

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN- HASHEMITE KINGDOM OF JORDAN**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**30 SEPTEMBER 2016**

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**30 SEPTEMBER 2016**

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE CHAIRMAN AND BOARD OF DIRECTORS OF INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Invest Bank as of 30 September 2016 and the related interim condensed consolidated statements of income and comprehensive income, for the three months and nine months then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine months then ended. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting". 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 the 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 properly prepared, in all material respects and in accordance with International Accounting Standard (34).

**Other Matters**

The bank financial year ends in 31 December of each year. The interim condensed consolidated financial statements have been prepared in accordance with the listing instructions of Amman Stock Exchange and for management purposes.



Amman, Jordan  
20 October 2016

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2016**

	Notes	30 September 2016 JD (Unaudited)	31 December 2015 JD (Audited)
<b>Assets</b>			
Cash and balances at the Central Bank of Jordan	4	88,473,741	102,527,791
Balances at banks and financial institutions	5	35,465,781	45,854,292
Deposits at banks and financial institutions	6	5,500,000	5,000,000
Financial assets at fair value through statement of income		2,043,565	2,556,397
Direct credit facilities – net	7	538,839,920	454,704,268
Financial assets at fair value through other comprehensive income		22,774,669	20,581,461
Financial assets at amortized cost		118,408,500	119,079,954
Property and equipment-net		28,200,138	28,727,750
Intangible assets		3,103,964	1,955,925
Deferred tax assets		6,198,038	5,365,915
Other assets	8	54,308,062	59,066,138
<b>Total assets</b>		<b>903,316,378</b>	<b>845,419,891</b>
<b>Liabilities And Equity</b>			
<b>Liabilities</b>			
Banks and financial institutions deposits		9,051,906	9,018,275
Customers' deposits		590,338,235	584,076,355
Cash margins		34,035,939	32,157,407
Borrowed funds	9	87,653,187	42,322,037
Bonds	10	3,750,000	-
Sundry provisions		1,298,526	1,082,090
Provision for income tax	11	2,877,553	6,208,287
Deferred tax liabilities		2,823,781	2,073,433
Other liabilities		13,832,242	13,835,700
<b>Total Liabilities</b>		<b>745,661,369</b>	<b>690,773,584</b>
<b>Equity</b>			
Authorised share capital		100,000,000	100,000,000
Subscribed and paid-up share capital		100,000,000	100,000,000
Statutory reserve		21,332,948	21,332,948
General banking risks reserve		4,944,858	4,603,049
Fair value reserve – net		5,231,440	3,839,176
Retained earnings	12	15,011,726	23,984,252
Profit for the period		9,059,415	-
<b>Total equity attributable to the share of the bank</b>		<b>155,580,387</b>	<b>153,759,425</b>
<b>Non-controlling interest</b>		<b>2,074,622</b>	<b>886,882</b>
<b>Total equity</b>		<b>157,655,009</b>	<b>154,646,307</b>
<b>Total liabilities and equity</b>		<b>903,316,378</b>	<b>845,419,891</b>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**INVEST BANK**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE MONTHS AND THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2016	2015	2016	2015
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Interest income		11,921,034	11,926,519	35,284,725	35,337,857
Interest expense		(4,608,307)	(4,635,268)	(12,451,415)	(15,294,098)
<b>Net Interest Income</b>		<b>7,312,727</b>	<b>7,291,251</b>	<b>22,833,310</b>	<b>20,043,759</b>
Net commission revenue		1,442,941	1,620,054	4,431,391	4,546,046
<b>Net Interest and Commissions Income</b>		<b>8,755,668</b>	<b>8,911,305</b>	<b>27,264,701</b>	<b>24,589,805</b>
Gains from foreign currencies		196,311	140,243	530,127	505,186
(Losses) Gains from financial assets at fair value through profit or loss		(6,731)	(121,867)	162,526	651,477
Cash dividends from financial assets at fair value through other comprehensive income		8,948	2,629	1,542,771	910,110
Other Revenue		725,388	552,479	2,419,010	1,337,945
<b>Gross Income</b>		<b>9,679,584</b>	<b>9,484,789</b>	<b>31,919,135</b>	<b>27,994,523</b>
Employee-related expenses		(3,316,232)	(2,802,321)	(9,796,180)	(8,244,543)
Depreciation and amortization		(726,022)	(717,540)	(2,150,486)	(2,054,213)
Other expenses		(2,216,939)	(1,731,697)	(6,447,936)	(5,558,969)
(Provision for) Reversed from impairment on direct credit facilities	7	(250,817)	1,365,063	(460,520)	382,906
Sundry provision		6,018	(21,448)	(118,028)	(93,667)
<b>Total Expenses</b>		<b>(6,503,992)</b>	<b>(3,907,943)</b>	<b>(18,973,150)</b>	<b>(15,568,486)</b>
<b>Income for the period before income tax</b>		<b>3,175,592</b>	<b>5,576,846</b>	<b>12,945,985</b>	<b>12,426,037</b>
Income tax for the period	10	(1,068,421)	(1,414,362)	(3,808,207)	(3,425,776)
<b>Net income for the period</b>		<b>2,107,171</b>	<b>4,162,484</b>	<b>9,137,778</b>	<b>9,000,261</b>
<b>Attributable to :</b>					
Shareholders of the Bank		2,086,419	4,126,061	9,059,415	8,943,670
Non-controlling interest		20,752	36,423	78,363	56,591
		<b>2,107,171</b>	<b>4,162,484</b>	<b>9,137,778</b>	<b>9,000,261</b>
Basic and diluted earnings per share from net income for the period attributable to the shareholders of the Bank	17	0.021	0.041	0.091	0.089

