

# 40



بنك الإسكان للتجارة والتمويل

The Housing Bank for Trade & Finance



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

For the Year Ending December 31, 2013

Head Office  
Parliament Street, Amman, Abdali  
P. O. Box 7693, Amman 11118, Jordan  
Telephone: +962 6 5005555  
Toll – Free Number: 080022111  
Facsimile: +962 6 5690207  
Swift: HBHOJOAXXX  
[info@hbtf.com.jo](mailto:info@hbtf.com.jo)  
[www.hbtf.com](http://www.hbtf.com)

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The paintings included in this report are from permanent collection of Jordan National Gallery of Fine Arts  
Front Cover artwork by Ammar Khammash



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



# 40 Years of Giving

The Housing Bank for Trade and Finance (HBTF) was established in 1973 as a Jordanian public limited company (PLC), to be the first specialized bank in the field of housing financing in the Hashemite Kingdom of Jordan, with a paid up capital amounting to JD0.5 million.

In 1997, after 24 years of establishment, a new phase emerged in the Bank's journey after transforming to be a comprehensive commercial bank. Further, the paid up capital of the Bank has been raised more than once during the past years, the last of which took place in 2006, to stand at JD252 million.

Over the past four decades, the Bank stood as an economic lofty edifice; this achievement was driven by numerous factors, the most important of which can be demonstrated as follows: the Bank's ability to expand the volume of operations and profits, the consolidation of the Bank's role in serving the community, the provision of a comprehensive bundle of advanced banking services and products, all of which was possible thanks to the trust of customers and shareholders, the well-articulated strategy, the support of the successive boards of directors, as well as the sincere efforts of the executive management and employees.

The Bank stands out in having the largest branch network in Jordan, supported by the most widespread ATMs, in addition to its foreign branches located in Palestine, Bahrain, , and representative offices in Iraq, Libya, United Arab Emirates, as well as the subsidiary banks in Syria, Algeria, and United Kingdom.

Further, the Bank launched numerous pioneering initiatives; it was the first bank to implement the saving accounts prizes, and the first in Jordan and the Arab countries to establish a kids' branch and a mobile branch.

In light of the above, the Bank achieved during its journey, advanced credit ratings from several international credit rating institutions, such as Standard & Poor's and Moody's, in addition to winning many awards from specialized magazines in the fields of finance and economics, such as The Banker and Euromoney. Moreover, the Bank was awarded many other awards, decorations, and certificates of recognition, among the most important of which were King Abdullah II Award for Excellence as well as the Jordanian Al-Kawkab Decoration of the First Order.





Muhanna Durra







**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. Sami Hussein Al-Anbaee**  
Kuwait Real Estate Investment Consortium



**Mr. Mohamed Mohamed Ben Yousef**  
Libyan Foreign Bank



**Mr. Ismail Abdalla El Mesallati**  
Libyan Foreign Bank

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**Mr. Omar Zuheir Malhas : General Manager**

**Mr. Mohyeddin Abdul Hameed ElAli : Board Secretary**

# Board of Directors



**Mr. Yousef Mahmoud Al-Neama**  
Qatar National Bank



**Mr. Ali Rashid Al-Mohannadi**  
Qatar National Bank



**Mr. Humoud Jassim Al Falah**  
Kuwait Real Estate Investment Consortium



**Mr. Jehad Ali Al Share**  
Social Security Corporation / Jordan



**Mr. Fadi Khalid Al Alawneh**  
Social Security Corporation / Jordan



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



### **To Our Shareholders:**

I am pleased to present the Group's 40<sup>th</sup> Annual Report that outlines our achievements, financial results and future plans.

2013 saw Jordan embarking on a new fiscal and monetary reform program. Even though the chronic budget deficit continued to be onerous, GDP grew by 2.8% while Central Bank foreign currency reserves increased to over 12 billion USD.

### **Financial Performance**

Irrespective of tough economic conditions, HBTF achieved better financial results in 2013. Pretax net profit grew to JD150.1 million (US\$212 million) whereas after tax net profit grew to JD106.9 million (US\$151 million).

Our financial statements showed a strong and sound position. Total assets increased to JD7.2 billion (US\$10.2 billion), customer deposits increased to JD5.1 billion (US\$7.2 billion), gross credit portfolio grew to JD3 billion (US\$4.2 billion) and total equity was JD1.1 billion (US\$1.55 billion). These results were achieved despite the 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 18.8% (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 10.2%, deposit to loan ratio was 52.3%, and cost to income ratio was 37% (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, suffered due

# Chairman's Statement

to the events in Syria, but managed to maintain a relatively strong financial position and adequate level of liquidity.

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

Three new branches were opened in 2013, bringing the number of branches in Jordan to 119. HBTF has the largest branch and ATM networks in Jordan.

The Bank has the largest market share of savings accounts 41.4% and the second largest market share of total assets 14.8%, deposits 15.8% and credit facilities 11.6%.

In light of its 2013 outstanding performance, The Banker magazine named HBTF "Bank of the Year" for Jordan.

Based on the good results achieved, the Board of Directors will recommend to the Shareholders' Ordinary General Assembly a dividend of 30% of the nominal share value.

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.

We are proud of our social responsibility initiatives. In 2013, 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.

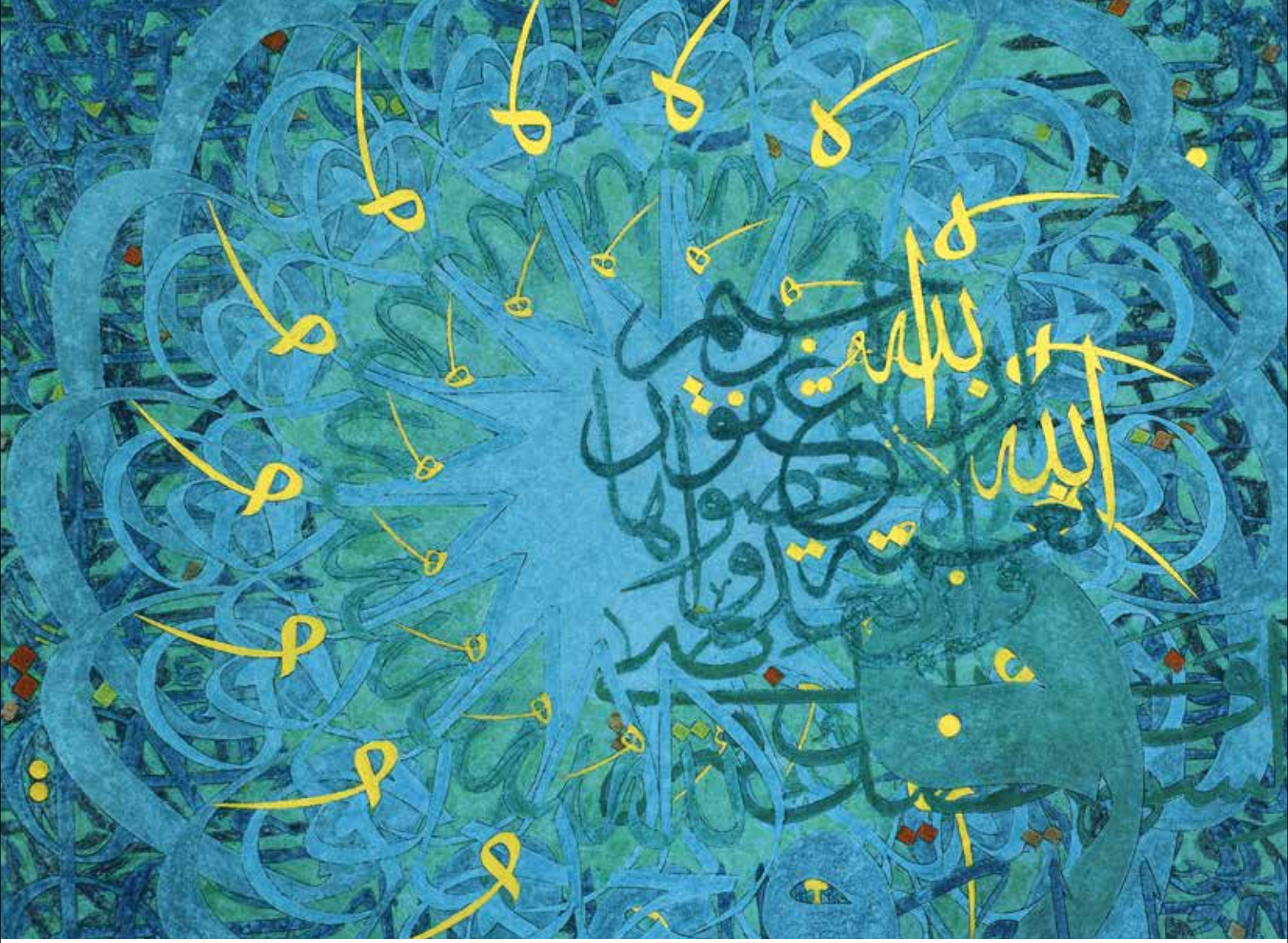
May God bless and protect Jordan under the leadership of His Majesty King Abdullah II.

Respectfully,

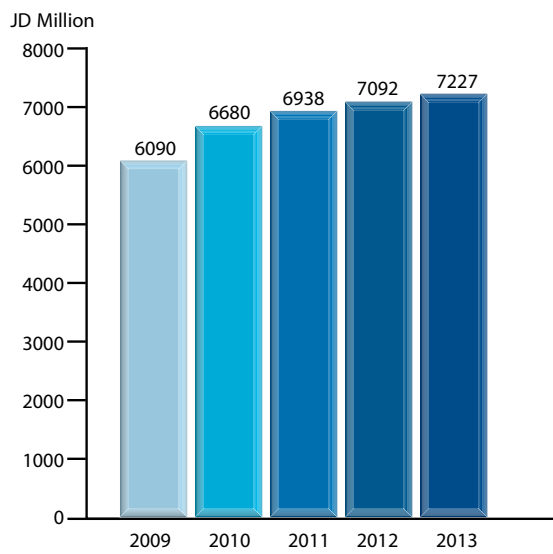
Dr. Michel Marto  
Chairman of the Board



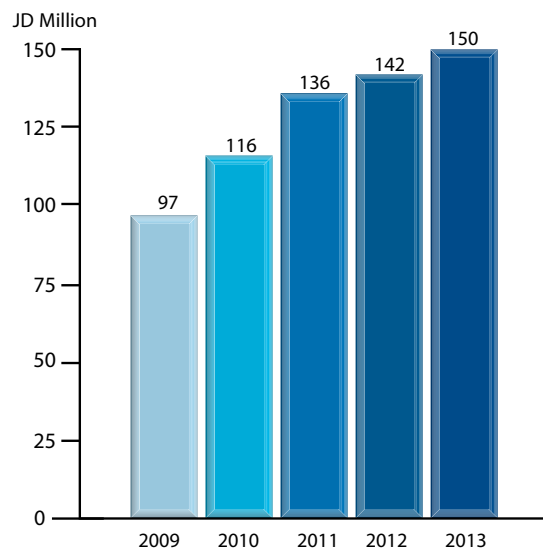
Farouk Lambaz



### Total Assets



### Profit before Tax





# Financial Performance of the Bank

## Main Financial Indicators

JD million\*

Item/Year	2009	2010	2011	2012	2013
Total Assets	6,090.4	6,679.7	6,938.0	7,091.6	7,227.1
Customers' Deposits	4,430.4	4,808.6	4,833.9	4,727.2	5,093.4
Loans and Credit Facilities (net)	2,368.6	2,449.1	2,502.1	2,683.9	2,662.8
Total Equity	966.5	1,023.9	1,048.6	1,046.7	1,057.1
Gross Income	260.4	264.0	300.7	327.3	357.0
Profit before Tax	97.0	116.4	135.7	142.2	150.1
Profit after Tax	66.6	88.4	100.0	104.5	106.9
Cash Dividends	50.4	63.0	63.0	63.0	75.6
Earnings per Share (JD)	0.238	0.313	0.349	0.373	0.396
Dividends / Per Share (JD)	0.200	0.250	0.250	0.250	0.300
Share Price (JD)	7.150	8.100	8.000	8.250	8.700

\* JD= US\$1.4104

## Analysis of the Operational Results

The HBTF enjoyed good financial results in 2013, by all standards, despite the negative repercussions of the continued political and economic turbulent conditions in many countries in the region.

The aforementioned performance was driven by the Bank's resilience, efficient policies, productive strategies, and readiness to deal with such circumstances and developments, which enabled the Bank to realize before tax profit amounting to JD150.1 million; an increase of JD7.9 million, or 5.6%, compared with 2012. Moreover, after tax profit stood at JD106.9 million; up by JD2.4 million, or 2.3%, against the preceding year. The growth in before tax profit was an outcome to the following:

1- The rise in net operating revenues from JD327.3 million in 2012 to JD357 million in 2013; a growth of 9.1%, or JD29.7 million, compared with 2012. It is worth noting that the level of net operational revenues realized in 2013 was a record high in the Bank's history, and was the combined result of the increase in the items of " net interest and commission income " and operating revenues, as follows:

- Net interest and commission income was up by JD19.5 million, or 7.2%; amounting to JD291.1 million compared with JD271.6 million in 2012.
- Operating revenues surged by 18.2%; increasing from JD55.7 million in 2012 to JD65.8 million in 2013.

2- Total expenses crept up from JD185.1 million in 2012 to stand at JD206.8 million in 2013; an increase amounting to JD21.7 million. This increase was driven by making provisions for non-performing loans to meet the related international standards and comply with the requirements of the regularity authorities, on one hand, and the expansion in the volume of operations and activities, on another.

## Analysis of Financial Position

Total assets of the Bank grew by 1.9%, or JD135.5 million in 2013; totaling JD7227 million. This growth was achieved despite the devaluation in the Syrian Lira and its consequent impact on the consolidated balance sheet of the Bank as a result of incorporating the balance sheet of the subsidiary bank in Syria, which contributed in shrinking the total assets by an equivalent of around JD241 million.

## Total Deposits

Due to its sublime status in the financial markets, the Bank experienced positive growth rates in attracting deposits of all kinds. In further details, the balance of customers' deposits was up by JD366.3 million, or 7.7%, to stand at JD5093 million at the end of 2013. This notable achievement came despite the negative effect of the devaluation of the Syrian Lira on the balance of customers' deposits at the International Bank for Trade and Finance/Syria, which contributed in bringing down the total deposits by around JD163 million. Further, the balance of total deposits (customers' deposits as well as banks and financial institutions deposits) stood at JD5686 million at the end of 2013; a growth of JD119.6 million, or 2.1%.

It is worth noting, in this regards, that the Bank managed to maintain topping the list of the Jordanian banks in the area of saving deposits in local currency; the Bank accounted for 41.4% of the balance of the aforementioned deposits at the end of 2013.

The analysis of the structure of customers' deposits of in terms of depositors, at the end of 2013, demonstrates the following:

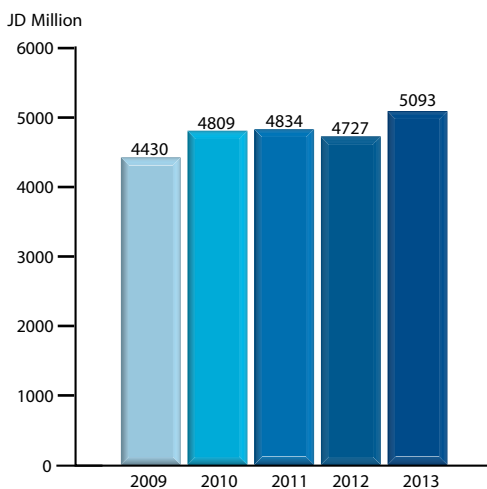
1- The rise in retail, corporate " SMEs and large companies ", as well as government and public sector deposits by 6.4%, 3.4% and 43%; respectively.

2- Retail deposits accounted for 72.9% of the balance of customers' deposits in 2013 against 73.9% in 2012, while corporate and "government and public sector" deposits made up 19.8% and 7.3% of the balance of customers' deposits compared with 20.7% and 5.5%, accordingly, in 2012.

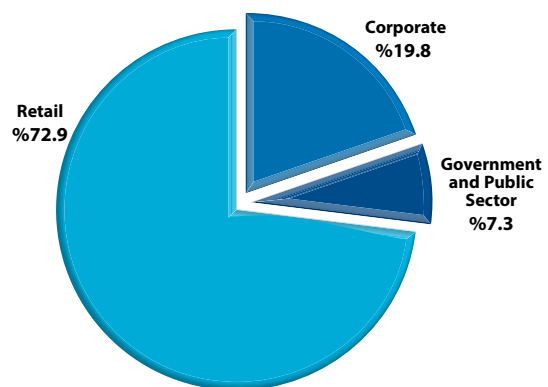
The structure of deposits by type, at the end of 2013, displays the following:

- 1- Demand deposits, saving deposits and time deposits were up by 6.6 %, 5.5% and 10.2%, respectively, compared with their levels in the previous year.
- 2- Demand deposits accounted for 25.6% of the balance of customers' deposits in 2013 compared with 25.8% in 2012, Further, saving deposits and time deposits made up 31.2% and 43.2% of the balance of customers' deposits compared with 31.9% and 42.3% in 2012, respectively.

**Customers' Deposits**



**Structure of Customers' Deposits**

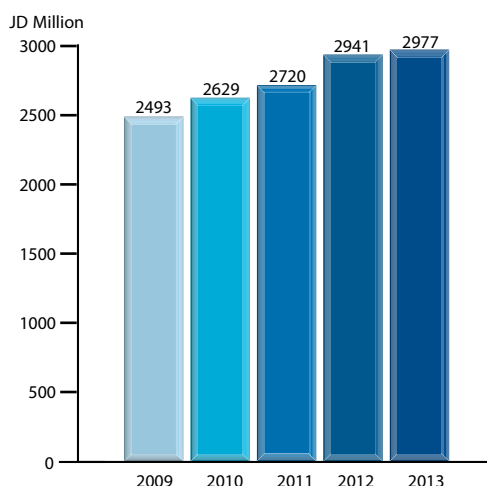


**Direct Credit Facilities**

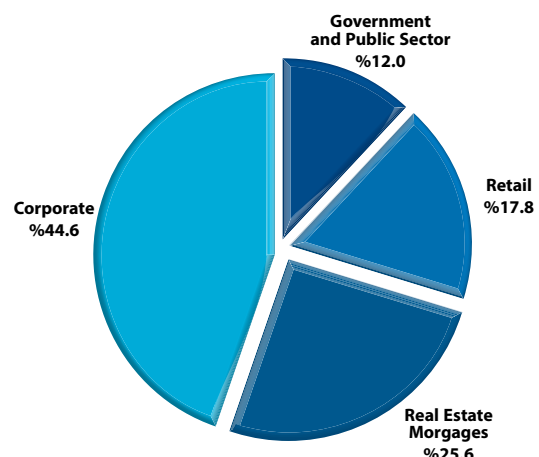
Total outstanding balance of direct credit facilities stood at around JD3 billion in 2013; moving up by JD36.2 million, or 1.2% compared with the preceding year. However, after deducting provisions and interest in suspense, the net outstanding balance of direct credit facilities amounts to JD2.7 billion. It is worth emphasizing that the expansion in total outstanding balance of direct credit facilities was achieved in spite of the negative impact of the devaluation in the Syrian Lira on the balance of credit facilities at the International Bank for Trade and Finance/Syria by an equivalent of around JD110 million within the consolidated balance sheet of the Bank.

The distribution of credit facilities according to borrower, in 2013, indicates that retail facilities, corporate facilities "SMEs and large", as well as real estate mortgages facilities made up 17.8%, 44.6% and 25.6% of the facilities portfolio; respectively. In addition, the facilities extended to the government and public sector constituted 12%.

**Credit Facilities**



**Structure of Credit Facilities**



## Shareholders' Equity

Shareholders' equity was up by JD21.0 million, or 2.2%, to total JD971.8 million at the end of 2013 compared with JD950.8 million in the previous year. Moreover, after adding the Minority Interests "Non Controlling" in subsidiary companies and banks, the balance of total equity stands at JD1.1 billion at the end of 2013. Consequently the Bank was able to maintain its solid capital base and managed to strengthen its financial solvency.

## Analysis of the Bank's Major Performance Indicators

The positive advancements achieved in 2013 in the Bank's financial position and income statement contributed vividly in enhancing the financial solvency indicators. This can be illustrated as follows:

- The rate of return on assets (ROaA) stood at around 1.5% and the rate of return on equity (ROaE) amounted to around 10.2%; it is worth emphasizing that these rates were among the highest in the Jordanian market.
- The capital adequacy ratio stood at 18.8% at the end of 2013; which is remarkably higher than the BIS Tier 1 ratio of 8% and the CBJ minimum required ratio of 12%, which ensures the strength and soundness of the Bank's financial position.
- The Bank maintained a high liquidity ratio amounting to 159% compared with the 100% minimum requirement of the CBJ.
- The efficiency ratio (cost/income ratio), reached about 37%; one of the best realized ratios in the local and regional banking sector.
- The share price of the HBTF was up from JD8.25 at the end of 2012 to close at JD8.70 at the end of 2013; increasing by 5.5%. In consequence, the market capitalization of the Bank shares amounted to JD2.2 billion by the end of 2013 which reflects the high confidence in this pioneering financial institution.
- Earnings per share (EPS) grew by 6.2%; increasing from JD0.373 at the end of 2012 to stand at JD 0.396 at the end of 2013.

## The Competitive Position

The Bank proved, over the past years, its capability to operate in a highly intense environment. This can be attributed to the strong trust which the Bank earned from its esteemed customers, at all levels; the strength and soundness financial position and capital base; the widespread network of local branches which is supported by a broad network of ATMs, as well as the Bank's desire to provide new and innovative banking services to meet the latest global developments. Adding to all of that the Bank's overseas outreach "overseas branches and subsidiary banks" which contributed in placing the Bank as the "Primary Choice" for a wide-ranging base of customers; thus strengthening its competitiveness and asserting its heading presence in the Jordanian banking sector in terms of distinguished performance and provision of new and developed products and services and the channels of provision thereof.

The following sum up sheds light on the Bank's leading positions in the Jordanian banking sector as of the end of 2013:

- Maintaining the first rank in terms of saving deposits' volume in local currency; accounting for 41.4% of the market share and thus succeeding in topping the list of banks, for more than three decades, as a preferred vessel of saving deposits in the Kingdom.
- Maintaining the top list on the front of the number of branches which amounted to 119 branches; making up 14.5% of the market share to keep the first rank in this regards since 1978; i.e. after less than four years of establishment.
- Coming in the first rank in terms of number of the ATMs which stood at 199; accounting for around 15% of the market share; the largest and most widespread network in the Kingdom.
- Maintaining the leading position in the market of visa credit cards with a market share of 16%.

- Occupying the second position in terms of total assets with a market share of 14.8% of total assets in the banking sector.
- Occupying the second position in terms of total customers' deposits with a market share of 15.8% of total customers' deposits in the banking sector.
- Occupying the second position in terms of total credit facilities with a market share of 11.6% of total credit facilities in the banking sector.

In the area of qualitative indicators of competitive status, the Bank has earned, during its history, many high credit ratings from several international credit rating institutions. Further, the Bank managed to maintain its leadership in the field of banking technology through implementing a bundle of advanced systems to run the operations of management and branches in conformity and compliance with the most recent technologies.

Moreover, the Bank gained over the past years a large set of local, regional and global prizes and certificates of recognition. In addition, it is worth noting that the Bank won "The Banker" award "Bank of the Year 2013 - Jordan"; noting that the Banker belonging to the Financial Times Group; the most renowned newspaper group concerned with money and economy in the world. The Bank's winning the award was announced during a ceremony on the 30<sup>th</sup> of November in London in the presence of managers and leaders for more than 112 banks and financial institutions representing the winning institutions from around the globe, as the award is given for one bank in each country only. It is worthy to note that the winning and commencement of "The Banker" awards, is one of the most prominent events that banks await, to introduce the best banks and financial institutions banks during the year.



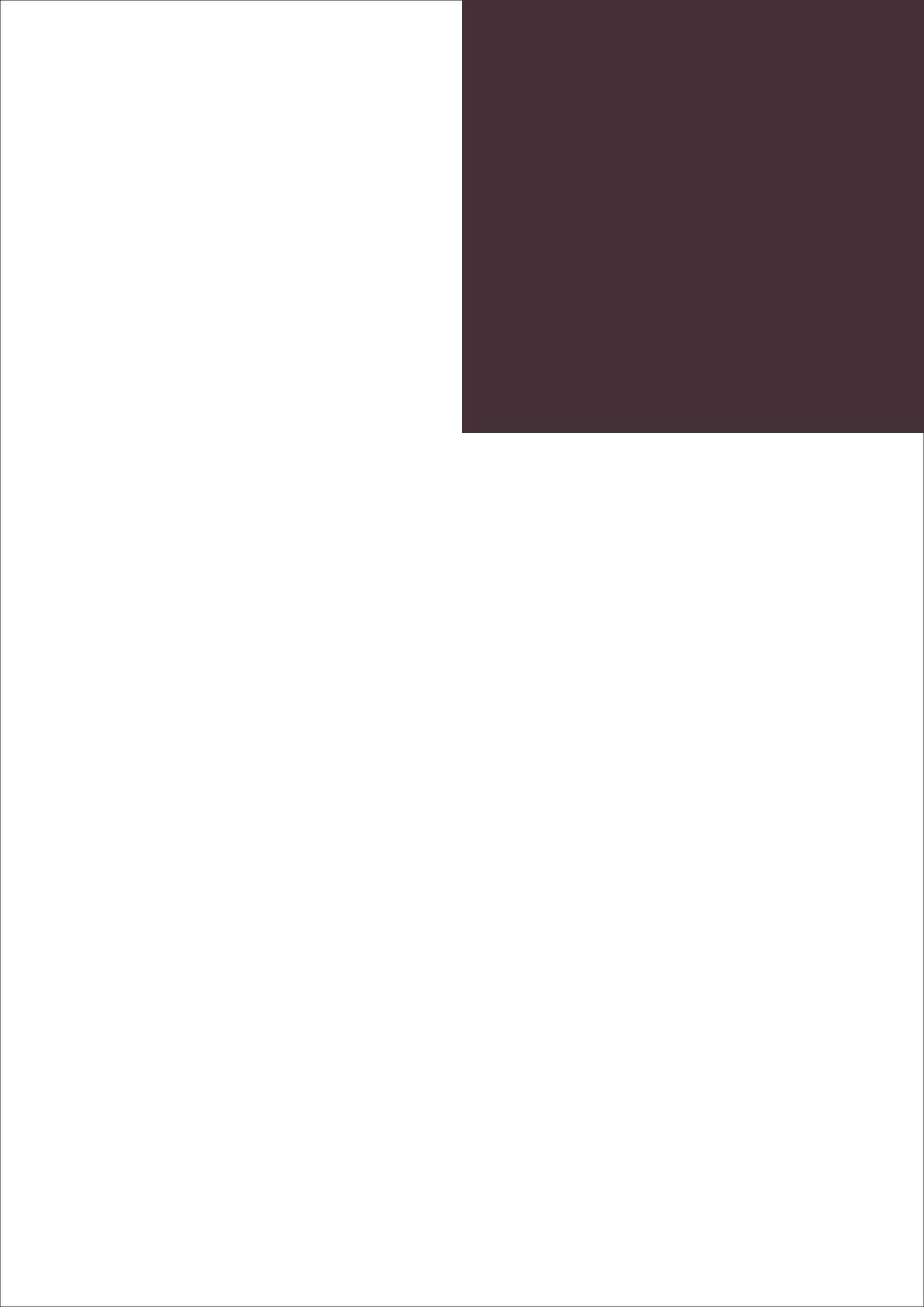
This highly respected recognition came after meeting the required conditions for such award; the most important of which were the ability and success in meeting the existing challenges, the initiative and creativity in introducing new products and services, the performance efficiency, total assets, the ratio of shareholders equity to total assets, the return on assets ratio, as well as other indicators reflecting the strength and soundness of the financial position of the Bank.





