







# 43<sup>rd</sup> Board of Directors Report

For the Year Ending December 31, 2016

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**His Majesty King Abdullah II Ibn Al Hussein**







**His Royal Highness Crown Prince Al Hussein Bin Abdullah II**





## **Contents**

9	Board of Directors
12	Chairman's Statement
14	Chief Executive Officer's Statement
17	Financial Performance of the Bank
25	Bank Activities in 2016
40	The Strategic Plan of the Bank for 2017
43	Consolidated Financial Statements
111	Disclosure Statements
145	Organizational Charts
153	Addresses of the Bank's Branches
161	Addresses of Subsidiaries



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▶ **Board of Directors**



# Board of Directors



**Mr. Abdelelah Moh'd Alkhatib**  
Chairman - Independent



**Mr. Abdulla Mubarak Al Khalifa**  
Vice Chairman / Representative of Qatar National Bank



**Mr. Yousef Mahmoud Al-Neama**  
Representative of Qatar National Bank



**Mr. Khalid Majid Al-Nuaimi**  
Representative of Qatar National Bank



**Mr. Ramzi Talat Mari**  
Representative of Qatar National Bank



**Mr. Sami Hussein Al-Anbaee**  
Representative of Kuwait Real Estate Investment Consortium



**Mr. Fawzi Abdel Hameed AlMani**  
Representative of Kuwait Real Estate Investment Consortium



**Mr. Mohamed Mohamed Ben Yousef**  
Representative of Libyan Foreign Bank



**Mr. Ismail Abdalla El Mesallati**  
Representative of Libyan Foreign Bank



**Mr. Fadi Khalid Al Alawneh**  
Representative of Social Security Corporation / Jordan



**Mr. Nidal Faeq Alqubaj**  
Representative of Social Security Corporation / Jordan



**Dr. Yaser Manna' Adwan**  
Independent



**Mrs. Shaikha Yousuf Al-Farsi**  
Independent

**Mr. Ihab Ghazi Saadi:** Chief Executive Officer (CEO)



# Chairman's Statement

## **To Our Shareholders**

On behalf of the Board of Directors, I am pleased to present the Group's 43<sup>rd</sup> Annual Report that outlines the consolidated financial statements and the most significant achievements for the year ending December 31, 2016, and our plan for 2017.

The Bank maintained its leading role in the service of the national economy that showed great flexibility against political and security challenges in the region. This is despite economic repercussions on the Jordanian economy including the continued deterioration in the Syrian crisis and the rising cost of hosting large numbers of refugees. Furthermore, the cross border trade business was adversely affected due to the regional instability, obstructing exports due to the closure of borders with neighboring countries, in addition to negatively impacting tourism and other services sectors.

Despite the foregoing conditions, the Jordanian economy maintained its resilience and dynamism in several sectors. We are eager to augment these characteristics and to embody a tangible partnership between both public and private sectors, and to create a consensus on effective policies that will stimulate the economy, enhance its ability to create job opportunities, and increase productivity, thus, improving its competitiveness.

## **Dear Shareholders,**

Despite the aforementioned circumstances and challenges, the Bank achieved very good results in 2016. Pretax profits grew to JD190.3 million representing an increase of JD13.3 million i.e. 7.5% compared to 2015, while the after-tax net profit stood at JD131 million representing an increase of JD6.3 million i.e. 5% compared to 2015. Additionally, the Bank continued to strengthen its capital base through bolstering the different reserves with total equity amounting to JD1060 million by the end of 2016, compared to JD1039 million at the end of 2015 representing an increase of JD21 million i.e. 2%.

In light of the 2016 results, the Board of Directors recommends to the Shareholders' Ordinary General Assembly to distribute a cash dividend of 30% of the nominal share value, in addition to free shares of 25% of the paid-up capital.



## **Dear Shareholders**

As we start the new operational year of 2017 amid accelerated regional and international developments and events, we still look with optimism at the future prospects, which will enable our beloved country to overcome these challenges and risks, increase the growth rate of our national economy, foster investments therein and strengthen further the banking sector, which will positively reflect on the Bank's performance and volume of business and enhance its role in fulfilling the financing needs of various productive economic sectors. Accordingly, we can continue the path of sustainable growth in various fields of business and further enhance the Bank's distinguished position locally and internationally.

Finally, I would like to take this opportunity to express my deepest thanks and appreciation to the Jordanian government and its various institutions foremost of which is the Central Bank of Jordan and the Jordan Securities Commission for their close support and cooperation with the Banking Sector.

Special gratitude is due to the members of the Board of Directors and to the Executive Management Team for their sincere efforts exerted to improve the Bank's performance and to provide the best services to its customers.

I would also like to emphasize the Board's keenness that the Bank pursues the interests of the shareholders, depositors, and customers hoping to achieve more success in serving their needs and fulfilling their aspirations. Additionally, the Bank will continue to shoulder its social responsibilities to support various targeted activities and initiatives.

We look forward to achieving more achievements by our leading Bank, our beloved nation, and the local economy, under the leadership of His Majesty King Abdullah II.

**Respectfully,**

**Abdelelah Alkhatib**  
**Chairman of the Board**



# Chief Executive Officer's Statement

## Our Shareholders

I am pleased to present the Bank's 43<sup>rd</sup> Annual Report that outlines our most significant achievements for 2016. The Bank's management, in its belief in Good Governance, is keen to comply with the Central Bank of Jordan's Corporate Governance Instructions reflecting the independence of the Executive Management and the principles of disclosure and transparency.

During the year 2016, the Bank achieved remarkable results and accomplishments despite the unstable regional environment and considerable challenges. Pretax profits grew to JD190.3 million presenting an increase of 7.5%, while the after-tax net profit stood at JD131 million presenting an increase of 5%. The gross income grew to JD364.6 million by an increase of 5.3%.

Total assets of the Bank, by the end of 2016, reached to JD7.8 billion. The Bank also enhanced its capital base with total equity amounting to JD1060 million and the balances of customers' deposits amounting to JD5.6 billion by the end of 2016. Furthermore, the Bank's credit facilities portfolio significantly grew as the total outstanding balance of this portfolio increased to JD4.3 billion by the end of 2016, i.e. an increase of 14.2%. This positive performance as reflected in diverse financial indicators is the result of developing flexible action plans and the conscious proactive management of assets and liabilities; which enhanced the Bank's financial position and emphasized its leadership status in the Jordanian banking sector.

The performance indicators confirm the robustness and healthiness of the Bank's financial position. The capital adequacy ratio stood at 17% and the liquidity ratio stood at 125.7% (higher than CBJ's minimum requirement). NPLs dropped from 4.8% in 2015 to 3.7%. Furthermore, outstanding rates of return on assets and equity were achieved as the return on assets after tax grew from 1.6% in 2015 to 1.7% in 2016, whereas the return on equity after tax grew from 12% in 2015 to 12.5% in 2016.

As for the competitive position of the Bank, its share in the Jordanian banking market stood at 14.4% in terms of assets, 15% of customers' deposits and 14.4% of the direct credit facilities. The Bank maintained its leading position in terms of saving deposit accounts' market share which stood at 34.1%. This leading position extends to the number of local branches and ATMs in the Kingdom totaling 130 branches and 226 ATMs representing market shares of 14.6% and 14.4%, respectively.

In line with the overall strategic plan of the Bank, and to diversify its business and expand its customer base, a myriad of products and services were launched and developed in 2016. The overall goal of such products and services was to fulfill the varying needs of customers, in addition to developing electronic banking services. In recognition of the achievements made in 2016, the Bank received several awards; most notably "Best Bank in Jordan for 2016" by "Banker Middle East" and "The Arab World's Leading Bank in Financial Inclusion" by "The World Union of Arab Bankers".

The Bank also continued to assume a leading role in supporting several social and humanitarian activities. It provided care, support and donation to various institutions and centers in different fields, in addition to sponsoring a number of conferences as well as scientific and intellectual seminars.

I am pleased to extend our thanks and appreciation to our valued customers for their continuous support and confidence in us. Thanks are due to all official institutions, chief amongst them is the Central Bank of Jordan for its role in maintaining the monetary stability and supporting the Jordanian banking sector.

I would also like to thank the Jordan Securities Commission for its vigilant and efficient management of the capital market.

I would like to take this opportunity to thank the Board of Directors for their continuous support and all the Bank's employees whose sincere efforts and dedicated work played a key role in the Bank's achievements. We look forward to continuing the growth and success of our Bank, contribute more to the development of our economy, and enhance its prosperity under the leadership of His Majesty King Abdullah II.

**Respectfully,**

**Ihab Saadi**  
**Chief Executive Officer**



your ambition...



is our foundation  
for development



▶ **Financial Performance**

## Main Financial Indicators

JD million\*

Item/Year	2012	2013	2014	2015	2016
Total Assets	7,091.6	7,227.1	7,594.9	7,922.7	7,820.2
Customers' Deposits	4,727.2	5,093.4	5,459.9	5,809.8	5,647.5
Loans and Credit Facilities (net)	2,683.9	2,662.8	2,716.5	3,494.7	4,042.1
Total Equity	1,046.7	1,057.1	1,038.4	1,039.3	1,060.1
Profit before Tax	142.2	150.1	162.1	177.0	190.3
Profit after Tax	104.5	106.9	123.9	124.7	131.0
Cash Dividends	63.0	75.6	88.2	80.6	75.6
Earnings per Share (JD)	0.373	0.396	0.477	0.483	0.491
Dividends / Per Share (JD)	0.250	0.300	0.350	0.320	0.300
Share Price (JD)	8.250	8.700	9.100	9.450	9.300

\* JD= US\$1.4104

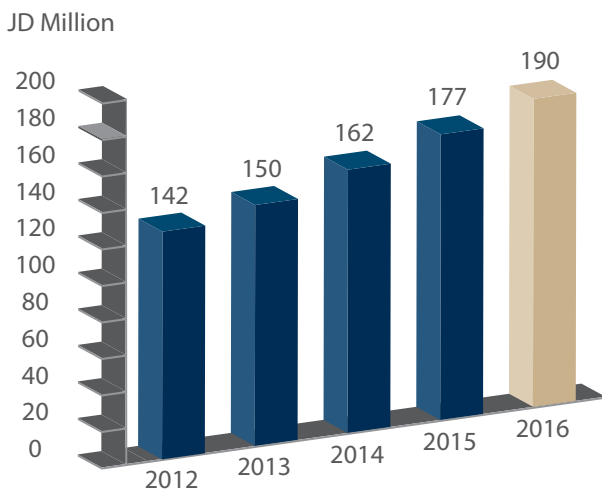


## Analysis of the Operational Results

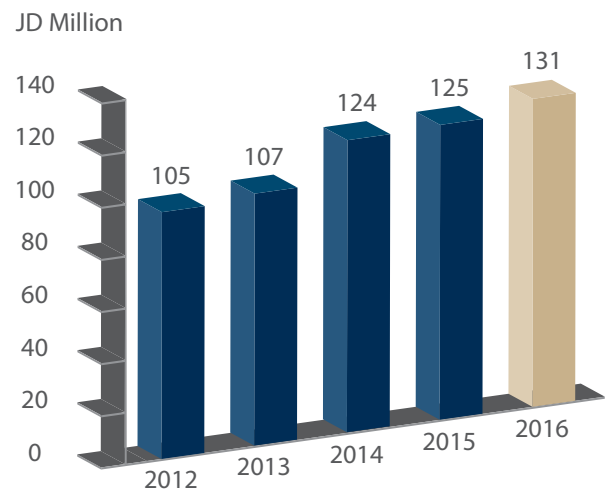
Despite the continued political and security instability in the region, and the negative repercussions of such circumstances on the region's economy, the Housing Bank Group achieved good financial results in 2016. Such results emphasize the operational efficiency of the Group, and its ability to promote and exploit its resources efficiently, improve the quality of its assets, and the soundness of its financial position.

Housing Bank Group achieved pre-tax profit amounting to JD190.3 million, representing an increase of JD13.3 million, or 7.5% compared to 2015. After-tax net profit amounted to JD131 million with an increase of JD6.3 million, or 5% compared to the year 2015.

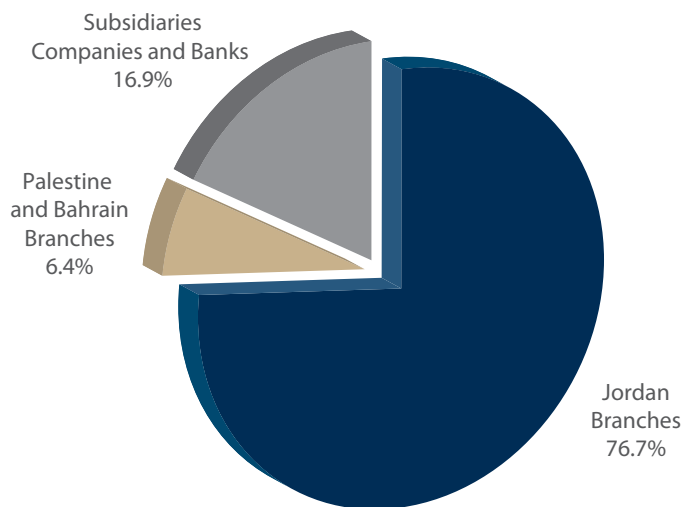
### Profit Before Tax



### Profit After Tax



The Bank's profit generated from its activities in Jordan accounted for 76.7% of total profits of the HBTF Group; while overseas branches in Palestine and Bahrain accounted for 6.4%. Furthermore, the profits of subsidiaries companies and banks accounted for 16.9%.



The components of net profit comprised the following:

1. Gross income rose from JD346.3 million during 2015 to JD364.6 million in 2016; i.e. by about JD18.3 million or 5.3% driven primarily by the following:
  - Net interest income rose from JD266 million during 2015 to JD269.9 million in 2016; i.e. an increase of JD3.9 million or 1.5%.
  - Net commission income declined from JD28.3 million during 2015 to JD25.2 million in 2016; i.e. a decline of JD3.1 million or 11% due to a decrease in transaction volume with Iraq and the adverse impact of that on transfers and letters of credits (LC) business.
  - Other operating revenues rose from JD51.9 million during 2015 to JD69.6 million in 2016; i.e. an increase of JD17.7 million or 34.1%.
2. Total expenses increased from JD169.2 million during 2015 to JD174.3 million in 2016; i.e. an increase of JD5.1 million or 3% influenced by:
  - An increase in operating expenses (excluding provisions) from JD134.9 million during 2015 to JD142.7 million in 2016; i.e. by JD7.8 million or 5.8%.
  - A decrease in impairment loss on direct credit facilities from JD20.2 million during 2015 to JD12.9 million during 2016; i.e. a decline of JD7.3 million or 36.1%.

### Analysis of the Financial Position

Total assets of the Bank declined from JD7.9 billion at the end of 2015 to JD7.8 billion at the end of 2016; i.e. a decline of JD0.1 billion or 1.3%, Mainly due to the Bank's efforts to dispose of expensive deposits and withdrawals of deposits by customers to purchase government bonds.

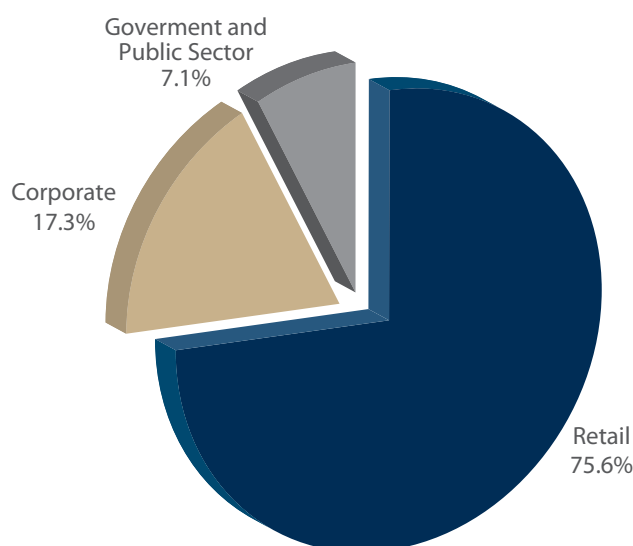
### Total Deposits

The balance of customers' deposits at the Housing Bank Group recorded a decrease of 2.8% dropping to JD5.6 billion at the end of 2016. Mainly, this decrease is attributable to the disposal of expensive deposits by HBTF on one hand, and withdrawals of deposits or part thereof by customers to purchase government bonds issued by Central Bank of Jordan on the other hand.

Segment analysis of customers' deposits at the end of 2016 shows the following:

- Retail deposits increased by 4.1% compared to year 2015; while the corporate deposits "small, medium and large" decreased by 16% and the government deposits decreased by 26.1%.
- Retail deposits represent 75.6% of the total balance of customers' deposits at the end of 2016 compared to 70.6% at the end of 2015. The corporate deposits "small, medium and large" represent 17.3% compared to 20%, while the government deposits represent 7.1% compared to 9.4% in 2015.

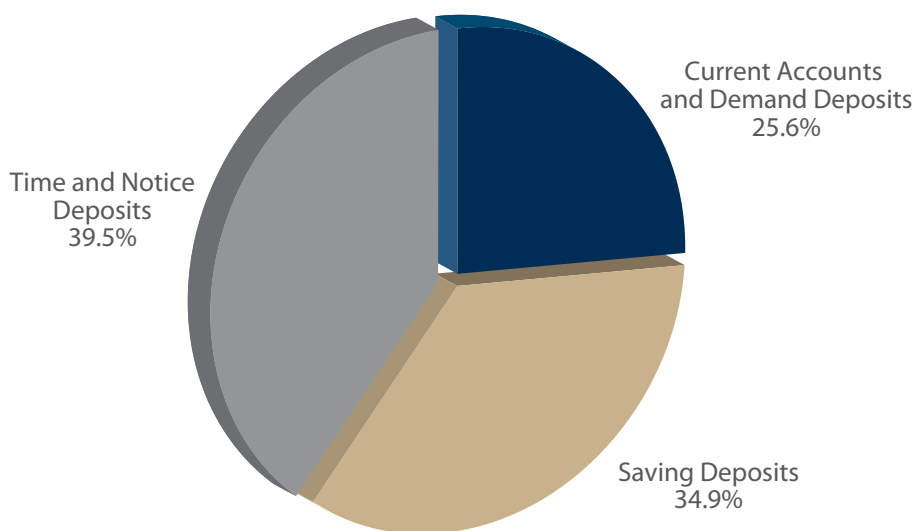
### Structure of Customers' Deposits by Depositors



The structure of customers' deposits by type, at the end of 2016, comprise of the following:

- "Current accounts and demand deposits" increased by 1.7% and saving deposits by 11.6%. "time and notice deposits" decreased by 14.9% compared to its level at the end of 2015.
- "Current accounts and demand deposits" accounted for 25.6% of the total balance of customers' deposits in 2016 compared to 24.5% in 2015. Furthermore, saving deposits accounted for 34.9% compared to 30.4%, while "time and notice deposits" accounted for 39.5% compared to 45.1%.

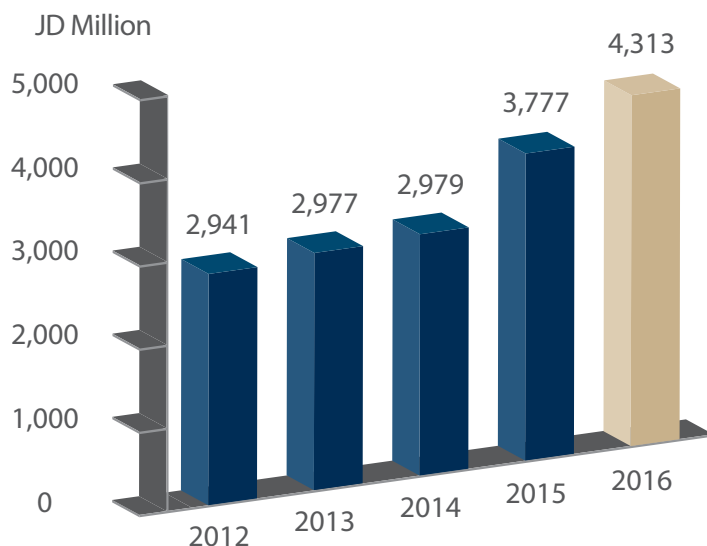
### Structure of Customers' Deposits by Type



### Credit Facilities

Total outstanding balance of direct credit facilities portfolio reported an increase during 2016 of JD536 million or 14.2% compared to the balance at the end of 2015, reaching to about JD4.3 billion at the end of 2016. After deducting provisions and interest in suspense, the net outstanding balance of direct credit facilities portfolio amounted to JD4 billion; moving up by JD547 million or 15.7% compared to its levels at the end of 2015. This significant rise in balance of direct credit facilities is due to the growth of both retail and corporate loans.

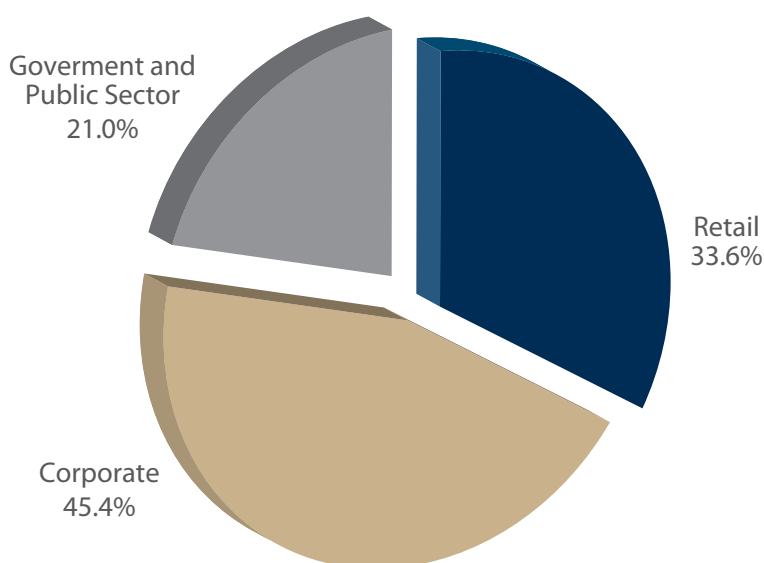
### Total Direct Credit Facilities



Sector analysis of direct credit facilities portfolio in 2016 includes the following:

- The facilities granted to the retail sector reported growth of 17.7% and the facilities granted to corporate sector "small, medium and large" increased by 15.8%, while the facilities granted to "government and public sector" grew by 6%.
- The facilities granted to the retail sector represent 33.6% of the total balance of direct credit facilities portfolio in 2016 against to 32.6% in 2015, and facilities granted to corporate sector "small, medium and large" represent 45.4% compared to 44.8% in 2015, while facilities granted to the "government and public sector" represent 21% compared to 22.6%.

### Structure of Credit Facilities by Borrowers



Quality of credit portfolio significantly improved as the NPLs dropped from 4.8% in 2015 to 3.7% in 2016. Additionally, Cost of Risk Ratio decreased from 0.5% in 2015 to 0.3% in 2016. While, the Coverage Ratio rose from 111.6% at the end of 2015 to 120% at the end of 2016.

### Analysis of the Bank's Major Performance Indicators

The consistent and solid growth in the Bank's financial position and income statement during 2016 contributed markedly to enhancing the financial solvency indicators. This can be illustrated as follows:

- The rate of return on average assets (ROaA) stood at around 1.7% in 2016 against 1.6% in 2015 and the rate of return on average equity (ROaE) amounted to around 12.5% against 12%; it is worth emphasizing that these rates were among the highest in the Jordanian banking industry.
- The capital adequacy ratio stood at a solid 17% at the end of 2016.
- The Bank liquidity ratio stood at 125.7% at the end of 2016, which is remarkably higher than the minimum percentage required by the Central Bank of Jordan of 100%.
- Earnings per share (EPS) grew by 1.7%; increasing from JD0.483 at the end of 2015 to stand at JD0.491 at the end of 2016.

## Awards

Enhancing the Bank's achievements during the past years in terms of local, regional and global prizes and certificates of recognition, the Bank won the following prizes during 2016:

- The Bank won The Banker Middle East magazine award "Bank of the Year 2016 - Jordan".
- The Bank won The World Union of Arab Bankers award "The Arab World's Leading Bank in Financial Inclusion".
- The Bank won The Global Banking & Finance Review award "Best Project Finance Bank" in Jordan
- The Bank won The Global Banking & Finance Review award "Best Trade Finance Bank" in Jordan
- The Bank won "The Best Co-Branded Credit Card" award in Jordan for 2016, from Emerging Markets Payments (EMP) and Global Banking & Finance Review. It is a credit card jointly sponsored by Qatar Airways



## Competitive Position

The following brief sheds light on the Bank's competitive position in the Jordanian banking industry at the end of 2016:

- The Bank maintained the first rank in terms of saving accounts; accounting for 34.1% of the market share and thus succeeding in topping the list of banks for more than four decades, as a preferred vehicle for saving deposits in the Kingdom.
- The Bank maintained its leading position in terms of the number of branches, which amounted to 130 branches; making up 14.6% of the market share to keep the first rank in this regards since 1978.
- The Bank maintained the first rank in terms of number of the ATMs, which stood at 226; accounting for around 14.4% of the market share; the largest and most widespread network in the Kingdom.
- The Bank's market share of Master Debit Cards stood at 12.2% and 20% of Visa Debit Cards in 2016.
- The Bank's market share of Master Credit Cards stood at 23% and 19% of the Visa Credit Cards in 2016.
- The Bank stood second in terms of total assets with a market share of 14.4% of the total assets in the banking sector in Jordan.
- The Bank stood second in terms of total customers' deposits with a market share of 15% of total customers' deposits in the banking sector in Jordan.
- The Bank stood second in terms of total credit facilities with a market share of 14.4% of total credit facilities in the banking sector in Jordan.



serving you...



is our aim



▶ **Bank Activities**

## Retail Banking Services

During the year 2016, the Housing Bank has performed well in the retail banking services despite the increasing competition in the Jordanian banking industry.

As a leading banking institution, the Bank strives to enhance its strategic position in this sector through meeting its customers' needs by offering solutions and initiatives while maintaining the highest standards of service in all main channels. That aim remains focused at enhancing the customer experience, be more user-friendly and secure, and thereby increase customer satisfaction and, by extension, customer loyalty.

The following is a brief on the major achievements of the Bank in retail banking services in 2016:

### Branches and ATM's Network

In 2016, the Bank continued to enhance the spread of its branch network in line with the increasing requirements based on population growth on one hand, and the development of new vital commercial areas on the other hand. The Bank inaugurated 5 new branches during the year, maintaining its first position in the Kingdom in terms of number of branches consisting of 130 (including call center) with a market share of about 14.6%.



In view of the successful experiences of the "Mobile Bus Branch" initiative launched by HBTF two years ago, a second "Mobile Bus Branch" was operated, equipped with the most recent equipment and automated systems with the most advanced banking solutions provided by the Bank. The Mobile Bus Branch initiative represents a tangible translation of the strategy of HBTF aiming towards reaching customers everywhere whilst efficiently providing them with different banking services and products.



It is worth mentioning that the Bank's branch network includes a "Children Branch" and 6 branches located in commercial shopping centers "malls". In these six branches, working hours are 7 days a week including Fridays, Saturdays and public holidays, and the service is available from 10:00 am to 10:00 pm except on

Friday as it is from 2:00 pm. Additionally, phone banking service is available 24 hours a day via call center on phone no. 5200400 or the toll-free phone: 080022111.

Also, worth noting is that Housing Bank Group has various local and international networks amounting to 183 branches in Jordan, Syria, Algeria, London, Palestine and Bahrain, in addition to the representative offices in Iraq, the United Arab Emirates and Libya.

In order to address the growing needs of the market, the Bank, in 2016, expanded its ATMs network to 226, distributed in strategic locations throughout the Kingdom. Thus, the Bank continued to maintain its position at the forefront of the banking market in Jordan in terms of number of ATMs with a market share of about 14.4%.

Furthermore, the Bank enhanced the experience of dual function of ATMs (withdrawal-deposit ATMs) to provide more convenience to customers. Among the total number of ATMs, there are 57 machines that provide direct cash deposit service and 213 machines that apply Iris recognition technology without need for cards. Additionally, HBTF's ATM network include 6 ATM Mobile Vans that provide banking services to areas not covered by banking services throughout the Kingdom.

These machines offer a variety of services to meet the needs of HBTF's customers round-the-clock, also it is noted that usage rates of HBTF's ATMs are high in terms of number of transactions, easing the burden on HBTF's branch employees and customers.



### **Iris Recognition**

With the aim of minimizing risks of fraud, identity theft and falsifying identity documents, and in order to ensure more security, convenience, and speed when carrying out banking transactions; the Bank continued applying Iris recognition technology enabling customers to carry out banking operations inside some branches and via ATMs without the need to present identity documents or ATM cards. That affirms HBTF's continuous keenness on utilizing state-of-the-art technology in the field of banking services in general.





## E-Banking Channels

Keeping pace with the latest developments in banking technology, HBTF continued to develop its e-services and enhance its customers' self-service round-the-clock, thus firmly establishing its pioneering role and leadership in the e-banking market. E-services of HBTF include an integrated package of channels that offers several advantages, the most important of which are efficiency, speed, and easiness, which have been highly acclaimed by the customers of the Bank. HBTF aspires to expand the access to electronic services beyond the traditional banking means, where it achieved successes and took significant steps in the process of converting to digital banking transactions. HBTF's e-channels offer the following services:

- Iskan Online
- Iskan SMS
- Iskan Mobile
- Call Center

Moreover, HBTF launched, during 2016, a new enhanced version of its banking service application via "Iskan mobile" that adds new features to enable customers to access their accounts continually in an easy and secure way. Noting that the new application includes several services, e.g. Mobile Payment Service, E-bills "e-FAWATEERcom" and Western Union Money Transfer.

In order to raise awareness and promote e-services to

all HBTF's customers and encourage them to benefit from the advantages of these services, the e-channel team paid marketing and promotional field visits to some of HBTF's branches to introduce these services that facilitate the banking operations for the customers and to reflect the level of technological advancement reached by the Bank.



## Banking Services and Products

Development and diversification of retail banking services were not confined to e-services, as in 2016, HBTF embarked on several initiatives to enhance existing products and services and launch new products and services to meet the various needs of customers, in addition to providing financial solutions specially designed for the customer's needs. Within this framework, in 2016, HBTF has implemented the following:

- **Launching "Home Protection" Product:** Is a bancassurance product launched in collaboration with Jordan International Insurance Company to be sold and marketed by HBTF through Call Center and certain selected branches. This product enables customers to obtain insurance coverage for their houses and apartments against many hazards. The coverage includes the building and the contents inside; in addition to coverage against any personal accidents for house residents. "Home Protection" product targets all HBTF's potential and existing customers, whether owners or tenants, in return for affordable annual premiums. In addition, it is easily sold to customers where the whole transaction can be executed via Call Center without the need to refer back to branches.

- **Launching “My Apartment” Program:**

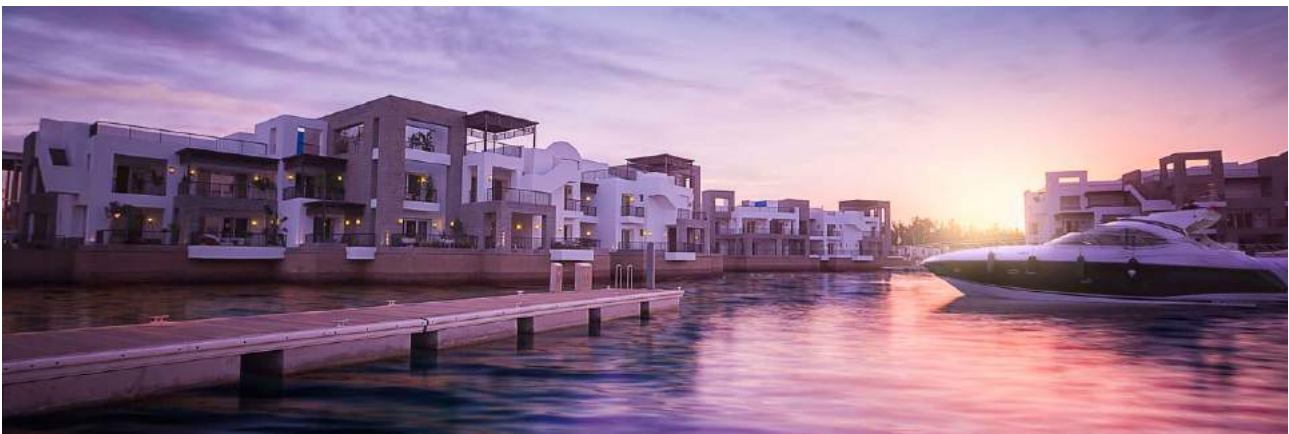
It is a program that offers preferential privileges for customers who desire to own apartments from housing and real estate development companies approved for this program, thereby contributing to encouraging customers to finance the purchase of the apartments through the Bank; in addition to encouraging housing companies to recommend HBTF to its clients to obtain the required financing. What really sets “My Apartment” Program apart from other competitive programs is the incentives that are provided through preferential interest rates, financing up to 100% of the estimated property value, requirement period up to 25 years and streamlined loan disbursement procedures based on applying the mechanism of (deferment of sale opportunities) and other privileges.



The Program seeks to enlarge the umbrella of targeted customer segments to include customers whose salaries are transferred to the Bank, expatriates, non- Jordanian residents and those with free income.

- **Launching “3al Ousool” Program:** an initiative based on the strategy of consolidating the means of collaboration in the field of real estate finance have yielded the launch of “3al Ousool” Program in collaboration with Ayla Oasis Development Company to finance purchasing residential units at Ayla Oasis-Aqaba at preferential interest rates. The Program is considered the first of its kind in Jordan and provides those who wish to possess units with a secure and innovative real estate financing mechanism that reinforces confidence in the real estate market in Jordan.

As per this Program, Housing Bank enables the purchaser to obtain financing loans that are commensurate with various income levels.



- **Developing Saving Account Prizes System:** Within its plan aimed at promoting savings among customer, HBTF was eager to develop its Saving Account Prizes System to be the greatest in the banking market in Jordan “in terms of number and amount” as the value of prizes offered by HBTF exceeded JD7 million won by more than 10 thousand winners in 2016. While the Grand Prize of the campaign amounting to JD1,111,111 has drawn unprecedented from the media, the draw on this prize was twice in 2016 (The first time was at the end of July for only one winner; the second was at the end of December for only one winner).

- **Developing Housing Loans Product:** In 2016, HBTF amended the terms of housing loan disbursement; the most important of which were interest rate reduction to stand at 5.99% and easing the requirements for disbursement to be commensurate with different segments of retail customers, contributing to achieve good growth in the personal and housing loans’ portfolio, thus boosted the market share of HBTF in a market where competition is high.



## Iskan Cards

In 2016, HBTF continued to achieve more remarkable results in the field of Debit Cards and Credit Cards (Visa Card & MasterCard), promoting its leading position in the field of plastic cards in Jordanian banking industry. In line with the strategy of HBTF aiming at providing distinguished and unique services to HBTF's customers and meeting their various expectations, HBTF introduced the following initiatives:

- **Visa Signature Cobranded Card with Qatar Airways** through which an exceptional package of services and advantages are provided to its holders, e.g. concierge service and LoungeKey Program that provides free access to over 500 airport lounges worldwide. In addition, the package includes protection, insurance services and offers and discounts at luxury hotels as well as participation in Privilege Club Program with Qatar Airways for mile earning enabling holders to exchange the accumulated miles with complimentary flights, class upgrade and excess baggage awards. Additionally, the cardholder will exclusively receive 4000 Qmiles welcome miles when the card is first issued.

In appreciation of HBTF's distinguished position in this field, the Bank was awarded "The Best Co-Branded Credit Card" in Jordan for 2016, "Visa Signature Cobranded Card with Qatar Airways", from Emerging Markets Payments Group (EMP) & Global Banking & Finance Review.

- **Launching the promotional campaign "MasterCard UEFA Champions League Final Cardiff 2017":** In order to encourage customers to increase the usage of various types of MasterCards for their personal and family expenses at different P.O.S. This campaign was launched in collaboration with MasterCard, and offers a draw on 7 trips inclusive of all costs for 2 persons per trip to attend UEFA Champions League Final Cardiff 2017.



- **Launching "Purchases Installment Service" through the HBTF's Credit Cards**, which enables HBTF's customers who are credit card holders (Visa, MasterCard) to pay there their purchases by installments without any interest as such transactions are carried out automatically by P.O.S Devices available at the corporates, and commercial stores approved for the Purchases Installment Program.
- **Launching "HBTF Visa Explore" Application in collaboration with Visa International Company**, which enables the holders of all types of HBTF's Visa Cards to benefit from the amazing advantages, and from several offers and discounts at restaurants, shopping-entertainment malls, and travel around the world. In addition to informing customers about the advantages, and features of all types of HBTF Visa Cards. This Application includes a map of the locations of HBTF's ATMs in Jordan, and other ATMs around the world, taking into consideration that the Housing Bank is the first bank in the Middle East that launches this Application.





