

2008



The Housing Bank for Trade & Finance

ANNUAL REPORT



# **35<sup>th</sup> Board of Directors Report**

For the Year Ending December 31, 2008

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



## Contents

Board of Directors .....	8
Chairman's Statement .....	11
The Bank's Financial Performance .....	14
The Bank's Activities .....	18
Future Plan .....	22
Consolidated Financial Statements .....	24
HBTF Corporate Governance Code .....	76
Disclosure Statements and Corporate Governance .....	85







# BOARD OF DIRECTORS

GUARDIANS

## **BOARD OF DIRECTORS – (as on 31/12/2008)**

**H.E. Dr. Michel Marto - Chairman**

**Mr. Othman Bafagih - Vice Chairman**

Representative of Capital Investments Holding Co. / Bahrain

### **Board Members**

**Sheikh Ali Bin Jassim Al - Thani**

Representative of Qatar National Bank

**Mr. Abdulla Mubarak AlKhalifa**

Representative of Qatar National Bank

**Mr. Yousef Mahmoud Al-Neama**

Representative of Qatar National Bank

**Mr. Mohamed A. Al-Khulaifi**

Representative of Qatar National Bank

**Mr. Saad Al Henaidi**

Representative of Kuwait Real Estate Investment Consortium

**Mr. Mohammad Al Munaifi**

Representative of Kuwait Real Estate Investment Consortium

**Mr. Mohamed Ben Yousef**

Representative of Libyan Foreign Bank

**Mr. Mokhtar Ghenas**

Representative of Libyan Foreign Bank

**Mr. Thabet Elwir**

Representative of Social Security Corporation / Jordan

**Mr. Ahmed Al Mahrezi**

Representative of Ministry of Finance / Sultanate of Oman

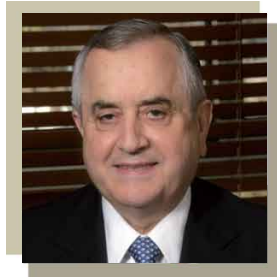
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**Mr. Shukry Bishara - CEO**

**Mr. Mohyeddin ElAli - Board Secretary**

Auditors: Ernst & Young

Deloitte & Touche " Middle East – Jordan "



H.E. Dr. Michel Marto



Mr. Othman Bafagih



Sheikh Ali Bin Jassim Al - Thani



Mr. Abdulla Mubarak AlKhalifa



Mr. Yousef Mahmoud Al-Neama



Mr. Mohamed A. Al-Khulaifi



Mr. Saad Al Henaidi



Mr. Mohammad Al Munaifi



Mr. Mohamed Ben Yousef



Mr. Mokhtar Ghenas



Mr. Thabet Elwir



Mr. Ahmed Al Mahrezi

## Chairman's Statement

It gives me great pleasure to submit our 35<sup>th</sup> annual report, and to show more achievements despite the difficult circumstances that were caused by the international financial crisis and its subsequent devastation of a number of financial markets in developed and emerging countries. This has directly impacted banks and financial institutions as lenders and financial investors respectively.

This financial earthquake destroyed large banks and financial institutions, and shook the very foundations if not the existence of others. Despite these events, our bank was able to maintain its financial stability and to achieve good results.

### Local Economic Environment

Jordan's open economy experienced a minor impact from this crisis due to the prudent policies of the Central Bank of Jordan and the resilience of the Jordanian economy.

The worldwide reduction in commodity prices, especially oil, had a positive effect on the Jordanian economy. Expectations indicate that inflation rate will decline and current account deficit will improve. However, fears of reduction in expatriate remittances and exports, and increase in unemployment levels are looming.

### Financial Achievements

During 2008, HBTF continued its good performance. Pretax profit was JD 142 million compared to JD 154.5 million in 2007. After tax net profit was JD 101.3 million compared to JD 111 million in 2007. This reduction in profit was a result of the exceptional provisions taken due to the financial crisis and the lower valuation of investments in the local and international capital markets.

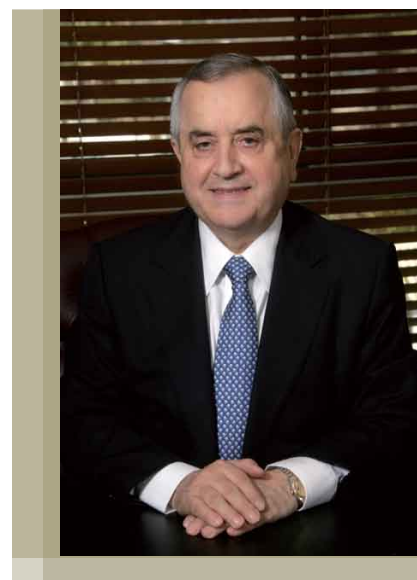
Positive indicators of the strong performance of our Bank group are evident. Total assets grew by 8% over 2007 to reach JD 5.4 billion, customers' deposits grew by 8% to reach JD 3.8 billion, credit portfolio grew by 21% to reach JD 2.3 billion, and the strong capital base was reinforced as shareholders' equity grew to JD 911 million.

The Bank enjoys a strong market share in Jordan: total assets are 15.3%, customers' deposits are 16.4% and credit facilities are 13.5%. The Bank has the largest market share of savings accounts in Jordan.

### International Presence and Expansion

Our subsidiary bank in Syria: The International Bank for Trade and Finance (IBTF) performed strongly in 2008. It became the leading private bank in Syria in terms of profitability and efficiency among other indicators. IBTF succeeded in attracting a wide and strong base of clients via its 19 branches. Branch network is expected to grow to 30 by 2009 / 2010. Accordingly, capital was doubled in 2008 with plans to double it again in 2009.

The Algerian subsidiary; The Housing Bank for Trade and Finance (Algeria), achieved good financial results. It received Banque d'Algérie approval to raise capital to the equivalent of USD 150 million. The bank has four branches with plans to open more in the future.



Our branches in Palestine and Bahrain achieved better results than last year, and our representative offices in Abu Dhabi, Baghdad and Tripoli / Libya continued improving their performance.

In light of the good financial results, the board of directors recommended the distribution of 25% cash dividends for 2008.

### **Corporate Governance**

The Bank is committed to implement best practices in organization and management. It applies highest degree of transparency, disclosure and integrity towards the community, shareholders, clients and staff.

In this respect, we assure our shareholders, the regulatory authorities in Jordan and elsewhere, international rating agencies and our correspondent banks that we always work in accordance with good corporate governance and prudent management best practices.

### **Local Community Service**

We strongly believe in the importance of the active partnership with the local community. It is a national objective we strive to achieve stemming from our commitment to the role of economic institutions in the development of local communities.

During 2008 we extended support and donations to the King Hussein Cancer Center, Jordan Society for the Medical Assistance of Palestinians, Goodwill Campaigns, Jordan River Foundation, Orphans Aman Fund, Tkiyet Um Ali, Jordanian Hashemite Fund and various other social, cultural and humanitarian activities.

### **Next Year**

The next twelve months carry a number of challenges. The impact of the international financial crisis is expected to continue and economic growth rates to decline as a result of a decline in growth rates in industrial and regional economies.

To deal with the risks of such challenges, we are implementing plans that rationalize expenditure and selection of investment opportunities. As we look to the future, we rely on our strategic shareholders and allies to support our endeavors to create qualitative shifts in our products and services, and improve our local and regional position which is reflected in our strategic plan and financial targets.

### **Recognition and Appreciation**

On behalf of the board of directors and shareholders, I would like to seize this opportunity to thank the government and its agencies especially the Central Bank of Jordan and the Jordan Securities Commission; for their continued support and their role in sustaining development in Jordan.

I would like to also thank the members of the board for their constructive, strategic and active involvement and contribution which help the Bank achieve new horizons of excellence and prosperity. I also thank our valuable clients and shareholders for their continuous trust and support.

Looking to the new year with hope and trust, I would like to thank the bank's executive management and staff for their dedication and sincere endeavors towards local and regional success. I congratulate them all on yet another year of accomplishments and hope for more achievements and success in the future.

Thank you

Dr. Michel Marto  
Chairman of the Board





# The Bank's Financial Performance

PRIDE

The Housing Bank for Trade and Finance's financial performance indicators has reflected another year of distinguished successes and achievements, enabling the bank to increase its business volume, reinforce its position as one of the leading banks in Jordan, continue to have an effective share in various activities and businesses, increase its competitiveness, and build a sound and growing customers base from different sectors and segments.

In achieving all this, the bank has relied on its history, areas of strength, efficiency and flexibility of working strategies applied, to be in line with new in the banking industry, which enables the bank to implement the best professional standards, provide the best banking services, and increase the profitability of its shareholders.

### HBTF's Major Financial Indicators (2004 – 2008)

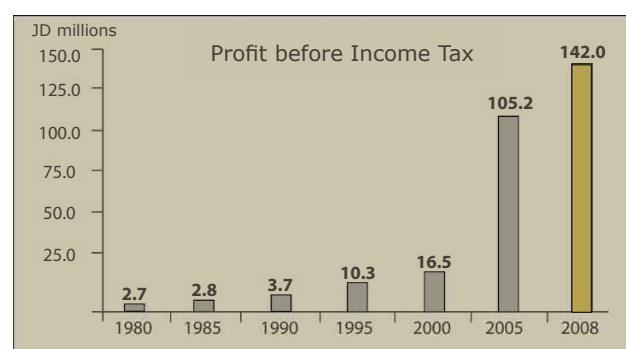
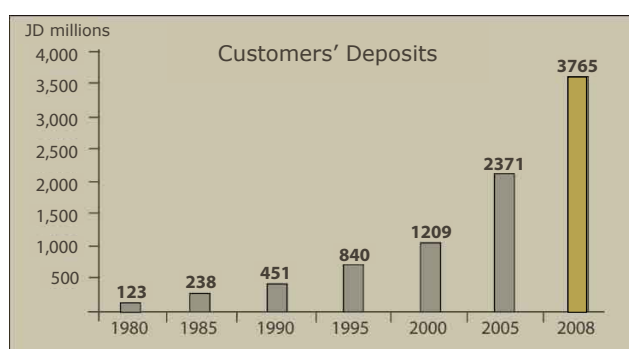
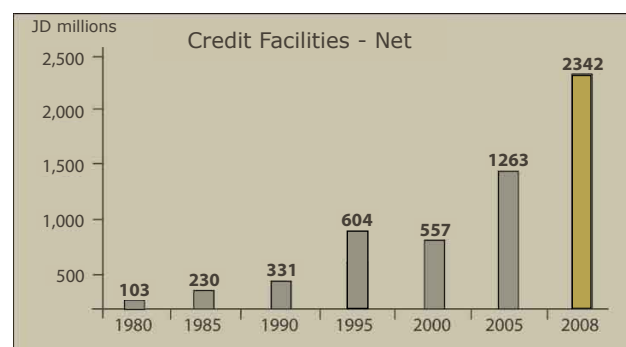
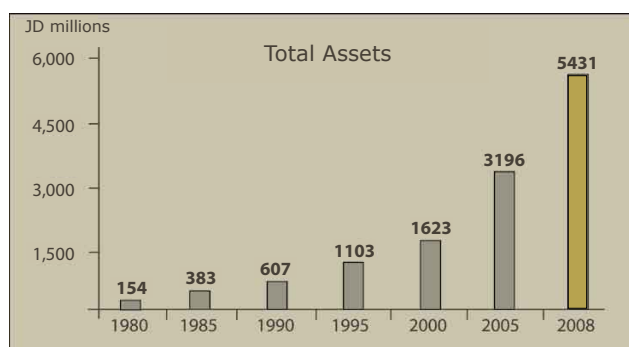
Amounts in JD millions\*

Item / Year	2004	2005	2006	2007	2008
Total Assets	2499.6	3196.3	4096.5	5020.1	5430.6
Customers' Deposits	1919.1	2370.5	2832.7	3500.6	3764.5
Credit Facilities - Net	880.0	1262.6	1589.9	1936.3	2341.7
Shareholders' Equity	330.9	395.0	835.2	890.3	911.0
Gross Income	103.4	173.6	201.9	238.8	245.2
Profit before Income Tax	47.1	105.2	130.1	154.5	142.0
Profit after Income Tax	30.3	74.1	94.7	111.5	101.3
Basic earnings per share to equity holders of the bank (EPS)	0.306	0.331	0.391	0.435	0.383
Dividends / Per share (JD)	0.200	0.250	0.260	0.300	0.250
Share Price in ASE (JD)	8.000	19.990	6.550**	7.210	8.330

\* JD = US \$ 1.41

\*\* During the year 2006 the capital of the Bank was increased by issuing 152 million shares as follows:

1. Stock dividends of 50 million to be distributed to shareholders representing 50% of the paid – in capital through capitalization of retained earnings
2. 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
3. Allocation of 2 million shares to Jordan Armed Forces Fund.





## Analysis of Operation Results

- Net Interests & Commissions Income rose to JD 228 million in 2008, compared to JD 199 million in 2007, showing an increase of JD 29 million, at the rate of 15%.
- Gross Income increased to JD 245 million in 2008, compared to JD 239 million in 2007, showing an increase of JD 6 million, at the rate of 3%.
- The bank's profits before tax amounted to JD 142 million, and the after tax profits amounted to JD 101 million in 2008.

## Analysis of the Balance Sheet

The bank's balance sheet rose by JD 411 million in 2008 amounting to JD 5.4 billion at the rate of 8% compared to the end of 2007, the highest in the bank's history. This substantial growth in the balance sheet comes as a result of an increase in customers' deposits & direct credit facilities.

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

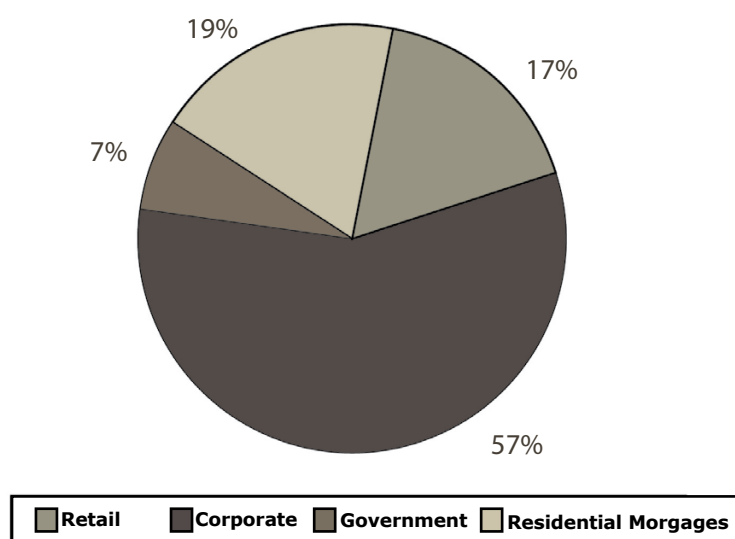
### Direct Credit Facilities

During 2008, the Bank has achieved a strong increase in the balance of its direct credit portfolio exceeding the limits of JD 2 billion. Gross direct credit facilities amounted to JD 2393 million recording an increase of JD 398 million, at the rate of 20% compared to 2007.

The net balance of the direct credit facilities increased by JD 405 million, at the rate of 21% compared to the end of the previous year, amounting to JD 2342 million at the end of 2008.

On the other hand, the Bank has continued to have an effective share of Jordanian credit market at the rate of 13.5% at the end of 2008, in addition to reduced the NPL's from 3.2% in 2007 to 2.2% in 2008.

Structure of Credit Facilities / 2008



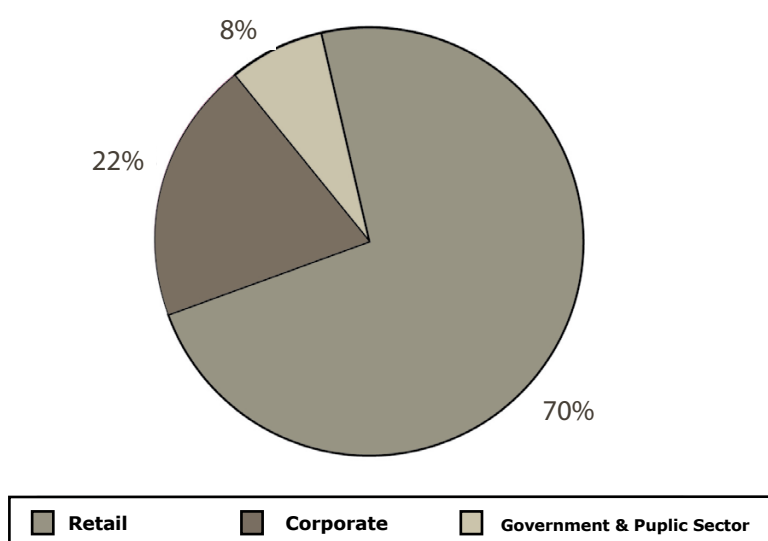
## Customers' Deposits

HBTF's conspicuous understanding of the customers needs and providing them with innovative products, has lead to another excellent achievement. The total balance of deposits climbed from JD 3731 million at the end of 2007 to JD 4072 million at the end of 2008, recording an increase of JD 341 million at the rate of 9%.

Excluding banks and financial institutions deposits with HTBF, the balance of customer' deposits totaled at JD 3765 million at the end of 2008 compared to JD 3501 million at the end of the previous year, recording a rise of JD 264 million, at the rate of 8%.

Amidst increasing severe competition and fluctuating environment, the bank has succeeded in assuming a leading position in the local banking market, with a share of 16.4% from the total deposits of the banks in Jordan at the end of 2008. The bank has also maintained its leading position in saving deposits in the local banking market, in addition to maintaining its wide base of customers as well as attracting new customers in both the retail and corporate sectors.

**Structure of Customers' Deposits / 2008**



## Shareholders' Equity

The Bank's total shareholders' equity reached JD 869 million in 2008 compared to JD 850 million at the end of 2007, recording an increase of JD 19 million, at the rate of 2%. By adding minority interests, total Equity reaches JD 911 million at the end of 2008, compared to JD 890 million at the end of the previous year, a rise of JD 21 million, at the rate of 2%.

Thus, the Bank's capital adequacy at the rate of 23% indicates that the bank has a sound capital basis, which is much higher than locally and internationally required levels, and reflects the bank's financial strength, as well as its capability to support its future growth plans.



# The Bank's Activities

ENRICH

## **Retail Banking Group**

The HBTF Retail Banking Group continued to strengthen and reinforce the Bank's leading position. The Group's performance was focused on meeting the demands and expectations of its retail base, as well as expanding its geographical reach. The Bank's biggest branch network has grown further to reach 98 branches by the end of the year with the addition of two new branches at City Mall and at al-Hussein Medical City.

The Bank continued to provide state-of-the-art round the clock e-banking services through the largest ATM network in Jordan, in addition to the various electronic distribution channels. Furthermore, it has maintained its leading position as a provider of different types of credit cards that are characterized by important security features, and designed to meet the various needs of its customers.

The Bank has signed a number of financing agreements in 2008 with key real estate developers that were driven by its socially responsible role and in response to the Royal initiative "Decent Housing for Decent Living".

## **Commercial Banking Group**

The Commercial Banking Group has adopted a competitive strategy during 2008, which was marked by building stronger relations with the business community, and by adopting innovative approaches to meeting their needs and to marketing the Bank's products and services to various targeted sectors and segments. The Group also adopted a balanced credit policy that ensured effective capital management, and helped boost the Bank's distinguished image.

The Bank continued to play an important role in financing small and medium-sized businesses (SMEs) on the one hand, and elevating the services provided to its corporate customer on the other. To this end, four Business Centers were opened in Amman, Zarqa, and Irbid.

## **Treasury Group**

During 2008, the treasury group maintained high levels of liquidity to support that bank's business requirements, this liquidity was managed conservatively as per the policies that basically aim at preserving deployed capital. The focus in 2008 was on employing a major portion of the Jordan Dinar excess liquidity in Jordanian treasury securities. Employment of foreign currency sources of funds was conservative; more than 40% of such sources were directed to short term money market deposits with banks that enjoyed strong financial status and high credit rating. At the same time, remaining excess foreign currency liquidity was conservatively invested in high grade sovereign and corporate bonds.

The treasury group continued to offer investment solution services in Jordan Dinar and foreign currencies, and foreign exchange margin trading service, at the same time it maintained its leading position in the Jordan Dinar interbank market in light of the high level of liquidity it currently maintains.

## **Credit Sector**

The Credit Sector's management is responsible for setting credit policies and procedures needed to ensure prudent levels of portfolio diversification, sound lending processes and high quality credit portfolio. During 2008, HBTF has adopted a policy of separating the duties and responsibilities of customer relationship management, credit analysis, and credit portfolio administration and monitoring. This was done with the aim of promoting a balanced business growth and maintaining a high quality credit portfolio.

The Credit Sector's management placed great emphasis on updating credit policies and procedures to meet the developments in the banking and business sectors. It maintained its efforts to develop its early warning systems and processes to minimize risks.

A prudent lending policy adopted by the Bank has enabled it to overcome the prevailing global crisis through proactively managing our loan portfolio.

## **Financial Institutions and International Services Management**

The Financial Institutions and International Services Management has been successful in developing existing relations with correspondent banks as well as in establishing more fruitful relations with new international banks. This has helped it provide higher quality and more competitive products and services to the Bank's customers, in addition to supporting the Corporate Sector with its local and regional contracts.

The Management was substantially restructured during 2008 to include four new business units with the aim of ensuring quality international banking services. The new structure accommodates geographical coverage into areas under the responsibility of area managers and relations managers.

## **Group Risk Management**

HBTF's approach to risk management is largely based on the principle of proactive risk management, and is governed by prudence, the nature of the business and regulatory environments, international best practices, and the competitive conditions.

In 2008, Group Risk Management has established a comprehensive strategy and framework to identify, measure, monitor and control risk exposures in order to protect the Bank against unacceptable risk levels, and provide continuous enhancement on the checks and balances frameworks at the Bank.

## **Internal Audit Department**

The internal audit department provides assurance and consulting services designed to add value, improve the bank's operations, and assist the bank in achieving its objectives. This is done by using a systematic and disciplined approach to improve the efficiency of risk management, internal control, and corporate governance processes.

This department reports directly to the Board's Audit Committee, and conducts its responsibilities according to best practices and international standards, with full independence, and pursuant to the Internal Audit Charter, which specifies the department responsibilities of auditing all the bank's activities, and its authorities to access all records, persons and assets related to the audit assignments.

