



بنك الإسكان للتجارة والتمويل  
The Housing Bank for Trade & Finance

Annual Report 2014







# 41<sup>st</sup> Board of Directors Report

For the Year Ending December 31, 2014

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





**His Royal Highness Crown Prince Al Hussein Ibn Abdullah II**









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

## Board of Directors



**SHK Ali Jassim Al-Thani**  
Vice Chairman



**Mr. Abdulla Mubarak AlKhalifa**  
Representative of Qatar National Bank



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

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

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



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



**Mr. Ramzi Talat Mari**  
Representative of Qatar National Bank



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



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



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



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



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



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



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



## Chairman's Statement

### **To Our Shareholders:**

I am pleased to present the Group's 41<sup>st</sup> Annual Report that outlines our achievements, financial results and future plans.

The Jordanian economy performed relatively well during 2014. Real GDP grew by 3.1%, fiscal deficit narrowed to 2.3%, inflation fell to 2.8% and Central Bank foreign currency reserves increased to over 14 billion USD.

### **Financial Performance**

Irrespective of regional instability, HBTF achieved better financial results in 2014. Pretax net profit grew to JD162.1 million (US\$229 million) which is the highest since inception; whereas after tax net profit grew to JD123.9 million (US\$175 million).

HBTF's financial statements displayed a strong and sound position. Total assets increased to JD7.6 billion (US\$10.7 billion), customer deposits rose to JD5.5 billion (US\$7.8 billion), net credit portfolio grew to JD2.7 billion (US\$3.8 billion), and total equity was JD1.04 billion (US\$1.5 billion).

Our performance reflected positively on the financial indicators. Capital Adequacy ratio stood at 18.1% (Central Bank of Jordan's minimum requirement is 12% and BIS Tier 1 capital minimum is 8%), return on assets was 1.7%, return on equity grew to 11.8%, loan to deposit ratio was 50%, and cost to income ratio was 42% (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. Ownership in our Algerian subsidiary was raised to 85% and capital of our UK subsidiary was increased by GBP20 million.

Representative offices in Iraq and UAE continued their marketing role, which resulted in enhancing relations with financial institutions and clients.

The Bank continued to maintain its leading position in Jordan. It has the largest market share of savings accounts 38.8% and the second largest market share of total assets 15%, deposits 15.3% and credit facilities 11.3%.

Five new branches were opened in 2014, bringing the number of branches in Jordan to 124. HBTF has the largest branch and ATM networks in Jordan.

In 2014, HBTF implemented successfully a new core banking system. It also implemented and enhanced a number of software solutions aiming at improving banking products and services' delivery channels and security. The Bank conformed to the Foreign Account Tax Compliance Act (FATCA).

Based on the good results achieved, the Board of Directors will recommend to the Shareholders' Ordinary General Assembly a dividend of 35% of the nominal share value.

The Bank is committed to the principles of its Corporate Governance Convention, which are based on the Corporate Governance Instructions issued by the Central Bank of Jordan and Guidelines of the 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 pleased with our social responsibility initiatives. In 2014, 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 take 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**









## Main Financial Indicators

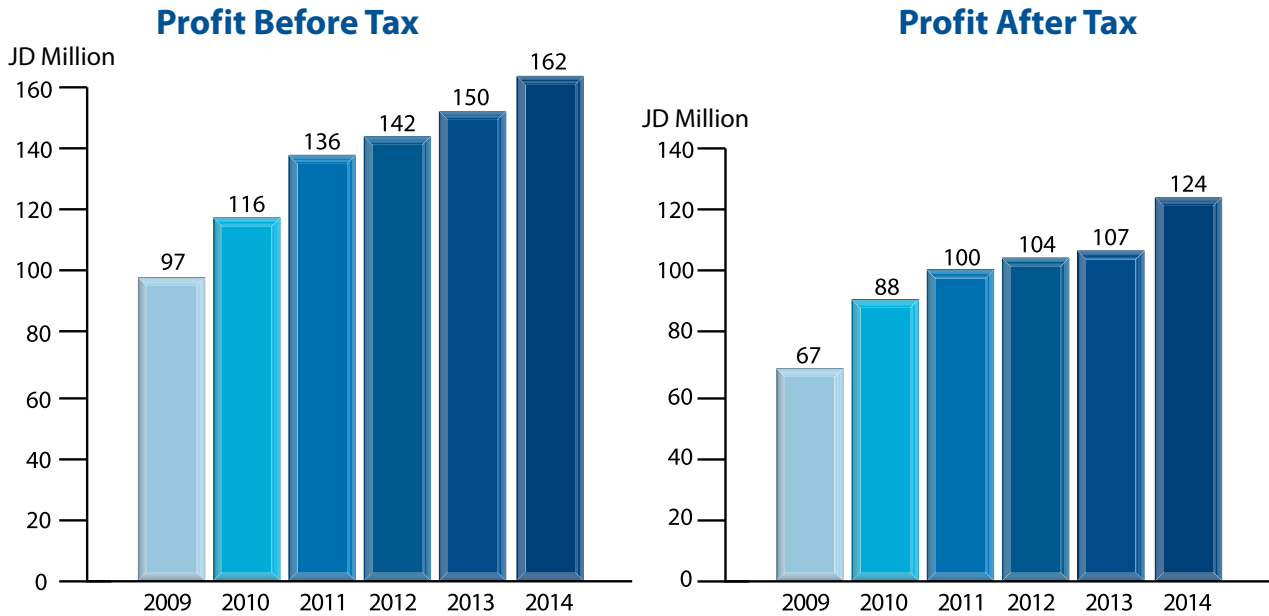
JD million\*

Item/Year	2010	2011	2012	2013	2014
Total Assets	6,679.7	6,938.0	7,091.6	7,227.1	7,594.9
Customers' Deposits	4,808.6	4,833.9	4,727.2	5,093.4	5,459.9
Loans and Credit Facilities (net)	2,449.1	2,502.1	2,683.9	2,662.8	2,716.5
Total Equity	1,023.9	1,048.6	1,046.7	1,057.1	1,038.4
Profit before Tax	116.4	135.7	142.2	150.1	162.1
Profit after Tax	88.4	100.0	104.5	106.9	123.9
Cash Dividends	63.0	63.0	63.0	75.6	88.2
Earnings per Share (JD)	0.313	0.349	0.373	0.396	0.477
Dividends / Per Share (JD)	0.250	0.250	0.250	0.300	0.350
Share Price (JD)	8.100	8.000	8.250	8.700	9.100

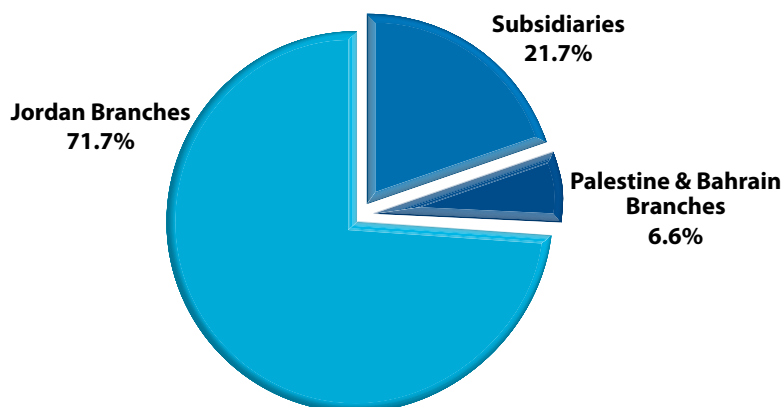
\* JD= US\$1.4104

## Analysis of the Operational Results

The HBTF Group achieved the highest profit, during 2014, since establishment. The profit before tax amounted to JD162.1 million with an increase of JD12 million, a growth of 8% compared with 2013. Moreover, the profit after tax stood at JD123.9 million; up by JD17 million, a growth of 15.9% against the preceding year. An analysis of the Bank's profits during the last six years shows an ascending trend. HBTF reported positive financial results despite the many challenges that have emerged in the Arab world during the year, in addition to the fierce competition in the banking sector locally, regionally and internationally.



The Bank's profit generated from its activities in Jordan accounted for 71.7% of the total profits of HBTF; while overseas branches in Palestine and Bahrain accounted for 6.6%. Further, the profits of subsidiaries companies and banks accounted for 21.7%.

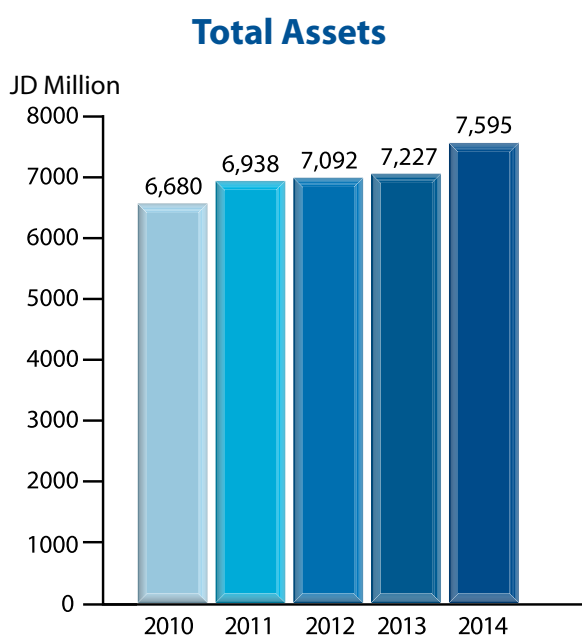


It is also worth mentioning that the Bank's profits during 2014 were the outcome of the following:

1. Net interest income was up by JD7.7 million, or 3%; amounting to JD265.3 million compared with JD257.6 million in 2013.
2. Net commission income was up by JD1.5 million, or 4.5%; amounting to JD35 million compared with JD33.5 million in 2013.
3. Operating revenues decreased by JD19.9 million, or 30.2%; amounting to JD45.9 million compared with JD65.8 million in 2013. The main reason for such a decline was attributed to the decline in the profits resulting from the re-valuation of the foreign currencies positions held by our subsidiary, the International Bank for Trade and Finance (IBTF) / Syria. It is worth mentioning that the IBTF has built up provision for loan losses accounted for 100% of its profit.
4. Total expenses decreased by JD22.6 million, or 10.9%; amounting to JD184.2 million compared with JD206.8 million in 2013. This decrease in total expenses resulted from:
  - Declined in impairment loss on direct credit facilities by JD36.6 million, or 49%; amounting to JD38.1 million compared with JD74.7 million.
  - Increased in operating expenses by JD14 million, or 10.6%; amounting to JD146.1 million compared with JD132.1 million, This increase in operating expenses resulted from continued growth in the volume of business, the expansion of the branches network and E-channels, the implementation of new IT systems and the increase in Bank's donations throughout 2014, out of which JD 6.2 million that represents the value of "Housing Bank Park " in Amman which the Bank donated to Greater Amman Municipality.

### Analysis of the Financial Position

Total assets of the Bank at the end of 2014 grew by 5.1%, i.e. JD368 million, totaling to JD7595 million, compared to the balance at the end of 2013 amounting to 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.



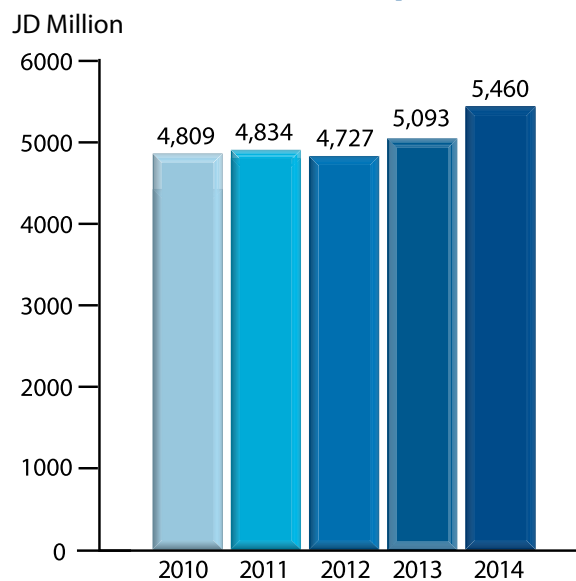
## Total Deposits

Due to its sublime status in the financial markets, the Bank experienced positive growth rates in attracting deposits of all kinds. The balance of customers' deposits in 2014 increased by JD367 million, i.e. 7.2%, to stand at JD5460 million. This notable increase 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 were evaluated in Jordanian Dinars.

Throughout 2014, the balance of the total deposits (customer's deposits, as well as banks and financial institutions deposits) reported commendable growth by 6.6%, i.e. JD377 million higher than that at the end of 2013 totaling to JD6063 million.

It is worth noting that at the end of 2014, the Bank managed to maintain its first rank on the list of the Jordanian banks in the area of saving deposits in local currency; the Bank accounted for 38.8% of the balance of the aforementioned deposits.

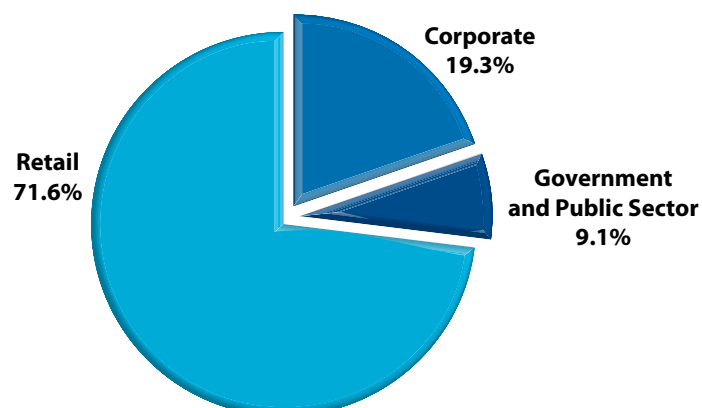
## Customers' Deposits



The analysis of the structure of customers' deposits, in terms of depositors, at the end of 2014, demonstrates the following:

1. The rise in retail, corporate "SMEs and large companies", as well as government and public sector deposits by 5.2%, 4.4% and 34.7%, respectively.
2. Retail deposits accounted for 71.6% of the total balance of customers' deposits in 2014 against 72.9% in 2013, while corporate "SMEs and large companies" deposits made up 19.3% against 19.8% and "government and public sector" deposits rated 9.1% compared to 7.3% in 2013.

## Structure of Customers' Deposits



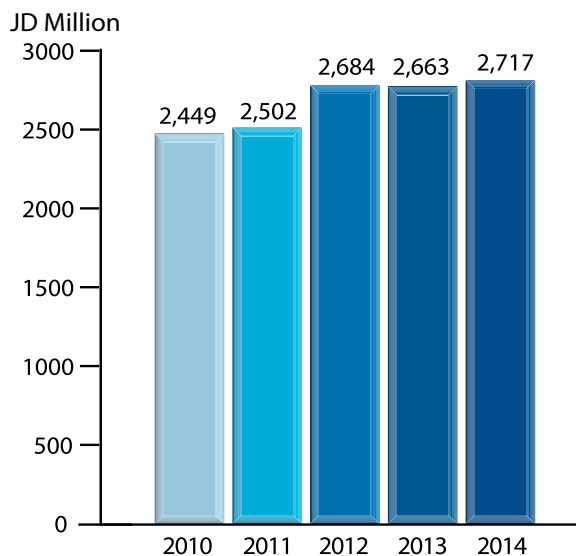
The structure of deposits by type, at the end of 2014, displays the following:

1. Saving deposits and time deposits were up by 4.1% and 13.8%, respectively, while demand deposits declined slightly by 0.2% compared to its levels at the end of 2013.
2. Demand deposits accounted for 23.8% of the total balance of customers' deposits in 2014 compared to 25.6% in 2013. Further, saving deposits gained 30.3% compared to 31.2% in the previous year, while time deposits accounted for the largest proportion standing at 45.9% against 43.2% in 2013.

### Direct Credit Facilities

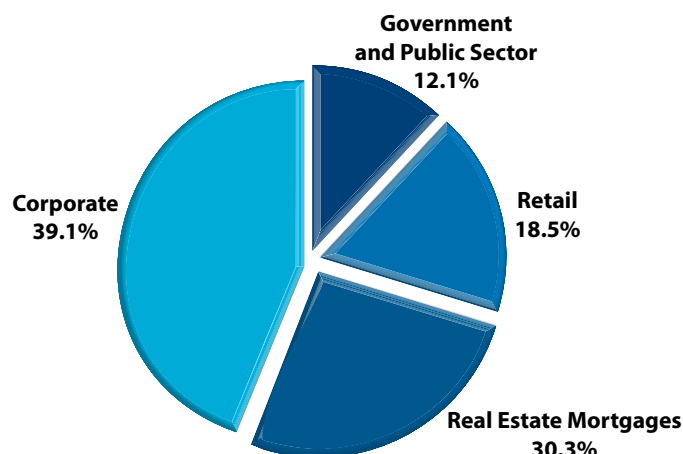
Total outstanding balance of direct credit facilities portfolio stood at around JD3 billion at the end of 2014. After deducting provisions and interest in suspense, the net outstanding balance of direct credit facilities portfolio amounted to JD2717 million, moving up by JD54 million, or 2%. It is worth 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 within the consolidated balance sheet of the Bank.

### Credit Facilities



The analysis of direct credit facilities portfolio according to borrower in 2014 indicates that retail facilities, corporate facilities "SMEs and large", as well as real estate mortgages facilities made up 18.5%, 39.1% and 30.3% of the facilities portfolio; respectively. In addition, the facilities extended to the government and public sector constituted 12.1% .

### Structure of Credit Facilities



It is worth mentioning that the Bank's NPLs dropped from 8.8% in 2013 to 6.1% in 2014, and the Cost of Risk Ratio decreased from 2.6% in 2013 to 1.3% in 2014, also the Coverage Ratio increased from 91% in 2013 to 107% in 2014.

### **Analysis of the Bank's Major Performance Indicators**

The consistent solid growth in the Bank's financial position and income statement during 2014 contributed vividly in enhancing the financial solvency indicators. This can be illustrated as follows:

- The rate of return on assets (ROaA) stood at around 1.7% in 2014 against 1.5% in 2013, while the rate of return on equity (ROaE) amounted to around 11.8% against 10.2% in 2013; it is worth emphasizing that these rates were among the highest in the Jordanian banking market.
- The capital adequacy ratio stood at a solid 18.1% at the end of 2014 which is remarkably higher than the BIS Tier 1 ratio of 8%, and minimum required by the Central Bank of Jordan of 12%, which ensures the strength and soundness of the Bank's financial position.
- The Bank maintained a high liquidity ratio amounting to 170.1% at the end of 2014, which is remarkably higher than the minimum percentage required by the Central Bank of Jordan of 100%.
- Earnings per share (EPS) grew by 20.5%; increasing from JD0.396 at the end of 2013 to stand at JD0.477 at the end of 2014.
- The share price of HBTF was up from JD8.70 at the end of 2013 to close at JD9.10 at the end of 2014; increasing by 4.6%. In consequence, the market capitalization of the Bank shares amounted to JD2.3 billion at the end of 2014 which reflects the high confidence in this pioneering financial institution.

### **The Competitive Position**

The following brief sheds light on the Bank's competitive position in the Jordanian banking sector at the end of 2014:

- The Bank maintained the first rank in terms of saving accounts' volume in local currency; accounting for 38.8% of the market share and thus succeeding in topping the list of banks for more than three decades, as a preferred vehicle for saving deposits in the Kingdom.
- The Bank maintained the top of the list of the number of branches which amounted to 124 branches; making up 15% of the market share to keep the first rank in this regards since 1978.
- The Bank came in the first rank in terms of number of the ATMs which stood at 208; accounting for around 15% of the market share; the largest and most widespread network in the Kingdom.
- The Bank maintained the first rank in terms of visa electron cards with a market share of 19.2% in 2014 against 18.8% in 2013.
- The Bank's market share of visa credit cards was up from 16% in 2013 to 17.4% in 2014.
- The Bank stood second in terms of total assets with a market share of 15% of the total assets in the banking sector in Jordan.
- The Bank stood second in terms of total customers' deposits with a market share of 15.3% of total customers' deposits in the banking sector in Jordan.
- The Bank stood second in terms of total credit facilities with a market share of 11.3% of total credit facilities in the banking sector in Jordan.

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, in testimony of the efforts in launching best advertising and promotional campaign for the sale of Visa cards in Jordan, the Bank earned an honorary shield from the internationally renowned company; Visa Inc. HBTF also received a certificate of compliance with the Payment Card Industry Data Security Standard for Jordan, Palestine and Bahrain regions. This certificate is considered the latest global standard in the field of providing protection and confidentiality of the data for electronic payment cards.







**Bank's Activities in 2014**



## Retail Banking Services

In light of the increasing competition in the market of retail banking services, the Bank strategy focused on providing the best products and services to meet the diverse needs of customers which shall promote and enhance its position and enable HBTF to remain the first Bank of choice for customers of all ages and segments. This was accompanied by the Bank expansion in branches and ATM network.

The following is an overview of the major achievements of the Bank in the field of retail banking services during the year:

## Bank Networking

In 2014, the Bank continued to maintain its leading position in the domestic banking market in terms of having the largest network of branches and ATMs. It is worth mentioning that the Bank branches and ATMs are spreading out carefully over various selected locations and areas across different governorates in the Kingdom. During the year, the Bank succeeded to seize favorable opportunities such as adding 5 new branches and 9 ATMs. As a result, the total number of branches operating in the Kingdom reaches 124 with a market share of about 15%, and to raise the total number of ATMs to 208 machines with a market share of about 15%.

It is worthy to note in this regard that amongst the total number of branches, there is a branch for children and 5 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, HBTF continues delivering superb uninterrupted services round the clock through Call Center on 5200400 or toll free 080022111.

The Bank has got 14 regional branches in Palestine and Bahrain, as well as 37 branches of subsidiary banks in Algeria, Syria, and United Kingdom. Thus, the total number of branches reached 175 branches.



## Mobile Bus Branch

In continuation of the leading role in the Jordanian banking sector, HBTF introduced in 2014 "Mobile Bus Branch" in line with the latest automated systems to keep pace with the ever-developing banking business. The operation of a mobile bus branch initiative comes as a true translation of the Bank's strategy aiming to reach customers wherever they are and to efficiently provide them with various banking services. The mobile bus branch operates throughout the week, including Fridays and Saturdays, as well as official holidays, with working hours from 08:00 am till 06:00 pm.

It should be noted in this regard that HBTF during this year has run 3 Mobile ATMs across the Kingdom to provide ATM service to customers in areas where no branches or ATMs existed, so as to enable the Bank customers to have easy and smooth access to ATM services.



## Electronic Banking Channels

In furtherance to the reputation of the Bank as the leading Bank in the banking technology in Jordan, HBTB 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 addition, the Bank has launched a number of services ,during 2014, including financial transactions through Iskan Mobile app that is available on all smartphones platforms (android and iOS) and the automated payment of utility bills through the electronically billing system 'eFAWATEERcom' that was launched by the Central Bank of Jordan. This service is marked by easy settlement of bills that is planned to cover large number of corporations, private and public institutions.

## Savings Account Prizes

The Bank is proud to continue to offer the oldest and largest prizes system for savings account prizes in the Jordanian banking sector "in number and amount". Also, the Bank is keen to develop this system to serve the goal for which it was established. The Bank increased the total amount of prizes during 2014 to JD7 million and the grand cash prize amounted to half a million Jordanian Dinars won by one customer a year. It is worth noting that the Bank carries out daily, weekly and monthly draws on prizes, consolation prizes and special draws which contributed to growing the outstanding savings accounts as well as attracting more savings customers. The Bank is always keen to develop the savings account prizes system to maintain its leading position in this sector.



## Iskan Cards

In 2014, the Bank maintained its leading position in the plastic cards market in the Kingdom. This has been reinforced by the launch of new World Elite MasterCard, which is featured by many advantages and privileges directed to elite customers.

It should be noted in this regard, that the plastic cards issued by the Bank grant their holders many advantages while maintaining the highest security standards for withdrawals from ATMs and repayment through Points-Of-Sale (POS) located in Jordan or abroad.

In recognition of its efforts in launching one of the best advertising and promotional campaign for the sale of Visa Jordan Card and Visa International, the Bank was awarded an honorary shield as a token of appreciation to the development of services and solutions for all types of Visa cards. This is a testimony of the Bank relentless efforts to develop the services and solutions of all types of Visa cards.



### Quality of Service and Customers Care

In an era where consumers are gaining sophistication in the manner in which they transact and interact with service providers, the Bank recognizes that the satisfaction of its customers and enhancing service excellence across all channels is a strategic option which comes at the top priority of its business to enhance the confidence level of the products and services extended to the customers and to reflect the distinguished image the Bank enjoys.

Stemming out of such priority, the Bank continued to conduct surveys and studies through specialized consulting companies to identify and measure customer's satisfaction in addition to continuous and systematic monitoring through the Mystery Shopper Methodology. The study of customers satisfaction conducted by a specialized external company demonstrated the achievement of distinct levels of satisfaction with impressive quality services.



### Personal Loans

The personal loan portfolio demonstrated a remarkable growth during the year propelled by the flexible credit policies in the field of retail and small business loans portfolio. In this regard, the Bank conducted extensive marketing campaigns to promote personal loan services directed to retail customers. Simultaneously, the Bank worked consistently on simplifying the granting procedures that contributed to reducing the time consumed to complete the credit transaction. The year witnessed the continuation of the special offer of housing loans launched by the Bank in the mid-2013 with concessional terms and competitive interest rates commensurate with the financing needs of different segments of retail clients.

It should be noted in this regard, that the Bank applied credit scoring model on retail clients and small businesses to help in the process of assessing the creditworthiness of customers and determine its credit rating.

### The International Bank Account Number (IBAN)

To abide by the instructions of the Central Bank of Jordan to adopt international best practices in regulating customer account numbers in the banking sector, the Bank has applied in 2014 the International Bank Account Number (IBAN) to facilitate the operations pertaining to inward and outward transfers activity. Applying IBAN assists the direct automated implementation of the financial transfers quickly and accurately and enhances the capabilities of the Bank in the field of anti-money laundering and counter-terrorism.



## Corporate Banking Activities

In light of the continued difficult conditions affecting Jordan due to the lack of security and political stability in the region, the Bank has achieved progress in the field of providing financing facilities to corporates and large enterprises, backed by skillful relationship management and multiple delivery channels which enabled the Bank to strengthen its leading position as a preferred partner to corporates and institutions.

The Bank managed to increase the size of corporate banking product portfolio while maintaining the quality of the credit without prejudice to the established risk controls and returns that are consistent with the Bank policy and regulatory requirements.

During 2014, the Bank has played a key role in the syndicated loans market by contributing to financing a significant number of major projects in the Kingdom; notably, managing and arranging a syndicated loan for the Greater Amman Municipality in collaboration with a number of commercial banks and the Social Security Fund. This finance will enable the Greater Amman Municipality to implement its plans, programs, be able to serve the Capital and its citizens, and alleviate the debt burden off the budget.



