in the reports of supervisory authorities and the external auditor and ensuring that they are addressed and that the executive management has adequate controls to ensure such violations are not repeated.
- g. Ensures that necessary procedures are in place to receive, process, and keep customer's 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. Keeps audit reports and sheets in a safe and organized manner for a period that conforms with applicable laws and regulations so that they can be examined by the regulatory authorities and the external auditor.
- i. Reviews the reporting procedures in the bank to ensure that key information about financial, administrative and operational matters are accurate, reliable and timely.
- j. Ensures compliance with the bank's internal policies, the international standards as well as the related laws and instructions.
- k. The internal audit administration submits its 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 opinion about the fairness of these statements and the extent to which they mirror the actual reality during a certain period. When dealing with external audit firms, the Board of Directors has to consider the bank's interest and the professionalism of the firms, keeping in mind the importance of regular audit rotations and the previous experiences with such offices.

3. Risk Management:

The management of Bank of Jordan paid special attention to Basel II requirements, considering them a framework to reinforce and enhance the bank's capability for upgrading the control environment and facing various types of risks.

To implement these requirements, practical steps were taken such as establishing administrations 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 (Corporate Credit Review Department/Commercial Credit Review Department, Retail Credit Review Department and Credit Review Department for branches in Palestine). Furthermore, the bank has updated and developed policies and procedures related to risk management aimed at ensuring credit quality. In addition, the Reveleus System for calculating the capital adequacy ratio will be implemented as of 1/1/2010 after the completion of the system's requirements.

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 the creation of a database for operational errors.

Moreover, the bank formed a committee for risk management at the executive management level. This committee was 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 Administration functions within the following general framework:

- a. The bank's risk administration submits periodic reports to the executive risk management committee whereas daily operations are referred to the general manager.
- b. The risk administration 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 risk, market risk, liquidity risk and operational risk.
 - Developing methodologies for measuring and controlling all types of risks.
 - Recommending risk limits and approvals to the executive risk management committee besides submitting reports and exceptions 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 reviews regularly the bank's qualitative and quantitative risk statistics.

- Approving 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 those of credit, assets, and liabilities' management/Treasury, and operational risk committees are assisting the risk administration in performing its tasks in accordance with the authorities defined for these committees.
- d. Information about risk management in terms of its structure, nature of operations and progress has to be incorporated in the bank's annual report.
- e. The risk management committee shall provide information about the risks facing the bank for disclosure and publication to the public.

4. Compliance:

In accordance to the bank's commitment with the Basel II requirements, the Compliance Department was established to assume tasks of supervision of commitments with laws, ethical regulations, legislations and standards, defined by different supervising authorities and the bank's internal policies. Qualified Human Resources and Automatic Systems were provided to the Departments.

On the Compliance Department, all laws and regulations regarding 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 anti-money laundering law no. (46) for the year 2007.

The Compliance Department has the following responsibilities:

- a. Drawing up the compliance policy, improve and review 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 bank's compliance with effective laws and legislations, in addition to any related instructions.
- d. Submitting its periodic (bi-annual) reports on its work and on compliance of the bank's departments and employees to the executive risk-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.

5. Financial Reports

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

1. Preparing financial reports according to International Accounting Standards.
2. Presenting the reports for the Board Members at each regular meeting.
3. Publishing financial data every three months.
4. 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.

Pivot 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 once 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 each shareholder holds.

Pivot 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, activities, as well as risks facing the bank and the risk management policies. Therefore, the bank has disclosed all necessary information in its annual report along with the Corporate Governance Code and details of compliance therewith principles.

Products and Services:

With a long-term strategy aimed at further expansion of the current client base and reaching out to new customers, the bank continued to develop an array of services and products. To do so, the bank has tasked its team of professional market experts to identify client needs, be they individual, or corporate investors, and look for means to enhance service delivery and increase customer satisfaction.

Retail Services:

As part of plans to improve retail services, the bank has created special units tasked with developing and diversifying product lines, improving their quality, in addition to a quality control department.

Moreover, several products have been developed and changes were made to existing programs including the "Mubarak" car loan program, and "Al-Hal" personal loan program to cater to the needs of this sector. The "Spring Campaign" program for financing brand new cars was also added. In the Palestinian market, a new personal loan program was designed to meet the needs of this competitive market. Furthermore, a new prize was added to the list of the "Saving Account" prizes (under which the depositor could win 25 times his balance, up to JD125,000 maximum).

To boost direct sales to customers, the bank began implementing the new sales incentives program for all employees, whether they are stationed in branches or direct points of sales.

Giving great attention to customer satisfaction and feedback, a new mechanism has been put in place to handle customer complaints. Liaison officers have also been appointed in several units in the headquarters to deal with any potential inconvenience. A work program to evaluate services in branches is now running, and service quality guidelines have been introduced. Another set of standards related to VIPs has been compiled in 2009 ahead of launching the VIP service.

Corporate Services:

Despite a sluggish economic performance in 2009, the bank continued to extend loans to finance feasible projects in the industrial, trade, communications, IT and other sectors. The bank also financed pioneering trading companies specialized in food products, cars, tires, oil derivatives, heavy machinery, metals and medical supplies.

Furthermore, the bank arranged a number of syndicated loans worth JD45 million in 2009 to finance the execution of mega projects including the construction of commercial, academic and industrial complexes. The bank was also a subscriber to a bonds issue worth JD17.3 million for a group of companies.

SMEs Services:

Realizing the role of SMEs in spurring growth, the bank spared no effort to provide the highest level of service to this segment through specialized centers across the Kingdom. The bank also provided short and long term financing to enterprises operating in the fields of trading, manufacturing and services, in addition to financing fixed assets and machinery through financial leasing.

On the other hand, the bank conducted a comprehensive review of its SMEs credit portfolio to ensure sufficient collateral is being obtained and that data related to those accounts is being updated regularly. Those accounts have also been reclassified according to the CBJ instructions.

Financial Leasing Services:

Financial leasing is another financing option the bank is keen to offer in response to the needs of a large group of clients who opt for non-traditional financing methods. This type of financing covers the purchase of fixed assets, i.e. production lines, trucks, buses, equipment and machinery.

In addition, a new financial leasing bylaw has been prepared covering all aspects of this service including work procedures, identifying potential risks and marketing strategies. The underlined goal is to diversify the sources of income by boosting financial leasing revenues.

Network of Branches:

In 2009, the bank prepared a five-year modernization and expansion strategy and allocations have been earmarked to cover related expenses.

In due course, three branches, in the capital and the governorates of Zarqa and Irbid were relocated to new sites. Likewise, Excel for Financial Investments, a company fully-owned by Bank of Jordan, moved to its new headquarters. Furthermore, new branches are scheduled to open in 2010 around the capital. Bank of Jordan-Syria is also expanding in the Syrian market. In less than 14 months of operation, the number of branches reached seven in 2009, with the opening of two new branches in the city of Aleppo in addition to those in Harasta/Damascus Suburban, Sahnaya/Damascus, Hums and Lattakia.

In another related development, the bank installed security surveillance cameras in strategic locations at the bank's headquarters in order to maximize the level of security.

Electronic Banking Options:

The bank's electronic options have widened to include IVR, online banking, mobile banking and SMS banking. Cash depositing via ATMs is now available and additional options such as transferring money from one account to another and depositing in another person's account will be available in 2010. It is worth noting that the number of ATMs in Jordan and Palestine reached 118, with more to be set up in 2010. The bank has also installed special security devices across 60 ATM locations around the Kingdom and started using the smart chip card in credit and visa electron cards in order to protect customers against fraud, theft or loss of their cards.

In a bid to increase sales and enhance quality control and customer communications, the Call Center and the new IVR systems have been completed in 2009.

It is worth noting that Bank of Jordan website, launched in 2009, won the gold award in the Jordan Web Awards Competition in 2009 - banks and insurance category. The award came in recognition of the comprehensive set of data posted, easy accessibility to services and for the software used in building the website.

Technical Resources and Organizational Structure:

The year 2009 witnessed further investments in delivery and operational systems which allowed for additional cost cuts and helped streamline processes. The bank has also prepared a new organizational structure and job-description criteria, which will also apply to branches in Palestine, and has issued a manual detailing the delegation of authorities' policy.

Above and beyond, a specialized unit was set up to manage the Swift system in order to control and modernize the system, boost its efficiency and ensure provision of service. Likewise, work has begun on restructuring the financial department to enhance financial control and re-assign tasks.

Additionally, the bank announced changes to its lending policy and revisited the work flow of the credit applications in line with the principle of separating the sales and marketing operations on the one hand, and approving credit transactions on the other hand.

At the technical level, Bank of Jordan continued to apply the Data Warehouse system. The system facilitates the preparation of estimated budgets for all departments and reports that support decision making.

In compliance with requirements of regulatory authorities, automated systems for calculating provisions and classifying accounts according to due dates has been implemented. The first stage of preparing CBJ reports electronically has also been completed. Furthermore, a new centralized database for Palestinian branches has been launched and some operations in branches have been centralized.

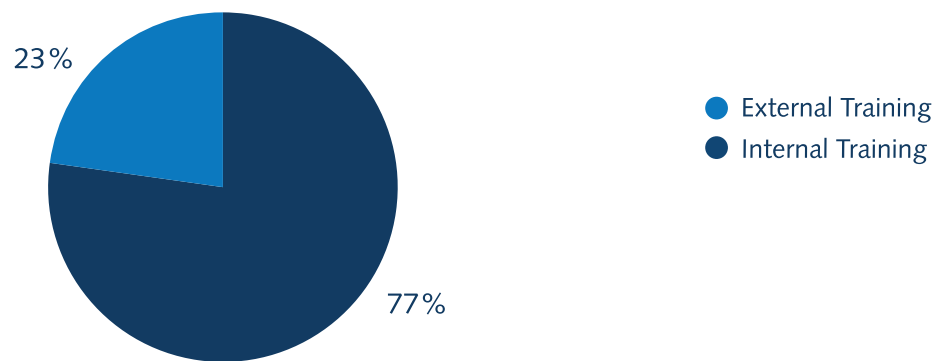
Moving to risk management and compliance, the first experimental stage of applying the new electronic system for calculating capital adequacy in line with the Basel II requirements was implemented. A consultative firm was also contracted to implement the electronic system for combating anti-money laundering, and efforts continued to enhance corporate governance and compliance with laws and regulations.

During the course of 2010, the bank will continue to conduct a comprehensive review of operations in order to reduce cost, avoid duplication and enhance customer satisfaction. The bank will also work on increasing the efficiency of the communication network between the branches and the headquarters.

Human Resources:

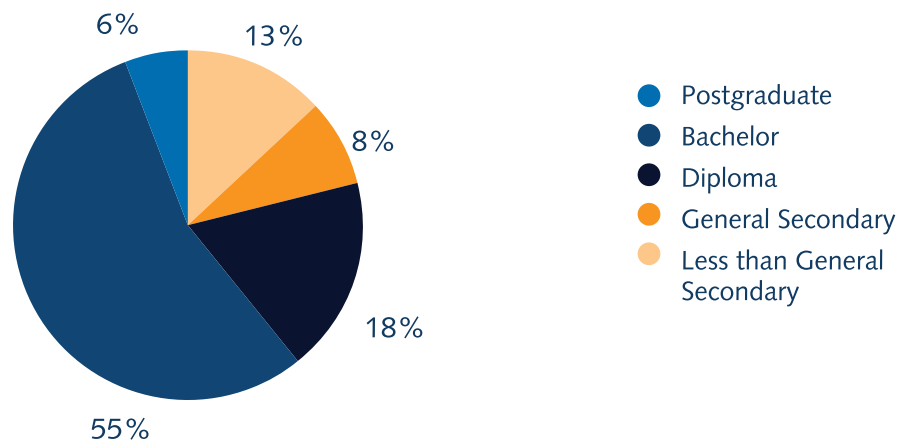
Investing in human resources continues to be a priority. In 2009, a total of 5,000 training opportunities provided through 386 training courses were held inside and outside the bank. Those courses were designed based on the training needs of employees. In addition, the bank completed the first phase of the performance enhancing project and rewarded top performers.

Training Courses Distribution During 2009



In another development, the bank has relocated employees to new posts whether in the same branch or other branches after the large-scale restructuring of departments and expansion of work. In addition, the bank recruited 295 employees in 2009, bringing the number of employees to 1,797 employees.

Classification of Bank's Employees According to Educational Qualifications



Corporate Social Responsibility and the Environment:

Since its establishment 49 years ago, Bank of Jordan has been keen to pay back the local community as it continued to support various scientific, cultural, sports and social initiatives. In the field of education, which was a priority sector in 2009, the bank signed a two-year partnership with Hikayat Simsim, the Jordanian version of the international "Sesame Street" series. The agreement will ensure the creation and distribution of educational messages to children aged between 4-7 years.

The bank also sponsored the Month of Jordan celebrations organized by the Children Museum in May on the occasion of the Independence and Labor days. Added to that, it supported Al-Araqam School under the Madrasati initiative that was launched by Her Majesty Queen Rania in April 2008 aimed at enhancing the education environment and communication in schools. Bank of Jordan also provided training opportunities to around 263 college and university students. Furthermore, the bank participated in several charitable projects organized in Ramadan in coordination with the Jordan Hashemite Fund for Human Development and distributed in kind assistance and school bags to the less advantaged. The bank also supported several charities including the SOS children villages in Amman and Aqaba, and the Disabled Children Society in addition to sponsoring Bank of Jordan's karting team for the third consecutive year.

The bank's total contributions to the local community exceeded JD327 thousand in 2009.



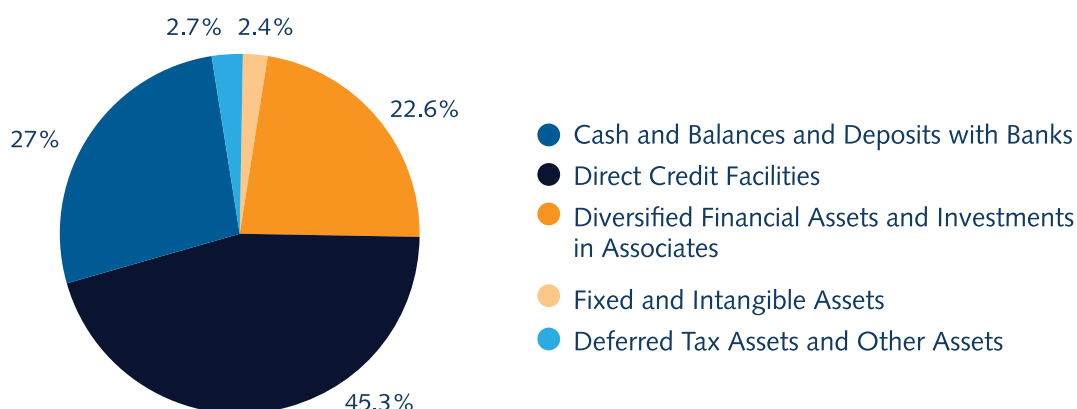
Analysis of Financial Position and Business Results for the Year 2009

The bank's assets rose by 13.2% to JD1,908 million at the end of 2009 against JD1,686 million in 2008 amid persistent efforts to grow shareholders' equity and maximize profitability while avoiding high-risk investments. The bank also continued to provide sufficient liquidity to meet short and long-term financial obligations and to diversify its revenue stream. Such steps helped strengthen the bank's financial position and generate relatively high income despite the unfavorable financial conditions in global markets.

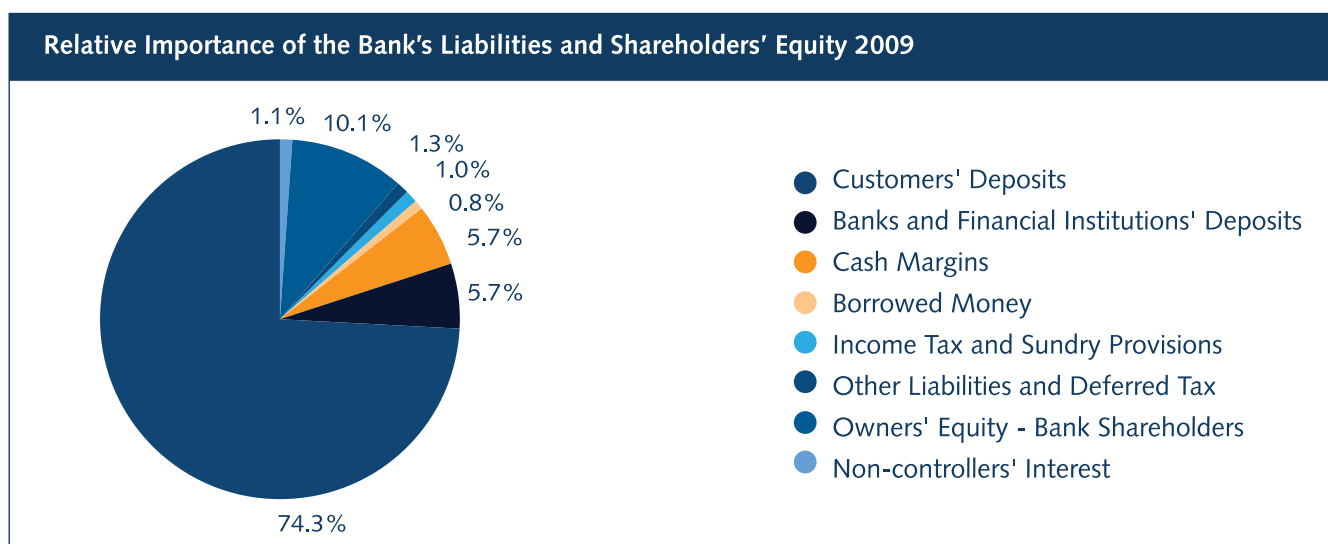
The Relative Importance of the Bank's Financial Position Items in 2009

	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Cash and Balances and Deposits with Banks	515.6	411.7	27.0%	24.4%
Direct Credit Facilities	864.7	826.5	45.3%	49.0%
Diversified Financial Assets and Investments in Associates	431.7	366.5	22.6%	21.7%
Fixed and Intangible Assets	44.8	34.1	2.4%	2.0%
Deferred Tax Assets and Other Assets	51.2	47.2	2.7%	2.9%
Total Assets	1,908.0	1,686.0	100%	100%

Relative Importance of the Bank's Assets



Liabilities and Shareholders' Equity				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Customers' Deposits	1,418	1,276.8	74.3%	75.7%
Banks and Financial Institutions' Deposits	108.3	53.4	5.7%	3.2%
Cash Margins	109.6	97.3	5.7%	5.8%
Borrowed Money	15.0	30.0	0.8%	1.8%
Income Tax and Sundry Provisions	17.9	20.4	1.0%	1.2%
Other Liabilities and Deferred Tax	25.0	16.9	1.3%	1.0%
Owners' Equity - Bank Shareholders	192.7	179.6	10.1%	10.6%
Non-controllers' Interest	21.5	11.6	1.1%	0.7%
Total Liabilities and Owners' Equity	1,908.0	1,686.0	100%	100%



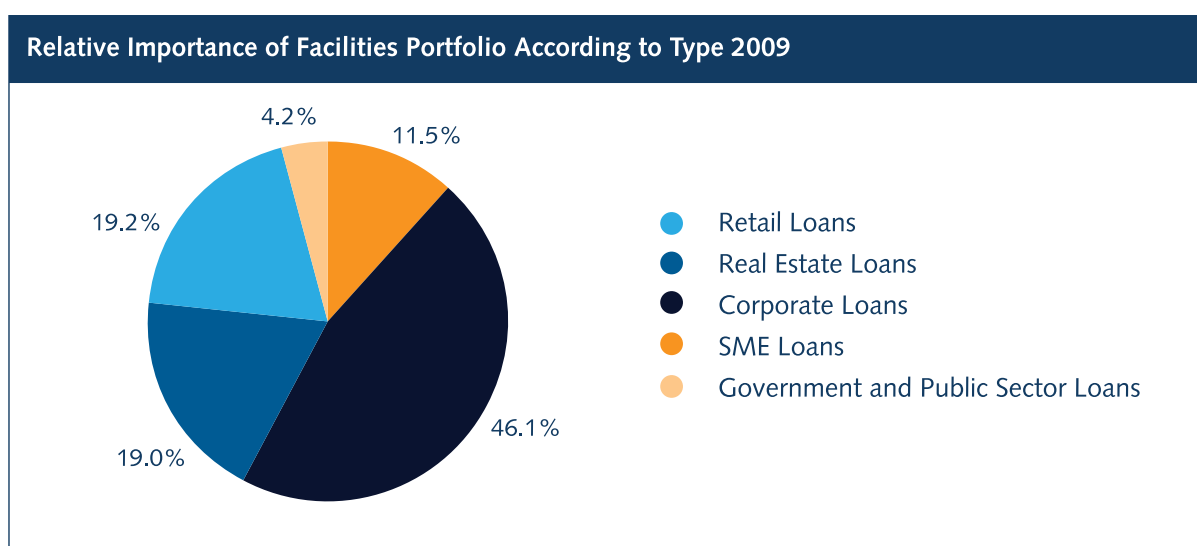
Direct Credit Facilities

Total credit facilities increased by 4.6% or JD40.7 million in 2009 compared to 2008. The growth is mainly attributed to the bank's prudent credit policy implemented under the executive committee's supervision. The policy was backed by solid research of market and credit risks to ensure the quality of the credit portfolio in light of changing interest rates and return on investments. In the meantime, the bank continued to collect dues and troubled debt.

In another positive development, the non-performing loans represented 7.7% of total facilities at the end 2009 as compared to 5.8% in 2008, which is within the average ratio. However, the ratio further goes down to 3.2% in 2009 after excluding provision for impairment of direct credit facilities and collaterals for bad debt.

The bank also continued to extend loans to all categories of customers: retail, large corporate, SMEs and the public sector in a bid to minimize risk and diversify sources of income.

Total Facilities Portfolio According to Type (After Deducting Paid-in-advance Interest and Commission)				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Retail Loans	176.0	202.3	19.2%	23.1%
Real Estate Loans	173.9	191.4	19.0%	21.8%
Corporate Loans	422.9	355.0	46.1%	40.5%
SME Loans	105.6	87.9	11.5%	10.0%
Government and Public Sector Loans	39.0	40.1	4.2%	4.6%
Total	917.4	876.7	100%	100%



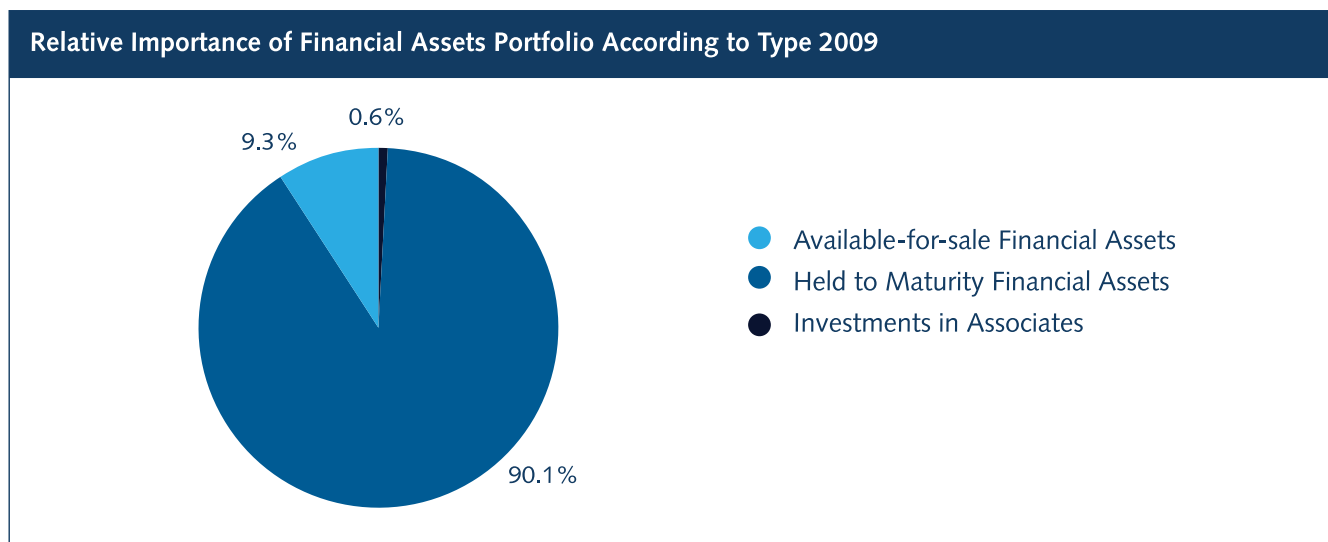
Provision for Impairment of Direct Facilities

The bank has taken the necessary measures to reduce loss exposure. Thus, it has allocated sufficient provisions against doubtful loans, for each loan separately and for the portfolio as a whole. The provisions are in compliance with international accounting standards and monetary requirements, and the external auditor's recommendation. On a single client basis the coverage ratio of provisions for non-performing loans after deducting suspended interest stood at 61.5% in 2009 against 80.3% in 2008. Unneeded provisions, which were re-allocated as provisions for other loans reached JD7.4 million, aside from provisions already allocated which amounted to JD2.6 million. The fair value of collaterals held as security against credit facilities stood at JD433.3 million compared to JD448.8 million in 2008.

Financial Assets Portfolio

The financial assets portfolio soared by 17.8% or JD65.2 million in 2009 as compared to 2008 driven by an increase in risk-free assets which accounted for 90.1% of the total portfolio against 82.6% last year.

