



بنك الإسكان
Housing Bank

نموذج رقم (5-1)
Form No. (1-5)



To: Jordan Securities Commission
Amman Stock Market
Date: 14/5/2017

Subject : Quarterly Report as of 31/3/2017

السادة : هيئة الأوراق المالية
السادة : بورصة عمان
التاريخ : 2017/5/14
الموضوع : التقرير ربع السنوي كما في 2017/3/31

Attached the Quarterly Report of (The Housing Bank for Trade and Finance) as of 31/3/2017

مرفق طيه نسخة من البيانات ربع السنوية لشركة (بنك الإسكان للتجارة والتمويل) كما هي بتاريخ 2017/3/31.

Kindly accept high appreciation and respect

وتفضلوا بقبول فائق الاحترام ،،

The Housing Bank for Trade and Finance
CFO: Mr. Khaled Al-Thahabi

Khaled

بنك الإسكان للتجارة والتمويل
رئيس مجموعة المالية : خالد الذهبي .

[Signature]

بورصة عمان
الدائرة الإدارية والمالية
الديوان

١٤ نيسان ٢٠١٧

الرقم المتسلسل ٢٠٩٧

رقم الملف ١١٠٠٠

الجهة المختصة: المدير العام

نموذج 2017/م. خ 5

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THE HOUSING BANK FOR TRADE AND FINANCE
PUBLIC SHAREHOLDING COMPANY
(AMMAN – JORDAN)
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
31 MARCH 2017

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE
BOARD OF DIRECTORS OF
THE HOUSING BANK FOR TRADE AND FINANCE
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed consolidated financial statements of The Housing Bank for Trade and Finance (a public shareholding company) and its subsidiaries ("the Bank") as of 31 March 2017, comprising of the interim consolidated statement of financial position as of 31 March 2017, the related interim consolidated income statement, consolidated comprehensive income, changes in equity and consolidated cash flows for the three-months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
23 April 2017



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THE HOUSING BANK FOR TRADE AND FINANCE
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017

		31 March 2017	31 December 2016
	Notes	JD (Unaudited)	JD (Audited)
<u>ASSETS</u>			
Cash and balances with central banks	4	965,493,089	1,052,501,966
Balances with banks and financial institutions	5	524,188,647	549,833,560
Deposits with banks and financial institutions	6	27,953,468	22,795,894
Financial assets at fair value through profit or loss	7	21,939,553	21,957,719
Direct credit facilities - net	9	4,131,724,540	4,042,066,469
Financial assets at fair value through other comprehensive income	8	1,329,663	580,524
Financial assets at amortized cost- net	10	1,829,840,336	1,791,900,701
Property and equipment- net		170,329,269	168,524,627
Intangible assets- net		24,836,492	24,351,994
Deferred tax assets		38,140,846	40,738,707
Other assets		82,922,490	104,973,034
Total Assets		7,818,698,393	7,820,225,195
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Banks and financial institutions deposits		461,604,407	493,163,142
Customers' deposits	11	5,610,854,654	5,647,527,093
Margin accounts		357,587,232	328,901,283
Loans and Borrowings		41,135,788	38,338,502
Sundry provisions		58,041,418	56,024,369
Income tax provision	12	56,644,123	57,000,430
Deferred tax liabilities		2,148,951	2,056,712
Other liabilities		137,795,506	137,163,122
Total Liabilities		6,725,812,079	6,760,174,653
<u>Equity</u>			
EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS			
Paid-in capital		252,000,000	252,000,000
Share premium		357,925,469	357,925,469
Statutory reserve		189,054,310	189,054,310
Voluntary reserve		33,222,068	33,222,068
General banking risks reserve		36,101,000	36,101,000
Special reserve		7,752,032	7,752,032
Foreign currency translation reserve		(109,051,982)	(110,715,554)
Retained earnings		247,953,497	247,953,497
Profit for the period		31,233,062	-
Revaluation reserve for financial assets- net		(344,677)	(344,677)
Total Equity Attributable to the Bank's Shareholders		1,045,844,779	1,012,948,145
Non – Controlling Interests		47,041,535	47,102,397
Total Equity		1,092,886,314	1,060,050,542
Total Liabilities and Equity		7,818,698,393	7,820,225,195

