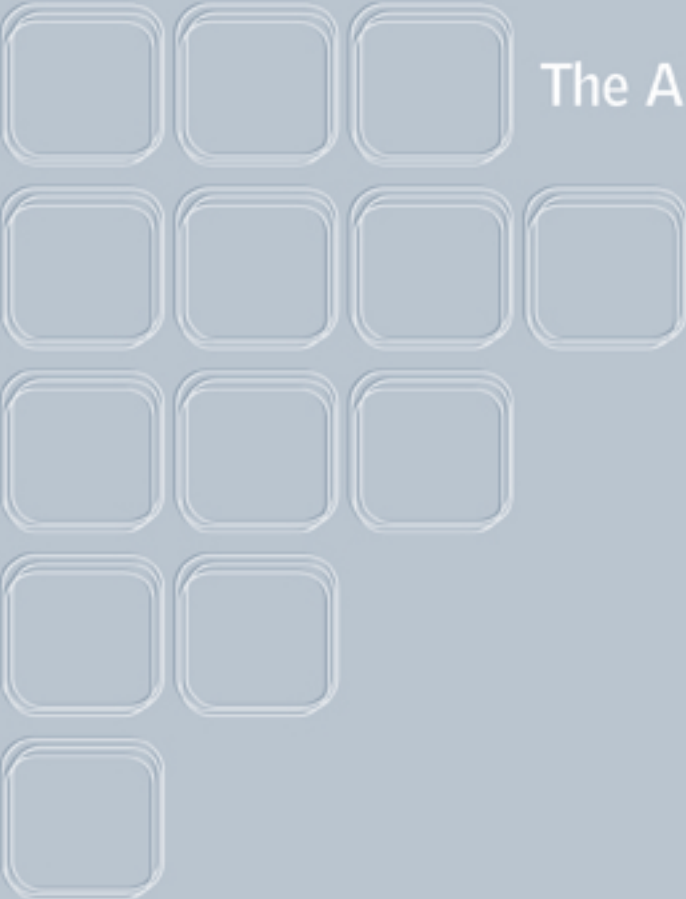
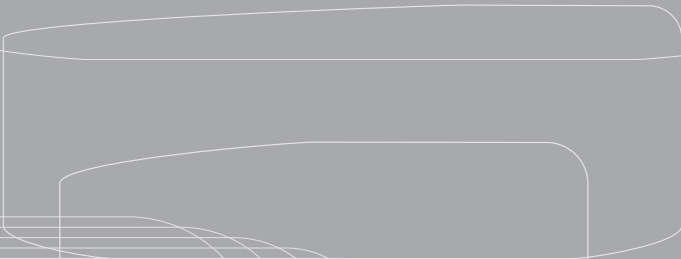
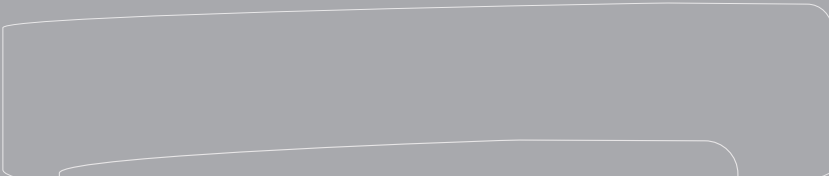
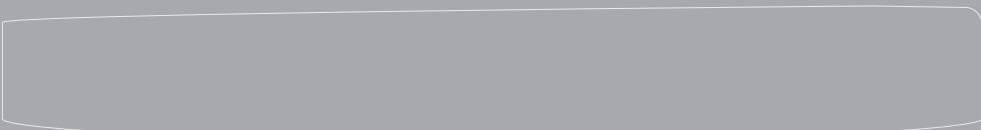
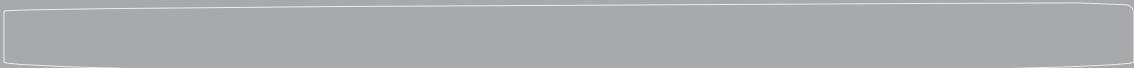


The Annual Report 2007



**34th Board of Directors Report
For the Year Ending December 31, 2007**



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His Majesty King Abdullah II Ibn Al Hussein

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BOARD OF DIRECTORS – (as on 31/12/2007)

H.E. Dr. Michel Marto / Chairman

Date of birth: 21/8/1940

Qualifications: PhD., Economics, 1970

Work Experience

- Minister of Finance 1998-2003
- Chairman: Jordan Securities Commission 1997-1998
- Deputy Governor: The Central Bank of Jordan 1989-1997
- General Manager: Bank of Jordan 1987-1989
- Deputy General Manager: Bank of Jordan 1979-1987
- Deputy General Manager: Jordan Fertilizer Industry Co. Ltd 1977-1979
- Economist, World Bank / Washington 1975-1977
- Advisor to HRH Prince El – Hassan Bin Talal , and Head of Economics Dept. at Royal Scientific Society, 1971-1975
- Manager, Economic Research & Studies, Central Bank of Jordan, 1969-1971

Membership in HBTf Board Committees

- Chairman: Executive Committee
- Chairman: Risk Management Committee
- Chairman: Corporate Governance Committee

Memberships in other Boards

- Chairman: Association of Banks in Jordan
- Board Member: Union of Arab Banks
- Chairman: Specialized Leasing Co.
- Chairman: Iskan Tourist & Hotels Investment Co.
- Chairman: International Financial Center Co.
- Vice Chairman: Jordan International Bank / London
- Board Member: Jordan International Insurance Co.
- Board of Trustees: King Hussein Cancer Foundation
- Board Member: Al Hussein Fund for Excellence

Mr. Othman Bafagih / Vice Chairman

Representative of Capital Investments Holding Co./Bahrain

Date of Birth: 19/12/1960

Qualifications: B.Sc. Mechanical Engineering, 1983

- Chief Executive Officer / Al Marjan Industrial & Commercial Co. / Saudi Arabia

Membership in HBTf Board Committees

- Member: Executive Committee

Memberships in other Boards

- Chairman: Al Muftah Car Rental Co. / Saudi Arabia
- Vice Chairman: Elite Financial Services Co.
- Executive Manager: Al Marjan Medical Center Co.



Board Members

Mr. Abdullah Saudi

Date of Birth: 20/3/1937

Qualifications: Diploma in accounting, 1957

- Chairman: A.S.A Consultants for Investments / Bahrain
- Advisor to HRH Prince Talal Bin Abdel Aziz Al Saud
- Managing Director: Capital Investment Holding Co. / Bahrain

Membership in HBTF Board Committees

- N.A.

Memberships in other Boards

- Advisor to the Board / Lebanon Credit Bank
- Vice Chairman: Al Baraka Islamic Group / Bahrain
- Member, Board of Trustees - Libyan Investment Institution / Tripoli



Sheikh Ali Bin Jassim Al - Thani

Representative of Qatar Investment Authority

Date of Birth: 1/1/1960

Qualifications: B.Sc. Economics and Political Science, 1983

Membership in HBTF Board Committees

- Chairman: Audit Committee
- Member: Nomination & Remuneration Committee
- Member: Corporate Governance Committee

Memberships in other Boards

- Board Member: Arab Maritime Co. / Kuwait
- Board Member: Qatari-Syrian Investment Co.
- Board Member: Qatari-Omani Investment Co.
- Board Member: Champs Élysées Co. / France

Mr. Mohammad Abdul Hadi

Representative of Qatar Investment Authority

Date of Birth: 15/9/1973

Qualifications: B.Sc. Financial Management, 1995

- Senior Financial Qatar Investment Authority Analyst in Direct Investment Dept. / Qatar Investment Authority

Membership in HBTF Board Committees

- Member: Executive Committee

Memberships in other Boards

- Board Member: BLC Bank / France





Mr. Saad Al Henaidi

Representative of Kuwait Real Estate Investment Consortium

Date of Birth: 2/7/1960

Qualifications: B.Sc. Computer Science, 1985

- Manager: Systems Development in Kuwait Investment Authority/ Kuwait
- Consultant: Int. Investment Co.
- Consultant: Bahrain Arab Int. Bank

Membership in HBTF Board Committees

- Member: Audit Committee

Memberships in other Boards

- Board Member: International Bank for Trade & Finance / Syria
- Foundation Committee Member: Kuwait Technology Village

Mr. Mohammad Al Munaifi

Representative of Kuwait Real Estate Investment Consortium

Date of Birth: 17/7/1959

Qualifications: B.A Law 1991, B.Sc. Engineering 1984

- Head: Arab Corporation Sector - Arab Investment Dept. / Kuwait Investment Authority / Kuwait

Membership in HBTF Board Committees

- Member: Executive Committee
- Member: Nomination & Remuneration Committee

Memberships in other Boards

- Board Member: Bred Street Real Estate Co.
- Board Member: Electricity Link Commission for GCC countries



Mr. Mohamed Ben Yousef

Representative of Libyan Foreign Bank

Date of Birth: 5/12/1960

Qualifications: Master, Finance & Banking 2004

- Ex - Vice Chairman: Bank of Tropical Africa / Uganda
- Chief accountant: Libyan Foreign Bank
- Arabic legal accountant and auditor

Membership in HBTF Board Committees

- Member: Audit Committee
- Member: Nomination & Remuneration Committee

Memberships in other Boards

- Chairman: National Banking Corporation / Libya
- Board Member: National Planning / Libya
- Board Member : Union of Arab Banks
- Chairman: The Founding Committee, Finance Lease Companies / Libya

Mr. Mokhtar Ghenas

Representative of Libyan Foreign Bank

Date of Birth: 11/9/1953

Qualifications: Master, Comparative Law 1982

- Legal Counsel: Libya Insurance Company
- Secretary: African Union / Foreign Relations
- Secretary: Cooperation Affairs / Foreign Relations

Membership in HBTF Board Committees

- Member: Executive Committee
- Member: Nomination & Remuneration Committee

Memberships in other Boards

- Board Member: Petroleum Investments Company
- Board Member: Bank of North Africa / Beirut



Mr. Thabet Elwir

Representative of Social Security Corporation / Jordan

Date of Birth: 11/2/1957

Qualifications: B.Sc., Agricultural Machines 1980

- Chairman: The Board, National Mineral Water Company "al sabeel" WLL
- Chairman: The Board, Mafrag Trading Company WLL
- Chairman: The Board, National Electronic Technologies Manufacturing Co. WLL
- Chairman: The Board, International Mineral Water Co.(Qatar) WLL
- Chairman: The Board, Water Industry & Investment Co. WLL

Membership in HBTF Board Committees

- Member: Executive Committee
- Member: Corporate Governance Committee

Memberships in other Boards

- Member: "We are all Jordan" Commission
- Board Member: King Abdullah II Design and Development Bureau
- Board Member: Jordan Chamber of Industry
- Board Member: Zarka Chamber of Industry
- Board Member: Jordan Enterprise Development Co.
- Member: Scientific Research Board / University of Jordan



Mr. Ammar Zahran

Date of Birth: 30/7/1970

Qualifications: M.Sc. Engineering Management Science, 1996
Executive Manager: Al Marjan Industrial & Commercial Co./ Saudi Arabia

Membership in HBTF Board Committees

- Member: Audit Committee

Memberships in other Boards

- Chairman: Yanabee Advertising Co. / Saudi Arabia
- Board Member: Unicharm Sanitary Manufacturing Co. / Saudi Arabia
- Board Member: Electric Pulps Factory / Saudi Arabia
- Board Member: United Ink Manufacturing Co. / Saudi Arabia

Mr. Ahmed Al Mahrezi

Representative of Ministry of Finance / Sultanate of Oman

Date of Birth: 23 /11/1961

Qualifications: M.A Law 2001

- General Manager: Civil Service Employees Pension Fund / Sultanate of Oman

Membership in HBTF Board Committees

- Member: Risk Management Committee

Memberships in other Boards

- Board Member: Dofar Bank
- Board Member: International Hotel Management Co.
- Board Member: Omani International Development and Investment Co.



Mr. Shukry Bishara / CEO

Date of Birth: 7/10/1947

Date of appointment: 11/3/2007

Qualifications

- MA, Economics / London University, Britain, 1973
- B.A Law / London University, Britain
- B.Sc., Economics, AUB, Beirut 1972

Previous Positions

- Chairman: Association of Banks in Palestine 2006
- Head: Banking Business Group in the Arab Bank, 2001-2006
- Regional Manager and CEO: Arab Bank Branches in Palestine 1995-2001
- Deputy CEO: The Arab Bank / France & South Europe, 1979-1995
- Officer in charge: Middle East and Africa "Philadelphia / New York / London" – Fidelity Bank, 1974 -1979

Membership in HBTF Board Committees

- Member: Corporate Governance Committee
- Member: Executive Committee
- Member: Risk Management Committee

Membership in the Other Boards

- Chairman: Palestine Investment Fund
- Chairman: The Housing Bank for Trade & Finance / Algeria
- Deputy Chairman: Specialized Leasing Company
- Board Member: Iskan Tourist & Hotels Investment Company

Mr. Mohyeddin ElAli

Board Secretary

Date of Birth: 14/5/1941

Qualifications: B.Sc., Accounting 1972

- Board Member: International Bank for Trade & Finance / Syria
- Board Member: The Housing Bank for Trade & Finance / Algeria

Chairman's Message

Dear Shareholders

2007 was a year of achievements on different levels and in various fields of activity of the Housing Bank for Trade and Finance (HBTF). The Bank recorded the highest profit since its establishment, and achieved higher levels of growth in various items of its balance sheet, thus supporting its successful journey, and enhancing its financial position in the local and regional banking market.



Economic and Monetary Environment

Jordan's national economy witnessed positive developments in 2007, leading to real growth in GDP estimated at 6%. The Jordanian economy was able to achieve such growth due to the influx of foreign investments, which had positive impacts on the volume of commercial activities, and their profit margins; providing at the same time relative prosperity to the Jordanian economy. Monetary policy participated in creating stable and safe monetary and banking environment, which has been reflected by unprecedented foreign reserve levels.

Financial achievements

HBTF's pre – tax profits in 2007 rose 19% to JD 154.5 million, an increase of about JD 24.4 million, whereas net profits rose 18% to JD 111.5 million. The Bank's total assets grew at the rate of 23% reaching a total of JD 5020.1 million at the end of 2007; and shareholders' equity increased to JD 890.3 million, a growth of 7% compared to the end of 2006 .

Customers' deposits at the end of 2007 grew at the rate of 24% amounting to JD 3500.6 million. The Bank's market share of deposits in Jordan went up to 17.1%, compared to 16.3% in 2006.

Net direct credit facilities reached JD 1936.3 million at the end of 2007, a growth of 22% compared to the last year. The Bank's market share of credit facilities in Jordan increased to reach 14.1% compared to 13.9% at the end of 2006.

Financial results of foreign branches in Palestine and Bahrain, as well as subsidiary banks in Syria and Algeria, have also witnessed good and promising achievements enhancing the Bank's success in Jordan.

Based on its leadership and competitive position in the local and regional banking market, HBTF has been able to benefit from, and utilize the opportunities provided by economic activities in Jordan as well as those in certain other countries in the region.

In view of such a unique financial performance, the Board of Directors has recommended the distribution of cash dividends of 30% compared to 26% distributed in 2006.

Serving Local Community

In view of this successful journey, the Bank has paid special attention to serve the local community and support its developmental needs. HBTF is proud to be at the forefront of every effort to support social initiatives, and help make the desired change, in support of the prosperity of our community.

Dear shareholders

I would like to take this opportunity to pay tribute to our CEO Mr. Shukry Bishara, who joined at the beginning of 2007. Mr. Bishara is a veteran banker well known to the local, regional, and international banking community. His efforts, as well as those of the senior executive management team are tangible in making the change in the Bank's organizational structure, and the achievements realized in various activities.

I would also like to express my thanks and appreciation to the Government and its official institutions, particularly the Central Bank of Jordan, and the Jordan Securities Commission, for their support and encouragement, in addition to their active role in maintaining development and growth in Jordan.

Our thanks and appreciation are also extended to the members of the Board of Directors for their efforts and participation in the Bank's achievements, which culminated in such successes and excellence.

I seize this opportunity to express my gratitude to our Shareholders and Customers, for their confidence and support. We pledge to exert more efforts for the best of their institution, promising at the same time, to provide more distinguished services and products.

Appreciation is also extended to the Bank's staff for their unique and dedicated efforts for the realization of our strategic objectives year after year.

Dear shareholders

We have been relentlessly exerting efforts to achieve further accomplishments, to enhance HBTF's position in the local, regional and international banking industry. This year of achievements, and the constructive organizational decisions, will constitute a deliberate and purposeful starting point, which we look forward to achieve.

I wish this institution success, development and prosperity, in serving our country and national economy, under the wise leadership and clear vision of His Majesty King Abdullah II Ibn Al Hussein.

Thank You

Dr. Michel Marto
Chairman of the Board of Directors

CEO's Address

Distinguished Shareholders,

The year 2007 marked a turning point in the history of the Housing Bank for Trade and Finance. During that year, the bank embarked on its reorganization program and on a new strategic thrust. It forged vigorously ahead, accomplishing in the process significant achievements that include record earnings, as well as the enhancement of the bank's position within the domestic and Arab banking industry.



Our strong performance came amidst significant global developments and economic volatility. The year 2007 witnessed record oil prices, a severe increase involving commodities prices in general, and a historic decline in the value of the U.S. dollar vis-à-vis other major currencies. Also during the year, the U.S. sub-prime mortgage crisis surfaced, impacting structured investment products and hedge funds and, in consequence, the tightening of credit markets in major financial centers. The crisis led to substantial valuation and operating losses for a number of leading international banks, which forced them to resort to subordinated loans and capital injections predominantly from Arab and Asian sovereign wealth funds. These factors left their disparate repercussions on world economies, albeit to a lesser degree on the economies of the emerging countries.

In Jordan, real economic growth reached 6%, while the market value of shares listed in the Amman stock exchange posted a 39% rise, bordering JD 29.2 billion, and foreign currency reserves hit a record level of US\$ 6.9 billion, with a 12.6% growth rate, covering more than 6 months of prospective imports of goods at current levels.

For its part, the banking sector in Jordan has contributed significantly towards national economic development. Thus, the assets of banks rose to JD 26.8 billion, with a 10.6% growth rate. Concurrently, customers' deposits rose to JD 16 billion with a 9.6% growth rate, while aggregate funded credit facilities rose by 15.7% to reach JD 11.3 billion.

It is also worth noting that, in 2008, the Jordanian banking sector will see the implementation of the Basel II framework which will further reinforce banks' capital strength with respect to credit and operational risks, as well as the adoption of the corporate governance guidelines issued by the Central Bank of Jordan, in line with leading edge practices in this field.

Distinguished Shareholders,

Your institution ushers its new year with outstanding financial results underpinned by robust policies, all geared towards enhancing business performance, service standards, and the optimal exploitation of the bank's inherent potentialities. In addition, the bank engages into the new year with the highest levels of liquidity within the domestic banking sector, thereby enabling it to pursue sustainable qualitative growth in all of its lines of business.

Distinguished Shareholders,

The Housing Bank for Trade and Finance stands out as the home to major Arab institutional investors with whom we partner to leverage our capabilities, expand our reach, and provide superior services.

Our capital structure includes a select number of the finest Arab investors, including Jordan's Social Security Corporation, Qatar National Bank (QNB), the Kuwait Investment Authority, the Libyan Foreign Bank, and the Omani Ministry of Finance. Such partnerships stand as an attestation to Jordan as a sound and safe hub for Arab investments and as a successful paradigm of joint Arab investments.

Moreover, its recent strategic alliance with QNB has endowed the bank with yet another institutional dimension. QNB is considered to be amongst the leading commercial banks in the area, and enjoys high credit rating, with a wide banking network within the Arab region and internationally. Such a strategic alliance will contribute to the opening for our institution of an important and vital window on the Gulf markets, and will enable both banks to benefit from synergies available from coordinated coverage in more than 20 markets.

Hence, our expansion and vigorous takeoff make it imperative for the bank to adopt and build a new corporate identity and brand image that should best reflect its aspirations and reinforce its position in domestic and regional markets. This will be part of our overarching strategy in the coming months.

Distinguished Shareholders,

I am increasingly convinced that our institution possesses a substantial interconnectedness with the economic and social fabrics. With each passing day, it solidifies its pioneering position, both on the levels of domestic geographic expansion and the extension of services to close to a million clients. Thus, the bank management and I are committed to buttressing such a force and financial solidity, in order to preserve our competitive edge in the various aspects of our services and performance levels, and to continuously contribute to the maximization of the benefits we offer to all our clients.

I take this opportunity to extend my thanks and appreciation to the Jordanian government and its institutions, at their forefront the Central Bank of Jordan, for their unerring guidance, their continued support to the bank, their positive role along the road towards domestic economic growth, and their great solicitude for the wellbeing of the Jordanian banking sector. I also wish to extend my thanks to our valued clients for choosing the Housing Bank for Trade and Finance as the object of their trust. We pledge to live up to this trust, and to expend all efforts to be a loyal partner and to answer to all their current and future needs.

I would also like to extend my sincere gratitude to his Excellency the Chairman of the Board of Directors, Dr. Michel Marto, for his guidance, and to all the Board members for their invaluable support. My sincere thanks also go to the members of the executive management, with their outstanding banking expertise and their high leadership skills; and to the staff of the bank on all levels, whose genuine efforts and dedication played a key role in realizing the bank's superior achievements.

May God preserve our institution so that it may continue to serve our national economy and the advancement of our beloved nation under the leadership of his serene Hashemite Majesty, King Abdullah II Ibn Al-Hussein.

Shukry Bishara
Chief Executive Officer

The Housing Bank for Trade and Finance continued its record growth in 2007. Its financial performance in terms of profits and balance sheet figures has reflected a solid and sustainable growth in the Bank's operations, and demonstrated its capability to utilize its resources and operational efficiency to achieve more growth. It also revealed various areas of strength in the Bank's capability to boost its resources and credit-worthiness, as well as in its quality and strength of assets.

The Bank's management has paid special attention to raising the bar of performance achievements through prudent and diligent implementation of plans and strategies in all various aspects of operations and services. Strong emphasis was placed on our competitiveness levels and our repositioning in the local banking sector.

The following table shows the most important indicators and ratios as well as their development in the last five years:

Amounts in JD millions*

Item/Year	2003	2004	2005	2006	2007	Growth Rate in 2007
Total Assets	2030.6	2499.6	3196.3	4096.5	5020.1	23%
Customers' Deposits	1526.5	1919.1	2370.5	2832.7	3500.6	24%
Credit Facilities - Net	628.8	880.0	1262.6	1589.9	1936.3	22%
Shareholders' Equity	293.1	330.9	395.0	835.2	890.3	7%
Gross Income	89.5	103.4	173.6	201.9	238.8	18%
Profit before Income Tax	30.8	47.1	105.2	130.1	154.5	19%
Profit after Income Tax	22.5	30.3	74.1	94.7	111.5	18%
Dividends (JD)	0.150	0.200	0.250	0.260	0.300	15%
Share Price in ASE (JD)	4.330	8.000	19.990	6.550	7.210	10%

* JD = US \$ 1.41

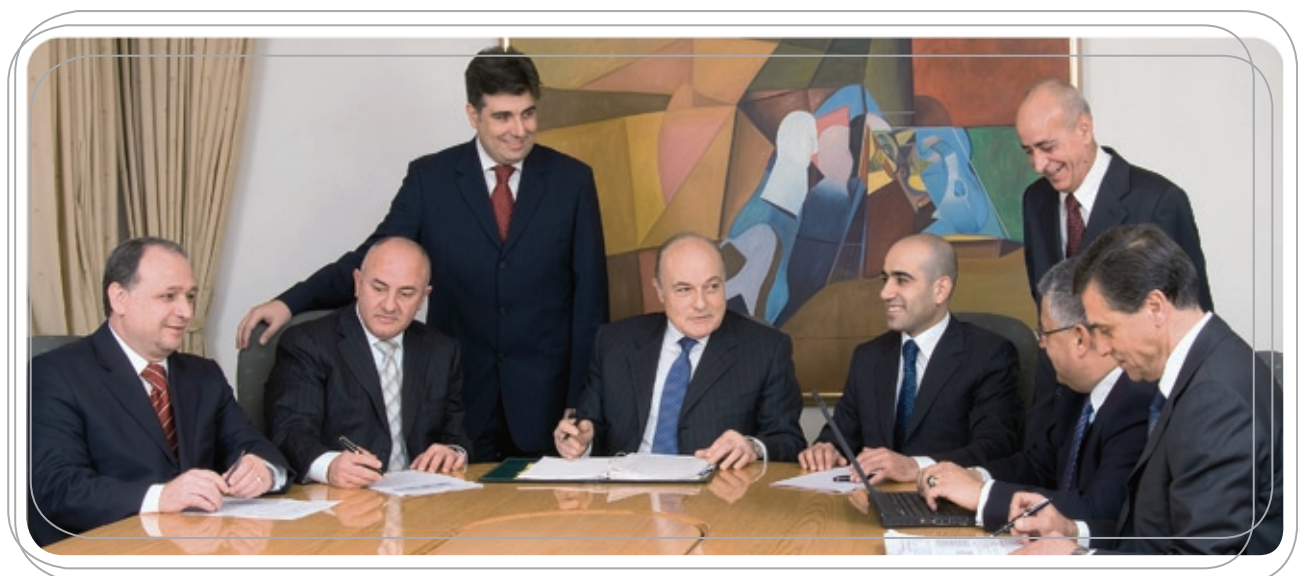
Analysis of Operation Results

Net Interests & Commissions Income

Net Interests & Commissions Income rose by 24% in 2007, reaching JD 199 million from JD 160.7 million in 2006.

Gross Income & Total Expenses (excluding interests)

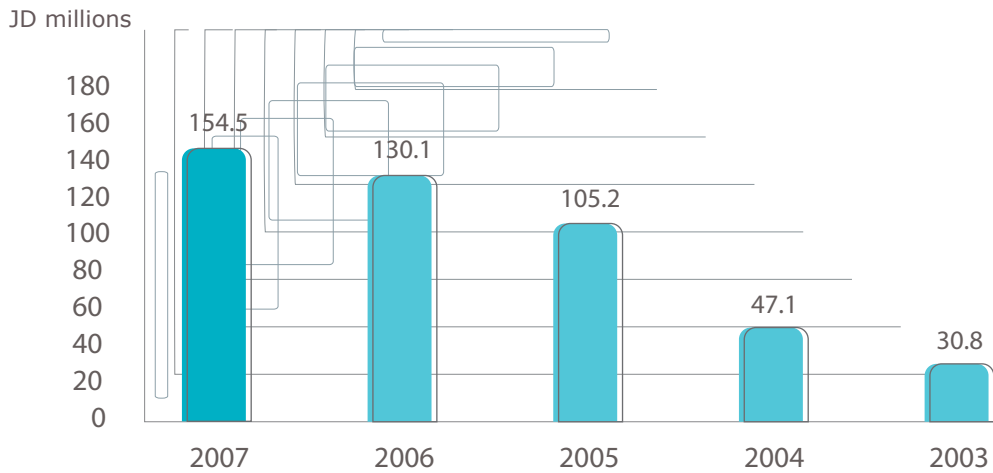
Gross Income increased by 18% from JD 201.9 million in 2006 to JD 238.8 million in 2007. Total expenses (excluding interests) increased by 18% from JD 72 million in 2006, to JD 84.9 million in 2007.



Profits

2007 witnessed the highest profit levels since the Bank's establishment. Profits (before tax) grew by 19% from JD 130.1 million in 2006 to JD 154.5 million. After tax, the Bank's profits were JD 111.5 million compared to JD 94.7 million in 2006, which translates into a rise of 18%, thus maintaining a high rate in both ROaA at 2.5% and ROaE at 12.9%.

Profit before Income Tax

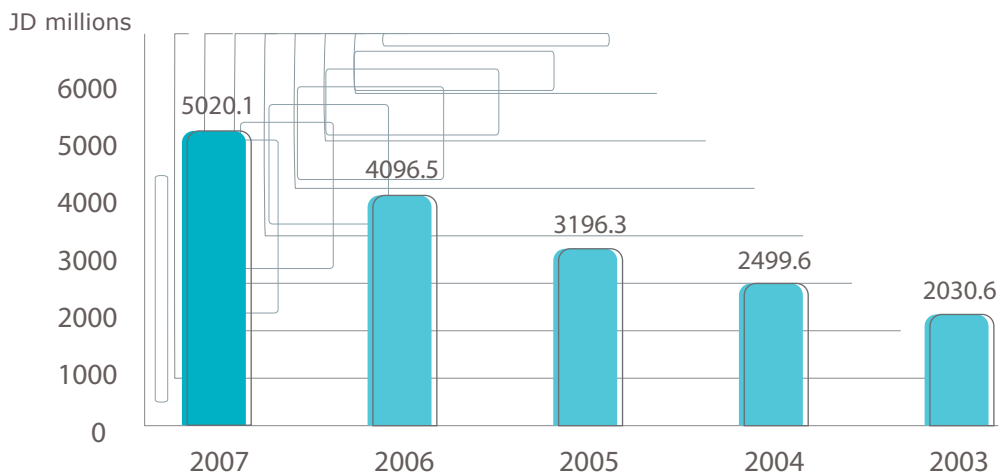


Analysis of Balance Sheet

The Bank's sound financial position is confirmed and supported by the record figures reflected by the balance sheet. The Bank's total assets reached JD 5020.1 million, representing a rise of 23% from JD 4096.5 million in 2006.

The substantial growth in the balance sheet comes as a result of an increase in customers' deposits & direct credit facilities.

