ahli | الأهلي

البنك الأهلي الأردني
Jordan Ahli Bank

Ref: م م أ/79/2017

To: Jordan Securities Commission

Amman Stock Exchange

Date: 15/5/2017

Subject: Consolidated Financial Statements for the year ended December 31,2016

Kindly find Attached the translated audited Consolidated Financial Statements for the year ended December 31, 2016.

Kindly accept our highly appreciation and respect

Jordan Ahli Bank

البنك الأهلي الأردني
Jordan Ahli Bank
ahli | الأهلي
١١/٦٤/٣١

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ أيار ٢٠١٧
الرقم المتسلسل: 3092
رقم الملف: 11013
الجهة المختصة:

الإدارة العامة - عمان | شارع الملكة نور - الشميساني | هاتف: ٥٦٣٨٨٠٠ | فاكس: ٥٦٢٢٢٨١ | ص.ب: ٣١٠٣ عمان ١١١٨١ الأردن | الموقع الإلكتروني: www.ahli.com | البريد الالكتروني: info@ahlibank.com.jo
General Management & Head Office Amman | Queen Noor St. -Shmeisani | Tel: 5638800 | Fax: 5622281 | P.O.Box: 3103 Amman 11181 Jordan | Website:www.ahli.com | E-mail:info@ahlibank.com.jo

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

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

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche (M.E.) - Jordan
Jabal Amman, 5th Circle
190 Zahran Street
P.O.Box 248
Amman 11118, Jordan

Tel : +962 (0) 6 5502200
Fax : +962 (0) 6 5502210
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

AM/ 4716

To the Shareholders of
Jordan Ahli Bank
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Ahli Bank and its subsidiaries "the Bank" which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte.

Emphases of a Matter

Without qualifying our opinion above, and as stated in Note (47) to the consolidated financial statements, some of the accompanying notes to the consolidated financial statements for the year 2016 were adjusted based on the request of Central Bank of Jordan and as mentioned in the above note.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
1. Adequacy of Credit Facilities Impairment Provision The provision for credit facilities impairment is significant to the Bank's financial statements. Moreover, its calculation requires making assumptions and management's use of estimates for the drop in credit ratings and un-collectability due to some sectors' deteriorating financial and economic conditions, inadequate guarantees, and the suspension of interest arising from default according to regulatory authorities' instructions. Moreover, the net credit facilities granted by the Bank to customers amounted to JD 1,447 million, which represent 51% of total assets as of December 31, 2016. The nature and characteristics of credit facilities granted to customers do vary from one sector to another, and from one country to another, due to the Bank's geographical deployment. Consequently, the calculation method of the provision for credit facilities impairment varies due to diverse sectors and different risk assessments for those countries, as well as due to their legal and statutory requirements and the requirements of the Central Bank of Jordan.	**Scope of Audit to Address Risks** The performed audit procedures included understanding the nature of credit facilities portfolios, examining the internal control system adopted in granting and monitoring credit, and evaluating the reasonableness of management's estimates of the provision for credit facilities impairment, collection procedures and follow- up, as well as suspension of interest. Furthermore, we reviewed and understood the Bank's policy for calculating provisions. We also selected and reviewed a sample of performing, watch-list, and non-performing credit facilities at the Bank's level as a whole. In addition, we evaluated the factors affecting the calculation of the provision for credit facilities impairment such as evaluating available guarantees and collaterals, customers' financial solvency, management's estimates of expected cash flows, and regulatory authorities' statutory requirements. We also discussed these factors with executive management to verify the adequacy of recorded provisions. Moreover, we re-calculated the provisions to be taken for those accounts and verified suspension of interest on non-performing or defaulted accounts and the Bank's adherence to the regulatory authorities' instructions, requirements and related International Accounting Standards, and assumptions used for the calculation of the provision for credit facilities impairment. We also evaluated the adequacy of disclosure relating to credit facilities, provision for credit facilities impairment, and risks set out in Note (8).

Deloitte.

2. **Financial Assets not Listed in Active Markets**	**Scope of Audit to Address Risks**
The Bank holds non-current financial assets within the financial assets portfolio through the comprehensive income statement of JD 16,708,382 as of December 31, 2016. These assets should be stated at fair value in accordance with International Financial Reporting Standard (IFRS 9). Fair value determination of financial assets requires the Bank's management to make several judgments and assessments and to rely on non-listed prices input. Consequently, management's fair value estimation of these assets was significant to our audit.	Audit procedures included evaluating internal procedures relating to the determination of financial assets fair value and examination of their efficiency. In addition, audit procedures include evaluating the estimates adopted by the Bank's management to determine the fair value of non-current financial assets. Moreover, these estimates have been compared to the requirements of International Financial Reporting Standards and discussed in light of available information. The audit procedures also included evaluating the adopted methodology, appropriateness of evaluation models, and input used to determine the fair value of financial assets. They included as well reviewing the reasonableness of the most significant input in the evaluation process through reviewing investee companies' financial statements or obtaining secondary market prices as well as other reviewed inputs.
3. **Assets Foreclosed by the Bank against Debts**	**Scope of Audit to Address Risks**
Assets seized by the Bank are shown at acquisition value or fair value, whichever is lower. As of the consolidated statement of financial position date, these assets are revalued individually at fair value based on approved bases and methods according to the requirements of the International Financial Reporting Standards. Moreover, any related impairment in their value is recorded based on recent real estate evaluations and approved by certified real estate appraisers. A gradual provision has been calculated on the foreclosed assets whose seizure exceeded 4 years according to the Instructions of the Regulatory Authorities.	A revaluation of the foreclosed assets is required by the Bank at least once every two years to determine their fair value and to reflect the effect of their impairment (if any) in the income statement according to International Financial Reporting Standards. Moreover, our audit procedures included obtaining experts assistance to help us verify the fair value of the foreclosed assets and review the reports of the real estate appraisers hired by the management to evaluate these properties. Also, a gradual provision has been recalculated on the foreclosed assets whose seizure exceeds 4 years according to the regulatory authorities' instructions regarding this matter.

Deloitte.

4. The Information Technology System on the Banking System	Scope of Audit to Address Risks
During the year 2016, the old banking system has been replaced with a newly developed one. Moreover, the Bank has migrated the data from the old system to the new one after September 2016 works have been closed. A reconciliation of the raw data has been carried out after the data has been transferred to the new system. The Bank has also performed another reconciliation after the first close of business day. Furthermore, the required amendments have been made on the new banking system to adjust the differences according to the priorities determined by the Management.	A study and evaluation has been made for the design and operating effectiveness of the new banking system related to Internal control over the financial reporting adopted by the Bank. Moreover, we have examined the internal controls related to the auditing purposes. We also reviewed the outcome of the data migration report issued by the bank management from the old banking system to the new one.

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor's report thereon, which is expected to be made available to us after the date of our audit report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

We also provide those charged with governance with a statement on our compliance with relevant ethical requirements regarding independence, and communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards procedures.

From matters communicated with those charged with governance, we determine those matters of most significance in the audit of the consolidated financial statements of the current years, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
The Bank maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements.

Other Matters

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

Deloitte & Touche

Deloitte & Touche (Middle East) – Jordan
Amman – Jordan
February 28, 2017 (except for Note (47) on April 12, 2017)

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

JORDAN AHLI BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2016	December 31, 2015
		JD	JD
ASSETS			
Cash and balances at central banks	4	201,989,051	287,831,587
Balances at banks and financial institutions	5	185,788,643	151,996,498
Deposits at banks and financial institutions	6	10,037,793	14,647,510
Financial assets at fair value through profit or loss	7	968,373	465,972
Direct credit facilities - net	8	1,447,236,602	1,227,323,101
Financial assets at fair value through other comprehensive income	9	29,011,930	27,841,330
Financial assets at amortized cost	10	754,809,955	601,857,948
Investments in associates and unconsolidated subsidiary company	11	5,106,980	5,219,798
Properties, equipment, and projects under construction- net	12	46,831,590	59,745,149
Intangible assets - net	13	21,141,035	1,428,562
Other assets	14	106,377,371	110,133,567
Deferred tax assets	20	6,219,227	6,137,976
TOTAL ASSETS		2,815,518,550	2,494,628,998
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Banks and financial institutions deposits	15	57,353,655	30,631,530
Customers deposits	16	2,067,294,759	1,782,222,725
Cash margins	17	255,883,131	279,197,317
Borrowed funds	18	88,520,033	45,564,564
Various provisions	19	3,392,889	3,663,206
Provision for income tax	20	926,721	7,557,618
Deferred tax liabilities	20	1,002,584	1,058,399
Other liabilities	21	38,479,374	31,214,853
TOTAL LIABILITIES		2,512,853,146	2,181,110,212
SHAREHOLDERS' EQUITY:			
Subscribed and paid-up capital	22	175,000,000	175,000,000
Statutory reserve	23	52,015,203	51,197,108
Voluntary reserve	23	33,486,083	33,486,083
Periodic fluctuations reserve	23	2,394,566	2,080,497
Special reserve		213,054	213,054
General banking risk reserve	23	14,988,716	11,693,374
Fair value reserve - net	24	1,861,943	1,203,412
Retained earnings	25	22,705,839	38,645,258
Total Shareholders' Equity		302,665,404	313,518,786
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,815,518,550	2,494,628,998

THE ACCOMPANYING NOTES FROM (1) TO (47) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

CHAIRMAN OF BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

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

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
Interest income	26	139,234,932	130,915,392
Interest expense	27	53,566,118	45,332,169
Net Interest Revenue		85,668,814	85,583,223
Commissions revenue - net	28	21,332,904	20,328,775
Net Interest and Commissions Revenue		107,001,718	105,911,998
Foreign exchange income	29	3,313,517	3,316,790
Income (loss) from financial assets at fair value through profit or loss	30	(61,783)	118,374
Dividends from financial assets at fair value through other comprehensive income		763,627	967,280
Other revenue	31	5,231,816	9,458,744
Total Non-Interest and Non-Commissions Revenue		9,247,177	13,861,188
Gross Income		116,248,895	119,773,186
Expenses:			
Employees expenses	32	43,185,981	39,672,359
Depreciation and amortization	12,13	8,909,010	7,800,586
Other expenses	33	28,534,590	26,259,092
Provision for impairment in direct credit facilities	8	24,031,418	7,299,465
Foreclosed assets impairment provision	14	3,393,389	6,311,219
Total Expenses		108,054,388	87,342,721
Income from operations		8,194,507	32,430,465
Bank's share of associate companies (losses) gains	11	(13,559)	63,675
Income for the Year before Taxes		8,180,948	32,494,140
Income tax	20	(1,906,015)	(9,661,416)
Income for the Year		6,274,933	22,832,724
Attributable to:			
Bank's shareholders		6,274,933	22,832,724
		6,274,933	22,832,724
Earnings per share attributable to the Bank's shareholders :			
Basic and Diluted	34	0.036	0.130

THE ACCOMPANYING NOTES FROM (1) TO (47) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM. AND WITH THE ACCOMPANYING AUDIT REPORT.

CHAIRMAN OF BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

JORDAN AHLI BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Income for the year	6,274,933	22,832,724
Other Comprehensive Income Items:		
Items not to be Subsequently Transferred to the Consolidated Statement of Income:		
(Loss) from sale of financial assets at fair value through other comprehensive income	(286,846)	(7,151)
Change in fair value reserve - net	658,531	(629,608)
Gross Comprehensive Income	6,646,618	22,195,965
Gross Comprehensive Income Attributable to:		
Bank's shareholders	6,646,618	22,195,965
	6,646,618	22,195,965

THE ACCOMPANYING NOTES FROM (1) TO (47) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

JORDAN AHLI BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Subscribed and Paid-up Capital	Reserves					Fair Value Reserve -net	Retained Earnings	Total Shareholders' Equity
		Statutory	Voluntary	Periodic Fluctuations	Special	General Banking Risks			
For the Year Ended December 31, 2016	JD	JD	JD	JD	JD	JD	JD	JD	JD
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	38,645,258	313,518,786
Income for the year	-	-	-	-	-	-	-	6,274,933	6,274,933
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	256,549	(286,846)	(30,297)
Net change in fair value	-	-	-	-	-	-	401,982	-	401,982
Gross Comprehensive Income	-	-	-	-	-	-	658,531	5,988,087	6,646,618
Transfers to reserves	-	818,095	-	314,069	-	3,295,342	-	(4,427,506)	-
Dividends distributed *	-	-	-	-	-	-	-	(17,500,000)	(17,500,000)
Balance - End 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
For the Year Ended December 31, 2015									
Balance - beginning of the year	175,000,000	47,947,694	30,236,669	1,791,584	213,054	11,005,325	1,833,020	40,795,475	308,822,821
Income for the year	-	-	-	-	-	-	-	22,832,724	22,832,724
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	9,275	(7,151)	2,124
Net change in fair value	-	-	-	-	-	-	(638,883)	-	(638,883)
Gross Comprehensive Income	-	-	-	-	-	-	(629,608)	22,825,573	22,195,965
Transfers to reserves	-	3,249,414	3,249,414	288,913	-	688,049	-	(7,475,790)	-
Dividends distributed *	-	-	-	-	-	-	-	(17,500,000)	(17,500,000)
Balance - End of the Year	175,000,000	51,197,108	33,486,083	2,080,497	213,054	11,693,374	1,203,412	38,645,258	313,518,786

- As of December 31, 2016, an amount of JD 6,219,227 from retained earnings is restricted against deferred tax assets according to the Central Bank of Jordan's instructions (JD 6,137,976 as of December 31, 2015).

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

* The General Assembly resolved, in its ordinary meeting held on April 27, 2016, to distribute 10% of paid-up capital as of December 31, 2015, which is equivalent to JD 17.5 million, as cash dividends to shareholders for the year 2015.

