



ANNUAL REPORT 2010



37th Board of Directors Report

For the Year Ending December 31, 2010

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His Majesty King Abdullah II Ibn Al Hussein



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Board of Directors



New headquarters 3D perspective





H.E. Dr. Michel Marto - Chairman



Sheikh Ali Bin Jassim Al-Thani
Vice Chairman



Mr. Abdulla Mubarak AlKhalifa
Qatar National Bank



Mr. Yousef Mahmoud Al-Neama
Qatar National Bank



Mr. Mohamed A. Al-Khulaifi
Qatar National Bank



Mr. Ali Abdulla A. Darwish
Qatar National Bank



Mr. Mohammad Al Munaifi
Kuwait Real Estate Investment Consortium



Mr. Hamoud J. Al Falah
Kuwait Real Estate Investment Consortium



Mr. Mohamed Ben Yousef
Libyan Foreign Bank



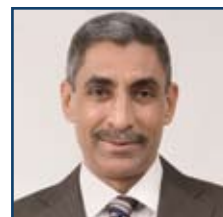
Mr. Mokhtar Ali Ghenas
Libyan Foreign Bank



Mr. Thabet Issa Elwir
Social Security Corporation/Jordan



Mr. Jehad Ali Al Share
Social Security Corporation/Jordan



Mr. Ahmed Al Mahrezi
Ministry of Finance/Sultnante of Oman

Mr. Omar Zuheir Malhas - General Manager

Mr. Mohyeddin El Ali - Board Secretary

Auditors: Ernst & Young/Jordan



Chairman's Statement

To Our Shareholders:

On behalf of the Housing Bank for Trade and Finance (HBTF) Board of Directors, I have the pleasure of presenting you with the Group's Annual Report for 2010, which outlines our achievements and financial results, as well as plans for the future.

A Tough Year For The Economy

As one of the most open economies in the Middle East, Jordan has been adversely affected by the global and regional economic crisis, with the most recent data suggesting that GDP grew by around 3% in 2010 in real terms. This is a massive deceleration from the rate of expansion in 2008, when the economy grew by 7.2%. The economy is now growing by less than half the 6% rate it averaged between 2000 and 2008.

Since late 2008 and early 2009, the Central Bank of Jordan (CBJ) has taken several steps to try to ameliorate the impact of the crisis, including multiple reductions in policy rates and reserve requirements.

A Good Year For The Bank

The year that just passed was difficult in almost every measure. As the second largest bank in Jordan, we knew last year would be a stern test – and it was. For the full year, we reported a net profit (after tax) of JD88.4 million, an increase of 32.9% over 2009. Accordingly, total shareholders' equity rose by 5.9% to end 2010 at JD1.024 billion.


The rise in profits came despite an increase in provisions made for non-performing loans, which during 2010 amounted to JD46.2 million.

Looking at various indicators, total assets rose to JD6.7 billion, an increase of 9.7%. In the meantime, deposits grew by 8.5%, to reach JD4.8 billion, while the Bank's credit portfolio increased by 3.4% to end 2010 at JD2.4 billion.

The confluence of these developments had a positive effect on some of the Bank's key performance indicators. As at end-December 2010, the Bank's capital adequacy ratio reached 22.5%, well above the 12% minimum set by the CBJ or the 8% stipulated by the Basel Committee on Banking Supervision. In the interim, the Bank's liquidity position remained very strong. As for the ratio of loans to deposits, figures show that this stood at 50%.

Moreover, return on assets (before tax) rose from 1.68% in 2009 to 1.82% in 2010. As for the average return (before tax) on total shareholders' equity, figures point to an increase, from





10.33% in 2009 to 11.7% in 2010. Meanwhile, the Bank's cost-to-income ratio remained at its same level as in 2009, equivalent to 38%. The latter is impressive when compared to the local industry average.

The HBTF continued to be customers' premier choice for JD savings deposits, with 41.9% of the market share. It also continued to retain significant shares of the sector's total assets (14.5%), deposits (15.8%) and credit facilities (11.5%).

Outside Jordan, the HBTF enjoyed strong growth in Syria, Algeria, Palestine and Bahrain, with profits, deposits and loans growing at a good pace.

All in all, these results demonstrate that the Bank's growth strategy is working well. They also confirm the Bank's solid financial strength and resilience in the face of the global financial meltdown. Based on these and other achievements, HBTF's Board of Directors will recommend to the Bank's General Assembly to pay a dividend of 25% of the nominal stock value.

Expansion Plans

The HBTF opened seven new branches in 2010, bringing their total number in Jordan to 110, which is the largest network in the Kingdom. The HBTF also installed 25 new ATMs, thus raising their number to 187, again the largest number in Jordan among all other banks. The HBTF was also successful in acquiring a majority stake in the Jordan International Bank (JIB), based in London. Bringing this acquisition to a successful close is important to our growth strategy.

Corporate Social Responsibility

The HBTF regards corporate social responsibility (CSR) as a genuine investment in society and its own future. Our goal as a responsible corporate citizen is to build social capital, and like any other viable investment, we know it will reap communal returns. Even in difficult economic conditions, we have shown an unwavering commitment to our role as a corporate citizen, and have contributed millions of JDs in CSR-related programs and projects.

Dear Shareholders,

Allow me to extend my sincerest thanks and gratitude to the CBJ for its cooperation and continued support, which have contributed to the safety and stability of the banking sector. I would also like to thank the Securities Commission for its role in managing the Amman Stock Exchange (ASE) wisely. Special thanks to our customers for their loyalty and continuous support. Last but not least, I would like to extend my sincerest thanks and gratitude to my colleagues on the Board of Directors for their skill and wisdom in helping me steer the Bank through these difficult times. May God bless and protect this country under the wise leadership of His Majesty King Abdullah II.

Dr. Michel Marto
Chairman of the Board

The Bank's Financial Performance

I rely on my bank to help me achieve my corporate objectives. The HBTF has demonstrated its commitment to improve our economy. It is truly a reliable partner.

Mr. Yacoub Naser ed-dein - Businessman



HBTF's Major Financial Indicators, 2006 – 2010

JD million*

Item / Year	2006	2007	2008	2009	2010
Total Assets	4,096.5	5,020.1	5,430.6	6,090.4	6,679.7
Customers' Deposits	2,832.7	3,500.6	3,764.5	4,430.4	4,808.6
Credit Facilities - Net	1,589.9	1,936.3	2,341.7	2,368.6	2,449.1
Total Equity	835.2	890.3	911.0	966.5	1,023.9
Gross Income	201.9	238.8	245.2	260.4	264.0
Profit before Income Tax	130.1	154.5	142.0	97.0	116.4
Profit after Income Tax	94.7	111.5	101.3	66.6	88.4
Cash Dividends	25.0	64.3	75.0	50.4	63.0**
Basic earnings per share to equity holders of the Bank (EPS)	0.391	0.435	0.383	0.238	0.313
Dividends/Per share (JD)	0.260	0.300	0.250	0.200	0.250
Share Price in Amman Stock Exchange (JD)	6.550***	7.210	8.330	7.150	8.100

* JD = \$ 1.4104

** Proposed Dividends for 2010

*** In 2006, the Bank's capital was increased by issuing 152 million shares as follows:

- Stock dividends of 50 million were distributed to shareholders, representing 50% of the paid-in capital through capitalization of retained earnings.
- A private placement of 100 million shares to the shareholders of the Bank at a price of JD4 for each share, JD1 as par value and JD3 as additional paid-in capital.
- Two million shares were allocated to the Jordan Armed Forces Fund.

Analysis of Operational Results

In 2010, regional and international economies began to show signs of recovery from the slow-down that accompanied the global financial crisis, which first took hold in 2008 and worsened in 2009.

Against this background, the HBTF Group was able to overcome many of the crisis' repercussions, relying on its strong financial position, geographical expansion and sound strategies. The latter have been supported by prudent executive plans, culminating in the achievement of strong results, rapid growth and healthy capital adequacy ratios.

In 2010, the HBTF Group posted net profits before tax equal to JD116.4 million, an increase of JD 19.4 million, or 20% year-on-year (y-o-y). Meanwhile, the Group's net profit after tax and provisions amounted to JD88.4 million, an increase of JD21.9 million, or 32.9%.

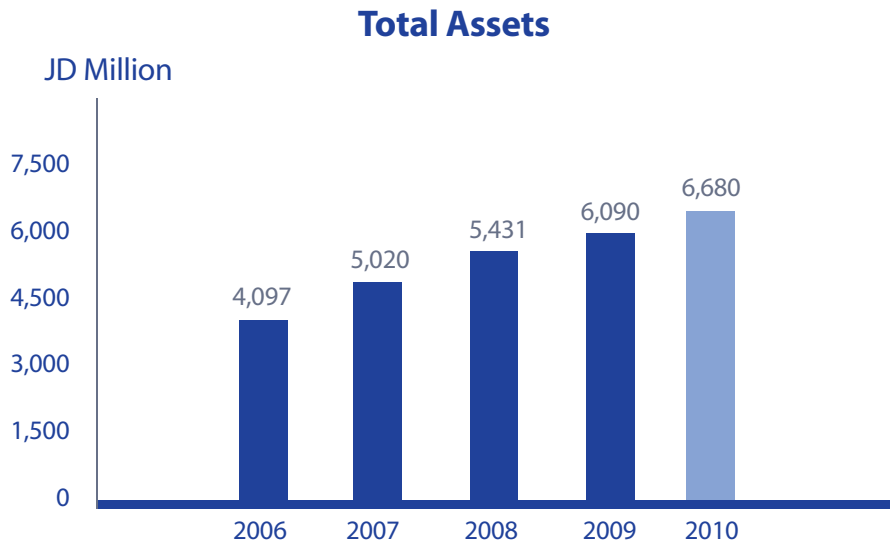


The Group's operational results were as follows:

- Gross income increased by 1.4% to JD264 million, compared to JD260.4 million in the year before.
- Net interests and commissions' income fell from JD224.3 million during 2009 to JD221.8 million in 2010, or 1.1%. This decline can be attributed to the fall in net interests and net commissions by 0.6% and 3.6%, respectively.
- Total expenses declined from JD163.4 million in 2009 to JD147.6 million in 2010, a drop of 9.7%. This fall came despite the Bank's continued investment in its infrastructure, as evident in the expansion of the branches network and ATMs, the further development of the Bank's IT systems and heavy investment in human resources.

Analysis of Financial Position

The total assets of the HBTG Group reached JD6,679.7 million as at end-December 2010, an increase of JD589.3 million, or 9.7%. Looking at different indicators, direct credit facilities (net) grew by 3.4% while customer deposits expanded by 8.5%.

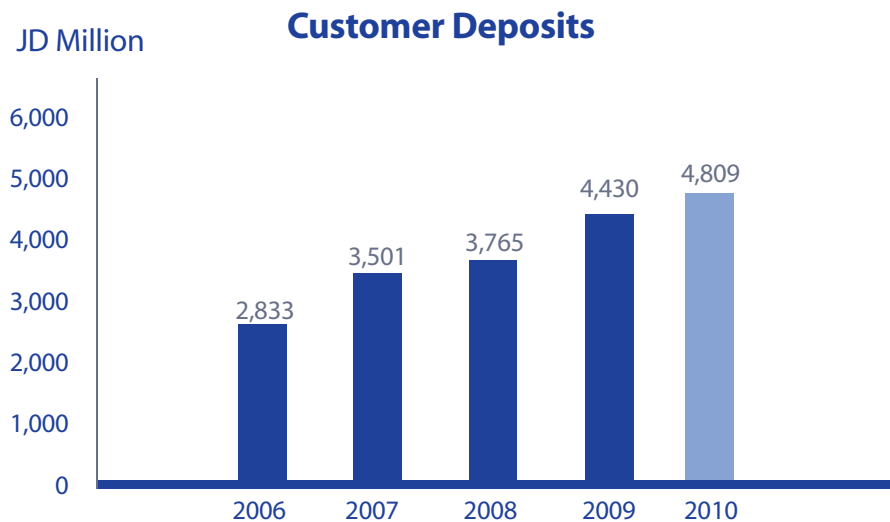


Total Deposits

In the year 2010, the HBTG focused its efforts on attracting more customer deposits, especially those that are low in cost. These include savings deposits and current deposits. This contributed to an increase in the total balance of deposits (customer deposits plus banks and financial institutions deposits) to JD5,213.9 million, a rise of JD499.4 million, or 10.6%, compared to the balance in the year before.

Excluding deposits of banks and financial institutions, the balance of customer deposits totaled JD4,808.6 million as at end-December 2010, a rise of JD378.2 million, or 8.5%, compared to the same balance in the year before. This increase is clear evidence of the high degree of trust customers have in the HBTG Group. Indeed, the Bank is proud that its branches in Jordan continue to possess the lion's share of the balance of savings deposits in JDs, at 41.9% in 2010.

Meanwhile, retail deposits increased by 10.8% while corporate deposits rose by 10%. By contrast, government and public sector deposits declined by 22.1%.

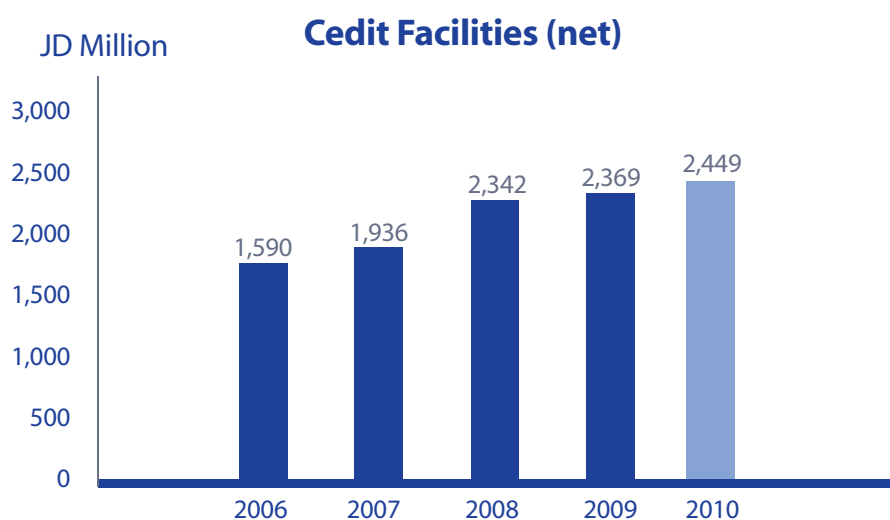


Direct Credit Facilities

In the face of the global economic crisis and the ensuing slowdown in Jordan, the HBTF Group has had to adopt a more conservative credit policy to ensure the quality of its portfolio remains intact, yet yielding high returns. Despite – or perhaps because – of this policy, credit facilities in 2010 recorded an increase of JD135.8 million, or 5.4%, to JD2,629.2 million.

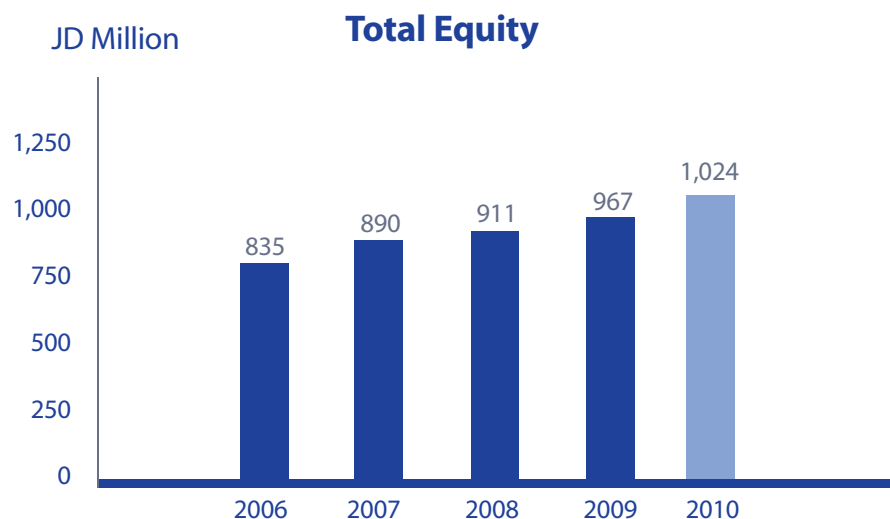
In 2010, the balance of direct credit facilities (net), after deduction of provisions and suspended interest balances, amounted to JD2,449.1 million, an increase of JD 80.5 million, or 3.4%, compared to the year before.

Looking at the different lines of credit, retail loans rose by 7.8%, real estate loans increased by 5.6% while government and public sector loans jumped by 81%. By contrast, corporate loans shed 2.8%.



Shareholders' Equity

Total equity attributable to the Bank's shareholders amounted to JD920.1 million as at the end of 2010, compared to JD891.1 million in the year before, equivalent to a 3.3% increase y-o-y. By adding non-controlling interests in subsidiary companies, total equity rose from JD966.5 million at the end of 2009 to JD1,023.9 million at the end of 2010, an increase of 5.9%. As a result of these and other developments, shareholders' equity constituted 15.3% of the Bank's consolidated balance sheet for 2010, compared to 15.9% in the year before.



Analysis of Major Performance Indicators

Changes on both sides of the HBTF Group's financial position and income statement have resulted in the achievement of satisfactory performance indicators, as presented below:

- There was an increase in the ROaA before tax to 1.82% in 2010 (1.68% in 2009), and a rise in the ROaE to 11.7% (10.33% in 2009). These ratios are considered satisfactory in light of the circumstances that prevailed in 2010, and among the highest in the industry.
- The Bank's capital adequacy ratio as at end-December 2010 reached 22.5%, which is much higher than the 8% requirement under Basel II or that of the CBJ at 12%. This reflected the Group's financial strength, bolstering its capability to face challenges, and providing support to its future expansion plans.
- In 2010, the Bank's liquidity ratio stood at 182.2%, which is higher than the requirement of the CBJ at 100%.
- The Bank's share price has climbed up, from JD7.15 in 2009 to end 2010 at JD8.1, an increase of 13.3% y-o-y. The latter helped the Bank's market capitalization reach JD2,041.2 million as at end-December 2010. The Bank, therefore, ranked third in terms of market capitalization among the companies listed on the ASE.
- Basic earnings per share increased from JD0.238 at the end of 2009 to reach JD0.313 in 2010, an increase of 31.5%.

Competitive Position

The HBTF Group has substantiated its capability to work in a severely-competitive environment, based on its excellent reputation, strong financial position, large capital base, wide local branches network, well-studied foreign expansion plans and the provision of new and innovative banking services to its customers. This made the Bank the first choice for a wide range of customers, enhanced its competitive capabilities and solidified its leading position in the Jordanian banking sector.

In what follows is a short brief about the Bank's leading position in the local banking sector as at end-December 2010:

- The Bank maintained its leading position in the balance of savings accounts in local currency, at 41.9%.
- The Bank preserved its leading position in terms of the number of branches, which reached 110, equivalent to a market share of 15.8%.
- The Bank has maintained its leading position in the number of ATMs it operates, the largest in the Kingdom, at 187, with a market share of about 16%.
- The bank continued to enjoy a leading position in terms of customer numbers, which have exceeded 707,000, equivalent to a market share of 20%. Not only has the Bank maintained its existing customers base, it has also managed to attract new customers, retail and corporate alike, thanks to its high quality and diversified services.
- The Bank maintained its leading position in the number of Visa credit cards issued, which have exceeded 45,000, with a market share of 24%. Likewise, the number of Visa Electron cards issued by the HBTF exceeded 640,000, equivalent to a 28.9% share of the market. The Bank remained customers' first choice in the field of electronic cards, enabling them to use such cards for cash withdrawals and to pay for purchases.
- The Bank came in second in the rankings of banking assets, with a market share of 14.5%.
- Likewise, the Bank has acquired the second position in terms of banking deposits, with a market share of 15.8%.
- The Bank has also acquired the second position in terms of credit facilities, with a market share of 11.5%.

In the field of competitive qualitative indicators, the Bank has obtained many high credit ratings from international institutions, in addition to various distinguished certificates of appreciation and awards. What's more, the Bank has been successful in maintaining its leading position in banking technology through the application of systems necessary for steering the management and branches operations in conformity with the latest international standards.

Local, regional and international awards and certificates of appreciation obtained by the Bank included:

- King Abdullah II Award for Excellence.
- Arab Quality Award.
- Excellence Award from the E-Jordan Conference.
- Excellence award for quality performance on the national level.
- Visa international Award.
- The Best Jordanian Bank from *Banker Magazine*.
- The Best Jordanian Bank from Euromoney.
- International Star Award, golden and platinum, from *Business Initiative Directions*.
- The highest levels of "General Conformance Certificate" with International Internal Audit Standards, issued by the American Institute of Internal Auditors.

Bank's Activities

The HBTF helped me turn all my dreams into reality through customized banking solutions. Innovation is synonymous with its name.

Ms. Monya Hijazi - Private Sector Employee



Retail Banking Services

The HBTF Group continued in 2010 to expand its retail banking services, concentrating on providing quality, innovative and value-added products and services, as well as on upgrading advanced delivery channels, aimed at improving customers' satisfaction.

The Bank has also solidified its strong and leading position in the retail banking sector within Jordan, as evidenced by the rising number of customers, branches and ATMs. Such a wide expansion of branches and ATMs aims to ensure an effective network to distribute and provide easy banking services and products, in addition to attract more new business and increase the Bank's customer base.

Branch Network

The Bank upgraded its network of branches in 2010, inaugurating seven new branches in prime locations. This brings the total number of branches to 110. The new branches are distinguished by attractive interior and exterior design, affording customers distinctive banking experience, more comfort and protection of privacy.



Iskan Bank Garden Branch



Abdoun Branch



Park Plaza Branch

Alternative Channels

In 2010, the Bank's ATM network in Jordan was upgraded following the decision to install 25 new machines in vital areas and shopping centers across the Kingdom. The decision means that the Bank now boasts 187 ATMs.

Meanwhile, some of the services introduced through other alternative channels (Call Center, Internet Banking, and Virtual Banks) witnessed healthy growth in the number of users as well as distribution among customers. Such channels contributed to enhancing the Bank's image among its customers by processing their transactions easily and in a satisfactorily manner, 24/7. Among the new services introduced through such channels: an electronic payment settlement system; the ability to obtain information about accounts; make transfers from one account to another; wire money internally and abroad (and in all currencies); apply for a checkbook; in addition to an SMS service that directly informs customers about all transactions carried out on their accounts.



Customer Service

Always believing in the importance of providing quality services and products to its customer base, which has been a cornerstone of its success in the field of retail banking, and in order to reach a deeper understanding of customers needs and requirements, the Bank continued in 2010 to implement new tools designed to help it measure the quality of its products and services. Chief among these new tools were the “ Balanced Scorecard ”, which the Bank now uses to evaluate its branches and employees.

The Bank is proud to announce that the results of these evaluations, carried out in conformity with sound scientific bases, have been more than adequate, indicating a high degree of customer satisfaction.

Credit Cards

Despite the ever-increasing competition in the local banking sector, the HBTF has managed to maintain its leading position in the field of credit cards in Jordan, with the number of Visa cards issued by the Bank during 2010 increasing by 6,155 to exceeded 45,000, equivalent to a market share of 24%. Meanwhile, the number of Visa Electron cards issued by the HBTF increased by 52,000 to exceeded 640,000, or 28.9% of the market share.

In 2010, the Bank adopted several initiatives aimed at increasing the number of card transactions. These included: the ability to inquire about the card's balance; draw a statement of account; change the password using the bank's ATM network; and the introduction of a new bonus points system.



Also in 2010, the HBTF began implementing a plan to replace existing Visa Electron cards with newer Smart Cards (EMV), as part of its policy to make the usage of these cards more secure.

Personal Loans

To hedge against market risk, the HBTF enforced in 2010 a conservative credit policy with the objective of expanding personal loans while pursuing a number of aggressive promotional campaigns directed at certain segments of the market to assist them in covering their personal requirements and needs. This was done through the offering of preferential interest and commission rates, in conformity with an adequate risk structure.

The Bank continued to provide housing finance for low-income citizens, in response to His Majesty King Abdullah II's *Decent Housing for Decent Living* initiative. What's more, the HBTF pledged to reinforce its relations with big companies operating in the housing and real estate sectors, with the aim of providing housing loans to this targeted segment.

On another level, the HBTF concluded several agreements with local companies and corporations to provide banking services to their employees on preferential terms.

Commercial Banking Services

In the face of the economic crisis, the HBTF adopted more conservative lending practices, concentrating on the application of certain procedures to enable it to control and monitor its credit portfolio more effectively, in conformity with the instructions of local regulatory bodies and international credit standards. Among other things, this meant that new loans were subject to more scrutiny and careful study.

Despite the slowdown in many of the markets it operates, the HBTF continued to meet the needs of its customers, even in the most difficult of circumstances. Of the measures implemented in 2010 to mitigate the impact of the crisis and continue serving its customers, noteworthy were: proactive credit services; making important contributions to financing a number of national economic sectors; and focusing on attracting VIP customers. This was done without making any compromises on quality and profitability. Indeed, a look at the Bank's major activities in 2010 reveals that the Bank financed a number of selected activities in the areas of education, water, energy, transportation, telecommunications, in addition to pharmaceuticals and the food industries.

As a market leader in the area of commercial finance, never abandoning its commitment to aiding the process of economic development in Jordan, the HBTF continued to reinforce its lead position by diversifying its strategies to identify good market opportunities, investing more heavily in infrastructure projects and financing the ever-growing services and productive projects in the local market.

The Bank continued to fund a number of specialized agreements and programs related to financing international trade activities and operations, with soft terms and competitive rates, and in the process helped advance trade between Jordan and the Arab and Islamic world.

Projects and Structured Finance

In 2010, the HBTF focused on establishing new and long-term relationships with major corporations and government bodies involved in developing large-scale infrastructure projects in the Kingdom. This enabled the Bank to ensure progress and continued strong momentum in the Bank's different lines of business while allowing it to play a more active role in financing Jordan's ambitious mega projects portfolio. Another area of focus for the Bank in 2010 was to provide financial and investment advisory

services, including: mergers and acquisition, business valuation and equity, in addition to capital market services.

The Bank's outstanding performance and achievements in 2010 were buoyed by a well-advised strategy that helped it cope well with the changing market environment while continuously launching new products. This, in turn, enabled the Bank



Taj Mall

to reinforce its position and strengthen its image as a leading financial organization – one that is often a first point of contact for local and international companies seeking banking support to meet their goals and to manage and arrange their financing transactions.

Despite strong and growing competition, the Bank managed to improve its position in financing mega projects. Noteworthy is the JD40 million syndicated term loan facility, comprising three other local banks, to finance TAJ Mall, a new shopping center constructed by Al-Tajamouat for Touristic Projects in West Amman's affluent Abdoun neighborhood.

Also in 2010, the HBTF conducted feasibility studies for a number of strategic projects in Jordan worth over a JD150 million. These span a broad spectrum of areas, from oil importation and storage to medical and industrial waste treatment and the development of large-scale real estate projects – all to be finalized within the first half of 2011.

Treasury and Investment Services

HBTF activities in 2010 came to emphasize the keen and careful strategies adopted in the fields of treasury and investment, as efforts have been intensified to better manage liquidity with the twin goal of ensuring it stays at healthy and robust levels while also increasing non-interest based revenues. Meanwhile, the Bank has continued to reinforce the sound reputation it has as a pioneer in the Jordanian Interbank Deposit Market, thanks to its high levels of liquidity. It is noteworthy that the HBTF manages the biggest local mutual investment fund by assets under management (AUM) through a specialized committee.

Underlining its commitment to providing high quality products and services in the area of treasury and investment, the HBTF continued in 2010 to offer foreign currencies and precious metals trading services (through account/account and margin account), in addition to FX forward contracts services, brokerage services (in local, regional and international financial markets), investment portfolios and fund management services, as well as custody services, just to name a few.

Correspondent Banks and Financial Institutions

Notwithstanding the instability in local, regional and global markets, the Bank has taken in 2010 a number of steps to increase international business opportunities. Through the work of a dedicated and specialized team, the Bank has successfully established new strategic business relations with leading financial institutions and correspondent banks around the world while maintaining and strengthening its existing network of partners abroad.

The Bank in 2010 continued to provide credit facilities to correspondent banks to facilitate and organize the increasing business volume in various fields of activity. Moreover, the Bank has closely monitored developments in world markets and economies, and took all preemptive measures necessary to effectively manage the heightened risks resulting from the global economic crisis, yet without compromising on profitability. The Bank was successful in obtaining competitive rates on foreign banking operations, which greatly helped to facilitate and organize the international trade operations of its clients.

HBTF has distinguished business relations with a wide network of more than 350 correspondent and financial institutions, distributed over more than 70 countries. This places the Bank in a strong position, enabling it to serve its customers in versatile international banking operations.

International Branches and Subsidiaries

The Arab region currently represents the major market for the HBTF, which enjoys presence in seven Arab countries in addition to Jordan. The Bank, through its network of foreign branches, subsidiaries and representative offices, provides its retail and corporate customers with an integrated set of comprehensive banking solutions, financial brokerage and leasing finance services.

Thanks to these and other efforts, the Bank was able to strengthen its relations with exporters and importers, which in turn helped boost trade exchange and investment between Jordan and other countries in which the Bank operates.

As aforementioned, the HBTF is present in seven Arab countries apart from Jordan: foreign branches in Palestine and Bahrain; subsidiary banks in Syria and Algeria; subsidiary companies in Jordan and Palestine; in addition to representative offices in the UAE, Libya and Iraq.

As part of its plan to strengthen its presence in overseas markets, diversify sources of revenues and hedge against risks, the HBTF acquired a 63.75% stake in the Jordan International Bank (JIB)/ London in a deal worth GBP20 million. Shortly thereafter, JIB's capital was raised to GBP35 million, with HBTF's stake in the London-based bank growing to 68.571% as at end-December 2010. JIB, which was established in the UK in 1984, provides a wide range of banking and financial services to companies and institutions residing inside and/or outside the UK.



International Bank for Trade & Finance/Syria



Jordan International Bank (JIB)/UK



Specialized Leasing Co./Jordan



The Housing Bank for Trade & Finance/Algeria

Human Resources

Based on its strong belief that employees are its most valuable asset, the HBTF has persistently strived to develop the skill set of its employees, form working teams capable of providing strong and distinguished financial performance, attract the best human cadres in the field of banking and appoint distinguished university graduates.

Human Resources Structure

The Bank currently boasts a large number of qualified workers, with figures confirming a big rise in the percentage of university graduates, reaching about 76% of the Bank's total cadre in 2010.

Human Resources Systems and Policies

Despite the difficult economic conditions encountered by banking institutions on the local, regional and international levels, the HBTF has managed to retain a strong employee base on the one hand, and to rationalize expenditures on the other. This had a positive impact on the Group's efficiency indicators, which remain within the international standards of the banking industry.

The Bank continued in 2010 to develop its policies and procedures as they relate to human resources. Among other things, the Bank was successful in upgrading profile cards for all jobs, in line with other developments in the organizational structures. All jobs have also been evaluated and classified in accordance with International Position Evaluation standards, in addition to approval of procedures related to salary structure of all jobs in the Bank.

