

ANNUAL UPDATE

Jordan Kuwait Bank



Recommendation – Overweight

Fair Value Estimated at JD 3.95 per share

April 14th, 2025

Jordan Kuwait Bank

Recommendation: Overweight

Target price JD 3.95 per share

Market price JD 2.64 per share

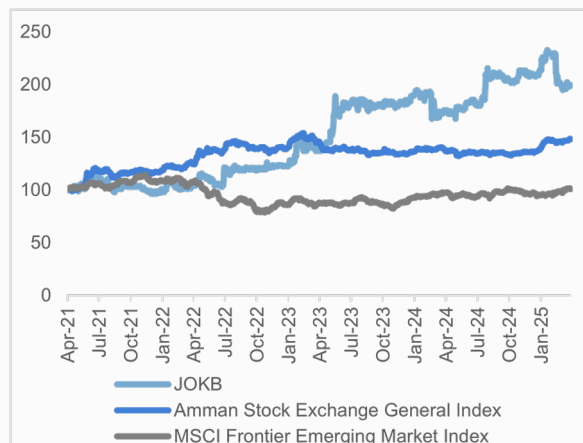
Financials

Bloomberg	JOKB JR
Reuters	JOKB AM
52-week High / Low (JD)	3.14 / 2.21
Market Cap (JD mn) *	396.0
Volume 6m Avg. (in '000 Shares)	12.3
Free float	17.60%
EPS CAGR 25-29F**	8.5%
Dividend yield (FY24)	3.0%

*As on April 10th, 2025, **includes one-offs, foreign exchange gains, and financial assets income through IS

YE: 31 Dec (in JD mn)	2024	2025F	2026F	2027F
Op. Income	393.5	458.4	508.8	552.6
% change YoY	44.4%	16.5%	11.0%	8.6%
Net Income	117.3	150.2	176.3	191.2
EPS (JD)	0.78	1.00	1.18	1.27
P/BV (x)	0.56	0.48	0.39	0.34
ROAE (%)	17.7%	15.0%	14.0%	12.5%

JOKB Stock Price Comparison



DISCLAIMER

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We reiterate our overweight recommendation on the shares of Jordan Kuwait Bank (JOKB) with a revised target price of JD 3.95 per share (Previous TP JD 3.45 per share), indicating further upside of 49.7% to CMP. We continue to like the bank's ongoing transformational phase through strategic acquisitions and digital initiatives to tap growth opportunities in Jordan and Iraq. In FY24, JOKB delivered on multiple fronts achieving impressive growth, with net profit soaring by 98.5% YoY. This growth was primarily driven by a 44.4% YoY rise in net operating income despite 0.2% YoY contraction in its loan book. Deposit mobilization remained buoyant (+7.2% YoY) translating to a steady balance sheet size expansion by 7.4% YoY.

Loan book contraction on back of conservative corporate lending and decline in credit demand from government: The bank's net loan book contracted due to a decline in government and corporate loans and an increase in impairment provisions. The gross loan book grew by a modest 1.0% YoY, compared to 6.3% YoY growth in FY23. The corporate loan portfolio decreased by 2.0% YoY, reducing its contribution to the total loan book from 58.5% to 56.7%. Government lending also witnessed contraction of 8.9% YoY in FY24. The bank also raised its impairment provision by 10.0% YoY, pushing the impairment provision/Gross loans ratio to 9.5%, up 77bps YoY. However, the real estate mortgage portfolio saw a healthy 15.1% YoY increase.

Deposits mobilization moderated due to slowdown in time deposits: The growth in deposits moderated to 7.2% YoY in FY24, with current and demand deposits accounted for 45.9% to total deposits but growing at a slower rate of 9.5% YoY, compared to 137.9% YoY in FY23. Time deposits, which contributed 44.9% to total deposits base, grew by just 3.4% YoY, down from 12.3% YoY growth in FY23. The proportion of time deposits in the total deposit base decreased by 166bps YoY, helping reduce funding costs by 17bps YoY to 3.1% in FY24.