The financial activities of the Bank in 2014 were not limited to supporting major projects but it had indeed paid special attention to financing SMEs in line with the government initiatives to develop projects of these entities, which are considered an essential component of the national economy. Also, the Bank has continued to participate in implementing programs that deal with funding SMEs, including Central Bank program designated to finance the Small and Medium Enterprises, Funding Program of Small and Medium-sized Enterprises (SMEs) with guarantees from The Overseas Private Investment Corporation (OPIC), Business Loan Program, and Business Vehicles Loan in cooperation with the Jordan Loan Guarantee Corporation.

The Bank continued to support industrial, renewable energy, and tourism sectors through the continuation of work in the program applied by the Central Bank by providing the banks with medium-term advances to relend the operating projects in these sectors with competitive interest rates and concessional terms.

Further, the Bank has facilitated more opportunities in the area of trade finance by providing the appropriate financing to its customers through an outstanding bundle of specialized financing programs and agreements with local and global institutions, such as the Arab Trade Financing Program-Arab Monetary Fund/Abu Dhabi, Saudi Exports Program, Italian Financing Program (IIPU), and through facilitating international trade program with the European Bank for Reconstruction and Development (EBRD), and the Export - Import Bank of Korea (KEXIM).

In the context of electronic banking services provided to companies, the Bank during 2014 launched Iskan Online service with new features which is provided to corporate customers segment to offer a variety of services intended to submitting applications, inquiries about loans, guarantees, letters of credit, transfers, cheques, and many other banking services, such as company's employees' salaries and many other services.

It is worth pointing out that as a result of the updates that have been made to the Bank warehouses in free zones "Bonded" and the application of the required financial standards and accuracy in the implementation of customs business rendered to clients, HBTF has been awarded in 2014 a "Gold List" certificate by the Jordan Customs Department. HBTF is the first Bank in Jordan to get such a certificate.

### **Investment and Treasury Services**

The Bank achieved substantial success during 2014 in the treasury and investment services in terms of enhancing performance and increasing sales. This year was characterized by attractive returns that exceeded estimated figures, including returns of investments in Money Markets, bonds and treasury bills & bonds, as well as good levels of commissions and operating revenues. In addition, the Bank was committed to maintain the liquidity levels that exceed the standards set by the Central Bank of Jordan.

As for marketing investment services, the Bank exerted intensive efforts to increase its customer base and number of transactions performed, offering a wide range of investment and treasury products and services that resulted in attracting more than 290 new customers, improving sale proceeds as well as marketing of new investment funds. It is worth mentioning that the Bank offers a comprehensive wide range of investment products and services, mainly dealing with foreign currencies & precious metals; futures, forwards & options contracts; brokerage services in local, regional and international markets; investment portfolios and mutual funds management services; as well as custody and investment trusteeship services.

In line with the changing circumstances of the financial markets, 2014 witnessed review and update of the Bank investment policy, which aims to maintain reasonable liquidity levels and diversification of investments, in order to achieve stable returns within acceptable risk levels that enable the Bank to confront any unexpected fluctuations that may occur in the international and local financial markets.



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

Despite difficult and complex circumstances during 2014, the Bank strengthened its position in the international banking market through strengthening existing relationships with banks and financial institutions and establishing new business relationships with reputable Arab, regional, and international financial institutions.

The Bank continued to grant limits for correspondent banks in order to facilitate and regulate the growing volume of work, keeping abreast with "credit conditions" unfolding at countries and correspondent banks' level. The Bank continued to assess the latest developments regarding the financial conditions in light of the changes taking place in global markets.

The Bank managed to increase its revenues derived from its activities in the field of international trade and banking services, including indirect credit facilities, commissions, and transfers commissions. The results achieved met the targeted objectives as reflected in the estimated budget of the Bank. These outstanding results come to confirm the Bank ability to support the growing business needs of its customers.

To revitalize and develop our access to several correspondent banks and financial institutions across the region, a dedicated staff carried out a number of marketing campaigns and visits to some of the strategic markets such as Turkey, Saudi Arabia and the United Arab Emirates. The objective is to offer banking services to banks operating in these countries providing the banks and customers alike with access to international trade corridors and markets.

It is worth mentioning that the Bank enjoys strong and distinguished relationships with a worldwide network of over 450 correspondent banks and financial institutions covering more than 80 countries around the world, making the Bank stand in a strong and sound position and thereby be able to entrench its name as a leader in meeting the requirements of its customers in various external activities.

### **Organizational and Administrative Development**

During 2014, the Bank continued to review and update a number of policies and procedures in line with the application of the New Core Banking System in order to improve the efficiency of the various banking operations, and to reinforce monitoring and controlling credit, operating activities and systems.

On the other hand, implementation of the centralization project was completed during the year in a number of business areas at Palestine branches, mainly letter of credits, guarantees, transfers, and credits, in order to reduce expenses and increase operational efficiency.

### **Human Resources**

In line with the management belief that employees are the cornerstone in enhancing the efficiency and productivity at all levels, HBTF was keen to develop employees' satisfaction in order to allow them better perform and deliver.

The year 2014 witnessed the implementation of a number of strategic projects pioneered by the Employee Self Service System, through which employees can electronically interact with the human resources department regarding all job-related matters; such as annual leaves, training courses and personal data.

The Bank has also developed a methodical performance evaluation of staff based on the implementation of "competencies" by using the abovementioned system.

### **Recruitment**

In light of the Bank objective to maintain its position as one of the leading institutions in attracting and retaining qualified and talented candidates, the Bank continued its initiatives to attract the best university graduates in addition to targeting and recruiting candidates with distinctive qualifications and talents and who also enjoy considerable banking experience. Towards this end and to create a pool of inspired people, the Bank has participated during the year in a number of Job Fairs within the Kingdom.

### **Training**

In pursuit of the Bank endeavors to invest in its human capital and develop professional and functional competencies of its staff, a set of pioneering training programs have been launched, on top of which; Newly Hired Tellers Orientation Program, Credit Officers Orientation Program and Branch Managers Orientation Program.

This intensive training program focuses on engaging the employees in objective-specific activities that guarantee further strengthening of their capabilities, provide them with well-rounded banking knowledge, and enhancing their values and ethics. Moreover, this training program, aims at providing the employees with advanced leadership and management skills that comply with the Bank's vision.



In parallel, the Bank continued to promote a culture of learning through providing scholarships for several hard-working employees, giving them an opportunity to acquire academic and professional certificates from reputable institutes, universities and training centers.

It is worth mentioning that the Bank provided employees with 3,251 training opportunities domestically and abroad on the following fields: administration, finance, accounting, auditing, credit banking, behavioral skills and public relations, banking operations, treasury, investment and personal computing.

A list of the training programs and the number of trainees can be found in the special disclosure at the end of the report.



## **Risk Management**

The Bank adopts a consistent and comprehensive framework for managing its major risks in order to identify risks and returns resulting from the expansion and diversification of its operations and activities. The bank business activities are governed by strict strategies and policies, sound processes and appropriate risk management; identification, measurement techniques in its daily activities consistent with its internal policies, Basel regulations and the Central Bank of Jordan instructions.

Our risk governance practices are fully consistent with the regulations and instructions of the Central Bank of Jordan. The Risk Management Department is independent from other activities of the Bank. It ensures good stewardship and management of all aspects of risks and internal controls. Reports are raised to the Risk Management Committee of the Board. The Risk Department owns the necessary authorities to obtain information from various departments in the Bank and to coordinate efforts with other committees.

On the same line, the Bank continued in 2014 to strengthen all aspects of risk management and internal controls, and to enhance the efficiency of its operations. This is done with the objective to align between risks and returns to achieve sustained growth in all business activities. The Bank continued to develop and update the Control Risk Self-Assessment (CRSA) methodology to identify key risk indicators for major risks, as well as regular updates of its business continuity plans, monitor the quality of its credit portfolio.

Moreover, the Bank implements the best techniques in risk identification such as stress testing and sensitivity analysis.

It is worthy to note that the Bank was granted in 2014 the Payment Card Industry Data Security Standard (PCI-DSS) Certificate for Jordan, Palestine and Bahrain regions. This certificate is the latest international standard in the field of providing protection and confidentiality to cards data. Undoubtedly, the Bank exerts intensive efforts to embed a risk management culture amongst its employees. The Bank has conducted several workshops and seminars throughout the year to reinforce the dictum that risk management is not an individual responsibility, but it is a joint responsibility of all employees at all managerial levels.

More information on risk management practices at the Bank is provided in section 40 of the disclosure statement at the end of this report.

## **Compliance**

During 2014, 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, Combating Terrorism Financing, and the Foreign Account Tax Compliance Act (FATCA). It is worth mentioning that the Bank has implemented a new automated system to monitor and detect suspicious transactions which may include risks of Money Laundering, Terrorist Financing and Financial Crimes.

In order to embed the compliance culture, the Bank continued to conduct comprehensive training courses for all employees to ensure that they are fully aware of all details concerning compliance operations, anti-money laundering, the financing of terrorism and FATCA, and to emphasize the necessity of complying with the procedures of Know Your Customer (KYC) efficiently and sufficiently.

## **Corporate Governance**

The Bank believes in the importance of Corporate Governance which in turn promotes the principles of justice, transparency, accountability, and responsibility. Such direction strengthens the trust of depositors, shareholders and Regulatory Bodies in the Bank which in turn affects its performance and growth. Accordingly, Corporate Governance practices draws upon basic principles and values which are expected to permeate all Bank dealings thus complying with the instructions of Corporate Governance, which was recently issued by the Central Bank of Jordan. The Bank performed a gap analysis and a committee was formed to oversee the implementation of Corporate Governance instructions. The committee was tasked to fill in the gaps and make the necessary adjustments to the policies and procedures consistent with the instructions and the time frame set by the Central Bank of Jordan.

## **Marketing and Promotion**

During 2014, the Bank continued to pursue marketing activities in order to promote the new mental image of the Bank into a visualization that would embody a long term business relationship with the Bank customers which was launched through a special advertising campaign highlighting "MY BANK FOR LIFE".

As well as the new mental image the Bank also launched several campaigns highlighting products and services through various audio visual mediums, the Bank management was also keen to promote the mental image of the Bank through the participation in various conferences and seminars. This was mainly through sponsoring the ceremonies as well as taking part in research material.

The Bank throughout the year has also been promoted through the collaboration of several strategic marketing partnerships with some of the largest businesses in the kingdom including Visa Inc, Western Union, Carrefour and Taj Mall, not to mention through online media via advertising and promotional partnerships with over 35 local online news agencies.

With a framework of enhancing further communication with its large customer base, the Bank has launched promotional and advertising material through various social media sites in order to be at the forefront of networking closely with all of its clients and sets a goal of conducting effective and constant communication with the public as well as answering all their queries and comments

and keeping them up to date with all the Bank's products and services thereby reinforcing both the client-bank relationship as well as the public's mental image of the Bank.  
A list of the social media sites the Bank currently network on:

 [facebook.com/TheHousingBank](https://facebook.com/TheHousingBank)

 [twitter.com/thehousingbank](https://twitter.com/thehousingbank)

 [instagram.com/thehousingbank](https://instagram.com/thehousingbank)

 [linkedin.com/company/housing-bank-for-trade-and-finance](https://linkedin.com/company/housing-bank-for-trade-and-finance)

 [youtube.com/user/thehousingbank](https://youtube.com/user/thehousingbank)

### Information Technology

In early 2014, HBTF has successfully implemented a new Core Banking System for integrated business solutions from Infosys Technologies LTD. Infosys is one of the world's foremost providers of advanced business solutions and information technology.

By implementing this solution, the Bank aims to build up a strong technology infrastructure that enables it to provide banking services according to the latest international banking technology, as well as enhancing the introduction of more banking products and services in the future.

It is worth mentioning that the Bank has deployed this significant project in a very efficient & professional manner and within only 21 months, which was considered a record time in implementing such financial business solutions. The "Big Bang" approach that was adopted as the implementation and deployment methodology across all branches and departments was the smoothest and seamless transformation ever. This was due to the combined efforts of both staff and the great support of the Bank's senior management.



In addition, the Bank has upgraded and enhanced its electronic services for retail and corporate customers through the new Iskan Online Portal posted on the Bank's website [www.hbtf.com](http://www.hbtf.com). These new services are unique in terms of high level of availability and security.

In addition, the Bank managed to introduce new money transfer services through the "JoMoPay" the mobile payment services program, and the online bill payment and settlement through eFAWATEERcom project.

## Social Responsibility

Housing Bank is considered as a pioneering national financial institution that paid a special attention to Corporate Social Responsibility (CSR) in various segments and components of the society, based on the Bank's keenness to be one of the efficient contributors and supporters to help develop local communities through achieving sustainable development.

In addition, the Bank has a clear and comprehensive strategy to enhance the welfare and integrity amongst all society segments. The major activities and initiatives in CSR that have been performed by the Bank in 2014 cover the following sectors: health, education, youth, sport and environment. The Bank also issued a detailed report entitled "Corporate Social Responsibility 2014" which included the major activities and initiatives undertaken by the Bank in this respect.

## International Branches and Subsidiaries

The strategic trend of the Bank in 2014 focused on the safest and most stable markets. This resulted in the realization of good results as well as the expansion of banking operations, particularly in terms of attracting deposits, granting facilities and attracting new customers, in spite of the



difficult conditions prevailing in some of these countries, especially in Syria as a result of the current political tension and hostile events.

## International Branches

The Bank International branches in Palestine and Bahrain contributed to about 7% of the total pre-tax profits of HBTF.

In June 2014, a new headquarter for HBTF and another branch were opened in Ramallah, where the inauguration ceremony was attended by Dr. Jihad Al-Wazir, the Governor of the Palestine Monetary Authority, Dr. Laila Ghannam, the Governor of Ramallah and a number of businessmen as well as Palestinian officials.

## **Subsidiaries**

The contribution of the Bank's subsidiaries amounted to 17% of the total pre-tax profits of HBTF.

### **International Bank for Trade and Finance- Syria**

HBTF owns a share of 49.1% in the capital of the International Bank for Trade & Finance - Syria, amounting to 5.25 billion Syrian Lira. This Bank is considered the first private Bank that has been opened in Syria. It is currently operating through a network of 30 branches distributed across the major Syrian cities.

As a result of the conditions and events facing Syria, the efforts were triggered towards the application of prudent policies and procedures that will mitigate the risks and the negative repercussions on the Bank.

Fortunately, the Bank continues to stand in a solid position and our performance compared to other operating banks in Syria is considered to be satisfactory.

### **The Housing Bank for Trade and Finance – Algeria**

In 2014, the Bank strengthened its strategic investment in the capital of the Housing Bank for Trade and Finance - Algeria through acquiring the entire share of the Capital Investment Holding Company - Bahrain , making the contribution of the Housing Bank stand at 85% of the overall Bank capital instead of about 61.2%.

It is worth mentioning that the capital of the Housing Bank for Trade and Finance - Algeria is 10 billion Algerian Dinars.

During 2014, the Bank strengthened the branch network in Algeria by opening a new branch in the Bejaia Province. The total number of branches reached 6 in the Capital and other major cities. The Bank results show good performance and the Bank was able to maintain the quality of credit portfolio and achieve higher returns on assets and equity compared to the previous year.

### **Jordan International Bank (JIB) /London**

HBTF has increased its contribution in the capital of JIB in 2014 through acquiring 6.4% of non-controlling shares to reach 75%, noting that the capital of JIB has witnessed an increase in the amount of GBP 10 million to become GBP 45 million.

With respect to the performance level, JIB was able to achieve good results in all components of the balance sheet.

## **Subsidiary Companies**

### **Specialised Leasing Company**

In 2014, Specialized Leasing Company has shown resilience and good growth in most of the KPIs. It has increased its capital by JD 10 million to become JD 30 million, its profits grew by 10% and the efficiency ratio was notably improved to 23.4% despite the challenges and the volatile operating environment, while mentioning that the company is wholly-owned by the Bank.

During 2014, the first branch of the company was opened in Irbid in response to the trend to serve the various economic sectors in the north region and to reach customers wherever they are located, providing them with the necessary financing facilities that save time by implementing the appropriate financing procedures at the branch.

### The International Financial Center (IFC)

HBTF owns 77.5% of the IFC's capital amounting to JD 5 million. The IFC is regulated and supervised by Jordan Securities Commission and other stock exchanges (stock markets) in the Hashemite Kingdom of Jordan and abroad. The IFC attends to buying and selling securities and trading them on behalf of the customers and/or for its own account.

### **Representative Offices**

The representative offices in Abu Dhabi / UAE, Tripoli / Libya, and Baghdad/Iraq have enhanced and enriched the Bank abilities to serve various official and public sectors in those countries. Representative offices have worked systematically to attract many financial institutions to deal with the Bank, while stimulating the current ones to increase the size of their transactions and business volume.

Furthermore, the representative offices operate as marketing centers for the Bank services and serves as a link with financial institutions to help execute banking transactions for various economic institutions operating in those countries. The representative offices facilitate cooperation between HBTF Jordan and its International branches network in Palestine, Bahrain, other subsidiaries in Syria, Algeria and UK.



# **The Strategic Plan of the Bank for 2015**





In late 2014, the Board of Directors adopted a strategic plan for 2015. The plan was devised in an effort to enhance the competitive position of the Bank, increase its market share in various business segments and markets of presence, and to maintain the growth rates and return achieved over the preceding years. This comes in light of major and unprecedented challenges adversely affecting the various economic and social aspects of most of the countries where the Bank operates, primarily Jordan, which is still suffering from the fallouts resulting from the successive crises in the surrounding countries, especially the Syrian crisis.

The strategic plan included four main pillars:

#### First: Financial Pillar

- Achieving sustainable growth in profits and shareholders' equity.
- Enhancing the rate of return on assets and shareholders' equity.
- Increasing the market share of deposits and credit facilities in the Jordanian banking sector.
- Increasing non-interest revenues, improving the Bank activity and increasing its market share from indirect credit facilities.
- Treating the existing non-performing loans, reducing the classification of other accounts within the non-performing loans and improving the efficiency of collection.
- Increasing efforts in the field of settlement and collection of loan balances outside the balance sheet and intensifying efforts in selling the real estate that devolved to the bank in settlement of loans.
- Enhancing the efficiency ratio through rationalizing expenses in all activities, and increasing revenues.

#### Second: Customers and Market Pillar

- Enhancing customers' satisfaction through improving the quality of services.
- Strengthening the relationship with customers through studying their needs and fulfilling their requirements.
- Improving the quality of customers' service, developing the existing products and services, studying the feasibility of introducing new products to meet the needs and requirements of all targeted segments of customers and conducting staff training to enhance their capacity to market these products optimally.
- Encouraging the customers to use the electronic channels.
- Enhancing the efficiency of marketing in the Bank, including direct sales, particularly in the area of credit cards, to enhance the leadership of the Bank of the market of credit cards.
- Improving the positive social image of the Bank through the continuous enhancement of its active role in the field of corporate social responsibility.

#### Third: The Operations Pillar

- Reviewing the procedures of extending credits to speed up the credit decision-making process while implementing the standards which guarantee the soundness of the credit decision.
- To continue to develop the technological infrastructure, and to increase the efficiency of its use in the various aspects of business at the Bank.
- Enhancing the efficiency of the electronic channels, and guiding the customers towards using the alternative channels such as the Bank's services applications on smart phones, internet banking, call center.. etc.
- Enhancing the network of branches in areas where they prove to be feasible for branching, and continuing the process of improving the overall status of the existing branches, as well as strengthening the Bank's network of ATMs, and maintaining the continuity of its high efficiency.
- Enhancing the capabilities and potentials of overseas branches and subsidiaries by providing support and assistance to them by all departments and centers of the Bank.

#### Fourth: Human Resources Pillar

- Enhancing employee satisfaction and improving their productivity and loyalty to the Bank through the continuous implementation of incentives and rewards based on the actual performance compared to the annual targets.
- Providing the necessary training opportunities that suit the actual needs of staff and the nature of their work and thus contributing to upgrading the performance of employees and their skills, and improving their communication capabilities.
- Enhancing teamwork and activating intercommunication among the Bank's departments and centers
- Pursuing the implementation of succession planning and career progression at the Bank, and preparing the second man of staff and providing them with the necessary knowledge and scientific and practical experience.





Financial Statements



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

**Report on The Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Housing Bank for Trade and Finance - Public Shareholding Company, which comprise of the consolidated statement of financial position as of 31 December 2014, 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 31 December 2014 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 and the financial information presented in the Board of Directors' report and in agreement therewith.

Amman – Jordan  
29 January 2015



Ernst & Young

## Consolidated Statement of Financial Position as of 31 December 2014

	Notes	2014	2013
		JD	JD
<b>Assets</b>			
Cash and balances with central banks	4	1,619,961,866	1,212,222,931
Balances with banks and financial institutions	5	513,613,066	523,170,889
Deposits with banks and financial institutions	6	23,147,561	21,812,000
Financial assets at fair value through profit or loss	7	23,166,520	24,105,311
Direct credit facilities - net	8	2,716,539,690	2,662,847,949
Financial assets at fair value through other comprehensive income	9	656,357	587,198
Financial assets at amortized cost	10	2,391,960,440	2,498,555,480
Property and equipment- net	11	141,904,780	119,625,128
Intangible assets- net	12	23,711,557	19,699,067
Deferred tax assets	19	36,097,883	25,199,432
Other assets	13	104,169,747	119,264,970
<b>Total Assets</b>		<b>7,594,929,467</b>	<b>7,227,090,355</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Banks and financial institutions deposits	14	603,476,645	592,859,602
Customers' deposits	15	5,459,896,679	5,093,448,045
Margin accounts	16	237,460,878	227,876,049
Loans and Borrowing	17	21,698,428	17,004,724
Sundry provisions	18	35,719,559	32,001,388
Income tax provision	19	43,543,517	42,065,592
Deferred tax liabilities	19	2,056,712	1,762,896
Other liabilities	20	152,678,920	162,976,532
<b>Total Liabilities</b>		<b>6,556,531,338</b>	<b>6,169,994,828</b>
<b>Equity</b>			
<b>Equity Attributable to the Bank's Shareholders</b>			
Paid-in capital	21	252,000,000	252,000,000
Share premium	21	357,925,469	357,925,469
Statutory reserve	22	155,006,478	141,068,190
Voluntary reserve	22	33,222,068	33,222,068
General banking risks reserve	22	29,101,000	26,844,724
Special reserve	22	6,426,421	5,689,423
Foreign currency translation reserve	23	(62,331,553)	(42,274,698)
Revaluation reserve for financial assets- net	24	(266,054)	(388,830)
Retained earnings	25	213,731,123	197,730,117
<b>Total Equity Attributable to the Bank's Shareholders</b>		<b>984,814,952</b>	<b>971,816,463</b>
<b>Non – Controlling Interests</b>		<b>53,583,177</b>	<b>85,279,064</b>
<b>Total Equity</b>		<b>1,038,398,129</b>	<b>1,057,095,527</b>
<b>Total Liabilities and Equity</b>		<b>7,594,929,467</b>	<b>7,227,090,355</b>

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

## Consolidated Income Statement for the year ended 31 December 2014

	Notes	2014	2013
		JD	JD
Interest income	27	383,607,423	364,915,097
Interest expense	28	(118,298,439)	(107,298,100)
<b>Net Interest Income</b>		<b>265,308,984</b>	<b>257,616,997</b>
Net commission income	29	35,047,095	33,522,764
<b>Net Interest and Commission Income</b>		<b>300,356,079</b>	<b>291,139,761</b>
Net gain from foreign currency exchange	30	15,213,091	27,159,715
Gain from financial assets at fair value through profit or loss	31	296,945	1,341,553
Other income	32	30,409,533	37,334,924
<b>Gross Income</b>		<b>346,275,648</b>	<b>356,975,953</b>
Employees expenses	33	71,808,849	69,132,882
Depreciation and amortization	11,12	13,418,316	11,388,374
Other expenses	34	55,873,478	46,214,120
Impairment loss on direct credit facilities	8	38,061,952	74,733,731
Sundry provisions	18	5,010,031	5,379,843
<b>Total Expenses</b>		<b>184,172,626</b>	<b>206,848,950</b>
<b>Profit before income tax</b>		<b>162,103,022</b>	<b>150,127,003</b>
Income tax expense	19	(38,185,793)	(43,200,374)
<b>Profit for the year</b>		<b>123,917,229</b>	<b>106,926,629</b>
Attributable to:			
<b>Bank's Shareholders</b>		<b>120,238,415</b>	<b>99,781,477</b>
<b>Non-Controlling Interests</b>		<b>3,678,814</b>	<b>7,145,152</b>
		<b>123,917,229</b>	<b>106,926,629</b>
<b>Basic and diluted earnings per share attributable to the Bank's shareholders</b>	35	<b>JD 0.477</b>	<b>JD 0.396</b>

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

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

	2014	2013
	JD	JD
<b>Profit for the year</b>	<b>123,917,229</b>	<b>106,926,629</b>
Add: other comprehensive income which will be reclassified to income statement in future periods		
Foreign currency translation adjustments	(26,982,856)	(34,210,190)
Add: other comprehensive income which will not be reclassified to income statement in future periods		
Change in fair value reserve- net after tax	83,692	(77,052)
<b>Total other comprehensive income (loss) for the year - Net of tax</b>	<b>(26,899,164)</b>	<b>(34,287,242)</b>
<b>Total comprehensive income for the year</b>	<b>97,018,065</b>	<b>72,639,387</b>
Attributable to:		
<b>Bank's shareholders</b>	<b>100,265,252</b>	<b>83,332,936</b>
<b>Non-controlling interests</b>	<b>(3,247,187)</b>	<b>(10,693,549)</b>
	<b>97,018,065</b>	<b>72,639,387</b>

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



## Consolidated Statement of Changes in Equity for the year ended 31 December 2014

2014	Equity Attributable to the Bank's Shareholders												
	Paid-in Capital	Share Premium	Reserves				General Banking Risks	Foreign Currency Translation Reserve	Revaluation Reserve for Financial Assets	Retained Earnings	Total Equity Attributable to the Bank's Shareholders	Non-Controlling Interests	Total Equity
			Statutory	Voluntary	Special	JD							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Balance beginning of the year</b>	252,000,000	357,925,469	141,068,190	33,222,068	5,689,423	26,844,724	(42,274,698)	(388,830)	197,730,117	971,816,463	85,279,064	1,057,095,527	
Total comprehensive income for the year	-	-	-	-	-	-	(20,056,855)	83,692	120,238,415	100,265,252	(3,247,187)	97,018,065	
Transfer to reserves	-	-	13,402,222	-	736,998	2,256,276	-	-	(16,395,496)	-	-	-	
Purchase of additional shares in a subsidiary	-	-	-	-	-	-	-	-	(12,134,301)	(12,134,301)	(28,416,652)	(40,550,953)	
Dividends paid	-	-	-	-	-	-	-	-	(75,600,000)	(75,600,000)	-	(75,600,000)	
Unrealized losses from sale of Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	39,084	(39,084)	-	-	-	
Others	-	-	536,066	-	-	-	-	-	(68,528)	467,538	(32,048)	435,490	
<b>Balance - End of the Year</b>	<b>252,000,000</b>	<b>357,925,469</b>	<b>155,006,478</b>	<b>33,222,068</b>	<b>6,426,421</b>	<b>29,101,000</b>	<b>(62,331,553)</b>	<b>(266,054)</b>	<b>213,731,123</b>	<b>984,814,952</b>	<b>53,583,177</b>	<b>1,038,398,129</b>	

- The general banking risks reserve and the negative 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 5,963,754 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The balance of retained earnings includes JD 233,334 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 as per Central Bank of Jordan Regulations.
- The Bank cannot use a restricted amount of JD 36,097,883 from the retained earnings, which represents deferred taxes and an amount of JD266,054 which represent the negative revaluation reserve for financial assets at Fair Value through other Comprehensive income. These amount cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations.
- The Bank cannot use a restricted amount of JD 18,886,388 which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria.

