

## COMPANY PROFILE

# Housing Bank for Trade and Finance (The)

Amman, Jordan

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### Company Overview

Housing Bank for Trade and Finance (HBTF) is a Jordan-based commercial bank. Through its network of branches and subsidiaries in Jordan and abroad, it provides retail, corporate and institutional banking services to individuals, corporations, government agencies and international financial institutions.

As of 31 December 2014, HBTF was the second-largest bank in Jordan in terms of total assets, with a market share of 15.5%. As of that date, the bank reported unconsolidated assets of JOD7.6 billion (USD10.7 billion).

HBTF was incorporated in 1973 as a public shareholding limited company, mainly to provide housing finance. In 1997, the bank diversified its product portfolio to become a full-service commercial bank. Its shares are listed on the Amman Stock Exchange. As of 31 March 2015, the largest shareholder of HBTF was Qatar National Bank, which owned 34.5% of its total share capital.

Note: Currency converted using exchange rate of JOD–USD1.40651, as of 31 December 2014

Source: *Company Reports (annual report Dec 2014, investor presentation Mar 2015), Company data, Moody's research, [www.oanda.com](http://www.oanda.com)*

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## Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Housing Bank for Trade and Finance (The), please see <[Housing Bank for Trade and Finance \(The\) page on moodys.com](#)>.

### EXHIBIT 1

#### Latest Full-Year Results

#### Housing Bank for Trade and Finance (The)

(in JOD Million)	31-Dec-14	31-Dec-13	31-Dec-12	% Change 14/13	% Change 13/12
JOD/USD, Period end	1.40651	1.40788	1.40944	-	-
Total Assets	7,595	7,227	7,092	5.09	1.91
Total Shareholders' Equity	1,038	1,057	1,047	(1.77)	1.00
Shareholders' Equity excluding Minority Interest	985	972	951	1.34	2.21
Regulatory Capital	825	858	847	(3.81)	1.27
Capital Adequacy Ratio (%)	18.08	18.77	18.87	(69) bps	(10) bps
Net Income	124	107	104	15.89	2.33
Net Income Attributable to Equity Holders	120	100	94	20.50	6.08

Note: All data presented on a consolidated basis

Source: Company Reports (annual report Dec 2014, consolidated financial statements Dec 2013)

## Business Activities

As a commercial bank, HBTF provides individuals, corporations and other financial institutions with retail, corporate and institutional banking services.

As of 31 December 2014, the bank operated through four business segments: Retail Banking, Corporate Banking, Corporate Finance and Treasury. In the financial year ended 31 December 2014 (2014), the largest contributor to the bank's gross income was the Treasury segment.

**Retail Banking:** This segment provides individuals and small businesses with various accounts, including deposit, current, savings, salaries, time deposit and *Mustaqbaly* accounts, as well as debit and credit cards, loans, consumer payment facilities, overdraft facilities and electronic banking services. As of 31 December 2014, it reported assets of JOD3.9 billion (USD5.5 billion), and accounted for 34.5%<sup>1</sup> of the bank's gross income in 2014.

**Corporate Banking:** This segment provides corporate and institutional customers with deposit accounts, project finance, syndicated loans and other financial services. As of 31 December 2014, it reported assets of JOD2.3 billion (USD3.2 billion), and accounted for 30.0% of the bank's gross income in 2014.

**Corporate Finance:** This segment provides structured loans and other services related to privatisations, initial public offerings, and mergers and acquisitions. As of 31 December 2014, it reported assets of JOD60.7 million (USD85.3 million), and accounted for 1.0% of the bank's gross income in 2014.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

<sup>1</sup> Throughout this section, such percentages are calculated excluding Others and Eliminations.

