

# 1984

Board of Directors' Report  
for the year ending 31.12.1984



*A public shareholding company established by special decree*

## **11th Annual Report**

### **General Management & Main Branch**

P.O.Box 7693

Amman - JORDAN

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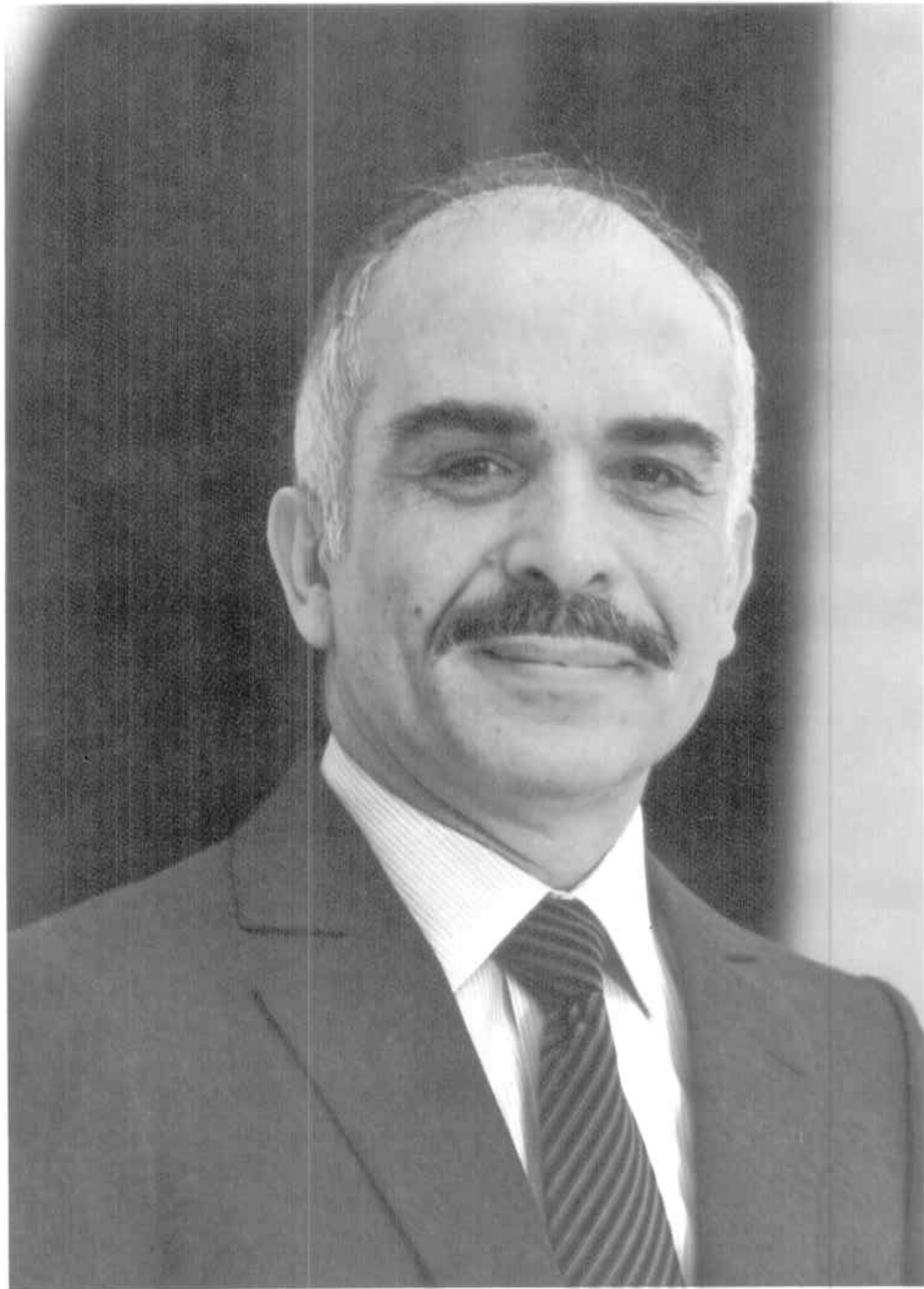


بنك الإسكان  
THE HOUSING BANK

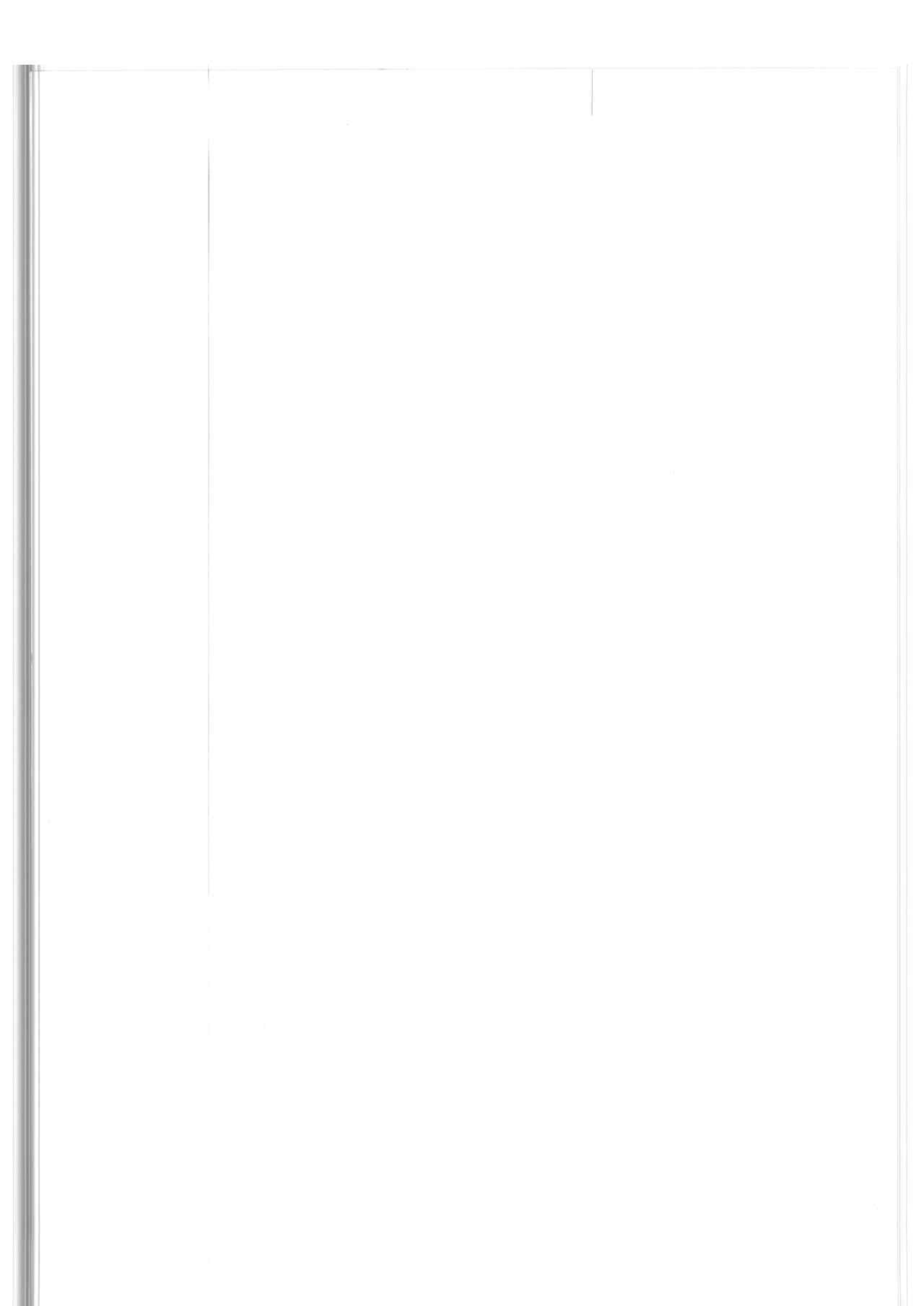
بنك الإسكان - مؤسسة حكومية مسجلة في السجل التجاري رقم 15099 لسنة 1997