**Aziz Ammoura**







# Bank's Activities in 2013

## Retail Banking Services

The Bank continued the process of developing and advancing its existing products and services in addition to introducing new bundles of innovated banking products and services to meet the needs and expectations of customers at all levels and segments. In consequence, the Bank was able to assert its presence as a leader in the market of retail banking services. It is worthy to note in this regards that the Bank is providing its banking services via various channels based on the largest network of branches as well as ATM all over the Kingdom, along with a group of electronic delivery channels. The following is a brief on the major aspects of the Bank's policy in the field of retail banking service provisions during the year:

## Bank's Networking

The Bank continued the implementation of its networking and branching strategy which aims at discovering new opportunities for growth and expansion to deliver its products and services to all segments of society all over the Kingdom, taking into consideration that networking and branching is of vital importance in attracting new customers as well as bringing together existing customers. Therefore, and in an effort to strengthen the position of the Bank on the level of local branching, three new branches have been opened during 2013: Al- Husseiniya branch/Ma'an, Galleria Mall branch/ Amman, and Martyr Wasfi Al-Tal St. Branch/Ramtha. Consequently the total number of operating branches in Jordan stood at 119 branches throughout the Kingdom with a market share amounting to around 14.5%. Out of those branches there are five branches located at commercial shopping centers "malls" operating throughout the week, including Fridays and Saturdays, as well as official holidays, with working hours from 10:00 am till 10:00 pm. In addition, in 2013 the Bank pursued developing and upgrading the overall appearance of its branches to enhance the distinguished image of the Bank.

At the same time, the Bank maintained a leading position with the largest ATM network; standing at 199 of which 66 machines are not attached to branches. In effect, the Bank's ATM market share in Jordan amounts to around 15%.

It is worthy to mention, in this regards, that the number of the Bank's local and regional branches (Jordan, Palestine, and Bahrain) stands at 132 branches. In addition, the number of branches in subsidiary banks in Syria, Algeria, and the UK stands at 36 branches.



## Electronic Banking Channels

The Bank seeks to provide banking services to its customers through various means. Accordingly, a new service bundle was launched in 2013, including Mobile Banking services which enable customers to execute financial and non-financial transactions with respect to their accounts through a dedicated app on their smartphones. Further, amongst the most important of these services are the transfer from an account to another, GPS for ATMs and branches, and the payment of most utility bills; including water, electricity, landline and mobile phones as well as the payment of credit card bills.



Moreover, the Bank continued the augmentation and expansion of various electronic banking channels through the provision of banking services via the Call Center, Iskan Online, Iskan SMS, and ATMs. In this regards, it is worth emphasizing that the Bank has been, and continues to be, pioneering in the banking sector in terms of innovation and employment of various e-services to save the time and effort of its customers while extending banking services round 24/7 (24 Hours a day , 7 days a week).

## Savings Account Prizes

In the area of advancing the system of savings account prizes system, in 2013 the Bank increased the total volume of prizes for Jordan and Palestine branches to total JD6.3 million per year. It is worth noting that the Bank carries out draws on grand prizes during specific occasions, well known to customers; such as the Holy Month of Ramadan prizes and the New year prizes, which contributed in growing the outstanding savings accounts as well as attracting more savings customers.

## New Services and Products

In 2013, The Bank managed to introduce new banking services and products and develop existing services to meet the needs and requirements of current customers and attract new ones; the most important of which can be demonstrated as follows:

- **Business Vehicles Product:** This program is devised to provide adequate financing for SMEs, professionals, craftsmen, private schools, and retail business owners to enable them to purchase and renew various kinds of vehicles (trucks, pickups, vans, and buses). The financing limit of the product is up to JD150 thousand without collaterals or guarantor and the repayment period goes up to seven years. Further, this product includes financing the expenses of full comprehensive insurance, licensing and ownership transfer, with the advantage of free life insurance.
- **MasterCard:** In 2013 the Bank launched MasterCard for direct payment through ATMs and Points of Sale, in addition to introducing the credit MasterCard with Platinum, Gold, and Silver classes. The new cards benefit the privilege of conformity with the standards and requirements of smart cards (EMV), in addition to many other advantages. In effect, the Bank consolidated its competitive position in the field of plastic cards through furnishing and providing an integrated system of payment solutions in terms of various bundles of Visa and MasterCards (through both ; credit and debit payments), as well as American Express Cards.
- **Purchases Installment Program:** In 2013 the umbrella of premier suppliers that partner with the Bank on the personal and household purchase installment program has been expanded to widen the available options for customers to choose the goods and services which satisfy their personal and home appliance needs with preferential conditions.



## Quality of Service and Customers Care

Within the framework of improving and guaranteeing the quality customer service, the Bank continued, in 2013, the execution of field surveys to identify and measure the level of satisfaction of customers “depositors and borrowers” on the level of services and products extended to them through considering their opinions and perceptions about the quality level of such services. The results of these surveys demonstrated a rise in satisfaction ratios on all indicators included, thus assuring the positive perception and image customers have on the Bank and showing the high level of confidence which the Bank enjoys amongst its customers.

## Corporate Banking Activities

In light of the continued difficult conditions in the region, the Bank followed a conservative credit policy to enhance the quality of its credit portfolio, taking into consideration retaining the market share and working towards its expansion in the Jordanian banking sector. On this front, the Bank pursued the provision of a diversified basket of credit products and financing services which has been devised to meet the needs of different customers in large companies and SMEs sector while contributing in creating new job opportunities and achieving social and economic goals along with banking objectives. In an effort to strengthen the position of the Bank in the field of credit activity, the Bank introduced the following initiatives:

- Increasing the volume of transaction and the outstanding ceilings with the Jordan Loan Guarantee Corporation through launching a new product “Business Vehicles Product” to provide adequate financing for companies to purchase new or used business vehicles of various kinds and sizes.
- Signing a loan agreement with the CBJ in the amount of JD7 million. In consequence, the Bank will provide direct and/or indirect lending or through microfinance institutions (MFIs) to relend this amount to the customers in SME segment to enable them acquire adequate financing with competitive interest rates and medium and long term maturities.

Further, within the framework of facilitating the exchange of trade between Jordan and the rest of the world, the Bank executed several activities, in 2013, which can be summed up as follows:

- Signing a cooperation agreement with the Saudi Fund for Development “Saudi Exports Program” with the aim of encouraging Jordanian traders to purchase commodities and services of Saudi origin or commodities and services with no less than 25% of Saudi value added within identified arrangements and conditions.
- Signing a partnership agreement with the Export and Import Bank of Korea (KEXIM). It is worthy to note that the abovementioned agreement was the first of its kind on the Jordanian level and the sixth in the Middle East region. The Bank was able to realize such achievement due to its strong and sound financial position as well as the prominent reputation on local, regional, and global levels.
- Continuing the execution of an outstanding bundle of specialized financing programs and agreements with local and global institutions and companies; such as the Arab Trade Financing Program-Arab Monetary Fund/Abu Dhabi, Italian Financing Program (IIPU), Financing SMEs Enterprises Program with guarantees from the Overseas Private Investment Corporation (OPIC), and Facilitating International Trade Program with the European Bank for Reconstruction and Development (EBRD).
- It is worth noting that the Bank participated, in 2013, in a large syndicated loan executed by a group of international banks for the benefit of a large and pioneering regional company in the field of construction on the level of Gulf States and Middle East. Moreover, the Bank was the security agent for the aforementioned loan.



### **Investment and Treasury Services**

Despite the uncertainty in the local, regional and international markets, the Bank was able to maintain balanced financial position with adequate liquidity levels, various funding sources at acceptable cost and diversified risk-weighted investments which contributed in achieving good performance in terms of operating profits and strengthened its competitive position in the investment and treasury services. This was achieved through managing interest rate risks effectively and employing a conservative asset/liability management policy.

Further in 2013, the Bank was able to meet its customers' requirements through offering a wide range of investment and treasury services in dealing with foreign currencies, precious metals, forward contracts; brokerage services in local, regional and international markets; investment portfolio and mutual funds management services; as well as custody services.

### **Financial Institutions and Correspondent Banks**

The Bank's global banking operations demonstrated a notable improvement in 2013 despite the prevailing state of uncertainty in the international financial markets. The Bank was able to generate higher income from commissions and revenues from international trade transactions and external banking services through facilitating foreign trade transactions for the Bank's customers; both corporate and retail. In addition, revenues from international payment activities also increased during the year.

The Bank enjoys strong and distinguished relationships with a worldwide network of over 400 correspondent banks (regional and international banks and institutions) covering more than 70 countries. The Bank capitalizes on its strategic correspondent relationships to provide customers with a comprehensive range of financial products that meet the varying needs of customers. Furthermore, the representative offices in Abu Dhabi, Baghdad, and Tripoli /Libya contribute to marketing the Bank's services in these countries, through signing bilateral agreements that manage the business flow between the Bank and key correspondents in such countries.

### **Foreign Branches and Subsidiaries**

The Bank embarked on the process of expansion outside Jordan during the 1990s where the first step was in Palestine. Further, in the outset of the third millennium, the Bank started the expansion in the Arab market, as a natural distention for expansion of the volume of the Bank's activities. Accordingly, the Bank penetrated the markets of Bahrain, Algeria and Syria. Moreover, in 2010, the Bank took a strategic decision in consolidating its presence in UK through acquiring a controlling share in the Jordan International Bank; amounting to 68.75%, before reaching 75% in 2013. In addition, several representative offices have been opened in the United Arab Emirates, Libya, and Iraq.

In consequence, at the end of 2013 the foreign expansion of the Bank constitutes a network of branches as follows: 13 branches (in Palestine and Bahrain) as well as subsidiary banks operating through 36 branches (in Algeria, Syria, and UK). These branches and banks provide a wide-ranging bundle of banking services targeting retails, corporate, treasury, and trade financing.

As a result of this diverse geographical expansion, the Bank's customer base continued to grow despite the challenging circumstances prevailing in the countries of the region, which reflects and assures the strength of the distinguished image and the well known that the Bank enjoys due to the high quality of service, strong performance, trust, and safety.

In 2013, the foreign branches and subsidiary banks displayed, in general, a good performance which, in consequence, was reflected on the levels of growth in deposits, credit facilities, as well as profits. As for the International Bank for Trade and Finance (IBTF)/Syria, the Bank's management devoted its special attention, in 2013, to the IBTF with the aim of maintaining the relative stability of its financial position through implementing prudent policies to minimize the risks while maintaining the presence of the IBTF in the Syrian banking sector; which was a very challenging task in the midst of the turbulences in Syria.

## Organizational and Administrative Development

During the year of 2013 the Bank pursued the process of advancement and development with the aim of increasing the operational efficiency and simplify the work processes. Within this framework, and in implementing the paperless environment concept, the application forms have been automated in all branches. Further, the organizational structures and business processes in some centers have been developed to conform with the best international practices.

### Human Resources

In line with the management belief that the employees are the cornerstone in achieving the Bank's success over the years of operation, an utmost emphasize was given to advancing the capacities and capabilities of the Bank's employees, developing their spirit of leadership, and training them to work in teamwork manner. This, in accordance, enabled the Bank to maintain a sustainable level of strong performance and rising profitability. Within this framework, the project of "Talent Management & Succession Planning" was launched with the aim of preparing and developing the skills of a group of selected employees to qualify them to fill the key and critical positions in the future.

In 2013, the Bank has witnessed the completion of implementing the second phase of the Human Resources Management System (HRMS) which includes the implementation of the modules related to the activities of recruitment, self service, management and training of staff, performance management and evaluation, compensation and benefits "salaries, incentives, and allowances", in addition to the provision of needed capabilities to implement various services belong to distance humans resources' management through the use of the internet

### Recruitment

The Bank seeks to be a leading institution in attracting talents and qualified competencies in the local market through hiring the best and exceptional fresh graduates as well as attracting distinguished qualifications with experience and specialization. Towards this end, the Bank implements precise and clear recruiting policies based on a set of objective criteria, the chief of which are: levels of educational attainment, the suitability of the specialization for vacant positions, and passing the Bank's recruitment and selections tests. On the other side, the Bank was adherence to its commitment in retaining key talents.

### Training

The Bank takes up training as a vital and essential element to prepare and qualify the employees to carry out various banking activities and improve the quality of services to the customers. Therefore, the training programs topped the list of priorities of the human resources department at the Bank, which managed to furnish the employees with training opportunities in various fields of banking, financial, investment and administration. The main training programs, at the Bank, can be demonstrated as follows: "New Recruits Program", " Customer Service Program", " Branch Managers and Leading Positions Program", and " Credit Officer Program"; the latter aims at supporting the credit functions with highly qualified and skilled credit managers and officers. It is worth noting that, in 2013, the Bank provided 4323 training opportunities for its employees in Jordan and foreign branches.



Moreover, during the year, the Bank worked on strengthening the culture of learning through regularly sending a number of employees, on annual basis, to obtain academic and professional certificates from renowned, local and international, universities and training centers based on the set of criteria for this purpose. More information on the main training seminars held in 2013 and the number of participants is provided in the disclosure statement section at the end of this report.

## **Risk Management**

The Bank pays, at all times, a special attention to the issue of risk management, particularly in light of increasing financial activities, technological banking development, as well as the political and economic changes that are taking place worldwide. In this regards, the Bank continuously monitors, evaluates, and manages the potential sources of risks which could affect its operations to ensure that such risks are commensurate with its risk appetite and provide an appropriate control environment which contributes in achieving the Bank's strategic objectives.

Furthermore, the Bank established sound and comprehensive risk management policies and framework based on adopting robust systems and efficient operations to ensure compliance with the Bank's approved risk appetite and policies and in line with the Central Bank of Jordan regulations as well as Basel Accord. In achieving this, the Bank implements advanced approaches in calculating its capital adequacy ratio and continuously update the risk profiles to implement the control risk self-assessment (CRSA) methodology.

Moreover, the Bank adopts several plans to guarantee the business continuity and employs regular tests in line with the best international practice. In addition, the Bank's risk management includes customers' risk rating and implements the best approaches to identify the level of risk; such as stress testing and sensitivity analysis.

During 2013, the Bank completed the development of an internal rating system for the classification and evaluation of its corporate clients (risk rating) and is currently working on the implementation of scoring system for its retail clients (Credit Scoring).

The Bank strengthened the risk management culture amongst the employees through holding several risk training and awareness workshops and seminars. Further details on the risk management practices at the Bank can be found in section no. 41 of the disclosure statement at the end of this report.

## **Compliance**

During 2013, the Bank continued to comply with the instructions and guidelines issued by the Central Bank of Jordan and the relevant regulatory authorities in the fields of Compliance, Anti-Money Laundering, and Terrorism Financing; mainly focusing on the compliance with "Know Your Customer (KYC)" instructions. It is worth mentioning that the Bank has implemented, during this year, a new automated system to monitor and detect the suspicious transactions which may include the risks of Money Laundering, Terrorist Financing and Financial Crimes. The Bank implements strict procedures to detect illegal financial activities through efficient control systems, and strictly monitor all transactions periodically, to preserve its interests and the interests of its shareholders and customers. In the context of dealing with customers fairly and transparently, the Bank has implemented and complied with the new regulations issued by the Central Bank of Jordan in this regard, through setting the controls and policies that guarantee the customers' protection in addition to raising the awareness of retail customers regarding the banking services and products extended by the Bank; including their costs.

In order to embed the compliance culture, the Bank continued to circulate periodicals and conduct comprehensive training courses for all employees to ensure that they are fully aware of all details concerning compliance operations and to improve their capability to deal, skillfully, with suspicious cases of Money Laundering, and to emphasize the necessity of complying with the procedures of Know Your Customer efficiently and sufficiently.

## Corporate Governance

Within the framework of Corporate Governance system issued by the Central Bank of Jordan, the Bank adopted a Corporate Governance Code consistent with the regulations and instructions of disclosure and transparency issued by the regulatory authorities (i.e., the CBJ and the Securities Commission); in order to enhance the performance efficiency and reduce the risks to the minimum level to guarantee the protection of shareholders and investors' rights. The abovementioned code can be reviewed at the end of this report, or through the Bank's website ([www.hbtf.com](http://www.hbtf.com)).

## Information Technology

The year 2013 witnessed a leap on the level of information technology at HBTF; the Bank introduced many new banking products and services in line with the most recent banking technologies, various infrastructure projects have been completed to meet the requirements of the different business centers and to furnish high levels of performance efficiency and consolidate the security controls. Further, during the year, the Bank pursued the test and simulation of its new core banking system "Finacle" in Jordan branches, it is expected that the outset of the year 2014 is going to witness the complete implementation and deployment of the new core banking system.

On the level of banking products and services, the year 2013 experienced the consolidation of the Bank's electronic channels through launching the integrated banking services of the Iskan Mobile Banking system to enrich the banking services and operations through the use of smartphones and digital tablets on iOS/Android. The system enables customers to follow up all details concerning their accounts, execute financial transactions as well as the GPS service to locate the closest branches and ATMs to their location, in addition to providing inquiry services on the rates of currency exchange and many other banking services.

Furthermore and to enhance the levels of safety and protection of the Bank's data in conformity with the domestic and international standards, the Bank embarked on a few new projects, the SAS Anti-Money Laundering system, the customers' credit risk system and the Payment Card Industry Standards the "PCI" in line with the instructions of the council of the Payment Card Industry Security Standards.

## Social Responsibility

The social initiatives of the Bank are considered as a true embodiment of its social role, side by side, with its financial and economic role through working on local community development and contributing to achieve sustainable development in these communities, which reflects the Bank's perpetual motto "the Housing Bank ... a partner of your life". The Bank's initiatives are featured for its diversity and comprehensiveness for all sectors of society. The major initiatives that have been performed by the Bank in Jordan and Palestine, in 2013, can be demonstrated as follows:

### Culture and Arts

The Bank takes interest in cultural and artistic festivals and greatly contributes to the support thereof, of which: Jerash Culture and Art Festival, Amman Summer Festival and many other popular festivals, in addition to supporting the cultural movement in the Kingdom by supporting the Jordanian authors through buying their works.



On the side of arts activity, the Bank has provided, during 2013, many local theatre performances and folklore bands in all governorates. The Bank also has sponsored a remarkable art festival in Palestine which has been organized by Edward Saeed National Music Institute, and granted sponsorship to several summer camps in many Palestinian cities.

### Health and Environment

- Providing monetary donation to a number of social associations (Jordan Anti-Cancer Association, Cerebral Palsy Association, Ibn Sina Cerebral Palsy Association, Brain and Nerves Association, Association of Liver Diseases Patients' Friends, and Palestinian Medical Aid Association).
- Sponsoring the media competition held by Al Hussein Cancer Foundation to promote breast cancer awareness, as well as the National Program of Breast Cancer Patients (Golden sponsorship).
- Organizing many campaigns for blood donation based on the Bank's belief in the importance of social and humanitarian solidarity, not to mention the health benefits for the donors. Such campaigns have been met with positive response from the Bank's staff which consequently had a good stature by the concerned authorities. Further, the Bank continued with its support to the Jordanian National Association of Blood Donation.
- Providing financial support for many charitable societies which are concerned with furnishing assistance to those in special needs and handicapped such as: Al Hussein Society for the Care and Rehabilitation Physically Challenged, Prince Ali Bin Al Hussein Club for Deaf, Deaf and Muteness Society, Jordanian Woman Development Association for the Deaf, Young Muslim Women Association for Special Education, Rehabilitation and Care Association, and Cerebral Palsy Association.
- Contributing to the renovation of the dental clinic at Arab Medical Center of Jerusalem University in Al Beera through equipping it with needed medical instruments and supplements.
- Supporting and sponsoring the various activities of the Jordan Environment Association



### Education

The Bank devotes a great attention to the education sector through providing support and sponsorship for universities and many schools and educational institutes at various occasions, in addition to honoring the outstanding students in many schools, and providing financial assistance to distinguished needy students. Further, the Bank has contributed to the establishment of the IB College building at Bacaloria schools, and allocated various scholarships to distinguished students at Princess Sumaya University. Moreover, one of the major initiatives of the Bank in Palestine was sponsoring the honoring ceremonies of graduates and outstanding students at various locations, as well as supporting the annual honoring ceremonies of outstanding students at the high school. Furthermore, the Bank sponsored the open day of some reputable schools that have their remarkable presence in the education process as part of the Christmas Celebrations.





### Youth and Sport

In 2013 the Bank continued its support for many youth and sport activities and events. In this regards, the Bank contributed in providing financial support to the National Team (Nashama Team) during the participation in 2014 World Cup Qualifying Matches. In addition, the Bank granted a direct support to the Jordan Paralympics Committee. On the side of Palestinian sport activities, the Bank continued its sponsoring many of these activities, as well.

### Traffic Awareness and Safety

The Central Traffic Administration honored the Bank as a supporter and participant in limiting traffic accidents within the context of its contribution to the efforts made to raise citizens' awareness to traffic safety in order to reduce road accidents by providing sponsorship and supporting Jordan Traffic Institute's Fund and the Jordanian Association for Preventing Traffic Accidents.

### Holy Month of Ramadan Activities

The Bank sponsored numerous activities during the holy month of Ramadan; the most noticeable of which was providing financial support to Tkiyet Um Ali which distributes packages for poor and needy people. In addition, the Bank sponsored the charitable Iftar festivity of the Jordan Medical Aid for Palestinians Association. Further, the Bank provided support to many social and charitable initiatives performed by different institutions, clubs and associations during the Holy Month.

### Cooperation with the Public Sector in Serving Community and Citizen

Following the Jordanian government's decision to lift fuel subsidies and replace it with cash-hand outs, the Housing Bank was entrusted to pay government cash subsidies for eligible citizens. The government's authorization of the Bank to execute this task was a direct result of the high credibility and reputation that the Housing Bank enjoys in the Jordanian community, as well as its ability to deal with the most challenging conditions based on its competencies: as reflected in having the largest branch network as well as qualified staff.

### Mother's Day

The Bank participates with the Jordanian community every year in celebrating Mother's Day through groups of the Bank's employees, all over the Kingdom, making visits to some orphanages centers elderly homes, charity societies, and children villages, offering in kind gifts and financial support to these centers and villages. In addition, some of the Bank branches present flower bouquets to mother who are customers to the Bank upon visiting the branches on the Day.

### Charitable and Humanitarian Activities

In the context of bolstering the collaboration values and solidarity spirit, the Bank supported and sponsored various charitable societies that offer assistance and support to needy persons such as: Jordan River Foundation, Righteousness and Charity Campaign, Jordan Hashemite Fund for Human Development, Aman Fund for the Future of Orphans, Mabaret Um Al Hussein, the Jordanian Hashemite Charitable Commission, and Clothes Bank. Moreover, the Bank covers the expenses of a family house at the Children's SOS Village.

### National and International Conferences and Exhibitions

The Bank has participated in many prominent conferences and exhibitions such as the National Industries Forum, U.S. Chamber of Commerce meeting, Jordanian Exporters dinner gathering, "Made at my Home" Exhibition, "Integrating Education Outcomes in the Labor Market" Conference which was held at Balqa Applied University, and the Jordanian-Kurdistan Investment Forum.



# The Strategic Plan of the Bank for 2014

The Bank's Strategic Plan, for 2014, has been devised in view of the continued state of regional political and economic instability whose repercussions affected all economic sectors in the countries in which the Bank has a presence. As well known, the economies of the region are still suffering from the impacts of the political and security turbulences which impacted the rates of economic growth, in 2013, in most countries where the Bank operates.

With the aim of consolidating the competitive position of the Bank as well as expanding its market share, in all fields of activity and markets of presence, and maintaining the rates of growth and return realized in the past years, the Strategic Plan for 2014 came to build on the achieved accomplishments in conformity with the expected growth rates in the economy and the banking sector through the best utilization of available resources, working, as much as possible, on mitigating the negative impacts which could exist from the political and economic changes in the region, and taking advantage of the available opportunities in the market based on the pillars of strength the Bank enjoys.

The preparation of the Plan was based on a bundle of assumptions through analyzing the internal and external environment, the available opportunities in the banking sector, the competitive position of the Bank, as well as the expectations of growth in both sides of the balance sheet. The top management of the Bank emphasized on the importance of the participation of all departments and operational sectors in the building the Plan's targets. The core pillars of the Strategic Plan for 2014 can be displayed as follows:

## Financial Pillar

- Achieving sustainable growth in profits and shareholders' equity.
- Enhancing the rate of return on assets and shareholders' equity.
- Expanding the Bank's share from deposits and credit facilities in the Jordanian banking sector.
- Increasing non-interest revenues, improving the Bank's activity, and increasing its share from direct credit facilities.
- Treating the existing non-performing loans and improving the efficiency of collection, to keep the ratio of non-performing loans within the accepted standards.
- Enhancing the efficiency ratio through rationalizing expenses in all activities, on the one hand, and increasing revenues, on the other.

## Customers and Market Pillar

- Enhancing customers' satisfaction through improving the quality of services and strengthening the relationship with customers and studying their needs to meet them.
- Developing the existing products and services and studying the feasibility of providing new ones to meet the needs and requirements of all targeted segments of customers.
- Encouraging the customers to use the electronic channels.
- Enhancing the efficiency of marketing in the Bank to strengthen the competitive position of the Bank in the markets of presence.
- Improving the positive social image of the Bank through widening its role in the field of corporate social responsibility.

### Operations Pillar

- Reviewing the procedures of extending credits to speed the credit decision-making process while implementing the standards which guarantee the soundness of the credit decision.
- Enhancing the efficiency of employing the available banking technology at the Bank to reduce the size of paper transactions through employing E-mail and E-archiving.
- Advancing the efficiency of electronic channels and guiding the customers towards using the alternative ones to benefit from the various services of the Bank.
- Developing the electronic infrastructure of the Bank to contribute in enhancing the services extended to customers and increasing the productivity of operations, along with activating the new Core Banking System and employing its applications to serve the customers in the best manner.
- Consolidating the local network of branches as well as the ATMs network.
- Strengthening the capacity and capability of external branches and subsidiary companies and banks through providing support and assistance thereto by all departments and work centers at the Bank.

### Human Resources Pillar

- Increasing the level of staff satisfaction, loyalty and enhancing their productivity through creating an attractive and stimulating work environment.
- Providing training opportunities in line with the real needs of the employee and occupation to enhance the capacity skills of the staff and improve their communication capabilities in an effort to improve the level of service provision.
- Enhancing the teamwork spirit and activating intercommunication among the Bank's departments and work centers, as well as enhancing the speed and flexibility in meeting the conditions of executing the required work.
- Pursuing the implementation of staff replacement and succession projects while working on preparing of the second rank of staff and equipping them with needed knowledge and practical experience.



Ali Jabri





**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, 2013, 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, 2013 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.