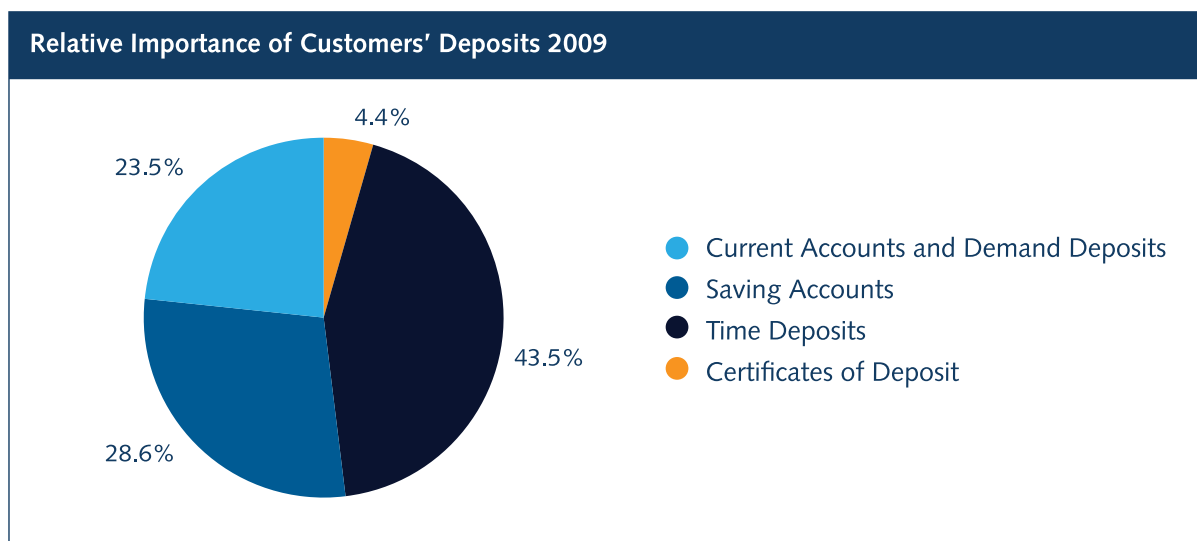
Financial Assets Portfolio Elements and their Relative Importance				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Available-for-sale Financial Assets	40.0	43.0	9.3%	11.7%
Held to Maturity Financial Assets	388.9	302.7	90.1%	82.6%
Mortgaged Financial Assets	-	18.0	-	4.9%
Investments in Associates	2.8	2.8	0.6%	0.8%
Total	431.7	366.5	100%	100%



Customers' Deposits

Customers' deposits recorded an increase of 11.1% to settle at JD1,418 million in 2009 from a year earlier as the bank continued to attract fixed and low cost deposits, promote its "Saving Account" campaign, and grow its depositor base. As a result, saving accounts climbed by 21.1%, time deposits by 9.5%, and current accounts and demand deposits by 14.3% as compared to 2008. In the meantime, CDs declined by 28.4%, while non-interest bearing deposits jumped to JD450.7 million compared to JD312.6 million in 2008.

Customers' Deposits According to Type and Relative Importance				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Current Accounts and Demand Deposits	333.6	292.0	23.5%	22.9%
Saving Accounts	405.5	334.9	28.6%	26.2%
Time Deposits	616.8	563.1	43.5%	44.1%
Certificates of Deposit	62.1	86.8	4.4%	6.8%
Total	1,418.0	1,276.8	100%	100%



Owners' Equity - Bank Shareholders

Shareholders' equity surged to JD192.7 million in 2009 from JD179.6 million in 2008 as statutory reserves rose to JD33.8 million in 2009, up JD4.1 million from 2008 while voluntary reserves stood at JD19.9 million. It is worth noting that the Board of Directors recommended to the general assembly cash dividends of 15% of capital amounting to JD15 million.

Capital Adequacy

The capital adequacy ratio stood at 13.72% in 2009 against 13.37% in 2008 which is higher than the 12% minimum required by the Central Bank of Jordan. It is also higher than the 8% minimum ratio set by the Basel Committee on Banking Supervision. The primary capital adequacy ratio stood at 13.1%.

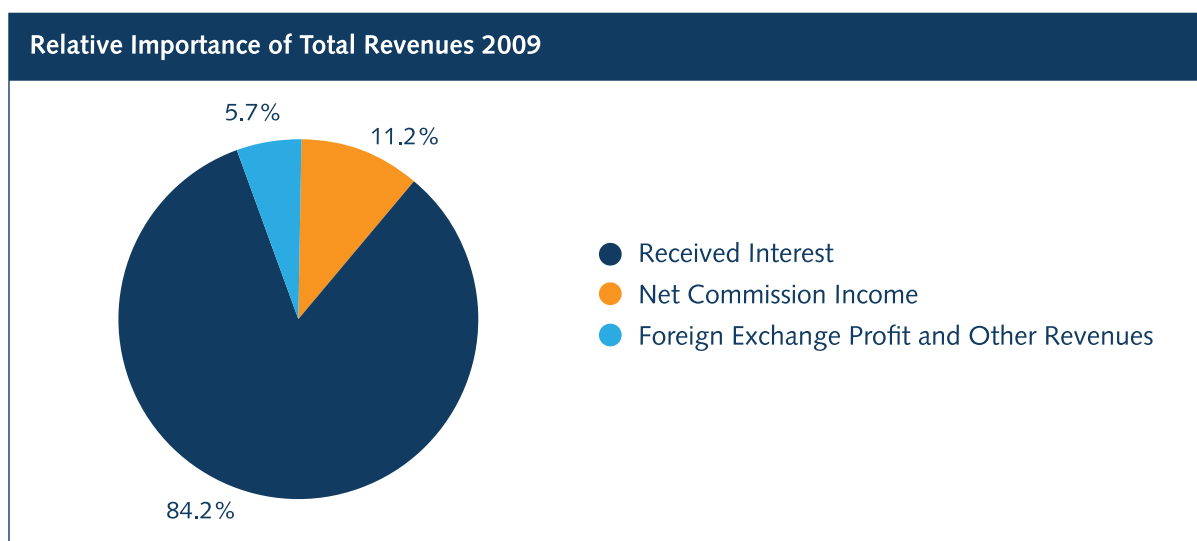
Bank's Financial Results

The bank's total revenues went down to JD125.6 million in 2009 from JD129.2 million in 2008 as total income reached JD84.5 million against JD90.6 million in 2008. Net interest and commission income, in the meantime, was unchanged year-on-year at JD78.7 million, although Bank of Jordan - Syria commenced operations in 2008.

Net profit before taxes and provisions amounted to JD40.7 million in 2009 versus JD50.3 million in 2008. Net profit, after deducting income tax and provision for impairment of direct credit facilities and other provisions reached JD25.4 million against JD32.9 million in 2008.

Net Profit Before and After Taxes and Provisions			
	In JD Million		Difference
	2009	2008	2009
Net Profit Before Taxes and Provisions	40.7	50.3	(9.6)
Provision for Impairment of Direct Credit Facilities	(2.6)	(3.6)	(1.0)
Sundry Provisions	(1.2)	(2.4)	(1.2)
Net Profit Before Tax	36.9	44.3	(7.4)
Paid and Assigned Income Tax	(11.5)	(11.4)	0.1
Net Profit Available After Tax	25.4	32.9	(7.5)

Total Realized Revenues and their Relative Importance				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Received Interest	105.7	103.5	84.2%	80.1%
Net Commission Income	14.1	13.8	11.2%	10.7%
Financial Assets Loss (Shares)	(1.4)	(0.2)	(1.1)%	(0.2)%
Foreign Exchange Profit and Other Revenues	7.2	12.1	5.7%	9.4%
Total	125.6	129.2	100%	100%

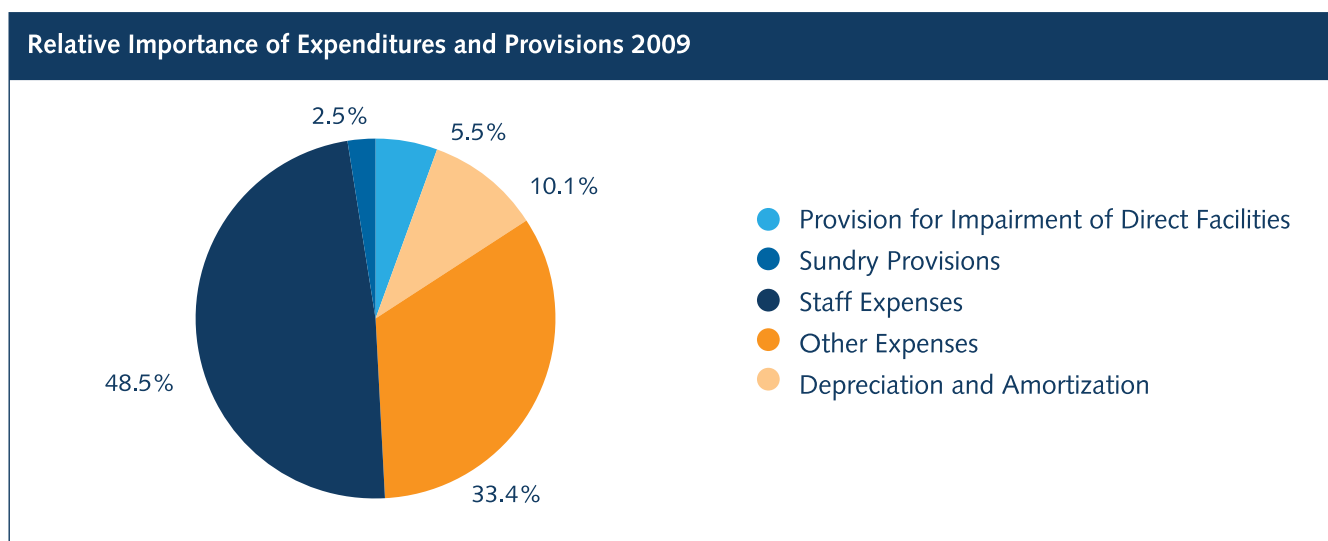


Expenses and Provisions

Total expenses and provisions edged up 2.8% to JD47.6 million in 2009 as compared to 2008. The rise is attributed to a JD1 million drop in the provision for impairment of direct credit facilities and a JD1.2 million decline in sundry provisions. Staff expenses, however, rose by JD2.8 million due to the opening of Bank of Jordan - Syria, annual increments and bonuses, and continued investments in human resource development. Other expenses also saw a growth of JD165 thousand on higher printing and stationery, maintenance, advertising and subscriptions, and rent costs as the bank continued to expand and develop its internal systems and electronic services. Depreciation and amortization registered a year-on-year rise of JD540 thousand.

Salaries and remunerations of the senior executive management amounted to JD1.6 million against JD1.1 million in 2008. Furthermore, Bank of Jordan paid JD114.9 thousand in audit fees in 2009. Audit fees for Bank of Jordan - Syria and Excel Company amounted to JD19.9 thousand and JD5.2 thousand respectively.

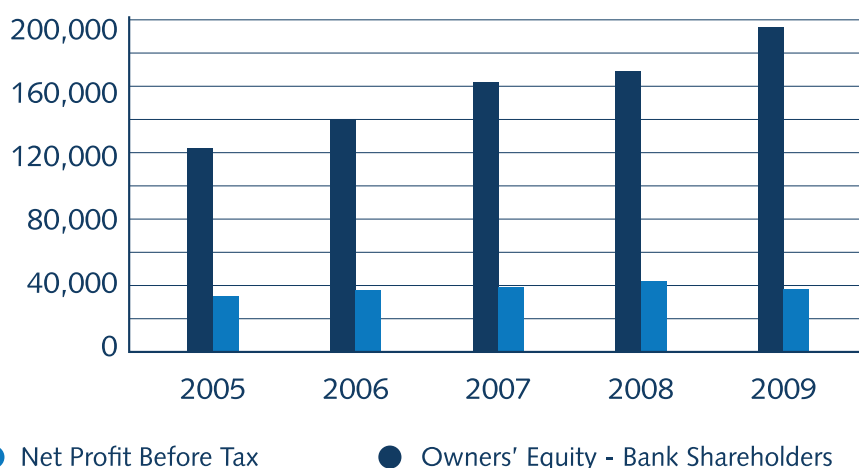
Expenditures and Provisions and their Relative Importance				
	In JD Million		Relative Importance %	
	2009	2008	2009	2008
Provision for Impairment of Direct Facilities	2.6	3.6	5.5%	7.8%
Sundry Provisions	1.2	2.4	2.5%	5.2%
Staff Expenses	23.1	20.4	48.5%	44.0%
Other Expenses	15.9	15.7	33.4%	33.9%
Depreciation and Amortization	4.8	4.2	10.1%	9.1%
Total	47.6	46.3	100%	100%



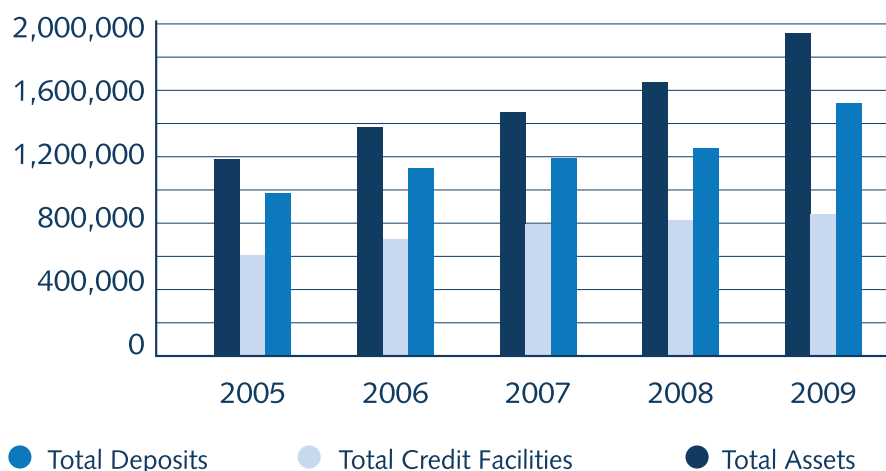
Main Financial Ratios		
	2009	2008
	%	%
Return on Average Shareholders' Equity	13.6%	19.3%
Return on Capital	25.37%	32.86%
Return on Average Assets	1.4%	2.1%
Profitability per Employee	JD 14,117	JD 18,408
Interest Income/Average Assets	5.88%	6.59%
Interest Expense/Average Assets	2.29%	2.46%
Interest Margin/Average Assets	3.59%	4.13%
Coverage of Credit Facilities' Impairment Provision for Non-performing Loans	63.9%	82.5%
Non-performing Loans/Total Credit Facilities	7.7%	5.8%

Financial Indicators (2005 - 2009)	Amount in JD (Thousand)				
Financial Year	2005	2006	2007	2008	2009
Total Assets	1,185,713	1,376,231	1,455,719	1,686,018	1,907,992
Total Credit Facilities	563,830	703,077	787,368	876,692	917,407
Total Deposits	970,501	1,132,168	1,179,523	1,330,230	1,526,392
Owners' Equity - Bank Shareholders	121,557	140,379	161,206	179,604	192,668
Non-controllers' Interest	-	-	-	11,561	21,455
Net Profit Before Tax	31,188	35,901	39,668	44,297	36,909

The Development of Owners' Equity - Bank Shareholders and Profit



The Development of Financial Position



Our Goals for 2010

- Enhancing the bank's solid financial and competitive position and ensuring that financial ratios are within ratios set by local and international regulators.
- Enhancing Bank of Jordan's image as a comprehensive bank that offers an integrated package of banking solutions that caters to the needs of the various clients with a special focus on retail customers. In the meantime, the bank is keen on keeping an accepted level of risk and liquidity when extending loans whether to large corporate customers or SMEs.
- Developing products and services based on identifying clients' needs, launching a host of VIP services and diversifying the electronic banking options.
- Expanding the network of branches and distribution outlets in a bid to reach out to target customers and creating a service-oriented environment that is in line with the bank's corporate identity. The bank will also implement the call center project which would foster interaction with clients and be a valued addition to the list of services.
- Ensuring the bank's adherence to applicable banking laws and regulations and professional codes of conduct issued by supervisory authorities. The bank also intends to develop a risk management strategy and guidelines that would promote corporate governance in compliance with the Basel II requirements.
- Implementing the Reveleus System for calculating capital adequacy ratio and developing a mechanism for applying stress testing ahead of the implementation of the Basel II second Pillar on assessing the ratio. The bank also plans to apply the electronic anti-money laundering system.
- To continue to implement operational and organizational strategies in a bid to avoid duplication and enhance the level of services. Thus, the bank has adopted a new credit strategy and revisited the workflow of the credit applications and completed the delegation of authority manual. A new organizational structure has also been prepared for branches in Palestine.
- Modernizing the bank's systems and launching the electronic archiving scheme which would boost control over retrieved documents and reduce the risk of damage and loss.
- Investing in human resources and skill development through providing the necessary training. The bank also continues to implement its performance improvement project and to award top performers.
- Boosting the bank's role in serving the local community through supporting social, services and educational projects in addition to sponsoring value-added initiatives on the occasion of the bank's 50th anniversary.







Consolidated Financial Statements and Independent Auditor's Report 2009

Independent Auditor's Report

Consolidated Statements of Financial Position

Consolidated Statements of Income

Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Owners' Equity

Consolidated Statements of Cash Flows

Notes to the Consolidated Financial Statements

Independent Auditor's Report

Deloitte

Member of the Deloitte network

Deloitte & Touche

OFFICE

**Trusts Administration
Financial Services
Austria - Vienna**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bank of Austria - Public Administration Limited Company, which consists of its Consolidated Statement of Financial Position as at December 31, 2009, and its Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity, and Consolidated Statement of Cash Flows for the year then ended, and a statement of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These 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 misstatements.

An audit involves performing procedures on a sample basis, which involves the use of judgment and skepticism in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control systems in the bank's properties and the probability of the consolidated financial statements' error, if any, being undetected by the reporting management. In making these risk assessments, we are not responsible for 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 opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of Bank of Austria as of December 31, 2009, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Report on the Legal and Regulatory Requirements

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

The accompanying consolidated financial statements are a true and fair view of the consolidated financial position of Bank of Austria as at the reporting date and of its performance during the year.

Austria - Vienna
January 23, 2010

Deloitte & Touche
Chartered Accountants (WGA) Austria
Deloitte & Touche (WGA)

Consolidated Statements of Financial Position

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan		JD	
	Notes	December 31,	
Assets		2009	2008
Cash and balances with central banks	4	322,356,841	212,394,623
Balances with banks and financial institutions	5	163,790,237	199,262,838
Deposits with banks and financial institutions	6	29,436,468	-
Direct credit facilities	7	864,686,229	826,521,842
Available-for-sale financial assets	8	40,071,540	42,963,431
Held-to-maturity financial assets	9	388,865,434	302,665,209
Mortgaged financial assets	10	-	18,040,152
Investments in associates	11	2,770,665	2,798,028
Fixed assets - net	12	42,536,799	32,274,115
Intangible assets	13	2,215,197	1,841,648
Deferred tax assets	20	7,379,836	6,884,677
Other assets	14	43,882,602	40,371,640
Total Assets		1,907,991,848	1,686,018,203
Liabilities and Owners' Equity			
Liabilities:			
Banks and financial institutions' deposits	15	108,320,353	53,433,921
Customers' deposits	16	1,418,072,024	1,276,796,269
Cash margins	17	109,577,433	97,288,645
Borrowed money	18	15,000,000	30,000,000
Sundry provisions	19	6,345,547	6,921,731
Income tax provision	20	11,579,439	13,516,304
Deferred tax liabilities	20	1,340,593	1,256,107
Other liabilities	21	23,633,395	15,639,541
Total Liabilities		1,693,868,784	1,494,852,518
Owners' Equity			
Paid-up capital	22	100,000,000	100,000,000
Statutory reserve	23	33,822,569	29,715,376
Voluntary reserve	23	19,860,215	11,645,830
General banking risks reserve	23	8,318,914	8,101,687
Foreign currency translation differences	24	(122)	623,826
Cumulative change in fair value	25	3,373,838	1,419,577
Retained earnings	26	27,292,897	28,098,191
Total Owners' Equity - Bank Shareholders		192,668,311	179,604,487
Non - Controllers' Interest		21,454,753	11,561,198
Total Owners' Equity		214,123,064	191,165,685
Total Liabilities and Owners' Equity		1,907,991,848	1,686,018,203

The accompanying notes from 1 to 52 constitute an integral part of these statements and should be read with them.

Consolidated Statements of Income

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan		JD	
	Notes	For the Year Ended December 31,	
		2009	2008
Interest income	28	105,745,432	103,537,988
Interest expense	29	41,193,877	38,642,529
Net Interest Income		<u>64,551,555</u>	<u>64,895,459</u>
Commissions Income - Net	30	14,103,418	13,769,823
Net Interest and Commissions Income		<u>78,654,973</u>	<u>78,665,282</u>
Foreign currencies income	31	2,806,971	2,127,267
Gains arising from held-for-trading financial assets	32	-	1,384,764
(Losses) on sales and dividends from available-for-sale financial assets	33	(1,371,208)	(1,554,347)
Other income	34	4,388,141	9,960,016
Total Income		<u>84,478,877</u>	<u>90,582,982</u>
Employees expenses	35	23,129,031	20,360,325
Depreciation and amortization	13,12	4,745,921	4,205,210
Other expenses	36	15,916,395	15,750,556
Provision for impairment of direct credit facilities	7	2,607,663	3,608,429
Sundry provisions	19	1,170,921	2,361,931
Total Expenses		<u>47,569,931</u>	<u>46,286,451</u>
Profit before income tax		<u>36,908,946</u>	<u>44,296,531</u>
Less: Income tax expense	20	11,539,809	11,438,055
Net Profit for the Year		<u>25,369,137</u>	<u>32,858,476</u>
Attributable to:			
Bank's Shareholders		26,733,627	32,848,778
Non – Controllers' Interest		(1,364,490)	9,698
		<u>25,369,137</u>	<u>32,858,476</u>
Basic earnings per share for profit for the year attributable to equity holders of the Bank	37	0/267	0/328
Diluted earnings per share for profit for the year attributable to equity holders of the Bank	37	0/267	0/328

Consolidated Statements of Comprehensive Income		JD	
		For the Year Ended December 31,	
		2009	2008
Net profit for the Year		25,369,137	32,858,476
Foreign currency translation differences		(624,186)	623,826
Cumulative change in fair value of available-for-sale investments - net of tax		1,954,261	(71,685)
(Loss) from associate company		-	(2,370)
Gross Comprehensive Income		<u>26,699,212</u>	<u>33,408,247</u>
Gross Comprehensive Income Attributable to:			
Bank's Shareholders		28,063,824	33,398,549
Non - Controllers' Interest		(1,364,612)	9,698
		<u>26,699,212</u>	<u>33,408,247</u>

The accompanying notes from 1 to 52 constitute an integral part of these statements and should be read with them.

Consolidated Statements of Changes in Owners' Equity

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan																					
	Reserves																				
	Paid-up Capital		Statutory		Voluntary		General Banking Risks		Foreign Currency Translation		Cumulative Change in Fair Values-Net Earnings *		Retained Earnings *		Total Shareholders' Equity		Non - Controllers' Interest		Total Equity		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the year ended December 31, 2009																					
Balance, beginning of the year	100,000,000	29,715,376	11,645,830	8,101,687	623,826	1,419,577	28,098,191	179,604,487	11,561,198	191,165,685											
Foreign currency translation	-	-	-	-	(623,948)	-	(116)	(624,064)	(122)	(624,186)											
Net changes in fair value after tax	-	-	-	-	-	1,954,261	-	1,954,261	-	1,954,261											
Profit for the year	-	-	-	-	-	-	26,733,627	26,733,627	(1,364,490)	25,369,137											
Comprehensive Net Income	-	-	-	-	(623,948)	1,954,261	26,733,511	28,063,824	(1,364,612)	26,699,212											
Transfer to reserves	-	4,107,193	8,214,385	217,227	-	-	(12,538,805)	-	-	-											
Dividends paid	-	-	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)											
Changes in Non - Controllers' Interest	-	-	-	-	-	-	-	-	11,258,167	11,258,167											
Balance, end of the year	100,000,000	33,822,569	19,860,215	8,318,914	(122)	3,373,838	27,292,897	192,668,311	21,454,753	214,123,064											
For the year ended December 31, 2008																					
Balance, beginning of the year	100,000,000	25,220,944	8,107,991	5,927,317	-	1,491,262	20,458,424	161,205,938	-	161,205,938											
Foreign currency translation	-	-	-	-	623,826	-	-	623,826	-	623,826											
Net changes in fair value after tax	-	-	-	-	-	(71,685)	-	(71,685)	-	(71,685)											
Losses from associate company	-	-	-	-	-	-	(2,370)	(2,370)	-	(2,370)											
Profit for the year	-	-	-	-	-	-	32,848,778	32,848,778	9,698	32,858,476											
Comprehensive Net Income	-	-	-	-	-	(71,685)	32,846,408	33,398,549	9,698	33,408,247											
Transfer to reserves	-	4,494,432	8,988,863	2,174,370	-	-	(15,657,665)	-	-	-											
Dividends paid	-	-	(5,451,024)	-	-	-	(9,548,976)	(15,000,000)	-	(15,000,000)											
Changes in Non - Controllers' Interest	-	-	-	-	-	-	-	-	11,551,500	11,551,500											
Balance, end of the year	100,000,000	29,715,376	11,645,830	8,101,687	623,826	1,419,577	28,098,191	179,604,487	11,561,198	191,165,685											

- The general banking risks reserve can not be utilized without approval from the Central Bank of Jordan.

* Retained earnings include a restricted amount of JD7,379,836 as instructed by the Central Bank of Jordan against deferred tax benefits as of December 31, 2009. This restricted amount cannot be capitalized or distributed unless actually realized plus an amount of JD (928,303) related to profit from associate companies.

The accompanying notes from 1 to 52 constitute an integral part of these statements and should be read with them.