The accompanying notes from 1 to 20 are part of these interim consolidated financial statements and should be read with them

THE HOUSING BANK FOR TRADE AND FINANCE
INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (Unaudited)

	Notes	For the three months ended 31 March	
		2017	2016
		JD	JD
Interest income		91,583,654	92,843,179
Interest expense		(23,419,349)	(24,355,688)
Net Interest Income		68,164,305	68,487,491
Net commission income		6,007,511	7,131,339
Net Interest and Commission Income		74,171,816	75,618,830
Net gain from foreign currency exchange		1,251,790	11,044,806
(Loss) from financial assets at fair value through profit or loss		(60,515)	(376,550)
Other revenues		7,397,439	21,701,347
Gross Income		82,760,530	107,988,433
Employees' expenses		20,184,673	19,927,217
Depreciation and amortisation		3,840,024	3,782,663
Other expenses		13,063,482	13,505,124
Impairment loss on direct credit facilities	9	352,020	11,463,561
(Reversal of) impairment financial assets at amortized cost		(1,360,000)	-
Sundry provisions		922,422	8,782,928
Total Expenses		37,002,621	57,461,493
Profit before Income Tax		45,757,909	50,526,940
Income tax expense	12	(14,377,698)	(15,956,763)
Profit for the Period		31,380,211	34,570,177
Attributable to :			
Bank's shareholders		31,233,062	33,908,749
Non-controlling interests		147,149	661,428
		31,380,211	34,570,177
Basic and diluted earnings per share attributable to the Bank's shareholders	14	J.D. 0.124	J.D. 0.135

The accompanying notes from 1 to 20 are part of these interim consolidated financial statements and should be read with them

THE HOUSING BANK FOR TRADE AND FINANCE
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (Unaudited)

	For the three months ended	
	31 March	
	2017	2016
	JD	JD
Profit for the period	31,380,211	34,570,177
Add: Other comprehensive income to be reclassified to income statement in future periods:		
Foreign currency translation adjustments	2,136,403	(10,733,363)
Add: other comprehensive income which will not be reclassified to income statement in future periods		
Change in assets fair value reserve- net after tax	-	(2,438)
Total other comprehensive (loss) income for the period- net of tax	2,136,403	(10,735,801)
Total comprehensive income for the period	33,516,614	23,834,376
Attributable to:		
Bank's shareholders	32,896,634	26,979,874
Non-controlling interests	619,980	(3,145,498)
	33,516,614	23,834,376

The accompanying notes from 1 to 20 are part of these interim consolidated financial statements and should be read with them

THE HOUSING BANK FOR TRADE AND FINANCE
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (Unaudited)

