

**Investor Relations Presentation**  
Housing Bank – September, 2023



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# HBTF at a Glance

<b>Overview</b>	<ul style="list-style-type: none"> <li>Established in 1973 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 awarded "<b>Best Jordanian Bank</b>" for the year 2021.</li> </ul>
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<b>Credit Rating</b>	<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														

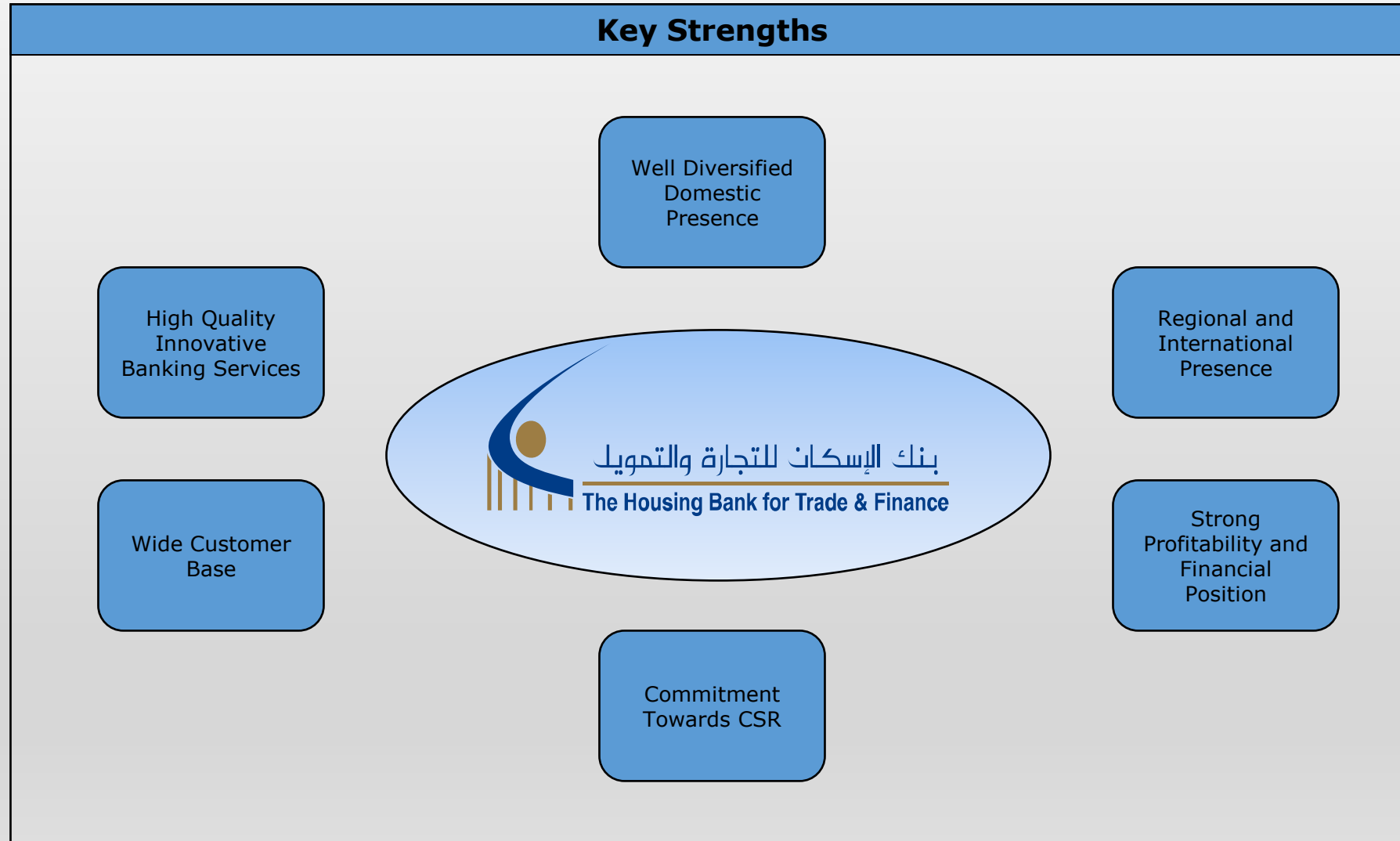
<b>Presence</b>	<ul style="list-style-type: none"> <li>HBTF and its subsidiaries operate in 9 countries in the MENA region as well as in Europe.</li> </ul>
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<b>Stock Parameters (June 2023)</b>	<ul style="list-style-type: none"> <li>Listed on Amman Stock Exchange (ASE)</li> <li>Free Float ≈ 5.29%</li> <li>Market Cap. of USD 1.52 bn (4<sup>th</sup> in ASE, 2<sup>nd</sup> amongst Listed Banks).</li> <li>Share Price of USD 4.81 per share.</li> <li>Price to Book 0.87x</li> <li>Price to Earnings 7.32x</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 2023 Financials (USD millions)</b>			
	<b>Sep 2023</b>	<b>Dec 2022</b>	<b>CAGR (2019-2022)</b>
Total Deposits	9,095	8,728	-1.81%
Total Assets	12,261	11,930	0.08%
Credit Facilities	7,212	6,835	1.76%
Coverage Ratio	181.9%	180.5%	-
NPL Ratio (Net)	5.1%	5.1%	-
Net Interest Margin	4.1%	3.8%	-
	<b>Sep 2023</b>	<b>Sep 2022</b>	<b>CAGR (2019-2022)</b>
Operating Income	474.1	399.1	1.54%
Net Profit (After Tax)	159.7	137.5	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:** 9 Branches  
(85% Stake in Housing Bank for Trade & Finance - Algeria)



## Middle East

**Jordan:** 106 Branches



**Palestine:** 15 Branches



**Bahrain:** 1 Branch



**UAE:** Representative Office



**Iraq:** Representative Office



**Syria:** 29 Branches  
(49.1% Stake in International Bank for Trade & Finance)




# Financial Highlights

(as at 30 Sep 2023)



**Growth vs. Dec 2022**  
(unless stated otherwise)

**Profit**

- USD 159.7 million Net Profit (After Tax)  +16.2% (YoY)

• Net Interest Margin (NIM):	4.10%
• Cost to Income (Efficiency) Ratio:	39.5%
• Earnings per Share (EPS): (Attributable to Shareholders)	USD 0.66 (Annualized)

**Assets**

- USD 12.3 billion Assets  + 2.8%
- USD 7.2 billion Loans  + 5.5%


• Return on Average Assets (RoA):	1.76%
• NPL Stage III Ratio (Net):	5.1%
• Coverage Ratio:	181.9%

