

44

2017
ANNUAL REPORT



44th Board of Directors Report

For the Year Ending December 31, 2017

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His Majesty King Abdullah II Ibn Al Hussein



His Royal Highness Crown Prince Al Hussein Bin Abdullah II

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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. 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



Mr. Fawzi Yousif Al-Hanif
Independent



Mrs. Shaikha Yousuf Al-Farsi
Independent

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

Chairman's Statement



Dear Shareholders

I am pleased to present to you the HBTF Group's 44th Annual Report, including the main achievements as outlined in the operational results and the consolidated financial statements for the year ending December 31, 2017, as well as the Bank's plan for 2018.

The Bank continued to achieve positive results, despite great challenges and exceptional circumstances, demonstrating a growing ability in confronting these challenges and in consolidating its position in the banking sector in the middle of fierce competition in addition to negative consequences resulting from the regional crises affecting the national economy and hindering its ability to achieve the desired growth rates.

The banking sector showed resilience in face of these negative consequences proving once again its strength and its ability to handle challenges, guided by the prudent monetary policy followed by the Central Bank.

The Bank was able to maintain its good performance achieving pre-tax profit of JD180 million compared to JD190.3 million during the previous year, while after tax net profit amounted to JD125.2 million compared to JD131 million in 2016. In addition, the Bank continued to strengthen its capital base through enhancing various reserves. At the end of 2017, the shareholders' equity stood at JD1,116.2 million compared to JD1,060.1 million at the end of 2016.

In 2017, the Bank increased its capital to JD315 million, the increase of JD63 million was covered by combining the voluntary reserves of JD33.2 million and the shares' premium of JD29.8 million.

In light of the results achieved in 2017, the Board of Directors recommended to the Bank's General Assembly the cash distribution at 20% of the paid capital (that equals 25% of the capital before its increase in 2017).



Dear Shareholders

Forecasts indicate that the current extraordinary conditions are likely to continue in the Coming period, and that the challenges facing the national economy are likely to persist. This requires concerted efforts by all relevant parties in order to enhance national ability to confront them. Therefore, we reiterate our unequivocal support to national economic plans, in particular to the plan aiming at stimulating the national economy and enhancing the investment opportunities, mainly through strengthening genuine partnership between the public and private sectors, in addition to adhering to the Central Bank regulations and directives aiming at promoting sustainable financing for the development activities in all sectors of the economy.

I am confident that the Bank's major shareholders will continue to support our efforts to improve the Bank's services and to strengthen its position both nationally and regionally.

The Bank, by virtue of its core values, will continue to shoulder its social responsibility by supporting and sponsoring social humanitarian and charitable activities and initiatives in education, health, and the environment.

I would like to express my appreciation to the efforts of the government and its institutions for their efforts to achieve economic growth. I especially, thank the Central Bank and the Jordan Securities Commission for their cooperation and support.

My colleagues, the members of the board deserve my sincere thanks and gratitude for their relentless efforts and for their commitment to serving the Bank and to advance its interests.

I also thank the Executive management and all the staff for their sincere efforts to improve the Bank's performance and for providing the best services to our customers.

Finally, I would like to thank our esteemed shareholders, depositors and our customers for their trust and support, and to express our pride to work with them, affirming the Board's confidence in the ability of our bank to continue improving its performance and upgrading its services.

May God give us the strength to serve our beloved country and its economy under the leadership of His Majesty king Abdullah II.

Respectfully,

Abdelelah Alkhatib
Chairman of the Board

Chief Executive Officer's Statement



Distinguished shareholders

It is my pleasure to highlight the achievements of the Bank for 2017, which have been included in the 44th HBTF Annual Report. The Bank continues to perform strongly indicating its solid financial position, its ability to deal with changes and maintain its leading role in the banking sector; particularly in the light of continued repercussions of the crises experienced by some neighboring countries, thus stressing the Bank's continued positive contribution to the Jordanian national economy.

During 2017, the Bank recorded pre-tax profits of JD180 million compared to JD190.3 million in 2016, while net profits after-tax amounted to JD125.2 million compared to JD131 million in the previous year. Excluding the non-recurring profits from the Bank's operating activity, pre-tax profits have grown by 5% in 2017. Total comprehensive income stood at JD132.8 million compared to JD102.2 million in the previous year.

A positive sign of the Bank's strong performance is its sustained growth and its success in strengthening its financial position, with total assets increasing by 4.1% amounting to JD8.1 billion at the end of 2017; moreover, Customer confidence also increased, as evidenced by the 3.2% growth in customers' deposits reaching JD5.8 billion. Total direct credit facilities surged 4.1% to JD4.5 billion, while the capital base was further solidified, as the shareholder's equity totaled JD1.1 billion, with an increase of 5.3%.

The financial results achieved by the Bank during 2017 and the high confidence of investors have had a positive effect on the market capitalization of the Bank, which increased by JD293 million, about 12.5%.

The capital adequacy ratio and the liquidity ratio standing at 17.1% and 127% respectively, both higher than the required ratios set by Central Bank of Jordan, non-performing loans stood at 4%. Furthermore, an outstanding return on assets and return on equity was achieved at 1.6% and 11.5% respectively.

In terms of the Bank's competitive position, its share in the Jordanian banking market stood at 14.6% in terms of assets, 15% of customers' deposits and 14.1% in direct credit facilities. The Bank maintained its leading position in terms of saving deposit accounts in local currency market share which stood at 37.3%, as well as the largest number of local branches and ATMs in the Kingdom representing market shares of about 15% and 14%, respectively.



In the area of expansion and external presence, four new branches were opened in Jordan in 2017 to reach 130 branches supported by 229 ATMs. Two new branches were opened in Palestine to reach 15 branches. On the other hand, a new branch of the Bank's subsidiary Specialized Leasing Company was opened in the city of Aqaba to add to its two branches in Amman and Irbid. The number of branches of HBTF Group, locally and abroad, is 185 branches in Jordan, Syria, Algeria, UK, Palestine and Bahrain, as well as representative offices in Iraq, UAE and Libya.

In terms of recognition, the Bank received, during the year 2017 four awards from regional and global institutions, for quality and diversity of its banking products and services.

Dear Shareholders,

Your financial institution embarks on 2018 with a solid financial position, high quality assets, safe liquidity levels and strong financial indicators. Amongst our priorities will be continuing to spread a culture of commitment and governance, focusing on new technology initiatives, and further developing the Bank's identity, strengthening our network and renewing its vitality. In addition, we will continue to strive to strengthen our business relations with our customers in order to maintain our leadership position in the banking sector in all of our operations, while continuing to develop and strengthen our relations with the local economy through personal banking, corporate banking and financing of foreign trade.

I would like to take this opportunity to express my gratitude and appreciation to the government of Jordan and its official institutions, particularly The Central Bank of Jordan and the Jordanian Securities Commission, for their sound management and their efforts to promote local economic growth and their keenness to continue strengthening the Jordanian banking sector.

I would also like to tender my appreciation to our customers and shareholders for their trust, we promise them more diligence to enhance the strength and leading position of the Bank.

I would also like to thank the Board of Directors for their constructive guidance in developing and supporting the Bank's strategy and overall objectives, and I also thank the Bank's staff for their hard and sincere work to realize these achievements.

Finally, may our institution be blessed for a bright future so that it can continue to contribute the economy of our beloved Kingdom and support its development and prosperity under the leadership of His Majesty King Abdullah II.

Respectfully,

Ihab Saadi
Chief Executive Officer

Financial Performance of the Bank



Financial Performance of the Bank

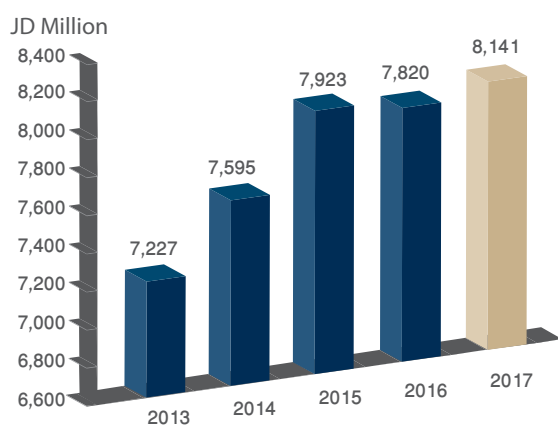
Main Financial Indicators

JD million*

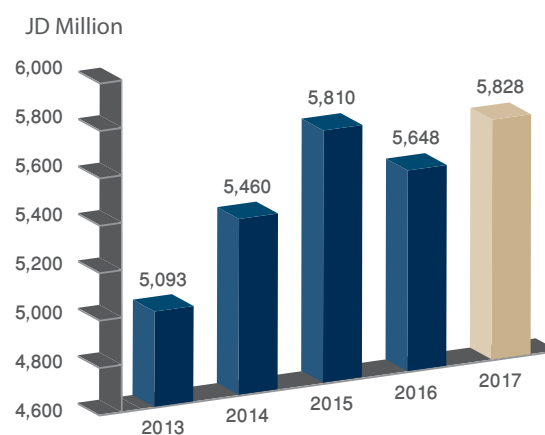
Item/Year	2013	2014	2015	2016	2017
Total Assets	7,227.1	7,594.9	7,922.7	7,820.2	8,140.9
Customers' Deposits	5,093.4	5,459.9	5,809.8	5,647.5	5,828.1
Loans and Credit Facilities (net)	2,662.8	2,716.5	3,494.7	4,042.1	4,208.4
Total Equity	1,057.1	1,038.4	1,039.3	1,060.1	1,116.2
Profit before Tax	150.1	162.1	177.0	190.3	180.0
Profit after Tax	106.9	123.9	124.7	131.0	125.2
Cash Dividends	75.6	88.2	80.6	75.6	63.0
Earnings per Share (JD)	0.396	0.477	0.483	0.491	0.387
Dividends / Per Share (JD)	0.300	0.350	0.320	0.300	0.200
Share Price (JD)	8.700	9.100	9.450	9.300	8.370

* JD= US\$1.4104

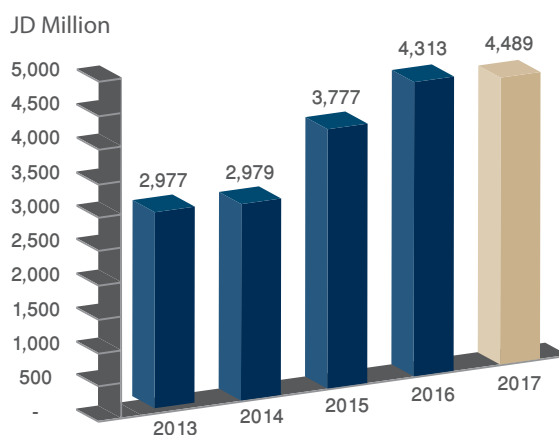
Total Assets



Total Customers' Deposits



Total Direct Credit Facilities

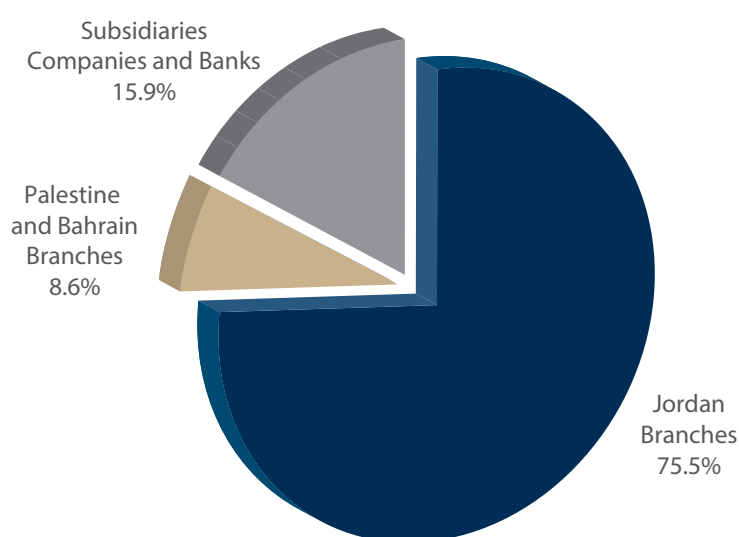




Analysis of the Operational Results

Despite the ongoing circumstances and challenges facing the region, the Housing Bank Group achieved pre-tax profit amounting to JD180 million compared to JD190.3 million during 2016. After-tax net profit amounted to JD125.2 million compared to JD131 million in 2016, and if the non-recurring profits from the Bank's operating activity were excluded, pre-tax profits would have grown by 5% in 2017.

The HBTF Group profit generated from its activities in Jordan accounted for 75.5% of total profits; while overseas branches in Palestine and Bahrain accounted for 8.6%. Furthermore, the profits of subsidiaries companies and banks accounted for 15.9%.



The components of net profit comprised the following:

1. Gross income decreased from JD364.6 million during 2016 to JD326 million in 2017; i.e. by JD38.6 million or 10.6%, this decrease was primarily driven by:
 - Net interest income decreased from JD269.9 million during 2016 to JD269.1 million in 2017; i.e. by JD0.8 million or 0.3%. This decrease was primarily driven by the higher interest rates on deposits comparing to earnings from loans and other investments.
 - Net commission income decreased from JD25.2 million during 2016 to JD22.6 million in 2017; i.e. by JD2.6 million or 10.3%.
2. Total expenses decreased from JD174.3 million during 2016 to JD146 million in 2017; i.e. by JD28.3 million or 16.2%. The following highlights the significant changes:
 - Operating expenses (excluding provisions) increased from JD142.7 million during 2016 to JD144 million in 2017, increased by JD1.3 million or 0.9%.
 - Impairment loss on direct credit facilities decreased from JD12.9 million during 2016 to JD0.3 million during 2017, decreased by JD12.6 million or 97.7%.

Analysis of the Financial Position

The HBTF Group has succeeded in confirming the strength of its financial position and solvency, the soundness and quality of its assets, and increasing its competitiveness as well as the strength of its customers' base, which enabled it to continue to acquire a significant share in various activities and businesses.

The HBTF Group achieved higher levels of growth in various items of its financial position, the total assets rose from JD7.8 billion in 2016 to JD8.1 billion in 2017; with an increase of JD0.3 billion or 4.1%.

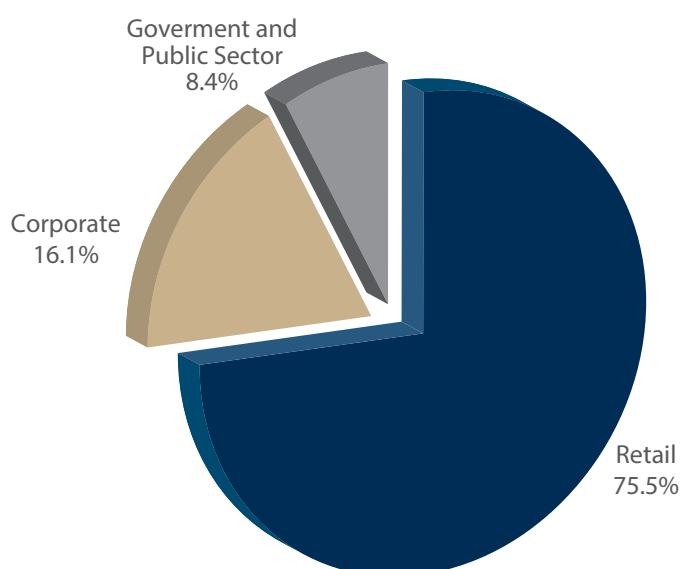
Total Deposits

Despite of increasing competition in the banking markets, HBTF Group experienced positive growth rates in attracting deposits due to its sublime status in the financial markets. The balance of customers' deposits increased by JD180.6 million or 3.2% reached to JD5.8 billion at the end of 2017. Adding banks and financial institutions deposits, the balance of customers' deposits totaled reached to JD6.4 billion at the end of 2017 increased by 3.7%.

Segment analysis of customers' deposits at the end of 2017 shows the following:

- Retail deposits increased by 3.1% and the government deposits by 21.7% compared to year 2016; while the corporate deposits "small, medium and large" decreased by 3.9%
- Retail deposits represent 75.5% of the total balance of customers' deposits at the end of 2017 compared to 75.6% at the end of 2016. The corporate deposits "small, medium and large" represent 16.1% compared to 17.3%, while the government deposits represent 8.4% compared to 7.1% in 2016.

Structure of Customers' Deposits by Depositors



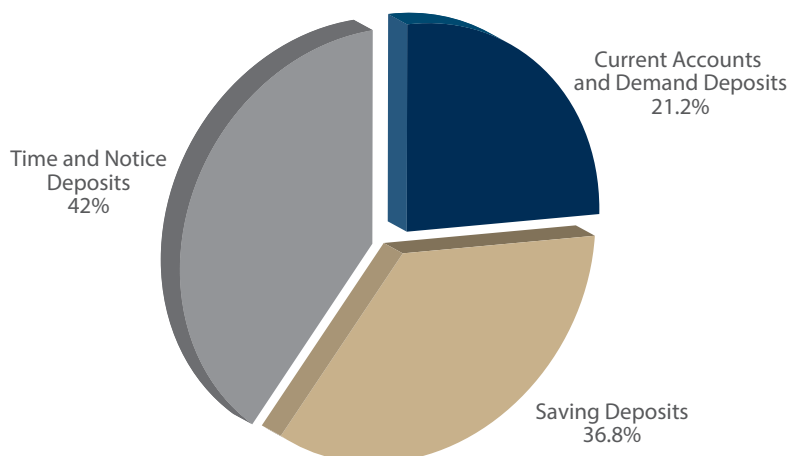
The structure of customers' deposits by type, at the end of 2017, comprise of the following:

- Saving deposits increased by 8.6%, and "time and notice deposits" by 9.9%, while "Current accounts and demand deposits" decreased by 14.4% compared to its level at the end of 2016.



- “Time and notice deposits” accounted for 42% of the total balance of customers’ deposits in 2017 compared to 39.5%, saving deposits accounted for 36.8% compared to 34.9%, and “Current accounts and demand deposits” accounted for 21.2% compared to 25.6% in 2016.

Structure of Customers’ Deposits by Type



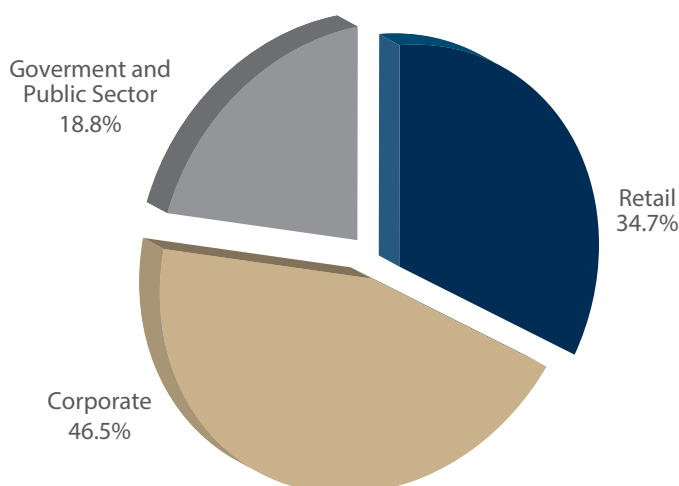
Credit Facilities

Total outstanding balance of direct credit facilities portfolio reported an increase during 2017 of JD176.5 million or 4.1% compared to the balance at the end of 2016, reaching about JD4.5 billion at the end of 2017. After deducting provisions and interest in suspense, the net outstanding balance of direct credit facilities portfolio amounted to JD4.2 billion; moving up by JD166.3 million or 4.1% compared to its levels at the end of 2016. This significant rise in balance of direct credit facilities is due to the growth of both retail and corporate loans.

Sector analysis of direct credit facilities portfolio in 2017 includes the following:

- The facilities granted to the retail sector reported growth of 7.6% and the facilities granted to corporate sector “small, medium and large” increased by 6.6%, while the facilities granted to “government and public sector” declined by 6.8%.
- The facilities granted to corporate sector “small, medium and large” represent 46.5% compared to 45.4% in 2016, the facilities granted to the retail sector represent 34.7% of the total balance of direct credit facilities portfolio in 2017 compared to 33.6% in 2016, while facilities granted to the “government and public sector” represent 18.8% compared to 21% in 2016.

Structure of Credit Facilities by Borrowers



the NPLs and Coverage Ratio reached to 4% and 106.5%, respectively at the end of 2017.

Analysis of the Bank's Major Performance Indicators

- The rate of return on average assets (ROaA) amounted to 1.6% in 2017 and the rate of return on average equity (ROaE) amounted to 11.5%; it is worth emphasizing that these rates were among the highest in the Jordanian banking industry.
- The capital adequacy ratio amounted to 17.7% at the end of 2017 compared to 17% at the end of 2016.
- The Bank liquidity ratio amounted to 127% at the end of 2017 compared to 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) amounted to JD0.387 at the end of 2017.
- The market capitalization of the Bank shares amounted to JD2.6 billion at the end of 2017; i.e. increased by JD293 million or 12.5%.

Competitive Position

The following brief sheds light on the Bank's competitive position in the Jordanian banking industry at the end of 2017:

- The Bank maintained the first rank in terms of total credit facilities with a market share of 14.1% of total credit facilities in the banking sector in Jordan.
- The Bank maintained the first rank in terms of saving accounts' in local currency; accounting for 37.3% 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; accounting for around 15% 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 229; accounting for around 14% of the market share; the largest and most widespread network in the Kingdom.
- The Bank's market share of Master Debit Cards accounting for 18% and 16% of Visa Debit Cards in 2017.
- The Bank's market share of Master Credit Cards accounting for 14.4% and 18.2% of the Visa Credit Cards in 2017.
- The Bank stood second in terms of total assets with a market share of 14.6% 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.



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 2017:

- "Best Customer Service Bank" in Jordan, awarded by "International Finance".
- "Most Innovative Bank" in Jordan, awarded by "The Banker Middle East".
- "Best Trade Mark" in Jordan, awarded by "The World Union of Arab Bankers".
- "Innovation and Excellence Award for Financial Institutions & Entrepreneurship" awarded by "Union of Arab Banks".
- "The Best Co-Branded Credit Card" in Jordan, for the second year in a row, awarded by "The Emerging Market Payment Group (EMP)".
- "The STP Award", awarded by Commerzbank (Germany) in recognition of the high level of efficiency in outgoing payment.



These awards reflect the Bank's prominence and reputation locally and regionally and further testify to the excellence of the products and services provided by the Bank, in addition to recognizing the Bank's emphasis on continually enhancing the quality of services provided to customers and meeting their varying needs through a host of accessible and innovative products and services, which is a further testament of the Bank's position as a pioneer in the Jordanian banking sector.

Bank's Activities



Bank's Activities

Retail Banking Services

During 2017, HBTF continued its efforts to provide the best banking services and products to its retail customers and to meet their requirements and expectations so that the Bank always remains the preferred choice for customers. Stemming from this ground, the Bank has taken a number of initiatives during the year in order to enhance this direction. These initiatives include strengthening the network of local and foreign branches, developing deposits and loans accounts, cards, electronic channels, improving the quality of services and raising awareness of products. Such initiatives have substantially contributed to the growth of deposits, loans, cards and the market share of the Bank.

These initiatives were culminated in the Bank's achievement of four awards from regional and global institutions in 2017 in recognition of the excellence and leadership in the field of customer service through the provision of innovative products providing comprehensive and flexible banking solutions tailored to the needs and aspirations of retail customers and to augment their level of satisfaction and loyalty. The following is a summary of the most important achievements in the field of providing retail banking during 2017:

Branches and ATM's Network

Within the framework of the strategy adopted by the Bank to strengthen its network of local and foreign branches to reach its customers in different areas of their presence, four new branches were opened during 2017 in several vital locations within the Kingdom: German Jordanian University, Al-Rawabi, Abdali Mall and Deir Ghbar. Thus, the Bank maintained its leading position in the Kingdom with 130 branches and a market share of 15%. The Bank's branch network includes two mobile branches and a "children branch", the first of its kind in Jordan.





In line with the strategy of the Bank in the area of external expansion, the Bank has opened two new branches in Palestine in 2017; one in Rafidia / Nablus and the other in Tulkarm. This step comes in light of the Bank's efforts to enhance its banking presence and contribute to the economic and social development process in Palestine.



The number of branches of the Bank operating in Palestine became 15 branches, located in major Palestinian cities, including Ramallah, Nablus, Hebron, Gaza, Jenin and Bethlehem.

The expansion policy adopted by the Bank, both locally and abroad, aims to provide more banking services and products to its existing and potential customers by providing banking outlets in these locations equipped with the modern decorations, latest office equipment and technical systems according to the latest specifications and standards. It should be noted in this regard that the Bank has a network of 185 local and international branches in Jordan, Syria, Algeria, London, Palestine and Bahrain, as well as representative offices in Iraq, UAE and Libya.

As part of the strengthening of the ATM's network, the total number of ATMs operating was 229 at the end of 2017, distributed in the strategic locations throughout the Kingdom. Thus, the Bank has maintained its leadership position in the Jordanian banking market with a market share of 14%. The Bank has also enhanced the ATM experience that offers direct cash deposit service, Iris recognition technology without need for cards. Additionally, the Bank's ATM network include 6 ATM Mobile Vans that provide banking services to areas not covered by banking services throughout the Kingdom.



Evening Banking Services

In order to provide banking services to its customers during the evening times, and to enable them to perform their banking operations conveniently and easily, during 2017, the Bank extended the opening hours of a number of branches from Saturday to Thursday. These branches are: Al Wehdat, Tareq, New Zarqa and Sweileh.

It is worth noting in this regard that the Bank provides its evening banking services through its seven branches located in the shopping malls in order to enable shoppers and visitors to perform their various banking transactions. These branches are: City Mall, Abdali Mall, Park Plaza, Taj Mall, Galleria Mall, Shuwaikh Mall / Aqaba, and Irbid Mall.

The working hours of these seven branches extend throughout the week, including Fridays, Saturdays, vacations and public holidays. The public service is extended from 10 am to 10 pm, except for Fridays, where they are open to public from 2 pm.

E-Banking Channels

As part of a plan to provide the best banking experience for customers, and to keep abreast with the latest banking technology, the electronic banking channels of the Bank in 2017 witnessed a remarkable and thoughtful development. This development has been reflected in the growth of online banking transactions through "Iskan Online" portal and mobile phone through "Iskan Mobile" Application as a result of the improvements made by the Bank to its electronic channels to increase efficiency of use. The E-Channels package of the Bank consists of the following:

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

It is noteworthy that the Bank provides its phone banking services to its customers through the Call Center daily from 8 am to midnight except Fridays.



Banking Services and Products

The Bank launched the following services, programs and campaigns in 2017:

- **"Fixed Deposit Accounts with prizes":**

The first of its kind in the Jordanian banking sector, allowing new fixed deposits accounts holders to obtain a competitive interest rates and a chance to win weekly cash prizes. This product has the highest profit potential; the higher the deposit balance, the greater the chances for depositors to profit. This product is a quality addition to the package of products and programs offered by the Bank.



- **"Mustaqbaly Account":** As part of its strategy to provide products and services that cater to the needs and aspirations of all age groups, "Mustaqbaly Account" has been launched in its new form, which allows parents to open accounts for their children under the age of 18 years across all branches of the Bank for the purpose of saving and benefit from the new program of prizes for this account.



- Financing of Renewable Energy Projects for Households Program:** The Bank signed an agreement with Jordan Renewable Energy and Efficiency Fund to promote renewable energy and energy conservation. Under this agreement, the Bank will be able to grant soft loans in renewable energy systems. Fund will ensure that interest rate on these loans is paid on behalf of the beneficiaries of these financing programs. The program seeks to expand the umbrella of targeted customers to include customers of the Households and SME's sector for the purpose of installing solar cells or installing solar heaters, which will positively affect the environment and reduce the consumption bill of the Kingdom.



- Banking Services for Jordanian Customers in Qatar:** The Bank signed an agreement with Qatar National Bank (QNB) as a strategic partner for the sale and marketing of banking products and services provided by HBTF to the Jordanian customer located in Qatar, as well as customers of the Bank from Qatari nationality. These include housing loans, current accounts, savings, time deposits and credit cards.
- Car Loans:** The Bank has partnered with top car dealers in the Kingdom to provide the right financing for customers wishing to own new cars at preferential interest rates and other privileges.
- Service for transfer to other local banks through "Iskan Mobile":** This service will enable the Bank's customers to send their remittances to other local banks through ACH and RTGS systems provided under the supervision and control of the CBJ through the use of Iskan Mobile.
- "eFAWATEERcom" Service through "Iskan Online":** The Bank has launched its online bill view and payment service "eFAWATEERcom" through "Iskan Online". This service provides opportunity to the Bank's customers to review and pay bills for government and private services and payments through "eFAWATEERcom" Service. This service is also available through branches, ATMs and "Iskan Mobile".



- Loan Installments Payment Service through "eFAWATEERcom":** Customers who have credit facilities from the Bank can pay their installments through any site that offers "eFAWATEERcom" services which is available at all Jordanian banks operating in the Kingdom, without having to check the Bank's branches for payment of installments.

- **Developing Saving Account Prizes System:** On the occasion of the 40th anniversary of the implementation of the Saving Account Prizes System adopted by the Bank since 1977, the Bank has launched the largest and most diversified saving account prizes in the Jordanian banking market for 2017. The value of prizes offered by HBTF exceeded JD7 million, while the Grand Prize of the campaign amounting to JD1,250,000.