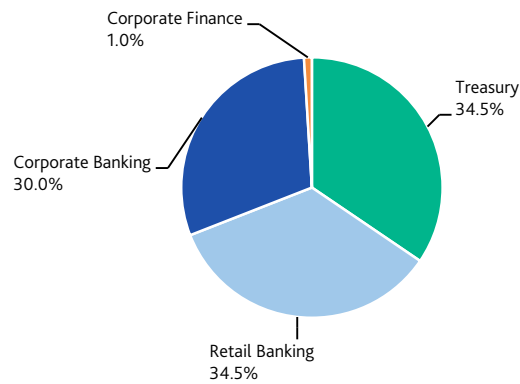
**Treasury:** This segment provides trading and treasury services, including spot foreign currency and precious metals trading, forward contracts trading, portfolio and futures management services, custody facilities, and brokerage services for various investment securities in local and major international financial markets. It also manages the bank's funds in money and capital markets. As of 31 December 2014, it reported assets of JOD4.2 billion (USD6.0 billion) and accounted for 34.5% of the bank's gross income in 2014.

Note: Currency converted using exchange rate of JOD–USD1.40651, as of 31 Dec 2014  
 Source: Company Report (annual report Dec 2014), Company data, [www.oanda.com](http://www.oanda.com)

EXHIBIT 2

**Business Segment**

(% of Gross Income, consolidated, for 2014)

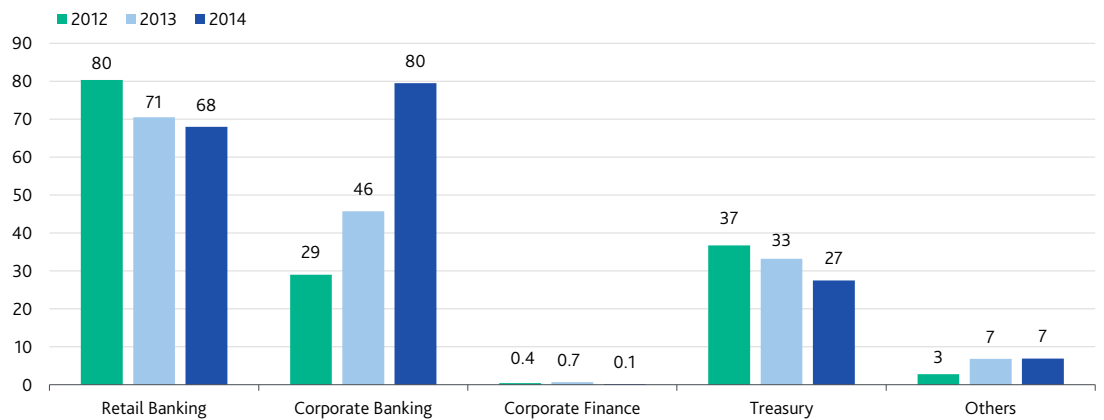


Note: Excluding Others and Eliminations  
 Source: Company Report (annual report Dec 2014, Pg: 95)

EXHIBIT 3

**Profit by Business Segment**

(consolidated, in JOD Million)



Source: Company Reports (annual report Dec 2014, Pg: 95, Dec 2013, Pg: 53 and Dec 2012, Pg: 16)

## Distribution Capacity and Market Share

As of 31 March 2015, HBTF provided its services through a network of 124 branches and 212 ATMs in Jordan. Internationally, the bank operated through branches in Bahrain (one) and Palestine (13). Through its subsidiaries, it also operates in Algeria (six branches), Syria (30) and the UK (one). As of 31 March 2015, it had three representative offices – in Iraq, Libya and the UAE.

The bank also distributes its products through alternative distribution channels, including telephone, mobile and internet banking, and call centres.

The geographical breakdown of HBTF's gross income was as follows:

EXHIBIT 4

### Housing Bank for Trade and Finance (The)

Geographical Region	Gross Income (%)	
	2014	2013
Jordan	80.6	75.5
Overseas	19.4	24.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As of 31 December 2014, HBTF was the second-largest bank in Jordan in terms of total assets, with a market share of 15.5%. Its market shares in terms of total deposits, credit facilities and assets were as follows:

EXHIBIT 5

### Market Shares – Housing Bank for Trade and Finance (The)

Market Share (%)	31-Mar-15	31-Dec-14	31-Dec-13
Total deposits	16.0	15.3	15.8
Total credit facilities	12.5	11.3	11.6
Total assets	15.2	15.5	14.8

Source: Company Reports (annual report Dec 2014, investor presentation Q1 Mar 2015), Company data

## Ownership and Structure

As of 31 December 2014, HBTF reported 252 million ordinary shares outstanding. As of 31 March 2015, its largest shareholder was Qatar National Bank, which held 34.5% of its total share capital. HBTF's shares are listed on the Amman Stock Exchange (formerly part of the Amman Financial Market), which is regulated by the Jordan Securities Commission.