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	For the three months ended 30 September		For the nine months ended 30 September	
	2016 JD (Unaudited)	2015 JD (Unaudited)	2016 JD (Unaudited)	2015 JD (Unaudited)
<b>Net income for the period</b>	2,107,171	4,162,484	9,137,778	9,000,261
<b>Other comprehensive income items:</b>				
Changes in fair value reserve – net after tax	(133,004)	(2,490)	676,869	821,133
Gains (Losses) from sale of financial assets at fair value through other comprehensive income	92,073	(1,541)	84,678	(1,541)
<b>Total Other comprehensive income items</b>	<u>(40,931)</u>	<u>(4,031)</u>	<u>761,647</u>	<u>819,592</u>
<b>Total comprehensive income for the period</b>	<u>2,066,240</u>	<u>4,158,453</u>	<u>9,899,325</u>	<u>9,819,853</u>
<b>Total Comprehensive Income Attributable to:</b>				
Shareholders of the Bank	2,045,488	4,122,030	9,820,962	9,763,262
Non-controlling interest	20,752	36,423	78,363	56,591
	<u>2,066,240</u>	<u>4,158,453</u>	<u>9,899,325</u>	<u>9,819,853</u>

**The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report**

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	Reserves		Paid-in capital JD	Statutory JD	General banking risks reserve JD	Financial Asset revaluation reserve-net JD	Retained earnings JD	Net profit for the period JD	Total shareholders' equity attributable to the bank's shareholders JD	Non- controlling interest JD	Total JD
	Statutory JD	General banking risks reserve JD									
<b>(Unaudited)</b>											
Balance 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		
Net income for the period	-	-	-	-	-	-	9,059,415	78,363	9,137,778		
Net changes in financial assets revaluation reserve -net after taxes	-	-	-	676,869	-	-	676,869	-	676,869		
Losses from sale of financial assets at fair value through other comprehensive income transferred to the retained earnings	-	-	-	715,395	(630,717)	-	84,678	-	84,678		
Total other comprehensive income	-	-	-	1,392,264	(630,717)	-	9,059,415	78,363	9,899,325		
Transferred to reserves	-	-	341,809	-	(341,809)	-	-	-	-		
Dividends	-	-	-	-	(8,000,000)	-	(8,000,000)	-	(8,000,000)		
Rights of non-controlling shareholders in subsidiaries	-	-	-	-	-	-	-	-	-		
Balance at 30 September 2016	100,000,000	21,332,948	4,944,858	5,231,440	15,011,726	9,059,415	155,580,387	2,074,622	1,109,377	157,655,009	
<b>(Unaudited)</b>											
Balance at 31 December 2014	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 period	-	-	-	-	-	-	8,943,670	56,591	9,000,261		
Net changes in financial assets revaluation reserve -net after taxes	-	-	-	821,133	-	-	821,133	-	821,133		
Losses from sale of financial assets at fair value through other comprehensive income transferred to the retained earnings	-	-	-	(902)	(639)	-	(1,541)	-	(1,541)		
Total other comprehensive income	-	-	-	820,231	(639)	-	9,763,262	56,591	9,819,853		
Transferred to reserves	-	-	47,982	-	(47,982)	-	-	-	-		
Dividends	-	-	-	-	(7,000,000)	-	(7,000,000)	-	(7,000,000)		
Balance at 30 September 2015	100,000,000	19,272,464	4,422,904	3,582,889	12,004,121	8,943,670	148,226,048	887,815	149,113,863		

- Included in retained earnings an amount of JD 6,198,038 as of 30 September 2016 restricted by the 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 30 September 2016 and JD 2,539,200 31 December 2015 based on centred bank of Jordan request, which represents the remaining balance of illegal operations.
- Included in the retained earnings a restricted amount of JD 424,069 as of 30 September 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.
- The retained earning balance does not represent any differences of revaluation of the financial assets at fair value through profit or losses at 30 September 2016 and 31 December 2015.
- Use of general banking risks reserve account and evaluation financial assets reserve account is restricted and requires prior approval from the Central Bank of Jordan.
- Use of fair value reserve-net is restricted and requires prior approval from the Central Bank of Jordan.

