

capital
b a n k

As of March 2024

Investor Relations

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Section 1

Group Corporate Profile and Financial Highlights

capital
bank

Our Vision, Mission and Strategic Pillars

Vision



To be **one of the leading banks** in the region placing our **customers** and **people** at the heart of our journey and **enabling** them to make informed life decisions.

Mission



To **simplify** daily banking and support economic **prosperity** through **digitisation, innovation** and **personalised** customer experience.

Strategic Pillars:



Operational Excellence

Enhance our digital capabilities and continue our digital transformation journey through continuous innovation while building an efficient future-ready infrastructure.



Customer Centricity

Expand into a holistic value proposition that meets the banking and investment needs of our clients and revolves around service excellence and elevated customer experience.



Sustainable Growth

Grow the Group's regional footprint, promote cross-border banking, diversify sources of revenue and optimise risk management framework to create sustainable and profitable growth that maximises shareholders' value.



Our People

Invest in our strongest asset; our people, through creating an inspiring workplace culture focused on the continuous building of capabilities.

Our Values

We Put our Clients First

Customer Experience

Our clients are at the heart of all we do. We make every decision and measure every outcome based on how well it serves our customers. We Listen to our customers and strive to create an experience catered to their individual and unique needs through offering dynamic and personalized treatment.

We Act with Integrity

Integrity

We are honest, transparent and committed to do what is best for our partners. We openly collaborate in pursuit of the truth. When choosing between what is right and what is easy, we always choose what is right. Our ethical accountability is our corporate identity.

Our People Our Capital

People

Our people are the cornerstone of everything we do. The strength of Capital Group lies in the strength of our people. We invest in our people to maximize their potential and excel as leaders. We care for each other; and we create a work environment that enables employees to have both pride & enthusiasm towards the impact they are creating.

We Embrace the Journey

Resilience and Innovation

At Capital, we are resilient, and our strong foundation empowers us to approach everyday with curiosity, to seek out challenges by turning them into innovative opportunities that paves the way for constant growth. We adopt, adapt and act quickly.

We Think Big

Ambition

We acknowledge that the path to success is a continuous learning journey. Our shared and common drive towards growth and achievement makes us vibrate at a higher frequency with contagious enthusiasm towards accomplishment. We focus on solutions, and we arrive everyday inspired to make the impact through our talent, passion and hard work.

We are All Owners at Capital

Accountability

We take the responsibility for outcomes and are empowered to make the decisions that will lead to those outcomes. We use our critical thinking capabilities and learnings from the past to take initiatives that allow us to collaboratively reach excellence.

Our Journey

- Established in 1995 in **Amman – Jordan**, Capital Bank is a publicly listed bank, quoted at the Amman Stock Exchange.
- Capital Bank expands into the Iraqi market and acquires a majority stake in the **National Bank of Iraq (NBI)**.
- NBI's outlook becomes geared towards expansion and the Bank's structure changes to a corporate governed one.
- **Capital Investments** – the investment banking and brokerage arm of Capital Bank Group is established.
- Capital Investments provides asset management, brokerage and corporate finance advisory services through its offices in Jordan, Iraq and the UAE / Dubai International Financial Center (DIFC).
- Capital Bank completed the **acquisition of Bank Audi** branches and operations in Jordan and Iraq.
- Capital Bank Group through its subsidiary NBI is granted a license to establish a **branch in Riyadh** following the approval of the Saudi Council of Ministers.
- Capital Bank launches its all-digital bank '**Blink**'.
- Capital Bank issues a tier I **perpetual bond** listed on Nasdaq Dubai.
- Capital Bank raises capital and Saudi Arabia's Public Investment Fund (**PIF**) becomes a strategic investor with ~24% stake.
- Capital Bank completes the **acquisition and merger of Société Générale de Banque Jordanie**.
- Capital Bank goes into the **leasing** business in Iraq and expands leasing operations in Jordan.
- Capital Bank embarks on an all-encompassing **transformation** Journey.

Establishment
1995

Expansion
2005

Diversification
2006

Acquisition
2021

Growth
2022

Going Further
2023

A Regional Bank – With a Diversified Business Model (Q1, 2024)

Global Presence Across

4 Markets

(Jordan, Iraq, K.S.A. and U.A.E.)

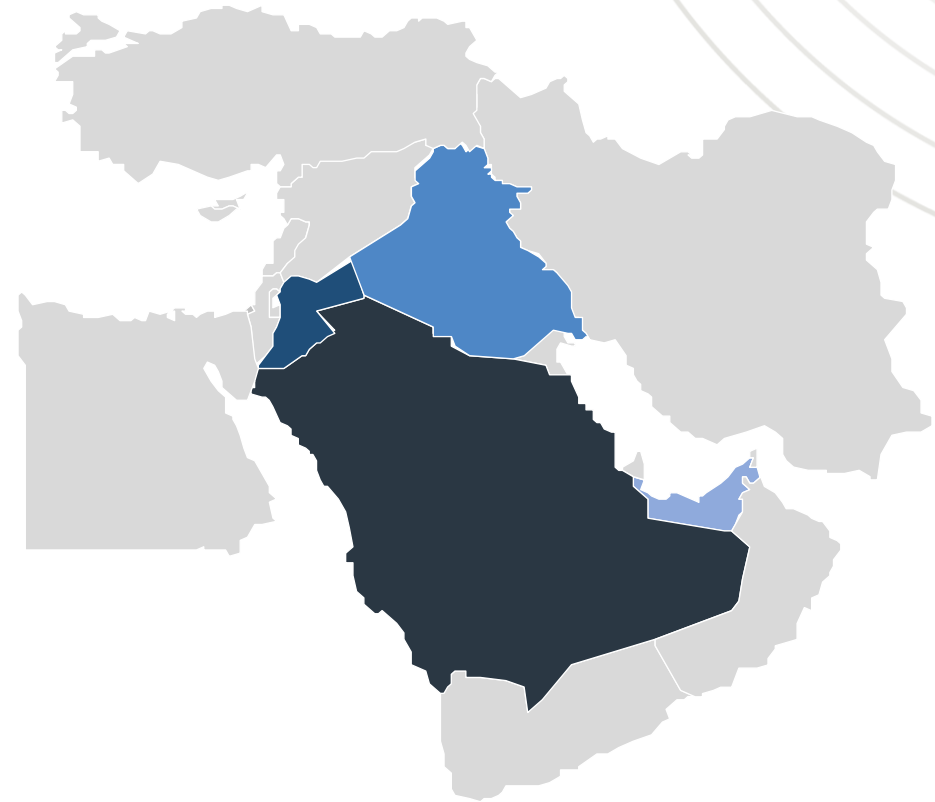
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Employees
Globally

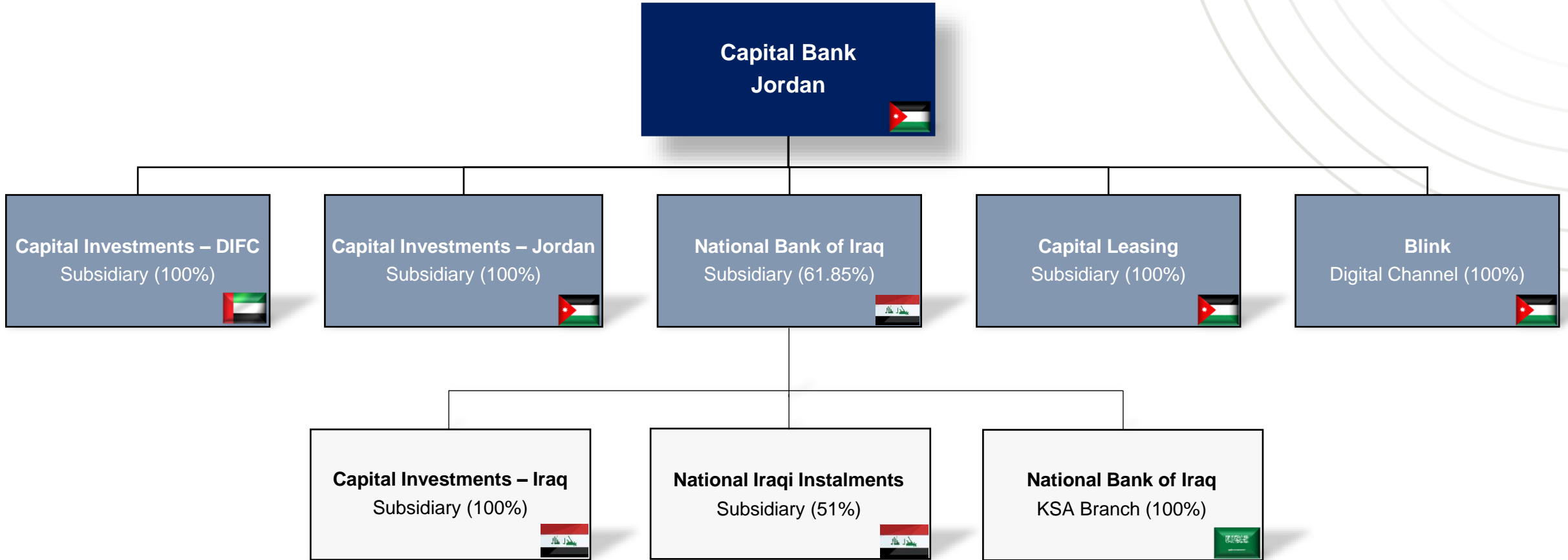
33 Branches in **Jordan**

30 Branches in **Iraq**

1 Branch in **K.S.A.**



Structure of the Group



Capital Bank Group – Snapshot March 2024

<p>3rd Largest In the Jordanian market.</p>	<p>USD 11.1b Total Assets</p>	<p>Sturdy Capital Base Above CBJ requirement of 14.375%.</p>	<p>CAR at 15.54%</p>
<p>Market Heavyweight Fastest growing bank since year 2020.</p>	<p>USD 4.9b Net Loans</p>	<p>Solid Coverage Ratio Including collaterals, the ratio will be 119%</p>	<p>81%</p>
<p>Stable Credit Rating</p>	<p>b1 bb Positive Outlook MOODY'S </p>	<p>Strategic Investor Public Investment Fund since June 2022.</p>	<p>USD 701m Market Cap</p>
<p>Generating Superior Returns through a Robust Foundation.</p>	<p>\$ 1 billion Equity</p>	<p>Listed on Nasdaq Dubai's Market Perpetual Bond Tier 1.</p>	<p>\$ 100 million</p>
<p>Sound Net Stable Funding Ratio.</p>	<p>NSFR at 133%</p>	<p>Dividends As a percentage of capital (2023).</p>	<p>15%</p>
<p>Sufficient Reserve Of high-quality liquid assets.</p>	<p>LCR at 204%</p>	<p>Strong Credit Quality.</p>	<p>5.60% NPL</p>

