

**Investor Relations Presentation**  
Housing Bank – September, 2021



[www.hbtf.com](http://www.hbtf.com)

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# HBTF at a Glance

<b>Overview</b>	<ul style="list-style-type: none"> <li>Established in 1974 under a special law mainly to provide housing finance, then progressively began to offer a range of commercial banking services in mid 80s until it became a full fledged commercial bank in 1997.</li> <li>Largest bank in Jordan by Number of Branches, ATMs, JOD Saving Accounts, Debit Cards and Customer Base.</li> <li>Second Largest bank in Jordan by Total Assets, Deposits, Credit Facilities and Credit Cards.</li> <li>The Bank was named in 2011, 2013 &amp; 2015 "<b>Bank of the Year</b>" in Jordan by "<b>THE BANKER</b>" magazine.</li> </ul>
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<b>Credit Rating</b>	<table border="1"> <tr> <td></td> <td style="color: #C00000;">Moody's (Foreign Currency)</td> <td style="color: #C00000;">Moody's (Local Currency)</td> <td style="color: #C00000;">Capital Intelligence</td> </tr> <tr> <td style="color: #C00000;">LT</td> <td>B1</td> <td>B1</td> <td>B+</td> </tr> <tr> <td style="color: #C00000;">ST</td> <td>NP</td> <td>NP</td> <td>B</td> </tr> <tr> <td style="color: #C00000;">Outlook</td> <td>Stable</td> <td>Stable</td> <td>Stable</td> </tr> </table>		Moody's (Foreign Currency)	Moody's (Local Currency)	Capital Intelligence	LT	B1	B1	B+	ST	NP	NP	B	Outlook	Stable	Stable	Stable
	Moody's (Foreign Currency)	Moody's (Local Currency)	Capital Intelligence														
LT	B1	B1	B+														
ST	NP	NP	B														
Outlook	Stable	Stable	Stable														

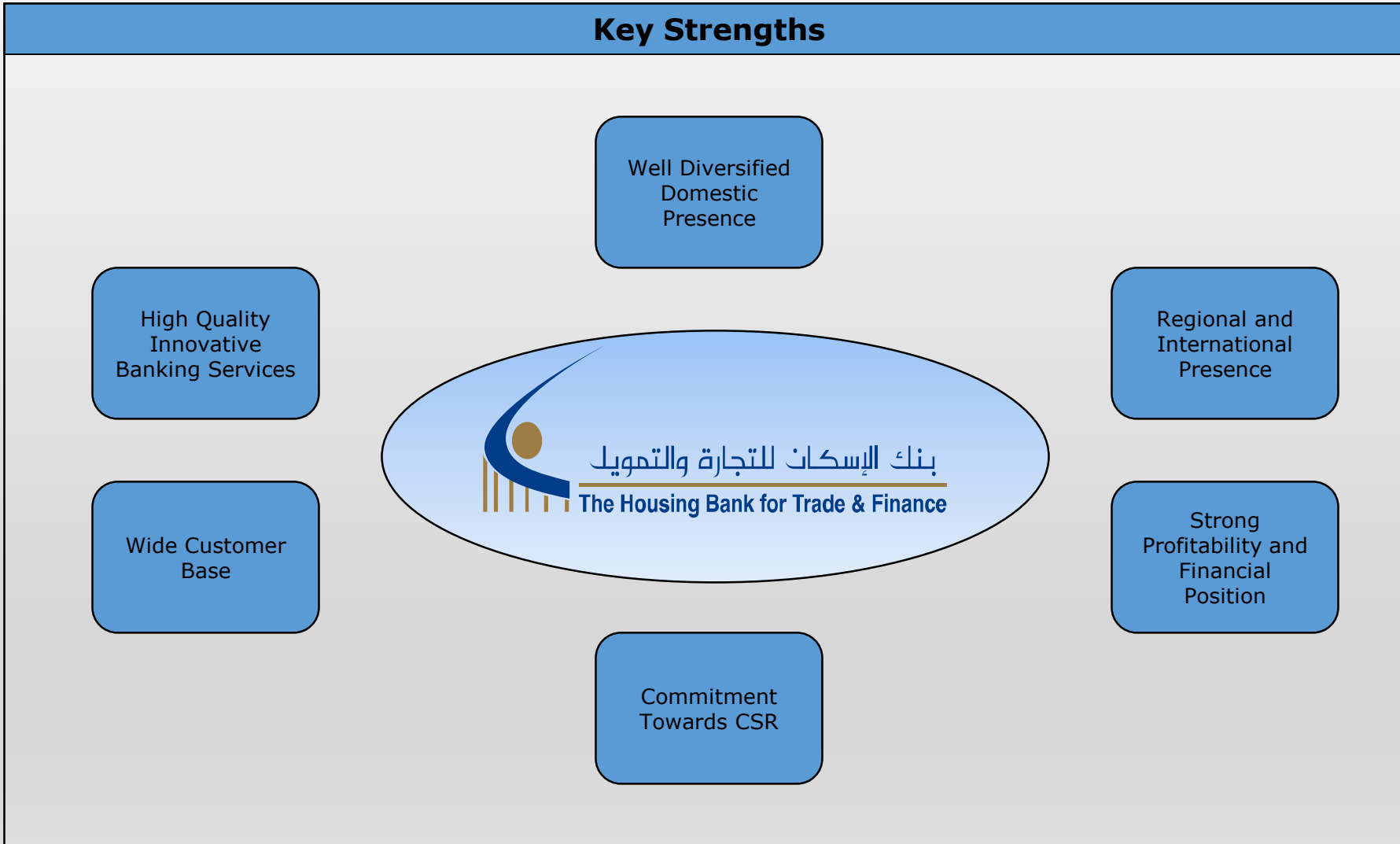
<b>Presence</b>	<ul style="list-style-type: none"> <li>HBTF and its subsidiaries operate in 9 countries in the MENA region as well as in Europe.</li> </ul>
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<b>Stock Parameters (Sep 2021)</b>	<ul style="list-style-type: none"> <li>Listed on Amman Stock Exchange (ASE)</li> <li>Free Float <math>\approx</math> 5.29%</li> <li>Market Cap. of USD 1.67 bn (2<sup>nd</sup> in ASE).</li> <li>Share Price of USD 5.30 per share.</li> <li>Price to Book 1.05x</li> <li>Price to Earnings 11.67x</li> </ul>
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<b>Main Shareholders</b>	
<b>Qatar National Bank</b>	<b>38.57%</b>
<b>Kuwait Investment Authority</b>	<b>18.61%</b>
<b>Libyan Foreign Bank</b>	<b>17.24%</b>
<b>Social Security Corporation/Jordan</b>	<b>15.42%</b>

<b>Sep 2021 Financials (USD millions)</b>			
	<b>Sep 2021</b>	<b>Dec 2020</b>	<b>CAGR (2017-2020)</b>
Total Deposits	8,563	8,807	-0.66%
Total Assets	11,511	11,715	0.67%
Credit Facilities	6,655	6,564	1.21%
Coverage Ratio	172.8%	132.6%	-
NPL Ratio (Net)	5.8%	7.2%	-
Net Interest Margin	3.7%	3.8%	-
	<b>Sep 2021</b>	<b>Sep 2020</b>	<b>CAGR (2017-2020)</b>
Operating Income	376.7	385.0	3.77%
Net Profit (After Tax)	112.6	53.7	-30.24%

# HBTF at a Glance (continued)



# HBTF's Regional and International Footprint

## Europe



**United Kingdom:** 1 Branch  
(75% Stake in Jordan International Bank)

## North Africa



**Libya:** Representative Office



**Algeria:** 7 Branches  
(85% Stake in Housing Bank for Trade & Finance - Algeria)



## Middle East

**Jordan:** 115 Branches



**Palestine:** 15 Branches



**Bahrain:** 1 Branch



**UAE:** Representative Office



**Iraq:** Representative Office



**Syria:** 31 Branches  
(49.1% Stake in International Bank for Trade & Finance)



# Financial Highlights

(as at 30 Sep 2021)



**Growth vs. Dec 2020**  
(unless stated otherwise)

**Profit**

- USD 112.6 million Net Profit (After Tax) + 109.56% (YoY)