Source: Company Reports (annual report Dec 2014, investor presentation Q1 Mar 2015), [www.jsc.gov.jo](http://www.jsc.gov.jo)

## Ownership Structure

As of 31 March 2015, HBTF's major shareholders were as follows:

EXHIBIT 6

### Housing Bank for Trade and Finance (The)

Shareholder	% Held
Qatar National Bank	34.48
Kuwait Real Estate Investment Consortium	18.61
Libyan Foreign Bank	16.18
Social Security Corporation/Jordan	15.39

Source: Company Report (investor presentation Q1 Mar 2015)

## Subsidiaries

As of 31 December 2014, HBTF's subsidiaries were as follows:

EXHIBIT 7

### Housing Bank for Trade and Finance (The)

Subsidiary	Country	% Held
International Bank for Trade and Finance	Syria	49.1
The Housing Bank for Trade and Finance	Algeria	85.0
Bank of Jordan International	UK	75.0
International Financial Center Company	Jordan	77.5
Specialized Lease Finance Company	Jordan	100.0
Jordan Real Estate Investments Company	Jordan	100.0

Source: Company Report (annual report Dec 2014)

## Company Management

Management Board	Current Title	Age
Omar Zuheir Malhas	HBTF: Chief Executive Officer	55
Osama Jameel Al Haj Yahya	HBTF: Chief Operating Officer	51
Adel Ibrahim Asaad	HBTF: Chief Risk Officer	48
Khaled Mahmoud Al-Thahabi	HBTF: Chief Financial Officer	51

As of 26 May 2015

Board of Directors	Affiliation	Age
Dr. Michel Issa Marto	HBTF: Chairman of the Board	74
SHK. Ali Jassim M. J. Al-Thani	HBTF: Vice Chairman of the Board	54
Abdulla Mubarak N. AlKhalifa	HBTF: Member of the Board (Representative of Qatar National Bank)	41
Yousef Mahmoud H. N. Al-Neama	HBTF: Member of the Board (Representative of Qatar National Bank)	50
Ali Rashid A.S. Al-Mohannadi	HBTF: Member of the Board (Representative of Qatar National Bank)	42