Pressure on NIMs was offset by higher commission and fees income: NIM of the bank deteriorated by 43bps YoY in FY24, as Yield on Credit (YoC) declined by 49bps YoY. Relatively, Cost of Funding (CoF) declined by only 17bps, which further put pressure on margins. Despite this, the strong growth in commission and fees income (+79.2% YoY in FY24) helped drive overall net operating income, which rose by 44.4% YoY in FY24 and 36.9% YoY in H2'FY24.

Improved cost efficiency and lower risk costs further supported earnings performance in FY24: The bank demonstrated good progress on the cost efficiency front, with a notable reduction in the cost-to-income (C/I) ratio. In FY24, the C/I ratio improved by 784bps YoY, reaching 27.8%, while the ratio for H2'FY24 improved by 804bps YoY, declining to 23.1%. This improvement was driven by control over employee expenses (a marginal 0.3% YoY increase) which contributed to the moderation of overall operating expenses. CoR improved considerably from 1.1% in FY23 down to 0.2% in FY24 on back of lower impairment charges.

Bank asset quality continued to deteriorate in FY24

Profitability metrics show steady improvement: The JOKB delivered consistent improvement on key return profitability ratios with RoAE increasing to 17.7% for FY24 (from 10.8% in FY23) and RoAA improving to 2.2% for FY24 (from 1.3% in FY23). In FY24, JOKB demonstrated significant improvement in profitability, with net income surging by 98.5% YoY to JD 117.3mn. The second half of FY24 (H2'FY24) saw even stronger growth, with net income increasing by 191.0% YoY.

Bank is improving its capital adequacy

JOKB remained adequately capitalized despite emanating balance sheet risk of rising NPLs: The bank's asset quality deteriorated further in FY24, with the Non-Performing Loans (NPL) ratio rising to 8.3%, reflecting an increase of 72bps YoY. However, on semi-annual basis, the bank observed an improved asset quality, as the NPL ratio for H2'FY24 declined by 29bps YoY. Additionally, the NPL coverage ratio of the bank decreased by 65bps YoY, reaching 114.8% in FY24. Furthermore, capital adequacy of the bank increasing signalling healthy capital base. In FY24, CAR of the bank improved to 21.3%, reflecting 254bps YoY improvement.

Key Recent Developments:

Jordan Kuwait Bank and Bank Al Etihad terminate merger talk

Jan 2025: JOKB has partnered with United Financial Investment Company, which will provide financial advisory & research services related to listed companies in Amman Stock Exchange and Custody Services. With this move bank is aiming to boost its investment performance and to seize opportunities in the Jordanian market.

Nov 2024: JOKB and USAID joined hands to develop Jordan's first Supply Chain Finance platform which will help SMEs access flexible, cost-effective financing based on their verified supply chain transaction.

Sept 2024: JOKB has officially announced the termination of merger discussions with Bank al Etihad.

Sept 2024: Fitch Ratings has assigned JOKB a Long-Term Issuer Default Rating (IDR) of 'B+' with a Stable Outlook. The rating reflects JOKB's standalone strength, marked by its high exposure to Iraq, which supports profitability but also introduces volatility risks.

Fitch assigned JOKB a 'B+' long-term rating with stable outlook

Sept 2024: Basata Holding for Financial Payments and JOKB have acquired a 27.1% stake in MadfoatCom, a leading electronic payment company in Jordan. The partnership aims to enhance payment solutions, including mobile payments and bill services, and support SMEs in adopting digital solutions.

July 2024: JOKB has partnered with Mastercard and FOO to introduce eliWallet, a multicurrency prepaid wallet offering virtual and physical cards for easy payments. The wallet enables fast cross-border transfers, in-store purchases, online shopping, and is the first family wallet in Jordan.

July 2024: Capital Intelligence upgraded JOKB's Long-Term Foreign Currency Rating (LT FCR) to 'BB-', in line with Jordan's sovereign rating increase. The Bank Standalone Rating (BSR) was also raised to 'bb-' due to improved operating conditions.

