

Investor Relations Presentation

Housing Bank – March, 2023



www.hbtf.com

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HBTF at a Glance

Overview	<ul style="list-style-type: none"> 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. Largest bank in Jordan by Number of Branches, ATMs, JOD Saving Accounts, Debit Cards and Customer Base. Second Largest bank in Jordan by Total Assets, Deposits, Credit Facilities and Credit Cards. The Bank was awarded "Best Jordanian Bank" for the year 2021.
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Credit Rating	<table border="1"> <tr> <td></td> <td style="color: #A52A2A;">Moody's (Foreign Currency)</td> <td style="color: #A52A2A;">Moody's (Local Currency)</td> <td style="color: #A52A2A;">Capital Intelligence</td> </tr> <tr> <td>LT</td> <td>B1</td> <td>B1</td> <td>B+</td> </tr> <tr> <td>ST</td> <td>NP</td> <td>NP</td> <td>B</td> </tr> <tr> <td style="color: #A52A2A;">Outlook</td> <td>Positive</td> <td>Positive</td> <td>Positive</td> </tr> </table>		Moody's (Foreign Currency)	Moody's (Local Currency)	Capital Intelligence	LT	B1	B1	B+	ST	NP	NP	B	Outlook	Positive	Positive	Positive
	Moody's (Foreign Currency)	Moody's (Local Currency)	Capital Intelligence														
LT	B1	B1	B+														
ST	NP	NP	B														
Outlook	Positive	Positive	Positive														

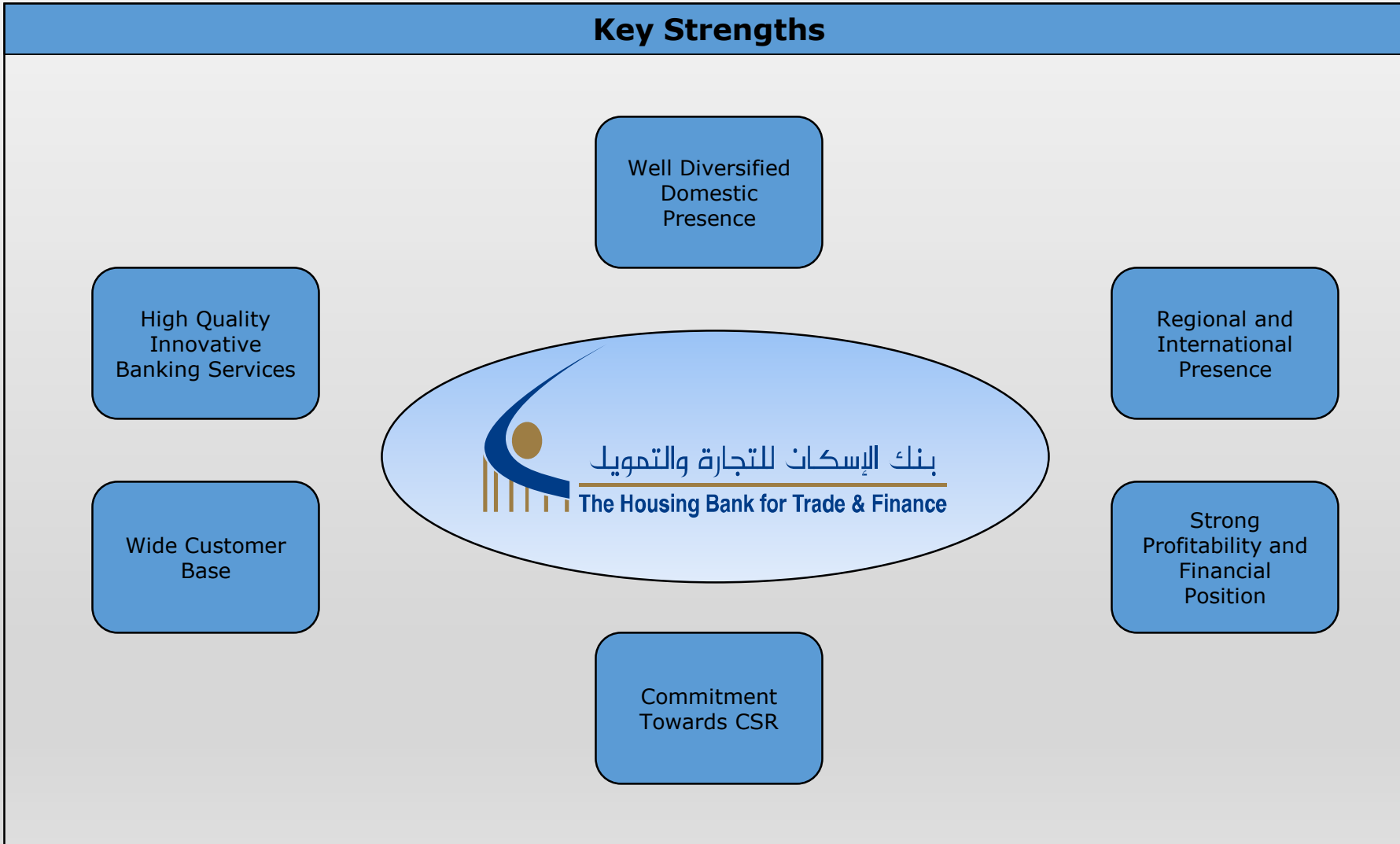
Presence	<ul style="list-style-type: none"> HBTF and its subsidiaries operate in 9 countries in the MENA region as well as in Europe.
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Stock Parameters (Mar 2023)	<ul style="list-style-type: none"> Listed on Amman Stock Exchange (ASE) Free Float ≈ 5.29% Market Cap. of USD 1.66 bn (4th in ASE, 2nd amongst Listed Banks). Share Price of USD 5.29 per share. Price to Book 0.95x Price to Earnings 7.92x
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Main Shareholders	
Qatar National Bank	38.57%
Kuwait Investment Authority	18.61%
Libyan Foreign Bank	17.24%
Social Security Corporation/Jordan	15.42%

Mar 2023 Financials (USD millions)			
	Mar 2023	Dec 2022	CAGR (2019-2022)
Total Deposits	9,002	8,728	-1.81%
Total Assets	12,175	11,930	0.08%
Credit Facilities	7,203	6,835	1.76%
Coverage Ratio	187.7%	180.5%	-
NPL Ratio (Net)	4.7%	5.1%	-
Net Interest Margin	4.1%	3.8%	-
	Mar 2023	Mar 2022	CAGR (2019-2022)
Operating Income	158.9	131.3	1.54%
Net Profit (After Tax)	51.1	42.4	16.51%

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



Middle East

Jordan: 108 Branches



Palestine: 15 Branches



Bahrain: 1 Branch



UAE: Representative Office



Iraq: Representative Office



Syria: 30 Branches
(49.1% Stake in International Bank for Trade & Finance)




Financial Highlights

(as at 31 Mar 2023)





Growth vs. Dec 2022
(unless stated otherwise)

Profit

- USD 51.1 million Net Profit (After Tax)  +20.34% (YoY)

• Net Interest Margin (NIM):	4.12%
• Cost to Income (Efficiency) Ratio:	39.75%
• Earnings per Share (EPS): (Attributable to Shareholders)	USD 0.67 (Annualized)

Assets

- USD 12.18 billion Assets  + 2.05%
- USD 7.20 billion Loans  + 5.39%


• Return on Average Assets (RoA):	1.70%
• NPL Stage III Ratio (Net):	4.74%
• Coverage Ratio:	187.72%