Iskan Cards

In 2017, the Bank continued its efforts to increase its share of the plastic cards market with both debit and credit (Visa and MasterCard) by adding several important features to these cards, which provided its customers with smooth, convenient, fast and secure payment solutions, as well as various offers and discounts in restaurants, hotels, shopping and entertainment centers, and travel around the world. The following are some of the most notable achievements of 2017 in the cards issued by the Bank:

- Launch of Online Shopping Purchase Protection 3D Secure - OTP for MasterCard (Credit) and Visa (Credit and Debit) cards, which include creating a special PIN for each online purchase by sending it as SMS to the customer's phone. It is worth mentioning that all cards issued by the Bank include smart chip technology, which enhances the security of cardholders in all their cash uses or to pay their online purchases.
- Launch of Promotional Campaign for Visa Cards in cooperation with Visa International titled "Live the World Cup event in Russia with Visa Housing Bank Cards" to attend the 2018 World Cup Semi-final Match. This campaign aims to encourage customers to increase the use of their cards to carry out personal and family purchases at various points of sale locally and internationally.
- Launch of a creative promotional campaign to reward customers for using direct debit cards to carry out their purchases (local, international, and online shopping) in partnership with Visa International. The campaign aims to stimulate and encourage customers to use direct debit cards to make their purchases at P.O.S rather than cash by offering 5 cash prizes per day. The campaign has 830 prizes.
- As the first travel card of its kind in Jordan, Visa Signature Co-Branded Card with Qatar Airways for the second year in a row received Jordan's Best Co-Branded Card Award from Emerging Market Payment Group (EMP), under which an exceptional package of services and benefits is offered to its holders.





Quality of Services and Customer Care

During the year 2017, the Bank continued to conduct studies to assess the level of customer service, such as the study of Mystery shopper and the study of customer satisfaction through the use of specialized consulting companies to conduct opinion surveys. A number of tests have been launched to assess employees' level of knowledge about the Bank's products and services, as well as direct communication with customers, identify the main obstacles facing them, study their reasons, and report daily and weekly, periodically and resolve them through cooperation between the concerned departments in the Bank, which contributed to the development and improvement of the level of service provided and strengthening the relationship between the Bank and its customers.

In this context, the Bank has established a center dedicated for customer care aiming to effectively integrate all service delivery channels, as it was supported by a qualified staff (INBOUND) to undertake the tasks of receiving customer calls and execute their orders within a reasonable time frame, as well as a team specialized in marketing the products and services of the Bank (OUTBOUND), where global standards have been adopted to measure the rate of response to outgoing and incoming calls. A number of field visits have been made to VIP customers in order to enhance the banking relationship with them. The Bank's services in this area have surpassed the banking sector as they are the most comprehensive and diversified, while the new campaigns have resulted in strong performance in providing banking services to customers and meeting the needs of the Jordanian market.

It is worth mentioning that the Bank was the first to launch the service of Call Center, as the Bank has paid significant attention to this issue. The Call Center offers to the Bank's customers more than 30 banking services.

Corporate Banking

As a result of the continued negative impact of the regional events on the Jordanian economy, which cast a shadow over the banks operating in the banking sector of Jordan, the Bank adopted in 2017 a prudent credit policy characterized by cautious and a balance between return and risk, to ensure the quality of its credit portfolio, without forgetting the importance of maintaining the market share and working to increase it in the Jordanian banking market by taking advantage of the available business opportunities.

Based on the Bank's vision to be the preferred financial partner for its customers in the corporate sector, the Bank continued to offer a unique package of integrated banking solutions in line with the activities of its customers in the large, medium and small companies sector, commensurate with the rapid change in the working environment and at high levels of quality.



The following are the most important initiatives launched by the Bank in terms of serving the corporate sector during 2017:

- **“Fixed Deposit Accounts with prizes”:** The first of its kind in the Jordanian banking sector, allowing new fixed deposits accounts holders to obtain a competitive interest rates and a chance to win weekly cash prizes.
- **Corporate Mobile Banking and Corporate Iskan Online Services:** The launch of these two services comes in the interest of the Bank to shorten the time of customers and enable them to carry out their financial transactions with utmost precision and efficiency. In this context, the Bank organized a seminar on payment mechanisms through electronic channels for the Bank’s customers from the corporate sector. The seminar was held to introduce the customers to the electronic channels at the Bank, which are integrated with the application of eFAWATEERcom and explained the mechanism of payment through these channels.

It should also be noted that during the year 2017, the Bank played a pivotal role in syndicated loans market through its leadership and contribution to finance a number of projects for vital sectors such as energy, real estate, pharmaceuticals and infrastructure.

Small and Medium Enterprises

In 2017, The Bank signed an agreement with Jordan Renewable Energy and Efficiency Fund to promote renewable energy and energy conservation. Under this agreement, the Bank will be able to grant soft loans in renewable energy systems. Fund will ensure that interest rate on these loans is paid on behalf of the beneficiaries of these financing programs. The program seeks to expand the umbrella of targeted customers to include customers of the Households and SME’s sector for the purpose of installing solar cells or installing solar heaters, which will positively affect the environment and reduce the consumption bill of the Kingdom.

The Bank continued to participate in financing programs for the SME sector. These programs and products include:

- Tourism Loan Program dedicated to support the small and middle enterprises in the Tourism Sector in cooperation with USAID.
- 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.
- Central Bank Programs designated to finance SMEs.
- Med-term Industrial Credit Program in cooperation with the CBJ.
- SMEs Financing Program guaranteed by OPIC.
- Business Loan Program.
- Business Vehicles Loan Program in cooperation with Jordan Loan Guarantee Company.
- Start-ups Business Loan Program in cooperation with Jordan Loan Guarantee Company.

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 International Trade Facilitating Program with the European Bank for Reconstruction and Development (EBRD).



Treasury and Investment Services

During 2017, HBTF has successfully managed to implement a strategy that is mainly concerned with ensuring healthy levels of liquidity through efficient asset-liability management, which took into consideration the changes in local, regional and international financial markets and various economic conditions as well as the surrounding political risks.

The Bank has also continued its strong performance in the financial markets by investing in different financial instruments that comply with the Bank's investment strategy and ensuring the hedge against different investment risks including currency exchange risks and interest rate risks.

Moreover, HBTF provides various investment solutions and services which include foreign currencies and precious metals services through spot cash account and margin trading, FX forward contracts services, brokerage services in local, regional and international financial markets such as buying and selling options contracts in the international stock markets, as well as portfolios management services, mutual funds, marketing new investment funds, investment custody/trusteeship, and other services.

On the banking technology side, HBTF continued to deploy the latest technologies and up-to-date means of communication available for the different financial services in order to satisfy its customers' needs in light of the evolution recently witnessed in the international markets along with the regulatory requirements in this manner.

Financial Institutions and Correspondent Banks

In 2017, the bank continued to work on increasing revenues from international trade financing activities and payment services, despite having to face mounting challenges due to the ever more complicated operational environment.

Furthermore, and in the interest of providing clients with a comprehensive network of correspondent banks offering a wide spectrum of financial services at competitive rates, the bank focused on fostering its existing relationships with key correspondent banks, in addition to initiating new correspondent relationships with strategic financial institutions in the region and worldwide.



In keeping with the latest innovations in financial services, the bank developed an online payments service and successfully launched with reputable banks in the region in 2017 including:

- Implementation of the online payment services with National Commercial Bank – Saudi Arabia and Alinma Bank - Saudi Arabia.
- Signing the online payment services agreement with SAMBA Financial Group – Saudi Arabia, which is expected to be fully implemented in 2018.

In the next phase, the bank will work on expanding this service offering to encompass the Arabian Gulf targeting Jordanian expat payments in all these countries.

The Bank always strives to increase operational efficiency and particularly in terms of outgoing payments in general, and to Europe and in EUR in particular. In 2017, the Bank received Commerzbank's STP Award in recognition of the high level of efficiency in outgoing payment with an STP rate of around 98%.

On the control side, and recognizing the importance of continually updating compliance policies to remain in line with best practices, the Bank reviewed all outstanding relationships and diligently followed up on Banks' financial performance and countries' economic conditions, taking notes of any adverse changes and appropriately following procedures to respond to such changes.

Finally, it is worth mentioning that the Bank maintains strong relationships with over 500 correspondent banks spread out across 80 countries worldwide.



International Branches and Subsidiaries

2017 was a very challenging year. The prevailing political situation and the International economic situation affected the Arab markets in general and the markets in which the Bank is located in particular. Despite the continuing uncertainty under these circumstances, the network of International branches, banks and subsidiaries of the Bank achieved good financial performance during 2017.

The Bank's International branches in Palestine and Bahrain contributed to 8.6% of the total pretax profits of the Bank's Group. The contribution of subsidiary banks and companies was 15.9%, while representative offices continued to market the Bank's products and services, which strengthened its presence locally and regionally.

At the branch network's level, the year 2017 witnessed the following:

- The opening of two new branches in Palestine (Rafidia / Nablus and Tulkarm), thus increasing the number of branches of the Bank operating in Palestine to 15 branches.
- The opening of a new branch of the Specialized Leasing Company in the city of Aqaba, this step was taken as part of the company's plan to expand its base of operations to serve the various economic sectors in this city, in addition to the capital city of Amman and Irbid governorate.



The Bank always seeks to strengthen its network of branches, banks, subsidiaries and representative offices which are spread across 8 countries as well as Jordan, offering a comprehensive range of banking services to its retail and corporate customers. This has contributed to the development of the Bank's relations with its exporters and importers on the one hand, and the promotion of trade and investment exchanges between Jordan and the countries where the Bank is deployed 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: 15 branches in Palestine, and one branch in Bahrain.

Subsidiary Banks:

- International Bank for Trade and Finance / Syria (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): 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): 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): The ownership is 100% of the paid-up capital which amounted to JD30 million. It operates through 3 branches.
- International Financial Center (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.

Human Resources

The Bank prides of its human resources, who are considered the most important key pillar of its success over the past years. The Bank is keen to provide a suitable and productive work environment to ensure stability of its employees and to enhance their satisfaction and loyalty.

Within this context, the Bank's management in 2017 initiated a number of initiative, which were approved by the Board of Directors, including but not limited to:

- Implementing an incentive-based compensation policy that focuses on motivating the outstanding performance by allotting around 5% of the profit after tax deduction to be distributed using a special system, which calculate the incentives, based on the productivity and competencies.
- Granting all employees, cost living incentive calculate based on the inflation rate in Jordan.

The Bank also continued focusing on developing the capabilities and skills of the employees, their leadership skills and teamwork spirit. This has enabled the Bank to maintain a sustainable level of good performance and profitability. The Bank has also adopted a policy of providing opportunities for promoting and developing the employees through work rotation, which helps in creating and availing diversity of experiences among the different functions of the Bank, taking into account the applicability of fairness, efficiency and right rules to transfer and promotion.

Recruitment

The Bank continuously seeks to be the Employer of Choice for job seekers within the banking sector. In order to achieve this, the Bank has undertaken the following initiatives.

- Participating and sponsoring job fairs which are organized by a leading recruitment companies, universities or by the Ministry of Labor to attract the best talents;
- Recruitment of outstanding fresh graduates from local, Arab and international universities and institutes, and attracting the best qualified professionals and expertise available in the labor market.
- Providing a recruitment window on the Bank's website to allow interested individuals to submit their application.
- Updating and developing the LinkedIn page of the Bank which is one of the social networking sites that is used primarily as a professional communication network for advertising jobs.
- Leveraging the relationships with the public universities by providing the Bank with periodic reports about the graduates to hire the outstanding ones with the related specialties.



Training and Development

Considering the Bank's recognition that the qualified and specialized banking capabilities and competencies are key elements in enhancing customer service, the Bank continued to rely on theoretical and practical training to prepare and qualify employees and raise their professional performance levels to enable them to carry out various banking activities, by providing training opportunities in various fields of banking, financial, investment and administrative work, and attending conferences, seminars and specialized forums.



The training programs of the employees remain top priorities for the Bank's management. A comprehensive range of training programs and courses has been launched, most importantly the following:

- Training programs for new employees (Tellers), orientation of customer service staff and qualifying the branch managers.
- Holding behavioral courses and specialized professional courses.
- Conducting innovative banking solutions forum to enhance banking competitiveness: Opportunities and Challenges.
- Holding the first forum to strengthen the leadership and managerial capabilities for those with supervisory roles.
- Continuing the talent management program.



It is worth mentioning that during 2017, the Bank provided at least 8105 training opportunities for its employees, in addition to enrolling the employees in 400 English language training.

During the same year, the Bank also strengthened the culture of learning by continuing sending a number of employees to obtain academic and professional certification from leading institutes, universities and local and international training centers in accordance to the principles adopted by the Bank for this purpose.

The most important courses held during 2017 along with the numbers of participants can be found in the disclosure section at the end of this report.

Risk Management

HBTF realizes and understands the importance of continuously managing the risks that the group is exposed to in line with the Bank's Strategy, Board of Directors' vision, Central Bank of Jordan's regulations as well as other related regulations, in order to mitigate the impact of potential sources of risks which could negatively affect its operations. Needless to mention that the risk management is independent from other activities in the Bank, reporting directly to the Risk Committee of the Board. The Risk Committee is responsible for the effective, efficient and independence of the risk management function in fulfilling its duties and responsibilities.

During 2017, HBTF continued to strengthen and reinforce its risk management practices for the bank through:

- Enhancing and proper implementation of various risk policies and methodologies in line with international standards and corporate governance to mitigate levels of risks and maintain them within the approved risk appetite.
- Improving the risk reporting framework for the group in line with best practices to enable efficient, accurate and timely reporting.
- In order to enhance the effectiveness of its internal control framework, the Bank increased its investment in risk management infrastructure, risk control systems, engagements with consultancy firms to maintain a consistent, efficient and proactive risk management.
- Updating the Bank's Control Risk Self- Assessment (CRSA) profiles and Key Risk Indicators in various business entities to mitigate risks and identify controls.
- In addition, the Bank established a Capital Management function in order to develop a well-controlled environment for the management of Capital Risk. This function will be responsible for the preparation of the detailed plan, gap analysis to assist in the move towards advanced approaches in accordance with Basel Committee's regulations.
- The Bank developed a set of Key Risk Indicators to provide an early warning signal of increasing risk exposures in various areas to the Bank.
- Developed stress testing and ICAAP mechanisms through the application of advanced measurement methodologies considering all types of risks.

The Bank also developed internally a Cyber and Information Security Function according to best practices and international standards to oversee the implementation of a prudent security measures and protect the delivery of information across the Bank and ensure confidentiality, integrity, availability of information resources. Furthermore, the Bank continued to renew its certificate of compliance with the requirements of the payment card industry data security standard (PCI – DSS) that provides protection and confidentiality to card holder data.

In addition to the Bank's ongoing 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.

In compliance with the new Accounting Standard(IFRS9) issued by the international Accounting Standard Board (ISAB), HBTF launched "IFRS9 project" early 2017, where most of the project phases were completed in coordination with a consultancy firm, including: Refinement of existing credit risk policies, Development of the Stage assessment framework, Models Validation and Optimization, and developed solution for estimating expected credit loss based on IFRS9 requirements.

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

The disclosure No. 40 in the financial statements in this report provides more information and particulars about the risk management.

Compliance

HBTF keeps to avoid any risks associated with non-compliance of laws and regulations issued by local and international regulatory bodies especially the Central Bank of Jordan.

HBTF deals with such risks through the continuous verifications of the availability of necessary policies and procedures to deal with all the regulatory bodies' requirements, Including periodical reviews and issuance of necessary reports and arrange the needed actions to enhance procedures to deal with all developments in Compliance, Anti-Money Laundering and Terrorist Financing and Sanctions.

It's worth to mention that during 2017, the board compliance committee was formed. The committee consists of three members of the board, the majority are independent members and one as observer member and the committee has the following duties:

- Oversee the efficiency, effectiveness and the independency of the Compliance Department and its different functions in evaluating the degree that the Bank manages its "compliance risks".
- Take the necessary measures to enhance the values of integrity and sound professional practice that makes the Compliance with laws, instructions and standards a fundamental objective that shall be accomplished.
- Oversee the follow up compliance with the Instructions of the regulatory bodies and exerting efforts within the Bank to establish effective bases in the field of Anti-Money Laundering and Terrorist Financing and Sanctions.

In the year 2017, it witnessed the development of the Risk Based Approach to combating Money Laundering and Terrorist Financing, that include a client's risk assessment, countries, geographical locations, products, services, processes and delivery channels, in addition to keep on the implementation of compliance tests, preparation of periodic reports that include the evaluation of "Compliance risks "and verification the client's data through over sighting the branches performance in the principles related to client's identification, monitoring the financial transactions performed on the client's accounts, studying alerts generated from the Anti-Money Laundering System and performing a periodical update on the names listed on the embargo lists.



HBTF continued its commitment on FATCA law requirements through extracting the necessary regulatory reports and continuous training for all employees and providing the required disclosures towards US clients for the Internal Revenue Service.

HBTF continued to enhance the compliance culture and Anti-Money Laundering through the following:

- Conducting an Anti-Money Laundering workshops and training sessions for various sectors at the bank.
- Issuing educational awareness brochures and issue circulars that increase the awareness for all employees.
- Updating the Bank's intranet and include all laws and regulations linked to compliance policy.

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/CorporateGovernanceManual.pdf>

Promotion, Marketing and Sale

During the year 2017, the Bank's marketing campaigns strengthened its efforts to reach all segments of Jordanian society. The Bank has adopted a promotional and marketing policy for new and existing products and services in order to motivate and encourage customers to benefit from them through the implementation of a large number of advertising campaigns via the various advertising media tools, audio and video, which have received great satisfaction from the Bank's existing and potential customers, including:

- Promotional campaign for Saving Accounts Prizes;
- Promotional campaign for Mustaqbaly Account;
- Promotional campaigns for Credit Cards and Direct Debit Cards;
- Promotional campaigns for personal loans, auto loans, investment services, and large corporate finance;
- Promotional campaigns for e-channels;
- Marketing campaigns for quick money transfers (Western Union);
- For the first time in the Jordanian banking sector, a promotional campaign for the product "Fixed Deposit Accounts with prizes".
- New sales and marketing campaign for payroll accounts.



In addition, during the year 2017, the Bank strengthened strategic marketing partnerships with multiple companies and institutions, through which it aims to communicate effectively and continuously with customers and the public and to keep them informed about all the services and products offered by the Bank.

During the year 2017, the Bank intensified its advertising and promotional campaigns on social networking portals, interacting with its customers and responding to their inquiries and observations.

The Bank's management sought to enhance the corporate image of the Bank through its presence in conferences and seminars which it participated in either through sponsorship or through the provision of research papers.

While the direct sales team continued to activate the sales effort by intensifying field visits and telephone communications with companies, institutions and individuals, thus enhancing the Bank's competitiveness in the Jordanian banking sector.

Information Technology

The Bank believes that the future of banking services is based on its ability to operate with sufficient flexibility and adopt proper skills required for digital transformation . During the year 2017, the Bank took great steps in this direction. This has contributed to the provision of comprehensive solutions that ensure the best services to its customers in a highly effective way, in addition enabling customers to carry out their various transactions faster and safer through the following initiatives:

- Making further improvements to e-channels services through "Iskan Online", "Iskan Mobile", Iskan SMS and ATMs. These improvements have reflected the efficiency of these channels, increasing the volume of banking transactions made through these channels.
- Supporting the government's direction to promote electronic payments through eFAWATEERcom, enabling customers to inquire & pay their bills . The Bank has used eFAWATEERcom platform to activate the e-commerce feature through direct debit on the Bank's customer accounts. This service has also been activated through the "Iskan Online" on the Bank's website (WWW.HBTF.COM). This service is also available through branches, ATMs and "Iskan Mobile".
- Enhancing the experience of ATMs that offer direct cash deposit service, devices operated with IRIS technology, as well as mobile devices that provide banking services to non-banking areas throughout the Kingdom.
- Launching customer segmentation system to serve them in the best way through the specialized service center for elite customers (EDGE), which also enhance the efficiency of internal operations.
- Improving infrastructure through the expansion of the centralized storage system at the Bank. As well as, the AIX based servers have also been upgraded and their operational capabilities were increased to fulfil future projects needs.



Social Responsibility

The Housing Bank is a leading national financial institution that, since its foundation, has paid special attention to social responsibility, achieving a qualitative leap that has emerged clearly and obviously in the comprehensiveness of the social, voluntary and charitable services it has embraced through initiative, partnership, sponsorship and support. In view of the Bank's belief that social responsibility is the most important national project that contributes to advancing development, the Bank has been keen to devote the spirit of solidarity among different segments of society in accordance with a clear and comprehensive strategy targeting key sectors including health, education, culture, youth and the environment. The Bank has issued a detailed CSR Report, which includes the Bank's most important activities and initiatives in this area.



The Strategic Plan of the Bank for 2018

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. These guidelines were imbedded in the following four main pillars:

Financial Pillar:

- Achieving sustainable growth in profits and shareholders' equity.
- Achieving growth in net interest income and gross income.
- 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 income, 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 Loans 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.

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.
- Increasing the Bank's activity in instant transfers.
- 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.
- Reviewing the Bank's corporate identity and evaluate its brand.
- Enhancing the positive social image of the Bank through the continuous enhancement of its active role in the field of CSR.
- Enhancing customers' satisfaction.
- Developing customers' segments and increasing profitable customers base.
- 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, and 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.
- Avoiding any significant risks, and manage risks efficiently and effectively, as well as complies with all governance regulations.
- 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.
- Raising the efficiency of project management process in the bank and accelerate the project life cycle in all stages.
- Improving business intelligence tools to provide reliable, consistent and easily accessible data and reports to support and improve decision making process in the Bank.
- 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, call center and the virtual branch... etc.
- 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.
- Rationalization of electricity consumption through the usage of alternative energy resources generated from solar energy.

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.
- Enhancing the effective role of human resources management in improving the quality level of service provided to customers through attracting, training and qualifying internal human capital.
- Providing the necessary training opportunities that suit the actual needs of staff and the nature of their work.
- 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.
- Revising rewards and incentives systems, with greater reliance on the criteria of objectives achievements and KPIs against which rewards and incentives are granted.
- Enhancing the concept of liability accountability in order to reduce risks that may harm the interests of the Bank as well as reduce the real customers' complaints.

Consolidated Financial Statements



Independent Auditor's Report



**To the Shareholders of the Housing Bank for Trade & Finance
Public Shareholding Company
Amman - Jordan**

Opinion

We have audited the financial statements of The Housing Bank for Trade and Finance (A Public Shareholding Company) "The Bank", which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of income, 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 the consolidated 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 Bank as of December 31, 2017, and its consolidated financial performance and its 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 Company 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 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.

Other Matter

The consolidated financial statements for the year ended December 31, 2016 were audited by Ernst & Young – Jordan as the sole auditor of the Bank for the year 2016. An unqualified opinion was issued on the consolidated financial statements for the year ended December 31, 2016 on January 26, 2017. Deloitte and Touche (Middle East) - Jordan and Ernst & Young – Jordan were appointed as joint auditors for the Bank for the year ended December 31, 2017 in accordance with the Central Bank of Jordan regulations for corporate governance

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 of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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.

<p>1. Impairment of credit facilities portfolio Impairment of the credit facilities portfolio is one of the most significant matters that affect the reported results of the Bank, in addition to being an area that requires a considerable amount of judgment for determining the impairment event and the measurement of impairment loss.</p> <p>Judgment is applied to the inputs of the measurement process of impairment including valuation of collateral. As at 31 December 2017, the gross direct credit facilities amounted to JD 4,489,400,787 against which an accumulated direct credit facilities allowance for impairment of JD 188,508,307 was recorded.</p>	<p>Scope of Audit to Address the Risk Our audit procedures included assessment of the appropriateness of provisioning methodologies and policies. We obtained the non-performing and watch list loans schedules, and samples were selected to test impairment, including collateral valuation, and assessment of the required provision based on the default date. We also selected a sample from the performing loans to determine whether management had identified all impairment events.</p> <p>Disclosures of impairment of credit facilities portfolio are detailed in Note 8 and Note 2 to the consolidated financial statements.</p>
<p>2. Suspension of interest on non-performing loans Interest is suspended after 90 days from the impairment event. Judgment is applied as to determining when the default date occurred which affects the amount of interest to be suspended.</p>	<p>Scope of Audit to Address the Risk Our audit procedures included selecting a sample from the schedules of non-performing loans and interest in suspense; testing suspended interest including its recalculation in accordance with CBJ regulations; and assessing the criteria used by management for determining the impairment event.</p> <p>Disclosures of interest in suspense are detailed in Note 8 to the consolidated financial statements.</p>
<p>3. Valuation of financial assets at fair value The valuation of financial assets at fair value in unquoted equities is a complex area that requires the use of models and forecasting of future cash flows to determine the fair value of the investments. As at 31 December 2017, the unquoted financial assets amounted to JD 15,765,476.</p>	<p>Scope of Audit to Address the Risk Our audit procedures included an assessment of the methodology and appropriateness of the valuation models and inputs used to value unquoted financial assets. We assessed the reasonableness of key inputs used in the valuation such as expected cash flows and discount rate by benchmarking them with external data.</p> <p>Disclosures of financial assets through profit or loss are detailed in Note 7 to the consolidated financial statements.</p>

Other information included in the Bank's 2017 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2017 annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information, and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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 the 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 Bank'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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Bank 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 and appropriate audit evidence regarding the consolidated 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 implementation 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 Bank maintains proper books of accounts which are in agreement with the consolidated financial statements.

Explanatory Paragraph

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

Amman – Jordan
February 1, 2018

Deloitte and Touche (Middle East) – Jordan



Ernst & Young
Ernst & Young – Jordan

Consolidated Statement of Financial Position As of 31 December 2017

	Notes	2017	2016
		JD	JD
Assets			
Cash and balances at central banks	4	1,249,146,768	1,052,501,966
Balances at banks and financial institutions	5	494,547,239	549,833,560
Deposits at banks and financial institutions	6	38,122,776	22,795,894
Financial assets at fair value through profit or loss	7	21,399,878	21,957,719
Direct credit facilities - net	8	4,208,383,422	4,042,066,469
Financial assets at fair value through other comprehensive income	9	1,983,995	580,524
Financial assets at amortized cost- net	10	1,781,141,993	1,791,900,701
Property and equipment- net	11	179,559,351	168,524,627
Intangible assets- net	12	25,083,022	24,351,994
Deferred tax assets	19	38,384,838	40,738,707
Other assets	13	103,186,885	104,973,034
Total Assets		8,140,940,167	7,820,225,195
Liabilities and Equity			
Liabilities			
Banks and financial institutions deposits	14	541,721,932	493,163,142
Customers' deposits	15	5,828,132,571	5,647,527,093
Margin accounts	16	266,606,789	328,901,283
Loans and Borrowings	17	114,136,785	38,338,502
Sundry provisions	18	55,284,690	56,024,369
Income tax liability	19	50,509,319	57,000,430
Deferred tax liabilities	19	2,185,858	2,056,712
Other liabilities	20	166,131,862	137,163,122
Total Liabilities		7,024,709,806	6,760,174,653
Equity			
Equity Attributable to the Bank's Shareholders			
Paid-in capital	21	315,000,000	252,000,000
Share premium	21	328,147,537	357,925,469
Statutory reserve	22	206,742,971	189,054,310
Voluntary reserve	22	-	33,222,068
General banking risks reserve	22	37,608,684	36,101,000
Special reserve	22	8,807,007	7,752,032
Foreign currency translation reserve	23	(106,641,415)	(110,715,554)
Revaluation reserve for financial assets- net	24	(109,459)	(344,677)
Retained earnings	25	273,604,841	247,953,497
Total Equity Attributable to the Bank's Shareholders		1,063,160,166	1,012,948,145
Non – Controlling Interests		53,070,195	47,102,397
Total Equity		1,116,230,361	1,060,050,542
Total Liabilities and Equity		8,140,940,167	7,820,225,195

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



Consolidated Statement of Income For the year ended 31 December 2017

	Notes	2017	2016
		JD	JD
Interest income	27	379,106,993	361,758,831
Interest expense	28	(109,993,008)	(91,839,894)
Net Interest Income		269,113,985	269,918,937
Net commission income	29	22,569,539	25,160,981
Net Interest and Commission Income		291,683,524	295,079,918
Net gain from foreign currency exchange	30	751,411	20,720,472
(Loss) from financial assets at fair value through profit or loss	31	(297,676)	(468,179)
Other income	32	33,906,207	49,304,210
Gross Income		326,043,466	364,636,421
Employees expenses	33	75,816,419	74,955,250
Depreciation and amortization	11,12	15,439,485	15,628,444
Other expenses	34	52,729,705	52,165,231
Impairment loss on direct credit facilities	8	308,256	12,875,272
Allowance for impairment loss of amortized cost	10	562,132	900,000
Sundry provisions	18	1,174,773	17,776,093
Total Expenses		146,030,770	174,300,290
Profit before income tax		180,012,696	190,336,131
Income tax expense	19	(54,808,429)	(59,323,518)
Profit for the year		125,204,267	131,012,613
Attributable to:			
Bank's Shareholders		121,868,089	123,787,093
Non-Controlling Interests		3,336,178	7,225,520
		125,204,267	131,012,613
Basic and diluted earnings per share attributable to the Bank's shareholders	35	JD 0.387	JD 0.393

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 2017

	2017	2016
	JD	JD
Profit for the year	125,204,267	131,012,613
Add: Other comprehensive income items that will be reclassified subsequently to statement of income		
Foreign currency translation adjustments	7,386,602	(28,826,079)
Add: Other comprehensive income items that will not be reclassified subsequently to statement of income		
Change in fair value reserve - net after tax	235,218	4,335
Total Other comprehensive income (loss) for the year	7,621,820	(28,821,744)
Total comprehensive income for the year	132,826,087	102,190,869
Attributable to:		
Bank's shareholders	126,177,446	102,948,041
Non-controlling interests	6,648,641	(757,172)
	132,826,087	102,190,869

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 2017

	Paid-in Capital	Share Premium	Reserves				Foreign Currency Translation Reserve	Revaluation Reserve for Financial Assets	Retained Earnings	Total	Non-Controlling Interests	Total Equity
			Statutory	Voluntary	Special	General Banking Risks						
2017	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balance beginning of the year	252,000,000	357,925,469	189,054,310	33,222,068	7,752,032	36,101,000	(110,715,554)	(344,677)	247,953,497	1,012,948,145	47,102,397	1,060,050,542
Income for the year	-	-	-	-	-	-	-	121,868,089	121,868,089	3,336,178	125,204,267	
Other comprehensive income for the year	-	-	-	-	-	-	4,074,139	235,218	-	4,309,357	3,312,463	7,621,820
Total comprehensive income for the year	-	-	-	-	-	-	4,074,139	235,218	121,868,089	126,177,446	6,648,641	132,826,087
Increase in capital	63,000,000	(29,777,932)	-	(33,222,068)	-	-	-	-	-	-	-	-
Paid in capital	-	-	-	-	-	-	-	(365,425)	(365,425)	-	-	(365,425)
Transfer to / from reserves	-	-	17,688,661	-	1,054,975	1,507,684	-	(20,251,320)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(75,600,000)	(75,600,000)	(680,843)	(76,280,843)	
Balance - End of the Year	315,000,000	328,147,537	206,742,971	-	8,807,007	37,608,684	(106,641,415)	(109,459)	273,604,841	1,063,160,166	53,070,195	1,116,230,361
2016												
Balance beginning of the year	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
Income for the year	-	-	-	-	-	-	-	123,787,093	123,787,093	7,225,520	131,012,613	
Other Comprehensive income for the year	-	-	-	-	-	-	(20,843,387)	4,335	-	(20,839,052)	(7,982,692)	(28,821,744)
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)	
Balance - End of the Year	252,000,000	357,925,469	189,054,310	33,222,068	7,752,032	36,101,000	(110,715,554)	(344,677)	247,953,497	1,012,948,145	47,102,397	1,060,050,542

- The general banking risks reserve and the special reserve are restricted reserves that cannot be utilized without the approval of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD 6,455,941 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 247,353 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 through sale transaction.
- The Bank cannot use a restricted amount of JD 38,384,838 from the retained earnings, which represents deferred taxes and the amount of JD 109,459 which 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 14,275,651 from the retained earnings, which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria during this year and prior years.
- The distributable profit amounted to JD 181,740,283 as of 31 December 2017.