• Net Interest Margin (NIM):	3.67%
• Cost to Income (Efficiency) Ratio:	43.88%
• Earnings per Share (EPS): (Attributable to Shareholders)	USD 0.45 (annualized)

**Assets**

- USD 11.51 billion Assets - 1.75%
- USD 6.66 billion Loans + 1.39%

• Return on Average Assets (RoA):	1.29%
• NPL Stage III Ratio (Net):	5.76%
• Coverage Ratio:	172.80%

**Funding**

- USD 8.56 billion Deposits - 2.77%

• Loans to Deposits Ratio:	68.16%
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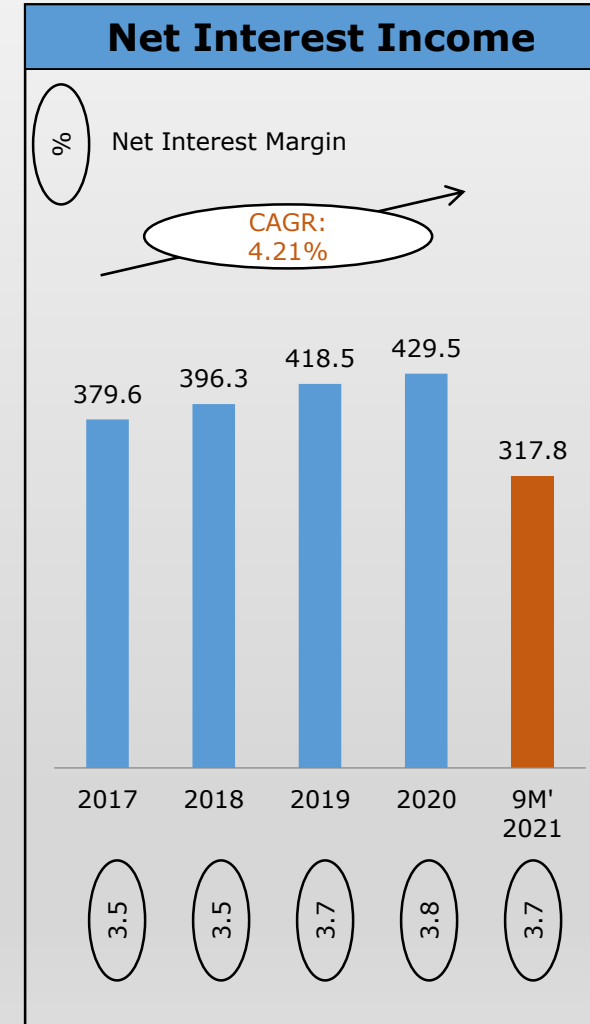
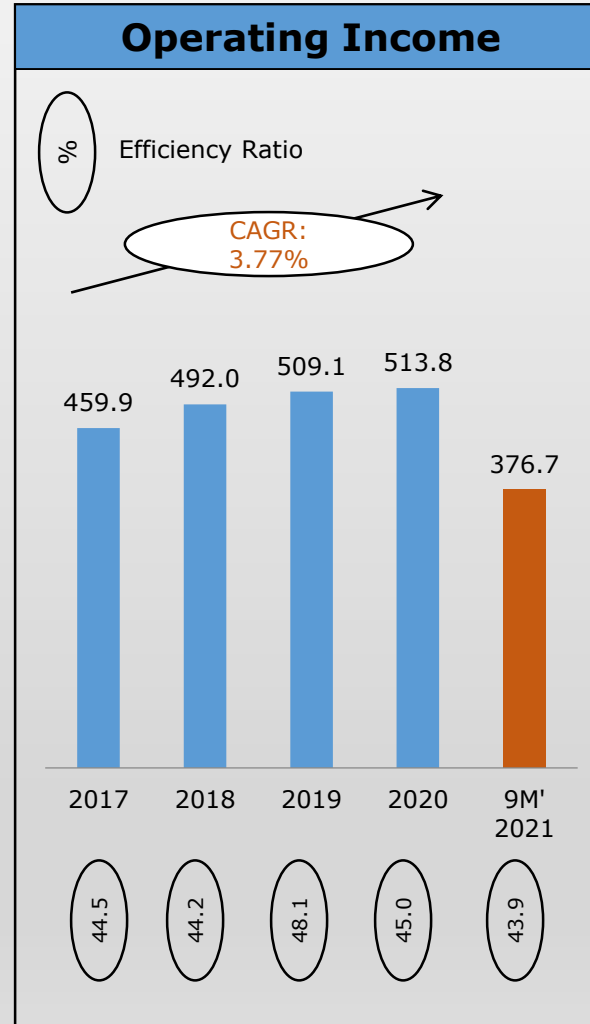
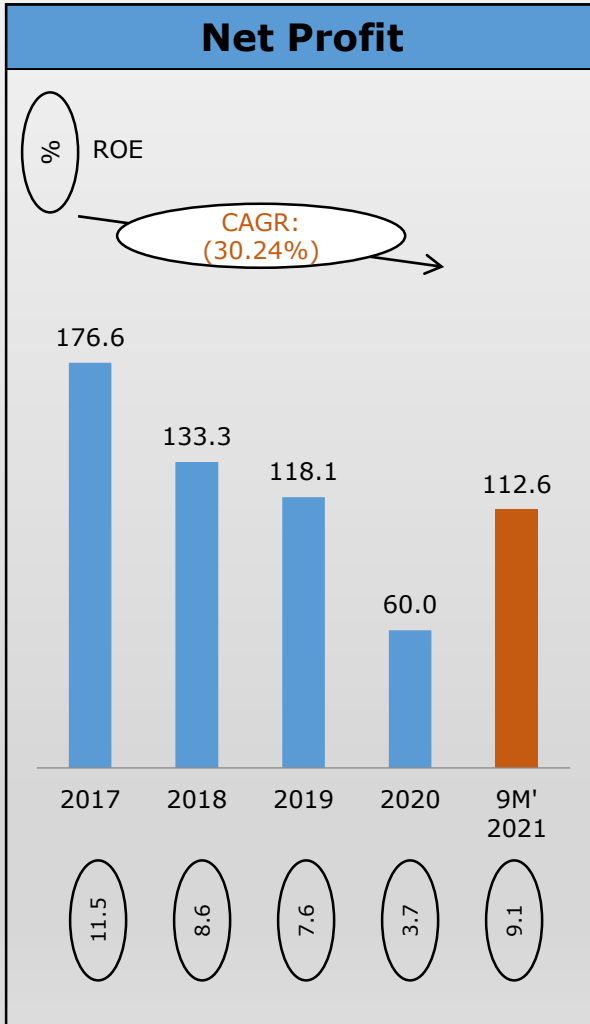
**Equity**