Amman – Jordan  
30 January 2014



## Consolidated Statement of Financial Position As of 31 December 2013

	Notes	2013	2012
		JD	JD
<b>Assets</b>			
Cash and balances with central banks	4	1,212,222,931	1,043,819,775
Balances with banks and financial institutions	5	523,170,889	856,146,761
Deposits with banks and financial institutions	6	21,812,000	-
Financial assets at fair value through profit or loss	7	24,105,311	56,024,227
Direct credit facilities - net	8	2,662,847,949	2,683,882,296
Financial assets at fair value through other comprehensive income	9	587,198	589,254
Other financial assets at amortized cost	10	2,498,555,480	2,195,482,801
Property and equipment- net	11	119,625,128	117,056,900
Intangible assets- net	12	19,699,067	13,333,626
Deferred tax assets	19	25,199,432	21,957,096
Other assets	13	119,264,970	103,334,873
<b>Total Assets</b>		<b>7,227,090,355</b>	<b>7,091,627,609</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Banks and financial institutions deposits	14	592,859,602	839,568,059
Customers' deposits	15	5,093,448,045	4,727,188,041
Margin accounts	16	227,876,049	260,717,509
Loans and Borrowing	17	17,004,724	31,299,471
Sundry provisions	18	32,001,388	25,643,913
Income tax provision	19	42,065,592	36,265,160
Deferred tax liabilities	19	1,762,896	1,762,896
Subordinated loans	20	-	7,859,199
Other liabilities	21	162,976,532	114,658,399
<b>Total Liabilities</b>		<b>6,169,994,828</b>	<b>6,044,962,647</b>
<b>Equity</b>			
<b>Equity Attributable to the Bank's Shareholders</b>			
Paid-in capital	22	252,000,000	252,000,000
Share premium	22	357,925,469	357,925,469
Statutory reserve	23	141,068,190	128,758,427
Voluntary reserve	23	33,222,068	33,222,068
General banking risks reserve	23	26,844,724	26,333,079
Special reserve	23	5,689,423	4,996,017
Foreign currency translation reserve	24	(42,274,698)	(25,903,209)
Revaluation reserve for financial assets- net	25	(388,830)	(311,778)
Retained earnings	26	197,730,117	173,822,610
<b>Total Equity Attributable to the Bank's Shareholders</b>		<b>971,816,463</b>	<b>950,842,683</b>
<b>Non - Controlling Interest</b>		<b>85,279,064</b>	<b>95,822,279</b>
<b>Total Equity</b>		<b>1,057,095,527</b>	<b>1,046,664,962</b>
<b>Total Liabilities and Equity</b>		<b>7,227,090,355</b>	<b>7,091,627,609</b>

The accompanying notes from 1 to 50 are part of these consolidated financial statements and should be read with them.



**Consolidated Income Statement  
For the year ended 31 December 2013**

	Notes	2013	2012
		JD	JD
Interest income	28	364,915,097	336,437,636
Interest expense	29	(107,298,100)	(98,229,873)
<b>Net Interest Income</b>		<b>257,616,997</b>	<b>238,207,763</b>
Net commission income	30	33,522,764	33,386,951
<b>Net Interest and Commission Income</b>		<b>291,139,761</b>	<b>271,594,714</b>
Net gain from foreign currency exchange	31	27,159,715	24,134,579
(Loss) Gain from financial assets at fair value through profit or loss	32	1,341,553	(178,872)
Other income	33	37,334,924	31,745,843
<b>Gross Income</b>		<b>356,975,953</b>	<b>327,296,264</b>
Employees expenses	34	69,132,882	63,760,335
Depreciation and amortization	11,12	11,388,374	11,752,010
Other expenses	35	46,214,120	41,224,266
Impairment loss on direct credit facilities	8	74,733,731	64,776,588
Impairment loss on other financial assets at amortized cost	10	-	2,272,500
Sundry provisions	18	5,379,843	1,269,761
<b>Total Expenses</b>		<b>206,848,950</b>	<b>185,055,460</b>
<b>Profit before income tax</b>		<b>150,127,003</b>	<b>142,240,804</b>
Income tax expense	19	(43,200,374)	(37,752,192)
<b>Profit for the year</b>		<b>106,926,629</b>	<b>104,488,612</b>
Attributable to:			
<b>Bank's Shareholders</b>		<b>99,781,477</b>	<b>94,064,334</b>
<b>Non-Controlling Interest</b>		<b>7,145,152</b>	<b>10,424,278</b>
		<b>106,926,629</b>	<b>104,488,612</b>
<b>Basic and diluted earnings per share attributable to the Bank's shareholders</b>	36	<b>J.D 0.396</b>	<b>J.D 0.373</b>

The accompanying notes from 1 to 50 are part of these consolidated financial statements and should be read with them.

**Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2013**

	2013	2012
	JD	JD
<b>Profit for the year</b>	<b>106,926,629</b>	<b>104,488,612</b>
<b>Add: other comprehensive income which will be reclassified to income statement in future periods</b>		
Foreign currency translation adjustments	(34,210,190)	(40,396,325)
<b>Add: other comprehensive income which will not be reclassified to income statement in future periods</b>		
Change in fair value reserve- net after tax	(77,052)	(24,999)
<b>Total other comprehensive income (loss) for the year - Net of tax</b>	<b>(34,287,242)</b>	<b>(40,421,324)</b>
<b>Total comprehensive income for the year</b>	<b>72,639,387</b>	<b>64,067,288</b>
Attributable to:		
<b>Bank's shareholders</b>	<b>83,332,936</b>	<b>75,806,320</b>
<b>Non-controlling interest</b>	<b>(10,693,549)</b>	<b>(11,739,032)</b>
	<b>72,639,387</b>	<b>64,067,288</b>

The accompanying notes from 1 to 50 are part of these consolidated financial statements and should be read with them.

## Consolidated Statement of Changes in Equity for the year ended 31 December 2013

2013	Paid-in Capital	Share Premium	Reserves			Foreign Currency Translation Reserve	Revaluation Reserve for Financial Assets	Retained Earnings	Total Equity Attributable to the Bank's Shareholders	Non-Controlling Interest	Total Equity
			Statutory	Voluntary	Special						
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Balance beginning of the year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>128,758,427</b>	<b>33,222,068</b>	<b>4,996,017</b>	<b>26,333,079</b>	<b>(311,778)</b>	<b>173,822,610</b>	<b>950,842,683</b>	<b>95,822,279</b>	<b>1,046,664,962</b>
Total comprehensive income for the year	-	-	-	-	-	-	(77,052)	99,781,477	<b>83,332,936</b>	(10,693,549)	<b>72,639,387</b>
Capital Increase	-	-	-	-	-	-	-	-	-	2,869,615	<b>2,869,615</b>
Transfer to reserves	-	-	12,309,763	-	693,406	511,645	-	(13,514,814)	-	-	-
Purchase of additional shares in a subsidiary	-	-	-	-	-	-	-	640,844	<b>640,844</b>	(2,719,281)	<b>(2,078,437)</b>
Dividends paid	-	-	-	-	-	-	-	(63,000,000)	<b>(63,000,000)</b>	-	<b>(63,000,000)</b>
<b>Balance - End of the Year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>141,068,190</b>	<b>33,222,068</b>	<b>5,689,423</b>	<b>26,844,724</b>	<b>(388,830)</b>	<b>197,730,117</b>	<b>971,816,463</b>	<b>85,279,064</b>	<b>1,057,095,527</b>
<b>2012</b>											
<b>Balance beginning of the year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>117,202,264</b>	<b>33,222,068</b>	<b>779,347</b>	<b>23,674,279</b>	<b>(286,779)</b>	<b>161,798,637</b>	<b>938,645,091</b>	<b>109,990,527</b>	<b>1,048,635,618</b>
Total comprehensive income for the year	-	-	-	-	-	-	(24,999)	94,064,334	<b>75,806,320</b>	(11,739,032)	<b>64,067,288</b>
Transfer to reserves	-	-	11,556,163	-	4,216,670	2,658,800	-	(18,431,633)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(63,000,000)	<b>(63,000,000)</b>	(2,354,315)	<b>(65,354,315)</b>
Others	-	-	-	-	-	-	-	(608,728)	<b>(608,728)</b>	(74,901)	<b>(683,629)</b>
<b>Balance - End of the Year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>128,758,427</b>	<b>33,222,068</b>	<b>4,996,017</b>	<b>26,333,079</b>	<b>(311,778)</b>	<b>173,822,610</b>	<b>950,842,683</b>	<b>95,822,279</b>	<b>1,046,664,962</b>

The general banking risks reserve and the credit balance of the revaluation of the financial assets reserve is a restricted reserve that cannot be utilized without the approval of the Central Bank of Jordan.

The Bank cannot use a restricted amount of JD 6,229,438 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 25,199,432 from the retained earnings, which represents deferred taxes and an amount of JD 388,830 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 balance of retained earnings includes JD 236,150, which represents the effect of early application of International Financial Reporting Standard No. (9) and this amount is restricted from use except for the amounts that become realized per Central Bank of Jordan Regulations.

The accompanying notes from 1 to 50 are part of these consolidated financial statements and should be read with them.

## Consolidated Statement of Cash Flows for the year ended 31 December 2013

	Notes	2013	2012
		JD	JD
<b>Operating Activities</b>			
<b>Profit before income tax</b>		<b>150,127,003</b>	<b>142,240,804</b>
Adjustments for :			
Depreciation and amortization		11,388,374	11,752,010
Impairment loss on direct credit facilities		74,733,731	64,776,588
Unrealized (losses) on financial assets at fair value through profit or loss		364,019	1,522,319
Impairment loss on financial assets at amortized cost		-	2,272,500
Effect of change in exchange rates on cash and cash equivalents		(21,167,044)	(13,664,297)
End-of-service indemnity expense		4,413,990	2,805,321
Premium and discount amortization		(3,243,250)	(6,932,741)
Net accrued interest and commission income		(5,204,155)	(9,028,447)
Dividend from financial assets at fair value through profit & loss		(317,916)	(303,722)
Others		5,621,740	517,506
<b>Cash Flows from Operating Activities before Changes in Assets and Liabilities</b>		<b>216,716,492</b>	<b>195,957,841</b>
<b>Decrease (Increase) in Assets</b>			
Deposits with central banks (maturing after more than 3 months)		-	(113,200,000)
Deposits with banks and financial institutions (maturing after more than 3 months)		(21,812,000)	29,664,974
Direct credit facilities		(43,788,206)	(242,302,751)
Financial assets at fair value through profit or loss		31,872,813	24,136,402
Other assets		(5,297,640)	3,875,637
<b>Increase (Decrease) in Liabilities</b>			
Banks and financial institutions deposits (maturing after more than 3 months)		3,565,052	140,537,356
Customers' deposits		366,260,004	(106,728,094)
Margin accounts		(32,841,460)	(72,603,346)
Other liabilities		43,443,413	20,167,214
Miscellaneous provisions		(2,705,342)	(1,984,136)
<b>Net Cash Flows (used in) from Operating Activities before Income Tax Paid</b>		<b>555,413,126</b>	<b>(122,478,903)</b>
Income tax paid		(41,096,050)	(39,146,528)
<b>Net Cash Flows (used in) from Operating Activities</b>		<b>514,317,076</b>	<b>(161,625,431)</b>
<b>Investing Activities</b>			
(Purchase) of financial assets at amortized cost		(1,111,418,600)	(841,742,497)
Maturity of financial assets at amortized cost		811,589,171	668,009,111
(Purchase) of property and equipment - net		(20,703,335)	(27,696,769)
Sale of property and equipment - net		297,684	168,026
(Purchase) of intangible assets		(7,874,519)	(5,926,765)
<b>Net Cash Flows (used in) Investing Activities</b>		<b>(328,109,599)</b>	<b>(207,188,894)</b>
<b>Financing Activities</b>			
Proceeds from loans and borrowings		(14,294,747)	21,161,286
Dividends paid		(62,967,654)	(65,636,600)
Subordinated loans		(7,859,199)	-
Non-controlling interest - net		150,333	(2,429,216)
<b>Net Cash Flows (used in) Financing Activities</b>		<b>(84,971,267)</b>	<b>(46,904,530)</b>
<b>Net increase (decrease) in Cash and Cash Equivalents</b>		<b>101,236,210</b>	<b>(415,718,855)</b>
Effect of change in exchange rate on cash and cash equivalents		(15,535,417)	(21,091,170)
Cash and cash equivalents - beginning of the year		1,101,727,155	1,538,537,180
<b>Cash and Cash Equivalents - End of the Year</b>	<b>37</b>	<b>1,187,427,948</b>	<b>1,101,727,155</b>

The accompanying notes from 1 to 50 are part of these consolidated financial statements and should be read with them.

## **Notes To The Consolidated Financial Statements**

### **31 December 2013**

#### **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 (119 branches) and abroad; Palestine and Bahrain (13 branches) and through its subsidiaries in Jordan, Syria, Algeria, and the UK.

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.(1/2014) dated 30 January 2014. These consolidated financial statements are subject to the approval of the General Assembly of Shareholders.

#### **2- Summary Of Significant Accounting Policies**

##### **Basis of Preparation**

The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee arising from the International Accounting Standards Committee and in conformity with the local applicable laws and regulations and the regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on the historical cost basis except for 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 Bank's accounting policies are consistent with those used in the previous year except for the adoption of the following new and amended standards:

##### **Implementation of new and amended standards**

##### **IFRS 10 Consolidated Financial Statements, IAS 27 Separate 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 addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

This standard became effective starting from 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 Ventures. 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.

This standard became effective starting from 1 January 2013.

### **IFRS 12 Disclosure of Interests in 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.

This standard became effective starting from 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. This standard became effective for annual periods starting from 1 January 2013.

The application of the new standards did not have a significant impact on the financial position or performance of the Bank.

## **Amended Standards**

### **IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1**

The amendments to IAS 1 changed the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Bank's financial position or performance. The amendment became effective starting from 1 January 2013.

### **IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7**

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also applies 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 had no impact on the Bank's financial position or performance and became effective starting from 1 January 2013.

### **IAS 19 Employee Benefits (Revised)**

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 amendments did not have any impact on the financial position or performance as the Bank does not have employees benefit plans. The amendment became effective starting from 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 became effective starting from 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 did not have any impact on the financial position or performance of the Bank, the amendment became effective for annual periods starting from 1 January 2013.

### **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**

- International Bank for Trade and Finance / Syria (paid-in capital Syrian Lira 5.25 billion, of which the Bank owns 49.063% as of 31 December 2013). 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 of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – 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 31 December 2013). The main objective of this bank is to conduct commercial banking activities, and the ownership of this bank dates back to 2002.

- Bank of Jordan International / London: The ownership is 75% (68.5%: 2012) of the paid-up capital amounted to 45 million pounds (45 million shares) (35 million shares: 2012), par value £ 1 per share as of December 2013, the main objective of the bank is to conduct banking activities, the Housing Bank for Trade and Finance purchased 6.429% of the share of non-controlling interests during the second quarter of the year 2013 and also the bank's capital increased by 10 million pounds during the fourth quarter of 2013.

#### **b) Local subsidiaries companies**

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5% as of 31 December 2013). 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 31 December 2013. 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 of the company was increased to be JD 30 million as of 2 January 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 31 December 2013. 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 is 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 of 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 assets 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.
- Debt 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. 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.

#### **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 income statement 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 have been acquired and 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 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.

## Fair Value

The closing prices (buy of assets / sale of liabilities) on the date of financial statements in active markets represent the fair value for the financial instruments and derivatives which have market price.

For some financial instruments and derivatives that do not have quoted market prices or absence of active trading the fair value is determined in several ways, including:

- Comparing the current market value of a financial instrument similar to a large extent
- Analysis of future cash flows and discounting the expected cash flows using rate used in similar financial instrument.
- Option pricing models

## Impairment of Financial Assets

Assessment is made at the date of the consolidated of the 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 of 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, for 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 the associated risks 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 of 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**

The 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 reference and according to International Financial Reporting Standards as well.
- 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 provisions 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:

	2013	2012
	JD	JD
Cash in treasury	133,734,564	162,335,648
<b>Balances at central banks:</b>		
Current accounts and demand deposits	427,202,610	226,166,347
Term and notice deposits	162,326,775	190,546,231
Statutory cash reserve	315,758,982	291,571,549
Certificates of deposit *	173,200,000	173,200,000
<b>Total</b>	<b>1,212,222,931</b>	<b>1,043,819,775</b>

Except for the statutory cash reserve at Central Banks and regulatory 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 31 December 2013.

#### 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,	
	2013	2012	2013	2012	2013	2012
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	15,060,476	14,030,838	164,234,751	156,460,245	179,295,227	170,491,083
Deposits maturing within or less than 3 months	-	10,127,000	343,875,662	675,528,678	343,875,662	685,655,678
<b>Total</b>	<b>15,060,476</b>	<b>24,157,838</b>	<b>508,110,413</b>	<b>831,988,923</b>	<b>523,170,889</b>	<b>856,146,761</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 26,407,359 as of 31 December 2013 (JD 46,100,481 as of 31 December 2012).
- There are no restricted balances as of 31 December 2013 and 2012.

## 6- Deposits with Banks and Financial Institutions

This item consists of the following:

	Foreign Banks and Financial Institutions	
	2013	2012
	JD	JD
Deposits maturing within		
3 to 6 months	11,812,000	-
6 month to 1 year	10,000,000	-
<b>Total</b>	<b>21,812,000</b>	<b>-</b>

- There are no restricted deposits as of 31 December 2013 and 2012.

## 7- Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	2013	2012
	JD	JD
<b>Quoted Financial Assets:</b>		
Governmental guaranteed bonds	1,737,867	8,045,527
Corporate shares	3,551,083	4,610,175
Corporate bonds and debentures	384,551	24,630,732
Funds	564,384	788,060
<b>Total Quoted Financial Assets</b>	<b>6,237,885</b>	<b>38,074,494</b>
<b>Unquoted Financial Assets :</b>		
Corporate shares	17,867,426	17,949,733
<b>Total Unquoted Financial Assets</b>	<b>17,867,426</b>	<b>17,949,733</b>
<b>Total</b>	<b>24,105,311</b>	<b>56,024,227</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	2,122,418	32,676,259
<b>Total</b>	<b>2,122,418</b>	<b>32,676,259</b>



## 8- Direct Credit Facilities – Net

This item consists of the following:

	2013	2012
	JD	JD
<b>Retail Customers :</b>		
Overdrafts	7,395,977	12,700,219
Loans and discounted bills *	511,075,081	497,674,853
Credit cards	10,609,233	11,249,051
<b>Real Estate Mortgages</b>	<b>762,092,840</b>	<b>663,785,699</b>
<b>Includes:</b>		
Housing loans	457,116,407	420,196,888
<b>Corporate entities:</b>		
<b>Corporate Customers</b>		
Overdrafts	283,075,419	272,614,971
Loans and discounted bills *	759,749,424	834,700,986
<b>SMEs</b>		
Overdraft	95,844,601	109,337,075
Loans and discounted bills *	190,165,185	174,503,251
<b>Governmental and public sector</b>	<b>357,220,533</b>	<b>364,464,087</b>
<b>Total</b>	<b>2,977,228,293</b>	<b>2,941,030,192</b>
Less: Allowance for impairment in direct credit facilities	(232,069,846)	(189,717,804)
Suspended interest	(82,310,498)	(67,430,092)
<b>Net Direct Credit Facilities</b>	<b>2,662,847,949</b>	<b>2,683,882,296</b>

\* Net of interest and commission received in advance amounting to JD 18,327,695 as of 31 December 2013 (JD 20,475,192 as of 31 December 2012).

- Non-performing credit facilities amounted to JD 335,650,446 representing (11.3%) of total direct credit facilities as of 31 December 2013 (JD 324,399,975 representing (11%) as of 31 December 2012).
- Non-performing credit facilities net of interest in suspense amounted to JD 249,216,028 representing (8.6%) of total direct credit facilities net of interest in suspense as of 31 December 2013 (JD 258,015,027 representing (9%) as of 31 December 2012).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 227,850,252 representing (7.7%) of total direct credit facilities as of 31 December 2013 (JD 238,340,145 representing (8.1%) as of 31 December 2012).

## Allowance for impairment in direct credit facilities

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

2013			Corporate entities		Total
	Retail	Real Estate Mortgages	Corporate	SMEs	
	JD	JD	JD	JD	
<b>Balance – beginning of the year</b>	<b>10,262,584</b>	<b>13,635,985</b>	<b>138,919,155</b>	<b>26,900,080</b>	<b>189,717,804</b>
Allowance for the year	1,852,833	1,114,241	60,369,539	11,397,118	<b>74,733,731</b>
Amounts written off	(339,320)	(834,419)	(21,127,496)	(792,912)	<b>(23,094,147)</b>
Currency translation	(196,398)	(7,550)	(6,600,480)	(2,483,114)	<b>(9,287,542)</b>
<b>Balance – End of the Year</b>	<b>11,579,699</b>	<b>13,908,257</b>	<b>171,560,718</b>	<b>35,021,172</b>	<b>232,069,846</b>
Allowance for impairment	10,463,016	13,458,580	169,188,673	34,815,386	<b>227,925,655</b>
Watch list allowance	1,116,683	449,677	2,372,045	205,786	<b>4,144,191</b>
	<b>11,579,699</b>	<b>13,908,257</b>	<b>171,560,718</b>	<b>35,021,172</b>	<b>232,069,846</b>

2012			Corporate entities		Total
	Retail	Real Estate Mortgages	Corporate	SMEs	
	JD	JD	JD	JD	
<b>Balance – beginning of the year</b>	<b>10,276,535</b>	<b>13,793,399</b>	<b>115,980,636</b>	<b>21,847,934</b>	<b>161,898,504</b>
Allowance for the year	801,648	(150,723)	56,268,607	7,857,056	<b>64,776,588</b>
Amounts written off	(668,236)	(4,127)	(30,824,136)	(244,810)	<b>(31,741,309)</b>
Currency translation	(147,363)	(2,564)	(2,505,952)	(2,560,100)	<b>(5,215,979)</b>
<b>Balance – End of the Year</b>	<b>10,262,584</b>	<b>13,635,985</b>	<b>138,919,155</b>	<b>26,900,080</b>	<b>189,717,804</b>
Allowance for impairment	9,489,356	13,249,147	136,728,445	26,766,643	<b>186,233,591</b>
Watch list allowance	773,228	386,838	2,190,710	133,437	<b>3,484,213</b>
	<b>10,262,584</b>	<b>13,635,985</b>	<b>138,919,155</b>	<b>26,900,080</b>	<b>189,717,804</b>

- The surplus in allowance which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 8,376,078 as of 31 December 2013 (JD 9,232,517 as of 31 December 2012).

## Interest in suspense

The movement on the interest in suspense is as follows:

2013	Corporate entities					Total
	Retail	Real Estate Mortgages	Corporate	SMEs	Governmental & public sector	
	JD	JD	JD	JD	JD	
<b>Balance – beginning of the year</b>	<b>6,640,676</b>	<b>10,666,290</b>	<b>39,427,138</b>	<b>10,695,988</b>	-	<b>67,430,092</b>
Add: Suspended interest during the year	3,828,670	2,457,282	22,888,102	5,766,481	-	<b>34,940,535</b>
Less: Interest transferred to income	(642,005)	(1,053,689)	(1,439,231)	(3,363,563)	-	<b>(6,498,488)</b>
Interest in suspense written off	(576,158)	(1,255,705)	(9,671,636)	(1,120,273)	-	<b>(12,623,772)</b>
Currency translation	(17,600)	(11,835)	(451,291)	(457,143)	-	<b>(937,869)</b>
<b>Balance – End of the Year</b>	<b>9,233,583</b>	<b>10,802,343</b>	<b>50,753,082</b>	<b>11,521,490</b>	-	<b>82,310,498</b>

2012	Corporate entities					Total
	Retail	Real Estate Mortgages	Corporate	SMEs	Governmental & public sector	
	JD	JD	JD	JD	JD	
<b>Balance – beginning of the year</b>	<b>6,008,306</b>	<b>8,486,412</b>	<b>32,495,508</b>	<b>7,540,315</b>	<b>1,845,912</b>	<b>56,376,453</b>
Add: Suspended interest during the year	2,488,193	4,141,836	17,833,593	6,129,733	-	<b>30,593,355</b>
Less: Interest transferred to income	(880,489)	(1,359,669)	(933,127)	(2,465,029)	(1,845,912)	<b>(7,484,226)</b>
Interest in suspense written off	(955,519)	(597,014)	(9,829,950)	(227,906)	-	<b>(11,610,389)</b>
Currency translation	(19,815)	(5,275)	(138,886)	(281,125)	-	<b>(445,101)</b>
<b>Balance – End of the Year</b>	<b>6,640,676</b>	<b>10,666,290</b>	<b>39,427,138</b>	<b>10,695,988</b>	-	<b>67,430,092</b>

## 9- Financial Assets at fair value through other comprehensive income

This item consists of the following:

	2013	2012
	JD	JD
Quoted shares	21,034	45,433
Unquoted shares	566,164	543,821
<b>Total</b>	<b>587,198</b>	<b>589,254</b>

## 10- Other Financial Assets at amortized cost

This item consists of the following:

	2013	2012
	JD	JD
<b>Quoted Financial Assets:</b>		
Treasury government bills	21,302,317	105,767,499
Treasury bonds	1,653,485,969	1,457,744,868
Governmental guaranteed bonds and bills	583,390,809	378,670,636
Corporate bonds and debentures	220,926,384	216,163,409
<b>Total Quoted Financial Assets</b>	<b>2,479,105,479</b>	<b>2,158,346,412</b>
<b>Unquoted Financial Assets :</b>		
Corporate bonds and debentures	24,222,501	41,908,889
Allowance for impairment loss	(4,772,500)	(4,772,500)
<b>Total Unquoted Financial Assets</b>	<b>19,450,001</b>	<b>37,136,389</b>
<b>Total</b>	<b>2,498,555,480</b>	<b>2,195,482,801</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	2,374,760,102	2,060,301,957
Variable rate return	123,795,378	135,180,844
<b>Total</b>	<b>2,498,555,480</b>	<b>2,195,482,801</b>

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

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

	2013	2012
	JD	JD
<b>Balance – beginning of the year</b>	<b>4,772,500</b>	<b>2,500,000</b>
Additions	-	2,272,500
Disposals	-	-
<b>Balance – end of the year</b>	<b>4,772,500</b>	<b>4,772,500</b>

## 11- Property and Equipment - net

This item consists of the following:

2013	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Total
	JD	JD	JD	JD	JD	JD
<b>Cost:</b>						
<b>Balance – beginning of the year</b>	<b>23,657,642</b>	<b>34,842,040</b>	<b>72,516,916</b>	<b>1,752,520</b>	<b>35,901,562</b>	<b>168,670,680</b>
Additions	1,260,000	2,120,224	5,658,088	135,741	2,609,049	<b>11,783,102</b>
Disposals	-	-	(1,378,205)	(115,112)	(412,216)	<b>(1,905,533)</b>
Foreign currency exchange differences	(607,924)	(6,972,478)	(1,673,200)	(82,628)	(652,176)	<b>(9,988,406)</b>
<b>Balance – end of the year</b>	<b>24,309,718</b>	<b>29,989,786</b>	<b>75,123,599</b>	<b>1,690,521</b>	<b>37,446,219</b>	<b>168,559,843</b>
<b>Accumulated Depreciation :</b>						
<b>Balance- beginning of the year</b>	-	<b>6,655,107</b>	<b>50,473,527</b>	<b>1,508,829</b>	<b>26,368,090</b>	<b>85,005,553</b>
<b>Annual depreciation</b>	-	582,460	6,051,644	110,045	3,135,147	<b>9,879,296</b>
<b>Disposals</b>	-	-	(1,109,615)	(115,110)	(398,958)	<b>(1,623,683)</b>
Foreign currency exchange differences	-	(563,253)	(896,414)	(57,408)	(497,368)	<b>(2,014,443)</b>
<b>Balance – end of the year</b>	<b>24,309,718</b>	<b>6,674,314</b>	<b>54,519,142</b>	<b>1,446,356</b>	<b>28,606,911</b>	<b>91,246,723</b>
<b>Net book value of property and equipment</b>	-	<b>23,315,472</b>	<b>20,604,457</b>	<b>244,165</b>	<b>8,839,308</b>	<b>77,313,120</b>
Payments on purchased property and equipment	-	-	661,623	-	-	<b>661,623</b>
Projects under construction	-	41,497,189	153,196	-	-	<b>41,650,385</b>
<b>Net Book Value – end of the year</b>	<b>24,309,718</b>	<b>64,812,661</b>	<b>21,419,276</b>	<b>244,165</b>	<b>8,839,308</b>	<b>119,625,128</b>

2012	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Total
	JD	JD	JD	JD	JD	JD
<b>Cost:</b>						
<b>Balance – beginning of the year</b>	<b>23,268,182</b>	<b>42,090,475</b>	<b>70,085,315</b>	<b>2,006,735</b>	<b>34,766,825</b>	<b>172,217,532</b>
Additions	1,194,217	1,543,307	6,311,895	44,700	2,387,252	<b>11,481,371</b>
Disposals	-	(48,266)	(1,557,063)	(199,205)	(405,402)	<b>(2,209,936)</b>
Foreign currency exchange differences	(804,757)	(8,743,476)	(2,323,231)	(99,710)	(847,113)	<b>(12,818,287)</b>
<b>Balance – end of the year</b>	<b>23,657,642</b>	<b>34,842,040</b>	<b>72,516,916</b>	<b>1,752,520</b>	<b>35,901,562</b>	<b>168,670,680</b>
<b>Accumulated Depreciation :</b>						
<b>Balance- beginning of the year</b>	-	<b>6,519,047</b>	<b>46,561,162</b>	<b>1,629,042</b>	<b>24,040,585</b>	<b>78,749,836</b>
<b>Annual depreciation</b>	-	753,547	6,184,022	140,665	3,193,776	<b>10,272,010</b>
<b>Disposals</b>	-	(36,702)	(1,312,470)	(197,595)	(311,896)	<b>(1,858,663)</b>
Foreign currency exchange differences	-	(580,785)	(959,187)	(63,283)	(554,375)	<b>(2,157,630)</b>
<b>Balance – end of the year</b>	-	<b>6,655,107</b>	<b>50,473,527</b>	<b>1,508,829</b>	<b>26,368,090</b>	<b>85,005,553</b>
<b>Net book value of property and equipment</b>	<b>23,657,642</b>	<b>28,186,933</b>	<b>22,043,389</b>	<b>243,691</b>	<b>9,533,472</b>	<b>83,665,127</b>
Payments on purchased property and equipment	-	152,079	548,460	-	5,564	<b>706,103</b>
Projects under construction	-	32,684,875	795	-	-	<b>32,685,670</b>
<b>Net Book Value – end of the year</b>	<b>23,657,642</b>	<b>61,023,887</b>	<b>22,592,644</b>	<b>243,691</b>	<b>9,539,036</b>	<b>117,056,900</b>

- Property and equipment include fully depreciated assets amounted to JD 40,967,751 as of 31 December 2013 (JD 35,721,575 as of 31 December 2012).
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are included in Note (47) including the remaining estimated cost for projects under construction.

