capital bank

As of September 2023

Investor Relations

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Section 1

Group Corporate Profile and Financial Highlights

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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

Establishment
1995

- Established in 1995 in **Amman – Jordan**, Capital Bank is a publicly listed bank, quoted at the Amman Stock Exchange.

Expansion
2005

- 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.

Diversification
2006

- **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).

Acquistion
2021

- 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.

Growth
2022

- 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**.

Going Further
Today

- Capital Bank goes into the **leasing** business in Jordan and Iraq.
- Capital Bank embarks on an all-encompassing **transformation** Journey.

A Regional Bank – With a Diversified Business Model (Q3, 2023)

Global Presence Across

4 Markets

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

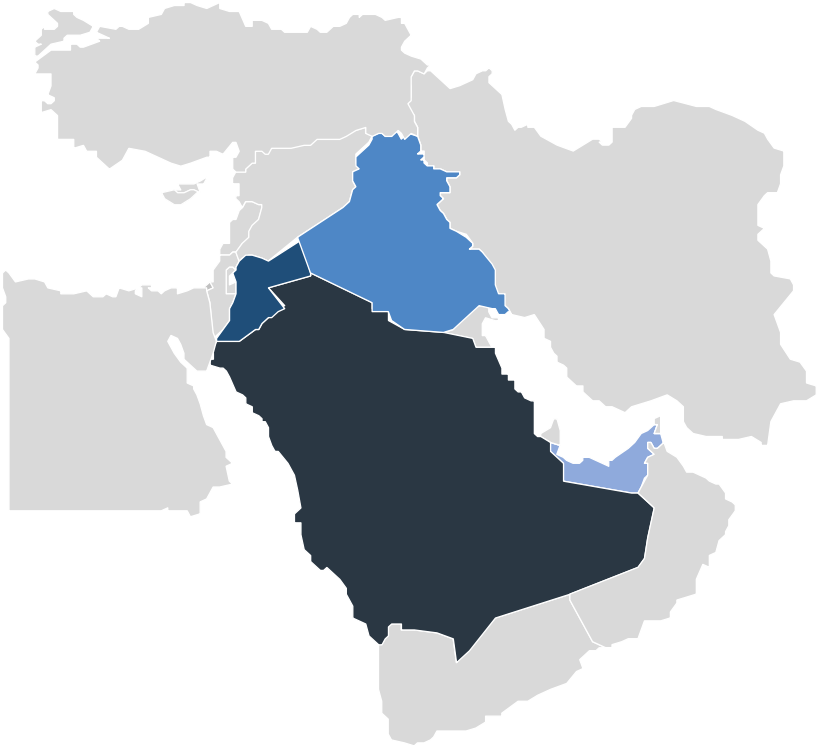
2.3K

Employees
Globally

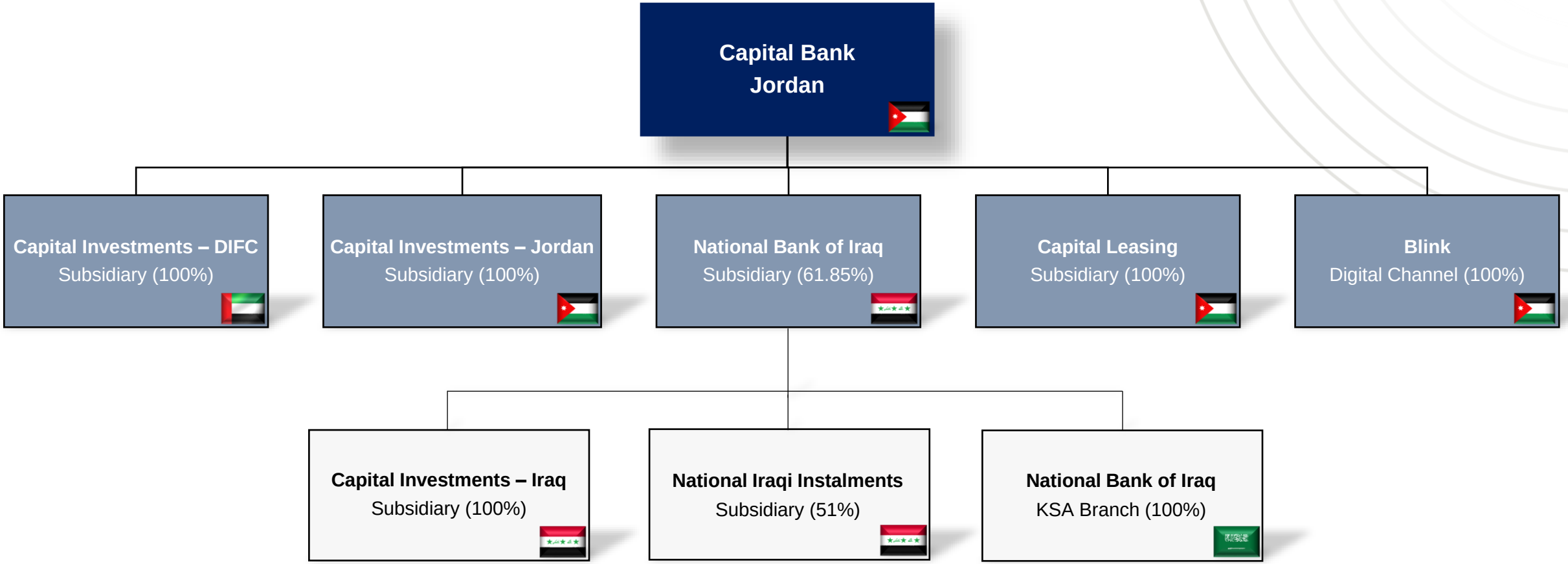
32 Branches in **Jordan**

27 Branches in **Iraq**

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



Structure of the Group



Capital Bank Group – Snapshot September 2023

3rd Largest In the Jordanian market.	**USD 10.6b** Total Assets
Market Heavyweight Fastest growing bank since year 2020.	**USD 4.9b** Net Loans
Stable Credit Rating	**b1**[1] Moody's **bb** CAPITAL intelligence
Generating **Superior Returns** through a **Robust Foundation**.	**18%** ROE **$ 989m** Equity
Sound Cost to income ratio.	**39.2%** Efficiency Ratio
Sufficient Reserve Of high-quality liquid assets.	LCR at **289%**

Sturdy Capital Base Above CBJ requirement of 14.125%.	CAR at **15.32%**
Solid Coverage Ratio Including collaterals, the ratio will be 122%	**85%**
Strategic Investor Public Investment Fund since June 2022.	**USD 723m** Market Cap
Listed on Nasdaq Dubai's Market Perpetual Bond Tier 1.	**$ 100 million**
Dividends As a percentage of capital (2022).	**17%**
Strong Credit Quality.	**5.91%** NPL

[1] *As of end of 2022 – ranked with a **positive outlook**.*

Group Consolidated Financials

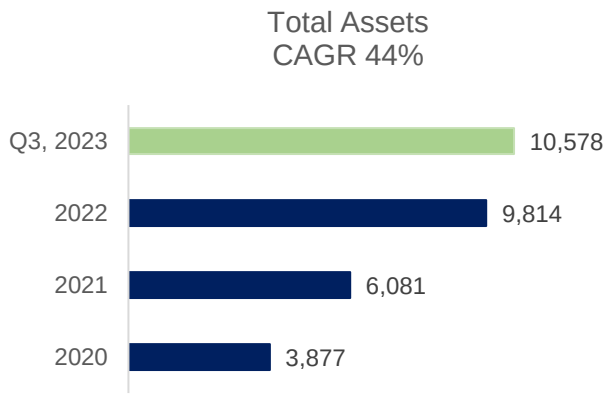
In USD Mn

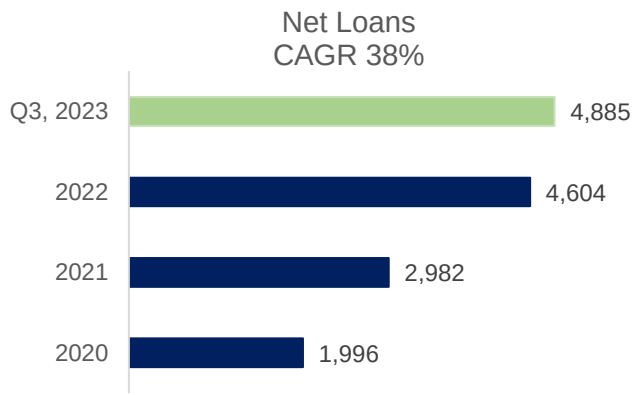
Income Statement Items	2021	2022	Q3 2022	Q3 2023
Net Interest Income	144	224	153	**180**
Gross Operating Income	194	297	203	**345**
Total Operating Expenses	*(102)*	*(156)*	*(104)*	***(135)***
Net Operating Income	92	141	99	**210**
Provision	*(28)*	*(40)*	*(9)*	***(61)***
Net Acquisition Impact	36	35	35	**-**
Income Tax Expense	*(14)*	*(9)*	*(14)*	***(33)***
Net Profit	86	128	112	**116**

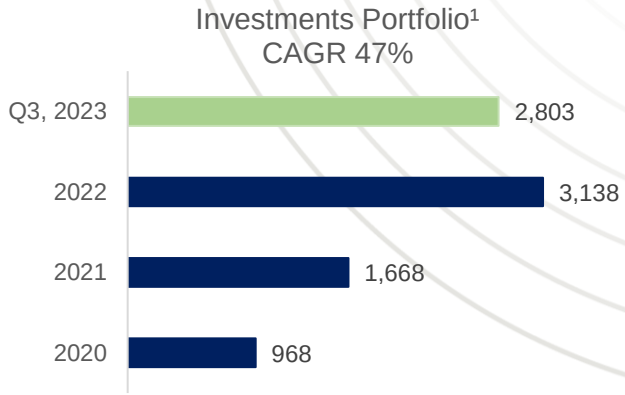
In USD Bn

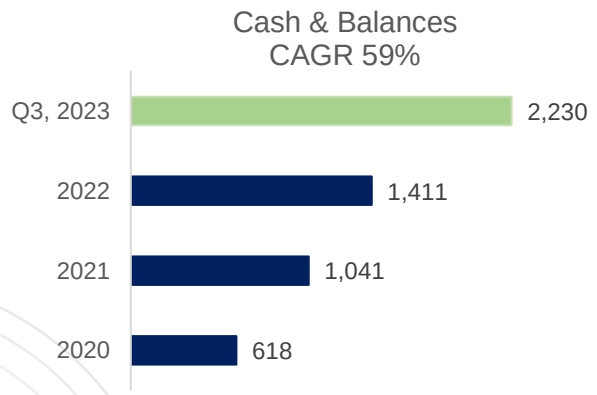
Balance Sheet Items	2021	2022	Q3 2023
Total Cash & Equivalents	1.0	1.4	**2.2**
Net Credit Facilities	3.0	4.6	**4.9**
Investment Portfolio	1.7	3.1	**2.8**
Total Assets	6.1	9.8	**10.6**
Customer Deposits	3.9	6.9	**7.6**
Cash Margins	0.3	0.6	**0.7**
Paid up Capital	0.3	0.4	**0.4**
Total Equity	0.6	0.9	**1.0**