Group Consolidated Financials

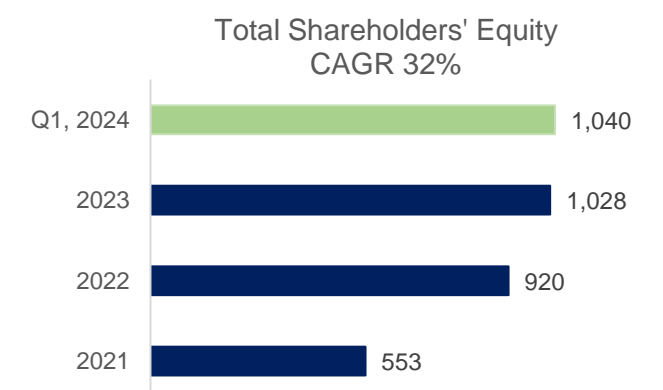
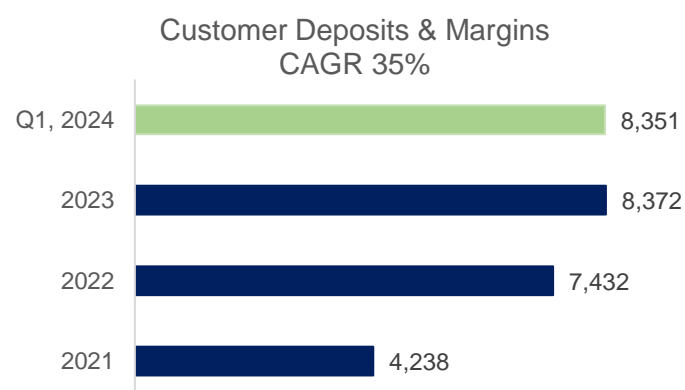
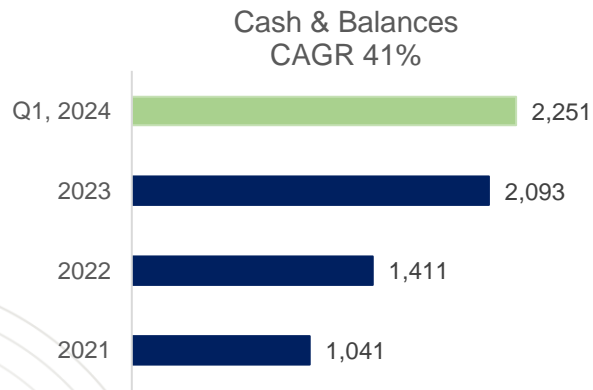
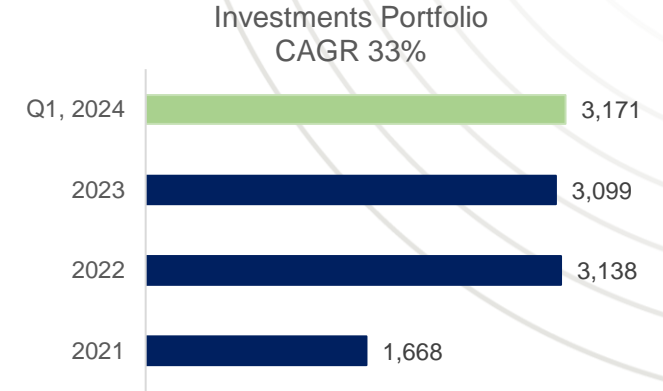
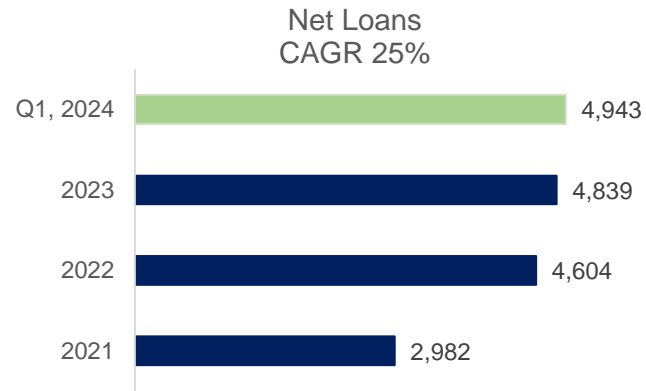
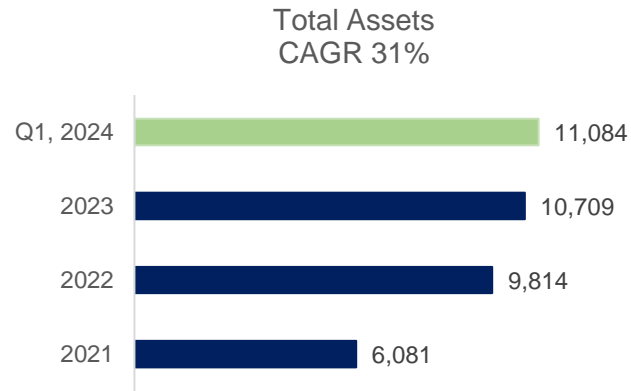
In USD Mn

Income Statement Items	2022	2023	Q1, 2023	Q1, 2024
Net Interest Income	224	251	63	74
Gross Operating Income	297	489	97	155
<i>Total Operating Expenses</i>	<i>(151)</i>	<i>(190)</i>	<i>(39)</i>	<i>(47)</i>
Net Operating Income	146	299	58	108
<i>Provision</i>	<i>(44)</i>	<i>(119)</i>	<i>(15)</i>	<i>(23)</i>
Net Acquisition Impact	35	-	-	-
<i>Income Tax Expense</i>	<i>(9)</i>	<i>(29)</i>	<i>(6)</i>	<i>(16)</i>
Net Profit	128	150	37	69

In USD Bn

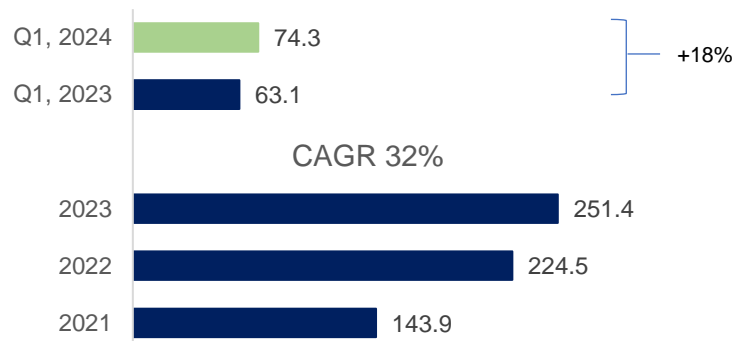
Balance Sheet Items	2022	2023	Q1, 2024
Total Cash & Equivalents	1.4	2.1	2.3
Net Credit Facilities	4.6	4.8	4.9
Investment Portfolio	3.1	3.1	3.2
Total Assets	9.8	10.7	11.1
Customer Deposits	6.9	7.7	7.6
Cash Margins	0.6	0.7	0.8
Paid up Capital	0.4	0.4	0.4
Total Equity	0.9	1.0	1.0

Strong Financial Track Record – Balance Sheet (USD millions)

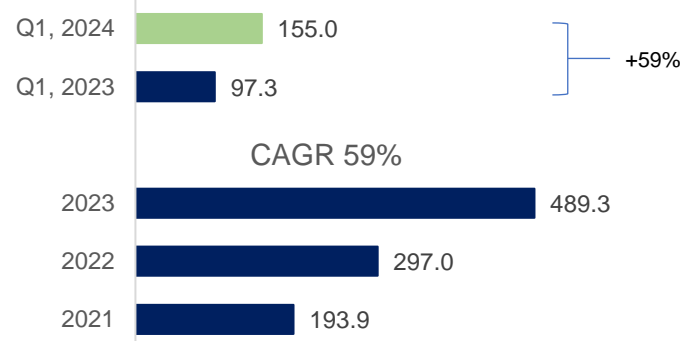


Strong Financial Track Record – Income Statement (USD millions)

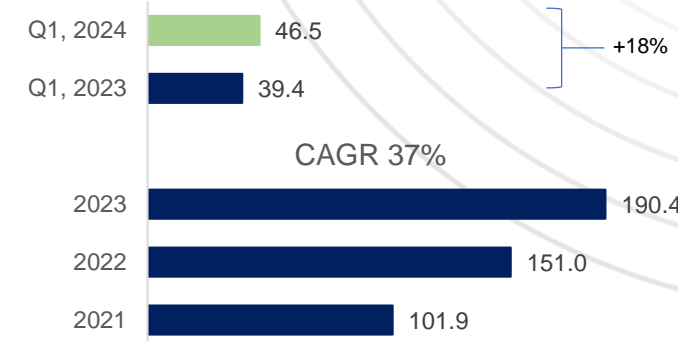
Net Interest Income



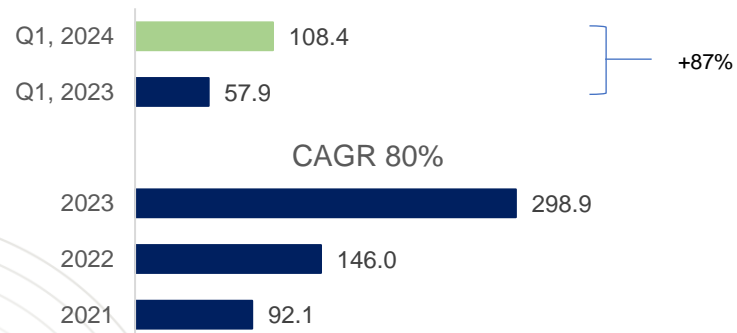
Gross Operating Income



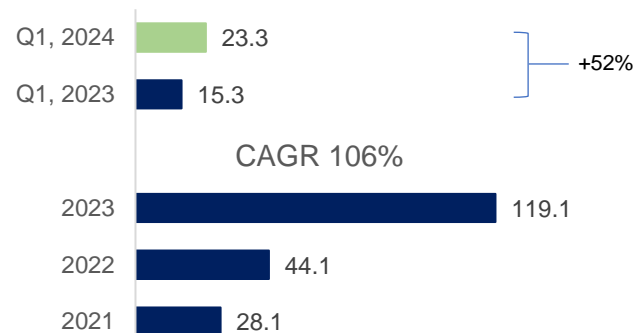
Total Operating Expenses



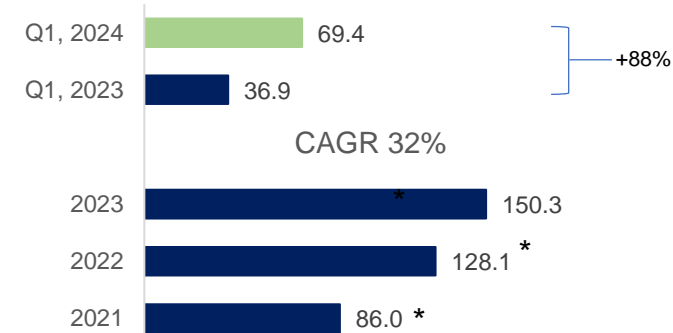
Net Operating Income



Provisions



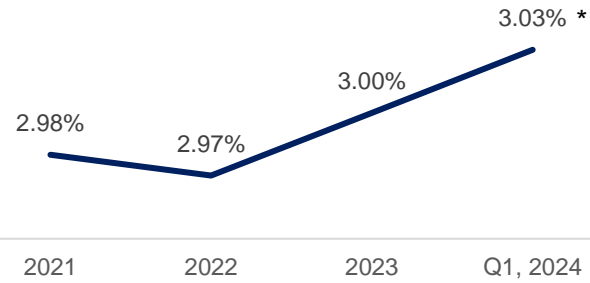
Net Income



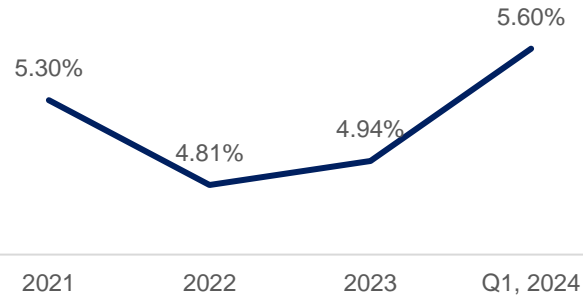
* Includes one-off gain from acquisition of SGBJ in 2022 and Bank Audi in 2021.

Strong Financial Track Record – Ratios

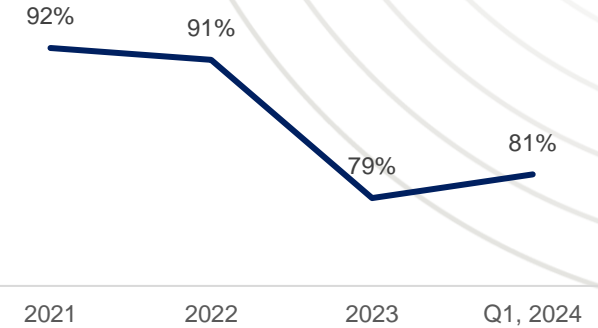
Net Interest Margin (Spread)



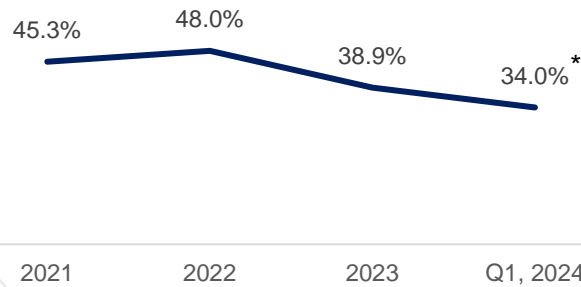
NPL Ratio



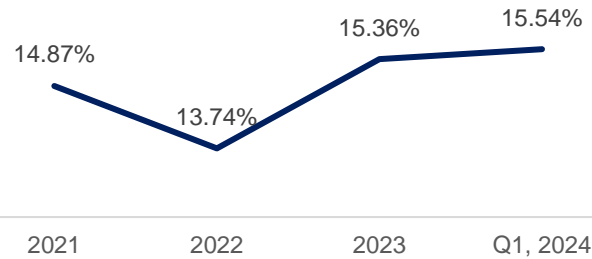
Provision Coverage Ratio¹



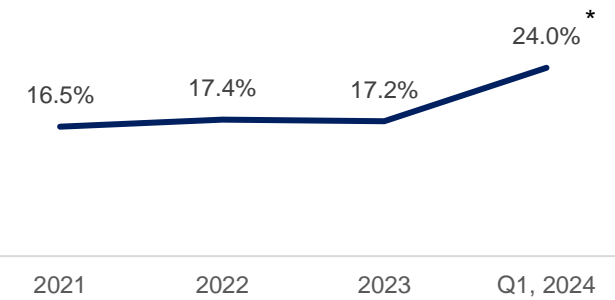
Efficiency Ratio²



Capital Adequacy Ratio



Return on Equity Ratio



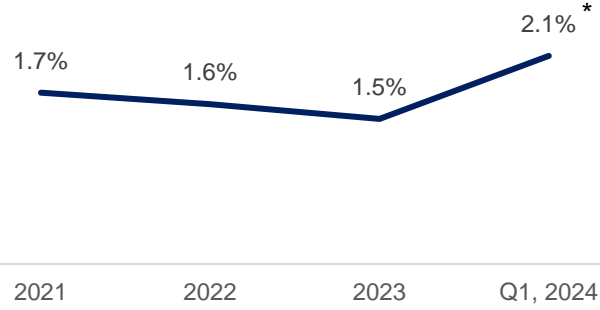
* Forecasted.