## 12- Intangible Assets

This item consists of the following:

	2013				2012			
	Goodwill*	Computer Software	Other**	Total	Goodwill*	Computer Software	Other**	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Beginning Balance</b>	<b>358,397</b>	<b>7,770,068</b>	<b>5,205,161</b>	<b>13,333,626</b>	<b>358,397</b>	<b>3,323,303</b>	<b>5,205,161</b>	<b>8,886,861</b>
Additions ***	-	7,874,519	-	7,874,519	-	5,926,765	-	<b>5,926,765</b>
Disposals	-	-	-	-	-	-	-	-
Amortization for the year	-	(1,509,078)	-	(1,509,078)	-	(1,480,000)	-	<b>(1,480,000)</b>
<b>Ending Balance</b>	<b>358,397</b>	<b>14,135,509</b>	<b>5,205,161</b>	<b>19,699,067</b>	<b>358,397</b>	<b>7,770,068</b>	<b>5,205,161</b>	<b>13,333,626</b>

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

\*\* This item represents the license for conducting banking activities from the acquisition of Jordan International Bank which ownership 75%. The licence for conducting business was identified as having an indefinite life and its impairment was tested and no impairment was identified as of 31 December 2013.

\*\*\* The additions on computer software amounts to JD 7,874,519 as of 31 December 2013 (JD 5,638,333 as of 31 December 2012), representing payments on account for purchase of computer software.

## 13- Other Assets

This item consists of the following:

	2013	2012
	JD	JD
Accrued revenues and interest	41,317,820	31,271,291
Prepaid expenses	3,657,281	3,984,000
Assets seized by the Bank*	23,071,140	13,797,101
Cheques under collection	20,213,591	15,035,123
Other	31,005,138	39,247,358
<b>Total</b>	<b>119,264,970</b>	<b>103,334,873</b>

\* 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:

	2013	2012
	JD	JD
<b>Beginning Balance</b>	<b>13,797,101</b>	<b>13,158,948</b>
Additions	12,863,347	3,322,144
Disposals	(3,107,605)	(2,459,950)
Impairment	(433,692)	(132,000)
Currency translation	(48,011)	(92,041)
<b>Ending Balance</b>	<b>23,071,140</b>	<b>13,797,101</b>

#### 14- Banks and Financial Institutions Deposits

This item consists of the following:

	31 December 2013			31 December 2012		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	3,380,945	154,883,377	<b>158,264,322</b>	2,729,007	229,313,973	<b>232,042,980</b>
Deposits due within 3 months	8,549	216,493,001	<b>216,501,550</b>	4,256,542	388,739,859	<b>392,996,401</b>
Deposits due within 3- 6months	173,200,000	34,473,277	<b>207,673,277</b>	-	-	-
Deposits due within 9 - 12 months	-	10,420,453	<b>10,420,453</b>	173,200,000	41,328,678	<b>214,528,678</b>
<b>Total</b>	<b>176,589,494</b>	<b>416,270,108</b>	<b>592,859,602</b>	<b>180,185,549</b>	<b>659,382,510</b>	<b>839,568,059</b>



## 15- Customers' Deposits

This item consists of the following:

31 December 2013	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	719,389,763	118,442,393	412,200,778	52,057,922	<b>1,302,090,856</b>
Saving deposits	1,577,377,369	3,391,146	7,106,513	636,044	<b>1,588,511,072</b>
Time and notice deposits	1,369,736,777	411,165,135	55,651,045	317,752,380	<b>2,154,305,337</b>
Certificates of deposit	46,396,300	-	1,670,459	-	<b>48,066,759</b>
Others	474,021	-	-	-	<b>474,021</b>
<b>Total</b>	<b>3,713,374,230</b>	<b>532,998,674</b>	<b>476,628,795</b>	<b>370,446,346</b>	<b>5,093,448,045</b>

31 December 2012	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	682,159,782	148,611,184	342,336,667	48,770,677	<b>1,221,878,310</b>
Saving deposits	1,492,347,469	5,353,148	7,854,258	571,956	<b>1,506,126,831</b>
Time and notice deposits	1,306,678,015	419,628,873	52,778,739	209,704,470	<b>1,988,790,097</b>
Certificates of deposit	9,765,857	-	118,089	-	<b>9,883,946</b>
Others	508,857	-	-	-	<b>508,857</b>
<b>Total</b>	<b>3,491,459,980</b>	<b>573,593,205</b>	<b>403,087,753</b>	<b>259,047,103</b>	<b>4,727,188,041</b>

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 357.7 million, representing (7%) of total deposits as of 31 December 2013 (JD 242.7million, representing (5.1%) of total deposits as of 31 December 2012).
- Non-interest bearing deposits amounted to JD 1.54 billion, representing (30.2%) of total deposits as of 31 December 2013 (JD 1.3 billion, representing 28.4% of total deposits as of 31 December 2012).
- Restricted deposits amounted to JD 77.2 million, representing (1.5%) of total deposits as of 31 December 2013 (JD 90.8 million, representing (1.9%) of total deposits as of 31 December 2012).
- Dormant accounts amounted to JD 71.9 million, representing (1.4%) of total deposits as of 31 December 2013 (JD 55 million, representing (1.2%) of total deposits as of 31 December 2012).

## 16- Margin Accounts

This item consists of the following:

	2013	2012
	JD	JD
Margins against direct credit facilities	75,556,405	108,985,773
Margins against indirect credit facilities	150,369,209	149,933,855
Margin dealings	1,269,521	1,258,029
Other margins	680,914	539,852
<b>Total</b>	<b>227,876,049</b>	<b>260,717,509</b>

## 17- Loans and borrowings

31 December 2013	Amount	Periodic Repayment	Repayment date	Guarantee	Borrowing interest rate	Re-lending interest rate
	JD					
From Local Companies						
Audi Bank loan	4,499,105	Monthly	1/7/2018	Financial solvency	5.75%	11%
Society General Bank loan	1,018,021	Monthly	1/5/2014	Financial solvency	7.0%	11%
Amman Cairo Bank	7,498,112	Annual	31/7/2014	Financial solvency	5.75%	11%
AL Rajhi bank	989,486	Annual	1/11/2014	Financial solvency	6.5 %	11%
Central Bank of Jordan*	3,000,000	Semi annual	14/7/2014	Financial solvency		
	<b>17,004,724</b>					
<b>31 December 2012</b>						
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	6.5%	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 %	10.5%
Real Estate Mortgage Re- Finance Company	12,000,000	Once	8/5/2013	Financial solvency	6.5%	10.5%
	<b>31,299,471</b>					

- There are no repurchase agreements included in the loans and borrowings.
- All borrowed funds are with fixed interest rates.
- Borrowing Interest rate in 2013 amounted to 2.5% and later the interest rate is USD LIBOR, 6 months + 1.8%.

Re-lending interest rate for 2013 is 6% for loans with collateral and 6.5% for loans without collateral and after 2013 the price of re-lending rate equal USD LIBOR + 1.8% + specified margin .

## 18- Sundry Provisions

This item consists of the following:

2013	Beginning Balance	Provision for the year	Provision used during the year	Reversed to income	Translation	Ending Balance
	JD	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	<b>19,615,487</b>	4,413,990	(1,447,357)	-	-	<b>22,582,120</b>
Provision for outstanding lawsuits against the bank	<b>543,851</b>	99,851	(253,111)	-	(3,064)	<b>387,527</b>
Other provisions	<b>5,484,575</b>	5,770,184	(1,495,066)	(490,192)	(237,760)	<b>9,031,741</b>
<b>Total</b>	<b>25,643,913</b>	<b>10,284,025</b>	<b>(3,195,534)</b>	<b>(490,192)</b>	<b>(240,824)</b>	<b>32,001,388</b>
<b>2012</b>						
Provision for end-of-service indemnity	<b>17,977,504</b>	2,805,321	(1,167,338)	-	-	<b>19,615,487</b>
Provision for outstanding lawsuits against the bank	<b>855,184</b>	463,965	(775,298)	-	-	<b>543,851</b>
Other provisions	<b>6,296,048</b>	2,381,565	(1,617,269)	(1,575,769)	-	<b>5,484,575</b>
<b>Total</b>	<b>25,128,736</b>	<b>5,650,851</b>	<b>(3,559,905)</b>	<b>(1,575,769)</b>	-	<b>25,643,913</b>

## 19- Income Tax

### A- Provision for Income Tax

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

	2013	2012
	JD	JD
<b>Beginning balance</b>	<b>36,265,160</b>	<b>39,841,657</b>
Income tax paid	(41,096,050)	(39,146,528)
Provision for income tax for the year	46,442,710	35,984,001
Currency translation	453,772	(413,970)
<b>Ending Balance</b>	<b>42,065,592</b>	<b>36,265,160</b>

- Income tax for Jordan branches of the Bank was paid up to the year 2012 and the Bank has reached a final clearance with the Income and Sales Tax Department up to the end of the year 2011 .
- Income tax for Palestine branches was paid up to the year 2012. The Bank did not reach a final settlement with the Income Tax Department for the years from 2007 to 2012.
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2012. The bank reach a final settlement only for the years 2006 and 2007 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 2012.The Income Tax Department did not review the accounting records yet.
- Income tax for Jordan International Bank/ London was paid up to the year 2012. The bank reached a final settlement with Income Tax Department up to the year 2010.
- Income tax for local International Financial Center was paid up to the year 2012. and a final settlement was reached until the year 2007.
- Income tax for the Specialized Financial Leasing Company was paid until the year 2012, and a final settlement was reached up to the year 2011.

Income tax in the consolidated income statement represents the following:

	2013	2012
	JD	JD
<b>Current year provision for income tax</b>	<b>46,442,710</b>	<b>35,984,001</b>
Deferred tax assets for the year	(12,185,474)	(8,637,045)
Deferred tax liability for the year	-	1,062,896
Amortization of deferred tax assets	8,849,271	9,386,437
Amortization of deferred tax liabilities	93,867	(44,097)
	<b>43,200,374</b>	<b>37,752,192</b>

## B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

	2013					2012
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Assets						
Suspended interest	916,250	916,250	573,826	<b>573,826</b>	162,926	260,150
Allowance for loans	9,286,058	9,286,059	30,307,500	<b>30,307,499</b>	8,605,178	2,636,581
Provision for indemnities	17,502,578	1,252,313	3,940,988	<b>20,191,253</b>	5,732,882	4,969,490
Impairment of real estate	132,000	-	612,242	<b>744,242</b>	211,312	37,479
Other provisions	5,651,818	2,172,884	1,333,925	<b>4,812,859</b>	1,366,510	1,604,716
Other assets	11,205,101	6,257,265	6,110,212	<b>11,058,048</b>	3,136,447	3,177,875
Accumulated losses of Jordan International Bank/London	40,307,850	11,811,769	-	<b>28,496,081</b>	5,984,177	9,270,805
<b>TOTAL</b>	<b>85,001,655</b>	<b>31,696,540</b>	<b>42,878,693</b>	<b>96,183,808</b>	<b>25,199,432</b>	<b>21,957,096</b>
<b>Liabilities</b>						
Revaluation of financial assets difference	6,208,932	-	-	<b>6,208,932</b>	1,762,896	1,762,896
<b>TOTAL</b>	<b>6,208,932</b>	<b>-</b>	<b>-</b>	<b>6,208,932</b>	<b>1,762,896</b>	<b>1,762,896</b>

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

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<b>Beginning balance</b>	<b>21,957,096</b>	<b>1,762,896</b>	<b>22,662,391</b>	<b>700,000</b>
Additions	12,185,474	-	8,637,045	1,062,896
Releases	(8,988,551)	-	(9,682,656)	-
Currency Translation	45,413	-	340,316	-
<b>Ending Balance</b>	<b>25,199,432</b>	<b>1,762,896</b>	<b>21,957,096</b>	<b>1,762,896</b>

## C- Reconciliation of the accounting profit with taxable profit:

	2013	2012
	JD	JD
<b>Accounting profit for the year</b>	150,127,003	142,240,804
Non taxable income	(45,943,739)	(45,767,488)
Expenses not deductible for tax purposes	62,417,551	26,985,542
<b>Taxable Profit</b>	<b>166,600,815</b>	<b>123,458,858</b>
Effective income tax rate	29%	27%

- 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 21% and 30%.

## 20- Subordinated loans

This item consists of the following:

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

## 21- Other Liabilities

This item consists of the following:

	2013	2012
	JD	JD
Accrued interest	14,918,388	10,073,271
Interests and commissions received in advance	1,444,680	1,076,911
Accrued expenses	16,543,281	15,186,837
Certified cheques	60,534,474	42,889,017
Transfers deposits	12,280,306	9,271,746
Payment trusts	7,139,259	3,361,310
Prizes trusts	1,080,854	820,850
Correspondent banks trusts	456,960	398,949
General management trusts	2,613,646	2,370,174
Dividends payable *	304,806	272,460
Accounts payable	2,644,976	2,414,205
Other deposits	23,647,678	9,748,747
Other	19,367,224	16,773,922
<b>Total</b>	<b>162,976,532</b>	<b>114,658,399</b>

\* 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 31 December 2013 and 2012.

## 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 instructions of the Palestinian Monetary Authority.

Restricted reserves are as follows:

Reserve	2013	2012	Regulation
	JD	JD	
General banking risk reserves	26,844,724	26,333,079	According to the regulations of the Central Bank of Jordan
Statutory reserve	141,068,190	128,758,427	According to the applicable laws and regulations
Special reserve	5,689,423	4,996,017	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:

	2013	2012
	JD	JD
<b>Beginning balance</b>	<b>(25,903,209)</b>	<b>(7,670,194)</b>
Net changes during the year	(16,371,489)	(18,233,015)
<b>Ending Balance</b>	<b>(42,274,698)</b>	<b>(25,903,209)</b>

## 25- revaluation reserve for financial assets

The movement on this items is as follows:

	2013	2012
	JD	JD
<b>Beginning balance</b>	<b>(311,778)</b>	<b>(286,779)</b>
Unrealized losses	(77,052)	(24,999)
<b>Ending Balance</b>	<b>(388,830)</b>	<b>(311,778)</b>

## 26- Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 30% equivalent to JD 75.6 million of paid-in 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:

	2013	2012
	JD	JD
<b>Beginning balance</b>	<b>173,822,610</b>	<b>161,798,637</b>
Profit for the year	99,781,477	94,064,334
Transfer to reserves	(13,514,814)	(18,431,633)
Dividends paid	(63,000,000)	(63,000,000)
Others	640,844	(608,728)
<b>Ending Balance</b>	<b>197,730,117</b>	<b>173,822,610</b>

## 27- subsidiaries with material non-controlling interest

First: percentage owned by non-controlling interest :-

	2013			
	Country	Activity Sector	Non controlling interest %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.93%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	38.8%	-
Jordan International Bank/London	U.K.	Banking	25.0%	-

	2012			
	Country	Activity Sector	Non controlling interest %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.93%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	38.83%	2,001,187
Jordan International Bank/London	U.K.	Banking	31.43%	-

**Second: the following are selected financial information for subsidiaries with material non-controlling interest:-**

**A- condensed statemnet of financial postion before elimination of inter-Company transaction as of 31 December 2013**

31 December 2013	International Bank for Trade & Finance/Syria	The Housing bank for Trade & Finance/Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
financial assets	307,318,443	331,586,506	294,333,098
Other assets	14,878,432	21,043,720	8,579,691
<b>Total assets</b>	<b>322,196,875</b>	<b>352,630,226</b>	<b>302,912,789</b>
financial Liabilities	271,459,421	183,607,176	244,454,146
Other Liabilities	8,787,387	46,698,425	3,065,656
<b>Total Liabilities</b>	<b>280,246,808</b>	<b>230,305,601</b>	<b>247,519,802</b>
Total Equitiy	41,950,067	122,324,625	55,392,987
<b>Total Liabilities and Equity</b>	<b>322,196,875</b>	<b>352,630,226</b>	<b>302,912,789</b>
Non Controlling Interest	21,352,584	47,461,955	13,848,247

31 December 2012	International Bank for Trade & Finance/Syria	The Housing bank for Trade & Finance/Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
financial assets	502,787,916	307,133,470	295,499,229
Other assets	21,373,785	16,995,113	11,856,519
<b>Total assets</b>	<b>524,161,701</b>	<b>324,128,583</b>	<b>307,355,748</b>
financial Liabilities	435,745,859	180,470,368	267,298,479
Other Liabilities	10,666,103	34,988,519	3,044,705
<b>Total Liabilities</b>	<b>446,411,962</b>	<b>215,458,887</b>	<b>270,343,184</b>
Total Equitiy	77,749,739	108,669,696	37,012,564
<b>Total Liabilities and Equity</b>	<b>524,161,701</b>	<b>324,128,583</b>	<b>307,355,748</b>
Non Controlling Interest	39,574,617	42,163,842	11,621,945



**B – condensed income statement before elimination of inter-company transactions for the year ended on 31 December 2013**

	31 December, 2013		
	International Bank for Trade & Finance/ Syria	The Housing bank for Trade & Finance/ Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
Total revenues	26,683,050	27,202,292	15,764,385
Profit for the year	13,129	13,700,526	7,102,804
<b>Total Comprehensive Income</b>	<b>13,129</b>	<b>13,700,526</b>	<b>7,102,804</b>
Attributable to non-Controlling Interest	6,683	5,315,804	1,775,701

	31 December, 2012		
	International Bank for Trade & Finance/ Syria	The Housing bank for Trade & Finance/ Algeria	Jordan International Bank London/U.K.
	JD	JD	JD
Total revenues	29,093,553	28,132,125	10,239,478
Profit for the year	7,037,790	13,163,472	6,040,024
<b>Total Comprehensive Income</b>	<b>7,037,790</b>	<b>13,163,472</b>	<b>6,228,096</b>
Attributable to non-Controlling Interest	3,582,235	5,107,427	1,955,622

## C- Cashflow statement:-

	31 December, 2013		
	International Bank for Trade & Finance/Syria	The Housing bank for Trade & Finance/Algeria	Jordan International Bank London /U.K
	JD	JD	JD
Cash Flows			
Operating	(28,068,927)	(17,320,181)	20,859,833
Investing	(272,654)	(769,726)	(2,745,739)
Financing	(129,234)	546,243	(690,966)
Effect of change in exchange rates on cash and cash equivalents	(8,936,712)	3,984,776	1,437,100
<b>Net increase/Decrease</b>	<b>(37,407,527)</b>	<b>(13,558,888)</b>	<b>18,860,228</b>

	31 December, 2012		
	International Bank for Trade & Finance/Syria	The Housing bank for Trade & Finance/Algeria	Jordan International Bank London /U.K
	JD	JD	JD
Cash Flows			
Operating	(70,576,120)	46,744,500	23,614,479
Investing	(646,815)	(403,308)	(5,204,517)
Financing	(1,818)	(6,162,870)	2,659,486
Effect of change in exchange rates on cash and cash equivalents	(21,747,142)	4,463,160	1,515,927
<b>Net increase/Decrease</b>	<b>(92,971,895)</b>	<b>44,641,482</b>	<b>22,585,375</b>

## 28- Interest Income

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Direct Credit Facilities:		
<b>Individual retail customer:-</b>		
Overdraft	372,242	703,076
Loans and discounted bills	46,643,680	43,530,704
Credit cards	1,731,606	1,983,845
Other	172,693	292,485
<b>Real estate mortgages</b>	<b>45,710,572</b>	<b>40,024,204</b>
<b>Large corporate customers:</b>		
Overdraft	22,774,818	18,155,727
Loans and discounted bills	43,080,806	44,884,047
<b>SMEs</b>		
Overdraft	10,206,009	11,681,569
Loans and discounted bills	16,131,369	20,016,008
<b>Government and Public Sector</b>	<b>26,410,263</b>	<b>23,065,761</b>
Balances with central banks	2,546,998	5,899,923
Balances and deposits with banks and financial institutions	6,804,194	11,272,508
Financial assets at fair value through profit or loss	909,198	1,050,638
Financial assets at amortized cost	141,420,649	113,877,141
<b>Total</b>	<b>364,915,097</b>	<b>336,437,636</b>

## 29- Interest Expense

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Banks and financial institutions deposits	6,318,327	5,563,111
Customers deposits :		
Current accounts and demand deposits	849,023	864,996
Saving deposits	12,207,465	12,962,490
Time and notice deposits	74,909,674	66,389,401
Certificates of deposit	1,858,046	158,110
Margin accounts	2,487,113	3,110,072
Subordinated loans	121,680	137,914
Loans and borrowings	1,232,048	1,359,777
Deposits insurance fees	7,314,724	7,684,002
<b>Total</b>	<b>107,298,100</b>	<b>98,229,873</b>

## 30- Net Commission Income

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Commission income:		
Direct credit facilities	14,137,342	12,592,227
Indirect credit facilities	19,451,626	20,842,648
Less: Commission expense	(66,204)	(47,924)
<b>Net Commission Income</b>	<b>33,522,764</b>	<b>33,386,951</b>

## 31- net gain from Foreign currency Exchange

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
From trading	5,992,671	10,470,282
From re-valuation	21,167,044	13,664,297
<b>Total</b>	<b>27,159,715</b>	<b>24,134,579</b>

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

This item consists of the following:

2013	Realized		Unrealized		Dividends Received	Total
	Gain	(Loss)	Gain	(Loss)		
	JD	JD	JD	JD		
Bonds	37,917	(456,490)	143,287	(19,743)	-	(295,029)
Coprorate shares	10,135	(39,648)	215,364	(704,262)	317,916	(200,495)
Investment funds	1,835,742	-	38,478	(37,143)	-	1,837,077
<b>Total</b>	<b>1,883,794</b>	<b>(496,138)</b>	<b>397,129</b>	<b>(761,148)</b>	<b>317,916</b>	<b>1,341,553</b>

2012						
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
<b>Total</b>	<b>1,046,385</b>	<b>(6,660)</b>	<b>1,181,964</b>	<b>(2,704,283)</b>	<b>303,722</b>	<b>(178,872)</b>

### 33- Other Income

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Fees on salaries accounts	3,044,534	2,997,079
Credit cards income	5,188,982	4,531,932
Safety deposit box rental income	555,463	349,943
Commissions on returned checks	823,355	1,193,377
Management fees	4,029,279	5,091,078
Net income from recovered loans	6,236,516	460,828
Brokerage services fees	578,496	448,661
Banking services fees	1,150,781	1,559,933
Income on transfers	11,549,823	10,817,385
Miscellaneous income	4,177,695	4,295,627
<b>Total</b>	<b>37,334,924</b>	<b>31,745,843</b>

### 34- Employees Expenses

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Salaries, benefits and allowances	54,224,650	51,312,507
Bank's contribution in social security	5,488,426	5,096,232
Bank's contribution in the saving fund	145,653	140,051
End-of-service indemnity	4,413,990	2,805,321
Medical expenses	2,375,877	2,098,894
Training expenses	473,032	436,400
Travel and transportation expenses	1,174,250	1,151,331
Other	837,004	719,599
<b>Total</b>	<b>69,132,882</b>	<b>63,760,335</b>

### 35- Other Expenses

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Information technology	7,163,611	7,316,311
Marketing and promotion	3,862,511	3,423,949
External and professional services	2,262,263	1,197,517
Rents and workplace expenses	18,271,285	16,583,762
Financial institutions subscription fees	2,190,171	1,804,802
Stationary expenses	2,807,042	2,776,443
Fees on credit facilities processing	204,296	245,988
Other expenses	9,452,941	7,875,494
<b>Total</b>	<b>46,214,120</b>	<b>41,224,266</b>

### 36- Earnings per Share

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Profit for the year	99,781,477	94,064,334
Weighted average number of shares	252,000,000	252,000,000
<b>Basic and diluted earnings per share attributable to the Bank's shareholders</b>	<b>JD 0.396</b>	<b>JD 0.373</b>

### 37- Cash and Cash Equivalents

This item consists of the following:

	31 December	
	2013	2012
	JD	JD
Cash and balances with central banks maturing within 3 months	1,039,022,931	870,619,775
Add: Balances with banks and financial institutions maturing within 3 months	523,170,889	856,146,761
Less: Banks and financial institutions deposits maturing within 3 months	374,765,872	625,039,381
<b>Total</b>	<b>1,187,427,948</b>	<b>1,101,727,155</b>

### 38- Financial Derivative Instruments

This item consists of the following:

2013	Positive fair value	Negative fair value	Nominal value	Due in three months	Due over 3-12 months	More than 3 years
	JD	JD	JD	JD	JD	JD
Forward foreign currency contracts	-	(170,940)	271,197,526	159,529,284	111,668,242	-
Interest rate swap contracts	-	(62,664)	3,545,000	-	-	3,545,000
	-	<b>(233,604)</b>	<b>274,742,526</b>	<b>159,529,284</b>	<b>111,668,242</b>	<b>3,545,000</b>
2012						
Forward foreign currency contracts	128,310	-	283,865,279	-	283,865,279	-
Interest rate swap contracts	-	(110,296)	3,545,000	-	-	3,545,000
	<b>128,310</b>	<b>(110,296)</b>	<b>287,410,279</b>	<b>-</b>	<b>283,865,279</b>	<b>3,545,000</b>

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

### 39- Related Party Transactions

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

Company Name	Ownership 2013	Company's capital	
		31 December, 2013	31 December, 2012
	%	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	76,684,321
International Financial Center	77.5	5,000,000	5,000,000
Specialized Lease Finance Co.	100	30,000,000	20,000,000
Jordan Real Estate Investment Co.	100	40,000	40,000
Jordan International Bank / London	75	50,780,580	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			31 December	
	Major Shareholders	Board of directors	Executive Management	2013	2012
				Total	Total
	JD	JD	JD	JD	JD
<b>Financial position items</b>					
Total deposits with related parties	71,376,298	-	-	<b>71,376,298</b>	<b>121,900,801</b>
Total deposits from related parties	265,723,567	4,576,904	1,761,586	<b>272,062,057</b>	<b>212,312,837</b>
Loans and advances granted to related parties	-	7,650	1,190,277	<b>1,197,927</b>	<b>2,526,026</b>
<b>Commitments and contingent liabilities</b>					
Letter of credit & letter of guarantee	-	-	5,000	<b>5,000</b>	<b>1,256,800</b>
<b>Income statement items</b>					
Interest and commissions income	1,680,353	-	61,131	<b>1,741,484</b>	<b>2,646,185</b>
Interest and commissions expense	14,161,289	139,833	41,201	<b>14,342,323</b>	<b>8,680,183</b>
Other expenses *	-	92,024	-	<b>92,024</b>	<b>201,602</b>

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

\* This item represents the direct commissions and expenses of the related party calculated according to the prices specified in the agreements for services purchased from them and through them from other parties which amounted JD 1,840,479.