- **Developing the Rewards Program for HBTF's Cardholders**, as HBTF included in its mobile banking application a service which enables customers to view and exchange accumulated points with easy and without the need to visit the branches to fill any forms. Taking into consideration that HBTF applies the Rewards Program of the "Loyalty Program" credit cardholders that enables its holders from assembling points for their usage of the card upon each local or international purchase transaction, then exchanging such points for a cash reward deposited in the card's account or a reward in kind from some of the well-known restaurants, and commercial stores.

### **Quality of Service and Customer Care**

Customer care and attention is a paramount priority at the Bank, and a key focal point of management who is always keen on measuring the level of customer satisfaction through consulting companies specialized in conducting surveys, field visits utilizing Mystery Shopper Approach, dealing with customers' complaints, and monitoring waiting periods, and the time spent in implementing services at branch level. The results of such studies have demonstrated HBTF's ability to achieve the desired satisfaction level, which reflects the standard of the quality of services offered by HBTF to its customers.

The Bank continues to focus on customer service through products and services distinguished by convenience, easiness, and innovation. Such continued focus on new products and services, as well as marketing initiatives has resulted in significant growth in the number of customers and the volume of business.

It is worth mentioning that HBTF provides the Call Center Service to its customers daily from 8:00 am until midnight except for Fridays without the need to check personally with the branches to get various banking services.



## Corporates and Institutions' Banking

The Corporates and Institutions Sector has a strategic priority at HBTF that seeks to boost its relations with the current customers, and to attract more customers in this sector through provision of comprehensive banking solutions that go along with the variability of project requirements in different economic sectors. Despite the challenges encountered by the national economy, and the rise of the intensity of competition in the Jordanian Banking Market, HBTF enhanced its role in the process of the economic and social development in 2016 through providing financing to a number of public institutions to enable them to implement key infrastructure projects. Moreover, HBTF provided during 2016 fully integrated banking services to companies and institutions working in vital economic sectors such as Energy Sector, Tourism Sector, Industry Sector, and the Construction Sector.



## Small and Medium Enterprises (SMEs)

The Bank has particularly emphasized the importance of developing the SMEs sector providing full integrated set of distinguished banking products and services for such enterprises, which contributed to the growth of lending processes to the sector. The most important initiatives and partnerships carried out by HBTF during 2016 include:

- Signing a partnership agreement with USAID, whereby HBTF has launched "the Touristic Loan" Product dedicated to support the small and middle enterprises in the Tourism Sector.
- Launching the fixed assets financing product dedicated to finance wide and various projects such as plant buildings, offices, machinery, equipment, furniture, and decorations of the financed enterprise.
- Participating in the implementation of programs that address funding requirements of SMEs, including Central Bank programs designated to finance SMEs, guaranteed by the Overseas Private Investment Corporation (OPIC), Business Loan Program and Business Vehicles Loan in collaboration with the Jordan Loan Guarantee Corporation.
- Signing Loan Risks Guarantee Agreement for startup businesses with The Jordan Company to guarantee the loans, whereby the company provides the necessary coverage to HBTF for the risks of the loans granted by the Bank to startup businesses.





## Credit Inquiry Service

The year 2016 witnessed the signing of the Credit Inquiry Service Agreement with "CRIF Jordan" for the credit information, whereby the Company provides the credit inquiry services within the context of the highest international standards aiming at reduction of the credit risks associated with SME financing.



## Specialized Financing Programs and Agreements

Consistent with HBTF's keenness on activating the Arab economic cooperation, and enhancing its efficient collaboration in supporting and activating the commercial exchange movement between Jordan and the Foreign Companies, the Bank continued working on a number of the specialized Financing Programs and Agreements including the Arab Trade Financing Program, Abu Dhabi, the Saudi Exports Program, as well as the International Trade Facilitating Program with the European Bank for Reconstruction and Development (EBRD). The Bank also increased financing activities through the Central Bank of Jordan "Middle-Term Industrial Advances Program" that provides the appropriate financing to the Industrial Sector, the Renewable Energy Sector, the Tourism Sector, Agriculture Sector, the Information Technology Sector by a financing percentages amounting to 100%.

## Treasury and Investment Services

HBTF's activities during 2016 reflected the strategy set for Treasury and Investment. Efforts have been intensified to manage and deploy liquidity in a more efficient manner to ensure healthy and strong liquidity levels, along with enhancing non-interest revenues despite the adverse economic and political risks and conditions in the Middle East.

In line with its strategy in focusing on the comprehensive sale opportunities during 2016, HBTF has implemented a comprehensive marketing plan by which targeted segments of customers were reached. The marketing process for Investment Products and Services as well as Brokerage Services in particular was activated and led to good growth in revenues from commissions.

HBTF continued to strengthen its position as a leader in the interbank deposits market in the Kingdom as a result of its high liquidity level, which exceeds the regulatory requirements of the Central Bank of Jordan. The Housing Bank relies on a network of major international banks in its management of liquidity and deposits in foreign currencies. Moreover, HBTF manages the biggest local mutual investment fund in terms of assets under management which is managed by a specialized committee. New funds have also been marketed for during the year, including the Franklin Templeton Fund.

During 2016, HBTF's focus was to continue the development process and to provide the highest quality of treasury and investments products and services to its "individual and corporate" customers in line with their needs. In addition, HBTF continued to provide Foreign Currencies and precious metals services through spot cash account trading, spot foreign exchange margin service and FX forward contracts service, as well as brokerage services in local, regional and international financial markets such as buying and selling options contracts in the international stock markets, portfolios management services, mutual investment funds, investment custody, and other services.

## Financial Institutions and Correspondent Banks

During 2016, HBTF succeeded in maintaining and developing strategic banking relations with a wide network of correspondent banks exceeding 450 banks in more than 80 countries, despite the de-risking trend that adversely impacted many financial institutions, as a number of international institutions restricted or ceased relationships around the world, and particularly in this region. This success is attributed to many factors, the most important of which is the stability of HBTF's financial position, the strength and solidity of compliance system, and the existence of an effective governance system. Additionally, HBTF prides itself on having a dedicated and specialized team that manages the banking relations with correspondent banks ensuring the continuity and development of such relations.

In its attempts to play an active role in global correspondent banking; HBTF participated in a number of the regional and international conferences. Furthermore, the bank made a number of marketing visits to key correspondent banks around the world, with the aim of marketing HBTF's banking services offered to these correspondent banks in the fields of international trade and transfers.

HBTF continued during 2016 to monitor the latest developments in the credit status at country and correspondent bank level in order to understand the latest developments relevant to their financial and credit standing to maintain acceptable levels of risks that are consistent with the bank's prudent risk management policy. On the other hand, the bank successfully negotiated with correspondents to apply more competitive prices on international banking services.

It is worth mentioning that during 2016, HBTF successfully developed and implemented a unique electronic transfers system in order to keep abreast of the new developments in the fields of electronic banking channels. Through this system, the bank enhanced its ability to provide customers with high-quality services in line with HBTF's goals that are set to strengthen its leading position in the Jordanian Banking Sector.

The Bank manages its international activities through a specialized team. The team members are responsible for overseeing relations with around 450 financial institutions covering more than 80 countries around the world.

## International Branches and Subsidiaries

The Housing Bank offers through its International branches, subsidiaries, and representative offices spread across 8 countries, an integrated set of comprehensive banking and financial services to its customers in both retail and corporate sectors, which contributed in developing HBTF's relations with its customers including the exporters and the importers on one hand, and boosting the commercial exchanges and investments between Jordan and the countries in which HBTF operates on the other hand.

### **The Housing Bank Group inside and outside Jordan is composed of the following:**

**Branches inside Jordan:** 130 branches.

**Branches outside Jordan:** 13 branches in Palestine, and one branch in Bahrain.

### **Subsidiary Banks:**

- International Bank for Trade and Finance / Syria ([www.ibtf.com.sy](http://www.ibtf.com.sy)): The ownership is 49.1% of the paid-up capital which amounted to SYP5.25 billion. It operates through 31 branches.
- HBTF/ Algeria ([www.housingbankdz.com](http://www.housingbankdz.com)): The ownership is 85% of the paid-up capital which amounted to DZD10 billion. It operates through a network of 7 branches.
- Jordan International Bank / UK ([www.jordanbank.co.uk](http://www.jordanbank.co.uk)): The ownership is 75% of the paid-up capital which amounted to GBP65 million. It operates through 1 branch.

### **Subsidiary Companies:**

- Specialized Leasing Company ([www.slco.com](http://www.slco.com)): The ownership is 100% of the paid-up capital which amounted to JD30 million. It operates through 2 branches.
- International Financial Center ([www.ifc.com.jo](http://www.ifc.com.jo)): The ownership is 77.5% of the paid-up capital which amounted to JD5 million.

### **Representative Offices**

- Abu Dhabi (UAE) Representative Office.
- Tripoli (Libya) Representative Office.
- Baghdad (Iraq) Representative Office.

Although 2016 was full of regional political and economic challenges, in addition to the consequences of the political events that are still facing some neighboring countries, the procedures followed by HBTF were able to limit the impact of these events on the financial results of the outside branches and subsidiaries that form the Housing Bank Group.

The Bank's International branches and subsidiaries were able to achieve good results during 2016, as was reflected in the improving performance level and Group's profits. The representative offices assisted in enhancing the Bank's presence through introducing its services to local and official segments in the countries where the Bank operates, and attracting numerous financial institutions to deal with the Bank, as well as motivating the financial institutions and banks that deal with HBTF to increase the volume of their transactions. As a result of the circumstances and events witnessed by Syria, the efforts of the International Bank for Trade and Finance were focused, during this year, on adopting the policies and procedures that would reduce the risks and the adverse effects of such events on the Bank.

## Organizational Development

The Bank approved a new organizational structure in 2016, which was updated to adapt to the increase in business volume driven by the Bank's continued expansion of its branch network.

The Bank embarked on various organizational development projects encompassing the completion of impact analysis of the new core banking system on the newly created organizational units. Furthermore, the Bank reviewed its needs of Human resources and continued updating HR policies.

## Human Resources

HBTF believes that employees are the most important pillar for success, so, the Bank continuously seeks to ensure development of their capabilities in order to achieve a strong, and distinguished financial performance. Today, the Bank is abounding with qualified human cadres of which it could achieve great accomplishments on the level of performance, and the quality of services it offers to its customers.

## Recruitment

HBTF continued to develop its recruitment methods and policies to attract the best and most talented capabilities in the field of banking, and focused on employing fresh graduates holding distinguished educational degrees from the local, Arab, and international universities and institutions, as well as attracting the best capabilities who have experiences in the labor market. It is notable that HBTF provides, through its website, a recruitment window through which those who desire to work at HBTF can submit their applications.





## Training and Development

HBTF believes in the significance of qualifying and training all categories of employees by providing them with the appropriate skills in various banking and management areas, which would in turn enhance their knowledge and experience that enable them to develop their capabilities and expertise thereby enhancing overall performance. The Bank's strategic training and development initiatives, during 2016, focused on continuing to enhance the skills of all employees by providing high-level training in all functional categories across the Bank's various departments and branches, with a focus on functions that require direct interaction with customers "Front Office". In this context, HBTF provided a wide range of cutting edge training programs that reflect the latest developments in banking technology. The most important of which was the Qualification of Fresh- Graduate Bankers Program, Customer Service Employees Qualification Program, Qualification of the Employees nominated to occupy Leadership and Management Positions Program, and Risks and Compliance Management Programs. The intensive training in such programs focuses on engagement of employees in specialized activities to augment their qualification and knowledge of banking, and to enhance their work values and ethics in line with HBTF's vision and aspirations.



Moreover, HBTF continued moving forward in adapting its training and development policy aiming at upgrading the educational and the professional standards of its employees, as it provided study opportunities to a number of employees to obtain University, Professional Degrees, and High study degrees from well-known educational institutions and training centers existing inside and outside the Kingdom. The disclosure data in the final part of this report includes more details about the training programs, and the number of participants in them.



## Employees' Benefits

In supporting HBTF's efforts aiming at providing a positive and motivating work environment for the employees, and in a manner that ensures job security, and enhances employee loyalty, HBTF's Board of Directors has taken a number of resolutions including:

- Granting all employees, a proportion of cost living exceeding the inflation rate in the Kingdom.
- Approval of a new scale of salaries and grades as such scale was set within scientific principles and in accordance with banking market studies.
- Improvement of the conditions of housing loans granted to employees.
- Disbursement of performance incentives amounting to 5% of after-tax profits based on an approved policy that links the performance incentive to attainment of preset goals on an employee level.



## Risks Management

HBTF continued during 2016 the adoption of an effective strategy in the field of "Risks Management", which centers on identification, assessment measurement, and appropriate treatment of risks arising from the varying Bank activities, to maintain material exposures within acceptable levels of risks approved the Board of Directors. The Bank's prudent risk management strategy leaves HBTF poised to encounter challenges in a more efficient, and prudent manner to reach balance between the volume of risks and return in line with HBTF's strategic objectives, regulatory requirements, and international standards.

Driven by its intention to maintain a consistent, efficient, and proactive risk management strategy, HBTF continued during 2016 developing and implementing different policies and approaches of Risk Management in order to comply with the international standards and local corporate governance requirements in an attempt to reduce and mitigate the levels of exposure to risks, and maintain them within acceptable levels. Moreover, the risk management department continuously update the assessment and monitoring of all types of risks, in addition to updating the Bank's Control-Risk Self-Assessment (CRSA) profiles in various business entities. In addition, the bank developed a set of Key Risk Indicators to monitor the efficiency of the controls, and to evaluate the extent of hazard and recursion of occurrence of the operating losses with the aim of taking the necessary measures to limit the impacts of risk occurrence.

In order to enhance the effectiveness of its internal control framework, the Bank increased its investment in risk management infrastructure and risk control systems. In addition to the effort and focus given to the business continuity activities, to improve resilience in case of disasters and catastrophic situations. This is undertaken by conducting regular tests for IT mission critical systems; to measure the Bank's seamless readiness and determine necessary counter measures, to ensure continuity of its business operations from the Disaster Recovery and other alternative sites smoothly.

The Bank continues to comply with the Requirements of the Payment Card Industry Data Security Standard (PCI-DSS). This certificate is the latest international standard in the field of providing protection and confidentiality to the data pertaining to online credit cards.

In order to promote a sound corporate culture, and increase risk awareness, the risk management function conducted several awareness courses for employees in this regard and distributed relevant educational materials relating to risk on the Bank's internal website

The Clarification No. (40) In the Financial Statements contained in this Report provides more information and details about HBTF's Risk Management.

## IFRS9 Requirements

### IFRS 9 - The Financial Instruments

In July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9 Financial Instruments, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 and all previous versions of IFRS 9.

The changes in the IFRS 9 Principles over the former IAS 39 principles encompass three areas namely: Classification & Measurement, Impairment methodologies and Hedge Accounting.

The new impairment requirements in IFRS 9 are based on an expected credit loss model and replace the IAS 39 incurred loss model.

### Compliance with IFRS9

IFRS-9 is mandatory for banks from annual periods on or after January 1, 2018. Considering the complexity of changes in systems, processes and data requirement.

Therefore, HBTF launched a Project to comply with the new standards since the beginnings of 2016 in cooperation with a consultancy firm, and major enhancements and developments have been set forth to ensure readiness for 2018. It is expected that the empirical application for calculating the provisions will start in the Second Half of 2017.

### The Impact of IFRS 9

The expected credit loss model applies to debt instruments recorded at amortized cost or at fair value through other comprehensive income.

HBTF is required to recognize an allowance for either 12-month or lifetime expected credit losses (ECLs), depending on whether there has been a significant increase in credit risk since initial recognition

The IFRS changes range from some minor modifications to significant amendments of fundamental principles. These changes will affect many different areas of reporting financial information including the introduction of extensive disclosure requirements, the presentation of financial statements, and how particular elements and processes, as well as the regulatory capital requirements will be impacted.

The changes will increase the provisions and will also impact the capital adequacy, business decisions, and loan pricing methodologies which are linked with borrowers' credit ratings.

## Compliance

In 2016, HBTF continued its commitment in applying the best practices in the fields of compliance, Anti Money Laundering, Counter Financing of Terrorism and international sanctions according to the laws and instructions issued from local and international regulators by applying compliance testing, preparation of periodical reports that include the evaluation of “compliance risks” in addition to transparent and accurate disclosure of Bank’s activities.

To this end, HBTF has taken many steps to reduce the risks of money laundering and financing of terrorism represented in monitoring the financial transactions conducted on customers’ accounts, studying alerts generated from Anti Money Laundering system, and performing a periodical update on the current names listed in international ban lists. Furthermore, HBTF continued its commitment with FATCA requirements through extracting the necessary regulatory reports and continuous training provided to employees in this regard.

Additionally, HBTF has adopted many steps to enhance compliance culture, anti-money-laundering and financing of terrorism, international sanctions, and FATCA, where workshops and training sessions were held for different work sectors in HBTF, in addition to preparation of awareness and educational bulletins and issuance of circulars for educating employees on key compliance related matters.

## Corporate Governance

HBTF adheres to the Corporate Governance Regulations issued by The Central Bank of Jordan and the regulators in the countries in which it operates. A copy of the guide can be found in the following link:

<https://www.hbtf.com/en/InvestorRelations/Lists/HBTFDocumentsInstance/orporateGovernanceManual.pdf>

## Promotion and Marketing


In 2016, Housing Bank launched numerous promotional and marketing campaigns that deliver its outstanding products and service to targeted segments of the community. Additionally, the Bank has developed the scope of the services it offers, as well as launched a number of new value-added products, tailored to the needs of its customers. The Bank has also introduced new advertising methods, including promotions at the wide network of branches, and on Housing Bank ATMs screens.

Throughout the year, Housing Bank launched several marketing campaigns for its innovative suite of products and services, most notable of which were a campaign to promote saving accounts and its prizes program for 2016, the introduction of the housing loan, car loan, personal loan, a campaign dedicated to Housing Bank’s e-services, as well as campaigns to promote Visa and MasterCard cards (credit and debit) through several strategic partnerships. These activities, in addition to a number of strategic partnerships and the promotion of the Bank’s investment services and corporate offerings, contributed in recording a remarkable growth in HBTF’s credit portfolio, in turn increasing the Bank’s market share and visibility. Housing Bank also offered its support and sponsorship to various conferences, forums, events and activities radiating from its belief in the importance of building trust and value with its customers, business partners and stakeholders.





### Follow HBTF’s social media pages:

 Housing Bank for Trade and Finance

 @TheHousingBank

 @TheHousingBank

 Housing Bank for Trade and Finance

 Housing Bank for Trade and Finance

## Information Technology

In 2016, HBTF focused on improving the efficiency of its internal operations in a way that contributes to providing customer services with higher efficiency and enabling customers to perform different banking services in a quicker and safer manner by deploying new systems and developing the current systems along with enhancing and strengthening the current infrastructure.

In HBTF's constant pursuit to seek a strong technological infrastructure and provide customers with quicker and safer services, it has completed the launch of its website in its new developed suit. The website (www.HBTF.com) includes many modern and innovative features that are capable of enriching customers' digital experience, granting them unique features and information, and giving them the opportunity to perform many online banking services with ease at all times. Furthermore, HBTF updated and developed the e-services it provides to customers; retail and corporates.

During this year and as part of HBTF's determination to provide its customers with the best products and services, the Bank made several investments including:

- Initiating the process of replacing ATM surveillance systems and the purchase of central storage devices and servers.
- Replacing old computers in branches and departments.
- Improving the "Iskan Mobile" application through adding new customer service channels, such as Western Union.
- Applying eFAWATEER.com through ATMs.
- Applying the project of Collection System follow-up.
- Applying the projects related to the requirements of Central Bank of Jordan, such as ACH project and RTGS project.

## Social Responsibility

In 2016, Housing Bank continued its commitment to the local community in which it operates, reaching out to and positively interacting with both individuals and organizations. Housing Bank's social responsibility programs covered a wide spectrum of activities, with support and contributions offered to health, educational, cultural, technical, social, humanitarian, sports and environmental organizations throughout the year, in addition to the Bank's sponsorship of scientific, intellectual and economic seminars and conferences.

In addition, and in cooperation with numerous institutions and organizations, Housing Bank has sponsored several charity events as part of its efforts to eradicate poverty, hunger and unemployment in the country. Also as part of its CSR strategy, the Bank sponsors various cultural, social and sports events, and takes part in annual national celebrations.

Health and safeguarding the environment are two pillars of the Bank's CSR program. Accordingly, Housing Bank made generous donations to institutions and associations that work in both fields, and it further cemented its commitment by initiating a recycling program and pledging to achieve a paperless environment in the future.

Housing Bank issues a detailed annual report on its CSR program that includes the most notable activities and initiatives undertaken by the Bank.



# The Strategic Plan of the Bank for 2017

The strategic plan for 2017 was developed at a stage where the region was suffering from political instability; which had negative repercussions on the Jordanian economy, most notably: the large increase in public debt, the increase in budget deficit, the decline in investment activities, and the decline in the Kingdom's reserves of foreign currencies. The strategic objectives were based upon a set of assumptions and expectations for growth in the various activities and areas of business at the Bank, exceeding the projected growth rates for the Jordanian banking sector, with the view to achieve sustainable growth in the Bank's profits and enhancing its market share.

The overall Bank's strategic direction represents the future aspirations of the Senior Management. The strategic direction serves as a guide for the Bank's departments in preparing their annual action plans and budgets. This was based on analyzing the elements of external and internal environment. These guidelines were imbedded in the following four main pillars:

## **Financial Pillar:**

- Achieving sustainable growth in profits and shareholders' equity.
- Enhancing the rate of return on assets and shareholders' equity.
- Increasing the market share of deposits and credit facilities in the Jordanian banking sector.
- Increasing non-interest revenues, improving the Bank's activities and its market share in the field of indirect credit facilities.
- Improving the quality of credit portfolio through addressing the existing non-performing debts and reducing the classification of other accounts within the non-performing loans.
- Rationalizing expenditure in all business aspects and increasing revenues that help improve the efficiency ratio and rationalize capital expenses .

## **Customers and Market Pillar:**

- Improving HBTF's market share in various fields with the focus on the Bank's share in saving accounts and funding of external trade operations.
- Enhancing the efficiency of marketing in the Bank, including direct marketing activity.
- Enhancing HBTF's activities in credit cards field generally, and increasing rates of limits utilization exploitation granted for such cards particularly.
- Enhancing the positive social image of the Bank through the continuous enhancement of its active role in the field of corporate social responsibility.
- Enhancing customers' satisfaction.
- Strengthening the relationship with customers through addressing their needs and fulfilling their requirements and identifying their issues with the Bank (solving them if any).
- Improving the quality of customer service, developing the existing products and services, studying the feasibility of introducing new products to meet the needs and requirements of all targeted segments of customers.
- Encouraging the customers to use electronic channels.



## **Operations Pillar:**

- Reviewing work procedures in general, and the procedures of extending credits in particular to speed up the credit decision-making process while implementing the standards, which guarantee the soundness of credit decisions.
- Developing the technological infrastructure, and increasing the efficiency of its use in the various aspects of business at the Bank.
- Adjusting and rationalizing the internal branching process.
- Rationalization of improvements and updates of branches' decorations, so that necessary improvements and updates only are implemented with reasonable costs.
- Enhancing the efficiency of the electronic channels, and guiding the customers towards using the alternative channels such as the Bank's applications on smart phones, internet banking, and call center, etc., and taking advantage of the different services available through these channels.
- Enhancing the capabilities and potentials of overseas branches and subsidiaries by providing support and assistance to them by all departments and centers of the Bank.
- Enhancing the efficiency HBTF subsidiary companies and their contribution to increasing the Bank's profits through the participation of members of HBTF's executive management in the Boards of these companies.
- Rationalization of electricity consumption through the usage of alternative energy resources generated from solar energy.
- Developing a plan compatible with (IFRS 9) to be applied in the beginning of 2018.

## **Human Resources Pillar**

- Enhancing employee satisfaction and improving their productivity and loyalty to the Bank through the continuous implementation of incentives and rewards based on actual performance.
- Providing the necessary training opportunities that suit the actual needs of staff and the nature of their work and thus contributing to upgrading the performance of employees and their skills.
- Enhancing teamwork and activating intercommunication among the Bank's departments and centers.
- Pursuing the implementation of succession planning and career progression at the Bank, and preparing the second level of staff by providing them with the necessary knowledge, scientific and practical experience.
- Implementing job rotation programs in order to diversify employees' experience and increase their productivity.
- Providing various branches and work centers with their actual need of human resources through the appointment of the required number of employees with scientific and practical experience, taking into account the qualification of the cadres required for the operation of new branches before opening for operation.
- Revising rewards and incentives systems, with greater reliance on the criteria of objectives achievements and KPIs against which rewards and incentives are granted, in addition to determining employees' suitability (at different management levels) for the positions they occupy.



your satisfaction..





is our measure of success



▶ Consolidated Financial Statements

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of the Housing Bank for Trade & Finance**  
**Public Shareholding Company**  
**Amman - Jordan**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the financial statements of **the Housing Bank for Trade & Finance** (the Bank), which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to consolidated the financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2016. 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. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**Impairment of loans and advances to customers**

Impairment of loans and advances to customers is one of the most significant matters that impact the reported results of the Bank, in addition of being an area that requires a considerable amount of judgment for determining impairment event and the measurement of impairment loss.





Judgment is applied to the inputs of the measurement process of impairment including valuation of collateral, inputs and calculation of specific and collective impairment and determining the default date, and as a result, impairment is calculated from that date. As at 31 December 2016, the gross loans and advances amounted to JD 4,312,935,223 against which accumulated loan loss provision of JD 187,398,643 were recorded.

Our audit procedures included obtaining the non-performing and watch list loans schedules, samples were selected to test impairment which included collateral valuation and assessing the provision required based on the date of default.

We also selected a sample from the performing loans to determine whether management had identified all impairment events.

Disclosures of impairment of loans and advances are detailed in note 8 to the consolidated financial statements.

#### **Suspension of interest on non- performing loans**

Interest is suspended after 90 days from impairment event (default date) in accordance with Central Bank of Jordan regulations.

Judgment is applied as to determining when the default date occurred which affects the amount of interest to be suspended.

Our audit procedures included selecting a sample from the schedules of non-performing loans and interest in suspense, and tested suspended interest including recalculation in accordance with CBJ regulations, and assessing the criteria used by management for determining the impairment event.

Disclosures of interest in suspense are detailed in note 8 to the consolidated financial statements.

#### **Valuation of investments in unquoted equities**

The valuation of investments in private equities is a complex area that requires the use of models and forecasting of future cash flows including other factors to determine the fair value of the investments. As at 31 December 2016, the unquoted equities amounted to JD 16,926,409.

Our audit procedures included an assessment of the methodology and the appropriateness of the valuation models and inputs used to value the unquoted equities. As part of these audit procedures, we assessed the reasonableness of key inputs used in the valuation such as the expected cash flows, discount rate by benchmarking them with external data.

Disclosures of consolidated financial assets through profit or loss are detailed in note 7 to the consolidated financial statements for the accounting policies not relate to financial assets at fair value through profit or loss which are disclosure in note 2 to the consolidated financial statements.

#### **Impairment testing of indefinite intangible assets – subsidiary banking license in the United Kingdom**

Indefinite intangible are required to be tested for impairment annually, which is a complex area that requires estimates and forecasting the future cash flows of the subsidiary (Jordan International Bank).

The carrying value of the intangible asset - Banking license in UK - is contingent on future cash flows and there is risk if these cash flows do not meet the Bank's expectations that the intangible asset will be impaired.

The impairment reviews performed by the Bank contained a number of significant judgements and estimates such as revenue growth and discount rate. Changes in these assumptions might lead to a change in the carrying value of the intangible asset.



Our audit procedures included an assessment of the methodology and the appropriateness of key assumptions. We reviewed management assumptions, including comparing relevant assumptions to industry and economic forecasts. We obtained and evaluated management's sensitivity analyses to ascertain the impact of reasonably possible changes in key assumptions.

Disclosures of intangible assets are detailed in note 12 to the consolidated financial statements.

### **Other information included in The Bank's 2016 Annual Report**

Other information consists of the information included in The Bank's 2016 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2016 Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, 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 IFRSs, and for such internal control as management determines is 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **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 exist. 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 ISAs, we exercise professional judgment 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 that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes 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 reasonable be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.



Ernst & Young / Jordan

Mohammad Ibrahim Al- Karaki  
License No. 882

## Consolidated Statement of Financial Position as of 31 December 2016

	Notes	2016	2015
		JD	JD
<b>Assets</b>			
Cash and balances with central banks	4	1,052,501,966	1,037,131,493
Balances with banks and financial institutions	5	549,833,560	655,755,916
Deposits with banks and financial institutions	6	22,795,894	24,624,589
Financial assets at fair value through profit or loss	7	21,957,719	22,222,616
Direct credit facilities - net	8	4,042,066,469	3,494,685,820
Financial assets at fair value through other comprehensive income	9	580,524	580,524
Financial assets at amortized cost- net	10	1,791,900,701	2,365,183,490
Property and equipment- net	11	168,524,627	158,572,865
Intangible assets- net	12	24,351,994	24,803,749
Deferred tax assets	19	40,738,707	36,856,464
Other assets	13	104,973,034	102,281,202
<b>Total Assets</b>		<b>7,820,225,195</b>	<b>7,922,698,728</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Banks and financial institutions deposits	14	493,163,142	535,535,925
Customers' deposits	15	5,647,527,093	5,809,753,863
Margin accounts	16	328,901,283	279,108,487
Loans and Borrowings	17	38,338,502	31,030,475
Sundry provisions	18	56,024,369	44,248,423
Income tax provision	19	57,000,430	45,101,562
Deferred tax liabilities	19	2,056,712	2,056,712
Other liabilities	20	137,163,122	136,523,026
<b>Total Liabilities</b>		<b>6,760,174,653</b>	<b>6,883,358,473</b>
<b>Equity</b>			
<b>Equity Attributable to the Bank's Shareholders</b>			
Paid-in capital	21	252,000,000	252,000,000
Share premium	21	357,925,469	357,925,469
Statutory reserve	22	189,054,310	172,277,768
Voluntary reserve	22	33,222,068	33,222,068
General banking risks reserve	22	36,101,000	32,401,000
Special reserve	22	7,752,032	7,272,603
Foreign currency translation reserve	23	(110,715,554)	(89,872,167)
Revaluation reserve for financial assets- net	24	(344,677)	(349,012)
Retained earnings	25	247,953,497	225,919,340
<b>Total Equity Attributable to the Bank's Shareholders</b>		<b>1,012,948,145</b>	<b>990,797,069</b>
<b>Non – Controlling Interests</b>		<b>47,102,397</b>	<b>48,543,186</b>
<b>Total Equity</b>		<b>1,060,050,542</b>	<b>1,039,340,255</b>
<b>Total Liabilities and Equity</b>		<b>7,820,225,195</b>	<b>7,922,698,728</b>

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them



## Consolidated Income Statement for the year ended 31 December 2016

	Notes	2016	2015
		JD	JD
Interest income	27	361,758,831	382,040,859
Interest expense	28	(91,839,894)	(116,037,812)
<b>Net Interest Income</b>		<b>269,918,937</b>	<b>266,003,047</b>
Net commission income	29	25,160,981	28,343,565
<b>Net Interest and Commission Income</b>		<b>295,079,918</b>	<b>294,346,612</b>
Net gain from foreign currency exchange	30	20,720,472	21,855,415
(Loss) gain from financial assets at fair value through profit or loss	31	(468,179)	(427,873)
Other income	32	49,304,210	30,495,078
<b>Gross Income</b>		<b>364,636,421</b>	<b>346,269,232</b>
Employees expenses	33	74,955,250	71,782,287
Depreciation and amortization	11,12	15,628,444	14,097,233
Other expenses	34	52,165,231	49,007,603
Impairment loss on direct credit facilities	8	12,875,272	20,176,201
Allowance for impairment loss of amortized cost	10	900,000	-
Sundry provisions	18	17,776,093	14,185,792
<b>Total Expenses</b>		<b>174,300,290</b>	<b>169,249,116</b>
<b>Profit before income tax</b>		<b>190,336,131</b>	<b>177,020,116</b>
Income tax expense	19	(59,323,518)	(52,292,082)
<b>Profit for the year</b>		<b>131,012,613</b>	<b>124,728,034</b>
Attributable to:			
<b>Bank's Shareholders</b>		<b>123,787,093</b>	<b>121,768,520</b>
<b>Non-Controlling Interests</b>		<b>7,225,520</b>	<b>2,959,514</b>
		<b>131,012,613</b>	<b>124,728,034</b>
<b>Basic and diluted earnings per share attributable to the Bank's shareholders</b>	<b>35</b>	<b>JD 0.491</b>	<b>JD 0.483</b>

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

	2016	2015
	JD	JD
<b>Profit for the year</b>	<b>131,012,613</b>	<b>124,728,034</b>
Add: Other comprehensive income which will be reclassified to income statement in future periods		
Foreign currency translation adjustments	(28,826,079)	(38,160,538)
Add: Other comprehensive income which will not be reclassified to income statement in future periods		
Change in fair value reserve- net after tax	4,335	(82,958)
<b>Total Other comprehensive income (loss) for the year - Net of tax</b>	<b>(28,821,744)</b>	<b>(38,243,496)</b>
<b>Total comprehensive income for the year</b>	<b>102,190,869</b>	<b>86,484,538</b>
Attributable to:		
<b>Bank's shareholders</b>	<b>102,948,041</b>	<b>94,144,948</b>
<b>Non-controlling interests</b>	<b>(757,172)</b>	<b>(7,660,410)</b>
	<b>102,190,869</b>	<b>86,484,538</b>

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

## Consolidated Statement of Changes in Equity for the year ended 31 December 2016

	Equity Attributable to the Bank's Shareholders												Total Equity				
	Paid-in Capital		Share Premium	Reserves					Retained Earnings	Total Equity Attributable to the Bank's Shareholders	Non-Controlling Interests						
	JD	JD		Statutory	Voluntary	Special	General Banking Risks	Foreign Currency Translation Reserve			Revaluation Reserve for Financial Assets	JD		JD	JD	JD	
<b>2016</b>																	
<b>Balance beginning of the year</b>	252,000,000	357,925,469	172,277,768	33,222,068	7,272,603	32,401,000	(89,872,167)	(349,012)	225,919,340	990,797,069	48,543,186	1,039,340,255					
Total comprehensive income for the year	-	-	-	-	-	-	(20,843,387)	4,335	123,787,093	102,948,041	(757,172)	102,190,869					
Transfer to / from reserves	-	-	16,776,542	-	479,429	3,700,000	-	-	(20,955,971)	-	-	-					
Dividends paid	-	-	-	-	-	-	-	-	(80,640,000)	(80,640,000)	(738,435)	(81,378,435)					
Others	-	-	-	-	-	-	-	-	(156,965)	(156,965)	54,818	(102,147)					
<b>Balance - End of the Year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>189,054,310</b>	<b>33,222,068</b>	<b>7,752,032</b>	<b>36,101,000</b>	<b>(110,715,554)</b>	<b>(344,677)</b>	<b>247,953,497</b>	<b>1,012,948,145</b>	<b>47,102,397</b>	<b>1,060,050,542</b>					
<b>2015</b>																	
<b>Balance beginning of the year</b>	252,000,000	357,925,469	155,006,478	33,222,068	6,426,421	29,101,000	(62,331,553)	(266,054)	213,731,123	984,814,952	53,583,177	1,038,398,129					
Total comprehensive income for the year	-	-	-	-	-	-	(27,540,614)	(82,958)	121,768,520	94,144,948	(7,660,410)	86,484,538					
Increase in paid capital	-	-	-	-	-	-	-	-	-	-	2,630,980	2,630,980					
Transfer to / from reserves	-	-	17,271,290	-	846,182	3,300,000	-	-	(21,417,472)	-	-	-					
Dividends paid	-	-	-	-	-	-	-	-	(88,200,000)	(88,200,000)	-	(88,200,000)					
Others	-	-	-	-	-	-	-	-	37,169	37,169	(10,561)	26,608					
<b>Balance - End of the Year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>172,277,768</b>	<b>33,222,068</b>	<b>7,272,603</b>	<b>32,401,000</b>	<b>(89,872,167)</b>	<b>(349,012)</b>	<b>225,919,340</b>	<b>990,797,069</b>	<b>48,543,186</b>	<b>1,039,340,255</b>					

- The general banking risks reserve and the negative balance of the revaluation of the financial assets reserve is a restricted reserve that cannot be utilized without the approval of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD 5,655,417 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The balance of retained earnings includes JD 127,299 which represents the effect of early application of International Financial Reporting Standard No. (9) and this amount is restricted from use except for the amounts that become realized as actually achieved through sales.
- The Bank cannot use a restricted amount of JD 40,738,707 from the retained earnings, which represents deferred taxes and the amount of JD 344,677 represent a negative change of financial assets at fair value through Comprehensive income. These amounts, cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations and Jordan Securities commission.
- The Bank cannot use a restricted amount of JD 14,789,466 which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria during this year and Previous years.

