



INVESTBANK
البنك الإستثماري

REVOLVING AROUND YOU



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



**His Royal Highness
Crown Prince Hussein bin Abdullah II**



RECOMMENDATIONS OF THE BOARD OF DIRECTORS

The Board of Directors recommends to the respected shareholders the following, based on what was presented:

1. Ratification of the Financial Statements for the year 2016 and clearance of the Board of Directors for the said year.
2. Approval of the Board of Directors recommendation to distribute profits to the shareholders in the amount of 10 million JOD (ten million JOD), or 10% of the capital.
3. Appointing an auditor for the fiscal accounts for the year 2017

On this occasion, the Board of Directors wishes to thank the shareholders and all clients of the Bank for their confidence and support, and recognizes all employees for their loyal and dedicated services which effectively contributed to the continued success of the Bank.

– DISTRIBUTION OF FREE SHARES

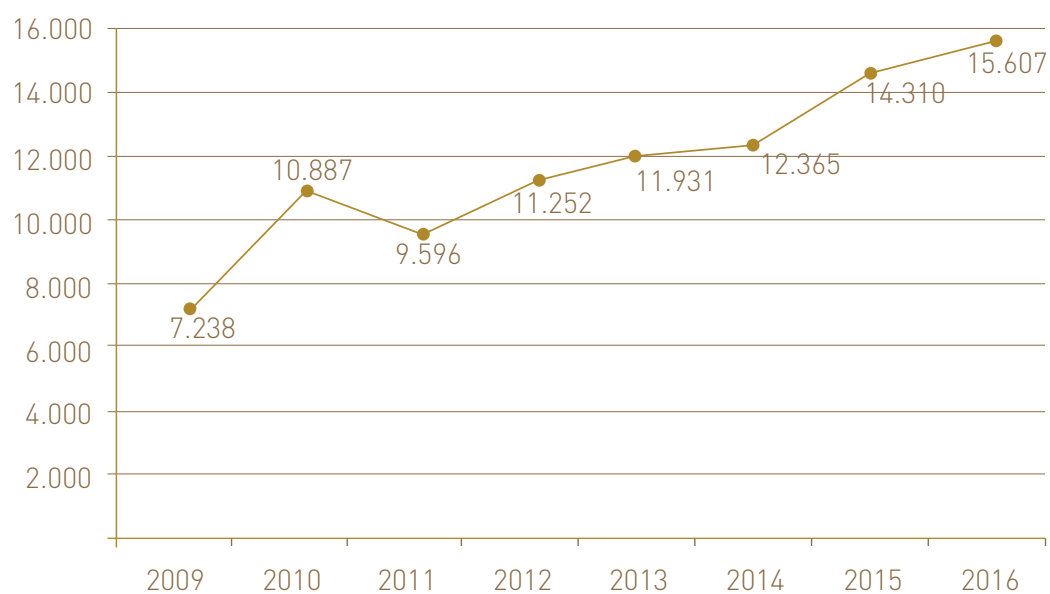
The Bank continued the distribution of free shares to the shareholder in the framework of its effort to increase the capital of the Bank and in a way that complies with the requirements of the Central Bank and strengthens the financial base of the bank. A total of 8.250 million shares were distributed annually from the years 2006 until 2010 as shown in Schedule No. 10

Schedule No.10

Year	Percentage of capital	No. of shares
2006	%25	11,000,000
2007	%11.50	6,325,000
2008	%14.15	8,675,000
2009	%10.71	7,500,000
2010	%10	7,750,000

– Profits for the year

The following graph shows the annual profits after taxes from 2009 to 2016.



ADDITIONAL EXPLANATIONS

The shares owned by members of the Board of Directors and individuals in the senior management and their relatives and the controlled companies for the years 2016 and 2015

A/ NO. OF FINANCIAL INSTRUMENTS OWNED BY MEMBERS OF THE BOARD OF DIRECTORS

Name	THE YEAR 2016				THE YEAR 2015
	Position	Nationality	No.of shares	Total	Total
Abdul Rahim Jardaneh & Sons Co., represented by:	Chairman of the Board	Jordanian	185,581	1,035,581	185,581
Mr. Bisher Mohammad Abdul Rahim Jardaneh		Jordanian	850,000		
Madaba Financial Investment Co., represented by:	Vice Chairman	Jordanian	38,138	95,699	95,699
Mr. Ayman Shafiq Farhan Jumaian		Jordanian	57,561		
Dr. Nabil Hani Jamil Qaddumi	Member	Kuwaiti	2,153,936	2,153,936	2,153,936
Raouf Abu Jaber & Sons Co. represented by:	Member	Jordanian	9,088	29,088	9,088
Mr. Emad Nihad Khalil Jeryes		Jordanian	20,000		
Jordan Medical Drug Co. represented by	Member	Jordanian	1,009,479	9,440,695	9,440,695
Mr. Abdul Rahim Nizar Abdul Rahim Jardaneh		Jordanian	8,431,216		
Mrs. Zina Nizar Abdul Rahim Jardaneh	Member	Jordanian	4,962,866	4,962,866	4,962,866
Mrs. Wijdan Mohammad Yaseen Khalil Altalhouni	Member	Jordanian	97,000	97,000	1,000,359
Fahmi bin Faeq bin Fahmi Abu Khadra	Member	Saudi	5,994,399	5,994,399	2,420,407
Bank of Palestine represented by	Member	Palestinian	9,420,627	9,420,627	9,420,627
Mr. Roshdi Mahmoud Rashid Alghalayeeni		Palestinian	-		
Mr. Jiries Spero Jiries Alisa	Member	Jordanian	5,000	5,000	5,000
Mr. Hani Ibrahim Suleiman Fadayel	Member	Jordanian	5,320	5,320	5,320

B/ A list of names of major shareholders who own %1 and above as at 2016/12/31

No.	Name of shares holder	Nationality	No. of shares	Retained	Retaining Party	Retained as guarantee	Retained as guarantee
1	Bank of Palestine	Palestinian	9,420,627	5,000	Board Membership		
2	Abdul Rahim Nizar Abdul Rahim Jardaneh	Jordanian	8,431,216				
3	Almadar International Investment Co.	Jordanian	7,371,427			7,350,000	Jordan Kuwaiti Bank
4	Raghdah Hamdi Khalil Manko	Jordanian	7,026,822				
5	Fahmi bin Faeq bin Fahmi Abu Khadrah	Saudi	5,994,399	5,000	Board Membership	1,666,667	Jordan Kuwaiti Bank
6	Hazem bin Faeq bin Fahmi Abu Khadrah	Saudi	5,733,449			1,667,667	Jordan Kuwaiti Bank
7	Samer bin Faeq bin Fahmi Abu Khadrah	Saudi	5,733,274			1,666,666	Jordan Kuwaiti Bank
8	Zina Nizar Abdul Rahim Jardaneh	Jordanian	5,733,274	5,000	Board Membership		
9	Ihab Shafiq Farhan Jumaian	Jordanian	4,880,143				
10	Lina Nizar Abdul Rahim Jardaneh	Jordanian	4,341,648				
11	The Congress Foundation	Liechtenstein	3,651,246				
12	Zainah Saad Khalaf Altal	Jordanian	2,310,936				
13	Tamarah Saad Khalf Altal	Jordanian	2,310,935				
14	General Investment CO.	Jordanian	2,154,328				
15	Nabil Hani Jamil Qaddumi	Kuwaiti	2,153,936	5,000	Board Membership	1,461,233	Alkhaleej Bank/Kuwait
16	Saad Hani Jamil Qaddumi	Kuwaiti	1,850,907			1,262,320	Alkhaleej Bank/Kuwait
17	Alzarka Grand Mills Co.	Jordanian	1,316,414				
18	United Insurance Co.	Jordanian	1,313,715			18,750	Director of Insurance Regulatory Commission
19	Jordan Drugstore Co.	Jordanian	1,009,479	5,000	Board Membership		
	Total		81,967,767	25,000		15,092,303	

C/ NO. OF FINANCIAL INSTRUMENTS OWNED BY RELATIVES OF THE MEMBERS OF THE BOARD OF DIRECTORS(WIFE AND MINOR OFFSPRING)

No.		Title	Relationship	Nationality	No. of shares	
					2016	2015
1	Mr. Ayman Shafiq Farhan Jumaiaan	Vice Chairman		Jordanian		
	Nahlah Tawfeeq Jeryes Karadsheh		Wife	Jordanian	4,236	4,236
	Zaid Ayman Shafiq Jumaiaan		Son	Jordanian	4,236	4,236
2	Abdul Rahim Nizar Abdul Rahim Jardaneh	Member				
	Nizar Abdul Rahim Nizar Jardaneh		Son	Jordanian	1,070	1,070
	Darah Abdul Rahim Nizar Jardaneh		Daughter	Jordanian	1,070	1,070
	Rawan Abdul Rahim Nizar Jardaneh		Daughter	Jordanian	2,140	2,140
3	Wijdan "Mohammad Yasin" Khaleel Al Talhouni	Member		Jordanian		
	Bassam Khaleel Abdul Rahim Alsaket		Husband	Jordanian	31,719	31,719

D/ NO. OF SHARES OWNED BY COMPANIES CONTROLLED BY MEMBERS OF THE BOARD OF DIRECTORS AND THEIR RELATIVES

Name	Position	Name of the controlled company	Classification of company	Nationality	2016	2015
					No. of shares owned by the controlled company	No. of shares owned by the controlled company
Bisher Mohammad Abdul Rahim Jardaneh	Chairman of the Board	Almashreq Real Estate Services Co.	Private Joint Stock Company	Jordanian	329,141	329,141
		Arabtech Jardaneh Palestine/ Architects & Engineers	Private Joint Stock Company	Palestinian	33,331	33,331
Ayman Shafiq	Vice Chairman	Madaba Financial Investment Co.	Private Joint Stock Company	Jordanian	38,138	38,138

E/ NUMBER OF SHARES OWNED BY INDIVIDUALS IN SENIOR / EXECUTIVE MANAGEMENT

No.	Name	Position	Nationality	No. of shares	Percentage of shareholding
1	Montaser Izzat Ahmad Abu Dawwas	Chief Executive Officer	Jordanian	500,000	%0.05

F/ NUMBER OF SHARES OWNED BY RELATIVES OF INDIVIDUALS IN SENIOR / EXECUTIVE MANAGEMENT (Wife and minor offspring)

No shares are owned by relatives of individuals in senior / executive management.

G/ NUMBER OF SHARES OWNED BY COMPANIES CONTROLLED BY PERSONS IN EXECUTIVE MANAGEMENT AND THEIR RELATIVES

No shares are owned by companies controlled by individuals in senior / executive management or their relatives.

F/ NAMES OF MAJORITY SHAREHOLDERS AND THE NUMBER OF SHARES OWNED BY EACH ONE COMPARED WITH LAST YEAR

No.	Name	2016		2015	
		No. of shares	% of holding	No. of shares	% of holding
1	Bank of Palestine	9,420,627	9.421	9,420,627	9.421
2	Abdul Rahim Nizar Abdul Rahim Jardaneh	8,431,216	8.431	8,431,216	8.431
3	Almadar International Investment Co.	7,371,427	7.371	7,371,427	7.371
4	Raghdah Hamdi Khalil Manko	7,026,822	7.027	7,026,822	7.027
5	Fahmi bin Faeq bin Fahmi Abu Khadrah	5,994,399	5.994	2,420,407	2.420
6	Hazem bin Faeq bin Fahmi Abu Khadrah	5,733,449	5.733	2,329,035	2.329
7	Samer bin Faeq bin Fahmi Abu Khadrah	5,733,274	5.733	2,328,561	2.329

G/ LOANS GRANTED BY THE BANK TO MEMBERS OF THE BOARD OF DIRECTORS

The total balance of loans and director and indirect facilities used as at the end of 2016 and that were granted to members of the Board of Directors of the Bank and persons related to them are as follows:

NAME OF ACCOUNT	BLANCE OF DIRECTO AND INDIRECT FACILITIES TO THE NEAREST THOUSAND JOD
Mr. Bisher Mohammad Abdul Rahim Jardaneh Group	3,127
Mr. Rauof Abu Jaber Group	64
Mrs. Wijdan Mohammad Yaseen Khaleel Altalhouni	6
Mr. Abul Rahim Nizar Abdul Rahim Jardaneh Group	1,870
Mrs. Zina Nizar Abdul Rahim Jardaneh	2.3
Mr. Ayman Safiq Farhan Jumaian Group	981
Dr. Nabil Hani Jamil Alqadoumi Group	2,006
Mr. Hani Ibrahim Suleimjan Fadayel	0.16
Total	8,056.46

BENEFITS AND COMPENSATIONS GRANTED TO THE MEMBERS OF THE BOARD OF DIRECTORS IN THE YEAR 2016

Name	Annual transportation allowance	Allowance for membership in committees and/or additional support	Annual Bonus	Total	No. of absence times from Board Meetings
Mr. Bisher Mohammad Abdul Rahim Jardaneh	6,000	49,000	5,000	60,000	0
Mr. Ayman Shafiq Farhan Jumaiaan	6,000	6,618	5,000	17,618	1
Mrs. Wijdan "Mohammad Yaseen" Khalil Altalhouni	5,500	2,500	4,286	12,286	2
Mr. Abdul Rahim Nizar Abdul Rahim Jardaneh	5,500	4,079	4,286	13,865	1
Mrs. Zina Nizar Abdul Rahim Jardaneh	6,500	2,000	4,286	12,786	1
Dr. Nabil Hani Jamil Qaddumi	8,250	750	4,286	13,286	1
Mr. Hani Ibrahim Suleiman Fadayel	5,500	49,000	4,286	58,786	1
Mr. Jiries Spiro Jiries Alisa	6,000	49,000	5,000	60,000	0
Mr. Emad Nihad Khail Jeryes	6,000	6,736	5,000	17,736	0
Mr. Roshdi Mahmoud Rashid Alghalayeeni	8,250	2,500	4,286	15,036	2
Fahmi bin Faeq bin Fahmi Abu Khadra	6,000	5,604	5,000	16,604	0
Total	69,500	177,787	50,716	298,003	

PERKS AND AWARDS GRANTED TO INDIVIDUALS IN SENIOR MANAGEMENT POSITIONS IN THE YEAR 2016

.No	Name	Position	[Details of the salary (JOD			
			Annual basic salary	Allowances /perks	Annual award	Total Annual salaries
1	Montaser Izzat Ahmad Dawwas	Chief Executive Officer	500,480	2,500	225,000	727,980
2	Emad Osama Abdulrahim Asfour	Chief Risk Management Officer	141,400	400	22,000	163,800
3	Mohammad Ali Yousef Hawash (Up till 2016/07/31)	Head of Internal Audit Department	64,500	8,170	20,000	92,670
4	Ramzi Ridwan Hasan Darweesh	Assistant Manager/ Facilities for large corporations Department	141,400		25,000	166,400
5	Mohannad Zuhair Ahmad Bokah	Assistant Manager/ Commercial Banking Services Department	126,000	700	35,000	161,700
6	Tarerq "Mohammad Nazih" Mohammad Mamdooh Sakkijha	Assistant Manager/ Personal Banking Services Department	117,000	400	30,000	147,400
7	Mayes Adnan Mahmoud Alshalabi	Chief Financial Officer	98,666		25,000	123,666
8	Ra'ad Moneer Abdulrahim Abu Resa'	Executive Manager/ Organizational Development Department	98,666	400	30,000	129,066
9	Mohammad Ali Waleed Abu Anza	Executive Manager, Legal Department	91,666		28,000	119,666
10	Jareer Na'el Jamil Alajlouni	Executive Manager/ Treasury Department	79,533		18,000	97,533
11	Mohammad Saeed Yahya Fayeq Aldajani	Executive Manager/ Financial Corporations	76,533	600	10,000	87,133
12	Rola Adel Kamel Zakareya (Starting 2016/08/01)	Executive Manager/ Compliance Department	30,000		0	30,000
13	Khaled Zuhair Jamil Abu Alsha'er (up till 2016/01/31)	Executive Manager/ Compliance Department	4,000	2,181	0	6,181
	Total		1,569,844	15,351	468,000	2,053,195

COMMUNITY SERVICE AND PROTECTION OF THE ENVIRONMENT

When community service aims to achieve the highest concept of investment, then growth will be achieved, and sustainability is reached and all efforts are combined to achieve targets, and this is the path we have set ourselves in INVESTBANK in all the multiple initiatives we stated within our program of social responsibility. We aspire through these initiatives to reflect our vision in the noblest way, and we desire to establish as a top priority a community service that will give people the dignified life they deserve.

We view the environment as one of the most important factors in the process of development, and when environment receives proper backing and support in all fields it becomes a fertile ground for more investment, both in human and material resources, thus it has become the first axis of our attention and care.

The second axis in our social plans is to empower local communities to enable them to face challenges and to create new employment opportunities to enable these communities to become self sufficient.

We did not neglect support of cultural and artistic initiatives that aim to preserve the civilized and cultural heritage, thus we supported the creative economy that highlights the abilities of our local artists in this field, thus enabling them to present civilized Jordan in all aspects.

Renewable energy is the new language of the world today, accordingly we established our own project to generate electricity, thus becoming the first bank in Jordan to utilize renewable energy source to cover all its electricity requirements.

We are proud today of all the successes we were able to achieve in the field of social responsibility and are determined to consolidate all our efforts to continue with the path we set for ourselves to serve our community, thus investing in a better future for ourselves and for future generations.

ORGANIC FARMING PROJECT

On the environmental level, and within INVESTBANK's Al Shams fund initiatives, the Bank sponsored the organic farming project as part of Al Shams Farmers' Market for five years in Ajloun region and the surrounding villages. We provided financing of organic seeds, pesticides, organic fertilizers, and irrigation water. INVESTBANK, jointly with the Royal Society for the Conservation of Nature, trained farmers of Al Kifah Cooperative Society, a community based organization, on methods to reduce wastage of products and proper packaging of produce. This enabled the farmers in the past years to increase their production on annual basis and to expand their commercial activity in the local market and to serve the markets of the capital Amman.

The project achieved an increase of %40 in production, and an increase in total sales by %46, the number of direct beneficiaries of the project reached 285 farmers and the indirect beneficiaries reached 1,078 in 2016, compared to the year before. To enforce the sustainability of the project, INVESTBANK expanded the initiative to include new cooperative societies by training members of these societies to give them proper qualification, jointly with Al Kifah Cooperative Society, by introducing them to all the fundamentals of organic farming.

The initiative was further enforced by signing a memorandum with the Jordanian Organic Farming Association to strengthen the national cooperation in the field of organic farming , giving particular attention to the training and licensing internationally accredited Jordanian organic farming inspectors.

INVESTBANK also created new marketing channels by signing partnership contracts with private sector establishments to introduce Al Shams Farmers' Market and to created new sources of income for the farmers. The Bank introduced Al Shams Farmers' Market to Four Winters in the spirit of " from the farm to the table", and Four Winters created Golden Apple Pie Ice Cream, utilizing as an ingredient chemicals free apples supplied by Al Shams Farmers' Market, and %25 of the income generated was utilized to build a plastic green house in Ajloun farms.



Four Winters – سوق الشمس البلدي



سوق الشمس البلدي – عيّدون



سوق الشمس البلدي – مزارع عجلون



سوق الشمس البلدي – بريّة الأردن



سوق الشمس البلدي – كرفانات

ZIKRA INITIATIVE

Within the same concept, INVESTBANK expanded its sponsorship to cover the southern region of Jordan, by establishing partnership with Zikra Initiative, to create a development food production project in Ghor Al Mazaraa region. This project aims to empower the local community, which has the highest poverty rate in the Kingdom. The project aims to enforce environmental sustainability by reducing wastage of the tomatoes harvest, being the crop that is subject to the highest wastage in Ghour Region. It also aims to increase the value added to the harvest by enabling the processing of the produce into other food products, such as dried tomatoes, crushed dried tomatoes, dried tomatoes powder, tomatoes vinegar, and other products. The project also aims to bridge the gap between the farm and the local produce market.



PETRA NATIONAL TRUST

In the field of cultural and educational level, the increased support that INVESTBANK has offered to the Petra National Trust has achieved notable success which solidified the necessity of the partnership with the Society to fulfill their vision of directing the creativity of young people to serve the Rose City environment, and to market Petra as an international landmark and heritage. A new series of functions were introduced to train and qualify forty young men and women from the Petra Region by local visual artists to build their abilities and skills to introduce work of art highlighting the beauty of the Rose City. The art works will be exhibited in a dinner banquet inspired by the Nabatian heritage, the revenue of the banquet will be allocated to support the activity of Petra National Trust.



SOLAR POWER GENERATION PROJECT

INVESTBANK played a leading role in the field of renewable sources of power. The Bank executed the solar power generation project by installing solar panels over the head office's parking lot. The solar power generation project is a clean source of energy aiming to produce a maximum of 386 kilowatt, providing %65 of the bank's electricity requirements. INVESTBAK is the first bank to utilize renewable sources of power to cover parts of the requirements of the head office of electricity. The bank is currently studying the possibility to expand this successful project to utilize renewable sources of energy by installing solar panels to all branches of the bank.



TIME TO CHANGE INITIATIVE

INVESTBAK enforced this year the concept of practicing healthy habits among staff, which contributes to improving their quality of life and their daily performance. The Bank continued holding educational lecture covering various subjects of interest to the staff, and also conducted free medical test for staff of the head office and all the branches, jointly with Medlab medical laboratories and Jordan International Insurance Company. These tests will be carried out on annual basis, as continuation of staff health and educational campaign introduced by the Bank last year under the heading "Time to Change".

The Bank also created in cooperation with the National blood bank a special blood storage facility for the bank employees, in which their blood donations are preserved for their use, or for the use of their relatives in emergencies. Staff will donate blood for this program every six months.