**Funding**

- USD 9.1 billion Deposits  + 4.2%

• Loans to Deposits Ratio:	69.9%
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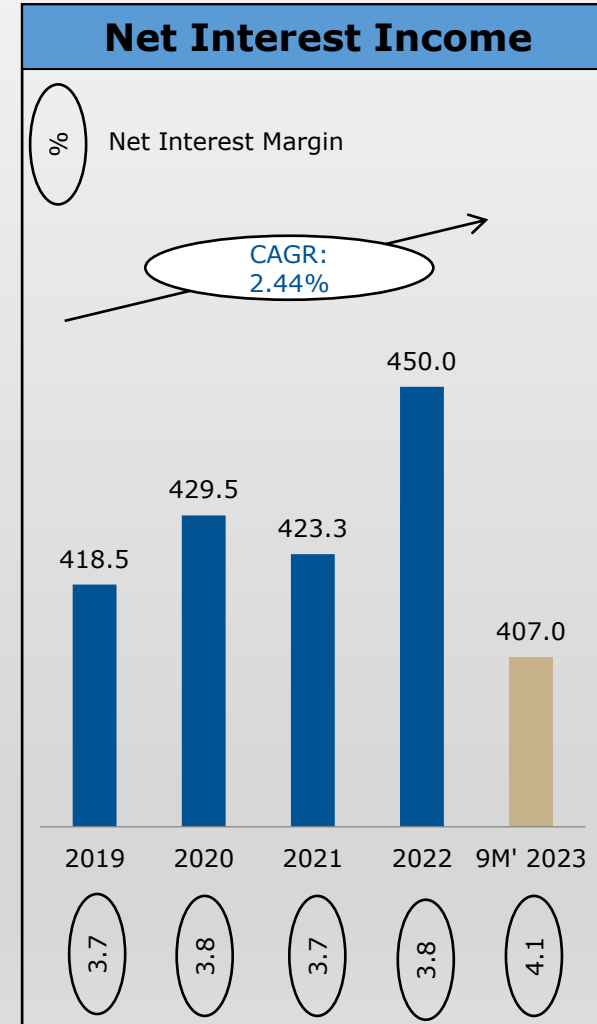
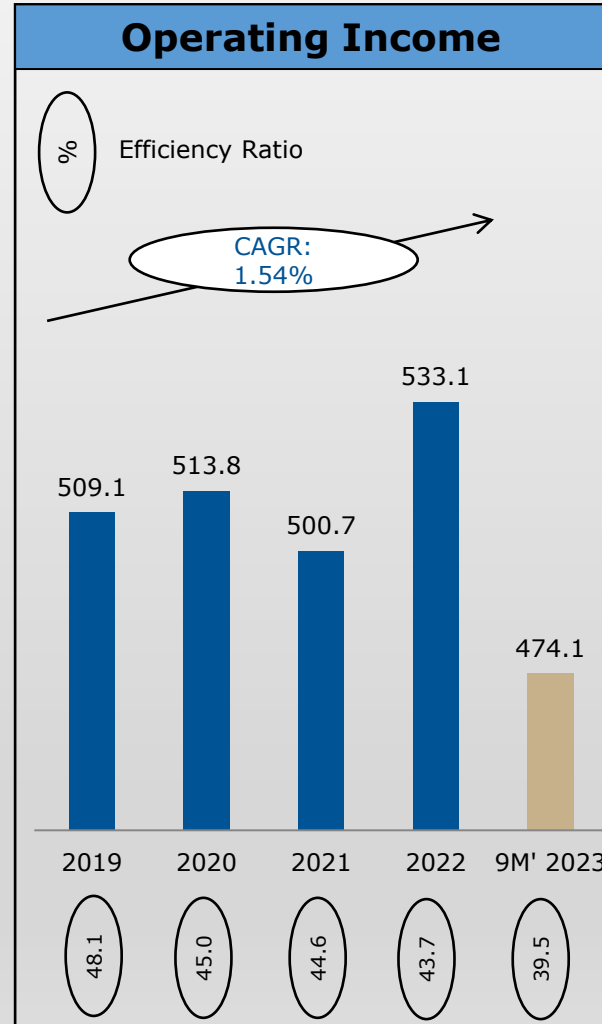
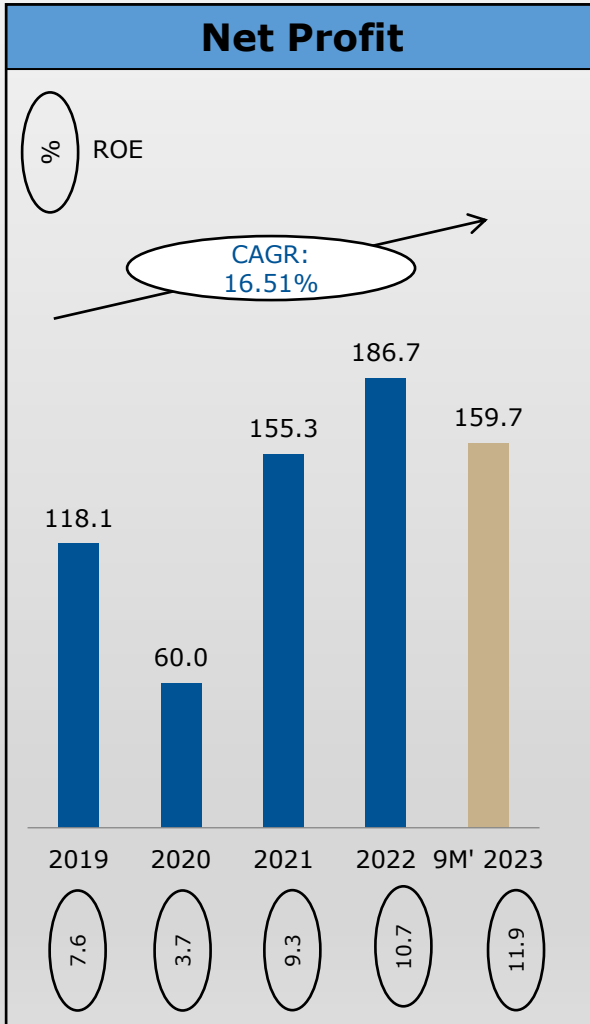
**Equity**