Total Assets



Analysis of most important developments on both sides of the Balance Sheet

Direct Credit Facilities

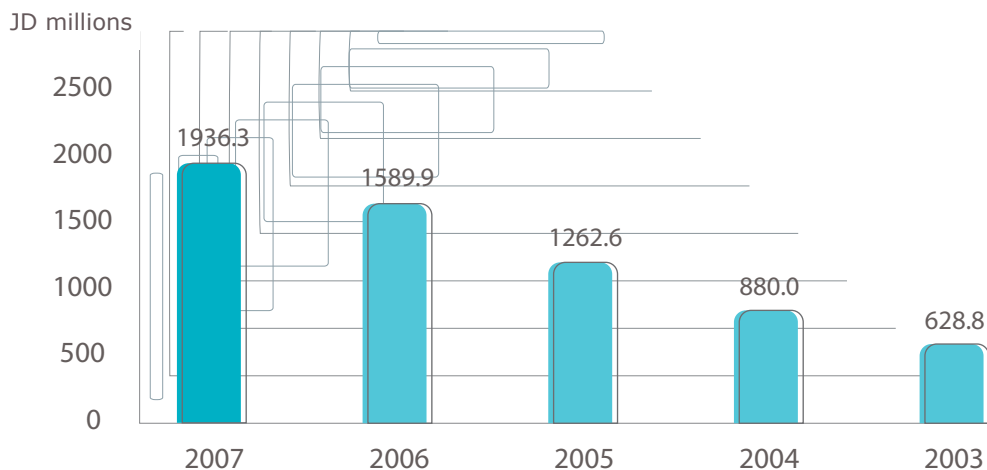
During 2007, the Bank achieved a strong 21% growth in the balance of total direct credit facilities reaching JD 1995.1 million, an increase of JD 349.5 million over 2006. The net balance of total direct credit facilities totaled JD 1936.3 million, showing growth of 22% over the previous year.

Subsequently, the Bank has increased its share of Jordanian credit market to 14.1%, compared with 13.9% in 2006.

This significant increase in the direct credit facilities balance indicates the success of the Bank's strategy in this area, as well as the role it plays in supporting national economic activities, as well as corporate and retail customers.

HBTF is proud of the strong record of its prudent policy in credit risk management, which aims at creating a high quality credit portfolio through the diversification of its resources (considered as an additional precautionary principle), and the improvement of Bank's collection methods efficiency. This prudent policy improved the levels of Non-performing Loans (NPLs) from 3.5% at the end of 2006 to 3.2% at the end of 2007.

Credit Facilities - Net

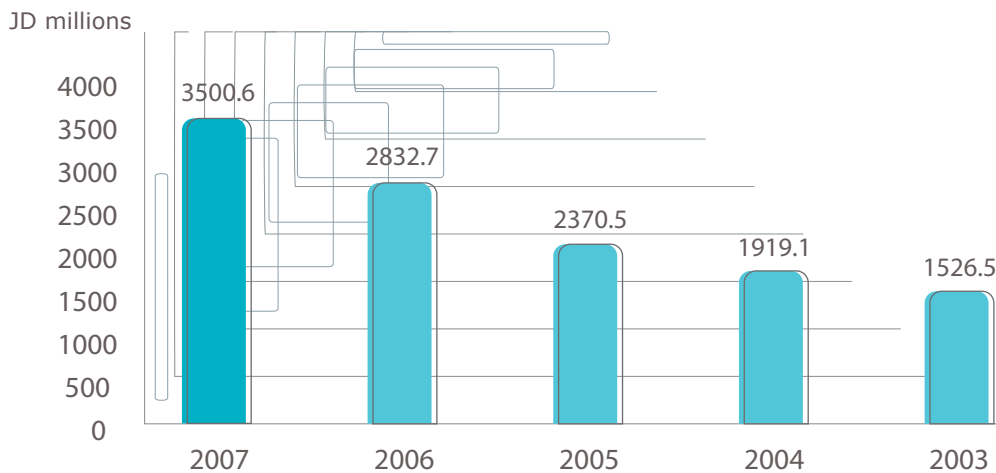


Customers' Deposits

Amidst increasing competition in the local banking market, HBTF has been successful in meeting the requirements of its customers on the one hand, and in attracting less-costly financing resources on the other. The total balance of deposits climbed 25% to JD 3731.2 million at the end of 2007 from JD 2977.7 million in 2006. Excluding banks and financial institutions deposits with HTBF, the balance of customer' deposits totaled JD 3500.6 million, a rise of 24% from JD 2832.7 million in 2006.

The increase in Bank's balance of deposits came as a result of growing customer confidence, and higher staff-customer relationship levels, as well as financial and in-kind rewards and incentives to saving accounts owners. As a result, the bank grew its share in the local deposits market from 16.3% in 2006 to 17.1% in 2007.

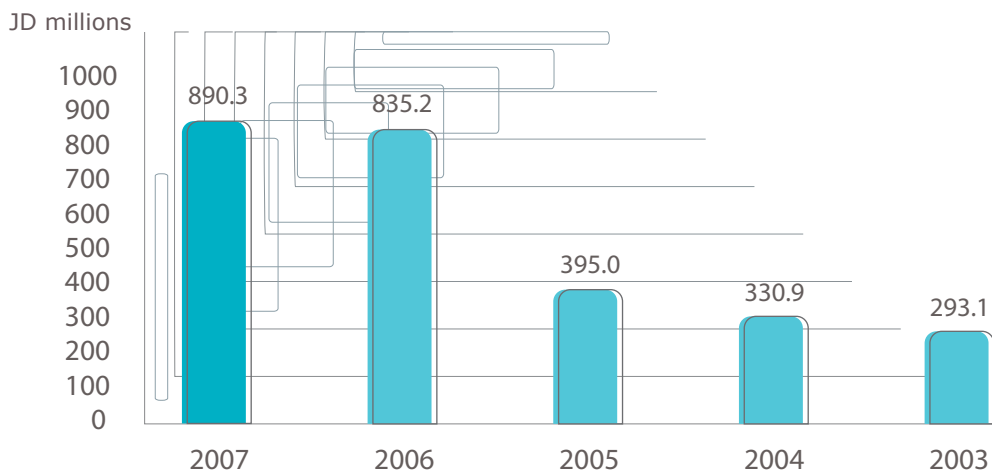
Customers' Deposits



Shareholders' Equity

The Bank's total shareholders' equity reached JD 850.5 million, an increase of 5% from JD 808.4 million in 2006. By adding minority interests, total Equity reaches JD 890.3 million, a rise of 7% from JD 835.2 million in 2006. Thus, the Bank achieved capital adequacy at the rate of 29.40%, which is much higher than locally and internationally required levels.

Shareholders' Equity



Retail Banking Group

During 2007, the Housing Bank for Trade & Finance sustained its competitive edge in a market that witnessed a growing momentum in the retail banking products and services. The Bank maintained a leading position in its branches network and advanced delivery channels, as well as introduced a number of products and services tailored to retail banking customers, while maintaining acceptable risk ratios. In addition, the Bank concluded alliances with a number of suppliers in order to provide opportunities which are suitable to customers at competitive prices, and thus achieved a win-win situation among suppliers, consumers, and the Bank.



During the year, the Bank restructured the organization of the Retail Banking Group and redesigned its customer centric processes, thus increasing business volumes, and at the same time maintaining the highest levels of service quality. Through specialized competencies that are designated to pre-sales, sales, and after sales activities, the Bank was able to conduct market research and develop customers' segmentation criteria, all of which aimed at providing customers with their wants and needs through their preferred delivery channels. Moreover, the customer care setup within the Retail Banking Group monitored service quality and ensured customers' satisfaction, thus providing the proper feedback for further improvements in both offered products and service quality.

Commercial Banking Group

The separation of the credit function from business during 2007 resulted in a more focused marketing approach by the Commercial Banking Group, and at the same time ensured high quality of its credit portfolio. The Group has successfully increased its volume of business and revenues, and expanded its credit portfolio through developing strong and long-term business relationships with corporate and commercial banking customers, as well as building new banking relationships with potential customers in both the public and private sectors. The Group's efforts also focused on providing customers with integrated financial solutions especially tailored to meet the needs of large cap customers, and small and medium-sized businesses (SMEs). Such efforts also bolstered non-funded credit facilities and resulted in a considerable increase in fee income.



Treasury Group

Treasury group reinforced its leading role in optimally managing the Bank's liquidity through the interbank market and investing excess liquidity in Jordanian Treasury issues and international capital market instruments at the best possible rate, which contributed in finding growing sources of revenue.

The group continued to grow business activities by introducing advanced investment products and services and increasing foreign exchange revenues which positively impacted the bank's revenues as a whole.





Corporate & Investment Banking Group

The Corporate & Investment Banking Group continued its corporate finance activities in financing infrastructure and investment projects and providing financial advisory services to many local and foreign owned companies.

The Bank solidified its position as one of the distinguished names in corporate finance in Jordan by playing a leading role as lead arranger and agent to finance local large-scale projects within various sectors such as energy, transportation, and commercial real estate.

Its major activates in 2007 included financing the Natural Gas Pipeline Expansion Project; arranging a syndicate in favor of the National Sugar Company-Syria; arranging a syndicate

in favor of Enara; and acting as lead manager for the JD 60 million bond issuance in favor of Greater Amman Municipality.

The Bank's strategic plan emphasizes expanding its consultation and advisory services in mergers & acquisitions, IPOs and bond issuance, as well as continuing to lead syndicated loans for major projects in Jordan and the region.

Wealth Management & Private Banking Group



Wealth Management & Private Banking Group was established in 2007 as an independent group specialized in and dedicated to serve high net worth customers.

The new group aims at achieving growth and development in the bank's business through providing to its customers innovative and quality Private Banking services and products, such as Personal Banking, Asset Management, Financial Planning, Investment Advisory Services, Foreign Exchange related instruments, Local & International Brokerage services and Mutual Funds in Local, Regional and International Markets. These will translate in increasing Bank's non-interest income and improving its market position locally and regionally.

Credit Group



Following the separation of credit from business, the Bank consolidated its credit functions under one organizational structure that aims at implementing best international standards and practices, and fulfilling Central bank of Jordan requirements.

The Credit Management plays a vital role in monitoring and controlling the various stages of credit processes in order to maintain a high quality credit portfolio of well balanced and properly mitigated risks consistent with the Bank's Credit Risk Policies.

Group Risk Management

In 2007, Risk Management was restructured into an independent Group Risk Management (GRM) reporting directly to the CEO. The GRM goal is to manage Credit Risk, Market / Liquidity Risk, Operational Risk, Business Continuity, Information Security and other risks effectively and efficiently. During the year GRM completed the primary framework for Basel II implementation and the automation of the capital adequacy ratio calculation. The Business Continuity Planning project was also launched utilizing the professional services of Ernst & Young.



Information Technology

Stemming from a Business Aligned IT strategy, the Information Technology Group (ITG) has launched and implemented several key initiatives and strategic projects to support the bank's product offerings and customer facing channels. ITG has a direct link to the bank's operational efficiency, cost rationalization, and regulatory compliance, ITG is closely managed on those pillars.

In 2007, we've seen the closure of several key projects such as; the implementation of a new Branch Automation System, a major upgrade to the ATM network, the new Central Bank of Jordan driven Electronic Check Clearing system, and enhanced Call Center capabilities. As we look towards 2008, ITG has launched an ambitious project to select and implement a new Core Banking System that will transform the bank's Information Technology architecture and systems roadmap and position for future growth.



Human Resources

2007 was a busy year for the Human Resource Group (HRG), upon the completion of a major consulting assignment with a world leading HR Consulting House, HRG implemented several key programs in the areas of Job Structuring, Job Evaluation, and Salary Scales. In addition, Core Competencies were developed for a myriad of jobs in the bank, which all lead to the development of an updated Performance Evaluation System based on modern industry best practices.

2008 is an exciting year for the HRG and the bank, as we complete our work on Talent Development, and the completion of HR initiatives to continue strengthening our position as the employer of choice in Jordan and beyond.



Corporate Center & Strategy Management



Following a comprehensive review of the bank's organization structure during 2007, the Corporate Center & Strategy Management function was established. The main responsibilities of this function include conducting economic and strategic research to provide the management team with organic and exogenous expansion opportunities both locally and cross-border, to manage the process of strategy formulation and implementation, and to ensure that projects stemming from the strategy realize the desired business benefits. This function is also responsible for corporate communication inclusive of brand management and marketing.

Through these cross-functional activities, the Corporate Center aims at creating a coordinated platform among the various functions in the Bank conducive to achieving annual targets within a unified strategic direction.

Social Responsibility

HBTf considers its social responsibility role as an essential part of its image and commitment to contribute to the welfare of the societies in which it operates. Such contribution is evidently displayed in our sponsorship and participation in many cultural, athletic, artistic, educational, and other social events and activities.

For example, the Bank participated actively and assumed a leading role in supporting the campaign that was launched to promote the ancient city of Petra as one of the Seven Wonders of the World. In addition, the Bank sponsored environment protection programs, and participated in childcare seminars, and banking and technology conferences.



Pursuant to the unique & distinguished performance accomplished by the bank in the last four years, and the positive perspective to continue success, the bank is about to implement a strategic plan in the year 2008, supported by detailed executive working plans. Through its new ambitious plan, the bank aspires to face the latest local, regional and international market developments, and to achieve balanced future growth in all indicators and financial ratios, in addition to record excellent performance in financial & banking services and products.

The new strategic plan includes important aspects detailed as follows:

First: Support Growth and Profitability Indicators

Increase the bank's profits through achieving sustainable profit growth, which shall result in improving ROaE through:

- 1- Increase revenues through optimal utilization of resources.
- 2- Control expenditures, and achieve economies of scale in all operations and activities.
- 3- Application of prudent credit policy which shall participate in improving quality of the credit portfolio.
- 4- Expansion of limited- risk services generating non-interest income.
- 5- Increase the bank's market share in all sectors, through concentrating on quality service, aggressive marketing, and communication with present and potential customers.

Second: Enhance Local and Regional Banking Presence

The bank will exert relentless efforts to find out new opportunities for local and foreign growth and expansion, enabling it to increase its geographical scope of business, and diversify its investment assets, in order to maintain its leading position among regional financial and banking institutions, increase the shareholders' profits and returns, and diversify its income resources.

Third: Excellence in Services and Products

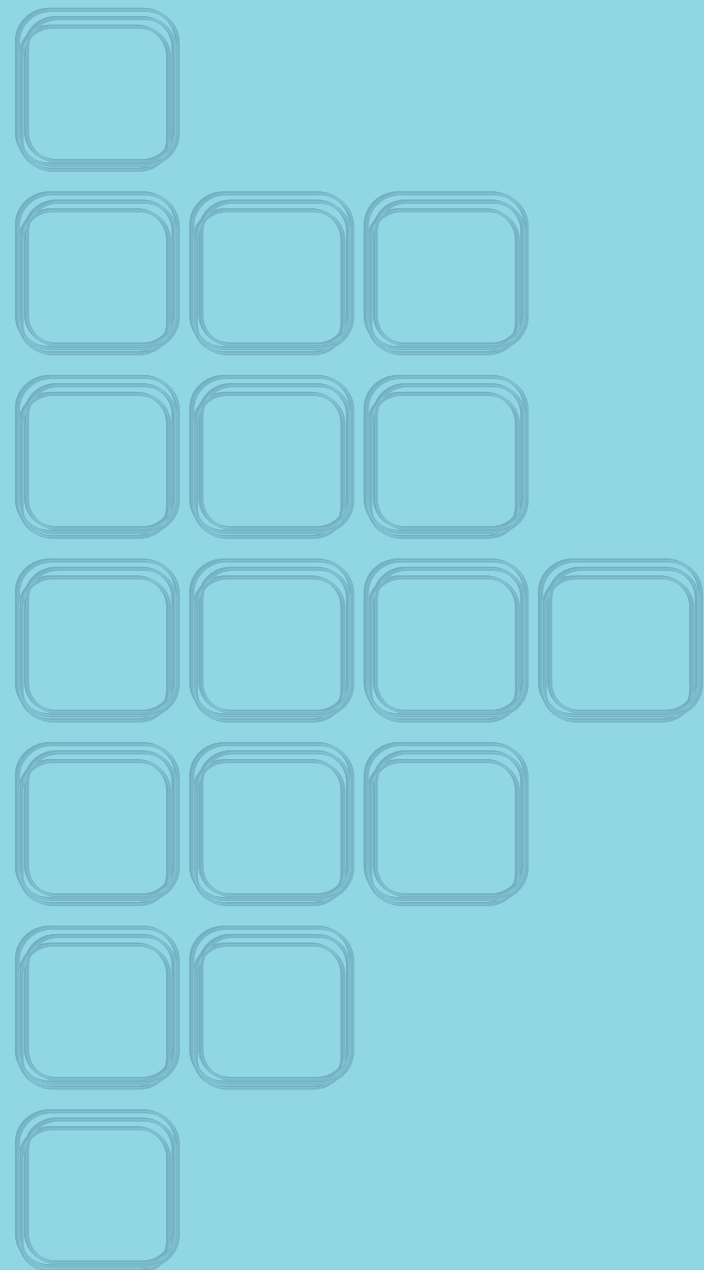
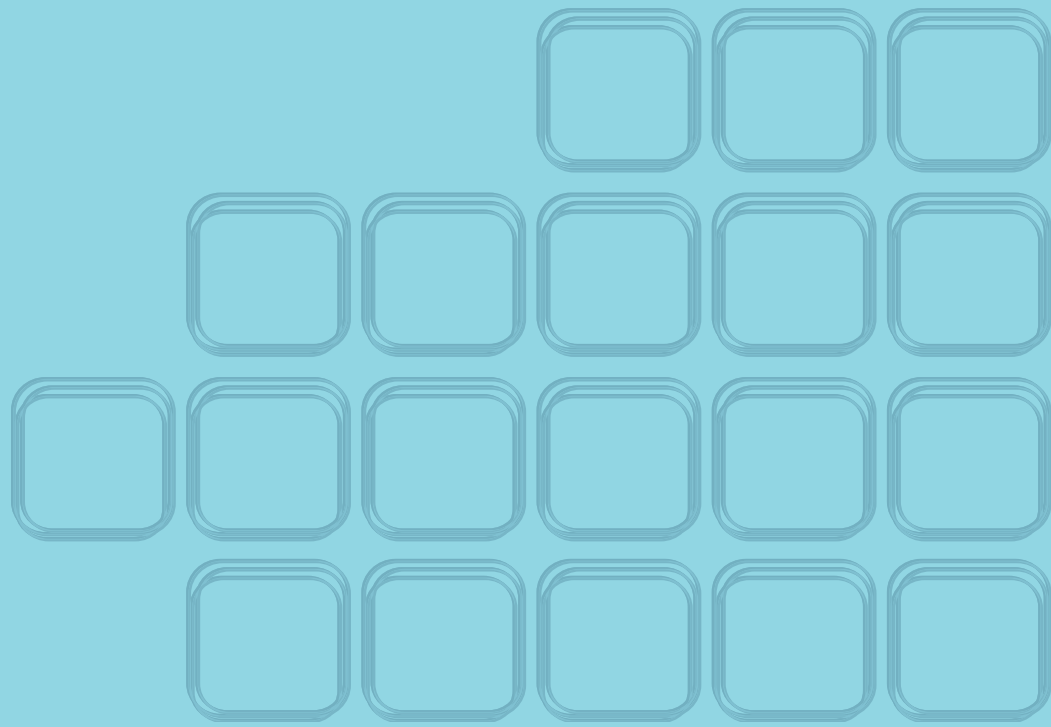
Based on its leading role as a pioneer institution in providing financial and banking services and products, the bank will continue its efforts to achieve more excellence and leadership in market services and products, enhance quality of customers' services, in order to continue meeting their satisfaction through introducing new standards for excellence, application of state-of-the-art international financial and banking technologies wherever the bank carries out its activities.

Fourth: Application of Prudent Management, Disclosure & Transparency

In view of the long professional history and complete commitment with the highest professional & ethical standards in all business fields, the bank will relentlessly continue its efforts to apply the best disclosure and transparency practices in all its operations and activities, in conformity with the rules and regulations issued by the Central Bank of Jordan, and the Financial Securities Commission.

With a view to improve the bank's practices in the field of Corporate Governance, and to fulfill the instructions of the Central Bank of Jordan, as well as the instructions issued by the Basel Commission concerning enhancement of Corporate Governance in the financial institutions, the Bank has prepared a Corporate Governance Code in conformity with the best international practices. This Report includes the Code in details.

Within the same context, the bank will continue its commitment to combat and prevent money laundering and financing terrorism through systems and reports especially tailored for such purpose, as well as abidance by Banking Ethics Code, in addition to application of the new principles of Basel II convention.



**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
THE HOUSING BANK FOR TRADE AND FINANCE
AMMAN-JORDAN**

Report On The Financial Statements

We have audited the accompanying financial statements of the Housing Bank for Trade and Finance - Public Shareholding Company, which comprise of the consolidated balance sheet as at December 31, 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Housing Bank for Trade and Finance as of December 31, 2007 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report On the Legal and Regulatory Requirements

The Bank maintains proper accounting records, and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

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

Ernst and Young
Amman - Jordan

Deloitte and Touche M.E - Jordan

January 31, 2008

CONSOLIDATED BALANCE SHEET At December 31, 2007

	Notes	2007 JD	2006 JD
ASSETS			
Cash and balances with central banks	4	1,113,230,435	857,117,033
Balances with banks and financial institutions	5	776,086,331	553,329,133
Deposits with banks and financial institutions	6	33,465,029	44,929,018
Trading investments	7	16,283,262	16,906,752
Credit facilities	8	1,936,250,617	1,589,871,677
Available-for-sale investments	9	610,542,971	557,558,357
Held-to-maturity investments	10	376,014,087	328,578,723
Investments in associates	11	20,590,622	19,853,021
Property and equipment – net	12	68,325,146	54,904,516
Intangible assets	13	2,079,366	1,740,183
Deferred tax assets	20	8,551,922	8,755,448
Other assets	14	<u>58,651,978</u>	<u>62,906,446</u>
TOTAL ASSETS		<u>5,020,071,766</u>	<u>4,096,450,307</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Banks and financial institutions' deposits	15	230,644,309	145,004,371
Customers' deposits	16	3,500,562,100	2,832,729,875
Margin accounts	17	233,778,949	165,729,096
Loans and borrowings	18	1,457,217	3,035,346
Sundry provisions	19	13,570,787	13,501,875
Income tax provision	20	48,325,011	38,615,624
Deferred tax liabilities	20	1,438,411	1,545,000
Other liabilities	21	<u>100,000,945</u>	<u>61,090,387</u>
TOTAL LIABILITIES		<u>4,129,777,729</u>	<u>3,261,251,574</u>
EQUITY			
EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS			
Paid-in capital	22	250,000,000	250,000,000
Share premium	22	349,377,566	349,377,566
Treasury shares	23	(19,504,151)	(19,424,857)
Statutory reserve	24	68,159,949	54,002,619
Voluntary reserve	24	33,222,068	33,222,068
General banking risks reserve	24	20,000,000	20,000,000
Foreign currency translation adjustments	25	4,232,617	590,684
Cumulative change in fair value	26	1,237,686	6,931,317
Retained earning	27 , 28	<u>143,753,000</u>	<u>113,738,068</u>
TOTAL EQUITY ATTRIBUTABLE to the BANK'S SHAREHOLDERS		<u>850,478,735</u>	<u>808,437,465</u>
MINORITY INTERESTS		<u>39,815,302</u>	<u>26,761,268</u>
TOTAL EQUITY		<u>890,294,037</u>	<u>835,198,733</u>
TOTAL LIABILITIES AND EQUITY		<u>5,020,071,766</u>	<u>4,096,450,307</u>

The accompanying notes from 1 to 51 are part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT For The Year Ended December 31, 2007

	Notes	2007 JD	2006 JD
Interest income	29	281,619,864	215,988,312
Interest expense	30	<u>(106,915,355)</u>	<u>(74,801,322)</u>
Net Interest Income		174,704,509	141,186,990
Net commission	31	<u>24,249,722</u>	<u>19,556,080</u>
Net Interest and Commission Income		198,954,231	160,743,070
Net gain from foreign currencies	32	7,320,625	5,269,149
(Losses) from trading investments	33	(1,548,098)	(2,031,505)
Net profit from available for-sale-investments	34	8,928,026	17,590,771
Other income	35	<u>25,176,035</u>	<u>20,358,280</u>
Gross Income		238,830,819	201,929,765
Employees' expenses	36	41,972,996	33,932,329
Depreciation and amortisation	12,13	8,876,132	7,739,011
Other expenses	37	31,804,396	25,937,706
Impairment loss on direct credit facilities	8	258,265	3,935,238
Sundry provisions	19	<u>1,995,478</u>	<u>448,084</u>
Total Expenses		84,907,267	71,992,368
Operating profit		153,923,552	129,937,397
Bank's share of profit from associates	11	<u>607,654</u>	<u>135,179</u>
Profit before tax		154,531,206	130,072,576
Less : Income tax expense	20	<u>43,067,912</u>	<u>35,366,710</u>
Profit for the year		111,463,294	94,705,866
Attributable to :			
Bank's shareholders		107,771,689	92,363,657
Minority interests		3,691,605	2,342,209
		<u>111,463,294</u>	<u>94,705,866</u>
Basic earnings per share to equity holders of the Bank	38	0.435 J.D	0.391 J.D
Diluted earnings per to equity holders of the Bank	38	0.432 J.D	0.387 J.D

The accompanying notes from 1 to 51 are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For the year ended December 31, 2007

	Reserves										Total Equity Attributable to the Bank's shareholders	Minority Interests	Total Equity
	Paid-in Capital	Share premium	Treasury Shares	Statutory	Voluntary	General Banking Risks	Foreign Currency Translation Adjustments	Cumulative Change in Fair Value	Retained Earnings	Total Equity			
2007	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance, beginning of the year	250,000,000	349,377,566	(19,424,857)	54,002,619	33,222,068	20,000,000	590,684	6,931,317	113,738,068	808,437,465	26,761,268	835,198,733	
Foreign currency translation adjustment	-	-	-	-	-	-	3,513,399	-	-	3,513,399	1,721,379	5,234,778	
Change in fair value-net	-	-	-	-	-	-	-	(5,693,631)	-	(5,693,631)	-	(5,693,631)	
Others	-	-	-	-	-	-	128,534	-	742,546	871,080	(38,677)	832,403	
Total income and expenses for the year recognised directly in equity	-	-	-	-	-	-	3,641,933	(5,693,631)	742,546	(1,309,152)	1,682,702	373,550	
Profit for the year	-	-	-	-	-	-	-	-	107,771,689	107,771,689	3,691,605	111,463,294	
Total income and expenses for the year Total income and expenses for the year	-	-	-	-	-	-	3,641,933	(5,693,631)	108,514,235	106,462,537	5,374,307	111,836,844	
Increase in capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	8,627,468	8,627,468	
Transfer to/from reserves	-	-	-	14,157,330	-	-	-	-	(14,157,330)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	(64,341,973)	(64,341,973)	(947,741)	(65,289,714)	
Treasury shares	-	-	(79,294)	-	-	-	-	-	-	(79,294)	-	(79,294)	
Balance, end of the year	250,000,000	349,377,566	(19,504,151)	68,159,949	33,222,068	20,000,000	4,232,617	1,237,686	143,753,000	850,478,735	39,815,302	890,294,037	

- Restricted retained earnings amounting to JD 28,056,073 at December 31, 2007 consist of deferred income tax asset and cost of treasury shares, (2006: JD 28,180,305).
 - General banking risks reserve is a restricted reserve that cannot be disposed of unless approval is obtained from the Central Bank and others regulatory authorities.

The accompanying notes from 1 to 51 are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For the year ended December 31, 2006

	Paid-in Capital	Share premium	Treasury shares	Reserves			Foreign Currency Translation Adjustments	Cumulative Change in Fair value	Retained Earnings	Total Equity Attributable to the Bank's shareholders	Minority Interests	Total Equity
				Statutory	Voluntary	General Banking Risks						
2006	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance, beginning of the year	100,000,000	49,884,008	-	41,844,376	33,222,068	12,502,237	(1,454,704)	21,879,602	115,885,407	373,762,994	21,270,110	395,033,104
Foreign currency translation adjustments	-	-	-	-	-	-	2,045,388	-	-	2,045,388	1,483,903	3,529,291
Cumulative changes in fair value-net	-	-	-	-	-	-	-	(14,948,285)	-	(14,948,285)	-	(14,948,285)
Increase in capital fees	-	(506,442)	-	-	-	-	-	-	-	(506,442)	-	(506,442)
Others	-	-	-	-	-	-	-	145,010	145,010	145,010	156,577	301,587
Total income and expenses for the year recognised directly in equity	-	(506,442)	-	-	-	-	2,045,388	(14,948,285)	145,010	(13,264,329)	1,640,480	(11,623,849)
Profit for the year	-	-	-	-	-	-	-	-	92,363,657	92,363,657	2,342,209	94,705,866
Total income and expenses for the year	-	(506,442)	-	-	-	-	2,045,388	(14,948,285)	92,508,667	79,099,328	3,982,689	83,082,017
Increase in capital	150,000,000	300,000,000	-	-	-	-	-	-	(50,000,000)	400,000,000	1,508,469	401,508,469
Transfer to/from reserves	-	-	-	12,158,243	-	7,497,763	-	-	(19,656,006)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Treasury shares	-	-	(19,424,857)	-	-	-	-	-	(19,424,857)	(19,424,857)	-	(19,424,857)
Balance, end of the year	250,000,000	349,377,566	(19,424,857)	54,002,619	33,222,068	20,000,000	590,684	6,931,317	113,738,068	808,437,465	26,761,268	835,198,733

The accompanying notes from 1 to 51 are part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT For The Year Ended December 31, 2007

	Note	2007 JD	2006 JD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		154,531,206	130,072,576
Adjustments for:			
Depreciation and amortization		8,876,132	7,739,011
Impairment loss on direct credit facilities		258,265	3,935,238
Sundry provisions		1,995,478	448,084
Bank's share of profit from associates		(607,654)	(135,179)
Effect of exchange rate changes on cash and cash equivalents		(4,190,387)	(2,307,624)
End of service indemnity expense		3,168,516	1,594,647
Others		<u>11,111,571</u>	<u>3,345,175</u>
Operating profit before changes in operating assets and liabilities		175,143,127	144,691,928
Decrease (increase) in deposits with central banks (maturing after more than 3 months)		6,700,000	(88,800,000)
Decrease (increase) in deposits with banks and other financial institutions		11,463,989	(41,328,180)
(Increase) in trading investments		(1,082,579)	(2,890,065)
(Increase) in credit facilities		(346,747,234)	(331,285,589)
Decrease (increase) in other assets		3,839,798	(8,816,986)
(Decrease) Increase in banks and financial institutions' deposits (maturing after more than 3 months)		(24,862,557)	35,500,431
Increase in customers' deposits		667,832,225	462,270,823
Increase (decrease) in margin accounts		68,049,853	(32,540,588)
Increase in other operating liabilities		38,671,249	7,028,293
(Decrease) in sundry provisions		<u>(5,095,082)</u>	<u>(1,780,365)</u>
Net cash from operating activities before income tax		593,912,789	142,049,702
Income tax paid		<u>(33,154,998)</u>	<u>(32,069,376)</u>
Net cash from operating activities		560,757,791	109,980,326
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of held – to – maturity investments		(168,190,333)	(165,409,743)
Redemption of held – to – maturity investments		117,491,165	74,258,000
Purchase of available – for – sale investments		(316,927,910)	(250,795,415)
Proceeds from sale of available – for – sale investments		252,029,399	141,935,119
Purchase of property and equipment		(20,932,707)	(18,533,412)
Proceeds from sale of property and equipment		195,481	282,651
Purchase of intangible assets		<u>(1,815,682)</u>	<u>(1,996,281)</u>
Net cash used in investing activities		(138,150,587)	(220,259,081)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in paid-in capital and share premium		-	399,493,558
Purchase of treasury shares		(79,294)	(19,424,857)
Dividends paid		(64,102,663)	(25,051,461)
Repayment of loans and borrowings		(1,578,129)	(26,463,250)
Minority interests		<u>10,388,667</u>	<u>3,148,949</u>
Net cash (used in) from financing activities		(55,371,419)	331,702,939
Net increase in cash and cash equivalents		367,235,785	221,424,184
Effect of exchange rate changes on cash and cash equivalents		4,190,387	2,307,624
Foreign currency translation adjustments		3,641,933	2,045,388
Cash and cash equivalents , beginning of the year		<u>1,139,742,226</u>	<u>913,965,030</u>
Cash and cash equivalents, end of the year	39	<u>1,514,810,331</u>	<u>1,139,742,226</u>

The accompanying notes from 1 to 51 are part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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 are located in Amman – Jordan and it is engaged in commercial banking business through its branches in Jordan (96 branches) and abroad, Palestine and Bahrain (10 branches) and through its subsidiaries .
- The Bank's shares are quoted on the Amman Stock Exchange
- The consolidated financial statements were authorized for issue by the Bank's Board of Directors according to resolution No.1/2007 dated 31 Jan. 2008. They are subject to the approval of the General Assembly of Shareholders .