As for developing human capabilities, INVESTBANK continued its charitable practice of supporting Gifted Autistic Children Society by offering scholarships for autistic children, in addition to covering the expense of training some of the children to integrate them in the society and for them to become effective participants in utilizing their energies. The Bank also provided support for the training of mothers on coping with their autistic children.



2016 LIST OF SPONSORSHIPS AND DONATIONS FOR THE YEAR

Name of entity receiving the donation	Amount JOD
Royal Society for the Conservation of Nature	67,750
Zikra Initiative	19,140
Hashemite Jordanian Fund	19,976
National Society for the Conservation of Petra	15,500
The Society for the Care of Gifted Autistic Children	5,000
Others	1,314
Total	128,680

AUDITING FEES FOR THE BANK AND SUBSIDIARY COMPANIES

- Auditing fees for INVESTBAK in the year 2016 were 66,000 JOD
- Auditing fees for the subsidiary Al Mawared for Financial Brokerage Company in the year 2016 were 8,500 JOD
- Auditing fees for the subsidiary Tamkeen Leasing Company in the year 2016 were 7,500 JOD
- Auditing fees for the subsidiary Al Istethmari Letamweel Selselat Al Imdad in 2016 were 6,500 JOD

CLIENTS CARE DEPARTMENT

This is an independent unit that studies and deals with complaints of clients and responds to these complaints as quickly as possible. We aim to present the best service to our clients and enforce the loyalty and communication values with them and to satisfy their expectations. The Client Care Department staff strives to carry out all efforts to solve any client complaint and to reduce the permitted timeline to deal with every complaint. This target is achieved by reinforcing the staff knowledge and educating them on banking procedures and regulations

DEPARTMENT	STAFF	BANK POLICIES AND PROCEDURES	TECHNICAL PROBLEMS	not the responsibility of the bank
BRANCHES	85	57	9	23
COLLECTION	4	8	2	1
ELECTRONIC SERVICES DEPARTMENT	42	27	29	25
INFORMATION TECHNOLOGY DEPARTMENT	0	0	15	0
SALES	135	36	0	3
CREDIT AND FACILITIES PROCEDURES/ PRODUCTS DEVELOPMENT DEPARTMENT	1	6	5	1
LEGAL DEPARTMENT	1	2	0	0
CASH DEPARTMENT- ATM'S FAILURES - CALL CENTER	5	2	0	1
COURIER COMPANY / ARAMEX	0	0	0	9
CHECKBOOKS AND PASSWORDS PRINTING UNIT	1	1	0	1
TRANSFERS AND OPERATIONS DEPARTMENT- LOAN EXECUTION DEPARTMENT	0	3	2	0
TOTAL	274	142	62	64
TOTAL NUMBER OF COMPLAINTS	542			

- All complaints were handled and solved to the satisfaction of clients and according to the policies and procedures of the Bank.

- A circular was issued to all employees of the Bank stressing the necessity of clarifying commissions charged by the bank, thus ensuring all clients are fully aware of the commissions charged to their accounts.

- A circular was issued to all employees of the Bank stressing the need to explain to clients the time required by the Bank to complete their transactions.

HUMAN RESOURCES

The Bank's management takes care in attracting qualified candidates for vacant positions, and then the applicants are screened to select the best qualified ones based on the selection standards and the approved hiring policies. This policy guarantees that sufficient numbers of properly qualified staff are available at the proper time and as per the Bank's organization chart and manpower plans. By following this principle, properly qualified and capable employees are then selected to carry full responsibility to achieve the vision of INVESTBANK and achieve the planned targets. The Bank appointed qualified staff with distinguished experience in the banking field in 2016 to supplement its staffing structure. The number of the Bank's employees and subsidiary companies in the end of 2016 reached 665 employees.

Following is a presentation of the number of employees as per their qualifications and distribution of staff in the head office, branches and subsidiary companies.

The number of employees in the Bank and their qualifications

A/Total number of the Bank employees, excluding the subsidiary companies:

Qualification	Total number
Phd	0
Master degree	22
Bachelor's degree	396
Diploma	48
General Secondary school	17
Less than secondary school	25
Total	508

B/ SENIOR MANAGEMENT EMPLOYEES WHO RESIGNED

- Mr. Khaled Abu Alshaer / Head of Compliance Department resigned on 2016/01/31
- Mr. (Mohammad Ali) Hawash / Head of Internal Audit Department resigned on 2016/07/31

C/ Distribution of staff among the Head Office, the various branches of the Bank, and the subsidiary companies

The staff are distributed among the Head Office and branches and the subsidiary companies: Al Istethmari Letamweel Selselat Al Imdad , Al Mawared for Financial Brokerage Company, and Tamkeen Leasing Company and as per the work loads. This guarantees proper execution of the required tasks from each employee and guarantees the highest level of productivity and performance. Following is the number of employees in each location:

HEAD OFFICE AND BRANCHES / INVESTBANK

Detail	No.
Head Office/ Abdul Hamid Sharaf Street	305
Main Branch / Head Office	23
Prime clients service center / Head office	9
Makkah Branch / Makkah Street	11
Emar Branch / Emar Towers	11
Taj Mall Branch / Taj Mall	13
Swaifiyah Branch / Wakalat Street	11
Wihdat Branch / Al Sharq Al Awsat Roundabout	9
Sahab Branch / Sahab Industrial City Branch	6
Zarqa Branch / King Hussain Street	6
Irbid Branch / Wasfi Eltal Street	7
Aqaba Branch / Alnahda Street	7
Abdoun Branch / Suleiman Qidah Street	11
Dabouq Branch / Mohammad Ahmad Tareef Street	9
Sales Department	70
Total	508

D/ DISTRIBUTION OF STAFF IN SUBSIDIARY COMPANIES

Company	No. of employees
Al Mawared for Financial Brokerage Company / Shmaisani	12
Al Istethmari Letamweel Selselat Al Imdad / Alqastal	48
Tamkeen Leasing Company / Makkah Street	16
Jordan Trade Facilities Company / Shemaisani (A subsidiary of Tamkeen Leasing Company)	81
Total	157

E/ DEVELOPING THE SKILLS OF THE EMPLOYEES

In line with the Bank's policy to develop the skills and abilities of its staff and to enable them to carry out their duties efficiently and productively, which leads to raising the level of service and productivity of the Bank, %29 of the Bank employees participated in specialized training courses and workshops, some of which are:

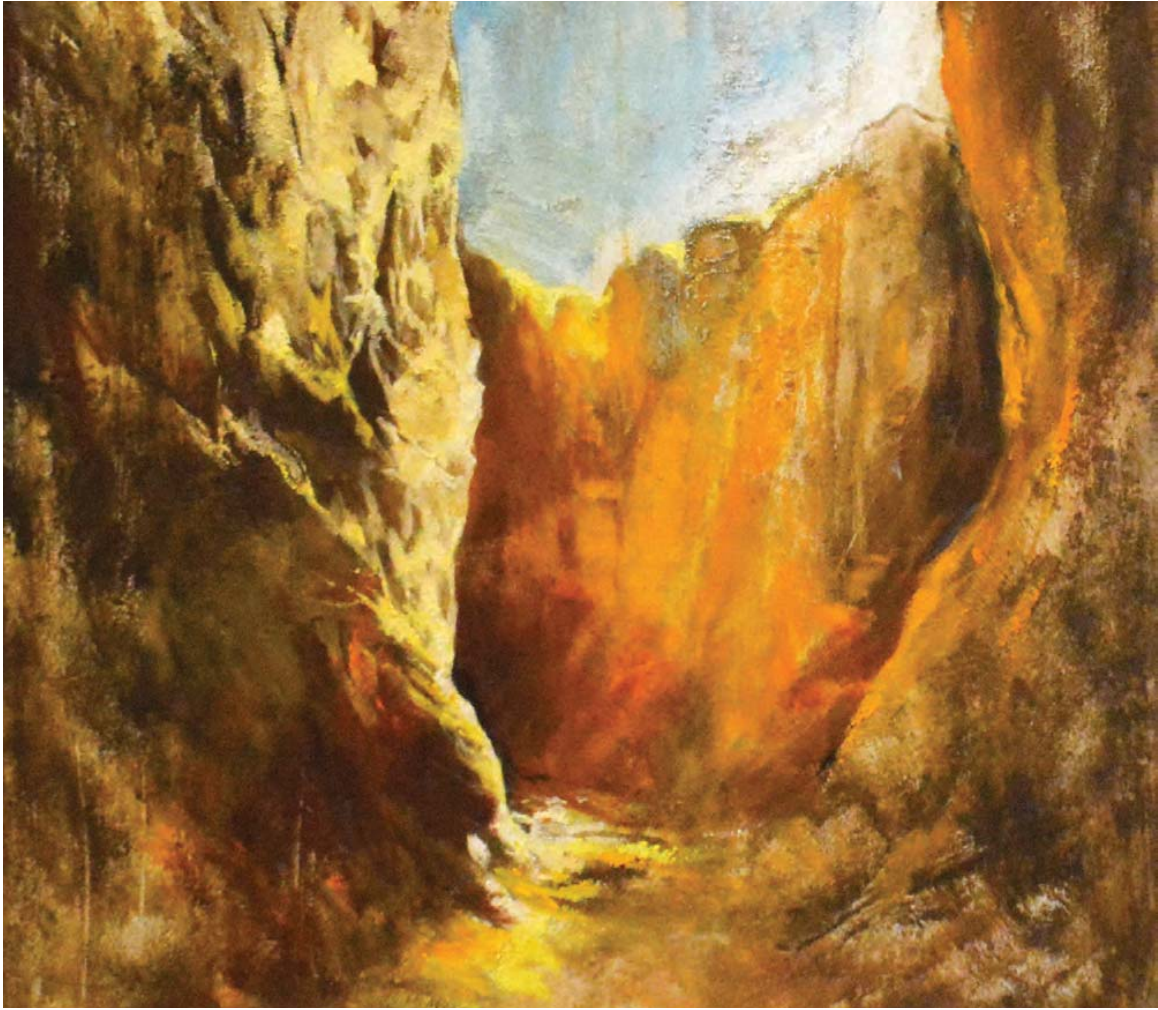
Training Course	Executing Organization	No. of Employees
2nd Annual Product Development Excellence in Banking MENA	Allan Lloyds Group	1
3rd Banks Risks Conference	Albaross Consulting	1
4th Annual Procurement Strategy Summit 2016	Fleming Gulf	1
Advanced Company Analysis, Valuation & Financial Modelling	Euro Money	1
Advanced Corporate Credit Analysis / Moody's Analytics	Banking Studies Institute	7
Bayt.com's Thought Leader Event	Bayt.com	1
Certified Anti Money Laundering Specialist	Banking Studies Institute	4
Cisco Certified Network Associate	Specialized Technical Services (STS)	1
Cisco	Otrain	1
CISSP	Specialized Computer Technical Services (STS)	1
COBIT 5	Samir Abu Tahoona Center (SMT - Center)	1
COBIT 5 Foundation	Risk Management Consultants	3
COBIT 6	Samir Abu Tahoona Center (SMT - Center)	1
CPA Course	Morgan International Jordan	3
CRISC	ISACA Organisation	1
EBRD TFP Trade Finance Forum	EBRD Financial Institutions	1
EBRD Trade Finance Workshop on Banks Guarantees	European Bank for Reconstruction & Development	4
Enhancing Access to finance for small and medium Enterprises	Jordan Banking Association	2
Foreign Account Tax Compliance ACT - FATCA	Banking Studies Institute	6
IFRSQ- a Practical guide to missing successful implementations	Moody's Analytics	7
IFRS 9 Understanding the new regime for financial instruments	International Faculty of Finance (IFF)	1
Implementing CISCO Secure Mobility	Otrain	2
ITIL Foundation V3.5	Specialized Technical Services (STS)	4
ITIL Foundation V3.6	Specialized Technical Services (STS)	1
Jordan's Securities Market	Jordan Banking Institute	3
Leadership Skills For Auditors	The Institute of internal Auditors	1
Leadership Skills For Supervisors: Communication, Coaching & Conflict	Specialized Technical Services STS	2
Mobile Payment Security Forum	Risk Management Consultants	2
Newset Trends in Risk Management Solution & KYC	Pio Tech	1
Oracle HCM Cloud Day Jordan	Oracle	1
PCI DSS compliance Business as usual workshop	EMP	1
PCI DSS Version 3.1	Global Business Promotion	1
PCI	Security Standards Council	1

Training Course	Executing Organization	No. of Employees
PMI Professional in Business Analysis	Pioneers Academy	1
Project Management Professional	Process & Smith	1
Real Change	Ripple Management / Inhouse	16
Risk Analyst Analytic Tools and Modelling Workshop	Risk Matrix LTD	2
SIBOS Conference	SIBOS	1
The Advance Executive PA Masterclass Training	Appanage Learning & Development	1
The Regional Compliance Workshop	Financial Crime Compliance Academy	1
The Training and development Show	Terrapinn	1
The Visanet Clearing & Settlement System	EMP Emerging Markets Payments	2
Stores and Warehouse Management	London Gate Academy	1
Preparation of Interior Auditing Report and Currency according to IAA standards	Osool Training and Consultancy	1
Electronic Archiving and Filing	Osool Training and Consultancy	2
Credit issued based on power of Incoming of Credit	International Chamber of Commerce	2
Qualification Program to pass the certification of accredited money laundering specialist (CAMS)	Banking Studies Institute	2
Credit analysis for loan applications by emerging small and medium enterprises	Global Communities Jordan	1
Financial Analysis for Loaning Purposes	General Union of Banking and Insurance Employps	3
Labor Regulations (Jordan Labor Law – Social Insurance Law – Income Tax Law)	Almutaseelon Alawael for Training and Consultancy	2
Financial and Cash Flow Analysis	Banking Studies Institute	3
Central Bank Guidelines for local and foreign transfers	Jordan Banking Association	1
Central Bank Guidelines for granting credit facilities	Jordan Banking Association	5
Transfers and drafts	Banking Studies Institute	2
Part one – Certified Internal Auditor Certification (CIA)	Banking Studies Institute	1
International Standard for Financial Reports 9	Albatross Consulting	2
International Standard for Financial Reports 9	Jordan Banking Association	1
Issued Guarantees	Jordan Banking Association	1
Advanced Skills in Health Insurance	Knowledge Kingdom for Consultancy and Training	3
Advanced Skills in Electronic Office Management and Organizing	Knowledge Kingdom for Consultancy and Training	1
Guarantee Program for Emerging Small Enterprises	Jordan Banking Association	1
CICS	Osool Training and Consultancy	1
Specialized Vocational Diploma in Financial Analysis Program	Banking Studies Institute	5
Clearing of net results for cards activity based on Real Time Gross Settlement System (RTGS)	Central Bank	1
Affect of Recommendation 16 issued by FATF on banking activities of clients' transfers	Arab Academy for Financial and Banking Sciences	2
Application of Automatic Clearing House (ACH)	Central Bank	4

Training Course	Executing Organization	No. of Employees
New Procedures in developing Stress Testing	Albatross Consulting	2
New Amendment to Basel 3	Albatross Consulting	3
Enforcement of supervisory and regulatory bodies and reduction of risks related to corresponding banks De Risking	Arab Banks Federation	1
Evaluating , financing and monitoring projects	Banking Studies Institute	11
Accounting Standards No. 9	Albatross Consulting	3
Developing skills and behavior of tellers and client relations employees in banks and financial institutions	Banking Studies Institute	7
Financing small and medium projects	Jordan Banks Association	1
Swift transfers	Banking Studies Institute	3
Banking forgery and counterfeit detection	Banking Studies Institute	2
Master of business administration	Open Arab University	1
Bank methods of handling international sanctions and embargo	AZ International	1
Internal auditing standards as per the standards of international internal auditors institute IIA	Osool Training and Consultancy	2
Health and vocational safety supervisor	Jordan Pulse Academy	1
New International Financial Report Standard No. 16 related to accomplishments	Jordan Securities Commission	1
Time management and work pressure management skills	Banking Studies Institute	2
Excellence skills in clients relation service	Banking Studies Institute	15
41st Arab dealers conference	Financial Markets Association	3
Power efficiency application workshop	Jordan Banks Association	1
Common Reporting Standards Symposium – Challenges and suggested solutions	Jordan Banks Association	1
Introduction workshop to the updates on the execution department on the Amman Trial Court	Ministry of Justice	2
Workshop on dealing with sovereign financial instruments and the Jordan capital market	Central Bank	2
Compliance function in accordance with the guidelines of combating money laundering and financing of terrorism	Albatross Consulting	1

F/ THE BANK'S PERKS AWARDING POLICY

The Bank adopts a clear policy of calculating employees' perks based on return on equities compared to the anticipated return for the same year. Portions of the allocation of perks are executed as delayed payment units as per the bank approved policies and based on the evaluation of the annual performance of employees and on achieving the targets allocated to them, and these are divided into financial, supervisory and managerial targets.



NAMES AND CURRICULUM VITAE OF MEMBERS OF THE BOARD OF DIRECTORS

NO.	(1)
CHAIRMAN OF THE BOARD	Abdul Rahim Jardaneh and Sons Co.
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	185,581
NAME OF THE INDIVIDUAL REPRESENTING THE LEGAL ENTITY	Mr. Bisher MohammaAbdulRahim Jardaneh
NO. OF SHARES OWNED BY THE REPRESENTING PERSON	850,000
DATE OF BIRTH	1961
DATE OF JOINING THE BOARD	2008/5/26
NATURE OF MEMBERSHIP	Non executive / Not independent
ACADEMIC QUALIFICATION	<ul style="list-style-type: none"> -BSC (Honor) in civil engineering , 1982 from Illinois University (Urbana-Champaign) – USA -MSC (Honor) , 1985 in construction management from University of California – Berkeley – USA
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> - Executive General Manager / Arabtec Jardaneh Group Co. - Member of the Greater Amman Municipal Board - Member of the Board of Trustees of Cooperation Organization (Welfare) / Geneva, and Head of the Strategy and Governance Committee - Member of the Board, Jordan Investment Promotion Authority - Member of the Board / Almafraaq Development Organization - Vice Chairman of the Board, Jordanian Strategy Forum - Vice Chairman – Zaha Children Organization - Member of the Board, Arab Orphans Committee - Chairman of the Arab Cultural Society Mr. Jardaneh also held the following posts: - Member of the Executive Committee of the International Federation of Consulting Engineers (FIDIC) / Geneva. - Member of the Royal All Jordan Committee - Member of the Royal Committee for Water in Jordan - Member of Investment Fund of Jordan Social Security Organization. - Member of the Board / Nugul Group of Companies. - Member of the Board, Jordan Economic Development Council (JEDCO). - Chairman of the Board, Jordan Engineering and Architectural Business Forum. - Committee Member, Jordan National Agenda Committee. - Member of the Young Presidents Organizations WPO –YPO. - Member /Jordanian Engineering Association - Member of Jordanian Businessmen Association, US-Jordan Businessmen Association and European – Jordanian Businessmen Association

NO.	[2]
VICE CHAIRMAN OF THE BOARD	Madaba Financial Investment Co.
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	38,138
NAME OF THE INDIVIDUAL REPRESENTING THE LEGAL ENTITY	Mr. Ayman Shafiq Farhan Jumaia
NO. OF SHARES OWNED BY THE REPRESENTING PERSON	57,561
DATE OF BIRTH	1961
DATE OF JOINING THE BOARD	30/04/2006
NATURE OF MEMBERSHIP	Non executive / Not independent
ACADEMIC QUALIFICATION	MSc Engineering – George Washington University, 1985 BSc Civil Engineering, The Citadel University, 1983
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> - Honorary Consul – The Republic of Estonia. - 2003 – present Chairman of the Board, Solution Communications and Security Systems - 2006 – present, Vice Chairman Naqel Co. - 2001 – present, General Manager, Madaba Financial Investment Co. - 1996 – 2001 Coca Cola Regional Manager, Cyprus. - 1994 – 1996 Manager, Alkhaled Commercial Group, UAE - 1990 – 1994 International Marketing Manager , BMY – USA - 1985 – 1990 , Officer, Jordan Armed Forces

NO.	[4]
MEMBER OF THE BOARD	Dr. Nabil Hani Jamil Qaddumi
NO. OF SHARES OWNED BY THE MEMBER OF THE BANK'S CAPITAL	2,153,936
DATE OF BIRTH	1954
DATE OF JOINING THE BOARD	01/01/2000
NATURE OF MEMBERSHIP	Non executive / Non independent
ACADEMIC QUALIFICATION	1982 , Phd, Civil Engineering, Massachusetts Institute of Technology (USA) MSc Civil Engineering, Stanford University (USA),1977 BSc , Civil Engineering, University of Texas, Austin (USA) 1976 American University of Beirut, 1972 - 1975 , Civil Engineering
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> - Chairman of the Board, Projacs International (www.projeacs.com) - Chairman of the Board, Safwan Petroleum Technologies Co. (www.spetco.com) - 1982 -1994 Lecturer, Faculty of Engineering / University of Kuwait - 1989-1991Visiting Professor, Faculty of Engineering / Stanford University - 2008 – 2014 Chairman, of the Board of Welfare Association - 2008 – present, Palestine Governor, Arab Fund for Economic and Social Development - Chairman of Hani Qaddumi Scholarship Foundation - Board Member, Palestinian Studies Institution.

NO.	(3)
VICE CHAIRMAN OF THE BOARD	Raouf Abu Jaber and Sons Co.
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	9,088
NAME OF THE INDIVIDUAL REPRESENTING THE LEGAL ENTITY	Mr. Emad Nihad Khalil jeryes (starting 12/02/2014)
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	20,000
DATE OF BIRTH	1960
DATE OF JOINING THE BOARD	31/07/2003
NATURE OF MEMBERSHIP	Non executive / Not independent
ACADEMIC QUALIFICATION	BSc Commerce and Business Administration / Beirut Arab University
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> - General Manager, United Insurance Co. - Member of the Board, Jordan Union of Insurance Co., and Head of the Audit Committee. - Member of the Board , Jordan Paper and Cardboard Factories, and member of the Audit Committee. - General Manager, Arab European Insurance Co. - Deputy General Manager, Arab Eagle Insurance Co.