THE ACCOMPANYING NOTES FROM (1) TO (47) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

JORDAN AHLI BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before taxes		8,180,948	32,494,140
Adjustments:			
Depreciation and amortization	12,13	8,909,010	7,800,586
Provision for impairment in direct credit facilities	8	24,031,418	7,299,465
Various provisions	19	836,558	518,115
Foreclosed assets impairment provision	14	2,603,231	1,736,427
Provision for doubtful debts of sold foreclosed assets	14	790,158	4,574,792
Loss (gain) from revaluation of financial assets at fair value through profit or loss	30	36,231	(112,181)
(Gain) on the sale of properties and equipment		(657,020)	(4,142,825)
Bank's share of associate companies (gains)	11	13,559	(63,675)
Decrease in various provisions	19	(959,164)	-
Net interest		(3,682,554)	(1,413,684)
Effect of exchange rate fluctuations on cash and cash equivalents	29	(2,345,473)	(2,600,846)
Net Income before Changes in Assets and Liabilities		37,756,902	46,090,314
Changes in Assets and Liabilities:			
(Increase) in cash and balances at central banks due after 3 months		(779,900)	(7,497,425)
Decrease (increase) in deposits at banks and financial institutions due after 3 months		4,609,717	(14,647,510)
(Increase) decrease in balances with restricted withdrawal		(31,265)	10,000,000
(Increase) decrease in financial assets at fair value through profit or loss		(538,632)	35,464
(Increase) in direct credit facilities - net		(243,944,919)	(33,627,651)
Decrease in other assets		9,877,430	402,917
(Decrease) in banks and financial institutions deposits due after 3 months		-	(1,312,540)
Increase in customers' deposits		285,072,034	259,117,911
(Decrease) in cash margins		(23,314,186)	(2,580,477)
Increase (decrease) in other liabilities		1,781,593	(6,382,633)
Net Changes in Assets and Liabilities		32,731,872	203,508,056
Net Cash Flows generated from Operating Activities before Income Tax and provisions paid		70,488,774	249,598,370
Income tax paid	20	(9,028,571)	(13,047,955)
End-of-service indemnity paid and other	19	(147,711)	(1,140,333)
Net Cash Flows generated from Operating Activities		61,312,492	235,410,082
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in investment in associate		99,259	4,218,519
(Increase) in financial assets at fair value through other comprehensive income		(854,731)	(1,225,642)
(Increase) in financial assets at amortized cost		(152,952,007)	(207,400,406)
(Purchase) of properties and equipment, projects under construction, and intangible assets	12,13	(16,216,565)	(13,977,044)
Proceeds from sale of properties and equipment		1,165,661	9,315,432
Net Cash Flows (used in) Investing Activities		(168,758,383)	(209,069,141)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in borrowed funds		42,955,469	10,980,599
Dividends paid to shareholders		(17,438,732)	(17,301,511)
Net Cash Flows from (used in) Financing Activities		25,516,737	(6,320,912)
Effect of exchange rate fluctuations on cash and cash equivalents	29	2,345,473	2,600,846
Net (Decrease) Increase in Cash and Cash Equivalents		(79,583,681)	22,620,875
Cash and cash equivalents - beginning of the year		401,578,930	378,958,055
Cash and Cash Equivalents - End of the Year	35	321,995,249	401,578,930

THE ACCOMPANYING NOTES FROM (1) TO (47) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

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 consolidated financial statements have been approved by the Bank's Board of Directors in its meeting No. (3) held on February 23, 2017, and are subject to the approval of the General Assembly of Shareholders.

2. Significant Accounting Policies:

Basis of Preparation

- The accompanying consolidated financial statements of the Bank and its subsidiary companies are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB, the prevailing rules of the countries where the Bank operates, and the instructions of the Central Bank of Jordan.

- The consolidated financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income which are stated at fair value as of the date of the consolidated financial statements. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.

- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

- The accounting policies adopted, when preparing the consolidated financial statements, are consistent with those applied in the year ended December 31, 2015, except for what is stated in note (46.a).

- Basis of Consolidation and Presentation

The accompanying consolidated financial statements include the financial statements of the Bank's branches in Jordan and abroad and the following subsidiary companies under its control. Moreover, control is achieved when the Bank has the ability to control the financial and operating policies of the subsidiary companies to obtain benefits from their activities. Additionally, transactions, balances, revenues, and expenses between the Bank and its subsidiaries are eliminated. Transactions in transit are also shown under "other assets" or "other liabilities" in the consolidated statement of financial position.

The Bank's subsidiary companies as of December 31, 2016 are as follows:

A. Ahli Micro Finance Company

Ahli Micro Finance Company is wholly owned by the Jordan Ahli Bank. The Company's objective is to grant loans to limited income individuals. Its paid-up capital amounted to JD 6 million, total assets to JD 20,310,914, and total liabilities to JD 9,873,322 as of December 31, 2016. Its total revenue amounted to JD 6,599,469, and total expenses to JD 5,854,206 for the year ended December 31, 2016, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

B. Ahli Financial Brokerage Company

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 5 million. Its total assets amounted to JD 6,184,699, and total liabilities to JD 745,049, as of December 31, 2016. Moreover, its revenue amounted to JD 290,999, and its expenses to JD 533,608 for the year ended December 31, 2016, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

C. Ahli Financial Leasing Company

Ahli Financial Leasing Company is wholly owned by Jordan Ahli Bank and its capital is JD 17.5 million. Its total assets amounted to JD 83,214,044, and total liabilities to JD 53,363,081 as of December 31, 2016. Moreover, its total revenue amounted to JD 4,851,364, and its total expenses to JD 1,711,078 for the year ended December 31, 2016, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

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

- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal, which is the date on which the Bank loses control over the subsidiaries.

- Non – controlling interests represent the portion of owners' equity not owned by the Bank in the subsidiaries.

- In case separate financial statements are prepared for the Bank as a stand-alone entity, investments in the subsidiary companies are shown in accordance with the equity method.

Sectors Information

- The business sector represents a group of assets and operations that share in providing products or services subject to risks and rewards different from those of other business sectors, and is measured according to the reports used by the executive manager and the Bank's main decision maker.

- The geographic sector relates to the provision of products or services in a specific economic environment subject to risks and rewards different from those of sectors operating in other economic environments.

Direct Credit Facilities

- The provision for the impairment of direct credit facilities is recognized when it is obvious that the amounts due to the Bank cannot be recovered, or when there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment amount can be estimated. The provision is taken to the consolidated statement of income.

- Interest and commission on non-performing credit facilities granted to customers are suspended in accordance with the instructions of the Central Bank of Jordan and applicable laws in the countries where the Bank's branches or subsidiaries operate.

- Impaired credit facilities, for which specific provisions have been taken, are written off by charging the provision after all efforts have been made to recover the assets. Any surplus in the provision is taken to the consolidated statement of income, while debt recoveries are taken to income.

Financial Assets Measured at Amortized Cost

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

- Financial assets measured at amortized cost are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount is amortized, using the effective interest rate method, and recorded to interest. Any allocations resulting from the decline in value of these investments leading to the inability to recover the asset or part thereof are recorded, and any impairment is recorded in the consolidated statement of income.

- Impairment in financial assets represent the difference between the book value recorded at amortized cost and the present value of the expected cash flows discounted at the market interest rate.

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

Financial Assets at Fair Value through Profit or Loss

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

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

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

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

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

Financial Assets at Fair Value through Other Comprehensive Income

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

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

- There is no impairment testing on these assets.

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

Fair Value

The fair value of a listed financial asset is based on its closing market price prevailing on the date of the consolidated financial statements.

For an unlisted financial asset with no quoted market price, no active trading for some financial assets or derivatives, or no active market, its fair value is estimated by one of the following ways:

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

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

- Adopting options pricing models.

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

  The valuation methods aim to obtain a fair value reflecting market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of the financial assets. Moreover, financial assets the fair value of which cannot be reliably measured are stated at cost, net of any impairment in their value.

Impairment in the Value of Financial Assets
The Bank reviews the values of financial assets on the date of the consolidated statement of financial position in order to determine if there are any indications of impairment in their value individually or as a portfolio. In case such indications exist, the recoverable value is estimated so as to determine the impairment loss.

The impairment is determined as follows:

- The impairment in financial assets measured at amortized cost is the difference between the book value and present value of the future cash flows discounted at the original interest rate

- The impairment in financial assets at fair value through profit or loss, recorded at fair value, represents the difference between the book value and fair value.

- The impairment in the financial assets recorded at cost is the difference between the book value and the present value of the expected cash flows discounted at the market interest rate of similar instruments.

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

Investment in Associates and Unconsolidated Subsidiary Company
- Associated companies are those companies whereby the Bank exercises significant influence over their financial and operating policies, but do not control them, and whereby the Bank owns between 20% to 50% of voting rights. Investments in associates are stated according to the equity method in the consolidated financial statements.

- Investment in Ahluna for Cultural and Social Work Company is shown at cost as it is a not-for-profit company. Its net income is used for social and charitable work and the entire net revenue is donated. The General Assembly resolved, in its extraordinary meeting held on October 8, 2015 to voluntarily liquidate the Company and appoint a liquidator.

- In case separate financial statements are prepared for the Bank as an independent entity, investments in the subsidiaries are shown according to the equity method.

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

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

- When the carrying amounts of properties and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of income.

- The useful lives of properties and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined previously, the change in estimate is recorded in the following years, being a change in estimate.

- Properties and equipment are derecognized upon their disposal or when there are no expected future benefits from their use or disposal.

Provisions

Provisions are booked when the Bank has an obligation on the date of the consolidated statement of financial position as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for Employees' End-of-Service Indemnities

- A provision for legal and contractual commitments relating to employees' end-of-service indemnities is taken according to the Bank's internal regulations on the consolidated statements of financial position date.

- Payments to resigned employees are deducted from the provision amount. Moreover, the required provision for end-of-service indemnities for the year is charged to the consolidated statement of income.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not allowable for tax purposes or subject to tax.

- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions of the countries where the Bank operates.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated, on the basis of the liability method in the consolidated statement of financial position, and the deferred taxes are calculate according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

- Deferred tax assets and liabilities are reviewed as of the date of the consolidated statement of financial position, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Capital

Costs of Issuing or Purchasing the Bank's Shares:

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

Accounts Managed on Behalf of Customers
These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets. The fees and commissions on managing these accounts are taken to the consolidated statement of income. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities are settled simultaneously.

Realization of Income and Recognition of Expenses

- Income is realized and expenses are recognized on an accrual basis, except for interest and commission on non-performing credit facilities, which are not recognized as revenue but taken to the interest and commission in suspense account.

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

Recognition of Financial Assets
Financial assets are recognized on the trade date (the date on which the Bank commits itself to purchase or sell the financial assets).

Financial Derivatives and Hedge Accounting
Hedged Financial Assets
For hedge accounting purposes, the financial derivatives are stated at fair value. Hedges are classified as follows:

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

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

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

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

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

- **Hedge for net investments in foreign entities:**
  When the conditions of the hedge for net investment in foreign entities are met, fair value is measured for the hedging instrument of the hedged net assets. In case of an effective relationship, the effective portion of the loss or profit related to the hedging instrument is recognized in the consolidated statement of comprehensive income and shareholders' equity. On the other hand, the ineffective portion is recognized in the consolidated statement of income. The effective portion is recorded in the consolidated statement of income when the investment in foreign entities is sold.

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

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

Repurchase and Resale Agreements
- Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Bank's continuous control over these assets and as the related risk and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

- Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Bank has no control over such assets, and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recorded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue, amortized over the life of the contract, using the effective interest rate method.

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

The impairment in value of foreclosed assets is recorded based on recent and reliable assessments conducted by certified estimators for the purpose of impairment calculation, and such impairments are reviewed periodically. Since the beginning of the year 2015, a gradual provision has been taken for foreclosed assets against debts owned for more than 4 years. According to the Central Bank of Jordan's Circular issued February 14, 2017, regarding the provision for the assets foreclosed against debts, a minimum of 10% is deducted as provision for violated foreclosed assets as of the end of the year 2016. Moreover, a provision of 10% is to be taken until it reaches 50% of the amount of these properties.

Intangible Assets

A- Goodwill

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

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

- The value of goodwill is tested on the date of the consolidated financial statements and reduced when there is evidence that it has declined or the recoverable value of the cash-generating units is less than their book value. The decline in value is recorded in the consolidated statement of income as impairment loss.

B- Other Intangible Assets

- Other intangible assets acquired through merging are stated at fair value at the date of acquisition, while other intangible assets purchased otherwise are recorded at cost.

- Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives, using the straight-line method, for a period not more than 5 years from the acquisition date and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is recorded in the consolidated statement of income.

- No capitalization of intangible assets resulting from the Bank's operations is made. They are rather recorded in the consolidated statement of income in the same period.

- Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in the subsequent period.

- Software and computer programs are amortized over their estimated economic useful lives at rates ranging from 14% to 30%.

Foreign Currency

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

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

- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.

- Translation differences for non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value.

- When consolidating the financial statements, assets and liabilities of the branches and subsidiaries abroad are translated from the functional currency to the reporting currency, using the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated, using the average exchange rates during the year, and exchange differences are shown in the consolidated statement of comprehensive income and within shareholders' equity. When one of these subsidiaries or branches is sold, the related foreign currency differences are included in the revenue / expenses within the consolidated statement of income.

Cash and Cash Equivalents

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

3. Accounting Estimates

Preparation of the consolidated 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 for non-performing loans is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRSs). The outcome of these bases and estimates is compared against the provisions that should be taken under the instructions of the regulatory authorities, through which the Bank's branches and subsidiary companies operate. Moreover, the strictest outcome that conforms with the (IFRSs) is used.