¹ Including collaterals, coverage ratio for 2022 is 131%, 126% for 2023 and 119% for Q1, 2024.

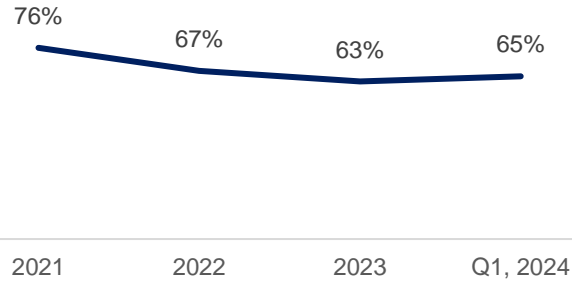
² Excluding one-offs and non-recurring items.

Strong Financial Track Record – Ratios

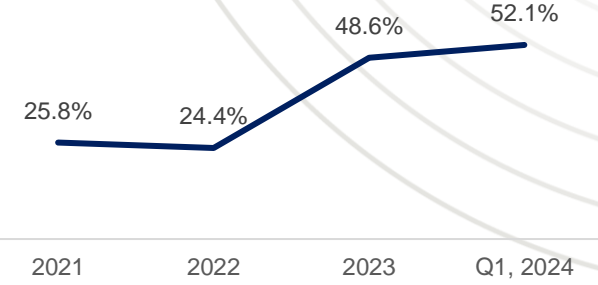
Return on Assets



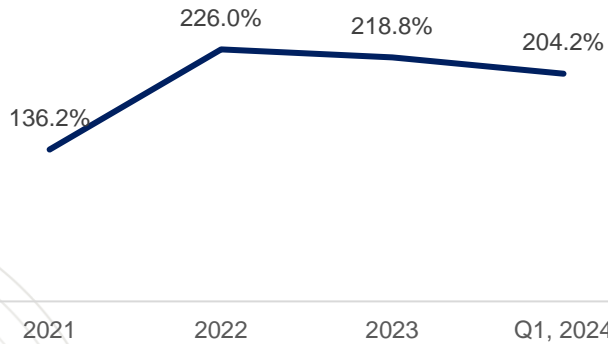
Loan to Deposit Ratio



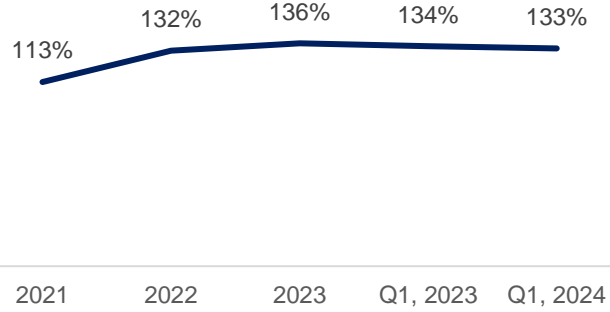
Non Interest Income / Gross Revenue



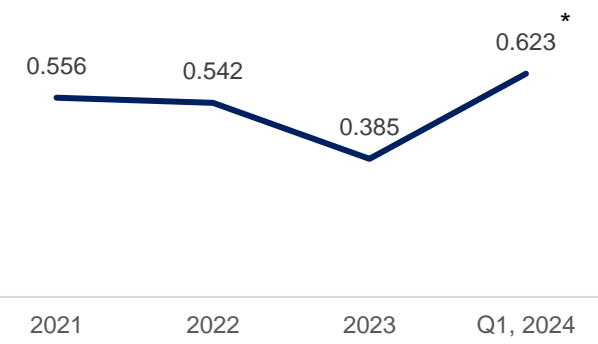
Liquidity Coverage Ratio



Net Stable Funding Ratio

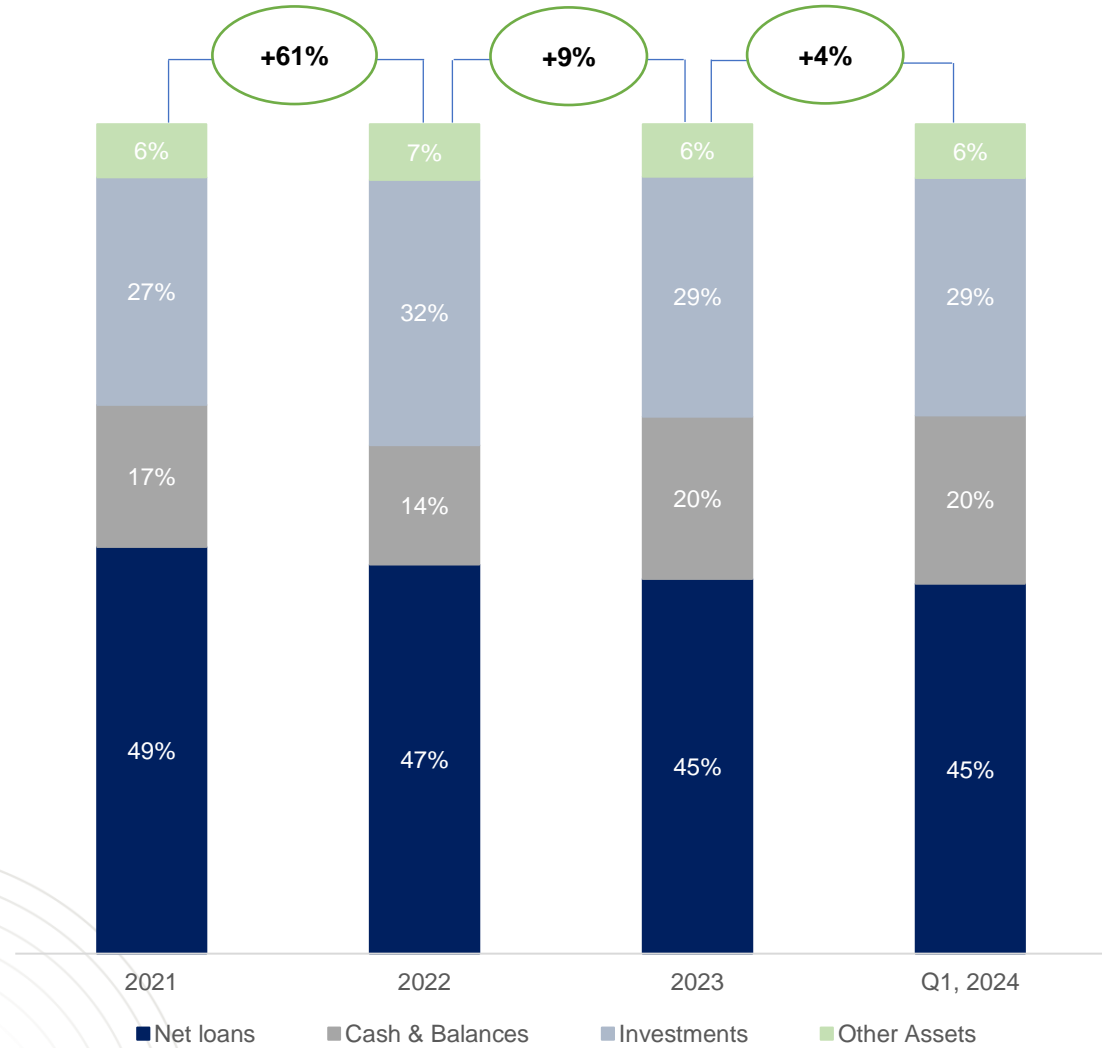


Earnings Per Share¹

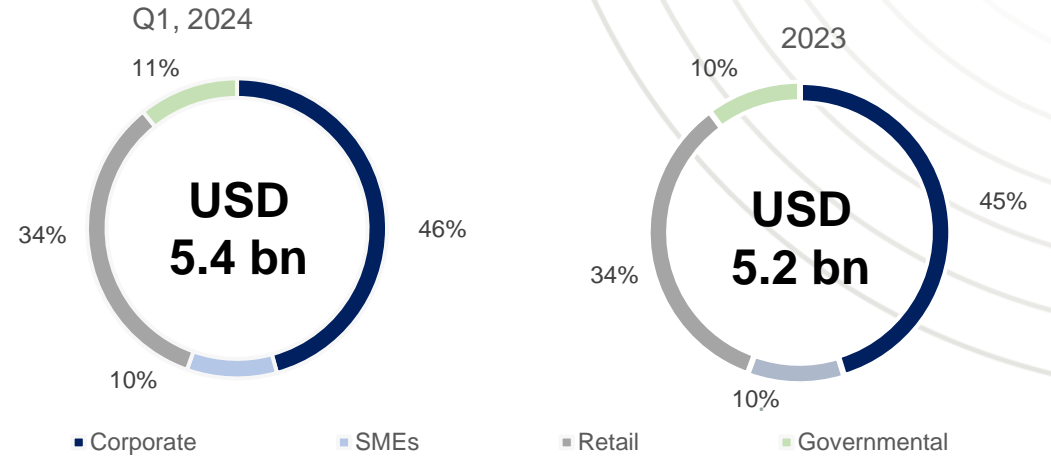


* Forecasted.
¹ Annualised

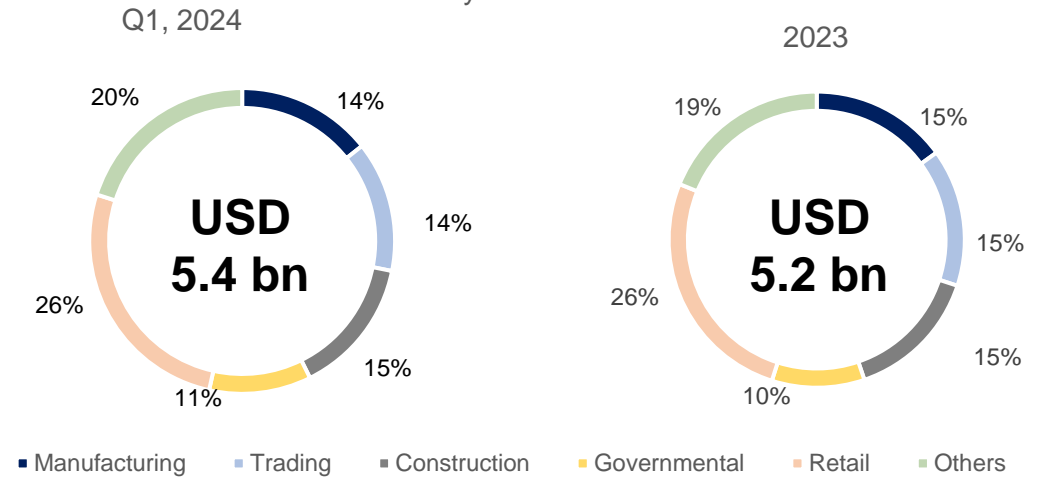
Assets Breakdown



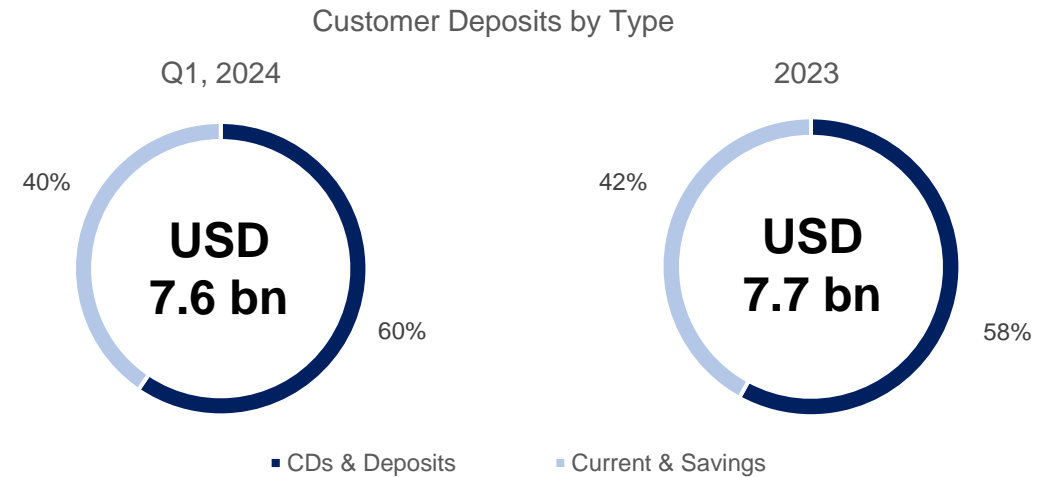
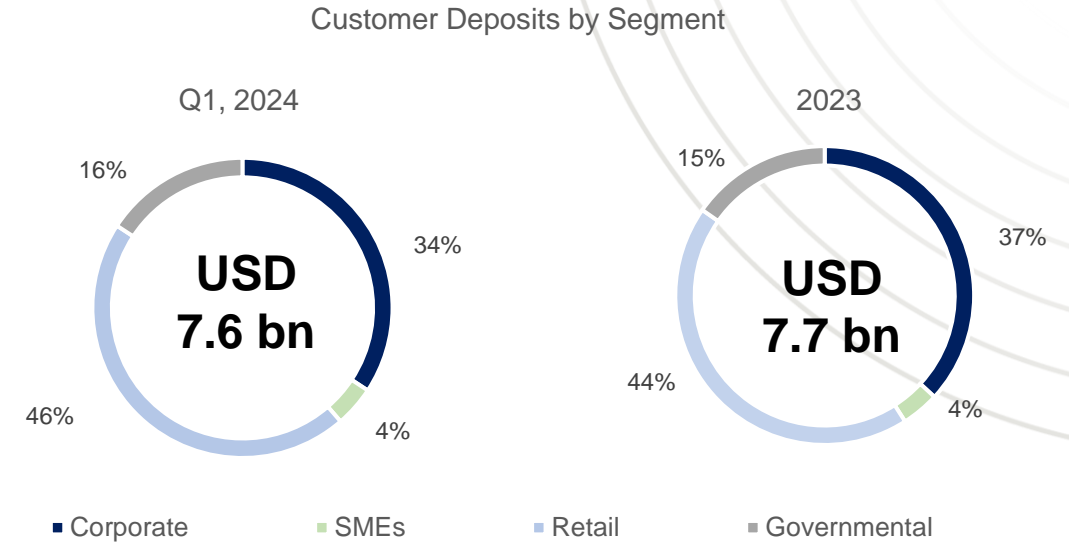
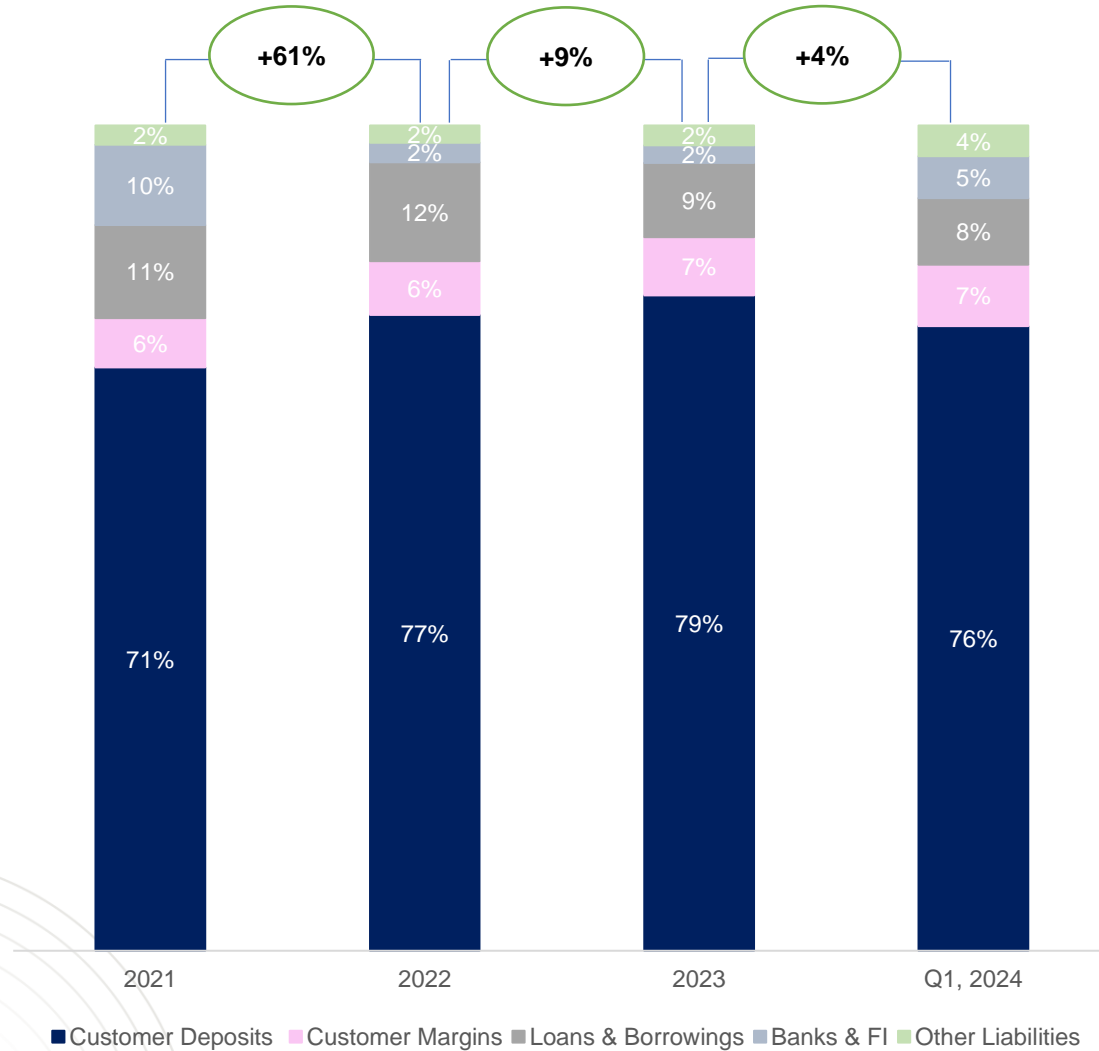
Gross Portfolio Breakdown



By Sector

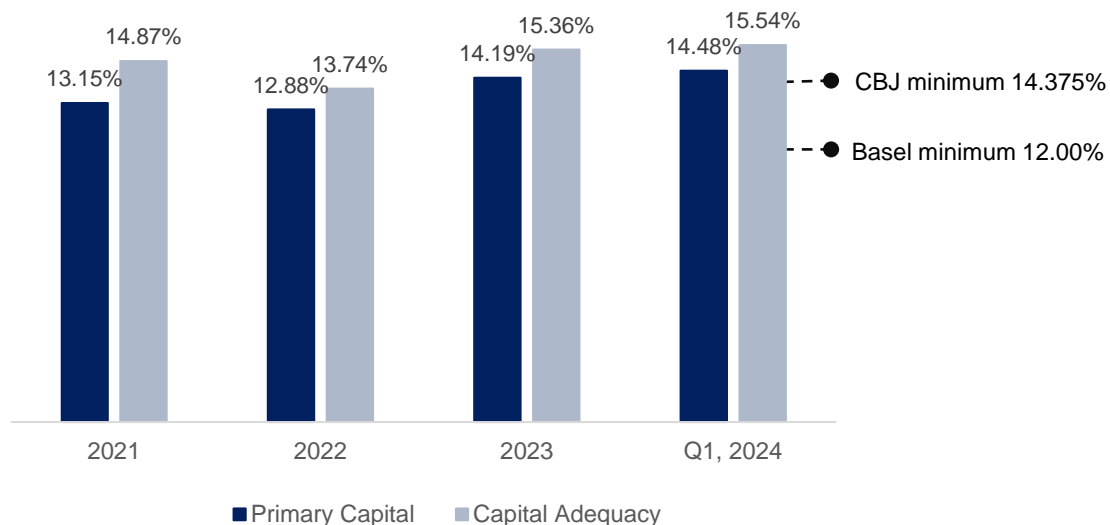


Liabilities Breakdown



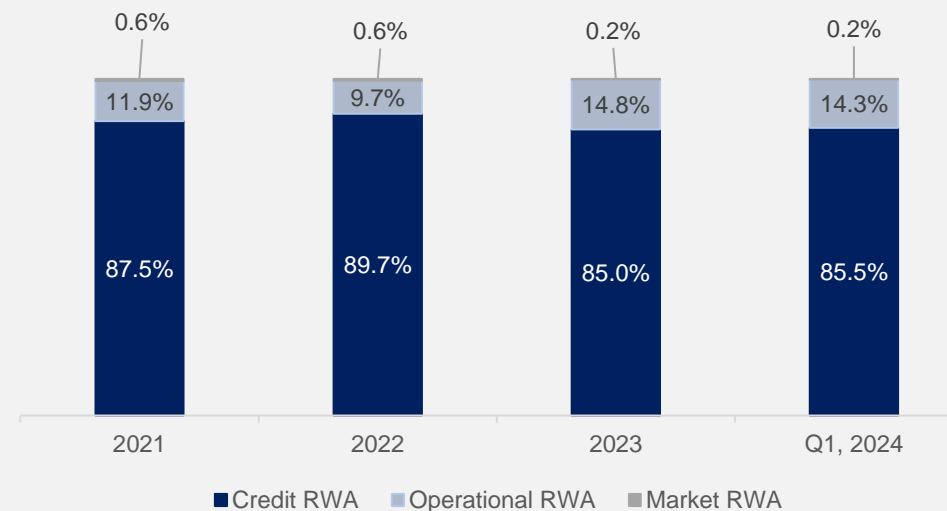
Strong Capital Base

Capital Adequacy Walkthrough










By March 2024, **Capital Ratios** were **above** the minimum regulatory requirements; **CAR** ratio is at **15.54%** against Basel and Central Bank of Jordan's requirement of 12% and 14.375% respectively.

RWA Movement



Consolidated USD 000s	2021	2022	2023	Q1, 2024
Tier 1 Capital	442,396	723,724	780,815	825,754
Tier 2 Capital	57,816	48,502	64,127	60,410