Funding

- USD 9.00 billion Deposits  + 3.14%

• Loans to Deposits Ratio:	70.85%
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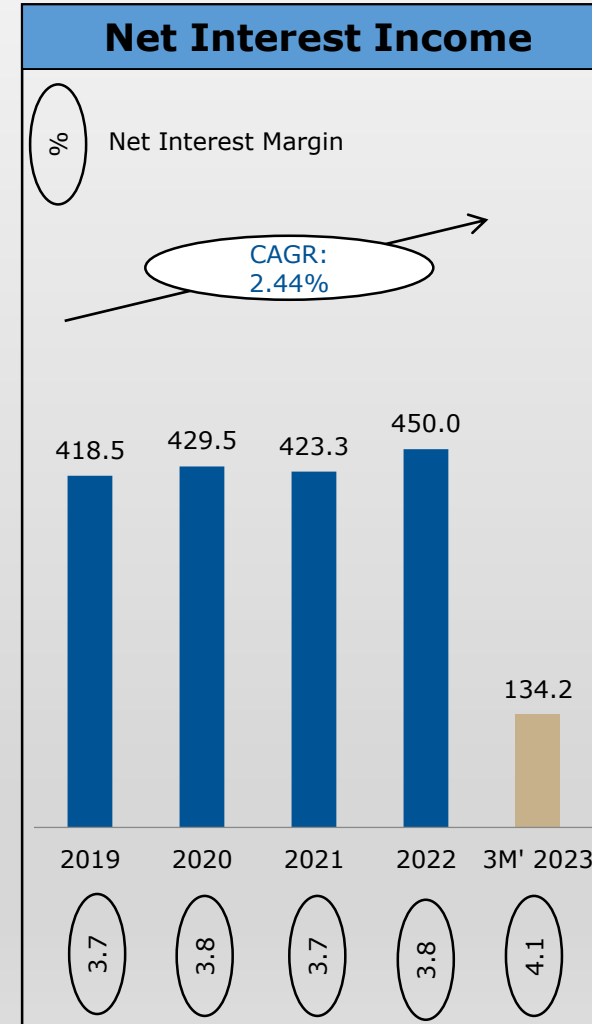
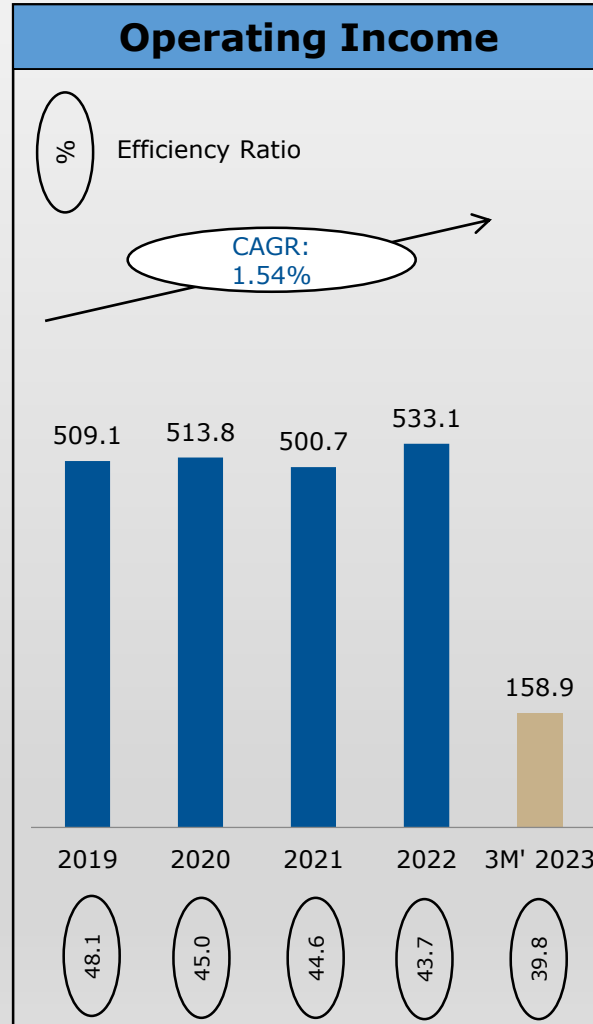
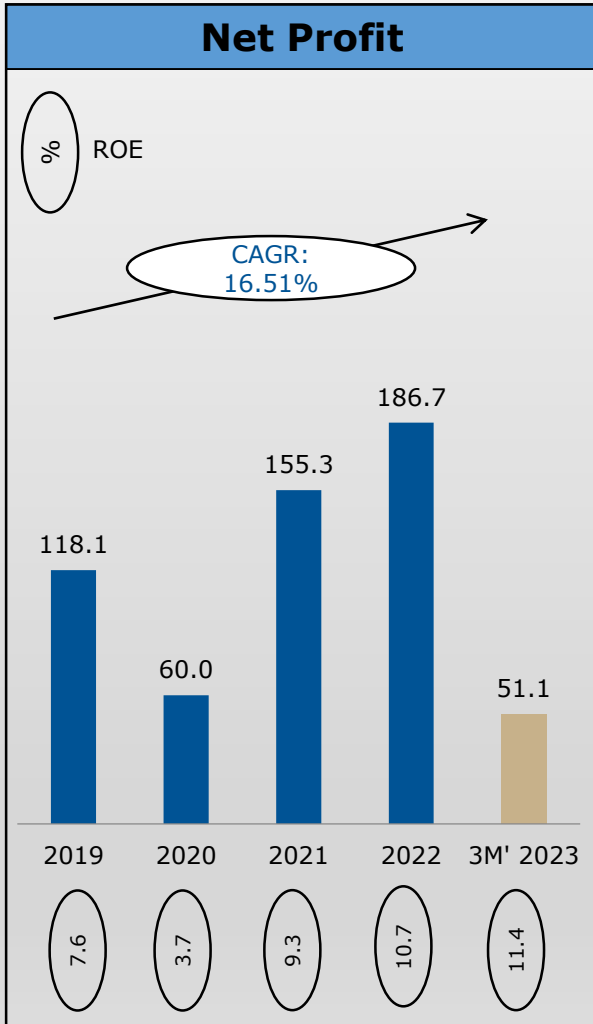
Equity