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 2017

	Notes	2017	2016
		JD	JD
Operating Activities			
Profit before income tax		180,012,696	190,336,131
Adjustments for non - cash items:			
Depreciation and amortization		15,439,485	15,628,444
Impairment loss on direct credit facilities		308,256	12,875,272
Unrealized losses on financial assets at fair value through profit or loss		568,800	648,647
End-of-service indemnity expense		3,542,869	3,821,582
Premium and discount amortization		537,485	952,161
Net accrued interest and commission income		6,727,814	1,318,605
Effect of change in exchange rates on cash and cash equivalents		812,778	(19,334,876)
Others		1,884,007	19,132,316
Cash Flows from Operating Activities before Changes in Assets and Liabilities		209,834,190	225,378,282
Decrease (Increase) in Assets			
Deposits with central banks (maturing after more than 3 months)		-	56,600,000
Deposits with banks and financial institutions (maturing after more than 3 months)		(15,326,882)	1,828,695
Direct credit facilities		(169,765,897)	(549,379,178)
Financial assets at fair value through profit or loss		(10,959)	(383,750)
Other assets		(817,959)	(13,428,865)
Increase (Decrease) in Liabilities			
Banks and financial institutions deposits (maturing after more than 3 months)		5,448,619	(47,196,936)
Customers' deposits		180,605,478	(162,226,770)
Margin accounts		(62,294,494)	49,792,796
Other liabilities		23,485,356	9,319,845
Miscellaneous provisions		(6,981,067)	(5,632,925)
Net Cash Flows from (used in) Operating Activities before Income Tax Paid		164,176,385	(435,328,806)
Income tax paid		(58,901,137)	(51,345,650)
Net Cash Flows from (used in) Operating Activities		105,275,248	(486,674,456)
Investing Activities			
(Purchase) of financial assets through other comprehensive income		(1,168,253)	-
(Purchase) of financial assets at amortized cost		(554,777,485)	(657,077,207)
Maturity of financial assets at amortized cost		564,436,576	1,228,952,417
(Purchase) of property and equipment - net		(22,272,126)	(26,532,350)
Sale of property and equipment - net		1,850,637	3,554,702
(Purchase) of intangible assets		(5,504,093)	(3,734,647)
Net Cash Flows from (used in) Investing Activities		(17,434,744)	545,162,915
Financing Activities			
Repayment of borrowed fund		(18,908,106)	(15,037,980)
Proceed from borrowed fund		94,706,389	22,346,007
Dividends paid		(75,553,698)	(80,568,933)
Non-controlling interests - net		(680,843)	(738,435)
Net Cash Flows (used in) Financing Activities		(436,258)	(73,999,341)
Net Increase (Decrease) in Cash and Cash Equivalents		87,404,246	(15,510,882)
Effect of change in exchange rate on cash and cash equivalents		10,844,064	(23,265,154)
Cash and cash equivalents - beginning of the year		1,172,957,113	1,211,733,149
Cash and Cash Equivalents - End of the Year	36	1,271,205,423	1,172,957,113

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 2017

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 (16 branches) and through its subsidiaries in Jordan, Syria, Algeria, and the United Kingdom.

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.(1/2018) dated in 25 January 2018. 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.
- 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 2016 except the following starting from 1 January 2017:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Bank's consolidated financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Bank's consolidated financial statements.

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%). 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, the main objective of the bank is to conduct banking activities.

B. Local subsidiaries

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5%). 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. 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. 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 policies 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 in a separate item.

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.
- Pricing models.
- 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 recorded in 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:

	31 December	
	2017	2016
	JD	JD
Cash in treasury	161,142,524	140,110,223

Balances at central banks:

Current accounts and demand deposits	643,733,787	270,739,706
Term and notice deposits	36,124,920	22,477,707
Statutory cash reserve	325,145,537	310,974,330
Certificates of deposit *	83,000,000	308,200,000
Total	1,249,146,768	1,052,501,966

- 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 2017 & 31 December 2016.

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,	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	18,209,125	27,151,923	124,511,381	147,169,208	142,720,506	174,321,131
Deposits maturing within or less than 3 months	69,583,626	65,012,349	282,243,107	310,500,080	351,826,733	375,512,429
Total	87,792,751	92,164,272	406,754,488	457,669,288	494,547,239	549,833,560

- Non-interest bearing balances at banks and financial institutions amounted to JD 29,313,836 as of 31 December 2017 (JD 53,374,553 as of 31 December 2016).

- No restricted balances as of 31 December 2017 and 2016.

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,	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD

Deposits Maturing

3 to 6 months	5,000,000	5,000,000	2,059,246	5,401,679	7,059,246	10,401,679
6 to 9 months	15,000,000	10,000,000	7,128,087	-	22,128,087	10,000,000
9 to 12 months	-	-	8,935,443	1,898,106	8,935,443	1,898,106
More than 1 year	-	-	-	496,109	-	496,109
Total	20,000,000	15,000,000	18,122,776	7,795,894	38,122,776	22,795,894

- There are no restricted deposits as of 31 December 2017 and 2016.

7- Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Quoted Financial Assets:		
Listed corporate shares	5,393,714	4,527,926
Total Quoted Financial Assets	5,393,714	4,527,926
Unquoted Financial Assets :		
Government gurentee bonds	240,688	503,384
Non – listed corporate shares	15,765,476	16,926,409
Total Unquoted Financial Assets	16,006,164	17,429,793
Total	21,399,878	21,957,719
Analysis of debt instruments :		
Fixed rate return	240,688	503,384
Total	240,688	503,384



8- Direct Credit Facilities – Net

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Retail Customers :		
Overdrafts	11,758,289	8,527,129
Loans and discounted bills *	730,149,153	669,602,931
Credit cards	13,503,865	11,687,075
Real Estate Mortgages	1,205,968,385	1,135,348,105
Includes:		
Housing loans	801,919,874	758,115,858
Corporate entities:		
Corporate Customers		
Overdrafts	346,372,366	224,457,298
Loans and discounted bills *	979,023,122	1,009,572,377
SMEs		
Overdraft	64,278,611	123,598,130
Loans and discounted bills *	294,662,054	224,597,326
Governmental and public sector	843,684,942	905,544,852
Total	4,489,400,787	4,312,935,223
<u>Less:</u> Allowance for impairment in direct credit facilities	(188,508,307)	(187,398,643)
Suspended interest	(92,509,058)	(83,470,111)
Net Direct Credit Facilities	4,208,383,422	4,042,066,469

* Net of interest and commission received in advance amounting to JD 32,255,014 as of 31 December 2017 (JD 20,481,628 as of 31 December 2016).

- Non-performing credit facilities amounted to JD 268,232,853 representing (5.97%) of total direct credit facilities as of 31 December 2017 (JD 238,448,286 representing (5.53%) as of 31 December 2016).
- Non-performing credit facilities net of interest in suspense amounted to JD 177,000,360 representing (4.02%) of total direct credit facilities net of interest in suspense as of 31 December 2017 (JD 156,165,690 representing (3.69%) as of 31 December 2016).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 665,694,006 representing (14.83%) of total direct credit facilities as of 31 December 2017 (JD 730,764,700 representing (16.94%) as of 31 December 2016).
- Non-Performing credit facilities transferred off-statement of financial position amounted to JD 1.1 million during the year 2017 compared to JD 22 million during the year 2016. The balance of credit facilities recorded off-statement of financial position amounted to JD 296 million as of December 31, 2017 compared to JD 318 million as of December 31, 2016. These loans are fully covered by provisions and interest in suspense.

Allowance for impairment in direct credit facilities

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

2017	Retail	Real Estate Mortgages	Corporate entities		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
Balance – beginning of the year	17,878,402	12,847,334	130,725,526	25,947,381	187,398,643
Allowance for the year	2,773,927	2,686,415	(7,845,862)	2,693,776	308,256
(Amounts written off)	(222,763)	(18,081)	(50,668)	(541,857)	(833,369)
Currency translation	41,680	12,565	1,310,956	269,576	1,634,777
Balance – End of the Year	20,471,246	15,528,233	124,139,952	28,368,876	188,508,307
Allowance for impairment	19,167,239	14,582,348	121,457,036	28,206,866	183,413,489
Watch list allowance	1,304,007	945,885	2,682,916	162,010	5,094,818
	20,471,246	15,528,233	124,139,952	28,368,876	188,508,307
2016					
Balance – beginning of the year	16,689,360	12,467,972	144,279,565	23,626,467	197,063,364
Allowance for the year	1,429,010	441,936	7,360,992	3,643,334	12,875,272
(Amounts written off)	(84,912)	(10,994)	(14,281,070)	(108,520)	(14,485,496)
Currency translation	(155,056)	(51,580)	(6,633,961)	(1,213,900)	(8,054,497)
Balance – End of the Year	17,878,402	12,847,334	130,725,526	25,947,381	187,398,643
Allowance for impairment	16,711,115	12,213,185	124,056,010	25,670,256	178,650,566
Watch list allowance	1,167,287	634,149	6,669,516	277,125	8,748,077
	17,878,402	12,847,334	130,725,526	25,947,381	187,398,643

- The surplus in allowance which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 16,179,771 as of 31 December 2017 (JD 16,847,912 as of 31 December 2016).



Interest in suspense

The movement on the interest in suspense is as follows:

2017	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
Balance – beginning of the year	12,827,327	12,250,070	43,611,087	14,781,627	83,470,111
Add: Suspended interest during the year	2,830,141	4,123,218	4,679,709	9,478,279	21,111,347
Less: Interest transferred to income	(1,659,420)	(2,294,415)	(2,848,452)	(3,434,214)	(10,236,501)
Interest in suspense written off	(329,830)	(68,627)	(2,120,792)	(822,561)	(3,341,810)
Currency translation	(342)	11,537	1,416,230	78,486	1,505,911
Balance – End of the Year	13,667,876	14,021,783	44,737,782	20,081,617	92,509,058
2016					
Balance – beginning of the year	11,503,121	11,256,585	49,250,880	13,421,639	85,432,225
Add: Suspended interest during the year	2,811,781	3,367,371	12,512,738	4,724,572	23,416,462
Less: Interest transferred to income	(1,075,701)	(1,706,065)	(6,480,964)	(2,671,222)	(11,933,952)
Interest in suspense written off	(398,171)	(657,584)	(9,345,215)	(209,878)	(10,610,848)
Currency translation	(13,703)	(10,237)	(2,326,352)	(483,484)	(2,833,776)
Balance – End of the Year	12,827,327	12,250,070	43,611,087	14,781,627	83,470,111

9- Financial Assets at Fair Value Through Other Comprehensive Income

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Unquoted shares	1,983,995	580,524
Total	1,983,995	580,524

10- Financial Assets at Amortized Cost

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Quoted Financial Assets:		
Treasury bonds	1,106,490,756	1,231,180,272
Governmental guaranteed bonds and bills	351,452,429	310,143,435
Foreign governmental bonds	106,332,962	110,670,897
Corporate bonds and debentures	216,450,477	137,156,097
Allowance for impairment loss	(1,957,132)	-
Total Quoted Financial Assets	1,778,769,492	1,789,150,701
Unquoted Financial Assets :		
Corporate bonds and debentures	6,650,001	8,422,500
Allowance for impairment loss	(4,277,500)	(5,672,500)
Total Unquoted Financial Assets	2,372,501	2,750,000
Total	1,781,141,993	1,791,900,701
Analysis of debt instruments :		
Fixed rate return	1,741,961,867	1,749,096,217
Variable rate return	39,180,126	42,804,484
Total	1,781,141,993	1,791,900,701

- The bonds mature on several batches in which the last mature in 2050.
- The bonds average annual interest rate range between 1% to 8.15% per year.

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

	31 December	31 December
	2017	2016
	JD	JD
Balance – beginning of the year	5,672,500	4,772,500
Additions	2,334,632	900,000
Disposals	(1,772,500)	-
Balance – end of the year	6,234,632	5,672,500



11- Property and Equipment - net

This item consists of the following:

2017	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Total
	JD	JD	JD	JD	JD	JD
Cost:						
Balance – beginning of the year	27,492,183	26,411,384	88,502,678	2,799,592	38,066,091	183,271,928
Additions	-	3,432,875	5,516,730	312,486	2,724,282	11,986,373
Disposals	(846,191)	(56,486)	(1,894,701)	(281,128)	(481,640)	(3,560,146)
Foreign currency exchange differences	28,041	412,898	67,762	2,690	58,612	570,003
Balance – end of the year	26,674,033	30,200,671	92,192,469	2,833,640	40,367,345	192,268,158
Accumulated Depreciation :						
Balance- beginning of the year	-	7,374,306	67,933,534	1,738,886	30,912,519	107,959,245
Annual depreciation	-	656,328	6,579,477	350,222	3,080,394	10,666,421
Disposals	-	(56,486)	(1,766,284)	(281,125)	(451,257)	(2,555,152)
Foreign currency exchange differences	-	39,361	52,813	2,714	41,102	135,990
Balance – end of the year	-	8,013,509	72,799,540	1,810,697	33,582,758	116,206,504
Net book value of property and equipment	26,674,033	22,187,162	19,392,929	1,022,943	6,784,587	76,061,654
Payments on purchased property and equipment	-	-	7,297,811	-	-	7,297,811
Projects under construction	-	96,113,941	85,945	-	-	96,199,886
Net Book Value – end of the year	26,674,033	118,301,103	26,776,685	1,022,943	6,784,587	179,559,351
2016						
Cost:						
Balance – beginning of the year	27,306,116	25,408,831	84,850,322	2,089,955	37,437,837	177,093,061
Additions	331,000	2,479,256	8,779,028	895,429	3,332,931	15,817,644
Disposals	-	(105,812)	(4,505,917)	(163,134)	(2,491,542)	(7,266,405)
Foreign currency exchange differences	(144,933)	(1,370,891)	(620,755)	(22,658)	(213,135)	(2,372,372)
Balance – end of the year	27,492,183	26,411,384	88,502,678	2,799,592	38,066,091	183,271,928
Accumulated Depreciation :						
Balance- beginning of the year	-	7,112,595	63,406,351	1,529,580	28,968,908	101,017,434
Annual depreciation	-	556,053	6,846,696	321,406	3,717,887	11,442,042
Disposals	-	(33,618)	(2,034,175)	(91,115)	(1,623,084)	(3,781,992)
Foreign currency exchange differences	-	(260,724)	(285,338)	(20,985)	(151,192)	(718,239)
Balance – end of the year	-	7,374,306	67,933,534	1,738,886	30,912,519	107,959,245
Net book value of property and equipment	27,492,183	19,037,078	20,569,144	1,060,706	7,153,572	75,312,683
Payments on purchased property and equipment	-	-	2,026,365	-	73,989	2,100,354
Projects under construction	-	91,064,784	46,806	-	-	91,111,590
Net Book Value – end of the year	27,492,183	110,101,862	22,642,315	1,060,706	7,227,561	168,524,627

- Property and equipment include fully depreciated assets amounted to JD 59,913,549 as of 31 December 2017 (JD 49,789,780 as of 31 December 2016).
- 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:

	31 December 2017				31 December 2016			
	Goodwill	Computer Software	Other *	Total	Goodwill	Computer Software	Other *	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Beginning Balance	358,397	18,788,436	5,205,161	24,351,994	358,397	19,240,191	5,205,161	24,803,749
Additions **	-	5,504,092	-	5,504,092	-	3,734,647	-	3,734,647
Amortization for the year	-	(4,773,064)	-	(4,773,064)	-	(4,186,402)	-	(4,186,402)
Ending Balance	358,397	19,519,464	5,205,161	25,083,022	358,397	18,788,436	5,205,161	24,351,994

* 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 2017.

** The additions on computer software amounts to JD 5,504,092 as of 31 December 2017 (JD 3,734,647 as of 31 December 2016), representing payments on account for purchase of computer software.

13- Other Assets

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Accrued revenues and interest	20,265,648	21,556,380
Prepaid expenses	5,248,986	5,071,901
Assets seized by the Bank *	43,310,629	31,755,660
Assets seized by the Bank with customer right to recover **	1,316,893	6,950,568
Cheques under collection	19,217,404	30,219,583
Other	13,827,325	9,418,942
Total	103,186,885	104,973,034

* 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:

	2017	2016
	JD	JD
Beginning Balance	38,706,228	35,091,870
Additions	19,510,852	12,198,317
Disposals	(12,596,814)	(7,576,891)
Impairment	(992,744)	(1,007,068)
Ending Balance	44,627,522	38,706,228

14- Banks and Financial Institutions Deposits

This item consists of the following:

	31 December 2017			31 December 2016		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	12,667,299	58,114,965	70,782,264	11,368,592	94,068,442	105,437,034
Deposits due within 3 months	73,174,217	328,532,103	401,706,320	85,035,205	238,906,174	323,941,379
Deposits due within 3- 6months	26,713,847	3,900,000	30,613,847	31,330,468	-	31,330,468
Deposits due within 6 - 9 months	33,099,414	-	33,099,414	15,000,000	-	15,000,000
Deposits due within 9 - 12 months	5,520,087	-	5,520,087	-	-	-
More than one year	-	-	-	8,772,561	8,681,700	17,454,261
Total	151,174,864	390,547,068	541,721,932	151,506,826	341,656,316	493,163,142

15- Customers' Deposits

This item consists of the following:

31 December 2017	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	709,275,428	153,966,986	316,924,242	58,114,838	1,238,281,494
Saving deposits	2,129,974,849	487,888	11,122,794	638,333	2,142,223,864
Time and notice deposits	1,346,997,504	380,732,674	73,987,939	432,801,907	2,234,520,024
Certificates of deposit	211,845,295	-	830,925	-	212,676,220
Others	430,969	-	-	-	430,969
Total	4,398,524,045	535,187,548	402,865,900	491,555,078	5,828,132,571
31 December 2016					
Current accounts and demand deposits	766,725,957	141,544,329	368,067,193	170,738,799	1,447,076,278
Saving deposits	1,956,705,148	1,106,415	13,850,420	974,644	1,972,636,627
Time and notice deposits	1,401,268,206	361,580,765	90,271,532	232,060,347	2,085,180,850
Certificates of deposit	142,097,664	-	95,940	-	142,193,604
Others	439,734	-	-	-	439,734
Total	4,267,236,709	504,231,509	472,285,085	403,773,790	5,647,527,093

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 486 million, representing (8.3%) of total deposits as of 31 December 2017 (JD 389 million, representing (6.9%) of total deposits as of 31 December 2016).
- Non-interest bearing deposits amounted to JD 1,69 billion, representing (29%) of total deposits as of 31 December 2017 (JD 1.75 billion, representing (31%) of total deposits as of 31 December 2016).
- Restricted deposits amounted to JD102 million, representing (1.75%) of total deposits as of 31 December 2017 (JD 104.2 million, representing (1.85%) of total deposits as of 31 December 2016).
- Dormant accounts amounted to JD 265.7 million, representing (4.6%) of total deposits as of 31 December 2017 (JD 246.2 million, representing (4.4%) of total deposits as of 31 December 2016).

16- Margin Accounts

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Margins against direct credit facilities	109,839,072	231,783,642
Margins against indirect credit facilities	153,366,169	93,663,442
Margin dealings	1,559,643	2,300,584
Other margins	1,841,905	1,153,615
Total	266,606,789	328,901,283



17- Loans and Borrowing

This item consists of the following:

31 December 2017	Amount JD	Periodic Repayment	Repayment date	Guarantee	Borrowing interest rate	Re- lending interest rate
Audi Bank loan	4,908,976	Monthly	31/05/2018	Financial solvency	4.50%	10.30 %
Audi Bank loan	4,000,000	Monthly	31/05/2018	Financial solvency	6.24%	10.30 %
Society General Bank loan	4,994,838	Monthly	31/05/2018	Financial solvency	4.48%	10.30 %
Amman Cairo Bank	14,992,112	monthly	31/05/2018	Financial solvency	4.25%	10.30 %
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	05/05/2018	Financial solvency	4.75%	10.30 %
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	09/08/2018	Financial solvency	5.00%	10.30 %
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	24/09/2019	Financial solvency	5.50%	10.30 %
Central Bank of Jordan	7,000,000	Semi annual	14/07/2028	Financial solvency	3.26%	Guaranteed %6.76 without gurantee %7.26
Central Bank of Jordan	3,974,875	Semi annual	07/02/2031	Financial solvency	3.31%	Guaranteed %6.31 without gurantee %7.31
Central Bank of Jordan	3,255,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without gurantee %6.5
Central Bank of Jordan	4,598,526	Instalment 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%
Real Estate Mortgage Re-fund Co.*	50,000,000	Semi annual	29/05/2019	Mortgage	5.05%	7%-9.5%
Central Bank of Jordan	1,412,458	Semi annual	21/12/2039	Financial solvency	3.00%	Guaranteed %6.50 without gurantee %7.50

114,136,785

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%	-
Jordan Commercial Bank	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 gurantee %7.05
Central Bank of Jordan	3,000,000	Semi annual	07/02/2031	Financial solvency	3.08%	Guaranteed %6.10 without gurantee %7.05
Central Bank of Jordan	3,500,000	Semi annual	29/02/2024	Financial solvency	2.5%	Guaranteed %6 without gurantee %6.5
Central Bank of Jordan	3,562,209	Instalment 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%
	38,338,502					

* Funds have been reborrowed for the purposes of housing loans at an interest rate of 7%-9.5% reborrowed fund amounted to JD 50,000,000.

- Re-borrowed funds from Central Bank of Jordan maturity date is ranging from 1 May 2014 to 1 September 2028.
- Borrowed funds with a fixed interest rate amounted to JD 98,563,384. And borrowed funds with variable interest rate amounted to JD 15,573,401 as 31 December 2017.
- Borrowed funds during 2017 amounted JD 94,706,389. And settled borrowed funds amounted JD 18,908,106.

18- Sundry Provisions

This item consists of the following:

2017	Beginning Balance	Net 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	26,182,581	3,542,869	(3,263,804)	-	-	26,461,646
Provision for outstanding lawsuits against the Bank	520,677	791,393	(36,441)	-	2,653	1,278,282
Other provisions	29,321,111	383,380	(3,680,822)	-	1,521,093	27,544,762
Total	56,024,369	4,717,642	(6,981,067)	-	1,253,746	55,284,690
2016						
Provision for end-of-service indemnity	24,791,314	3,821,582	(2,430,315)	-	-	26,182,581
Provision for outstanding lawsuits against the Bank	346,762	180,882	(4,442)	-	(2,525)	520,677
Other provisions	19,110,347	17,595,211	(3,198,168)	-	(4,186,279)	29,321,111
Total	44,248,423	21,597,675	(5,632,925)	-	(4,188,804)	56,024,369

19- Income Tax

A- Current Tax Liability

The movement on the Current tax liability is as follows:

	31 December	31 December
	2017	2016
	JD	JD
Beginning balance	57,000,430	45,101,562
Income tax paid	(58,901,137)	(51,345,650)
Income tax for the year	52,370,207	63,650,343
Currency translation	39,819	(405,825)
Ending Balance	50,509,319	57,000,430

- Income tax for Jordan branches of the Bank was paid up to the year 2014 and the Bank has paid advance payments on the income tax for the year 2015, 2016 and 2017.
- Income tax for Palestine branches was paid up to the year 2017. The Bank reach a final settlement with the Income Tax Department for the years except for the year 2017.
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2016.
- Income tax for the Housing Bank for Trade & Finance /Algeria was paid up to the year 2016.
- Income tax for Jordan International Bank/ London was paid up to the year 2016.
- Income tax for local International Financial Center was paid up to the year 2016. and a final settlement was reached up to the year 2016.
- Income tax for the Specialized Financial Leasing Company was paid until the year 2016, and a final settlement was reached up to the year 2016.



Income tax in the consolidated income statement represents the following:

	2017	2016
	JD	JD
Current year income tax	52,370,207	63,650,343
Deferred tax assets for the year	(2,946,725)	(5,779,117)
Amortization of deferred tax assets	5,255,801	1,452,292
Deferred tax liabilities for the year	129,146	-
	54,808,429	59,323,518

B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

	2017					2016
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Assets						
Suspended interest	886,085	309,399	-	576,686	191,028	293,516
Allowance for loans	69,259,309	8,983,337	-	60,275,972	19,966,446	22,942,180
Provision for indemnities	22,723,352	2,782,733	2,891,753	22,832,372	7,563,235	7,527,122
Impairment of real estate	2,063,099	-	992,744	3,055,843	1,012,250	683,403
Other provisions	8,693,332	-	2,226,483	10,919,815	3,617,194	2,879,671
Other assets	12,815,387	3,791,613	3,604,560	12,628,334	3,908,491	4,241,619
Recurring losses from International Bank/London	10,855,982	-	189,180	11,045,162	2,126,194	2,171,196
TOTAL	127,296,546	15,867,082	9,904,720	121,334,184	38,384,838	40,738,707
Liabilities						
Revaluation of financial assets	6,208,932	-	389,871	6,598,803	2,185,858	2,056,712
TOTAL	6,208,932	-	389,871	6,598,803	2,185,858	2,056,712

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

	2017		2016	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Beginning balance	40,738,707	2,056,712	36,856,464	2,056,712
Additions	2,946,725	129,146	5,779,117	-
Releases	(5,255,801)	-	(1,452,292)	-
Currency Translation	(44,793)	-	(444,582)	-
Ending Balance	38,384,838	2,185,858	40,738,707	2,056,712

C- Reconciliation of the accounting profit with taxable profit:

	31 December	31 December
	2017	2016
	JD	JD
Accounting profit for the year	180,012,696	190,336,131
Non taxable income	(43,826,957)	(36,567,485)
Non deductible expenses for tax purposes	(1,907,891)	28,658,021
Taxable Profit	134,277,848	182,426,667
Effective income tax rate	30.45%	31.17%

- 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 19.25% and 35%.

20- Other Liabilities

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Accrued interest	17,665,502	12,199,312
Interests and commissions received in advance	560,978	589,880
Accrued expenses	18,328,048	20,302,523
Certified cheques	27,506,819	35,965,089
Transfers deposits	27,096,367	25,391,351
Payment trusts	3,151,106	3,051,823
Prizes trusts	1,544,723	1,932,457
Correspondent banks trusts	157,852	165,533
General management trusts	2,380,945	1,944,814
Dividends payable *	452,053	405,751
Accounts payable	2,167,966	2,306,159
Other deposits **	54,278,229	21,201,963
Others	10,841,274	11,706,467
Total	166,131,862	137,163,122

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

** Customers deposits to cover the imported finished goods in accordance with the instruction of the central bank of Algeria.