Total Regulatory Capital	500,212	772,226	844,941	886,164
Total RWAs	3,363,273	5,619,691	5,502,598	5,703,907
Capital Adequacy	14.87%	13.74%	15.36%	15.54%

Peer Comparison – 2023

	Total Assets ¹	Net Loans ¹	Deposits ¹	Equity ²	Net Profit ²	Efficiency Ratio	ROE
 Arab Bank PLC	40.6	16.7	28.0	6,093	530	37.3%	9.3%
 Housing Bank	12.2	6.3	8.0	1,873	199	42.1%	10.9%
 Capital Bank	10.7	4.8	7.7	1,028	150	38.9%	17.2%
 Bank al Etihad	10.5	6.0	8.0	936	81	49.9%	10.0%
 Jordan Kuwait Bank	7.4	2.8	5.2	1,026	127	37.7%	16.1%
 Cairo Amman Bank	5.5	3.2	3.7	646	49	53.9%	8.0%
 Jordan Ahli Bank	4.6	2.4	3.1	471	26	60.8%	5.6%
 Bank of Jordan	4.3	2.0	3.1	758	63	50.2%	8.2%

¹ USD billions.

² USD millions.

Source: Amman Stock Exchange

Market Share for Jordan Branches – 2024

Item	Banking Sector*	Growth	Capital Bank Jordan*	Growth	Market Share Dec 21	Market Share Dec 22	Market Share Dec 23	Market Share Mar 24
Total Assets	93,540	0.2%	7,994	1.0%	6.1%	9.5%	8.5%	8.5%
Deposits	62,051	0.6%	5,402	(1.0)%	5.6%	9.8%	8.9%	8.7%
Loans	47,241	0.3%	3,821	2.9%	5.3%	8.4%	7.9%	8.1

In Jordan, Capital Bank retains a strong market share in terms of total assets, deposits and loans; exhibiting a growth that surpassed twice the percentage noted in 2020.

* In USD billions.

Source: Association of Banks in Jordan – Monthly Banking Report – March 2024 Edition.

Capital Bank Stock

Listed on: Amman Stock Exchange (ASE). **Subscribed Shares:** 263,037,121

Symbol: CAPL.