- USD 1.8 billion Equity  + 2.4%

• Return on Average Equity (RoAE):	11.85%
• Capital Adequacy Ratio:	18.67%

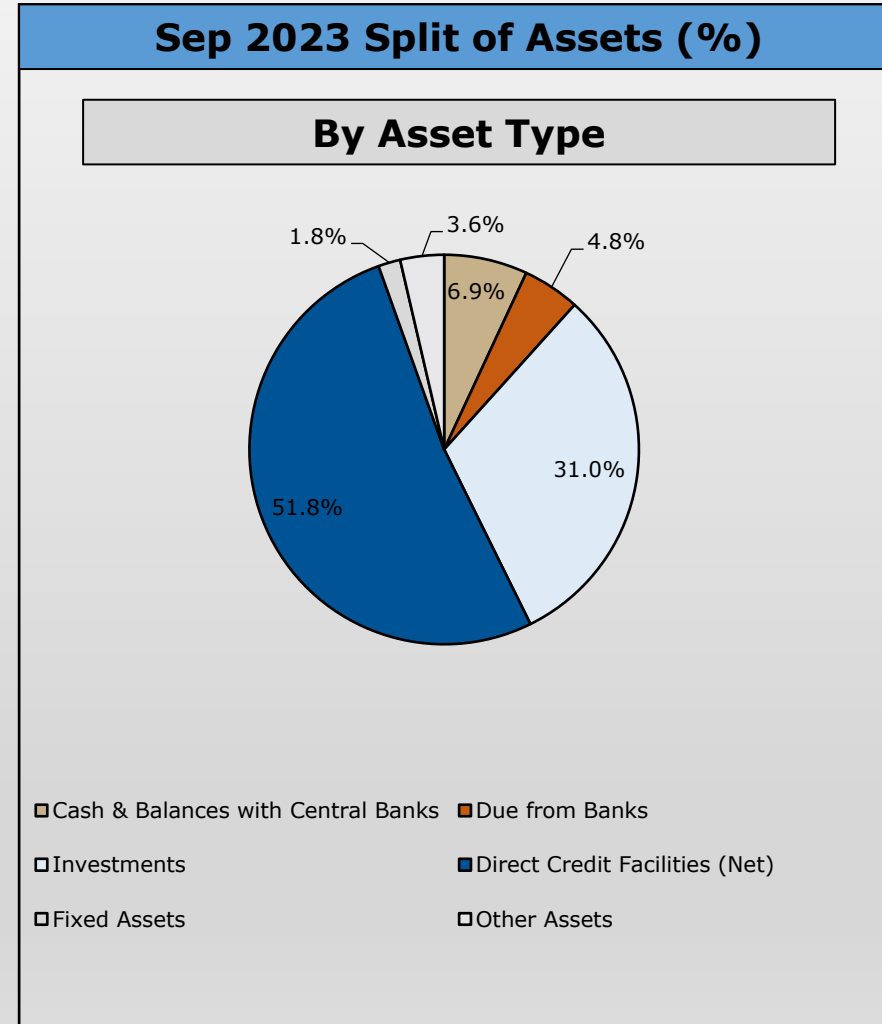
# Income Statement Breakdown

(USD million as at 30 Sep 2023)



# Assets Analysis

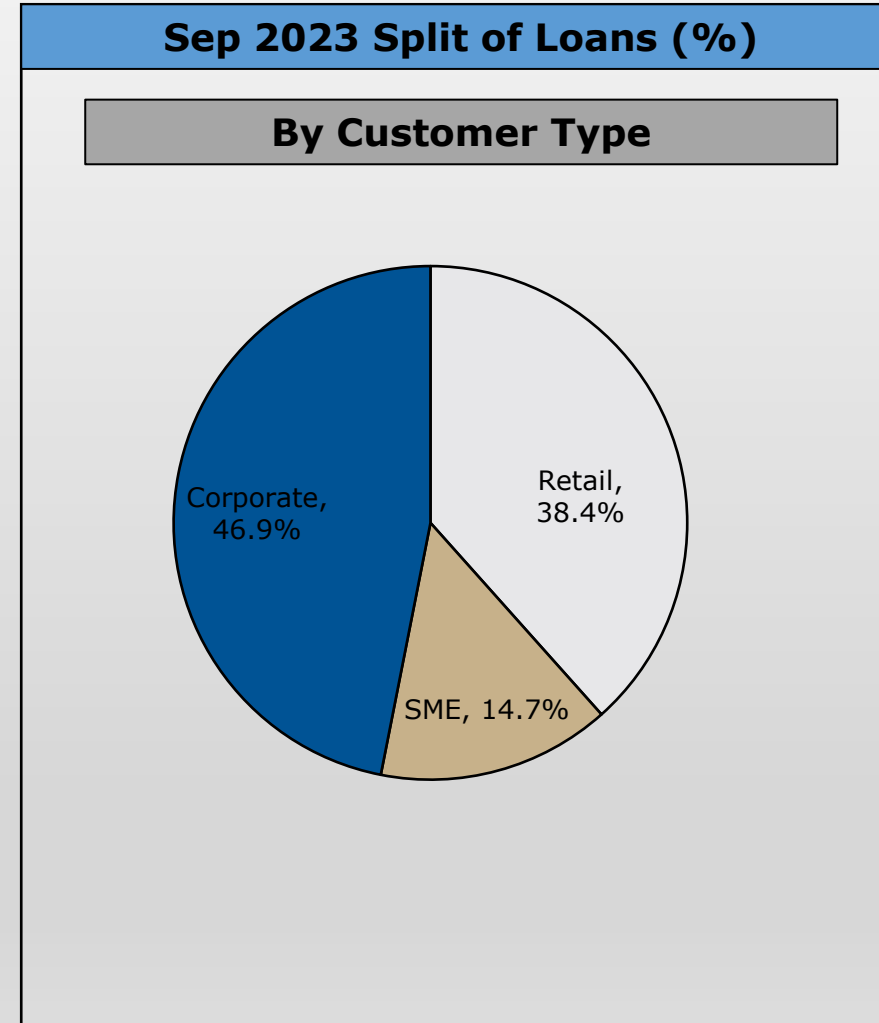
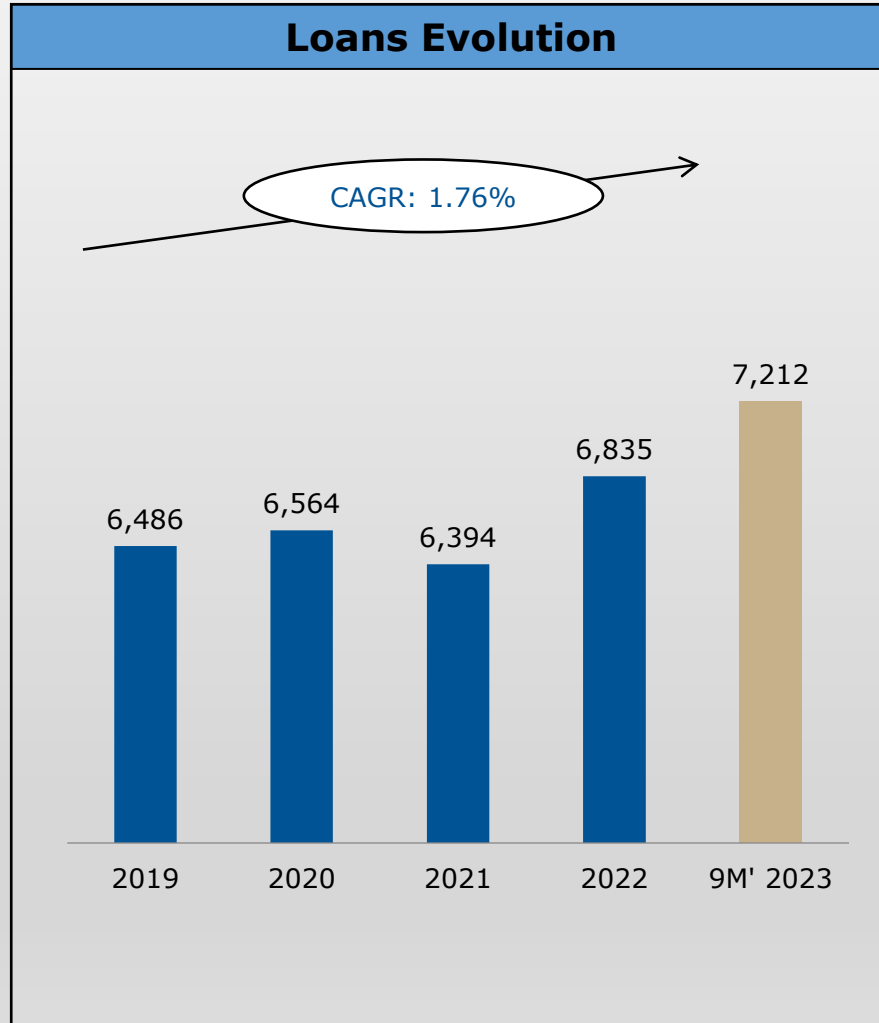
(USD million as at 30 Sep 2023)