21- Paid-in Capital and Share Premium

Paid-in capital

Authorized and paid in capital amounted to JD 315 million divided into 315 million shares at a par value of JD 1 per share.

The shareholders General Assembly approved in its unusual meeting held in 23 April 2017 on the Board of Directors of the Bank recommendation to increase the paid in capital by distributing 25% of the paid in capital as free shares, through capitalizing voluntary reserves which amounts of JD 33,222,068 as of 31 December 2016, and a portion of share premium amounting to JD 29,777,932. In which the paid in capital becomes 315 million share after the increase at a par value of JD 1 per share, the increase in capital procedures have been completed by the companies control department on 2 May 2017.

Share premium

Share premium amounted to JD 328,147,537 as of 31 December 2017 (JD 357,925,466 as of 31 December 2016).

22- Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at a rate of 10% during previous years. 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	31	31	Regulation
	December	December	
	2017	2016	
	JD	JD	
General banking risk reserves	37,608,684	36,101,000	According to the regulations of the Central Bank of Jordan
Statutory reserve	206,742,971	189,054,310	According to the regulatory authorities regulations
Special reserve	8,807,007	7,752,032	According to the applicable laws and regulations
Voluntary reserve	-	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:

	31 December	31 December
	2017	2016
	JD	JD
Beginning balance	(110,715,554)	(89,872,167)
Net changes during the year	4,074,139	(20,843,387)
Ending Balance	(106,641,415)	(110,715,554)

24- Revaluation Reserve for Financial Assets

The movement on this items is as follows:

	31 December	31 December
	2017	2016
	JD	JD
Beginning balance	(344,677)	(349,012)
Unrealized gain (losses)	235,218	4,335
Ending Balance	(109,459)	(344,677)

25- Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 20% equivalent to JD 63 million of paid-in capital subject to the approval of the General Assembly of Shareholders (30% for the prior year).

Retained earnings attributable to the Bank's shareholders:

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Beginning balance	247,953,497	225,919,340
Profit for the year	121,868,089	123,787,093
Transferred to reserves	(20,251,320)	(20,955,971)
Dividends paid	(75,600,000)	(80,640,000)
Cost of increasing the paid-up capital	(365,425)	-
Others	-	(156,965)
Ending Balance	273,604,841	247,953,497

- The shareholders General Assembly agreed on its ordinary meeting dated on 23 April 2017 on the recommendation of distributing dividends for the year 2016 at a rate 30%, the approval of the Central Bank of Jordan was obtained on 29 March 2017.
- The Bank cannot use a restricted amount of JD 6,455,941 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 247,353 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 becomes realized.
- The Bank cannot use a restricted amount of JD 38,384,838 from the retained earnings, which represents deferred taxes, and amount of JD 14,275,651 which represents foreign currency revaluation gain at the International Bank for Trade and Finance in Syria (subsidiary) and the amount of JD 109,459 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.
- The distributable profit amounted JD 181,740,283 as of 31 December 2017.



26 – Subsidiaries with Material Non-Controlling Interest

A- percentage owned by non-controlling interest:

	31 December 2017			
	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%	3,278,950
Jordan International Bank/London	U.K.	Banking	25%	-
	31 December 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%	-

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

A- Condensed Statemnet of financial position before elimination of inter-Company transactions as of 31 December 2017

31 December 2017	31 December 2017		
	International Bank for Trade & Finance/ Syria	The Housing Bank for Trade & Finance/ Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
financial assets	219,221,911	486,251,395	368,830,032
Other assets	4,120,619	16,593,542	5,354,115
Total assets	223,342,530	502,844,937	374,184,147
financial Liabilities	175,416,853	306,423,907	291,023,299
Other Liabilities	21,167,886	82,886,807	3,366,984
Total Liabilities	196,584,739	389,310,714	294,390,283
Total Equitiy	26,757,791	113,534,223	79,793,864
Total Liabilities and Equity	223,342,530	502,844,937	374,184,147
Non Controlling Interest	13,629,549	17,031,269	19,948,466
31 December 2016	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
Total assets	167,008,383	344,511,121	354,809,485
financial Liabilities	129,842,603	192,560,238	281,903,928
Other Liabilities	17,670,853	39,199,859	3,023,316
Total Liabilities	147,513,456	231,760,097	284,927,244
Total Equitiy	19,494,927	112,751,024	69,882,241
Total Liabilities and Equity	167,008,383	344,511,121	354,809,485
Non Controlling Interest	9,909,964	16,913,781	17,470,560

B – Condensed Income Statement before elimination of inter-company transactions for the year ended on 31 December 2017

	31 December 2017		
	International Bank for Trade & Finance/ Syria	The Housing Bank for Trade & Finance/ Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
Total revenues	927,054	23,763,404	11,744,479
Profit for the year	3,074,363	9,883,567	1,484,259
Total Comprehensive Income	3,074,363	9,883,567	1,484,259
Attributable to non-Controlling Interest	1,565,981	1,482,634	371,065
	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
Total revenues	22,084,432	21,913,782	14,045,679
Profit for the year	8,971,365	10,277,099	4,643,453
Total Comprehensive Income	8,971,365	10,277,099	4,643,453
Attributable to non-Controlling Interest	4,569,722	1,541,668	1,160,863

C – Condensed cashflow statement for material subsidiaries:-

	31 December 2017		
	International Bank for Trade & Finance/ Syria	The Housing Bank for Trade & Finance/ Algeria	Jordan International Bank London /U.K
	JD	JD	JD
Cash Flows			
Operating	36,286,023	120,426,467	30,300,980
Investing	(458,680)	(716,179)	6,742,442
Financing	82,263	(4,731,141)	1,337,829
Effect of change in exchange rates on cash and cash equivalents	(736,870)	(4,594,788)	7,569,711
Net increase/Decrease	35,172,736	110,384,359	45,950,962
	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
Cash Flows			
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)
Net increase/Decrease	(801,004)	(9,383,948)	(14,970,726)



27- Interest Income

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Direct Credit Facilities:		
Individual retail customer:-		
Overdraft	460,538	309,656
Loans and discounted bills	64,870,512	56,324,052
Credit cards	1,912,373	1,738,148
Other	194,289	227,406
Real estate mortgages	70,346,654	64,098,725
Large corporates:		
Overdraft	15,747,146	9,630,506
Loans and discounted bills	59,494,201	56,826,649
SMEs		
Overdraft	12,192,846	12,147,617
Loans and discounted bills	18,044,579	14,641,117
Government and Public Sector	41,245,821	40,033,370
Balances at central banks	10,361,199	4,675,402
Balances and deposits at banks and financial institutions	7,698,850	4,653,619
Financial assets at fair value through profit or loss	7,238	10,624
Financial assets at amortized cost	76,530,747	96,441,940
Total	379,106,993	361,758,831

28- Interest Expense

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Banks and financial institutions deposits	7,794,805	5,026,664
Customers deposits :		
Current accounts and demand deposits	1,073,474	980,641
Saving deposits	9,245,660	12,251,708
Time and notice deposits	67,205,247	49,938,852
Certificates of deposit	6,028,212	5,616,888
Margin accounts	4,051,682	5,573,107
Subordinated loans	3,273,573	1,225,961
Deposits insurance fees	11,320,355	11,226,073
Total	109,993,008	91,839,894

29- Net Commission Income

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Commission income:		
Direct credit facilities	11,231,897	12,369,672
Indirect credit facilities	11,368,986	12,832,750
Less: Commission expense	(31,344)	(41,441)
Net Commission Income	22,569,539	25,160,981

30- Net Gain from Foreign Currency Exchange

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
From trading	1,564,189	1,385,596
From re-valuation	(812,778)	19,334,876
Total	751,411	20,720,472

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

This item consists of the following:

2017	Realized		Unrealized		Dividends	Total
	Gain	(Loss)	Gain	(Loss)	Received	
	JD	JD	JD	JD	JD	
Bonds	-	-	-	(15,511)	-	(15,511)
Coporate shares	40,264	(3,496)	1,465,871	(2,019,160)	217,818	(298,703)
Investment funds	-	-	-	-	16,538	16,538
Total	40,264	(3,496)	1,465,871	(2,034,671)	234,356	(297,676)
2016						
Bonds	-	-	-	(31,667)	-	(31,667)
Coporate shares	-	(126,946)	99,399	(716,379)	268,289	(475,637)
Investment funds	16,268	-	-	-	22,857	39,125
Total	16,268	(126,946)	99,399	(748,046)	291,146	(468,179)



32- Other Income

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Fees on salaries accounts	3,175,559	3,310,980
Credit cards income	6,591,607	5,905,040
Safety deposit box rental income	603,741	596,537
Commissions on returned checks	780,324	538,589
Management fees	5,003,676	4,771,994
Net income from recovered loans	2,951,844	16,205,781
Brokerage services fees	578,188	602,931
Banking services fees	1,820,088	1,540,962
Income on transfers	6,780,587	6,671,450
Miscellaneous income	5,620,593	9,159,946
Total	33,906,207	49,304,210

33- Employees Expenses

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Salaries, benefits and allowances	58,458,038	58,233,143
Bank's contribution in social security	6,857,703	6,524,730
Bank's contribution in the saving fund	197,909	177,853
End-of-service indemnity	3,542,869	3,821,582
Medical expenses	3,576,847	3,070,809
Training expenses	853,286	757,913
Travel and transportation expenses	1,269,581	1,332,276
Other	1,060,186	1,036,944
Total	75,816,419	74,955,250

34- Other Expenses

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Information technology	9,664,905	10,145,101
Marketing and promotion	4,104,752	3,723,812
External and professional services	1,997,385	2,274,382
Rents and workplace expenses	20,445,786	20,139,388
Financial institutions subscription fees	3,231,221	3,097,924
Stationary expenses	2,217,081	2,045,292
Fees on credit facilities processing	417,104	1,063,576
Other expenses	10,651,471	9,675,756
Total	52,729,705	52,165,231

35- Earnings per Share

This item consists of the following:

	31 December	31 December
	2017	2016
Profit for the year (JD)	121,868,089	123,787,093
Weighted average number of shares (share)	315,000,000	315,000,000
Basic and diluted earnings per share attributable to the Bank's shareholders	JD 0.387	JD 0.393

* Weighted average number of shares for the Basic and diluted earnings per share for the shareholders has been calculated based on the authorised number of shares as of 31 December 2017, knowing that the comparative figures were recalculated according to the weighted average number of shares after taking the effect of the share dividends distributed accordingly with IAS (33).

36- Cash and Cash Equivalents

This item consists of the following:

	31 December	31 December
	2017	2016
	JD	JD
Cash and balances with central banks maturing within 3 months	1,249,146,768	1,052,501,966
Add: Balances with banks and financial institutions maturing within 3 months	494,547,239	549,833,560
Less: Banks and financial institutions deposits maturing within 3 months	(472,488,584)	(429,378,413)
	1,271,205,423	1,172,957,113

37- Financial Derivative Instruments

This item consists of the following:

2017	Positive fair value	Negative fair value	Nominal value	Due in three months	Due in 3-12 months	From 1 to 3 years
	JD	JD	JD	JD	JD	JD
Traded Financial Derivative						
Forward foreign currency contracts	95,751	(57,028)	28,896,477	18,963,217	9,933,260	-
Interest rate swap contracts	-	-	-	-	-	-
	95,751	(57,028)	28,896,477	18,963,217	9,933,260	-
2016						
Traded Financial Derivative						
Forward foreign currency contracts	295,177	(231,559)	36,893,573	19,113,230	17,780,343	-
Interest rate swap contracts	-	-	-	-	-	-
	295,177	(231,559)	36,893,573	19,113,230	17,780,343	-

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	Company's capital		
	Ownership 2017	31 December 2017	31 December 2016
	%	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%	72,403,280	72,403,280
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 International Financial Centre Company – 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:

					Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	31 December 2017	31 December 2016
	JD	JD	JD	JD	JD	JD
Financial position items						
Total deposits with related parties	68,484,539	78,015,887	-	-	146,500,426	164,644,238
Total deposits from related parties	431,089,491	74,896,290	1,999,454	1,845,528	509,830,763	346,604,490
Loans and advances granted to related parties	-	1,949,600	400	1,070,693	3,020,693	1,664,871
From Loans and advances granted from related parties	-	-	-	-	-	80,620
Payment on behalf of subsidiaries	-	-	-	-	-	396,794
Items off - Statement of Financial Position						
Letters of guarantee and credit	-	4,628,600	-	-	4,628,600	1,274,700
Income Statement Items						
Interest and commissions income	1,022,360	1,082,943	6,903	40,426	2,152,632	1,691,257
Interest and commissions expense	14,269,746	2,002,516	25,892	38,748	16,336,902	10,728,883

* Interest expense rates range from 0% to 9%.

** Interest income rates range from -0.45% to 9.39%.

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

	2017	2016
	JD	JD
Salaries, bonuses, and other benefits	3,080,096	2,545,929
Salaries, bonuses, and other benefits/ Subsidiaries	2,322,260	1,794,454

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

This item consists of the following:

	31 December 2017		31 December 2017	
	Book value	Fair Value	Book value	Fair value
	JD	JD	JD	JD
Other financial assets at amortized cost	1,781,141,993	1,783,027,724	1,791,900,701	1,795,093,500
Direct credit facilities – net	4,208,383,422	4,208,383,422	4,042,066,469	4,042,066,469

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, after determining the acceptable risks by the bank to manage its operations ensuring to preserve the level and the quality of the various risks that the bank is able to face without affecting the strategic goals, in addition, to mitigate the negative effect of the external and the internal encounters on the profitability, capital, market share, and any other intangible factors like reputation and goodwill of the bank.

Agreeing on the levels of the acceptable risk by the banks is based on quantitative and qualitative methods of measurement, based on the nature of the various risks within the risk limit preapproved by the internal policies and procedures manual.

The Acceptable risk levels fits with the Bank's strategy and restricts the framework and guidelines that the bank should follow to manage its operation, it also clears the nature of the risks that the Bank accept to fulfill its strategic goals and sets the procedures through which the acceptable levels of risk is monitored.

Strategic objectives for risk management:

- Build effective risk managements which supports the institutional governance through the application of advanced methods of measuring various risks.
- Mitigate any possible losses which leads to maximize the profitability and boosting the efficiency and the effectiveness of the banking operation.
- Spreading the awareness of the surrounding risks that the bank may face for all of the hierarchy levels.
- Assisting to achieve the strategic goals set by the bank.

The Bank is exposed to the following risks:

- Credit risk
- Market risk, Liquidity risk, foreign currency and interest risk
- Operations risk, information security risk, business continuity risk



Acceptable Risk Levels:

The effective risk management includes an understanding of the risks facing the bank, in addition to provide an appropriate monitoring environment compatible with the best standards, and the instructions of the regulatory authorities. The most important principles of effective risk management are based on identifying, measuring and, analyzing the acceptable levels of risks due to banking operations faced by the bank.

These principles and procedures are as follows:

- Business strategy identification: Identification of acceptable risks levels which fits with the Bank's strategic objectives, legal authorities' instructions, the Bank's capital adequacy, liquidity related risks, funding sources, and finally, preserving the profitability ratios.
- Evaluate significant risks that the banks face, and identify methods of measurement, and identify the risk exposure that the bank can face and accept, and provide the board with complete risk assessment and exposure levels reports, and their control framework.
- Determine the acceptable levels for the risks facing all business units and products:
- Limits: The level of risk that the bank can accept depending on the volume of exposure to the bank's operations, and based on the objectives set for the bank and its business units.
- In addition, the acceptable risk levels are monitored and any irregularities from the prescribed limits, are addressed and reported to the board through the risk management committee.

Risk Management framework

- An independent risk management structure that includes oversight, supervision, reporting and perform risk related functions.
- The existence of a strategy, policies and work procedures aimed to manage risks in an effective manner, moreover, to control and minimize the adverse effects of such risks.
- Control, supervision and measurement of risks within the risk acceptance prescribed.
- Daily risk management operation ensuring it is within the prescribed limits.

Credit Risk

Credit risk arises from the other parties inability to settle their obligation within the agreed period of time, or risks that arise from recession in a specific economic sector.

Moreover, credit risk concentration for customers which are known as the risks which may face the bank as a result of uneven distribution, or concentration of credit facilities customers, or as a result form granting facilities to a specific economic sector unevenly or in another countries, which may result in increasing the probability of having a bad financial impact.

Credit risk management:

Credit risk is managed through the following:

- Promote the construction of a good and balanced credit portfolio that achieves the target return within its defined risk levels.
- Strict control of credit in its various stages and consistent compatibility with the instructions of the regulatory authorities and its amendments.
- Working on the diversification of the credit portfolio, including expanding the customer base according to the plans, limits and specified risks.
- Proceeding to work under the principles of separation between customer relationship management functions, credit analysis and credit control and monitoring.
- Credit facilities is granted on the basis of eligibility and repayment ability, taking into account the restrictions on borrowing or mortgaging in the Memorandum of Association and the internal policies of the company or institution, and the Bank's conviction that the customer is able to meet their obligations based on a comprehensive credit study within the acceptable risk levels.

- Prohibiting granting any credit facilities except for the specified purposes within the Bank's prescribed granting policies, and the Central bank of Jordan instructions, and the Local Bank's law, and any instructions issued by any legal authorities, and with the appropriate guarantees, which guarantees the bank's rights.
- Reducing the non-performing debt ratio in the credit portfolio while increasing the market share in commercial finance and corporate finance.
- Taking into consideration the diversification of the credit portfolio, especially in the corporate portfolio, while avoiding the concentration of client-level concentration over the prescribed limits.

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

	31 December	31 December
	2017	2016
	JD	JD
Statement of financial position		
Balances at central banks	1,088,004,244	912,391,743
Balances at banks and financial institutions	494,547,239	549,833,560
Deposits at banks and financial institutions	38,122,776	22,795,894
Credit facilities		
Retail	721,272,185	659,111,406
Real estate mortgages	1,176,418,369	1,110,250,701
Corporate		
Large Corporate	1,156,517,754	1,059,693,062
SMEs lending	310,490,172	307,466,448
Government and public sector	843,684,942	905,544,852
Bonds debentures and treasury bills funds:		
Financial assets at fair value through profit or loss	240,688	503,384
Other financial assets at amortized cost	1,781,141,993	1,791,900,701
Total	7,610,440,362	7,319,491,751
Commitments and contingent liabilities		
Letters of credit	443,688,759	325,245,500
Acceptances	60,801,969	74,730,105
Letters of guarantee	586,191,483	676,603,491
Un-utilized facilities	394,402,480	589,307,067
Total	1,485,084,691	1,665,886,163
	9,095,525,053	8,985,377,914

The above table represents the highest credit risk exposure for the Bank as of 31 December 2017 and 2016, without taking into consideration any collateral held or any other credit risk mitigating factors.

Exposure to credit risk is distributed as follows:

- 17.8% of the total exposure is derived from balances at central banks and other banks and financial institutions. (16.5%: 2016).
- 46.3% from the total exposure results from loans and credit facilities (45%: 2016).
- 19.6% from the total exposure results from investment in bonds debentures and treasury bills and funds (20%: 2016).
- 16.3% from the total exposure results from off-financial position items and other assets. (18.5%: 2016).



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

2017	Retail		Corporate entities		Government and public sector	Banks and other financial institutions	Total
	Real estate mortgages	Large companies	SMEs				
	JD	JD	JD	JD	JD	JD	JD
Low risk	28,916,392	87,957,170	52,586,308	4,738,223	2,157,922,002	1,199,094,832	3,531,214,927
Acceptable risk	673,524,854	1,002,457,294	1,303,291,062	293,735,888	130,239,407	532,910,703	3,936,159,208
From which past due**:	12,788,778	45,561,409	88,738,242	25,519,791	-	-	172,608,220
Up to 30 days	12,328,696	45,561,409	84,148,565	20,718,870	-	-	162,757,540
From 31 to 60 days	460,082	-	4,589,677	4,800,921	-	-	9,850,680
Watch list	12,370,955	63,150,150	68,269,939	12,059,695	-	-	155,850,739
Non – performing:							
Sub-standard	3,089,228	2,902,471	22,972,014	1,005,491	-	-	29,969,204
Doubtful	8,055,581	14,827,118	1,548,242	1,590,963	-	-	26,021,904
Impaired	29,454,297	34,674,181	102,302,863	45,810,404	-	-	212,241,745
Total	755,411,307	1,205,968,384	1,550,970,428	358,940,664	2,288,161,409	1,732,005,535	7,891,457,727
Less:Interest in suspense	13,667,876	14,021,783	44,737,782	20,081,617	-	-	92,509,058
Allowance for impairment	20,471,246	15,528,233	124,139,952	28,368,876	-	-	188,508,307
Net	721,272,185	1,176,418,368	1,382,092,694	310,490,171	2,288,161,409	1,732,005,535	7,610,440,362
2016							
Low risk	13,487,488	70,937,882	22,055,797	5,949,334	2,428,588,317	912,391,743	3,453,410,561
Acceptable risk	625,957,134	972,043,775	1,159,067,547	285,005,086	128,951,139	572,629,454	3,743,654,135
From which past due**:	16,838,323	67,710,291	146,309,365	19,727,554	60,062,593	-	310,648,126
Up to 30 days	16,349,237	67,676,749	144,284,843	18,720,557	60,062,593	-	307,093,979
From 31 to 60 days	489,086	33,542	2,024,522	1,006,997	-	-	3,554,147
Watch list	11,639,027	42,284,455	82,878,025	18,046,017	-	-	154,847,524
Non- performing:							
Sub-standard	3,804,746	10,294,259	2,202,751	4,731,606	-	-	21,033,362
Doubtful	4,365,701	4,576,146	7,738,566	3,164,315	-	-	19,844,728
Impaired	30,563,039	35,211,588	100,496,470	31,299,098	-	-	197,570,195
Total	689,817,135	1,135,348,105	1,374,439,156	348,195,456	2,557,539,456	1,485,021,197	7,590,360,505
Less:Interest in suspense	12,827,327	12,250,070	43,611,087	14,781,627	-	-	83,470,111
Allowance for impairment	17,878,403	12,847,330	130,725,527	25,947,383	-	-	187,398,643
Net	659,111,405	1,110,250,705	1,200,102,542	307,466,446	2,557,539,456	1,485,021,197	7,319,491,751

* Credit exposures include credit facilities, balances and deposits at 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:

2017	Retail	Real Estate Mortgages	Corporate entities		Government and Public Sector	Total
			Large Companies	SMEs		
	JD	JD	JD	JD	JD	JD
Collaterals against						
Low risk	31,591,668	88,282,501	51,729,162	4,542,974	665,694,006	841,840,311
Acceptable risk	113,833,613	845,980,189	396,714,093	171,994,662	12,883,614	1,541,406,171
Watch list	5,046,531	59,531,647	25,251,196	5,343,812	-	95,173,186
Non-performing :						
Sub – standard	749,516	2,860,940	16,115,396	663,733	-	20,389,585
Doubtful	4,959,654	14,735,690	972,425	1,006,775	-	21,674,544
Impaired	8,509,342	25,096,704	31,019,787	24,328,948	-	88,954,781
Total	164,690,324	1,036,487,671	521,802,059	207,880,904	678,577,620	2,609,438,578
Including:						
Cash margins	32,322,670	966,323	51,498,253	70,112,444	-	154,899,690
Government guarantee	-	-	7,942,971	8,682,638	665,694,004	682,319,613
Accepted bank guarantees	22,995,534	283,852,989	204,681,745	37,482,030	183,614	549,195,912
Residential mortgages	66,573,896	749,202,869	167,130,896	77,865,380	12,700,002	1,073,473,043
Listed shares	4,224,573	2,403,045	61,433,889	8,400,228	-	76,461,735
Equipment and vehicles	38,573,651	62,445	29,114,305	5,338,184	-	73,088,585
Total	164,690,324	1,036,487,671	521,802,059	207,880,904	678,577,620	2,609,438,578
2016						
Collaterals against						
Low risk	13,660,020	70,937,881	22,056,527	5,949,334	730,764,706	843,368,468
Acceptable risk	94,804,336	837,785,493	329,319,018	211,138,355	8,523,921	1,481,571,123
Watch list	6,064,473	38,971,224	54,960,016	7,525,531	-	107,521,244
Non-performing :						
Sub – standard	1,209,056	10,252,419	364,360	3,508,307	-	15,334,142
Doubtful	2,304,321	4,467,911	1,356,623	2,469,589	-	10,598,444
Impaired	10,331,880	35,325,844	24,527,872	20,221,554	-	90,407,150
Total	128,374,086	997,740,772	432,584,416	250,812,670	739,288,627	2,548,800,571
Including:						
Cash margins	21,880,030	2,401,041	173,445,882	31,883,322	-	229,610,275
Government guarantee	-	-	-	17,255,481	730,764,704	748,020,185
Accepted bank guarantees	22,188,251	239,470,287	42,054,093	116,228,886	232,000	420,173,517
Residential mortgages	62,463,065	754,522,428	134,636,619	75,102,329	8,291,923	1,035,016,364
Listed shares	3,134,456	1,291,768	48,132,815	6,873,045	-	59,432,084
Equipment and vehicles	18,708,284	55,248	34,315,007	3,469,607	-	56,548,146
Total	128,374,086	997,740,772	432,584,416	250,812,670	739,288,627	2,548,800,571

For the purposes of filling the above table, credit guarantees are listed taking into consideration they should not exceed the loan balance for each client.



Rescheduled Loans

These represent loans previously classified as non-performing loans and were reclassified as other than non-performing loans watch list during the year 2017. Moreover, they amounted to JD 18,9 million as of 31 December 2017 (JD 41,6 million as of 31 December 2016).

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 2017 they were classified within watch list facilities under control and amounted to JD 370,1 million as of 31 December 2017 (JD 309,7 million as of 31 December 2016).

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	2017		
	Financial assets at fair value through P&L	Other Financial assets at amortized cost	Total
	JD	JD	JD
AAA	-	2,847,534	2,847,534
AA+	-	-	-
AA	-	10,453,934	10,453,934
AA-	-	6,569,934	6,569,934
A+	-	3,536,910	3,536,910
A	-	29,804,876	29,804,876
A-	-	38,295,126	38,295,126
BBB+	-	28,776,054	28,776,054
BBB	-	3,544,717	3,544,717
BBB-	-	6,068,889	6,068,889
BB+	-	2,162,672	2,162,672
BB	-	2,157,003	2,157,003
BBB-	-	743,928	743,928
B+	-	-	-
B	-	1,488,900	1,488,900
B-	-	-	-
CCC-	-	-	-
C	-	-	-
Un-rated	-	82,372,501	82,372,501
Governmental or government guarantee	240,688	1,562,319,015	1,562,559,703
Total	240,688	1,781,141,993	1,781,382,681

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
	Cash and balances at central banks	706,339,879	137,125,541	-	-	244,538,824	-	-	1,088,004,244
	Balances at banks and financial institutions	62,034,086	122,038,704	298,265,365	5,478,838	1,771,134	1,653,387	3,305,725	494,547,239
	Deposits at banks and financial institutions	20,000,000	2,235,633	15,887,143	-	-	-	-	38,122,776
	Credit Facilities								
	Retail	666,127,151	55,144,615	-	-	471	-	-	721,272,237
	Real estate mortgages	978,902,929	48,364,077	144,910,901	-	4,136,507	-	103,951	1,176,418,365
	CORPORATE ENTITIES								
	Large companies	834,408,478	270,578,397	532,243	-	50,998,640	-	-	1,156,517,758
	SMEs	120,541,323	20,195,507	710,456	-	165,539,405	-	3,503,429	310,490,120
	Government and public sector	795,749,799	47,935,143	-	-	-	-	-	843,684,942
	Bonds debentures and treasury bills								
	Other financial assets at amortized costs	1,519,802,770	39,046,097	42,334,518	40,565,321	13,290,669	101,667,908	24,434,710	1,781,141,993
	Financial Assets at fair value through P & L	240,688	-	-	-	-	-	-	240,688
	Total 2017	5,704,147,103	742,663,714	502,640,626	46,044,159	480,275,650	103,321,295	31,347,815	7,610,440,362
	Total 2016	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

* Excluding the Middle East countries.

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

Economic Sectors	Finance	Manufacturing	Trade	Real Estate	Agriculture	Shares	Retail	Governmental and Public Sector	Other	Total
Items	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	1,088,004,244	-	-	-	-	-	-	-	-	1,088,004,244
Balances at banks and financial institutions	494,547,239	-	-	-	-	-	-	-	-	494,547,239
Deposits at banks and financial institutions	38,122,776	-	-	-	-	-	-	-	-	38,122,776
Credit Facilities	127,713,364	446,608,206	473,206,445	1,223,243,166	11,010,144	4,672,654	745,305,391	843,501,327	333,122,725	4,208,383,422
Bonds debentures and treasury bills										
Financial asstes at amortized costs	195,569,356	-	19,770,422	-	-	-	-	1,565,802,215	-	1,781,141,993
Financial assets designated at fair value through P&L	-	-	-	-	-	-	-	240,688	-	240,688
Total 2017	1,943,956,979	446,608,206	492,976,867	1,223,243,166	11,010,144	4,672,654	745,305,391	2,409,544,230	333,122,725	7,610,440,362
Total 2016	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



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 and performing periodic reports.