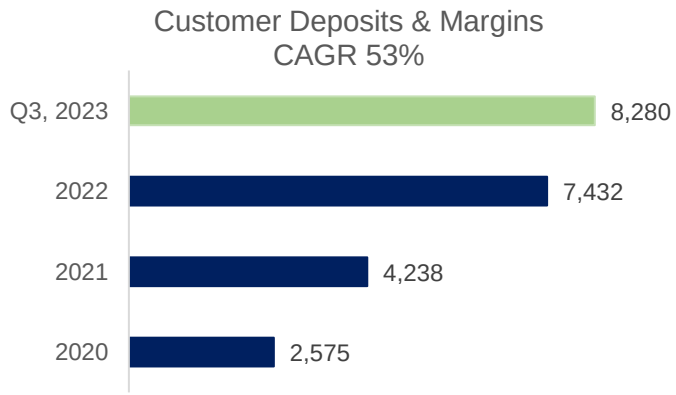
Strong Financial Track Record – Balance Sheet (USD millions)

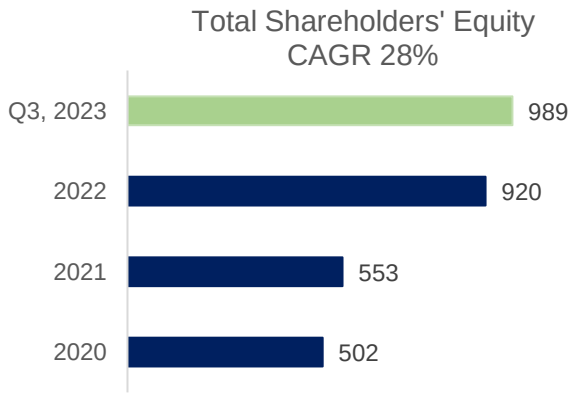






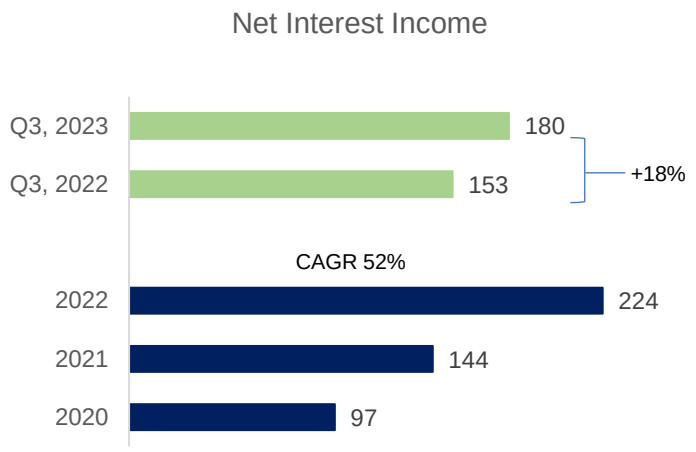


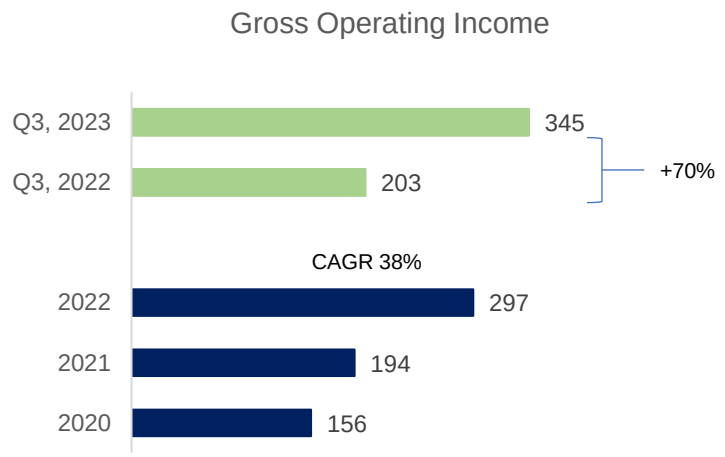


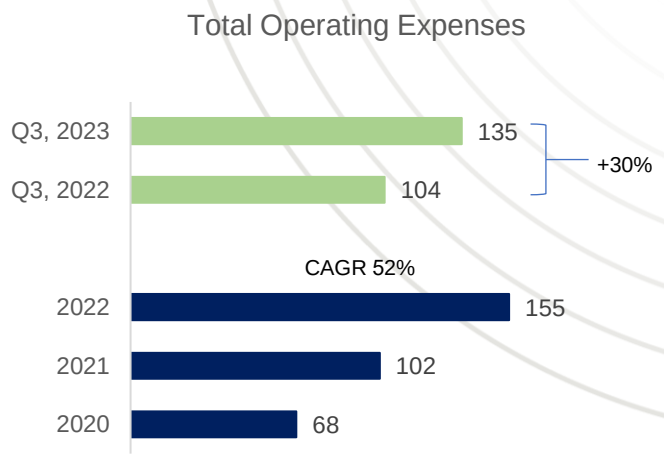


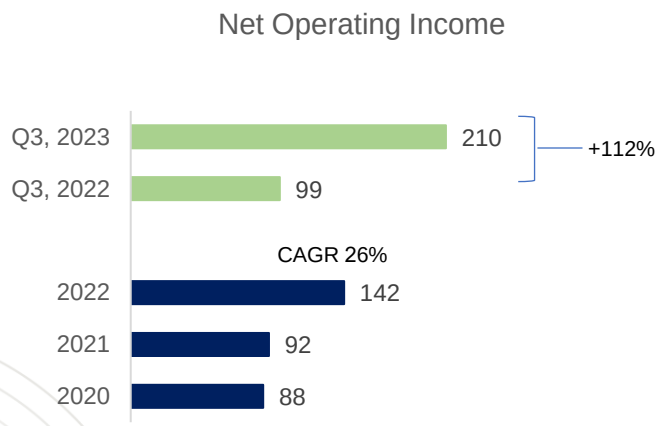
¹ Represents stock bonds and shares.

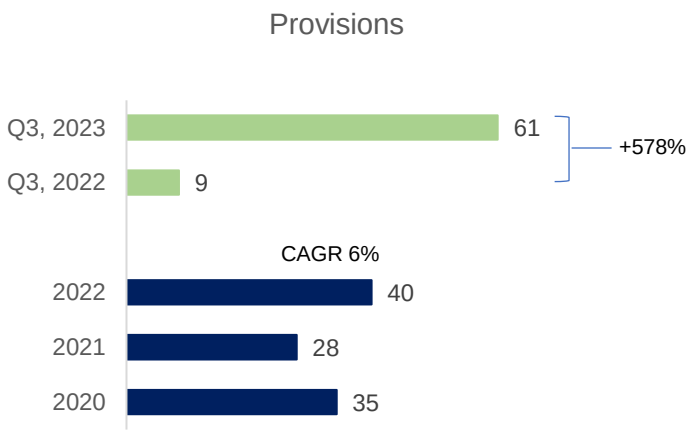
Strong Financial Track Record – Income Statement (USD millions)

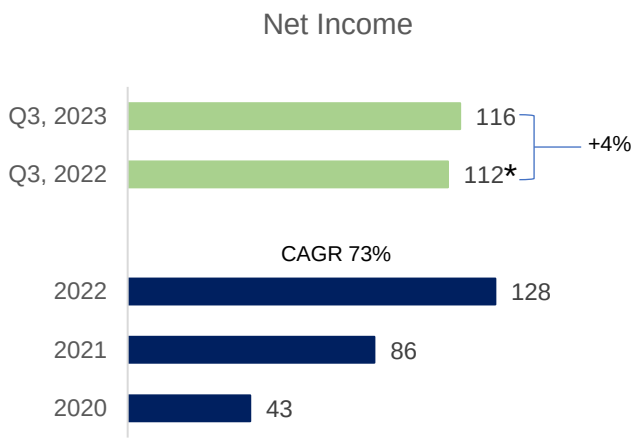






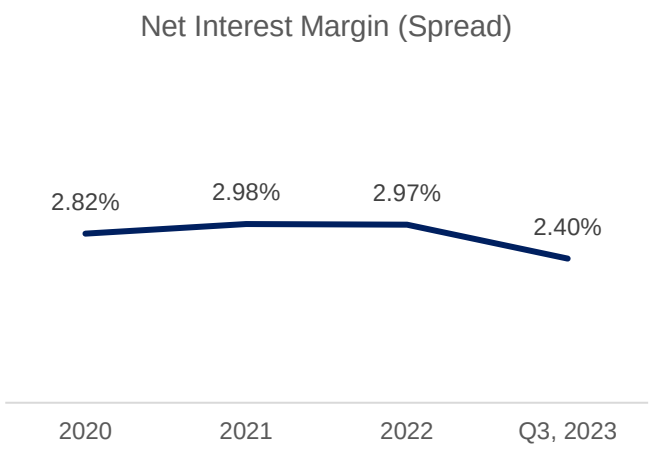


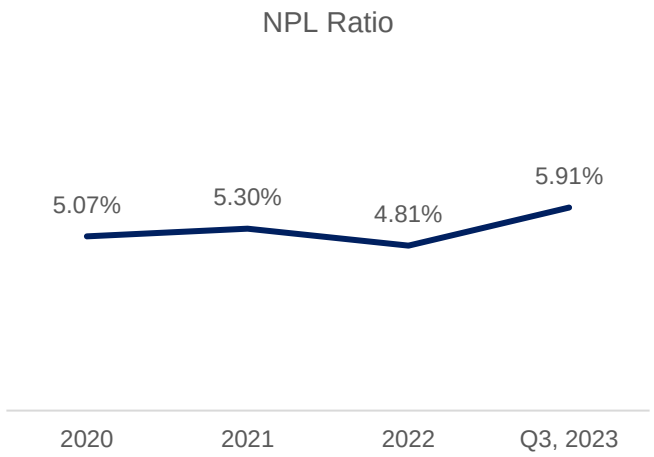


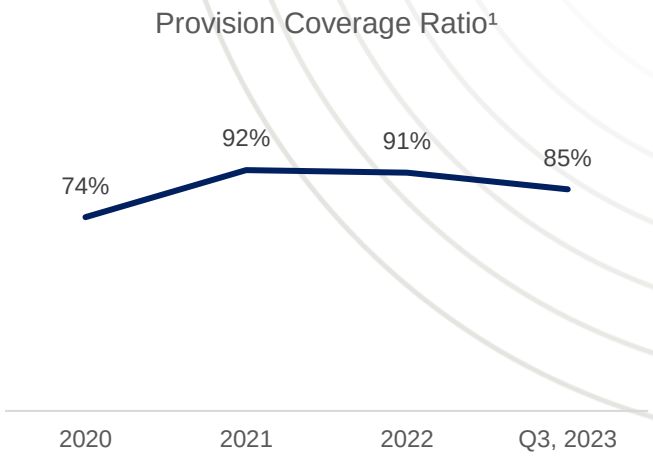


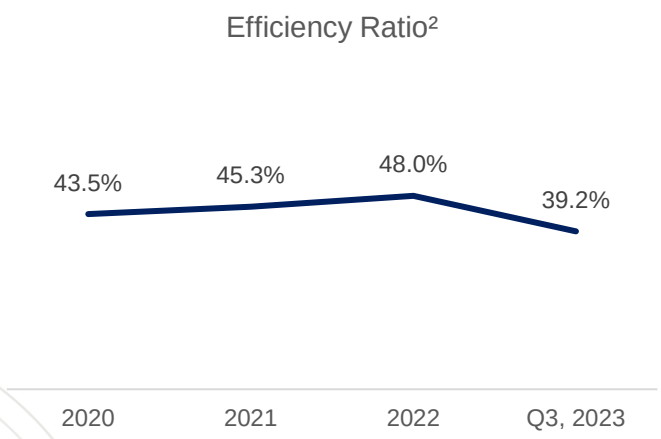
** Includes one-off gain from acquisition of SGBJ.*