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

## Consolidated Statement of Cash Flows for the year ended 31 December 2016

	Notes	2016 JD	2015 JD
<b>Operating Activities</b>			
<b>Profit before income tax</b>		<b>190,336,131</b>	<b>177,020,116</b>
<b>Adjustments for non - cash items:</b>			
Depreciation and amortization		15,628,444	14,097,233
Impairment loss on direct credit facilities		12,875,272	20,176,201
Unrealized (losses) on financial assets at fair value through profit or loss		648,647	664,028
End-of-service indemnity expense		3,821,582	3,148,794
Premium and discount amortization		952,161	184,394
Net accrued interest and commission income		1,318,605	10,992,310
Dividend from financial assets at fair value through profit and loss		-	(260,951)
Effect of change in exchange rates on cash and cash equivalents		(19,334,876)	(20,218,336)
Others		19,132,316	14,715,851
<b>Cash Flows from Operating Activities before Changes in Assets and Liabilities</b>		<b>225,378,282</b>	<b>220,519,640</b>
<b>Decrease (Increase) in Assets</b>			
Deposits with central banks (maturing after more than 3 months)		56,600,000	6,800,000
Deposits with banks and financial institutions (maturing after more than 3 months)		1,828,695	(1,477,028)
Direct credit facilities		(549,379,178)	(816,312,888)
Financial assets at fair value through profit or loss		(383,750)	540,827
Other assets		(13,428,865)	(7,488,408)
<b>Increase (Decrease) in Liabilities</b>			
Banks and financial institutions deposits (maturing after more than 3 months)		(47,196,936)	(52,348,979)
Customers' deposits		(162,226,770)	349,857,184
Margin accounts		49,792,796	41,647,609
Other liabilities		9,319,845	(18,349,707)
Miscellaneous provisions		(5,632,925)	(6,007,645)
<b>Net Cash Flows used in Operating Activities before Income Tax Paid</b>		<b>(435,328,806)</b>	<b>(282,619,395)</b>
Income tax paid		(51,345,650)	(52,080,998)
<b>Net Cash Flows used in Operating Activities</b>		<b>(486,674,456)</b>	<b>(334,700,393)</b>
<b>Investing Activities</b>			
(Purchase) of financial assets at amortized cost		(657,077,207)	(572,264,857)
Maturity of financial assets at amortized cost		1,228,952,417	599,232,651
(Purchase) of property and equipment - net		(26,532,350)	(31,676,630)
Sale of property and equipment - net		3,554,702	569,095
(Purchase) of intangible assets		(3,734,647)	(4,335,463)
<b>Net Cash Flows from (used in) Investing Activities</b>		<b>545,162,915</b>	<b>(8,475,204)</b>
<b>Financing Activities</b>			
Loans and borrowings		7,308,027	9,332,047
Dividends paid		(80,568,933)	(88,162,396)
Non-controlling interests – net		(738,435)	2,620,419
Net Cash Flows (used in) Financing Activities		(73,999,341)	(76,209,930)
Net (Decrease) in Cash and Cash Equivalents		(15,510,882)	(419,385,527)
<b>Effect of change in exchange rate on cash and cash equivalents</b>		<b>(23,265,154)</b>	<b>1,089,745</b>
<b>Cash and cash equivalents - beginning of the year</b>		<b>1,211,733,149</b>	<b>1,630,028,931</b>
<b>Cash and Cash Equivalents - End of the Year</b>	<b>36</b>	<b>1,172,957,113</b>	<b>1,211,733,149</b>

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them



## Notes To The Consolidated Financial Statements 31 December 2016

### 1- General

- The Housing Bank for Trade and Finance “the Bank” was established in 1973 and registered as a public shareholding company with its headquarters in Amman - Jordan in accordance with the Jordanian Companies Law 12 of 1964.
- The Bank is engaged in all banking and financial activities through its headquarter in Amman and its branches in Jordan (130 branches) and abroad; Palestine and Bahrain (14 branches) and through its subsidiaries in Jordan, Syria, Algeria, and the UK.
- The Bank’s shares are traded on Amman Stock Exchange.
- The consolidated financial statements were approved by the Bank’s Board of Directors in their meeting No.(2/1/2017) dated 26 January 2017. These consolidated financial statements are subject to the approval of the General Assembly of Shareholders.

### 2- Summary Of Significant Accounting Policies

#### Basis of Preparation

- The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee arising from the International Accounting Standards Committee and in conformity with the local applicable laws and regulations and the regulations of the Central Bank of Jordan.
- The consolidated financial statements are prepared on the historical cost basis except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are presented at fair value as of the date of the consolidated financial statements. Moreover, financial assets and financial liabilities hedged against the risk of fluctuation in their value are stated at fair value.
- The consolidated financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

#### Changes in accounting policies:

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015 except for the followings:

#### Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

#### IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

## **Investment entities (Amendments to IFRS 10 and IAS 28)**

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

## **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization**

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

## **Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests**

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Bank's financial position or performance and became effective for annual periods which started from 1 January 2016.

## **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions, income, and expenses between the Bank and subsidiaries are eliminated.

### **A. Foreign subsidiaries**

- International Bank for Trade and Finance / Syria (paid-in capital Syrian Lira 5.25 billion, of which the Bank owns 49.063% as of 31 December 2016). The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. The main objective of this bank is to conduct commercial banking activities, and the ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 Million SYL, whereas the Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.

- The Housing Bank for Trade and Finance – Algeria: an ownership ratio of 85%) of the bank's capital of 10 Billion Algerian Dinars, The main objective of this bank is to conduct commercial banking activities and the ownership of this bank dates bank to 2002.
- Bank of Jordan International / London: The ownership is 75% of the paid-up capital which amounted to 65 million Pounds (65 million shares), par value £ 1 per share as of December 2015, the main objective of the bank is to conduct banking activates.

## **B. Local subsidiaries**

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5% as of 31 December 2016). The Company's main activity is financial brokerage in local and foreign markets, and conducts purchase and sale transactions of financial instruments for customers and for the company. The Bank ownership in this company dates back to 1998.
- Specialized Lease Finance Company - Jordan, of which the Bank owns 100% of paid- in capital of JD 30 million as of 31 December 2016. The Company's main activity is finance leases of various equipment and machinery in addition to real estate, land, and vehicles and other items that are purchased by the company for finance lease purposes and the Bank ownership in this company dates back to 2005.
- Jordan Real Estate Investments Company - Jordan. The Bank owns 100% of this company's paid- in capital of JD 40,000 as of 31 December 2016. The company's main activity is to manage non - banking services personnel, and the Bank ownership in this company dates back to 1997.

The financial statements of the subsidiaries are prepared for the same reporting period as the Bank and the same accounting policies, if different polices are adopted then adjustments are done to the subsidiaries financial statements to be in line with the Bank's policies.

The results of operations of the subsidiaries are consolidated in the consolidated income statement from the acquisition date which is the date on which control over the subsidiaries is transferred to the Bank. The results of operations of the disposed of subsidiaries are consolidated in the consolidated income statement up to the disposal date which is the date of the Bank loses control over the subsidiaries.

Non-controlling interests represent the portion of equity in the subsidiaries owned by others.

## **Segment Information**

Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors (measured in accordance with the reports sent to the operations management and decision makers in the bank).

Geographical sector relates to providing of products or services in a specific economic environment subject to risk and returns different from those of sectors functioning in other economic environments.

## **Financial assets at amortized cost:**

- Financial assets that the banks management aims, according to its business model to hold the assets to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and interest on the outstanding principal amounts.
- Debt instruments meeting these criteria are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective interest rate method less allowance for impairment. The losses arising from impairment are recognized in the income statement.
- The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards. If these assets are sold before maturity date, gain or loss from sale is recorded in a separate line item within the income statement and disclosing it in accordance with the requirements of International Financial Reporting Standards.

### **Financial assets at fair value through profit or loss:**

- Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.
- Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the income statement.
- Dividend and interest income are recorded in the income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

### **Financial assets at fair value through other comprehensive income**

- Equity investments that are not held for sale in the near future.
- These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of the asset is reclassified from fair value through other comprehensive income reserve to retained earnings.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the statement of income.

### **Direct Credit Facilities**

Direct credit facilities are financial assets with fixed or determinable payments which are provided basically by the Bank or have been acquired and has no market price in the active markets. The credit facilities are measured at amortized cost.

Provision for impairment of direct credit facilities is recognized when there is an objective event occurring after the initial recognition of the facility, that has a negative impact on the estimated future cash flows of the facilities and that can be reliably estimated. The impairment is charged to the consolidated income statement.

Interest and commission on non-performing facilities are suspended when loans become impaired according to the regulations of the Central Bank of Jordan, or in accordance with the instructions regulatory authorities in the countries where the bank has branches or subsidiaries, whichever is greater.

Loans and the related provision for impairment are written off when collection procedures become ineffective by deduction from the booked provision. The excess in the allowance of possible loan losses, if any, is transferred to the consolidated income statement, and cash recoveries of loans previously written off are credited to income.



## Fair Value

The closing prices (purchase of assets/ sale of liabilities) on the date of financial statements in active markets represent the fair value for the financial instruments and derivatives which have market price.

For some financial instruments and derivatives that do not have quoted market prices or absence of active trading the fair value is determined in several ways, including:

- Comparing the current market value of a financial instrument similar to a large extent
- Analysis of future cash flows and discounting the expected cash flows using rate used in similar financial instrument.
- The long-term interest free financial assets and liabilities are carried at the amortized cost using effective interest method, and discounts / premiums amortization are included in finance income / expense in the consolidated income statement.

The valuation method aims to reflect market expectations and expected risks and rewards when estimating the fair value. Where the fair value of an investment cannot be reliably measured, it is stated at cost and any impairment in the value is recorded in the income statement

## Impairment of Financial Assets

Assessment is made at the date of the consolidated of the statement of financial position to determine whether there is objective evidence that a specific financial asset is impaired individually or as a group. If such evidence exists, any impairment loss is recognized in the consolidated income statement.

### Impairment is determined as follows:

- For financial assets carried at amortized cost: impairment is the difference between the carrying value and the estimated cash flows discounted at the original effective interest rate.  
Impairment is recognized in the consolidated income statement. Any subsequent recovery of a previously recorded impairment of debt instruments is charged to the income statement.

## Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except land) are depreciated when ready for use using the straight line method over its expected useful life.

The depreciation rates used are as follows:

	%
Buildings	2
Equipment, furniture and fixtures	5-15
Vehicles	20
Computer	10-33

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to the income statement.

Useful life of property and equipment is reviewed at each year end, changes in the expected useful life are treated as changes in accounting estimates.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

### **Loans and Borrowings**

All loans are initially recognized at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method.

### **Provisions**

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

### **End-of-Service Indemnity**

Provision for end-of-service indemnity is booked by the Bank for any legal or contractual obligations at the end of the employees' services according to the accumulated service terms at the date of the consolidated statement of financial position and the Bank's internal policies.

### **Income Tax**

Tax expense comprises of current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the financial statements. Accounting profits may include non-taxable profits or tax non-deductible expenses which may be exempted in the current or subsequent financial years, or accumulated losses that are tax acceptable or items not subject to deduction for tax purposes.

Tax is calculated based on tax rates and laws that are applicable in the country of operation.

Deferred tax is the tax expected to be paid or recovered due to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the consolidated statement of financial position.

The carrying values of deferred tax assets are reviewed at the date of the consolidated financial statement and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

### **Offsetting**

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

### **Revenue and Expense Recognition**

Interest income is recorded using the effective interest rate method except for fees and interest on non-performing facilities, for which interest is transferred to the interest in suspense account and not recognized in the consolidated income statement.

Expenses are recognized on an accrual basis.

Commission income is recognized upon the rendering of services. Dividend income is recognized when earned (when approved by the General Assembly).

## **Paid in Capital**

### **Cost of Issuing and Purchasing Paid-in Capital**

Cost of issuing paid-in capital and costs of purchasing treasury shares are recorded in retained earnings (net of tax). If such issuance and purchase are not completed, the related cost is recognized in the income statement.

## **Fiduciary Assets**

Assets held in a fiduciary capacity are not recognized as assets of the Bank. Fees and commissions received for administering such assets are recognized in the income statement. A provision is recognized for the decreases in the fair value of guaranteed fiduciary assets below their original principal amount.

## **Recognition Date of Financial Assets**

Purchases and sales of financial assets are recognized on the trading date, i.e. the date on which the Bank commits to purchase or sell the financial asset.

## **Derivative Financial Instruments**

### **Derivative financial instruments held for trading**

Derivative financial instruments held for trading, such as foreign currency forward and future deals, interest rate forward and future deals, swaps, foreign currency options and others, are recorded at fair value in the consolidated statement of financial position. Fair value is determined by reference to current market prices. In case such prices were not available, the method of valuation is stated, and changes in fair value are transferred to the consolidated income statement.

## **Repurchase and Resale Agreements**

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's consolidated financial statements due to the Bank's control of these assets and the fact that continuing exposure to the risks and rewards of these assets remains with the Bank and continue to be evaluated in accordance with applied accounting policies (where the buyer has the right to use these assets (sell or re-lien) they are reclassified as liened financial assets). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest rate method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the Bank's consolidated financial statements since the Bank is not able to control these assets or the associated risks and benefits. The related payments are recognized as part of deposits at banks and financial institutions or direct credit facilities as applicable, and the difference between purchase and resale price is recognized as interest income over the agreement term using the effective interest rate method.

## **Mortgaged Financial Assets**

These financial assets are mortgaged to third parties with the right to sell or re-mortgage. These financial assets are revalued according to the accounting policies at the date of initial classification.

## **Assets Seized by the Bank**

Assets seized by the Bank through calling upon collateral are shown in the consolidated statement of financial position under "other assets" at the lower of their carrying value or fair value. These assets are revalued at the date of the consolidated financial statements on an individual basis and losses from impairment are transferred directly to the consolidated income statement, while revaluation gains are not recognized as income. Reversal of previous impairment losses shall not result in a carrying value that exceeds the carrying amount that would have been determined had no impairment been charged to the consolidated income statement and loss been recognized for the asset in prior years.

## **Intangible Assets**

### **A) Goodwill**

- Goodwill is initially measured at cost; being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.
- Goodwill is allocated to each of the Bank's cash-generating units, or groups of cash-generating units for the purpose of impairment testing.
- Goodwill is reviewed for impairment, at the date of the consolidated of financial statements, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount, impairment losses are charged to the consolidated income statement.

### **b) Other intangible assets**

- Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.
- Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date and impairment loss is charged to the consolidated income statement.
- Internally generated intangible assets are not capitalized and are expensed in the consolidated income statement.
- Indications of impairment of intangible assets are reviewed and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.
- Other intangible assets consist of computer software that are amortized using the straight -line method over 3 years.

### **Foreign currencies**

- 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 rates prevailing on the date of the consolidated statement of financial position 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 charged to the consolidated income statement.
- Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

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



## Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash balances with central banks and balances with banks and financial institutions that mature within three months, less banks and financial institutions deposits that mature within three months and restricted balances.

### 3- Use Of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in shareholder equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty. Furthermore, actual results may differ resulting in future changes in such provisions.

The Bank's management believe that the consolidated financial statements estimates are reasonable. The details of these estimates are as follows:

- Provision for impairment in direct credit facilities: The Bank reviews its credit facilities according to the regulations of the Central Bank of Jordan as a minimum reference and according to International Financial Reporting Standards as well.
- Impairment losses on repossessed assets are determined based on the appraisal reports prepared by certified appraisers and are reviewed periodically.
- Management periodically re-evaluates the useful lives of the tangible and intangible assets in order to assess the depreciation and amortization for the year based on the useful life and the general status of these assets. Any related impairment is charged to the consolidated income statement.
- The income tax provision is calculated based on the prevailing laws and regulations and International Financial Reporting Standards. Moreover, deferred tax assets and liabilities and the related provisions are recorded.
- Legal provisions are taken for lawsuits raised against the Bank based on the Bank legal advisor's opinion.
- End of service indemnity provision for the employees is calculated based on the labor law, and bank regulations.

#### 4- Cash And Balances with Central Banks

This item consists of the following:

	2016	2015
	JD	JD
Cash in treasury	140,110,223	143,728,927
<b>Balances at central banks:</b>		
Current accounts and demand deposits	270,739,706	232,941,792
Term and notice deposits	22,477,707	112,527,377
Statutory cash reserve	310,974,330	334,633,397
Certificates of deposit *	308,200,000	213,300,000
<b>Total</b>	<b>1,052,501,966</b>	<b>1,037,131,493</b>

Except for the statutory cash reserve at Central Banks and regulatory authorities, there are no restricted balances.

\* There are no certificate of deposits purchased from the Central Bank of Jordan maturing within a period of three months as of 31 December 2016 (JD 56,000,000 as of 31 December 2015).

#### 5- Balances with Banks and Financial Institutions

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	27,151,923	7,657,969	147,169,208	161,564,433	174,321,131	169,222,402
Deposits maturing within or less than 3 months	65,012,349	92,025,606	310,500,080	394,507,908	375,512,429	486,533,514
<b>Total</b>	<b>92,164,272</b>	<b>99,683,575</b>	<b>457,669,288</b>	<b>556,072,341</b>	<b>549,833,560</b>	<b>655,755,916</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 53,374,553 as of 31 December 2016 (JD 32,827,292 as of 31 December 2015).
- No restricted balances as of 31 December 2016 and 2015.

## 6- Deposits with Banks and Financial Institutions

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD

Deposits Maturing:

3 to 6 months	5,000,000	5,000,000	5,401,679	1,908,969	<b>10,401,679</b>	<b>6,908,969</b>
6 to 9 months	10,000,000	10,000,000	-	7,715,620	<b>10,000,000</b>	<b>17,715,620</b>
9 to 12 months	-	-	1,898,106	-	<b>1,898,106</b>	-
More than 1 year	-	-	496,109	-	<b>496,109</b>	-
<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>7,795,894</b>	<b>9,624,589</b>	<b>22,795,894</b>	<b>24,624,589</b>

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

## 7- Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	2016	2015
	JD	JD
<b>Quoted Financial Assets:</b>		
Governmental guaranteed bonds	-	856,454
Corporate shares	4,527,926	4,283,772
Corporate bonds and debentures	503,384	155,981
<b>Total Quoted Financial Assets</b>	<b>5,031,310</b>	<b>5,296,207</b>
<b>Unquoted Financial Assets :</b>		
Corporate shares	16,926,409	16,926,409
<b>Total Unquoted Financial Assets</b>	<b>16,926,409</b>	<b>16,926,409</b>
<b>Total</b>	<b>21,957,719</b>	<b>22,222,616</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	503,384	1,012,435
<b>Total</b>	<b>503,384</b>	<b>1,012,435</b>

## 8- Direct Credit Facilities – Net

This item consists of the following:

	2016	2015
	JD	JD
<b>Retail Customers :</b>		
Overdrafts	8,527,129	9,906,516
Loans and discounted bills *	669,602,931	571,823,469
Credit cards	11,687,075	11,318,663
<b>Real Estate Mortgages</b>	<b>1,135,348,105</b>	<b>1,003,871,813</b>
<b>Includes:</b>		
Housing loans	758,115,858	637,448,745
<b>Corporate entities:</b>		
<b>Corporate Customers</b>		
Overdrafts	224,457,298	171,774,322
Loans and discounted bills *	1,009,572,377	864,626,043
<b>SMEs</b>		
Overdraft	123,598,130	79,944,899
Loans and discounted bills *	224,597,326	209,450,729
<b>Governmental and public sector</b>	<b>905,544,852</b>	<b>854,464,955</b>
<b>Total</b>	<b>4,312,935,223</b>	<b>3,777,181,409</b>
Less: Allowance for impairment in direct credit facilities	(187,398,643)	(197,063,364)
Suspended interest	(83,470,111)	(85,432,225)
<b>Net Direct Credit Facilities</b>	<b>4,042,066,469</b>	<b>3,494,685,820</b>

\* Net of interest and commission received in advance amounting to JD 20,481,628 as of 31 December 2016 (JD 20,246,298 as of 31 December 2015).

- Non-performing credit facilities amounted to JD 238,448,286 representing (5.53%) of total direct credit facilities as of 31 December 2016 (JD 260,627,050 representing (6.90%) as of 31 December 2015).
- Non-performing credit facilities net of interest in suspense amounted to JD 156,165,690 representing (3.69%) of total direct credit facilities net of interest in suspense as of 31 December 2016 (JD 176,560,046 representing (4.8%) as of 31 December 2015).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 730,764,706 representing (16.94%) of total direct credit facilities as of 31 December 2016 (JD 744,808,550 representing (19.72%) as of 31 December 2015).



## Allowance for impairment in direct credit facilities

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

2016	Retail	Real Estate Mortgages	Corporate entities		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
<b>Balance – beginning of the year</b>	<b>16,689,360</b>	<b>12,467,972</b>	<b>144,279,565</b>	<b>23,626,467</b>	<b>197,063,364</b>
Allowance for the year	1,429,010	441,936	7,360,992	3,643,334	<b>12,875,272</b>
Amounts written off	(84,912)	(10,994)	(14,281,070)	(108,520)	<b>(14,485,496)</b>
Currency translation	(155,056)	(51,580)	(6,633,961)	(1,213,900)	<b>(8,054,497)</b>
<b>Balance – End of the Year</b>	<b>17,878,402</b>	<b>12,847,334</b>	<b>130,725,526</b>	<b>25,947,381</b>	<b>187,398,643</b>
Allowance for impairment	16,711,115	12,213,185	124,056,010	25,670,256	<b>178,650,566</b>
Watch list allowance	1,167,287	634,149	6,669,516	277,125	<b>8,748,077</b>
	<b>17,878,402</b>	<b>12,847,334</b>	<b>130,725,526</b>	<b>25,947,381</b>	<b>187,398,643</b>
<b>2015</b>					
<b>Balance – beginning of the year</b>	<b>14,727,225</b>	<b>12,911,773</b>	<b>138,853,923</b>	<b>24,907,860</b>	<b>191,400,781</b>
Allowance for the year	2,232,234	(354,676)	15,447,967	2,850,676	<b>20,176,201</b>
Amounts written off	(30,735)	(63,421)	(77,203)	(3,088)	<b>(174,447)</b>
Currency translation	(239,364)	(25,704)	(9,945,122)	(4,128,981)	<b>(14,339,171)</b>
<b>Balance – End of the Year</b>	<b>16,689,360</b>	<b>12,467,972</b>	<b>144,279,565</b>	<b>23,626,467</b>	<b>197,063,364</b>
Allowance for impairment	15,329,578	11,808,618	142,300,800	23,524,058	<b>192,963,054</b>
Watch list allowance	1,359,782	659,354	1,978,765	102,409	<b>4,100,310</b>
	<b>16,689,360</b>	<b>12,467,972</b>	<b>144,279,565</b>	<b>23,626,467</b>	<b>197,063,364</b>

- The surplus in allowance which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 16,847,912 as of 31 December 2016 (JD 12,656,123 as of 31 December 2015).

## Interest in suspense

The movement on the interest in suspense is as follows:

2016	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
<b>Balance – beginning of the year</b>	<b>11,503,121</b>	<b>11,256,585</b>	<b>49,250,880</b>	<b>13,421,639</b>	<b>85,432,225</b>
Add: Suspended interest during the year	2,811,781	3,367,371	12,512,738	4,724,572	<b>23,416,462</b>
Less: Interest transferred to income	(1,075,701)	(1,706,065)	(6,480,964)	(2,671,222)	<b>(11,933,952)</b>
Interest in suspense written off	(398,171)	(657,584)	(9,345,215)	(209,878)	<b>(10,610,848)</b>
Currency translation	(13,703)	(10,237)	(2,326,352)	(483,484)	<b>(2,833,776)</b>
<b>Balance – End of the Year</b>	<b>12,827,327</b>	<b>12,250,070</b>	<b>43,611,087</b>	<b>14,781,627</b>	<b>83,470,111</b>
2015					
<b>Balance – beginning of the year</b>	<b>9,507,132</b>	<b>10,366,860</b>	<b>39,919,704</b>	<b>11,090,277</b>	<b>70,883,973</b>
Add: Suspended interest during the year	3,185,819	3,320,137	15,408,224	6,384,046	<b>28,298,226</b>
Less: Interest transferred to income	(885,218)	(1,838,647)	(3,225,086)	(2,792,211)	<b>(8,741,162)</b>
Interest in suspense written off	(266,817)	(576,188)	(111,659)	(414,074)	<b>(1,368,738)</b>
Currency translation	(37,795)	(15,577)	(2,740,303)	(846,399)	<b>(3,640,074)</b>
<b>Balance – End of the Year</b>	<b>11,503,121</b>	<b>11,256,585</b>	<b>49,250,880</b>	<b>13,421,639</b>	<b>85,432,225</b>

## 9- Financial Assets at Fair Value Through Other Comprehensive Income

This item consists of the following:

	2016	2015
	JD	JD
Unquoted shares	580,524	580,524
<b>Total</b>	<b>580,524</b>	<b>580,524</b>

## 10- Financial Assets at Amortized Cost

This item consists of the following:

	2016	2015
	JD	JD
<b>Quoted Financial Assets:</b>		
Treasury bonds	1,231,180,272	1,748,601,705
Governmental guaranteed bonds and bills	420,814,332	455,673,751
Corporate bonds and debentures	137,156,097	157,258,033
<b>Total Quoted Financial Assets</b>	<b>1,789,150,701</b>	<b>2,361,533,489</b>
<b>Unquoted Financial Assets :</b>		
Corporate bonds and debentures	8,422,500	8,422,501
Allowance for impairment loss	(5,672,500)	(4,772,500)
<b>Total Unquoted Financial Assets</b>	<b>2,750,000</b>	<b>3,650,001</b>
<b>Total</b>	<b>1,791,900,701</b>	<b>2,365,183,490</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	1,749,096,217	2,308,296,851
Variable rate return	42,804,484	56,886,639
<b>Total</b>	<b>1,791,900,701</b>	<b>2,365,183,490</b>

The bonds mature on several batches in which the last mature in 2050.

The bonds average annual interest rate range between 1.08% to 8.25% per year.

Following is a summary on the movement of the allowance for impairment loss of financial assets at amortized cost:

	2016	2015
	JD	JD
<b>Balance – beginning of the year</b>	<b>4,772,500</b>	<b>4,772,500</b>
Additions	900,000	-
Disposals	-	-
<b>Balance – end of the year</b>	<b>5,672,500</b>	<b>4,772,500</b>

## 11- Property and Equipment - net

This item consists of the following:

2016	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Total
	JD	JD	JD	JD	JD	JD
<b>Cost:</b>						
<b>Balance – beginning of the year</b>	<b>27,306,116</b>	<b>25,408,831</b>	<b>84,850,322</b>	<b>2,089,955</b>	<b>37,437,837</b>	<b>177,093,061</b>
Additions	331,000	2,479,256	8,779,028	895,429	3,332,931	<b>15,817,644</b>
Disposals	-	(105,812)	(4,505,917)	(163,134)	(2,491,542)	<b>(7,266,405)</b>
Foreign currency exchange differences	(144,933)	(1,370,891)	(620,755)	(22,658)	(213,135)	<b>(2,372,372)</b>
<b>Balance – end of the year</b>	<b>27,492,183</b>	<b>26,411,384</b>	<b>88,502,678</b>	<b>2,799,592</b>	<b>38,066,091</b>	<b>183,271,928</b>
<b>Accumulated Depreciation :</b>						
<b>Balance- beginning of the year</b>	-	<b>7,112,595</b>	<b>63,406,351</b>	<b>1,529,580</b>	<b>28,968,908</b>	<b>101,017,434</b>
Annual depreciation	-	556,053	6,846,696	321,406	3,717,887	<b>11,442,042</b>
Disposals	-	(33,618)	(2,034,175)	(91,115)	(1,623,084)	<b>(3,781,992)</b>
Foreign currency exchange differences	-	(260,724)	(285,338)	(20,985)	(151,192)	<b>(718,239)</b>
<b>Balance – end of the year</b>	-	<b>7,374,306</b>	<b>67,933,534</b>	<b>1,738,886</b>	<b>30,912,519</b>	<b>107,959,245</b>
<b>Net book value of property and equipment</b>	<b>27,492,183</b>	<b>19,037,078</b>	<b>20,569,144</b>	<b>1,060,706</b>	<b>7,153,572</b>	<b>75,312,683</b>
Payments on purchased property and equipment	-	-	2,026,365	-	73,989	<b>2,100,354</b>
Projects under construction	-	91,064,784	46,806	-	-	<b>91,111,590</b>
<b>Net Book Value – end of the year</b>	<b>27,492,183</b>	<b>110,101,862</b>	<b>22,642,315</b>	<b>1,060,706</b>	<b>7,227,561</b>	<b>168,524,627</b>
<b>2015</b>						
<b>Cost:</b>						
<b>Balance – beginning of the year</b>	<b>26,256,755</b>	<b>28,084,906</b>	<b>81,586,195</b>	<b>1,688,826</b>	<b>33,879,245</b>	<b>171,495,927</b>
Additions	1,504,279	267,220	7,149,988	467,328	4,756,997	<b>14,145,812</b>
Disposals	-	-	(2,449,860)	(12,663)	(744,345)	<b>(3,206,868)</b>
Foreign currency exchange differences	(454,918)	(2,943,295)	(1,436,001)	(53,536)	(454,060)	<b>(5,341,810)</b>
<b>Balance – end of the year</b>	<b>27,306,116</b>	<b>25,408,831</b>	<b>84,850,322</b>	<b>2,089,955</b>	<b>37,437,837</b>	<b>177,093,061</b>
<b>Accumulated Depreciation :</b>						
<b>Balance- beginning of the year</b>	-	<b>6,998,374</b>	<b>59,317,539</b>	<b>1,283,956</b>	<b>26,957,697</b>	<b>94,557,566</b>
Annual depreciation	-	565,070	6,977,596	295,413	3,015,883	<b>10,853,962</b>
Disposals	-	-	(2,016,947)	(12,663)	(660,311)	<b>(2,689,921)</b>
Foreign currency exchange differences	-	(450,849)	(871,837)	(37,126)	(344,361)	<b>(1,704,173)</b>
<b>Balance – end of the year</b>	-	<b>7,112,595</b>	<b>63,406,351</b>	<b>1,529,580</b>	<b>28,968,908</b>	<b>101,017,434</b>
<b>Net book value of property and equipment</b>	<b>27,306,116</b>	<b>18,296,236</b>	<b>21,443,971</b>	<b>560,375</b>	<b>8,468,929</b>	<b>76,075,627</b>
Payments on purchased property and equipment	-	-	2,650,207	-	28,832	<b>2,679,039</b>
Projects under construction	-	79,789,575	28,624	-	-	<b>79,818,199</b>
<b>Net Book Value – end of the year</b>	<b>27,306,116</b>	<b>98,085,811</b>	<b>24,122,802</b>	<b>560,375</b>	<b>8,497,761</b>	<b>158,572,865</b>

- Property and equipment include fully depreciated assets amounted to JD 49,789,780 as of 31 December 2016 (JD 47,323,098 as of 31 December 2015).
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are included in Note (46) including the remaining estimated cost for projects under construction.



## 12- Intangible Assets

This item consists of the following:

	2016				2015			
	Goodwill	Computer Software	Other*	Total	Goodwill	Computer Software	Other*	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Beginning Balance</b>	<b>358,397</b>	<b>19,240,191</b>	<b>5,205,161</b>	<b>24,803,749</b>	<b>358,397</b>	<b>18,147,999</b>	<b>5,205,161</b>	<b>23,711,557</b>
Additions **	-	3,734,647	-	3,734,647	-	4,335,463	-	<b>4,335,463</b>
Amortization for the year	-	(4,186,402)	-	(4,186,402)	-	(3,243,271)	-	<b>(3,243,271)</b>
<b>Ending Balance</b>	<b>358,397</b>	<b>18,788,436</b>	<b>5,205,161</b>	<b>24,351,994</b>	<b>358,397</b>	<b>19,240,191</b>	<b>5,205,161</b>	<b>24,803,749</b>

\* This item represents the license for conducting banking activities from the acquisition of 75% of Jordan International Bank. The licence for conducting business was identified as having an indefinite life and its impairment was tested and no impairment was identified as of 31 December 2016.

\*\* The additions on computer software amounts to JD 3,734,647 as of 31 December 2016 (JD 4,335,463 as of 31 December 2015), representing payments on account for purchase of computer software.

## 13- Other Assets

This item consists of the following:

	2016	2015
	JD	JD
Accrued revenues and interest	21,556,380	31,625,801
Prepaid expenses	5,071,901	4,390,752
Assets seized by the Bank*	31,755,660	26,509,590
Assets seized by the Bank with customer right to recover**	6,950,568	8,582,280
Cheques under collection	30,219,583	18,698,326
Other	9,418,942	12,474,453
<b>Total</b>	<b>104,973,034</b>	<b>102,281,202</b>

\* The regulations of Central Bank of Jordan require the disposal of the seized assets by the bank during a maximum period of two years from the date of the acquisition.

\*\* Includes real estate and shares with customer right to repurchase within a period of three years at cost plus agreed interest.

The movement on assets seized by the Bank is as follows:

	2016	2015
	JD	JD
<b>Beginning Balance</b>	<b>35,091,870</b>	<b>31,697,090</b>
Additions	12,198,317	8,513,779
Disposals	(7,576,891)	(4,548,103)
Impairment	(1,007,068)	(570,896)
Currency translation	-	-
<b>Ending Balance</b>	<b>38,706,228</b>	<b>35,091,870</b>

#### 14- Banks and Financial Institutions Deposits

This item consists of the following:

	31 December 2016			31 December 2015		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	11,368,592	94,068,442	<b>105,437,034</b>	27,332,427	134,983,959	<b>162,316,386</b>
Deposits due within 3 months	85,035,205	238,906,174	<b>323,941,379</b>	1,589	262,236,285	<b>262,237,874</b>
Deposits due within 3-6 months	31,330,468	-	<b>31,330,468</b>	68,600,000	24,893,083	<b>93,493,083</b>
Deposits due within 6 - 9 months	15,000,000	-	<b>15,000,000</b>	-	4,228,082	<b>4,228,082</b>
Deposits due within 9 - 12 months	-	-	-	-	2,750,300	<b>2,750,300</b>
More than one year	8,772,561	8,681,700	<b>17,454,261</b>	-	10,510,200	<b>10,510,200</b>
<b>Total</b>	<b>151,506,826</b>	<b>341,656,316</b>	<b>493,163,142</b>	<b>95,934,016</b>	<b>439,601,909</b>	<b>535,535,925</b>

## 15- Customers' Deposits

This item consists of the following:

	Retail	Corporate	SMEs	Government and Public Sector	Total
31 December 2016	JD	JD	JD	JD	JD
Current accounts and demand deposits	766,725,957	141,544,329	368,067,193	170,738,799	<b>1,447,076,278</b>
Saving deposits	1,956,705,148	1,106,415	13,850,420	974,644	<b>1,972,636,627</b>
Time and notice deposits	1,401,268,206	361,580,765	90,271,532	232,060,347	<b>2,085,180,850</b>
Certificates of deposit	142,097,664	-	95,940	-	<b>142,193,604</b>
Others	439,734	-	-	-	<b>439,734</b>
<b>Total</b>	<b>4,267,236,709</b>	<b>504,231,509</b>	<b>472,285,085</b>	<b>403,773,790</b>	<b>5,647,527,093</b>
31 December 2015					
Current accounts and demand deposits	838,147,429	96,203,988	411,237,296	77,508,698	<b>1,423,097,411</b>
Saving deposits	1,749,803,667	2,505,207	14,866,856	313,431	<b>1,767,489,161</b>
Time and notice deposits	1,389,013,224	556,146,552	75,837,784	468,448,679	<b>2,489,446,239</b>
Certificates of deposit	122,938,280	-	6,334,431	-	<b>129,272,711</b>
Others	448,341	-	-	-	<b>448,341</b>
<b>Total</b>	<b>4,100,350,941</b>	<b>654,855,747</b>	<b>508,276,367</b>	<b>546,270,808</b>	<b>5,809,753,863</b>

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 389 million, representing (6.9%) of total deposits as of 31 December 2016 (JD 539 million, representing (9.3%) of total deposits as of 31 December 2015).
- Non-interest bearing deposits amounted to JD 1.75 billion, representing (31%) of total deposits as of 31 December 2016 (JD 1.7 billion, representing (29.3%) of total deposits as of 31 December 2015).
- Restricted deposits amounted to JD 104.2 million, representing (1.85%) of total deposits as of 31 December 2016 (JD 91.4 million, representing (1.6%) of total deposits as of 31 December 2015).
- Dormant accounts amounted to JD 246.2 million, representing (4.4%) of total deposits as of 31 December 2016 (JD 229 million, representing (3.9%) of total deposits as of 31 December 2015).