The internal audit department works according to a Risk Based Audit Plan, which determines the priorities of the internal audit activity, and is supported with qualified and professional cadre with extensive audit

## **Finance Management**

Finance Management has used the highest standards and best practices in its accounting and monitoring responsibilities in support of the Bank's vision to be the bank of choice by clients. The key roles of Finance Management are to establish and maintain effective accounting systems, and provide assurance that the financial position and performance of the Bank is accurate. It also aims at providing adequate financial models and management information, and preparing the Bank's financial data and reports according to international standards, national monitoring directives, and Basel II requirements.

In focusing on operational excellence, Finance Management is taking on a more strategic role within the Bank, including managing its relations with the Central Bank, external auditors, the income tax department, and international rating institutions.

## **Operations Group**

The Operations Group, considered one of the biggest groups in the Bank, continued to provide necessary support for all business and control groups, with the aim of increasing the volume of activities, productivity rates, and efficient business achievement.

The Human Resources Department has worked during 2008 to streamline its systems and policies in order to improve performance management and enhance the employee incentives plan. It also continued to boost staff performance through providing specialized training to employees in various lines of businesses. The group has put in place a set of modern personnel affairs policies and a new HR system.

The Information Technology Department has focused on the growth and development of technology through more investments in the Bank's main systems and infrastructure as well as high quality and distinguished banking services. The year 2008 witnessed the completion of many initiatives such as the Core Banking System that will meet the needs of various sectors and departments in the bank, and will upgrade the services provided to customers.

The Central Operations Department implemented many changes and improvements aiming at better processing operations, and strengthening relations with control bodies and correspondent banks.

The Internal Public Services Department contributed to designing and equipping new branches in a manner consistent with the bank's strategy and public image, in addition to the implementation of the Abdoun Park project in cooperation with Greater Amman Municipality.

## **Corporate Center & Strategy Management**

The Corporate Center & Strategy Management has conducted extensive economic and strategic research to provide the Bank with better internal and external growth opportunities, and help its efforts to develop procedures necessary for the preparation of the strategy, determination of the strategic goals and their preference, oversee the projects stemming from the strategy, and the achievements realized.

In order to enhance the Bank's image, name and reputation, the Corporate Center & Strategy Management enhanced its internal and external communications, worked to strengthen its relations with its customers, built a sound base of corporate social responsibility, and marketed the Bank's products through various communications channels.

## Social Responsibility

HBTf places great emphasis on corporate social responsibility as an essential part of its image and its commitment to contribute to the welfare and sustainable development of the local society. Such contribution was evidently displayed and enhanced in 2008, through sponsoring and participating in many cultural, sports, artistic, educational, charity, humanitarian and other social events and activities.

The Bank has actively participated in programs and events by the Traffic Orientation Program, Al-Hussein Cancer Center, Tekiyet Um Ali, the anti-smoking campaign, Friends of the Eye Bank Society, Family Day and Children Day Festivals, as well as sponsoring many conferences and seminars.

The Bank's corporate social responsibility extended to include other segments of the society as it provided training to university students in various banking activities. It also participated in the Job Fair and the General Secondary Certificate conference, and sponsored the Queen Rania Award for Educational Excellence.

The bank's social role was not limited to charity donations, but was also extended to cover environment protection programs, and fighting drugs. The Bank also contributed to developing recreational facilities in Amman by signing an agreement with the Greater Amman Municipality to establish Abdoun Park.

The Bank's employees have participated directly in many local community activities through blood donation campaigns, visits to patients, providing the needs of orphanages, in addition to other social activities and projects designed to build stronger foundations and bridges with the local community.





# Future Plan

EQUIPED

HBTF is looking forward to the year 2009 with an eye of hope to expand its business, realize a balanced and ambitious growth ratios in all activities, increase its market share, reinforce its leading position, and support its prosperous journey, through buttressing points of strength and limiting weaknesses.

The bank derives its strength and ambition from many important points, including: mutual understanding of the members of the Board of Directors, as they represent important Arab and Regional financial and banking institutions, which constitute a strong support to the bank's activities. This comes in addition to the customers trust, the large and dedicated base of customers, distinguished executive management and a staff, relentlessly exerting dedicated and sincere efforts to achieve the targeted goals.

Subsequently, the axes included in the bank's plan for the next year could be recapitulated as follows:-

### **Financial Goals**

- 1- Attainment of sustainable growth in profitability, which shall result in improving ROaA and ROaE.
- 2- Increase the balances of customers' deposits and credit facilities, which shall result in improving the bank's market share.
- 3- Increase revenues and rationalize expenditures, which shall result in decreasing the " expenditure / revenue" ratio.
- 4- Improve the quality of the credit portfolio, which shall result in decreasing NPL's.

### **Operations**

- 1- Reinforce growth resources through implementation of number of projects related to the geographical expansion locally and cross-borders.
- 2- Reorganize investment activities entrusted to different business units in the bank.
- 3- Complete the corporate governance regulations, internal control system, and upgrade the policies and procedures of the banking operations accordingly.

### **Customers**

- 1- Improve customers services in the bank's branches, through launching the delivery channels optimization and branch operating model, aiming at decreasing customers pressure in the branches, and motivate them to use E - channels, in addition to shifting certain branch operations to the central operations.
- 2- Complete the customer data quality projects, as basis to develop customers' segmentation process, develop products and services they need.

### **Human Resources Development**

- 1- Enhance customer service culture at the bank branches and business centers, through developed training program, in order to determine and specify customer service standards in general, to be in line with the bank's identity.
- 2- Continue enhancing employees loyalty through implementation of various programs and projects related to human resources, including:
  - Preparation of a study concerned with the satisfaction of employees.
  - Giving the opportunity for internal relocations and job development of employees.
  - Upgrading the salaries scale and bank's grades in accordance with the ad hoc study.
  - Developing career path & succession planning.
  - Upgrading the benefits and incentive system, consistent with corporate business scorecard.
  - Decreasing rotation ratio of certain employees.





# Financial Statements

STRENGTH

**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 consolidated financial statements of the Housing Bank for Trade and Finance – a Public Shareholding Company, which comprise of the consolidated balance sheet as of December 31, 2008 and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows 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 consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Housing Bank for Trade and Finance as of December 31, 2008 and its consolidated financial performance and its consolidated 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 consolidated financial statements are a translation of the statutory consolidated financial statements which are in Arabic language and to which reference is to be made.

**Ernst and Young  
Amman – Jordan**

**Deloitte and Touche M.E - Jordan**

**January 28, 2009**

## CONSOLIDATED BALANCE SHEET As of December 31, 2008

	Notes	2008 JD	2007 JD
<b>ASSETS</b>			
Cash and balances with central banks	4	994,243,497	1,113,230,435
Balances with banks and financial institutions	5	700,062,230	776,086,331
Deposits with banks and financial institutions	6	20,416,501	33,465,029
Trading investments	7	13,408,133	16,283,262
Credit facilities	8	2,341,696,067	1,936,250,617
Available-for-sale investments	9	613,297,108	610,542,971
Held-to-maturity investments	10	600,541,463	376,014,087
Investment in associate	11	-	20,590,622
Property and equipment	12	78,060,574	68,325,146
Intangible assets	13	5,098,194	2,079,366
Deferred income tax assets	20	13,072,036	8,551,922
Other assets	14	50,683,241	58,651,978
<b>Total Assets</b>		<b>5,430,579,044</b>	<b>5,020,071,766</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Banks and financial institutions' deposits	15	307,106,876	230,644,309
Customers' deposits	16	3,764,520,478	3,500,562,100
Margin accounts	17	303,684,439	233,778,949
Loans and borrowings	18	1,964,513	1,457,217
Sundry provisions	19	15,988,411	13,570,787
Income tax provision	20	50,089,827	48,325,011
Deferred income tax liabilities	20	53,035	1,438,411
Other liabilities	21	76,158,490	100,000,945
<b>Total Liabilities</b>		<b>4,519,566,069</b>	<b>4,129,777,729</b>
<b>EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS</b>			
Paid-in capital	22	252,000,000	250,000,000
Additional paid - in capital	22	357,925,469	349,377,566
Treasury shares	-	-	(19,504,151)
Statutory reserve	23	80,599,236	68,159,949
Voluntary reserve	23	33,222,068	33,222,068
General banking risks reserve	23	23,702,983	20,000,000
Foreign currency translation differences	24	1,057,229	4,232,617
Cumulative change in fair values, net	25	(28,311,128)	1,237,686
Retained earnings	27, 26	148,467,277	143,753,000
<b>Total Equity Attributable to the Equity Holders of the Bank</b>		<b>868,663,143</b>	<b>850,478,735</b>
<b>MINORITY INTERESTS</b>		<b>42,349,841</b>	<b>39,815,302</b>
<b>Total Equity</b>		<b>911,012,975</b>	<b>890,294,037</b>
<b>Total Liabilities and Equity</b>		<b>5,430,579,044</b>	<b>5,020,071,766</b>

The attached notes from 1 to 50 are part of these consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT for the Year Ended December 31, 2008

	Notes	2008 JD	2007 JD
Interest income	28	300,990,049	281,619,864
Interest expense	29	<u>(102,124,095)</u>	<u>(106,915,355)</u>
Net Interest Income		<b>198,865,954</b>	<b>174,704,509</b>
Net commission	30	<u>29,386,244</u>	<u>24,312,080</u>
Net Interest and Commission Income		<b>228,252,198</b>	<b>199,016,589</b>
Foreign exchange income	31	11,039,146	7,320,625
(Losses) arising from trading investments	32	(223,814)	(1,548,098)
(Losses) Gains arising from available for-sale- investments	33	(25,820,999)	8,928,026
Other income	34	<u>31,962,209</u>	<u>25,113,677</u>
Gross Income		<b>245,208,740</b>	<b>238,830,819</b>
Employees' cost	35	49,153,186	41,972,996
Depreciation and amortization	12 , 13	9,422,875	8,876,132
Other expenses	36	39,169,842	31,804,396
Provision for credit losses	8	3,784,251	258,265
Sundry provisions	19	<u>1,656,828</u>	<u>1,995,478</u>
Total Expenses		<b>103,186,982</b>	<b>84,907,267</b>
Profit from operations		<b>142,021,758</b>	<b>153,923,552</b>
Bank's share from profit of associates	11	<u>-</u>	<u>607,654</u>
Profit before income tax		<b>142,021,758</b>	<b>154,531,206</b>
Less : Income tax expense	20	<u>40,699,013</u>	<u>43,067,912</u>
Profit for the year		<b>101,322,745</b>	<b>111,463,294</b>
Attributable to :			
Bank's shareholders		95,950,612	107,771,689
Minority interests		<u>5,372,133</u>	<u>3,691,605</u>
		<b>101,322,745</b>	<b>111,463,294</b>
Basic earnings per share for profit for the year attributable to equity holders of the Bank	37	0.383 J.D	0.435 J.D
Diluted earnings per share for profit for the year attributable to equity holders of the Bank	37	0.383 J.D	0.432 J.D

The attached notes from 1 to 50 are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY December 31, 2008

	2008		Reserves										Total Equity Attributable to the Equity Holders of the Bank	Minority Interests	Total Equity
	Paid-in Capital	Additional Paid-in Capital	(Treasury Shares)	Statutory	Voluntary	General Banking Risks	Foreign Currency Translation Differences	Cumulative Change in Fair Values-Net	Retained Earnings						
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance, beginning of the year	250,000,000	349,377,566	(19,504,151)	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			
Foreign currency translation differences	-	-	-	-	-	-	(3,175,388)	-	-	(3,175,388)	(921,273)	(4,096,661)			
Cumulative changes in fair value-net	-	-	-	-	-	-	-	(29,548,814)	-	(29,548,814)	-	(29,548,814)			
Others	-	-	-	-	-	-	-	-	(94,065)	(94,065)	(928)	(94,993)			
Total income and expenses recognised directly equity	-	-	-	-	-	-	(3,175,388)	(29,548,814)	(94,065)	(32,818,267)	(922,201)	(33,740,468)			
Profit for the year	-	-	-	-	-	-	-	-	95,950,612	95,950,612	5,372,133	101,322,745			
Total income and expenses for the year	-	-	-	-	-	-	(3,175,388)	(29,548,814)	95,856,547	63,132,345	4,449,932	67,582,277			
Increase in capital	2,000,000	8,000,000	-	-	-	-	-	-	-	10,000,000	-	10,000,000			
Transfer to/from reserves	-	-	-	12,439,287	-	3,702,983	-	-	(16,142,270)	-	-	-			
Dividends paid	-	-	-	-	-	-	-	-	(75,000,000)	(75,000,000)	(1,915,393)	(76,915,393)			
Sale of treasury shares	-	547,903	19,504,151	-	-	-	-	-	-	20,052,054	-	20,052,054			
Balance, end of the year	252,000,000	357,925,469	-	80,599,236	33,222,068	23,702,983	1,057,229	(28,311,128)	148,467,277	868,663,134	42,349,841	911,012,975			

The attached notes from 1 to 50 are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY December 31, 2007

	2007		Paid-in Capital	Additional Paid-in Capital	(Treasury Shares)	Statutory Reserves	Reserves			Cumulative Change in Fair Values-Net	Retained Earnings	Total Equity Attributable to the Equity Holders of the Bank	Minority Interests	Total Equity
	JD	JD					Voluntary	General Banking Risks	Foreign Currency Translation Differences					
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 differences	-	-	-	-	-	-	3,513,399	-	-	3,513,399	1,721,379	5,234,778		
Cumulative changes 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	-	-	-	-	-	-	3,641,933	(5,693,631)	108,514,235	106,462,537	5,374,307	111,836,844		
Increase in capital	-	-	-	-	-	-	-	-	-	-	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)		
Sale of treasury shares (lost)	-	-	(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		

The attached notes from 1 to 50 are part of these consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT for the Year Ended December 31, 2008

	Notes	2008 JD	2007 JD
Operating Activities		<b>142,021,758</b>	<b>154,531,206</b>
Adjustments for :			
Depreciation and amortization		9,422,875	8,876,132
Provision for credit losses		3,784,251	258,265
Bank's share of profit from associates		-	(607,654)
Unrealized losses from trading investments		998,596	1,706,069
Impairment loss on available for-sale investments		25,848,374	6,269,531
Effect of exchange rate changes on cash and cash equivalents		(8,372,054)	(4,190,387)
End-of-service indemnity expense		2,708,223	3,168,516
Gain on sale of associate		(3,862,633)	-
Premium & discount amortization		(9,381,942)	3,107,950
Others		3,447,962	2,023,499
Profit before changes in operating assets and liabilities		<b>166,615,410</b>	<b>175,143,127</b>
Decrease in deposits with central banks (maturing over 3 months)		149,500,000	6,700,000
Decrease in deposits with banks and other financial institutions		13,048,528	11,463,989
(Increase) in credit facilities		(409,398,110)	(346,747,234)
Decrease (Increase) in trading investments		1,876,533	(1,082,579)
Decrease in other assets		8,081,563	3,839,798
(Decrease) in banks and financial institutions' deposits (maturing over 3 months)		(9,058,769)	(24,862,557)
Increase in customers' deposits		263,958,378	667,832,225
Increase in margin accounts		69,905,490	68,049,853
(Decrease) increase in sundry liabilities		(20,413,337)	38,671,249
(Decrease) in sundry provisions		(1,946,770)	(5,095,082)
Net cash from operating activities before income tax		<b>232,168,916</b>	<b>593,912,789</b>
Income tax paid		(43,454,311)	(33,154,998)
Net cash from operating activities		<b>188,714,605</b>	<b>560,757,791</b>
<b>INVESTING ACTIVITIES</b>			
(Purchase) of available – for - sale investments		(197,323,439)	(316,927,910)
Sale of available – for - sale investments		86,328,894	252,029,399
(Purchase) of held – to - maturity investments		(341,592,000)	(168,190,333)
Redemption of held – to - maturity investments		182,037,661	117,491,165
Sale & transfer of associated company investments		16,870,692	-
(Purchase) of property and equipment		(19,226,470)	(20,932,707)
Sale of property and equipment		189,730	195,481
(Purchase) of intangible assets		(4,970,664)	(1,815,682)
Net cash used in investing activities		<b>(277,685,596)</b>	<b>(138,150,587)</b>
<b>FINANCING ACTIVITIES</b>			
Increase in paid-in capital and additional paid-in capital		10,000,000	-
Sale (Purchase) of treasury shares		20,052,054	(79,294)
Loans and Borrowings		507,296	(1,578,129)
Dividends paid		(74,979,806)	(64,102,663)
Minority interests		(2,837,594)	10,388,667
Net cash(used in) financing activities		<b>(47,258,050)</b>	<b>(55,371,419)</b>
Net (Decrease) increase in cash and cash equivalents		(136,229,041)	367,235,785
Effect of exchange rate changes on cash and cash equivalents		8,372,054	4,190,387
Foreign currency translation differences		(3,175,388)	3,641,933
Cash and cash equivalents , beginning of the year		<b>1,514,810,331</b>	<b>1,139,742,226</b>
Cash and cash equivalents, end of the year	38	<b>1,383,777,956</b>	<b>1,514,810,331</b>

The attached notes from 1 to 50 are part of these consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1- GENERAL

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

Its headquarters are located in Amman – Jordan and it is engaged in commercial banking business through its 98 branches in Jordan and abroad, Palestine and Bahrain (10 branches) and through its subsidiaries.

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

The consolidated financial statements were approved by the Bank's Board of Directors according to resolution No.1/1/2009 dated 28 January 2009. 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, details are as follows:

#### Main 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 (2007: Syrian Lira 1,500) equivalent to JD 41.9 million (2007: JD 20.5 million) of which the Bank owns 49% as of December 31, 2008 and 2007). The main objective is to conduct commercial banking activities. The Bank's contribution in this bank dates back to 2003.

- The Housing Bank for Trade and Finance – Algeria (paid-in capital Algerian Dinar 2,700 million (2007: JD 2,700 million) equivalent to JD 25.8 million (2007: JD 25.8 million) of which the Bank's ownership was 64.74% as of December 31, 2008 (64.74%: 2007). The main objective is to conduct commercial banking activities. The Bank's contribution dates back to 2002.

- International Financial Center Company- Jordan (paid-in capital JD 4 million (2007: JD 2.25 million) of which the Bank owns 77.5% as of December 31, 2008). The Company's main activity is financial brokerage. The Bank's contribution dates back to 1998.

- Jordan and Palestine Financial Investment Company - Palestine (paid-in capital JD 2.5 million (2007: JD 2.15 million) of which the Bank owns 99.9% as of December 31, 2008 (2007:99.5%)). The Company's main activity is financial brokerage. The Bank's contribution dates back to 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 2008 and 31 December 2007. The Company's main activity is lease financing. The Bank's contribution dates back to 2005.

- Jordan Real Estate Investments Company. The Bank owns 100% of this company's paid- in capital of JD 40,000 at 31 December 2008 and 2007. 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 dates back to 1997.

- Housing Investment Group Company. The bank owns 100% of this company's paid-in capital of JD 10,000,000. The company's main activity is to manage external and internal financial investments. The company is still under establishment and did not start its operations.

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 disposed 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 leases are classified as operating leases.

Investments in finance leases are stated at net present value after deducting unearned revenue and impairment provisions.

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.

## **Off setting**

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.

## **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.

## **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 net investments in foreign operations**

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 revaluates the tangible and intangible assets in order to 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

	2008 JD	2007 JD
Cash on hand	107,371,402	95,770,663
Balances at central banks		
Current accounts	411,826,761	300,594,781
Term and notice deposits	29,103,104	35,882,671
Statutory cash reserve	369,944,598	265,293,484
Certificates of deposit *	75,997,632	415,688,836
<b>Total</b>	<b>994,243,497</b>	<b>1,113,230,435</b>

- Except for the statutory cash reserve, there are no restricted balances as of December 31,2008 and 2007.

\* This includes JD 5,000,000 representing certificates of deposits due after three months as of December 31,2008 (JD 154,500,000 : 2007).

### 5-BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

	Local		Foreign		Total	
	2008	2007	2008	2007	2008	2007
	JD		JD		JD	
Current accounts	6,030,170	27,102,596	47,346,106	48,220,881	<b>53,376,276</b>	<b>75,323,477</b>
Deposits maturing within 3 months	-	-	646,685,954	700,762,854	<b>646,685,954</b>	<b>700,762,854</b>
<b>Total</b>	<b>6,030,170</b>	<b>27,102,596</b>	<b>694,032,060</b>	<b>748,983,735</b>	<b>700,062,230</b>	<b>776,086,331</b>

Non-interest bearing balances at banks and financial institutions amounted to JD 19,976,268 as of December 31, 2008 (JD 13,249,759 as of December 31, 2007).

There are no restricted balances as of December 31, 2008 and 2007.

## 6-DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

	Foreign Banks and Financial Institutions	
	2008 JD	2007 JD
Deposits maturing within 3 to 6 months	354,501	20,942,714
Deposits maturing within 6 to 9 months	14,330,000	1,066,315
Certificates of deposit		
Deposits maturing within 3 to 6 months	1,433,000	1,432,000
Deposits maturing within 6 to 12 months	-	4,296,000
Deposits maturing after more than one year	4,299,000	5,728,000
<b>Total</b>	<b>20,416,501</b>	<b>33,465,029</b>

## 7-TRADING INVESTMENTS

	2008 JD	2007 JD
Listed bonds	11,107,605	11,107,605
Listed shares	2,300,528	5,092,385
Others	-	83,272
<b>Total</b>	<b>13,408,133</b>	<b>16,283,262</b>

## 8-CREDIT FACILITIES

	2008 JD	2007 JD
INDIVIDUAL (RETAIL CUSTOMERS) :		
Over draft facilities	21,527,726	17,313,423
Loans and discounted bills *	382,328,377	363,934,394
Credit cards	11,658,594	10,533,992
Residential mortgages and commercial real estate	<b>462,345,941</b>	<b>432,516,298</b>
CORPORATE ENTITIES :		
Large corporate customers		
Over draft facilities	278,191,010	159,814,268
Loans and discounted bills *	838,544,158	618,720,941
SMEs		
Over draft facilities	89,099,852	65,502,534
Loans and discounted bills *	149,099,025	130,846,915
Government & public sector	<b>160,224,831</b>	<b>195,925,604</b>
<b>Total</b>	<b>2,393,019,514</b>	<b>1,995,108,369</b>
Deduct : Allowance for impairment losses	36,575,585	39,435,275
Suspended interest	14,747,862	19,422,477
<b>Net loans and advances</b>	<b>2,341,696,067</b>	<b>1,936,250,617</b>

\* Net of interest and commission received in advance amounting to JD 30,310,799 as of December 31, 2008 (JD 30,352,685 as of 31 December 2007).