**The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report**

**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	Notes	For the nine months ended 30 September	
		2016	2015
		JD (Unaudited)	JD (Unaudited)
<b>Operating activities</b>			
Income for the period before income tax		12,945,985	12,426,037
<b>Adjustments:</b>			
Depreciation and amortization for non-cash items		2,150,486	2,054,213
Provision for (Reversed) impairment on direct credit facilities		460,520	(382,906)
Provision for lawsuits against the bank		54,249	93,667
Provisions against seized asset for more than 4 years		299,539	-
Gains on disposal of property and equipment		-	(21,017)
Gain on sale of assets seized by the Bank		(138,169)	(34,781)
Unrealised loss (gain) from financial assets at fair value through statement of income		95,386	(221,933)
Dividends received from financial assets at fair through other comprehensive income		(1,542,771)	(910,110)
Net interest expense		665,049	973,834
Effect of exchange rate fluctuations on cash and cash equivalents		(26,448)	(33,843)
		<u>14,963,826</u>	<u>13,943,161</u>
<b>Changes in assets and liabilities</b>			
Deposits at banks and financial institutions (maturing after more than 3 months)		(500,000)	(3,621,153)
Deposits at banks and financial institutions (Restricted withdrawal balances)		2,383,268	(2,282)
Financial assets at fair value through statement of income		546,806	426,721
Direct credit facilities		(48,833,656)	10,608,346
Other assets		6,260,865	(6,473,971)
Customers' deposits		6,261,880	(6,370,385)
Cash margin		1,878,532	(2,727,973)
Other liabilities		(1,314,395)	699,492
<b>Net cash flows (used in) generated from operating activities before income tax and provisions paid</b>		<u>(18,352,874)</u>	<u>6,481,956</u>
Paid from the provision of lawsuits and sundry provisions		(541,245)	(113,831)
Income tax paid		(7,094,480)	(4,066,753)
<b>Net cash flows used in operating activities</b>		<u>(25,988,599)</u>	<u>2,301,372</u>
<b>Investing activities</b>			
Purchases of financial assets at fair value through statement of comprehensive income		(1,354,095)	(1,540,986)
Sale of financial assets at fair value through statement of comprehensive income		485,090	273,898
Dividends received from financial assets at fair value through statement of comprehensive income		1,542,771	910,110
Financial assets at amortized cost due		671,454	4,910,289
Purchase of property and equipment and advances for purchases of property, equipment and projects under progress		(702,202)	(9,141,522)
Purchase of intangible assets		(374,798)	(399,654)
Net cash flows used in acquisition of subsidiaries		(20,774,618)	-
Net cash generated from the acquisition of subsidiaries		375,979	-
<b>Net cash flows generated from (used in) investing activities</b>		<u>(20,130,419)</u>	<u>(4,987,861)</u>
<b>Financing activities</b>			
Dividends paid		(8,000,000)	(7,000,000)
Borrowed funds		31,999,646	13,555,435
<b>Net cash flows generated from financing activities</b>		<u>23,999,646</u>	<u>6,555,435</u>
Effect of exchange rate fluctuations on cash and cash equivalents		26,448	33,843
<b>Net decrease in cash and cash equivalents</b>		<u>(22,092,924)</u>	<u>3,902,785</u>
Cash and cash equivalents at 1 January	14	<u>136,980,540</u>	<u>93,800,857</u>
<b>Cash and cash equivalents at 30 September</b>	14	<u>114,887,616</u>	<u>97,703,642</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report



**INVEST BANK  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 SEPTEMBER 2016 (UNAUDITED)**

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**(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 / share as of 31 December 2010. Furthermore, during 2011, the Bank's capital was increased to JD 85,250,000 / share. Finally, the Bank's capital was increased by JD 14,750,000 on 10 April 2013. Accordingly, the Bank's authorized and paid in capital became JD 100 Millions / share.

The Bank's Head Office is located in Amman, Abd Alhameed Sharaf Street, Shmesani, Tel: 06-5001500, P.O Box 950601, Amman – 11195 Jordan.

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

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

These interim condensed consolidated financial statements have been approved by the Board of Directors in its meeting held on 17 October 2016.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis of preparation**

The interim condensed consolidated financial statements of the Bank have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting"), and in accordance with the local laws and the instructions of Central Bank of Jordan.

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

The interim condensed 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 and financial derivatives that have been measured at fair value at the date of these interim condensed consolidated financial statements. Hedged assets and liabilities are also stated at fair value.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements of the Bank for the year ended 31 December 2015. Furthermore, the results of operations for the nine months ended 30 September 2016 do not necessarily reflect the expected results for the year ending 31 December 2016, except for not appropriating the profit of the nine months ended on 30 September 2016 which is usually performed at year end.

## **2.2 Changes in accounting policies and disclosures**

- Applied standards in preparing these interim condensed consolidated financial statements adheres with the standards applied in preparing the final set of consolidated financial statements for the year ended 31 December 2015 except applying new and amended on current standards as mentioned below.
- a. The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016, these standards do not apply significant effect on the Bank's interim condensed consolidated financial statements as of 30 September 2016:**
  - Amendments to IAS 16 - 'property, plant and equipment' and IAS 38 'Intangible assets' which explains the acceptable methods for calculating depreciation and amortization.
  - Amendments to IAS 34 - 'Interim financial reporting' regarding the disclosures in the interim financial statements.
  - Amendments to IAS 19 - 'Employee benefits' which requires the use of the discount rate for the currency in which the defined benefit plan obligation will be paid.
  - Amendments to IAS 27 – 'Separate Financial Statements' which allows using equity method in the separate financial statements for subsidiaries, joint ventures and investments in associates.
  - Amendments to IAS 1 – 'presentation of financial statements' which outlines some of the requirements of the presentation of financial statements and the disclosure of accounting policies.
  - Amendments to IFRS 7 'Financial instruments: Disclosures' which require the disclosure of ongoing service contracts after the sales of financial assets and the disclosure of the offset between the financial assets and financial liabilities that are not stated in IAS 34 – 'Interim financial reporting'.
  - Amendments to IFRS 11 (Joint operations) which clarifies the acquisition of an interest in joint operation.
  - Amendments to IFRS 10 (Consolidated financial statements) and IAS (28) (investment in associates and joint ventures) which clarifies the exception from preparing consolidated financial statements.
- (b) New standards and interpretations not yet adopted for the period commencing 1 January 2016, and had not been early adopted by the Bank:**
  - IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.
  - IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful statements to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

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- IFRS 16, 'Leases' which will replace IAS 17 'Leases'. The standard requires the lessee to book future lease commitments for all lease contracts including "rights to use assets". The standard is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted if IFRS 15 is also adopted.
- Amendments to IAS 12, 'Income taxes'. Amendments clarify the measurement and accounting of deferred tax assets. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.
- Amendments to IAS 7, 'Statement of cash flows'. The amendment requires additional disclosures about changes in liabilities arising from financing activities. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.