	Note	31 March 2017 JD	31 March 2016 JD
OPERATING ACTIVITIES			
Profit before income tax		45,757,909	50,526,940
Adjustments for :			
Depreciation and amortization		3,840,024	3,782,663
Impairment loss on direct credit facilities		352,020	11,463,561
Net accrued interest and commission income		(1,172,737)	(2,868,913)
Effect of change in exchange rates on cash and cash equivalents		(882,562)	(10,661,074)
End of service indemnity expense		1,888,814	2,193,423
Premium and discount amortization		167,456	52,639
Other provisions		1,029,728	8,985,684
Others		(1,335,032)	291,310
		<u>49,645,620</u>	<u>63,766,233</u>
Cash flows from operating activities before Changes in operating Assets and Liabilities			
Decrease (Increase) in Assets			
Deposits with central banks (maturing after more than 3 months)		-	56,600,000
Deposits with banks and other financial institutions (maturing after more than 3 months)		(5,157,574)	6,935,622
Direct credit facilities		(89,955,148)	(131,233,523)
Financial assets at fair value through profit or loss		(120,271)	139,648
Other assets		21,971,302	(8,738,978)
Increase (Decrease) in Liability			
Banks and financial institutions' deposits (maturing after more than 3 months)		1,765,061	(80,785,671)
Customers' deposits		(36,672,439)	(139,623,789)
Margin accounts		28,685,949	26,129,078
Other liabilities		1,841,967	(11,220,351)
Sundry provisions		(794,187)	(1,378,060)
Net Cash Flows used in Operating Activities before Income Tax		<u>(28,789,720)</u>	<u>(219,409,791)</u>
Income tax paid		<u>(12,141,050)</u>	<u>(13,716,895)</u>
Net Cash Flows used in Operating Activities		<u>(40,930,770)</u>	<u>(233,126,686)</u>
INVESTING ACTIVITIES			
Purchase) of financial assets at fair value through statement of comprehensive income		(749,139)	-
(Purchase) of financial assets at amortized cost		(168,046,651)	(141,337,145)
Maturity from financial assets at amortized cost		131,299,560	221,223,914
(Purchase) of intangible assets		(1,633,924)	(866,459)
(Purchase) of property and equipment		(4,495,240)	(4,707,502)
Sale of property and equipment		73,086	3,719
Net Cash Flows (used in) from Investing Activities		<u>(43,552,308)</u>	<u>74,316,527</u>
FINANCING ACTIVITIES			
Loans and borrowings		2,797,286	5,184,144
Dividends paid		(24,527)	(8,920)
Non-controlling interest-net		(680,842)	(795,730)
Net Cash Flows from Financing Activities		<u>2,091,917</u>	<u>4,379,494</u>
Net decrease in cash and cash equivalent		<u>(82,391,161)</u>	<u>(154,430,665)</u>
Foreign currency translation differences		3,061,167	3,613,125
Cash and cash equivalents , beginning of the period		1,172,957,113	1,211,733,149
Cash and Cash Equivalents, End of the Period	15	<u>1,093,627,119</u>	<u>1,060,915,609</u>

The accompanying notes from 1 to 20 are part of these interim consolidated financial statements and should be read with them

THE HOUSING BANK FOR TRADE AND FINANCE
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (Unaudited)

	Equity Attributable to the Bank's Shareholders									
	RESERVES									
	General Banking					Foreign Currency Translation reserve		Fair value reserve		Total equity attributable to the Bank's Shareholders
	Share Premium	Statutory	Voluntary	Risks	Special	JD	JD	JD	JD	
31 March 2017	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid in Capital										
Balance beginning of the period	252,000,000	357,925,469	189,054,310	33,222,068	36,101,000	7,752,032	(110,715,554)	(344,677)	247,953,487	1,012,948,145
Total comprehensive income for the period	-	-	-	-	-	1,663,572	-	-	31,233,062	32,896,634
Dividend Paid	-	-	-	-	-	-	-	-	-	(680,842)
Balance - end of the period 31 March 2017	252,000,000	357,925,469	189,054,310	33,222,068	36,101,000	7,752,032	(109,051,982)	(344,677)	247,953,487	1,046,844,779
31 March 2016										
Balance beginning of the period	252,000,000	357,925,469	172,277,768	33,222,068	32,401,000	7,272,603	(89,872,167)	(349,012)	225,919,340	990,797,069
Total comprehensive income for the period	-	-	-	-	-	-	(6,926,437)	(2,438)	33,908,749	28,978,874
Transfer to reserves	-	-	(1,661)	-	-	(26,358)	-	-	28,019	-
Dividend Paid	-	-	-	-	-	-	-	-	-	(738,435)
Others	-	-	-	-	-	-	-	-	(1,023,501)	(57,295)
Balance - end of the period 31 March 2016	252,000,000	357,925,469	172,276,107	33,222,068	32,401,000	7,246,245	(96,798,604)	(361,460)	224,823,658	1,016,753,442

- The general banking risks reserve and special reserve are a restricted reserves that cannot be utilized without the approval of the Central Bank of Jordan.

- The Bank cannot use a restricted amount of JD 6,496,708 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.

- The balance of retained earnings includes JD 249,170 which represents the effect of early application of International Financial Reporting Standard No. (9) and this amount is restricted from use except for the amounts that become realized as per Central Bank of Jordan Regulations.

- The Bank cannot use a restricted amount of JD 38,140,846 from the retained earnings, which represents deferred taxes and the amount of JD 344,677 represent a negative change of financial assets at fair value through Comprehensive income. These amounts, cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations and Jordan Securities commission.

- The Bank cannot use a restricted amount of JD 14,043,802 which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria.

