

ANNUAL REPORT 2012



بنك الإسكان للتجارة والتمويل
The Housing Bank for Trade & Finance

39th Board of Directors Report

For the Year Ending December 31, 2012

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His Majesty King Abdullah II Ibn Al Hussein

Contents

Board of Directors	8
Chairman's Statement	10
Bank's Financial Performance	15
Bank's Activities	23
Future Plan	34
Consolidated Financial Statements	39
Corporate Governance Code	103
Disclosure Statements	115
Organizational Charts	144
Addresses of the Bank's Branches and Subsidiaries	151

Photos in this Report are taken from several locations in Jordan.

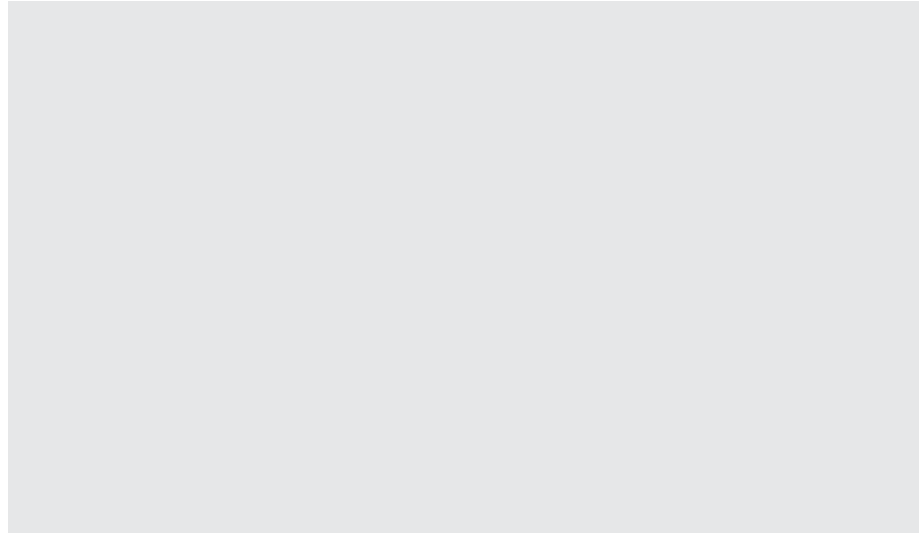
BOARD OF DIRECTORS



Wadi Rum



H.E. Dr. Michel Issa Marto
Chairman



SHK Ali Jassim Al-Thani
Vice Chairman



Mr. Ali Ahmed Al-Kuwari
Qatar National Bank



Mr. Abdulla Mubarak AlKhalifa
Qatar National Bank



Mr. Humoud Jassim Al Falah
Kuwait Real Estate Investment Consortium



Mr. Mohamed Mohamed Ben Yousef
Libyan Foreign Bank



Mr. Ismail Abdalla El Mesallati
Libyan Foreign Bank

Mr. Omar Zuheir Malhas - General Manager
Mr. Mohyeddin ElAli - Board Secretary



Mr. Yousef Mahmoud Al-Neama
Qatar National Bank



Mr. Ali Rashid Al-Mohannadi
Qatar National Bank



Mr. Mohammad Saad Al Munaifi
Kuwait Real Estate Investment Consortium



Mr. Jehad Ali Al Share
Social Security Corporation / Jordan



Mr. Ahmed Said Al Mahrezi
Ministry of Finance / Sultanate of Oman

Chairman's Statement

To Our Shareholders:

I am honoured to present the Group's 39th annual report that outlines our achievements, financial results and future plans.



Operating Environment

2012 was another eventful year. With problems in the Euro zone, the turbulence in the immediate Arab region and the rise in oil prices resulted in significant uncertainties which did not help in improving the overall performance of the Jordanian economy.

As a result real GDP grew only by 2.7% in 2012, chronic budget deficit was still burdensome, sovereign debt rose to new levels and Central Bank foreign currency reserves declined.

Financial Performance

HBTF achieved better financial results in 2012. Pretax net profit grew to JD142.2 million (US\$200.5 million) whereas after tax net profit grew to JD104.5 million (US\$147.4 million). The Bank continued improving credit portfolio asset quality by provisioning a further JD64.8 million (US\$91.4 million) against non-performing loans.

The balance sheet shows our strong and sound financial position. Total assets increased to JD7.09 billion (US\$10 billion), total deposits increased to JD5.6 billion (US\$7.9 billion), net credit portfolio grew to JD2.7 billion (US\$3.8 billion) and total equity was JD1.05 billion (US\$1.5 billion). These results were achieved despite the 28% devaluation of the Syrian Lira which affected the group's financial statements after consolidating with the International Bank for Trade and Finance (IBTF) our subsidiary in Syria.

HBTF's performance reflected positively on the financial indicators. Capital Adequacy ratio stood at 19% (Central Bank of Jordan's minimum requirement is 12% and BIS Tier 1 capital minimum is 8%), return on assets was 1.5%, return on equity grew to 10%, loan to deposit ratio was 56.8%, and cost to income ratio dropped to 36.1% (one of the best in Jordan's banking sector).

HBTF's branches in Palestine and Bahrain, and subsidiaries in Algeria and the UK achieved good results. IBTF, our Syrian subsidiary, was impacted by the events in Syria, but managed to maintain a strong financial position and adequate level of liquidity.

Representative offices in Iraq, Libya and UAE continued their marketing role which resulted in enhancing relations with banks and customers.

Five new branches were opened in 2012, bringing the number of branches to 116. HBTF has the largest branch and ATM networks in Jordan.

The Bank has the largest market share of savings accounts in local currency 42.2% and the second largest market share of total assets 15.5%, deposits 15.8% and credit facilities 12.2%.

Based on the good results achieved, the Board of Directors will recommend to the Shareholders' Ordinary General Assembly a dividend of 25% of the nominal share value.

Governance

The Bank is committed to the principles of its Corporate Governance Convention, which are based on the Corporate Governance Guidelines issued by the Central Bank of Jordan and Jordan Securities Commission. HBTF adopts prudent risk management and internal control policies; it also implements anti-money laundering and anti-terrorism financing principles that are in line with local and international regulations.

Corporate Social Responsibility

We are proud of our social responsibility initiatives. In 2012, we supported and donated to a number of healthcare, educational, cultural, art, social, humanitarian, sport and environmental entities. We also sponsored and supported scientific and intellectual events that service and help develop local communities.

I would like to seize this opportunity to thank the Central Bank of Jordan for their support of the banking sector and Jordan Securities Commission for their role in managing the capital market.

I would also like to thank our shareholders and customers for their continuous support. Special thanks to the members of the Board and the entire Bank's staff for their hard work and dedication, without which the Bank could not have achieved these results.

May God bless and protect Jordan under the leadership of His Majesty King Abdullah II.

Respectfully,

Dr. Michel Marto
Chairman of the Board

Bank's Financial Performance

Wadi Mujib

HBTF's Major Financial Indicators (2008 – 2012)

JD million*

Item / Year	2008	2009	2010	2011	2012
Total Assets	5,430.6	6,090.4	6,679.7	6,938.0	7,091.6
Customers' Deposits	3,764.5	4,430.4	4,808.6	4,833.9	4,727.2
Credit Facilities - Net	2,341.7	2,368.6	2,449.1	2,502.1	2,683.9
Total Equity	911.0	966.5	1,023.9	1,048.6	1,046.7
Gross Income	245.2	260.4	264.0	300.7	327.3
Profit before Income Tax	142.0	97.0	116.4	135.7	142.2
Profit after Income Tax	101.3	66.6	88.4	100.0	104.5
Cash Dividends	63.0	50.4	63.0	63.0	63.0**
Basic Earnings per Share to Equity Holders of the Bank (JD)	0.383	0.238	0.313	0.349	0.373
Dividends / Per Share (JD)	0.250	0.200	0.250	0.250	0.250
Share Price in Amman Stock Exchange (JD)	8.330	7.150	8.100	8.000	8.260

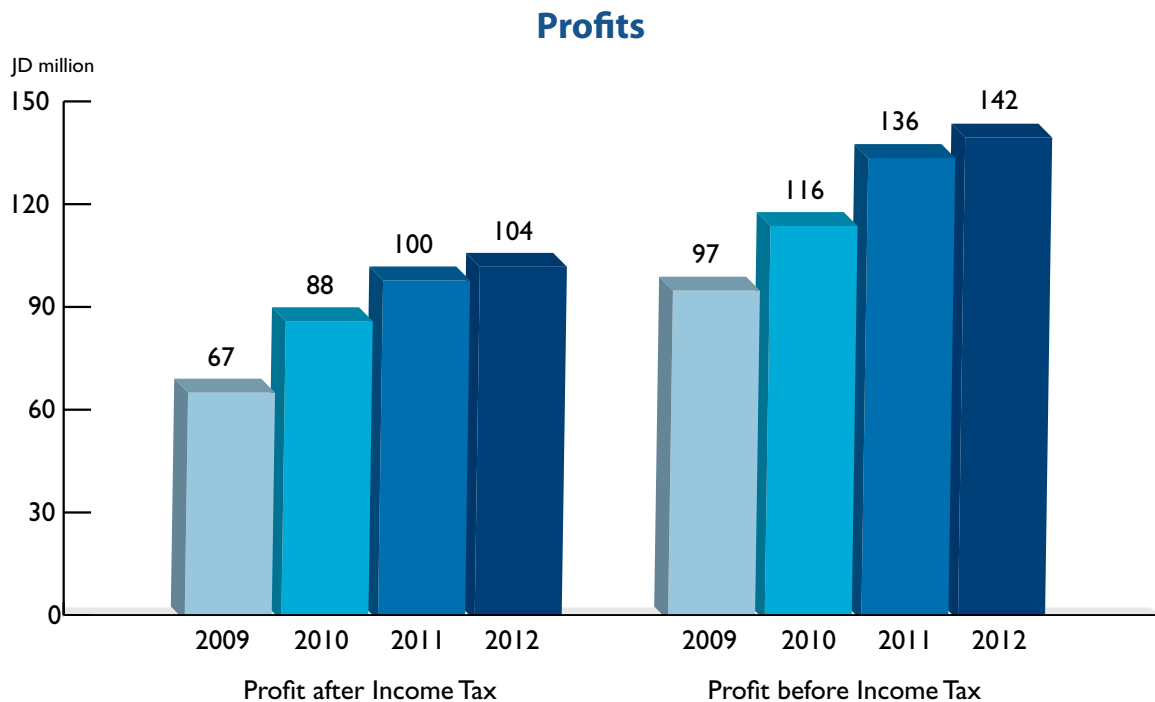
* JD = \$1.4104

** Proposed Dividends to Shareholders for 2012 at 25% of the par value.

Analysis of Operational Results

During 2012, the Bank was able to realize net profits before tax amounting to JD142.2 million, an increase of JD6.5 million or 4.8% over 2011; whilst net profits after tax amounted to JD104.5 million, an increase of JD4.5 million or 4.5% over the previous year. This growth in profits asserts the Bank's capability to invest its funds with high competency and in line with the strategy it pursues in diversifying income resources and investments which led to increasing the revenues and decreasing expenses to acceptable levels.

These results ascertain yet again the Bank's capability to deal competently and ably with the local, regional and international developments and changes as well as the profound confidence in the Bank by the shareholders, customers and employees alike.



The details of the operating results realized by the Bank during 2012 are as follows:

- Gross income increased from JD300.7 million during 2011 to JD327.3 million during 2012, an increase of JD26.6 million or 8.8%.
- Income from commission and other operating revenues increased from JD73 million during 2011 and reached JD76.7 million during 2012, an increase of JD3.7 million or 5.1%. It is worthy of mention that income from commissions and other operating revenues constituted 23.4% of the gross income during 2012.
- Net interest and commissions revenues increased from JD236.6 million during 2011 to JD271.6 million during 2012, an increase of JD35 million or 14.8%.
- Total expenses increased from JD165 million during 2011 to JD185.1 million during 2012, an increase of JD20.1 million or 12.2%. The main reason for such increase during 2012 is due to making a provision by the Bank for non- performing loans for an amount of JD64.8 million against JD46.3 million for 2011. The Bank has formed such provisions in line with the cautious policy it implements in order to guard against potential risks on one hand and due to its compliance with the instructions of the Central Bank of Jordan and the regulatory authorities in the countries where it operates, on the other.

Analysis of Financial Position

The Bank's assets grew by JD153.7 million or 2.2% since the end of 2011 to reach JD7.1 billion at the end of 2012. Such increase has been realized notwithstanding the decrease in the assets of International Bank for Trade and Finance / Syria "one of the group's banks" by JD363 million due to the devaluation of the Syrian Lira on the one hand and the decrease of the size of its activities on the other. It is worthy of mention in this context that the Bank retains a balanced combination of fund sources and the uses thereof within its liquidity and profitability management system.

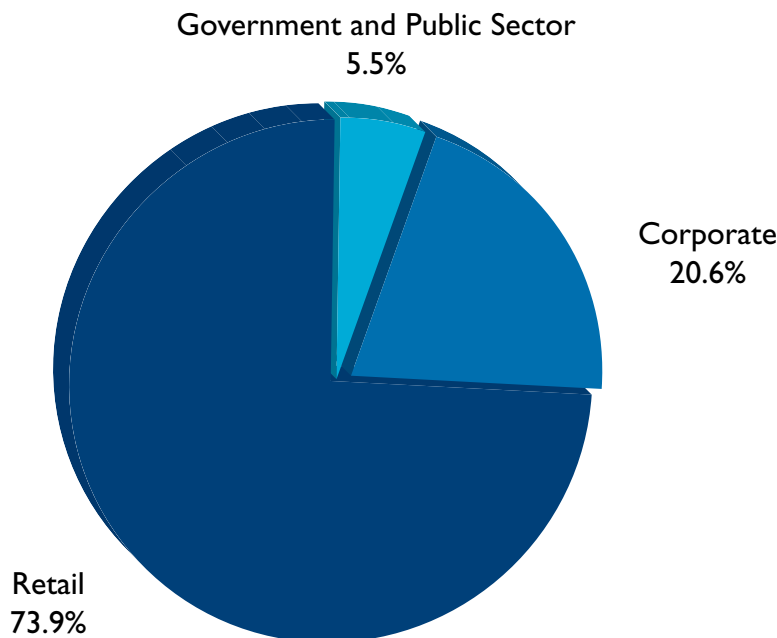
Total Deposits

During 2012, the total balance of deposits (Customers, Banks and Financial Institutions) with the Bank increased by JD191.8 million, or 3.6% from the balance at the end of 2011 to reach JD5,566.8 million at the end of 2012 notwithstanding the fall in the customers' deposits at the International Bank for Trade and Finance / Syria by JD241 million which was due to the devaluation of the Syrian Lira and the decrease in the balance of deposits thereat.

It is worthy of mention that, during 2012, the Bank maintained its leadership of the savings deposits market in the local currency within the Jordanian Banking Sector where the savings deposits in Jordanian Dinars at the Bank constituted 42.2% of the total balance of such accounts with the banks in Jordan at the end of 2012 against 41.6% for 2011.

Upon analyzing the customers' deposits structure, by depositors, retail deposits constituted about 73.9% of the total balance of customers' deposits as at the end of 2012 against 74.7% in 2011, while SMEs and corporate deposits constituted 20.6% against 20.8% and the government and public sector deposits constituted 5.5% against 4.5% for 2012 and 2011 respectively.

Structure of Customers' Deposits



Meanwhile, upon analyzing the customers' deposits structure, by type, demand deposits constituted 25.9% of the total balance of customers' deposits at the end of 2012 against 24.3% in 2011 while saving deposits constituted 31.9% against 29.7% and time deposits constituted 42.2% against 46% for 2012 and 2011 respectively.

Direct Credit Facilities

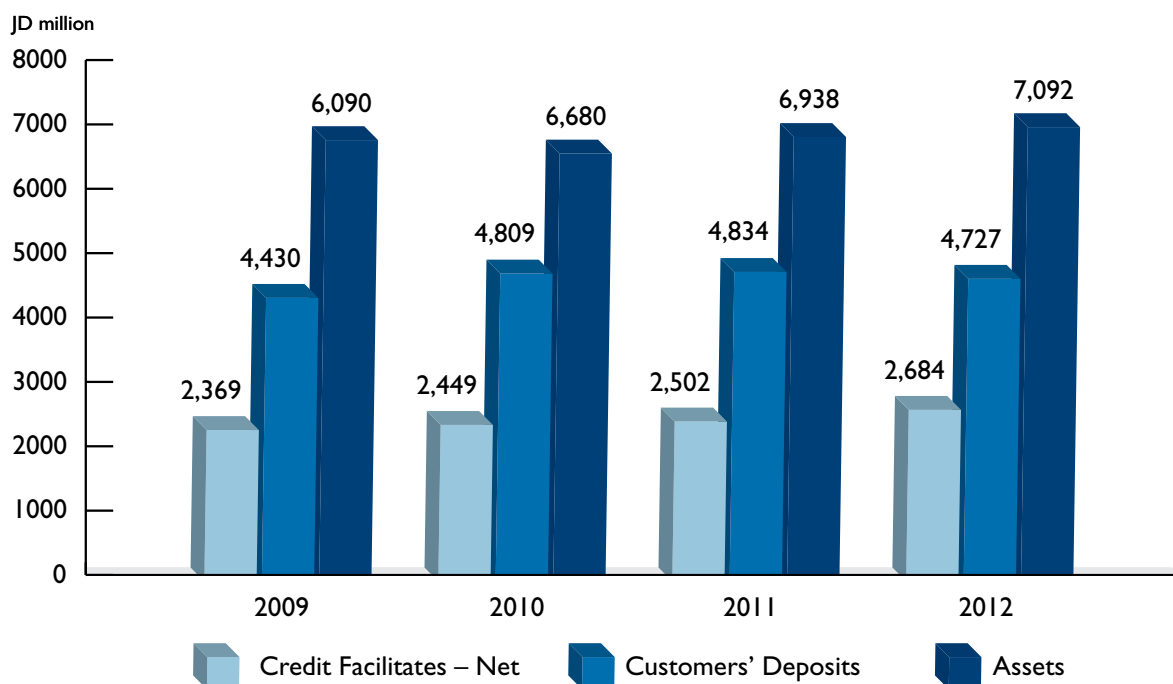
The total direct credit facilities increased by JD221 million or 8.1% from the end of 2011 to reach JD2.9 billion at the end of 2012 and after deducting provisions and interest in suspense balances, the net balance of the direct credit facilities becomes JD2.7 billion at the end of 2012; an increase of JD181.8 million or 7.3% compared with last year's balance. Such increase in credit facilities came about despite the decline in the volume of the credit portfolio of the International Bank for Trade and Finance / Syria by JD200 million due to the devaluation of the Syrian Lira and the decrease in the volume of the credit facilities portfolio thereat.

Upon analyzing total credit facilities structure, by borrowers, retail facilities constituted 17.7% of the total balance of credit facilities as at the end of 2012, and corporate facilities "large and SMEs" were 47.3%, and real estate mortgages facilities were 22.6%, while government and public sector facilities constituted 12.4%

Shareholders' Equity

The Bank was able to maintain its solid capital base which ensures maintaining a high solvency ratio as the Bank's Shareholders' Equity increased from JD938.6 million at the end of 2011 to JD950.8 million at the end of 2012, an increase of JD12.2 million or 1.3%. By adding the Minority Interests "non controlling" in subsidiary companies and banks, the Bank's total equity becomes JD1,046.7 million at the end of 2012.

Major Financial Indicators



Analysis of Major Performance Indicators

The positive developments realized in the financial position and income statements led to the improvement of the Bank's performance indicators the most important of which are summarized hereunder:

- The ROaA increased slightly from 1.47% during 2011 to 1.49% during 2012. Also the ROaE increased from 9.7% to 10%. It is worthy of mention that such returns are considered some of the highest returns realized within the Banking Sector in Jordan.
- The capital adequacy ratio reached 19% at the end of 2012 surpassing Basel committee minimum requirement of 8% by a significant margin as well as the minimum limit required by the Central Bank of Jordan of 12% which reflects the Bank's financial strength.
- The Bank was able to maintain a high liquidity ratio that reached 148% at the end of 2012 which is higher than the minimum requirement of 100% set by the Central Bank of Jordan.
- The efficiency ratio (cost / income ratio) has improved from 38.6% during 2011 to 36.1% during 2012. Such level is considered favourable compared to the ratios in the local and regional banking sector.
- The share price increased from JD8 at the end of 2011 and closed at JD8.260 at the end of 2012 realizing an increase of 3.3%; by such increase the market capitalization of the Bank amounted to JD2.1 billion at the end 2012 which clearly confirms the shareholders confidence in this strong and reputable institution.
- Basic earning per share increased from JD0.349 at the end of 2011 to reach JD0.373 in 2012, an increase of 6.9%.

Competitive Position

The Bank has, over the past years established its capability to operate in a severely competitive environment. This is due to its excellent reputation, strong financial position, large capital base, local branch network supported by a broad network of ATMs and the provision of new and innovative banking services over and above the Bank's overseas presence (overseas branches and subsidiary banks) where all of this contributed to placing the Bank as the "Primary Choice" for a broad base of customers which augmented the Bank's competitive capability and asserted its leading position in the Jordanian banking sector in terms of distinction in performance and distinction in the provision of services, products and the means of the provision thereof.

Below is a summary of the Bank's leading positions as at the end of 2012 in the banking sector in Jordan.

- The Bank maintained its leading position in the balance of savings accounts in local currency at a market share of 42.2%, hence, the Bank was able, for more than thirty years, to maintain its top position as a savings vessel for the savings deposits in the Kingdom.
- The Bank maintained its leading position in terms of the number of branches, which reached 116 with a market share of 14.4%.
- The Bank has maintained its leading position in terms of the number of ATMs it operates at 194 and thus the ATM network is the largest and most wide-spread in the Kingdom.

- The Bank maintained its leading position in the market of credit cards (Visa Electron and Visa Credit) with a market share of 14.5%.
- The Bank occupied the second position in terms of banking assets with a market share of 15.5%.
- The Bank occupied the second position in terms of banking deposits with a market share of 15.8%.
- The Bank occupied the second position in terms of banking credit facilities with a market share of 12.2%.

In the field of competitive qualitative indicators, the Bank has, during his successful history, obtained many high credit ratings from international institutions and the Bank was able to maintain its leadership in the field of banking technology through the application of a set of systems necessary for running the management and branches operations in conformity with the latest technological developments. It is worthy of mention that the Bank, during the past years, acquired a large set of local, regional and international prizes and certificates of appreciation.

Bank's Activities



Wadi Rum

Retail Banking Services

During 2012, the Bank asserted its strong and increasing presence in the retail banking services market. This is evident from augmenting the branches network, ATM network and the electronic delivery channels spread throughout the Kingdom in addition to the development and launching of products and services to satisfy the customers' needs.

Bank's Networking

Proceeding from the Bank's desire to realize more proximity with the customers and to facilitate reaching them wherever they are located, the Bank during 2012, continued with the investment in the banking branches network and the advanced ATMs where the year witnessed the addition of five new branches thus the total number of the operating branches in the Kingdom reached 116 branches throughout the Kingdom. Out of those branches there are four branches at commercial shopping centres (Malls) where the operating hours of these branches extend throughout the week including Fridays and Saturdays and official holidays from 10:00 am till 10:00 pm. As such, the Bank has augmented its spread and continued to maintain the largest branch network in Jordan with a market share of approximately 14.4%. As for the ATM network, the number reached 194 thus the Bank maintained its acquisition of the largest ATM network with a market share exceeding 16%.

It is worthy of mentioning that the number of the Bank's branches in and outside Jordan reached 129 branches in addition to the branches of subsidiary banks in Syria, Algeria and UK reaching 36 branches.



30th St. branch/ Irbid



Taj Mall branch



Shweikh Mall branch/Aqaba



Al Jeeza branch

Electronic Banking Services

For the purpose of providing services to the Bank's customers easily wherever they may be, and without the need to visit the Bank's branches round the clock throughout the week, the Bank sought to continue with the development of various electronic delivery channels through providing the banking services via Call Centre through the internet, mobile phones and SMS's where such services include the following: e-payment, obtaining information about customers accounts and transfer balances among those accounts, request internal and external transfers in all currencies, request cheque books and an SMS service that directly informs them about all transactions carried out on their accounts immediately upon executing any transaction therein.

Quality Service and Customer Care

A customer satisfaction survey was conducted by a specialized company during 2012 illustrated good indicators about the quality level of the services which the Bank provides to customers which ascertains the good reputation and high confidence that the Bank enjoys among its customers. Also the "Mystery Shopper" study which was conducted by an external specialized company illustrated the increased performance level of providing the services at the Bank's branches compared with similar services with the banking sector in Jordan.

Saving Accounts Prizes

During the year, the Bank improved its savings accounts prizes system to maintain the Bank's unique top position in this aspect being the pioneer in introducing the prizes system to the local banking market where the drawing system of prizes was developed whereby the total amount of monthly prizes reached JD500 thousand distributed monthly to winning customers as follows:

- The Grand Monthly Prize JD150,000.
- Second Prize JD50,000.
- Daily Prize JD10,000.
- Consolation Prizes valued at JD50,000 (distributed to 100 winners at JD500 per prize).
- Consolation Prizes valued at JD50,000 (distributed to 500 winners at JD100 per prize).

This is over and above carrying out draws on grand prizes during specific occasions which are known to the clients such as the prizes of the Holy Month of Ramadan and the end of year prizes; all of this contributed towards attracting more saving customers.

Credit Cards

During 2012, the Bank augmented its leading position in the credit cards market in the Kingdom due to the promotional campaigns / offers provided by the Bank to the card holders issued by it which permit the holders thereof to get significant discounts at numerous stores and markets. The cards which are issued by the Bank are distinguished with high security specifications and meet the requirements of a broad sector of customers.

It is worthy of mention that transforming all Visa Electron Cards to Smart Cards (EMV) has been finalized, hence the cards which are issued by the Bank have high security specifications and enjoy great protection. In light of this, the Bank increased the credit limits that could be used through the cards whether for purchases or cash withdrawal.

New Products

During 2012, the Bank intensified its promotional campaigns directed at all sectors of customers for the purpose of assisting them to cover their various financing requirements and needs with easy conditions and competitive prices. Also, the Bank sought to develop its existing services and launch various new products and services, the most important of which were:

Business Loan Product: This product provides broad and multi financing options for companies and small enterprises, professionals, craftsmen and individual business owners with a financing limit up to JD70,000 "without guarantees and guarantors" for a repayment period of up to 5 years in addition to numerous additional free privileges.

The Personal and Household Purchases Installment Program: This product enables a broad sector of the Bank's customers whose salaries are transferred to the Bank to pay for their personal purchases by installments at the cash price without having to bear interest charges or any other additional costs through cooperation with a broad network of companies and commercial stores at soft conditions with financing up to five thousand Dinars and a repayment period of up to 5 years without a guarantor in addition to free life insurance.



American Express Cards: During 2012, the world distinguished "American Express Cards" were launched. These cards have numerous privileges such as high level of confidentiality and protection, also these cards allow the holders thereof the possibility to enter into VIP lounges at airports for free in addition to benefiting from exclusive advantages and discounts at international hotels and tourist resorts.



Car Loans Product: This product enables a broad sector of individual customers whether citizens or foreigners residing in Jordan to own a new or a pre-owned Car at a financing rate up to 100% of the estimated value of the Car, comprehensive insurance and licensing and transfer of ownership for a repayment period up to 10 years in addition to free life insurance for the borrower and granting the customer a credit card free of issuance charges throughout the duration of the loan. This program allows the opportunity to qualify and participate in draws for numerous cash prizes valued at JD10,000 per prize within draws carried out by the Bank.



Corporate Banking Activities

Despite the prevailing instability witnessed in the region and its repercussions on the Jordanian economy, the Bank continued to provide banking services in general and lending services in particular, to large companies and SME's in different economic sectors in accordance with a prudent credit policy that takes into consideration, as much as possible, limiting the negative effects of such consequences on the Bank's operations.