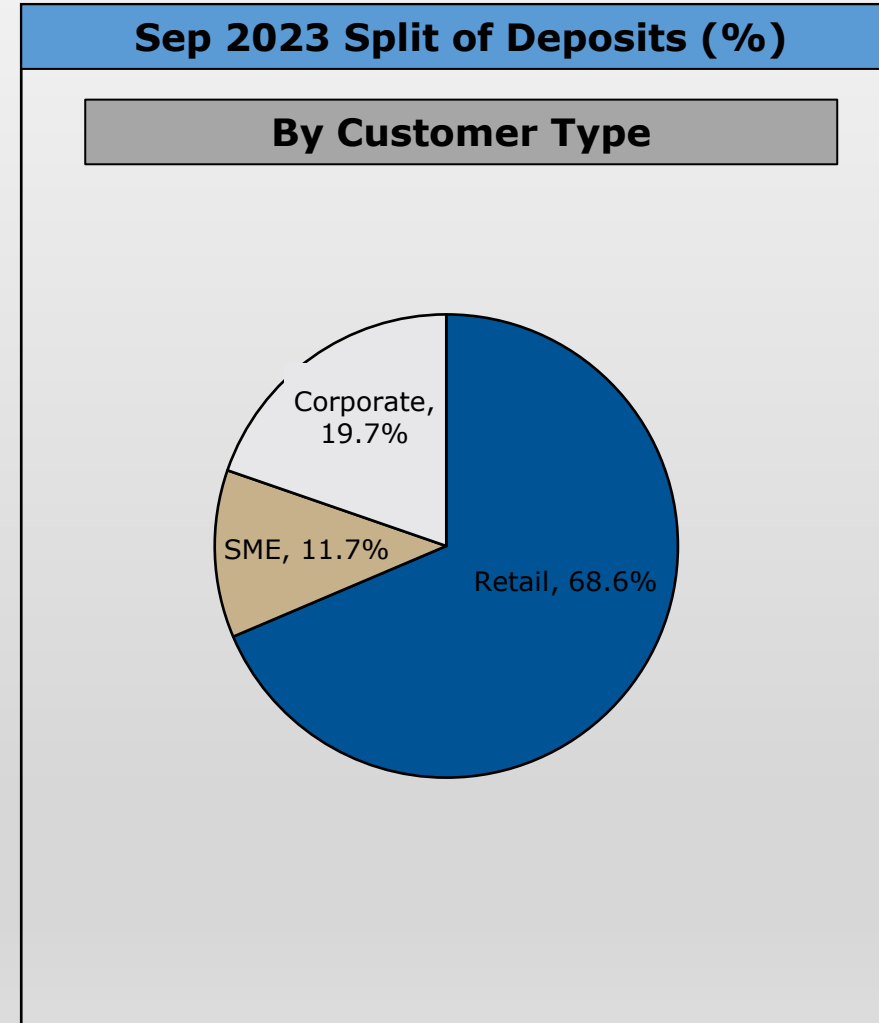
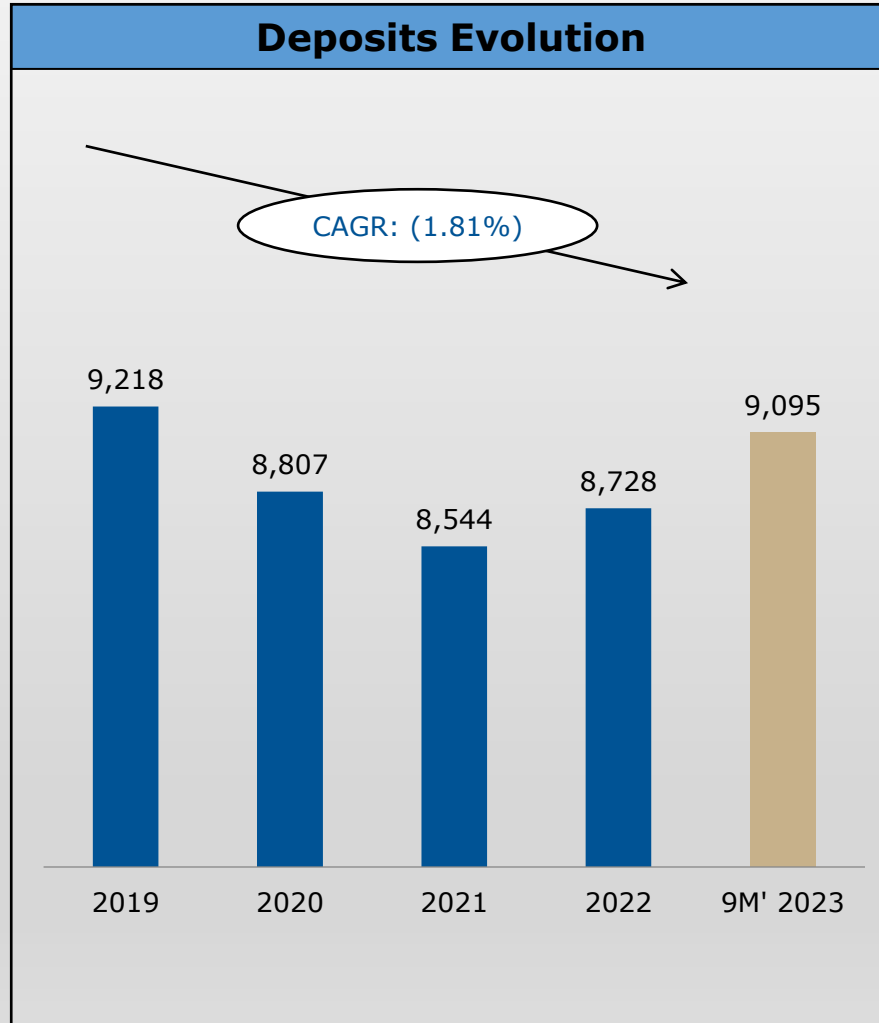
# Loans Analysis

(USD million as at 30 Sep 2023)