### 2.3 Basics of consolidation

Subsidiaries are the entities that are controlled by the Bank. The Bank controls an entity when, it is exposed to risks, or has a right to variable returns from its involvement with the entity and has the ability to affect those returns through its control over that entity.

The interim condensed consolidated financial statements include the financial statements of the Bank and its following subsidiaries:

Company's Name	Paid-in Capital JD	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 financing	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 Company**	16,500,000	94.7%	Providing Loans and lease financing	Amman	2016
Trade Facilities for Finance Leasing Company **	2,000,000	100%	Lease Financing	Amman	2016

- \* This company was established on 21 December 2011 and has not commenced its operations as of the date of these interim condensed consolidated financial statements.

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 results of operations of the subsidiaries are consolidated in the consolidated statement of income from the date on which control is transferred to the Bank and cease to be consolidated from the date on which control is transferred from the Bank. The results of subsidiaries acquired or disposed of during the period, are included in the interim consolidated statements of income from the effective date of the acquisition or up to the effective date of disposal, as appropriate. Balances between the Bank and its subsidiaries, and any intra-group transactions are eliminated for consolidation purpose.

**INVEST BANK  
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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 is presented in the interim 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.

\*\* During the period, and through its Subsidiary (Tamkeen for Finance Leasing), the Bank had acquired 93.275% of Jordan Trade Facilities Company, public shareholders Company (Which owns 100% of Trade Facilities for finance leasing Company) through acquiring 15,390,385 shares, with a par value of 1 JD per share.

For that, the Banks direct and indirect share for the Bank at Trade Facilities for Finance leasing company equals 94.667%.

**(3) ACCOUNTING ESTIMATES**

Preparation of the interim condensed 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 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 mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainly. In addition, actual results may differ from assessments due to changes resulting from the conditions and circumstance of those assessments in the future.

The significant estimates used by management in the preparation of these interim condensed consolidated financial statements applied in the accounting policies as well as the sources of estimates in cases of uncertainty are consistent with those used in the preparation of the consolidated financial statements as of and for the year ended on 31 December 2015.

**(4) CASH ON HAND AND BALANCES WITH CENTRAL BANK OF JORDAN**

This item consists of the following:

	30 September 2016	31 December 2015
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	12,415,941	8,945,798
<b>Balances at the Central Bank:</b>		
Current and demand accounts	5,621,003	728,924
Term and notice deposits	-	22,000,000
Statutory cash reserve	43,236,797	39,553,069
Deposit certificate	27,200,000	31,300,000
<b>Total</b>	<u>88,473,741</u>	<u>102,527,791</u>

There are no restricted balances, except for the statutory cash reserve as of 30 September 2016 and 31 December 2015.

There are no balances maturing after more than three months as of 30 September 2016 and 31 December 2015.

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**(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS**

This item consists of the following:

	<u>30 September 2016</u>	<u>31 December 2015</u>
	JD (Unaudited)	JD (Audited)
Local banks and financial institution	8,056,097	18,000,758
Foreign banks and financial institutions	<u>27,409,684</u>	<u>27,853,534</u>
<b>Total</b>	<u><u>35,465,781</u></u>	<u><u>45,854,292</u></u>

Non-interest bearing balances at banks and financial institutions amounted to JD 23,787,562 as of 30 September 2016 against JD 20,464,391 as of 31 December 2015.

There were no balances with withdrawal restrictions as of 30 September 2016 against JD 2,383,268 as of 31 December 2015.

**(6) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS**

This item consists of the following:

	<u>30 September 2016</u>	<u>31 December 2015</u>
	JD (Unaudited)	JD (Audited)
Local Bank and Financial Institution	<u>5,500,000</u>	<u>5,000,000</u>
<b>Total</b>	<u><u>5,500,000</u></u>	<u><u>5,000,000</u></u>

There are no restricted deposit balances for banks and financial institutions as of 30 September 2016 and 31 December 2015.

Deposits at banks and financial institutions maturing within a period that exceeds three months amounted to JD 5,500,000 as of 30 September 2016 and 5,000,000 as of 31 December 2015.

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**(7) DIRECT CREDIT FACILITIES – NET**

This item consists of the following:

	30 September 2016	31 December 2015
	JD (Unaudited)	JD (Audited)
<b>Individuals (Retail):</b>		
Overdraft	12,668,847	13,215,433
Loans and discounted bills *	96,827,994	48,718,650
Credit cards	15,065,850	10,114,294
<b>Real estate loans</b>	126,165,010	117,991,221
<b>Companies</b>		
<b>Corporate:</b>		
Overdraft	80,782,510	72,711,544
Loans and discounted bills *	227,548,341	206,238,290
<b>Medium and small entities:</b>		
Overdraft	7,002,410	7,658,985
Loans and discounted bills *	8,276,415	8,415,254
<b>Government and public sector</b>	19,454	-
<b>Total</b>	<u>574,356,831</u>	<u>485,063,671</u>
Less :Provision for impairment on direct credit facilities	24,841,951	19,277,846
Interest in suspense	10,674,960	11,081,557
<b>Net direct credit facilities</b>	<u>538,839,920</u>	<u>454,704,268</u>

\* The balance shown at net after deducting interests and commissions received in advance of JD 16,556,394 as of 30 September 2016 against JD 6,813,231 as of 31 December 2015.