In view of the great importance that the SME's have in the Jordanian economy where they constitute more than 90% of the number of the operating companies in the Kingdom and employs approximately 75% of the employees in the private sector, the Bank has lent special attention to such companies through making available to them comprehensive financing programs. To facilitate carrying out this assignment, the Bank has segregated the administrative responsibility for lending small enterprises from the lending of medium enterprises where the responsibility for lending small enterprises was given to the branches sector to expedite and facilitate the loan procedures to small enterprises where their relationship would be directly with the branches; also, specialized credit officers in financing small enterprises have been appointed in a number of branches whose areas are distinguished with the extensive demand for this type of facilities.

It is noted that during 2012 the Bank has activated its financing activity within the framework of local and foreign financing agreements related to the development of SME's business of which the agreement signed with the Overseas Private Investment Corporation (OPIC) in addition to increasing the volume of dealing as well as the existing limits with Jordan Loan Guarantee Corporation.

Also during 2012, the Bank participated in a number of syndicated banking loans to finance local and regional projects.

As for financing international trade activities, during 2012 an agreement program to facilitate international trade was signed with the European Bank for Reconstruction and Development (EBRD) which aims at guaranteeing the international trade operations among the banks that participate in this program and the countries which it covers. In this context, it is worthy of mention that the Housing Bank is the first bank in Jordan to join this program as a "confirming bank".

Investment and Treasury Services

During 2012, the Bank achieved a distinguished performance in the investment and treasury services as it was able to meet its customers' needs efficiently with returns that exceeded expectations, notwithstanding the uncertainty that prevailed in the international and regional markets particularly in light of the exacerbating sovereign debt crisis in Europe.

During the year, the Bank was able to manage its liquidity at levels exceeding the minimum requirements of the Central Bank of Jordan. The treasury operations had an active role in managing the costs of funding which enabled the Bank to finance various activities at a low cost. Also, the Bank continued to play a leading role in the interbank deposit market as well as the foreign exchange market locally which contributed towards the growth in the net interest margin and the enhancement of the group's financial position efficiently.

The Bank was able to augment its customers' base during 2012 through offering a wide set of treasury services and products in dealing with foreign currency, precious metals, forward contracts, brokerage services in the "local, regional and international" financial markets, investment portfolios and mutual funds management services along with custody and trustee services. Also during the year, the Bank reviewed and amended its investment policy in line with the changes in local and international capital and money markets to satisfy the requirements of the regulatory authorities and the international investment standards.

Correspondent Banks and Financial Institutions

As the Bank seeks to enhance its revenues resulting from Trade Finance and international banking activities, efforts were intensified to further develop the relationships maintained with financial institutions and correspondent banks worldwide, in addition to building new relationships with banks in numerous countries. Moreover, a team from the Bank carried out marketing visits to several correspondent banks and financial institutions in order to increase the volume of business between these institutions and the bank on a group level (the Housing Banks' Branches in Jordan, Palestine, Bahrain and the subsidiary banks in Syria, Algeria and UK). As a result, such efforts have produced good results which were reflected on the Bank's revenues and profits.

In augmenting the Bank presence in international conferences and forums, the Bank participated in a number of these events, the most important of which were the International Monetary Fund (IMF) meetings that were held in Tokyo back in October 2012. The delegation made sure to meet the largest number possible of participating banks and financial institutions officials to promote the Bank, discuss common issues and enhance the business relationships. It is worth mentioning that the Bank has distinguished business relations with more than 400 correspondent banks and financial institutions, distributed over more than 70 countries.

International Branches and Subsidiaries

The year 2012 was full of challenges and difficulties in light of the continuous consequences of political events which certain Arab countries still suffer from, the business environment in general has been affected by such events, but the procedures and measures that were pursued by the Bank were able to limit the impact of the crises on the various business results of the branches, banks and subsidiaries that form the Bank's group inside and outside Jordan which include apart from Jordan branches:

Foreign Branches

Despite the difficult political and economic conditions that prevailed in Palestine, the twelve branches thereat continued their journey of success in 2012, recording good results that surpassed those achieved in the previous year and which are targeted in the estimated budget. Also the Bank's branch in Bahrain realized good results.

The Housing Bank for Trade and Finance / Algeria

The Bank's stake in the capital of the Housing Bank for Trade and Finance /Algeria is 61.2%, where this Bank focuses on corporate and large customers through a network of five branches in the capital Algiers and in certain major cities. In 2012, the performance results of the Bank in Algeria were excellent and unprecedented, where the Bank realized profits before tax that amounted to JD18.4 million at a growth rate of 25% compared to the year 2011; such increase came about essentially from the increase in the revenues which resulted from the operations of international trade and particularly the issuance of Letters of Credit. Also the quality of the Bank's credit portfolio has improved where the ratio of non-performing facilities declined by 1.2 percentage points from the year 2011 to reach 4.3% during 2012. Due to the measures implemented by the Bank's Management to increase the revenues and cut costs, the efficiency ratio (expenses to income) improved from 28.5% in 2011 to 24.2% in 2012 which is an excellent ratio compared to the prevailing averages at financial and banking institutions.

It is expected that the Bank shall be able to realize more achievements in the coming years through a business plan that aims at achieving good growth rates in the Bank's various activities and enhance its position in the Algerian banking market through working with a "selected and distinguished" group of large reputable companies at the level of Algeria, region and the world.

The International Bank for Trade and Finance (IBTF) / Syria

The Housing Bank's stake in the capital of IBTF / Syria is 49.1%, and it is considered one of the foremost private banks in Syria, which assumed a distinguished position in the Syrian banking sector. It currently operates through a network of 30 branches distributed over the major cities in Syria. Due to the circumstances and events experienced by Syria in 2012, efforts have been focused during this year towards implementing the policies and measures which would mitigate risks and the negative effects of such events on the Bank, where the Bank was able to realize "relatively" acceptable results given the prevailing conditions and in comparison with other banks.

Jordan International Bank (JIB) / London

In addition to its presence in certain countries in the region and as part of its strategic options for foreign expansion, an influential share has been purchased in JIB/ London during 2010 which reached 68.6% by the end of 2012. In respect of the performance level during 2012, the Bank has successfully realized profits before tax amounting to JD4.5 million, a growth rate of 132% compared to the year 2011. The Bank provides a wide range of banking and financial services directed at those residing in and outside the United Kingdom.

Representative Offices

Representative offices in Abu Dhabi / United Arab Emirates, Tripoli / Libya, and Baghdad/ Iraq, participated in enhancing the Bank's presence and the introduction of its services to various official and popular sectors in those countries; attracted numerous new financial institutions and motivated the existing financial institutions and banks to increase the volume of their business with the Bank.

Representative offices work as the Bank's marketing centres and a liaison with the banks which the bank deals with to participate in fulfilling the banking transactions for various economic institutions that operate in those countries through cooperation with the Housing Bank in Jordan or its foreign branches network in Palestine, Bahrain and the subsidiary banks in Syria, Algeria and London.

Organizational Development

Organizational Restructuring & Development

During the 2012 year, the Bank has continued to implement its organizational restructuring plans in order to ensure business process enhancement and to increase operational efficiencies that are specifically pertinent to the customer services processes. A number of departments have been restructured, including the following: Financial Institutions Department, Jordan's Branches Department, Treasury Department and Retail Credit Department.

In light of the changes that have emerged as a result of organizational restructuring to the various departments within the Bank, roles and responsibilities of certain positions had to be reassessed in order to accommodate for the new changes. Furthermore, the Bank has taken steps into cultivating talent and strengthening its succession pipelines.

Implementation of the second phase of ORACLE's Human Resources Management System has been well underway during 2012. Deployment is expected within the first few months of 2013 including the following modules: Self-Service Human Resources, Performance Management, Learning Management, iRecruitment, HR Intelligence, and Compensation Workbench.

Training & Development

The Bank strongly believes that high-quality training is fundamental to the success of the organization. It also believes that its ability to adapt to new business challenges is strongly linked to the ability of its people to develop their competencies. Hence, Training and Development is given the utmost importance as it is seen as an ongoing process of continuous learning.

During 2012, the Bank has provided a wide set of training programs. One of our main programs is the “New Recruits Program”, which is a comprehensive and intensive program for new recruits who join the Bank. This program prepares the new joiners to assume their positions within the branch network. This is the first step of any new recruits’ career path. Another important program is the “Credit Officer Program”, which is an intensive program that qualifies our outstanding performers to become skillful credit officers. Moreover, the Bank has given special attention to improving the effectiveness of their leadership development initiatives within the organization in order to create a culture of leadership.

It is worth mentioning that the Bank’s training and development efforts are extended to include the development of employees in our foreign branches as well as our subsidiaries. This is to ensure that our customers are able to receive the same quality of exceptional customer service, locally and internationally. Furthermore, the Bank operates to dedicate its corporate image and augment its status as one of the leading banks locally and regionally.

The Bank also provides opportunities for professional development whereby employees can obtain the relevant and necessary professional and academic qualifications from renowned educational institutions and training providers. Further information is provided under the disclosure statements section of this report with more details about our training and development activities.



Recruitment & Selection

The Bank is committed to setting high standards for its new recruits as it continuously seeks to attract exceptional talent from various Jordanian and foreign universities. Our recruitment and selection policies are based on a set of criteria to ensure precise selection. These criteria mainly depend on the candidates’ academic qualifications and passing the Bank’s official recruitment tests. Interested candidates are able to apply for a career at the Housing Bank via the Careers Section on the Bank’s website.

Risk Management

HBTF adopts a comprehensive and effective approach in managing its major risks locally and internationally using various techniques to identify, measure, assess and manage various risks, to ensure that risks are commensurate with the risk appetite of the Bank and provide an appropriate control environment that contributes towards achieving the Bank's strategic objectives.

The Bank's Board of Directors approved during 2012 the necessary plans and procedures to conform with Central Bank of Jordan instructions related to Basel III, Basel II Pillar II (ICAAP).

The Bank is currently developing the required plans and internal systems (including risk rating and credit scoring) to achieve compliance with the advanced approaches according to Basel II accord and enhance the credit decision process internally and the quality of its credit portfolio.

In addition, the Bank regularly updates the risk profiles of various business activities in order to implement Control Risk Self-Assessment (CRSA) methodology and identify the key risk indicators for major risks.

HBTF endeavors to make the necessary arrangements to support Business Continuity through regular tests for critical applications to ensure their readiness and availability in all circumstances especially in the exceptional cases and work on keeping Business Continuity plan up-to-date and in line with the latest updates.

Compliance

During 2012, the Bank continued its compliance with the instructions and guidelines issued by the Central Bank of Jordan and the relevant regulatory authorities for compliance, Anti-Money Laundering, and Terrorism Finance. The Bank also seeks to develop the mechanisms which enable it to carry out such mission with high efficiency. The Bank also continued with enhancing the compliance culture of its employees through formal training courses, workshops, awareness sessions and educational brochures.

Corporate Governance

Within the framework of the Corporate Governance System issued by the Central Bank of Jordan, the Bank adopts a Corporate Governance Code consistent with the disclosure and transparency regulations and instructions issued by the regulatory authorities (the Central Bank and Securities Commission), which consolidates performance efficiency and reduces risks to the lowest level, guaranteeing the protection of shareholders and investors rights. The Code may be reviewed at the end of this report or through the Bank's website on the internet (www.hbtf.com).

Information Technology

During 2012, the Bank has applied a set of technological solutions to improve its information technology infrastructure pursuing the most recent technologies to ensure the highest level of efficiency in performance and meeting the requirements of business continuity and growth.

In line of empowering the business to provide advanced banking services and the means of the provision thereof, the Bank sought to replace its current Core Banking System with a new Core Banking System able to meet the Bank's current and future requirements. During 2012 the Bank contracted Infosys to implement the new banking system "Finacle" which is an internationally recognized system. The implementation of this system shall enhance the Bank's services level. The gap analysis phase has been concluded where the requirements of the business sectors have been determined. The project is currently under implementation in accordance with its plan.

In order to develop and improve the operating environment, several banking systems were updated including SWIFT, Automated Clearing, and Trade Finance System, also the second phase of IP Telephony has been completed where more than 73 branches are currently using IP Telephony System, in addition to finalizing the centralization of the Core Banking System in Palestine.

In respect of improving the high availability environments, the infrastructure of the various datacenters has been improved including main site, high availability site and disaster recovery site. The Disaster Recovery site's old devices were replaced with the latest devices of high capacity.

Also, during 2012, the security and protection levels for the various systems of the Bank have been augmented in line with the international standards through applying a set of solutions to protect the Bank from hacking and fraud.

Social Responsibility

The Bank has been recognized for being a socially robust institution. This came about from the attention of the Bank to embody its perpetual motto "the Housing Bank a partner of your life" not only through its banking services and products, but also through its perpetual commitment to serve its community in various aspects whether educational, health, environmental and sports in addition to combating poverty and social development.

The social practices of the Bank are recognized as having a clear impact on local communities and social categories that were targeted by the Bank's social responsibility initiatives which contributed towards the sustained development and realized a positive and clear impact on various groups and categories of the society that were encompassed by the sponsorship which is deemed to be a positive indicator about the Bank's participation in supporting the educational, cultural, sports and health movement in the community.

A great number of the Bank's initiatives is focused on sponsorship, such as sponsoring conferences, forums, festivals, sports championships in addition to sponsoring educational initiatives for intellectuals, providing support and assistance to people with special needs and the orphans, launching environmental awareness campaigns and awareness against illnesses in addition to the Bank's participation with various institutions such as universities, schools, hospitals, youth centres, cultural centres, orphanage houses and various non governmental organizations to assist and support such institutions at numerous occasions to enable them to provide their services.

An example of the programs that the Bank has exercised in the context of social responsibility is as follows:

Blood Donation

The Bank has organized various campaigns to donate blood in its belief in the importance of augmenting social and humanitarian solidarity, not to mention the health benefits for the donor. Such campaigns had great response by the Bank's employees which in turn had a good stature with the concerned authorities. The Bank also continued during 2012 with its support to the National Association of Blood Donation.



Activities during the Holy Month of Ramadan

During 2012, the Bank sponsored numerous activities during the holy month of Ramadan, the most important of which was providing monetary support to Tkiyet Um Ali which distributes packages for the poor and the needy over and above the Bank having sponsored numerous Iftar festivities of which the Charitable Iftar held by Jordan Medical Aid for Palestinians and the Ramadan night which was held by Salt Charity Society in addition to sponsoring the festival which was held by the Humanitarian Aid Club and the initiative of charity Iftar noting that such charitable activities target the needy families, orphans and needy students to share the happiness and celebrate the holy month of Ramadan.

The Environment and Health

The Bank's attention in the aspect of the protection of the environment and health was quite clear through numerous initiatives which include:

- Monetary donation to a number of associations of which: sponsoring the charity festival for cancer patients in cooperation with Jordan Anti Cancer Association and the support for the Cerebral Palsy Foundation, Ibn Sina Cerebral Palsy Association, Hussein Society for the Care and Rehabilitation of the Physically Challenged and Fibromyalgia Syndrome Association.
- Sponsoring the media competition which is held by Al Hussein Cancer Foundation for breast cancer awareness.

National and International Conferences and Exhibitions

The Bank participated in a number of conferences and exhibitions the most prominent of which were the National Industries Forum, the U.S. Chamber of Commerce meeting and the conference on "Developments in Conventional and Islamic Banking" which was held at Al al Bayt University in addition to the festival "Promising Technology with Pioneering Minds" which was held by the Hashemite University as well as the activities held by Jordanian Canadian Business Association.

Traffic Awareness and Safety

The Bank has also participated in various campaigns which were carried out by the Central Traffic Department of which sponsoring a course of how to deal with the blind, 6th Conference on Traffic Safety and the Cultural Forum for the Blind where the Central Traffic Administration honored the Bank as a supporter and participant in limiting road accidents within the context of contributing towards the endeavors of the relevant authorities concerned with educating the citizens to reduce traffic accidents.

Mother's Day

The Bank participates with the Jordanian Community every year in celebrating Mother's Day through groups of the Bank's employees through out the Kingdom making visits to a number of orphanages and elderly homes, charity society and children's villages whereby the Bank offers in-kind presents and financial support to these centres and societies. Also a number of the Bank's branches offer flower bouquets to mothers who are customers of the Bank upon visiting the Bank's branches on that day.



Charitable and Humanitarian Activities

For the purpose of augmenting the solidarity values and spirit, the Bank supported and sponsored a number of charitable societies which are concerned with providing assistance to those in need. Some of such prominent societies are Jordan River Foundation, Righteousness and Charity Campaign, Jordanian Hashemite Fund for Human Development, Aman Fund for the Future of Orphans, Mabaret Um Al Hussein and the Development and Employment Fund, over and above the Bank guaranteeing the expenses of a family house at the Children's SOS Village.

Persons with Special Needs

During 2012 the Bank provided continuous financial support to a number of societies who are concerned with the handicapped persons of which Al Hussein Society for the Care and Rehabilitation of the Physically Challenged, Prince Ali Bin Al Hussein Club for the Deaf, Deaf and Muteness Charity Society, Jordanian Women's Development Association for the Deaf, Young Muslim Women Association for Special Education, Association of Parents and Friends of Persons with Disabilities and Jordanian Sports Union for the Disabled.

Sports Activities

The Bank has supported a number of sports activities held by schools and universities of which it directly supported Jordan Judo Federation, Asian Football Development Commission and Mabaret Um Al Hussein Football Team. It is worthy of note that the Housing Bank's 5-a-side Football Team is actively participating in the championship of General Union of Workers in the Banking Sector.



Education Sector

The Bank lends the education sector a great deal of interest where it provides support and sponsorship for universities and a number of schools in the Kingdom at various occasions in addition to honoring the top students in many schools, it also provides scholarships for university students as well as support for the needy students who are top of their class.

Culture and Arts

The Bank takes interest in cultural and artistic festivals and greatly contributes to the support thereof of which: Jerash Cultural and Art Festival, Amman Summer Festival and numerous popular festivals in addition to supporting the cultural movement in the Kingdom through providing support to Jordanian authors through buying their works, support the Arab Thought Forum and Friends of Jordan Festivals Association. As for the arts activity, the Housing Bank provided sponsorship for the National Music Institute, Edward Saeed Music Institute, Al Hanouneh Group Festival and a number of Jordanian Folklore Groups.



Cooperation with the Public Sector in serving the Community and Citizen

The Housing Bank has been approved with all its branches throughout the Kingdom to pay "the cash subsidy" that was decided by the government to be paid to those entitled therefor based on lists approved by the government against lifting the subsidy off the fuel prices.

The government chose the Housing Bank to execute this otherwise uneasy task as this carries the confidence of all parties in the strong Housing Bank Institution in its presence and reputation which has the largest branch network in Jordan.

Future Plan

The Bank's strategic plan was built in view of a set of variables and difficult political and economic circumstances witnessed by the region which affected the overall activities and economic sectors in most countries where the Bank has a presence.

Within the framework of seeking to augment the Bank's competitive position and to increase its market share in various business aspects and markets where it has a presence and to maintain the growth rates and realized returns, the strategic plan for 2013 came to build on the achieved accomplishments in line with the economic performance averages and the expected growth rates of the banking sector through the prudent management of the funds sources and the usage thereof and to work as much as possible to reduce the negative effects which might result from the political and economical changes in the region by continuous follow up of the developments and capitalizing on the available opportunities in the market relying on the strength enjoyed by the Bank. Following are the most important aspects comprised in the strategic plan for the year 2013:

- Maximize the Bank's financial value through realizing sustained growth in profitability and the rates of return on assets and equity.
- Increase the Bank's market share in various activities particularly in the aspects of deposits, loans and credit facilities through developing the marketing activity and establishing the sale concept which ensures the expansion of the customer's base through maintaining the current customers and seeking to attract new ones.
- Improve the quality of the assets and work towards addressing NPLs and improving the quality of collection.
- Focus on revenues generated from commissions emanating from different banking and financial services and work towards increasing same.
- Augment the productivity efficiency through focusing on maximizing revenues and saving on costs.
- Improve customers' satisfaction, being one of the most important core values of the Bank, and a strategic goal.
- Encourage the Bank's customers to use the electronic distribution channels.
- Improve the service performance level and seeking to expanding and developing the financial and banking services and products that are consistent with the local and external trends of the banking market and which satisfy the needs of all customers and business sectors.
- Increase the efficiency of using the banking technology available at the Bank and reduce the size of paper transactions through using the electronic mail and electronic archiving.

- Implement the new Core Banking System project which would assist in improving the levels of providing the Bank's services and the expansion of its coverage.
- Increase the Bank's branch network and ATMs at new feasible areas and locations contributing towards serving a greater sector of customers.
- Augment the capabilities and potentials of the external branches and subsidiary companies and banks through providing support and assistance thereto by all the departments and work centres at the Bank.
- Continue with the renovation and development plan of branches to provide a better service to the Bank's customers' base which is witnessing increasing growth.
- Finalize the project of the new General Administration Building at Shmeisani Area.
- Augment the competency of the Bank's employees and attract distinguished talents with focusing on developing and diversifying the training activity in line with the requirements of banking operations.
- Increase the satisfaction level of employees, improve their productivity and increase the level of their loyalty to the Bank through implementing incentive and remuneration performance-related systems.
- To comply with best international practices and standards related to risk management, compliance and corporate governance.
- Augment the Bank's role in supporting the local community in compliance with its social responsibilities through continuing with the provision of various financial, in-kind and sponsorship for initiatives and social activities.

CONSOLIDATED FINANCIAL STATEMENTS



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, 2012, 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, 2012 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 information presented in the Board of Directors' report.

Ernst and Young
Amman – Jordan
27 January 2013

Consolidated Statement of Financial Position

As of December 31, 2012

	Notes	December 31,	
		2012	2011
		JD	JD
Assets			
Cash and balances with central banks	4	1,043,819,775	1,103,176,880
Balances with banks and financial institutions	5	856,146,761	962,413,497
Deposits with banks and financial institutions	6	-	29,664,974
Financial assets at fair value through profit or loss	7	56,024,227	81,379,226
Direct credit facilities - net	8	2,683,882,296	2,502,052,866
Financial assets at fair value through other comprehensive income	9	589,254	614,253
Other financial assets at amortized cost	10	2,195,482,801	2,017,089,174
Property and equipment- net	11	117,056,900	110,644,071
Intangible assets- net	12	13,333,626	8,886,861
Deferred tax assets	19	21,957,096	22,249,372
Other assets	13	103,334,873	99,798,513
Total Assets		7,091,627,609	6,937,969,687
Liabilities and Equity			
Liabilities			
Banks and financial institutions deposits	14	839,568,059	541,044,519
Customers' deposits	15	4,727,188,041	4,833,916,135
Margin accounts	16	260,717,509	333,320,855
Loans & Borrowing	17	31,299,471	10,138,185
Sundry provisions	18	25,643,913	25,128,736
Income tax provision	19	36,265,160	39,841,657
Deferred tax liabilities	19	1,762,896	700,000
Subordinated loans	20	7,859,199	7,868,753
Other liabilities	21	114,658,399	97,375,229
Total Liabilities		6,044,962,647	5,889,334,069
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	128,758,427	117,202,264
Voluntary reserve	23	33,222,068	33,222,068
General banking risks reserve	23	26,333,079	23,674,279
Special reserve	23	1,232,220	779,347
Foreign currency translation reserve	24	(25,903,209)	(7,670,194)
Revaluation reserve for financial assets- net	25	(311,778)	(286,779)
Retained earnings	26	177,586,407	161,798,637
Total Equity Attributable to the Bank's Shareholders		950,842,683	938,645,091
Non – Controlling Interest		95,822,279	109,990,527
Total Equity		1,046,664,962	1,048,635,618
Total Liabilities and Equity		7,091,627,609	6,937,969,687

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

Consolidated Income Statement

For the year ended December 31, 2012

	Notes	2012	2011
		JD	JD
Interest income	27	336,437,636	292,416,961
Interest expense	28	(98,229,873)	(90,896,732)
Net Interest Income		238,207,763	201,520,229
Net commission income	29	33,386,951	35,086,392
Net Interest and Commission Income		271,594,714	236,606,621
Net gain from foreign currency exchange	30	24,134,579	19,932,048
(Loss) Gain from financial assets designated at fair value through profit or loss	31	(178,872)	13,510,492
Other income	32	31,745,843	30,653,885
Gross Income		327,296,264	300,703,046
Employees expenses	33	63,760,335	61,657,334
Depreciation and amortization	11,12	11,752,010	12,637,968
Other expenses	34	41,224,266	39,207,934
Impairment loss on direct credit facilities	8	64,776,588	46,347,888
Impairment loss on other financial assets at amortized cost	10	2,272,500	2,500,000
Sundry provisions	18	1,269,761	2,650,534
Total Expenses		185,055,460	165,001,658
Profit before income tax		142,240,804	135,701,388
Income tax expense	19	(37,752,192)	(35,699,090)
Profit for the year		104,488,612	100,002,298
Attributable to:			
Bank's Shareholders		94,064,334	87,848,233
Non-Controlling Interest		10,424,278	12,154,065
		104,488,612	100,002,298
Basic and diluted earnings per share attributable to the Bank's shareholders	35	J.D 0.373	J.D 0.349

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

Consolidated Statement of Comprehensive Income

for the year ended December 31, 2012

	2012	2011
	JD	JD
Profit for the year	104,488,612	100,002,298
Add: Other comprehensive income after tax		
Foreign currency translation adjustments	(40,396,325)	(8,820,060)
Net change in fair value reserve for financial assets at fair value through other comprehensive income after tax	(24,999)	(297,583)
Total Other Comprehensive Income (loss) for the year - Net of Tax	(40,421,324)	(9,117,643)
Total Comprehensive Income for the year	64,067,288	90,884,655
Attributable to:		
Bank's shareholders	75,806,320	80,860,764
Non-controlling interest	(11,739,032)	10,023,891
	64,067,288	90,884,655

The accompanying notes from 1 to 49 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, 2012

2012	Paid-in Capital	Share Premium	Equity Attributable to the Bank's Shareholders						Foreign Currency Translation Reserve	Revaluation Reserve for Financial assets	Cumulative Change in Fair Value Net	Retained Earnings	Total Equity Attributable to the Bank's Shareholders	Non-Controlling Interest	Total Equity
			Reserves			Risks									
			Statutory	Voluntary	Special	General Banking	Special	Banking							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balance beginning of the year	252,000,000	357,925,469	117,202,264	33,222,068	779,347	23,674,279	(7,670,194)	(286,779)	-	161,798,637	938,645,091	109,990,527	1,048,635,618		
Total comprehensive income for the year	-	-	-	-	-	-	(18,233,015)	(24,999)	-	94,064,334	75,806,320	(11,739,032)	64,067,288		
Transfer to reserves	-	-	11,556,163	-	452,873	2,658,800	-	-	-	(14,667,836)	-	-	-		
Dividends paid	-	-	-	-	-	-	-	-	-	(63,000,000)	(63,000,000)	(2,354,315)	(65,354,315)		
Others	-	-	-	-	-	-	-	-	-	(608,728)	(608,728)	(74,901)	(683,629)		
Balance - End of the Year	252,000,000	357,925,469	128,758,427	33,222,068	1,232,220	26,333,079	(25,903,209)	(311,778)	-	177,586,407	950,842,683	95,822,279	1,046,664,962		
2011															
Balance - beginning 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		
Effect of IFRS 9 implementation	-	-	-	-	-	-	-	-	(332,052)	1,554,688	1,222,636	-	1,222,636		
Balance beginning of the year (restated)	252,000,000	357,925,469	106,409,104	33,222,068	-	22,450,000	(980,308)	-	-	150,326,092	921,352,425	103,798,477	1,025,150,902		
Total comprehensive income for the year	-	-	-	-	-	-	(6,689,886)	(297,583)	-	87,848,233	80,860,764	10,023,891	90,884,655		
(Loss) from sale of financial assets through other comprehensive income	-	-	-	-	-	-	-	10,804	-	(10,804)	-	-	-		
Transfer to reserves	-	-	10,793,160	-	779,347	1,224,279	-	-	-	(12,796,786)	-	-	-		
Dividends paid	-	-	-	-	-	-	-	-	-	(63,000,000)	(63,000,000)	(5,035,474)	(68,035,474)		
Others	-	-	-	-	-	-	-	-	-	(568,098)	(568,098)	1,203,633	635,535		
Balance - End of the Year	252,000,000	357,925,469	117,202,264	33,222,068	779,347	23,674,279	(7,670,194)	(286,779)	-	161,798,637	938,645,091	109,990,527	1,048,635,618		

- The general banking risks reserve and the credit balance of the revaluation of the financial assets reserve is a restricted reserve that cannot be utilised without the approval of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD 6,593,457 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The Bank cannot use a restricted amount of JD 21,957,096 from the retained earnings, which represents deferred taxes. An amount of JD 311,778 which represents the negative revaluation reserve for financial assets at fair value through other comprehensive income. These amounts cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations.