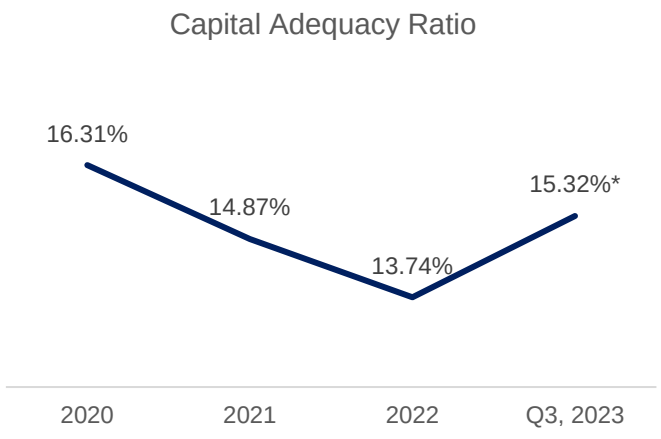
Strong Financial Track Record – Ratios

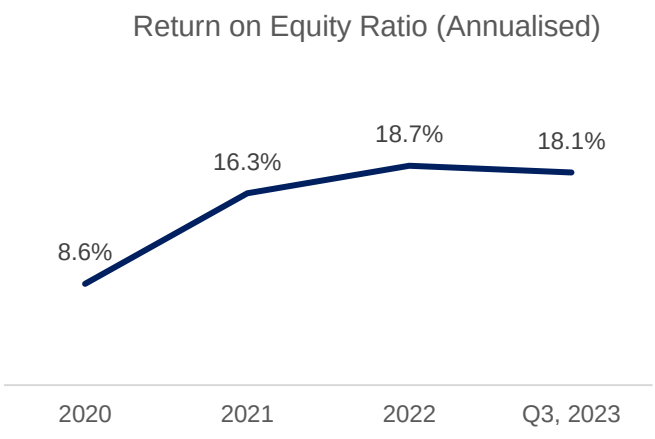








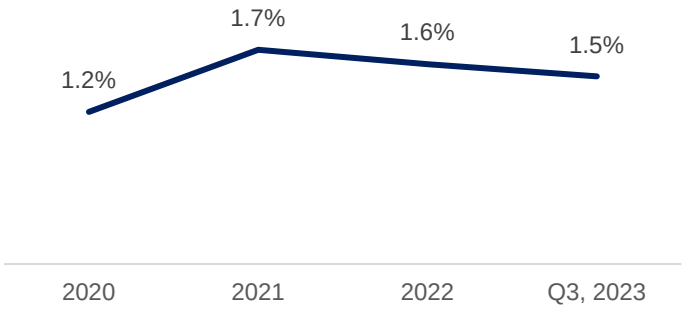




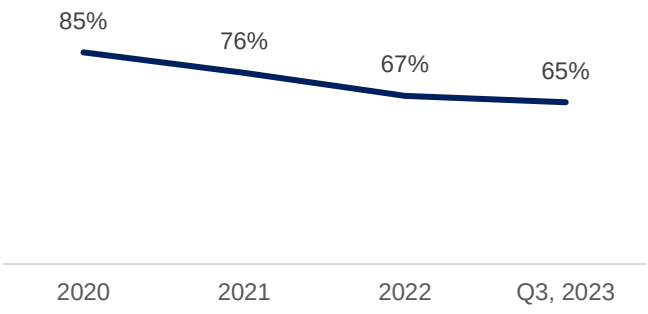
¹ Including collaterals, coverage ratio for 2022 is 131% and 122% for Q3 2023.
² Excluding one-offs and non-recurring items.
** Excluding potential dividends payout at year end.*

Strong Financial Track Record – Ratios

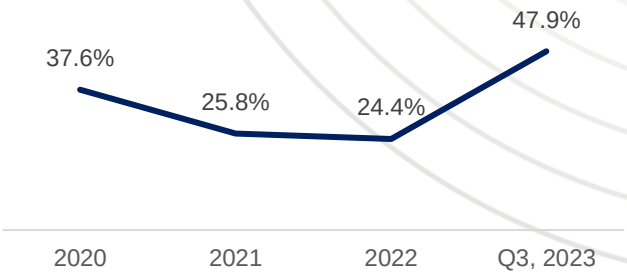
Return on Assets[1]