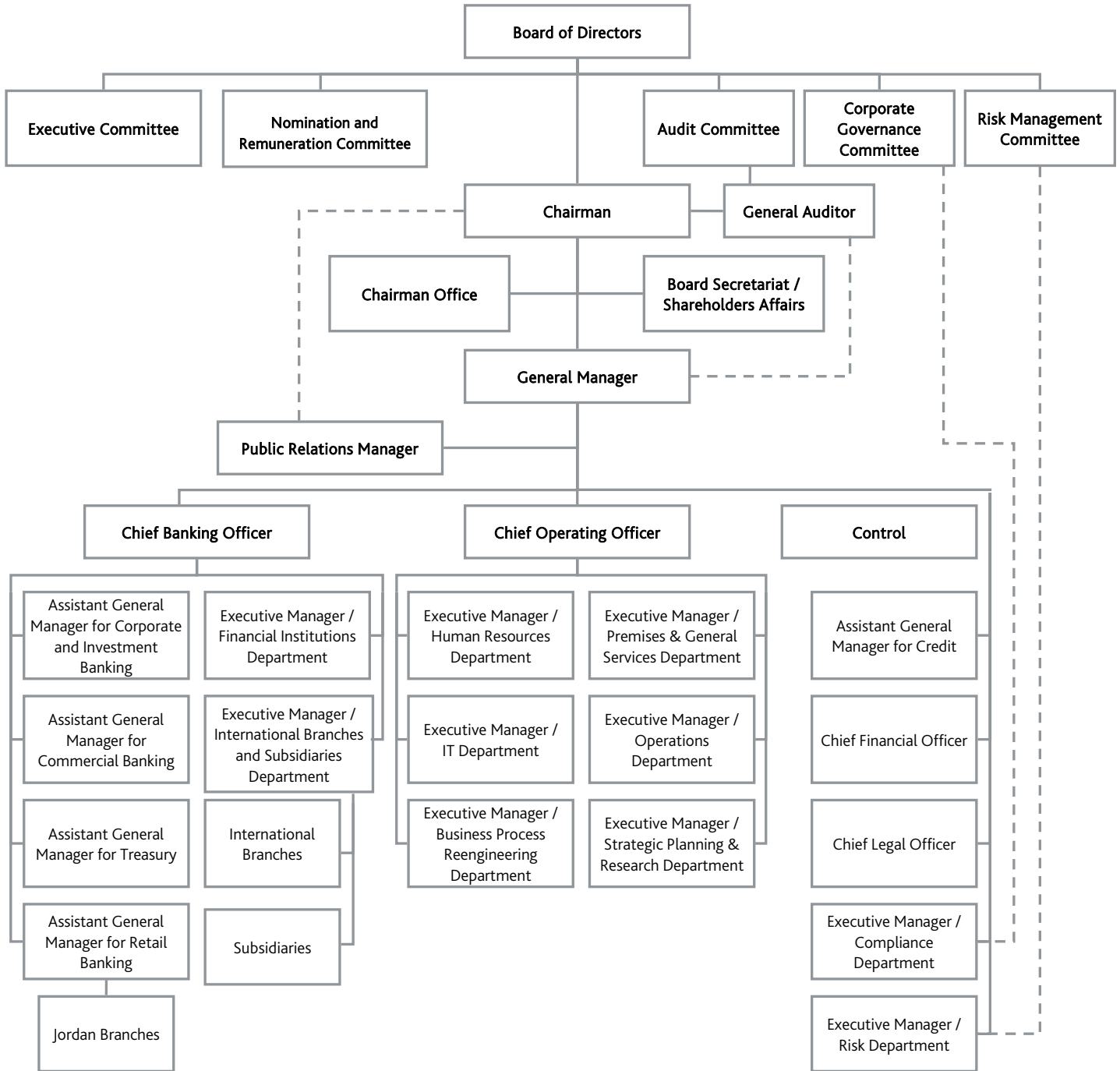
Board of Directors	Affiliation	Age
Ramzi T. A. Mari	HBTF: Member of the Board (Representative of Qatar National Bank)	49
Sami H. M. H. Al-Anbaee	HBTF: Member of the Board (Representative of Kuwait Real Estate Investment Consortium)	58
Humoud J. M. F. Alfalah	HBTF: Member of the Board (Representative of Kuwait Real Estate Investment Consortium)	53
Mohamed M.A. Ben Yousef	HBTF: Member of the Board (Representative of Libyan Foreign Bank)	54
Ismail Abdalla Ali Elmesallati	HBTF: Member of the Board (Representative of Libyan Foreign Bank)	59
Jehad Ali Ahmad Al Share	HBTF: Member of the Board (Representative of Social Security Corporation-Jordan)	57
Fadi Khalid Mufleh Al Alawneh	HBTF: Member of the Board (Representative of Social Security Corporation-Jordan)	39
Ahmed Said Mohammad Al Mahrezi	HBTF: Member of the Board (Representative of Ministry of Finance / Sultanate of Oman)	53

As of 26 May 2015

Source: Company Report (annual report Dec 2014), Company data

EXHIBIT 8

Organisational Structure as of 31 December 2014



Source: Company Report (annual report Dec 2014)

## Company History

HBTF was incorporated in 1973 as a public shareholding limited company, mainly to provide housing finance. In 1997, the bank diversified its product and service portfolio to become a full-service commercial bank.

*Source: Company data, Moody's research*

## Peer Group

- » Arab Bank PLC
- » Cairo Amman Bank

## Related Websites and Information Sources

For additional information, please see:

- » the company's website: [www.hbtf.com](http://www.hbtf.com)
- » the regulator's website: [www.cbj.gov.jo](http://www.cbj.gov.jo)
- » the stock exchange website: [www.ase.com.jo](http://www.ase.com.jo)

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## Moody's Related Research

### Credit Opinion:

- » [Housing Bank for Trade and Finance \(The\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.



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