Consolidated Statements of Cash Flows

Bank of Jordan (A Public Shareholding Limited Company) Amman - Jordan		JD	
	Notes	For the Year Ended December 31,	
		2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		36,908,946	44,296,531
Adjustments for:			
Depreciation and amortization		4,745,921	4,205,210
Provision for impairment of direct credit facilities		2,607,663	3,608,429
(Gain) from sale of fixed assets		(11,856)	(55,363)
Effect of exchange rate fluctuations		(2,473,683)	(1,760,032)
Sundry provisions		1,170,921	2,361,931
Losses arising from available-for-sale investment		3,641,642	4,602,373
Losses from impairment of real estate (returned to revenues)		830	(91,497)
Other revenues		27,363	(841,603)
Profit before changes in assets and liabilities		46,617,747	56,325,979
Changes in Assets and Liabilities:			
Decrease in deposits with central banks (maturing over 3 months)		4,643,947	3,028,959
(Increase) in restricted account		(2,193,204)	(2,191,383)
(Increase) decrease in deposits with banks and other financial institutions (maturing over 3 months)		(29,436,468)	12,053,000
Decrease in held-for-trading financial assets		-	4,006,219
(Increase) in direct credit facilities		(40,772,050)	(91,958,042)
(Increase) decrease in other assets		(3,511,792)	9,405,381
Increase in customers' deposits		141,275,755	130,223,361
Increase in cash margins		12,288,788	17,815,108
Increase in other liabilities		7,993,854	1,124,642
Net change in assets and liabilities		90,288,830	83,507,245
Net cash flows from operating activities before income tax		136,906,577	139,833,224
Provision for end-of-service indemnity paid		(1,747,105)	(568,349)
Provision for lawsuits paid		-	(229,000)
Income tax paid		(13,971,833)	(13,841,720)
Net cash flows from operating activities		121,187,639	125,194,155
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) of held-to-maturity financial assets		(392,099,532)	(310,295,812)
Sale/maturity of held-to-maturity financial assets		323,939,459	134,181,400
(Purchase) of available-for-sale financial assets		(185,935)	(6,294,372)
Sale of available-for-sale financial assets		1,474,931	4,669,242
(Purchase) of fixed assets and advance payments to acquire fixed assets		(14,601,087)	(15,897,095)
Sale of fixed assets		82,137	276,198
(Purchase) of intangible assets		(851,348)	(637,457)
Net Cash Flows (used in) Investing Activities		(82,241,375)	(193,997,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in borrowed money (Jordan Mortgage Refinance)		(15,000,000)	30,000,000
Foreign currency translation		(624,186)	623,826
Change in Non – Controllers' Interest		11,258,167	11,551,500
Dividends paid		(15,000,000)	(15,000,000)
Net cash flows (used in) from financing activities		(19,366,019)	27,175,326
Effect of exchange rate fluctuations on cash and cash equivalents		2,473,683	1,760,032
Net Increase (decrease) in cash and cash equivalents		22,053,928	(39,868,383)
Cash and cash equivalents, beginning of the year	38	341,971,117	381,839,500
Cash and cash equivalents, end of the year	38	364,025,045	341,971,117

The accompanying notes from 1 to 52 constitute an integral part of these statements and should be read with them.

Notes to Consolidated Financial Statements

1. GENERAL

The 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 were increased in stages, the last such increases took place in 2007. Thus, authorized capital reached JD100 million and subscribed and paid-up capital also stood at JD100 million, with a par value of JD1 per share.

The Bank provides all financial and banking services within the Bank's scope of activities. Those services are offered through its 62 and 10 branches in Jordan and Palestine and its subsidiaries in Jordan and Syria (Excel for Financial Investments and Bank of Jordan - Syria).

The consolidated financial statements have been approved by the Board of Directors in its meeting No. (533) held on January 25, 2010, and should be approved by the General Assembly of Shareholders and the Central Bank of Jordan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

- The accompanying consolidated financial statements for the Bank and its subsidiary have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations 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 are prepared on the historical cost basis except for held-for-trading financial assets, available-for-sale financial assets and derivatives, which have been measured at fair value at the date of preparing the financial statements. Moreover, hedged assets and liabilities are stated at fair value.
- The financial statements are presented in Jordanian Dinar "JD", which is the functional currency of the Bank.
- The accounting policies adopted for the current year are consistent with those applied in the prior year, except for the following:
 - IFRS 7 'Financial Instruments: Disclosures'
The IASB published amendments to IFRS 7 in March 2009, which became effective in 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the Bank.
 - IFRS 8 – Operating Segments. This standard, which replaced International Accounting Standard No. 14 "segment reporting", requires the adoption of the "management style in the presentation of internal reports" in the presentation of operating segments. This resulted in the presentation of additional operating segments. Moreover, these operating segments will be presented in a manner consistent with internal reports presented to decision makers. The adoption of this standard has had no impact on the financial position or the comprehensive income of the Bank.
 - IAS 1 (2007) Presentation of Financial Statements (effective for annual periods on or after January 1, 2009). The amendment to IAS 1 has led to some changes including amended titles for the financial statements in addition to some changes in their presentation and disclosure. However, this standard has had no effect on the results of operations and financial position of the Bank. The adjusted standard requires that all changes in non-equity holders' accounts (i.e. comprehensive income) be disclosed separately within the statement of comprehensive income.

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 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.

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 so as to obtain benefits from its 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 Company are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies used by the Bank.

As of December 31, 2009, 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 Financial Investments Company	JD 3,500,000	100	Financial Brokerage	Amman	March 23, 2006
Bank Of Jordan – Syria *	3,000 Million (Syrian – Lira)	49	Banking Activities	Syria	May 17, 2008

- 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 disposal 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.

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

- Bank of Jordan – Syria (subsidiary) has increased its paid - up capital, during the year 2009, through a private subscription for its shareholders amounting to 1,500 million Syrian Lira to become 3,000 million Syrian Lira as of 31 December 2009. Moreover, the subsidiary has obtained all the required approvals from the Syrian Regulatory Authorities relevant to the capital increase.

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

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.

- 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.

Held-for-trading Financial Assets

The financial assets of the Bank's trading portfolio represent Jordanian companies shares active in Amman Financial Market. These companies are financial and industrial companies the Bank has bought for the purpose of sale in the near future and short-term profits through purchase, sale and fluctuations in the prices of these financial instruments.

Held-for-trading financial assets are initially recognized at fair value when purchased. They are subsequently re-measured at fair value on the date of the consolidated financial statements, and the gain or loss arising from the changes in fair value is recognized in the statement of income in the same period of the change. The recognized gain or loss incorporates the change in fair value attributable to translation differences of foreign currency non-monetary assets.

Dividends or interest earned on financial assets are recognized in the consolidated statement of income.

Direct Credit Facilities

A provision for the impairment of direct credit facilities is recognized in the consolidated statement of income when the Bank cannot obviously recover its overdue amounts, there is an 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.

Interest and commission earned on non-performing credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan.

When direct credit facilities are uncollectible, they are written off against the provision account. Any surplus in the provision is reversed through the consolidated statement of income. Subsequent recoveries of amounts previously written off are credited to revenue.

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 statements of financial position under other assets or other liabilities as the case may be. Fair value is measured according to the prevailing market prices, and if not available, the measurement method should be disclosed. The change in fair value is recognized in the consolidated income statement.

Hedged Financial Assets

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

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

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

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

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

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

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

Available-for-sale Financial Assets

These financial assets are acquired to be retained as available for sale and not for trading or kept until the date of maturity. They represent the shares of local and foreign companies: financial, industrial, tourist, real estate and telecommunications companies.

These investments have been classified as available for sale at the time of purchase because of the intention of management to sell these financial instruments when the selling prices provide an opportunity to make profits or generate revenues resulting from the ownership of shares.

Available-for-sale financial assets are initially recognized at fair value including acquisition costs. They are subsequently re-measured at fair value as of the date of the financial statements. Changes in fair value are recognized in a separate account within shareholders' equity. When these assets are fully or partially sold, disposed of, or determined to be impaired, the cumulative gain or loss previously recognized in shareholders' equity is included in the statement of income. The loss from the impaired value of the debt instruments is reversed when it is objectively evident that the increase in their fair value occurred after the losses had been recognized. Impairment losses from the decline in the value of equity securities can be reversed through the cumulative change in fair value.

Interest earned from financial assets available for sale is recorded in the consolidated statement of income using the effective interest method. Moreover, the decline in the value of these assets is recorded in the consolidated income statement when it happens.

Income and losses resulting from the foreign exchange of interest-bearing debt instruments are included in the statement of income within available-for-sale financial assets. Differences in the foreign currency of equity instruments are included in the cumulative change in fair value within shareholders' equity.

Financial assets for which the fair value cannot be reliably determined are shown at cost. The impairment in value is recorded in the consolidated statement of income.

Held-to-maturity Financial Assets

Held-to-maturity financial assets are those which carry fixed or determinable payments and have fixed maturities and the Bank has the intention and ability to hold to maturity.

After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'interest and similar income' in the income statement. The losses arising from impairment in such investments are recognised in the consolidated statement of income.

Fair Value

The fair value of investments actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the statements of financial position date.

For financial instruments where there is no active market, fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The estimated cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Options pricing models.

The evaluation methods aim at obtaining a fair value that reflects market expectations and take 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 an investment cannot be measured reliably, it is stated at cost or amortized cost and any impairment in value is recorded in the income statement.

Impairment in Financial Assets

An assessment is made on each statement of financial position date to determine whether there is objective evidence that a specific financial asset or a group of assets is impaired. If such evidence exists, any impairment loss is recognized in the income statement.

Impairment is determined as follows:

- The impairment in the financial assets carried at amortized cost is determined on the basis of the present value of the cash flows discounted at the original interest rate.
- For assets carried at fair value, impairment is the difference between cost and fair value.
- For assets carried at cost, impairment is based on the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment in value is recognized in the consolidated statement of income. If, in the subsequent period, the amount of the impairment loss decreases, the carrying value of the asset is increased to its recoverable amount. The amount of the reversal is recognized in the consolidated statement of income except for equity instruments classified as available-for-sale investments whereby the reversal is recognized in the cumulative change in fair value.

Investments in Associates

An associate is an entity over which the Bank has significant influence (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 (if any) between the Bank and its associates are eliminated according to the Bank's ownership percentage in these companies.

The Bank did not use the equity method to record the value of the investment in the Advisory Group whereby the Bank owns 35.68% of its capital, as the Bank intends to sell this investment as soon as possible. Consequently, it was registered as financial investments available for sale and shown according to the closing market value. The difference in fair value has been taken to the consolidated statement of income due to the presence of a permanent impairment indicator as to the investment value according to the market value at year end.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Land is not depreciated. Moreover, depreciation is calculated 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
Computer	15
Decorations	15

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

An item of assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Provisions

Provisions are recognized when the Bank has an obligation on the date of the statements 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 income statement while payments to departing employees are deducted from the provision amount. Indemnities paid in excess of the provision are taken to the consolidated statement of income upon payment.

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 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 by 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 of the countries where the Bank operates.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the statements of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.
- Deferred tax assets and deferred tax liabilities are reviewed as of the date of the statements of financial position, and reduced in case it is expected that no benefit or need will arise therefrom, partially or totally.

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 reported in the statements 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 recognized 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 asset.

Mortgaged Financial Assets

Mortgaged financial assets are assets mortgaged to other parties, which hold the right of selling or refinancing the mortgage. Those assets are continuously evaluated according to the accounting policies designated for each of them.

Foreclosed Assets

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

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 income statement. Intangible assets with indefinite lives are reviewed for impairment as of the financial statements date, and impairment loss is treated in the consolidated statement of income as an expense for the year.
- No capitalization of intangible assets resulting from the 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 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 following is 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%.

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 statements of financial position date and declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains or losses resulting from foreign currency translation are recorded in the income statement.
- 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 subsidiaries are translated into the functional currency of each entity at the average exchange rates of the Central Bank of Jordan prevailing on the statements of financial position date. Income and expense items are translated at the average exchange rates for the period. Any exchange differences are taken directly to a foreign currency translation adjustment reserve within shareholders' 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.

Treasury Shares

No gain or loss is recognised in the income statement on the purchase, sale and issue of treasury shares but recognised in shareholders' equity within share premium / discount. Moreover, loss is recorded in retained earnings in case the share premium of treasury shares has been used up. Profit is recorded in retained earnings upon selling all treasury shares.

Cash and Cash Equivalents

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

3. Accounting Estimates

Management, through applying the accounting policies, uses assumptions and estimates with material impacts on the recognition of the balances recorded in the financial statements. Some of these assumptions are as follows:

- A provision for credit facilities is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these basis and estimates is compared against the adequacy of the provisions as per the instructions of the central banks where the Bank branches operate. The most strict outcome that conforms with (IFRSs) is 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 useful economic lives expected in the future. Impairment loss (if any) is taken to the consolidated statement of income.
 - Management frequently reviews the financial assets stated at cost to estimate any impairment in their value. Impairment loss (if any) is taken to the consolidated statement of income as an expense for the year.
 - A provision for lawsuits raised against the Bank is taken (if necessary). This provision is based on a legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.
 - A provision for income tax is taken on the current year's profit and for accrued and assessed tax for the prior year in case of differences exceeding the provision due to not reaching a final settlement with the tax authorities for that 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 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.

4. Cash And Balances With Central Banks		
This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Cash on hand	47,878,093	36,786,082
Balances at central banks		
Current accounts	36,392,466	17,640,752
Term and notice deposits *	151,357,348	23,591,172
Statutory cash reserve	86,728,934	96,276,617
Certificates of deposit *	-	38,100,000
Total	<u>322,356,841</u>	<u>212,394,623</u>

- Except for the statutory cash reserve, restricted balances amounted to JD4,384,586 as of 31 December 2009 (against JD2,191,382 representing the statutory cash reserve as of 31 December 2008).

* This balance includes JD7,444,500, representing certificates of deposit due after three months, (JD12,090,000 as of December 31, 2008).

5. Balances With Banks and Financial Institutions						
	Local Banks and Financial Institutions December 31,		Foreign Banks and Financial Institutions December 31,		Total December 31,	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Current accounts	-	116,340	17,964,396	26,224,568	17,964,396	26,340,908
Deposits maturing within 3 months	17,103,168	42,561,000	128,722,673	130,360,930	145,825,841	172,921,930
Total	17,103,168	42,677,340	146,687,069	156,585,498	163,790,237	199,262,838

- Non-interest bearing balances at banks and financial institutions amounted to JD3,630,676 as of December 31, 2009 against (JD218,850 as of December 31, 2008).

- Restricted balances amounted to JD1,972,594 as of December 31, 2009 against (JD1,971,041 as of December 31, 2008).

6. Deposits With Banks and Financial Institutions						
	Local Banks and Financial Institutions December 31,		Foreign Banks and Financial Institutions December 31,		Total December 31,	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	-	-	-	-	-	-
Total	-	-	29,436,468	-	29,436,468	-
	-	-	29,436,468	-	29,436,468	-

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

7. Direct Credit Facilities		
This item consists of the following:	December 31,	
	2009	2008
	JD	JD
INDIVIDUAL (RETAIL CUSTOMERS):	176,056,896	202,330,276
Overdraft facilities	4,930,056	7,595,963
Loans and discounted bills*	158,198,274	181,830,287
Credit cards	12,928,566	12,904,026
Residential mortgages and commercial real estate	173,849,246	191,357,038
CORPORATE ENTITIES:	528,541,508	442,949,875
Large corporate customers	422,899,580	355,021,242
Overdraft facilities	83,704,338	84,814,795
Loans and discounted bills*	339,195,242	270,206,447
SMEs	105,641,928	87,928,633
Overdraft facilities	38,751,693	30,108,777
Loans and discounted bills*	66,890,235	57,819,856
Government & public sector	38,959,676	40,054,342
Total	917,407,326	876,691,531
Provision for impairment of direct credit facilities	(44,625,868)	(42,018,205)
Suspended interest	(8,095,229)	(8,151,484)
Net credit facilities	<u>864,686,229</u>	<u>826,521,842</u>

* Net interest and commission received in advance amounting to JD21,994,311 as of December 31, 2009 (JD20,513,843 in 2008).

- Non-performing credit facilities totaled JD77,745,311 representing 8.5% of total facilities as of December 31, 2009 and JD58,510,610 representing 6.7% as of December 31, 2008.

- Non-performing credit facilities net of interest in suspense totaled JD69,871,130, representing 7.7% of total facilities net of interest in suspense as of December 31, 2008 and JD50,948,593, representing 5.8% as of December 31, 2007.

- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD12,325,737 representing 1.3% of total facilities as of December 31, 2009 and JD13,137,463 representing 1.5% as of December 31, 2008. Moreover, credit facilities granted to the public sector in Palestine amounted to JD26,633,939 against (JD25,827,499 as of 31 December 2008).

Provision for impairment of direct credit facilities:						
	CORPORATE ENTITIES			CORPORATE ENTITIES		
	Individual (retail customers)	Residential mortgages & commercial real estate	Large corporate customers	SMEs	Public Sector	Total
2009	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	9,968,523	1,919,802	23,621,445	6,508,435	-	42,018,205
Provision for the year	(1,231,301)	697,918	3,995,638	(854,592)	-	2,607,663
Balance – End of the year	8,737,222	2,617,720	27,617,083	5,653,843	-	44,625,868

Provision for impairment of direct credit facilities:						
	CORPORATE ENTITIES			CORPORATE ENTITIES		
	Individual (retail customers)	Residential mortgages & commercial real estate	Large corporate customers	SMEs	Public Sector	Total
2008	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	8,270,711	677,853	24,092,570	4,752,033	616,609	38,409,776
Provision for the year	1,697,812	1,241,949	(471,125)	1,756,402	(616,609)	3,608,429
Balance – End of the year	9,968,523	1,919,802	23,621,445	6,508,435	-	42,018,205

The amount of calculated provisions on a single client basis is as follows:							
	Individual (retail customers)		Residential mortgages & commercial real estate		CORPORATE ENTITIES		Total
	JD	JD	JD	JD	Large corporate customers	SMEs	
2009							
On a single client basis	8,553,014	2,582,132	26,427,306	5,419,730	-	-	42,982,182
On a portfolio basis	184,208	35,588	1,189,777	234,113	-	-	1,643,686
Balance – End of year	8,737,222	2,617,720	27,617,083	5,653,843	-	-	44,625,868

	Individual (retail customers)		Residential mortgages & commercial real estate		CORPORATE ENTITIES		Total
	JD	JD	JD	JD	Large corporate customers	SMEs	
2008							
On a single client basis	9,657,472	1,919,802	22,978,779	6,361,227	-	-	40,917,280
On a portfolio basis	311,051	-	642,666	147,208	-	-	1,100,925
Balance – End of year	9,968,523	1,919,802	23,621,445	6,508,435	-	-	42,018,205

- The provisions no longer needed due to settlements or repayments and transferred against other debts amounted to JD7,442,982 as of December 31, 2009 against JD7,776,762 for the previous year.

Interest in suspense:	CORPORATE ENTITIES								
	Individual (retail customers)		Residential mortgages & commercial real estate		Large corporate customers		SMEs		Total
	JD	JD	JD	JD	JD	JD	JD		
2009									
Balance – beginning of the year	2,474,598	188,706	4,010,320	1,477,860				8,151,484	
Add: Interest suspended during the year	636,313	192,862	716,483	544,967				2,090,625	
Less: Interest in suspense reversed to income	(1,089,149)	(1,637)	(375,620)	(197,759)				(1,664,165)	
Interest in suspense written off during the year	(98,936)	-	(37)	(383,742)				(482,715)	
Balance - End of the year	1,922,826	379,931	4,351,146	1,441,326				8,095,229	

Interest in suspense:	CORPORATE ENTITIES								
	Individual (retail customers)		Residential mortgages & commercial real estate		Large corporate customers		SMEs		Total
	JD	JD	JD	JD	JD	JD	JD		
2008									
Balance – beginning of the year	3,465,329	82,016	5,797,888	1,440,873				10,786,106	
Add: Interest suspended during the year	723,128	106,690	696,804	95,569				1,622,191	
Less: Interest in suspense reversed to income	(1,705,632)	-	(2,484,372)	(58,582)				(4,248,586)	
Interest in suspense written off during the year	(8,227)	-	-	-				(8,227)	
Balance - End of the year	2,474,598	188,706	4,010,320	1,477,860				8,151,484	

8. Available-for-Sale Financial Assets

This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Listed available-for-sale financial assets:		
Companies' shares *	<u>24,899,075</u>	<u>27,113,106</u>
Unlisted available-for-sale financial assets:		
Companies' shares (at cost) **	<u>15,172,465</u>	<u>15,850,325</u>
Total	<u>40,071,540</u>	<u>42,963,431</u>

* This item includes JD6,673,079, which is an investment in the Investment Advisory Group Company, 35.68% owned by the Bank. This investment is shown as investments available for sale according to the closing price of the market value. The impairment in fair value has been recorded in the consolidated statement of income.

** This item represents the value of available-for-sale financial assets of JD14,828,254 shown at cost because their fair value can not be reliably determined.

9. Held-to-Maturity Financial Assets

This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Financial assets with market prices:		
Bonds of governmental institutions or bonds guaranteed by the government	178,703,443	155,500,000
Bonds and debentures of companies	<u>24,729,376</u>	<u>18,098,700</u>
Total financial assets with market prices	<u>203,432,819</u>	<u>173,598,700</u>
Financial assets without market prices:		
Jordanian treasury bills	<u>185,432,615</u>	<u>129,066,509</u>
Total financial assets without market prices	<u>185,432,615</u>	<u>129,066,509</u>
Held-to-Maturity Investments	<u>388,865,434</u>	<u>302,665,209</u>

Held-to-maturity financial assets (Bonds and Treasury Bills) are classified according to the rate of return as follows:

	December 31,	
	2009	2008
	JD	JD
Fixed-rate-of-return financial assets	385,816,734	299,616,509
Variable-rate-of-return financial assets	<u>3,048,700</u>	<u>3,048,700</u>
	<u>388,865,434</u>	<u>302,665,209</u>

The maturities of these assets are as follows:

Up to One Month JD	More than 1 Month Up to 3 Months JD	More than 3 Months Up to 6 Months JD	More than 6 Months Up to 1 Year JD	More than 1 Year Up to 3 Years JD	More than 3 Years JD
9,976,642	46,810,333	98,077,923	131,317,717	85,381,319	17,301,500

The above include an amount of JD185,432,615 the proceeds of which are to be paid in semi-annual installments, and an amount of JD203,432,819 to be paid in one payment upon maturity.

10. Mortgaged Financial Assets				
This item consists of the following:	Mortgaged Financial Assets		Liabilities Attributable to the Mortgaged Financial Assets	
	December 31,		December 31,	
	2009	2008	2009	2008
	JD	JD	JD	JD
Assets held to maturity	-	18,040,152	-	30,000,000
	-	18,040,152	-	30,000,000

The above mentioned assets have been mortgaged to Jordan Mortgage Refinance Co. against the borrowed money. The borrowed money is to be utilized in refinancing part of the Bank's real estate loans. During the year 2009, mortgage on these assets has been lifted.

11. Investments in Associates		
The summarized movement in respect of the Bank's associates is as follows:	2009	2008
	JD	JD
Balance – beginning of the year	2,798,028	2,800,398
Bank's share from the (losses) of the associate company	(27,363)	(2,370)
Balance – end of the year *	2,770,665	2,798,028

- The Bank's share of the associates' assets and liabilities is as follows:		
	December 31,	
	2009	2008
	JD	JD
Total assets	2,774,672	2,800,216
Total liabilities	(4,007)	(2,188)
Net Assets	2,770,665	2,798,028
Revenues	581,859	604,442

* The value of the Bank's share of North Industrial Company's total assets and total liabilities amounted to 27/41% according to the most recent audited financial statements of North Industrial Company as of December 31, 2008. Moreover, National Industries is under liquidation, and a full provision has been booked for the investment.

The details of investments in associates are as follows:

		December 31, 2009					
		Cost					
Company's Name	Percentage of Ownership	Book Value-Beginning of the Year	Additions (Disposals)	Revaluation Using the Equity Method	Bank's Share of Profit	Industry Type	
	%	JD	JD	JD	JD		
Jordanian companies:							
National Industries Co. (under liquidation)	46.74	1	-	1	-	Industrial	
Palestinian Companies:							
North Industrial Co.	27.41	2,798,027	-	2,770,664	(27,363)	Industrial	
		<u>2,798,028</u>	<u>-</u>	<u>2,770,665</u>	<u>(27,363)</u>		

		December 31, 2008					
		Cost					
Company's Name	Percentage of Ownership	Book Value-Beginning of the Year	Additions (Disposals)	Revaluation Using the Equity Method	Bank's Share of Profit	Industry Type	
	%	JD	JD	JD	JD		
Jordanian companies:							
National Industries Co. (under liquidation)	46.74	1	-	1	-	Industrial	
Palestinian Companies:							
North Industrial Co.	27.41	2,800,397	-	2,798,027	(2,370)	Industrial	
		<u>2,800,398</u>	<u>-</u>	<u>2,798,028</u>	<u>(2,370)</u>		

- The Bank's right to vote on the resolutions of the General Assemblies of Shareholders of these companies is based on the ownership percentage in each associate.