- USD 1.68 billion Equity + 2.51%

• Return on Average Equity (RoAE):	9.05%
• Capital Adequacy Ratio:	17.02%

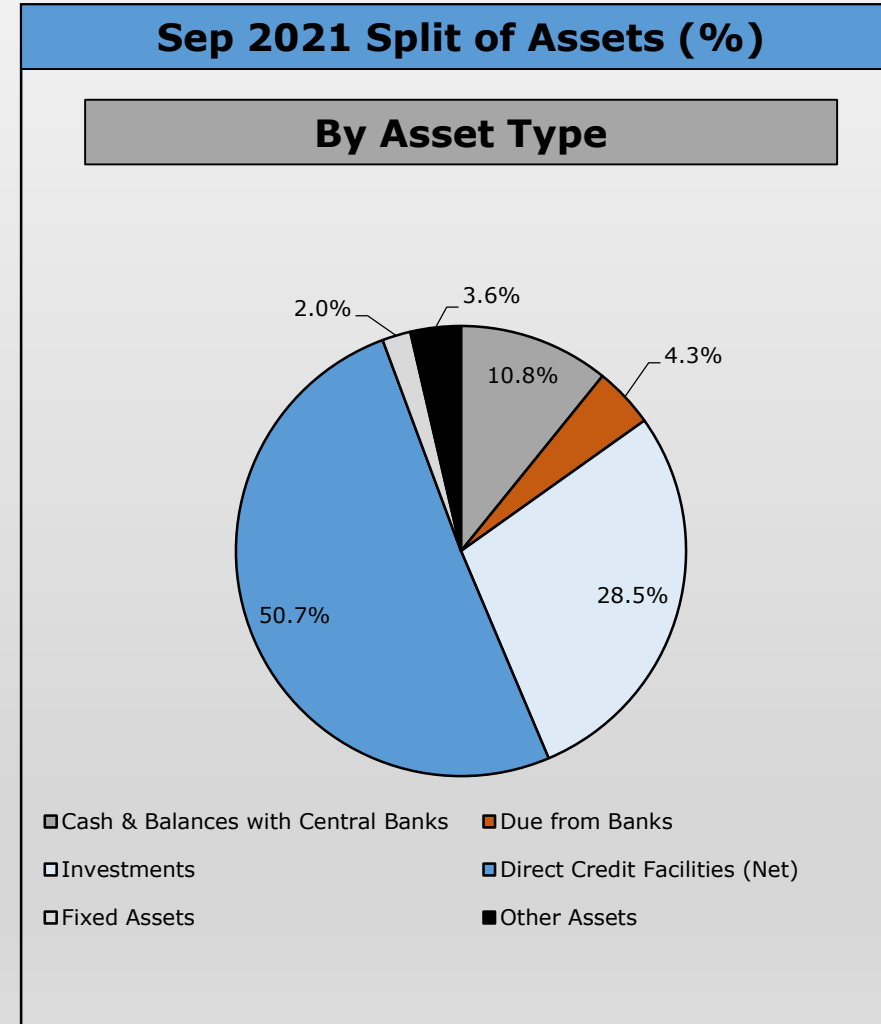
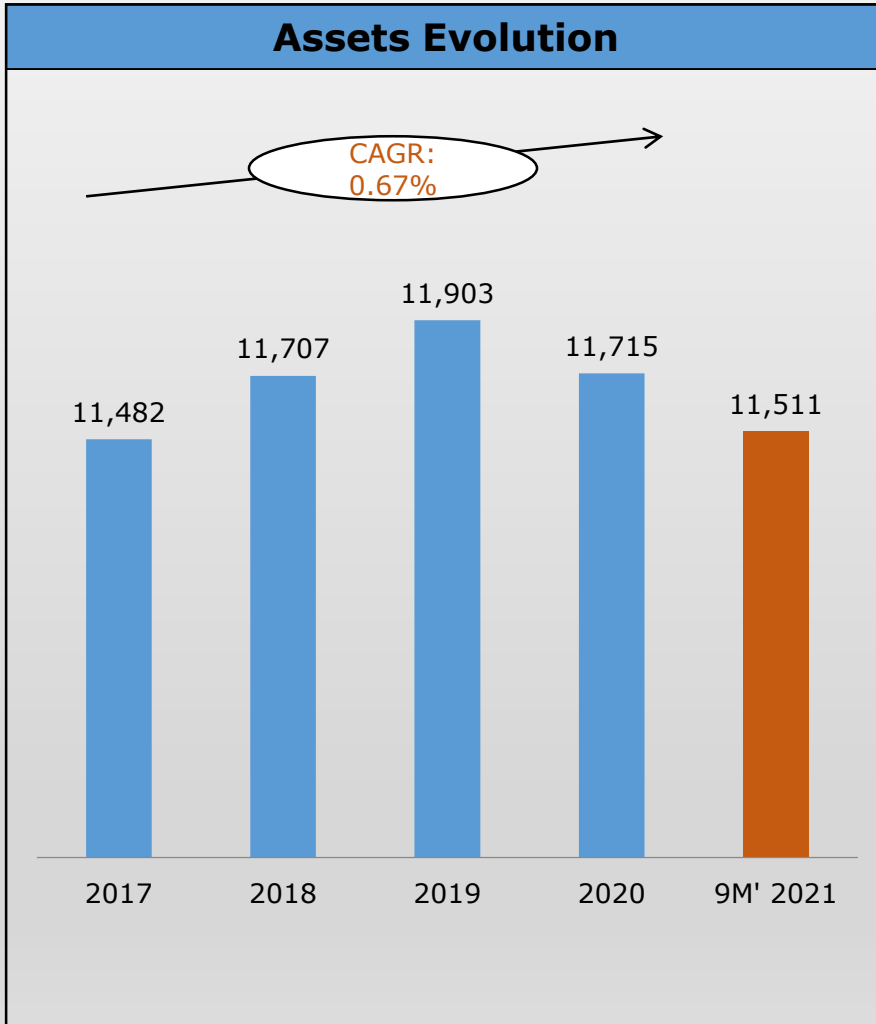
# Income Statement Breakdown

(USD million as at 30 Sep 2021)



# Assets Analysis

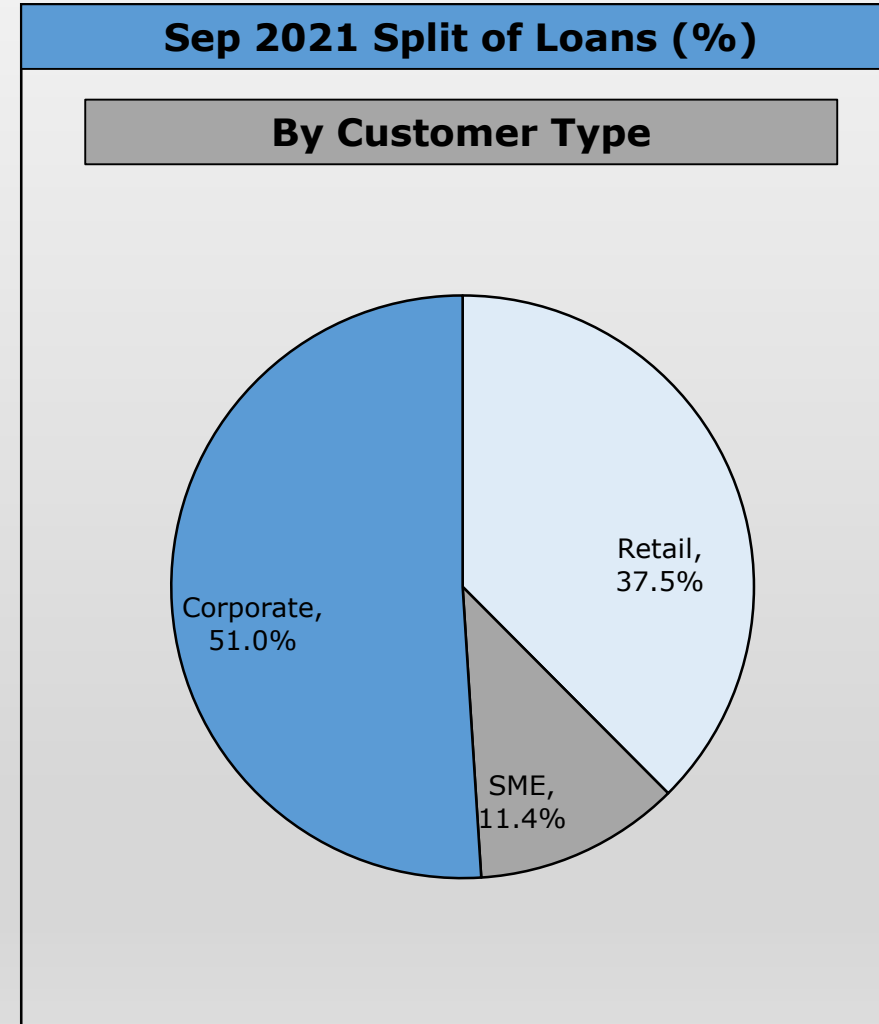
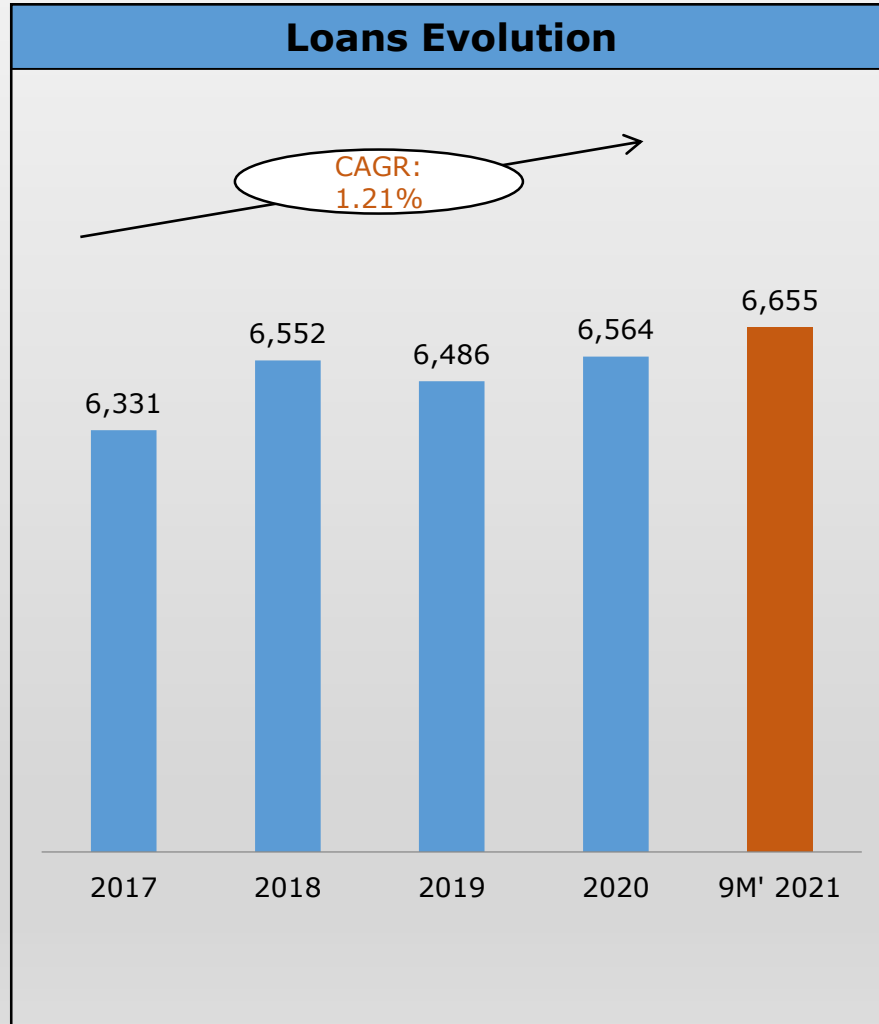
(USD million as at 30 Sep 2021)