## 16- Margin Accounts

This item consists of the following:

	2016	2015
	JD	JD
Margins against direct credit facilities	231,783,642	138,094,776
Margins against indirect credit facilities	93,663,442	109,898,631
Margin dealings	2,300,584	726,619
Other margins	1,153,615	30,388,461
<b>Total</b>	<b>328,901,283</b>	<b>279,108,487</b>

## 17- Loans and Borrowing

31 December 2016	Amount JD	Periodic Repayment	Repayment date	Guarantee	Borrowing interest rate	Re- lending interest rate
Audi Bank loan	4,645,268	Monthly	31/05/2017	Financial solvency	4.5%	10.3%
Society General Bank loan	2,988,594	Monthly	30/04/2017	Financial solvency	3.85%	10.3%
Amman Cairo Bank	8,471,939	Monthly	30/07/2017	Financial solvency	3.75%	10.3%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	05/05/2028	Financial solvency	4.75%	10.3%
Arab Investment Bank	108,090	Annual	30/05/2017	Financial solvency	7.25%	-
Commercial Bank of Jordan	62,402	Annual	30/04/2017	Financial solvency	7.0%	-
Central Bank of Jordan	7,000,000	Semi annual	14/07/2028	Financial solvency	3.03%	Guaranteed 6.55% without guaranteed 7.05%
Central Bank of Jordan	3,000,000	Semi annual	07/02/2031	Financial solvency	3.08%	Guaranteed 6.1% without guaranteed 7.05%
Central Bank of Jordan	3,500,000	Semi annual	29/02/2024	Financial solvency	2.5%	Guaranteed 6% without guaranteed 6.5%
Central Bank of Jordan	3,562,209	Installment due	5 years with the exception of renewable energy projects 10 years	Promissory note on demand	Inside the capital 1.75% outside the capital 1%	Inside the capital 4.5% outside the capital 3.75%
<b>38,338,502</b>						
31 December 2015						
Audi Bank loan	4,728,127	Monthly	31/05/2016	Financial solvency	4.5%	10.5%
Society General Bank loan	1,990,746	Monthly	22/04/2016	Financial solvency	4.85%	10.5%
Amman Cairo Bank	6,807,733	Monthly	30/09/2016	Financial solvency	3.75%	10.5%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	05/05/2018	Financial solvency	4.75%	10.5%
Arab Investment Bank	474,454	Annual	30/05/2016	Financial solvency	7.5%	-
Central Bank of Jordan	7,000,000	Semi annual	14/7/2028	Financial solvency	USD Libor, 6 months + agreed margin	USD Libor, 6 months + agreed margin
Central Bank of Jordan	3,500,000	Semi annual	29/11/2024	Financial solvency	2.5%	Guaranteed 6% without Guaranteed 6.5%
Central Bank of Jordan	1,529,415	Installment due	9 months	Promissory note on demand	Re-discount rate at year date minus 2%	According to credit approval
<b>31,030,475</b>						

- There are no repurchase agreements included in the loans and borrowings.



## 18- Sundry Provisions

This item consists of the following:

2016	Beginning Balance	Provision for the year	Provision used during the year	Reverse to Revenue	Currency translation	Ending Balance
	JD	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	<b>24,791,314</b>	3,821,582	(2,430,315)	-	-	<b>26,182,581</b>
Provision for outstanding lawsuits against the Bank	<b>346,762</b>	193,775	(4,442)	(12,893)	(2,525)	<b>520,677</b>
Other provisions	<b>19,110,347</b>	19,693,164	(3,198,168)	(2,097,953)	(4,186,279)	<b>29,321,111</b>
<b>Total</b>	<b>44,248,423</b>	<b>23,708,521</b>	<b>(5,632,925)</b>	<b>(2,110,846)</b>	<b>(4,188,804)</b>	<b>56,024,369</b>
<b>2015</b>						
Provision for end-of-service indemnity	<b>24,570,009</b>	3,148,794	(2,927,489)	-	-	<b>24,791,314</b>
Provision for outstanding lawsuits against the Bank	<b>523,583</b>	189,471	(358,173)	-	(8,119)	<b>346,762</b>
Other provisions	<b>10,625,967</b>	13,996,321	(2,721,983)	-	(2,789,958)	<b>19,110,347</b>
<b>Total</b>	<b>35,719,559</b>	<b>17,334,586</b>	<b>(6,007,645)</b>	<b>-</b>	<b>(2,798,077)</b>	<b>44,248,423</b>

## 19- Income Tax

### A- Provision for Income Tax

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

	2016	2015
	JD	JD
<b>Beginning balance</b>	<b>45,101,562</b>	<b>43,543,517</b>
Income tax paid	(51,345,650)	(52,080,998)
Provision for income tax for the year	63,650,343	53,639,043
Currency translation	(405,825)	-
Ending Balance	57,000,430	45,101,562

- Income tax for Jordan branches of the Bank was paid up to the year 2013 and the Bank has paid advance payments on the Income Tax for the year 2014, 2015 and 2016.
- Income tax for Palestine branches was paid up to the year 2015. The Bank reach a final settlement with the Income Tax Department for the years except for 2015.
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2015.
- Income tax for the Housing Bank for Trade & Finance /Algeria was paid up to the year 2015.
- Income tax for Jordan International Bank/ London was paid up to the year 2015.
- Income tax for local International Financial Center was paid up to the year 2015 and a final settlement was reached up to the year 2014.
- Income tax for the Specialized Financial Leasing Company was paid until the year 2015, and a final settlement was reached up to the year 2014.

Income tax in the consolidated income statement represents the following:

	2016	2015
	JD	JD
<b>Current year provision for income tax</b>	<b>63,650,343</b>	<b>53,639,043</b>
Deferred tax assets for the year	(5,779,117)	(7,324,109)
Amortization of deferred tax assets	1,452,292	5,977,148
	<b>59,323,518</b>	<b>52,292,082</b>

## B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

Accounts included	2016					2015	
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax	
	JD	JD	JD	JD	JD	JD	
<b>Assets</b>							
Suspended interest	<b>1,205,934</b>	319,849	-	<b>886,085</b>	293,516	399,466	
Allowance for loans	<b>56,603,478</b>	-	12,655,831	<b>69,259,309</b>	22,942,180	18,749,931	
Provision for indemnities	<b>21,798,309</b>	2,244,547	3,169,590	<b>22,723,352</b>	7,527,122	7,220,701	
Impairment of real estate	<b>1,548,117</b>	-	514,982	<b>2,063,099</b>	683,403	512,815	
Other provisions	<b>9,398,578</b>	705,246	-	<b>8,693,332</b>	2,879,671	3,113,284	
Other assets	<b>11,716,957</b>	7,533	1,105,963	<b>12,815,387</b>	4,241,619	3,877,152	
Accumulated losses of Jordan International Bank/London	<b>14,915,577</b>	4,059,595	-	<b>10,855,982</b>	2,171,196	2,983,115	
<b>TOTAL</b>	<b>117,186,950</b>	<b>7,336,770</b>	<b>17,446,366</b>	<b>127,296,546</b>	<b>40,738,707</b>	<b>36,856,464</b>	
<b>Liabilities</b>							
Revaluation of financial assets	<b>6,208,932</b>	-	-	<b>6,208,932</b>	2,056,712	2,056,712	
<b>TOTAL</b>	<b>6,208,932</b>	-	-	<b>6,208,932</b>	<b>2,056,712</b>	<b>2,056,712</b>	

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

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<b>Beginning balance</b>	<b>36,856,464</b>	<b>2,056,712</b>	<b>36,097,883</b>	<b>2,056,712</b>
Additions	5,779,117	-	7,323,977	-
Releases	(1,452,292)	-	(6,357,171)	-
Currency Translation	(444,582)	-	(208,225)	-
<b>Ending Balance</b>	<b>40,738,707</b>	<b>2,056,712</b>	<b>36,856,464</b>	<b>2,056,712</b>

## C- Reconciliation of the accounting profit with taxable profit:

	2016	2015
	JD	JD
<b>Accounting profit for the year</b>	<b>190,336,131</b>	<b>177,020,116</b>
Non taxable income	(36,567,485)	(20,569,529)
Non deductible expenses for tax purposes	28,658,021	9,737,525
<b>Taxable Profit</b>	<b>182,426,667</b>	<b>166,188,112</b>
<b>Effective income tax rate</b>	<b>31.17%</b>	<b>29.54%</b>

- The legal income tax rate on banks in Jordan is 35%, and the range of tax rate on local companies between 20% and 24%. The income tax rates in the countries in which the Bank operates range between 0% and 31%.
- The tax rate on deferred tax assets is between 20% and 35%.

## 20- Other Liabilities

This item consists of the following:

	2016	2015
	JD	JD
Accrued interest	12,199,312	20,990,268
Interests and commissions received in advance	589,880	537,456
Accrued expenses	20,302,523	17,353,857
Certified cheques	35,965,089	36,992,164
Transfers deposits	25,391,351	14,959,497
Payment trusts	3,051,823	8,875,499
Prizes trusts	1,932,457	1,301,346
Correspondent banks trusts	165,533	201,949
General management trusts	1,944,814	1,917,304
Dividends payable *	405,751	334,684
Accounts payable	2,306,159	2,187,892
Other deposits	21,201,963	14,820,432
Others	11,706,467	16,050,678
<b>Total</b>	<b>137,163,122</b>	<b>136,523,026</b>

\* This item represents prior years dividends payable to shareholders.

## 21- Paid-in Capital and Share Premium

### Paid-in capital

Authorized and paid in capital amounted to JD 252 million divided into 252 million shares at a par value of JD 1 per share.

### Share premium

Share premium amounted to JD 357,925,469 as of 31 December 2016 and 2015.

## 22- Reserves

### Statutory Reserve

As required by the Jordanian Banks and companies laws, 10% of the profit before tax of the Jordan branches is to be transferred to the statutory reserve. The statutory reserve is not available for distribution to shareholders.

### Voluntary Reserve

This reserve represents amounts transferred from the pre-tax profits at a rate not exceeding 20% during previous years. The voluntary reserve shall be utilized for the purposes determined by the Board of Directors. The General Assembly shall have the right to distribute it in whole or in part as dividends to shareholders.

### General Banking Risk Reserve

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

### Special reserve

This reserve represents the cyclical fluctuation for Palestine branches based on the instructions of the Palestinian Monetary Authority and at the International Bank for Trade and Finance/ Syria.

Restricted reserves are as follows:

Reserve	2016	2015	Regulation
	JD	JD	
General banking risk reserves	36,101,000	32,401,000	According to the regulations of the Central Bank of Jordan
Statutory reserve	189,054,310	172,277,768	According to the applicable laws and regulations
Special reserve	7,752,032	7,272,603	According to the applicable laws and regulations
Voluntary reserve	33,222,068	33,222,068	According to the applicable laws and regulations

## 23- Foreign Currency Translation Reserve

This item represents the differences resulting from the translation of net investments in the foreign subsidiaries and branches upon the consolidation of the financial statements. The movement on this account is as follows:

	2016	2015
	JD	JD
Beginning balance	(89,872,167)	(62,331,553)
Net changes during the year	(20,843,387)	(27,540,614)
Ending Balance	(110,715,554)	(89,872,167)

## 24- Revaluation Reserve for Financial Assets

The movement on this items is as follows:

	2016	2015
	JD	JD
<b>Beginning balance</b>	<b>(349,012)</b>	<b>(266,054)</b>
Unrealized gain (losses)	4,335	(82,958)
<b>Ending Balance</b>	<b>(344,677)</b>	<b>(349,012)</b>

## 25- Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 30% equivalent to JD 75,6 million of paid-in capital subject to the approval of the General Assembly of Shareholders (32% for the prior year). In addition a capital increase of 25% of paid in capital by issuing a free shares through capitalizing the voluntary reserve and part of share premium, this increase is subject to the approval of the General Assembly. The paid in capital will reach 315 million after the increase, divided into 315 million shares at a par value of JD1 per share.

Retained earnings attributable to the Bank's shareholders:

This item consists of the following:

	2016	2015
	JD	JD
<b>Beginning balance</b>	<b>225,919,340</b>	<b>213,731,123</b>
Profit for the year	123,787,093	121,768,520
Transfer to reserves	(20,955,971)	(21,417,472)
Dividends paid	(80,640,000)	(88,200,000)
Others	(156,965)	37,169
<b>Ending Balance</b>	<b>247,953,497</b>	<b>225,919,340</b>

- The Bank cannot use a restricted amount of JD 5,655,417 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The balance of retained earnings includes JD 127,299 which represents the effect of early application of International Financial Reporting Standard No. (9) and this amount is restricted from use except for the amounts that become realized as per Central Bank of Jordan Regulations.
- The Bank cannot use a restricted amount of JD 40,738,707 from the retained earnings, which represents deferred taxes, and the amount of JD 14,789,466 which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria, and the amount of JD 344,677 represents a negative change of financial assets at fair value through comprehensive income. These amounts, cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations and Jordan Securities commission.



## 26 – Subsidiaries with Material Non-Controlling Interest

### A- percentage owned by non-controlling interest:

	2016			
	Country	Activity Sector	Non controlling interests %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.937%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	15%	3,280,910
Jordan International Bank/London	U.K.	Banking	25%	-
	2015			
	Country	Activity Sector	Non controlling interests %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.937%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	15%	-
Jordan International Bank/London	U.K.	Banking	25%	-

### B- The following are selected financial information for subsidiaries with material non-controlling interests:

#### A- Condensed Statement of financial position before elimination of inter-Company transactions as of 31 December 2016 and 2015

31 December 2016	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/ Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
financial assets	163,645,440	325,282,125	349,253,144
Other assets	3,362,943	19,228,996	5,556,341
<b>Total assets</b>	<b>167,008,383</b>	<b>344,511,121</b>	<b>354,809,485</b>
financial Liabilities	129,842,603	192,560,238	281,903,928
Other Liabilities	17,670,853	39,199,859	3,023,316
<b>Total Liabilities</b>	<b>147,513,456</b>	<b>231,760,097</b>	<b>284,927,244</b>
Total Equity	19,494,927	112,751,024	69,882,241
<b>Total Liabilities and Equity</b>	<b>167,008,383</b>	<b>344,511,121</b>	<b>354,809,485</b>
Non Controlling Interest	9,909,964	16,913,781	17,470,560
31 December 2015			
financial assets	172,891,851	296,967,677	399,303,614
Other assets	6,456,430	18,544,669	6,539,935
<b>Total assets</b>	<b>179,348,281</b>	<b>315,512,346</b>	<b>405,843,549</b>
financial Liabilities	148,774,177	174,220,615	324,046,803
Other Liabilities	12,647,877	30,145,187	2,980,239
<b>Total Liabilities</b>	<b>161,422,054</b>	<b>204,365,802</b>	<b>327,027,042</b>
Total Equity	17,926,227	111,146,544	78,816,507
<b>Total Liabilities and Equity</b>	<b>179,348,281</b>	<b>315,512,346</b>	<b>405,843,549</b>
Non Controlling Interest	9,114,862	16,671,982	19,704,127

**B – Condensed Income Statement before elimination of inter-company transactions for the year ended on 31 December 2016 and 2015.**

31 December 2016	2016		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
Total revenues	22,084,432	21,913,782	14,045,679
Profit for the year	8,971,365	10,277,099	4,643,453
<b>Total Comprehensive Income</b>	<b>8,971,365</b>	<b>10,277,099</b>	<b>4,643,453</b>
Attributable to non-Controlling Interest	4,569,722	1,541,668	1,160,863
31 December 2015			
Total revenues	23,394,630	22,436,239	15,313,672
Profit for the year	39,515	10,798,158	5,159,646
<b>Total Comprehensive Income</b>	<b>39,515</b>	<b>10,798,158</b>	<b>5,159,646</b>
Attributable to non-Controlling Interest	20,128	1,619,724	1,289,912

**C – Cashflow statement:-**

31 December 2016	2016		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London /U.K
	JD	JD	JD
<b>Cash Flows</b>			
Operating	(7,727,940)	1,331,155	3,238,698
Investing	(199,640)	(1,957,225)	(4,604,200)
Financing	2,522	(5,096,801)	882,726
Effect of change in exchange rates on cash and cash equivalents	7,124,054	(3,661,077)	(14,487,950)
<b>Net increase/Decrease</b>	<b>(801,004)</b>	<b>(9,383,948)</b>	<b>(14,970,726)</b>
31 December 2015			
<b>Cash Flows</b>			
Operating	(41,222,027)	(24,010,076)	(47,512,448)
Investing	(144,427)	(223,581)	(18,848,004)
Financing	(607)	127,783	9,669,221
Effect of change in exchange rates on cash and cash equivalents	6,922,682	(21,836,712)	(3,376,841)
<b>Net increase/Decrease</b>	<b>(34,444,379)</b>	<b>(45,942,586)</b>	<b>(60,068,072)</b>

## 27- Interest Income

This item consists of the following:

	2016	2015
	JD	JD
Direct Credit Facilities:		
<b>Individual retail customer:-</b>		
Overdraft	309,656	399,666
Loans and discounted bills	56,324,052	51,919,524
Credit cards	1,738,148	1,727,537
Other	227,406	73,630
<b>Real estate mortgages</b>	<b>64,098,725</b>	<b>58,753,241</b>
<b>Large corporate customers:</b>		
Overdraft	9,630,506	13,225,140
Loans and discounted bills	56,826,649	59,330,176
<b>SMEs</b>		
Overdraft	12,147,617	10,811,325
Loans and discounted bills	14,641,117	13,121,255
<b>Government and Public Sector</b>	<b>40,033,370</b>	<b>28,666,844</b>
Balances with central banks	4,675,402	12,400,914
Balances and deposits with banks and financial institutions	4,653,619	4,152,794
Financial assets at fair value through profit or loss	10,624	21,034
Financial assets at amortized cost	96,441,940	127,437,779
<b>Total</b>	<b>361,758,831</b>	<b>382,040,859</b>

## 28- Interest Expense

This item consists of the following:

	2016	2015
	JD	JD
Banks and financial institutions deposits	5,026,664	4,504,787
<b>Customers deposits :</b>		
Current accounts and demand deposits	980,641	1,326,961
Saving deposits	12,251,708	12,853,246
Time and notice deposits	49,938,852	75,948,023
Certificates of deposit	5,616,888	5,950,012
Margin accounts	5,573,107	4,029,668
Subordinated loans	1,225,961	1,028,163
Deposits insurance fees	11,226,073	10,396,952
<b>Total</b>	<b>91,839,894</b>	<b>116,037,812</b>

## 29- Net Commission Income

This item consists of the following:

	2016	2015
	JD	JD
Commission income:		
Direct credit facilities	12,369,672	12,955,040
Indirect credit facilities	12,832,750	15,426,115
Less: Commission expense	(41,441)	(37,590)
<b>Net Commission Income</b>	<b>25,160,981</b>	<b>28,343,565</b>

## 30- Net Gain from Foreign Currency Exchange

This item consists of the following:

	2016	2015
	JD	JD
From trading	1,385,596	1,637,079
From re-valuation	19,334,876	20,218,336
<b>Total</b>	<b>20,720,472</b>	<b>21,855,415</b>

## 31- (Losses) Gain from Financial Assets at Fair Value Through profit OR Loss

This item consists of the following:

2016	Realized		Unrealized		Dividends Received	Total
	Gain	(Loss)	Gain	(Loss)		
	JD	JD	JD	JD	JD	JD
Bonds	-	-	-	(31,667)	-	<b>(31,667)</b>
Coprorate shares	-	(126,946)	99,399	(716,379)	268,289	<b>(475,637)</b>
Investment funds	16,268	-	-	-	22,857	<b>39,125</b>
<b>Total</b>	<b>16,268</b>	<b>(126,946)</b>	<b>99,399</b>	<b>(748,046)</b>	<b>291,146</b>	<b>(468,179)</b>
<b>2015</b>						
Bonds	-	-	-	(93,606)	-	<b>(93,606)</b>
Coprorate shares	311	(13,084)	170,137	(313,824)	260,951	<b>104,491</b>
Investment funds	-	(12,023)	-	(426,735)	-	<b>(438,758)</b>
<b>Total</b>	<b>311</b>	<b>(25,107)</b>	<b>170,137</b>	<b>(834,165)</b>	<b>260,951</b>	<b>(427,873)</b>

### 32- Other Income

This item consists of the following:

	2016	2015
	JD	JD
Fees on salaries accounts	3,310,980	3,348,373
Credit cards income	5,905,040	6,423,370
Safety deposit box rental income	596,537	591,108
Commissions on returned checks	538,589	519,287
Management fees	4,771,994	4,449,851
Net income from recovered loans	16,205,781	2,865,893
Brokerage services fees	602,931	741,690
Banking services fees	1,540,962	1,884,587
Income on transfers	6,671,450	7,193,894
Miscellaneous income	9,159,946	2,477,025
<b>Total</b>	<b>49,304,210</b>	<b>30,495,078</b>

### 33- Employees Expenses

This item consists of the following:

	2016	2015
	JD	JD
Salaries, benefits and allowances	58,233,143	56,058,547
Bank's contribution in social security	6,524,730	6,196,082
Bank's contribution in the saving fund	177,853	177,674
End-of-service indemnity	3,821,582	3,148,794
Medical expenses	3,070,809	2,904,436
Training expenses	757,913	782,587
Travel and transportation expenses	1,332,276	1,426,047
Other	1,036,944	1,088,120
<b>Total</b>	<b>74,955,250</b>	<b>71,782,287</b>

### 34- Other Expenses

This item consists of the following:

	2016	2015
	JD	JD
Information technology	10,145,101	9,168,571
Marketing and promotion	3,723,812	3,365,260
External and professional services	2,274,382	1,297,415
Rents and workplace expenses	20,139,388	19,092,349
Financial institutions subscription fees	3,097,924	2,891,431
Stationary expenses	2,045,292	2,303,982
Fees on credit facilities processing	1,063,576	188,115
Other expenses	9,675,756	10,700,480
<b>Total</b>	<b>52,165,231</b>	<b>49,007,603</b>



### 35- Earnings per Share

This item consists of the following:

	2016	2015
	JD	JD
Profit for the year (JD)	123,787,093	121,768,520
Weighted average number of shares (share)	252,000,000	252,000,000
<b>Basic and diluted earnings per share attributable to the Bank's shareholders</b>	<b>JD 0.491</b>	<b>JD 0.483</b>

### 36- Cash and Cash Equivalents

This item consists of the following:

	2016	2015
	JD	JD
Cash and balances with central banks maturing within 3 months	1,052,501,966	980,531,493
Add: Balances with banks and financial institutions maturing within 3 months	549,833,560	655,755,916
Less: Banks and financial institutions deposits maturing within 3 months	(429,378,413)	(424,554,260)
	<b>1,172,957,113</b>	<b>1,211,733,149</b>

### 37- Financial Derivative Instruments

This item consists of the following:

2016	Positive fair value	Negative fair value	Nominal value	Due in three months	Due to 3-12 months	More than 3 years
	JD	JD	JD	JD	JD	JD
<b>Derivatives for trade:</b>						
Forward foreign currency contracts	295,177	(231,559)	36,893,573	19,113,230	17,780,343	-
Interest rate swap contracts	-	-	-	-	-	-
	<b>295,177</b>	<b>(231,559)</b>	<b>36,893,573</b>	<b>19,113,230</b>	<b>17,780,343</b>	<b>-</b>
<b>2015</b>						
<b>Derivatives for trade:</b>						
Forward foreign currency contracts	231,559	(295,177)	89,893,698	66,764,955	23,128,743	-
Interest rate swap contracts	-	-	-	-	-	-
	<b>231,559</b>	<b>(295,177)</b>	<b>89,893,698</b>	<b>66,764,955</b>	<b>23,128,743</b>	<b>-</b>

Nominal value represents the value of transactions outstanding at year-end and does not refer to market risks or credit risks.

### 38- Related Party Transactions

These consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership 2015	Company's capital	
		2016	2015
	%	JD	JD
The Housing Bank for Trade and Finance / Algeria	85%	98,134,068	98,134,068
International Bank for Trade and Finance / Syria	49.063%	76,684,321	76,684,321
International Financial Center	77.5%	5,000,000	5,000,000
Specialized Lease Finance Co.	100%	30,000,000	30,000,000
Jordan Real Estate Investment Co.	100%	40,000	40,000
Jordan International Bank / London	75%	61,873,580	61,873,580
International Financial Center / Syria	46.704%	1,495,780	1,495,780

- The International Bank for Trade and Finance – Syria own's 85% of the company International Financial Centre – Syria and the Bank's ownership is 5% of the company.
- The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.

Summary of related party transactions during the year:

	Related Party		Executive Management	Total	
	Major Shareholders	Board of directors		2016	2015
	JD	JD	JD	JD	JD
<b>Financial position items</b>					
Total deposits with related parties	92,976,283	-	-	92,976,283	141,733,552
Total deposits from related parties	284,183,758	10,691,519	1,087,069	295,962,346	418,203,955
Loans and advances granted to related parties	-	427	1,593,844	1,594,271	1,562,069
<b>Income statement items</b>					
Interest and commissions income	682,541	1,822	63,065	747,428	1,074,490
Interest and commissions expense	9,271,791	259,063	12,910	9,543,764	14,439,872

-Interest Income rates range from -0.4% to 4%.

-Interest Expense rates range from 2.75% to 6%.

The Bank's executive management remuneration (salaries, bonuses, and other benefits) were as follows:

	2016	2015
	JD	JD
Salaries, bonuses, and other benefits	2,545,929	3,147,816
Salaries, bonuses, and other benefits / Subsidiaries	1,290,487	1,340,948

### 39- Fair Value of Financial Assets and Liabilities not Presented at Fair Value in the Financial Statements

This item consists of the following:

	2016		2015	
	Book value	Fair Value	Book value	Fair value
	JD	JD	JD	JD
Other financial assets at amortized cost	1,791,900,701	1,795,093,500	2,365,183,490	2,362,426,554
Direct credit facilities – net	4,042,066,469	4,042,066,469	3,494,685,820	3,494,685,820

### 40- Risk Management

The Bank manages the various banking risks based on several methods by means of a comprehensive strategy to limit risks and ways of combatting and mitigating them through managing risks, the Assets and Liabilities Committee, the Investment Committee, and the Credit Quality Assurance Unit. Moreover, all the Bank's departments are responsible for identifying the risks related to the banking operations, setting up the proper controls, and monitoring their effectiveness compatible with the risks control system to achieve the optimal risks – return balance.

Risks management includes the identification, measurement, management, and continuous control of financial and non-financial risks that may negatively affect the Bank's performance and reputation, in addition to guaranteeing the optimal allocation of capital to achieve the optimal returns against risks.

#### The Bank is exposed to the following risks:

- Market risk
- Operating risks
- Credit risk
- Liquidity risk
- Information security risk
- Business continuity risk
- Strategic risk
- Foreign currency and interest risk

Risk management at the Bank is carried out according to main principles compatible with the size of its activities, variety of its operations, and instructions of the regulatory authorities. These principles are as follows:

- Guidelines and strategies of the Board of Directors on managing risks.
- Policies on managing the various risks approved by the Board of Directors.
- Identification of acceptable risk limits.
- Distribution of control tasks and responsibilities to employees according to specialty.
- Risks Committee ensuing from the Board of Directors to ensure the effectiveness of the risk management policies and procedures at the Bank. This Committee is responsible for sponsoring the application and guidelines of the Board of Directors in connection with risk management and the adoption of principles, general frameworks, and allowed limits.
- The Assets and Liabilities Committee are responsible for planning the optimal employment of capital, assets, and liabilities, and the constant monitoring of liquidity risks and market risks.
- The Risk Management Department is a department independent from the Bank's other activities. It manages credit risks, market risks, liquidity risks and operating risk management according to a comprehensive and central strategy inside the Bank while having systems that help in Managing risks. The Risks Department is directly related to the Chief Executive Officer and the Risks Committee of the Board of Directors.

## Credit Risk

Credit risk arises from the other parties inability or default to settle its obligation causing losses to the Bank. Moreover, the Bank manages credit risk through establishing credit ceilings for the credit facilities granted to customers (individual or corporate) and the total credit facilities for each sector or geographic location. The Bank monitors credit risks and continuously evaluates the customers' credit status in addition to obtaining proper collaterals from its customers.

### Credit risk measurement:

#### 1. Loans and Facilities

The Bank's internal rating system (Moody's) is used to measure the degree of the risk associated with the commercial borrowers. On the basis of this system, borrowers are rated based on their quantitative and qualitative evaluation.

#### 2. Debt Instruments:

The external rating system issued by international rating agencies such as (Standard & Poor) and (Moody's) or their equivalent is used to manage debt instruments credit risk exposure.

### Monitoring Credit Risk and Credit Risk Mitigating Policies:

The Bank manages credit limits and monitors the credit concentration risks at customer level (individual or corporate) and size of credit exposure for each sector or geographic location.

Moreover, the Bank sets the levels for the acceptable credit risks through setting ceilings to the acceptable risks in relationship to the single borrower or group of borrowers for each sector or geographic location.

These risks are monitored continuously and are subject to an annual or periodic review. Moreover, the actual exposure volume against the ceilings are monitored daily.

### Credit Risk Mitigating Methods:

Risk management at the Bank depends on several methods to mitigate risks including:

Guarantees and ability to liquidate them and percentage of their coverage of the extended credit which is monitored and evaluated continuously.

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

- Real estate and housing buildings mortgages.
- Financial instruments mortgages (bills and shares).
- Bank guarantees.
- Cash guarantee.
- Governmental guarantee.

Moreover, the Bank adopts the following methods to improve the quality of credit and to mitigate risks:

- Adoption of the committees system for granting credit.
- Diversifying the credit facilities portfolio is a major principle in mitigating credit risk. Moreover, the Bank's annual plan includes the targeted distribution of credit and investments to several sectors and various markets based on the risk rating system for the economic and geographic sectors.
- Adoption of the system of three approvals for credit granting.
- Authority to approve credit varies from one management level to another based on the customer's portfolio size, level of exposure, maturity, and degree of customer's risk.
- There is complete separation between credit marketing management departments (business) and credit analysis and monitoring departments.

## 1-Exposure to credit risk (after impairment provisions and suspended interest and before collaterals held or other risk mitigating factors):

	2016	2015
	JD	JD
<b>Statement of financial position</b>		
Balances with central banks	912,391,743	893,402,566
Balances with banks and financial institutions	549,833,560	655,755,916
Deposits with banks and financial institutions	22,795,894	24,624,589
<b>Credit facilities</b>		
Retail	659,111,406	564,856,167
Real estate mortgages	1,110,250,701	980,147,256
Corporate		
Large Corporate	1,059,693,062	842,869,920
SMEs lending	307,466,448	252,347,522
Government and public sector	905,544,852	854,464,955
<b>Bonds debentures and treasury bills funds:</b>		
Financial assets at fair value through profit or loss	503,384	1,012,435
Other financial assets at amortized cost	1,791,900,701	2,365,183,490
<b>Total</b>	<b>7,319,491,751</b>	<b>7,434,664,816</b>
<b>Commitments and contingent liabilities</b>		
Letters of credit	325,245,500	446,452,224
Acceptances	74,730,105	47,796,348
Letters of guarantee	676,603,491	780,846,025
Un-utilized facilities	589,307,067	551,384,114
<b>Total</b>	<b>1,665,886,163</b>	<b>1,826,478,711</b>
	<b>8,985,377,914</b>	<b>9,261,143,527</b>

The above table represents the highest credit risk exposure for the Bank as of 31 December 2016 and 2015, without taking into consideration any collateral held or any other credit risk mitigating factors.

### Exposure to credit risk is distributed as follows:

- 16.5% of the total exposure is derived from balances with central banks and other banks and financial institutions. (17%: 2015).
- 45% from the total exposure results from loans and credit facilities (38%: 2015).
- 20% from the total exposure results from investment in bonds debentures and treasury bills and funds (26%: 2015).
- 18.5% from the total exposure results from off-financial position items and other assets. (20%: 2015).



**2- The following table shows the distribution of credit risk exposure according to credit risk rating:**

2016	Retail	Real estate mortgages	Corporate entities		Government and public sector	Banks and other financial institutions	Total
			Large companies	SMEs			
	JD	JD	JD	JD	JD	JD	JD
Low risk	13,487,488	70,937,882	22,055,797	5,949,334	2,428,588,317	912,391,743	<b>3,453,410,561</b>
Acceptable risk	625,957,134	972,043,775	1,159,067,547	285,005,086	128,951,139	572,629,454	<b>3,743,654,135</b>
<b>From which past due**:</b>							
Up to 30 days	16,349,237	67,676,749	144,284,843	18,720,557	60,062,593	-	<b>307,093,979</b>
From 31 to 60 days	489,086	33,542	2,024,522	1,006,997	-	-	<b>3,554,147</b>
Watch list	11,639,027	42,284,455	82,878,025	18,046,017	-	-	<b>154,847,524</b>
<b>Non- performing:</b>							
Sub-standard	3,804,746	10,294,259	2,202,751	4,731,606	-	-	<b>21,033,362</b>
Doubtful	4,365,701	4,576,146	7,738,566	3,164,315	-	-	<b>19,844,728</b>
Impaired	30,563,039	35,211,588	100,496,470	31,299,098	-	-	<b>197,570,195</b>
<b>Total</b>	<b>689,817,135</b>	<b>1,135,348,105</b>	<b>1,374,439,156</b>	<b>348,195,456</b>	<b>2,557,539,456</b>	<b>1,485,021,197</b>	<b>7,590,360,505</b>
<b>Less:Interest in suspense</b>	<b>12,827,327</b>	<b>12,250,070</b>	<b>43,611,087</b>	<b>14,781,627</b>	-	-	<b>83,470,111</b>
<b>Allowance for impairment</b>	<b>17,878,403</b>	<b>12,847,330</b>	<b>130,725,527</b>	<b>25,947,383</b>	-	-	<b>187,398,643</b>
<b>Net</b>	<b>659,111,405</b>	<b>1,110,250,705</b>	<b>1,200,102,542</b>	<b>307,466,446</b>	<b>2,557,539,456</b>	<b>1,485,021,197</b>	<b>7,319,491,751</b>
<b>2015</b>							
Low risk	10,974,990	60,327,142	56,784,717	7,907,375	2,854,673,292	1,002,968,504	<b>3,993,636,020</b>
Acceptable risk	536,467,906	857,992,919	847,970,712	237,324,808	91,258,794	681,392,940	<b>3,252,408,079</b>
<b>From which past due**:</b>							
Up to 30 days	15,339,224	60,429,284	52,705,538	21,214,482	516,606	-	<b>150,205,134</b>
From 31 to 60 days	397,521	59,807	711,467	783,731	-	-	<b>1,952,526</b>
Watch list	13,211,959	43,858,620	141,979,206	11,439,471	-	-	<b>210,489,256</b>
<b>Non- performing:</b>							
Sub-standard	2,216,798	6,553,843	259,456	1,743,178	-	-	<b>10,773,275</b>
Doubtful	3,914,108	8,071,952	7,382,663	1,542,330	-	-	<b>20,911,053</b>
Impaired	26,262,886	27,460,601	145,729,019	29,438,466	51,750	-	<b>228,942,722</b>
<b>Total</b>	<b>593,048,647</b>	<b>1,004,265,077</b>	<b>1,200,105,773</b>	<b>289,395,628</b>	<b>2,945,983,836</b>	<b>1,684,361,444</b>	<b>7,717,160,405</b>
<b>Less:Interest in suspense</b>	<b>11,503,121</b>	<b>11,256,585</b>	<b>49,250,880</b>	<b>13,421,639</b>	-	-	<b>85,432,225</b>
<b>Allowance for impairment</b>	<b>16,689,360</b>	<b>12,467,972</b>	<b>144,279,565</b>	<b>23,626,467</b>	-	-	<b>197,063,364</b>
<b>Net</b>	<b>564,856,166</b>	<b>980,540,520</b>	<b>1,006,575,328</b>	<b>252,347,522</b>	<b>2,945,983,836</b>	<b>1,684,361,444</b>	<b>7,434,664,816</b>

\* Credit exposures include credit facilities, balances and deposits with banks and financial institutions, bonds, treasury bills and some other assets.

\*\* If one installment becomes due, the whole balance is considered due, while the overdraft account is considered due if the balance exceeds the ceiling.

