

27th Ordinary General Assembly Minutes of Meeting Thursday, March 23, 2023



In accordance with the provisions of the Defense Law Number 13 for the year 1992 and the directives issued by His Excellency the Minister of Industry, Trade, and Supply on April 9, 2020, Capital Bank of Jordan, a public shareholding company, held its 27th ordinary General Assembly meeting at 11:00 a.m. on March 23, 2023, using audiovisual and electronic communication. The meeting was chaired by Chairman of the Board of Directors H.E. Bassem Al-Salem.

The Chairman of the Board welcomed Companies Controller Dr. Wael Armouti, Capital Bank's shareholders, attendees, and the representative of the Central Bank of Jordan.

Before declaring the legality of the meeting, H.E. Bassem Al-Salem opened the floor to the Companies' Controller.

The Companies Controller Dr. Wael Armouti began his address by welcoming Chairman of the Board of Directors H.E. Bassem Al-Salem, board members, executive team members, and shareholders. He expressed his pleasure at attending the annual ordinary meeting of Capital Bank, which is a distinguished banking establishment and a source of pride, with an excellent reputation locally, regionally, and internationally. He also expressed his pleasure that this meeting included a variety of national, economic, and banking figures, and conveyed his respect and appreciation to everyone. He praised the results and great achievements of the bank during fiscal year 2022, which demonstrate its continuous efforts and wise perspective, represented by the chairman of its Board of Directors, all board members, the executive team, and the employees. He wished the bank continued success under the guidance of HM King Abdullah II, and also offered his congratulations on the holy month of Ramadan and wished everyone and the Arab and Muslim nation God's blessings.

He asked the Chairman of the Board to begin the discussion of the items on the agenda as presented in the invitation to the shareholders.

After the Chairman of the Board thanked the Companies' Controller for his speech and continued support of the bank, he announced the appointment of Ms. Orouba Qarain, Secretary of the Board of Directors, as the clerk of the meeting and the Capital Bank's work team as the observer of the vote collection mechanism. He asked Ms. Qarain to announce the percentage of the attendees according to the latest list of attendees.

Ms. Qarain announced that the shareholders attending the meeting were 121, holding 226,931,168 bank shares personally and by proxy, representing 86.27% of the bank's subscribed and paid-up capital amounting to JD/shares 263,037,122, and that 11 of the total 13 board members were in attendance. She also announced that the bank's auditor, PriceWaterhouse Coopers, was in attendance, and that the quorum for the ordinary General Assembly was legally reached. She noted that the date of the General Assembly meeting was announced in two daily newspapers and on the bank's website as per the measures issued by the Minister of Industry, Trade, and Supply on April 9, 2020, and Defense Order Number 5 for the year 2020.

Based on this, the Chairman of the Board of Directors declared the meeting legal and that all decisions taken by the ordinary General Assembly are binding for shareholders present and absent.

The Chairman of the Board began his remarks by welcoming the attendees and the shareholders in this annual meeting. He presented the bank's most prominent achievements during 2022, as follows:

- Capital Bank Group achieved unprecedented financial results by the end of the year 2022, with net profit reaching JD91 million, an increase of 49% compared to 2021
- The net assets of Capital Bank Group reached approximately JD7 billion, compared to JD4.3 billion at the end of 2021
- The net credit facilities portfolio grew from JD2.1 billion in 2021 to JD3.3 billion in 2022, an increase of JD1.2 billion, which is equivalent to a growth rate of 54%
- This growth was accompanied by an increase in the volume of customer deposits from JD2.8 billion in 2021 to JD4.9 billion in 2022, achieving a growth rate of 75%
- The ratio of coverage of provisions for non-performing facilities (after deducting suspended interest) has maintained the levels of the previous year at 90%, noting that when calculating guarantees, the coverage ratio becomes 130%
- The individual customer base has doubled to more than 100,000 customers

He then indicated that these results were preceded and accompanied the following accomplishments:

- Completing Capital Bank Group's acquisition of Société Générale Bank Jordan and the successful integration of its

business and operations

- Opening and initiating the activities of the National Bank of Iraq branch in the Kingdom of Saudi Arabia
- Completing the process of issuing perpetual bond Tier One to strengthen the capital base and listing them on the Nasdaq Dubai Stock Exchange at an amount of \$100 million
- Increasing the bank's capital with the joining of Saudi Public Investment Fund, one of the largest sovereign funds in the world, as a strategic investor with a stake of 23.97%

He continued by saying that Capital Bank Group remains eager to achieve a quantum leap in its digital transformation in order to keep pace with technological developments. The updated Capital Bank mobile application was launched with more than 40 new features, in addition to the Apple Pay service, making the bank the first in Jordan to provide this service to its customers, in addition to offering corporate online banking services that include managing commercial transactions and cash.

At the beginning of 2022, the digital bank Blink was launched, supported by the latest international financial technology. The provision of financial leasing services was also initiated through the Capital Financial Leasing Company, and the establishment of the Iraqi National Installment and Financial Leasing Company was completed to offer the same product in Iraq.

As for Capital Investments, the volume of assets under management increased to \$608 million compared to \$427 million in 2021, the number of brokerage and currency trading accounts increased by 1,700 new accounts, and the company's share of the ASE's trading volume increased to exceed 7% of the trading volume.

Concluding his remarks, he extended his thanks to the Central Bank of Jordan and to the Jordan Securities Commission for their constant support of the Jordanian banking sector. He also thanked the group's executive management team and all employees, as well as the shareholders and agents, for their confidence in the group and their constant support. He then announced the start of the discussion of the items on the meeting's agenda.