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

- The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the standards issued by the International Accounting Standards Board (IFRSs) and interpretations of the International Financial Reporting Interpretations Committee stemming from the International Accounting standards Committee and in conformity with the applicable laws and regulations of the Central Bank of Jordan.
- The consolidated financial statements are prepared on the historical cost basis except for derivatives and investment securities other than held-to-maturity investments, that have been measured at fair value.
- The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

Changes in Accounting Policies

The accounting policies adopted are consistent with those used in the previous year. As of December 31, 2007 the bank applied new IFRSs which had no effect on the bank's financial position or performance, but resulted in additional disclosures. The new IFRSs are disclosed in note 49 of the financial statements.

Summary of Significant Accounting Policies:

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company using consistent accounting policies. All balances, transactions, income, and expenses between the bank and the subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases.

Consolidated subsidiaries are:

- International Bank for Trade and Finance / Syria (paid in capital 3000 million Syrian Lira (2006: Syrian Lira 1,500) equivalent to JD 41.9 million (2006: JD 20.5 million) of which the Bank owns 49% as of December 31, 2007 and 2006). The main objective is to conduct commercial banking activities. The Bank's contribution in this bank dates back to the year 2003.

- International Bank for Trade and Finance / Syria (paid in capital 3000 million Syrian Lira (2006: Syrian Lira 1,500 Million) equivalent to JD 41.9 million (2006: JD 20.5 million) of which the Bank owns 49% as of December 31, 2007 and 2006). The main objective is to conduct commercial banking activities. The Bank's contribution in this bank dates back to the year 2003.
- The Housing Bank for Trade and Finance – Algeria (paid-in capital Algerian Dinar 2,700 million (2006: Algerian Dinar 2,700 million) equivalent to JD 25.8 million (2006: JD 25.8 million) of which the Bank's ownership was 64.74% as of December 31, 2007 (52%: 2006). The main objective is to conduct commercial banking activities. The Bank's contribution has been owned since 2002.
- International Financial Center Company- Jordan (paid-in capital JD 4 million (2006: JD 2.25 million) of which the Bank owns 77.5% as of December 31, 2007). The Company's main activity is financial brokerage. The Bank's contribution has been owned since 1998.
- Jordan and Palestine Financial Investment Company - Palestine (paid-in capital JD 2.5 million (2006: JD 2.15 million) of which the Bank owns 99.9% as of December 31, 2007 (2006:99.5%)). The Company's main activity is financial brokerage. The Bank's contribution has been owned since 1996.
- Specialized Lease Finance Co./ Jordan , of which the Bank owns 100% of paid- in capital amounting to JD 20 million as of 31 December 2007 and 31 December 2006. The Company's main activity is lease financing. The Bank's contribution has been owned since 2005.
- Jordan Real Estate Investments Company. The Bank owns 100% of this company's paid- in capital of JD 40,000 at 31 December 2007 and 2006. The company's main activity is to own and manage land and properties and to manage others properties, and to perform related services, consultation, and management searches. The Bank's has been contribution owned since 1997.

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

Minority interests represent the portion of equity in the subsidiaries not held by the Bank.

Segment information

Business segments represent a group of assets and operating that jointly provide products or services subject to risks and returns different from other business segments.

Geographical segments relates to the provision of products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Trading Investments

Trading investments are those purchased with the intent to be resold in the near future to generate gains as a result of changes in market prices of such investments.

They are initially recognized at cost and subsequently remeasured at fair value. All realized and unrealized gains or losses on such assets are taken to the income statement including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.

Interest earned and dividends received are recorded in the income statement.

Direct credit facilities

- Credit facilities are initially recognised at the fair value of consideration given and subsequently measured at amortised cost after allowance for credit losses and interest and commission in suspense.
- Impairment of direct credit facilities is recognised in the allowance for credit losses when events occur after the initial recognition of the facility that have an impact on the estimated future cash flows of the facilities that can be reliably estimated. The impairment is recorded in the income statement.
- Interest and commission arising on non-performing facilities is suspended when loans become impaired according to the Central Bank of Jordan's regulations.

-Loans and the related allowance for credit losses are written off when collection procedures become ineffective. The excess in the allowance of possible loan losses, if any, is transferred to the statement of income, and cash recoveries of loans that were previously written off are credited to the income statement.

Finance lease investments

Lease investments are classified as finance leases when all risks and benefits of ownership transfer to lessees. All other lessees are classified as operating lessees.

Investments in finance leases are stated at net present value after deducting unearned revenue and impairment provisions. Moreover revenue from financial leases is taken on the accrual basis.

Direct lease costs are included in leases net present value.

Available-for-sale financial investments

Available-for-sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances.

After initial measurement, available-for-sale financial investments are measured at fair value. Unrealised gains and losses are recognised directly in equity as 'Cumulative change in fair value reserve'. When the security is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement.

The losses arising from impairment of such investments are recognised in the income statement and removed from the cumulative change in fair value reserve. Reversal of impairment on equity instruments is reflected in the cumulative change in fair value, while reversal of impairment on debt instruments is transferred to the income statement.

Gains or losses on debt instruments resulting from foreign exchange rate changes are transferred to the income statement. On equity instruments, such gains and losses are transferred to the cumulative change in fair value.

Interest earned on available-for-sale financial investments is reported as interest income using the effective interest method.

Financial assets available for sale which can not be reliably measured at fair value are recorded at cost. Impairment on such assets is recognised in the income statement.

Held-to-maturity investments

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the Bank has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognised at cost, being the fair value of consideration given including directly attributable transaction costs. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Fair value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices.

For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- Analysis of the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.
- Recent market transactions.

Where the fair value of an investment cannot be reliably measured, it is stated at the fair value of consideration given or amortised cost and any impairment in the value is recorded in the income statement.

Impairment in financial assets

Assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset is impaired. If such evidence exists, any impairment loss, is recognized in the income statement.

Impairment is determined as follows:

- For assets carried at amortized cost, impairment is based on estimated cash flows discounted at the original effective interest rate.
- For assets carried at the fair value, impairment is the difference between cost and the fair value.
- For assets carried at cost, impairment is based on the difference between the fair value of consideration given and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment is recognised in the income statement. If, in a subsequent period, the amount of the impairment loss decreases, the carrying value of the asset is increased to its recoverable amount. The amount of the reversal is recognised in the income statement and for equity instruments classified as available for sale investments for which the reversal is recognized in the statement of equity.

Investments in associates

An associate is an entity in which the Bank has significant influence over its financial and operating policies (but does not exercise control), usually as the result of shareholding of between twenty and fifty percent of the voting rights. The Bank's investment in its associate is accounted for using the equity method of accounting.

Profits and losses resulting from transactions between the Bank and the associate are eliminated to the extent of the interest in the associate.

If the reporting dates of the associate and the Bank are different then the investment in associate is shown at cost.

Investment properties

Investment properties are measured at cost less accumulated depreciation. They are depreciated over their estimated useful lives using a rate of 2%. Impairment, if any, is recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Land is not depreciated. The depreciation rates used are as follows:

Buildings	2%
Equipment, furniture and fixtures	5% - 15%
Vehicles	20%
Computer	14% -33%

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

Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

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

Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

Employee end-of-service indemnity

Provision for end-of-service indemnity is established by the Bank for any legal or contractual obligations at the end of the employees' services according to the accumulated service terms at the date of the balance sheet and the Bank's internal regulations.

Income Tax

Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the income statement. Accounting profits may include non-taxable profits or tax deductible expenses which may be exempted in the current or subsequent financial years.

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

Deferred tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted at the balance sheet date.

The carrying values of deferred income tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Capital

Cost of issuing and purchasing paid-in capital

Any expenses incurred as a result of issuing additional paid in capital shall be recognized in equity (net of any deferred taxes if applicable). If the increase in capital process was not concluded, then such expenses will be transferred to the income statement.

Treasury shares

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at cost. Treasury shares have no voting rights and are not subject to any distributable dividends or income. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Bank's own equity instruments. Gains from sale of treasury shares shall be recorded in additional paid in capital under equity, while losses shall be transferred to retained earnings when paid in capital balance is exhausted.

Fiduciary assets

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

Offsetting

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

Revenue and expense recognition

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

Expenses are recognised on an accrual basis.

Commission income is recognised upon the rendering of services. Dividend income is recognised when the right to receive payment is established.

Trading and settlement date accounting

Purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Bank commits to purchase or sell the asset.

Hedge accounting

The Bank makes use of derivative instruments to manage exposures, these are recognized at fair value as follows:

-Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of the Bank's recognised assets or liabilities that is attributable to a particular risk.

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as adjustment to the carrying value of the hedged item and is also recognised in the income statement.

- Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in the Bank's actual and expected cash flows which is attributable to a particular risk associated with a recognised asset or liability.

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in equity, and is subsequently transferred to the income statement in the period in which the hedged cash flows affect income, or at such time as the hedge becomes ineffective. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the income statement.

- Hedge of a net investment

Hedges of net investments in a foreign operation are accounted for by measuring the fair value of the hedging instrument. The effective portion of the gain or loss on the hedging instrument is initially recognised directly in equity, while the ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to the income statement.

For hedges which become ineffective, gains or losses resulting from the change in fair value of the hedge instrument are recognised directly in the income statement.

Derivative financial instruments held for trading

Derivative financial instruments such as foreign currency forward and future deals, interest rate forward and future deals, swaps, foreign currency options and others, are initially recorded at cost as other assets / liabilities, and subsequently carried at fair value in the balance sheet. Fair value is determined by reference to current market prices. In case such prices were not available, the method of valuation is stated. Changes in fair value are transferred to the income statement.

Repurchase and resale agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognised in the Bank's financial statements due to the Bank's continuing exposure to the risks and rewards of these assets using the same accounting policies.

The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognised as an interest expense over the agreement term using the effective interest method.

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

Assets obtained by the Bank

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

Intangible assets

a) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is from the date of acquisition allocated to each of the Bank's cash-generating units, or groups of cash-generating units. Where the recoverable amount of the cash-generating unit is less than the carrying value, an impairment loss is recognised.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount. Impairment losses are transferred to the income statement.

b) Other intangible assets

Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets with finite lives are amortised over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.

Internally generated intangible assets are not capitalised and are expensed in the income statement.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed, at each reporting date. Adjustments are reflected in the current and subsequent periods.

Other intangible assets consist of computer software that are amortized using the straight -line method over 3 years.

Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the balance sheet date as issued by Central Bank of Jordan. Any gains or losses are taken to the income statement.

Translation gains or losses on non-monetary items carried at fair value (such as stocks) through equity are included in equity as part of the cumulative changes in fair value. For non-monetary items carried at fair value through profit and loss, such gains and losses are taken to the income statement.

As at the reporting date, the assets and liabilities of foreign subsidiaries and overseas branches are translated into the Bank's presentation currency at the rate of exchange ruling at the balance sheet date, and their income statements are translated at the weighted average exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is transferred to the income statement.

Cash and cash equivalents

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

(3) USE OF ESTIMATES

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

- Provision for credit losses: The Bank reviews its loan portfolios according to the Central Bank of Jordan regulations and these of other countries where the bank operates.
- Impairment losses on the valuation of dependant collateral are determined based on appraisal reports prepared by certified appraisers and reviewed periodically.
- The income tax provision is calculated based on the application the laws .
- Management periodically reevaluates the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the income statement .
- A periodic review is performed on the estimated useful lives of assets. Moreover, assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Losses are recognised in the income statement.
- Legal provisions are provided for lawsuits raised against the Bank based on the Bank's legal advisors' opinion.

4- CASH AND BALANCES WITH CENTRAL BANKS

	2007 JD	2006 JD
Cash on hand	95,770,663	74,529,443
Balances at central banks		
Current and demand accounts	300,594,781	117,326,870
Term and notice deposits	35,882,671	7,100,000
Statutory cash reserve	265,293,484	215,560,720
Certificates of deposit *	415,688,836	442,600,000
Total	1,113,230,435	857,117,033

- Except for the statutory cash reserve, there are no restricted balances as of December 31, 2007 and 2006.

*Including JD 154,500,000 due after more than three months as of December 31, 2007 (2006: JD 161,200,000).

5- BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

	Local		Foreign		Total	
	2007 JD	2006 JD	2007 JD	2006 JD	2007 JD	2006 JD
Current and demand accounts	27,102,596	848,245	48,220,881	63,044,320	75,323,477	63,892,565
Deposit maturing within 3 months	-	5,000,000	700,762,854	484,436,568	700,762,854	489,436,568
Total	27,102,596	5,848,245	748,983,735	547,480,888	776,086,331	553,329,133

Non-interest bearing balances at banks and financial institutions amounted to JD 13,249,759 as of December 31, 2007 (2006: JD 7,518,065).

There are no restricted balances as of December 31, 2007 and 2006.

6- DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

	Foreign Banks and Financial Institutions	
	2007 JD	2006 JD
Deposits maturing between 3 and 6 months	22,374,714	36,868,018
Deposits maturing between 6 and 9 months	1,066,315	-
Deposits maturing between 9 and 12 months	4,296,000	8,061,000
Deposits maturing after more than one year	5,728,000	-
Total	33,465,029	44,929,018

7- TRADING INVESTMENTS

	2007	2006
	JD	JD
Listed debt securities	11,107,605	11,107,605
Listed equities	5,092,385	5,799,147
Others *	83,272	-
Total	16,283,262	16,906,752

* Represents the fair value of forward contract for sale of STB 10 million and purchasing Euro that matures in January 2008 contracted by the bank's subsidiary (International Bank for Trade and Finance / Syria).

8- CREDIT FACILITIES-NET

	2007	2006
	JD	JD
Consumer Lending:		
Overdrafts	17,313,423	17,163,581
Loans and discounted bills *	363,934,394	330,342,775
Credit cards	10,533,992	8,113,908
Residential mortgages and commercial real estate	432,516,298	337,319,872
Corporate lending:		
Overdrafts	159,814,268	127,007,132
Loans and discounted bills *	618,720,941	370,228,969
SMEs lending:		
Overdrafts	65,502,534	90,348,233
Loans and discounted bills *	130,846,915	161,850,557
Lending to governmental sectors	195,925,604	203,255,481
Total	1,995,108,369	1,645,630,508
Less : suspended interest	19,422,477	16,220,903
Less : Provision for impairment losses	39,435,275	39,537,928
Net loans and advances	1,936,250,617	1,589,871,677

*Net of interest and commission received in advance amounting to JD 30,352,685 as of December 31, 2007 (JD 25,315,752 in 2006).

- Non-performing credit facilities amounted to JD 80,782,029 representing 4.05% of total facilities as of December 31, 2007 and JD 71,676,858, representing 4.36% of total facilities as of December 31, 2006.
- Non-performing credit facilities net of interest in suspense amounted to JD 63,222,190, representing 3.2% of total facilities net of interest in suspense as of December 31, 2007 and JD 56,950,600, representing 3.5% of total facilities net of interest in suspense as of December 31, 2006.
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 106,357,936 representing 5.33% of total facilities as of December 31, 2007 and JD 162,527,540 representing 9.9% of total facilities as of December 31, 2006.

A reconciliation of the allowance for impairment losses for direct credit facilities by class is as follows:

2007	Consumer	Residential mortgages & commercial real estate	CORPORATE ENTITIES		
			Corporate	SMEs	Total
	JD	JD	JD	JD	JD
Balance at January 1,	13,127,835	6,656,663	9,090,451	10,662,979	39,537,928
(Surplus) charge during the year	(1,058,117)	(185,988)	711,085	791,285	258,265
Amounts written off	(166,973)	(4,851)	-	(189,094)	(360,918)
Balance at December 31,	11,902,745	6,465,824	9,801,536	11,265,170	39,435,275
Individual impairment	11,797,602	5,816,215	7,944,504	10,481,750	36,040,071
Collective impairment	105,143	649,609	1,857,032	783,420	3,395,204
Balance at December 31,	11,902,745	6,465,824	9,801,536	11,265,170	39,435,275

2006	Consumer	Residential mortgages & commercial real estate	CORPORATE ENTITIES		
			Corporate	SMEs	Total
	JD	JD	JD	JD	JD
Balance at January 1,	10,221,263	6,855,347	9,311,746	9,720,026	36,108,382
(Surplus) charge during the year	3,209,336	(195,885)	(221,295)	1,143,082	3,935,238
Amounts written off	(302,764)	(2,799)	-	(200,129)	(505,692)
Balance at December 31,	13,127,835	6,656,663	9,090,451	10,662,979	39,537,928
Individual impairment	13,008,491	6,461,135	7,611,562	8,998,878	36,080,066
Collective impairment	119,344	195,528	1,478,889	1,664,101	3,457,862
Balance at December 31,	13,127,835	6,656,663	9,090,451	10,662,979	39,537,928

- Allowance of impairment losses credit facilities settled or collected during the year amounted to JD 3,822,336 during 2007 and JD 3,164,966 during 2006.

A reconciliation of suspended interest on direct credit facilities by class is as follows:

2007	Consumer	Residential mortgages & commercial real estate	CORPORATE ENTITIES		
			Corporate	SMEs	Total
	JD	JD	JD	JD	JD
Balance at January 1,	3,385,128	5,496,160	2,501,096	4,838,519	16,220,903
Add: Suspended interest during the year	2,680,871	782,494	2,039,754	1,031,145	6,534,264
Less: Amounts transferred to income on recovery	(789,787)	(460,771)	(423,855)	(870,575)	(2,544,988)
Amounts written off	(136,314)	(428,450)	-	(222,938)	(787,702)
Balance at December 31,	5,139,898	5,389,433	4,116,995	4,776,151	19,422,477

2006	Consumer	Residential mortgages & commercial real estate	CORPORATE ENTITIES		
			Corporate	SMEs	Total
	JD	JD	JD	JD	JD
Balance at January 1,	2,807,607	5,663,910	1,821,118	5,891,571	16,184,206
Add: Suspended interest during the year	1,352,425	1,468,374	1,763,227	647,819	5,231,845
Less: Amounts transferred to income on recovery	(483,208)	(1,378,896)	(347,573)	(1,042,804)	(3,252,481)
Amounts written off	(291,696)	(257,228)	(735,676)	(658,067)	(1,942,667)
Balance at December 31,	3,385,128	5,496,160	2,501,096	4,838,519	16,220,903

9- AVAILABLE-FOR-SALE INVESTMENTS

	2007 JD	2006 JD
Quoted investments:		
Governmental and government guaranteed bonds	232,734,931	213,804,414
Corporate debt securities	175,830,129	161,149,834
Equities	15,037,332	19,226,133
Funds	105,588,549	138,091,952
	529,190,941	532,272,333
Unquoted investments:		
Governmental and government guaranteed bonds	41,022,963	2,375,150
Corporate debt securities	25,977,186	8,207,095
Equities	14,351,881	14,703,779
	81,352,030	25,286,024
Total	610,542,971	557,558,357
Analysis of debt instruments:		
Fixed rate	399,791,101	326,618,396
Floating rate	75,774,108	58,918,097
Total	475,565,209	385,536,493

- Included in unquoted equities an amount of JD 14,351,881 as of December 31, 2007 (JD 14,703,779 as of December 31, 2006) that are carried at cost since their fair value could not be measured reliably. Impairment in the value of these shares was JD 48,349 which was recognised in the income statement as of December 31, 2007 (JD 57,412 as of December 31, 2006).
- Included in unquoted equities an amount of JD 3,814,460, representing 22.1% ownership in Jordan International Bank as of December 31, 2007 and 2006. The investment was not accounted for using the equity method due to the absence of significant influence by the Bank over the administrative and financial policies of the investee.

10- HELD-TO-MATURITY INVESTMENTS

	2007 JD	2006 JD
Quoted investments:		
Treasury bills	26,805,699	-
Governmental and government guaranteed bonds	238,133,566	218,516,873
Corporate debt securities	5,652,515	-
Others	736,078	10,347,250
	271,327,858	228,864,123
Unquoted investments:		
Treasury bills	43,449,316	97,220,142
Governmental and government guaranteed bonds	52,990,314	-
Corporate debt securities	8,246,599	2,494,458
	104,686,229	99,714,600
Total	376,014,087	328,578,723
Analysis of debt instruments:		
Fixed rate	367,469,087	322,199,454
Floating rate	8,545,000	6,379,269
Total	376,014,087	328,578,723

- Held to maturity investments mature during the period from 3 month to 7 years. All bonds have fixed payments.
- Average yearly interest rate between 4.25% - 9.5%.

11- INVESTMENTS IN ASSOCIATES

Company name	Country	% of Owner-ship and Voting Rights	Activity	Date of Financial Statements	Bank's Share of Profit from Associates	Investment Cost	Carrying amount
Associates						JD	JD
The Housing Company for Tourism and Hotel Investments *	Jordan	%50	Hotels and trade	31/12/2007	50%	19.3 million	20.6 million

* This is a private unlisted shareholding company and the Bank's contribution amounted to 20.6 million as of December 31, 2007 (2006: JD 19.6 million).

A reconciliation of investments in associates is as follows:

	2007 Housing Company for Tourism and Hotel Investments	2006 Housing Company for Tourism and Hotel Investments
	JD	JD
Balance at January 1,	19,853,021	19,717,842
Bank's share of profit from associate	607,654	135,179
Adjustments (last year profit)	129,946	-
Balance at December 31,	20,590,621	19,853,021

The following table illustrates the summarised financial information of the Bank's investment in its associate:

	2007 Housing Company for Tourism and Hotel Investments	2006 Housing Company for Tourism and Hotel Investments
	JD	JD
Bank's share of assets /liabilities and revenues of associates		
Total assets	45,772,558	45,603,786
Total liabilities	(25,181,937)	(25,750,765)
Net Assets	20,590,621	19,853,021
Total Revenue	6,790,061	5,398,771

12- PROPERTY AND EQUIPMENT – NET

	Land	Buildings	Equipment furniture & fixtures	Vehicles	Computer & equipment	Others	Total
2007	JD	JD	JD	JD	JD	JD	JD
Cost							
At January 1,	14,381,033	16,024,243	34,113,743	1,367,025	26,885,741	3,396,974	96,168,759
Additions	2,050,458	2,095,033	5,616,979	695,137	3,823,672	492,736	14,774,015
Disposals	(46,913)	(266,545)	(538,249)	(209,545)	(2,177,668)	-	(3,238,920)
Foreign currency translation	150,941	318,463	189,699	12,228	62,605	-	733,936
At December 31,	16,535,519	18,171,194	39,382,172	1,864,845	28,594,350	3,889,710	108,437,790
Accumulated depreciation:							
At January 1,	-	3,614,250	23,090,979	974,056	19,168,111	2,531,129	49,378,525
Annual depreciation	-	405,510	3,080,532	265,965	3,195,692	451,933	7,399,632
Disposals	-	(101,521)	(533,371)	(159,867)	(2,112,060)	-	(2,906,819)
Foreign currency translation	-	26,160	64,123	7,625	29,219	-	127,127
At December 31,	-	3,944,399	25,702,263	1,087,779	20,280,962	2,983,062	53,998,465
Net book value of Property, Plant and Equipment	16,535,519	14,226,795	13,679,909	777,066	8,313,388	906,648	54,439,325
Payments on Property, Plant and Equipment	-	-	1,778,531	-	2,162,847	-	3,941,378
Projects under construction	-	9,944,443	-	-	-	-	9,944,443
Property, Plant and Equipment – net	16,535,519	24,171,238	15,458,440	777,066	10,476,235	906,648	68,325,146
2006							
Cost							
At January 1,	11,683,417	14,158,286	30,364,809	1,386,625	23,769,097	3,259,365	84,621,599
Additions	2,500,901	1,977,855	4,183,658	59,022	3,888,769	137,609	12,747,814
Disposals	-	(195,108)	(518,310)	(89,537)	(807,313)	-	(1,610,268)
Foreign currency translation	196,715	83,210	83,586	10,915	35,188	-	409,614
At December 31,	14,381,033	16,024,243	34,113,743	1,367,025	26,885,741	3,396,974	96,168,759
Accumulated depreciation:							
At January 1,	-	3,250,753	21,018,537	864,084	17,131,728	1,939,731	44,204,833
Annual depreciation	-	356,028	2,532,451	195,447	2,808,294	591,398	6,483,618
Disposals	-	-	(486,696)	(89,534)	(782,830)	-	(1,359,060)
Foreign currency translation	-	7,469	26,687	4,059	10,919	-	49,134
At December 31,	-	3,614,250	23,090,979	974,056	19,168,111	2,531,129	49,378,525
Net book value of Property, Plant and Equipment	14,381,033	12,409,993	11,022,764	392,969	7,717,630	865,845	46,790,234
Payments on Property, Plant and Equipment	-	-	3,308,714	-	111,900	-	3,420,614
Projects under construction	-	4,693,668	-	-	-	-	4,693,668
Property, Plant and Equipment – net	14,381,033	17,103,661	14,331,478	392,969	7,829,530	865,845	54,904,516

- Property, plant and equipment included fully depreciated items amounting to JD 20,852,777 as of December 31, 2007 and JD 20,345,293 as of December 31, 2006.
- Contractual commitments in connected with projects are included in note 48.
- Property, plant and equipment include leased properties and equipments amounted to JD 1,863,645 which will be owned by the bank at the end of contracts.

13- INTANGIBLE ASSETS

	2007			2006		
	Software	Goodwill*	Total	Software	Goodwill*	Total
	JD	JD	JD	JD	JD	JD
At 1 January	1,740,183	-	1,740,183	999,295	-	999,295
Additions	1,443,349	372,333	1,815,682	1,996,281	-	1,996,281
Amortization	(1,476,499)	-	(1,476,499)	(1,255,393)	-	(1,255,393)
At 31 December	1,707,033	372,333	2,079,366	1,740,183	-	1,740,183

*Goodwill was acquired through purchasing an additional share (12.74%) of the Bank's subsidiary (The Housing Bank for Trade & Finance/ Algeria) from one of the shareholders and the bank's ownership became 64.74%.

14- OTHER ASSETS

	December 31,	
	2007	2006
	JD	JD
Accrued interest and revenue	20,165,335	15,574,068
Prepaid expenses	3,831,050	3,710,012
Investment properties *	103,966	103,966
Assets obtained by the bank by calling on collateral **	6,208,391	6,335,671
Cheques under collection	24,649,398	32,390,788
Others	3,693,838	4,791,941
Total	58,651,978	62,906,446

* The fair value of investment properties amounted to JD 119,000 as of December 31, 2007 and 2006. The fair value of investment properties is estimated by property appraisers.

** Included in assets obtained by the bank by calling on collateral is unregistered real estate amounting to JD 129,000 as of December 31, 2007 and JD 59,500 as of December 31, 2006. Central Bank of Jordan instructions require that the repossessed assets are sold within two years of repossession.