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

2016	Corporate entities					Government and Public Sector	Total
	Retail	Real Estate Mortgages	Large Companies	SMEs			
	JD	JD	JD	JD	JD		
<b>Collaterals against</b>							
Low risk	13,660,020	70,937,881	22,056,527	5,949,334	730,764,706		<b>843,368,468</b>
Acceptable risk	94,804,336	837,785,493	329,319,018	211,138,355	8,523,921		<b>1,481,571,123</b>
Watch list	6,064,473	38,971,224	54,960,016	7,525,531	-		<b>107,521,244</b>
<b>Non-performing :</b>							
Sub – standard	1,209,056	10,252,419	364,360	3,508,307	-		<b>15,334,142</b>
Doubtful	2,304,321	4,467,911	1,356,623	2,469,589	-		<b>10,598,444</b>
Impaired	10,331,880	35,325,844	24,527,872	20,221,554	-		<b>90,407,150</b>
<b>Total</b>	<b>128,374,086</b>	<b>997,740,772</b>	<b>432,584,416</b>	<b>250,812,670</b>	<b>739,288,627</b>		<b>2,548,800,571</b>
<b>Including:</b>							
Cash margins	21,880,030	2,401,041	173,445,882	31,883,322	-		<b>229,610,275</b>
Government guarantee	-	-	-	17,255,481	730,764,704		<b>748,020,185</b>
Accepted bank guarantees	22,188,251	239,470,287	42,054,093	116,228,886	232,000		<b>420,173,517</b>
Residential mortgages	62,463,065	754,522,428	134,636,619	75,102,329	8,291,923		<b>1,035,016,364</b>
Listed shares	3,134,456	1,291,768	48,132,815	6,873,045	-		<b>59,432,084</b>
Equipment and vehicles	18,708,284	55,248	34,315,007	3,469,607	-		<b>56,548,146</b>
<b>Total</b>	<b>128,374,086</b>	<b>997,740,772</b>	<b>432,584,416</b>	<b>250,812,670</b>	<b>739,288,627</b>		<b>2,548,800,571</b>
<b>2015</b>							
<b>Collaterals against</b>							
Low risk	10,974,990	60,327,142	56,785,447	7,907,375	714,041,679		<b>850,036,633</b>
Acceptable risk	74,391,959	763,910,805	184,935,231	181,529,852	7,153,085		<b>1,211,920,932</b>
Watch list	5,966,660	36,947,419	69,912,106	6,851,095	-		<b>119,677,280</b>
<b>Non-performing :</b>							
Sub – standard	610,115	6,484,055	-	851,052	-		<b>7,945,222</b>
Doubtful	1,898,842	7,149,788	1,499,526	1,007,866	-		<b>11,556,022</b>
Impaired	9,986,829	20,390,447	50,424,163	20,031,691	-		<b>100,833,130</b>
<b>Total</b>	<b>103,829,395</b>	<b>895,209,656</b>	<b>363,556,473</b>	<b>218,178,931</b>	<b>721,194,764</b>		<b>2,301,969,219</b>
<b>Including:</b>							
Cash margins	9,978,737	1,851,582	76,661,096	12,455,964	-		<b>100,947,379</b>
Government guarantee	-	-	30,766,870	8,981,871	714,041,679		<b>753,790,420</b>
Accepted bank guarantees	10,831,497	259,186,799	64,209,905	119,467,744	232,000		<b>453,927,945</b>
Residential mortgages	66,045,795	634,080,142	128,587,132	69,753,091	6,921,085		<b>905,387,245</b>
Listed shares	1,986,694	-	25,001,287	4,788,087	-		<b>31,776,068</b>
Equipment and vehicles	14,986,672	91,133	38,330,183	2,732,174	-		<b>56,140,162</b>
<b>Total</b>	<b>103,829,395</b>	<b>895,209,656</b>	<b>363,556,473</b>	<b>218,178,931</b>	<b>721,194,764</b>		<b>2,301,969,219</b>

For the purposes of the above table, credit guarantees should not exceed the loan balance for each client.

## Rescheduled Loans

These represent loans previously classified as non-performing loans and were reclassified as performing loans watch list during the year 2016. Moreover, they amounted to JD 41,6 million as of 31 December 2016 (JD 38,5 million as of 31 December 2015).

The balance of scheduled debt represents the debt that was scheduled whether classified under watch list or transferred to performing.

## Restructured Loans

Restructuring is the re-arrangement of facilities installments by increasing their duration, postponing some installments or increasing the grace period. During the year 2016 they were classified within watch list facilities under control and amounted to JD 309,7 million as of 31 December 2016 (JD 179 million as of 31 December 2015).

## 3- Debt Securities and Treasury Bills

The Schedule below shows the distribution of bonds and bills according to the international agencies classification (classification institution S&P):

Rating grade	Financial assets at fair value through P&L	Other Financial assets at amortized cost	Total
	JD	JD	JD
AAA	-	2,822,338	<b>2,822,338</b>
AA	-	14,664,626	<b>14,664,626</b>
AA-	-	7,321,065	<b>7,321,065</b>
A+	-	11,416,187	<b>11,416,187</b>
A	-	22,040,862	<b>22,040,862</b>
A-	-	15,458,008	<b>15,458,008</b>
BBB+	-	45,020,221	<b>45,020,221</b>
BBB	-	4,607,330	<b>4,607,330</b>
BBB-	-	7,210,970	<b>7,210,970</b>
BB	-	5,105,591	<b>5,105,591</b>
B	-	1,488,900	<b>1,488,900</b>
Un-rated	-	2,750,000	<b>2,750,000</b>
Governmental or government guarantee	503,384	1,651,994,603	<b>1,652,497,987</b>
<b>Total</b>	<b>503,384</b>	<b>1,791,900,701</b>	<b>1,792,404,085</b>

**4- The schedule below shows the geographical distribution of the credit risk exposure (after allowance and suspended interest):**

Geographical Area	Items	Inside Jordan	Other Middle East Countries	Europe	Asia *	Africa *	America	Other Countries	Total
		JD	JD	JD	JD	JD	JD	JD	JD
	<b>Cash and balances with central banks</b>	697,652,673	80,463,060	-	-	134,276,010	-	-	912,391,743
	<b>Balances with banks and financial institutions</b>	134,430,198	127,162,490	278,451,389	396,012	7,799,838	1,535,149	58,484	549,833,560
	<b>Deposits with banks and financial institutions</b>	15,000,000	-	7,795,894	-	-	-	-	22,795,894
	<b>Credit Facilities</b>								
	Retail	604,057,410	54,869,285	145,280	-	5,767	-	33,664	659,111,406
	Real estate mortgages	910,793,692	61,445,105	135,880,774	-	2,131,130	-	-	1,110,250,701
	<b>CORPORATE ENTITIES</b>								
	Large companies	667,296,357	375,358,043	-	1,442,739	5,283,121	-	10,312,802	1,059,693,062
	SMEs	132,979,896	14,716,618	3,338,151	4,817,506	151,330,646	-	283,631	307,466,448
	<b>Government and public sector</b>	859,476,070	46,068,782	-	-	-	-	-	905,544,852
	Bonds debentures and treasury bills								
	Other financial assets at amortized costs	1,529,561,033	33,702,487	60,221,287	29,910,905	15,047,972	95,577,629	27,879,388	1,791,900,701
	Financial Assets at fair value through P & L	503,384	-	-	-	-	-	-	503,384
	<b>Total 2016</b>	5,551,750,713	793,785,870	485,832,775	36,567,162	315,874,484	97,112,778	38,567,969	7,319,491,751
	<b>Total 2015</b>	6,401,578,298	368,232,264	474,735,709	17,265,410	13,488,697	125,102,841	34,261,597	7,434,664,816

\* Excluding the Middle East countries.

**5- The schedule below shows the credit risk exposure according to economic sectors:**

Economic Sectors / Items	Finance	Manufacturing	Trade	Real Estate	Agriculture	Shares	Retail	Governmental and Public Sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Balances with Central Banks</b>	912,391,743	-	-	-	-	-	-	-	-	912,391,743
<b>Balances with banks and financial institutions</b>	549,833,560	-	-	-	-	-	-	-	-	549,833,560
<b>Deposits with banks and financial institutions</b>	22,795,894	-	-	-	-	-	-	-	-	22,795,894
<b>Credit Facilities</b>	103,503,743	302,163,155	410,646,618	1,080,224,265	7,618,572	1,758,459	715,305,085	905,544,852	515,301,720	4,042,066,469
<b>Bonds debentures and treasury bills:</b>										
<b>Other financial asstes at amortized costs</b>	117,509,757	-	-	-	-	-	-	1,661,334,799	13,056,145	1,791,900,701
<b>Financial assets designated at fair value through P&amp;L</b>	-	-	-	-	-	-	-	503,384	-	503,384
<b>Total 2016</b>	1,706,034,697	302,163,155	410,646,618	1,080,224,265	7,618,572	1,758,459	715,305,085	2,567,383,035	528,357,865	7,319,491,751
<b>Total 2015</b>	1,761,567,290	210,484,348	347,990,813	1,020,980,561	4,046,950	13,954,702	593,260,940	3,060,165,823	422,213,389	7,434,664,816



## Market Risk

Market risk is defined as the risk of fluctuation in fair value or cash flows of financial assets arising from changes in market prices, such as interest, foreign currency risk and shares price. These risks arise from open position in interests currencies and investments in shares.

Market risk is monitored through specialized committees, policies and procedures. Market risk includes interest rate risk, foreign currency risk and equity securities risk.

Market risk is measured and monitored through sensitivity analysis and VAR using a 99% confidence level according to Basel II policies, stop loss limits, and monitoring ceilings for trades.

Sensitivity analysis is based on estimating the loss risk in fair value due to changes in interest rate and foreign currencies exchange rate. Moreover, fair value is calculated according to the current value of future money flows that will be affected by price changes.

VAR is a statistical technique used to estimate the probability of portfolio losses based on unexpected changes in the market; VAR is not expected to exceed the maximum loss at the estimated confidence level of 99% during the specific holding period.

### 1. Interest rate risk:

It is the risk that results from the changes in market interest rate. And the Bank manages the interest rate risk by applying sensitivity analysis for the interest rate sensitive instruments designated at fair value through the income statement by shifting the yield curve a parallel shift of  $\pm 1\%$ .

Sensitivity Analysis 2016	Increase in interest rate by 1% on the consolidated income statement	Decrease in interest rate by 1% on the consolidated income statement	Increase in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
	JD	JD	JD	JD
US Dollars	(7,981)	8,218	(5,492)	5,656
<b>Sensitivity Analysis 2015</b>				
US Dollars	(721)	721	(508)	508

## 2. Foreign Exchange risk:

It is the risk that results from the changes in foreign exchange rates that might have an effect on the Bank's assets and liabilities held in foreign currency. The Bank manages the exchange rate risk by applying sensitivity analysis to the Bank's net foreign currencies positions by shifting the exchange rate  $\pm$  1% on net profit and loss and shareholders' equity.

Currency	Increase exchange rate currency by 1% on the consolidated income statement	Decrease exchange rate currency by 1% on the consolidated income statement	Increase exchange rate currency by 1% on equity	Decrease exchange rate currency by 1% on equity
Sensitivity Analysis 2016	JD	JD	JD	JD
Euro	(61,612)	61,612	(42,537)	42,537
Sterling Pound	629,623	(629,623)	434,692	(434,692)
Austrlian Dollar	213	(213)	147	(147)
Swiss Frank	419	(419)	289	(289)
Canadian Dollar	(125)	125	(87)	87
Japanese Yen	909	(909)	628	(628)
Syrian Lira	34,903	(34,903)	24,097	(24,097)
Algerian Dinar	1,028,814	(1,028,814)	710,293	(710,293)
Sensitivity Analysis 2015				
Euro	(414,136)	414,136	(291,819)	291,819
Sterling Pound	891,039	(891,039)	627,825	(627,825)
Austrlian Dollar	278	(278)	196	(196)
Swiss Frank	619	(619)	436	(436)
Canadian Dollar	66	(66)	46	(46)
Japanese Yen	(6,643)	6,643	(4,681)	4,681
Syrian Lira	19,642	(19,642)	13,840	(13,840)
Algerian Dinar	994,100	(994,100)	700,441	(700,441)

## 3. Equity price risk:

It is the risk that results from the changes in equity instruments prices in the Banks financial assets at fair value through profit or loss and for financial assets at fair value through other comprehensive income. The Bank manages the share price risk by applying the VAR methodology which was calculated on the basis of historical prices of equity instruments for a confidence level of 99% for one day for each company separately. The VAR was then calculated for the banks portfolio.

Sensitivity Analysis VAR 2016	VAR
	JD
Financial assets at fair value through profit or loss	(1,061,810)
Financial assets at fair value through other comprhensive income	(29,357)
Sensitivity Analysis VAR 2015	
Financial assets at fair value through profit or loss	(1,062,096)
Financial assets at fair value through other comprhensive income	(29,534)

## Interest rate re-pricing gap:

Classification is done according to interest re-pricing or maturity, whichever is closer:

	Interest rate re-pricing																
	Up to 1 Month		1 to 3 Months		3 to 6 Months		6 Months to 1 Year		1 to 3 Years		Over 3 Years		Non-Interest Bearing Items		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
<b>2016</b>																	
<b>ASSETS</b>																	
Cash and balances with Central banks	433,814,532	22,900,000	-	-	-	-	-	-	-	-	-	-	-	595,787,434	-	-	1,052,501,966
Balances with banks and financial institutions	120,946,578	375,512,429	-	-	-	-	-	-	-	-	-	-	-	53,374,553	-	-	549,833,560
Deposits with banks and financial institutions	-	-	10,401,679	11,898,106	496,109	-	-	-	-	-	-	-	-	-	-	-	22,795,894
Financial assets at fair value through profit or loss	511,909	-	-	-	503,384	-	-	-	-	-	-	-	-	20,942,426	-	-	21,957,719
Direct credit facilities - net	669,635,523	646,669,464	563,524,486	912,779,110	691,953,072	538,684,414	-	-	-	-	-	-	-	18,820,400	-	-	4,042,066,469
Financial assets at fair value through other comprehensive income	-	-	-	-	10,677	-	-	-	-	-	-	-	-	569,847	-	-	580,524
Other financial assets at amortized cost	141,755,634	65,623,520	113,189,217	287,369,068	1,134,339,168	49,624,094	-	-	-	-	-	-	-	168,524,627	-	-	1,791,900,701
Property and equipment – net	-	-	-	-	-	-	-	-	-	-	-	-	-	24,351,994	-	-	24,351,994
Intangible assets - net	-	-	-	-	-	-	-	-	-	-	-	-	-	40,738,707	-	-	40,738,707
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	102,050,490	-	-	102,050,490
Other assets	2,806,812	-	115,732	-	-	-	-	-	-	-	-	-	-	-	-	-	2,922,544
<b>TOTAL ASSETS</b>	<b>1,369,470,988</b>	<b>1,110,705,413</b>	<b>687,231,114</b>	<b>1,212,046,284</b>	<b>1,827,302,410</b>	<b>588,308,508</b>	<b>1,025,160,478</b>	<b>7,820,225,195</b>									
<b>LIABILITIES</b>																	
Banks and financial institutions deposits	25,363,630	323,941,379	31,330,468	15,000,000	17,454,261	-	-	-	-	-	-	-	-	80,073,404	-	-	493,163,142
Customers' deposits	1,221,268,783	2,032,328,446	275,178,051	185,199,142	176,242,623	1,432,704	1,755,877,344	5,647,527,093									
Margin accounts	85,209,772	39,037,121	26,599,510	37,025,978	40,090,054	63,157,417	-	-	-	-	-	-	-	37,781,431	-	-	328,901,283
Loans and Borrowing's	170,492	13,562,209	11,133,862	8,471,939	5,000,000	-	-	-	-	-	-	-	-	-	-	-	38,338,502
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	56,024,369	-	-	56,024,369
Income tax provision	-	-	-	-	-	-	-	-	-	-	-	-	-	55,973,559	-	-	57,000,430
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	2,056,712	-	-	2,056,712
Other liabilities	124,125	768,928	624,483	901,487	-	-	-	-	-	-	-	-	-	134,744,099	-	-	137,163,122
<b>TOTAL LIABILITIES</b>	<b>1,332,136,802</b>	<b>2,409,638,083</b>	<b>344,866,374</b>	<b>246,598,546</b>	<b>238,786,938</b>	<b>65,616,992</b>	<b>2,122,530,918</b>	<b>6,760,174,653</b>									
<b>Interest rate re-pricing gap</b>	<b>37,334,186</b>	<b>(1,298,932,670)</b>	<b>342,364,740</b>	<b>965,447,738</b>	<b>1,588,515,472</b>	<b>522,691,516</b>	<b>(1,097,370,440)</b>	<b>1,060,050,542</b>									
<b>2015</b>																	
<b>TOTAL ASSETS</b>	<b>1,172,738,336</b>	<b>3,040,920,216</b>	<b>326,227,857</b>	<b>928,315,650</b>	<b>1,300,770,125</b>	<b>190,888,776</b>	<b>962,837,768</b>	<b>7,922,698,728</b>									
<b>TOTAL LIABILITIES</b>	<b>1,627,029,633</b>	<b>1,891,237,009</b>	<b>612,955,644</b>	<b>285,881,608</b>	<b>291,262,415</b>	<b>106,764,801</b>	<b>2,068,227,363</b>	<b>6,883,358,473</b>									
<b>Interest rate re-pricing gap</b>	<b>(454,291,297)</b>	<b>1,149,683,207</b>	<b>(286,727,787)</b>	<b>642,434,042</b>	<b>1,009,507,710</b>	<b>84,123,975</b>	<b>(1,105,389,595)</b>	<b>1,039,340,255</b>									

## Concentration OF Foreign currency risk 2016

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Algerian Dinar	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>ASSETS</b>								
Cash and balances with Central banks	166,951,720	29,523,849	678,023	1,009	15,599,242	100,388,990	39,340,813	<b>352,483,646</b>
Balances with banks and financial institutions	389,085,461	39,652,795	15,576,519	698,524	9,998,551	7,798,659	51,055,058	<b>513,865,567</b>
Deposits with banks and financial institutions	7,705,106	-	-	-	-	-	90,788	<b>7,795,894</b>
Financial asset Designated at fair value through profit or loss	1,015,293	-	-	-	-	-	-	<b>1,015,293</b>
Direct credit facilities	623,269,311	7,181,285	122,069,096	-	15,351,063	162,344,911	133,428,531	<b>1,063,644,197</b>
Financial asset at fair value through other comprehensive income	54,327	-	-	-	-	-	-	<b>54,327</b>
Other Financial assets at amortized cost	387,419,755	17,749,074	34,780,940	-	-	1,599,000	-	<b>441,548,769</b>
Property and equipment - net	-	-	233,446	-	2,775,114	2,901,525	556,875	<b>6,466,960</b>
Intangible assets - net	-	-	5,715,364	-	353	805,105	456,520	<b>6,977,342</b>
Deferred tax assets	593,614	4,196	1,552,675	-	10,722	-	20,711	<b>2,181,918</b>
Other assets	3,920,217	(2,752,512)	2,496,055	1,200	670,862	19,070,229	2,389,507	<b>25,795,558</b>
<b>Total assets</b>	<b>1,580,014,804</b>	<b>91,358,687</b>	<b>183,102,118</b>	<b>700,733</b>	<b>44,405,907</b>	<b>294,908,419</b>	<b>227,338,803</b>	<b>2,421,829,471</b>
<b>LIABILITIES</b>								
Banks and financial institutions deposits	286,912,140	9,052,415	38,484,523	(242,187)	3,838,651	-	6,244,981	<b>344,290,523</b>
Customers' deposits	1,122,159,634	80,686,876	58,092,066	572,058	36,311,656	123,066,595	160,248,319	<b>1,581,137,204</b>
Margin accounts	185,928,867	6,029,213	107,363	279,351	1,311,303	20,619,467	10,517,241	<b>224,792,805</b>
Sundry provisions	3,167,106	40,139	-	-	19,952,421	512,552	(2,567,081)	<b>21,105,137</b>
Income tax provision	-	-	351,156	-	1,895,806	703,977	-	<b>2,950,939</b>
Other liabilities	11,218,567	1,594,405	(4,598,090)	-	1,171,830	35,951,540	11,326,119	<b>56,664,371</b>
<b>Total liabilities</b>	<b>1,609,386,314</b>	<b>97,403,048</b>	<b>92,437,018</b>	<b>609,222</b>	<b>64,481,667</b>	<b>180,854,131</b>	<b>185,769,579</b>	<b>2,230,940,979</b>
<b>Net position</b>	<b>(29,371,510)</b>	<b>(6,044,361)</b>	<b>90,665,100</b>	<b>91,511</b>	<b>(20,075,760)</b>	<b>114,054,288</b>	<b>41,569,224</b>	<b>190,888,492</b>
<b>Off-financial position contingent liabilities</b>	<b>647,004,259</b>	<b>373,054,741</b>	<b>27,998,159</b>	<b>210,291</b>	<b>7,356,180</b>	<b>-</b>	<b>201,344,855</b>	<b>1,256,968,485</b>

## 2015

Currency	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
Items	JD	JD	JD	JD	JD	JD	JD
Total assets	1,464,231,892	92,339,074	244,762,121	668,093	49,067,807	506,175,314	2,357,244,301
Total liabilities	1,475,737,704	136,645,437	115,010,839	1,332,283	64,906,709	365,638,366	2,159,271,338
Net position	(11,505,812)	(44,306,363)	129,751,282	(664,190)	(15,838,902)	140,536,948	197,972,963
Off-financial position contingent liabilities	692,870,238	450,762,319	65,731,893	1,669,026	5,105,720	261,733,369	1,477,872,565

### Liquidity Risk

Liquidity risk is defined as the Bank's failure to provide the required funding to cover its obligations at their respective due dates.

Liquidity risk is managed through the following:

- Daily funding is managed through monitoring future cash flows and maintaining presence in the cash market.
- Holding assets that could be liquidated within a short period of time to meet any unexpected liquidity requirements.
- Monitoring liquidity ratios according to internal requirements and those of regulatory authorities.
- Managing concentrations in assets/liabilities and their maturities.
- Maintaining a portion of the customer's deposits as a reserve with the Central Banks as a restricted reserve that cannot be utilized except under certain conditions according to regulatory authorities.

Liquidity is measured on the basis of normal and emergency conditions. This includes analyzing the remaining period of contractual maturity and consolidated financial assets on the basis of their expected recoverability.

The treasurer is in charge of controlling the liquidity status of the Bank Group taking into consideration loans and unutilized facilities, utilizing overdrafts and monitoring any commitments related to letters of credit and guarantees that may arise.

### Sources of Funding:

The Bank works to diversify its sources of funds including geographical sectors, currencies, customers, facilities, and conditions in order to attain financial flexibility and lower financing costs, in addition to maintaining stable financing sources.

The Bank has a large customer base of individuals and corporations with varying deposit accounts, of which 57% are stable and dominated in JD. The Bank maintain 38.8% of the Jordanian dominated saving accounts in the Jordanian banking market.



The following table illustrates the distribution of the liabilities (un-discounted) on the basis of the remaining period from the date of the consolidated financial statements until the date of contractual maturity.

2016	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>LIABILITIES</b>								
Banks and financial institutions deposits	304,600,436	44,885,884	-	46,618,877	17,729,767	-	80,073,404	<b>493,908,368</b>
Customers' deposits	1,152,786,803	(853,620,317)	328,068,499	194,104,252	1,377,673,155	1,606,353,907	1,948,983,491	<b>5,754,349,790</b>
Margin accounts	50,806,725	37,655,624	25,622,712	46,168,581	63,839,596	103,596,969	9,494,264	<b>337,184,471</b>
Loans and borrowings	-	13,637,931	11,273,731	8,684,796	5,335,000	-	170,492	<b>39,101,950</b>
Sundry provisions	131,343	262,687	394,030	788,060	3,152,242	18,913,451	32,382,556	<b>56,024,369</b>
Income tax provision	9,319,497	-	32,729,245	4,404,792	9,520,025	1,026,871	-	<b>57,000,430</b>
Deferred tax liabilities	-	-	-	-	2,056,712	-	-	<b>2,056,712</b>
Other liabilities	74,908,344	768,928	9,356,827	901,487	-	-	51,227,536	<b>137,163,122</b>
<b>TOTAL</b>	<b>1,592,553,148</b>	<b>(756,409,263)</b>	<b>407,445,044</b>	<b>301,670,845</b>	<b>1,479,306,497</b>	<b>1,729,891,198</b>	<b>2,122,331,743</b>	<b>6,876,789,212</b>
<b>TOTAL ASSETS</b>	<b>1,677,631,617</b>	<b>458,510,290</b>	<b>380,965,190</b>	<b>846,856,484</b>	<b>2,445,939,813</b>	<b>1,524,080,128</b>	<b>486,241,673</b>	<b>7,820,225,195</b>
<b>2015</b>								
<b>LIABILITIES</b>								
Banks and financial institutions deposits	243,677,527	55,160,305	93,836,670	7,052,048	10,716,200	-	125,883,625	<b>536,326,375</b>
Customers' deposits	613,681,756	183,896,596	200,640,321	125,482,551	675,152,558	895,350,273	3,190,980,344	<b>5,885,184,399</b>
Margin accounts	(452,991,719)	(99,196,881)	(74,563,540)	(5,902,512)	(456,090,596)	(439,727,683)	1,767,883,327	<b>239,410,396</b>
Loans and borrowings	-	8,583,150	10,844,906	7,000,731	5,378,000	-	-	<b>31,806,787</b>
Sundry provisions	129,256	258,513	387,769	775,538	3,102,153	18,612,918	20,982,276	<b>44,248,423</b>
Income tax provision	10,506,584	-	28,927,177	2,287,060	1,246,264	2,134,477	-	<b>45,101,562</b>
Deferred tax liabilities	-	-	-	-	2,056,712	-	-	<b>2,056,712</b>
Other liabilities	49,523,081	335,441	20,820,830	258,758	1,409,845	-	64,175,071	<b>136,523,026</b>
<b>TOTAL</b>	<b>464,526,485</b>	<b>149,037,124</b>	<b>280,894,133</b>	<b>136,954,174</b>	<b>242,971,136</b>	<b>476,369,985</b>	<b>5,169,904,643</b>	<b>6,920,657,680</b>
<b>TOTAL ASSETS</b>	<b>1,710,383,474</b>	<b>619,027,770</b>	<b>480,868,644</b>	<b>1,228,990,342</b>	<b>2,050,909,052</b>	<b>1,393,679,530</b>	<b>438,839,916</b>	<b>7,922,698,728</b>

## Commitments and contingent liabilities:

2016	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	451,643,158	146,977,307	3,041,739	<b>601,662,204</b>
Un- utilized ceilings	576,845,094	12,461,973	-	<b>589,307,067</b>
Letters of guarantee	631,186,669	45,411,696	5,126	<b>676,603,491</b>
<b>Total</b>	<b>1,659,674,921</b>	<b>204,850,976</b>	<b>3,046,865</b>	<b>1,867,572,762</b>
2015				
Letters of credit and acceptances	653,894,206	108,243,017	-	<b>762,137,223</b>
Un- utilized ceilings	521,761,027	29,623,087	-	<b>551,384,114</b>
Letters of guarantee	720,741,625	60,101,364	3,036	<b>780,846,025</b>
<b>Total</b>	<b>1,896,396,858</b>	<b>197,967,468</b>	<b>3,036</b>	<b>2,094,367,362</b>

## 41- Segment analysis

Information on the bank segment activities

### A- Information on the Bank Activities:

For management purposes, the Bank is organized into four major business segments according to reports sent to the Chief Banking Officer:

- Retail Banking: Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- Corporate Banking: Principally handling deposits and credit facilities and other financial services for corporate and institutional customers.
- Corporate Finance: Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- Treasury: Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

The following table shows the Bank's business segments:

	Retail Banking		Corporate		Corporate Finance		Treasury		Others		Elimination		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	2016	2015	
<b>Gross Income</b>	<b>188,975,654</b>	<b>173,455,597</b>	<b>6,557,107</b>	<b>143,566,734</b>	<b>17,335,414</b>	<b>(73,414,191)</b>	<b>456,476,315</b>	<b>462,307,044</b>						
Impairment of credit facilities	(416,130)	(11,459,142)	-	-	(1,000,000)	-	(12,875,272)	(20,176,201)						
Impairment of Financial Assets	-	-	(900,000)	-	-	-	(900,000)	-						
Segment results	76,451,676	98,297,856	2,750,145	34,119,092	3,982,824	-	215,601,593	190,818,646						
Unallocated expenses	-	-	-	-	-	-	(25,265,462)	(13,798,530)						
Income before tax	-	-	-	-	-	-	190,336,131	177,020,116						
Income Tax	-	-	-	-	-	-	(59,323,518)	(52,292,082)						
Profit for the year	-	-	-	-	-	-	131,012,613	124,728,034						
<b>Segment Assets</b>	<b>3,982,390,600</b>	<b>2,636,962,471</b>	<b>123,364,482</b>	<b>3,476,808,177</b>	<b>1,371,154,552</b>	<b>-</b>	<b>11,590,680,282</b>	<b>11,889,483,484</b>						
Elimination of assets between segments	(2,364,911,314)	-	-	(589,472,436)	(856,810,044)	-	(3,811,193,794)	(4,000,645,500)						
Unallocated assets	-	-	-	-	-	-	40,738,707	33,860,744						
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,820,225,195</b>	<b>7,922,698,728</b>						
<b>Segment Liabilities</b>	<b>3,918,297,181</b>	<b>2,715,331,400</b>	<b>118,126,377</b>	<b>3,338,918,428</b>	<b>432,949,329</b>	<b>-</b>	<b>10,523,622,715</b>	<b>10,817,134,829</b>						
Elimination of liabilities between segments	-	(918,331,490)	(27,171,748)	(2,820,001,536)	-	-	(3,765,504,774)	(3,935,833,068)						
<b>Unallocated liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,056,712</b>	<b>2,056,712</b>						
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,760,174,653</b>	<b>6,883,358,473</b>						
Capital expenditures	-	-	-	-	-	-	30,266,996	36,012,093						
<b>Depreciation and Amortization</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,628,444</b>	<b>14,097,233</b>						

## B- Geographical Distribution:

The following is the geographical distribution of the Bank's operations. The Bank conducts its operations mainly in the Kingdom (local operations). Moreover, the Bank conducts international operations through its branches and subsidiaries in the Middle East, Asia, Africa and Europe.

Here below is the distribution of the Bank's income, assets, and capital expenditure inside and outside the Kingdom "Based on the Bank's internal policy, the way it is being measured and based on the reports used by the General Manager and the main decision maker in the Bank":

	Inside Jordan		Outside Jordan		Total	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Gross income	351,380,907	374,332,562	105,095,408	87,974,482	456,476,315	462,307,044
Total assets	6,919,703,435	5,980,592,775	900,551,760	1,942,105,953	7,820,255,195	7,922,698,728
Capital expenditures	25,048,238	29,942,546	5,218,758	6,069,547	30,266,996	36,012,093

## 42- Capital Management:

Through the management of its paid-up capital, the Bank seeks to achieve the below goals:

- Compliance with the Central Bank capital related requirements.
- Maintaining its ability as a going concern.
- Having a strong capital base for supporting the Bank's expansion and development.

Capital adequacy is reviewed monthly, and reported quarterly to the Central Bank.

According to the Central Bank Instructions, the minimum requirement for capital adequacy is 12%. Banks are classified into 5 categories, the best of which is having an average capital adequacy equal to or more than 14%.

The Bank restructures and modifies its capital according to the business environment. There are no amendments in the goals, policies and procedures related to capital management during the current year.

The schedule below shows the capital components, amount, total risk weighted assets, and capital adequacy ratios according to the instructions of the Central Bank, based on the instructions of Basel III Committee.

	2016
	JD
<b>1. Common Equity Tier 1 Capital</b>	
Paid-in capital	252,000,000
Retained earnings	166,622,054
Other comprehensive income	(111,060,231)
Net fair value reserve	(344,677)
Foreign currency translation Reserve	(110,715,554)
Share premium	357,925,469
Voluntary reserve	189,039,398
Statutory reserve	33,222,068
Other reserve	7,752,032
Non-controlling Interest	12,647,352
<b>Total capital of common stock</b>	<b>908,148,142</b>
Regulatory amendments (Propositions of the capital)	(66,390,023)
Goodwill and other intangible assets	(24,351,994)
Deffered tax assets	(40,738,707)
Investments in capital of non consolidated subsidiaries	(24,409)
Mutual fund investments in the capital of Banking, Financial and Insurance Entities (within CET1)	(1,274,913)
<b>Total primary capital</b>	<b>841,758,119</b>
<b>2. Additional Tier</b>	
Non-controlling Interest	2,231,886
Total additional capital	2,231,886
Regulatory amendments (Propositions of the capital)	-
Net additional capital	2,231,886
<b>Net additional capital Tier 1.</b>	<b>843,990,005</b>
<b>3. Tier 2</b>	
General banking risk reserve	36,101,000
Non-controlling Interest	2,975,847
Total capital cushions	39,076,847
Regulatory amendments (Propositions of the capital)	(16,272)
Investments in capital of non consolidated subsidiaries	(16,272)
Net additional capital Tier 2	39,060,575
<b>Regulatory capital</b>	<b>883,050,580</b>
<b>Total weighted assets risk average.</b>	<b>5,187,555,270</b>
<b>Capital Adequacy Ratio %</b>	<b>17.02%</b>



The schedule below shows the capital components, amount, total risk weighted assets, and capital adequacy ratios according to the instructions of the Central Bank, based on the instructions of Basel II Committee.

	2015
	JD
<b>Primary capital items</b>	
Paid-in capital	252,000,000
Statutory reserve	172,277,768
Voluntary reserve	33,222,068
Special reserve	7,272,603
Share premium	357,925,469
Retained earnings	102,731,682
Goodwill and other intangible assets	(23,285,544)
Assets repossessed	-
Investments in the capital of other Banking, Financial and Insurance Entities	(1,797,057)
Shortage in additional capital	(57,715,359)
<b>Total primary capital</b>	<b>842,631,630</b>
<b>Supplementary capital</b>	
Foreign currency translation reserve	(89,872,167)
Revaluation reserve for financial assets -net	(244,192)
General banking risks reserve	32,401,000
Deficit in additional capital	57,715,359
Total Supplementary Capital	-
<b>Total Regulatory Capital</b>	<b>842,631,630</b>
<b>Total Weighted Assets Risk Average</b>	<b>4,948,167,070</b>
<b>Capital Adequacy Ratio %</b>	<b>17.03%</b>
<b>Primary Capital Ratio %</b>	<b>17.03%</b>

### 43- Levels of the Fair Value

The following table analyzes the financial instruments recorded at fair value based the valuation method, which is defined at different levels as follows:

**Level 1:** List prices (unadjusted) for identical assets or liabilities in active markets.

**Level 2:** Information other than included in the advertised price level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (ie, derived from the prices).

**Level 3:** Information on the asset or liability is not based on those observed in the market (unobservable).

	Level 1	Level 2	Level 3	Total
2016	JD	JD	JD	JD

#### Financial assets

Financial assets at fair value through other comprehensive income	-	580,524	-	<b>580,524</b>
Financial assets at fair value through P&L	5,031,310	16,926,409	-	<b>21,957,719</b>
<b>Total financial assets</b>	<b>5,031,310</b>	<b>17,506,933</b>	-	<b>22,538,243</b>

2015

#### Financial assets

Financial assets at fair value through other comprehensive income	-	580,524	-	<b>580,524</b>
Financial assets at fair value through P&L	5,296,207	16,926,409	-	<b>22,222,616</b>
<b>Total financial assets</b>	<b>5,296,207</b>	<b>17,506,933</b>	-	<b>22,803,140</b>

### 44- Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 739 Thousands as of 31 December 2017 against JD 842 million as of 31 December 2015. These accounts are not included in the assets and liabilities of the Bank financial statements. The management commissions and fees on these accounts are recorded in the consolidated income statement.