- USD 1.83 billion Equity  + 2.79%

• Return on Average Equity (RoAE):	11.35%
• Capital Adequacy Ratio:	18.28%

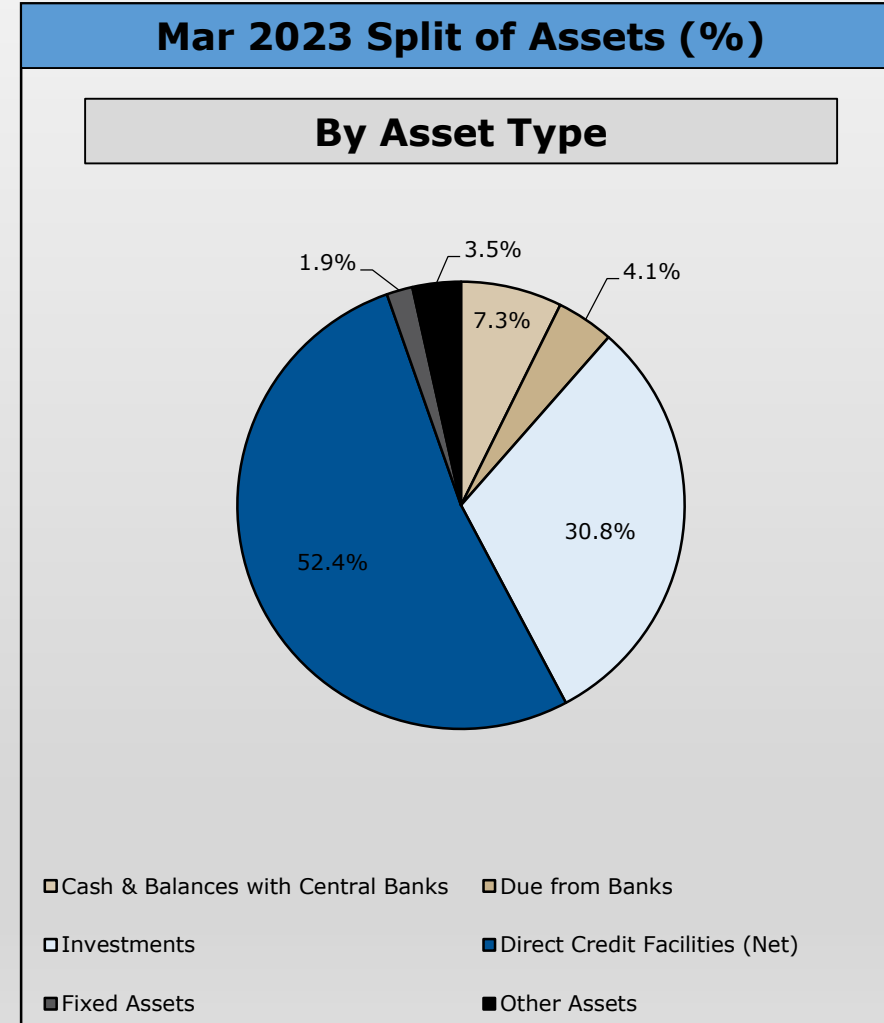
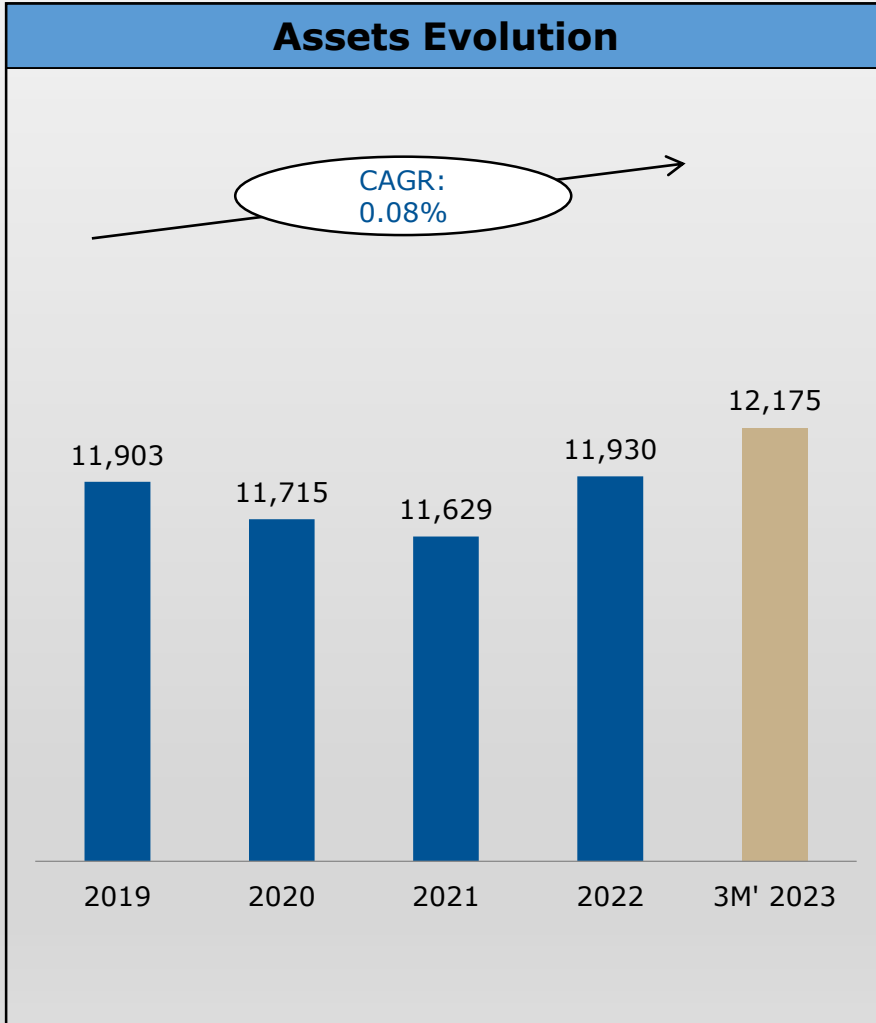
Income Statement Breakdown

(USD million as at 31 Mar 2023)



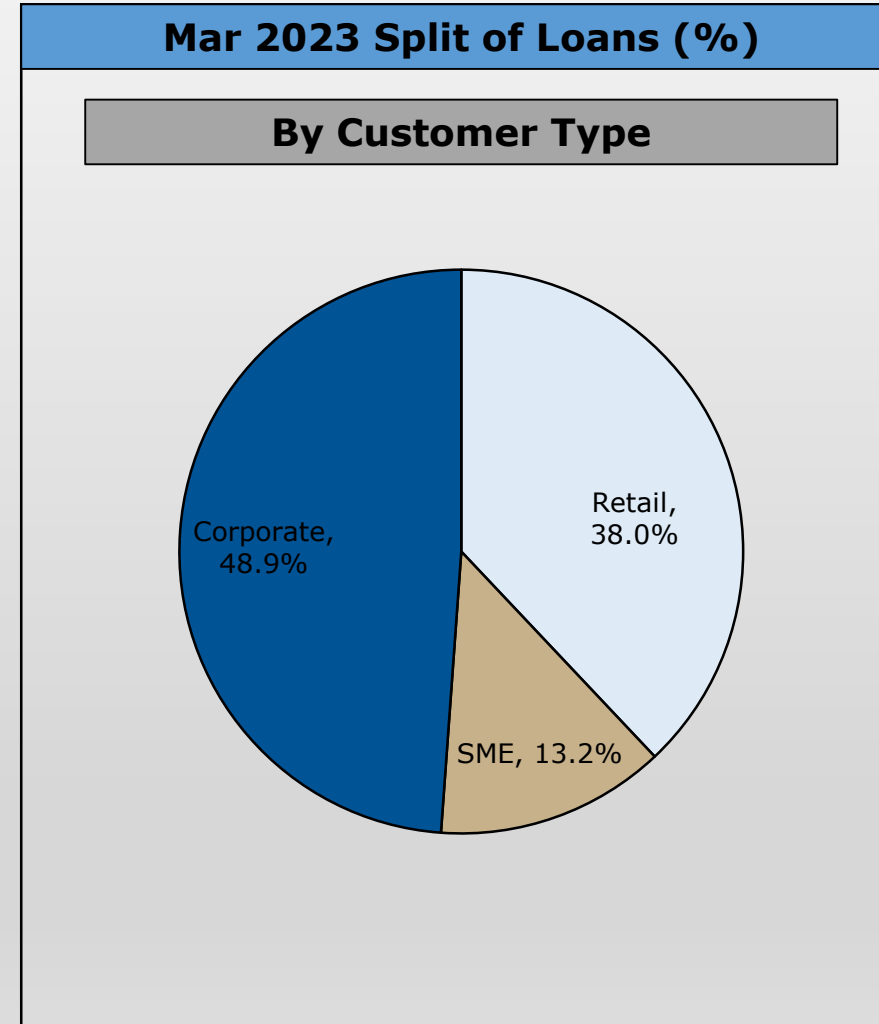
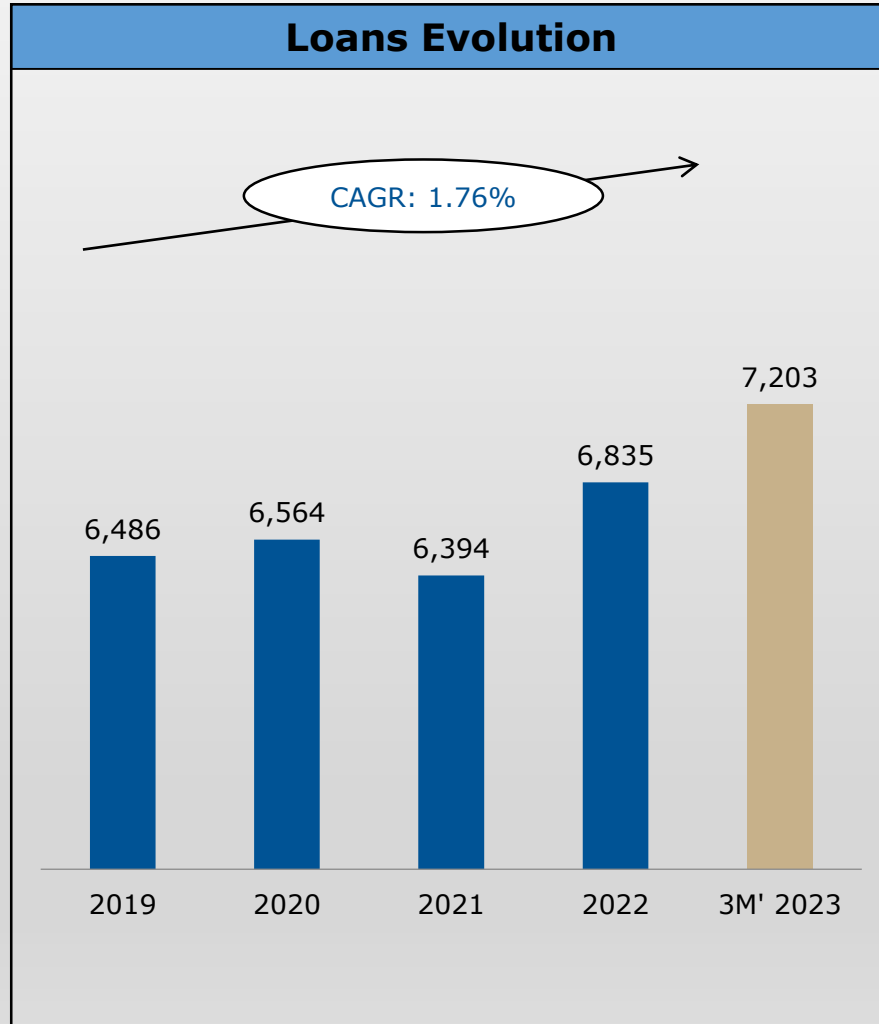
Assets Analysis