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.

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 $\pm 1\%$.

Currency	Effect of increasing interest rate by 1% on the consolidated income statement	Effect of decreasing interest rate by 1% on the consolidated income statement	Effect of increasing interest rate by 1% on equity	Effect of decreasing in interest rate by 1% on equity
Sensitivity Analysis 2017				
US Dollars	(3,131)	3,131	(2,178)	2,178

Sensitivity Analysis 2016				
US Dollars	(7,981)	8,218	(5,492)	5,656



2. Foreign Exchange risk:

It is the risk that is resulting 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	Effect of increasing exchange rate currency by 1% on the consolidated income statement	Effect of decreasing exchange rate currency by 1% on the consolidated income statement	Effect of increasing exchange rate currency by 1% on equity	Effect of decreasing exchange rate currency by 1% on equity
	JD	JD	JD	JD
Sensitivity Analysis 2017				
Euro	47,130	(47,130)	32,779	(32,779)
Sterling Pound	543,584	(543,584)	378,063	(378,063)
Austrlian Dollar	(238)	238	(165)	165
Swiss Frank	514	(514)	358	(358)
Canadian Dollar	(75)	75	(52)	52
Japanese Yen	998	(998)	694	(694)
Syrian Lira	29,822	(29,822)	20,741	(20,741)
Algerian Dinar	994,149	(994,149)	691,430	(691,430)
Sensitivity Analysis 2016				
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)

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 bank's portfolio.

Sensitivity Analysis VAR 2017		VAR
Financial assets at fair value through profit or loss		(1,046,041)
Financial assets at fair value through other comprhesive income		(99,592)
Sensitivity Analysis VAR 2016		
Financial assets at fair value through profit or loss		(1,061,810)
Financial assets at fair value through other comprhesive income		(29,357)

Interest rate re-pricing gap:

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

	Interest rate re-pricing										Total	
	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					
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
2017												
ASSETS												
Cash and balances with Central banks	473,124,920	-	-	-	-	-	-	-	-	-	776,021,848	1,249,146,768
Balances with banks and financial institutions	311,752,720	153,480,673	-	-	-	-	-	-	-	-	29,313,846	494,547,239
Deposits with banks and financial institutions	-	-	7,059,246	31,063,530	-	-	-	-	-	-	-	38,122,776
Financial assets at fair value through profit or loss	-	-	-	-	-	240,688	-	-	-	-	21,159,190	21,399,878
Direct credit facilities - net	591,638,930	912,785,292	654,343,730	1,141,516,022	593,610,028	268,587,492	45,901,928	4,208,383,422				
Financial assets at fair value through other comprehensive income	-	-	-	-	-	10,677	-	-	-	-	1,973,318	1,983,995
Other financial assets at amortized cost	47,358,539	78,702,532	82,835,771	244,005,820	1,278,953,256	49,286,075	-	1,781,141,993				
Property and equipment – net	-	-	-	-	-	-	-	179,559,351				179,559,351
Intangible assets - net	-	-	-	-	-	-	-	25,083,022				25,083,022
Deferred tax assets	-	-	-	-	-	-	-	38,384,838				38,384,838
Other assets	-	-	-	-	-	-	-	103,186,885				103,186,885
TOTAL ASSETS	1,423,875,109	1,144,968,497	744,238,747	1,416,585,372	1,872,814,649	317,873,567	1,220,584,226	8,140,940,167				
LIABILITIES												
Banks and financial institutions deposits	329,038,202	31,921,842	77,072,554	65,333,348	-	-	-	38,355,986				541,721,932
Customers' deposits	1,077,247,786	2,138,597,827	424,995,356	321,714,526	165,426,325	6,151,923	1,693,998,828	5,828,132,571				
Margin accounts	93,225,424	49,524,452	46,088,804	36,721,883	4,545,937	3,594,143	32,906,146	266,606,789				
Loans and Borrowing's	-	15,573,401	18,576,434	24,986,950	55,000,000	-	-	114,136,785				
Sundry provisions	-	-	-	-	-	-	-	55,284,690				55,284,690
Income tax provision	-	-	-	-	-	-	-	50,509,319				50,509,319
Deferred tax liabilities	-	-	-	-	-	-	-	2,185,858				2,185,858
Other liabilities	-	-	-	-	-	-	-	166,131,862				166,131,862
TOTAL LIABILITIES	1,499,511,412	2,235,617,522	566,733,148	448,756,707	224,972,262	9,746,066	2,039,372,689	7,024,709,806				
Interest rate re-pricing gap	(75,636,303)	(1,090,649,025)	177,505,599	967,828,665	1,647,842,387	308,127,501	(818,788,463)	1,116,230,361				
2016												
TOTAL ASSETS	1,369,470,988	1,110,705,413	687,231,114	1,212,046,284	1,827,302,410	588,308,508	1,025,160,478	7,820,225,195				
TOTAL LIABILITIES	1,332,136,802	2,409,638,083	344,866,374	246,598,546	238,786,938	65,616,992	2,122,530,918	6,760,174,653				
Interest rate re-pricing gap	37,334,186	(1,298,932,670)	342,364,740	965,447,738	1,588,515,472	522,691,516	(1,097,370,440)	1,060,050,542				



Concentration of Foreign currency risk 2017

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Algerian Dinar	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD
ASSETS								
Cash and balances at Central banks	206,492,778	44,909,803	274,478	63	53,394,074	170,357,613	55,539,331	530,968,140
Balances at banks and financial institutions	377,017,606	33,651,904	13,303,385	774,380	9,435,003	1,673,126	26,214,785	462,070,189
Deposits at banks and financial institutions	14,292,866	3,585,086	137,078	-	-	-	107,746	18,122,776
Financial asset Designated at fair value through profit or loss	502,471,946	4,511,764	144,374,481	-	25,465,527	220,675,023	150,691,297	1,048,190,038
Direct credit facilities	873,485	-	-	-	-	-	-	873,485
Financial asset at fair value through other comprehensive income	56,309	-	-	-	-	-	-	56,309
Other Financial assets at amortized cost	470,135,443	18,922,279	13,731,882	-	-	1,538,750	-	504,328,354
Property and equipment - net	1,750	2,102	132,456	15	3,490,431	1,947,528	509,621	6,083,903
Intangible assets - net	78,646	94,448	6,266,146	700	5,534	2,069,841	163,480	8,678,795
Deferred tax assets	814,746	3,219	1,649,517	-	9,533	-	35,460	2,512,475
Other assets	2,632,854	396,953	1,623,184	215	704,405	15,377,216	6,312,035	27,046,862
Total assets	1,574,868,429	106,077,558	181,492,607	775,373	92,504,507	413,639,097	239,573,755	2,608,931,326
LIABILITIES								
Banks and financial institutions deposits	311,019,131	9,662,022	45,231,012	304	4,837,888	-	9,137,071	379,887,428
Customers' deposits	1,201,794,490	101,624,824	34,262,484	674,673	70,974,194	142,149,533	172,458,533	1,723,938,731
Margin accounts	46,483,422	5,280,416	245,144	-	2,211,454	70,724,188	11,017,101	135,961,725
Sundry provisions	-	45,781	-	-	16,984,335	-	877,976	17,908,092
Income tax provision	-	-	342,890	-	1,349,641	489,232	-	2,181,763
Other liabilities	9,399,717	844,898	560,578	117	9,468,578	81,482,329	1,710,706	103,466,923
Total liabilities	1,568,696,760	117,457,941	80,642,108	675,094	105,826,090	294,845,282	195,201,387	2,363,344,662
Net position	6,171,669	(11,380,383)	100,850,499	100,279	(13,321,583)	118,793,815	44,372,368	245,586,664
Off-financial position contingent liabilities	552,881,364	412,832,396	27,096,350	1,052,878	5,690,134	119,506,855	44,052,277	1,163,112,254

2016

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Algerian Dinar	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Total assets	1,580,014,804	91,358,687	183,102,118	700,733	44,405,907	294,908,419	227,338,803	2,421,829,471
Total liabilities	1,609,386,314	97,403,048	92,437,018	609,222	64,481,667	180,854,131	185,769,579	2,230,940,979
Net position	(29,371,510)	(6,044,361)	90,665,100	91,511	(20,075,760)	114,054,288	41,569,224	190,888,492
Off-financial position contingent liabilities	647,004,259	373,054,741	27,998,159	210,291	7,356,180	-	201,344,855	1,256,968,485

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:

- Cash inflow analysis for all assets and liabilities items.
- Preparation of Stress scenarios for liquidity risk.
- Evaluate and monitor concentration and fluctuation in financing sources.
- Asses the Bank's ability to borrow and finance it's activities.
- Monitor the compliance with the approved policies and the instructions of the Central Bank of Jordan in this regard.
- Submit periodic reports to higher management on the level of liquidity risk in the bank.

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 61% are stable and dominated in JD.



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.

2017	Up to 1	1 to 3	3 to 6	6 Months	1 to 3	Over 3 Years	Without	Total
	Month	Months	Months	to 1 Year	Years	Years	Maturity	
	JD	JD	JD	JD	JD	JD	JD	JD
LIABILITIES								
Banks and financial institutions deposits	367,568,698	31,982,493	77,402,039	65,891,950	-	-	-	542,845,180
Customers' deposits	801,766,291	304,348,149	267,794,761	206,881,751	1,539,920,574	1,369,540,446	1,461,211,225	5,951,463,197
Margin accounts	57,811,816	51,973,600	22,751,638	43,867,652	34,430,819	47,740,866	12,141,892	270,718,283
Loans and borrowings	-	15,680,598	18,864,137	25,760,921	59,543,000	-	-	119,848,656
Sundry provisions	127,817	255,634	383,451	766,901	3,067,605	18,405,627	32,277,655	55,284,690
Income tax provision	13,688,282	-	20,532,424	-	12,300,042	-	3,988,571	50,509,319
Deferred tax liabilities	-	-	-	-	2,185,858	-	-	2,185,858
Other liabilities	26,486,023	-	15,885,097	-	-	-	123,760,742	166,131,862
TOTAL	1,267,448,927	404,240,474	423,613,547	343,169,175	1,651,447,898	1,435,686,939	1,633,380,085	7,158,987,045
TOTAL ASSETS ACCORDING TO THEIR EXPECTED MATURITY	1,608,760,411	686,614,371	422,819,865	823,754,993	2,674,622,009	1,355,814,723	568,553,795	8,140,940,167
2016								
LIABILITIES								
Banks and financial institutions deposits	304,600,436	44,885,884	-	46,618,877	17,729,767	-	80,073,404	493,908,368
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	5,754,349,790
Margin accounts	50,806,725	37,655,624	25,622,712	46,168,581	63,839,596	103,596,969	9,494,264	337,184,471
Loans and borrowings	-	13,637,931	11,273,731	8,684,796	5,335,000	-	170,492	39,101,950
Sundry provisions	131,343	262,687	394,030	788,060	3,152,242	18,913,451	32,382,556	56,024,369
Income tax provision	9,319,497	-	32,729,245	4,404,792	9,520,025	1,026,871	-	57,000,430
Deferred tax liabilities	-	-	-	-	2,056,712	-	-	2,056,712
Other liabilities	74,908,344	768,928	9,356,827	901,487	-	-	51,227,536	137,163,122
TOTAL	1,592,553,148	(756,409,263)	407,445,044	301,670,845	1,479,306,497	1,729,891,198	2,122,331,743	6,876,789,212
TOTAL ASSETS ACCORDING TO THEIR EXPECTED MATURITY	1,677,631,617	458,510,290	380,965,190	846,856,484	2,445,939,813	1,524,080,128	486,241,673	7,820,225,195

Commitments and contingent liabilities:

2017	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	608,260,119	73,109,252	-	681,369,371
Un- utilized ceilings	381,251,033	13,151,447	-	394,402,480
Letters of guarantee	552,306,689	33,884,794	-	586,191,483
Total	1,541,817,841	120,145,493	-	1,661,963,334
2016				
Letters of credit and acceptances	451,643,158	146,977,307	3,041,739	601,662,204
Un- utilized ceilings	576,845,094	12,461,973	-	589,307,067
Letters of guarantee	631,186,669	45,411,696	5,126	676,603,491
Total	1,659,674,921	204,850,976	3,046,865	1,867,572,762

41- Segment analysis

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 operating 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		31 December 2017	31 December 2016
Gross Income	211,999,569		163,136,439		7,129,165		114,498,013		17,508,038		(78,234,750)		436,036,474	456,476,315
Impairment of credit facilities	(1,611,169)		1,302,913		-		-		-		-		(308,256)	(12,875,272)
Impairment of Financial Assets	-		-		-		(562,132)		-		-		(562,132)	(900,000)
Segment results	87,705,329		76,803,734		1,792,749		12,095,307		15,414,926		-		193,812,045	215,601,593
Unallocated expenses	-		-		-		-		-		-		(13,799,349)	(25,265,462)
Income before tax	-		-		-		-		-		-		180,012,696	190,336,131
Income Tax	-		-		-		-		-		-		(54,808,429)	(59,323,518)
Profit for the year	-		-		-		-		-		-		125,204,267	131,012,613
Segment Assets	4,393,722,081		2,691,711,081		108,400,989		3,536,032,558		1,213,314,128		-		11,943,180,837	11,590,680,282
Elimination of assets between segments	(2,679,441,515)		-		-		(486,452,239)		(674,731,754)		-		(3,840,625,508)	(3,811,193,794)
Unallocated assets	-		-		-		-		-		-		38,384,838	40,738,707
Total Assets	-		-		-		-		-		-		8,140,940,167	7,820,225,195
Segment Liabilities	4,313,860,120		2,712,344,195		105,314,511		3,401,292,201		290,072,033		-		10,822,883,060	10,523,622,715
Elimination of liabilities between segments	-		(926,643,388)		(57,743,671)		(2,815,972,053)		-		-		(3,800,359,112)	(3,765,504,774)
Unallocated liabilities	-		-		-		-		-		-		2,185,858	2,056,712
Total Liabilities	-		-		-		-		-		-		7,024,709,806	6,760,174,653
Capital expenditures	-		-		-		-		-		-		27,776,219	30,266,996
Depreciation and amortization	-		-		-		-		-		-		15,439,485	15,628,444

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	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
Gross income	343,403,123	341,504,296	92,633,351	114,972,019	436,036,474	456,476,315
Total assets	6,052,320,524	5,850,345,520	2,088,619,643	1,969,909,675	8,140,940,167	7,820,255,195
Capital expenditures	22,905,407	27,879,946	4,870,812	2,387,050	27,776,219	30,266,996

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.

	31 December	31 December
	2017	2016
	JD	JD
1. Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	252,000,000
Retained earnings	204,068,344	166,622,054
Other comprehensive income	(106,750,874)	(111,060,231)
Net fair value reserve	(109,459)	(344,677)
Foreign currency translation Reserve	(106,641,415)	(110,715,554)
Share premium	328,147,537	357,925,469
Voluntary reserve	206,727,314	189,039,398
Statutory reserve	-	33,222,068
Other reserve	8,807,007	7,752,032
Non-controlling Interest	22,783,052	12,647,352
Total capital of common stock	978,782,380	908,148,142
Regulatory amendments (Propositions of the capital)	(65,114,795)	(66,390,023)
Goodwill and other intangible assets	(25,083,022)	(24,351,994)
Deffered tax assets	(38,384,838)	(40,738,707)
Investments in capital of non consolidated subsidiaries	(28,477)	(24,409)
Mutual fund investments in the capital of Banking, Financial and Insurance Entities (within CET1)	(1,618,458)	(1,274,913)
Total primary capital	913,667,585	841,758,119
2. Additional Tier 1		
Non-controlling Interest	4,020,539	2,231,886
Total additional capital	4,020,539	2,231,886
Regulatory amendments (Propositions of the capital)	-	-
Net additional capital	4,020,539	2,231,886
Net additional capital Tier 1	917,688,124	843,990,005
3. Tier 2		
General banking risk reserve	37,608,684	36,101,000
Non-controlling Interest	5,360,718	2,975,847
Total capital cushions	42,969,402	39,076,847
Regulatory amendments (Propositions of the capital)	(12,204)	(16,272)
Investments in capital of non consolidated subsidiaries	(12,204)	(16,272)
Net additional capital Tier 2	42,957,198	39,060,575
Regulatory capital	960,645,322	883,050,580
Total weighted assets risk average.	5,615,792,970	5,187,555,270
Capital Adequacy Ratio %	17.11%	17.02%

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 the advertised price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).

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

31 December 2017	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets				
Financial assets at fair value through other comprehensive income	-	-	1,983,995	1,983,995
Financial assets at fair value through P&L	5,393,714	16,006,164	-	21,399,878
Forward foreign currencies contracts	95,751	-	-	95,751
Total financial assets	5,489,465	16,006,164	1,983,995	23,479,624
Financial Liabilities				
Forward foreign currencies contracts	57,028	-	-	57,028
Total	57,028	-	-	57,028

31 December 2016				
Financial assets				
Financial assets at fair value through other comprehensive income	-	-	580,524	580,524
Financial assets at fair value through P&L	5,031,310	16,926,409	-	21,957,719
Forward foreign currencies contracts	295,177	-	-	295,177
Total financial assets	5,326,487	16,926,409	580,524	22,833,420
Financial liabilities				
Forward foreign currencies contracts	295,177	-	-	295,177
Total	295,177	-	-	295,177

44- Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 706 Thousands as of 31 December 2017 against JD 739 thousands as of 31 December 2016. 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:

2017	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	1,076,514,557	172,632,211	1,249,146,768
Balances at banks and financial institutions	494,547,239	-	494,547,239
Deposits at banks and financial institutions	38,122,776	-	38,122,776
Financial assets at fair value through profit or loss	5,393,714	16,006,164	21,399,878
Direct credit facilities – net	1,497,217,104	2,711,166,318	4,208,383,422
Financial assets at fair value through other comprehensive income	-	1,983,995	1,983,995
Other financial assets at amortized cost	412,185,034	1,368,956,959	1,781,141,993
Property and equipment – net	-	179,559,351	179,559,351
Intangible assets - net	-	25,083,022	25,083,022
Deferred tax assets	-	38,384,838	38,384,838
Other assets	19,469,217	83,717,668	103,186,885
Total assets	3,543,449,641	4,597,490,526	8,140,940,167
Liabilities			
Banks and financial institutions deposits	541,721,932	-	541,721,932
Customers' deposits	2,706,671,866	3,121,460,705	5,828,132,571
Margin accounts	175,566,940	91,039,849	266,606,789
Loans and borrowings	59,136,785	55,000,000	114,136,785
Sundry provisions	1,533,803	53,750,887	55,284,690
Income tax provision	38,209,277	12,300,042	50,509,319
Deferred tax liabilities	-	2,185,858	2,185,858
Other liabilities	42,371,120	123,760,742	166,131,862
Total liabilities	3,565,211,723	3,459,498,083	7,024,709,806
Net	(23,262,081)	1,139,492,444	1,116,230,361

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



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

A- Credit commitments and contingent liabilities:

	31 December	31 December
	2017	2016
	JD	JD
Letters of credit	620,567,402	526,932,099
Acceptances	60,801,969	74,730,105
Letters of guarantee:		
Payment	121,941,953	131,644,049
Performance	134,023,651	135,504,853
Other	330,225,879	409,454,589
Irrevocable commitments to extend credit	394,402,480	589,307,067
Total	1,661,963,334	1,867,572,762

B- Contractual commitments:-

	31 December	31 December
	2017	2016
	JD	JD
Purchase of property and equipment contracts	8,908,773	910,742
Construction Projects contracts	7,412,110	7,442,237
Other purchases contracts	6,993,254	12,353,270
Total	23,314,137	20,706,249

47- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to JD 36.1 million as of 31 December 2017 (JD 33.81 million as of 31 December 2016). 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 1,278,282 as of 31 December 2017 (JD 520,677 as of 31 December 2016).

The value of cases filed by the Bank against others amounted to approximately JD 296 million as of December 31, 2017 compared to JD 303.9 million as of December 31, 2016.

48- New And Amended International Financial Reporting Standards

Standards issued but not effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's / Group's / Bank's financial statements are disclosed below. The Company / Group / Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. 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 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required; however, the entities are exempted from restating their comparative information.

The Bank plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Bank has performed an impact assessment of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Bank in 2018 when the Bank adopts IFRS 9. The Bank expects based on preliminary figures an increase in the loss allowance for an amount of JD 70 millions resulting in an equal negative impact on equity, as well as it might affect the deferred taxes. In addition, the Bank will implement changes in classification of certain financial instruments.

(a) Classification and Measurement

The Bank does not expect a significant impact on its balance sheet or equity on applying the new classification and measurement category of IFRS 9. It expects to continue being measured at amortised cost and to use the new category starting from 1 January 2018 for classifying part of the debt securities portfolio to be measured at fair value through OCI.

Credit facilities are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Bank analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

The new impairment guidance sets out an expected credit loss (ECL) model applicable to all debt instrument financial assets classified as amortized cost or FVTOCI. In addition, the ECL model applies to loan commitments and financial guarantees that are not measured at FVTPL.

Incurred Loss versus Expected Loss Methodology

The application of ECL will significantly change the credit loss methodology and models. ECL allowances represent credit losses that should reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. This compares to the present incurred loss model under IAS 39 that incorporates a single best estimate, the time value of money and information about past events and current conditions. The objective of the new impairment standard is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition. This compares to the present incurred loss model which recognizes lifetime credit losses when there is objective evidence of impairment and also allowances for incurred but not identified credit losses. Because of the inclusion of relative credit deterioration criteria and consideration of forward looking information, the ECL model eliminates the threshold or trigger event required under the incurred loss model, and lifetime ECL are recognized earlier under IFRS 9.



Stage Migration and Significant Increase in Credit Risk

• For non-Impaired Financial Instruments

Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. Entities are required to recognize 12 months of ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

• For Impaired Financial Instruments

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the current requirements under IAS 39 for impaired financial instruments.

For the business and government portfolios, the individually assessed allowances for impaired instruments recognized under IAS 39 will generally be replaced by stage 3 allowances under IFRS 9, while the collective allowances for non-impaired financial instruments will generally be replaced by either stage 1 or stage 2 allowances under IFRS 9. For the retail portfolios, the portion of the collective allowances that relate to impaired financial instruments under IAS 39 will generally be replaced by stage 3 allowances, while the non-impaired portion of the collective allowances will generally be replaced by either stage 1 or stage 2 allowances under IFRS 9.

Key Drivers of Expected Credit Loss

The following concepts are subject to a high level of judgment, will have a significant impact on the level of ECL allowances and will be the cause of increased volatility of allowances:

1. Determining when a SICR of a financial asset has occurred.
2. Measuring both 12-month and lifetime credit losses.
3. Incorporating forward-looking information using multiple probability-weighted scenarios, and
4. Collateral and quality.

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
- 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.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

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.

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 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

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.

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.

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

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

49-Comparative Figures

Some of the year 2016 figures have been reclassified to correspond with the year 2017 presentation. There is no effect on the income and equity for the year 2016.

Governance Report



Governance Report

Commitment to Corporate Governance Regulations and Rules

By virtue of the Board of Directors' believe in the importance of setting a base for the future development of the Bank, improving its performance, enhancing trust in its activities before depositors and shareholders, and protecting their interests through institutional control, the Board has adopted in 2008 a "Corporate Governance Code" that coincides with the International best practices, the principles of the Organization for Economic Co-operation and Development (OECD), the Basel Committee on Banking Supervision, the instructions of CBJ, the two laws of Banking and Companies, and the regulations of Jordanian Securities Commission. In addition to disclosure and transparency regulations and instructions, and corporate governance rules issued by regulatory bodies.

The Code could be viewed and accessed through the following link on the Bank's website:
<https://www.hbtf.com/en/hbtf-corporate-governance-manual>

In this regard, we assure our shareholders and regulators in Jordan and abroad and the international rating agencies as well as our network of correspondents spread around the globe that the Bank is fully committed to applying best practices of good governance and management in all the Bank's functions and operations, so that we remain a pioneering institution that seeks to support the welfare of communities not only in our homeland "Jordan" but also in all the countries where the Bank operates.

Current and resigned board members and representatives of the Board of Directors as of 31/12/2017

Name of Board Member	The Entity that the Member represents	Classification
Mr. Abdelelah Moh'd Alkhatib	Himself	Non-Executive, Independent
Mr. Abdulla Mubarak Al Khalifa	Qatar National Bank	Non-Executive, Non-Independent
Mr. Yousef Mahmoud Al-Neama		Non-Executive, Non-Independent
Mr. Khalid Majid Al-Nuaimi		Non-Executive, Non-Independent
Mr. Ramzi Talat Mari		Non-Executive, Non-Independent
Mr. Fawzi Abdel Hameed AlMani		Kuwait Real Estate Investment Consortium
Mr. Mohamed Mohamed Ben Yousef	Libyan Foreign Bank	Non-Executive, Non-Independent
Mr. Ismail Abdalla El Mesallati		Non-Executive, Non-Independent
Mr. Fadi Khalid Al Alawneh	Social Security Corporation / Jordan	Non-Executive, Non-Independent
Mr. Nidal Faeq Alqubaj		Non-Executive, Non-Independent
Dr. Yaser Manna' Adwan	Himself	Non-Executive, Independent
Mr. Fawzi Yousif Al-Hanif	Himself	Non-Executive, Independent
Mrs. Shaikha Yousuf Al-Farsi	Himself	Non-Executive, Independent

Name of the resigned Board Member	The Entity that the Member represents	Classification
Mr. Sami Hussein Al-Anbaee	Kuwait Real Estate Investment Consortium	Non-Executive, Non-Independent



Senior Executive Management as of 31/12/2017

Name of Senior Management Member	Title
Mr. Ihab Ghazi Saadi	Chief Executive Officer
Mr. Vasken Samuel Ajemian	Chief Banking Officer
Vacant	Chief Operating Officer
Mr. Adel Ibrahim Assad	Chief Risk Officer
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer
Mr. Riyadh Ali Taweel	Head of Treasury and Investment Sector
Mr. Nabil Tawfiq Barqawi	Head of Retail Banking Sector - Acting
Mr. "Mohammed Naser" Khalil Abu-Zahra	Head of Commercial Banking Sector
Vacant	Executive Manager / Corporate Investment Banking Dept.
Mr. Ibrahim Ahmad Hammad	Executive Manager / Operations Dept.
Dr. Jamal Ahmed Abu-Obaid	Executive Manager / Strategic Planning and Research Dept.
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance Dept.
Mrs. Luma Nayef Bakri	Executive Manager / Risk Dept.
Mr. Ali Hasan Al-Mimi	General Auditor - Acting
Mr. Wael Ismail Asfour	Legal Advisor

Memberships held by members of the Board of Directors in public shareholding companies

There are no memberships held by members of the Board of Directors in the Jordanian public shareholding companies.

The Bank's Corporate Governance Officer

Corporate Governance Center Manager - Mr. Jaser Kefaya.

Committees of the Board of Directors

1. Executive Committee
2. Audit Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Corporate Governance Committee
6. IT Governance Committee
7. Compliance Committee

Chairman and members of the Audit Committee and a description of their qualifications and experience in financial or accounting fields

Name	Qualifications and Experience of the Member
Mr. Fawzi Yousif Al-Hanif (Chairman)	<p>Qualifications: B.Sc. Economics, 1980</p> <p>Previous Memberships in other Commissions and Boards:</p> <ul style="list-style-type: none"> • Assistant Head of Asian Countries Dep., Kuwait Fund for Arab Economic Development / Kuwait 1983. • Head of Arab and Mediterranean Countries Dep., (KFAED) / Kuwait 1986. • Director of Operations, (KFAED) / Kuwait 1997. • Board Member, Kuwaiti Algerian Investment Co. / Luxembourg 1986. • Deputy Governor of the OPEC Fund for International Development (OFID) / Austria 1987. • Chairman, Tanmiya Realty Co. / UK 1997. • Board Member, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015. • Member of the Investment Committee, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015.
Mr. Ramzi Talat Mari	<p>Qualifications: Masters of Science Degree in Accountancy, 1989</p> <p>General Manager - Chief Financial Officer / QNB</p> <ul style="list-style-type: none"> • Board Member, QNB Capital / Qatar • Board Member, QIHL Luxembourg • Board Member, QNB Al Ahli / Egypt • Board Member, QNB Finansbank / Turkey
Mr. Mohamed Mohamed Ben Yousef	<p>Qualifications: Masters in Finance and Banking 2004, B.Sc. Accounting 1983</p> <p>General Manager, Libyan Foreign Bank</p> <ul style="list-style-type: none"> • Arab Accountant and Auditor 2004 • Libyan Accountant and Auditor 1993 • General Manager Libyan Qatar Bank from 17/2/2010 to 31/12/2010 • Board Member, The Housing Bank for Trade & Finance / Algeria • Chairman, ARBIFT / Abu Dhabi • Board Member, Arab International Bank / Cairo • Board Member, Union of Arab Banks / Beirut • Board Member of Arab International Bankers Management / Beirut • Chairman, National Financial Leasing Co. / Libya <p>Previous Memberships in other Commissions and Boards</p> <ul style="list-style-type: none"> • 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 Ministerial Committee of Economic Policies
Mrs. Shaikha Yousuf Al-Farsi	<p>Qualifications: MSc in Finance, 2005</p> <p>GM - Strategy and Organizational Development - Bank Muscat</p> <ul style="list-style-type: none"> • Board Member, BM JBR Limited • Board Member, Oman Banks Association, Sultanate of Oman
Dr. Yaser Manna' Adwan	<p>Qualifications: Ph.D Public Administration / policy analysis, 1983</p> <p>Professor of Management and Policy Analysis - College of Business University of Jordan</p> <p>Previous Memberships in other Commissions and Boards</p> <ul style="list-style-type: none"> • Chairman, Electricity distribution Co. • Chairman, Social Security Investment Fund • General Manager, Social Security Corporation • Chairman, Kingdom Electricity for Energy Investments Co • Vice Chairman, Jordan Phosphate Mines Co. • Board Member, Jordan Bromine Co. • Board Member, Industrial Development Bank • Board Member, Jordan Commercial Bank • Member of the Investment Fund Committee University of Jordan • Member of the Investment Fund Committee Al al-Bayt University



Chairman and members of the Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, Audit Committee, and their meetings during the year

Nomination and Remuneration Committee

The Nomination and Remuneration Committee held two meetings during 2017 as follows:

Board Members	Number of times attendance
Mrs. Shaikha Yousuf Al-Farsi (Chairman)	2
Mr. Fawzi Yousif Al-Hanif*	1
Mr. Mohamed Mohamed Ben Yousef	2

* Mr. Fawzi Al-Hanif was named as a member of the committee on 23/4/2017.