July 2024: JOKB strengthened its partnership with the IATA by integrating IATA Pay into Jordan's instant payment system, CliQ. As IATA's sole clearing and settlement bank in Jordan, JOKB's initiatives strengthens digital payment options in the travel industry.

Credit Rating Upgrade by Capital Intelligence: Reflecting Strengthened Financial Position

Financial Highlights – Semi-Annual basis

Financial Results (JD '000)	H2 24	H1 24	H2 23	YoY	Semi-annual
Net Interest Income	71,276	67,351	67,010	6.4%	5.8%
Income from Commission and Fees	88,184	72,987	60,501	45.8%	20.8%
Net Operating Income	208,454	185,063	152,310	36.9%	12.6%
Total Expenses	(48,117)	(61,361)	(47,408)	1.5%	-21.6%
Net income	66,245	51,084	22,764	191.0%	29.7%
Direct Credit Facilities, net amortized cost	2,001,904	1,968,271	2,006,746	-0.2%	1.7%
Total Assets	5,630,326	5,605,020	5,244,402	7.4%	0.5%
Customer Deposits	3,974,142	4,050,293	3,707,096	7.2%	-1.9%
Total Equity	708,117	651,770	614,743	15.2%	8.6%

Capital Adequacy details (JD '000)	H2 24	H1 24	H2 23	YoY	Semi-annual
Risk Weighted Assets	3,205,455	2,937,931	3,131,389	2.4%	9.1%
Regulatory Capital	682,593	630,776	587,069	16.3%	8.2%
CET 1	628,119	571,150	531,419	18.2%	10.0%
Tier 2 Capital	35,815	36,775	36,262	-1.2%	-2.6%
Tier 1 Capital ratio*	20.2%	20.2%	17.6%	259	(4)
Capital Adequacy Ratio*	21.3%	21.5%	18.8%	254	(18)

*Tier 1 capital ratio and Capital Adequacy Ratio changes in bps

Ratios	H2 24	H1 24	H2 23	YoY (bps)	Semi-annual (bps)
Net Spread	4.1%	4.0%	3.7%	39	14
Cost-to-income	23.1%	33.2%	31.1%	(804)	(1007)
ROAA	2.4%	1.9%	0.9%	144	48
ROAE	19.5%	16.1%	7.6%	1,190	335
Funding Cost	3.0%	3.4%	3.4%	(45)	(38)
Loan-to-Deposit ratio	50.4%	48.6%	54.1%	(376)	178
NIM	3.7%	3.5%	3.6%	10	15
NPL	8.3%	8.6%	7.6%	72	(29)

Key Positives:

- JOKB reported a robust 191.0% YoY increase in net income for H2'FY24, primarily driven by a 36.9% YoY growth in operating income. The significant growth of 45.8% YoY in income from commission and fees led to healthy growth in operating income
- The bank's CAR strengthened, rising to 21.3% in H2'FY24, up from 18.8% in the same period last year. Additionally, the C/I ratio improved by 804bps YoY, reaching 23.1% in H2'FY24, signalling enhanced operational efficiency
- Funding cost of the bank also witnessed improvement of 45bps YoY, and it reached to 3.0%. The net interest margin (NIM) saw a slight YoY expansion of 10bps to 3.7%, driven by a 39bps YoY widening of the bank's net spread to 4.1%
- The ROAE of the bank improved significantly to 19.5% in H2'FY24 from 7.6% in H2'FY23

Key Negatives:

- In H2'FY24, JOKB's loan-to-deposit ratio decreased to 50.4%, down from 54.1% in H2'FY23, as loan book witnessed decline of 0.2% YoY, while the deposit base grew by 7.2% YoY
- The bank's asset quality showed signs of deterioration, as the NPL ratio increased by 72bps YoY, reaching 8.3%