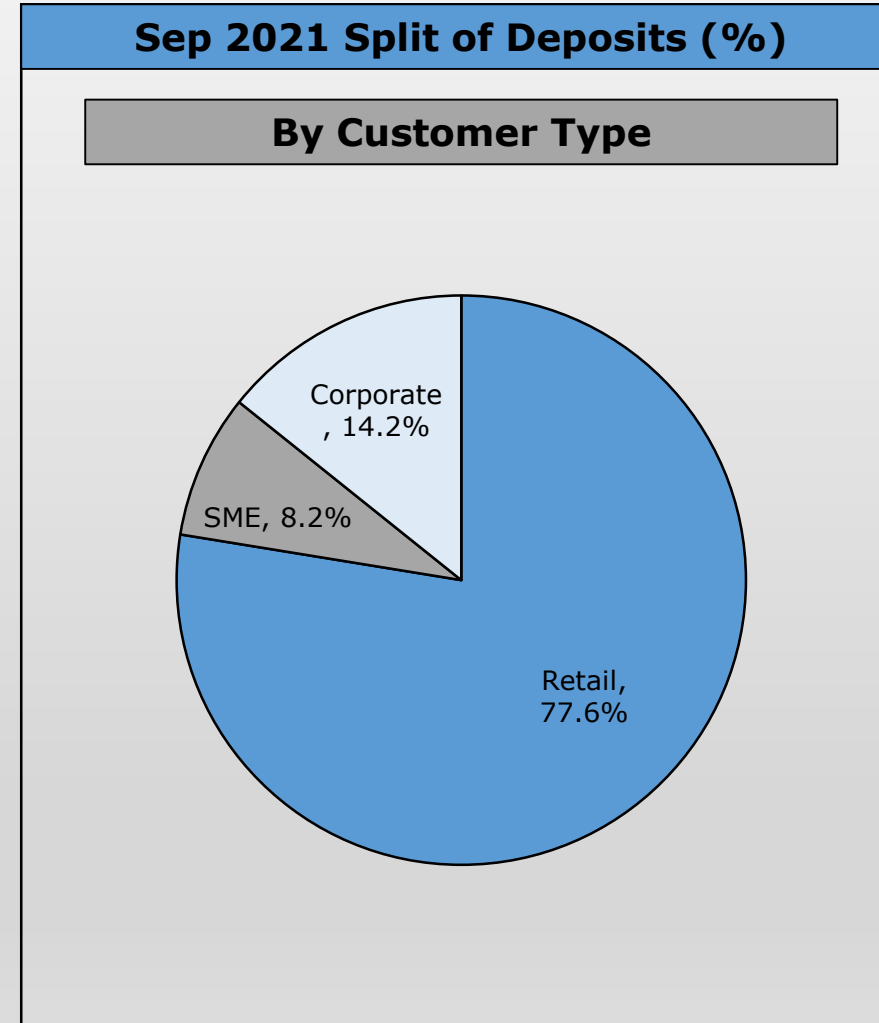
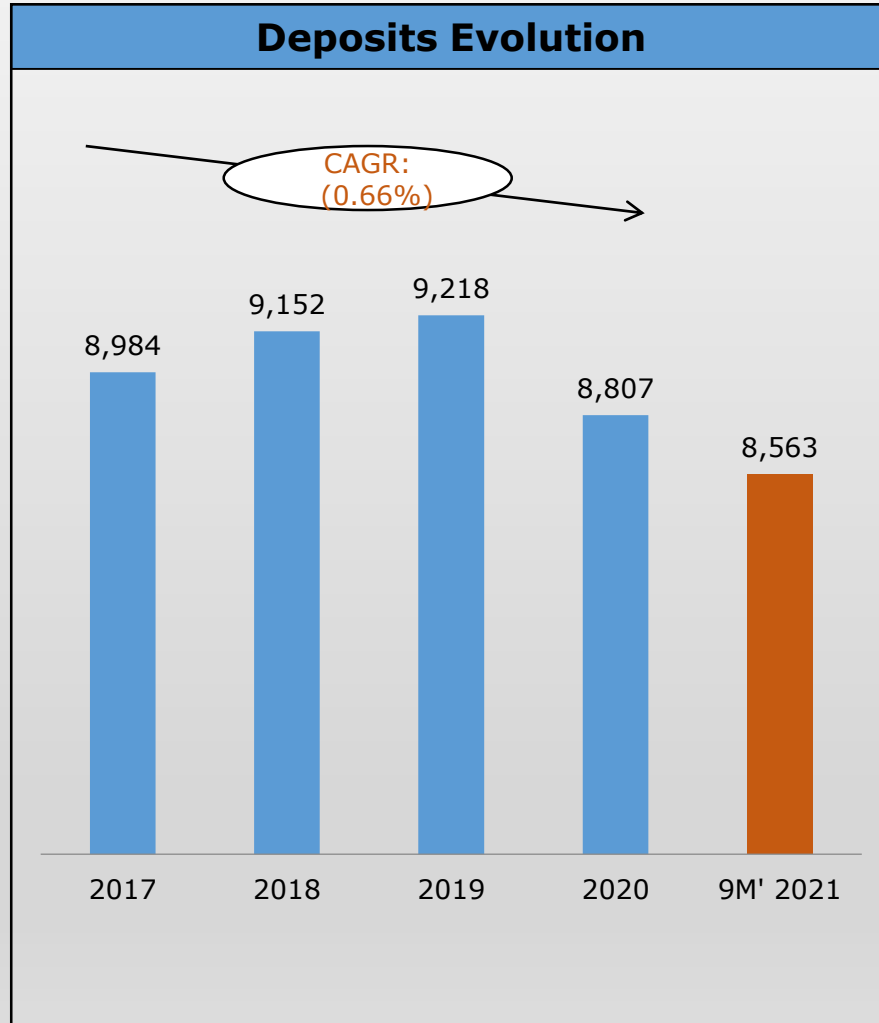
# Loans Analysis

(USD million as at 30 Sep 2021)