The accompanying notes from 1 to 20 are part of these interim consolidated financial statements and should be read with them

1. GENERAL

The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding company in accordance with the Jordanian Companies Law No. 12 of 1964.

The Bank's headquarters is located in Amman – Jordan and it is engaged in commercial banking business through its branches in Jordan (134 branches) and abroad in Palestine and Bahrain (14 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.

The Bank's shares are traded on Amman Stock Exchange.

The condensed interim consolidated financial statements were approved by the Bank's Board of Directors in their meeting no. (3/2017) dated 23 April 2017.

2. BASIS OF PREPARATION

The accompanying condensed interim consolidated financial statements as of 31 March 2017 have been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting).

The condensed interim consolidated financial statements have been presented in Jordanian Dinar (JD), which is the functional currency of the Bank.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements according to International Financial Reporting Standards, and should be read in conjunction with the Bank's annual report as of 31 December 2016. Moreover, the results of operations for the three-months period ended 31 March 2016 are not necessarily indicative of the expected results of operations for the year ending 31 December 2016.

Changes in accounting policies:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

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

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

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

3. BASIS OF CONSOLIDATION

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

Consolidated subsidiaries are:

A- Foreign subsidiary companies

- International Bank for Trade and Finance / Syria (paid-in capital SYP 5.25 billion, of which the Bank owns 49.063% as of 31 March 2017). The Bank has the power to control the significant operating activities of the International Bank for Trade and Finance since the Bank can exercise this control through the executive committee which is authorized to manage all the bank activities. Therefore, its financial statements have been consolidated with the financial statements of the Bank. The main objective of this bank is to conduct commercial banking activities and the ownership for this company is back to the year 2003. In addition, the International Bank for Trade and Finance has a subsidiary company – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to SYP 100 Million, whereas the Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- The Housing Bank for Trade and Finance – Algeria (paid-in capital Algerian Dinar 10 billion, of which the Bank owns 85% as of 31 March 2017). The main objective of this bank is to conduct commercial banking activities and the ownership for this company is back to the year 2002.
- Jordan International Bank/ London (paid-in capital GBP 65 million of which the bank owns 75% as of 31 March 2017). The main objective of this bank is to conduct commercial banking activities.

B- Local subsidiary companies

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5% as of 31 March 2017). The Company's main activity is financial brokerage in local and foreign markets, and purchase and sales transactions of financial instruments for customers and for the company itself, the ownership for this company is back to the year 1998.
- Specialized Leasing Finance Company - Jordan, of which the Bank owns 100% of paid-in capital of JD 30 million as of 31 March 2017. The Company's main activity is finance leases of various equipment and machinery in addition to real estate, land, vehicles and other items that are purchased by the company for finance lease purposes, the ownership for this company is back to the year 2005.
- Jordan Real Estate Investments Company - Jordan. The Bank owns 100% of this company's paid-in capital of JD 40,000 as of March 31, 2017. The company's main activity is to manage non-banking services personnel, the ownership for this company is back to the year 1997.

THE HOUSING BANK FOR TRADE AND FINANCE
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

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

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

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

4. CASH AND BALANCES WITH CENTRAL BANKS

Included in this item the statutory cash reserve amounted to JD 316,319,433 as of 31 March 2017 (31 December 2016: JD 310,974,330).

5. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

Non-interest bearing balances at banks and financial institutions amounted to JD 36,860,985 as of 31 March 2017 (31 December 2016: JD 53,374,553).

6. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The deposits with banks and financial institutions mature within 3 to 6 months amounted to JD 25,521,706 and deposits mature within 9 months to 12 months amounted to JD 2,431,762.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31 March 2017</u>	<u>31 December 2016</u>
	JD (Unaudited)	JD (Audited)
Quoted Financial Assets:		
Corporate shares	4,380,170	4,527,926
Corporate bonds and debentures	512,087	503,384
Total Quoted Financial Assets	<u>4,892,257</u>	<u>5,031,310</u>
Unquoted Financial Assets:		
Corporate shares	17,047,296	16,926,409
Total Unquoted Financial Assets	<u>17,047,296</u>	<u>16,926,409</u>
Total	<u>21,939,553</u>	<u>21,957,719</u>