12. Fixed Assets

This item consists of the following:

	Land	Buildings	Equipment Furniture & Fixtures	Vehicles	Computer	Decorations and Improvements	Total
2009	JD	JD	JD	JD	JD	JD	JD
Cost							
Beginning balance	5,066,833	13,316,652	16,998,559	1,362,090	11,721,732	12,868,120	61,333,986
Additions	1,257,721	2,527,761	2,475,587	219,564	1,043,062	2,206,058	9,729,753
Disposals	(2,318,238)	-	(240,487)	(62,429)	(635,923)	(1,487)	(3,258,564)
Foreign Currency Translation differences	(46,664)	(55,968)	(1,149)	(1,426)	(3,981)	(1,131)	(110,319)
Ending balance	3,959,652	15,788,445	19,232,510	1,517,799	12,124,890	15,071,560	67,694,856
Accumulated depreciation :							
Beginning balance	-	4,711,842	9,547,376	596,385	7,228,915	8,459,432	30,543,950
Annual depreciation	-	249,445	1,442,292	192,255	1,257,093	1,127,037	4,268,122
Disposals	-	-	(184,905)	(62,424)	(621,655)	(1,061)	(870,045)
Ending balance	-	4,961,287	10,804,763	726,216	7,864,353	9,585,408	33,942,027
Net Book Value of Fixed Assets	3,959,652	10,827,158	8,427,747	791,583	4,260,537	5,486,152	33,752,829
Payments on acquisition of fixed assets *	-	5,234,121	2,468,467	36,000	208,952	836,430	8,783,970
Net fixed assets at the end of the year	3,959,652	16,061,279	10,896,214	827,583	4,469,489	6,322,582	42,536,799
2008							
Cost							
Beginning balance	1,391,521	8,908,581	15,081,210	960,951	9,904,882	10,310,557	46,557,702
Additions	3,675,312	4,408,071	2,674,053	474,100	2,115,162	2,597,071	15,943,769
Disposals	-	-	(756,704)	(72,961)	(298,312)	(39,508)	(1,167,485)
Ending balance	5,066,833	13,316,652	16,998,559	1,362,090	11,721,732	12,868,120	61,333,986
Accumulated depreciation :							
Beginning balance	-	4,538,251	8,915,355	497,901	6,350,583	7,587,344	27,889,434
Annual depreciation	-	173,591	1,263,309	134,559	1,119,574	910,136	3,601,169
Disposals	-	-	(631,288)	(36,075)	(241,242)	(38,048)	(946,653)
Ending balance	-	4,711,842	9,547,376	596,385	7,228,915	8,459,432	30,543,950
Net Book Value of Fixed Assets	5,066,833	8,604,810	7,451,183	765,705	4,492,817	4,408,688	30,790,036
Payments on acquisition of fixed assets *	-	312,500	84,253	-	-	1,087,326	1,484,079
Net fixed assets at the end of the year	5,066,833	8,917,310	7,535,436	765,705	4,492,817	5,496,014	32,274,115

* The financial obligations relating to the acquisition of fixed assets amounted to JD1,917,871 for the year 2009, and were settled in accordance with the contractual conditions on the purchase of these assets.

- Fully depreciated fixed assets amounted to JD19,249,791 for the year 2009 against JD13,526,236 for the year 2008.

13. Intangible Assets

This item consists of the following:	For the year ended December 31,	
	2009	2008
	JD	JD
Balance-beginning of the year	1,841,648	1,808,232
Additions	851,348	637,457
Amortized during the year	(477,799)	(604,041)
Balance-end of the year	<u>2,215,197</u>	<u>1,841,648</u>

14. Other Assets

This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Accrued interest income	4,608,979	4,726,814
Prepaid expenses	1,691,181	1,330,092
Assets seized by the Bank *	22,361,804	20,819,515
Clearance checks	9,228,058	9,141,595
Accounts receivable and other assets	5,365,695	3,305,309
Purchased inward documentary credits	-	227,724
Income tax paid in advance	626,885	819,115
Unrealized financial derivatives	-	1,476
	<u>43,882,602</u>	<u>40,371,640</u>

* The following is the movement of the assets seized by the Bank:

	Seized Property	
	2009	2008
	JD	JD
Balance-beginning of the year	20,819,515	21,195,952
Additions	2,818,681	565,415
Disposals	(1,275,562)	(1,033,349)
(Impairment losses) reversed impairment	(830)	91,497
Balance-end of the year	<u>22,361,804</u>	<u>20,819,515</u>

15. Banks and Financial Institutions' Deposits

This item consists of the following:	December 31, 2009			December 31, 2008		
	Inside Kingdom of Jordan	Outside Kingdom of Jordan	Total	Inside Kingdom of Jordan	Outside Kingdom of Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	28,430	1,213,083	1,241,513	302,524	4,301,216	4,603,740
Time Deposits	34,179,966	72,898,874	107,078,840	7,090,000	41,740,181	48,830,181
	<u>34,208,396</u>	<u>74,111,957</u>	<u>108,320,353</u>	<u>7,392,524</u>	<u>46,041,397</u>	<u>53,433,921</u>

16. Customers' Deposits

This item consists of the following:	December 31, 2009				
	Individuals	Large Corporates	SMEs	Public Sector & Government	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	194,440,522	61,454,372	50,242,043	27,507,627	333,644,564
Saving accounts	396,173,455	703,582	8,399,665	215,990	405,492,692
Time and notice deposits	300,720,219	104,560,425	47,168,967	164,354,455	616,804,066
Certificates of deposit	57,310,604	2,416,159	2,403,939	-	62,130,702
Total	<u>948,644,800</u>	<u>169,134,538</u>	<u>108,214,614</u>	<u>192,078,072</u>	<u>1,418,072,024</u>

	December 31, 2008				
	Individuals	Large Corporates	SMEs	Public Sector & Government	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	178,105,292	47,856,722	40,786,443	25,255,590	292,004,047
Saving accounts	329,065,392	307,635	5,306,615	177,554	334,857,196
Time and notice deposits	296,678,691	54,764,750	41,790,538	169,884,901	563,118,880
Certificates of deposit	79,359,665	4,119,000	3,337,481	-	86,816,146
Total	<u>883,209,040</u>	<u>107,048,107</u>	<u>91,221,077</u>	<u>195,318,045</u>	<u>1,276,796,269</u>

- Deposits of the public sector inside Jordan amounted to JD173,511,236 equivalent to 12.2% of total customers' deposits as of December 31, 2009 (JD173,936,385, equivalent to 13.62% for the prior year).
- Non-interest bearing deposits amounted to JD450,656,750, equivalent to 31.8% of total customers' deposits as of December 31, 2009 (JD312,627,121, equivalent to 24.5% of total deposits for the prior year).
- Restricted deposits amounted to JD3,734,089 equivalent to 0.26% of total customers' deposits as of December 31, 2009 (JD8,284,085, equivalent to 0.65% of total deposits for the prior year).
- Dormant deposits amounted to JD28,955,770 (JD27,005,907 for the prior year).

17. Cash Margins

This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Direct credit facilities	88,646,962	79,162,752
Indirect credit facilities	20,930,471	17,903,013
Margin dealings	-	222,880
Total	<u>109,577,433</u>	<u>97,288,645</u>

18. Borrowed Money		December 31, 2009			
This item consists of the following:	Whole Amount	Remaining	Date and No. of Installments	Guarantees	Interest Rate
Company Name	JD	JD	JD	JD	JD
Jordan Mortgage Refinance Co.	15,000,000	15,000,000	11/2011 (one installment)		%7.1
	<u>15,000,000</u>	<u>15,000,000</u>			

		December 31, 2008			
	Whole Amount	Remaining	Date and No. of Installments	Guarantees	Interest Rate
Company Name	JD	JD	JD	JD	JD
Jordan Mortgage Refinance Co.	15,000,000	15,000,000	11/2009 (one installment)	18,040,152	%7.9
Jordan Mortgage Refinance Co.	15,000,000	15,000,000	11/2011 (one installment)	-	%7.1
	<u>30,000,000</u>	<u>30,000,000</u>		<u>18,040,152</u>	

- Real estate loans refinanced by Jordan Mortgage Refinance Co. amounted to JD24,551,169 at a fixed interest rate ranging from 8% to 11.25%

19. Sundry provisions					
This item consists of the following:	Beginning Balance	Provided During the Year	Used During the Year	Ending Balance	
2009	JD	JD	JD	JD	
Provision for end-of-service indemnity	6,741,146	848,921	1,747,105	5,842,962	
Provision for lawsuits	180,585	322,000	-	502,585	
	<u>6,921,731</u>	<u>1,170,921</u>	<u>1,747,105</u>	<u>6,345,547</u>	
2008					
Provision for end-of-service indemnity	5,128,149	2,181,346	568,349	6,741,146	
Provision for lawsuits	229,000	180,585	229,000	180,585	
	<u>5,357,149</u>	<u>2,361,931</u>	<u>797,349</u>	<u>6,921,731</u>	

20. Income tax		
A- Income tax provision	2009	2008
The movement on the income tax provision is as follows:	JD	JD
Beginning balance	13,516,304	14,357,861
Income tax paid	(13,336,693)	(14,357,234)
Provision for income tax for the year	<u>11,399,828</u>	<u>13,515,677</u>
Ending Balance	<u>11,579,439</u>	<u>13,516,304</u>
Income tax in the income statement represents the following:	2009	2008
	JD	JD
Income tax on the year's income	11,149,828	13,515,677
Income tax due on prior years' income	250,000	-
Prior year's income tax	635,140	288,566
Refundable from income tax / previous years	-	(804,080)
Deferred tax assets for the year-addition	(2,267,917)	(2,299,135)
Amortization of deferred tax assets	<u>1,772,758</u>	<u>737,027</u>
	<u>11,539,809</u>	<u>11,438,055</u>

- Legal income tax in Jordan amounts to 35% whereas the legal income tax considering the Bank's investments in Palestine amounts to 16%.
- Income tax has been settled up to the end of the year 2007 for Jordan and Palestine.
- At the beginning of the year 2010, the Bank's income tax for the year 2008 has been assessed. However, the Income and Sales Tax Department demands additional amounts withheld by the Bank. In the opinion of management and the tax consultant, the provisions booked are sufficient to offset any tax obligation that might arise.

b. Deferred Tax Assets/Liabilities		2009						2008	
This item consists of the following:									
Accounts Included	Balance- Beginning of the Year	Amounts Released	Amounts Added	Year-end Balance	Deferred Tax	Deferred Tax			
a. Deferred Tax Assets	JD	JD	JD	JD	JD	JD	JD	JD	
Provision for non-performing debts- prior years	10,171,566	1,747,741	2,072,334	10,496,159	3,198,085			2,844,990	
Provision for staff end-of-service indemnities	6,741,146	1,747,105	848,921	5,842,962	1,690,612			2,189,165	
Interest in suspense	1,737,741	1,082,295	300,000	955,446	272,002			504,869	
Provision for lawsuits against the Bank	180,585	-	322,000	502,585	148,862			57,194	
Impairment in assets seized by the Bank	40,127	8,812	9,642	40,957	12,287			14,044	
Impairment in assets available for sale	3,641,184	-	3,218,779	6,859,963	2,057,988			1,274,415	
	22,512,349	4,585,953	6,771,676	24,698,072	7,379,836			6,884,677	
b. Deferred Tax Liabilities									
Cumulative change in fair value									
(available-for-sale financial assets)	2,675,684	3,780,051	5,818,798	4,714,431	1,340,593			1,256,107	
	2,675,684	3,780,051	5,818,798	4,714,431	1,340,593			1,256,107	

- Deferred tax liabilities include an amount of JD1,340,593 (against JD1,256,107 for the prior year) representing tax liabilities on the unrealized gains arising from the evaluation of available-for-sale financial assets shown within the cumulative change in fair value under shareholders' equity at a tax rate of 30%. Moreover, these gains are not subject to tax in Palestine.

-The movement on deferred tax assets/liabilities is as follows:		2009		2008	
	Assets	Liabilities	Assets	Liabilities	
	JD	JD	JD	JD	JD
Balance-beginning of the year	6,884,677	1,256,107	5,322,569	1,286,598	
Added during the year	2,267,917	84,486	2,299,135	(30,491)	
Amortized during the year	(1,772,758)	-	(737,027)	-	
Balance-End of the Year	7,379,836	1,340,593	6,884,677	1,256,107	

c. The following is a summary of the reconciliation between accounting income and tax income:		
	2009	2008
	JD	JD
Accounting income	36,908,946	44,296,531
Tax-exempt income	11,252,094	7,776,743
Tax-unacceptable expenses Taxable Income	<u>6,506,232</u>	<u>8,436,835</u>
Income tax rate	<u>32,163,084</u>	<u>44,956,623</u>
Provision declared	<u>34.667%</u>	<u>30.065%</u>
	<u>11,149,828</u>	<u>13,516,304</u>

- Deferred tax amounting to JD7,379,836 as of December 31, 2009 resulting from the timing differences relating to the special provisions for non-performing debts, the staff end-of-service indemnity provision, interest in suspense and other provisions taken to the statement of income in prior years are calculated at a tax rate of 29.88%. In the opinion of management, these tax benefits will be utilized in connection with the expected future profits.
- In compliance with the new income tax law effective from 2010, a rate of 30% has been used to compute the deferred tax as of 31 December 2009 (35% as of December 31, 2008). Moreover, a rate of 35% has been used to compute the income tax provision for the year 2009.

21. Other Liabilities		
This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Accrued interest payable	6,240,883	4,353,774
Accepted cheques	7,641,953	4,310,314
Temporary deposits	3,135,467	2,819,853
Dividends payable	757,638	656,516
Deposits on safe boxes	123,186	119,877
Sold real estate margins	118,932	170,930
Other liabilities *	<u>5,615,336</u>	<u>3,208,277</u>
	<u>23,633,395</u>	<u>15,639,541</u>

* The details of other liabilities are as follows:		
	December 31,	
	2009	2008
	JD	JD
Deposits in transit	851,049	412,435
Social security deposits	202,501	153,520
Income tax deposits	335,425	148,322
Accrued expenses	2,236,729	1,243,211
Incoming transfers	1,019,532	324,617
Provision for scientific research and additional fees	889,478	863,533
Board of Directors' remuneration	55,000	55,000
Other credit balances	<u>25,622</u>	<u>7,639</u>
	<u>5,615,336</u>	<u>3,208,277</u>

22. Paid – up Capital

- The authorized capital of the Bank is JD100,000,000 as of December 31, 2009 and 2008.
- The paid-up capital of the Bank is JD100,000,000, divided into 100,000,000 shares at a par value of JD1 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. This reserve cannot be distributed to shareholders.

- Voluntary Reserve

The amounts accumulated in this account represent what has been transferred from annual net income before taxes at a rate of 20% during the year and previous years. This reserve will be used for purposes approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to distribute the whole reserve or part therefrom 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.

The restricted reserves are as follows:

<u>Reserve</u>	<u>Amount</u>	<u>Nature of Restriction</u>
	JD	
Legal reserve	33,822,569	Companies and Banks Laws
General banking risks reserve	8,318,914	Legal authorities requirements

24. Foreign Currency Translation Differences:

This item represents the differences resulting from translation of net investments in foreign subsidiaries and branches upon consolidation of the financial statements (Bank of Jordan / Syria).

25. Cumulative Change in Fair Value		
This item consists of the following:	December 31,	
	2009	2008
	JD	JD
Balance - beginning of the year	1,419,577	1,491,262
Unrealized (losses) - net	(881,573)	(4,117,613)
Deferred tax liabilities	(84,486)	30,491
Realized (gains) losses taken to the consolidated statement of income	(721,322)	45,404
Impairment recorded in the consolidated statement of income	<u>3,641,642</u>	<u>3,970,033</u>
Balance – End of the Year	<u>3,373,838</u>	<u>1,419,577</u>

* The cumulative change in fair value is presented as net of deferred tax liabilities amounting to JD1,340,593 (JD1,256,107 for the prior year).

26. Retained Earnings

This item consists of the following:	2009	2008
	JD	JD
Balance-beginning of the year	28,098,191	20,458,424
Profit for the year	26,733,627	32,848,778
Transferred to reserves	(12,538,805)	(15,657,665)
Dividends distributed to shareholders	(15,000,000)	(9,548,976)
Associate company (losses)	-	(2,370)
Foreign currency translation differences	(116)	-
Balance-End of the year *	<u>27,292,897</u>	<u>28,098,191</u>

* Retained earnings restricted against deferred tax benefits include an amount of JD7,379,836 as of December 31, 2009 (JD6,884,677 for the prior year).

- As per the requirements of the Central Bank of Jordan, the associate company's profits of JD928,303 cannot be disposed of until realized.

27. Proposed Dividends

The Board of Directors recommended the distribution of 15% of capital as cash dividends, equivalent to JD15,000,000. This proposal is subject to the approval of the General Assembly of Shareholders and the Central Bank of Jordan. In the prior year, cash dividends of 15% of capital, equivalent to JD15,000,000, were distributed to shareholders.

28. Interest Income

This item consists of the following:	2009	2008
	JD	JD
Direct Credit Facilities:		
Individual (retail customers):	21,503,362	23,524,109
Overdraft facilities	302,123	1,671,708
Loans and discounted bills	17,588,130	18,491,775
Credit cards	3,613,109	3,360,626
Residential mortgages & commercial real estate	14,648,550	17,030,961
Corporate Entities:	38,304,772	33,514,223
Large corporate customers:		
Overdraft facilities	6,646,265	6,239,085
Loans and discounted bills	23,467,422	19,672,447
SMEs:		
Overdraft facilities	3,035,581	2,809,675
Loans and discounted bills	5,155,504	4,793,016
Government & public sector	4,151,360	6,451,367
Balances with central banks	2,351,936	5,248,292
Balances and deposits with banks and financial institutions	2,583,064	6,215,591
Held-to-maturity financial assets	22,202,388	11,553,445
Total	<u>105,745,432</u>	<u>103,537,988</u>

29. Interest Expense

This item consists of the following:	2009	2008
	JD	JD
Deposits from banks and financial institutions	2,621,695	773,105
Customers' deposits:		
Current and demand deposits	359,812	548,951
Saving accounts	3,285,240	3,509,571
Time and notice deposits	23,951,750	24,717,849
Certificates of deposit	4,448,196	4,826,376
Borrowed money	2,282,197	-
Cash margins	2,450,364	2,707,172
Fees of deposit guarantees	1,794,623	1,559,505
	<u>41,193,877</u>	<u>38,642,529</u>

30. Commissions Income - Net

This item consists of the following:	2009	2008
	JD	JD
Commission Income:		
Direct credit facilities	4,812,402	4,931,215
Indirect credit facilities	2,954,488	2,762,532
Other commissions	6,580,140	6,291,018
Less: Commission expense	(243,612)	(214,942)
Net Commissions	<u>14,103,418</u>	<u>13,769,823</u>

31. Foreign Currencies Income

This item consists of the following:	2009	2008
	JD	JD
From trading	333,288	367,235
From revaluation	<u>2,473,683</u>	<u>1,760,032</u>
Total	<u>2,806,971</u>	<u>2,127,267</u>

32. Gains Arising from Held-for-Trading Financial Assets				
This item consists of the following:	Realized Gains	Unrealized (Losses)	Dividends	Total
2009	JD	JD	JD	JD
Companies shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2008				
Companies shares	<u>1,057,394</u>	<u>-</u>	<u>327,370</u>	<u>1,384,764</u>
	<u>1,057,394</u>	<u>-</u>	<u>327,370</u>	<u>1,384,764</u>

33. (Losses) from Available-for-Sale Financial Assets		
This item consists of the following:	2009	2008
	JD	JD
Companies dividends	1,549,112	2,038,543
Gains from the sale of financial assets available for sale	721,322	1,009,483
Impairment in available-for-sale assets	<u>(3,641,642)</u>	<u>(4,602,373)</u>
	<u>(1,371,208)</u>	<u>(1,554,347)</u>

34. Other Income		
This item consists of the following:	2009	2008
	JD	JD
Revenues from prior years returned to income	934,118	1,307,648
Gains from the sale of real estate	1,078,604	953,550
Telephone, post and swift	376,714	431,142
Real estate rent	53,583	60,565
Income from the sale of fixed assets	11,856	55,363
Interest in suspense reversed to income	1,664,165	4,248,586
Impairment in lands and real estate	(830)	91,497
Other income	<u>269,931</u>	<u>2,811,665</u>
	<u>4,388,141</u>	<u>9,960,016</u>

35. Employees Expenses

This item consists of the following:	2009	2008
	JD	JD
Salaries, bonuses and employees' benefits	18,896,816	16,723,497
Bank's social security contribution	1,396,973	1,177,499
Bank's contribution to provident fund	1,015,417	916,570
Health insurance	927,906	798,720
Staff training expenses	353,085	168,823
Transportation and travel expenses	538,834	575,216
	<u>23,129,031</u>	<u>20,360,325</u>

36. Other Expenses

This item consists of the following:	2009	2008
	JD	JD
Rent	1,774,743	1,717,892
Printing and stationery	1,117,646	830,865
Telephone, Swift and postage	1,615,437	1,787,813
Maintenance, repairs and cleaning	1,595,643	1,281,373
Fees, taxes and licences	2,467,463	2,476,995
Advertising and subscriptions	3,391,459	2,653,774
Insurance expenses	498,727	669,483
Electricity and heating	991,868	918,436
Donations	206,288	509,400
Hospitality	267,071	266,503
Professional fees	637,566	450,033
Miscellaneous	408,475	697,112
Additional Jordanian universities fees	342,383	376,259
Scientific research and training	342,383	376,259
Vocational and Technical Education and Training Support Fund fees	204,243	111,015
Board of Directors' remunerations	55,000	55,000
Bank's share from Bank of Jordan – Syria foundation expenses	-	572,344
	<u>15,916,395</u>	<u>15,750,556</u>

37. Earnings Per Share

This item consists of the following:	2009	2008
	JD	JD
Profit for the year	26,733,627	32,848,778
Weighted average number of shares	100,000,000	100,000,000
Net income for the year/share:		
Basic	0.267	0.328
Diluted	<u>0.267</u>	<u>0.328</u>

38. Cash and Cash Equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following:	December 31,	
	2009	2008
	JD	JD
Cash and balances with central banks maturing within 3 months	314,912,341	200,304,623
Add: Balances with banks and other financial institutions maturing within 3 months	163,790,237	199,262,838
Less: Deposits from banks and financial institutions maturing within 3 months	(108,320,353)	(53,433,921)
Restricted accounts	<u>(6,357,180)</u>	<u>(4,162,423)</u>
	<u>364,025,045</u>	<u>341,971,117</u>

39. Financial Derivatives

This item consists of the following:	Positive Fair value	Negative Fair value	Total Nominal Value	Nominal Value Maturities During One Month
	JD	JD	JD	JD
2009				
Financial derivatives for trading				
- foreign currencies forward contracts (purchase)	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Positive Fair value	Negative Fair value	Total Nominal Value	Nominal Value Maturities During One Month
2008				
Financial derivatives for trading				
- foreign currencies forward contracts (purchase)	<u>1,476</u>	-	<u>1,115,417</u>	<u>1,115,417</u>
Total	<u>1,476</u>	<u>-</u>	<u>1,115,417</u>	<u>1,115,417</u>

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

40. Related Parties Transactions

Within its normal activities, the Bank enters into transactions with its major shareholders, members of the Board of Directors, executive management, 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	Management Executives	Staff Provident Fund	Total December 31,	
					2009	2008
Statements of Financial Position Items:	JD	JD	JD	JD	JD	JD
Credit facilities	7,500,000	962,036	633,438	-	9,095,474	12,062,121
Deposits	400,091	613,852	1,123,678	1,886,907	4,024,528	6,831,346
Cash margins	-	20,434	-	-	20,434	306,328
Off-Statements Financial Position Items:						
Letters of guarantee						-
					Total For the Year Ended December 31,	
					2009	2008
Income Statement Items:	JD	JD	JD	JD	JD	JD
Credit interest and commission	766,276	64,125	233,877	12	1,064,290	832,815
Debit interest and commission	2,106	33,146	13,216	291,307	339,775	320,326
Additional Information						
Credit facilities						
Credit facilities under control						
Impairment in credit facilities						
Interest in suspense						
Written-off debts						

The lowest interest rate on the employees housing loans was 4.9%, whereas the lowest interest rate on related parties loans was 8.25%, and the highest interest rate received on loans was 10.5%. The highest interest rate paid to related parties was 7.5% (Certificates of Deposit for staff provident fund).

Salaries and Remunerations of Executive Management:		
	December 31,	
	2009	2008
	JD	JD
Salaries and benefits	1,572,376	1,109,123
Transportation expenses	36,000	18,000
Total	1,608,376	1,127,123

41. Financial assets and liabilities not shown at fair value in the financial statements:

Financial assets available for sale include unquoted financial assets of JD15,172,465 as of December 31, 2009, of which JD14,828,254 is shown at cost as the Bank cannot estimate their fair value.

42. Risk Management

First: Descriptive Disclosures:

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

Accordingly, departments specialized in business development (investment, development of companies activities, development of small and medium size companies' activities and personnel services) independent from the risk management department have been set up.

Risks management assumes the responsibility of managing the various types of risks through:

- Preparing policies and getting them approved by the Board of Directors.
- Analyzing 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 measuring the Bank's risks quantitatively and qualitatively.

In this context, the Bank has formed a Risk Management Committee, comprising Executive Management, so as to analyze, scrutinize and monitor risks, and submit reports periodically to "the Risk Management Committee", consisting of members of the Board of Directors. The Risk Management Committee's main duties are to ensure the presence of an effective internal monitoring body that is also functioning effectively in accordance with the policies and scope of work set for it by the Board of Directors.

The Bank's Board of Directors / Executive Risks Committee guarantees the availability of an efficient internal control system and ensures its proper performance. Moreover, the Board of Directors approves the risks management policies in general and determines their framework.

Credit Risk

Credit risk arises from the probable inability or/and lack of desire of the borrower or third party to fulfill its obligations at the specified time. These risks include on-statements financial position risks such as loans and bonds and off-statements financial position risks such as guarantees and/or documentary credits causing financial losses to the Bank.

In this regard, the Bank reinforces the 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 the management of companies credit risks).
 - Small and Medium Sized Enterprises (SMEs) Risk Management Department (for the management of SMEs credit risks).
 - Individuals Credit Risks Department (for the management of individuals credit portfolios risks).
2. Separation of the Business Development Department from the Credit Risk Departments.
3. Putting in place a set of approved policies and procedures that outlines the 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).
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. Putting in place an authorization and relationship management system:
Bank of Jordan adopts an authorization system that includes authority granting, delegation and control and relationship management of the various credit activities.