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

Consolidated Statement of Cash Flows

for the year ended December 31, 2012

	Notes	2012 JD	2011 JD
Operating Activities			
Profit before income tax		142,240,804	135,701,388
Adjustments for:			
Depreciation and amortization		11,752,010	12,637,968
Impairment loss on direct credit facilities		64,776,588	46,347,888
Unrealized gains (losses) on financial assets at fair value through profit or loss		1,522,319	(8,115,776)
Impairment loss on financial assets at amortized cost		2,272,500	2,500,000
Effect of change in exchange rates on cash and cash equivalents		(13,664,297)	(10,837,162)
End-of-service indemnity expense		2,805,321	3,783,557
Premium and discount amortization		(6,932,741)	(9,029,973)
Net interest and commission income		(9,028,447)	(5,281,732)
Others		517,506	2,611,785
Cash Flows from Operating Activities before Changes in Assets and Liabilities		196,261,563	170,317,943
Decrease (Increase) in Assets			
Deposits with central banks (maturing after more than 3 months)		(113,200,000)	(25,100,000)
Deposits with banks and financial institutions (maturing after more than 3 months)		29,664,974	78,298,088
Direct credit facilities		(242,302,751)	(99,264,467)
Financial assets at fair value through profit or loss		23,832,680	40,092,914
Other assets		3,875,637	(12,106,010)
Increase (Decrease) in Liabilities			
Banks and financial institutions deposits (maturing after more than 3 months)		140,537,356	39,083,196
Customers' deposits		(106,728,094)	25,353,419
Margin accounts		(72,603,346)	38,286,148
Other liabilities		20,167,214	11,254,025
Miscellaneous provisions		(1,984,136)	(3,648,003)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		(122,478,903)	262,567,253
Income tax paid		(39,146,528)	(32,864,025)
Net Cash Flows (used in) from Operating Activities		(161,625,431)	229,703,228
Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		-	(830,991)
Sale of financial assets at fair value through other comprehensive income		-	599,528
(Purchase) of financial assets at amortized cost		(841,742,497)	(1,490,035,429)
Maturity of financial assets at amortized cost		668,009,111	939,670,443
Cash generated from sale of a subsidiary company		-	386,058
(Purchase) of property and equipment - net		(27,696,769)	(18,860,471)
Sale of property and equipment - net		168,026	534,370
(Purchase) of intangible assets		(5,926,765)	(3,401,259)
Net Cash Flows (used in) Investing Activities		(207,188,894)	(571,937,751)
Financing Activities			
Proceeds from loans and borrowings		21,161,286	10,138,185
Dividends paid		(65,636,600)	(60,849,655)
Non-controlling interest - net		(2,429,216)	(7,597,946)
Net Cash Flows (used in) Financing Activities		(46,904,530)	(58,309,416)
Net (Decrease) in Cash and Cash Equivalents		(415,718,855)	(400,543,939)
Effect of change in exchange rate on cash and cash equivalents		(21,091,170)	4,130,875
Cash and cash equivalents - beginning of the year		1,538,537,180	1,934,950,244
Cash and Cash Equivalents - End of the Year	36	1,101,727,155	1,538,537,180

The accompanying notes from 1 to 49 are part of these consolidated financial statements and should be read with them

Notes To The Consolidated Financial Statements

31 December 2012

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 (116 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.(1/1/2013) dated January 27, 2013. 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, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are presented 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 January 1, 2012:

IAS (12) Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012. The amendment has no impact on the bank's financial position or performance.

IFRS (7) Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Bank's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The bank does not own such assets and thus it did not have any effect on the presentation of the bank's consolidated financial statements and has no impact on the Bank's financial position or performance.

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- Foreign subsidiaries companies

- International Bank for Trade and Finance / Syria (paid-in capital Syrian Lira 5.25 billion, of which the Bank owns 49.063% as of December 31, 2012). 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. The main objective of this bank is to conduct commercial banking activities, and the ownership for this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary company – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 Million SYL, whereas the Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- The Housing Bank for Trade and Finance – Algeria (paid-in capital Algerian Dinar 10 billion, of which the Bank owns 61.171% as of December 31, 2012). The main objective of this bank is to conduct commercial banking activities, and the ownership for this bank dates back to 2002.
- Jordan International Bank/ London (paid-in capital GBP 35 million of which the bank owns 68.571% as of December 31, 2012). The main objective of this bank is to conduct commercial banking activities.

B- Local subsidiaries companies

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5% as of December 31, 2012). The Company's main activity is financial brokerage in local and foreign markets, and conducts purchase and sale transactions of financial instruments for customers and for the company. The bank ownership in this company dates back to 1998.
- Specialized Lease Finance Company - Jordan, of which the Bank owns 100% of paid-in capital of JD 20 million as of December 31, 2012. 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 and the bank ownership in this company dates back to 2005. In addition, the paid-in capital for the company was increased to be JD 30 million as of January 2, 2013 without change in the bank's ownership ratio.

- 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, 2012. The company's main activity is to manage non-banking services personnel, and the bank ownership in this company dates back to 1997.
- The financial statement of the subsidiaries are prepared for the same reporting period as the bank using consistent accounting policies, if different policies are adopted then adjustments are done to the subsidiaries financial statement to be in line with the bank's policies.
- The results of operations of the subsidiaries are consolidated in the consolidated income statement from the acquisition date which is the date on which control over the subsidiaries is transferred to the Bank. The results of operations of the disposed 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 operations management and decision makers in the bank).

Geographical sector relates to 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 at amortized cost:

- Financial assets that the banks management aims, according to its business model to hold the asset to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and interest on the outstanding principal amounts.
- Debts instruments meeting these criteria are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective interest rate method, less allowance for impairment leading to the inability to recover the original or a portion of it. The losses arising from impairment are recognized in the income statement.
- The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards. If these assets are sold before maturity date, gain or loss from sale is recorded in a separate line item within the income statement and disclosing it in accordance with the requirements of International Financial Reporting Standards in particular).

Financial assets at fair value through profit or loss:

- Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.
- Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the statement of income at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the income statement.

- Dividend and interest income are recorded in the income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Financial assets at fair value through other comprehensive income:

- Equity investments that are not held for sale in the near future.
- These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of the asset is reclassified from fair value through other comprehensive income reserve to retained earnings.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the statement of income.

Direct Credit Facilities

Direct credit facilities are financial assets with fixed or determinable payments which are provided basically by the bank or it had been acquired and it has no market price in the active markets. The credit facilities are measured at amortized cost.

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 when loans become impaired according to the regulations of the Central Bank of Jordan, or in accordance with the instructions regulatory authorities in the countries where the bank has branches or subsidiaries, whichever ever is greater.

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.

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 individually or as a group. 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.
- Impairment is recognized in the consolidated income statement. Any subsequent recovery of a previously recorded impairment of debt instruments is charged to the income statement.

Investment in Associate

The Bank's investments in its associates are accounted for under the equity method of accounting. An associate is an entity in which the Bank has significant influence (owns between 20%-50% of its voting rights).

Unrealised profits and losses resulting from transactions between the Bank and its associate are eliminated to the extent of the Bank's interest in the associate.

Investment in associate is carried at cost in the Bank's standalone financial statements.

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 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 policies.

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 non-deductible expenses which may be exempted in the current or subsequent financial years, or accumulated losses that are tax acceptable or items not subject to deduction for tax purposes.

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.

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).

Paid in Capital

Cost of Issuing and Purchasing Paid-in Capital

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

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 income statement. A provision is recognized for the decreases in the fair value of guaranteed fiduciary assets below their original principal amount.

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.

Derivative Financial Instruments

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 not available, 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 and continue to be evaluated in accordance with applied accounting policies. (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.

Mortgaged Financial Assets

These financial assets are mortgaged to third parties with the right to sell or re-mortgage. These financial assets are revalued according to the accounting policies at the date of initial classification.

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 at 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.
- 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 year. Any exchange differences are taken directly to a foreign currency translation reserve within comprehensive income statement and shareholders' equity. Exchange differences arising from the sale of foreign branches or subsidiaries are recorded as part of the revenues or expenses within the income statement.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash balances with central banks and 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 shareholder equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. 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 the consolidated financial statements estimates are reasonable. The details of these estimates are as follows:
- Provision for impairment in direct credit facilities: The Bank reviews its credit facilities according to the regulations of the Central Bank of Jordan as a minimum, according to International Financial Reporting Standards.
- Impairment losses on repossessed assets are determined based on the appraisal reports prepared by certified appraisers and are reviewed periodically.
- 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.
- 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.
- Legal provisions are taken for lawsuits raised against the Bank based on the Bank legal advisor's opinion.
- End of service indemnity provision for the employees is calculated based on the labor law, and bank regulations.

4- Cash And Balances with Central Banks

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Cash in treasury	162,335,648	170,730,095
Balances at central banks:		
Current accounts and demand deposits	226,166,347	421,999,683
Term and notice deposits	190,546,231	153,136,218
Statutory cash reserve	291,571,549	297,310,884
Certificates of deposit *	173,200,000	60,000,000
Total	1,043,819,775	1,103,176,880

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

* This item represents the certificates of deposits purchased from the Central Bank of Jordan maturing within a period of more than three months as of December 31, 2012 .

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,	
	2012	2011	2012	2011	2012	2011
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	14,030,838	5,998,434	156,460,245	187,124,559	170,491,083	193,122,993
Deposits maturing within or less than 3 months	10,127,000	53,256,103	675,528,678	712,014,203	685,655,678	765,270,306
Certificates of deposit	-	-	-	4,020,198	-	4,020,198
Total	24,157,838	59,254,537	831,988,923	903,158,960	856,146,761	962,413,497

• Non-interest bearing balances at banks and financial institutions amounted to JD 46,100,481 as of December 31, 2012 (JD 22,791,301 as of December 31, 2011).

• There are no restricted balances as of December 31, 2012 and 2011.

6- Deposits with Banks and Financial Institutions

This item consists of the following:

	Foreign Banks and Financial Institutions	
	December 31,	
	2012	2011
Deposits maturing within	JD	JD
3 to 6 months	-	15,234,974
6 month to 1 year	-	14,430,000
Total	-	29,664,974

- There are no restricted deposits as of December 31, 2012 and 2011.

7- Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Quoted Financial Assets:		
Governmental guaranteed bonds	8,045,527	14,413,805
Corporate shares	6,115,637	5,537,141
Corporate bonds and debentures	24,630,732	33,935,134
Funds	788,060	7,595,221
Total Quoted Financial Assets	39,579,956	61,481,301
Unquoted Financial Assets :		
Corporate shares	16,444,271	19,897,925
Total Unquoted Financial Assets	16,444,271	19,897,925
Total	56,024,227	81,379,226
Analysis of debt instruments :		
Fixed rate return	32,676,259	48,348,939
Total	32,676,259	48,348,939

8- Direct Credit Facilities – Net

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Retail Customers :		
Overdrafts	12,700,219	10,073,998
Loans and discounted bills *	497,674,853	445,541,879
Credit cards	11,249,051	10,881,206
Real Estate Mortgages	663,785,699	590,687,301
Includes:		
Housing loans	420,196,888	402,954,535
Corporate entities:		
Large Corporate Customers		
Overdrafts	272,614,971	274,218,547
Loans and discounted bills *	834,700,986	867,829,123
SMEs		
Overdraft	109,337,075	111,623,254
Loans and discounted bills *	174,503,251	243,853,259
Governmental and public sector	364,464,087	165,619,256
Total	2,941,030,192	2,720,327,823
Less: Allowance for impairment in direct credit facilities	(189,717,804)	(161,898,504)
Suspended interest	(67,430,092)	(56,376,453)
Net Direct Credit Facilities	2,683,882,296	2,502,052,866

* Net of interest and commission received in advance amounting to JD 20,475,192 as of December 31, 2012 (JD 23,530,824 as of December 31, 2011).

- Non-performing credit facilities amounted to JD 324,399,975 representing (11.03%) of total direct credit facilities as of December 31, 2012 (JD 268,652,331, representing (9.88%) as of December 31, 2011).
- Non-performing credit facilities net of interest in suspense amounted to JD 258,015,027 representing (8.98%) of total direct credit facilities net of interest in suspense as of December 31, 2012 (JD 218,807,195 representing (8.19%) as of December 31, 2011).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 238,340,145 representing (8.1%) of total direct credit facilities as of December 31, 2012 (JD 66,668,123 representing (2.45%) as of December 31, 2011).

Allowance for impairment in direct credit facilities

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

2012	Retail	Real Estate Mortgages	Corporate entities		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
Balance – beginning of the year	10,276,535	13,793,399	115,980,636	21,847,934	161,898,504
Allowance for the year	801,648	(150,723)	56,268,607	7,857,056	64,776,588
Amounts written off	(668,236)	(4,127)	(30,824,136)	(244,810)	(31,741,309)
Currency translation	(147,363)	(2,564)	(2,505,952)	(2,560,100)	(5,215,979)
Balance – End of the Year	10,262,584	13,635,985	138,919,155	26,900,080	189,717,804
Allowance for impairment	9,489,356	13,249,147	136,728,445	26,766,643	186,233,591
Watch list allowance	773,228	386,838	2,190,710	133,437	3,484,213
	10,262,584	13,635,985	138,919,155	26,900,080	189,717,804
2011					
Balance – beginning of the year	12,969,858	10,860,447	98,724,575	20,253,018	142,807,898
Allowance for the year	(2,412,182)	3,001,073	43,721,550	2,037,447	46,347,888
Amounts written off	(281,141)	(68,121)	(26,465,489)	(442,531)	(27,257,282)
Balance – End of the Year	10,276,535	13,793,399	115,980,636	21,847,934	161,898,504
Allowance for impairment	9,172,134	13,417,425	106,061,034	21,714,799	150,365,392
Watch list allowance	1,104,401	375,974	9,919,602	133,135	11,533,112
	10,276,535	13,793,399	115,980,636	21,847,934	161,898,504

- The surplus in allowance which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 9,232,517 as of December 31, 2012 (JD 17,265,915 as of December 31, 2011).

Interest in suspense

The movement on the interest in suspense is as follows:

2012	Retail		Real Estate Mortgages		CORPORATE ENTITIES				Governmental & public sector		Total
	JD		JD		Corporate	SMEs		JD	JD	JD	
					JD	JD	JD	JD	JD	JD	
Balance – beginning of the year	6,008,306	8,486,412	32,495,508	7,540,315	1,845,912					56,376,453	
Add: Suspended interest during the year	2,488,193	4,141,836	17,833,593	6,129,733	-					30,593,355	
Less: Interest transferred to income	(880,489)	(1,359,669)	(933,127)	(2,465,029)	(1,845,912)					(7,484,226)	
Interest in suspense written off	(955,519)	(597,014)	(9,829,950)	(227,906)	-					(11,610,389)	
Currency translation	(19,815)	(5,275)	(138,886)	(281,125)	-					(445,101)	
Balance – End of the Year	6,640,676	10,666,290	39,427,138	10,695,988	-					67,430,092	
2011											
Balance – beginning of the year	5,133,315	6,122,321	20,491,758	5,460,176	-					37,207,570	
Add: Suspended interest during the year	1,705,901	3,258,847	14,925,946	4,833,380	1,845,912					26,569,986	
Less: Interest transferred to income	(547,589)	(715,496)	(600,502)	(2,289,356)	-					(4,152,943)	
Interest in suspense written off	(283,321)	(179,260)	(2,321,694)	(463,885)	-					(3,248,160)	
Balance – End of the Year	6,008,306	8,486,412	32,495,508	7,540,315	1,845,912					56,376,453	

9- Financial Assets at fair value through other comprehensive income

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Quoted shares	45,433	45,433
Unquoted shares	543,821	568,820
Total	589,254	614,253

Revaluation losses amount of JD 24,999 for the year 2012.

10- Other Financial Assets at amortized cost

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Quoted Financial Assets:		
Treasury government bills	105,767,499	310,693,878
Treasury bonds	1,457,744,868	1,080,986,063
Governmental guaranteed bonds and bills	378,670,636	342,927,462
Corporate bonds and debentures	216,163,409	255,477,623
Total Quoted Financial Assets	2,158,346,412	1,990,085,026
Unquoted Financial Assets :		
Corporate bonds and debentures	41,908,889	29,504,148
Allowance for impairment loss	(4,772,500)	(2,500,000)
Total Unquoted Financial Assets	37,136,389	27,004,148
Total	2,195,482,801	2,017,089,174
Analysis of debt instruments :		
Fixed rate return	2,060,301,957	1,815,304,596
Variable rate return	135,180,844	201,784,578
Total	2,195,482,801	2,017,089,174

- The maturity of bonds range from one month to 7 years.
- The bonds mature on several batches in which the last mature in 2020.
- The bonds average annual interest rate range between 0.51% to 9.5% per year.

Following is a summary of the movement of the allowance for impairment loss of financial assets at amortized cost:

	December 31,	
	2012	2011
	JD	JD
Balance – beginning of the year	2,500,000	-
Additions	2,272,500	2,500,000
Disposals	-	-
Balance – end of the year	4,772,500	2,500,000

11- Property and Equipment - net

This item consists of the following:

2012	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance – beginning of the year	23,268,182	42,090,475	64,250,293	2,006,735	34,766,825	5,835,022	172,217,532
Additions	1,194,217	1,543,307	6,311,895	44,700	2,387,252	-	11,481,371
Disposals	-	(48,266)	(1,557,063)	(199,205)	(405,402)	-	(2,209,936)
Foreign currency exchange differences	(804,757)	(8,743,476)	(2,323,231)	(99,710)	(847,113)	-	(12,818,287)
Balance – end of the year	23,657,642	34,842,040	66,681,894	1,752,520	35,901,562	5,835,022	168,670,680
Accumulated Depreciation :							
Balance- beginning of the year	-	6,519,047	41,514,700	1,629,042	24,040,585	5,046,462	78,749,836
Annual depreciation	-	753,547	5,764,620	140,665	3,193,776	419,402	10,272,010
Disposals	-	(36,702)	(1,312,470)	(197,595)	(311,896)	-	(1,858,663)
Foreign currency exchange differences	-	(580,785)	(959,187)	(63,283)	(554,375)	-	(2,157,630)
Balance – end of the year	-	6,655,107	45,007,663	1,508,829	26,368,090	5,465,864	85,005,553
Net book value of property and equipment	23,657,642	28,186,933	21,674,231	243,691	9,533,472	369,158	83,665,127
Payments on purchased property and equipment	-	152,079	548,460	-	5,564	-	706,103
Projects under construction	-	32,684,875	795	-	-	-	32,685,670
Net Book Value – end of the year	23,657,642	61,023,887	22,223,486	243,691	9,539,036	369,158	117,056,900
2011							
Cost:							
Balance – beginning of the year	19,781,423	39,281,262	58,967,781	2,002,013	34,169,450	5,835,022	160,036,951
Additions	3,487,964	3,390,645	6,622,302	188,443	2,377,007	-	16,066,361
Disposals	-	-	(1,109,225)	(174,814)	(1,712,503)	-	(2,996,542)
Foreign currency exchange differences	(1,205)	(581,432)	(230,565)	(8,907)	(67,129)	-	(889,238)
Balance – end of the year	23,268,182	42,090,475	64,250,293	2,006,735	34,766,825	5,835,022	172,217,532
Accumulated Depreciation :							
Balance - beginning of the year	-	5,707,436	36,431,448	1,516,746	22,542,805	4,594,090	70,792,525
Annual depreciation	-	847,304	5,819,187	252,994	3,214,601	452,372	10,586,458
Disposals	-	-	(678,315)	(135,515)	(1,677,418)	-	(2,491,248)
Foreign currency exchange differences	-	(35,693)	(57,620)	(5,183)	(39,403)	-	(137,899)
Balance – end of the year	-	6,519,047	41,514,700	1,629,042	24,040,585	5,046,462	78,749,836
Net book value of property and equipment	23,268,182	35,571,428	22,735,593	377,693	10,726,240	788,560	93,467,696
Payments on purchased property and equipment	-	1,960	1,376,048	-	-	-	1,378,008
Projects under construction	-	15,798,367	-	-	-	-	15,798,367
Net Book Value – End of the Year	23,268,182	51,371,755	24,111,641	377,693	10,726,240	788,560	110,644,071

- Property and equipment include fully depreciated assets amounted to JD 35,721,575 as of December 31, 2012 (JD 32,456,659 as of December 31, 2011).
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are included in Note (46) including the remaining estimated cost for project under construction.

12- Intangible Assets

This item consists of the following:

	December 31, 2012				December 31, 2011			
	Goodwill*	Computer Software	Other**	Total	Goodwill *	Computer Software	Other**	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Beginning Balance	358,397	3,323,303	5,205,161	8,886,861	3,927,627	1,973,554	-	5,901,181
Additions ***	-	5,926,765	-	5,926,765	-	3,401,259	5,205,161	8,606,420
Disposals	-	-	-	-	(3,569,230)	-	-	(3,569,230)
Amortization for the year	-	(1,480,000)	-	(1,480,000)	-	(2,051,510)	-	(2,051,510)
Ending Balance	358,397	7,770,068	5,205,161	13,333,626	358,397	3,323,303	5,205,161	8,886,861

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

** The goodwill represents the license for conducting banking activities from the acquisition of 68.571% of Jordan International Bank, the licence for conducting business was identified having an indefinite life and its impairment was tested and no impairment was identified as of 31 December 2012.

*** The addition in the computer software amounts to JD 5,638,333 as of December 31, 2012 (JD 849,687 as of December 31, 2011), representing payments on account for purchase of computer software.

13- Other Assets

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Accrued revenues and interests	31,271,291	22,490,288
Prepaid expenses	3,984,000	3,495,085
Assets seized by the Bank*	13,797,101	13,158,948
Cheques under collection	15,035,123	26,170,156
Other	39,247,358	34,484,036
Total	103,334,873	99,798,513

* The regulations of Central Bank of Jordan require the disposal of the seized assets by the bank during a maximum period of two years from the date of the acquisition.

The movement on assets seized by the Bank is as follows:

	December 31, 2012			December 31, 2011
	Real estate	Other Assets	Total	
	JD	JD	JD	JD
Beginning Balance	12,513,260	645,688	13,158,948	11,179,919
Additions	2,248,016	1,074,128	3,322,144	2,463,164
Disposals	(1,814,262)	(645,688)	(2,459,950)	(188,835)
Impairment	(132,000)	-	(132,000)	(295,300)
Currency translation	(92,041)	-	(92,041)	-
Ending Balance	12,722,973	1,074,128	13,797,101	13,158,948

14- Banks and Financial Institutions Deposits

This item consists of the following:

	December 31, 2012			December 31, 2011		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	2,729,007	229,313,973	232,042,980	2,281,796	172,183,120	174,464,916
Deposits due within 3 months	4,256,542	388,739,859	392,996,401	9,738	292,578,543	292,588,281
Deposits due within 3 - 12 months	173,200,000	41,328,678	214,528,678	60,000,000	13,991,322	73,991,322
Total	180,185,549	659,382,510	839,568,059	62,291,534	478,752,985	541,044,519

15- Customers' Deposits

This item consists of the following:

	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
December 31, 2012					
Current accounts and demand deposits	682,159,782	148,611,184	342,336,667	48,770,677	1,221,878,310
Saving deposits	1,492,347,469	5,353,148	7,854,258	571,956	1,506,126,831
Time and notice deposits	1,306,678,015	419,628,873	52,778,739	209,704,470	1,988,790,097
Certificates of deposit	9,765,857	-	118,089	-	9,883,946
Others	508,857	-	-	-	508,857
Total	3,491,459,980	573,593,205	403,087,753	259,047,103	4,727,188,041
December 31, 2011					
Current accounts and demand deposits	680,699,055	158,292,161	284,121,469	50,672,958	1,173,785,643
Saving deposits	1,409,155,203	817,485	26,384,584	207,671	1,436,564,943
Time and notice deposits	1,512,061,658	447,959,642	87,436,625	168,079,262	2,215,537,187
Certificates of deposit	7,486,358	-	-	-	7,486,358
Others	542,004	-	-	-	542,004
Total	3,609,944,278	607,069,288	397,942,678	218,959,891	4,833,916,135

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 242.7 million, representing (5.1%) of total deposits as of December 31, 2012 (JD 205.8 million, representing (4.3%) of total deposits as of December 31, 2011).
- Non-interest bearing deposits amounted to JD 1.3 billion, representing (28.4%) of total deposits as of December 31, 2012 (JD 1.2 billion, representing 25% of total deposits as of December 31, 2011).
- Restricted deposits amounted to JD 90.8 million, representing (1.9%) of total deposits as of December 31, 2012 (JD 72.8 million, representing (1.5%) of total deposits as of December 31, 2011).
- Dormant accounts amounted to JD 55 million, representing (1.2%) of total deposits as of December 31, 2012 (JD 47.5 million, representing (1%) of total deposits as of December 31, 2011).

16- Margin Accounts

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Margins against direct credit facilities	108,985,773	167,077,360
Margins against indirect credit facilities	149,933,855	164,677,374
Margin dealings	1,258,029	1,124,031
Other margins	539,852	442,090
Total	260,717,509	333,320,855

17- Loans and borrowings

December 31, 2012	Amount JD	Periodic Repayment	Repayment date	Guarantee	Borrowing interest rate	Re- lending interest rate
From Local Companies						
Audi Bank loan	969,393	Once	31/5/2013	Financial solvency	7.25%	10.5%
Society General Bank loan	4,961,282	Once	30/11/2013	Financial solvency	6.50%	10.5%
Arab Jordan Investment bank	9,920,196	Once	31/3/2013	Financial solvency	6.25%	10.5%
AL Rajhi bank	3,448,600	Once	7/7/2013	Financial solvency	6.00 %	10.5%
Real Estate Mortgage Re- Finance Company	12,000,000	Once	8/5/2013	Financial solvency	6.50%	10.5%
	31,299,471					
December 31, 2011						
From Local Companies						
Audi Bank loan	2,123,175	Once	31/5/2013	Financial solvency	7.25%	10.5%
Society General Bank loan	3,015,010	Once	30/11/2012	Financial solvency	6.00%	10.5%
Real Estate Mortgage Re- Finance Company	5,000,000	Once	8/1/2013	Financial solvency	5.95%	10.5%
	10,138,185					

- There are no repurchase agreements included in the loans and borrowings.
- All borrowed funds are with fixed interest rates.

18- Sundry Provisions

This item consists of the following:

2012	Beginning Balance	Provision for the year	Provision used during the year	Reversed to income	Ending Balance
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	17,977,504	2,805,321	(1,167,338)	-	19,615,487
Provision for outstanding lawsuits against the bank	855,184	463,965	(775,298)	-	543,851
Other provisions	6,296,048	2,381,565	(1,617,269)	(1,575,769)	5,484,575
Total	25,128,736	5,650,851	(3,559,905)	(1,575,769)	25,643,913
2011					
Provision for end-of-service indemnity	15,177,974	3,783,557	(984,027)	-	17,977,504
Provision for outstanding lawsuits against the bank	874,407	272,939	(292,162)	-	855,184
Other provisions	6,290,267	2,377,595	(2,371,814)	-	6,296,048
Total	22,342,648	6,434,091	(3,648,003)	-	25,128,736

19- Income Tax

A- Income tax provision

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

	December 31,	
	2012	2011
	JD	JD
Beginning balance	39,841,657	32,236,421
Income tax paid	(39,146,528)	(32,864,025)
Provision for income tax for the year	35,604,695	40,469,261
Currency translation	(34,664)	-
Ending Balance	36,265,160	39,841,657

- Income tax for Jordan branches of the Bank was paid up to the year 2011 and the Bank has reached a final clearance with the Income and Sales Tax Department up to the end of the year 2010, and 2011 is still under review by the Income and Sales Tax department.
- Income tax for Palestine branches was paid up to the year 2011. The Bank did not reach a final settlement with the Income Tax Department for the years from 2007 to 2010.
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2011. The bank did not reach a final settlement for the years from 2007 to 2011 as the income tax department did not review the accounting records yet.
- Income tax for the Housing Bank for Trade & Finance /Algeria was paid up to the year 2011. The Income tax department did not review the accounting records yet.
- Income tax for Jordan International Bank/ London was paid up to the year 2011. The bank reached a final settlement with Income Tax Department up to the year 2009.
- Income tax for local International Financial Center was paid up to the year 2011. and a final settlement was reached until the year 2007.
- Income tax for the Specialized Financial Leasing Company was paid until the year 2011, and a final settlement was reached up to the year 2008.