NO.	(7)
MEMBER OF THE BOARD	Jordan Drugstore Co.
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	1,009,479
NAME OF THE INDIVIDUAL REPRESENTING THE LEGAL ENTITY	Abdul Rahim Nizar Abdul Rahim Jardaneh
NO. OF SHARES OWNED BY THE REPRESENTING PERSON	8,431,216
DATE OF BIRTH	1962
DATE OF JOINING THE BOARD	30/04/2006
NATURE OF MEMBERSHIP	Non executive / Non independent
ACADEMIC QUALIFICATION	BSc Pharmacy, Minnesota University – USA 1984
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> -Chairman of the Board, Dar Al Dawa Development and Investment Co. -Chairman of the Board, Nutri Dar Co. -Member of the Board, Jordan Drugstore Co.

NO.	(9)
MEMBER OF THE BOARD	Mr. Fahmi Bin Fayege Bin Fahmi Abu Khadra
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	5,994,399
DATE OF BIRTH	1964
DATE OF JOINING THE BOARD	27/04/2011
NATURE OF MEMBERSHIP	Non executive / independent
ACADEMIC QUALIFICATION	MSc Business Administration
EXPERIENCE AND POSTS HELD	<p>1987 – 1989 Credit Facilities Officer / Arab Bank Head Office</p> <p>- 1989 – 2001 General Manager, Alriyadh Medical Services Co.</p> <p>-1991 – 2001 Member of the Board of Directors, Amman Surgical Hospital</p> <p>-2003 Chairman of the Board, Amman Surgical Hospital</p> <p>-1997 , Saudi Arabia, General Manager United Pharmaceutical Manufacturing Co.</p> <p>-2004, Saudi Arabia, Manager, Medicinal Products and Rubber Factory</p> <p>-2007, Saudi Arabia , General Manager, Care Corporation</p> <p>-1999, Chairman of the Board, Switchers Limited, Britain.</p>

NO.	(10)
MEMBER OF THE BOARD	Mrs. Wijdan "Mohammad Yaseen" Khalil Altalhouni
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	97,000
DATE OF BIRTH	1939
DATE OF JOINING THE BOARD	07/10/2009
NATURE OF MEMBERSHIP	Non executive / independent
ACADEMIC QUALIFICATION	BSc, Economy and Political Science
EXPERIENCE AND POSTS HELD	<p>-1968 – 1973 Central Bank, Research and Studies Department.</p> <p>-Member of the Board of Director, Grand Flour Mills of Zarka.</p> <p>-Vice Chairman of the Board, Multaqa Altadawul Joint Stock Co.</p> <p>-Member of the Board of Directors: Investment , Trade and Export Co.</p> <p>-Member of Jordan Businessmen Association, and a member of the following committees:</p> <p>-Finance & Economy Committee</p> <p>-Manufacturing Committee</p> <p>-Commercial Committee.</p> <p>-Member of the Board, Arab Business Women - Head of Projects Committee</p> <p>-Chairman of the Board of Trustees, Jordan Business and professional women Forum</p>

NO.	(6)
MEMBER OF THE BOARD	PALESTINE BANK CO.
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	9,420,627
NAME OF THE INDIVIDUAL REPRESENTING THE LEGAL ENTITY	Mr Rushdi Mahmoud Rasheed Alghalayeeni (starting 30/04/2014)
NO. OF SHARES OWNED BY THE REPRESENTING PERSON	-
DATE OF BIRTH	1962
DATE OF JOINING THE BOARD	14/09/2010
ACADEMIC QUALIFICATION	BSc (Honors) , Economy and Computer Sciences, American University of Cairo, Egypt, 1986 Certificat in Assessing and managing risks in banks, Cairo
EXPERIENCE AND POSTS HELD	1989 joined the Bank of Palestine 2008 till the present Deputy General Manager, Bank of Palestine

NO.	[11]
MEMBER OF THE BOARD	Mrs. Zina Nizar Abdul Rahim Jardaneh
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	4,962,866
DATE OF BIRTH	1960
DATE OF JOINING THE BOARD	30/04/2014
NATURE OF MEMBERSHIP	Non executive / Non independent
ACADEMIC QUALIFICATION	BSc Pharmacy, Nottingham University – 1983
EXPERIENCE AND POSTS HELD	<ul style="list-style-type: none"> - 1983 – 1993 General Manager, Jordan Drugstore Co. - Member of the Board of Directors, Abdulrahim Jardaneh and Sons Co. - Chairman of the Board, Dar Al Dawa Development and Investment Co. - Member of the Board , Arab Pharmaceutical Industry Consulting Co. - Member of the Board of Trustees, Welfare Association - Member of the Board Jordan Drugs Store.

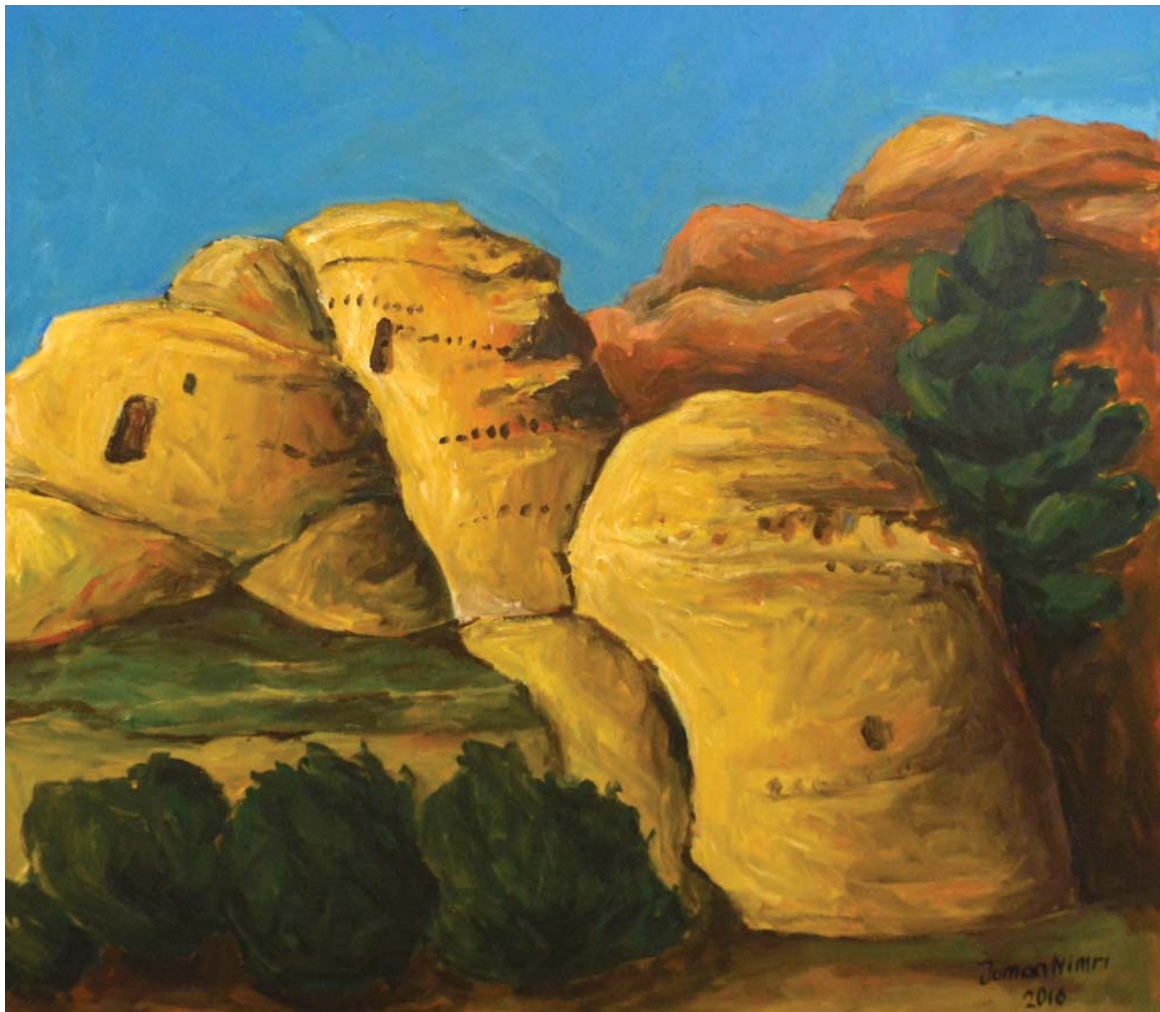
NO.	[12]
MEMBER OF THE BOARD	Mr Jiries Spairo Jiries El -Issa
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	5000
DATE OF BIRTH	1948
DATE OF JOINING THE BOARD	30/04/2014
NATURE OF MEMBERSHIP	Non executive / Independent
ACADEMIC QUALIFICATION	<p>MSc / Business Administration, American University of Beirut 1978</p> <p>-BSc/ Business Administration, American University of Beirut 1969</p>
EXPERIENCE AND POSTS HELD	<p>1970 – 1974 , Foreign Relations Department / Jordan Central Bank</p> <p>-1975 – 1983 Deputy Head of Companies' Facilities, Citibank / Amman , Jordan</p> <p>- 1983 – 2005 International Branches Regional Manager, Credit Department – Arab Bank , Head Office</p>

NO.	[13]
MEMBER OF THE BOARD	Mr. Hani Ibrahim Suleiman Fadayel
NO. OF SHARES OF THE BANK'S CAPITAL OWNED BY THE MEMBER	5320
DATE OF BIRTH	1952
DATE OF JOINING THE BOARD	30/04/2014
NATURE OF MEMBERSHIP	Non executive / Independent
ACADEMIC QUALIFICATION	-BSc/ Business Administration, University of Jordan 1975
EXPERIENCE AND POSTS HELD	<p>1975 – 1985 Citibank, Jordan</p> <p>-1985 – 2009, Regional Manager, Arab Bank , Bahrain</p> <p>- 2010 till the present, General Manager, Fadayel Administrative Consultancy Co.</p> <p>- 2009 – 2010 , Assistant General Manager, Arab Bank , Amman / Jordan</p> <p>- 2010 – present, Member of the Board and Head of Risks Management Department, BankMed/ Lebanon</p> <p>- 2011 – present, Member of the Board, GroupMed International, Lebanon.</p>

NAME	Mr. Bassam Mustafa Amin Hammad
POSITION	Secretary Of The Board
ACADEMIC QUALIFICATION	BSc Accountancy / Business Administration
YEAR OF GRADUATION	1979
DATE OF APPOINTMENT	12/6/1983
DATE OF BIRTH	1952
EXPERIENCE AND POSTS HELD	<p>1980 – 1983 Southern Cement Company</p> <p>1983 – 2007 INVESTBANK</p> <p>2008 – present, Secretary General of the Board of Directors</p> <p>Former Member of the Board of Directors in the following companies:</p> <ul style="list-style-type: none"> - Aldaman Investment Company - Bank Alquds - Woolen Industries Company - Aqaba Vegetable Oils Refining Company

GENERAL DECLARATIONS

- There are no dealings with specific suppliers and / or main clients (both local and foreign) that form 10% or more of the total purchases and / or sales and revenues.
- There are no protections or privileges which the Bank or any of its products receive under rules and regulations or other areas.
- The Bank has not obtained any copy rights or franchise rights.
- The Bank enforces international quality standards and the Bank received BB+ classification from Capital Intelligence.
- There are no resolutions issued by governmental or international bodies or any other body that have any tangible influence on the operations of the Bank or its products or its competitiveness.
- During the financial year 2016 there were no financial influences on operations of non-repetitive nature and that are not within the main activities of the Bank.
- During the year 2016 none of the members of the Board of Directors obtained any benefits through his work for the Bank and which were not divulged, whether such benefits are in cash or in kind, and whether these were to any board member, or to any individual connected to him.
- There are contracts, projects, and links initiated by the Bank with members of the Board and their relatives as follows:
 - Electrosec Company : Mr. Ayman Jumaiaan – Member of the Board of Directors.
 - United Insurance Company: Mr. Emad Jeryes - Member of the Board of Directors.
 - Arabtic Jardaneh: Mr. Bisher Jardaneh - Chairman
- The Bank is subject by nature of its operations to a group of risks and these are elaborated on in clarification No. (38) of the Financial Statements for the year 2015.
- The accomplishments achieved by the Bank are supported by figures and by description of main events the Bank witnessed during the year 2016 / these are stated in the activities of the Bank.
- The developments of profits and in the net shareholders equities and the price of the share and the distributed profits / are explained in pages (29)
- Analysis of the Bank's financial position for the year 2016 is shown in pages 24 - 30



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31
2016

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INVEST BANK



Report on the Report on the Consolidated Financial Statements

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise

- the consolidated statement of financial position as at December 2016 ,31;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Key Audit Matters	Provision for impairment in direct credit facilities
	Acquisition of a subsidiary



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Bank, the accounting processes and controls, and the industry in which the Bank operates.

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

Key audit matter	How our audit addressed the Key audit matter
<p>Provision for impairment in direct credit facilities</p> <p>As described in the accounting policies (2.10) ,(2.6) and note number (3) Critical Accounting Estimates And Judgments, the management calculates the provision for impairment in direct credit facilities according to the accounting policies described in note (2.10) (2.6) and in accordance with Central Bank of Jordan related instructions. The Management reviews the contracts individually or in group to assess whether there is objective evidence of impairment such as default in payments of customers. In case evidence exist the management assess the impairment value based on the recoverable amount from the assets mortgaged to the Bank and in accordance with the International Financial Reporting Standards and Central Bank of Jordan Instructions.</p> <p>Due to the importance of these estimates and judgments, It is considered as significant risk which might lead to material misstatement in the consolidated financial statements when available information and estimates are misused to determine the provision value.</p> <p>As disclosed in Note (10) to the consolidated financial statements, management had recognised a provision for impairment in direct credit facilities with an amount of JD 23,314,696, while net direct credit facilities amounted to JD 538,630,285 which represents %56 of the group total assets as at 31 December 2016.</p>	<p>We have performed the following procedures to assess the reasonableness of the Provision for impairment in direct credit facilities.</p> <ul style="list-style-type: none"> • Understood the nature of credit facilities. • Assessed management’s methodology in classifying loans and the method used in determining the recoverable amount from the mortgaged assets when sold and expected cash flow. • Tested sample of customers classified as non-performing customers to check the reasonableness of their classification • Tested the information systems of the bank and the automatic classification of the non-performing loans. • Assessed management’s methodology in assessing the required provision as at 31 December 2016. • Assessed the key assumptions used, based on our understanding of the group and the nature of the business. • Tested sample of management estimates of the recoverable amounts from the sale of mortgaged assets. • Tested select of relevant procedures and internal controls applied by the management. • Re-calculated the provision for impairment in direct credit facilities for a sample of customers in accordance with the International Financial Reporting Standards and Central Bank of Jordan Instructions. • Assess the adequacy of disclosures over the provision for impairment in direct credit facilities.



Key audit matter	How our audit addressed the Key audit matter
<p>Acquisition of a subsidiary</p> <p>The bank acquired 93,275 of Jordan Trade Facilities company which owns 100% of Trade Facilities for Finance Leasing Company during the year 2016, through its subsidiary (Tamkeen Leasing Company), through a purchase of 15,390,385 shares with 1JD par value. The acquisition cost was JD 20,774,620 which resulted in a goodwill amounted to JD 1,430,598 disclosed under intangible assets. The acquisition process requires the management to use its professional judgement in determining the fair value of the net assets at the date of acquisition and determine the goodwill value in accordance with International financial Reporting standards.</p> <p>Due to the importance of these estimates it is considered a key audit matter</p> <p>As disclosed in Note (24-2) (Intangible assets) The goodwill represent the positive difference between the cost of acquisition or purchase price of the associate or subsidiary and the company's net asset fair value at the date of acquisition. Impairment test for goodwill is performed at the date of each financial statement, and impairment is booked when there is objective evidence that the goodwill is impaired and the impairment loss is recorded in the income statement</p>	<p>We have performed the following procedures regarding the acquisition process of Jordan trade facilities company:</p> <ul style="list-style-type: none"> • Assessed the Bank ability to control the relevant financial and operating policies of Jordan Trade Facilities Company. • Assessed the computation of fair value of the net assets at and goodwill at the date of acquisition, in addition to reviewing the specialist reports assigned by the bank for the acquisition process. • Assessed the assumptions used in determining the value fair value. • Assessed the calculation of non-controlling interest in net income and net assets of Jordan Trade Facilities Company. • Assessed the impairment test of the goodwill that was performed by the bank at year end. • Assess the adequacy of disclosures over acquisition of a subsidiary.



Other information

The directors are responsible for the other information. The other information comprises all the other information included in the Bank's annual report for the year 2016 but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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.

We read the other information, and there is no material misstatement therein, to communicate to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

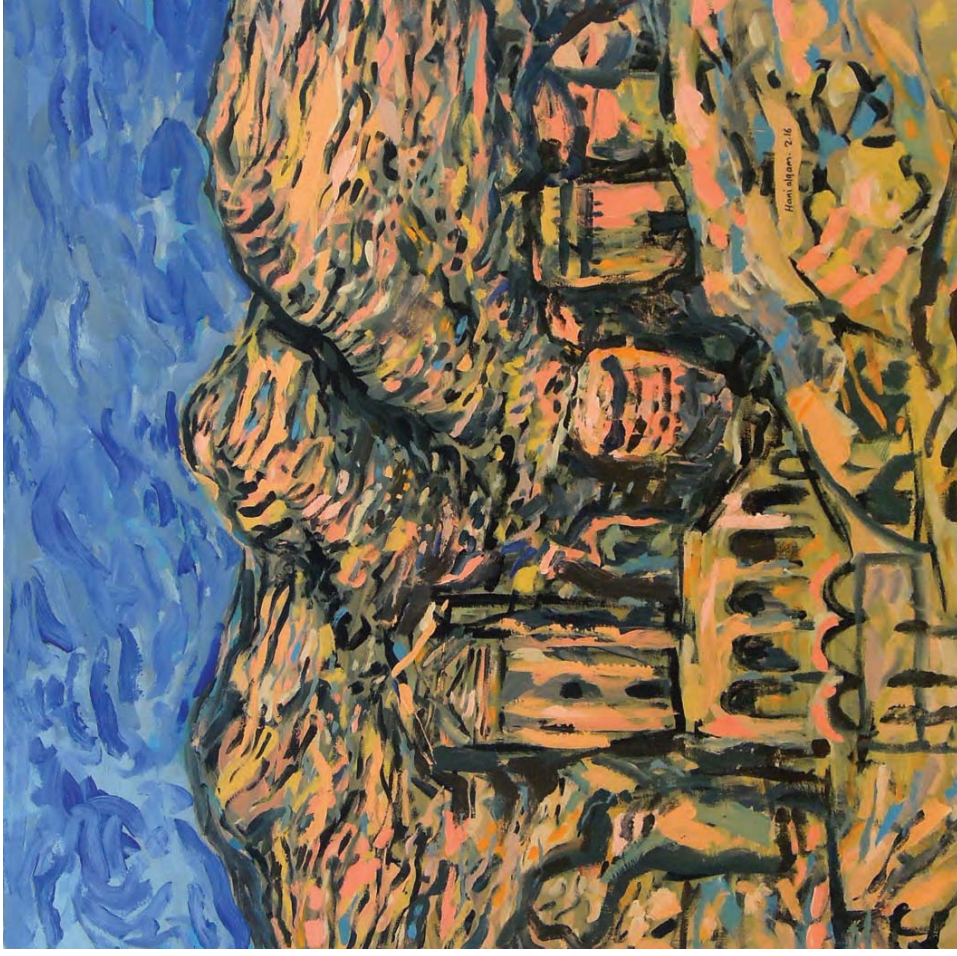
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law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

Report on other legal and regulatory requirements

The Bank maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith the financial date presented in the Board of Directors' report. We recommended that the General assembly of Shareholders approve these financial statements.