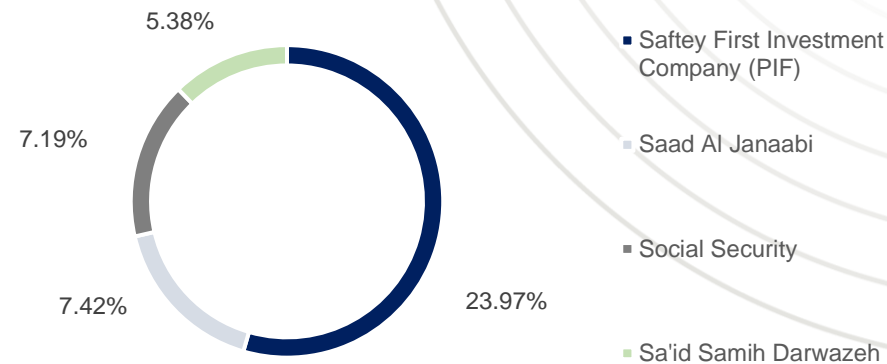
Free Float: 45.7%.

ISIN: JO1101711017.

Share Turnover*: 4.03%.

Year	Opening Price	Closing Price	High Price	Low Price
Q1, 2024	JOD 2.04	JOD 1.89	JOD 2.11	JOD 1.88
2023	JOD 2.44	JOD 2.04	JOD 2.60	JOD 1.85
2022	JOD 2.03	JOD 2.44	JOD 3.10	JOD 2.00
2021	JOD 0.98	JOD 2.03	JOD 2.06	JOD 0.98

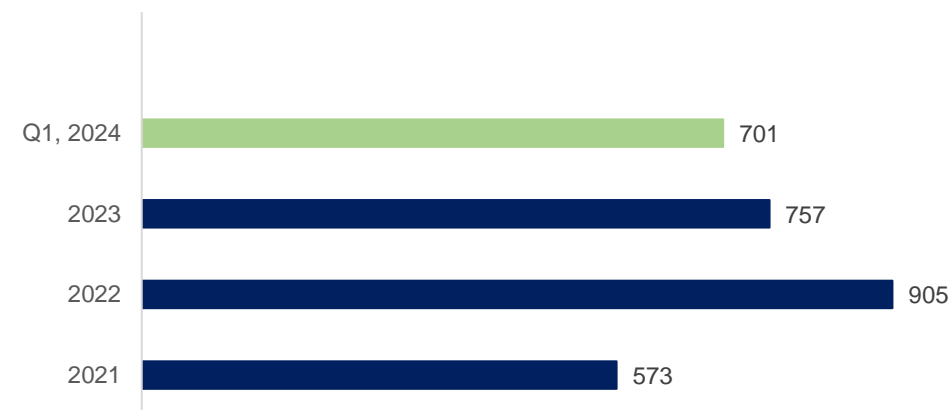
Major Investors with 5% Ownership or More (31.03.2024)



Capital Bank Share vs ASE 20 and Banking Index (Closing Price Q1, 2024)



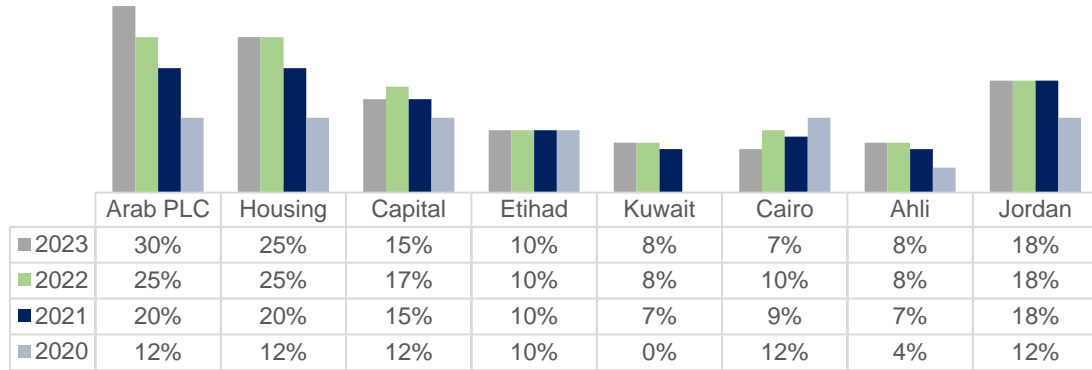
Market Cap in USD Millions



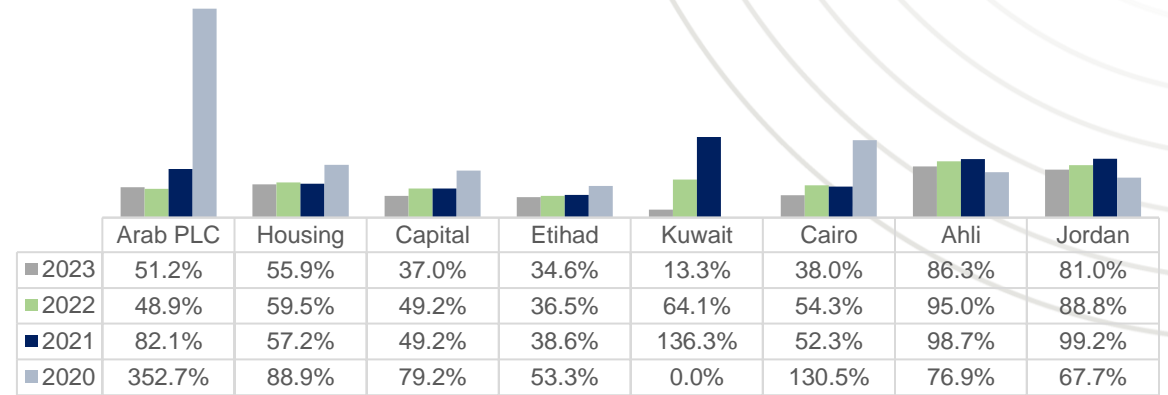
* Volume of traded shares over the past 12 months divided by number of outstanding shares.

Capital Bank Stock – Versus Peers

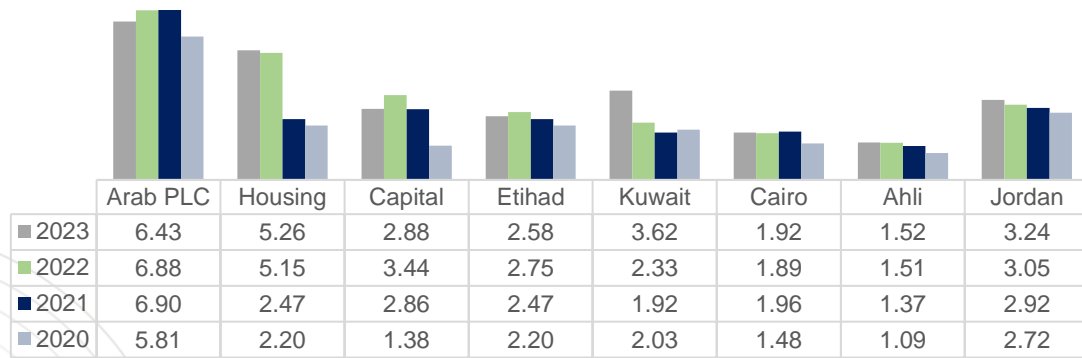
Dividend as a Percentage of Capital



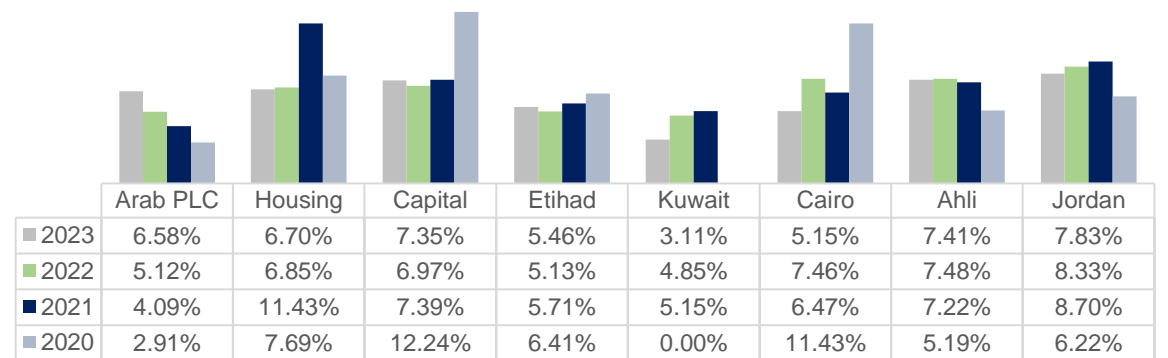
Dividend Payout Ratio



Stock Closing Price (in USD)



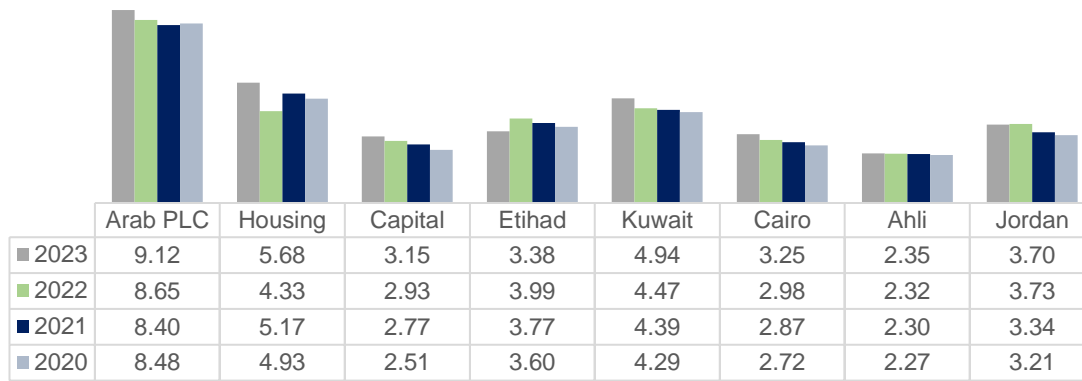
Dividend Yield



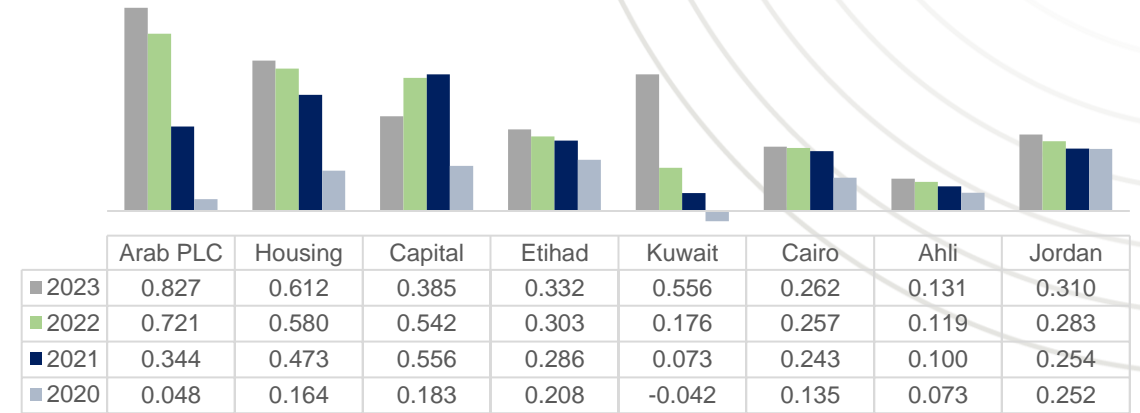
Source: Amman Stock Exchange.