(USD million as at 31 Mar 2023)



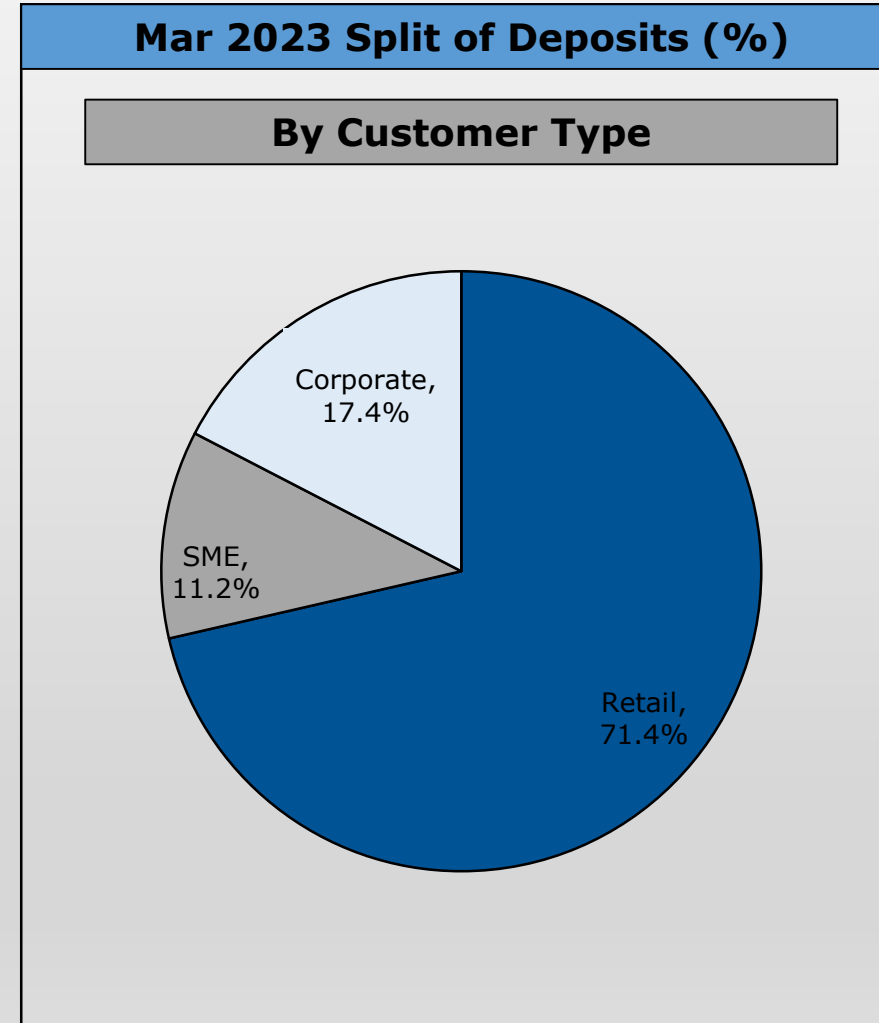
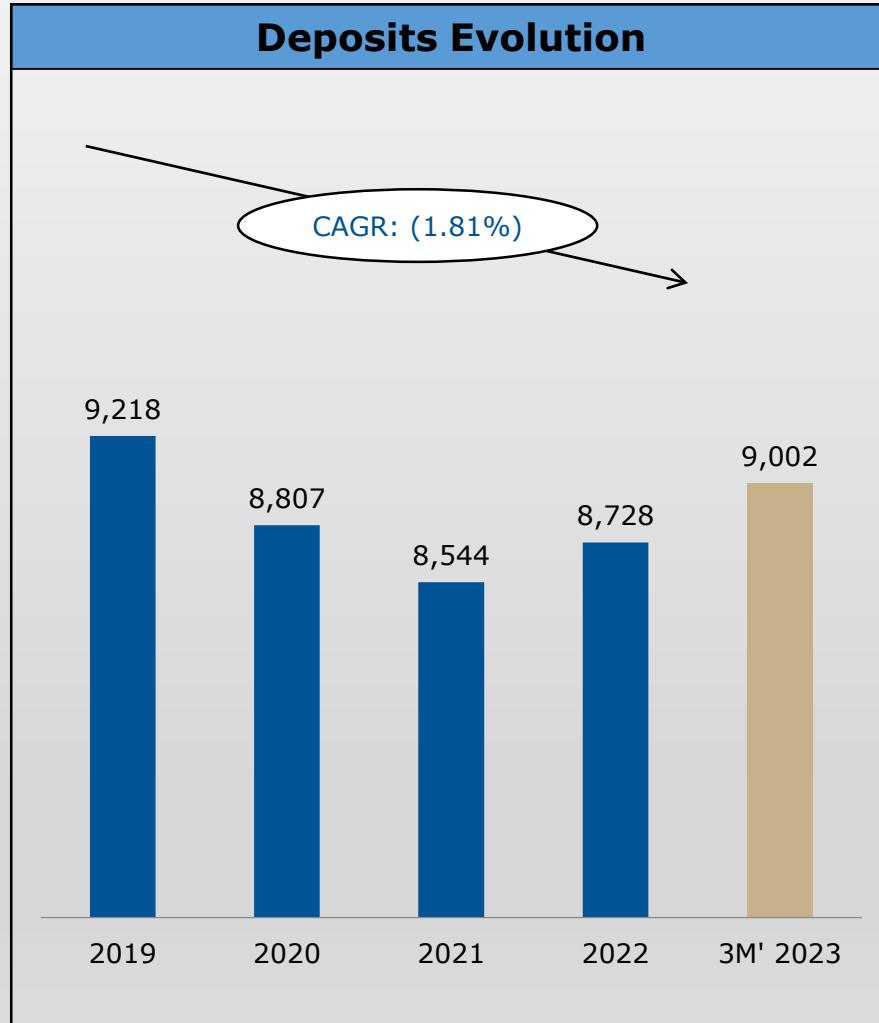
Loans Analysis

(USD million as at 31 Mar 2023)