7. Determining the credit risk mitigation methods:
The Bank 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.
 - Analyzing 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 (Cremes and e-loan).
10. Setting up a specialized department for following up on the collection of dues and troubled debts.
11. Setting up credit Risks Committee / Executive ensuing from the Board of Directors for reviewing risks, investment and credit policies and strategies.
12. Determining the duties of the various credit risks departments concerning the mechanism and periodicity of controls and issuance and submission of reports to the Board of Directors and executive management.
13. Analyzing economic cycles 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:
 - Non - performing credit facilities increased by 50% of the performing credit facilities balance for the purpose of funding commercial real estates, 30% of the credit facilities for financing contractors, 30% of the credit facilities balance for financial services and 30% of the credit facilities balance for financing car trading.
 - The credit facilities granted to these major defaulting borrowers (excluding the Jordanian Government) within the contracting, real estate and financial services sectors 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, unrenewed 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 assets quality trends, etc.
 - Controlling credit exposure at the customer level, geographic area, credit type, economic sector, maturity date, guarantee type and others. These reports are submitted periodically to the Risks Committee / Executive ensuing from the Board of Directors. Timely reports on daily operations are submitted to the CEO.

Operational Risk

Operating risk arises from the inefficiency or failure of internal operations, employees or systems or it may stem from external events including legal risks. The Bank's Operational Risks Department was set up in the year 2003. It has been staffed with qualified cadre and automatic systems since that date. It is affiliated with risks management.

The Bank manages operational risk based on the following criteria:

1. Preparing the operational risks policy, getting it approved 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 risks management system (CARE).
3. Setting up a risk profile that includes all operations risks 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 Inspection 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 inspection report it submits to the Audit Committee on a timely basis.
5. Evaluating the Risk Profile:
In this regard, self-assessment (CRSA) has been applied as a tool for managing and constantly evaluating risks in order to identify new risks and ensure the efficiency of control procedures to limit these risks and renew the risk profile on a timely basis to reflect the reality of the work environment.

6. Setting up a database for operating errors, analyzing them and submitting a report on the concentration of and type of these errors to the Board of Directors.
7. Applying the rating standards and evaluating the Bank's units according to international principles and standards, and the work environment.
8. Setting - up and determining key risk indicators at the Bank's level.
9. Stress testing.
10. Providing the Board of Directors and executive management 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 probability that the Bank may not comply with (violate / transgress) the prevailing laws, regulations, instructions, banking laws and code of ethics issued by the international and local regulatory authorities including the Bank's internal policies.

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

- Preparing the compliance policy, getting it approved by the Board of Directors and applying 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 the laws, regulations and instructions governing the Bank's work.
- Preparing and applying the compliance matrices that include limiting the violation of the laws and regulations and ensure compliance with them periodically according to the nature and type of the matrix.
- Studying, evaluating and analyzing customers' complaints to better understand those complaints, their concentration and impact.
- 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. The unit works according to policies and procedures approved by the Board of Directors in compliance with the Anti-money Laundering Operations Law No. 46 for the year 2007 to limit this type of risk.

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 as follows:

- Installing a set of liquidity management policies and procedures, approved by the Board of Directors, that specify the criteria for the 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 the ceilings and quality of the investment portfolio.
 - Identifying the sources of funds and classifying and 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 the 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:

(43/A) Credit Risk

Exposure to credit risk (after impairment provisions and before collateral held or other mitigation factors):		
	2009	2008
	JD	JD
On-statements financial position items		
Cash and balances with central banks	274,478,748	175,608,541
Balances with banks and financial institutions	163,790,237	199,262,838
Deposits with banks and financial institutions	29,436,468	-
Credit facilities:		
Individual (retail customers)	165,396,848	189,887,155
Residential mortgages & commercial real estate	170,851,595	189,248,530
Corporate Entities	489,478,110	407,331,815
Large corporate customers	390,931,351	327,389,477
SMEs	98,546,759	79,942,338
Government & public sector bonds	38,959,676	40,054,342
Within held-to-maturity financial assets	388,865,434	302,665,209
Available-for-sale financial assets	40,071,540	42,963,431
Mortgaged financial assets	-	18,040,152
Other assets	24,291,463	22,350,153
Off-statements financial position items		
Letters of guarantee	85,947,321	80,227,429
Letters of credit	39,851,880	43,512,160
Acceptances	22,869,207	12,536,015
Unutilized facilities	93,760,327	94,224,008
Total	2,028,048,854	1,817,911,778

The guarantees and mitigating credit risk factors 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 the specialized court of law.
- 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, kind and degree of risk to ensure 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 Facilities Rating Categories :		December 31, 2009										
		Individual (retail customers)		Residential mortgages & commercial real estate		Corporate Entities			Banks & other financial institutions			Total
Grades :	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low grade	-	-	-	-	-	-	-	-	-	-	-	684,124,624
Standard grade	161,980,202	167,113,312	395,324,087	91,676,379	-	-	-	-	-	-	274,478,748	1,009,320,685
From which past due*:												
Up to 30 days	123,765	98,400	1,903,278	627,453	-	-	-	-	-	-	-	2,752,896
From 31 to 60 days	212,079	-	40,551	58,247	-	-	-	-	-	-	-	310,877
Watch list	1,938,237	2,588,409	47,771,334	14,852,616	-	-	-	-	-	-	-	67,150,596
Non - performing:	13,674,150	7,897,096	46,283,976	9,890,089	-	-	-	-	-	-	-	77,745,311
Substandard	1,423,239	755,828	2,525,554	134,761	-	-	-	-	-	-	-	4,839,382
Doubtful	2,307,143	1,788,231	2,663,200	956,802	-	-	-	-	-	-	-	7,715,376
Losses written off	9,943,768	5,353,037	41,095,222	8,798,526	-	-	-	-	-	-	-	65,190,553
Total	177,592,589	177,598,817	489,379,397	116,419,084	409,645,876	467,705,453	1,838,341,216					
Deduct: Interest in suspense	(1,922,826)	(379,931)	(4,351,146)	(1,441,326)	-	-	-	-	-	-	-	(8,095,229)
Deduct: Allowance for impairment losses	(8,737,222)	(2,617,720)	(27,617,083)	(5,653,843)	-	-	-	-	-	-	-	(44,625,868)
Net	166,932,541	174,601,166	457,411,168	109,323,915	409,645,876	467,705,453	1,785,620,119					

Credit Facilities Rating Categories :		December 31, 2008							
		Individual (retail customers)		Corporate Entities			Total		
Grades :	JD	Residential mortgages & commercial real estate	Large corporate customers	SMEs	Government & Public Sector	Banks & other Financial institutions	JD	JD	JD
Low grade	-	-	-	-	329,453,882	175,608,541	505,062,423		
Standard grade	185,054,122	187,452,890	359,693,781	72,470,471	-	199,318,330	1,003,989,594		
From which past due*:									
Up to 30 days	268,642	1,482	1,237,995	110,547	-	-	1,618,666		
From 31 to 60 days	461,049	76,775	1,176,757	228,742	-	-	1,943,323		
Watch list	7,995,986	35,243	50,179,946	11,808,053	-	-	70,019,228		
Non - performing:	13,242,312	3,888,796	30,845,571	10,533,931	-	-	58,510,610		
Substandard	1,442,150	429,482	-	1,584,935	-	-	3,456,567		
Doubtful	1,745,220	1,162,375	3,588,127	1,792,230	-	-	8,287,952		
Losses written off	10,054,942	2,296,939	27,257,444	7,156,766	-	-	46,766,091		
Total	206,292,420	191,376,929	440,719,298	94,812,455	329,453,882	374,926,871	1,637,581,855		
Deduct: Interest in suspense	(2,474,598)	(188,706)	(4,010,320)	(1,477,860)	-	-	(8,151,484)		
Deduct: Allowance for impairment losses	(9,968,523)	(1,919,802)	(23,621,445)	(6,508,435)	-	-	(42,018,205)		
Net	193,849,299	189,268,421	413,087,533	86,826,160	329,453,882	374,926,871	1,587,412,166		

The following table breaks down the fair value of the collaterals held as security for credit facilities:						
December 31, 2009						
	Corporate Entities					
	Individual (retail customers)	Residential mortgages & commercial real estate	Large corporate customers	SMEs	Government & Public Sector	Total
	JD	JD	JD	JD	JD	JD
Low grade	-	-	-	-	-	-
Standard grade	34,134,830	171,509,675	98,103,964	46,921,242	-	350,669,711
Watch list	9,977	2,519,786	19,838,988	11,066,680	-	33,435,431
Non- performing :	4,476,203	7,153,068	27,132,282	10,432,734	-	49,194,287
Substandard grade	451,838	714,495	1,327,317	631,033	-	3,124,683
Doubtful	1,050,978	1,759,644	2,975,669	1,071,771	-	6,858,062
Losses written off	2,973,387	4,678,929	22,829,296	8,729,930	-	39,211,542
Total	38,621,010	181,182,529	145,075,234	68,420,656	-	433,299,429
As:						
Cash margins	6,502,099	129,428	44,826,197	16,947,736	-	68,405,460
Accepted bank guarantees	-	-	-	-	-	-
Residential mortgages & commercial real estate	4,192,492	181,053,101	68,755,290	38,044,081	-	292,044,964
Listed shares	164,831	-	27,769,600	2,698,785	-	30,633,216
Equipment and vehicles	27,761,588	-	3,724,147	10,730,054	-	42,215,789
Total	38,621,010	181,182,529	145,075,234	68,420,656	-	433,299,429

The following table breaks down the fair value of the collaterals held as security for credit facilities:						
December 31, 2008						
	Corporate Entities					
	Individual (retail customers)	Residential mortgages & commercial real estate	Large corporate customers	SMEs	Government & Public Sector	Total
	JD	JD	JD	JD	JD	JD
Low grade	-	-	-	-	4,339,745	4,339,745
Standard grade	29,000,919	187,950,433	87,349,405	63,650,671	-	367,951,428
Watch list	364,898	35,242	33,890,586	8,310,748	-	42,601,474
Non- performing :	6,151,237	3,419,758	17,577,940	6,744,366	-	33,893,301
Substandard grade	469,943	169,595	-	185,354	-	824,892
Doubtful	975,876	1,302,729	917,082	2,417,462	-	5,613,149
Losses written off	4,705,418	1,947,434	16,660,858	4,141,550	-	27,455,260
Total	35,517,054	191,405,433	138,817,931	78,705,785	4,339,745	448,785,948
As:						
Cash margins	1,422,539	3,540,559	46,208,501	10,202,842	4,339,745	65,714,186
Accepted bank guarantees	-	-	-	-	-	-
Residential mortgages & commercial real estate	2,876,485	187,864,874	51,958,287	54,446,047	-	297,145,693
Listed shares	404,792	-	37,167,585	2,571,551	-	40,143,928
Equipment and vehicles	30,813,238	-	3,483,558	11,485,345	-	45,782,141
Total	35,517,054	191,405,433	138,817,931	78,705,785	4,339,745	448,785,948

Rescheduled loans

These represent loans classified previously as non-performing and reclassified as performing under control. They amounted to JD264,050 as of December 31, 2009 (JD1,461,516 as of December 31, 2008).

Restructured loans

Restructuring means to rearrange facilities' installments by increasing their duration, postpone some installments, or increase their grace period. They are classified as debts under control and amounted to JD20,713,114 as of December 31, 2009 (JD25,701,405 as of December 31, 2008).

3. Debit securities and treasury bills			
The schedule below shows the distribution of bonds and bills according to the international agencies classification:	Rating agency	Within held - to maturity financial assets	Total
Rating grade		JD	JD
Unrated	-	24,729,376	24,729,376
Government	-	364,136,058	364,136,058
Total	-	388,865,434	388,865,434

4. The schedule below shows the geographical distribution of the credit risk exposure:							
	Inside Jordan	Other Middle East Countries	Europe	Asia *	America	Rest of the world	Total
	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	159,233,525	115,245,223	-	-	-	-	274,478,748
Balances with banks and financial institutions	16,546,543	46,784,856	93,227,171	20,603	7,156,260	54,804	163,790,237
Deposits with banks and financial institutions	-	29,436,468	-	-	-	-	29,436,468
Credit Facilities:	725,592,456	138,114,728	979,045	-	-	-	864,686,229
Individual (retail customers)	140,297,135	25,099,713	-	-	-	-	165,396,848
Residential mortgages & commercial real estate	160,023,626	10,827,969	-	-	-	-	170,851,595
Corporate Entities:	412,945,958	75,553,107	979,045	-	-	-	489,478,110
Large corporate customers	333,250,017	56,702,289	979,045	-	-	-	390,931,351
SMEs	79,695,941	18,850,818	-	-	-	-	98,546,759
Government & public sector	12,325,737	26,633,939	-	-	-	-	38,959,676
Bonds, debentures and bills:							
Within the financial assets held to maturity	350,819,221	38,046,213	-	-	-	-	388,865,434
Available-for-sale financial assets	33,314,890	4,801,028	1,423,696	-	531,926	-	40,071,540
Other assets	14,738,377	9,553,086	-	-	-	-	24,291,463
Total 2009	1,300,245,012	381,981,602	95,629,912	20,603	7,688,186	54,804	1,785,620,119
Total 2008	1,304,546,991	203,399,048	67,758,798	191,900	11,376,744	138,685	1,587,412,166

* Excluding Middle East Countries.

5. The schedule below shows the credit risk exposure according to economic activities:

Economic Sector	Finance	Manufacturing	Trade	Buildings	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
Balances with central banks	274,478,748	-	-	-	-	-	-	-	-	-	274,478,748
Balances with banks and financial institutions	163,790,237	-	-	-	-	-	-	-	-	-	163,790,237
Deposits with banks and financial institutions	29,436,468	-	-	-	-	-	-	-	-	-	29,436,468
Credit Facilities:	6,423,303	180,906,442	92,928,887	165,801,171	79,935,550	23,898,161	72,615,203	37,820,988	165,396,848	38,959,676	864,686,229
Individual (retail customers)	-	-	-	-	-	-	-	-	165,396,848	-	165,396,848
Real estate loans	-	-	5,050,424	165,801,171	-	-	-	-	-	-	170,851,595
Companies:	6,423,303	180,906,442	87,878,463	-	79,935,550	23,898,161	72,615,203	37,820,988	-	-	489,478,110
Large corporate customers	1,715,075	154,438,862	65,720,957	-	61,459,877	22,295,506	50,075,461	35,225,613	-	-	390,931,351
SMEs	4,708,228	26,467,580	22,157,506	-	18,475,673	1,602,655	22,539,742	2,595,375	-	-	98,546,759
Government and public sector	-	-	-	-	-	-	-	-	-	38,959,676	38,959,676
Bonds, debentures and bills:											
within the financial assets held to maturity	383,383,934	2,481,500	-	-	-	-	3,000,000	-	-	-	388,865,434
Available-for-sale financial assets	11,391,204	10,143,459	7,881	7,957,175	8,077	-	10,563,744	-	-	-	40,071,540
Other assets	15,422,456	1,398,400	1,246,827	842,820	295,124	-	-	-	1,535,693	3,550,143	24,291,463
Total 2009	884,326,350	194,929,801	94,183,595	174,601,166	80,238,751	23,898,161	86,178,947	37,820,988	166,932,541	42,509,819	1,785,620,119
Total 2008	423,743,414	70,235,663	79,594,896	229,197,813	142,050,592	9,763,001	58,940,645	58,337,984	189,887,155	325,661,003	1,587,412,166

Market Risks:

Descriptive Disclosure:

These risks arise from the fluctuations in 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 and through special committees and work centers and include the following:

- Interest rate risk
- Currency exchange rate risk
- Fluctuation in shares prices risk

44/b Market risks:

Descriptive Disclosure:

Market risk: the risk of the positions on and off the Bank's Statements of financial position of exposure to losses as a result of price fluctuation 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 the markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments, and futures selling and buying.
- Foreign currency fluctuations.
- Gaps in the maturities of assets and liabilities and re-pricing.
- Acquisition of uncovered positions.

Interest rate risks

Interest rate risk arises 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 Assets and Liabilities 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 to ensure control, reduce risk, and take into account acceptable risk and the balancing of the maturities of assets with liabilities, as well as the gaps and benefits of hedging their prices.

Foreign currencies risk

Foreign currencies risks are the risks arising from the changes in the values of financial instruments as a result of the fluctuations in the prices of foreign currencies. Moreover, the Jordanian Dinar is the Bank's functional currency. The Bank's investment policy includes a set of controls that limits this type of risk such as the following:

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

The following is the net of the major foreign currencies positions at the Bank:		
	December 31,	
	2009	2008
Currency type	JD	JD
US Dollar	558,744	(2,015,244)
Pound Sterling	(39,456)	9,035
EURO	169,283	178,603
Japanese Yen	26,125	1,118,153
Other currencies	1,683,364	(266,221)
	<u>2,398,060</u>	<u>(975,674)</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 concentrated in Amman Stock Exchange.

Market Risk Management

The Bank follows financial policies for risk management within a specified strategy. Moreover, the Bank has an Assets and Liabilities Management Committee that supervises and controls risks and performs the optimal strategic distribution of assets and liabilities both on and off statements of financial position. Moreover, a market risk unit has been established and staffed with qualified human resources, in addition to establishing a committee to manage executive risk. 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 the management of the ceilings of local and foreign investments.
- Development of market risk measurement, management and monitoring tools through:
 - Value at risk.
 - 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 and local and international stocks.
- Preparation of periodic reports to the Investment Committee, Executive Risk Management Committee and Risk Management Committee/Board of Directors.

Quantitative disclosures:

1. Interest rate risks			
	December 31, 2009		
	Change (increase) interest rate (1%)	Sensitivity of interest revenue analysis (profits and losses)	Sensitivity of equity analysis
Currency		JD	JD
US Dollar	2%	11,175	-
Euro	2%	3,384	-
Sterling Pound	2%	(790)	-
Japanese Yen	2%	522	-
Other Currencies	2%	33,666	-
	Change (decrease) in interest (1%)	Sensitivity of interest revenue analysis (profits and losses)	Sensitivity of equity analysis
Currency		JD	JD
US Dollar	2%	(11,175)	-
Euro	2%	3,384	-
Sterling Pound	2%	790	-
Japanese Yen	2%	(522)	-
Other Currencies	2%	(33,666)	-

	December 31, 2008		
	Change (increase) in interest (1%)	Sensitivity of interest revenue analysis (profits and losses)	Sensitivity of equity analysis
Currency		JD	JD
US Dollar	1%	(20,152)	-
Euro	1%	1,786	-
Sterling Pound	1%	90	-
Japanese Yen	1%	11,811	-
Other Currencies	1%	(2,662)	-
	Change (decrease) in interest rate (1%)	Sensitivity of interest revenue analysis (profits and losses)	Sensitivity of equity analysis
Currency		JD	JD
US Dollar	1%	20,152	-
Euro	1%	(1,786)	-
Sterling Pound	1%	(90)	-
Japanese Yen	1%	(11,811)	-
Other Currencies	1%	2,662	-

2. Foreign currencies risks

	December 31, 2009		
	Increase in currency exchange rate (1%)	Effect on gain or loss	Effect on equity
Currency		JD	JD
US Dollar	5%	27,937	-
Euro	5%	8,464	-
Sterling pound	5%	(1,973)	-
Japanese yen	5%	1,306	-
Other Currencies	5%	84,168	-

	December 31, 2008		
	Increase in currency exchange rate (1%)	Effect on gain or loss	Effect on equity
Currency		JD	JD
US Dollar	5%	(10,076)	-
Euro	5%	893	-
Sterling pound	5%	45	-
Japanese yen	5%	5,905	-
Other Currencies	5%	(1,331)	-

3. Risks of changes in the prices of share

	December 31, 2009		
	Increase in indicator	Effect on gain or loss	Effect on equity
Indicator		JD	JD
Amman Stock Exchange	5%	-	1,783,043
Palestine Stock Exchange	5%	-	220,534

	December 31, 2008		
	Increase in indicator	Effect on gain or loss	Effect on equity
Indicator		JD	JD
Amman Stock Exchange	1%	-	1,898,092
Palestine Stock Exchange	1%	-	25,080

Interest rate sensitivity gap:		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		
2009	Assets	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	%
	Cash and balances with central banks	127,475,959	16,436,889	-	-	-	-	-	7,444,500	170,999,493	322,356,841	3.3
	Balances with banks and financial institutions	157,915,281	2,244,280	-	-	-	-	-	-	3,630,676	163,790,237	3
	Deposits with banks and financial institutions	-	-	20,491,500	8,944,968	-	-	-	-	-	29,436,468	3.93
	Credit facilities - Net	36,077,970	125,674,067	80,766,888	152,094,005	303,957,396	166,115,903	-	-	-	864,686,229	9.2
	Available-for-sale financial assets	-	-	-	-	-	-	-	-	40,071,540	40,071,540	-
	Held-to-maturity financial assets - Net	9,976,642	46,810,333	98,077,923	131,317,717	85,381,319	17,301,500	-	-	-	388,865,434	5.6
	Mortgaged financial assets	-	-	-	-	-	-	-	-	-	-	-
	Investments in associates	-	-	-	-	-	-	-	-	2,770,665	2,770,665	-
	Fixed assets – net	-	-	-	-	-	-	-	-	42,536,799	42,536,799	-
	Intangible assets	-	-	-	-	-	-	-	-	2,215,197	2,215,197	-
	Other assets	-	-	-	-	-	-	-	-	43,882,602	43,882,602	-
	Deferred tax assets	-	-	-	-	-	-	-	-	7,379,836	7,379,836	-
	Total Assets	<u>331,445,852</u>	<u>191,165,569</u>	<u>199,336,311</u>	<u>292,356,690</u>	<u>389,338,715</u>	<u>190,861,903</u>	<u>313,486,808</u>	<u>1,907,991,848</u>	<u>1,907,991,848</u>	<u>1,907,991,848</u>	
	Liabilities											
	Banks and financial institutions deposits	75,638,861	10,929,410	20,510,542	-	-	-	-	-	1,241,540	108,320,353	3
	Customers' deposits	459,423,854	273,853,451	142,272,319	84,021,537	7,685,732	158,381	450,656,750	1,418,072,024	41,546,646	1,418,072,024	2.5
	Cash margins	36,974,877	12,062,568	9,733,935	7,247,308	2,012,099	-	-	-	-	109,577,433	2.4
	Borrowed money	-	-	-	15,000,000	-	-	-	-	-	15,000,000	7.1
	Sundry provisions	-	-	-	-	-	-	-	-	6,345,547	6,345,547	-
	Income tax provision	-	-	-	-	-	-	-	-	11,579,439	11,579,439	-
	Deferred tax liabilities	-	-	-	-	-	-	-	-	1,340,593	1,340,593	-
	Other liabilities	-	-	-	-	-	-	-	-	23,633,395	23,633,395	-
	Total Liabilities	<u>572,037,592</u>	<u>296,845,429</u>	<u>172,516,796</u>	<u>106,268,845</u>	<u>9,697,831</u>	<u>158,381</u>	<u>536,343,910</u>	<u>1,693,868,784</u>	<u>1,693,868,784</u>	<u>1,693,868,784</u>	
	Interest repricing gap for the year 2008	(240,591,740)	(105,679,860)	26,819,515	186,087,845	379,640,884	190,703,522	(222,857,102)	214,123,064			
	Total Assets	268,515,120	212,074,874	202,331,715	243,671,055	451,456,261	27,949,680	280,019,498	1,686,018,203			
	Total Liabilities	184,287,771	528,220,593	282,424,266	73,153,458	42,411,775	-	384,354,655	1,494,852,518			
	Interest repricing gap	84,227,349	(316,145,719)	(80,092,551)	170,517,597	409,044,486	27,949,680	(104,335,157)	191,165,685			

Concentration of currency risk		December 31, 2009						
		US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total	
		JD	JD	JD	JD	JD	JD	
Assets								
Cash and balances with central banks	58,164,290	6,866,343	132,524	8,745	49,028,880	114,200,782		
Balances with banks and financial institutions	83,502,707	18,563,833	5,680,797	23,304	35,150,730	142,921,371		
Deposits with banks and financial institutions	6,054,881	489,948	219,599	-	12,672,038	19,436,466		
Credit facilities - Net	118,928,339	187,302	-	-	92,646,842	211,762,483		
Held-to-maturity financial assets	2,481,500	-	-	-	-	2,481,500		
Other assets	6,371,171	95,248	4,250	-	25,827,355	32,298,024		
Total Assets	275,502,888	26,202,674	6,037,170	32,049	215,325,845	523,100,626		
Liabilities								
Banks and financial institutions deposits	19,465,990	77,812	135,003	-	23,246,564	42,925,369		
Customers' deposits	227,128,459	23,368,753	5,766,419	2,567	152,524,569	408,790,767		
Cash margins	26,039,179	2,236,401	132,846	3,363	12,800,120	41,211,909		
Other liabilities	2,310,516	350,425	42,358	(6.00)	25,071,228	27,774,521		
Total Liabilities	274,944,144	26,033,391	6,076,626	5,924	213,642,481	520,702,566		
Net position 2009	558,744	169,283	(39,456)	26,125	1,683,364	2,398,060		
Commitments and contingent liabilities during the year 2009	86,107,524	12,838,023	237,704	67,264	65,017,330	164,267,845		

Concentration of currency risk		December 31, 2008						
		US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total	
		JD	JD	JD	JD	JD	JD	
Assets								
Total Assets	281,555,471	23,593,864	6,971,858	1,495,162	108,084,982	421,701,337		
Total Liabilities	283,570,715	23,415,261	6,962,823	377,009	108,351,203	422,677,011		
Net position 2008	(2,015,244)	178,603	9,035	1,118,153	(266,221)	(975,674)		
Commitments and contingent liabilities during the year 2008	71,317,185	11,164,915	421,110	167,460	33,792,543	116,863,213		

Liquidity risk: 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 financial statements:

a- December 31, 2009									
	Up to 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	Without maturity	Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities									
Banks and financial institutions deposits	78,638,602	14,046,790	15,634,961	-	-	-	-	108,320,353	
Customers' deposits	266,199,841	621,405,905	424,945,678	69,269,922	7,136,526	158,382	28,955,770	1,418,072,024	
Margin accounts	61,739,053	17,385,602	14,055,715	13,602,191	2,794,872	-	-	109,577,433	
Borrowed money	-	-	-	15,000,000	-	-	-	15,000,000	
Sundry provisions	2,307	125,000	30,000	1,180,000	1,500,000	3,508,240	-	6,345,547	
Income tax provision	10,000,000	717,264	20,653	841,522	-	-	-	11,579,439	
Deferred tax liabilities	-	-	-	1,340,593	-	-	-	1,340,593	
Other liabilities	14,668,721	1,494,288	6,652,445	602,753	26,747	188,441	-	23,633,395	
Total Liabilities	431,248,524	655,174,849	461,339,452	101,836,981	11,458,145	3,855,063	28,955,770	1,693,868,784	
Total Assets (Anticipated Maturity)	520,072,939	191,383,818	199,418,441	292,712,299	265,589,034	321,641,390	117,173,927	1,907,991,848	
b- December 31, 2008									
	Up to 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	Without maturity	Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities									
Banks and financial institutions deposits	21,858,390	31,575,531	-	-	-	-	-	53,433,921	
Customers' deposits	184,119,266	654,757,043	219,146,170	110,508,791	108,264,999	-	-	1,276,796,269	
Cash margins	5,862,586	20,900,775	21,662,143	24,224,370	17,011,868	7,626,903	-	97,288,645	
Borrowed money	-	-	-	15,000,000	15,000,000	-	-	30,000,000	
Sundry provisions	-	150,000	40,000	80,000	-	6,651,731	-	6,921,731	
Income tax provision	12,100,000	269,040	47,264	1,100,000	-	-	-	13,516,304	
Deferred tax liabilities	-	-	-	-	1,256,107	-	-	1,256,107	
Other liabilities	3,739,361	2,536,471	4,334,880	4,969,515	59,314	-	-	15,639,541	
Total Liabilities	227,679,603	710,188,860	245,230,457	155,882,676	141,592,288	14,278,634	-	1,494,852,518	
Total Assets (Anticipated Maturity)	293,875,650	306,713,381	160,533,577	222,058,923	424,666,207	143,687,858	134,482,607	1,686,018,203	

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

- Financial derivatives, liabilities, which have been totally settled:

December 31, 2009			December 31, 2008		
	Up to one month	Total		Up to one month	Total
Trading derivatives	JD	JD	Trading derivatives	JD	JD
Currency derivatives:			Currency derivatives:		
Outflow	-	-	Outflow	(1,113,941)	(1,113,941)
Inflow	-	-	Inflow	1,115,417	1,115,417
Total	-	-	Total	1,476	1,476

- Off- statements of financial position items:				
	December 31, 2009			
	Up to 1 year	1-5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	81,845,081	-	-	81,845,081
Un-uitlized facilities	93,760,327	-	-	93,760,327
Letters of guarantee	85,947,321	-	-	85,947,321
Capital commitments	1,917,871	-	-	1,917,871
Total	263,470,600	-	-	263,470,600
	December 31, 2008			
	Up to 1 year	1-5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	65,483,529	-	-	65,483,529
Un-uitlized facilities	94,224,008	-	-	94,224,008
Letters of guarantee	80,227,429	-	-	80,227,429
Capital commitments	421,041	-	-	421,041
Total	240,356,007	-	-	240,356,007

45. Information on the Bank's Business Segments

- The Bank's business segments are:
 - Individual accounts: include following up on individual customers' accounts, granting them loans, credit, credit cards and other services.
 - Corporate accounts: include following up on deposits, credit facilities and other banking services pertinent to corporate customers.
 - Treasury: includes providing dealing 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.