THE HOUSING BANK FOR TRADE AND FINANCE
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>31 March 2017</u> JD (Unaudited)	<u>31 December 2016</u> JD (Audited)
Unquoted share	1,329,663	580,524
Total	<u>1,329,663</u>	<u>580,524</u>

9. DIRECT CREDIT FACILITIES-NET

	<u>31 March 2017</u> JD (Unaudited)	<u>31 December 2016</u> JD (Audited)
Retail Customers :		
Overdrafts	8,334,910	8,527,129
Loans and discounted bills *	697,415,782	669,602,931
Credit cards	11,748,380	11,687,075
Real Estate Mortgages	1,162,254,541	1,135,348,105
Includes:		
Housing loans	774,103,589	758,115,858
Corporate entities:		
Corporate Customers		
Overdrafts	276,020,124	224,457,298
Loans and discounted bills *	1,016,843,470	1,009,572,377
SMEs		
Overdraft	102,600,107	123,598,130
Loans and discounted bills *	248,055,831	224,597,326
Governmental and public sector	882,179,736	905,544,852
Total	<u>4,405,452,881</u>	<u>4,312,935,223</u>
Less: Allowance for impairment in direct credit facilities	(187,778,159)	(187,398,643)
Suspended interest	(85,950,182)	(83,470,111)
Net Direct Credit Facilities	<u>4,131,724,540</u>	<u>4,042,066,469</u>

* Net of interest and commission received in advance amounted to JD 22,061,670 as of 31 March 2017 (JD 20,481,628 as of 31 December 2016).

THE HOUSING BANK FOR TRADE AND FINANCE
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

Allowance for impairment on direct credit facilities

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance – beginning of the period/ year	187,398,643	197,063,364
Provision for the period/ year	352,020	12,875,272
Amounts written off during the period / year	(51,852)	(14,485,496)
Foreign currency translation adjustments	79,348	(8,054,497)
Balance – end of the period/ year	187,778,159	187,398,643

Interest in suspense

The movement on interest in suspense is as follows:

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance – beginning of the period/ year	83,470,111	85,432,225
Add: Suspended interest during the period/ year	6,594,894	23,416,462
Less: Interest transferred to income	(3,393,871)	(11,933,952)
Interest in suspense written off	(745,357)	(10,610,848)
Foreign currency translation adjustments	24,405	(2,833,776)
Balance – end of the period/ year	85,950,182	83,470,111

Economic Sector	31 March 2017			31 December 2016 JD (Audited)
	Inside Jordan JD	Outside Jordan JD	Total JD (Unaudited)	
Financial	81,428,149	27,490,061	108,918,210	107,427,905
Industrial	254,315,335	152,659,666	406,975,001	343,572,094
Trading	214,066,673	240,527,255	454,593,928	487,543,599
Real Estate	959,846,312	202,408,229	1,162,254,541	1,135,176,176
Agriculture	9,603,788	2,141,249	11,745,037	10,012,698
Equities	6,858,304	2,802	6,861,106	7,129,110
Retail	658,706,116	58,792,956	717,499,072	763,017,600
Governmental and public	833,413,520	48,766,216	882,179,736	905,544,852
Others	436,835,824	217,590,426	654,426,250	553,511,188
Total	3,455,074,021	950,378,860	4,405,452,881	4,312,935,222

10. OTHER FINANCIAL ASSETS AT AMORTIZED COST

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Quoted Financial Assets:		
Treasury bonds	1,212,796,945	1,231,180,272
Governmental guaranteed bonds and bills	463,825,018	420,814,332
Corporate bonds and debentures	157,530,873	145,578,597
Allowance for impairment	(4,312,500)	(5,672,500)
Total	1,829,840,336	1,791,900,701

11. CUSTOMERS' DEPOSITS

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Current accounts and demand deposits	1,302,982,120	1,447,076,278
Saving deposits	2,017,949,882	1,972,636,627
Time and notice deposits	2,141,480,825	2,085,180,850
Certificates of deposit	148,004,572	142,193,604
Others	437,255	439,734
Total	5,610,854,654	5,647,527,093