Financial Highlights – Annual basis

Financial Results (JD '000)	FY 24	FY 23	YoY
Net Interest Income	138,627	133,240	4.0%
Income from Commission and Fees	161,171	89,931	79.2%
Net Operating Income	393,517	272,486	44.4%
Total Expenses	(109,478)	(97,179)	12.7%
Net income	117,329	59,108	98.5%
Direct Credit Facilities, net amortized cost	2,001,904	2,006,746	-0.2%
Total Assets	5,630,326	5,244,402	7.4%
Customer Deposits	3,974,142	3,707,096	7.2%
Total Equity	708,117	614,743	15.2%

Capital Adequacy details (JD '000)	FY 24	FY 23	YoY
Risk Weighted Assets	3,205,455	3,131,389	2.4%
Regulatory Capital	682,593	587,069	16.3%
CET 1	628,119	531,419	18.2%
Tier 2 Capital	35,815	36,262	-1.2%
Tier 1 Capital ratio*	20.18%	17.59%	259
Capital Adequacy Ratio*	21.29%	18.75%	254

*Tier 1 capital ratio and Capital Adequacy Ratio changes in bps

Ratios	FY 24	FY 23	YoY (bps)
Net Spread	3.6%	3.9%	(32)
Cost-to-income	27.8%	35.7%	(784)
ROAA	2.2%	1.3%	81
ROAE	17.7%	10.8%	690
Funding Cost	3.1%	3.3%	(17)
Loan-to-Deposit ratio	50.4%	54.1%	(376)
NIM	3.4%	3.8%	(43)
NPL	8.3%	7.6%	72

Key Positives:

- In FY24, JOKB reported a strong 98.5% YoY increase in net income, driven by a 44.4% YoY rise in operating income. Commission and fees income saw a notable 79.2% YoY increase
- The bank's cost efficiency improved, with the C/I ratio declining by 784bps YoY to 27.8%
- The bank's profitability metrics also improved significantly, with RoAA rising by 81bps YoY to 2.2%, while RoAE expanded by 690bps YoY to 17.7%

Key Negatives:

- In FY24, JOKB's net spread contracted by 32bps YoY to reach at 3.6%, which contributed to a 43bps YoY decline in the net interest margin (NIM)

Iraq Operations Updates:

- Total operating income of the bank grew by 98.6% YoY while operating expenses rose by 63.2% YoY for FY24
- Net income of the bank increased by 97.0% YoY in FY24
- Bank witnessed expansion in total assets as it grew by 29.0% YoY to JD 1,919mn
- Deposits from the bank, customers, and guarantees increased by 23.2% YoY to JD 1,468mn but bank has net credit facilities of JD 27mn which witnessed decline of 18.5% YoY in FY24
- Bank has cash balance of JD 1,319mn which grew by 24.7%