- Impairment loss is taken after a sufficient and recent evaluation of the acquired properties has been conducted by approved surveyors, and is reviewed periodically. Also, for the beginning of 2015 a gradual provision has been calculated for the foreclosed assets against debts which has been owned for a period more than 4 years according to the instructions of the Central Bank of Jordan regarding this issue.

- Management estimates the impairment in value when the market prices reach a certain limit that indicates the impairment loss provided that this does not contradict the instructions of the regulatory authorities or International Financial Reporting Standards.

- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.

- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.

- A provision is set for lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

- Management frequently reviews financial assets stated at fair value or at cost to estimate any impairment in their value. The impairment amount is taken to the consolidated statement of income.

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

4. Cash and Balances at Central Banks

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Cash in vaults	55,827,031	42,996,094
Balances at central banks:		
- Current and demand accounts	8,024,658	26,831,234
- Time and notice deposits	15,261,385	72,444,500
- Mandatory cash reserve	122,875,977	95,759,759
- Certificate of deposit	-	49,800,000
Total Balances at Central Banks	146,162,020	244,835,493
Total Cash and Balances at Central Banks	201,989,051	287,831,587

- In addition to the cash reserve at the central banks, there are restricted balances amounting to JD 204,390 as of December 31, 2016 (JD 173,125 as of December 31, 2015).

- The balances that mature within a period exceeding three months amounted to JD 8,224,400 as of December 31, 2016 (JD 7,444,500 as of December 31, 2015)

5. Balances at Banks and Financial Institutions

This item consists of the following:

	December 31, 2016	December 31, 2015
Local Banks and Financial Institutions:	JD	JD
- Current and demand accounts	300,992	2,126,483
- Deposits due within 3 months or less	49,500,000	29,598,000
Total Local	49,800,992	31,724,483
Banks and Financial Institutions Abroad:		
- Current and demand accounts	63,131,952	35,941,120
- Deposits due within 3 months or less	72,855,699	84,330,895
Total Abroad	135,987,651	120,272,015
	185,788,643	151,996,498

- Non-interest bearing balances at banks and financial institutions amounted to JD 63,143,246 as of December 31, 2016 (JD 35,852,950 as of December 31, 2015).

- There are no restricted balances as of December 31, 2016 and December 31, 2015.

6. Deposits at Banks and Financial Institutions

This item consists of the following:

Description	Local Banks and Financial Institutions December 31, 2016	Local Banks and Financial Institutions December 31, 2015	Banks and Financial Institutions Abroad December 31, 2016	Banks and Financial Institutions Abroad December 31, 2015	Total December 31, 2016	Total December 31, 2015
Deposits maturing within a period:	JD	JD	JD	JD	JD	JD
- From 6 to 9 months	10,000,000	10,000,000	-	4,647,510	10,000,000	14,647,510
- From 9 months to 1 year	-	-	37,793	-	37,793	-
Total	10,000,000	10,000,000	37,793	4,647,510	10,037,793	14,647,510

- The restricted deposits amounting to 5 million as of December 31, 2016 (JD 10 million as of December 31, 2015).

7. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Company shares	968,373	465,972
	968,373	465,972

8. Direct Credit Facilities - Net

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Individuals (retail):		
Overdraft accounts	14,987,764	9,506,126
Loans and promissory notes*	389,850,749	331,945,222
Credit cards	14,693,636	13,019,522
Real estate loans	260,807,630	180,761,972
Companies:		
a- Corporates:		
Overdraft accounts	129,226,465	93,574,939
Loans and promissory notes*	571,436,672	490,424,407
b- Small and Medium Companies:		
Overdraft accounts	42,249,538	48,415,072
Loans and promissory notes*	127,406,049	132,653,721
Government and public sector	21,616,898	21,701,176
Total	1,572,275,401	1,322,002,157
(Less): Provision for impairment in direct credit facilities	(97,303,171)	(74,723,925)
Suspended interest	(27,735,628)	(19,955,131)
Net Direct Credit Facilities	1,447,236,602	1,227,323,101

* Net after deducting interest and commissions received in advance of JD 19,156,300 as of December 31, 2016 (JD 15,907,468 as of December 31, 2015).

Provision for Impairment in Direct Credit Facilities

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

For the Year 2016	Individuals	Real Estate Loans	Companies		Total
			Corporates	Small and Medium Companies	
	JD	JD	JD	JD	JD
Balance – beginning of the year	22,540,150	847,252	40,477,786	10,858,737	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	25,311,563	846,124	58,601,079	12,544,405	97,303,171
Provision for non-performing facilities on an individual customer basis	25,153,759	846,124	57,470,144	12,384,550	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	25,311,563	846,124	58,601,079	12,544,405	97,303,171

For the Year 2015	Individuals	Real Estate Loans	Companies		Total
			Corporates	Small and Medium Companies	
	JD	JD	JD	JD	JD
Balance – beginning of the year	21,863,752	730,654	55,729,933	12,914,835	91,239,174
Deduction for the year taken from revenue	1,445,239	373,494	3,286,103	2,194,629	7,299,465
Used during the year (written-off)	(54,718)	(14)	(1,153,486)	(9,780)	(1,217,998)
Transferred to off-consolidated statement of financial position items	(705,661)	(256,882)	(17,270,181)	(4,314,157)	(22,546,881)
Foreign currencies evaluation difference	(8,462)	-	(114,583)	73,210	(49,835)
Balance – End of the Year	22,540,150	847,252	40,477,786	10,858,737	74,723,925
Provision for non-performing facilities on an individual customer basis	22,318,361	843,844	38,567,452	9,932,054	71,661,711
Provision for under watch facilities on an individual customer basis	221,789	3,408	1,910,334	926,683	3,062,214
Balance – End of the Year	22,540,150	847,252	40,477,786	10,858,737	74,723,925

Suspended interest

The movement on suspended interest is as follows:

For the Year 2016	Individuals	Real Estate Loans	Companies: Corporates	Companies: Small and Medium Companies	Total
	JD	JD	JD	JD	JD
Balance – beginning of the year	5,481,492	707,230	9,589,593	4,176,816	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	6,614,923	641,340	15,329,540	5,149,825	27,735,628

For the Year 2015	Individuals	Real Estate Loans	Companies: Corporates	Companies: Small and Medium Companies	Total
	JD	JD	JD	JD	JD
Balance – beginning of the year	5,239,807	912,520	12,488,554	4,386,322	23,027,203
Add: Interest in suspense for the year	1,649,556	378,816	4,297,682	1,592,094	7,918,148
(Less:) Surplus taken to income	(264,467)	(93,264)	(570,969)	(860,251)	(1,788,951)
Interest in suspense written-off	(330,138)	(30,194)	(1,292,640)	(131,387)	(1,784,359)
Transferred to off - consolidated statement of financial position items	(834,920)	(460,648)	(5,327,241)	(818,704)	(7,441,513)
Foreign currencies evaluation difference	21,654	-	(5,793)	8,742	24,603
Balance - End of the Year	5,481,492	707,230	9,589,593	4,176,816	19,955,131

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

Economic Sector	Inside Jordan	Outside Jordan	December 31, 2016	December 31, 2015
	JD	JD	JD	JD
Financial	170,013,666	47,960,666	217,974,332	159,869,491
Industrial	146,003,713	21,766,509	167,770,222	104,133,633
Trade	305,919,439	50,773,157	356,692,596	449,174,081
Real Estate	394,834,516	16,504,837	411,339,353	322,979,956
Agricultural	56,730,879	1,519,489	58,250,368	11,497,136
Shares	10,722,269	-	10,722,269	11,952,689
Individuals	254,986,943	20,712,772	275,699,715	206,182,914
Government and public sector *	840,984	20,775,914	21,616,898	21,701,176
Other	52,209,648	-	52,209,648	34,511,081
	1,392,262,057	180,013,344	1,572,275,401	1,322,002,157

* This item includes credit facilities granted to the Palestinian National Authority of around JD 21 million, which was rescheduled based on the Palestinian Monetary Authority's approval.

- Non-performing credit facilities amounted to JD 178,454,833, which is equivalent to 11.35% of total direct credit facilities as of December 31, 2016 (JD 144,396,634, which is equivalent to 10.92% of total direct credit facilities as of December 31, 2015).

- Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 151,586,946, which is equivalent to 9.81% of total direct credit facilities net of interest and commission in suspense as of December 31, 2016 (JD 124,677,776, which is equivalent to 9.58% of total direct credit facilities net of interest and commission in suspense as of December 31, 2015).

- There are no credit facilities granted to and guaranteed by the Government of Jordan as of December 31, 2016 and 2015.

- The balance of non-performing loans transferred to off - consolidated statement of financial position items amounted to JD 43,365,900 up to December 31, 2016 (JD 43,811,011 up to December 31, 2015). These loans are fully covered by provisions and interest in suspense.

- According to the Board of Directors' resolutions, the balance of non-performing debts, in addition to its related interest in suspenses, of JD 2,550,862 have been written-off during the year 2016 for on-and off - statement of financial position items (JD 31,466,250 for the year 2015).

- The provisions no longer needed due to settlements or debt repayments, and accordingly, transferred to other non-performing debts amounted to JD 8,719,144 as of December 31, 2016 (JD 11,186,265 as of December 31, 2015).

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Quoted Shares	12,303,548	11,935,225
Unquoted Shares *	11,840,388	11,794,614
Mutual Fund **	4,867,994	4,111,491
	29,011,930	27,841,330

* 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 December 31, 2016. 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 763,627 for the year-ended December 31, 2016 (JD 967,280 for the year ended December 31, 2015).

10. Financial Assets Measured at Amortized Cost

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Treasury bills and bonds	696,556,757	583,650,973
Companies bonds and debentures	58,878,536	18,832,313
	755,435,293	602,483,286
Less: Impairment provision	(625,338)	(625,338)
	754,809,955	601,857,948
Bills and Bonds Return Analysis:		
Fixed return	754,809,955	601,857,948
Total	754,809,955	601,857,948

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

	2016	2015
	JD	JD
During a year	288,171,855	175,484,129
From 1 to 3 years	325,388,559	300,300,129
More than 3 years	141,249,541	126,073,690
	754,809,955	601,857,948

11. Investment in Associates and Unconsolidated Subsidiary Company

- The Bank owns shares in several associated companies and an unconsolidated subsidiary company as of December 31, 2016 and 2015. The details are as follows:

	Country of Establishment	Ownership Percentage	Shareholders' Equity December 31, 2016	Shareholders' Equity December 31, 2015	Nature of Business	Bank's Share of Profit	Calculation Method	Acquisition date
		%	JD	JD		%		
Beach Hotels and Tourist Resorts Company *	Jordan	24.815	3,553,481	3,666,299	Hotel services	24.815	Equity	2006
Ahluna for Social and Cultural Work Company **	Jordan	100	1,553,499	1,553,499	Charity	100	Equity	2006
			5,106,980	5,219,798				

* The Bank's share in the Beach Hotels and Tourist Resorts Company resulted from the merger of the National Real Estate Investments Company, which was wholly owned by the Bank, with the Beach Hotels and Tourist Resorts Company (related company). The book value of the land owned by the National Real Estate Investments Company has been adopted for merger purposes according to the approval of the General Assembly of the two merged companies. Consequently, the merger resulted in reducing the Bank's share to 46% of the owners' equity of the Beach Hotels and Tourist Resorts Company with a capital of JD 10 million after the merger. During the year 2007, the Company's capital was increased through subscriptions of the old partners and entrance of new partners at the nominal value of JD 1 per share. Consequently, paid-up capital became JD 18 million. Thus, the Bank's share in the Company decreased to 25.55% of paid-up capital. During the first half of the year 2011, the Company's capital was increased to JD 20 million. Consequently, the Bank's share in the Company was decreased to 23% from paid-up capital. During the second half of the year 2011, the Company's capital was increased to JD 27 million. Moreover, the Bank's contribution in this increase amounted to JD 2.1 million, and thus the Bank's share in the Company became 24.8% .

** According to the resolution of the partners of Ahluna for Social and Cultural Work Company (associated company), in their meeting held on May 21, 2012, all partners have agreed to withdraw their shares in the Company except for Jordan Ahli Bank. Therefore, the Bank became the sole owner of the company. The Ministry of Industry and Trade's approval has been obtained on March 28, 2013. Moreover, the investment in the Company is presented according to the equity method as of December 31, 2014. Moreover, the financial statements of the company have not been consolidated since it is a not-for-profit organization, and all its work is charitable and the entire net revenue is donated. The General Assembly resolved, in its extraordinary meeting held on October 8, 2015, to voluntarily liquidate the Company and appoint a liquidator.

