

In accordance with article 169 of the Jordanian Companies Law, the General Assembly of the Jordan Capital Bank Public Shareholding Company held its ordinary 23rd meeting at 3:00 pm on Tuesday 30 April 2019 at the Banks Association building. The meeting was chaired by Basem Al-Salem, Chairman of the Board of Directors, and was attended by:

Mr. Ramzy Nuzha, Companies Controller

Mrs. Nisreen Qashou', Representative of the Central Bank of Jordan

Mrs. Tasneem Abu Tarboush, Representative of the Central Bank of Jordan

Mr. Hazem Sababa, Representative of the External Auditors (Messrs. Price Waterhouse Coopers)

The Chairman of the Board of Directors welcomed on behalf of himself and on behalf of the Board of Directors and the executive management, those present and the Companies' Controller, representatives of the Central Bank, and the representative of the external auditors. He then handed the floor to the Companies' Controller to announce legal quorum and legality of procedures.

The Companies Controller then delivered his speech which he started by welcoming the chairman of the Board, Board members, executive management, shareholders, and all attendees. He went on:

"My colleagues and I at the Companies' Controller's department have examined the annual report of the Jordan Capital Bank for the year 2018. We have noticed the Bank's interest in continuing to finance the small and medium companies' sector, which will certainly contribute to building our national economy and contribute to solving the problems of poverty and unemployment. We have also noticed that the Bank has achieved growth in net income and managed to reduce the level of non-operating debts, in addition to addressing part of the money suspended in Iraq. All these, and in spite of the tough conditions surrounding us, have helped the Bank make a number of achievements and successes that helped maintain its position among local banks.

Regarding the legality of our meeting today, I would like to point out that the meeting today is attended by 71 shareholders carrying personally and through delegates 167,241,000 shares of the Bank representing 83.620% of the underwritten Bank capital amounting to 200,000,000 shares / Dinars. Nine out of the 13 members of the Board of Directors are present. The Bank auditors Messrs. Price Waterhouse Coopers are also present.

The Companies' Controller noted that the session was legal and that the legal procedures and requirements needed to hold this meeting are correct and agree with the requirements of the law. Based on this and the provisions of article number 183 of the Jordanian Companies' Law, this meeting and all decision taken herein shall be considered binding for the members of the General Assembly present and absent. I would like to note the legality and correctness of the procedures and legal requirements needed to hold this meeting and that they are all in line with the provisions of the law. I now leave the floor for the Chairman of the Board of Directors, chairman of the session to appoint a secretary for the session and to select two observers to collect and classify the votes, and to start the meeting according to the agenda sent with the invitation, wishing you every success in serving the economy of our dear Jordan and his beloved king."

The Chairman of the Board extended his thanks to the Companies' Controller Mr. Ramzy Nuzha and welcomed the attendees and announced appointing Mr. Uruba Qara'in as session secretary and Engineer Omar Abu Wishah and Mr. Sa'd Abu Jaber as observers to count the votes.

The Chairman then delivered his address in which he touched on the major developments during 2018, noting that the situation is embarking on a new positive stage, mainly, opening the Iraqi market in all its sectors to Jordan. King Abdallah II's visit to Iraq came as a culmination and emphasis of the continuity of cooperative and participatory relations between the two countries. This visit resulted in the Jordanian government signing economic agreements between the two countries, some of which are starting to be implemented and others are already underway.

These positive developments were accompanied by an improvement in the Bank's financial position as it owns 62% of the Iraqi National Bank. Iraq in general represents a large opportunity for the Jordanian economy in all areas and sectors that should be tapped especially in view of the tight relations between the two countries.

He also noted that the nature of mutual trade between Jordan and Iraq is now subject to new standards with the relationship built on the basis of competition, service, and better product, which places upon us the need to cooperate with the Iraqi side through the establishment of strategic relations in all sectors. Iraq produces and exports more than 4 million barrels of oil on the basis of \$56 per barrel while the price per barrel increased to between 70 and 72 dollars. This is considered a large income for Iraq whereby Iraq's budget last year exceeded 80 billion Iraqi Dinars. This encourages more investment in Iraq, which is what the Capital Bank did through its business and investments in the Iraqi National Bank.

Regarding the Bank's money in the Iraqi Central Bank's branches in the northern region, in view of the security improvement in Iraq and the elimination of DA'ISH, the Bank succeeded in retrieving a large portion of its money amounting to \$210 million. \$87 million was collected. The Iraqi Central Bank pledged to pay the balance of about \$50 million over monthly payments. The Chairman praised the efforts of the Central Bank of Jordan's Governor HE Dr. Ziyad Fariz who was systematic

in retrieving the two Banks' rights. Since the beginning of 2019, three payments have been made, and the fourth payment is expected in the next few days. There is optimism that the whole amount will be liberated during the period committed to by the Central Bank of Iraq.

The Chairman also expressed the presence of increasing interest by the Central Bank of Jordan in the Iraqi market through encouraging Jordanian companies and institutions to enter the Iraqi market in all sectors. He has completed a number of instructions that enable various local sectors to enter the Iraqi market.