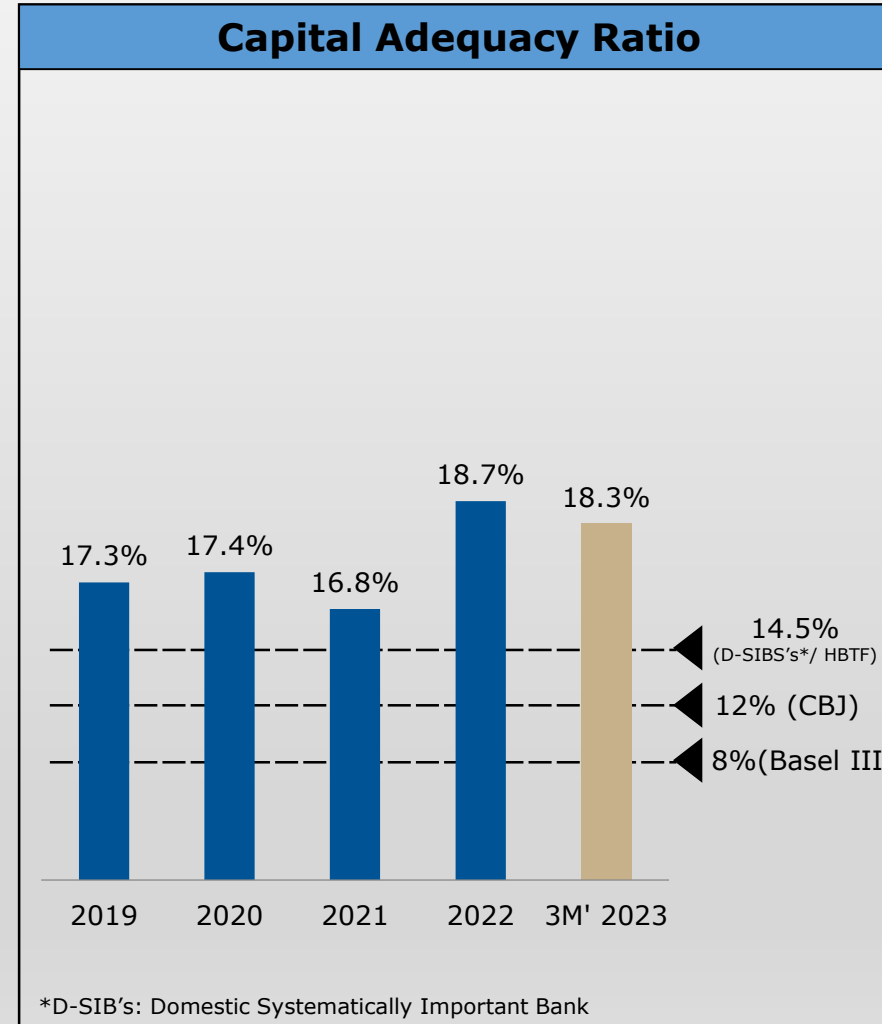
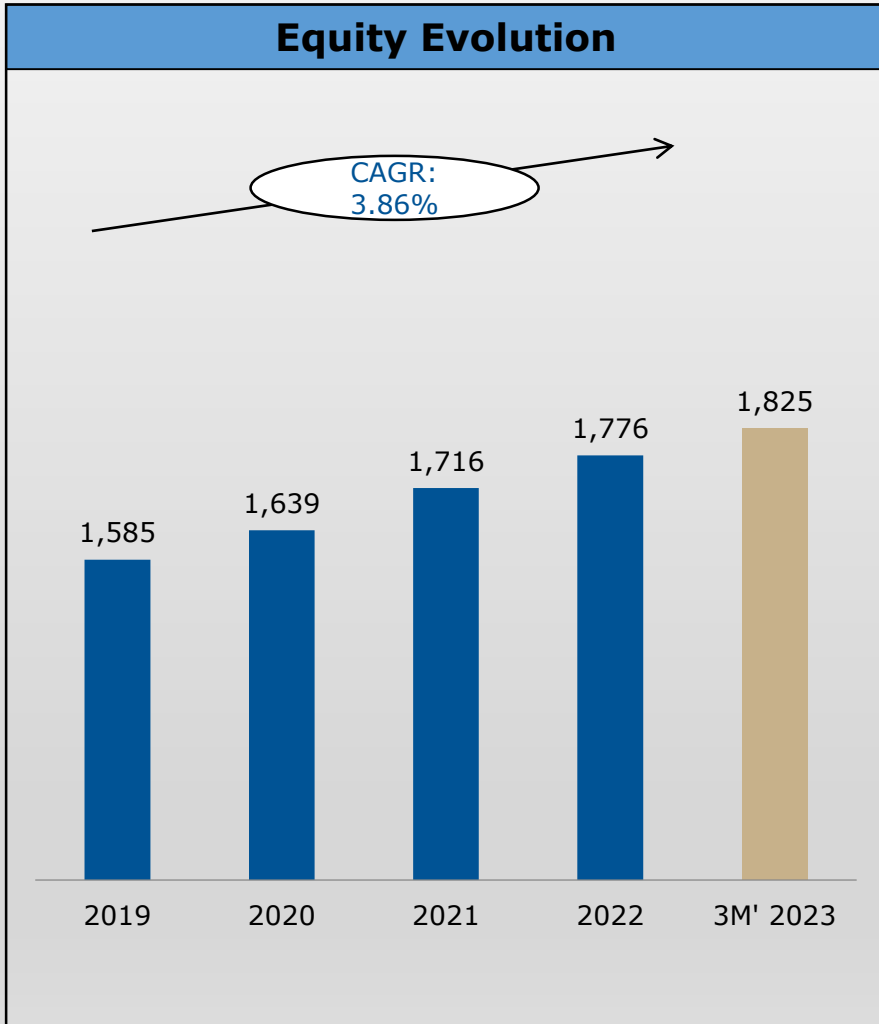
Funding Analysis

(USD million as at 31 Mar 2023)