- Non-performing credit facilities amounted to JD 65,277,324 representing 2.73% of total facilities as of December 31, 2008 and JD 80,782,029, representing 4.05% as of December 31, 2007.

- Non-performing credit facilities net of interest in suspense amounted to JD 53,061,485 representing 2.2% of total facilities net of interest in suspense as of December 31, 2008 and JD 63,322,190, representing 3.2% as of December 31, 2007.

- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 106,917,615 representing 4.47% of total facilities as of December 31, 2008 and JD 106,357,936 representing 5.23% as of December 31, 2007.



Allowance for impairment credit facilities losses :

2008	Individual (retail customers)  JD	Residential mortgages & commercial real estate  JD	CORPORATE ENTITIES		Total  JD
			Large corporate customers  JD	SMEs  JD	
			Balance at January 1	<b>11,902,745</b>	
(Surplus) allowance during the year	(989,579)	1,710,164	988,502	2,075,164	<b>3,784,251</b>
Writte –offs of bad debts	(1,896,571)	(851,028)	(3,056,974)	(839,368)	<b>(6,643,941)</b>
Balance at December 31	<b>9,016,595</b>	<b>7,324,960</b>	<b>7,733,064</b>	<b>12,500,966</b>	<b>36,575,585</b>
Impairment allowance	8,897,693	7,022,260	3,428,362	12,347,586	<b>31,695,901</b>
Watch list allowance	118,902	302,700	4,304,702	153,380	<b>4,879,684</b>
	<b>9,016,595</b>	<b>7,324,960</b>	<b>7,733,064</b>	<b>12,500,966</b>	<b>36,575,585</b>

2007	Individual (retail customers)  JD	Residential mortgages & commercial real estate  JD	CORPORATE ENTITIES		Total  JD
			Large corporate customers  JD	SMEs  JD	
			Balance at January 1	<b>13,127,835</b>	
(Surplus) allowance during the year	(1,058,117)	(185,988)	711,085	791,285	<b>258,265</b>
Writte –offs of bad debts	(166,973)	(4,851)	-	(189,094)	<b>(360,918)</b>
Balance at December 31	<b>11,902,745</b>	<b>6,465,824</b>	<b>9,801,536</b>	<b>11,265,170</b>	<b>39,435,275</b>
Impairment allowance	11,797,602	5,816,215	7,944,504	10,481,750	<b>36,040,071</b>
Watch list allowance	105,143	649,609	1,857,032	783,420	<b>3,395,204</b>
	<b>11,902,745</b>	<b>6,465,824</b>	<b>9,801,536</b>	<b>11,265,170</b>	<b>39,435,275</b>

- Allowance for non-performing credit facilities settled or collected and transferred to other facilities during the year amounted to JD 6,900,351 as of December 31, 2008 and JD 3,822,336 as of December 31, 2007.

Interest in suspense :

2008	Individual (retail customers)  JD	Residential mortgages & commercial real estate  JD	CORPORATE ENTITIES		Total  JD
			Large corporate customers  JD	SMEs  JD	
			Balance at January 1	<b>5,139,898</b>	
Add: Interest suspended during the year	2,534,587	(713,279)	4,905,575	(387,566)	<b>6,339,317</b>
Less: Interest in suspense recognised during the year	(1,072,314)	(1,153,920)	(1,952,520)	(617,810)	<b>(4,796,564)</b>
Interest in suspense written off during the year	(1,852,156)	(1,470,692)	(2,205,361)	(689,159)	<b>(6,217,368)</b>
Balance at December 31	<b>4,750,015</b>	<b>2,051,542</b>	<b>4,864,689</b>	<b>3,081,616</b>	<b>14,747,862</b>

2007	Individual (retail customers)  JD	Residential mortgages & commercial real estate  JD	CORPORATE ENTITIES		Total  JD
			Large corporate customers  JD	SMEs  JD	
			Balance at January 1	<b>3,385,128</b>	
Add: Interest suspended during the year	2,680,871	782,494	2,039,754	1,031,145	<b>6,534,264</b>
Less: Interest in suspense recognised during the year	(789,787)	(460,771)	(423,855)	(870,575)	<b>(2,544,988)</b>
Interest in suspense written off during the year	(136,314)	(428,450)	-	(222,938)	<b>(787,702)</b>
Balance at December 31	<b>5,139,898</b>	<b>5,389,433</b>	<b>4,116,995</b>	<b>4,776,151</b>	<b>19,422,477</b>

## 9- AVAILABLE-FOR-SALE INVESTMENTS

	2008 JD	2007 JD
Quoted investments:		
Governmental and government guaranteed bonds	330,293,711	232,734,931
Corporate bonds and debentures	158,572,178	175,830,129
Shares	18,628,171	15,037,332
Funds	56,587,945	105,588,549
	<b>564,082,005</b>	<b>529,190,941</b>
Unquoted investments :		
Governmental and government guaranteed bonds	10,389,917	41,022,963
Corporate bonds and debentures	20,716,184	25,977,186
Shares	18,109,002	14,351,881
	<b>49,215,102</b>	<b>81,352,030</b>
Total	<b>613,297,107</b>	<b>610,542,971</b>
Analysis of debt instruments :		
Fixed rate bonds	353,211,857	399,791,101
Variable rate bonds	166,760,133	75,774,108
Total	<b>519,971,989</b>	<b>475,565,209</b>

- The maturity terms of bonds range is from one month to 7 years.

- Included in investments in shares an amount of JD 18,109,002 as of December 31, 2008 (JD 14,351,881 as of December 31, 2007) stated at cost since its fair value could not be measured reliably. Impairment in the value of these shares was JD 123,095 recognised in the income statement as of December 31, 2008 (JD 48,349 as of December 31, 2007).

- Included in unquoted shares is an amount of JD 3,814,460, representing 22.1% ownership in Jordan International Bank as of December 31, 2008 and 2007. The investment was not recorded 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

	2008 JD	2007 JD
Quoted investments:		
Treasury bills	228,473,948	26,805,699
Governmental and government guaranteed bonds	295,300,773	238,133,566
Corporate bonds and debentures	60,379,615	5,652,515
Others	-	736,078
	<b>584,154,336</b>	<b>271,327,858</b>
Unquoted investments :		
Treasury bills	-	43,449,316
Governmental and government guaranteed bonds	5,343,177	52,990,314
Corporate bonds and debentures	11,043,950	8,246,599
	<b>16,387,127</b>	<b>104,686,229</b>
Total	<b>600,541,463</b>	<b>376,014,087</b>
Analysis of debt instruments:		
Fixed rate bonds	536,217,617	367,469,087
Variable rate bonds	64,323,846	8,545,000
Total	<b>600,541,463</b>	<b>376,014,087</b>

- The maturity terms of bonds range from 1 month to 11 years. All bonds have fixed principal payments.

- the average yearly interest rate is between 1.575% - 9.5%.

## 11- INVESTMENT IN ASSOCIATE

The bank sold part of its investment in the Housing Company for Tourism and Hotel Investment for proceeds of JD 17.2 million , and transferred the rest of the investment (10%) to available for-sale investments.

## 12- PROPERTY AND EQUIPMENT

2008	Lands JD	Buldings JD	Equipments Furniture & Fixtures JD	Vehicles JD	Hard wares JD	Others JD	Total JD
Cost							
At January 1	16,535,519	18,171,194	39,382,172	1,864,845	28,594,350	3,889,710	108,437,790
Additions	-	2,357,187	6,302,464	247,191	1,875,445	530,832	11,313,119
Disposals	-	(174,473)	(782,083)	(51,362)	(1,036,246)	-	(2,044,164)
Foreign currency translation	(18,416)	(105,500)	(165,750)	(6,112)	(19,667)	-	(315,445)
At December 31	16,517,103	20,248,408	44,736,803	2,054,562	29,413,882	4,420,542	117,391,300
Accumulated depreciation :							
At January 1	-	3,944,399	25,702,263	1,087,779	20,280,962	2,983,062	53,998,465
Annual depreciation	-	447,833	3,603,174	276,225	2,621,069	522,739	7,471,040
Disposals	-	(89,594)	(732,083)	(50,855)	(1,014,260)	-	(1,886,792)
Foreign currency translation	-	(31,608)	(130,118)	(5,030)	16,141	-	(150,615)
At December 31	-	4,271,030	28,443,236	1,308,119	21,903,912	3,505,801	59,432,098
Net book value of Properties, Plants and Equipments	16,517,103	15,977,378	16,293,567	746,443	7,509,970	914,741	57,959,202
Payments on Properties, Plants and Equipments in progress	-	-	876,663	-	2,471,960	-	3,348,623
Projects in progress	-	16,752,749	-	-	-	-	16,752,749
Properties, Plants and Equipments – net	16,517,103	32,730,127	17,170,230	746,443	9,981,930	914,741	78,060,574

2007	Lands JD	Buldings JD	Equipments Furniture & Fixtures JD	Vehicles JD	Hard wares JD	Others JD	Total 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 Properties, Plants and Equipments	16,535,519	14,226,795	13,679,909	777,066	8,313,388	906,648	54,439,325
Payments on Properties, Plants and Equipments in progress	-	-	1,778,531	-	2,162,847	-	3,941,378
Projects in progress	-	9,944,443	-	-	-	-	9,944,443
Properties, Plants and Equipments – net	16,535,519	24,171,238	15,458,440	777,066	10,476,235	906,648	68,325,146

- Fully depreciated items of property and equipment amounted to JD 25,107,912 as of December 31, 2008 and JD 20,788,735 as of December 31, 2007.

- Contractual commitments related to projects are included in Note (47).

- Property and equipment include leased properties and equipment of JD 2,060,590 as of December 31, 2008 which will be owned by the Bank at the end of the contracts.

### 13- INTANGIBLE ASSETS

	2007			2008		
	Software JD	Goodwill* JD	Total JD	Software JD	Goodwill* JD	Total JD
Beginning Balance	1,707,033	-	2,079,366	1,740,183	372,333	1,740,183
Additions **	4,970,663	372,333	4,970,663	1,443,349	-	1,815,682
Amortization	(1,951,835)	-	(1,951,835)	(1,476,499)	-	(1,476,499)
Ending Balance	4,725,861	372,333	5,098,194	1,707,033	372,333	2,079,366

\*Goodwill is acquired by purchasing an additional share of 12.74% of the bank's subsidiary (The Housing Bank for Trade & Finance/ Algeria) and thus the bank ownership became 64.74%.

\*\* includes an amount of JD 2,124,548 representing software purchased but not received yet.

### 14-OTHER ASSETS

	December 31	
	2008 JD	2007 JD
Accrued revenues	16,804,230	20,165,335
Prepaid expenses	4,019,512	3,831,050
Repossessed assets for resale *	6,373,748	6,208,391
Cheques under collection	16,006,010	24,649,398
Others	7,479,741	3,797,804
<b>Total</b>	<b>50,683,241</b>	<b>58,651,978</b>

\* Included in repossessed assets for resale unregistered is real-estate amounting to JD 800.5 thousand as of December 31, 2008 and JD 59.5 thousand as of December 31, 2007. The Central Bank of Jordan instructions require selling the repossessed assets within two years from repossession.

The movements on repossessed assets are as follows :

	2008 JD	2007 JD
Beginning Balance	<b>6,208,391</b>	<b>6,335,671</b>
Additions	975,947	1,591,864
Disposals	(810,590)	(1,719,144)
Ending Balance	<b>6,373,748</b>	<b>6,208,391</b>

### 15- BANKS AND FINANCIAL INSTITUTIONS DEPOSITS

	December 31, 2007			December 31, 2008		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Current accounts and demand deposits	12,218,457	87,819,888	100,038,345	4,859,895	88,560,553	93,420,448
Deposits due within 3 months	7,870,951	112,097,139	119,968,090	10,626,040	201,481,283	212,107,323
Deposits due within 3 - 12 months	10,635,000	2,874	10,637,874	-	1,579,105	1,579,105
<b>Total</b>	<b>30,724,408</b>	<b>199,919,901</b>	<b>230,644,309</b>	<b>15,485,935</b>	<b>291,620,941</b>	<b>307,106,876</b>

## 16- CUSTOMERS' DEPOSITS

2008	Individual (retail customers) JD	Large corporate customers JD	SMEs JD	Government & Public Sector JD	Total JD
Current accounts & demand deposits	470,360,667	112,376,335	133,212,847	62,726,247	<b>778,676,096</b>
Saving deposits	967,695,835	585,466	22,893,716	191,852	<b>991,366,869</b>
Time and notice deposits	1,216,646,282	410,915,986	140,898,250	222,938,495	<b>1,991,399,013</b>
Certificates of deposit	2,258,339	-	-	-	<b>2,258,339</b>
Others	820,161	-	-	-	<b>820,161</b>
<b>Total</b>	<b>2,657,781,284</b>	<b>523,877,787</b>	<b>297,004,813</b>	<b>285,856,594</b>	<b>3,764,520,478</b>

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

- Public sector and Government of Jordan deposits inside the Kingdom amounted to JD 282.2 million, representing 7.5% of total deposits as of December 31, 2008 and JD 183.5 million, representing 5.2% of total deposits as of December 31, 2007.

- Non-interest bearing deposits amounted to JD 786.2 million, representing 20.9% of total deposits as of December 31, 2008 and JD 754.9 million, representing 21.6% of total deposits as of December 31, 2007.

- Restricted deposits amounted to JD 102.1 million, representing 2.7% of total deposits as of December 31, 2008 and JD 75.3 million, representing 2.2% of total deposits as of December 31, 2007.

- Dormant accounts amounted to JD 31.5 million, representing 0.8% of total deposits as of December 31, 2008 and JD 25.3 million, representing 0.7% of total deposits as of December 31, 2007.

## 17-MARGIN ACCOUNTS

	2008 JD	2007 JD
Direct credit facilities	162,605,508	101,119,254
Indirect credit facilities	140,717,323	131,683,581
Margin dealings	361,608	976,114
<b>Total</b>	<b>303,684,439</b>	<b>233,778,949</b>

## 18- LOANS AND BORROWINGS

31 December 2008	Amount JD	Number of Instalments		Periodic Repayment	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
		Total	Net Due				
From Local Companies							
Real Estate Mortgage Re- Finance Company *	135,000	120	5	Monthly	Government	6.67%	7.167%
	<b>135,000</b>						
From Foreign companies							
Palestine Company for Real Estate Mortgage	42,462	120	65	Monthly	Financial solvency	5.50%	8.50%
Palestine Company for Real Estate Mortgage	31,351	240	185	Monthly	Financial solvency	5.50%	8.50%
	<b>73,813</b>						
From other Banks							
From other Banks	1,755,700	1	1	Monthly	Financial solvency	2.75%	-
<b>Total</b>	<b>1,964,513</b>						

31 December 2007	Amount JD	Number of Instalments		Periodic Repayment	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
		Total	Net Due				
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
	<b>1,375,652</b>						
From Foreign companies							
Palestine Company for Real Estate Mortgage							
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
	<b>81,565</b>						
<b>Total</b>	<b>1,457,217</b>						

- Fixed rate loans amounted to JD 73,813 and loans with a floating rate amounted to JD 1,890,700 as December 31, 2008.

- Fixed rate loans amounted to JD 81,565 and loans with a floating rate amounted to JD 1,375,652 as December 31, 2007.

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

## 19- SUNDRY PROVISIONS

2008	Beginning Balance JD	Provided During the Year JD	Used During the Year JD	Reversed to Income statement JD	Ending Balance JD
Provision for end-of-service indemnity	10,375,878	2,708,223	(920,384)	-	12,163,717
Provision for commitments and contingencies	605,956	70,962	(94,107)	-	582,811
Other provisions	2,588,953	1,586,523	(932,936)	(657)	3,241,883
	<b>13,570,787</b>	<b>4,365,708</b>	<b>(1,947,427)</b>	<b>(657)</b>	<b>15,988,411</b>

2007	Beginning Balance JD	Provided During the Year JD	Used During the Year JD	Reversed to Income statement JD	Ending Balance JD
Provision for end-of-service indemnity	9,086,589	3,168,516	(1,879,227)	-	10,375,878
Provision for commitments and contingencies	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
	<b>13,501,875</b>	<b>6,154,675</b>	<b>(5,095,082)</b>	<b>(990,681)</b>	<b>13,570,787</b>

## 20- INCOME TAX

### A- Income tax liability

The movement on the income tax provision is as follows:

	2008 JD	2007 JD
Beginning balance	48,325,011	38,615,624
Income tax paid	(43,454,311)	(33,154,998)
Provision for income tax for the year	45,219,127	42,864,385
Ending Balance	<b>50,089,827</b>	<b>48,325,011</b>

- Income tax has been settled up to the end of the year 2006 for Jordan branches and Palestine branches and its subsidiaries companies.

The tax return for the Bank and subsidiaries for the year 2007 have been submitted and the declared income tax paid to the Income tax Department. These returns have been reviewed by the Tax Departments but no final settlement has been issued until the date of the financial statements.

Income tax appeared in the income statement represents the following:

	2008 JD	2007 JD
Provision for income tax	45,219,127	42,864,385
Deferred tax assets for the year	(9,547,989)	(5,741,486)
Amortization of deferred tax assets	5,027,875	5,945,013
	<b>40,699,013</b>	<b>43,067,912</b>

The movement on temporary differences giving rise to deferred tax assets and liabilities are:

#### B- Deferred income tax assets / liabilities

	2008					2007
	Beginning Balance JD	Amounts Released JD	Amounts Added JD	Ending Balance JD	Deferred Tax JD	Deferred Tax JD
Assets						
Interest suspended	945,760	1,001,075	1,658,907	1,603,592	530,950	301,225
Allowance for impairment losses	5,771,140	4,522,510	7,162,619	8,411,249	2,784,965	1,838,108
Provision for possible loan losses	9,215,522	882,044	2,332,307	10,665,785	3,531,441	2,935,144
Building impairment	138,117	9,844	158	128,431	42,524	43,990
Other provisions	2,998,301	1,027,700	1,592,600	3,563,201	1,179,776	954,959
Other assets	8,066,779	8,066,779	15,108,366	15,108,366	5,002,380	2,478,496
<b>TOTAL</b>	<b>27,135,619</b>	<b>15,509,952</b>	<b>27,854,957</b>	<b>39,480,624</b>	<b>13,072,036</b>	<b>8,551,922</b>
Liabilities *						
Cumulative change in the fair value of available-for-sale investments	6,244,900	6,110,268	25,547	160,179	53,035	1,438,411
<b>TOTAL</b>	<b>6,244,900</b>	<b>6,110,268</b>	<b>25,547</b>	<b>160,179</b>	<b>53,035</b>	<b>1,438,411</b>

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

	2008		2007	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	<b>8,551,922</b>	<b>1,438,411</b>	<b>8,755,448</b>	<b>1,545,000</b>
Additions	9,547,989	10,155	5,741,487	1,168,442
Deductions	(5,027,875)	(1,395,531)	(5,945,013)	(1,275,031)
<b>Ending balance for the year</b>	<b>13,072,036</b>	<b>53,035</b>	<b>8,551,922</b>	<b>1,438,411</b>

#### C- Reconciliation of the accounting profit with taxable profit (summary):

	2008	2007
	JD	JD
Accounting profit	142,021,758	154,531,206
Profit not taxable	(18,650,431)	(35,535,951)
Expenses not deductible for tax purposes	21,919,411	24,376,432
<b>Taxable Profit</b>	<b>145,290,738</b>	<b>143,371,687</b>
Effective income tax rate	29%	28%

- The legal income tax rate on banks in Jordan amounted to 35% while the income tax rates in the countries in which the Bank has investments range between 0% to 30%.
- The Tax rate on deferred tax assets is between 25%-35%



## 21- OTHER LIABILITIES

	2008 JD	2007 JD
Accrued interest expenses	7,572,213	7,120,614
Interest and commissions received in advance	391,739	512,504
Accrued expenses	9,863,110	8,785,139
Certified cheques	20,681,386	21,239,035
Transfers	13,342,944	11,462,100
Payment trusts	512,761	829,608
Prizes money trusts	107,800	147,850
Correspondent banks trusts	452,285	450,357
General management trusts	651,554	867,020
Deferred income *	-	3,313,432
Dividends payable **	770,756	750,562
Share subscription trust ****	-	28,170,768
Accounts payable	7,162,828	6,245,599
Jordan University fees	1,243,929	1,415,733
Scientific research fund fees	917,726	1,030,629
Vocational and Technical Education and Training Fund fees	796,969	887,497
Other trusts	7,708,932	4,417,386
Others	3,981,558	2,355,112
<b>Total</b>	<b>76,158,490</b>	<b>100,000,945</b>

\* Deferred income represents 50% of the gain from selling the Housing Bank Commercial Complex or, during the year 2001, to the Housing Company for Tourism and Hotels Investments (an associated company. The Bank owns 50% of its share capital) and realized the remainder of the gain during 2008 as a result of sale of part of its investment as disclosed in note (11).

\*\* Dividends payable are accrued on prior years proposed dividends.

\*\*\* Represents refunds on excess subscriptions related to the capital increase of the subsidiary the International Bank for Trade and Finance / Syria.

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

### Paid-in capital

Authorized and paid capital amounted to JD 252 million divided into 252 million shares at a par value of JD 1 per share. During the year 2008, the subscription by the Jordanian armed forces was completed, totaling 2 million shares by 5 JD for each share.

### Additional paid-in capital

Additional paid-in capital amounted to JD 357,925,469 as of December 31, 2008.

This increase by JD 8.5 million over the previous year, resulting from the completion of the Jordanian armed forces subscription of their designated shares totaling 2 million with additional paid in capital amounts JD 4 for each share in addition to the gain from selling treasury shares .

## 23- RESERVES

### Statutory Reserve

As required by the Jordanian Banks Law, 10% of the profit before tax of the Jordan branches is to be transferred to the statutory reserve. The statutory reserve is not available for distribution.

### Voluntary Reserve

This reserve represents amounts transferred from the pre-tax profits at a rate not exceeding 20% during the years.

The voluntary reserve shall be utilized for the purposes determined by the Board of Directors. The General Assembly shall have the right to distribute it in whole or in part as dividends to shareholders if not utilized for such purposes.

### General Banking Risk Reserve

This reserve represents the general banking risks reserve according to the Central Bank of Jordan regulations.