Income tax in the consolidated income statement represents the following:

	December 31,	
	2012	2011
	JD	JD
Current year provision for income tax	35,604,695	40,469,261
Deferred tax assets for the year	(9,274,551)	(11,638,594)
Deferred tax liability for the year	1,062,896	700,000
Amortization of deferred tax assets	10,403,249	6,756,424
Amortization of deferred tax liabilities	(44,097)	(588,001)
	37,752,192	35,699,090

B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

	2012				2011	
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Assets						
Suspended interest	7,269,796	7,269,796	916,250	916,250	260,150	2,064,106
Allowance for loans	14,675,530	15,692,244	10,302,772	9,286,058	2,636,581	4,166,809
Provision for indemnities	15,932,370	914,011	2,484,219	17,502,578	4,969,490	4,523,662
Impairment of real estate	-	-	132,000	132,000	37,479	-
Other provisions	6,383,107	3,403,894	2,672,605	5,651,818	1,604,716	1,812,349
Other assets	9,722,600	6,905,836	8,388,337	11,205,101	3,177,875	2,748,448
Accumulated losses of Jordan International Bank/London	27,735,994	-	12,571,856	40,307,850	9,270,805	6,933,998
TOTAL	81,719,397	34,185,781	37,468,039	85,001,655	21,957,096	22,249,372
Liabilities						
Revaluation of financial assets difference	2,465,405	-	3,743,527	6,208,932	1,762,896	700,000
TOTAL	2,465,405	-	3,743,527	6,208,932	1,762,896	700,000

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

	2012		2011	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Beginning balance	22,249,372	700,000	17,672,877	652,748
Additions	9,976,957	1,062,896	11,588,469	700,000
Deductions	(10,269,233)	-	(7,011,974)	(652,748)
Ending Balance	21,957,096	1,762,896	22,249,372	700,000

C- Reconciliation of the accounting profit with taxable profit:

	2012	2011
	JD	JD
Accounting profit for the year	142,240,804	135,701,388
Non taxable income	(45,767,488)	(34,751,494)
Expenses not deductible for tax purposes	26,985,542	43,112,396
Taxable Profit	123,458,858	144,062,290
Effective income tax rate	27%	26%

- The legal income tax rate on banks in Jordan is 30%. The income tax rates in the countries in which the Bank operates range between 0% and 30%.
- The tax rate on deferred tax assets is between 23% and 30%.

20- Subordinated loans

This item consists of the following:

December 31,2012	Amount JD	Periodic repayment	Repayment date	Guarantee	Borrowing interest rate
Bank loans					
Subordinated loans with variable rate	7,859,199	once	20/11/2013	-	Libor + agreed margin rate
	7,859,199				
December 31,2011					
Bank loans					
Subordinated loans with variable rate	7,868,753	once	20/11/2013	-	Libor + agreed margin rate
	7,868,753				

21- Other Liabilities

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Accrued interest	10,073,271	9,604,836
Interests and commissions received in advance	1,076,911	1,007,220
Accrued expenses	15,186,837	12,920,610
Certified cheques	42,889,017	34,411,648
Transfers deposits	9,271,746	6,311,582
Payment trusts	3,361,310	1,551,196
Prizes trusts	820,850	566,800
Correspondent banks trusts	398,949	337,750
General management trusts	2,370,174	1,682,004
Dividends payable *	272,460	2,909,060
Accounts payable	2,414,205	3,166,834
Other deposits	9,748,747	11,558,782
Other	16,773,922	11,346,907
Total	114,658,399	97,375,229

* 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, 2012 and 2011.

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 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.

Special reserve

This reserve represents the cyclical fluctuation for Palestine branches based on the instruction of the Palestinian Monetary Authority.

Restricted reserves are as follows:

Reserve	December 31,		Regulation
	2012	2011	
	JD	JD	
General banking risk reserves	26,333,079	23,674,279	According to the regulations of the Central Bank of Jordan
Statutory reserve	128,758,427	117,202,264	According to the applicable laws and regulations

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:

	2012	2011
	JD	JD
Beginning balance	(7,670,194)	(980,308)
Net changes during the year	(18,233,015)	(6,689,886)
Ending Balance	(25,903,209)	(7,670,194)

25- Revaluation reserve for financial assets - Net

The movement on this items is as follows:

	2012	2011
	JD	JD
Beginning balance	(286,779)	(233,721)
Unrealized losses	(24,999)	(63,862)
Realized loss on financial assets at fair value through other comprehensive income	-	10,804
Ending Balance	(311,778)	(286,779)

26- Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 25% equivalent to JD 63 million of paid-up capital subject to the approval of the General Assembly of Shareholders. (25% for the prior year).

Retained earnings attributable to the Bank's shareholders:

This item consists of the following:

	2012	2011
	JD	JD
Beginning balance	161,798,637	148,771,404
Effect of IFRS 9 early adoption	-	1,554,688
Profit for the year	94,064,334	87,848,233
Realized (loss) from selling financial assets at fair value through other comprehensive income	-	(10,804)
Transfer to reserves	(14,667,836)	(12,796,786)
Dividends paid	(63,000,000)	(63,000,000)
Others	(608,728)	(568,098)
Ending Balance	177,586,407	161,798,637

- The general banking risks reserve is a restricted reserve that cannot be utilised without the approval of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD 6,593,457 which represents the unrealised gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The Bank cannot use a restricted amount of JD 21,957,096 from the retained earnings, which represents deferred taxes. An amount of JD 311,778 which represents the negative revaluation reserve for financial assets through other comprehensive income is also required to be set aside from retained earnings. These amounts cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations.

27- Interest Income

This item consists of the following:

	2012	2011
	JD	JD
Direct Credit Facilities:		
Individual retail customer:		
Overdraft	703,076	872,535
Loans and discounted bills	43,530,704	40,926,737
Credit cards	1,983,845	2,052,119
Other	292,485	342,104
Real estate mortgages	40,024,204	35,551,485
Large corporate customers:		
Overdraft	18,155,727	20,652,591
Loans and discounted bills	44,884,047	48,491,872
SMEs		
Overdraft	11,681,569	11,242,432
Loans and discounted bills	20,016,008	20,487,099
Government and Public Sector	23,065,761	16,631,801
Balances with central banks	5,899,923	11,394,618
Balances and deposits with banks and financial institutions	11,272,508	14,224,209
Other financial assets at fair value through profit or loss	1,050,638	1,974,099
Financial assets at amortized cost	113,877,141	67,573,260
Total	336,437,636	292,416,961

28- Interest Expense

This item consists of the following:

	2012	2011
	JD	JD
Banks and financial institutions deposits	5,563,111	2,977,848
Customers deposits :		
Current accounts and demand deposits	864,996	998,477
Saving deposits	12,962,490	11,573,431
Time and notice deposits	66,389,401	62,590,541
Certificates of deposit	158,110	196,406
Other	-	976,223
Margin accounts	3,110,072	4,009,379
Subordinated loans	137,914	116,458
Loans and borrowings	1,359,777	238,315
Deposits insurance fees	7,684,002	7,219,654
Total	98,229,873	90,896,732

29- Net Commission Income

This item consists of the following:

	2012	2011
	JD	JD
Commission income:		
Direct credit facilities	12,592,227	12,696,634
Indirect credit facilities	20,842,648	22,432,625
Less: Commission expense	(47,924)	(42,867)
Net Commission Income	33,386,951	35,086,392

30- net gain from Foreign currency Exchange

This item consists of the following:

	2012	2011
	JD	JD
From trading	10,470,282	9,094,886
From re-valuation	13,664,297	10,837,162
Total	24,134,579	19,932,048

31- (Loss) gain from financial assets at fair value through profit or loss

This item consists of the following:

2012	Realized		Unrealized		Dividends Received	Total
	Gain	(Loss)	Gain	(Loss)		
	JD	JD	JD	JD		
Bonds	130,704	-	515,554	-	-	646,258
Coprorate shares	151,819	(6,660)	666,410	(2,648,381)	279,019	(1,557,793)
Investment funds	763,862	-	-	(55,902)	24,703	732,663
Total	1,046,385	(6,660)	1,181,964	(2,704,283)	303,722	(178,872)
2011						
Bonds	893,177	(59,909)	1,003,540	(779,376)	-	1,057,432
Coprorate shares	4,529,530	(119,447)	9,209,929	(541,510)	690,344	13,768,846
Investment funds	96,573	(936,503)	-	(776,807)	300,951	(1,315,786)
Total	5,519,280	(1,115,859)	10,213,469	(2,097,693)	991,295	13,510,492

32- Other Income

This item consists of the following:

	2012	2011
	JD	JD
Fees on salaries accounts	2,997,079	2,834,038
Credit cards income	4,531,932	4,339,899
Safety deposit box rental income	349,943	305,489
Commissions on returned checks	1,193,377	1,062,815
Management fees	5,091,078	5,571,486
Net income from recovered loans	460,828	2,535,463
Brokerage services fees	448,661	669,698
Banking services fees	1,559,933	1,430,406
Income on transfers	10,817,385	9,218,994
Miscellaneous income	4,295,627	2,685,597
Total	31,745,843	30,653,885

33- Employees Expenses

This item consists of the following:

	2012	2011
	JD	JD
Salaries, benefits and allowances	51,312,507	48,724,331
Bank's contribution in social security	5,096,232	4,710,258
Bank's contribution in the saving fund	140,051	135,929
End-of-service indemnity	2,805,321	3,783,557
Medical expenses	2,098,894	2,048,472
Training expenses	436,400	404,548
Travel and transportation expenses	1,151,331	1,138,779
Other	719,599	711,460
Total	63,760,335	61,657,334

34- Other Expenses

This item consists of the following:

	2012	2011
	JD	JD
Information technology	7,316,311	7,660,280
Marketing and promotion	3,423,949	3,624,899
External and professional services	1,197,517	919,623
Rents and workplace expenses	16,583,762	14,077,919
Financial institutions subscription fees	1,804,802	1,797,772
Stationary expenses	2,452,635	2,721,272
Fees on credit facilities processing	245,988	340,464
Other expenses	8,199,302	8,065,705
Total	41,224,266	39,207,934

35- Earnings per Share

This item consists of the following:

	2012	2011
	JD	JD
Profit for the year	94,064,334	87,848,233
Weighted average number of shares	252,000,000	252,000,000
Basic and diluted earnings per share attributable to the Bank's shareholders	JD 0.373	JD 0.349

36- Cash and Cash Equivalents

This item consists of the following:

	December 31,	
	2012	2011
	JD	JD
Cash and balances with central banks maturing within 3 months	870,619,775	1,043,176,880
Add: Balances with banks and financial institutions maturing within 3 months	856,146,761	962,413,497
Less: Banks and financial institutions deposits maturing within 3 months	625,039,381	467,053,197
	1,101,727,155	1,538,537,180

37- Financial Derivative Instruments

This item consists of the following:

2012	Positive fair value	Negative fair value	Nominal value	Due in three months	Due to 3-12 months	More than 3 years
	JD	JD	JD	JD	JD	JD
Forward foreign currencies contracts	128,310	-	283,865,279	-	283,865,279	-
Interest rate swap contracts	-	(110,296)	3,545,000	-	-	3,545,000
	128,310	(110,296)	287,410,279	-	283,765,279	3,545,000
2011						
Forward foreign currencies contracts	1,096	-	15,638,869	7,134,886	8,503,983	-
Interest rate swap contracts	-	(85,328)	3,545,000	-	-	3,545,000
	1,096	(85,328)	19,183,869	7,134,886	8,503,983	3,545,000

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

38- Related Party Transactions

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

Company Name	Ownership 2012	Company's capital December 31,	
		2012	2011
	%	JD	JD
The Housing Bank for Trade and Finance / Algeria	61.171	98,134,068	98,134,068
International Bank for Trade and Finance / Syria	49.063	76,684,321	73,085,321
International Financial Center	77.5	5,000,000	5,000,000
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	39,345,830
International Financial Center / Syria	46.704	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		Executive Management	December 31,	
	Major Shareholders	Board of directors		2012	2011
	JD	JD	JD	Total JD	Total JD
Financial position items					
Total deposits with related parties	121,900,801	-	-	121,900,801	122,039,283
Total deposits from related parties	209,010,576	2,208,236	1,094,025	212,312,837	154,200,040
Loans and advances given to related parties	-	22,502	2,503,524	2,526,026	1,253,065
Commitments and contingent liabilities					
Letter of credit & letter of guarantee	1,246,800	-	10,000	1,256,800	1,251,800
Income statement items					
Interest and commissions income	2,518,371	-	127,814	2,646,185	2,349,567
Interest and commissions expense	8,599,000	56,910	24,273	8,680,183	965,623
Other expenses *	201,602	-	-	201,602	171,182

Interest income and interest expense rate ranges between 0.11% to 3.8% and 4% to 10% respectively.

* This item represents the direct commission of the related party calculated according to the prices specified in the agreements for services purchased from them and through them from other parties that amounted to JD 1,524,032.

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

	2012	2011
	JD	JD
Salaries, bonuses, and other benefits	2,458,369	2,120,371

39- Fair Value of Financial assets and liabilities not presented at fair value in the financial statements

This item consists of the following:

	2012		2011	
	Book value	Fair Value	Book value	Fair value
	JD	JD	JD	JD
Other financial assets at amortized cost	2,195,482,801	2,198,144,116	2,017,089,174	2,009,493,794
Direct credit facilities – net	2,683,882,296	2,683,882,296	2,502,052,866	2,502,052,866

40- 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
- Business continuity risk - Strategic risk - Foreign currency and interest 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 collatrls 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 Mitigatiing 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,	
	2012	2011
	JD	JD
Statement of financial position		
Balances with central banks	881,484,127	932,446,785
Balances with banks and financial institutions	856,146,761	962,413,497
Deposits with banks and financial institutions	-	29,664,974
Credit facilities		
Retail	504,720,863	450,212,243
Real estate mortgages	639,483,422	568,407,489
Corporate		
Large Corporate	928,969,666	1,000,110,090
SMEs lending	246,244,258	319,549,700
Government and public sector	364,464,087	163,773,344
Bonds debentures and treasury bills funds:		
Financial assets at fair value through profit or loss	33,464,319	55,944,160
Other financial assets at amortized cost	2,195,482,801	2,017,089,174
Total	6,650,460,304	6,499,611,456
Commitments and contingent liabilities		
Letters of credit	491,079,465	521,865,371
Acceptances	87,663,830	64,219,756
Letters of guarantee	493,677,581	594,372,576
Un-utilized facilities	372,354,645	342,106,902
Total	1,444,775,521	1,522,564,605
	8,095,235,825	8,022,176,061

The above table represents the highest credit risk exposure for the Bank as of December 31, 2012 and 2011, without taking into consideration any collateral held or any other credit risk mitigating factors.

Exposure to credit risk is distributed as follows:

21% of the total exposure is derived from loans and balances with central banks and other banks and financial institutions. (24%: 2011).

33% from the total exposure results from loans and credit facilities (31%: 2011).

28% from the total exposure results from investment in bonds debentures and treasury bills and funds (26%: 2011).

18% from the total exposure results from off-financial position items and other assets. (19%: 2011).

2- The following table shows the distribution of credit risk exposure according to credit risk rating:

2012	Retail	Real estate mortgages	Corporate entities		Government and public sector	Banks and other financial institutions	Total
			Large companies	SMEs			
			JD	JD			
Low risk	18,750,292	46,681,337	70,104,372	15,423,888	2,224,309,841	1,737,630,888	4,112,900,618
Acceptable risk	467,017,152	549,664,318	858,022,455	203,708,227	97,828,276	89,736,283	2,265,976,711
From which past due**:							
Up to 30 days	14,077,911	19,256,417	16,937,353	14,476,397	-	-	64,748,078
From 31 to 60 days	1,896,406	594,590	1,977,552	597,364	-	-	5,065,912
Watch list	12,021,926	25,738,017	152,628,392	13,942,561	-	-	204,330,896
Non- performing:							
Sub-standard	5,180,871	4,997,525	11,727,754	4,093,261	-	-	25,999,411
Doubtful	4,073,665	6,488,782	11,567,121	12,792,829	-	-	34,922,397
Impaired	14,580,217	30,215,718	184,802,672	33,879,560	-	-	263,478,167
Total	521,624,123	663,785,697	1,288,852,766	283,840,326	2,322,138,117	1,827,367,171	6,907,608,200
Less:Interest in suspense	6,640,676	10,666,290	39,427,138	10,695,988	-	-	67,430,092
Allowance for impairment	10,262,584	13,635,985	138,919,155	26,900,080	-	-	189,717,804
Net	504,720,863	639,483,422	1,110,506,473	246,244,258	2,322,138,117	1,827,367,171	6,650,460,304
2011							
Low risk	29,866,347	47,645,308	64,765,581	110,779,290	1,848,497,619	1,924,525,256	4,026,079,401
Acceptable risk	406,258,182	480,160,863	969,013,498	159,536,967	52,751,542	141,772,941	2,209,493,993
From which past due**:							
Up to 30 days	12,303,630	25,165,326	35,041,651	17,816,643	-	-	90,327,250
From 31 to 60 days	325,923	572,876	383,778	3,121,823	-	-	4,404,400
Watch list	10,535,104	25,427,999	118,509,633	37,996,647	21,191,303	-	213,660,686
Non- performing:							
Sub-standard	2,053,021	3,319,096	5,182,408	7,266,997	-	-	17,821,522
Doubtful	2,087,360	6,199,028	10,352,094	6,089,271	-	-	24,727,753
Impaired	15,697,068	27,935,008	148,663,645	33,807,337	-	-	226,103,058
Total	466,497,082	590,687,302	1,316,486,859	355,476,509	1,922,440,464	2,066,298,197	6,717,886,413
Less:Interest in suspense	6,008,306	8,486,412	30,574,869	9,460,954	1,845,912	-	56,376,453
Allowance for impairment	10,276,534	13,793,400	111,362,711	26,465,859	-	-	161,898,504
Net	450,212,242	568,407,490	1,174,549,279	319,549,696	1,920,594,552	2,066,298,197	6,499,611,456

* Credit exposures include credit facilities, balances and deposits with banks and financial institutions, bonds, treasury bills and some other assets.

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

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

2012	Retail	Real Estate Mortgages	Corporate entities		Government and Public Sector	Total
			Large Companies	SMEs		
			JD	JD		
Collaterals against						
Low risk	18,743,173	46,664,102	69,843,850	15,423,885	189,938,681	340,613,691
Acceptable risk	59,213,656	322,778,797	204,595,082	142,936,071	22,787,458	752,311,064
Watch list	6,687,128	25,479,951	76,046,134	12,091,291	-	120,304,504
Non-performing:						
Sub – standard	4,061,003	4,997,525	4,629,669	3,928,105	-	17,616,302
Doubtful	1,682,148	6,488,782	3,570,698	4,757,216	-	16,498,844
Impaired	5,467,979	24,743,840	67,269,536	21,473,037	-	118,954,392
Total	95,855,087	431,152,997	425,954,969	200,609,605	212,726,139	1,366,298,797
Including:						
Cash margins	17,191,647	597,018	26,149,401	26,026,637	-	69,964,703
Government guarantee	-	-	48,401,464	-	189,938,681	238,340,145
Accepted bank guarantees	-	-	1,000,000	26,829,454	-	27,829,454
Residential mortgages	57,483,162	427,152,097	283,238,579	126,842,975	22,787,458	917,504,271
Listed shares	10,398,984	3,307,881	33,580,215	686,997	-	47,974,077
Equipment and vehicles	10,781,294	96,001	33,585,310	20,223,542	-	64,686,147
Total	95,855,087	431,152,997	425,954,969	200,609,605	212,726,139	1,366,298,797
2011						
Collaterals against						
Low risk	18,132,803	25,424,192	22,899,870	89,566,846	76,668,123	232,691,834
Acceptable risk	64,129,146	263,292,462	340,312,881	101,279,781	24,355,319	793,369,589
Watch list	8,281,600	70,522,896	28,574,107	23,787,157	21,191,304	152,357,064
Non-performing :						
Sub – standard	897,467	3,103,342	2,687,932	4,967,955	-	11,656,696
Doubtful	956,731	4,036,559	1,075,719	2,191,372	-	8,260,381
Impaired	7,228,654	24,400,230	65,088,441	8,702,070	-	105,419,395
Total	99,626,401	390,779,681	460,638,950	230,495,181	122,214,746	1,303,754,959
Including:						
Cash margins	12,896,332	5,218,333	101,021,690	27,961,494	10,000,000	157,097,849
Accepted bank guarantees	-	-	8,747,182	7,493,516	66,668,123	82,908,821
Residential mortgages	58,575,874	382,493,554	257,967,877	168,894,378	45,546,623	913,478,306
Listed shares	7,179,856	605,055	50,046,464	52,186	-	57,883,561
Equipment and vehicles	20,953,535	1,232,561	38,037,686	13,575,822	-	73,799,604
Total	99,605,597	389,549,503	455,820,899	217,977,396	122,214,746	1,285,168,141

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 2012. Moreover, they amounted to JD 67.3 million as of December 31, 2012 (JD 59.1 million as of December 31, 2011).

The balance of scheduled debt represents the debt that was scheduled whether classified under watch list or transferred to performing.

Restructured Loans

Restructuring is the re-arrangement of facilities installments by increasing their duration, postponing some installments or increasing the grace period. During the year 2012 they were classified within watch list facilities under control and amounted to JD 103.7 million as of December 31, 2012 (JD 25.5 million as of December 31, 2011).

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 at fair value through P&L	Other Financial assets at amortized cost	Total
	JD	JD	JD
AA+	-	13,715,843	13,715,843
AA	-	8,794,293	8,794,293
AA-	-	8,693,748	8,693,748
A+	-	30,728,020	30,728,020
A	12,088,965	60,387,082	72,476,047
A-	4,412,589	59,915,821	64,328,410
BBB	3,800,709	14,081,982	17,882,691
BBB-	2,217,914	14,170,483	16,388,397
BB+	-	1,075,456	1,075,456
BB	-	2,474,715	2,474,715
Un-rated	2,898,614	39,273,704	42,172,318
Governmental or government guarantee	8,045,528	1,942,171,654	1,950,217,182
Total	33,464,319	2,195,482,801	2,228,947,120

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

Geographical Area	Inside Jordan	Other Middle East Countries	Europe	Asia *	Africa *	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	542,790,699	150,689,945	-	-	188,003,483	-	-	881,484,127
Balances with banks and financial institutions	58,039,097	264,555,918	399,907,385	1,154,828	37,536,082	94,845,592	107,859	856,146,761
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Credit Facilities								
Retail	445,314,021	57,833,021	84,282	-	1,489,539	-	-	504,720,863
Real estate mortgages	555,070,418	34,137,202	47,381,041	-	2,894,761	-	-	639,483,422
CORPORATE ENTITIES								
Large companies	629,399,289	296,149,988	-	-	3,420,389	-	-	928,969,666
SMEs	113,116,512	38,340,262	-	-	93,885,812	-	901,672	246,244,258
Government and public sector	292,633,015	71,831,072	-	-	-	-	-	364,464,087
Bonds debentures and treasury bills								
Other financial assets at amortized costs	1,931,719,223	76,755,267	91,519,745	-	-	62,351,674	33,136,892	2,195,482,801
Financial assets at fair value through P&L	2,183,080	16,906,951	2,639,577	-	-	7,071,566	4,663,145	33,464,319
Total 2012	4,570,265,354	1,007,199,626	541,532,030	1,154,828	327,230,066	164,268,832	38,809,568	6,650,460,304
Total 2011	4,129,133,970	1,172,709,057	682,069,156	21,617,930	239,249,090	233,354,641	21,477,612	6,499,611,456

* Excluding the Middle East countries.

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

Economic Sectors	Finance		Manufacturing		Trade		Real Estate		Agriculture		Shares		Retail		Governmental and Public Sector		Other		Total	
	Items	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Banks	881,484,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	881,484,127
Balances with banks and financial institutions	856,146,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	856,146,761
Credit Facilities	22,266,641	575,157,952	474,869,471	639,483,422	13,540,756	21,011,506	504,720,863	68,367,598	364,464,087	2,683,882,296										
Bonds debentures and treasury bills																				
Other financial assets at amortized costs	255,042,852	1,184,043	-	1,493,986	-	-	-	-	-	-	-	-	-	-	1,922,985,254	14,776,666	2,195,482,801			
Financial assets designated at fair value through P&L	17,613,972	-	-	-	-	-	-	-	-	-	-	-	-	-	11,357,727	4,492,620	33,464,319			
Total 2012	2,032,554,353	576,341,995	474,869,471	640,977,408	13,540,756	21,011,506	504,720,863	87,636,884	2,298,807,068	6,650,460,304										
Total 2011	2,243,442,271	363,532,935	634,908,517	573,848,175	12,202,840	15,950,891	451,325,208	294,656,052	1,909,744,567	6,499,611,456										

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 and shares price. 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. And the Bank manages the interest rate risk by applying sensitivity analysis for the interest rate sensitive instruments designated at fair value through the income statement by shifting the yield curve a parallel shift of $\pm 1\%$.

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
Sensitivity Analysis 2012				
US Dollars	(1,761,146)	1,859,063	(1,250,413)	1,319,934
Euro	(261,361)	274,904	(185,566)	195,182
Sensitivity Analysis 2011				
US Dollars	(1,905,345)	1,616,505	(1,352,795)	1,147,719
Euro	(886,109)	(347,437)	(629,137)	(246,680)

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 $\pm 1\%$ on net profit and loss and shareholders equity.

Currency	Increase exchange rate currency by 1% on the consolidated income statement	Decrease exchange rate currency by 1% on the consolidated income statement	Increase exchange rate currency by 1% on equity	Decrease exchange rate currency by 1% on equity
	JD	JD	JD	JD
Sensitivity Analysis 2012				
Euro	(16,333)	16,333	(11,596)	11,596
Sterling Pound	552,211	(552,211)	392,070	(392,070)
Austrlian Dollar	611	(611)	434	(434)
Swiss Frank	1,181	(1,181)	839	(839)
Canadian Dollar	(4,377)	4,377	(3,108)	3,108
Japanese Yen	5,861	(5,861)	4,161	(4,161)
Syrian Lira	434,750	(434,750)	308,673	(308,673)
Sensitivity Analysis 2011				
Euro	(17,054)	17,054	(11,938)	11,938
Sterling Pound	380,547	(380,547)	266,382	(266,382)
Austrlian Dollar	1,022	(1,022)	725	(725)
Swiss Frank	1,030	(1,030)	731	(731)
Canadian Dollar	958	(958)	680	(680)
Japanese Yen	(41)	41	(29)	29
Syrian Lira	763,111	(763,111)	534,178	(534,178)

3. Equity price risk:

It is the risk that results from the changes in equity instruments prices in the Banks financial assets at fair value through profit or loss and for financial assets at fair value through other comprehensive income. The Bank manages the share price risk by applying the VAR methodology which was calculated on the basis of historical prices of equity instruments for a confidence level of 99% for one day for each company separately. The VAR was then calculated for the banks portfolio.