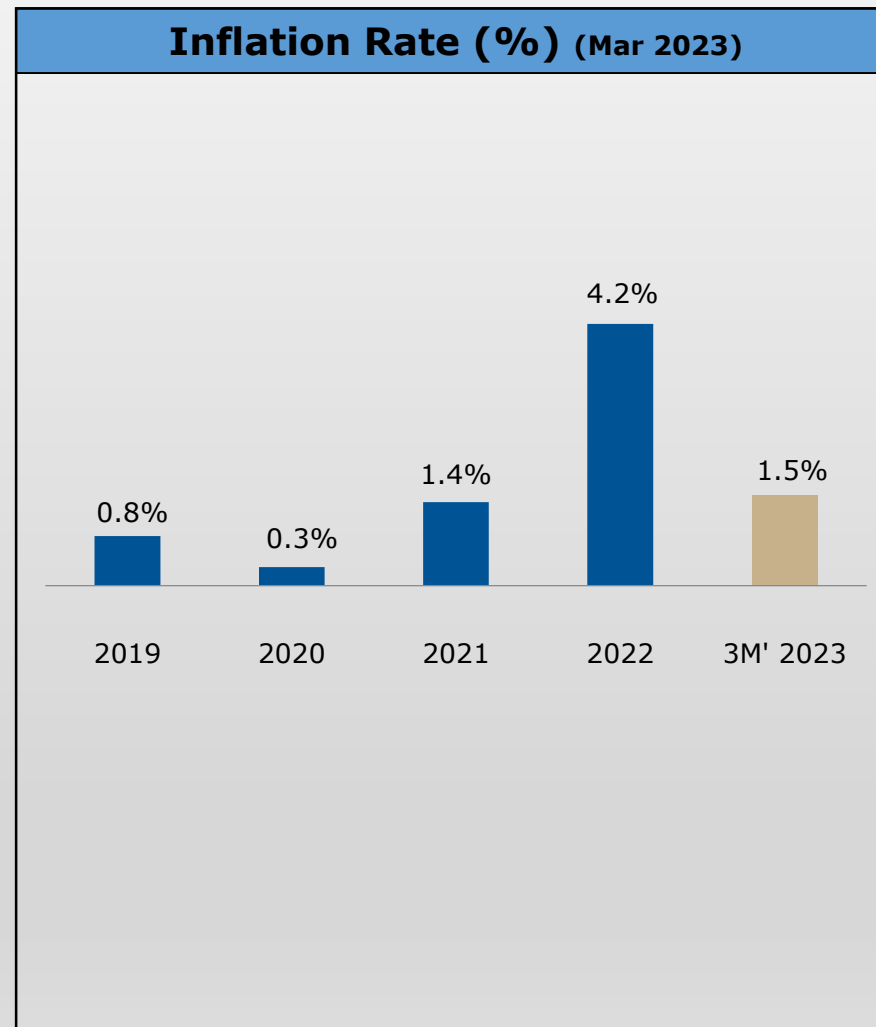
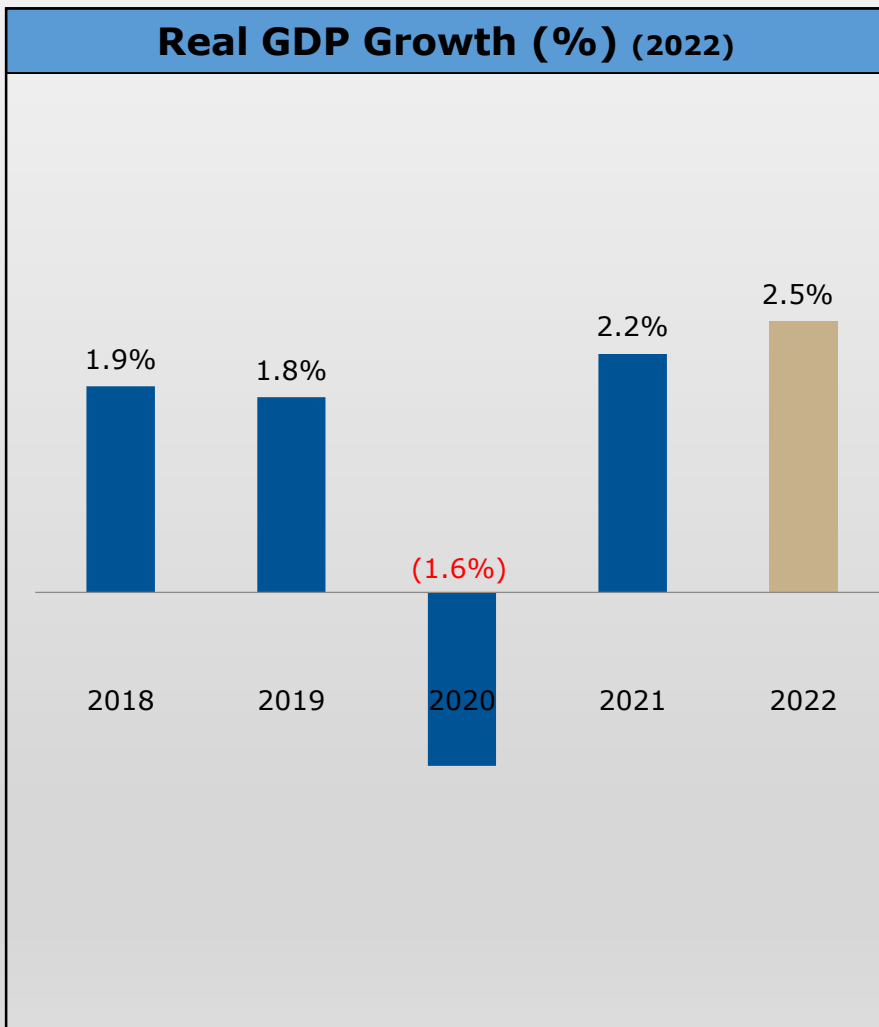


Capital Analysis

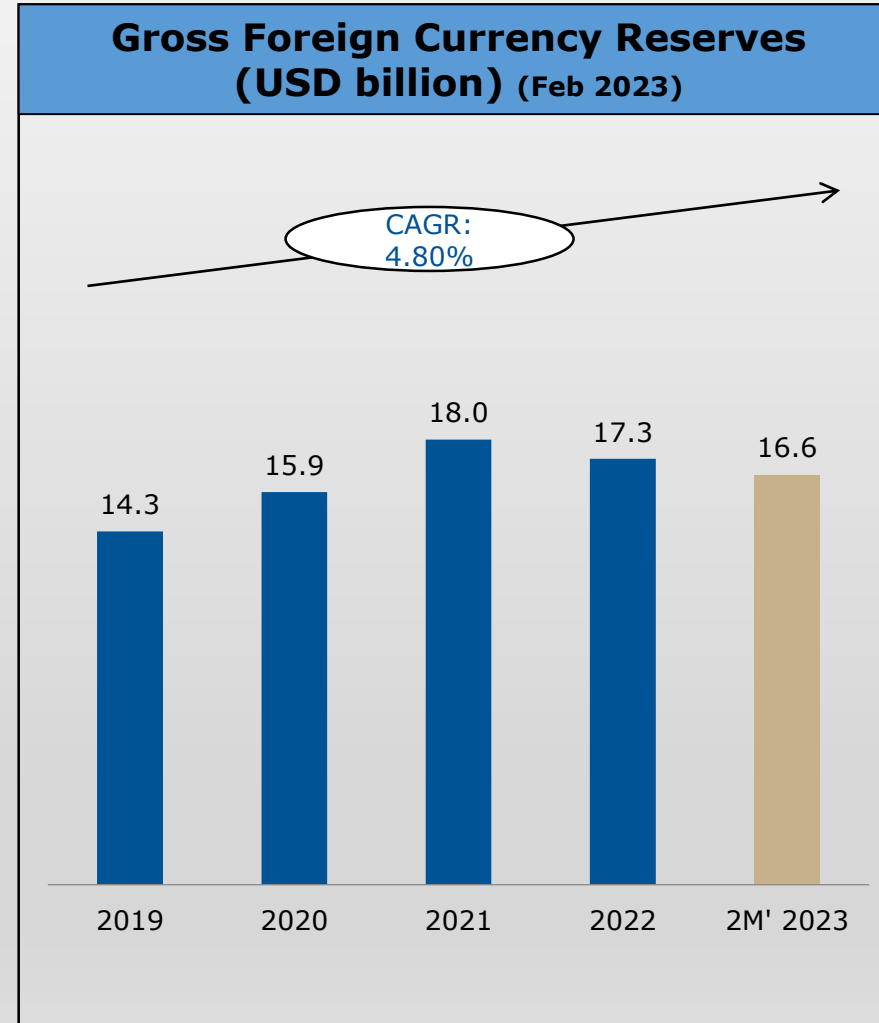
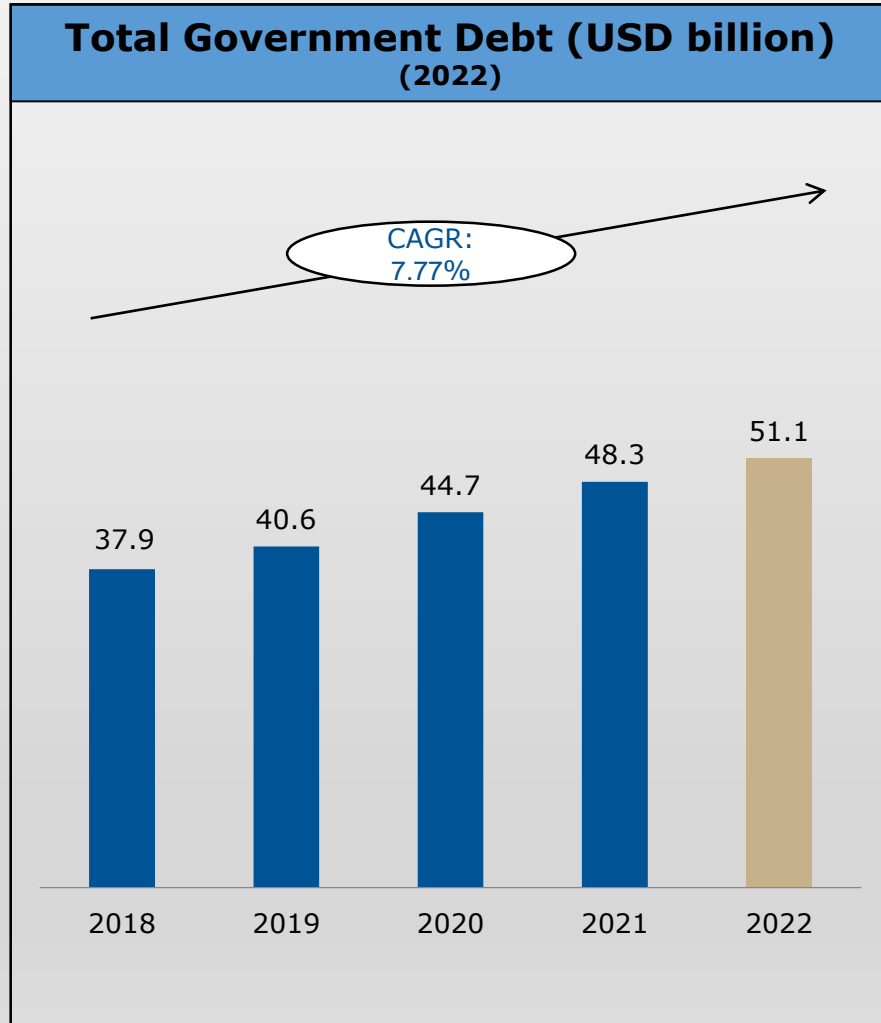
(USD million as at 31 Mar 2023)