- Included in the direct facility balance a non-performing credit facilities amounted to JD 31,724,622 which is equivalent to (5.5%) of total direct credit facilities as of 30 September 2016 against JD 34,240,982 which is equivalent to (7.1%) of total direct credit facilities as of 31 December 2015.
- Non-performing credit facilities excluding interest in suspense amounted to JD 25,468,694 which is equivalent to (4.5%) of total direct credit facilities as of 30 September 2016 against JD 23,565,933 which is equivalent to (4.97%) of total credit facilities excluding interest suspense as of 31 December 2015.
- There are credit facilities granted to the Jordanian government /or by its guarantee amounted to JD 19,454 as of 30 September 2016 against JD Zero as of 31 December 2015.

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**- Provision for impairment on direct credit facilities**

The movement on the provision for Impairment in Direct Credit Facilities was as follows:

	Individuals (Retail) JD	Real estate loans JD	Companies		Total JD
			Corporate JD	Medium & small JD	
<b>(Unaudited)</b>					
<b>30 September 2016</b>					
Balance at 1 January	4,416,993	1,220,209	9,867,535	3,773,109	19,277,846
Balances arising from investments in subsidiaries	4,295,535	846,119	-	-	5,141,654
Provision (Surplus) charge for the period	173,025	(447,759)	917,502	(182,248)	460,520
Used during the period (Witten-off)	(34,523)	-	-	(3,546)	(38,069)
<b>Balance at the end of period</b>	<b>8,851,030</b>	<b>1,618,569</b>	<b>10,785,037</b>	<b>3,587,315</b>	<b>24,841,951</b>
<b>(Audited)</b>					
<b>31 December 2015</b>					
Balance at 1 January	4,972,953	6,775,559	12,016,642	5,449,261	29,214,415
Provision charge (surplus) for the year	487,461	(5,537,618)	1,639,243	107,408	(3,303,506)
Used during the period (Witten-off)	(1,043,421)	(17,732)	(3,788,350)	(1,783,560)	(6,633,063)
<b>Balance at the end of the year</b>	<b>4,416,993</b>	<b>1,220,209</b>	<b>9,867,535</b>	<b>3,773,109</b>	<b>19,277,846</b>

**- Interest in suspense**

The movement on interest in suspense was as follows:

	Individuals (Retail) JD	Real estate Loans JD	Companies		Total JD
			Corporate JD	Small & medium JD	
<b>(Unaudited)</b>					
<b>30 September 2016</b>					
Balance at 1 January	2,000,226	1,661,116	6,181,862	1,238,353	11,081,557
Interest in suspense for the period	294,364	88,218	1,349,828	211,827	1,944,237
Interest transferred to revenues	(25,868)	(805,080)	(203,149)	(371,595)	(1,405,692)
Interest in suspense written off	(649,708)	-	(291,486)	(3,948)	(945,241)
<b>Balance at the end of period</b>	<b>1,619,014</b>	<b>944,254</b>	<b>7,037,055</b>	<b>1,074,637</b>	<b>10,674,960</b>
<b>(Audited)</b>					
<b>31 December 2015</b>					
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 transferred to revenue	(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)
<b>Balance at the end of the year</b>	<b>2,000,226</b>	<b>1,661,116</b>	<b>6,181,862</b>	<b>1,238,353</b>	<b>11,081,557</b>

\* According to Board of Directors decision and senior management of their Subsidiaries, non performing credit facilities along with their related interest in suspense which have been provided for, was written off amounted to JD 983,211 for the nine months ended 30 September 2016 against JD 9,494,144 for the year ended 31 December 2015.

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**(8) OTHER ASSETS**

The details of this item are as follows:

	30 September 2016	31 December 2015
	JD (Unaudited)	JD (Audited)
Accrued interest and revenue	1,412,127	1,594,056
Prepaid expenses *	3,793,974	3,085,649
Assets seized by the bank **	40,998,035	47,413,603
Refundable deposits	684,060	1,598,727
Clearing cheques	749,533	111,007
Balances related to fraudulent transactions ***	1,039,200	2,539,200
Withdrawals purchased	2,358,476	2,369,878
Others	3,272,657	354,018
<b>Total</b>	<b>54,308,062</b>	<b>59,066,138</b>

\* Prepaid expenses include JD 1.9 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 496,352 as of 30 September 2016 and 31 December 2015 and provision for assets seized for more than four years for the amounts of JD 579,954 as of 30 September 2016 against JD 280,415 as of 31 December 2015

\*\*\* 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 at 30 September 2016 and 31 December 2015 after netting the amounts expected to be recovered from the repossessed assets and the deduction of the proceeds collected from the insurance company amounted to JD 1.5 million. Noting that the case procedures had been completed from the General attorney, and is now represented in front of Amman's Criminal Court.