A reconciliation of assets obtained by the bank by calling and collateral during the year is as follows:

	2007	2006
	JD	JD
At 1 January	6,335,671	8,184,369
Additions	1,591,864	1,479,994
Disposals	(1,719,144)	(3,328,692)
At 31 December	6,208,391	6,335,671

15- BANKS AND FINANCIAL INSTITUTIONS DEPOSITS

	December 31, 2007			December 31, 2006		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
Current accounts and demand deposits	12,218,457	87,819,888	100,038,345	3,786,704	47,416,437	51,203,141
Deposits maturing within 3 months	7,870,951	112,097,139	119,968,090	1,584,425	56,716,374	58,300,799
Deposits maturing between 3 and 6 months	10,635,000	2,874	10,637,874	-	35,500,431	35,500,431
Total	30,724,408	199,919,901	230,644,309	5,371,129	139,633,242	145,004,371

16- CUSTOMERS' DEPOSITS

2007	Consumer	Corporate	SMEs	Government & Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts & demand deposits	435,034,855	129,343,989	141,255,277	58,602,343	764,236,464
Saving deposits	956,712,518	1,225,939	5,392,394	124,986	963,455,837
Time and notice deposits	1,134,616,826	369,585,372	136,571,161	128,142,576	1,768,915,935
Certificates of deposits	137,878	-	2,664,757	-	2,802,635
Others	1,151,229	-	-	-	1,151,229
Total	2,527,653,306	500,155,300	285,883,589	186,869,905	3,500,562,100

2006	Consumer	Corporate	SMEs	Government & Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts & demand deposits	381,552,411	40,361,440	148,799,895	43,469,093	614,182,839
Saving deposits	909,330,440	334,233	8,073,239	413,136	918,151,048
Time and notice deposits	901,434,639	154,211,808	134,142,289	103,147,902	1,292,936,638
Certificates of deposits	-	-	5,342,037	-	5,342,037
Others	2,117,313	-	-	-	2,117,313
Total	2,194,434,803	194,907,481	296,357,460	147,030,131	2,832,729,875

- Government and Public sector of Jordan deposits amounted to JD 183.5 million, representing 5.2% of total deposits as of December 31, 2007 and JD 135 million, representing 4.8% of total deposits as of December 31, 2006.
- Non-interest bearing deposits amounted to JD 754.9 million, representing 21.6% of total deposits as of December 31, 2007 and 615.7 million, representing 21.7% of total deposits as of December 31, 2006.
- Restricted deposits amounted to JD 75.3 million, representing 2.2% of total deposits as of December 31, 2007 and JD 60.3 million, representing 2.1% of total deposits as of December 31, 2006.
- Dormant accounts amounted to JD 25.3 million, representing 0.7% of total deposits as of December 31, 2007 and JD 21.4 million, representing 0.8% of total deposits as of December 31, 2006.

17- MARGIN ACCOUNTS

	2007 JD	2006 JD
Direct credit facilities	101,119,254	95,960,695
Indirect credit facilities	131,683,581	68,458,176
Margin dealings	976,114	1,310,225
Total	233,778,949	165,729,096

18- LOANS AND BORROWINGS

31 December 2007	Amount	No. of Instalments		Periodic	Collaterals	Borrowing	Re-lending
	JD	Total	Outstanding	Repayment		Interest Rate	Interest Rate
From Local Companies							
Real Estate Mortgage Re- Finance Company *	916,652	108	9	Monthly	Government	6.97 %	7.47%
Real Estate Mortgage Re- Finance Company *	459,000	120	17	Monthly	Government	5.93 %	6.43%
	1,375,652						
From Foreign Banks							
Palestine Company for Real Estate Mortgage	48,978	120	77	Monthly	Financial solvency	5.50%	8.50%
Palestine Company for Real Estate Mortgage	32,587	240	197	Monthly	Financial solvency	5.50%	8.50%
	81,565						
Total	1,457,217						

31 December 2006	Amount	No. of Instalments		Periodic	Collaterals	Borrowing	Re-lending
	JD	Total	Outstanding	Repayment		Interest Rate	Interest Rate
From Local Companies							
Real Estate Mortgage Re- Finance Company *	2,138,876	180	21	Monthly	Government	7.30%	7.80%
Real Estate Mortgage Re- Finance Company *	783,000	120	29	Monthly	Government	5.73%	6.23%
	2,921,876						
From Foreign Banks							
Palestine Company for Real Estate Mortgage	24,456	60	27	Monthly	Financial solvency	5.50%	8.50%
Palestine Company for Real Estate Mortgage	55,214	120	89	Monthly	Financial solvency	5.50%	8.50%
Palestine Company for Real Estate Mortgage	33,800	240	209	Monthly	Financial solvency	5.50%	8.50%
	113,470						
Total	3,035,346						

- Amounts borrowed do not include re-purchase agreements.
- Fixed rate loans amounted to JD 81,565 and loans with floating rate amounted to JD 1,375,652 as at 31 Dec. 2007.
- Fixed rate loans amounted to JD 113,470 and loans with floating rate amounted to JD 2,921,876 as at 31 Dec. 2006.

* Amounts borrowed have been re-lent to the Housing Funds

19- SUNDRY PROVISIONS

2007	Balance at 1 January	Provided During the Year	Utilised During the Year	Transferred to Income	Balance at 31 December
	JD	JD	JD	JD	JD
End-of-service indemnity	9,086,589	3,168,516	(1,879,227)	-	10,375,878
Lawsuit provision and contingent liabilities	571,463	48,401	(9,281)	(4,627)	605,956
Other provisions *	3,843,823	2,937,758	(3,206,574)	(986,054)	2,588,953
Total	13,501,875	6,154,675	(5,095,082)	(990,681)	13,570,787

2006	Balance at 1 January	Provided During the Year	Utilised During the Year	Transferred to Income	Balance at 31 December
	JD	JD	JD	JD	JD
End-of-service indemnity	8,186,934	1,594,647	(694,992)	-	9,086,589
Lawsuit provision and contingent liabilities	535,932	38,755	(3,224)	-	571,463
Other provisions *	4,516,643	2,016,795	(1,082,149)	(1,607,466)	3,843,823
Total	13,239,509	3,650,197	(1,780,365)	(1,607,466)	13,501,875

* This amount includes provisions for due vacancies.

20- INCOME TAX

A- Income tax liability

The movement on the income tax provision is as follows:

	2007	2006
	JD	JD
At 1 January	38,615,624	32,858,887
Income tax paid	(33,154,998)	(32,069,376)
Current income to be charge	42,864,385	37,826,113
At 31 December	48,325,011	38,615,624

- The bank reached a final settlement with the income tax department for the year ended 31 December, 2004 for Jordan branches.
- The bank reached a final settlement with the income tax department for the year ended 31 December 2005 for Palestine branches.
- The bank reached a final settlement with the income tax department for the year ended 31 December 2004 for subsidiaries companies.

Tax returns for the Bank and the subsidiary for the year 2005 have been submitted and the declared income tax paid to the Income tax Departments, these returns had been reviewed by the Tax Departments and final settlement not issued until the date of these financial statements.

Tax return for the Bank and the subsidiaries for the year 2006 have been submitted and the declared income tax paid to the Income tax Departments, these returns have not been reviewed by the Income Tax Departments.

In the opinion of the Bank's management, income tax provisions as of 31 December 2007 are sufficient.

Income tax appearing in the income statement represents the following:

	2007	2006
	JD	JD
Current income tax charge	42,864,385	37,826,113
Charges of deferred tax assets	(5,741,486)	(6,068,261)
Reversal of deferred tax assets	5,945,013	4,587,048
Reversal of deferred tax liabilities	-	(978,190)
	43,067,912	35,366,710

B- Deferred income tax assets / liabilities

	2007					2006
	Balance at 1 January	Amounts Released	Amounts Added	Balance at 31 December	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Assets						
Interest suspended	228,769	680,958	1,397,949	945,760	301,225	72,863
Provision for credit losses	6,427,584	5,178,954	4,522,510	5,771,140	1,838,108	2,047,185
Provision for end-of-service indemnity	8,207,190	1,828,173	2,836,505	9,215,522	2,935,144	2,613,990
Impairment of buildings	392,937	254,820	-	138,117	43,990	125,150
Other provisions	3,652,632	3,592,109	2,937,778	2,998,301	954,959	1,163,361
Other assets	8,637,596	7,130,648	6,559,831	8,066,779	2,478,496	2,732,899
TOTAL	27,546,708	18,665,662	18,254,573	27,135,619	8,551,922	8,755,448
Liabilities *						
Cumulative change in the fair value of available-for-sale investments	6,414,221	5,033,475	4,864,154	6,244,900	1,438,411	1,545,000
Others	6,414,221	5,033,475	4,864,154	6,244,900	1,438,411	1,545,000

*Deferred income tax liabilities include an amount of JD 1,438,411 (2006: JD 1,545,000) resulting from the revaluation gain on available for- sale investments included in the cumulative change in fair value in equity.

The movements on the deferred income tax assets/liabilities are as follows:

	2007		2006	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
At 1 January	8,755,448	1,545,000	7,274,235	8,154,348
Additions	5,741,487	1,168,442	6,068,261	4,808
Deductions	(5,945,013)	(1,275,031)	(4,587,048)	(6,614,156)
At 31 December	8,551,922	1,438,411	8,755,448	1,545,000

C- Reconciliation of the accounting profit with taxable profit is as follows:

	2007	2006
	JD	JD
Accounting profit	154,531,206	130,072,576
Non-taxable profit	(35,535,951)	(22,927,297)
Expenses not deductible in determining taxable profit	24,376,432	18,541,296
Taxable Profit	143,371,687	125,686,575
Effective rate of income tax	27.87%	27.19%

- The statutory tax rate on banks in Jordan is 35% and the statutory tax rates in the countries in which the Bank has investments range between 0%-30%.
- Tax rate on deferred tax assets range between 25%-35%.

21- OTHER LIABILITIES

	2007	2006
	JD	JD
Accrued interest expenses	7,120,614	5,217,548
Interest and commissions received in advance	512,504	330,612
Accrued expenses	8,785,139	6,791,571
Certified cheques	21,239,035	16,036,864
Transfers	11,462,100	10,578,939
Payment orders	829,608	449,429
Prize money	147,850	583,500
Correspondent banks trusts	450,357	360,335
General management trusts	867,020	609,624
Deferred income *	3,313,432	3,313,432
Dividend payable **	750,562	511,253
Deposit - unsubscribed shares ***	146,771	1,545,425
Subscriptions shares trust ****	28,170,768	-
Brokerage customers	6,245,599	4,321,380
Jordan university fees	1,415,733	1,215,824
Scientific research fund fees	1,030,629	1,215,824
Vocational and Technical Education and Training Fund fees	887,497	767,937
Other trusts	4,417,386	4,616,284
Others	2,208,341	2,624,606
Total	100,000,945	61,090,387

* Deferred income represents 50% of the gain from sale of the Housing Bank Commercial Complex, during the year 2001, to the Housing Company for Tourism and Hotels Investments (an associated company of which the Bank owns 50% of the share capital).

** Dividend payable remains unpaid from prior years dividends.

*** Deposit –unsubscribed shares represents amounts resulting from the sale of a portion of the increase in capital. The difference between the market price and the issue price of JD 4 was recorded as shareholders deposit amounting to 754,275 stocks. .

**** Represents excess in subscriptions to be refunded in relation capital increase of the bank's subsidiary (The International Bank for Trade and Finance / Syria).

22- PAID-IN CAPITAL AND ADDITIONAL PAID-IN CAPITAL

Paid-in capital

The authorized capital amounted to JD 252 million divided into 252 million shares at a par value of JD 1 per share. During the year 2006 the capital of the Bank was increased by issuing 152 million shares as follows:

- Stock dividends of 50 million to be distributed to shareholders representing 50% of the paid-in capital through capitalization of retained earnings.
- Private placement of 100 million shares to the shareholders of the Bank at a price of JD 4 for each share, JD 1 as par value and JD 3 as additional paid in capital.
- Allocation of 2 million shares to Jordan Armed Forces at a price to be determined by the Board of Director. Paid-in capital amounted to JD 250 million as of December 31, 2007 & 2006.

Share Premium

Share Premium amounted to JD 349,377,566 as of December 31, 2007 & 2006.

23- TREASURY SHARES

The treasury shares (cost) as of 31 December 2007 represent 2,530,876 shares with cost of JD 19,504,151 (2006: 2,519,045 shares with cost of JD 19,424,857).

The movements in treasury shares are as follows:-

	2007		2006	
	Amount	Number of shares	Amount	Number of shares
	JD		JD	
At 1 January	19,424,857	2,519,045	-	-
Purchase of treasury shares	79,294	11,831	19,424,857	2,519,045
At 31 December	19,504,151	2,530,876	19,424,857	2,519,045

- During January 2008 all treasury shares amounting to 2,530,876 shares were sold with a selling value of JD 20,520,054 to Qatar National Bank, whose ownership contribution became 32.5% of paid-in capital.

24- RESERVES

Statutory Reserve

As required by Law, 10% of the profit before tax and fees of the Jordan branches is to be transferred to the statutory reserve. The bank may resolve to discontinue such annual transfers when the reserve equals to the paid in capital. The statutory reserve is not available for distribution to shareholders.

Voluntary Reserve

The balance represents 20% of the profit before tax and fees transferred to the voluntary reserve during current and previous years. The reserve shall be used at the discretion of the Board of Directors, and it is distributable to shareholders in part or in full.

General Banking Risk Reserve

This reserve is appropriated from retained earnings in compliance with the regulations of the Central Bank of Jordan.

Restricted reserves are as follows:

Reserve	2007	2006	Restriction Law
	JD	JD	
General banking risk reserve	20,000,000	20,000,000	According to the Central Bank of Jordan regulations
Statutory reserve	68,159,949	54,002,619	Companies' law

25- FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

This represents exchange differences due to translation of the net assets in subsidiaries and foreign branches upon consolidation of the financial statements.

	2007	2006
	JD	JD
At 1 January	590,684	(1,454,704)
Additions during the year	3,641,933	2,045,388
At 31 December	4,232,617	590,684

26- CUMULATIVE CHANGE IN FAIR VALUE

	December 31, 2007			
	Shares	Bonds	Investment Funds	Total
	JD	JD	JD	JD
At 1 January	8,437,513	(3,490,359)	1,984,163	6,931,317
Unrealised gain (losses)	(659,310)	2,866,566	(2,685,530)	(478,274)
Deferred tax liabilities	993,345	(970,110)	83,354	106,589
Realized (gain) losses transferred to the income statement	(3,407,411)	1,284	(1,915,819)	(5,321,946)
Impairment losses	-	-	-	-
At 31 December *	5,364,137	(1,592,619)	(2,533,832)	1,237,686

	December 31, 2006			
	Shares	Bonds	Investment Funds	Total
	JD	JD	JD	JD
At 1 January	21,311,691	(712,276)	1,280,187	21,879,602
Unrealised gain (losses)	(9,650,252)	(3,799,767)	2,038,268	(11,411,751)
Deferred tax liabilities	4,146,881	933,425	329,246	5,409,552
Realized (gain) losses transferred to the income statement	(7,382,315)	88,259	(1,663,538)	(8,957,594)
Impairment losses	11,508	-	-	11,508
At 31 December *	8,437,513	(3,490,359)	1,984,163	6,931,317

* Cumulative change in fair value is presented net of deferred tax liabilities amounting to JD 1,438,411 as of December 31, 2007(2006: JD 1,545,000).

* Total negative values in cumulative change in fair value before deferred tax assets amounting to JD 5,210,071 as of December 31, 2007.

27- RETAINED EARNINGS

An amount of JD 28,056,073 as of December 31, 2007 is not available for distribution. It represents deferred tax assets and cost of treasury shares (JD 28,180,305 as of December 31, 2006).

28- PROPOSED DIVIDENDS

The Board of Directors will propose a cash dividend of JD 0.3 per share which is equivalent to 30% of paid in capital to the General Assembly of Shareholders at their annual meeting. Dividends distributed last year amounted to JD 0.26 per share which is equivalent to 26% of paid in capital.

29- INTEREST INCOME

	2007	2006
	JD	JD
Consumer lending		
Overdrafts	1,631,670	1,097,645
Loans and discounted bills	35,733,766	29,635,989
Credit cards	1,795,812	1,295,315
Others	161,079	307,195
Residential mortgages & commercial real estate	28,693,015	18,069,710
Corporate lending		
Overdrafts	12,077,530	9,201,903
Loans and discounted bills	32,471,287	23,809,253
SMEs lending		
Overdrafts	7,962,122	6,389,260
Loans and discounted bills	15,585,776	13,330,267
Government & public sector	17,046,293	17,452,487
Balances with central banks	37,134,967	24,641,406
Balances and deposits with banks and financial institutions	43,118,635	30,122,228
Trading investments	916,791	710,630
Available-for-sale investments	28,094,268	22,025,988
Held-to-maturity investments	19,196,853	17,899,036
Total	281,619,864	215,988,312

30- INTEREST EXPENSE

	2007	2006
	JD	JD
Banks and financial institutions deposits	8,082,356	5,175,503
Customers deposits :		
Current accounts and demand deposits	1,632,064	1,162,480
Saving deposits	11,685,788	10,231,287
Time and notice deposits	76,696,508	48,668,520
Certificates of deposit	73,823	66,797
Others	3,541	10,680
Margin accounts	4,566,480	4,514,517
Loans and borrowings	166,828	1,349,422
Deposits guarantee fees	4,007,967	3,622,116
Total	106,915,355	74,801,322

31- NET COMMISSION

	2007	2006
	JD	JD
Commission income :		
Direct credit facilities	11,701,507	9,448,892
Indirect credit facilities	12,833,955	10,387,886
Less: Commission expense	285,740	280,698
Net Commission	24,249,722	19,556,080

32- NET GAIN FROM FOREIGN CURRENCIES

	2007	2006
	JD	JD
Resulting from:		
Trading in foreign currencies	3,130,238	2,961,525
Revaluation of foreign currencies	4,190,387	2,307,624
Total	7,320,625	5,269,149

33- LOSSES FROM TRADING INVESTMENTS

	Realized (Losses) Gain	Unrealized Losses	Dividends Received	Total
	JD	JD	JD	JD
2007				
Equities	(4,018)	(1,706,069)	161,989	(1,548,098)
Total	(4,018)	(1,706,069)	161,989	(1,548,098)
2006				
Treasury bills and Bonds	(203)	(64,541)	-	(64,744)
Equities	559,277	(2,774,085)	248,047	(1,966,761)
Total	559,074	(2,838,626)	248,047	(2,031,505)

34- NET PROFIT FROM AVAILABLE-FOR-SALE INVESTMENTS

	2007	2006
	JD	JD
Dividend income	2,377,050	2,377,999
Gains from sale of available-for-sale investments	12,820,507	15,284,682
Less: impairment loss on available-for-sale investments	6,269,531	71,910
TOTAL	8,928,026	17,590,771

35- OTHER INCOME

	2007	2006
	JD	JD
Fees on salaries accounts	2,744,583	2,592,348
Credit card income	3,131,448	2,690,847
Safety Deposit Box rental income	209,245	205,227
Commissions on returned checks	396,845	296,608
Management fees	2,488,102	1,818,955
Net income from recovered loans	1,718,664	1,485,843
Charges on dormant and low-balance accounts	972,203	866,106
Net bonded income	111,511	90,382
Income from brokerage services	3,098,682	3,921,292
Banking services' fees	1,431,802	860,024
Income on transfers	5,684,635	4,233,077
Commission on cash withdrawals	452,993	380,035
Capital gains	83,037	36,305
Others	2,652,285	881,231
	25,176,035	20,358,280

36- EMPLOYEES' EXPENSES

	2007	2006
	JD	JD
Salaries and benefits	32,827,866	27,835,803
Bank's contribution to social security	2,534,112	2,178,314
Bank's contribution to saving fund	82,347	63,376
End-of-service indemnity	3,168,516	1,594,647
Medical expenses	1,200,893	1,168,182
Training expenses	992,748	169,302
Travel and transportation expenses	663,023	503,281
Others	503,491	419,424
	41,972,996	33,932,329

37- OTHER EXPENSES

	2007	2006
	JD	JD
Computer and software expenses	2,714,141	2,185,443
Stationery and printing	1,887,418	1,391,595
Maintenance and repairs	3,173,734	2,918,449
Post, telephone, telex, and internet	1,109,159	746,730
Rent	2,467,607	1,921,963
Water, fuel and electricity	1,164,671	996,180
Advertising	2,217,589	2,147,135
Donations *	879,752	285,460
Hospitality	269,741	296,453
Financial institutions subscription fees	978,369	878,439
Fees on credit facilities processing	548,985	439,539
Bad debts written off	110,029	97,298
Board of Directors' transportation and meetings	1,679,864	1,487,605
Consultation and research	2,284,914	1,466,172
Jordanian universities fees	1,415,733	1,215,824
Scientific research support fees	1,030,629	1,215,824
Vocational and technical training and education fund fees	887,623	767,937
Others	6,984,438	5,479,660
	31,804,396	25,937,706

* Includes land and building donated to the Palestinian Affairs Department in Jordan with market value of JD 1,202,904, as valued by the Central Governmental Committee.

38- EARNINGS PER SHARE

A- Basic earnings per share:

	2007	2006
	JD	JD
Profit for the year attributable to ordinary shareholders	107,771,689	92,363,657
Weighted average number of shares for basic earnings per share	247,470,035	236,482,919
Basic earnings per share attributable to shareholders of the bank	0.435	0.391

B- Diluted earnings per share:

	2007	2006
	JD	JD
Profit for the year attributable to ordinary shareholders	107,771,689	92,363,657
Weighted average number of shares for basic earnings per share	249,470,035	238,482,919
Basic earnings per share attributable to shareholders of the bank	0.432	0.387

39- CASH AND CASH EQUIVALENTS

Cash and cash equivalents appearing in the statement of cash flows consist of the following balance sheet items:

	2007	2006
	JD	JD
Cash and balances with central banks maturing within 3 months	958,730,435	695,917,033
Add: Balances with banks and financial institutions maturing within 3 months	776,086,331	553,329,133
Less: Deposits from banks and financial institutions maturing within 3 months	220,006,435	109,503,940
Cash and Cash Equivalents	1,514,810,331	1,139,742,226

40- DERIVATIVE FINANCIAL INSTRUMENTS

The details of financial derivatives as of December 31, 2007:

	Positive fair value	Negative fair value	Contractual amounts	Maturing within three months
	JD	JD	JD	JD
Forward foreign currencies sales contracts	-	(50,732)	(19,269,426)	(19,269,426)
Forward foreign currencies purchases contracts	105,042	-	19,323,736	19,323,736
	105,042	(50,732)	54,310	54,310

41- RELATED PARTIES TRANSACTIONS

These consolidated financial statements include the assets, liabilities and the results of operations of the Bank and the following subsidiaries:

Company Name	Ownership	Paid in capital	
		2007	2006
		JD	JD
The Housing Bank for Trade and Finance / Algeria	64.74%	25,811,284	25,811,284
International Bank for Trade and Finance / Syria	49%	41,920,486	20,650,486
Jordan and Palestine Financial Investment Co.	99.9%	2,500,000	2,150,000
International Financial Center	77.5%	4,000,000	2,250,000
Specialized Lease Finance Co.	100%	20,000,000	20,000,000
Jordan Real Estate Investment Co.	100%	40,000	40,000

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

Summary of related party transactions during the year :

	Related party					2007	2006
	Major shareholders	Investment in associates	Board of Directors	Executive Management	Others		
	JD	JD	JD	JD	JD	JD	JD
Balance sheet items							
Total deposits with related parties	75,304,040	-	60,170	-	21,191,381	96,555,591	26,362,553
Total deposits from related parties	-	158,433	54,470,943	1,054,572	-	55,683,948	64,224,467
Loans and advances granted to related parties	-	6,610,879	574,006	602,446	-	7,787,331	53,625,233
Off balance sheet items							
Guarantees and letters of credit	-	5,000	-	-	-	5,000	65,124,087
Income statement items							
Interest and commissions income*	1,231,872	712,973	666,804	31,025	1,127,808	3,770,482	9,459,913
Interest and commissions expense**	-	-	4,269,004	14,154	-	4,283,158	3,325,444

* credit interest rates on credit facilities range between 4%-10%

** debit interest rates on deposits range between 0%-6.25%

Compensation of the key management personnel is as follows:

	2007	2006
	JD	JD
Salaries & other benefits for senior management	2,016,018	1,845,216

42- FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are carried in the financial statements.

	2007		2006	
	Book Value	Fair Value	Book Value	Fair Value
	JD	JD	JD	JD
Held-to-maturity investments	376,014,087	376,227,914	328,578,723	328,978,539

Except for the above financial instruments, There are no material differences between the carrying values and fair values of the on and off balance sheet financial instruments.

43- RISK MANAGEMENT POLICIES

The housing bank for trade and finance Group continues with the development of the risk framework through close alignment of risk capabilities to objectives. Substantial progress has been made in 2007 in embedding our approach across the business. This has included a focus on enhancing our capabilities in providing both qualitative and quantitative data to the board on risks associated with strategic objectives and facilitating more informed and effective decision making.

The Group's ability to take risks which are well understood, consistent with our strategy and plans and appropriately remunerated, is a key driver of shareholder return.

The maintenance of a strong control framework remains a priority and is the foundation for the delivery of effective risk management. Risk analysis and reporting capabilities continue to evolve to identify opportunities as well as risks, to improve the Group's ability to take an aggregate view of the overall risk portfolio and assign clear responsibilities and timescales at group and divisional level for risk mitigation strategies. Risk continues to be a key component of routine management information reporting and is embedded within staff objectives via balanced scorecards.

The objective remains to go beyond risk mitigation and control to developing risk capabilities as a key strategic differentiator for the Housing Bank for Trade and Finance.

Credit risk:

Credit risk is the current or prospective risk to earnings and capital arising from the failure of an obligor of the Housing Bank for Trade and Finance to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. Credit risk arises anytime the Bank commits its funds with the result that capital or earnings are dependent on a counterparty's, issuer's or borrower's performance.

This type of risk is composed of concentration risk, residual risk, credit risk in securitization, cross-border (or transfer) risk and others.

The basic elements for the quantification of credit risk are the probability of default, the loss given default, and exposure at default. These quantities need to be measured with an effective and accurate credit rating system. Information, both quantitative and qualitative, must be gathered, both specifically with regard to the counterparty and to its general economic situation in order to estimate its creditworthiness. Furthermore, a facility rating should be performed to determine the loss parameters in case of a default.

The policy of the Bank is to apply sophisticated credit models to monitor credit risk. These credit models are also the foundation for the application of internal rating-based approach to calculate capital requirements. Therefore, the development, implementation and application of these models must be in accordance with the Bank's group risk strategy.

Credit risk rating:

Loans and facilities:

The standard credit evaluation process is based both on quantitative figures from the financial Statements and on an array of qualitative factors:

- In the area of corporate risk management, we continued to harmonize standards of group risk management in 2007. Lending principles as well as the structural and process organization are set forth in a credit manual (in accordance with Basel II regulation).
- In the area of retail risk management and small enterprises, the emphasis of group risk management in retail business with personal banking and small enterprises are: development of infrastructure, support of profitable growth and portfolio management.

Credit risk limitations and mitigations of credit risk:

During the financial year under review, the bank made extensive use of the new rating procedure (implemented in 2007), which is geared towards the specific requirements of Basel II.

Early warning system and management tools employed during the loan term.

Handling of exposures identified as subject to higher risk exposure by the early warning system

Credit risk mitigations:

Collateral is well managed to mitigate the risks, and the Bank is capable of liquidating collaterals on a timely basis, using the following collateral types:

- Mortgages for real estates.
- Cash collaterals.
- Government guarantees.
- Security guarantees. (stocks, bonds, treasury bills).

In addition to the listed above, that the bank is well aware of the credit profile they are targeting; so the following methods are employed to mitigate the risk:

- Periodical credit committee review;
- Diversifications in the credit portfolio;
- Approval system 3 different approvals should be taken to proceed with the credit;
- Complete segregations between the different credit departments (analysis, review, and control).

1- Exposure to credit risk (after impairment provisions and before collaterals held or other mitigations):-

	2007	2006
	JD	JD
Balance sheet items		
Cash and balances with central banks	1,017,459,772	782,587,590
Balances with banks and financial institutions	776,086,331	553,329,133
Deposits with banks and financial institutions	33,465,029	44,929,018
Credit facilities		
Consumer lending	374,739,165	339,107,301
Residential mortgages & commercial real estate	420,661,042	325,167,049
Corporate Lending		
Large corporations	764,616,678	485,644,554
SME s	180,308,128	236,697,292
Lending to Government & public sector	195,925,604	203,255,481
Bonds and treasury bills		
Trading investments	11,107,605	11,107,605
Available for sale investments	573,334,055	523,628,444
Held to maturity investments	376,014,087	328,578,723
Other assets	44,814,733	47,964,856
Total	4,768,532,229	3,881,997,046
Off balance sheet items		
Letters of credit	448,333,868	333,965,967
Acceptances	125,336,975	95,926,542
Letters of guarantee	418,772,178	268,243,430
Un-utilized facilities	242,170,111	166,304,564
Total	1,234,613,132	864,440,503
	6,003,145,361	4,746,437,549

The above table represents the maximum credit risk exposure for the Bank as of December 31, 2007 and 2006, without taking account of any collateral held or other credit mitigations for on balance sheet assets. The exposures set out above are based on net carrying amounts as reported in the balance sheet.

Exposure to credit risk percentage distribution:

- 30% of the total exposure is derived from balances with central bank and other banks and financial institutions. (29% : 2006).
- 32% of the total exposure results from credit facilities (34% : 2006).
- 16% of the total exposure results from investment in debt securities and treasury bills (2006: 18%).
- 22% of the total exposure results from off balance sheet items and other assets. (2006: 19%).

Management is confident in its ability to continue to control exposure to credit risk based on the following :

- 93% of credit facilities portfolio is categorized in the top two grades as shown the table below (2006: 92%).
- An improvement in the credit quality of loans and advances has resulted in a lower impairment charge in the income statement with a 93% decrease.
- The Bank adopted restricted methodologies in granting facilities.
- Around 86% of investment on debt securities and treasury bills have a credit rating of A- or better or are governmental debt securities or guaranteed by the government.