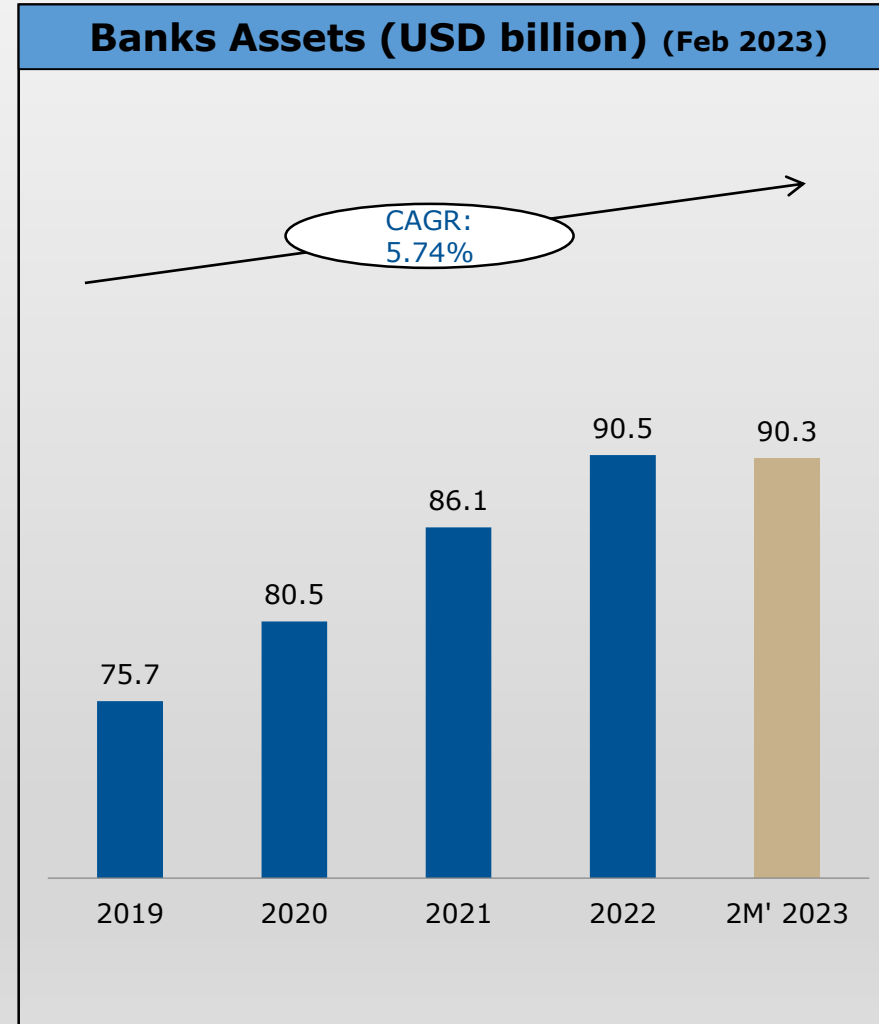
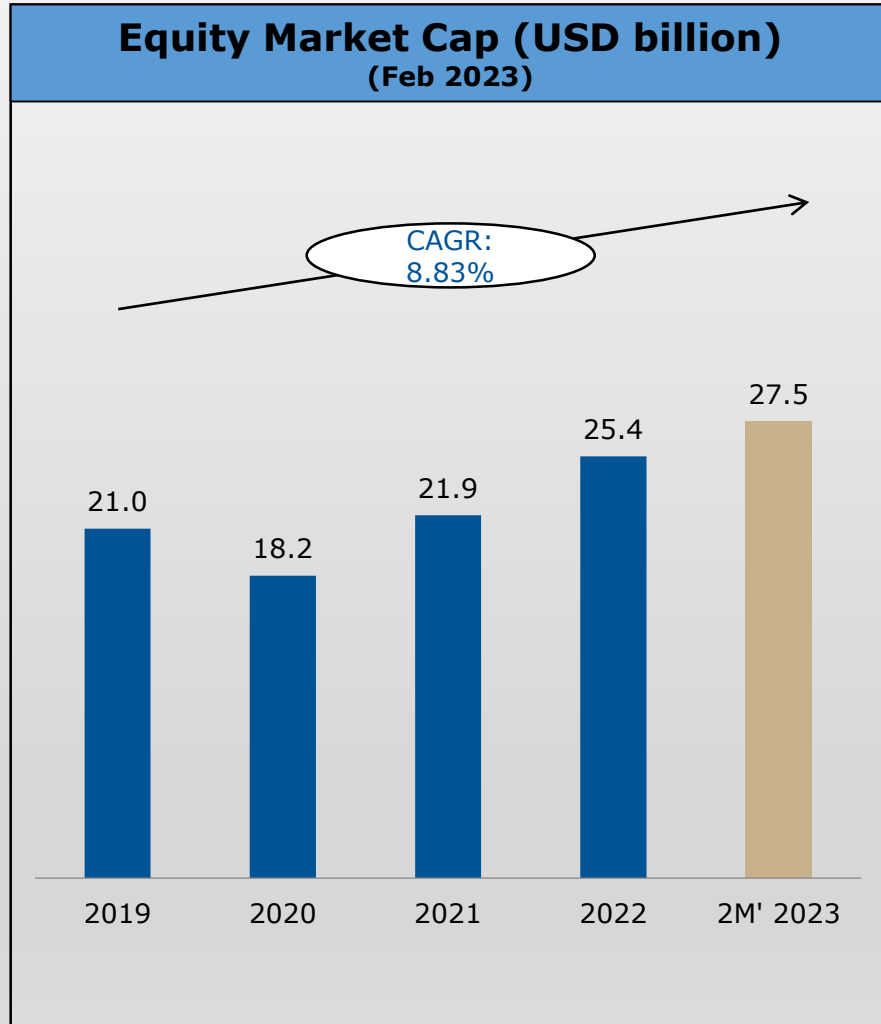
Jordan Economy - Overview



Jordan Economy – Overview (continued)



Jordan Economy – Overview (continued)





Other Information		Consolidated				
Amounts in million USD		2019	2020	2021	2022	3M' 2023
Gross Credit Portfolio		6,486	6,564	6,394	6,835	7,203
Net Credit Portfolio		5,866	5,793	5,567	6,024	6,378
	FCY Credit Portfolio	1,688	1,682	1,655	1,847	2,079
	JOD Credit Portfolio	4,177	4,111	3,912	4,177	4,300
Stage 3 loans - Gross (with interest in suspense)		547	620	548	506	501
Stage 3 loans - Net		398	459	381	338	332
Stage 3 Ratio - Gross		8.4%	9.4%	8.6%	7.4%	7.0%
Stage 3 Ratio - Net		6.3%	7.2%	6.1%	5.1%	4.7%
Total Loan Provisions		471	608	640	610	623
Loan Coverage Ratio *		118.4%	132.6%	167.8%	180.5%	187.7%
Cost Income Ratio **		48.1%	45.0%	44.6%	43.7%	39.8%
Non Interest Expenses to Avg Assets		2.1%	2.0%	1.7%	2.1%	2.1%
Net Interest Margin		3.7%	3.8%	3.7%	3.8%	4.1%
Fee Income/Total Revenue		14.5%	13.0%	15.5%	15.6%	15.5%
Total Assets		11,903	11,715	11,629	11,930	12,175
Total Deposits		9,218	8,807	8,544	8,728	9,002
	FCY Deposits	3,677	3,513	3,530	3,568	3,686
	JOD Deposits	5,541	5,294	5,015	5,159	5,316
Loans/Assets		49.3%	49.5%	47.9%	50.5%	52.4%
Loans/Deposits		63.6%	65.8%	65.2%	69.0%	70.9%
	FCY Loans/Deposits ratio	45.9%	47.9%	46.9%	51.7%	56.4%
	JOD Loans/Deposits ratio	75.4%	77.7%	78.0%	81.0%	80.9%