Herebelow is information about the Bank's business segments distributed according to activity:												
	Retail		Corporate		Treasury		Financial Brokerage Services		Other		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	2009	2008
Total income	23,175,313	36,597,417	23,099,862	245,894	1,360,391	84,478,877	90,582,982					
Direct facilities impairment provision	(533,383)	3,141,046	-	-	-	2,607,663	3,608,429					
Segment result	23,708,696	33,456,371	23,099,862	245,894	1,360,391	81,871,214	86,974,553					
Other expenses	14,011,874	14,256,653	15,914,169	207,684	571,888	44,962,268	42,678,022					
Income before tax	9,696,822	19,199,718	7,185,693	38,210	788,503	36,908,946	44,296,531					
Income tax	2,856,771	6,177,910	2,246,651	14,827	243,650	11,539,809	11,438,055					
Income for the year	6,840,051	13,021,808	4,939,042	23,383	544,853	25,369,137	32,858,476					
Other information												
Capital expenses	3,476,240	3,852,972	5,000,939	148,057	2,122,879	14,601,087	15,897,095					
Depreciation and amortization	1,569,636	978,760	1,590,252	2,104	605,169	4,745,921	4,205,210					
Total Assets	341,533,707	544,673,320	947,291,185	715,933	73,777,703	1,907,991,848	1,686,018,203					
Total Liabilities	980,644,811	547,004,657	142,585,932	715,933	22,917,451	1,693,868,784	1,494,852,518					

2. Information about Geographical Distribution

This item represents the geographical distribution of the Bank's activities. Moreover, the Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities through its branches in Palestine.

The following is the geographical distribution of the Bank's revenues, assets and capital expenses according to geographical location:						
	Inside Kingdom		Outside Kingdom		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Total Revenues	111,083,625	113,428,430	17,519,219	22,936,564	125,672,754	129,225,511
Total Assets	1,468,968,171	1,465,447,809	554,996,564	411,438,434	1,907,991,848	1,686,018,203
Capital Expenses	3,621,003	5,174,003	10,980,084	10,723,092	14,601,087	15,897,095

46. Assets and Liabilities Maturities:

The following table analyzes assets and liabilities according to the expected period of their recoverability or settlement:			
	December 31, 2009		
	Up to 1 year	Over 1 year	Total
Assets	JD	JD	JD
Cash and balances with central banks	314,912,341	7,444,500	322,356,841
Balances with banks and financial institutions	163,790,237	-	163,790,237
Deposits with banks and financial institutions	29,436,468	-	29,436,468
Direct Credit facilities	394,612,930	470,073,299	864,686,229
Available-for-sale financial assets	-	40,071,540	40,071,540
Held-to-maturity financial assets	286,182,615	102,682,819	388,865,434
Mortgaged financial assets	-	-	-
Investments in associates	-	2,770,665	2,770,665
Fixed assets	-	42,536,799	42,536,799
Intangible assets	-	2,215,197	2,215,197
Deferred tax assets	350,000	7,029,836	7,379,836
Other Assets	14,302,876	29,579,726	43,882,602
Total Assets	1,203,587,467	704,404,381	1,907,991,848
Liabilities			
Banks and financial institutions' deposits	108,320,353	-	108,320,353
Customers' deposits	1,381,821,346	36,250,678	1,418,072,024
Cash margins	106,782,561	2,794,872	109,577,433
Borrowed money	15,000,000	-	15,000,000
Sundry provisions	1,337,307	5,008,240	6,345,547
Income tax provision	11,579,439	-	11,579,439
Deferred tax liabilities	1,340,593	-	1,340,593
Other liabilities	23,418,207	215,188	23,633,395
Total Liabilities	1,649,599,806	44,268,978	1,693,868,784
Net	(446,012,339)	660,135,403	214,123,064

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

	December 31, 2008		
	Up to 1 year	Over 1 year	Total
Assets	JD	JD	JD
Cash and balances with central banks	173,097,537	39,297,086	212,394,623
Balances with banks and financial institutions	199,262,838	-	199,262,838
Deposits with banks and financial institutions	-	-	-
Credit facilities	381,101,322	445,420,520	826,521,842
Available-for-sale financial assets	-	42,963,431	42,963,431
Held-to-maturity financial assets	188,683,709	113,981,500	302,665,209
Mortgaged financial assets	18,040,152	-	18,040,152
Investments in associates	-	2,798,028	2,798,028
Fixed assets	-	32,274,115	32,274,115
Intangible assets	-	1,841,648	1,841,648
Deferred tax assets	45,000	6,839,677	6,884,677
Other assets	<u>17,950,974</u>	<u>22,420,666</u>	<u>40,371,640</u>
Total Assets	<u>978,181,532</u>	<u>707,836,671</u>	<u>1,686,018,203</u>
Liabilities			
Banks and financial institutions' deposits	53,433,921	-	53,433,921
Customers' deposits	1,168,531,269	108,265,000	1,276,796,269
Cash margins	72,649,875	24,638,770	97,288,645
Borrowed money	15,000,000	15,000,000	30,000,000
Sundry provisions	270,000	6,651,731	6,921,731
Income tax provision	13,516,304	-	13,516,304
Deferred tax liabilities	-	1,256,107	1,256,107
Other liabilities	<u>15,580,227</u>	<u>59,314</u>	<u>15,639,541</u>
Total Liabilities	<u>1,338,981,596</u>	<u>155,870,922</u>	<u>1,494,852,518</u>
Net	<u>(360,800,064)</u>	<u>551,965,749</u>	<u>191,165,685</u>

47. Capital Management:

Capital components:

- Paid-up capital:

The paid-up capital of Bank of Jordan consists of (100) million ordinary shares at a nominal value of JD1 per share. The Bank maintains capital, legal 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 the 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, support debts and the positive cumulative change in fair value at 45% less the negative change balance).
- Foreign currency translation differences.

Regulatory authorities requirements:

The regulatory authorities' instructions entail that minimum capital shall be JD(40) 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 shareholders' equity to total assets must not be less than 6%.

Achieving the objectives of capital management:

Management of the Bank 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 shareholders' 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 JD10,541 million as capital was increased through growth in reserves and retained earnings. Regulatory capital and the capital adequacy ratio are as follows:

	In Thousands	
	2009	2008
	JD	JD
Primary capital items	155,453	142,573
Additional capital items	9,837	7,161
Total regulatory capital	160,275	149,734
Total risk weighted assets	1,167,907	1,120,122
Capital adequacy ratio (%)	%13,72	%13,37
Primary capital adequacy ratio (%)	%13,10	%12,73

48. Fair Value Hierarchy

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

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

	December 31, 2009			
	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
Available-for-sale financial assets	24,899,075	15,172,465	-	40,071,540
Financial assets held to maturity	-	388,865,434	-	388,865,434
	<u>24,899,075</u>	<u>404,037,899</u>	<u>-</u>	<u>428,936,974</u>

49. Commitments and Contingent Liabilities

A. Contingent Liabilities:

	2009	2008
	JD	JD
Letters of credit	58,975,874	52,947,514
Acceptances	22,869,207	12,536,015
Letters of guarantee:	85,947,321	80,227,429
- Payment	30,677,092	20,718,139
- Performance	30,675,836	26,433,691
- Other	24,594,393	33,075,599
Un-utilized credit facilities	93,760,327	94,224,008
Total	261,552,729	239,934,966

B. Commitments Liabilities:

	2009	2008
	JD	JD
Contracts for purchasing of fixed assets	1,095,078	421,041
Contracts for operating and financing lease	822,793	-
Total *	1,917,871	421,041

* These commitments mature in less than a year.

50. 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 JD15,561,559 as of December 31, 2009 (JD4,995,695 as of December 31, 2008). According to the Bank's management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits, above the provision taken. 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 statement of income when paid.

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

51.1 Standards affecting presentation and disclosure

The following new and revised standards have been adopted in these financial statements for the current period. The details of other Standards and Interpretations that have been adopted but that have had no effect on the financial statements are set out in section 51.2.

- IAS 1 (as revised in 2007) Presentation of Financial Statements.
IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
- Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)
The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Bank has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.
- IFRS 8 Operating Segments
IFRS 8 is a disclosure standard that has resulted in re-designation of the Bank's reportable segments.

51.2 Standards and Interpretations adopted with no effect on the financial statements

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

- Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)
The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.
- IFRS 8 Operating Segments
IFRS 8 is a disclosure Standard that requires re-designation of the Bank's reportable segments based on the segments used by the Chief Operating Decision Maker to allocate resources and assess performance. (There was no material impact of this Standard on the previous disclosures and reported results or the financial position of the Bank since the business segments reported earlier as per the requirements of IAS 14 Segment Reporting are also used by the General Manager to allocate resources to the segments and to assess their performance).
- IFRS for SMEs (Small and Medium-sized Entities)
This Standard is available immediately but its adoption has to be decided by the jurisdiction of implementation.
- Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations
The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.
- IAS 23 (as revised in 2007) Borrowing Costs
The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Bank's accounting policy to capitalise borrowing costs incurred on qualifying assets.
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.
- IFRIC 13 Customer Loyalty Programmes
The Interpretation provides guidance on how entities should account for customer loyalty programmes by allocating revenue on sale to possible future award attached to the sale.
- IFRIC 15 Agreements for the Construction of Real Estate
The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognised.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.
- IFRIC 18 Transfers of Assets from Customers (adopted in advance of effective date of transfers of assets from customers received on or after 1 July 2009)
The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit recognised as revenue in accordance with IAS 18 Revenue.
- Improvements to IFRSs (2008)
Amendments to IFRS 3, IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from May and October 2008 Annual Improvements to IFRSs the majority of which is effective for annual periods beginning on or after January 1, 2009.

51.3 Standards and Interpretations in issue not yet effective

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

New Standards and Amendments to Standards:

Effective for annual periods beginning on or after

- IFRS 1 (revised) First time Adoption of IFRS and IAS 27 (revised) Consolidated and Separate Financial Statements – Amendment relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
1 July 2009
- IFRS 3 (revised) Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) Consolidated and Separate Financial Statements, IAS 28 (revised) Investments in Associates and IAS 31 (revised) Interests in Joint Ventures
1 July 2009
- IAS 39 (revised) Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items (such as hedging inflation risk and hedging with options)
1 July 2009
- IFRS 1 (revised) First time Adoption of IFRS – Amendment on additional exemptions for First-time Adopters
1 January 2010
- IFRS 2 (revised) Share-based payment – Amendment relating to Bank cash-settled Share-based payments
1 January 2010
- IAS 32 (revised) Financial Instruments: Presentation – Amendments relating to classification of Rights Issue
1 February 2010
- IAS 24 Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government
1 January 2011
- IFRS 9 Financial Instruments: Classification and Measurement (intended as complete replacement for IAS 39 and IFRS 7)
1 January 2013
- Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 28, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs. Majority effective for annual periods beginning on or after
1 January 2010

New Interpretations and amendments to Interpretations:

Effective for annual periods beginning on or after

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

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

IFRS 9

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

IAS (3) and IFRS (27) (28) and (31)

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

52. Comparative Figures

Some of the comparative figures for the year 2008 have been reclassified to correspond with the year 2009 presentation. Such reclassifications do not affect the previously reported net profit, net assets or equity.





Additional Information as Required by the Jordan Securities Commission 2009

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 Branch Network

Organizational Structure

Additional Information as Required by the Jordan Securities Commission 2009

A) Chairman's Letter

B) Board of Directors' Report

1. a) Description of Main Activities:

Providing comprehensive banking and credit products and services, accepting all types of deposits (demand, savings, or time deposits), issuing certificates of deposit, opening export and import letters of credit, in addition to providing financial leasing services.

1. b) Location of Bank's Branches and Number of Employees:

The bank has 62 branches and 13 exchange offices in Jordan, in addition to 10 branches and 2 offices in Palestine. Detailed addresses of branches and offices are listed at the end of the report in the "Addresses of Bank of Jordan Branch Network" section.

The total number of the bank's employees reached 1,797. The table below illustrates the number of employees in each branch.

Branch	No.	Branch	No.	Branch	No.	Branch	No.
Head Office	745	Commercial Market Branch	9	Gardens Branch	18	Souk Al-Bukhariyah	8
Regional Management	103	Wadi Al-Seer Branch	5	Al-Madina	9	Branch/Irbid	
Al-Shmeisani Branch	17	Dair Abi Said Branch	7	Al-Monawara Branch		Al-Jubaiha Branch	10
Amman Branch	12	Sweileh Branch	11	Aqaba Branch	14	Jordan University	8
Wadi Saqra Branch	5	Al-Fuheis Branch	5	Al-Bayader Branch	10	Branch	
Karak Branch	11	Abu Nusair Branch	7	Industrial Area/ Al-Bayader Branch	5	Khilda Branch	11
Irbid Branch	16	Madaba Branch	10	Al-Mafraq Branch		12	Abu Alanda Branch
Al-Hussun Street Branch	7	First Circle Branch	12	North Azraq Branch	12	City Mall Branch	10
Eidoun Street Branch	7	Airport Branch	18	Jabal Al-Weibdeh Branch	10	Al Rabiyyeh Branch	7
Ma'an Branch	8	Hakama Street Branch/Irbid	12	Tareq Branch	11	Ramallah Branch	54
Ramtha Branch	18	Industrial City Branch/Irbid	6	The Zarqa Free Zone Branch	8	Hebron Branch	31
Al-Turrah Branch	5	Zarqa Branch	12	Marj Al-Hamam Branch	9	Jenin Branch	59
Salt Branch	14	Faisal Street Branch/Zarqa	9	Al-Geezah Branch	8	Nablus Branch	51
Jerash Branch	11	New Zarqa Branch	6	Ras Al-Ain Branch	8	Gaza Branch	45
Al-Mahatta Branch	9	North Shunah Branch	11	Al-Yasmine Branch	9	Al-Ram Branch	17
Yarmouk Street/ Al-Nasser Branch	7	Kufranjah Branch	5	Sweifieh Branch	14	Al-Eizaryah Branch	17
		Al-Qweismeh Branch	10	Al-Wehdat Branch	13	Industrial Area Branch	14
Marka Branch	11	Third Circle Branch	8	Al-Russeifa Branch	10	/Ramallah	
Ajloun Branch	9	Al Khalidi Branch	6	Mecca Street Branch	12	Bethlehem Branch	24
Jabal Al-Hussein Branch	13	Jabal Al-Nuzha Branch	11			Tulkarm Branch	22

1. c) Capital Investment Volume:

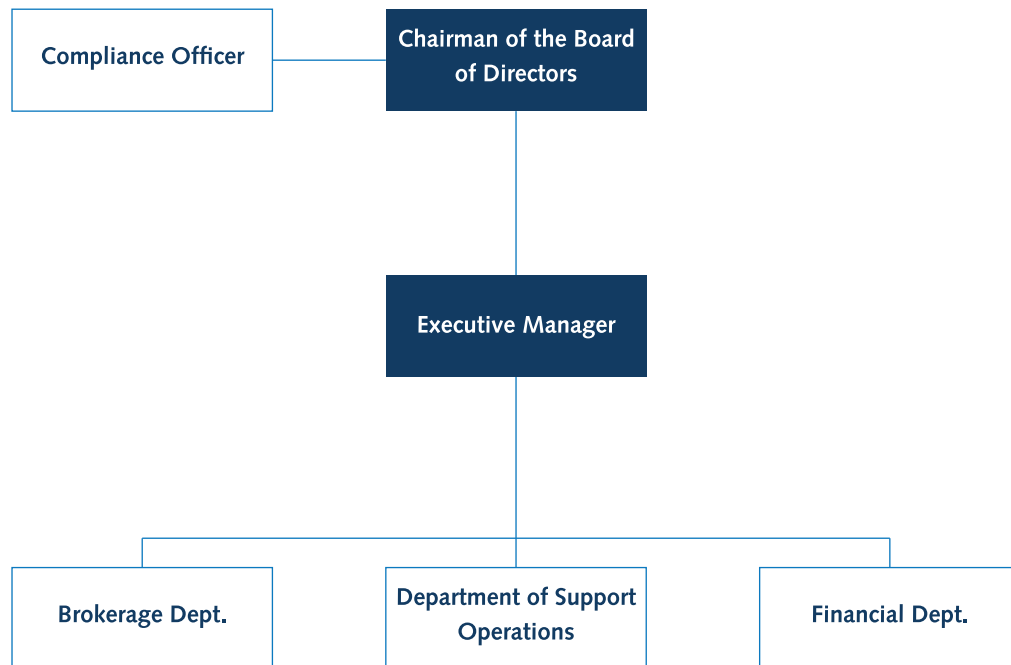
JD192.7 million as of December 31st, 2009.

2. Subsidiaries:

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

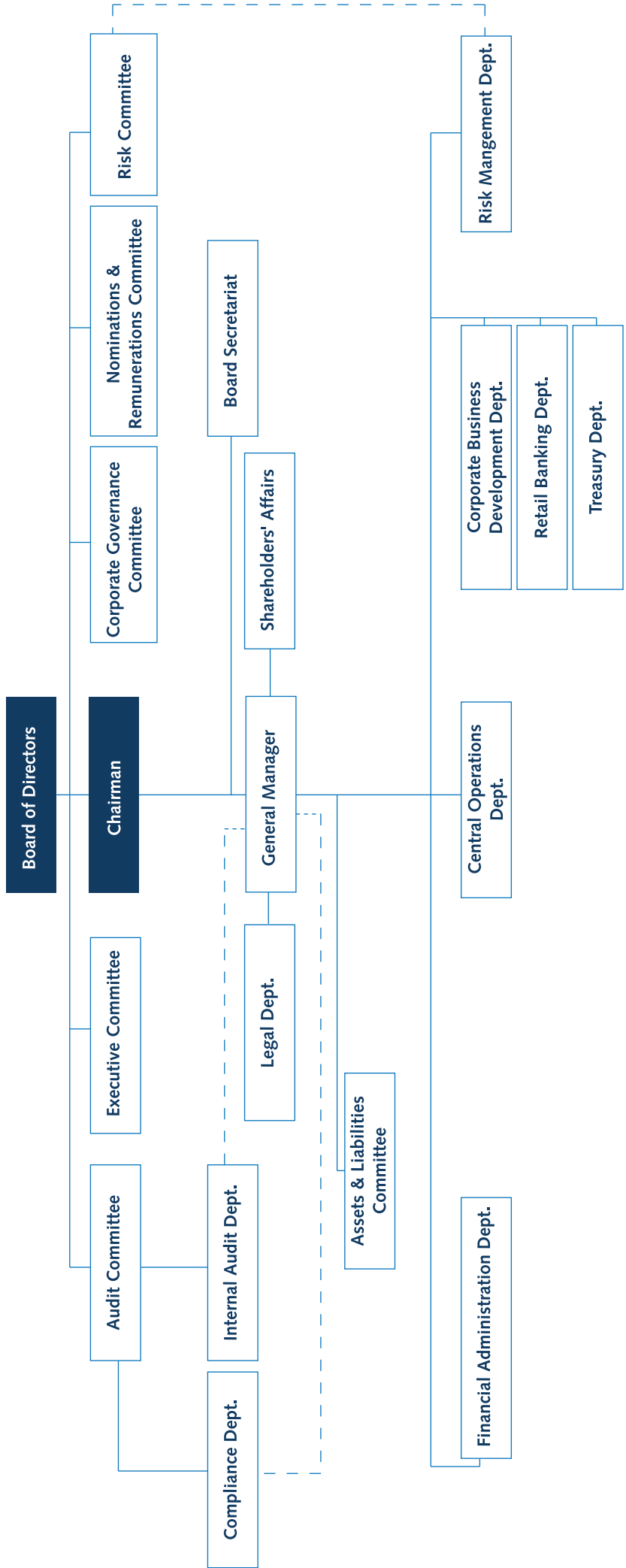
Name of Company	Excel for Financial Investments Company
Type of Company	Private Limited Shareholding Company
Date of Establishment	23/3/2006
Core Business	Financial Brokerage (Buying and Selling Securities)
Paid-up Capital	JD3,500,000
Bank's Ownership Percentage	100%
Address	Amman/Al-Shmeisani Al Shareef Abdul Hamid Sharaf Street intersection with the Ibn Abd Rabbuh Street, Bldg. No. 95 P.O. Box 942453 Amman 11194 Jordan Tel.: 5654990 Fax: 5675951
Number of Employees	12 Employees
Addresses of Branches	There are no branches
Projects Owned by Company and Their Capitals	There are no projects owned

Organizational Structure/Excel for Financial Investments Company



b. Bank of Jordan - Syria/Syrian Arab Republic

Name of Company	Bank of Jordan - Syria
Type of Company	Joint Stock Company
Date of Establishment	28/5/2008
Core Business	All Banking Operations
Paid-up Capital	SYP3,000,000,000
Bank's Ownership Percentage	49%
Address	Damascus Suburban – Sahnaya P.O. Box 8058 Damascus – Syria Tel.: 00963-11-63900000 Fax: 00963-11- 8142561
Number of Employees	202 employees
Addresses of Branches and Number of their Employees	<p>Abu Rumaneh Branch Damascus – Arab League Square (Al-Deyafeh) P.O. Box 8058 Damascus – Syria Tel.: 00963-11-3354500 Fax: 00963-11-3354506 No. of Branch Employees: 17 Employees</p> <p>Al - Faisal St. Branch/Aleppo Aleppo – Al -Malek Faisal St. P.O. Box 8058 Damascus – Syria Tel.: 00963-21-2228070 Fax: 00963-21-2228081 No. of Branch Employees: 12 Employees</p> <p>Baron Branch/Aleppo Aleppo – Baron St. P.O. Box 8058 Damascus – Syria Tel.: 00963-21-2126996 Fax: 00963-21- 2125985 No. of Branch Employees: 7 Employees</p> <p>Hrasta Branch Hrasta – Damascus Suburban P.O. Box 8058 Damascus – Syria Tel.: 00963-11-5376711 Fax: 00963-11-5376717 No. of Branch Employees: 9 Employees</p> <p>Homs Branch Homs - Jorat Al Shayah - Ebin Khaldoun Bldg. P.O. Box 8058 Damascus – Syria Tel.: 00963-31-2231435 Fax: 00963-31-2231439 No. of Branch Employees: 9 Employees</p> <p>Lattakia Branch Lattakia – Al-Kornesh Al-Gharbee P.O. Box 8058 Damascus – Syria Tel.: 00963-41-457166 Fax: 00963-41-456768 No. of Branch Employees: 16 Employees</p> <p>Sahnaya Branch Damascus Suburban – Sahnaya P.O. Box 8058 Damascus – Syria Tel.: 00963-11-63900333 Fax: 00963-11-8140614 No. of Branch Employees: 11 Employees</p>
Projects Owned by the Bank and its Capitals	There are no projects owned



3. a) Names and Brief Résumés of Board of Directors:

Mr. Shaker Tawfiq Fakhouri

Position: CEO/General Manager

Date of Birth: 14/11/1969

Date of Appointment: 21/1/1995

Date of Membership: 14/6/2001

Nature of Membership: Executive

Educational Background:

* BA in Economics from the University of Southern California/USA, 1990.