Capital Bank Stock – Versus Peers

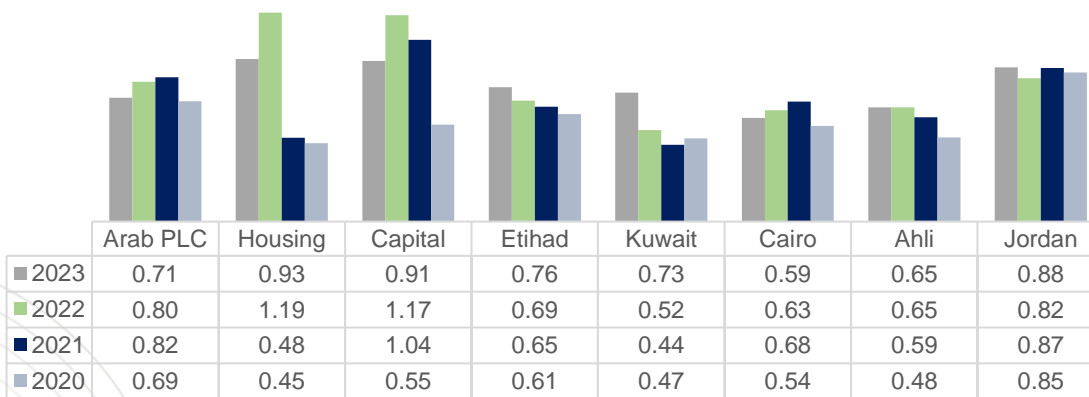
Book Value Per Share (in USD)



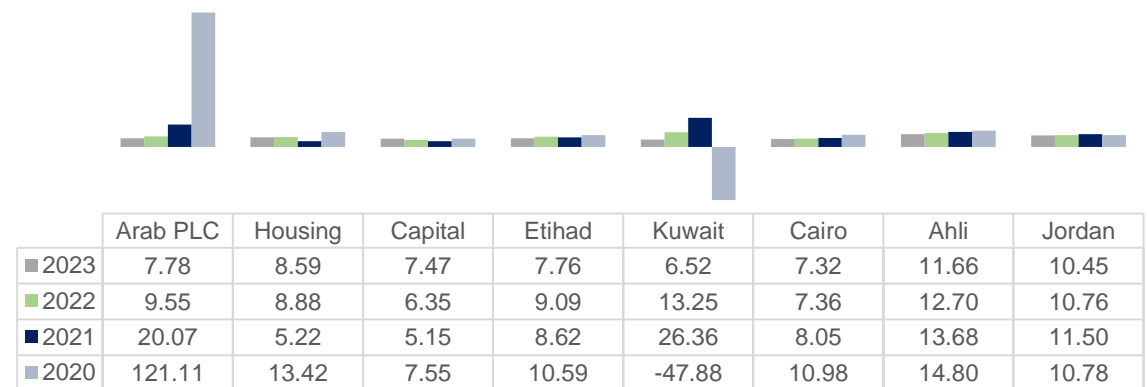
Earnings Per Share (in USD)



Price to Book Value



Price to Earnings Ratio



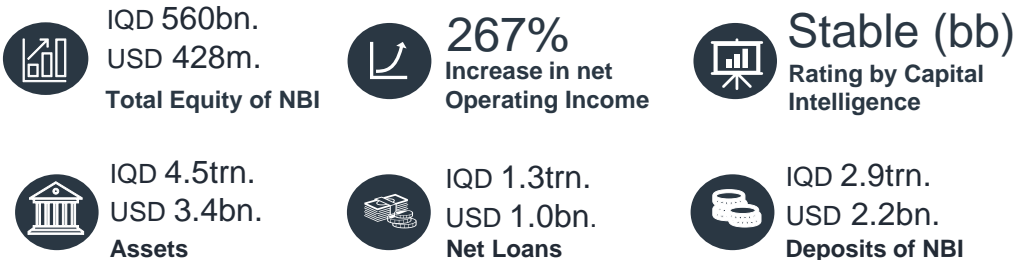
Source: Amman Stock Exchange.

National Bank of Iraq – In Brief

Business Overview

- National Bank of Iraq (NBI) is **one of the leading commercial banks in Iraq**, offering various banking services. The Bank was established in 1995 and is headquartered in Baghdad, Iraq.
- NBI is **publicly traded** on the Iraq Stock Exchange (symbol: **BNOI**) and is ranked first amongst privately held banks in terms of total assets. Capital Bank of Jordan ('Capital Bank') owns a majority stake of ~ **62%** in NBI.
- NBI provides a range of innovative banking services through **three** main segments, namely **personal, corporate, and SMEs**.
- NBI also provides **Brokerage Services, Leasing, Custody Services and Investment Services** (including trading in gold, foreign currency and oil).
- NBI has access to a large network of **correspondent banks** directly and through Capital Bank in addition to solid relations with **foreign and international development financial institutions** such as Saudi Exim Bank, PROPARGO and the IFC.

Key figures – Q1, 2024

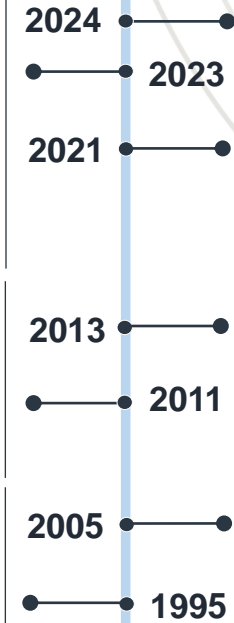


Timeline

Commenced operations of its newly established branch in KSA and added a new revenue stream through the Leasing Company.

NBI's capital is raised to IQD 100b, adopting a **new strategy** focused on building capacity and improving infrastructure to service large corporates.

National Bank of Iraq established as a **publicly traded private bank** in Iraq with a capital of IQD 400m.



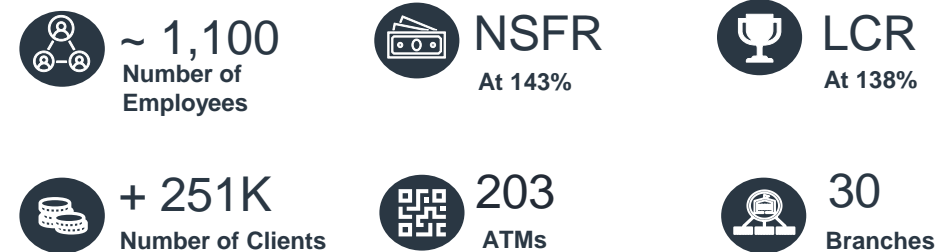
Capital increased to become **IQD 400 billion from IQD 300 billion** in 2023.

NBI acquired **Bank Audi's branches** in March 2021, further strengthening positioning in Iraqi market.

NBI's capital was raised to IQD 250b, with Capital Bank's ownership stake rising to **61.85%**.

Capital bank of Jordan acquires a 59% stake in NBI, becoming the main shareholder to drive the bank towards a **corporate governed bank**.

Key facts – Q1, 2024



Capital Investments – Unparalleled Scope of Services

Business Overview

Headquartered in Jordan, with a wide-reaching presence across the Middle East, Capital Investments has been shaping and elevating the MENA region's financial services sector since its establishment in 2006.

Capital Investments is a market leader in providing comprehensive investment banking services, from Asset Management and Brokerage to Corporate Financial Advisory, serving a diverse array of local, regional and international clientele, and high-net-worth individuals.

As of Q1, 2024



Assets Under Management

~ **USD 900m**



Number of Brokerage Accounts

~ **8.5K**

Locations: Jordan, Iraq and U.A.E. (DIFC).

Value Proposition and Service Offering

Advisory

- Mergers & Acquisitions.
- Equity capital markets.
- Debt capital markets.
- Project finance.
- Corporate and financial restructuring.
- Corporate valuation.
- Government Advisory.
- Public Private Partnerships (PPP).
- Financial and Strategic advisory.
- Capital structure advisory.
- Islamic financing.

Asset Management

- Multi-Asset class solutions.
- Fixed income funds.
- MENA market funds.
- Structured products.
- Sharia-compliant products.
- Investment advisory.

Brokerage

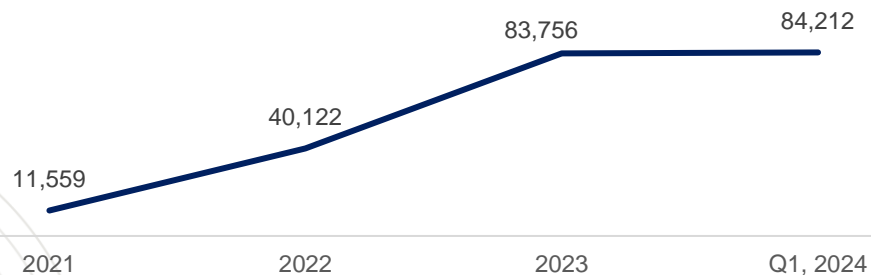
- Local, regional and international markets.
- Equities
- Treasuries and corporate bonds.
- Structured products.
- Precious metals.
- Equity research.
- Sector reports.
- Economic reports.
- Market reports.

Capital Leasing Co. – Unlocking Potential

Business Overview

- In a brief timeframe, Capital Leasing managed to establish itself in the market after its inception in 2017 and subsequent acquisition by Capital Bank of Jordan in 2022.
- The preference for leasing among customers in Jordan stems from its advantages especially in real estate contracts due to the benefits extended to both lessors and lessees that surpass conventional bank mortgage loans. Lessors, usually real estate developers, benefit from tax exemptions when acquiring property through lease agreements, while lessees, the buyers, enjoy waived title deed transfer fees.

Net Leasing Portfolio
(In USD 000s)



Value Proposition and Service Offering

Real Estate

- Residential property.
- Commercial property.
- Land plots.

Transportation

- Vehicles.
- Marine transportation vessels and boats.

Equipment and Machinery

- Production and manufacturing machinery.
- Equipment; medical and sporting... etc.
- Fixed assets for professionals such as IT equipment, interactive boards... etc.).

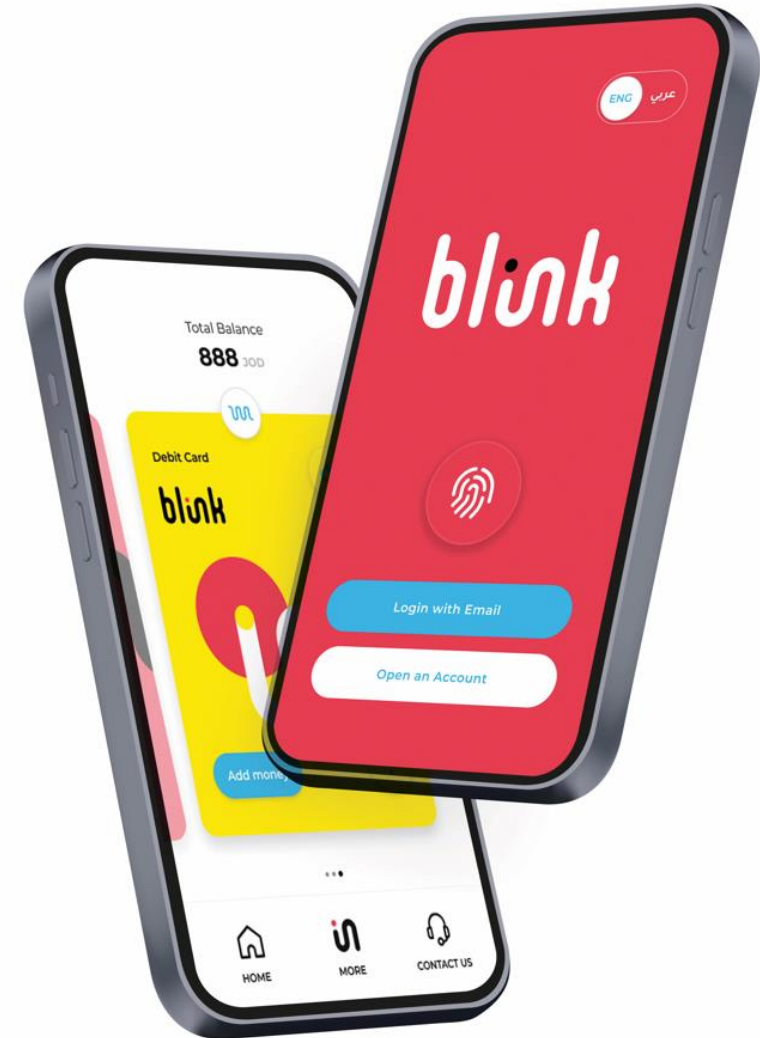
Portfolio Thrive



Capital Leasing's **portfolio** has increased by more than **five times** since its acquisition; with an anticipated opportunity for further **growth** due to the high demand for this specific lending approach.

Blink – The All Digital Neobank

- Launched in February 2022, Blink targets customers within the consumer banking space in Jordan with the aim to elevate financial services through a seamless digital only experience while supporting financial inclusion.
- Blink offers a completely new and unique user interface and experience positioning it as a challenger to the status quo and a disrupter that is re-imagining the way customers receive financial services.
- Blink focuses on simple and transparent ways of banking to foster financial literacy, educate customers and empower them to get financial freedom.
- Blink offers end-to-end digital onboarding and eKYC, a full-fledged bank account with an IBAN, virtual and physical debit and credit cards facilitating online and offline payments with the ability to manage cards digitally, money transfers, contactless payment through Apple Pay and eVouchers.
- Blink has also partnered with players outside the financial services industry to bring lifestyle value added services to its customers, in the form of promotions, discounts, cash back, etc. Blink is the first bank in Jordan to integrate with Royal Jordanian allowing its customers the ability to book their flights directly from the Blink app.



Digital Transformation – To Drive Sustainable Growth

Improved Self-Service Capabilities



- Capital Bank's digital channels have achieved a remarkable adoption rate as an increasing number of clients are opting to use the Bank's digital channels over conventional methods for their daily banking needs.
- Customers can now digitally open any type of account and create Term Deposits via the app – the ease of this service has contributed to a rise in the clients' average savings balance.