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

	31 December	
	2013	2012
	JD	JD
Salaries, bonuses, and other benefits	2,760,558	2,458,369

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

This item consists of the following:

	31 December, 2013		31 December, 2012	
	Book value	Fair Value	Book value	Fair value
	JD	JD	JD	JD
Other financial assets at amortized cost	2,498,555,480	2,500,153,598	2,195,482,801	2,198,144,116
Direct credit facilities – net	2,662,847,949	2,662,847,949	2,683,882,296	2,683,882,296

#### 41- 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):**

	31 December	
	2013	2012
	JD	JD
<b>Statement of financial position</b>		
Balances with central banks	1,078,488,367	881,484,127
Balances with banks and financial institutions	523,170,889	856,146,761
Deposits with banks and financial institutions	21,812,000	-
<b>Credit facilities</b>		
Retail	508,267,009	504,720,863
Real estate mortgages	737,382,240	639,483,422
<b>Corporate</b>		
Large Corporate	820,511,043	928,969,666
SMEs lending	239,467,124	246,244,258
Government and public sector	357,220,533	364,464,087
<b>Bonds debentures and treasury bills funds:</b>		
Financial assets at fair value through profit or loss	2,686,802	33,464,319
Other financial assets at amortized cost	2,498,555,480	2,195,482,801
<b>Total</b>	<b>6,787,561,487</b>	<b>6,650,460,304</b>
<b>Commitments and contingent liabilities</b>		
Letters of credit	585,458,872	491,079,465
Acceptances	80,842,504	87,663,830
Letters of guarantee	560,180,138	493,677,581
Un-utilized facilities	164,117,181	372,354,645
<b>Total</b>	<b>1,390,598,695</b>	<b>1,444,775,521</b>
	<b>8,178,160,182</b>	<b>8,095,235,825</b>

The above table represents the highest credit risk exposure for the Bank as of 31 December 2013 and 2012, without taking into consideration any collateral held or any other credit risk mitigating factors.

Exposure to credit risk is distributed as follows:

- 20% of the total exposure is derived from balances with central banks and other banks and financial institutions. (21%: 2012).
- 33% from the total exposure results from loans and credit facilities (33%: 2012).
- 30% from the total exposure results from investment in bonds debentures and treasury bills and funds (28%: 2012).
- 17% from the total exposure results from off-financial position items and other assets. (18%: 2012).

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

2013	Retail	Real estate mortgages	Corporate entities		Government and public sector	Banks and other financial institutions	Total
			Large companies	SMEs			
	JD	JD	JD	JD	JD	JD	JD
Low risk	22,783,924	49,730,687	88,430,199	18,845,530	2,530,204,976	1,623,471,256	<b>4,333,466,572</b>
Acceptable risk	467,092,246	637,958,186	697,700,241	213,645,705	92,517,069	92,753,399	<b>2,201,666,846</b>
<b>From which past due**:</b>							
Up to 30 days	12,491,167	23,420,445	29,963,768	18,161,598	-	-	<b>84,036,978</b>
From 31 to 60 days	428,816	59,443	877,239	3,243,836	-	-	<b>4,609,334</b>
Watch list	12,666,111	32,699,092	172,552,115	13,240,649	-	-	<b>231,157,967</b>
<b>Non-performing:</b>							
Sub-standard	3,481,748	3,294,192	4,642,894	2,385,058	-	-	<b>13,803,892</b>
Doubtful	3,396,791	5,739,895	18,939,966	3,192,915	-	-	<b>31,269,567</b>
Impaired	19,659,471	32,670,788	203,546,799	34,699,929	-	-	<b>290,576,987</b>
<b>Total</b>	<b>529,080,291</b>	<b>762,092,840</b>	<b>1,185,812,214</b>	<b>286,009,786</b>	<b>2,622,722,045</b>	<b>1,716,224,655</b>	<b>7,101,941,831</b>
Less:Interest in suspense	9,233,583	10,802,343	50,753,082	11,521,490	-	-	<b>82,310,498</b>
Allowance for impairment	11,579,699	13,908,257	171,560,718	35,021,172	-	-	<b>232,069,846</b>
<b>Net</b>	<b>508,267,009</b>	<b>737,382,240</b>	<b>963,498,414</b>	<b>239,467,124</b>	<b>2,622,722,045</b>	<b>1,716,224,655</b>	<b>6,787,561,487</b>

2012	Retail	Real estate mortgages	Corporate entities		Government and public sector	Banks and other financial institutions	Total
			Large companies	SMEs			
	JD	JD	JD	JD	JD	JD	JD
Low risk	18,750,292	46,681,337	70,104,372	15,423,888	2,224,309,841	1,737,630,888	<b>4,112,900,618</b>
Acceptable risk	467,017,152	549,664,318	858,022,455	203,708,227	97,828,276	89,736,283	<b>2,265,976,711</b>
<b>From which past due**:</b>							
Up to 30 days	14,077,911	19,256,417	16,937,353	14,476,397	-	-	<b>64,748,078</b>
From 31 to 60 days	1,896,406	594,590	1,977,552	597,364	-	-	<b>5,065,912</b>
Watch list	12,021,926	25,738,017	152,628,392	13,942,561	-	-	<b>204,330,896</b>
<b>Non-performing:</b>							
Sub-standard	5,180,871	4,997,525	11,727,754	4,093,261	-	-	<b>25,999,411</b>
Doubtful	4,073,665	6,488,782	11,567,121	12,792,829	-	-	<b>34,922,397</b>
Impaired	14,580,217	30,215,718	184,802,672	33,879,560	-	-	<b>263,478,167</b>
<b>Total</b>	<b>521,624,123</b>	<b>663,785,697</b>	<b>1,288,852,766</b>	<b>283,840,326</b>	<b>2,322,138,117</b>	<b>1,827,367,171</b>	<b>6,907,608,200</b>
Less:Interest in suspense	6,640,676	10,666,290	39,427,138	10,695,988	-	-	<b>67,430,092</b>
Allowance for impairment	10,262,584	13,635,985	138,919,155	26,900,080	-	-	<b>189,717,804</b>
<b>Net</b>	<b>504,720,863</b>	<b>639,483,422</b>	<b>1,110,506,473</b>	<b>246,244,258</b>	<b>2,322,138,117</b>	<b>1,827,367,171</b>	<b>6,650,460,304</b>

\* 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:

2013	Retail	Real Estate Mortgages	Corporate entities		Government and Public Sector	Total
			Large Companies	SMEs		
	JD	JD	JD	JD	JD	JD
Collaterals against						
Low risk	20,948,215	48,404,917	23,119,661	17,282,509	227,850,252	<b>337,605,554</b>
Acceptable risk	41,701,416	543,626,131	162,998,561	124,090,350	21,426,102	<b>893,842,560</b>
Watch list	5,796,116	24,838,647	70,155,773	9,287,102	-	<b>110,077,638</b>
<b>Non-performing :</b>						
Sub – standard	2,954,623	3,186,779	764,568	2,008,166	-	<b>8,914,136</b>
Doubtful	2,754,817	5,525,474	6,729,993	2,169,926	-	<b>17,180,210</b>
Impaired	8,862,100	27,844,189	50,803,266	27,684,783	-	<b>115,194,338</b>
<b>Total</b>	<b>83,017,287</b>	<b>653,426,137</b>	<b>314,571,822</b>	<b>182,522,836</b>	<b>249,276,354</b>	<b>1,482,814,436</b>
<b>Including:</b>						
Cash margins	17,369,015	376,792	8,733,191	11,231,798	-	<b>37,710,796</b>
Government guarantee	-	-	-	-	227,850,252	<b>227,850,252</b>
Accepted bank guarantees	-	-	1,412,044	10,400,828	-	<b>11,812,872</b>
Residential mortgages	47,587,025	651,555,828	209,326,374	148,529,315	21,426,102	<b>1,078,424,644</b>
Listed shares	3,092,585	1,310,017	61,694,578	57,899	-	<b>66,155,079</b>
Equipment and vehicles	14,968,662	183,500	33,405,635	12,302,996	-	<b>60,860,793</b>
<b>Total</b>	<b>83,017,287</b>	<b>653,426,137</b>	<b>314,571,822</b>	<b>182,522,836</b>	<b>249,276,354</b>	<b>1,482,814,436</b>

2012	Retail	Real Estate Mortgages	Corporate entities		Government and Public Sector	Total
			Large Companies	SMEs		
	JD	JD	JD	JD	JD	JD
Collaterals against						
Low risk	18,743,173	46,664,102	69,843,850	15,423,885	189,938,681	<b>340,613,691</b>
Acceptable risk	59,213,656	322,778,797	204,595,082	142,936,071	22,787,458	<b>752,311,064</b>
Watch list	6,687,128	25,479,951	76,046,134	12,091,291	-	<b>120,304,504</b>
<b>Non-performing :</b>						
Sub – standard	4,061,003	4,997,525	4,629,669	3,928,105	-	<b>17,616,302</b>
Doubtful	1,682,148	6,488,782	3,570,698	4,757,216	-	<b>16,498,844</b>
Impaired	5,467,979	24,743,840	67,269,536	21,473,037	-	<b>118,954,392</b>
<b>Total</b>	<b>95,855,087</b>	<b>431,152,997</b>	<b>425,954,969</b>	<b>200,609,605</b>	<b>212,726,139</b>	<b>1,366,298,797</b>
<b>Including:</b>						
Cash margins	17,191,647	597,018	26,149,401	26,026,637	-	<b>69,964,703</b>
Government guarantee	-	-	48,401,464	-	189,938,681	<b>238,340,145</b>
Accepted bank guarantees	-	-	1,000,000	26,829,454	-	<b>27,829,454</b>
Residential mortgages	57,483,162	427,152,097	283,238,579	126,842,975	22,787,458	<b>917,504,271</b>
Listed shares	10,398,984	3,307,881	33,580,215	686,997	-	<b>47,974,077</b>
Equipment and vehicles	10,781,294	96,001	33,585,310	20,223,542	-	<b>64,686,147</b>
<b>Total</b>	<b>95,855,087</b>	<b>431,152,997</b>	<b>425,954,969</b>	<b>200,609,605</b>	<b>212,726,139</b>	<b>1,366,298,797</b>

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 2013. Moreover, they amounted to JD 52.8 million as of 31 December 2013 (JD 67.3 million as of 31 December 2012).

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 2013 they were classified within watch list facilities under control and amounted to JD 177.1 million as of 31 December 2013 (JD 103.7 million as of 31 December 2012).

### 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
AAA	-	6,798,754	<b>6,798,754</b>
AA+	-	3,453,708	<b>3,453,708</b>
AA	-	7,434,424	<b>7,434,424</b>
AA-	-	3,113,456	<b>3,113,456</b>
A+	-	36,600,822	<b>36,600,822</b>
A	384,551	51,205,295	<b>51,589,846</b>
A-	-	54,646,005	<b>54,646,005</b>
BBB+	-	3,554,158	<b>3,554,158</b>
BBB	-	26,619,255	<b>26,619,255</b>
BBB-	-	20,325,109	<b>20,325,109</b>
BB+	-	2,470,688	<b>2,470,688</b>
BB	-	2,544,938	<b>2,544,938</b>
BB-	-	2,159,772	<b>2,159,772</b>
Un-rated	564,384	19,450,002	<b>20,014,386</b>
Governmental or government guarantee	1,737,867	2,258,179,094	<b>2,259,916,961</b>
<b>Total</b>	<b>2,686,802</b>	<b>2,498,555,480</b>	<b>2,501,242,282</b>

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

Geographical Area	Item	Inside Jordan		Other Middle East Countries		Europe		Asia *		Africa *		America		Other Countries		Total	
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
	Cash and balances with central banks	755,428,259	135,412,895	-	-	-	-	-	-	187,647,213	-	-	-	-	-	-	1,078,488,367
	Balances with banks and financial institutions	61,637,624	188,581,224	134,473,338	1,149,701	131,995,822	5,092,808	523,170,889									
	Deposits with banks and financial institutions	15,000,000	-	6,812,000	-	-	-	21,812,000									
	<b>Credit Facilities</b>																
	Retail	483,299,191	24,732,870	100,655	-	-	-	508,267,009									
	Real estate mortgages	602,380,725	44,389,313	89,942,063	-	-	-	737,382,240									
	<b>CORPORATE ENTITIES</b>																
	Large companies	563,456,978	244,791,217	-	-	-	-	820,511,043									
	SMEs	99,477,158	12,188,998	-	-	-	-	239,467,124									
	<b>Government and public sector</b>	<b>276,401,813</b>	<b>80,818,720</b>	-	-	-	-	<b>357,220,533</b>									
	<b>Bonds debentures and treasury bills</b>																
	Other financial assets at amortized costs	2,207,696,564	88,555,008	89,419,221	13,478,042	73,516,954	25,889,691	2,498,555,480									
	Financial Assets at fair value through P & L	1,655,064	467,354	564,384	-	-	-	2,686,802									
	<b>Total 2013</b>	<b>5,066,433,376</b>	<b>819,937,599</b>	<b>321,311,661</b>	<b>14,627,743</b>	<b>205,512,776</b>	<b>34,247,515</b>	<b>6,787,561,487</b>									
	<b>Total 2012</b>	<b>4,570,265,354</b>	<b>1,007,199,626</b>	<b>541,532,030</b>	<b>1,154,828</b>	<b>164,268,832</b>	<b>38,809,568</b>	<b>6,650,460,304</b>									

\* Excluding the Middle East countries.

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

Economic Sectors / Item	Finance	Manufacturing	Trade	Real Estate	Agriculture	Shares	Retail	Governmental and Public Sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Banks	1,078,488,367	-	-	-	-	-	-	-	-	1,078,488,367
Balances with banks and financial institutions	523,170,889	-	-	-	-	-	-	-	-	523,170,889
Deposits with banks and financial institutions	21,812,000	-	-	-	-	-	-	-	-	21,812,000
Credit Facilities	41,604,267	402,463,578	371,947,328	736,437,758	8,382,844	18,789,250	507,252,182	357,220,533	218,750,209	2,662,847,949
Bonds debentures and treasury bills										
Other financial assets at amortized costs	207,435,857	-	-	1,092,558	-	-	-	2,258,179,095	31,847,970	2,498,555,480
Financial assets designated at fair value through P&L	564,384	-	-	-	-	-	-	1,737,867	384,551	2,686,802
<b>Total 2013</b>	<b>1,873,075,764</b>	<b>402,463,578</b>	<b>371,947,328</b>	<b>737,530,316</b>	<b>8,382,844</b>	<b>18,789,250</b>	<b>507,252,182</b>	<b>2,617,137,495</b>	<b>250,982,730</b>	<b>6,787,561,487</b>
<b>Total 2012</b>	<b>2,032,554,353</b>	<b>576,341,995</b>	<b>474,869,471</b>	<b>640,977,408</b>	<b>13,540,756</b>	<b>21,011,506</b>	<b>504,720,863</b>	<b>2,298,807,068</b>	<b>87,636,884</b>	<b>6,650,460,304</b>

## 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
<b>Sensitivity Analysis 2013</b>				
US Dollars	(1,409,367)	2,339,254	(1,000,651)	1,660,870
Euro	(126,683)	119,630	(89,945)	84,937
<b>Sensitivity Analysis 2012</b>				
US Dollars	(1,761,146)	1,859,063	(1,250,413)	1,319,934
Euro	(261,361)	274,904	(185,566)	195,182



## 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
<b>Sensitivity Analysis 2013</b>				
Euro	(14,412)	14,412	(10,233)	10,233
Sterling Pound	62,772	(62,772)	44,568	(44,568)
Austrlian Dollar	1,200	(1,200)	852	(852)
Swiss Frank	(1,628)	1,628	(1,156)	1,156
Canadian Dollar	(5,631)	5,631	(3,998)	3,998
Japanese Yen	(14,725)	14,725	(10,455)	10,455
Syrian Lira	(343,010)	343,010	(243,537)	243,537
<b>Sensitivity Analysis 2012</b>				
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)

## 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.

	VAR
<b>Sensitivity Analysis VAR 2013</b>	
Financial assets at fair value through profit or loss	(1,053,721)
Financial assets at fair value through other comprhensive income	(30,577)
<b>Sensitivity Analysis VAR 2012</b>	
Financial assets at fair value through profit or loss	(1,204,246)
Financial assets at fair value through other comprhensive income	(31,817)



concentration OF Foreign currency risk

Currency Item	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
	JD	JD	JD	JD	JD	JD	JD
<b>2013</b>							
<b>ASSETS</b>							
Cash and balances with Central banks	194,224,697	20,655,886	368,961	27,284	60,246,768	200,535,393	<b>476,058,989</b>
Balances with banks and financial institutions	249,310,307	108,519,969	26,785,290	2,812,905	9,333,050	43,040,411	<b>439,801,932</b>
Deposits with banks and financial institutions	(1,071,554)	-	233,729	425,787	-	7,224,038	<b>6,812,000</b>
Financial asset Designated at fair value through profit or loss	3,198,711	-	-	-	-	-	<b>3,198,711</b>
Direct credit facilities	451,746,605	1,727,978	94,715,360	67,284	86,010,935	214,636,114	<b>848,904,276</b>
Financial asset at fair value through other comprehensive income	75,360	-	-	-	-	-	<b>75,360</b>
Other Financial assets at amortized cost	435,744,260	13,354,738	12,379,567	-	-	-	<b>461,478,565</b>
Property and equipment - net	91,510	-	456,118	-	10,410,518	4,810,196	<b>15,768,342</b>
Intangible assets - net	37,518	-	5,585,683	-	12,915	495,641	<b>6,131,757</b>
Deferred tax assets	794,846	240,319	(8,039,287)	15	23,984	12,988,284	<b>6,008,161</b>
Other assets	(4,707,424)	173,722	7,066,442	1,109	2,541,081	25,393,450	<b>30,468,380</b>
<b>Total assets</b>	<b>1,329,444,836</b>	<b>144,672,612</b>	<b>139,551,863</b>	<b>3,334,384</b>	<b>168,579,251</b>	<b>509,123,527</b>	<b>2,294,706,473</b>
<b>LIABILITIES</b>							
Banks and financial institutions deposits	223,143,594	28,938,740	40,477,612	1,510,693	63,404	27,662,666	<b>321,796,709</b>
Customers' deposits	1,222,569,974	96,840,362	36,199,214	2,853,811	152,105,483	212,676,083	<b>1,723,244,927</b>
Margin accounts	50,090,811	9,910,042	388,697	17,660	3,820,320	57,716,610	<b>121,944,140</b>
Sundry provisions	1,167,477	-	-	-	2,371,937	905,829	<b>4,445,243</b>
Income tax provision	-	-	28	-	-	270,312	<b>270,340</b>
Other liabilities	9,897,537	11,407,633	(7,645,958)	(3)	4,879,763	51,931,830	<b>70,470,802</b>
Subordinated loans	-	-	-	-	-	-	<b>-</b>
<b>Total liabilities</b>	<b>1,506,869,393</b>	<b>147,096,777</b>	<b>69,419,593</b>	<b>4,382,161</b>	<b>163,240,907</b>	<b>351,163,330</b>	<b>2,242,172,161</b>
<b>Net position</b>	<b>(177,424,557)</b>	<b>(2,424,165)</b>	<b>70,132,270</b>	<b>(1,047,777)</b>	<b>5,338,344</b>	<b>157,960,197</b>	<b>52,534,312</b>
<b>Off-financial position contingent liabilities</b>	<b>803,462,139</b>	<b>599,277,948</b>	<b>48,281,987</b>	<b>2,595,044</b>	<b>9,738,051</b>	<b>75,184,002</b>	<b>1,538,539,171</b>

Currency Item	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
	JD	JD	JD	JD	JD	JD	JD
<b>2012</b>							
<b>ASSETS</b>							
Total assets	1,394,926,115	157,209,449	109,355,703	3,315,929	323,119,728	484,561,968	<b>2,472,488,892</b>
Total liabilities	1,722,152,365	158,842,795	54,134,572	2,729,816	279,644,635	349,798,774	<b>2,567,302,957</b>
Net position	(327,226,250)	(1,633,346)	55,221,131	586,113	43,475,093	134,763,194	<b>(94,814,065)</b>
Off-financial position contingent liabilities	853,681,118	488,292,216	46,333,212	15,246,729	28,140,457	56,566,285	<b>1,488,260,017</b>

### 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.

2013	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
<b>LIABILITIES</b>								
Banks and financial institutions deposits	172,145,460	44,503,292	208,459,840	10,499,388	-	-	158,264,322	<b>593,872,302</b>
Customers' deposits	492,177,698	134,389,375	117,049,856	90,442,674	442,947,190	1,059,980,331	2,840,729,907	<b>5,177,717,031</b>
Margin accounts	55,277,305	39,544,332	47,166,525	23,120,009	25,360,586	35,176,167	4,438,649	<b>230,083,573</b>
Loans and borrowings	-	3,020,250	1,033,482	8,745,409	-	5,045,746	-	<b>17,844,887</b>
Miscellaneous provisions	2,228,063	2,228,063	-	4,456,126	13,368,378	-	9,720,758	<b>32,001,388</b>
Income tax provision	8,773,527	-	29,756,291	1,689,513	1,846,261	-	-	<b>42,065,592</b>
Deferred tax liabilities	-	-	-	-	1,762,896	-	-	<b>1,762,896</b>
Other liabilities	76,275,800	373,945	14,459,769	361,297	348,230	-	71,157,491	<b>162,976,532</b>
<b>TOTAL</b>	<b>806,877,853</b>	<b>224,059,257</b>	<b>417,925,763</b>	<b>139,314,416</b>	<b>485,633,541</b>	<b>1,100,202,244</b>	<b>3,084,311,127</b>	<b>6,258,324,201</b>
<b>TOTAL ASSETS</b>	<b>1,690,020,938</b>	<b>339,407,840</b>	<b>635,859,816</b>	<b>929,538,470</b>	<b>2,375,602,886</b>	<b>768,649,676</b>	<b>488,010,729</b>	<b>7,227,090,355</b>

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
<b>LIABILITIES</b>								
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
Miscellaneous 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
<b>TOTAL</b>	<b>1,120,796,524</b>	<b>218,151,353</b>	<b>435,835,479</b>	<b>125,616,542</b>	<b>476,532,970</b>	<b>938,425,753</b>	<b>2,800,951,855</b>	<b>6,116,310,476</b>
<b>TOTAL ASSETS</b>	<b>2,055,983,281</b>	<b>519,936,401</b>	<b>613,708,406</b>	<b>797,148,617</b>	<b>1,762,208,211</b>	<b>881,334,043</b>	<b>461,308,650</b>	<b>7,091,627,609</b>

## Commitments and contingent liabilities:

2013	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	891,942,831	213,725,550	-	<b>1,105,668,381</b>
Un- utilized ceilings	144,911,099	19,206,082	-	<b>164,117,181</b>
Letters of guarantee	543,142,366	17,037,772	-	<b>560,180,138</b>
<b>Total</b>	<b>1,579,996,296</b>	<b>249,969,404</b>	-	<b>1,829,965,700</b>

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	-	<b>1,066,611,451</b>
Un- utilized ceilings	372,354,645	-	-	<b>372,354,645</b>
Letters of guarantee	489,021,760	4,655,821	-	<b>493,677,581</b>
<b>Total</b>	<b>1,606,493,210</b>	<b>326,150,467</b>	-	<b>1,932,643,677</b>

## 42- 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	
							2013	2012
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Gross Income</b>	<b>186,926,386</b>	<b>158,668,399</b>	<b>6,571,940</b>	<b>203,398,552</b>	<b>11,780,738</b>	<b>(103,071,962)</b>	<b>464,274,053</b>	<b>425,526,137</b>
Impairment of credit facilities	(2,847,209)	(71,886,522)	-	-	-	-	(74,733,731)	(64,776,588)
The provision of financial assets	-	-	-	-	-	-	-	(2,272,500)
Segment results	70,527,013	45,749,023	701,495	33,167,474	6,780,735	-	<b>156,925,740</b>	<b>149,259,730</b>
Unallocated expenses	-	-	-	-	-	-	(6,798,737)	(7,018,926)
Unallocated costs	-	-	-	-	-	-	(6,798,737)	(7,018,926)
<b>Income before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,127,003</b>	<b>142,240,804</b>
<b>Income Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,200,374)</b>	<b>(37,752,192)</b>
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,926,629</b>	<b>104,488,612</b>
<b>Segment Assets</b>	<b>3,735,550,305</b>	<b>2,085,009,054</b>	<b>70,087,562</b>	<b>4,079,924,560</b>	<b>1,157,145,706</b>	<b>-</b>	<b>11,127,717,187</b>	<b>10,649,033,498</b>
Elimination of assets between segments	(2,545,232,700)	(372,174,850)	-	(351,518,603)	(650,891,950)	-	(3,919,818,103)	(3,579,362,985)
Unallocated assets	-	-	-	-	-	-	19,191,271	21,957,096
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,227,090,355</b>	<b>7,091,627,609</b>
<b>Segment Liabilities</b>	<b>3,678,837,771</b>	<b>2,064,655,072</b>	<b>67,684,990</b>	<b>3,864,721,243</b>	<b>372,241,434</b>	<b>-</b>	<b>10,048,140,510</b>	<b>9,603,487,494</b>
Elimination of liabilities between segments	-	(351,518,603)	(35,670,926)	(3,492,719,049)	-	-	(3,879,908,578)	(3,560,287,743)
Unallocated liabilities	-	-	-	-	-	-	1,762,896	1,762,896
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,169,994,828</b>	<b>6,044,962,647</b>
Capital expenditures							<b>28,577,854</b>	<b>33,623,534</b>
Depreciation and amortization							<b>11,388,374</b>	<b>11,752,010</b>



## 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	
	31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012
	JD	JD	JD	JD	JD	JD
Gross income	350,448,577	308,752,219	113,825,476	116,773,918	<b>464,274,053</b>	<b>425,526,137</b>
Total assets	5,432,616,214	4,835,355,770	1,794,474,141	2,256,271,839	<b>7,227,090,355</b>	<b>7,091,627,609</b>
Capital expenditures	23,260,849	30,136,490	5,317,005	3,487,044	<b>28,577,854</b>	<b>33,623,534</b>

## 43- 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.

	31 December	
	2013	2012
	JD	JD
<b>Primary capital items</b>		
Paid-in capital	252,000,000	252,000,000
Statutory reserve	141,068,190	128,758,427
Voluntary reserve	33,222,068	33,222,068
Special reserve	5,689,423	4,996,017
Share premium	357,925,469	357,925,469
Retained earnings	110,802,796	91,887,134
Goodwill and other intangible assets	(18,103,617)	(11,404,870)
Other	(4,105,090)	(6,157,736)
Assets repossessed	(4,165,154)	(3,400,824)
<b>Total primary capital</b>	<b>874,334,085</b>	<b>847,825,685</b>
<b>Supplementary capital</b>		
Foreign currency translation reserve	(42,274,698)	(25,903,209)
Revaluation reserve for financial assets -net	(282,563)	(406,235)
General banking risks reserve	26,844,724	26,333,079
<b>Total Supplementary Capital</b>	<b>(15,712,537)</b>	<b>23,635</b>
<b>Less</b>		
Capital investments in banks and other financial institutions	(977,650)	(977,650)
<b>Total Regulatory Capital</b>	<b>857,643,898</b>	<b>846,871,670</b>
<b>Total Weighted Assets Risk Average</b>	<b>4,569,045,272</b>	<b>4,487,653,816</b>
<b>Capital Adequacy Ratio %</b>	<b>18.77%</b>	<b>18.87%</b>
<b>Primary Capital Ratio %</b>	<b>19.13%</b>	<b>18.88%</b>

#### 44- 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).

31 December, 2013	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	21,034	566,164	-	587,198
Financial assets at fair value through P&L	6,031,193	18,074,118	-	24,105,311
<b>Total financial assets</b>	<b>6,052,227</b>	<b>18,640,282</b>	<b>-</b>	<b>24,692,509</b>

31 December, 2012	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	45,433	543,821	-	589,254
Financial assets at fair value through P&L	38,074,494	17,949,733	-	56,024,227
<b>Total financial assets</b>	<b>38,119,927</b>	<b>18,493,554</b>	<b>-</b>	<b>56,613,481</b>

#### 45- Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 1.2 million as of 31 December 2013 against JD 1.2 million as of 31 December 2012. 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.