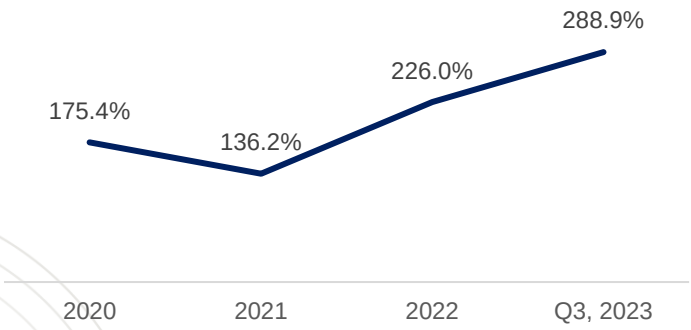
Loan to Deposit Ratio



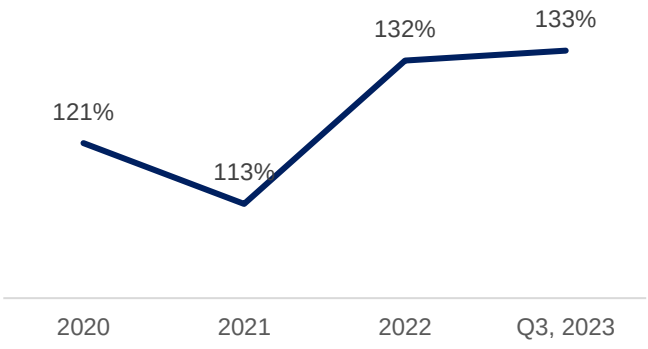
Non Interest Income / Total Revenue



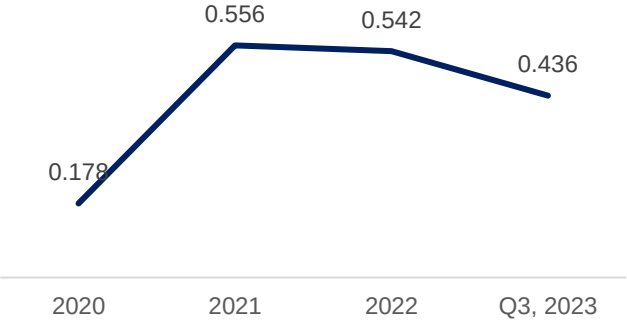
Liquidity Coverage Ratio



Net Stable Funding Ratio

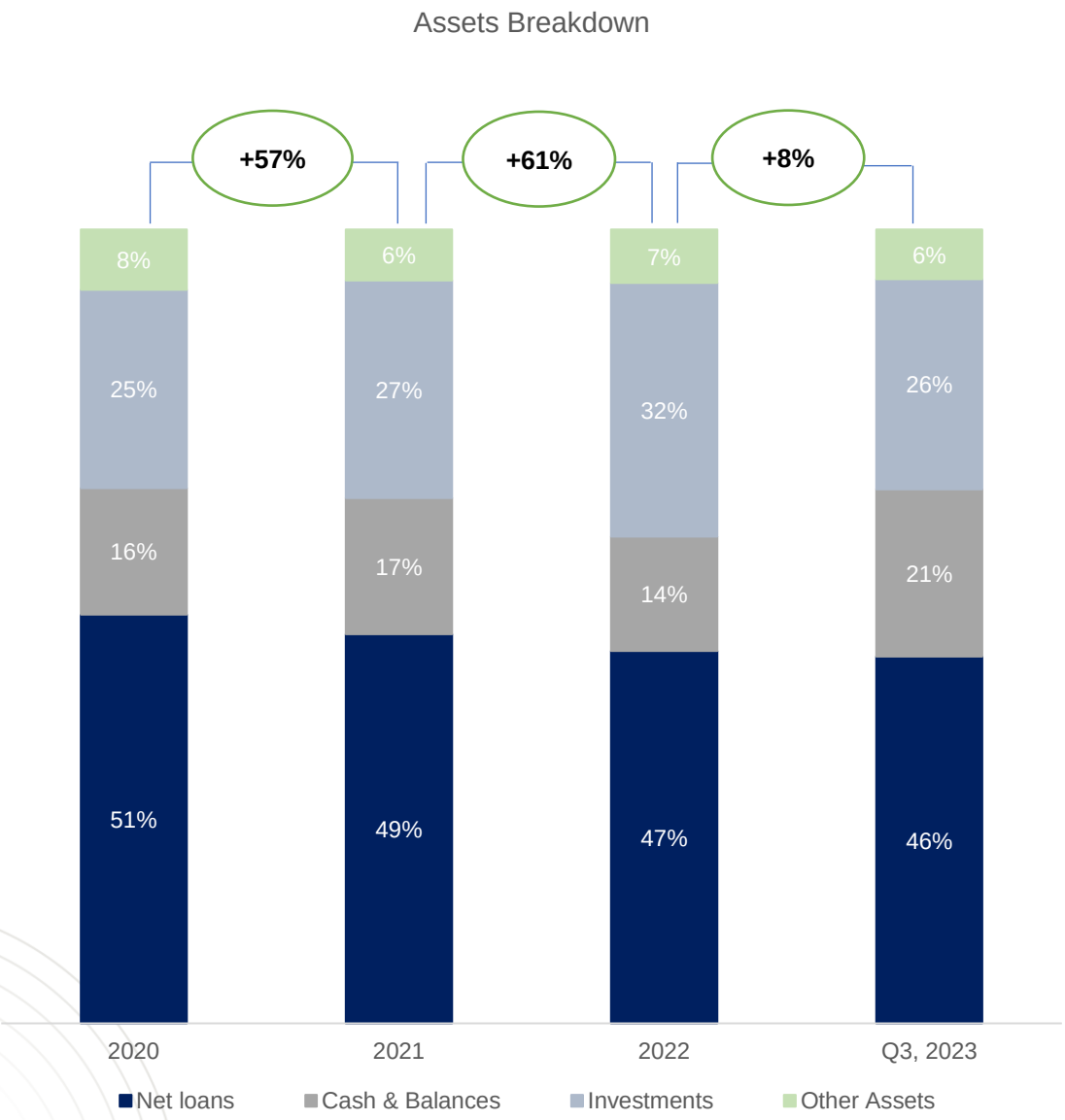


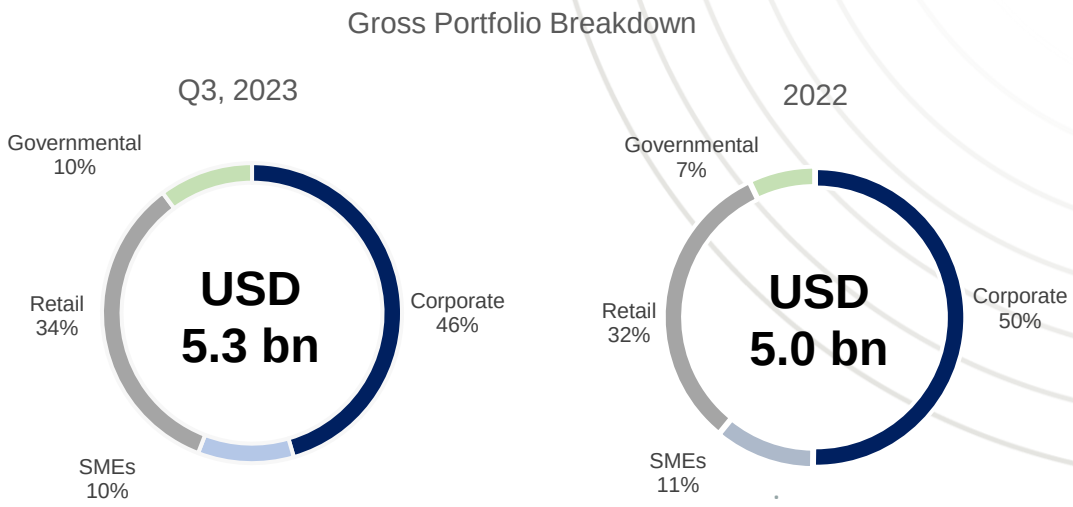
Earnings Per Share[1]*

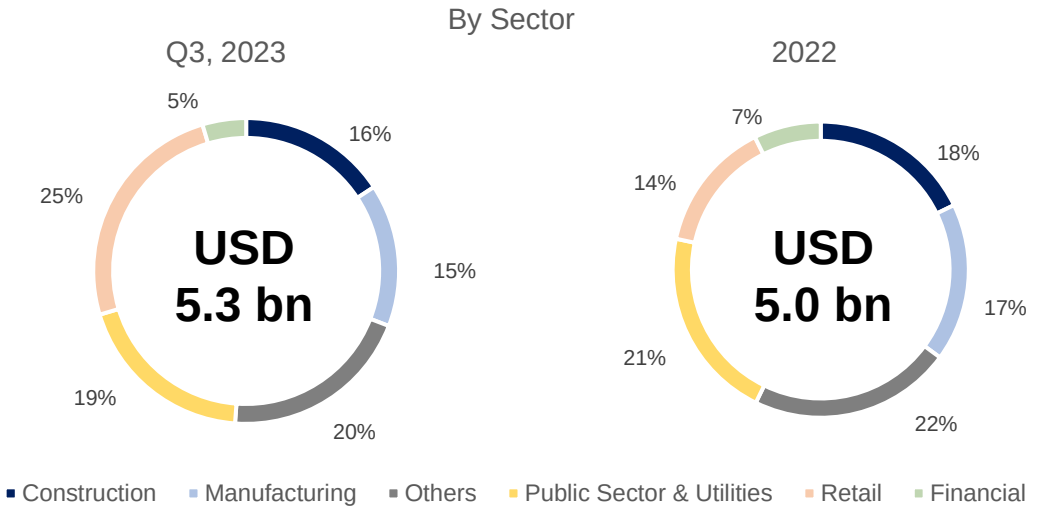


[1] *2021 and 2022 include one-off gain related to acquisitions.*
** Q3 Annualised.*