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

	2016	2015
	JD	JD
Balance - beginning of the year	5,219,798	9,374,642
Disposals	-	(4,218,519)
Cash dividends	(99,259)	-
Bank's share from investing in associated companies gains	(13,559)	63,675
Balance - End of the Year	5,106,980	5,219,798

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

12. Properties, Equipment and Projects Under Construction - Net

The details of this item are as follows:

	For the Year Ended December 31, 2016						
	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance - beginning of the year	8,091,758	25,439,782	32,009,696	971,980	18,625,406	8,503,918	93,642,540
Additions	555,561	4,666,571	1,416,905	180,529	2,905,220	442,148	10,166,934
Disposals	-	-	(333,615)	(172,000)	(823,654)	-	(1,329,269)
Balance - End of the Year	8,647,319	30,106,353	33,092,986	980,509	20,706,972	8,946,066	102,480,205
Accumulated Depreciation:							
Balance - beginning of the year	-	7,370,642	25,688,509	566,176	14,498,373	4,813,011	52,936,711
Additions	-	819,171	1,118,211	93,254	2,477,442	380,897	4,888,975
Disposals	-	-	(354,922)	(87,999)	(377,707)	-	(820,628)
Balance - End of the Year	-	8,189,813	26,451,798	571,431	16,598,108	5,193,908	57,005,058
Net Book Value of Property and Equipment	8,647,319	21,916,540	6,641,188	409,078	4,108,864	3,752,158	45,475,147
Down payments for projects under construction	-	-	1,356,443	-	-	-	1,356,443
Net Book Value of Property and Equipment - End of the Year	8,647,319	21,916,540	7,997,631	409,078	4,108,864	3,752,158	46,831,590

	For the Year Ended December 31, 2015						
	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Other	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance - beginning of the year	11,654,292	25,809,252	30,861,124	875,755	17,006,356	6,985,662	93,192,441
Additions	601,072	114,493	2,065,840	246,455	1,843,791	1,518,256	6,389,907
Disposals	(4,163,606)	(483,963)	(917,268)	(150,230)	(224,741)	-	(5,939,808)
Balance - End of the Year	8,091,758	25,439,782	32,009,696	971,980	18,625,406	8,503,918	93,642,540
Accumulated Depreciation:							
Balance - beginning of the year	-	7,284,977	23,943,239	530,008	12,914,356	3,965,651	48,638,231
Additions	-	530,616	1,909,278	79,395	1,699,032	847,360	5,065,681
Disposals	-	(444,951)	(164,008)	(43,227)	(115,015)	-	767,201-
Balance - End of the Year	-	7,370,642	25,688,509	566,176	14,498,373	4,813,011	52,936,711
Net Book Value of Property and Equipment	8,091,758	18,069,140	6,321,187	405,804	4,127,033	3,690,907	40,705,829
Down payments for projects under construction	-	-	382,292	-	18,657,028	-	19,039,320
Net Book Value of Property and Equipment - End of the Year	8,091,758	18,069,140	6,703,479	405,804	22,784,061	3,690,907	59,745,149
Annual Depreciation rate %	-	2	10 - 20	15	20 - 30	15 - 20	

Properties and equipment include fully depreciated assets which amounted to JD 34,760,577 as of December 31, 2016 (JD 31,257,595 as of December 31, 2015).

13. Intangible Assets - Net

The details of this item are as follows:

Description	2016 Computer Software and Applications	2016 Total
	JD	JD
Balance-beginning of the year	1,428,562	1,428,562
Additions	23,732,508	23,732,508
Amortization for the year	(4,020,035)	(4,020,035)
Balance-End of the Year	21,141,035	21,141,035
Annual amortization rate %	14-30	

Description	2015 Computer Software and Applications	2015 Total
	JD	JD
Balance-beginning of the year	1,475,817	1,475,817
Additions	2,687,650	2,687,650
Amortization for the year	(2,734,905)	(2,734,905)
Balance-End of the Year	1,428,562	1,428,562
Annual amortization rate %	20-30	

* On the first of October 2016 a new banking system was launched T24 and the old banking system was stopped.

14. Other Assets

- The details of this item are as follows:

	December 31, 2016	December 31, 2015
	JD	JD
Real estate foreclosed by the Bank against debts *	65,696,413	72,339,431
Accrued interest and commissions	9,554,288	6,451,441
Checks and transfers under collection	6,967,877	6,293,504
Foreclosed assets sold - net **	9,796,507	7,993,477
Prepaid expenses	2,686,002	2,547,205
Various debtors	3,598,306	3,916,688
Real estate for sale	55,151	55,151
Prepaid rent	1,634,445	2,052,232
Receivables - disposal of a subsidiary ***	743,048	825,000
Refundable deposits ****	315,419	258,115
Revenue stamps	154,537	194,885
Prepaid Income tax	989,257	-
Temporary advances	4,134,579	5,308,000
Other debit balances	51,542	1,898,438
	106,377,371	110,133,567

* The movement on assets foreclosed by the Bank against debts is as follows:

Description	Foreclosed Real Estate 2016	Foreclosed Real Estate 2015
	JD	JD
Balance - beginning of the year	72,339,431	75,727,167
Additions	1,981,134	6,431,957
Disposals	(6,972,850)	(3,725,315)
Impairment loss	(2,603,231)	(1,736,427)
Provision for violated foreclosed assets *****	(790,158)	(4,574,792)
Recovered impairment loss	1,366,175	216,841
Recovered provision for violated of foreclosed assets	375,912	-
Balance - End of the Year	65,696,413	72,339,431

- According to the Banks' Law, buildings and plots of land foreclosed by the Bank against debts due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan may extend this period for two additional years.

** During the year 2011, the Bank sold Land No. (879), Basin No. (3), Qatna South; and Land No. (418), Basin No. (3), Qatna South of Amman Village for installments of JD 4.4 million to the South House Trade and Investment Company. An amount of JD 3.4 million has been received during the year 2012. Moreover, during the year 2013, a provision of JD one million has been booked for the entire balance since the amount is considered a doubtful debt. During the year 2015, the Bank sold the estate erected on Lands Nos. (923 and 924), Basin No. (5), Al Shailieh Qwaisme Village of Amman's southern lands, known as (Baghdad Garage), to Jamal Al Shawabkeh and Partner Company for JD 3.6 million in installments. During 2017, the sale transaction was canceled, and the Bank returned the first payment of JD 900,000 to the buyer.

*** On December 29, 2014, an agreement was signed with Al Quds Company for Learning, Training and Consulting to sell the Bank's interest in Al Zarqa National College Company, including its capital share of 100% of the Company's capital. Furthermore, the investment was derecognized on June 30, 2014.

**** This item represents cash deposits in a foreign trading and financial brokerage company, under liquidation, and is currently restricted until the liquidation procedures are finalized. A provision was booked for JD 79,864 as of December 31, 2016 (JD 89,442, as of December 31, 2015).

***** According to the Central Bank of Jordan's Circular No. 10/1/4076 , 10/1/7096 , 10/1/6841 and 10/1/2510 issued on February 14, 2017, regarding the provision for the assets foreclosed against debts, a minimum of 10% is deducted as a provision for the violated foreclosed assets as of the end of the year 2016. Moreover, a provision of 10% is to be taken until it reaches 50% of these properties. As a result a provision of JD 790 thousands has been booked as of December 31, 2016.

The movement on provision for doubtful debts of foreclosed assets is as follows:

Description	2016	2015
	JD	JD
Balance-beginning of the year	4,574,792	-
Additions	790,158	4,574,792
Amortization for the year	(375,912)	-
Balance-End of the Year	4,989,038	4,574,792

15. Banks and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2016			December 31, 2015		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	892,433	5,307,454	6,199,887	597,946	4,029,174	4,627,120
Time deposits	-	51,153,768	51,153,768	117,975	25,886,435	26,004,410
Total	892,433	56,461,222	57,353,655	715,921	29,915,609	30,631,530

- There are no banks and financial institutions deposits maturing within a period exceeding three months as of December 31, 2016 and December 31, 2015.

16. Customers Deposits

The details of this item are as follows:

	For the Year Ended December 31, 2016				
	Individuals	Corporates	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	254,672,627	129,955,006	122,701,997	15,354,235	522,683,865
Saving accounts	257,598,870	78,469	598,102	-	258,275,441
Time and notice deposits	755,905,663	277,147,028	165,436,522	87,846,240	1,286,335,453
	1,268,177,160	407,180,503	288,736,621	103,200,475	2,067,294,759

	For the Year Ended December 31, 2015				
	Individuals	Corporates	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	243,782,489	117,960,151	118,291,790	19,670,881	499,705,311
Saving accounts	202,599,698	2,459,343	18,136,351	34,616	223,230,008
Time and notice deposits	634,074,229	183,871,660	149,633,304	91,708,213	1,059,287,406
	1,080,456,416	304,291,154	286,061,445	111,413,710	1,782,222,725

- Government and public sector deposits inside Jordan amounted to JD 103,190,383, which is equivalent to 4.99% of total deposits as of December 31, 2016 (JD 111,325,653, which is equivalent to 6.25% of total deposits as of December 31, 2015).
- Non-interest bearing deposits amounted to JD 528,350,577 , which is equivalent to 25.56% of total deposits as of December 31, 2016 (JD 452,550,667, which is equivalent to 25.39% as of December 31, 2015).
- Restricted deposits amounted to JD 1,796,457 , which is equivalent to 0.09 % of total deposits as of December 31, 2016 (JD 975,257 which is equivalent to 0.05% as of December 31, 2015).
- Dormant accounts amounted to JD 45,258,348 , as of December 31, 2016 (JD 45,799,529 as of December 31, 2015).
- Dormant deposits fund amounted to JD 589,600 , which is equivalent to 0.03 % of total deposits as of December 31, 2016 (JD 621,733 which is equivalent to 0.03 % as of December 31, 2015).

17. Cash Margins

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Cash margins on direct credit facilities	207,565,613	222,182,281
Cash margins on indirect credit facilities	31,491,165	41,043,151
Marginal deposits	4,188,881	3,115,413
Other margins	12,637,472	12,856,472
	255,883,131	279,197,317

18. Borrowed Funds

The details of this item are as follows:

	Amount	Number of Installments: Total	Number of Installments: Remaining	Installments: Maturity Frequency	Guarantees	Interest Rate	Relending Interest Rate
December 31, 2016	JD					%	
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	-	4.75	-
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	-
	88,520,033						
December 31, 2015							
Central Bank of Jordan	3,967,372	30	25	semi-annual installments	-	2.13	-
Central Bank of Jordan	1,350,000	20	18	semi-annual installments	-	2.5	-
Central Bank of Jordan	5,350,000	20	20	semi-annual installments	-	2.5	-
Local Bank (Loan to a subsidiary)	4,998,836	24	-	24 monthly installments effective from the withdrawal date	5 million deposit relating to the Jordan Ahli Bank	4.25	-
Local Bank (Overdraft to a subsidiary)	4,973,175	-	-	JD 5 million overdraft ceiling	5 million deposit relating to the Jordan Ahli Bank	4	-
Jordan Mortgage Refinance Company (Loan to a subsidiary)	17,500,000	3	3	April 29, 2016, May 11, 2016, first of July 2018 and December 28, 2018	-	4.55 - 5.75	-
Local Bank (Loan to a subsidiary)	4,657,098	24	-	24 monthly installments effective from the withdrawal date	-	7 - 7.5	-
Local Bank (Loan to a subsidiary)	858,083	36	-	36 monthly installments effective from the withdrawal date	-	6.75	-
Local Bank (Loan to a subsidiary)	1,400,000	36	-	36 monthly installments effective from the withdrawal date	-	7	-
Development and Employment Fund (Loan to a subsidiary)	500,000	30	-	30 monthly installments effective from the withdrawal date after the grace period of six months	-	6 - 7	6 - 7
	45,564,564						

- Loans with a fixed interest rate amounted to JD 88,520,033 as of December 31, 2016 (JD 45,564,564 as of December 31, 2015).

19. Various Provisions

The details of this item are as follows:

Year 2016	Balance Beginning of the Year	Additions	Disposals	Returned to Revenue	Balance End of the Year
	JD	JD	JD	JD	JD
Provision for end - of - service indemnity	2,609,731	528,871	(110,968)	-	3,027,634
Provision for the decline in foreign currencies	234,156	115,091	-	(349,247)	-
Provision for legal claims against the Bank	241,903	11,000	(36,743)	-	216,160
Other provisions	577,416	181,596	-	(609,917)	149,095
	3,663,206	836,558	(147,711)	(959,164)	3,392,889
Year 2015					
Provision for end - of - service indemnity	3,188,392	210,504	(789,165)	-	2,609,731
Provision for the decline in foreign currencies	247,648	-	(13,492)	-	234,156
Provision for legal claims against the Bank	278,988	100,000	(137,085)	-	241,903
Other provisions	570,396	207,611	(200,591)	-	577,416
	4,285,424	518,115	(1,140,333)	-	3,663,206

20. Provision for Income Tax

a) Income tax provision:

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

	2016	2015
	JD	JD
Balance - beginning of the year	7,557,618	9,860,350
Income tax paid	(9,028,571)	(13,047,955)
Income tax for the year	2,397,674	10,745,223
Balance - End of the Year	926,721	7,557,618

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

	2016	2015
	JD	JD
Accrued income tax on the year's profit	2,397,674	10,745,223
Deferred tax assets for the year	(1,341,408)	(2,452,276)
Amortization of deferred tax assets	1,260,157	958,061
Deferred tax liabilities	(410,408)	410,408
Balance - End of the Year	1,906,015	9,661,416

- 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. 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.

- A provision for income tax for the year ended December 31, 2016 has been booked for the Bank, its branches abroad, and subsidiary companies. In the opinion of management and its tax advisor, the provision taken in the consolidated financial statements as of December 31, 2016 is adequate for meeting the expected tax liabilities, and no further liabilities will exceed the provision taken by the Bank.