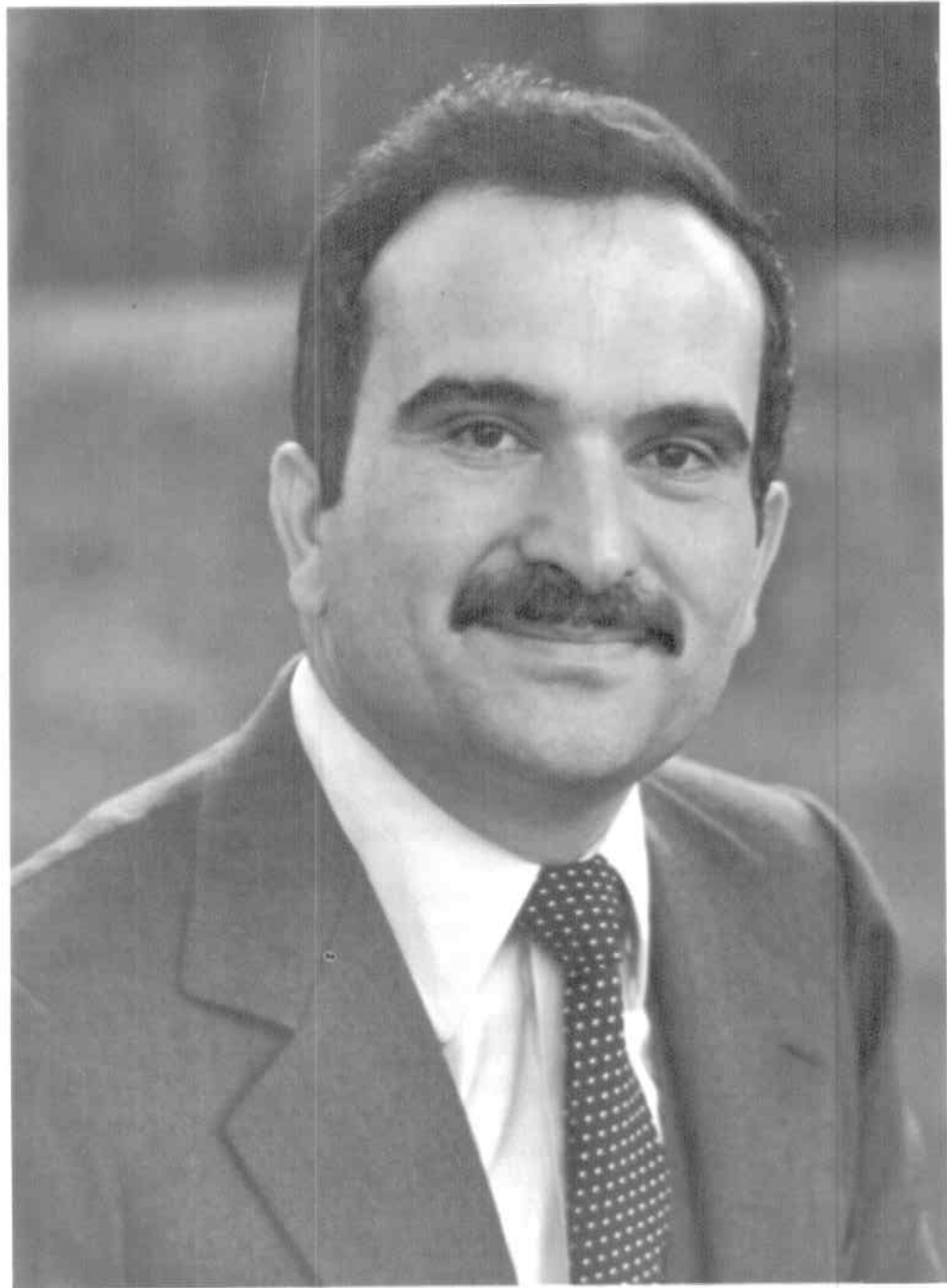
## 11th Annual Report

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His Majesty King Hussein





His Royal Highness Crown Prince Hassan

## Board Of Directors

**Mr. Zuhair Khouri,**

Chairman and Director General

**Mr. Yusif Al Rifa'i**

(Vice Chairman) Representative of Kuwait Real Estate Investment Consortium, on behalf of Kuwait Ministry of Finance.

### Representatives of Ordinary and Special Shareholders

**Mr. Shafiq Zawaideh<sup>(1)</sup>**

General Manager of The Housing Corporation

**Mr. Abdul Ghani Jardaneh**

Representative of The Ministry of Finance-Jordan.

**Mr. Abdul Kader Al Kady**

Representative of The Ministry of Finance and Petroleum - Government of Qatar

**Mr. Fawaz Zo'bi**

Representative of The Central Bank of Jordan.

### Representatives of Preferred Shareholders

**Mr. Abdul Mohsin Kattan**

Chairman of Al-Mal Group, London.

**Mr. Ibrahim Al Ibrahim**

Chairman of Arab African International Bank.

**Mr. Jawdat Shasha'a**

Chairman of Jordan Insurance Company.

**H. E. Burhan Kamal**

Director of Jordan Cigarettes and Tobacco Co.

**Mr. Munther Fahoum**

Assistant General Manager, Arab Bank Ltd.

**Auditors: SABA AND Co**

(1) H.E. Mr. Hamdalla Nabulsi Joined the Cabinet as Minister of Municipal, Rural Affairs, and Environment. Subsequently Mr. Shafiq Zawaideh replaced him on 1.2.1984.



Bank Headquarters and Main Branch



## Chairman's Message

I have pleasure to present to you the Board of Directors' 11th Annual Report about the Bank's activities and accomplishments during 1984; starting the second decade of the Bank's continuous perseverance work by expanding and diversifying its banking services on one hand, and up-grading its performance on the other. The Bank successfully continued to achieve more accomplishments and balanced growth in all its various activities. We are proud today that the Bank played a vital role in tackling and softening the housing problem in the Kingdom. The Bank gave a model of housing finance that could be adopted by Arab and developing countries as well. The Bank, with your support and confidence, ranks the first in the Jordanian banking sector in terms of number of domestically operating branches, and second in respect to total volume of deposits, besides it is the largest specialised credit institution in Jordan.

The Bank occupied its distinguished position among Arab and International financial circles. It is worth mentioning here, that the Bank was distinct among the first top 100 Arab Banks in the World in terms of performance in 1983. The Banker, a magazine published by the Financial Times Corporation scrutinised the results of Arab Banks and institutions in the world, and ranked the first 100 top of them.

On the same criteria and standards the bank ranks 64 in terms of capital and reserves, 75 in terms of total assets and 76 in respect to volume of deposits.

In spite of the recession which the area witnessed and affected Jordan in 1984, the Bank continued achieving more accomplishments and growth for the eleventh consecutive year.

By reviewing the balance sheet of 1984, you will notice that assets increased from JD 292.8 million as at the end of 1983 to JD 342.8 million at end of 1984, an increment of JD 50 million or 17%. The balance of deposits and savings jumped from JD 211.8 million as at end of 1983 to reach JD 246.2 million at end of 1984, an increment of JD 34.4 million or 16%. The balance of loans and credit facilities increased by JD 48.6 million, from JD 197.8 million as at end of 1983 to JD 246.4 million at end of this year.

The net profit increased from JD 2.2 million as at end of 1983 to JD 2.45 million this year, an increment of JD 0.25 million or 11%.

The Board of Directors wishes to draw your kind attention to the fact that the revenues of the Bank in 1984 were charged by expenditures of establishing and operating six new branches, and as you are well aware, the costs of establishment and operation of new branches far exceed their revenues during the first three years.

Block (A) of the Commercial Centre started operation in the beginning of 1984. The Centre started to generate fixed revenues to enhance and increase Bank's other revenues and profits from its various activities.

Moreover, 1984 witnessed the entrance of the Bank into the international banking community, through the participation of the Bank in the establishment of Jordan Finance Consortium PLC (JFC), London. The Bank covered 15% of the JFC's capital amounting to £20 million. The Consortium objectives include practising all various banking services and financing trade exchange, syndicated international loans, especially where Jordan is a partner in such transactions.

On the other hand, the Bank is proud of its leading national role in enhancing and financing the social and economic development plan. The Bank's huge investments in equity shareholdings in companies that operate development projects, granting loans to individuals, public and private corporations, at relatively low interest rates, is a clear proof of that role, while the Bank is fully aware of the effect of that role on its profitability.