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

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

2013	Equity Attributable to the Bank's Shareholders												
	Paid-in Capital	Share Premium	Reserves				General Banking Risks	Foreign Currency Translation Reserve	Revaluation Reserve for Financial Assets	Retained Earnings	Total Equity Attributable to the Bank's Shareholders	Non-Controlling Interests	Total Equity
			Statutory	Voluntary	Special	JD							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Balance beginning of the year</b>	252,000,000	357,925,469	128,758,427	33,222,068	4,996,017	26,333,079	(25,903,209)	(311,778)	173,822,610	950,842,683	95,822,279	1,046,664,962	
Total comprehensive income for the year	-	-	-	-	-	-	(16,371,489)	(77,052)	99,781,477	83,332,936	(10,693,549)	72,639,387	
Capital Increase	-	-	-	-	-	-	-	-	-	-	2,869,615	2,869,615	
Transfer to reserves	-	-	12,309,763	-	693,406	511,645	-	-	(13,514,814)	-	-	-	
Purchase of additional shares in a subsidiary	-	-	-	-	-	-	-	-	640,844	640,844	(2,719,281)	(2,078,437)	
Dividends paid	-	-	-	-	-	-	-	-	(63,000,000)	(63,000,000)	-	(63,000,000)	
<b>Balance - End of the Year</b>	252,000,000	357,925,469	141,068,190	33,222,068	5,689,423	26,844,724	(42,274,698)	(388,830)	197,730,117	971,816,463	85,279,064	1,057,095,527	

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

## Consolidated Statement of Cash Flows for the year ended 31 December 2014

	Notes	2014	2013
		JD	JD
<b>Operating Activities</b>			
<b>Profit before income tax</b>		<b>162,103,022</b>	<b>150,127,003</b>
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		13,418,316	11,388,374
Impairment loss on direct credit facilities		38,061,952	74,733,731
Unrealized (losses) on financial assets at fair value through profit or loss		265,684	364,019
Effect of change in exchange rates on cash and cash equivalents		(13,365,101)	(21,167,044)
End-of-service indemnity expense		3,741,623	4,413,990
Premium and discount amortization		(827,775)	(3,243,250)
Net accrued interest and commission income		4,692,955	(5,204,155)
Dividend from financial assets at fair value through profit and loss		(281,220)	(317,916)
Others		3,260,889	5,621,740
<b>Cash Flows from Operating Activities before Changes in Assets and Liabilities</b>		<b>211,070,345</b>	<b>216,716,492</b>
<b>Decrease (Increase) in Assets</b>			
Deposits with central banks (maturing after more than 3 months)		109,800,000	-
Deposits with banks and financial institutions (maturing after more than 3 months)		(1,335,561)	(21,812,000)
Direct credit facilities		(104,323,079)	(43,788,206)
Financial assets at fair value through profit or loss		954,327	31,872,813
Other assets		13,660,419	(5,297,640)
<b>Increase (Decrease) in Liabilities</b>			
Banks and financial institutions deposits (maturing after more than 3 months)		(54,763,086)	3,565,052
Customers' deposits		366,448,634	366,260,004
Margin accounts		9,584,829	(32,841,460)
Other liabilities		(14,126,923)	43,443,413
Miscellaneous provisions		(1,448,537)	(2,705,342)
<b>Net Cash Flows from Operating Activities before Income Tax Paid</b>		<b>535,521,368</b>	<b>555,413,126</b>
Income tax paid		(47,553,786)	(41,096,050)
<b>Net Cash Flows from Operating Activities</b>		<b>487,967,582</b>	<b>514,317,076</b>
<b>Investing Activities</b>			
Sale of Financial assets at fair value through other comprehensive income		14,744	-
(Purchase) of financial assets at amortized cost		(719,869,664)	(1,111,418,600)
Maturity of financial assets at amortized cost		827,292,479	811,589,171
(Purchase) of property and equipment - net		(37,342,225)	(20,703,335)
Sale of property and equipment - net		621,598	297,684
(Purchase) of intangible assets		(7,142,969)	(7,874,519)
(Purchase) of an additional share in subsidiary		(39,793,313)	-
<b>Net Cash Flows from (used in) Investing Activities</b>		<b>23,780,650</b>	<b>(328,109,599)</b>
<b>Financing Activities</b>			
Loans and borrowings		4,693,704	(14,294,747)
Dividends paid		(75,607,726)	(62,967,654)
Subordinated loans		-	(7,859,199)
Non-controlling interests – net		2,773,250	150,333
<b>Net Cash Flows (used in) Financing Activities</b>		<b>(68,140,772)</b>	<b>(84,971,267)</b>
<b>Net increase in Cash and Cash Equivalents</b>		<b>443,607,460</b>	<b>101,236,210</b>
Effect of change in exchange rate on cash and cash equivalents		(1,006,477)	(15,535,417)
<b>Cash and cash equivalents - beginning of the year</b>		<b>1,187,427,948</b>	<b>1,101,727,155</b>
<b>Cash and Cash Equivalents - End of the Year</b>	36	<b>1,630,028,931</b>	<b>1,187,427,948</b>

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

## Notes To The Consolidated Financial Statements 31 December 2014

### 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 headquarter in Amman and its branches in Jordan (124 branches) and abroad; Palestine and Bahrain (14 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.(1/2015) dated 29 January 2015. 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 Interpretations 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 accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013 except for the following:

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

These amendments are effective for annual periods which started on or after 1 January 2014. The amendments 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. The application of the new amendments did not have any impact on the Company's, financial position or performance.

#### 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. Application of the new amendments did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

#### IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a

levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. Application of the interpretation did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

### **Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36**

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Application of the new amendments did not have any impact on the Bank's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

### **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions, income, and expenses between the Bank and subsidiaries are eliminated.

#### **A. Foreign subsidiaries**

- International Bank for Trade and Finance / Syria (paid-in capital Syrian Pounds 5.25 billion, of which the Bank owns 49.063% as of 31 December 2014). 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: an ownership ratio of 85% (61,171%: 2013) of the bank's capital of 10 Billion Algerian Dinars, where the Bank purchased an additional stake of 23.828% amounting to JD 39,793,313. 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% of the paid-up capital which amounted to 45 million pounds (45 million shares), par value £ 1 per share as of December 2014, the main objective of the bank is to conduct banking activities.

#### **B. Local subsidiaries**

- International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5% as of 31 December 2014). 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 30 million as of 31 December 2014. 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.
- 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 2014. 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 statements of the subsidiaries are prepared for the same reporting period as the Bank and the same accounting policies, if different policies are adopted then adjustments are done to the subsidiaries financial statements 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 interests represent 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 (purchase 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:

	2014	2013
	JD	JD
Cash in treasury	151,493,244	133,734,564
Balances at central banks:		
Current accounts and demand deposits	848,617,918	427,202,610
Term and notice deposits	120,663,328	162,326,775
Statutory cash reserve	306,487,376	315,758,982
Certificates of deposit *	192,700,000	173,200,000
<b>Total</b>	<b>1,619,961,866</b>	<b>1,212,222,931</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 during three months JD 129,300,00 and maturing within a period of more than three months JD 36,400,000 as of 31 December 2014.

## 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,	
	2014	2013	2014	2013	2014	2013
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	10,029,651	15,060,476	143,121,810	164,234,751	153,151,461	179,295,227
Deposits maturing within or less than 3 months	2,154,475	-	358,307,130	343,875,662	360,461,605	343,875,662
<b>Total</b>	<b>12,184,126</b>	<b>15,060,476</b>	<b>501,428,940</b>	<b>508,110,413</b>	<b>513,613,066</b>	<b>523,170,889</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 18,647,060 as of 31 December 2014 (JD 26,407,359 as of 31 December 2013).
- No restricted balances as of 31 December 2014 and 2013.

## 6- Deposits 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,	
	2014	2013	2014	2013	2014	2013
	JD	JD	JD	JD	JD	JD
Deposits Maturing						
3 to 6 months	5,000,000	5,000,000	2,451,288	6,812,000	7,451,288	11,812,000
6 months to 1 year	10,000,000	10,000,000	5,696,273	-	15,696,273	10,000,000
<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>8,147,561</b>	<b>6,812,000</b>	<b>23,147,561</b>	<b>21,812,000</b>

- There are no restricted deposits as of 31 December 2014 and 2013.

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

This item consists of the following:

	2014	2013
	JD	JD
<b>Quoted Financial Assets:</b>		
Governmental guaranteed bonds	-	1,737,867
Corporate shares	4,304,499	3,551,083
Corporate bonds and debentures	1,569,027	384,551
Funds	491,633	564,384
<b>Total Quoted Financial Assets</b>	<b>6,365,159</b>	<b>6,237,885</b>
<b>Unquoted Financial Assets :</b>		
Corporate shares	16,801,361	17,867,426
<b>Total Unquoted Financial Assets</b>	<b>16,801,361</b>	<b>17,867,426</b>
<b>Total</b>	<b>23,166,520</b>	<b>24,105,311</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	1,569,027	2,122,418
<b>Total</b>	<b>1,569,027</b>	<b>2,122,418</b>

## 8- Direct Credit Facilities – Net

This item consists of the following:

	2014	2013
	JD	JD
<b>Retail Customers :</b>		
Overdrafts	8,749,673	7,395,977
Loans and discounted bills *	530,072,400	511,075,081
Credit cards	10,823,136	10,609,233
<b>Real Estate Mortgages</b>	<b>903,674,195</b>	<b>762,092,840</b>
Includes:		
Housing loans	533,880,440	457,116,407
<b>Corporate entities:</b>		
Corporate Customers		
Overdrafts	231,498,666	283,075,419
Loans and discounted bills *	651,071,829	759,749,424
<b>SMEs</b>		
Overdraft	129,873,477	95,844,601
Loans and discounted bills *	152,236,365	190,165,185
<b>Governmental and public sector</b>	<b>360,824,703</b>	<b>357,220,533</b>
<b>Total</b>	<b>2,978,824,444</b>	<b>2,977,228,293</b>
Less: Allowance for impairment in direct credit facilities	(191,400,781)	(232,069,846)
Suspended interest	(70,883,973)	(82,310,498)
<b>Net Direct Credit Facilities</b>	<b>2,716,539,690</b>	<b>2,662,847,949</b>

\* Net of interest and commission received in advance amounting to JD 18,267,383 as of 31 December 2014 (JD 20,475,192 as of 31 December 2013).

- Non-performing credit facilities amounted to JD 247,978,884 representing ( 8.32%) of total direct credit facilities as of 31 December 2014 (JD 335,650,446 representing (11.3%) as of 31 December 2013).
- Non-performing credit facilities net of interest in suspense amounted to JD 178,654,379 representing (6.14%) of total direct credit facilities net of interest in suspense as of 31 December 2014 (JD 253,916,028 representing (8.8%) as of 31 December 2013).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 219,653,398 representing (7.37%) of total direct credit facilities as of 31 December 2014 (JD 227,850,252 representing (7.7%) as of 31 December 2013).

## Allowance for impairment in direct credit facilities

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

2014	Corporate entities				
	Retail	Real Estate Mortgages	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
<b>Balance – beginning 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 the year	3,416,254	(325,643)	40,973,389	(6,002,048)	<b>38,061,952</b>
Amounts written off	(134,445)	(668,302)	(67,626,866)	(667,848)	<b>(69,097,461)</b>
Currency translation	(134,283)	(2,539)	(6,053,318)	(3,443,416)	<b>(9,633,556)</b>
<b>Balance – End of the Year</b>	<b>14,727,225</b>	<b>12,911,773</b>	<b>138,853,923</b>	<b>24,907,860</b>	<b>191,400,781</b>
Allowance for impairment	13,613,242	12,332,428	137,319,404	24,772,391	<b>188,037,465</b>
Watch list allowance	1,113,983	579,345	1,534,519	135,469	<b>3,363,316</b>
	<b>14,727,225</b>	<b>12,911,773</b>	<b>138,853,923</b>	<b>24,907,860</b>	<b>191,400,781</b>

2013					
<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>

- The surplus in allowance which was due to settlements or debt repayments and was transferred against other debts, amounted to JD 13,537,508 as of 31 December 2014 (JD 8,376,078 as of 31 December 2013).

## Interest in suspense

The movement on the interest in suspense is as follows:

2014	Corporate Entities				Total
	Retail	Real Estate Mortgages	Corporate	SMEs	
	JD	JD	JD	JD	
<b>Balance – beginning 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>
<b>Add:</b> Suspended interest during the year	1,458,714	3,309,189	22,121,057	5,867,080	<b>32,756,040</b>
<b>Less:</b> Interest transferred to income	(938,901)	(1,678,741)	(713,061)	(4,320,316)	<b>(7,651,019)</b>
Interest in suspense written off	(325,376)	(2,077,071)	(31,034,648)	(864,532)	<b>(34,301,627)</b>
Currency translation	79,112	11,140	(1,206,726)	(1,113,445)	<b>(2,229,919)</b>
<b>Balance – End of the Year</b>	<b>9,507,132</b>	<b>10,366,860</b>	<b>39,919,704</b>	<b>11,090,277</b>	<b>70,883,973</b>
<b>2013</b>					
<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>
<b>Add:</b> Suspended interest during the year	3,828,670	2,457,282	22,888,102	5,766,481	<b>34,940,535</b>
<b>Less:</b> 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>

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

This item consists of the following:

	2014	2013
	JD	JD
Quoted shares	-	21,034
Unquoted shares	656,357	566,164
<b>Total</b>	<b>656,357</b>	<b>587,198</b>



## 10- Financial Assets at amortized cost

This item consists of the following:

	2014	2013
	JD	JD
<b>Quoted Financial Assets:</b>		
Treasury government bills	-	21,302,317
Treasury bonds	1,973,327,840	1,653,485,969
Governmental guaranteed bonds and bills	265,941,375	583,390,809
Corporate bonds and debentures	148,691,224	220,926,384
<b>Total Quoted Financial Assets</b>	<b>2,387,960,439</b>	<b>2,479,105,479</b>
<b>Unquoted Financial Assets :</b>		
Corporate bonds and debentures	8,772,501	24,222,501
Allowance for impairment loss	(4,772,500)	(4,772,500)
<b>Total Unquoted Financial Assets</b>	<b>4,000,001</b>	<b>19,450,001</b>
<b>Total</b>	<b>2,391,960,440</b>	<b>2,498,555,480</b>
<b>Analysis of debt instruments :</b>		
Fixed rate return	2,348,651,379	2,374,760,102
Variable rate return	43,309,061	123,795,378
<b>Total</b>	<b>2,391,960,440</b>	<b>2,498,555,480</b>

- The maturity of bonds range from one month to 5 years.
- The bonds mature on several batches in which the last mature in 2020.
- The bonds average annual interest rate range between 0.402% to 10% per year.

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

	2014	2013
	JD	JD
<b>Balance – beginning of the year</b>	<b>4,772,500</b>	<b>4,772,500</b>
Additions	-	-
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:

2014 -	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>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>
Additions	2,310,923	715,362	8,821,621	303,106	1,202,782	<b>13,353,794</b>
Disposals	-	(177,692)	(1,311,270)	(259,245)	(4,390,429)	<b>(6,138,636)</b>
Foreign currency exchange differences	(363,886)	(2,442,550)	(1,047,755)	(45,556)	(379,327)	<b>(4,279,074)</b>
<b>Balance – end of the year</b>	<b>26,256,755</b>	<b>28,084,906</b>	<b>81,586,195</b>	<b>1,688,826</b>	<b>33,879,245</b>	<b>171,495,927</b>
<b>Accumulated Depreciation :-</b>						
<b>Balance- beginning of the year</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>
Annual depreciation	-	628,570	6,544,334	130,456	2,984,477	<b>10,287,837</b>
Disposals	-	-	(998,252)	(259,288)	(4,364,648)	<b>(5,622,188)</b>
Foreign currency exchange differences	-	(304,510)	(747,685)	(33,568)	(269,043)	<b>(1,354,806)</b>
<b>Balance – end of the year</b>	-	<b>6,998,374</b>	<b>59,317,539</b>	<b>1,283,956</b>	<b>26,957,697</b>	<b>94,557,566</b>
<b>Net book value of property and equipment</b>	<b>26,256,755</b>	<b>21,086,532</b>	<b>22,268,656</b>	<b>404,870</b>	<b>6,921,548</b>	<b>76,938,361</b>
Payments on purchased property and equipment	-	-	2,274,739	-	38,214	<b>2,312,953</b>
<b>Projects under construction</b>	-	<b>62,613,371</b>	<b>40,095</b>	-	-	<b>62,653,466</b>
<b>Net Book Value – end of the year</b>	<b>26,256,755</b>	<b>83,699,903</b>	<b>24,583,490</b>	<b>404,870</b>	<b>6,959,762</b>	<b>141,904,780</b>
<b>2013</b>						
<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>	-	<b>582,460</b>	<b>6,051,644</b>	<b>110,045</b>	<b>3,135,147</b>	<b>9,879,296</b>
Disposals	-	-	(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>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>24,309,718</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>

- Property and equipment include fully depreciated assets amounted to JD 41,334,780 as of 31 December 2014 (JD 40,967,751 as of 31 December 2013).
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are included in Note (46) including the remaining estimated cost for projects under construction.

## 12- Intangible Assets

This item consists of the following:

	2014				2013			
	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>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>
Additions ***	-	7,142,969	-	<b>7,142,969</b>	-	7,874,519	-	<b>7,874,519</b>
Disposals	-	-	-	-	-	-	-	-
Amortization for the year	-	(3,130,479)	-	<b>(3,130,479)</b>	-	(1,509,078)	-	<b>(1,509,078)</b>
<b>Ending Balance</b>	<b>358,397</b>	<b>18,147,999</b>	<b>5,205,161</b>	<b>23,711,557</b>	<b>358,397</b>	<b>14,135,509</b>	<b>5,205,161</b>	<b>19,699,067</b>

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

\*\* This item represents the license for conducting banking activities from the acquisition of 75% of Jordan International Bank. 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 2014.

\*\*\* The additions on computer software amounts to JD 7,142,969 as of 31 December 2014 (JD 7,874,519 as of 31 December 2013), representing payments on account for purchase of computer software.

## 13- Other Assets

This item consists of the following:

	2014	2013
	JD	JD
Accrued revenues and interest	40,461,902	41,317,820
Prepaid expenses	4,166,023	3,657,281
Assets seized by the Bank*	23,842,965	23,071,140
Assets seized by the Bank with customer right to recover	7,854,125	-
Cheques under collection	7,234,962	20,213,591
Other	20,609,770	31,005,138
<b>Total</b>	<b>104,169,747</b>	<b>119,264,970</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.

\*\* Includes real estate and shares with customer right to repurchase within a period of three years at cost plus agreed interest.

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

	2014	2013
	JD	JD
<b>Beginning Balance</b>	<b>23,071,140</b>	<b>13,797,101</b>
Additions	10,882,577	12,863,347
Disposals	(1,992,858)	(3,107,605)
Impairment	(232,979)	(433,692)
Currency translation	(30,790)	(48,011)
<b>Ending Balance</b>	<b>31,697,090</b>	<b>23,071,140</b>

## 14- Banks and Financial Institutions Deposits

This item consists of the following:

	31 December 2014			31 December 2013		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	3,420,056	97,783,884	<b>101,203,940</b>	3,380,945	154,883,377	<b>158,264,322</b>
Deposits due within 3 months	143,632,771	195,309,290	<b>338,942,061</b>	8,549	216,493,001	<b>216,501,550</b>
Deposits due within 3- 6months	43,328,126	43,958,000	<b>87,286,126</b>	173,200,000	34,473,277	<b>207,673,277</b>
Deposits due within 9 - 12 months	74,682,417	1,362,101	<b>76,044,518</b>	-	10,420,453	<b>10,420,453</b>
<b>Total</b>	<b>265,063,370</b>	<b>338,413,275</b>	<b>603,476,645</b>	<b>176,589,494</b>	<b>416,270,108</b>	<b>592,859,602</b>

## 15- Customers' Deposits

This item consists of the following:

31 December 2014	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	760,634,404	137,854,658	334,571,154	66,111,740	<b>1,299,171,956</b>
Saving deposits	1,635,111,975	4,180,101	13,062,980	1,397,966	<b>1,653,753,022</b>
Time and notice deposits	1,417,990,016	464,195,123	97,395,460	431,317,582	<b>2,410,898,181</b>
Certificates of deposit	92,438,550	-	3,176,169	-	<b>95,614,719</b>
Others	458,801	-	-	-	<b>458,801</b>
<b>Total</b>	<b>3,906,633,746</b>	<b>606,229,882</b>	<b>448,205,763</b>	<b>498,827,288</b>	<b>5,459,896,679</b>
31 December 2013					
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>

- The deposits of the public sector and the government of Jordan inside Jordan amounted to JD 480.2 million, representing (8.8%) of total deposits as of 31 December 2014 (JD 357.7 million, representing (7%) of total deposits as of 31 December 2013).
- Non-interest bearing deposits amounted to JD 1.4 billion, representing (25.7%) of total deposits as of 31 December 2014 (JD 1.54 billion, representing 30.2% of total deposits as of 31 December 2013).
- Restricted deposits amounted to JD 78.5 million, representing (1.4%) of total deposits as of 31 December 2014 (JD 77.2 million, representing (1.5%) of total deposits as of 31 December 2013).
- Dormant accounts amounted to JD 124.1 million, representing (2.3%) of total deposits as of 31 December 2014 (JD 71.9 million, representing (1.4%) of total deposits as of 31 December 2013).

## 16- Margin Accounts

This item consists of the following:

	2014	2013
	JD	JD
Margins against direct credit facilities	85,838,559	75,556,405
Margins against indirect credit facilities	107,046,204	150,369,209
Margin dealings	464,621	1,269,521
Other margins	44,111,494	680,914
<b>Total</b>	<b>237,460,878</b>	<b>227,876,049</b>

## 17- Loans and Borrowing

31 December 2014	Amount JD	Periodic Repayment	Repayment date	Guarantee	Borrowing interest rate	Re- lending interest rate
Audi Bank loan	4,975,777	Monthly	28/12/2019	Financial solvency	5.5%	10.5%
Society General Bank loan	2,985,099	Annual	20/11/2015	Financial solvency	5.75%	10.5%
Amman Cairo Bank	4,987,552	Annual	26/11/2015	Financial solvency	4.75%	10.5%
Central Bank of Jordan	8,750,000	Semi annual	14/07/2028	Financial solvency	USD Libor, 6 months + agreed margin	USD Libor, 6 months + agreed margin
	<b>21,698,428</b>					
31 December 2013						
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%
AL-Rajhi Bank	989,486	Annual	1/11/2014	Financial solvency	6.5%	11%
Amman Cairo Bank	7,498,112	Annual	31/7/2014	Financial solvency	5.75 %	11%
Central Bank of Jordan	3,000,000	Semi annual	14/7/2014	Financial solvency		
	<b>17,004,724</b>					

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

## 18- Sundry Provisions

This item consists of the following:

2014	Beginning Balance	Provision for the year	Provision used during the year	Reversed to income	Currency translation	Ending Balance
	JD	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	22,582,120	3,741,623	(1,753,734)	-	-	24,570,009
Provision for outstanding lawsuits against the Bank	387,527	386,954	(247,390)	-	(3,508)	523,583
Other provisions	9,031,741	7,185,162	(2,009,498)	(2,562,085)	(1,019,353)	10,625,967
<b>Total</b>	<b>32,001,388</b>	<b>11,313,739</b>	<b>(4,010,622)</b>	<b>(2,562,085)</b>	<b>(1,022,861)</b>	<b>35,719,559</b>
2013						
Provision for end-of-service indemnity	19,615,487	4,413,990	(1,447,357)	-	-	22,582,120
Provision for outstanding lawsuits against the Bank	543,851	99,851	(253,111)	-	(3,064)	387,527
Other provisions	5,484,575	5,770,184	(1,495,066)	(490,192)	(237,760)	9,031,741
<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>

## 19- Income Tax

### A- Provision for Income Tax

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

	2014	2013
	JD	JD
<b>Beginning balance</b>	<b>42,065,592</b>	<b>36,265,160</b>
Income tax paid	(47,553,786)	(41,096,050)
Provision for income tax for the year	49,031,711	46,442,710
Currency translation	-	453,772
<b>Ending Balance</b>	<b>43,543,517</b>	<b>42,065,592</b>

- Income tax for Jordan branches of the Bank was paid up to the year 2014 and the Bank has reached a final clearance with the Income and Sales Tax Department up to the end of the year 2012.
- Income tax for Palestine branches was paid up to the year 2013. The Bank did not reach a final settlement with the Income Tax Department for the years from 2006,2007, 2008, 2013.
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2014. The bank reach a final settlement only for the years 2006 and 2007 and 2008 and 2009 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 2013.The Income Tax Department did not review the accounting records yet.
- Income tax for Jordan International Bank/ London was paid up to the year 2013. The bank reached a final settlement with Income Tax Department up to the year 2013.
- Income tax for local International Financial Center was paid up to the year 2013. and a final settlement was reached until the year 2010.
- Income tax for the Specialized Financial Leasing Company was paid until the year 2013, and a final settlement was reached up to the year 2012.

