

Ref: م م ١/80/2017

To: Jordan Securities Commission

Amman Stock Exchange ✓

Date: 15/5/2017

**Subject: Consolidated Entreim Financial Statements for the Period ended
March 31,2017**

Kindly find Attached the translated reviewed Consolidated Entreim Financial Statements for the Period ended March 31, 2017.

Kindly accept our highly appreciation and respect



بورصة عمان الدائرة الإدارية والمالية الديوان
١٦ أيار ٢٠١٧
الرقم المتسلسل: 3146
رقم الملف: 11013
الجهة المختصة: 911111

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTREIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED March 31, 2017
TOGETHER WITH THE REVIEW REPORT

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2016

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Report on the Review of the Condensed Consolidated Interim Financial Statements

AM/ 4716

**To the Chairman and the Members of the Board of Directors
Jordan Ahli Bank
(Limited Public Shareholding Company)
Amman - Jordan**

Report on the Review of the Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Ahli Bank (a Limited Public Shareholding Company) as of March 31, 2017 and the related condensed consolidated interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Explanatory Paragraph

The fiscal year end in December 31 of each year, but the accompanying condensed consolidated interim financial statements prepared for the purposes of management and securities commission in Amman stock exchange and it does not need the approval of the Central Bank of Jordan.

Other Matter

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

**Amman – Jordan
April 30, 2017**

Deloitte & Touche
Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2017 (Reviewed Not Audited)	December 31, 2016
ASSETS			
		JD	JD
Cash and balances at central banks	5	247,534,546	201,989,051
Balances at banks and financial institutions	6	148,633,959	185,788,643
Deposits at banks and financial institutions	7	13,949,230	10,037,793
Financial assets at fair value through profit or loss	8	983,240	968,373
Direct credit facilities - net	9	1,463,871,267	1,447,236,602
Financial assets at fair value through other comprehensive income	10	29,645,180	29,011,930
Financial assets at amortized cost	11	730,820,146	754,809,955
Investments in associates and unconsolidated subsidiary company		5,106,980	5,106,980
Properties, equipment, and projects under construction- net		51,622,962	46,831,590
Intangible assets - net		22,724,946	21,141,035
Other assets		119,645,953	106,377,371
Deferred tax assets		6,474,420	6,219,227
TOTAL ASSETS		2,841,012,829	2,815,518,550
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Banks and financial institutions deposits		85,430,607	57,353,655
Customers deposits		2,054,794,615	2,067,294,759
Cash margins		257,012,754	255,883,131
Borrowed funds	12	93,920,935	88,520,033
Other provisions		3,336,946	3,392,889
Provision for income tax	13	1,657,194	926,721
Deferred tax liabilities		899,542	1,002,584
Other liabilities		34,018,633	38,479,374
TOTAL LIABILITIES		2,531,071,226	2,512,853,146
SHAREHOLDER'S EQUITY:			
Subscribed and paid-up capital	20	175,000,000	175,000,000
Statutory reserve	21	52,015,203	52,015,203
Voluntary reserve	21	33,486,083	33,486,083
Periodic fluctuations reserve		2,394,566	2,394,566
Special reserve		213,054	213,054
General banking risk reserve		14,939,627	14,988,716
Fair value reserve - net		1,670,578	1,861,943
Retained earnings	14	22,754,928	22,705,839
Income for the period		7,467,564	-
TOTAL SHAREHOLDERS EQUITY		309,941,603	302,665,404
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		2,841,012,829	2,815,518,550

THE ACCOMPANYING NOTES FROM (1) TO (24) CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

CHAIRMAN OF BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTREIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months	
		Ended March 31,	
		2017	2016
		JD	JD
Interest income		35,228,398	33,465,547
Interest expense		<u>14,562,350</u>	<u>12,267,840</u>
Net Interest Revenue		20,666,048	21,197,707
Commissions revenue - net		<u>5,578,674</u>	<u>5,061,157</u>
Net Interest and Commissions Revenue		26,244,722	26,258,864
Foreign exchange income		825,769	910,478
Income (loss) from financial assets at fair value through profit or loss		26,078	(21,557)
Dividends from financial assets at fair value through other comprehensive income		417,948	711,206
Other revenue		<u>2,400,184</u>	<u>1,678,787</u>
Gross Income		<u>29,914,701</u>	<u>29,537,778</u>
Expenses:			
Employees expenses		10,238,712	11,177,496
Depreciation and amortization		2,652,191	1,934,176
Other expenses		6,331,321	6,152,455
(Surplus) provision for impairment in direct credit facilities	9	(897,753)	1,603,448
Seized assets impairment provision		<u>1,336,676</u>	<u>1,560,000</u>
Total Expenses		<u>19,661,147</u>	<u>22,427,575</u>
Income from operations		10,253,554	7,110,203
Bank's share of associate companies (losses)		-	(3,633)
Income for the Period before Taxes		10,253,554	7,106,570
Income tax	13	<u>(2,785,990)</u>	<u>(2,065,330)</u>
Income for the Period		<u>7,467,564</u>	<u>5,041,240</u>
Attributable to:			
Bank's shareholders		<u>7,467,564</u>	<u>5,041,240</u>
		<u>7,467,564</u>	<u>5,041,240</u>
Earnings per share attributable to the Bank's shareholders :			
Basic and Diluted	15	<u>0.043</u>	<u>0.029</u>

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CHAIRMAN OF BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended March 31,	
	2017 JD	2016 JD
Income for the period	7,467,564	5,041,240
Items not to be Subsequently Transferred to the Condensed Consolidated Interim Statement of Income:		
Gain from sale of financial assets at fair value through other comprehensive income	-	35,497
Change in fair value reserve - net	<u>(191,365)</u>	<u>9,226</u>
Total Comprehensive Income	<u>7,276,199</u>	<u>5,085,963</u>
Total Comprehensive Income Attributable to:		
Bank's shareholders	<u>7,276,199</u>	<u>5,085,963</u>
	<u>7,276,199</u>	<u>5,085,963</u>

