

Capital Bank
Minutes of Capital Bank General Assembly meeting
Held on
Wednesday, March 27, 2024

In accordance with the provisions of article (6/F) of the Jordanian Companies Law No. 22 of 1997 and its amendments, the instructions for adopting electronic means for companies procedures of 2021, the guidelines for supervising the holding of the meeting of the General Assembly of Public Joint-stock companies of 2017 and its amendments, and under the approval of his excellency the Minister of Industry, Trade and Supply on holding the meeting of the bank's General Assembly by electronic-visual communication. The General Assembly held its 28th ordinary meeting on Wednesday 27/03/2024 at 11:00 am, using the electronic-visual communication, chaired by the Chairman of the Board of Directors (BoD) H.E. Basem Khalil Al-Salem.

His Excellency, the Chairman of the Board of Directors, welcomed his excellency the Companies General Controller, Dr. Wael Al-Armouti, the shareholders of the Capital Bank of Jordan, the attendees, the representatives of the Central Bank of Jordan, and the auditors of PricewaterhouseCoopers (PWC) Jordan.

Before announcing the legality of this meeting, His Excellency the Chairman of the BoD gave the floor to His Excellency the Companies General Controller.

Dr. Wael Al-Armouti, the Companies General Controller, commenced his speech by welcoming the Chairman of the BoD, Mr. Basem Khalil Al-Salem, the members of BoD and the executive management, the shareholders, and the shareholders and attendees. Then he expressed his pleasure to attend the annual ordinary meeting of Capital Bank of Jordan, this prestigious banking institution that is considered one of the most significant economic pillars of banking sector, which we are proud of, its noticeable achievements, and its good reputation locally, regionally, and globally. He also praised the bank's achievements during the fiscal year of 2023 despite the surrounding circumstances and difficulties, which indicates the bank's continued efforts and wise management represented by its Chairman of the BoD, the BoD's and the executive management members, and the rest of the staff. In addition, he wished the bank continued success under the auspices of His Majesty King Abdullah II Bin Al-Hussein, may Allah protect and preserve him. In conclusion, he congratulated the attendees on the occasion of Ramadan.

Then he requested the Chairman of the BoD to start the agenda according to the invitation addressed 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 Capital Bank's 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. Orouba Qarain announced that the shareholders attending the meeting were (138), holding (227,096,793) of the bank's shares personally and by proxies representing (86.34%) of the

bank's subscribed and paid-up capital which amounts to (263,037,122) Share/JOD. In the presence of (12 out of 13) members of the BoD. She also announced that the bank's auditor, Price Waterhouse Coopers, was in attendance, the General Assembly's quorum is legally met. She also mentioned that according to the Jordanian Companies Law No. 22 of 1997 and its amendments, the date of this meeting was announced in two daily newspapers, and the bank's website, and the visual media.

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 BoD commenced his speech by welcoming the attendees and the shareholders. Afterwards, he thanked the governor of the Central Bank of Jordan, His Excellency Dr. Adel Sharkas, and his team for their efforts in supporting the national economy and enhancing the stability of the monetary policy. Then, he expressed his thanks to the Companies General Controller, Dr. Wael Al-Armouti for his continued support for companies and banks in Jordan.

He also mentioned that he will present the bank's achievements and outcomes that were met during 2023, in addition to the group's future strategic trends. The acting CEO, Mr. Samer Al Aloul, will also present the most prominent financial results achieved by the group during 2023.

Furthermore, H.E. AlSalem confirmed that the national economy, with the guidance of His Majesty King Abdullah II and in following a prudent monetary policy and balanced financial policy, has achieved several achievements that have a noticeable impact on mitigating the severity of the external shocks on the Jordanian economy. The ability to maintain low risk rates (benchmark spreads) is a piece of evidence of the monetary and financial stability of Jordan. Such rates are considered the lowest among the oil-importing countries in the region, and the lowest among the countries of the same global credit rating, which emphasizes the strength of the Jordanian economy in facing the regional and global challenges, and the government's prudence in managing the economy. Whereas the national economy witnessed a growth in the fixed prices by 2.6% in 2023, compared to 2.4% during 2022, and an improvement in the unemployment rates during the third quarter which reached 22.3%. In addition, the level of the deficit of the balance of trade decreased by 10% during 2023, amid an agreement between global agencies to fix the credit rate of the national economy with a positive and stable future vision.