- Deferred tax assets and liabilities have been calculated as of December 31, 2016 and 2015, according to the following rates:

	December 31,	
Income tax rate	2016	2015
Jordan Branches	35%	35%
Palestine Branches	28.79%	28.79%

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

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the year	6,137,976	1,058,399	4,643,761	987,012
Additions	1,341,408	403,949	2,452,276	457,577
Amortized	(1,260,157)	(459,764)	(958,061)	(386,190)
Balance - End of the Year	6,219,227	1,002,584	6,137,976	1,058,399

b) Deferred Tax Assets / Liabilities:

The details of this item are as follows:

	2016				
Included Accounts	Beginning Balance	Additions	Amounts Released	Year - End Balance	Deferred Tax
	JD	JD	JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	3,031,893	168,813	(1,073,214)	2,127,492	612,572
Interest in suspense	2,175,444	69,361	(64,609)	2,180,196	627,747
Provision for impairment in real estate	9,875,238	3,393,389	(2,469,956)	10,798,671	3,779,535
Provision for lawsuits	241,903	11,000	(36,743)	216,160	72,346
Provision for end - of - service indemnity	2,534,552	492,664	(110,098)	2,917,118	868,237
Provision for the decline in foreign currencies	234,156	115,091	(349,247)	-	-
Provision for impairment of financial assets measured at amortized cost	625,338	-	-	625,338	218,868
Other provisions	106,437	32,211	-	138,648	39,922
	18,824,961	4,282,529	(4,103,867)	19,003,623	6,219,227
b. Deferred Tax Liabilities					
Fair value reserves for financial assets at fair value through other comprehensive income*	1,851,404	1,013,123	-	2,864,527	1,002,584
Other	1,172,595	-	(1,172,595)	-	-
	3,023,999	1,013,123	(1,172,595)	2,864,527	1,002,584

	2015				
	Beginning Balance	Additions	Amounts Released	Year - End Balance	Deferred Tax
Included Accounts	JD	JD	JD	JD	JD
a. Deferred Tax Assets					
Prior years' provision for non-performing loans	3,053,870	437,590	(459,567)	3,031,893	890,369
Interest in suspense	2,271,454	87,064	(183,074)	2,175,444	626,376
Provision for impairment in real estate	3,838,440	6,311,220	(274,422)	9,875,238	3,456,334
Provision for lawsuits	278,988	100,000	(137,085)	241,903	81,356
Provision for end - of - service indemnity	3,095,379	182,958	(743,785)	2,534,552	752,073
Provision for the decline in foreign currencies	247,648	-	(13,492)	234,156	81,954
Provision for impairment of financial assets measured at amortized cost	625,338	-	-	625,338	218,868
Other provisions	95,424	11,013	-	106,437	30,646
	13,506,541	7,129,845	(1,811,425)	18,824,961	6,137,976
b. Deferred Tax Liabilities					
Fair value reserves for financial assets at fair value through other comprehensive income*	2,820,033	134,768	(1,103,397)	1,851,404	647,991
Other	-	1,172,595	-	1,172,595	410,408
	2,820,033	1,307,363	(1,103,397)	3,023,999	1,058,399

* Deferred tax liabilities resulted from changes in the fair value of the financial assets at fair value through other comprehensive income which is stated as net of deferred tax liabilities within the fair value reserve under Shareholders' equity.

c- Summary of the reconciliation of accounting income to taxable income:

	2016	2015
	JD	JD
Accounting income	8,180,948	32,494,140
Tax exempted income	(11,944,363)	(9,984,506)
Non-deductible expenses	6,824,081	10,162,067
Taxable Income	3,060,666	32,671,701

21. Other Liabilities

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Accepted checks and transfers	9,803,241	9,900,297
Accounts payable for financial brokerage customers	594,886	851,493
Accrued interest	6,128,897	5,110,566
Temporary deposits	12,202,163	7,507,119
Various creditors	3,627,961	4,616,550
Accrued expenses	3,380,080	1,163,840
Interest and commissions received in advance	612,616	240,354
Checks and transfers-delayed in payment	1,633,114	1,567,407
Provision for Technical and Vocational Education and Training Support Fund fees	157,255	157,255
Board of Directors remuneration	83,018	77,809
Revenues received in advance	24,079	16,294
Other liabilities	232,064	5,869
	38,479,374	31,214,853

22. 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 December 31, 2016 (JD 175 million as of December 31, 2015).

- The General Assembly resolved, in its extraordinary meeting held on April 27, 2015, 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.

- The General Assembly resolved, in its extraordinary meeting held on April 19, 2015, to distribute 10% of paid-up capital as cash dividends as of December 31, 2014, which is equivalent to JD 17.5 million, to the shareholders for the year 2014.

23. Reserves

The details of reserves as of December 31, 2016 and 2015 are as follows:

a. Statutory reserve

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

b. Voluntary reserve

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

c. General banking risks reserve

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

d. Periodic fluctuations reserve

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

The restricted reserves are as follows :

Reserve	December 31, 2016	December 31, 2015	Restriction nature
	JD	JD	
General banking risks reserve	14,988,716	11,693,374	According to the Central Bank of Jordan Instructions
Statutory reserve	52,015,203	51,197,108	According to Banks and Companies Laws
Periodic fluctuations reserve	2,394,566	2,080,497	According to the Palestinian Monetary Authority Instructions

24. Fair Value Reserve - Net

The details of this item are as follows:

	December 31, 2016	December 31, 2015
	JD	JD
Balance - beginning of the year	1,203,412	1,833,020
Sold shares	256,549	9,275
Deferred tax liabilities	(354,593)	339,020
Net unrealized income (losses) transferred to the consolidated statement of comprehensive income	756,575	(977,903)
Balance - End of the Year	1,861,943	1,203,412

* Fair value reserve is stated net of deferred tax liabilities of JD 1,002,584 as of December 31, 2016 (JD 647,991 as of December 31, 2015).

25. Retained Earnings

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Balance -beginning of the year	38,645,258	40,795,475
Income for the year	6,274,933	22,832,724
Distributed dividends *	(17,500,000)	(17,500,000)
Transfers to reserves	(4,427,506)	(7,475,790)
(Loss) from sale of financial assets at fair value through other comprehensive income	(286,846)	(7,151)
Balance - End of the Year	22,705,839	38,645,258

- Retained earnings include an amount of JD 6,219,227 restricted by the Central Bank of Jordan against deferred tax assets as of December 31, 2016 (JD 6,137,976 as of December 31, 2015).

* The Board of Directors recommended to the Bank's General Assembly to distribute 5% of the Bank's paid-up Capital, at the date of the Annual General Assembly's meeting, as cash dividends and 5% free stocks to the Shareholders for the year to the Shareholders for the year 2016. Such distribution is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders. Moreover, profits of 10% were distributed to shareholders during the last year as cash dividends, which is equivalent to JD 17.5 million.

26. Interest Income

The details of this item are as follows:

	2016	2015
	JD	JD
Direct credit facilities:		
Individuals (Retail):		
Current accounts	1,469,574	1,051,528
Loans and promissory notes	23,572,123	21,770,362
Credit cards	2,155,438	2,336,573
Real estate loans	**14,620,978**	**13,772,142**
Companies:		
Corporates:		
Current accounts	8,527,212	7,619,853
Loans and promissory notes	39,849,134	37,175,727
Small and Medium Companies:		
Current accounts	3,311,967	3,998,196
Loans and promissory notes	16,907,938	17,363,744
Government and Public Sector	**1,358,624**	**1,786,272**
Balances at central banks	1,535,510	2,853,283
Balances and deposits at banks and financial institutions	1,050,544	1,045,789
Financial assets measured at amortized cost	24,875,890	20,141,923
	139,234,932	130,915,392

27. Interest Expense

The details of this item are as follows:

	2016	2015
	JD	JD
Banks and financial institutions deposits	605,855	800,872
Customers deposits:		
Current and demand deposits	213,456	415,779
Saving accounts	907,593	1,576,248
Time and notice deposits	38,922,593	30,611,317
Cash margins	6,170,997	7,007,241
Borrowed funds	2,765,523	1,679,120
Loan guarantee fees	3,980,101	3,241,592
	53,566,118	45,332,169

28. Commissions Revenue - Net

The details of this item are as follows:

	2016	2015
	JD	JD
Credit commissions:		
Direct credit facilities	7,767,326	6,346,531
Indirect credit facilities	4,395,349	4,949,486
Other commissions	9,804,700	9,647,352
(Less): Commissions paid	(634,471)	(614,594)
Net Commissions Revenue	21,332,904	20,328,775

29. Foreign Exchange Income

The details of this item are as follows:

	2016 JD	2015 JD
As a result of trading	968,044	715,944
As a result of evaluation	2,345,473	2,600,846
	3,313,517	3,316,790

30. (Loss) Income from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	Realized (Loss) Profit JD	Unrealized (Loss) Profit JD	Total JD
2016			
Companies shares	(25,552)	(36,231)	(61,783)
	(25,552)	(36,231)	(61,783)
2015			
Companies shares	6,193	112,181	118,374
	6,193	112,181	118,374

31. Other Revenue

The details of this item are as follows:

	2016 JD	2015 JD
Recovered interest in suspense *	534,306	1,905,445
Brokerage commission income	138,233	120,065
Income from sale of properties and equipment	657,020	386,295
Income from sale of foreclosed assets**	-	3,756,530
Recovery of debts previously written-off ***	950,689	1,316,979
Income from check books	153,690	206,699
Rental income of Bank's real estate	205,446	244,432
Rental income of safe deposit boxes	146,991	152,751
Income from cash boxes differences	4,245	24,635
Refundable equipments impairment losses	1,366,175	216,841
Income from previous years	493,553	271,940
Other income	581,468	856,132
	5,231,816	9,458,744

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

	2016 JD	2015 JD
Recovered interest in suspense	486,942	1,788,951
Interest in suspense from debts written-off	47,364	116,494
	534,306	1,905,445

** During the year 2015, two plots of land No. (609 and 894) Basin 16 South AL Waibdeh were sold, resulting in a gain of JD 3.7 million.

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

32. Employees Expenses

The details of this item are as follows:

	2016	2015
	JD	JD
Salaries, bonuses and employees' benefits	35,283,650	32,110,544
Bank's contribution to social security	3,022,972	2,850,326
Bank's contribution to staff provident fund	1,797,145	1,766,718
Medical Expenses	1,512,289	1,558,971
End-of-service indemnity	528,871	210,504
Employees' training	324,398	424,182
Travel expenses	271,140	387,530
Employees' life insurance	148,945	203,106
Employees' meals	266,021	146,052
Employees' uniforms	30,550	14,426
	43,185,981	39,672,359

33. Other Expenses

The details of this item are as follows:

	2016	2015
	JD	JD
Fees and subscriptions	4,412,232	4,114,465
Maintenance and repair	4,800,997	5,288,824
Advertisement	2,288,477	2,691,015
Printing and stationery	976,655	1,064,812
Rent and key money	2,771,830	2,769,729
Studies, research and consulting expenses	1,514,400	492,317
Insurance fees	1,613,153	1,450,436
Water, electricity and heating	2,155,647	2,076,121
Legal fees	1,540,948	1,260,599
Donations	555,865	637,994
Transportation	634,274	628,463
Telecommunication	1,170,330	836,449
Miscellaneous	536,910	337,121
Other operating expenses*	1,211,100	-
General assembly meeting expenses	49,857	44,945
Board of Directors' expenses	960,600	903,300
Security	548,000	508,872
Professional fees	354,261	341,193
Stamps fees	6,213	171,450
Entertainment and hospitality	21,228	28,352
Appraisal expenses of land and real estate	25,848	34,608
Lawsuits provision expenses	11,000	100,000
Loss on real estate sales	309,765	413,027
Board of Directors' remunerations	65,000	65,000
	28,534,590	26,259,092

* According to board of directors decision issued on March 3, 2016 the accounts restricted in the banks' books which are related to the cards department have been amortized.

34. Earnings per Share for Bank's Shareholders

The details of this items are as follows:

	2016	2015
	JD	JD
Income for the year	6,274,933	22,832,724
Weighted average number of shares	175,000,000	175,000,000
Earnings Per Share - Bank Shareholders:		
Basic & Diluted	0.036	0.130

35. Cash and Cash Equivalents

The details of this items are as follows:

	2016	2015
	JD	JD
Cash and balances at central banks maturing within 3 months	193,764,651	280,387,087
Add: Balances at banks and financial institutions due within 3 months	185,788,643	151,996,498
Less: Banks and financial institutions deposits due within 3 months	(57,353,655)	(30,631,530)
Restricted balances	(204,390)	(173,125)
	321,995,249	401,578,930

36. Related Party Balances and Transactions

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

Company Name	Equity Ratio	Capital of the Company	
		2016	2015
	%	JD	JD
Ahli Micro Finance Company	100	6,000,000	3,500,000
Ahli Financial Leasing Company	100	17,500,000	17,500,000
Ahli Brokerage Company	100	5,000,000	7,500,000

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.

	Related Party					Total
	Associates	Subsidiaries *	Board of Directors Members	Executive Management	Other **	December 31, 2016
	JD	JD	JD	JD	JD	JD
On-Consolidated Statement of Financial Position Items:						
Credit facilities	-	3,588,734	7,792,644	2,887,296	86,911,332	101,180,006
Customers' deposits	322,474	4,462,114	18,734,998	2,373,339	8,327,021	34,219,946
Cash margins	-	-	-	60,881	1,921,060	1,981,941
Off-Consolidated Statement of Financial Position Items:						
Letters of guarantee	50,000	58,000	-	-	5,890,735	5,998,735
Consolidated Statement of Income:						
Interest and commissions income	13	60,909	317,960	133,742	5,848,976	6,361,600
Interest and commissions expense	27,515	175,006	1,933,205	34,605	312,800	2,483,131

	Related Party					Total
	Associates	Subsidiaries *	Board of Directors Members	Executive Management	Other **	December 31, 2015
	JD	JD	JD	JD	JD	JD
On-Consolidated Statement of Financial Position Items:						
Credit facilities	-	1,311,841	6,644,706	4,307,345	85,596,969	97,860,861
Customers' deposits	776,639	3,016,713	46,633,522	1,950,547	12,441,114	64,818,535
Cash margins	-	-	353,056	65,883	1,982,265	2,401,204
Off-Consolidated Statement of Financial Position Items:						
Letters of guarantee	50,000	1,055,008	90,379	-	5,122,358	6,317,745
Consolidated Statement of Income:						
Interest and commissions income	2,795	52,319	366,021	222,513	6,937,265	7,580,913
Interest and commissions expense	201,924	97,225	333,483	56,350	628,981	1,317,963

* The transactions and balances between the bank and its subsidiaries have been excluded from the consolidated 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-consolidated statement 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 December 31, 2016. 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 former Chief Executive Officer as an additional bonus according to a subsequent decision 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 5.5%.

b. The following is a summery of the executive management salaries and benefits:

	2016	2015
	JD	JD
Salaries and benefit	4,244,591	5,593,438
Travelling	194,980	235,312
Other	113,164	15,877
	4,552,735	5,844,627

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

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities at the end of the year 2016 and 2015.