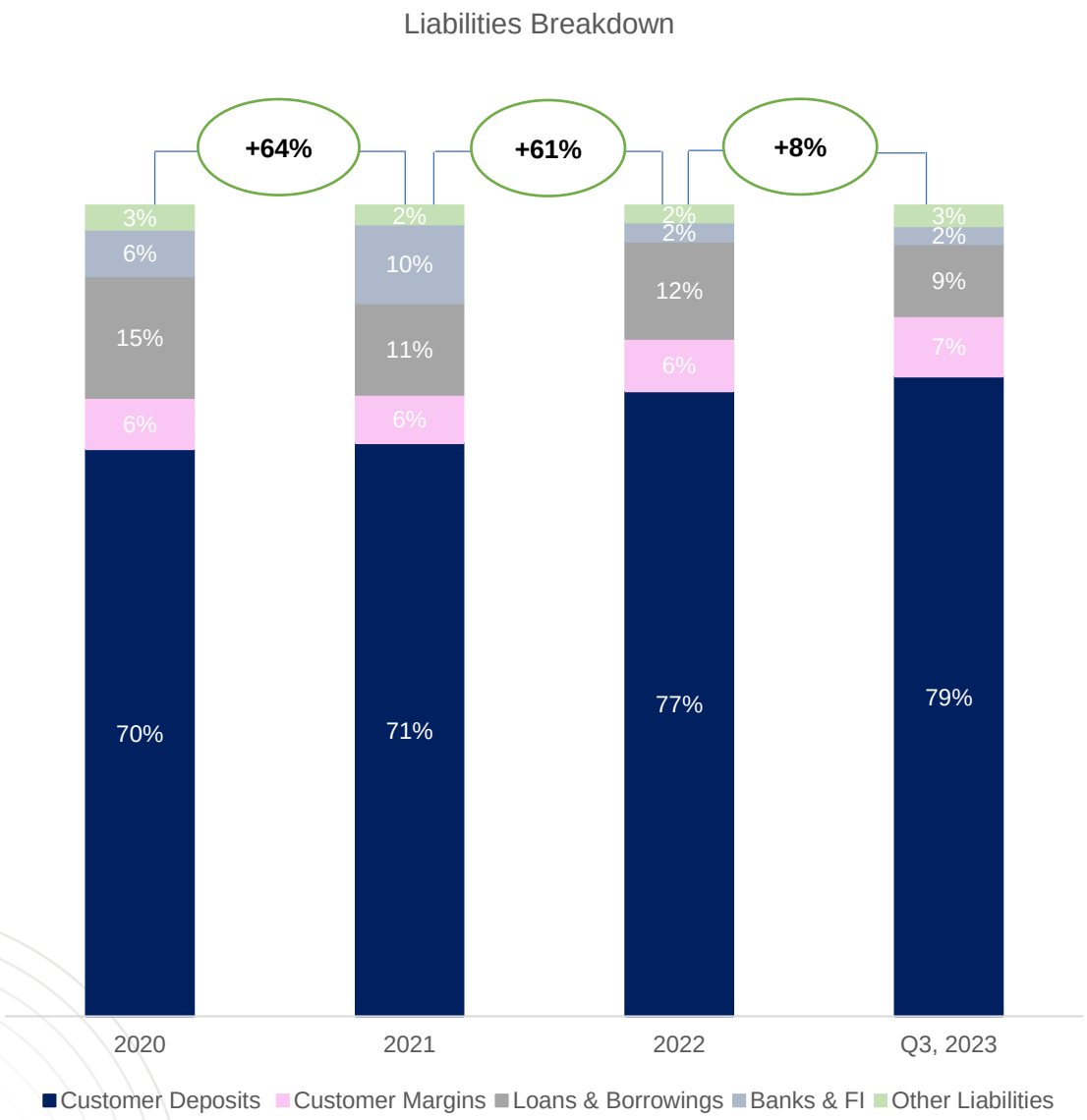
Loan Portfolio Breakdown

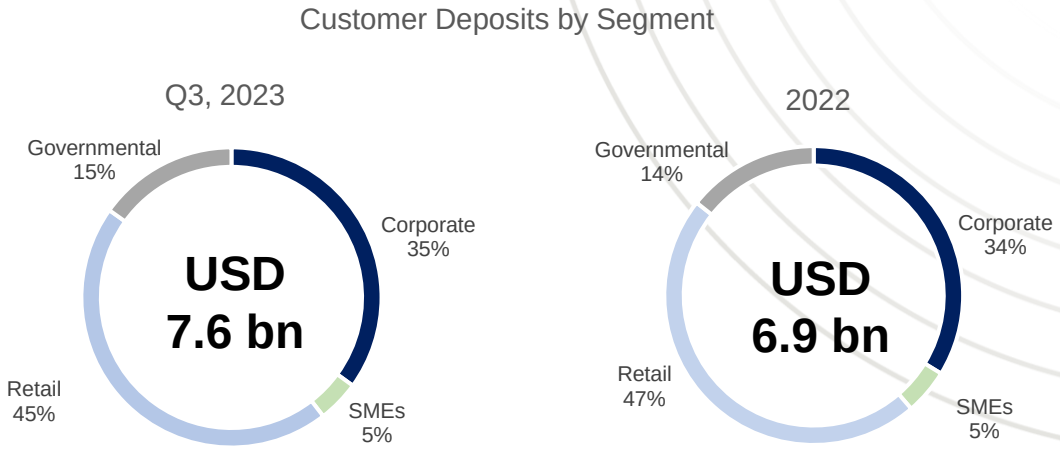


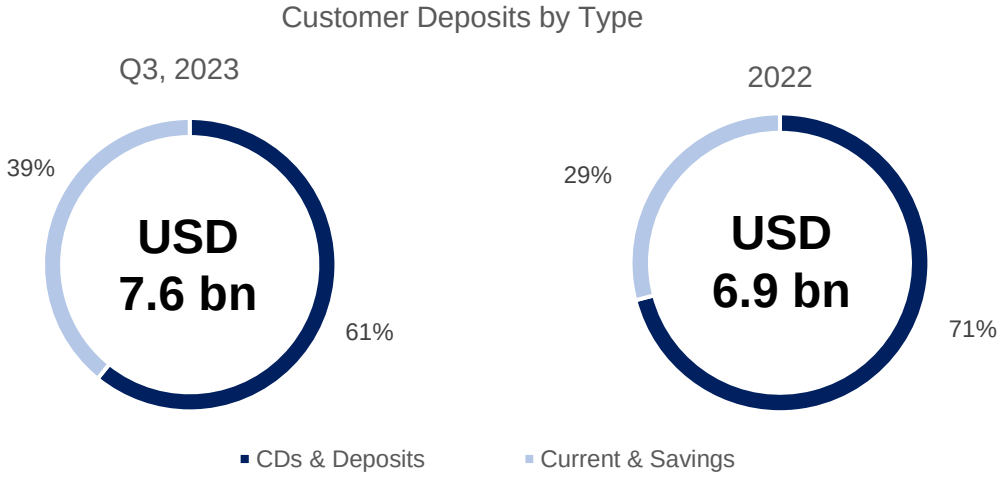




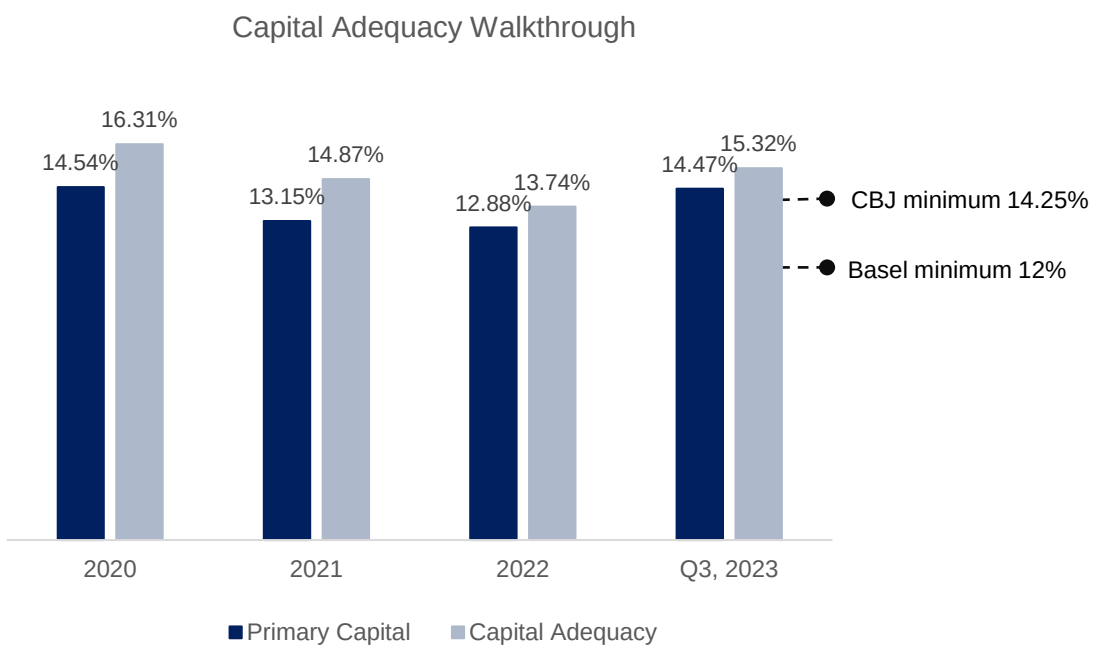
Deposits Breakdown



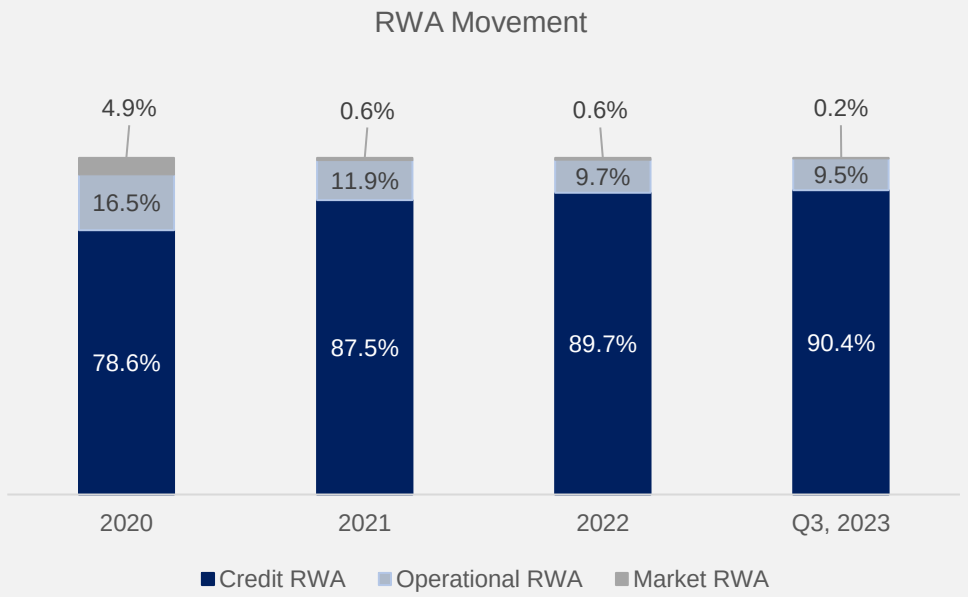




Strong Capital Base



By September 2023, **Capital Ratios** were **above** the minimum regulatory requirements; **CAR** ratio is at **15.32%** versus Basel and Central Bank of Jordan's requirement of 12% and 14.25% respectively.



Consolidated USD 000s	2020	2021	2022	Q3 2023
Tier 1 Capital	374,571	442,396	723,724	**824,717**
Tier 2 Capital	45,525	57,816	48,502	**48,388**
Total Regulatory Capital	420,096	500,212	772,226	**873,105**
Total RWAs	2,575,896	3,363,273	5,619,691	**5,698,404**
Capital Adequacy	16.31%	14.87%	13.74%	**15.32%**

Peer Comparison – Q3, 2023

	Total Assets[1]	Net Loans[1]	Deposits[1]	Equity[2]	Net Profit[2]	Efficiency Ratio	ROE
Arab Bank PLC	39.9	16.3	27.5	5,896	601	36.3%	14.0%
Housing Bank	12.3	6.4	8.0	1,819	160	39.5%	11.9%
Capital Bank	10.6	4.9	7.6	989	116	39.2%	18.1%
Bank al Etihad	10.2	5.9	7.8	823	62	49.8%	10.3%
Jordan Kuwait Bank	7.2	2.9	4.9	991	102	44.1%	13.8%
Cairo Amman Bank	5.3	3.2	3.6	637	37	54.9%	8.1%
Jordan Ahli Bank	4.6	2.4	3.1	462	18	64.7%	5.1%
Bank of Jordan	4.2	2.0	3.0	770	53	51.5%	9.1%

[1] USD billions.
[2] USD millions.
Source: Amman Stock Exchange

Market Share for Jordan Branches – August 2023

Item	Banking Sector*	Capital Bank Jordan*	Market Share Dec 20	Market Share Dec 21	Market Share Dec 22	Market Share Aug 23
Total Assets	91,069	8,183	**4.3%**	6.1%	9.5%	8.8%
Deposits	60,788	5,499	4.0%	5.6%	9.8%	9.1%
Loans	46,870	4,028	3.9%	5.3%	8.4%	8.4%

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 - October Edition.

Capital Bank Stock

Listed on: Amman Stock Exchange (ASE).

Symbol: CAPL.

ISIN: JO1101711017.

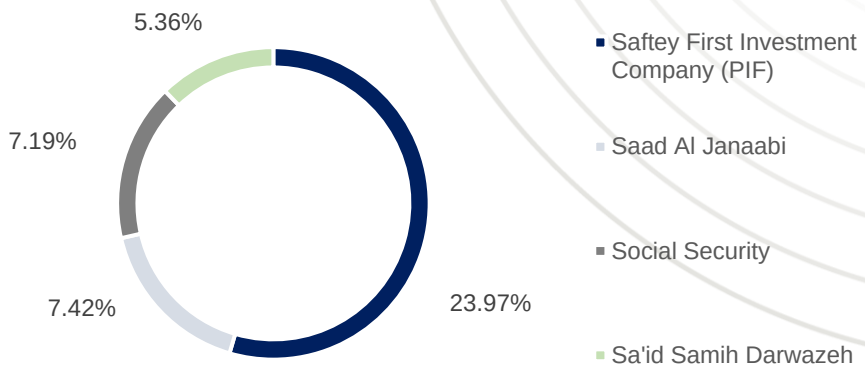
Subscribed Shares: 263,037,121

Free Float: 45.7%.

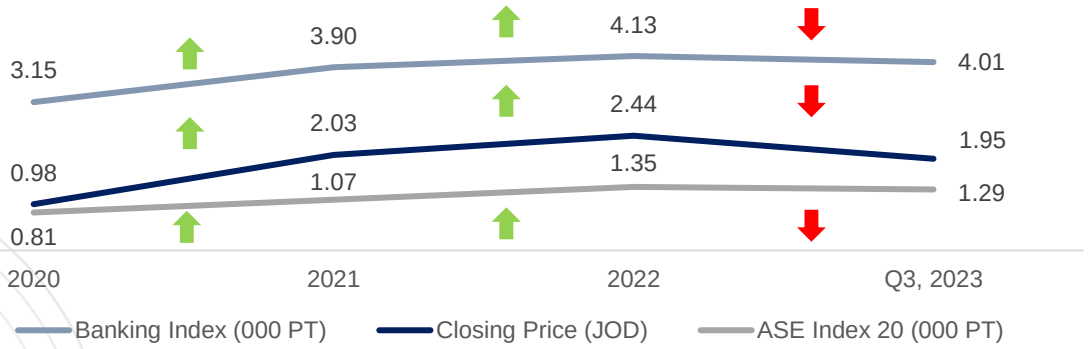
Share Turnover*: 5.29%.

Year	Opening Price	Closing Price	High Price	Low Price
Q3 2023	JOD 2.11	JOD 1.95	JOD 2.11	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
2020	JOD 1.00	JOD 0.98	JOD 1.03	JOD 0.79

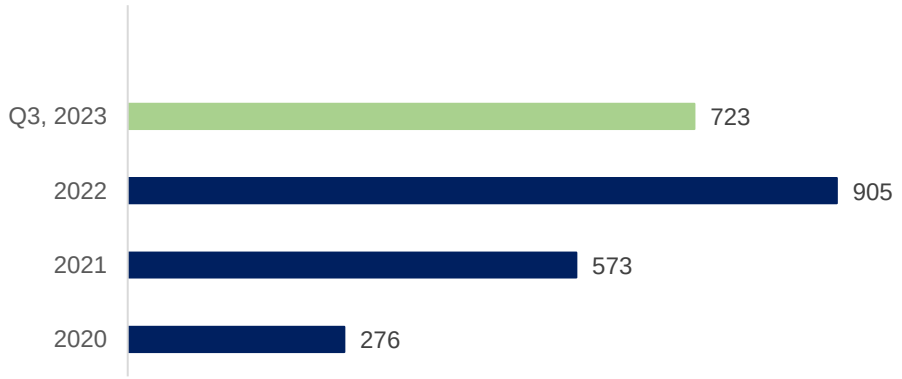
Major Investors with 5% Ownership or More (30.09.2023)



Capital Bank Share vs ASE 20 and Banking Index (Closing Price Q3, 2023)



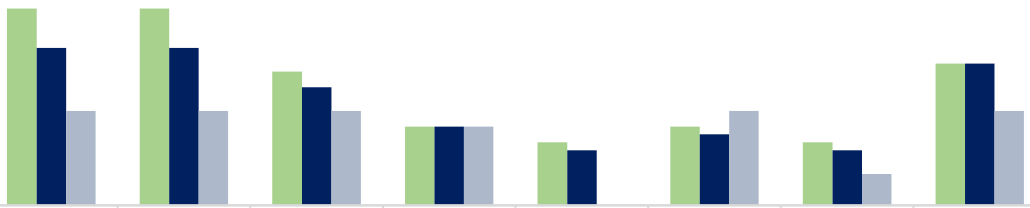
Market Cap in USD Millions



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

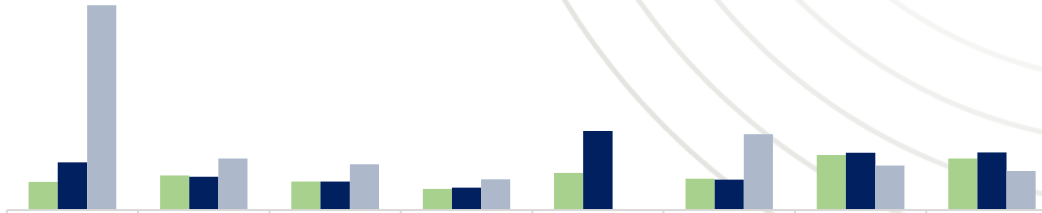
Capital Bank Stock – Versus Peers

Dividend as a Percentage of Capital



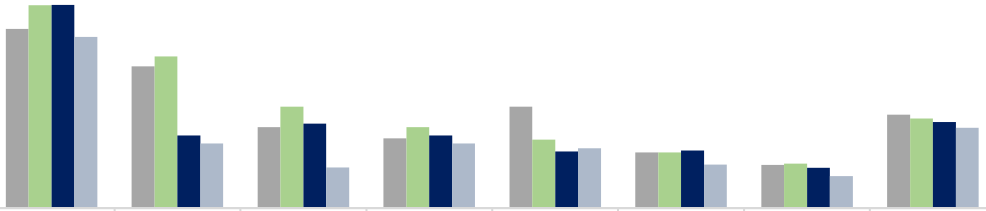
	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
2022	25%	25%	17%	10%	8%	10%	8%	18%
2021	20%	20%	15%	10%	7%	9%	7%	18%
2020	12%	12%	12%	10%	0%	12%	4%	12%