As for Capital Bank of Jordan, the last year was also exceptional. The bank witnessed noticeable growth in different fields such as assets, profits, deposit volume, and other financial indicators.

Group's subsidiaries:

Regarding the group's subsidiaries, the Chairman of the BoD mentioned that the National Bank of Iraq witnessed a growth in its clients' deposits, whether individuals or companies, by 90% to reach 1.6 billion JOD at the end of 2023. The volume of the issued letters of credit increased and reached 660 million USD during the same year, supported by the network of correspondent banks which exceeded 30 banks around the world. The volume of credit facilities increased by 38% to reach 709 million JOD. In addition, the assets were also increased by almost 65% to reach 2.2 billion JOD. The bank has a growing client base with 210 thousand clients served by more than 1000 employees, 27 branches, and 190 ATMs, as of the end of 2023. The National

Bank of Iraq has garnered the salaries “Tawteen” of more than 175 thousand government employees. Such a number is likely to increase during the current year (2024) with a vision to expand inside the Iraqi market and open new branches. Regarding the external expansion, the bank’s branch in Riyadh started up at the beginning of 2023 and managed to attract a high rate of commercial exchange between Iraq and KSA.

As for Capital Investment – the group’s investment arm in Amman and Dubai – the net profit amounted to 4.3 million JOD by the end of 2023. Assets under management also increased by 44.6% to reach 618 million JOD. The company’s market share in Amman’s stock was 5.28% of the total trading volume.

Digital transformation and technological development:

Regarding digital transformation and technological development, the bank succeeded in improving and expanding its services noticeably, through the distinguished performance of its staff, and our diligent investment in technology and innovation. The digital bank (Blink) continued to provide its innovative digital banking services and to expand its client base which increased the levels of financial inclusion in Jordan.

The Chairman of the BoD further stated that the achievements of 2023 proved that the bank is on the right track to meet its future vision and have Capital Bank of Jordan Group (Capital Bank) to be the clients’ and stakeholders’ preferred destination in the region. The bank is committed to continue to innovate and secure high-quality financial services that meet the expectations of its clients and contribute to achieving their financial goals.

The Chairman of the BoD concluded his speech with renewed thanks and appreciation to the governor of the Central Bank of Jordan His Excellency Dr. Adel Sharkas and his distinguished team, and His Excellency Dr. Wael Al-Armouti and his team. He also expressed thanks to the members of the BoD and the group’s executive management and its staff for their exceptional efforts. In addition, he prayed to Allah to protect Jordan, its king, and its people from any harm and to keep the blessing of security and stability.

Then, the Chairman of the BoD gave the floor to Mr. Samer Al-Aloul (acting CEO)

Mr. Samer Al-Aloul commenced his speech by welcoming and thanking the attendees, then he presented the bank’s financial performance and its achievements during the last year. He also mentioned that despite that the challenges that faced the bank in the markets during the last year, it managed to achieve positive results, and he is looking forward to sharing the details with the attendees and indicating the new opportunities ahead.

Regarding the Group’s financial performance:

Mr. Samer Al-Aloul indicated that Capital Bank of Jordan Group (Capital Bank) managed to increase its assets from 7.0 billion JOD at the end of 2022 up to 7.6 billion JOD by the end of 2023, with a 9% growth rate. The net credit facilities portfolio grew from 3.2 billion JOD in 2022 to 3.4 billion JOD in 2023, with a 5% growth rate. Such growth was accompanied by a growth in the clients’ deposit amount from 4.9 billion JOD in 2022, up to 5.5. billion JOD in 2023, with a 12% growth rate.