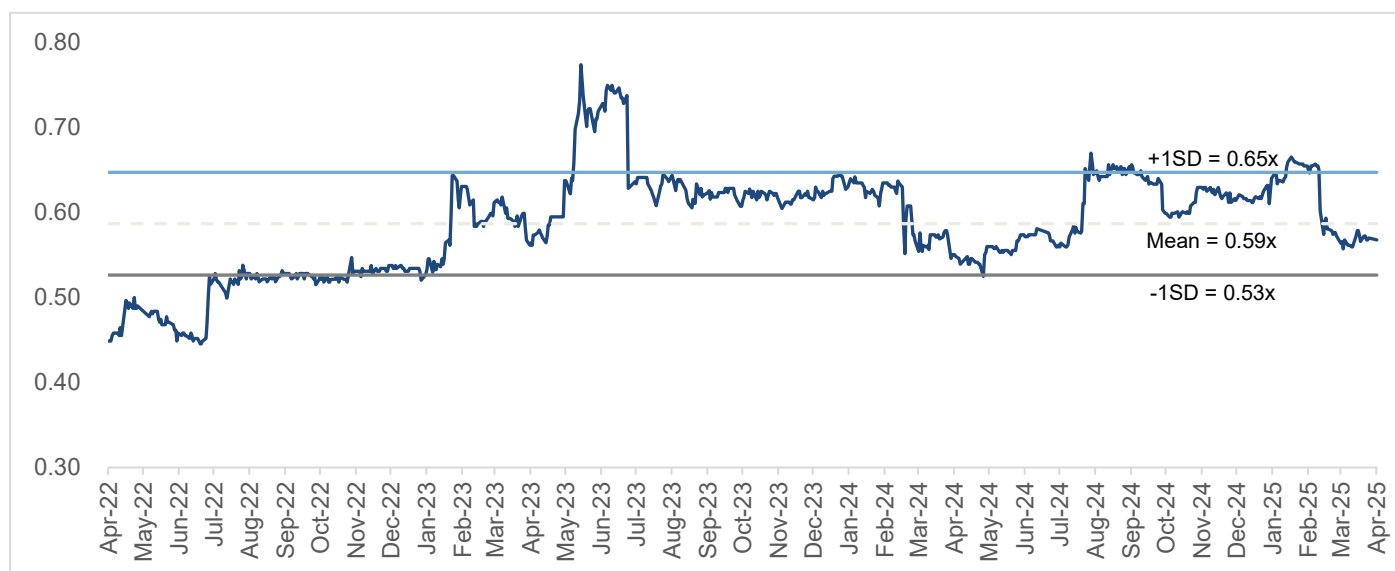
Valuation & Recommendation

Upside of 49.7% from
CMP of JD 2.64 per share

JOKB has established itself as a geographically well-diversified bank, expanding its presence in Jordan and Iraq through its subsidiaries. Overall, the bank's FY24 performance reflects an improving profitability trend, largely driven by strong growth in commission and fee income, complemented by higher RoE / RoA. The bank is prioritizing a cost-efficient operation with digitization initiatives while taking conservative stance on the lending front.

We reiterate our Overweight rating on the shares of JOKB with a revised target price of JD 3.95 per share (previously JD 3.45 per share), translating to an upside of 49.7% from the last close of JD 2.64 per share. We expect the bank to continue growing the net loan book at a CAGR of 9.7% between FY25F and FY29F. The C/I ratio is expected to remain well below 30% over the next three to five years on the back of the bank's continuous efforts on digitization and cost rationalization. The stock corrected by ~7.0% YTD and has underperformed Amman Stock Exchange General Index which has been increased by +4.5% YTD. However, we anticipate a potential upside of 47.5% due to continued mispricing of the shares.

JOKB PB trend



Source: Bloomberg

Our 12-month target price estimate is based on a weighted average of Justified PB (33.3%), Relative PE (33.3%) and Relative PB (33.3%) methodologies.

Valuation summary

Methodology	Weightage	JD per share
Justified PB multiple	33.3%	3.98
Relative P/E	33.3%	3.88
Relative P/B	33.3%	4.00
Target valuation		3.95
Current market price (JD)		2.64
Upside / (Downside)		49.7%

Source: BHM Capital Estimates

Target price estimated at JD 3.98 per share based on a justified PB multiple of 0.7x

RoAE, CoE and terminal growth rate, contribute to a justified PB multiple of 0.7x. The justified PB multiple and FY25F book value per share of JD 5.55 translates to a target price estimate of JD 3.98 per share.

Justified PB valuation

Justified P/B

ROAE (Sustainable)	12.0%
Cost of Equity	15.8%
Terminal growth rate	2.5%
Target P/BV	0.7x
Book value per share FY25F	5.55
Value per share (JD)	3.98

Source: Company reports, BHM Capital Estimates

Cost of equity calculation considers the yield of the 10-year Jordanian bond, weighted average of 3 years' beta (asset weighted for Jordan and Iraq) based on the daily price performance of the stock, vis-à-vis the Amman stock exchange index. Terminal growth rate is conservatively assumed at 2.5%, considering the average long term GDP growth rate for Jordan & Iraq.

For relative valuation, we have considered Jordan banks as a peer group for JOKB. Based on JOKB's market cap of USD 558mn, we have selected peers in the range of ~USD 150mn to ~USD 4.0bn.