1- Ageing analysis of past due but not impaired loans by class of financial assets:-

2007	Consumer	Residential mortgages & commercial real estate	Corporate	SMEs	Government & public sector	Banks & other financial institutions	Total
	JD	JD	JD	JD	JD	JD	JD
Low risk	46,214,822	29,072,769	150,297,865	39,370,098	106,069,327	1,827,011,132	2,198,036,013
Acceptable risk	317,134,356	363,712,621	540,770,518	115,219,677	89,173,799	-	1,426,010,971
Maturing(*)							
Up to 30 days	5,469,503	896,438	23,844,238	6,673,927	89,400	-	36,973,506
From 31 to 60 days	15,033,960	18,539,308	10,584,540	8,677,775	-	-	52,835,583
Watchlist	6,945,199	19,800,527	68,614,458	21,251,595	678,709	-	117,290,488
Non performing							
Sub - standard	8,655,460	5,416,006	3,717,039	3,855,578	3,769	-	21,647,852
Doubtful	2,343,178	1,794,344	2,602,728	2,073,946	-	-	8,814,196
Loss	10,488,794	12,720,031	12,532,601	14,578,555	-	-	50,319,981
Total	391,781,809	432,516,298	778,535,209	196,349,449	195,925,604	1,827,011,132	3,822,119,501
Less: Suspended interest	5,139,898	5,389,433	4,116,995	4,776,151		-	19,422,477
Less: provision for impairment loss	11,902,745	6,465,824	9,801,536	11,265,170		-	39,435,275
Net	374,739,166	420,661,041	764,616,678	180,308,128	195,925,604	1,827,011,132	3,763,261,749

2006	Consumer	Residential mortgages & commercial real estate	Corporate	SMEs	Government & public sector	Banks & other financial institutions	Total
	JD	JD	JD	JD	JD	JD	JD
Low risk	63,820,840	12,296,238	109,645,064	27,753,145	154,627,454	1,380,845,741	1,748,988,482
Acceptable risk	263,625,477	303,134,156	324,911,062	158,509,505	46,795,247	-	1,096,975,447
Maturing(*)							
Up to 30 days	1,761,581	235,837	35,314,640	12,765,134	120	-	50,077,312
From 31 to 60 days	11,847,863	10,049,112	13,839,053	7,806,510	-	-	43,542,538
Watchlist	1,665,973	6,695,417	48,135,241	50,506,051	1,832,780	-	108,835,462
Non performing							
Sub - standard	15,619,314	1,390,638	2,949,351	813,227	-	-	20,772,530
Doubtful	2,291,428	1,679,852	489,222	3,173,859	-	-	7,634,361
Loss	8,597,232	12,123,571	11,106,161	11,443,003	-	-	43,269,967
Total	355,620,264	337,319,872	497,236,101	252,198,790	203,255,481	1,380,845,741	3,026,476,249
Less: Suspended interest	3,385,128	5,496,160	2,501,096	4,838,519		-	16,220,903
Less: provision for impairment loss	13,127,835	6,656,663	9,090,451	10,662,979		-	39,537,928
Net	339,107,301	325,167,049	485,644,554	236,697,292	203,255,481	1,380,845,741	2,970,717,418

* The entire balance of credit is deemed matured if one of its payments or interest were due. Overdrafts are deemed matured if their limits exceeded the ceiling.

2) Distribution of collaterals measured at fair value over credit facilities

2007	Consumer	Residential mortgages & commercial real estate	Corporate	SMEs	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Low risk	172,697,055	37,604,971	131,393,352	35,682,698	195,925,604	573,303,680
Acceptable risk	92,837,903	340,787,482	233,791,980	85,519,448	-	752,936,813
Watchlist - From 61 to 90 days	3,474,257	29,307,377	43,838,949	16,859,502	-	93,480,085
Non performing:	4,985,340	17,896,170	11,987,976	10,193,781	-	45,063,267
Substandard	955,714	5,169,346	2,962,259	1,915,109	-	11,002,428
Doubtful	907,859	1,838,735	1,788,347	1,095,719	-	5,630,660
Loss	3,121,767	10,888,089	7,237,370	7,182,953	-	28,430,179
Total	273,994,555	425,596,000	421,012,257	148,255,429	195,925,604	1,464,783,845
As:						
Cash margins	39,240,537	3,567,629	36,565,695	16,089,810	-	95,463,671
Accepted bank guarantee	750,001	4,552,809	49,960,716	3,115,311	-	58,378,837
Residential mortgages & commercial real estate	180,810,382	409,077,422	114,091,540	78,322,992	-	782,302,336
Listed shares	10,726,766	3,194,935	172,961,606	12,344,401	-	199,227,708
Equipments and vehicles	33,845,255	-	20,908,997	7,926,209	-	62,680,461

2006	Consumer	Residential mortgages & commercial real estate	Corporate	SMEs	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Low risk	60,258,227	12,212,609	56,099,191	25,952,339	162,527,540	317,049,906
Acceptable risk	100,681,723	291,772,298	120,048,336	123,759,381	-	636,261,738
Watchlist - From 61 to 90 days	420,513	5,269,613	30,751,584	41,834,403	-	78,276,113
Non performing:	2,841,726	12,313,264	7,223,556	9,856,560	-	32,235,106
Substandard	1,114,008	1,445,738	1,112,653	563,428	-	4,235,827
Doubtful	734,203	1,913,236	266,235	2,698,225	-	5,611,899
Loss	993,515	8,954,290	5,844,668	6,594,907	-	22,387,380
Total	164,202,189	321,567,784	214,122,667	201,402,683	162,527,540	1,063,822,863
As:						
Cash margins	40,961,064	525,025	27,442,200	21,340,270	-	90,268,559
Accepted bank guarantee	425,405	977,943	15,171,382	4,322,404	-	20,897,134
Residential mortgages & commercial real estate	88,977,781	317,371,636	72,750,419	107,048,965	-	586,148,801
Listed shares	6,498,151	630,948	34,309,145	3,482,474	-	44,920,718
Equipments and vehicles	25,414,386	-	6,374,499	13,715,788	-	45,504,673

The values of collaterals in the table above are restricted 100% of the credit balance outstanding.

Rescheduled loans

These are the loans previously classified as non-performing loans and reclassified as performing watchlist, and they amounted to JD 14.9 million as of December 31, 2007 (JD 3.5 million as of December 31, 2006).

Reengineering loans

Reengineering means to rearrange facilities installments by increasing the duration, or postponing some installments or increasing the grace period. They are classified within the watchlist and amounted to JD 83.2 million as of 31 December 2007 and JD 9.7 million as of 31 December 2006.

3- Bonds and treasury bills

The table below shows the classifications of bonds and treasury bills and their grading according to external ratings agencies:

Rating grade	Rating agency	Trading investments	Available for sale	Held to maturity	Total
		JD	JD	JD	JD
AAA	S & P	-	22,052,347	3,545,000	25,597,347
AA	S & P	-	17,470,451	736,078	18,206,529
AA-	S & P	-	49,660,959	-	49,660,959
A+	S & P	-	26,639,098	-	26,639,098
A	S & P	-	43,490,663	-	43,490,663
A-	S & P	-	15,267,701	-	15,267,701
BBB+	S & P	-	19,331,196	-	19,331,196
BBB	S & P	-	-	2,107,516	2,107,516
BBB-	S & P	-	9,824,496	-	9,824,496
B+	S & P	-	6,810,698	-	6,810,698
B-	S & P	-	3,633,799	-	3,633,799
CCC	S & P	-	3,743,478	-	3,743,478
Non-rated		1,000,000	81,651,277	8,246,598	90,897,875
Governmental		10,107,605	273,757,892	361,378,895	645,244,392
Total		11,107,605	573,334,055	376,014,087	960,455,747

4- The Bank's financial assets, before taking into account any collateral held or other credit enhancements, can be analysed by the following geographical regions:

	Inside Jordan	Other Middle East countries	Europe	Asia *	Africa *	Americas	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at Central Banks	738,089,126	246,190,442	-	-	33,180,204	-	-	1,017,459,772
Balances at banks and financial institutions	34,115,010	310,971,615	411,710,413	194,157	1,262,747	7,312,563	10,519,826	776,086,331
Deposits at banks and financial institutions	-	22,830,029	10,635,000	-	-	-	-	33,465,029
Direct credit facilities:								
Consumer lending	315,306,982	44,538,398	-	-	14,893,785	-	-	374,739,165
Residential mortgages	372,583,180	34,851,075	-	-	13,226,787	-	-	420,661,042
Corporate lending:								
Large corporations	571,479,913	175,035,397	-	-	18,101,368	-	-	764,616,678
Small and medium enterprises	122,957,277	36,350,930	-	-	20,999,921	-	-	180,308,128
Lending to governmental sectors	195,858,445	58,862	-	-	8,297	-	-	195,925,604
Bonds								
Held for trading	11,107,605	-	-	-	-	-	-	11,107,605
Available for sale	305,835,080	77,482,117	28,036,384	-	-	161,980,474	-	573,334,055
Held to maturity	369,625,493	2,843,594	-	-	-	3,545,000	-	376,014,087
Other assets	30,044,690	6,885,314	-	-	7,884,729	-	-	44,814,733
Total 2007	3,067,002,801	958,037,773	450,381,797	194,157	109,557,838	172,838,037	10,519,826	4,768,532,229
Total 2006	2,578,816,418	665,128,485	358,884,637	11,018,738	95,281,402	163,478,162	9,389,204	3,881,997,046

* Excluding Middle East countries

5) An industry sector analysis of the Bank's financial assets, before and after taking into account collateral held or other credit enhancements, is as follows:

	Financial	Industrial	Trading	Real estate	Agriculture	Shares	Consumer	Public and governmental	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at Central Banks	1,017,459,772	-	-	-	-	-	-	-	-	1,017,459,772
Balances at banks and financial institutions	776,086,331	-	-	-	-	-	-	-	-	776,086,331
Deposits at banks and financial institutions	33,465,029	-	-	-	-	-	-	-	-	33,465,029
Direct credit facilities:	42,821,276	254,847,200	475,716,325	420,661,042	3,671,423	65,778,789	441,616,549	195,925,604	35,212,409	1,936,250,617
Bonds										
Held for trading	-	-	-	-	-	-	-	11,107,605	-	11,107,605
Available for sale	271,173,770	-	24,010,024	4,392,369	-	-	-	273,757,892	-	573,334,055
Held to maturity	13,635,192	-	-	-	-	-	-	361,378,895	1,000,000	376,014,087
Other assets	44,769,562	-	-	-	-	-	45,171	-	-	44,814,733
Total 2007	2,199,410,932	254,847,200	499,726,349	425,053,411	3,671,423	65,778,789	441,661,720	842,169,996	36,212,409	4,768,532,229
Total 2006	1,742,648,391	144,550,546	352,692,978	341,458,242	4,924,125	31,687,642	325,508,578	868,509,817	70,016,727	3,881,997,046

Market Risk

Market risk is defined as the risk of losses in on-and-off-balance sheet positions arising from movements in market prices.

The risks subject to this requirement are:

- * The risks pertaining to interest rate related instruments and equities in the trading book.
- * Foreign exchange risk and commodities risk throughout the bank;

Market risk is monitored through specialized committees, policies and procedures.

Market risk is measured and monitored through sensitivity analysis and VAR with 99% confident level according to Basel II policies and stop loss limits.

Sensitivity analysis is based on estimating the loss risk in fair value due to changes in interest rates and exchange rates, and the fair value is calculated according to the current value for future cash flows that will be affected by price changes.

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

1. Interest rate risk:

This represents the risks that result from changes in market interest rates and is a major risk faced by the bank through its financial instruments in the held for trading portfolio.

The bank manages the interest rate risk by applying sensitivity analysis for the interest rate sensitive instruments by shifting the yield curve a parallel shift of $\pm 1\%$.

Sensitivity analysis 2007

Currency	Increase in interest rate by 1% on income statement	Decrease in interest rate by 1% on income statement
Euro	(29,014)	29,278
Sterling Pound	(2,732)	2,742
US Dollar	(309,831)	313,605
Jordanian Dinar	(6,930,241)	7,147,659

Sensitivity analysis 2006

Currency	Increase in interest rate by 1% on income statement	Decrease in interest rate by 1% on income statement
Euro	(19,913)	20,136
Sterling Pound	(2,446)	2,456
US Dollar	(329,564)	335,702
Jordanian Dinar	(7,002,622)	7,271,827

2. Foreign Exchange risk

This represents the risks that result from changes in foreign exchange rates. The bank manages the exchange rate risk by applying sensitivity analysis on the net bank's foreign currency positions by shifting the exchange rate by $\pm 1\%$.

Sensitivity analysis 2007

Currency	Increase in currency exchange rate by 1% on income statements	Decrease in currency exchange rate by 1% on income statements
Euro	248,593	(248,593)
Sterling Pound	55,560	(55,560)
Australian Dollar	(69)	69
Swiss Frank	1,052	(1,052)
Canadian Dollar	366	(366)
Japanese Yen	7,844	(7,844)

Sensitivity analysis 2006

Currency	Increase in currency exchange rate by 1% on income statements	Decrease in currency exchange rate by 1% on income statements
Euro	65,620	(65,620)
Sterling Pound	61,679	(61,679)
Australian Dollar	480	(480)
Swiss Frank	4,648	(4,648)
Canadian Dollar	(24)	24
Japanese Yen	538	(538)

3. Price Risk:

This represents the risk that results from changes in stock prices in the bank's trading and available for sale portfolio. The bank manages the price risk by applying the VAR methodology for a confidence level of 99% for one day.

VAR 2007

	VAR
Trading Portfolio	(199,985)
Available for sale	(700,069)

VAR 2006

	VAR
Trading Portfolio	(288,930)
Available for sale	(1,058,052)

Interest rate sensitivity:

2007	Sensitivity of Interest rates						Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
	JD	JD	JD	JD	JD	JD	JD
ASSETS							
Cash and balances with central banks	457,087,143	121,000,000	154,500,000	-	-	-	380,643,292
Balances with banks and financial institutions	389,010,407	373,826,165	-	-	-	-	13,249,759
Deposits with banks and financial institutions	-	-	22,374,714	5,362,315	5,728,000	-	-
Trading investments	-	-	-	-	10,414,347	693,259	5,175,656
Credit facilities	187,232,526	145,249,996	312,812,445	326,452,855	446,101,711	516,011,503	2,389,581
Available-for-sale investments	107,007,862	-	2,122,108	14,231,953	305,516,143	152,275,692	29,389,213
Held-to-maturity investments	-	46,001,795	27,469,394	70,894,826	193,933,211	37,714,861	-
Investments in associates	-	-	-	-	-	-	20,590,622
Property, plant and equipment - net	-	-	-	-	-	-	68,325,146
Intangible assets	-	-	-	-	-	-	2,079,366
Deferred tax assets	-	-	-	-	-	-	8,551,922
Other assets	-	-	-	-	-	-	58,651,978
TOTAL ASSETS	1,140,337,938	686,077,956	519,278,661	416,941,949	961,693,412	706,695,315	589,046,535
LIABILITIES							
Banks and financial institutions deposits	167,577,607	46,238,260	10,637,874	-	-	-	6,190,568
Customers' deposits	817,783,976	944,635,685	272,824,802	201,044,446	509,334,232	37,121	754,901,838
Margin accounts	3,277,667	20,775,866	24,669,970	44,960,739	26,613,360	26,191,101	87,290,246
Loans and borrowing	130,823	261,646	392,469	479,367	182,304	10,608	-
Sundry provisions	-	-	-	-	-	-	13,570,787
Income tax provision	-	-	-	-	-	-	48,325,011
Deferred tax liabilities	-	-	-	-	-	-	1,438,411
Other liabilities	-	-	-	-	-	-	100,000,945
TOTAL LIABILITIES	988,770,073	1,011,911,457	308,525,115	246,484,552	536,129,896	26,238,830	1,011,717,806
Interest rate sensitivity gap	151,567,865	(325,833,501)	210,753,546	170,457,397	425,563,516	680,456,485	(422,671,271)
2006							
TOTAL ASSETS	1,018,660,198	321,678,880	435,743,805	313,940,782	705,689,525	765,238,479	535,498,638
TOTAL LIABILITIES	717,134,258	769,923,038	260,318,921	190,903,887	552,740,635	293,805	769,937,030
Interest rate sensitivity gap	301,525,940	(448,244,158)	175,424,884	123,036,895	152,948,890	764,944,674	(234,438,392)
							835,198,733

CONCENTRATION IN CURRENCY RISK

2007

Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total
Currency	JD	JD	JD	JD	JD	JD
ASSETS						
Cash and balances with central banks	126,462,265	13,361,328	651,258	16,473,429	237,399,722	394,348,002
Balances with banks and financial institutions	612,729,871	95,815,708	13,828,189	16,852,154	8,626,714	747,852,636
Deposits with banks and financial institutions	10,635,000	-	-	-	22,830,029	33,465,029
Trading investments	1,906,647	-	-	-	83,271	1,989,918
Credit facilities	220,525,491	8,783,845	(9,444)	4,088,022	255,470,110	488,858,024
Available-for-sale investments	252,226,402	28,115,544	5,220,738	-	1,418,222	286,980,906
Held-to-maturity investments	6,388,594	-	-	-	-	6,388,594
Property, plant and equipment – net	-	-	-	-	19,142,139	19,142,139
Intangible assets	-	-	-	-	612,325	612,325
Deferred tax assets	-	-	-	-	331,287	331,287
Other assets	3,711,854	877,855	132,091	2,441,066	11,240,643	18,403,509
TOTAL ASSETS	1,234,586,124	146,954,280	19,822,832	39,854,671	557,154,462	1,998,372,369
LIABILITIES						
Banks and financial institutions deposits	187,894,788	20,130,709	6,349	9,487	15,098,481	223,139,814
Customers' deposits	1,025,658,006	86,183,086	14,514,598	36,191,173	400,606,989	1,563,153,852
Margin accounts	103,139,136	11,996,103	(352,205)	2,470,860	33,707,451	150,961,345
Loans and borrowing	333,988	-	-	-	-	333,988
Sundry provisions	-	-	-	175,778	17,604	193,382
Income tax provision	-	-	-	-	2,641,589	2,641,589
Other liabilities	6,373,309	3,785,040	98,109	222,973	46,907,821	57,387,252
TOTAL LIABILITIES	1,323,399,227	122,094,938	14,266,851	39,070,271	498,979,935	1,997,811,222
Net concentration in the balance sheet	(88,813,103)	24,859,342	5,555,981	784,400	58,174,527	561,147
Off-balance sheet credit commitments and contingent liabilities	453,585,859	180,352,149	549,503	57,114,528	162,292,318	853,894,357

2006

Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total
Currency	JD	JD	JD	JD	JD	JD
TOTAL ASSETS	1,235,605,694	92,242,217	16,320,375	2,651,995	169,931,135	1,516,751,416
TOTAL LIABILITIES	1,224,282,408	85,680,202	10,152,474	2,598,201	103,102,124	1,425,815,409
Net concentration in the balance sheet	11,323,286	6,562,015	6,167,901	53,794	66,829,011	90,936,007
Off-balance sheet credit commitments and contingent liabilities	435,684,851	118,380,789	2,206,669	4,511,077	29,744,605	590,527,991

Liquidity Risk

Liquidity risk is defined by the bank as failure of providing the required funding to cover its obligations at the due date.

Liquidity risk is managed through the following:

- The future cash flows are monitored through the Asset Liability Gap analysis for daily funding management.
- Holding liquid assets that could be liquidated in a short time at the fair market price to meet any unexpected liquidity requirements.
- Monitoring the liquidity ratios.
- Managing concentrations in Assets/liabilities and their maturities.
- Maintaining a portion of customer's deposits as a reserve with the central bank.

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

The Treasurer is in charge of controlling the Liquidity of the bank taking in to consideration loans and any related commitments.

Sources of funds:

The Bank works to diversify its sources of funds for attaining financial flexibility and lowering financing costs. The Bank has a large customer base of individuals and corporations with varying deposit accounts, of which 49% are stable. The Bank is distinguished through maintaining 47% of the saving accounts in the Jordanian banking market, in addition to its ability to approach money markets because of its strong financial position.

The wide spread network of the branches of the Bank in Jordan (96 branches) in addition to its branches in Palestine and Bahrain and its subsidiaries in Syria and Algeria, enable it to diversify its sources of funds and not depend on one geographical area.

According to regulations, the Bank keeps part of its customer deposits at central banks as a cash reserve which cannot be disposed of except in certain conditions, in addition to maintaining liquidity ratios higher than the minimum imposed by central banks.

The table below summarises the maturity profile of the Bank's financial liabilities at 31 December based on contractual undiscounted repayment obligations:

2007	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
LIABILITIES								
Banks and financial institutions deposits	73,729,830	46,238,260	10,637,874	-	-	-	100,038,345	230,644,309
Customers' deposits	904,816,920	699,115,953	88,685,002	78,284,578	778,996	37,121	1,728,843,530	3,500,562,100
Margin accounts	43,492,865	33,952,278	29,083,720	48,806,963	27,714,585	50,728,538	-	233,778,949
Loans and borrowing	130,823	261,646	392,469	479,367	182,304	10,608	-	1,457,217
Sundry provisions	-	-	-	-	-	-	13,570,787	13,570,787
Income tax provision	36,000,000	-	-	11,849,222	-	-	475,789	48,325,011
Deferred tax liabilities	-	-	-	-	1,438,411	-	-	1,438,411
Other liabilities	46,345,863	2,382,540	3,668,008	299,157	702,846	42,504	46,560,027	100,000,945
TOTAL LIABILITIES	1,104,516,301	781,950,677	132,467,073	139,719,287	30,817,142	50,818,771	1,889,488,478	4,129,777,729
TOTAL ASSETS	1,300,082,740	689,275,750	521,201,213	418,124,937	957,118,543	707,829,400	426,439,183	5,020,071,766

2006	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
LIABILITIES								
Banks and financial institutions deposits	51,882,351	6,418,448	35,500,431	-	-	-	51,203,141	145,004,371
Customers' deposits	658,503,072	532,097,307	50,555,000	56,692,778	439,880	-	1,534,441,838	2,832,729,875
Margin accounts	29,579,174	30,616,206	21,317,306	34,014,331	49,883,917	318,162	-	165,729,096
Loans and borrowing	130,823	261,646	392,469	784,939	1,422,956	42,513	-	3,035,346
Sundry provisions	-	-	-	-	-	-	13,501,875	13,501,875
Income tax provision	-	30,000,000	1,628,436	6,987,188	-	-	-	38,615,624
Deferred tax liabilities	-	-	-	-	1,545,000	-	-	1,545,000
Other liabilities	28,540,839	9,584,904	1,451,262	247,953	599,079	-	20,666,350	61,090,387
TOTAL LIABILITIES	768,636,259	608,978,511	110,844,904	98,727,189	53,890,832	360,675	1,619,813,204	3,261,251,574
TOTAL ASSETS	1,115,283,924	323,919,892	438,086,862	318,450,615	704,073,431	762,713,228	433,922,355	4,096,450,307

- Off- balance sheet items :

2007	Less than 1 year	1-5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	554,985,289	18,664,811	20,743	573,670,843
Unutilized facilities	242,170,111	-	-	242,170,111
Letters of guarantee	401,476,939	17,293,239	2,000	418,772,178
TOTAL	1,198,632,339	35,958,050	22,743	1,234,613,132

2006	Less than 1 year	1-5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	408,246,104	21,646,405	-	429,892,509
Unutilized facilities	166,304,564	-	-	166,304,564
Letters of guarantee	259,822,203	8,421,228	-	268,243,431
TOTAL	834,372,871	30,067,633	-	864,440,504

44- SEGMENT ANALYSIS

A- Information on the Bank's Activities:

For management purposes, the Bank is organised into four major business segments:

Retail Banking:

- Principally handling individual customers' deposits and providing consumer loans, overdrafts, credit cards facilities and funds transfer.

Corporate Banking:

- Principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers.

Corporate Finance:

- Principally arranging structured finance and providing services relating to privatisations, IPO's, mergers and acquisitions.

Treasury:

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

The Bank's business segments:

	Retail Banking	Corporate	Corporate Finance	Treasury	Others	Elimination	Total 2007	Total 2006
	JD	JD	JD	JD	JD	JD	JD	JD
Gross Income	181,527,199	127,280,769	1,122,703	164,342,877	1,742,594	(130,269,968)	345,746,174	276,731,087
Impairment loss on credit facilities	1,058,117	(1,316,382)	-	-	-	-	(258,265)	(3,935,238)
Impairment on investments	-	-	-	(6,269,531)	-	-	(6,269,531)	(71,910)
Segment result	76,652,867	50,643,447	781,928	37,914,975	1,045,026	-	167,038,243	139,596,090
Unallocated expenses	-	-	-	-	-	-	(13,114,691)	(9,658,693)
Bank's share of profit from associates	-	-	-	-	-	-	607,654	135,179
Profit before tax	-	-	-	-	-	-	154,531,206	130,072,576
Income Tax	-	-	-	-	-	-	(43,067,912)	(35,366,710)
Profit for the year	-	-	-	-	-	-	111,463,294	94,705,866
Segment Assets	2,565,017,925	1,468,854,211	77,561	2,747,514,072	93,606,994	-	6,875,070,763	6,037,659,633
Intra-segment assets	(1,668,245,168)	(197,997,120)	(27,389)	(17,871,864)	-	-	(1,884,141,541)	(1,969,820,129)
Investments in associates	-	-	-	-	-	-	20,590,622	19,853,021
Unallocated assets	-	-	-	-	-	-	8,551,922	8,757,782
Total Assets	-	-	-	-	-	-	5,020,071,766	4,096,450,307
Segment Liabilities	2,524,718,999	1,482,334,776	77,536	2,615,524,482	70,102,565	-	6,692,758,358	5,941,913,124
Intra-segment liabilities	-	(4,180,361)	-	(2,560,238,679)	-	-	(2,564,419,040)	(2,682,206,550)
Unallocated liabilities	-	-	-	-	-	-	1,438,411	1,545,000
Total Liabilities	-	-	-	-	-	-	4,129,777,729	3,261,251,574
Capital expenditure	-	-	-	-	-	-	22,749,046	20,529,693
Depreciation and amortization	-	-	-	-	-	-	8,876,132	7,739,011

B- Geographical distribution:

The following is the distribution of the Bank's income, assets and capital expenditures inside and outside Jordan:

	Inside Jordan		International		Total	
	2007	2006	2007	2006	2007	2006
	JD	JD	JD	JD	JD	JD
Gross income	301,052,397	243,121,315	44,693,777	33,609,772	345,746,174	276,731,087
Total assets	3,250,837,468	2,793,166,865	1,769,234,298	1,303,283,442	5,020,071,766	4,096,450,307
Capital expenditures	12,646,966	15,511,239	10,102,080	5,018,454	22,749,046	20,529,693

45- CAPITAL MANAGEMENT

Bank seeks to achieve the following goal:

- Compliance with central bank requirements.
- Maintaining the ability to continue as a going concern.
- Having a strong capital base for supporting expansion and development.

Capital adequacy ratio is reviewed monthly, and reported quarterly to the Central Bank. According to central bank instructions the minimum requirement for capital adequacy is 12%, Banks are classified into 5 categories the best one having average capital adequacy equal to or more than 14%. The Bank's capital adequacy ratio is 29.40% as of December 31, 2007.

The Bank restructures and modifies its capital according to environments requirements.

There was no amendment to goals, policies and procedures related to capital structure during the current year.

The schedule below shows capital components, total risk weighted assets and the capital adequacy ratio according to central bank instructions, which are in accordance with Basel Committee instructions.

	2007	2006
	JD	JD
Primary capital		
Paid-in capital	250,000,000	250,000,000
Statutory reserve	68,159,949	54,002,619
Voluntary reserve	33,222,068	33,222,068
Additional paid - in capital	349,377,566	349,377,566
Retained earnings	60,960,341	40,469,180
Minority interests	39,815,302	26,761,268
Cost of treasury shares	(19,504,151)	(19,424,857)
Goodwill	(372,333)	-
Total primary capital	781,658,742	734,407,844
Supplementary capital		
Foreign currency translation differences	4,232,617	590,684
Cumulative change in fair value	556,959	3,119,093
General banking risks reserve	20,000,000	20,000,000
Total supplementary capital	24,789,576	23,709,777
Deduct :		
Investments in banks and other financial institutions	(7,386,240)	(6,025,280)
Total regulatory capital	799,062,078	752,092,341
Total risk weighted assets	2,718,215,452	2,345,202,522
Capital adequacy ratio	29.40%	32.07%
Primary capital	28.48%	31.06%

* The capital adequacy ratio is computed after deduction of investments in other banks and financial corporations from primary capital. The increase in regulatory capital is due to the current year's profit contribution in addition to the increase in weighted assets resulting from the bank's operations during 2007.

46- FIDUCIARY ACCOUNTS

Fiduciary accounts amounted to JD 5.6 million as of 31 December 2007 (2006: JD 10.5). Such assets or liabilities are not included in the Bank's balance sheet. Management fees on these accounts are included in the income statement.