#### Restricted reserves are as follows:

Reserve	2008 JD	2007 JD	Type of Restriction
General banking risk reserve	23,702,983	20,000,000	According to the Central Bank of Jordan regulations
Statutory reserve	80,599,236	68,159,949	According to the Corporation and Banks Law

## 24-FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

This item represents the differences resulting from the translation of net investments in foreign subsidiaries and branches upon consolidation of the financial statements. The movements on this account are as follows:

	2008 JD	2007 JD
Beginning balance	4,232,617	590,684
Change during the year	(3,175,388)	3,641,933
Ending Balance	1,057,229	4,232,617

## 25- CUMULATIVE CHANGE IN FAIR VALUE

	December 31, 2008				December 31, 2007			
	Shares JD	Bonds JD	Investment Funds JD	Total JD	Shares JD	Bonds JD	Investment Funds JD	Total JD
Beginning balance	5,364,137	(1,592,619)	(2,533,832)	1,237,686	8,437,513	(3,490,359)	1,984,163	6,931,317
Unrealised net gain (losses)	(9,470,289)	(23,270,659)	(23,115,822)	(55,856,770)	(659,310)	(492,001)	(5,548,145)	(6,699,456)
Deferred income tax liabilities	1,685,387	(200,162)	(99,849)	1,385,376	993,345	(970,110)	83,354	106,589
Realized (gain) losses transferred to the income statement	(1,811,931)	97,843	911,389	(802,699)	(3,407,411)	1,284	(1,915,819)	(5,321,946)
Impairment loss	3,691,036	10,034,366	11,999,877	25,725,279	-	3,358,567	2,862,615	6,221,182
Ending balance *	(541,660)	(14,931,231)	(12,838,237)	(28,311,128)	5,364,137	(1,592,619)	(2,533,832)	1,237,686

\* The cumulative change in fair value is stated net of deferred income tax liabilities amounting to JD 53,035 (JD 1,438,411 for the prior year).

## 26- RETAINED EARNINGS

An amount of JD 41,383,164 as of December 31, 2008 is not available for distribution. It represents deferred income tax assets and the negative balances in the cumulative change in fair value. (JD 28,056,073 as of December 31, 2007 which represents deferred income tax assets and treasury shares).

## 27- PROPOSED DIVIDENDS

The Board of Directors proposed cash dividends of JD 0.25 per share at a rate of (25%) subject to the approval of General Assembly of Shareholders at their annual meeting. Dividends distributed last year amounted to JD 0.30 per share at a rate of (30%).

## 28-INTEREST INCOME

	2008 JD	2007 JD
Individual (retail customers)		
Over draft facilities	1,945,220	1,631,670
Credit cards	39,866,288	35,733,766
Others	2,251,253	1,795,812
Residential mortgages & commercial real estate	90,536	161,079
	<b>33,213,228</b>	<b>28,693,015</b>
CORPORATE ENTITIES		
Large corporate customers		
Over draft facilities	18,415,837	12,077,530
Loans and discounted bills	60,321,569	32,471,287
SMEs		
Over draft facilities	6,990,537	7,962,122
Loans and discounted bills	11,110,823	15,585,776
<b>Government &amp; public sector</b>	<b>15,227,719</b>	<b>17,046,293</b>
Balances with central banks	19,051,926	37,134,967
Balances and deposits with banks and financial institutions	26,635,406	43,118,635
Trading investments	921,345	916,791
Available-for-sale investments	34,382,645	28,094,268
Held-to-maturity investments	31,565,717	19,196,853
<b>Total</b>	<b>300,990,049</b>	<b>281,619,864</b>

## 29- INTEREST EXPENSE

	2008 JD	2007 JD
Banks and financial institutions deposits	3,315,623	8,082,356
Customers deposits :		
Current accounts and demand deposits	1,906,825	1,632,064
Saving deposits	11,423,096	11,685,788
Time and notice deposits	75,805,374	76,696,508
Certificates of deposit	77,918	73,823
Others	3,932	3,541
Margin accounts	4,898,074	4,566,480
Loans and borrowings	80,961	166,828
Deposits insurance fees	4,612,292	4,007,967
<b>Total</b>	<b>102,124,095</b>	<b>106,915,355</b>

### 30- NET COMMISSION

	2008 JD	2007 JD
Commission income :		
Direct credit facilities	14,349,650	11,763,865
Indirect credit facilities	15,326,910	12,833,955
Less: Commission expense	290,316	285,740
<b>Net Commission</b>	<b>29,386,244</b>	<b>24,312,080</b>

### 31- FOREIGN EXCHANGE INCOME

	2008 JD	2007 JD
From trading	2,667,092	3,130,238
From revaluation	8,372,054	4,190,387
<b>Total</b>	<b>11,039,146</b>	<b>7,320,625</b>

### 32- GAINS LESS LOSSES ARISING FROM TRADING INVESTMENTS

2008	Realized		Unrealized		Dividends Received JD	Total JD
	Gains JD	(Losses) JD	Gains JD	(Losses) JD		
Shares	1,371,099	(679,383)	174,002	(1,172,598)	83,066	(223,814)
<b>Total</b>	<b>1,371,099</b>	<b>(679,383)</b>	<b>174,002</b>	<b>(1,172,598)</b>	<b>83,066</b>	<b>(223,814)</b>

2007	Realized		Unrealized		Dividends Received JD	Total JD
	Gains JD	(Losses) JD	Gains JD	(Losses) JD		
Shares	476,193	(480,211)	410,494	(2,116,563)	161,989	(1,548,098)
<b>Total</b>	<b>476,193</b>	<b>(480,211)</b>	<b>410,494</b>	<b>(2,116,563)</b>	<b>161,989</b>	<b>(1,548,098)</b>

### 33- (LOSSES) GAINS FROM AVAILABLE-FOR-SALE INVESTMENTS

	2008 JD	2007 JD
Dividend income	1,414,483	2,377,050
(Losses) Gains from the sale of available-for-sale investments	(1,387,108)	12,820,507
Less : impairment (loss) of available-for-sale investments	(25,848,374)	(6,269,531)
<b>TOTAL</b>	<b>(25,820,999)</b>	<b>8,928,026</b>

### 34- OTHER INCOME

	2008 JD	2007 JD
Fees on salaries accounts	2,848,504	2,744,583
Credit cards income	3,582,841	3,131,448
Safety Deposit Box rental income	220,458	209,245
Commissions on returned checks	452,286	396,845
Account management fees	2,786,686	2,425,744
Net income from recovered loans	1,441,456	1,718,664
Charges on dormant and low-balance accounts	1,074,202	972,203
Net bonded income	175,799	111,511
Income from brokerage services	3,373,177	3,098,682
Banking services' fees	2,126,531	1,431,802
Income on transfers	6,493,903	5,684,635
Commission on cash withdrawals	404,640	452,993
Gain on sale of associate	3,862,633	-
Others	3,119,093	2,735,322
	<b>31,962,209</b>	<b>25,113,677</b>

### 35- EMPLOYEES' COST

	2008 JD	2007 JD
Salaries and benefits	39,120,352	32,827,866
Social security contribution	3,264,741	2,534,112
Bank's contribution to the saving fund	96,097	82,347
End-of-service indemnity	2,708,223	3,168,516
Medical expenses	1,277,469	1,200,893
Training expenses	1,068,925	992,748
Travel and transportation expenses	1,036,777	663,023
Others	580,602	503,491
	<b>49,153,186</b>	<b>41,972,996</b>

### 36- OTHER EXPENSES

	2008 JD	2007 JD
Computer and software	4,504,147	2,714,141
Stationery and printing	1,737,027	1,887,418
Maintenance and repairs	3,235,805	3,173,734
Post, telephone, telex, and internet	1,679,137	1,109,159
Rent	3,039,144	2,467,607
Water, fuel and electricity	1,598,015	1,164,671
Advertising	2,882,474	2,217,589
Donations	358,049	879,752
Hospitality	297,008	269,741
Financial institutions subscription fees	1,429,386	978,369
Fees on credit facilities processing	587,475	548,985
Bad debts written off	168,409	110,029
Board of Directors' transportation and meetings	1,756,937	1,679,864
Consultation and research	3,939,732	2,284,914
Jordanian universities fees	1,243,929	1,415,733
Scientific research support fees	917,726	1,030,629
Vocational and Technical Training and Education Support Fund Fees	796,969	887,623
Others	8,998,473	6,984,438
	<b>39,169,842</b>	<b>31,804,396</b>

### 37- EARNINGS PER SHARE

#### A- Basic earnings per share :

	2008 JD	2007 JD
Profit for the year	95,950,612	107,771,689
Weighted average number of shares	250,596,505	247,470,035
Basic for profit for the year attributable to equityholders of the Bank	<b>0.383 JD</b>	<b>0.435 JD</b>

#### B- Diluted earnings per share :

	2008 JD	2007 JD
Profit for the year	95,950,612	107,771,689
Weighted average number of shares	250,596,505	249,470,035
Basic for profit for the year attributable to equityholders of the Bank	<b>0.383 JD</b>	<b>0.432 JD</b>

### 38- CASH AND CASH EQUIVALENTS

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

	2008 JD	2007 JD
Cash and balances with central banks maturing within 3 months	989,243,497	958,730,435
Add: Balances with banks and financial institutions maturing within 3 months	700,062,230	776,086,331
Less : Deposits from banks and financial institutions maturing within 3 months	305,527,771	220,006,435
Net Cash and Cash Equivalents	<b>1,383,777,956</b>	<b>1,514,810,331</b>

### 39- FINANCIAL DERIVATIVES

The details of financial derivatives as of December 31, 2008 :

2008	Positive fair value JD	Negative fair value JD	Notional amounts JD	Due in three months JD
Forward foreign currency sale contracts	-	(7,929)	(746,920)	(746,920)
Forward foreign currency purchase contracts	9,742	-	560,799	560,799
	<b>9,742</b>	<b>(7,929)</b>	<b>(186,121)</b>	<b>(186,121)</b>

2007	Positive fair value JD	Negative fair value JD	Notional amounts JD	Due in three months JD
Forward foreign currency sale contracts	-	(50,732)	(19,269,426)	(19,269,426)
Forward foreign currency purchase contracts	105,042	-	19,323,736	19,323,736
	<b>105,042</b>	<b>(50,732)</b>	<b>54,310</b>	<b>54,310</b>

### 40- 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	Company's Capital	
		2008 JD	2007 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	41,920,486
Jordan and Palestine Financial Investment Co.	99.9%	2,500,000	2,500,000
International Financial Center	77.5%	4,000,000	4,000,000
Specialized Lease Finance Co.	100%	20,000,000	20,000,000
Jordan Real Estate Investment Co.	100%	40,000	40,000
Housing Investment Group Co.	100%	10,000,000	-

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

Summary of related party transactions during the year :

	Related party		Others JD	2008	2007
	Major Shareholders JD	Executive management JD		Total JD	Total JD
Balance sheet items:					
Total deposits with related parties	150,958,199	-	12,685,669	<b>163,643,868</b>	<b>96,555,591</b>
Total deposits from related parties	232,579,850	639,669	-	<b>233,219,519</b>	<b>55,683,948</b>
Loans and advances given to related parties	15,433,427	432,244	2,765,100	<b>18,630,771</b>	<b>7,787,331</b>
Income statement items:					
Interest and commissions income*	1,525,675	30,836	270,105	<b>1,826,616</b>	<b>3,770,482</b>
Interest and commissions expense**	1,938,271	14,828	-	<b>1,953,099</b>	<b>4,283,158</b>

\* Credit rates 0.05%-10%

\*\* Debit rates 0%-7%

## Executive Management Remuneration

	2008 JD	2007 JD
Salaries & other benefits	2,925,287	2,016,018

## 41- FAIR VALUE OF FINANCIAL INSTRUMENTS

	2008		2007	
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD
Held-to-maturity investments	600,541,463	597,679,739	376,014,087	376,227,914

- As disclosed in note (9) available for sale investments include unquoted shares amounted to JD 18,109,002 as of December 31,2008 (JD 14,351,881 as of December 31,2007) which are stated at cost since their fair value could not be measured reliably.

- No material differences exist between fair value and net book value for financial instruments.

## 42- 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 2008 in spreading 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 shareholders' 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 2008. Lending principles as well as the structural and process organization are set forth in a credit manual (in accordance with Basel II regulations)

- 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 2008), which is geared towards the specific requirements of Basel II.

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

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

### Credit risk mitigations:

Collateral management is well managed to mitigate the risks, and is capable of liquidating collaterals in any-time, while using the following methods:

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

In addition to the listed before, that the bank is well aware of the types of credit they are looking therefore, committees are taking place to mitigate the risk:

- Periodical credit committee
- Diversifications in the credit portfolio
- Approval system: in the case of this type, 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 mitigating factors):-

	2008 JD	2007 JD
On- balance sheet items		
Cash and balances with central banks	886,872,095	1,017,459,772
Balances with banks and financial institutions	700,062,230	776,086,331
Deposits with banks and financial institutions	20,416,501	33,465,029
Credit facilities		
Individual (retail customers)	401,748,087	374,739,165
Residential mortgages & commercial real estate	452,969,439	420,661,042
CORPORATE ENTITIES		
Large corporate customers	1,104,137,415	764,616,678
SME s	222,616,295	180,308,128
Government & public sector	160,224,831	195,925,604
Bonds & Funds		
Held for trading	11,107,605	11,107,605
Available for sale	571,555,462	573,334,055
Held to maturity	600,541,463	376,014,087
Other assets	32,810,240	44,814,733
<b>Total</b>	<b>5,165,061,663</b>	<b>4,768,532,229</b>
Off- balance sheet items		
Letters of credit	534,264,261	448,333,868
Acceptances	92,887,266	125,336,975
Letters of guarantee	652,707,044	418,772,178
Un-utilized facilities	388,262,285	242,170,111
<b>Total</b>	<b>1,668,120,856</b>	<b>1,234,613,132</b>
	<b>6,833,182,519</b>	<b>6,003,145,361</b>

The above table represents the highest credit risk exposure for the bank as of December 31, 2008 and 2007, without taking into account any collaterals held or any other credit risk mitigating factors for on balance sheet assets. The exposure based on net carrying amounts as reported in the balance sheet.

Exposure to credit risk percentage distribution :

- 24% of the total exposure is derived from balances with central banks and other banks and financial institutions. ( 30% : 2007).
- 34% of the total exposure results from credit facilities (32% : 2007).
- 18% of the total exposure results from investment in debt securities and treasury bills (16% : 2007).
- 24% from the total exposure results from off balance sheet items and other assets. (22% : 2007).

## 2- CREDIT FACILITIES RATING CATEGORIES :-

2008	Individual (retail customers)	Residential mortgages & commercial real estate	CORPORATE ENTITIES		Government & public sector	Banks & other financial institutions	Total
			Large corporate customers	SMEs			
	JD	JD	JD	JD	JD	JD	JD
High grade	77,569,655	40,674,866	247,476,284	71,229,481	65,383,372	1,607,350,826	2,109,684,484
Standard grade	324,403,904	380,421,243	740,088,212	143,707,067	94,841,459	-	1,683,461,885
From which past due:							
Up to 30 days	10,950,481	24,382,252	31,636,734	17,711,403	-	-	84,680,870
From 31 to 60 days	4,090,586	203,276	17,048,279	269,587	-	-	21,611,728
Watch list	2,543,196	20,257,224	108,549,629	10,596,598	-	-	141,946,647
Non- performing							
Sub-standard	2,387,743	1,907,038	1,324,348	5,576,705	-	-	11,195,834
Doubtful	1,288,409	1,966,626	1,414,839	1,581,822	-	-	6,251,696
Losses	7,321,790	17,118,944	17,881,856	5,507,204	-	-	47,829,794
<b>Total</b>	<b>415,514,697</b>	<b>462,345,941</b>	<b>1,116,735,168</b>	<b>238,198,877</b>	<b>160,224,831</b>	<b>1,607,350,826</b>	<b>4,000,370,340</b>
Deduct :Interest in suspense	<b>4,750,015</b>	<b>2,051,542</b>	<b>4,864,689</b>	<b>3,081,616</b>	-	-	14,747,862
Allowance for impairment losses	<b>9,016,595</b>	<b>7,324,960</b>	<b>7,733,064</b>	<b>12,500,966</b>	-	-	36,575,585
<b>Net</b>	<b>401,748,087</b>	<b>452,969,439</b>	<b>1,104,137,415</b>	<b>222,616,295</b>	<b>160,224,831</b>	<b>1,607,350,826</b>	<b>3,949,046,893</b>

2007	Individual (retail customers)	Banks & other financial institutions	CORPORATE ENTITIES		Government & public sector	Residential mortgages & commercial real estate	Total
			Large corporate customers	SMEs			
	JD	JD	JD	JD	JD	JD	JD
High grade	46,214,822	29,072,769	150,297,865	39,370,098	106,069,327	1,827,011,132	2,198,036,013
Standard grade	317,134,356	363,712,621	540,770,518	115,219,677	89,173,799	-	1,426,010,971
From which past due:							
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
Watch list	6,945,199	19,800,527	68,614,458	21,251,595	678,709	-	117,290,488
Non- performing							
Sub-standard	8,655,460	5,416,007	3,717,039	3,855,578	3,769	-	21,647,853
Doubtful	2,343,178	1,794,344	2,602,728	2,073,946	-	-	8,814,196
Losses	10,488,794	12,720,030	12,532,601	14,578,555	-	-	50,319,980
<b>Total</b>	<b>391,781,809</b>	<b>432,516,298</b>	<b>778,535,209</b>	<b>196,349,449</b>	<b>195,925,604</b>	<b>1,827,011,132</b>	<b>3,822,119,501</b>
Deduct :Interest in suspense	<b>5,139,898</b>	<b>5,389,433</b>	<b>4,116,995</b>	<b>4,776,151</b>	-	-	19,422,477
Allowance for impairment losses	<b>11,902,745</b>	<b>6,465,824</b>	<b>9,801,536</b>	<b>11,265,170</b>	-	-	39,435,275
<b>Net</b>	<b>374,739,166</b>	<b>420,661,041</b>	<b>764,616,678</b>	<b>180,308,128</b>	<b>195,925,604</b>	<b>1,827,011,132</b>	<b>3,763,261,749</b>

## Collateral :

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

2008	Individual (retail customers)	Residential mortgages & commercial real estate	CORPORATE ENTITIES		Government & public sector	Total
			Large corpo- rate customers	SMEs		
	JD	JD	JD	JD	JD	JD
High grade	34,602,837	28,123,497	207,182,080	59,690,390	65,383,372	<b>394,982,176</b>
Standard grade	85,193,036	381,234,941	339,634,419	78,450,516	17,931,566	<b>902,444,478</b>
Watch list	24,974,577	23,089,378	52,988,965	25,251,774	-	<b>126,304,694</b>
Non-performing :	<b>6,100,714</b>	<b>21,372,884</b>	<b>2,809,660</b>	<b>15,274,172</b>	-	<b>45,557,430</b>
Sub - standard grade	1,085,052	1,897,828	50,000	5,337,614	-	<b>8,370,494</b>
Doubtful	688,587	1,911,033	-	1,455,232	-	<b>4,054,852</b>
Losses	4,327,075	17,564,023	2,759,660	8,481,326	-	<b>33,132,084</b>
<b>Total</b>	<b>150,871,164</b>	<b>453,820,700</b>	<b>602,615,124</b>	<b>178,666,852</b>	<b>83,314,938</b>	<b>1,469,288,778</b>
As :						
Cash margins	21,518,843	13,970,684	58,417,700	27,274,428	5,669,330	<b>126,850,985</b>
Accepted bank guarantees	322,538	-	11,270,209	-	-	<b>11,592,747</b>
Residential mortgages	98,997,614	438,340,948	283,625,217	120,135,189	17,931,566	<b>959,030,534</b>
Listed shares	582,508	1,164,034	153,239,933	19,585,711	-	<b>174,572,186</b>
Equipment and vehicles	29,449,661	345,034	47,892,704	11,671,524	-	<b>89,358,923</b>
<b>Total</b>	<b>150,871,164</b>	<b>453,820,700</b>	<b>554,445,763</b>	<b>178,666,852</b>	<b>23,600,896</b>	<b>1,361,405,375</b>

2007	Individual (retail customers)	Residential mortgages & commercial real estate	CORPORATE ENTITIES		Government & public sector	Total
			Large corpo- rate customers	SMEs		
	JD	JD	JD	JD	JD	JD
High grade	34,592,514	32,401,765	145,701,049	24,363,721	67,830,204	<b>304,889,253</b>
Standard grade	188,550,459	340,787,482	236,376,062	66,381,719	7,557	<b>832,103,279</b>
Watch list	3,474,257	29,307,377	43,838,949	16,859,502	-	<b>93,480,085</b>
Non-performing :	<b>4,985,340</b>	<b>17,896,170</b>	<b>11,987,976</b>	<b>10,193,781</b>	-	<b>45,063,267</b>
Sub - standard grade	955,714	5,169,346	2,962,259	1,915,109	-	<b>11,002,428</b>
Doubtful	907,859	1,838,735	1,788,347	1,095,719	-	<b>5,630,660</b>
Losses	3,121,767	10,888,089	7,237,370	7,182,953	-	<b>28,430,179</b>
<b>Total</b>	<b>231,602,570</b>	<b>420,392,794</b>	<b>437,904,036</b>	<b>117,798,723</b>	<b>67,837,761</b>	<b>1,275,535,884</b>
As :						
Cash margins	39,240,536	3,567,629	36,565,696	16,089,810	-	<b>95,463,671</b>
Accepted bank guarantees	750,001	4,552,809	54,792,716	3,115,311	-	<b>63,210,837</b>
Residential mortgages	147,039,833	409,077,421	114,091,540	78,322,992	-	<b>748,531,786</b>
Listed shares	10,726,946	3,194,935	172,961,606	12,344,401	-	<b>199,227,888</b>
Equipment and vehicles	33,845,254	-	20,908,997	7,926,209	-	<b>62,680,460</b>
<b>Total</b>	<b>231,602,570</b>	<b>420,392,794</b>	<b>399,320,555</b>	<b>117,798,723</b>	-	<b>1,169,114,642</b>

For the purposes of the above tables, credit guarantees do not exceed the balance for each client.

### Rescheduled loans

These represent loans previously classified as non performing loans and reclassified as performing loans under control. They amounted to JD 28.4 million as of December 31, 2008 (JD 14.9 million as of December 31, 2007).

### Restructured loans

Restructuring means to rearrange facilities installments by increasing their duration, postponing some installments or increasing the grace period. They are classified within facilities under control and amounted to JD 6.5 million as of the current year and JD 83.2 million as of the previous year.