38. Risk Management

The Bank's risk management conducts its activities (identification, measurement, management, monitoring, and controlling) through applying the best international practices in connection with risk management, administrative organization, and risk management's tools in accordance with the size of the Bank, its activities, and types of risks it is exposed to.

The organizational structure of the Bank is integrated by risk management control according to each level. Moreover, the Corporate Governance Committee, at the Board of Directors' level, decides on the Bank's risk policy and strategy, and ensures the management of risk. This is to ensure setting up and controlling the policies and instructions at an appropriate level for the types of risks the Bank is exposed to until the achievement of the acceptable return for the shareholders without impacting the Bank's financial strength. In this context, the work of the Risk Management Department is complemented by the work of the committees of executive management such as the Assets and Liabilities Committee and the Credit Facilities' Committee.

38 a. Credit Risk

The Bank's operations involve the Bank's exposure to many risks such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank, which causes losses. An important duty of the Bank and its management is to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within a balanced relationship among risk, return, and liquidity.

Credit management at the Bank is conducted by several committees from higher management and executive management. Moreover, credit facilities ceilings that can be granted to one client (individual or corporate) or related parties are specified in compliance with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed by taking into consideration the geographic area in a manner that achieves congruence among risks, returns, and the optimal utilization of the available resources and the enhancement of the Bank's ability to diversify lending and allocate it to customers and economic sectors.

The Bank monitors credit risks by periodically evaluating the credit standing of the customers in accordance with the customers' credit valuation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons. In addition, the Bank obtains proper guarantees from customers for the cases requiring that according to each customer's risk level and extension of additional credit facilities.

Moreover, the Bank monitors credit risk and is continuously evaluating the credit standing of customers, in addition to obtaining proper guarantees from them.

The Bank's credit risk management policy includes the following:

1. Specifying credit ceilings and concentrations:
   The credit policy includes specific and clear ratios for the maximum credit that can be granted to a customer. Moreover, there are different credit ceilings for each administrative level.

2. Determining the risk mitigation methods:
   The Bank's risk management activity depends on several methods to mitigate risk as follows:

   - Collaterals and their convertibility to cash and coverage of the credit granted.
   - Pre-approval of the credit facilities committee on the extension of credit.

- Credit approval authority varies from one management level to another based on the customer's portfolio size, maturity, and customer's risk degree.

3. Mitigating the assets and liabilities' risks concentration:
   The Bank works efficiently to manage this risk. Moreover, its annual plan includes the well-studied distribution of credit focusing on the most promising sectors. In addition, credit is distributed to several geographic areas inside and outside of the kingdom.

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

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

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

   The Bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards to the credit terms, soundness of the credit decision, implementation of all credit extension terms, adherence to the credit ceilings and determinants in the credit's policy, and other related matters.

   Moreover, there are specific procedures for following up on performing credit facilities to keep them performing and non-performing credit facilities to treat them.

   The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside the kingdom. Moreover, the Bank adopts a specific policy that shows the credit ceilings granted to banks and countries with high credit ratings, and reviews them continuously through the Assets and Liabilities Committee, to distribute the risks and utilize the credit evaluation. The investment policy specifies the investment allocation ratios and their determinants in order to distribute them in a way that achieves a high return and lowers the risk

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

	December 31,	
	2016	2015
	JD	JD
On-the Consolidated Statement of Financial Position Items		
Balances at the Central Banks	146,162,020	244,835,493
Balances at banks and financial institutions	185,788,643	151,996,498
Deposits at banks and financial institutions	10,037,793	14,647,510
Credit facilities:		
Individuals	387,605,663	326,449,228
Real estate loans	259,320,166	179,207,490
Companies:		
Corporates	626,732,518	533,931,967
Small and medium companies	151,961,357	166,033,240
Government and public sector	21,616,898	21,701,176
Bonds, Bills and Debentures:		
Financial assets measured at amortized cost	754,809,955	601,857,948
Other assets	10,566,183	10,210,192
Total	**2,554,601,196**	**2,250,870,742**
Off the Consolidated Statement of Financial Position Items		
Letters of guarantee	215,329,221	201,539,012
Letters of credit	91,392,693	39,774,771
Letters of acceptance	55,150,734	55,077,407
Unutilized facility ceilings	139,061,512	138,977,083
Total	**500,934,160**	**435,368,273**

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

Real estate mortgages.

Mortgage of financial instruments such as shares.

Bank guarantees.

Cash collaterals.

Governmental guarantee.

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

			Companies					
As of December 31, 2016	Individuals	Real Estate Loans	Corporates	Small and Medium Companies	Government and Public Sector	Banks and Other Financial Institutions	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	40,381,810	-	57,671,960	27,813,407	842,718,777	-	-	968,585,954
Acceptable risk	341,971,335	256,212,750	488,791,900	105,238,782	21,616,898	254,079,634	10,566,183	1,478,477,482
Of which is due (*):								
Within 30 days	113,269	-	698,533	44,690	-	-	-	856,492
From 31 to 60 days	798,282	-	123,667	155,543	-	-	-	1,077,492
Watch list	8,111,432	-	40,158,207	5,852,087	-	-	-	54,121,726
Non-performing:								
Sub-standard	2,076,057	220,427	1,627,945	4,690,588	-	-	-	8,615,017
Doubtful	1,812,378	-	11,995,180	5,158,281	-	-	-	18,965,839
Bad debt	25,179,137	4,374,453	100,417,945	20,902,442	-	-	-	150,873,977
Total	419,532,149	260,807,630	700,663,137	169,655,587	864,335,675	254,079,634	10,566,183	2,679,639,995
Less: Interest in suspense	6,614,923	641,340	15,329,540	5,149,825	-	-	-	27,735,628
Impairment provision	25,311,563	846,124	58,601,079	12,544,405	-	-	-	97,303,171
Net	387,605,663	259,320,166	626,732,518	151,961,357	864,335,675	254,079,634	10,566,183	2,554,601,196

As of December 31, 2015	Individuals	Real Estate Loans	Companies		Government and Public Sector	Banks and Other Financial Institutions	Other	Total
			Corporates	Small and Medium Companies				
	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	38,256,808	22,602,496	43,946,433	14,916,784	828,486,466	-	-	948,208,987
Acceptable risk	281,945,448	155,669,418	330,070,616	121,121,704	21,701,176	184,850,983	10,210,192	1,105,569,537
Of which is due (*):								
Within 30 days	32,514	-	-	-	-	-	-	32,514
From 31 to 60 days	407,164	-	526,522	45,208	-	-	-	978,894
Watch list	7,583,057	49,482	121,545,314	18,196,787	-	-	-	147,374,640
Non-performing:								
Sub-standard	1,120,539	37,966	23,908,371	4,221,629	-	-	-	29,288,505
Doubtful	2,117,136	248,189	6,100,513	3,849,935	-	-	-	12,315,773
Bad debt	23,447,882	2,154,421	58,428,099	18,761,954	-	-	-	102,792,356
Total	354,470,870	180,761,972	583,999,346	181,068,793	850,187,642	184,850,983	10,210,192	2,345,549,798
Less: Interest in suspense	5,481,492	707,230	9,589,593	4,176,816	-	-	-	19,955,131
Impairment provision	19,040,150	847,252	43,977,786	10,858,737	-	-	-	74,723,925
Net	329,949,228	179,207,490	530,431,967	166,033,240	850,187,642	184,850,983	10,210,192	2,250,870,742

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

As of December 31, 2016	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Corporates	Small and Medium Companies		
	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low risk	71,532,750	-	77,838,985	42,114,225	-	191,485,960
Acceptable risk	268,784,447	240,238,065	377,668,894	220,737,472	21,616,898	1,129,045,776
Watch list	5,585,256	-	7,712,283	7,606,795	-	20,904,334
Non-performing:						
Sub-standard	7,628,516	425,427	6,159,584	1,670,857	-	15,884,384
Doubtful	4,265,936	165,515	31,793,188	7,915,437	-	44,140,076
Bad debt	7,305,860	4,719,453	63,580,518	23,910,495	-	99,516,326
Total	365,102,765	245,548,460	564,753,452	303,955,281	21,616,898	1,500,976,856
Of it: Cash Margins	77,847,870	-	82,537,629	42,272,834	-	202,658,333
Accepted letters of guarantee	2,835,490	-	13,646,915	3,901,966	-	20,384,371
Real estate	36,300,452	240,953,580	391,907,444	166,106,851	-	835,268,327
Quoted stocks	221,926	-	12,996,421	-	-	13,218,347
Vehicles and equipment	10,775,743	-	42,900,002	56,326,195	-	110,001,940
Total	127,981,481	240,953,580	543,988,411	268,607,846	-	1,181,531,318

As of December 31, 2015	Individuals	Real Estate Loans	Companies		Government and Public Sector	Total
			Corporates	Small and Medium Companies		
	JD	JD	JD	JD	JD	JD
Guarantees Against:						
Low risk	38,256,808	22,602,496	44,017,446	14,916,784	-	119,793,534
Acceptable risk	330,944,252	194,594,323	278,071,904	108,077,549	21,701,176	933,389,204
Watch list	3,850,055	10,429	22,989,062	1,207,246	-	28,056,792
Non-performing:						
Sub-standard	1,828,775	25,600	14,235,882	4,407,815	-	20,498,072
Doubtful	1,966,584	174,040	4,539,200	4,061,405	-	10,741,229
Bad debt	10,485,172	2,124,318	17,850,757	17,508,861	-	47,969,108
Total	387,331,646	219,531,206	381,704,251	150,179,660	21,701,176	1,160,447,939
Of it: Cash Margins	72,423,254	23,485,681	97,896,412	28,376,934	-	222,182,281
Accepted letters of guarantee	-	-	14,236,695	3,481,718	-	17,718,413
Real estate	192,850,523	217,290,263	197,349,418	74,004,657	-	681,494,861
Quoted stocks	7,557,962	-	11,674,925	-	-	19,232,887
Vehicles and equipment	28,662,639	23,100	789,716	2,189,981	-	31,665,436
Total	301,494,378	240,799,044	321,947,166	108,053,290	-	972,293,878

The Bank's management monitors the market value of those guarantees periodically. In case the value of the guarantee declines, the Bank requests additional guarantees to cover the shortage. Moreover, the Bank evaluates the guarantees against non-performing credit facilities periodically.

Scheduled Debts:

These are the debts that have been previously classified as non-performing credit facilities but taken out therefrom according to proper scheduling. These debts have been classified as watch list and amounted to JD 1,615,407 for the year 2016 (JD 11,317,083 for the year 2015).

Restructured Debts:

Restructuring means rearranging credit facilities through adjusting the installments, prolonging the credit facilities, postponing some installments, or extending the grace period, etc. These debts have been classified as watch list debts, and amounted to JD 22,278,472 for the year 2016 (JD 12,947,760 for the year 2015).

Bonds, Bills, Debentures and Mutual Funds:

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

As of December 31, 2016				
Rating Grade	Rating Institution	Within Financial Assets at Fair Value through Comprehensive Income	Within Financial Assets Measured at Amortized Cost	Total
		JD	JD	JD
AA3	MOODYS	-	708,198	708,198
Unclassified	-	4,867,994	57,545,000	62,412,994
Governmental	Governmental & Government guaranteed bonds	-	696,556,757	696,556,757
Total		4,867,994	754,809,955	759,677,949

As of December 31, 2015				
Rating Grade	Rating Institution	Within Financial Assets at Fair Value through Comprehensive Income	Within Financial Assets Measured at Amortized Cost	Total
		JD	JD	JD
AA3	MOODYS	-	706,975	706,975
Unclassified	-	4,111,491	17,500,000	21,611,491
Governmental	Governmental & Government guaranteed bonds	-	583,650,973	583,650,973
Total		4,111,491	601,857,948	605,969,439

Concentration of Credit Risk Exposure according to Geographical Areas is as follows:

Geographical Area	Inside Jordan	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at the central banks	109,528,966	36,082,755	550,299	-	-	-	146,162,020
Balances at banks and financial institutions	34,763,366	34,734,931	71,395,962	549,776	44,344,608	-	185,788,643
Deposits at banks and financial institutions	5,390,283	4,647,510	-	-	-	-	10,037,793
Credit facilities:							
To individuals	326,302,144	59,566,277	1,737,242	-	-	-	387,605,663
Real estate loans	227,609,055	1,711,111	-	-	-	-	229,320,166
Corporates	579,681,749	36,142,442	40,908,327	-	-	-	656,732,518
Small and medium companies	136,243,684	15,465,119	252,554	-	-	-	151,961,357
Government and public sector	840,984	20,775,914	-	-	-	-	21,616,898
Bonds, Bills, and Debentures:							
Financial assets measured at amortized cost	722,252,255	32,557,700	-	-	-	-	754,809,955
Other assets	6,139,386	4,400,462	26,335	-	-	-	10,566,183
Total 2016	2,148,751,872	246,084,221	114,870,719	549,776	44,344,608	-	2,554,601,196
Total 2015	1,935,302,157	198,325,037	97,133,951	1,442,845	18,457,254	209,498	2,250,870,742

* Excluding Middle East countries.