In the light of results of operation, the Board of Directors recommends distributing a dividend at the rate of 10% of the par value of the preferred and special shares, and transferring the remaining balance of net profit to various reserves, raising reserves balance from JD 10.7 million as at end of 1983 to JD 11.9 million, an increment of JD 1.2 million or 11%. Thus the total of reserves would come almost equal to the paid-up capital.

The Board of Directors seizes this opportunity to express its sincere thanks and appreciation to the Government of the Hashemite Kingdom of Jordan and its institutions, especially the Central Bank of Jordan who continued to guide and direct the Jordanian banking system institutions towards mobilization of more national savings to be recycled in development projects.

The Board of Directors extends thanks to the Bank's staff rank and file, for their relentless efforts to achieve Bank's goals, enhance performance and render better services to clients inside and outside Jordan.

The Board hopes to continue enjoying your support and confidence and assures you that it will adhere to the Bank's objectives to mobilise more savings to provide decent housing and participate in financing various development projects.

May God guide us in serving this Country under the wise leadership of His Majesty King Hussein and his beloved Crown Prince.



**Zuhair Khouri**  
Chairman of the Board

## The Bank's Accomplishment And Development During 1984

### Capital and Reserves

The Bank's capital did not change this year, while various reserves grew largely during latest years to hit JD 11.9 million at the end of 1984, rising to 99% of paid-up capital. It is worth mentioning that Bank's capital and reserves at end of 1984 form about 19% of gross capital and reserves of all other banks in Jordan.

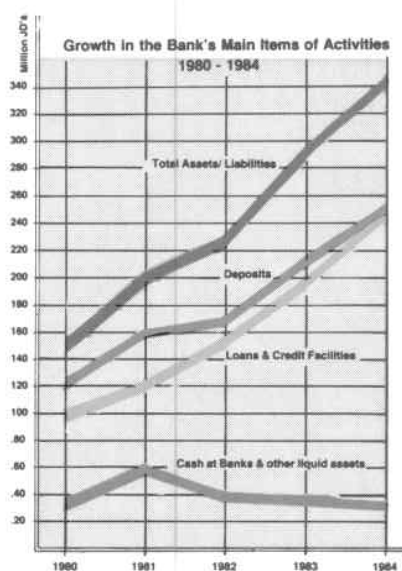
This increase in Bank's reserves was a manifestation of a careful policy of augmenting various reserves to internally finance expansion of Bank's services, strengthen its financial position and reinforce its customers' confidence.

Table (1) shows growth in the Bank's main items of activities during the period 1980 - 1984.

Table (1)  
Growth in the Bank's Main Items of activities  
1980 - 1984

JD million

Item \ Year	1980	1981	1982	1983	1984
Cash at Banks & other liquid assets	38.3	61.1	42.5	39.3	37.2
Loans & Credit Facilities <sup>(1)</sup>	102.9	123.8	155.7	197.8	246.4
Equity Shareholdings	3.6	5.4	10	13	15.6
Real Estate Investments <sup>(2)</sup>	5.8	8.3	13.6	17.17	21.3
Deposits	122.6	159.8	168.5	211.8	246.2
Capital & Reserves	17.7	19.6	21.7	22.7	23.9
Net Profit	2.7	3.1	3.3	2.2	2.45
<b>Total Assets/ Liabilities</b>	<b>153.8</b>	<b>202.9</b>	<b>228.6</b>	<b>292.8</b>	<b>342.8</b>



(1) Includes funds channeled from the Central Bank of Jordan to the Housing Corporation.

(2) Increment during 1984 was due to payment of dues to contractors especially the Commercial Centre Contract and not of new investments in real estate projects.

## Deposits

Despite the recession and events which prevail in the area on one hand, and the acute competition with the other banks and financial institutions on the other, the Bank continued successfully to mobilise more savings and deposits. As usual, the Bank still pays special attention to mobilise individual small savings because they are more stable and, enable the Bank to recycle the recruited funds in its various activities. In application of its policy to encourage and attract deposits, the Bank started during 1984 to offer savings accounts more incentives: the number of monthly lottery prizes increased from 920 to 1330 prizes, and amount of monthly prizes increased from JD 25,000 to JD 30,000; the amount of the top prize was raised from 3000 to JD 5000.

Moreover, the Bank started during this year to issue Certificates of Deposits (CDs) to individuals and institutions.

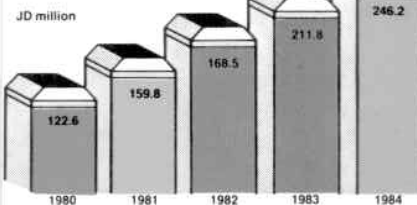
It is worth mentioning here, that the balances of savings deposits at the end of 1984 comprised 68% of all savings deposits at all other banks combined, against 61.5% as at the end of 1983; and the rate of growth of deposits is still high when compared to the rate of growth of deposits at the banking system in Jordan. Table (2) shows growth rates in balances of deposits at the Housing Bank (HB) compared to those of all other Banks combined during last (5) years.

Table (2)  
Deposits at the HB Compared to Deposits at the Banking System.

JD million

Item	Total Deposits				Savings Deposits			
	The Housing Bank (HB)		Banking System		The Housing Bank (HB)		Banking System	
	Year	Balance	Rate of Growth	Balance	Rate of Growth	Balance	Rate of Growth	Balance
1980	122.6	42%	685.9	35%	39.7	36%	89.4	12%
1981	159.8	30%	817.8	19%	55.7	40%	105.4	18%
1982	168.5	5%	1001	22%	64.4	16%	124	18%
1983	211.8	26%	1186	18%	82.2	28%	133.7	8%
1984	246.2	16%	1356.9	14%	94.9	15%	140.2	5%

Development of Deposits during last five Years



## Loans and Credit Facilities

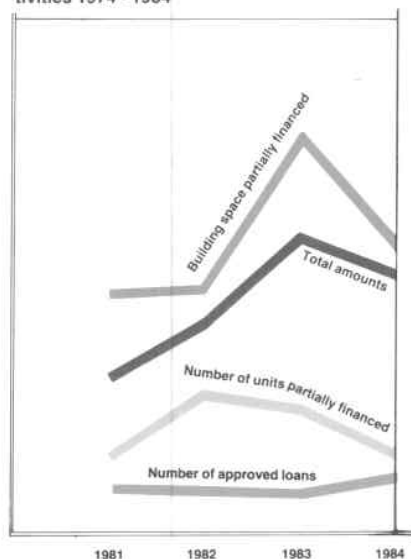
During 1984 the Bank continued to apply its steady policy to offer medium and long-term finance for housing to individuals and corporations. The Bank pays more attention to finance housing needs of limited income and other groups to provide adequate and decent housing for all citizens in easy terms and as less costly as possible. The Bank continued during 1984 financing the housing sector in particular and other related activities in general. Table (3) shows the development of the Bank's activities in lending during 1974 - 1984.

Table (3)  
General Indicators of the Bank's Lending Activities During 1974 - 1984

JD million

Items / Year	1974 - 1980*	1981	1982	1983	1984	Total
Housing Loans	128.96	34.21	39.53	42.92	43.8	289.4
Development loans	6.10	4.4	5.28	3.2	13.1	32.1
Credit Facilities**	28.70	9.00	19.14	44.60	23.10	124.50
Number of approved loans	16795	2706	2604	2341	3173	27619
Number of units partially financed	30818	4466	8455	7602	4905	56246
Building space partially financed (000, Sq.m)	3900	658	666	1112	769	7501
% of space partially financed by the Bank of total licensed space in the Kingdom***	47%	27%	21%	37%	26%	36%

General Indicators of the Bank's Lending Activities 1974 - 1984



The Bank started this year a new lending program consisting of short-term loans dedicated to the purposes of home maintenance and improvements. It is expected that this program will be highly accepted by citizens. This new program denotes a new trend in handling and meeting the housing needs of limited income groups on a larger scale, than before.

\* accumulative

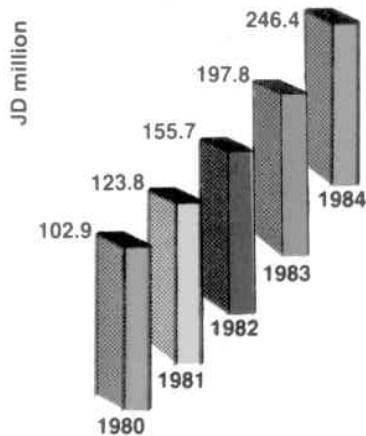
\*\* including new and renewed lines of credit.