NPLs - Gross (Only for Jordan)

Retail	7.5%	8.1%	6.8%	6.4%	6.1%
Corporate	8.7%	10.8%	11.2%	8.3%	7.4%

NPLs - Net (Only for Jordan)

Retail	5.5%	5.8%	4.3%	3.9%	3.4%
Corporate	6.6%	8.5%	8.3%	5.9%	5.1%

* Loan Coverage Ratio = Loan Provisions/Net NPLs
 ** Cost Income Ratio = non-interest expense/(net interest revenue + noninterest revenue)

Net Direct Credit Portfolio by Sector

Amounts in million USD

Consolidated

	2019		2020		2021		2022		3M' 2023	
	amount	pct	amount	pct	amount	pct	amount	pct	amount	pct
Financial	180.7	3.1%	238.0	4.1%	217.8	3.9%	294.2	4.9%	319.7	5.3%
Industrial	742.4	12.7%	709.6	12.2%	610.8	11.0%	581.7	9.7%	722.5	12.0%
Trade	651.7	11.1%	642.0	11.1%	629.7	11.3%	640.5	10.6%	696.0	11.6%
Real Estate- Housing Loans	1,109.0	18.9%	1,105.4	19.1%	1,112.4	20.0%	1,160.9	19.3%	1,184.2	19.7%
Real Estate- Commercial Developers	462.0	7.9%	507.8	8.8%	563.0	10.1%	559.7	9.3%	551.7	9.2%
Agriculture	21.6	0.4%	27.2	0.5%	24.2	0.4%	70.7	1.2%	72.9	1.2%
Shares	4.7	0.1%	5.4	0.1%	6.5	0.1%	5.0	0.1%	5.6	0.1%
Consumer	1,090.4	18.6%	1,146.5	19.8%	1,223.0	22.0%	1,366.2	22.7%	1,371.9	22.8%
Public and Governmental	1,031.0	17.6%	815.0	14.1%	568.9	10.2%	782.2	13.0%	856.1	14.2%
Others	572.2	9.8%	596.3	10.3%	610.5	11.0%	562.7	9.3%	597.7	9.9%
Total (Net Credit Portfolio)	5,865.8	100%	5,793.3	100%	5,566.9	100%	6,024.0	100%	6,378.3	106%

Income Statement

Consolidated USD mio

	2019	2020	2021	2022	3M' 2023
Net Interest Income	418.5	429.5	423.3	450.0	134.2
Net commission	37.8	30.8	32.8	34.5	9.9
Net Interest and Commission Income	456.3	460.3	456.2	484.5	144.1
Foreign exchange income	14.7	13.3	11.3	12.2	2.9
Revenue from financial assets at fair value through OCI	0.3	0.3	0.2	0.3	0.3
Revenue from financial assets at fair value through P/L	0.0	3.3	(2.0)	(2.8)	1.1
Bank's share of associates' profits	-	-	-	-	-
Other income	37.7	36.7	35.0	38.9	10.5
Gross Income	509.1	513.8	500.7	533.1	158.9
Total Expenses	244.9	231.4	200.1	245.5	63.2
Provisions	77.8	172.9	70.6	9.0	18.7
Net Income before tax	186.4	109.5	230.0	278.7	77.0
Income tax expense	68.4	49.6	74.8	91.9	25.9
Net Income for the Year	118.1	60.0	155.3	186.7	51.1

OTHER INCOME

USD

	2019	2020	2021	2022	3M' 2023	%
Fees on salary's accounts	4,797,075	4,689,606	4,722,134	4,694,925	1,191,742	11.4%
Credit cards income	10,330,619	6,403,197	4,737,082	8,223,863	2,293,355	21.9%
Safety Deposit Box rental income	829,014	815,178	880,893	798,302	158,831	1.5%
Commissions on returned checks	1,093,412	645,089	634,560	648,787	149,437	1.4%
Account management fees	8,308,403	14,915,025	9,140,358	8,229,828	2,275,752	21.7%
Net income from recovered loans	36,513	1,039,071	1,140,343	1,668,267	1,380,485	13.2%
Charges on dormant and low-balance accounts	-	-	-	-	-	0.0%
Revenues on broker services	342,738	317,759	1,282,583	735,543	220,611	2.1%
Banking services' fees	1,576,920	1,455,186	1,984,289	2,568,762	427,587	4.1%
Revenues on transfers	7,242,937	4,791,312	4,673,121	5,086,361	1,134,946	10.8%
Hedge derivatives (Gain / loss)	-	- 2,252,437	2,500,370	3,390,354	- 796,329	-7.6%
Others	3,189,157	3,857,670	3,318,917	2,893,963	2,033,556	19.4%
Total	37,746,787	36,676,656	35,014,649	38,938,955	10,469,973	100.0%

Market Share in Jordan

	2019	2020	2021	2022	3M' 2023
JOD current accounts	7.9%	7.7%	7.0%	7.5%	7.5%
JOD savings accounts	34.4%	32.5%	30.1%	28.0%	27.8%
JOD fixed deposits	10.5%	8.3%	6.6%	6.5%	7.4%
Total client JOD deposits	13.7%	12.2%	10.6%	10.0%	10.4%
FCY client deposits	13.5%	13.1%	11.9%	12.2%	12.1%
Total deposits (all currencies)	13.7%	12.4%	10.9%	10.5%	10.8%
JOD direct credit facilities	13.2%	12.6%	11.4%	11.2%	11.3%
FCY direct credit facilities	11.8%	12.9%	11.9%	13.1%	15.1%
Total credit facilities (all currencies)	13.0%	12.6%	11.5%	11.5%	11.8%
Import LCs	25.5%	20.5%	29.9%	29.5%	27.7%
LGs	11.0%	10.5%	9.9%	10.2%	10.9%
Acceptances	4.7%	9.9%	18.3%	11.6%	11.5%
Total assets	13.9%	13.2%	12.2%	12.1%	12.2%

Jordan Economy

	2018	2019	2020	2021	2022
Nominal GDP (USD billion)	43.4	44.6	43.6	45.2	47.5
Nominal GDP growth	4.2%	2.6%	(2.1%)	3.5%	5.2%
Real GDP growth	1.9%	1.8%	(1.6%)	2.2%	2.5%

	2019	2020	2021	2022	3M' 2023
Inflation Rate	0.8%	0.3%	1.4%	4.2%	1.5%

	2018	2019	2020	2021	2022
Net Domestic Government Debt (USD billion) (Including debt held by SSIF)	20.9	23.2	24.8	26.5	27.3
External Government Debt (USD billion) (Including debt held by SSIF)	17.0	17.4	19.9	21.9	23.9
Total Government Debt (USD billion)	37.9	40.6	44.7	48.3	51.1
Total Government Debt to GDP	87.3%	91.1%	102.4%	107.0%	107.6%
Govt Budget Deficit- Including Grants (USD billion)	(1.0)	(1.5)	(3.1)	(2.4)	(2.2)
Budget Deficit to GDP	(2.4%)	(3.3%)	(7.1%)	(5.4%)	(4.6%)

	2019	2020	2021	2022	2M' 2023
Banks assets (USD billion)	75.7	80.5	86.1	90.5	90.3
Deposits with banks (USD billion)	49.8	51.9	55.7	59.4	59.4
Private Sector Credit (USD billion)	36.3	38.3	40.3	43.4	44.0
Equity Market Cap (USD billion)	21.0	18.2	21.9	25.4	27.5
Gross Foreign Reserves (USD billion) (Including Gold & SDRs)	14.3	15.9	18.0	17.3	16.6