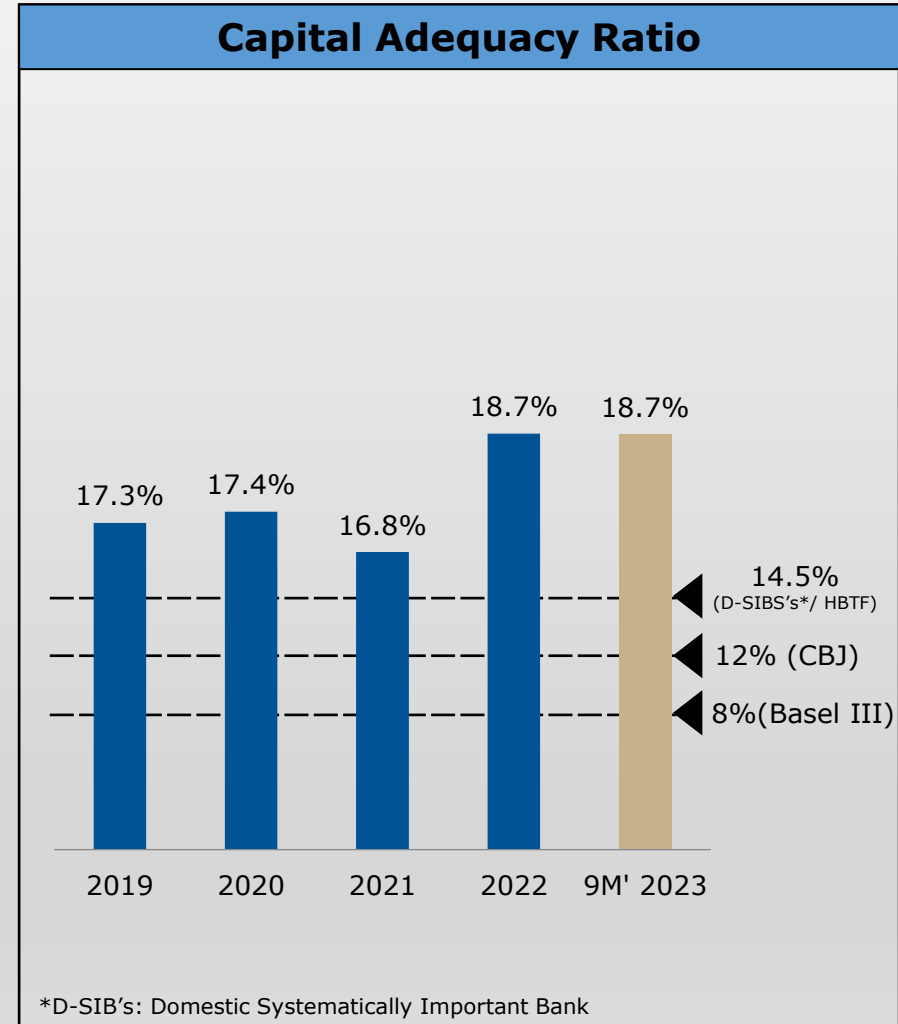
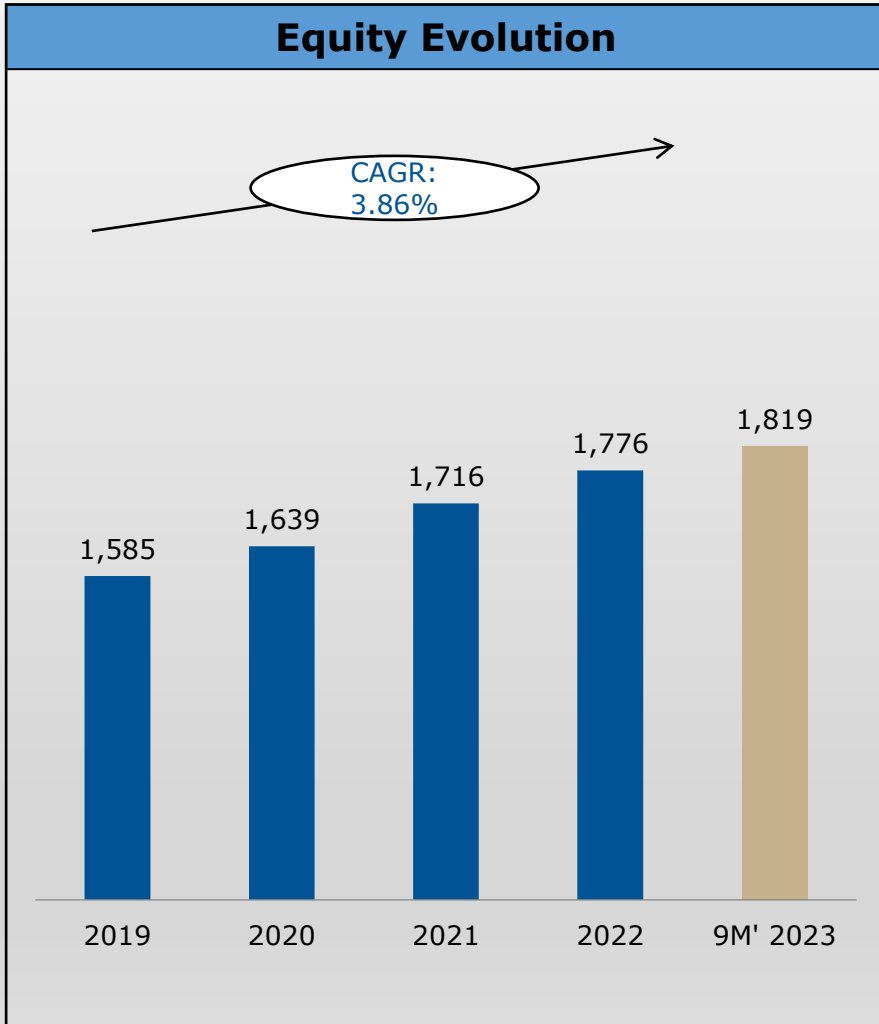
# Funding Analysis

(USD million as at 30 Sep 2023)

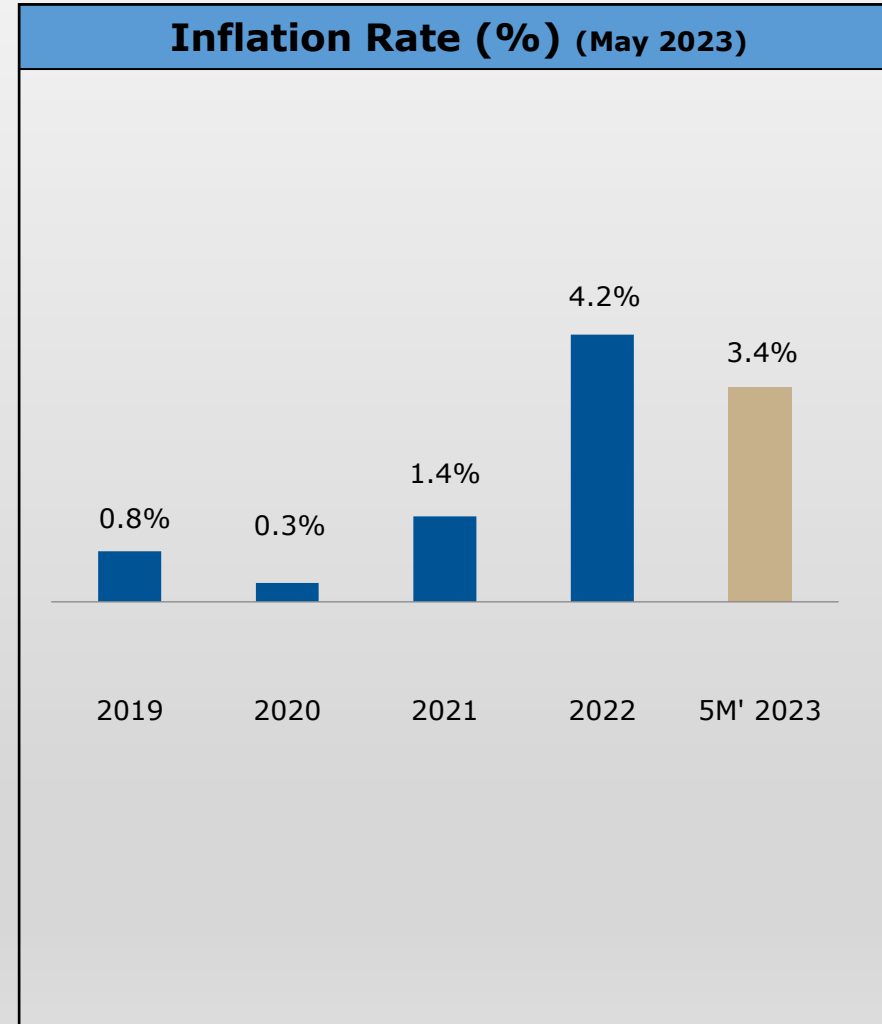
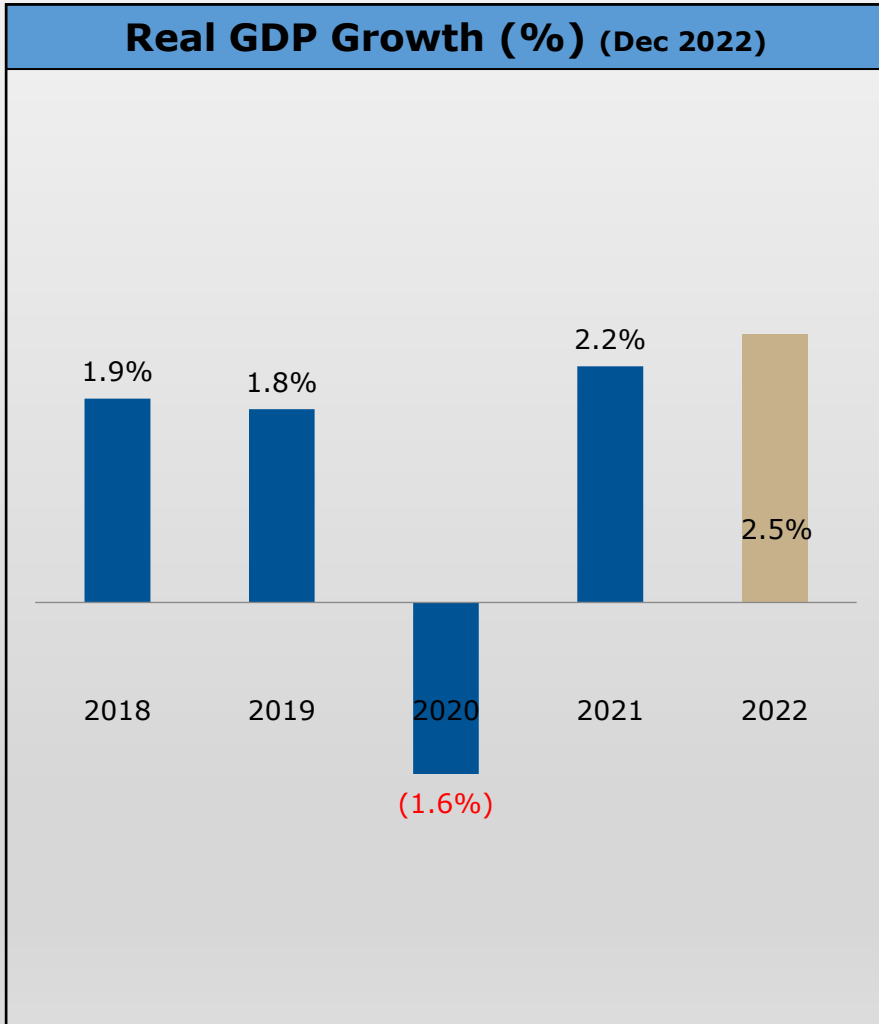