Training and Development

The Bank's strategic initiatives in the area of training and development during 2010 included a special focus on reinforcing employee skills by providing high-level training across the board. Noteworthy was the training offered to front-office employees, as a bundle of comprehensive and diversified specialized training courses and programs were held inside the Kingdom and abroad. In compliance with its commitment to develop employees' capabilities and competencies, and to enhance their future job success opportunities, the Bank offered a number of employees the chance to pursue academic and professional qualifications, both locally and overseas. Disclosure statements in the last part of this report include details about the number and type of training courses provided by the Bank in 2010.



Business Process Reengineering

Business process reengineering – the strongest tool to manage operations and work procedures – constituted one of the most important initiatives adopted by the HBTF in the last two years.

In 2010, the Bank completed the restructuring and reorganization of procedures and activities of operations, retail and commercial banking services, as well as the finance department. Several targets were set: to activate the role of branches as centers for selling trade credit; to ensure that the finalization process of transactions is precise and continuous; to create a center for small-size enterprises, directly affiliated to the retail banking services department; and to establish a strategic planning and research department.

Over and above, 2010 also witnessed the development of policies, procedures and authorities manuals of the restructured and new departments, as well as a revision of policies, procedures and authorities manuals of other departments, business centers and branches of the Bank in Jordan and abroad, in accordance with best international practice.

It is worth mentioning that 2010 also saw important changes to the Bank's organizational structure, which has now been divided into three main integrated sections: a banking group, an operations group and a control group. The new organizational structure, set out at the end of this report, reveals more details about the Bank's higher management.

Risk Management and Compliance

The HBTF continues to strengthen and reinforce its risk management practices, in line with its strategic objectives. The Bank has adopted a comprehensive risk management strategy based on CBJ regulations and the Basel Committee guidelines, along with best practices in risk management.

Over the past few years, the HBTF has undertaken various initiatives to achieve compliance with CBJ guidelines, comprising Pillar I and Pillar II, which cover an assessment of material risks, internal control framework, capital budgeting and management framework, to strategic planning and the application and development of stress test methodologies to assess the sensitivity of the Bank to various risk factors.

In addition, the Bank has adopted its own Risk Appetite Statement and has set corresponding Risk Tolerance Limits as part of its Sound Capital Management Practice. It has also undertaken a forward looking Capital Budgeting exercise to check the adequacy of capital after taking into account its newly-set strategic goals.

What's more, the HBTF has intensified its efforts to combat money laundering and terrorist financing activities by implementing more effective control mechanisms to monitor all transactions, and by increasing HBTF's staff level of awareness and understanding of Anti Money Laundering (AML), Know Your Customer, Due Diligence, Enhanced Due Diligence, in addition to all other related terms and concepts. It is noteworthy that the HBTF's Board of Directors recently approved the Bank's updated AML policy as well as its Compliance Policies and Procedures, and sent them to the CBJ for approval.

The Bank has, since 2007, adopted a Corporate Governance Code, which complies with the disclosure and transparency regulations and guidelines issued by the CBJ and the Securities Commission. This Code is available at the end of this annual report, as well as on our website www.hbtf.com. More detailed information on risk management can be found in declaration No. 43 of the financial statements in this annual report.

Information Technology

In 2010, the HBTF continued with its relentless efforts to promote its competitive position as the most innovative bank in Jordan, through the application of robust, secure and flexible modern banking technologies. So far, the results appear satisfactory, having contributed to enhancing business continuity, improving communication channels between the Bank's different divisions and branches and raising the quality of services provided to customers, especially through electronic services (e-banking etc).

To improve operational efficiency, central computers were replaced with newer ones; central storage and backup systems were upgraded; and so was the IP Telephony system, which was expanded to include a number of new locations.

In the field of consistency with the local and international protection requirements, the Bank launched the EMV smart card project in Jordan and Palestine, which attempts to upgrade all ATMs so they become compatible with smart cards and the early detection of fraud.

Also in 2010, the HBTF started deploying a new system to manage and handle the online transfer of staff salaries from HBTF corporate customers to the relevant accounts within the Bank, in an accurate, easy and secure manner. The Bank is currently in the process of selecting a supplier of a new Core Banking System, a platform where communication technology and information technology are merged to suit core needs of a bank while allowing it to improve operations, reduce costs and be prepared for future growth.

Social Responsibility

Despite the economic crisis, the HBTF remained committed to creating meaningful change in the local communities it serves in through its CSR efforts and community development activities.

Blood Donation

As part of its CSR initiatives, the HBTF organized in 2010 two blood donation campaigns. The campaigns aimed to encourage HBTF staff to participate and contribute towards the community's current and future needs by helping to maintain a healthy blood supply at Jordan's Blood Bank.



Ramadan Activities

In 2010, the Bank sponsored a number of Ramadan events and activities, including the charity Iftar festival held by Jordan Medical Aid for Palestinian Society; a Ramadan event held by Salt Charity Society; in addition to sponsoring the event held at the Human Aid Club. The aim of such sponsorships is to support the needy, orphans and students.

Environment and Health

The Bank's interest in the field of environmental protection and health has been evident through the following initiatives:

- Organizing the Anti-Smoking campaign, in which all of the Bank's premises and branches were declared smoking-free zones.
- Participating in the Anti-Drugs campaign, organized by the Anti-Drugs Department, on the occasion of International Anti-Drug Day.
- Donating money to the Jordan Cancer Society, Ibn Sina Cerebulum and Al-Hussein Society for the Habilitation/Rehabilitation of the Physically Challenged.
- Promoting the use of electronic documents in its day-to-day transactions, with the aim of pushing towards a paperless environment, in addition to recycling all paper used in the Bank's operations.
- Completing the construction of the Abdoun Park project, which aims was to provide a relaxing family environment surrounded by natural landscapes.



Iskan Bank Garden-Abdoun

National and International Conferences and Expos

With the aim of supporting cultural initiatives, the HBTF participated in 2010 in sponsoring the First National Media Conference, organized by The Jordanian Press Association, under the title "Jordanian Media, Freedom and National Responsibility". The Bank also sponsored the second "International Scientific Conference for Medical Herbs", held at Al-Balqa' Applied University; the "Change Management in Financial and Banking Institutions" conference, held at Princess Sumaya University for Technology; and the Jordan Expo for "Building, Construction and Engineering Industries".

Traffic Awareness

In keeping with its belief in the importance of reducing traffic accidents, the HBTF sponsored the Traffic Orientation Campaign, organized by the Public Security Directorate. Held under the theme “Thank You, We Support You”, the idea behind the campaign is to motivate committed drivers and to promote more positive on-the-road behavior. Also in 2010, the Bank sponsored the traffic orientation drama *Za'al and Khadra Road*.

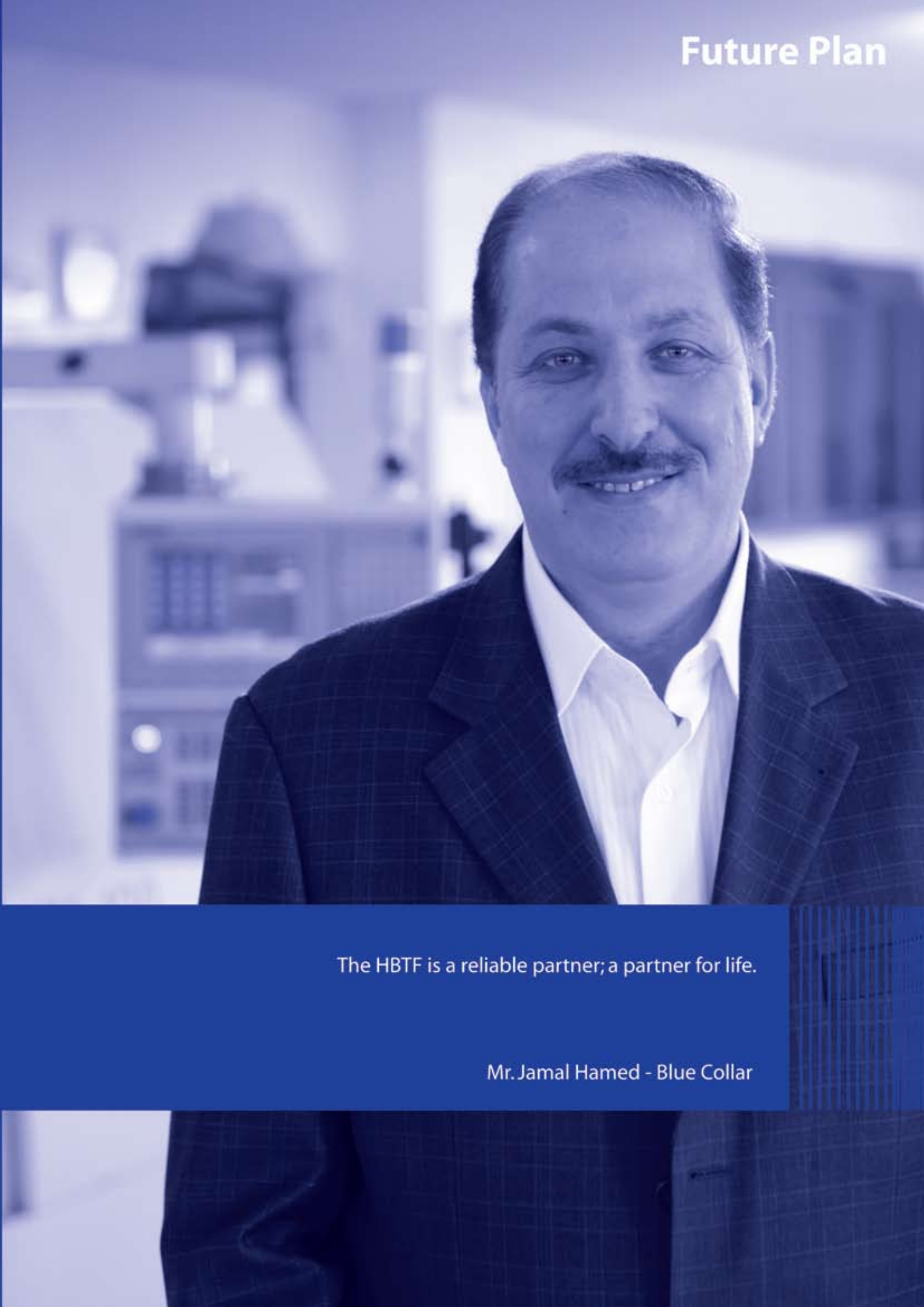


Mother's Day

On Mother's Day, HBTF employees volunteered at different orphanages, made visits to houses for elderly people, charity societies, SOS kids villages and gave bouquets of flowers to all mothers upon their arrival at any of the Bank's branches.


Social, Charity and Humanitarian Activities

HBTF's continued growth, both in terms of size and stature, has been paralleled by the expansion of its commitment to serving poor and disadvantaged people. The list of charity societies benefiting from such commitment includes: the Jordan River Foundation, Al Bir wa Al Ihsan Campaign, the Jordanian Hashemite Fund for Human Development, Al-Aman Fund for the Future of the Orphans and the SOS kids villages.



The HBTF is a reliable partner; a partner for life.

Mr. Jamal Hamed - Blue Collar



Despite all the doom and gloom surrounding the global economy and its impact on Jordan, the HBTF has fared better than many of its rivals, thanks to the application of a prudent and robust plan. The aim of this plan was to capitalize on past achievements, qualitative and quantitative as they may be. The plan for 2011 includes the following main strategic goals:

Financial Goals

1. Achieve sustainable and rapid growth in profits, which should improve the rates of ROaA and the ROaE.
2. Increase the Bank's assets while ensuring their quality and soundness.
3. Bolster the Bank's lead position in Jordan by increasing its market share in assets, deposits and credit facilities.
4. Improve the Bank's efficiency ratio (expenditure vs. revenue) by increasing revenues and rationalizing costs.
5. Preserve and enhance the quality of the Bank's credit portfolio while lowering the percentage of non-performing loans.

Operations

1. Proceed with reengineering plans of the Bank's organizational structures, prepare job description cards and update policies and procedures manuals.
2. Expand the Bank's branches network locally and abroad, with the twin aim of increasing market share and maintaining its lead position in the local and regional banking sectors.
3. Develop and refurbish branches, to reflect the Bank's high quality and enhance its image.
4. Upgrade the Bank's information technology infrastructure, including the application of a new Core Banking System.
5. Enhance the Bank's electronic distribution channels, especially the number of ATMs, so as to help the Bank sustain its lead position in Jordan.
6. Begin construction work on the Bank's new Head Office building.

Customers

1. Carry on with plans to implement the Customers' Data Cleansing project, connecting them with the ICE system.
2. Increase customers' loyalty and satisfaction by:
 - Providing high quality and distinguished banking services.
 - Maintaining and enhancing business relations with existing customers while building strong business relations with new customers.
 - Developing, diversifying and providing new services and products, to meet the needs of all customers.

Human Resources

1. Develop employees' capabilities and skills.
2. Develop job evaluation bases and criteria; promote the concept of performance management; and enhance the Bank's compensation and benefits system.
3. Ensure employees' loyalty and satisfaction through:
 - Allow for internal movements and develop job substitution and succession plans.
 - Elevate the Bank's salary scale, to ensure that it remains competitive.
 - Continue to invest in training programs, giving employees the opportunity to obtain specialized professional and academic certificates in various fields.

Consolidated Financial Statements

I have chosen the HBTF as my bank due to its heritage and undisputed solid reputation.

Mr. Qais Ja'far - General Manager, Private Business





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

Report on The Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Housing Bank for Trade and Finance - Public Shareholding Company, which comprise of the consolidated statement of financial position as of December 31, 2010, consolidated income statement, consolidated statement of comprehensive income, 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 information.

Management's Responsibility for the Consolidated Financial Statements

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

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 entity'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 consolidated financial position of The Housing Bank for Trade and Finance as of December 31, 2010 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Legal & Regulatory Requirements

The Bank maintains proper accounting records, and the accompanying consolidated financial statements are in agreement with the financial data presented in the Board of Directors' report.

**Ernst and Young – Jordan
Amman – Jordan
January 27, 2011**

Consolidated Statement of Financial Position As of December 31

	Notes	2010 JD	2009 JD
ASSETS			
Cash and balances with central banks	4	1,560,185,378	1,478,337,776
Balances with banks and financial institutions	5	780,109,396	689,876,798
Deposits with banks and financial institutions	6	107,963,062	53,097,828
Financial assets held for trading	7	130,253	1,495,880
Financial assets designated at fair value through profit or loss	8	40,539,333	-
Direct credit facilities - net	9	2,449,148,398	2,368,648,748
Financial assets available for sale	10	932,475,022	581,008,188
Financial assets held to maturity	11	600,167,401	744,569,957
Property and equipment	12	102,914,317	93,025,899
Intangible assets	13	5,901,181	3,176,127
Deferred tax assets	19	17,672,877	9,199,723
Other assets	14	82,453,825	67,900,813
Total Assets		6,679,660,443	6,090,337,737
LIABILITIES AND EQUITY			
LIABILITIES			
Banks and financial institutions deposits	15	405,352,656	284,067,286
Customers' deposits	16	4,808,562,716	4,430,410,552
Margin accounts	17	295,034,707	289,680,522
Sundry provisions	18	22,342,648	18,719,304
Income tax provision	19	32,236,421	31,339,932
Deferred tax liabilities	19	652,748	1,006,216
Subordinated loans	20	7,885,154	-
Other liabilities	21	83,665,127	68,641,153
Total Liabilities		5,655,732,177	5,123,864,965
Equity			
EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS			
Paid-in capital	22	252,000,000	252,000,000
Share premium	22	357,925,469	357,925,469
Statutory reserve	23	106,409,104	96,660,257
Voluntary reserve	23	33,222,068	33,222,068
General banking risks reserve	23	22,450,000	22,450,000
Foreign currency translation reserve	24	(980,308)	1,733,632
Cumulative change in fair value – net	25	332,052	(2,840,657)
Retained earnings	26	148,771,404	129,917,723
Total Equity Attributable to the Bank's Shareholders		920,129,789	891,068,492
Non – Controlling Interest		103,798,477	75,404,280
Total Equity		1,023,928,266	966,472,772
Total Liabilities and Equity		6,679,660,443	6,090,337,737

The attached notes from 1 to 53 are part of these consolidated financial statements and should be read with them.

Consolidated Income Statement for the Year Ended December 31

	Notes	2010 JD	2009 JD
Interest income	28	281,129,562	292,906,561
Interest expense	29	(91,560,962)	(102,100,602)
Net Interest Income		189,568,600	190,805,959
Net commission income	30	32,242,372	33,451,519
Net Interest and Commission Income		221,810,972	224,257,478
Foreign currency exchange income	31	11,112,025	9,815,541
(Losses) gains from financial assets held for trading	32	(256,983)	94,989
Gains from financial assets designated at fair value through profit or loss	33	310,550	-
Gains from financial assets available-for-sale	34	6,744,248	1,967,649
Other income	35	24,296,242	24,289,226
Gross Income		264,017,054	260,424,883
Personnel costs	36	52,094,075	49,504,875
Depreciation and amortization	12,13	11,736,843	11,361,148
Other expenses	37	34,670,317	34,121,557
Impairment loss on direct credit facilities	9	46,193,594	64,542,482
Sundry provisions	18	2,920,257	3,880,697
Total Expenses		147,615,086	163,410,759
Profit before tax		116,401,968	97,014,124
Income tax expense	19	27,964,730	30,451,614
Profit for the year		88,437,238	66,562,510
Attributable to :			
Bank's Shareholders		78,976,269	59,896,310
Non-Controlling Interest		9,460,969	6,666,200
		88,437,238	66,562,510
Basic and diluted earnings per share from the profit for the year attributable to the Bank's shareholders	38	JD 0.313	JD 0.238

The attached notes from 1 to 53 are part of these consolidated financial statements and should be read with them.

Consolidated Statement of Comprehensive Income for the year ended December 31

	2010 JD	2009 JD
Profit for the year	88,437,238	66,562,510
Add : Other comprehensive income - net of tax		
Exchange differences on translation of foreign operations	(4,766,822)	1,104,611
Change in fair value - net	3,172,709	25,470,471
Total Other Comprehensive Income (Loss) for the year - Net of Tax	(1,594,113)	26,575,082
Total Comprehensive Income for the Year	86,843,125	93,137,592
Attributable to:		
Bank's shareholders	79,435,038	86,043,184
Non-controlling interest	7,408,087	7,094,408
	86,843,125	93,137,592

The attached notes from 1 to 53 are part of these consolidated financial statements and should be read with them.

Consolidated Statement of Changes in Equity for the year ended December 31, 2010

Equity Attributable to the Bank's shareholders

2010	Paid-in Capital	Share Premium	Reserves			Foreign Currency Translation Reserve	Cumulative Change in Fair Value-Net	Retained Earning	Total Equity Attributable to the Bank's Shareholders	Non-Con-trolling Interests	Total Equity
			Statutory	Voluntary	General Banking Risks						
Balance - beginning of the year	252,000,000	357,925,469	96,660,257	33,222,068	22,450,000	1,733,632	(2,840,657)	129,917,723	891,068,492	75,404,280	966,472,772
Total comprehensive income for the year	-	-	-	-	-	(2,713,940)	3,172,709	78,976,269	79,435,038	7,408,087	86,843,125
Increase in paid-in capital (subsidiary companies)	-	-	-	-	-	-	-	-	-	23,749,742	23,749,742
Transfer to/from reserves	-	-	9,748,847	-	-	-	-	(9,748,847)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(50,400,000)	(50,400,000)	(2,757,889)	(53,157,889)
Others	-	-	-	-	-	-	-	26,259	26,259	(5,743)	20,516
Balance - End of the Year	252,000,000	357,925,469	106,409,104	33,222,068	22,450,000	(980,308)	332,052	148,771,404	920,129,789	103,798,477	1,023,928,266

- Retained earnings include a restricted amount of JD 20,704,148 as of December 31, 2010 which represents the deferred tax assets and the negative cumulative change in fair value and reserve for prices fluctuation in Palestine branches (JD 12,040,380 as of December 31, 2009).
- The general banking risk reserve is a restricted reserve that cannot be utilized unless approval is obtained from the Central Bank of Jordan and the monitoring authorities.

Consolidated Statement of Changes in Equity for the year ended December 31, 2009

Equity Attributable to the Bank's shareholders

2009	Paid-in Capital	Share Premium	Reserves			Foreign Currency Translation Reserve	Cumulative Change in Fair Value-Net	Retained Earning	Total Equity Attributable to the Bank's Shareholders	Non-Con-trolling Interests	Total Equity
			Statutory	Voluntary	General Banking Risks						
Balance - beginning of the year	252,000,000	357,925,469	85,205,068	33,222,068	23,702,983	1,057,229	(28,311,128)	143,861,445	868,663,134	42,349,841	911,012,975
Total comprehensive income for the year	-	-	-	-	-	676,403	25,470,471	59,896,310	86,043,184	7,094,408	93,137,592
Increase in paid-in capital (subsidiary)	-	-	-	-	-	-	-	(558,948)	(558,948)	29,005,887	28,446,939
Transfer to/from reserves	-	-	11,455,189	-	(1,252,983)	-	-	(10,202,206)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(63,000,000)	(63,000,000)	(3,036,730)	(66,036,730)
Others	-	-	-	-	-	-	-	(78,878)	(78,878)	(9,126)	(88,004)
Balance - End of the Year	252,000,000	357,925,469	96,660,257	33,222,068	22,450,000	1,733,632	(2,840,657)	129,917,723	891,068,492	75,404,280	966,472,772

The attached notes from 1 to 53 are part of these consolidated financial statements and should be read with them.

Consolidated Statement of Cash Flows for the Year Ended December 31

	Notes	2010 JD	2009 JD
OPERATING ACTIVITIES			
Profit before tax		116,401,968	97,014,124
Adjustments for :			
Depreciation and amortization		11,736,843	11,361,148
Impairment loss on direct credit facilities		46,193,594	64,542,482
Unrealized loss from financial assets held for trading		188,853	180,631
Recovered impairment losses on financial assets available-for-sale		(1,477,421)	(3,669,639)
Effect of change in exchange rates on cash and cash equivalents		(5,652,459)	(5,143,867)
End-of-service indemnity expense		2,535,584	3,110,926
Premium and discount amortization		(7,441,271)	(10,792,124)
(Gains) from sale of property and equipment		(296,878)	(115,666)
Other provisions		2,920,257	3,880,697
Others		(3,809,003)	548,702
Cash Flows from Operating Activities before Changes in Assets and Liabilities		161,300,067	160,917,414
Changes in Assets and Liabilities			
(Increase) decrease in deposits with central banks (maturing after more than 3 months)		(34,900,000)	5,000,000
(Increase) in deposits with banks and financial institutions (maturing after more than 3 months)		(54,865,234)	(32,681,327)
(Increase) in direct credit facilities		(65,216,497)	(92,043,865)
Decrease in financial assets held for trading		1,176,774	4,045,268
Decrease (increase) in financial assets designated at fair value through profit or loss		2,823,201	-
(Increase) decrease in other assets		(11,429,807)	(17,098,813)
Increase (decrease) in banks and financial institutions deposits (maturing after more than 3 months)		34,424,718	(1,095,697)
Increase in customers' deposits		354,514,169	665,890,074
Increase (decrease) in margin accounts		5,354,185	(14,003,917)
Increase (decrease) in other liabilities		19,625,115	(7,530,563)
(Decrease) in sundry provisions		(1,832,497)	(4,260,730)
Net Cash Flows from Operating Activities before Income Tax Paid		410,974,194	667,137,844
Income tax paid		(30,317,150)	(45,329,196)
Net Cash Flows from Operating Activities		380,657,044	621,808,648
INVESTING ACTIVITIES			
(Purchase) of financial assets available for sale		(656,794,605)	(74,949,527)
Sale of financial assets available for sale		302,853,704	115,856,710
(Purchase) of financial assets held to maturity		(558,482,878)	(526,481,627)
Proceeds from redemption of financial assets held to maturity		748,181,557	422,406,639
Cash from acquisition of associate company	50	(109,252,026)	-
(Purchase) of property and equipment - net		(20,506,736)	(23,863,408)
Sale of property and equipment - net		1,062,049	217,362
(Purchase) of intangible assets		(787,053)	(652,287)
Net Cash Flows (used in) Investing Activities		(293,725,988)	(87,466,138)
FINANCING ACTIVITIES			
Increase in capital fees for subsidiaries		(75,272)	(558,948)
Loans and borrowings		-	(1,964,514)
Dividends paid to shareholders		(50,425,267)	(62,986,774)
Non-controlling interest - net		11,269,207	26,200,196
Net Cash Flows (used in) Financing Activities		(39,231,332)	(39,310,040)
Net Increase in Cash and Cash Equivalents		47,699,724	495,032,470
Effect of change in exchange rate on cash and cash equivalents			
Foreign currency translation reserve		(3,032,635)	676,403
Cash and cash equivalents - beginning of the year		1,884,630,696	1,383,777,956
Cash and Cash Equivalents - End of the Year	39	1,934,950,244	1,884,630,696

The attached notes from 1 to 53 are part of these consolidated financial statements and should be read with them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1- GENERAL

- The Housing Bank for Trade and Finance (the Bank) was established in 1973 and registered as a public shareholding company with its headquarters in Amman - Jordan in accordance with the Jordanian Companies Law 12 of 1964.

The Bank is engaged in all banking and financial activities through its headquarters in Amman and its branches in Jordan (110 branches) and abroad; Palestine and Bahrain (13 branches) and through its subsidiaries in Jordan, Syria, Algeria, and Great Britain.

- The Bank's shares are traded on Amman Stock Exchange.
- The consolidated financial statements were approved by the Bank's Board of Directors in their meeting No.1/1/2011 dated January 27, 2011. These consolidated financial statements 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 and interpretations of the International Financial Reporting Interpretation Committee arising from the International Accounting Standards Committee and in conformity with the local applicable laws and regulations and the regulations of the Central Bank of Jordan.
- The consolidated financial statements are prepared on the historical cost basis except for held-for-trading financial assets / liabilities, financial assets designated at fair value through profit or loss available-for-sale financial assets, and derivatives that appear at fair value as of the date of the consolidated financial statements. Moreover, financial assets and financial liabilities hedged against the risk of fluctuation in their value are stated at fair value.
- The consolidated 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 of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2010:

IFRS 2 Share-based Payment (Revised)

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The bank adopted this amendment as of 1 January 2010. It did not have an impact on the financial position or performance of the bank.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the



amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. 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. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy was applied prospectively and had no material impact on earnings per share. IFRS 3.64

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

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. 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 17 Distributions of Non-cash Assets to Owners

The interpretation has no effect on either, the financial position or performance of the Bank.

Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Bank and its subsidiaries over which the Bank has the power to control the financial and operating policies so as to obtain benefits from their activities. All balances, transactions, income, and expenses between the Bank and the following subsidiaries are eliminated:

- a. International Bank for Trade and Finance / Syria (paid-in capital Syrian Lira 5 billion, equivalent to JD 73.1 million, of which the Bank owns 49% as of December 31, 2010). The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In The main objective of this bank is to conduct commercial banking activities. In addition, the International Bank for Trade and Finance has a subsidiary company – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 Million SYL, whereas the Housing Bank for Trade and Finance own's a percentage of 5% of the company's capital.
- b. The Housing Bank for Trade and Finance – Algeria (paid-in capital Algerian Dinar 10 billion, of which the Bank owns 61.171% and 64.74% as of December 31, 2010 and 2009 respectively). The main objective of this bank is to conduct commercial banking activities.
- c. International Financial Center Company- Jordan (paid-in capital JD 4.5 million, of which the Bank owns 77.5% as of December 31, 2010). The Company's main activity is financial brokerage in local and foreign markets, and conducts purchase and sales transactions of financial instruments for customers and for the company it self. The general Assembly decided in its extra-ordinary meeting held on 21st March 2010 increase paid in capital by J.D. 500,000 to be J.D. 4,500,000 through the capitalization of retained earning of JD 500,000.

- d. Jordan and Palestine Financial Investment Company - Palestine (paid-in capital JD 1.6 million, of which the Bank owns 99.9% as of December 31, 2010). The Company's main activity is financial brokerage for its customers in Palestine financial market, investment management and issuing bonds and debentures.
 - e. Specialized Lease Finance Company - Jordan , of which the Bank owns 100% of paid- in capital of JD 20 million as of December 31, 2010. The Company's main activity is finance leases of various equipment and machinery in addition to real estate, land, and vehicles and other items that are purchased by the company for finance lease purposes.
 - f. Jordan Real Estate Investments Company - Jordan. The Bank owns 100% of this company's paid- in capital of JD 40,000 as of December 31, 2010. The company's main activity is to manage non - banking services personnel.
 - g. Jordan International Bank/ London (paid-in capital GBP 35 million equivalent to JD39.3 million) of which the bank owns 68.57% with a nominal value of one pound per share, equivalent to JD 39.3 million as of 31, December 2010.
- The results of operations of the subsidiaries are consolidated in the consolidated income statement from the acquisition date which is the date on which control over the subsidiaries is transferred to the Bank. The results of operations of the disposed of subsidiaries are consolidated in the consolidated income statement up to the disposal date which is the date on which the Bank loses control over the subsidiaries .
 - Non-controlling interest represents the portion of equity in the subsidiaries owned by others.

Segment Information

- Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors (measured in accordance with the reports sent to the chief operating decision maker).
- Geographical sector relates to the providing of products or services in a specific economic environment subject to risk and returns different from those of sectors functioning in other economic environments.

Financial Assets Held for Trading

- Financial assets held-for-trading are those purchased with the intent to resell them in the near future to generate gains as a result of the changes in the market prices of such assets.
- They are initially recognized at fair value when purchased (acquisition expenses are booked in the consolidated income statement). They are subsequently remeasured at fair value as of the date of the consolidated financial statements. All realized and unrealized gains or losses on such assets are charged to the consolidated 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 consolidated income statement.

Financial assets designated at fair value through profit or losses

Financial assets classified in this category are those that have been designated by management on initial recognition.

Financial assets at fair value through profit and loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded on financial assets through profit and loss in the consolidated income statement in the same period of that change.

Dividends and interest income are recorded in the income statement.

Direct Credit Facilities

- Direct credit facilities are financial assets with fixed installments initially granted or acquired by the Bank and has no market value in active markets.
- Provision for impairment of direct credit facilities is recognized when there is an objective event occurring after the initial recognition of the facility, that has a negative impact on the estimated future cash flows of the facilities and that can be reliably estimated. The impairment is charged to the consolidated income statement.
- Interest and commission on non-performing facilities are suspended according to the regulations of the Central Bank of Jordan.
- Loans and the related provision for impairment are written off when collection procedures become ineffective by deduction from the booked provision. The excess in the allowance of possible loan losses, if any, is transferred to the consolidated income statement, and cash recoveries of loans previously written off are credited to income.

Finance Leases Investments

Lease investments are classified in the consolidated financial statements as finance leases when all risks and benefits of ownership transfer to the lessee. 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 "if any".

Direct financing lease costs are included in the net present value of the lease.