With regard to enquiries presented by shareholders who own less than 10% of the shares, he announced the receipt of several enquiries, indicating that they will be responded to and that the responses will be posted on the bank's website under shareholders' enquiries. The enquiries were as follows:

• **Question by Shareholder Imad Nawwaf Salim Al-Awwad**

Is it possible to increase the profits from 17 piasters to 20 piasters for this year, and what is the initial profit status for the first quarter of this year?

Response

The decision to distribute profits is taken based on the approved dividend policy, in a manner that ensures compliance with all financial ratios and taking into account the future growth plans of the group, noting that 17% is considered one of the high distribution ratios and it achieves a high profit return for shareholders.

With regard to the group's results for the first quarter, it is expected to maintain positive growth rates with regard to normal business and as approved within the financial plan for the year 2023.

• **Question by Shareholder Mohammad Hashem Abdel Amir Al-Wardi**

Why is the bank distributing only 17% of the profits, when it can distribute a larger percentage between 20-25%, and its retained earnings will not be affected, especially after achieving a high profit for the fiscal year 2022?

I hope or suggest to the Board of Directors to take into account the share and the shareholders and raise the distribution ratio to support the share from a limiting decline, as this is not in the interest of the bank at all.

Response

The decision to distribute profits is taken based on the approved dividend policy, in a manner that ensures compliance with all financial ratios and taking into account the future growth plans of the group, noting that 17% is considered one of the high distribution ratios, and it achieves a high profit return for shareholders.

Item One: Reciting the decisions of the previous ordinary General Assembly meeting held on March 24, 2022
Ms. Qarain read the decisions taken during the 26th General Assembly held on March 24, 2022.

Item Two: Voting on the Board of Directors' Report about the bank's operations for fiscal year 2022, the plan for 2022 and ratifying them

The shareholders were provided an opportunity to vote on the second item of the agenda. The result of the vote was announced and it appeared on the screen showing an approval percentage of 100%. Hence, the Board of Directors

report on the bank's operations for fiscal year 2022 and the future plan for 2023 were both ratified.

Item Three: Voting on the bank's auditor report for 2022 and ratifying it

The chairman of the board expressed his great appreciation to PWC for its efforts during 2022. The shareholders were then given the opportunity to vote on the third item on the agenda. The result of the vote was announced and it appeared on the screen with an approval percentage of 99.99%. Hence, the bank's auditors' report for 2022 was ratified.

Item Four: Voting on the bank's balance sheet and closing accounts for fiscal year 2022, ratifying them and approving the Board of Directors' proposal to distribute cash dividends to shareholders at the rate of 17% of the bank's capital, a total of JD44,716,311 million

The shareholders were given the opportunity to vote on fourth item on the agenda. The result of the vote was announced, and it appeared on the screen with an approval percentage of 99.99%. Hence, the bank's balance sheet and closing accounts for fiscal year 2022 were ratified. The Board of Directors' proposal to distribute cash dividends to shareholders at the rate of 17% of the bank's capital with a total of JD44,716,311 million was also approved.

Item Five: Reciting a brief report on the work of the committees formed from the Board of Directors based on Article 6/E of the Shareholding Companies' Governance Instructions listed for the year 2017

Ms. Qarain read a brief on the main work of the committees established from the Board of Directors and invited shareholders to examine the bank's annual report for more details.

Item Six: Absolving the members of the Board of Directors from liability for the fiscal 2022 as stipulated in the law's provisions

The shareholders were given the opportunity to vote on the sixth item of the agenda. The result of the vote was announced and it appeared on the screen showing a 99.72% approval rate. Hence, it was decided to absolve the members of the Board of Directors from liability for the fiscal year 2022 within the limits of the law's provisions.

Item Eight: Elect the bank's auditor for the fiscal year 2023 and authorize the Board of Directors to determine their fees

The chairman of the board of directors announced that the board recommends the approval of the reelection of Messrs. PWC as external auditor to audit the bank's operations for the year 2023, hoping that the shareholders would authorize the Board of Directors to specify their fees. The shareholders were given the opportunity to vote on the eighth item of the agenda. The result of the vote was announced and it appeared on the screen showing 100% approval. Hence it was decided to elect Messrs. PWC Jordan as auditors for the fiscal year 2023 and to authorize the Board of Directors to determine their fees.

The meeting was then concluded as there were no other enquiries from shareholders with more than 10% shares.

At the conclusion of the meeting, the Chairman of the Board of Directors thanked all Capital Bank shareholders for their presence and their confidence in the bank and its management. He also thanked all the control parties, particularly the companies' controller, the governor of the Central Bank of Jordan, and other government parties for their role in supporting the economy and the efforts they exert at all levels. He also thanked LUMI, which specialized in organizing general assembly meetings, for its efforts. He expressed hope that God would protect Jordan under HM King Abdullah II Ibn Al-Hussein.

The Companies' Controller extended his gratitude to the chairman of the board and Capital Bank. He also thanked Chief Executive Officer Dawod Al-Ghoul, the Board's Secretary Ms. Qarain, and LUMI for managing the successful meeting. He wished everyone success under the leadership of HM King Abdullah II Ibn Al-Hussein.

The Chairman of the Board of Directors then thanked Companies Controller Dr. Wael Armouti and all the attendees, and the meeting was concluded.

Clerk: Orouba Qarain

H.E. Companies Controller: Dr. Wael Armouti

H.E. of the Board of Directors: Bassem Khalil Al-Salem