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(9) BORROWED FUNDS

The details of this item are as follows:

	Amount		Number of instalments		Frequency of instalments	Guarantees	Loan interest rate
	JD	JD	Total	Remaining			
<b>(Unaudited)</b>							
<b>30 September 2016</b>							
Borrowed loans from banks/ Local financial institutions	87,653,187		1260	899	Monthly, Quarterly, Semi Annually and on maturity date	Mortgage gurantee/ Tools and equipment gurantee	4.3% to 8.5%
<b>Total</b>	<u>87,653,187</u>						
<b>(Audited)</b>							
<b>31 December 2015</b>							
Borrowed loans from banks/ Local financial 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%
<b>Total</b>	<u>42,322,037</u>						

- Borrowed funds represents credit facilities granted from Jordan Mortgage refinancing company amounted to JD 27,504,714. Housing loans had been refinanced for interest rate of 7.28%.

- Borrowed funds represents credit facilities granted from local banks amounted to JD 60,148,473 represented by overdraft accounts and revolving loans provided for Bank subsidiaries (Tamkeen for Finance Leasing Company and Al-Istithmari LeTamweel Selselat Al Imdad and Jordan commercial facilities).

- Fixed interest loans amounted to JD 86,653,187 and there are no loans at changing interest rates as at 30 September 2016.

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**(10) BONDS**

This item represents bonds issued by Jordan Trade Facilities Company (Subsidiary) on May 19, 2013 for five years duration with an interest rate of 10%, and variable every six months period depends on the interest rate given to the best clients plus 1% risk rate, It was announced that these bonds are payable on 19 May of each year, and the final settlement is due on 19 May 2018.

**(11) INCOME TAX**

**Tax status of the bank:**

- The Bank obtained a final tax clearance from the Income and Sales Tax Department up to the year 2013. And the Income tax report for the year 2014 had been accepted for without any amendments.
- The Bank submitted Income tax report for the year 2015 upon legal due date, The Income and Sales tax Department have not yet reviewed it.
- As per the opinion of the Bank's management and its tax advisor, the tax provisions are sufficient to cover tax liabilities up to 30 September 2016.

**Tax Status of Al Mawared for Financial Bokerage Company (Subsidiary Company):**

- The Company has obtained a final tax clearance from the Income and Sales Tax Department for the period since inception dated 5 September 2006 and up to year end 2011.
- Income Tax reports had been approved for the years ended 2012, 2013 and 2014 without any amendments.
- 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 reviewed it.
- As per the opinion of the Company's management and its tax advisor, no liabilities are to be noted for the company in excess of the amounts provided for up till 30 September 2016.

**Tamkeen for Finance Leasing Company (Subsidiary Company) Tax Status:**

- The Company has not submitted its Income tax report since the date of inception 31 October 2006 and to 31 December 2009, due to the fact that it did not exercise its operations during those years.
- The Company has obtained a final tax clearance from 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 reviewed it.
- As per the opinion of the Company's management and its tax advisor, no liabilities are to be noted for the company in excess of the amounts provided for up till 30 September 2016.

**Al Istethmari Letamweel Selselat Al Imdad Company (Subsidiary Company) Tax Status:**

- The company has reached to a final settlement with the income and sales tax department up till the year 2010, and no deferred tax liabilities are presented for that period.
- The Company has submitted the income tax report for the years 2011, 2012, 2013 and 2014 upon legal due date, and had paid all declared liabilities within the legal period and had been all accepted for by the Income and Sales tax Department as is without adding any changes.
- 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 reviewed it.
- As per the opinion of the Company's management and its tax advisor, no liabilities are to be noted for the company in excess of the amounts provided for up till 30 September 2016.

**Jordan Trade Facilities (Subsidiary company)**

- The Company has obtained a final tax clearance from the Income and Sales Tax Department for the year ended of 2011, taking into consideration that the Company has raised a lawsuit to the specialised courts for the year 2009 asking for a refund amounting to 419,000 JD, The case is still under review at the courts, also the company has raised a lawsuit to the specialised courts for the year 2010 and in the opinion of the management and the Legal Counsel of the company it is expected to get tax refunds of 140,000 JD for that year.
- The Company has submitted its Income tax report for the years 2012, 2013, 2014, 2015 upon legal due date, and the 2 years 2012, 2013 had been reviewed by Income and Sales tax department and no final decision was taken for these years . However 2014 the report had been accepted under samples system .
- The Finance Leasing Company (Subsidiary of Jordan Trade Facilities Company) had submitted its report for the year ended 2014 and it has been accepted by Income and Sales department upon samples system without any amendments, and it submitted its report for 2015 and it has not been reviewed by Income and Tax department.
- As per the opinion of the Company's management and its tax advisor, no liabilities are to be noted for the company in excess of the amounts provided for up till 30 September 2016.