# Capital Analysis

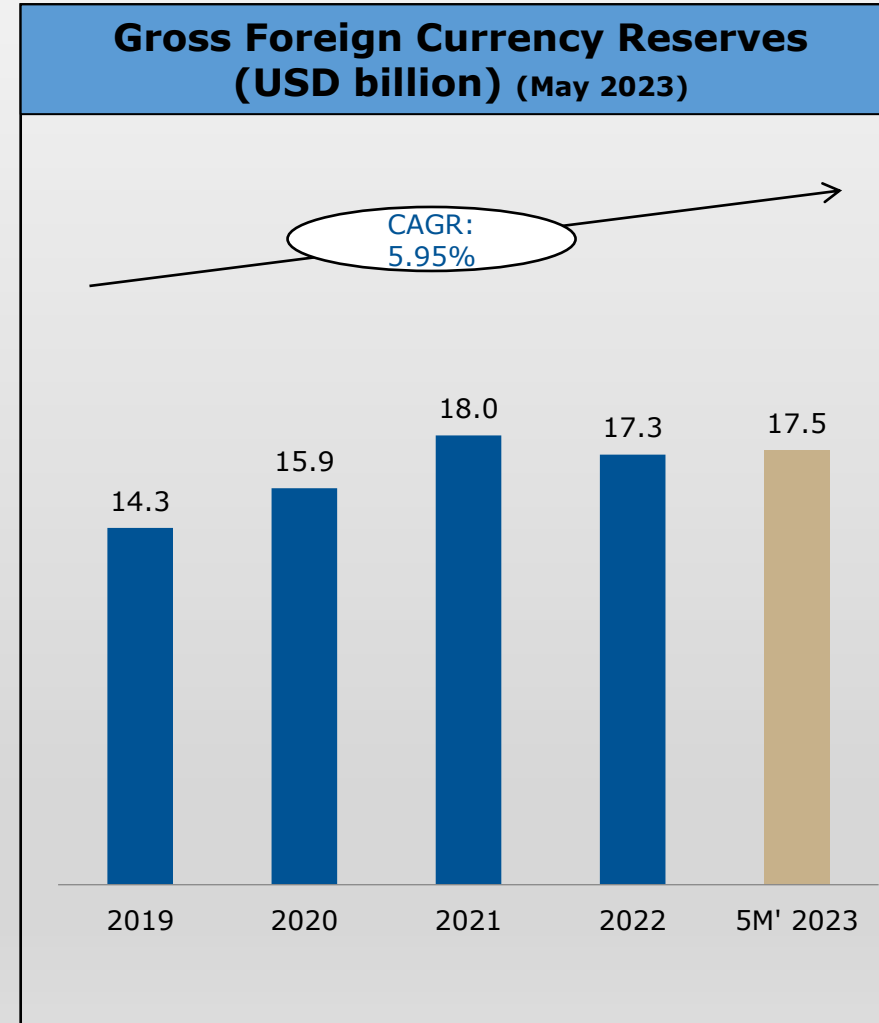
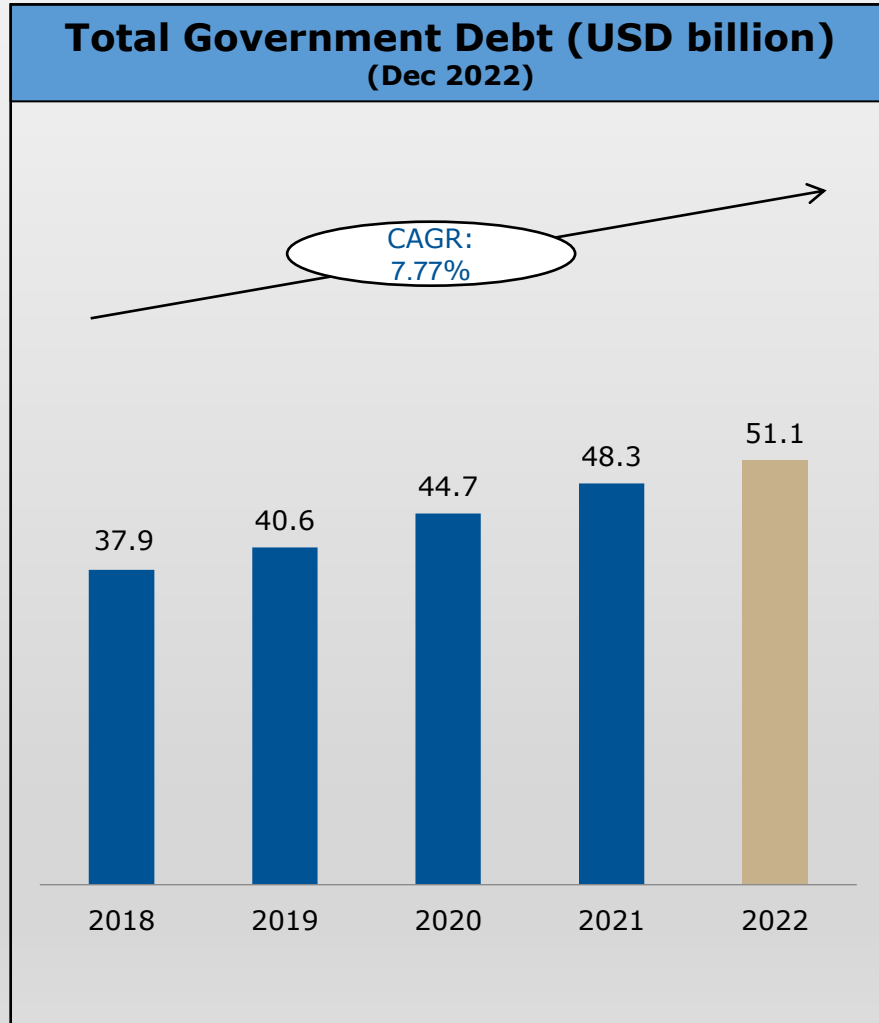
(USD million as at 30 Sep 2023)