Corporate Governance Committee

The Corporate Governance Committee held one meeting during 2017 as follows:

Board Members	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib (Chairman)	1
Dr. Yaser Manna' Adwan	1
Mr. Nidal Faeq Alqubaj	1

Risk Management Committee

The Risk Management Committee held three meetings during 2017 as follows:

Board Members	Number of times attendance
Mr. Yousef Mahmoud Al-Neama (Chairman)	3
Mr. Khalid Majid Al-Nuaimi	2
Mr. Fawzi Abdel Hameed AlMani	2
Dr. Yaser Manna' Adwan	3
Mr. Nidal Faeq Alqubaj	3
Mr. Ihab Ghazi Saadi / CEO	3

Audit Committee

The Audit Committee held five meetings during 2017 as follows:

Board Members	Number of times attendance
Mr. Fawzi Yousif Al-Hanif* (Chairman)	3
Mr. Ramzi Talat Mari	4
Mr. Mohamed Mohamed Ben Yousef	5
Mrs. Shaikha Yousuf Al-Farsi	4
Dr. Yaser Manna' Adwan	5

* Mr. Fawzi Al-Hanif was named as a member of the committee on 23/4/2017.

Number of meetings of the Audit Committee with the external auditor during the year 2017

The Audit Committee was held four meetings with the external auditor during the year 2017.

Number of meetings of the Board of Directors

The Bank's Board of Directors held six meetings during 2017 as follows:

Board Members	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib	6
Mr. Abdulla Mubarak Al Khalifa	5
Mr. Yousef Mahmoud Al-Neama	4
Mr. Khalid Majid Al-Nuaimi	3
Mr. Ramzi Talat Mari	5
Mr. Fawzi Abdel Hameed AlMani	6
Mr. Mohamed Mohamed Ben Yousef	6
Mr. Ismail Abdalla El Mesallati	6
Mr. Fadi Khalid Al Alawneh	6
Mr. Nidal Faeq Alqubaj	6
Dr. Yaser Manna' Adwan	6
Mr. Fawzi Yousif Al-Hanif*	3
Mrs. Shaikha Yousuf Al-Farsi	5
Mr. Sami Hussein Al-Anbaee**	1

* Mr. Fawzi Al-Hanif was named as a member of the committee on 23/4/2017.

** Mr. Sami Al-Anbaee resigned from the Board on 23/4/2017.

Abdelelah Alkhatib
Chairman of the Board



Disclosure Statements



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 2018.

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. 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	
Mr. Fawzi Yousif Al-Hanif	Board Member	
Mrs. Shaikha Yousuf Al-Farsi	Board Member	

Fourth Declaration

The Chairman, the General Manager and the Chief Financial Officer 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 JD315 million.

The Bank's Training Programs

The total number of training opportunities provided by the Bank in 2017 was 8105. During the year, the Bank held a number of internal seminars specialized in the field of banking, in which 1128 employees participated. Also, the Bank provided the opportunity for 2 employees to acquire academic certificates and 8 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the Bank's Training Center	2,720
Training Programs held in collaboration with specialized local training centers	165
Training Courses held in Arab and Foreign Countries	37
Internal Seminars	1,128
Academic Certificates	2
Professional Certificates in the fields of Finance, Accountancy, Financing, Computer and Compliance.	8
Total	4,060

Following is a table showing the most important courses held in 2017:

Description	Training Opportunities
Behavioral Courses	1,798
Administrative Courses	820
English Language Courses	400
Microsoft Office Courses	200
Specialized Functional Courses for Branches	815
Specialized Functional Courses for Managements	402
Others	3,670
Total	8,105

Number of Employees

1. Number of employees at the HBTF Group as per their qualifications as at the end of 2017.

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	4	-	-	-	1	-	-	-	-	-	
Master's Degree	149	15	3	12	3	4	4	1	-	-	
High Diploma Degree	1	2	-	2	27	1	-	-	-	1	
Bachelor's Degree	1,856	210	20	240	162	11	18	7	4	5	
Diploma Degree	364	17	1	67	35	3	4	1	21	1	
General Secondary Certificate	52	31	4	53	39	18	5	3	468	2	
Total	2,426	275	28	374	267	37	31	12	493	9	



2. The Number of Employees of Jordan Branches at the end of 2017

The number of the Bank's employees inside Jordan reached 2,426, out of whom 1,136 employees are working at the various departments and work centers at the headquarters and 1,290 employees working at the branches distributed as follows:

Branch	NO.	Branch	NO.	Branch	NO.	Branch	NO.	Branch	NO.
Amman Governorate		Prince Rashed District	7	Juwaideh	8	Zarqa Governorate		Karak Governorate	
Main Branch	37	Al-Rawabi District	3	Qwaismeh	9	Zarqa	14	Karak	13
Suleiman Al-Nabulsi St.	5	Um Uthyna	11	Sahab	8	Qasr Shbeeb	11	Mu'ta	13
Abdali Mall	14	Rabiyah	11	King Abdullah II City	9	Ghweirieh	7	Qaser	10
Jabal Al Hussein	11	Abdullah Ghosheh	14	Abu Alanda	8	Jaish St.	8	Potash	8
Al Weibdeh	7	Mecca St.	10	Central Market	7	Ma'soum Sub.	8	Madaba Governorate	
Salam	7	City Mall	21	Airport	18	New Zarqa	13	Madaba	14
Al Madina	9	Medical City St.	7	Airport St.	7	Zarqa Highway	7	The German -Jordanian University	5
Jabal Amman	10	Um Al Sumaq	11	Al Jeeza	7	Russeifa	8	Mafrqa Governorate	
Zahran	11	Abu Nussair	14	Irbid Governorate		Jabal Al Shamali	11	Mafrqa	15
Private Banking Services	6	Jubeiha	11	Irbid	18	Hiteen	8	Western Complex / Mafrqa	4
Hawoos	8	Sweileh	11	Prince Nayef St. / Irbid	4	Oujan	8	Ajloun Governorate	
Prince Hasan Sub.	7	Marj Al Hamam	13	Palestine St.	11	Free Zone / Zarqa	8	Ajloun	13
Wadi Saqra	5	Na'our	8	Yarmouk	8	Dlail	9	Kufranjah	7
Arrar St.	7	Tareq	15	Barha	9	North Azraq	7	Tafleeh Governorate	
Tla' Al Ali	11	North Hashimi	11	Quba Circle	16	Balqa Governorate		Tafleeh	9
Madina Munawarah	14	Nuzha	11	Irbid Mall	15	Salt	13	Hasa	8
Sports City	13	Marka	16	30th Street / Irbid	10	Al Salt Gate	9	Aqaba Governorate	
Gardens	16	Prince Hasan Sub.	10	Hakama	11	Fuhais	9	Aqaba	15
Shmeisani	9	Manarah	7	Huson	12	Baqa'	9	Shuwaikh Mall	14
Children	4	Jabal Al Taj	7	Aidoun	8	Deir Alla	9	Jarash Governorate	
Commercial Complex	11	Ras Al Ein	13	Al Hasan Industrial City	7	South Shouna	7	Jarash	11
Abdoun	15	Nazal Sub.	9	Deir Abi Saeed	8	Karameh	7	Mobile Bus	
Taj Mall	15	Al-Yasmeen District	8	Kraymeh	6	Ma'an Governorate		Mobile Bus 1	5
Housing Bank Park / Abdoun	7	Hurria St.	11	Mashare'	7	Ma'an	9	Mobile Bus 2	5
Deir Ghbar	7	Ashrafieh	8	North Shouna	7	Petra	9		
Park Plaza	22	Wehdat	13	Ramtha	12	Shobak	7		
Sweifeh	4	Ethaa'	8	Wasfi Al Tal St. / Ramtha	6	Sheidieh	7		
Galleria Mall	12	Foreign Travel	6	Bani Kenana	7	Husseiniya	7		
Bayader	14	Muwaqqar	7						
Total									1,290

3. The Number of Employees at Palestine Branches as at the end of 2017

Branch	Number
Regional Management	138
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
Tulkarm	8
Rafidia	8
Total	275

4. The Number of Employees at the IBTF/ Syria as at the end of 2017

Branch	Number	Branch	Number	Branch	Number
General Management	186	MazzeH	8	Dira*	-
Hejaz	17	Tijarah	7	Hama	10
Pakistan	14	Al Firdous	8	Mahradeh	6
Dama Roze	8	Zabadani*	-	Hasakeh*	-
Yarmouk *	-	Homs*	-	Latakia	14
Housh Plass	5	Tartus	14	Sweida	9
Duma*	-	Faisal	16	Qamishli	5
Dummar Project	7	Sheraton*	-	Deir Al Zour*	-
Hareeka	8	Jmeleyeh*	-	Masaken Barzeh	9
Jaramana	9	Sheikh Najjar*	-	Abu Rummaneh	8
Qas'a	6	Shahba' Mall*	-	Total	374

* Closed due to the prevailing situations in Syria.



5. The Number of Employees at the HBTF / Algeria as at the end of 2017

Branch	Number
Regional Management	150
Dali Ibrahim	31
Blida	14
Wahran	21
Steif	15
Dar al Bayda'	17
Bgayet	11
Constantine	8
Total	267

6. The Number of Employees at the Specialized Leasing Finance Co. as at the end of 2017

Branch	Number
General Management	25
Irbid Office	3
Aqaba Office	3
Total	31

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 of 31/12/2017)

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.
- 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.
- In 2012, he became the Chairman of the Independent Election Commission, while in 2009-2010 he was appointed as the Chairman of the Economic and Social Council.
- 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

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
- Compliance 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. 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
- Executive Committee
- Risk Management 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

- Investment Manager, Kuwait Small Projects Development Co. (KSPDC) / Kuwait
- Investment Manager – Investment Portfolio, Kuwait Investment Authority (KIA) / Kuwait
- Vice President, Safir International Hotels / Egypt
- Vice President and Member of Executive Committee, Kenana Sugar Co. / Sudan
- Board Member and Member of Executive Committee, Al Shams for Hotel & Tourism Co. / Egypt
- Board Member and Member of Executive Committee, Kuwait Real Estate Investment Consortium (KREIC) / Kuwait
- Board Member and President of Executive Committee, Abou Nawas for Tourism / Tunis
- Board Member, Arabian Brick Co. / Egypt
- Board Member, Arab Shipping Co. / Egypt
- 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
- IT Governance 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 / Beirut
- 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 / Tripoli
- 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

Previous Memberships in other Commissions and Boards

- Board Member, Cairo Amman Bank
- Board Member, Arab Potash Co.
- Board Member, Jordan International Insurance Co.
- Board Member, Al Daman Leasing 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, Compliance Committee
- 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 of the Investment Fund Committee University of Jordan
- Member of the Investment Fund Committee Al al-Bayt University



Mr. Fawzi Yousif Al-Hanif

Title: Board Member

Date of Birth: 2/12/1957

Qualifications: B.Sc. Economics, 1980

Memberships in HBTF Board Committees

- Chairman, Audit Committee
- Nomination & Remuneration Committee

Previous Memberships in other Commissions and Boards

- Assistant Head of Asian Countries Dep., Kuwait Fund for Arab Economic Development / Kuwait 1983
- Head of Arab and Mediterranean Countries Dep., (KFAED) / Kuwait 1986
- Director of Operations, (KFAED) / Kuwait 1997
- Board Member, Kuwaiti Algerian Investment Co. / Luxembourg 1986
- Deputy Governor of The OPEC Fund for International Development (OFID) / Austria 1987
- Chairman, Tanmiya Realty Co. / UK 1997
- Member of the Supreme Administrative Committee, Al-Aqsa and Al-Quds Intifada Fund, Islamic Development Bank 2009-2015
- Board Member, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015
- Member of the Investment Committee, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015
- Member of the Coordination Committee, Gaza Reconstruction Program 2009-2015

Mrs. Shaikha Yousuf Al-Farsi

Title: Board Member

Date of Birth: 9/1/1978

Qualifications: MSc in Finance, 2005

- GM - Strategy and Organizational Development - Bank Muscat

Memberships in HBTF Board Committees

- Chairman, Nomination & Remuneration Committee
- Audit Committee
- Compliance Committee

Memberships in other Commissions and Boards

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

Resigned Board Members During 2017

Name	Resignation Date	Short Brief
Mr. Sami Hussein Al-Anbaee	23/4/2017	Mr. Sami Al-Anbaee has occupied the position of member of the Board of Directors of Housing Bank for the period from 2013 – 2017 representing Kuwait Real Estate Investment Consortium in addition to his position as Economic Adviser to Governor of the Central Bank of Kuwait.

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	Qatar National Bank	Non-Executive - Non-Independent	34.481%
Mr. Yousef Mahmoud Al-Neama	31/1/2008		Non-Executive - Non-Independent	
Mr. Khalid Majid Al-Nuaimi	12/7/2015		Non-Executive - Non-Independent	
Mr. Ramzi Talat Mari	9/3/2014		Non-Executive - Non-Independent	
Mr. Fawzi Abdel Hameed AlMani	7/11/2016	Kuwait Real Estate Investment Consortium	Non-Executive - Non-Independent	18.609%
Mr. Mohamed Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive - Non-Independent	16.570%
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%
Mr. Fawzi Yousif Al-Hanif	23/4/2017	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	
		2016	2017	2016	2017
Mr. Abdelelah Moh'd Alkhatib	Jordanian	10,000	12,500	-	-
Mr. Abdulla Mubarak Al Khalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Khalid Majid Al-Nuaimi	Qatari	-	-	-	-
Mr. Ramzi Talat Mari	Jordanian	-	-	-	-
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	12,733	-	-
Mr. Fawzi Yousif Al-Hanif	Kuwaiti	-	12,500	-	-
Mrs. Shaikha Yousuf Al-Farsi	Omani	10,000	12,500	-	-

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	
		2016	2017	2016	2017
Mr. Sami Hussein Al-Anbaee	Kuwaiti	-	-	-	-

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

Summary of the functions and responsibilities of the Board committees

Corporate Governance Committee

Steer and oversee the preparation of a corporate governance code, review it and oversee its implementation.

Audit Committee

- Review the scope, outcomes, and adequacy of the internal and external audit.
- Review accounting issues of material impact on the Bank financial statements.
- Review internal monitoring and controls system.
- Recommend to the Board for its appointment of external auditor, terminating his service, defining his fees and any other provisions relating to contracting with him. The foregoing includes also his independency assessment and any other services, other than audit, assigned to the auditor.
- Review, oversee and ensure that the Bank has appropriate and effective whistleblowing procedures which enable the employee to speak up in a confidential way about any errors in the financial statements or any other matters. The committee shall also ensure the availability of arrangements necessary for independent investigation and ensure following up investigation outcomes, and treatment actions in an objective manner.

Nomination and Remuneration Committee

- Identifying the members qualified to join the Board taking into consideration the candidates' capabilities and qualifications.
- Recommending to the Board qualified candidates to join the senior executive management.
- Ensuring that the Board members attend banking-related workshops or seminars, especially risks management and corporate governance.
- Determining whether the member fulfills the independent member requirements and review such on annual basis.
- Following defined and approved basis in assessing the Board and CEO performance.
- Ensuring the availability of remuneration policy for the Bank's executives, reviewing it periodically, and implementing it. The committee recommends determining the salaries, rewards, and other privileges of CEO and other senior executive management members.
- Ensuring the availability of succession plan for the senior executive management.

Risk Management Committee

- Reviewing risk management framework in the Bank.
- Reviewing risks management strategies prior to Board approval.
- Following up developments that affect risk management, and report such periodically to the Board.
- Ensuring that there are no gaps between actual risks the Bank is exposed to and the Bank's risk appetite approved by the Board.



Executive Committee

- Studying the estimated budget and major policies related to the Bank's operations.
- Studying the Bank's annual strategy.
- Studying the Bank's strategic capital or investment projects.
- Studying the credit facilities that fall within its authority, and submits what exceeds its authority to the Board.

IT Governance committee

- Endorsing IT strategic goals and appropriate organizational structures including steering committees at the senior executive management level, specifically the IT Steering Committee.
- Endorsing the management, control and monitoring framework for IT projects and resources that aligns with the best acceptable international standards in that matter; and precisely Control Objectives for Information and related Technology standard (COBIT), in addition to having the framework in line with the Central Bank of Jordan's regulations.
- Endorsing Enterprise IT Goals Matrix that links business and IT related goals in line with the Central Bank of Jordan's regulations.
- Endorsing responsibilities matrix (RACI Chart) towards key IT Governance processes in line with the Central Bank of Jordan's regulations.
- Ensuring that IT Risk Management Framework aligned with the Enterprise Risk Management (ERM) Framework is available.
- Endorsing budgets for IT strategic projects, initiatives, and business as usual activities.
- Monitoring the IT operations, projects and resources to ensure alignment with business strategic goals and realization of expected benefits of the Bank.

Compliance Committee

- Oversee the efficiency, effectiveness and the independency of the Compliance Department and its different functions in evaluating the degree that the Bank manages its «compliance risks».
- Take the necessary measures to enhance the values of integrity and sound professional practice inside the Bank.
- Oversee the follow up compliance with the Instructions of the regulatory bodies and exerting efforts within the Bank to establish effective bases in the field of Anti-Money Laundering and Terrorist Financing and Sanctions.

The Board & the Board Committees Meetings

1. The Board's Meetings

The Bank's Board of Directors held 6 meetings during 2017 as follows:

	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib	6	Mr. Sami Hussein Al-Anbaee	1
Mr. Abdulla Mubarak Al Khalifa	5	-	-
Mr. Yousef Mahmoud Al-Neama	4	-	-
Mr. Khalid Majid Al-Nuaimi	3	-	-
Mr. Ramzi Talat Mari	5	-	-
Mr. Fawzi Abdel Hameed AlMani	6	-	-
Mr. Mohamed Mohamed Ben Yousef	6	-	-
Mr. Ismail Abdalla El Mesallati	6	-	-
Mr. Fadi Khalid Al Alawneh	6	-	-
Mr. Nidal Faeq Alqubaj	6	-	-
Dr. Yaser Manna' Adwan	6	-	-
Mr. Fawzi Yousif Al-Hanif	3	-	-
Mrs. Shaikha Yousuf Al-Farsi	5	-	-

2. Executive Committee Meetings

The Executive Committee held 3 meetings during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Abdulla Mubarak Al Khalifa	3	Mr. Sami Hussein Al-Anbaee	1
Mr. Yousef Mahmoud Al-Neama	1	-	-
Mr. Khalid Majid Al-Nuaimi	2	-	-
Mr. Fawzi Abdel Hameed AlMani	3	-	-
Mr. Ismail Abdalla El Mesallati	3	-	-
Mr. Fadi Khalid Al Alawneh	3	-	-



3. Audit Committee Meetings

The Audit Committee held 5 meetings during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Fawzi Yousif Al-Hanif	3	-	-
Mr. Ramzi Talat Mari	4	-	-
Mr. Mohamed Mohamed Ben Yousef	5	-	-
Mrs. Shaikha Yousuf Al-Farsi	4	-	-
Dr. Yaser Manna' Adwan	5	-	-

4. Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held 2 meetings during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mrs. Shaikha Yousuf Al-Farsi	2	-	-
Mr. Fawzi Yousif Al-Hanif	1	-	-
Mr. Mohamed Mohamed Ben Yousef	2	-	-

5. Risk Management Committee Meetings

The Risk Management Committee held 3 meetings during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Yousef Mahmoud Al-Neama	3	Mr. Sami Hussein Al-Anbaee	-
Mr. Khalid Majid Al-Nuaimi	2	-	-
Mr. Fawzi Abdel Hameed AlMani	2	-	-
Dr. Yaser Manna' Adwan	3	-	-
Mr. Nidal Faeq Alqubaj	3	-	-
Mr. Ihab Ghazi Saadi / CEO	3	-	-

6. Corporate Governance Committee Meetings

The Corporate Governance Committee held 1 meeting during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Abdelelah Moh'd Alkhatib	1	-	-
Dr. Yaser Manna' Adwan	1	-	-
Mr. Nidal Faeq Alqubaj	1	-	-

7. IT Governance Committee

The IT Governance Committee held 2 meetings during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Mr. Fawzi Abdel Hameed AlMani	2	-	-
Mr. Yousef Mahmoud Al-Neama	2	-	-
Mr. Nidal Faeq Alqubaj	2	-	-
Mr. Mohamed Mohamed Ben Yousef	1	-	-

8. Compliance Committee

The Compliance Committee held 1 meeting during 2017 as follows:

Board Members	Number of times attendance	Resigned Board Members during 2017	Number of times attendance
Dr. Yaser Manna' Adwan	1	-	-
Mr. Ramzi Talat Mari	1	-	-
Mrs. Shaikha Yousuf Al-Farsi	1	-	-



Senior Executive Management: Brief Resume (as of 31/12/2017)

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 moved 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 June 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. Mr. Saadi was then promoted to Chief Executive Officer (CEO) on 15 Dec. 2016.

Memberships in HBTF Board Committees:

- Risk Management Committee

Memberships in other Commissions and Boards:

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

Previous Memberships in other Commissions and Boards

- Board Member, CRIF Co. / Jordan, 2015-2016
- Board Member, Saraya Aqaba representing Social Security Investment Fund, 2007- 2013
- Board Member, Palestine Development & Investment Co. (PADICO), 2005-2007
- Board Member, JordInvest Co., 2004-2005

Title: Chief Banking Officer
Mr. Vasken Samuel Ajemian

Date of Birth: 28/09/1972

Date of Appointment: 05/09/2017

Qualifications: B.Sc. in Business Administration, 1995

Professional Experiences:

Mr. Ajemian began his career at Standard Chartered Bank in Jordan since the beginning of 1995, he has a diversified banking experience that spans over 20 years at this bank in many areas, covered most of Banking Business, as the Corporate Banking, Retail Banking and Treasury.

During his career progression at Standard Chartered Bank, he held various positions: Head of Treasury Department (2004), Head of Large Corporate Department (2011), Head of Global Corporates that's include Corporate Treasury and Financial Institutions (2013), then Head of Wholesale Banking for Jordan, Lebanon and Egypt.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards: None

Title: Chief Operating Officer

Vacant

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 Treasury and Investment Sector**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 and Investment Sector.

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, Social Security Investment Fund and Member of Investment Governance Committee.

Title: Head of Retail Banking Sector - Acting

Mr. Nabil Tawfiq Barqawi

Date of Birth: 23/4/1960

Date of Appointment: 21/10/1984

Qualifications: B.Sc. in Accounting, 1982

Professional Experiences:

Mr. Barqawi worked for the Bank for more than 30 years and his banking experience focused on Retail Banking Management, starting with Main Branch Manager to Area Manager to Executive Manager of Jordan Branches, during April 2017 he was appointed as Head of Retail Banking Sector - Acting.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards: None

Title: Head of Commercial Banking Sector

Mr. "Mohammed Naser" Khalil Abu-Zahra

Date of Birth: 18/7/1972

Date of Appointment: 5/6/2016

Qualifications: MBA - Financial Management, 2006

Professional Experiences:

Mr. Abu-Zahra has a long and diversified banking experience, He has worked for several Banks and his expertise were focused on Corporate Business, he started his career in 1994 in Finance and Investment Department at Jordan Islamic Bank, during 1997 – 1999 he worked in Facilities Department at Islamic International Arab Bank, after that he joined to the HBTF to work in Corporate Banking Department during 1999 – 2002, then he was appointed as Executive Manager of the Corporate Department at ABC Bank / Jordan for 6 years until he assumed the position of Head of this department during 2007-2016.

Mr. Naser rejoined HBTF as Executive Manager of the Corporate Investment Banking Department, he was later appointed as Head of the Commercial Banking Sector – Acting until he installed in this position during October 2017.

It should be noted that Mr. Abu-Zahra possesses more than 50 Certificate in Facilities and Credit Analysis, in addition to a certificate from Moody's in 2002.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards:

- Board Member, The Housing Bank for Trade & Finance / Algeria.

Title: Executive Manager / Corporate Investment Banking Dept.

Vacant



Title: Executive Manager / Operations Dept.

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 Executive Manager of Operations Department in 2015.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards: None

Title: Executive Manager / Strategic Planning and Research Dept.

Dr. Jamal Ahmed Abu-Obaid

Date of Birth: 6/1/1958

Date of Appointment: 27/12/1981

Qualifications: Ph.D, in Finance, 2003

Professional Experiences:

Dr. Abu-Obaid started his career at HBTF in 1981 as Economic Researcher, he held various administrative positions such as Head of Studies and Investment Unit and Manager of Strategic Planning Center, until being appointed Executive Manager of the Strategic Planning and Research Department in May 2010.

It is noteworthy that Dr. Jamal worked as part time lecturer in many Jordanian and Arab universities on the one hand, and a trainer in the financial, banking and investment fields on the other hand, he has many work papers presented in specialized conferences as well as articles and research published in specialized magazines, local and foreign newspapers.

Dr. Abu-Obaid is a member of the Talal Abu-Ghazaleh Knowledge Forum and a member of the Investment Committee of the Forum. He is also a member of IMC Jordan.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards: None

Title: Executive Manager / Compliance Dept.

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 15 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: Executive Manager / Risk Dept.

Mrs. Luma Nayef Bakri

Date of Birth: 19/7/1973

Date of Appointment: 24/10/1995

Qualifications: Masters in Business Administration, 2006

Professional Experiences:

Mrs. Bakri has started her career at HBTF since she was appointed at the Bank in 1995, her expertise lately was focused on areas of Risk Management, she held various administrative positions until being appointed as the Vice Executive Manager of the Risk Department during 9/2015, to Executive Manager of Risk Department in 2/2017.

It is noteworthy that Mrs. Bakri is a member of the Higher Credit Committee and the IT Steering Committee in the Bank which are headed by the Chief Executive Officer. She has also attended many courses in the banking field, many of which are related to risk management.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards:

- Board Member, Jordan Loan Guarantee Corporation.



**Title: General Auditor - Acting
Mr. Ali Hasan Al-Mimi**

Date of Birth: 5/4/1979

Date of Appointment: 18/10/2000

Qualifications: B.Sc. in Accounting 2000, CIA, CCSA, CRMA.

- Member of the Institute of Internal Auditors (IIA).
- Member of the Association of Certified Fraud Examiners (ACFE).

Professional Qualifications:

- Certified Internal Auditor (CIA), the Institute of Internal Auditors (IIA).
- Certification in Control Self-Assessment (CCSA), the Institute of Internal Auditors (IIA).
- Certification in Risk Management Assurance (CRMA), the Institute of Internal Auditors (IIA).

Professional Experiences:

Mr. Al-Mimi worked for the HBTF for more than 17 years, he has been promoted to various positions in the Internal Audit Department (IAD), during that period, gained the necessary qualification and experience to manage and direct the Bank's internal audit functions.

Mr. Al-Mimi was appointed as an Acting General Auditor from 15/2/2017, during his mandate, managed the Transformation Project to develop internal audit activity.

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: Master in International Arbitration, 2017

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 2017

Name	Resignation Date	Short Brief
Mr. Ayman Abdullah Abdullah Head of Retail Banking	1/5/2017	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 to Head of Retail Banking in 2013.
Dr. Mohammad Abed Alfattah Turki General Auditor	1/5/2017	Dr. Turki worked for the Bank for more than 28 years and his banking experience focused on audit activities. He held various positions in internal auditing until he reached this position as "General Auditor".
Mr. Mohammed Ali Ibrahim Head of Commercial Banking	1/9/2017	Mr. Ibrahim held managerial positions in many local, regional, and international banks in Jordan.