### 3- Debt securities and treasury bills

Schedule below shows the distribution of bonds and bills according to the international agencies classification :-

Rating grade	Rating agency	Held for trading	Available for sale	Held to maturity	Total
		JD	JD	JD	JD
AAA	S & P	-	13,165,639	3,545,000	16,710,639
AA	S & P	-	15,403,524	14,745,850	30,149,374
AA-	S & P	-	19,708,863	11,809,855	31,518,718
A+	S & P	-	9,451,140	27,103,554	36,554,694
A	S & P	-	56,297,550	3,190,922	59,488,472
A-	S & P	-	16,494,026	-	16,494,026
BBB	S & P	-	1,413,364	3,529,433	4,942,797
BB-	S & P	-	3,457,821	-	3,457,821
CC	S & P	-	19,970	-	19,970
C	S & P	-	638,215	-	638,215
Unclassified		1,000,000	94,821,722	7,498,950	103,320,672
Governmental & government guaranteed		10,107,605	340,683,628	529,117,899	879,909,132
<b>Total</b>		<b>11,107,605</b>	<b>571,555,462</b>	<b>600,541,463</b>	<b>1,183,204,530</b>

4-The Schedule below shows the geographical distribution of the credit risk exposure :

	Inside Jordan	Other Middle East countries	Europe	Asia *	Africa *	America	Rest of the World	Total
Cash and balances with central banks	625,362,492	248,702,754	-	-	12,806,849	-	-	886,872,095
Balances with banks and financial institutions	6,030,170	269,409,358	366,752,530	334,800	763,323	44,990,557	11,781,492	700,062,230
Deposits with banks and financial institutions	-	20,416,501	-	-	-	-	-	20,416,501
Facilities								
Individual (retail customers)	314,447,821	63,895,800	-	-	23,404,466	-	-	401,748,087
Residential mortgages & commercial real estate	417,945,679	24,591,739	-	-	10,432,021	-	-	452,969,439
CORPORATE ENTITIES								
Large corporate customers	741,683,190	352,651,469	-	-	9,802,756	-	-	1,104,137,415
SMEs	142,415,605	58,027,735	-	-	22,172,955	-	-	222,616,295
Government & public sector	159,965,856	258,975	-	-	-	-	-	160,224,831
Bonds								
Held for trading	11,107,605	-	-	-	-	-	-	11,107,605
Available for sale	366,300,267	104,246,932	40,674,031	-	-	60,334,232	-	571,555,462
Held to maturity	538,389,349	2,828,269	18,870,608	-	-	40,453,237	-	600,541,463
Other assets	25,560,003	6,162,103	-	-	1,088,134	-	-	32,810,240
Total 2008	3,349,208,037	1,151,191,635	426,297,169	334,800	80,470,504	145,778,026	11,781,492	5,165,061,663
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

Excluding the Middle East countries:

5- The Schedule below shows the credit risk exposure according to economic activities -

	Financial JD	Industrial JD	Trading JD	Real Estate JD	Agriculture JD	Shares JD	Consumer JD	Public and governmental JD	Others JD	Total JD
Cash and balances with central banks	886,872,095	-	-	-	-	-	-	-	-	886,872,095
Balances with banks and financial institutions	700,062,230	-	-	-	-	-	-	-	-	700,062,230
Deposits with banks and financial institutions	20,416,501	-	-	-	-	-	-	-	-	20,416,501
Facilities	67,532,417	309,427,433	499,784,106	616,159,063	22,777,566	40,677,794	447,555,906	160,224,831	177,556,951	2,341,696,067
Bonds	-	-	-	-	-	-	-	-	-	-
Held for trading	-	-	-	-	-	-	-	11,107,605	-	11,107,605
Available for sale	154,964,380	-	51,354,884	2,492,007	-	-	-	362,744,191	-	571,555,462
Held to maturity	63,927,633	-	-	-	-	-	-	536,613,830	-	600,541,463
Other assets	32,810,240	-	-	-	-	-	-	-	-	32,810,240
Total 2008	1,926,585,496	309,427,433	551,138,990	618,651,070	22,777,566	40,677,794	447,555,906	1,070,690,457	177,556,951	5,165,061,663
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

## 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 foreign currency risk, price risk and commodity risk. 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 a 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 rate and exchange rate. Moreover, fair value is calculated according to the current value of future money 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 is not expected to exceed the maximum loss at the estimated confidence level of 99% during the specific holding period.

### 1. Interest rate risk:

It is the risk that results from the changes in market interest rate. It 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 2008

Currency	Increase in interest rate by 1% on income statements	Decrease in interest rate by 1% on income statements	Decrease in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
US Dollar	(22,504)	22,835	(19,178)	16,213
Jordanian Dinar	(5,509,468)	5,641,986	(3,911,722)	4,005,810

#### Sensitivity analysis 2007

Currency	Increase in interest rate by 1% on income statements	Decrease in interest rate by 1% on income statements	Decrease in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
US Dollar	(66,691)	68,337	(47,351)	48,519
Jordanian Dinar	(6,930,241)	7,147,659	(4,920,471)	5,074,838

## 2. Foreign Exchange risk

This is the risk that results from the changes in foreign exchange rates. The Bank manages the exchange rate risk by applying Sensitivity analysis to the net bank's foreign currencies positions by shifting the exchange rate  $\pm 1\%$ .

### Sensitivity analysis 2008

Currency	Increase exchange rate currency by 1% on income statements	Decrease exchange rate currency by 1% on income statements	Increase exchange rate currency by 1% on equity	Decrease exchange rate currency by 1% on equity
Euro	(27,173)	27,173	(19,293)	19,293
Sterling Pound	59,264	(59,264)	42,077	(42,077)
Australian Dollar	764	(764)	542	(542)
Swiss Frank	1,367	(1,367)	971	(971)
Canadian Dollar	1,054	(1,054)	748	(748)
Japanese Yen	1,528	(1,528)	1,085	(1,085)

### Sensitivity analysis 2007

Currency	Increase exchange rate currency by 1% on income statements	Decrease exchange rate currency by 1% on income statements	Increase exchange rate currency by 1% on equity	Decrease exchange rate currency by 1% on equity
Euro	248,593	(248,593)	176,501	(176,501)
Sterling Pound	55,560	(55,560)	39,448	(39,448)
Australian Dollar	(69)	69	(49)	49
Swiss Frank	1,052	(1,052)	747	(747)
Canadian Dollar	366	(366)	260	(260)
Japanese Yen	7,844	(7,844)	5,569	(5,569)

## 3. Price Risk:

This is the risk that results from the 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 2008

VAR	
Trading for sale	(116,035)
Available for sale	(982,568)

### VAR 2007

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



## Interest rate sensitivity :

Interest rate sensitivity :									
ASSETS	2008	Interest rate sensitivity :							Total JD
		Up to 1 month JD	1 to 3 months JD	3 to 6 months JD	6 months to 1 year JD	1 To 3 years JD	Over 3 years JD	Non-interest bearing items JD	
Cash and balances with central banks	286,603,104	70,997,632	5,000,000	-	-	-	-	631,642,761	994,243,497
Balances with banks and financial institutions	600,947,538	79,138,424	-	-	-	-	-	19,976,268	700,062,230
Deposits with banks and financial institutions	-	-	1,787,501	14,330,000	-	4,299,000	-	-	20,416,501
Trading investments	3,421,251	-	-	1,000,003	6,686,351	-	2,300,528	13,408,133	
Credit facilities	331,672,910	188,892,668	364,100,576	336,462,897	533,685,955	584,741,781	2,139,280	2,341,696,067	
Available-for-sale investment	45,266,398	3,471,616	7,639,330	45,886,676	335,859,846	95,075,251	80,097,991	613,297,108	
Held-to-maturity investments	11,396,275	45,348,030	184,842,966	70,162,482	259,050,289	29,741,421	-	600,541,463	
Investments in associates	-	-	-	-	-	-	-	-	-
Property, plant and equipment – net	-	-	-	-	-	-	78,060,574	78,060,574	
Intangible assets	-	-	-	-	-	-	5,098,194	5,098,194	
Deferred income tax assets	-	-	-	-	-	-	13,072,036	13,072,036	
Other assets	-	-	-	-	-	-	50,683,241	50,683,241	
<b>TOTAL ASSETS</b>	<b>1,279,307,476</b>	<b>387,848,370</b>	<b>563,370,373</b>	<b>467,842,058</b>	<b>1,135,282,441</b>	<b>713,857,453</b>	<b>883,070,873</b>	<b>5,430,579,044</b>	
<b>LIABILITIES</b>									
Banks and financial institutions deposits	217,074,078	29,250,603	1,538,304	40,801	-	-	59,203,090	307,106,876	
Customers' deposits	962,484,712	923,922,363	311,983,323	208,892,446	571,035,853	-	786,201,781	3,764,520,478	
Margin accounts	132,049,660	33,601,038	8,577,164	13,456,087	3,146,024	621,790	112,232,676	303,684,439	
Loans and borrowing	1,784,671	57,942	59,913	11,827	47,304	2,856	-	1,964,513	
Sundry provisions	-	-	-	-	-	-	15,988,411	15,988,411	
Income tax provision	-	-	-	-	-	-	50,089,827	50,089,827	
Deferred income tax liabilities	-	-	-	-	-	-	53,035	53,035	
Other liabilities	-	-	-	-	-	-	76,158,490	76,158,490	
<b>TOTAL LIABILITIES</b>	<b>1,313,393,121</b>	<b>986,831,946</b>	<b>322,158,704</b>	<b>222,401,161</b>	<b>574,229,181</b>	<b>624,646</b>	<b>1,099,927,310</b>	<b>4,519,566,069</b>	
<b>Sensitivity difference of balance sheet items</b>	<b>(34,085,645)</b>	<b>(598,983,576)</b>	<b>241,211,669</b>	<b>245,440,897</b>	<b>561,053,260</b>	<b>713,232,807</b>	<b>(216,856,437)</b>	<b>911,012,975</b>	
<b>2007</b>									
<b>TOTAL ASSETS</b>	<b>1,140,337,938</b>	<b>686,077,956</b>	<b>519,278,661</b>	<b>416,941,949</b>	<b>961,693,412</b>	<b>706,695,315</b>	<b>589,046,535</b>	<b>5,020,071,766</b>	
<b>TOTAL LIABILITIES</b>	<b>988,770,073</b>	<b>1,011,911,457</b>	<b>308,525,115</b>	<b>246,484,552</b>	<b>536,129,896</b>	<b>26,238,830</b>	<b>1,011,717,806</b>	<b>4,129,777,729</b>	
<b>Sensitivity difference of balance sheet items</b>	<b>151,567,865</b>	<b>(325,833,501)</b>	<b>210,753,546</b>	<b>170,457,397</b>	<b>425,563,516</b>	<b>680,456,485</b>	<b>(422,671,271)</b>	<b>890,294,037</b>	

## CONCENTRATION OF CURRENCY RISK

2008

Currency Item	US Dollar JD	Euro JD	Sterling Pound JD	Japanese Yen JD	Other JD	Total JD
<b>ASSETS</b>						
Cash and balances with central banks	137,934,923	11,599,318	349,250	19,237	245,652,840	<b>395,555,568</b>
Balances with banks and financial institutions	431,835,759	105,163,292	19,404,847	174,138	74,024,515	<b>630,602,551</b>
Deposits with banks and financial institutions	-	-	-	-	20,416,501	<b>20,416,501</b>
Trading investments	687,301	-	-	-	-	<b>687,301</b>
Credit facilities	398,726,871	6,755,561	(108,880)	2,813	335,894,708	<b>741,271,073</b>
Available-for-sale investment	196,650,584	19,392,916	3,845,181	-	-	<b>219,888,681</b>
Held-to-maturity investments	65,526,428	-	-	-	-	<b>65,526,428</b>
Property, plant and equipment – net	-	-	-	-	27,462,806	<b>27,462,806</b>
Intangible assets	-	-	-	-	1,517,952	<b>1,517,952</b>
Deferred income tax assets	-	-	-	-	739,707	<b>739,707</b>
Other assets	3,997,613	360,082	4,725	92	6,850,682	<b>11,213,194</b>
<b>TOTAL ASSETS</b>	<b>1,235,359,479</b>	<b>143,271,169</b>	<b>23,495,123</b>	<b>196,280</b>	<b>712,559,711</b>	<b>2,114,881,762</b>
<b>LIABILITIES</b>						
Banks and financial institutions deposits	217,024,285	31,446,963	118,226	-	45,015,840	<b>293,605,314</b>
Customers' deposits	841,612,481	101,073,199	16,578,189	56,625	509,930,243	<b>1,469,250,737</b>
Margin accounts	124,158,647	10,307,486	766,885	(13,116)	41,930,035	<b>177,149,937</b>
Loans and borrowing	73,813	-	-	-	1,005,700	<b>1,079,513</b>
Sundry provisions	-	-	-	-	214,552	<b>214,552</b>
Income tax provision	-	-	-	-	4,479,167	<b>4,479,167</b>
<b>Other liabilities</b>	<b>13,393,308</b>	<b>3,160,862</b>	<b>105,353</b>	<b>-</b>	<b>17,647,415</b>	<b>34,306,938</b>
<b>TOTAL LIABILITIES</b>	<b>1,196,262,534</b>	<b>145,988,510</b>	<b>17,568,653</b>	<b>43,509</b>	<b>620,222,952</b>	<b>1,980,086,159</b>
<b>Net position</b>	<b>39,096,945</b>	<b>(2,717,341)</b>	<b>5,926,470</b>	<b>152,771</b>	<b>92,336,759</b>	<b>134,795,604</b>
Off-balance sheet credit commitments and contingent liabilities	653,811,687	322,728,245	2,636,568	8,346,197	164,973,547	<b>1,152,496,244</b>

Currency	US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total
Item	JD	JD	JD	JD	JD	JD
TOTAL ASSETS	1,234,586,124	146,954,280	19,822,832	39,854,671	557,154,462	<b>1,998,372,369</b>
TOTAL LIABILITIES	1,323,399,227	122,094,938	14,266,851	39,070,271	498,979,935	<b>1,997,811,222</b>
<b>Net position</b>	<b>(88,813,103)</b>	<b>24,859,342</b>	<b>5,555,981</b>	<b>784,400</b>	<b>58,174,529</b>	<b>561,147</b>
Off-balance sheet Credit commitments and contingent liabilities	453,585,859	180,352,149	549,503	57,114,528	162,292,318	<b>853,894,357</b>

### Liquidity Risk

Liquidity risk is defined by the Bank as failure to provide the required funding to cover its obligations at the due date.

Liquidity risk is managed through the following:

- Future cash flows are monitored through the Asset Liability Gap Analysis for the daily funding management.
- Holding liquid assets that could be liquidated short time at the market price to meet any unexpected liquidity requirements.
- Monitoring the liquidity ratios.
- Managing concentrations in Assets/liabilities and their maturities.
- Maintaining a portion of the 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 assets on the basis of their expected recoverability.

The Treasurer is in charge of controlling the liquidity of the Bank taking into 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 44% 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 enables it to diversify its sources of funds and not depend on one geographical area.

The contractual maturity dates of assets and liabilities in the following table have been determined on the basis of the remaining period from the date of the balance sheet until the date of contractual maturity, irrespective of actual maturities.

2008	Up to 1 month JD	1 to 3 months JD	3 to 6 months JD	6 months to 1 year JD	1 To 3 years JD	Over 3 years JD	Without maturity JD	Total JD
<b>LIABILITIES</b>								
Banks and financial institutions deposits	184,796,751	29,728,444	1,593,914	42,276	-	-	93,420,448	309,581,833
Customers' deposits	1,092,739,389	692,932,415	135,239,775	94,009,606	4,681,385	-	1,773,121,465	3,792,724,035
Margin accounts	89,703,293	37,097,523	45,569,475	48,495,575	49,579,419	63,670,983	-	334,116,268
Loans and borrowings	1,788,885	68,625	62,262	11,827	52,507	2,856	-	1,986,962
Sundry provisions	-	-	-	-	-	-	15,988,411	15,988,411
Income tax provision	39,603,974	-	-	10,485,853	-	-	-	50,089,827
Deferred income tax liabilities	-	-	-	-	53,035	-	-	53,035
Other liabilities	38,705,263	6,380,153	3,304,696	296,484	693,479	61,155	26,717,260	76,158,490
<b>TOTAL LIABILITIES</b>	<b>1,447,337,555</b>	<b>766,207,160</b>	<b>185,770,122</b>	<b>153,341,621</b>	<b>55,059,825</b>	<b>63,734,994</b>	<b>1,909,247,584</b>	<b>4,580,698,861</b>
<b>TOTAL ASSETS</b>	<b>1,788,842,124</b>	<b>388,598,388</b>	<b>565,496,161</b>	<b>468,447,493</b>	<b>1,134,831,394</b>	<b>714,778,382</b>	<b>369,585,102</b>	<b>5,430,579,044</b>
<b>2007</b>	<b>Up to 1 month JD</b>	<b>1 to 3 months JD</b>	<b>3 to 6 months JD</b>	<b>6 months to 1 year JD</b>	<b>1 To 3 years JD</b>	<b>Over 3 years JD</b>	<b>Without maturity JD</b>	<b>Total JD</b>
<b>LIABILITIES</b>								
Banks and financial institutions deposits	74,043,182	46,631,285	10,841,323	-	-	-	100,038,345	231,554,135
Customers' deposits	908,662,392	705,058,439	90,381,103	81,240,713	858,454	37,121	1,728,843,530	3,515,081,752
Margin accounts	43,677,710	34,240,872	29,639,946	50,673,829	30,541,473	61,077,160	-	249,850,990
Loans and borrowings	131,422	264,044	400,564	499,141	202,357	10,608	-	1,508,136
Sundry provisions	-	-	-	-	-	-	13,570,787	13,570,787
Income tax provision	36,000,000	-	-	11,849,222	-	-	475,789	48,325,011
Deferred income 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
<b>TOTAL LIABILITIES</b>	<b>1,108,860,569</b>	<b>788,577,180</b>	<b>134,930,944</b>	<b>144,562,062</b>	<b>33,743,541</b>	<b>61,167,393</b>	<b>1,889,488,478</b>	<b>4,161,330,167</b>
<b>TOTAL ASSETS</b>	<b>1,300,082,740</b>	<b>689,275,750</b>	<b>521,201,213</b>	<b>418,124,937</b>	<b>957,118,543</b>	<b>707,829,400</b>	<b>426,439,183</b>	<b>5,020,071,766</b>

2008	Up to 1 year	years 1-5	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	568,753,685	58,397,842	-	627,151,527
Un- utilized facilities	388,262,285	-	-	388,262,285
Letters of guarantee	652,707,044	-	-	652,707,044
Total	1,609,723,014	58,397,842	-	1,668,120,856

2007	Up to 1 year	years 1-5	Over 5 years	Total
	JD	JD	JD	JD
Letters of credit & acceptances	554,985,289	18,664,811	20,743	573,670,843
Un- utilized 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

## 43- SEGMENT INFORMATION

### A- Information on the Bank 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 JD	Corporate finance JD	Corporate Banking JD	Treasury JD	Others JD	Elimination JD	Total	
							2008 JD	2007 JD
Gross Income	177,211,718	145,929,962	1,538,467	116,270,605	11,172,773	(104,790,690)	347,332,835	345,746,174
Provision for credit losses	(280,746)	(3,167,955)	-	-	(335,550)	-	(3,784,251)	(258,265)
Impairment of investment	-	-	-	(25,848,374)	-	-	(25,848,374)	(6,269,531)
Segment result	70,120,144	59,326,197	1,118,883	17,312,009	6,817,811	-	154,695,044	167,038,243
Unallocated costs							(12,673,285)	(13,114,691)
Bank's share of profit from associates							-	607,654
Income before tax							142,021,758	154,531,206
Income Tax							(40,699,013)	(43,067,912)
Profit for the year							101,322,745	111,463,294

Segment Assets	2,669,867,372	2,086,729,309	349,894	2,693,920,314	160,220,207	-	7,611,087,096	6,875,070,763
Intra – segment assets	(1,680,640,842)	(432,962,914)	(299,549)	(79,676,783)	-	-	(2,193,580,088)	(1,884,141,541)
Investments in associates							-	20,590,622
Unallocated costs							13,072,036	8,551,922
Total Assets							5,430,579,044	5,020,071,766

Segment Liabilities	2,636,804,122	1,839,924,587	120,034	2,759,112,508	60,990,639	-	7,296,951,890	6,692,758,358
Intra – segment liabilities	-	(65,985,280)	-	(2,711,453,576)	-	-	(2,777,438,856)	(2,564,419,040)
Unallocated costs							53,035	1,438,411
Total Liabilities							4,519,566,069	4,129,777,729
Capital expenditures							24,197,233	22,748,389
Depreciation							9,422,875	8,876,132

## B- Geographical distribution :

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

	Domestic		International		Total	
	2008 JD	2007 JD	2008 JD	2007 JD	2008 JD	2007 JD
Gross income	290,921,154	301,052,397	56,411,681	44,693,777	347,332,835	345,746,174
Total assets	3,614,272,848	3,250,837,468	1,816,306,196	1,769,234,298	5,430,579,044	5,020,071,766
Capital expenditures	19,847,647	12,646,309	4,349,586	10,102,080	24,197,233	22,748,389

#### 44- Paid-in Capital management :

The Bank seeks to achieve the following :

- Compliance with the Central Bank requirement.
- Maintain its ability as a going concern.
- Having strong capital base for supporting the bank's expansion and development.

Capital adequacy is reviewed monthly, and reported quarterly to the Central Bank.

According to Central Bank Instructions the minimum requirement for capital adequacy is 12%. Banks are classified into 5 categories and the best category that having average capital adequacy equal or more than 14% .

The Bank restructures and modifies its capital according to the current requirements.

There are no amendments to the goals, policies and procedures related to capital management.

The schedule below shows the components of capital component, amounted, total risk weight assets, and capital adequacy ratio according to central bank instructions, based on Basel II Committee instructions.