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 490 million, representing (8.73%) of total deposits as of 31 March 2017 (JD 389 million, representing (6.9%) of total deposits as of 31 December 2016).
- Non-interest bearing deposits amounted to JD 1.73 billion, representing (30.8%) of total deposits as of 31 March 2017 (JD 1.75 billion, representing 31% of total deposits as of 31 December 2016).
- Restricted deposits amounted to JD 106.8 million, representing (1.9%) of total deposits as of 31 March 2017 (JD 104.2 million, representing (1.85%) of total deposits as of 31 December 2016).
- Dormant accounts amounted to JD 234.2 million, representing (4.17%) of total deposits as of 31 March 2017 (JD 246.2 million, representing (4.4%) of total deposits as of 31 December 2016).

12. INCOME TAX

Income tax provision

The movement on the income tax provision is as follows:

	31 March 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Balance beginning of the period / year	57,000,430	45,101,562
Income tax paid	(12,141,050)	(51,345,650)
Provision for income tax for the period / year	11,787,311	63,650,343
Currency translation	(2,568)	(405,825)
Balance end of the period/year	56,644,123	57,000,430

- Income Tax on Banks in Jordan is 35%, the average of Income Tax in the countries which the bank has investment in is between (0- 35%).
- Tax clearance for Jordan branches of the Bank was obtained up to the year 2014. Income tax was paid-up for the year 2015 and 2016.
- Income tax for Palestine branches was paid-up to the year 2016. The Bank reached a final settlement with the Income Tax Department for all years except 2016.
- Income tax for International Bank for Trade and Finance /Syria was paid-up to the year 2016.
- Income tax for the Housing Bank for Trade & Finance /Algeria was paid-up to the year 2016.
- Income tax for Jordan International Bank/ London was paid-up to the year 2016.
- Income tax for International Financial Centre Company/Jordan was paid-up to the year 2016. The company reached a final settlement with Income Tax Department for all years except 2016.
- Income tax for Specialized Leasing Finance Company/Jordan was paid-up to the year 2016. The company reached a final settlement with Income Tax Department for the year 2015.

Income tax expense appearing in the interim consolidated income statement is as follows:

	For the three months ended	
	31 March 2017	31 March 2016
	JD (Unaudited)	JD (Unaudited)
Provision for income tax for the period	11,787,311	18,299,110
Deferred tax assets for the period	(1,258,973)	(5,396,755)
Deferred tax liabilities for the period	92,239	-
Amortization of deferred tax assets	3,757,121	3,054,408
Total	14,377,698	15,956,763

13. RETAINED EARNINGS AND PROPOSED DIVIDENDS

The board of directors will recommend to the general assembly the distribution of dividends at 30% of paid up capital. In addition, a capital increase of 25% of paid in capital by issuing free share through capitalizing the voluntary reserve and part of share premium. The paid in capital will reach 315 million shares at a par value of JD 1 per share.

14. EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK

	For the Three Months Ended	
	31 March 2017 (Unaudited)	31 March 2016 (Unaudited)
Profit for the period (JD)	31,233,062	33,908,749
Weighted average number of shares (share)	252,000,000	252,000,000
Basic and diluted earnings per share attributable to shareholders of the Bank	<u>0.124 JD</u>	<u>0.135 JD</u>

15. CASH AND CASH EQUIVALENT

	For the Three Months Ended	
	31 March 2017 JD (Unaudited)	31 March 2016 JD (Unaudited)
Cash and balances with central banks maturing within 3 months	965,493,089	865,919,824
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	524,188,647	558,591,970
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	<u>(396,054,617)</u>	<u>(363,596,185)</u>
	<u>1,093,627,119</u>	<u>1,060,915,609</u>

16. RELATED PARTIES TRANSACTIONS

A. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.