Based on the relative PE multiple method, our target price estimate basis the FY25E EPS of JD 0.47 and target PE multiple of 7.6x, the shares are valued at JD 3.88 per share. In the PE method, we have incorporated the value of OCI investments, i.e., Al Quds Bank (10.0%), BHM Capital (10.0%), Gulf Bank Algeria (10.0%), MEPS (19.77%) and Al Ehrerafiyah (19.98%) stake held by JOKB.

Additionally, based on FY25F book value per share of JD 5.55 and target PB multiple of 0.7x, the shares are valued at JD 4.00 per share.

Relative valuation

	PE multiple	PB multiple
Weighted average multiple	7.6x	0.7x
Discount / Premium	-	-
Applied multiple	7.6x	0.7x
EPS and Book value per share (JD)	0.47	5.55
Value of OCI investments (JD per share) *	0.32	NA
Value per share (JD)	3.88	4.00

Source: BHM Capital Estimates

Note: Value of OCI investments has been derived using a mark to market approach for JOKB stake in BHM capital (10%) and Al Quds Bank (10%); For Gulf Bank Algeria (10%), MEPS (19.77%) and Al Ehrerafiyah (19.98%) we have derived the valuation based on MENA peers PB multiple

Valuation of OCI Investments

	AI Quds Bank	BHM Capital	Gulf Bank Algeria	MEPS	AI Ehrerafiah
Ticker	QUDS PS Equity	BHMCAPIT UH Equity	NA	NA	NA
Total Market Cap (JD 000)	81,880	54,266	276,603	4,644	26,563
% Stake held by JOKB	10%	10%	10%	20%	20%
MTM value of Stake (JD 000)	8,188	5,427	27,660	918	5,307
Book value of equity (DZD '000)			42,026,711	NA	NA
Book value of equity (JD '000)			222,742	3,740	21,390
PB ratio (MENA region)*			1.2x	1.2x	1.2x
PB valuation			276,603	4,644	26,563

Source: Bloomberg

Note: * MENA peer's multiple for Gulf Bank Algeria, MEPS and AI Ehrerafiah

Peer table (as on April 10th, 2025)

Banks	Country	Market Cap (USD mn)	P/E (x)	P/B (x)	ROE (%)	ROA (%)	NPM (%)
Jordan Kuwait Bank	Jordan	558	3.4	0.6	17.7%	2.2%	29.8%
Jordanian Peers							
Arab Bank Plc	Jordan	4,039	4.3	0.4	9.0%	1.4%	33.0%
Housing Bank for Trade And F	Jordan	1,648	7.9	0.9	11.3%	1.7%	33.2%
Jordan Islamic Bank	Jordan	1,213	13.0	1.5	12.0%	1.1%	36.7%
Capital Bank of Jordan	Jordan	734	4.8	0.8	17.4%	1.4%	25.1%
Bank Of Jordan	Jordan	598	12.1	0.8	6.7%	1.1%	20.3%
Bank Al Etihad	Jordan	477	8.0	0.6	7.6%	0.5%	13.8%
Safwa Islamic Bank	Jordan	310	13.0	1.3	10.1%	0.6%	9.6%
Cairo Amman Bank	Jordan	291	12.4	0.4	3.6%	0.4%	9.7%
Jordan Ahli Bank	Jordan	274	10.9	0.6	5.3%	0.5%	14.6%
Invest Bank Co	Jordan	278	6.4	0.8	11.7%	1.4%	27.0%
Arab Jordan Investment Bank	Jordan	271	12.0	0.9	7.3%	0.6%	21.8%
Jordan Commercial Bank	Jordan	171	10.3	0.7	6.8%	0.8%	21.4%
Weighted average* (Jordanian peers)			7.6	0.7	9.9%	1.2%	28.8%
MENA Peers							
National Bank of Ras Al-Khai	UAE	3,379	6.0	1.1	18.8%	2.6%	44.0%
Burgan Bank	Kuwait	2,793	23.3	1.0	4.3%	0.6%	19.6%
Al Ahli Bank of Kuwait	Kuwait	2,371	14.0	1.2	8.4%	0.8%	24.7%
Sharjah Islamic Bank	UAE	2,035	7.1	1.2	17.2%	1.4%	48.3%
Al Salam Bank BSC	Bahrain	1,590	10.1	1.6	16.9%	1.0%	33.5%
Warba Bank KSCP	Kuwait	1,556	24.7	1.4	5.9%	0.4%	31.0%
National Bank of Oman SAOG	Oman	1,183	8.9	0.8	9.6%	1.3%	38.4%
Banque Intl Arabe De Tunisie	Tunisia	1,198	12.3	1.9	16.2%	1.5%	23.4%
Kuwait International Bank	Kuwait	1,104	19.7	1.0	5.1%	0.6%	25.3%
Attijari Bank	Tunisia	980	12.2	2.5	20.8%	2.0%	30.5%
Bank Nizwa	Oman	575	11.8	0.8	7.0%	1.0%	31.6%
Credit Agricole Egypt	Egypt	536	3.4	1.3	44.8%	6.9%	55.1%
Banque De Tunisie	Tunisia	465	7.8	1.1	14.9%	2.4%	36.8%
Weighted average* (MENA peers)			13.1	1.2	13.1%	1.4%	33.3%