\*\*\* according to figures in the monthly Statistical Bulletin of the Central Bank of Jordan, December 1984.

## Loan Repayments

It is noteworthy that the Bank granted this year Government guaranteed loans and credit facilities of about JD 11.4 million to numerous companies and public institutions, thus the total of government-guaranteed loans and credit facilities granted by the Bank since establishment until the end of 1984 is about JD 123 million. Furthermore, during 1984, the Bank participated in managing and subscribing in a number of syndicated loans. The Bank's participation in the syndicated loans sanctioned during 1984 totalled JD 7.6 million. These loans were granted to some companies, institutions and corporations to finance a number of housing and development projects.

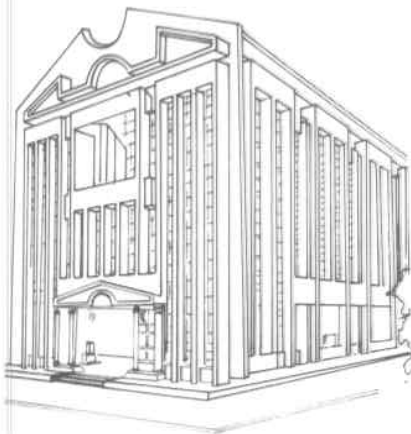
Development of Loan Balances during Last five years



The outstanding balance of loans and credit facilities at the end of 1984 was JD 246.4 million compared to JD 197.8 million at the end of 1983, an increase of JD 48.6 million or 25%.

The amount of installments that fell due during 1984 was about JD 39.4 million, which has been almost repaid in full. The Bank is proud that its loan portfolio does not contain any doubtful loans which demonstrates a proof of the successful and sound lending policies, the accuracy of lending procedures and the efficiency of its loan collection system.

## Financial and Real Estate Investments



The Bank's Building at Wadi Al-Seir

### A. Financial Investments

The Bank invested, during 1984, some of its resources in equity shareholding in a number of companies and institutions. Equity shareholdings in 1984 amounted to about JD 3.1 million, thus the total investments in equity shareholdings by the end of 1984 amounts to JD 17.7 million, out of which JD 15.6 million has already been paid. On the other hand, the Bank increased its contribution in public development financing by increasing its bonds portfolio from JD 6.4 million in 1983 to JD 7.9 million at the end of 1984.

### B. Real Estate Investments

#### 1. The Housing Bank Centre-Amman

Work in block (A) of the centre, in Shmeisani, has been completed and handed over. Total building area is 45000 Sq.m of which 29000 Sq.m are office spaces and 4723 Sq.m for stores and shops.

Due to its distinguished location in business area, vicinity to numerous institutions and departments, availability of modern integrated facilities, most of the office spaces and stores were easily let. Now, the Centre includes the main offices of Alia (Royal Jordanian Airlines), Amman Financial Market, offices of



brokers in the market, a branch of the Housing Bank, besides other institutions of various activities. Plans to attract other services and occupations to the centre are being worked out.

Meanwhile, construction works in Block (B) of the Centre which includes a five-star hotel (Amman Plaza Hotel) have been handed over. The Hotel consists of 295 rooms in addition to 25 suites furnished and equipped for VIPs and high ranking businessmen. Internal works are still in progress in the Hotel and are expected to be finished in the second half of 1985. The Hotel will be the most magnificent in Amman and a landmark of the touristic renaissance in Jordan with all modern facilities and services to comfort tourists and businessmen.

## 2. The Bank's Building in Wadi Al-Seir

The work in the Bank's building in Wadi Al-Seir, at the eighth circle in Amman, is still in progress. The total building area is 7600 Sq.m. The building is due to be handed over in mid 1985.



#### **Other Services**

The Bank continued its policy of offering new services to the public. In 1984, the Bank concentrated on accepting water, electricity and telephone bills to be paid by the public through the wide network of the Bank's branches all over the country. These services have met the public's satisfaction and convenience, as this procedure cut short time and effort of the payers which by result stimulated the early settlement of these bills to the concerned agencies.

#### **Bank's Various Activities**

The Bank continued its expansion policy and opened six new branches during 1984 in urban and rural areas carrying the bank services to those areas which benefited from the services of the new branches, particularly the areas which were not enjoying any bank services before.

Thus the total network of the Bank's branches in the Kingdom came up to 71, or 39% of total branches of all other banks in the Kingdom. It is noteworthy that in spite of opening and operating new 19 branches during the last five years, the increase which occurred in the volume of work and work diversification, the number of employees hardly increased. The number of employees at the end of 1984 was 1024 compared to 1014 at the end of 1982. This phenomenon could be interpreted by the increased efficiency, training and automation to which the management is giving continuous attention and priority.



## Staff Training

With the expansion of the Bank's activities, increasing number of its branches, and the diversification of services, training Bank's staff keeps to be one of the major concerns and priorities. Human resources development is considered as an investment in the most precious asset, being employees and the staff. To this effect, the Bank-based Training Centre expanded its activities during this year and sponsored various training courses inside and outside Jordan. 662 employees from various sections and managerial levels attended these courses.

The Training Centre arranged and sponsored 37 training courses which covered various fields of banking operations including: deposits, loans, accounting, credit facilities, financial analysis, transfers, documentary credits, public relations, computer and data processing, microcomputers, archives, opening of new accounts and tellers. These courses were attended by 575 employees from various sections and managerial levels.

With cooperation of specialised training institutions in Jordan, several training courses were held during 1984 and covered various fields, including: portfolio management, internal auditing, cash-flow management, operating capital, management by objectives, financial analysis, insurance, orientation of branch managers, accounting for non-accountants, purchase and inventory management, shareholders' affairs and planning for branch managers. These courses were attended by 70 employees.

The Bank also assigned 17 employees to attend training courses abroad; these included:

Bonds Secondary markets, auditing and financial control, concepts of modern management of personnel, uses of computers in management, financial planning and budgeting, recent trends of management to leaders, planning and follow-up and modern management and supervision.

In addition to the above the centre arranged and sponsored 35 short seminars during 1984, attended by 525 employees from various managerial levels.

Table (4) shows Training Development of Bank's employees during 1981 - 1984.