47- ASSETS AND LIABILITIES MATURITIES

2007	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets			
Cash and balances with central banks	1,113,230,435	-	1,113,230,435
Balances with banks and financial institutions	776,086,331	-	776,086,331
Deposits with banks and financial institutions	27,737,029	5,728,000	33,465,029
Trading investments	16,283,262	-	16,283,262
Credit facilities	974,137,403	962,113,214	1,936,250,617
Available-for-sale investments	152,751,136	457,791,835	610,542,971
Held-to-maturity investments	144,366,015	231,648,072	376,014,087
Investments in associates	-	20,590,622	20,590,622
Property, plant and equipment – net	7,399,632	60,925,514	68,325,146
Intangible assets	1,476,499	602,867	2,079,366
Deferred tax assets	-	8,551,922	8,551,922
Other assets	50,985,156	7,666,822	58,651,978
TOTAL ASSETS	3,264,452,898	1,755,618,868	5,020,071,766
LIABILITIES			
Banks and financial institutions deposits	230,644,309	-	230,644,309
Customers' deposits	2,991,190,747	509,371,353	3,500,562,100
Margin accounts	155,335,826	78,443,123	233,778,949
Loans and borrowing	1,264,305	192,912	1,457,217
Sundry provisions	5,095,082	8,475,705	13,570,787
Income tax provision	48,325,011	-	48,325,011
Deferred tax liabilities	-	1,438,411	1,438,411
Other liabilities	99,255,595	745,350	100,000,945
TOTAL LIABILITIES	3,531,110,875	598,666,854	4,129,777,729
Net	(266,657,977)	1,156,952,014	890,294,037

2006	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets			
Cash and balances with central banks	857,117,033	-	857,117,033
Balances with banks and financial institutions	553,329,133	-	553,329,133
Deposits with banks and financial institutions	44,929,018	-	44,929,018
Trading investments	16,906,752	-	16,906,752
Credit facilities	718,783,881	871,087,796	1,589,871,677
Available-for-sale investments	181,240,069	376,318,288	557,558,357
Held-to-maturity investments	116,164,411	212,414,312	328,578,723
Investments in associates	-	19,853,021	19,853,021
Property, plant and equipment – net	6,483,618	48,420,898	54,904,516
Intangible assets	1,255,393	484,790	1,740,183
Deferred tax assets	-	8,755,448	8,755,448
Other assets	55,940,183	6,966,263	62,906,446
TOTAL ASSETS	2,552,149,491	1,544,300,816	4,096,450,307
LIABILITIES			
Banks and financial institutions deposits	145,004,371	-	145,004,371
Customers' deposits	2,330,733,566	501,996,309	2,832,729,875
Margin accounts	115,527,017	50,202,079	165,729,096
Loans and borrowing	1,569,877	1,465,469	3,035,346
Sundry provisions	1,780,365	11,721,510	13,501,875
Income tax provision	38,615,624	-	38,615,624
Deferred tax liabilities	-	1,545,000	1,545,000
Other liabilities	60,491,308	599,079	61,090,387
TOTAL LIABILITIES	2,693,722,128	567,529,446	3,261,251,574
Net	(141,572,637)	976,771,370	835,198,733

48- OFF-BALANCE SHEET ITEMS

A- Outstanding credit commitments and contingent liabilities:-

	2007	2006
	JD	JD
Letters of credit	448,333,868	333,965,967
Acceptances	125,336,975	95,926,542
Letters of guarantee:		
- Payments	110,629,090	60,284,159
- Performance	164,155,569	96,600,294
- Others	143,987,519	111,358,978
Unutilized facilities	242,170,111	166,304,564
Total	1,234,613,132	864,440,504

B- Contractual commitments:

	2007	2006
	JD	JD
Purchase of property, plant and equipment	1,319,335	4,532,133
Construction contracts	2,434,862	7,336,284
Other purchasing contracts	5,621,755	-
	9,375,952	11,868,417

49- NEW AND AMENDED ISSUED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Except as noted below the Bank's accounting policies are consistent with those used in the previous year. As of 31 December, 2007 the Bank applied the following new IFRSs which had no effect on the Bank's financial position or performance, but resulted in additional disclosures:

International Accounting Standards Board issued new International Financial Reporting Standards which became effective for periods beginning on or after 1 January, 2007. Details of these standards are as follows:

IAS 1 – Presentation of Financial Statements (revised 2005)

The standard requires the presentation of additional disclosures to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

IFRS 7 – Financial Instruments: Disclosure

The standard requires disclosures that enable users of the financial statements to evaluate the significance of the entity's financial instruments and the nature and extent of risks arising from those financial instruments.

These 2 standards had no effect on the Bank's financial position or performance, but resulted in additional disclosures. In addition, the following interpretations were issued and became effective during 2007:

IFRIC 7- Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRIC 8 – Scope of IFRS 2

IFRIC 9 – Reassessment of Embedded Derivatives

IFRIC 10 – Interim Financial Reporting and Impairment

The following standards and interpretations have been issued but are not yet effective.

IFRS 8 – Operating Segments *

IFRS 3 – Business Combination *

IAS 1– Presentation of Financial Statements *

IAS 23 – Borrowing Costs *

IAS 27 – Consolidated and Separate Financial Statements *

IFRIC 11 – Scope of IFRS 2: Group and Treasury Share Transactions **

IFRIC 12 – Service Concession Arrangements **

IFRIC 13 – Customer Loyalty Programmes ***

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction **

* Effective for periods commencing on or after 1 January 2009

** Effective for periods commencing on or after 1 January 2008

*** Effective for periods commencing on or after 1 July 2008

Management do not expect these interpretations to have a significant impact on the Bank's financial statements when implemented in 2007.

50- LAWSUITS

There were lawsuits raised against the Bank amounting to JD 5.6 million as of December 31, 2007 and to JD 5.3 million as of December 31, 2006. These lawsuits are lodged to prevent the Bank from reclaiming amounts due and enforcing real estate mortgages. In management's and the legal advisor's opinion, no material liabilities will arise as a result of these lawsuits, and the related provision amounting to JD 408,290 as of December 31, 2007 and to JD 373,797 as of December 31 2006, is sufficient.

51- COMPARATIVE FIGURES

Some of 2006 balances were reclassified to correspond with those of 2007 presentation. The reclassification has no effect on the profit for the year and equity.

First: - Commitment to Corporate Governance

The Board of Directors of the bank strongly believes in the importance of corporate governance to provide a basis for the bank's future development and improve its performance, and to bolster trust in its activities with depositors and shareholders. Accordingly, the board has decided to adopt corporate governance consistent with international best practices, the principles of the Organization for Economic Cooperation and Development (OECD), the Basel Committee on Banking Supervision, Central Bank of Jordan regulations, the banks and companies' law, and the instructions of the Securities Commission. This corporate governance code has been prepared and approved by the bank in order to define and specify the bank's values and strategic directions in this field. The Bank publishes this code as part of its annual report, and on its website, in addition to preparing a report to the public showing the bank's compliance with its articles.

Second :- Definition of Corporate Governance

The bank applies the definition of the (OECD) approved by the Central Bank of Jordan which defines corporate governance as:-

"A set of relationships between the company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance provides the basis for the bank board, and management, to pursue objectives that are in the interest of the bank, and facilitate effective monitoring, and help banks to use their resources effectively".

Third:- Responsibilities of the Board

The Board of Directors has the overall responsibility for the operations and the financial soundness of the bank, and ensures that the interests of shareholders, depositors, creditors, employees, and other stakeholders, including the banking regulators and supervisors, are met. The Board ensures that the bank is managed prudently and within the framework of laws and regulations and the bank's own policies.

- The board approves the bank strategies and action plans, including, approval of risk policies, risk management procedures, ensuring the availability of mechanisms to measure such risks, and to set necessary limits.
- Board members have the experience and expertise necessary to perform duties and functions required from the board. In cases requiring specialized expertise, the board could seek the assistance of consultants.
- The board selects, monitors, and when necessary replaces the bank's senior executive management to ensure its performance, and oversee the availability of a succession plan to effectively address the bank affairs.
- The board monitors and supervises the bank's senior executive management through practicing its authority of asking questions regarding the bank's position and getting relevant answers, requiring necessary reports on a timely basis to ensure the board's capability to judge management performance and implementation of the board's strategies and decisions.
- The board and the senior executive management follow clear policies consistent with relevant laws and regulations, related to any operations carried outside Jordan, through its external branches and/or subsidiaries. The board firmly believes that operations carried out by subsidiaries outside Jordan, may expose the bank to lawsuits, reputation risk or financial risks in such countries. In this context, such operations are subject to effective monitoring and supervision by the board and senior executive management.

- The board shall develop a management framework comprising an appropriate organizational structure that defines the lines of authority, responsibility, and management levels, an integrated system of corporate governance, an internal control system, risk management system, compliance and Anti Money Laundering policy, and a code of Ethics/Conduct.
- The board of directors is mostly composed of (non-executive) members, as well as executive members. Considerations are made to include at least three independent non-executive members in the board.
- Board members carry out their duties in loyalty and dedication, ensuring the availability of mechanisms that ensure the bank compliance with all laws and regulations applicable. Board members avoid actual or potential conflict of interests, and commit themselves to dedicate necessary time and effort to effectively fulfill their responsibilities towards the bank.
- The board of directors, through the nomination and remuneration committee, shall evaluate the board performance as a whole, at least annually.
- The board of directors evaluates the performance of the CEO annually.

Fourth:- Role of the Chairman

- The positions of the Chairman and Chief Executive Officer (CEO) are separated according to a board written decision, and reviewed when the need arises, in conformity with the banks and companies' law, and both have no kinship less than third degree.
- The chairman of the board is dedicated, and practices all powers and authorities vested in him pursuant to the banks and companies' law, and practices powers and duties authorized to him by the board.

The Chairman performs the following major roles :

- Supervise all the bank affairs, and shall be accountable to the board for the supervision and follow-up of the bank activities, as well as implementation of the board policies to achieve the bank objectives and purposes. The chairman shall follow up and evaluate the overall performance of the bank in line with the strategies, plans, objectives, policies and budgets approved by the board.
- The chairman ensures the availability of high standard and effective corporate governance in the bank. He shall promote a constructive relationship between the Board and the Bank's management. The Chairman shall promote a corporate culture at the board that encourages constructive criticism and alternative views on the issue under consideration, and consequent discussion and voting on individual recommendations. He also ensures that directors and shareholders receive adequate and timely information.

Fifth:- Board practices:

- The board meetings are held on a regular basis in line with the requirements of the companies' law, at least six times annually. The agenda of each meeting is specified in order to ensure coverage of topics. The attendance of individual directors is recorded and made public.
- The bank provides adequate information to board members in advance to enable them to take informed decision. An official appointment letter is issued for each member indicating his/her rights, obligations and responsibilities. The bank provides members of the board with necessary information upon their appointment, and during their term of office. Categories of financial transactions which require board approval, including loans exceeding certain limits or related party transactions, are specified clearly in writing, and disclosed.

Sixth:- Role of the Board Secretary

- The secretary of the board arranges convening and meetings of the board and its committees, recording the minutes thereof, and ensuring implementation of the board decisions. The secretary ensures circulation of information among board members, committees, and the executive management. The secretary shall keep written records of the board discussions and the voting results. Appointment or replacement of the secretary shall be through a decision made by the board of directors.

Seventh:- Board Committees

- The Board is ultimately responsible for the management of the bank and its affairs. To ensure its effectiveness, the board shall form committees to assist it in carrying out its duties and obligations in a transparent manner. Those committees' report to the board. The duties, obligations, authorities, and responsibilities of such committees, as well as their terms of reference shall be determined in writing by the board in conformity with relevant laws.
- Members of the board committees are appointed in an official and transparent manner, their names together with a brief of their responsibilities and duties are disclosed in the bank's annual report. Each board committee has the right to directly address the bank executive management through the chairman and the CEO.
- The board of directors have five major committees:- Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee. Each committee has a written Charter which is continuously revised and updated. Ad hoc specialized board committees dealing with specialized matters shall be formed when needed, and several Committees may be joined together if deemed appropriate.

(1) Audit Committee:

The audit committee is composed of at least three non-executive members, and considerations are made that most of them be independent. All members of the audit committee shall be highly qualified, with experience in accounting and financial management. The committee works under the supervision of the board, and submit its reports and recommendations to the board of directors.

- The audit committee meetings take place on a regular basis, at least four times annually, with the presence of the bank General Auditor. Minutes of such meetings shall be duly prepared and kept.
- The audit committee performs the duties and obligations as provided in laws and regulations, the instructions of the supervisory bodies, in addition to the best practices and Basel committee guidelines.

The audit committee shall be responsible of the following key functions :-

1. Supervising external and internal auditors, ensuring the comprehensiveness of their scope of work, ensuring coordination between external auditors, reviewing the periodicity and scope of internal audit, and the approval of their working plans.
2. Reviewing the notes mentioned in the reports of the Central Bank, internal, and external audit, and following up relevant measures taken, define weaknesses in control procedures, and non-compliance with laws & regulations, and ensure that management has taken necessary remedies.

3. Reviewing the financial statements prior to their submission to the board, to ensure their correctness according to the applicable accounting standards, the central bank regulations, and laws, as well as, the sufficiency of necessary allocations.
4. Studying the financial reports prior to their submission to the board, and present relevant recommendations, including reports on any changes in the accounting standards applied, or any changes in the bank accounts due to the audit process or the external auditor recommendations, and ensure that accounting and monitoring procedures are accurate and implemented.
5. Submitting recommendations to the board concerning nomination, appointment, termination, and remuneration of the external auditor and its election by the general assembly, ensuring that the external auditor fulfills the requirements of the supervisory bodies, and that nothing shall impair its independence.
6. Ensuring the independence of the internal audit department necessary to carry out its duties, and approval of the nomination or termination of the bank General Internal Auditor.
7. Studying matters submitted to the committee by the board, or any matter deemed necessary to be discussed and give its opinion in this regard.
8. Ensuring the sufficiency and efficiency of internal control and monitoring procedures, through reviewing reports of external and internal auditors, or any reports submitted to the audit committee.
9. Ensuring the sufficiency and efficiency of the internal control system to avoid any potential conflict of interest, which may arise from the bank's transactions or contracts or entering into projects with related parties, and to ensure that audit plans cover this.
10. Studying the debt amortization cases, giving its opinion, and submitting its recommendations to the board.
11. The responsibility of the audit committee shall not substitute the responsibilities of the board or executive management related to overseeing the sufficiency of internal control and monitoring systems.

Authorities of the Audit Committee:-

1. Request any information, or the presence of any bank employees, through coordination with the Chairman and the CEO. Employees shall cooperate and provide such information in an accurate and timely basis.
2. The audit committee has the right to ask for legal, financial, or administrative consultancy from any external counsel.
3. The audit committee has the right to request the presence of the external auditor, if it deems necessary to discuss any matters related to its work, and has the right to inquire or request its views in writing.

(2) Corporate Governance Committee:

- The corporate governance committee is composed of Five members, the Chairman, three non-executive members, and the CEO. The committee mission is to direct the preparation, implementation and updating of the corporate governance code, which has been approved by the board, and shall be reviewed and updated periodically.
- The board shall, periodically, evaluate its efficiency in practicing corporate governance, in order to pinpoint weaknesses, and make adjustments when necessary. The board shall also support all training programs for its members in the fields relevant to the functions of the board.

(3) Nomination and Remuneration Committee:

- The nomination and remuneration committee is composed of three non-executive members of the board, and considerations are made that most of them including the chair are independent. Duties and obligations of the committee shall be defined by a board decision.
- The nomination and remuneration committee nominates potential board members, taking into consideration the capabilities and qualifications of nominees, and in case of re-nomination, the committee shall take into consideration their attendance, as well as the quality and efficiency of their participation in board meetings.
- The nomination and remuneration committee is entitled to determine whether the member is independent, taking into consideration that all conditions of an independent member are available, as mentioned in the corporate governance regulations issued by the central bank.
- The board of directors, through the nomination and remuneration committee, shall evaluate the performance of the board as a whole, at least once annually, in addition to the evaluation of member's participation in board discussions. The committee shall follow specific, approved and objective bases in the evaluation process of the board, in addition to the standards concerning the accuracy and correctness of the bank financial statements, and the extent of compliance with the laws and regulations.
- The nomination and remuneration committee recommends remunerations, including the monthly salary and other benefits of the CEO. The committee shall also revise salaries and benefits of the executive management.
- The nomination and remuneration committee oversees the compensation policies, to ensure they are consistent with the bank values, objectives, long-term strategy, and the control environment. The bank's compensation strategy has sufficient incentives to attract and retain qualified employees, and that salaries and benefits are partially related to the bank performance. The compensation policy shall be disclosed in the bank's annual report.
- The nomination and remuneration committee shall be responsible for providing information and briefs/abstracts about the background of certain important matters in the bank for the board members when requested, and ensure that board members are aware of the most recent matters relevant to the banking industry. For this purpose, the bank encourages board members to attend seminars and events allowing them to meet with local and international corporations and companies.

*** Definition of the Independent Member:-**

The Independent member is defined as the one "himself or as a representative of a corporation", whose membership constitutes his only connection to the bank, and whose judgment is therefore unlikely to be influenced by external considerations. The Minimum standards for an 'independent' member include the following:-

1. Has not been employed by the Bank for the preceding three years.
2. Not an immediate family member of a bank Director beyond the second degree.
3. Not receiving a salary or compensation from the Bank other than as a board member.
4. Not a board member or owner of a company with which the Bank does business, except deals as a usual customer and without favorable treatment.
5. Has not been a partner or employee of the external auditor for the preceding three years.
6. Is not a significant shareholder of the Bank nor affiliated with one.

(4) Board Executive Committee

- The executive committee is formed by a decision of the board, and is headed by the Chairman. The committee meets periodically, at least four times annually, and as the need arises. The committee studies any matters referred to it by the board. All decisions passed shall be referred to the board for confirmation.
- The executive committee shall study the estimated budget, major policies related to the bank operations, such as, the credit policy, investment policies, personnel affairs, and the internal control policy. The committee also, studies the bank annual strategy, strategic capital or investment projects, such as merger & acquisition, partnership, establishment, partial or comprehensive take over of other corporations, and provide propositions related to the management of such investments. The committee also, studies recommendations submitted by the executive management concerning the establishment or purchase of premises for the bank, inside Jordan or abroad. The committee also, discusses the bank's final financial statements, and recommend to the board concerning the bank general organizational structure to take appropriate decision.
- The executive committee has authority for issues and amounts exceeding the authority mandated to the Chairman and the executive management which fall within its authority. The committee also, studies what exceeds its authority and submit its recommendations to the board, to take appropriate decision.

(5) Risk Management Committee

- The Risk management committee is composed of four members, the chairman, two board members, and the CEO.
- The Risk management committee shall review risk management policies, strategies and framework, including risk limits acceptable by the bank, prior to their approval by the board. The executive management shall be responsible for the implementation of such strategies, as well as the development of policies and procedures for the management of various risks.
- The Risk management committee shall keep abreast of the developments in risk management inside the bank, and submit periodical reports to the board regarding these developments.

Eighth:- Internal Control Environment.

- The bank's internal control system has been built based on the general framework of the internal control system prepared by Committee of Sponsoring Organizations (COSO). This system is reviewed by the internal and external auditors annually, in conformity with the requirements of the companies' law. The bank includes a statement in its annual report with regard to the sufficiency of internal control on the financial reports.
- The board of directors performs its responsibilities on the basis of the internal control framework, which enables the board to pursue its functions, and take relevant necessary measures. The bank's internal control system includes the annual budget developed and approved by management, monthly analysis of actual performance compared to the budget, financial reports submitted to the board members at each periodical meeting, publication of the financial statements on quarterly basis, forwarding financial reports and business plans to shareholders on an annual basis, employees competency and evaluation of their performance annually, professional standards guide, financial and administrative controls at work centers, documentation of information systems, and detailed policies and procedures manuals available for all employees.

(1) Code of Conduct/Ethics

- The bank applies a high standard Code of conduct/ethics, circulated to all employees and board members, and made accessible on the bank's intranet. At the beginning of every fiscal year, each employee signs a written acknowledgement, indicating that he had seen the code and any amendments, and agrees to them.
- The bank's Code of conduct/ethics has articulated the following points:- (unethical behaviors, commitments, penalties, reporting violations, conflict of interest, gifts and deductions, relations with suppliers/providers, employments of relatives, confidentiality of information and communications, competition, monopoly, and compliance with laws, regulations and policies of the bank).

(2) Loans or Bank Transactions with (board members, employees, shareholders, and related parties) :-

- The bank policies approved by the board are in conformity with applicable laws and regulations issued by the Central Bank including the following:-
- Loans and facilities granted to board members, senior executive management and employees, are subject to the credit concentration instructions issued by the Central Bank.
- Loans and facilities granted to the Chairman or any board member shall be consistent with the bank's credit policy taking into consideration, the bank's interests first.
- Loans given to bank employees in various levels, shall be in accordance with the bank's internal regulations and instructions.
- Transactions, other than loans/credit, with related parties shall be in conformity with policies approved by the bank, and shall put the bank interest first.
- Loans and facilities granted to clients, employee, and related parties, shall be subject to periodical revisions by both internal and external auditors, to ensure their consistency with laws and regulations, and the bank's internal policies.
- Transactions with VIP clients, in loans and facilities, shall comply with the credit policy approved by the board. Statements of accounts of bank clients shall be thoroughly analyzed by competent employees.
- Corporate governance at large corporate/institutional clients shall be evaluated through the credit granting process, taking into consideration good corporate governance upon evaluation of clients.

(3) Hot Line/Whistle Blowing

- A set of arrangements has been designed to enable employees to confidentially report concerns about any potential violations, enabling the investigation and follow up of such concerns independently, through the hotline/whistle blowing, assigned to the General Auditor. Such arrangements shall be supervised by the audit committee, and in coordination with the CEO and the senior executive management.

Ninth:- Control and Monitoring Functions.

(1) The Internal Audit Department.

- * The bank recognizes that an efficient internal audit department contributes to strengthening the internal control system, and the general framework of risk management related to various activities of the bank. The internal audit department shall report to management and the audit committee, to confirm the implementation of internal polices and procedures and their efficiency.

- The Internal audit department functionally reports to the audit committee, in order to strengthen its independence, and administratively is affiliated with the CEO.
- The Internal audit department carries out its duties pursuant to the audit charter approved by the audit committee, which determines its duties, responsibilities and authorities according to international standards.
- The Internal audit department prepares the annual audit plan for all work centers in the bank. The plan is based on the level of exposure to risks of the business centers (Risk based plan), in determining audit priorities, the more risk exposure, the more intensity of audit. The plan includes all working centers in the bank. Accordingly, human resources plan required for implementation is prepared to workout the estimated budget of the audit department, which contains all human and financial resources necessary to carry out audit activities. The plan is approved by the audit committee after submission to the CEO.
- In order to ensure their objectivity, internal auditors shall not carry out any executive work. Any potential conflict of interest shall be reported to the audit committee.
- Internal audit reports are discussed with relevant departments and work centers. Internal audit is allowed to prepare its reports without any interference or impact of any other parties.
- The internal audit department coordinates with the external auditor when reviewing and examining the sufficiency of the bank internal control system.

(2) The Risk Management Department:-

- The Risk management department submits its reports to the Risk Management Committee of the board. As for the day to day operations, the department directly reports to the CEO.

The functions, duties and responsibilities of risk management:-

- Analysis of all risk types (credit, market, liquidity and operational risks), development of methods to measure and monitor each risk type, provide information regarding risk measures and structure to the board and the senior executive management, and ensures availability of such information to be included in the bank reports and statements.
- Preparing and submitting reports regarding exposure levels to the risk management committee, and monitoring portfolio concentrations, to ensure they are within limits granted. Provide the board and executive management with information regarding measuring risks and risk profiles.
- Coordinates with other departments to provide information necessary for risk management, continuous study of risks related to bank activities, preparation of recommendations, taking appropriate actions, and follow up on high risk matters, mentioned in relevant reports
- A network of authorized committees such as:- credit policies committee, and assets and liabilities committee (ALCO), participate in risk management at the bank.

(3) Corporate Governance and Compliance.

- The corporate governance and compliance function is concerned with the design of mechanisms necessary to ensure compliance with all laws and regulations governing the activities of the bank in Jordan and abroad where the bank has branches and subsidiaries.
- The corporate governance and compliance function shall submit its reports and findings to the board corporate governance committee, and forward a copy to the CEO. As for the day to day operations, the function reports to the CEO.

- The board shall approve and monitor the bank's compliance policy. Preparations, development and ensuring implementation of the compliance policy, shall be the responsibility of the corporate governance and compliance function.
- With regard to Anti-Money Laundering, the corporate governance and compliance function acts as a contact point with the Central Bank of Jordan, and the Anti-Money Laundering Unit. It also develops the necessary policies and procedures, designing Know Your Customer policies, monitoring transactions, investigation of suspicious cases, as well as submitting Suspicious Activity Reports to the Anti-Money Laundering Unit.

Tenth:- External Audit.

- The audit committee, in conformity with applicable laws and regulations, nominate an external auditor to be elected by the general assembly, making sure that the nominated external auditor fulfills the requirements of supervisory bodies, (Central Bank, and Securities Commission)
- The audit committee review and examine the external auditor report, to ensure that necessary remedies are taken. The external auditor carry out its duties in conformity with the provisions of the banks' and companies' laws. The external auditor shall review the sufficiency of internal audit and internal control procedures, and formulate its recommendations. The External auditor shall meet with the audit committee without the presence of executive management, at least once yearly.

Eleventh:- Equitable Treatment of Shareholders & their Rights.

- The structure of the bank shareholders is made up of government and financial institutions, and individuals. The law ensures the right for all shareholders to participate in voting in person or by proxy, at the general assembly, the right to discuss matters placed on the agenda of the general assembly on equitable basis, in addition to the shareholders right to place any matters on the agenda, provided that such placement is subject to the approval by not less than (10%) ten percent of the shares registered in the meeting.
- The bank takes efficient steps to encourage shareholders to participate in the general assembly, as all shareholders receive a copy of the annual report, invitations, the agenda of the meeting, and all information on their mailing address. All shareholders have the right to review the shareholders register related to their shareholding, in conformity with the applicable policies. Dividends are equitably distributed proportionate to shares held by each shareholder.
- Members of the board and heads of board committees, attend the general assembly, and answer shareholders questions and inquiries. Representatives of the external auditors also attend the general assembly to respond to any question concerning their audit results, and report. External auditors shall be appointed by a secret ballot at the general assembly. Board members shall be nominated for election or re-election by secret ballot in the general assembly.

Twelfth:- Transparency and Disclosure.

- The board of directors strongly believes that transparency is a basic element of efficient corporate governance, and that appropriate disclosure shall enhance corporate governance, as well as supervisors' capability to control and monitor the sound position of the bank. The bank applies all valid disclosure regulations required by the banks' laws and the instructions of the Securities Commission.

- The bank follows up developments of the international best practices (accounting standards and financial reporting and disclosure of financial statements) in the field of financial reports, as well as disclosure and transparency, local and international. The senior executive management shall submit its reports on developments to the board, accompanied by relevant recommendations, to improve disclosure practices at the bank.
- The bank recognizes its duty to provide appropriate and timely information about its activities to the shareholders, depositors and counterparts in the financial market, control bodies and the public. Such information shall be disclosed to all parties in conformity with applicable laws.
- The bank publishes its Articles of Incorporation and Association on its website. Relevant laws provide that in case of any amendments to the Articles of Incorporation, an extraordinary general assembly shall be convened, and the invitation shall be accompanied by the proposed amendments. The board of directors shall provide the Securities Commission with a report concerning the election of the board and any changes in its composition, or members' identity. Such information shall be subject to disclosure in accordance with the instructions of the Securities Commission.
- The board shall be responsible for the accuracy and integrity of the financial statements of the bank, and the contents of the annual report. The bank shall be committed to maintain contact and information channels with the shareholders, investors, counterparts in the financial market and the public, through the investors' relations unit, which provides comprehensive objective and up-to-date information about the bank, its financial position, performance and activities. This shall be included in the annual report and quarterly reports that provide financial information about the bank and its financial position during the year.

Declarations of the Board of Directors

First Declaration

The Board of Directors of the Housing Bank for Trade and Finance declares its responsibility for the correctness, accuracy and completeness of the data and the financial statements stated in the annual report 2007.

Second Declaration

The Board of Directors of the Housing Bank for Trade and Finance declares that there are no substantial matters that may affect the Bank's continuous effective performance during the next fiscal year 2008.

Third Declaration















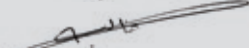
The Board of Directors of the Housing Bank for Trade and Finance declares that the Bank's internal control and monitoring systems are efficient, as at the end of 2007.

Fourth Declaration

The Board of Directors of the Housing Bank for Trade and Finance declares its responsibility to ensure the availability and maintenance of internal control and monitoring systems on financial reporting. Such systems shall be in conformity with applicable regulations, legislations and laws and the best practices.

Fifth Declaration

The Board of Directors of the Housing Bank for Trade and Finance declares its responsibility to use a working framework for the evaluation of the efficiency of the Bank's internal control and monitoring systems.

Board Member	Title	Signature
H.E. Dr. Michel Marto	Chairman	
Mr. Othman Bafagih	Vice Chairman	
Mr. Abdullah Saudi *	Board Member	
Sheikh Ali Bin Jassim Al - Thani	Board Member	
Mr. Mohammad Abdul Hadi	Board Member	
Mr. Saad Al Henaidi	Board Member	
Mr. Mohammad Al Munai	Board Member	
H.E. Maher Al Madadha**	Board Member	
Mr. Thabet Elwir	Board Member	
Mr. Mohamed Ben Yousef	Board Member	
Mr. Mokhtar Ghenas	Board Member	
Mr. Ammar Zahran*	Board Member	
Mr. Ahmed Al Mahrezi	Board Member	
Mr. Shukry Bishara	Chief Executive Officer	
Mr. Khaled Al-Thahabi	Chief Financial Officer	

*Until 31/12/2007.

**Until 1/12/2007, and Mr. Ayman Abu - Dhaim shall be nominated as representative of the Social Security Corporation - Jordan from 7/1/2008.

Description of the bank's main activities, geographical locations, and size of capital investment

The Housing Bank for Trade and Finance provides versatile financial and banking services for the retail and corporate sectors, through a network of branches distributed all over Jordan. The bank carries out its activities mainly in Jordan, as Palestine and Bahrain. The authorized capital of the bank is JD 252 million, while the Paid-in capital is JD 250 million. Capital designated for Palestine branches is JD 15.4 million, and for Bahrain branch is JD 10.6 million.

The bank's training activities and number of employees

1. The Bank's Training Programs and Activities in 2007

Total training opportunities provided by the bank in 2007 were about 2780, in addition to holding internal seminars in the field of banking in which 292 employees participated. The bank also provided opportunities for 42 employees to get academic certificates and 31 employees to obtain professional certificates.