## 46- Assets and Liabilities Expected Maturities

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

2013	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>Assets</b>			
Cash and balances with Central Banks	1,088,946,348	123,276,583	1,212,222,931
Balances with banks and financial institutions	523,170,889	-	523,170,889
Deposits with banks and financial institutions	21,812,000	-	21,812,000
Financial assets at fair value through profit or loss	564,384	23,540,927	24,105,311
Direct credit facilities – net	1,008,848,828	1,653,999,121	2,662,847,949
Financial assets at fair value through other comprehensive income	-	587,198	587,198
Other financial assets at amortized cost	876,699,150	1,621,856,330	2,498,555,480
Property and equipment – net	-	119,625,128	119,625,128
Intangible assets - net	-	19,699,067	19,699,067
Deferred tax assets	19,191,271	6,008,161	25,199,432
Other assets	55,594,194	63,670,776	119,264,970
<b>Total assets</b>	<b>3,594,827,064</b>	<b>3,632,263,291</b>	<b>7,227,090,355</b>
<b>Liabilities</b>			
Banks and financial institutions deposits	592,859,602	-	592,859,602
Customers' deposits	2,611,356,857	2,482,091,188	5,093,448,045
Margin accounts	164,614,502	63,261,547	227,876,049
Loans and borrowings	12,505,619	4,499,105	17,004,724
Sundry provisions	8,912,252	23,089,136	32,001,388
Income tax provision	40,219,331	1,846,261	42,065,592
Deferred tax liabilities	-	1,762,896	1,762,896
Other liabilities	91,470,811	71,505,721	162,976,532
<b>Total liabilities</b>	<b>3,521,938,974</b>	<b>2,648,055,854</b>	<b>6,169,994,828</b>
<b>Net</b>	<b>72,888,090</b>	<b>984,207,437</b>	<b>1,057,095,527</b>

2012	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>Assets</b>			
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
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
<b>Total assets</b>	<b>3,986,776,705</b>	<b>3,104,850,904</b>	<b>7,091,627,609</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>3,744,201,404</b>	<b>2,300,761,243</b>	<b>6,044,962,647</b>
<b>Net</b>	<b>242,575,301</b>	<b>804,089,661</b>	<b>1,046,664,962</b>

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

### A- Credit commitments and contingent liabilities:

	31 December	
	2013	2012
	JD	JD
Letters of credit	1,024,825,877	978,947,621
Acceptances	80,842,504	87,663,830
<b>Letters of guarantee:</b>		
Payment	119,978,660	105,657,696
Performance	174,627,025	181,921,081
Other	265,574,453	206,098,804
Un-utilized direct credit facilities	164,117,181	372,354,645
<b>Total</b>	<b>1,829,965,700</b>	<b>1,932,643,677</b>

### B- Contractual commitments:-

	31 December	
	2013	2012
	JD	JD
Purchase of property and equipment contracts	2,888,978	714,783
Construction Projects contracts	53,344,184	63,485,696
Other purchases contracts	6,823,458	11,943,188
<b>Total</b>	<b>63,056,620</b>	<b>76,143,667</b>

## 48- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to JD 54.9 million as of 31 December 2013 (JD 32.9 million as of 31 December 2012). 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 387,527 as of 31 December 2013 (JD 543,851 as of 31 December 2012).

## 49- New And Amended International Financial Reporting Standards

Standards issued but not yet effective

## **IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32**

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Bank’s financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

## **Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

These amendments are effective for annual periods beginning on or after 1 January 2014 which provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are not expected to impact the Bank’s financial position or performance.

## **50- Comparative Figures**

Some of the year 2012 figures have been reclassified to correspond with the year 2013 presentation. There is no effect on the income and equity for the year 2012.



Wijdan





نمات النواص

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Ahmad Nawash





# Corporate Governance Code

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

## **Third: Responsibilities of the Board**

- The Board of Directors approves the Bank's strategies and action plans, including endorsing risk policies and risk management procedures and ensuring the availability of mechanisms to measure such risks and to set necessary limits.
- The Board of Directors has the overall responsibility for the operations and the financial soundness of the Bank and ensures that the interests of shareholders, depositors, creditors, employees, and other stakeholders – including the banking regulators and supervisors– are met. The board ensures that the Bank is managed prudently and within the framework of the laws and regulations governing it as well as the Bank's own policies.
- Board members have the experience and expertise necessary to perform the duties and functions required from the board. In cases where specialized expertise is needed, the board could seek the assistance of consultants.
- The board selects, monitors and (when necessary) replaces the Bank's senior executive management to ensure its performance, and also to oversee the availability of a succession plan to effectively address the Bank's affairs.

- The board monitors and supervises the Bank's senior executive management by exercising its authority of asking questions regarding the Bank's position and getting relevant answers, and by requiring necessary reports on a timely basis to ensure the board's strategies and decisions.
- The Bank's board and its senior executive management follow clear policies consistent with relevant laws and regulations related to any operations carried outside Jordan, through its external branches and / or subsidiaries. The board firmly believes that operations carried out by subsidiaries outside Jordan may expose the Bank to lawsuits, reputation risk or financial risks in such countries. In this context, such operations are subject to effective monitoring and supervision by the board and senior executive management.
- The board shall develop a management framework comprising an appropriate organizational structure that defines the lines of authority, responsibility and management levels; an integrated system of corporate governance; an internal control system; a risk management system; Compliance and Anti- Money Laundering policy; and a code of ethics/ conduct.
- The board of directors is mostly composed of non-executive members. The Bank does its utmost to ensure that of the board's non-executive members at least three should be independent.
- Board members carry out their duties in loyalty and dedication, ensuring the availability of mechanisms that enable the Bank to comply with all laws and regulations applicable. Board members avoid actual or potential conflict of interest and commit themselves to dedicate necessary time and effort to effectively fulfill their responsibilities towards the Bank.
- The board of directors, through the Nomination and Remuneration Committee, shall evaluate the board's performance as a whole, at least once a year.
- The board of directors evaluates the performance of the general 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 is 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:**

- 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.

- Reviewing the notes mentioned in the reports of the Central Bank of Jordan; 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.
- 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 of Jordan regulations and laws, as well as the sufficiency of necessary allocations.
- 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.
- 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.
- Ensuring the independence of the Internal Audit Department, and approving the nomination or termination of the Bank’s General Auditor.
- 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.
- 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.
- 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.
- Studying debt amortization cases, giving its opinion and submitting its recommendations to the board.
- 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:**

- 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.
- The Audit Committee has the right to ask for legal, financial or administrative consultancy from any external counsel.
- 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:

- Has not been employed by the Bank for the preceding three years.
- Not an immediate family member of a Bank director beyond the second degree.
- Not receiving a salary or compensation from the Bank other than as a board member.
- 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.
- Has not been a partner or employee of the external auditor for the preceding three years.
- 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.



**Nawal Abdullah**







## 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 2013.

### 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 2014.

### Third Declaration


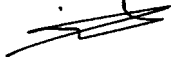

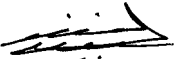

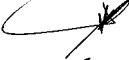


The Board of Directors of the HBTF declares that the Bank's internal control and monitoring systems are efficient, as at end-December 2013.

### 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 Issa 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. Humoud Jassim Al Falah	Board Member	
Mr. Sami Hussein Al-Anbaee	Board Member	
Mr. Mohamed Mohamed Ben Yousef	Board Member	
Mr. Ismail Abdulla El Mesallati	Board Member	
Mr. Jehad Ali Al Share	Board Member	
Mr. Fadi Khalid Al Alawneh	Board Member	
Mr. Ahmed Said Al Mahrezi	Board Member	
Mr. Omar Zuheir Malhas	General Manager	
Mr. Khaled Mahmoud 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 2013 was 4323, in addition to holding a number of internal seminars specialized in the field of banking, in which 660 employees participated. Also, during the year, the Bank provided the opportunity for 55 employees to acquire academic certificates, and 12 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the Bank's Training Center	3690
Training Programs held in collaboration with specialized local training centers	594
Training Courses held in Arab and Foreign Countries	39
Internal Seminars	660
Academic Certificates	55
Professional Certificates in the fields of Finance, Accountancy, Financing, Computer and Compliance.	12
<b>Total</b>	<b>5050</b>

Following is a table showing the most important courses held in 2013:

Description	Number of Participants
Administrative Courses	940
Financial, Accounting and Audit Courses	475
Credit Courses	900
Behavioral Skills and Public Relations Courses	510
Operations, Treasury and Investment Courses	1420
Personal Computer Courses	78
<b>Total</b>	<b>4323</b>

## Number of Employees

### 1 - Number of employees at the HBTF Group as per their qualifications as at the end of 2013.

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	138	12	5	9	4	3	1	2	-	-
High Diploma Degree	4	-	-	1	13	-	-	-	-	-
Bachelors Degree	1580	185	16	210	112	6	10	6	3	3
Diploma Degree	393	19	2	82	65	7	2	2	19	2
General Secondary Certificate	80	43	5	60	33	14	5	5	418	3
<b>Total</b>	<b>2199</b>	<b>259</b>	<b>28</b>	<b>362</b>	<b>227</b>	<b>30</b>	<b>18</b>	<b>15</b>	<b>440</b>	<b>8</b>

## 2- The Number of Employees of Jordan Branches at the end of 2013

The number of the Bank's employees inside Jordan reached 2199, out of whom 1027 employees are working at the various departments and work centers at the headquarters and 1172 employees working at the branches distributed as follows:

Branch	Number	Branch	Number	Branch	Number	Branch	Number
Main Branch	39	Jubeiha	12	North Border Crossing	4	Barha	12
Al Weibdeh	8	Fuhais	9	South Shouna	7	Shedieh	5
Al Madina	11	Salt	14	Deir Abi Saeed	8	Um Al Sumaq	11
Jabal Amman	8	Sweileh	11	Hakama	12	North Azraq	5
Jabal Al Hussein	13	Sahab	9	Huson	11	Ma'soum Sub.	8
Wehdat	12	Abu Alanda	10	Hitteen	7	Children	5
Marka	13	Juwaideh	11	Aidoun	9	Wadi Saqra	7
Quraysh St.	12	Marj Al Hamam	11	Mashare'	7	Qaser	10
Jabal Al Taj	8	Na'our	8	Kufranjah	7	Al Hasan Industrial City	6
Prince Hasan Sub.	12	Muwaqqar	6	Palestine St.	9	Rabiyah	11
North Hashimi	11	Tla' Al Ali	11	Karameh	5	Abdullah Ghosheh	12
Ras Al Ein	8	King Abdullah II City	7	Oujan	8	Central Market	6
Ashrafieh	8	Baqa'	9	Jaish St.	9	Quba Circle	13
Hawooz	8	Hurria St.	10	Kraymeh	6	Zahran	11
Nuzha	11	Muqablain	3	Yarmouk	8	Madina Munawarah	14
Sports City	13	Qwaismeh	9	Aqaba	14	City Mall	12
Salam	8	Bayader	13	Al Shweikh Mall	14	Medical City St.	8
Commercial Complex	12	Zarqa	15	Tafileh	9	Free Zone / Zarqa	6
Prince Moh'd St.	8	Irbid	18	Ma'an	9	Housing Bank Park / Abdoun	7
Tareq	11	Prince Nayef St. / Irbid	4	Mudawrah	6	New Zarqa	8
Abu Nussair	10	Ajloun	13	Karak	12	Al-Yasmeen District	8
Nazal Sub.	12	Mafraq	16	Potash	8	Mecca St.	11
Abdoun	13	Jarash	12	Petra	8	Al Salt Gate	8
Park Plaza	15	Madaba	13	Shobak	6	Taj Mall	15
Sweifieh	4	Deir Alla	9	Mu'ta	12	Al Jeeza	7
Galleria Mall	10	Ghweirieh	7	Hasa	7	30 <sup>th</sup> Street / Irbid	9
Gardens	14	Russeifa	9	Jabal Al Shamali	9	Husseiniya	4
Shmeisani	10	Ramtha	12	Airport	12	5 <sup>th</sup> Circle	7
Qasr Shbeeb	11	Wasfi Al Tal St. / Ramtha	5	Dulail	8	Call Center	21
Um Uthyna	10	North Shouna	7	Ethaa'	8	<b>Total</b>	<b>1172</b>

### 3- The Number of Employees at the Bank's Palestine Branches as at the end of 2013:

Branch	Number
Regional Management	94
Ramallah	27
Gaza	13
Nablus	22
Hebron	20
Halhoul	9
Beir Zeit	10
Khan Younis	8
Jenin	17
Bethlehem	14
Yata	7
Tormosaya	7
Dahriyeh	11
<b>Total</b>	<b>259</b>

### 4- The Number of Employees at the International Bank for Trade and Finance / Syria as at the end of 2013:

Branch	Number	Branch	Number	Branch	Number
General Management	157	Mazzeh	6	Dira'	7
Hejaz	14	Tijarah	4	Hama	10
Pakistan	13	Al Firdous	7	Mahradeh	5
Dama Roze	7	Zabadani	4	Hasakeh	4
Yarmouk	6	Homs	8	Latakia	13
Housh Plass	5	Tartus	11	Sweida	9
Duma	5	Faisal	8	Qamishli	5
Dummar Project	6	Sheraton	4	Deir Al Zour	3
Hareeka	6	Jmeleyeh	7	Masaken Barzeh	6
Jaramana	8	Sheikh Najjar	2	<b>Total</b>	<b>362</b>
Qas'a	6	Shahba' Mall	6		

## 5- The Number of Employees at the Housing Bank for Trade and Finance / Algeria as at the end of 2013:

Branch	Number
Regional Management	135
Dali Ibrahim	25
Blida	17
Wahran	23
Steif	15
Dar al Bayda'	12
<b>Total</b>	<b>227</b>

## Nature of the Subsidiaries' Business and Scope of their Activity

Name of Company	Type of Company	Main Activity	Paid - up Capital	Bank's Share
IBTF / Syria	Anonymous Company	Commercial Banking Activities	SL 5.25 billion	49.1%
HBTF / Algeria	Public Shareholding	Commercial Banking Activities	DZD 10 billion	61.2%
Jordan International Bank / London	P.L.C	Commercial Banking Activities	GBP 35 million	75%
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance Activities	JD 30 million	100.0%
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	100.0%

## Introductory Overview of the Board of Directors as at 31/12/2013

### H.E. Dr. Michel Issa Marto

**Title:** Chairman

**Date of Birth:** 21/8/1940

**Qualifications:** Ph.D, in 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)

### Membership in HBTF Board 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, Jordan International Bank/London.
- \* Chairman, Specialized Leasing Co.
- \* Chairman, International Financial Center Co.
- \* 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 First Group "constituted of specialists representing the Ministries, official institutions and commissions experienced and professional in economic and social fields ".

### **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

\* Acting Group CEO /Qatar National Bank

#### **Memberships in HBTF Board Committees**

- \* Executive Committee
- \* Nomination & Remuneration Committee

#### **Memberships in other Commissions and Boards**

- \* Chairman, QNB Capital Qatar
- \* Chairman QNB Kesawan Bank/ Indonesia
- \* Chairman in QNB Privee (Suisse) SA
- \* Vice Chairman, Commercial Bank International/United Arab Emirates
- \* Vice Chairman, QNB Al Ahli / Egypt
- \* Member of MasterCard Worldwide Advisory Board for MEA (Middle East and Africa)
- \* Board Member, Milaha (Qatar Navigation QSC)
- \* Board Member Nakilat (Qatar Gas Transport Company)
- \* Board Member, Qatar Exchange

### **Mr. Abdulla Mubarak AlKhalifa**

#### **Representative of Qatar National Bank**

**Title:** Board Member

**Date of Birth:** 25/9/1973

**Qualifications:** B.Sc. Business Administration, 1995

\* Executive General Manager - Chief Business Officer / Qatar National Bank

#### **Memberships in HBTF Board Committees**

- \* Executive Committee
- \* Corporate Governance Committee

#### **Memberships in other Commissions and Boards**

- \* Board Member, QNB Capital / Qatar
- \* Board Member, QNB Al Ahli / Egypt
- \* 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 in Business Administration 2004

\* General Manager, International Business Division / Qatar National Bank

#### **Memberships in HBTf Board Committees**

\* Audit Committee

\* Risk Management 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**

\* Executive Committee

\* Risk Management Committee

\* **Memberships in other Commissions and Boards:** None

### **Mr. Sami Hussein Al-Anbaee**

#### **Representative of Kuwait Real Estate Investment Consortium**

**Title:** Board Member

**Date of Birth:** 14/6/1956

**Qualifications:** Masters, Economics 1980

#### **Memberships in HBTf Board Committees**

\* Executive Committee

\* Risk Management Committee

**Memberships in other Commissions and Boards:** None

### **Mr. Humoud Jassim Al Falah**

#### **Representative of Kuwait Real Estate Investment Consortium**

**Title:** Board Member

**Date of Birth:** 15/6/1961

**Qualifications:** B.Sc. in 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. in 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 HBTB Board Committees**

- \* Nomination & Remuneration Committee
- \* Audit Committee

**Memberships in other Commissions and Boards**

- \* Board Member, Arab International Bank / Cairo 2011 up to date.
- \* Executive Committee Member- Arab International Bank / Cairo 2012 up to date.
- \* Board Member, Suez Canal Bank / Cairo 2012 up to date.
- \* Board Member, The Housing Bank for Trade & Finance / Algeria.
- \* Board Member of Libyan Investment Authority, 4/2012 -7/2013.
- \* 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.
- \* Chairman, National Financial Leasing Co. / Libya 2011.
- \* Chairman of the Board of LAPTECH Holding LTD from 2010 up to date.
- \* Member of the Ministerial Committee for International Cooperation, 12/2011- 12/2012.
- \* Member of Libya 2030 Vision Committee.
- \* Member of the Follow-up Committee for lifting the sanctions of Libya.
- \* Member of Ministerial Committee of Economic Policies.
- \* Board Member, Union of Arab Banks - Beirut, 20/4/2013 up to date.
- \* Chairman of General Assembly Member, Union of Arab Banks / Beirut, 2009.
- \* Board Member, Union of Arab Banks / Beirut, 2008-2010.
- \* Audit Committee Member - Union of Arab Banks / Beirut, 2008-2010.
- \* 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

### **Mr. Ismail Abdalla El Mesallati**

#### **Representative of Libyan Foreign Bank**

**Title:** Board Member

**Date of Birth:** 17/3/1956

**Qualifications:** B.A. in 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. Jihad Ali Al Share**

#### **Representative of Social Security Corporation / Jordan**

**Title:** Board Member

**Date of Birth:** 21/3/1958

**Qualifications:** Masters in 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 in a number of companies

\* Currently represents the SSC in the Jordan Press and Publishing co. / Ad-Dustour

### **Mr. Fadi Khalid Mufleh Al Alawneh**

#### **Representative of Social Security Corporation / Jordan**

**Title:** Board Member

**Date of Birth:** 21/1/1976

**Qualifications:** Masters in Finance 2003

\* Head of Accounting & Credit Facilities Unit -Social Security Investment Fund

#### **Memberships in HBTf Board Committees**

\* Executive Committee

#### **Memberships in other Commissions and Boards**

None

### **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. in Law 2002

\* Adviser to the Board of Directors of Civil Service Employees Pension Fund / Sultanate of Oman

#### **Memberships in HBTF Board Committees**

\* Risk Management Committee

\* Audit Committee

\* Nomination & Remuneration Committee

#### **Memberships in other Commissions and Boards**

\* Board Member, Dhofar Bank

\* Board Member, International Hotel Management Co.

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### **Mr. Mohyeddin ElAli**

**Title:** Board Secretary

**Date of Birth:** 14/5/1941

**Qualifications:** B.Sc. in Accounting

\* 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 and Head 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)

\* Many other Memberships in different companies

## 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 Issa 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. Humoud Jassim Al Falah	5/4/2009		Non-Executive Non-Independent	
Mr. Sami Hussein Al-Anbaee	22/7/2013	Kuwait Real Estate Investment Consortium	Non-Executive Non-Independent	18.613%
Mr. Mohamed Mohamed Ben Yousef	14/6/2007	Libyan Foreign Bank	Non-Executive Non-Independent	16.166%
Mr. Ismail Abdalla El Mesallati	25/6/2012		Non-Executive Non-Independent	
Mr. Jehad Ali Al Share	25/2/2009	Social Security Corporation/Jordan	Non-Executive Non-Independent	15.389%
Mr. Fadi Khalid Al Alawneh	16/4/2013		Non-Executive Non-Independent	
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	
		2012	2013	2012	2013
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. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Sami Hussein Al-Anbaee	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdalla El Mesallati	Libyan	-	-	-	-
Mr. Jihad Ali Al Share	Jordanian	-	-	-	-
Mr. Fadi Khalid Al Alawneh	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	
		2012	2013	2012	2013
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. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Sami Hussein Al-Anbaee	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdalla El Mesallati	Libyan	-	-	-	-
Mr. Jihad Ali Al Share	Jordanian	-	-	-	-
Mr. Fadi Khalid Al Alawneh	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 2013 in the following chronological order: 27/1, 28/3, 25/4, 6/6, 25/7, 24/10, and 12/12. All Board Members attended the meetings.

The committees also held 13 meetings during 2013.

Name of Committee	Current Members
Executive Committee	<ul style="list-style-type: none"><li>- Mr. Ali Ahmed Al-Kuwari</li><li>- Mr. Ali Rashid Al-Mohannadi</li><li>- Mr. Abdulla Mubarak AlKhalifa</li><li>- Mr. Sami Hussein Al-Anbaee</li><li>- Mr. Ismail Abdalla El Mesallati</li><li>- Mr. Fadi Khalid Al Alawneh</li></ul>
Audit Committee	<ul style="list-style-type: none"><li>- SHK Ali Jassim Al-Thani</li><li>- Mr. Yousef Mahmoud Al-Neama</li><li>- Mr. Humoud Jassim Al Falah</li><li>- Mr. Mohamed Mohamed Ben Yousef</li><li>- Mr. Jihad Ali Al Share</li><li>- Mr. Ahmed Said Al Mahrezi</li></ul>
Nomination and Remuneration Committee	<ul style="list-style-type: none"><li>- Mr. Ali Ahmed Al-Kuwari</li><li>- Mr. Mohamed Mohamed Ben Yousef</li><li>- Mr. Ahmed Said Al Mahrezi</li></ul>
Risk Management Committee	<ul style="list-style-type: none"><li>- Mr. Ali Rashid Al-Mohannadi</li><li>- Mr. Yousef Mahmoud Al-Neama</li><li>- Mr. Sami Hussein Al-Anbaee</li><li>- Mr. Ahmed Said Al Mahrezi</li><li>- Mr. Omar Zuheir Malhas / General Manager</li></ul>
Corporate Governance Committee	<ul style="list-style-type: none"><li>- H.E. Dr. Michel Marto</li><li>- Mr. Abdulla Mubarak AlKhalifa</li><li>- Mr. Humoud Jassim Al Falah</li><li>- Mr. Jihad Ali Al Share</li><li>- Mr. Omar Zuheir Malhas / General Manager</li></ul>

## Senior Executive Management: Brief Resume (as on 31/12/2013)

### Mr. Omar Zuheir Malhas

**Title:** General Manager

**Date of Birth:** 30/3/1960

**Date of Appointment:** 1/8/2002

**Qualifications:** 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, The Housing Bank for Trade & Finance/Algeria

\* 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

\* Board Member, Institute of Banking Studies / Representative of the Licensed Banks.

### Mr. Osama Jameel Al Haj Yahya

**Title:** Chief Operating Officer

**Date of Birth:** 22/11/1963

**Date of Appointment:** 11/8/1988

**Qualifications:** MA in 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:**

\* Board Member, Jordan Real Estate Enterprises Co – Vice Chairman.

\* Board Member, Jordan Industrial Estates Company - President of the Audit Committee.



### **Mr. Caesar Hani Qulajen**

**Title:** Chief Banking Officer

**Date of Birth:** 22/8/1964

**Date of Appointment:** 2/11/2008

**Qualifications:** MBA in 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, Middle East Payment Services Co./Jordan

\* Board Member, Credit Bureau Co. /Jordan

\* Board Member, Executive Committee/Jordan International Bank / London

### **Mr. Muhannad Shehadeh Khalil**

**Title:** Assistant General Manager for Retail Banking

**Date of Birth:** 25/8/1970

**Date of Appointment:** 25/6/2013

**Qualifications:** MBA, 1995

Mr. Shehadeh has worked with the HBTF since 2013, and his experiences are mainly in the retail banking and credit facilities. He held several positions : CEO / Military Credit Fund, head of consumer banking and wealth management at HSBC in Jordan and Lebanon and director of retail-investment products at ALICO in Jordan and Egypt.

**Memberships in HBTF Board Committees:**

None

**Memberships in other Commissions and Boards:**

None

### **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. Riyad Ali Taweel**

**Title:** Assistant General Manager for Treasury

**Date of Birth:** 1/9/1971

**Date of Appointment:** 22/7/2007

**Qualifications:** B.Sc. in 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. in 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. in Finance, 2006

Dr. Turki worked for the Bank for more than 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 in 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 20 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. in 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

**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 Finance Center since 2007
- \* Legal Counsel / Housing Bank Securities Fund since 2006
- \* Legal Counsel / Jordan Real-Estate Investments and Commercial Services (2006-2013)
- \* Secretary to the Board of Directors of the Specialized Leasing Company (2005-2013)
- \* Member of the Legal Committee / Association of Banks in Jordan since 2005.