Financial Assets Available-for-Sale

- Financial assets available-for-sale are those which do not qualify to be classified as held-for-trading or held-to-maturity.
- After initial measurement, financial assets available-for-sale are measured at fair value plus the acquisition expenses. Unrealized gains and losses are recognized as 'cumulative change in fair value reserve' in the statement of comprehensive income. When this financial asset is disposed of (completely or partially) or has been impaired, the gains or losses resulting there from are charged to the consolidated income statement. In addition to amounts previously recognized in the consolidated statement of comprehensive income.
- Impairment losses previously recognized in the consolidated income statement are reversed when there is objective evidence that the increase in fair value occurred in a period subsequent to the impairment. Reversal of impairment on equity instruments is reflected in the cumulative

change in fair value, while reversal of impairment on debt instruments recognized in the consolidated income statement.

- Gains or losses on debt instruments resulting from foreign exchange rate changes are transferred to the consolidated income statement. As for equity instruments, such gains and losses are transferred to the cumulative change in fair value, in the comprehensive income.
- Interest earned on available-for-sale financial investments is reported as interest income using the effective interest rate method in the consolidated income statement.
- Financial assets available for sale which can not be reliably measured at fair value are recorded at cost. Impairment on such assets is recognized in the consolidated income statement when incurred.

Financial Assets Held-to-Maturity

Financial assets held-to-maturity 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.

Financial assets held-to-maturity are recorded at cost (fair value) plus acquisition costs. Premiums and discounts are amortized in the consolidated income statement according to the effective interest rate method. Provisions associated with irrecoverable impairment in their value are deducted. Any impairment in assets is recorded in the consolidated income statement when incurred.

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 future cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.

The objective of the measurement methods is to obtain a fair value that reflects the market and takes into consideration the market factors and any risks or benefits. Where the fair value of an investment cannot be reliably measured, it is stated at cost after deducting any impairment in its value.

Impairment of Financial Assets

Assessment is made at the date of the consolidated statement of financial position 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 consolidated income statement.

Impairment is determined as follows:

- For financial assets carried at amortized cost: impairment is the difference between the carrying value and the estimated cash flows discounted at the original effective interest rate.

- For financial assets available for sale carried at fair value: impairment is the difference between the cost and fair value.
- For assets carried at cost: impairment is based on the difference between the carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment is recognized in the consolidated income statement. Any subsequent recovery of a previously recorded impairment of financial assets is charged to the consolidated income statement, except for financial assets classified as available-for-sale for which the reversal is recognized in the cumulative change in fair value.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except land) are depreciated when ready for use using the straight line method over its expected useful life. 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 charged to the consolidated income statement.
- Useful life of property and equipment is reviewed at each year end, changes in the expected useful life are treated as changes in accounting estimates.
- An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Provisions

Provisions are recognized when the Bank has an obligation at the date of the consolidated statement of financial position arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

End-of-Service Indemnity

Provision for end-of-service indemnity is booked 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 consolidated statement of financial position 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 financial statements. 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 the tax expected to be paid or recovered due to temporary differences 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 expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the consolidated statement of financial position.
- The carrying values of deferred tax assets are reviewed at the date of the consolidated financial statement 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 tax asset to be utilized.

Capital:

Cost of Issuing and Purchasing Paid-in Capital

Cost of issuing paid-in capital and costs of purchasing treasury shares are recorded in additional paid-in capital (net of tax). If such issuance and purchase are not completed, the related cost is recognized in the consolidated income statement.

Treasury Shares

Treasury shares are stated at cost. These shares have no voting rights and are not subject to any distributable dividends or income. No gain or loss is recognized in the consolidated income statement on the purchase, sale, issuance or cancellation of the Bank's own equity instruments. Gains from sale of treasury shares shall be recorded in equity, while losses shall be transferred to retained earnings when the paid-in capital balance is fully utilized.

Fiduciary Assets

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

Offsetting

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

Revenue and Expense Recognition

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

Expenses are recognized on an accrual basis.

Commission income is recognized upon the rendering of services. Dividend income is recognized when earned (when approved by the General Assembly).

Recognition Date of Financial Assets

Purchases and sales of financial assets are recognized on the trading date, i.e. the date on which the Bank commits to purchase or sell the financial asset.

Derivatives and Hedging Accounting

-Hedging Derivatives

In hedge accounting derivatives are recognized at fair value and are classified as follows:

-Fair value hedges

A fair value hedge is a hedge against changes in fair value of the Bank's assets and liabilities.

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognized in the consolidated 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 recognized in the consolidated income statement.

-Cash flow hedges

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

For designated and qualifying cash flows hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized in the consolidated statement of comprehensive income, and subsequently transferred to the consolidated income statement in the period in which the hedged cash flows affect income.

- Hedge of net investments in foreign operations

For designated and qualifying hedges of net investments in a foreign operation such hedges 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 recognized directly in the consolidated statement of comprehensive income, while the ineffective portion of the gain or loss on the hedging instrument is recognized in the consolidated income statement immediately. On disposal of the foreign operation, the ineffective position is recognized in the consolidated income statement.

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

Derivative financial instruments held for trading

Derivative financial instruments held for trading, such as foreign currency forward and future deals, interest rate forward and future deals, swaps, foreign currency options and others, are recorded at fair value in the consolidated statement of financial position. Fair value is determined by reference to current market prices. In case such prices were unavailable, the method of valuation is stated, and changes in fair value are transferred to the consolidated income statement.

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's consolidated financial statements due to the Bank's control of these assets and the fact that continuing exposure to the risks and rewards of these assets remains with the Bank. (where the buyer has the right to use these assets (sell or re-lien) they are reclassified as liened financial assets). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest rate method.

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

Assets Seized by the Bank


Assets seized by the Bank through calling upon collateral are shown in the consolidated statement of financial position under "other assets" at the lower of their carrying value or fair value. These assets are revalued at the date of the consolidated financial statements on an individual basis and losses from impairment are transferred directly to the consolidated income statement, while revaluation gains are not recognized 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 been charged to the consolidated income statement and loss been recognized for the asset in prior years.

Intangible Assets

a) Goodwill

- Goodwill is initially measured at cost; being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets as the date of acquisition. 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.

- Goodwill is allocated to each of the Bank's cash-generating units, or groups of cash-generating units for the purpose of impairment testing.

- 
- Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, at the date of the consolidated financial statements, 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 charged to the consolidated 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 are classified based on the assessment of their useful life to definite and indefinite.
- Intangible assets with definite lives are amortized over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date and impairment loss is charged to the consolidated income statement.
- Internally generated intangible assets are not capitalized and are expensed in the consolidated income statement.
- Indications of impairment of intangible assets are reviewed 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 during the year are recorded at the exchange rates prevailing at the date of the transaction.
- Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the date of the consolidated statement of financial position and declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains or losses resulting from foreign currency translation are charged to the consolidated income statement.
- Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

- When consolidating the financial statements, the assets and liabilities of foreign branches and subsidiaries are translated into the functional currency of each entity at the average exchange rates of the Central Bank of Jordan prevailing at the date of the consolidated statement of financial position. Income and expense items are translated at the average exchange rates for the period. Any exchange differences are taken directly to a foreign currency translation reserve within shareholders' equity. Exchange differences arising from the sale of foreign branches or subsidiaries are recorded as part of the revenues or expenses within the consolidated income statement.

Cash and Cash Equivalents

Cash and cash equivalents comprise 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

Preparation of the consolidated 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 comprehensive income. 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. Furthermore, actual results may differ resulting in future changes in such provisions.

The bank's management believe that consolidated financial statements estimates are reasonable. The details of these estimates are as follows:

- Provision for impairment in loans and facilities: The Bank reviews its loan portfolios according to the regulations of the Central Bank of Jordan and those of the countries where the Bank operates. The related provision is computed using the most conservative method.
- Impairment losses on repossessed assets are determined based on the appraisal reports prepared by certified appraisers and are reviewed periodically.
- The income tax provision is calculated based on the prevailing laws and regulations and International Financial Reporting Standards. Moreover, deferred tax assets and liabilities and the related provision are recorded.
- Management periodically re-evaluates the useful lives of the tangible and intangible assets in order to assess the depreciation and amortization for the year based on the useful life and the general status of these assets. Any related impairment is charged to the consolidated income statement.
- Financial assets are stated at cost and reviewed periodically and any impairment is charged to the consolidated income statement.
- Legal provisions are taken for lawsuits raised against the Bank based on the Bank legal advisor's opinion.

-Fair value hierarchy

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

4-CASH AND BALANCES WITH CENTRAL BANKS

This item consists of the following:

December 31		
	2010 JD	2009 JD
Cash in treasury	130,419,933	118,408,746
Balances at central banks :		
Current accounts and demand deposits	853,414,252	912,637,008
Term and notice deposits	179,689,436	120,970,693
Statutory cash reserve	361,761,757	326,321,329
Certificates of deposit *	34,900,000	-
Total	1,560,185,378	1,478,337,776

- Except for the statutory cash reserve at Central Banks and the Authorities, there are no restricted balances.

*This item represents the certificates of deposit purchased from the Central Bank of Jordan maturing within a period of more than three months as of December 31, 2010.

5-BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	December 31,		December 31,		December 31,	
	2010	2009	2010	2009	2010	2009
	JD		JD		JD	
Current accounts and demand deposits	2,075,962	65,432	113,906,951	44,403,444	115,982,913	44,468,876
Deposits maturing within or less than 3 months	2,127,000	3,545,000	661,999,483	638,936,922	664,126,483	642,481,922
Certificates of deposit	-	-	-	2,926,000	-	2,926,000
Total	4,202,962	3,610,432	775,906,434	686,266,366	780,109,396	689,876,798

- Non-interest bearing balances at banks and financial institutions amounted to JD 17,593,415 as of December 31, 2010 (JD 10,986,699 as of December 31, 2009).

6-DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	Foreign Banks and Financial Institutions	
	December 31, 2010 JD	December 31, 2009 JD
Deposits maturing within		
3 to 6 months	98,978,678	48,295,530
More than a year	2,060,323	-
Certificates of deposit maturing within		
3 to 6 months	-	1,463,000
6 to 9 months	-	3,339,298
More than a year	6,924,061	-
Total	107,963,062	53,097,828

7-FINANCIAL ASSETS HELD FOR TRADING

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Listed shares	130,253	1,495,880
Total	130,253	1,495,880

8- FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Quoted Financial Assets:		
Governmental guaranteed bonds	13,775,909	-
Corporate bonds and debentures	26,763,424	-
Total	40,539,333	-

Analysis of debt instruments :		
Fixed rate return	40,539,333	-
Total	40,539,333	-

9- DIRECT CREDIT FACILITIES – NET

This item consists of the following:

	December 31, 2010 JD	December 31, 2009 JD
Retail Customers:		
Overdrafts	11,900,662	12,493,095
Loans and discounted bills *	417,674,068	384,734,596
Credit cards	10,289,191	10,670,925
Real Estate Mortgages Includes:	517,958,551	490,425,933
Housing Loans	390,655,380	375,932,244
Corporate Entities:		
Large Corporate Customers		
Overdrafts	279,660,397	276,134,532
Loans and discounted bills *	860,967,881	898,286,516
SMEs		
Overdraft	117,331,476	105,097,418
Loans and discounted bills *	150,940,251	170,514,502
Governmental and public sector	262,441,389	144,978,863
Total	2,629,163,866	2,493,336,380
Less : Provision for impairment in direct credit facilities	(142,807,898)	(100,463,002)
Suspended interest	(37,207,570)	(24,224,630)
Net Direct Credit Facilities	2,449,148,398	2,368,648,748

* Net of interest and commission received in advance amounting to JD 23,526,383 as of December 31, 2010 (JD 27,973,996 as of December 31, 2009).

- Non-performing credit facilities amounted to JD 261,941,456 representing (9.96%) of total direct credit facilities as of December 31, 2010 (JD 176,968,840, representing (7.1%) as of December 31, 2009).
- Non-performing credit facilities net of interest in suspense amounted to JD 226,264,216 representing (8.72%) of total direct credit facilities net of interest in suspense as of December 31, 2010 (JD 156,808,815 representing (6.35%) as of December 31, 2009).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 82,410,650 representing (3.13%) of total direct credit facilities as of December 31, 2010 (JD 88,673,116 representing (3.56%) as of December 31, 2009).

Provision for impairment in direct credit facilities

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

2010	Retail JD	Real Estate Mortgages JD	CORPORATE ENTITIES		Total JD
			Corporate JD	SMEs JD	
Balance – beginning of the year	10,617,017	10,694,123	62,528,275	16,623,587	100,463,002
provision for the year	2,635,210	172,872	39,415,053	3,970,459	46,193,594
Balance resulting from acquisition of a subsidiary	-	-	436,258	-	436,258
Amounts written off	(282,369)	(6,548)	(3,655,011)	(341,028)	(4,284,956)
Balance – End of the Year	12,969,858	10,860,447	98,724,575	20,253,018	142,807,898
Provision for impairment	12,318,883	10,509,391	97,543,962	20,138,152	140,510,388
Watch list allowance	650,975	351,056	1,180,613	114,866	2,297,510
Total	12,969,858	10,860,447	98,724,575	20,253,018	142,807,898

2009	Retail JD	Real Estate Mortgages JD	CORPORATE ENTITIES		Total JD
			Corporate JD	SMEs JD	
Balance – beginning of the year	9,016,595	7,324,960	7,733,064	12,500,966	36,575,585
provision for the year	1,740,938	3,378,683	55,108,474	4,314,387	64,542,482
Amounts written off	(140,516)	(9,520)	(313,263)	(191,766)	(655,065)
Balance – End of the Year	10,617,017	10,694,123	62,528,275	16,623,587	100,463,002
Provision for impairment	9,908,602	10,361,590	61,536,025	16,512,017	98,318,234
Watch list allowance	708,415	332,533	992,250	111,570	2,144,768
Total	10,617,017	10,694,123	62,528,275	16,623,587	100,463,002

- The surplus in provision which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 5,503,830 as of December 31, 2010 (JD 5,194,621 as of December 31, 2009).

Interest in suspense

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

2010	Retail JD	Real Estate Mortgages JD	CORPORATE ENTITIES		Total JD
			Corporate JD	SMEs JD	
Balance – beginning of the year	4,395,136	5,628,044	8,468,015	5,733,435	24,224,630
Add: Suspended interest during the year	1,554,409	3,537,320	12,979,209	5,117,558	23,188,496
Less: Interest transferred to income	(297,143)	(2,790,578)	(2,385,666)	(2,971,916)	(8,445,303)
Interest in suspense written off	(519,087)	(252,465)	(490,439)	(498,262)	(1,760,253)
Balance – End of the Year	5,133,315	6,122,321	18,571,119	7,380,815	37,207,570

2009	Retail JD	Real Estate Mortgages JD	CORPORATE ENTITIES		Total JD
			Corporate JD	SMEs JD	
Balance – beginning of the year	3,427,643	4,571,665	2,614,566	4,133,988	14,747,862
Add: Suspended interest during the year	1,800,086	2,187,618	6,999,091	2,500,619	13,487,414
Less: Interest transferred to income	(489,117)	(1,032,917)	(878,356)	(512,223)	(2,912,613)
Interest in suspense written off	(343,476)	(98,322)	(267,286)	(388,949)	(1,098,033)
Balance – End of the Year	4,395,136	5,628,044	8,468,015	5,733,435	24,224,630

10- FINANCIAL ASSETS AVAILABLE-FOR-SALE

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Quoted Financial Assets:		
Governmental guaranteed bonds	706,450,071	341,480,322
Corporate bonds and debentures	141,290,911	124,058,099
Corporate shares	10,385,650	11,353,377
Funds	32,447,842	61,793,506
Total Quoted Financial Assets	890,574,474	538,685,304
Unquoted Financial Assets :		
Corporate bonds and debentures	27,911,262	25,676,573
Corporate shares	13,989,286	16,646,311
Total Unquoted Financial Assets	41,900,548	42,322,884
Total	932,475,022	581,008,188
Analysis of debt instruments :		
Fixed rate return	773,112,014	366,761,745
Variable rate return	102,540,230	124,453,249
Total	875,652,244	491,214,994

- The maturity terms of bonds ranges from one month to 5.9 years.

- Included in investments in corporate shares is an amount of JD 13,989,286 as of December 31, 2010 (JD 16,646,313 as of December 31, 2009) stated at cost since its fair value cannot be measured reliably. Impairment in the value of these shares of JD 8,793 was charged to the consolidated income statement for the year ended December 31, 2010 (JD 9,012 for the year ended December 31, 2009).

11- FINANCIAL ASSETS HELD-TO-MATURITY

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Quoted Financial Assets:		
Treasury governmental bills	432,812,009	423,491,628
Governmental guaranteed bonds	74,228,942	235,984,929
Corporate bonds and debentures	86,290,449	72,257,399
Total Quoted Financial Assets	593,331,400	731,733,956

Unquoted Financial Assets :		
Corporate bonds and debentures	6,836,001	12,836,001
Total Unquoted Financial Assets	6,836,001	12,836,001
Total	600,167,401	744,569,957

Analysis of debt instruments:

Fixed rate return	522,597,506	660,161,240
Variable rate return	77,569,895	84,408,717
Total	600,167,401	744,569,957

- The maturity term of bonds ranges from one month to 9 years.
- The bonds mature on several batches the last of which is payable on December 16, 2019.
- The bonds average annual interest rate is ranging between 0.35% and 8.419%.

12- PROPERTY AND EQUIPMENT

This item consists of the following:

2010	Lands	Buildings	Equip- ment, Fur- niture and Fixtures	Vehicles	Hardware	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance – beginning of the year	16,551,241	34,609,231	51,045,954	2,014,364	29,017,258	5,858,315	139,096,363
Property and equipment from acquisition of subsidiary	-	-	661,018	-	433,193	-	1,094,211
Additions	3,223,003	4,557,536	7,900,770	146,969	7,195,781	-	23,024,059
Disposals	-	-	(548,836)	(156,026)	(2,464,159)	(23,293)	(3,192,314)
Foreign currency exchange differences	7,179	114,495	(91,125)	(3,294)	(12,623)	-	14,632
Balance – End of the Year	19,781,423	39,281,262	58,967,781	2,002,013	34,169,450	5,835,022	160,036,951
Accumulated Depreciation :							
Balance - beginning of the year	-	4,884,907	31,660,794	1,438,050	20,916,862	4,113,515	63,014,128
Accumulated depreciation from acquisition of subsidiary	-	-	464,764	-	164,924	-	629,688
Annual depreciation	-	835,491	4,746,646	226,650	3,743,325	497,318	10,049,430
Disposals	-	-	(408,186)	(149,610)	(2,276,132)	(16,743)	(2,850,671)
Foreign currency exchange differences	-	(12,962)	(32,570)	1,656	(6,174)	-	(50,050)
Balance – End of the Year	-	5,707,436	36,431,448	1,516,746	22,542,805	4,594,090	70,792,525
Net book value of Property and Equipment	19,781,423	33,573,826	22,536,333	485,267	11,626,645	1,240,932	89,244,426
Payments on purchased property and equipment	-	-	875,778	60,086	27,734	-	963,598
Projects under construction	-	12,706,293	-	-	-	-	12,706,293
Net Book Value – End of the Year	19,781,423	46,280,119	23,412,111	545,353	11,654,379	1,240,932	102,914,317

2009	Lands	Buildings	Equip- ment, Fur- niture and Fixtures	Vehicles	Hard- wares	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance – beginning of the year	16,517,103	20,248,408	44,736,803	2,054,562	29,413,882	4,420,542	117,391,300
Additions	-	14,275,984	7,412,476	80,880	3,646,872	1,460,432	26,876,644
Disposals	(2,041)	(7,553)	(1,094,848)	(122,889)	(4,061,700)	(22,659)	(5,311,690)
Foreign currency exchange differences	36,179	92,392	(8,477)	1,811	18,204	-	140,109
Balance – End of the Year	16,551,241	34,609,231	51,045,954	2,014,364	29,017,258	5,858,315	139,096,363
Accumulated Depreciation :							
Balance - beginning of the year	-	4,271,030	28,443,236	1,308,119	21,903,912	3,505,801	59,432,098
Annual depreciation	-	617,249	4,310,594	243,319	3,007,918	607,714	8,786,794
Disposals	-	-	(1,081,195)	(118,302)	(4,000,903)	-	(5,200,400)
Foreign currency exchange differences	-	(3,372)	(11,841)	4,914	5,935	-	(4,364)
Balance – End of the Year	-	4,884,907	31,660,794	1,438,050	20,916,862	4,113,515	63,014,128
Net book value of Property and Equipment	16,551,241	29,724,324	19,385,160	576,314	8,100,396	1,744,800	76,082,235
Payments on purchased property and equipment	-	-	556,166	3,453	4,820,561	-	5,380,180
Projects under construction	-	11,563,484	-	-	-	-	11,563,484
Net Book Value – End of the Year	16,551,241	41,287,808	19,941,326	579,767	12,920,957	1,744,800	93,025,899

- Property and equipment include fully depreciated assets amounted to JD 29,704,190 as of December 31, 2010 (JD 26,073,352 as of December 31, 2009).
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are included in Note (49).

13- INTANGIBLE ASSETS

This item consists of the following:

	December 31, 2010			December 31, 2009		
	Software JD	Goodwill* JD	Total JD	Software JD	Goodwill* JD	Total JD
Beginning Balance	2,817,730	358,397	3,176,127	4,725,861	372,333	5,098,194
Additions **	843,237	3,569,230	4,412,467	666,223	-	666,223
Disposals	-	-	-	-	(13,936)	(13,936)
Amortization for the year	(1,687,413)	-	(1,687,413)	(2,574,354)	-	(2,574,354)
Ending Balance	1,973,554	3,927,627	5,901,181	2,817,730	358,397	3,176,127

* The goodwill resulted from acquiring an additional share of the Bank's subsidiary (The Housing Bank for Trade and Finance/ Algeria) from one of the major shareholders during the year 2008. In addition to the acquisition of 68.57% in Jordan International Bank in 2010.

* Goodwill was tested for impairment and no impairment was identified.

** The addition in the software include item includes JD 274,997 as of December 31, 2010 (JD 399,575 as of December 31, 2009), representing payments on account for purchase of computer software.

14-OTHER ASSETS

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Accrued revenues and interests	16,681,364	16,155,081
Prepaid expenses	3,915,623	3,543,468
Assets repossessed by the Bank *	11,179,919	5,899,515
Cheques under collection	21,602,465	29,430,032
Projects under construction	5,908,302	4,012,854
Other	23,166,152	8,859,863
Total	82,453,825	67,900,813

* The movement on assets repossessed by the Bank, "representing real estate and land", is as follows:

	2010	2009
	JD	JD
Beginning Balance	5,899,515	5,573,297
Additions	5,512,757	1,342,368
Disposals	(232,353)	(1,016,150)
Ending Balance	11,179,919	5,899,515

15- BANKS AND FINANCIAL INSTITUTIONS DEPOSITS

This item consists of the following:

	December 31, 2010			December 31, 2009		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Current accounts and demand deposits	2,171,274	83,660,106	85,831,380	18,909,543	89,750,226	108,659,769
Deposits due within 3 months	2,237,334	282,375,816	284,613,150	7,153,514	167,770,595	174,924,109
Deposits due within 3 - 12 months	-	8,126	8,126	-	483,408	483,408
Certificate of deposit due within 3-6 months	34,900,000	-	34,900,000	-	-	-
Total	39,308,608	366,044,048	405,352,656	26,063,057	258,004,229	284,067,286

16- CUSTOMERS' DEPOSITS

This item consists of the following:

2010	Retail JD	Corporate JD	SMEs JD	Government and Public Sector JD	Total JD
Current accounts and demand deposits	651,789,071	197,793,419	254,532,352	45,031,042	1,149,145,884
Saving deposits	1,305,673,879	12,110,946	32,384,458	387,652	1,350,556,935
Time and notice deposits	1,453,059,824	565,517,564	108,460,302	173,314,511	2,300,352,201
Certificates of deposit	7,919,644	-	-	-	7,919,644
Others	588,052	-	-	-	588,052
Total	3,419,030,470	775,421,929	395,377,112	218,733,205	4,808,562,716

2009	Retail JD	Corporate JD	SMEs JD	Government and Public Sector JD	Total JD
Current accounts and demand deposits	563,405,512	183,843,610	207,140,517	75,437,050	1,029,826,689
Saving deposits	1,131,089,659	767,096	34,121,547	203,480	1,166,181,782
Time and notice deposits	1,386,902,843	503,162,663	135,022,005	205,273,155	2,230,360,666
Certificates of deposit	3,237,495	-	128,257	-	3,365,752
Others	675,663	-	-	-	675,663
Total	3,085,311,172	687,773,369	376,412,326	280,913,685	4,430,410,552

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 208.6 million, representing (4.3%) of total deposits as of December 31, 2010 (JD 276.4 million, representing (6.2%) of total deposits as of December 31, 2009).
- Non-interest bearing deposits amounted to JD 1,185 million, representing (24.6%) of total deposits as of December 31, 2010 (JD 996 million, representing 22.5% of total deposits as of December 31, 2009).
- Restricted deposits amounted to JD 85.9 million, representing (1.8%) of total deposits as of December 31, 2010 (JD 59.7 million, representing (1.3%) of total deposits as of December 31, 2009).
- Dormant accounts amounted to JD 48.1 million, representing (1%) of total deposits as of December 31, 2010 (JD 40.5 million, representing (0.9%) of total deposits as of December 31, 2009).

17-MARGIN ACCOUNTS

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Margins against direct credit facilities	144,996,591	160,035,718
Margins against indirect credit facilities	148,762,096	126,799,402
Margin dealings	932,628	2,675,101
Other margins	343,392	170,301
Total	295,034,707	289,680,522

18- SUNDRY PROVISIONS

This item consists of the following:

2010	Beginning Balance	Provision for the Year	Provision Used During the Year	Reversed to Revenue	Ending Balance
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	13,602,376	2,535,584	(959,986)	-	15,177,974
Provision for outstanding lawsuits against the bank	635,044	364,826	(125,463)	-	874,407
Other provisions	4,481,884	2,555,431	(747,048)	-	6,290,267
Total	18,719,304	5,455,841	(1,832,497)	-	22,342,648

2009	Beginning Balance	Provision for the Year	Provision Used During the Year	Reversed to Revenue	Ending Balance
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	12,163,717	3,110,926	(1,672,267)	-	13,602,376
Provision for outstanding lawsuits against the bank	385,651	257,649	(8,256)	-	635,044
Other provisions	3,439,043	3,623,048	(2,580,207)	-	4,481,884
Total	15,988,411	6,991,623	(4,260,730)	-	18,719,304

19- INCOME TAX

A- Provision for Income Tax

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

	2010	2009
	JD	JD
Beginning balance	31,339,932	50,089,827
Income tax paid	(30,317,150)	(45,329,196)
Provision for income tax for the year	31,213,639	26,579,301
Ending Balance	32,236,421	31,339,932

-Income tax has been settled up to the year 2009 for Jordan and Palestine branches and the Bank's subsidiaries.

Income tax in the consolidated income statement represents the following:

	2010	2009
	JD	JD
Current year provision for income tax	31,213,639	26,579,301
Deferred tax assets for the year	(7,510,455)	(4,422,497)
Amortization of deferred tax assets	4,261,546	8,294,810
Total	27,964,730	30,451,614

B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

	2010					2009
	Beginning Balance JD	Amounts Released JD	Amounts Added JD	Ending Balance JD	Deferred Tax JD	Deferred Tax JD
Assets						
Suspended interest	554,500	1,260,282	1,891,906	1,186,124	336,775	157,367
Allowance for loans	5,473,203	8,341,385	8,905,200	6,037,018	1,714,084	1,553,295
Provision for indemnities	11,646,995	657,443	2,204,010	13,193,562	3,746,035	3,305,417
Impairment in real estate	128,431	-	136,768	265,199	75,298	36,449
Other provisions	4,596,846	872,511	2,897,876	6,622,211	1,880,238	1,304,585
Employess Incentive	3,169,000	3,169,000	3,972,500	3,972,500	1,127,908	899,362
Impairment on financial assets	6,847,244	708,575	-	6,138,669	1,742,946	1,943,248
Accumalated losses Jordan International Bank/London	-	-	25,174,760	25,174,760	7,049,593	-
TOTAL	32,416,219	15,009,196	45,183,020	62,590,043	17,672,877	9,199,723
Liabilities						
Cumulative change in the fair value of financial assets available-for-sale	3,545,510	1,727,128	480,600	2,298,982	652,748	1,006,216
TOTAL	3,545,510	1,727,128	480,600	2,298,982	652,748	1,006,216

The movement on the deferred income tax assets / liabilities is as follows:

	2010		2009	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	9,199,723	1,006,216	13,072,036	53,035
Additions	12,734,700	136,914	4,422,497	1,006,216
Deductions	(4,261,546)	(490,382)	(8,294,810)	(53,035)
Ending Balance	17,672,877	652,748	9,199,723	1,006,216

C- Reconciliation of the accounting profit with taxable profit:

	2010	2009
	JD	JD
Accounting profit for the year	116,401,968	97,014,124
Non taxable income	(25,043,249)	(35,491,119)
Expenses not deductible for tax purposes	18,658,933	7,719,743
Taxable Profit	110,017,652	69,242,748
Effective income tax rate	24%	31%

- The legal income tax rate on banks in Jordan is 30%. The income tax rates in the countries in which the Bank has investments range between 0% and 30%.
- The tax rate on deferred tax assets is between 28% and 30%.

20- SUBORDINATED LOANS

During 2008, Jordan International Bank / London", a subsidiary of The Housing Bank for Trade and Finance, signed a loan convention amounted to 15 million U.S. dollars with several Jordanian banks upon five years. The loan Bears interest of Libor plus margin interest to be paid every 6 months.

21- OTHER LIABILITIES

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Accrued interest	9,413,954	7,331,777
Interests and commissions received in advance	744,920	1,057,337
Accrued expenses	10,622,994	8,363,394
Certified cheques	31,518,525	26,377,012
Transfers deposits	2,492,825	5,072,918
Payment trusts	2,677,636	2,605,663
Prizes trusts	1,358,531	716,861
Correspondent banks trusts	452,608	595,205
General management trusts	1,450,128	1,008,152
Dividends payable *	758,715	783,982
Accounts payable	6,400,607	2,048,526
Jordanian Universities fees	814,230	958,009
Scientific Research support Fund	-	719,717
Vocational and Technical Education and Training Support Fund fees	-	631,906
Other deposits	7,471,156	6,460,086
Other	7,488,298	3,910,608
Total	83,665,127	68,641,153

* This item represents prior years dividends payable to shareholders

22- PAID-IN CAPITAL AND SHARE PREMIUM

Paid-in capital

Authorized and paid in capital amounted to JD 252 million divided into 252 million shares at a par value of JD 1 per share.

Share premium

Share premium amounted to JD 357,925,469 as of December 31, 2010 and 2009.

23- RESERVES

Statutory Reserve

As required by the Jordanian Banks and companies laws, 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 to shareholders.