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	
			2016	2017	2016	2017
Mr. Ihab Ghazi Saadi	Chief Executive Officer	Jordanian	2,100	2,625	-	-
Mr. Vasken Samuel Ajemian	Chief Banking Officer	Jordanian	-	-	-	-
Vacant	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Adel Ibrahim Assad	Chief Risk Officer	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	2,000	2,500	-	-
Mr. Riyad Ali Taweel	Head of Treasury and Investment	Jordanian	-	-	-	-
Mr. Nabil Tawfiq Barqawi	Head of Retail Banking - Acting	Jordanian	-	-	-	-
Mr. "Mohammed Naser" Khalil Abu-Zahra	Head of Commercial Banking	Jordanian	-	-	-	-
Vacant	Executive Manager / Corporate Investment Banking	Jordanian	-	-	-	-
Mr. Ibrahim Ahmad Hammad	Executive Manager / Operations	Jordanian	4,050	5,062	-	-
Dr. Jamal Ahmed Abu-Obaid	Executive Manager / Strategic Planning and Research	Jordanian	-	-	-	-
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance	Jordanian	-	-	-	-
Mrs. Luma Nayef Bakri	Executive Manager / Risk	Jordanian	-	-	-	-
Mr. Ali Hasan Al-Mimi	General Auditor - Acting	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 2017 (JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Abdelelah Moh'd Alkhatib	Chairman	-	466,200	3,484	2,150	471,834
Dr. Yaser Manna' Adwan	Board Member	-	164,924	4,317	2,425	171,666
Mr. Fawzi Yousif Al-Hanif	Board Member	-	77,000	-	9,761	86,761
Mrs. Shaikha Yousuf Al-Farsi	Board Member	-	149,291	3,484	5,824	158,599
Qatar National Bank represented by*:						
Mr. Abdulla Mubarak Al Khalifa	Vice Chairman	-	158,500	5,000	5,735	169,235
Mr. Yousef Mahmoud Al-Neama	Board Member	-	142,000	5,000	6,719	153,719
Mr. Khalid Majid Al-Nuaimi	Board Member	-	142,000	5,000	3,298	150,298
Mr. Ramzi Talat Mari	Board Member	-	164,000	5,000	6,832	175,832
Kuwait Real Estate Investment Consortium represented by*:						
Mr. Fawzi Abdel Hameed AlMani	Board Member	-	129,083	835	11,107	141,025
Libyan Foreign Bank represented by:						
Mr. Mohamed Mohamed Ben Yousef	Board Member	-	175,000	5,000	10,416	190,416
Mr. Ismail Abdalla El Mesallati	Board Member	-	164,000	5,000	9,807	178,807
Social Security Corporation / Jordan represented by*:						
Mr. Fadi Khalid Al Alawneh	Board Member	-	152,767	4,166	2,200	159,133
Mr. Nidal Faeq Alqubaj	Board Member	-	150,034	3,335	1,620	154,989

* 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 2017

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Sami Hussein Al-Anbaee	Board Member	-	76,000	5,000	760	81,760*
Mrs. Rania Fahed Al Araj**	Board Member	-	8,083	833	-	8,916*
Dr. Hamzeh Ahmed Jaradat**	Board Member	-	8,083	833	-	8,916*
Mr. Humoud Jassim Al Falah**	Board Member	-	24,250	2,499	-	26,749*
Mr. Oday Al Ibrahim**	Board Member	-	16,167	1,666	-	17,833*
SHK Ali Jassim Al Thani**	Board Member	-	14,709	1,516	-	16,225
Mr. Ahmed Said Al Mahrezi**	Board Member	-	14,709	1,516	-	16,225

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

** The amounts received by these members represent the 2016 benefits paid during 2017.

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

Salaries, Benefits and Allowances of the Senior Executives during 2017

(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	560,000	-	450,000	14,250	1,024,250
Mr. Vasken Samuel Ajemian	Chief Banking Officer	82,800	928	-	-	83,728
Vacant	Chief Operating Officer	-	-	-	-	-
Mr. Adel Ibrahim Assad	Chief Risk Officer	192,912	2,880	55,818	6,800	258,410
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	192,833	2,880	55,818	1,600	253,131
Mr. Riyadh Ali Taweel	Head of Treasury and Investment	161,663	2,880	54,143	4,200	222,886
Mr. Nabil Tawfiq Barqawi	Head of Retail Banking - Acting	99,676	1,200	23,086	-	123,962
Mr. "Mohammed Naser" Khalil Abu-Zahra	Head of Commercial Banking	115,072	1,200	19,269	-	135,541
Vacant	Executive Manager / Corporate Investment Banking	-	-	-	-	-
Mr. Ibrahim Ahmad Hammad	Executive Manager / Operations	84,879	1,200	16,737	-	102,816
Dr. Jamal Ahmed Abu-Obaid	Executive Manager / Strategic Planning and Research	91,345	1,200	22,677	1,000	116,222
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance	87,364	1,200	13,338	2,600	104,502
Mrs. Luma Nayef Bakri	Executive Manager / Risk	66,693	1,150	12,850	1,200	81,893
Mr. Ali Hasan Al-Mimi	General Auditor - Acting	92,354	1,200	23,800	-	117,354
Mr. Wael Ismail Asfour	Legal Advisor	101,392	1,200	24,040	-	126,632

In-kind Benefits Obtained by any Senior Executives Management Members: None



Salaries, Benefits and Allowances of the Resigned Senior Executives during 2017

(JD)

Name of Senior Management Member	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Ayman Abdullah Abdullah	Head of Retail Banking	38,913	720	47,419	-	87,052
Dr. Mohammad Abed Alfattah Turki	General Auditor	121,279	1,920	59,142	-	182,341
Mr. Mohammed Ali Ibrahim	Head of Commercial Banking	17,144	480	41,752	-	59,376

In-kind Benefits Obtained by Resigned Senior Executive Management Members: None

Major Shareholders 1% or more for 2017

Name	Number of Shares	(%) of the Capital	Ultimate Beneficial Owners	Reserved or Mortgaged Shares
Qatar National Bank	108,615,827	34.481%	Itself	-
Kuwait Real Estate Investment Consortium	58,617,556	18.609%	Itself	-
Libyan Foreign Bank	52,195,161	16.570%	Itself	-
Social Security Corporation/Jordan	48,485,331	15.392%	Itself	-
Iran Foreign Investments Company	14,577,670	4.627%	Itself	-
State General Reserve Fund / Oman	9,375,000	2.976%	Itself	-
Total	291,866,545	92.656%		

- Number of Jordanian Shareholders is 2,721; their holding constitutes 19.1% of the Capital.

- Number of Arab & Foreign Shareholders is 446 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 2017

Description	Market Share
Assets	14.6%
Customers' Deposits	15.0%
Direct Credit Facilities	14.1%

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 2017. 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, Operational Risk, Cyber Security and Information Security. 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 2017

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

The Financial Impact of Non-recurrent Transactions during 2017 which are not Part of the Bank's Main Activities

No non-recurrent transactions or any substantial matters occurred during 2017 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 2017

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 2018.

Auditor's Fees for 2017

(JD)

Description	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	140,586	41,801	182,387
Palestine Branches	29,811	8,661	38,472
Bahrain Branch	22,135	9,500	31,635
International Bank for Trade and Finance / Syria	49,241	-	49,241
The Housing Bank for Trade and Finance / Algeria	50,596	-	50,596
Jordan International Bank / London	109,680	-	109,680
Specialized Leasing Finance Co.	4,408	3,306	7,714
International Financial Center Co.	5,004	3,879	8,883
Jordan Real Estate Investments and Commercial Services Co.	2,328	-	2,328
Total	413,789	67,147	480,936

Donations and Grants in 2017

1. The Cash Donations

The cash donations provided by the Bank in 2017 amounted to JD695 thousand.

2. The In-Kind Donations

The book value of in-kind materials that have been donated throughout 2017 amounted to JD1,500, noting that the nominal value of these materials amounted to JD182 thousand.

Contracts, Projects and Engagements concluded with its Subsidiaries, Sister Companies, Affiliates, Chairman, Members of the Board of Directors, CEO or any employee in the Company or their Relatives

1. As set out in Note 38 mentioned in the Financial Statements of 2017, 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. During 2017, the Bank didn't enter into Contracts, Projects and Engagements with its Subsidiaries, Sister Companies, Affiliates, Chairman, Members of the Board of Directors, CEO or any employee in the Company or their Relatives.

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

During the year 2017, 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.

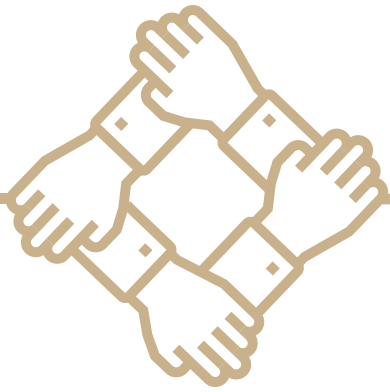
Compliance with Corporate Governance

- The Bank is committed to implement the principles of the Corporate Governance Code. A copy of this code can be found on the following link:
<https://www.hbtf.com/en/hbtf-corporate-governance-manual>
- The Bank is committed to implement the principles of the IT Governance Code. A copy of this code can be found on the following link:
<https://www.hbtf.com/en/hbtf-corporate-governance-manual>

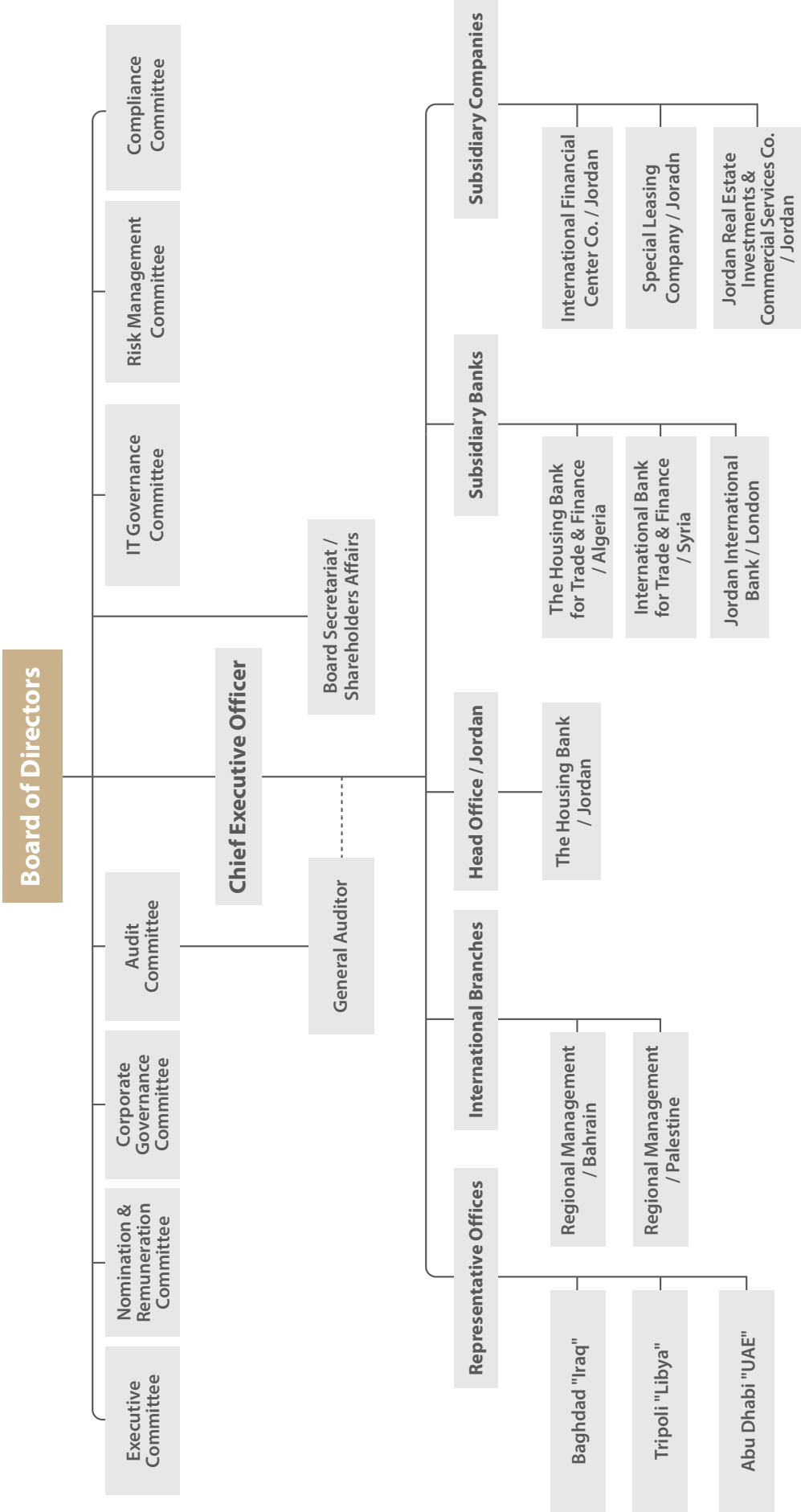
Customer Complaints Remediation

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 2017, the Unit handled 216 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.

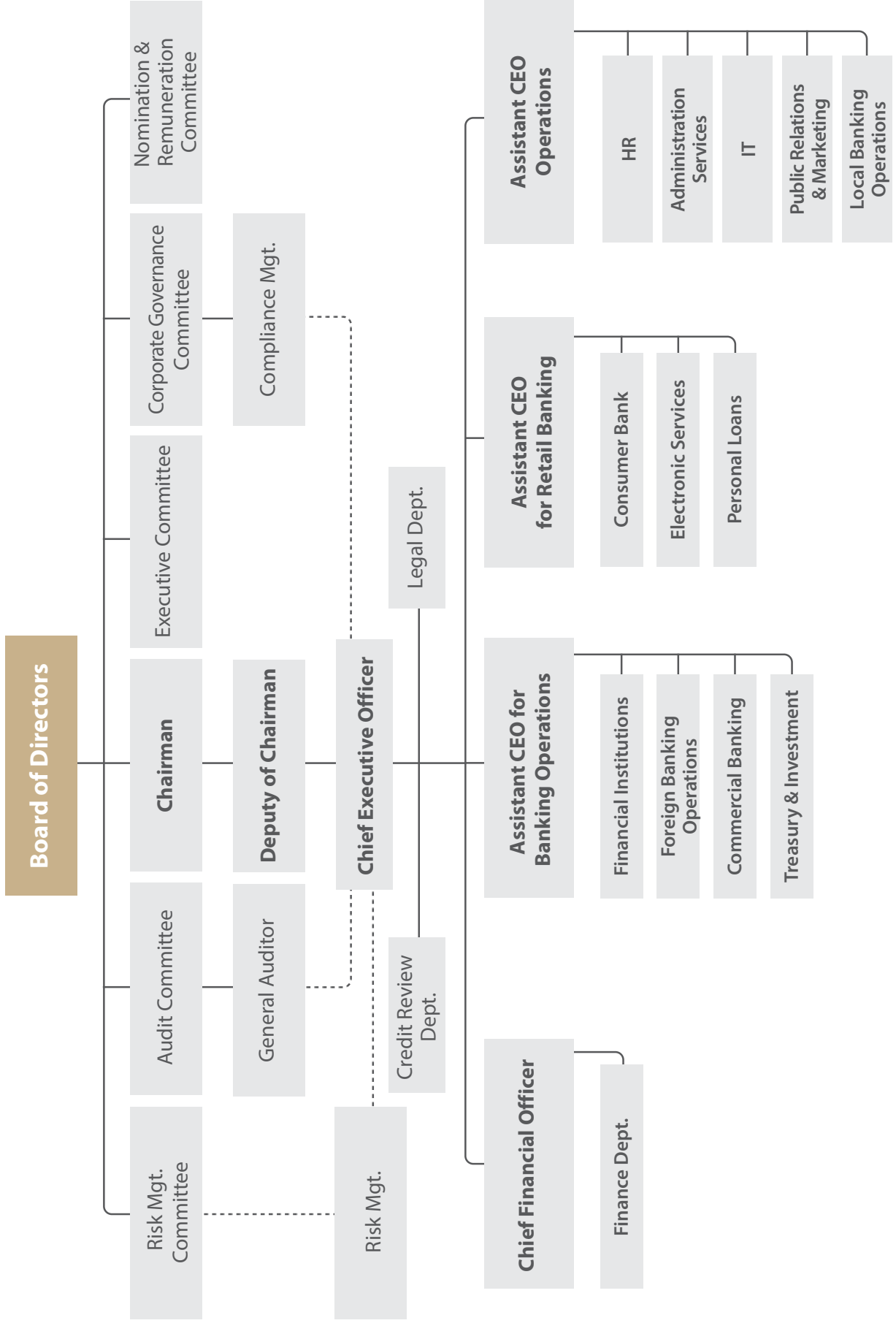
Organizational Structures



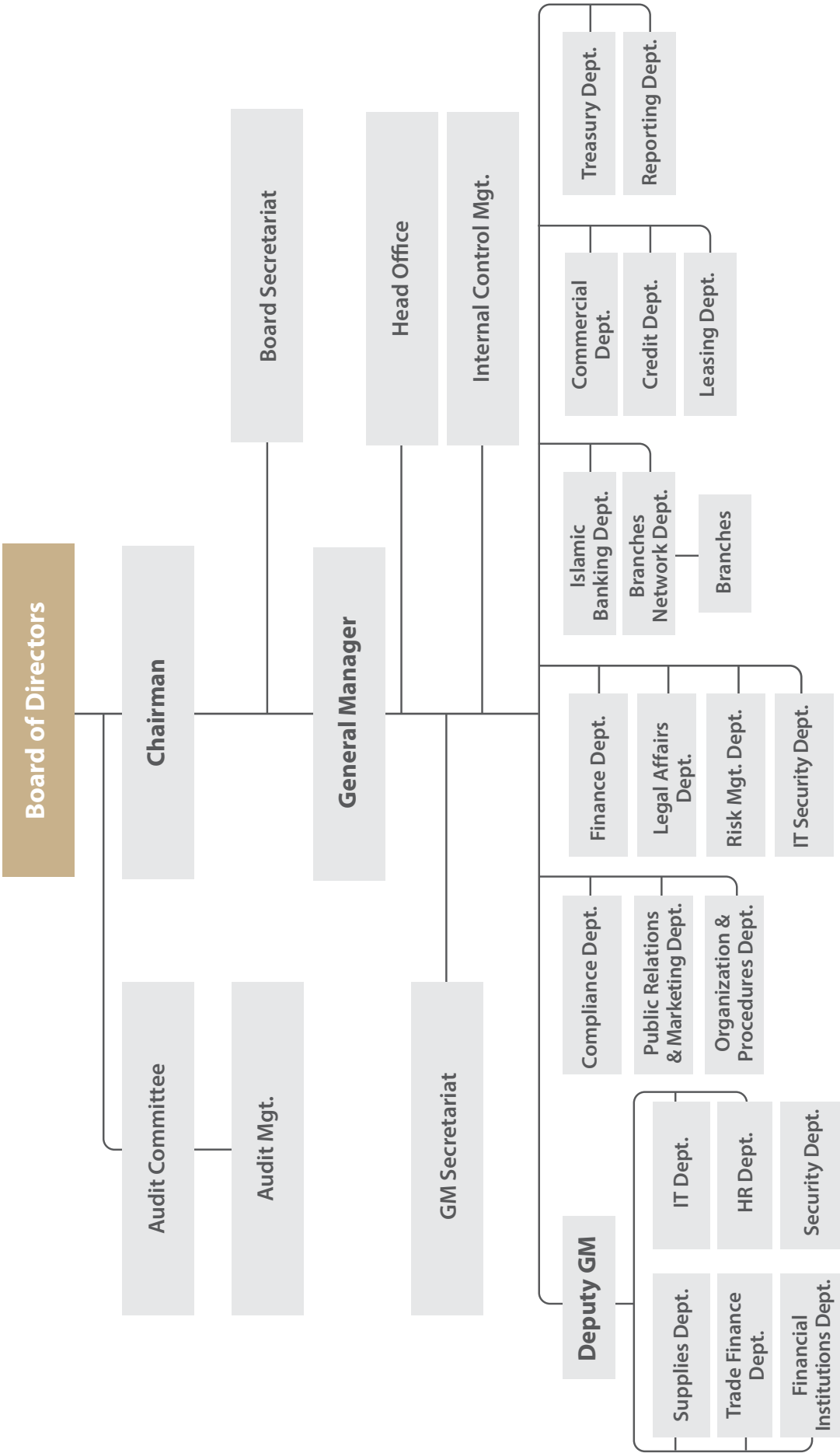
The Housing Bank For Trade and Finance - Group



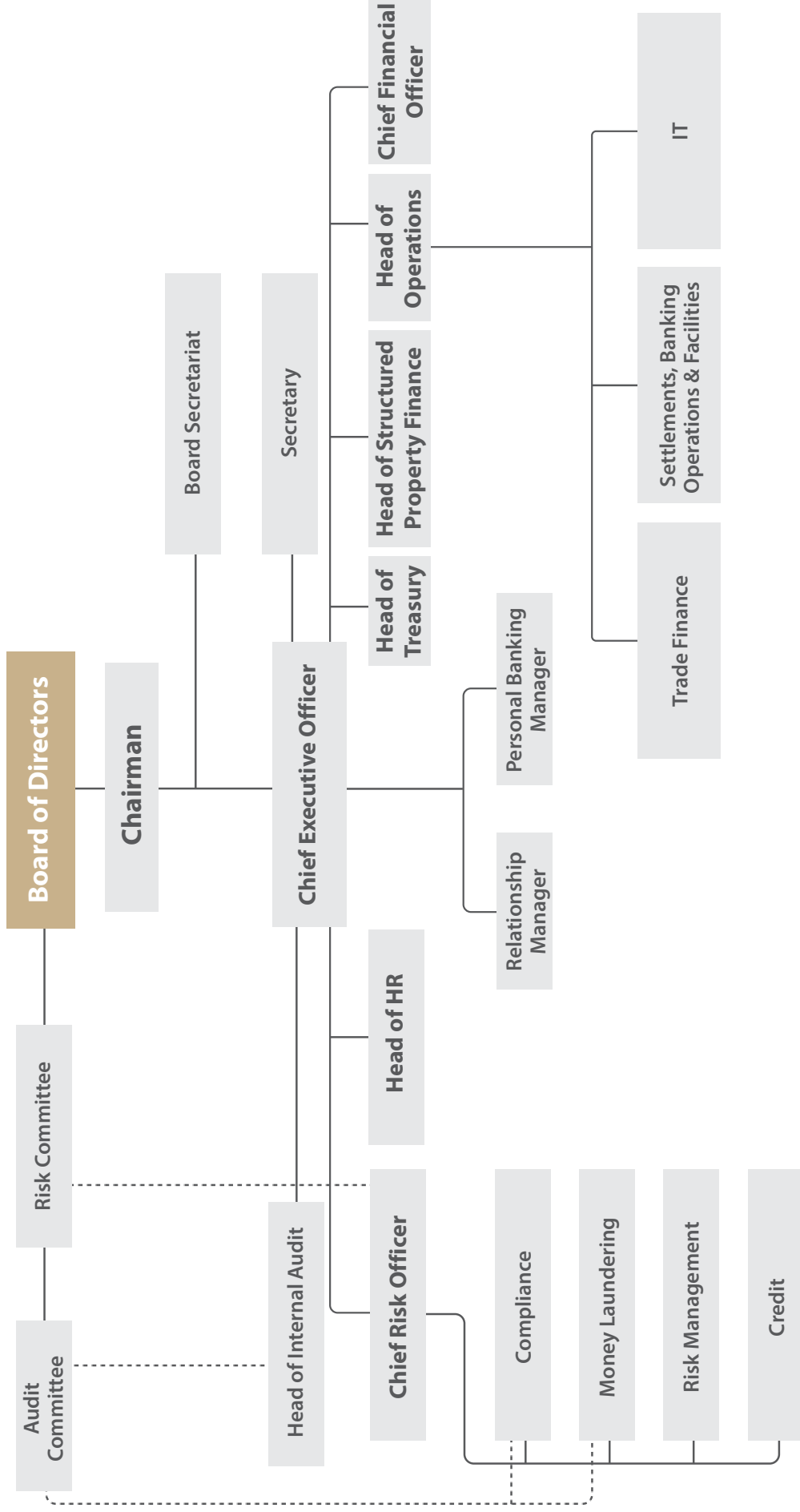
The International Bank for Trade & Finance - Syria



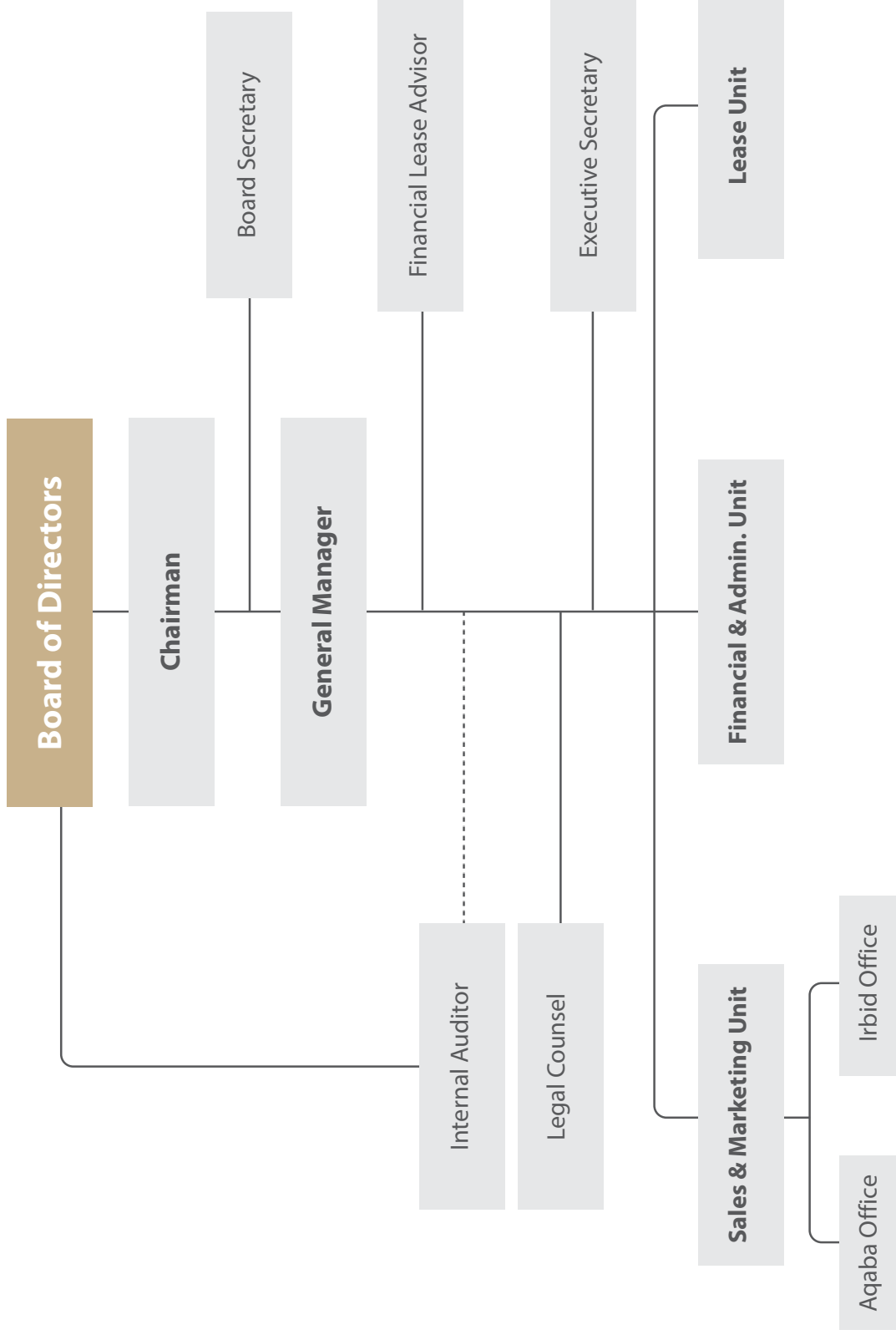
The Housing Bank for Trade & Finance – Algeria