Amman - Jordan
30 March 2017



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CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2016

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2016		2015	
		JD	JD	JD	JD
Interest income	27	52,218,799		48,508,829	
Interest expense	28	(17,644,158)		(19,540,071)	
Net interest income		34,574,641		28,968,758	
Net commissions income	29	6,470,124		5,852,944	
Net interest and Commissions Income		41,044,765		34,821,702	
Gain from foreign currency exchange	30	633,866		540,566	
Gain from financial assets at fair value through statement of income	31	228,282		1,030,122	
Cash dividends from financial assets at fair value through other comprehensive income	8	1,554,592		962,435	
Other income	32	3,638,023		1,845,657	
Gross income		47,099,528		39,200,482	
Employees' expenses	33	(13,507,421)		(11,184,227)	
Depreciation and amortization	11,12	(2,852,149)		(2,759,899)	
Other expenses	34	(8,669,253)		(7,442,087)	
Provision for impairments on seized assets and provisions for assets seized as per CBJ regulations	13	(1,009,763)		(241,112)	
Provision for impairment in direct credit facilities	10	894,045		3,303,506	
Returns from sundry provisions (Sundry provisions)	18	423,239		(271,819)	
Total expenses		(24,721,302)		(18,595,638)	
Net income for the year before income tax		22,378,226		20,604,844	
Income tax expense	19	(6,770,967)		(6,295,018)	
Net income for the year		15,607,259		14,309,826	
Attributable to:		15,297,799		14,254,168	
Shareholders of the bank		309,460		55,658	
Non-controlling interest	26	15,607,259		14,309,826	
Basic and diluted earnings per share from net income for the year attributable to shareholders of the banks	35	0.153		0.143	

The attached notes from 1 to 47 are an integral part of these consolidated financial statement

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016		2015	
		JD	JD	JD	JD
Assets					
Cash and balances at the Central Bank of Jordan	4	91,250,017		102,527,791	
Balances at banks and financial institution	5	73,902,498		45,854,292	
Deposits at banks and financial institution	6	5,500,000		5,000,000	
Financial assets at fair value through statement of income	7	2,128,116		2,556,397	
Direct credit facilities - net comprehensive income	10	538,630,285		454,704,268	
Financial assets at amortized cost	8	24,437,914		20,581,461	
Property and equipment-net	9	120,143,870		119,079,954	
Intangible assets	11	28,573,609		28,727,750	
Deferred tax assets	12	3,003,463		1,955,925	
Other assets	19	6,883,615		5,365,915	
	13	55,123,285		59,066,138	
Total assets		949,576,672		845,419,891	
Liabilities And Equity					
Liabilities					
Banks and financial institutions deposit	14	2,432,998		9,018,275	
Customers deposits	15	622,816,743		584,076,355	
Cash margins	16	38,094,827		32,157,407	
Borrowed funds	17	99,789,624		42,322,037	
Sundry provisions	18	710,086		1,082,090	
Income tax provision	19	6,501,454		6,208,287	
Deferred tax liabilities	19	2,812,850		2,073,433	
Other liabilities	20	12,074,876		13,835,700	
Total Liabilities		785,233,458		690,773,584	
Equity					
Authorized capital	21	100,000,000		100,000,000	
Subscribed and paid-in capital	21	100,000,000		100,000,000	
Statutory reserve	22	23,570,771		21,332,948	
General banking risks reserve	22	5,311,284		4,603,049	
Fair value reserve - net	23	5,491,519		3,839,176	
Retained earnings	24	27,663,922		23,984,252	
Total equity attributable to the shareholders of the bank		162,037,496		153,759,425	
Non-controlling interest	26	2,305,718		886,882	
Total equity		164,343,214		154,646,307	
Total liabilities and equity		949,576,672		845,419,891	

The attached notes from 1 to 47 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

2016	Reserves							
	Paid in capital	Statutory	General banking risk	financial assets revaluation	Retained earnings	Total shareholders' equity attributable to the bank's shareholder	Non-controlling interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
As at 1 January	100,000,000	21,332,948	4,603,049	3,839,176	23,984,252	153,759,425	886,882	154,646,307
Net income for the year	-	-	-	-	15,297,799	15,297,799	309,460	15,607,259
Net change in financial assets revaluation reserve-net of tax	-	-	-	1,026,194	-	1,026,194	-	1,026,194
Loss from sale of financial assets at fair value through other comprehensive income	-	-	-	626,149	(672,071)	(45,922)	-	(45,922)
Total other comprehensive income	-	-	-	1,652,343	14,625,728	16,278,071	309,460	16,587,531
Transferred to reserves	-	2,237,823	708,235	-	(2,946,058)	-	-	-
Dividends (Note 24)	-	-	-	-	(8,000,000)	(8,000,000)	-	(8,000,000)
Investment in subsidiary	-	-	-	-	-	-	1,109,376	1,109,376
As at 31 December 2016	100,000,000	23,570,771	5,311,284	5,491,519	27,663,922	162,037,496	2,305,718	164,343,214
2015								
As at 1 January	100,000,000	19,272,464	4,374,922	2,762,658	19,052,742	145,462,786	831,224	146,294,010
Net income for the year	-	-	-	-	14,254,168	14,254,168	55,658	14,309,826
Net change in financial assets revaluation reserve-net of tax	-	-	-	1,043,637	-	1,043,637	-	1,043,637
Loss from sale of financial assets at fair value through other comprehensive income	-	-	-	32,881	(34,047)	(1,166)	-	(1,166)
Total other comprehensive income	-	-	-	1,076,518	14,220,121	15,296,639	55,658	15,352,297
Transferred to reserves	-	2,060,484	228,127	-	(2,288,611)	-	-	-
Dividends (Note 24)	-	-	-	-	(7,000,000)	(7,000,000)	-	(7,000,000)
As at 31 December 2015	100,000,000	21,332,948	4,603,049	3,839,176	23,984,252	153,759,425	886,882	154,646,307

- Included in retained earnings an amount of JD 6,883,615 as of 31 December 2016 restricted by the instructions of Central Bank of Jordan for deferred tax assets against JD 5,365,915 as of 31 December 2015.
- Included in the retained earnings a restricted amount of JD 1,039,200 as of 31 December 2016 (and 31 December 2015: JD 2,539,200) based on Central Bank of Jordan request, for the remaining balance of fraudulent transactions.
- Included in the retained earnings a restricted amount of JD 415,074 as of 31 December 2016 against JD 426,919 as of 31 December 2015 which represents the effect of the early adoption of IFRS (9). Such amount is restricted and cannot be utilized unless realised through actual sale as instructed by Jordan Securities Commission.
- There is no revaluation difference of financial assets at fair value through income statement in the retained earnings as of 31 December 2016 and 31 December 2015.
- The use of general banking risks reserve is restricted and requires prior approval from the Central Bank of Jordan.
- The use of fair value of financial assets reserve-net is restricted and requires prior approval from Central bank of Jordan.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016		2015	
	JD	JD	JD	JD
Net income for the year	15,607,259		14,309,826	
Other comprehensive income items:				
Net change in financial assets revaluation reserve -Net of tax	1,026,194		1,043,637	
(loss) Gain on sale of financial assets through other comprehensive income	(45,922)		(1,166)	
Total other comprehensive income for the year	980,272		1,042,471	
Total comprehensive income	16,587,531		15,352,297	
Total other comprehensive income attributable to :				
Shareholders of the bank	16,278,071		15,296,639	
Non-controlling interest	309,460		55,658	
	16,587,531		15,352,297	

The attached notes from 1 to 47 are an integral part of these consolidated financial statements

	Note	2016		2015	
		JD		JD	
Operating activities					
Income for the year before income tax		22,378,226		20,604,844	
Adjustments:					
Depreciation and amortisation	11,12	2,852,149		2,759,899	
Provision for impairment in direct credit facilities	10	(894,045)		(3,303,506)	
Provision for employees end-of-service	18	13,466		7,307	
Provision for lawsuits against the bank	18	163,295		264,512	
Provision for impairment in seized assets as per CBJ regulations	13	1,081,426		280,415	
Recovered from sundry provision	18	(600,000)		-	
(Recovery) Provision for impairments of seized assets by the bank	13	(171,663)		(39,303)	
Gain on sale of assets sized by the bank	32	(283,784)		(43,051)	
Gain from sale of property and equipment		(12,111)		(17,469)	
Unrealised Gain or loss from financial assets at fair value through statement of income	31	40,118		90,022	
Dividends received from financial assets at fair value through other comprehensive income	8	(1,554,592)		(942,435)	
Net interest expense		656,453		(115,317)	
Effect of exchange rate fluctuations on cash and cash equivalents	30	(37,260)		(41,809)	
		23,731,678		19,484,109	
Change in assets and liabilities					
Deposits at banks and financial institutions (maturing after more than 3 months)	6	(500,000)		(3,621,153)	
Deposits at banks and financial institutions (Restricted Balances)	6	2,383,268		(2,885)	
Financial assets at fair value through statement of income	7	517,525		2,490,395	
Direct credit facilities	10	(48,385,195)		4,665,141	
Other assets	13	5,068,107		(12,903,151)	
Customers' deposits	15	38,740,388		22,685,533	
Cash margins	16	5,937,420		(2,598,509)	
Other liabilities	20	(3,294,083)		3,007,422	
Net cash flows generated from operating activities before income tax paid and paid provisions		24,197,108		33,206,902	
Income tax and sundry provisions paid	18,19	(7,725,703)		(4,205,874)	
Net cash flows generated from operating activities		16,471,405		29,001,028	
Investing activities					
Purchase of Financial assets at fair value through other comprehensive income		(2,846,389)		(6,748,498)	
Selling of Financial assets at fair value through other comprehensive income		534,487		149,832	
Dividends received from financial assets at fair value through statement of Income	8	1,554,592		942,435	
Purchase of Financial assets at amortized cost		(172,698,279)		(45,212,272)	
Maturity of financial assets at amortized cost		71,634,363		68,314,452	
Purchase of property and equipment and project under progress	11	(1,808,339)		(9,700,000)	
Proceeds from sale of property and equipment		19,000		17,606	
Purchase of intangible assets	12	(262,306)		(479,232)	
Net cash used in investment in subsidiaries		(20,774,618)		-	
Net cash generated from investment in subsidiaries		375,979		-	
Net cash flows (used in) generated from investing activities		(24,271,510)		7,304,323	
Financing activities					
Dividends paid	25	(8,000,000)		(7,000,000)	
Borrowed funds	17	41,501,822		13,832,521	
Net cash flows generated from financing activities		33,501,822		6,832,521	
Effect of exchange rate fluctuations on cash and cash equivalents	30	37,260		41,809	
Net increase in cash and cash equivalents		25,738,977		43,179,681	
Cash and cash equivalents at 1 January		136,980,540		93,800,859	
Cash and cash equivalents at 31 December	36	162,719,517		136,980,540	

The attached notes from 1 to 47 are an integral part of these consolidated financial statements

(1) GENERAL INFORMATION

Invest Bank (the "Bank") was established as a Jordanian public shareholding company under registration No. (173) dated 12 August 1982 in accordance with the Companies Law No. (12) for the year 1964 with a paid in capital of JD 6 million distributed over 6 million shares with a par value of JD 1 per share. The Bank's capital was increased several times to become JD 77,500,000 / JD 1 per share as of 31 December 2010. Furthermore, during 2011, the Bank's capital was increased to JD 85,250,000 / JD 1 per share. Finally, the Bank's capital was increased by JD 14,750,000 on 10 April 2012. Accordingly, the Bank's authorized and paid in capital became JD 100 Millions / JD 1 per share.

The Bank's Head Office is located in Amman, Abd Alhameed Sharaf Street, Shmesani, Tel: 5001500, P.O Box 950601, Amman - 11195 Jordan.

The Bank provides banking and related financial services through its Head Office and Twelve branches in the Hashemite Kingdom of Jordan, and its subsidiaries.

Invest Bank is a public shareholding company listed in Amman Stock Exchange

These consolidated financial statements have been approved by the Central Bank of Jordan and General Assembly of Shareholders.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies used by the Bank in the preparation of these consolidated financial statements.

2.1 Basis of preparation

The accompanying consolidated financial statements for the year ended 31 December 2016 of the Bank and its subsidiaries are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), interpretations issued by the Committee of the IASB, prevailing local laws and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income that have been measured at fair value at the date of these consolidated financial statements. Hedged assets and liabilities are also stated at fair value.

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

The accounting policies applied in preparing the financial statement for the year ended 31 December 2016 are consistent with those used in the year ended 31 December 2015 except for the information presented in note (2-2).

2.2 Changes in accounting policies and disclosures

The principal accounting policies applied in the preparation of these consolidated financial statements for the year ended 31 December 2015 except for the implementations of new standards and amendments on existing standards as mentioned below:

(a) New standards, amendments and interpretations adopted by the Bank

The Bank has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016, which does not have a material effect on the banks financial statements:

- Amendment to IAS 16) Property, plant and equipment and IAS 38) Intangible assets which represents the acceptable methods for depreciation and amortization.
- Amendments to IAS 34) "Financial statements" regarding the disclosures in the financial statements.
- Amendment to IAS 19) "Employee beneficiary plan" that require the use of discounted currency rate to meet the obligations from employee beneficiary plan.
- Amendment to IAS 27) "Separate Financial Statement" restore the option of using equity method for entities in separate financial statement to account for investments in subsidiaries, associates and joint ventures.
- Amendment to IAS 1) "Presentation of Financial Statements" clarify the requirement for financial statement presentation and accounting policies disclosures.
- Amendment to IFRS 7) "Financial instruments: Disclosers" that require disclosure of information about significant financial instruments after sale and disclose the clearance between financial assets and financial liabilities and was not mention in IAS 34)
- Amendment to IFRS 11) "Joint agreement" which provide a specific method for calculating the acquisition in a joint agreement.
- Amendment to IFRS 10) "Consolidated financial statements" and IAS 28) "Investment in associates the elimination for consolidated financial statements for Investment companies and subsidiaries.
- Annual improvements to IFRS 2014-2012 Cycle.

(b) New standards, amendments and interpretations not yet adopted

- IFRS 9 Financial Instruments: IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The IASB made further changes to the classification and measurement rules and also introduced a new impairment model. The new financial instruments standard must be applied for financial years commencing on or after 1 January 2018.
- IFRS 15 Revenue from Contracts with Customer: The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. The standard should be adopted mandatory for financial years commencing on or after 1 January 2018.
- IFRS 16) "Leases" must be applied for financial years commencing on 1 January 2019, that will replace IAS 17) "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.
- IAS 12) "Income Tax" must be applied for financial years commencing on 1 January 2017. Addresses the measurements and recognition for deferred tax assets.
- IAS 7) "Statement of cash flow" must be applied for financial years commencing on 1 January 2017. Addresses the additional disclosure regarding the change in liabilities resulting from financing activities.

2.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and the wholly owned subsidiary companies controlled by it. Control exists when the Bank has the ability to control the financial and operating policies of the subsidiary companies in order to achieve financial benefits out of their operations. All inter-company transactions, balances, revenues and expenses between the Bank and its subsidiaries are eliminated, as well as between the subsidiaries themselves.

The consolidated financial statements contains the banks financial statement and its following subsidiaries:

Company's Name	Paid-in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
Al- Mawared for Financial Brokerage Company	10,000,000	100%	Financial securities brokerage	Amman	2006
Tamkeen Leasing Company	5,000,000	90%	Lease financin	Amman	2006
Al- Istethmari Latemweel Selselat Al Imdad Company	3,000,000	94%	Management and operation of bonded stores	Amman	2010
Jordanian Company for Factoring *	30,000	100%	Factoring receivables	Amman	2011
Jordan Trade Facilities **	16,500,000	94.7%	Providing loans and facilities	Amman	2016
Trade Facilities for finance leasing **	2,000,000	94.7%	Lease financing	Amman	2016

* Jordan Company for Factoring was established on 21 December 2011 and has not commenced its operations as of the date of these consolidated financial statements.

** The bank acquired %93,275 of Jordan Trade Facilities company which owns %100 of Trade Facilities for Finance Leasing Company during the year 2016, through its subsidiary (Tamkeen Leasing Company), through a purchase of 15,390,385 shares with 1 JD par value. The acquisition cost was JD 20,774,620 and the fair value of net assets amounted to JD 19,344,022 at the date of acquisition, which raised a goodwill amounted to JD 1,430,598 disclosed under intangible assets.

The financial statements of the subsidiaries are prepared using the same accounting policies adopted by the Bank. Changes are made to the accounting policies of subsidiaries, when necessary, to align them with accounting policies adopted by the Bank

The bank direct and indirect investments in trade facilities for finance leasing is %94,667as of 31 December 2016.

The financial statements of the subsidiaries are prepared using the same accounting policies adopted by the Bank. Changes are made to the accounting policies of subsidiaries, when necessary, to align them with accounting policies adopted by the Bank.

Subsidiaries are investees controlled by the Bank. The financial statements of the subsidiaries are included in the consolidated financial statements from the date the Bank obtains control of the investee and ceases when the Bank loses control of the investee.

Non-controlling interest represents the portion of net profit or loss and net assets not owned directly or indirectly by the Bank in its subsidiaries and are presented in the consolidated statement of income and within equity in the consolidated statement of financial position separately from the equity attributable to the shareholders of the Bank.

2.4 Segment Information

A business segment is a group of assets or operations jointly engaged in providing an individual product or service and a group of related products or services subject to risks and returns different from those of other business segments. It is measured according to the reports used by the General Manager or other key decision makers at the Bank.

A geographical segment is a distinguishable component of an entity engaged in providing products or services within a particular economic environment subject to risks and returns different from those of components operating in other economic environments.

2.5 Financial Assets at Fair Value through Statement of income

It is the financial assets held by the Bank for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

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

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

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

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

2.6 Direct Credit Facilities

Represents financial assets which have fixed or agreed payments which the bank submitted in the first place and these financial assets do not have quoted prices in active markets.

Direct credit facilities are recorded at amortized cost after deducting the provision for the direct credit facilities and interest and commissions in suspense.

A provision for the impairment in direct credit facilities is recognized when it is obvious that the financial assets of the Bank cannot be recovered, there is an objective evidence of the existence of an event negatively affecting the future cash flows of the direct credit facilities, and the impairment amount can be estimated. The provision is taken to the consolidated statement of income. Interest and commissions on non-performing credit facilities are suspended in accordance with the regulations of the Central Bank of Jordan.

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

2.7 Financial Assets at Fair Value through Other Comprehensive Income

Those financial assets represent the investments in equity instruments held for long term.

Financial assets at fair value through other comprehensive income are initially stated at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or loss from the sale of these investments should be recognized in the consolidated statement of comprehensive income and within owner's equity, and the balance of the evaluation reserve for these assets should be transferred directly to the retained earnings not to the consolidated statement of income.

No impairment testing is required for those assets.

Dividends are recorded in the consolidated statement of income.

2.8 Financial Assets at Amortized Cost

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

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the consolidated statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate

It is not allowed to reclassify any financial assets from / to this category except for certain cases specified a the International Financial Reporting Standards (and in the case of selling those assets before its maturity date, the results should be recorded in a separate account in the consolidated statement of income, disclosures should be made in accordance to the requirements of International Financial Reporting Standards).

2.9 Fair Value

Fair value represents the closing market price (Acquisition of assets/ Sale of liabilities) of financial assets and derivatives on the date of the consolidated financial statements. In case the declared market prices do not exist, active trading of some financial assets and derivatives is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the estimated future cash flows and discounted cash flows at current rates applicable for items with similar terms and risk characteristics.
- Evaluation of long term assets and liabilities that bears no interest in accordance to discounted cash flows using effective interest rate, premiums and discounted are amortized within interest revenue or expense in the consolidated statement of income.

The evaluation methods aim to provide a fair value reflecting the expectations of the market, and take into consideration market factors, risks and expected benefits, at the time of evaluation of the financial instruments. In case the fair value of an investment cannot be measured reliably, it is stated at cost less any impairment

2.10 Impairment in the Value of Financial Assets

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

Impairment is determined as follows:

Impairment in financial assets recorded at amortized cost represents the difference between the book value and the present value of the expected cash flows discounted at the original interest rate

The impairment in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous impairment in the value of debt instruments is taken to the consolidated statement of income and any impairment in the value of equity instruments is taken to the consolidated statement of other comprehensive income.

2.11 Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment in value. Moreover, property and equipment (except for land) are depreciated according to the straight-line method over their estimated useful lives using the following rates:

	%
Buildings	2
Fixtures, equipment and furniture	10- 25
Vehicles	15- 20
Computers	20
Decorations	25

When the carrying values of property and equipment exceed their recoverable values, assets are written down to the recoverable value, and impairment losses are recorded in the consolidated statement of income.

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

Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use or disposal.

2.12 Provisions

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

2.13 Provision for Employees End-of-Service Indemnities

The employees' end-of-service indemnities provision is calculated at a rate of one month per service year for contracted employees more than 60 years old.

The required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income while payments to departing employees are deducted from the provision amount.

2.14 Cost of Issuing or Purchasing Bank Shares

Any costs that result from purchasing or issuing bank shares are charged to retained earnings (net of the tax effect relating to those costs, if any). If the underwriting process or purchase process was incomplete, these costs are charged to the consolidated statement of income.

2.15 Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

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

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions in Jordan.

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

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

2.16 Accounts Managed on Behalf of Customers

This item represents the accounts managed by the Bank on behalf of its customers and is not part of the Bank's assets. The fees and commissions for managing these accounts are shown in the consolidated statement of income. Furthermore, a provision is taken against the decline in the value of capital-guaranteed portfolios managed on behalf of customers.

2.17 Offsetting

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

2.18 Realization of Income and Recognition of Expenses

Interest income is realized and expenses are recognized using the effective interest rate method, except for interest and commission on non-performing loans which are not recognized as revenue but recorded in the interest and commission in suspense account until they are received in cash.

Expenses are recognized on the accrual basis.

Commission is recorded as revenue when the related services are provided.

Dividends are recorded when realized (decided upon by the General Assembly of Shareholders).

2.19 Recognition of Financial Assets

Financial assets are recognized on the trading date which is the date the Bank commits itself to purchase or sell the financial assets

2.20 Financial Derivatives and Hedge Accounting

For hedge accounting purposes, financial derivatives are stated at fair value. Hedges are classified as follows:

- Fair value hedge:

Hedge for the change in the fair value exposures of the Bank's assets and liabilities.

When the conditions of effective fair value hedge are met, the resulting gain or loss from re-measuring the fair value hedge is recognized in the consolidated statement of income.

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

- Cash flow hedge:

Hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities

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

- Hedge for net investment in foreign entities:

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

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

2.21 Financial Derivatives for Trading

The fair value of financial derivatives for trading such as forward foreign currency contracts, future interest rate contracts, swap agreements, and foreign currency options is recorded in the consolidated statement of financial position under other assets or other liabilities as the case may be. Fair value is measured according to the prevailing market prices, and if they are not available, the measurement method should be disclosed. The change in their fair value is recognized in the consolidated statement of income.

2.22 Repurchase and Resale Agreements

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

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

2.23 Assets Seized by the Bank

Assets seized by the Bank are shown under "other assets" at the acquisition value or fair value, whichever is lower. As of the consolidated financial statements date, these assets are revalued individually at fair value. Any decline in their market value is taken to the consolidated statement of income whereas any such increase is not recognized. A subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

Provision is provided against sized assets for more than four years according to central bank of Jordan regulation

2.24 Intangible Assets

A. Goodwill

The goodwill represent the positive difference between the cost of acquisition or purchase price of the associate or subsidiary and the company's net asset fair value at the date of acquisition.