As for the total of our shareholder’s equity, it grew by 11% to reach 728 million JOD by the end of 2023 compared to 653 million JOD in 2022, which reflected positively on the regulatory capital adequacy ratio which exceeded 15%, exceeding the limit set by the Regulator.

The net income was 106.6 million JOD in 2023 compared to 91 million JOD in 2022, which indicates a growth of 17% driven by a comprehensive, flexible strategic plan focused on sustainability, digital transformation, and improving customer service.

Capital Bank of Jordan Group's net operating income amounted to 212 million JOD by the end of 2023 compared to 103 million JOD in 2022, which means a growth of 106%.

During 2023, the group was working to increase the provisions related to any expected credit loss to reach 73 million JOD compared to 28 million JOD in 2022, following the group's prudent credit policy and hedging for future economic variables and fluctuations. The coverage ratio of non-operating facilities reached (after deducting the interest in suspense) 80%, knowing that after calculating collaterals, the coverage ratio shall be 126%.

The Return of equity ratio was 17.2% in 2023 compared to 18.7 in 2022, which is considered one of the highest returns in the Jordanian banking sector.

Capital Bank's digital achievements:

Mr. Samer Al-Aloul added that the bank continued its journey in the digital transformation field through the effective execution of the bank's digital strategy to largely contribute to increasing the level of clients' satisfaction and increasing their interaction with the banking digital products and services. The penetration rate on the phone application increased to reach 80% of the clients' base, who managed to execute more than 100 thousand banking transactions using the application, to which more than 25 features had been added during the last year.

Such a strategy helps enhance the bank's ability to meet the clients' needs related to the business sector after launching the new business electronic platform, which enables clients to prepare and execute their daily financial transactions such as local and foreign transfers, and employees' salaries without visiting the branch. In 2023, more than 154 thousand banking transactions, amounting to 2 billion JOD, were carried out through this platform.

Social and environmental achievements

Within the frame of Capital Bank of Jordan's (Capital Bank) comprehensive sustainability strategy, the bank has implemented many sustainable initiatives. It has completed the last phase of equipping all the bank premises with solar panel systems, issued the first report on sustainability, and established a unit, within the Credit Management Department, to assess the environmental and social risks to give more focus to green lending.

Rewards and global recognition:

He also demonstrated that the group's continuous efforts bore fruit, as Capital Bank) was awarded many global awards during 2023. To name a few:

- Best Banking Loan Syndication in the Middle East award by EMEA Global Services.
- Best Implementation of Core Banking System Project award by IBS.
- "Fortune", financial and business magazine, selected Capital Bank Group among the top 500 Arab companies for 2023 based on annual revenues.
- "Forbes" magazine classified the group among the top 50 banks in the Middle East in terms of market value.

At the conclusion of his speech, Mr. Samer Al-Aloul thanked all attendees for their continued trust, emphasizing that the bank always looks forward to continued growth and excellence with the support and trust of our shareholders.

Then, before proceeding with the items on the agenda, the Chairman of the BoD indicated that the bank had not received any inquiry from shareholders who own less than 10% of the bank's shares. As for the shareholders who own 10% or more of the shares, they will have the opportunity to directly inquire about any of the meeting items at the end of the agenda.

Then it was announced the start of presenting the meeting's clauses.

First item: Reciting the resolutions of the previous ordinary meeting of the General Assembly held on 23/03/2023.

Ms. Orouba Qarain read the resolutions of the 27th ordinary meeting of the General Assembly held on 23/03/2023.

Second item: Voting on the BoD report about the bank's business for the fiscal year 2023, the future plan for 2024, and ratifying them.

The Shareholders were allowed to vote on the second item of the agenda, and then the result of the vote was announced and appeared on the screen with an approval percentage of (99.999%). Accordingly, it was decided to approve the BoD's report on the bank's business for the fiscal year 2023 and the future plan for 2024.