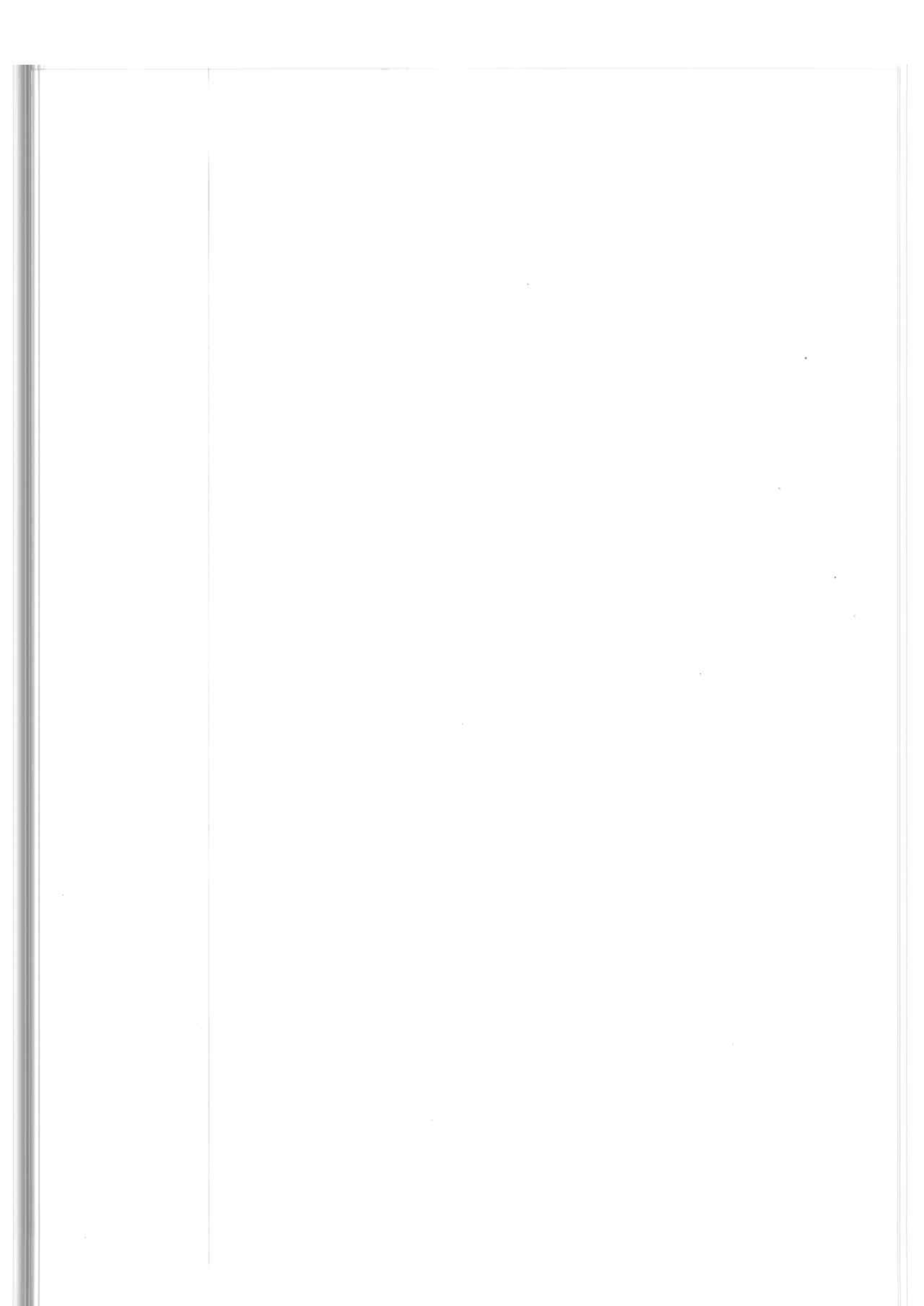


Table (4)  
**Training Development of Bank's employees during 1981 - 1984**

Item /Year	1981 Number of Participants	1982 Number of Participants	1983 Number of Participants	1984 Number of Participants	Total
Training Programs held at the Bank	180	156	308	575	1219
Training Programs held with cooperation of local specialized Centres	216	82	19	70	387
Training courses held in Arab and Foreign countries	10	22	23	17	72
Short Seminars	-	-	-	525	525
<b>Total</b>	<b>406</b>	<b>260</b>	<b>350</b>	<b>1187</b>	<b>2203</b>

The above figures clearly show the extent of the Bank's concern in training its staff. It is obviously noted that the number of participants in the training courses increases annually. During the last three years the Bank sponsored 1797 training opportunities to its staff whose average number during this period was 909, thus some employees enjoyed more than one training opportunity.





# Auditors Report

To the Shareholders of The Housing Bank  
Amman - Jordan

We have examined the balance sheet of THE HOUSING BANK (A public shareholding company established by special decree) as of December 31, 1984 and 1983 and the related statements of income and changes in financial position for the years then ended. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Bank maintains proper books of account and the accompanying financial statements are in agreement therewith.

In our opinion the accompanying financial statements present fairly the financial position of the Housing Bank as of December 31, 1984 and 1983 and the results of its operations and changes in its financial position for the years then ended, in conformity with the Law and with generally accepted accounting principles applied on a consistent basis.

**SABA & CO**

Amman - Jordan  
February 1985

**Balance Sheet As Of De**

<b>ASSETS</b>	December 31	
	1984 JD	1983 JD
Cash on hand and at banks (Note 2)	37,246,628	39,304,714
Bonds (Note 3 & 9)	7,910,800	6,440,800
Portfolio investments	3,399,073	9,599,020
Loans and facilities	246,386,302	197,836,804
Bills discounted	753,653	179,801
Other assets (Note 4)	5,111,835	5,161,169
<b>Investments:</b>		
Equity investments (Note 5)	15,616,870	13,018,578
Commercial center-Shmeisani (Note 6)	21,228,298	17,167,605
Fixed assets less accumulated depreciation (Note 7)	5,139,553	4,084,496
<b>Total Assets</b>	<b>342,793,012</b>	<b>292,792,987</b>
<b>CONTRA ACCOUNTS</b>		
Unutilized amounts of approved loans	18,795,860	11,374,858
Liabilities of customers for guarantees	24,961,219	22,072,383
Liabilities of customers for documentary credits	6,742,918	2,357,366
Other contra accounts (Note 13)	2,148,095	786,785
	<b>52,648,092</b>	<b>36,591,392</b>

The accompanying notes constitute an Integral part of these statements and must be read herewith.

**December 31, 1984, 1983**

**EXHIBIT (A)**

<b>LIABILITIES</b>	<b>December 31</b>	
	<b>1984 JD</b>	<b>1983 JD</b>
Current accounts	34,144,845	32,778,772
Savings, at notice and fixed deposit accounts (Note 8)	212,101,465	179,058,875
Advances from the Central Bank of Jordan (Note 9)	60,103,945	48,113,486
Other liabilities (Note 10)	12,508,219	10,145,344
<b>Total Liabilities</b>	<b>318,858,474</b>	<b>270,096,477</b>
<b>SHAREHOLDERS' EQUITY</b>		
Authorised capital- 18,000,000 shares of JD 1 each (Note 11)	18,000,000	18,000,000
Subscribed and paid-up capital (Note 11)	12,000,000	12,000,000
Statutory reserve	2,517,745	2,272,490
Special reserve (Note 12)	9,416,793	8,424,020
<b>Total Shareholders' Equity</b>	<b>23,934,538</b>	<b>22,696,510</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>342,793,012</b>	<b>292,792,987</b>
<b>CONTRA ACCOUNTS</b>		
Liabilities on unutilized amount of approved loans	18,795,860	11,374,858
Bank's liabilities for guarantees	24,961,219	22,072,383
Bank's liabilities for documentary credits	6,742,918	2,357,366
Other contra accounts (Note 13)	2,148,095	786,785
	<b>52,648,092</b>	<b>36,591,392</b>

Yusif Al Rifai  
**Vice Chairman**

Zuhair Khouri  
**Chairman**

**Statement Of Income And Expenses For The Years  
Ended December 31, 1984, 1983**

EXHIBIT (B)

Income:	1984 JD	1983 JD
Interest from loans and credit facilities	19,406,572	15,450,744
Interest from deposits in banks	3,044,624	3,071,876
Income from investment (Note 14)	1,525,846	1,092,194
Income from real estate investment (Note 15)	1,505,392	89,694
Other income	322,388	736,149
<b>Total Income</b>	<b>25,804,822</b>	<b>20,440,657</b>
<b>Expenses:</b>		
Interest paid (Note 16)	16,024,355	12,604,692
Salaries and other employee benefits	3,878,298	3,585,225
Investment expenses	581,871	--
Depreciation of fixed assets	490,628	338,447
Amortization of establishment costs	199,880	105,035
General & administrative expenses (Note 17)	2,177,239	1,593,216
<b>Total Expenses</b>	<b>23,352,271</b>	<b>18,226,615</b>
<b>Net Income Available for Appropriation</b>	<b>2,452,551</b>	<b>2,214,042</b>
<b>Appropriation:</b>		
Statutory (10 percent)	245,255	221,404
Special reserve (Note 12)	500,000	382,000
Provision for doubtful debts (Note 12)	492,773	395,674
Board of Directors' remuneration	8,250	8,250
Contribution to Housing Bank employees children education fund	6,273	6,714
Contribution to scientific research institutions	100,000	100,000
Dividends proposed (at the rate of 10 percent on preference and special shares)	1,100,000	1,100,000
<b>Total</b>	<b>2,452,551</b>	<b>2,214,042</b>

The Accompanying Notes Constitute An Integral Part and Must Be Read.