The goodwill resulting from investment in subsidiary is disclosed in a separate note as intangible asset, as for goodwill resulting from investment in associate it's disclosed as part of investment account and it gets impaired over the period, when its value goes down.

Impairment test for goodwill is performed at the date of each financial statement, which is the result of a decrease in cash flow generated by goodwill recoverable value at the date of the financial compared to the cost of goodwill recorded in the books, in such cases the goodwill impairment amount is disclosed in the Income statement.

(3) ACCOUNTING ESTIMATES

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

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

A provision for performing and non-performing loans is taken on the bases and estimates approved by the Bank's management in conformity with International Financial Reporting Standards (IFRS). The outcome of these bases and estimates is compared against the adequacy of the provisions as per the Central Bank of Jordan's instructions. The strictest outcome that conforms to International Financial Reporting Standards is used for determining the provision.

Impairment loss is booked after a sufficient and recent evaluation of the assets seized by the Bank has been conducted by approved surveyors. The impairment loss is reviewed periodically.

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

Management frequently reviews the financial assets stated at cost to estimate any decline in their value. Impairment loss (if any) is taken to the consolidated statement of income as an expense for the year.

Management estimates the impairment in fair value when the market value reaches a certain limit indicative of the amount of impairment loss, which doesn't conflict with the International Financial Reporting Standards and the instructions of the Regulatory authorities.

Fair Value Hierarchy :

The Bank determines and discloses the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability

Goodwill: Impairment test for goodwill is performed yearly or any indicator for impairments. Any impairment losses can not be recovered at later period.

The management believes that the estimates adopted in the preparation of the consolidated financial statements are reasonable.

(4) CASH AND BALANCES WITH THE CENTRAL BANK OF JORDAN

This item consists of the following:

	31 December 2016	31 December 2015
	JD	JD
Cash on hand	10,754,130	8,945,798
Balances with central banks		
Current and demand accounts	6,152,449	728,924
Term and notice deposits	-	22,000,000
Statutory cash reserve *	43,643,438	39,553,069
Deposit certificate	30,700,000	31,300,000
	91,250,017	102,527,791

- Except for the statutory cash reserve, there are no restricted balances as of 31 December 2016 and 2015.
- There are no balances matured in a period exceeding three months as of 31 December 2016 and 2015.

B. Other intangible assets
Intangible assets purchased in an acquisition are stated at fair value at the date of acquisition. Intangible assets purchased other than through acquisition are recorded at cost.

Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is treated in the consolidated statement of income as an expense for the period.

No capitalization of internally generated intangible assets resulting from the Bank's operations is made. They are rather recorded as an expense in the consolidated statement of income for the period.

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

Software and computer programs are amortized over their estimated useful economic lives at a rate of %20 annually.

2.25 Foreign Currency

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

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

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

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

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

2.26 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with the Central Bank of Jordan and balances with banks and financial institutions maturing within three months from purchase date, less balances due to banks and financial institutions maturing within three months and restricted funds.

(5) BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	31 December		31 December		31 December	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Current and demand accounts	57,219	758	28,879,984	20,407,181	28,937,203	20,407,939
Deposit maturing within three months	29,641,362	18,000,000	15,323,933	7,446,353	44,965,295	25,446,353
Total	29,698,581	18,000,758	44,203,917	27,853,534	73,902,498	45,854,292

- Non-interest bearing balances at banks and financial institutions amounted to JD 29,012,436 as of 31 December 2016 against JD 20,464,391 as of 31 December 2015.

- There is no restricted balances as of 31 December 2016 against JD 2,383,268 as of 31 December 2015.

(6) DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	31 December		31 December		31 December	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Deposits	5,500,000	5,000,000	-	-	5,500,000	5,000,000
Total	5,500,000	5,000,000	-	-	5,500,000	5,000,000

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

Deposits balances maturing within a period exceeding three months amounted to JD 5,500,000 as of 31 December 2016 against JD 5,000,000 as of 31 December 2015.

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

This item consists of the following:

	31 December	
	2016	2015
	JD	JD
Companies shares	2,089,000	2,517,281
Investment funds	39,116	39,116
Total	2,128,116	2,556,397

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

	31 December	
	2016	2015
	JD	JD
Quoted shares	21,851,633	18,302,235
Unquoted shares *	2,586,281	2,279,226
Total	24,437,914	20,581,461

* The fair value of the unquoted shares has been valued using the net book value method which is considered the best valuation method for such investments.

Realized losses on the sale of shares at fair value through other comprehensive income amounted to JD 672,071 for the year ended 31 December 2016 against JD 34,047 for the year ended 31 December 2015, which was directly recorded to retained earnings in owner's equity.

Cash dividends on financial assets amounted to JD 1,554,592 for the year ended 31 December 2016 against JD 962,435 for the year ended 31 December 2015.

(9) FINANCIAL ASSETS AT AMORTIZED COSTS

This item consists of the following:

	31 December	
	2016	2015
	JD	JD
Quoted financial assets:		
Governmental bonds *	83,129,767	82,075,105
Governmental bonds guaranteed by the government	-	6,359,996
Corporate loans (Companies bonds and debentures)	5,278,208	19,292,378
Total	88,407,975	107,727,479
Unquoted financial assets:		
Governmental bonds	16,942,111	-
Companies bonds and debentures	14,793,784	11,352,475
Total	31,735,895	11,352,475
Total financial assets at amortized cost	120,143,870	119,079,954
Bonds and bills analysis:		
Analysis bonds and treasury bills		
Fixed return	98,119,954	112,054,944
Floating rate	22,023,916	7,025,010
Total	120,143,870	119,079,954

(10) DIRECT CREDIT FACILITIES-NET

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Individuals (retail):				
Overdraft	12,439,777		13,215,433	
Loans and discounted bills *	94,808,191		48,718,650	
Credit Cards	15,908,806		10,114,294	
Real estate loans	124,713,597		117,991,221	
Companies				
Corporate:				
Overdraft	79,883,162		72,711,564	
Loans and discounted bills *	220,305,556		206,238,290	
Medium and small entities				
Overdraft	7,878,533		7,658,985	
Loans and discounted bills *	12,315,395		8,415,254	
Government and public sector	24,203		-	
Total	568,277,220		485,063,671	
Less: Provision for impairment in direct credit facilities	23,314,696		19,277,846	
Interest in suspense	6,332,239		11,081,557	
Net Direct Credit Facilities	538,630,285		454,704,268	

*Net after deducting interest and commissions received in advance of JD 18,908,609 as of 31 December 2016 against JD 6,813,231 as of 31 December 2015.

Non-performing credit facilities amounted to JD 38,509,592 which is equivalent to %6.8 of total direct credit facilities as of 31 December 2016 against JD 34,240,982, which is equivalent to %7.1 of total credit facilities as of 31 December 2015.

Non-performing credit facilities excluding interest and commissions in suspense amounted to JD 32,183,664 which is equivalent to %5.7 of total direct credit facilities after excluding interest in suspense as of 31 December 2016 against JD 23,565,933 which is equivalent to %4.97 of total credit facilities after excluding interest in suspense as of 31 December 2015.

Direct credit facilities granted to / guaranteed by Jordan Government as of 31 December 2016 JD 24,203 against JD Zero as of 31 December 2015.

Part of the collaterals of the due instalments and finance lease contract related to Jordan Trade Facilities Company with an amount of JD 16,937,500 (Cheques and promissory notes) as of 31 December 2016 were deposited as collaterals against the loans and overdraft of the company.

Provision for Impairment in Direct Credit Facilities:

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

	Individuals		Real estate loans		Companies		Total
	JD	JD	JD	JD	Corporate	Medium and Small	
2016							
Balance at 1 January	4,416,993	1,220,209	9,867,535	3,773,109			19,277,846
Balances generated from investment in subsidiaries	4,529,392	477,005	-	135,258			5,141,655
Provision (surplus) Charge for the year	146,580	(678,137)	213,660	(576,148)			(894,045)
Used during the year (written-off)*	(199,601)	-	-	(11,159)			(210,760)
Balance at year end	8,893,364	1,019,077	10,081,195	3,321,060			23,314,696
2015							
Balance at 1 January	4,972,953	6,775,559	12,016,642	5,449,261			29,214,415
Provision (surplus) Charge for the year	487,461	(5,537,618)	1,639,243	107,408			(3,303,506)
Used during the year (written-off)*	(1,043,421)	(17,732)	(3,788,350)	(1,783,560)			(6,633,063)
Balance at year end	4,416,993	1,220,209	9,867,535	3,773,109			19,277,846

Non-performing credit facilities provision amounted to JD 23,052,493 as of 31 December 2016 against JD 18,379,294 as of 31 December 2015 in addition the watch list provision amounted to JD 262,203 as of 31 December 2016 against JD 898,552 as of 31 December 2015.

The provisions no longer needed due to settlements or repayments of debts and transferred against other debts amounted to JD 8,043,963 as of 31 December 2016 against JD 9,514,119 as of 31 December 2015.

The provision for impaired credit facilities representing watch list and non-performing credit facilities are calculated based on the individual customer and not the portfolio except for the amount 880,327 JD has been calculated on the bases of the portfolio

Interest in Suspense:

The movement on the interest in suspense is as follows:

	Individuals		Real estate loans		Companies		Total
	JD	JD	JD	JD	Corporate	Medium and Small	
					JD	JD	
2016							
Balance at 1 January	2,000,226	1,661,116	6,181,862	1,238,353			11,081,557
Interest in suspense for the year	394,319	92,289	767,187	297,911			1,551,706
Interest transferred to revenue	(31,313)	(925,392)	(3,827,503)	(371,834)			(5,156,042)
Interest in suspense written-off *	(652,797)	(201,579)	(286,658)	(3,948)			(1,144,982)
Balance at year end	1,710,435	626,434	2,834,888	1,160,482			6,332,239
2015							
Balance at 1 January	1,752,822	3,040,787	6,045,746	1,449,551			12,288,906
Interest in suspense for the year	484,627	257,817	2,368,682	355,802			3,466,928
Interest reversed to income	(25,562)	(1,597,560)	(170,061)	(20,013)			(1,813,196)
Interest in suspense written-off *	(211,661)	(39,928)	(2,062,505)	(546,987)			(2,861,081)
Balance at year end	2,000,226	1,661,116	6,181,862	1,238,353			11,081,557

* According to the decision taken by board of directors of the bank and the senior management of Al-Mawared (Subsidiary company), non performing credit facilities with their related interest in suspense have been written off amounted to of JD 1,355,742 during the year ended 31 December 2016 against JD 9,494,144 for the year 2015.

- Net credit facilities are distributed according to economic sector taking into consideration that all loans granted inside Jordan as follows:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Financial	49,861,015		38,521,169	
Industrial and mining	73,456,037		71,549,850	
Trading	126,729,392		116,701,788	
Real estates	43,384,757		26,576,652	
Constructions	32,375,034		43,319,841	
Agricultural	1,355,415		1,219,313	
Tourism , restaurants and public	64,868,188		60,640,319	
Shares	16,024,110		20,694,165	
Government and public sector	24,203		-	
Individuals/others	160,199,069		105,840,574	
Total	568,277,220		485,063,671	

(11) PROPERTY AND PLANT – NET

This item consists of the following:

	Land*		Buildings*		Equipment, fixtures and furniture		Vehicles		Computers		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
2016												
Cost												
Balance at 1 January	9,341,886		14,360,096		11,294,518		321,879		2,107,264			37,425,643
Balances generated from investment in subsidiaries	-		502,050		200,475		84,500		103,248			890,273
Additions	-		-		800,403		86,336		170,952			1,057,691
Disposals	-		-		(81,270)		(45,730)		(25,930)			(152,930)
Transfers	-		-		654,433		-		11,398			665,831
Balance at 31 December	9,341,886		14,862,146		12,868,559		446,985		2,366,932			39,886,508
Accumulated depreciation												
Balance at 1 January	-		1,223,505		6,697,733		164,000		1,402,008			9,487,246
Balances generated from investment in subsidiaries	-		392,621		131,485		29,710		80,526			634,342
Additions	-		314,097		1,571,335		51,827		262,192			2,199,451
Disposals	-		-		(81,253)		(38,865)		(25,929)			(146,047)
Balance at 31 December	-		1,930,223		8,319,300		206,672		1,718,797			12,174,992
Net book value of fixed assets as of 31 December	9,341,886		12,931,923		4,549,259		240,313		648,135			27,711,516
Advanced payments on purchase property and equipment and projects under construction **	-		738,571		123,522		-		-			862,093
Net property and equipment	9,341,886		13,670,494		4,672,781		240,313		648,135			28,573,609

(12) INTANGIBLE ASSETS

This item consists of the following:

	Land *		Buildings*		Equipment, fixtures and furniture		Vehicles		Computers		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2015												
Cost												
Balance at 1 January	6,993,749	10,326,486	9,078,799	317,129	1,573,880	28,290,043						
Additions	2,348,137	4,033,610	1,883,757	132,500	533,384	8,931,388						
Disposals	-	-	(3,615)	(127,750)	-	(131,365)						
Transfers	-	-	335,577	-	-	335,577						
Balance at 31 December	9,341,886	14,360,096	11,294,518	321,879	2,107,264	37,425,643						
Accumulated depreciation												
Balance at 1 January	-	961,599	5,265,562	257,688	1,094,095	7,578,944						
Additions	-	261,906	1,435,650	34,061	307,913	3,039,550						
Disposals	-	-	(3,479)	(127,749)	-	(131,228)						
Balance at 31 December	-	1,223,505	6,697,733	164,000	1,402,008	9,487,246						
Net book value of fixed assets as of 31 December	9,341,886	13,136,591	4,596,785	157,879	705,256	27,938,397						
Advanced payments on purchase property and equipment and projects under construction**	-	-	777,955	-	11,398	789,353						
Net property and equipment	9,341,886	13,136,591	5,374,740	157,879	716,654	28,727,750						

- Property, plant and equipment include fully depreciated items amounting to JD 5,813,101 as of 31 December 2016 against JD 4,048,529 as of 31 December 2015.

* This item contains pledge lands and buildings by JD 6,222,084 to the interest of specialized finance lease co. against capital lease for subsidiary which amounted to JD 6,381,747 as of 31 December 2015.

**This item represents down payments on the purchase of furniture, fixtures and equipment for the purposes of the bank's new branch in Dabouq and Al-Istethmari la Tamweel Selelat Al Imdad Company.

	2016		2015	
	Computer Systems and Software		Intangible assets	
	Down payments for acquiring programs JD	Goodwill** JD	Total JD	2015 JD
Balance at beginning of the year	60,899	-	1,955,925	2,197,062
Balances generated from investment in subsidiaries	-	7,380	7,380	-
Additions*	35,688	1,430,598	1,692,856	479,232
Less: Amortization for the year	-	652,698	652,698	720,369
Transfers	(60,899)	-	-	-
Balance at year end	35,688	1,430,598	3,003,463	1,955,925

* Additions represent the amounts paid to acquire and improve the banking systems and programs.

** The bank acquired %93,275 of Jordan Trade facilities Co. during the year 2016, through its subsidiary (Tamkeen Leasing Company), which owns %100 of Trade Facilities for Finance Leasing Company), as the bank purchased 15,390,385 shares with 1JD stated value. The acquisition cost JD 20,774,620 and the net assets fair value JD 19,344,022 on the date of acquisition that raised a goodwill amounted to JD 1,430,598.

An impairment test has been performed for goodwill on 31 December 2016, in which the Goodwill was not impaired

(13) OTHER ASSETS

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Accrued interest and revenue	1,596,917	1,594,056		
Prepaid expenses *	3,151,092	3,085,649		
Assets seized by the Bank **	43,096,352	47,413,603		
Refundable deposits	436,480	1,598,727		
Post-dated Cheques	134,747	111,007		
Balances related to fraudulent transactions - Net ***	1,039,200	2,539,200		
Purchase acceptances	3,463,986	2,369,878		
Others	2,204,511	354,018		
	55,123,285	59,066,138		

* Prepaid expenses include JD 1.8 million which represent the rent of the new branch for the bank in Abdoun Area for 18 years that are paid in advance.

** The Central Bank of Jordan's instructions require disposal of assets seized by the bank during a maximum period of two years from the date of foreclosure and the Central Bank of Jordan can extend that period for a maximum of another two consecutive years. The balance is presented net of related impairment provision for the amount of JD 424,689 as of 31 December 2016 against to JD 496,352 for the year 2015, and provision for assets seized for more than four years according to the instructions of Central Bank of Jordan for the amounts of JD 1,361,841 at 31 December 2016 against JD 280,415 as of 31 December 2015.

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

	31 December 2015		31 December 2014	
	Seized Assets	Other Seized * Assets	JD Total	JD Total
Balance at beginning of the year	46,699,578	714,025	47,413,603	36,512,088
Balances generated from investment in subsidiaries	902,069	-	902,069	-
Additions*	2,889,852	-	2,889,852	13,521,995
Disposals	(7,099,409)	-	(7,099,409)	(2,379,368)
(Provision) Amount reversed from impairment of assets seized by the Bank	71,663	-	71,663	39,303
Provision for assets seized for more than 4 years **	(1,081,426)	-	(1,081,426)	(280,415)
Balance at year end	42,382,327	714,025	43,096,352	47,413,603

* This item represent fair value of sized stocks against matured facilities amounted to JD 683,800 in addition to JD 30,225 represents sized tools as of 31 December 2016 and 31 December 2015.

** This item represent provision against sized assets for matured facilities and bank sized it for more than four years and the provision against seized assets for more than two years and less than four years according to the instructions of Central Bank of Jordan.

*** This item includes net balance related to the fraudulent transactions after deducting the related provision as shown below:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Balance related to fraudulent transactions	12,974,700	12,974,700		
Provision related to this balance	(10,435,500)	(10,435,500)		
Proceeds from insurance company	(1,500,000)	-		
Net balance related to fraudulent transactions	1,039,200	2,539,200		

The Bank was imposed to embezzlement transaction in the balances at banks and financial institutions accounts which led to a loss of approximately JD 12.9 million. This primarily relates to the possibility of collusion between some of the bank's employees. All the necessary legal procedures were taken by the bank's management and a provision for an amount of JD 10.4 million was booked for the transaction as of 31 December 2016 and 31 December 2015 after netting the amounts expected to be recovered and the repossessed assets, and deducting proceeds from the insurance company with an amount of JD1.5 million. The case is still pending at the General Attorney.

(14) BANKS AND FINANCIAL INSTITUTIONS DEPOSITS

This item consists of the following:

	31 December 2016		31 December 2015		Total
	Inside Jordan	Outside Jordan	Inside Jordan	Outside Jordan	
	JD	JD	JD	JD	
Current accounts	35,517	2,365,638	2,401,155	52,788	2,906,804
Time and notice Deposits*	31,843	-	31,843	6,027,000	6,058,843
Total	67,360	2,365,638	2,432,998	84,471	9,018,275

* This amount does not include any amount maturing within a period exceeding three months as of December 2016 and 2015

(15) CUSTOMERS DEPOSITS

This item consists of the following:

2016	Individuals (Retail)		Small and medium entities		Corporate		Government and Public sector		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Current and demand accounts	62,273,422		15,755,634		50,732,701		1,210,301		129,972,058	
Saving deposits	25,962,399		286,619		524,055		1,877		26,774,950	
Time and notice deposits	248,498,356		9,087,447		162,691,700		45,614,982		465,892,485	
Deposits certificates	177,250		-		-		-		177,250	
Total	336,911,427		25,129,700		213,948,456		46,827,160		622,816,743	
2015										
Current and demand accounts	55,347,040		15,624,040		45,256,828		2,478,343		118,706,251	
Saving deposits	18,333,829		734,388		481,562		1,877		19,551,656	
Time and notice deposits	215,229,166		8,837,069		141,559,455		79,894,872		445,520,562	
Deposits certificates	297,886		-		-		-		297,886	
Total	289,207,921		25,195,497		187,297,845		82,375,092		584,076,355	

- Government and Public sector deposits amounted to JD 46,827,160 which is equivalent to %7.5 of total customer's deposits as of 31 December 2016 against JD 82,375,092 which is equivalent to (%14.1) of total customer's deposits as of 31 December 2015.

- Non-interest bearing deposits amounted to JD 153,426,582 which is equivalent to %24.6 of total customers deposits as of 31 December 2016 against JD 141,471,878, which is equivalent to (%24.2) of total customers deposits as of 31 December 2015.

- Restricted deposits amounted to JD 8,808,286 which is equivalent to %1.4 of total customer's deposits as of 31 December 2016 against JD 13,483,960, which is equivalent to (%2.3) as of 31 December 2015.

- Dormant deposits amounted to JD 5,382,574 as of 31 December 2016 against JD 5,364,853 as of 31 December 2015.

(16) CASH MARGIN

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Cash margins on direct credit facilities	26,700,506		22,827,705	
Cash margins on indirect credit facilities	11,388,571		9,323,952	
Other margins	5,750		5,750	
Total	38,094,827		32,157,407	

(17) BORROWED FUNDS

Borrowed funds are detailed as follows:

	A	Total	Number of installments Remaining	Frequency of installments	Guarantees	Loan interest rate
31 December 2016						
Borrowed loans from banks/ Local institution	99,789,624	978	715	Monthly, Quarterly, Semi Annually and on maturity date	Mortgage gurantee/ Tools and equipment gurantee and Bills	%4.3 to %8.25
Total	99,789,624					
31 December 2015						
Borrowed loans from banks/ Local institution	42,322,037	185	143	Monthly, Quarterly, Semi Annually and on maturity date	Mortgage gurantee/ Tools and equipment gurantee	%4.5 to %7.75
Total	42,322,037					

- Borrowed funds represents credit facilities from local banks amounted to JD 72,289,624 and inform of overdraft accounts and revolving loans granted to the subsidiary companies (Tamkeen Leasing Company and Al-Istehmar Le Tamweel Selselat Al Imdad) against the gurantee of the subsidiaries' net worth.