Income tax in the consolidated income statement represents the following:

	2014	2013
	JD	JD
<b>Current year provision for income tax</b>	<b>49,031,711</b>	<b>46,442,710</b>
Deferred tax assets for the year	(24,316,973)	(12,185,474)
Deferred tax liability for the year	293,816	-
Amortization of deferred tax assets	13,165,156	8,849,271
Amortization of deferred tax liabilities	12,083	93,867
	<b>38,185,793</b>	<b>43,200,374</b>

### B- Deferred Income Tax Assets / Liabilities:

This item consists of the following:

	2014					2013
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<b>Assets</b>						
Suspended interest	573,826	573,826	1,397,219	1,397,219	<b>462,829</b>	<b>162,926</b>
Allowance for loans	30,307,499	30,307,499	52,269,058	52,269,058	<b>17,314,152</b>	<b>8,605,178</b>
Provision for indemnities	20,191,253	1,629,354	3,336,875	21,898,774	<b>7,253,981</b>	<b>5,732,882</b>
Impairment of real estate	744,242	-	232,979	977,221	<b>323,705</b>	<b>211,312</b>
Other provisions	4,812,859	2,313,860	5,434,310	7,933,309	<b>2,627,913</b>	<b>1,366,510</b>
Other assets	11,058,048	6,215,964	6,942,374	11,784,458	<b>3,897,953</b>	<b>3,136,446</b>
Accumulated losses of Jordan International Bank/London	28,496,081	7,923,649	-	20,572,432	<b>4,217,350</b>	<b>5,984,178</b>
<b>TOTAL</b>	<b>96,183,808</b>	<b>48,964,152</b>	<b>69,612,815</b>	<b>116,832,471</b>	<b>36,097,883</b>	<b>25,199,432</b>
<b>Liabilities</b>						
Revaluation of financial assets	6,208,932	-	-	6,208,932	<b>2,056,712</b>	<b>1,762,896</b>
<b>TOTAL</b>	<b>6,208,932</b>	<b>-</b>	<b>-</b>	<b>6,208,932</b>	<b>2,056,712</b>	<b>1,762,896</b>

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

	2014		2013	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<b>Beginning balance</b>	<b>25,199,432</b>	<b>1,762,896</b>	<b>21,957,096</b>	<b>1,762,896</b>
Additions	24,316,973	293,816	12,185,474	-
Releases	(13,418,522)	-	(8,988,551)	-
Currency Translation	-	-	45,413	-
<b>Ending Balance</b>	<b>36,097,883</b>	<b>2,056,712</b>	<b>25,199,432</b>	<b>1,762,896</b>

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

	2014	2013
	JD	JD
<b>Accounting profit for the year</b>	<b>162,103,022</b>	<b>150,127,003</b>
Non taxable income	(70,679,559)	(45,943,739)
Non deductible expenses for tax purposes	80,033,246	62,417,551
<b>Taxable Profit</b>	<b>171,456,709</b>	<b>166,600,815</b>
Effective income tax rate	23.56%	28.8%

- 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 25%.
- The tax rate on deferred tax assets is between 21% and 33.12%.

## 20- Other Liabilities

This item consists of the following:

	2014	2013
	JD	JD
Accrued interest	18,810,922	14,918,388
Interests and commissions received in advance	924,982	1,444,680
Accrued expenses	17,769,676	16,543,281
Certified cheques	35,675,542	60,534,474
Transfers deposits	29,450,203	12,280,306
Payment trusts	7,196,633	7,139,259
Prizes trusts	1,386,250	1,080,854
Correspondent banks trusts	393,698	456,960
General management trusts	2,037,887	2,613,646
Dividends payable *	297,080	304,806
Accounts payable	5,442,439	2,644,976
Other deposits	18,342,912	23,647,678
Others	14,950,696	19,367,224
<b>Total</b>	<b>152,678,920</b>	<b>162,976,532</b>

\* This item represents prior year's dividends payable to shareholders.

## 21- 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 2014 and 2013.

## 22- 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 and at the Housing Bank for Trade and Finance – Algeria.



### Restricted reserves are as follows:

Reserve	2014	2013	Regulation
	JD	JD	
General banking risk reserves	29,101,000	26,844,724	According to the regulations of the Central Bank of Jordan
Statutory reserve	155,006,478	141,068,190	According to the applicable laws and regulations
Special reserve	6,426,421	5,689,423	According to the applicable laws and regulations

### 23- 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:

	2014	2013
	JD	JD
<b>Beginning balance</b>	<b>(42,274,698)</b>	<b>(25,903,209)</b>
Net changes during the year	(20,056,855)	(16,371,489)
<b>Ending Balance</b>	<b>(62,331,553)</b>	<b>(42,274,698)</b>

### 24- Revaluation reserve for financial assets

The movement on this items is as follows:

	2014	2013
	JD	JD
<b>Beginning balance</b>	<b>(388,830)</b>	<b>(311,778)</b>
Unrealized gain (losses)	83,692	(77,052)
Realized gain (losses)	39,084	-
<b>Ending Balance</b>	<b>(266,054)</b>	<b>(388,830)</b>

### 25- Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 35% equivalent to JD 88,2 million of paid-in capital subject to the approval of the General Assembly of Shareholders (30% for the prior year).

## Retained earnings attributable to the Bank's shareholders:

This item consists of the following:

	2014	2013
	JD	JD
<b>Beginning balance</b>	<b>197,730,117</b>	<b>173,822,610</b>
Profit for the year	120,238,415	99,781,477
Transfer to reserves	(16,395,496)	(13,514,814)
Dividends paid	(75,600,000)	(63,000,000)
The impact of purchase of additional share in a subsidiary	(12,134,301)	640,844
Unrealized losses from the sale of financial assets at fair value through the income statement.	(39,084)	-
Others	(68,528)	-
<b>Ending Balance</b>	<b>213,731,123</b>	<b>197,730,117</b>

- The general banking risks reserve and the negative 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 5,963,754 which represents the unrealized gains on financial assets through profit or loss according to the regulations of Jordan Securities Commission.
- The balance of retained earnings includes JD 233,334 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 as per Central Bank of Jordan Regulations.
- The Bank cannot use a restricted amount of JD 36,097,883 from the retained earnings, which represents deferred taxes. This amount cannot be used for capitalization or distribution except for the amounts actually realized according to the Central Bank of Jordan Regulations.
- The Bank cannot use a restricted amount of JD 18,886,388 which represents foreign currency revaluation gain at the International Bank of Trade and Finance in Syria.

## 26 – subsidiaries with material non-controlling interest

A- percentage owned by non-controlling interest:

	2014			
	Country	Activity Sector	Non controlling interests %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.93%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	15.00%	-
Jordan International Bank/London	UK	Banking	25.00%	-

	2013			
	Country	Activity Sector	Non controlling interests %	Dividends
				JD
International Bank for Trade and Finance /Syria	Syria	Banking	50.93%	-
The Housing Bank for Trade and Finance /Algeria	Algeria	Banking	38.80%	-
Jordan International Bank/London	UK	Banking	25.00%	-

B- The following are selected financial information for subsidiaries with material non-controlling interests:

A- Condensed statement of financial position before elimination of inter-Company transactions as of 31 December 2014

31 December 2014	2014		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/UK
	JD	JD	JD
financial assets	236,624,275	344,798,304	367,702,275
Other assets	10,423,969	9,088,445	7,473,392
<b>Total assets</b>	<b>247,048,244</b>	<b>353,886,749</b>	<b>375,175,667</b>
financial Liabilities	209,083,857	194,486,772	304,666,219
Other Liabilities	7,547,795	36,612,964	3,120,891
<b>Total Liabilities</b>	<b>216,631,652</b>	<b>231,099,736</b>	<b>307,787,110</b>
<b>Total Equity</b>	<b>30,416,592</b>	<b>122,787,013</b>	<b>67,388,557</b>
<b>Total Liabilities and Equity</b>	<b>247,048,244</b>	<b>353,886,749</b>	<b>375,175,667</b>
<b>Non Controlling Interest</b>	<b>15,493,299</b>	<b>18,418,052</b>	<b>16,847,139</b>
31 December 2013	2013		
	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>
<b>Total Equity</b>	<b>41,950,067</b>	<b>122,324,625</b>	<b>55,392,987</b>
<b>Total Liabilities and Equity</b>	<b>322,196,875</b>	<b>352,630,226</b>	<b>302,912,789</b>
<b>Non Controlling Interest</b>	<b>21,368,106</b>	<b>47,461,955</b>	<b>13,848,247</b>

B- Condensed income statement before elimination of inter-company transactions for the year ended on 31 December 2014

	2014		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/UK
	JD	JD	JD
Total revenues	16,445,688	24,625,857	14,277,105
Profit for the year	-	15,380,607	5,770,075
<b>Total Comprehensive Income</b>	-	<b>15,380,607</b>	<b>5,770,075</b>
<b>Attributable to non-Controlling Interest</b>	-	<b>2,307,091</b>	<b>1,442,519</b>

	2013		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/UK
	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>
<b>Attributable to non-Controlling Interest</b>	<b>6,688</b>	<b>5,315,804</b>	<b>1,775,701</b>

C – Cashflow statement:-

	2014		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/UK
	JD	JD	JD
<b>Cash Flows</b>			
Operating	(32,887,131)	30,138,178	(7,307,788)
Investing	(689,300)	(1,276,663)	(10,131,953)
Financing	(18,545)	(173,552)	9,686,205
Effect of change in exchange rates on cash and cash equivalents	2,445,166	(13,719,230)	(3,385,761)
<b>Net increase/Decrease</b>	<b>(31,149,810)</b>	<b>14,968,733</b>	<b>(11,139,297)</b>

	2013		
	International Bank for Trade & Finance/Syria	The Housing Bank for Trade & Finance/Algeria	Jordan International Bank London/UK
	JD	JD	JD
<b>Cash Flows</b>			
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>

## 27- Interest Income

This item consists of the following:

	2014	2013
	JD	JD
Direct Credit Facilities:		
<b>Individual retail customer:-</b>		
Overdraft	425,598	372,242
Loans and discounted bills	50,261,363	46,643,680
Credit cards	1,598,298	1,731,606
Other	158,143	172,693
<b>Real estate mortgages</b>	<b>55,168,843</b>	<b>45,710,572</b>
<b>Large corporate customers:</b>		
Overdraft	21,604,189	22,774,818
Loans and discounted bills	46,359,861	43,080,806
<b>SMEs</b>		
Overdraft	8,827,927	10,206,009
Loans and discounted bills	15,106,288	16,131,369
<b>Government and Public Sector</b>	<b>19,640,114</b>	<b>26,410,263</b>
Balances with central banks	11,488,597	2,546,998
Balances and deposits with banks and financial institutions	5,556,911	6,804,194
Financial assets at fair value through profit or loss	50,776	909,198
Financial assets at amortized cost	147,360,515	141,420,649
<b>Total</b>	<b>383,607,423</b>	<b>364,915,097</b>

## 28- Interest Expense

This item consists of the following:

	2014	2013
	JD	JD
Banks and financial institutions deposits	5,362,645	6,318,327
<b>Customers deposits :</b>		
Current accounts and demand deposits	1,266,074	849,023
Saving deposits	13,635,235	12,207,465
Time and notice deposits	80,518,785	74,909,674
Certificates of deposit	4,219,574	1,858,046
Margin accounts	3,294,544	2,487,113
Subordinated loans	-	121,680
Loans and borrowings	760,077	1,232,048
Deposits insurance fees	9,241,505	7,314,724
<b>Total</b>	<b>118,298,439</b>	<b>107,298,100</b>

## 29- Net Commission Income

This item consists of the following:

	2014	2013
	JD	JD
<b>Commission income:</b>		
Direct credit facilities	14,144,820	14,137,342
Indirect credit facilities	20,954,868	19,451,626
Less: Commission expense	(52,593)	(66,204)
<b>Net Commission Income</b>	<b>35,047,095</b>	<b>33,522,764</b>

## 30- Net gain from Foreign currency Exchange

This item consists of the following:

	2014	2013
	JD	JD
From trading	1,847,990	5,992,671
From re-valuation	13,365,101	21,167,044
<b>Total</b>	<b>15,213,091</b>	<b>27,159,715</b>

## 31- Gain (Losses) from financial assets at fair value through profit or loss

This item consists of the following:

2014	Realized		Unrealized		Dividends	Total
	Gain	(Loss)	Gain	(Loss)	Received	
	JD	JD	JD	JD	JD	
Bonds	-	-	15,141	-	-	15,141
Coprorate shares	-	-	198,148	(510,797)	271,212	(41,437)
Investment funds	282,925	(1,516)	91,415	(59,591)	10,008	323,241
<b>Total</b>	<b>282,925</b>	<b>(1,516)</b>	<b>304,704</b>	<b>(570,388)</b>	<b>281,220</b>	<b>296,945</b>

2013						
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>

### 32- Other Income

This item consists of the following:

	2014	2013
	JD	JD
Fees on salaries accounts	3,390,665	3,044,534
Credit cards income	5,326,165	5,188,982
Safety deposit box rental income	532,879	555,463
Commissions on returned checks	582,538	823,355
Management fees	4,745,524	4,029,279
Net income from recovered loans	647,576	6,236,516
Brokerage services fees	582,781	578,496
Banking services fees	1,544,512	1,150,781
Income on transfers	8,859,222	11,549,823
Miscellaneous income	4,197,671	4,177,695
<b>Total</b>	<b>30,409,533</b>	<b>37,334,924</b>

### 33- Employees Expenses

This item consists of the following:

	2014	2013
	JD	JD
Salaries, benefits and allowances	56,186,931	54,224,650
Bank's contribution in social security	5,984,798	5,488,426
Bank's contribution in the saving fund	171,333	145,653
End-of-service indemnity	3,741,623	4,413,990
Medical expenses	2,745,999	2,375,877
Training expenses	436,408	473,032
Travel and transportation expenses	1,529,826	1,174,250
Other	1,011,931	837,004
<b>Total</b>	<b>71,808,849</b>	<b>69,132,882</b>

### 34- Other Expenses

This item consists of the following:

	2014	2013
	JD	JD
Information technology	9,054,019	7,163,611
Marketing and promotion	3,240,754	3,862,511
External and professional services	3,108,934	2,262,263
Rents and workplace expenses	19,922,090	18,271,285
Financial institutions subscription fees	2,879,805	2,190,171
Stationary expenses	2,301,270	2,807,042
Fees on credit facilities processing	164,019	204,296
Other expenses	15,202,587	9,452,941
<b>Total</b>	<b>55,873,478</b>	<b>46,214,120</b>

### 35- Earnings per Share

This item consists of the following:

	2014	2013
	JD	JD
Profit for the year	120,238,415	99,781,477
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 0.477</b>	<b>JD 0.396</b>

### 36- Cash and Cash Equivalents

This item consists of the following:

	2014	2013
	JD	JD
Cash and balances with central banks maturing within 3 months	1,556,561,866	1,039,022,931
<b>Add:</b> Balances with banks and financial institutions maturing within 3 months	513,613,066	523,170,889
<b>Less:</b> Banks and financial institutions deposits maturing within 3 months	(440,146,001)	(374,765,872)
	<b>1,630,028,931</b>	<b>1,187,427,948</b>

### 37- Financial Derivative Instruments

This item consists of the following:

2014	Positive fair value	Negative fair value	Nominal value	Due in three months	Due to 3-12 months	More than 3 years
	JD	JD	JD	JD	JD	JD
Forward foreign currency contracts	-	(27,952)	118,257,180	94,004,771	17,271,910	6,980,499
Interest rate swap contracts	-	(26,352)	3,545,000	-	3,545,000	-
<b>Total</b>	-	<b>(54,304)</b>	<b>121,802,180</b>	<b>94,004,771</b>	<b>20,816,910</b>	<b>6,980,499</b>
<b>2013</b>						
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>Total</b>	-	<b>(233,604)</b>	<b>274,742,526</b>	<b>159,529,284</b>	<b>111,668,242</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.



### 38- Related Party Transactions

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

Company Name	Ownership 2014	Company's capital	
		2014	2013
	%	JD	JD
The Housing Bank for Trade and Finance / Algeria	%85	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	30,000,000
Jordan Real Estate Investment Co.	%100	40,000	40,000
Jordan International Bank / London	%75	61,873,580	50,780,580
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			Total	
	Major Shareholders	Board of directors	Executive Management	2014	2013
	JD	JD	JD	JD	JD
<b>Financial position items</b>					
Total deposits with related parties	75,802,837	-	-	<b>75,802,837</b>	<b>71,376,298</b>
Total deposits from related parties	318,572,968	4,218,437	1,334,702	<b>324,126,107</b>	<b>272,062,057</b>
Loans and advances granted to related parties	-	1,592	1,302,512	<b>1,304,104</b>	<b>1,197,927</b>
<b>Commitments and contingent liabilities</b>					
Letter of credit & letter of guarantee	360,000	-	-	<b>360,000</b>	<b>5,000</b>
<b>Income statement items</b>					
Interest and commissions income	1,146,238	-	52,948	<b>1,199,186</b>	<b>1,741,484</b>
Interest and commissions expense	8,763,155	237,726	36,432	<b>9,037,313</b>	<b>14,342,323</b>

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

	2014	2013
	JD	JD
Salaries, bonuses, and other benefits	4,205,858	4,162,222

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

This item consists of the following:

	2014		2013	
	Book value	Fair Value	Book value	Fair value
	JD	JD	JD	JD
Other financial assets at amortized cost	2,391,960,440	2,392,749,200	2,498,555,480	2,500,153,598
Direct credit facilities – net	2,716,539,690	2,716,539,690	2,662,847,949	2,662,847,949

### 40- Risk Management

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

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

The Bank is exposed to the following risks:

- Market risk
- Operating risks
- Information security risk
- Business continuity risk
- Credit risk
- Liquidity 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 collaterals from its customers.

### **Credit risk measurement:**

#### **1. Loans and Facilities**

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

#### **2. Debt Instruments:**

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

### **Monitoring Credit Risk and Credit Risk Mitigating Policies:**

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

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

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

### **Credit Risk Mitigating Methods:**

Risk management at the Bank depends on several methods to mitigate risks including:

Guarantees and ability to liquidate them and percentage of their coverage of the extended credit which is monitored and evaluated continuously.

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

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

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

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

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

	2014	2013
	JD	JD
<b>Statement of financial position</b>		
Balances with central banks	1,468,468,622	1,078,488,367
Balances with banks and financial institutions	513,613,066	523,170,889
Deposits with banks and financial institutions	23,147,561	21,812,000
<b>Credit facilities</b>		
Retail	525,410,852	508,267,009
Real estate mortgages	880,395,562	737,382,240
Corporate		
Large Corporate	703,796,868	820,511,043
SMEs lending	246,111,705	239,467,124
Government and public sector	360,824,703	357,220,533
<b>Bonds debentures and treasury bills funds:</b>		
Financial assets at fair value through profit or loss	2,060,660	2,686,802
Other financial assets at amortized cost	2,391,960,440	2,498,555,480
<b>Total</b>	<b>7,115,790,039</b>	<b>6,787,561,487</b>
<b>Commitments and contingent liabilities</b>		
Letters of credit	444,379,989	585,458,872
Acceptances	56,012,370	80,842,504
Letters of guarantee	765,047,970	560,180,138
Un-utilized facilities	329,032,198	164,117,181
<b>Total</b>	<b>1,594,472,527</b>	<b>1,390,598,695</b>
	<b>8,710,262,566</b>	<b>8,178,160,182</b>

The above table represents the highest credit risk exposure for the Bank as of 31 December 2014 and 2013, without taking into consideration any collateral held or any other credit risk mitigating factors.

Exposure to credit risk is distributed as follows:

- 23% of the total exposure is derived from balances with central banks and other banks and financial institutions. (20%: 2013).
- 31% from the total exposure results from loans and credit facilities (33%: 2013).
- 27% from the total exposure results from investment in bonds debentures and treasury bills and funds (30%: 2013).
- 18% from the total exposure results from off-financial position items and other assets. (17%: 2013).

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

2014	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	15,746,382	58,971,300	61,251,131	17,634,798	2,496,181,703	2,005,229,249	<b>4,655,014,563</b>
Acceptable risk	489,148,490	765,490,214	652,509,096	214,384,057	103,912,215	69,363,115	<b>2,294,807,187</b>
<b>From which past due**:</b>							
Up to 30 days	13,963,403	35,414,518	72,532,770	22,884,274	-	-	<b>144,794,965</b>
From 31 to 60 days	633,255	306,639	4,169,584	1,919,371	-	-	<b>7,028,849</b>
Watch list	12,758,387	43,927,841	108,334,846	15,253,085	-	-	<b>180,274,159</b>
<b>Non- performing:</b>							
Sub-standard	2,703,438	4,160,159	5,509,665	1,738,857	-	-	<b>14,112,119</b>
Doubtful	5,298,233	3,958,613	9,447,764	2,012,270	-	-	<b>20,716,880</b>
Impaired	23,990,279	27,166,068	130,906,763	31,086,775	-	-	<b>213,149,885</b>
<b>Total</b>	<b>549,645,209</b>	<b>903,674,195</b>	<b>967,959,265</b>	<b>282,109,842</b>	<b>2,600,093,918</b>	<b>2,074,592,364</b>	<b>7,378,074,793</b>
Less:Interest in suspense	9,507,132	10,366,860	39,919,704	11,090,277	-	-	<b>70,883,973</b>
Allowance for impairment	14,727,225	12,911,773	138,853,923	24,907,860	-	-	<b>191,400,781</b>
<b>Net</b>	<b>525,410,852</b>	<b>880,395,562</b>	<b>789,185,638</b>	<b>246,111,705</b>	<b>2,600,093,918</b>	<b>2,074,592,364</b>	<b>7,115,790,039</b>
<b>2013</b>							
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>

\* 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:

2014	Corporate entities					Total
	Retail	Real Estate Mortgages	Large Companies	SMEs	Government and Public Sector	
	JD	JD	JD	JD	JD	
<b>Collaterals against</b>						
Low risk	13,725,149	52,429,173	16,349,409	16,527,137	219,653,398	318,684,266
Acceptable risk	72,880,597	709,024,741	156,633,834	143,956,289	2,772,558	1,085,268,019
Watch list	6,424,048	37,733,256	60,577,138	8,758,807	-	113,493,249
<b>Non-performing :</b>						
Sub – standard	1,104,692	4,079,322	1,711,504	1,339,566	-	8,235,084
Doubtful	3,212,946	3,903,233	1,580,762	1,326,663	-	10,023,604
Impaired	10,411,811	23,213,326	48,073,223	21,809,013	-	103,507,373
<b>Total</b>	<b>107,759,243</b>	<b>830,383,051</b>	<b>284,925,870</b>	<b>193,717,475</b>	<b>222,425,956</b>	<b>1,639,211,595</b>
<b>Including:</b>						
Cash margins	12,938,138	15,256,392	7,864,101	14,804,279	-	50,862,910
Government guarantee	-	-	-	-	219,653,398	219,653,398
Accepted bank guarantees	1,409	32,623	5,120,015	13,470,209	-	18,624,256
Residential mortgages	73,159,954	804,746,842	197,371,541	160,992,141	2,772,558	1,239,043,036
Listed shares	2,689,115	10,273,509	42,834,330	57,440	-	55,854,394
Equipment and vehicles	18,970,627	73,685	31,735,883	4,393,406	-	55,173,601
<b>Total</b>	<b>107,759,243</b>	<b>830,383,051</b>	<b>284,925,870</b>	<b>193,717,475</b>	<b>222,425,956</b>	<b>1,639,211,595</b>
<b>2013</b>						
<b>Collaterals against</b>						
Low risk	20,948,215	48,404,917	23,119,661	17,282,509	227,850,252	337,605,554
Acceptable risk	41,701,416	543,626,131	162,998,561	124,090,350	21,426,102	893,842,560
Watch list	5,796,116	24,838,647	70,155,773	9,287,102	-	110,077,638
<b>Non-performing :</b>						
Sub – standard	2,954,623	3,186,779	764,568	2,008,166	-	8,914,136
Doubtful	2,754,817	5,525,474	6,729,993	2,169,926	-	17,180,210
Impaired	8,862,100	27,844,189	50,803,266	27,684,783	-	115,194,338
<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	-	37,710,796
Government guarantee	-	-	-	-	227,850,252	227,850,252
Accepted bank guarantees	-	-	1,412,044	10,400,828	-	11,812,872
Residential mortgages	47,587,025	651,555,828	209,326,374	148,529,315	21,426,102	1,078,424,644
Listed shares	3,092,585	1,310,017	61,694,578	57,899	-	66,155,079
Equipment and vehicles	14,968,662	183,500	33,405,635	12,302,996	-	60,860,793
<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>

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 2014. Moreover, they amounted to JD 64.5 million as of 31 December 2014 (JD 52.8 million as of 31 December 2013).

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 2014 they were classified within watch list facilities under control and amounted to JD 169.7 million as of 31 December 2014 (JD 177.1 million as of 31 December 2013).

### 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	-	3,200,171	<b>3,200,171</b>
AA+	-	6,691,816	<b>6,691,816</b>
AA	-	6,967,411	<b>6,967,411</b>
AA-	-	7,376,705	<b>7,376,705</b>
A+	-	23,710,669	<b>23,710,669</b>
A	282,556	10,696,044	<b>10,978,600</b>
A-	-	30,252,207	<b>30,252,207</b>
BBB+	-	5,352,391	<b>5,352,391</b>
BBB	-	12,896,575	<b>12,896,575</b>
BBB-	-	33,160,191	<b>33,160,191</b>
BB+	-	719,296	<b>719,296</b>
BB	-	5,483,562	<b>5,483,562</b>
BB-	1,286,471	-	<b>1,286,471</b>
B	-	1,488,900	<b>1,488,900</b>
Un-rated	491,633	4,695,287	<b>5,186,920</b>
Governmental or government guarantee	-	2,239,269,215	<b>2,239,269,215</b>
<b>Total</b>	<b>2,060,660</b>	<b>2,391,960,440</b>	<b>2,394,021,100</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	1,171,273,619	109,950,285	-	-	-	187,244,718	-	-	-	-	-	-	-	-	-	1,468,468,622
	Balances with banks and financial institutions	120,913,831	122,051,488	137,368,283	9,385,545	123,810,319	58,308	25,292	513,613,066								
	Deposits with banks and financial institutions	18,545,464	-	4,602,097	-	-	-	-	23,147,561								
	Credit Facilities																
	Retail	501,133,353	24,193,556	52,441	-	-	31,502	-	-	-	-	-	-	-	-	-	525,410,852
	Real estate mortgages	686,661,205	50,451,516	142,726,451	-	-	556,390	-	-	-	-	-	-	-	-	-	880,395,562
	<b>CORPORATE ENTITIES</b>																
	Large companies	476,599,913	208,990,363	3,549,095	-	-	14,657,497	-	-	-	-	-	-	-	-	-	703,796,868
	SMEs	108,357,726	12,601,110	3,325,747	-	-	120,580,538	-	-	-	-	-	-	1,246,584	-	-	246,111,705
	<b>Government and public sector</b>	<b>285,358,326</b>	<b>75,466,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,824,703</b>
	Bonds debentures and treasury bills																
	Other financial assets at amortized costs	2,149,919,181	88,452,400	36,641,695	37,046,541	57,672,084	3,532,881	18,695,658	2,391,960,440								
	Financial Assets at fair value through P & L	1,695,332	365,328	-	-	-	-	-	-	-	-	-	-	-	-	-	2,060,660
	<b>Total 2014</b>	<b>5,520,457,950</b>	<b>962,522,423</b>	<b>328,265,809</b>	<b>46,432,086</b>	<b>181,482,403</b>	<b>326,661,834</b>	<b>19,967,534</b>	<b>7,115,790,039</b>								
	<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>325,490,817</b>	<b>34,247,515</b>	<b>6,787,561,487</b>								

\* Excluding the Middle East countries.