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JORDAN AHILI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED CONSOLIDATED INTRIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Bank Shareholders' Equity												Total Shareholders' Equity			
	Reserves											Income For the Period				
	Subscribed and Paid-up Capital		Statutory		Voluntary		Periodic Fluctuations		Special		General Banking Risks			Fair Value Reserve - net	Retained Earnings	
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the Three Months Ended March 31, 2017																
Balance - beginning of the year	175,000,000	52,015,203	33,486,083	2,394,566	213,054	14,988,716	1,861,943	22,705,839	-	-	-	-	-	-	-	302,665,404
Income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,467,564	7,467,564
Net change in fair value	-	-	-	-	-	-	(191,365)	-	-	-	-	-	-	-	-	(191,365)
Total Comprehensive Income	-	-	-	-	-	-	(191,365)	-	-	-	-	-	-	-	7,467,564	7,276,199
Transfers to reserves	-	-	-	-	-	(49,089)	-	49,089	-	-	-	-	-	-	-	-
Balance - End of the Period	175,000,000	52,015,203	33,486,083	2,394,566	213,054	14,939,627	1,670,578	22,754,928	-	-	-	-	-	-	-	309,941,603
For the Three Months Ended March 31, 2016																
Balance - beginning of the year	175,000,000	51,197,108	33,486,083	2,080,497	213,054	11,693,374	1,203,412	36,645,258	-	-	-	-	-	-	-	313,518,786
Income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,041,240	5,041,240
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(35,497)	35,497	-	-	-	-	-	-	-	-
Net change in fair value	-	-	-	-	-	-	44,723	-	-	-	-	-	-	-	-	44,723
Total Comprehensive Income	-	-	-	-	-	-	9,226	35,497	-	-	-	-	-	-	5,041,240	5,085,963
Transfers to reserves	-	-	-	-	-	2,133,662	-	(2,133,662)	-	-	-	-	-	-	-	-
Balance - End of the Period	175,000,000	51,197,108	33,486,083	2,080,497	213,054	13,827,036	1,212,638	36,547,093	-	-	-	-	-	-	-	318,604,749

- Out of retained earnings, an amount of JD 6,474,420 as of March 31, 2017 is restricted according to the Central Bank of Jordan instructions against deferred tax assets (6,219,227 as of December 31, 2016) .

- Use of the General Banking Risks Reserve and Periodic Fluctuations are restricted and require pre-approval by the Central Bank of Jordan and the Palestinian Monetary Authority.

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JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTREIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Three Month Ended March 31,	
		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income for the period before taxes		10,253,554	7,106,570
Adjustments:			
Depreciation and amortization		2,652,191	1,934,176
(Surplus) Provision for impairment in direct credit facilities	9	(897,753)	1,603,448
Seized assets impairment provision		1,336,676	1,560,000
Provision for lawsuits against the bank and others		203,154	196,736
(Gain) loss from revaluation of financial assets at fair value through profit or loss		(23,399)	21,557
(Gain) on the sale of properties and equipment		(71,507)	(474,578)
Bank's share of associate companies loss		-	3,633
Effect of exchange rate fluctuations on cash and cash equivalents		(252,030)	(722,561)
Net Income before Changes in Assets and Liabilities		13,200,886	11,228,981
Changes in Assets and Liabilities:			
Decrease in cash and balances at central banks due after 3 months		-	7,444,500
(Increase) in deposits at banks and financial institutions due after 3 months		(3,911,437)	(14,183,290)
Decrease (increase) in balances with restricted withdrawal		23,948	(13,596)
Decrease (increase) decrease in financial assets at fair value through profit or loss		8,532	(381,583)
(Increase) in direct credit facilities - net		(15,736,912)	(176,131,687)
(Increase) in other assets		(17,758,842)	(4,571,361)
Increase in banks and financial institutions deposits due after 3 months		-	950,000
(Decrease) increase in customers' deposits		(12,500,144)	105,250,031
Increase (decrease) in cash margins		1,129,623	(9,323,329)
(Decrease) increase in other liabilities		(4,460,741)	727,305
(Decrease) in various provisions		(259,097)	(25,003)
Net Cash Flows (used in) Operating Activities before Income Tax and provisions paid		(40,264,184)	(79,029,032)
Income Tax Paid	13	(2,310,710)	(2,116,464)
Net Cash Flows (used in) Operating Activities		(42,574,894)	(81,145,496)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in financial assets at fair value through other comprehensive income		(927,657)	-
Decrease (increase) in financial assets at amortized cost		23,989,809	(38,346,428)
(Purchase) of properties and equipment, projects under construction, and intangible assets		(5,802,383)	(2,402,551)
Net Cash Flows from (used in) Investing Activities		17,259,769	(40,748,979)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in borrowed funds		5,400,902	6,243,303
Net Cash Flows from Financing Activities		5,400,902	6,243,303
Effect of exchange rate fluctuations on cash and cash equivalents		252,030	722,561
Net (Decrease) in Cash and Cash Equivalents		(19,662,193)	(114,928,611)
Cash and cash equivalents - beginning of the year		321,995,249	401,578,930
Cash and Cash Equivalents - End of the Period	16	302,333,056	286,650,319

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JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- Jordan Ahli Bank was established in the year 1955 as a Public Shareholding Limited Company under ID No. (6) on July 1, 1955 in accordance with the Companies Law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O. Box 3103, Amman 11181 Jordan. The Business Bank was merged into the Bank effective from December 1, 1996. Moreover, Philadelphia Investment Bank was merged into Jordan Ahli Bank Company PSC effective from July 1, 2005.
- The Bank provides all banking and financial services related to its business through its main office, branches in Jordan (55 branches), external branches (6 branches) and subsidiary companies in Jordan.
- The Bank's shares are listed in Amman Stock Exchange - Jordan.
- The condensed consolidated interim financial statements have been approved by the Bank's Board of Directors on April 30, 2017.