* MA in Business Administration and Professional Accounting from Canisius College, Buffalo/USA, 1995.

Professional Experience:

- Chairman of the Board of Directors/General Manager of Bank of Jordan, as of 2/8/2007.
- General Manager of Bank of Jordan, as of 10/8/2003.
- Deputy General Manager of Bank of Jordan, from 12/1996 until 8/8/2003.
- Executive Assistant to the General Manager of Bank of Jordan, from 1/1995 until 12/1996.
- Attended several advanced banking and leadership seminars and courses, including:
 - The "Comprehensive Banking Operations" training program at Bank of Jordan branches, from 2/1991 until 1/1993.
 - A specialized credit training course at the Headquarter of Manufacturers Hanover Bank, USA, from 9/1990 until 2/1991.

Current Board Memberships in Other Companies:

- Board Chairman of Excel for Financial Investments Company.
- Vice Chairman of Bank of Jordan – Syria.
- Board Member in the Arab Islamic Bank/Ramallah, Palestine.



Dr. Abdel Rahman Samih Toukan

Position: Vice Chairman of the Board of Directors

Date of Birth: 5/2/1935

Date of Membership: 31/5/1997

Nature of Membership: Non-Executive/Independent

Educational Background:

* PhD in Economics from Vanderbilt University/USA, 1967.

Professional Experience:

- Former Chairman of the Board of Directors of Amman Stock Exchange.
- Former General Manager of Jordan Ahli Bank.
- Former General Manager of the National Real Estate Company/Kuwait.
- Former Director General of the Import, Export and Supply Department/Government of Jordan.

Previous Board Memberships in Other Companies:

- Board Member in the Jordan Cement Factories Company.
- Board Member in the Industrial Development Bank.
- Board Member in Jordan Ahli Bank.
- Committee Member in Jordan Commercial Bank (previously Jordan Gulf Bank).
- Board Member in Jordan Hotels & Tourism Company.



Mr. Walid Tawfiq Fakhouri

Position: Board Member

Date of Birth: 12/2/1972

Date of Membership: 17/2/2005

Nature of Membership: Non-Executive/Not Independent

Educational Background:

- * MA in Business Administration from City University/London, 2000.
- * BA in Science Marketing from Western International University/London, 1992.

Professional Experience:

- Chief Executive Officer and Chairman of the Board of Al-Tawfiq Investment House/Jordan, as of 2007.
- Chairman of the Board of the Arab Islamic Bank/Palestine, from 2001 to date.
- Member of the Executive Committee of the Islamic Corporation for Development of the Private Sector - Islamic Development Bank/Jeddah, as of 6/9/2009.
- Assistant General Manager of Bank of Jordan, from 1/9/2003 until 15/4/2004.
- Deputy Board Member in Arab Islamic Bank/Palestine, from 9/1999 until 17/6/2001.
- Assistant General Manager of Bank of Jordan, from 4/1999 until 9/1999.
- Executive Manager of Bank of Jordan, from 7/1995 until 4/1999.

Current Board Memberships in Other Companies:

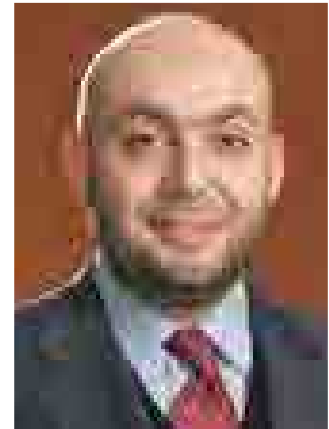
- Board Chairman of the Arab Islamic Bank/Palestine.
- Board Chairman of Trust International Transport Company.
- Vice Chairman of Al-Eqbal Investment Company.
- Vice Chairman of Zahrat Al Urdon Real Estate & Hotels Investments Company.
- Vice Chairman of Excel for Financial Investments Company.
- Board Member in the International Tobacco and Cigarettes Company.

Previous Board Memberships in Other Companies:

- Board Member in Jordan Express Tourist Transportation Company (JETT).
- Board Member in Al-Yarmouk Insurance Company.
- Board Member in Arab Union International Insurance Company.
- Board Member in Industrial Development Bank.
- Board Member in Al-Ekbal Printing and Packaging Company.

Professional Experience Gained through Years of Work in Private Business:

17 years of experience in financial and investment services, including 10 years in the field of islamic financial and investment services.



Mr. Yahya Zakariya Al-Kadamani

Position: Board Member as of 7/3/2009

Board Member/Representative of Arabian Gulf General Investment & Transport Co. until 6/3/2009

Date of Birth: 1/1/1957

Date of Membership: 7/3/2009

Nature of Membership: Non-Executive/Independent

Educational Background:

- * BA in Business Administration from Minnesota University/USA, 1979.

Professional Experience:

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

Previous Board Memberships in Other Companies:

- Board Member in Jordan Express Tourist Transportation Company (JETT), from 1981 until 1999.
- Board Member in the International Tobacco and Cigarettes Company.



Dr. Mazen Mohammed Al Bashir

Position: Board Member

Date of Birth: 6/7/1955

Date of Membership: 22/10/2008

Nature of Membership: Non-Executive/Independent

Educational Background:

- * MB, B.Ch. in Medicine from Cairo University, 1980.
- * Membership of the Royal College of Family Physicians/UK, 1987.
- * MSc in Family Medicine, London University/UK, 1990.

Professional Experience:

- Founder and Director of the Jordan Center of Family Medicine, as of 10/1991.
- Family Physician in the private sector, as of 1992.
- Physician and Lecturer at Liverpool University, University of Jordan, Jordan University of Science and Technology, from 1982 until 1990.
- President of the Jordanian Society of Family Physicians, from 7/1993 to date.

Current Board Memberships in Other Companies:

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



Dr. Yanal Mawloud Naghouj

Position: Board Member

Date of Birth: 13/12/1956

Date of Membership: 22/10/2008

Nature of Membership: Non-Executive/Independent

Educational Background:

- * BA in Literature/Philosophy and Social Studies from the Beirut Arab University, 1986.
- * BSc in Medicine and Surgery from Alexandria University, 1987.



Mr. Bader G. Al Zahrani

Position: Board Member

Date of Birth: 20/7/1974

Date of Membership: 3/11/2007

Nature of Membership: Non-Executive/Independent

Educational Background:

- * BSc in Business Administration from Northwood University/USA, 1998.

Current Board Memberships in Other Companies:

- Vice Chairman and Managing Director of Zahran Holding - KSA.
- Chairman of Zahran Real Estate Investment & Development Company - KSA.
- Chairman of ISHRAQAH Real Estate Development Company - Dubai.
- Chairman of Etab International - KSA.
- Board Member in ACROW Misr - Egypt (Listed).
- Board Member in Venture Capital Bank - Bahrain.
- Board Member in Gulf Investment Company - KSA.
- Board Member in Coldwell Banker - UAE.



Mr. Jan Joseph Shamoun

Position: Board Member

Date of Birth: 1/1/1951

Date of Membership: 7/3/2009

Nature of Membership: Non-Executive/Independent

Educational Background:

* Business Administration from PIGIER Institute/Lebanon, 1973.

Professional Experience:

- Board Chairman of Dana for General Trading (LLC), as of 18/3/2009.
- Board Chairman of Al-Faris Company for Agricultural Products (LLC), as of 10/5/2006.
- Board Chairman of Al-Nahrain Company for Trading (Authorized SEAT Dealers), from 1994 until 1999.
- Founding Partner and Board Chairman of Arab Trade Consultants Company, as of 1993.
- Founder of Shamoun and Calis Company for Trading, from 1981 until 1993.
- General Manager of Lion Trading Company, from 1978 until 1981.
- Partner in Joseph Shamoun and Sons Company, from 1973 until 1978.

Previous Board Memberships in Other Companies:

- Board Member in the Arab Union International Insurance Company.
- Board Member in Amman Surgical Hospital.



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

Position: Board Member

Date of Birth: 6/7/1962

Date of Membership: 7/3/2009

Nature of Membership: Non-Executive/Independent

Educational Background:

* BA in Mathematics and Military Science from The Citadel USA - The Military College of South Carolina/USA, 1983.

* MSc in Software Engineering (Computer Science/Systems Analysis) from George Washington University, Washington D.C./USA, 1985.

Professional Experience:

- General Manager of Saraya Aqaba, from 1/2/2007 until 31/12/2009.
- Revenues and Customs Commissioner in Aqaba Special Economic Zone Authority (ASEZA), from 1/2004 until 2/2007.
- Gulf Area Manager/Qatar for the Middle East Contracting Company, from 9/2002 until 12/2003.
- Talabay CEO, from 10/2000 until 9/2002.
- General Manager of Trans Jordan for Communications Services Company, from 5/1997 until 9/2000.
- General Manager of Al-Nisr for Advanced Telecommunications Company, from 2/1997 until 11/2003.
- Vast military experience, serving in the military, from 1985 until 1996.

Current Board Memberships in Other Companies:

Member of the Board of Trustees - Mutah University, as of 11/2009.

Previous Board Memberships in Other Companies:

- Member of the Board of Trustees - Applied Sciences University, from 1/2006 until 10/2009.
- ASEZA Commissioner, from 1/2004 until 2/2007.
- Board Member in Jordan Electricity Distribution Company, from 6/2006 until 3/2007.
- Board Chairman of Aqaba International School, from 6/2006 until 2/2007.
- Board Member in the Yemeni Company for Public Phones, from 9/1998 until 9/2000.
- Board Member in the Middle East Center for Defense and Security, from 8/1997 until 11/2003.



Mr. Haitham Abu Nasr Al Mufti

Position: 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/Not Independent

Educational Background:

* BSc in Automotive Engineering from the University of Chelsea/England.

Professional Experience:

Former Board Chairman - King Abdullah II Design and Development Bureau.

Previous Board Memberships in Other Companies:

- Member of the founding committee of King Abdullah II Design and Development Bureau.
- Board Member in 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 in CLS Company - Jordan.
- Board Chairman in JoSecure International Company.
- Board Chairman of Jordan Electronic Logistics Support.



Mr. Haitham Mohammed Samih Barakat

Position: Board Member/Representative of Arabian Gulf General Inv. & Transport Co.

Date of Birth: 1/5/1960

Date of Membership: 7/3/2009

Nature of Membership: Non-Executive/Not Independent

Educational Background:

* BSc in Electrical Engineering from the Portland State University/USA, 1984.

Professional Experience:

- General Manager of the Advanced Engineering Group - Jordan in 2007.
- Founder and CEO of Quartz Electromechanics Company - Ras Al-Khaima/UAE in 2006.
- Founder and partner - the Advanced Electrical Engineering Company - Qatar in 2001.
- CEO of Keplk Company - Kuwait, as of 1999.
- Founder and CEO of the Qatar Electromechanical Company - Qatar, as of 1998.
- Founder and CEO of Faddan Electromechanical Contracting Company - Jordan, from 1994 until 1997.
- Deputy General Manager of the National Industries Company - Jordan, from 1/2004 until 7/2004.
- Deputy General Manager of Faddan for Trading and Contraction Company/Kuwait, from 1984 until 1990.

Current Board Memberships in Other Companies:

- Board Member in the United Cable Industries Company - Jordan.
- Founding Member of the Clean Energy Company - Jordan.

Previous Board Memberships in Other Companies:

- Board Member in Al-Saqr Insurance Company.

Professional Experience Gained through Years of Work in Private Business:

Over 25 years of experience in Jordan, the Gulf, and the US which include founding and managing engineering companies in several countries.

Other Professional Experience:

- Experience in project management and development.



Board Members 2009



* Absentee: Mr. Bader G. Al Zahrani

b) Names and Brief Résumés of Executive Managers:

Mr. Mohammad Anwar Hamdan

Position: Deputy General Manager

Date of Birth: 5/12/1949

Date of Appointment: 12/11/1994

Educational Background:

- * MBA from Thunderbird University/USA, 1978.
- * BA in Accounting from the University of Jordan, 1973.

Professional Experience:

- Deputy General Manager of Bank of Jordan, as of 1/1/2007.
- Assistant General Manager/Credit Management/Bank of Jordan, from 1994 until 2006.
- Assistant General Manager/Credit Management/Cairo Amman Bank, from 1990 until 1994.
- Credit Manager/Bank of Jordan, from 1985 until 1989.
- Assistant Manager for Investment & Branches/Jordan Kuwait Bank, from 9/7/1979 until 31/8/1985.
- Senior Financial Analyst/Central Bank of Kuwait, from 22/5/1976 until 13/6/1978.
- Financial Analyst/Central Bank of Jordan, from 15/8/1973 until 17/5/1976.

Current Board Memberships in Other Companies:

- Board Member - Jordan Visa - representing Bank of Jordan.
- 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.

Mr. Nicola Yousef Bahou

Position: Assistant General Manager/Organization, Banking Operations and Automation Management

Date of Birth: 17/7/1965

Date of Appointment: 3/5/2005

Educational Background:

- * MA in Enterprise Management from Durham University/UK, 2006.
- * BA in Banking and Finance from the Ahliyah Amman University/Jordan, 2004.
- * Diploma in Banking and Finance from Institute of Banking Studies/Jordan, 1987.

Professional Experience:

- Assistant General Manager/Organization, Banking Operations and Automation Management/Bank of Jordan, as of 3/5/2005.
- Held many executive and administrative positions in HSBC Bank, from 1983 until 2005.
- Member of the Chartered Management Institute of London.

Current Board Memberships in Other Companies:

- Board Member in Bank of Jordan - Syria.
- Board Member in Excel for Financial Investments Company.
- Board Member in Jordan Express Tourist Transportation Company (JETT).

Mr. Suleiman Ayash Al Zu'bi

Position: Assistant General Manager/Banking Business Development

Date of Birth: 31/1/1957

Date of Appointment: 6/8/1977

Professional Experience:

- Regional Manager of Bank of Jordan, from 1/1/2007 until 4/6/2007.
- Executive Manager of Bank of Jordan, from 1/1/2000 until 31/12/2006.
- Held senior banking and financial positions in Bank of Jordan, as of 1977.
- Attended a number of advanced internal and external courses on banking.

Mr. Johnny Samir Zeidan

Position: Regional Manager/Palestine Branches

Date of Birth: 20/7/1967

Date of Appointment: 7/4/2008

Educational Background:

* BA in Business Administration from Bethlehem University/Palestine 1990.

Professional Experience:

- General Manager of Palestine Mortgage and Housing Corporation/Palestine, from 1/2006 until 4/2008.
- Private Sector Officer/the United States Agency for International Development for West Bank & Gaza, from 10/1996 until 1/2006.
- Head of Financial Control Department/Jordan National Bank/Palestine, from 2/1996 until 10/1996.
- Income Generation Officer/United Nations Relief and Works Agency/Palestine, from 4/1992 until 2/1996.
- Head of Car and General Insurance Production/the Arab Insurance Agency/Palestine, from 4/1991 until 4/1992.
- General Cost Controller/Notre Dame Hotel of Jerusalem, from 9/1989 until 4/1991.

Previous Board Memberships in Other Companies:

- Board Member in the Palestinian Insurance Federation.

Mr. Osama Samih Sukkari

Position: Legal Advisor

Date of Birth: 27/4/1955

Date of Appointment: 1/4/1994

Educational Background:

* BA in Law from Beirut Arab University, 1977.

Professional Experience:

- Extensive experience in legal consultations and lawsuits, as of 1981.
- Legal consultant and attorney at law for a number of companies, as of 1981.
- Legal consultant and attorney at law in his own office, as of 1981.

Current Board Memberships in Other Companies:

- Board Member in Al-Shamikha for Real Estate Investments Company.
- Board Member in Bank of Jordan - Syria.

Previous Board Memberships in Other Companies:

- Board Member in Al-Mowahadah for Transportation Company.
- Board Member in the National Industries Company.
- Board Member in Al-Takamolyeh Investments Company.

Mr. Issam Mahmoud Abu Al-Soud

Position: Executive Manager/Retail Credit Review Department

Date of Birth: 10/12/1950

Date of Appointment: 9/8/1979

Educational Background:

* BA in Business Administration from Beirut Arab University, 1978.

Professional Experience:

- Held senior banking and financial positions at Bank of Jordan as of 1979, as follows:
 - Manager of Marketing and Private Banking Services.
 - Manager of Liability Development Department.
 - Executive Manager/Retail Credit Risk Department.

Mr. Saleh Mah'd Jarbou

Position: Executive Manager/Financial Control Department

Date of Birth: 2/2/1949

Date of Appointment: 22/1/1996

Educational Background:

* MA in Accounting/Banking and Finance from the Arab Academy for Banking and Financial Sciences, 2001.

* BA in Accounting from the University of Damascus, 1972.

Professional Experience:

- Extensive experience in financial management, accounting and financial analysis and planning.
- Held senior positions in local and regional financial institutions, including:
 - The University of Tripoli/Libya.
 - National Portfolio Securities/Jordan.
 - Arab Jordan Investment Bank/Jordan.

Current Board Memberships in Other Companies:

- Board Member in Excel for Financial Investments Company.

Mr. Saleh Rajab Hammad

Position: Executive Manager/Compliance and Risk Department
Secretary

Date of Birth: 27/7/1962

Date of Appointment: 1/12/1994

Educational Background:

* BA in Computer Science from University of Jordan, 1985.

Professional Experience:

- Manager of Compliance and Operational Risk Department/Bank of Jordan, as of 1/12/1994.
- Long experience in auditing and operations.
- Attended several courses on risk management and the Basel II requirements that were organized in Jordan and abroad.
- Has several professional certificates including CCO and CORE certificates.
- Programmer and systems analyst/Cairo Amman Bank, from 1/11/1987 until 30/11/1994.

Mr. Salama Mahmoud Abu Nusair

Position: Executive Manager/Corporate, Commercial and Palestine Credit Review Department

Date of Birth: 14/10/1954

Date of Appointment: 1/11/2009

Educational Background:

* BA in Accounting from the University of Jordan, 1978.

Professional Experience:

- Corporate Credit Administration & Control Department Regional Manager/ Housing Bank for Trade & Finance (HBTF), from 2006 until 10/2009.
- Corporate Banking Regional Manager/Housing Bank for Trade & Finance (HBTF), from 1999 until 2005.
- Corporate & Commercial Banking Assistant Regional Manager/National Commercial Bank (NCB)/Saudi Arabia, from 1994 until 1999.
- Head of Credit, Marketing & Customer Care Department/National Commercial Bank (NCB)/Saudi Arabia, from 1985 until 1994.
- Accountant & Internal Auditor/National Commercial Bank (NCB)/Saudi Arabia, from 1978 until 1985.
- Attended a number of advanced banking courses and workshops.

Previous Board Memberships in Other Companies:

- The Jordanian Textiles Company/representing Housing Bank for Trade & Finance (HBTF).
- The Jordan Pipes Manufacturing Company/representing Housing Bank for Trade & Finance (HBTF).

Mr. Turki Yousef Al-Jabour

Position: Manager/Internal Audit Department

Date of Birth: 9/10/1952

Date of Appointment: 1/11/1994

Educational Background:

* BA in Accounting from the University of Jordan, 1976.

Professional Experience:

- Has vast experience in auditing and banking, including:
 - Manager of Internal Audit Department/Bank of Jordan, as of 24/12/2007.
 - Manager of Bank of Jordan/Amman Branch, from 25/4/2006 until 23/12/2007.
 - Manager of Internal Audit Department, from 1/11/1994 until 25/4/2006.
 - Senior Inspector/Cairo Amman Bank, from 1/1/1987 until 30/10/1994.
- Huge experience in auditing and accounting gained through years of work with major auditing firms, including Al-Sha'ir Auditing Firm.
- Lecturer, teaching several courses on Banking Operations and Auditing organized by Bank of Jordan.
- Attended several advanced courses and seminars on administration and banking.

4. Shares of Major Shareholders with Equity in Excess of 5% in 2009 and a Comparison with the Previous Year (2008) is as Follows:

Major Shareholders with Equity in Excess of 5%					
Name	Nationality	No. of Shares 2009	Percentage 2009	No. of Shares 2008	Percentage 2008
Mr. Tawfiq Shaker Fakhouri	Jordanian	25,734,897	25.7%	25,727,555	25.7%
AL-EKBAL Jordanian – General Trading (LLC)	Jordanian	15,913,314	15.9%	15,918,314	15.9%
Mr. Qasem Abdul Irsheid	Spanish	6,134,460	6.1%	6,134,460	6.1%

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

Mentioned within the bank's achievements in 2009 (page 15).

6. Dependence on Specific Suppliers or Key Clients (Locally or Abroad):

No.	Name of Suppliers	Percentage of Total Supplies
1	MEDIAEDGE-CIA	11.2%

There is no dependence on specific key clients (whether locally or abroad), who account for 10% or more of the bank's total sales.

7. - The bank does not have any governmental protection or any privileges, neither does any of its products or services, as stated by laws and regulations or others.
 - The bank did not obtain 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, instructions/conditions and international standards that are related to its business.
 - International Quality Standards do not apply to the bank.

9. a) Organizational Structure:

Bank of Jordan's Organizational Structure is explained in the last page of the Annual Report. The organizational structure of its subsidiaries (Excel Company), and (Bank of Jordan - Syria), are explained on pages (99 and 101), under item (B/2) "Information on Subsidiaries".

b) Number of Employees and Educational Qualifications:

Academic Qualification	No. of Employees/ Bank of Jordan	No. of Employees/Excel for Financial Investments Co.	No. of Employees/Bank of Jordan - Syria
PhD	1	-	-
Master's	91	2	13
High Diploma	11	-	-
Bachelor	993	8	147
Diploma	323	1	22
General Secondary	149	-	16
Less than General Secondary	229	1	4
Total	1797	12	202

c) Details of Training Programs in 2009:

Description	No. of Courses	No. of Beneficiaries from Training Courses
Internal Courses (Organized by the Bank's Training Department)	298	4597
External Courses	88	403
Total	386	5000

Areas of Training:		
Topic	No. of Courses	No. of Beneficiaries from Training Courses
Comprehensive Banking Training	30	529
Banking Operations and Services	122	1904
Compliance and Risk Management	35	595
Administrative Skills	77	709
Vocational Certificates	3	3
Marketing and Sales Skills	46	655
Financial and Audit	11	67
Computer Skills	7	7
Languages	8	40
Others	47	491
Total	386	5000

10. Description of Risks

Mentioned within the bank's achievements on page (20). The risks comprise the following:

- **Credit Risk:** this risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in losses to the bank.

Part of these risks appears in the on-balance sheet such as loans and bonds, others such as documentary credit and letters of guarantee appear in the off-balance sheet.

- **Operational Risk:** the risk of loss resulting from inadequate or failure of internal processes, people, and systems or from external events (this definition includes legal risk).
 - **Compliance Risk:** the risk of legal or regulatory sanctions, financial loss or loss to reputation resulting from failure to comply with laws, regulations, rules, codes of conduct, and sound banking practices related to banking activities.
 - **Liquidity Risk:** the potential for loss arising from either the bank's inability to meet its obligations or to fund increases in assets on their expected dates. Or to fund activities without bearing high costs or losses.
 - **Market Risk:** this risk arises from exposure to losses of the on and off-balance sheet positions due to fluctuations in market rates and prices such as interest rates, foreign exchange rates, equity prices, credit spreads, and or commodity prices of investment portfolios resulting in a loss to earnings and capital.
- **Interest Rate Risk:** the potential for loss arising from fluctuations of assets' interest rates and the mismatching or gaps between positions, which are subject to interest rate adjustment within a specified period.
 - **Foreign Exchange Risk:** the potential for loss arising from fluctuations in currency exchange rate.
 - **Equity Price Risk:** the potential for loss arising from adverse changes in the fair value of stock investments.

11. Bank Achievements in 2009:

Mentioned in the Board of Directors' Report under a separate section (page 14), supported by figures and description of the bank's main events in 2009.

12. There is no financial impact of non-recurring operations that took place during the fiscal year 2009, and they will not be included in the bank's major activities.

13. Time Sequence of Realized Profits or Losses, Distributed Dividends, Net Owners' Equity and the Closing Price of the Share 2005-2009:

Financial Indicators for the last five years (2005-2009)				In JD Thousand			
Fiscal Year	Owners' Equity - Bank Shareholders	Non-Controllers' Interest	Net Profit Before Tax	Distributed Cash Dividends		Distribution of Bonus Shares	Closing Price of Share (JD)
				Amount	%		
2005	121,557	-	31,188	-	-	20,000	6.31
2006	140,379	-	35,901	6,880	8%	14,000	3.02
2007	161,206	-	39,668	15,000	15%	-	2.95
2008	179,604	11,561	44,297	15,000	15%	-	2.20
2009	192,668	21,455	36,909	15,000	15%	-	2.15

2005	Bonus shares were distributed at a rate of 30.3% of the capital on 21/3/2006.
2006	Bonus shares were distributed at a rate of 16.279% of the capital on 21/3/2007.

14. Analysis of Bank's Financial Position and Business Results for the Year 2009:

Mentioned in the Board of Directors' Report, under a separate section (page 26). Below are the main financial ratios:

No.	Financial Ratios	2009	2008
1	Return on Average Shareholders' Equity	13.6%	19.3%
2	Return on Capital	25.37%	32.86%
3	Return on Average Assets	1.4%	2.1%
4	Profitability per Employee	JD14,117	JD18,408
5	Interest Income/Average Assets	5.88%	6.59%
6	Interest Expense/Average Assets	2.29%	2.46%
7	Interest Margin/Average Assets	3.59%	4.13%
8	Non-Performing Loans/Total Credit Facilities	7.7%	5.8%

15. The Bank's Future Plan

The bank's strategic future plans, projects and the Board of Directors' projections for 2010 are all mentioned within Bank of Jordan's Goals for 2010 listed under a separate section (page 35).