# Statement Of Changes In Financial Position

For The Years Ended  
December 31, 1984, 1983

EXHIBIT (C)

	1984 JD	1983 JD
<b>Funds provided:</b>		
Net income	2,452,551	2,214,042
Add: Depreciation and amortization	690,508	443,482
Funds provided from operations	<u>3,143,059</u>	<u>2,657,524</u>
Increase (decrease) in:		
Current accounts	1,366,073	9,701,092
Savings at notice and fixed deposit accounts	33,042,590	33,642,656
Advances from the Central bank of Jordan	11,990,459	18,388,486
Others	<u>2,248,352</u>	<u>1,296,632</u>
<b>Total Funds Provided</b>	<b>51,790,533</b>	<b>65,686,390</b>
<b>Funds Applied:</b>		
Increase (decrease) in:		
Cash on hand and at banks	(2,058,086)	3,000,907
Treasury bills and other bonds	1,470,000	3,755,000
Portfolio investments	(6,199,947)	6,525,681
Loans and facilities	48,549,498	42,106,261
Bills discounted	573,852	103,376
Equity investments	2,598,292	3,058,453
Commercial center-Shmeisani	4,173,130	3,605,953
Fixed assests-net	1,433,248	1,192,119
Dividends Proposed	1,100,000	1,100,000
Others	150,546	1,238,604
<b>Total Funds Applied</b>	<b>51,790,533</b>	<b>65,686,390</b>



## Notes To Financial Statements

### 1. Accounting Policies

- a. The accompanying financial statements represent the combined financial statements of branches in Jordan, where interbranch transactions have been eliminated.
- b. Equity long term investments are stated at cost while the current portfolio investments are stated at the lower of cost or market.
- c. Fixed assets are stated at cost after deducting accumulated depreciation. The charge for depreciation is computed according to the straight line method, at the following annual rates:
- |                        |     |
|------------------------|-----|
| Buildings              | 3%  |
| Fixtures               | 8%  |
| Computer               | 14% |
| Furniture              | 15% |
| Vehicles and equipment | 20% |
- d. In the accompanying balance sheet foreign currencies have been translated to Jordanian Dinars at the rates prevailing at year end.

### 2. Cash on hand and at banks

This item represents cash on hand and at banks in current, at notice and fixed deposit accounts.

### 3. Bonds

This item is made up as follows:

	December 31,	
	1984 JD	1983 JD
Development bonds & Treasury bills	3,405,000	2,320,000
Touristic Hotels and Rest-houses Corporation bonds	1,000,000	1,000,000
Jordan Cement Factories bonds	1,020,000	1,085,000
Alia-The Royal Jordanian Airlines bonds	1,083,300	1,083,300
Jordan Glass Industries' Co. Ltd. bonds	450,000	450,000
Jordan Fertilizer Industry Co. Ltd bonds	502,500	502,500
Water & Sewerage Authority bonds	250,000	---
Arab Potash Co. bonds	200,000	---
<b>Total</b>	<b>7,910,800</b>	<b>6,440,800</b>

#### 4. Other Assets

This item comprises:

December 31

	1984 JD	1983 JD
Advances-various	85,679	295,578
Advance for furniture of Amman Plaza Hotel	534,426	1,395,132
Preliminary expenses after amortization	415,537	330,429
Other assets including interest receivable, prepaid expenses and stationery	3,046,630	1,459,874
Items in transit	1,029,563	1,680,156
<b>Total</b>	<b>5,111,835</b>	<b>5,161,169</b>

Establishment expenses of new branches incurred during 1984 have been amortized at the annual rate of 20% while for branches established before 1984, establishment expenses have been amortized at various rates.

#### 5. Equity Investments

This item is made up of the following:

- a. Investments in companies in which the Bank owns 20% or more of capital, as follows:

As of December 31,

Company	Bank's share of capital	1984 JD	1983 JD
Jordan Bricks & Tiles Manufacturing Company	95.7%	270,270	174,801
Amman Development Authority	33.3%	3,500,000	3,500,000
Jordan Holiday Inn Hotels Co.	30%	1,094,600	1,094,600
Jordan Real Estate Establishment Company	28.2%	2,229,545	2,229,545
Jordan Securities Corporation (24% for 1984 and 12% for 1983)	24%	1,414,147	813,620
<b>Total</b>		<b>8,508,562</b>	<b>7,812,566</b>
b. Investment in companies in which the Bank owns 20% or less		7,054,558	5,171,012
c. Investment in companies under establishment		53,750	35,000
<b>Total</b>		<b>15,616,870</b>	<b>13,018,578</b>

The total of unpaid equity shareholdings amounted to JD 1,283,250 as at December, 31, 1984 and JD 1,854,500 as of December 31, 1983.

## 6. Commercial Centre-Shmeisani

This item is made up of the following:

	As of December 31,	
	1984 JD	1983 JD
Land at cost	571,004	571,004
Building	7,619,211	7,619,211
Less-depreciation	112,437	---
Net-the commercial centre	7,506,774	7,619,211
Amman Plaza Hotel	9,062,077	8,977,390
Furniture and Fixture	4,088,443	---
	13,150,520	8,977,390
	<b>21,228,298</b>	<b>17,167,605</b>

The Centre was handed over and let during 1984. The civil works of the hotel have been completed, and the hotel is expected to be operational during the second half of 1985.

## 7. Fixed Assets

	December 31,	
	1984 JD	1983 JD
Land	769,206	576,502
Land and building:		
Abdali and other	3,016,990	2,115,474
Housing apartments-Shmeisani and other	478,992	389,899
Furniture and Fixtures	533,636	476,321
Equipment	1,368,132	1,252,667
Vehicles	389,349	317,463
	<b>6,556,305</b>	<b>5,128,326</b>
Less: Accumulated depreciation	1,416,752	1,043,830
<b>Total</b>	<b>5,139,553</b>	<b>4,084,496</b>

### 8. Savings, Notice and Fixed Deposit Accounts

This item consists of the following:

	December 31,	
	1984 JD	1983 JD
Savings accounts in Dinars	94,870,248	82,245,358
Notice accounts in Dinars	16,922,369	23,177,067
Fixed deposits in Dinars	60,978,644	50,269,248
Fixed deposits in foreign currencies	32,528,022	23,367,202
Certificates of deposit/sold	6,802,182	---
<b>Total</b>	<b>212,101,465</b>	<b>179,058,875</b>

### 9. Advances from the Central Bank of Jordan

This item represents advances to finance projects of the Housing Corporation through Loans guaranteed by the Government of Jordan amounting to JD 44 million in addition to syndicated loans to other banks, partially rediscounted with the Central Bank, in the amount of JD 16,103,945 at the rate of 6.25% to 7.5% p.a.

### 10. Other Liabilities

This item is made up as follows:

	December 31,	
	1984 JD	1983 JD
Dividends proposed	1,100,000	1,100,000
Board of Directors remuneration	8,250	8,250
Pensions payable to civil servants	3,221,973	2,746,011
Borrowers current accounts	10,824	34,704
Cash deposits	1,959,222	2,013,296
World Bank Loan to Finance Urban Development Project	1,976,380	854,389
Accrued interest and other credit balances	4,231,570	3,388,694
<b>Total</b>	<b>12,508,219</b>	<b>10,145,344</b>

### 11. Subscribed and paid-up Capital

This capital of the Bank is made up as follows:

Share Category	Subscribed and paid up Capital		Authorized Capital
	No. of shares	JD	JD
Ordinary Shares	1,000,000	1,000,000	1,000,000
Preference Shares	5,000,000	5,000,000	9,000,000
Special Shares	6,000,000	6,000,000	8,000,000
<b>Total</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>18,000,000</b>

Special shares are issued in accordance with the decision of the Board of Directors to parties abroad.

As of December, 31, 1984 Special shares holders include the following:

Shareholders	No. of Shares
Real Estate Investment Group-Kuwait	3,000,000
Government of Oman	1,000,000
Ministry of Finance and Petroleum - Qatar	1,000,000
External Investment Organisation-Iran	1,000,000
<b>Total</b>	<b>6,000,000</b>

### 12. Special Reserve

This item is made up as follows:

	December 31,	
	1984 JD	1983 JD
Dividends of Special shares taken to reserves	1,010,494	1,010,494
Amounts appropriated from profits	5,821,363	5,821,363
Provision for doubtful debts	2,084,936	1,592,163
Provision for decline in value of marketable shares	500,000	---
<b>Total</b>	<b>9,416,793</b>	<b>8,424,020</b>

**13. Other Contra Accounts**

This item consists of the following:

	December 31,	
	1984	1983
	JD	JD
Cheques for collection in Dinars	1,347,033	575,034
Cheques for collection in foreign currencies	249,079	98,603
Bills for collection	242,988	104,923
Other	308,995	8,225
<b>Total</b>	<b>2,148,095</b>	<b>786,785</b>

**14. Income from investment**

This item represents income generated from bonds and shares held.