Primary capital items	2008 JD	2007 JD
Paid-in capital	252,000,000	250,000,000
Statutory reserve	80,599,236	68,159,949
Voluntary reserve	33,222,068	33,222,068
Additional paid - in capital	357,925,469	349,377,566
Retained earnings	72,395,241	60,960,341
Minority interests	-	39,815,302
Cost of purchase of treasury shares	-	(19,504,151)
Goodwill and other intangible assets	(3,638,743)	(372,333)
<b>Total primary capital</b>	<b>792,503,271</b>	<b>781,658,742</b>
Supplementary capital items		
Foreign currency translation differences	1,057,229	4,232,617
Cumulative changes in fair values	(28,311,128)	556,959
General banking risks reserve	(23,702,983)	20,000,000
<b>Total supplementary capital</b>	<b>(3,550,916)</b>	<b>24,789,576</b>
Deduct :		
Capital investments in banks & subsidiaries company	(36,940,051)	-
Capital investments in banks and other financial institutions	(11,493,028)	(7,386,240)
<b>Total regulatory capital</b>	<b>710,519,276</b>	<b>799,062,078</b>
Total weighted assets risk average	3,197,654,195	<b>2,718,215,452</b>
Capital ratio	<b>%23.16</b>	<b>%29.40</b>
Primary capital ratio *	<b>%23.16</b>	<b>%28.48</b>

\* Capital ratio is computed after deducting the Bank's shares in other banks and financial corporations from primary capital.

Capital ratio is computed as of December 31, 2008 according to Basel II, but the capital ratio is computed as of December, 2007 according to Basel I.

#### 45- Fiduciary accounts

Investment accounts managed on behalf of customers amounted to JD 3.5 million as of December 31, 2008 against JD 5.6 million as of December 31, 2007. These accounts are not included in assets and liabilities of the Bank. The Commissions and fees on these accounts appear in the income statement.

#### 46- Assets and liabilities maturities :

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

2008	Up to 1 year JD	Over 1 year JD	Total JD
Assets			
Cash and balances with central banks	994,243,497	-	994,243,497
Balances with banks and financial institutions	700,062,230	-	700,062,230
Deposits with banks and financial institutions	16,117,501	4,299,000	20,416,501
Trading investments	13,408,133	-	13,408,133
Credit facilities	1,223,268,331	1,118,427,736	2,341,696,067
Available-for-sale investments	182,362,011	430,935,097	613,297,108
Held-to-maturity investments	311,749,753	288,791,710	600,541,463
Property, plant and equipment	7,471,040	70,589,534	78,060,574
Intangible assets	1,951,836	3,146,358	5,098,194
Deferred income tax assets	-	13,072,036	13,072,036
Other assets	43,527,008	7,156,233	50,683,241
<b>TOTAL ASSETS</b>	<b>3,494,161,340</b>	<b>1,936,417,704</b>	<b>5,430,579,044</b>
LIABILITIES			
Banks and financial institutions deposits	307,106,876	-	307,106,876
Customers' deposits	3,193,484,625	571,035,853	3,764,520,478
Margin accounts	215,608,353	88,076,086	303,684,439
Loans and borrowing	1,914,353	50,160	1,964,513
Sundry provisions	1,947,427	14,040,984	15,988,411
Income tax provision	50,089,827	-	50,089,827
Deferred income tax liabilities	-	53,035	53,035
Other liabilities	75,403,856	754,634	76,158,490
<b>TOTAL LIABILITIES</b>	<b>3,845,555,317</b>	<b>674,010,752</b>	<b>4,519,566,069</b>
<b>Net</b>	<b>(351,393,977)</b>	<b>1,262,406,952</b>	<b>911,012,975</b>



2007	Up to 1 year JD	Over 1 year JD	Total JD
<b>Assets</b>			
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	7,399,632	60,925,514	68,325,146
Intangible assets	1,476,499	602,867	2,079,366
Deferred income tax assets	-	8,551,922	8,551,922
Other assets	50,985,156	7,666,822	58,651,978
<b>TOTAL ASSETS</b>	<b>3,264,452,898</b>	<b>1,755,618,868</b>	<b>5,020,071,766</b>
<b>LIABILITIES</b>			
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 income tax liabilities	-	1,438,411	1,438,411
Other liabilities	99,255,595	745,350	100,000,945
<b>TOTAL LIABILITIES</b>	<b>3,531,110,875</b>	<b>598,666,854</b>	<b>4,129,777,729</b>
<b>Net</b>	<b>(266,657,977)</b>	<b>1,156,952,014</b>	<b>890,294,037</b>

## 47- Off-balance sheet items

### A- Credit commitments and contingent liabilities:-

	2008 JD	2007 JD
Letters of credit	534,264,261	448,333,868
Acceptances	92,887,266	125,336,975
Letters of guarantee:		
• Payments	119,520,382	110,629,090
• Performance	222,237,791	164,155,569
• Other letters of guarantee	310,948,871	143,987,519
Un-utilized facilities	388,262,285	242,170,111
<b>Total</b>	<b>1,668,120,856</b>	<b>1,234,613,132</b>

### B- Contractual commitments:

	2008 JD	2007 JD
Purchase of fixed assets	2,369,890	1,319,335
Construction projects	4,489,761	2,434,862
Other purchases contracts	2,152,212	5,621,755
	<b>9,011,863</b>	<b>9,375,952</b>

## **48- Standard issued but not yet effective**

### **IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements**

The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with minority interests.

### **IAS 1 Revised Presentation of Financial Statements**

The revised Standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Bank is still evaluating whether it will have one or two statements.

### **IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation**

These amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for financial years beginning on or after 1 January 2009. The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfil a number of specified features. The amendments to the standards will have no impact on the financial position or performance of the Bank, as the Bank has not issued such instruments.

### **IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items**

These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Bank has concluded that the amendment will have no impact on the financial position or performance of the Bank, as the Bank has not entered into any such hedges.

### **IFRIC 16 Hedges of a Net Investment in a Foreign operation**

IFRIC 16 was issued in July 2008 and becomes effective for financial years beginning on or after 1 October 2008. The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Bank is currently assessing which accounting policy to adopt for the recycling on disposal of the net investment.

### **IFRS 2 Share-based Payment (Revised)**

The IASB issued an amendment to IFRS 2 in January 2008 that clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. This amendment becomes effective for annual periods beginning on or after 1 January 2009. The amendment is not expected to have any impact on the financial position or performance of the Bank.

### **IFRS 8 Operating Segments**

The IASB issued IFRS 8 in November 2006. IFRS 8 replaces IAS 14 Segment Reporting (IAS 14) upon its effective date. This amendment becomes effective for annual periods beginning on or after 1 January 2009. Operating segments are expected to be the same as currently identified business segments under IAS 14.

### **IAS 23 Borrowing Costs (Revised)**

The IASB issued an amendment to IAS 23 in April 2007. The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. This amendment becomes effective for annual periods beginning on or after 1 January 2009. The amendment is not expected to have any impact on the financial position or performance of the Bank.

## **49- Lawsuits against the bank**

There were lawsuits raised against the Bank amounting to JD 10.3 million as of December 31, 2008 (JD 5.6 million as of December 31, 2007). 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 385,651 as of December 31, 2008 (JD 408,290 as of December 31 2007), is adequate .

## **50- Comparative Figures**

Some of the year 2007 balances were reclassified to correspond with the year 2008 presentation. There is no effect on the income statement and equity for the year ended 31 December, 2007.





# Corporate Governance Code

DOGMA

## **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 banks' 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 aboard. 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 acknowledgment, 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 policies 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.

# Disclosure Statements and Corporate Governance

## 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 2008.

### 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 2009.

### 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 2008.

### 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	Title	Signature
H.E. Dr. Michel Marto	Chairman	
Mr. Othman Bafagih	Vice Chairman	
Sheikh Ali Bin Jassim Al - Thani	Board Member	
Mr. Abdulla Mubarak AlKhalifa	Board Member	
Mr. Yousef Mahmoud Al-Neama	Board Member	
Mr. Mohamed A. Al-Khulaifi	Board Member	
Mr. Saad Al Henaidi	Board Member	
Mr. Mohammad Al Munaifi	Board Member	
Mr. Mohamed Ben Yousef	Board Member	
Mr. Mokhtar Ghenas	Board Member	
Mr. Thabet Elwir	Board Member	
Mr. Ahmed Al Mahrezi	Board Member	
Mr. Shukry Bishara	Chief Executive Officer	
Mr. Khaled Al-Thahabi	Chief Financial Officer	

## Description of the bank's main activities

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.

## Size of capital investment

The authorized and paid up capital of the bank is JD 252 million. The capital invested in Palestine branches is JD 24.815 million, and for Bahrain branch is JD 10.635 million.

## The bank's training programs

Total training opportunities provided by the bank in 2008 were about 3376, in addition to holding internal seminars specialized in the field of banking industry, in which 78 employees participated. The bank also provided opportunities for 41 employees to get academic certificates, and 66 employees to obtain professional certificates.

Item	No. of Participants
Training programs held at the bank-based training center	2885
Training programs held in collaboration with specialized local training centers	360
Training courses in Arab and Foreign countries	131
Internal seminars	78
Academic certificates	41
Professional certificates in the fields of finance, accountancy, funding, computer, and compliance	66
<b>Total</b>	<b>3561</b>

The most important courses held in 2008

Item	No. of Participants
Administrative courses	703
Financial, Accounting & Audit courses	120
Credit courses	426
Behavioral skills and Public Relations courses	480
Operations, Treasury and Investment courses	1411
Personal computer courses	236
<b>Total</b>	<b>3376</b>

## Number of the bank's employees

### 1) Number of the employees of the bank in Jordan, as to their qualifications at the end of 2008

Qualification	Number
PhD. degree	3
Master degree	90
High diploma	3
Bachelor degree	1280
Diploma	342
General Secondary Certificate	95
<b>Total</b>	<b>1813</b>



## 2) Number of the employees of the bank branches in Jordan at the end of 2008

The number of the bank employees in Jordan totaled at 1813, out of which 911 employees working in various sectors, departments, and centers in the Head Office.

Branch	Number of employees	Branch	Number of employees	Branch	Number of employees	Branch	Number of employees
Main Brnch	37	Luwibdeh	7	Sahab	9	Irbid	19
Al Madina	11	Al Nuzha	9	Abu Alanda	10	Ajloun	10
Jabal Amman	9	Commercial Complex	16	Juwaideh	7	Mafraq	15
Jabal Al Husein	14	Abu Nseir	7	Na'our	7	Jarash	11
Marka	13	Sweifieh	13	Muwaqar	4	Ghweirieh	7
Qurish St.	12	Gardens	13	King Abdullah the 2nd City	6	Rumtha	11
Jabal al Taj	7	Al Hussein Sub.	10	Muqableen	10	North Shouna	6
Prince Hassan Sub.	11	Al Jubeiha	13	Quwaismeh	8	Deir Abi Saeed	6
Al Hashmi	10	Al Fuhais	7	Ma'daba	12	Hakama	11
Ras Al Ein	8	Saltt	13	Aqaba	12	Al Huson	10
Ashrafieh	8	Sweileh	11	Tafeileh	7	Aidoun	7
Al Hawooz	7	Marj Al Hamam	11	Ma'an	8	Mashre'	5
Sport's City	13	Tela' Al Ali	8	Al Karak	10	Kufranjah	6
Al Salam	7	Baqa'	8	Potash	6	Palestine St.	9
Prince Moh'd St.	7	Bayader	13	Petra	7	Al Jaish St.	7
Tareq	10	Deir A'la	7	Shoubak	3	Yarmouk	7
Nazal	10	South Shouna	6	Mu'ta	9	Al Dleel	7
Abdoun	13	Kryma	3	Al Hasa	5	Al Barha	8
Shmeisani	10	Um Al Semaq	9	Airport	13	North Azraq	4
Rusaifeh	8	Al Rabieh	8	Al Edhaa	7	Masoum Sub.	7
Hiteen	7	Abdulah Ghoshe	9	Sheidieh	3	Al Hasan Indust.city	5
Oujan	7	Zahran	10	Al Qaser	7	Al Quba Circle	10
Jabal Al Shamali	7	Madina Munawarah	14	Central Market	6	North border crossing	4
Children	3	City Mall	10	Qasr Shbeeb	11	Al Mudawrah Exchange office	4
Wadi Saqra	7	AlWehdat	13	Zarqa	13	Al Karameh Office	2

## 3) Number of employees of the bank branches outside Jordan, broken down by academic qualifications at the end of 2008

Qualification	Palestine													Bahrain
	Regional Mgt	Ramallah	Nablus	Khaleel	Gaza	Beir Zeit	Halhoul	Jenin	Beth-lehm	Khan Younis	Dahri-yeh	Yata	Total	
PhD. degree	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Master degree	7	1	1	1	0	0	0	1	2	0	0	0	13	3
High diploma	1	0	0	0	0	0	0	0	0	0	0	0	1	0
Bachelor degree	30	13	13	17	11	7	9	11	11	9	5	7	143	12
Diploma	7	4	3	1	1	1	0	1	0	0	0	1	19	4
General Secondary Certificate	6	6	5	4	3	3	3	3	2	3	1	1	40	4
<b>Total</b>	<b>51</b>	<b>24</b>	<b>22</b>	<b>23</b>	<b>15</b>	<b>11</b>	<b>12</b>	<b>16</b>	<b>15</b>	<b>12</b>	<b>6</b>	<b>9</b>	<b>216</b>	<b>23</b>

## Subsidiaries

### 1. Subsidiaries' business nature and their fields of activity

Company name	Company Type	Main Activity	Paid up Share Capital (JD Million)	Bank's Share	No. of Employees	No. of Branches
International Bank for Trade & Finance / Syria	Anonymous Company	Commercial banking activities	41.9	49%	293	19
The Housing Bank for Trade & Finance / Algeria	Public Shareholding	Commercial banking activities	25.8	64.74%	190	4
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance works	20	100%	13	-
Jordan & Palestine Financial Investment Co.	Private Shareholding	Financial Brokerage works	2.5	99.9%	9	-
International Financial Center Co.	L.L.C.	Financial Brokerage works	4	77.5%	23	-
Jordan Real-Estate Investments & Commercial Services	L.L.C.	Acquisition and management of Real Estate	0.04	100%	512	-
Iskan Investment Group Company (under establishment)	L.L.C.	Management & trust of Investment, Brokerage, and Financial Consultations works	10	100%	-	-

### 2. Number of employees of Subsidiaries, broken down by academic qualifications at the end of 2008

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	0	0	0	0	0	0
Master degree	3	3	2	0	2	0
High diploma	3	128	0	0	0	0
Bachelor degree	195	8	5	6	12	25
Diploma	64	32	3	1	1	127
General Secondary Certificate	28	19	3	2	8	360
<b>Total</b>	<b>293</b>	<b>190</b>	<b>13</b>	<b>9</b>	<b>23</b>	<b>512</b>

## **Board of Directors: Brief Resume (as on 31/12/2008)**

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

### **Mr. Othman Bafagih / Vice Chairman**

Representative of Capital Investments Holding Co. / Bahrain

Date of Birth: 19/12/1960

Qualifications: B.Sc. Mechanical Engineering, 1983

#### **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.
- Chief Executive Officer: Al Marjan Industrial & Commercial Co. / Saudi Arabia
- Chief Executive Officer: Al Marjan Preventive for Maintenance and Operation Co. / Saudi Arabia
- Executive Manager: Al Marjan Medical Center Co. / Saudi Arabia

**Sheikh Ali Bin Jassim Al - Thani**

Representative of Qatar National Bank

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 Elysées Co. / France

**Mr. Abdulla Mubarak AlKhalifa**

Representative of Qatar National Bank

Date of Birth: 25/9/1973

Qualifications: B.Sc. Business Administration, 1995

**Membership in HBTF Board Committees**

- Member: Executive Committee

**Memberships in other Boards**

- Vice Chairman: Qatari Company for Meat and Live Stock Trading
- Board Member: Kuwaiti- Qatari Real-Estate Projects Management Co.
- Member: World Economic Forum, Qatari Businessmen Associates

**Mr. Yousef Mahmoud Al-Neama**

Representative of Qatar National Bank

Date of Birth: 5/1/1965

Qualifications: B.Sc. Aviation Mgt 1989, Diploma Business Administration 2004

**Membership in HBTF Board Committees**

- Member: Audit Committee

**Memberships in other Boards**

- N.A.

**Mr. Mohamed A. Al-Khulaifi**

Representative of Qatar National Bank

Date of Birth: 16/6/1960

Qualifications: B.Sc. Computer Science, 1987

**Membership in HBTF Board Committees**

- Member: Risk Management Committee

**Memberships in other Boards**

- N.A.

### **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: International Investment Co.
- Consultant: Bahrain Arab International Bank

#### **Membership in HBTF Board Committees**

- Member: Audit Committee

#### **Memberships in other Boards**

- Board Member: International Bank for Trade & Finance / Syria
- Chairman: Audit Committee / 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

Senior Investment Officer / New Enterprises & Projects Dept. / Kuwait Investment Authority

#### **Membership in HBTF Board Committees**

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

#### **Memberships in other Boards**

- Chairman: The Foundation Committee / Expatriates Health Insurance Hospitals Co.
- Board Member: Bred Street Real Estate Co.
- Board Member: Electricity Link Commission for GCC countries
- Board Member: The Housing Bank for Trade & Finance / Algeria

### **Mr. Mohamed Ben Yousef**

Representative of Libyan Foreign Bank

Date of Birth: 5/12/1960

Qualifications: Master, Finance & Banking 2004 / B.Sc. Accounting 1983

- Chief accountant: Libyan Foreign Bank
- Arabic legal accountant and auditor 2004
- Libyan legal accountant and auditor 1993

#### **Membership in HBTF Board Committees**

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

#### **Memberships in other Boards**

- Chairman: National Banking Corporation / Libya
- Chairman: Risk Mgt Committee / National Banking Corporation / Libya
- Chairman: The Founding Committee, Finance Lease Companies / Libya
- Chairman of General Meeting: Union of Arab Banks / Beirut
- Board Member : Union of Arab Banks / Beirut
- Member : Audit Committee / Union of Arab Banks / Beirut
- Board Member: National Planning / Libya
- Ex - Vice Chairman: Bank of Tropical Africa / Uganda
- Ex - Vice Chairman: National Bank / 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: Corporate Governance Committee

#### **Memberships in other Boards**

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

### **Mr. Thabet Elwir**

Representative of Social Security Corporation / Jordan

Date of Birth: 11/2/1957

Qualifications: B.Sc., Agricultural Machines 1980

#### **Membership in HBTF Board Committees**

- Member: Executive Committee
- Member: Corporate Governance Committee

#### **Memberships in other Boards**

- Chairman: Jordanian Darat Holding Co.
- Chairman: The Board, National Mineral Water Company "al sabeel" 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
- Vice-Chairman: KADDB Industrial Estate Co. WLL
- Member: The Board, Jordanian Specialized Machines Manufacturing Co. WLL
- Member: The Board, Jordanian Developed Company for Minerals Formation Co. WLL
- 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
- Member: Scientific Research Board / University of Jordan

### **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. Mohyeddin ElAli

Board Secretary

Date of Birth: 14/5/1941

Qualifications: B.Sc., Accounting 1972

- Laureate of the Independence Medal, Third Class / 1988
- Laureate of the Independence Medal, Second Class / 2002

### Current Memberships

- Board Member: International Bank for Trade & Finance / Syria
- Board Member: The Housing Bank for Trade & Finance / Algeria
- Vice Chairman: Union Advanced Industries Co.

### Previous Memberships

- Vice Chairman: United Arab Investors Co. (1994 – 2008)
- Vice Chairman: Union Investment Corporation (1996 – 2007)
- Board member: Union Bank for Saving & Investment (1984 – 2007)
- Chairman of many internal committees in The Housing Bank for Trade and Finance (Financial investments, Personnel affairs, Arbitration, Computer supreme committee)

### Position of each Board Member

Board Member	Date of Appointment	Body Represented	Classification	Percentage in the Bank Capital *
H.E. Dr. Michel Marto	8/4/2004	Himself	Executive Non- independent	0.107%
Mr. Othman Bafagih	11/4/200	Capital Investments Holding Co./ Bahrain	Non-Executive Independent	0.004%
Sheikh Ali Bin Jassim Al - Thani	5/5/1997	Qatar National Bank	Non-Executive Non-Independent	33.173%
Mr. Abdulla Mubarak AlKhalifa	31/1/2008	Qatar National Bank	Non-Executive Non-Independent	
Mr. Yousef Mahmoud Al-Neama	31/1/2008	Qatar National Bank	Non-Executive Non-Independent	
Mr. Mohamed A. Al-Khulaifi	31/1/2008	Qatar National Bank	Non-Executive Non-Independent	
Mr. Saad Al Henaidi	15/4/2001	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	18.613%
Mr. Mohammad Al Munaifi	2/4/2005	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	
Mr. Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	15.691%
Mr. Mokhtar Ghenas	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	
Mr. Thabet Elwir	1/10/2007	Social Security Corporation / Jordan	Non-Executive Non-Independent	15.383%
Mr. Ahmed Al Mahrezi	2/4/2005	Ministry of Finance / Sultanate of Oman	Non-Executive Independent	2.976%

\* Share of the body represented by the member.

## 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	
		2007	2008	2007	2008	2007	2008	2007	2008
H.E. Dr. Michel Marto	Jordanian	257,000	270,000	-	-	-	-	-	-
Mr. Othman Bafagih	Saudi	20,750	20,750	-	-	-	-	-	-
Sheikh Ali Bin Jassim Al - Thani	Qatari	-	-	-	-	-	-	-	-
Mr. Abdulla Mubarak AlKhalifa	Qatari	-	-	-	-	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-	-	-	-	-
Mr. Mohamed A. Al-Khulaifi	Qatari	-	-	-	-	-	-	-	-
Mr. Saad Al Henaidi Kuwaiti	Kuwaiti	-	-	-	-	-	-	-	-
Mr. Mohammad Al Munaifi	Kuwaiti	-	-	-	-	-	-	-	-
Mr. Mohamed Ben Yousef	Libyan	-	-	-	-	-	-	-	-
Mr. Mokhtar Ghenas	Libyan	-	-	-	-	-	-	-	-
Mr. Thabet Elwir	Jordanian	-	-	-	-	-	-	-	-
Mr. Ahmed Al Mahrezi	Omani	-	-	-	-	-	-	-	-

## Compliance with Corporate Governance Code

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 226,309,552 shares, at the rate of 89.805% 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.



## **Number and dates of the Board meetings**

The Bank's Board of Directors held Eight meetings in 2008 dated as follows: 31/1, 27/3, 30/4, 11/6, 30/7, 29/10, 27/11 and 31/12. All Board members attended the meetings.