Source: Bloomberg, *weighted average based on market cap

Risks to Valuation

Political and Economic challenges: Conflicts in neighboring countries, including Syria, Iraq, and the Palestine-Israel tensions, pose significant security threats and economic risks, undermining investor confidence. Additionally, the country has a high unemployment rate, which reached 21.5% as of September 2024. Jordan also faces a substantial debt burden, with net debt to GDP projected to rise to 90.8% in FY24, up from 90.6% in FY23.

High competition and limited market (Jordan-specific): JOKB holds a market share of ~6% in the Jordanian banking sector. However, it operates in a highly competitive environment, facing numerous regional and international banks that pose challenges to its market positioning. Increased competition could exert pressure on profitability through pricing strategies, customer acquisition costs, and the need for continuous innovation in products and services. To sustain growth, JOKB must keep focusing on enhancing operational efficiency, strengthening customer relationships, and leveraging digital transformation to differentiate itself in the market

High non-performing assets: The bank's profitability may be affected by rising non-performing loans (NPLs). Over the past three years, the bank's NPL ratio has been on an upward trend. The main driver can be Bank of Baghdad, as its projections indicate that its Expected Credit Loss (ECL) will grow at a 27.0% CAGR from 2025 to 2029, further impacting asset quality. While a declining interest rate environment could help mitigate non-performing assets (NPAs), the bank's ability to effectively manage and control NPAs will be a key factor in sustaining financial stability and profitability

High exposure to Iraq: JOKB has significant exposure to Iraq, with approximately 64.0% of its operating income originating from the region. However, Iraq's banking sector faces challenges, including inadequate regulations, weak enforcement mechanisms, and an outdated financial infrastructure, which undermine confidence in the banking system.

Annexures

Income Statement (JD mn)	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Interest Income	166	253	277	305	332	350	365	386
Interest Expense	(65)	(120)	(138)	(132)	(139)	(142)	(145)	(152)
Net Interest Income	101	133	139	173	193	208	220	234
Fees Income, net	10	90	161	195	216	242	260	264
Non-Interest Income	28	49	94	91	99	103	108	109
Total operating income	140	272	394	458	509	553	589	607
Total expenses	(77)	(97)	(109)	(115)	(124)	(132)	(137)	(138)
Pre-Provision Profit	62	175	284	343	385	421	452	469
Loan loss charges	(31)	(23)	(4)	(23)	(28)	(30)	(28)	(28)
Provisions	(4)	(47)	(49)	(8)	(8)	(9)	(9)	(9)
Profit Before Tax*	27	122	231	312	349	382	415	432
Income Taxes	(9)	(32)	(37)	(58)	(64)	(74)	(86)	(88)
Profit After Tax	19	90	194	255	284	308	329	345
Minority Interest	(0)	(31)	(77)	(104)	(108)	(117)	(125)	(128)
Net Income	19	59	117	150	176	191	204	217
Adjusted Net Income**	10	4	33	70	89	101	110	123
EPS (JD)	0.12	0.39	0.78	1.00	1.18	1.27	1.36	1.45