2. Significant Accounting Policies:

Basis of Preparation Condensed Consolidated Interim financial Statement

- The accompanying condensed consolidated interim financial statements of the Bank is prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) No. 34 interim financial reporting.
- The condensed consolidated interim financial statements are prepared under the historical cost convention except for financial assets and liabilities at fair value as of the date of the condensed consolidated interim financial statements.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities stated at fair value through profit or loss, financial assets stated at fair value through other comprehensive income and financial derivatives stated at fair value at the date of the condensed consolidated interim financial statements. Moreover, hedged financial assets and financial liabilities are also stated at fair value.
- The accounting policies adopted, when preparing the condensed consolidated interim financial statements, are consistent with those applied in the year ended December 31, 2016, except for the following:
 - Annual Improvements to IFRSs 2014 – 2016 Cycle covering amendments to IFRS 1.
 - Amendments to IAS 12 Income Tax relating to recognition of deferred tax assets on the unrealized losses
 - Amendments to IAS 7 Statement of Cash Flow relating to providing additional disclosures in the cash flow statement to help the financial statement users in evaluating the changes in liabilities resulted from financing activities.

- The application of these revised IFRSs has not had any material impact on the amounts reported or the disclosures included in the condensed consolidated interim financial statements.

3. Basis of Condense Consolidation Interim and Presentation

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

The Bank's subsidiary companies as of March 31, 2017 are as follows:

<u>Company Name</u>	<u>Paid-Up-Capital</u> JD	<u>Ownership</u> by the bank %	<u>Activity Nature</u>	<u>Date of</u> <u>Construction</u>	<u>Location</u>
Ahli Financial Brokerage Company	5,000,000	100	Financial Brokerage	2006	Jordan
Ahli Financial Leasing Company	17,500,000	100	Financing and Borrowing	2009	Jordan
Ahli Micro Finance Company	6,000,000	100	Financing and Borrowing	1999	Jordan
Ahlouna Company	1,700,000	100	Charity	2006	Jordan

* According to the decision of the representative partners of Ahlouna Company in their meeting held in May 21, 2012 the whole company's partners withdrew except for Jordan Ahli Bank. Accordingly, the company became fully owned by the bank and got the approval from the ministry of industry and trade on March 28, 2013. Moreover, the investment in this company is shown according to the equity method as of December 31, 2014 which reveal the latest available financial reports. The financial statements weren't consolidated because the company is a non-profit organization and all its activities is for charity cause and all its revenue is subject for donation. In addition, according to the general assembly decision during its extraordinary meeting held on November 8, 2015 approved to liquidate the Company and to appoint a Liquidator for the Company.

- The financial statements of the subsidiary companies are prepared for the same financial year, using the same accounting policies adopted by the Bank. If the accounting policies adopted by the companies are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies followed by the Bank.
- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal, which is the date on which the Bank loses control over the subsidiaries.
- Non – controlling interests represent the portion of owners' equity not owned by the Bank in the subsidiaries.

4. Accounting Estimates

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

We believe that the assessments adopted in the consolidated financial statements are reasonable. The details are as follows:

- A provision against debts is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these bases and estimates is compared against the provisions that should be taken under the instructions of the regulatory authorities, through which the Bank's branches and subsidiary companies operate. Moreover, the strictest outcome that conforms with the (IFRSs) is used.
- The impairment of the seized assets value is recorded based on a new real estate evaluations and approved by certified real estate appraisers to evaluate any impairment in their value and it is reviewed periodically.
- The financial year is charged with its part from income tax according to the prevailing regulations, laws and International Financial Reporting Standards. Moreover, the deferred taxes for the financial assets and liabilities and the required provision are calculated.
- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the condense consolidated interim statement of income.
- A provision is set for lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.
- Management periodically reviews the financial assets, shown at cost, to evaluate any impairment in their value. Such impairment is taken to the condense consolidated interim statement of income.

- Fair value hierarchy: The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, which may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial asset or liability, the Bank uses information from the market, if available, and in the absence of the first level inputs, the Bank deals with the independent and qualified parties to prepare evaluation studies. Appropriate methods of assessment and inputs used to prepare the evaluation are reviewed by management.

5. Cash and Balances at Central Banks

- The cash mandatory reserve amounted to JD 123,165,759 as of March 31, 2017 (JD 122,875,977 as of December 31, 2016).
- Except for the cash statutory reserves restricted balances amounted to JD 180,442 as of March 31, 2017 (JD 204,390 as of December 31, 2016).
- There are an amount of JD 8,224,400 as of March 31, 2017 and December 31, 2016 mature after three months.

6. Balances at Banks and Financial Institutions

- Non- interest bearing Balances at banks and financial institutions amounted to JD 31,526,297 as of March 31, 2017 (JD 63,143,246 as of December 31, 2016).
- There are no restricted balances as of March 31, 2017 and December 31, 2016.

7. Deposits at Banks and Financial Institutions

- The balances that mature within a period from 6 months to 9 months amounted to JD 13,911,420 as of March 31, 2017 (JD 10 millions as of December 31, 2016).
- The restricted deposits amounted to JD 5 million as of March 31, 2017 and December 31, 2016.

8. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Company shares	983,240	968,373
	<u>983,240</u>	<u>968,373</u>

9. Direct Credit Facilities - Net

This item consists of the following:

	March 31, <u>2017</u>	December 31, <u>2016</u>
	JD	JD
Individuals (retail):		
Overdraft accounts	14,437,928	14,987,764
Loans and promissory notes*	396,400,680	389,850,749
Credit cards	14,583,495	14,693,636
Real estate loans	270,666,135	260,807,630
Companies:		
a- Corporates:		
Overdraft accounts	132,133,361	129,226,465
Loans and promissory notes*	553,606,378	571,436,672
b- Small and Medium Companies:		
Overdraft accounts	48,170,426	42,249,538
Loans and promissory notes*	128,760,732	127,406,049
Government and public sector	22,275,577	21,616,898
Total	1,581,034,712	1,572,275,401
<u>(Less):</u> Provision for impairment in direct credit facilities	(90,776,365)	(97,303,171)
Suspended Interest	(26,387,080)	(27,735,628)
Net Direct Credit Facilities	<u>1,463,871,267</u>	<u>1,447,236,602</u>

* Net after deducting interest and commissions received in advance of JD 17,691,150 as of March 31, 2017 (JD 19,156,300 as of December 31, 2016).

- The non performing credit facilities amounted of 159,354,659 which is %10.08 from the total credit facilities as of March 31, 2017 (JD 178,454,833 which is %11.35 from the total credit facilities as of December 31, 2016).
- The non performing credit facilities after deducting the suspended interest and commissions amounted of JD 134,499,627 which is %8.65 from the direct credit facilities balance after deducting the suspended interests and commissions as of March 31, 2017 (JD 151,586,946 which is %9.81 from the credit facilities balance after deducting the suspended interests and commissions as of December 31, 2016).
- The non performing debt balance transferred to off consolidated balance sheet items amounted of JD 43,459,083 as of March 31, 2017 (JD 43,365,900 as of December 31, 2016). Moreover, these debts are fully covered with the suspended interests and provisions.
- There are no credit facilities provided to the Jordanian government with its guarantee as of March 31, 2017 and December 31, 2016.

Provision for Impairment in Direct Credit Facilities

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

	Companies					
	Individuals		Real Estate Loans		Small and Medium Companies	
	JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2017						
Balance – beginning of the period	18,733,221	2,218,167	58,074,278	18,277,505	97,303,171	
Deduction for the year taken from revenue	589,555	325,997	(2,176,345)	363,040	(897,753)	
Used during the year (written-off)	(40,426)	(123)	(5,536,161)	(21,499)	(5,598,209)	
Transferred to off-condense consolidated interim statement of financial position items	(11,679)	(873)	(864)	(2,695)	(16,111)	
Foreign currencies evaluation difference	(8,727)	-	7,970	(13,976)	(14,733)	
Balance – End of the Period	19,261,944	2,543,168	50,368,878	18,602,375	90,776,365	
Provision for non-performing facilities on an individual customer basis	19,102,304	2,543,168	49,216,907	18,434,426	89,296,805	
Provision for under watch facilities on an individual customer basis	159,640	-	1,151,971	167,949	1,479,560	
Balance – End of the Period	19,261,944	2,543,168	50,368,878	18,602,375	90,776,365	

	Companies					
	Individuals		Real Estate Loans		Small and Medium Companies	
	JD	JD	JD	JD	JD	JD
For the year Ended December 31, 2016						
Balance – beginning of the year	15,961,808	2,219,295	39,950,985	16,591,837	74,723,925	
Deduction for the year taken from revenue	3,573,884	10,832	18,450,896	1,995,806	24,031,418	
Used during the year (written-off)	(528,392)	(624)	(149,231)	(195,492)	(873,739)	
Transferred to off-consolidated statement of financial position items	(45,162)	(11,336)	(186,830)	(292,803)	(536,131)	
Foreign currencies evaluation difference	(228,917)	-	8,458	178,157	(42,302)	
Balance – End of the Year	18,733,221	2,218,167	58,074,278	18,277,505	97,303,171	
Provision for non-performing facilities on an individual customer basis	18,575,417	2,218,167	56,943,343	18,117,650	95,854,577	
Provision for under watch facilities on an individual customer basis	157,804	-	1,130,935	159,855	1,448,594	
Balance – End of the Year	18,733,221	2,218,167	58,074,278	18,277,505	97,303,171	

The Provisions no longer needed due to settlements or debt payments and transferred to other debts amounted of JD 7,631,474 as of March 31, 2017 (JD 8,719,144 as of December 31, 2016).

Suspended interest

The movement on suspended interest is as follows:

	Companies						Total
	Real Estate		Corporates		Small and Medium Companies		
	Individuals	Loans	JD	JD	JD	JD	
	JD	JD				JD	
Balance – beginning of the year	4,638,072	312,304	15,741,739	7,043,513		27,735,628	
Add: Interest in suspense for the year	472,767	843,500	1,500,734	263,331		3,080,332	
(Less:) Surplus taken to income	(29,818)	-	(1,041,553)	(42,094)		(1,113,465)	
Transferred to off - condense consolidated interim statement of financial position items	(1,607)	(48,943)	(18,312)	(4,131)		(72,993)	
Interest in suspense written-off	(83,177)	(211)	(3,070,587)	(73,301)		(3,227,276)	
Foreign currencies evaluation difference	(5,492)	-	(1,741)	(7,913)		(15,146)	
Balance - End of the Period	4,990,745	1,106,650	13,110,280	7,179,405		26,387,080	

For the Three Months Ended March 31, 2017

Balance – beginning of the year	3,504,641	378,194	10,001,792	6,070,504		19,955,131
Add: Interest in suspense for the year	1,513,703	55,154	6,856,900	1,613,068		10,038,825
(Less:) Surplus taken to income	(158,427)	(77,777)	(58,319)	(192,419)		(486,942)
Interest in suspense written-off	(201,671)	(32,502)	(1,033,660)	(382,756)		(1,650,589)
Transferred to off - consolidated statement of financial position items	(23,847)	(10,765)	(38,491)	(130,653)		(203,756)
Foreign currencies evaluation difference	3,673	-	13,517	65,769		82,959
Balance - End of the Year	4,638,072	312,304	15,741,739	7,043,513		27,735,628