## **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 2008. The present members of this committee are as follows:

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

### **Audit Committee**

The audit committee is composed of four members, and held five meetings in 2008. The present members of this committee are as follows:

- Sheikh Ali Bin Jassim Al - Thani / Chairman
- Mr. Yousef Mahmoud Al-Neama / 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 one meeting in 2008. The present members of this committee are as follows:

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

### **Risk Management Committee**

The risk management committee is composed of four members, and held one meeting in 2008. The present members of this committee are as follows:

- Dr. Michel Marto / Chairman
- Mr. Mohamed A. Al- Khulaifi / Member
- Mr. Ahmed Al Mahrezi / Member
- Mr. Shukry Bishara / Member

### **Corporate Governance Committee**

The corporate governance committee is composed of five members, and did not hold any meeting in 2008. The present members of this committee are as follows:

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

## Senior Executive Management: Brief Resume (as on 31/12/2008)

### 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
- 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: Executive Committee
- Member: Corporate Governance 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. 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 for Trade & Finance 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: Specialized Leasing Company
- Board Member :Union Developed Industries Company .
- 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. 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 for Trade & Finance 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 Operations 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 Head of Technology , 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 Dep. / 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).

- Certified Fraud Examiner, CFE 2007, Association of certified Fraud Examiners

Mr. Osama has worked, throughout the last two decades, with the Housing Bank for Trade & Finance 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

### **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, and 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 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 for Trade & Finance. 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 for Trade & Finance, 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

### **Mr. Ramez Al Barghouti / Head of Legal Group**

Date of Birth: 27/5/1970

Date of Appointment: 16/3/2008

Qualifications: MA Law 1994.

Mr. Barghouti has extensive experiences in the Legal work fields, in particular those related to commercial, banking and corporate transactions. He started his career in 1994 with a high international and local reputed law office. In 2003 he joined the foreign Legal Department / Arab Bank, then he started his own business through private office since 2006 until he joined the Bank .

#### **Membership in HBTF Board Committees**

- N.A.

#### **Membership in the Other Boards**

- N.A

### **Mrs. Nawal Wafa Najib Tarazi / Head of Financial Institutions and International Services Management**

Date of Birth: 12/11/1970

Date of Appointment: 2/5/2008

Qualifications: MA Money & Financial, 1993

Mrs. Nawal Tarazi started her career at Union Bank / Jordan for four years where she held several positions, as Head of Planning and Monitoring Department, Relationship Manger for Corporate and Manager Correspondent Banking Department. In 1998, Mrs. Tarazi moved to Citigroup Jordan. As Resident Vice President, she was handling Financial Institutions and was part of the Credit Committee as Senior Credit Officer, in addition to being the Securities Country Manager. Mrs Tarazi participated in several regional and international conferences.

#### **Membership in HBTF Board Committees**

- N.A.

#### **Membership in the Other Boards**

- N.A

### **Head of Corporate & Investment Banking Group: Vacant**

## 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	
	2007	2008	2007	2008	2007	2008	2007	2008
Mr. Shukry Bishara	10,000	15,000	-	-	-	-	-	-
Mr. Kamal Yaghmour	-	-	-	-	Furat Plastic Industries Co.	Furat Plastic Industries Co.	-	-
Mr. Mohammed Al Qaryouti	-	-	-	-	-	-	-	-
Mr. Waqar Khan	-	-	-	-	-	-	-	-
Mr. Omar Malhas	3,000	10,000	225	325	-	-	-	-
Mr. Majed Abdel Rahim	1,000	2,000	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Mr. Ramiz Al Barghouti	-	-	-	-	-	-	-	-
Mrs. Nawal Tarazi	-	-	-	-	-	-	-	-

### Remunerations Policy: Brief

The Housing Bank for Trade & Finance 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.

### Benefits and Remunerations

- The total salaries, remunerations and other benefits received by the Chairman and the Board of Directors in 2008 amounted to JD 873,414
- The total salaries, remunerations and other benefits received by the Senior Executive Management in 2008 amounted to JD 2,925,287

### Major Shareholders (5% or more)

Shareholder	Number of Shares as at the end of 2007	(%) of Capital	Number of Shares as at the end of 2008	(%) of Capital
Qatar National Bank	76,286,936	30.515	83,595,346	33.173
Kuwait Real Estate Investment Consortium	46,904,045	18.762	46,904,045	18.613
Libyan Foreign Bank	38,461,540	15.384	39,541,835	15.691
Social Security Corporation / Jordan	38,510,007	15.404	38,764,081	15.383
<b>Total</b>	<b>200,162,528</b>	<b>80.065</b>	<b>208,805,307</b>	<b>82.85</b>

- Number of Jordanian Shareholders is 3437 holding a stake of 21.087% of Capital.
- Number of Arab & Foreign Shareholders is 479 holding a stake of 78.913% of Capital.

## The Bank's competitive position & its market share

### Domestic Market Share in 2008

Item	Market share
Assets	15.3%
Customers' Deposits	16.4%
Loans & Credit Facilities	13.5%

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

There are no specific suppliers or customers, local or foreign, 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 the 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 set out in the Note 42 in the Financial Statements 2008.

### The Bank's accomplishments supported by figures, and description of significant occurrences in 2008

Such accomplishments has been set out in the analysis of the Bank's financial performance (pages 14 to 17 )

### The financial impact of non-recurrent transactions during 2008, 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 15 of this report

### Analysis of the Bank's financial position, and the results of its operations for the fiscal year 2008

Stated on pages 14 - 17 of this report

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

Set out in the Bank's future plan for 2009

### Auditor's fees for the year 2008

(JD)

Item	Audit Fees	Consultations & other fees	Total
The Bank & Foreign branches	270,944	106,653	377,597
Subsidiaries	89,179	90,202	179,381
<b>Total</b>	<b>360,123</b>	<b>196,855</b>	<b>556,978</b>

## **Donations and Grants in 2008**

The Housing Bank for Trade and Finance continued performance of its social mission through providing donations, financial and in-kind support for many charitable and voluntary societies and institutions in the Kingdom, in addition to supporting the scientific research projects, environment protection, and childhood care. The bank contributed in supporting social, educational, cultural, sports, and health sectors. The most important recipients of the donations and grants in 2008 included: Jordan River Institution, King Hussein cancer Center, Aman Fund for Orphans Future, Jordanian Hashemite Fund, Al Ber wa Al Ehssan Campaign, Tekeiat Um Ali projects, Arab Children Conference, Arab Communities Gathering, Amman Summer Festival/ in cooperation with Amman Municipality, Traffic Safety Programs to curb road accidents, as well as many other entities and institutions. It is worth mentioning that donations and grants provided by the bank in 2008 amounted to JD 358,000.

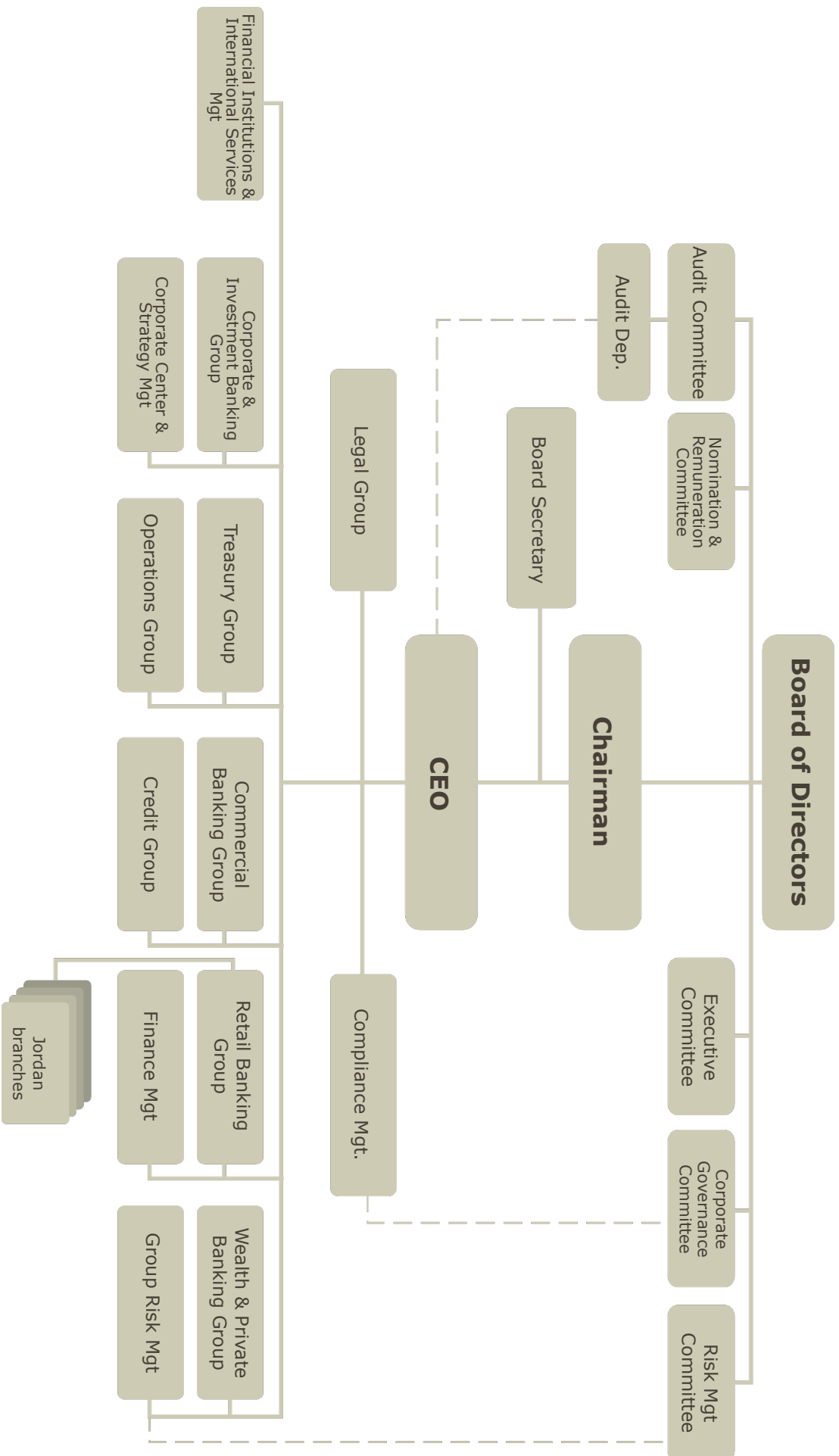
### **The Bank's contracts, projects and engagements concluded with its Subsidiaries, Sister Companies or Affiliates, as well as those with the Chairman and Members of the Board of Directors, the Chief Executive Officer or any employee of the Company or their relatives**

As setout in Note 40 in the Financial Statements 2008, the Bank entered into transactions with major shareholders, members of the Board of Directors, Senior Management, in the course of ordinary activities, at the commercial rates of interest and commissions. All facilities granted to related parties are considered performing and no provisions have been made.

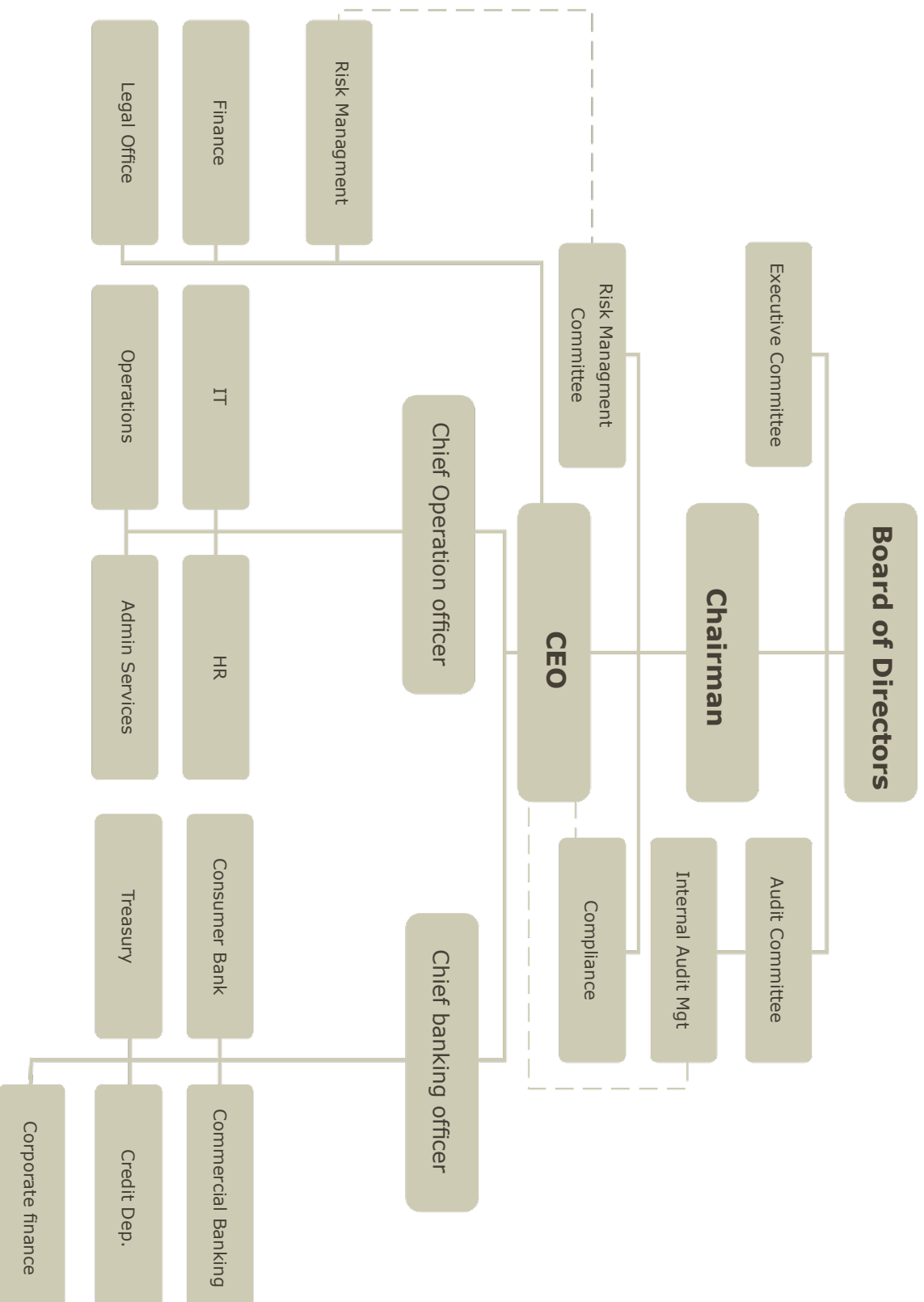
### **The Bank's contribution to environmental protection and local community service setout page 21**



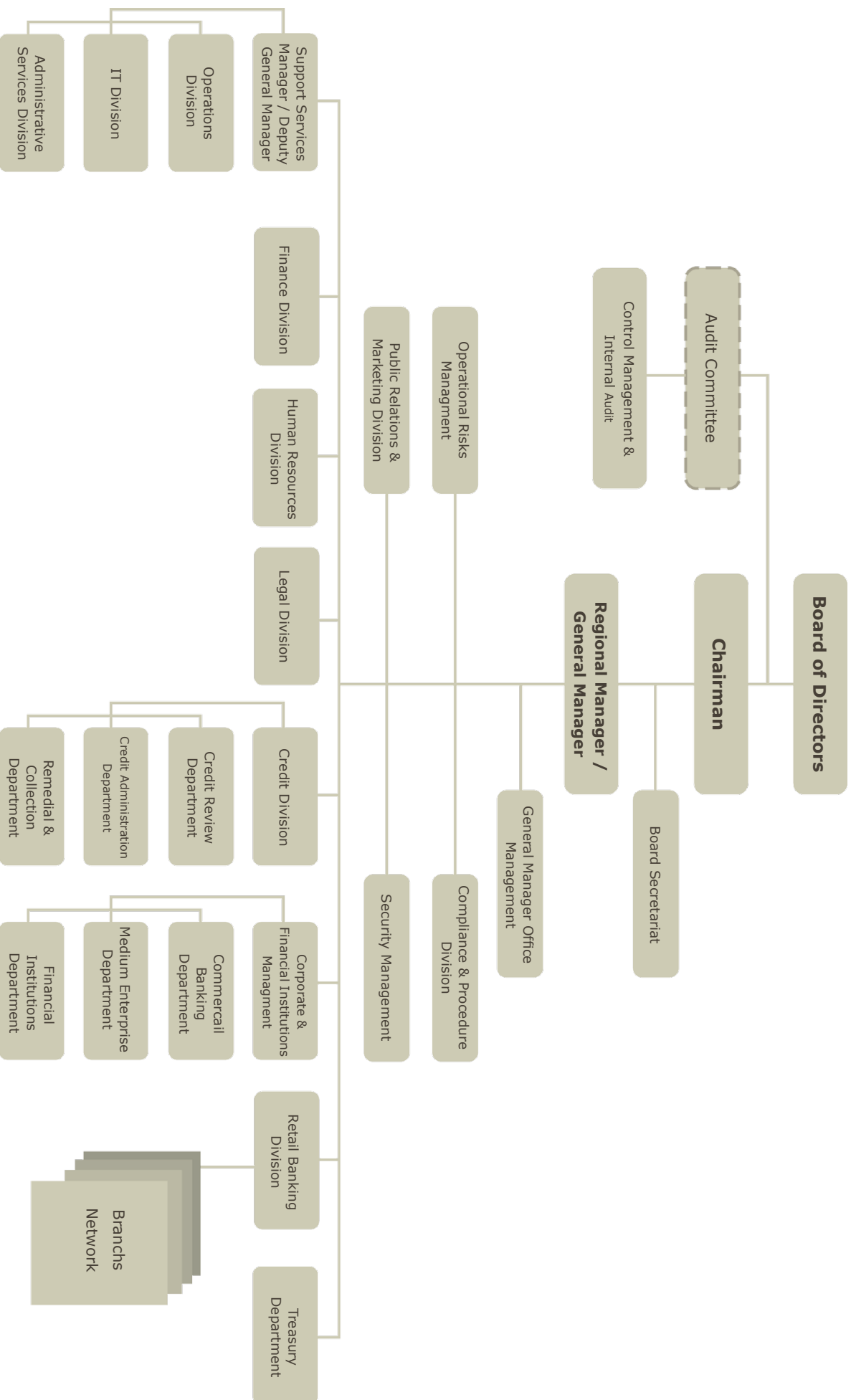
# Organizational Chart / The Housing Bank for Trade and Finance



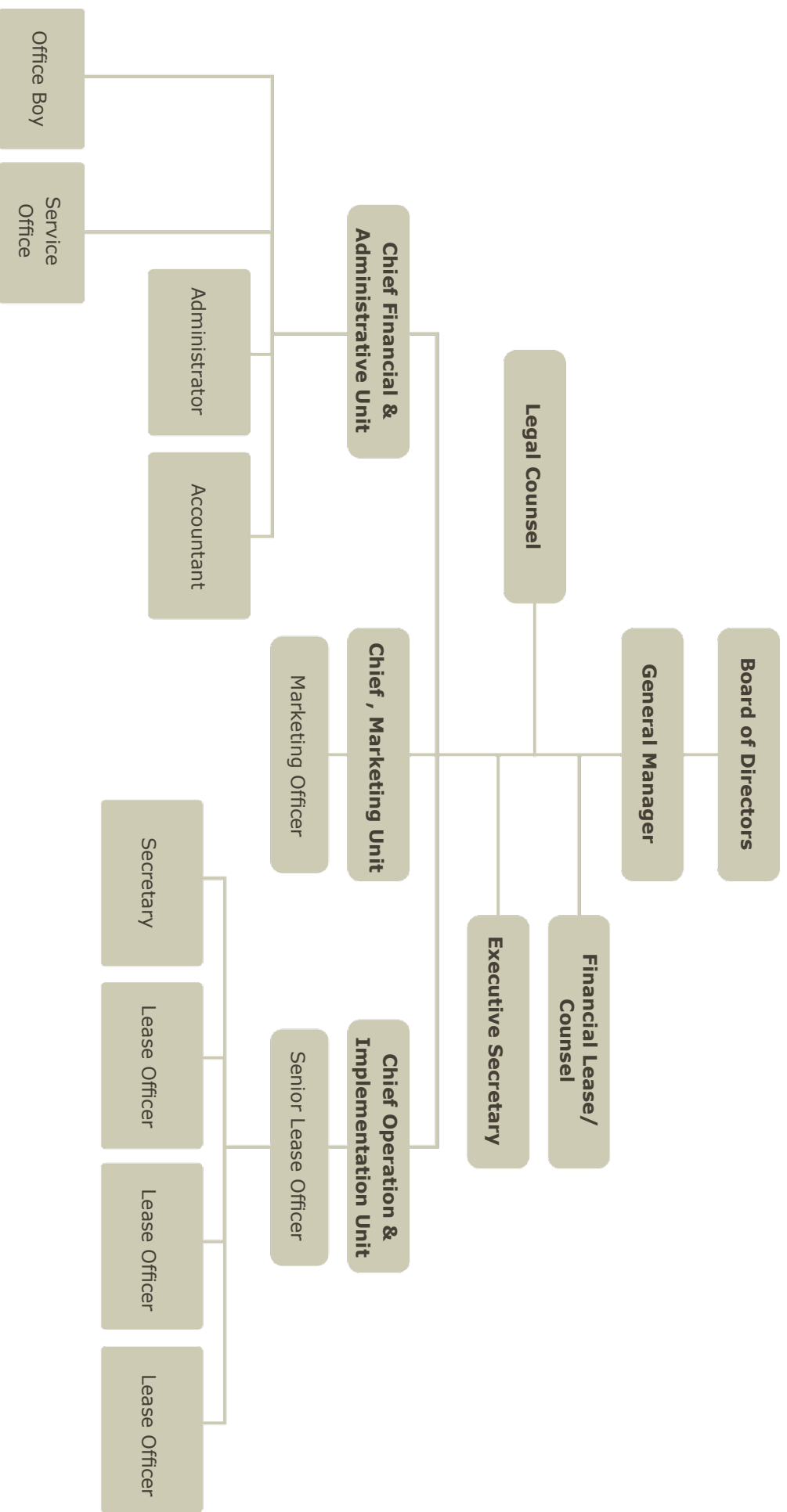
## Organizational Chart /International Bank for Trade and Finance - Syria