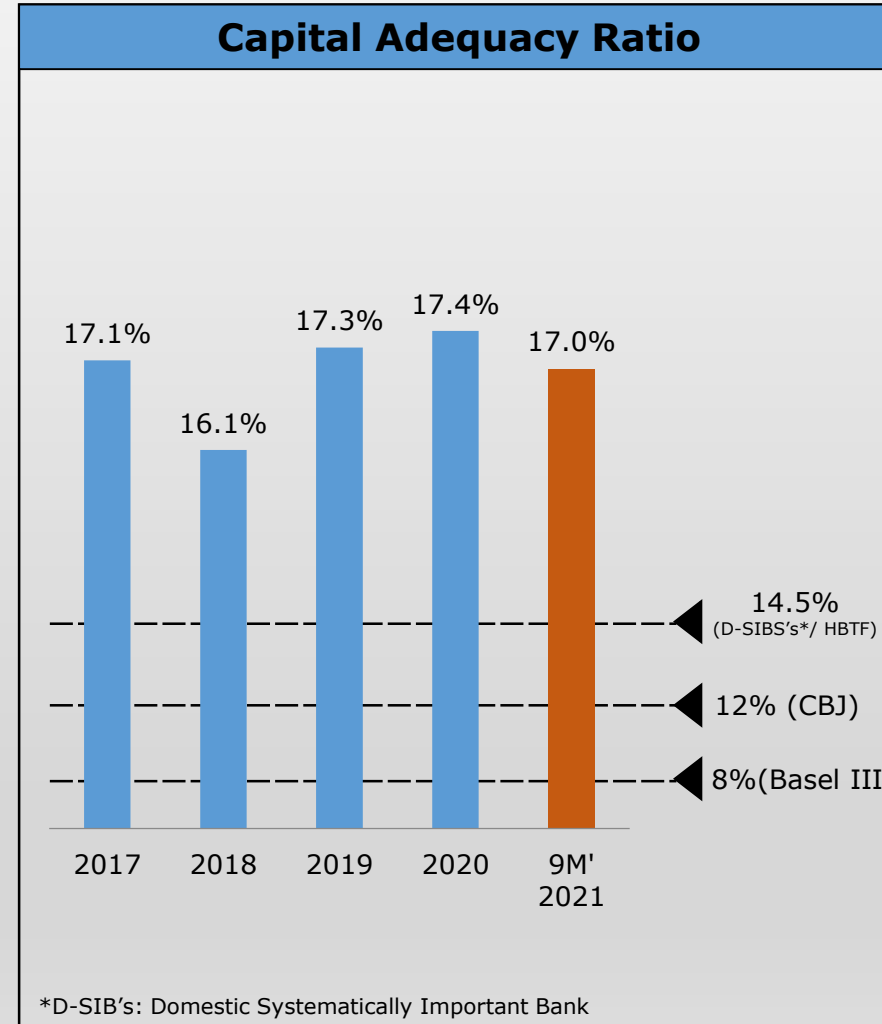
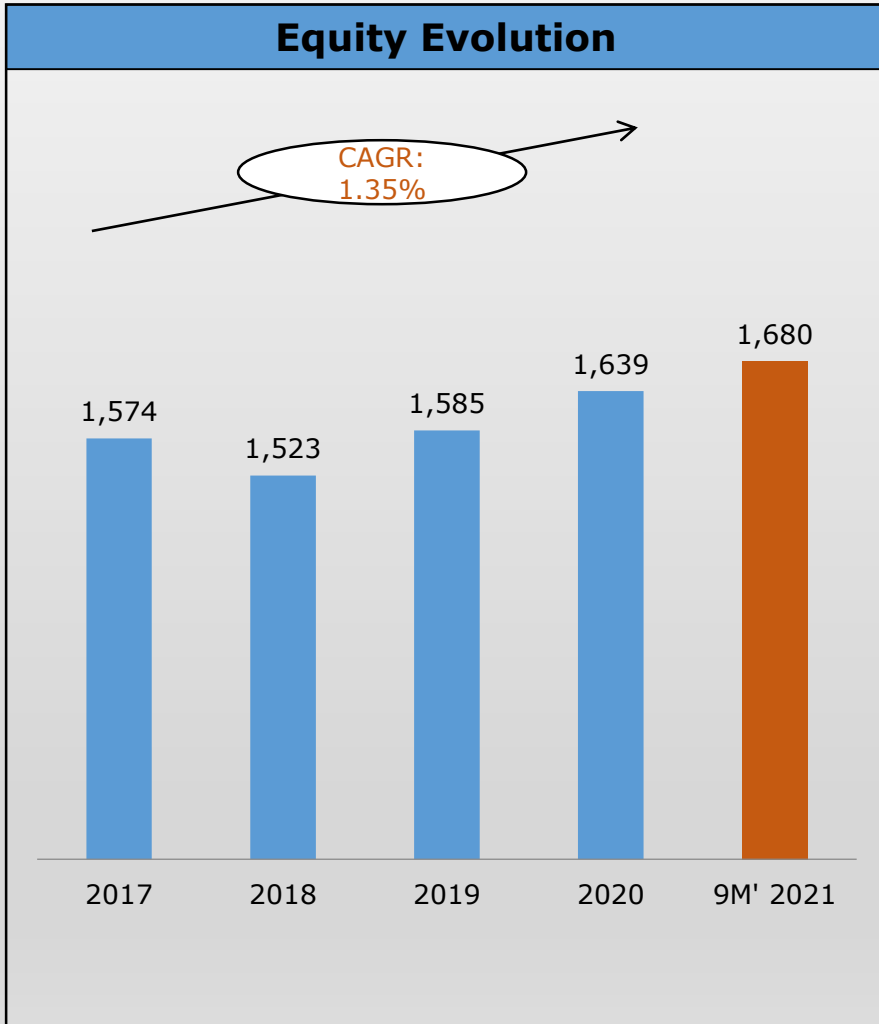
# Funding Analysis

(USD million as at 30 Sep 2021)