## 45- Assets and Liabilities Expected Maturities

The following table illustrates the assets and liabilities according to expected maturity periods:

2016	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>Assets</b>			
Cash and balances with Central Banks	885,855,131	166,646,835	<b>1,052,501,966</b>
Balances with banks and financial institutions	549,833,560	-	<b>549,833,560</b>
Deposits with banks and financial institutions	22,299,785	496,109	<b>22,795,894</b>
Financial assets at fair value through profit or loss	4,527,926	17,429,793	<b>21,957,719</b>
Direct credit facilities – net	1,287,369,548	2,754,696,921	<b>4,042,066,469</b>
Financial assets at fair value through other comprehensive income	-	580,524	<b>580,524</b>
Other financial assets at amortized cost	560,821,450	1,231,079,251	<b>1,791,900,701</b>
Property and equipment – net	-	168,524,627	<b>168,524,627</b>
Intangible assets - net	-	24,351,994	<b>24,351,994</b>
Deferred tax assets	-	40,738,707	<b>40,738,707</b>
Other assets	53,256,181	51,716,853	<b>104,973,034</b>
<b>Total assets</b>	<b>3,363,963,581</b>	<b>4,456,261,614</b>	<b>7,820,225,195</b>
<b>Liabilities</b>			
Banks and financial institutions deposits	475,722,883	17,440,259	<b>493,163,142</b>
Customers' deposits	2,706,656,739	2,940,870,354	<b>5,647,527,093</b>
Margin accounts	159,336,791	169,564,492	<b>328,901,283</b>
Loans and borrowings	33,168,010	5,170,492	<b>38,338,502</b>
Sundry provisions	1,576,120	54,448,249	<b>56,024,369</b>
Income tax provision	46,453,534	10,546,896	<b>57,000,430</b>
Deferred tax liabilities	-	2,056,712	<b>2,056,712</b>
Other liabilities	85,935,586	51,227,536	<b>137,163,122</b>
<b>Total liabilities</b>	<b>3,508,849,663</b>	<b>3,251,324,990</b>	<b>6,760,174,653</b>
<b>Net</b>	<b>(144,886,082)</b>	<b>1,204,936,624</b>	<b>1,060,050,542</b>

2015	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>Assets</b>			
Cash and balances with Central Banks	883,741,212	153,390,281	<b>1,037,131,493</b>
Balances with banks and financial institutions	655,755,916	-	<b>655,755,916</b>
Deposits with banks and financial institutions	24,624,589	-	<b>24,624,589</b>
Financial assets at fair value through profit or loss	4,439,753	17,782,863	<b>22,222,616</b>
Direct credit facilities – net	1,123,036,091	2,371,649,729	<b>3,494,685,820</b>
Financial assets at fair value through other comprehensive income	-	580,524	<b>580,524</b>
Other financial assets at amortized cost	1,296,299,645	1,068,883,845	<b>2,365,183,490</b>
Property and equipment – net	-	158,572,865	<b>158,572,865</b>
Intangible assets - net	-	24,803,749	<b>24,803,749</b>
Deferred tax assets	-	36,856,464	<b>36,856,464</b>
Other assets	51,373,024	50,908,178	<b>102,281,202</b>
<b>Total assets</b>	<b>4,039,270,230</b>	<b>3,883,428,498</b>	<b>7,922,698,728</b>
<b>Liabilities</b>			
Banks and financial institutions deposits	535,535,925	-	<b>535,535,925</b>
Customers' deposits	3,027,419,902	2,782,333,961	<b>5,809,753,863</b>
Margin accounts	162,510,100	116,598,387	<b>279,108,487</b>
Loans and borrowings	26,030,475	5,000,000	<b>31,030,475</b>
Sundry provisions	1,551,076	42,697,347	<b>44,248,423</b>
Income tax provision	41,720,821	3,380,741	<b>45,101,562</b>
Deferred tax liabilities	-	2,056,712	<b>2,056,712</b>
Other liabilities	70,938,110	65,584,916	<b>136,523,026</b>
<b>Total liabilities</b>	<b>3,865,706,409</b>	<b>3,017,652,064</b>	<b>6,883,358,473</b>
<b>Net</b>	<b>173,563,821</b>	<b>865,776,434</b>	<b>1,039,340,255</b>

## 46- Contractual Commitments and Contingent Liabilities (statement of financial position)

### A- Credit commitments and contingent liabilities:

	2016	2015
	JD	JD
Letters of credit	526,932,099	714,340,875
Acceptances	74,730,105	47,796,348
Letters of guarantee:		
Payment	131,644,049	140,858,492
Performance	135,504,853	159,162,395
Other	409,454,589	480,825,138
Irrevocable commitments to extend credit	589,307,067	551,384,114
<b>Total</b>	<b>1,867,572,762</b>	<b>2,094,367,362</b>

### B- Contractual commitments:-

	2016	2015
	JD	JD
Purchase of property and equipment contracts	910,742	1,233,813
Construction Projects contracts	7,442,237	17,644,979
Other purchases contracts	12,353,270	4,943,087
<b>Total</b>	<b>20,706,249</b>	<b>23,821,879</b>

## 47- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to JD 33,787 million as of 31 December 2016 (JD 34,14 million as of 31 December 2015). In the opinion of Bank's management and the legal advisor, no material liabilities will arise as a result of these lawsuits exceeding the related provision amounting to JD 520,677 as of 31 December 2016 (JD 346,762 as of 31 December 2015).

## 48- New And Amended International Financial Reporting Standards

### IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Bank has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

## **IFRS 16 Leases**

During January 2016, the IASB issued IFRS 16 “Leases” which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

## **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

## **IAS 7 Disclosure Initiative – Amendments to IAS 7**

The amendments to IAS 7 Statement of Cash Flows are part of the IASB’s Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.

## **IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2**

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

## **Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.



### **Transfers of Investment Property (Amendments to IAS 40)**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

### **IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration**

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed

### **49- Comparative Figures**

Some of the year 2015 figures have been reclassified to correspond with the year 2016 presentation. There is no effect on the income and equity for the year 2015.



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▶ **Disclosure Statements**

## Declarations

### First Declaration

The Board of Directors of the HBTF declares that there are no material issues that may affect the Bank's continuous effective performance during the next fiscal year 2017.

### Second Declaration

The Board of Directors of the HBTF declares its responsibility for the preparation of the financial statements, the accuracy and completeness of the financial statements, and the information of this report; in addition to the effectiveness of the Bank's internal control and monitoring systems.




### Third Declaration

The Board of Directors of the HBTF declares that they did not receive any benefits through their work in the Bank.

Board Member	Title	Signature
Mr. Abdelelah Moh'd Alkhatib	Chairman	
Mr. Abdulla Mubarak Al Khalifa	Vice Chairman	
Mr. Yousef Mahmoud Al-Neama	Board Member	
Mr. Khalid Majid Al-Nuaimi	Board Member	
Mr. Ramzi Talat Mari	Board Member	
Mr. Sami Hussein Al-Anbaee	Board Member	
Mr. Fawzi Abdel Hameed AlMani	Board Member	
Mr. Mohamed Mohamed Ben Yousef	Board Member	
Mr. Ismail Abdulla El Mesallati	Board Member	
Mr. Fadi Khalid Al Alawneh	Board Member	
Mr. Nidal Faeq Alqubaj	Board Member	
Dr. Yaser Manna' Adwan	Board Member	
Mrs. Shaikha Yousuf Al-Farsi	Board Member	

### Fourth Declaration

The Chairman, the CEO and the CFO declare the accuracy and completeness of the financial statements, and the information of this report.

Name	Title	Signature
Mr. Abdelelah Moh'd Alkhatib	Chairman	
Mr. Ihab Ghazi Saadi	CEO	
Mr. Khaled Mahmoud Al-Thahabi	CFO	

## The Bank's Main Activities

The HBTF provides versatile financial and banking services for the retail and corporate sectors in Jordan through a network of branches distributed throughout the Kingdom. The Bank exercises its main activities in Jordan as well as Palestine and Bahrain.

## Size of Capital Investment

The authorized and paid-up capital of the Bank is JD252 million.

## The Bank's Training Programs

The total number of training opportunities provided by the Bank in 2016 was 9045. During the year, the Bank held a number of internal seminars specialized in the field of banking, in which 802 employees participated. Also, the Bank provided the opportunity for 7 employees to acquire academic certificates and 15 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the Bank's Training Center	1012
Training Programs held in collaboration with specialized local training centers	298
Training Courses held in Arab and Foreign Countries	29
Internal Seminars	802
Academic Certificates	7
Professional Certificates in the fields of Finance, Accountancy, Financing, Computer and Compliance.	15
<b>Total</b>	<b>2163</b>

Following is a table showing the most important courses held in 2016:

Description	Training Opportunities
Behavioral Courses	1123
Administrative Courses	227
English Language Courses	516
Microsoft Office Courses	318
Specialized Functional Courses for Branches	4686
Specialized Functional Courses for Managements	1010
Others	1165
<b>Total</b>	<b>9045</b>

## Number of Employees

### 1. Number of employees at the HBTF Group as per their qualifications as at the end of 2016.

Qualification	Branches inside and outside Jordan				Banks and Subsidiaries inside and outside Jordan						
	Jordan Branches	Palestine Branches	Bahrain Branch	IBTF / Syria	HBTF / Algeria	JIB / London	Specialized Leasing Finance Co.	International Financial Center Co.	Jordan Real -Estate Investments & Commercial Services Co.	Representative Offices (Libya, Iraq, U.A.E)	
Ph.D. Degree	5	-	-	-	-	-	-	-	-	-	
Master's Degree	144	16	3	8	3	7	4	2	-	-	
High Diploma Degree	3	2	-	3	27	2	-	-	-	1	
Bachelor's Degree	1824	211	21	235	105	14	14	7	3	2	
Diploma Degree	357	19	1	70	68	2	3	1	23	1	
General Secondary Certificate	60	31	3	57	50	18	5	5	441	3	
<b>Total</b>	<b>2393</b>	<b>279</b>	<b>28</b>	<b>373</b>	<b>253</b>	<b>43</b>	<b>26</b>	<b>15</b>	<b>467</b>	<b>7</b>	



## 2. The Number of Employees of Jordan Branches at the end of 2016

The number of the Bank's employees inside Jordan reached to 2393, out of whom 1094 employees are working at the various departments and work centers at the headquarters and 1299 employees working at the branches distributed as follows:

Branch	Number	Branch	Number	Branch	Number	Branch	Number
Main Branch	38	Jubeiha	12	South Shouna	8	Children	5
Suleiman Al-Nabulsi St.	5	Fuhais	9	Deir Abi Saeed	8	Arrar St.	7
Al Weibdeh	7	Salt	14	Hakama	12	Qaser	10
Al Madina	9	Sweileh	11	Huson	11	Al Hasan Industrial City	7
Jabal Amman	9	Sahab	9	Hitteen	8	Rabiyah	11
Wadi Saqra	5	Abu Alanda	10	Aidoun	8	Abdullah Ghosheh	13
Jabal Al Hussein	13	Juwaideh	11	Mashare'	7	Central Market	7
Wehdat	13	Marj Al Hamam	11	Kufranjah	7	Quba Circle	15
Foreign Travel	5	Na'our	8	Palestine St.	11	Irbid Mall	15
Marka	13	Muwaqqar	7	Karameh	7	Zahran	11
Quraysh St.	9	Tla' Al Ali	11	Oujan	8	Madina Munawarah	14
Jabal Al Taj	8	King Abdullah II City	8	Jaish St.	9	City Mall	16
Prince Hasan Sub.	12	Baqa'	9	Kraymeh	7	Medical City St.	8
North Hashimi	11	Hurria St.	10	Yarmouk	8	Free Zone / Zarqa	8
Ras Al Ein	8	Muqablain	4	Aqaba	15	Housing Bank Park / Abdoun	7
Ashrafieh	8	Qwaismeh	9	Al Shweikh Mall	14	New Zarqa	8
Hawooz	8	Bayader	14	Tafleeh	9	Al-Yasmeen District	8
Nuzha	11	Prince Rashed District	7	Ma'an	9	Mecca St.	10
Sports City	13	Zarqa	16	Karak	13	Al Salt Gate	9
Salam	8	Irbid	18	Potash	8	Taj Mall	15
Commercial Complex	11	Prince Nayef St. / Irbid	4	Petra	9	Al Jeeza	7
Prince Moh'd St.	8	Ajloun	13	Shobak	7	30 <sup>th</sup> Street / Irbid	10
Tareq	12	Mafraq	16	Mu'ta	13	Husseiniya	7
Abu Nussair	12	Western Complex / Mafraq	5	Hasa	8	Zarqa Highway	7
Nazal Sub.	12	Jarash	12	Jabal Al Shamali	10	Private Banking Services	7
Abdoun	16	Madaba	13	Airport	18	Bani Kenana	7
Park Plaza	21	Deir Alla	9	Dulail	8	Manarah	7
Sweifieh	4	Ghweirieh	7	Ethaa'	8	Airport St.	7
Galleria Mall	14	Russeifa	9	Barha	10	Mobile Bus 1	5
Gardens	15	Ramtha	12	Shedieh	7	Mobile Bus 2	5
Shmeisani	10	Wasfi Al Tal St. / Ramtha	5	Um Al Sumaq	11	Call Center	21
Qasr Shbeeb	11	North Shouna	7	North Azraq	7	<b>Total</b>	<b>1299</b>
Um Uthyna	11	North Border Crossing	4	Ma'soum Sub.	8		

### 3. The Number of Employees at Palestine Branches as at the end of 2016

Branch	Number
Regional Management	158
Ramallah	15
Gaza	10
Nablus	14
Hebron	13
Halhoul	7
Beir Zeit	7
Khan Younis	4
Jenin	12
Bethlehem	10
Yata	5
Tormosaya	5
Dahriyeh	9
Masyoon	10
<b>Total</b>	<b>279</b>

### 4. The Number of Employees at the IBTF/ Syria as at the end of 2016

Branch	Number	Branch	Number	Branch	Number
General Management	188	MazzeH	8	Dira'*	-
Hejaz	18	Tijarah	8	Hama	8
Pakistan	16	Al Firdous	9	Mahradeh	6
Dama Roze	8	Zabadani*	-	Hasakeh*	-
Yarmouk *	-	Homs*	-	Latakia	14
Housh Plass	5	Tartus	14	Sweida	10
Duma*	-	Faisal	11	Qamishli	5
Dummar Project	7	Sheraton*	-	Deir Al Zour*	-
Hareeka	8	Jmeleyeh*	-	Masaken Barzeh	8
Jaramana	8	Sheikh Najjar*	-	Abu Rummaneh	6
Qas'a	8	Shahba' Mall*	-	<b>Total</b>	<b>373</b>

\* Closed due to the prevailing situations in Syria.

## 5. The Number of Employees at the HBTF / Algeria as at the end of 2016

Branch	Number
Regional Management	145
Dali Ibrahim	28
Blida	13
Wahran	20
Steif	14
Dar al Bayda'	15
Bgayet	10
Constantine	8
<b>Total</b>	<b>253</b>

## 6. The Number of Employees at the Specialized Leasing Finance Co. as at the end of 2016

Branch	Number
General Management	23
Irbid Office	3
<b>Total</b>	<b>26</b>

## 7. Nature of the Subsidiaries' Business and Scope of their Activity

Name of Company	Type of Company	Main Activity	Paid - up Capital	Bank's Share
IBTF / Syria	Anonymous Company	Commercial Banking Activities	SL 5.25 billion	49.1%
HBTF / Algeria	Public Shareholding	Commercial Banking Activities	DZD 10 billion	85%
JIB / London	P.L.C	Commercial Banking Activities	GBP 65 million	75%
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance Activities	JD 30 million	100%
International Financial Center Co.	L. L.C.	Financial Brokerage Activities	JD 5 million	77.5%
Jordan Real - Estate Investments & Commercial Services Co.	L. L.C.	Management of non - banking Services Employees	JD 40 thousand	100%

## Introductory Overview of the Board of Directors as at 31/12/2016

### Mr. Abdelelah Moh'd Alkhatib

**Title:** Chairman of the Board and Chairman of the Corporate Governance Committee

**Date of Birth:** 31/3/1953

Mr. Abdelelah Alkhatib held several senior positions in both public and private sectors.

- He served as the Foreign Minister of Jordan from 1998 to 2002 and from 2005 to 2007. Prior to that he was Minister of Tourism and Antiquities, 1995- 1996.
- In 2012, he became the Chairman of the Independent Election Commission, while in 2010 he was appointed as the Chairman of the Economic and Social Council.
- Mr Alkhatib was a member of the Upper House of Parliament (The Senate) for three terms between 2010-2016, where he was elected consecutively to head the Economic and Financial, the Public Freedoms and Citizens Rights and the Arab and International Affairs Committees.
- Internationally, Mr Alkhatib acted as the Special Envoy to the Secretary General of the United Nations to Libya in 2011.
- He served as the General Manager of Jordan Cement Company, then as the Company's Chairman of the Board. He also served as General Manager of Al Daman for Investment.
- He Joined the Board of Directors of the Central Bank of Jordan for two terms.
- Mr Alkhatib is an active Contributor to the work of civil society. He was elected as the Chairman of the Royal Society for the Conservation of Nature, and he is member of the Board of Trustees of both, the King Hussein Cancer Foundation, and the American Center for Oriental Research.
- He holds a B.A political Science, from PANTIOS, Athens, M.A in International Communications from the American University in Washington D.C., M.A in International Economics and Development from the School of Advanced International Studies (SAIS), Johns Hopkins University in Washington D.C.

Mr Alkhatib is married and a father of two daughters and a son .

### Mr. Abdulla Mubarak Al Khalifa

**Representative of Qatar National Bank**

**Title:** Vice Chairman

**Date of Birth:** 25/9/1973

**Qualifications:** B.Sc. Business Administration, 1995

- Executive General Manager - Chief Business Officer / QNB

#### Memberships in HBTf Board Committees

- Chairman, Executive Committee
- Nomination & Remuneration Committee

#### Memberships in other Commissions and Boards

- Vice Chairman, QNB Al Ahli / Egypt
- Board Member, Ecobank
- Board Member, QNB Finansbank

### **Mr. Yousef Mahmoud Al-Neama**

#### **Representative of Qatar National Bank**

**Title:** Board Member

**Date of Birth:** 5/1/1965

**Qualifications:** B.Sc. Aviation Management 1989,

- Diploma Masters in Business Administration 2004
- General Manager, Group Corporate & Institutional Banking Division / QNB

#### **Memberships in HBTF Board Committees**

- Chairman, Risk Management Committee
- Executive Committee
- IT Governance Committee

#### **Memberships in other Commissions and Boards**

- Chairman, QNB / Syria
- Vice Chairman, Bank Mansour / Iraq
- Board Member, Bank of Commerce & Development / Libya

### **Mr. Khalid Majid Al-Nuaimi**

#### **Representative of Qatar National Bank**

**Title:** Board Member

**Date of Birth:** 5/12/1976

**Qualifications:** B.Sc. Management, 2000

- AGM Corporate - SMEs / QNB

#### **Memberships in HBTF Board Committees**

- Executive Committee
- Risk Management Committee

#### **Memberships in other Commissions and Boards**

None

### **Mr. Ramzi Talat Mari**

#### **Representative of Qatar National Bank**

**Title:** Board Member

**Date of Birth:** 2/1/1966

**Qualifications:** Masters of Science Degree in Accountancy, 1989

- General Manager - Chief Financial Officer / QNB

#### **Memberships in HBTF Board Committees**

- Audit Committee

#### **Memberships in other Commissions and Boards**

- Board Member, QNB Capital / Qatar
- Board Member, QIHL Luxembourg
- Board Member, QNB Al Ahli / Egypt
- Board Member, QNB Finansbank / Turkey

## **Mr. Sami Hussein Al-Anbaee**

### **Representative of Kuwait Real Estate Investment Consortium**

**Title:** Board Member

**Date of Birth:** 14/6/1956

**Qualifications:** Masters, Economics 1980

Economic Adviser to Governor of the Central Bank of Kuwait

### **Memberships in HBTF Board Committees**

- Executive Committee
- Risk Management Committee

### **Memberships in other Commissions and Boards**

None

## **Mr. Fawzi Abdel Hameed AlMani**

### **Representative of Kuwait Real Estate Investment Consortium**

**Title:** Board Member

**Date of Birth:** 19/9/1963

**Qualifications:** Masters Principles of Finance 2000, B.Sc. Economics 1989, B.Sc. Marketing 1986

- Head of Private Equity / General Reserve Sector / Kuwait Investment Authority - Kuwait

### **Memberships in HBTF Board Committees**

- Chairman, IT Governance Committee

### **Memberships in other Commissions and Boards**

- Vice President and President of Executive Committee, White Sugar Nile Co. / Sudan
- Board Member and President of Executive Committee, Kuwait Public Transport Co. / Kuwait

### **Previous Memberships in other Commissions and Boards**

- Vice President, Safir International Hotels / Egypt
- Vice President and Member of Executive Committee, Kenana Sugar Co. / Sudan
- Board Member and Member of Executive Committee, Kuwait Real Estate Investment Consortium (KREIC) / Kuwait
- Board Member and Member of Executive Committee, Al Shams for Hotel & Tourism Co. / Egypt
- Board Member and President of Executive Committee, Abou Nawas for Tourism / Tunis
- Board Member, Arabian Brick Co. / Egypt
- Board Member, Arab Shipping Co. / Egypt
- Investment Manager, Kuwait Small Projects Development Co. (KSPDC) / Kuwait
- Investment Manager – Investment Portfolio, Kuwait Investment Authority (KIA) / Kuwait
- AGM, Kuwait Real Estate Investment Consortium (KREIC) / Egypt
- Assistant Investment Manager, Kuwait Real Estate Investment Consortium (KREIC) / Kuwait
- Assistant Investment Manager, Federated Investment Co. / USA
- Head of International Shipping Dep., Victoria Multi-System Corporations / USA



## **Mr. Mohamed Mohamed Ben Yousef**

### **Representative of Libyan Foreign Bank**

**Title:** Board Member

**Date of Birth:** 5/12/1960

**Qualifications:** Masters in Finance and Banking 2004, B.Sc. Accounting 1983

**Current Position:** General Manager, Libyan Foreign Bank, from 22/8/2010 up to date

- Arab Accountant and Auditor 2004
- Libyan Accountant and Auditor 1993
- General Manager Libyan Qatar Bank from 17/2/2010 to 31/12/2010

### **Memberships in HBTF Board Committees**

- Nomination & Remuneration Committee
- Audit Committee

### **Memberships in other Commissions and Boards**

- Chairman, ARBIFT / Abu Dhabi
- Chairman, Nomination & Remuneration Committee - ARBIFT / Abu Dhabi
- Board Member, Arab International Bank / Cairo
- Board Member, Executive Committee - Arab International Bank / Cairo
- Board Member, The Housing Bank for Trade & Finance / Algeria
- Board Member, Union of Arab Banks / Beirut
- Chairman of Audit Committee and Vice Chairman of Executive Committee, Union of Arab Banks / Beirut
- Board Member of Arab International Bankers Management / Amman
- Member of the Board of Trustees of the Arab Academies for Banking and Financial Sciences / Amman
- Chairman, National Financial Leasing Co. / Libya
- Member of Libya 2030 vision Committee
- Chairman of the Board of LAPTECH Holding LTD

### **Previous Memberships in other Commissions and Boards**

- Chairman, General Assembly, Union of Arab Banks / Beirut
- President, Finance Leasing Law Committee / Libya
- Chairman, North Africa Bank (National Banking Corporation) / Libya
- Board Member of Libyan Investment Authority
- Board Member, Suez Canal Bank / Cairo
- Member of the Follow-up Committee for lifting the sanctions of Libya
- Member of Ministerial Committee of Economic Policies

### **Mr. Ismail Abdalla El Mesallati**

#### **Representative of Libyan Foreign Bank**

**Title:** Board Member

**Date of Birth:** 17/3/1956

**Qualifications:** B.A. in Business Administration, 1979

- The secretary of the Board of Directors / Libyan Foreign Bank

#### **Memberships in HBTF Board Committees**

- Executive Committee

#### **Memberships in other Commissions and Boards**

- Board Member, Arabian Maghreb Bank for Investment and Trade / Algeria
- Board Member, Chinguitty Bank / Mauritania

### **Mr. Fadi Khalid Al Alawneh**

#### **Representative of Social Security Corporation / Jordan**

**Title:** Board Member

**Date of Birth:** 21/1/1976

**Qualifications:** Masters in Finance, 2003

- Head of Accounting & Credit Facilities Unit -Social Security Investment Fund

#### **Memberships in HBTF Board Committees**

- Executive Committee

#### **Previous Memberships in other Commissions and Boards**

- Board Member, Jordan Press and Publishing Co. (Addustour)

### **Mr. Nidal Faeq Alqubaj**

#### **Representative of Social Security Corporation / Jordan**

**Title:** Board Member

**Date of Birth:** 2/7/1980

**Qualifications:** MBA - Accounting, 2006

- Head of Risk Management & Strategic Planning Dep. - Social Security Investment Fund

#### **Memberships in HBTF Board Committees**

- Risk Management Committee
- Corporate Governance Committee
- IT Governance Committee

#### **Memberships in other Commissions and Boards**

- Board Member, Al Daman Leasing Co.

#### **Previous Memberships in other Commissions and Boards**

- Board Member, Cairo Amman Bank
- Board Member, Arab Potash Co.
- Board Member, Jordan International Insurance Co.

## **Dr. Yaser Manna' Adwan**

**Title:** Board Member

**Date of Birth:** 16/1/1953

**Qualifications:** Ph.D Public Administration / policy analysis, 1983

### **Awards**

- Abdul Hameed Shoman Award for Arab Researchers
- National recognition award for public management.

### **Memberships in HBTF Board Committees**

- Chairman, Audit Committee
- Risk Management Committee
- Corporate Governance Committee

### **Memberships in other Commissions and Boards**

- Professor of Management and Policy Analysis - College of Business University of Jordan

### **Previous Memberships in other Commissions and Boards**

- Chairman, Electricity distribution Co.
- Chairman, Kingdom Electricity for Energy Investments Co
- Chairman, Social Security Investment Fund
- General Manager, Social Security Corporation
- Chairman, National Corporation for Tourism Development
- Vice President, Yarmouk University
- Vice Chairman, Jordan Phosphate Mines Co.
- Vice Chairman, Accreditations Council for Higher Education Institutions
- Board Member, Jordan Bromine Co.
- Board Member of Trustees, University of Jordan
- Board Member, Industrial Development Bank
- Board Member, Jordan Commercial Bank
- Member, Investment Fund Committee University of Jordan
- Member, Investment Fund Committee Al al-Bayt University

## **Mrs. Shaikha Yousuf Al-Farsi**

**Title:** Board Member

**Date of Birth:** 9/1/1978

**Qualifications:** MSc in Finance, Cass Business School, London, 2005

- GM - Strategy and Organizational Development - Bank Muscat

### **Memberships in HBTF Board Committees**

- Chairman, Nomination & Remuneration Committee
- Audit Committee

### **Memberships in other Commissions and Boards**

- Board Member, BM JBR Limited
- Board Member, Oman Banks Association, Sultanate of Oman

## Resigned Board Members During 2016

Name	Resignation Date	Short Brief
H.E. Dr. Michel Issa Marto	21/4/2016	His Excellency Dr. Michel Marto occupied during his professional career various designations in both Public and Private Sectors, chief amongst these designations were: Minister of Finance, Chairman of Jordan Securities Commission, Deputy Governor of the Central Bank of Jordan, an Economist in World Bank in Washington D.C., Advisor to HRH Prince El-Hassan Bin Talal, Head of the Economic Department at the Royal Scientific Society, Chairman of the Board of Directors of Association of Banks in Jordan, in addition to the Chairman of the Board of Directors of Housing Bank during the period from 2004 to 2016.
SHK Ali Jassim Al Thani	21/4/2016	SHK Ali Al Thani started as a member in the Board of Directors of Housing Bank in the year 1997, he has occupied the position of the Vice Chairman of the Board of Directors of Housing Bank during the period from 2009 to 2016. Additionally, he occupied many managerial positions in many regional and international companies, such as: Chairman of the Board of Directors of Qatar Navigation Co., Member of the Board of Directors of United Arab Shipping Co. / Kuwait, Member of the Board of Directors of Champs-Elysées Co. / Paris, and Member of the Board of Directors of the International Bank for Trade and Finance / Syria.
Mr. Ahmed Said Al Mahrezi	21/4/2016	Mr. Ahmed Al Mahrezi started as a member in the Board of Directors of Housing Bank in the year 2015 representing the Ministry of Finance in Sultanate of Oman. Additionally, he currently serve as an Adviser to the Board of Directors of Civil Service Employees Pension Fund in Sultanate of Oman as well as his memberships in the Boards of Directors of Bank Dhofar and Hotels Management Company International – HMCI.
Dr. Hamzeh Jaradat	22/4/2016	Dr. Hamzeh Jaradat was appointed as the member of the Board of Directors representing the Social Security Corporation on 24/02/2016. He was previously served designations in the Public Sector, the most notably is: General Manager of Jordan Post.
Mrs. Rania Al Araj	22/4/2016	Mrs. Rania Al Araj was appointed as a member of the Board of Directors to represent the Social Security Corporation on 24/02/2016. Currently, she holds the position of Head of Treasury Department in the Investment Fund of the Social Security.
Mr. Humoud Jassim Al Falah	13/7/2016	Mr. Humoud Al Falah has occupied the position of member of the Board of Directors of Housing Bank for the period from 2009 – 2016 representing Kuwait Real Estate Investment Consortium in addition to his position as Senior Investment Officer in Kuwait Investment Authority.
Mr. Oday Al Ibrahim	7/11/2016	Mr. Oday Al Ibrahim was appointed as a member of the Board of Directors of Housing Bank representing Kuwait Real Estate Investment Consortium on 13/07/2016. He has previously occupied many management positions in Kuwait Investment Authority.

## Position of Each Board Member

Name of Board Member	Date of Appointment	The Entity that the Member represents	Classification	Share in the Bank's Capital *
Mr. Abdelelah Moh'd Alkhatib	21/4/2016	Himself	Non-Executive - Independent	0.004%
Mr. Abdulla Mubarak Al Khalifa	31/1/2008		Non-Executive - Non-Independent	
Mr. Yousef Mahmoud Al-Neama	31/1/2008	Qatar National Bank	Non-Executive - Non-Independent	34.481%
Mr. Khalid Majid Al-Nuaimi	12/7/2015		Non-Executive - Non-Independent	
Mr. Ramzi Talat Mari	9/3/2014		Non-Executive - Non-Independent	
Mr. Sami Hussein Al-Anbaee	22/7/2013	Kuwait Real Estate Investment Consortium	Non-Executive - Non-Independent	18.613%
Mr. Fawzi Abdel Hameed AlMani	7/11/2016		Non-Executive - Non-Independent	
Mr. Mohamed Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive - Non-Independent	16.471%
Mr. Ismail Abdalla El Mesallati	25/6/2012		Non-Executive - Non-Independent	
Mr. Fadi Khalid Al Alawneh	22/5/2016	Social Security Corporation / Jordan	Non-Executive - Non-Independent	15.392%
Mr. Nidal Faeq Alqubaj	22/5/2016		Non-Executive - Non-Independent	
Dr. Yaser Manna' Adwan	21/4/2016	Himself	Non-Executive - Independent	0.004%
Mrs. Shaikha Yousuf Al-Farsi	21/4/2016	Himself	Non-Executive - Independent	0.004%

\* Share of the entity represented by the member.

## Number of Securities Owned by the Board Members and their Relatives

Name of the Board Member	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by Spouse and Minors	
		2015	2016	2015	2016
Mr. Abdelelah Moh'd Alkhatib	Jordanian	-	10,000	-	-
Mr. Abdulla Mubarak Al Khalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Khalid Majid Al-Nuaimi	Qatari	-	-	-	-
Mr. Ramzi Talat Mari	Jordanian	-	-	-	-
Mr. Sami Hussein Al-Anbaee	Kuwaiti	-	-	-	-
Mr. Fawzi Abdel Hameed AlMani	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdalla El Mesallati	Libyan	-	-	-	-
Mr. Fadi Khalid Al Alawneh	Jordanian	-	-	-	-
Mr. Nidal Faeq Alqubaj	Jordanian	-	-	-	-
Dr. Yaser Manna' Adwan	Jordanian	-	10,000	-	-
Mrs. Shaikha Yousuf Al-Farsi	Omani	-	10,000	-	-

**Companies Controlled by the Board Members and their Relatives:** None

**Loans granted to the Board Members:** None

**Operations that were made between Bank and the Board Members:** None

## Number of Securities Owned by Resigned Board Members and their Relatives

Name of the Board Member	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by Spouse and Minors	
		2015	2016	2015	2016
H.E. Dr. Michel Issa Marto	Jordanian	310,000	10,000	-	-
SHK Ali Jassim Al Thani	Qatari	10,000	10,000	-	-
Mr. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Oday Al Ibrahim	Kuwaiti	-	-	-	-
Dr. Hamzeh Jaradat	Jordanian	140	140	-	-
Mrs. Rania Al Araj	Jordanian	-	-	-	-
Mr. Ahmed Said Al Mahrezi	Omani	-	-	-	-

**Companies Controlled by Resigned Board Members and their Relatives:** None

**Loans granted to Resigned Board Members:** None

**Operations that were made between Bank and Resigned Board Members:** None



## The Board & the Board Committees Meetings

### The Board's Meetings

The Bank's Board of Directors held 6 meetings during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib	5	H.E. Dr. Michel Issa Marto	1
Mr. Abdulla Mubarak Al Khalifa	6	SHK Ali Jassim Al Thani	1
Mr. Yousef Mahmoud Al-Neama	4	Mr. Humoud Jassim Al Falah	3
Mr. Khalid Majid Al-Nuaimi	6	Mr. Oday Al Ibrahim	-
Mr. Ramzi Talat Mari	5	Dr. Hamzeh Jaradat	1
Mr. Sami Hussein Al-Anbaee	3	Mrs. Rania Al Araj	1
Mr. Fawzi Abdel Hameed AlMani	1	Mr. Ahmed Said Al Mahrezi	1
Mr. Mohamed Mohamed Ben Yousef	6	-	-
Mr. Ismail Abdalla El Mesallati	6	-	-
Mr. Fadi Khalid Al Alawneh	5	-	-
Mr. Nidal Faeq Alqubaj	3	-	-
Dr. Yaser Manna' Adwan	6	-	-
Mrs. Shaikha Yousuf Al-Farsi	5	-	-

### Executive Committee Meetings

The Executive Committee held 3 meetings during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Mr. Abdulla Mubarak Al Khalifa	3	-	-
Mr. Yousef Mahmoud Al-Neama	2	-	-
Mr. Khalid Majid Al-Nuaimi	3	-	-
Mr. Sami Hussein Al-Anbaee	1	-	-
Mr. Ismail Abdalla El Mesallati	3	-	-
Mr. Fadi Khalid Al Alawneh	1	-	-

### Audit Committee Meetings

The Audit Committee held 5 meetings during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Dr. Yaser Manna' Adwan	4	SHK Ali Jassim Al Thani	1
Mr. Ramzi Talat Mari	5	Mr. Humoud Jassim Al Falah	2
Mr. Mohamed Mohamed Ben Yousef	5	Mr. Ahmed Said Al Mahrezi	2
Mrs. Shaikha Yousuf Al-Farsi	3	-	-

### Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held 4 meetings during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Mrs. Shaikha Yousuf Al-Farsi	3	Mr. Ahmed Said Al Mahrezi	1
Mr. Abdulla Mubarak Al Khalifa	4	-	-
Mr. Mohamed Mohamed Ben Yousef	4	-	-

### Risk Management Committee Meetings

The Risk Management Committee held 3 meetings during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Mr. Yousef Mahmoud Al-Neama	3	Mr. Ahmed Said Al Mahrezi	2
Mr. Khalid Majid Al-Nuaimi	3	-	-
Mr. Sami Hussein Al-Anbaee	2	-	-
Dr. Yaser Manna' Adwan	1	-	-
Mr. Nidal Faeq Alqubaj	1	-	-
Mr. Ihab Ghazi Saadi / CEO	3	-	-

### Corporate Governance Committee Meetings

The Corporate Governance Committee held 1 meeting during 2016 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2016	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib	1	-	-
Dr. Yaser Manna' Adwan	1	-	-
Mr. Nidal Faeq Alqubaj	1	-	-

### IT Governance Committee

The IT Governance Committee didn't hold any meeting during 2016.

## Senior Executive Management: Brief Resume (as on 31/12/2016)

### **Title: Chief Executive Officer**

### **Mr. Ihab Ghazi Saadi**

**Date of Birth:** 2/10/1962

**Date of Appointment:** 25/11/2013

**Qualifications:** MBA - Financial Management, 1990

**Professional Certificate:** Certified Public Accountant (CPA) / 1991

### **Professional Experiences:**

Mr. Saadi worked for Grant Thornton, Chicago / USA in 1990 and later continued to assume positions in Corporate Finance and Investment Banking at Arthur Andersen in Amman and Dubai.

Mr. Saadi joined HBTF in 2001 as the Executive Manager of the Corporate Finance Division. After leaving the position in 2008, Mr. Saadi rejoined the Bank in 2013 as Assistant General Manager for Corporate and Investment Banking. Given Mr. Saadi's extensive experience in banking, he was promoted in 2015 to Chief Banking Officer before occupying the position of Acting General Manager in November 2015 and later being confirmed as General Manager on 21 April 2016.

### **Memberships in HBTF Board Committees:**

- Risk Management Committee

### **Memberships in other Commissions and Boards:**

- Chairman, Jordan International Bank / London
- Chairman, Specialized Leasing Co. / Jordan
- Chairman, International Bank for Trade and Finance / Syria
- Chairman, The Housing Bank for Trade & Finance / Algeria
- Head of Investment Management Committee-HBTF Fund
- Board Member, Iskan Co. for Tourism & Hotel Investment (Le Meridien)
- Board Member, Association of Banks in Jordan
- Board Member, Crif Co. / Jordan

### **Previous Memberships in other Commissions and Boards**

- Board Member, Saraya Aqaba Co. Representing Social Security Investment Fund from 2007- 2013
- Board Member, Palestine Development and Investment Co. (PADICO) from 2005-2007
- Board Member, JordInvest Co. from 2004-2005

**Title: Chief Banking Officer**

Vacant

**Title: Chief Operating Officer****Mr. Issam Fouad Hudroj (Acting)**

**Date of Birth:** 8/5/1973

**Date of Appointment:** 14/4/1994

**Qualifications:** MA - Banking and Finance, 2005

**Professional Certificates:**

- Certified Public Accountant (CPA) / 1997
- Professional in Human Resources (PHR) / 2008
- Chartered Global Management Accountant (CGMA) / 2012

**Professional Experiences:**

Mr. Hudroj started his career life at HBTF 23 years ago. During this time, he had been occupied different positions in the fields of Human Resources Management, International Trade / Operation Department, Corporate Finance (CIB), in addition to managing and developing projects related to IT. Mr. Hudroj was appointed as an Acting COO (Chief Operating Officer) during the period from 7/8/2016 until 31/12/2016. He also attended many courses in the fields of banking, accounting, supervisory and leadership.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

Chairman, Jordan Real-Estate Investments and Commercial Services

**Title: Chief Risk Officer****Mr. Adel Ibrahim Assad**

**Date of Birth:** 29/1/1967

**Date of Appointment:** 2/1/1994

**Qualifications:** Masters in Business Administration, 1993

**Professional Certificates:**

- Certified Anti-Money Laundering Specialist (CAMS) / 2004
- Certified Public Accountant (CPA) / 1998

**Professional Experiences:**

Mr. Assad has started his career at the HBTF since he was appointed at the Bank in the beginning of 1994. He has acquired diverse array of practical experience; including credit, risk, financial analysis and financial management. During such period, he held various administrative positions being the Manager of Risk management, Head of SMEs, Executive Manager of Credit Review and is presently the Chief Risk Officer. It is noteworthy that in 2001 Mr. Assad earned the Fulbright Fellowship award representing Jordan for study and training at Boston University in USA during which he acquired training at the Federal Reserve Bank, World Bank, Securities and Exchange Commission. He also worked in the Risk Management Department at Citizens Bank in USA and attended courses at many recognized institutions.