Voluntary Reserve

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

General Banking Risk Reserve

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

Restricted reserves are as follows:

Reserve	December 31, 2010 JD	December 31, 2009 JD	Type of Restriction
General banking risk reserves	22,450,000	22,450,000	According to the regulations of the Central Bank of Jordan
Statutory reserve	106,409,104	96,660,257	According to the Companies and Banks Laws

24-FOREIGN CURRENCY TRANSLATION RESERVE

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

	2010 JD	2009 JD
Beginning balance	1,733,632	1,057,229
Net changes during the year	(2,713,940)	676,403
Ending Balance	(980,308)	1,733,632

25- CUMULATIVE CHANGE IN FAIR VALUE - NET

This item consists of the following:

	2010			
	Shares	Bonds	Investment Funds	Total
	JD	JD	JD	JD
Beginning balance	2,539,294	(3,834,661)	(1,545,290)	(2,840,657)
Unrealized gains (losses)	(823,972)	3,278,732	2,157,088	4,611,848
Deferred tax liabilities	353,468	-	-	353,468
Realized (gains) losses transferred to the consolidated income statement	(614,494)	-	308,101	(306,393)
Impairment charged (recovered) in the consolidated income statement	191,938	(598,813)	(1,079,339)	(1,486,214)
Ending Balance *	1,646,234	(1,154,742)	(159,440)	332,052

	2009			
	Shares	Bonds	Investment Funds	Total
	JD	JD	JD	JD
Beginning balance	(541,660)	(14,931,231)	(12,838,237)	(28,311,128)
Unrealized gains (losses)	505,953	10,900,099	13,807,628	25,213,680
Deferred tax liabilities	(953,181)	-	-	(953,181)
Realized (gains) losses transferred to the consolidated income statement	3,528,182	-	1,360,442	4,888,624
Impairment charged (recovered) in the consolidated income statement	-	196,471	(3,875,123)	(3,678,652)
Ending Balance *	2,539,294	(3,834,661)	(1,545,290)	(2,840,657)

* The cumulative change in fair value is stated net of deferred tax liabilities amounting to JD 652,748 (JD 1,006,216 for the previous year).

26- RETAINED EARNINGS

An amount of JD 20,704,148 of retained earnings as of December 31, 2010 is restricted against deferred tax assets, the negative balances in the cumulative change in fair value and provision of periodic fluctuation for Palestine branches (JD 12,040,380 as of December 31, 2009).

27- PROPOSED DIVIDENDS

The proposed cash dividends for the current year amounted to JD 0.250 per share equivalent to (25%) of paid-up capital subject to the approval of the General Assembly of Shareholders. (20% for the last year).

28-INTEREST INCOME

This item consists of the following:

	2010	2009
	JD	JD
Direct Credit Facilities:		
Individual retail customer:-		
Overdraft	997,183	936,432
Loans and discounted bills	40,697,292	41,260,566
Credit cards	2,277,719	2,501,718
Other	412,630	271,120
Real estate mortgages	40,708,514	36,492,444
LARGE CORPORATE CUSTOMERS:		
Overdraft	16,916,899	21,856,390
Loans and discounted bills	51,033,749	52,844,741
SMEs		
Overdraft	10,833,433	9,692,866
Loans and discounted bills	13,293,705	16,122,382
Government and Public Sector	15,897,837	15,677,618
Balances with central banks	17,117,764	20,302,884
Balances and deposits with banks and financial institutions	13,233,664	11,593,305
Financial assets designated at fair value through profit or loss	624,105	-
Financial assets available-for-sale	33,170,237	29,665,049
Financial assets held-to-maturity	23,914,831	33,689,046
Total	281,129,562	292,906,561

29- INTEREST EXPENSE

This item consists of the following:

	2010	2009
	JD	JD
Banks and financial institutions deposits	2,553,195	3,364,333
Customers deposits :		
Current accounts and demand deposits	1,013,206	1,468,396
Saving deposits	11,847,624	9,855,232
Time and notice deposits	62,464,308	76,665,948
Certificates of deposit	129,686	107,877
Other	417,695	4,750
Margin accounts	4,282,428	5,107,542
Subordinated loans	39,881	-
Loans and borrowings	2,192,354	11,517
Deposits insurance fees	6,620,585	5,515,007
Total	91,560,962	102,100,602

30- NET COMMISSION INCOME

This item consists of the following:

	2010	2009
	JD	JD
Commission income :		
Direct credit facilities	12,520,618	14,188,753
Indirect credit facilities	20,197,544	19,537,005
Less: Commission expense	(475,790)	(274,239)
Net Commission Income	32,242,372	33,451,519

31- FOREIGN EXCHANGE INCOME

This item consists of the following:

	2010	2009
	JD	JD
From trading	5,459,566	4,671,674
From re-valuation	5,652,459	5,143,867
Total	11,112,025	9,815,541

32- (LOSSES) GAINS FROM FINANCIAL ASSETS HELD-FOR-TRADING

This item consists of the following:

2010	Realized		Unrealized		Dividends Received JD	Total JD
	Gain JD	(Loss) JD	Gain JD	(Loss) JD		
Corporate shares	44,910	(150,965)	2,008	(194,095)	41,159	(256,983)
Total	44,910	(150,965)	2,008	(194,095)	41,159	(256,983)

2009	Realized		Unrealized		Dividends Received JD	Total JD
	Gain JD	(Loss) JD	Gain JD	(Loss) JD		
Bonds	2,746	-	-	-	-	2,746
Corporate shares	336,778	(95,773)	134,555	(315,186)	31,869	92,243
Total	339,524	(95,773)	134,555	(315,186)	31,869	94,989

33- GAINS FROM FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

This item consists of the following:

	2010	2009
	JD	JD
Realized gains	3,385	-
Unrealized gains	307,165	-
Total	310,550	-

34- GAINS FROM FINANCIAL ASSETS AVAILABLE-FOR-SALE

This item consists of the following:

	2010	2009
	JD	JD
Corporate shares dividends income	3,087,090	2,355,592
Gains (Losses) from the sale of financial assets available-for-sale	1,010,692	(4,057,582)
Recovery of impairment of financial assets available-for-sale	1,477,421	3,669,639
Gains from evaluation of investments profits have been re-classified as investments in subsidiaries company	1,169,045	-
Total	6,744,248	1,967,649

35- OTHER INCOME

This item consists of the following:

	2010	2009
	JD	JD
Fees on salaries accounts	2,763,309	2,835,533
Credit cards income	3,777,995	3,407,950
Safety deposit box rental income	263,351	253,937
Commissions on returned checks	640,245	632,969
Management fees	4,553,861	4,175,776
Net income from recovered loans	417,265	998,759
Net bonded income	88,021	187,283
Miscellaneous income	1,603,732	2,512,643
Brokerage services fees	1,227,321	1,599,444
Banking services fees	2,063,648	1,592,549
Income on transfers	6,897,494	6,092,383
Total	24,296,242	24,289,226

36- PERSONNEL COSTS

This item consists of the following:

	2010	2009
	JD	JD
Salaries, benefits and allowances	41,749,838	39,317,208
Bank's contribution in social security	3,778,960	3,490,778
Bank's contribution in the saving fund	118,757	123,167
End-of-service indemnity	2,535,584	3,110,926
Medical expenses	1,646,565	1,467,981
Training expenses	735,985	413,501
Travel and transportation expenses	864,135	880,703
Other	664,251	700,611
Total	52,094,075	49,504,875

37- OTHER EXPENSES

This item consists of the following:

	2010	2009
	JD	JD
Information technology	5,617,089	5,834,849
Marketing and promotion	3,846,347	2,849,486
External and Professional services	1,062,754	1,194,968
Rents and workplace	11,574,707	11,578,762
Financial institutions subscription fees	1,530,640	1,304,916
Office	2,019,135	1,966,513
Jordanian Universities fees	814,230	2,290,915
Fees on credit facilities processing	598,365	574,797
Other	7,607,050	6,526,351
Total	34,670,317	34,121,557

38- EARNINGS PER SHARE

This item consists of the following:

	2010	2009
	JD	JD
Profit for the year	78,976,269	59,896,310
Weighted average number of shares	252,000,000	252,000,000
Basic and diluted earnings per share from the profit for the year attributable to the Bank's shareholders	JD 0.313	JD 0.238

39- CASH AND CASH EQUIVALENTS

This item consists of the following:

	December 31, 2010	December 31, 2009
	JD	JD
Cash and balances with central banks maturing within 3 months	1,525,285,378	1,478,337,776
Add: Balances with banks and financial institutions maturing within 3 months	780,109,396	689,876,798
Less : Banks and financial institutions deposits maturing within 3 months	370,444,530	283,583,878
Net Cash and Cash Equivalent	1,934,950,244	1,884,630,696

40- DERIVATIVE INSTRUMENTS

This item consists of the following:

2010	Positive Fair Value	Negative Fair Value	Nominal Value	Due in Three Months
	JD	JD	JD	JD
Financial derivatives held for Trading:				
Forward foreign currencies sale contracts	-	35,352	30,253,575	-
Hedging interest contracts	46,817	3,175,364	45,645,746	-
Total	46,817	3,210,716	75,899,321	-

2009	Positive Fair Value	Negative Fair Value	Nominal Value	Due in Three Months
	JD	JD	JD	JD
Financial derivatives held for Trading:				
Forward foreign currencies sale contracts	-	-	-	-
Interest rate swap contracts	469	-	22,187,852	469
Total	469	-	22,187,852	469

Nominal value represents the value of transactions outstanding at year-end and does not refer to market risks or credit risks.

41- RELATED PARTY TRANSACTIONS

These consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership 2010	Company's Capital	
		December 31, 2010 JD	December 31, 2009 JD
The Housing Bank for Trade and Finance / Algeria	61.171%	98,134,068	98,134,068
International Bank for Trade and Finance / Syria	49%	73,085,321	41,920,486
Jordan and Palestine Financial Investment Co.	99.9%	1,600,000	2,500,000
International Financial Center	77.5%	4,500,000	4,000,000
Specialized Lease Finance Co.	100%	20,000,000	20,000,000
Jordan Real Estate Investment Co.	100%	40,000	40,000
Jordan International Bank / London	68.571%	39,345,830	-
International Financial Center / Syria	46.65%	1,495,780	1,495,780

The International Bank for Trade and Finance – Syria own's 85% of the company International Financial Centre – Syria and the Bank's ownership is 5% of the company.

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

Summary of related party transactions during the year :

	Related Party			December 31, 2010	December 31, 2009
	Major Shareholders JD	Board of directors JD	Executive Management JD	Total JD	Total JD
On-statement of financial position items					
Total deposits with related parties	203,305,464	-	-	203,305,464	159,865,255
Total deposits from related parties	129,264,627	1,566,642	1,299,059	132,130,328	157,724,304
Loans and advances given to related parties	-	557,200	575,200	1,132,400	3,801,535
Off- statement of financial position					
Letter of credit & letter of guarantee	1,574,000	-	-	1,574,000	-
Income statement items					
Interest and commissions income	2,125,945	61,898	26,364	2,214,207	2,723,688
Interest and commissions expense	2,770,440	54,387	20,687	2,845,514	4,418,341

The Bank's executive management remuneration (Salaries, bonuses and other benefits) were as follows:

	2010 JD	2009 JD
Salaries, bonuses and other benefits	1,774,255	2,431,775

42- FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE FINANCIAL STATEMENTS

This item consists of the following:

	December 31, 2010		December 31, 2009	
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD
Financial assets held-to-maturity	600,167,401	600,343,857	744,569,957	744,620,326

- As detailed in Note (10), financial assets available-for-sale includes unquoted shares amounting to JD 13,989,286 as of December 31, 2010 (JD 16,646,313 as of December 31, 2009).

- The fair value of other financial instruments does not substantially differ from their book value.

43- RISK MANAGEMENT

The Bank manages the various banking risks based on several methods by means of a comprehensive strategy to limit risks and ways of combatting and mitigating them through managing risks, the Assets and Liabilities Committee, the Investment Committee, and the Credit Quality Assurance Unit. Moreover, all the Bank's departments are responsible for identifying the risks related to the banking operations, setting up the proper controls, and monitoring their effectiveness compatible with the risks control system to achieve the optimal risks – return balance.

Risks management includes the identification, measurement, management, and continuous control of financial and non-financial risks that may negatively affect the Bank's performance and reputation, in addition to guaranteeing the optimal allocation of capital to achieve the optimal returns against risks.

The Bank is exposed to the following risks:

- Market risk
- Operating risks
- Credit risk.
- Liquidity risk
- Information security risk
- Foreign currency and interest risk
- Business continuity risk
- Strategic risk

Risk management at the Bank is carried out according to main principles compatible with the size of its activities, variety of its operations, and instructions of the regulatory authorities. These principles are as follows:

- Guidelines and strategies of the Board of Directors on managing risks.
- Policies on managing the various risks approved by the Board of Directors.
- Identification of acceptable risk limits.
- Distribution of control tasks and responsibilities to employees according to specialty.
- Risks Committee ensuing from the Board of Directors to ensure the effectiveness of the risk management policies and procedures at the Bank. This Committee is responsible for sponsoring the application and guidelines of the Board of Directors in connection with risk management and the adoption of principles, general frameworks, and allowed limits.
- The Assets and Liabilities Committee are responsible for planning the optimal employment of capital, assets, and liabilities, and the constant monitoring of liquidity risks and market risks.
- The Risk Management Department is a department independent from the Bank's other activities. It manages credit risks, market risks, liquidity risks and operating risk management according to a comprehensive and central strategy inside the Bank while having systems that help in Managing risks. The Risks Department is directly related to the Chief Executive Officer and the Risks Committee of the Board of Directors.

Credit Risk

Credit risk arises from the other parties inability or default to settle its obligation causing losses to the Bank. Moreover, the Bank manages credit risk through establishing credit ceilings for the credit facilities granted to customers (individual or corporate) and the total credit facilities for each sector or geographic location. The Bank monitors credit risks and continuously evaluates the customers' credit status in addition to obtaining proper collaterals from its customers.

Credit risk measurement:

1. Loans and Facilities

The Bank's internal rating system (Moody's) is used to measure the degree of the risk associated with the commercial borrowers. On the basis of this system, borrowers are rated based on their quantitative and qualitative evaluation.

2. Debt Instruments:

The external rating system issued by international rating agencies such as (Standard & Poor) and (Moody's) or their equivalent is used to manage debt instruments credit risk exposure.

Monitoring Credit Risk and Credit Risk Mitigating Policies:

The Bank manages credit limits and monitors the credit concentration risks at the level of the customer (individual or corporate) and size of credit exposure for each sector or geographic location.

Moreover, the Bank sets the levels for the acceptable credit risks through setting ceilings to the acceptable risks in relationship to the single borrower or group of borrowers for each sector or geographic location.

These risks are monitored continuously and are subject to an annual or periodic review. Moreover, the actual exposure volume against the ceilings are monitored daily.

Credit Risk Mitigating Methods:

Risk management at the Bank depends on several methods to mitigate risks including: Guarantees and ability to liquidate them and percentage of their coverage of the extended credit which is monitored and evaluated continuously.

The types of collateral against the loans and credit facilities are as follows:

- Real estate and housing buildings mortgages.
- Financial instruments mortgages (bills and shares).
- Bank guarantees.
- Cash guarantee.
- Governmental guarantee.

Moreover, the Bank adopts the following methods to improve the quality of credit and to mitigate risks:

- Adoption of the committees system for granting credit.
- Diversifying the credit facilities portfolio is a major principle in mitigating credit risk. Moreover, the Bank's annual plan includes the targeted distribution of credit and investments to several sectors and various markets based on the risk rating system for the economic and geographic sectors.
- Adoption of the system of three approvals for credit granting.
- Authority to approve credit varies from one management level to another based on the customer's portfolio size, level of exposure, maturity, and degree of customer's risk.
- There is complete separation between credit marketing management departments (business) and credit analysis and monitoring departments.

1-Exposure to credit risk (after impairment provisions and suspended interest and before collaterals held or other risk mitigating factors):-

	December 31	
	2010 JD	2009 JD
Statement of Financial Position		
Balances with central banks	1,429,765,445	1,359,929,030
Balances with banks and financial institutions	780,109,396	689,876,798
Deposits with banks and financial institutions	107,963,062	53,097,828
Credit facilities		
Retail	421,760,748	392,886,463
Real estate mortgages	500,975,783	474,103,766
CORPORATE		
Large Corporate	1,023,332,584	1,103,424,758
SMEs lending	240,637,894	253,254,898
Government and public sector	262,441,389	144,978,863
Bonds debentures and treasury bills funds		
Financial assets designated at fair value through profit or loss	40,539,333	-
Financial assets available for sale	905,532,960	547,978,395
Financial assets held to maturity	600,167,401	744,569,957
Total	6,313,225,995	5,764,100,756
Commitments and Contingent Liabilities		
Letters of credit	892,938,139	764,266,760
Acceptances	68,784,894	63,191,399
Letters of guarantee	688,979,496	621,319,019
Un-utilized facilities	288,414,279	268,334,018
Total	1,939,116,808	1,717,111,196
	8,252,342,803	7,481,211,952

The above table represents the highest credit risk exposure for the Bank as of December 31, 2010 and 2009, without taking into consideration any collateral held or any other credit risk mitigating factors.

Exposure to credit risk percentage distribution:

- 28% of the total exposure is derived from loans and balances with central banks and other banks and financial institutions. (28%: 2009).
- 30% from the total exposure results from loans and credit facilities (32%: 2009).
- 19% from the total exposure results from investment in bonds debentures and treasury bills and funds (17%: 2009).
- 23% from the total exposure results from off-financial position items and other assets. (23%: 2009).

2- THE FOLLOWING TABLE SHOWS THE DISTRIBUTION OF CREDIT RISK EXPOSURE ACCORDING TO CREDIT RISK RATING :-

2010	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Government and Public Sector	Banks and other Financial Institutions	Total
			Large Companies	SMEs			
			JD	JD			
High grade	25,636,546	19,294,134	25,341,576	53,962,179	202,479,148	2,317,837,903	2,644,551,486
Standard grade	386,209,453	436,084,011	862,070,448	163,494,531	1,194,363,497	392,493,032	3,434,714,972
From which past due*:							
Up to 30 days	11,571,032	20,470,919	28,738,041	18,300,688	300,024	-	79,380,704
From 31 to 60 days	509,881	281,230	900,213	2,199,778	-	-	3,891,102
Watch list	8,604,164	26,063,492	87,395,452	10,625,035	19,345,406	-	152,033,549
Non- performing:							
Sub-standard	2,275,007	8,623,621	580,284	4,427,839	-	-	15,906,751
Doubtful	3,660,645	7,131,566	25,665,473	5,986,966	-	-	42,444,650
impaired	13,478,106	20,761,727	139,575,045	29,775,177	-	-	203,590,055
Total	439,863,921	517,958,551	1,140,628,278	268,271,727	1,416,188,051	2,710,330,935	6,493,241,463
Less: Interest in suspense	5,133,315	6,122,321	18,571,119	7,380,815	-	-	37,207,570
Allowance for impairment	12,969,858	10,860,447	98,724,575	20,253,018	-	-	142,807,898
Net	421,760,748	500,975,783	1,023,332,584	240,637,894	1,416,188,051	2,710,330,935	6,313,225,995

2009	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Government and Public Sector	Banks and other Financial Institutions	Total
			Large Companies	SMEs			
	JD	JD	JD	JD	JD	JD	JD
High grade	59,980,219	15,231,807	134,810,840	47,294,713	81,872,623	2,102,903,656	2,442,093,858
Standard grade	321,674,671	419,810,572	878,718,256	187,273,312	1,022,741,827	332,912,765	3,163,131,403
From which past due*:							
Up to 30 days	7,749,494	20,148,048	18,077,022	16,980,341	-	-	62,954,905
From 31 to 60 days	480,648	115,994	6,138,616	1,309,340	4,088	-	8,048,686
Watch list	7,581,530	21,931,699	66,257,570	10,823,488	-	-	106,594,287
Non-performing:							
Sub-standard	2,512,030	7,771,841	4,173,342	3,075,571	-	-	17,532,784
Doubtful	2,811,431	4,074,890	69,597,275	2,852,431	-	-	79,336,027
impaired	13,338,735	21,605,124	20,863,765	24,292,405	-	-	80,100,029
Total	407,898,616	490,425,933	1,174,421,048	275,611,920	1,104,614,450	2,435,816,421	5,888,788,388
Less: Interest in suspense	4,395,136	5,628,044	8,468,015	5,733,435	-	-	24,224,630
Allowance for impairment	10,617,017	10,694,123	62,528,275	16,623,587	-	-	100,463,002
Net	392,886,463	474,103,766	1,103,424,758	253,254,898	1,104,614,450	2,435,816,421	5,764,100,756

* If one installment becomes due, the whole balance is considered due, while the overdraft account is considered due if the balance exceeds the ceiling.

Collateral:

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

2010	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Government and Public Sector	Total
			Large Companies	SMEs		
Collaterals against	JD	JD	JD	JD	JD	JD
High grade	24,191,290	21,256,386	15,535,174	50,848,171	104,183,242	216,014,263
Standard grade	81,729,135	288,974,588	310,228,381	63,963,214	10,412,927	755,308,245
Watch list	6,181,218	25,058,030	84,512,124	21,659,136	19,345,390	156,755,898
Non-performing :						
Sub – standard	1,067,216	7,906,226	149,850	4,052,362	-	13,175,654
Doubtful	1,924,177	6,870,305	15,562,808	4,018,978	-	28,376,268
impaired	4,166,071	18,614,567	53,141,166	19,041,294	-	94,963,098
Total	119,259,107	368,680,102	479,129,503	163,583,155	133,941,559	1,264,593,426
Including:						
Cash margins	23,747,415	5,557,172	31,060,059	25,290,173	10,000,000	95,654,819
Accepted bank guarantees	22,600	-	4,350,632	4,224,220	94,178,160	102,775,612
Residential mortgages	62,198,966	361,927,096	271,110,851	99,436,834	29,758,317	824,432,064
Listed shares	297,505	353,145	91,416,428	-	-	92,067,078
Equipment and vehicles	24,231,390	783,089	27,595,737	4,809,904	-	57,420,120
Total	110,497,876	368,620,502	425,533,707	133,761,131	133,936,477	1,172,349,693

2009	Retail	Real Estate Mortgages	CORPORATE ENTITIES		Government and Public Sector	Total
			Large Companies	SMEs		
Collaterals against	JD	JD	JD	JD	JD	JD
High grade	37,185,493	16,519,100	72,791,060	63,058,614	81,872,623	271,426,890
Standard grade	92,677,233	357,844,497	391,509,673	99,147,529	63,106,241	1,004,285,173
Watch list	2,971,772	21,591,151	37,392,828	10,103,504	-	72,059,255
Non-performing :						
Sub – standard	796,999	3,454,078	1,410,764	6,504,039	-	12,165,880
Doubtful	1,101,658	3,487,103	24,702,267	1,748,748	-	31,039,776
impaired	3,734,947	23,527,313	11,726,902	13,408,693	-	52,397,855
Total	138,468,102	426,423,242	539,533,494	193,971,127	144,978,864	1,443,374,829
Including:						
Cash margins	19,085,259	5,599,313	67,509,177	23,966,076	20,757	116,180,582
Accepted bank guarantees	10,251	-	2,000,000	2,376,508	-	4,386,759
Residential mortgages	88,566,696	418,673,258	325,881,867	139,105,890	18,215,032	990,442,743
Listed shares	335,861	405,258	69,205,290	-	-	69,946,409
Equipment and vehicles	9,582,868	870,023	33,758,073	10,210,280	-	54,421,244
Total	117,580,935	425,547,852	498,354,407	175,658,754	18,235,789	1,235,377,737

For the purposes of the above table, credit guarantees should not exceed the loan balance for each client.

Rescheduled Loans

These represent loans previously classified as non-performing loans and were reclassified as performing loans watch list during the year 2010. Moreover, they amounted to JD 64.1 million as of December 31, 2010 (JD 43.6 million as of December 31, 2009).

Restructured Loans

Restructuring means to rearrange facilities installments by increasing their duration, postponing some installments or increasing the grace period. During the year 2010 they were classified within watch list facilities under control and amounted to JD 31.3 million as of December 31, 2010 (JD 13.8 million as of December 31, 2009).

3- Debt Securities and Treasury Bills

The Schedule below shows the distribution of bonds and bills according to the international agencies classification (classification institution S&P) :-

Rating grade	Financial assets designated at fair value	Financial assets available for Sale	Financial assets held to Maturity	Total
	JD	JD	JD	JD
AA+	-	19,212,053	-	19,212,053
AA	2,854,681	6,362,921	2,242,881	11,460,483
AA-	-	10,628,155	45,679,315	56,307,470
A+	5,956,029	11,900,317	2,833,072	20,689,418
A	2,160,763	62,586,136	7,089,819	71,836,718
A-	2,739,877	11,770,152	-	14,510,029
BBB+	-	3,155,050	4,959,264	8,114,314
BBB	1,812,173	11,491,001	2,120,398	15,423,572
BBB-	6,671,612	12,891,475	8,496,316	28,059,403
BB+	2,223,992	-	-	2,223,992
B+	-	3,486,302	2,083,063	5,569,365
CCC-	2,344,297	-	1,420,748	3,765,045
C	-	619,273	1,065,561	1,684,834
Unclassified	-	44,927,338	15,420,162	60,347,500
Governmental or government guarantee	13,775,909	706,502,787	506,756,802	1,227,035,498
Total	40,539,333	905,532,960	600,167,401	1,546,239,694

4-The schedule below shows the geographical distribution of the credit risk exposure (after allowance and suspended interest):

Item	Geographical Area		Total
	Inside Jordan	Other Middle East Countries	
Cash and balances with central banks	1,023,210,736	254,884,075	1,429,765,445
Balances with banks and financial institutions	102,116,848	263,441,061	780,109,396
Deposits with banks and financial institutions	-	77,579,913	107,963,062
Credit Facilities			
Retail	338,594,424	71,903,535	421,760,748
Real estate mortgages	429,252,732	59,011,306	500,975,783
CORPORATE ENTITIES			
Large companies	576,582,122	436,259,395	1,023,332,584
SMEs	95,229,848	105,241,688	240,637,894
Government and public sector	147,163,176	115,273,131	262,441,389
Bonds debentures and treasury bills			
Financial assets Designated at fair value through P&L	5,277,065	24,657,369	40,539,333
Financial assets A.F.S	721,348,257	34,002,246	905,532,960
Financial assets H.T.M	511,040,952	25,294,802	600,167,401
Total 2010	3,949,816,160	1,467,548,521	6,313,225,995
Total 2009	3,825,331,880	1,252,719,524	5,764,100,756

*Excluding the Middle East countries.

5- The schedule below shows the credit risk exposure according to economic sectors: -

Economic Sectors	Item										Total
	Finance	Manufacturing	Trade	Real Estate	Agriculture	Shares	Retail	Governmental and Public Sector	Other	JD	
Balances with Central Banks	1,429,765,445	-	-	-	-	-	-	-	-	-	1,429,765,445
Balances with banks and financial institutions	780,109,396	-	-	-	-	-	-	-	-	-	780,109,396
Deposits with banks and financial institutions	107,963,062	-	-	-	-	-	-	-	-	-	107,963,062
Credit Facilities	44,657,448	291,876,019	627,538,569	500,975,783	15,036,205	39,909,954	421,760,748	262,441,389	244,952,283	2,449,148,398	
Bonds debentures and treasury bills											
Financial assets designated at fair value through P&L	14,364,710	2,192,556	4,611,590	-	2,739,887	-	-	16,630,590	-	40,539,333	
Financial assets A.F.S	187,804,100	8,372,611	1,713,778	-	1,869,178	-	-	705,773,293	-	905,532,960	
Financial assets H.T.M	81,194,165	-	-	7,932,284	-	-	-	511,040,952	-	600,167,401	
Total 2010	2,645,858,326	302,441,186	633,863,937	508,908,067	19,645,270	39,909,954	421,760,748	1,495,886,224	244,952,283	6,313,225,995	
Total 2009	2,411,423,160	289,536,365	436,322,676	646,004,376	18,690,768	41,434,042	537,692,357	1,168,135,743	214,861,269	5,764,100,756	

Market Risk

Market risk is defined as the risk of fluctuation in fair value or cash flows of financial assets arising from changes in market prices, such as interest, foreign currency risk, price and other risks.

These risks arise from open position in interests currencies and investments in shares.

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

Market risk includes interest rate risk, foreign currency risk and equity securities risk.

Market risk is measured and monitored through sensitivity analysis and VAR using a 99% confidence level according to Basel II policies, stop loss limits, and monitoring ceilings for trades.

Sensitivity analysis is based on estimating the loss risk in fair value due to changes in interest rate and foreign currencies 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 statistical 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 2010

Currency	Increase in interest rate by 1% on the consolidated income statement	Decrease in interest rate by 1% on the consolidated income statement	Increase in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
USA dollar	(1,897,956)	2,070,005	(1,347,548)	1,469,704
Euro	(278,019)	296,781	(197,393)	210,714
Jordanian Dinar	(12,963,499)	13,352,332	(9,204,084)	9,480,156

Sensitivity Analysis 2009

Currency	Increase in interest rate by 1% on the consolidated income statement	Decrease in interest rate by 1% on the consolidated income statement	Increase in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
Jordanian Dinar	(3,945,533)	4,031,553	(2,801,328)	2,862,403

2. Foreign Exchange risk:

It is the risk that results from the changes in foreign exchange rates that might have an effect on the Bank's assets and liabilities held in foreign currency. The Bank manages the exchange rate risk by applying sensitivity analysis to the Bank's net foreign currencies positions by shifting the exchange rate $\pm 1\%$.

Sensitivity Analysis 2010

Currency	Increase exchange rate currency by 1% on the consolidated income statement	Decrease in interest rate by 1% on the consolidated income statement	Increase in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
	JD	JD	JD	JD
Euro	18,666	(18,666)	13,253	(13,253)
Sterling Pound	324,433	(324,433)	230,348	(230,348)
Austrlian Dollar	1,027	(1,027)	729	(729)
Swiss Frank	1,278	(1,278)	907	(907)
Canadian Dollar	374	(374)	266	(266)
Japanese Yen	37,819	(37,819)	26,852	(26,852)

Sensitivity Analysis 2009

Currency	Increase exchange rate currency by 1% on the consolidated income statement	Decrease in interest rate by 1% on the consolidated income statement	Increase in interest rate by 1% on equity	Decrease in interest rate by 1% on equity
	JD	JD	JD	JD
Euro	41,805	(41,805)	29,682	(29,682)
Sterling Pound	45,699	(45,699)	32,447	(32,447)
Austrlian Dollar	769	(769)	546	(546)
Swiss Frank	2,191	(2,191)	1,556	(1,556)
Canadian Dollar	1,089	(1,089)	773	(773)
Japanese Yen	668	(668)	474	(474)

3. Stock prices changes:

It is the risk that results from the changes in stock prices in the Banks 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.