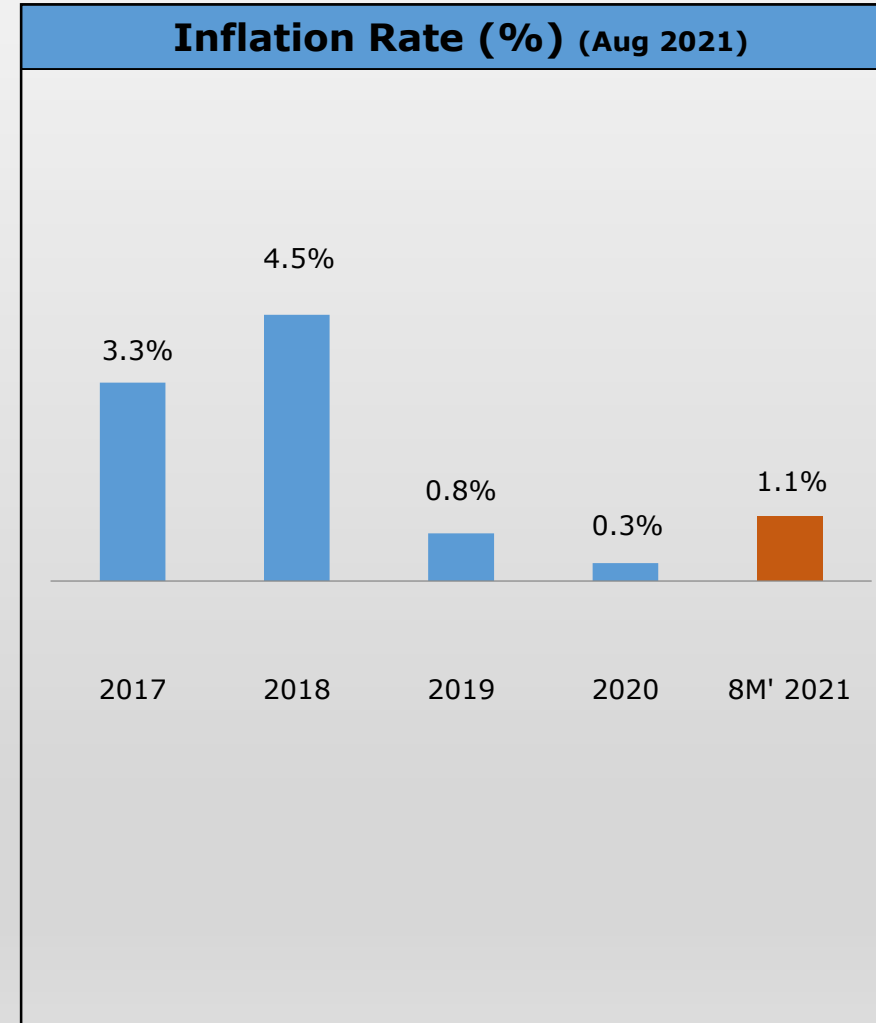
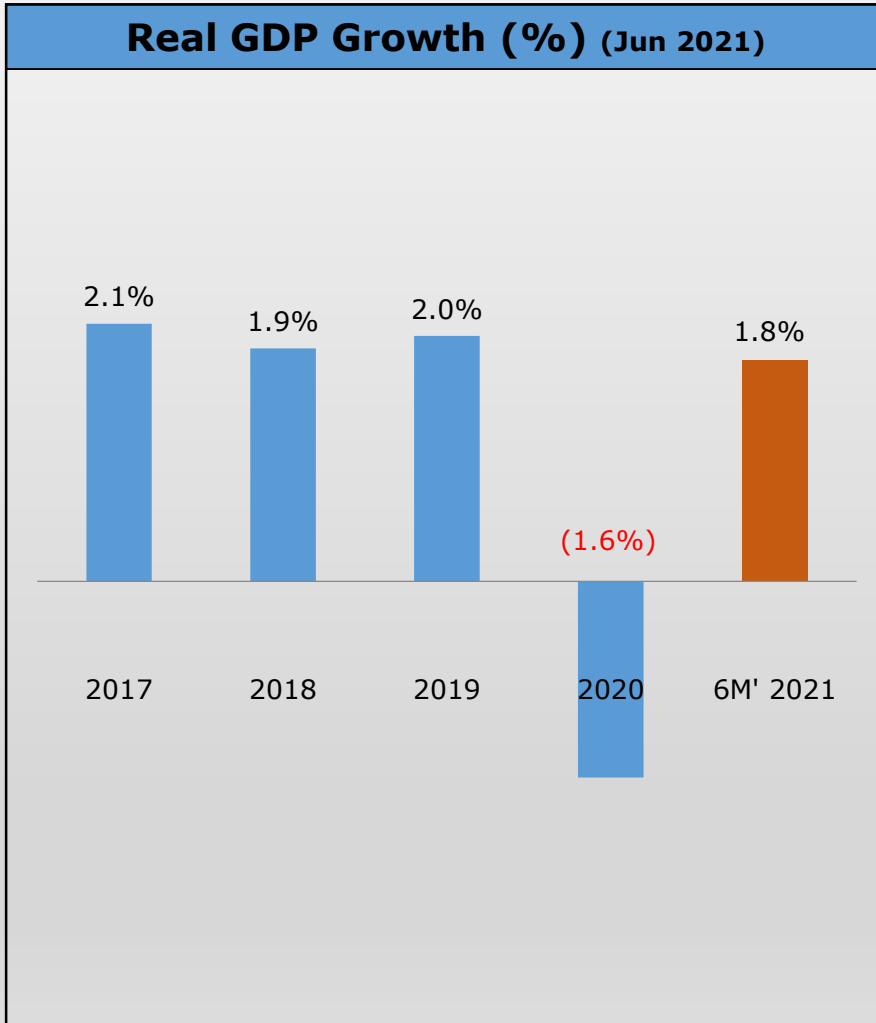


# Capital Analysis

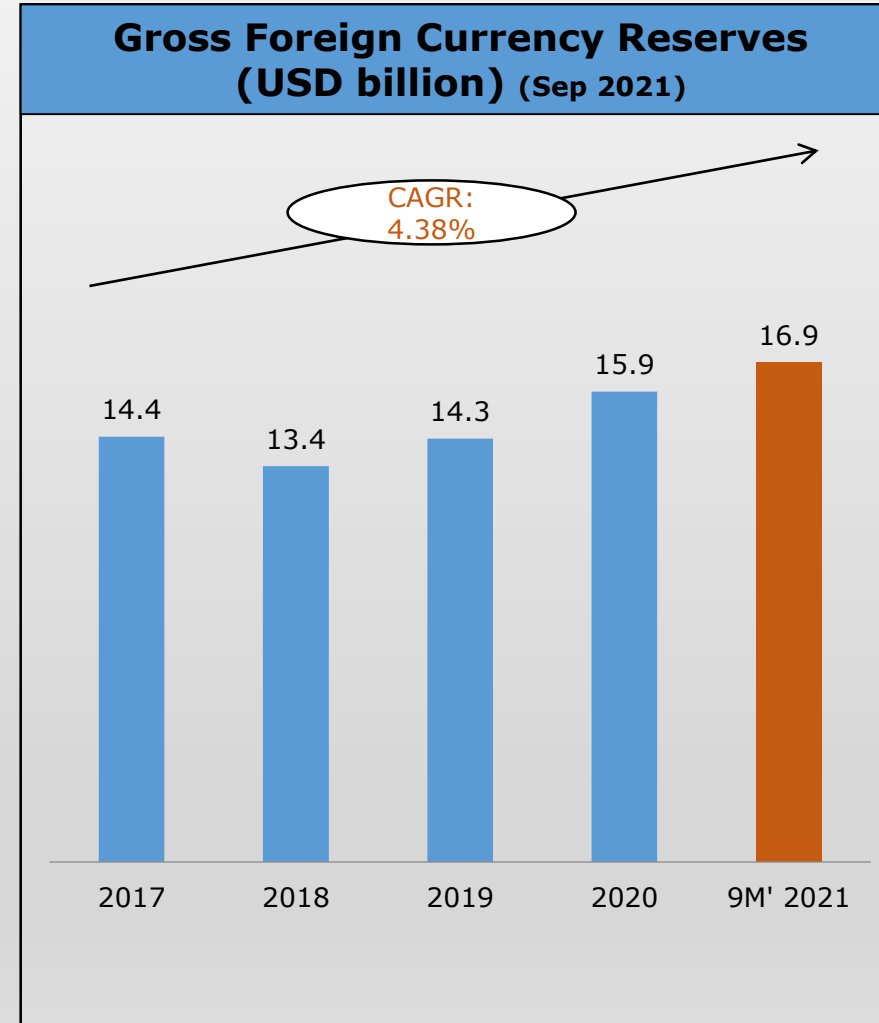
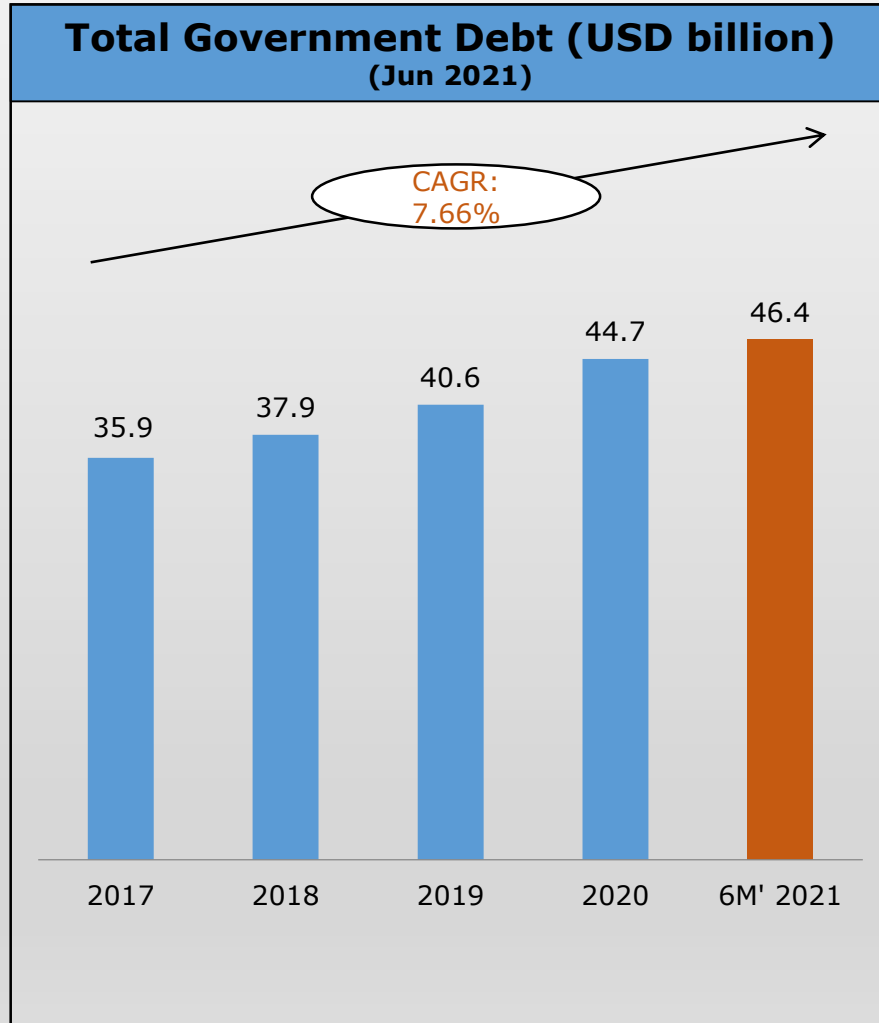
(USD million as at 30 Sep 2021)