The Jordan Capital bank was in the forefront of entering the Iraqi market through its investment in the Iraqi National Bank, and as the security returns to stability in Iraq. The Bank was able to expand its business on scientific basis in addition to the efforts by its staff and the Capital bank to upgrade its banking services, in addition to its good reputation which forms a solid basis for its growth and advancement.

The Chairman then congratulated the Iraqi people and government for eliminating DA'ISH and the spread of safety and security in a country that has huge capacities for reconstruction and building. He also invited all Jordanian companies and banks to utilize this opportunity as well as extend a helping hand to the Iraqi side to help in the reconstruction of their safe country.

As for the Jordan Capital Bank, he explained that in spite of the tough economic conditions through which the country is going, the Bank managed to achieve good financial results in 2018, with net income after tax increasing, compared to last year, by 11%. The Bank managed to make about JD30.3 million, which instigated the Board of Directors to recommend the distribution of dividends to shareholders at the rate of 10%, valued at JD20 million. Net interest increased to JD52.2 million and the ratio of non-operating debts decreased from 9.8% in 2017 to 8.6% in 2018.

The Bank achieved an increase in total income at the rate of 12%, reaching JD22 million during the first quarter of 2019. Net operating income increased by about 29% reaching about JD 11 million. The Bank maintained a ratio of 8.6% as non-operational debts with expectations of continuing to reduce this ratio by the end of the year. The capital sufficiency ratio increased to reach over 17% after distributing dividends. The Bank is focusing on small and medium size enterprises (SMEs) sector which is witnessing a growth, reducing the unemployment level, which is part of the Bank's strategy. Plans are to increase lending to the SMEs sector.

The Chairman explained that the situation is promising and reassuring with the efforts of the Bank staff in Jordan and in Iraq, and in all branches. He also noted that the National Bank intends to reopen the Mosul branch and commence operations there next June.

The Chairman then commenced to present the agenda items as noted, proposing merging items 2 and 4. The proposal was approved.

First: Read the minutes of the Board of Directors' 22nd ordinary meeting held on 30 April 2018. The minutes of the Board of Directors' 22nd ordinary meeting held on 30 April 2018 were read together with the decisions. No shareholder made any notes or comments.

Second: Discuss the Board of Directors' report on the Bank's operations for the fiscal year ending on 31 December 2018 and the future plan for 2019 and approving them.

The Chairman of the Board proposed merging this item with item 4. The General Assembly approved this proposal unanimously.

Third: Listen to the report by the auditors on the 2018 financial statements.

Mr. Hazem Sabaya, representing Messrs. Price Waterhouse Coopers read the auditor's report on the consolidated financial statements for 2018 noting that the financial statements show fairly all the fundamental sides of the financial position of the Jordan Capital Bank and its affiliated companies as on 31 December 2018 and their financial performance and cash flows for the year ending on that date according to internationally approved standards. The Group duly maintains organized accounting records that agree with all basic principles of the consolidated financial statements attached. Messrs. Price Waterhouse Coopers recommended that they be approved. The auditor's report for the period ending 31 December 2018 was approved unanimously.

Fourth: Discuss the Bank's Balance Sheet and closing accounts for the year ending 31 December 2018.

The Chairman thanked the auditors' representative and opened the floor for discussing items 2 and 4 of the agenda, namely discussing the balance sheet and the Board of Directors' report.

A number of shareholders made a number of enquiries and comments as follows:

1. Engineer Muhammad Azmi Zarba congratulated the Board of Directors, the executive management, and the shareholders for the achievements made by the Bank at the internal and external levels, particularly retrieving the money frozen in the Kurdistan region. This fulfills the shareholders' ambition. He noted, however, that there is some recession in the performance of the business sector in the total income item from JD92 million to JD80 million as a result of the decrease in currency revenues. He expressed hope that this would improve in future.

He enquired about a number of issues related to the Iraqi side as follows:

- The extent to which benefit can be maximized from the improved relations politically between Jordan and Iraq, and whether there is an opportunity to invest in the reconstruction of Iraq in view of the strong competition with China and Iran, and about the expected role of Jordanians in this respect.
- The feasibility of the Iraq National bank signing an agreement with the International Finance Corporation (IFC).

- The potential for increasing the rate of dividends' distribution to shareholders particularly in view of the increase in profits carried forward.