Dividend Payout Ratio



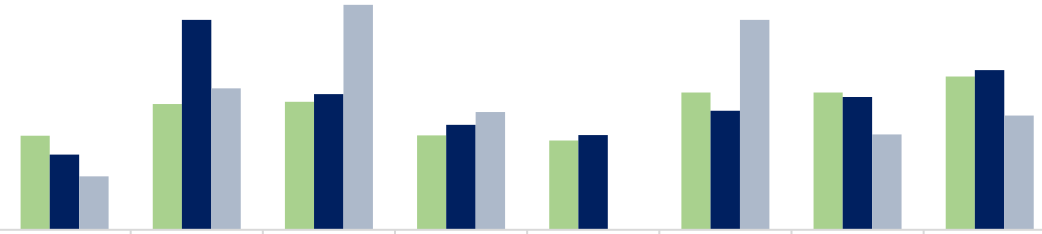
	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
2022	48.9%	59.5%	49.2%	36.5%	64.1%	54.3%	95.0%	88.8%
2021	82.1%	57.2%	49.2%	38.6%	136.3%	52.3%	98.7%	99.2%
2020	352.7%	88.9%	79.2%	53.3%	0.0%	130.5%	76.9%	67.7%

Stock Closing Price (in USD)



	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
Q3 2023	6.08	4.81	2.75	2.37	3.44	1.89	1.47	3.17
2022	6.88	5.15	3.44	2.75	2.33	1.89	1.51	3.05
2021	6.90	2.47	2.86	2.47	1.92	1.96	1.37	2.92
2020	5.81	2.20	1.38	2.20	2.03	1.48	1.09	2.72

Dividend Yield

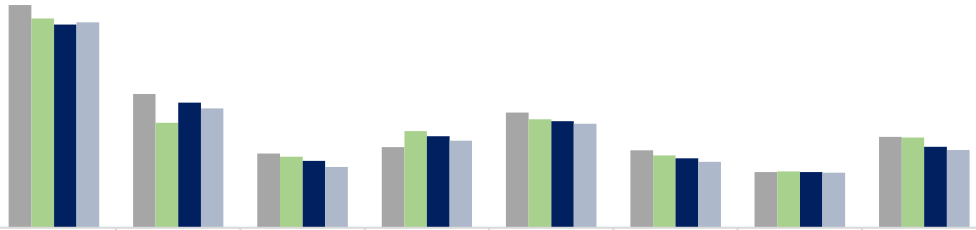


	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
2022	5.12%	6.85%	6.97%	5.13%	4.85%	7.46%	7.48%	8.33%
2021	4.09%	11.43%	7.39%	5.71%	5.15%	6.47%	7.22%	8.70%
2020	2.91%	7.69%	12.24%	6.41%	0.00%	11.43%	5.19%	6.22%

Source: Amman Stock Exchange for year ending 2022 and Q3 2023 where applicable.

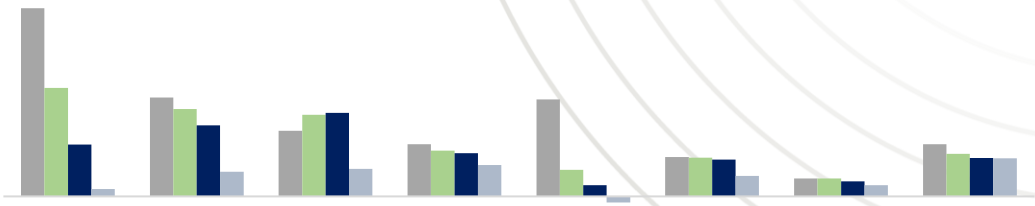
Capital Bank Stock – Versus Peers

Book Value (in USD)



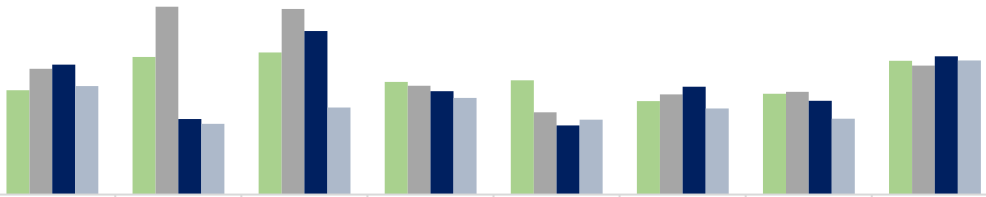
	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
Q3 2023	9.20	5.52	3.06	3.33	4.76	3.20	2.30	3.75
2022	8.65	4.33	2.93	3.99	4.47	2.98	2.32	3.73
2021	8.40	5.17	2.77	3.77	4.39	2.87	2.30	3.34
2020	8.48	4.93	2.51	3.60	4.29	2.72	2.27	3.21

Earnings Per Share (in USD)*



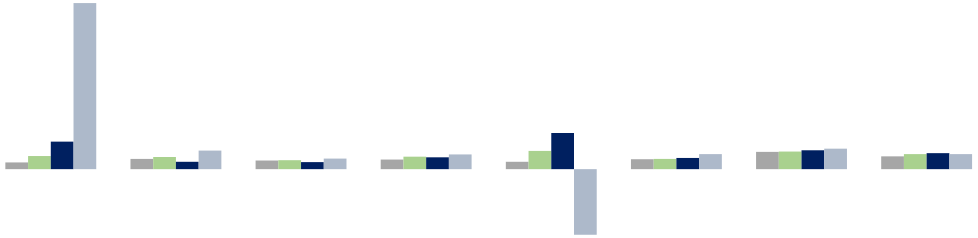
	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
Q3 2023	1.251	0.657	0.436	0.346	0.644	0.262	0.118	0.347
2022	0.721	0.580	0.542	0.303	0.176	0.257	0.119	0.283
2021	0.344	0.473	0.556	0.286	0.073	0.243	0.100	0.254
2020	0.048	0.164	0.183	0.208	-0.042	0.135	0.073	0.252

Price to Book Value



	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
Q3 2023	0.66	0.87	0.90	0.71	0.72	0.59	0.64	0.85
2022	0.80	1.19	1.17	0.69	0.52	0.63	0.65	0.82
2021	0.82	0.48	1.04	0.65	0.44	0.68	0.59	0.87
2020	0.69	0.45	0.55	0.61	0.47	0.54	0.48	0.85

Price to Earnings Ratio



	Arab PLC	Housing	Capital	Etihad	Kuwait	Cairo	Ahli	Jordan
Q3 2023	4.86	7.32	6.31	6.84	5.34	7.22	12.40	9.15
2022	9.55	8.88	6.35	9.09	13.25	7.36	12.70	10.76
2021	20.07	5.22	5.15	8.62	26.36	8.05	13.68	11.50
2020	121.11	13.42	7.55	10.59	-47.88	10.98	14.80	10.78

Source: Amman Stock Exchange for year ending 2022 and Q3 2023 where applicable.

* *Annualised for Q3, 2023.*

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, PROPARCO and the IFC.

Timeline

2022 – **Capital increased** to become IQD 270 billion. **Commenced operations** of its newly established branch in KSA and added a new revenue stream through the Leasing Company.

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

2013 – NBI's capital was raised to IQD 250b, with Capital Bank's ownership stake rising to **61.85%**.

2011 – NBI's capital is raised to IQD 100b, adopting a **new strategy** focused on building capacity and improving infrastructure to service large corporates.

2005 – **Capital bank of Jordan** acquires a 59% stake in NBI. becoming the main shareholder to drive the bank towards **a corporate governed bank**.

1995 – **National Bank of Iraq established** as a **publicly traded private bank** in Iraq with a capital of IQD 400m.

Key figures – Q3, 2023

- IQD 436bn. USD 333m. **Total Equity of NBI**
- 369% **Increase in net Operating Income**
- Stable (bb) **Rating by Capital Intelligence**
- IQD 3.7trn. USD 2.8bn. **Assets**
- IQD 1.2bn. USD 937m. **Net Loans**
- IQD 2.7trn. USD 2.1bn. **Deposits of NBI**

Key facts – Q3, 2023

- ~ 900 **Number of Employees**
- NSFR **At 142%**
- LCR **At 137%**
- + 190K **Number of Clients**
- 184 **ATMs**
- 27 **Branches**

Capital Investments – Unparalleled Scope of Services

Locations and Track Record

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.

Capital Markets Q3, 2023

Assets Under Management

> USD 740m

Number of Brokerage Accounts

> 8.8K

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

Value Presentation 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

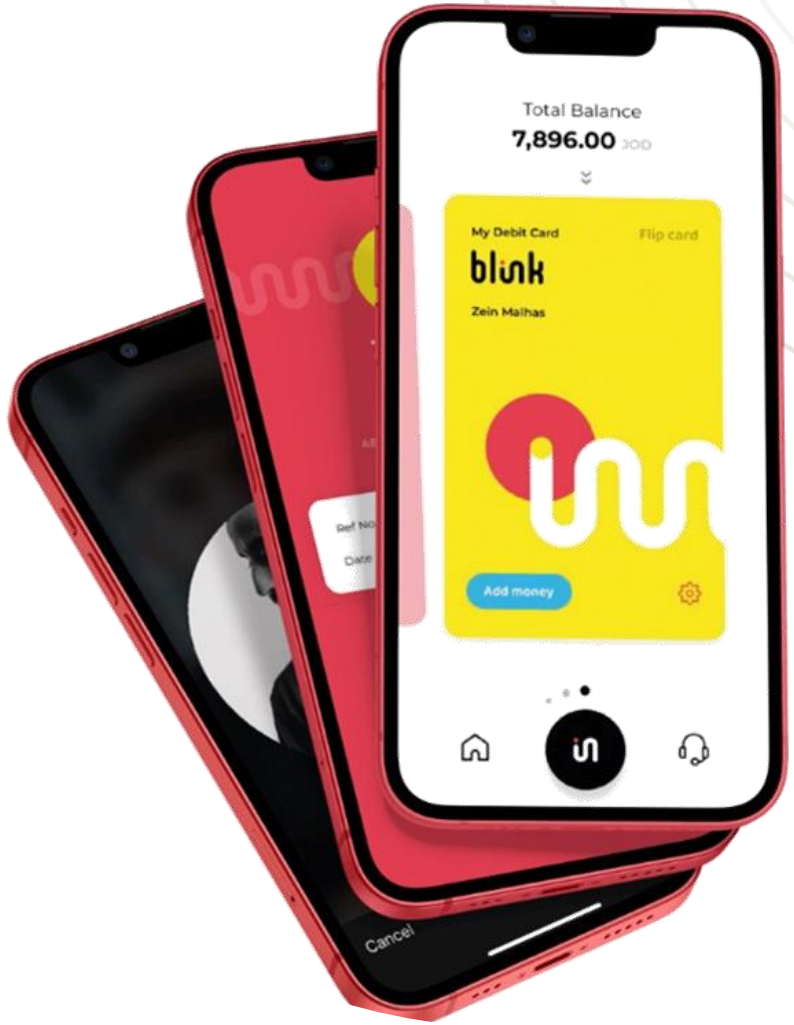
- Multi-Asset class solutions.
- Fixed income funds.
- MENA market funds.
- Structured products.
- Sharia-compliant products.
- Investment advisory.