**Memberships in HBTF Board Committees:** None.

**Memberships in other Commissions and Boards:**

- Board Member, Jordan International Bank / London
- Board Member, Jordan Mortgage Refinance Company
- Board Member, Jordan Loan Guarantee Corporation

**Title: Chief Financial Officer****Mr. Khaled Mahmoud Al-Thahabi**

**Date of Birth:** 20/6/1963

**Date of Appointment:** 3/8/1985

**Qualifications:** B.Sc. in Accounting, 1985

**Professional Certificate:** CPA, 1995

**Professional Experiences:**

Mr. Al-Thahabi has extensive and versatile experience in the fields of strategic financial planning and analysis, accounting, tax, reporting, financial risk management, as well as development of accounting policies, procedures, and systems.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

- Board Member, International Bank for Trade and Finance / Syria
- Board Member, Union Tobacco & Cigarette Industries Co. 2006-2011
- Chairman, Audit Committee / Union Tobacco & Cigarette Industries Co. 2006- 2011

**Title: Head of Commercial Banking****Mr. Mohammed Ali Ibrahim**

**Date of Birth:** 26/2/1969

**Date of Appointment:** 4/11/2004

**Qualifications:** Diploma in Accounting, 1988

**Professional Experiences:**

Mr. Ibrahim held managerial positions in many local, regional, and international banks in Jordan.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

- Vice Chairman, Specialized Leasing Co.
- Board Member, Jordan Exporters Association
- Board Member, International Financial Center Co.
- Member, Jordanian Businessmen Association
- Member, Federation of Arab Businessmen
- Member, Jordan Europe Business Association / JEBA

**Title: Head of Treasury****Mr. Riyadh Ali Taweel**

**Date of Birth:** 1/9/1971

**Date of Appointment:** 22/7/2007

**Qualifications:** B.Sc. in Economics, 1992

**Professional Certificate:** Chartered Financial Analyst / CFA 2000

**Professional Experiences:**

Mr. Taweel started his career as FX dealer with the Treasury Department at the HBTF in 1992. He held various important positions reflecting his distinguished experience and competency in internal audit and international investments. He has worked for several Jordanian and Regional Banks (Capital Bank / Jordan, and ABC / Bahrain), Mr. Taweel rejoined the Bank in 2007 as Manager of International Investments Center, until being appointed Head of Treasury.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

- Chairman, International Financial Center Co.
- Board Member, Jordan International Bank / London
- Board Member, ALDaman Investments Co.
- Board Member, Jordan Magnizia Co.

**Title: Head of Retail Banking****Mr. Ayman Abdullah Abdullah**

**Date of Birth:** 1/4/1962

**Date of Appointment:** 18/1/1989

**Qualifications:** B.Sc. in Accounting, 1986

**Professional Experiences:**

Mr. Ayman Abdullah has a long and diversified banking experience that spans over 25 years, during which he worked in many areas, including Training and Development, Internal Audit and Branches Management. Mr. Abdullah's expertise were focused on Retail Banking Management, and his career progression during the period 2002-2013 marks momentous moves, starting with Branch Manager to Area Manager to Executive Manager of Jordan Branches Department. In 2013, his career progression took a forward leap from Executive Manager to Head of Retail Banking. It is worth noting that Mr. Abdullah was a member of the Board of Directors of Visa Jordan Card Services (VJCS) during the period 2009-2011.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

- Board Member, Specialized Leasing Co.
- Vice Chairman, Jordan Real-Estate Investments and Commercial Services



**Title: General Auditor****Dr. Mohammad Abed Alfattah Turki****Date of Birth:** 19/4/1963**Date of Appointment:** 3/12/1988**Qualifications:** Ph.D. in Finance, 2006**Professional Experiences:**

Dr. Turki worked for the Bank for more than 27 years and his banking experience focused on audit activities. He held various positions in internal auditing until he reached his current position as "General Auditor". During his tenure, he was able to combine distinguished education and practice.

**Memberships in HBTF Board Committees:** None**Memberships in other Commissions and Boards:** None**Title: Head of Operations****Mr. Ibrahim Ahmad Hammad****Date of Birth:** 12/1/1965**Date of Appointment:** 10/3/1990**Qualifications:** MA in Financial & Banking Sciences, 1996**Professional Experiences:**

Mr. Ibrahim Hammad joined the HBTF in 1990, equipped with extensive experience in banking operations, Direct Sales and Elite Customers' Services, Quality, Policies and Procedures as well as Product Development. He held various positions reflecting his distinguished experience and competency such as Quality Assurance and Productivity Improvement Analyst, Branch Manager, Vice Area Manager, then a Manager in the Operations Department until being appointed Head of Operations Department in 2015.

**Memberships in HBTF Board Committees:** None**Memberships in other Commissions and Boards:**None**Title: Head of Compliance****Mr. Nayef Hashem Al-Hussein****Date of Birth:** 14/10/1979**Date of Appointment:** 15/7/2013**Qualifications:** MA in Financial Economy, 2005**Professional Certificates:**

- Certified Anti Money Laundering Specialist (CAMS), 2008
- Certified Financial Crime Specialist (CFCS), 2016

**Professional Experiences:**

Mr. Nayef Al-Hussein joined HBTF since the beginning of his career more than 14 years ago; during the year 2013 he joined Arab Bank for a short period, during the same year he rejoined HBTF as a Head of Compliance Department. Mr. Al-Hussein has extensive experience in the field of Anti Money Laundering and Combating Terrorist Financing, Compliance Control and the Foreign Account Tax Compliance Act (FATCA).

**Memberships in HBTF Board Committees:** None**Memberships in other Commissions and Boards:** None

**Title: Head of Risk****Mr. Mahmoud Mohammad Al-Adgham****Date of Birth:** 12/9/1969**Date of Appointment:** 1/11/2010**Qualifications:** B.Sc. in Accounting, 1992**Professional Certificate:** Certified Internal Auditor, CIA 2005, the American Institute of Internal Auditors (IIA).**Professional Experiences:**

Mr Al-Adgham began his career since the beginning of 1993 as a tax assessor at the Income Tax Department for two years. He also has 16 years of banking experience before joining the Bank that focused on internal auditing at various local and foreign banks. In 1995 he started his professional career at the HBTF as an Internal Auditor for Credit and Risk operations. In 2006 he worked as Audit Manager for Credit and Risk at Doha Bank and the Jordan Kuwait Bank. In 2007 he joined the Arab Bank-Syria as Internal Audit Manager for over 3 years. In 2010 Mr Al-Adgham returned to the HBTF as a Head of Risk Department.

**Memberships in HBTF Board Committees:** None.**Memberships in other Commissions and Boards:** None.**Title: Legal Advisor****Mr. Wael Ismail Asfour****Date of Birth:** 26/7/1972**Date of Appointment:** 1/6/2008**Qualifications:** B.A in Law, 1994**Professional Experiences:**

- Member of Jordan Bar Association
- Secretary of the Specialized Leasing Co.
- Legal Counsel / International Finance Center Co.
- Legal Counsel / HBTF Jordan Securities Fund
- Member of the Legal Committee / Association of Banks in Jordan

Mr. Asfour started his career in 1996 as a full time Advocate at his private office and then he joined HBTF. He has vast experience in legal work, trading and banking transactions, Companies' Law, Arbitration and Securities.

**Memberships in HBTF Board Committees:** None**Memberships in other Commissions and Boards:** None**Resigned Senior Executive Management Members During 2016**

Name	Resignation Date	Short Brief
Mr. Osama Jameel Al Haj Yahya Chief Operating Officer	1/9/2016	Mr. Al Haj Yahya started his career in HBTF in the field of Internal Audit. He has been promoted to various positions in the Internal Audit functions, until assuming the position of the Bank's General Auditor in 2007. He has, during that period, gained the necessary educational and practical experience that qualified him to manage and direct the Bank's internal audit functions. He became in charge of the operations in the Bank in March 2009, he was later appointed as Chief Operating Officer.

## Number of Securities Owned by Senior Executive Management Members and their Relatives

Name of Senior Management Member	Title	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by the Spouse and Minors	
			2015	2016	2015	2016
Mr. Ihab Ghazi Saadi	Chief Executive Officer	Jordanian	-	2,100	-	-
Vacant	Chief Banking Officer	-	-	-	-	-
Mr. Issam Fouad Hudroj	Chief Operating Officer (Acting)	Jordanian	-	-	-	-
Mr. Adel Ibrahim Assad	Chief Risk Officer	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	2,000	2,000	-	-
Mr. Mohammed Ali Ibrahim	Head of Commercial Banking	Jordanian	-	-	-	-
Mr. Riyad Ali Taweel	Head of Treasury	Jordanian	-	-	-	-
Mr. Ayman Abdullah Abdullah	Head of Retail Banking	Jordanian	-	-	-	-
Dr. Mohammad Abed Alfattah Turki	General Auditor	Jordanian	-	-	-	-
Mr. Ibrahim Ahmad Hammad	Head of Operations	Jordanian	4,050	4,050	-	-
Mr. Nayef Hashem Al-Hussein	Head of Compliance	Jordanian	-	-	-	-
Mr. Mahmoud Mohammad Al-Adgham	Head of Risk	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Legal Advisor	Jordanian	-	-	-	-

**Companies Controlled by Senior Executive Management Members and their Relatives:** None

**Number of Securities Owned by Resigned Senior Executive Management Members and their Relatives:** None

**Companies Controlled by Resigned Senior Executive Management Members and their Relatives:** None

## Remuneration Policy

The HBTF applies and implements an incentive-based remuneration policy, which appropriates about 5% of the Bank's after-tax profits for this purpose. Such profits are distributed among the Bank's employees according to a special plan linking performance with pay.

## Remunerations and Benefits for the Chairman and the Board Members during 2016 (JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Abdelalah Moh'd Alkhatib	Chairman	-	86,207	-	2,075	88,282
Dr. Yaser Mannan' Adwan*	Board Member	-	157,213	5,000	2,430	164,643
Mrs. Shaikha Yousuf Al-Farsi	Board Member	-	89,833	-	6,868	96,701
<b>Qatar National Bank represented by**:</b>						
Mr. Abdulla Mubarak Al Khalifa	Vice Chairman	-	163,930	5,000	13,484	182,414
Mr. Yousef Mahmoud Al-Neama	Board Member	-	147,430	5,000	4,399	156,829
Mr. Khalid Majid Al-Nuaimi	Board Member	-	163,930	5,000	13,484	182,414
Mr. Ramzi Talat Mari	Board Member	-	169,430	5,000	5,499	179,929
<b>Kuwait Real Estate Investment Consortium represented by**:</b>						
Mr. Sami Hussein Al-Anbaee	Board Member	-	136,430	5,000	2,581	144,011
Mr. Fawzi Abdel Hameed AlMani	Board Member	-	11,000	-	762	11,762
<b>Libyan Foreign Bank represented by:</b>						
Mr. Mohamed Mohamed Ben Yousef	Board Member	-	174,930	5,000	12,972	192,902
Mr. Ismail Abdalla El Mesallati	Board Member	-	163,930	5,000	8,503	177,433
<b>Social Security Corporation / Jordan represented by**:</b>						
Mr. Fadi Khalid Al Alawneh	Board Member	-	130,405	5,000	1,125	136,530
Mr. Nidal Faeq Alqubaj	Board Member	-	68,278	-	-	68,278

\* Of the sum of amount allocated to Dr. Yaser Adwan, an amount of JD69,830 were paid to the Social Security Corporation when he was serving as its Representative.

\*\* All amounts shown in the table pay to the institution that represented by a Board Member not paid for him personally.

**In-kind Benefits Obtained by any Board Members:** None

**Remunerations and Benefits for the Resigned Board Members during 2016** (JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
H.E. Dr. Michel Issa Marto	Chairman	-	298,430	5,000	-	303,430
SHK Ali Jassim Al Thani	Vice Chairman	-	81,430	5,000	1,206	87,636
<b>Kuwait Real Estate Investment Consortium represented by*:</b>						
Mr. Humoud Jassim Al Falah	Board Member	-	114,430	5,000	9,008	128,438
Mr. Oday Al Ibrahim	Board Member	-	22,000	-	-	22,000
<b>Social Security Corporation / Jordan represented by*:</b>						
Dr. Hamzeh Jaradat	Board Member	-	16,050	-	-	16,050
Mrs. Rania Al Araj	Board Member	-	16,050	-	-	16,050
<b>Ministry of Finance / Sultanate of Oman represented by:</b>						
Mr. Ahmed Said Al Mahrezi	Board Member	-	86,930	5,000	6,151	98,081

\* All amounts pay to the institution that represented by a Board Member not paid for him personally.

**In-kind Benefits Obtained by any Resigned Board Members:** None

## Salaries, Benefits and Allowances of the Senior Executives during 2016

(JD)

Name of Senior Management Member	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Ihab Ghazi Saadi	Chief Executive Officer	459,272	960	84,000	11,278	555,510
Vacant	Chief Banking Officer	-	-	-	-	-
Mr. Issam Fouad Hudroj	Chief Operating Officer (Acting)	119,419	1,200	27,522	-	148,141
Mr. Adel Ibrahim Assad	Chief Risk Officer	149,761	2,880	39,418	7,400	199,459
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	149,761	2,880	39,418	600	192,659
Mr. Mohammed Ali Ibrahim	Head of Commercial Banking	189,938	2,880	50,154	-	242,972
Mr. Riyad Ali Taweel	Head of Treasury	158,190	2,880	41,730	1,200	204,000
Mr. Ayman Abdullah Abdullah	Head of Retail Banking	152,526	2,880	40,188	-	195,594
Dr. Mohammad Abed Alfattah Turki	General Auditor	134,390	2,880	35,376	-	172,646
Mr. Ibrahim Ahmad Hammad	Head of Operations	83,183	1,200	19,400	-	103,783
Mr. Nayef Hashem Al-Hussein	Head of Compliance	59,458	1,200	13,433	1,400	75,491
Mr. Mahmoud Mohammad Al-Adgham	Head of Risk	83,319	1,200	19,400	-	103,919
Mr. Wael Ismail Asfour	Legal Advisor	90,900	1,200	23,988	600	116,688



## Salaries, Benefits and Allowances of the Resigned Senior Executives during 2016

(JD)

Name of Senior Management Member	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	149,148	1,920	84,000	-	<b>235,068</b>

## Major Shareholders 1% or more for 2016

Name	Number of Shares	(%) of the Capital	Ultimate Beneficial Owners	Reserved or Mortgaged Shares
Qatar National Bank	86,892,662	34.481%	Itself	-
Kuwait Real Estate Investment Consortium	46,904,045	18.613%	Itself	-
Libyan Foreign Bank	41,505,801	16.471%	Itself	-
Social Security Corporation/Jordan	38,788,265	15.392%	Itself	-
Iran Foreign Investments Company	11,662,136	4.628%	Itself	-
State General Reserve Fund / Oman	7,500,000	2.976%	Itself	-
<b>Total</b>	<b>233,252,909</b>	<b>92.561%</b>		

Number of Jordanian Shareholders is 2735; their holding constitutes 19.1% of the Capital.

Number of Arab & Foreign Shareholders is 474 shareholders; their holding constitutes 80.9% of the Capital.

## The Bank's Competitive Position and Market Share

Market Share of the Bank's Branches in Jordan at the end of 2016

Description	Market Share
Assets	14.4%
Customers' Deposits	15%
Direct Credit Facilities	14.4%

### The Extent of Dependence on Specific Suppliers and /or Major Clients (Locally and Internationally).

There are no specific suppliers or customers, local or foreign, whose dealings with the Bank constitute more than 10% of the total purchases and/or sales.

### Description of any Government Protection or any Privileges enjoyed by the Bank or by any of its Products and description of any Patents or Concessions.

Neither the HBTF nor any of its products enjoy any government protection or privileges by virtue of the Laws and Regulations. The Bank has not obtained any Patents or Concessions.

### Description of any Decisions by the Government, International Organizations or others, having Material Effect on the Bank's Business, Products or Competitiveness.

No resolutions rendered by the Government, International Organizations or others have any material impact on the Bank, its products or competitiveness. The Bank applies the International Quality Standards.

## Risk Management

As part of the Bank's normal business operations, the Bank is exposed to various types of risks, and these risks are set out in declaration no. 40 in the financial statements for 2016. The risk management department which is an independent department follows a comprehensive and effective approach in managing its major risks including credit risk, market risk, liquidity risk and operational risk. The risk management department reports directly to the CEO and to the Board risk committee. The diagram below shows the organizational structure of this department.



## The Bank's Accomplishments supported by Figures and Description of Significant Occurrences which the Bank has undergone in 2016

Such accomplishments have been set out in the analysis of the Bank's financial performance.

## The Financial Impact of Non-recurrent Transactions during 2016 which are not Part of the Bank's Main Activities

No non-recurrent transactions or any substantial matters occurred during 2016 which are not within the Bank's main activities.

## Development of Profits, Shareholders' Net Equity, Share Price and Dividends

These are set out in the analysis of the Bank's financial performance.

## Analysis of the Bank's Financial Position and the Results of its Operations during 2016

These are set out in the analysis of the Bank's financial performance.

## Important Prospective Developments including any New Expansions or Projects and the Bank's Future Plan

These are set out in the Bank's future plan for 2017.

## Auditor's Fees for 2016

(JD)

Description	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	111,204	39,810	151,014
Palestine Branches	28,391	8,249	36,640
Bahrain Branch	33,123	1,955	35,078
International Bank for Trade and Finance / Syria	46,896	-	46,896
The Housing Bank for Trade and Finance / Algeria	54,754	-	54,754
Jordan International Bank / London	118,764	12,914	131,678
Specialized Leasing Finance Co.	4,766	3,480	8,246
International Financial Center Co.	4,766	3,694	8,460
Jordan Real Estate Investments and Commercial Services Co.	2,217	-	2,217
<b>Total</b>	<b>404,881</b>	<b>70,102</b>	<b>474,983</b>

## **Donations and Grants in 2016**

### **1. The Cash Donations**

The cash donations provided by the Bank in 2016 amounted to JD765 thousand.

### **2. The In-Kind Donations**

The book value of in-kind materials that have been donated throughout 2016 amounted to JD12 thousand, noting that the nominal value of these materials amounted to JD1.4 million.

## **The Bank's Contracts, Projects and Engagements concluded with its Subsidiaries, Sister Companies, Affiliates, the Chairman, Members of the Board of Directors, the General Manager or any employee in the Company or their Relatives**

1. As set out in Note 38 mentioned in the Financial Statements of 2016, the Bank has entered into transactions with major shareholders, members of the Board of Directors and Senior Management in the course of ordinary activities using commercial rates of interest and commissions. All credit facilities granted to the relevant parties are considered performing and no provisions have been made therefor.
2. The Bank, during 2016, entered into a contract with Specialized Leasing Co.; a "subsidiary" to finance the purchase of the second mobile bus branch and two mobile ATM machines amounting to JD437, 320.

## **The Bank's Contribution to the Protection of the Environment and Local Community Service**

During the year 2016, the Bank continued to support the environmental initiatives in the Kingdom, where it continued to finance the maintenance cost of the Housing Bank Park in Abdoun area. Additionally, the Bank adopts policies that aim at rationalizing water and energy consumption through applying modern techniques in this field in its branches and departments accros the Kingdom. These techniques are represented in using eco-energy-saving lighting units with LED techniques instead of the traditional lighting units. Furthermore, the Bank has replaced the old air conditioners with new energy-saving air conditioners. It should be noted that the Bank is currently studying the establishment of Electric Power Station to generate electricity using a solar cells station.

## **Compliance with Corporate Governance Code**

The Bank has so far failed to meet the Code's provisions where the number of independent members in the board of director.

This is due to the current structure of the Bank's share capital, as six shareholders having judicial public personalities hold 93% of the share capital. Pursuant to the Companies' Law, such personalities are qualified to be represented in the board of directors in proportion to their shareholding in the Bank's share capital.

## **Customer Complaints Remediation**

HBTF highly considers the great importance of dealing with customer complaints in order to achieve a high level customer satisfaction. In this regard, Customer Complaints Unit studies, analyzes, handles and responds to all customer complaints through a well-trained and qualified staff. During the year 2016, the Unit handled 208 complaints concerning different aspects such as (on line banking services, interest rates, commissions and fees, code of professional conduct, credit cards, remittances, contracts and terms of engagement). The complaints were handled in accordance with the policies and procedures adopted by the Bank.





mutual cooperation..



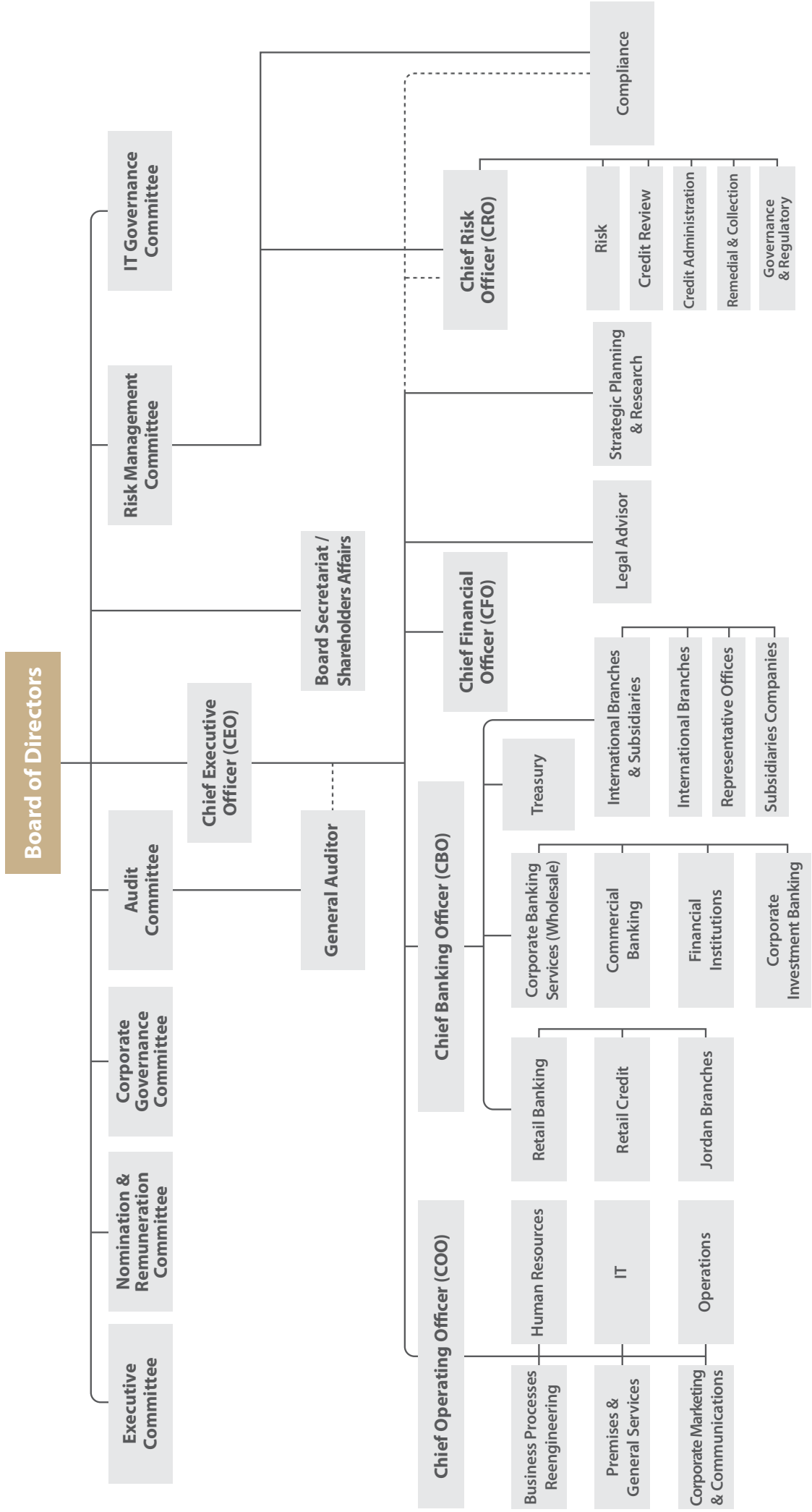


is our drive

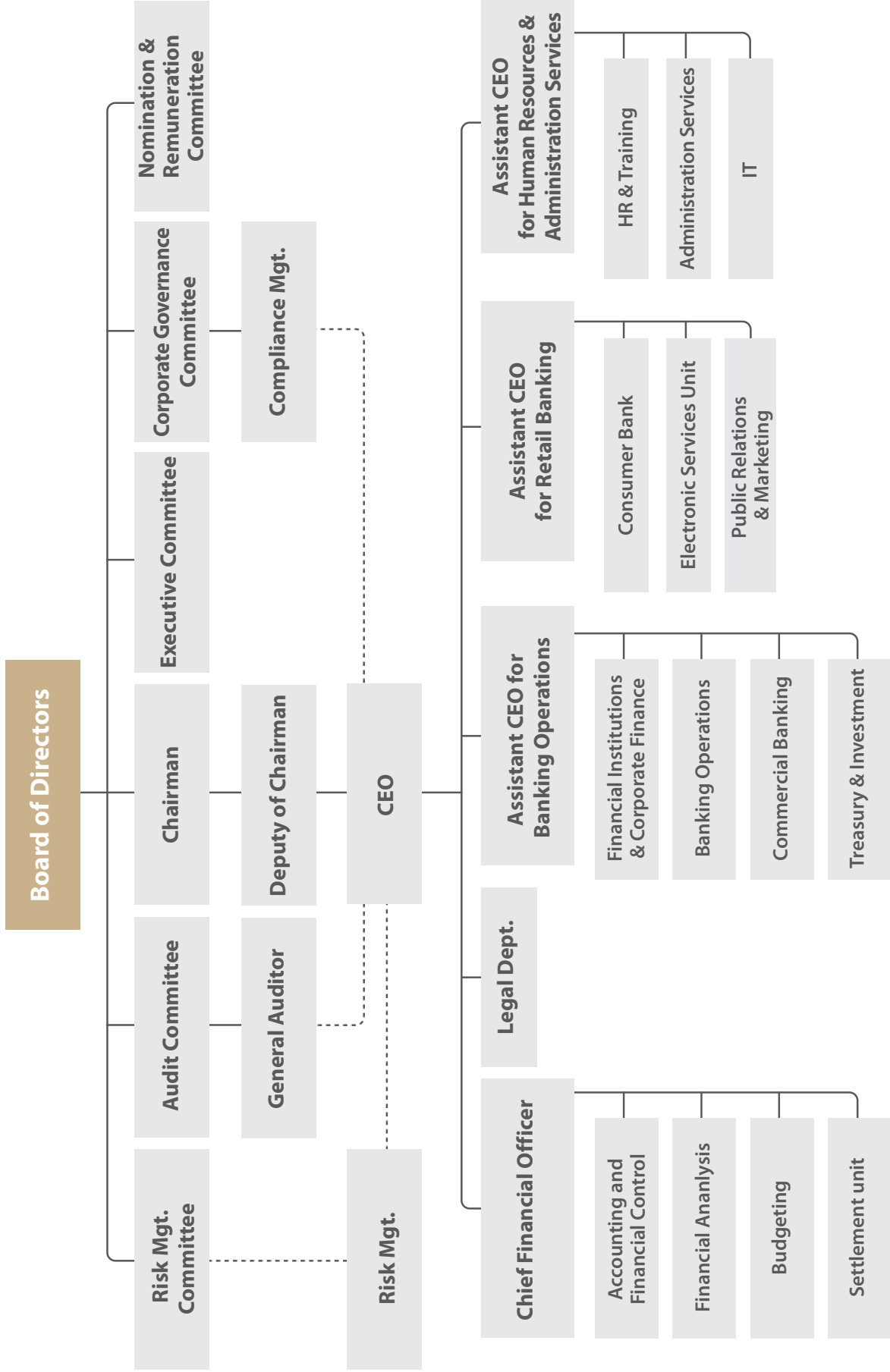


▶ **Organizational Charts**

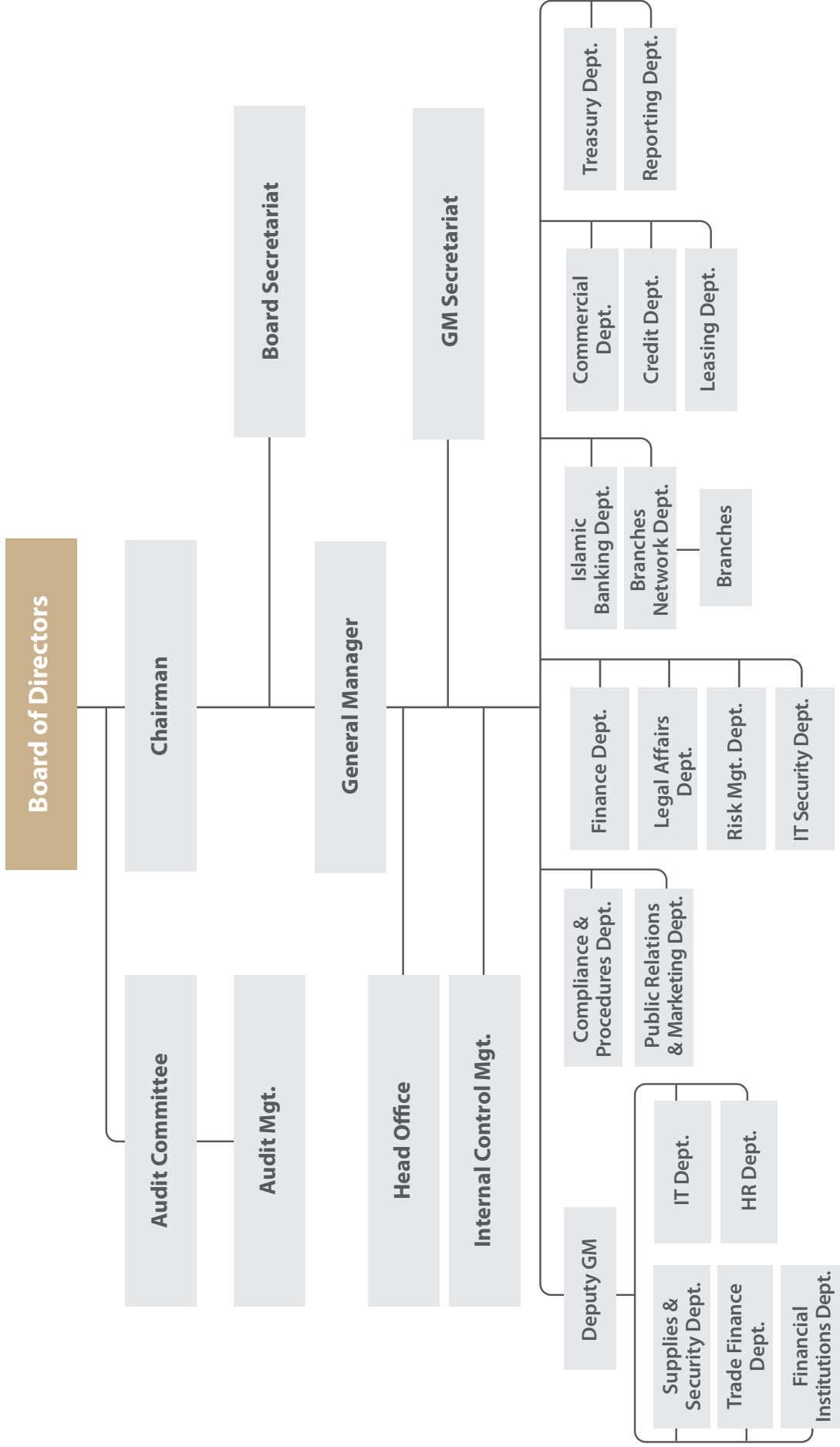
# Organizational Chart / Housing Bank For Trade and Finance



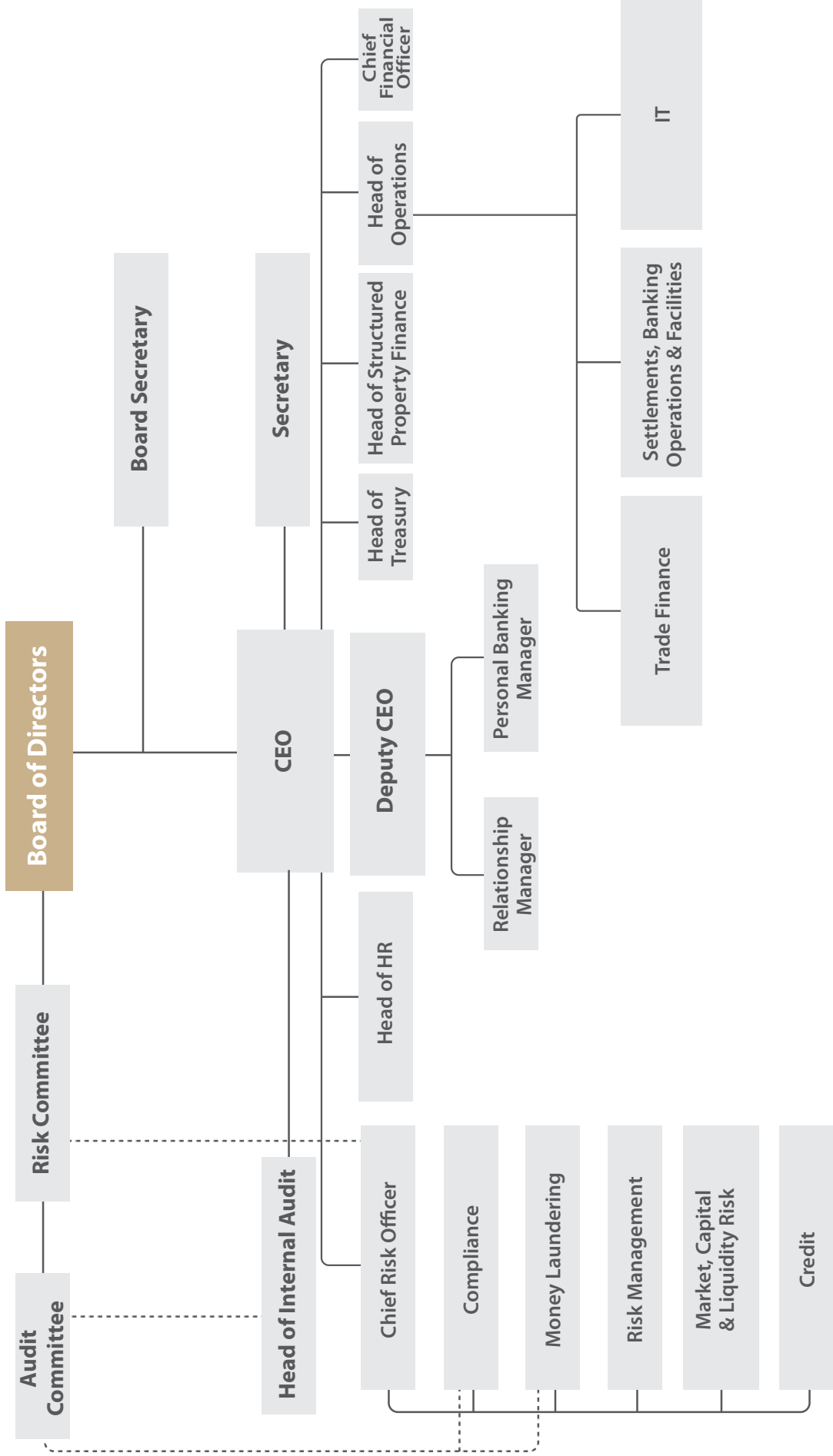
# Organizational Chart / International Bank for Trade & Finance - Syria