Source: Company reports, BHM Capital Estimates; **Excludes one-off items, gain from foreign exchange, & gain from financial assets through IS

Balance Sheet (JD mn)	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Cash & Cash Equivalent	481	1,072	1,334	2,166	2,368	2,497	2,659	2,880
Interbank lending	123	540	355	458	468	484	496	512
Investments	734	1,264	1,566	2,005	2,049	2,086	2,139	2,171
Net loans	1,923	2,007	2,002	2,126	2,326	2,626	2,850	3,079
Intangible assets	7	12	12	15	14	14	13	13
Fixed Assets	36	80	83	96	101	108	113	113
Other Assets	243	269	278	306	317	310	315	319
Total Assets	3,547	5,244	5,630	7,172	7,643	8,124	8,585	9,086
Customer deposits	2,419	3,707	3,974	4,956	5,126	5,293	5,470	5,654
Margin Accounts	118	140	154	173	192	206	219	226
Interbank borrowing	107	70	45	372	295	304	301	297
Loans and borrowings	297	363	346	312	327	337	344	349
Other Liabilities	129	237	225	243	300	322	314	333
Total Liabilities	3,069	4,517	4,744	6,057	6,241	6,463	6,648	6,860
Share capital	150	150	150	150	150	150	150	150
Statutory Reserve / Others	223	217	217	232	250	269	290	311
Retained earnings	95	143	241	350	462	584	715	855
Others	8	104	100	100	150	150	150	150
Minority Interest	2	113	178	282	390	508	633	760
Total Equity	478	728	886	1,115	1,402	1,661	1,937	2,226
Total Equity & Liabilities	3,547	5,244	5,630	7,172	7,643	8,124	8,585	9,086
BVPS (JD)	3.17	4.10	4.72	5.55	6.75	7.69	8.70	9.78

Source: Company reports, BHM Capital Estimates

Key Ratios	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Asset Quality								
NPL Ratio	6.5%	7.6%	8.3%	8.0%	8.0%	8.0%	8.0%	8.0%
NPL Coverage	110.7%	115.5%	114.8%	123.6%	126.1%	124.8%	125.9%	126.6%
Provisions/ Avg. Loans	1.6%	1.1%	0.2%	1.1%	1.2%	1.1%	1.0%	0.9%
Margins								
Asset Yield	6.0%	7.2%	6.7%	6.7%	6.6%	6.5%	6.4%	6.4%
Funding Cost	2.4%	3.3%	3.1%	2.6%	2.4%	2.4%	2.3%	2.4%
NIM	3.7%	3.8%	3.4%	3.8%	3.9%	3.9%	3.9%	3.9%
Capital Adequacy (%)								
CAR	17.1%	18.8%	21.3%	20.0%	22.8%	24.5%	26.2%	27.8%
Total RWA (JD mn)	2,789	3,279	3,326	4,160	4,433	4,712	4,979	5,270
Liquidity Ratios (%)								
Customer Deposits to Equity	5.1	6.0	5.6	6.0	5.1	4.6	4.2	3.9
Loans to Deposits	79.5%	54.1%	50.4%	42.9%	45.4%	49.6%	52.1%	54.5%
Loans/Assets	54.2%	38.3%	35.6%	29.6%	30.4%	32.3%	33.2%	33.9%
Income statement ratio %								
Fees Income/ Total Income	7.3%	33.0%	41.0%	42.5%	42.5%	43.7%	44.1%	43.5%
Cost to Income Ratio	55.4%	35.7%	27.8%	25.1%	24.4%	23.8%	23.2%	22.7%

Source: Company reports, BHM Capital Estimates

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Investment Ratings Guide

Overweight	The target price for the next 12 months is 15% above the current price
Neutral	The target price in the next 12 months is between -15% and 15% of the current price
Underweight	The target price for the next 12 months is 15% below the current price
Not Rated	No investment rating has been assigned yet