Brokerage

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

Blink – The All Digital Neobank

- Launched in February 2022, Blink targets unbanked, underbanked millennials and Gen-Zs within the retail banking space in Jordan.
- First regionally to offer unsecured lending in the form of credit cards through an end-to-end digital lending capability.
- Blink offers a completely new and unique user interface and experience that is different from other banks; it focuses on simple bank-jargon-free transparent ways of banking to foster financial literacy, educate customers and empower them to get their financial freedom.
- Some of the services offered are digital onboarding, eKYC, virtual and physical debit and credit cards, payments and other daily banking digital services.
- Blink has also partnered with players outside the financial services industry to bring lifestyle value added services, in the form of promotions, discounts, cash back, etc.



Digital Transformation – To Drive Sustainable Growth

Improved Self-Service Capabilities

- Capital Bank's digital channels have achieved a remarkable adoption rate with nearly 100% among Corporate and SME clients and approximately 91% of clients utilising the Bank's digital channels for their daily transactions.
- Customers now can open additional accounts and create Term Deposits via the app which increased the average balance amount per client.

Customer Centricity & Experience

- Capital Bank has improved and streamlined its digital onboarding process; placing customer experience and journey at the forefront to provide customers a consistent and effortless experience. The automated system minimises the need for human involvement, resulting in reduced turnaround times, manual efforts, and rework rates.

Enhanced Efficiency & Productivity

- Capital Bank expanded its offerings by introducing over 20 new digital services and diversifying payment methods, both domestically and internationally. These measures have reduced the need for traditional branch visits, streamlined operations and improved customer satisfaction thereby contributing to the overall reduction of Capital Bank's green footprint.

Ecosystem and Partnerships

- Seamless integration with Capital Investments enabled customers to link their bank accounts with their investment portfolios and open a Capital Investments account steered via Capital Bank's mobile application to Capital Investments website.
- 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 35%.
Capital Adequacy	To exceed 15%.
Return on Equity Ratio	To surpass 16%.
Dividends Pay-out Ratio	To range between 40% - 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 09.05.2023	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 Bank Jordan – 2022**
  Capital Bank was acknowledged for its dedication to local and regional expansion; demonstrating its commitment to long-term strategy through organic portfolio growth.

- **Most Innovative Digital Bank Jordan – 2022**

  Blink was acclaimed for its cutting-edge digital banking providing customers a seamless and liberating financial experience.

- **Best Bank For SME Banking In Jordan – 2022**

  At the prestigious Euromoney Awards for Excellence 2022, Capital Bank was acknowledged for its vital role in supporting the Kingdom's SME sector and leading in SME financing. The bank provides tailored solutions, comprehensive financial and non-financial services, enabling SMEs to achieve the required financial status for business growth.

- **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.

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

To access the full report – click here

ESG – Awareness and Approach

ENVIRONMENTAL | **SOCIAL** | **GOVERNANCE**

The sustainability report showcased Capital Bank's remarkable accomplishments, particularly in the areas of climate action and environmental protection. The Bank has demonstrated its commitment to a more sustainable future by providing financing for renewable energy projects. Additionally, Capital Bank focused on creating value for its employees by implementing training and support programmes aimed at their professional development whilst simultaneously directing its efforts towards benefiting the community through a range of social and humanitarian initiatives aimed to enhance the well-being of individuals and groups within the community, such as;

- Adopting active measures to reduce its environment footprint through implementing waste, paper and plastic recycling in partnership with local NGOs (the Green Wheelz Initiative for recycling plastic bottles' caps and used paper recycling in cooperation with Princess Alia Foundation).
- Sponsoring the academic and skill enhancement programmes geared towards disadvantaged students from around Jordan. Capital Bank extended its partnership with the following NGOs and Civil Society organisations:
  - Queen Rania Foundation.
  - Elia Nuqul Foundation.
  - Loyac Jordan for Youth Employability.
  - Injaz for Education & Entrepreneurship.
  - Eywa' Centre for Special Education.
  - Al Bunayyat Centre for Special Education.
- Continuing the Employee Educational Grant programme whereby the Bank covers the educational fees of selected employees' children; based on a set criteria, and in parallel continues to support socio-economic development targeting under-privileged members in the society in partnership with entities, some of which being:
  - The Jordanian Hashemite Fund for Human Development.
  - Orphan Support Association – Mafraq.
  - Aman Fund for Aman Fund for the Future of Orphans.
  - The Crown Prince Foundation.

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.
- 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.

Composition Stats

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

Name	Appointment	Role	Experience
H.E. Bassem Khalil Al-Salem	2010	Chairman	Masters > 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 Muteb Bin Mohammad Alshathri	2022	Member	Masters > 15 years experience
The Safety First Investment Company - PIF Represented by Lamya Mohammed AlFozan	2022	Member	Masters > 15 years experience
Social Security Corporation Represented by Shaden Ziyad 'Darwish ALHaji'	2009	Member	Undergraduate >15 years experience
Al-Jadara Company for Real Estate Investment Represented by Sultan Bin Mohammed Al-Seif	2009	Member	Undergraduate >15 years experience
Investments & Integrated Industries Co. Representing Omar Mohamed Shahrour	2009	Member	Masters >25 years experience
Al-Khalil Company for Investments Represented by Khalil Hatem Al-Salem	2009	Member	Undergraduate >15 years experience
H.E. Abubaker Seddiq AlKhoori	2021	Independent	Undergraduate >20 years experience
Khalid Walid Nabilsi	2017	Independent	Masters >20 years experience
Mohamad Hasan AlHaj Hasan	2017	Independent	Masters >15 years experience
Yousef A.Y. Ensour	2021	Independent	Undergraduate >20 years experience

Highly Experienced Management Team

Mr. Samer Al-Aloul

Chief Executive Officer / Acting

- Appointed in March 2021 as Group Chief Banking Officer. In June 2023 was appointed as acting CEO.
- Over 24 years of extensive and diverse experience in financial and strategic planning, credit risk, compliance and other fields.
- Served as an active member in the most vital committees of the bank.
- Served in several senior management positions in regional and international banks.

Name	Position	Joined
BUSINESS		
Nadim Abawat	Group Deputy CEO, International Business	2022
Linda Al Tarazi	Group Chief Transformation Officer	2022
Yasser Kleib	Group Chief Institutional Banking Officer	2009
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	Acting CEO and 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
Manar Al Nsour	Group Chief Financial Officer	2016
Mohammed Mu'az	Group Chief Legal Counsel	2003
Yosif Saptis	Group Chief Human Resources Officer	2023
Touleen Barto	Group Chief Marketing and Corporate Communications Officer	2021