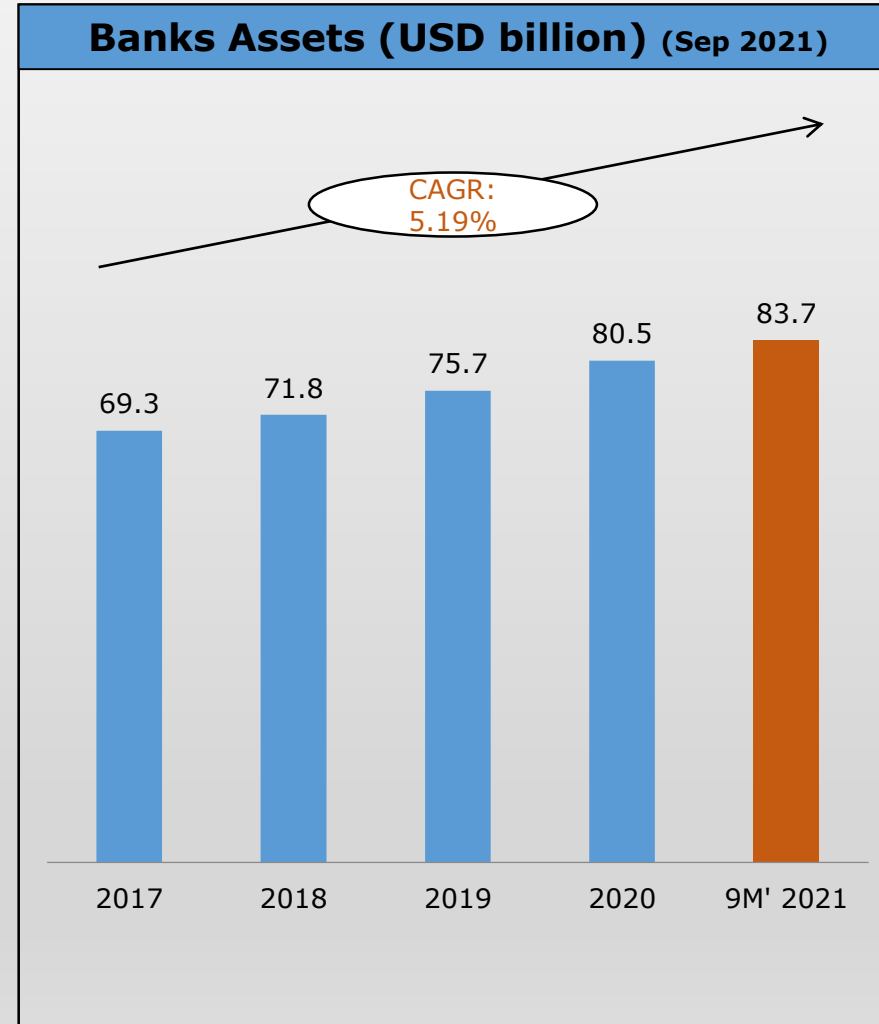
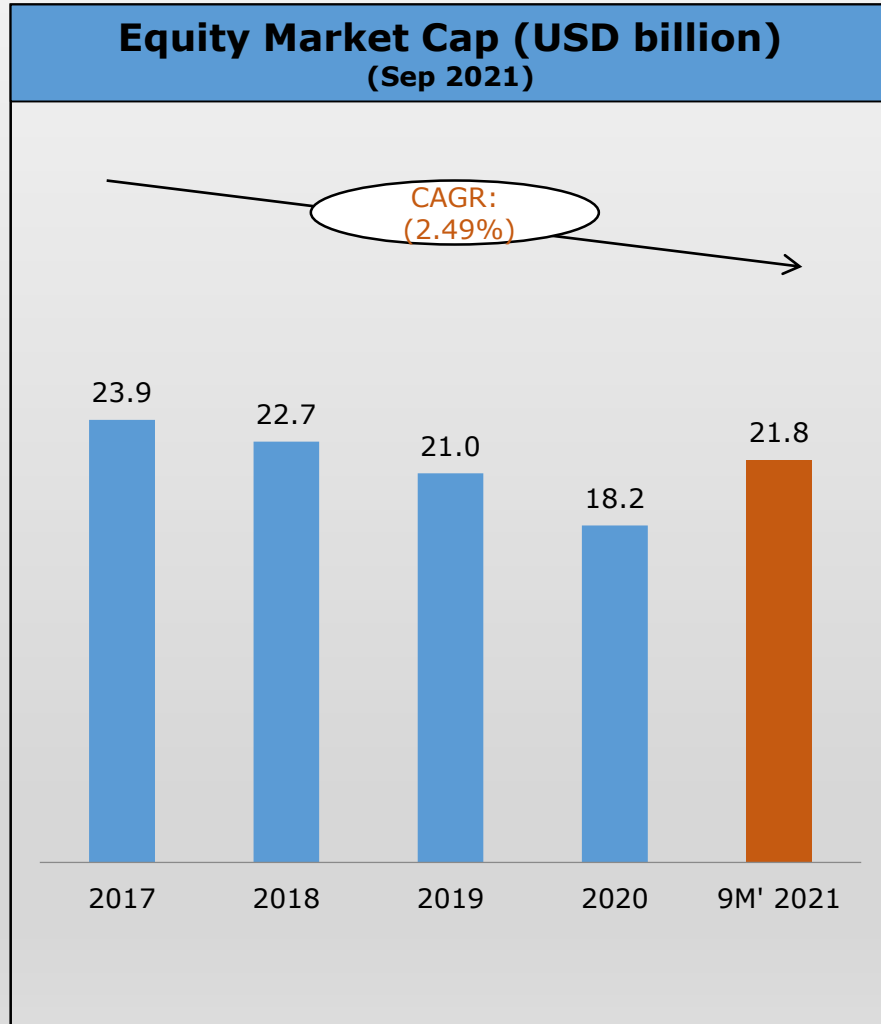
# Jordan Economy - Overview