**15. Income from real estate investment**

This item is made up of the following:

	December 31,	
	1984	1983
	JD	JD
Keymoney of stores in the commercial centre	605,000	---
Rents	900,392	89,694
<b>Total</b>	<b>1,505,392</b>	<b>89,694</b>

**16. Interest Paid**

This item includes the amounts of JD 332,510 as being lottery prizes on savings accounts for 1984, JD 335,095 for 1983.

**17. General and Administrative Expenses:**

The details of this item are as follows:

For the year ended December 31,

	1984	1983
	JD	JD
Printing and stationery	237,424	141,462
Rents	187,596	145,851
Provision for indemnities	164,837	219,945
Donations	80,178	20,811
Advertisement	36,395	32,475
Travel and accomodation	98,812	124,563
Vehicles	75,105	85,138
Insurance - Bank assets	13,132	7,616
Entertainment allowances	20,617	17,867
Water, electricity and fuel	192,761	112,799
PTT and telex	76,484	47,524
Maintenance and repairs	140,008	107,369
Central Bank fees	12,000	12,000
Others (Note 18)	425,347	309,265
Provision for foreign exchange fluctuations	320,442	149,854
Provision for marketable Securities	96,101	53,000
Insurance of borrowers	---	5,677
<b>Total</b>	<b>2,177,239</b>	<b>1,593,216</b>

**18. Other General and Administrative Expenses:**

The details of this item are as follows:

For the year ended December 31,		
	1984 JD	1983 JD
Employees uniforms	16,478	17,824
Subscription fees	27,801	21,225
Sundry expenses	112,818	83,901
Prior years expenses	---	27,504
Cleaning expenses	29,979	18,810
Cafeteria expenses	7,329	3,607
Computer expenses	31,400	25,774
Duties and Government taxes	130,487	11,316
Publications	10,207	7,646
Stamp fees	11,789	5,683
Water, electricity and fuel	47,059	85,975
<b>Total</b>	<b>425,347</b>	<b>309,265</b>

**19. Insurance of Borrowers**

In compliance with the decision of the Board of Director of 1975, a life insurance fund was created in order to cover risks relating to individual borrowers and members of housing co-operatives. As of 1983 the amounts available in the fund were deemed sufficient so that no further additions were made. Separate records are maintained for this fund.

(Total of funds amount to JD 1,947,625 at end of 1984)

**20. Comparison figures**

Some 1983 figures have been re-classified in order to be in line with the classification for 1984.



Table (1)  
Amounts of approved loans classified by purpose 1974 - 1984

JD million

Item	1974-1980*		1981		1982		1983		1984	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Construction	85.64	66%	19.99	59%	10.44	26%	26.50	62%	24.3	55%
B. Completion	33.62	26%	11.4	33%	25.26	64%	12.10	28%	12.8	29%
C. Expansion	2.33	2%	0.39	1%	0.13	-	0.72	2%	0.3	1%
Sub-Total A+B+C	121.59	94%	31.78	93%	35.83	90%	39.32	92%	37.4	85%
D. Purchase	7.37	6%	2.43	7%	3.7	10%	3.60	8%	6.2	14%
E. Maintenance	-	-	-	-	-	-	-	-	0.2	1%
<b>Total:</b>	<b>128.96</b>	<b>100%</b>	<b>34.21</b>	<b>100%</b>	<b>39.53</b>	<b>100%</b>	<b>42.92</b>	<b>100%</b>	<b>43.8</b>	<b>100%</b>

\* accumulative

Table (2)  
Amounts of approved loans classified by use of financed Project  
(1982-1984)

(Amounts in JD million)

Use of financed Project	Item	Number of Loans			Amount of Loans			Number of units partially financed		
		Year	1982	1983	1984	1982	1983	1984	1982	1983
Individual Housing (1)		2401	2193	2927	32,94	35,51	29,8	7242	6774	3704
Commercial Housing (2)		194	143	239	3.81	4.76	6.4	1116	826	1135
Touristic Housing (3)		2	3	1	0.21	0.58	0.1	5	1	4
Cultural Housing (4)		4	1	5	0.57	0.03	5.7	91	1	52
Industrial Housing (5)		2	1	-	1	1	-	1	-	-
Administrative Housing (6)		1	-	1	1	1.04	1.8	-	-	10
<b>Total:</b>		<b>2604</b>	<b>2341</b>	<b>3173</b>	<b>39.53</b>	<b>42.92</b>	<b>43.8</b>	<b>8455</b>	<b>7602</b>	<b>4905</b>

(1) Conventional housing

(2) Stores, offices, shops etc.

(3) Hotels, restaurants, Tourist rest-houses, etc.

(4) Educational and Scientific institutions

(5) Industrial buildings

(6) Government departments and public institutions buildings

Table (3)  
Amounts of approved loans during 1974 - 1984 classified by Governorate

(JD) million

Year Governorate	1974 - 1980*		1981		1982		1983		1984		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
Amman	Amman **	84.9	65.9%	24.2	70.8%	30.9	78.2%	23.4	54.6%	29.9	68.2%
	Zarqa	9.6	7.4%	1.1	3.2%	1.1	2.8%	0.7	1.6%	1	2.3%
	Madaba	2.7	2.1%	0.6	1.7%	0.5	1.3%	0.3	0.7%	0.5	1.1%
Irbid	Irbid	8.6	6.7%	2.1	6.1%	2.2	5.6%	2.5	5.8%	8.4	19.2%
	Mafrq	1.8	1.4%	0.4	1.2%	0.4	1%	0.4	0.9%	0.3	0.7%
	Ajloun	1.2	0.9%	0.5	1.5%	0.4	1%	0.3	0.7%	0.4	0.9%
	Jerash	1.1	0.9%	0.2	0.6%	0.2	0.5%	0.2	0.5%	0.4	0.9%
	Ramtha	0.7	0.5%	0.2	0.6%	0.2	0.5%	0.2	0.5%	0.3	0.7%
Balqa	Salt	3.5	2.7%	1	2.9%	1.2	3%	12.8	29.8%	0.6	1.4%
	Al Fuhais	1.7	1.3%	0.4	1.2%	0.3	0.8%	0.4	0.9%	0.4	0.9%
Karak	Karak	2	1.6%	0.9	2.6%	0.8	2%	0.9	2.1%	0.9	2%
	Tafileh	0.7	0.5%	0.3	0.9%	0.2	0.5%	0.2	0.5%	0.2	0.5%
Ma'an	Ma'an	0.5	0.4%	0.2	0.6%	0.2	0.5%	0.1	0.2%	0.1	0.2%
	Aqaba	9	7%	0.6	1.7%	0.1	0.3%	0.3	0.7%	0.2	0.5%
Others		0.9	0.7%	1.5	4.4%	0.8	2%	0.2	0.5%	0.2	0.5%
<b>Total</b>		<b>128.9</b>	<b>100%</b>	<b>34.2</b>	<b>100%</b>	<b>39.5</b>	<b>100%</b>	<b>42.9</b>	<b>100%</b>	<b>43.8</b>	<b>100%</b>

\* accumulative

\*\* includes Amman suburbs and neighbourhoods.