Item	Number of Participants
Training Programs held at the bank-based training center	2324
Training Programs held in collaboration with specialized local training centers	395
Training courses in Arab and Foreign Countries	61
Internal seminars	292
Academic certificates	42
Professional certificates in the fields of finance, accountancy, funding, computer, and compliance.	31
Total	3145

The most important courses held in 2007

Item	Number of Participants
Administrative Courses	715
Financial and Accounting Courses	77
Credit Courses	184
Behavioral Skills And Public Relations Courses	226
Operations, Treasury and Investment Courses	1089
Personal Computer (PC) Courses	416
Total	2707

2. Number of the employees of the bank branches in Jordan, as to their qualifications at the end of 2007

Qualification	Number
PhD. degree	3
Master degree	79
High diploma	3
Bachelor degree	1237
Diploma	376
General Secondary Certificate	104
Total	1802

3. Number of the employees of the bank branches in Jordan as at the end of 2007

The number of the bank employees in Jordan totaled at 1802, out of which 908 employees are in the Head Office, Operations departments, Credit centers, and Retail Sector, and 38 are in the Main Branch.

Branch	Number of employees	Branch	Number of employees	Branch	Number of employees	Branch	Number of employees
Al Madina	11	Luwibdeh	7	AlWehdat	13	Qasr Shbeeb	10
Jabal Amman	10	Al Nuzha	9	Sahab	8	Zarqa	13
Jabal Al Husein	14	Commercial Complex	16	Abu Alanda	10	Irbid	19
Marka	14	Abu Nseir	8	Juwaideh	8	Ajloun	10
Qurish St.	12	Sweifieh	13	Na'our	7	Mafrag	14
Jabal al Taj	7	Gardens	13	Muwaqar	4	Jarash	11
Prince Hassan Sub.	11	Al Hussein Sub.	10	King Abdullah the 2nd City	6	Ghweirieh	7
Al Hashmi	10	Al Jubeiha	13	Muqableen	9	Rumtha	11
Ras Al Ein	8	Al Fuhais	7	Quwaismeh	8	North Shouna	10
Ashrafieh	8	Saltt	13	Ma'daba	12	Deir Abi Saeed	6
Al Hawooz	7	Sweileh	11	Aqaba	12	Hakama	11
Sport's City	13	Marj Al Hamam	11	Tafeileh	7	Al Huson	10
Al Salam	7	Tela' Al Ali	8	Ma'an	12	Aidoun	6
Prince Moh'd St.	7	Baqa'	8	Al Karak	10	Mashre'	5
Tareq	11	Bayader	14	Potash	6	Kufranjah	6
Nazal	10	Deir A'la	7	Petra	7	Palestine St.	9
Abdoun	13	South Shouna	6	Shoubak	3	Al Jaish St.	7
Shmeisani	10	Karameh	2	Mu'ta	9	Yarmouk	7
Rusaifeh	8	Kraymeh	3	Al Hasa	5	Al Dleel	7
Hiteen	8	Um Al Semaq	8	Airport	13	Al Barha	8
Oujan	8	Al Rabieh	8	Al Edhaa	7	North Azraq	4
Jabal Al Shamali	7	Abdulah Ghoshe	9	Sheidieh	3	M a s o u m Sub.	7
Children	3	Zahran	10	Al Qaser	7	Al Hasan Indust.City	5
Wadi Saqra	6	Madina Munawarah	14	Central Market	6	Al Quba Circle	10

4. Number of employees of the bank branches outside Jordan, broken down by academic qualifications at the end of 2007

Qualification	Regional Mgt/ Palestine												Bahrain Branch
	Regional Mgt	Ramallah	Nablus	Khaleel	Gaza	Beir Zeit	Halhoul	Jenin	Beth-lehm	K h a n Younis	Yata	Dahriyeh	
PhD. degree	-	-	-	-	-	-	-	-	-	-	-	-	-
Master degree	2	2	1	-	-	-	-	1	4	-	-	-	2
High Diploma	-	-	-	-	-	-	-	-	-	-	-	-	-
Bachelor degree	18	12	10	14	11	7	7	9	7	9	-	3	11
Diploma	4	4	3	1	1	1	-	1	-	-	1	-	1
General Secondary Certificate	4	6	5	4	3	3	3	3	2	3	-	1	7
Total	28	24	19	19	15	11	10	14	13	12	1	4	21

Subsidiaries

1. Subsidiaries' business nature and their fields of activity

Company name	Company Type	Main Activity	Share capital	Bank's Share	No. of employees	No. of Branches
International Bank for Trade & Finance / Syria	Anonymous Company	Commercial banking activities	SL 3000,000,000	49.0%	236	16
The Housing Bank for Trade & Finance / Algeria	Public Shareholding	Commercial banking activities	Alg. D 2700,000,000	64.74%	181	4
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance works	JD 20,000,000	100%	12	-
Jordan & Palestine Financial Investment Co.	Private Shareholding	Financial Brokerage works	JD 2,500,000	99.9%	9	-
International Financial Center Co.	Private Shareholding	Financial Brokerage works	JD 4,000,000	77.5%	22	-
Jordan Real-Estate Investments & Commercial Services	LLC	Acquisition and management of Real Estate	JD 40,000	100%	557	-

2. Number of employees of Subsidiaries, broken down by academic qualifications at the end of 2007

Qualification	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Specialized Leasing Finance Co.	Jordan & Palestine Financial Investment Co.	International Financial Center Co.	Jordan Real-Estate Investments & Commercial Services
PhD.degree	-	-	-	-	-	-
Master degree	3	7	2	-	1	-
High Diploma	2	13	-	-	1	-
Bachelor degree	154	83	7	5	12	23
Diploma	52	26	3	1	4	126
General Secondary Certificate	25	52	-	3	4	408
Total	236	181	12	9	22	557

Position of each Board Member

Board Member	Date of Appointment	Body Represented	Classification	% in the Bank Capital*
H.E. Dr. Michel Marto/ Chairman	8/4/2004	Himself	Executive, Non-independent	0.103
Mr. Othman Bafagih/ Vice Chairman	11/4/2000	Capital Investments Holding Co./ Bahrain	Non-Executive Independent	0.01
Mr. Abdullah Saudi*	28/6/1997	Himself	Non-Executive Independent	0.004
Sheikh Ali Bin Jassim Al - Thani	5/5/1997	Qatar Investment Authority	Non-Executive Non-Independent	0.008
Mr. Mohammad Abdul Hadi	2/4/2005	Qatar Investment Authority	Non-Executive Non-Independent	
Mr. Saad Al Henaidi	15/4/2001	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	18.762
Mr. Mohammad Al Munaifi	2/4/2005	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	
H.E. Maher Al Madadha**	1/10/2007	Social Security Corporation/ Jordan	Non-Executive Non-Independent	15.404
Mr. Thabet Elwir	1/10/2007	Social Security Corporation/ Jordan	Non-Executive Non-Independent	
Mr. Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	15.384
Mr. Mokhtar Ghenas	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	
Mr. Ammar Zahran*	3/6/2004	Himself	Non-Executive Independent	0.01
Mr. Ahmed Al Mahrezi	2/4/2005	Ministry of Finance / Sultanate of Oman	Non-Executive Independent	3.0

* Share of the body represented by the Member.

** Up to 1/12/2007.

- The provisions of Corporate Governance Code have not been complied with concerning:

* Number of independent members in the Board of Directors.

* Number of independent members in the Audit Committee, and Nomination & Remuneration committee.

This is due to the special structure of the Bank's share capital, as six shareholders having judicial public personalities hold (222,861,118) shares, at the rate of 89.2% of the share capital. Pursuant to provisions of Article no. (135) of the Companies Law, such personalities are qualified to be represented in the Board of Directors, in proportion to their shareholding in the Bank's share capital, if their shareholding qualifies them, by one Board membership or more.

The number of securities owned by Board Members, their relatives, and controlled companies

Board Member	Nationality	Number of Securities owned by the member		Number of Securities owned by wife and minor children		Companies controlled by the member		Companies controlled by wife and minor children	
		2006	2007	2006	2007	2006	2007	2006	2007
H.E. Dr. Michel Marto/ Chairman	Jordanian	225,000	257,000	-	-	-	-	-	-
Mr. Othman Bafagih/ Vice Chairman	Saudi	20,750	20,750	-	-	-	-	-	-
Mr. Abdullah Saudi	Libyan	10,000	10,000	-	-	-	-	-	-
Sheikh Ali Bin Jassim Al – Thani	Qatari	-	-	-	-	-	-	-	-
Mr. Mohammad Abdul Hadi	Jordanian	-	-	-	-	-	-	-	-
Mr. Saad Al Henaidi	Kuwaiti	-	-	-	-	-	-	-	-
Mr. Mohammad Al Munaifi	Kuwaiti	-	-	-	-	-	-	-	-
H.E. Maher Al Madadha	Jordanian	-	-	-	-	-	-	-	-
Mr. Thabet Elwir	Jordanian	-	-	-	-	-	-	-	-
Mr. Mohamed Ben Yousef	Libyan	-	-	-	-	-	-	-	-
Mr. Mokhtar Ghenas	Libyan	-	-	-	-	-	-	-	-
Mr. Ammar Zahran	Saudi	25,000	25,000	-	-	-	-	-	-
Mr. Ahmed Al Mahrezi	Omani	-	-	-	-	-	-	-	-

Benefits and Remunerations of the Chairman and the Board Members

- The salaries, remunerations and benefits received by the Chairman and the Board Members in 2007 amounted to JD 993,879.

Number and dates of the Board meetings

The Bank's Board of Directors held seven meetings in 2007 dated as follows: 25/1, 29/3, 26/4, 14/6, 26/7, 31/10, and 27/12.

Following is the attendance register of those meetings:

Meetings	Attendant Members
First Meeting	All Board Members except Mr. Abdullah Saudi
Second Meeting	All Board Members
Third Meeting	All Board Members
Fourth Meeting	All Board Members
Fifth Meeting	All Board Members except Mr. Othman Bafagih and Mr. Ammar Zahran
Sixth Meeting	All Board Members
Seventh Meeting	All Board Members except Mr. Abdullah Saudi and Mr. Maher Al Madadha

Remunerations Policy: Brief

The Housing Bank applies & implements an incentive-based remuneration policy, through appropriation of about 5% of the after- tax profits for this purpose. Such profits are distributed on employees according to a special plan relating achievement of the objectives and levels of performance with the remuneration.

Committees of Board of Directors

The Board has five committees. Each committee has its reference and powers. Following is a brief about these committees:

Executive Committee

The executive committee is composed of seven members, and held five meetings in 2007. The present members of this committee are as follows:

- Dr. Michel Marto / Chairman
- Mr. Othman Bafagih / Member
- Mr. Mokhtar Ghenas / Member
- Mr. Mohammad Abdul Hadi / Member
- Mr. Mohammad Al Munaifi / Member
- Mr. Thabet Elwir / Member
- Mr. Shukry Bishara / Member

Audit Committee

The audit committee is composed of four members, and held eight meetings in 2007. The present members of this committee are as follows:

- Sheikh Ali Bin Jassim Al - Thani / Chairman
- Mr. Ammar Zahran / Member
- Mr. Saad Al Henaidi / Member
- Mr. Mohamed Ben Yousef / Member

Nomination and Remuneration Committee

The nomination and remuneration committee is composed of three members, and held two meetings in 2007. The present members of this committee are as follows:

- Sheikh Ali Bin Jassim Al - Thani / Member
- Mr. Mohammad Al Munaifi / Member
- Mr. Mohamed Ben Yousef / Member

Risk Management Committee

This committee has been found on 27/12/2007, and composed of four members as follows:

- Dr. Michel Marto / Chairman
- Mr. Ahmed Al Mahrezi / Member
- Representative of Qatar National Bank / Member
- Mr. Shukry Bishara / Member

Corporate Governance Committee

This committee has been found on 27/12/2007, and composed of five members as follows:

- Dr. Michel Marto / Chairman
- Sheikh Ali Bin Jassim Al - Thani / Member
- Mr. Thabet Elwir / Member
- Mr. Mokhtar Ghenas / Member
- Mr. Shukry Bishara / Member

Senior Executive Management: Brief Resume

Mr. Kamal Yaghmour / Head of Retail Banking Group

Date of Birth: 10/6/1956

Date of Appointment: 25/6/1975

Qualifications: B. Sc. Accounting, 1984

Mr. Yaghmour has worked with the Housing Bank since 1975, and his experiences are mainly in the management of consumer banking services, as executive manager of branches & sales dept., and the general manager of the Housing Bank for Trade and Finance / Algeria.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Union Developed Industries Co.
- Board Member: Jordan Vet. Medicine Manufacturing Co. (JOVET)

Mr. Mohammed Al Qaryouti / Head of Commercial Banking Group

Date of Birth: 26/2/1969

Date of Appointment: 4/11/2004

Qualifications: Diploma in Accounting, 1988

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

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Specialized Leasing Company
- Board Member: International Financial Center Co.

Mr. Waqar Khan / Head of Wealth & Private Banking Group

Date of Birth: 25/12/1951

Date of Appointment: 1/3/2007

Qualifications: B.Sc., Economics, 1972

Mr. Khan worked for many local, regional, and international financial and banking institutions, including the Union Bank for Saving and Investment, Standard Chartered Bank, and Merrill Lynch, for more than thirty years. His experience has been mainly in the field of private banking , retail banking, operations, and treasury.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- N.A.

Mr. Ihab Saadi / Head of Corporate & Investment Banking Group

Date of Birth: 2/10/1962

Date of Appointment: 1/5/2001

Qualifications: MBA - Financial Management, 1990

Professional Qualifications: CPA, 1991

Mr. Saadi has an extensive experience in the field of Project Finance, Syndication and Investment Banking including M&A, Corporate Finance and Financial Advisory. He started his career with Grant Thornton / Chicago and then Joined Arthur Andersen in Amman and Dubai for several years; where he was a Senior Manager heading the Corporate Finance Division.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Specialized Leasing Company
- Board Member: Saraya Aqaba Real Estate Development Company

Mr. Omar Malhas / Head of Treasury Group

Date of Birth: 30/3/1960

Date of Appointment: 1/8/2002

Qualifications: MBA - International Banking and Finance, 1991

Mr. Malhas has more than twenty years banking experience. He started his career with the Housing Bank in 1985. In 1999 he became the deputy general manager of Doha Bank, and then worked for Alliance Capital Management, Bahrain office (one of the world's largest investment managers). Mr. Malhas rejoined the Housing Bank in 2002.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: International Bank for Trade & Finance / Syria
- Board Member: Arab Jordanian Insurance Group
- Board Member: Investment Unit of the Social Security Corp./ Jordan
- Board Member: International Financial Center Co.
- Board Member: King Abdullah II Design and Development Bureau

Mr. Majed Abdel-Rahim / Chief Operating Officer

Date of Birth: 19/6/1967

Date of appointment: 16/7/2007

Qualifications: BA/MBA - Corporate Finance / 1991

Mr. Abdel-Rahim has extensive experience in finance and banking. He started his career in 1990 with the US's largest insurance company, in 1997 he joined Arthur Andersen Business Consulting, and worked in the US, Europe, and the Middle East. In 2002, Mr. Abdel-Rahim joined the Arab Bank as Global Chief Information Officer, and in late 2005 he joined the Commercial Bank of Qatar as Chief Finance and Strategy Officer. At the beginning of 2007 he joined the Kuwait Finance and Investment Company as Chief Operating Officer.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

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

Mr. Nimer Al-Bakri / Chief Credit Officer

Date of Birth: 12/9/1944

Date of Appointment: 29/10/2007

Qualifications: B. Sc. Accounting, 1967

Mr. Al Bakri has wide and long banking experience in the field of banking operations and credit facilities. Joined the Arab Bank in 1967, as his last position was Regional Manager / Credit Facilities Dept. / Arab Branches, in the Arab Bank.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- N.A.

Mr. Osama Al Haj Yahya / General Auditor

Date of Birth: 22/11/1963

Date of Appointment: 11/8/1988

Qualifications: MA Financial & Banking Sciences, 1995

Professional Qualifications: Certification in Control & Risk Self Assessment / CCSA 2002, the Institute of Internal Auditors (the IIA / USA).

Mr. Osama has worked, throughout the last two decades, with the Housing Bank in the field of Internal Audit. He has been promoted to various positions in the Internal Audit functions, until assuming the position of the Bank's General Auditor. He has, during this period, gained the necessary educational and practical experiences that qualified him to manage and direct the internal audit function of the bank.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Jordan Real Estate Enterprises Co
- Board Member: Arab Engineering Industries Co. LTD

Mr. Talal Ishkantana / Head of Group Risk Management

Date of Birth: 1/1/1968

Date of Appointment: 1/2/2007

Qualifications: B. Sc. Accounting, 1991

Mr. Talal has worked with many Jordanian, Arab, and Foreign banks, as he started his career in the Arab Bank / Commercial Dept. , LC officer with the Union Bank for Savings & Investment. Mr. Talal assumed the position of Operations Officer in the Citi Bank / Amman, and then he worked in the Risk and Compliance Dept. / LLOYDS TSB Bank / Dubai, Emirates Bank ,and Al Jazeera Bank / Saudi Arabia.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- N.A.

Mr. Jamal Doqqa / Head of Corporate Governance & Compliance

Date of Birth: 21/10/1969

Date of Appointment: 6/6/1993

Qualifications: MBA, 1999

Professional Qualifications: CISA, CAMS, CCO

During the past fifteen years, Mr. Doqqa, has worked, in the fields of Internal Audit, and Control at the Housing Bank. He then became in charge of Quality Management, and then responsible for the bank Electronic Channels.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- N.A.

Mr. Khaled Al-Thahabi / Chief Financial Officer (CFO)

Date of Birth: 20/6/1963

Date of Appointment: 3/8/1985

Qualifications: B. Sc. Accounting, 1985

Professional Qualifications: CPA, 1995

Mr. Khaled has extensive and versatile experiences in the fields of accounting, tax, financial management, financial planning, and development of accounting policies, procedures, and systems.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Union Tobacco & Cigarette Industries

Mr. Fawzan Shukri / Head of Corporate Center & Strategy Management

Date of Birth: 19/7/1949

Date of Appointment: 22/7/2007

Qualifications: B. Sc. Economics & Management, 1975

Mr. Fawzan has, throughout the last three decades, worked in various fields of banking activities. He gained necessary experiences in the fields of strategic planning, project management, and development of performance methods. Prior to joining the Housing Bank, Mr. Fawzan worked with many Jordanian banks, Al Jazeera Bank / Saudi Arabia, and lastly with the Arab Bank as Head of Global Operations.

Membership in HBTF Board Committees

- N.A.

Membership in the Other Boards

- Board Member: Jordan Industrial Estates Corporation

The number of securities owned by Senior Executive Management, their relatives, and controlled companies

Executive Member	Number of Securities owned by the member		Number of Securities owned by wife and minor children		Companies controlled by the member		Companies controlled by wife and minor children	
	2006	2007	2006	2007	2006	2007	2006	2007
Mr. Shukry Bishara	-	10,000	-	-	-	-	-	-
Mr. Kamal Yaghmour	-	-	-	-	Furat Plastic Industries Co.	Furat Plastic Industries Co.	-	-
Mr. Mohammed Al Qaryouti	-	-	-	-	-	-	-	-
Mr. Waqar Khan	-	-	-	-	-	-	-	-
Mr. Ihab Saadi	-	-	-	-	-	-	-	-
Mr. Omar Malhas	600	3,000	-	225	-	-	-	-
Mr. Majed Abdel-Rahim	-	1,000	-	-	-	-	-	-
Mr. Nimer Al Bakri	-	-	-	-	-	-	-	-
Mr. Osama Al Haj Yahya	-	3,000	-	-	-	-	-	-
Mr. Talal Ishkantana	-	-	-	-	-	-	-	-
Mr. Jamal Doqqa	-	-	-	-	-	-	-	-
Mr. Khaled Al-Thahabi	2,000	2,000	-	-	-	-	-	-
Mr. Fawzan Shukri	-	-	-	-	-	-	-	-

Benefits and Remunerations of the Senior Executive Management

- The salaries, remunerations and benefits received by the Senior Executive Management in 2007 amounted to JD 2,016,018

Major Shareholders (5% or more)

Shareholder	Number of Shares as at the end of 2006	(%) of Capital	Number of Shares as at the end of 2007	(%) of Capital
Qatar Investment Authority	51,502,842	20.601	20,000	0.008
Qatar National Bank	-	-	76,286,936	30.515
Kuwait Real Estate Investment Consortium	46,904,045	18.762	46,904,045	18.762
Social Security Corporation / Jordan	38,513,072	15.405	38,510,007	15.404
Libyan Foreign Bank	38,461,540	15.384	38,461,540	15.384
Sheikh Khalid Bin Mahfouz	24,684,117	9.873	-	-
Total	200,065,616	80.025	200,182,528	80.073

- Number of Jordanian Shareholders is (4127) holding a stake of (23.872%) of Capital.
- Number of Arab & Foreign Shareholders is (502) holding a stake of (76.128%) of Capital.

The Bank's competitive position & its market share

Domestic Market Share in 2007

Item	Market share
Assets	15.6%
Total Customers' Deposits	17.1%
Loans & Credit Facilities	14.1%

The extent of dependence upon specific suppliers and/or major clients (Local and International)

There are no specific suppliers or customers whose dealings with the Bank exceed 10% of the total purchases and/or sales.

Description of any Government protection or any privileges granted to the Bank, or to any of its products; as well as a description of any Patents or Licensing Rights

Neither the Housing Bank for Trade & Finance nor any of its products enjoy any Government protection or privileges pursuant to laws and regulations. The Bank has not gained any patents or intellectual rights.

Description of any decisions by the Government, International Organizations or others, having material effect on the Bank's business, products or competitiveness

No resolutions issued by the Government, International organizations or others having financial impact on the Bank, its products or competitiveness, as the bank implements and applies international quality standards.

Description of the Bank's risk exposure

The Bank, due to the nature of its business, is facing various risks, as setout in the Notes 43 in the Financial Statements 2007.

The Bank's accomplishments supported by figures, and description of significant occurrences in 2007

Such accomplishments has been setout in the analysis of the Bank's financial performance.

The financial impact of non-recurrent transactions during 2007, which are not part of the Bank's main activities

There are no non- recurrent transactions or substantial matters included in the Bank's core activities.

Chronology of the realized profits, shareholders' net equity, the market prices of the Bank's share and its dividends

Stated on page 18 of this report.

Analysis of the Bank's financial position, and the results of its operations for the fiscal year 2007

Stated on pages 18-21 of this report.

Important prospective developments including any new expansions or projects; and the Bank's future plan

Setout in the Bank's future plan for 2008

Auditor's fees for the year 2007

(JD)

Item	Audit Fees	Consultations & other fees	Total
The Bank & Foreign branches	236,836	18,160	254,996
Subsidiaries	101,415	-	101,415
Total	338,251	18,160	356,411

Donations and Grants in 2007

Donations and grants in 2007 amounted to JD 1.863 Million. The bank donated the Bank Employee Club at total amount of JD 1.2 million. The bank also provided financial and in-kind donations & grants, in support of many orphanage and old aged centers, disabled centers, charitable societies, cultural & sports clubs all over the Kingdom.

Following is a table showing recipients of donations:

Donation Recipient	Amount / JD
Palestinian Affairs Department /affiliated to Jordanian Ministry of Foreign Affairs.	1,200,000
Teachers' Housing Fund	300,000
Jordanian Hashemite Fund	105,000
Al Hussein Cancer Center	40,000
Construction of Pedestrian Bridge / Zarka Governorate	35,000
Support of Scientific Research Centers	25,000
International Affairs Society	25,000
Others	133,000
Total	1,863,000

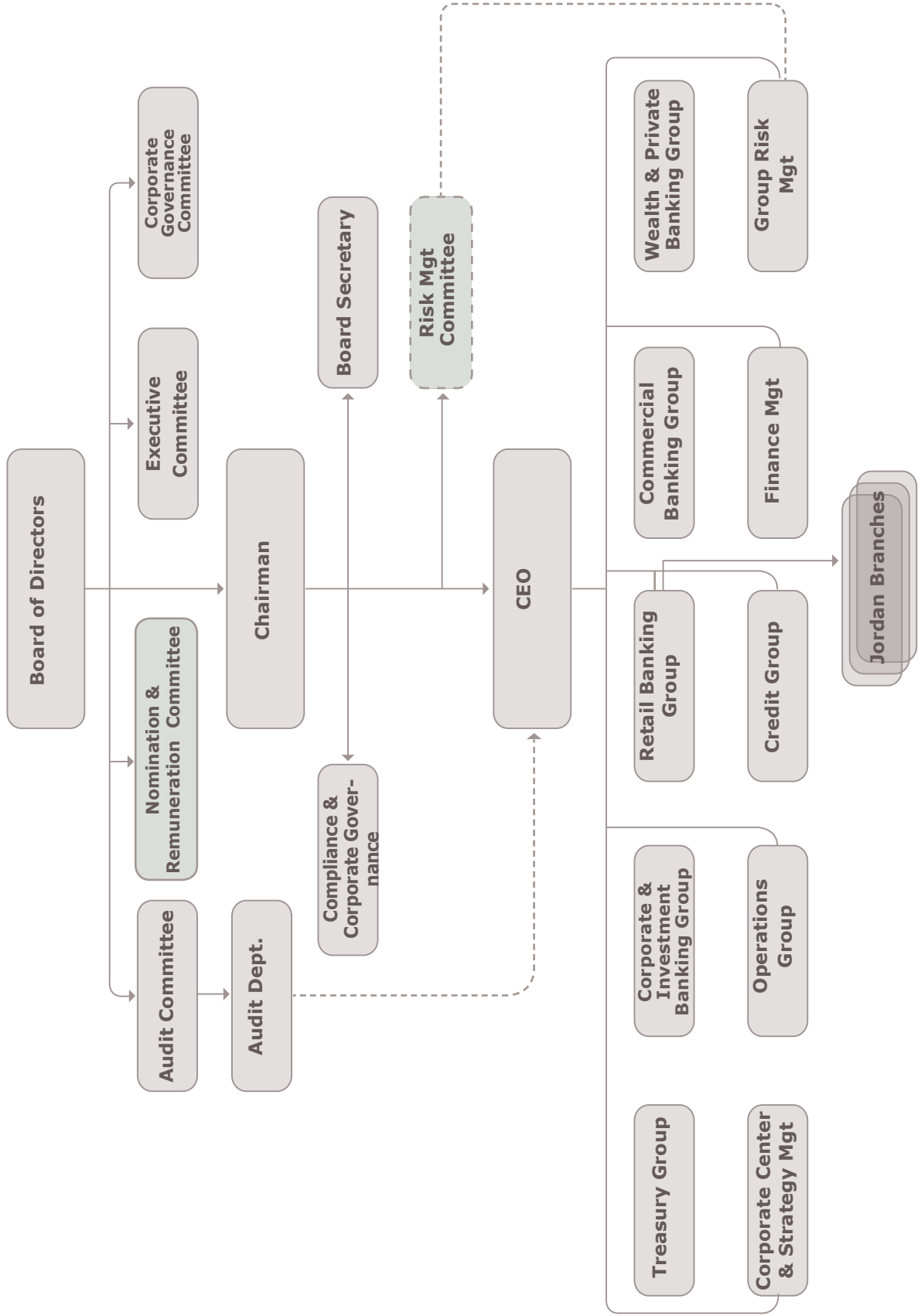
The Bank's contracts, projects and engagements concluded with its Subsidiaries, Sister Companies or Affiliates, as well as those with the Chairman and Members of the Board of Directors, the Chief Executive Officer or any employee of the Company or their relatives

As setout in Note 41 in the Financial Statements 2007, the Bank entered into transactions with subsidiaries, major shareholders, members of the Board of Directors, Senior Management, in the course of ordinary activities, at commercial rates of interest and commissions. All facilities granted to related parties are considered performing and no provisions have been made.

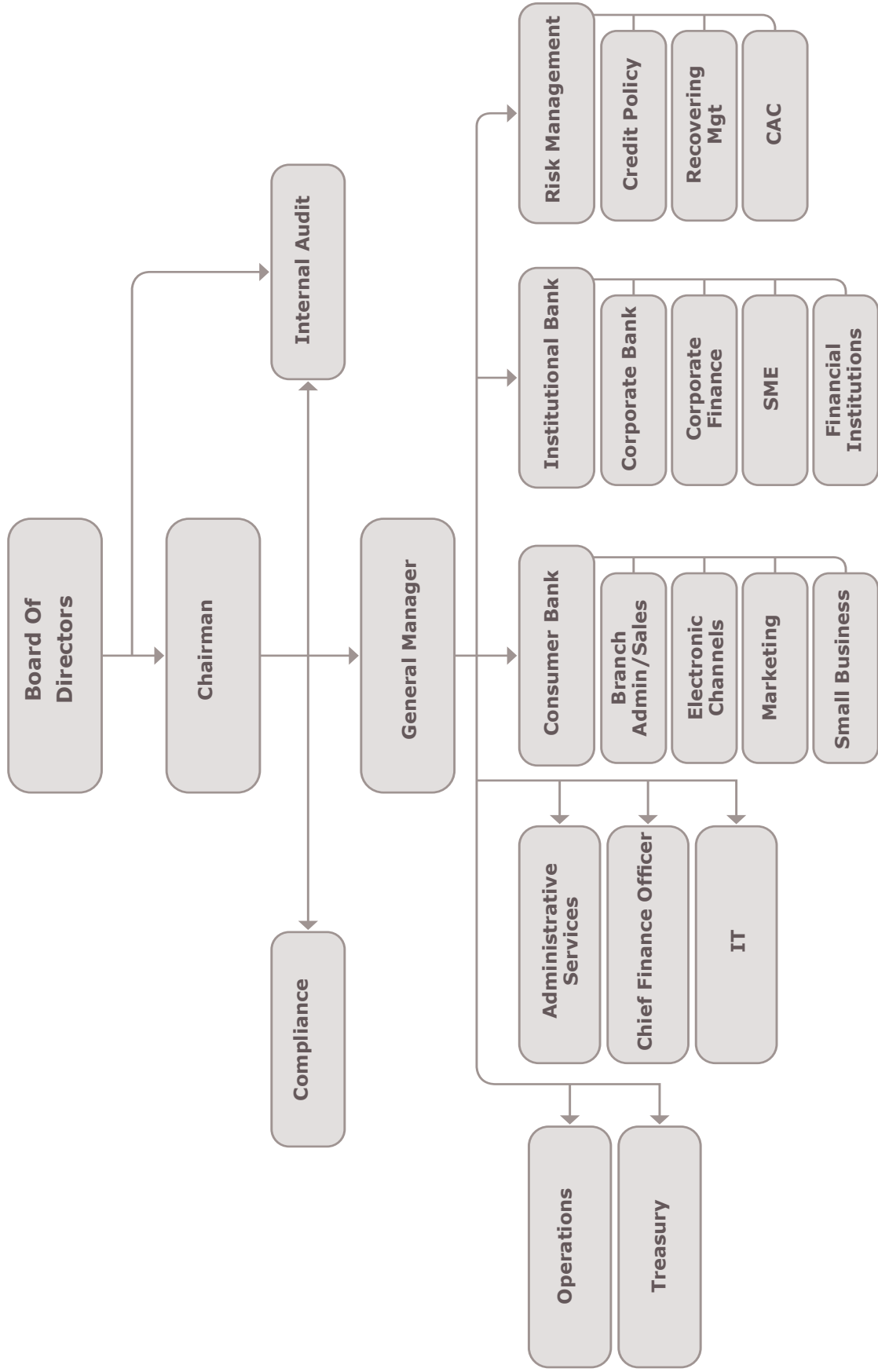
The Bank's contribution to environmental protection and local community service

Setout page 26.