Sensitivity Analysis VAR 2012	VAR
Financial assets at fair value through profit or loss	(1,204,246)
Financial assets at fair value through other comprhensive income	(31,817)
Sensitivity Analysis VAR 2011	
Financial assets at fair value through profit or loss	(1,260,484)
Financial assets at fair value through other comprhensive income	(25,146)

Interest rate re-pricing gap:

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

	2012		1 to 3 Months		3 to 6 Months		Interest rate re-pricing		Over 3 Years		Non-Interest Bearing Items		Total	
	JD	JD	JD	JD	JD	JD	6 Months to 1 Year	1 to 3 Years	JD	JD	JD	JD	JD	JD
ASSETS														
Cash and balances with Central banks	312,046,231	-	-	-	-	-	-	-	-	-	731,773,544	-	1,043,819,775	
Balances with banks and financial institutions	771,582,634	63,250,456	-	-	-	-	-	-	-	-	21,313,671	-	856,146,761	
Financial assets at fair value through profit or loss	7,071,566	-	1,879,774	4,684,323	15,750,486	3,291,094	4,684,323	15,750,486	3,291,094	23,346,984	-	-	56,024,227	
Direct credit facilities - net	161,752,007	1,915,710,412	126,190,364	114,705,593	192,084,724	69,578,080	114,705,593	192,084,724	69,578,080	103,861,116	589,254	-	2,683,882,296	
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	589,254	
Other financial assets at amortized cost	98,454,194	294,392,278	143,639,271	443,910,178	1,185,293,188	29,793,692	443,910,178	1,185,293,188	29,793,692	-	-	-	2,195,482,801	
Property and equipment - net	-	-	-	-	-	-	-	-	-	-	117,056,900	-	117,056,900	
Intangible assets - net	-	-	-	-	-	-	-	-	-	-	13,333,626	-	13,333,626	
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	21,957,096	-	21,957,096	
Other assets	-	-	-	-	-	-	-	-	-	-	103,334,873	-	103,334,873	
TOTAL ASSETS	1,350,906,632	2,273,353,146	271,709,409	563,300,094	1,393,128,398	102,662,866	563,300,094	1,393,128,398	102,662,866	1,136,567,064	7,091,627,609			
LIABILITIES														
Banks and financial institutions deposits	345,088,978	47,301,793	60,828,678	49,454	-	-	49,454	-	-	-	386,299,156	-	839,568,059	
Customers' deposits	1,301,931,591	1,432,542,885	321,612,570	154,376,874	49,816,438	14,883,052	154,376,874	49,816,438	14,883,052	1,452,024,631	-	-	4,727,188,041	
Margin accounts	67,746,425	29,247,813	22,889,658	14,395,281	4,231,088	1,088,590	14,395,281	4,231,088	1,088,590	121,118,654	-	-	260,717,509	
Loans and Borrowings	-	-	-	-	31,299,471	-	-	31,299,471	-	-	-	-	31,299,471	
Sundry provisions	-	-	-	-	-	-	-	-	-	-	25,643,913	-	25,643,913	
Income tax provision	-	-	-	-	-	-	-	-	-	-	36,265,160	-	36,265,160	
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	1,762,896	-	1,762,896	
Other liabilities	-	-	-	-	-	-	-	-	-	-	114,658,399	-	114,658,399	
Subordinated loans	-	-	-	-	7,859,199	-	-	7,859,199	-	-	-	-	7,859,199	
TOTAL LIABILITIES	1,714,766,994	1,509,092,491	405,330,906	168,821,609	93,206,196	15,971,642	168,821,609	93,206,196	15,971,642	2,137,772,809	6,044,962,647			
Interest rate re-pricing gap	(363,860,362)	764,260,655	(133,621,497)	394,478,485	1,299,922,202	86,691,224	394,478,485	1,299,922,202	86,691,224	(1,001,205,745)	1,046,664,962			
2011														
TOTAL ASSETS	1,507,478,830	2,007,024,414	308,130,131	318,465,871	1,548,033,595	245,201,922	318,465,871	1,548,033,595	245,201,922	1,003,634,924	6,937,969,687			
TOTAL LIABILITIES	1,959,087,534	1,564,970,643	253,981,194	198,051,635	83,435,369	17,180,547	198,051,635	83,435,369	17,180,547	1,812,627,147	5,889,334,069			
Interest rate re-pricing gap	(451,608,704)	442,053,771	54,148,937	120,414,236	1,464,598,226	228,021,375	120,414,236	1,464,598,226	228,021,375	(808,992,223)	1,048,635,618			

Concentration of Foreign Currency Risk

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
	JD	JD	JD	JD	JD	JD	JD
2012							
ASSETS							
Cash and balances with Central banks	176,445,173	28,652,628	521,728	6,814	78,206,192	231,877,251	515,709,786
Balances with banks and financial institutions	520,274,371	102,020,338	27,642,274	1,471,446	28,928,304	68,571,838	748,908,571
Financial asset Designated at fair value through profit or loss	30,405,685	3,707,708	-	-	-	984	34,114,377
Direct credit facilities	451,180,419	7,054,734	50,473,344	1,837,669	194,671,732	165,726,625	870,944,523
Financial asset at fair value through other comprehensive income	99,760	-	-	-	-	-	99,760
Other Financial assets at amortized cost	212,080,975	15,264,186	14,158,907	-	-	-	241,504,068
Property and equipment - net	7,097	-	568,922	-	19,747,118	4,730,326	25,053,463
Intangible assets - net	-	-	5,436,270	-	45,664	596,016	6,077,950
Deferred tax assets	-	-	9,270,809	-	26,387	-	9,297,196
Other assets	4,432,635	509,855	1,283,449	-	1,494,331	13,058,928	20,779,198
Total assets	1,394,926,115	157,209,449	109,355,703	3,315,929	323,119,728	484,561,968	2,472,488,892
LIABILITIES							
Banks and financial institutions deposits	447,650,043	23,843,399	23,081,663	-	644,123	15,609,267	510,828,495
Customers' deposits	1,183,613,018	125,476,643	29,209,611	2,729,784	255,856,913	237,909,059	1,834,795,028
Margin accounts	77,137,557	8,735,143	129,087	-	13,446,289	67,512,033	166,960,109
Sundry provisions	-	-	-	-	-	137,653	137,653
Income tax provision	-	-	27	-	85,639	5,239,555	5,325,221
Other liabilities	5,892,548	787,610	1,714,184	32	9,611,671	23,391,207	41,397,252
Subordinated loans	7,859,199	-	-	-	-	-	7,859,199
Total liabilities	1,722,152,365	158,842,795	54,134,572	2,729,816	279,644,635	349,798,774	2,567,302,957
Net position	(327,226,250)	(1,633,346)	55,221,131	586,113	43,475,093	134,763,194	(94,814,065)
Off-financial position contingent liabilities	853,681,118	488,292,216	46,333,212	15,246,729	28,140,457	56,566,285	1,488,260,017

Currency	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
	Items	JD	JD	JD		JD	JD
2011							
Total assets	1,390,935,872	162,826,427	92,183,158	672,341	604,822,572	468,148,867	2,719,589,237
Total liabilities	1,379,647,514	164,531,822	54,128,463	676,488	528,511,435	335,090,084	2,462,585,806
Net position	11,288,358	(1,705,395)	38,054,695	(4,147)	76,311,137	133,058,783	257,003,431
Off-financial position contingent liabilities	802,912,567	607,574,721	9,716,727	5,005,152	46,354,589	95,041,010	1,566,604,766

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 cannot 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 Group taking into consideration loans and unutilized facilities, utilizing overdrafts and monitoring any commitments related to letters of credit and guarantees that may arise.

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 58% are stable and dominated in JD. The Bank maintain 42% 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.

2012	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	372,374,238	1,221,983	234,862,405	49,804	-	-	232,042,980	840,551,410
Customers' deposits	604,190,880	158,077,788	145,470,832	85,829,294	396,626,144	884,632,184	2,516,419,022	4,791,246,144
Margin accounts	76,495,088	56,273,234	26,139,413	28,829,539	22,021,344	53,793,569	-	263,552,187
Loans and borrowings	-	-	-	-	34,493,895	-	-	34,493,895
Sundry provisions	2,018,645	2,018,645	-	4,037,292	12,111,872	-	5,457,459	25,643,913
Income tax provision	6,733,698	-	22,183,476	6,414,952	933,034	-	-	36,265,160
Deferred tax liabilities	-	-	-	-	1,762,896	-	-	1,762,896
Other liabilities	58,983,975	559,703	7,179,353	455,661	447,313	-	47,032,394	114,658,399
Subordinated loans	-	-	-	-	8,136,472	-	-	8,136,472
TOTAL	1,120,796,524	218,151,353	435,835,479	125,616,542	476,532,970	938,425,753	2,800,951,855	6,116,310,476
TOTAL ASSETS	2,055,983,281	519,936,401	613,708,406	784,488,717	1,762,133,422	1,024,649,045	308,771,241	7,091,627,609
2011								
LIABILITIES								
Banks and financial institutions deposits	220,484,324	86,180,103	60,101,250	21,167	-	-	174,464,916	541,251,760
Customers' deposits	632,649,648	176,457,361	74,051,837	81,645,505	523,464,974	796,555,325	2,610,350,586	4,895,175,236
Margin accounts	96,599,335	56,701,929	35,898,210	44,489,575	43,741,759	59,901,888	-	337,332,696
Loans and Borrowings	-	-	-	10,776,891	-	-	-	10,776,891
Sundry provisions	1,804,590	1,804,590	-	3,609,180	10,827,541	-	7,082,835	25,128,736
Income tax provision	4,114,362	-	22,333,291	13,394,004	-	-	-	39,841,657
Deferred tax liabilities	-	-	-	-	-	-	700,000	700,000
Other liabilities	54,216,078	513,255	6,443,036	355,579	352,255	-	35,495,026	97,375,229
Subordinated loans	-	-	-	-	8,102,455	-	-	8,102,455
TOTAL	1,009,868,337	321,657,238	198,827,624	154,291,901	586,488,984	856,457,213	2,828,093,363	5,955,684,660
TOTAL ASSETS	2,155,596,806	707,033,112	529,613,909	532,087,007	1,843,371,471	855,982,678	314,284,704	6,937,969,687

Commitments and contingent liabilities:

2012	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	745,116,805	321,494,646	-	1,066,611,451
Un- utilized ceilings	372,354,645	-	-	372,354,645
Letters of guarantee	489,021,760	4,655,821	-	493,677,581
Total	1,606,493,210	326,150,467	-	1,932,643,677
2011				
Letters of credit and acceptances	1,017,428,678	67,155,536	5,785,332	1,090,369,546
Un- utilized ceilings	342,106,902	-	-	342,106,902
Letters of guarantee	525,153,779	69,218,797	-	594,372,576
Total	1,884,689,359	136,374,333	5,785,332	2,026,849,024

41- 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 and other services.
- **Corporate Banking:** Principally handling deposits and credit facilities and other financial services 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 in money and capital markets.

The following table shows the Bank's business segments:

	Retail Banking		Corporate		Corporate Finance		Treasury		Others		Elimination		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	2012	2011	
Gross Income	181,055,696	158,114,012	1,959,422	174,697,861	9,540,455	(99,841,309)	425,526,137	391,599,778						
Impairment of credit facilities	(550,618)	(64,225,970)	-	-	-	-	(64,776,588)	(46,347,888)						
The provision of financial assets	-	-	-	(2,272,500)	-	-	(2,272,500)	(2,500,000)						
Segment results	80,336,520	29,033,586	381,447	36,738,287	2,769,890	-	149,259,730	142,645,911						
Unallocated expenses	-	-	-	-	-	-	(7,018,926)	(6,944,523)						
Income before tax	-	-	-	-	-	-	142,240,804	135,701,388						
Income Tax	-	-	-	-	-	-	(37,752,192)	(35,699,090)						
Profit for the year	-	-	-	-	-	-	104,488,612	100,002,298						
Segment Assets	3,567,862,772	1,891,301,036	24,992,995	3,975,322,615	1,189,554,080	-	10,649,033,498	10,818,615,050						
Elimination of assets between segments	(2,463,801,929)	(108,389,996)	-	(306,531,770)	(700,639,290)	-	(3,579,362,985)	(3,902,894,735)						
Unallocated assets	-	-	-	-	-	-	21,957,096	22,249,372						
Total Assets	-	-	-	-	-	-	7,091,627,609	6,937,969,687						
Segment Liabilities	3,500,941,263	1,882,865,958	24,700,834	3,793,228,210	401,751,229	-	9,603,487,494	9,788,562,978						
Elimination of liabilities between segments	(19,143,164)	(287,388,606)	(22,635,122)	(3,231,120,851)	-	-	(3,560,287,743)	(3,899,928,909)						
Unallocated liabilities	-	-	-	-	-	-	1,762,896	700,000						
Total Liabilities	-	-	-	-	-	-	6,044,962,647	5,889,334,069						
Capital expenditures	-	-	-	-	-	-	33,623,534	22,261,730						
Depreciation and amortization	-	-	-	-	-	-	11,752,010	12,637,968						

B- Geographical Distribution:

The following is the geographical distribution of the Bank's operations. The Bank conducts its operations mainly in the Kingdom (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 the Kingdom "Based on the Bank's internal policy, the way it is being measured and based on the reports used by the General Manager and the main decision maker in the Bank":

	Inside Jordan		Outside Jordan		Total December 31,	
	2012	2011	2012	2011	2012	2011
	JD	JD	JD	JD	JD	JD
Gross income	308,752,219	268,770,700	116,773,918	122,829,078	425,526,137	391,599,778
Total assets	4,995,890,645	4,446,542,813	2,095,736,964	2,491,426,874	7,091,627,609	6,937,969,687
Capital expenditures	30,136,490	8,254,637	3,487,044	14,007,093	33,623,534	22,261,730

42- 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 of which is having an average capital adequacy equal to or more than 14%.

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

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.

	2012	2011
	JD	JD
Primary capital items		
Paid-in capital	252,000,000	252,000,000
Statutory reserve	128,758,427	117,202,264
Voluntary reserve	33,222,068	33,222,068
Special reserve	1,232,220	779,347
Share premium	357,925,469	357,925,469
Retained earnings	95,650,931	78,405,656
Goodwill and other intangible assets	(11,404,870)	(6,994,330)
Deferred provision	(6,157,736)	(8,200,000)
Assets repossessed	(3,400,824)	(3,837,348)
Total primary capital	847,825,685	820,503,126
Supplementary capital		
Foreign currency translation reserve	(25,903,209)	(7,670,194)
Revaluation reserve for financial assets -net	(406,235)	(259,393)
General banking risks reserve	26,333,079	23,674,279
Total Supplementary Capital	23,635	15,744,692
Less		
Capital investments in banks and other financial institutions	(977,650)	(616,898)
Total Regulatory Capital	846,871,670	835,630,920
Total Weighted Assets Risk Average	4,487,653,816	4,078,498,272
Capital Adequacy Ratio %	18.87%	20.49%
Primary Capital Ratio %	18.88%	20.11%

43- 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).

2012	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets				
Financial assets at fair value through other comprehensive income	45,433	543,821	-	589,254
Financial assets at fair value through P&L	39,579,956	16,444,271	-	56,024,227
Total financial assets	39,625,389	16,988,092	-	56,613,481
2011				
Financial assets				
Financial assets at fair value through other comprehensive income	45,433	568,820	-	614,253
Financial assets at fair value through P&L	61,481,301	19,897,925	-	81,379,226
Total financial assets	61,526,734	20,466,745	-	81,993,479

44- Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 1.2 million as of December 31, 2012 against JD 1.4 million as of December 31, 2011. These accounts are not included in the assets and liabilities of the Bank financial statements. The management commissions and fees on these accounts are recorded in the consolidated income statement.

45- Assets and Liabilities Expected Maturities

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

	Up to 1 Year	Over 1 Year	Total
2012	JD	JD	JD
Assets			
Cash and balances with Central Banks	986,900,777	56,918,998	1,043,819,775
Balances with banks and financial institutions	856,146,761	-	856,146,761
Deposits with banks and financial institutions	-	-	-
Financial assets at fair value through profit or loss	22,169,905	33,854,322	56,024,227
Direct credit facilities – net	1,063,137,820	1,620,744,476	2,683,882,296
Financial assets at fair value through other comprehensive income	-	589,254	589,254
Other financial assets at amortized cost	1,000,106,854	1,195,375,947	2,195,482,801
Property and equipment – net	-	117,056,900	117,056,900
Intangible assets - net	-	13,333,626	13,333,626
Deferred tax assets	12,659,900	9,297,196	21,957,096
Other assets	45,654,688	57,680,185	103,334,873
Total assets	3,986,776,705	3,104,850,904	7,091,627,609
Liabilities			
Banks and financial institutions deposits	839,568,059	-	839,568,059
Customers' deposits	2,606,821,557	2,120,366,484	4,727,188,041
Margin accounts	187,226,387	73,491,122	260,717,509
Loans and borrowings	-	31,299,471	31,299,471
Sundry provisions	8,074,582	17,569,331	25,643,913
Income tax provision	35,332,126	933,034	36,265,160
Deferred tax liabilities	-	1,762,896	1,762,896
Other liabilities	67,178,693	47,479,706	114,658,399
Subordinated loans	-	7,859,199	7,859,199
Total liabilities	3,744,201,404	2,300,761,243	6,044,962,647
Net	242,575,301	804,089,661	1,046,664,962

2011	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	1,038,495,901	64,680,979	1,103,176,880
Balances with banks and financial institutions	962,413,497	-	962,413,497
Deposits with banks and financial institutions	29,664,974	-	29,664,974
Financial assets at fair value through profit or loss	28,637,411	52,741,815	81,379,226
Direct credit facilities – net	1,073,106,301	1,428,946,565	2,502,052,866
Financial assets at fair value through other comprehensive income	-	614,253	614,253
Other financial assets at amortized cost	744,477,692	1,272,611,482	2,017,089,174
Property and equipment – net	-	110,644,071	110,644,071
Intangible assets - net	-	8,886,861	8,886,861
Deferred tax assets	15,273,807	6,975,565	22,249,372
Other assets	32,261,251	67,537,262	99,798,513
Total assets	3,924,330,834	3,013,638,853	6,937,969,687
Liabilities			
Banks and financial institutions deposits	541,044,519	-	541,044,519
Customers' deposits	2,654,646,196	2,179,269,939	4,833,916,135
Margin accounts	232,934,224	100,386,631	333,320,855
Loans and borrowings	10,138,185	-	10,138,185
Sundry provisions	7,218,360	17,910,376	25,128,736
Income tax provision	39,841,657	-	39,841,657
Deferred tax liabilities	-	700,000	700,000
Other liabilities	61,527,948	35,847,281	97,375,229
Subordinated loans	-	7,868,753	7,868,753
Total liabilities	3,547,351,089	2,341,982,980	5,889,334,069
Net	376,979,745	671,655,873	1,048,635,618

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

A- Credit commitments and contingent liabilities:

	December 31,	
	2012	2011
	JD	JD
Letters of credit	978,947,621	1,026,149,790
Acceptances	87,663,830	64,219,756
Letters of guarantee:		
Payment	105,657,696	120,870,751
Performance	181,921,081	229,094,526
Other	206,098,804	244,407,299
Un-utilized direct credit facilities	372,354,645	342,106,902
Total	1,932,643,677	2,026,849,024

B- Contractual commitments:-

	December 31,	
	2012	2011
	JD	JD
Purchase of property and equipment contracts	714,783	987,190
Construction Projects contracts	63,485,696	5,327,485
Other purchases contracts	11,943,188	4,973,360
Total	76,143,667	11,288,035

47- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to JD 32.9 million as of December 31, 2012 (JD 34.8 million as of December 31, 2011). 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 543,851 as of December 31, 2012 (JD 855,184 as of December 31 2011).

48- New And Amended International Financial Reporting Standards

The following standards interpretations and amendments that have been released and did not become effective till the date of the issuance of the bank's financial statements. The bank intends to apply these standards, interpretations and amendments when that become effective:

IAS (1) Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Bank's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS (19) Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Bank does not expect any impact on the financial position or financial performance of the bank. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS (27) Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Bank does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS (28) Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS (32) offsetting of financial assets and financial liabilities (amendments)

This minor meaning "currently has a legally enforceable right to conduct clearing," explains amendments also apply mechanism clearing systems settlement by IAS 32 (for example - Systems settlement central) and applied mechanisms settlement total, which does not happen all at the same time. Is not expected to affect these amendments on the financial position or financial performance of the bank. These amendments should be applied for annual periods beginning on or after 1 of January 2014.

IFRS (7) disclosures - offsetting financial assets and financial liabilities (amendments)

These amendments require that an entity disclose information relating to the right to set-off and related arrangements (for example collateral agreements). These disclosures will provide users of financial statements with information useful in assessing the impact of settlement agreements net of assets and liabilities on the financial position of the entity. The new disclosures are required for all financial instruments recognized and to be offset under IAS (32) Financial Instruments presentation:

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the bank's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS (10) Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS (11) Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will have no impact on the Bank's financial position or performance, as the bank is currently accounting for these investments using the equity method.

IFRS (12) Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures were introduced, but which will not have an impact on the financial position or performance of the bank. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS (13) Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Bank is currently assessing the impact that this standard will have on the financial position and performance. Based on primary evaluation, there will not be material impact by applying this standard. This standard becomes effective for annual periods beginning on or after 1 January 2013.

49- Comparative Figures

Some of the year 2011 figures have been reclassified to correspond with the year 2012 presentation. There is no effect on the income and equity for the year 2011.



CORPORATE GOVERNANCE CODE

Ma'in Hot Springs

First: – Commitment to Corporate Governance

The board of directors of 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. HBTF publishes this code in its annual report, and on its website, in addition to preparing a report to the public detailing the Banks' compliance with its articles.

Second: – Definition of Corporate Governance

The Bank applies the definition adopted by the OCED and approved by the CBJ, which define 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 manger 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 manger 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.
- 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 the 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 its 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, which 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. As such, 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 four members: the chairman, two 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 the board members at each periodical meeting; publication of the financial statements on quarterly basis; forwarding financial reports and business plans to shareholders on an annual basis; employees competency and evaluation of their performance annually; professional standards guide; financial and administrative controls at work centers; documentation of information systems; and detailed policies and procedures manuals available for all employees.

(1) Code of Conduct/Ethics

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

The Siq - Petra

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 the annual report for the year 2012.

Second Declaration

The Board of Directors of the HBTF declares that there are no material issues that may affect the Bank's continuous effective performance during the next fiscal year 2013.

Third Declaration

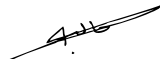
The Board of Directors of the HBTF declares that the Bank's internal control and monitoring systems are efficient, as at end-December 2012.

Fourth Declaration

The Board of Directors of the HBTF declares its responsibility in respect of the existence of the internal control and monitoring systems over the financial reporting in the Bank and the maintenance of such systems. Such systems are in conformity with the instructions, statutes and laws in force on the one hand and with the best practices on the other.

Fifth Declaration

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

Board Member	Title	Signature
H.E. Dr. Michel Marto	Chairman	
SHK Ali Jassim Al Thani	Vice Chairman	
Mr. Ali Ahmed Al-Kuwari	Board Member	
Mr. Abdulla Mubarak Al Khalifa	Board Member	
Mr. Yousef Mahmoud Al-Neama	Board Member	
Mr. Ali Rashid Al-Mohannadi	Board Member	
Mr. Mohammad Saad Al Munaifi	Board Member	
Mr. Humoud Jassim Al Falah	Board Member	
Mr. Mohamed Mohamed Bin Yousef	Board Member	
Mr. Ismail Abdulla Al Mislati	Board Member	
Mr. Jihad Ali Al Share	Board Member	
Mr. Ahmed Said Al Mahrezi	Board Member	
Mr. Omar Zuheir Malhas	General Manager	
Mr. Khaled Al-Thahabi	Chief Financial Officer	

The Bank's Main Activities

The HBTF provides versatile financial and banking services for the retail and corporate sectors in Jordan through a network of branches distributed throughout the Kingdom. The Bank exercises its main activities in Jordan as well as Palestine and Bahrain.

Size of Capital Investment

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

The Bank's Training Programs

The total number of training opportunities provided by the Bank in 2012 was 4800, in addition to holding a number of internal seminars specialized in the field of banking, in which 502 employees participated. Also, during the year, the Bank provided the opportunity for 24 employees to acquire academic certificates, and 20 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the Bank's Training Center	4314
Training Programs held in collaboration with specialized local training centers	450
Training Courses held in Arab and Foreign Countries	36
Internal Seminars	502
Academic Certificates	24
Professional Certificates in the fields of Finance, Accountancy, Financing, Computer and Compliance.	20
Total	5346

Following is a table showing the most important courses held in 2012:

Description	Number of Participants
Administrative Courses	427
Financial, Accounting and Audit Courses	152
Credit Courses	1034
Behavioral Skills and Public Relations Courses	338
Operations, Treasury and Investment Courses	1887
Personal Computer Courses	98
Total	3936

Number of Employees

Number of employees at the HBTF Group as per their qualifications as at the end of 2012.