- Borrowed funds also contains credit facilities granted from Jordan Mortgage refinancing company amounted to JD27,500,000, and bank refinance an housing loans for interest rate of %7.5.

- Fixed interest loans amounted to JD 78,789,624 and variable interest loans amounted 21,000,000 as of 31 December 2016 against fixed interest loans amounted 42,322,037 and there is no loans floating interest rates as of 31 December 2015.

- Part of the collateral of the due installments and finance lease contract related to Jordan Trade Facilities Company with an amount of JD 16,937,500 (Cheques and promissory notes) as of 31 December 2016 were deposited as collateral against the loans and overdraft of the company.

(18) SUNDRY PROVISIONS

This item consists of the following:

	Balance at beginning of the year		Investments in subsidiaries	Additions	reversed to revenue	Balance at year end	
	JD	JD				JD	JD
31 December 2016							
Provision for employees end-of service indemnity	19,627	-	-	13,466	-	-	33,093
Provision for lawsuits against the Bank(Note 46)	1,062,463	22,956	215,613	608,094	52,318	640,620	
Others	-	636,373	-	-	600,000	36,373	
	1,082,090	659,329	229,079	608,094	652,318	710,086	
31 December 2015							
Provision for employees end-of service indemnity	12,320	-	-	7,307	-	-	19,627
Provision for lawsuits against the Bank(Note 46)	906,781	-	108,830	264,512	-	1,062,463	
Others	5,000	-	5,000	-	-	-	
	924,101	-	113,830	271,819	-	1,082,090	

(19) INCOME TAX

A. Provision for income tax

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

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Balance at the beginning of the year	6,208,287		3,467,908	
Balances generated from investment in subsidiaries	278,912		-	
Total income tax paid	(7,117,609)		(4,092,044)	
Prior year's income tax	143,763		-	
Income tax for the year	6,988,101		6,832,423	
Balance at year end	6,501,454		6,208,287	

Income tax provision for the year ended 31 December 2016 and 2015 was calculated according to applicable laws, regulations and International financial reporting standards.

Income tax expense for the year consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Income tax on profit for the year	6,988,101		6,832,423	
Prior year's income tax	163,372		-	
Deferred tax assets	(1,229,276)		(805,868)	
Amortization of deferred tax assets	855,082		660,769	
Deferred tax liabilities	-		27,157	
Amortization of deferred tax liabilities	(6,312)		(419,463)	
Balance at year end	6,770,967		6,295,018	

The legal income tax rate in Jordan for the Bank is %35 and for the subsidiaries is %24.

Tax status of the Bank

The bank has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2013 and Income and sales tax department accepted year 2014 tax returns without any amendments.

The bank provided its tax declaration for the year 2015 on the period specified legally and Sales Tax Department did not revise record until the date of preparation of these financial statements.

As per the opinion of the company's management and its tax advisor, the tax liabilities exceeding the booked provision as of 31 December 2016.

Tax status of Al Mawared for Financial Brokerage Company (Subsidiary Company)

The company has reached to a final settlement with the income and sales tax department for the period since inception on 5 June 2006 till the end of the year 2011. Moreover, Income and sales tax department accepted years 2012 ,2013 and 2014 tax returns without any amendments.

the company has submitted, the income and sales tax report for the year 2015 upon legal due date, and the Income and Sales Tax Department have not yet reviewed it.

As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 December 2016.

Tax status of Tamkeen Leasing Company (Subsidiary Company)

The company has not submitted its tax return for the period since inception on 31 October 2006 to 31 December 2007 and for the years 2008 and 2009.

The company has reached to a final settlement with the income and sales tax department for the years ,2010 2011,2012 ,2013 and 2014.

The company has submitted the income tax report for the year 2015 upon legal due date, and the Income and Sales Tax Department have not yet review it.

As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 December 2016.

Tax status of Al Istithmari Letamweel Selselat Al Imdad Company (Subsidiary Company)

The company has reached to a final settlement with the income and sales tax department until the end of the year 2010.

Income and sales tax department accepted years 2011, 2012, 2013 and 2014.

The company has submitted the Income and Sales Tax report for the year 2015 upon legal due date and the Income and Sales Tax Department have not yet reviewed it.

As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 December 2016.

Tax status of Jordan Trade Facilities Company (Subsidiary Company)

The Income and Sales Tax department had finalized its review and issued a final clearance up to the year ended 31 December 2011. The Company raised a law suit against the income tax department in the related courts claiming back amount of JD419,000 for 2009 and still in the case in court. Also the Company raised a legal case in the specialized court for the tax imposed in 2010. The appeal decision has been declared on 19 December 2016 approving the amount recorded in the corporate income tax return noting that the amount is paid in full. The company will appeal this decision in the court. The management and the tax advisor except tax surplus amount of JD 140,000.

The Company submitted corporate income tax return for the years 2012, 2013 and 2014 on the due dates. The Income and Sales Tax department had finalized its review and issued a final clearance for 2012 and 2013. For 2014 it was accepted under the sample basis.

The Company submitted corporate income tax return for the year ended 31 December 2015 on the due date. The Income and Sales Tax department did not review the income tax for the year 2015 up to date of issuing the financial statements.

The Subsidiary "Jordan Facilities for Finance Lease L.L.C." submitted corporate income tax return up to the year ended 31 December 2014 and it was accepted under the sample basis, and has submitted the income and sales tax report for the year 2015 upon legal due date and the Income and Sales Tax Department have not yet reviewed it.

As per the opinion of the company's management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 December 2016.

B. Deferred tax assets/Liabilities

This item consists of the following:

	2016				31 December 2015	31 December 2016	31 December 2015
	Beginning balance	Amounts released	Investment in subsidiaries	Additions	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD	JD
Accounts included							
A- Deferred Tax Assets							
Provision for employees end-of-service indemnities	19,627	-	-	13,466	33,093	11,583	6,869
Provision for lawsuits against the Bank	1,062,463	-	637,456	215,613	640,620	224,217	371,862
Provision for lawsuits/ Jordan Trade Facilities Company	-	22,956	-	-	-	-	-
Provision for debts Watch list	864,328	-	853,046	130,559	1,411,841	49,644	302,515
Provision for impairment on portfolio	-	-	-	880,327	880,327	308,114	-
Provision for impairment in seized assets by the Bank	496,352	-	71,663	-	424,689	148,641	173,723
Provision for buildings owned more than four years	280,415	-	-	1,081,426	1,361,841	476,644	98,145
Provision for impairment in financial brokerage	1,791,763	-	-	-	1,791,763	430,015	430,016
Provision for doubtful debt - Jordan Trade Facilities Company	-	4,741,657	-	275,317	5,016,973	1,204,074	-
Unpaid board of directors bonuses / Al Mawared Company	50,000	-	50,000	40,000	40,000	9,600	12,000
Provision against balances related to fraudulent transactions*	10,435,500	-	-	-	10,435,500	3,652,425	3,652,425
Unpaid employees bonus	801,863	-	756,863	893,678	938,678	328,537	280,652
Unpaid board of directors remunerations	107,737	-	74,038	80,931	114,630	40,121	37,708
	15,910,048	4,764,613	2,466,022	3,611,317	21,819,955	6,883,615	5,365,915
B- Deferred Tax Liabilities							
Change in fair value reserve	5,906,059	-	-	2,368,207	8,274,266	2,812,850	2,067,121
Effect of early adoption of IFRS (9)	18,033	-	18,033	-	-	-	6,312
	5,924,092	-	18,033	2,368,207	8,274,266	2,812,850	2,073,433

Deferred tax liabilities include an amount of JD 2,812,850 as of 31 December 2016 against JD 2,067,121 as of 31 December 2015 which represents tax liabilities against gains on the evaluation of financial assets at fair value through other comprehensive income which is shown under fair value reserve in owners' equity. In addition, there's an amount of JD Zero as of 31 December 2016 against JD 6,312 as of 31 December 2015 represents deferred tax liabilities on gain on financial assets at fair value through profit or loss which is related to the early adoption of IFRS (9).

* This item represents the deferred tax benefits expected from the provision booked against the balances related to the fraudulent transactions (note 13), and the management believes these amounts can be recovered from in the futures.

The movement on deferred tax assets / liabilities was as follows:

	31 December 2016		31 December 2015	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Balance at the beginning of the year	5,365,915	2,073,433	5,220,816	1,886,194
Balances generated from investment in subsidiaries	1,143,506	-	-	-
Additions	1,229,276	739,417	805,868	732,777
Deductions	855,082	-	660,769	545,538
Balance at year end	6,883,615	2,812,850	5,365,915	2,073,433

C. The summary of the reconciliation between accounting profit and taxable profit is as follows:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Accounting profit for the year	22,378,226	20,604,844		
Non-taxable profit	(6,042,126)	(4,825,240)		
Expenses not deductible for tax purposes	6,024,570	4,480,213		
Taxable profit	22,360,670	20,259,817		
Income tax percentage for the Bank		%35		%35
Deferred taxes percentage for the Bank		%35		%35
Income tax percentage for the subsidiary companies		%24		%24
Deferred tax percentage for the subsidiary companies		%24		%24

(20) OTHER LIABILITIES

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Accepted and certified check	1,041,832	1,801,308		
Accrued interest	3,230,269	2,465,775		
Sundry creditors	3,326,202	5,069,807		
Brokerage payable	544,726	610,990		
Dividends payable	94,468	103,607		
Deposits on safe deposit boxes	110,871	85,244		
Accrued expenses	1,291,307	1,105,242		
Other liabilities	2,435,201	2,592,727		
	12,074,876	13,835,700		

(21) PAID-IN CAPITAL

Authorized and paid-up capital amounted to JD 100 million distributed over 100 million shares at a par value of JD 1 per share as of the end of the year 2016 and 2015

(22) RESERVES

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

a - Statutory Reserve:

This account represents the accumulated amount of appropriations from income before tax for prior years at %10 according to the Banks Law. This amount is not to be distributed to shareholders.

b - General Banking Risks Reserve

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

c - The details of the restricted reserves are as follows:

Reserve	31 December 2016		31 December 2015		Nature of restriction
	JD	JD	JD	JD	
Statutory reserve	23,570,771		21,332,948		Restricted according to the Banks law and Companies Law
General banking risks reserve	5,311,284		4,603,049		Restricted according to the Central Bank of Jordan

(23) FINANCIAL ASSETS VALUATION RESERVE - NET

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Balance at the beginning of the year			3,839,176	2,762,658
Unrealized gain			1,726,001	1,622,009
Deferred tax liabilities			(745,729)	(579,538)
Losses on sale of financial assets through other comprehensive income			672,071	34,047
Balance at end of the year			5,491,519	3,839,176

The financial assets revaluation reserve is presented net after deducting deferred tax liabilities of JD 2,812,850 as of 31 December 2016 against JD 2,067,121 as of 31 December 2015.

(24) RETAINED EARNINGS

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Balance at the beginning of the year	23,984,252		19,052,742	
Profit for the year	15,297,799		14,254,168	
Transferred to reserves	(2,946,058)		(2,288,611)	
Dividends	(8,000,000)		(7,000,000)	
Losses on sale of financial assets through other comprehensive income	(672,071)		(34,047)	
Balance at end of the year	27,663,922		23,984,252	

Included in retained earnings is an amount of JD 6,883,615 restricted against deferred tax assets as of 31 December 2016 against JD 5,345,915 as of 31 December 2015.

- Included in the retained earnings a restricted amount of JD 1,039,200 as of 31 December 2016 (and 31 December 2015: JD 2,539,200) based on Central Bank of Jordan request, for the remaining balance of fraudulent transactions.

- Included in retained earnings an amount of JD 415,074 as of 31 December 2016 against JD 426,919 as of 31 December 2015, which represents the effect of early adoption of IFRS (9). These amounts are restricted amounts and cannot be utilized unless realized as instructed by the Jordan Securities Commission.

- The balance of the retained earnings does not include any differences revaluation of financial assets at fair value through the income statements as of 31 December 2015 and 31 December 2016.

(25) PROPOSED DIVIDENDS

the general assembly of shareholders approved to distribute JD 10 Million for the year 2016 which equivalent to %10 of capital.

In April 2016 20 the general assembly of shareholders approved to distribute 8,000,000 for the year 2015 which equivalent 8 %.

(26) NON-CONTROLLING INTEREST

This item consists of the following:

	31 December 2016		31 December 2015			
	Non-Controlling Interest share	Non-controlling interest share of net profit	Non-Controlling interest share	Non-controlling interest share of net profit		
	%	JD	%	JD		
Tamkeen Leasing company	10	40,859	654,896	10	30,061	614,037
Al-Istithmari Ietamweel Selsel Al Imdad	6	39,877	312,722	6	25,597	272,845
Jordan Trade Facilities Company	5.33	228,724	1,338,100	-	-	-
Total		309,460	2,305,718		55,658	886,882

(27) INTEREST INCOME

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Direct credit facilities: Individuals (retail):				
Loans and discounted bills	5,761,028		3,550,470	
Overdraft	1,172,189		1,357,397	
Credit cards	1,387,901		863,505	
Real estate loans	10,899,686		12,358,381	
Companies				
Corporate				
Loans and discounted bills	19,373,102		15,499,454	
Overdraft	5,627,510		5,597,732	
Medium and small companies				
Loans and discounted bills	938,491		544,518	
Overdraft	728,428		936,561	
Government and public sector				
Balances at the Central Bank of Jordan	289		-	
652,756			836,832	
Balances and deposits at banks and financial institution	509,500		311,549	
Financial assets at fair value through profit or loss	-		20,842	
Financial assets at amortized cost	5,167,919		6,631,588	
	52,218,799		48,508,829	

(28) INTEREST EXPENSE

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Deposits at banks and financial institution	30,776		1,622,779	
Customers Deposits:				
Current and demand accounts	200,593		212,687	
Saving accounts	243,602		229,131	
Time and deposits subject to notes	12,015,798		14,791,114	
Certificates of deposit	5,664		16,868	
Cash margins	503,469		482,331	
Borrowed amounts	3,549,077		1,113,732	
Fees to Deposit insurance corporation	1,095,179		1,071,429	
	17,644,158		19,540,071	

(29) NET COMMISSIONS INCOME

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Commissions Income:				
Direct credit facilities	4,587,641		3,594,823	
Indirect credit facilities	1,732,841		1,977,485	
Brokerage commissions	266,375		277,847	
Other commissions	1,070,837		958,284	
Total Commissions Income	7,657,694		6,808,439	
Less: Commissions expense	(1,187,570)		955,495	
Net Commissions Income	6,470,124		5,852,944	

(30) GAIN ON FOREIGN CURRENCY EXCHANGE

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Gains from foreign currencies trading / dealing	596,606		498,757	
Gains from revaluation	37,260		41,809	
	633,866		540,566	

(31) GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

This item consists of the following:

	Realized gain		Unrealized (losses) gain		Dividends income		Total	
	JD	JD	JD	JD	JD	JD	JD	JD
2016								
Companies shares	236,853		(40,118)		31,547		228,282	
Total	236,853		(40,118)		31,547		228,282	
2015								
Companies shares	709,054		(90,022)		411,090		1,030,122	
Total	709,054		(90,022)		411,090		1,030,122	

(32) OTHER INCOME

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Bonded income	2,044,457		1,405,260	
Telecommunication income	226,589		206,028	
Gain on sale of assets seized by the bank	283,784		43,051	
Reversed from written off debts	749,509		72,483	
Other	333,684		118,835	
	3,638,023		1,845,657	

(33) EMPLOYEES EXPENSES

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Salaries, benefits, bonuses and employees' allowances	11,478,849		9,513,306	
Bank's and subsidiaries share in social security	1,148,760		879,656	
Medical expenses	673,501		539,711	
Per diems	6,114		8,160	
Travel expenses	46,315		86,494	
Employees training expense	115,792		137,639	
Employees life insurance expense	38,090		19,261	
	13,507,421		11,184,227	

(34) OTHER EXPENSES

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Rent	707,416	756,273		
Stationery	256,689	145,894		
Advertisements	1,081,463	804,699		
Subscriptions and fees	679,206	708,730		
Telecommunication and courier expenses	821,225	770,591		
Maintenance, repair and programme licences	1,130,687	968,410		
Insurance	179,885	222,296		
Legal fees	192,516	109,553		
Water, electricity and heating	424,879	559,869		
Professional fees	712,645	375,741		
Donations	128,680	156,760		
Credit cards expense	186,808	158,880		
Board members bounce and transportation	436,016	363,933		
Others	1,731,138	1,340,458		
	8,669,253	7,442,087		

(35) EARNINGS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK

This item consists of the following:

	2016		2015	
	JD	JD	JD	JD
Income for the year/attributes to banks shareholders	15,297,799	14,254,168		
Weighted average number of shares *	100,000,000	100,000,000		
Earnings per share from the income for the year attributable Bank shareholders	JD/ Share	JD/ Share		
	0.153	0.143		

* The basic earnings per share (EPS) for the current year profit attributed to parent owners equals to diluted (EPS), since the bank did not issue any financial instruments which may affect the basic (EPS)

(36) CASH AND CASH EQUIVALENTS

This item consists of the following:

	31 December 2016		31 December 2015	
	JD	JD	JD	JD
Cash on hand and balances at the Central Bank mature within three months	91,250,017	102,527,791		
Add:				
Balances at banks and financial institutions mature within three month	73,902,498	45,854,292		
Less:				
Banks and financial institutions deposits mature within three month	2,432,998	9,018,275		
Restricted balances at banks and financial institution	-	2,383,268		
Cash and Cash Equivalents	162,719,517	136,980,540		

(37) RELATED PARTIES TRANSACTIONS

The consolidated financial statements include the financial statements of the bank and the subsidiary companies as follow

Company's Name	Ownership %	Company's Capital	
		2016	2015
		JD	JD
Al-Mawared for financial brokerage	100	10,000,000	10,000,000
Tamkeen Leasing Company	90	5,000,000	5,000,000
Al Istithemari Letamweel Selselat Al lmdad	94	3,000,000	3,000,000
Jordan factoring	100	30,000	30,000
Jordan Trade Facilities Company	94.7	16,500,000	-
Trade Facilities Company for Finance leasing	94.7	2,000,000	-

The Bank entered into transactions with members of the Board of Directors, executive management, subsidiary companies and major shareholders within the normal banking practice according to the commercial interest rates and commissions. All credit facilities granted to related parties are within the normal course of the banks operation and no provision was taken, except for the below:

The following represents a summary of transactions with related parties:

	Subsidiary Companies*		Board of Directors Members and Executive Management		Others (Employees, Employees of the Board of Directors, Executive Management and Controlled Companies)	
	JD	JD	JD	JD	31 December 2016	31 December 2015
Financial Position Statement Items:						
Credit facilities	6,700,326	4,148,205	43,585,754	54,434,285	44,891,327	
Provision for impairment in credit facilities	-	-	-	-	5,079,618	
Deposits, current accounts and cash margin	990,679	2,830,208	32,968,517	36,789,404	24,541,295	
Off-Financial Position Statement Items:						
Letters of credit	-	-	140,263	140,263	19,163	
Letters of guarantee	1,364,625	911,402	7,298,477	9,574,504	9,993,374	
Statement of income						
Interest and commissions received	306,062	302,852	6,469,024	7,077,938	2,614,300	
Interest and commissions paid	94,939	42,715	177,180	314,834	703,801	
Provision for impairment in credit facilities	-	-	(5,079,618)	(5,079,618)	3,565,621	
Additional Information						
Watch list credit facilities	-	-	-	-	1,457,644	
Provision for Watch list credit facilities	-	-	-	-	606,998	
Non-performing credit facilities	-	-	-	-	11,496,028	
Provision for non-performing credit facilities	-	-	-	-	4,472,620	
Interest in suspense	-	-	-	-	3,969,630	

* Such balances and transactions are eliminated in the consolidated financial statements and are show for explanatory purposes only.

Maximum credit interest rate in Jordanian dinars	21%	Minimum credit interest rate in Jordanian dinars	2.75%
Maximum credit interest rate in other currencies	4%	Minimum credit interest rate in other currencies	3%
Maximum debit interest rate in Jordanian dinars	4.25%	Minimum debit interest rate in Jordanian dinars	0%
Maximum debit interest rate in other currencies	1%	Minimum debit interest rate in other currencies	0%
Maximum credit commission rate	0.1%	Minimum credit commission rate	0%

Executive management salaries and benefits amounted to JD 2,645,738 for the year ended 31 December 2016 against JD 2,529,196 for the year 2015

(38) RISK MANAGEMENT

General framework of risk management

The bank has identified control levels (defense lines) by placing the framework for the following control levels as follows:

- Business units: represents employees that are part of first line defense, which responsible for risk management and related control procedures.
- Independent risk management function: the employees of risk management department represent the second line defense by making them responsible over arranging risk management efforts and facilitating the supervision process over the implemented procedures from the bank.

• Compliance Department: the employees of compliance department represent another part in the second line defense by assure of complying with the implemented procedures, laws and regulations.

• Internal audit: Internal audit employees represent the third line defense, and they are responsible for performing an independent review for control procedures and systems that are related to risk management at the bank level.

In addition, the Bank had established a risk management committee from the board of directors in order to manage the risks that the bank is exposed to. These risks are managed to mitigated the impact of these risks to ensure proper alignment with the bank strategy

The Risk Management Committee's tasks are as follows:

A. To supervise the management of the risk policy and ensure that the Risk Management and Compliance Department achieves its objectives according to the approved policies.

B. To ensure appropriate and sufficient support for the Risk Management and Compliance Department in achieving its objectives in accordance with the approved policies and procedures and the Central Bank's instructions.

C. To ensure the availability of work procedures for risk management in compliance with the various management risk policies at the Bank.

D. To ensure the use of the new techniques and method of management and assessment of risk management.

E. To identify basis and principles of risk management and risk acceptance, risk transfer, risk refuse and risk mitigation.