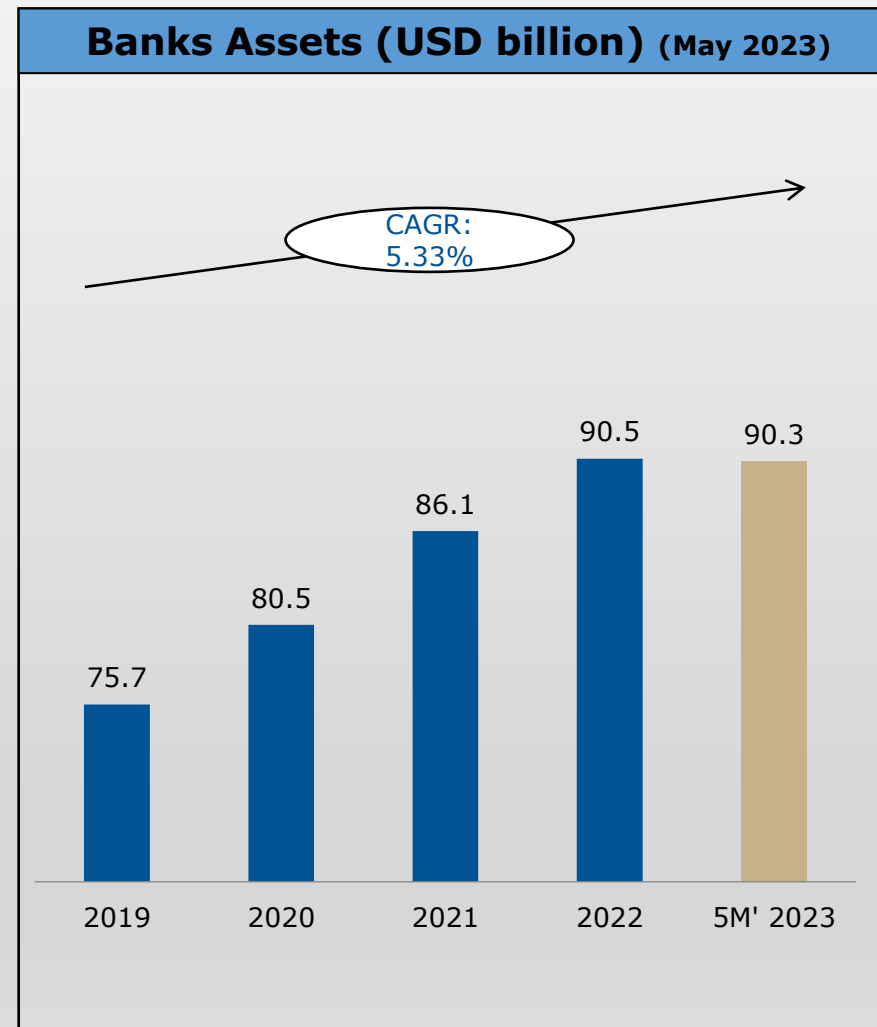
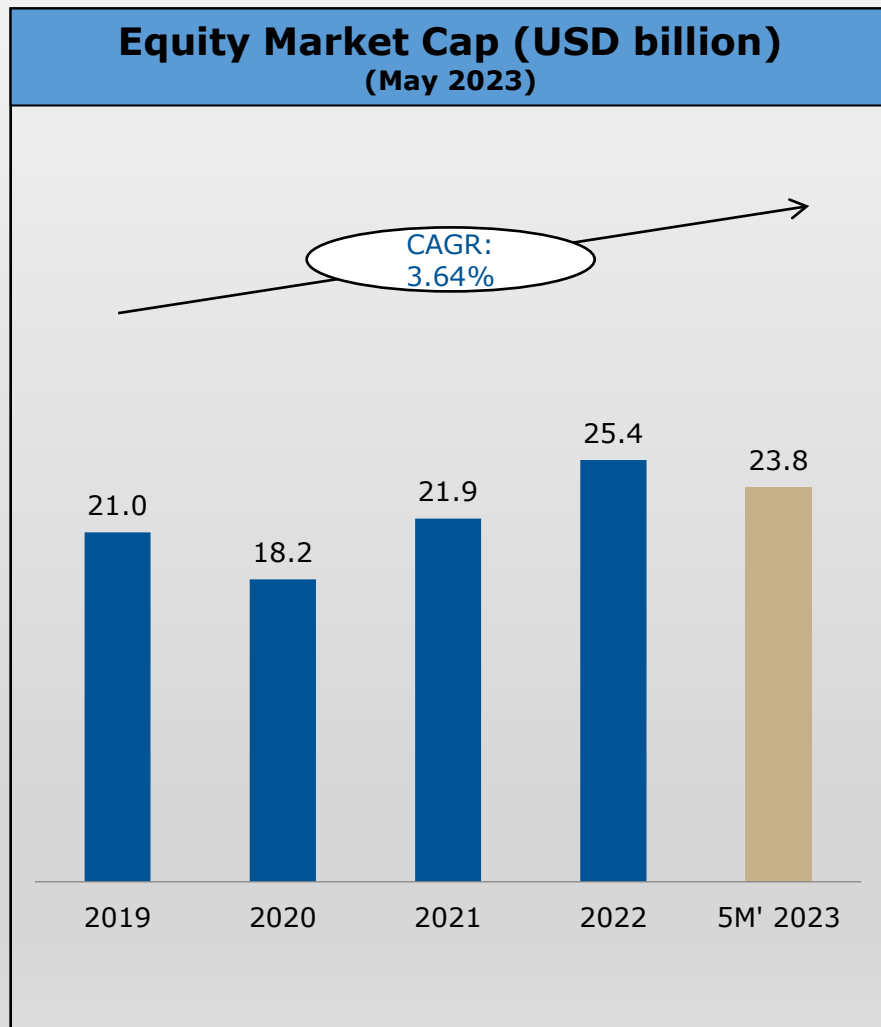
# Jordan Economy - Overview