Sensitivity Analysis VAR 2010

	VAR
	JD
Held-for-Trading	(5,844)
Available for sale	(646,464)

Sensitivity Analysis VAR 2009

	VAR
	JD
Held-for-Trading	(74,980)
Available for sale	(536,276)

Interest rate re-pricing gap:

Classification is done according to interest re-pricing or maturity, whichever is closer:

	Interest rate re-pricing								Total
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Non-Interest Bearing Items	JD	
2010	JD	JD	JD	JD	JD	JD	JD	JD	JD
ASSETS									
Cash and balances with Central banks	922,189,435	-	34,900,000	-	-	-	-	603,095,943	1,560,185,378
Balances with banks and financial institutions	497,362,352	265,1153,629	-	-	-	-	17,593,415	-	780,109,396
Deposits with banks and financial institutions	-	-	98,978,678	-	8,984,384	-	-	-	107,963,062
Financial assets held-for tracing	-	-	-	-	-	-	130,253	-	130,253
Financial assets designated at fair value through profit or loss	-	-	-	-	17,057,415	23,481,918	-	-	40,539,333
Direct credit facilities	457,758,716	192,890,481	387,590,356	337,063,089	498,884,846	571,103,818	3,857,092	-	2,449,148,398
Financial assets available-for-sale	33,608,660	54,219,124	12,292,000	178,328,320	548,309,576	81,342,406	24,374,936	-	932,475,022
Financial assets held-to-maturity	64,093,496	143,995,689	264,732,884	74,709,602	47,023,043	5,612,687	-	-	600,167,401
Property and equipment	-	-	-	-	-	-	102,914,317	-	102,914,317
Intangible assets	-	-	-	-	-	-	5,901,181	-	5,901,181
Deferred tax assets	-	-	-	-	-	-	17,672,877	-	17,672,877
Other assets	-	-	-	-	-	-	82,453,825	-	82,453,825
TOTAL ASSETS	1,975,012,659	656,258,923	798,493,918	590,101,011	1,120,259,264	681,540,829	857,993,839	6,679,660,443	
LIABILITIES									
Banks and financial institutions deposits	167,075,730	108,523,746	34,900,000	8,126	-	-	94,845,054	-	405,352,656
Customers' deposits	1,183,642,771	1,004,642,987	394,233,915	329,502,876	401,861,085	309,637,512	1,185,041,570	-	4,808,562,716
Margin accounts	110,992,584	39,795,335	14,299,760	10,918,805	4,564,408	5,986,782	108,477,033	-	295,034,707
Sundry provisions	-	-	-	-	-	-	22,342,648	-	22,342,648
Income tax provision	-	-	-	-	-	-	32,236,421	-	32,236,421
Deferred tax liabilities	-	-	-	-	-	-	652,748	-	652,748
Other liabilities	-	-	-	-	-	-	83,665,127	-	83,665,127
Subordinated loans	-	-	-	-	7,885,154	-	-	-	7,885,154
TOTAL LIABILITIES	1,461,711,085	1,152,962,068	443,433,675	340,429,807	414,310,647	315,624,294	1,527,260,601	5,655,732,177	
Interest rate re-pricing gap	513,301,574	(496,703,145)	355,060,243	249,671,204	705,948,617	365,916,535	(669,266,762)	1,023,928,266	
2009									
TOTAL ASSETS	1,522,405,841	942,571,675	694,829,943	663,696,834	866,901,248	593,740,970	806,191,226	6,090,337,737	
TOTAL LIABILITIES	1,424,780,061	1,035,174,155	376,897,433	289,823,966	349,386,864	286,021,499	1,361,780,987	5,123,864,965	
Interest rate re-pricing gap	97,625,780	(92,602,480)	317,932,510	373,872,868	517,514,384	307,719,471	(555,589,761)	966,472,772	

CONCENTRATION OF FOREIGN CURRENCY RISK

2010

Items \ Currency	US Dollar	Euro	Sterling Pound	Japa- nese Yen	Other	Total
	JD	JD	JD	JD	JD	JD
ASSETS						
Cash and balances with Central banks	112,323,181	11,850,444	319,328	4,613	403,120,627	527,618,193
Balances with banks and financial institutions	387,344,679	93,942,074	35,032,373	(582,641)	130,384,704	646,121,189
Deposits with banks and financial institutions	5,654,113	15,998,700	-	-	86,310,249	107,963,062
Financial assets held-for-trading	-	-	-	-	5,257	5,257
Financial asset Designated at fair value through profit or loss	37,012,172	3,527,161	-	-	-	40,539,333
Direct credit facilities	465,852,250	16,431,127	16,413,952	5,039,257	502,935,363	1,006,671,949
Financial assets available-for-sale	167,088,741	23,447,495	288,763	-	(889)	190,824,110
Financial assets held-to-maturity	76,926,357	5,740,618	8,356,311	-	-	91,023,286
Property and equipment	-	-	195,608	-	38,518,736	38,714,344
Intangible assets	-	-	3,613,867	-	824,011	4,437,878
Deferred tax assets	630,054	119,365	14,493,869	-	10,638,682	25,881,970
Other assets	(21,407,184)	(3,611,593)	1,137,279	226	31,661,541	7,780,269
TOTAL ASSETS	1,231,424,363	167,445,391	79,851,350	4,461,455	1,204,398,281	2,687,580,840
LIABILITIES						
Banks and financial institutions deposits	245,734,001	36,878,401	15,237,414	52,948	19,611,271	317,514,035
Customers' deposits	915,472,259	121,035,389	30,176,206	984,756	815,104,941	1,882,773,551
Margin accounts	66,516,970	5,728,431	275,152	(369,361)	102,280,582	174,431,774
Sundry provisions	-	-	-	-	306,053	306,053
Income tax provision	-	-	(18,013)	-	6,702,401	6,684,388
Other liabilities	4,211,984	1,936,492	1,737,241	11,117	31,744,589	39,641,423
Subordinated loans	7,885,154	-	-	-	-	7,885,154
TOTAL LIABILITIES	1,239,820,368	165,578,713	47,408,000	679,460	975,749,837	2,429,236,378
Net position	(8,396,005)	1,866,678	32,443,350	3,781,995	228,648,444	258,344,462
Off-financial position contingent liabilities	713,303,693	624,360,640	4,074,335	5,224,567	146,480,974	1,493,444,209

2009

Items \ Currency	US Dollar	Euro	Sterling Pound	Japanese Yen	Other	Total
	JD	JD	JD	JD	JD	JD
TOTAL ASSETS	1,181,058,233	140,656,949	30,884,034	3,301,080	909,873,610	2,265,773,906
TOTAL LIABILITIES	1,172,731,129	136,476,431	26,314,099	3,234,310	757,033,412	2,095,789,381
Net position	8,327,104	4,180,518	4,569,935	66,770	152,840,198	169,984,525
Off-financial position contingent liabilities	536,810,838	600,219,070	5,972,267	532,560	220,135,223	1,363,669,958

Liquidity Risk

Liquidity risk is defined as the Bank's failure to provide the required funding to cover its obligations at their respective due dates.

Liquidity risk is managed through the following:

- Daily funding is managed through monitoring future cash flows and maintaining presence in the cash market.
- Holding assets that could be liquidated within a short period of time to meet any unexpected liquidity requirements.
- Monitoring liquidity ratios according to internal requirements and those of regulatory authorities.
- Managing concentrations in assets/liabilities and their maturities.
- Maintaining a portion of the customer's deposits as a reserve with the Central Banks as a restricted reserve that can not be utilized except under certain conditions according to regulatory authorities.
- Liquidity is measured on the basis of normal and emergency conditions. This includes analyzing the remaining period of contractual maturity and consolidated financial assets on the basis of their expected recoverability.

The treasurer is in charge of controlling the liquidity status of the Bank taking into consideration loans and unutilized facilities, utilizing overdrafts and monitoring any commitments related to letters of credit and guarantees.

Sources of Funding:

The Bank works to diversify its sources of funds including geographical sectors, currencies, customers, facilities, and conditions in order to attain financial flexibility and lower financing costs, in addition to maintaining stable financing sources.

The Bank has a large customer base of individuals and corporations with varying deposit accounts, of which 49% are stable and dominated in JD. The Bank is distinguished through maintaining 43% of the Jordanian dominated saving accounts in the Jordanian banking market.

The following table illustrates the distribution of the liabilities (un-discounted) on the basis of the remaining period from the date of the consolidated financial statements until the date of contractual maturity.

2010	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
LIABILITIES								
Banks and financial institutions deposits	176,236,145	108,704,619	35,030,875	8,187	-	-	85,831,380	405,811,206
Customers' deposits	1,379,242,579	646,108,162	124,719,618	151,284,333	13,472,953	816,876	2,500,290,871	4,815,935,392
Margin accounts	69,188,146	54,866,927	38,986,487	35,155,783	50,227,625	48,333,564	-	296,758,532
Sundry provisions	-	-	-	-	-	-	22,342,648	22,342,648
Income tax provision	1,674,723	-	20,600,991	9,960,707	-	-	-	32,236,421
Deferred tax liabilities	-	-	-	-	652,748	-	-	652,748
Other liabilities	60,639,557	949,565	1,205,048	1,797,608	3,272,727	3,285,345	12,515,277	83,665,127
Subordinated loans	-	-	-	-	7,885,154	-	-	7,885,154
TOTAL	1,686,981,150	810,629,273	220,543,019	198,206,618	75,511,207	52,435,785	2,620,980,176	5,665,287,228
TOTAL ASSETS	2,348,234,303	610,756,266	800,685,076	622,991,076	1,120,299,669	697,209,277	479,484,776	6,679,660,443
2009	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
LIABILITIES								
Banks and financial institutions deposits	125,792,389	49,318,521	-	487,034	-	-	108,659,769	284,257,713
Customers' deposits	1,343,770,973	643,421,558	131,541,516	120,530,217	-	-	2,200,049,886	4,439,314,150
Margin accounts	59,369,466	56,026,192	36,510,469	41,527,650	96,180,203	2,337,172	-	291,951,152
Sundry provisions	-	-	-	-	-	-	18,719,304	18,719,304
Income tax provision	21,499,456	-	-	7,825,471	-	-	2,015,005	31,339,932
Deferred tax liabilities	-	-	-	-	1,006,216	-	-	1,006,216
Other liabilities	54,495,686	1,044,143	2,652,762	334,588	399,556	365,955	9,348,463	68,641,153
TOTAL LIABILITIES	1,604,927,970	749,810,414	170,704,747	170,704,960	97,585,975	2,703,127	2,338,792,427	5,135,229,620
TOTAL ASSETS	1,938,809,302	944,266,928	696,905,999	666,281,148	868,878,999	594,044,777	381,150,584	6,090,337,737



- Off- statement of financial position items :

2010	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	911,882,347	49,840,686	-	961,723,033
Un- utilized ceilings	288,414,279	-	-	288,414,279
Letters of guarantee	599,645,962	89,333,534	-	688,979,496
Total	1,799,942,588	139,174,220	-	1,939,116,808

2009	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	738,961,216	88,496,943	-	827,458,159
Un- utilized ceilings	268,334,018	-	-	268,334,018
Letters of guarantee	559,667,547	61,651,472	-	621,319,019
Total	1,566,962,781	150,148,415	-	1,717,111,196

44- SEGMENT ANALYSIS

Information on the bank segment activities

A- Information on the Bank Activities:

For management purposes, the Bank is organized into four major business segments according to reports sent to the chief operating officer:

Retail Banking: Principally handling individual customers' and small businesses' deposits and providing 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 privatizations, IPO's, mergers and acquisitions.

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

The following table shows the Bank's business segments:

	Retail Banking	Corporate	Corporate Finance	Treasury	Other	Elimination	Total	
	JD	JD	JD	JD	JD	JD	2010	2009
	JD	JD	JD	JD	JD	JD	JD	JD
Gross Income	154,129,846	150,057,425	1,432,144	121,568,229	5,619,120	(77,228,748)	355,578,016	362,525,485
Impairment of credit facilities	(1,693,388)	(44,500,206)	-	-	-	-	(46,193,594)	(64,542,482)
Recovered (impairment) of financial assets	-	-	-	1,477,421	-	-	1,477,421	3,669,639
Segment result	61,331,157	26,111,891	469,966	33,554,154	3,972,758	-	125,439,926	106,091,449
Unallocated costs							(9,037,958)	(9,077,325)
Income before tax							116,401,968	97,014,124
Income Tax							(27,964,730)	(30,451,614)
Profit for the year							88,437,238	66,562,510

Segment Assets	3,538,108,522	1,828,825,393	470,705	4,251,000,519	760,282,028	-	10,378,687,167	8,812,011,055
Elimination of assets between segments	(2,501,951,793)	(242,657,570)	(443,696)	(303,278,334)	(668,368,208)	-	(3,716,699,601)	(2,730,873,041)
Unallocated assets							17,672,877	9,199,723
Total Assets							6,679,660,443	6,090,337,737

Segment Liabilities	3,490,399,782	1,941,097,640	(694)	3,836,042,599	104,239,705	-	9,371,779,032	8,510,693,951
Elimination of liabilities between segments	(48,467,803)	(254,810,531)	-	(3,413,421,269)	-	-	(3,716,699,603)	(3,387,835,202)
Unallocated liabilities	-	-	-	-	-	-	652,748	1,006,216
Total Liabilities							5,655,732,177	5,123,864,965
Capital expenditures							21,293,789	24,529,631
Depreciation and amortization							11,736,843	11,361,148

B- Geographical Distribution:

The following is the geographical distribution of the Bank's operations. The Bank conducts its operations mainly in Jordan (local operations). Moreover, the Bank conducts international operations through its branches and subsidiaries in the Middle East, Asia, Africa and Europe.

Here below is the distribution of the Bank's income, assets, and capital expenditure inside and outside Jordan "Based on the Bank's internal policy, the way it is been measured and based on the reports used by the Chief Executive Officer and the main decision maker in the Bank":

	Inside Jordan		Outside Jordan		Total	
	December 31		December 31		December 31	
	2010 JD	2009 JD	2010 JD	2009 JD	2010 JD	2009 JD
Gross income	257,267,836	268,530,109	98,310,180	93,995,376	355,578,016	362,525,485
Total assets	4,160,417,349	3,990,707,071	2,519,243,094	2,099,630,666	6,679,660,443	6,090,337,737
Capital expenditures	15,397,886	12,338,060	5,895,903	12,191,571	21,293,789	24,529,631

45- Capital Management :

Through the management of its paid-up capital, the Bank seeks to achieve the below goals:

- Compliance with the Central Bank capital related requirements.
- Maintaining its ability as a going concern.
- Having a 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 the Central Bank Instructions, the minimum requirement for capital adequacy is 12%. Banks are classified into 5 categories, the best one of which is the one having an average capital adequacy equals or more than 14% .

The Bank restructures and modifies its capital according to the business environment. There are no amendments in the year 2010 on the goals, policies and procedures related to capital management.

The schedule below shows the capital components, amount, total risk weighted assets, and capital adequacy ratios according to the instructions of the Central Bank, based on the instructions of Basel II Committee.

	2010	2009
	JD	JD
Primary capital items		
Paid-in capital	252,000,000	252,000,000
Statutory reserve	106,409,104	96,660,257
Voluntary reserve	33,222,068	33,222,068
Share premium	357,925,469	357,925,469
Retained earnings	68,098,527	70,318,000
Goodwill and other intangible assets	(5,584,115)	(2,710,520)
Total primary capital	812,071,053	807,415,274
Supplementary capital		
Foreign currency translation reserve	(980,308)	1,733,632
Cumulative changes in fair value	149,423	(2,840,657)
General banking risks reserve	22,450,000	22,450,000
Total Supplementary Capital	21,619,115	21,342,975
Less		
Capital investments in banks and other financial institutions	(837,858)	(10,618,572)
Total Regulatory Capital	832,852,310	818,139,677
Total Weighted Assets Risk Average	3,710,512,953	3,569,925,852
Capital Adequacy Ratio %	22.45%	22.92%
Primary Capital Ratio %	21.87%	22.47%

46- Levels of the Fair Value

The following table analyzes the financial instruments recorded at fair value based the valuation method, which is defined at different levels as follows:

Level 1: List prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Information other than included in the advertised price level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (ie, derived from the prices).

Level 3: Information on the asset or liability is not based on those observed in the market (unobservable).

December 31, 2010	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets				
Financial assets held for trading	130,253	-	-	130,253
Financial assets available for sale*	890,574,473	41,900,549	-	932,475,022
Financial assets held to maturity	593,331,400	6,836,001	-	600,167,401
Financial assets designated at fair value through P&L	40,539,333	-	-	40,539,333
Total financial assets	1,524,575,459	48,736,550	-	1,573,312,009

December 31, 2009	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets				
Financial assets held for trading	1,495,880	-	-	1,495,880
Financial assets available for sale*	538,685,304	42,322,884	-	581,008,188
Financial assets held to maturity	731,733,956	12,836,001	-	744,569,957
Total financial assets	1,271,915,140	55,158,885	-	1,327,074,025

* Included in investments in corporate shares is an amount of JD 13,989,286 as of December 31, 2010 (JD 16,646,313 as of December 31, 2009) stated at cost since its fair value cannot be measured reliably.

47-Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 2.3 million as of December 31, 2010 against JD 2.8 million as of December 31, 2009. These accounts are not included in the assets and liabilities of the Bank. The management commissions and fees on these accounts are recorded in the consolidated income statement.

48- Asset and Liabilities Expected Maturities

The following table illustrates the assets and liabilities according to expected maturity periods:

2010	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	1,560,185,378	-	1,560,185,378
Balances with banks and financial institutions	780,109,396	-	780,109,396
Deposits with banks and financial institutions	98,978,678	8,984,384	107,963,062
Financial assets held for Trading	130,253	-	130,253
Designated at fair value	-	40,539,333	40,539,333
Direct credit facilities – net	1,379,159,734	1,069,988,664	2,449,148,398
Financial assets available-for-sale	290,322,225	642,152,797	932,475,022
Financial assets held-to-maturity	536,263,978	63,903,423	600,167,401
Property and equipment – net	10,049,429	92,864,888	102,914,317
Intangible assets	1,687,413	4,213,768	5,901,181
Deferred tax assets	-	17,672,877	17,672,877
Other assets	28,372,141	54,081,684	82,453,825
TOTAL ASSETS	4,685,258,625	1,994,401,818	6,679,660,443
LIABILITIES			
Banks and financial institutions deposits	405,352,656	-	405,352,656
Customers' deposits	4,097,064,119	711,498,597	4,808,562,716
Margin accounts	197,918,538	97,116,169	295,034,707
Sundry provisions	1,832,497	20,510,151	22,342,648
Income tax provision	32,236,421	-	32,236,421
Deferred tax liabilities	-	652,748	652,748
Other liabilities	64,591,778	19,073,349	83,665,127
Subordinated loans	-	7,885,154	7,885,154
TOTAL LIABILITIES	4,798,996,009	856,736,168	5,655,732,177
Net	(113,737,384)	1,137,665,650	1,023,928,266

2009	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	1,478,337,776	-	1,478,337,776
Balances with banks and financial institutions	689,876,798	-	689,876,798
Deposits with banks and financial institutions	53,097,828	-	53,097,828
Financial assets held for Trading	1,495,880	-	1,495,880
Direct credit facilities – net	1,273,624,505	1,095,024,243	2,368,648,748
Financial assets available-for-sale	335,980,280	245,027,908	581,008,188
Financial assets held-to-maturity	623,979,890	120,590,067	744,569,957
Property and equipment – net	8,786,794	84,239,105	93,025,899
Intangible assets	2,574,354	601,773	3,176,127
Deferred tax assets	1,710,662	7,489,061	9,199,723
Other assets	65,619,255	2,281,558	67,900,813
TOTAL ASSETS	4,535,084,022	1,555,253,715	6,090,337,737
LIABILITIES			
Banks and financial institutions deposits	284,067,286	-	284,067,286
Customers' deposits	3,808,940,876	621,469,676	4,430,410,552
Margin accounts	193,138,924	96,541,598	289,680,522
Sundry provisions	4,260,730	14,458,574	18,719,304
Income tax provision	31,339,932	-	31,339,932
Deferred tax liabilities	-	1,006,216	1,006,216
Other liabilities	67,875,642	765,511	68,641,153
TOTAL LIABILITIES	4,389,623,390	734,241,575	5,123,864,965
Net	145,460,632	821,012,140	966,472,772

49- Contractual Commitments and Contingent Liabilities (statement of financial position)

A- Credit commitments and contingent liabilities:-

	December 31, 2010	December 31, 2009
	JD	JD
Letters of credit	892,938,139	764,266,760
Acceptances	68,784,894	63,191,399
Letters of guarantee:		
• Payment	148,007,249	117,632,577
• Performance	236,059,355	229,895,962
• Other	304,912,892	273,790,480
Un-utilized direct credit facilities	288,414,279	268,334,018
Total	1,939,116,808	1,717,111,196

B- Contractual commitments:-

	December 31, 2010	December 31, 2009
	JD	JD
Purchase of property and equipment contracts	2,309,301	2,824,850
Construction Projects contracts	5,499,173	5,520,905
Other purchases contracts	6,118,738	5,065,185
Total	13,927,212	13,410,940

50- BUSINESS COMBINATION

On October 6, 2010 the Bank acquired an additional stake in the Jordan International Bank capital to become 12.750 million shares equivalent to 63.75% of the total capital 20 million shares. JIB is a public limited company based in London and engaged in providing banking services.

On October 28, 2010 the Jordan International Bank raised its capital from 20 million shares to 35 million shares, and the Housing Bank for Trade and Finance ownership percentage increased to 68.57%.

The fair value of the Jordan International Bank assets and liabilities at the acquisition date were approximately equal to their book value immediately before the acquisition as follows: -

	Fair value As of 6 october 2010
Cash and balances with banks	73,589,034
Financial investments	80,906,532
Direct credit facilities-net	62,011,802
Property and equipment	8,754,024
Total assets	225,261,392
Banks and financial institutions deposits	158,074,109
Customers' deposits	23,637,995
Other liabilities	1,865,949
Subordinated loans	10,608,549
Total liabilities	194,186,602
Net assets	31,074,790
Non – controlling interests	(7,664,022)
Net assets acquired	23,410,768
Goodwill arising from acquisition	3,569,230
Consideration paid for the acquisition of 68.57% of the bank	26,979,998
Analysis of cash flows on acquisition	JD
Consideration paid to acquire 68.57%	(26,979,998)
Less : the fair value of the original share of 22.1% Holding	4,983,506
Add : Net cash acquired with the subsidiary	(87,255,534)
Net cash flow on acquisition	(109,252,026)

51- NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following new and revised IFRS have been issued up to December 31, 2010.

However, these IFRS were not effective and not applied by the bank:

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Bank does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IAS 32 Financial Instruments: Presentation–Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the bank after initial application.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Bank's financial assets. The Bank will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The adoption of these interpretations will have no effect on the financial statements of the Bank.

52- Lawsuits against the Bank

There were lawsuits raised against the Bank amounting to JD 27.6 million as of December 31, 2010 (JD 17.6 million as of December 31, 2009). These lawsuits are raised to prevent the Bank from reclaiming amounts due and enforcing real estate mortgages. In the opinion of Bank's management and the legal advisor, no material liabilities will arise as a result of these lawsuits exceeding the related provision amounting to JD 874,407 as of December 31, 2010 (JD 635,044 as of December 31 2009).

53- Comparative Figures

Some of the year 2009 figures have been reclassified to correspond with the year 2010 presentation. There is no effect on the income and equity for the year 2009.

Corporate Governance Code



To me, the HBTF represents a partner with attention to detail and a personalized service.

Dr. Faridah Tannous - Doctor



First: – Commitment to Corporate Governance

The board of directors of the HBTF strongly believes in the importance of corporate governance as a means of providing a basis for the Bank's future development and improved performance while bolstering trust in its activities with depositors and shareholders alike. Accordingly, the board of directors has decided to adopt a Corporate Governance Code that is consistent with international best practices, including: the principles of the Organization for Economic Cooperation and Development (OECD), the Basel Committee on Banking Supervision, CBJ regulations, the Banking and Companies' laws, in addition to the instructions of the Securities Commission. This Corporate Governance Code has been prepared and approved by the HBTF in order to define and specify the Bank's values and strategic directions in this area. The HBTF publishes this code in its annual report, and on its website, in addition to preparing a report to the public detailing the Bank's compliance with its articles.

Second: – Definition of Corporate Governance

The Bank applies the definition adopted by the OECD and approved by the CBJ, 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's 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 approves the Bank's strategies and action plans, including endorsing risk policies and risk management procedures and ensuring the availability of mechanisms to measure such risks and to set necessary limits.
- 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 the laws and regulations governing it as well as the Bank's own policies.
- Board members have the experience and expertise necessary to perform the duties and functions required from the board. In cases where specialized expertise is needed, 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 also to oversee the availability of a succession plan to effectively address the Bank's affairs.
- The board monitors and supervises the Bank's senior executive management by exercising its authority of asking questions regarding the Bank's position and getting relevant answers, and by requiring necessary reports on a timely basis to ensure the board's strategies and decisions.

- The Bank's board and its 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; a 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. The Bank does its utmost to ensure that of the board's non-executive members at least three should be independent.
- Board members carry out their duties in loyalty and dedication, ensuring the availability of mechanisms that enable the Bank to comply with all laws and regulations applicable. Board members avoid actual or potential conflict of interest 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's performance as a whole, at least once a year.
- The board of directors evaluates the performance of the general manager annually.

Fourth: – Role of the Chairman


- The positions of the chairman and general manager are separated, as per a board of director's decision, and reviewed when the need arises, in conformity with the Banking and Companies' laws. The chairman and general manager may not be blood related within the third degree of kinship.
- The chairman of the board is dedicated and practices all powers and authorities vested in him pursuant to the Banking and Companies' laws and board of directors' decisions.

The chairman shall perform the following major roles:

- Supervise all of the Bank's affairs and shall be accountable to the board for the supervision and follow-up of the Bank's activities, as well as implementation of the board's policies to achieve set objectives. 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 of directors.
- Ensure the availability of high standard and effective corporate governance principles in the Bank. The chairman shall promote a constructive relationship between the board of directors and the Bank's executive management. The chairman shall also promote a corporate culture at the board of directors that encourages constructive criticism and alternative views on issues under consideration and consequent discussion and voting on individual recommendations. What's more, it is up to the chairman to ensure that directors and shareholders receive information in an adequate and timely manner.

Fifth: – Board Practices

- Board of directors' meetings are held on a regular basis, in line with the requirements of the Companies' law, at a rate of at least six times a year. The agenda of each meeting is specified in order to ensure coverage of all topics pending. The attendance of individual directors is recorded and made public.

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- The Bank provides adequate information to board members in advance to enable them to take informed decisions. 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 throughout their term in office. Categories of financial transactions that 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 of directors arranges convening and meetings of the board and its committees, records the minutes thereof and ensures full implementation of board decisions. The secretary has to make sure such information is disseminated to board members, committees and executive management. The secretary shall keep written records of the board discussions and voting results. Appointment or replacement of the secretary can only take place by virtue of 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, with those committees reporting directly 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's executive management through the chairman and the general manager.
- The board of directors has five major committees: the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, the Executive Committee and the Risk Management Committee. Each committee has a written charter, which is continuously revised and updated. Ad hoc specialized board committees dealing with specific 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 five non-executive members, and efforts are always made to ensure that most of them are independent. All members of the Audit Committee shall be highly qualified individuals with experience in accounting and financial management. The Committee works under the supervision of the board and submits its reports and recommendations to the board of directors.
- Audit Committee meetings take place on a regular basis, at least four times a year, with the presence of the Bank's 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 best international 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; guaranteeing coordination between external auditors; reviewing the periodicity and scope of internal audit; and approving their working plans.
2. Reviewing the notes mentioned in the reports of the Central Bank; internal and external auditing; following up on relevant measures taken; identifying weaknesses in control procedures and non-compliance with laws and regulations; and ensuring that management has taken necessary remedies.
3. Reviewing the financial statements prior to their submission to the board of directors to ensure their accuracy according to the applicable accounting standards, 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 presenting relevant recommendations – including reports on any changes in the accounting standards applied, or any changes in the Bank's accounts due to the audit process or the external auditor recommendations – and ensuring 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 fulfils the requirements of the supervisory bodies and that nothing shall impair his/her independence.
6. Ensuring the independence of the Internal Audit Department, and approving the nomination or termination of the Bank's General Auditor.
7. Studying matters submitted to the Audit 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 the reports prepared by the external and internal auditors, or any reports submitted to the Audit Committee.
9. Ensuring the sufficiency and efficiency of the internal controls system to avoid any potential conflict of interest that may arise from the Bank's transactions or contracts, or from entering into projects with related parties, and to make sure that audit plans cover this.
10. Studying 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 as they relate to overseeing the Bank's sufficiency of internal control and monitoring systems.

Authorities of the Audit Committee:

- 1.The Audit Committee can request any information, or the presence of any Bank employee, through coordination with the chairman and general manager. 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 Bank's external auditor, if it deems it necessary to discuss any matters related to its work, and also 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 general manager. 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 where necessary. The board shall also support all training programs for its members in fields it deems relevant to its functions.

(3) Nomination and Remuneration Committee:

- The Nomination and Remuneration Committee is composed of three non-executive members of the board, and efforts are always made to ensure most of them, including the chairman, are independent. The duties and obligations of the Nomination and Remuneration Committee shall be defined by a board decision.
- The Nomination and Remuneration Committee nominates potential board members, taking into consideration their capabilities and qualifications, and in cases 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 board member is independent, taking into consideration that all conditions of an independent member are available, as outlined in the Corporate Governance Handbook issued by the CBJ.
- 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 evaluating members' 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's financial statements and the extent of compliance with the laws and regulations.
- The Nomination and Remuneration Committee can recommend remunerations, including the monthly salary and other benefits of the general manager. The Committee also revises salaries and benefits of the executive management.
- The Nomination and Remuneration Committee oversees the compensation policies to ensure they are consistent with the Bank's values, objectives, long-term strategy and the control environment. The Bank's compensation strategy has sufficient incentives to attract and retain qualified employees while partially linking salaries and benefits to the Bank's performance. The compensation policy shall be disclosed in the Bank's Annual Report.

- When requested, the Nomination and Remuneration Committee shall be responsible for providing background information and briefs about certain important matters in the Bank. It is also responsible for ensuring that board members are made aware of the most recent matters relevant to the banking industry. For this purpose, the Bank encourages its board members to attend seminars and events where they can meet with local and international corporations and companies.

* **Definition of an Independent Member:**

An independent member is defined as one who was appointed in his personal capacity or as a representative of a corporation, and whose membership constitutes his only connection to the Bank. Accordingly, such a member is unlikely to be influenced by external considerations. The minimum standards for an independent member include:

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 regular 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 or affiliated with one.

(4) Executive Committee

- The Executive Committee is formed by a decision of the board and is headed by the Bank's chairman. The Committee meets periodically, at least four times annually, and whenever 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 and major policies related to the Bank's operations, such as the credit policy, investment policies, personnel affairs and the internal control policy. The Committee also studies the Bank's annual strategy, strategic capital or investment projects – such as mergers and acquisitions, partnership establishment, partial or comprehensive takeover of other corporations – and provides propositions related to the management of such investments. The Committee also studies recommendations submitted by the executive management concerning the establishment or purchase of premises for the Bank, inside Jordan or abroad. Moreover, the Committee discusses the Bank's final financial statements and makes recommendations to the board concerning the Bank's general organizational structure.
- The Executive Committee has authority for issues and amounts exceeding the authority mandated to the chairman and the executive management that fall within its authority. The Committee also studies what exceeds its authority and submits its recommendations to the board to take appropriate decisions.