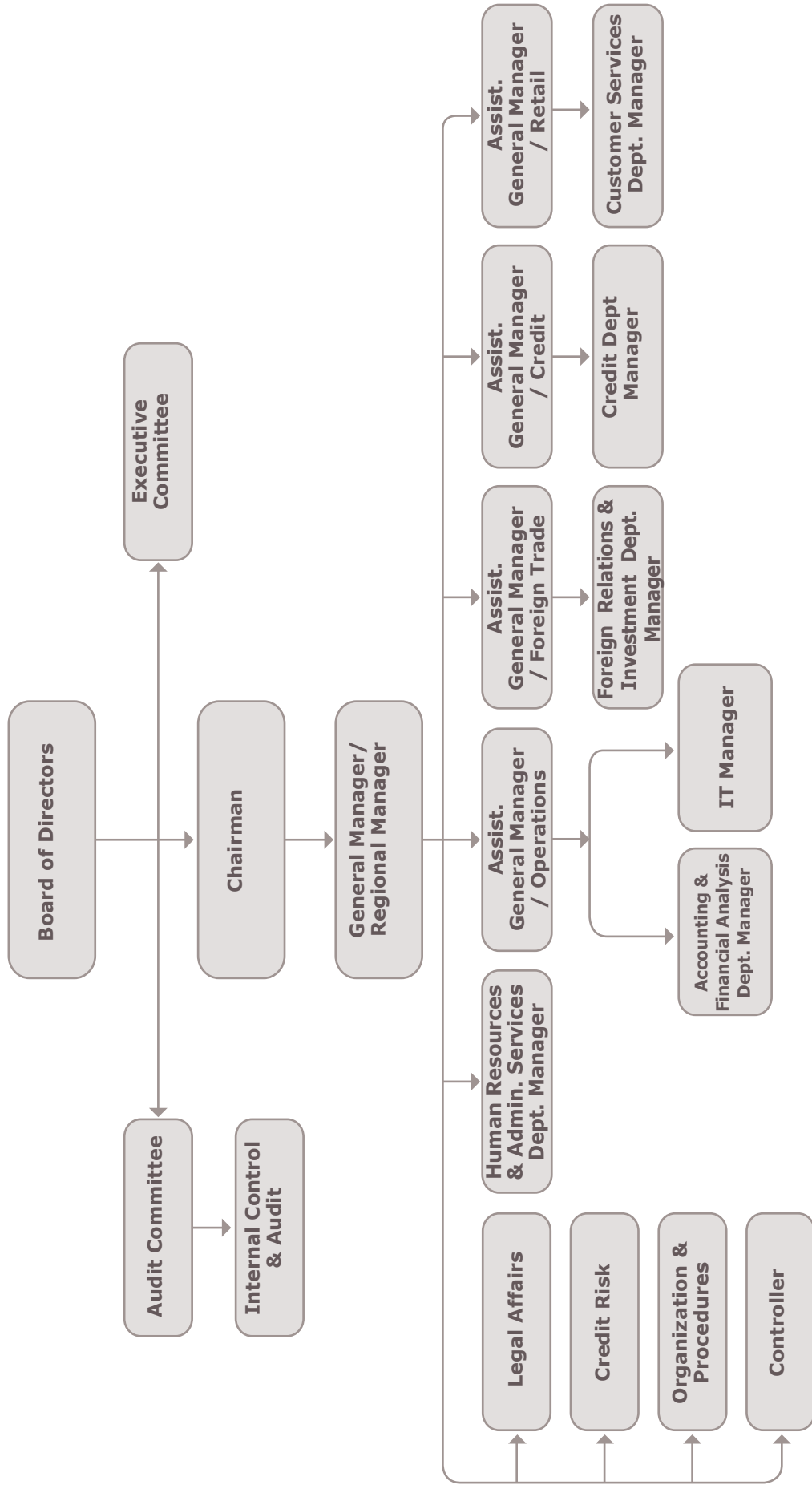
Organizational Chart / The Housing Bank for Trade and Finance



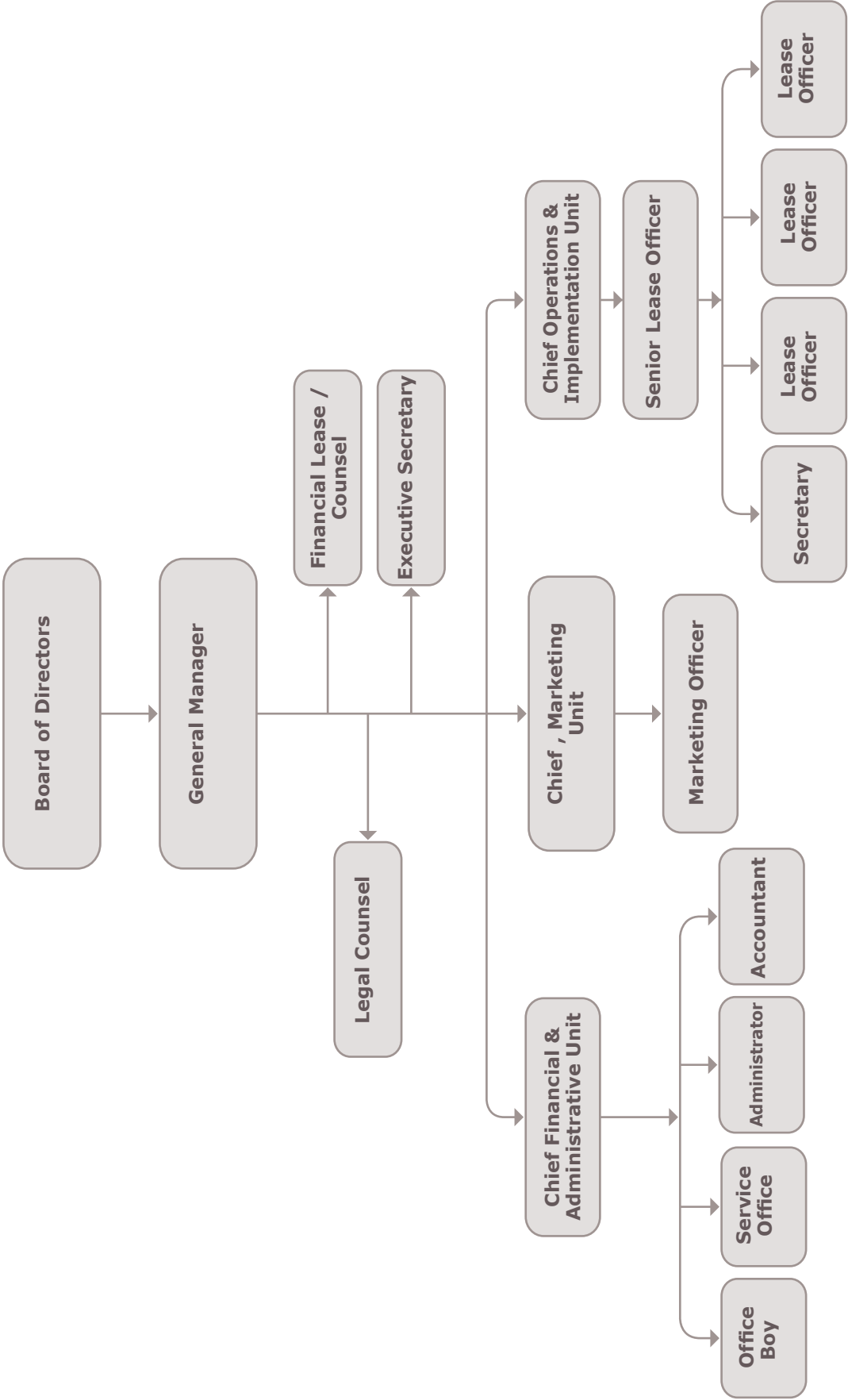
Organizational Chart / International Bank for Trade and Finance - Syria



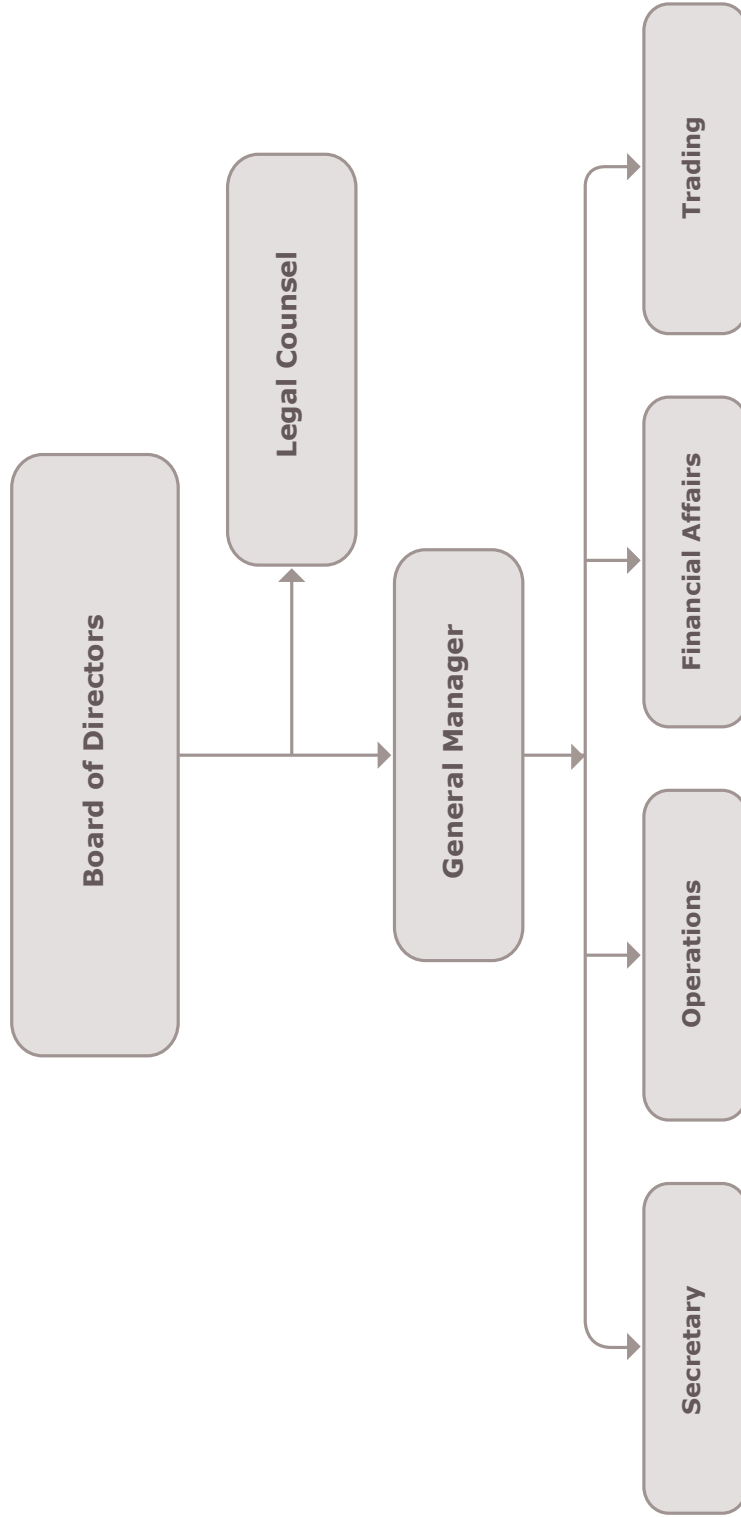
Organizational Chart / The Housing Bank for Trade and Finance - Algeria



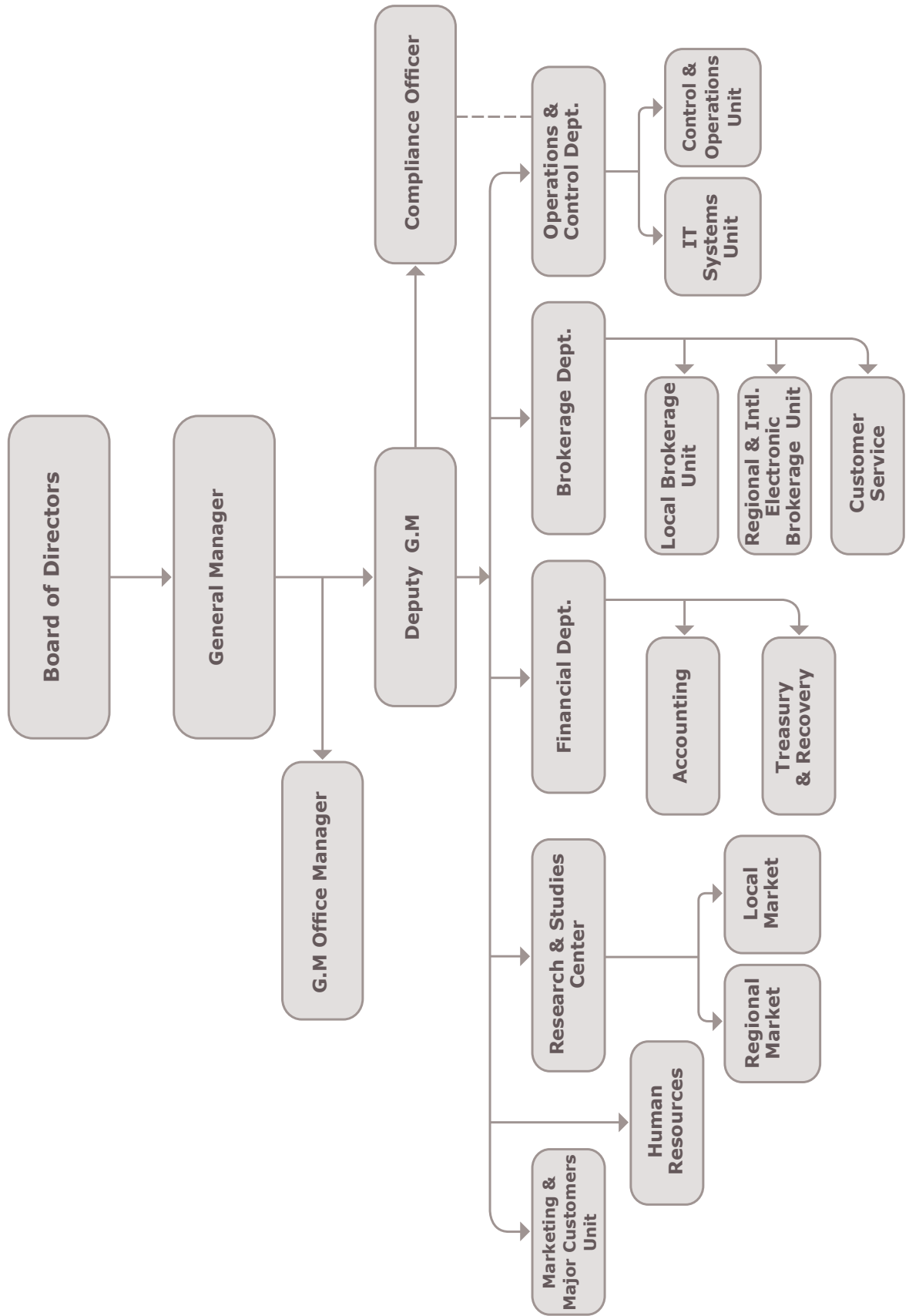
Organizational Chart / Specialized Leasing Company



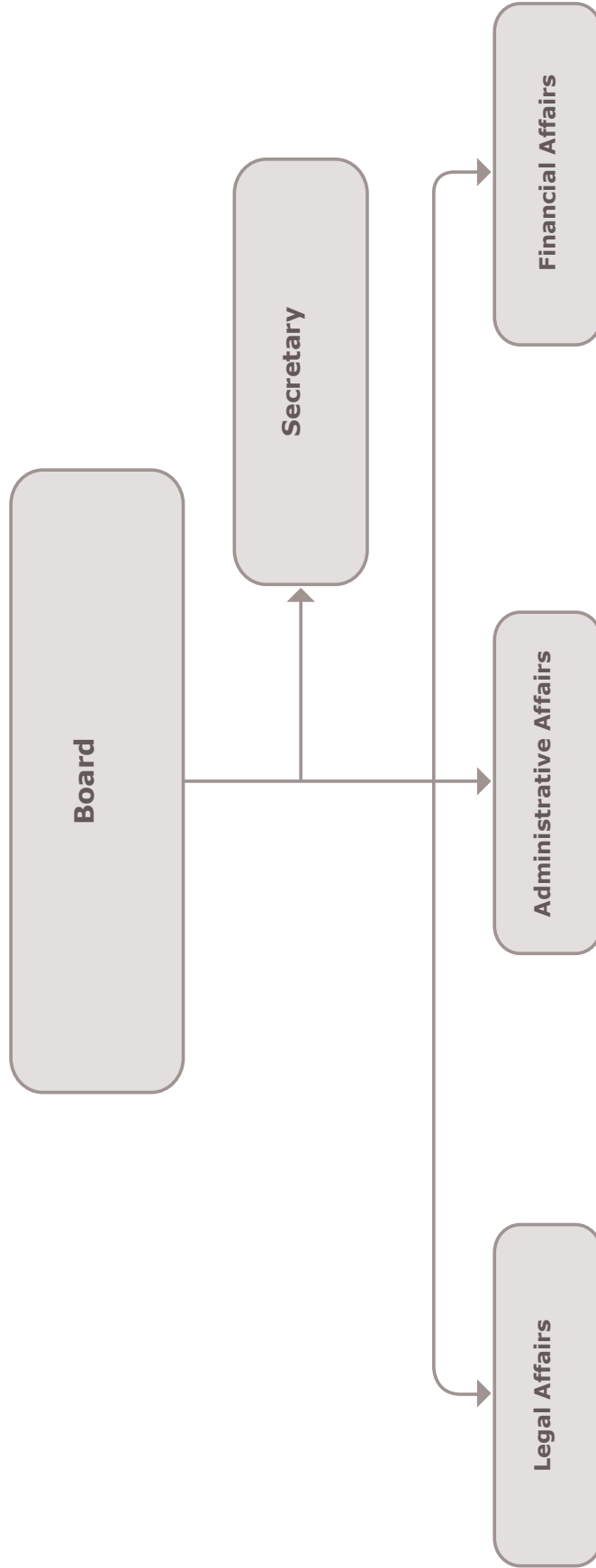
Organizational Chart /Jordan & Palestine Financial Investment Co.



Organizational Chart / International Financial Center



Organizational Chart / Jordan Real Estate Investment & Commercial Services



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone No.	Branch	Address	Phone No.
Al Madina	Amman, King Hussein St.	4622631	Lwibdeh	Amman, Abdali, Opp. Foreign Travels Complex	5663798
Jabal Amman	Amman, Jabal Amman, 3rd Circle, Prince Moh'd St.	4642826	Al Nuzha	Amman, Jabal Al Nuzha, Schools Sub.	5662136
Jabal Al Hussein	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St.	4654697	Commercial Complex	Amman, Shmeisani, Queen Noor St.	5677251
Marka	Amman, Marka, King Abdullah Str.	4893611	Abu Nseir	Amman, Abu Nseir, Opp. Commercial Complex	5234964
Quraish Str.	Amman, Quraish St., (Saqf Al Sail)	4622041	Sweifieh	Amman, Sweifieh Commercial Market	5854733
Jabal al Tajj	Amman, Jabal Al Tajj, Main St.	4787544	Gardens	Amman, Tela' Al Ali, Wasfi Al Tall St.	5695838
Prince Hassan Sub.	Amman, Jabal Al Nasr, Main St.	4908975	Al Hussein Sub.	Amman, Al Hussein Sub. Makka St.	5514074
Al Hashmi	Amman, North Hashmi, Prince Rashed St.	4919541	Al Jubeiha	Amman, Al Jubeiha, opp. Jubeiha Directorate	5350551
Ras Al Ein	Amman, Ras Al Ain, Al Quds St.	4778595	Al Fuhais	Al Fuhais, Main St.	4729177
Ashrafieh	Amman, Ashrafieh, Imam Al Shafe' St.	4753957	Salt	Al Salt, Al Maydan St. Little Mosque Road	3555101
Al Hawooz	Amman, Jabal Amman, Omar Bin Al Khattab St.	4653534	Sweileh	Sweileh, Princess Raya Bint Al Hussein St.	5350473
Sports City	Amman, Sports City, Al Shaheed St.	5154171	Marj Al Hamam	Marj Al Hamam, Main St.	5712051
Al Salam	Amman, Jabal Luweibdeh, Shari'a College St.	4653899	Tela' Al Ali	Tela' Al Ali, Wasfi Al Tall St.	5525860
Prince Moh'd Str.	Amman, 9th Sha'ban St., Tala't Al Hayek	4616090	Baqa'	Al Baqa'Camp, Near Al Baqa' Sports Club	4726802
Tareq	Amman, Tareq, Main Sr.	5054535	Bayader	Amman, Bayader Wadi Al Seer, Main Sr.	5857076
Nazal	Amman, Nazal, Main St.	4396961	Deir A'la	Deir A'la, Al Sawalha – Main St.	3573202
Abdoun	Amman, Cairo St.	5929586	South Shouna	South Shouna, Government Depts. Complex	3581153
Shmeisani	Amman, Shmeisani, Abdul Hameed Sharaf St.	5606173	Karameh	Al Karameh, Main St.	3539060
Rusaifeh	Zarqa, Rusaifeh, King Hussein St.	3742332	Kraymeh	Al Kraymeh Main St.	6575223
Hiteen	Zarqa, Hiteen Camp, Main St.	3610290	Um Al Sumaq	Amman, Um Al Sumaq, Main St.	5536696
Oujan	Zarqa, Oujan, Main St., Opp. Yajoz Intersection	3657034	Al Rabieh	Amman, Al Rabieh, Mahmood Al Tahir St.	5539384
Jabal Al Shamali	Zarqa, Rusaifeh, Yajoz Road, Jabal Shamali	3759025	Abdulah Ghoshe	Amman, 7th Circle	5863899
Children	Amman, Shmeisani, Haya Cultural Center	5680070	Zahran	Amman, Ibin Khaldon St. (Al Khaldi Hospital)	4642568
Wadi Saqra	Amman, Wadi Saqra St.	4632305	Madina Munawarah	Amman, Tela' Al Ali, Al Madina Al Munawarah St.	5521011

Branch	Address	Phone No.	Branch	Address	Phone No.
Al Wehdat	Amman, Al Wehdat	4778620	Qasr Shbeeb	Zarqa, King Hussein St., Housing Bank Complex	3987778
Sahab	Amman, Sahab, Main St.	4023074	Zarqa	Zarqa, Intersection of Prince Shaker St. & King Faisal St.	3935295
Abu Alanda	Amman, Abu Alanda Main St.	4161545	Irbid	Irbid, Prince Nayef St., Awqaf Building	7242175
Juwaideh	Amman, Al Juwaideh, Main St.	4127762	Ajloun	Ajloun, Main Square	6420930
Na'our	Na'our, King Hussein St.	5727671	Mafraq	Mafraq, King Talal Str.	6231295
Muwaqar	Amman, Al Muwaqar, Down Town	4059350	Jarash	Jarash, King Abdullah Str.	6354443
King Abdullah II City	Amman, Sahab, Amman Industrial Estate	4029329	Ghweirieh	Zarqa, Ghweirieh, Intersection of King Ghazi Str. & Algeria Str.	3979050
Muqableen	Amman, Al Muqableen, Main St.	4201271	Ramtha	Ramtha, Down Town, Nasser Al Tallaq St.	7383110
Quwaisme	Amman, Al Quwaisme, Bader New Building	4786768	North Shouna	North Shouna, King Faisal Str.	6580340
Ma'daba	Ma'daba, King Abdullah St.	3246980	Deir Abi Saeed	Deir Abi Saeed	6521033
Aqaba	Aqaba Cornich St.	2035924	Hakama	Irbid, Hakma St., Hanina Intersection	7405045
Tafeileh	Tafeileh, Main St.	2200203	Al Huson	Al Huson, Wasfi Al Tall St.	7010042
Ma'an	Ma'an, King Hussein St.	2139010	Aidoun	Aidoun, Main St.	7103484
Al Karak	Karak, Municipality Building, Al Nuzha St.	2396029	Mashare'	Al Mashare', Main St.	6529009
Potash	Karak, Ghour Al Mazra', Housing City	2305159	Kufranjah	Kufranjah, Main St.	6454370
Petra	Wadi Mousa, Main St.	2157082	Palestine Str.	Irbid, Palestine St., Othman Naseef Building	7273076
Shoubak	Shoubak, Main St.	2169050	Al Jaish Str.	Zarqa, Al Jaish St., Near Foreign Travels Complex	3936647
Mu'ta	Mu'ta, University St.	2370509	Yarmouk	Irbid, Shafiq Irshedat St.	7278483
Al Hasa	Al Hasa, Housing City, New Commercial Market	2277046	Al Dleel	Zarqa, Al Dleel, Qasr Al Halabat Intersection	3824333
Airport	Queen Alia International Airport	4459276	Al Barha	Irbid, Al Barha St., Opposite Irbid Municipality	7269015
Al Edhaa	Amman, Ma'daba St.	4752201	North Azraq	North Azraq, Baghdad Main St.	3834207
Sheidieh	Maan, Al Sheidieh Mine	2132796	Masoum Sub.	Zarqa, Masoum Circle	3979098
Al Qaser	Near Gov. Depts. Complex	2315430	Al Hassan Indust. City	Irbid, Al Hassan Industrial City	7395327
Central Market	Amman, Near Central Vegetable Market	4127514	Al Quba Circle	Irbid, Al Quba Circle, Al Jaish St., Feras Al Ajlouni St.	7251103

The Housing Bank for Trade & Finance Branches – outside Jordan

Branch	Address	Phone No.
Regional Mgt / Palestine	Ramallah, Al Bareed St., Rukab Building, P.O Box 1473	+ 970 2 2986270
Ramallah	Ramallah, Al Bareed St., Rukab Building, P.O Box 1473	+ 970 2 2986270
Nablus	Nablus, Al Hussein Circle, Al Huwari Building, P.O Box 1660	+ 970 9 2386060
Khaleel	Wadi Al Tufah St., Al Manarah Circle, P.O Box 285	+ 970 2 2250055
Gaza	Gaza, Al Shuhada' St., Palestine Tower, P.O Box 5010	+ 970 8 2826322
Beir Zeit	Beir Zeit, Main St., Near Main Circle, P.O Box 40	+970 2 2819334
Halhoul	Halhoul, Al Khaleel Al Quds St., P.O Box 1	+ 970 2 2299602
Jenin	Jenin, Abu Baker St., P.O Box 50	+ 970 4 2505223
Bethlehm	Bethlehm, Al Mahd St., City Center, (Bus Station) P.O Box 30	+970 2 2740375
Khan Younis	Khan Younis, Abu Humaid Circle, Jalal St., P.O Box 7073	+970 8 2079401
Dahriyeh Office	Al Khaleel, Dahriyeh, Main St., Near Dahriyeh, Security Station	+ 970 2 2266778
Bahrain Branch	Bahrain, Al Manama Center, Govt. St. P.O Box 5929	+973 17 225227

The Housing Bank for Trade & Finance Subsidiaries

Company	Address	Phone No.
International Bank for Trade & Finance / Syria	Damascus, Pakistan St., P.O Box 10502 info@ibtfc.com.sy	+963 11 2325780
The Housing Bank for Trade & Finance / Algeria	Algeria, 16 Ahmad Waked St., Dali Ibrahim	+213 21 918881
Specialized Leasing Company	Maka St., Al Faouri Building, 2nd Floor, P.O Box 1174 – Amman 11118 slc@hbtfc.com.jo	+962 6 5811990
Jordan & Palestine Financial Investment Co. / Ramallah	Ramallah, Rukab Circle, Al Farah Building, 2nd floor, P.O Box 1922 Jopico@palnet.com	+970 2 2987778
International Financial Center Co.	Shmeisani, Housing Bank Complex, 2nd Floor, P.O Box 940919, Amman 11194	+962 6 5696724
Jordan Real Estate Investment & Commercial Services	Jabal Amman, Al Hayek St, Municipality Previous Building, 7th Floor	+962 6 5005555

Representative Offices

Office	Address	Phone No.
Representative Office in Tripoli / Libya	Tripoli, Zat Al Emad Administrative Complex, P.O Box 91270 salahabuhelga@ittnet.net	+218 912132515
Representative Office in Abu Dhabi / U.A.E	Abu Dhabi, Hamoudeh Bin Ali Building, 12th Floor, Sheikh Khalifa St., P.O Box 44768 hbtfc@eim.ae	+971 26270280
Representative Office in Baghdad / Iraq	Baghdad, Al arasat Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub. hbiraq@yahoo.com	+964 17182027