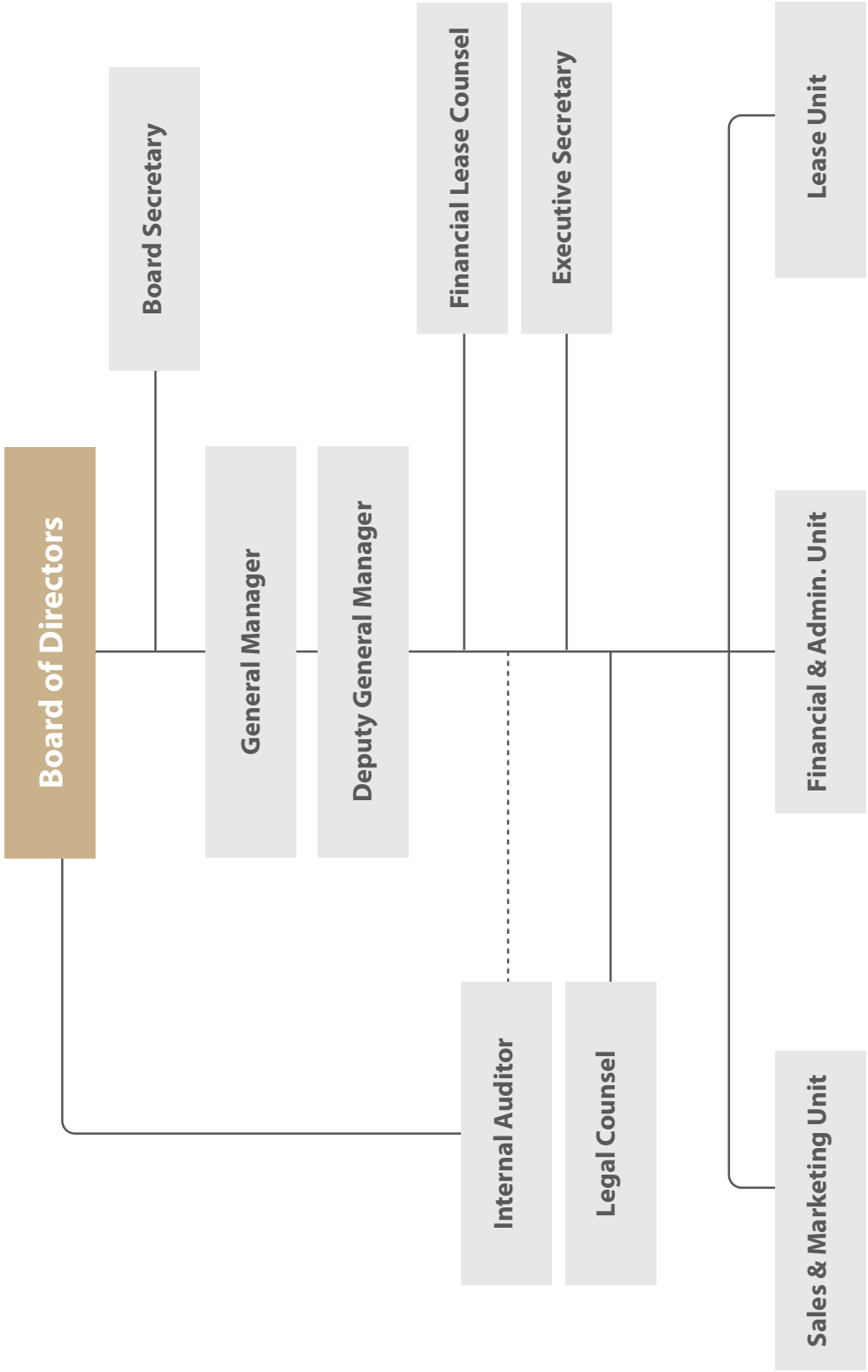
# Organizational Chart / The Housing Bank for Trade & Finance – Algeria



# Organizational Chart / Jordan International Bank - London

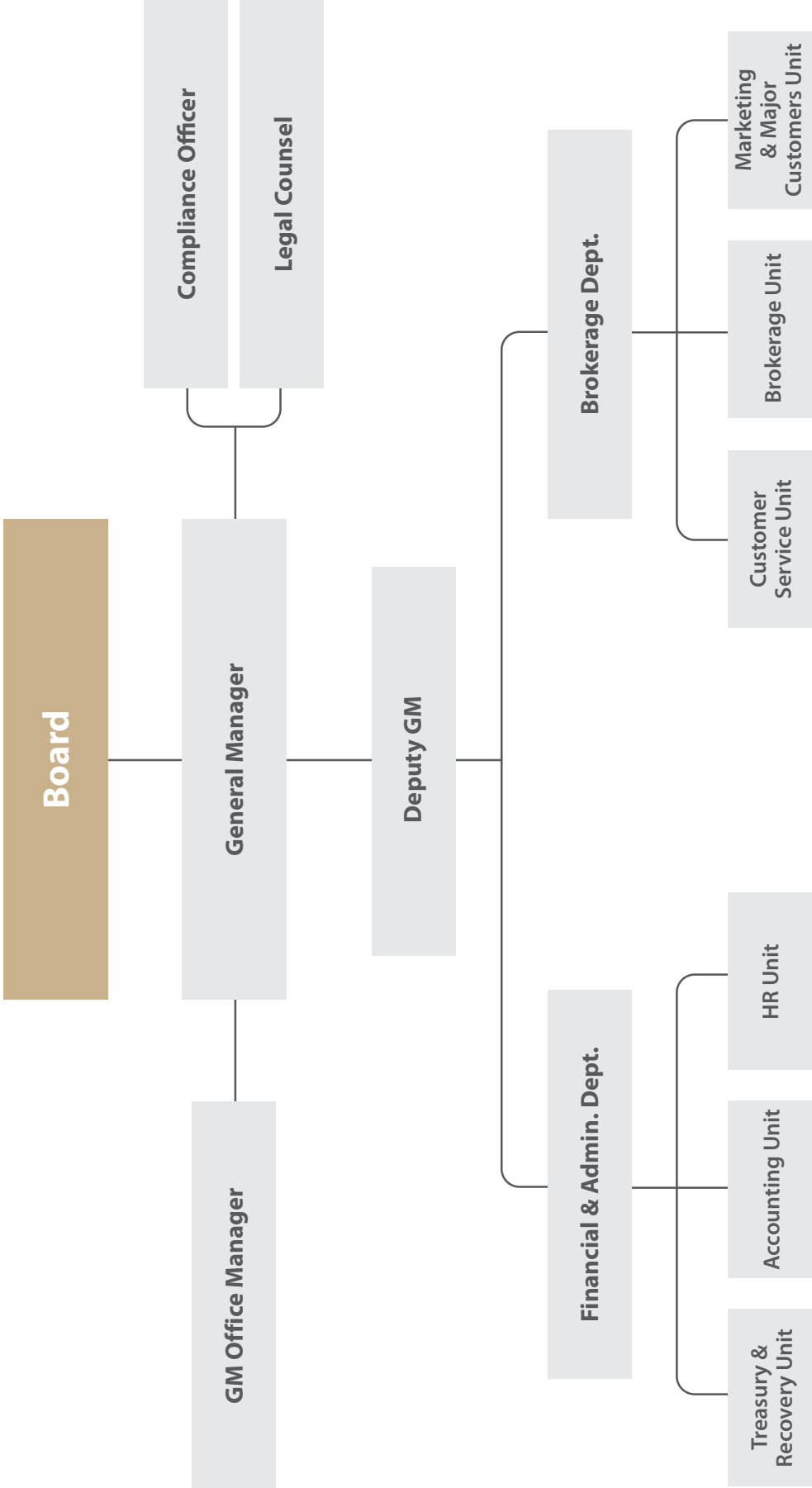


# Organizational Chart / Specialized Leasing Company

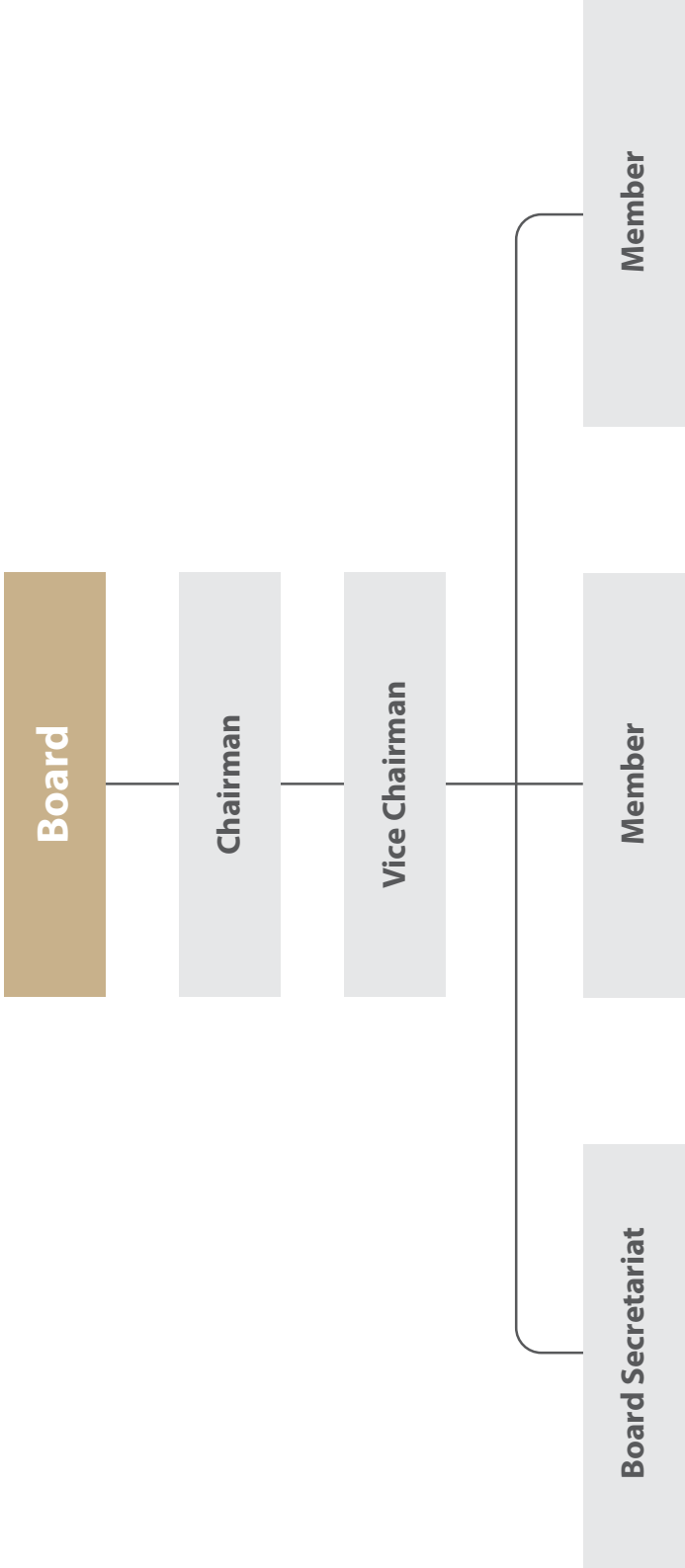




# Organizational Chart / International Financial Center Co.



**Organizational Chart / Jordan Real Estate Investments and Commercial Services Co.**



# Addresses of the Bank's Branches

## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Main Branch	5095	Amman, Abdali, Parliament St.	31.9610301	35.9116501	br001@hbtff.com.jo
Suleiman Al-Nabulsi St.	3885	Amman, Abdali Boulevard project, Suleiman Al-Nabulsi St.	31.9631579	35.9054240	br001@hbtff.com.jo
Al Weibdeh	3890	Amman, Abdali, Suleiman Al-Nabulsi St., Building No. 183	31.9605600	35.9153600	br002@hbtff.com.jo
Al Madina	4058	Amman, King Hussein St., Building No. 33	31.9540050	35.9317180	br003@hbtff.com.jo
Jabal Amman	4064	Amman, Jabal Amman, Prince Moh'd St., Building No. 252	31.9547666	35.9149128	br004@hbtff.com.jo
Wadi Saqra	3421	Amman, Arar St., Building No. 89	31.9564900	35.9138800	br004@hbtff.com.jo
Jabal Al Hussein	4085	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St., Building No. 121	31.9646200	35.9216300	br005@hbtff.com.jo
Wehdat	3889	Amman, Wehdat, Prince Hassan St., Building No. 263	31.9259200	35.9381300	br006@hbtff.com.jo
Foreign Travel	4474	Amman, Al Hajj Hassan District, Social Security Corporation building	31.9211341	35.9345492	br006@hbtff.com.jo
Marka	4103	Amman, Marka, King Abdullah St., Building No. 423	31.9796500	35.9842700	br007@hbtff.com.jo
Quraish St.	3981	Amman, Quraish St., Building No. 45	31.9467320	35.9328450	br008@hbtff.com.jo
Jabal Al Taj	4121	Amman, Jabal Al Taj, Al Taj St., Building No. 76	31.9528200	35.9552800	br009@hbtff.com.jo
Prince Hasan Sub.	4130	Amman, South Marka, Al Rabwah Sub, Saleh Al Hamlan St., Al Khaseb Complex	31.9569336	35.9775482	br010@hbtff.com.jo
North Hashimi	4047	Amman, North Hashimi, Al Bathaa St., Jawharat Al Bathaa Complex	31.9757390	35.9551350	br011@hbtff.com.jo
Ras Al Ein	4143	Amman, Ras Al Ain, Al Quds St., Building No. 10	31.9433500	35.9222600	br012@hbtff.com.jo
Ashrafieh	3917	Amman, Ashrafieh, Imam Al Shafe' St., Building No. 52	31.9372130	35.9333060	br013@hbtff.com.jo
Hawooz	4160	Amman, Jabal Amman, Omar Bin Al Khattab St., Building No. 104	31.9482900	35.9222000	br014@hbtff.com.jo
Nuzha	4039	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.9741900	35.9262400	br015@hbtff.com.jo
Sports City	4169	Amman, Sport's City, Al Shaheed St., Building No. 35	31.9874900	35.9021700	br016@hbtff.com.jo
Salam	4779	Amman, Jabal Al Weibdeh, Shari'a College St., Building No. 8	31.9572701	35.9205233	br017@hbtff.com.jo
Commercial Complex	2365	Amman, Shmeisani, Queen Noor St.	31.9713580	35.9075820	br018@hbtff.com.jo
Prince Moh'd St.	5941	Amman, 9 <sup>th</sup> Sha'ban St.	31.9516800	35.9278000	br019@hbtff.com.jo
Tareq	4187	Amman, Tareq, Tareq St.	32.0027010	35.9400830	br020@hbtff.com.jo
Abu Nussair	4194	Amman, Abu Nussair, Ibn Hadeh St., Al Psalh District	32.0524680	35.8792900	br023@hbtff.com.jo
Nazal Sub.	4202	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.9361400	35.9156900	br024@hbtff.com.jo
Abdoun	4211	Amman, Abdoun, Cairo St., Building No. 100	31.9535600	35.8793700	br025@hbtff.com.jo
Park Plaza	4884	Amman, Sweifeh, Salah Suheimat St., Park Plaza Mall	31.9585100	35.8690700	br026@hbtff.com.jo
Sweifeh	4221	Amman, Sweifeh, Commercial Market, Mahmoud Obeidat St.	31.9585160	35.8653300	br026@hbtff.com.jo
Galleria Mall	3862	Amman, Sweifeh, Galleria Mall	31.9595270	35.8615530	br026@hbtff.com.jo
Gardens	4233	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 18	31.9839350	35.8899780	br027@hbtff.com.jo
Shmeisani	4246	Amman, Shmeisani, Abdul Hameed Shoman St., Building No. 18	31.9679770	35.8974450	br028@hbtff.com.jo

## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Qasr Shbeeb	4255	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.0636600	36.0843900	br029@hbtf.com.jo
Um Uthyna	4274	Amman, Um Uthyna, Sa'ad Ibn Abi Waqas St., Building No. 47	31.9679400	35.8772400	br030@hbtf.com.jo
Jubeiha	4284	Amman, Jubeiha, Abdulla Ali Lozi St.	32.0220890	35.8659870	br031@hbtf.com.jo
Fuhais	4294	Fuhais, Al-Alali, King Abdullah II St.	32.0018230	35.7773680	br032@hbtf.com.jo
Salt	3714	Salt, Al Maydan St.	32.0427646	35.7270630	br033@hbtf.com.jo
Sweileh	4305	Amman, Sweileh, Princess Raya Bint Al Hussein St., Building No. 26	32.0233600	35.8415600	br034@hbtf.com.jo
Sahab	4320	Amman, Sahab, Prince Hassan St.	31.8715500	36.0045300	br035@hbtf.com.jo
Abu Alanda	4334	Amman, Abu Alanda, Ibrahim Rashed Al-Hunaiti St., Building No. 32	31.9029020	35.9621510	br038@hbtf.com.jo
Juwaideh	4030	Amman, Al Juwaideh, Madaba St., Al-Waleed Building	31.8791700	35.9328500	br039@hbtf.com.jo
Marj Al Hamam	3921	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.8941200	35.8385300	br041@hbtf.com.jo
Na'our	4347	Na'our, Intersection of Martyr Sub.	31.8697100	35.8213750	br042@hbtf.com.jo
Muwaqqar	3828	Amman, Muwaqqar Near Al Shaheed Saleh Al Khresha Circle	31.8117670	36.1062470	br043@hbtf.com.jo
Tla' Al Ali	4357	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 193	31.9930300	35.8626900	br044@hbtf.com.jo
King Abdullah II City	4370	Amman, Sahab, King Abdullah II Industrial Estate	31.8525880	36.0075810	br045@hbtf.com.jo
Baqa'	4380	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.0764630	35.8418450	br046@hbtf.com.jo
Hurria St.	4898	Amman, Muqableen, Hurria St., Building No. 140	32.0764630	35.8418450	br047@hbtf.com.jo
Muqablain	4382	Amman, Muqableen, Bishr bin Al Baraa St., Building No. 13	31.8953718	35.9165294	br047@hbtf.com.jo
Qwaismeh	3952	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.9177600	35.9483600	br048@hbtf.com.jo
Bayader	4399	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 58	31.9544150	35.8386250	br049@hbtf.com.jo
Prince Rashed District	3837	Amman, Prince Rashed District, Princess Tharwat St.	31.9679310	35.8441910	br049@hbtf.com.jo
Zarqa	4415	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.0619400	36.0919600	br051@hbtf.com.jo
Irbid	4939	Irbid, Al Hashimi St., Near Al Hashimi Mosque	32.5570904	35.8556376	br052@hbtf.com.jo
Prince Nayef St. / Irbid	4422	Irbid, Prince Nayef St., Endowments Building	32.5559900	35.8521900	br052@hbtf.com.jo
Ajloun	3943	Ajloun, Alqalaa St., Opp. Municipality Building	32.3327700	35.7516200	br053@hbtf.com.jo
Mafraq	4445	Mafraq, King Talal St.	32.3430160	36.2087720	br054@hbtf.com.jo
Western Complex / Mafraq	3874	Mafraq - King Abdullah II St. - Al Hejaz Railway Complex	32.3447230	36.2058330	br054@hbtf.com.jo
Jarash	4451	Jarash, Wasfi Al Tal St., Opp. Qirwan Circle	32.2821420	35.8949380	br055@hbtf.com.jo
Madaba	4979	Madaba, King Abdullah St.	31.7192400	35.7919200	br056@hbtf.com.jo
Deir Alla	4468	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.1839500	35.6213500	br057@hbtf.com.jo
Ghweirieh	3789	Zarqa, Ghweirieh, Intersection of King Ghazi St. & Algeria St., Building No. 51	32.0722300	36.0944500	br058@hbtf.com.jo
Russeifa	4484	Zarqa, Russeifa, King Hussein St., Building No. 184	32.0181530	36.0416570	br059@hbtf.com.jo

## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Ramtha	4487	Ramtha, Down Town, Nasser Al Tallaq St.	32.5616000	36.0113300	br060@hbtbf.com.jo
Wasfi Al Tal St. / Ramtha	3844	Ramtha, Wasfi Al Tal St., Opp. to Ramtha hospital	32.5664700	36.0154400	br060@hbtbf.com.jo
North Shouna	3965	North Shouna, King Faisal St.	32.6100700	35.6097300	br061@hbtbf.com.jo
North Border Crossing	3865	Sheikh Hussein Bridge, North Ghor	32.4974100	35.5779200	br061@hbtbf.com.jo
South Shouna	4505	South Shouna, Al Salt St., Government Depts. Complex	31.9002700	35.6212200	br062@hbtbf.com.jo
Deir Abi Saeed	3978	Deir Abi Saeed, King Hussein St.	32.5041140	35.6845380	br063@hbtbf.com.jo
Hakama	4521	Irbid, Hakama St., Hanina Intersection	32.5692200	35.8580900	br064@hbtbf.com.jo
Huson	4525	Irbid, Huson, Irbid Amman St.	32.4877400	35.8838700	br065@hbtbf.com.jo
Hiteen	3756	Zarqa, Hiteen Camp, King Hussein St., Building No. 452	32.0071500	36.0072300	br066@hbtbf.com.jo
Aidoun	3997	Irbid, Aidoun, Main St.	32.5081300	35.8563100	br067@hbtbf.com.jo
Mashare'	4547	Irbid, Mashare', Main St., Opp. Mashare' Municipality, Talal al Gazawi Building	32.4405180	35.5958790	br070@hbtbf.com.jo
Kufranjah	3935	Ajloun, Kufranjah Circle, Prince Nayef St.	32.2973400	35.7045680	br072@hbtbf.com.jo
Palestine St.	4570	Irbid, Palestine St., Wasfi Al-Tal Circle	32.5546100	35.8479100	br073@hbtbf.com.jo
Karameh	3972	Karameh, Main St.	31.9494930	35.5802040	br074@hbtbf.com.jo
Oujan	3784	Zarqa, Oujan, Oujan Intersection, Building No. 2, Opp. Military Consumer Establishment	32.0290200	36.0732200	br077@hbtbf.com.jo
Jaish St.	4587	Zarqa, Jaish St., behind the Complex of King Abdullah	32.0632500	36.0960000	br078@hbtbf.com.jo
Kraymeh	3957	Kraymeh, Main St.	32.2753600	35.5984700	br079@hbtbf.com.jo
Yarmouk	4601	Irbid, Shafiq Irsheedat St.	32.5422950	35.8506360	br080@hbtbf.com.jo
Aqaba	4613	Aqaba, King Hussein St., Housing Bank Complex	29.5260041	35.0019094	br081@hbtbf.com.jo
Shuwaikh Mall	4996	Aqaba, Shuwaikh Mall Building	29.5438900	35.0156300	br081@hbtbf.com.jo
Tafleh	4624	Tafleh, Main St.	30.8369100	35.6057000	br082@hbtbf.com.jo
Ma'an	4633	Ma'an, King Hussein St.	30.1958291	35.7352665	br083@hbtbf.com.jo
Karak	4641	Karak, Municipality Building, Al Nuzha St.	31.1851800	35.7035740	br084@hbtbf.com.jo
Potash	4646	Karak, Ghour Al Mazra', Housing City	31.2448670	35.5290940	br085@hbtbf.com.jo
Petra	3721	Wadi Mousa, Main St., Martyr Circle	30.3209800	35.4806600	br086@hbtbf.com.jo
Shobak	4662	Shobak, Najel, Main St.	30.5191800	35.5417700	br087@hbtbf.com.jo
Mu'ta	4667	Mu'ta, University St.	31.0914300	35.7016800	br088@hbtbf.com.jo
Hasa	4676	Hasa, Housing City, New Commercial Market	30.8555400	35.9728800	br089@hbtbf.com.jo
Jabal Al Shamali	4686	Russeifa, Jabal Shamali, King Abdullah II St., Building No. 218	32.0280720	36.0361730	br093@hbtbf.com.jo
Airport	5546	Amman, Queen Alia International Airport	31.7217170	35.9856760	br097@hbtbf.com.jo
Dlail	4697	Zarqa, Dlail, Jaish St., Qasr Al Halabat Intersection	32.1320100	36.2726700	br101@hbtbf.com.jo



## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Ethaa'	3738	Amman, Prince Hassan St., Opp. to Hiteen College, Building No. 431.	31.9083080	35.9384010	br102@hbtbf.com.jo
Barha	3791	Irbid, Barha St., Opp.Irbid Municipality	32.5565800	35.8470000	br103@hbtbf.com.jo
Sheidieh	4715	Ma'an, Sheidieh Mine	29.9311280	36.1371310	br104@hbtbf.com.jo
Um Al Sumaq	4728	Amman, Um Al Sumaq, Awsarah St. , Building No. 17	31.9820440	35.8474450	br106@hbtbf.com.jo
North Azraq	4735	North Azraq, Baghdad Main St.	31.8829200	36.8327800	br107@hbtbf.com.jo
Ma'soum Sub.	4740	Zarqa , Masoum Sub., King Abdullah II Circle	32.0779470	36.0746310	br108@hbtbf.com.jo
Children	3776	Amman, Shmeisani, Haya Cultural Center	31.9660950	35.8968840	br109@hbtbf.com.jo
Arrar St.	4756	Amman, Arar St. , Building No. 260	31.9638500	35.8887830	br111@hbtbf.com.jo
Qaser	4764	Karak , Qaser, Main St.	31.3102500	35.7434600	br113@hbtbf.com.jo
Al Hasan Industrial City	3980	Irbid, Al Hassan Industrial Estate	32.4996630	36.0209640	br114@hbtbf.com.jo
Rabiyah	3744	Amman, Rabiyah, Mahmoud Al Tahir St. , Building No. 7	31.9761600	35.8847900	br115@hbtbf.com.jo
Abdullah Ghosheh	4782	Amman, Abdullah Ghosheh St., Al Husini Complex, Building No. 55	31.9672240	35.8550510	br117@hbtbf.com.jo
Central Market	4793	Amman, Near Central Vegetable Market	31.8644450	35.9576860	br119@hbtbf.com.jo
Quba Circle	4828	Irbid , King Abdullah II St., Quba Circle	32.5456600	35.8566400	br120@hbtbf.com.jo
Irbid Mall	3406	Irbid, Abdul Hameed Sharaf St. , Irbid Mall	32.5410750	35.8444850	br120@hbtbf.com.jo
Zahrar	3765	Amman, Ibin Khaldon St., (Al Khaldi Hospital) Building No. 54	31.9522600	35.9015100	br121@hbtbf.com.jo
Madina Munawarah	4908	Amman, Tla' Al Ali, Madina Munawarah St. , Building No. 194	31.9874500	35.8669300	br122@hbtbf.com.jo
City Mall	4041	Amman, City Mall, Banks floor	31.9801040	35.8369950	br123@hbtbf.com.jo
Medical City St.	4846	King Abdullah II St., Near Khalda Circle, Building No. 185	31.9971600	35.8309300	br124@hbtbf.com.jo
Free Zone / Zarqa	4839	Zarqa, Free Zone	32.0901310	36.2146440	br127@hbtbf.com.jo
Housing Bank Park / Abdoun	4115	Amman, Sa'ad Abdo Shamout St., Near Abdoun Mall	31.9410400	35.8841000	br128@hbtbf.com.jo
New Zarqa	4918	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.0857580	36.0867180	br129@hbtbf.com.jo
Al-Yasmeen District	4954	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.9193700	35.8941000	br131@hbtbf.com.jo
Mecca St.	4958	Amman, Mecca St., Al Hussein Complex, Building No. 141	31.9754000	35.8604200	br132@hbtbf.com.jo
Al Salt Gate	4989	Salt City Gate – Dabbabneh Traffic Lights opposite Salt Shari'a Court	32.0574200	35.7471000	br133@hbtbf.com.jo
Taj Mall	3805	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.9408500	35.8878800	br134@hbtbf.com.jo
Al Jeeza	3811	Jizah , Airport St., Near Provinciality Building	31.7084700	35.9508700	br135@hbtbf.com.jo
30 <sup>th</sup> Street / Irbid	3821	Irbid, Andalus Sup., Rousan Commercial Complex	32.5545500	35.8630900	br136@hbtbf.com.jo
Husseiniya	3854	Ma'an, Husseiniya, Municipality Building	30.5948240	35.7982920	br137@hbtbf.com.jo
Mobile Bus 1	5542	-	-	-	br139@hbtbf.com.jo
Zarqa Highway	3870	Zarqa, Zarqa Highway, Government Buildings Area	32.0448310	36.0940010	br140@hbtbf.com.jo

## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Private Banking Services	4003	Amman, 5 <sup>th</sup> Circle, Riad Al Meflih St., Building No. 7	31.9586710	35.8888780	br145@hbtf.com.jo
Call Center	06 - 5200400	Amman, 9 <sup>th</sup> Sha'ban St.	31.9516800	35.9278000	br152@hbtf.com.jo
Bani Kenana	3429	Irbid, Sama Rousan Intersection, opposite Al-Sarow Municipality	32.6387640	35.8359890	br155@hbtf.com.jo
Manarah	3412	Amman, Manarah, Abu Taleb St., Building No. 3	31.9417240	35.9664090	br156@hbtf.com.jo
Airport St.	3479	Amman, Airport St., Near Universal Schools	31.8753550	35.8867770	br157@hbtf.com.jo
Mobile Bus 2	4554	-	-	-	br158@hbtf.com.jo

## The Housing Bank for Trade & Finance Branches – Outside Jordan

Branch	Phone	Address	E-mail
<b>Regional Management/ Palestine</b>	<b>+ 970 2 2945500</b>	<b>Ramallah, AlQuds St., Padico Building, P.O. Box 1473</b>	<b>Info.pal@hbtbf.com.jo</b>
Ramallah	+ 970 2 2945500	Al Bareed St., Rukab Building, P.O. Box 1473	br401@hbtbf.com.jo
Gaza	+ 970 8 2826322	Al Shuhada' St., Palestine Tower, P.O. Box 5010	br402@hbtbf.com.jo
Nablus	+ 970 9 2386060	Al Hussein Circle, Al Huwari Building, P.O. Box 1660	br403@hbtbf.com.jo
Hebron	+ 970 2 2250055	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	br404@hbtbf.com.jo
Halhoul	+ 970 2 2299602	Main Hebron – Jerusalem St., P.O. Box 1	br405@hbtbf.com.jo
Beir Zeit	+ 970 2 2945500	Ramallah , Main St., Near Main Circle, P.O. Box 40	br406@hbtbf.com.jo
Khan Younis	+970 8 2079401	Gaza, Abu Humaid Circle, Jalal St., P.O. Box 7073	br407@hbtbf.com.jo
Jenin	+ 970 4 2505223	Abu Baker St., P.O. Box 50	br408@hbtbf.com.jo
Bethlehem	+970 2 2740375	Al Mahd St., City Center, P.O. Box 30	br409@hbtbf.com.jo
Yata	+ 970 2 2273301	Hebron, Yata, Roqa'a St., Near Police Station	br410@hbtbf.com.jo
Tormosaya	+ 970 2 2805263	Ramallah, Tormosaya, Abu Raslan Complex, P.O. Box 4	br411@hbtbf.com.jo
Dahriyeh	+ 970 2 2266779	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtbf.com.jo
Masyoon	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	br413@hbtbf.com.jo
<b>Bahrain Branch</b>	<b>+973 17 225227</b>	<b>Bahrain, Al Manama Center, Govt. St., P.O. Box 5929</b>	<b>bahrain@hbtbf.com.jo</b>



# Addresses of Subsidiaries

## International Bank for Trade & Finance / Syria

Branch	Phone	Address
<b>Head Office</b>	<b>+ 963 11 23880000</b>	<b>Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 www.ibtf.com.sy - e-mail: info@ibtf.com.sy</b>
Hejaz	+ 963 11 2260500	Damascus – Hejaz Square
Pakistan	+ 963 11 23880000	Damascus – Pakistan St.-opp. Maraya Restaurant
Dama Roze	+ 963 11 2241140	Damascus – Dama Roze Hotel
Yarmouk	+ 963 11 6376400	Damascus – Yarmouk St.
Housh Plas	+963 950009001	Damascus – Der'a Highway – opp. Town Center
Duma	+ 963 11 5750766	Damascus – Duma
Dummar Project	+ 963 11 3123671	Damascus – Dummar Project – Cham Central Market
Hareeka	+ 963 11 2260222	Damascus – Hareeka Square
Jaramana	+ 963 11 5615020	Damascus – President Square
Qass'a	+ 963 11 4430195	Damascus – Russians Tower
Mezzeh	+ 963 11 6117086	Damascus – Mezzeh – opp. Jala'a Club
Tijarah	+ 963 11 4434210	Damascus – Corniche Tijarah
Fardous	+ 963 11 2327081	Damascus – Fardous St.
Zabadani	+ 963 11 7111792	Damascus – Zabadani – Al Mahta St.
Masaken Barzeh	+ 963 11 5117774	Damascus – Masaken Barzeh – opp. Hamich Hospital
Abu Rummaneh	+963 11 3348717	Damascus – Abu Rummaneh
Homs	+ 963 31 2485979	Homs – Engineers Pension Fund Building
Tartus	+ 963 43 321355	Tartus – Banks St.
Faisal	+ 963 21 2262303	Aleppo – King Faisal St.
Sheraton	+ 963 21 2125303	Aleppo – Sheraton Hotel
Jmeleyeh	+ 963 21 2231945	Aleppo – Jmeleyeh
Sheikh Najjar	+ 963 21 4712860	Aleppo – Sheikh Najjar – Industrial City
Shahba' Mall	+ 963 21 2520092	Aleppo – Shahba' Mall
Dar'a	+ 963 15 210291	Dar'a – Hanano St.
Hama	+ 963 33 2243100	Hama – Alameen St.
Muhardeh	+963 33 4731072	Hama – Muhardeh – Gadah shoa'a St.
Hasakeh	+ 963 52 316543	Hasakeh – President Square – Salah Eddine St.
Latakia	+ 963 41 459373	Latakia – Baghdad St.
Sweida	+ 963 16 322191	Sweida – Teshreen Square
Kamishli	+ 963 52 431789	Kamishli – Quwatli circle
Deir Al Zor	+ 963 51 241800	Deir Al Zor – Main St.- opp. Al-Kindi Cinema



## The Housing Bank for Trade & Finance /Algeria

Branch	Phone	Address	E-mail
<b>Head Office</b>	<b>+ 213 21 91 88 88</b>	<b>Algeria , 16 Ahmad Waked St., Dali Ibrahim www.housingbankdz.com</b>	<b>Contact@housingbankdz.com</b>
Dali Ibrahim	+ 213 21 91 88 85	Algeria – 16 Ahmad Waked St.–Dali Ibrahim	Agence-101@housingbankdz.com
Blida	+ 213 25 40 10 33	Algeria – 61 Alarabi Tebessi St. Blida Municipality, Blida	Agence-102@housingbankdz.com
Oran	+ 213 41 23 02 70	Algeria – 10 Tawnia Albahia St., Oran	Agence-103@housingbankdz.com
Setif	+ 213 36 53 85 78	Algeria -20 First Nov. 1954 St., Setif	Agence-104@housingbankdz.com
Dar al Bayda'	+ 213 21 75 46 84	Algeria – 59 Mohammad Khemisti St, Dar al Bayda'	Agence-105@housingbankdz.com
Bgayet	+ 213 34 11 33 51	Algeria – Tajz'at Krim Belkacem, Altawniah Alaqaria 45 Maskan, Bgayet	Agence-106@housingbankdz.com
Constantine	+ 213 56 16 15 832	Algeria – 6 lellouche Belhadj Mostefa hammou SMK, Constantine	Agence-107@housingbankdz.com
<b>Jordan International Bank / London</b>	<b>+44 20 3 144 0200</b>	<b>Moreau House, 116 Brompton Road, Knightsbridge, London SW3 1JJ www.jordanbank.co.uk</b>	<b>info@jordanbank.co.uk</b>

## Subsidiary Companies

Company	Phone	Address	Web Site	E-mail
Specialized Leasing Co.	Head Office	Um Uthyna – Sa'ad Ibn Abi Waqas St., Housing Bank Building No. 47, P.O. Box 1174 – Amman 11118	www.slcjo.com	slc@hbtf.com.jo
	Irbid Office	Irbid , King Abdullah II St., Quba Circle		
International Financial Center Co.	+ 962 6 5696724	Shmeisani, Housing Bank Complex ,2 <sup>nd</sup> Floor, P.O. Box 940919, Amman 11194	www.ifc.com.jo	info@ifc.com.jo
Jordan Real Estate Investments & Commercial Services Co.	+962 6 5005555	Amman, 9 <sup>th</sup> Sha'ban St.	www.hbtf.com	info@hbtf.com.jo

## Representative Offices

Office	Phone	Address	E-mail
Tripoli / Libya	+ 218 213350610	Tripoli, Tripoli Tower, First Tower, Floor 15, Office 155, P.O. Box 91270	hbtfLibya@hbtf.com.jo
Abu Dhabi / U.A.E	+971 26268855	Abu Dhabi, Hamoudeh Bin Ali Building,12 <sup>th</sup> Floor, Sheikh Khalifa St., P.O. Box 44768	hbtfAbudhabi@hbtf.com.jo
Baghdad / Iraq	+964 79 01328647	Baghdad, Al Arsaf Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	ifaham@hbtf.com.jo