# Jordan Economy – Overview (continued)



# Jordan Economy – Overview (continued)





## Other Information

Amounts in million USD

Consolidated

	2019	2020	2021	2022	9M' 2023
Gross Credit Portfolio	6,486	6,564	6,394	6,835	7,212
Net Credit Portfolio	5,866	5,793	5,567	6,024	6,355
FCY Credit Portfolio	1,688	1,682	1,655	1,847	2,108
JOD Credit Portfolio	4,177	4,111	3,912	4,177	4,247
Stage 3 loans - Gross (with interest in suspense)	547	620	548	506	533
Stage 3 loans - Net	398	459	381	338	354
Stage 3 Ratio - Gross	8.4%	9.4%	8.6%	7.4%	7.4%
Stage 3 Ratio - Net	6.3%	7.2%	6.1%	5.1%	5.1%
Total Loan Provisions	471	608	640	610	644
Loan Coverage Ratio *	118.4%	132.6%	167.8%	180.5%	181.9%
Cost Income Ratio **	48.1%	45.0%	44.6%	43.7%	39.50%
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%	14.2%
Total Assets	11,903	11,715	11,629	11,930	12,261
Total Deposits	9,218	8,807	8,544	8,728	9,095
FCY Deposits	3,677	3,513	3,530	3,568	3,714
JOD Deposits	5,541	5,294	5,015	5,159	5,380
Loans/Assets	49.3%	49.5%	47.9%	50.5%	51.8%
Loans/Deposits	63.6%	65.8%	65.2%	69.0%	69.9%
FCY Loans/Deposits ratio	45.9%	47.9%	46.9%	51.7%	56.8%
JOD Loans/Deposits ratio	75.4%	77.7%	78.0%	81.0%	78.9%

### NPLs - Gross (Only for Jordan)

Retail	7.5%	8.1%	6.8%	6.4%	6.6%
Corporate	8.7%	10.8%	11.2%	8.3%	7.7%

### NPLs - Net (Only for Jordan)

Retail	5.5%	5.8%	4.3%	3.9%	3.9%
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 + non-interest revenue)



## Net Direct Credit Portfolio by Sector

Amounts in million USD

Consolidated

	2019		2020		2021		2022		9M' 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%	279.4	4.4%
Industrial	742.4	12.7%	709.6	12.2%	610.8	11.0%	581.7	9.7%	712.8	11.2%
Trade	651.7	11.1%	642.0	11.1%	629.7	11.3%	640.5	10.6%	753.1	11.9%
Real Estate- Housing Loans	1,109.0	18.9%	1,105.4	19.1%	1,112.4	20.0%	1,160.9	19.3%	1,196.4	18.8%
Real Estate- Commercial Developers	462.0	7.9%	507.8	8.8%	563.0	10.1%	559.7	9.3%	502.4	7.9%
Agriculture	21.6	0.4%	27.2	0.5%	24.2	0.4%	70.7	1.2%	88.2	1.4%
Shares	4.7	0.1%	5.4	0.1%	6.5	0.1%	5.0	0.1%	6.1	0.1%
Consumer	1,090.4	18.6%	1,146.5	19.8%	1,223.0	22.0%	1,366.2	22.7%	1,375.7	21.6%
Public and Governmental	1,031.0	17.6%	815.0	14.1%	568.9	10.2%	782.2	13.0%	846.2	13.3%
Others	572.2	9.8%	596.3	10.3%	610.5	11.0%	562.7	9.3%	595.0	9.4%
<b>Total (Net Credit Portfolio)</b>	<b>5,865.8</b>	<b>100%</b>	<b>5,793.3</b>	<b>100%</b>	<b>5,566.9</b>	<b>100%</b>	<b>6,024.0</b>	<b>100%</b>	<b>6,355.5</b>	<b>100%</b>

**Income Statement**

Consolidated USD mio

	2019	2020	2021	2022	9M' 2023
Net Interest Income	418.5	429.5	423.3	450.0	407.0
Net commission	37.8	30.8	32.8	34.5	28.5
Net Interest and Commission Income	456.3	460.3	456.2	484.5	435.5
Foreign exchange income	14.7	13.3	11.3	12.2	9.7
Revenue from financial assets at fair value through OCI	0.3	0.3	0.2	0.3	0.5
Revenue from financial assets at fair value through P/L	0.0	3.3	(2.0)	(2.8)	1.6
Bank's share of associates' profits	-	-	-	-	-
Other income	37.7	36.7	35.0	38.9	26.9
Gross Income	509.1	513.8	500.7	533.1	474.1
Total Expenses	244.9	231.4	200.1	245.5	187.1
Provisions	77.8	172.9	70.6	9.0	43.0
Net Income before tax	186.4	109.5	230.0	278.7	244.0
Income tax expense	68.4	49.6	74.8	91.9	84.3
Net Income for the Year	118.1	60.0	155.3	186.7	159.7

## OTHER INCOME

USD

	2019	2020	2021	2022	9M' 2023	%
Fees on salary's accounts	4,797,075	4,689,606	4,722,134	4,694,925	3,521,900	13.1%
Credit cards income	10,330,619	6,403,197	4,737,082	8,223,863	7,208,722	26.8%
Safety Deposit Box rental income	829,014	815,178	880,893	798,302	649,550	2.4%
Commissions on returned checks	1,093,412	645,089	634,560	648,787	421,210	1.6%
Account management fees	8,308,403	14,915,025	9,140,358	8,229,828	6,691,039	24.9%
Net income from recovered loans	36,513	1,039,071	1,140,343	1,668,267	1,055,793	3.9%
Revenues on broker services	342,738	317,759	1,282,583	735,543	518,004	1.9%
Banking services' fees	1,576,920	1,455,186	1,984,289	2,568,762	1,340,774	5.0%
Revenues on transfers	7,242,937	4,791,312	4,673,121	5,086,361	3,789,733	14.1%
Hedge derivatives ( Gain / loss)	-	- 2,252,437	2,500,370	3,390,354	- 1,872,209	-7.0%
Others	3,189,157	3,857,670	3,318,917	2,893,963	3,600,135	13.4%
<b>Total</b>	<b>37,746,787</b>	<b>36,676,656</b>	<b>35,014,649</b>	<b>38,938,955</b>	<b>26,924,653</b>	<b>100.0%</b>

## Market Share in Jordan

	2019	2020	2021	2022	9M' 2023
JOD current accounts	7.9%	7.7%	7.0%	7.5%	7.4%
JOD savings accounts	34.4%	32.5%	30.1%	28.0%	26.8%
JOD fixed deposits	10.5%	8.3%	6.6%	6.5%	7.8%
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%	12.4%
Total deposits (all currencies)	13.7%	12.4%	10.9%	10.5%	10.9%
JOD direct credit facilities	13.2%	12.6%	11.4%	11.2%	11.1%
FCY direct credit facilities	11.8%	12.9%	11.9%	13.1%	14.3%
Total credit facilities (all currencies)	13.0%	12.6%	11.5%	11.5%	11.5%
Import LCs	25.5%	20.5%	29.9%	29.5%	26.9%
LGs	11.0%	10.5%	9.9%	10.2%	10.5%
Acceptances	4.7%	9.9%	18.3%	11.6%	14.5%
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	5M' 2023
Inflation Rate	0.8%	0.3%	1.4%	4.2%	3.4%

	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	5M' 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	59.6
Private Sector Credit (USD billion)	36.3	38.3	40.3	43.4	44.2
Equity Market Cap (USD billion)	21.0	18.2	21.9	25.4	23.8
Gross Foreign Reserves (USD billion) (Including Gold & SDRs)	14.3	15.9	18.0	17.3	17.5