16. Auditors' Remuneration (for Auditing the Bank and its Subsidiary Companies):

Statement	Auditors' Remuneration (JD)
Bank of Jordan	114,948
Bank of Jordan - Syria	19,852
Excel Company	5,246
Total	140,046

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

a. Number of Shares Owned by Members of the Board of Directors and their Relatives:

Name	Status	Nationality	No. of Shares 2009	No. of Shares 2008
Mr. Shaker Tawfiq Fakhouri	CEO/General Manager	Jordanian	5,000	5,000
Aya Shaker Fakhouri	Daughter	Jordanian	4,081	4,081
Tala Shaker Fakhouri	Daughter	Jordanian	4,081	4,081
Sarah Shaker Fakhouri	Daughter	Jordanian	4,081	4,081
Salma Shaker Fakhouri	Daughter	Jordanian	601	601
Dr. Abdel Rahman Samih Toukan	Vice Chairman of the Board of Directors	Jordanian	64,561	64,561
Mr. Walid Tawfiq Fakhouri	Board Member	Jordanian	5,813	5,813
Mrs. Shatha Abdel Majid Al-Dabbas	Wife	Jordanian	203	203
Rakan Walid Fakhouri	Son	Jordanian	9,480	8,958
Mariam Walid Fakhouri	Daughter	Jordanian	20,364	20,060
A'esha Walid Fakhouri	Daughter	Jordanian	2,726	2,422
Ahmad Walid Fakhouri	Son	Jordanian	2,502	-
Mr. Yahya Zakariya Al-Kadamani	Board Member	Jordanian	665,000	660,000
Mrs. Amaal Amin Al-Turk	Wife	Jordanian	135,000	140,000
Dr. Mazen Mohammed Al Bashir	Board Member	Jordanian	72,674	72,674
Dr. Farihan Fakhri Al Barghouti	Wife	Jordanian	27,906	27,906
Dr. Yanal Mawloud Naghoutj	Board Member	Jordanian	134,756	120,756
Mr. Bader G. Al Zahrani	Board Member	Saudi	5,000	5,000
Mr. Jan Joseph Shamoun	Board Member	Jordanian	220,002	220,002
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member	Jordanian	10,000	-
AL-EKBAL Jordanian – General Trading (LLC)	Board Member	Jordanian	15,913,314	15,918,314
Mr. Haitham Abu Nasr Al Mufti	Representative of the Company	Jordanian	-	-
Arabian Gulf General Inv. & Transport Co.	Board Member	Jordanian	30,641	30,641
Mr. Haitham Mohammed Samih Barakat	Representative of the Company	Jordanian	-	-

b. Number of Shares Owned by Executive Managers and their Relatives:

Name	Status	Nationality	No. of Shares 2009	No. of Shares 2008
Mr. Mohammad Anwar Hamdan	Deputy General Manager	Jordanian	26,834	22,834
Mr. Nicola Yousef Bahou	Assistant General Manager/Organization, Banking Operations and Automation Management	Jordanian	10,000	10,000
Mr. Suleiman Ayash Al Zu'bi	Assistant General Manager/Banking Business Development	Jordanian	260,000	210,000
Mr. Johny Samir Zeidan	Regional Manager/Palestine Branches	Jordanian	-	-
Mr. Osama Samih Sukkari	Legal Advisor	Jordanian	51,838	51,838
Mrs. Najwa Mohammad Saeed Manku	Wife	Jordanian	11,177	11,177
Firas Osama Sukkari	Son	Jordanian	1,366	1,366
Mr. Issam Mahmoud Abu Al-Soud	Executive Manager/Retail Credit Review Department	Jordanian	5,100	5,100
Mr. Saleh Mah'd Jarbou	Executive Manager/Financial Control Department	Jordanian	22,917	22,917
Mr. Saleh Rajab Hammad	Executive Manager/Compliance and Risk Department Secretary	Jordanian	9,756	8,756
Mr. Salama Mahmoud Abu Nusair	Executive Manager/Corporate, Commercial and Palestine Credit Review Department	Jordanian	-	-
Mr. Turki Yousef Al-Jabour	Manager/Internal Audit Department	Jordanian	3,298	800

c. Companies Controlled by the Chairman, Board Members, the Executive Managers and their Relatives, and the Number of Shares of those Companies in Bank of Jordan for the years 2009 and 2008:

Name	Position	Company	Company's Equity Share in Bank of Jordan 2009	Company's Equity Share in Bank of Jordan 2008
Mr. Walid Tawfiq Fakhouri	Board Member	Al Tawfiq Investment House Limited	56,511	46,511
Mr. Jan Joseph Shamoun	Board Member	Dana for General Trading (LLC)	-	-
		Arab Trade Consultants Co.	-	-
		Al-Faris Co. for Agricultural Products (LLC)	-	-

There are no companies controlled by other Board Members and their relatives, Executive Managers and 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 2009:

Name	Position	Annual Salary JD	Transport Allowance JD	Remuneration JD	Total JD
Mr. Shaker Tawfiq Fakhouri	CEO/General Manager	270,000	18,000	221,000	509,000
Dr. Abdel Rahman Samih Toukan	Vice Chairman of the Board of Directors	-	18,000	5,000	23,000
Mr. Walid Tawfiq Fakhouri	Board Member	-	18,000	5,000	23,000
Mr. Yahya Zakariya Al-Kadamani	Board Member as of 7/3/2009, Board Member/Representative of Arabian Gulf General Inv. & Transport Co. until 6/3/2009	-	20,900	5,000	25,900
Dr. Mazen Mohammed Al Bashir	Board Member	-	18,000	5,000	23,000
Dr. Yanal Mawloud Naghouj	Board Member	-	18,000	5,000	23,000
Mr. Bader G. Al Zahrani	Board Member	-	20,000	5,000	25,000
Mr. Jan Joseph Shamoun	Board Member as of 7/3/2009	-	15,000	-	15,000
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member as of 7/3/2009	-	15,000	-	15,000
Mr. Haitham Abu Nasr Al Mufti	Board Member/Representative of AL-EKBAL Jordanian - General Trading (LLC) as of 7/3/2009	-	15,000	-	15,000
Mr. Haitham Mohammed Samih Barakat	Board Member/Representative of Arabian Gulf General Inv. & Transport Co. as of 7/3/2009	-	15,000	-	15,000
Dr. Abdullah Abdel Hamid El Khatib	Board Member until 6/3/2009	-	3,000	5,000	8,000
Mr. Nabih Amro Al Nimer	Board Member/Representative of AL-EKBAL Jordanian - General Trading (LLC) until 6/3/2009	-	3,300	5,000	8,300
H.E. Sa'ad Eddin "Mohammed Juma'h"	Board Member until 6/3/2009	-	3,300	5,000	8,300
H.E. Muhye Din Mustafa Al Hussein	Board Member/Representative of Al-Yamama for General Investments (LLC) until 6/3/2009	-	3,300	5,000	8,300
Total		270,000	203,800	271,000	744,800

b. Benefits and Remuneration of the Executive Managers for the Year 2009:

Name	Position	Annual Salary	Remuneration	Transportation Allowance and Allowance for Assuming Secretary Position	Total
		JD	JD	JD	JD
Mr. Mohammad Anwar Hamdan	Deputy General Manager	159,038	52,590	-	211,628
Mr. Nicola Yousef Bahou	Assistant General Manager/ Organization, Banking Operations and Automation Management	155,100	47,950	-	203,050
Mr. Suleiman Ayash Al Zu'bi	Assistant General Manager/ Banking Business Development	116,775	35,175	-	151,950
Mr. Johny Samir Zeidan	Regional Manager/Palestine Branches	98,910	5,346	-	104,256
Mr. Osama Samih Sukkari	Legal Advisor	102,075	34,025	-	136,100
Mr. Issam Mahmoud Abu Al Soud	Executive Manager/Retail Credit Review Department	80,265	10,702	-	90,967
Mr. Saleh Mah'd Jarbou	Executive Manager/Financial Control Department	77,436	10,364	-	87,800
Mr. Saleh Rajab Hammad	Executive Manager/Compliance and Risk Department Secretary	45,000	9,000	18,000	72,000
Mr. Salama Mahmoud Abu Nusair	Executive Manager/Corporate, Commercial and Palestine Credit Review Department	10,625	-	-	10,625
Mr. Turki Yousef Al-Jabour	Manager/Internal Audit Department	30,000	6,000	-	36,000
Total		875,224	211,152	18,000	1,104,376

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

The bank's donations and grants for activities related to the protection of the environment and community social services amounted to JD327,913 as detailed below:

Activities	Amount (JD)
Bank of Jordan Educational Initiative/Partnership Agreement with Hikayat Simsim	88,625
Donation to the Jordan Hashemite Fund for Human Development	50,000
Donation to the Jordan Hashemite Charity Organization/Supporting Gaza	27,482
Donation to the Children's Museum - Jordan	25,000
Supporting Families in Gaza, Palestine	10,250
Supporting the World Affairs Council - Jordan	10,000
Supporting Environmental Activities	12,241
Supporting Educational Activities	25,268
Supporting Charities and Social Activities	28,392
Supporting Sports Activities	38,800
Supporting Associations	5,150
Miscellaneous	6,705
Total	327,913

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

Excel for Financial Investments Private Shareholding Company Limited, a subsidiary of the bank, operates by purchasing and selling securities in the interest of the bank's portfolio in Amman Stock Exchange, as per the decisions and resolutions issued by the Investment Committee assigned in the bank, against commissions the company receives for each purchase or sales transaction.

There are no other contracts between the bank and its subsidiaries, affiliates, Chairman, Members of the Board or the General Manager and any employee in the bank or their relatives, except for usual banking transactions, which were disclosed in illustration No. (40) on financial statements, using the commercial interest rates and commissions. All credit granted to stakeholders are considered performing with no provisions.

21. Bank's Contribution to the Protection of the Environment and Corporate Social Responsibility:

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

The bank continued to support activities aimed at protecting the environment, with a total of JD12,000 donated in 2009 to support such activities.

b. Bank's Corporate Social Responsibility:

The bank continued to contribute to the local community through supporting and sponsoring various initiatives across the Kingdom. In the education field, the bank signed a partnership agreement with "Hikayat Simsim", supported Ibn Al-Arqam School within the "Madrasati" initiative, and sponsored "Month of Jordan" celebrations organized by the Children Museum. Furthermore, the bank participated in charity campaigns in coordination with the Jordan Hashemite Fund for Human Development, supported SOS villages, and sponsored Bank of Jordan's Karting Team.

Details are mentioned within the bank's achievement (page 25).

C) Annual Financial Statements 2009

The bank's 2009 annual financial statements, audited by the bank's auditors Deloitte and Touche (Middle East - Jordan) and compared to the previous year 2008, were stated in the second part of the report (page 39).

D) Report of the Bank's Auditors

The report of the bank's auditors Deloitte and Touche on the bank's annual financial statements, which indicates that auditing was conducted in accordance with international auditing standards, was stated in the beginning of the 2009 annual financial statements (page 38).

E) Acknowledgments

As per Paragraph (E)/Article (4) of the Disclosure and Accounting Standards Instructions issued by the Jordan Securities Commissions' 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 essential matters that may affect the continuity of the bank's operations during the financial year 2010.
2. The Board of Directors of Bank of Jordan concedes its responsibility for the preparation of the 2009 financial statements and that the bank operates an effective control system.
3. The Chairman of the Board of Directors/General Manager and the Financial Manager acknowledge that information and data mentioned in the 2009 Bank of Jordan's Annual Report are correct, accurate and complete.

Addresses of Bank of Jordan Branch Network

Head Office – Al-Shmeisani

Website: www.bankofjordan.com
Tel.: 5696277 Fax: 5696291 P.O. Box 2140
Amman 11181 Jordan

Amman Area Branches

Al-Shmeisani - Main Branch

Tel.: 5696329 Fax: 5696092 P.O. Box 941133
Amman 11194 Jordan

Amman - Downtown Branch

Tel.: 4624348 Fax: 4657431 P.O. Box 890
Amman 11118 Jordan

Wadi Saqra Branch

Tel.: 4614631 Fax: 4614632 P.O. Box 911036
Amman 11191 Jordan

Commercial Market Branch

Tel.: 4617003 Fax: 4624498 P.O. Box 7486
Amman 11118 Jordan

Al-Mahatta Branch

Tel.: 4655707 Fax: 4651728 P.O. Box 4045
Amman 11131 Jordan

Yarmouk Street/Al-Nasser Branch

Tel.: 4910037 Fax: 4910038 P.O. Box 426137
Amman 11140 Jordan

First Circle Branch

Tel.: 4625131 Fax: 4653914 P.O. Box 3080
Amman 11181 Jordan

Third Circle Branch

Tel.: 4616528 Fax: 4656632 P.O. Box 815471
Amman 11180 Jordan

Al Khalidi Branch

Tel.: 4680025/7 Fax: 4680028 P.O. Box 815471
Amman 11180 Jordan

Jabal Al-Hussein Branch

Tel.: 4656004 Fax: 4653403 P.O. Box 8032
Amman 11121 Jordan

Gardens Branch

Tel.: 5688391/2 Fax: 5688416 P.O. Box 961049
Amman 11196 Jordan

Al-Madina Al-Monawara Street Branch

Tel.: 5513953 Fax: 5514938 P.O. Box 5412
Amman 11821 Jordan

Jabal Al-Weibdeh Branch

Tel.: 4646980 Fax: 4615605 P.O. Box 910726
Amman 11191 Jordan

Tareq Branch

Tel.: 5053898 Fax: 5053908 P.O. Box 222
Amman 11947 Jordan

Marka Branch

Tel.: 4893581/2 Fax: 4894341 P.O. Box 15150
Amman 11134 Jordan

Al-Qweismeh Branch

Tel.: 4778626 Fax: 4745301 P.O. Box 38328
Amman 11593 Jordan

Abu Alanda Branch

Tel.: 4164204 Fax: 4162697 P.O. Box 38328
Amman 11593 Jordan

Al-Bayader Branch

Tel.: 5852009 Fax: 5815391 P.O. Box 141640
Amman 11814 Jordan

Industrial Area/Al-Bayader Branch

Tel.: 5861057 Fax: 5813642 P.O. Box 141362
Amman 11814 Jordan

Sweileh Branch

Tel.: 5349823 Fax: 5342318 P.O. Box 84
Amman 11910 Jordan

Al-Fuheis Branch

Tel.: 4720832 Fax: 4720831 P.O. Box 80
Al Fuheis 19153 Jordan

Abu Nusair Branch

Tel.: 5237481 Fax: 5249080 P.O. Box 540549
Amman 11937 Jordan

Jabal Al-Nuzha Branch

Tel.: 4645933 Fax: 4645934 P.O. Box 211950
Amman 11121 Jordan

Wadi Al-Seer Branch

Tel.: 5814255 Fax: 5816552 P.O. Box 10
Amman 11810 Jordan

Ra'ss Al-Aein Branch

Tel.: 4748314 Fax: 4786311 P.O. Box 710289
Amman 11171 Jordan

Al-Yasmine Branch

Tel.: 4392693 Fax: 4391242 P.O. Box 710289
Amman 11171 Jordan

Marj Al-Hamam Branch

Tel.: 5713568 Fax: 5713569 P.O. Box 739
Amman 11732 Jordan

Sweifieh Branch

Tel.: 5861235/6 Fax: 5861237 P.O. Box 851510
Amman 11185 Jordan

Al-Wehdat Branch

Tel.: 4780281 Fax: 4778982 P.O. Box 16047
Amman 11152 Jordan

Mecca Street Branch

Tel.: 5826647/38 Fax: 5826649 P.O. Box 3322
Amman 11821 Jordan

Kilda Branch

Tel.: 5534367 Fax: 5534593 P.O. Box 3477
Amman 11821 Jordan

Al-Jubaiha Branch

Tel.: 5357189 Fax: 5354739 P.O. Box 1005
Amman 11941 Jordan

University of Jordan Branch

Tel.: 5355975 Fax: 5355974 P.O. Box 13067
Amman 11942 Jordan

City Mall Branch

Tel.: 5823512 Fax: 5857684 P.O. Box 691
Amman 11821 Jordan

Al-Rabiyeh Branch

Tel.: 5523195 Fax: 5521653 P.O. Box 18043
Amman 11195 Jordan

Branches in Central Jordan

Salt Branch

Tel.: 05/3554901 Fax: 05/3554902 P.O. Box 161
Salt 19110 Jordan

Zarqa Branch

Tel.: 05/3985091 Fax: 05/3984741 P.O. Box 5572
Zarqa 13111 Jordan

Faisal Street Branch - Zarqa

Tel.: 05/3936725 Fax: 05/3936728 P.O. Box 5760
Zarqa 13111 Jordan

New Zarqa Branch

Tel.: 05/3862581 Fax: 05/3862583 P.O. Box 12256
Zarqa 13112 Jordan

Zarqa Free Zone Branch

Tel.: 05/3826193 Fax: 05/3826194 P.O. Box 54
Zarqa 13134 Jordan

Al-Ruseifa Branch

Tel.: 05/3746923 Fax: 05/3746913 P.O. Box 2102
Al-Ruseifa 13710 Jordan

Airport Branch

Tel.: 4451155 Fax: 4451156 P.O. Box 39005
Amman 11104 Jordan

Geezah Branch

Tel.: 4460179 Fax: 4460133 P.O. Box 140
Amman 16010 Jordan

Madaba Branch

Tel.: 05/3244081 Fax: 05/3244723 P.O. Box 38
Madaba 17110 Jordan

Branches in the North of Jordan

Irbid Branch

Tel.: 02/7242347 Fax: 02/7276760 P.O. Box 96
Irbid 21110 Jordan

Al-Hussun Street Branch

Tel.: 02/7279066 Fax: 02/7270496 P.O. Box 3762
Irbid 21110 Jordan

Eidoun Street Branch

Tel.: 02/7276403 Fax: 02/7276504 P.O. Box 3779
Irbid 21110 Jordan

Souk Al-Bukhariyah Branch

Tel.: 02/7246636 Fax: 02/7248772 P.O. Box 4506
Irbid 21110 Jordan

Hakama Street Branch

Tel.: 02/7400018 Fax: 02/7406375 P.O. Box 1844
Irbid 21110 Jordan

Industrial City Branch - Irbid

Tel.: 02/7409863 Fax: 02/7409864 P.O. Box 1844
Irbid 21110 Jordan

Dair Abi Saied Branch

Tel.: 02/6521351 Fax: 02/6521350 P.O. Box 28
Irbid 21710 Jordan

Ramtha Branch

Tel.: 02/7383706 Fax: 02/7381388 P.O. Box 7
Ramtha 21410 Jordan

Al-Turrah Branch

Tel.: 02/7360011 Fax: 02/7360200 P.O. Box 9
Ramtha 21310 Jordan

Ajloun Branch

Tel.: 02/6420039 Fax: 02/6420841 P.O. Box 22
Ajloun 26810 Jordan

Kufranjah Branch

Tel.: 02/6454973 Fax: 02/6454053 P.O. Box 9
Ajloun 26873 Jordan

Jerash Branch

Tel.: 02/6351453 Fax: 02/6351433 P.O. Box 21
Jerash 26110 Jordan

Al-Mafraq Branch

Tel.: 02/6233317 Fax: 02/6233316 P.O. Box 40
Mafraq 25110 Jordan

North Shunah Branch

Tel.: 02/6587177 Fax: 02/6587377 P.O. Box 48
North Shunah 28110 Jordan

North Azraq Branch

Tel.: 05/3834308 Fax: 05/3834307 P.O. Box 9
Azraq 41111 Jordan

Branches in the South of Jordan**Karak Branch**

Tel.: 03/2351043 Fax: 03/2353451 P.O. Box 43
Karak 61110 Jordan

Ma'an Branch

Tel.: 03/2132090 Fax: 03/2131855 P.O. Box 24
Ma'an 71110 Jordan

Aqaba Branch

Tel.: 03/2013118 Fax: 03/2014733 P.O. Box 57
Aqaba 77110 Jordan

Exchange Offices**Jaber Border Office - Arrivals**

Tel.: 02/6254074

Jaber Border Office - Departures

Tel.: 02/6254073

Ramtha Border - Travellers

Tel.: 02/7382425

Ruweished Office

Tel.: 02/6295320

Umari Office

Tel.: 05/3838014

Aqaba Port - Arrivals/Departures Office

Tel.: 03/2022702

Tranzit Office in Queen Alia International Airport

Tel.: 4451559 Fax: 4451156

Tranzit/Free Market Office in Queen Alia International Airport

Tel.: 4451574 Fax: 4451156

Sheikh Hussein Bridge - Departures/Arrivals Office

Tel.: 02/6550473

King Hussein Bridge - Arrivals Office

Tel.: 05/3581146 Fax: 05/3581147

King Hussein Bridge - Departures Office

Tel.: 05/3539138 Fax: 05/3581147

Palestine Branch Network**Regionalism Management**

Tel.: 0097022952703/2 Fax: 0097022952705
P.O. Box 1328

Ramallah Branch

Tel.: 0097022958686 Fax: 0097022958684
P.O. Box 1829

Nablus Branch

Tel.: 0097092381120/5 Fax: 0097092381126
P.O. Box 107

Jenin Branch

Tel.: 0097042505403 Fax: 0097042505402
P.O. Box 183

Jenin Municipality Office

Tel.: 0097042505233 Fax: 0097042505231
P.O. Box 183

Qabatiya Office

Tel.: 0097042512482 Fax: 0097042512483
P.O. Box 183

Gaza Branch

Tel.: 0097082865281 Fax: 0097082824341
P.O. Box 528

Hebron Branch

Tel.: 0097022224351 Fax: 0097022224350
P.O. Box 494

Al-Ram Branch

Tel.: 0097022343840 Fax: 0097022343842
P.O. Box 1328

Al-Eizaryah Branch

Tel.: 0097022790243 Fax: 0097022790245
P.O. Box 148

Industrial Area Branch/Ramallah

Tel.: 0097022963785 Fax: 0097022963788
P.O. Box 1484

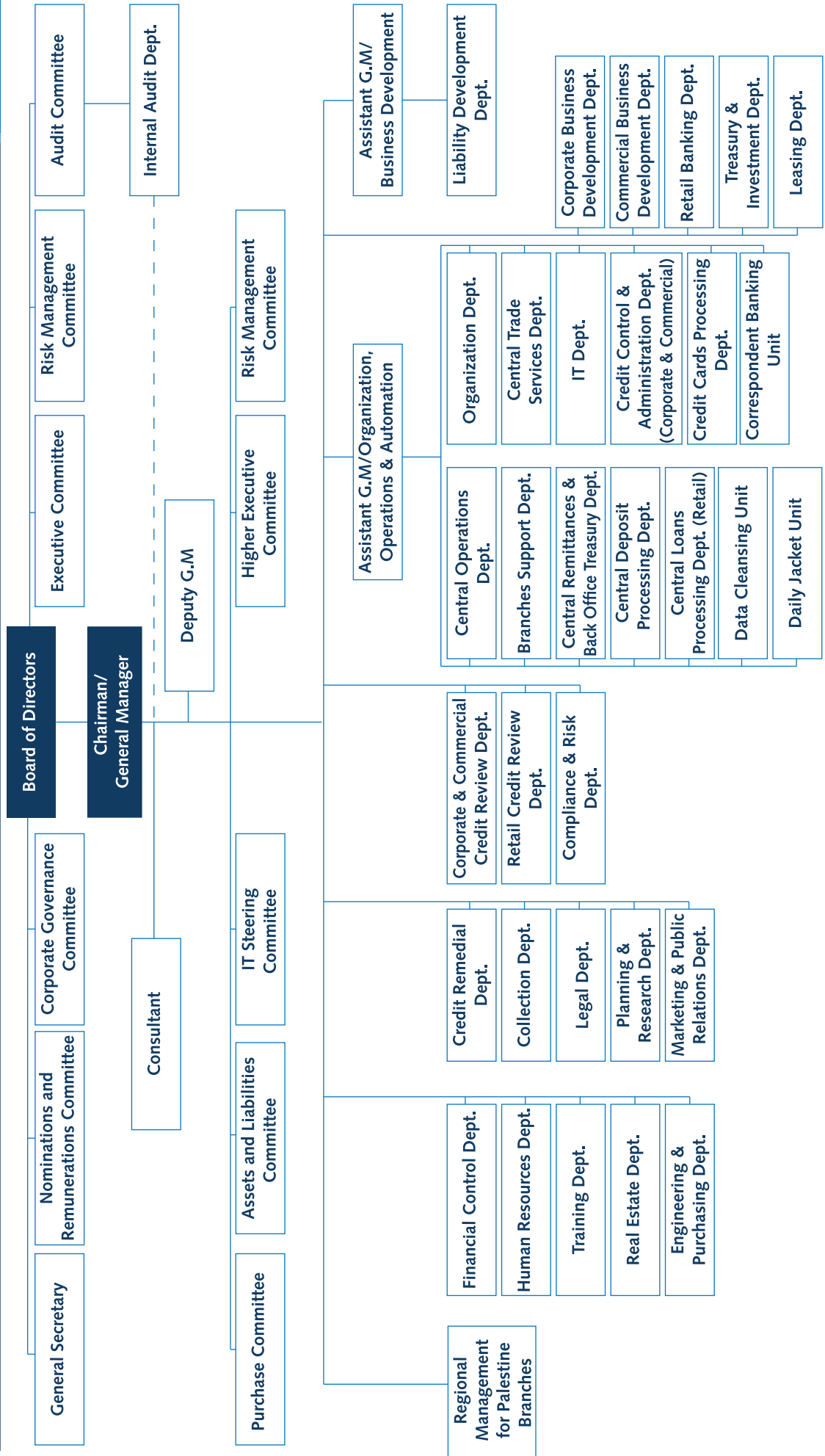
Tulkarm Branch

Tel.: 0097092687882 Fax: 0097092687884
P.O. Box 18

Bethlehem Branch

Tel.: 0097022749938 Fax: 0097022749941
P.O. Box 207

Organizational Structure/Head Office





* Head Office Amman/Jordan