Qualification	Branches inside and outside Jordan			Banks and Subsidiaries inside and outside Jordan						
	Jordan Branches	Palestine Branches	Bahrain Branch	International Bank for Trade & Finance / Syria	The Housing Bank for Trade & Finance / Algeria	Jordan International Bank / London	Specialized Leasing Finance Co.	International Financial Center Co.	Jordan Real-Estate Investments & Commercial Services Co.	Representative Offices (Libya, Iraq, U.A.E)
Ph.D. Degree	4	-	-	-	-	-	-	-	-	-
Masters Degree	134	11	4	9	5	4	1	2	-	-
High Diploma Degree	5	1	-	2	37	-	-	-	-	-
Bachelors Degree	1508	182	17	230	121	4	9	6	2	3
Diploma Degree	386	18	3	93	32	6	2	3	20	2
General Secondary Certificate	87	47	4	61	30	13	6	4	412	3
Total	2124	259	28	395	225	27	18	15	434	8

The number of employees of Jordan Branches at the end of 2012

The number of the Bank's employees inside Jordan reached 2124, 967 employees out of whom are working at the various departments and work centers at the head office and 1157 employees working at the branches distributed as follows:

Branch	Number	Branch	Number	Branch	Number	Branch	Number
Main Branch	39	Fuhais	9	Huson	11	Children Branch	5
Al Weibdeh	8	Salt	14	Hitteen	7	Wadi Saqra	7
Al Madina	11	Sweileh	11	Aidoun	9	Qaser	10
Jabal Amman	8	Sahab	9	Mashare'	7	Al Hasan Industrial City	6
Jabal Al Hussein	13	Abu Alanda	10	Kufranjah	7	Rabiyah	11
Wehdat	12	Juwaideh	11	Palestine St.	9	Abdullah Ghosheh	12
Marka	13	Marj Al Hamam	11	Karameh	5	Central Market	6
Quraysh St.	12	Na'our	8	Oujan	8	Quba Circle	13
Jabal Al Taj	8	Muwaqqar	6	Jaish St.	9	Zahran	11
Prince Hasan Sub.	12	Tla' Al Ali	11	Kraymeh	6	Madina Munawarah	14
North Hashimi	11	King Abdullah II City	7	Yarmouk	8	City Mall	12
Ras Al Ein	8	Baqa'	9	Aqaba	14	Medical City St.	8
Ashrafieh	8	Hurria St.	10	Tafleeh	9	Free Zone / Zarqa	6
Hawooz	8	Qwaismeh	9	Ma'an	9	Housing Bank Park / Abdoun	7
Nuzha	11	Bayader	13	Karak	12	New Zarqa	8
Sports City	13	Zarqa	15	Potash	8	Al-Yasmeen District	8
Salam	8	Irbid	18	Petra	8	Mecca St.	11
Commercial Complex	12	Ajloun	13	Shobak	6	Al Salt Gate	8
Prince Moh'd St.	8	Mafraq	16	Mu'ta	12	Taj Mall	15
Tareq	11	Jarash	12	Hasa	5	Al Jeeza	7
Abu Nussair	10	Madaba	13	Jabal Al Shamali	9	30 th Street / Irbid	9
Nazal Sub.	12	Deir Alla	9	Airport	12	Private Banking Services	7
Abdoun	13	Ghweirieh	7	Dulail	8	Call Center	21
Park Plaza	20	Russeifa	9	Ethaa'	8	Sweifieh	4
Gardens	14	Ramtha	12	Barha	12	Muqablain	3
Shmeisani	10	North Shouna	7	Shedieh	5	Prince Nayef St. / Irbid	4
Qasr Shbeeb	11	South Shouna	7	Um Al Sumaq	11	Al Shweikh Mall	15
Um Uthyna	10	Deir Abi Saeed	8	North Azraq	5	Mudawrah Office	6
Jubeiha	12	Hakama	12	Ma'soum Sub.	8	North Border Crossing	4

The number of employees at the Bank's Palestine Branches as at the end of 2012:

Branch	Number
Regional Management	66
Ramallah	27
Gaza	15
Nablus	22
Hebron	25
Halhoul	13
Beir Zeit	12
Khan Younis	12
Jenin	18
Bethlehem	15
Yata	10
Tormosaya	11
Dahriyeh	13
Total	259

The number of employees at the International Bank for Trade and Finance / Syria as at the end of 2012:

Branch	Number	Branch	Number	Branch	Number
General Management	167	Mazzeh	9	Dira'	7
Hejaz	15	Tijarah	8	Hama	11
Pakistan	14	Al Firdous	6	Mahradeh	5
Dedeman	9	Zabadani	6	Hasakeh	6
Yarmouk	7	Homs	9	Latakia	12
Housh Plass	3	Tartus	12	Sweida	9
Duma	6	Faisal	9	Qamishli	7
Dummar Project	7	Sheraton	4	Deir Al Zour	3
Hareeka	6	Jmeleyeh	10	Masaken Barzeh	6
Jaramana	7	Sheikh Najjar	3	Total	395
Qas'a	6	Shahba' Mall	6		

The number of employees at the Housing Bank for Trade and Finance / Algeria as at the end of 2012:

Branch	Number
Regional Management	138
Dali Ibrahim	28
Blida	15
Wahran	21
Steif	14
Dar al Bayda'	9
Total	225

Nature of the Subsidiaries' Business and Scope of their Activity

Name of Company	Type of Company	Main Activity	Paid - up Capital	Bank's Share
International Bank for Trade & Finance / Syria	Anonymous Company	Commercial Banking Activities	SL 5.25 billion	49.1%
The Housing Bank for Trade & Finance / Algeria	Public Shareholding	Commercial Banking Activities	DZD 10 billion	61.2%
Jordan International Bank / London	P.L.C	Commercial Banking Activities	GBP 35 million	68.6%
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance Activities	JD 20 million	100%
International Financial Center Co.	L. L.C.	Financial Brokerage Activities	JD 5 million	77.5%
Jordan Real - Estate Investments & Commercial Services Co.	L. L.C.	Management of non – banking Services Employees	JD 40 thousand	100%

Introductory Overview of the Board of Directors as at 31/12/2012

H.E. Dr. Michel Issa Marto

Title: Chairman

Date of Birth: 21/8/1940

Qualifications: Ph.D, Economics, 1970

- 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, D.C. (1975-1977)
- Advisor to HRH Prince El-Hassan Bin Talal and Head of Economics Department at the Royal Scientific Society, (1971-1975)
- Director, 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 HBTF Board Committees

- Executive Committee
- Risk Management Committee
- Corporate Governance Committee

Memberships in other Commissions and 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, 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 Policies Committee

SHK Ali Jassim Al-Thani

Title: Vice Chairman

Date of Birth: 1/1/1960

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

Memberships in HBTF Board Committees

- Audit Committee

Memberships in other Commissions and Boards

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

Mr. Ali Ahmed Al-Kuwari

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 15/10/1961

Qualifications: Masters in Management Information Systems, 1987

- Executive General Manager and Chief Business Officer/Qatar National Bank

Memberships in HBTF Board Committees

- Nomination & Remuneration Committee

Memberships in other Commissions and Boards

- Member of MasterCard Worldwide Advisory Board for MEA (Middle East and Africa)
- Vice Chairman, Commercial Bank International/United Arab Emirates
- Vice Chairman and Executive Director, QNB Capital Qatar
- Board Member, Qatar National Navigation Company
- Board Member, Qatar Exchange
- Chairman QNB Kesawan Bank/ Indonesia
- Board Member Qatar Gas Transport Company

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 / Qatar National Bank

Memberships in HBTF Board Committees

- Executive Committee

Memberships in other Commissions and Boards

- Board Member, QNB Capital / Qatar
- Board Member, Kuwaiti-Qatari Real-Estate Projects Management Co.
- Member, World Economic Forum, Qatari Businessmen Association

Mr. Yousef Mahmoud Al-Neama

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 5/1/1965

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

- General Manager, International Business Division / Qatar National Bank

Memberships in HBTF Board Committees

- Audit Committee

Memberships in other Commissions and Boards

- Board Member, The International Bank for Trade & Finance / Syria
- Board Member, Libyan-Qatari Bank
- Managing Director Qatar National Bank / Syria
- Vice Chairman Bank Mansour

Mr. Ali Rashid Al-Mohannadi

Representative of Qatar National Bank

Title: Board Member

Date of Birth: 24/11/1972

Qualifications: B.Sc. Computer Science, 1996

- Executive General Manager and Chief Operating Officer / Qatar National Bank

Memberships in HBTF Board Committees

- Risk Management Committee
- Corporate Governance Committee

Memberships in other Commissions and Boards

- None

Mr. Mohammad Saad 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

- Acting Manager of New Enterprises and Projects Department - Kuwait Investment Authority / Kuwait

Memberships in HBTF Board Committees

- Executive Committee
- Nomination & Remuneration Committee

Memberships in other Commissions and Boards

- President, The Founding Committee of Health Insurance Hospitals Co. / Kuwait 2010
- President, The Founding Committee of Specialized Medical City in the Southern Region / Kuwait 2010
- Vice President, The Founding Committee of Industrial Border Areas Co. / Kuwait 2010
- Board Member, Bred Street Real Estate Co. / U.S.A 2002-2008
- Board Member, Electricity Link Commission for GCC countries / Kingdom of Saudi Arabia 2006
- Board Member, The Housing Bank for Trade & Finance / Algeria 2008
- Board Member, St Martins Property Co. / United Kingdom 2009-2011

Mr. Humoud Jassim 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 / Kuwait

Memberships in HBTF Board Committees

- Audit Committee
- Corporate Governance Committee

Memberships in other Commissions and Boards

- None

Mr. Mohamed Mohamed Ben Yousef

Representative of Libyan Foreign Bank

Title: Board Member

Date of Birth: 5/12/1960

Qualifications: Masters in Finance and Banking 2004, B.Sc. Accounting 1983

- General Manager, Libyan Foreign Bank, from 18 / 8 / 2010 up to date.
- General Manager, Libyan–Qatari Bank, from 17 / 2/ 2010 until 31/12/2010
- Arab Accountant and Auditor 2004
- Libyan Accountant and Auditor 1993

Memberships in HBTF Board Committees

- Nomination & Remuneration Committee
- Audit Committee

Memberships in other Commissions and Boards

- Chairman, National Financial Leasing Co. / Libya.
- Chairman, Libya Africa Portfolio for Technology.
- Board Member, Arab International Bank / Cairo.
- Board Member, Executive Committee - Arab International Bank / Cairo.
- Board Member, Suez Canal Bank / Cairo.
- Board Member, The Housing Bank for Trade & Finance / Algeria
- Member of the Follow-up Committee for lifting the sanctions of Libya
- Chairman of General Assembly, Union of Arab Banks / Beirut, 2009.
- Board Member, Union of Arab Banks / Beirut, 2008-2010.
- Board Member, Audit Committee - Union of Arab Banks / Beirut, 2008-2010.
- Board Member of Libyan Investment Authority from 4/2012 up to date.
- Board Member of Arab International Bankers Management (Amman) from 28/4/2012 up to date.
- Member of the Board of Trustees of the Arab Academies for Banking and Financial Sciences. Amman from 7/2012 up to date.
- Board Member of the National Leasing Company from 2011 up to date.
- Chairman of the Board of LAPTECH Holding LTD from 2010 up to date.
- Member of the Ministerial Committee for International Cooperation from 14/12/2011 up to date.
- Board Member of the Monitoring Committee of Delisting of Libyan Assets Abroad from 2/10/2012.
- Member of Ministerial Committee of Economic Policies from 15/1/2012 up to date.
- Former President, Finance Leasing Law Committee / Libya.
- Former Chairman, North Africa Bank (National Banking Corporation) / Libya.
- Former President, Review and Risk Committee - Bank of Tropical Africa / Uganda.
- Former President, Assets and Liabilities Committee - Bank of Tropical Africa / Uganda.
- Former Vice Chairman, Bank of Tropical Africa / Uganda.
- Former Vice Chairman, National Bank / Libya.
- Former Board Member, Libyan Financial Leasing Company
- Former Board Member, National Planning / Libya.
- Former Board Member, Libya Africa Portfolio.

Mr. Ismail Abdalla El Mesallati

Representative of Libyan Foreign Bank

Title: Board Member

Date of Birth: 17/3/1956

Qualifications: B.A. Business Administration

- Deputy Manager, Participation Dep. / Libyan Foreign Bank from 13/11/2008

Memberships in HBTF Board Committees

- Executive Committee

Memberships in other Commissions and Boards

- Board Member, Arabian Maghreb Bank for Investment and Trade / Algeria 1999
- Board Member, Chinguitty Bank / Mauritania 2007

Mr. Jehad Ali Al Share

Representative of Social Security Corporation / Jordan

Title: Board Member

Date of Birth: 21/3/1958

Qualifications: Masters, Economics 2003

- Research and Portfolio Support Department Manager-Social Security Investment Fund

Memberships in HBTF Board Committees

- Corporate Governance Committee
- Audit Committee

Memberships in other Commissions and Boards

Representative of Social Security Corporation (SSC) in a number of companies.

Currently represents the SSC in the Jordan Press and Publishing Co. / Addustour

Mr. Ahmed Said 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 Commissions and Boards

- Board Member, Bank Dhofar
- Board Member, International Hotel Management 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 and Finance / Algeria

Previous Memberships

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

Position of Each Board Member

Name of Board Member	Date of Appointment	The Entity that the member represents	Classification	Share in the Bank's Capital *
H.E. Dr. Michel Marto	8/4/2004	Himself	Executive Non-Independent	0.123%
SHK Ali Jassim Al-Thani	5/5/1997	Himself	Non-Executive Independent	0.004%
Mr. Ali Ahmed Al-Kuwari	1/4/2011	Qatar National Bank	Non-Executive Non-Independent	34.481%
Mr. Abdulla Mubarak AlKhalifa	31/1/2008		Non-Executive Non-Independent	
Mr. Yousef Mahmoud Al-Neama	31/1/2008		Non-Executive Non-Independent	
Mr. Ali Rashid Al-Mohannadi	1/4/2011		Non-Executive Non-Independent	
Mr. Mohammad Saad Al Munaifi	2/4/2005		Kuwait Real Estate Investment Consortium	
Mr. Humoud Jassim Al Falah	5/4/2009	Non-Executive Non-Independent		
Mr. Mohamed Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	16.069%
Mr. Ismail Abdalla El Mesallati	25/6/2012		Non-Executive Non-Independent	
Mr. Jihad Ali Al Share	25/2/2009	Social Security Corporation/Jordan	Non-Executive Non-Independent	15.389%
Mr. Ahmed Said Al Mahrezi	2/4/2005	Ministry of Finance - Sultanate of Oman	Non-Executive Independent	2.976%

* Share of the entity represented by the member.

Number of Securities Owned by the Board Members and their Relatives

Name of the Board Member	Nationality	Number of securities owned by the member		Number of securities owned by spouse and minors	
		2011	2012	2011	2012
H.E. Dr. Michel Marto	Jordanian	310,000	310,000	-	-
SHK Ali Jassim Al-Thani	Qatari	10,000	10,000	-	-
Mr. Ali Ahmed Al-Kuwari	Qatari	-	-	-	-
Mr. Abdulla Mubarak AlKhalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Ali Rashid Al-Mohannadi	Qatari	-	-	-	-
Mr. Mohammad Saad Al Munaifi	Kuwaiti	-	-	-	-
Mr. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdalla El Mesallati	Libyan	-	-	-	-
Mr. Jehad Ali Al Share	Jordanian	-	-	-	-
Mr. Ahmed Said Al Mahrezi	Omani	-	-	-	-

Companies Controlled by the Board Members and their Relatives

Name of the Board Member	Nationality	Companies controlled by the member		Companies controlled by spouse and minors	
		2011	2012	2011	2012
H.E. Dr. Michel Marto	Jordanian	-	-	-	-
SHK Ali Jassim Al-Thani	Qatari	-	-	-	-
Mr. Ali Ahmed Al-Kuwari	Qatari	-	-	-	-
Mr. Abdulla Mubarak AlKhalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Ali Rashid Al-Mohannadi	Qatari	-	-	-	-
Mr. Mohammad Saad Al Munaifi	Kuwaiti	-	-	-	-
Mr. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdalla El Mesallati	Libyan	-	-	-	-
Mr. Jehad Ali Al Share	Jordanian	-	-	-	-
Mr. Ahmed Said Al Mahrezi	Omani	-	-	-	-

The Board's Committees

The Board has five committees; each of such committees has its own reference and powers. The Bank's Board of Directors held seven meetings during 2012 in the following chronological order 26/1, 28/3, 26/4, 6/6, 18/7, 21/10, and 12/12. All Board Members attended the meetings. The committees also held 14 meetings during 2012.

Name of Committee	Current Members
Executive Committee	H.E. Dr. Michel Issa Marto Mr. Abdulla Mubarak Al Khalifa Mr. Mohammad Saad Al Munaifi Mr. Ismail Abdalla El Mesallati
Audit Committee	SHK Ali Jassim Al-Thani Mr. Yousef Mahmoud Al-Neama Mr. Humoud Jassim Al Falah Mr. Mohamed Mohamed Ben Yousef Mr. Jehad Ali Al Share
Nomination and Remuneration Committee	Mr. Ali Ahmed Al-Kuwari Mr. Mohammad Saad Al Munaifi Mr. Mohamed Mohamed Ben Yousef
Risk Management Committee	H.E. Dr. Michel Issa Marto Mr. Ali Rashid Al-Mohannadi Mr. Ahmed Said Al Mahrezi Mr. Omar Zuheir Malhas
Corporate Governance Committee	H.E. Dr. Michel Issa Marto Mr. Ali Rashid Al-Mohannadi Mr. Humoud Jassim Al Falah Mr. Jehad Ali Al Share Mr. Omar Zuheir Malhas

Senior Executive Management: Brief Resume (as on 31/12/2012)

Mr. Omar Zuheir Malhas

Title: General Manager

Date of Birth: 30/3/1960

Date of Appointment: 1/8/2002

Qualification: MBA in International Banking and Finance, 1991

Mr. Malhas started his career at HBTF in 1985. In 1999, he became Deputy General Manager of Doha Bank in Qatar and then became a Senior Manager at Alliance Capital Management (one of the world's largest investment companies) / Bahrain Office. Mr. Malhas rejoined HBTF in 2002 as Head of Treasury and Investment Department. He became the Chief Banking Officer in March 2009 until he was appointed General Manager in 2010.

Memberships in HBTF Board Committees:

- Risk Management Committee
- Corporate Governance Committee

Memberships in other Commissions and Boards:

- Vice Chairman, Specialized Leasing Co. / Jordan
- Board Member, International Bank for Trade and Finance / Syria
- Board Member, Jordan International Bank / London
- Board Member, Association of Banks in Jordan
- Board Member, International Financial Center Co. / Jordan
- Board Member, King Abdullah II Design and Development Bureau (KADDB)
- Board Member, Social Security Investment Fund / Jordan
- Board Member, Electricity Distribution Co. / Jordan

Mr. Osama Al Haj Yahya

Title: Chief Operating Officer

Date of Birth: 22/11/1963

Date of Appointment: 11/8/1988

Qualifications: MA Financial & Banking Sciences, 1995

Professional Qualifications:

- Certification in Control and Risk Self Assessment / CCSA 2002, the American Institute of Internal Auditors (IIA).
- Certified Fraud Examiner, CFE 2007, Association of Certified Fraud Examiners
- Certified Internal Auditor, CIA 2009, the American Institute of Internal Auditors (IIA).

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 experience that qualified him to manage and direct the Bank's internal audit functions. He became in charge of the operations in the Bank in March 2009 and he currently holds the position of Chief Operating Officer.

Memberships in HBTF Board Committees: None

Memberships in other Commissions and Boards:

- Vice Chairman: The Jordan Institute of Internal Auditors / JAIA
- Board Member, Jordan Real Estate Enterprises Co.
- Board Member, Jordan Industrial Estates Company.

Mr. Caesar Hani Qulajen

Title: Chief Banking Officer

Date of Birth: 22/8/1964

Date of Appointment: 2/11/2008

Qualifications: MBA – Corporate Finance, 1997

Mr. Caesar embarked on his career with the Social Security Corporation / the Investment and Finance Department where he worked for seven years. He then joined Arthur Andersen in the Kingdom of Saudi Arabia as a Senior Manager in corporate financing for six years before moving to the Saudi American Bank (SAMBA) as an Assistant General Manager for the Investment and Finance Group. Before joining the HBTF, Mr. Caesar was the CEO of the Saudi-based Ebram Industrial and Trading Investments.

Memberships in HBTF Board Committees:

- None

Memberships in other Commissions and Boards:

- Board Member, Jordan Pipes Manufacturing Co.
- Board Member, Executive Committee/Jordan International Bank / London

Mr. Mohammed Ali 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:

- None

Memberships in other Commissions and Boards:

- Board Member, Specialized Leasing Co.
- Board Member, International Financial Center Co.
- Member, Jordanian Businessmen Association
- Member: Federation of Arab Businessmen
- Member, Jordan Europe Business Association / JEBA

Mr. Adel Ibrahim Assad

Title: Assistant General Manager for Credit

Date of Birth: 29/1/1967

Date of Appointment: 2/1/1994

Qualifications: Masters in Business Administration, 1993

Professional Qualifications:

- Certified Anti-Money Laundering Specialist (CAMS) / 2004
- Certified Public Accountant (CPA) / 1998

Mr. Assad has started his career at the HBTF since he was appointed at the Bank in the beginning of 1994. He has acquired diverse array of practical experience; including: credit, risk, financial analysis and financial management. During such period he held various administrative positions being the Manager of Risk management, Head of SMEs, Executive Manager of Credit Review and is presently the Assistant General Manager for Credit. It is noteworthy that in 2001 Mr. Assad earned the Fulbright Fellowship award representing Jordan for study and training at Boston University in USA during which he acquired training at the Federal Reserve Bank, World Bank, Security Exchange Commission. He also worked in the Risk Management Department at Citizens Bank in USA and attended courses at many recognized institutions.

Memberships in HBTF Board Committees:

- None.

Memberships in other Commissions and Boards:

- Board Member, Jordan Mortgage Refinance Company
- Board Member, Jordan Loan Guarantee 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 the Treasury Department at the HBTF in 1992. He held various important positions reflecting his distinguished experience and competency in internal audit and international investments. He has worked for several Jordanian and Regional Banks (Capital Bank / Jordan, and ABC / Bahrain), Mr. Taweel rejoined the Bank in 2007 as Manager of International Investments Center, until being appointed Assistant General Manager for Treasury.

Memberships in HBTF Board Committees:

- None

Memberships in other Commissions and Boards:

- Board Member, ALDaman Investments Co.

Mr. Khaled Mahmoud Al-Thahabi

Title: Chief Financial Officer

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 experience 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: None.

Memberships in other Commissions and Boards: None.

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

Dr. Turki worked for the Bank for 25 years and his banking experience focused on audit activities. He held various positions in internal auditing until he reached his current position as "General Auditor". During his tenure, he was able to combine distinguished education and practice by successfully obtaining his Ph.D. degree in Finance.

Memberships in HBTF Board Committees: None.

Memberships in other Commissions and Boards: None.

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 and Finance, 2005

Professional Qualifications:

- CPA, 1997
- Professional in Human Resources (PHR) / 2008
- Chartered Global management Accountant (CGMA) / 2012

Mr. Hudroj embarked on his banking career, when he joined The Housing Bank for Trade & Finance 19 years ago. He started off as an L/C officer in the Operations Department and was able to quickly progress into higher roles as a result of his eagerness and high commitment to his career development within the bank. He assumed senior positions in the area of International Trade Finance and then as a Research & Planning Senior Officer under the Administrative Affairs Department. He then broadened his banking experience when he became an Advisory Services Manager under the Corporate and Investment Banking Department. Today he holds the position of Executive Manager for the Human Resources Department.

Memberships in HBTF Board Committees: None.

Memberships in other Commissions and Boards:

- Chairman, Jordan Real-Estate Investments and Commercial Services

Mr. Mahmoud Mohammad Al-Adgham

Title: Executive Manager / Risk Department

Date of Birth: 12/9/1969

Date of Appointment: 1/11/2010

Qualifications: B.Sc. Accounting, 1992

Professional Qualifications: Certified Internal Auditor, CIA 2005, the American Institute of Internal Auditors (IIA).

Mr Al-Adgham began his career since the beginning of 1993 as a tax assessor at the Income Tax Department for two years. He also has 16 years of banking experience before joining the Bank that focused on internal auditing at various local and foreign banks. In 1995 he started his professional career at the HBTF as an Internal Auditor for Credit and Risk operations. In 2006 he worked as Audit Manager for Credit and Risk at Doha Bank and the Jordan Kuwait Bank. In 2007 he joined the Arab Bank-Syria as Internal Audit Manager for over 3 years. In 2010 Mr. Al-Adgham returned to the HBTF as an Executive Manager for the Risk Department.

Memberships in HBTF Board Committees: None.

Memberships in other Commissions and Boards: None.

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: Masters in Business Administration, 2006

Mr. Abu Al-Sa'ad has extensive experience in the Information Systems where he worked with various 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. Also he participated in various seminars and courses specialized in Information Systems.

Memberships in HBTF Board Committees: None.

Memberships in other Commissions and Boards: None.

Mr. Wael Ismail Asfour

Title: Chief Legal Officer "Acting"

Date of Birth: 26/7/1972

Date of Appointment: 1/6/2008

Qualifications: B.A in Law / 1994

Professional Experience:

- Assistant Secretary of the Board of Directors of the Housing Bank since 2009
- Legal Counsel / International Financial Center since 2007
- Legal Counsel / Housing Bank Securities Fund since 2006
- Legal Counsel / Jordan Real-Estate Investments and Commercial Services since 2006
- Secretary to the Board of Directors of the Specialized Leasing Company since 2005
- Member of the Legal Committee / Association of Banks in Jordan since 2005
- Former Secretary of the Board of Directors of the International Bank for Trade and Finance / Syria
- Full time Advocate at his private office / 1996

Mr. Asfour started his career in 1996 as a full time Advocate at his private office and then he joined the Housing Bank. He has vast experience in legal work, trading and banking transactions, Companies' Law, Arbitration and Securities.

Memberships in HBTF Board Committees: None.

Memberships in other Commissions and Boards: None.

Number of Securities Owned by Senior Executive Management Members and their Relatives

Name of Senior Management Member	Title	Nationality	Number of Securities owned by the member		Number of Securities owned by the spouse and minors	
			2011	2012	2011	2012
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. Caesar Qulajen	Chief Banking Officer	Jordanian	-	-	-	-
Mr. Mohammed Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Adel Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Khaled Al-Thahabi	Chief Financial Officer	Jordanian	2,000	2,000	-	-
Dr. Mohammad Turki	General Auditor	Jordanian	-	-	-	-
Mr. Issam Hudroj	Executive Manager / Human Resources Department	Jordanian	-	-	-	-
Mr. Mahmoud Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Ra'ad Abu Al-Sa'ad	Executive Manager / IT Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer "Acting"	Jordanian	-	-	-	-
Mr. Mohyeddin ElAli	Board Secretary	Jordanian	43,500	43,500	132,500	132,500
- His wife Husnia Zaki Al- Zeyoud		Jordanian	-	-	-	-

Companies Controlled by Senior Executive Management Members and their Relatives

Name of Senior Management Member	Title	Nationality	Companies controlled by the member		Companies controlled by the spouse and minors	
			2011	2012	2011	2012
Mr. Omar Malhas	General Manager	Jordanian	-	-	-	-
Mr. Osama Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Caesar Qulajen	Chief Banking Officer	Jordanian	Canadian Coffee Services Company	Canadian Coffee Services Company	-	-
Mr. Mohammed Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Adel Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Khaled Al-Thahabi	Chief Financial Officer	Jordanian	-	-	-	-
Dr. Mohammad Turki	General Auditor	Jordanian	-	-	-	-
Mr. Issam Hudroj	Executive Manager / Human Resources Department	Jordanian	-	-	-	-
Mr. Mahmoud Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Ra'ad Abu Al-Sa'ad	Executive Manager / IT Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer "Acting"	Jordanian	-	-	-	-
Mr. Mohyeddin Al Ali	Board Secretary	Jordanian	-	-	-	-

Remuneration Policy

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.

Benefits, Remunerations and Salaries

Salaries, remunerations, board committee memberships and transportation allowances paid to the Chairman, the board members and to the executives management in 2012 amounted to JD 4,340,412 (excluding performance incentives and bonuses).

Remunerations and Benefits for the Chairman and the Board Members during 2012

Each board member receives a total of JD5000 per year as board membership allowance, in addition to allowances in lieu of travel, transportation and board committees membership.

(JD)

Name	Title	Transportation allowances, committees membership and remunerations
H.E. Dr. Michel Marto	Chairman	136,100
SHK Ali Jassim Al-Thani	Vice Chairman	172,600
Qatar National Bank represented by:		
Mr. Ali Ahmed Al-Kuwari	Board Member	133,721
Mr. Abdulla Mubarak AlKhalifa	Board Member	161,900
Mr. Yousef Mahmoud Al-Neama	Board Member	161,900
Mr. Ali Rashid Al-Mohannadi	Board Member	123,021
Kuwait Real Estate Investment Consortium represented by:		
Mr. Mohammad Saad Al Munaifi	Board Member	167,250
Mr. Humoud Jassim Al Falah	Board Member	172,600
Libyan Foreign Bank represented by:		
Mr. Mohamed Mohamed Ben Yousef	Board Member	161,900
Mr. Ismail Abdalla El Mesallati	Board Member	58,850
Social Security Corporation / Jordan represented by:		
Mr. Jehad Ali Al Share	Board Member	172,600
Mr. Thabet Isaa ElWir*	Board Member	81,650
Dr. Omar Ahmad Al Razaz*	Board Member	37,450
Ministry of Finance / Sultanate of Oman represented by:		
Mr. Ahmed Said Al Mahrezi	Board Member	140,500

* Dr. Omar Al Razaz was appointed to the Board on 1/6/2012 replacing Mr. Thabet ElWir, the membership of Dr. Omar Al Razaz was terminated on 1/11/2012.

Salaries, Benefits and Allowances of the Senior Executives at the Bank during 2012

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits	In-kind Benefits
H.E. Dr. Michel Marto	Chairman	370,440	-	123,480	10,500	504,420	Car
Mr. Omar Malhas	General Manager	294,000	-	98,000	9,750	401,750	Car
Mr. Osama Al Haj Yahya	Chief Operating Officer	126,862	2,880	42,287	800	172,830	-
Mr. Caesar Qulajen	Chief Banking Officer	136,564	2,880	45,521	2,600	187,566	-
Mr. Kamal Yaghmour *	Assistant General Manager for Retail Banking	30,089	720	10,030	-	40,839	-
Mr. Mohammed Ibrahim	Assistant General Manager for Commercial Banking	109,310	2,880	36,437	200	148,827	-
Mr. Adel Asaad	Assistant General Manager for Credit	86,364	2,880	28,788	1,600	119,632	-
Mr. Riyadh Taweel	Assistant General Manager for Treasury	90,864	2,880	30,288	800	124,832	-
Mr. Khaled Al-Thahabi	Chief Financial Officer	85,961	2,740	28,788	1,000	118,489	-
Dr. Mohammad Turki	General Auditor	71,205	2,880	23,735	1,400	99,220	-
Mr. Issam Hudroj	Executive Manager / Human Resources Department	67,981	1,200	22,660	600	92,442	-
Mr. Mahmoud Al-Adgham	Executive Manager / Risk Department	37,260	1,200	12,420	-	50,880	-
Mr. Ra'ad Abu Al-Sa'ad	Executive Manager / IT Department	84,000	1,200	28,000	1,400	114,600	-
Mr. Wael Asfour **	Chief Legal Officer "Acting"	11,300	250	3,758	-	15,308	-
Mr. Ahmad Rateb Al-Juneidi	Chief Legal Officer	50,273	690	16,782	-	67,745	-
Mr. Mohyeddin Al Ali	Board Secretary	143,932	2,880	47,977	4,200	198,990	-

* Mr. Kamal Yaghmour resigned on 1/4/2012

** Mr. Wael Asfour was assigned on 29/7/2012 replacing Mr. Ahmed Al-Juneidi who resigned on the same date.

Major Shareholders 5% or more

Name	Number of Shares as at end of 2011	(%) of the Capital	Number of Shares as at end of 2012	(%) of the Capital
Qatar National Bank	86,892,662	34.5%	86,892,662	34.5%
Kuwait Real Estate Investment Consortium	46,904,045	18.6%	46,904,045	18.6%
Libyan Foreign Bank	40,163,375	15.9%	40,493,243	16.1%
Social Security Corporation/Jordan	38,780,231	15.4%	38,780,231	15.4%
Total	212,740,313	84.4%	213,070,181	84.6%

- Number of Jordanian Shareholders is 2918 ,their holding constitutes 19.7 % of the Capital.
- Number of Arab & Foreign Shareholders is 493 shareholders, their holding constitutes 80.3% of the Capital.