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**(12) RETAINED EARNINGS**

The movement on retained earnings is as follows:

	30 September 2016	31 December 2015
	JD	JD
	(Unaudited)	(Audited)
<b>Balance at the beginning of the period / year</b>	23,984,252	19,052,742
Profit for the period / year	-	14,254,168
Transferred to reserves	(341,809)	(2,288,611)
Dividends paid	(8,000,000)	
Loss on sale of financial assets through other comprehensive income	(630,717)	(34,047)
<b>Balance at the end of the period / year</b>	<u>15,011,726</u>	<u>23,984,252</u>

- Included in retained earnings is an amount of JD 6,198,038 as of 30 September 2016 restricted according to the Central Bank of Jordan's instructions against deferred tax assets JD 5,365,915 as of 31 December 2015.
- Included in retained earnings is an amount of JD 1,039,200 as of 30 September 2016 against JD 2,539,200 as of 31 December 2015 restricted according to the Central Bank of Jordan's instructions which represents the remainder of the balances of illegal operations.
- Retained earnings include an amount of JD 424,069 as of 30 September 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 through sale as instructed by the Jordan securities commission.
- Retained earnings does not include and differences for revaluation of financial assets at fair value through profit and loss as at 30 September 2016 and 31 December 2015.
- \* According to the resolution of the General Assembly of shareholders on 20 April 2016, an amount of JD 8 million of dividends was distributed from retained earnings for the year 2015 equivalent to 8% of the bank's capital. Also JD 7 million was distributed from retained earnings on 20 April 2015 for year 2014.

**(13) SECTOR ANALYSIS**

**A- Information on the Bank sectors operations**

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 sectors.

- 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

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The following table represents information on the Bank's sectors according to activities

	Total									
	Individuals JD	Corporate JD	Treasury JD	Financial Brokerage JD	Financial Lease JD	Bonded Management JD	Other JD	2016 JD (Unaudited)	2015 JD (Unaudited)	30 September 2015 JD (Unaudited)
Gross income	7,439,064	13,829,028	6,010,964	1,389,465	1,433,212	1,833,731	(16,329)	31,919,135	27,994,523	
Provision for impairment Loss on direct credit facilities	(356,889)	(708,375)	-	-	(109,034)	-	-	(460,520)	382,906	
Sundry provisions	-	-	-	-	-	-	(118,028)	(118,028)	(93,667)	
Results of business sector	7,795,953	13,120,653	6,010,964	1,389,465	1,324,178	1,833,731	(134,357)	31,340,587	28,283,762	
Undistributed expenditures	-	-	-	(325,421)	(683,041)	(1,164,740)	(16,221,400)	(18,394,602)	(15,857,725)	
Profit for the period before taxes	7,795,953	13,120,653	6,010,964	1,064,044	641,137	668,991	(16,355,757)	12,945,985	12,426,037	
Income tax	-	-	-	(256,186)	(237,523)	(160,558)	(3,153,940)	(3,808,207)	(3,425,776)	
Income for the period	7,795,953	13,120,653	6,010,964	807,858	403,614	508,433	(19,509,697)	9,137,778	9,000,261	
	Total									
	30 September 2016 JD (Unaudited)	31 December 2015 JD (Audited)								
Sector's assets	164,292,894	322,792,677	266,291,057	18,421,450	52,124,536	20,302,508	-	844,225,122	764,388,062	
Undistributed assets on sectors	-	-	-	-	-	-	59,091,256	59,091,256	81,031,829	
Total assets	164,292,894	322,792,677	266,291,057	18,421,450	52,124,536	20,302,508	59,091,256	903,316,378	845,419,891	
Sector's liabilities	350,641,029	278,722,579	45,827,664	703,856	43,244,248	15,246,671	-	734,386,047	678,534,506	
Undistributed liabilities on sectors	-	-	-	-	-	-	11,275,322	11,275,322	12,239,078	
Total liabilities	350,641,029	278,722,579	45,827,664	703,856	43,244,248	15,246,671	11,275,322	745,661,369	690,773,584	
	For the nine months ended 30									
	September 2016 DJ (Unaudited)	September 2015 DJ (Unaudited)								
Capital expenditures	1,077,000	9,541,176								
Depreciation and amortization	2,150,486	2,054,213								

**B- Information on the geographical distribution.**

The Bank and its subsidiaries perform most of their activities and operations in Jordan. Accordingly, most of the Bank's revenues, assets and capital expenditures are in Jordan.

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**(14) RELATED PARTIES TRANSACTIONS AND BALANCES**

The Bank entered into transactions with Board of Directors, major shareholders and executive management in the course of ordinary banking activities at commercial rates of interests and commissions.

The following represents a summary of balances and transactions with related parties:

	Related Party			Total	
	Subsidiaries*	Board of directors members & executive management	Other (employees and their relative, relative of members of the board of directors and executive management)	30 September 2016	31 December 2015
	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Audited)
<b>On Financial Position</b>					
<b>Items:</b>					
Credit facilities	3,047,909	4,013,501	39,340,997	46,402,407	44,891,327
Provision for impairment on direct credit facilities	-	-	4,501,655	4,501,655	5,079,618
Deposits, current accounts and cash margins	4,999,958	3,168,489	12,020,016	20,188,463	24,541,295
<b>Off-Financial Position</b>					
<b>Items:</b>					
Letters of guarantee	28,620	-	19,738	48,358	19,163
Letters of credit	1,376,625	617,802	7,416,518	9,410,945	9,993,374
				For the nine months ended September	
				2016	2015
				JD	JD
				(Unaudited)	(Unaudited)
<b>Statement of Income</b>					
<b>Items:</b>					
Interest and commission received	156,152	210,813	1,351,233	1,718,198	1,911,203
Interest and commission paid	70,137	41,117	207,523	318,777	536,382
Provision for impairment on direct credit facilities *	-	-	(577,963)	(577,963)	5,641,704

\* Related party transactions and balances with subsidiaries had been eliminated as per these financial statements and it is presented only for further illustration.