# Jordan Economy – Overview (continued)



# Jordan Economy – Overview (continued)





## Other Information

Amounts in million USD

Consolidated

	2017	2018	2019	2020	9M' 2021
Gross Credit Portfolio	6,331	6,552	6,486	6,564	6,655
Net Credit Portfolio	5,942	6,002	5,866	5,793	5,836
FCY Credit Portfolio	1,478	1,621	1,688	1,682	1,696
JOD Credit Portfolio	4,463	4,381	4,177	4,111	4,140
Stage 3 loans - Gross (with interest in suspense)	378	428	547	620	531
Stage 3 loans - Net	250	290	398	459	373
Stage 3 Ratio - Gross	6.0%	6.5%	8.4%	9.4%	8.0%
Stage 3 Ratio - Net	4.0%	4.5%	6.3%	7.2%	5.8%
Total Loan Provisions	260	412	471	608	645
Loan Coverage Ratio *	104.1%	142.2%	118.4%	132.6%	172.8%
Cost Income Ratio **	44.5%	44.2%	48.1%	45.0%	43.9%
Non Interest Expenses to Avg Assets	1.8%	1.9%	2.1%	2.0%	1.9%
Net Interest Margin	3.5%	3.5%	3.7%	3.8%	3.7%
Fee Income/Total Revenue	14.1%	16.1%	14.5%	13.0%	15.8%
Total Assets	11,482	11,707	11,903	11,715	11,511
Total Deposits	8,984	9,152	9,218	8,807	8,563
FCY Deposits	2,967	3,452	3,677	3,513	3,446
JOD Deposits	6,017	5,700	5,541	5,294	5,117
Loans/Assets	51.7%	51.3%	49.3%	49.5%	50.7%
Loans/Deposits	66.1%	65.6%	63.6%	65.8%	68.2%
FCY Loans/Deposits ratio	49.8%	47.0%	45.9%	47.9%	49.2%
JOD Loans/Deposits ratio	74.2%	76.9%	75.4%	77.7%	80.9%



## Net Direct Credit Portfolio by Sector

Amounts in million USD

Consolidated

	2017		2018		2019		2020		9M' 2021	
	amount	pct	amount	pct	amount	pct	amount	pct	amount	pct
Financial	180.1	3.0%	207.3	3.5%	180.7	3.1%	238.0	4.1%	242.3	4.2%
Industrial	629.9	10.6%	646.4	10.8%	742.4	12.7%	709.6	12.2%	635.0	10.9%
Trade	667.4	11.2%	778.6	13.0%	651.7	11.1%	642.0	11.1%	595.7	10.2%
Real Estate- Housing Loans	1,131.0	19.0%	1,132.7	18.9%	1,109.0	18.9%	1,105.4	19.1%	1,112.3	19.1%
Real Estate- Commercial Developers	594.2	10.0%	440.1	7.3%	462.0	7.9%	507.8	8.8%	524.7	9.0%
Agriculture	15.5	0.3%	22.1	0.4%	21.6	0.4%	27.2	0.5%	25.0	0.4%
Shares	6.6	0.1%	9.8	0.2%	4.7	0.1%	5.4	0.1%	6.9	0.1%
Consumer	1,051.2	17.7%	1,022.2	17.0%	1,090.4	18.6%	1,146.5	19.8%	1,243.2	21.3%
Public and Governmental	1,189.7	20.0%	1,258.3	21.0%	1,031.0	17.6%	815.0	14.1%	808.9	13.9%
Others	476.0	8.0%	484.3	8.1%	572.2	9.8%	596.3	10.3%	642.3	11.0%
<b>Total (Net Credit Portfolio)</b>	<b>5,941.7</b>	<b>100.0%</b>	<b>6,001.9</b>	<b>100%</b>	<b>5,865.8</b>	<b>100%</b>	<b>5,793.3</b>	<b>100%</b>	<b>5,836.4</b>	<b>100%</b>

## Income Statement

Consolidated USD mio

	2017	2018	2019	2020	9M' 2021
Net Interest Income	379.6	396.3	418.5	429.5	317.8
Net commission	31.8	36.5	37.8	30.8	24.1
Net Interest and Commission Income	411.4	432.9	456.3	460.3	341.9
Foreign exchange income	1.1	15.8	14.7	13.3	8.9
Revenue from financial assets at fair value through OCI	-	-	-	0.3	0.2
Revenue from financial assets at fair value through P/L	(0.4)	(0.6)	0.0	3.3	(0.9)
Bank's share of associates' profits	-	-	-	-	-
Other income	47.8	43.7	37.7	36.7	26.5
Gross Income	459.9	492.0	509.1	513.8	376.7
Total Expenses	205.5	217.4	244.9	231.4	142.4
Provisions	0.4	88.4	77.8	172.9	66.6
Net Income before tax	253.9	186.2	186.4	109.5	167.7
Income tax expense	77.3	52.9	68.4	49.6	55.1
'Net Income for the Year	176.6	133.3	118.1	60.0	112.6

## OTHER INCOME

	USD					
	2017	2018	2019	2020	9M' 2021	%
Fees on salary's accounts	4,478,927	4,469,412	4,797,075	4,689,606	3,575,547	13.5%
Credit cards income	9,297,048	9,777,625	10,330,619	6,403,197	3,554,453	13.4%
Safety Deposit Box rental income	851,539	877,460	829,014	815,178	706,038	2.7%
Commissions on returned checks	1,100,598	1,243,054	1,093,412	645,089	459,182	1.7%
Account management fees	7,057,371	7,418,834	8,308,403	14,915,025	7,141,076	27.0%
Net income from recovered loans	4,163,391	3,982,130	36,513	1,039,071	1,450,365	5.5%
Charges on dormant and low-balance accounts	-	-	-	-	-	-
Revenues on broker services	815,498	550,276	342,738	317,759	1,077,745	4.1%
Banking services' fees	2,567,120	2,896,953	1,576,920	1,455,186	1,568,650	5.9%
Revenues on transfers	9,563,592	8,536,891	7,242,937	4,791,312	3,438,406	13.0%
Hedge derivatives ( Gain / loss)	-	-	-	- 2,252,437	1,488,055	5.6%
Others	7,927,494	3,984,419	3,189,157	3,857,670	2,022,781	7.6%
<b>Total</b>	<b>47,822,577</b>	<b>43,737,054</b>	<b>37,746,787</b>	<b>36,676,656</b>	<b>26,482,299</b>	<b>100.0%</b>

### Market Share in Jordan

	2017	2018	2019	2020	9M' 2021
JOD current accounts	9.0%	7.9%	7.9%	7.7%	7.6%
JOD savings accounts	37.2%	36.5%	34.4%	32.5%	30.8%
JOD fixed deposits	11.9%	11.7%	10.5%	8.3%	7.0%
Total client JOD deposits	15.5%	15.0%	13.7%	12.2%	11.1%
FCY client deposits	13.3%	13.3%	13.5%	13.1%	12.1%
Total deposits (all currencies)	15.0%	14.5%	13.7%	12.4%	11.3%
JOD direct credit facilities	14.6%	14.1%	13.2%	12.6%	12.2%
FCY direct credit facilities	10.0%	10.4%	11.8%	12.9%	12.1%
Total credit facilities (all currencies)	14.1%	13.7%	13.0%	12.6%	12.1%
Import LCs	20.4%	22.2%	25.5%	20.5%	25.1%
LGs	10.5%	11.5%	11.0%	10.5%	10.0%
Acceptances	6.6%	10.9%	4.7%	9.9%	8.9%
Total assets	14.6%	14.3%	13.9%	13.2%	12.5%

## Jordan Economy

	2017	2018	2019	2020	6M' 2021
Nominal GDP (USD billion)	41.5	43.0	44.6	43.8	21.1
Nominal GDP growth	3.8%	3.7%	3.7%	-1.8%	2.6%
Real GDP growth	2.1%	1.9%	2.0%	(1.6%)	1.8%

	2017	2018	2019	2020	8M' 2021
Inflation Rate	3.3%	4.5%	0.8%	0.3%	1.1%

	2017	2018	2019	2020	6M' 2021
Net Domestic Government Debt (USD billion)	19.1	20.9	23.2	24.8	26.0
External Government Debt (USD billion)	16.7	17.0	17.4	19.9	20.5
Total Government Debt (USD billion)	35.9	37.9	40.6	44.7	46.4
Total Government Debt to GDP	86.5%	88.2%	91.1%	102.2%	n.a
Govt Budget Deficit- Including Grants (USD billion)	(1.1)	(1.0)	(1.5)	(3.1)	(1.2)
Budget Deficit to GDP	(2.5%)	(2.4%)	(3.3%)	(7.0%)	n.a

	2017	2018	2019	2020	9M' 2021
Banks assets (USD billion)	69.3	71.8	75.7	80.5	83.7
Deposits with banks (USD billion)	46.8	47.7	49.8	51.9	54.2
Private Sector Credit (USD billion)	32.8	34.8	36.3	38.3	39.9
Equity Market Cap (USD billion)	23.9	22.7	21.0	18.2	21.8
Gross Foreign Reserves (USD billion) (Including Gold & SDRs)	14.4	13.4	14.3	15.9	16.9