F. To review the periodical reports of the Risk Management and Compliance Department.

G. To ensure that the Bank adheres to the Central Bank of Jordan instructions.

H. To review the internal calculation of capital adequacy for the bank and present it to the board of directors, taking in consideration the bank strategies and plans.

I. Ensure the independency of the risk department.

The Risk Management and Compliance Committee have set the risk management framework for the Bank. Moreover, the Board of Directors has established the Risk Management and Compliance Committee, formed by the Board members and executive management. Its objective is to monitor and control the various risks (credit risks, operating risks, market risks and compliance risks) or any other risks the Bank might be exposed to.

The department manages the Bank's various risks (credit risk, operating risk, market risk, compliance risk, and other risks) within the general framework of risks management. The role of the department can be summarized as follows:

- Risk Identification.
- Risk Assessment.
- Risk Control / Mitigation.
- Risk Monitoring.

The Bank managed to prepare the required plans and action points to ensure the compliance with the Central Bank of Jordan instructions related to (Basel III) and internal capital adequacy assessment process.

(38. A) CREDIT RISKS

Credit risks are defined as the probability of not fully recovering the debt or interest in the specified time causing financial losses to the Bank.

Moreover, credit risk represents the major portion banks are exposed to in general. In recognition of this reality, the Bank has accorded credit risk management great significance through managing credit risks at the portfolio level, economic sector level, group level, or single customer level, taking into consideration the achievement of an appropriate return on the risks the Bank is exposed to.

To achieve this, based on the risk management strategy, the Bank has performed the following:

1. The risk appetite and ceilings are based on credit risk commensurate with the acceptable risk limits adopted by the Board of Directors and Risks and Compliance Department. Risk limits are set for each client, group and economic sector, in order to mitigate the Bank's exposure to credit risk concentrations.
2. The bank implemented a credit risk rating system from Moody's company for Corporate and retail companies, this will impact on the quality of credit portfolio and will help in taking the appropriate credit decisions.
3. Credit risk is mitigated through credit risk factors (collaterals such as real estate, shares or other) commensurate with the credit risk faced by the Bank to cover any unexpected subsequent events.
4. Proper legal and credit documentation is applied for all conditions associated with the credit facilities.

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

	31 December 2016		31 December 2015
	JD	JD	JD
On financial position statement items:			
Balances at the central bank of Jordan	80,495,887		93,581,993
Balances at banks and financial institutions	73,902,498		45,854,292
Deposits at banks and financial institutions	5,500,000		5,000,000
Credit facilities:			
Individuals	112,552,975		65,631,158
Real estate loans	123,068,086		115,109,896
Companies			
Corporate	287,272,635		262,900,437
Small and medium institutions (SMEs)	15,712,386		11,062,777
Government and public sector	24,203		-
Bonds, bills and debentures:			
Financial assets at amortized cost	120,143,870		119,079,954
Other assets	6,671,330		8,212,868
Total on financial statement items	825,343,870		726,433,375
Off financial position statement items:			
Letters of guarantee	78,223,226		73,777,385
Letters of credit	7,613,523		13,761,841
Letters of acceptance	8,438,672		3,186,941
Unutilised facility limits	28,634,407		17,312,891
Total on financial statement items	122,909,828		108,039,058
Total on and off financial statement items	948,253,698		834,472,433

To mitigate the above credit risk exposures, the Bank uses the following risk mitigating factors within the conditions of the credit policy set by the Bank:

1. Cash collaterals.
2. Accepted bank guarantee.
3. Real estate mortgages.
4. Listed shares collaterals.
5. Vehicles and equipment mortgages.
6. Financial inventories collaterals

2. Credit exposures according to the degree of risk:

	Individuals		Real estate loans		Companies			Government and Public Sector		Banks and other Financial institutions		Total
	JD		JD		Corporate	Small and medium	JD	JD	JD	JD		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
31 December 2016												
Low risk	7,141,472		-		5,108,320	777,328	180,591,968					193,619,088
Acceptable risk	95,727,974	118,986,354			299,363,259	13,371,009						606,851,094
Of which is due:*												
within 30 days	190,244	258,812			7,012,854	129,216						7,591,126
from 31 to 60 days	73,886	41,451			3,299,299	82,569						3,497,205
Watch list	7,334,657	3,534,943			3,449,595	1,691,836						16,011,031
Non-performing:												
Substandard	851,811	20,629			685,191	34,368						1,591,999
Doubtful	1,463,922	472,328			10,290,126	686,488						12,912,864
Bad debt	10,636,938	1,699,343			8,035,549	3,632,899						24,004,729
Total	123,156,774	124,713,597			326,932,040	20,193,928	180,591,968			79,402,498		854,990,805
Less: Impairment provision	8,893,364	1,019,077			10,081,195	3,321,060						23,314,696
Interest in suspense	1,710,435	626,434			2,834,888	1,160,482						6,332,239
Net	112,552,975	123,068,086			314,015,957	15,712,386	180,591,968			79,402,498		825,343,870

- Credit exposures (financial assets and investments in financial assets) are distributed according to credit classification as follows

Credit classification	Government and public sector	Financial institutions
(AAA to AA-)	-	13,055,160
(A+ TO A-)	-	10,321,525
(BBB+ TO B-)	-	16,775,486
(BB+ to B-)	180,591,968	10,325
Less than (B-) not classified	-	-
Not classified	180,591,968	39,240,002
		79,402,498

	Companies						Total	
	Real estate loans		Small and medium		Government and Public Sector			Banks and other Financial institutions
	Individuals	JD	Corporate	JD	JD	JD		
31 December 2015								
Low risk	3,115,952	12,344	7,690,456	188,206	182,017,094	-	193,024,052	
Acceptable risk	61,275,273	114,249,928	284,230,947	10,246,897	-	50,854,292	520,857,337	
Of which is due:*								
within 30 days	191,672	194,323	8,090,818	92,943	-	-	8,569,756	
from 31 to 60 days	71,437	71,824	4,830,117	150,887	-	-	5,124,265	
Watch list	997,518	536,744	5,146,492	1,989,653	-	-	8,670,407	
Non-performing:								
Substandard	146,192	17,188	300,725	1,339	-	-	465,444	
Doubtful	654,926	27,464	316,341	65,225	-	-	1,063,956	
Bad debt	5,858,516	3,147,553	20,122,594	3,582,919	-	-	32,711,582	
Total	72,048,377	117,991,221	317,807,555	16,074,239	182,017,094	50,854,292	756,792,778	
Less: impairment provision	4,416,993	1,220,209	9,867,535	3,773,109	-	-	19,277,846	
Interest in suspense	2,000,226	1,661,116	6,181,862	1,238,353	-	-	11,081,557	
Net	65,631,158	115,109,896	301,758,158	11,062,777	182,017,094	50,854,292	726,433,375	

- Credit exposures (financial assets and investments in financial assets) are distributed according to t credit classification as follows

Credit classification	Government and public sector	Financial institutions
(AAA to AA-)	-	5,507,713
(A+ TO A-)	-	11,733,359
(BBB+ TO B-)	-	7,534,525
(BB+ to B-)	182,017,094	18,010,337
Less than (B-) not classified	-	-
Not classified	-	8,068,358
	182,017,094	50,854,292

* The whole debt balance becomes due when one of the installments or interest is due. Moreover, the overdraft account becomes due whenever it exceeds the ceiling.

Credit exposures include credit facilities, balances and deposits at banks in addition to financial assets.

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

	Individuals		Real estate loans		Companies		Total
	JD	JD	Corporate	Small and medium	Corporate	Small and medium	
	JD	JD	JD	JD	JD	JD	
2016							
Guarantees against:							
Low risk	7,141,472	-	5,108,320	777,328	-	-	13,027,120
Acceptable risk	59,653,654	116,133,854	137,856,364	1,363,547	137,856,364	1,363,547	315,007,419
watch list	-	-	6,442	-	-	-	6,442
Non-performing:							
Substandard	250	-	85,654	-	-	-	85,904
Doubtful	89	1,200,256	-	19	-	19	1,200,364
Bad debt	487,920	2,664,838	4,234,066	1,137,623	4,234,066	1,137,623	8,524,447
Of it:							
Cash margins	7,275,581	52,000	5,123,207	777,328	5,123,207	777,328	13,228,116
Real estate	47,235,450	119,946,948	137,748,579	1,450,000	137,748,579	1,450,000	306,380,977
Trade stocks	6,073,742	-	165,513	-	165,513	-	6,239,255
Vehicles and equipment	6,698,612	-	4,253,547	1,051,189	4,253,547	1,051,189	12,003,348
Total	67,283,385	119,998,948	147,290,846	3,278,517	147,290,846	3,278,517	337,851,696
2015							
Guarantees against:							
Low risk	3,115,952	12,344	7,690,456	188,206	-	-	11,006,958
Acceptable risk	38,720,013	99,656,984	161,522,214	7,002,125	161,522,214	7,002,125	306,401,336
watch list	482,547	536,744	3,021,454	1,222,547	3,021,454	1,222,547	5,263,292
Non-performing:							
Substandard	-	-	97,744	-	-	-	97,744
Doubtful	108	73,060	809	-	-	-	73,977
Bad debt	352,001	8,642,589	15,090,639	1,706,942	15,090,639	1,706,942	25,792,171
Of it:							
Cash margins	3,167,953	12,344	7,690,456	188,206	-	-	11,058,95
Real estate	31,669,148	108,909,377	166,547,342	9,024,560	166,547,342	9,024,560	316,150,427
Trade stocks	5,214,568	-	12,547,698	622,784	12,547,698	622,784	18,385,050
Vehicles and equipment	2,618,952	-	637,820	284,270	637,820	284,270	3,541,042
Total	42,670,621	108,921,721	187,423,316	10,119,820	187,423,316	10,119,820	349,135,478

Guarantees fair value are evaluated when the facilities are granted based on acceptable evaluation methods for these guarantees, in the subsequent periods the fair value is updated to market prices or related assets prices.

Rescheduled Loans

These loans are loans previously classified as non-performing credit facilities but taken out there from according to proper rescheduling. They have been classified as "debts under control (watch list)" or changed to performing and amounted to JD 11,650,355 as of 31 December 2016 against JD 2,182,339 for the year 2015

Restructured Loans

Restructuring means rearranging credit facilities installments through increasing their duration, postponing some installments, or increasing the grace period. Restructured debts amounted to JD 31,059,839 for the year 2016 against JD 36,147,098 for the year 2015.

Bonds, Bills, and Debentures

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

2016		2015	
Rating Grade	Within Financial Assets at fair value through profit or loss JD	Within Financial assets at amortized cost JD	Total JD
Unrated	-	20,071,992	20,071,992
Governmental	-	100,071,878	100,071,878
Total	-	120,143,870	120,143,870
2015		2016	
Rating Grade	Within Financial Assets at fair value through profit or loss JD	Within Financial assets at amortized cost JD	Total JD
Unrated	-	30,644,853	30,644,853
Governmental	-	88,435,101	88,435,101
Total	-	119,079,954	119,079,954

4. Credit risk exposure according to geographical area as follows:

Geographical Area		2016		2015	
	JD	JD	JD	JD	JD
Inside Jordan	80,495,887	80,495,887	112,552,975	123,068,086	123,068,086
Middle east countries	5,071,254	26,329,068	-	-	-
Europe	-	-	-	-	-
Asia *	-	-	-	-	-
Americas	-	-	-	-	-
Others	-	-	-	-	-
Total	80,495,887	112,552,975	112,552,975	123,068,086	123,068,086
Companies:					
Corporate	287,272,635	287,272,635	287,272,635	287,272,635	287,272,635
Small and medium institutions	15,712,386	15,712,386	15,712,386	15,712,386	15,712,386
Government and Public sector	24,203	24,203	24,203	24,203	24,203
Bonds, bills and debentures:					
Financial assets at amortized cost	110,971,878	3,477,542	5,694,450	-	-
Other assets	6,671,330	-	-	-	-
Total /the current year 2016	771,967,961	8,548,796	32,023,518	10,325	12,785,253
Total / comparative figures 2015	679,287,463	6,967,202	36,163,486	10,335	3,852,511
					152,378
					726,433,375

* Excluding Middle East Countries.

[38. B] OPERATIONAL RISKS

Operational risk is defined as the risk of loss resulting from inadequate or failed processes, people and systems or from external events. This definition includes legal risk.

Investment bank has implemented a Control and Risk Self-Assessment process for the management of operational risk at the Bank through the use of an automated system named CARE. The Bank manages operational Risk on the basis of the following:

- Preparation of operational risk policy.
- Preparation of Operational Risk Accountability Policy and approved by bank board of directors.
- Implement risk profile that determine risks and the mitigating controls for these risks for the banks main departments.
- Implement automatic system for operation risk management (CARE system) to implement self-assessment methodology for risks and controls procedure.
- Build database for risks events and operational errors.
- Express an opinion over working procedure to evaluate the risks in it and the adequacy of these implemented control procedures.
- Reporting to the Board Risk Management Committee and the Executive Risk Management Committee with needed reports.

In order to ensure the effectiveness and contentions enhancement of the Bank's Internal Control Department (ICD), which is part of the Risk Management group, monitors contentiously the Bank's activities with particular emphasis on primary activities.

Compliance Risk

This represents the risks that arise from the probability that the Bank may not comply with (violate / transgress) the prevailing laws, regulations, instructions, banks laws, and code of ethics issued by international and local regulatory authorities.

Compliance with the regulations and prevailing laws issued by the regulatory authorities represents one of the most important risks which the Bank might be exposed to, due to the major financial losses resulting from the violation of the laws and instructions that affect the Bank's reputation. Moreover, the past few years witnessed many new regulations, instructions and laws organizing the work of the various institutions. Accordingly, the need for managing the compliance risk of the Bank is necessary. Moreover, compliance enhances the efficiency of managing risks and decreases the risk the Bank might be exposed to as a result of noncompliance with the prevailing laws and instructions.

Item	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Total	80,495,887	80,495,887	-	-	-	-	-	-	-	73,902,498	73,902,498	
Government and public sector	JD	JD	-	-	-	-	-	-	-	5,500,000	5,500,000	
Individual	JD	JD	-	-	-	-	-	-	-	49,099,348	49,099,348	
Shares	JD	JD	-	-	-	-	-	-	-	73,616,717	73,616,717	
Agricultural	JD	JD	-	-	-	-	-	-	-	12,531,033	12,531,033	
Real estate	JD	JD	-	-	-	-	-	-	-	151,546,966	151,546,966	
Trading and services	JD	JD	-	-	-	-	-	-	-	182,017,094	182,017,094	
Industrial	JD	JD	-	-	-	-	-	-	-	100,588,361	100,588,361	
Financial	JD	JD	-	-	-	-	-	-	-	16,674,874	16,674,874	
Balance at the central Bank of Jordan	-	-	-	-	-	-	-	-	-	120,143,870	120,143,870	
Balance at banks and financial institutions	-	-	-	-	-	-	-	-	-	6,671,330	6,671,330	
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	2,693,911	2,693,911	
Credit facilities	-	-	-	-	-	-	-	-	-	72,447,461	72,447,461	
Bonded Bills	-	-	-	-	-	-	-	-	-	17,923,916	17,923,916	
Financial assets at amortised cost	-	-	-	-	-	-	-	-	-	3,207,344	3,207,344	
Other assets	-	-	-	-	-	-	-	-	-	71,202,103	71,202,103	
Total / comparative figures 2015	123,019,258	123,019,258	149,633,106	149,633,106	184,222,928	184,222,928	164,634,116	164,634,116	67,078,266	67,078,266	1,219,303	1,219,303
Total / The Current Year 2016	825,343,870	825,343,870	151,546,966	151,546,966	180,591,968	180,591,968	100,588,361	100,588,361	182,017,094	182,017,094	726,433,375	726,433,375

5. Credit exposure according to economic sectors as follows:

(38. C) MARKET RISK

Market risk is the potential losses that may arise from the changes in market prices such as the change in interest rates, foreign currency exchange rates, and prices of shares and products.

The Board of Directors has set limits for the acceptable risk levels for managing the financial portfolio market risks. Moreover, the Bank periodically applies the appropriate methodology to evaluate market risks and sets estimates for the probable economic losses based on a set of assumptions and changes in market conditions. The following are the methods used by the Bank to measure market risks:

- 1-Value at Risk (VaR)
- 2-Stress Testing
- 3-Stop Loss Limit policy
- 4-Monitoring open financial centers in foreign currencies.

C/-1 Interest Rate Risk:

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the cash flows or the fair value of financial instruments.

The Bank is exposed to interest rate risks as a result of the timing gaps of repricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee (ALCO). Moreover, various hedging methods are used to remain within the acceptable interest rate gap limits.

- Sensitivity analysis:

31 December 2016

Currency	Increase in interest rate %	Impact on profits (losses) JD	Owners' equity sensitivity JD
US Dollar	2	(80,698)	-
Euro	2	(9,719)	-
GBP	2	(2,714)	-
Japanese Yen	2	868	-
Other currencies	2	(20,341)	-
Currency	Decrease in interest rate %	Impact on profits (losses) JD	Owners' equity sensitivity JD
US Dollar	2	80,698	-
Euro	2	9,719	-
GBP	2	2,714	-
Japanese Yen	2	(868)	-
Other currencies	2	20,341	-

31 December 2015

Currency	Increase in interest rate %	Impact on profits (losses) JD	Owners' equity sensitivity JD
US Dollar	2	58,197	-
Euro	2	(4,008)	-
GBP	2	(1,871)	-
Japanese Yen	2	(687)	-
Other currencies	2	14,205	-
Currency	Increase in interest rate %	Impact on profits (losses) JD	Owners' equity sensitivity JD
US Dollar	2	(58,197)	-
Euro	2	4,008	-
GBP	2	1,871	-
Japanese Yen	2	687	-
Other currencies	2	(14,205)	-

C/-2 Foreign currencies risk

a. The following table illustrates the currencies to which the Bank is exposed and the potential and reasonable change in their rates against the Jordanian Dinar and the related impact on the consolidated statement of income. The currencies positions are monitored daily to ensure that they are within the determined limits. Moreover, the related reports are submitted to the Assets and Liabilities Committee and Board of Directors.

31 December 2016

Currency	Change in foreign currency exchange rate %	Impact on profits and losses JD	Owners' Equity Sensitivity JD
Euro	+5	(24,298)	22,032
GBP	+5	(6,785)	-
Japanese Yen	+5	2,169	-
Other currencies	+5	(50,852)	-
Currency	Change in foreign currency exchange rate %	Impact on profits and losses JD	Owners' Equity Sensitivity JD
Euro	+5	(10,020)	-
GBP	+5	(4,676)	-
Japanese Yen	+5	(31,717)	-
Other currencies	+5	35,512	-

If there is a negative change in the effect will be equal with negative effect.

C/-3 Risks of Changes in Shares Prices:

This represents the risk resulting from the decline in the fair value of the investment portfolio of the shares due to the changes in the value of the shares indicators and the change in the value of shares individually.

2016

Indicator of	Change in indicator	Impact on profits and losses		Owners' Equity Sensitivity
		%	JD	
Amman Stock Exchange	5	(25,476)	(1,031,816)	
Palestine Stock Exchange	5	-	(66,581)	
International Stock Exchange	5	(80,630)	(123,500)	

2015

Indicator of	Change in indicator	Impact on profits and losses		Owners' Equity Sensitivity
		%	JD	
Amman Stock Exchange	5	(21,760)	(907,987)	
Palestine Stock Exchange	5	-	(72,277)	
International Stock Exchange	5	(109,060)	(48,810)	

Interest rate Repricing Gap

The Bank adopts the assets-liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates, and using hedging policies through the adoption of advanced financial instruments such as derivatives.