Maximum credit interest rate in Jordan dinar	21%	Minimum credit interest rate	2.75%
Maximum credit interest rate in foreign currency	4%	Minimum credit interest rate	3%
Maximum interest rate on deposits in Jordan dinar	3.75%	Minimum interest rate on deposits	0%
Maximum interest rate on deposits in foreign currency	0.1%	Minimum interest rate on deposits	0%
Maximum credit commission rate	1%	Minimum credit commission rate	0%

The executive higher management salaries and benefits for the bank and its subsidiaries amounted to JD 2,337,190 for the nine months ended 30 September 2016 against JD 2,044,353 for the same period in the year 2015.

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**(15) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

	As of 30 September	
	2016	2015
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances at Central Bank maturing within three months	88,473,741	78,872,762
Balances at banks and financial institutions maturing within three months	35,465,781	40,063,241
Deposits at banks and financial institutions maturing within three months	9,051,906	18,849,694
Bank's restricted balances and financial institutions	-	2,382,667
	<u>114,887,616</u>	<u>97,703,642</u>

**(16) FAIR VALUE HIERARCHY**

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

**Level 1:** quoted prices (unadjusted) in active markets for assets or liabilities. Most monetary assets at fair Value taken from comprehensive income statement are in Jordan and Palestine markets.

**Level 2:** quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all inputs which have a significant effect on the recorded fair value are based on market information.

**Level 3:** techniques which use inputs which have no significant effect on the recorded fair value that are not based on observable market data, book value was used as it's the most appropriate measurement tool for investments.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
<b>(Unaudited)</b>				
<b>30 September 2016</b>				
Financial assets at fair value through profit or loss	1,872,741	-	170,824	2,043,565
Financial assets at fair value through other comprehensive income	<u>20,188,391</u>	-	<u>2,586,278</u>	<u>22,774,669</u>
	<u>22,061,132</u>	-	<u>2,757,102</u>	<u>24,818,234</u>
<b>(Audited)</b>				
<b>31 December 2015</b>				
Financial assets at fair value through profit or loss	2,556,397	-	-	2,556,397
Financial assets at fair value through other comprehensive income	<u>18,302,235</u>	-	<u>2,279,226</u>	<u>20,581,461</u>
	<u>20,858,632</u>	-	<u>2,279,226</u>	<u>23,137,858</u>

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**(17) FAIR VALUE OF FINANCIAL INSTRUMENTS**

There are no material differences between the fair value of financial instruments and their carrying value recognized in the financial statements. Moreover, there are no material differences between the fair value and the carrying value of the direct credit facilities, financial assets at amortized cost, banks and financial institutions deposits, customer deposits, cash margins and borrowed funds stated at amortized costs in the interim condensed consolidated financial statements, due to the immaterial difference in the market interest rates for similar financial instruments of the contractual prices and due to the short terms of maturity of the banks and financial institutions deposits. The fair value of financial assets at amortized cost is determined through the quoted prices if available or through the valuation models used for fixed price bonds.

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 30 September 2016 amounted to JD 467,855.

**(18) BASIC AND DILUTED EARNINGS PER SHARE FROM NET INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK**

The details of this item are as follows:

	For the nine months ended 30 September	
	2016 JD (Unaudited)	2015 JD (Unaudited)
Profit for the period attributable to the bank's shareholders	9,059,415	8,943,670
Weighted average number of shares *	100,000,000	100,000,000
Basic and diluted earnings per share from the profit for the period	0.0091	0.089

\* Earnings per share from net income for the year equal diluted per share noting that the bank did not issue any financial asset that would impact earnings per share.

**(19) CONTINGENT LIABILITIES**

**A. Credit commitments and contingencies:**

	30 September 2016 JD (Unaudited)	31 December 2015 JD (Audited)
Letters of credit	9,345,110	13,761,841
Acceptances and periodic withdrawals	8,956,095	3,186,941
<b>Letters of guarantee:</b>		
Payments	27,773,348	31,800,034
Performance	32,402,991	30,842,045
Others	11,097,402	11,135,306
Unutilized direct credit facilities ceilings	25,135,662	17,312,891
	<u>114,710,608</u>	<u>108,039,058</u>



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**(20) LAWSUITS AGAINST THE BANK**

- a. As of the condensed consolidated interim financial statement date, the lawsuits filed against the bank amounted to JD 9,179,979 as of 30 September 2016 against JD 14,501,597 as of 31 December 2015. The total booked provisions against these lawsuits amounted to JD 575,468 as of 30 September 2016 against 1,062,463 as of 31 December 2015. As per the Bank's management and the Bank's legal consultant, the Bank will not have any additional liabilities with regard to these lawsuits.
- b. There are no lawsuits against the other subsidiaries (AlMawared for financial brokerage, Al Istethmari Letamweel Selselat Al Imdad Company, or Jordanian Company for Factoring) as of 30 September 2016.
- c. Lawsuits filed against Jordan Trade Facilities Company amounted to JD 603,772 as of 30 September 2016 against JD 931,084 as of 31 December 2015. The total booked provisions against these lawsuits amounted to JD 22,956 as of 30 September 2016 and 31 December 2015. As per the Bank's management and the Bank's legal consultant, the Company will not have any additional liabilities with regard to these lawsuits.

**(21) COMPARATIVE FIGURES**

Some of the figures for the period ended 30 September 2015 and year ended 31 December 2015 have been reclassified to confirm the presentation of period ended 30 September 2016.