Concentration of Credit Risk Exposure according to Economic Sector is as follows:

Economic sector	Financial	Industrial	Trade	Real Estate	Agriculture	Shares	Individuals	Government and Public Sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at the central banks	-	-	-	-	-	-	-	146,162,020	-	146,162,020
Balances at banks and financial institutions	185,788,643	-	-	-	-	-	-	-	-	185,788,643
Deposits at banks and financial institutions	10,037,793	-	-	-	-	-	-	-	-	10,037,793
Credit facilities	202,888,870	153,664,664	304,703,479	404,508,325	56,914,203	2,685,816	248,044,699	21,616,898	52,209,648	1,447,236,602
Bonds, Bills, and Debentures:										
Financial assets measured at amortized cost	62,294,898	-	-	-	-	-	-	692,515,057	-	754,809,955
Other assets	10,566,183	-	-	-	-	-	-	-	-	10,566,183
Total 2016	471,576,387	153,664,664	304,703,479	404,508,325	56,914,203	2,685,816	248,044,699	860,293,975	52,209,648	2,554,601,196
Total 2015	348,306,516	103,165,282	401,598,711	312,292,687	11,360,134	575,105	189,345,652	850,187,642	34,039,013	2,250,870,742

38 b. Market Risk

Market risk is the potential loss that may arise from the changes in market prices, such as the change in interest rates, foreign currency exchange rates, equity instrument prices, and consequently, the change in the fair value of the cash flows for the financial instruments that are on-and off-consolidated statement of financial position.

Within the Bank's investment policy approved by the Board of Directors, acceptable risks are set and monitored monthly by the Assets and Liabilities Committee, which provides guidance and recommendations thereon. Moreover, the available systems calculate the effect of the fluctuations in interest rates, exchange rates, and share prices.

- Interest Rate Risk

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the fair value of the financial instruments. The Bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities according to the various time limits or review of interest rates in a certain period. Moreover, the Bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management's strategy.

The Bank is exposed to interest rate risks as a result of the timing gaps of re-pricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee through reviewing the report to identify interest rate risks in the short-and long-terms and take the proper decisions to restrict these risks in light of the expectations of the interest rate's trend through using all or some of the following methods:

- Repricing deposits and/or loans.
- Changing the maturities and size of the assets and liabilities sensitive to interest rates.
- Buying or selling financial investments.
- Using financial derivatives for interest rate hedging purposes.

Sensitivity analysis:

Interest Rate Risk:

December 31, 2016

Currency	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	1,264,578	14,902
Euro	1	87,688	-
GBP	1	(25,514)	-
Yen	1	(38,173)	-
Other currencies	1	(26,179)	-

Currency	Change (Decrease) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	(1,264,578)	(14,902)
Euro	1	(87,688)	-
GBP	1	25,514	-
Yen	1	38,173	-
Other currencies	1	26,179	-

December 31, 2015

Currency	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	2,158,185	15,889
Euro	1	(13,254)	5
GBP	1	9,082	-
Yen	1	(7,291)	-
Other currencies	1	(20,013)	9

Currency	Change (Increase) in Interest Rate	Interest Income Sensitivity (Gain and Loss)	Owners' Equity Sensitivity
	%	JD	JD
US Dollar	1	(2,158,185)	(15,889)
Euro	1	13,254	(5)
GBP	1	(9,082)	-
Yen	1	7,291	-
Other currencies	1	20,013	(9)

Currencies risk:

The following table illustrates the currencies to which the Bank is exposed and the potential and reasonable change in their rates against the Jordanian Dinar and the related impact on the profit and loss statements. The currencies positions are monitored daily to ensure that they are within the determined limits. Moreover, the related reports are submitted to the management.

December 31, 2016

Currency	Change in Foreign Currency Exchange Rate	Effect on Profit & Loss	Effect on Shareholders' Equity
	%	JD	JD
US Dollar	-	-	-
Euro	5	(4,520)	-
GBP	5	1,248	-
Yen	5	(4,537)	-
Other currencies	5	1,490	-

December 31, 2015

Currency	Change in Foreign Currency Exchange Rate	Effect on Profit & Loss	Effect on Shareholders' Equity
	%	JD	JD
US Dollar	-	-	-
Euro	5	(22,565)	-
GBP	5	18,948	-
Yen	5	51	-
Other currencies	5	15,829	-

- Foreign Currencies Risks

  Within its approved investment policy, the Bank's Board of Directors sets up limits for the positions of all currencies at the Bank. These positions are monitored daily through the Treasury and Investment Department and are submitted to the executive management to ensure that the currencies positions are within the approved limits.

  Moreover, the Bank follows the hedging policy to mitigate the risks of foreign currencies by using financial derivatives.

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

December 31, 2016

Indicator	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
	%	JD	JD
Amman Stock Exchange	5	23,299	596,761

December 31, 2015

Indicator	Change in Indicator	Impact on Profit and Loss	Impact on Owners' Equity
	%	JD	JD
Amman Stock Exchange	5	48,419	615,177

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

Interest Repricing Gap

The Bank adopts the policy of matching the amounts and maturities of assets and liabilities to narrow gaps through dividing assets and liabilities into several categories with different durations or interest rate review maturities, whichever is nearer. The Bank uses this policy to reduce risks, as it also studies the related interest rate gaps, and uses hedging policies through developed tools.

Classification is based on interest rate repricing periods or maturities, whichever is nearer.

Interest rate sensitivity is as follows:

As of December 31, 2016	Up to 1 Month	More than 1 Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to One Year	More than 1 Year up to 3 Years	More than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at central banks	15,811,684	-	-	-	8,224,400	-	177,952,967	201,989,051
Balances at banks and financial institutions	101,820,232	20,825,165	-	-	-	-	63,143,246	185,788,643
Deposits at banks and financial institutions	-	-	-	10,037,793	-	-	-	10,037,793
Direct credit facilities - net	38,333,693	81,696,443	99,898,714	230,274,033	246,674,464	696,838,901	53,520,354	1,447,236,602
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	29,011,930	29,011,930
Financial assets measured at amortized cost	7,000,000	58,802,097	43,541,209	178,828,549	325,388,559	141,249,541	-	754,809,955
Investments in associates and unconsolidated subsidiary company	-	-	-	-	-	-	5,106,980	5,106,980
Properties, equipment, and projects under construction - net	-	-	-	-	-	-	46,831,590	46,831,590
Intangible assets- net	-	-	-	-	-	-	21,141,035	21,141,035
Other assets	-	-	-	-	-	-	106,377,371	106,377,371
Deferred tax assets	-	-	-	-	-	-	6,219,227	6,219,227
Total Assets	162,965,609	161,323,705	143,439,923	419,140,375	580,287,423	838,088,442	510,273,073	2,815,518,550
Liabilities								
Banks and financial institutions deposits	35,616,826	21,736,829	-	-	-	-	-	57,353,655
Customers' deposits	763,987,789	199,484,305	169,131,483	176,688,582	229,652,023	-	528,350,577	2,067,294,759
Cash margins	21,355,800	12,868,454	15,090,907	25,540,201	181,027,769	-	-	255,883,131
Borrowed funds	-	-	-	18,840,478	69,679,555	-	-	88,520,033
Various provisions	-	-	-	-	-	-	3,392,889	3,392,889
Provision for income tax	-	-	-	-	-	-	926,721	926,721
Deferred tax liabilities	-	-	-	-	-	-	1,002,584	1,002,584
Other liabilities	-	-	-	-	-	-	38,479,374	38,479,374
Total Liabilities	820,960,415	234,089,588	184,222,390	221,069,261	480,359,347	-	572,152,145	2,512,853,146
Interest Rate Repricing Gap	(657,994,806)	(72,765,883)	(40,782,467)	198,071,114	99,928,076	838,088,442	(61,879,072)	302,665,404
As of December 31, 2015								
Total Assets	184,053,042	341,150,600	127,179,934	254,108,363	697,322,437	492,854,450	397,960,172	2,494,628,998
Total Liabilities	436,618,334	350,562,077	229,925,104	231,871,429	273,862,528	162,225,997	496,044,743	2,181,110,212
Interest Rate Repricing Gap	(252,565,292)	(9,411,477)	(102,745,170)	22,236,934	423,459,909	330,628,453	(98,084,571)	313,518,786

Concentration in foreign currencies risk

As of December 31, 2016	US Dollar	Euro	Pound Sterling	Japanese Yen	Others	Total
	JD	JD	JD	JD	JD	JD
Assets						
Cash and balances at central banks	34,644,314	5,282,631	868,883	-	25,243,086	66,038,914
Balances at banks and financial institutions	92,351,674	15,607,980	12,491,627	567,301	6,920,118	127,938,700
Deposits at banks and financial institutions	-	-	-	-	37,793	37,793
Direct credit facilities - net	249,060,911	3,805,508	206	243,023	54,190,783	307,300,431
Financial assets at fair value through other comprehensive income	5,204,940	-	-	-	-	5,204,940
Financial assets measured at amortized cost	29,142,368	-	-	-	451,060	29,593,428
Properties and equipment, and projects under construction - net	793,640	-	-	-	-	793,640
Intangible assets - net	204,320	-	-	-	-	204,320
Other assets	945,276	147,006	1,450	130,152	5,369,727	6,593,611
Total Assets	412,347,443	24,843,125	13,362,166	940,476	92,212,567	543,705,777
Liabilities						
Banks and financial institutions deposits	4,590,298	4,082,441	130,041	-	16,162,219	24,964,999
Customers' deposits	343,272,624	27,295,237	11,757,193	431,310	67,544,739	450,301,103
Cash margins	36,599,883	2,551,201	315,702	266,827	9,649,780	49,383,393
Various provisions	29,318	-	-	-	106,649	135,967
Provision for Income tax	73,366	-	-	-	-	73,366
Other liabilities	(1,472,320)	4,358	9,243	333,086	1,043,750	(81,883)
Total Liabilities	383,093,169	33,933,237	12,212,179	1,031,223	94,507,137	524,776,945
Net Concentration on - the Consolidated statement of financial position	29,254,274	(9,090,112)	1,149,987	(90,747)	(2,294,570)	18,928,832
Off-the Consolidated Statement of Financial Position Contingent Liabilities	247,949,493	21,325,717	2,421,316	2,125,263	9,394,038	283,215,827
As of December 31, 2015						
Total Assets	343,461,612	35,668,482	6,441,185	1,432,336	58,669,921	445,673,536
Total Liabilities	339,657,586	38,327,269	6,520,014	1,140,792	60,039,496	445,685,157
Net Concentration on - the Consolidated statement of financial position	3,804,026	(2,658,787)	(78,829)	291,544	(1,369,575)	(11,621)
Off-the Consolidated Statement of Financial Position Contingent Liabilities	208,081,247	26,365,700	238,229	2,992,853	6,079,562	243,757,591

38 c. Liquidity Risks

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

The Bank's liquidity management policy aims to enhance the procurability of liquidity at the lowest costs possible. Through managing liquidity, the Bank seeks to maintain reliable and stable funding sources at a reasonable cost rate.

Management, measurement, and control of liquidity are conducted based on normal and emergency conditions. This includes analysis of the maturity dates of assets and various financial ratios.

Fund Sources:
The Bank diversifies its funding sources to achieve financial flexibility and to lower funding costs.

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

The existence of the Bank in most of the cities of the Hashemite Kingdom of Jordan (55 branches) in addition to its branches in Palestine and Cyprus, enables the Bank to diversify its funding sources and not to rely on one geographical area as a source of funding.

In order to comply with the instructions of the regulatory authorities, the Bank maintains part of its customers' deposits at the central banks as a restricted cash reserve that cannot be utilized except under specified regulations. In addition, the liquidity ratios are reserved at levels higher than the minimum imposed by the central banks in the countries in which the Bank operates.