B. Summary of related party transactions during the period:

	Related Party			31 March 2017	31 December 2016
	Major Shareholders	Board of directors	Executive Management	Total	Total
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)
Financial position items					
Total deposits with related parties	62,000,408	-	-	62,000,408	92,976,283
Total deposits from related parties	377,829,729	9,503,870	1,568,002	388,901,601	295,962,346
Loans and advances given to related parties	-	92,599	1,343,271	1,435,870	1,594,271
Commitments and contingent liabilities					
Letter of Credit & Letter of Guarantee	160,000	-	-	160,000	-
For the Three Months Ended 31 March					
				2017	2016
				JD	JD
				(Unaudited)	(Unaudited)
Income statement items					
Interest and commissions income	165,154	1,960	13,298	180,412	319,481
Interest and commissions expense	1,991,136	56,769	5,841	2,053,746	2,356,105

C. Compensation of executive management:

	For the Three Months Ended 31 March	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Salaries, bonuses and other benefits	1,318,458	932,314
Salaries, bonuses and other benefits/ subsidiaries companies	984,664	445,355

17. SEGMENT INFORMATION

Information on the Bank Activities:

For management purposes, the Bank is organized into four major business segments in accordance with the reports sent to chief operating decision maker:

Retail Banking: Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards facilities and funds transfer.

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Corporate Banking: Principally handling loans and other credit facilities and deposits and current accounts for corporate and institutional customers.

Corporate Finance: Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.

Treasury: Principally providing trading and treasury services and the management of the Bank's funds.

	Retail Banking	Corporate	Corporate Finance	Treasury	Others	Elimination	Total	
							31 March 2017	31 March 2016
	JD	JD	JD	JD	JD	JD	JD	JD
Gross income	48,808,665	40,172,665	2,120,985	10,515,462	21,402,206	(16,840,304)	(Unaudited) 106,179,879	(Unaudited) 132,344,121
(Impairment) on direct credit facilities	(344,293)	642,994	(650,721)	-	-	-	(352,020)	(11,463,561)
(Impairment) of financial assets.	-	-	-	1,360,000	-	-	1,360,000	-
Segment results	20,109,560	19,198,970	170,781	5,536,460	3,656,309	-	48,672,080	62,162,358
Unallocated expenses							(2,914,171)	(11,635,418)
Profit before tax							45,757,909	50,526,940
Income Tax							(14,377,698)	(16,956,763)
Profit for the period							31,380,211	34,570,177

The Bank's business segments are distributed as follows:

	Retail Banking	Corporate	Corporate Finance	Treasury	Others	Elimination	Total	
							31 March 2017	31 December 2016
	JD	JD	JD	JD	JD	JD	JD	JD
Segment Assets	4,090,773,041	2,684,813,710	122,409,916	3,430,915,918	1,341,516,051	-	(Unaudited) 11,670,428,636	(Audited) 11,590,680,262
Elimination of assets between segments	(2,440,591,299)	-	-	(598,035,244)	(851,244,546)	-	(3,889,871,089)	(3,811,193,794)
Unallocated assets							38,140,846	40,738,707
Total Assets							7,818,698,393	7,820,225,195
Segment Liabilities	4,067,716,408	2,768,221,456	121,682,142	3,328,623,612	286,403,957	-	10,572,649,475	10,523,622,715
Elimination of liabilities between segments	-	(1,018,836,511)	(20,367,950)	(2,609,781,886)	-	-	(3,848,986,347)	(3,765,504,774)
Unallocated liabilities							2,148,951	2,056,712
Total Liabilities							6,725,812,079	6,760,174,653
Capital expenditures							5,129,164	6,573,961
Depreciation and amortization							3,840,024	3,782,663

18. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	495,691,856	526,932,099
Acceptances	65,966,973	74,730,105
Letters of guarantee:		
- Payments	129,232,266	131,644,049
- Performance	136,430,453	135,504,853
- Others	379,673,540	409,454,589
Un-utilized direct credit facilities limits	551,176,941	589,307,067
Total	1,758,172,029	1,867,572,762

19. LAWSUITS AGAINST THE BANK

Lawsuits raised against the Bank amounted to JD 35,231 million as of 31 March 2017 and JD 33,812 million as of 31 December 2016. Provision recorded against lawsuits amounted to JD 518,677 as of 31 March 2017 (JD 520,677 as of 31 December 2016). Management and the legal advisor believe that no liabilities will arise in excess of the recorded provisions as a result of these lawsuits.

20. COMPARATIVE FIGURES

Some of the 2016 balances were reclassified to correspond to the period ended 31 March 2017 presentation with no effect on equity or profit for the year 2016.