Shareholders Categories Breakdown as of 31/12/2012

Shareholders Category	Number of Shareholders	Total Number of Shares per Category	(%) of the Capital
1 - 1,000	2308	687,624	0.273%
1,001 - 10,000	916	2,774,079	1.101%
10,001 - 100,000	149	4,060,654	1.611%
100,001 - 1,000,000	26	6,987,572	2.773%
1,000,001 - 10,000,000	2	3,150,655	1.250%
More than ten million shares	6*	234,339,416	92.992%
Total	3407	252,000,000	100%

* One of these contributions belong to gov. of Sultanate of Oman, through ministry of finance and four gov. funds.

The Bank's Competitive Position and Market Share

Market Share of the Bank's Branches in Jordan at the end of 2012

Description	Market Share
Assets	15.5%
Customers' Deposits	15.8%
Loans and Credit Facilities	12.2%

The Extent of Dependence on Specific Suppliers and /or Major Clients (Locally and Internationally)

There are no specific suppliers or customers, local or foreign, whose dealings with the Bank constitute more than 10% of the total purchases and/or sales.

Description of any Government Protection or any Privileges enjoyed by the Bank or by any of its Products and description of any Patents or Concessions

Neither the HBTF nor any of its products enjoy any government protection or privileges by virtue of the Laws and Regulations. The Bank has not obtained any Patents or Concessions.

Description of any Decisions by the Government, International Organizations or others, having Material Effect on the Bank's Business, Products or Competitiveness

No resolutions rendered by the Government, International Organizations or others have any material impact on the Bank, its products or competitiveness. The Bank applies the International Quality Standards.

Description of the Bank's Risk Exposure

Due to the nature of its business, the Bank faces various risks which are set out in Note No. 40 stated under the Financial Statements of 2012.

The Bank's Accomplishments supported by Figures and Description of Significant Occurrences which the Bank has undergone in 2012

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

The Financial Impact of Non-recurrent Transactions during 2012 which are not Part of the Bank's Main Activities

No non-recurrent transactions or any substantial matters occurred during 2012 which are not within the Bank's main activities.

Development of Profits, Shareholders' Net Equity, Share Price and Dividends

These are set out in the analysis of the Bank's financial performance.

Analysis of the Bank's Financial Position and the Results of its Operations during 2012

These are 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

These are set out in the Bank's future plan for 2013.

Auditor's Fees for 2012

(JD)

Description	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	87,290	63,220	150,510
Palestine Branches	20,310	5,230	25,540
Bahrain Branch	26,875	-	26,875
International Bank for Trade and Finance / Syria	52,750	-	52,750
The Housing Bank for Trade and Finance / Algeria	58,160	-	58,160
Jordan International Bank / London	125,167	12,719	137,886
Specialized Leasing Finance Co.	3,741	-	3,741
International Financial Center Co.	3,741	-	3,741
Jordan Real Estate Investments and Commercial Services Co.	1,871	-	1,871
Total	379,905	81,169	461,074

Donations and Grants in 2012

The HBTF continued with performing its social mission in a distinguished role through donations and the provision of financial and in-kind support to numerous societies, charity and voluntary commissions in the Kingdom. It has supported scientific research projects, environment protection and childhood care. The Bank has contributed by supporting the social, educational, cultural, sports and health sectors; the most prominent entities to which donations were granted during 2012 include: Jordan River Foundation, King Hussein Cancer Center, Jordanian Hashemite Fund for Human Development, Royal Society for the Conservation of Nature, Arab Thought Forum, Haya Cultural Center, Jordanian Association for the Protection from Road Accidents, Jordan Cancer Society, Mabarrat Um Al Hussein, to name but a few. It is worth mentioning that cash donations provided by the Bank in 2012 amounted to JD342 thousand while the in-kind donations reached to an amount of JD88 thousand.

The Bank's Contracts, Projects and Engagements concluded with its Subsidiaries, Sister Companies, Affiliates, the Chairman, Members of the Board of Directors, the General Manager or any employee in the Company or their Relatives

As set out in Note 38 mentioned in the Financial Statements of 2012, the Bank has entered into transactions with major shareholders, members of the Board of Directors and Senior Management in the course of ordinary activities using commercial rates of interest and commissions. All credit facilities granted to the relevant parties are considered performing and no provisions have been made therefor.

The Bank's Contribution to the Protection of the Environment and Local Community Service

This is set forth on page 32

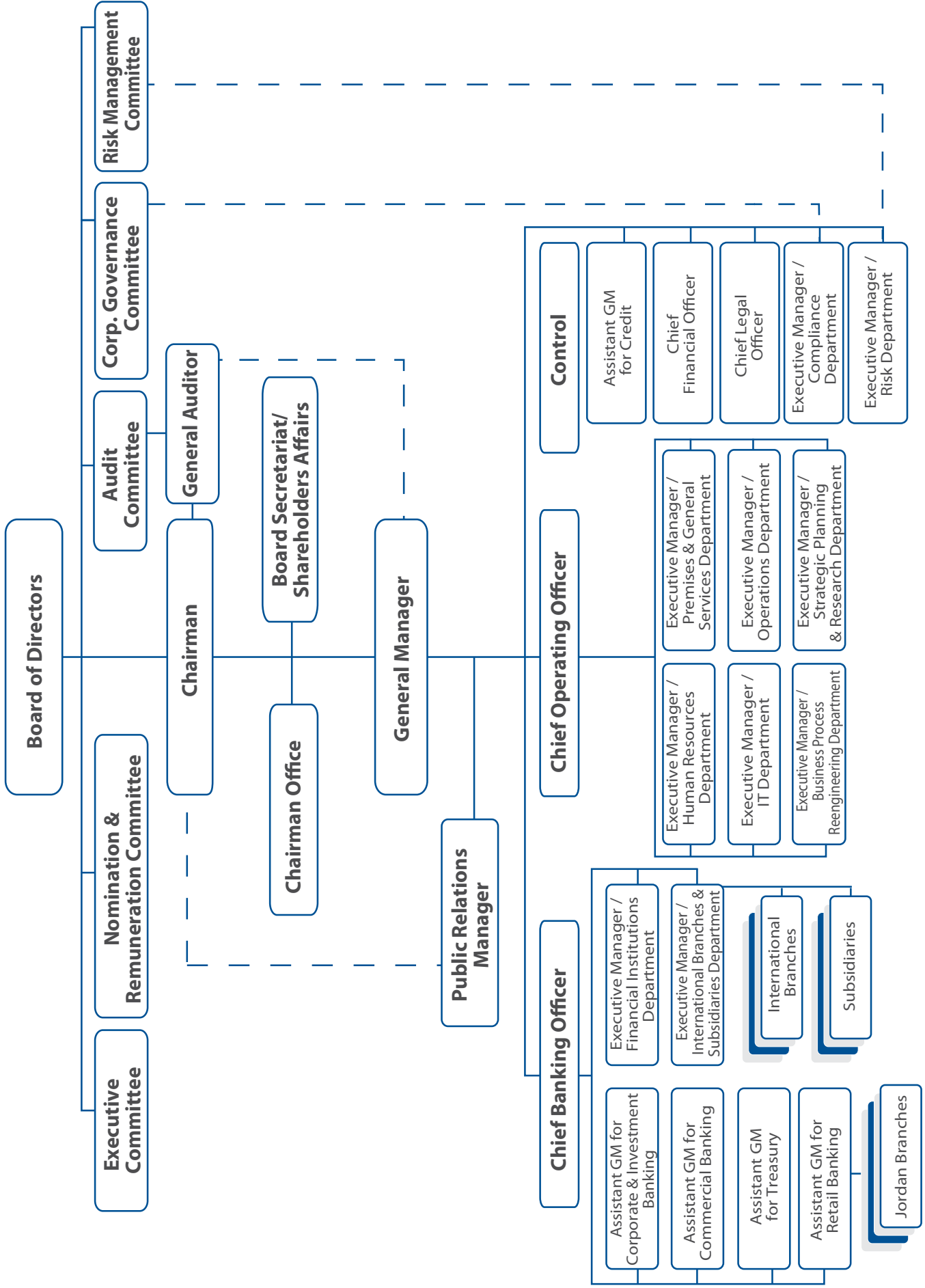
Compliance with Corporate Governance Code

Though in recent years, the Board of Directors of the HBTF has adhered with 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:

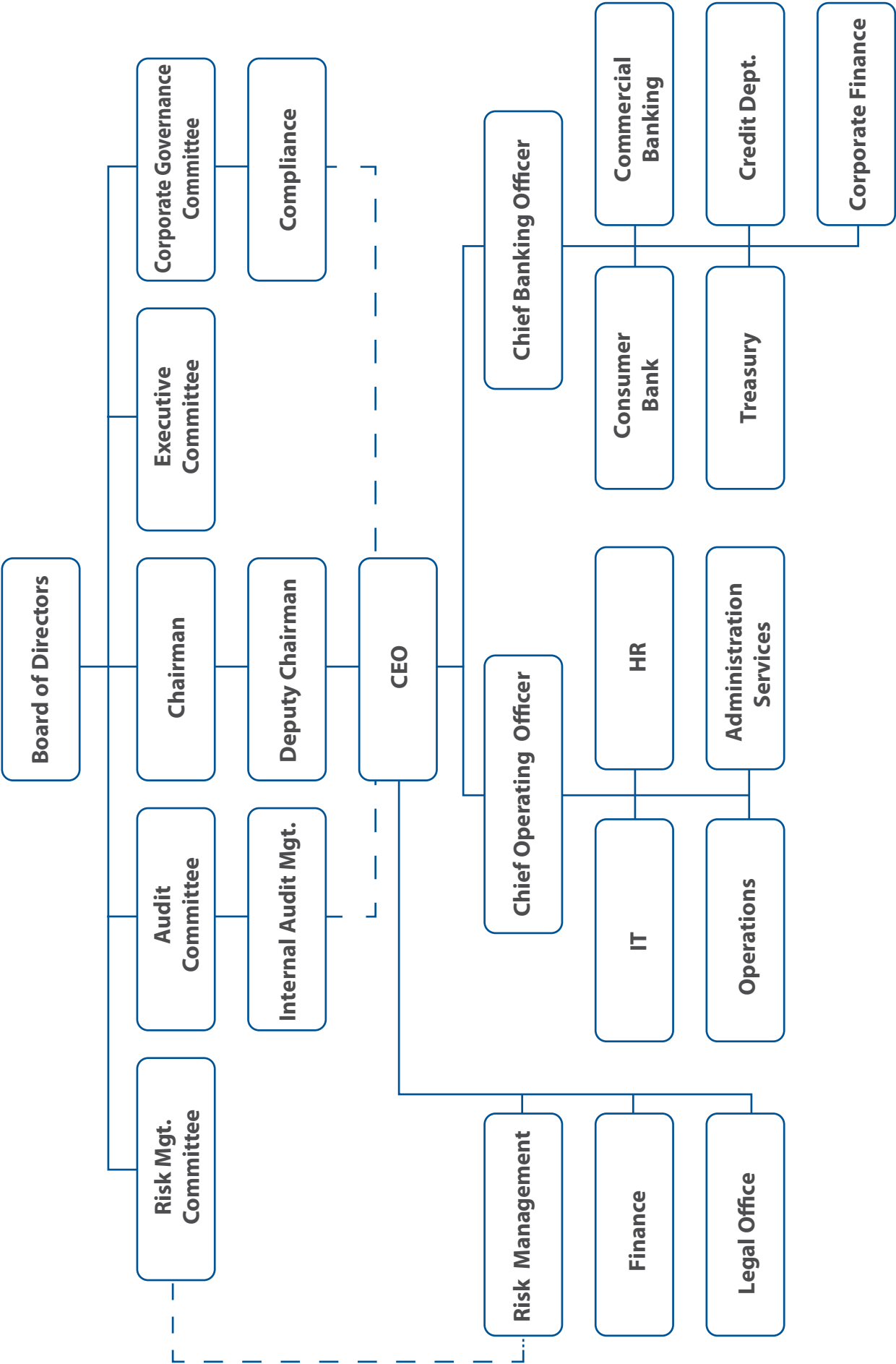
- Number of independent members in the Board of Director.
- Number of independent members in the Audit Committee as well as the Nomination and Remuneration Committee

This is due to the current structure of the Bank's share capital, as six shareholders having judicial public personalities hold 234,339,416 shares, equal to 92.992% 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.

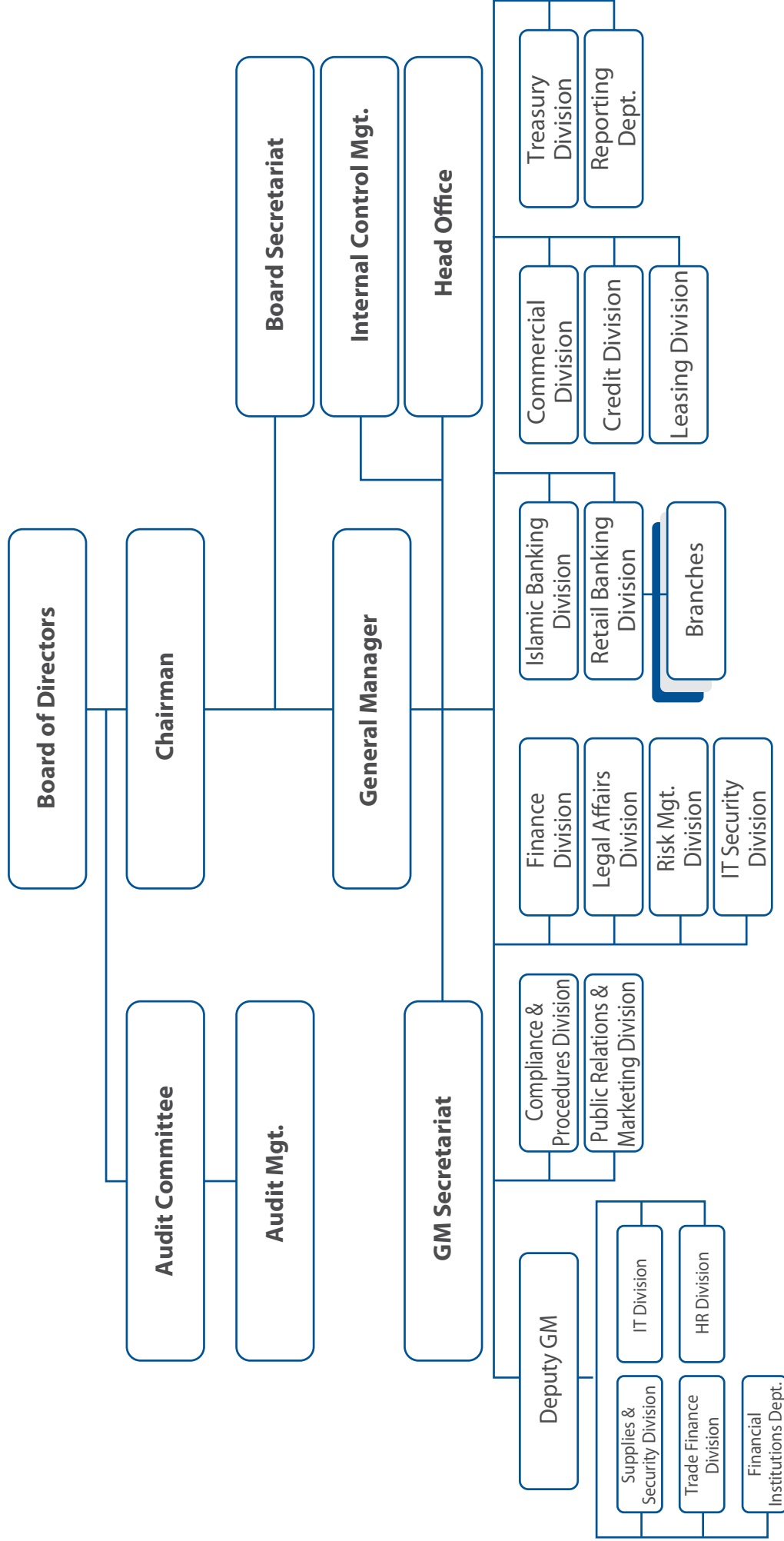
Organizational Chart / The Housing Bank for Trade & Finance



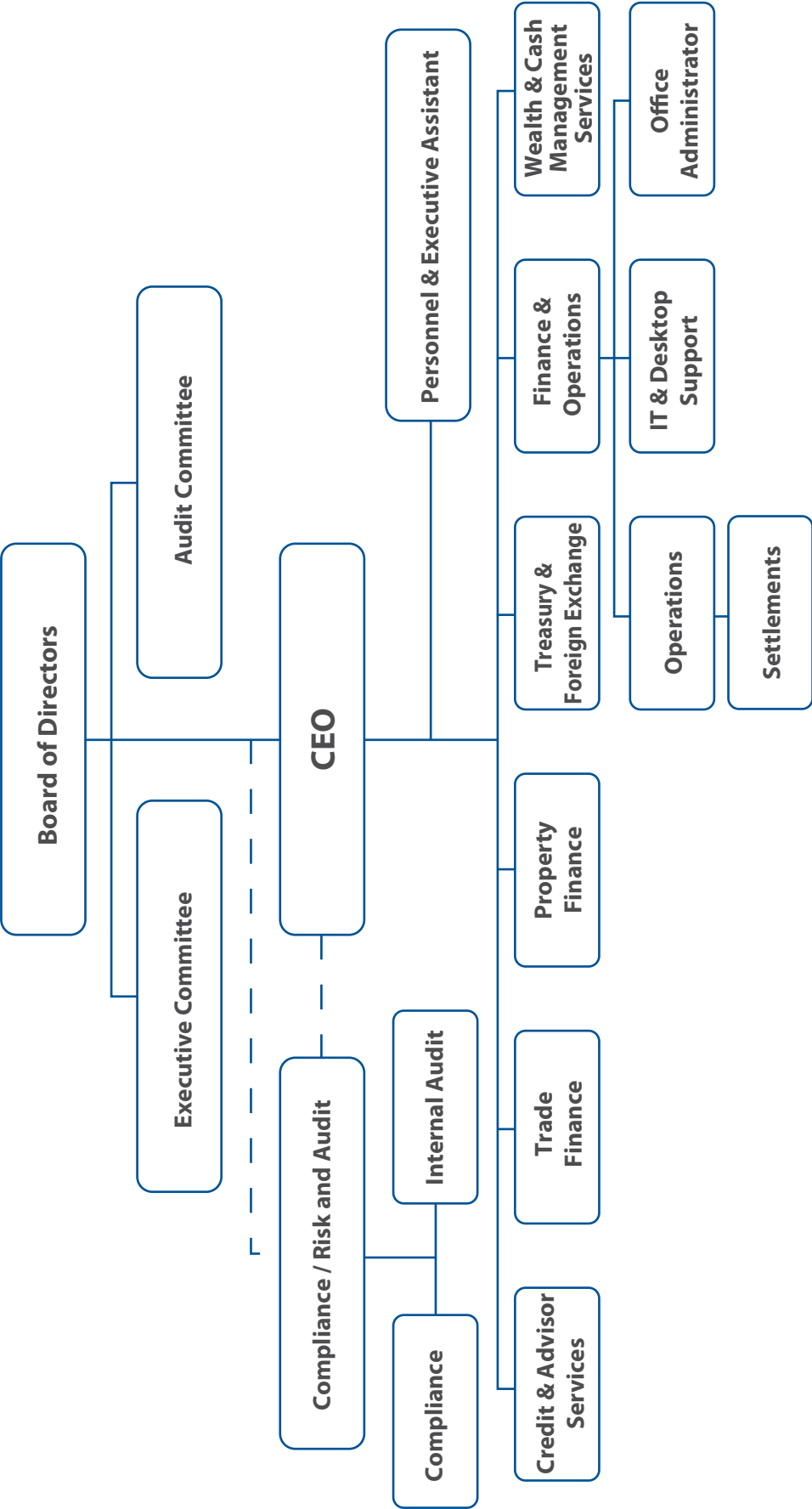
Organizational Chart / International Bank for Trade & Finance – Syria



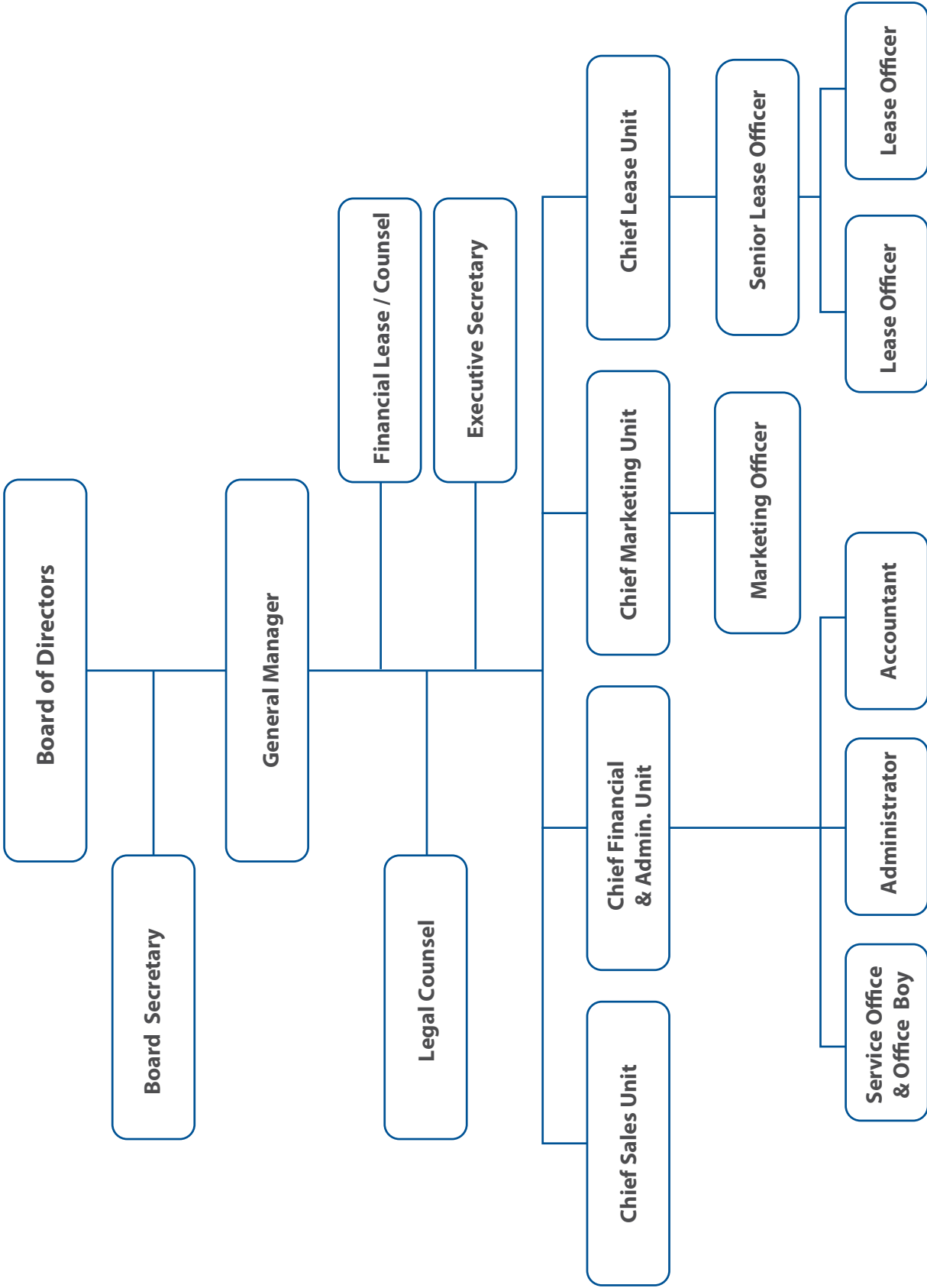
Organizational Chart / The Housing Bank for Trade & Finance – Algeria



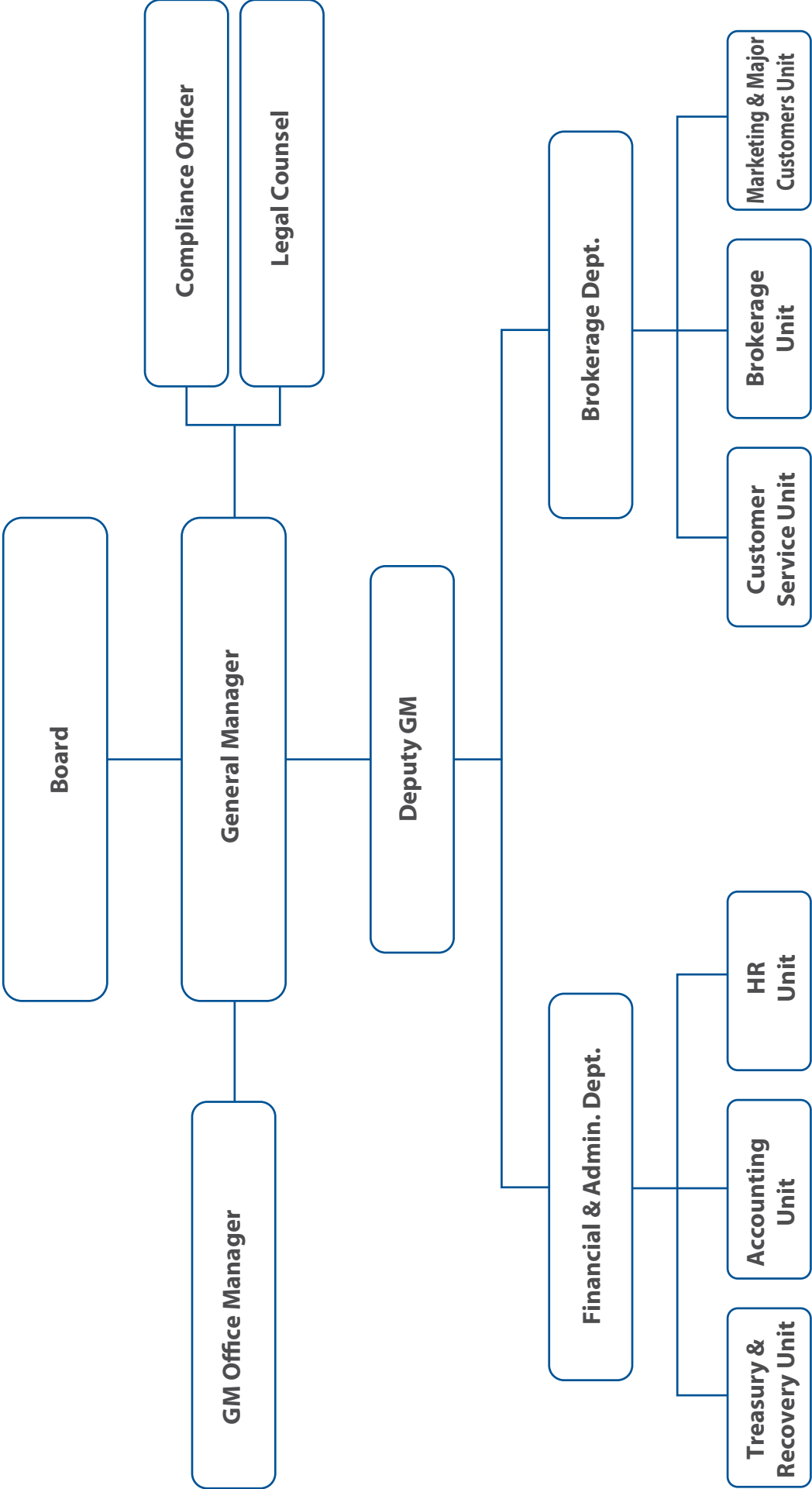
Organizational Chart / Jordan International Bank – London



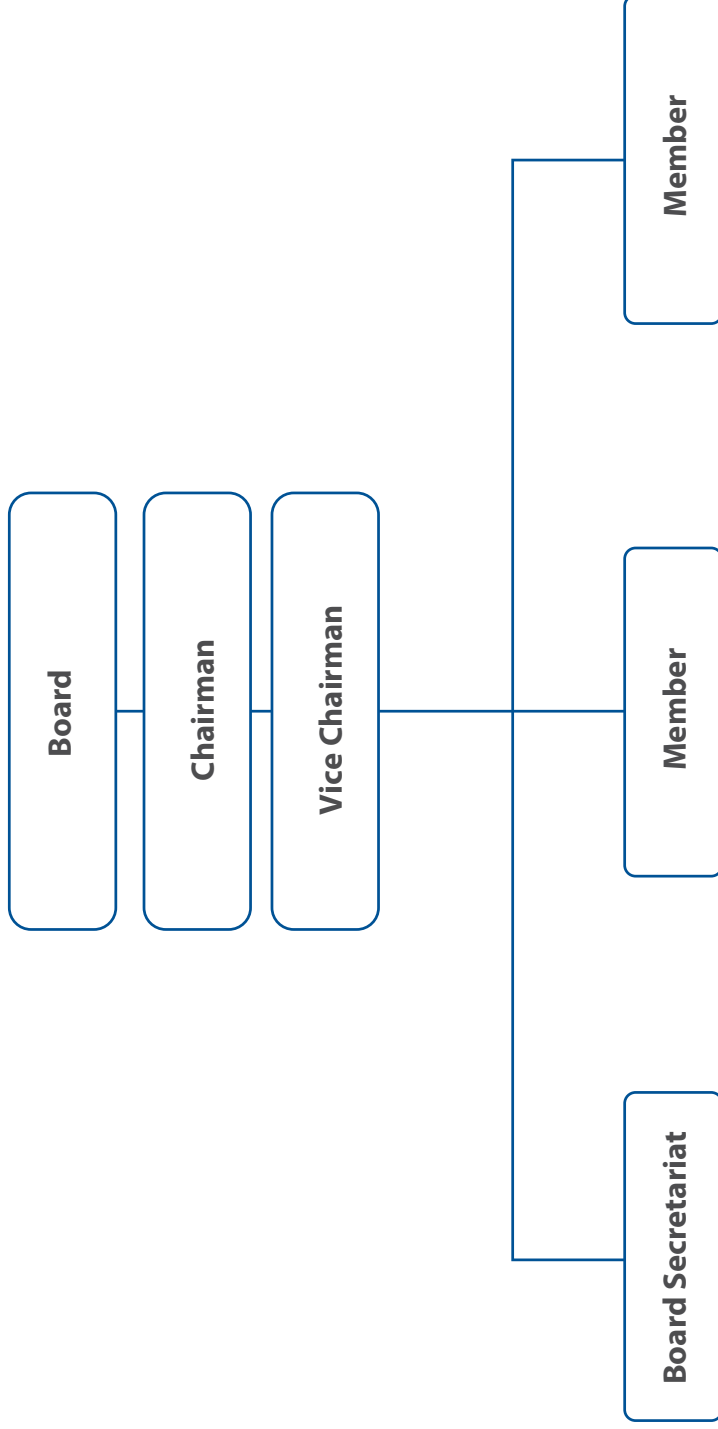
Organizational Chart / Specialized Leasing Co.