(5) Risk Management Committee

- The Risk Management Committee is composed of five members: the chairman, three board members and the general manager.
- The Risk Management Committee shall review risk management policies, strategies and frameworks, including risk limits acceptable by the Bank, prior to their approval by the board of directors. The executive management shall be responsible for the implementation of such strategies, as well as for the development of policies and procedures for the management of various risks.
- The Risk Management Committee shall keep abreast of the latest developments in risk management inside the Bank and shall 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 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 board members at each periodical meeting; publication of the financial statements on quarterly basis; forwarding financial reports and business plans to shareholders on an annual basis; employees competency and evaluation of their performance annually; professional standards guide; financial and administrative controls at work centers; documentation of information systems; and detailed policies and procedures manuals available for all employees.

(1) Code of Conduct/Ethics

The Bank applies a high standard code of conduct/ethics, circulated to all employees and board members, and made accessible on the Bank's intranet. At the beginning of every fiscal year, each employee signs a written acknowledgement, indicating that he/she had seen the code and any amendments, and agrees to them.

- The Bank's code of conduct/ethics has articulated the following points: unethical behavior, commitments, penalties, reporting violations, conflict of interest, gifts and deductions, relations with suppliers/providers, employment 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's policies, as approved by the board, are in conformity with applicable laws and regulations issued by the CBJ.

- Loans and facilities granted to board members, senior members of the Bank's executive management and employees are subject to the credit concentration instructions issued by the CBJ.
- 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 own interests first.
- Loans given to Bank employees from different 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's interests first.
- Loans and facilities granted to clients, employees 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 involving VIP clients, whether 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) Hotline/Whistle Blowing

A set of arrangements has been designed to enable employees to privately report concerns about any potential violations, enabling the investigation and follow up of such concerns independently through the hotline/whistle blowing assigned to the Bank's General Auditor. Such arrangements are supervised by the Audit Committee and in coordination with the general manager 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 verify the implementation of internal policies and procedures and their efficiency.
- The Internal Audit Department reports to the Audit Committee in order to strengthen its independence. Administratively, the Audit Department is affiliated with the Bank's general manager.
- 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 best 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 the intensity of the audit. The plan includes all working centers in the Bank. Accordingly, human resources plans required for implementation are prepared to work out 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 general manager.
- 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. The Internal Audit Department 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's 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 general manager. The functions, duties and responsibilities of the Risk Management Department include:

- Analyzing all risk types (credit, market, liquidity and operational); developing methods to measure and monitor each risk type; providing information regarding risk measures and structures to the board and the Bank's senior executive management; as well as ensuring the availability of such information to be included in the Bank's reports and statements.

- Preparing and submitting reports regarding exposure levels to the Risk Management Committee and monitoring portfolio concentrations to ensure they are within the limits granted, and providing the board and executive management with information regarding measuring risks and risk profiles.
- Coordinating with other departments at the Bank to provide information necessary for risk management, continuous study of risks related to Bank's activities, preparing recommendations, taking appropriate actions and following up on high risk matters.
- A network of authorized committees, such as the Credit Policies Committee and the 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 in other countries, where the Bank has branches and subsidiaries.
- The corporate governance and compliance function shall submit its reports and findings to the board's Corporate Governance Committee, and forward a copy to the general manager. As for the day-to-day operations, the corporate governance and compliance function reports to the general manager.
- The board shall approve and monitor the Bank's compliance policy. Preparing, developing and ensuring implementation of the compliance policy shall be the responsibility of the corporate governance and compliance function.
- With regards to anti-money laundering, the corporate governance and compliance function acts as the Bank's point of contact with the CBJ and the Anti-Money Laundering Unit. It also develops the necessary policies and procedures, designing Know Your Customer policies, monitoring transactions, investigating 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, nominates an external auditor to be elected by the general assembly, making sure that the nominated external auditor fulfils the requirements of supervisory bodies, namely: the CBJ and the Securities Commission. The Committee reviews and examines the external auditor report to ensure that necessary remedies are taken. The external auditor carries out his duties in conformity with the provisions of the Banking 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 the executive management, at least once yearly.

Eleventh : Equitable Treatment of Shareholders and Their Rights

- The structure of the Bank's shareholders is made up of governments, 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 shareholders' rights to place any matters on the agenda, provided that such placement is subject to the approval by not less than (10%) of the shares registered in the meeting.

- The Bank takes efficient steps to encourage shareholders to participate in the general assembly, as all shareholders are sent a copy of the annual report, invitations, the agenda of the meeting and all related information to 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 Banking Law and the instructions of the Securities Commission.
- The Bank follows up developments of international best practices (accounting standards as well as financial reporting and disclosure of financial statements) in the field of financial reporting, as well as disclosure and transparency – both 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 Bank's 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 elections results 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, as well as of the contents of the annual report. The Bank shall be committed to maintain contact and information channels with 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, general performance and activities. This shall be included in the annual report and quarterly reports, which both provide financial information about the Bank and its financial position during the year.

Disclosure Statements and Corporate Governance

The HBTF has a high sense of social responsibility and gives back to the community continuously. It also supports and encourages national projects that aim at improving our economy and increasing employment opportunities.

Mrs. Ina'am Alme fleh - Chief Editor



Declarations of the Board of Directors

First Declaration

The Board of Directors of the HBTF declares its responsibility for the correctness, accuracy and completeness of the data and the financial statements stated in this annual report.

Second Declaration

The Board of Directors of the HBTF declares that there are no lingering problems that may affect the Bank's continuous effective performance during the next fiscal year 2011.

Third Declaration

The Board of Directors of the HBTF declares that the Bank's internal control and monitoring systems are efficient, as at end-December 2010.

Fourth Declaration

The Board of Directors of the HBTF declares its commitment to applying the most stringent internal control and monitoring systems in as far as financial reporting is concerned. Such systems shall be in conformity with applicable regulations, legislations and laws and international best practices.

Fifth Declaration

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

Board Member	Title	Signature
H.E. Dr. Michel Marto	Chairman	
Sheikh Ali Bin Jassim Al - Thani	Vice Chairman	
Mr. Abdulla Mubarak AlKhalifa	Board Member	
Mr. Yousef Mahmoud Al-Neama	Board Member	
Mr. Mohamed A. Al-Khulaifi	Board Member	
Mr. Ali Abdulla A. Darwish	Board Member	
Mr. Hamoud J. Al Falah	Board Member	
Mr. Mohammad S. Al Munaifi	Board Member	
Mr. Mohamed Ben Yousef	Board Member	
Mr. Mokhtar Ghenas	Board Member	
Mr. Thabet Elwir	Board Member	
Mr. Jehad Ali Al Share	Board Member	
Mr. Ahmed Al Mahrezi	Board Member	
Mr. Omar Zuhair Malhas	General Manager	
Mr. Khaled Al-Thahabi	Executive Manager, Finance Dept.	

Description of the Bank's Main Activities

The HBTF provides versatile financial and banking services for the retail and corporate sectors through a network of branches distributed across Jordan and other countries in the region. The Bank carries out the bulk of its activities in Jordan, Palestine and Bahrain.

Size of Capital Investment

The authorized and paid-up capital of the Bank is JD252 million.

The Bank's Training Programs

Total training opportunities provided by the Bank in 2010 were equal to 3,900. Moreover, the Bank held in 2010 a number of internal seminars specialized in the field of the banking industry, in which 716 employees took part in. The Bank also provided opportunities for 29 employees to gain academic certificates, and 53 employees to obtain professional certificates.

Item	Number of Participants
Training programs held at the Bank's training center	3,421
Training programs held in collaboration with specialized local training centers	448
Training courses in Arab and Foreign countries	31
Internal seminars	716
Academic certificates	29
Professional certificates in the fields of finance, accountancy, funding, computer, and compliance	53
Total	4,698

The most important courses held in 2010 were:

Item	Number of Participants
Administrative courses	461
Financial, accounting and audit courses	32
Credit courses	300
behavioral skills and public relations courses	472
Operations, treasury and investment courses	1798
Personal computer courses	223
Total	3,286

Number Of Employees

In what follows is a table detailing the total number of employees at the HBTF Group and their qualifications as at end-December 2010

Qualification	Branches inside and outside Jordan			Banks and Subsidiary Companies inside and outside Jordan								
	Jordan	Palestine	Bahrain	International Bank for Trade & Finance/ Syria	The Housing Bank for Trade & Finance/ Algeria	Jordan International Bank/London	Specialized Leasing Finance Co.	Jordan & Palestine Financial Investment Co.	International Financial Center Co.	Jordan Real Estate Investments & Commercial Services		
Ph.D. degree	4	-	-	-	-	-	-	-	-	-	-	
Masters degree	107	13	5	8	6	3	1	-	2	-		
High diploma degree	6	1	-	2	3	1	-	-	-	-		
Bachelors degree	1,348	179	13	271	115	3	7	6	7	2		
Diploma degree	393	17	3	106	49	3	4	1	3	18		
General Secondary Certificate	98	49	5	65	27	19	3	2	5	403		
Total	1,956	259	26	452	200	29	15	9	17	423		

In what follows is a table detailing the total number of employees at the Bank's Jordan branches as of 2010. The table reveals that the total number of employees working in Jordan reached 1,956 as at end-December 2010, of whom 883 worked at the head office.

Branch	Number of employees	Branch	Number of employees	Branch	Number of employees	Branch	Number of employees
Main Branch	35	Al Jubeiha	13	Deir Abi Saeed	6	Um Al Sumaq	11
Luwibdeh	8	Al Fuhais	8	Hakama	11	North Azraq	4
Al Madina	12	Saltt	13	Al Huson	11	Masoum Sub.	8
Jabal Amman	10	Sweileh	11	Hiteen	7	Children	3
Jabal Al Hussein	14	Sahab	9	Aidoun	7	Wadi Saqra	7
AlWehdat	14	Abu Alanda	11	Mashre	5	Al Qaser	8
Marka	14	Juwaideh	9	Kufranjah	7	Al Hasan Industrial city	6
Qurish St.	13	Marj Al Hamam	11	Palestine St	10	Al Rabieh	10
Jabal al Taj	8	Na'our	8	Al Karameh	3	Abdulah Ghoshe	13
Prince Hassan Sub.	12	Muwaqar	4	Oujan	8	Central Market	6
North Hashmi	11	Tela' Al Ali	10	Al Jaish St	8	Al Quba Circle	11
Ras Al Ein	9	King Abdullah II City	7	Kraymeh	3	Zahran	11
Ashrafieh	9	Baqa'	9	Yarmouk	7	Madina Munawarah	14
Al Hawooz	8	Al Horia St.	13	Aqaba	14	City Mall	11
Al Nuzha	10	Quwaismeh	9	Tafeileh	9	Medical City St.	7
Sport's City	14	Bayader	14	Ma'an	15	Free Zone - Zarqa	6
Al Salam	8	Zarqa	14	Al Karak	11	Abdoun Park	7
Commercial Complex	17	Irbid	19	Potash	7	New Zarqa	8
Prince Moh'd St.	8	Ajloun	11	Petra	9	Dahyat Al - Yasmeen	8
Tareq	11	Mafraq	15	Shoubak	3	Privet Banking Services / 5 th Circle	7
Abu Nseir	8	Jarash	12	Mu'ta	10	Call Center	21
Nazal Sub.	11	Ma'daba	13	Al Hasa	5	Sweifieh Office	4
Abdoun	13	Deir A'la	7	Jabal Al Shamali	8	Muqableen Office	3
Park Plaza	20	Ghweirieh	8	Airport	13	Amman Customs Office	6
Gardens	14	Rusaifeh	9	Al Dleel	8	Al Mudawrah Exchange Office	4
Shmeisani	11	Ramtha	11	Al Edhaa	8	North Border Crossing Office	4
Qasr Shbeeb	11	North Shouna	11	Al Barha	9	Total	1,073
Um Othina	11	South Shouna	7	Sheidieh	3		

As for the number of the employees working at the Bank's Palestine branches as at end-December 2010, the breakdown is as follows.

Branch	Number of employees	Branch	Number of employees	Branch	Number of employees
Regional Management	65	Halhoul	13	Yata	11
Ramallah	27	Beir Zeit	12	Tormosaya	12
Gaza	15	Khan Younis	12	Dahriyeh	13
Nablus	22	Jenin	17	Total	259
Khaleel	25	Bethlehm	15		

Looking at the number of employees working at the International Bank for Trade and Finance/Syria as at end-December 2010 reveals the following breakdown:

Branch	Number of employees	Branch	Number of employees	Branch	Number of employees
Regional Management	173	Mezzeh	8	Der'a	9
Hejaz	18	Tijarah	8	Hama	11
Pakistan	17	Fardous	7	Hama - Muhardeh	5
Dedeman	10	Zabadani	8	Hasakeh	7
Yarmouk Camp	8	Homs	12	Latakia	16
Housh Plas	6	Tartus	12	Sweida	9
Duma	9	Aleppo – Faisal	14	Kamishli	7
Dummar Project	7	Aleppo – Sheraton	9	Derzor	7
Al Hareeka	9	Aleppo - Jmeleyeh	9	Masaken Barzeh	7
Jaramana	9	Aleppo – Sheikh Najjar	5	Total	452
Qas'a	7	Aleppo – ShahbaMall	9		

As for the number of the employees working at the Housing Bank for Trade and Finance/Algeria as at end-December 2010, the breakdown is as follows.

Branch	Number of employees
Regional Management	115
Dali Ibrahim	27
Blida	14
Oran	22
Setif	14
Ad dar al bayda'	8
Total	200

Subsidiaries' Business Nature/Fields of Activity

Company name	Company Type	Main Activity	Paid-Up Share Capital	Bank's Share
International Bank for Trade & Finance / Syria	Anonymous Company	Commercial banking activities	SLS billion	49.0%
The Housing Bank for Trade & Finance / Algeria	Public Shareholding	Commercial banking activities	DZD10 billion	61.171%
Joradn International Bank/London	P.L.C.	Commercial banking activities	GBP35 million	68.571%
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance activities	JD20 million	100.0%
Jordan & Palestine Financial Investment Co.	Private Shareholding	Financial Brokerage activities	JD1.6 million	99.9%
International Financial Center Co.	L.L.C.	Financial Brokerage activities	JD4.5 million	77.5%
Jordan Real-Estate Investments & Commercial Services	L.L.C.	Manage non-banking activities and services	JD40 thousand	100.0%

Board of Directors: Brief Resume (as on 31/12/2010)

H.E. Dr. Michel Marto

Title: Chairman

Date of Birth: 21/8/1940

Qualifications: Ph.D., 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 Department at the Royal Scientific Society, 1971 - 1975
- Manager, Economic Research & Studies, Central Bank of Jordan, 1969 - 1971
- Chairman: Association of Banks in Jordan, 2005 - 2009
- Chairman: Jordan Mortgage Refinance Co., 1996 – 1997
- Chairman: Industrial Development Bank, 1994 - 1997
- Vice Chairman: Industrial Development Bank, 1992-1994
- Board Member: Union of Arab Banks, 2005 – 2009
- Board Member: The Arab Potash Co., 1991 - 1997

Memberships in HBTB Board Committees

- Executive Committee
- Risk Management Committee
- Corporate Governance Committee

Memberships in other boards

- Chairman: The International Bank for Trade & Finance/Syria.
- Chairman: The Housing Bank for Trade & Finance/Algeria.
- Chairman: Specialized Leasing Co.
- Chairman: International Financial Center Co.
- Vice Chairman: Jordan International Bank/London.
- Vice Chairman: Board of Trustees/Yarmouk University
- Board Member: Association of Banks in Jordan.
- Board Member: Jordan International Insurance Co.
- Board of Trustees: King Hussein Cancer Foundation.
- Board Member: Al Hussein Fund for Excellence.
- Board Member of The Economic and Social Council and Chairman of the Economic Policy Committee.

Sheikh Ali Bin Jassim Al - Thani

Title: Vice Chairman

Date of Birth: 1/1/1960

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

Memberships in HBTF Board Committees

- Audit Committee

Memberships in other boards

- Chairman: Qatar Navigation Co.
- Board Member: Arab Maritime Co./Kuwait
- Board Member: Champs-Élysées/Paris.
- Board Member: The International Bank for Trade & Finance/Syria

Mr. Abdulla Mubarak AlKhalifa

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 25/9/1973

Qualifications: B.Sc. Business Administration, 1995

- General Manager, Corporate Banking/QNB

Memberships in HBTF Board Committees

- Executive Committee

Memberships in other boards

- 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

Title: Board Member

Date of Birth: 5/1/1965

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

- CEO: QNB/Syria
- Assistant General Manager, New Ventures

Memberships in HBTF Board Committees

- Audit Committee

Memberships in other boards

- Board Member: The International Bank for Trade & Finance/Syria
- Board Member: Libyan-Qatari Bank
- Board Member: Syrian Islamic Insurance Co.

Mr. Mohamed A. Al-Khulaifi

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 16/6/1960

Qualifications: B.Sc. Computer Science, 1987

- Executive General Manager, Chief Operating Officer/QNB

Memberships in HBTF Board Committees

- Nomination and Remuneration Committee
- Risk Management Committee

Memberships in other boards

- Vice Chairman: Mansour Bank/Iraq

Mr. Ali Abdulla A. Darwish

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 1/1/1970

Qualifications: B.Sc. Business Administration, 1994

- Assistant General Manager, Financial Institutions & Correspondent Banks/QNB

Memberships in HBTF Board Committees

- Corporate Governance Committee

Memberships in other boards

- Vice Chairman: Pak-Qatar Family Takaful & Pak-Qatar General Takaful

Mr. Hamoud J. Al Falah

Representative of Kuwait Real Estate Investment Consortium

Title: Board Member

Date of Birth: 15/6/1961

Qualifications: B.Sc. International Trade, 1987

- Senior Investment Officer/Kuwait Investment Authority

Memberships in HBTF Board Committees

- Audit Committee
- Corporate Governance Committee

Memberships in other boards

- N.A.

Mr. Mohammad Al Munaifi

Representative of Kuwait Real Estate Investment Consortium

Title: Board Member

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

Memberships in HBTF Board Committees

- Executive Committee
- Nomination and Remuneration Committee

Memberships in other boards

- Chairman: The Foundation Committee-Health Insurance Hospitals Co./Kuwait
- Chairman: The Foundation Committee-Specialized Medical City in the south/Kuwait
- Vice Chairman: The Foundation Committee - Industrial Boarder Areas Co./Kuwait
- Board Member: Bred Street Real Estate Co./USA
- Board Member: Electricity Link Commission for GCC countries/KSA
- Board Member: The Housing Bank for Trade & Finance/Algeria
- Board Member: St Martins Property Co./United Kingdom

Mr. Mohamed Ben Yousef

Representative of Libyan Foreign Bank

Title: Board Member

Date of Birth: 5/12/1960

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

- General Manager: Libyan Foreign Bank, from 18/8/2010
- General Manager: Libyan – Qatari Bank, until 31/12/2010
- Arabic legal accountant and auditor 2004
- Libyan legal accountant and auditor 1993

Memberships in HBTf Board Committees

- Nomination & Remuneration Committee
- Audit Committee

Memberships in other boards

- Board Member: Arab International Bank/Cairo
- Board Member: Libya Africa Portfolio
- Chairman: Libya Africa Portfolio for Technology
- Board Member: Libyan Leasing Co.
- Board Member: National Planning/Libya
- Board Member: Economic & Social Development Fund/Libya
- Chairman: North Africa Bank (National Banking Corporation/Libya, Until 14/4/2010)
- Board Member : Union of Arab Banks / Beirut, until 30/3/2010
- Board Member : Audit Committee / Union of Arab Banks/Beirut, until 30/3/2010
- Chairman of General Meeting: Union of Arab Banks/Beirut, 2009
- Ex - Vice Chairman: Bank of Tropical Africa/Uganda
- Ex - Chairman: Review & Risk Committee-Bank of Tropical Africa / Uganda
- Ex - Chairman: Assets & Liabilities Committee-Bank of Tropical Africa/Uganda
- Ex - Vice Chairman: National Bank/Libya
- Ex - Chairman: Leasing Law Project Committee/Libya

Mr. Mokhtar Ghenas

Representative of Libyan Foreign Bank

Title: Board Member

Date of Birth: 11/9/1953

Qualifications: Masters, Comparative Law 1982

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

Memberships in HBTf Board Committees

- Executive Committee

Memberships in other boards

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

Mr. Thabet Elwir

Representative of the Social Security Corporation/Jordan

Title: Board Member

Date of Birth: 11/2/1957

Qualifications: B.Sc., Agricultural Machines 1980

Memberships in HBTF Board Committees

- Executive Committee
- Risk Management Committee

Memberships in other boards

- Chairman: National Mineral Water Company "al sabeel"
- Chairman: Industry & Investment Co.
- Board Member: King Abdullah II Design and Development Bureau
- Board Member: KADDB Industrial Estate Co.
- Board Member: Jordan Water Co. (Miyahuna)
- Board Member: Jordanian Specialized Machines Manufacturing Co.
- Board Member: Jordanian Developed Company for Minerals Formation Co.
- Board Member: Zarka Chamber of Industry

Mr. Jehad Ali Al Share

Representative of the Social Security Corporation/Jordan

Title: Board Member

Date of Birth: 21/3/1958

Qualifications: Masters, Economics 2003

Research & Portfolio Support Department Manager-Social Security Investment Fund / Jordan

Memberships in HBTF Board Committees

- Corporate Governance Committee
- Audit Committee

Memberships in other boards

- Representative of the Social Security Corporation in many Jordanian companies

Mr. Ahmed Al Mahrezi

Representative of Ministry of Finance/Sultanate of Oman

Title: Board Member

Date of Birth: 23 /11/1961

Qualifications: M.A. Law 2002

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

Memberships in HBTF Board Committees

- 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

Title: 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: The Housing Bank for Trade & Finance/Algeria
- Vice Chairman: Union Advanced Industries Co.

Previous Memberships

- Board member: Union Bank for Saving & Investment (Board Member: Executive Committee, Chairman: Audit Committee), 1984 – 2007
- Vice Chairman and Board Member: United Arab Investors Co., 1994 – 2007
- Vice Chairman and Board Member: Union Investment Corporation, 1996 – 2007
- Board Member: International Bank for Trade & Finance/Syria, 2004 – 2009

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	0.123%
Sheikh Ali Bin Jassim Al - Thani	5/5/1997	Himself	Non-Executive Independent	0.004%
Mr. Abdulla Mubarak AlKhalifa	31/1/2008	Qatar National Bank	Non-Executive Non-Independent	34.427%
Mr. Yousef Mahmoud Al-Neama	31/1/2008		Non-Executive Non-Independent	
Mr. Mohamed A. Al-Khulaifi	31/1/2008		Non-Executive Non-Independent	
Mr. Ali Abdulla A. Darwish	19/4/2009		Non-Executive Non-Independent	
Mr. Hamoud J. Al Falah	5/4/2009		Non-Executive Non-Independent	
Mr. Mohammad S. Al Munaif	2/4/2005	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	18.613%
Mr. Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	15.911%
Mr. Mokhtar Ghenas	14/6/2007		Non-Executive Non-Independent	
Mr. Thabet Elwir	1/10/2007		Non-Executive Non-Independent	
Mr. Jehad Ali Al Share	25/2/2009	Social Security Corporation / Jordan	Non-Executive Non-Independent	15.389%
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.

Number of Securities Owned by Board Members and Their Relatives

Board Member	Nationality	Number of securities owned by the member		Number of securities owned by wife and minor children	
		2009	2010	2009	2010
H.E. Dr. Michel Marto	Jordanian	285,135	310,000	-	-
Sheikh Ali Bin Jassim Al - Thani	Qatari	10,000	10,000	-	-
Mr. Abdulla Mubarak AlKhalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Mohamed A. Al-Khulaifi	Qatari	-	-	-	-
Mr. Ali Abdulla A. Darwish	Qatari	-	-	-	-
Mr. Hamoud J. Al Falah	Kuwaiti	-	-	-	-
Mr. Mohammad S. Al Munaifi	Kuwaiti	-	-	-	-
Mr. Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Mokhtar Ghenas	Libyan	-	-	-	-
Mr. Thabet Elwir	Jordanian	-	-	-	-
Mr. Jehad Ali Al Share	Jordanian	-	-	-	-
Mr. Ahmed Al Mahrezi	Omani	-	-	-	-

Companies Controlled by Board Members and Their Relatives

Board Member	Nationality	Companies controlled by the member		Companies controlled by wife and minor children	
		2009	2010	2009	2010
H.E. Dr. Michel Marto	Jordanian	-	-	-	-
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. Ali Abdulla A. Darwish	Qatari	-	-	-	-
Mr. Hamoud J. Al Falah	Kuwaiti	-	-	-	-
Mr. Mohammad S. Al Munaifi	Kuwaiti	-	-	-	-
Mr. Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Mokhtar Ghenas	Libyan	-	-	-	-
Mr. Thabet Elwir	Jordanian	-	-	-	-
Mr. Jehad Ali Al Share	Jordanian	-	-	-	-
Mr. Ahmed Al Mahrezi	Omani	-	-	-	-

Number and Dates of Board Meetings

The Bank's Board of Directors held seven meetings in 2010, in the following chronological order: 27/1, 31/3, 29/4, 3/6, 29/7, 21/10, and 15/12. All board members attended the meetings.

Board of Directors Committees

The Board has five committees, each with its own reference and powers. In what follows is a short brief about these committees:

Executive Committee

The Executive Committee is composed of five members, and held four meetings in 2010. The present members of this committee are:

- H.E. Dr. Michel Marto
- Mr. Abdulla M. Al Khalifa
- Mr. Mohammad Al Munaifi
- Mr. Mokhtar Ghenas
- Mr. Thabet Elwir

Audit Committee

The Audit Committee is composed of five members, and held four meetings in 2010. The present members of this Committee are:

- Sheikh Ali Bin Jassim Al-Thani
- Mr. Yousef Mahmoud Al-Neama
- Mr. Hamoud J. Al Falah
- Mr. Mohamed Ben Yousef
- Mr. Jehad Ali Al Share

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of three members, and held four meetings in 2010. The present members of this Committee are:

- Mr. Mohamed A. Al-Khulaifi
- Mr. Mohammad Al Munaifi
- Mr. Mohamed Ben Yousef

Risk Management Committee

The Risk Management Committee is composed of five members, and held two meetings in 2010. The present members of this committee are:

- H. E. Dr. Michel Marto
- Mr. Mohamed A. Al-Khulaifi
- Mr. Thabet Elwir
- Mr. Ahmed Al Mahrezi
- Mr. Omar Malhas

Corporate Governance Committee

The Corporate Governance Committee is composed of five members, and held one meeting in 2010. The present members of this Committee are:

- H.E. Dr. Michel Marto
- Mr. Ali Abdulla A. Darwish
- Mr. Hamoud J. Al Falah
- Mr. Jehad Ali Al Share
- Mr. Omar Malhas

Senior Executive Management: Brief Resume (as of 31/12/2010)

Mr. Omar Zuheir Malhas

Title: General Manager

Date of Birth: 30/3/1960

Date of Appointment: 1/8/2002

Qualifications: MBA International Banking and Finance, 1991

Mr. Malhas has more than 20 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, the Bahrain office (one of the world's largest investment managers). Mr. Malhas rejoined the HBTF in 2002 as Head of the Treasury and Investment Department. He became the Chief Banking Officer in March 2009 and was appointed General Manager in 2010.

Memberships in HBTF Board Committees:

- Risk Management Committee
- Corporate Governance Committee

Memberships in the other boards

- Vice Chairman: Specialized Leasing Co.
- Board Member: International Bank for Trade & Finance/Syria
- Board Member: Jordan International Bank/London
- Board Member: International Financial Center Co.
- Board Member: King Abdullah II Design and Development Bureau (KADDB)
- Board Member: The Investment Unit of the Social Security Corp./Jordan
- Vice Chairman: Jordan Water Co. (Miyahuna)

Mr. Osama Al Haj Yahya

Title: Chief Operating Officer

Date of Birth: 22/11/1963

Date of Appointment: 11/8/1988

Qualifications: M.A. 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.
- Certified Internal Auditor, CIA 2009, the Institute of Internal Auditors (the IIA/USA).

Mr. Al Haj Yahya has worked, throughout the last two decades, with the HBTF 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 in 2007. He has, during that period, gained the necessary educational and practical experiences that qualified him to manage and direct the Bank's internal audit function, and later assuming the role of Chief Operating Officer of the Bank in March 2009.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: Jordan Real Estate Enterprises Co.

Mr. Kamal Hamdi Yaghmour

Title: Assistant General Manager for Retail Banking

Date of Birth: 10/6/1956

Date of Appointment: 25/6/1975

Qualifications: B. Sc. Accounting, 1984

Mr. Yaghmour has worked with the HBTF 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.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: Specialized Leasing Co.
- Board Member: Union Developed Industries Co.
- Board Member: Jordan Vet. Medicine Manufacturing Co. (JOVET)
- Board Member: Middle East Payment Services Co. (Master Card)

Mr. Mohammed Ali Mohammed Ibrahim

Title: Assistant General Manager for Commercial Banking

Date of Birth: 26/2/1969

Date of Appointment: 4/11/2004

Qualifications: Diploma in Accounting, 1988

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

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: Specialized Leasing Co.
- Board Member: International Financial Center Co.
- Board Member: Business Faculty Council/Middle East University.
- Member: Jordan Europe Business Association/JEBA

Mr. Caesar Hani Qulajen

Title: Assistant General Manager for Corporate & Investment Banking

Date of Birth: 22/8/1964

Date of Appointment: 2/11/2008

Qualifications: MBA – Corporate Finance, 1997

Before joining the HBTF, Mr. Qulajen was the CEO/Vice Chairman in a Saudi-based private equity firm, Ebram Investments, where he coordinated and executed investment and business strategies, had the leading role in setting up all investment policies and procedures and finalized major commercial/investment transactions. Such transactions included mergers and acquisitions, capital structuring and restructuring, debt and equity financing, strategic partnerships and alliances with various industries' know-how providers.

Prior to Ebram, Qulajen was an Assistant General Manager in the CIBG with Samba Financial Group in Saudi. He was based in the Eastern Province in Saudi and involved in Corporate Credit, Corporate Finance and Project Finance, Relationship Management and Risk Management.

Earlier experience included Arthur Andersen as a Global Corporate Finance VP responsible for Business Valuations, Private Placements, Mergers and Acquisitions, Sales and Divestitures (equity), Project Finance and Corporate Advisory. In addition, Qulajen was working with the Social Security Corporation (Jordan) as Treasury Officer and Liabilities Manager.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards:

- Board Member: Jordan Pipes Manufacturing CO.