For the year Ended December 31, 2016

	Companies						Total
	Real Estate		Corporates		Small and Medium Companies		
	Individuals	Loans	JD	JD	JD	JD	
	JD	JD				JD	
Balance – beginning of the year	3,504,641	378,194	10,001,792	6,070,504		19,955,131	
Add: Interest in suspense for the year	1,513,703	55,154	6,856,900	1,613,068		10,038,825	
(Less:) Surplus taken to income	(158,427)	(77,777)	(58,319)	(192,419)		(486,942)	
Interest in suspense written-off	(201,671)	(32,502)	(1,033,660)	(382,756)		(1,650,589)	
Transferred to off - consolidated statement of financial position items	(23,847)	(10,765)	(38,491)	(130,653)		(203,756)	
Foreign currencies evaluation difference	3,673	-	13,517	65,769		82,959	
Balance - End of the Year	4,638,072	312,304	15,741,739	7,043,513		27,735,628	

10. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Quoted Shares	12,497,730	12,303,548
Unquoted Shares *	12,279,456	11,840,388
Mutual Fund **	4,867,994	4,867,994
	<u>29,645,180</u>	<u>29,011,930</u>

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

** This item represents investment in Abraj Capital Fund of US Dollars 5.6 million, which was stated at fair value as of March 31, 2017. The total fund capital amounted to US Dollars 2 billion. Moreover, the fund capital is not guaranteed.

- Cash dividend distributions for the above-mentioned financial assets amounted to JD 417,948 as of March 31, 2017 (JD 711,206 as of March 31, 2016).

11. Financial Assets at Amortized Cost

The details of this item are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Treasury bills and bonds	670,966,976	696,556,757
Companies bonds and debentures	59,853,170	58,878,536
	730,820,146	755,435,293
<u>Less: Impairment provision*</u>	-	(625,338)
	<u>730,820,146</u>	<u>754,809,955</u>
Bills and Bonds Return Analysis:		
Fixed return	<u>730,820,146</u>	<u>754,809,955</u>

* This item represents the impairment provision for the corporate bonds.

12. Borrowed Funds

The details of this item are as follows:

	Number of Installments			Installments Maturity Frequency	Guarantees	Interest Rate	Relending Interest Rate
	Amount	Total	Remaining				
March 31, 2017	JD					%	
Central Bank of Jordan	4,000,000	30	26	semi-annual installments	-	3.25	-
Central Bank of Jordan	1,350,000	20	18	semi-annual installments	-	2.5	-
Central Bank of Jordan	1,350,000	19	19	semi-annual installments	-	2.5	-
Central Bank of Jordan	2,305,000	20	20	semi-annual installments	-	3.28	-
Central Bank of Jordan	16,198,018	20	20	semi-annual installments	-	2.0	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	10,000,000	1	1	-	-	4.3	-
Local Bank (Loan to a subsidiary)	8,053,174	-	-	first of March 2017	-	5	-
Local Bank (Overdraft to a subsidiary)	4,981,148	-	-	JD 5 million overdraft ceiling	5 million deposit relating to the Jordan Ahli Bank	4	-
Local Bank (Loan to a subsidiary)	5,000,000	24	-	24 monthly installments effective from the withdrawal date	-	4.25	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	30,000,000	5	5	first of July 2018, December 28, 2018, April 3, 2019, May 2, 2019 and May 11, 2019	-	4.55 - 4.75	-
Local Bank (Loan to a subsidiary)	865,018	36	-	36 monthly installments effective from the withdrawal date	-	6.75	-
Local Bank (Loan to a subsidiary)	3,288,989	24	-	24 monthly installments effective from the withdrawal date	-	5.45 - 5.85	-
Local Bank (Loan to a subsidiary)	5,870,967	36	-	36 monthly installments effective from the withdrawal date	-	6	-
Local Bank (Loan to a subsidiary)	295,121	36	-	36 monthly installments effective from the withdrawal date	-	6	-
Local Bank (Loan to a subsidiary)	330,167	36	-	36 monthly installments effective from the withdrawal date	-	6	-
Development and Employment Fund (Loan to a subsidiary)	33,333	30	-	30 monthly installments effective from the withdrawal date after the grace period of six months	-	6	-
	<u>93,920,935</u>						
December 31, 2016							
Central Bank of Jordan	4,000,000	30	26	semi-annual installments	-	2.13	-
Central Bank of Jordan	1,350,000	20	18	semi-annual installments	-	2.5	-
Central Bank of Jordan	1,350,000	19	19	semi-annual installments	-	2.5	-
Central Bank of Jordan	2,305,000	20	20	semi-annual installments	-	2.39	-
Central Bank of Jordan	5,910,441	20	20	semi-annual installments	-	2.5	-
Central Bank of Jordan	3,714,352	20	20	semi-annual installments	-	2.5	-
Central Bank of Jordan	4,582,181	20	20	semi-annual installments	-	2.5	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	10,000,000	1	1	-	-	4.3	-
Local Bank (Loan to a subsidiary)	7,189,625	-	-	first of March 2017	-	5	-
Local Bank (Overdraft to a subsidiary)	4,491,796	-	-	JD 5 million overdraft ceiling	5 million deposit relating to the Jordan Ahli Bank	4	-
Local Bank (Loan to a subsidiary)	5,947,557	24	-	24 monthly installments effective from the withdrawal date	-	4.25	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	30,000,000	5	5	first of July 2018, December 28, 2018, April 3, 2019, May 2, 2019 and May 11, 2019	-	4.55-4.75	-
Local Bank (Loan to a subsidiary)	944,444	24	-	24 monthly installments effective from the withdrawal date	-	7.5	-
Local Bank (Loan to a subsidiary)	922,647	36	-	36 monthly installments effective from the withdrawal date	-	6.75	-
Local Bank (Loan to a subsidiary)	1,134,113	24	-	24 monthly installments effective from the withdrawal date	-	5.45-5.85	-
Local Bank (Loan to a subsidiary)	4,594,544	36	-	36 monthly installments effective from the withdrawal date	-	6	-
Development and Employment Fund (Loan to a subsidiary)	83,333	30	-	30 monthly installments effective from the withdrawal date after the grace period of six months	-	6	-
	<u>88,520,033</u>						

- Loans with a fixed interest rate amounted to JD 93,920,935 as of March 31, 2017 (JD 88,520,033 as of December 31, 2016).