## Operating Branches in Jordan

No.	Branch	Address	Operating Date
1	Head Office and Main Branch Amman	Police College Str. P.O.Box: 7693 Tel: 667126 Four Lines Telex: 23460 - 21693 - 22061 ISKAN JO	April 1974
2	EL Waibdeh Amman	Police College Str. Abdali P.O.Box: 7700 Tel: 663736 - 663798	July 1974
3	Madina Amman	King Hussein Str. P.O.Box: 7882 Tel: 37188 - 36476	February 1975
4	Jabal Amman Amman	Amir Mohammed Str. Third Circle P.O.Box: 20565 Tel: 42411 - 42414	October 1977
5	Wehdat Amman	Wehdat - Madaba Str. P.O.Box 16077 Tel: 776120 - 778620	September 1978
6	Jabal Hussein Amman	Khaled Ben Walid Str. Box: 8892 Tel: 672703 - 671729	September 1979
7	Marka Amman	Main Str. P.O.Box: 15237 Tel: 93611 - 93613	November 1979
8	Saqef El-Sail Amman	Saqef El-Sail Str. P.O.Box: 150898 Tel: 21320 - 22041	February 1981
9	El-Taj Amman	Main Str. P.O.Box: 410480 Tel: 779727	September 1981
10	Amir Hassan Quarter/ Amman	Main Str. in Jabal Naser P.O.Box: 425555 Tel: 96496 - 98975	December 1981
11	Northern Hashmi Amman	Main Str. P.O.Box: 230250 Tel: 95355 - 98430	January 1982
12	Ras Al-Ain Amman	Main Str. P.O.Box: 23184 Tel: 778595 - 778597	March 1982
13	Junior College Amman	Junior College Building Tlai-Al-Ali P.O.Box 262 Tel: 845130	May 1982
14	Ashrafia Amman	Barto Str. P.O.Box: 510714 Tel: 770572 - 771156	June 1982
15	Jabal Amman Al-Hawouz	Omar Bin Khattab Str. P.O.Box: 3091 Tel: 39461 - 27724	July 1982
16	Nuzha Amman	Hai Al-Madares P.O.Box: 8962 Tel: 675389 - 670161	October 1982
17	Sport City Amman	Sport City, Sarh Al-Shaheed Str. P.O.Box: 19230 Tel: 670445	September 1983
18	Tlai-Al-Ali Amman	Tlai-Al-Ali, Main Str. P.O.Box: 270 Tel: 842364	September 1983

No.	Branch	Address	Operating Date
19	Al-Salam Amman	El-Waibdeh Mountain, Al- Salam Building, P.O.Box: 910215 Tel: 22168	October 1983
20	The Housing Bank Center Amman	Shemesani - Queen Noor Str. P.O.Box: 925556 Tel: 677251-677261	February 1984
21	Municipality Building Amman	Municipality Building, Shaban '9' Str. P.O.Box: 184562 Tel: 29380	June 1984
22	Jebaiha Jebaiha	Opposite to The Municipality Building P.O.Box 73 Tel: 843250-843251	August 1979
23	Swaileh Swaileh	King Hussein Str. P.O.Box: 274 Tel: 841581 - 841582	December 1980
24	Sehab Sehab	P.O.Box: 9 Tel: 778121 / 188-189	March 1981
25	Schniller Schniller Camp	Main Str. P.O.Box: 254 Tel: 92167	March 1982
26	Wadi El Sair Wadi El Sair	Main Str. Land & Survey Department Bld. P.O.Box: 335 Tel: 815935 - 815936	April 1982
27	Abu Alanda Abu Alanda	Main Str. P.O.Box: 283 Tel: 779763 - 770045	August 1982
28	Al- Juwaideh Al- Juwaideh	P.O.Box: 272 Tel: 776124	August 1982
29	Marj Al-Hamam Marj Al-Hamam	Main Str. P.O.Box: 214 Tel: 821285	April 1983
30	Na'or Na'or	Na'or - King Hussein Str. Tel: 815271 / 294	May 1983
31	Muakar Muakar	Down Town P.O.Box: 2 Tel: 778151 /53	June 1983
32	Amman Industrial City Sehab	Sehab P.O.Box: 25 Tel: 770128	April 1984
33	Tariq Tariq Municipality	Main Str. P.O.Box: 25 Tel: 679836	July 1984
34	Madaba Madaba	King Abdalla Str. P.O.Box: 228 Tel: 544267 - 544707	July 1976
35	Zarqa Zarqa	Intersection of Amir Shaker Str. And king Faisal Str. P.O.Box: 480 Tel: 982106 - 982108	November 1974

No.	Branch	Address	Operating Date
36	Ghowairia Zarqa	Intersection of King Ghazi and Algeria Str. P.O.Box: 6225 Tel: 982116 - 982117	February 1980
37	Haj Al- Hussein Zarqa	Botad Str, P.O.Box: 11776 Tel: 982118	November 1982
38	Jana'a/ Zarqa	Main Str, Near Haron Al- Rashid's School P.O.Box: 4357 Tel: 984958	September 1983
39	Al- Hashemeyia Al- Hashemeyia	Al- Hashemeyia - Zarqa P.O.Box: 86 Tel: 981728 / 80	August 1984
40	Ruseifeh Ruseifeh	Opposite to The Civil Registration Depart- ment P.O.Box: 530 Tel: 93801 / 174 - 175	April 1981
41	Irbid Irbid	Amir Naif Str. Awqaf Building P.O.Box: 403 Tel: 242175 - 245923	December 1974
42	Ramtha Ramtha	Naser El- Tallak Str. P.O.Box: 222 Tel: 283110 - 283350	May 1981
43	Hakama Irbid	Hakama Str. P.O.Box: 403 Tel: 245045	June 1981
44	Al- Huson Al- Huson	Wasfi Al- Tall Str. P.O.Box: 52 Tel: 42	February 1982
45	Edioun Edioun	Main Str. P.O.Box: 40 Tel: 79	November 1982
46	Yarmouk University	Yarmouk University, Irbid P.O.Box: 403 Tel: 274633 / 343	May 1983
47	Palestine Str. Irbid,	Palestine Str. Othman Nasif Building P.O.Box: 1183 Tel: 273076	June 1983
48	Dair Abisaid Dair Abisaid	P.O.Box: 5 Tel: 60	January 1982
49	Northern Shuna Northern Shuna	king Faisal Str. P.O.Box: 45 Tel: 104	May 1981
50	Al- Mashari Al- Mashari	Main Str. P.O.Box: 9 Tel: 43	May 1983
51	Al- Kraymeh Al- Kraymeh	Main Str. P.O.Box: 46 Tel: 47	August 1983
52	Jerash Jerash	King Abdalla Str. P.O.Box: 5 Tel: 51269 - 51669	November 1976
53	Mafraq Mafraq	King Faisal First Str. P.O.Box: 55 Tel: 31295 - 31414	September 1975

No.	Branch	Address	Operating Date
54	Al- Khaldieh Al- Khaldieh	Main Str. P.O.Box: 14 Tel: 74	December 1982
55	Ajloun Ajloun	Ajloun - Amman Str. P.O.Box: 36 Tel: 139 - 230	July 1975
56	Kutranjeh Kutranjeh	Main Str. P.O.Box: 12 Tel: 70	August 1983
57	Salt Salt	Maidan Str. P.O.Box: 150 Tel: 4861 - 4863	July 1975
58	Al- Fuhais Al- Fuhais	P.O.Box: 77 Tel: 844171 / 171 - 377	July 1976
59	Dair Alla Dair Alla	Main Str. P.O.Box: 55 Tel: 844271 / 105	March 1979
60	Southern Shuna Southern Shuna	Government Departments Center P.O.Box: 9 tel: 5780 / 153	August 1981
61	Mahess Mahess	Main Str. P.O.Box: 41 Tel: 844281 / 272 - 277	March 1982
62	Karameh Karameh.	Main Str. P.O.Box: 25 Tel: 68	August 1983
63	Baq'a Baq'a	Baq'a - Near Baaqa Youth Center P.O.Box: 356 Tel: 842192 / 200	March 1984
64	Karak Karak	Municipality Building, Nuzha Str. P.O.Box: 66 Tel: 51042 - 51142	September 1976
65	Potash Karak.	Ghor El-Mazara'a Residential Area P.O.Box: 2 Tel: 665118 / 130	March 1981
66	Mu'ta Mu'ta	Opposite to The Municipality Building P.O.Box: 3 Tel: 51324 / 65	June 1982
67	Tafileh Tafileh	Main Str. P.O.Box: 34 Tel: 260 - 692	September 1977
68	Aqaba Aqaba	Kurnaish Str. P.O.Box: 331 Tel: 5325 - 5414 - 5251	November 1976
69	Ma'an Ma'an	King Hussein Str. P.O.Box: 102 Tel: 32601 - 32603	February 1978
70	Wadi Musa Wadi Musa	P.O.Box: 12 Tel: 61082	March 1981
71	Al- Shoubak Al- Shoubak	Municipality Building P.O.Box: 15 Tel: 70 - 71	February 1982