The Chairman responded to these enquiries above, showing the following:

- Regarding the decrease in currencies revenues, he noted that the activity of the currency auction practiced in Iraq had receded due to the improvement in the marker exchange rate of the Iraqi Dinar which moved closer to the official rate issued by the Central Bank of Iraq. This is considered a positive indicator that the Iraqi economy is improving, and the banking sector is concentrating on banking based on banking transactions connected to increasing the size of transfers and letters of credit. He also noted that the Iraqi National Bank was instrumental in implementing banking concepts and transactions according to the best international practices. For example, the bank was able to open letters of credit amounting to \$20 million during the first month of this year, increasing in the second month to \$40 million and reaching \$65 million in the third month in spite of the challenges the bank is facing in its efforts to increase the rate of participation by Iraqi commercial and industrial companies in dealing with the banking sector noting that there are many traders who have now moved to dealing with banks instead of exchange companies.
- Regarding signing an agreement between the IFC and the National Bank of Iraq, a ceiling was granted for financing the bank as part of the IFC's program to finance international trade. the bank is considered the first and only bank in Iraq that was granted this ceiling in order to increase opening letters of credit to the largest possible number of clients Iraqi and companies. He also noted that signing with the IFC by itself has a positive effect as IFC did a study and a review of the National Bank's work as a whole before signing the agreement with the bank. As a result, the agreement was signed and this agreement is tantamount to a certificate for the Jordan Capital Bank and the Iraqi National Bank of the high level of banking services they offer.
- Regarding Jordan's role in the reconstruction of Iraq, the Iraqi side wishes to cooperate with Jordan but within specific standards and foundations connected to the quality of goods, delivery, and suitable price. This is what should be focused on to enter the Iraqi market. Jordan's opportunities in the reconstruction of Iraq are large because there are historical relations between the two countries and the presence of an Iraqi community in Jordan, as well as Jordan's geographic location which is in close proximity to Iraq.
- Regarding profits, the presence of profits carried forward is an important issue that supports the Bank and improves the ratios required by the Central Bank of Jordan. We work at creating a solid base and a good impression before correspondent banks.

2. Shareholder Hafizh Al-Tamimi expressed his gratitude and appreciation to the Bank and all its staff and wished the Bank more improvement and success. He wished that the Board of Directors would increase the rate of dividends in future.
3. Shareholder Ahmad Hiyasat expressed his deep gratitude and appreciation to the Board of Directors and all the Bank's staff for their efforts to raise the status of the Bank.
4. Shareholder Fu'ad Abu Hamdan thanked the Board of Directors and all the Bank's staff for the promising results in the size of social donations for 2018 and asked that they be increased in 2019. The Chairman answered that this issue is the subject of interest by the Board of Directors and that there are instructions for the executive management to give it priority. JD 380,000 have been earmarked in 2018 to help societies. The Bank's role in this stage is to advance the national economy and cooperate with the Iraqi side which leads to expansion and finding job opportunities for the youth.

Here, HE the Companies' Controller noted the need to give attention to youth by allocating training programs to fresh graduates in order to prepare them to enter the job market, thus helping in addressing the unemployment issue. The Chairman explained that focusing lies in rehabilitating youth by providing training opportunities and creating Jordanian capacities to support them in the labor market whether in Jordan or Iraq

5. Shareholder Farid Qaraman enquired about the mechanism for calculating benefits and bonuses at the Bank, and the size of the salaries received by the executive management compared to other banks. The Chairman affirmed that the benefits and bonuses are calculated based on scientific methods and the policies approved by the Board of Directors which believes that staff members, especially qualified ones, represent a true wealth for the Bank.

Since there were no other enquiries by the shareholders, the General Assembly decided the following:

1. Unanimously ratify the Board of Directors' report about the Bank's operations for the fiscal year ending on 31 December 2018 and the Bank's future plan for 2019.
2. Unanimously ratify the Bank's balance sheet and closing financial statements for the fiscal year ending 31 December 2018.
3. Regarding the proposal about distributing dividends, the General Assembly decided to unanimously ratify the Board of Directors' proposal to distribute cash dividends from the carried forward profits at the rate of 10% and a total of JD20 million.

Fifth: Read a brief report about the work of committees formed from the Board of Directors based on article 6/E of the instructions of shareholding companies' governance listed in 2017.

The General Assembly decided to waiver the reading of the report about the work of the committee formed from the Board of Directors as it was stated in the annual report for 2018 on page 217.

Sixth: Hold members of the Board of Directors clear of financial liability

The General Assembly decided to agree to hold the members of the Board of Directors clear for the fiscal year 2018 in

accordance with the provisions of the law.

Seventh: Elect Bank accounts auditors for the fiscal year 2019

The Chairman of the Board nominated Messrs. Price Waterhouse Coopers PWC as external auditors and no other auditors were nominated. The General Assembly decided to approve the election of Messrs. Price Waterhouse Coopers PWC unopposed as external auditors for the group accounts for the fiscal year 2019. The Board of Directors was delegated to assign their fees.

Eighth: Discuss any other matters proposed by the General Assembly to be listed on the agenda according to the provisions of the law.

No other matters were added by the General Assembly to the agenda.

In conclusion, the Chairman of the Board of Directors extended his deep gratitude and appreciation to the Companies' Controller and the esteemed attendees for their presence and to the Bank shareholders for their continued support of the Bank, hoping that more advancement and prosperity will be achieved.

Session Secretary: Uruba Qara'in [Signed]

HE Companies' Controller: Ramzy Nuzha [Signed]

Chairman of the Board of Directors: Bassem Khalil Salem [Signed]