31 December 2016		Assets:										
Interest rate reporting gap	JD	Less than one month	More than 1 month up to 3 months	More than 3 month up to 6 months	More than 6 month up to 1 year	From 1 year up to 3 years	More than 3 years	Non-interest bearing items	Total	JD	JD	
												Cash and balances at the Central Bank of Jordan
		Financial assets at fair value through statement of income	-	-	-	-	-	-	2,128,116	2,128,116	2,128,116	538,630,285
		Direct credit facilities - net	50,169,089	58,187,094	60,563,644	74,988,057	166,810,632	127,911,769	-	-	538,630,285	24,437,914
		Financial assets at fair value through comprehensive income	-	-	-	-	-	-	24,437,914	24,437,914	120,143,870	6,417,539
		Financial assets at amortised cost	6,417,539	11,332,533	29,625,862	8,927,750	15,588,279	48,251,907	-	-	120,143,870	28,573,609
		Property and equipment - net	-	-	-	-	-	-	28,573,609	28,573,609	28,573,609	3,003,463
		Intangible assets	-	-	-	-	-	-	3,003,463	3,003,463	3,003,463	6,883,615
		Deferred tax assets	-	-	-	-	-	-	6,883,615	6,883,615	6,883,615	55,123,285
		Other assets	152,531	-	3,311,455	-	-	-	51,659,299	51,659,299	51,659,299	949,576,672
		Total assets	127,429,221	74,419,627	94,000,961	88,915,807	182,398,911	176,163,676	206,248,669	949,576,672	2,432,998	2,432,998
		Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	2,432,998	622,816,743
		Customers' deposits	140,756,351	109,727,573	104,677,243	102,830,966	11,398,028	-	153,426,882	622,816,743	38,094,827	
		Cash margins	4,773,099	5,355,989	5,586,712	6,753,271	7,767,870	7,857,886	-	-	38,094,827	99,789,624
		Borrowed funds	555,168	2,415,649	4,231,383	29,793,709	31,849,617	30,944,098	-	-	99,789,624	710,086
		Sundry provisions	-	-	-	-	-	-	710,086	710,086	6,501,454	
		Income tax provision	-	-	-	-	-	-	6,501,454	6,501,454	2,812,850	
		Deferred tax liabilities	-	-	-	-	-	-	2,812,850	2,812,850	12,074,876	
		Other liabilities	-	-	-	-	-	-	12,074,876	12,074,876	177,958,846	
		Total liabilities	146,084,618	117,499,211	114,495,338	139,377,946	51,015,515	38,801,984	177,958,846	785,233,458	164,343,214	
		Interest rate reporting gap	(18,655,397)	(43,079,584)	(20,494,377)	(50,462,139)	(131,383,396)	(137,361,692)	28,289,623	164,343,214	845,419,891	
		Total assets	136,927,842	69,595,176	73,166,436	95,878,855	154,280,668	129,994,266	185,576,648	845,419,891	690,773,584	
		Total liabilities	142,642,043	123,951,123	117,777,372	96,992,954	21,624,966	21,454,230	166,330,986	690,773,584	154,646,307	
		Interest rate reporting gap	(5,714,201)	(54,355,947)	(44,610,936)	(1,114,099)	(132,655,702)	(108,540,036)	19,245,752	154,646,307		

Items	Currency [Equivalent in Jordanian Dinars]					
	USD	Euro	Sterling Pound	Japanese Yen	Others	Total
2016						
Assets						
Cash and balances at the Central Bank	15,031,971	4,969,787	164,376	-	364,204	20,530,338
Balances at banks and financial institutions	14,187,085	19,577,896	6,326,992	35,378	2,818,220	44,945,571
Financial assets at fair value through statement of income	1,434,797	-	-	-	183,793	1,618,590
Direct credit facilities-Net	36,320,891	15,022	-	-	-	36,335,913
Financial assets at fair value through other comprehensive income	3,360,968	440,644	-	-	-	3,801,612
Financial assets at amortised cost	31,979,351	-	-	-	-	31,979,351
Other assets	1,646,977	13,891	9,303	9,215	272,037	1,951,423
Total assets	105,962,040	25,017,240	6,500,671	44,593	3,638,254	141,162,798
Liabilities:						
Deposits at banks and financial institutions	430,611	369,736	36,650	74	490,766	1,327,837
Customers' deposits	101,610,816	20,869,145	6,590,337	1,129	4,141,157	133,212,584
Cash margins	7,843,713	2,645,139	9,152	1	23,283	10,521,288
Other liabilities	111,804	1,619,186	233	-	84	1,731,307
Total Liabilities	109,996,944	25,503,206	6,636,372	1,204	4,655,290	146,793,016
Net Concentration on-Financial Position Statement	(4,034,904)	(485,966)	(135,701)	43,389	(1,017,036)	(5,630,218)
Contingent Liabilities - off statement of financial position	31,166,699	4,957,260	-	5,109,607	1,355,771	42,589,337

Items	Currency [Equivalent in Jordanian Dinars]					
	USD	Euro	Sterling Pound	Japanese Yen	Others	Total
2015						
Assets						
Cash and balances at the Central Bank	11,238,626	483,785	253,717	-	657,980	12,634,108
Balances at banks and financial institutions	7,720,946	11,957,087	3,836,092	529	4,338,880	27,853,534
Financial assets at fair value through statement of income	2,121,192	-	-	-	-	2,121,192
Direct credit facilities-Net	44,586,803	21,791	-	-	-	44,608,594
Financial assets at fair value through other comprehensive income	2,421,723	-	-	-	-	2,421,723
Financial assets at amortised cost	30,899,128	6,567,837	-	-	-	37,466,965
Other assets	2,476,974	37,617	11,194	8,955	66,502	2,601,242
Total assets	101,465,392	19,068,117	4,101,003	9,484	5,063,362	129,707,358
Liabilities:						
Deposits at banks and financial institutions	3,018,929	358,020	43,432	582,475	398,212	4,401,068
Customers' deposits	89,002,078	16,166,661	4,140,997	47,449	3,924,526	113,281,711
Cash margins	6,355,234	1,056,229	9,839	13,904	30,382	7,465,588
Other liabilities	179,247	1,687,603	260	-	-	1,867,110
Total Liabilities	98,555,488	19,268,513	4,194,528	643,828	4,353,120	127,015,477
Net Concentration on-Financial Position Statement	2,909,904	(200,396)	(93,525)	(634,344)	710,242	2,691,881
Contingent Liabilities - off statement of financial position	34,422,492	3,984,733	4,638	152,344	2,302,549	40,866,756

(38/D) LIQUIDITY RISK

Liquidity risk represents the Bank's inability to meet obligations on their maturity dates. To ward off these risks, including the management of assets and liabilities, matching, and analyzing their maturities, matching the maturities, diversifying source of funds, and maintaining an adequate fund of cash and cash equivalents and marketable securities, liquidity is managed and reviewed periodically at different levels. According to the Central Bank of Jordan instructions, the Bank maintains cash reverses to mitigate liquidity risk.

First: The following table illustrates the distribution of liabilities (undiscounted) on the basis of the remaining period to the contractual maturity at the date of the financial statements.

	Less than one month		More than 1 month up to 3 months		More than 3 months up to 6 months		More than 6 months up to 1 year		From 1 year up to 3 years		More than 3 years		Non-interest bearing items		Total			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
31 December 2016																		
Liabilities																		
Deposits at banks and financial institutions	2,432,998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,432,998	
Customers' deposits	199,871,940	137,087,720	128,308,205	122,984,031	39,364,229	-	-	-	-	-	-	-	-	-	-	-	627,616,125	
Cash margins	4,779,781	5,367,237	5,621,908	6,838,362	7,963,620	8,253,923	-	-	-	-	-	-	-	-	-	-	38,824,831	
Borrowed funds	557,768	2,432,617	4,320,551	31,049,394	34,534,283	36,160,774	-	-	-	-	-	-	-	-	-	-	109,055,387	
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	710,086	-	-	710,086	
Income tax provision	2,084,740	4,416,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,501,454	
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	2,812,850	-	-	2,812,850	
Other liabilities	2,577,215	3,230,269	6,267,392	-	-	-	-	-	-	-	-	-	-	-	-	-	12,074,876	
Total liabilities	212,304,442	152,534,557	144,518,056	160,871,787	81,862,132	44,414,697	-	-	-	-	-	-	-	3,522,936	800,028,607	-	800,028,607	
Total assets	216,991,674	74,419,627	94,000,961	88,915,807	182,398,911	176,163,676	116,686,016	949,576,672	-	-	-	-	-	-	-	-	-	1,685,726,672
31 December 2015																		
Liabilities																		
Deposits at banks and financial institutions	9,028,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,028,796	
Customers' deposits	271,404,257	116,820,284	108,283,193	91,413,389	191,111	-	-	-	-	-	-	-	-	-	-	-	588,112,234	
Cash margins	3,757,534	5,814,380	4,933,377	5,231,168	6,773,719	6,275,257	-	-	-	-	-	-	-	-	-	-	32,785,635	
Borrowed funds	2,054,786	1,787,283	5,915,935	2,440,507	16,023,318	17,958,722	-	-	-	-	-	-	-	-	-	-	46,180,551	
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	1,082,090	-	-	1,082,090	
Income tax provision	2,483,315	3,724,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,208,287	
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	2,073,433	-	-	2,073,433	
Other liabilities	3,127,738	2,465,775	8,242,187	-	-	-	-	-	-	-	-	-	-	-	-	-	13,835,700	
Total liabilities	291,856,426	130,612,694	127,374,692	99,085,064	22,988,148	24,233,979	3,155,523	699,306,526	-	-	-	-	-	-	-	-	1,147,165,106	
Total assets	206,620,782	69,595,176	73,166,436	95,878,855	154,280,668	129,994,266	115,883,708	845,419,891	-	-	-	-	-	-	-	-	1,147,165,106	

Second: Off financial position statement

	Up to one year		From one year to 5 years		More than 5 years		Total	
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2016								
Letters of credit and acceptances	16,052,195	-	-	-	-	-	-	16,052,195
Unutilized limits	28,634,407	-	-	-	-	-	-	28,634,407
Guarantees	69,374,093	8,849,133	-	-	-	-	-	78,223,226
Operating lease contract liabilities	642,728	2,240,688	1,445,748	-	-	-	-	4,329,164
Capital liabilities	11,804	-	-	-	-	-	-	11,804
	114,715,227	11,089,821	1,445,748	-	-	-	-	127,250,796
31 December 2015								
Letters of credit and acceptances	16,948,782	-	-	-	-	-	-	16,948,782
Unutilized limits	17,312,891	-	-	-	-	-	-	17,312,891
Guarantees	66,449,058	7,328,327	-	-	-	-	-	73,777,385
Operating lease contract liabilities	412,070	1,123,264	878,052	-	-	-	-	2,413,386
Capital liabilities	195,684	-	-	-	-	-	-	195,684
	101,318,485	8,451,591	878,052	-	-	-	-	110,648,128

(39) SEGMENTS ANALYSIS

a. Information on the bank operating segments

The Bank is organized, for managerial purposes, which measured according to reports used by general manager and decision makers to the Bank into three major segments. Moreover, the Bank owns three subsidiaries: one conducts financial brokerage, the other financial lease, and the third bonded stores operation and management.

- Individuals accounts: include following up on individual customers accounts, and granting them loans, credit, credit cards, and other services.
- Corporate accounts: include following up on deposits, credit facilities, and other banking services related to customers.
- Treasury: includes providing dealing services and management of the Bank's funds.

(40) CAPITAL MANAGEMENT

a. Description of Capital

According to the Central Bank of Jordan Law and in compliance with the capital adequacy requirements, capital consists of many parts:

- Tier one: Primary consist of the banks going concern, which includes:
 - 1- Common Equity Tier 1
 - 2- Additional paid in capital Tier 1.
- Tier two: Primary consist of the paid in capital that will be used when going concern issues arise.
- For all three types of paid in capital (CET1, AT1, T2) special standards that the financial instrument must meet to be classified in the right .

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

b. Regulatory Authorities Requirements Concerning Capital and Method of Fulfilling Them.

The Bank considers the compatibility of the size of capital with the nature of risks it is exposed to provided that paid-up capital is not less than the minimum required by the Central Bank of Jordan and regulatory capital, which is required to be:

- 1- For common equity Tire 1, not less than 6% of the market risk-weighted assets..
- 2- For paid in capital, not to be less than 7.5% of the market risk-weighted assets.
- 3- For capital adequacy ratio not to be less than 12% of market risk-weighted assets.

c. How to Achieve the Objectives of Capital Management

The Bank's management aims at achieving the Bank's capital management objectives, a surplus in operating income and revenues, and the optimal utilization of the available sources of funds so as to reach the targeted growth in shareholders' equity through the increase in the statutory reserve, recognized profits, voluntary reserve, and retained earnings.

The effect of capital adequacy ratio is taken into considerations when entering to investments. Moreover, capital and its adequacy are monitored periodically, and capital adequacy is calculated by the Risk Management and Compliance Department.

Capital risk was calculated based on the central bank of Jordan regulations, which is represented by Basel III as at 31 December 2016, and Basel II as at 31 December 2015 determinants.

B- Information on the geographical distribution. The bank conducts its business and operations primarily in Jordan. Accordingly, most of the Bank's revenues, assets and capital expenditures are in Jordan.

Total	31 December 2016		31 December 2015		Total		Total		Total	
	Individuals (Retail)	Corporate	Treasury	Financial Brokerage	Financial Lease	Bonded Management	Other	JD	JD	JD
Gross income	11,151,323	22,208,476	6,951,790	1,938,447	1,882,106	2,476,321	491,065	47,099,528	39,200,482	3,303,506
Provision for impairment on direct credit facilities	524,220	379,117	-	-	(7,182)	(2,110)	-	894,045	(271,819)	423,239
(Recovery) Sundry provisions	-	-	-	-	-	-	423,239	48,416,812	42,232,169	(21,627,325)
Results of business sector	11,675,543	22,587,593	6,951,790	1,938,447	1,874,924	2,474,211	914,304	126,038,586	121,627,226	20,604,844
Undistributed expenditures on sectors	-	-	-	(433,180)	(938,958)	(1,599,717)	(23,066,731)	(26,038,586)	(21,627,325)	20,604,844
Profit for the year before taxes	11,675,543	22,587,593	6,951,790	1,505,267	935,966	874,494	(22,152,427)	22,378,226	(6,295,018)	14,309,826
Income for the year	11,151,323	22,587,593	6,951,790	1,146,309	599,805	664,615	(28,018,396)	15,607,259	14,309,826	2,759,899
Capital expenditures	367,661,245	294,241,008	27,432,998	882,587	52,102,958	16,428,251	26,484,411	785,233,458	690,773,584	10,179,232
Total liabilities	367,661,245	294,241,008	27,432,998	882,587	52,102,958	16,428,251	26,484,411	785,233,458	690,773,584	10,179,232
Undistributed liabilities/reserve	-	-	-	-	-	-	26,484,411	785,233,458	690,773,584	10,179,232
Segments liabilities	367,661,245	294,241,008	27,432,998	882,587	52,102,958	16,428,251	26,484,411	785,233,458	690,773,584	10,179,232
Segments assets	168,382,795	310,068,105	311,876,816	18,938,630	60,786,086	21,640,269	57,883,971	891,692,701	764,388,062	2,852,149
Undistributed assets on sectors	-	-	-	-	-	-	57,883,971	891,692,701	764,388,062	2,852,149
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-

d. The amount the Bank considers as capital and capital adequacy ratio are as follows:

	31 December 2016
	JD
Primary capital items:	
Subscribed and paid-in capital	100,000,000
Retained earnings (net of restricted amounts)	16,209,648
Financials assets fair value reserve in according with Statutory reserve	5,491,519
	23,570,771
Total capital for common stocks	145,271,938
Monitoring changes (deductions from capital):	
Goodwill or any intangibles assets	(3,003,463)
Deferred tax assets generated from doubtful debts	(6,883,615)
Investments in the capital of unconsolidated subsidiaries	-
Net equity	135,384,860
Tier II of paid in capital:	
General banking risks reserve (not more than %1,25) of risk weighted assets	5,311,284
Total	5,311,284
Adjustments (deductions form paid-in capital):	
Investments in the capital of unconsolidated subsidiaries	-
Net supporting paid-in capital (Tier II)	5,311,284
Total Capital Structure	140,696,144
Total risk weighted assets	810,256,182
Capital adequacy ratio (%)	17.36%
Common stock equity holders' ratio (%)	16.71%
Primary capital ratio (%)	16.71%

	31 December 2016
	JD
Primary capital items:	
Subscribed and paid-in capital	100,000,000
Statutory reserve	21,332,948
Retained earnings (net of restricted amounts)	13,018,133
Less:	
Goodwill or any intangibles assets and deferred tax assets	(7,321,840)
Deferred tax assets generated from doubtful debts provisions	
Investments deducted from capital by %50	(1,065,920)
Total primary capital	125,963,321
Additional Paid-in Capital	
Financial assets fair value reserve in according with IFRS	1,727,629
General banking risks reserve	4,603,049
Less:	
Investments deducted from capital by %50	(1,065,920)
Total additional capital	5,264,758
Total Capital Structure	131,228,079
Total risk weighted assets	720,548,304
Capital adequacy ratio (%)	18.21%
Common stock equity holders' ratio (%)	17.48%

(41) ACCOUNTS MANAGED ON BEHALF OF CUSTOMERS

There are no investment portfolios managed by the Bank on behalf of customers.

(42) ANALYSIS OF THE MATURITIES OF ASSETS AND LIABILITIES:

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

	31 December 2016		Total
	Up to one year JD	More than one year JD	
Assets:			
Cash and balances at the Central Bank	91,250,017	-	91,250,017
Balances at banks and financial institutions	73,902,498	-	73,902,498
Deposits at banks and financial institutions	5,500,000	-	5,500,000
Financial assets at fair value through statement of income	2,128,116	-	2,128,116
Direct credit facilities - net	243,907,884	294,722,401	538,630,285
Financial assets at fair value through other comprehensive income	-	24,437,914	24,437,914
Financial assets at amortized cost	56,303,684	63,840,186	120,143,870
Property and plant -net	2,045,123	26,528,486	28,573,609
Intangible assets	530,127	2,473,336	3,003,463
Deferred tax assets	378,258	6,505,357	6,883,615
Other assets	8,859,586	46,283,699	55,123,285
Total assets	484,805,293	464,771,379	949,576,672
Liabilities:			
Deposits at banks and financial institutions	2,432,998	-	2,432,998
Customers' deposits	583,968,845	38,847,898	622,816,743
Cash margins	22,469,071	15,625,756	38,094,827
Borrowed funds	36,995,909	62,793,715	99,789,624
Sundry provisions	-	710,086	710,086
Income tax provision	6,501,454	-	6,501,454
Deferred tax liabilities	-	2,812,850	2,812,850
Other liabilities	12,074,876	-	12,074,876
Total Liabilities	644,443,153	120,790,305	765,233,458
Net	(179,637,860)	343,981,074	164,343,214

31 December 2015

	Up to one year		Total
	JD	More than one year JD	
Assets:			
Cash and balances at the Central Bank	102,527,791	-	102,527,791
Balances at banks and financial institutions	45,854,292	-	45,854,292
Deposits at banks and financial institutions	-	5,000,000	5,000,000
Financial assets at fair value through statement of income	2,556,397	-	2,556,397
Direct credit facilities - net	222,874,925	231,829,343	454,704,268
Financial assets at fair value through other comprehensive income	-	20,581,461	20,581,461
Financial assets at amortized cost	71,634,363	47,445,591	119,079,954
Property and plant -net	1,806,405	26,921,345	28,727,750
Intangible assets	621,939	1,333,986	1,955,925
Deferred tax assets	330,360	5,035,555	5,365,915
Other assets	5,514,408	53,551,530	59,066,138
Total assets	453,721,080	391,698,811	845,419,891
Liabilities:			
Deposits at banks and financial institutions	9,018,275	-	9,018,275
Customers' deposits	583,892,917	183,438	584,076,355
Cash margins	32,157,407	-	32,157,407
Borrowed funds	11,970,073	30,351,964	42,322,037
Sundry provisions	-	1,082,090	1,082,090
Income tax provision	6,208,287	-	6,208,287
Deferred tax liabilities	-	2,073,433	2,073,433
Other liabilities	13,835,700	-	13,835,700
Total Liabilities	657,082,659	33,690,925	690,773,584
Net	(203,361,579)	358,007,886	154,646,307

(43) FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value by the valuation method. The different levels have been defined as follows

Level 1 - Quoted (unadjusted) market prices in active markets for identical financial assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable market data.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. The Bank has applied book value method which considered the best available method to measure fair value of these investments due to difficulty of fair value measurement.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
2016				
Financial assets through statement of income	1,944,323	-	183,793	2,128,116
Financial assets through other comprehensive income	21,851,633	-	2,586,281	24,437,914
	23,795,956	-	2,770,074	26,566,030
2015				
Financial assets through statement of income	2,556,397	-	-	2,556,397
Financial assets through other comprehensive income	18,302,235	-	2,279,226	20,581,461
	20,858,632	-	2,279,226	23,137,858

(44) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the unquoted financial instruments presented in the consolidated financial position are not materially different from their carrying value in the consolidated financial statements. In addition, the fair value of direct credit facilities, deposits in banks and financial institution, customer deposits, cash margin and borrowed money which presented at amortized cost are not materially different from their carrying value presented in the consolidated financial statements because the interest rate in the financial assets market are not materially different from their contractual prices, furthermore, due to the short term periods when it comes to deposits at banks and financial institution. The fair value presented at amortized cost is measured either through prices announced in the market when it is available or through valuation methods such as used in some bonds with fixed interest rate cases.

During the first quarter of 2015, the bank transferred part of the financial assets at fair value through profit and loss to financial assets at amortized cost, which comply with the long term strategic investment plan and investment driven of these investments. The fair value of the portfolio at the transferring date amounted to JD 2,360,136 and the fair value as of 31 December 2016 amounted to JD 450,939.

(45) COMMITMENTS AND CONTINGENT LIABILITIES (OFF-FINANCIAL POSITION)

A. Credit commitments and contingencies:

	31 December 2016	31 December 2015
	JD	JD
Letters of credit	7,613,523	13,761,841
Acceptances and periodic withdrawals	8,438,672	3,186,941
Letters of guarantees:		
Payments	26,075,744	31,800,034
Performance	39,777,088	30,842,045
Other	12,370,394	11,135,306
Unutilized credit facilities limits	28,634,407	17,312,891
	122,909,828	108,039,058
B. Contractual obligations:		
Contracts to purchase property and equipment	804	28,580
Construction contracts	11,000	167,104
	11,804	195,684

Operating leases amounted to JD 642,728 as of 31 December 2016) against JD 412,070 as of December 2015.

(46) LAWSUITS AGAINST THE BANK

A. The Bank is a defendant in lawsuits amounting to JD 5,652,963 as of 31 December 2016 against JD 14,501,597 as of 31 December 2015. The total provision booked against these lawsuits amounted to JD 640,620 as of 31 December 2016 against JD 1,062,463 as of 31 December 2015. As per the estimate of the management and the bank's lawyer, no additional liabilities would arise against these lawsuits.

B. There were no lawsuits against the subsidiary companies: Waldemar for financial broker, Tamkeen for financial leasing and Jordan company for Factoring.

C. The lawsuits against Al Istethmari Latamweel Selselat Al Imdad Company amounted to JD 3,000 as of 31 December 2016, based on the estimations of the management and the company's lawyer no provision is needed at this level.

D. The lawsuits against Jordan Trade Facilities amounted to JD 39,200 as of 31 December 2016 Compared to JD 931,084 as of December 2015, no lawsuit provisions were booked as of 31 December 2016 compared to JD 22,956 as of 31 December 2015. Based on the estimations of the management and the company's lawyer no additional liabilities would rise from these lawsuits.

E. There is no lawsuit against Trade Facilities for Finance Leasing (Subsidiary company) as of 31 December 2016.

(47) COMPARATIVE FIGURES

Certain comparative figures were reclassified for the year ended 31 December 2015 to match the financial statement classifications for the year ended 31 December 2016.