13. Provision for Income Tax

a) Income tax provision:

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

	For Three Month Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	926,721	7,557,618
Income tax paid	(2,310,710)	(9,028,571)
Income tax for the period / year	<u>3,041,183</u>	<u>2,397,674</u>
Balance - End of the Period / Year	<u>1,657,194</u>	<u>926,721</u>

Income tax expense for the period, which appears in the condense consolidated interim statement of income, consists of the following:

	For three Month Ended March 31,	
	2017	2016
	JD	JD
Accrued income tax on the period's income	3,041,183	2,244,988
Deferred tax assets for the period	(448,276)	(625,930)
Amortization of deferred tax assets	193,083	410,299
Deferred tax liabilities	-	35,973
Balance - End of the Period	<u>2,785,990</u>	<u>2,065,330</u>

- The Income tax rate for banks in Jordan is 35%. Moreover, the income tax rates in the countries where the Bank has investments or branches range from 12.5% to 28.79%.
- A final settlement was reached with the Income and Sales Tax Department up to the end of the year 2014 for Jordan branches.
- A final settlement with the Income Tax and Value-Added Tax Department has been reached for Palestine branches up to the end of the year 2014 and it is expected to finish 2015 settlements during the year 2017.
- A final tax settlement has been reached for the Bank's branch in Cyprus up to the year 2009. Moreover, the company has filed its income tax return for the years 2010, 2011, 2012, 2013, 2014 and 2015. Also, the Income Tax Department has reviewed the tax returns up to the year 2013, and no final decision has been taken yet.
- A final settlement for income tax for the subsidiary company (Ahli Brokerage Company) has been reached up to the end of the year 2014. Moreover, the company has filed its income tax return for the year 2015. However, the Income and Sales Tax Department has not reviewed them yet.
- A final settlement for income tax for the subsidiary company (Ahli Financial Leasing Company) has been reached up to the end of the year 2014. Moreover, the company has filed its income tax return for the year 2015. However, the Income and Sales Tax Department has not reviewed them yet.
- A final settlement for income tax for the subsidiary company (Ahli Micro Finance Company) has been reached up to the end of the year 2014. Moreover, the company has filed its income tax return for the year 2015. However, the Income and Sales Tax Department has not reviewed them yet.
- Deferred tax assets and liabilities have been calculated as of March 31, 2017 and December 31, 2016, according to the following rates:

Income tax rate	March 31,	December 31,
	2017	2016
Jordan Branches	35%	35%
Palestine Branches	28.79%	28.79%

The income tax provision has been calculated and recorded for the three months ended March 31, 2017 for the bank and its branches and subsidiaries. According to the management the bank will not record any tax liabilities which exceeds the taken provision in the condense consolidated interim financial statements.

14. Retained Earnings

The details of this Item are as follows:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	JD	JD
Balance -beginning of the period / year	22,705,839	38,645,258
Income for the year	-	6,274,933
Distributed dividends *	-	(17,500,000)
Transfers from / to reserves	49,089	(4,427,506)
(Loss) from sale of financial assets at fair value through other comprehensive income	-	<u>(286,846)</u>
Balance - End of the Period / Year	<u>22,754,928</u>	<u>22,705,839</u>

- Out of retained earnings, an amount of JD 6,474,420 as of March 31, 2017 is restricted according to the Central Bank of Jordan Instructions against deferred tax assets (6,219,227 as of December 31, 2016) .

- * The general Assembly of shareholders approved in their ordinary meeting held on April 27, 2016 to distribute 10% of capital as cash dividends as of December 31, 2015, which is equivalent to JD 17/5 million to shareholders as profits for the year 2015.

Subsequent events:

The General Assembly of Shareholders decided in their ordinary meeting held on April 30, 2017 to approve the distribution of 5% of the Banks' paid-up capital as cash dividends as the date of the General Assembly meeting and free stock of 5% to the shareholders for the year 2016.

15. Earnings per Share Attributable to the Bank's Shareholders

The details of this items are as follows:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Income for the period	7,467,564	5,041,240
Weighted average number of shares	175,000,000	175,000,000
Earnings Per Share - Bank Shareholders		
Basic & Diluted	0.043	0.029

16. Cash and Cash Equivalents

The details of this items are as follows:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Cash and balances at central banks maturing within 3 months	239,310,146	247,681,075
<u>Add:</u> Balances at banks and financial institutions due within 3 months	148,633,959	121,361,495
<u>Less:</u> Banks and financial institutions deposits due within 3 months	(85,430,607)	(72,205,530)
Restricted balances	(180,442)	(10,186,721)
	302,333,056	286,650,319

17. Capital Management

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

Capital is categorized into paid-up capital, economic capital, and regulatory capital whereby regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio as per the Central Bank of Jordan instructions. Furthermore, capital consists of two parts: Primary Capital (Tier 1) made up of paid-up capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings, excluding restricted and minority interest amounts net of loss for the period, costs of the acquisition of treasury stock, decrease in the provisions required from the Bank, and goodwill; and Support capital (Tier 2) consisting of the undeclared reserves, exchange rate differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the cumulative change in fair value, if positive, and 100%, if negative. A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 14% due to factoring capital adequacy ratio into market risks. Moreover, investments in subsidiary banks and financial institutions are deducted (if their financial statements are not consolidated), and investments in the capitals of banks and financial institutions are deducted as well.

b. Regulatory party's requirements concerning capital and the manner in which they are met

Instructions of the Central Bank of Jordan require that paid-up capital be not less than JD 100 million and equity-to-assets ratio be not less than 6%. Moreover, the Central Bank of Jordan instructions require that the ratio of regulatory capital to assets weighted by risks and market's risks (capital adequacy ratio) be not less than 14%, which is considered by the Bank.