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

Economic Sectors Items	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	1,468,468,622	-	-	-	-	-	-	-	-	1,468,468,622
Balances with banks and financial institutions	513,613,066	-	-	-	-	-	-	-	-	513,613,066
Deposits with banks and financial institutions	23,147,561	-	-	-	-	-	-	-	-	23,147,561
Credit Facilities	57,675,383	301,161,319	358,990,909	900,459,345	7,027,835	14,756,023	58,545,813	422,631,126	595,291,937	2,716,539,690
<b>Bonds debentures and treasury bills</b>										
Other financial assets at amortized costs	123,229,702	-	-	1,067,457	-	-	-	2,247,476,563	20,186,718	<b>2,391,960,440</b>
Financial assets designated at fair value through P&L	491,633	-	-	-	-	-	-	1,326,912	242,115	<b>2,060,660</b>
<b>Total 2014</b>	<b>2,186,625,967</b>	<b>301,161,319</b>	<b>358,990,909</b>	<b>901,526,802</b>	<b>7,027,835</b>	<b>14,756,023</b>	<b>58,545,813</b>	<b>2,671,434,601</b>	<b>615,720,770</b>	<b>7,115,790,039</b>
<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>

## 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 2014</b>				
US Dollars	(2,048,158)	2,048,158	(1,454,192)	1,454,192
Euro	(114,231)	114,231	(81,104)	81,104
Sterling Pound	(90,324)	90,324	(64,130)	64,130
<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

## 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 2014</b>				
Euro	(55,729)	55,729	(42,602)	42,602
Sterling Pound	340,251	(340,251)	260,100	(260,100)
Austrlian Dollar	921	(921)	704	(704)
Swiss Frank	2,474	(2,474)	1,891	(1,891)
Canadian Dollar	137	(137)	105	(105)
Japanese Yen	696	(696)	532	(532)
Syrian Lira	15,047	(15,047)	11,502	(11,502)
<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

## 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 VAR2014</b>	
Financial assets at fair value through profit or loss	(1,044,338)
Financial assets at fair value through other comprhesive income	(33,682)
<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 comprhesive income	(30,577)

### Interest rate re-pricing gap:

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

	Interest rate re-pricing										Total					
	2014		1 to 3 Months		3 to 6 Months		6 Months to 1 Year		1 to 3 Years			Over 3 Years		Non-Interest Bearing Items		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	JD	JD	
<b>ASSETS</b>																
Cash and balances with Central banks	789,154,885	7,877,742	3,109,063	7,550,725	13,230,825	4,525,285	794,513,341									1,619,961,866
Balances with banks and financial institutions	484,477,723	10,488,283	-	-	-	-	18,647,060									513,613,066
Deposits with banks and financial institutions	-	-	7,451,288	15,696,273	-	-	-									23,147,561
Financial assets at fair value through profit or loss	511,909	-	-	-	282,556	1,286,471	21,085,584									23,166,520
Direct credit facilities - net	251,871,589	1,991,217,377	79,194,546	96,561,420	218,009,708	61,346,671	18,338,379									2,716,539,690
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	656,357									656,357
Other financial assets at amortized cost	30,706,188	12,623,881	139,394,427	454,413,318	1,715,296,123	39,526,503	-									2,391,960,440
Property and equipment – net	-	-	-	-	-	-	141,904,780									141,904,780
Intangible assets - net	-	-	-	-	-	-	23,711,557									23,711,557
Deferred tax assets	-	-	-	-	-	-	36,097,883									36,097,883
Other assets	3,329,703	-	480,865	-	-	-	100,359,179									104,169,747
<b>TOTAL ASSETS</b>	<b>1,560,051,997</b>	<b>2,022,207,283</b>	<b>229,630,189</b>	<b>574,221,736</b>	<b>1,946,819,212</b>	<b>106,684,930</b>	<b>1,155,314,120</b>									<b>7,594,929,467</b>
<b>LIABILITIES</b>																
Banks and financial institutions deposits	101,203,940	338,942,061	87,286,125	76,044,519	-	-	-									603,476,645
Customers' deposits	1,317,003,627	1,633,261,310	467,000,844	218,751,300	221,272,292	80,934,393	1,521,672,913									5,459,896,679
Margin accounts	97,718,170	29,764,788	17,690,528	20,653,385	2,927,070	5,338,091	63,368,846									237,460,878
Loans and Borrowing's	-	8,750,000	4,987,552	2,985,099	-	4,975,777	-									21,698,428
Sundry provisions	-	-	-	-	-	-	35,719,559									35,719,559
Income tax provision	-	-	-	-	-	3,097,454	40,446,063									43,543,517
Deferred tax liabilities	-	-	-	-	-	-	2,056,712									2,056,712
Other liabilities	1,200	17,347	-	4,972	78,621	-	152,576,780									152,678,920
<b>TOTAL LIABILITIES</b>	<b>1,515,926,937</b>	<b>2,010,735,506</b>	<b>576,965,049</b>	<b>318,439,275</b>	<b>224,277,983</b>	<b>94,345,715</b>	<b>1,815,840,873</b>									<b>6,556,531,338</b>
<b>Interest rate re-pricing gap</b>	<b>44,125,060</b>	<b>11,471,777</b>	<b>(347,334,860)</b>	<b>255,782,461</b>	<b>1,722,541,229</b>	<b>12,339,215</b>	<b>(660,526,753)</b>									<b>1,038,398,129</b>
<b>2013</b>																
<b>TOTAL ASSETS</b>	<b>1,183,090,781</b>	<b>2,116,135,003</b>	<b>271,587,977</b>	<b>657,233,242</b>	<b>1,737,676,703</b>	<b>165,305,922</b>	<b>1,096,060,727</b>									<b>7,227,090,355</b>
<b>TOTAL LIABILITIES</b>	<b>1,522,229,538</b>	<b>1,599,932,216</b>	<b>388,986,751</b>	<b>257,032,689</b>	<b>86,522,651</b>	<b>128,026,713</b>	<b>2,187,264,270</b>									<b>6,169,994,828</b>
<b>Interest rate re-pricing gap</b>	<b>(339,138,757)</b>	<b>516,202,787</b>	<b>(117,398,774)</b>	<b>400,200,553</b>	<b>1,651,154,052</b>	<b>37,279,209</b>	<b>(1,091,203,543)</b>									<b>1,057,095,527</b>

## concentration OF Foreign currency risk

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
2014	JD	JD	JD	JD	JD	JD	JD
<b>ASSETS</b>							
Cash and balances with Central banks	207,712,900	26,666,522	454,360	6,005	35,512,338	175,615,804	<b>445,967,929</b>
Balances with banks and financial institutions	253,735,993	102,556,518	21,931,613	2,357,620	7,668,947	51,947,906	<b>440,198,597</b>
Deposits with banks and financial institutions	3,798,084	1,178,298	-	(374,285)	-	3,545,464	<b>8,147,561</b>
Financial asset Designated at fair value through profit or loss	2,572,569	-	-	-	-	-	<b>2,572,569</b>
Direct credit facilities	440,543,630	3,231,171	152,897,329	(7,312)	51,257,221	219,922,053	<b>867,844,092</b>
Financial asset at fair value through other comprehensive income	54,327	-	-	-	-	-	<b>54,327</b>
Other Financial assets at amortized cost	388,690,614	5,201,420	14,849,264	-	-	-	<b>408,741,298</b>
Property and equipment - net	7,094	-	318,549	-	7,343,772	4,411,328	<b>12,080,743</b>
Intangible assets - net	-	-	5,827,292	-	2,969	777,256	<b>6,607,517</b>
Deferred tax assets	-	-	4,217,349	-	17,396	-	<b>4,234,745</b>
Other assets	6,656,802	531,549	(5,577,487)	966	10,133,486	5,957,712	<b>17,703,028</b>
<b>Total assets</b>	<b>1,303,772,013</b>	<b>139,365,478</b>	<b>194,918,269</b>	<b>1,982,994</b>	<b>111,936,129</b>	<b>462,177,523</b>	<b>2,214,152,406</b>
<b>LIABILITIES</b>							
Banks and financial institutions deposits	238,082,797	11,226,467	26,794,938	2,991	218,229	490,513	<b>276,815,935</b>
Customers' deposits	1,043,521,302	109,500,187	111,854,519	1,755,922	98,579,287	248,801,677	<b>1,614,012,894</b>
Margin accounts	40,970,338	11,679,169	640,800	121,452	3,982,629	29,669,863	<b>87,064,251</b>
Sundry provisions	1,948,535	46,666	-	-	2,453,198	(1,408,387)	<b>3,040,012</b>
Income tax provision	-	-	26	-	-	555	<b>581</b>
Other liabilities	20,059,171	12,572,169	(4,752,124)	33,510	3,900,461	30,225,382	<b>62,038,569</b>
<b>Total liabilities</b>	<b>1,344,582,143</b>	<b>145,024,658</b>	<b>134,538,159</b>	<b>1,913,875</b>	<b>109,133,804</b>	<b>307,779,603</b>	<b>2,042,972,242</b>
<b>Net position</b>	<b>(40,810,130)</b>	<b>(5,659,180)</b>	<b>60,380,110</b>	<b>69,119</b>	<b>2,802,325</b>	<b>154,397,920</b>	<b>171,180,164</b>
<b>Off-financial position contingent liabilities</b>	<b>798,752,878</b>	<b>501,477,835</b>	<b>65,331,360</b>	<b>3,437,597</b>	<b>(34,221,615)</b>	<b>215,225,305</b>	<b>1,550,003,360</b>

Currency Items	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian lira	Other	Total
2013	JD	JD	JD	JD	JD	JD	JD
<b>Total assets</b>	1,329,444,836	144,672,612	139,551,863	3,334,384	168,579,251	509,123,527	2,294,706,473
<b>Total liabilities</b>	1,506,869,393	147,096,777	69,419,593	4,382,161	163,240,907	351,163,330	2,242,172,161
<b>Net position</b>	(177,424,557)	(2,424,165)	70,132,270	(1,047,777)	5,338,344	157,960,197	52,534,312
<b>Off-financial position contingent liabilities</b>	803,462,139	599,277,948	48,281,987	2,595,044	9,738,051	75,184,002	1,538,539,171

## 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 57% are stable and dominated in JD. The Bank maintain 38.8% 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.

2014	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	178,871,704	160,418,594	107,768,644	56,400,835	-	-	101,203,940	604,663,717
Customers' deposits	467,435,352	144,594,911	162,162,014	80,924,521	552,459,256	1,189,807,387	2,954,817,878	5,552,201,319
Margin accounts	68,288,262	23,450,765	21,078,230	34,669,273	30,287,673	63,797,039	14,733	241,585,975
Loans and borrowings	-	7,049,000	6,843,668	3,079,130	-	5,602,725	-	22,574,523
Sundry provisions	2,385,872	2,385,872	-	4,771,745	14,315,234	-	11,860,836	35,719,559
Income tax provision	8,397,603	-	-	27,997,331	4,051,129	3,097,454	-	43,543,517
Deferred tax liabilities	-	-	-	-	2,056,712	-	-	2,056,712
Other liabilities	54,328,197	344,005	17,979,824	331,630	405,279	-	79,291,385	152,678,920
<b>TOTAL</b>	<b>779,706,990</b>	<b>338,243,147</b>	<b>315,830,980</b>	<b>208,174,465</b>	<b>603,575,283</b>	<b>1,262,304,605</b>	<b>3,147,188,772</b>	<b>6,655,024,242</b>
<b>TOTAL ASSETS</b>	<b>2,309,180,381</b>	<b>389,210,665</b>	<b>442,721,995</b>	<b>984,300,782</b>	<b>2,246,421,257</b>	<b>821,392,457</b>	<b>401,701,930</b>	<b>7,594,929,467</b>
<b>2013</b>								
<b>LIABILITIES</b>								
Banks and financial institutions deposits	172,145,460	44,503,292	208,459,840	10,499,388	-	-	158,264,322	593,872,302
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	5,177,717,031
Margin accounts	55,277,305	39,544,332	47,166,525	23,120,009	25,360,586	35,176,167	4,438,649	230,083,573
Loans and borrowings	-	3,020,250	1,033,482	8,745,409	-	5,045,746	-	17,844,887
Sundry provisions	2,228,063	2,228,063	-	4,456,126	13,368,378	-	9,720,758	32,001,388
Income tax provision	8,773,527	-	29,756,291	1,689,513	1,846,261	-	-	42,065,592
Deferred tax liabilities	-	-	-	-	1,762,896	-	-	1,762,896
Other liabilities	76,275,800	373,945	14,459,769	361,297	348,230	-	71,157,491	162,976,532
<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>

## Commitments and contingent liabilities:

2014	Up to 1 Year	1-5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	709,462,558	175,531,626	-	<b>884,994,184</b>
Un- utilized ceilings	293,702,262	35,329,936	-	<b>329,032,198</b>
Letters of guarantee	694,633,221	70,414,749	-	<b>765,047,970</b>
<b>Total</b>	<b>1,697,798,041</b>	<b>281,276,311</b>	-	<b>1,979,074,352</b>
2013				
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>

## 41- Segment analysis

Information on the bank segment activities

### A- Information on the Bank Activities:

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

- **Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- **Corporate Banking:** Principally handling deposits and credit facilities and other financial services for corporate and institutional customers.
- **Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- **Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.



The following table shows the Bank's business segments:

			Corporate				Total	
	Retail Banking	Corporate	Finance	Treasury	Others	Elimination	2014	2013
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Gross Income</b>	194,073,683	168,519,629	5,457,273	194,336,233	9,553,573	(107,366,304)	464,574,087	464,274,053
Impairment of credit facilities	(4,441,006)	(33,620,946)	-	-	-	-	(38,061,952)	(74,733,731)
Segment results	67,976,832	79,505,646	143,597	27,442,743	6,901,207	-	181,970,025	156,925,740
Unallocated expenses	-	-	-	-	-	-	(19,867,003)	(6,798,737)
<b>Income before tax</b>							162,103,022	150,127,003
<b>Income Tax</b>							(38,185,793)	(43,200,374)
<b>Profit for the year</b>							123,917,229	106,926,629
<b>Segment Assets</b>	3,922,878,702	2,251,204,980	60,680,977	4,243,180,238	964,043,531	-	11,441,988,428	11,127,717,187
Elimination of assets between segments	(2,472,286,175)	(540,419,110)	-	(389,961,312)	(480,490,247)	-	(3,883,156,844)	(3,919,818,103)
Unallocated assets	-	-	-	-	-	-	36,097,883	19,191,271
<b>Total Assets</b>	-	-	-	-	-	-	7,594,929,467	7,227,090,355
<b>Segment Liabilities</b>	3,863,190,941	2,191,097,497	59,887,183	3,884,000,633	440,481,670	-	10,438,657,924	10,048,140,510
Elimination of liabilities between segments	-	(389,961,312)	(16,075,957)	(3,478,146,029)	-	-	(3,884,183,298)	(3,879,908,578)
Unallocated liabilities	-	-	-	-	-	-	2,056,712	1,762,896
<b>Total Liabilities</b>							6,556,531,338	6,169,994,828
Capital expenditures	-	-	-	-	-	-	44,485,194	28,577,854
Depreciation and amortization	-	-	-	-	-	-	13,418,316	11,388,374

## 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	
	2014	2013	2014	2013	2014	2013
	JD	JD	JD	JD	JD	JD
Gross income	374,226,713	350,448,577	90,347,374	113,825,476	<b>464,574,087</b>	<b>464,274,053</b>
Total assets	5,839,444,799	5,432,616,214	1,755,484,668	1,794,474,141	<b>7,594,929,467</b>	<b>7,227,090,355</b>
Capital expenditures	41,197,552	23,260,849	3,287,642	5,317,005	<b>44,485,194</b>	<b>28,577,854</b>

## 42- Capital Management:

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

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

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

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

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

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

	2014	2013
	JD	JD
<b>Primary capital items</b>		
Paid-in capital	252,000,000	252,000,000
Statutory reserve	155,006,478	141,068,190
Voluntary reserve	33,222,068	33,222,068
Special reserve	6,426,421	5,689,423
Share premium	357,925,469	357,925,469
Retained earnings	84,299,350	110,802,796
Goodwill and other intangible assets	(22,155,662)	(18,103,617)
Other	-	(4,105,090)
Assets repossessed	(7,422,780)	(4,165,154)
50% of the funds to invest in banks, insurance company and other financial companies capital.	(458,766)	(488,825)
<b>Total primary capital</b>	<b>858,842,578</b>	<b>873,845,260</b>
<b>Supplementary capital</b>		
Foreign currency translation reserve	(62,331,553)	(42,274,698)
Revaluation reserve for financial assets -net	(161,054)	(282,563)
General banking risks reserve	29,101,000	26,844,724
50% of the funds to invest in banks, insurance company and other financial companies capital.	(458,766)	(488,825)
<b>Total Supplementary Capital</b>	<b>(33,850,373)</b>	<b>(16,201,362)</b>
<b>Total Regulatory Capital</b>	<b>824,992,205</b>	<b>857,643,898</b>
<b>Total Weighted Assets Risk Average</b>	<b>4,562,748,869</b>	<b>4,569,045,272</b>
<b>Capital Adequacy Ratio % *</b>	<b>18.08%</b>	<b>18.77%</b>
<b>Primary Capital Ratio %</b>	<b>18.82%</b>	<b>19.13%</b>

\* Operational risk is calculated according to the standard method started from the half of the year 2014 for the capital adequacy ratio calculates the operational risk according to the main index method as 17.99% at the end of 2014.

### 43- Levels of the Fair Value

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

- Level 1: List prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Information other than included in the advertised price level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- Level 3: Information on the asset or liability is not based on those observed in the market (unobservable).

2014	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	-	656,357	-	<b>656,357</b>
Financial assets at fair value through P&L	6,365,159	16,801,361	-	<b>23,166,520</b>
<b>Total financial assets</b>	<b>6,365,159</b>	<b>17,457,718</b>	-	<b>23,822,877</b>
2013				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	21,034	566,164	-	<b>587,198</b>
Financial assets at fair value through P&L	6,031,193	18,074,118	-	<b>24,105,311</b>
<b>Total financial assets</b>	<b>6,052,227</b>	<b>18,640,282</b>	-	<b>24,692,509</b>

#### 44- Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 1.1 million as of 31 December 2014 against JD 1.2 million as of 31 December 2013. These accounts are not included in the assets and liabilities of the Bank financial statements. The management commissions and fees on these accounts are recorded in the consolidated income statement.

#### 45- Assets and Liabilities Expected Maturities

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

2014	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>Assets</b>			
Cash and balances with Central Banks	1,489,921,576	130,040,290	<b>1,619,961,866</b>
Balances with banks and financial institutions	513,613,066	-	<b>513,613,066</b>
Deposits with banks and financial institutions	23,147,561	-	<b>23,147,561</b>
Financial assets at fair value through profit or loss	7,600,996	15,565,524	<b>23,166,520</b>
Direct credit facilities – net	1,156,086,691	1,560,452,999	<b>2,716,539,690</b>
Financial assets at fair value through other comprehensive income	-	656,357	<b>656,357</b>
Other financial assets at amortized cost	854,492,684	1,537,467,756	<b>2,391,960,440</b>
Property and equipment – net	-	141,904,780	<b>141,904,780</b>
Intangible assets - net	-	23,711,557	<b>23,711,557</b>
Deferred tax assets	31,863,138	4,234,745	<b>36,097,883</b>
Other assets	48,688,111	55,481,636	<b>104,169,747</b>
<b>Total assets</b>	<b>4,125,413,823</b>	<b>3,469,515,644</b>	<b>7,594,929,467</b>
<b>Liabilities</b>			
Banks and financial institutions deposits	603,476,645	-	<b>603,476,645</b>
Customers' deposits	2,712,360,969	2,747,535,710	<b>5,459,896,679</b>
Margin accounts	146,897,796	90,563,082	<b>237,460,878</b>
Loans and borrowings	16,722,651	4,975,777	<b>21,698,428</b>
Sundry provisions	9,543,489	26,176,070	<b>35,719,559</b>
Income tax provision	36,394,934	7,148,583	<b>43,543,517</b>
Deferred tax liabilities	-	2,056,712	<b>2,056,712</b>
Other liabilities	72,982,256	79,696,664	<b>152,678,920</b>
<b>Total liabilities</b>	<b>3,598,378,740</b>	<b>2,958,152,598</b>	<b>6,556,531,338</b>
<b>Net</b>	<b>527,035,083</b>	<b>511,363,046</b>	<b>1,038,398,129</b>

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	<b>1,212,222,931</b>
Balances with banks and financial institutions	523,170,889	-	<b>523,170,889</b>
Deposits with banks and financial institutions	21,812,000	-	<b>21,812,000</b>
Financial assets at fair value through profit or loss	564,384	23,540,927	<b>24,105,311</b>
Direct credit facilities – net	1,008,848,828	1,653,999,121	<b>2,662,847,949</b>
Financial assets at fair value through other comprehensive income	-	587,198	<b>587,198</b>
Other financial assets at amortized cost	876,699,150	1,621,856,330	<b>2,498,555,480</b>
Property and equipment – net	-	119,625,128	<b>119,625,128</b>
Intangible assets - net	-	19,699,067	<b>19,699,067</b>
Deferred tax assets	19,191,271	6,008,161	<b>25,199,432</b>
Other assets	55,594,194	63,670,776	<b>119,264,970</b>
<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	-	<b>592,859,602</b>
Customers' deposits	2,611,356,857	2,482,091,188	<b>5,093,448,045</b>
Margin accounts	164,614,502	63,261,547	<b>227,876,049</b>
Loans and borrowings	12,505,619	4,499,105	<b>17,004,724</b>
Sundry provisions	8,912,252	23,089,136	<b>32,001,388</b>
Income tax provision	40,219,331	1,846,261	<b>42,065,592</b>
Deferred tax liabilities	-	1,762,896	<b>1,762,896</b>
Other liabilities	91,470,811	71,505,721	<b>162,976,532</b>
<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>

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

A- Credit commitments and contingent liabilities:

	2014	2013
	JD	JD
Letters of credit	828,981,814	1,024,825,877
Acceptances	56,012,370	80,842,504
<b>Letters of guarantee:</b>		
Payment	120,560,778	119,978,660
Performance	162,708,940	174,627,025
Other	481,778,252	265,574,453
Irrevocable commitments to extend credit	329,032,198	164,117,181
<b>Total</b>	<b>1,979,074,352</b>	<b>1,829,965,700</b>

## B- Contractual commitments:-

	2014	2013
	JD	JD
Purchase of property and equipment contracts	3,206,025	2,888,978
Construction Projects contracts	33,161,724	53,344,184
Other purchases contracts	2,942,260	6,823,458
<b>Total</b>	<b>39,310,009</b>	<b>63,056,620</b>

## 47- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to JD 34.9 million as of 31 December 2014 (JD 37.1 million as of 31 December 2013). 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 523,583 as of 31 December 2014 (JD 387,527 as of 31 December 2013).

## 48- New And Amended International Financial Reporting Standards

### IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

### IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". Bank has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

Amendments issued but not yet effective

### Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

## **IAS 1 Presentation of Financial Statements – Amendments to IAS 1**

The amendments to IAS 1 include narrow-focus improvements related to :

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Bank's financial position or performance. The application of the amendments are not expected to have a significant impact on the Bank's disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## **Investment entities (Amendments to IFRS 10 and IAS 28)**

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## **49- Comparative Figures**

Some of the year 2013 figures have been reclassified to correspond with the year 2014 presentation. There is no effect on the income and equity for the year 2013.









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

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

- The Board of Directors approves the Bank's strategies and action plans, including endorsing risk policies and risk management procedures and ensuring the availability of mechanisms to measure such risks and to set necessary limits.
- The Board of Directors has the overall responsibility for the operations and the financial soundness of the Bank and ensures that the interests of shareholders, depositors, creditors, employees, and other stakeholders – including the banking regulators and supervisors– are met. The Board ensures that the Bank is managed prudently and within the framework of the laws and regulations governing it as well as the Bank's own policies.
- Board members have the experience and expertise necessary to perform the duties and functions required from the board. In cases where specialized expertise is needed, the board could seek the assistance of consultants.
- The Board selects, monitors and (when necessary) replaces the Bank's senior executive management to ensure its performance, and also to oversee the availability of a succession plan to effectively address the Bank's affairs.
- The Board monitors and supervises the Bank's senior executive management by exercising its authority of asking questions regarding the Bank's position and getting relevant answers, and by requiring necessary reports on a timely basis to ensure the board's strategies and decisions.
- The Bank's board and its senior executive management follow clear policies consistent with relevant laws and regulations related to any operations carried outside Jordan, through its external branches and / or subsidiaries. The board firmly believes that operations carried out by subsidiaries outside Jordan may expose the Bank to lawsuits, reputation risk or financial risks in such countries. In this context, such operations are subject to effective monitoring and supervision by the board and senior executive management.
- The Board shall develop a management framework comprising an appropriate organizational structure that defines the lines of authority, responsibility and management levels; an integrated system of corporate governance; an internal control system; a risk management system; Compliance and Anti- Money Laundering policy; and a code of ethics/ conduct.
- The Board of directors is mostly composed of non-executive members. The Bank does its utmost to ensure that of the board's non-executive members at least three should be independent.
- Board members carry out their duties in loyalty and dedication, ensuring the availability of mechanisms that enable the Bank to comply with all laws and regulations applicable. Board members avoid actual or potential conflict of interest and commit themselves to dedicate necessary time and effort to effectively fulfill their responsibilities towards the Bank.
- The board of directors, through the Nomination and Remuneration Committee, shall evaluate the board's performance as a whole, at least once a year.
- The board of directors evaluates the performance of the general manger annually.

#### **Fourth: Role of the Chairman**

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

#### **The chairman shall perform the following major roles:**

- Supervise all of the Bank's affairs and shall be accountable to the board for the supervision and follow-up of the Bank's activities, as well as implementation of the board's policies to achieve set objectives. The chairman shall follow up and evaluate the overall performance of the Bank in line with the strategies, plans, objectives, policies and budgets approved by the board of directors.
- Ensure the availability of high standards 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 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 six 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 for 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 control 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. 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 composed of six members. 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 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) participates, 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 Law. 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.