Organizational Chart / International Financial Center



Organizational Chart / Jordan Real Estate Investments and Commercial Services Co.



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
Main Branch	06 - 5005555	Amman, Abdali, Parliament St.	31.96103	35.91165	br001@hbtfc.com.jo
Al Weibdeh	06 - 5663736	Amman, Abdali, Suleiman Al-Nabulsi St., Building No. 183	31.96056	35.91536	br002@hbtfc.com.jo
Al Madina	06 - 4637188	Amman, King Hussein St., Building No. 33	31.95382	35.93195	br003@hbtfc.com.jo
Jabal Amman	06 - 5005555 Ext. 4064	Amman, Jabal Amman, Prince Moh'd St., Building No. 252	31.95472	35.91380	br004@hbtfc.com.jo
Jabal Al Hussein	06 - 4654697	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St., Building No. 121	31.96462	35.92163	br005@hbtfc.com.jo
Wehdatt	06 - 4778620	Amman, Wehdatt, Prince Hassan St., Building No. 263	31.92592	35.93813	br006@hbtfc.com.jo
Marka	06 - 4893611	Amman, Marka, King Abdullah St., Building No. 423	31.97965	35.98427	br007@hbtfc.com.jo
Quraysh St.	06 - 4656504	Amman, Quraysh St., Building No. 45	31.94665	35.93279	br008@hbtfc.com.jo
Jabal Al Taj	06 - 4753922	Amman, Jabal Al Taj, Al Taj St., Building No. 76	31.95282	35.95528	br009@hbtfc.com.jo
Prince Hassan Sub.	06 - 5005555 Ext. 4130	Amman, Jabal Al Nasr, Al Nasr St., Building No. 1	31.96048	35.96710	br010@hbtfc.com.jo
North Hashimi	06 - 4919541	Amman, North Hashimi, Prince Rashed St., Building No. 105	31.96888	35.95991	br011@hbtfc.com.jo
Ras Al Ein	06 - 5005555 Ext. 4143	Amman, Ras Al Ain, Al Quds St., Building No. 10	31.94335	35.92226	br012@hbtfc.com.jo
Ashrafieh	06 - 4753957	Amman, Ashrafieh, Imam Al Shafe' St., Building No. 52	31.93715	35.93356	br013@hbtfc.com.jo
Hawooz	06 - 5005555 Ext. 4160	Amman, Jabal Amman, Omar Bin Al Khattab St., Building No. 104	31.94829	35.92220	br014@hbtfc.com.jo
Nuzha	06 - 5005555 Ext. 4039	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.97419	35.92624	br015@hbtfc.com.jo
Sports City	06 - 5005555 Ext. 4169	Amman, Sport's City, Al Shaheed St., Building No. 35	31.98749	35.90217	br016@hbtfc.com.jo
Salam	06 - 4622168	Amman, Jabal Al Weibdeh, Shari'a College St., Building No. 8	31.95699	35.92137	br017@hbtfc.com.jo
Commercial Complex	06 - 5005555 Ext. 2372	Amman, Shmeisani, Queen Noor St.	31.97083	35.90711	br018@hbtfc.com.jo
Prince Moh'd St.	06 - 5005555	Amman, 9 th Sha'ban St., Tala't Al Hayek	31.95168	35.92780	br019@hbtfc.com.jo
Tareq	06 - 5005555 Ext. 4187	Amman, Tareq, Tareq St.	31.99933	35.94442	br020@hbtfc.com.jo
Abu Nussair	06 - 5005555 Ext. 4194	Amman, Abu Nussair, Alarab St.	32.05075	35.88336	br023@hbtfc.com.jo
Nazal Sub.	06 - 4396962	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.93614	35.91569	br024@hbtfc.com.jo
Abdoun	06 - 5005555 Ext. 4211	Amman, Abdoun, Cairo St., Building No. 100	31.95356	35.87937	br025@hbtfc.com.jo
Park Plaza	06 - 5005555 Ext. 2884	Amman, Sweifeh, Salah Suheimat St., Park Plaza Mall	31.95851	35.86907	br026@hbtfc.com.jo
Gardens	06 - 5005555 Ext. 4233	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 18	31.98398	35.89000	br027@hbtfc.com.jo
Shmeisani	06 - 5005555 Ext. 4246	Amman, Shmeisani, Abdul Hameed Shoman St., Building No. 18	31.96803	35.89784	br028@hbtfc.com.jo
Qasr Shbeeb	06 - 5005555 Ext. 4255	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.06366	36.08439	br029@hbtfc.com.jo
Urn Uthyna	06 - 5005555 Ext. 4274	Amman, Um Uthyna, Sa'ad Ibn Abi Waqas St., Building No. 47	31.96794	35.87724	br030@hbtfc.com.jo
Jubeiha	06 - 5005555 Ext. 4284	Amman, Jubeiha, Abdulla Ali Lozi St.	32.02273	35.86558	br031@hbtfc.com.jo
Fuhais	06 - 5005555 Ext. 4294	Fuhais, Al-Alali, King Abdullah II St.	32.00183	35.77698	br032@hbtfc.com.jo
Salt	05 - 3555101	Salt, Al Maydan St.	32.03933	35.72857	br033@hbtfc.com.jo
Sweileh	06 - 5005555 Ext. 4305	Amman, Sweileh, Princess Raya Bint Al Hussein St., Building No. 26	32.02336	35.84156	br034@hbtfc.com.jo
Sahab	06 - 5005555 Ext. 4320	Amman, Sahab, Prince Hassan St.	31.87155	36.00453	br035@hbtfc.com.jo
Abu Alanda	06 - 5005555 Ext. 4334	Amman, Abu Alanda, Ibrahim Rashed Al-Hunaiti St., Building No. 32	31.90248	35.96082	br038@hbtfc.com.jo
Juwaideh	06 - 5005555 Ext. 4030	Amman, Al Juwaideh, Madaba St., Al-Waleed Building	31.87917	35.93285	br039@hbtfc.com.jo
Marj Al Hamam	06 - 5712051	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.89412	35.83853	br041@hbtfc.com.jo
Na'our	06 - 5005555 Ext. 4347	Na'our, King Hussein St., Near the Great Mosque	31.87697	35.82818	br042@hbtfc.com.jo
Muwaqqar	06 - 4059620	Amman, Muwaqqar Down Town	31.81191	36.10645	br043@hbtfc.com.jo
Tla' Al Ali	06 - 5005555 Ext. 4357	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 193	31.99303	35.86269	br044@hbtfc.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
King Abdullah II City	06 - 4023251	Amman, Sahab, King Abdullah II Industrial City	31.85266	36.00782	br045@hbtbf.com.jo
Baqa'	06 - 5005555 Ext. 4380	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.07647	35.84209	br046@hbtbf.com.jo
Hurria St.	06 - 5005555 Ext. 4898	Amman, Muqablain, Hurria St., Building No. 140	31.89591	35.91651	br047@hbtbf.com.jo
Qwaismeh	06 - 4786769	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.91776	35.94836	br048@hbtbf.com.jo
Bayader	06 - 5005555 Ext. 4399	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 47	31.95463	35.84010	br049@hbtbf.com.jo
Zarqa	06 - 5005555 Ext. 4415	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.06194	36.09196	br051@hbtbf.com.jo
Irbid	06 - 5005555 Ext. 4939	Irbid, Al Hashimi St, Near Al Hashimi Mosque	32.55705	35.85337	br052@hbtbf.com.jo
Ajloun	02 - 6420230	Ajloun, Alqalaa St., Opp. Municipality Building	32.33277	35.75162	br053@hbtbf.com.jo
Mafraq	06 - 5005555 Ext. 4445	Mafraq, King Talal St.	32.34390	36.20735	br054@hbtbf.com.jo
Jarash	06 - 5005555 Ext. 4451	Jarash, King Abdullah St., Opp. Water Authority	32.27922	35.89497	br055@hbtbf.com.jo
Madaba	06 - 5005555 Ext. 4979	Madaba, King Abdullah St.	31.71831	35.79277	br056@hbtbf.com.jo
Deir Alla	06 - 5005555 Ext. 4468	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.18395	35.62135	br057@hbtbf.com.jo
Ghweirieh	05 - 3979140	Zarqa, Ghweirieh, Intersection of King Ghazi St. & Algeria St., Building No. 51	32.07223	36.09445	br058@hbtbf.com.jo
Russeifa	06 - 5005555 Ext. 4484	Zarqa, Russeifa, King Hussein St., Building No. 184	32.01724	36.04349	br059@hbtbf.com.jo
Ramtha	02 - 7383110	Ramtha, Down Town, Nasser Al Talaaq St.	32.56160	36.01133	br060@hbtbf.com.jo
North Shouna	02 - 6587104	North Shouna, King Faisal St.	32.61007	35.60973	br061@hbtbf.com.jo
South Shouna	06 - 5005555 Ext. 4505	South Shouna, Al Salt St., Government Depts. Complex	31.90027	35.62122	br062@hbtbf.com.jo
Deir Abi Saeed	02 - 6521419	Deir Abi Saeed, King Hussein St.	32.50267	35.68424	br063@hbtbf.com.jo
Hakama	06 - 5005555 Ext. 4521	Irbid, Hakma St., Hanina Intersection	32.56922	35.85809	br064@hbtbf.com.jo
Huson	02 - 7109008	Irbid, Huson, Irbid Amman St.	32.48774	35.88387	br065@hbtbf.com.jo
Hiteen	05 - 3610290	Zarqa, Hiteen Camp, King Hussein St., Building No. 452	32.00715	36.00723	br066@hbtbf.com.jo
Aidoun	02 - 7101579	Irbid, Aidoun, Main St.	32.50868	35.85600	br067@hbtbf.com.jo
Mashare'	06 - 5005555 Ext. 4547	Irbid, Mashare', Main St.	32.44021	35.59592	br070@hbtbf.com.jo
Kufranjah	02 - 6454270	Ajloun, Kufranjah, Main St.	32.29800	35.70330	br072@hbtbf.com.jo
Palestine St.	06 - 5005555 Ext. 4570	Irbid, Palestine St., Wasfi Al-Tal Circle	32.55461	35.84791	br073@hbtbf.com.jo
Karameh	05 - 3595068	Karameh, Main St.	31.95269	35.58008	br074@hbtbf.com.jo
Oujan	05 - 3652103	Zarqa, Oujan, Uujan Intersection, Building No. 2, Opp. Military Consumer Establishment	32.02902	36.07322	br077@hbtbf.com.jo
Jaish St.	06 - 5005555 Ext. 4587	Zarqa, Jaish St., behind the Complex of King Abdullah	32.06325	36.09600	br078@hbtbf.com.jo
Kraymeh	02 - 6575047	Kraymeh, Main St.	32.27536	35.59847	br079@hbtbf.com.jo
Yarmouk	06 - 5005555 Ext. 4601	Irbid, Shafiq Irsheedat St.	32.54237	35.85069	br080@hbtbf.com.jo
Aqaba	06 - 5005555 Ext. 4613	Aqaba, Corniche St.	29.52611	35.00178	br081@hbtbf.com.jo
Tafleeh	06 - 5005555 Ext. 4624	Tafleeh, Main St.	30.83691	35.60570	br082@hbtbf.com.jo
Ma'an	06 - 5005555 Ext. 4633	Ma'an, King Hussein St.	30.19577	35.73526	br083@hbtbf.com.jo
Karak	03 - 2396029	Karak, Municipality Building, Al Nuzha St.	31.18576	35.70357	br084@hbtbf.com.jo
Potash	03 - 2305159	Karak, Ghour Al Mazra', Housing City	31.26130	35.52066	br085@hbtbf.com.jo
Petra	03 - 2157082	Wadi Mousa, Main St., Martyr Circle	30.32098	35.48066	br086@hbtbf.com.jo
Shobak	06 - 5005555 Ext. 4662	Shobak, Najel, Main St.	30.51918	35.54177	br087@hbtbf.com.jo
Mu'ta	03 - 2370509	Mu'ta, University St.	31.09143	35.70168	br088@hbtbf.com.jo
Hasa	06 - 5005555 Ext. 4676	Hasa, Housing City, New Commercial Market	30.85554	35.97288	br089@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
Jabal Al Shamali	06 - 5005555 Ext. 4686	Russeifa, Jabal Shamali, King Abdullah II St., Building No. 237	32.02865	36.04170	br093@hbtbf.com.jo
Airport	06 - 4459276	Amman, Queen Alia International Airport	31.72291	35.98907	br097@hbtbf.com.jo
Dulail	06 - 5005555 Ext. 4697	Zarqa, Dulail, Jaish St., Qasr Al Halabat Intersection	32.13201	36.27267	br101@hbtbf.com.jo
Ethaa'	06 - 4752201	Amman, Prince Hassan St., Opp. to Hiteen College	31.90856	35.93842	br102@hbtbf.com.jo
Barha	02 - 7269016	Irbid, Barha St., Opp. Irbid Municipality	32.55658	35.84700	br103@hbtbf.com.jo
Shedieh	06 - 5005555 Ext. 4715	Ma'an, Shedieh Mine	29.93314	36.14091	br104@hbtbf.com.jo
Um Al Sumaqq	06 - 5005555 Ext. 4728	Amman, Um Al Sumaqq, Awsarah St., Building No. 17	31.98179	35.84758	br106@hbtbf.com.jo
North Azraq	05 - 3834207	North Azraq, Baghdad Main St.	31.88292	36.83278	br107@hbtbf.com.jo
Ma'soum Sub.	06 - 5005555 Ext. 4740	Zarqa, Ma'soum Sub., King Abdullah II Circle	32.07775	36.07479	br108@hbtbf.com.jo
Children	06 - 5864766	Amman, Abdullah Ghosheh St., Building No. 15	31.96015	35.85725	br109@hbtbf.com.jo
Wadi Saqra	06 - 5005555 Ext. 4756	Amman, Wadi Saqra St., Building No. 89	31.95649	35.91388	br111@hbtbf.com.jo
Qaser	06 - 5005555 Ext. 4764	Karak, Qaser, Main St.	31.31107	35.74353	br113@hbtbf.com.jo
Al Hassan Industrial City	02 - 7109010	Irbid, Al Hassan Industrial City	32.49989	36.02071	br114@hbtbf.com.jo
Rabiyah	06 - 5511830	Amman, Rabiyah, Mahmoud Al Tahir St., Building No. 7	31.97616	35.88479	br115@hbtbf.com.jo
Abdullah Ghosheh	06 - 5005555 Ext. 4782	Amman, Abdullah Ghosheh St., Al Husini Complex, Building No. 55	31.96666	35.85522	br117@hbtbf.com.jo
Central Market	06 - 4127514	Amman, Near Central Vegetable Market	31.86427	35.95792	br119@hbtbf.com.jo
Quba Circle	02 - 7251106	Irbid, King Abdullah II St., Quba Circle	32.54566	35.85664	br120@hbtbf.com.jo
Zahrani	06 - 4642568	Amman, Ibin Khalidon St., (Al Khalidi Hospital) Building No. 54	31.95226	35.90151	br121@hbtbf.com.jo
Madina Munawarah	06 - 5005555 Ext. 4908	Amman, Tla' Al Ali, Madina Munawarah St., Building No. 194	31.98745	35.86693	br122@hbtbf.com.jo
City Mall	06 - 5005555 Ext. 4041	Amman, City Mall, Banks floor	31.98061	35.83666	br123@hbtbf.com.jo
Medical City St.	06 - 5005555 Ext. 4846	King Abdullah II St., Near Khalda Circle, Building No. 185	31.99716	35.83093	br124@hbtbf.com.jo
Free Zone / Zarqa	06 - 5005555 Ext. 4839	Zarqa, Free Zone	32.08969	36.21489	br127@hbtbf.com.jo
Abdoun Park	06 - 5005555 Ext. 4115	Amman, Sa'ad Abdo Shamout St.	31.94104	35.88410	br128@hbtbf.com.jo
New Zarqa	06 - 5005555 Ext. 4918	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.08550	36.08674	br129@hbtbf.com.jo
Al-Yasmeen District	06 - 5005555 Ext. 4951	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.91937	35.89410	br131@hbtbf.com.jo
Mecca St.	06 - 5005555 Ext. 4958	Amman, Mecca St., Al Hussein Complex, Building No. 141	31.97540	35.86042	br132@hbtbf.com.jo
Al-Salt Gate	06 - 5005555 Ext. 4989	Salt City Gate – Dabbabneh Traffic Lights opposite Salt Sharifa Court	32.05740	35.74710	br133@hbtbf.com.jo
Taj Mall	06 - 5005555 Ext. 3805	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.94085	35.88788	br134@hbtbf.com.jo
Al Jeeza	06 - 5005555 Ext. 3811	Al Jeeza, Airport St., Near Provinciality Building	31.70847	35.95087	br135@hbtbf.com.jo
30 th St. / Irbid	06 - 5005555 Ext. 3821	Irbid, Andalus Sup., Rousan Commercial Complex	32.55455	35.86309	br136@hbtbf.com.jo
Private Banking Services	06 - 5005555 Ext. 4003	Amman, 5 th Circle, Riad Al Meflih St., Building No. 7	31.95869	35.88891	br145@hbtbf.com.jo
Call Center	06 - 5200400	Amman, 9 th Sha'ban St., Tala't Al Hayek	31.95168	35.92780	br152@hbtbf.com.jo
Sweifeh	06 - 5826292	Amman, Sweifeh, Commercial Market, Mahmoud Obeidat St.	31.95806	35.86480	br026@hbtbf.com.jo
Muqablain	06 - 5005555 Ext. 4382	Amman, Muqablain, Bishr bin Al Baraa St., Building No. 13	31.90590	35.91056	br047@hbtbf.com.jo
Prince Nayef St.	06 - 5005555 Ext. 4422	Irbid, Prince Nayef St., Endowments Building	32.55599	35.85219	br052@hbtbf.com.jo
Shuweikh Mall	06 - 5005555 Ext. 4996	Aqaba, Shuweikh Mall Building	29.54389	35.01563	br081@hbtbf.com.jo
Mudawarah	03 - 2130976	Mudawarah, Mudawarah Border Station	29.19314	36.07291	br083@hbtbf.com.jo
North Border Crossing	02 - 6550901	Sheikh Hussein Bridge, North Ghor	32.49741	35.57792	br061@hbtbf.com.jo

The Housing Bank for Trade & Finance Branches – Outside Jordan

Branch	Phone	Address	E-mail
Regional Management/ Palestine	+ 970 2 2945500	Ramallah, Al Bared St., Rukab Building, P.O. Box 1473	Info.pal@hbtbf.com.jo
Ramallah	+ 970 2 2945500	Al Bared St., Rukab Building, P.O. Box 1473	br401@hbtbf.com.jo
Gaza	+ 970 8 2826322	Al Shuhada' St., Palestine Tower, P.O. Box 5010	br402@hbtbf.com.jo
Nablus	+ 970 9 2386060	Al Hussein Circle, Al Huwari Building, P.O. Box 1660	br403@hbtbf.com.jo
Hebron	+ 970 2 2250055	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	br404@hbtbf.com.jo
Halhoul	+ 970 2 2299602	Hebron - Main Hebron – Jerusalem St., P.O. Box 1	br405@hbtbf.com.jo
Beir Zeit	+ 970 2 2819334	Ramallah, Main St., Near Main Circle, P.O. Box 40	br406@hbtbf.com.jo
Khan Younis	+ 970 8 2079401	Gaza, Abu Humaid Circle, Jalal St., P.O. Box 7073	br407@hbtbf.com.jo
Jenin	+ 970 4 2505223	Abu Baker St., P.O. Box 50	br408@hbtbf.com.jo
Bethlehem	+ 970 2 2740375	Al Mahd St., City Center, P.O. Box 30	br409@hbtbf.com.jo
Yata	+ 970 2 2273301	Hebron, Yata, Roqa'a St., Near Police Station	br410@hbtbf.com.jo
Tormosaya	+ 970 2 2805263	Ramallah, Tormosaya, Abu Roslan Complex P.O. Box 4	br411@hbtbf.com.jo
Dahriyeh	+ 970 2 2266778	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtbf.com.jo
Bahrain Branch	+ 973 1 7225227	Bahrain, Al Manama Center, Govt. St., P.O. Box 5929	bahrain@hbtbf.com.bh

Subsidiary Banks

Bank	Phone	Address
International Bank for Trade & Finance/Syria	+ 963 11 23880000	Head Office, Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 Web Site: www.ibtf.com.sy e-mail: info@ibtf.com.sy
Hejaz	+ 963 11 2260500	Damascus – Hejaz Square
Pakistan	+ 963 11 23880000	Damascus – Pakistan St.- opp. Maraya Restaurant
Dedeman	+ 963 11 2241140	Damascus – Dedeman Hotel
Yarmouk	+ 963 11 6376400	Damascus – Yarmouk St.
Housh Plas	+ 963 11 6212241	Damascus – Der'a Highway – opp. Town Center
Duma	+ 963 11 5750766	Damascus – Duma
Dummar Project	+ 963 11 3123671	Damascus – Dummar Project – Cham Central Market
Hareeka	+ 963 11 2260222	Damascus – Hareeka Square
Jaramana	+ 963 11 5615020	Damascus – President Square
Qass'a	+ 963 11 4430195	Damascus – Russians Tower
Mezzeh	+ 963 11 6117086	Damascus – Mezzeh – opp. Jala'a Club
Tijarah	+ 963 11 4434210	Damascus – Corniche Tijarah
Fardous	+ 963 11 2327081	Damascus – Fardous St.
Zabadani	+ 963 11 7111792	Damascus – Zabadani – Al Mahta St.
Masaken Barzeh	+ 963 11 5117774	Damascus – Masaken Barzeh – opp. Hamich Hospital
Homs	+ 963 31 2485979	Homs – Engineers Pension Fund Building
Tartus	+ 963 43 321355	Tartus – Banks St.
Faisal	+ 963 21 2262303	Aleppo – King Faisal St.- opp. George Salem Church
Sheraton	+ 963 21 2125303	Aleppo – Sheraton Hotel
Jmeleyeh	+ 963 21 2231945	Aleppo – Jmeleyeh
Sheikh Najjar	+ 963 21 4712860	Aleppo – Sheikh Najjar – Industrial City
Shahba' Mall	+ 963 21 2520092	Aleppo –Shahba' Mall
Dar'a	+ 963 15 210291	Dar'a – Hanano St.
Hama	+ 963 33 2243100	Hama – Alameen St.
Muhardeh	+963 33 4731072	Hama – Muhardeh – Gadah shoa'a St.
Hasakeh	+ 963 52 316543	Hasakeh – President Square – Salah Eddine St.
Latakia	+ 963 41 459373	Latakia – Baghdad St.
Sweida	+ 963 16 322191	Sweida – Teshreen Square
Kamishli	+ 963 52 431789	Kamishli – Quwatli circle
Deir Al Zor	+ 963 51 241800	Deir Al Zor – Main St.- opp. Al-Kindi Cinema

Subsidiary Banks

Bank	Phone	Address	E-mail
The Housing Bank for Trade & Finance/Algeria	+ 213 21 918881	Head Office -Algeria , 16 Ahmad Waked St., Dali Ibrahim Web Site: www.housingbankdz.com	housingbank@housingbankdz.com
Dali Ibrahim	+ 213 21 918787	Algeria – 16 Ahmad Waked St.–Dali Ibrahim	Agence-101@housingbankdz.com
Blida	+ 213 25 311310	Algeria – 92 Mohammad Budiaf St.–Blida	Agence-102@housingbankdz.com
Oran	+ 213 41 342704	Algeria – 10 Tawnia Albahia St.–Oran	Agence-103@housingbankdz.com
Setif	+ 213 36 834953	Algeria - 20 First Nov. 1954 St.–Setif	Agence-104@housingbankdz.com
Dar al Bayda'	+ 213 21 754684	Algeria – 59 Mohammad Khemisti St -Dar al Bayda'	Agence-105@housingbankdz.com
Jordan International Bank/London	+44 20 3 144 0200	116 Brompton Road, Knightsbridge, London SW3 1JJ Web Site: www.jordanbank.co.uk	info@jordanbank.co.uk

Subsidiary Companies

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

Representative Offices

Office	Phone	Address	E-mail
Tripoli/Libya	+218213350610	Tripoli, Al-Fateh Tower ,First Tower , Floor (15), Office(155), P.O. Box 91270	hbtflihya@hbtf.com.jo
Abu Dhabi/U.A.E	+971 26268855	Abu Dhabi, Hamoudeh Bin Ali Building, 12 th Floor, Sheikh Khalifa St., P.O. Box 44768	hbtfabudhabi@hbtf.com.jo
Baghdad/Iraq	+964 17182027	Baghdad, Al Arsat Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	hbtfiraq@hbtf.com.jo