Third item: Voting on the bank's auditors' report for the fiscal year 2023 and ratifying it.

Ms. Orouba Qarain has expressed thanks to Messrs. PWC Jordan for their efforts and services rendered during the fiscal year 2023. Then the shareholders were allowed to vote on the third item of the agenda. The result of the vote was announced and appeared on the screen with an approval percentage of (100%). Accordingly, it has been decided to approve the bank's auditors' report for the fiscal year 2023.

Fourth item: Voting on the bank's balance sheet and closing accounts for the fiscal year 2023, ratifying them and approving the BoD's proposal to distribute cash dividends to the shareholders from the retained earnings at a rate of (15%) of the bank's capital, with a total of (39,455,568.300) thirty-nine million, four hundred and fifty-five thousand, five hundred and sixty-eight Jordanian dinars and three hundred fils only.

The Shareholders were allowed to vote on the fourth item of the agenda, and then the result of the vote was announced and appeared on the screen with an approval percentage of (99.609%). Accordingly, it was decided to endorse the balance sheet and the closed accounts of the bank for the fiscal year 2023 and approve the BoD's proposal to distribute cash dividends to the shareholders from retained earnings at a rate of (15%) of the bank's capital, with a total of (39,455,568.300) thirty-nine million, four hundred and fifty-five thousand, five hundred and sixty-eight Jordanian dinars and three hundred fils only.

Fifth item: Reciting a brief report on the work of the committees formed from the BoD according to Article (6/E) of the Shareholding Companies' Governance Instructions for Listed for the year 2017.

Ms. Orouba Qarain has presented a brief report of the committees formed from the BoD and asked the shareholders to review the report for more details.

Sixth item: Absolving the members of the BoD from their liabilities for the fiscal year 2023 as stipulated in the law's provisions.

The Shareholders were allowed to vote on the sixth item of the agenda, and then the result of the vote was announced and appeared on the screen with an approval percentage of (99.998%). Accordingly, it was decided to absolve the members of the BoD from their liabilities for the fiscal year 2023 stipulated in the law's provisions.

Seventh item: Electing the bank's auditors for the fiscal year 2024 and determining their fees or authorizing the BoD to determine their fees.

The Board of Directors recommended approving the election of the external auditor, Messrs. Ernst & Young (EY), to audit the bank's operations for the fiscal year 2024, wishing that the shareholders authorize the BoD to determine their fees.

Sincere thanks were extended to Messrs. PWC Jordan for their efforts with the bank and their distinguished professionalism throughout their period of work with the bank, wishing them continued prosperity and progress.

Afterwards, shareholders were allowed to vote on the seventh item of the agenda, and then the result of the vote was announced and appeared on the screen with an approval percentage of (99.958%). Accordingly, it was decided to elect Messrs. Ernst & Young, to audit the bank's operations for the fiscal year 2024 and the BoD was authorized to determine their fees.

Then and since there were no further inquiries by the shareholders who own 10% or more of the shares were raised, the meeting was concluded.

At the conclusion, His Excellency the Chairman of the meeting expressed his thanks to all the shareholders of Capital Bank of Jordan for attending and trusting the bank and its management. He also thanked all the Regulators especially His Excellency the Companies General Controller, the Governor of the Central Bank of Jordan, and other governmental entities for their role in supporting and promoting the economy. Furthermore, he expressed his thanks to LUMI company for their support in organizing such a meeting. In addition, he prayed that Allah protect Jordan under the auspices of His Majesty King Abdullah II Bin Al-Hussein and congratulated the attendees of Ramadan.

Then the Companies General Controller thanked His Excellency the Chairman of the BoD, the executive management, and all the attendees wishing them the best under the auspices of His Majesty King Abdullah II bin Al Hussein the Great.

Clerk: Orouba Qarain

His Excellency the Companies General Controller, Dr. Wael Al-Armouti

The Chairman of The Board of Directors: Basem Khalil Al-Salem