## Declarations

### First 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 2015.

### Second Declaration

The Board of Directors of the HBTF declares its responsibility for the preparation of the financial statements, the accuracy and completeness of the financial statements, and the information of this report; in addition to the effectiveness of the Bank's internal control and monitoring systems.

### Third Declaration

The Board of Directors of the HBTF declares that they did not receive any benefits through their work in the Bank.

Board Member	Title	Signature
H.E. Dr. Michel Issa Marto	Chairman	
SHK Ali Jassim Al Thani	Vice Chairman	
Mr. Abdulla Mubarak Al Khalifa	Board Member	
Mr. Yousef Mahmoud Al-Neama	Board Member	
Mr. Ali Rashid Al-Mohannadi	Board Member	
Mr. Ramzi Talat Mari	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	

### Fourth Declaration

The Chairman, the General Manager and the Chief Financial Officer declare the accuracy and completeness of the financial statements, and the information of this report.

Name	Title	Signature
H.E. Dr. Michel Issa Marto	Chairman	
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 2014 was 3251, in addition to holding a number of internal seminars specialized in the field of banking, in which 1719 employees participated. Also, during the year, the Bank provided the opportunity for 11 employees to acquire academic certificates, and 16 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the Bank's Training Center	2738
Training Programs held in collaboration with specialized local training centers	461
Training Courses held in Arab and Foreign Countries	52
Internal Seminars	1719
Academic Certificates	11
Professional Certificates in the fields of Finance, Accountancy, Financing, Computer and Compliance	16
<b>Total</b>	<b>4997</b>

Following is a table showing the most important courses held in 2014:

Description	Number of Participants
Administrative Courses	123
Financial, Accounting and Audit Courses	22
Credit Courses	357
Behavioral Skills and Public Relations Courses	519
Operations, Treasury and Investment Courses	1082
Personal Computer Courses	96
Others	1052
<b>Total</b>	<b>3251</b>

## Number of Employees

### 1. Number of employees at the HBTF Group as per their qualifications as at the end of 2014.

Qualification	Branches inside and outside Jordan				Banks and Subsidiaries inside and outside Jordan						
	Jordan Branches	Palestine Branches	Bahrain Branch	IBTF/Syria	HBTF/Algeria	JIB/ 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	125	13	5	8	9	3	2	2	-	-	
High Diploma Degree	2	1	-	1	9	-	-	-	-	-	
Bachelors Degree	1640	177	16	207	111	8	11	7	3	3	
Diploma Degree	416	19	2	78	61	8	2	1	20	2	
General Secondary Certificate	73	39	5	59	35	8	6	4	435	3	
<b>Total</b>	<b>2260</b>	<b>249</b>	<b>28</b>	<b>353</b>	<b>225</b>	<b>27</b>	<b>21</b>	<b>14</b>	<b>458</b>	<b>8</b>	

## 2. The Number of Employees of Jordan Branches at the end of 2014

The number of the Bank's employees inside Jordan reached 2260, out of whom 1034 employees are working at the various departments and work centers at the headquarters and 1226 employees working at the branches distributed as follows:

Branch	No.	Branch	No.	Branch	No.	Branch	No.
Main Branch	39	Jubeiha	12	South Shouna	7	North Azraq	7
Suleiman Al-Nabulsi St.	5	Fuhais	9	Deir Abi Saeed	8	Ma'soum Sub.	8
Al Weibdeh	8	Salt	14	Hakama	12	Children	5
Al Madina	11	Sweileh	11	Huson	11	Wadi Saqra	7
Jabal Amman	8	Sahab	9	Hitteen	7	Qaser	10
Jabal Al Hussein	13	Abu Alanda	10	Aidoun	9	Al Hasan Industrial City	7
Wehdat	12	Juwaideh	11	Mashare'	7	Rabiyah	11
Foreign Travel	5	Marj Al Hamam	11	Kufranjah	7	Abdullah Ghosheh	12
Marka	13	Na'our	8	Palestine St.	9	Central Market	7
Quraysh St.	12	Muwaqqar	7	Karameh	7	Quba Circle	14
Jabal Al Taj	8	Tla' Al Ali	11	Oujan	8	Zahran	11
Prince Hasan Sub.	12	King Abdullah II City	7	Jaish St.	9	Madina Munawarah	14
North Hashimi	11	Baqa'	9	Kraymeh	7	City Mall	12
Ras Al Ein	8	Hurria St.	10	Yarmouk	8	Medical City St.	8
Ashrafieh	8	Muqablain	4	Aqaba	14	Free Zone / Zarqa	7
Hawooz	8	Qwaismeh	9	Al Shweikh Mall	14	Housing Bank Park / Abdoun	7
Nuzha	11	Bayader	13	Tafileh	9	New Zarqa	8
Sports City	13	Zarqa	15	Ma'an	9	Al-Yasmeen District	8
Salam	8	Irbid	18	Mudawrah	6	Mecca St.	11
Commercial Complex	12	Prince Nayef St. / Irbid	4	Karak	12	Al Salt Gate	8
Prince Moh'd St.	8	Ajloun	13	Potash	8	Taj Mall	15
Tareq	11	Mafrag	16	Petra	8	Al Jeeza	7
Abu Nussair	10	Western Complex	5	Shobak	7	30 <sup>th</sup> Street / Irbid	9
Nazal Sub.	12	Jarash	12	Mu'ta	12	Husseiniya	7
Abdoun	13	Madaba	13	Hasa	7	Mobile Bus Branch	5
Park Plaza	20	Deir Alla	9	Jabal Al Shamali	9	Zarqa Highway	7
Sweifieh	4	Ghweirieh	7	Airport	13	Private Banking Services	7
Galleria Mall	14	Russeifa	9	Dulail	8	Call Center	21
Gardens	14	Ramtha	12	Ethaa'	8	<b>Total</b>	<b>1226</b>
Shmeisani	10	Wasfi Al Tal St. / Ramtha	5	Barha	12		
Qasr Shbeeb	11	North Shouna	7	Shedieh	7		
Um Uthyna	10	North Border Crossing	4	Um Al Sumaq	11		



### 3. The Number of Employees at Palestine Branches as at the end of 2014

Branch	Number
Regional Management	131
Ramallah	15
Gaza	10
Nablus	14
Hebron	13
Halhoul	7
Beir Zeit	7
Khan Younis	4
Jenin	12
Bethlehem	10
Yata	4
Tormosaya	4
Dahriyeh	9
Masyoon	9
<b>Total</b>	<b>249</b>

### 4. The Number of Employees at IBTF / Syria as at the end of 2014

Branch	Number	Branch	Number	Branch	Number
General Management	162	Mazzeh	5	Dira'	6
Hejaz	14	Tijarah	4	Hama	9
Pakistan	14	Al Firdous	8	Mahradeh	5
Dama Roze	9	Zabadani	5	Hasakeh	3
Yarmouk	5	Homs	8	Latakia	12
Housh Plass	3	Tartus	11	Sweida	9
Duma	4	Faisal	4	Qamishli	4
Dummar Project	8	Sheraton	4	Deir Al Zour	2
Hareeka	5	Jmeleyeh	3	Masaken Barzeh	7
Jaramana	6	Sheikh Najjar	4	<b>Total</b>	<b>353</b>
Qas'a	7	Shahba' Mall	3		

## 5. The Number of Employees at HBTF / Algeria as at the end of 2014

Branch	Number
Regional Management	132
Dali Ibrahim	27
Blida	15
Wahran	19
Steif	16
Dar al Bayda'	14
Bejaia	2
<b>Total</b>	<b>225</b>

## 6. The Number of Employees at the Specialized Leasing Finance Co. as at the end of 2014

Branch	Number
General Management	20
Irbid Office	1
<b>Total</b>	<b>21</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	85%
JIB / London	P.L.C	Commercial Banking Activities	GBP 45 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 31/12/2014**

### **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 Committees**

- \* Chairman, 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:** 31/12/1960

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

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

\* Chairman, Audit Committee

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

\* Chairman, Qatar Navigation Co.

\* Board Member, United Arab Shipping Co./Kuwait

\* Board Member, Champs-Élysées/Paris

\* Board Member, The International Bank for Trade & Finance/Syria

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

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

**Title:** Board Member

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

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

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

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

\* Chairman, Executive Committee

\* Corporate Governance Committee

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

\* Board Member, QNB Capital / Qatar

\* Board Member, QNB Al Ahli / Egypt

### **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

\* Chairman, Qatar National Bank / Syria

\* Vice Chairman, Bank Mansour / Iraq

\* Board Member, QNB Al Ahli / Egypt

\* Chairman, QNB Tunis

\* Board Member, Bank Of Commerce & Development / Libya

### **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**

\* Chairman, Risk Management Committee

\* Executive Committee

\* Nomination & Remuneration Committee

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

### **Mr. Ramzi Talat Mari**

**Representative of Qatar National Bank**

**Title:** Board Member

**Date of Birth:** 2/1/1966

**Qualifications:** Master of Science Degree in Accountancy, 1989

\*General Manager - Chief Financial Officer / QNB

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

\* Executive Committee

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

\* Board Member, QNB Capital / Qatar

\* Board Member, QIHL Luxembourg

\* Board Member, QNB Al Ahli / Egypt

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

**Representative of Kuwait Real Estate Investment Consortium**

**Title:** Board Member

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

**Qualifications:** Masters, Economics University of Colorado 1980

\* Director of the research department at the Central Bank of Kuwait since 2000

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

\* Executive Committee

\* Risk Management Committee

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

**Mr. Mohamed Mohamed Benyousef**  
**Representative of Libyan Foreign Bank**

**Title:** Board Member

**Date of Birth:** 5/12/1960

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

- \* Current Position: General Manager, Libyan Foreign Bank, from 18/8/2010 up to date.
- \* Arab Accountant and Auditor 2004
- \* Libyan Accountant and Auditor 1993
- \* General Manager Libyan Qatar Bank from 17/2/2010 to 31/12/2010.

**Memberships in HBTf Board Committees**

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

**Memberships in other Commissions and Boards**

- \* Chairman, ARBIFT / Abu Dhabi from 1/1/2014 up to date.
- \* Chairman, Nomination & Remuneration Committee - ARBIFT / Abu Dhabi.
- \* Board Member, Arab International Bank / Cairo from 2011 up to date.
- \* Board Member, Executive Committee - Arab International Bank/Cairo from 2012 up to date.
- \* Board Member, The Housing Bank for Trade & Finance / Algeria.
- \* Board Member, Union of Arab Banks - Beirut, 20/4/2013 up to date.
- \* Chairman, Audit Committee, Union of Arab Banks - Beirut, 20/4/2013 up to date.
- \* Board Member of Arab International Bankers Management /Amman from 28/4/2012 up to date.
- \* Member of the Board of Trustees of the Arab Academies for Banking and Financial Sciences, Amman from 7/2012 up to date.
- \* Chairman, National Financial Leasing Co. / Libya from 2011 up to date.
- \* Member of Libya 2030 vision Committee.
- \* Chairman of the Board of LAPTECH Holding LTD from 2010 up to date.

**Previous Memberships in other Commissions and Boards**

- \* Board Member of Libyan Investment Authority from 4/2012 to 7/2013.
- \* Board Member, Suez Canal Bank / Cairo 2012 to 4/2014.
- \* Member of the Ministerial Committee for International Cooperation from 12/2011 to 12/2012
- \* Member of the Follow-up Committee for lifting the sanctions of Libya.
- \* Member of Ministerial Committee of Economic Policies.
- \* Chairman, General Assembly, Union of Arab Banks / Beirut, 2009.
- \* Board Member, Union of Arab Banks / Beirut, 2008-2010.
- \* Board Member, Audit Committee - Union of Arab Banks / Beirut, 2008-2010.
- \* Former President, Finance Leasing Law Committee / Libya.
- \* Former Chairman, North Africa Bank (National Banking Corporation) / Libya.
- \* Former Vice Chairman, Bank of Tropical Africa / Uganda.
- \* Former President, Review and Risk Committee - Bank of Tropical Africa / Uganda.
- \* Former President, Assets and Liabilities Committee - Bank of Tropical Africa / Uganda.
- \* Former Board Member, Libyan Financial Leasing Company.

### **Mr. Ismail Abdalla Elmesallati**

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

**Title:** Board Member

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

**Qualifications:** B.A. in Business Administration

The secretary of the Board of Directors / Libyan Foreign Bank from 5/3/2014

#### **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, Bank Dhofar

\* Board Member, Hotels Management Company International

### 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 -Independent	0.123%
SHK Ali Jassim Al Thani	5/5/1997	Himself	Non-Executive –Independent	0.004%
Mr. Abdulla Mubarak Al Khalifa	31/1/2008	Qatar National Bank	Non-Executive Non-Independent	34.481%
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. Ramzi Talat Mari	9/3/2014		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	16.181%
Mr. Ismail Abdulla El Mesallati	25/6/2012		Non-Executive Non-Independent	
Mr. Jihad Ali Al Share	25/2/2009	Social Security Corporation/Jordan	Non-Executive Non-Independent	15.389%
Mr. 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	
		2013	2014	2013	2014
H.E. Dr. Michel Issa Marto	Jordanian	310,000	310,000	-	-
SHK Ali Jassim Al Thani	Qatari	10,000	10,000	-	-
Mr. Abdulla Mubarak Al Khalifa	Qatari	-	-	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Ali Rashid Al-Mohannadi	Qatari	-	-	-	-
Mr. Ramzi Talat Mari	Jordanian	-	-	-	-
Mr. Humoud Jassim Al Falah	Kuwaiti	-	-	-	-
Mr. Sami Hussein Al-Anbaee	Kuwaiti	-	-	-	-
Mr. Mohamed Mohamed Ben Yousef	Libyan	-	-	-	-
Mr. Ismail Abdulla 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:** None

**Loans granted to the Board Members:** None

**Operations that were made between Bank and the Board Members:** None

## The Board & the Board Committees Meetings

### 1- The Board's Meetings

The Bank's Board of Directors held 7 meetings during 2014 as follows:

Name of the Board Member	Number of times attendance
H.E. Dr. Michel Issa Marto	7
SHK Ali Jassim Al Thani	6
Mr. Abdulla Mubarak Al Khalifa	3
Mr. Yousef Mahmoud Al-Neama	4
Mr. Ali Rashid Al-Mohannadi	5
Mr. Ramzi Talat Mari	5
Mr. Humoud Jassim Al Falah	7
Mr. Sami Hussein Al-Anbaee	4
Mr. Mohamed Mohamed Ben Yousef	6
Mr. Ismail Abdulla El Mesallati	6
Mr. Jihad Ali Al Share	7
Mr. Fadi Khalid Al Alawneh	7
Mr. Ahmed Said Al Mahrezi	6

### 2- Executive Committee Meetings

The Executive Committee held 4 meetings during 2014 as follows:

Name of the Board Member	Number of times attendance
Mr. Abdulla Mubarak AlKhalifa	3
Mr. Ali Rashid Al-Mohannadi	2
Mr. Ramzi Talat Mari	3
Mr. Sami Hussein Al-Anbaee	3
Mr. Ismail Abdalla El Mesallati	4
Mr. Fadi Khalid Al Alawneh	4

### 3- Audit Committee Meetings

The Audit Committee held 5 meetings during 2014 as follows:

Name of the Board Member	Number of times attendance
SHK Ali Jassim Al-Thani	4
Mr. Yousef Mahmoud Al-Neama	2
Mr. Humoud Jassim Al Falah	5
Mr. Mohamed Mohamed Ben Yousef	4
Mr. Jihad Ali Al Share	5
Mr. Ahmed Said Al Mahrezi	5

#### 4- Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held one meeting during 2014 as follows:

Name of the Board Member	Number of times attendance
Mr. Mohamed Mohamed Ben Yousef	1
Mr. Ali Rashid Al-Mohannadi	1
Mr. Ahmed Said Al Mahrezi	1

#### 5- Risk Management Committee Meetings

The Risk Management Committee held 4 meetings during 2014 as follows:

Name of the Board Member	Number of times attendance
Mr. Ali Rashid Al-Mohannadi	3
Mr. Yousef Mahmoud Al-Neama	2
Mr. Ahmed Said Al Mahrezi	4
Mr. Sami Hussein Al-Anbaee	1
Mr. Omar Zuheir Malhas / General Manager	4

#### 6- Corporate Governance Committee Meetings

The Corporate Governance Committee didn't hold any meeting during 2014.

## Senior Executive Management: Brief Resume (as on 31/12/2014)

### Mr. Omar Zuheir Malhas

**Title:** General Manager

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

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

**Qualification:** MBA in International Banking and Finance, 1991

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

#### Memberships in HBTF Board Committees:

- \* Risk Management Committee
- \* Corporate Governance Committee

#### Memberships in other Commissions and Boards:

- \* Vice Chairman, Specialized Leasing Co. / Jordan
- \* Board Member, International Bank for Trade and Finance / Syria
- \* Board Member, 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 and Complex 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. Ihab Ghazi Saadi**

**Title:** Assistant General Manager for Corporate & Investment Banking

**Date of Birth:** 2/10/1962

**Date of Appointment:** 25/11/2013

**Qualifications:** MBA - Financial Management, 1990

**Professional Qualifications:** Certified Public Accountant (CPA) / 1991

Mr. Ihab Saadi possesses wide and distinguished experience in Corporate Finance / Investment Banking fields including Projects Finance, Mergers and Acquisition and Financial Advisory. Mr. Saadi started his career with Grant Thornton in Chicago, USA and later worked for Arthur Andersen in Amman and Dubai for a number of years heading corporate finance function. He then joined Housing Bank for Trade and Fincance (HBTF) for the first period between 2001-2008 as an Executive Manager for the Corporate Finance Division.

**Memberships in HBTF Board Committees:** None.

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

\* Board Member: Saraya Aqaba representing Social Security Investment Fund from 2007- 2013

\* Board Member: Specialized Leasing Company from 2005-2008

\* Board Member: Palestine Development and Investment Company (PADICO) from 2005-2007

\* Board Member: JordInvest from 2004-2005

### **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. Riyadh 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. Ayman Abdullah Abdullah**

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

**Date of Birth:** 1/4/1962

**Date of Appointment:** 18/1/1989

**Qualifications:** B.Sc. in Accounting, 1986

Mr. Ayman Abdullah has a long and diversified banking experience that spans four decades, during which he worked in many areas, including Training and Development, Internal Audit and Branches Management. Mr. Abdullah's expertise were focused on Retail Banking Management, and his career progression during the period 2002-2013 marks momentous moves, starting with Branch Manager to Area Manager to Executive Manager of Jordan Branches Department. In 2013, his career progression took a forward leap from Executive Manager to Assistant General Manager for Retail Banking. It is worth noting that Mr. Abdullah was a member of the Board Of Directors of Visa Jordan Card Services (VJCS) during the period 2009-2011.

**Memberships in HBTF Board Committees:** None

**Memberships in other Commissions and Boards:**

Vice Chairman: Jordan Real-Estate Investments and Commercial Services

### **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, Securities and 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. 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:**

\* Board Member: Union Tobacco & Cigarette Industries Co. 2006-2011

\* Chairman: Audit Committee / Union Tobacco & Cigarette Industries Co. 2006- 2011

### **Dr. Mohammad Abed Alfattah 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 26 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. Tawfiq Salameh Salameh**

**Title:** Executive Manager / Operations Department

**Date of Birth:** 3/5/1958

**Date of Appointment:** 1/11/1989

**Qualifications:** B.Sc. in Economics and Administrative Sciences, 1980

Mr. Tawfiq Salameh began his work in Jordan Kuwait Bank in 1982 and then joined the Housing Bank for Trade and Finance in 1989, and has extensive experience in various Banking Operations, particularly in the following areas: Trade Finance, Transfers and SWIFT, Treasury Back Office, Credit Operations and Cards.

**Memberships in HBTF Board Committees:** None.

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

### **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. Nayef Hashem Al-Hussein**

**Title:** Executive Manager / Compliance Department

**Date of Birth:** 14/10/1979

**Date of Appointment:** 15/7/2013

**Qualifications:** MA in Financial Economy, 2005.

**Professional Qualifications:** Certified Anti Money Laundering Specialist (CAMS), 2008.

Mr. Nayef Al-Hussein joined HBTF since the beginning of his career more than 12 years ago; during the year 2013 he joined Arab Bank for a short period, during the same year he rejoined HBTF as an Executive Manager for the Compliance Department. Mr. Al-Hussein has extensive experience in the field of Anti Money Laundering and Combating Terrorist Financing in addition to other Compliance fields.

**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:**

\* Member of Jordan Bar Association since 1994

\* 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 / Iskan for parks management Co. – Non-Profit Company since 2014

\* 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	
			2013	2014	2013	2014
Mr. Omar Zuheir Malhas	General Manager	Jordanian	10,000	10,000	-	-
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	Jordanian	-	-	-	-
Mr. Caesar Hani Qulajen	Chief Banking Officer	Jordanian	-	-	-	-
Mr. Ihab Ghazi Saadi	Assistant General Manager for Corporate & Investment Banking	Jordanian	-	-	-	-
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Ayman Abdullah Abdullah	Assistant General Manager for Retail Banking	Jordanian	-	-	-	-
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	2,000	2,000	-	-
Dr. Mohammad Abed Alfattah Turki	General Auditor	Jordanian	-	-	-	-
Mr. Tawfiq Salameh Salameh	Executive Manager / Operations Department	Jordanian	-	-	-	-
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer	Jordanian	-	-	-	-

### Companies Controlled by Senior Executive Management Members and their Relatives

Name of Senior Management Member	Title	Nationality	Companies Controlled by the Member		Companies Controlled by the Spouse and Minors	
			2013	2014	2013	2014
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. Ihab Ghazi Saadi	Assistant General Manager for Corporate & Investment Banking	Jordanian	-	-	-	-
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	Jordanian	-	-	-	-
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	Jordanian	-	-	-	-
Mr. Ayman Abdullah Abdullah	Assistant General Manager for Retail Banking	Jordanian	-	-	-	-
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	Jordanian	-	-	-	-
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	Jordanian	-	-	-	-
Dr. Mohammad Abed Alfattah Turki	General Auditor	Jordanian	-	-	-	-
Mr. Tawfiq Salameh Salameh	Executive Manager / Operations Department	Jordanian	-	-	-	-
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	Jordanian	-	-	-	-
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance Department	Jordanian	-	-	-	-
Mr. Wael Ismail Asfour	Chief Legal Officer	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.

### Remunerations and Benefits for the Chairman and the Board Members during 2014

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
H.E. Dr. Michel Issa Marto	Chairman	-	148,200	5,000	-	153,200
SHK Ali Jassim Al-Thani	Vice Chairman	-	163,388	5,000	12,653	181,041
<b>Qatar National Bank represented by*:</b>						
Mr. Abdulla Mubarak AlKhalifa	Board Member	-	141,988	5,000	3,297	150,285
Mr. Yousef Mahmoud Al-Neama	Board Member	-	141,988	5,000	3,298	150,286
Mr. Ali Rashid Al-Mohannadi	Board Member	-	147,338	5,000	5,497	157,835
Mr. Ramzi Talat Mari **	Board Member	-	90,950	-	4,398	95,348
Mr. Ali Ahmed Al-Kuwari **	Board Member	-	56,388	5,000	-	61,388
<b>Kuwait Real Estate Investment Consortium represented by*:</b>						
Mr. Humoud Jassim Al Falah	Board Member	-	174,088	5,000	9,425	188,513
Mr. Sami Hussein Al-Anbaee	Board Member	-	121,928	2,143	3,804	127,875
<b>Libyan Foreign Bank represented by:</b>						
Mr. Mohamed Mohamed Ben Yousef	Board Member	-	163,388	5,000	6,010	174,398
Mr. Ismail Abdalla El Mesallati	Board Member	-	163,388	5,000	7,212	175,600
<b>Social Security Corporation / Jordan represented by*:</b>						
Mr. Jehad Ali Al Share	Board Member	-	174,088	5,000	1,290	180,378
Mr. Fadi Khalid Al Alawne	Board Member	-	155,470	3,571	1,290	160,331
<b>Ministry of Finance / Sultanate of Oman represented by:</b>						
Mr. Ahmed Said Al Mahrezi	Board Member	-	168,738	5,000	24,306	198,044

\* All amounts shown in the table pay to the institution that represented by a Board Member not paid for him personally.

\*\* Mr. Ramzi Mari appointed to the Board on 9/3/2014 replacing Mr. Ali Al-Kuwari

### Salaries, Benefits and Allowances of the Senior Executives at the Bank during 2014

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
H.E. Dr. Michel Issa Marto	Chairman	581,146	-	548,251	10,750	1,140,147
Mr. Omar Zuheir Malhas	General Manager	461,227	-	435,120	12,500	908,847
Mr. Osama Jameel Al Haj Yahya	Chief Operating Officer	199,699	2,880	58,521	3,800	264,900
Mr. Caesar Hani Qulajen	Chief Banking Officer	214,920	2,880	63,293	4,200	285,293
Mr. Ihab Ghazi Saadi	Assistant General Manager for Corporate & Investment Banking	189,120	2,880	-	2,600	194,600
Mr. Mohammed Ali Ibrahim	Assistant General Manager for Commercial Banking	172,164	2,880	40,550	-	215,594
Mr. Riyad Ali Taweel	Assistant General Manager for Treasury	143,226	2,880	33,725	1,000	180,831
Mr. Ayman Abdullah Abdullah	Assistant General Manager for Retail Banking	138,686	1,633	24,368	-	164,687
Mr. Adel Ibrahim Asaad	Assistant General Manager for Credit	136,166	2,880	31,832	1,400	172,278
Mr. Khaled Mahmoud Al-Thahabi	Chief Financial Officer	136,166	2,880	31,832	-	170,878
Dr. Mohammad Abed Alfattah Turki	General Auditor	122,156	2,880	28,560	3,800	157,396
Mr. Tawfiq Salameh Salameh	Executive Manager / Operations Department	92,208	1,200	16,194	1,200	110,802
Mr. Mahmoud Mohammad Al-Adgham	Executive Manager / Risk Department	58,192	1,200	6,737	2,440	68,569
Mr. Nayef Hashem Al-Hussein	Executive Manager / Compliance Department	62,323	1,198	7,013	1,800	72,334
Mr. Wael Ismail Asfour	Chief Legal Officer	82,352	1,200	14,550	600	98,702

## Major Shareholders 1% or more

Name	2013				2014			
	Number of Shares	(%) of the Capital	Ultimate Beneficial Owners	Reserved or Mortgaged Shares	Number of Shares	(%) of the Capital	Ultimate Beneficial Owners	Reserved or Mortgaged Shares
Qatar National Bank	86,892,662	34.481%	Qatar National Bank	-	86,892,662	34.481%	Qatar National Bank	-
Kuwait Real Estate Investment Consortium	46,904,045	18.613%	Kuwait Real Estate Investment Consortium	-	46,904,045	18.613%	Kuwait Real Estate Investment Consortium	-
Libyan Foreign Bank	40,737,248	16.166%	Libyan Foreign Bank	-	40,776,143	16.181%	Libyan Foreign Bank	-
Social Security Corporation/Jordan	38,780,231	15.389%	Social Security Corporation /Jordan	-	38,780,231	15.389%	Social Security Corporation/Jordan	-
Iran Foreign Investments Company	11,204,338	4.446%	Iran Foreign Investments Company	-	11,364,996	4.510%	Iran Foreign Investments Company	-
Ministry of Finance / Sultanate of Oman	7,500,000	2.976%	Ministry of Finance / Sultanate of Oman	-	7,500,000	2.976%	Ministry of Finance / Sultanate of Oman	-
<b>Total</b>	<b>232,018,524</b>	<b>92.071%</b>			<b>232,218,077</b>	<b>92.150%</b>		

Number of Jordanian Shareholders is 2800, their holding constitutes 19.5% of the Capital.