Customer Centricity & Experience



- The introduction of digital services, including digital boarding, has helped reduce the reliance on human intervention leading to quicker turnaround times and decreased manual work and rework rates resulting in improved customer experience. The bank also provides diverse digital channels for managing and communicating with customers, including secure messaging via the mobile app's agent chat and a WhatsApp chatbot.

Enhanced Efficiency & Productivity



- Capital Bank expanded its offerings by introducing over 30 new digital services and diversifying payment methods. These measures have reduced the need for traditional branch visits, streamlined operations and improved customer satisfaction.

Ecosystem and Partnerships



- Seamless integration with Capital Investments enabled customers to link their bank accounts with their investment portfolios.
- The enhancement of Capital Bank's Easy Payment Plan (EPP) service has provided customers with the ability to complete their purchases through a more convenient monthly installments option.

Innovation in Payments



- In 2023 Capital Bank launched Apple Pay, enabling customers to link any of Capital Bank's cards to their Apple Wallet for convenient and secure contactless and online payments. Android users can also make contactless payments using Capital Bank's cards on NFC-enabled payment devices.
- Capital bank introduced credit card issuance within the app, providing further convenience to customers.

Increased Digital Adoption



- The introduction of Smart POS by Capital Bank aimed to expand merchant network and encourage the uptake of non-cash transactions. This led to a substantial rise in card usage and contactless payments.
- The number of customer logins and daily digital banking transactions have been steadily growing indicating increased digital adoption and positive customer experience.

Group Guidance

Medium / Long Term Guidance – 2026



Total Assets

CAGR to be higher than 8%.



Cost to income Ratio

To be less than 40%.



Capital Adequacy

To exceed 15%.



Return on Equity Ratio

To surpass 16%.



Dividends Pay-out Ratio

To range between 25% - 50% of net income.

Capital Bank of Jordan – Credit Rating

MOODY'S

Moody's as of 21.11.2022	Current	Outlook
LT Counterparty Risk Rating (Foreign)	Ba3	
LT Counterparty Risk Rating (Domestic)	Ba3	
ST Counterparty Risk Rating (Foreign)	NP	
ST Counterparty Risk Rating (Domestic)	NP	
LT Bank Deposits (Foreign)	B1	Positive
LT Bank Deposits (Domestic)	B1	Positive
ST Bank Deposits (Foreign)	NP	
ST Bank Deposits (Domestic)	NP	
LT Counterparty Risk Assessment	Ba3(cr)	
ST Counterparty Risk Assessment	NP(cr)	
Baseline Credit Assessment	b1	
Adjusted Baseline Credit Assessment	b1	

CAPITAL
Intelligence

Capital Intelligence as of 04.04.2024	Current	Outlook
Core Financial Strength	bb	
LT Currency (Foreign)	B+	Positive
ST Currency (Foreign)	B	Positive
Bank Standalone – BSR	b+	Stable

Capital Bank of Jordan – Awards and Recognitions



- **Best Syndicated Loan for a Financial Institution in the Middle East – 2023**

Capital Bank won EMEA Finance's Best Syndicated Loan award in the Middle East. This recognition highlights the success in a pioneering \$115 million syndicated loan that surpassed its subscription target, solidifying the bank's regional position with participation from twelve banks across various countries.



- **Best Implementation of Core Banking Services – 2023**

Capital Bank received the 'Best Implementation of Core Banking Services' award from IBS Intelligence in 2023. This accolade, presented by IBS Intelligence based in the UK, recognises Capital Bank's excellence and innovation in the banking sector.



- **The Middle East CX Innovator – Banking – 2023**

Capital Bank received the Customer Experience Innovator Award from Genesys for its exceptional efforts in providing a seamless, unified customer experience across various channels. This acknowledges the swift adoption of digital capabilities and smarter automation to meet business needs, enhancing both customer and employee experiences.

ESG – Awareness and Approach

ENVIRONMENTAL

SOCIAL

GOVERNANCE

- During the second quarter of 2023, Capital Bank published its first sustainability report in line with the standards and guidelines of Global Reporting Initiative (GRI) and the United Nations' Sustainable Development Goals 2030 (UNSDGs).
- The report outlines the Bank's approach to addressing the impact of its activities on the environment and society, highlighting the achievements and aspirations to sustainable development and growth. The report also highlights the Bank's approach to sustainability which revolves around **3** pillars – focused on **10** material topics as follows:

Pillar 1 – Environmental: Climate Action and Protecting the Environment:

- a. Climate Change and Decarbonisation
- b. Environmental Management

Pillar 2 – Social: Creating Value for Our People and Communities:

- a. Workforce Development and Inclusion
- b. Local Communities
- c. Financial Inclusion & Literacy
- d. SME Growth
- e. Customer Experience and Satisfaction

Pillar 3 – Governance: Implementing Robust and Responsible Corporate Governance:

- a. Data Security
- b. Innovation and Digitisation
- c. Incorporation of ESG Factors in Credit Analysis

ESG – Awareness and Approach

ENVIRONMENTAL

SOCIAL

GOVERNANCE

Stemming from its firm belief in its pivotal role in affecting the local community positively and contributing effectively to its development and growth, Capital Bank of Jordan has set a robust strategy for corporate social responsibility, mapping its target audience and main pillars.

With focus on financial literacy, entrepreneurship, women empowerment, and environmental, Capital Bank of Jordan aims to address the main topics facing Jordanians to drive growth and developments as part of our sustainable performance.

Additionally, the bank had various initiatives to enhance the wellbeing of communities such as;

- Regarding the environment, Capital Bank took active measures to reduce its footprint in partnership with local NGOs in addition to using renewable energy in its buildings.
- Supporting various educational initiatives aimed at upskilling youth and providing them with scholarships such as the Employees' Educational Fund, in addition to long-term partnerships with the following NGOs and Civil Society organisations:
 - Queen Rania Foundation.
 - Elia Nuqul Foundation.
 - Loyac Jordan for Youth Employability.
 - Injaz for Education & Entrepreneurship.
 - Al Aman Fund.
 - Al Bunayyat Centre for Special Education.
- Capital Bank also continues to support socio-economic development targeting under-privileged members in the society in partnership with entities, some of which being
 - Tkiyet Um Ali - Orphan Support Association .
 - Atfaluna Association*.

* Atfaluna, established in 2015 by a group of volunteers specialising in various fields to create a non-profit organisation dedicated to offering medical care to underprivileged children.

ESG – Awareness and Approach

ENVIRONMENTAL

SOCIAL

GOVERNANCE

In terms of governance the Bank integrated a social and environmental management system to assess ESG risks of the credit decision making process, some of which are as follows:

- Implementing a regular Environmental & Social ('E&S') performance assessment through an E&S board-approved policy that is based on IFC standards.
- E&S procedures have been fully integrated pertaining to categorisation, assessment and monitoring into the credit approval system and is currently being updated and developed to be aligned with the CBJ green lending strategy.
- Conducting adequate E&S training to designated credit/front office staff members through the IFC E-learning platform to enable them to report any E&S risk as part of their standard processing of transactions.
- Categorising transactions based on exposure to E&S risk sectors as per Capital Bank's E&S policy, by performing an analysis for relevant transactions to assess the identified risks, mitigate and manage risks associated to these transactions by identifying the problems and designing adequate solutions using IFC Standards.
- Monitoring the E&S performance of clients through staff annual site visits and questionnaires.

Additionally, and in line with the Bank's strategic emphasis on innovation and digitisation to support financial inclusion and stimulate economic growth; innovative measures were taken aiming at improving self service capabilities through a comprehensive, secure and efficient platform offering financial services. This has increased operational efficiency, enhanced transparency and strengthened risk management which in turn helped reduce carbon footprint.



Section 2

Corporate Governance

capital
bank

Solid Board of Directors



H.E. Mr. Bassem Al-Salem
Chairman, Non-Executive

- One of the founders of the Bank. Appointed as Chairman of the Board in 2010.
- Previously served as the Jordanian Minister of Labor and Minister of Finance and was a member of the Jordanian Senate.
- Served on the boards of several prominent private and publicly listed companies, including the Association of Banks in Jordan and the Social Security Corporation.

Name	Appointment	Role	Experience
H.E. Bassem Khalil Al-Salem	2010	Chairman	Undergraduate > 25 years experience
H.E. Said Samih Darwazah	2021	Vice Chairman	Masters >25 years experience
Hitaf Investment Company Represented by Mr. 'Mohammed Ali' Khaldoun Al-Husry	2009	Member	Masters >25 years experience
The Safety First Investment Company - PIF Represented by Mr. Muteb Mohammad Al-Shathri	2022	Member	Masters > 15 years experience
The Safety First Investment Company - PIF Represented by Ms. Lamyah Mohammed AlFozan	2022	Member	Masters > 15 years experience
Social Security Corporation Represented by Mr. Saleh Hamdallah Al-Shbikat	2009	Member	Masters >15 years experience
Al-Jadara Company for Real Estate Investment Represented by Mr. Sultan Mohammed El-Seif	2009	Member	Undergraduate >15 years experience
Investments & Integrated Industries Co. Representing Mr. Omar M. I. Shahrour	2009	Member	Masters >25 years experience
Al-Khalil Company for Investments Represented by Mr. Khalil Hatem Al-Salem	2009	Member	Undergraduate >15 years experience
H.E. Abubaker Seddiq AlKhoori	2021	Independent	Undergraduate >20 years experience
Mr. Khalid Walid Nabils	2017	Independent	Masters >20 years experience
Mr. Mohamad Hasan AlHaj Hasan	2017	Independent	Masters >15 years experience
Mr. Yousef A.Y. Ensour	2021	Independent	Masters >20 years experience

Composition Stats

- All members are non-executive.
- **4 out of 13** members are independent.

Highly Experienced Management Team



Mr. Tamer Ghazaleh
Chief Executive Officer

- Named Chief Executive Officer in May 2024, Mr. Ghazaleh brings over 26 years of extensive and diverse experience in Finance and Banking.
- Served as a key member on numerous executive committees and has been at the forefront of financial strategy development, enhancing financial oversight and managing risks.
- Held several senior positions in regional and international banks as an executive manager and board member.

Name	Position	Joined
BUSINESS		
Yasser Kleib	Group Chief Institutional Banking Officer	2009
Nadim Khitan	Chief Consumer Banking Officer	2024
Rami Al Khuffash	Group Chief Investment and Treasury Officer	2022
Ali Abu Swai	Group Chief Treasurer	2009
Ayman Abu Dhaim	CEO, National Bank of Iraq	2018
Omar Namoos	CEO, Capital Investments – DIFC	2023
Bashar Amad	CEO, Capital Investments	2021
Zein Malhas	CEO, Blink	2019
Manar Ameen	General Manager, Capital Leasing	2022
CONTROL		
Samer Al-Aloul	Group Chief Banking Officer	2021
Rafat Khalil	Group Chief Audit Executive	2017
Rawan Said	Acting Group Chief Risk Officer	2023
Manar Aabidi	Group Chief Credit Officer	2020
Munis Haddadin	Group Chief Compliance Officer	2021
SUPPORT		
Izzidin Abu Salameh	Group Chief Operating Officer	2021
Linda Al Tarazi	Group Chief Transformation Officer	2022
Manar Al Nsour	Group Chief Financial Officer	2016
Mohammed Mu'az	Group Chief Legal Counsel	2003
Haya Abuata	Group Chief Human Resources Officer	2020
Touleen Barto	Group Chief Marketing and Corporate Communications Officer	2021