The contractual maturity dates of the assets and liabilities in the schedule have been determined based on the remaining period from the date of the consolidated statement of financial position until the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

- The distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2016:

Liabilities	Up to One Month	More than 1 Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to 1 Year	More than 1 Year Up to 3 Years	More than 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks and financial institutions deposits	35,616,826	21,736,829	-	-	-	-	-	57,353,655
Customers' deposits	763,987,789	727,834,882	169,131,483	176,688,582	229,652,023	-	-	2,067,294,759
Cash margins	21,355,800	12,868,454	15,090,907	25,540,201	181,027,769	-	-	255,883,131
Borrowed funds	-	-	-	18,840,478	69,679,555	-	-	88,520,033
Various provisions	-	-	-	-	-	-	3,392,889	3,392,889
Income tax provision	-	-	-	-	-	-	926,721	926,721
Deferred tax liabilities	-	-	-	-	-	-	1,002,584	1,002,584
Other liabilities	-	-	-	-	-	-	38,479,374	38,479,374
Total Liabilities	820,960,415	762,440,165	184,222,390	221,069,261	480,359,347	-	43,801,568	2,512,853,146
P								
Total Assets	458,550,549	161,323,705	143,439,923	419,140,375	580,287,423	838,088,442	214,688,133	2,815,518,550

- The distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity as of December 31, 2015:

Liabilities	Up to One Month	More than 1 Month up to 3 Months	More than 3 Months up to 6 Months	More than 6 Months up to 1 Year	More than 1 Year Up to 3 Years	More than 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks and financial institutions deposits	25,023,644	5,607,886	-	-	-	-	-	30,631,530
Customers' deposits	385,171,427	779,689,043	194,315,898	189,823,092	233,223,265	-	-	1,782,222,725
Cash margins	26,423,263	17,815,815	35,609,206	22,774,216	25,016,192	151,558,625	-	279,197,317
Borrowed funds	-	-	-	19,274,121	15,623,071	10,667,372	-	45,564,564
Various provisions	-	-	-	-	-	-	3,663,206	3,663,206
Income tax provision	-	-	-	-	-	-	7,557,618	7,557,618
Deferred tax liabilities	-	-	-	-	-	-	1,058,399	1,058,399
Other liabilities	-	-	-	-	-	-	31,214,853	31,214,853
Total Liabilities	436,618,334	803,112,744	229,925,104	231,871,429	273,862,528	162,225,997	43,494,076	2,181,110,212
Total Assets	371,506,832	341,150,600	127,179,934	254,108,363	697,322,437	492,854,450	210,506,382	2,494,628,998

Off- Consolidated Statement of Financial Position items:

December 31, 2016	Up to One Year	More than One Year up to 5 Years	Total
	JD	JD	JD
Letters of credit and acceptances	254,024,264	1,681,961	255,706,225
Unutilized credit facilities	139,061,512	-	139,061,512
Letters of guarantee	209,710,446	5,618,775	215,329,221
Total	602,796,222	7,300,736	610,096,958

December 31, 2015	Up to One Year	More than One Year up to 5 Years	Total
	JD	JD	JD
Letters of credit and acceptances	206,028,680	2,454,063	208,482,743
Unutilized credit facilities	134,292,793	4,684,290	138,977,083
Letters of guarantee	178,184,638	23,354,374	201,539,012
Total	518,506,111	30,492,727	548,998,838

39. 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:

	Individual Funding	Small and Medium Companies	Corporations Funding	Treasury	Investments and Foreign Currencies	Other	Total 2016	Total 2015
	JD	JD	JD	JD	JD	JD	JD	JD
Gross revenue	45,282,213	21,421,599	39,954,011	3,361,166	282,494	5,947,412	116,248,895	119,773,186
Provision for impairment in direct credit facilities	(3,584,716)	(1,995,806)	(18,450,896)	-	-	-	(24,031,418)	(7,299,465)
Results of Business Sector	41,697,497	19,425,793	21,503,115	3,361,166	282,494	5,947,412	92,217,477	112,473,721
Distributed (expenses) - net	(38,034,918)	(12,165,449)	(14,169,743)	(231,707)	(156,233)	(15,871,531)	(80,629,581)	(73,732,036)
Foreclosed assets impairment provision	-	-	-	-	-	(3,393,389)	(3,393,389)	(6,311,220)
Bank's share in associate companies' gain	-	-	-	-	(13,559)	-	(13,559)	63,675
Income for the year before taxes	3,662,579	7,260,344	7,333,372	3,129,459	112,702	(13,317,508)	8,180,948	32,494,140
Income tax							(1,906,015)	(9,661,416)
Income for the Year							6,274,933	22,832,724
Additional Information								
Sector's assets	617,055,467	140,081,399	770,933,654	1,061,698,746	29,082,709	85,182,224	2,704,034,199	2,379,275,633
Investments in associates and unconsolidated subsidiary company	-	-	-	-	-	5,106,980	5,106,980	5,219,798
Assets not distributed over sectors	-	-	-	-	-	106,377,371	106,377,371	110,133,567
Total Assets	617,055,467	140,081,399	770,933,654	1,061,698,746	29,082,709	196,666,575	2,815,518,550	2,494,628,998
Sector's liabilities	1,348,554,338	318,944,115	668,388,826	87,160,599	-	51,325,894	2,474,373,772	2,149,895,359
Liabilities not distributed over sectors	-	-	-	-	-	38,479,374	38,479,374	31,214,853
Total Liabilities	1,348,554,338	318,944,115	668,388,826	87,160,599	-	89,805,268	2,512,853,146	2,181,110,212
Capital Expenditures							16,216,565	13,977,044
Depreciation and Amortization							8,909,010	7,800,586

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	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Gross revenue	105,197,924	109,377,649	11,050,971	10,395,537	116,248,895	119,773,186
Total assets	2,488,822,276	2,250,968,953	326,696,274	243,660,045	2,815,518,550	2,494,628,998
Capital expenditures	13,725,756	13,006,773	2,490,809	970,271	16,216,565	13,977,044

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

40. 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 12% 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 12%, which is considered by the Bank.

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

The Bank complies with Article (41) of the Banks Law, which requires adherence to the limits set by the Central Bank of Jordan relating to 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. Method of achieving capital management objectives

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

d. 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:

	December 31, 2016
	(In thousand JD)
Primary Capital for Ordinary Shareholders CET 1	287,676
Regulatory adjustments (deductions from the primary capital for ordinary shareholders' equity CET 1)	(41,217)
Additional capital	-
Supplementary capital	14,989
Total Regulatory Capital	261,448
Total Risk-Weighted Assets	**1,961,446**
Primary Capital Adequacy Ratio (CET 1) (%)	**12.57**
Regulatory Capital Adequacy Ratio (%)	**13.33**

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

The following is the capital adequacy ratio which as has been calculated according to the instructions of Basel II as of December 31, 2015 based on Basel Committee resolutions.

	December 31, 2015
	(In thousand JD)
Primary capital items	
Subscribed and paid-up capital	175,000
Statutory reserve	51,197
Voluntary reserve	33,486
Other reserves	2,294
Retained earnings	21,145
Less:	
Deferred provisions under the Central Bank's approval	(2,699)
Deferred tax assets and other intangible assets	(7,566)
Investment in insurance companies and unconsolidated financial institutions	(1,603)
Total Primary Capital	271,254
Supplementary Capital Items:	
General banking risks reserve	11,693
Fair value reserve	541
Less:	
Investments in insurance companies and unconsolidated	13
financial institutions	13
Total Supplementary Capital	10,631
Total Regulatory Capital	281,885
Total Risk-Weighted Assets	1,730,762
Regulatory Capital Adequacy Ratio (%)	16.29
Primary Capital Adequacy Ratio (%) *	15.67

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

41. Assets and liabilities Maturity Analysis:

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

December 31, 2016	Up to One Year	More than One Year	Total
Assets:	JD	JD	JD
Cash and balances at central banks	193,764,651	8,224,400	201,989,051
Balances at banks and financial institutions	185,788,643	-	185,788,643
Deposits at banks and financial institutions	10,037,793	-	10,037,793
Financial assets at fair value through profit or loss	968,373	-	968,373
Direct credit facilities - net	503,723,237	943,513,365	1,447,236,602
Financial assets at fair value through other comprehensive income	29,011,930	-	29,011,930
Financial assets measured at amortized cost	288,171,855	466,638,100	754,809,955
Investments in associates and unconsolidated subsidiary companies	-	5,106,980	5,106,980
Properties, equipment and projects under construction - net	-	46,831,590	46,831,590
Intangible assets - net	-	21,141,035	21,141,035
Other assets	-	106,377,371	106,377,371
Deferred tax assets	-	6,219,227	6,219,227
Total Assets	1,211,466,482	1,604,052,068	2,815,518,550
Liabilities:			
Banks and financial institutions deposits	57,353,655	-	57,353,655
Customers deposits	1,837,642,736	229,652,023	2,067,294,759
Cash margins	74,855,362	181,027,769	255,883,131
Borrowed funds	18,840,478	69,679,555	88,520,033
Various provisions	3,392,889	-	3,392,889
Provision for income tax	926,721	-	926,721
Deferred tax liabilities	-	1,002,584	1,002,584
Other liabilities	-	38,479,374	38,479,374
Total Liabilities	1,993,011,841	519,841,305	2,512,853,146
Net	(781,545,359)	1,084,210,763	302,665,404

December 31, 2015	Up to One Year	More than One Year	Total
Assets:	JD	JD	JD
Cash and balances at central banks	280,387,087	7,444,500	287,831,587
Balances at banks and financial institutions	151,996,498	-	151,996,498
Deposits at banks and financial institutions	14,647,510	-	14,647,510
Financial assets at fair value through profit or loss	465,972	-	465,972
Direct credit facilities - net	470,964,533	756,358,568	1,227,323,101
Financial assets at fair value through other comprehensive income	27,841,330	-	27,841,330
Financial assets measured at amortized cost	175,484,129	426,373,819	601,857,948
Investments in associates and unconsolidated subsidiary companies	-	5,219,798	5,219,798
Properties, equipment and projects under construction - net	-	59,745,149	59,745,149
Intangible assets - net	-	1,428,562	1,428,562
Other assets	-	110,133,567	110,133,567
Deferred tax assets	-	6,137,976	6,137,976
Total Assets	1,121,787,059	1,372,841,939	2,494,628,998
Liabilities:			
Banks and financial institutions deposits	30,631,530	-	30,631,530
Customers deposits	1,548,999,460	233,223,265	1,782,222,725
Cash margins	102,622,500	176,574,817	279,197,317
Borrowed funds	19,274,121	26,290,443	45,564,564
Various provisions	3,663,206	-	3,663,206
Provision for income tax	7,557,618	-	7,557,618
Deferred tax liabilities	-	1,058,399	1,058,399
Other liabilities	-	31,214,853	31,214,853
Total Liabilities	1,712,748,435	468,361,777	2,181,110,212
Net	(590,961,376)	904,480,162	313,518,786

42. Accounts Managed on Behalf of Customers

	December 31,	
	2016	2015
	JD	JD
Accounts managed on behalf of customers*	19,954,122	10,178,656

* This item represents accounts with no guaranteed capital managed on behalf of customers. These accounts do not appear within the assets and liabilities of the Bank in the consolidated statement of financial position.

43. Commitments and Contingent Liabilities

a. Commitments and contingent liabilities

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Letters of credit:		
Letters of credit - outgoing	91,392,693	39,774,771
Letters of credit-incoming	109,162,798	113,630,565
Acceptances	55,150,734	55,077,407
Letters of guarantee:		
- Payments	110,086,167	109,491,621
- Performance bonds	69,249,069	66,463,924
- Other	35,993,985	25,583,467
Unutilized direct credit facilities	139,061,512	138,977,083
Total	610,096,958	548,998,838

44. Lawsuits against the Bank

The lawsuits filed against the Bank amounted to JD 5,606,615 as of December 31, 2016 (JD 11,842,721 as of December 31, 2015). In the opinion of the Bank's management and its legal advisors, no liabilities exceeding the provision of JD 216,160 as of December 31, 2016 are expected to arise.

45. 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):

Financial Assets	Fair Value December 31, 2016	Fair Value December 31, 2015	Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss:						
Companies Stocks	968,373	465,972	Level 1	Quoted Shares	Not Applicable	Not Applicable
	968,373	**465,972**				
Financial assets at fair value through other comprehensive income:						
Quoted Shares	12,303,548	11,935,225	Level 1	Quoted Shares	Not Applicable	Not Applicable
Mutual Fund	4,867,994	4,111,491	Level 2	The fund manager's evaluation of the fair value	Not Applicable	Not Applicable
Unquoted Shares	11,840,388	11,794,614	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	29,011,930	**27,841,330**				
Total Financial Assets at Fair Value	**29,980,303**	**28,307,302**				

There were no transfers between Level 1 and level 2 during the year ended December 31, 2016 and 2015.

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:

	December 31, 2016		December 31, 2015		
Financial Assets not Calculated at Fair Value	Book Value	Fair Value	Book Value	Fair Value	Fair Value Hierarchy
	JD	JD	JD	JD	
Deposits at central banks	15,261,385	15,262,590	122,244,500	122,247,171	
Balances and deposits at banks and financial institutions	195,826,436	195,961,063	166,644,008	166,774,884	Level 2
Direct credit facilities at amortized cost	1,447,236,602	1,449,821,971	1,227,323,101	1,228,664,901	Level 2
Other financial assets at amortized cost	754,809,955	761,548,541	601,857,948	607,862,634	Level 2
Foreclosed assets against debts	75,495,083	65,696,413	81,214,668	72,339,431	Level 1 & 2
Total Financial Assets not Calculated at Fair Value	**2,488,629,461**	**2,488,290,578**	**2,199,284,225**	**2,197,889,021**	
Financial Liabilities not Calculated at Fair Value					
Banks and financial institutions deposits	57,353,655	57,421,102	30,631,530	30,686,845	Level 2
Customer deposits	2,067,294,759	2,072,801,518	1,782,222,725	1,787,165,292	Level 2
Cash margin	255,883,131	255,911,686	279,197,317	279,199,702	Level 2
Borrowed funds	88,520,033	88,749,342	45,564,564	45,606,940	Level 2
Total Financial Liabilities not Calculated at Fair Value	**2,469,051,578**	**2,474,883,648**	**2,137,616,136**	**2,142,658,779**	

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.

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

46.a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative
- Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

46. b. New and revised IFRSs in issue but not yet effective and not early adopted

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

New and revised IFRSs	**Effective for annual periods beginning on or after**
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018, the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017
Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealized losses	January 1, 2017

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	January 1, 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions	January 1, 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas: • **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. • **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised • **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	January 1, 2018
Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 15 *Revenue from Contracts with Customers* In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	January 1, 2018
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Banks's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Bank in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Bank's consolidated financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Bank's consolidated financial statements for the annual period beginning 1 January 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Bank's consolidated financial statements in respect of revenue from contracts with customers and the Bank's consolidated financial assets and financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Bank's consolidated financial statements in respect of its leases. However, it's not a practical to provide a reasonable estimated regarding the claims of Applying the standard till the Bank make a review regarding this matter.

47. Subsequent Events

According to the decision of the Board of Directors in their meeting No. (3/2017) held on February 23, 2017, the consolidated financial statements have been approved and were subject to the approval of the Central Bank of Jordan. On April 12, 2017, The approval of the Central Bank of Jordan was received after adjusting the following notes in the consolidated financial statements:

1- Note (6) Which related to the deposits at banks and financial institutions.
2- Note (18) Which related to the borrowed funds.
3- Note (36) Which related to the related party balances and transactions.
4- Note (40-d) Which related to the adequacy of capital.