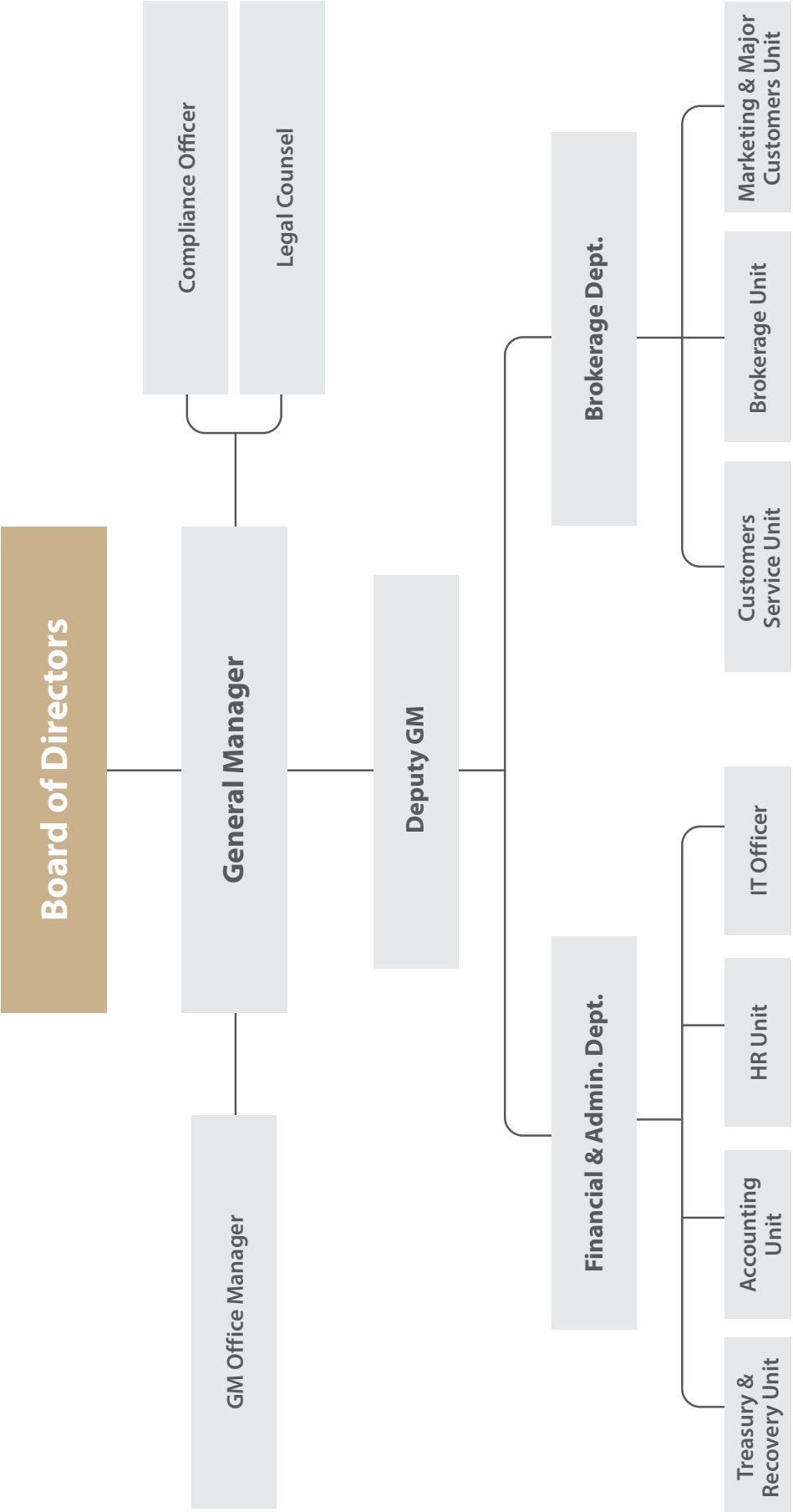
Jordan International Bank - London



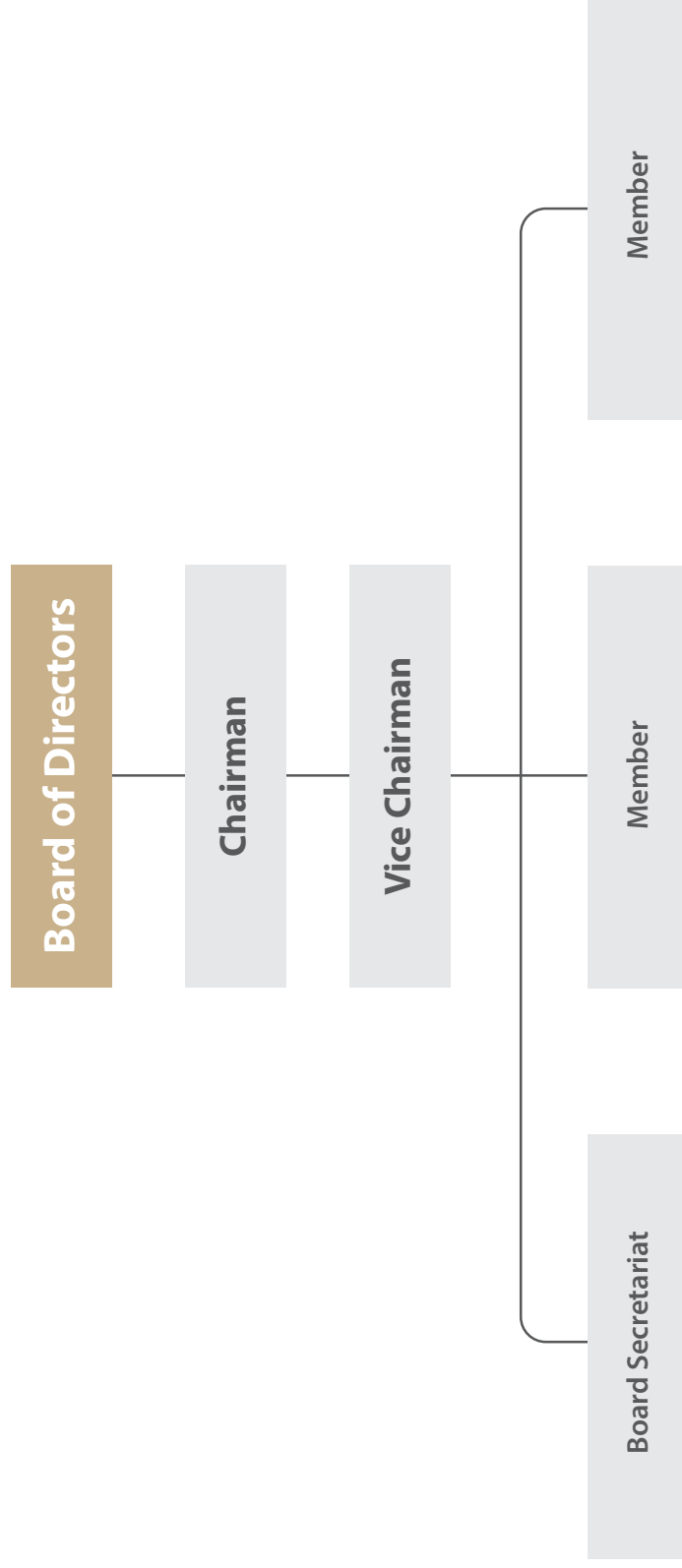
Specialized Leasing Company



International Financial Center Company



Jordan Real Estate Investments and Commercial Services Company



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	
Amman Governorate					
Main Branch	5095	Amman, Abdali, Parliament St.	31.9610301	35.9116501	br001@hbtbf.com.jo
Suleiman Al-Nabulsi St.	3885	Amman, Abdali Boulevard project, Suleiman Al-Nabulsi St.	31.9631579	35.9054240	br001@hbtbf.com.jo
Abdali mall	3490	Amman, Abdali, Abdali Mall	31.9632370	35.9081130	br001@hbtbf.com.jo
Jabal Al Hussein	4085	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St., Building No. 121	31.9646200	35.9216300	br005@hbtbf.com.jo
Al Weibdeh	3890	Amman, Abdali, Suleiman Al-Nabulsi St., Building No. 183	31.9605600	35.9153600	br002@hbtbf.com.jo
Salam	4779	Amman, Jabal Al Weibdeh, Shari'a College St., Building No. 8	31.9572701	35.9205233	br017@hbtbf.com.jo
Al Madina	4058	Amman, King Hussein St., Building No. 33	31.9540050	35.9317180	br003@hbtbf.com.jo
Jabal Amman	4064	Amman, Jabal Amman, Prince Moh'd St., Building No. 252	31.9547666	35.9149128	br004@hbtbf.com.jo
Zahran	3765	Amman, Ibin Khaldon St., (Al Khaldi Hospital) Building No. 58	31.9522600	35.9015100	br121@hbtbf.com.jo
Private Banking Services	4003	Amman, 5 th Circle, Riad Al Meflih St., Building No. 7	31.9586710	35.8888780	br145@hbtbf.com.jo
Hawooz	4160	Amman, Jabal Amman, Omar Bin Al Khattab St., Building No. 104	31.9482900	35.9222000	br014@hbtbf.com.jo
Prince Moh'd St.	5941	Amman, 9 th Sha'ban St.	31.9516800	35.9278000	br019@hbtbf.com.jo
Wadi Saqra	3421	Amman, Arar St., Building No. 89	31.9564900	35.9138800	br004@hbtbf.com.jo
Arrar St.	4756	Amman, Arar St., Building No. 260	31.9638500	35.8887830	br111@hbtbf.com.jo
Tla' Al Ali	4357	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 193	31.9930300	35.8626900	br044@hbtbf.com.jo
Madina Munawarah	4908	Amman, Tla' Al Ali, Madina Munawarah St., Building No. 194	31.9874500	35.8669300	br122@hbtbf.com.jo
Sports City	4169	Amman, Sport's City, Al Shaheed St., Building No. 35	31.9874900	35.9021700	br016@hbtbf.com.jo
Gardens	4233	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 18	31.9839350	35.8899780	br027@hbtbf.com.jo
Shmeisani	4246	Amman, Shmeisani, Abdul Hameed Shoman St., Building No. 18	31.9679770	35.8974450	br028@hbtbf.com.jo
Children	3776	Amman, Shmeisani, Haya Cultural Center	31.9660950	35.8968840	br109@hbtbf.com.jo



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Commercial Complex	2365	Amman, Shmeisani, Queen Noor St.	31.9713580	35.9075820	br018@hbtbf.com.jo
Abdoun	4211	Amman, Abdoun, Cairo St., Building No. 100	31.9535600	35.8793700	br025@hbtbf.com.jo
Taj Mall	3805	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.9408500	35.8878800	br134@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
Deir Ghbar	4702	Amman – Deir Ghbar – Al Hashmeyer St.	31.9431310	35.8720960	br159@hbtbf.com.jo
Park Plaza	4884	Amman, Sweifeih, Salah Suheimat St., Park Plaza Mall	31.9585100	35.8690700	br026@hbtbf.com.jo
Sweifeih	4221	Amman, Sweifeih, Commercial Market, Mahmoud Obeidat St.	31.9585160	35.8653300	br026@hbtbf.com.jo
Galleria Mall	3862	Amman, Sweifeih, Galleria Mall	31.9595270	35.8615530	br026@hbtbf.com.jo
Bayader	4399	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 58	31.9544150	35.8386250	br049@hbtbf.com.jo
Prince Rashed District	3837	Amman, Prince Rashed District, Princess Tharwat St.	31.9679310	35.8441910	br049@hbtbf.com.jo
Al-Rawabi District	3485	Bayader- Queen Zein al-sharaf St. - company of marketing petroleum products- Building No. 316	31.9583210	35.8516780	br117@hbtbf.com.jo
Um Uthyna	4274	Amman, Um Uthyna, Sa'ad Ibn Abi Waqas St., Building No. 47	31.9679400	35.8772400	br030@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
Mecca St.	4958	Amman, Mecca St., Al Hussein Complex, Building No. 141	31.9754000	35.8604200	br132@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
Um Al Sumaq	4728	Amman, Um Al Sumaq, Awsarah St., Building No. 17	31.9820440	35.8474450	br106@hbtbf.com.jo
Abu Nussair	4194	Amman, Abu Nussair, Ibn Hadeh St., Al Psalh District	32.0524680	35.8792900	br023@hbtbf.com.jo
Jubeiha	4284	Amman, Jubeiha, Abdulla Ali Lozi St.	32.0220890	35.8659870	br031@hbtbf.com.jo
Sweileh	4305	Amman, Sweileh, Princess Raya Bint Al Hussein St., Building No. 26	32.0233600	35.8415600	br034@hbtbf.com.jo
Marj Al Hamam	3921	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.8941200	35.8385300	br041@hbtbf.com.jo
Na'our	4347	Na'our, Intersection of Martyr Sub.	31.8697100	35.8213750	br042@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Tareq	4187	Amman, Tareq, Tareq St.	32.0027010	35.9400830	br020@hbtf.com.jo
North Hashimi	4047	Amman, North Hashimi, Al Bathaa St., Jawharat Al Bathaa Complex	31.9757390	35.9551350	br011@hbtf.com.jo
Nuzha	4039	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.9741900	35.9262400	br015@hbtf.com.jo
Marka	4103	Amman, Marka, King Abdullah St., Building No. 423	31.9796500	35.9842700	br007@hbtf.com.jo
Prince Hasan Sub.	4130	Amman, South Marka , Al Rabwah Sub, Saleh Al Hamlan St., Al Khaseb Complex	31.9569336	35.9775482	br010@hbtf.com.jo
Manarah	3412	Amman, Manarah, Abu Taleb St., Building No. 3	31.9417240	35.9664090	br156@hbtf.com.jo
Jabal Al Taj	4121	Amman, Jabal Al Taj, Al Taj St., Building No. 76	31.9528200	35.9552800	br009@hbtf.com.jo
Ras Al Ein	4143	Amman, Ras Al Ain, Al Quds St., Building No. 10	31.9433350	35.9222600	br012@hbtf.com.jo
Nazal Sub.	4202	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.9361400	35.9156900	br024@hbtf.com.jo
Al-Yasmeen District	4954	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.9193700	35.8941000	br131@hbtf.com.jo
Hurria St.	4898	Amman, Mugableen, Hurria St., Building No. 140	32.0764630	35.8418450	br047@hbtf.com.jo
Ashrafieh	3917	Amman, Ashrafieh, Imam Al Shafe' St., Building No. 52	31.9372130	35.9333060	br013@hbtf.com.jo
Wehdat	3889	Amman, Wehdat, Prince Hassan St., Building No. 263	31.9259200	35.9381300	br006@hbtf.com.jo
Ethaa'	3738	Amman, Prince Hassan St., Opp. to Hiteen College, Building No. 431	31.9083080	35.9384010	br102@hbtf.com.jo
Foreign Travel	4474	Amman, Al Hajj Hassan District, Social Security Corporation building	31.9211341	35.9345492	br006@hbtf.com.jo
Muwaqqar	3828	Amman, Muwaqqar Near Al Shaheed Saleh Al Khresha Circle	31.8117670	36.1062470	br043@hbtf.com.jo
Juwaideh	4030	Amman, Juwaideh, Madaba St., Al-Waleed Building	31.8791700	35.9328500	br039@hbtf.com.jo
Qwaismeh	3952	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.9177600	35.9483600	br048@hbtf.com.jo
Sahab	4320	Amman, Sahab, Prince Hassan St.	31.8715500	36.0045300	br035@hbtf.com.jo
King Abdullah II City	4370	Amman, Sahab, King Abdullah II Industrial Estate	31.8525880	36.0075810	br045@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
Central Market	4793	Amman, Near Central Vegetable Market	31.8644450	35.9576860	br119@hbtf.com.jo
Airport	5546	Amman, Queen Alia International Airport	31.7217170	35.9856760	br097@hbtf.com.jo
Airport St.	3479	Amman, Airport St., Near Universal Schools	31.8753550	35.8867770	br157@hbtf.com.jo
Jizah	3811	Jizah , Airport St., Near Provinciality Building	31.7084700	35.9508700	br135@hbtf.com.jo



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Irbid Governorate					
Irbid	4939	Irbid, Al Hashimi St., Near Al Hashimi Mosque	32.5570904	35.8556376	br052@hbtbf.com.jo
Prince Nayef St. / Irbid	4422	Irbid, Prince Nayef St., Endowments Building	32.5559900	35.8521900	br052@hbtbf.com.jo
Palestine St.	4570	Irbid, Palestine St., Wasfi Al-Tal Circle	32.5546100	35.8479100	br073@hbtbf.com.jo
Yarmouk	4601	Irbid , Shafiq Irsheedat St.	32.5422950	35.8506360	br080@hbtbf.com.jo
Barha	3791	Irbid , Barha St., Opp.Irbid Municipality	32.5565800	35.8470000	br103@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
30 th Street / Irbid	3821	Irbid, Andalus Sup., Rousan Commercial Complex	32.5545500	35.8630900	br136@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
Aidoun	3997	Irbid , Aidoun, Main St.	32.5081300	35.8563100	br067@hbtbf.com.jo
Al Hasan Industrial City	3980	Irbid, Al Hassan Industrial Estate	32.4996630	36.0209640	br114@hbtbf.com.jo
Deir Abi Saeed	3978	Deir Abi Saeed, King Hussein St.	32.5041140	35.6845380	br063@hbtbf.com.jo
Kraymeh	3957	Kraymeh, Main St.	32.2753600	35.5984700	br079@hbtbf.com.jo
Mashare'	4547	Irbid, Mashare', Main St., Opp. Mashare' Municipality, Talal al Gazawi Building	32.4405180	35.5958790	br070@hbtbf.com.jo
North Shouna	3965	North Shouna, King Faisal St.	32.6100700	35.6097300	br061@hbtbf.com.jo
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
Bani Kenana	3429	Irbid, Sama Rousan Intersection, Opp. Al-Sarow Municipality	32.6387640	35.8359890	br155@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Zarqa Governorate					
Zarqa	4415	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.0619400	36.0919600	br051@hbtf.com.jo
Qasr Shbeeb	4255	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.0636600	36.0843900	br029@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
Jaish St.	4587	Zarqa, Jaish St., behind the Complex of King Abdullah	32.0632500	36.0960000	br078@hbtf.com.jo
Ma'soum Sub.	4740	Zarqa , Masoum Sub., King Abdullah II Circle	32.0779470	36.0746310	br108@hbtf.com.jo
New Zarqa	4918	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.0857580	36.0867180	br129@hbtf.com.jo
Zarqa Highway	3870	Zarqa, Zarqa Highway, Government Buildings Area	32.0448310	36.0940010	br140@hbtf.com.jo
Russeifa	4484	Zarqa, Russeifa, King Hussein St. , Building No. 184	32.0181530	36.0416570	br059@hbtf.com.jo
Jabal Al Shamali	4686	Russeifa, Jabal Shamali, King Abdullah II St. , Building No. 218	32.0280720	36.0361730	br093@hbtf.com.jo
Hiteen	3756	Zarqa, Hiteen Camp, King Hussein St. , Building No. 452	32.0071500	36.0072300	br066@hbtf.com.jo
Oujan	3784	Zarqa, Oujan, Oujan Intersection, Building No. 2, Opp. Military Consumer Establishment	32.0290200	36.0732200	br077@hbtf.com.jo
Free Zone / Zarqa	4839	Zarqa, Free Zone	32.0901310	36.2146440	br127@hbtf.com.jo
Dlail	4697	Zarqa , Dlail, Jaish St., Qasr Al Halabat Intersection	32.1320100	36.2726700	br101@hbtf.com.jo
North Azraq	4735	North Azraq, Baghdad Main St.	31.8829200	36.8327800	br107@hbtf.com.jo



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Balqa Governorate					
Salt	3714	Salt, Al Maydan St.	32.0427646	35.7270630	br033@hbtbf.com.jo
Salt Gate	4989	Salt City Gate – Dabbabneh Traffic Lights opposite Salt Shari'a Court	32.0574200	35.7471000	br133@hbtbf.com.jo
Fuhais	4294	Fuhais, Al-Alali, King Abdullah II St.	32.0018230	35.7773680	br032@hbtbf.com.jo
Baqa'	4380	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.0764630	35.8418450	br046@hbtbf.com.jo
Deir Alla	4468	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.1839500	35.6213500	br057@hbtbf.com.jo
South Shouna	4505	South Shouna, Al Salt St., Government Depts. Complex	31.9002700	35.6212200	br062@hbtbf.com.jo
Karameh	3972	Karameh, Main St.	31.9494930	35.5802040	br074@hbtbf.com.jo
Karak Governorate					
Karak	4641	Karak, Municipality Building, Al Nuzha St.	31.1851800	35.7035740	br084@hbtbf.com.jo
Mu'ta	4667	Mu'ta, University St.	31.0914300	35.7016800	br088@hbtbf.com.jo
Qaser	4764	Karak, Qaser, Main St.	31.3102500	35.7434600	br113@hbtbf.com.jo
Potash	4646	Karak, Ghour Al Mazra', Housing City	31.2448670	35.5290940	br085@hbtbf.com.jo
Ma'an Governorate					
Ma'an	4633	Ma'an, King Hussein St.	30.1960800	35.7356110	br083@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
Sheidieh	4715	Ma'an, Sheidieh Mine	29.9311280	36.1371310	br104@hbtbf.com.jo
Husseiniya	3854	Ma'an, Husseiniya, Municipality Building	30.5948240	35.7982920	br137@hbtbf.com.jo
Madaba Governorate					
Madaba	4979	Madaba, King Abdullah St.	31.7192400	35.7919200	br056@hbtbf.com.jo
German -Jordanian University	3481	Madaba, almushagar, back yard avenue complex	31.7789240	35.8009530	br056@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Mafrag Governorate					
Mafrag	4445	Mafrag, King Talal St.	32.3430160	36.2087720	br054@hbtf.com.jo
Western Complex / Mafrag	3874	Mafrag - King Abdullah II St. - Al Hejaz Railway Complex	32.3447230	36.2058330	br054@hbtf.com.jo
Ajloun Governorate					
Ajloun	3943	Ajloun, Alqalaa St., Opp. Municipality Building	32.3327700	35.7516200	br053@hbtf.com.jo
Kufranjah	3935	Ajloun , Kufranjah Circle, Prince Nayef St.	32.2973400	35.7045680	br072@hbtf.com.jo
Tafleleh Governorate					
Tafleleh	4624	Tafleleh, Main St.	30.8369100	35.6057000	br082@hbtf.com.jo
Hasa	4676	Hasa, Housing City, New Commercial Market	30.8555400	35.9728800	br089@hbtf.com.jo
Aqaba Governorate					
Aqaba	4613	Aqaba, King Hussein St., Housing Bank Complex	29.5260041	35.0019094	br081@hbtf.com.jo
Shuwaikh Mall	4996	Aqaba, Shuwaikh Mall Building	29.5438900	35.0156300	br081@hbtf.com.jo
Jarash Governorate					
Jarash	4451	Jarash, Wasfi Al Tal St. , Opp. Qirwan Circle	32.2821420	35.8949380	br055@hbtf.com.jo
Mobile Bus					
Mobile Bus 1	5542	-	-	-	br139@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
Regional Management/ Palestine	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	Info.pal@hbtf.com.jo
Ramallah	+ 970 2 2945500	Al Bareed St., Rukab Building, P.O. Box 1473	br401@hbtf.com.jo
Gaza	+ 970 8 2826322	Al Shuhada' St., Palestine Tower, P.O. Box 5010	br402@hbtf.com.jo
Nablus	+ 970 9 2386060	Al Hussein Circle, Al Huwari Building, P.O. Box 1660	br403@hbtf.com.jo
Hebron	+ 970 2 2250055	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	br404@hbtf.com.jo
Halhoul	+ 970 2 2299602	Main Hebron – Jerusalem St., P.O. Box 1	br405@hbtf.com.jo
Beir Zeit	+ 970 2 2945500	Ramallah , Main St., Near Main Circle, P.O. Box 40	br406@hbtf.com.jo
Khan Younis	+970 8 2079401	Gaza, Abu Humaid Circle, Jalal St., P.O. Box 7073	br407@hbtf.com.jo
Jenin	+ 970 4 2505223	Abu Baker St., P.O. Box 50	br408@hbtf.com.jo
Bethlehem	+970 2 2740375	Al Mahd St., City Center, P.O. Box 30	br409@hbtf.com.jo
Yata	+ 970 2 2273301	Hebron, Yata, Roqa'a St., Near Police Station	br410@hbtf.com.jo
Tormosaya	+ 970 2 2805263	Ramallah, Tormosaya, Abu Raslan Complex, P.O. Box 4	br411@hbtf.com.jo
Dahriyeh	+ 970 2 2266779	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtf.com.jo
Masyoon	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	br413@hbtf.com.jo
Rafedia	+ 970 9 2353620	Nablus, Yaser Arafat President St.	br414@hbtf.com.jo
Tulkarem	+ 970 9 2696662	Al-Quds Open University, beside KFC Restaurant	br415@hbtf.com.jo
Bahrain Branch	+973 17 225227	Bahrain, Al Manama Center, Govt. St., P.O. Box 5929	bahrain@hbtf.com.jo



Addresses of Subsidiaries

International Bank for Trade & Finance / Syria

Branch	Phone	Address
Head Office	+ 963 11 23880000	Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 www.ibtf.com.sy e-mail: info@ibtf.com.sy
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.

International Bank for Trade & Finance / Syria

Branch	Phone	Address
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

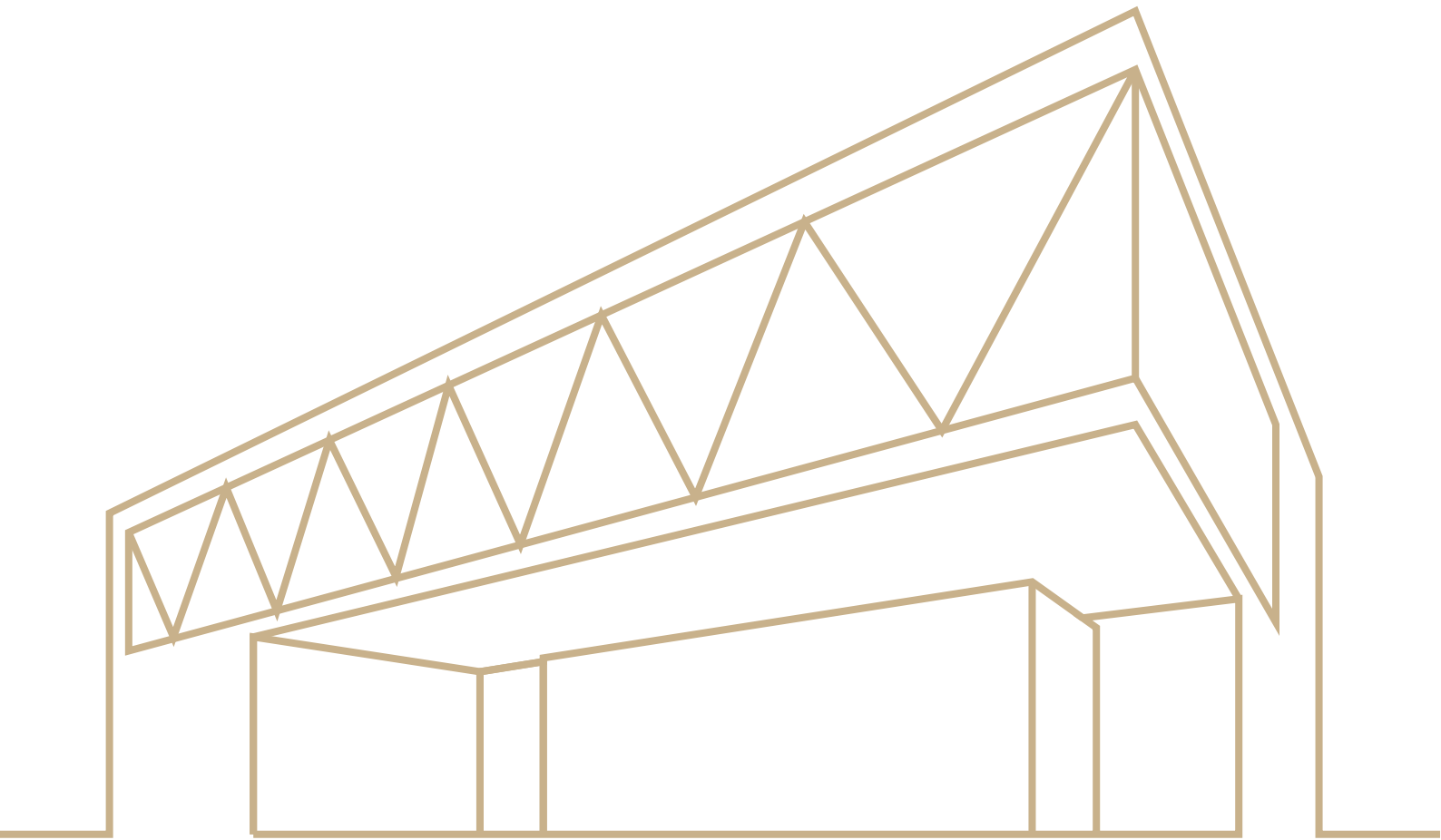
Branch	Phone	Address	E-mail
Head Office	+213 21 91 87 87	Algeria , 16 Ahmad Waked St., Dali Ibrahim www.housingbankdz.com	Contact@housingbankdz.com
Dali Ibrahim	+ 213 21 91 88 85	Algeria – 16 Ahmad Waked St. –Dali Ibrahim	Agence-101@housingbankdz.com
Blida	+ 213 25 40 10 33	Algeria – 61 Alarabi Tebessi 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
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Constantine	+ 213 56 16 15 832	Algeria – 6 Iellouche Belhadj Mostefa hammou SMK, Constantine	Agence-107@housingbankdz.com
Jordan International Bank / London	+44 20 3 144 0200	Moreau House, 116 Brompton Road, Knightsbridge, London SW3 1JJ www.jordanbank.co.uk	info@jordanbank.co.uk

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.sljjo.com	slc@hbtfc.com.jo
	Irbid Office	Irbid , King Abdullah II St., Quba Circle		
	Aqaba Office	Aqaba, King Hussein St. , Savings Fund Building for Royal Jordanian Employees, Office 301		
International Financial Center Co.	+ 962 6 5696724	Shmeisani, Housing Bank Complex ,2 nd 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 th Sha'ban St.	www.hbtfc.com	info@hbtfc.com.jo

Representative Offices

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Abu Dhabi / U.A.E	+971 26268855	Abu Dhabi, Hamoudeh Bin Ali Building, 12 th Floor, Sheikh Khalifa St., P.O. Box 44768	hbtfAbudhabi@hbtfc.com.jo
Baghdad / Iraq	+964 79 01328647	Baghdad, Al Arsat Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	ifaham@hbtfc.com.jo



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