Number of Arab & Foreign Shareholders is 472 shareholders, their holding constitutes 80.5% of the Capital.

## Shareholders Categories Breakdown as of 31/12/2014

Shareholders Category	Number of Shareholders	Total Number of Shares per Category	(%) of the Capital
1 - 1,000	2,268	666,622	0.265%
1,001 - 10,000	833	2,566,114	1.018%
10,001 - 100,000	133	3,606,886	1.431%
100,001 - 1,000,000	26	6,984,947	2.772%
1,000,001 - 10,000,000	2	3,150,655	1.250%
More than ten million shares	6*	235,024,776	93.264%
<b>Total</b>	<b>3,268</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 2014

Description	Market Share
Assets	15.0%
Customers' Deposits	15.3%
Loans and Credit Facilities	11.3%

### 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

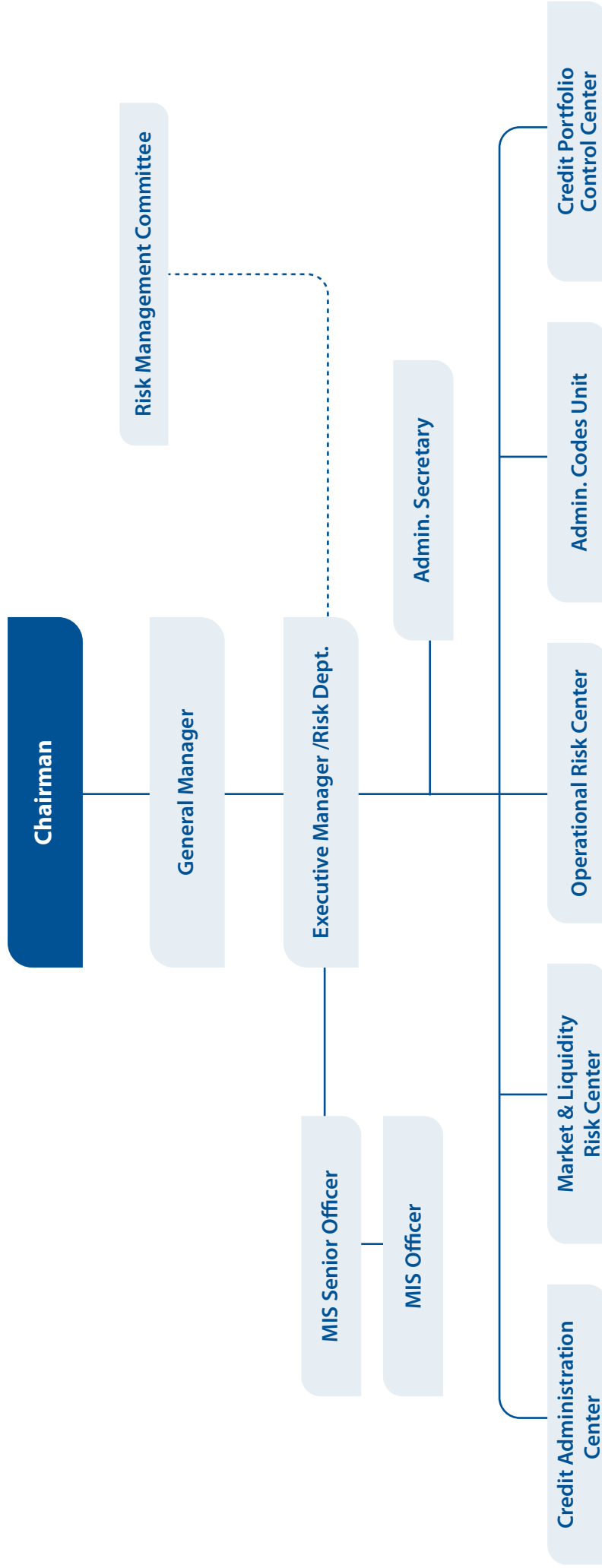
Neither the HBTF nor any of its products enjoy any government protection or privileges by virtue of the Laws and Regulations. The Bank has not obtained any Patents or Concessions.

### 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.

## Risk Management

As part of the Bank's normal business operations, the Bank is exposed to various types of risks, and these risks are set out in declaration no. 40 in the financial statements for 2014. The risk management department which is an independent department follows a comprehensive and effective approach in managing its major risks including credit risk, market risk, liquidity risk and operational risk. The risk management department reports directly to the General Manager and to the Board risk committee. The diagram below shows the organizational structure of this department.





## **The Bank's Accomplishments supported by Figures and Description of Significant Occurrences which the Bank has undergone in 2014**

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

## **The Financial Impact of Non-recurrent Transactions during 2014 which are not Part of the Bank's Main Activities**

No non-recurrent transactions or any substantial matters occurred during 2014 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 2014**

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 2015.

## **Auditor's Fees for 2014**

<b>Description</b>	<b>Audit Fees</b>	<b>Consultations and Other Fees</b>	<b>Total</b>
Jordan Branches	100,875	74,096	<b>174,971</b>
Palestine Branches	25,754	7,482	<b>33,236</b>
Bahrain Branch	30,046	-	<b>30,046</b>
International Bank for Trade and Finance / Syria	42,540	-	<b>42,540</b>
The Housing Bank for Trade and Finance / Algeria	62,740	-	<b>62,740</b>
Jordan International Bank / London	115,662	107,932	<b>223,594</b>
Specialized Leasing Finance Co.	4,323	-	<b>4,323</b>
International Financial Center Co.	4,323	3,351	<b>7,674</b>
Jordan Real Estate Investments and Commercial Services Co.	2,010	-	<b>2,010</b>
<b>Total</b>	<b>388,273</b>	<b>192,861</b>	<b>581,134</b>

## **Donations and Grants in 2014**

The cash donations provided by the Bank in 2014 amounted to JD6.8 million. It is worth mentioning that the Bank donated to Greater Amman Municipality (GAM) the 'Housing Bank Park' in Abdoun, which cost JD6.2 million. The park consists of footpaths, playgrounds, flower gardens and multi-purpose building complexes.

The in-kind donations provided by the Bank in 2014 amounted to JD89 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**

1. The Bank has not entered into transactions or projects with Chairman, members of the Board of Directors and Senior Management.
2. The Bank has entered into contracts with Specialized Leasing Co.(Subsidiary) as follows:

	<b>Description</b>	<b>Value</b>
1	Financing Currency Counting Machines Purchases	142,100
2	Financing cars Purchases	310,590

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

In the context of HBTF concern in supporting environmental initiatives in the Kingdom, it signed a donation agreement under which the Bank donated the Housing Bank park in Abdoun to the Greater Amman Municipality together with the commitment to contribute annually in managing, maintaining and developing this park. The Bank also supported environmental drawing competition and continued the process of recycling all paper waste at various work places to reduce environmental pollution.

It is worth mentioning that the Bank has adopted policies in the field of rationalizing energy and water consumption through the application of modern technologies in this field in the branches and departments spread across the Kingdom.

## **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 hand, the Bank has so far failed to meet two of the Code's provisions:

- Number of Independent Members in the Board of Directors
- 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 235,024,776 shares, equal to 93.264% 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.

## **Customer Complaints Remediation**

HBTF highly considers the great importance of dealing with customer complaints in order to achieve high level of customer satisfaction. Bearing this objective in mind; the Bank has assigned a specialized independent unit at the compliance department which has a qualified team to deal with customer complaints .

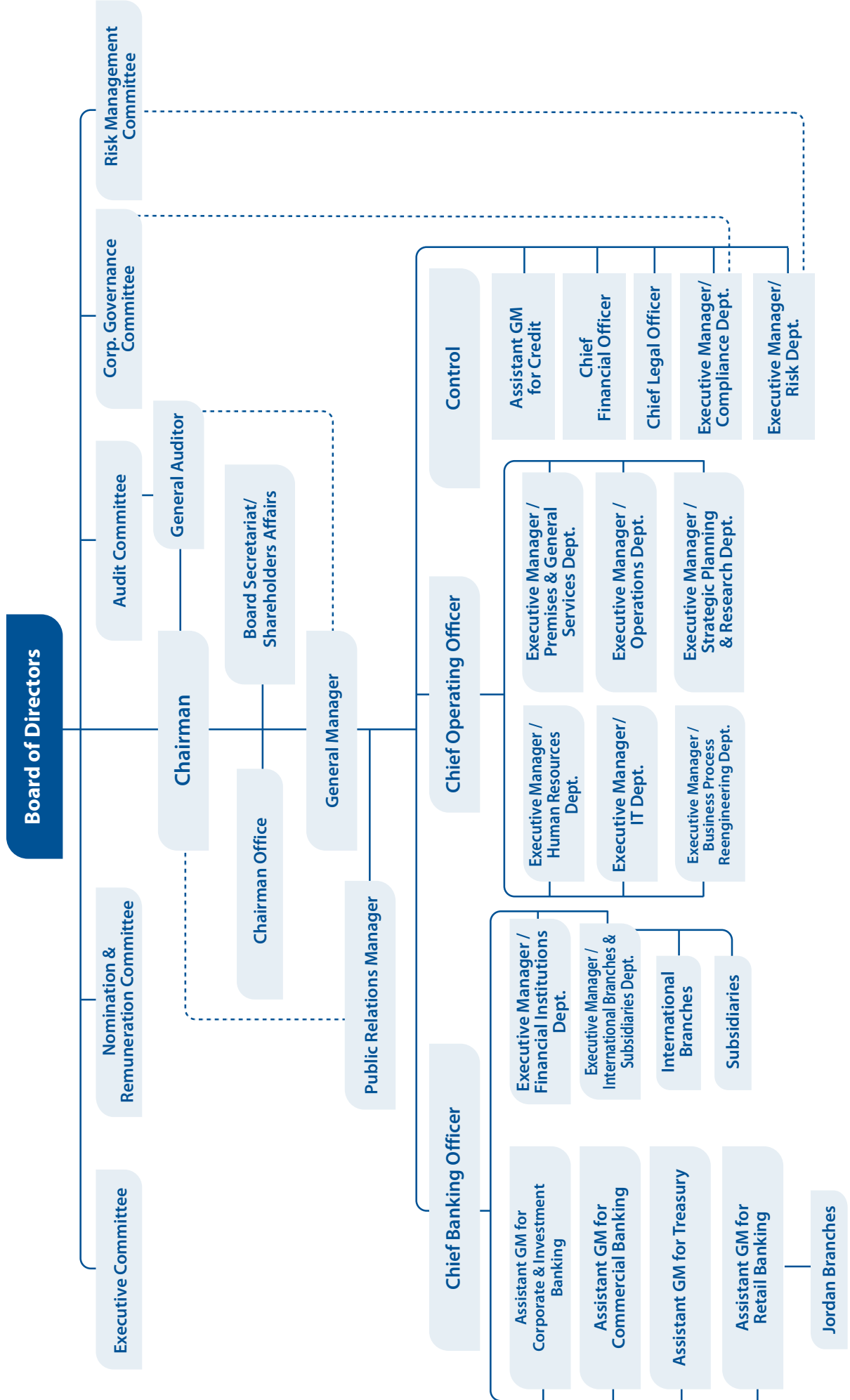
During 2014, the unit investigated and solved submitted complaints fairly and with full transparency based on written policies and procedures. Furthermore, preventive and corrective procedures have been adopted to ensure avoiding such practices in the future.



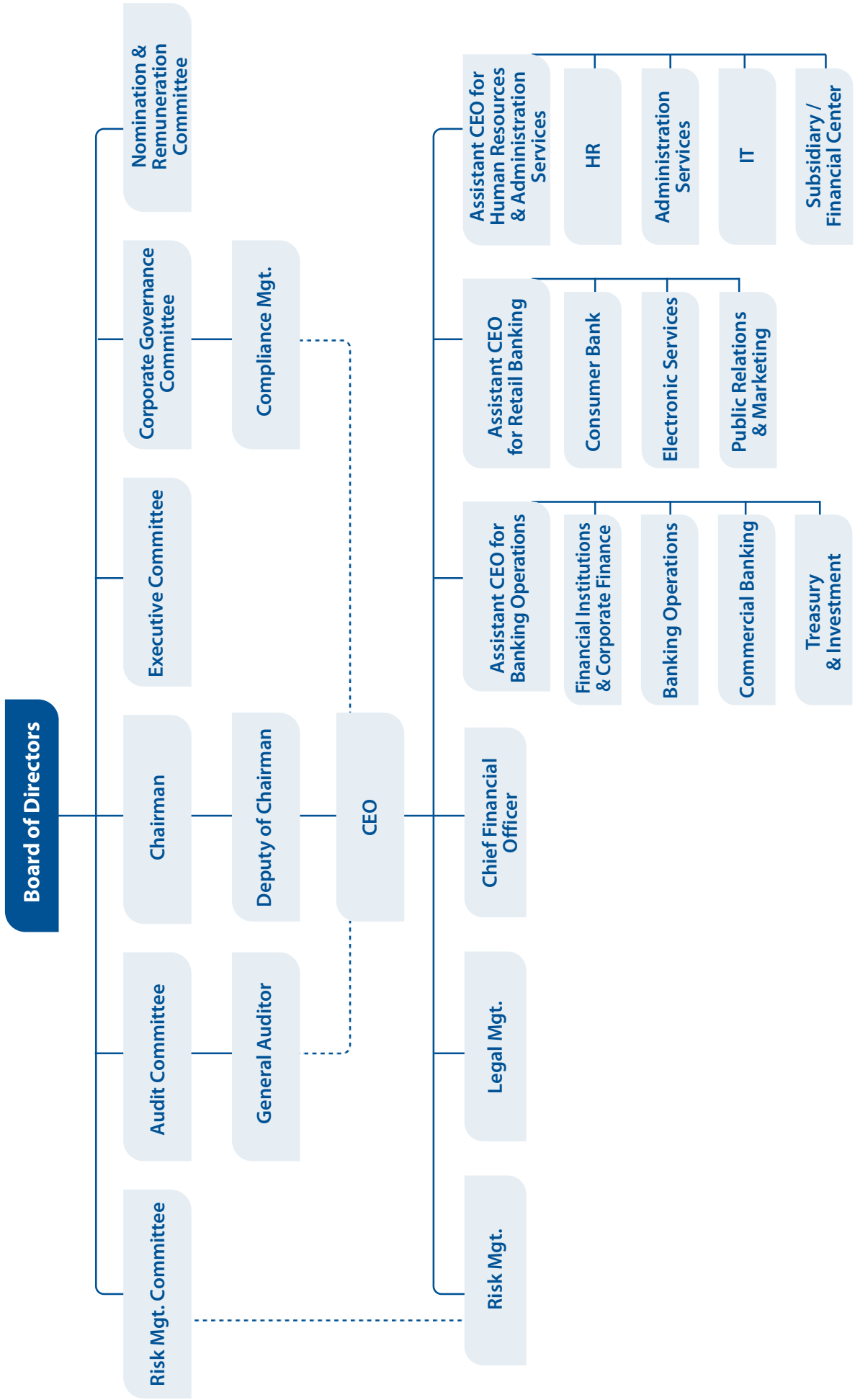
**Organizational Charts of the Bank  
and Bank's Branches and Subsidiaries**



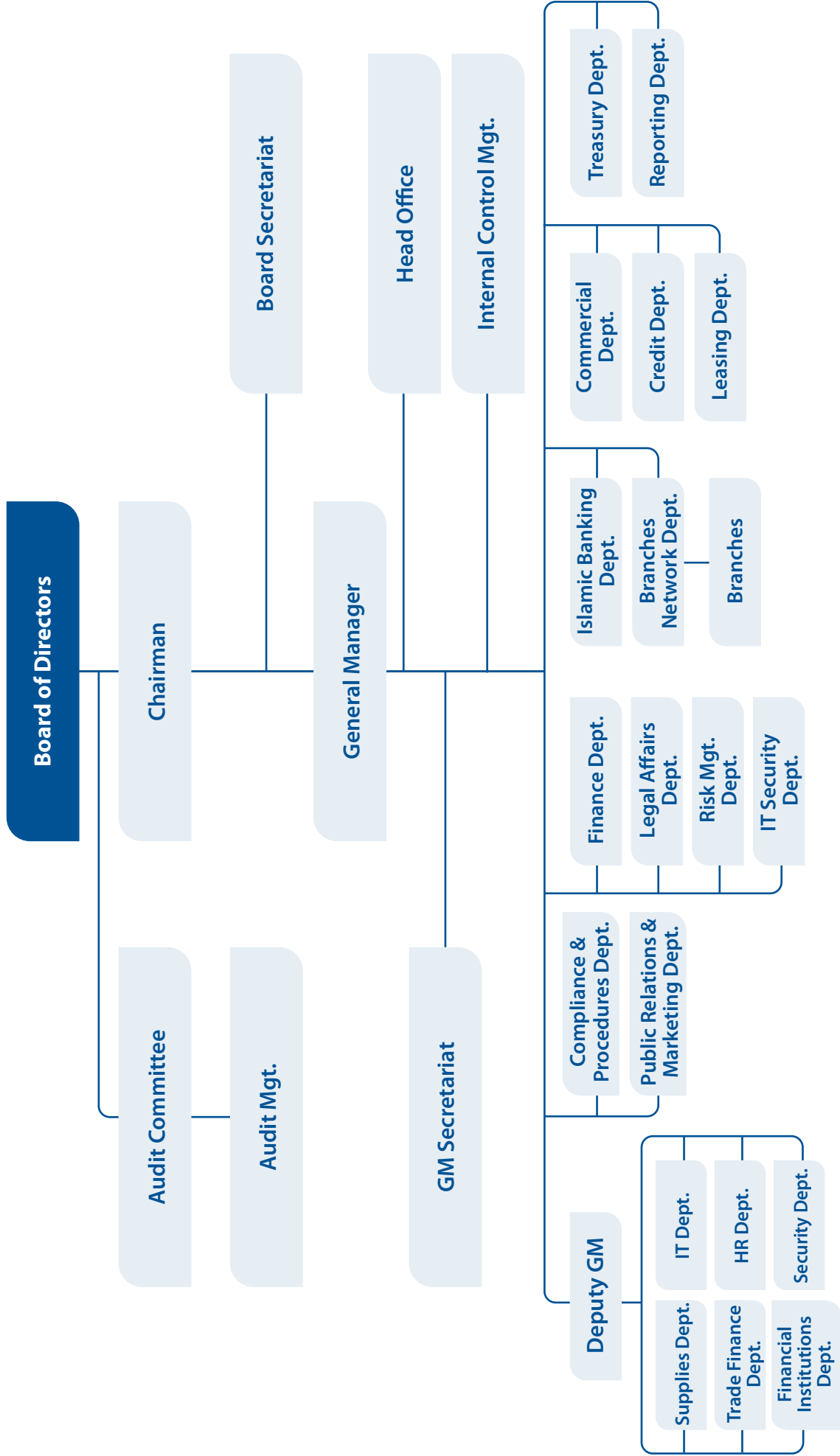
# Organizational Chart / The Housing Bank for Trade & Finance



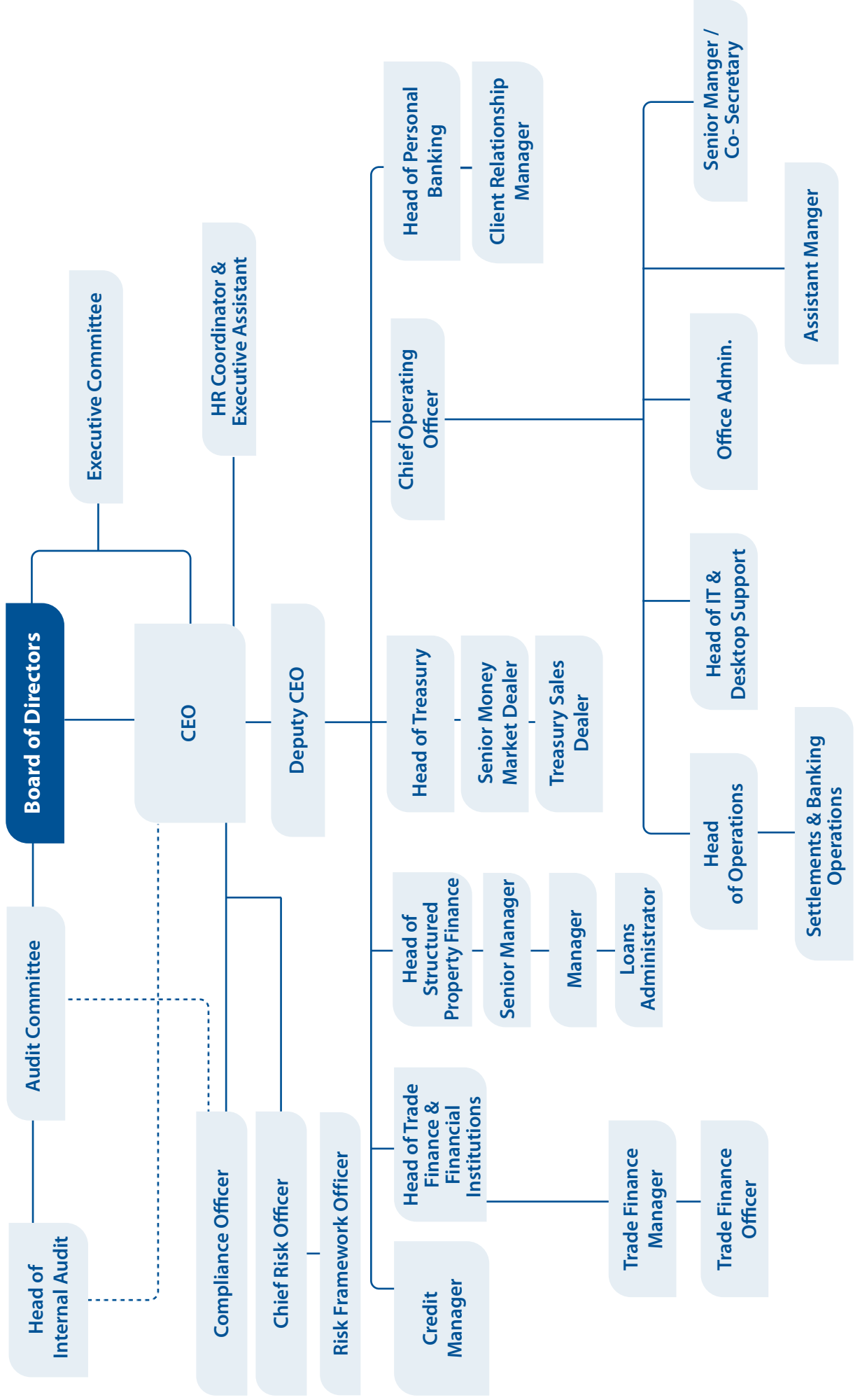
# Organizational Chart / International Bank for Trade & Finance – Syria