Gender

65%

35%

Education

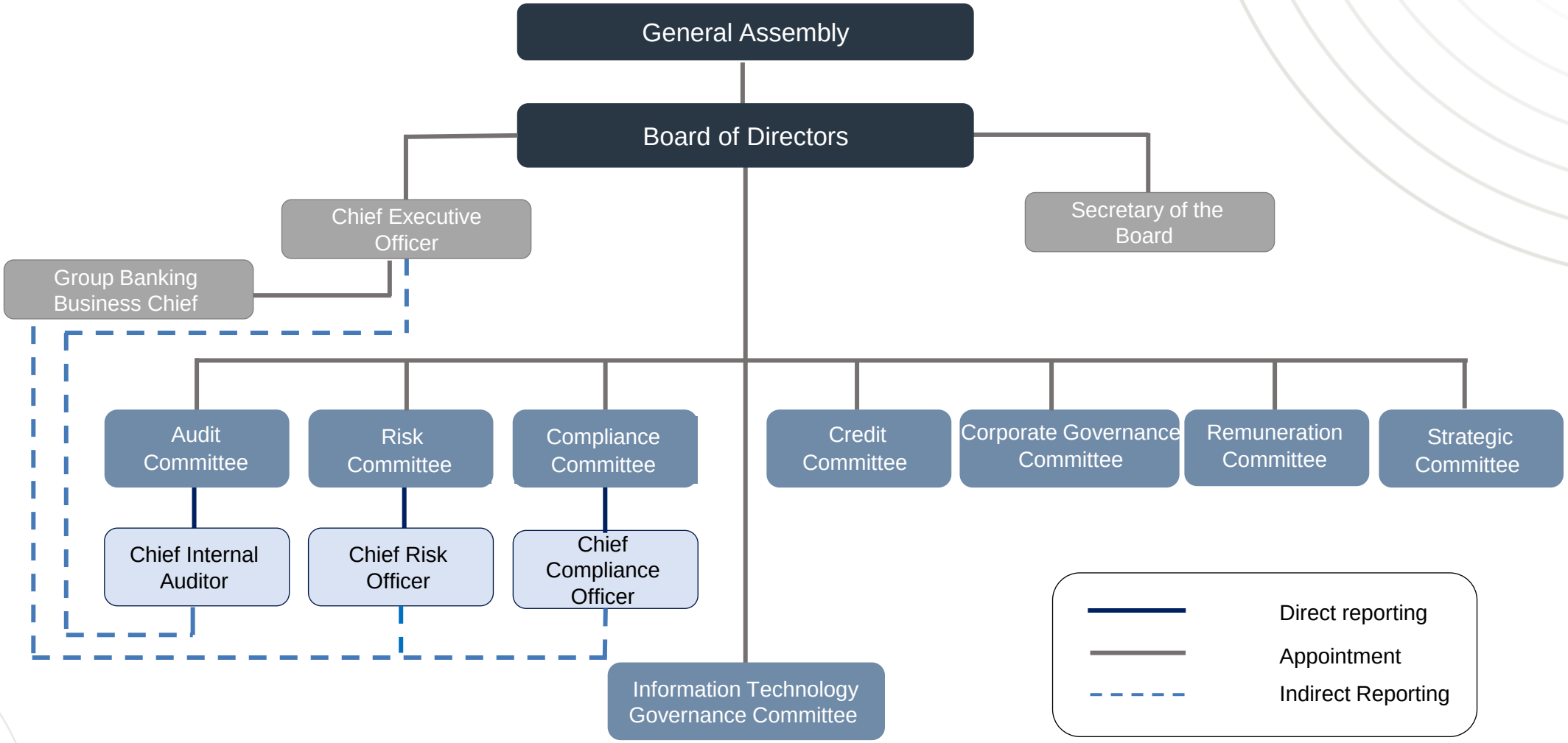
Bachelor's 45%

Master 55%

Average Experience

> 26 Years

Solid Governance and Decision Making

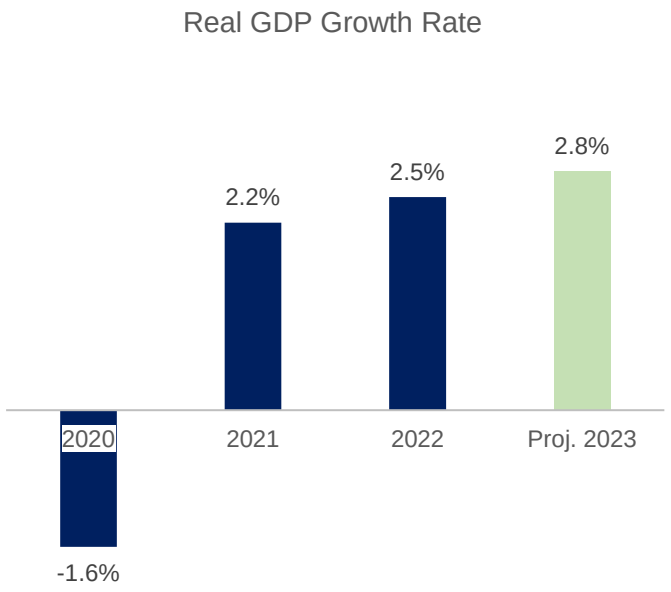


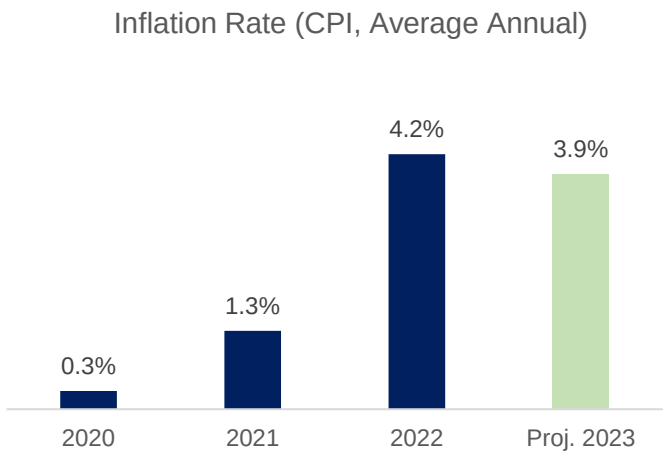
Section 3

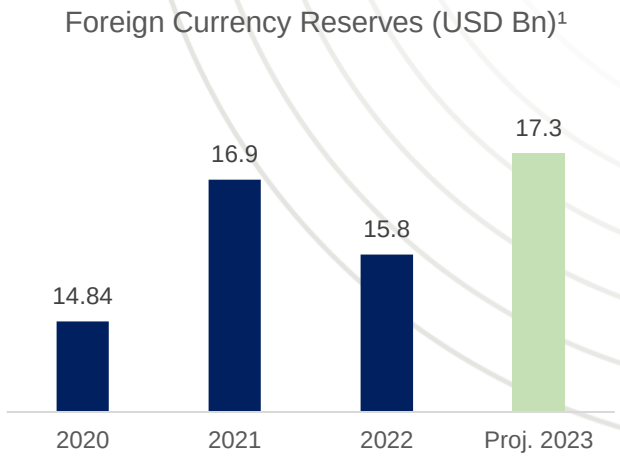
Macroeconomic Developments and Banking Sector Highlights

capital bank

Jordanian Economy Highlights







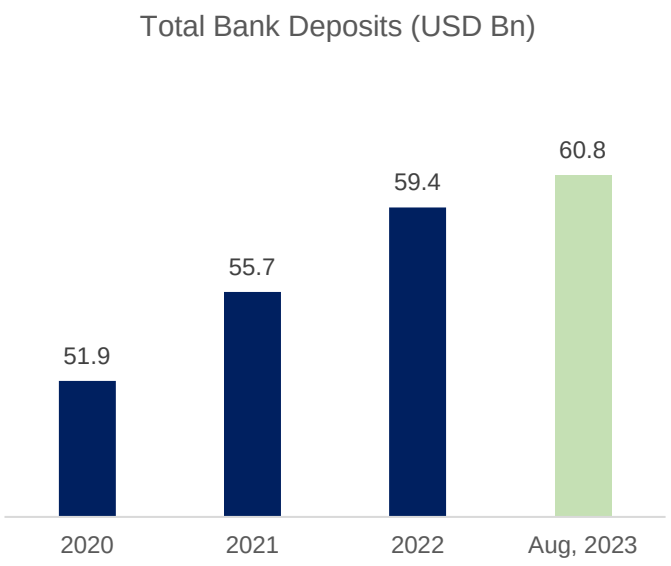
Jordan established a track record of fiscal reform implementation and prudence (backed by the IMF) which will likely contribute to a further narrowing of its fiscal deficit and a decline in government debt over the next few years.

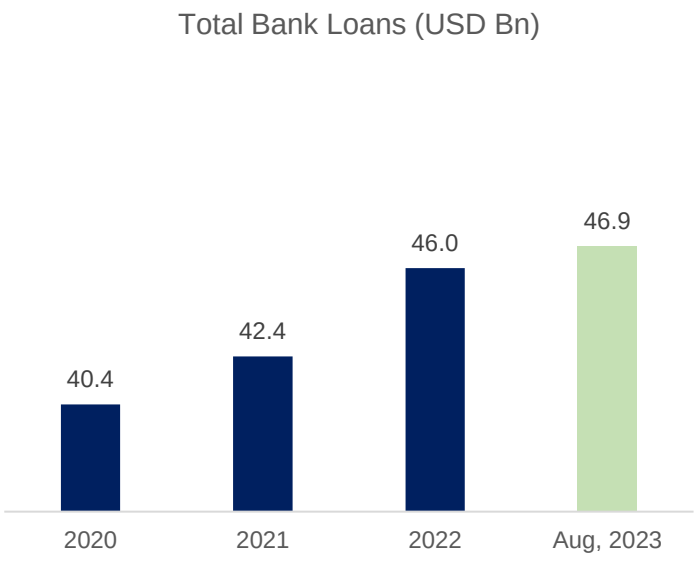
The annual inflation rate in Jordan is projected at 3.9% for 2023. The rate is mostly affected by the pressure that comes mostly from prices of housing and utilities, notably fuels and electricity.

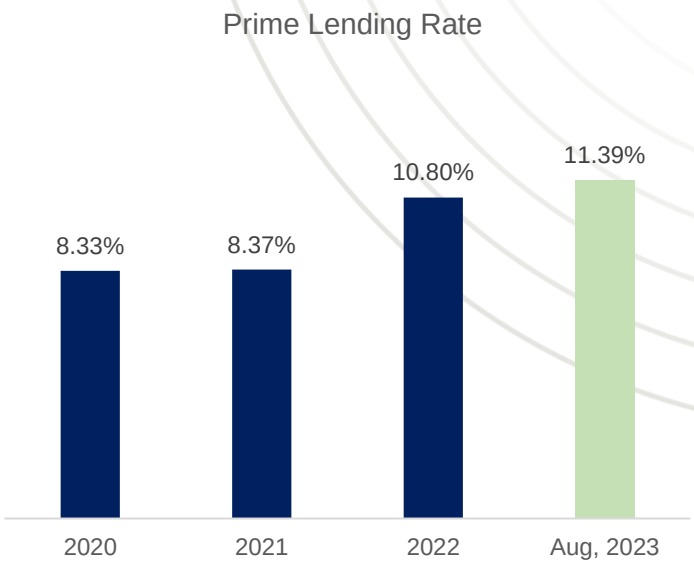
Foreign Currency Reserves is forecasted to reached USD 17.3 billion in 2023 – an increase just shy of 10% from year end of 2022 which amounted to USD 15.8 billion.

*Source: Moody's, with a forecast of the **population** to be **11.3 million** by end of 2023.*

Jordanian Banking Sector







Standing at USD 60.8 billion as of August 2023, Total Bank Deposits witnessed a rising trend throughout the years.

At USD 47.1 billion, Banks' Total Loans similarly witnessed an increasing trend, with Loan to Deposit ratio reaching 77.1% in August 2023 compared to 77.4% by end of 2022.

Given the several increases applied on interest rate since 2022, the Prime Lending Rate for banks stood at 11.39% as of August 2023.

Source: Central Bank of Jordan.

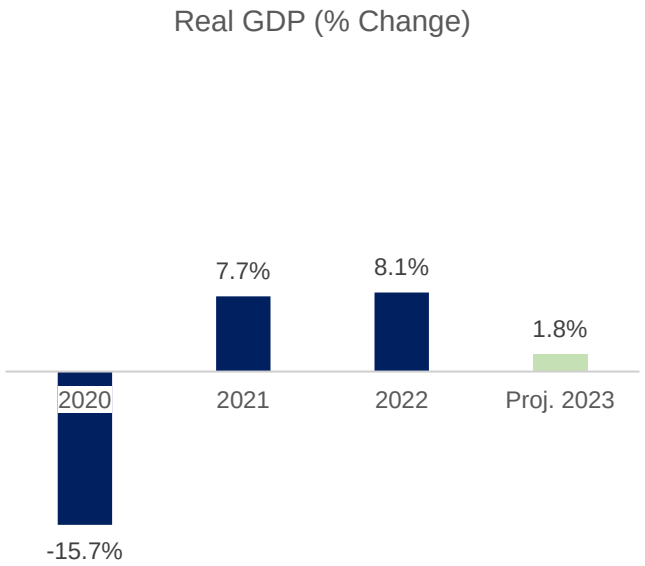
Key Banking Indicators

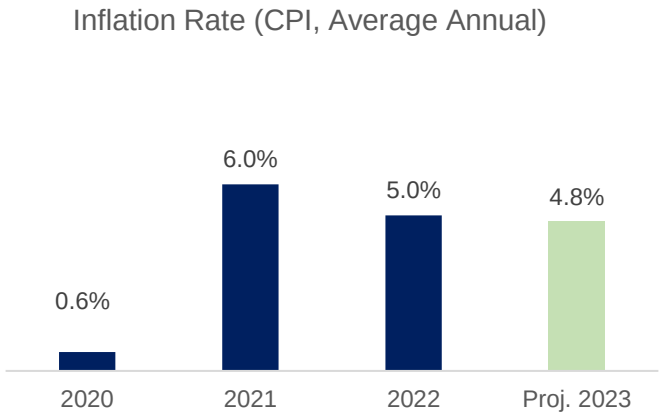
Item	2020	2021	2022	2023*
NPL Ratio	5.5%	5.0%	4.5%	
Coverage Ratio	71.5%	79.9%	81.5%	
ROE	5.1%	8.3%	8.8%	
Window Rate	2.0%	2.0%	6.3%	7.3%
Average Interest Rate on Term Deposits	3.7%	3.5%	4.6%	5.8%
Total Assets (USD billions)	80.5	86.1	90.5	91.1

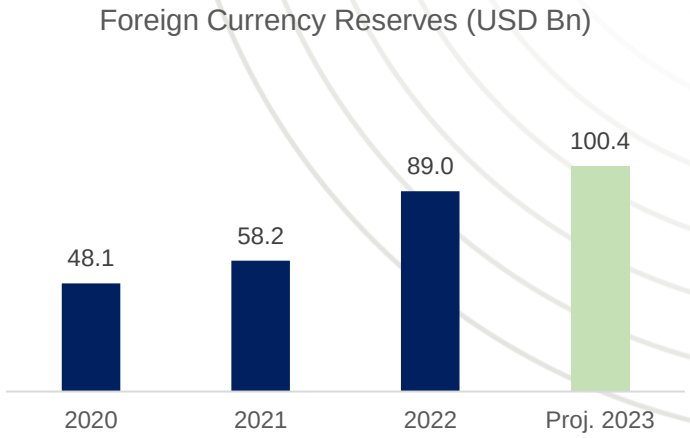
** Data up to August 2023.*

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

Iraqi Economy Highlights







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.
FX sales has adversely affected import dependent non-oil sectors the most, consequently real GDP is forecasted at a low of 1.8% for 2023.

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.

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

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

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