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	
			2012	2013	2012	2013
Mr. Omar Zuheir Malhas - His son Faisal Omar Malhas	General Manager	Jordanian Jordanian	10,000	10,000	215	215
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Caesar Hani Qulajen	Chief Banking Officer	Jordanian	-	-	-	-
Mr. Muhannad Shehadeh Khalil	Assistant General Manager for Retail Banking	Jordanian	-	-	-	-
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	2,000	2,000	-	-
Dr. Mohammad Abdul Fattah Turki	General Auditor	Jordanian	-	-	-	-
Mr. Issam Fouad Hudroj	Executive Manager / Human Resources Department	Jordanian	-	-	-	-
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Ra'ad Ahmed Abu Al-Sa'ad	Executive Manager / IT Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer	Jordanian	-	-	-	-
Mr. Mohyeddin Abdul Hameed ElAli - His wife Husnia Zaki Al- Zeyoud	Board Secretary	Jordanian Jordanian	43,500	43,500	132,500	132,500

### 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	
			2012	2013	2012	2013
Mr. Omar Zuheir Malhas	General Manager	Jordanian	-	-	-	-
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Caesar Hani Qulajen	Chief Banking Officer	Jordanian	Canadian Coffee Services Company	Canadian Coffee Services Company	-	-
Mr. Muhannad Shehadeh Khalil	Assistant General Manager for Retail Banking	Jordanian	-	-	-	-
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	-	-	-	-
Dr. Mohammad Abdul Fattah Turki	General Auditor	Jordanian	-	-	-	-
Mr. Issam Fouad Hudroj	Executive Manager / Human Resources Department	Jordanian	-	-	-	-
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Ra'ad Ahmed Abu Al-Sa'ad	Executive Manager / IT Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer	Jordanian	-	-	-	-
Mr. Mohyeddin Abdul Hameed El 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 2013 amounted to JD4,735,753 (excluding performance incentives and bounces).

### 1. Remunerations and Benefits for the Chairman and the Board Members during 2013

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 Issa Marto	Chairman	119,000
SHK Ali Jassim Al-Thani	Vice Chairman	174,560
<b>Qatar National Bank represented by:</b>		
Mr. Ali Ahmed Al-Kuwari	Board Member	158,510
Mr. Abdulla Mubarak AlKhalifa	Board Member	158,510
Mr. Yousef Mahmoud Al-Neama	Board Member	158,510
Mr. Ali Rashid Al-Mohannadi	Board Member	142,460
<b>Kuwait Real Estate Investment Consortium represented by:</b>		
Mr. Humoud Jassim Al Falah	Board Member	174,560
Mr. Sami Hussein Al-Anbaee *	Board Member	48,150
Mr. Mohammad Saad Al Munaifi **	Board Member	72,910
<b>Libyan Foreign Bank represented by:</b>		
Mr. Mohamed Mohamed Ben Yousef	Board Member	174,560
Mr. Ismail Abdalla El Mesallati	Board Member	146,130
<b>Social Security Corporation / Jordan represented by:</b>		
Mr. Jehad Ali Al Share	Board Member	174,560
Mr. Fadi Khalid Al Alawneh***	Board Member	88,275
Mr. Thabet Issa ElWir****	Board Member	12,790
Dr. Omar Ahmad Al Razaz*****	Board Member	2,500
<b>Ministry of Finance / Sultanate of Oman represented by:</b>		
Mr. Ahmed Said Al Mahrezi	Board Member	169,210

\* Mr. Sami Al-Anbaee appointed to the Board on 22/7/2013 replacing Mr. Nawaf Almansour.

\*\* The membership of Mr. Mohammad Al Munaifi was terminated on 28/3/2013.

\*\*\* Mr. Fadi Al Alawneh appointed to the Board on 16/4/2013.

\*\*\*\* The membership of Mr. Thabet ElWir was terminated on 1/6/2012.

\*\*\*\*\*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 2013

(JD)

Name	Title	Annual Salaries	Annual Remunerations	Annual Transportation Allowances	Annual Travel Allowances	Total Annual Benefits	In-kind Benefits
H.E. Dr. Michel Issa Marto	Chairman	411,188	-	137,063	11,500	559,751	Car
Mr. Mr. Omar Zuheir malhas	General Manager	326,340	-	108,780	7,750	442,870	Car
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	141,134	2,880	47,045	4,200	195,258	-
Mr. Caesar Hani Qulajen	Chief Banking Officer	151,903	2,880	50,634	3,000	208,417	-
Mr. Muhammad Shehadeh Khalil*	Assistant General Manager for Retail Banking	61,531	1,488	19,640	-	82,659	-
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	121,651	2,880	40,550	-	165,082	-
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	96,181	2,880	32,060	2,000	133,121	-
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	101,176	2,880	33,725	1,000	138,781	-
Mr. Khaled Mahmud Al-Thahabi	Chief Financial Officer	96,181	2,880	32,060	800	131,921	-
Dr. Mohammad Abdul Fattah Turki	General Auditor	86,268	2,880	28,756	3,800	121,704	-
Mr. Issam Fouad Hudroj	Executive Manager / Human Resources Department	75,591	1,200	25,197	-	101,989	-
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	41,106	1,200	13,702	600	56,608	-
Mr. Ra'ad Ahmed Abu Al-Sa'ad	Executive Manager / IT Department	93,372	1,200	31,124	-	125,696	-
Mr. Wael Ismail Asfour	Chief Legal Officer	54,671	1,107	19,400	400	75,579	-
Mr. Mohyeddin Abdul Hameed El Ali	Board Secretary	160,082	2,880	53,361	4,800	221,122	-

\* Mr. Muhammad Shehadeh was assigned on 25/6/2013 and resigned on 5/1/2014.

## Major Shareholders 5% or more

Name	Number of Shares as at end of 2012	(%) of the Capital	Number of Shares as at end of 2013	(%) 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	40,493,243	16.1%	40,737,248	16.2%
Social Security Corporation/Jordan	38,780,231	15.4%	38,780,231	15.4%
<b>Total</b>	<b>213,070,181</b>	<b>84.6%</b>	<b>213,314,186</b>	<b>84.7%</b>

- Number of Jordanian Shareholders is 2828 ,their holding constitutes 19.5% of the Capital.
- Number of Arab & Foreign Shareholders is 484 shareholders, their holding constitutes 80.5% of the Capital.

## Shareholders Categories Breakdown as of 31/12/2013

Shareholders Category	Number of Shareholders	Total Number of Shares per Category	(%) of the Capital
1 - 1,000	2262	666,217	0.264%
1,001 - 10,000	872	2,636,365	1.046%
10,001 - 100,000	140	3,735,593	1.482%
100,001 - 1,000,000	26	6,985,947	2.773%
1,000,001 - 10,000,000	2	3,150,655	1.250%
More than ten million shares	*6	234,825,223	93.185%
<b>Total</b>	<b>3308</b>	<b>252,000,000</b>	<b>100%</b>

\* 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 2013

Description	Market Share
Assets	14.8%
Customers' Deposits	15.8%
Loans and Credit Facilities	11.6%

## 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. 41 stated under the Financial Statements of 2013.

### The Bank's Accomplishments supported by Figures and Description of Significant Occurrences which the Bank has undergone in 2013

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

### The Financial Impact of Non-recurrent Transactions during 2013 which are not Part of the Bank's Main Activities

No non-recurrent transactions or any substantial matters occurred during 2013 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 2013

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 2014.

### Auditor's Fees for 2013

(JD)

Description	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	93,837	125,138	218,975
Palestine Branches	23,957	6,960	30,917
Bahrain Branch	27,950	-	27,950
International Bank for Trade and Finance / Syria	46,085	-	46,085
The Housing Bank for Trade and Finance / Algeria	58,040	-	58,040
Jordan International Bank / London	129,019	12,621	141,640
Specialized Leasing Finance Co.	4,022	-	4,022
International Financial Center Co.	4,022	2,900	6,922
Jordan Real Estate Investments and Commercial Services Co.	1,871	-	1,871
<b>Total</b>	<b>388,803</b>	<b>147,619</b>	<b>536,422</b>

### Donations and Grants in 2013

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 2013 include: Jordan River Foundation, King Hussein Cancer Center, Jordanian Hashemite Fund for Human Development, Arab Thought Forum, Jordanian Association for the Protection from Road Accidents, Jordan Cancer Society, to name but a few. It is worth mentioning that cash donations provided by the Bank in 2013 amounted to JD435 thousand while the in-kind donations reached to an amount of JD201 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 39 mentioned in the Financial Statements of 2013, 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 30

## **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 234,825,223 shares, equal to 93.185% 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.

## **Customers' Complaints**

1- The sum of customers' complaints that have been submitted to the Bank in 2013 was 599 complaints, distributed as follows:

- 106 actual complaints constituted about 17.7% of the total complaints\*.
- 493 non-actual complaints constituted about 82.3% of the total complaints\*\*.

The below table illustrates the number of actual complaints classified according to nature of the complaint:

<b>Nature of complaint</b>	<b>Number</b>
Complaints related to code of conduct	17
Complaints related to work procedures	59
Complaints related to products and services	7
Complaints related to the work environment	23
<b>Total</b>	<b>106</b>

2- The Bank followed up all submitted complaints and dealt with them in accordance with the Bank's policies and procedures. Furthermore, preventive and corrective procedures have been adopted to ensure avoiding such practices in the future.

\* The actual complaints: it is the complaint because of converse the code of conduct and /or the internal procedures in the bank.

\*\* Non-actual complaints: it is the complaint that is not includes any converse to the code of conduct and / or the internal procedures , these complaints often appear as a result of a contraction between the required service by the customer and the internal instructions in the bank.



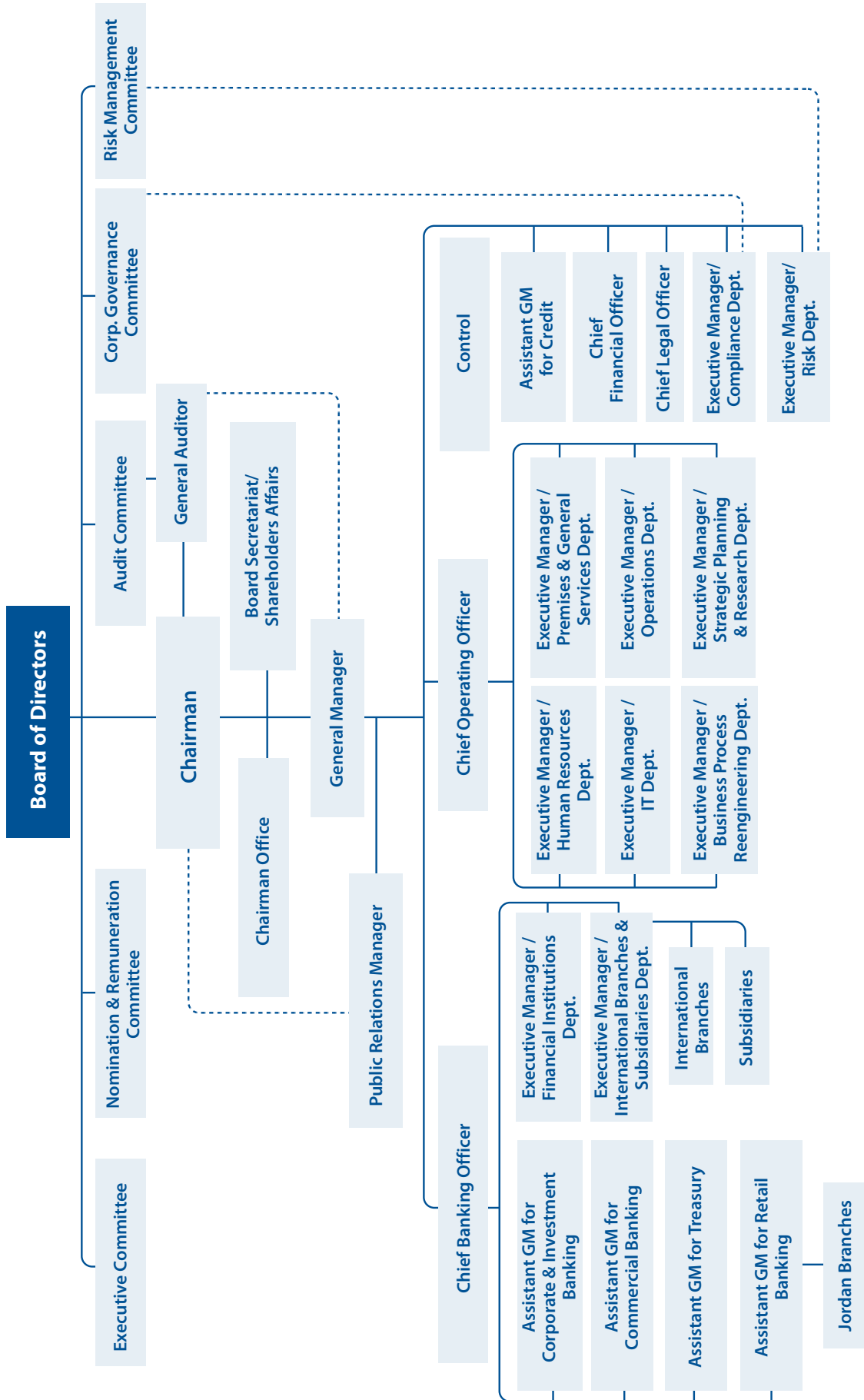
Mahmoud Sadiq



Khalid Khreis

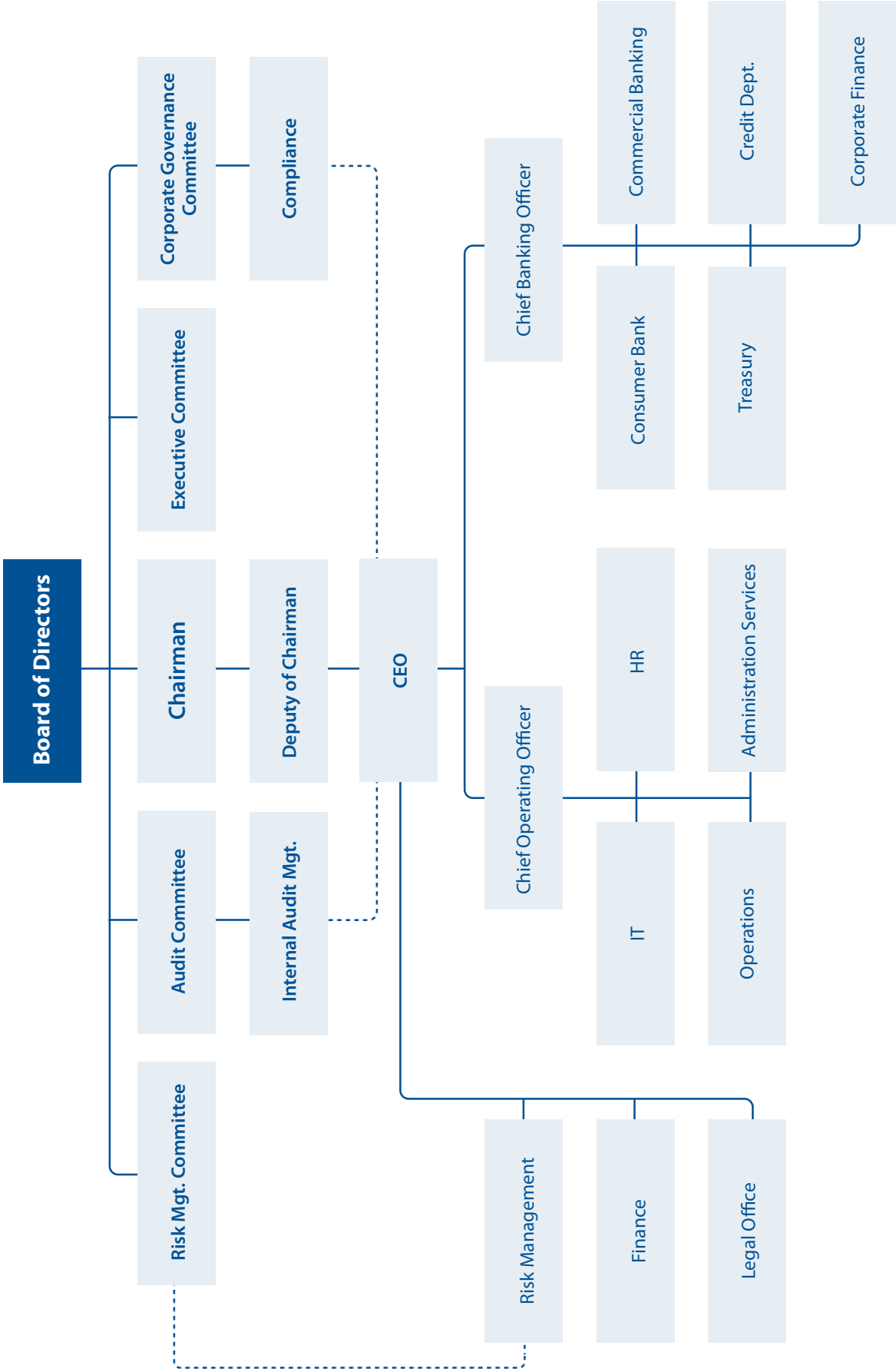


# Organizational Chart / The Housing Bank for Trade & Finance

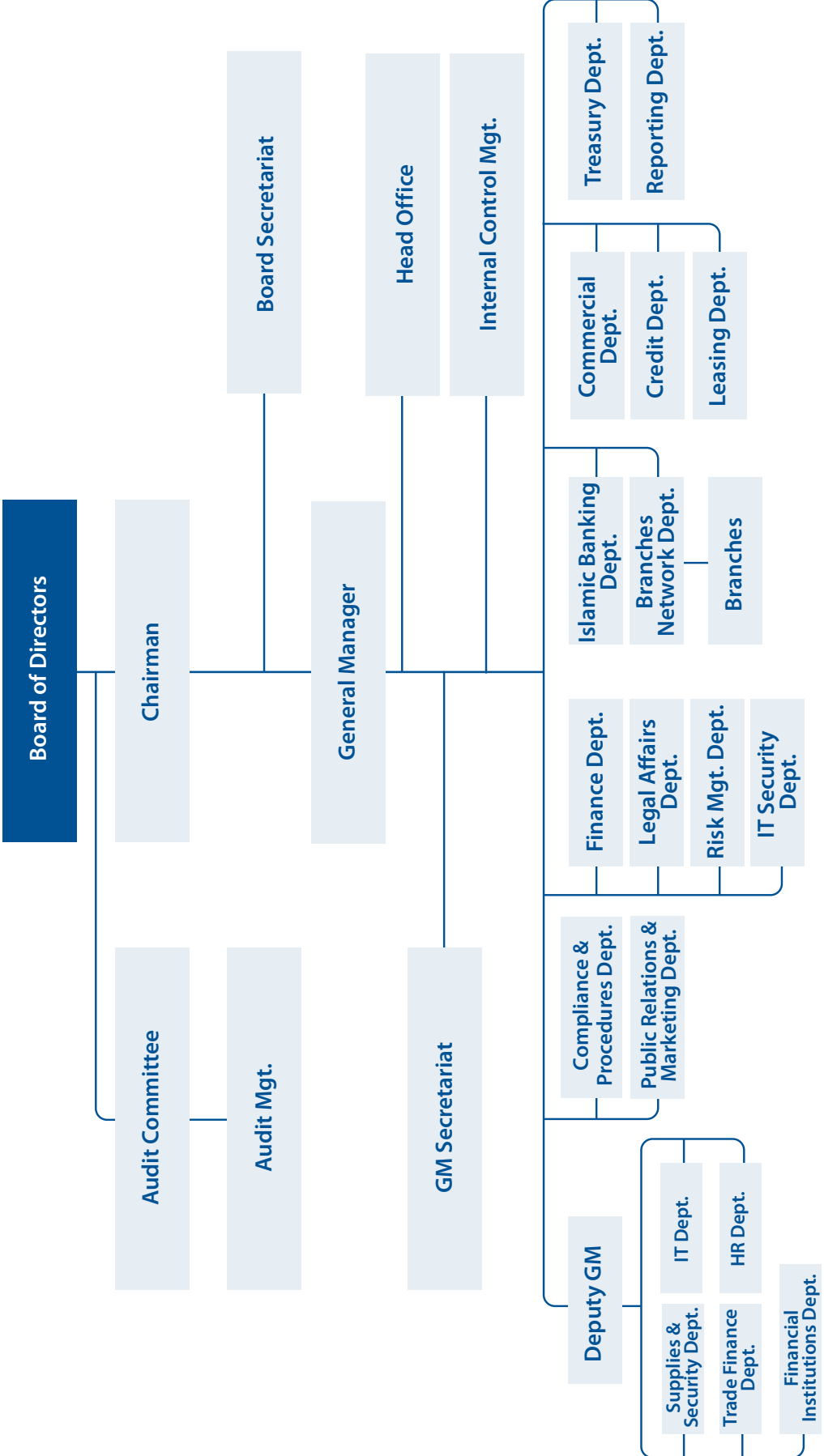




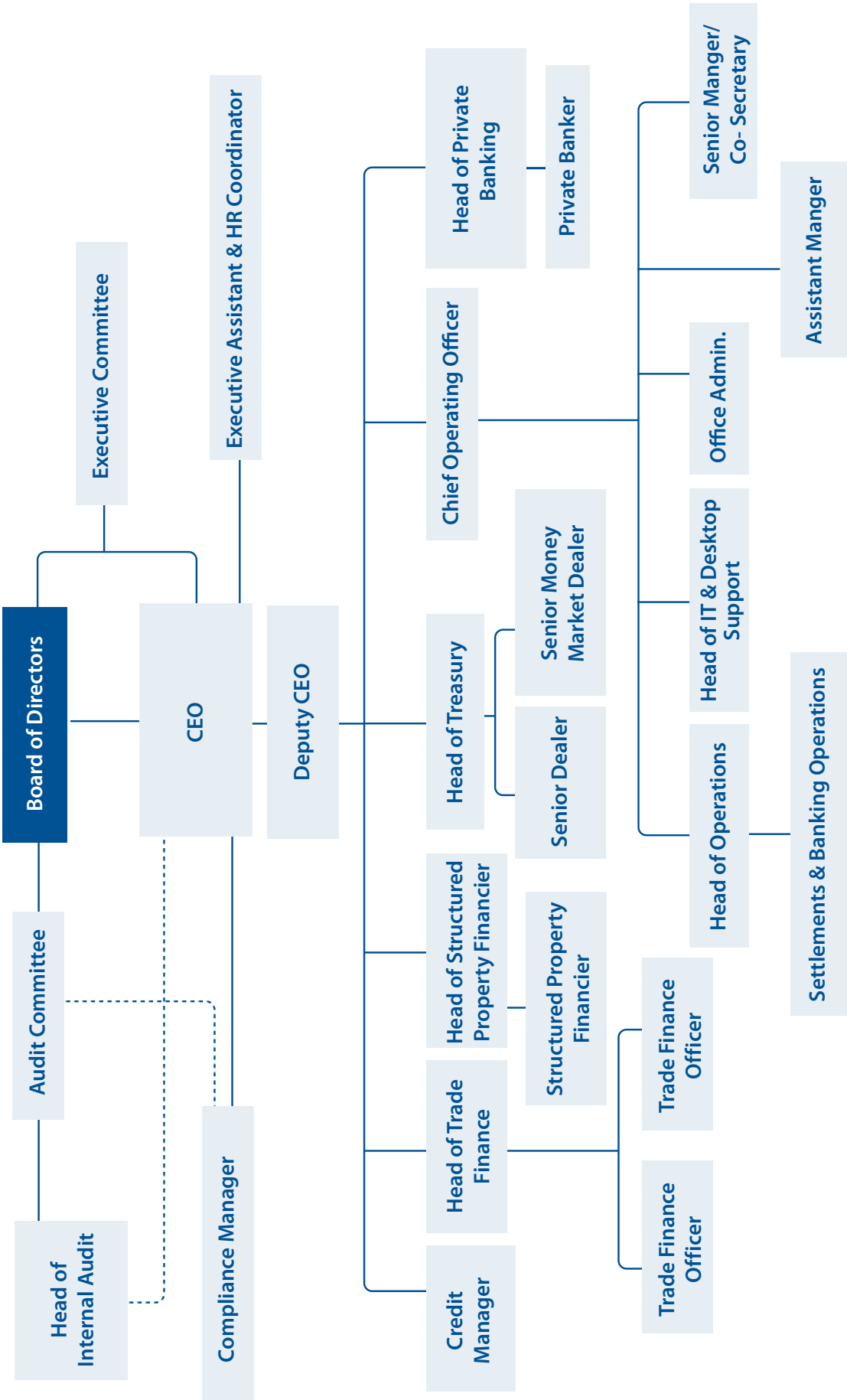
# Organizational Chart /International Bank for Trade and Finance - Syria



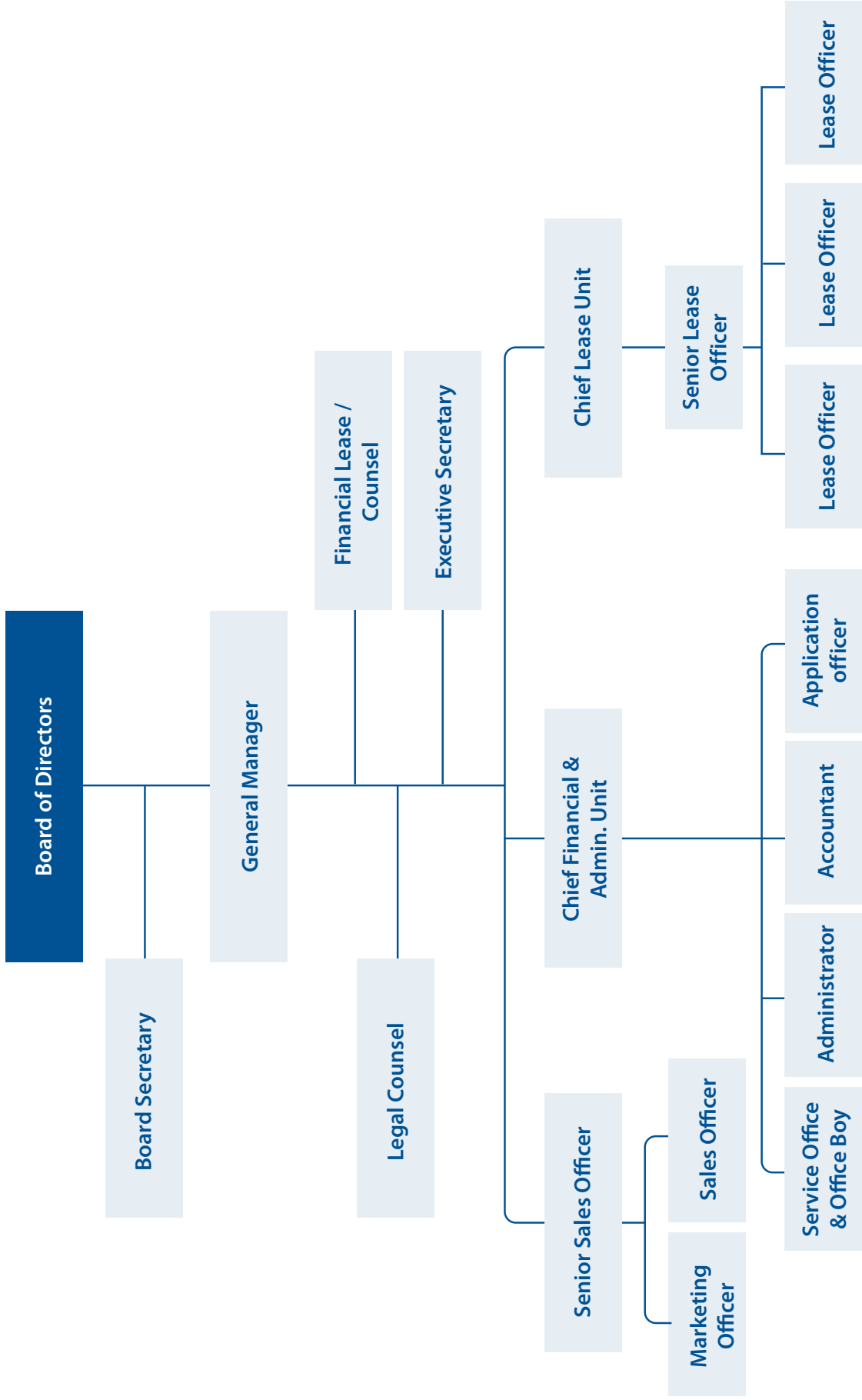
**Organizational Chart / The Housing Bank for Trade & Finance – Algeria**