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

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

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

c. Strategy of achieving capital management objectives

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

d. Adequacy of Capital

On October 31, 2016, the Central Bank of Jordan issued instructions on capital adequacy according to Basel III Standards and cancelled Basel II instructions.

The Bank manages capital in a manner that ensures continuity of its operations while maximizing the return on equity to shareholders. The composition of regulatory capital, as defined by Basel Committee, is as follows:

	March 31, 2017	December 31, 2016
	(In thousand JD)	(In thousand JD)
Primary Capital for Ordinary Shareholders CET 1	287,534	287,676
Regulatory adjustments (deductions from the primary capital for ordinary shareholders' equity)	(43,495)	(41,217)
Additional capital	-	-
Supplementary capital	14,940	14,989
Total Regulatory Capital	<u>258,979</u>	<u>261,448</u>
Total Risk-Weighted Assets	<u>2,006,687</u>	<u>1,961,446</u>
Primary Capital Adequacy Ratio (%)	12.16	12.57
Regulatory Capital Adequacy Ratio (%)	21.91	13.33

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

18. Sectors Analysis:

a. Information on the Bank's Activity Sectors

For managerial purposes, the Bank is organized into six major activity sectors as well as financial brokerage and consultation services provided by Al-Ahli Financial Brokerage Company. Accounts of individuals: includes following up on individual customers' deposits, granting them loans, debts, credit cards, and other services.

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

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

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

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

Other: includes all accounts not listed in the above-mentioned sectors. For example, shareholders' equity, investments in associates, property and equipment, and head office and its related supporting managements.

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

	For the Three Months Ended March 31,										
	Individual Funding		Small and Medium Companies		Corporations Funding		Treasury		Investments and Foreign Currencies		Other
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Gross income	11,727,951	5,758,543	11,240,655	343,922	417,948	425,682	29,914,701	29,537,778	29,914,701	29,537,778	29,537,778
Provision for impairment in direct credit facilities	(915,552)	(363,040)	2,176,345				897,753	(1,603,448)	897,753	(1,603,448)	(1,603,448)
Results of Business Sector	10,812,399	5,395,503	13,417,000	343,922	417,948	425,682	30,812,454	27,934,330	30,812,454	27,934,330	27,934,330
Distributed (expenses) - net	(9,035,951)	(2,982,095)	(4,223,514)	(796,814)	(258,781)	(1,925,069)	(19,222,224)	(19,264,127)	(19,222,224)	(19,264,127)	(19,264,127)
Sized assets impairment provision	-	-	-	-	-	(1,336,676)	-	(1,560,000)	(1,336,676)	(1,560,000)	(1,560,000)
Bank's share in associate companies' gain (loss)	-	-	-	-	-	-	-	(3,633)	-	-	(3,633)
Income for the period before taxes	1,776,448	2,413,408	9,193,486	(452,892)	159,167	(2,836,063)	10,253,554	7,106,570	10,253,554	7,106,570	7,106,570
Income tax	-	-	-	-	-	-	(2,785,990)	(2,065,330)	(2,785,990)	(2,065,330)	(2,065,330)
Income for the period	-	-	-	-	-	-	7,467,564	5,041,240	7,467,564	5,041,240	5,041,240
Additional Information							5,802,383	2,402,551	5,802,383	2,402,551	2,402,551
Capital Expenditures							2,652,191	1,934,176	2,652,191	1,934,176	1,934,176
Depreciation and Amortization							-	-	-	-	-

	For the Three Months Ended March 31,					
	Inside Jordan		Outside Jordan		Total	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Sector total Assets	632,624,019	174,684,038	825,067,290	1,001,364,521	30,628,420	176,644,541
Sector total Liabilities	1,362,328,309	283,106,436	568,996,892	140,507,164	-	176,132,425

b. Information on the Geographical Distribution: This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations, which represent local operations, mainly in the Kingdom. Moreover, the Bank conducts regional operations through its branches in Palestine and Cyprus.

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

	Inside Jordan				Outside Jordan				Total	
	March 31, 2017	December 31, 2016								
Total assets	2,503,287,636	2,488,822,276	337,725,193	326,696,274	2,841,012,829	2,815,518,550	2,841,012,829	2,815,518,550	2,841,012,829	2,815,518,550
Gross revenue	26,635,224	26,812,661	3,279,477	2,725,097	29,914,701	29,537,778	29,914,701	29,537,778	29,914,701	29,537,778
Capital expenditures	5,758,282	2,272,558	44,101	129,993	5,802,383	2,402,551	5,802,383	2,402,551	5,802,383	2,402,551

19. Related Party Balances and Transactions

The Bank entered into transactions with sister companies, major shareholders, Board of Directors, and executive management within the normal banking practices according to the commercial interest and commission rates. All of the credit facilities that are provided to a related parties are considered to be performed and no provisions have been taken , Except for the mentioned below:

A- the following is a summary of the balances and transactions with related parties during the period:

	Related Party					Total	
	Associates	Subsidiaries *	Board of			March 31, 2017	December 31, 2016
			Directors	Executive			
			Members	Management	Other **		
JD	JD	JD	JD	JD	JD	JD	
<u>On-Consolidated Statement of Financial Position Items:</u>							
Credit facilities	-	1,271,039	4,721,940	2,846,082	79,855,013	88,694,074	101,180,006
Customers' deposits	-	6,416,733	17,138,913	2,899,124	17,994,073	44,448,843	34,219,946
Cash margins	-	-	120	56,672	1,696,950	1,753,742	1,981,941
<u>Off-Consolidated Statement of Financial Position Items:</u>							
Undirect Credit facilities	-	615,000	-	-	7,069,265	7,684,265	5,998,735
						For the Three Months Ended March 31,	
						2017	2016
<u>Consolidated Statement of Income:</u>							
Interest and commissions income	-	10,155	64,829	13,747	741,844	830,575	1,556,625
Interest and commissions expense	-	13,199	66,052	3,731	64,244	147,226	649,706

* The transactions and balances between the bank and its subsidiaries have been excluded from the condensed consolidated interim financial statements.

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

- During the year 2015, credit facilities granted to related parties of JD 3.2 million were transferred to off- condensed consolidated interim of financial position items. Moreover, these facilities were fully covered by provisions.

- There are accounts receivable from a subsidiary company (Ahli Brokerage Company) of JD 2,451,075, belonging to a related party as of March 31, 2017. On October 31, 2013, the Company signed a settlement agreement with those clients to pay the obligations through an advance payment upon signing the settlement agreement, in addition to monthly installments, as well as enhancement of their guarantees.

- According to the Board of Directors' decision on December 17, 2014, a contract was signed with the former chairman of the Board on January 15, 2015 for consulting services to the Bank for JD 30,000 monthly, in addition to health and life insurance and other benefits, for five years. The contract was terminated in the subsequent period, effective from the beginning of January 2016, for JD 940,000.

- During the first half of 2016, an amount of JD 300 thousand was paid to the Chief Executive Officer as an additional bonus according to a decision pursuant to the Board of Directors' decision on December 20, 2015.

- Interest income prices range from 4.5% to 9.25%.

- Interest expense prices range from 0% to 4.5%.

B- The salaries and rewards for the banks' top executive management and its subsidiaries amounted of JD 1,264,642 As of March 31, 2017 (JD 974,818 as of March 31, 2016).

20. Capital and Share Premium

- The Bank's authorized and paid-up capital amounted to JD 175 million divided into 175 million shares of JD 1 each as of March 31, 2017 and December 31, 2016.
- The General Assembly resolved, in its ordinary meeting held on April 27, 2016, to distribute 10% of paid-up capital as cash dividends as of December 31, 2015, which is equivalent to JD 17.5 million, to the shareholders for the year 2015.

21. Reserves

The bank does not deduct any legal reserves for the period assuming that the deduction is made only at the end of the year.

22. Commitments and Contingent Liabilities

The details of this item are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Letters of credit:		
Letters of credit - outgoing	112,930,587	91,392,693
Letters of credit-incoming	97,859,484	109,162,798
Acceptances	33,877,079	55,150,734
Letters of guarantee:		
- Payments	112,383,076	110,086,167
- Performance bonds	68,652,280	69,249,069
- Other	34,905,032	35,993,985
Unutilized direct credit facilities	150,069,559	139,061,512
Total	<u>610,677,097</u>	<u>610,096,958</u>

23. Lawsuits against the Bank

The lawsuits filed against the Bank amounted to JD 5,177,418 as of March 31, 2017 (JD 5,606,615 as of December 31, 2016). In the opinion of the Bank's management and its legal advisors, no liabilities exceeding the provision of JD 216,360 as of March 31, 2017 are expected to arise.

24. Fair Value Measurement

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

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

	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	March 31, 2017	December 31, 2016				
	JD	JD				
Financial Assets						
Financial assets at fair value						
Financial assets at fair value through income or loss:						
Companies Stocks	983,240	968,373	Level 1	Quoted Shares	Not Applicable	Not Applicable
	983,240	968,373				
Financial assets at fair value through other comprehensive income:						
Quoted Shares	12,497,730	12,303,548	Level 1	Quoted Shares	Not Applicable	Not Applicable
Mutual Fund	4,867,994	4,867,994	Level 2	The fund manager's evaluation of the fair value	Not Applicable	Not Applicable
Unquoted Shares	12,279,456	11,840,388	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	29,645,180	29,011,930				
	30,628,420	29,980,303				
Total Financial Assets at Fair Value						

There were no transfers between Level 1 and level 2 during the year ended March 31, 2017 and December 31, 2016.

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

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

	March 31, 2017		December 31, 2016		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial Assets not Calculated at Fair Value					
Deposits and certificate at central banks	41,409,878	41,419,234	15,261,385	15,262,590	Level 2
Balances and deposits at banks and financial institutions	162,583,189	162,793,142	195,826,436	195,961,063	Level 2
Direct credit facilities at amortized cost	1,463,871,267	1,466,965,924	1,447,236,602	1,449,821,971	Level 2
Other financial assets at amortized cost	730,820,146	736,455,235	754,809,955	761,548,541	Level 1 & 2
Sized assets against debts	87,174,127	77,285,686	75,495,083	65,696,413	Level 2
	2,485,858,607	2,484,919,221	2,488,629,461	2,488,290,578	
Financial Liabilities not Calculated at Fair Value					
Banks and financial institutions deposits	85,430,607	85,528,387	57,353,655	57,421,102	Level 2
Customer deposits	2,054,794,615	2,060,692,474	2,067,294,759	2,072,801,518	Level 2
Cash margin	257,012,754	257,015,007	255,883,131	255,911,686	Level 2
Borrowed funds	93,920,935	93,989,138	88,520,033	88,749,342	Level 2
	2,491,158,911	2,497,225,006	2,469,051,578	2,474,883,648	

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