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

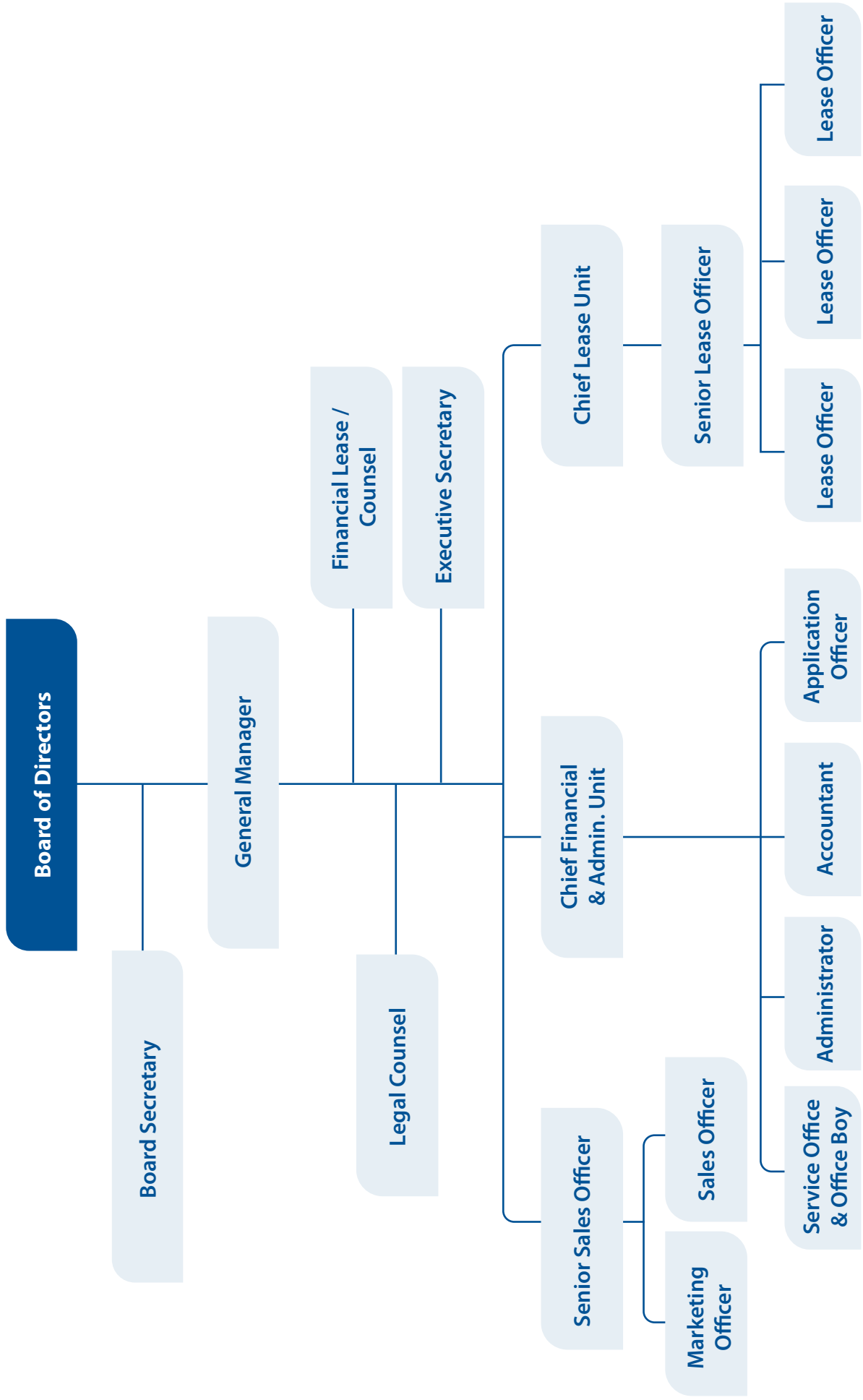


# Organizational Chart / Jordan International Bank - London

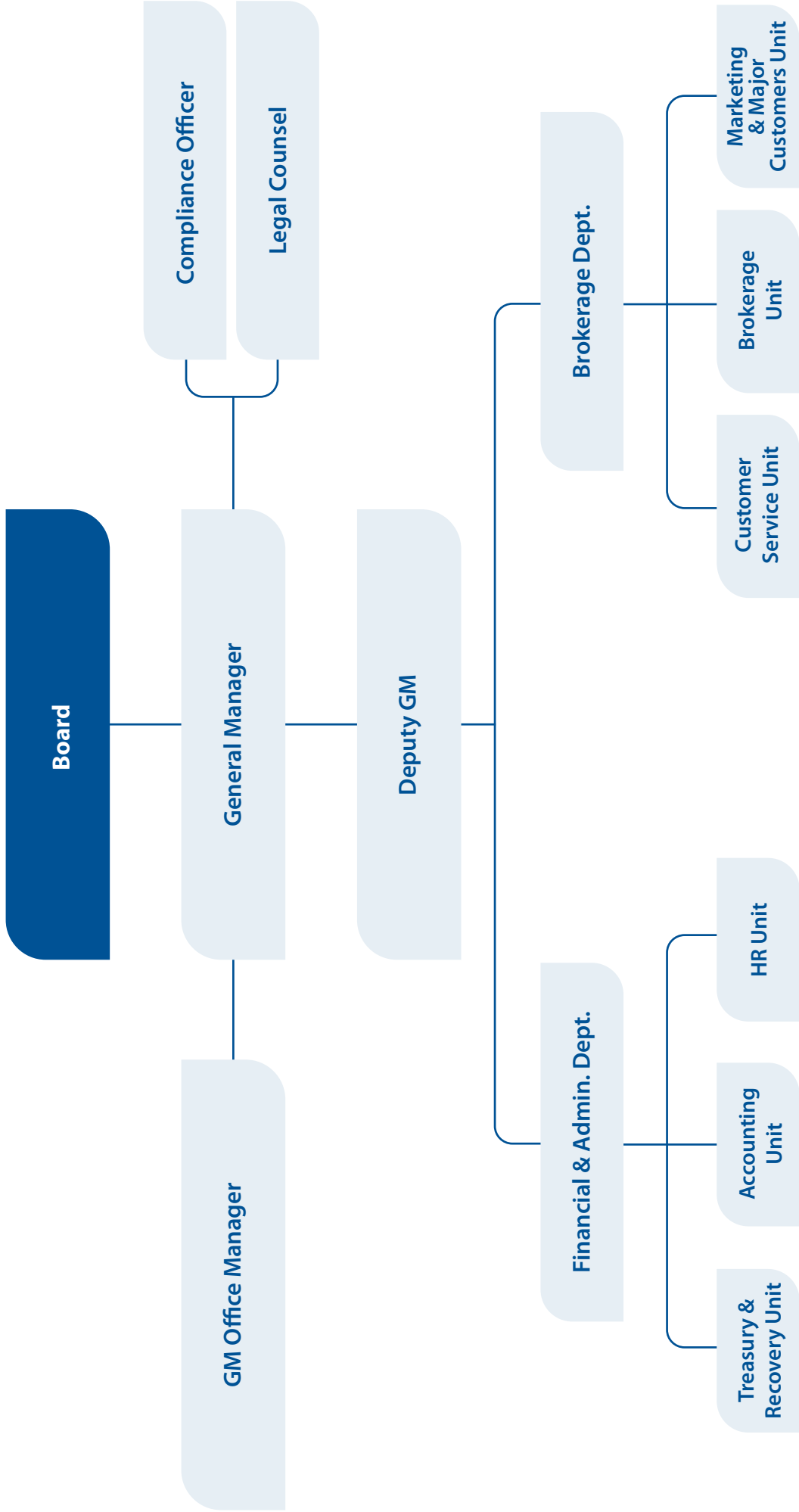




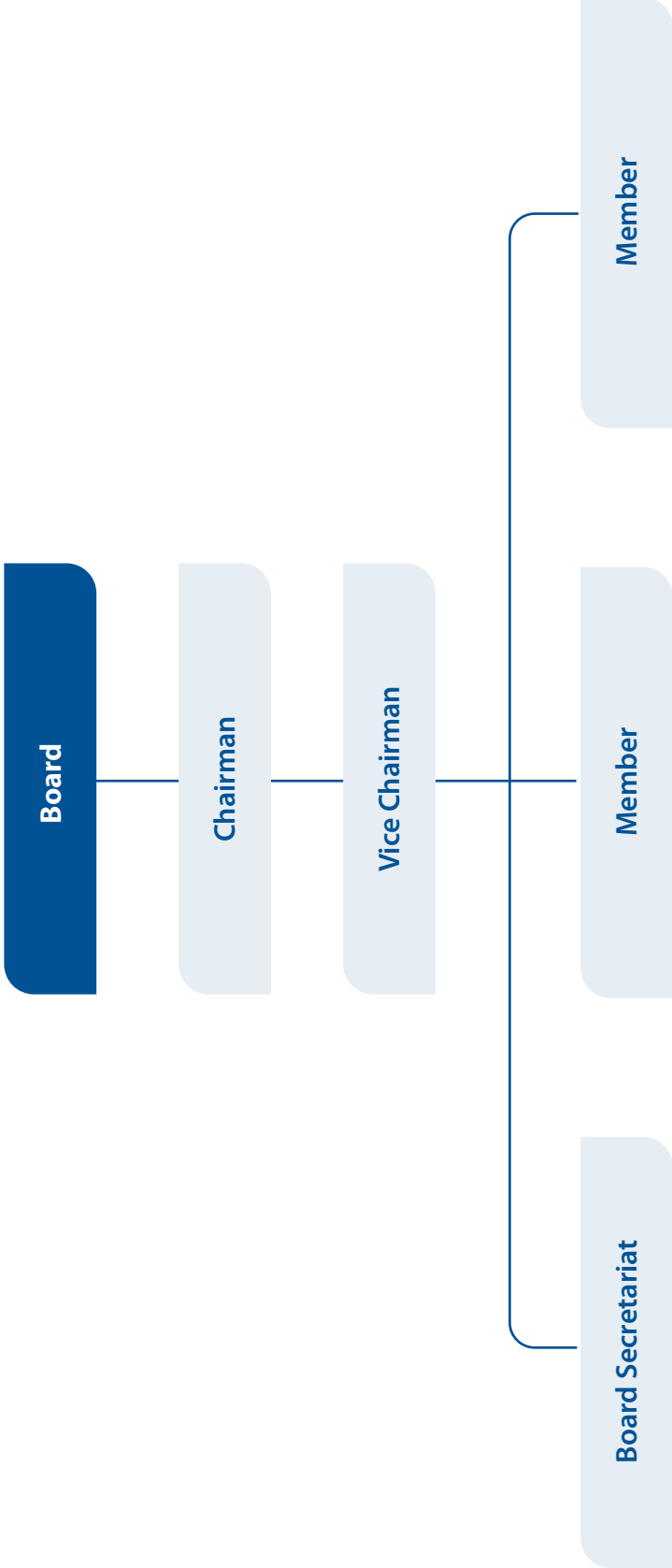
## Organizational Chart / Specialized Leasing Company



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



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



A large, solid blue diagonal shape that starts from the top right corner and extends towards the bottom left corner, covering the upper portion of the page.

# **Addresses of the Bank's Branches and Subsidiaries**

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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Main Branch	5095	Amman, Abdali, Parliament St.	31.96103	35.91165	br001@hbtff.com.jo
Suleiman Al-Nabulsi St.	3885	Amman, Abdali Boulevard project, Suleiman Al-Nabulsi St.	31.96316	35.90424	br001@hbtff.com.jo
Al Weibdeh	3890	Amman, Abdali, Suleiman Al-Nabulsi St., Building No. 183	31.96056	35.91536	br002@hbtff.com.jo
Al Madina	4058	Amman, King Hussein St., Building No. 33	31.95382	35.93195	br003@hbtff.com.jo
Jabal Amman	4064	Amman, Jabal Amman, Prince Moh'd St., Building No. 252	31.95477	35.91491	br004@hbtff.com.jo
Jabal Al Hussein	4085	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St., Building No. 121	31.96462	35.92163	br005@hbtff.com.jo
Wehdat	3889	Amman, Wehdat, Prince Hassan St., Building No. 263	31.92592	35.93813	br006@hbtff.com.jo
Foreign Travel	4474	Amman, Wehdat, AlHajj Hassan District, Social Security Corporation building	31.92113	35.93455	br006@hbtff.com.jo
Marka	4103	Amman, Marka, King Abdullah St., Building No. 423	31.97965	35.98427	br007@hbtff.com.jo
Quraish St.	3981	Amman, Quraish St., Building No. 45	31.94665	35.93279	br008@hbtff.com.jo
Jabal Al Taj	4121	Amman, Jabal Al Taj, Al Taj St., Building No. 76	31.95282	35.95528	br009@hbtff.com.jo
Prince Hasan Sub.	4130	Amman, South Marka, AlRabwah Sub, Saleh Al Hamlan St., AlKhasebComplex	31.95693	35.97755	br010@hbtff.com.jo
North Hashimi	4047	Amman, North Hashimi, Al Bathaa St., Jawharat Al Bathaa Complex	31.97574	35.95514	br011@hbtff.com.jo
Ras Al Ein	4143	Amman, Ras Al Ain, Al Quds St., Building No. 10	31.94335	35.92226	br012@hbtff.com.jo
Ashrafieh	3917	Amman, Ashrafieh, Imam Al Shafe' St., Building No. 52	31.93715	35.93356	br013@hbtff.com.jo
Hawooz	4160	Amman, Jabal Amman, Omar Bin Al Khattab St., Building No. 104	31.94829	35.92220	br014@hbtff.com.jo
Nuzha	4039	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.97419	35.92624	br015@hbtff.com.jo
Sports City	4169	Amman, Sport's City, Al Shaheed St., Building No. 35	31.98749	35.90217	br016@hbtff.com.jo
Salam	4779	Amman, Jabal Al Weibdeh, Shari'a College St., Building No. 8	31.95727	35.92052	br017@hbtff.com.jo
Commercial Complex	2372	Amman, Shmeisani, Queen Noor St.	31.97083	35.90711	br018@hbtff.com.jo
Prince Moh'd St.	5941	Amman, 9th Sha'ban St.	31.95168	35.92780	br019@hbtff.com.jo
Tareq	4187	Amman, Tareq, Tareq St.	32.00299	35.94044	br020@hbtff.com.jo
Abu Nussair	4194	Amman, Abu Nussair, Alarab St.	32.05075	35.88336	br023@hbtff.com.jo

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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Nazal Sub.	4202	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.93614	35.91569	br024@hbtf.com.jo
Abdoun	4211	Amman, Abdoun, Cairo St., Building No. 100	31.95356	35.87937	br025@hbtf.com.jo
Park Plaza	4884	Amman, Sweifeh, Salah Suheimat St., Park Plaza Mall	31.95851	35.86907	br026@hbtf.com.jo
Sweifeh	4221	Amman, Sweifeh, Commercial Market, Mahmoud Obeidat St.	31.95864	35.86536	br026@hbtf.com.jo
Galleria Mall	3862	Amman, Sweifeh, Galleria Mall	31.95953	35.86155	br026@hbtf.com.jo
Gardens	4233	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 18	31.98398	35.89000	br027@hbtf.com.jo
Shmeisani	4246	Amman, Shmeisani, Abdul Hameed Shoman St., Building No. 18	31.96803	35.89784	br028@hbtf.com.jo
Qasr Shbeeb	4255	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.06366	36.08439	br029@hbtf.com.jo
Um Uthyna	4274	Amman, Um Uthyna, Sa'ad Ibn Abi Waqas St., Building No. 47	31.96794	35.87724	br030@hbtf.com.jo
Jubeiha	4284	Amman, Jubeiha, Abdulla Ali Lozi St.	32.02273	35.86604	br031@hbtf.com.jo
Fuhais	4294	Fuhais, Al-Alali, King Abdullah II St.	32.00183	35.77698	br032@hbtf.com.jo
Salt	3714	Salt, Al Maydan St.	32.03933	35.72857	br033@hbtf.com.jo
Sweileh	4305	Amman, Sweileh, Princess Raya Bint Al Hussein St., Building No. 26	32.02336	35.84156	br034@hbtf.com.jo
Sahab	4320	Amman, Sahab, Prince Hassan St.	31.87155	36.00453	br035@hbtf.com.jo
Abu Alanda	4334	Amman, Abu Alanda, Ibrahim Rashed Al-Hunaiti St., Building No. 32	31.90248	35.96082	br038@hbtf.com.jo
Juwaideh	4030	Amman, Al Juwaideh, Madaba St., Al-Waleed Building	31.87917	35.93285	br039@hbtf.com.jo
Marj Al Hamam	3921	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.89412	35.83853	br041@hbtf.com.jo
Na'our	4347	Na'our, King Hussein St., Near the Great Mosque	31.87697	35.82818	br042@hbtf.com.jo
Muwaqqar	3828	Amman, Muwaqqar Down Town	31.81191	36.10645	br043@hbtf.com.jo
Tla' Al Ali	4357	Amman, Tla' Al Ali, Wasfi Al Tal St., Building No. 193	31.99303	35.86269	br044@hbtf.com.jo
King Abdullah II City	4370	Amman, Sahab, King Abdullah II Industrial Estate	31.85266	36.00782	br045@hbtf.com.jo

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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Baqa'	4380	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.07647	35.84209	br046@hbtff.com.jo
Hurria St.	4898	Amman, Muqableen, Hurria St., Building No. 140	31.89537	35.91651	br047@hbtff.com.jo
Muqablain	4382	Amman, Muqableen, Bishr bin Al Baraa St., Building No. 13	31.90590	35.91056	br047@hbtff.com.jo
Qwaismeh	3952	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.91776	35.94836	br048@hbtff.com.jo
Bayader	4399	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 58	31.95441	35.83862	br049@hbtff.com.jo
Zarqa	4415	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.06194	36.09196	br051@hbtff.com.jo
Irbid	4939	Irbid, Al Hashimi St., Near Al Hashimi Mosque	32.55709	35.85564	br052@hbtff.com.jo
Prince Nayef St. / Irbid	4422	Irbid, Prince Nayef St., Endowments Building	32.55599	35.85219	br052@hbtff.com.jo
Ajloun	3943	Ajloun, Alqalaa St., Opp. Municipality Building	32.33277	35.75162	br053@hbtff.com.jo
Mafrag	4445	Mafrag, King Talal St.	32.34390	36.20735	br054@hbtff.com.jo
Western Complex	3874	Mafrag - King Abdullah II St. - Al Hejaz Railway Complex	32.34472	36.20583	br054@hbtff.com.jo
Jarash	4451	Jarash, Wasfi AlTal St., Opp. Qirwan Circle	32.28214	35.89494	br055@hbtff.com.jo
Madaba	4979	Madaba, King Abdullah St.	31.71831	35.79277	br056@hbtff.com.jo
Deir Alla	4468	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.18395	35.62135	br057@hbtff.com.jo
Ghweirieh	3789	Zarqa, Ghweirieh, Intersection of King Ghazi St. & Algeria St., Building No. 51	32.07223	36.09445	br058@hbtff.com.jo
Russeifa	4484	Zarqa, Russeifa, King Hussein St., Building No. 184	32.01724	36.04349	br059@hbtff.com.jo
Ramtha	4487	Ramtha, Down Town, Nasser Al Tallaq St.	32.56160	36.01133	br060@hbtff.com.jo
Wasfi Al Tal St. / Ramtha	3844	Ramtha, Wasfi Al Tal St., Opp. to Ramtha hospital	32.56647	36.01544	br060@hbtff.com.jo
North Shouna	3965	North Shouna, King Faisal St.	32.61007	35.60973	br061@hbtff.com.jo
North Border Crossing	3865	Sheikh Hussein Bridge, North Ghor	32.49741	35.57792	br061@hbtff.com.jo
South Shouna	4505	South Shouna, Al Salt St., Government Depts. Complex	31.90027	35.62122	br062@hbtff.com.jo
Deir Abi Saeed	3978	Deir Abi Saeed, King Hussein St.	32.50267	35.68424	br063@hbtff.com.jo
Hakama	4521	Irbid, Hakama St., Hanina Intersection	32.56922	35.85809	br064@hbtff.com.jo

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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Huson	4525	Irbid, Huson, Irbid Amman St.	32.48774	35.88387	br065@hbtbf.com.jo
Hiteen	3756	Zarqa, Hiteen Camp, King Hussein St., Building No. 452	32.00715	36.00723	br066@hbtbf.com.jo
Aidoun	3997	Irbid, Aidoun, Main St.	32.50868	35.85600	br067@hbtbf.com.jo
Mashare'	4547	Irbid, Mashare', Main St., Opp. Mashare' Municipality, Talal al Gazawi Building	32.44021	35.59592	br070@hbtbf.com.jo
Kufranjah	3935	Ajloun, Kufranjah, Main St.	32.29800	35.70330	br072@hbtbf.com.jo
Palestine St.	4570	Irbid, Palestine St., Wasfi Al-Tal Circle	32.55461	35.84791	br073@hbtbf.com.jo
Karameh	3972	Karameh, Main St.	31.95269	35.58008	br074@hbtbf.com.jo
Oujan	3784	Zarqa, Oujan, Oujan Intersection, Building No. 2, Opp. Military Consumer Establishment	32.02902	36.07322	br077@hbtbf.com.jo
Jaish St.	4587	Zarqa, Jaish St., behind the Complex of King Abdullah	32.06325	36.09600	br078@hbtbf.com.jo
Kraymeh	3957	Kraymeh, Main St.	32.27536	35.59847	br079@hbtbf.com.jo
Yarmouk	4601	Irbid, Shafiq Irsheedat St.	32.54237	35.85069	br080@hbtbf.com.jo
Aqaba	4613	Aqaba, Corniche St.	29.52611	35.00178	br081@hbtbf.com.jo
Shuwaikh Mall	4996	Aqaba, Shuwaikh Mall Building	29.54389	35.01563	br081@hbtbf.com.jo
Tafleh	4624	Tafleh, Main St.	30.83691	35.60570	br082@hbtbf.com.jo
Ma'an	4633	Ma'an, King Hussein St.	30.19577	35.73526	br083@hbtbf.com.jo
Mudawarah	4638	Mudawarah, Mudawarah Border Station	29.19314	36.07291	br083@hbtbf.com.jo
Karak	4641	Karak, Municipality Building, Al Nuzha St.	31.18576	35.70357	br084@hbtbf.com.jo
Potash	4646	Karak, Ghour Al Mazra', Housing City	31.26130	35.52066	br085@hbtbf.com.jo
Petra	3721	Wadi Mousa, Main St., Martyr Circle	30.32098	35.48066	br086@hbtbf.com.jo
Shobak	4662	Shobak, Najel, Main St.	30.51918	35.54177	br087@hbtbf.com.jo
Mu'ta	4667	Mu'ta, University St.	31.09143	35.70168	br088@hbtbf.com.jo
Hasa	4676	Hasa, Housing City, New Commercial Market	30.85554	35.97288	br089@hbtbf.com.jo



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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Jabal Al Shamali	4686	Russeifa, Jabal Shamali, King Abdullah II St. , Building No. 218	32.02797	36.03611	br093@hbtff.com.jo
Airport	5546	Amman, Queen Alia International Airport	31.72291	35.98907	br097@hbtff.com.jo
Dlail	4697	Zarqa , Dlail, Jaish St., Qasr Al Halabat Intersection	32.13201	36.27267	br101@hbtff.com.jo
Ethaa'	3738	Amman, Prince Hassan St., Opp. to Hiteen College	31.90856	35.93842	br102@hbtff.com.jo
Barha	3791	Irbid , Barha St., Opp.Irbid Municipality	32.55658	35.84700	br103@hbtff.com.jo
Sheidieh	4715	Ma'an, Sheidieh Mine	29.93314	36.14091	br104@hbtff.com.jo
Um Al Sumaqq	4728	Amman, Um Al Sumaqq, Awsarah St. , Building No. 17	31.98179	35.84758	br106@hbtff.com.jo
North Azraq	4735	North Azraq, Baghdad Main St.	31.88292	36.83278	br107@hbtff.com.jo
Ma'soum Sub.	4740	Zarqa , Masoum Sub., King Abdullah II Circle	32.07775	36.07479	br108@hbtff.com.jo
Children	3776	Amman, Abdullah Ghosheh St. , Building No. 15	31.96015	35.85725	br109@hbtff.com.jo
Wadi Saqra	4756	Amman, Wadi Saqra St. , Building No. 89	31.95649	35.91388	br111@hbtff.com.jo
Qaser	4764	Karak , Qaser, Main St.	31.31025	35.74346	br113@hbtff.com.jo
Al Hasan Industrial City	3980	Irbid, Al Hassan Industrial Estate	32.49989	36.02071	br114@hbtff.com.jo
Rabiyah	3744	Amman, Rabiyah, Mahmoud Al Tahir St. , Building No. 7	31.97616	35.88479	br115@hbtff.com.jo
Abdullah Ghosheh	4782	Amman, Abdullah Ghosheh St., Al Husini Complex, Building No. 55	31.96666	35.85522	br117@hbtff.com.jo
Central Market	4793	Amman, Near Central Vegetable Market	31.86427	35.95792	br119@hbtff.com.jo
Quba Circle	4828	Irbid , King Abdullah II St., Quba Circle	32.54566	35.85664	br120@hbtff.com.jo
Zahrán	3765	Amman, Ibin Khaldon St., (Al Khaldi Hospital) Building No. 54	31.95226	35.90151	br121@hbtff.com.jo
Madina Munawarah	4908	Amman, Tla'Al Ali, Madina Munawarah St. , Building No. 194	31.98745	35.86693	br122@hbtff.com.jo
City Mall	4041	Amman, City Mall, Banks floor	31.98061	35.83666	br123@hbtff.com.jo
Medical City St.	4846	King Abdullah II St., Near Khalda Circle, Building No. 185	31.99716	35.83093	br124@hbtff.com.jo

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

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Free Zone / Zarqa	4839	Zarqa, Free Zone	32.08969	36.21489	br127@hbtff.com.jo
Housing Bank Park / Abdoun	4115	Amman, Sa'ad Abdo Shamout St., Near Abdoun Mall	31.94104	35.88410	br128@hbtff.com.jo
New Zarqa	4918	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.08550	36.08674	br129@hbtff.com.jo
Al-Yasmeen District	4954	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.91937	35.89410	br131@hbtff.com.jo
Mecca St.	4958	Amman, Mecca St., Al Hussein Complex, Building No. 141	31.97540	35.86042	br132@hbtff.com.jo
Al Salt Gate	4989	Salt City Gate – Dabbabneh Traffic Lights opposite Salt Shari'a Court	32.05742	35.74710	br133@hbtff.com.jo
Taj Mall	3805	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.94085	35.88788	br134@hbtff.com.jo
Al Jeeza	3811	Jizah , Airport St., Near Provinciality Building	31.70847	35.95087	br135@hbtff.com.jo
30 <sup>th</sup> Street / Irbid	3821	Irbid, Andalus Sub., Rousan Commercial Complex	32.55455	35.86309	br136@hbtff.com.jo
Husseiniya	3854	Ma'an, Husseiniya, Municipality Building	30.59783	35.79884	br137@hbtff.com.jo
Mobile Bus Branch	5542	-	-	-	br139@hbtff.com.jo
Zarqa Highway	3870	Zarqa, Zarqa Highway, Government Buildings Area	32.04483	36.09400	br140@hbtff.com.jo
Private Banking Services	4003	Amman, 5 <sup>th</sup> Circle, Riad Al Meflih St. , Building No. 7	31.95867	35.88867	br145@hbtff.com.jo
Call Center	06 - 5200400	Amman, 9 <sup>th</sup> Sha'ban St.	31.95168	35.92780	br152@hbtff.com.jo

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

Branch	Phone	Address	E-mail
Regional Management/ Palestine	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	Info.pal@hbtf.com.jo
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	Ramallah , Main St., Near Main Circle, P.O. Box 40	br406@hbtf.com.jo
Khan Younis	+ 970 8 2079401	Gaza, 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, Abu Raslan Complex, P.O. Box 4	br411@hbtf.com.jo
Dahriyeh	+ 970 2 2266778	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtf.com.jo
Masyoon	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	br413@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.jo</b>

## International Bank for Trade & Finance/Syria

Bank	Phone	Address
<b>Head Office</b>	<b>+ 963 11 23880000</b>	<b>Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502</b> <b>Web Site: www.ibtf.com.sy</b> <b>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.

## International Bank for Trade & Finance/Syria

Bank	Phone	Address
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.
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

## The Housing Bank for Trade & Finance/Algeria

Bank	Phone	Address	E-mail
<b>Head Office</b>	<b>+ 213 21 918785</b>	<b>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 Mohammed Khemisti St –Dar al Bayda'	Agence-105@housingbankdz.com
Bejaia	+ 213 34 113351	Algeria – Tajz'at Krim Belkacem, Altawniah Alaqaria 45 Maskan, Bgayet	Agence-106@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	Web Site	E-mail
Specialized Leasing Co.	Head Office	Um Uthyna – Sa'ad Ibn Abi Waqas St., Housing Bank Building No. 41, P.O. Box 1174 – Amman 11118	www.slcjo.com	slc@hbtf.com.jo
	Irbid Office	Irbid , King Abdullah II St., Quba Circle		
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	Amman, 9 <sup>th</sup> Sha'iban St.	www.hbtf.com	info@hbtf.com.jo

## Representative Offices

Office	Phone	Address	E-mail
Tripoli/Libya	+218213350610	Tripoli, Tripoli Tower, First Tower, Floor (15), Office (155), P.O. Box 91270	hbtfLibya@hbtf.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@hbtf.com.jo
Baghdad/Iraq	+964 17182027	Baghdad, Al Arsat Al Hindeya St., Area No. 929, St. No. 30, Building No. 108 Babel Sub.	hbtfIraq@hbtf.com.jo





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