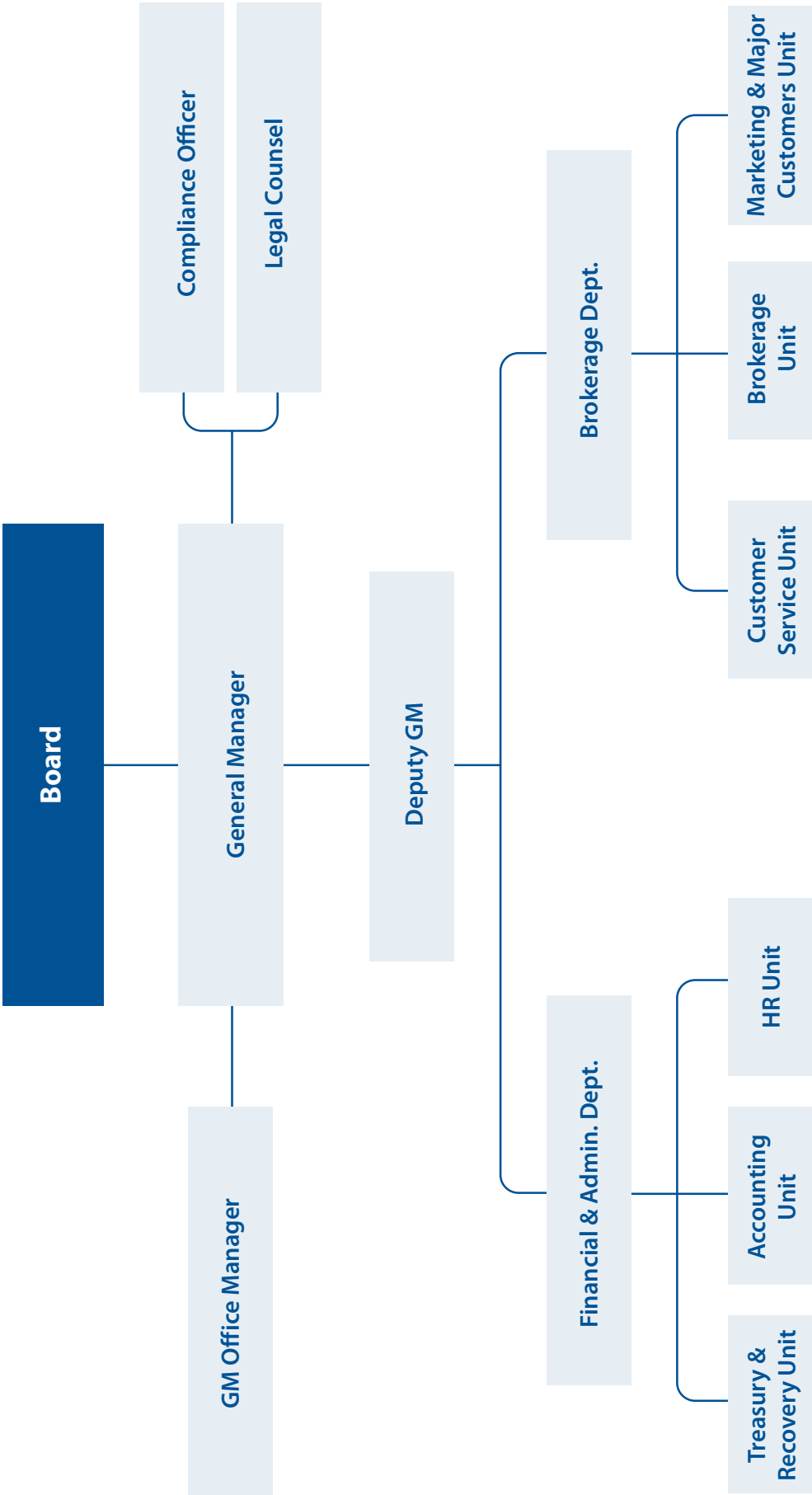
**Organizational Chart / Jordan International Bank - London**



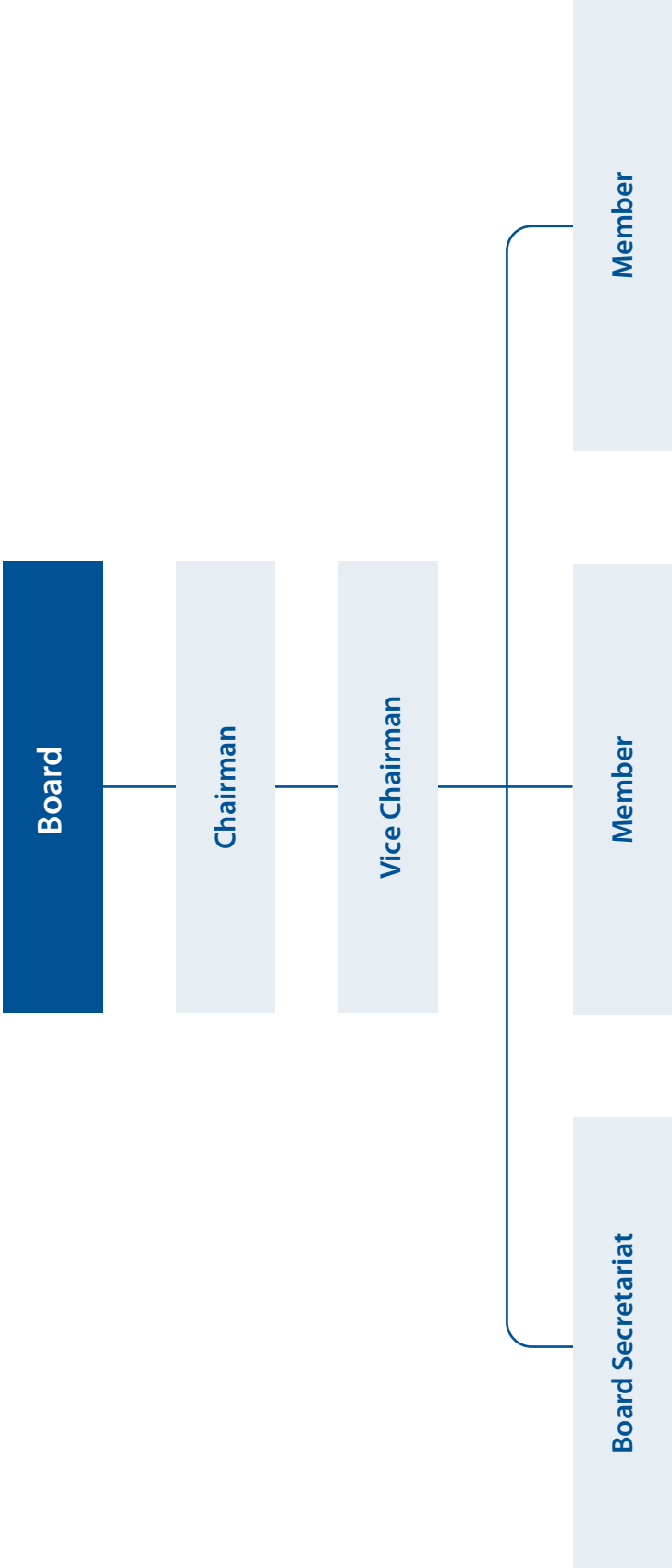
## Organizational Chart / Specialized Leasing Company



**Organizational Chart / International Financial Center Co.**



**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@hbtbf.com.jo
Al Weibdeh	06 - 5663736	Amman, Abdali, Suleiman Al-Nabulsi St., Building No. 183	31.96056	35.91536	br002@hbtbf.com.jo
Al Madina	06 - 4637188	Amman, King Hussein St., Building No. 33	31.95382	35.93195	br003@hbtbf.com.jo
Jabal Amman	06 - 5005555 Ext. 4064	Amman, Jabal Amman, Prince Moh'd St., Building No. 252	31.95472	35.91380	br004@hbtbf.com.jo
Jabal Al Hussein	06 - 4654697	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St., Building No. 121	31.96462	35.92163	br005@hbtbf.com.jo
Wehdat	06 - 4778620	Amman, Wehdat, Prince Hassan St., Building No. 263	31.92592	35.93813	br006@hbtbf.com.jo
Marka	06 - 4893611	Amman, Marka, King Abdullah St., Building No. 423	31.97965	35.98427	br007@hbtbf.com.jo
Quraish St.	06 - 4656504	Amman, Quraish St., Building No. 45	31.94665	35.93279	br008@hbtbf.com.jo
Jabal Al Taj	06 - 4753922	Amman, Jabal Al Taj, Al Taj St., Building No. 76	31.95282	35.95528	br009@hbtbf.com.jo
Prince Hassan Sub.	06 - 5005555 Ext. 4130	Amman, South Marka, Al Rabwah Sub, Saleh Al Hamlan St., Al Khaseb Complex	31.96048	35.97755	br010@hbtbf.com.jo
North Hashimi	06 - 5005555 Ext. 4047	Amman, North Hashimi, Al Bathaa St., Jawharat Al Bathaa Complex	31.95693	35.95514	br011@hbtbf.com.jo
Ras Al Ein	06 - 5005555 Ext. 4143	Amman, Ras Al Ain, Al Quds St., Building No. 10	31.94335	35.92226	br012@hbtbf.com.jo
Ashrafieh	06 - 4753957	Amman, Ashrafieh, Imam Al Shafe' St., Building No. 52	31.93715	35.93356	br013@hbtbf.com.jo
Hawooz	06 - 5005555 Ext. 4160	Amman, Jabal Amman, Omar Bin Al Khattab St., Building No. 104	31.94829	35.92220	br014@hbtbf.com.jo
Nuzha	06 - 5005555 Ext. 4039	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.97419	35.92624	br015@hbtbf.com.jo
Sports City	06 - 5005555 Ext. 4169	Amman, Sport's City, Al Shaheed St., Building No. 35	31.98749	35.90217	br016@hbtbf.com.jo
Salam	06 - 4622168	Amman, Jabal Al Weibdeh, Shari'a College St., Building No. 8	31.95699	35.92137	br017@hbtbf.com.jo
Commercial Complex	06 - 5005555 Ext. 2372	Amman, Shmeisani, Queen Noor St.	31.97083	35.90711	br018@hbtbf.com.jo
Prince Moh'd St.	06 - 5005555	Amman, 9 <sup>th</sup> Sha'ban St., Tala't Al Hayek	31.95168	35.92780	br019@hbtbf.com.jo
Tareq	06 - 5005555 Ext. 4187	Amman, Tareq, Tareq St.	31.99933	35.94442	br020@hbtbf.com.jo
Abu Nussair	06 - 5005555 Ext. 4194	Amman, Abu Nussair, Al Arab St.	32.05075	35.88336	br023@hbtbf.com.jo
Nazal Sub.	06 - 4396962	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.93614	35.91569	br024@hbtbf.com.jo
Abdoun	06 - 5005555 Ext. 4211	Amman, Abdoun, Cairo St., Building No. 100	31.95356	35.87937	br025@hbtbf.com.jo
Park Plaza	06 - 5005555 Ext. 4884	Amman, Sweifeh, Salah Suheimat St., Park Plaza Mall	31.95851	35.86907	br026@hbtbf.com.jo
Sweifeh	06 - 5005555 Ext. 4221	Amman, Sweifeh, Commercial Market, Mahmoud Obeidat St.	31.95806	35.86480	br026@hbtbf.com.jo
Galleria Mall	06 - 5005555 Ext. 3862	Amman, Sweifeh, Galleria Mall	31.95953	35.86155	br026@hbtbf.com.jo
Gardens	06 - 5005555 Ext. 4233	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 18	31.98398	35.89000	br027@hbtbf.com.jo
Shmeisani	06 - 5005555 Ext. 4246	Amman, Shmeisani, Abdul Hameed Shoman St., Building No. 18	31.96803	35.89784	br028@hbtbf.com.jo
Qasr Shbeeb	06 - 5005555 Ext. 4255	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.06366	36.08439	br029@hbtbf.com.jo
Um Othina	06 - 5005555 Ext. 4274	Amman, Um Othina, Sa'ad Ibn Abi Waqas St., Building No. 47	31.96794	35.87724	br030@hbtbf.com.jo

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

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
Jubeiha	06 - 5005555 Ext. 4284	Amman, Jubeiha, Abdulla Ali Lozi St.	32.02273	35.86558	br031@hbtf.com.jo
Fuhais	06 - 5005555 Ext. 4294	Fuhais, Al-Alali, King Abdullah II St.	32.00183	35.77698	br032@hbtf.com.jo
Salt	05 - 3555101	Salt, Al Maydan St.	32.03933	35.72857	br033@hbtf.com.jo
Sweileh	06 - 5005555 Ext. 4305	Amman, Sweileh, Princess Raya Bint Al Hussein St., Building No. 26	32.02336	35.84156	br034@hbtf.com.jo
Sahab	06 - 5005555 Ext. 4320	Amman, Sahab, Prince Hassan St.	31.87155	36.00453	br035@hbtf.com.jo
Abu Alanda	06 - 5005555 Ext. 4334	Amman, Abu Alanda, Ibrahim Rashed Al-Hunaiti St., Building No. 32	31.90248	35.96082	br038@hbtf.com.jo
Juwaideh	06 - 5005555 Ext. 4030	Amman, Al Juwaideh, Madaba St., Al-Waleed Building	31.87917	35.93285	br039@hbtf.com.jo
Marj Al Hamam	06 - 5712051	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.89412	35.83853	br041@hbtf.com.jo
Na'our	06 - 5005555 Ext. 4347	Na'our, King Hussein St., Near the Great Mosque	31.87697	35.82818	br042@hbtf.com.jo
Mwaqqar	06 - 5005555 Ext. 3828	Amman, Mwaqqar Down Town	31.81191	36.10645	br043@hbtf.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@hbtf.com.jo
King Abdullah II City	06 - 4023251	Amman, Sahab, King Abdullah II Industrial Estate	31.85266	36.00782	br045@hbtf.com.jo
Baqa'	06 - 5005555 Ext. 4380	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.07647	35.84209	br046@hbtf.com.jo
Hurria St.	06 - 5005555 Ext. 4898	Amman, Muqableen, Hurria St., Building No. 140	31.89591	35.91651	br047@hbtf.com.jo
Muqableen	06 - 5005555 Ext. 4382	Amman, Muqableen, Bishr bin Al Baraa St., Building No. 13	31.90590	35.91056	br047@hbtf.com.jo
Qwaismeh	06 - 4786769	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.91776	35.94836	br048@hbtf.com.jo
Bayader	06 - 5005555 Ext. 4399	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 58	31.95441	35.83862	br049@hbtf.com.jo
Zarqa	06 - 5005555 Ext. 4415	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.06194	36.09196	br051@hbtf.com.jo
Irbid	06 - 5005555 Ext. 4939	Irbid, Al Hashimi St., Near Al Hashimi Mosque	32.55705	35.85337	br052@hbtf.com.jo
Prince Nayef St.	06 - 5005555 Ext. 4422	Irbid, Prince Nayef St., Endowments Building	32.55599	35.85219	br052@hbtf.com.jo
Ajloun	02 - 6420230	Ajloun, Alqalaa St., Opp. Municipality Building	32.33277	35.75162	br053@hbtf.com.jo
Mafrq	06 - 5005555 Ext. 4445	Mafrq, King Talal St.	32.34390	36.20735	br054@hbtf.com.jo
Jarash	06 - 5005555 Ext. 4451	Jarash, King Abdullah St., Opp. Water Authority	32.27922	35.89497	br055@hbtf.com.jo
Madaba	06 - 5005555 Ext. 4979	Madaba, King Abdullah St.	31.71831	35.79277	br056@hbtf.com.jo
Deir Alla	06 - 5005555 Ext. 4468	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.18395	35.62135	br057@hbtf.com.jo
Ghweirieh	05 - 3979140	Zarqa, Ghweirieh, Intersection of King Ghazi St. & Algeria St., Building No. 51	32.07223	36.09445	br058@hbtf.com.jo
Russeifa	06 - 5005555 Ext. 4484	Zarqa, Russeifa, King Hussein St., Building No. 184	32.01724	36.04349	br059@hbtf.com.jo
Ramtha	02 - 7383110	Ramtha, Down Town, Nasser Al Tallaq St.	32.56160	36.01133	br060@hbtf.com.jo
Wasfi Al Tal St. / Ramtha	06 - 5005555 Ext. 3844	Ramtha, Wasfi Al Tal St., Opp. to Ramtha hospital	32.56639	36.01539	br060@hbtf.com.jo
North Shouna	02 - 6587104	North Shouna, King Faisal St.	32.61007	35.60973	br061@hbtf.com.jo
North Border Crossing	02 - 6550901	Sheikh Hussein Bridge, North Ghor	32.49741	35.57792	br061@hbtf.com.jo



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

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
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	06 - 5005555 Ext. 4525	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., Opp. Mashare' Municipality, Talal al Gazawi Building	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, Oujan 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
Shuwaikh Mall	06 - 5005555 Ext. 4996	Aqaba, Shuwaikh Mall Building	29.54389	35.01563	br081@hbtbf.com.jo
Tafleh	06 - 5005555 Ext. 4624	Tafleh, 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
Mudawarah	03 - 2130976	Mudawarah, Mudawarah Border Station	29.19314	36.07291	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	06 - 5005555 Ext. 4667	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
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

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

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
Airport	06 - 4459276 Ext. 5546	Amman, Queen Alia International Airport	31.72291	35.98907	br097@hbtf.com.jo
Dlail	06 - 5005555 Ext. 4697	Zarqa , Dlail, Jaish St., Qasr Al Halabat Intersection	32.13201	36.27267	br101@hbtf.com.jo
Ethaa'	06 - 4752201	Amman, Prince Hassan St., Opp. to Hiteen College	31.90856	35.93842	br102@hbtf.com.jo
Barha	02 - 7269016	Irbid , Barha St., Opp.Irbid Municipality	32.55658	35.84700	br103@hbtf.com.jo
Sheidieh	06 - 5005555 Ext. 4715	Ma'an, Sheidieh Mine	29.93314	36.14091	br104@hbtf.com.jo
Um Al Sumaq	06 - 5005555 Ext. 4728	Amman, Um Al Sumaq, Awsarah St. , Building No. 17	31.98179	35.84758	br106@hbtf.com.jo
North Azraq	05 - 3834207	North Azraq, Baghdad Main St.	31.88292	36.83278	br107@hbtf.com.jo
Masoum Sub.	06 - 5005555 Ext. 4740	Zarqa , Masoum Sub., King Abdullah II Circle	32.07775	36.07479	br108@hbtf.com.jo
Children	06 - 5864766	Amman, Abdullah Ghosheh St. , Building No. 15	31.96015	35.85725	br109@hbtf.com.jo
Wadi Saqra	06 - 5005555 Ext. 4756	Amman, Wadi Saqra St. , Building No. 89	31.95649	35.91388	br111@hbtf.com.jo
Qaser	06 - 5005555 Ext. 4764	Karak , Qaser, Main St.	31.31107	35.74353	br113@hbtf.com.jo
Al Hassan Industrial Estate	02 - 7109010	Irbid, Al Hassan Industrial Estate	32.49989	36.02071	br114@hbtf.com.jo
Rabiyah	06 - 5511830	Amman, Rabiyah, Mahmoud Al Tahir St. , Building No. 7	31.97616	35.88479	br115@hbtf.com.jo
Abdullah Ghosheh	06 - 5005555 Ext. 4782	Amman, Abdullah Ghosheh St., Al Husini Complex, Building No. 55	31.96666	35.85522	br117@hbtf.com.jo
Central Market	06 - 4127514	Amman, Near Central Vegetable Market	31.86427	35.95792	br119@hbtf.com.jo
Quba Circle	06 - 5005555 Ext. 4828	Irbid , King Abdullah II St., Quba Circle	32.54566	35.85664	br120@hbtf.com.jo
Zahran	06 - 4642568	Amman, Ibin Khaldon St., (Al Khaldi Hospital) Building No. 54	31.95226	35.90151	br121@hbtf.com.jo
Madina Munawarah	06 - 5005555 Ext. 4908	Amman, Tla' Al Ali, Madina Munawarah St. , Building No. 194	31.98745	35.86693	br122@hbtf.com.jo
City Mall	06 - 5005555 Ext. 4041	Amman, City Mall, Banks floor	31.98061	35.83666	br123@hbtf.com.jo
Medical City St.	06 - 5005555 Ext. 4846	King Abdullah II St., Near Khalda Circle, Building No. 185	31.99716	35.83093	br124@hbtf.com.jo
Free Zone / Zarqa	06 - 5005555 Ext. 4839	Zarqa, Free Zone	32.08969	36.21489	br127@hbtf.com.jo
Abdoun Park	06 - 5005555 Ext. 4115	Amman, Sa'ad Abdo Shamout St., Near Abdoun Mall	31.94104	35.88410	br128@hbtf.com.jo
New Zarqa	06 - 5005555 Ext. 4918	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.08550	36.08674	br129@hbtf.com.jo
Al-Yasmeen District	06 - 5005555 Ext. 4954	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.91937	35.89410	br131@hbtf.com.jo
Mecca St.	06 - 5005555 Ext. 4958	Amman, Mecca St., Al Hussein Complex, Building No. 141	31.97540	35.86042	br132@hbtf.com.jo
Al-Salt Gate	06 - 5005555 Ext. 4989	Salt City Gate – Dabbabneh Traffic Lights opposite Salt Shari'a Court	32.05742	35.74710	br133@hbtf.com.jo

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

Branch	Phone	Address	Coordinates		E-mail
			Latitude	Longitude	
Taj Mall	06 - 5005555 Ext. 3805	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.94085	35.88788	br134@hbtf.com.jo
Jizah	06 - 5005555 Ext. 3811	Jizah , Airport St., Near Provinciality Building	31.70847	35.95087	br135@hbtf.com.jo
30 <sup>th</sup> St. / Irbid	06 - 5005555 Ext. 3821	Irbid, Andalus Sup., Rousan Commercial Complex	32.55455	35.86309	br136@hbtf.com.jo
Husseiniya	06 - 5005555 Ext. 3854	Ma'an, Husseiniya, Municipality Building	30.59783	35.79884	br137@hbtf.com.jo
5 <sup>th</sup> Circle	06 - 5005555 Ext. 4003	Amman, 5 <sup>th</sup> Circle, Riad Al Meflih St., Building No. 7	31.95869	35.88891	br145@hbtf.com.jo
Call Center	06 - 5200400	Amman, 9 <sup>th</sup> Sha'ban St., Tala't Al Hayek	31.95168	35.92780	br152@hbtf.com.jo

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

Branch	Phone	Address	E-mail
<b>Regional Management/ Palestine</b>	<b>+ 970 2 2945500</b>	<b>Ramallah, AlQuds St., Padico Building, P.O. Box 1473</b>	<b>Info.pal@hbtf.com.jo</b>
Ramallah	+970 2 2945500	Al Bareed St., Rukab Building, P.O. Box 1473	br401@hbtf.com.jo
Gaza	+ 970 8 2826322	Al Shuhada' St., Palestine Tower, P.O. Box 5010	br402@hbtf.com.jo
Nablus	+ 970 9 2386060	Al Hussein Circle, Al Huwari Building, P.O. Box 1660	br403@hbtf.com.jo
Hebron	+ 970 2 2250055	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	br404@hbtf.com.jo
Halhoul	+ 970 2 2299602	Main Hebron – Jerusalem St., P.O. Box 1	br405@hbtf.com.jo
Beir Zeit	+970 2 2819334	Main St., Near Main Circle, P.O. Box 40	br406@hbtf.com.jo
Khan Younis	+970 8 2079401	Abu Humaid Circle, Jalal St., P.O. Box 7073	br407@hbtf.com.jo
Jenin	+ 970 4 2505223	Abu Baker St., P.O. Box 50	br408@hbtf.com.jo
Bethlehem	+970 2 2740375	Al Mahd St., City Center (Bus Station), P.O. Box 30	br409@hbtf.com.jo
Yata	+ 970 2 2273301	Hebron, Yata, Roqa'a St., Near Police Station	br410@hbtf.com.jo
Tormosaya	+ 970 2 2805263	Ramallah, Tormosaya, Main St.	br411@hbtf.com.jo
Dahriyeh	+ 970 2 2266778	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtf.com.jo
<b>Bahrain Branch</b>	<b>+973 17 225227</b>	<b>Bahrain, Al Manama Center, Govt. St., P.O. Box 5929</b>	<b>bahrain@hbtf.com.bh</b>

## Subsidiary Banks

Bank	Phone	Address
<b>International Bank for Trade &amp; Finance/ Syria</b>	<b>+ 963 11 23880000</b>	<b>Head Office, Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 Web Site: www.ibtf.com.sy e-mail: info@ibtf.com.sy</b>
Hejaz	+ 963 11 2260500	Damascus – Hejaz Square
Pakistan	+ 963 11 23880000	Damascus – Pakistan St.-opp. Maraya Restaurant
Dama Roze	+ 963 11 2241140	Damascus – Dama Roze 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
<b>The Housing Bank for Trade &amp; Finance/Algeria</b>	<b>+ 213 21 918785</b>	<b>Head Office -Algeria , 16 Ahmad Waked St., Dali Ibrahim Web Site: www.housingbankdz.com</b>	<b>housingbank@housingbankdz.com</b>
Dali Ibrahim	+ 213 21 918885	Algeria – 16 Ahmad Waked St.–Dali Ibrahim	Agence-101@housingbankdz.com
Blida	+ 213 25 401033	Algeria – 61 Alarabi Tebessi St. Blida Municipality – 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
<b>Jordan International Bank/London</b>	<b>+44 20 3 144 0200</b>	<b>Moreau House, 116 Brompton Road, Knightsbridge, London SW3 1JJ Web Site: www.jordanbank.co.uk</b>	<b>info@jordanbank.co.uk</b>

## Subsidiary Companies

Company	Phone	Address	Website	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@hbtbf.com.jo
International Financial Center Co.	+ 962 6 5696724	Shmeisani, Housing Bank Complex, 2 <sup>nd</sup> 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 <sup>th</sup> Floor	www.hbtbf.com	info@hbtbf.com.jo

## Representative Offices

Office	Phone	Address	E-mail
Tripoli/Libya	+ 218 213350610	Tripoli, Tripoli Tower, First Tower, Floor (15), Office (155), P.O. Box 91270	hbtflLibya@hbtbf.com.jo
Abu Dhabi/U.A.E	+971 26268855	Abu Dhabi, Hamoudeh Bin Ali Building, 12 <sup>th</sup> Floor, Sheikh Khalifa St., P.O. Box 44768	hbtfAbudhabi@hbtbf.com.jo
Baghdad/Iraq	+964 17182027	Baghdad, Al Arsaf Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	hbtffraq@hbtbf.com.jo



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