Mr. Nimer Zaki Al-Bakri

Title: Assistant General Manager for Credit

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. He joined the Arab Bank in 1967, with his last position at that bank being Regional Manager/Credit Facilities Department/Arab Branches.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: Jordan Industrial Estates Corporation

Mr. Riyadh Ali Taweel

Title: Assistant General Manager for Treasury

Date of Birth: 1/9/1971

Date of Appointment: 22/7/2007

Qualifications: B.Sc. Economics, 1992

Professional Qualifications: Chartered Financial Analyst/CFA 2000

Mr. Taweel started his career as FX dealer with Treasury Department at the HBTF in 1992 and assumed many important positions reflecting his distinguished experience and competency in internal audit and international investments. After working with other Jordanian and regional banks (Capital Bank/Jordan, and ABC/Bahrain), Mr. Taweel rejoined the Bank as Manager of International Investments Center, until being appointed Assistant General Manager for Treasury.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: ALDaman Investments Co.

Dr. Mohammad Abdul Fattah Turki

Title: General Auditor

Date of Birth: 19/4/1963

Date of Appointment: 3/12/1988

Qualifications: Ph.D., Finance, 2006

Mr. Turki worked with the Bank for more than 20 years, with intensive experience in the audit field. He has been promoted in various levels of audit activity, until he reached his current position as General Auditor. During his career, Mr. Turki has been distinguished in education and practice, having successfully obtained his Ph.D. degree in Financing.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards:

N.A.

Mr. Khaled Mahmoud Al-Thahabi

Title: Executive Manager/Finance Department

Date of Birth: 20/6/1963

Date of Appointment: 3/8/1985

Qualifications: B.Sc. Accounting, 1985

Professional Qualifications: CPA, 1995

Mr. Al-Thahabi has extensive and versatile experiences in the fields of accounting, tax, financial management, financial planning, as well as development of accounting policies, procedures, and systems.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Board Member: Union Tobacco & Cigarette Industries
- Chairman: Audit Committee/Union Tobacco & Cigarette Industries

Mr. Issam Fouad Hudroj

Title: Executive Manager/Human Resources Department

Date of Birth: 8/5/1973

Date of Appointment: 14/4/1994

Qualifications: MBA Banking & Finance, 2005

Professional Qualifications:

- CPA, 1997
- Professional in Human Resources Management (PHR), 2008

Mr. Hudroj joined the HBTF 16 years ago as L/C officer. His commitment to training and development of his academic and professional capabilities over the last years enabled him to develop his job level. Mr. Hudroj was promoted from L/C officer at the International Trade Operations Center, to Research and Planning Officer/Administrative Affairs Dept., then as a Manager of Consultations Services at the Corporate and Investment Banking Group, until he became Executive Manager for Human Resources Department.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards

- Chairman: Jordan Real-Estate Investments & Commercial Services

Mr. Jamal Ridda Doqqa

Title: Executive Manager/Risk & Compliance Department

Date of Birth: 21/10/1969

Date of Appointment: 6/6/1993

Qualifications: MBA, 1999

Professional Qualifications: CISA, CAMS, CCO

During the past 17 years, Mr. Doqqa has worked in the fields of internal audit and control at the HBTF. He then became in charge of Quality Management, and then responsible for the Bank's Electronic Channels. Later on he assumed the role of Head of Compliance, until he became Executive Manager for the Risk & Compliance Department.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards:

N.A.

Mr. Ra'ad Ahmed Abu Al-Sa'ad

Title: Executive Manager/IT Department

Date of Birth: 29/3/1965

Date of Appointment: 11/11/2007

Qualifications: MBA, 2006

Mr. Abu Al-Sa'ad has extensive experiences in the information technology and management fields, as he worked with many reputable local and regional institutions, companies and banks such as: the Industrial Development Bank, Capital Bank, Cairo Amman Bank/Jordan, Saraya Development Group and Deloitte and Touche/Qatar, in addition to participation in various seminars and courses specialized in information technology as well as management.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards:

N.A.

Mr. Ramez Thrwat Al Barghouti

Title: Chief Legal Officer

Date of Birth: 27/5/1970

Date of Appointment: 16/3/2008

Qualifications: LLM, 1994.

Mr. Barghouti has extensive legal experience, particularly in the areas related to commercial, banking and corporate transactions. He started his career in 1994 with a locally and internationally reputable law office. In 2003, he joined the foreign Legal Department at the Head Office of the Arab Bank and in 2006 he moved to private practice through his private office. He joined the Bank in 2008.

Memberships in HBTF Board Committees:

N.A.

Memberships in the other boards:

N.A.

Number of Securities Owned by Senior Executive Management and Their Relatives

Executive Member	Title	Nationality	Number of securities owned by the member		Number of securities owned by wife and minor children	
			2009	2010	2009	2010
Mr. Omar Malhas	General Manager	Jordanian	10,000	10,000	-	-
- His son Faisal Omar Malhas		Jordanian	-	-	215	215
Mr. Osama Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Kamal Yaghmour	Assistant General Manager for Retail Banking	Jordanian	-	-	-	-
Mr. Mohammed Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Caesar Qulajen	Assistant General Manager for Corporate and Investment Banking	Jordanian	-	-	-	-
Mr. Nimer Al-Bakri	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Dr. Mohammad Turki	General Auditor	Jordanian	-	-	-	-
Mr. Khaled Al-Trahabi	Executive Manager/Finance Department	Jordanian	2,000	2,000	-	-
Mr. Issam Hudroj	Executive Manager/Human Resources Department	Jordanian	-	-	-	-
Mr. Jamal Dooqqa	Executive Manager/Risk & Compliance Department	Jordanian	-	-	-	-
Mr. Ra'ad Abu Al-Saad	Executive Manager/IT Department	Jordanian	-	-	-	-
Mr. Ramiz Al Barghouti	Chief Legal Officer	Jordanian	-	-	-	-
Mr. Mohyeddin El Ali	Board Secretary	Jordanian	43,500	43,500	-	-
- His Wife Husnia Zaki Al-Zeyoud		Jordanian	-	-	132,500	132,500

Companies Controlled by Senior Executive Management and Their Relatives

Executive Member	Title	Nationality	Companies controlled by the member		Companies controlled by wife and minor children	
			2009	2010	2009	2010
Mr. Omar Malhas - His son Faisal Omar Malhas	General Manager	Jordanian Jordanian	- -	- -	- -	- -
Mr. Osama Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Kamal Yaghmour	Assistant General Manager for Retail Banking	Jordanian	Furat Plastic Industries Co.	Furat Plastic Industries Co.	-	-
Mr. Mohammed Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Caesar Qulajen	Assistant General Manager for Corporate and Investment Banking	Jordanian	Canadian Coffee Services	Canadian Coffee Services	-	-
Mr. Nimer Al-Bakri	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Dr. Mohammad Turki	General Auditor	Jordanian	-	-	-	-
Mr. Khaled Al-Thahabi	Executive Manager/Finance Department	Jordanian	-	-	-	-
Mr. Issam Hudroj	Executive Manager/Human Resources Department	Jordanian	-	-	-	-
Mr. Jamal Doqqa	Executive Manager/Risk & Compliance Department	Jordanian	-	-	-	-
Mr. Ra'ad Abu Al-Saad	Executive Manager/IT Department	Jordanian	-	-	-	-
Mr. Ramiz Al Barghouti	Chief Legal Officer	Jordanian	-	-	-	-
Mr. Mohyeddin El Ali - His Wife Husnia Zaki Al-Zeyoud	Board Secretary	Jordanian Jordanian	- -	- -	- -	- -

Remunerations Policy: Brief

The HBTF applies and implements an incentive-based remuneration policy, which appropriates about 5% of the Bank's after-tax profits for this purpose. Such profits are distributed among the Bank's employees according to a special plan linking performance with pay.

Board Remunerations and Benefits in 2010:

Salaries, remunerations, board committee memberships and transportation allowances paid to the chairman, the board members and to the executives management in 2010 amounted to JD2,816,363 (excluding performance incentives and bounces).

Each board member receives a total of JD5,000 per year as board membership allowance, in addition to allowances in lieu of travel, transportation and board committee membership.

JD

Board Member	Title	Transportation allowances, committees membership and remunerations
H.E. Dr. Michel Marto	Chairman	85,315
Sheikh Ali Bin Jassim Al - Thani	Vice Chairman	81,770
Qatar National Bank represented by:		
Mr. Abdulla Mubarak AlKhalifa	Board Member	74,680
Mr. Yousef Mahmoud Al-Neama	Board Member	78,225
Mr. Mohamed A. Al-Khulaifi	Board Member	67,590
Mr. Ali Abdulla A. Darwish	Board Member	68,635
Kuwait Real Estate Investment Consortium represented by:		
Mr. Mohammad S. Al Munaifi	Board Member	85,315
Mr. Hamoud J. Al Falah	Board Member	83,440
Libyan Foreign Bank represented by:		
Mr. Mohamed Ben Yousef	Board Member	81,770
Mr. Mokhtar Ghenas	Board Member	85,315
Social Security Corporation/Jordan represented by:		
Mr. Thabet Elwir	Board Member	85,315
Mr. Jihad Ali Al Share	Board Member	84,065
Ministry of Finance/Sultanate of Oman represented by:		
Mr. Ahmed Al Mahrezi	Board Member	71,135

Major Shareholders (5% or More)

	Number of Shares as at end of 2009	(%) of Capital	Number of Shares as at end of 2010	(%) of Capital
Qatar National Bank	85,553,386	33.950%	86,755,160	34.427%
Kuwait Real Estate Investment Consortium	46,904,045	18.613%	46,904,045	18.613%
Libyan Foreign Bank	40,000,000	15.873%	40,095,639	15.911%
Social Security Corporation/Jordan	38,780,231	15.389%	38,780,231	15.389%
Total	211,237,662	83.825%	212,535,075	84.339%

- Number of Jordanian shareholders is 3,170 holding a stake of 20% of capital.
- Number of Arab and foreign shareholders is 474 holding a stake of 80% of capital.

The Bank's Competitive Position and Market Share

Domestic Market Share in 2010

Item	Market share
Assets	14.5%
Customers' Deposits	15.8%
Loans and Credit Facilities	11.5%

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 exceeded 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 list of any patents or licensing rights

Neither the HBTF nor any of its products enjoy any government protection or privileges. The Bank has not gained any patents or intellectual property 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 have had any impact on the Bank, its products or competitiveness.

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 43 in the 2010 Financial Statements.

The Bank's accomplishments supported by figures, and description of significant occurrences in 2010

Such accomplishments have been set out in the analysis of the Bank's financial performance.

The financial impact of non-recurrent transactions during 2010, 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

Set out in the analysis of the Bank's financial performance.

Analysis of the Bank's financial position, and the results of its operations for the fiscal year 2010

Set out in the analysis of the Bank's financial performance.

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

Set out in the Bank's future plan for 2011

Auditor's Fees, 2010

JD

Item	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	63,916	16,240	80,156
Palestine Branches	16,030	4,870	20,900
Bahrain Branch	16,000	-	16,000
International Bank for Trade & Finance/Syria	44,737	-	44,737
The Housing Bank for Trade & Finance/Algeria	38,484	-	38,484
Jordan International Bank/London	52,162	4,395	56,557
Specialized Leasing Finance Co	3,480	-	3,480
Jordan & Palestine Financial Investment Co.	3,247	-	3,247
International Financial Center Co.	3,480	-	3,480
Jordan Real Estate Investments and Commercial Services Co.	1,740	-	1,740
TOTAL	243,276	25,505	268,781

Donations and Grants in 2010

As one of the largest banks in Jordan, the HBTF takes its responsibility as a corporate citizen very seriously by supporting socially- and scientifically-meaningful projects and contributing actively to those in need. The most important recipients of HBTF donations and grants during 2010 included: the Jordan River Institution, the King Hussein Cancer Center, the Jordanian Hashemite Fund for Human Development, the Arab Thought Forum, the Haya Cultural Center, the Royal Society for the Conservation of Nature, the Jordanian Association for the Protection of Road Accidents, the Jordan Cancer Society, the Mabarrat Um Al Hussein, just to name a few. It is worth mentioning that cash donations provided by the Bank in 2010 amounted to JD342,600 while in-kind donations reached JD72,200.

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 general manager or any employee of the Group or their relatives

As set out in Note 41 in the Financial Statements for 2010, the Bank has been engaged in transactions with major shareholders, members of the board of directors and 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

set out page 30

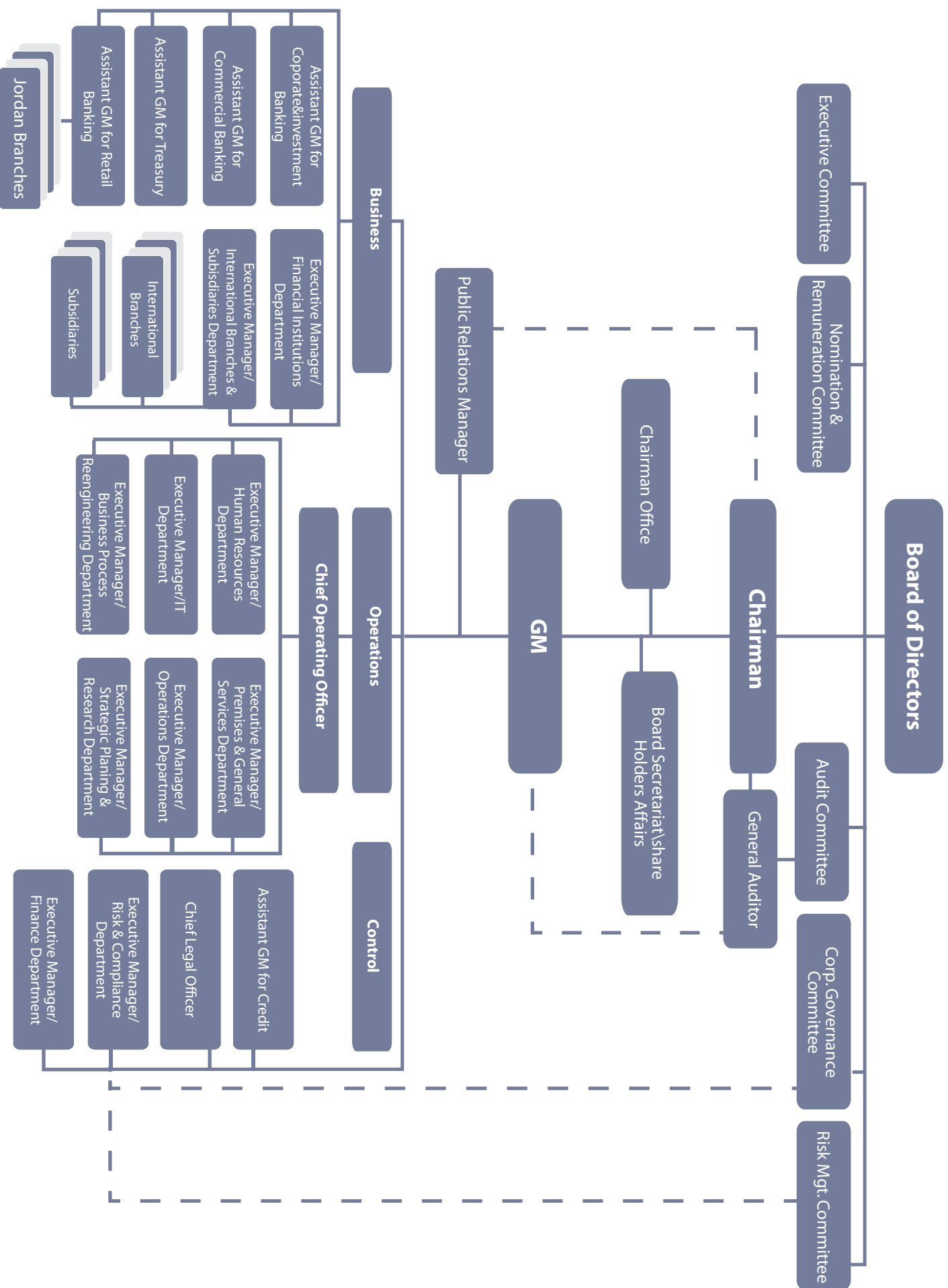
Compliance with Corporate Governance Code

Though in recent years, the board of directors of HBTF has adhered to best practices in corporate governance (internally known as the Bank's Corporate Governance Code), in fulfillment of the requirements of the CBJ and the Securities Commission on the one hand, and its responsibilities towards the shareholders on the other, the Bank has so far failed to meet two of the Code's provisions:

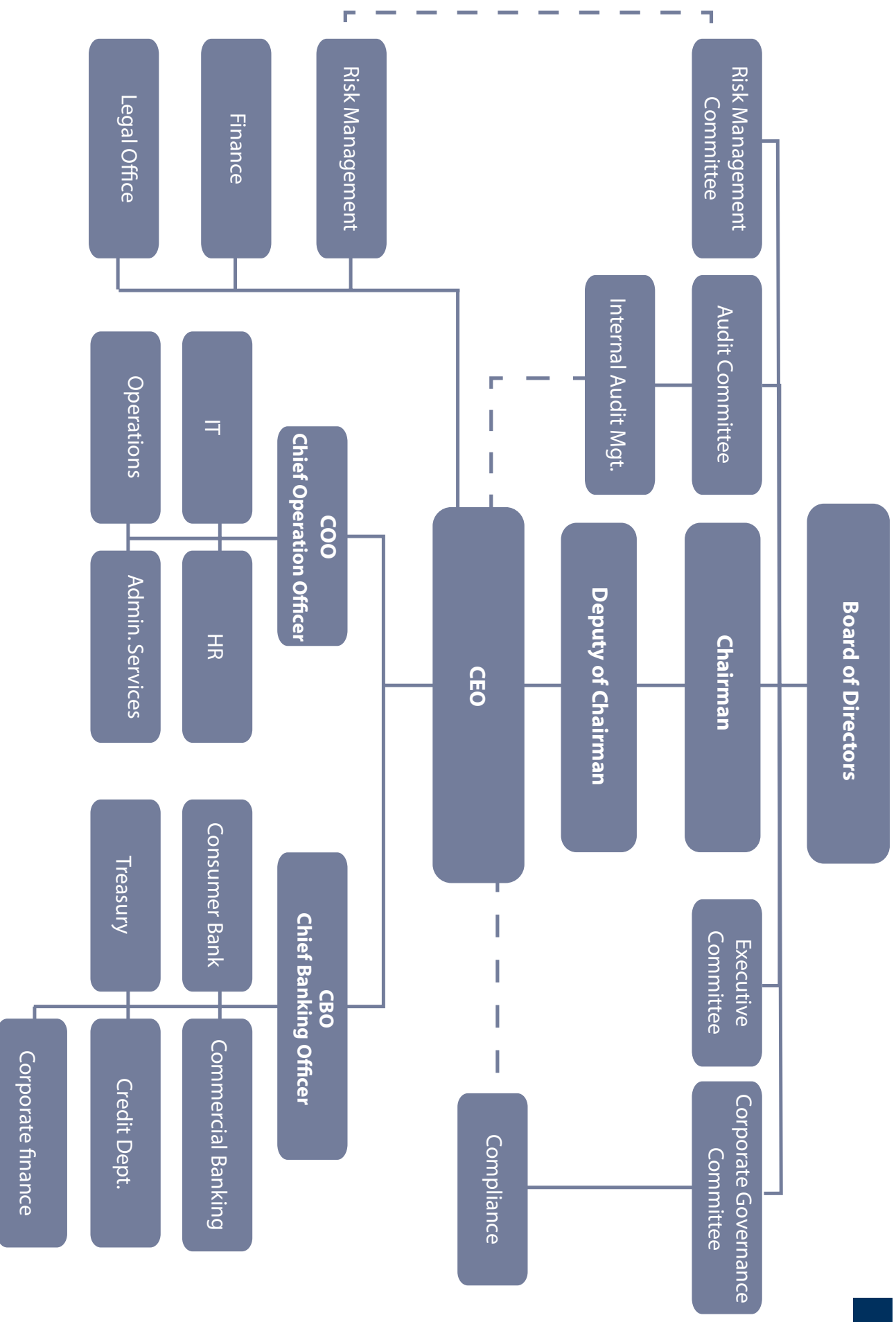
1. Number of independent members in the board of directors; and
2. Number of independent members in the Audit Committee as well as the Nomination and Remuneration Committee

This is due to the current structure of the Bank's share capital, as six shareholders having judicial public personalities hold 230,428,622 shares, equal to 91.44% of the share capital. Pursuant to 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 and when their shareholding qualifies them for one board membership or more.

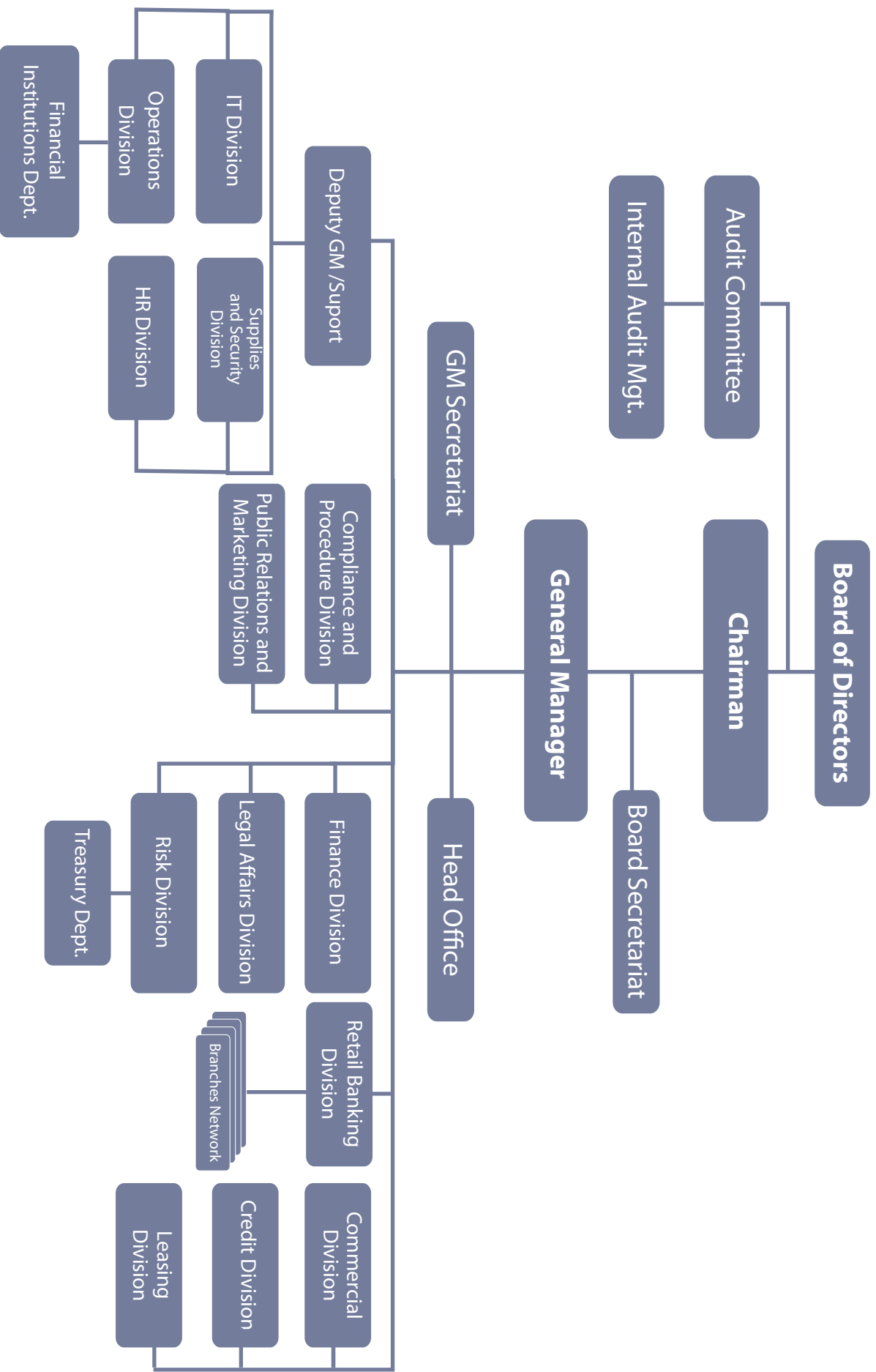
Organizational Chart / The Housing Bank for Trade and Finance



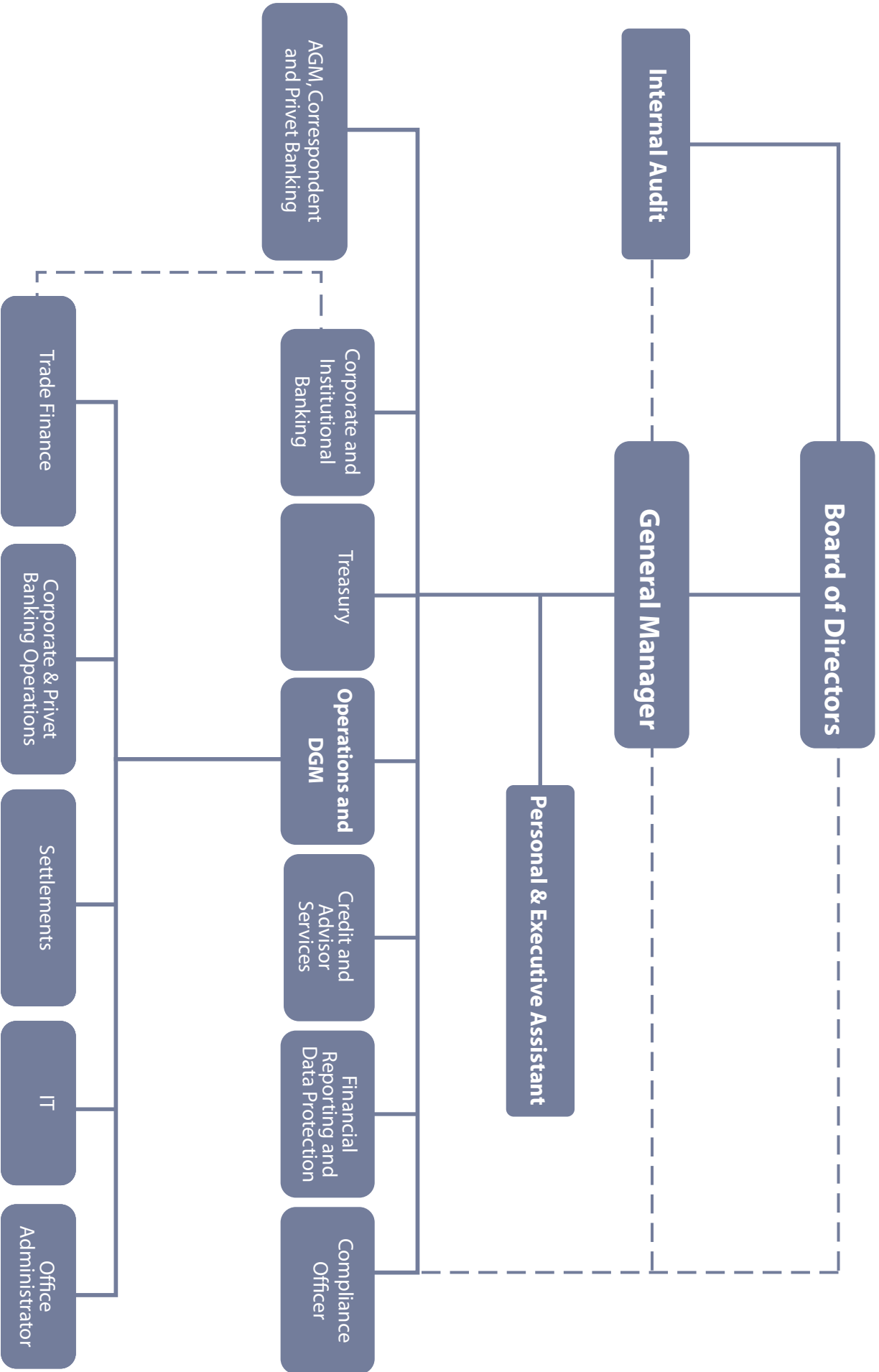
Organizational Chart /International Bank for Trade and Finance - Syria



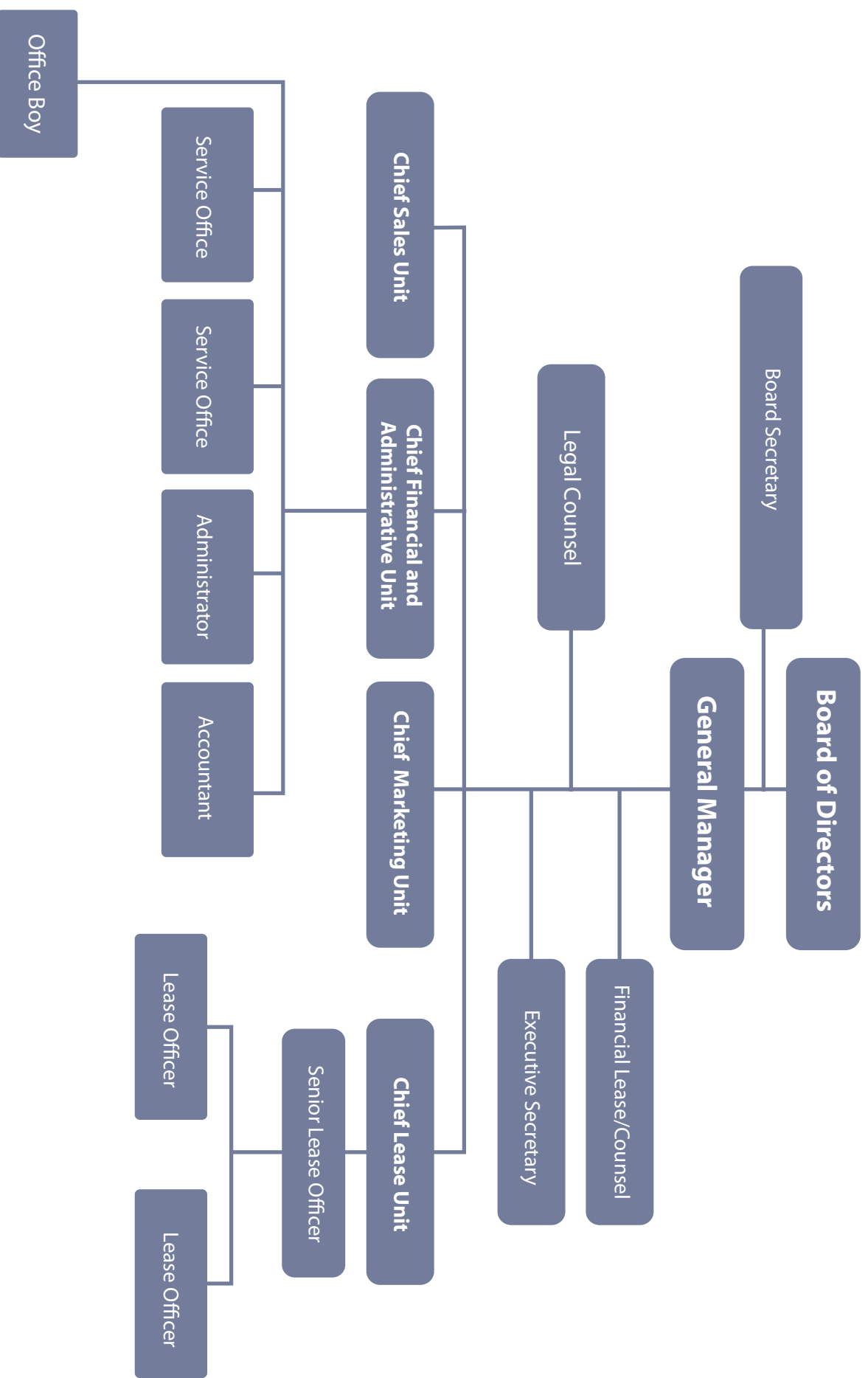
Organizational Chart/The Housing Bank for Trade and Finance-Algeria