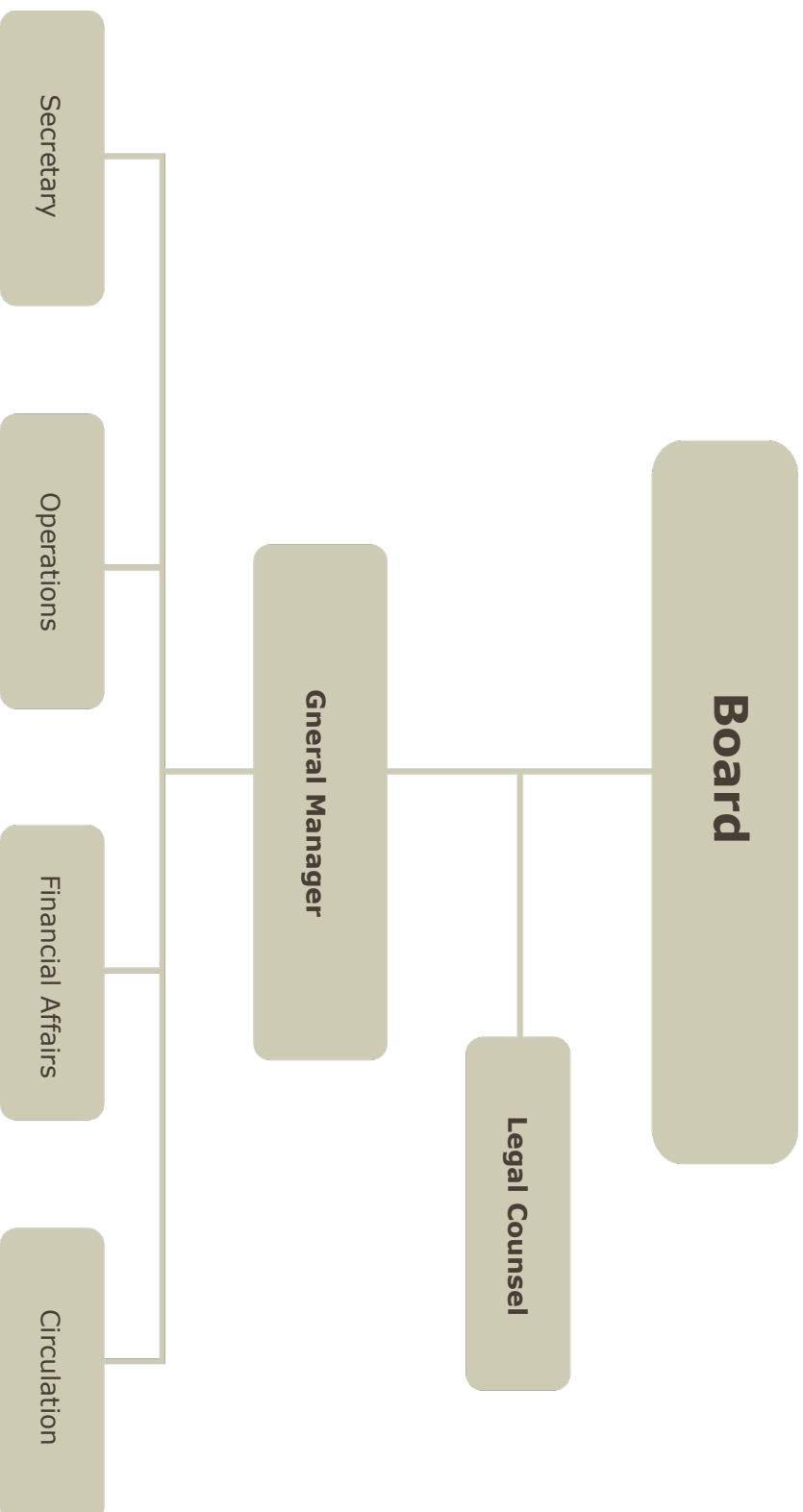
# Organizational Chart / The Housing Bank for Trade and Finance - Algeria



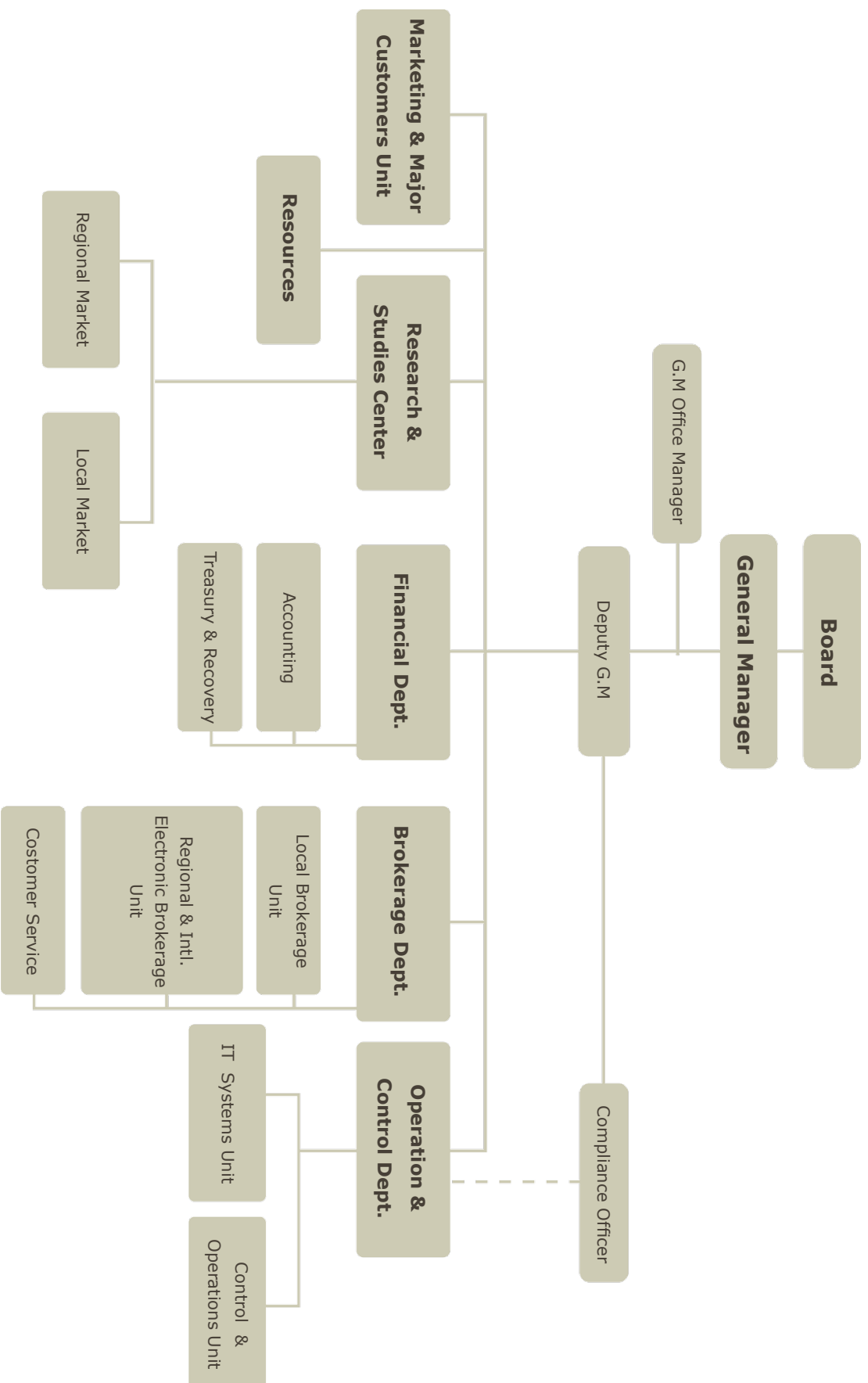
# Organizational Chart / Specialized Leasing Company

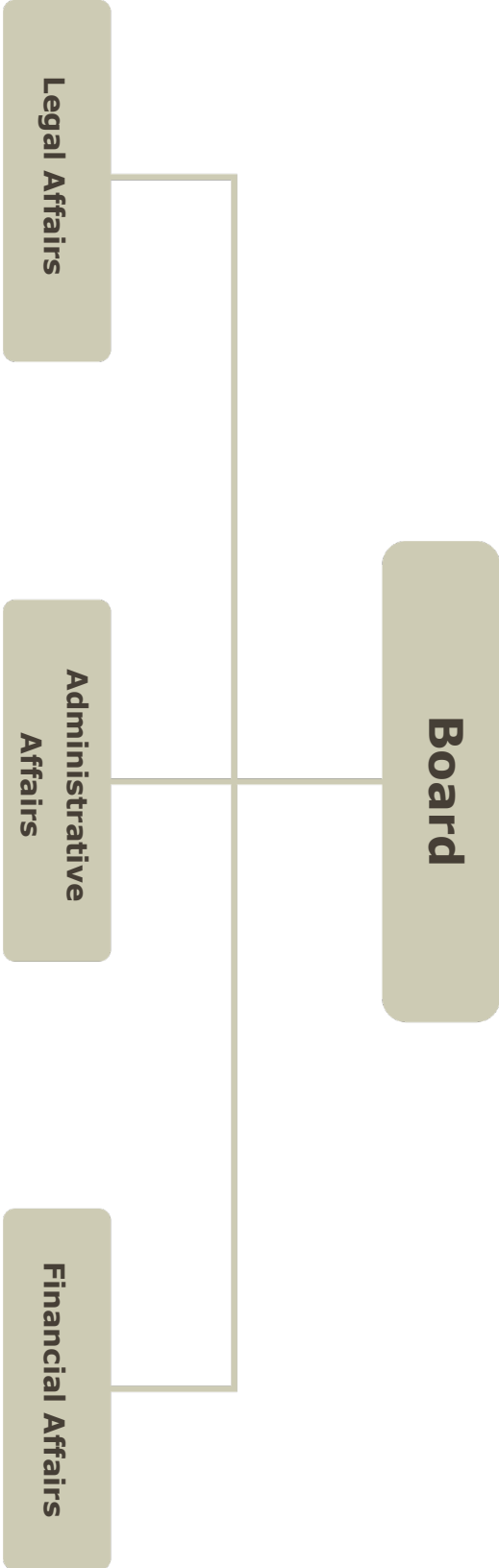


Organizational Chart / Jordan & Palestine Financial Investment Co.



## Organizational Chart / International Financial Center





## The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone No.	Branch	Address	Phone No.
Main branch	Amman – Al Abdali – Parliament Str.	5005555	Lwibdeh	Amman, Abdali, Opp. to Foreign Travels Complex	5663798
Al Madina	Amman, King Hussein Str.	4622631	Al Nuzha	Amman, Jabal Al Nuzha, Schools Sub.	5662136
Jabal Amman	Amman, Jabal Amman, 3rd Circle, Prince Moh'd Str.	4642826	Commercial Complex	Amman, Shmeisani, Queen Noor Str.	5677251
Jabal Al Hussein	Amman, Jabal Al Hussein, Khaled Bin Al Waleed Str.	4654697	Abu Nseir	Amman, Abu Nseir, Opp. to Commercial Complex	5234964
Marka	Amman, Marka, King Abdullah Str.	4893611	Sweifieh	Amman, Sweifieh Commercial Market	5854733
Quraish Str.	Amman, Quraish Str.	4622041	Gardens	Amman, Tela' Al Ali, Wasfi Al Tall Str.	5695838
Jabal al Tajj	Amman, Jabal Al Tajj, Main Str.	4787544	Al Hussein Sub.	Amman, Um Othina, Sa'ad Ibn Abi Waqas Str.	5514074
Prince Hassan Sub.	Amman, Jabal Al Nasr, Main Str.	4908975	Al Jubeiha	Amman, Al Jubeiha, opp. to Jubeiha Directorate	5350551
Al Hashmi	Amman, North Hashmi, Prince Rashed Str.	4919541	Al Fuhais	Al Fuhais, Main Str.	4729177
Ras Al Ein	Amman, Ras Al Ain, Al Quds Str.	4778595	Salt	Al Salt, Al Maydan Str. Little Mosque Road	3555101
Ashrafieh	Amman, Ashrafieh, Imam Al Shafe' Str.	4753957	Sweileh	Amman, Sweileh, Princess Raya Bint Al Hussein Str.	5350473
Al Hawooz	Amman, Jabal Amman, Omar Bin Al Khattab Str.	4653534	Marj Al Hamam	Amman, Marj Al Hamam, Main Str.	5712051
Sports City	Amman, Sports City, Al Shaheed Str.	5154171	Tela' Al Ali	Amman, Tela' Al Ali, Wasfi Al Tall Str.	5525860
Al Salam	Amman, Jabal Luweibdeh, Shari'a College Str.	4653899	Baqa'	Amman, Al Baqa' Camp, Near Al Baqa' Sports Club	4726802
Prince Moh'd Str.	Amman, 9th Sha'ban Str., Tala't Al Hayek	4616090	Bayader	Amman, Bayader Wadi Al seer, Main Str.	5857076
Tareq	Amman, Tareq, Main Str.	5054535	Deir A'la	Deir A'la, Al Sawalha, Main Str.	3573202
Nazal	Amman, Nazal, Main Str.	4396961	South Shouna	South Shouna, Government Depts. Complex	3581153
Abdoun	Amman, Abdoun, Cairo Str.	5929586	Kraymeh	Al Kraymeh, Main Str.	6575223
Shmeisani	Amman, Shmeisani, Abdul Hameed Sharaf Str.	5606173	Um Al Sumaq	Amman, Um Al Sumaq, Main Str.	5536696
Rusaifeh	Zarqa, Rusaifeh, King Hussein Str.	3742332	Al Rabieh	Amman, Al Rabieh, Mahmood Al Tahir Str.	5539384
Hiteen	Zarqa, Hiteen Camp, Main Str.	3610290	Abdulah Ghoshe	Amman, 7th Circle Abdulah Ghoshe	5863899
Oujan	Zarqa, Oujan, Main Str., Opp. Yajoz Intersection	3657034	Zahran	Amman, Ibin Khaldon Str. (Al Khaldi Hospital)	4642568
Jabal Al Shamali	Zarqa, Rusaifeh, Yajoz Road, Jabal Shamali	3759025	Madina Munawarah	Amman, Tela' Al Ali, Al Madina Al Munawarah Str.	5521011
Children	Amman, Shmeisani, Haya Cultural Center	5680070	City Mall	City Mall, Carefour, Amman, Banks floor	5005555/4040
Wadi Saqra	Amman, Wadi Saqra Str.	4632305	Al Wehdat	Amman, Al Wehdat	4778620



Branch	Address	Phone No.	Branch	Address	Phone No.
Sahab	Amman,Sahab,Main Str.	4023074	Irbid	Irbid, Prince Nayef Str., Awqaf Building	7242175
Abu Alanda	Amman, Abu Alanda Main Str.	4161545	Ajloun	Ajloun, Main Square	6420930
Juwaideh	Amman, Al Juwaideh, Main Str.	4127762	Mafraq	Mafraq, King Talal Str.	6231295
Na'our	Na'our, King Hussein Str.	5727671	Jarash	Jarash, King Abdullah Str.	6354443
Muwaqar	Amman,Al Muwaqar,Down Town	4059350	Ghweirieh	Zarqa, Ghweirieh,Intersection of King Ghazi Str. & Algeria Str.	3979050
King Abdul-lah II	Amman,Sahab,Amman Industrial Estate	4029329	Ramtha	Ramtha,Down Town,Nasser Al Tallaq Str.	7383110
Muqableen	Amman, Al Muqableen,Main Str.	4201271	North Shouna	North Shouna, King Faisal Str.	6580340
Building Quwaismeh	Amman, Al Quwaismeh,Bader New	4786768	Deir Abi Saeed	Deir Abi Saeed	6521033
Ma'daba	Ma'daba, King Abdullah Str.	3246980	Hakama	Irbid, Hakma Str.,Hanina Intersection	7405045
Aqaba	Aqaba Cornich Str.	2035924	Al Huson	Al Huson,Wasfi Al Tall Str.	7010042
Tafeileh	Tafeileh, Main Str.	2200203	Aidoun	Aidoun, Main Str.	7103484
Ma'an	Ma'an,King Hussein Str.	2139010	Mashare'	Al Mashare', Main Str.	6529009
Al Karak	Karak, Municipality Building, Al Nuzha Str.	2396029	Kufranjah	Kufranjah, Main Str.	6454370
Potash	Karak, Ghour Al Mazra' , Housing City	2305159	Palestine Str.	Irbid, Palestine Str.,Othman Naseef Building	7273076
Petra	Wadi Mousa, Main Str.	2157082	Al Jaish Str.	Zarqa, Al Jaish Str., Near Foreign Travels Complex	3936647
Shoubak	Shoubak, Main Str.	2169050	Yarmouk	Irbid , Shafiq Irsheedat Str.	7278483
Mu'ta	Mu'ta ,University Str.	2370509	Al Dleel	Zarqa , Al Dleel,Qasr Al Halabat Intersection	3824333
Al Hasa	Al Hasa, Housing City, New Commercial Market	2277046	Al Barha	Irbid ,Al Barha Str., Opposite Irbid Municipality	7269015
Airport	Amman, Queen Alia International Airport	4459276	North Azraq	North Azraq,Baghdad Main Str.	3834207
Al Edhaa	Amman, Ma'daba Str., Al Edhaa Intersection	4752201	Masoum Sub	Zarqa , Masoum Circle	3979098
Sheidieh	Maan, Al Sheidieh Mine	2132796	Al Hassan Indust.City	Irbid, Al Hassan Industrial City	7395327
Al Qaser	Near Gov. Depts. Complex	2315430	Al Quba Circle	Irbid, Al Quba Circle,Al Jaish Str. , Feras Al Ajlouni Str.	7251103
Central Market	Amman, Near Central Vegetable Market	4127514	North Border Crossing Office	Sheikh Huseein Bridge, North Ghor	6550489
Qasr Shbeeb	Zarqa,King Hussein Str.,Housing Bank Complex	3987778	Al Modawara Exchange Office	Al Modawara Border Station	2130976
Zarqa	Zarqa,Intersection of Prince Shaker Str & King Faisal Str.	3935295	Karameh Office	Al Karameh,Main Str.	3539060

### The Housing Bank for Trade & Finance Branches – outside Jordan

Branch	Address	Phone No.
<b>Regional Mgt / Palestine</b>	Ramallah, Al Bareed Str., Rukab Building, P.O Box 1473	+ 970 2 2986270
Ramallah	Ramallah, Al Bareed Str., 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 Str.,Al Manarah Circle,P.O Box 285	+ 970 2 2250055
Gaza	Gaza, Al Shuhada' Str., Palestine Tower, P.O Box 5010	+ 970 8 2826322
Beir Zeit	Beir Zeit, Main Str., Near Main Circle,P.O Box 40	+970 2 2819334
Halhoul	Halhoul ,Al Khaleel Str.,P.O Box 1	+ 970 2 2299602
Jenin	Jenin, Abu Baker Str., P.O Box 50	+ 970 4 2505223
Bethlehem	Bethlehem, Al Mahd Str., City Center (Bus Station), P.O Box 30	+970 2 2740375
Khan Yunis	Khan Yunis , Abu Humaid Circle, Jalal Str.,P.O Box 7073	+970 8 2079401
Dahriyeh	Al Khaleel, Dahriyeh, Main Str. ,Near Dahriyeh Security Station	+ 970 2 2266778
Yata	Al Khaleel, Yata, Roqa'a St., Near Police Department	+ 972 598905821
Tormosaya - Ramallah	Ramallah,Tormosayya,Main St.	+ 970 22805353
<b>Bahrain Branch</b>	Bahrain,Al Manama Center, Govt. Str., 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 , Head Office , sabe'a Bahrat , Pakistan Str., P.O Box 10502 info@ibtfc.com.sy	+ 963 11 2325780
Al Hejaz Branch	Damascus – Al Hejaz circle	+ 963 11 2460500
Pakistan Branch	Damascus – Pakistan St.	+ 963 11 2388000
Meridian Branch	Damascus – Meridain Hotel	+ 963 11 2241140
Yarmouk Camp Branch	Damascus – Yarmouk Camp St.	+ 963 11 6376400
Housh Plus Branch	Damascus – Der'a highway – opp. to town center	+ 963 11 6227711
Duma Branch	Damascus – Duma	+ 963 11 5750766
Dumar Project Branch	Damascus – Dumar Project – Cham Central Market	+ 963 11 3123505
Al Hareeqa Branch	Damascus – Al Hareeqa Str.	+ 963 11 2460222
Jurmana Branch	Damascus – Al Ra'aees Circle – beside Syriatell	-
Qas'a Branch	Damascus – Al Ros Tower	-
Hums Branch	Hums – Engineers Pension Fund Building	+ 963 31 2485979
Tartos Branch	Tartos – Banks St.	+ 963 43 321355
Alepo Branch – Faisal	Alepo – Faisal Str.	+ 963 21 2262303
Alepo Branch – Sheraton	Alepo – Sheraton Hotel	+ 963 21 2125301
Alepo Branch- Jmeleyeh	Alepo - Jmeleyeh	+ 963 21 2231945
Der'a Branch	Der'a – Hanano St.	+ 963 15 210291
Hamah Branch	Hamah – Al Alameen St.	+ 963 33 243100
Hasake Branch	Al Hasakeh- Al Ra'ees Circle – Salah Al Din St.	+ 963 52 316543
Latikia Branch	Latikia – Baghdad St.	+ 963 41 459373
The Housing Bank for Trade & Finance / Algeria	Head office -Algeria , 16 Ahmad Waked Str.,Dali Ibrahim	+ 213 21 918881
Dali Ibraheem Branch	Algeria – 16 Ahmad Waked St. – Dali Ibraheem	+ 213 21 918787
Al Baleedeh Branch	Algeria – 92 Mohammad Budiaf St. – Al Baleedeh	+ 213 25 311310
Wahran Branch	Algeria – 3 Shiekh Al Arabi Tabsi – Wahran	+ 213 41 331080
Steef Branch	Algeria -20 First Nov. 1954 – Steef	+ 213 36 834953
Specialized Leasing Company	Um Othina – Sa'ad Ibn Abi Waqas Str., P.O Box 1174 – Amman 11118	+ 962 6 5521230
Jordan & Palestine Financial Investment	Ramallah, Rukab Circle, Al Farah Building , 2nd floor, P.O Box, 1922 Jopico@palnet.co Co. / Ramallah	+ 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 Str, 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 Str., P.O Box 44768 hbtf@eim.ae	+971 26270280
Representative Office in Baghdad / Iraq	Baghdad, Al arasat Al Hindeya Str.,Area No. 929, Str. No. 30, Building No. 108 Babel Sub. hbiraq@yahoo.com	+964 17182027



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