Gender



62%



38%

Education

Bachelor's

48%

Master

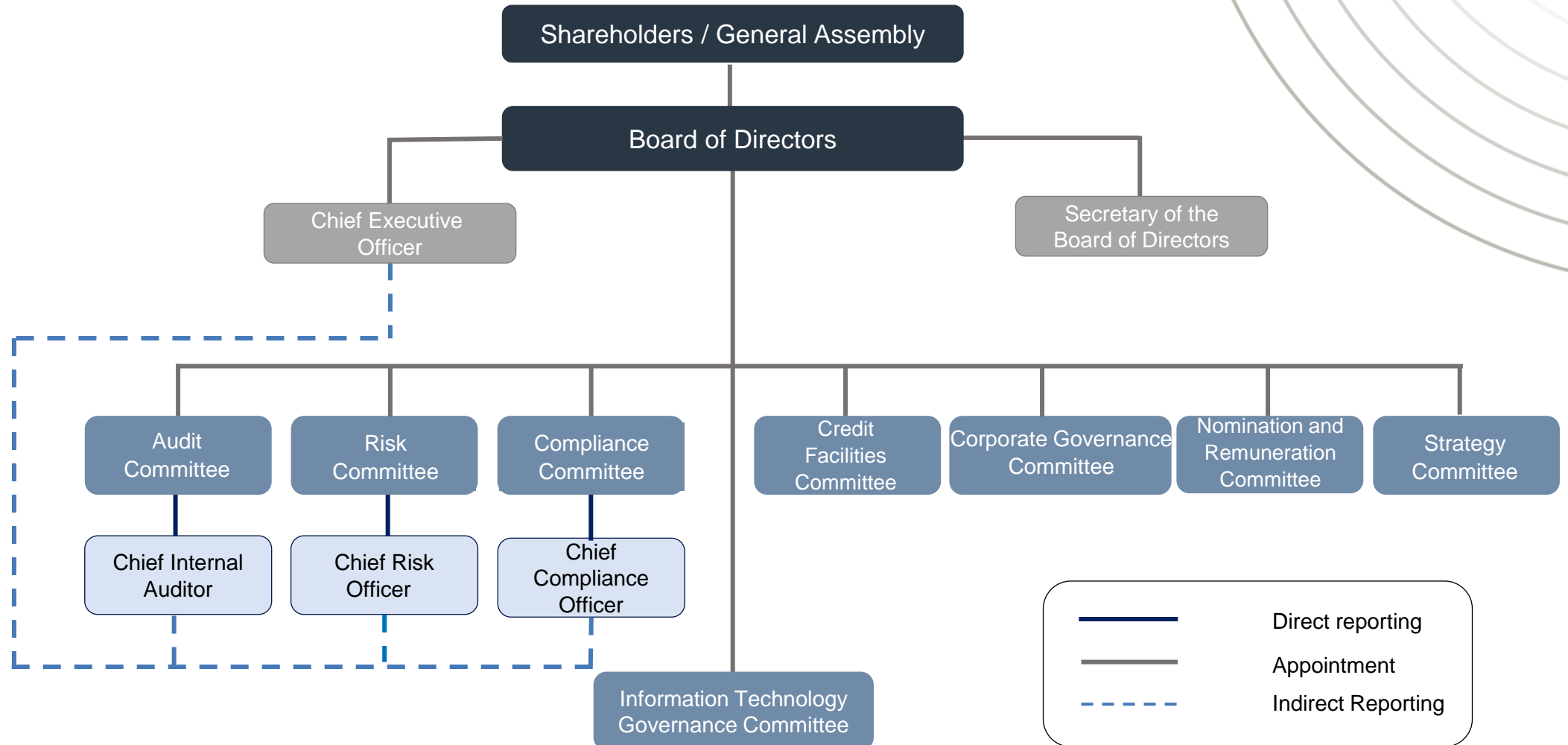
52%

Average Experience



**26
Years**

Solid Governance and Decision Making





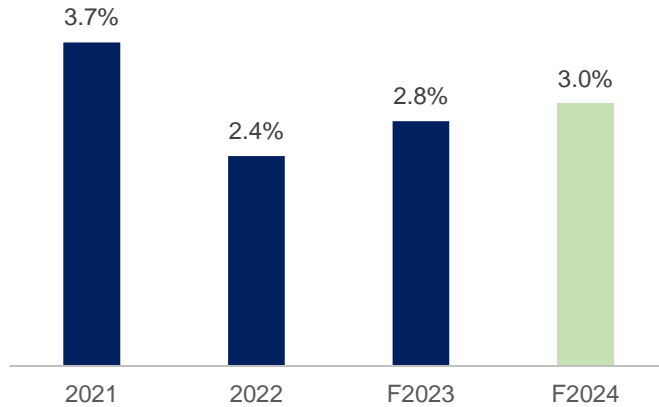
Section 3

Macroeconomic Developments and Banking Sector Highlights

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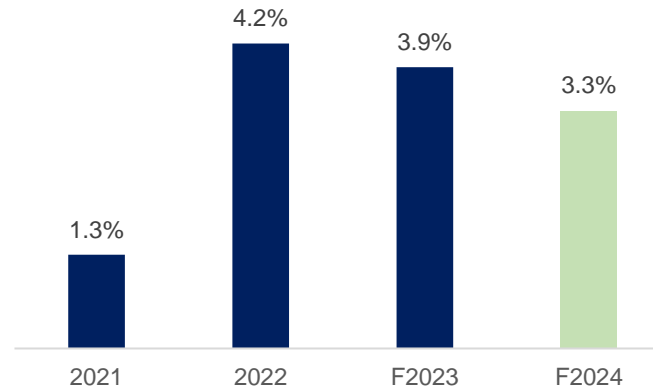
Jordanian Economy Highlights

Real GDP Growth Rate



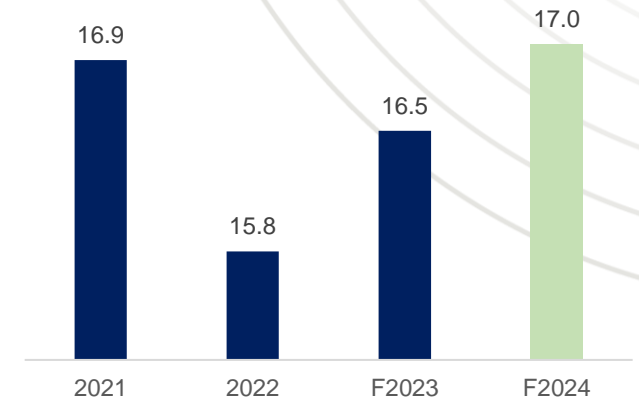
Jordan established a track record of fiscal reform implementation and prudence (backed by the IMF) which will likely contribute to a further narrowing of its fiscal deficit and a decline in government debt over the next few years.

Inflation Rate (CPI, Average Annual)



The annual inflation rate in Jordan is projected at 3.3% for 2024. The rate is mostly affected by the pressure that comes from prices of housing and utilities, notably fuels and electricity.

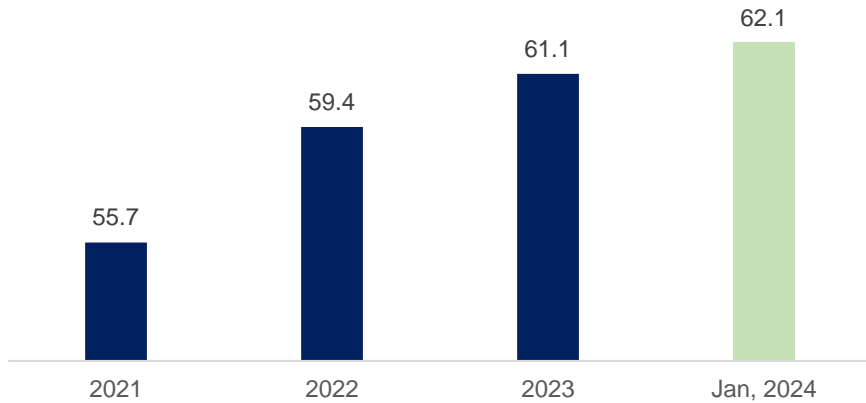
Foreign Currency Reserves (USD Bn)¹



Foreign Currency Reserves is expected to reach USD 17.0 billion in 2024 – an increase of almost 3% from year end of 2023 which amounted to USD 16.5 billion.

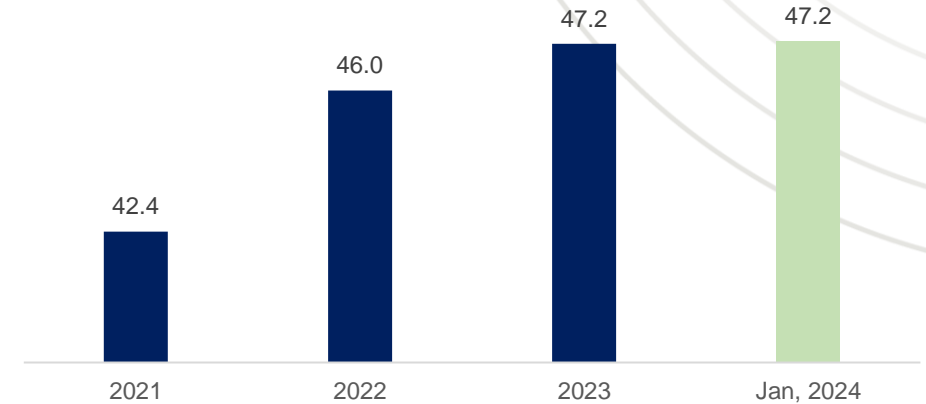
Jordanian Banking Sector

Total Bank Deposits (USD Bn)



Standing at USD 62.1 billion as of January 2024, Total Bank Deposits witnessed a rising trend throughout the years.

Total Bank Loans (USD Bn)



At USD 47.2 billion, Banks' Total Loans similarly witnessed an increasing trend since 2022, with Loan to Deposit ratio reaching 77.2% in March 2024 compared to 76.1% as of January 2024.

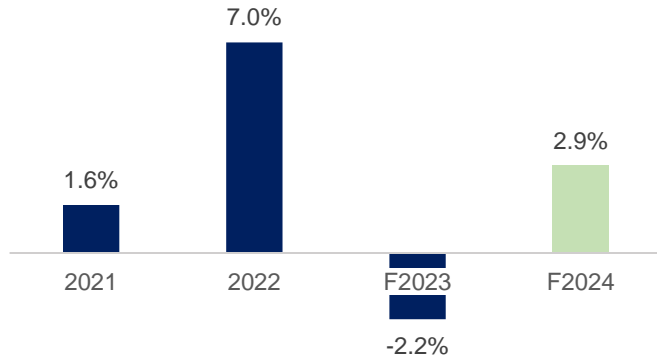
Key Banking Indicators

Item	2020	2021	2022	2023
NPL Ratio	5.5%	5.0%	4.5%	5.0%
Coverage Ratio	71.5%	79.9%	81.5%	78.9%
ROE	5.1%	8.3%	8.8%	10.2%
Window Rate	2.0%	2.0%	6.3%	7.25%
Average Interest Rate on Term Deposits	3.7%	3.5%	4.6%	5.91%
Total Assets (USD billions)	80.5	86.1	90.5	93.5

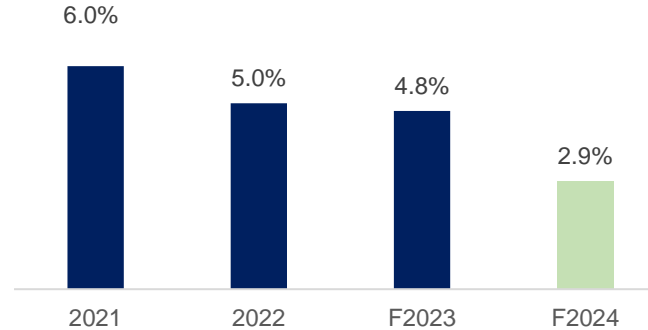
Source: Association of Banks in Jordan – Monthly Banking Bulletin (March 2024 Edition).

Iraqi Economy Highlights

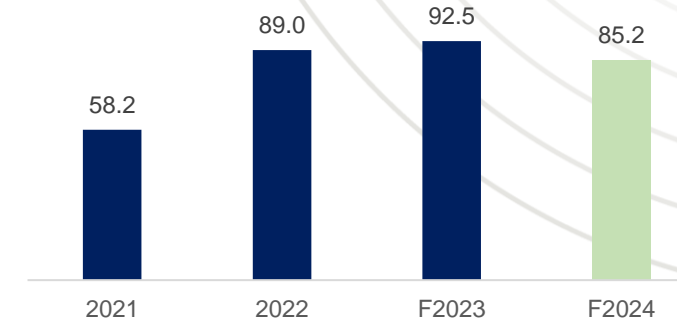
Real GDP (% Change)



Inflation Rate (CPI, Average Annual)



Foreign Currency Reserves (USD Bn)



Despite the growth in non-oil GDP; lower oil production coupled with the foreign exchange (FX) market volatility (due to high controls embedded for Anti-Money Laundering and Combating the Financing of Terrorism on FX sales) resulted in real GDP to contract in 2023.

In the context of a significant increase in government spending, non-oil GDP is expected to continue to grow in 2024. This is anticipated to uphold robust growth and accordingly improve the overall real GDP.

Inflation remained elevated until 2022 fueled by rising energy prices, demand pressures and high global commodity prices due to supply side disruptions. According to Moody's the rate is forecasted at 4.8% for year 2023 and expected to drop to 2.9% in 2024.

In the past, record oil exports in conjunction with high oil prices have brought in record oil revenues for the Iraqi government and pushed foreign reserves to their highest levels in more than two decades.

Foreign currency reserves will correlate with the oil GDP as it is expected to drop given the drop oil production.

Source: Moody's, with a forecast of the **population** to be **43.3 million** by end of 2023 and **44.5 million** by end of 2024.

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