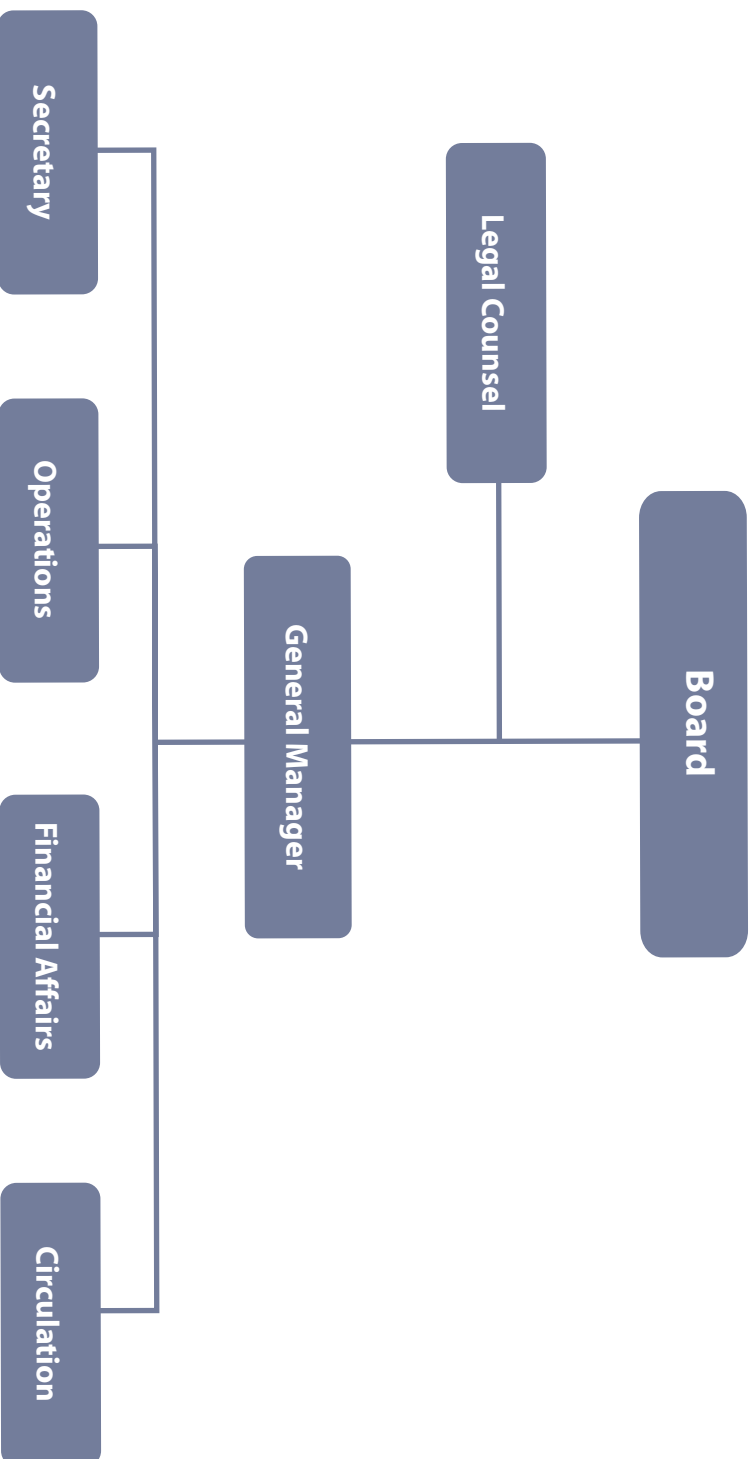
Organizational Chart/Jordan International Bank-London



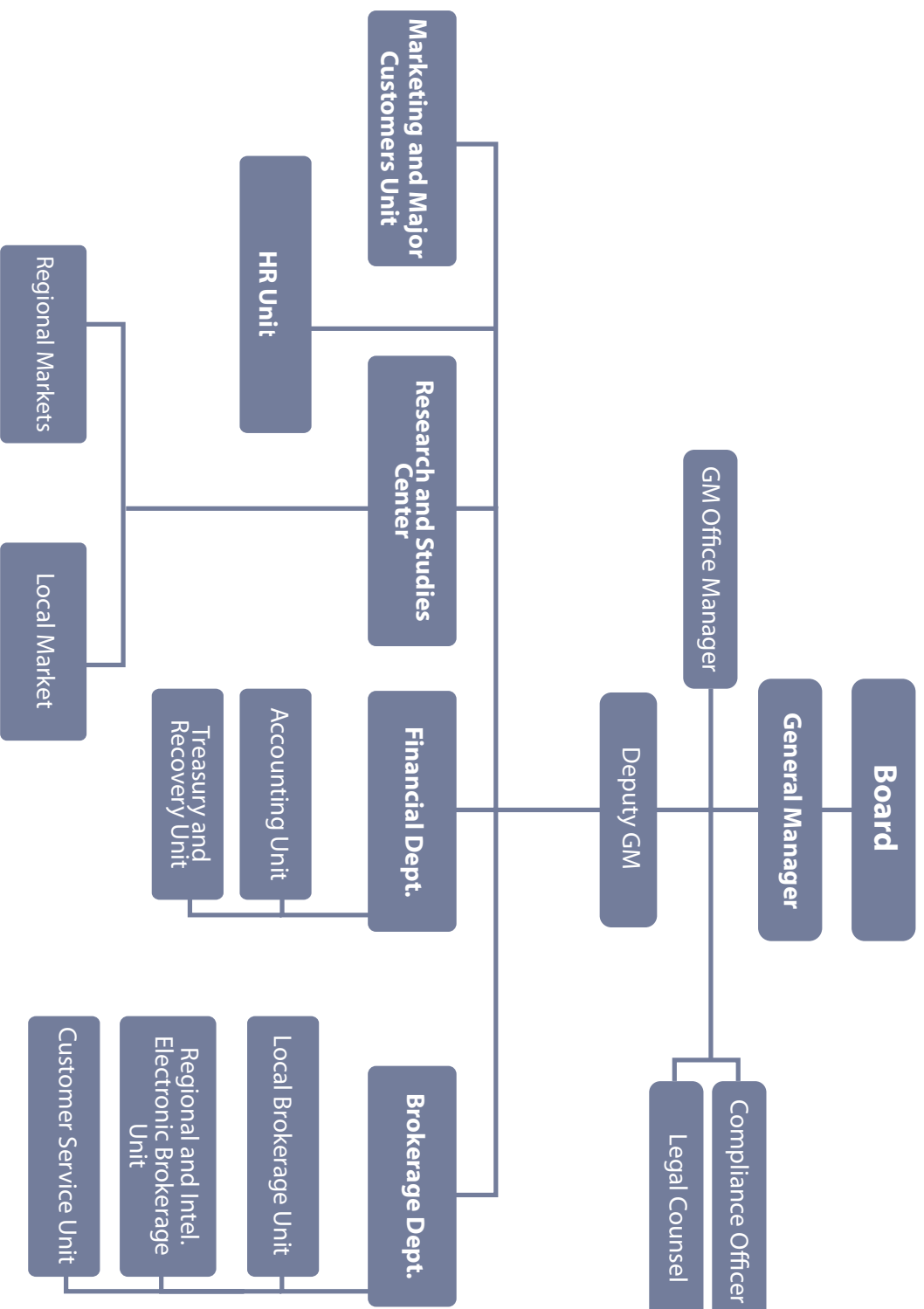
Organizational Chart/Specialized Leasing Company



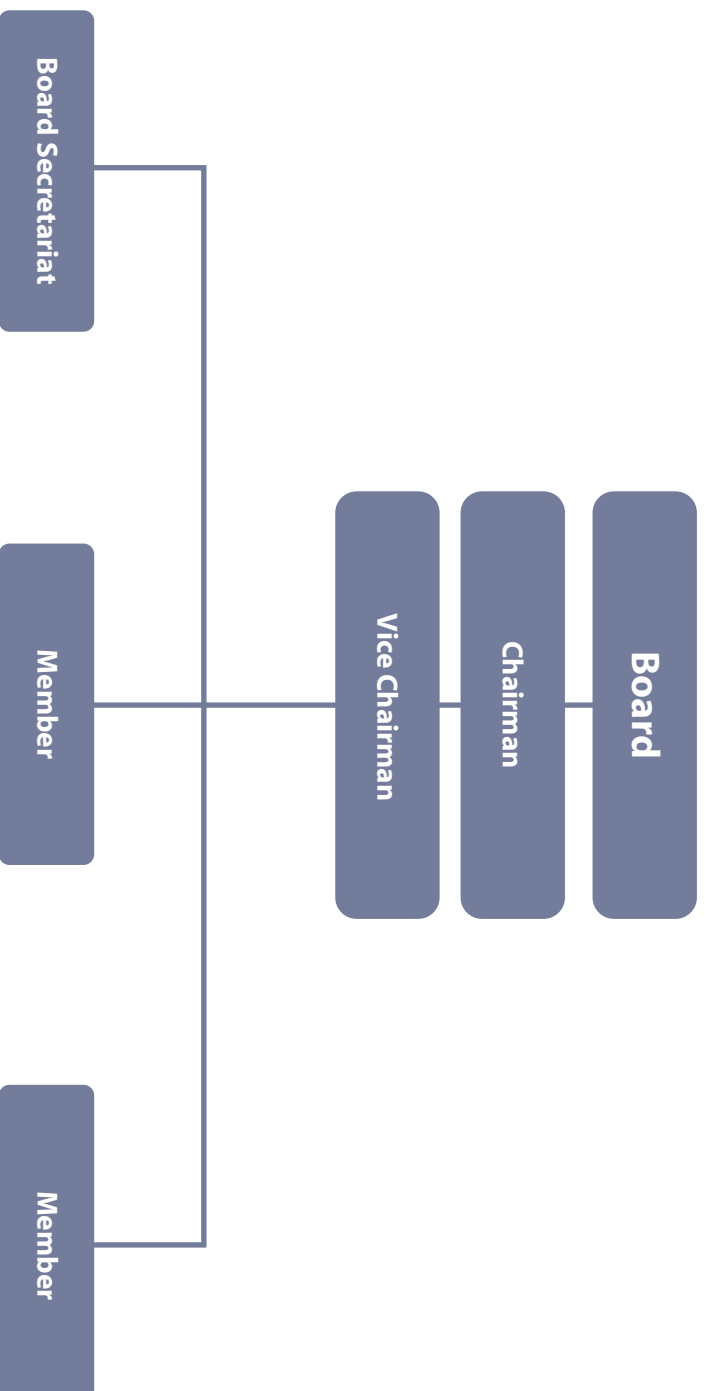
Organizational Chart/Jordan & Palestine Financial Investment Co.



Organizational Chart/International Financial Center Co.



Organizational Chart/Jordan Real Estate Investment & Commercial Services



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone	E-mail
Main Branch	Amman, Al Abdali, Parliament St.	5005555	br-001@hbtbf.com.jo
Luwibdeh	Amman, Abdali, Opp. to Foreign Travels Complex	5663798	br-002@hbtbf.com.jo
Al Madina	Amman, King Hussein St.	4622631	br-003@hbtbf.com.jo
Jabal Amman	Amman, Jabal Amman, 3rd Circle, Prince Moh'd St.	4642826	br-004@hbtbf.com.jo
Jabal Al Hussein	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St.	4654697	br-005@hbtbf.com.jo
Al Wehdad	Amman, Al Wehdad, Ma'daba St.	4778620	br-006@hbtbf.com.jo
Marka	Amman, Marka, King Abdullah St.	4893611	br-007@hbtbf.com.jo
Qurish St.	Amman, Quraish St.	4622041	br-008@hbtbf.com.jo
Jabal al Taj	Amman, Jabal Al Tadj, Main St.	4787544	br-009@hbtbf.com.jo
Prince Hassan Sub.	Amman, Jabal Al Nasr, Main St.	4908975	br-010@hbtbf.com.jo
North Hashmi	Amman, North Hashmi, Prince Rashed St.	4919541	br-011@hbtbf.com.jo
Ras Al Ein	Amman, Ras Al Ain, Al Quds St.	4778595	br-012@hbtbf.com.jo
Ashrafieh	Amman, Ashrafieh, Imam Al Shafe' St.	4753957	br-013@hbtbf.com.jo
Al Hawooz	Amman, Jabal Amman, Omar Bin Al Khattab St.	4653534	br-014@hbtbf.com.jo
Al Nuzha	Amman, Jabal Al Nuzha, Schools Sub.	5662136	br-015@hbtbf.com.jo
Sport's City	Amman, Sports City , Al Shaheed St.	5154171	br-016@hbtbf.com.jo
Al Salam	Amman, Jabal Luweibdeh, Shari'a College St.	4653899	br-017@hbtbf.com.jo
Commercial Complex	Amman, Shmeisani, Queen Noor St.	5677251	br-018@hbtbf.com.jo
Prince Moh'd St.	Amman, 9 th Sha'ban St., Tala't Al Hayek	4616090	br-019@hbtbf.com.jo
Tareq	Amman, Tareq, Main St.	5054535	br-020@hbtbf.com.jo
Abu Nseir	Amman, Abu Nseir, Opp. To Commercial Complex	5234964	br-023@hbtbf.com.jo
Nazal Sub.	Amman, Nazal Sub., Main St.	4396961	br-024@hbtbf.com.jo
Abdoun	Amman, Abdoun , Cairo St.	5929586	br-025@hbtbf.com.jo
Park Plaza	Amman, Sweifeh, Salah Shemat St., Park Plaza mall	5005555	br-026@hbtbf.com.jo
Gardens	Amman, Tela' Al Ali, Wasfi Al Tall St.	5695838	br-027@hbtbf.com.jo
Shmeisani	Amman, Shmeisani, Sheriff Abdul Hameed Sharaf St.	5606173	br-028@hbtbf.com.jo
Qasr Shbeeb	Zarqa, King Hussein St., Housing Bank Complex	3987778	br-029@hbtbf.com.jo
Um Othina	Amman, Um Othina, Sa'ad Ibn Abi Waqas St.	5514074	br-030@hbtbf.com.jo
Al Jubeiha	Amman, Al Jubeiha, opp. to Jubeiha Directorate	5350551	br-031@hbtbf.com.jo
Al Fuhais	Al Fuhais, Main St.	4729177	br-032@hbtbf.com.jo
Salt	Al Salt, Al Maydan St., Little Mosque Road	3555101	br-033@hbtbf.com.jo
Sweileh	Amman, Sweileh, Princess Raya Bint Al Hussein St.	5350473	br-034@hbtbf.com.jo
Sahab	Amman, Sahab, Main St.	4023074	br-035@hbtbf.com.jo
Abu Alanda	Amman, Abu Alanda Main St.	4161545	br-038@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone	E-mail
Juwaideh	Amman, Al Juwaideh, Main St.	4127762	br-039@hbtf.com.jo
Marj Al Hamam	Amman, Marj Al Hamam, Main St.	5712051	br-041@hbtf.com.jo
Na'our	Na'our, King Hussein St.	5727671	br-042@hbtf.com.jo
Muwaqar	Amman, Al Muwaqar, Down Town	4059350	br-043@hbtf.com.jo
Tela' Al Ali	Amman, Tela' Al Ali, Wasfi Al Tall St.	5525860	br-044@hbtf.com.jo
King Abdullah II City	Amman, Sahab, Amman Industrial Estate	4029329	br-045@hbtf.com.jo
Baqa'	Amman, Al Baqa' Camp, Near Al Baqa' Sports Club	4726802	br-046@hbtf.com.jo
Al hurria St	Amman, Al Muqableen, Al hurria St.	5005555	br-047@hbtf.com.jo
Quwaismeh	Amman, Al Quwaismeh, Bader New Building	4786768	br-048@hbtf.com.jo
Bayader	Amman, Bayader Wadi Al seer, Main St.	5857076	br-049@hbtf.com.jo
Zarqa	Zarqa, Sultan Abdel Hameed St.	3935295	br-051@hbtf.com.jo
Irbid	Irbid, Al Hashmi St., Near Al Hashmi Mosque	7270443	br-052@hbtf.com.jo
Ajloun	Ajloun, Main Square	6420930	br-053@hbtf.com.jo
Mafraq	Mafraq, King Talal St.	6231295	br-054@hbtf.com.jo
Jarash	Jarash, King Abdullah St.	6354443	br-055@hbtf.com.jo
Ma'daba	Ma'daba, King Abdullah St.	3246980	br-056@hbtf.com.jo
Deir A'la	Deir A'la , Al Sawalha, Main St.	3573202	br-057@hbtf.com.jo
Ghweirieh	Zarqa, Ghweirieh, Intersection of King Ghazi St., & Algeria St.	3979050	br-058@hbtf.com.jo
Rusaifeh	Zarqa, Rusaifeh, King Hussein St.	3742332	br-059@hbtf.com.jo
Ramtha	Ramtha, Down Town, Nasser Al Tallaq St.	7383110	br-060@hbtf.com.jo
North Shouna	North Shouna, King Faisal St.	6580340	br-061@hbtf.com.jo
South Shouna	South Shouna, Government Depts. Complex	3581153	br-062@hbtf.com.jo
Deir Abi Saeed	Deir Abi Saeed, Main St.	6521033	br-063@hbtf.com.jo
Hakama	Irbid, Hakma St., Hanina Intersection	7405045	br-064@hbtf.com.jo
Al Huson	Al Huson, Wasfi Al Tall St.	7010042	br-065@hbtf.com.jo
Hiteen	Zarqa, Hiteen Camp, Main St.	3610290	br-066@hbtf.com.jo
Aidoun	Aidoun, Main St.	7103484	br-067@hbtf.com.jo
Mashre'	Al Mashare', Main St.	6529009	br-070@hbtf.com.jo
Kufranjah	Kufranjah, Main St.	6454370	br-072@hbtf.com.jo
Palestine St.	Irbid, Palestine St., Othman Naseef Building	7273076	br-073@hbtf.com.jo
Al Karameh	Al Karameh, Main St.	3539060	br-074@hbtf.com.jo
Oujan	Zarqa, Oujan, Main St., opp. Yajoz Intersection	3657034	br-077@hbtf.com.jo
Al Jaish St.	Zarqa, Al Jaish St., Near Internal Travels Complex	3936647	br-078@hbtf.com.jo
Kraymeh	Al Kraymeh, Main St.	6575223	br-079@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone	E-mail
Yarmouk	Irbid , Shafiq Irsheedat St.	7278483	br-080@hbtf.com.jo
Aqaba	Aqaba, Cornich St.	2035924	br-081@hbtf.com.jo
Tafeileh	Tafeileh, Main St.	2200203	br-082@hbtf.com.jo
Ma'an	Ma'an, King Hussein St.	2139010	br-083@hbtf.com.jo
Al Karak	Karak, Municipality Building, Al Nuzha St.	2396029	br-084@hbtf.com.jo
Potash	Karak, Ghour Al Mazra' , Housing City	2305159	br-085@hbtf.com.jo
Petra	Wadi Mousa, Main St.	2157082	br-086@hbtf.com.jo
Shoubak	Shoubak, Main St.	2169050	br-087@hbtf.com.jo
Mu'ta	Mu'ta , University St.	2370509	br-088@hbtf.com.jo
Al Hasa	Al Hasa, Housing City, New Commercial Market	2277046	br-089@hbtf.com.jo
Jabal Al Shamali	Zarqa, Yajoz Road, Jabal Shamali	3759025	br-093@hbtf.com.jo
Airport	Amman, Queen Alia International Airport	4459276	br-097@hbtf.com.jo
Al Dleel	Zarqa , Al Dleel, Qasr Al Halabat Intersection	3824333	br-101@hbtf.com.jo
Al Edhaa	Amman, Ma'daba St., Al Edhaa Intersection	4752201	br-102@hbtf.com.jo
Al Barha	Irbid , Al Barha St., opposite Irbid Municipality	7269015	br-103@hbtf.com.jo
Sheidieh	Ma'an, Al Sheidieh Mine	2132796	br-104@hbtf.com.jo
Um Al Sumaq	Amman, Um Al Sumaq, Main St.	5536696	br-106@hbtf.com.jo
North Azraq	North Azraq, Baghdad Main St.	3834207	br-107@hbtf.com.jo
Masoum Sub.	Zarqa , Masoum Circle	3979098	br-108@hbtf.com.jo
Children	Amman, 7th Circle, Abdullah Ghoshe St.	5864766	br-109@hbtf.com.jo
Wadi Saqra	Amman, Wadi Saqra St.	4632305	br-111@hbtf.com.jo
Al Qaser	Al Qaser, Near Gov. Depts. Complex	2396130	br-113@hbtf.com.jo
Al Hassan Industrial City	Irbid, Al Hassan Industrial City	7395327	br-114@hbtf.com.jo
Al Rabieh	Amman, Al Rabieh, Mahmoud Al Tahir St.	5539384	br-115@hbtf.com.jo
Abdullah Ghoshe	Amman, 7th Circle, Abdullah Ghoshe St.	5863899	br-117@hbtf.com.jo
Central Market	Amman, Near Central Vegetable Market	4127514	br-119@hbtf.com.jo
Al Quba Circle	Irbid, Al Quba Circle, Al Jaish St., Feras Al Ajlouni Square	7251103	br-120@hbtf.com.jo
Zahrán	Amman, Ibin Khaldon St., (Al Khaldi Hospital)	4642568	br-121@hbtf.com.jo
Madina Munawarah	Amman, Tela' Al Ali, Al Madina Al Munawarah St.	5521011	br-122@hbtf.com.jo
City Mall	Amman, City Mall, Banks floor	5005555	br-123@hbtf.com.jo
Medical City St.	King Abdullah II St., Near Khalda Circle	5357487	br-124@hbtf.com.jo
Free Zone / Zarqa	Zarqa, Free Zone	5005555	br-127@hbtf.com.jo
Abdoun Park	Amman, Saa'd Abdo Shamout St., Near Abdoun mall	5005555	br-128@hbtf.com.jo
New Zarqa	Zarqa, New Zarqa, Maka St. 36	5005555	br-129@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Address	Phone	E-mail
Dahyat Al-Yasmeen	Amman, Dahyat Al-Yasmeen, Jabal Arafat St., Building No. 13	5005000	br-131@hbtbf.com.jo
Private Banking Services/Fifth Circle	Amman, 5 th Circle, Riad almeflih St.	5937785	br-145@hbtbf.com.jo
Call Center	Amman, 9 th Sha'ban St., Tala't Al Hayek	5200400	CallCenter2@hbtbf.com.jo
Sweifieh Office	Amman, Sweifieh, Commercial Market	5826292	br-026@hbtbf.com.jo
Muqableen Office	Amman, Al Muqableen, Main St.	5005555	br-047@hbtbf.com.jo
Amman Customs Office	Amman, Ma'dba St.	4740484	br-126@hbtbf.com.jo
Al Mudawrah Exchange Office	Al Mudawrah, Al Mudawrah Border Station	2130976	br-831@hbtbf.com.jo
North Border Crossing Office	Sheikh Hussein Bridge, North Ghor	6550489	-

The Housing Bank for Trade & Finance Branches – Outside Jordan

Branch	Address	Phone	E-mail
Regional Mgt./ Palestine	Ramallah, Al Bareed St., Rukab Building, P.O. Box 1473	+ 970 2 2986270	Info.pal@hbtbf.com.jo
Ramallah	Al Bareed St., Rukab Building, P.O. Box 1473	+ 970 2 29862712	br-401-@hbtbf.com.jo
Gaza	Al Shuhada' St., Palestine Tower, P.O. Box 5010	+ 970 8 2826322	br-402-@hbtbf.com.jo
Nablus	Al Hussein Circle, Al Huwari Building, P.O., Box 1660	+ 970 9 2386060	br-403-@hbtbf.com.jo
Khaleel	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	+ 970 2 2250055	br-404-@hbtbf.com.jo
Halhoul	Main Al Khaleel - Alaquds St., P.O. Box 1	+ 970 2 2299602	br-405-@hbtbf.com.jo
Beir Zeit	Main St., Near Main Circle, P.O. Box 40	+970 2 2819334	br-406-@hbtbf.com.jo
Khan Younis	Abu Humaid Circle, Jalal St., P.O. Box 7073	+970 8 2079401	br-407-@hbtbf.com.jo
Jenin	Abu Baker St., P.O. Box 50	+ 970 4 2505223	br-408-@hbtbf.com.jo
Bethlehm	Al Mahd St., City Center (Bus Station), P.O. Box 30	+970 2 2740375	br-409-@hbtbf.com.jo
Yata	Al Khaleel, Yata, Roqa'a St., Near Police Department	+ 970 2 2273301	br-410-@hbtbf.com.jo
Tormosaya	Ramallah, Tormosaya, Main St.	+ 970 2 2805353	br-411-@hbtbf.com.jo
Dahriyeh	Al Kaleel, Dahriyeh, Main St., Near Dahriyeh Security Station	+ 970 2 2266778	br-412-@hbtbf.com.jo
Bahrain Branch	Bahrain, Al Manama Center, Govt. St., P.O. Box 5929	+973 17 225227	bahrain@hbtbf.com.bh

Subsidiary Banks

Bank	Address	Phone
International Bank for Trade & Finance/Syria	Damascus , Head Office , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 Web Site: www.ibtf.com.sy e-mail: info@ibtf.com.sy	+ 963 11 23880000
Hejaz Branch	Damascus – Hejaz Square	+963 11 2260500
Pakistan Branch	Damascus – Pakistan St.	+ 963 11 2388000
Dedeman Branch	Damascus – Dedeman Hotel	+ 963 11 2241140
Yarmouk Camp Branch	Damascus – Yarmouk Camp St.	+ 963 11 6376400
Housh Plas Branch	Damascus – Der'a highway – opp. to town center	+ 963 11 6227711
Duma Branch	Damascus – Duma	+ 963 11 5750766
Dummar Project Branch	Damascus – Dummar Project – Cham Central Market	+ 963 11 3123505
Hareeka Branch	Damascus – Hareeka Square	+ 963 11 2260222
Jaramana Branch	Damascus – Ra'aees Circle – beside Syriatell	+ 963 11 5615020
Qas'a Branch	Damascus – Ros Tower	+ 963 11 4430195
Mezzeh Branch	Damascus – Mezzeh – opp. Jala'a Club	+ 963 11 6117086
Tijarah Branch	Damascus – Kornesh Tijarah	+963 11 4434210
Fardous Branch	Damascus – Fardous St	+963 11 2327081
Zabadni Branch	Damascus – Zabadni – Al mahta St.	+963 11 7111792
Homs Branch	Homs – Engineers Pension Fund Building	+963 31 2485979
Tartus Branch	Tartus – Banks St.	+963 43 321355
Faisal Branch	Aleppo – King Faisal St.	+963 21 2262303
Sheraton Branch	Aleppo – Sheraton Hotel	+963 21 2125301
Jmeleyeh Branch	Aleppo – Jmeleyeh	+963 21 2231945
Sheikh Najjar Branch	Aleppo – Sheikh Najjar – Industrial City	+963 21 4712860
Shahba Mall Branch	Aleppo – Kafr al Hamra - Shahba Mal	+963 21 2520092
Der'a Branch	Der'a – Hanano St.	+963 15 210291
Hama Branch	Hama – Alameen St.	+963 33 243100
Muhardeh Branch	Hama – Muhardeh – Gadah shoaa' St.	+963 33 731072
Hasakeh Branch	Hasakeh - Al Ra'ees Circle – Salah Al Din St.	+963 52 316543
Latakia Branch	Latakia – Baghdad St.	+963 41 459373
Sweida Branch	Sweida – Teshreen Square	+963 16 322191
Kamishli Branch	Kamishli – Quwatli St.- opp. Simonides Restaurant	+963 52 431789
DerZor Branch	DerZor – Al-Kndi	+963 51 241800
Masaken Barzeh Branch	Masaken Barzeh – Main St.	+963 11 5145705

Subsidiary Banks

Bank	Address	Phone	E-mail
The Housing Bank for Trade & Finance/Algeria	Head Office -Algeria , 16 Ahmad Waked St.,Dali Ibrahim Web Site: www.housingbankdz.com	+ 213 21 918881	housingbank@housingbankdz.com
Dali Ibrahim Branch	Algeria – 16 Ahmad Waked St. – Dali Ibrahim	+213 21 918787	Agence-101@housingbankdz.com
Blida Branch	Algeria – 92 Mohammad Budiaf St. – Blida	+213 25 311310	Agence-102@housingbankdz.com
Oran Branch	Algeria – 3 Shiekh Al Arabi Tabsi – Oran	+213 41 331080	Agence-103@housingbankdz.com
Setif Branch	Algeria -20 First Nov. 1954 St. – Setif	+213 36 834953	Agence-104@housingbankdz.com
Ad dar al bayda' Branch	Algeria – 59 Mohammad Khemisti St. - Ad dar al bayda'	+213 21 754684	Agence-105@housingbankdz.com
Jordan International Bank / London	103 Mount Street, London W1K 2AP, UK Web Site: www.jordanbank.co.uk	+44 20 74937528	Kevin.qualters@jordanbank.co.uk

Subsidiary Companies

Company	Address	Website	Phone	E-mail
Specialized Leasing Co.	Um Othina – Sa'ad Ibn Abi Waqas St., Housing Bank Building, P.O. Box 1174 – Amman 11118	www.hbtf.com	+ 962 6 5521230	slc@hbtf.com.jo
Jordan & Palestine Financial Investment Co./ Ramallah	Ramallah, Rukab Circle, Al Farah Building , 2nd floor, P.O. Box 1922	www.jopfco.com	+ 970 2 2987778	info@jopfco.com
International Financial Center Co.	Shmeisani, Housing Bank Complex ,2 nd Floor,P.O. Box 940919, Amman 11194	www.ifc.com.jo	+ 962 6 5696724	info@ifc.com.jo
Jordan Real Estate Investments & Commercial Services Co.	Jabal Amman, Al Hayek St., Municipality Previous Building, 7 th Floor	www.hbtf.com	+ 962 6 5005555	info@hbtf.com.jo

Representative Offices

Office	Address	Phone	E-mail
Tripoli/Libya	Tripoli, Zat Al Emad Administrative Complex, P.O. Box 91270	+ 218 213350610	hbtfly@yahoo.com
Abu Dhabi/U.A.E	Abu Dhabi, Hamoudeh Bin Ali Building, 12 th Floor, Shei kh Khalifa St., P.O. Box 44768	+971 26270280	hbtf@eim.ae
Baghdad/Iraq	Baghdad, Al arasat Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	+964 17182027	hbiraq@yahoo.com



