

**capital**  
b a n k

As of September 2024  
Investor Relations

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# Section 1

Group Corporate Profile and Financial Highlights

# 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

**Ready to Serve You 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 personalised treatment.

**Ready to Do the Right Thing**  
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.

**Ready to Invest in Our People,  
Our Greatest 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.

**Ready to Embrace the Journey**  
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.

**Ready to Dream 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.

**Ready to Own It**  
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 (Q3, 2024)

Global Presence Across

**4 Markets**

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

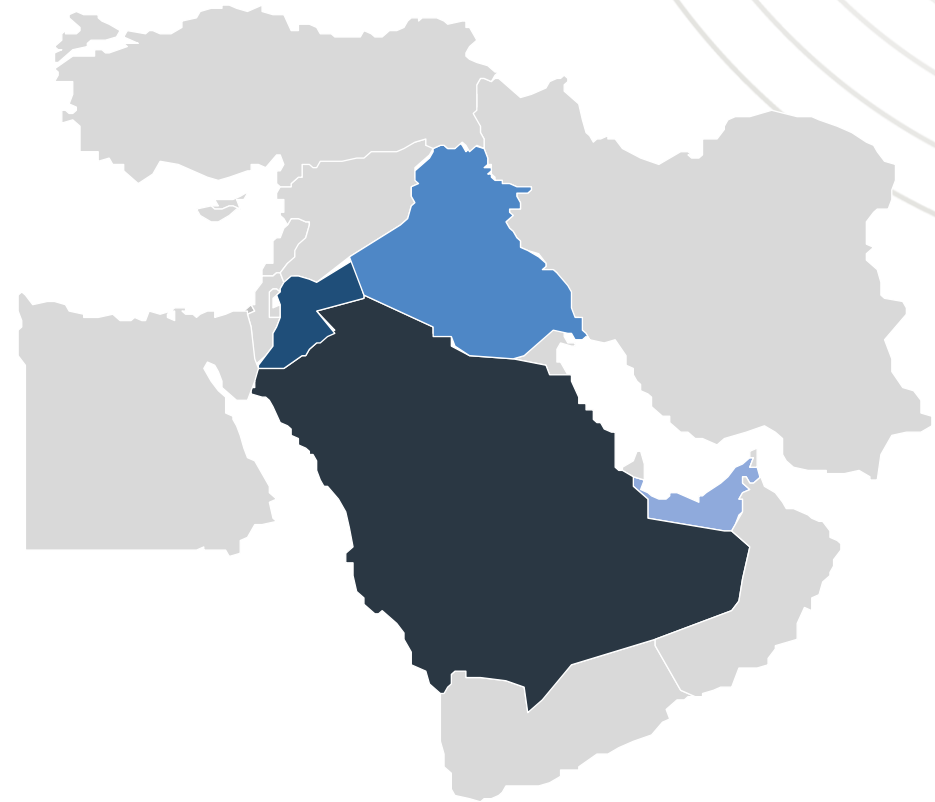
**2.6K**

Employees  
Globally

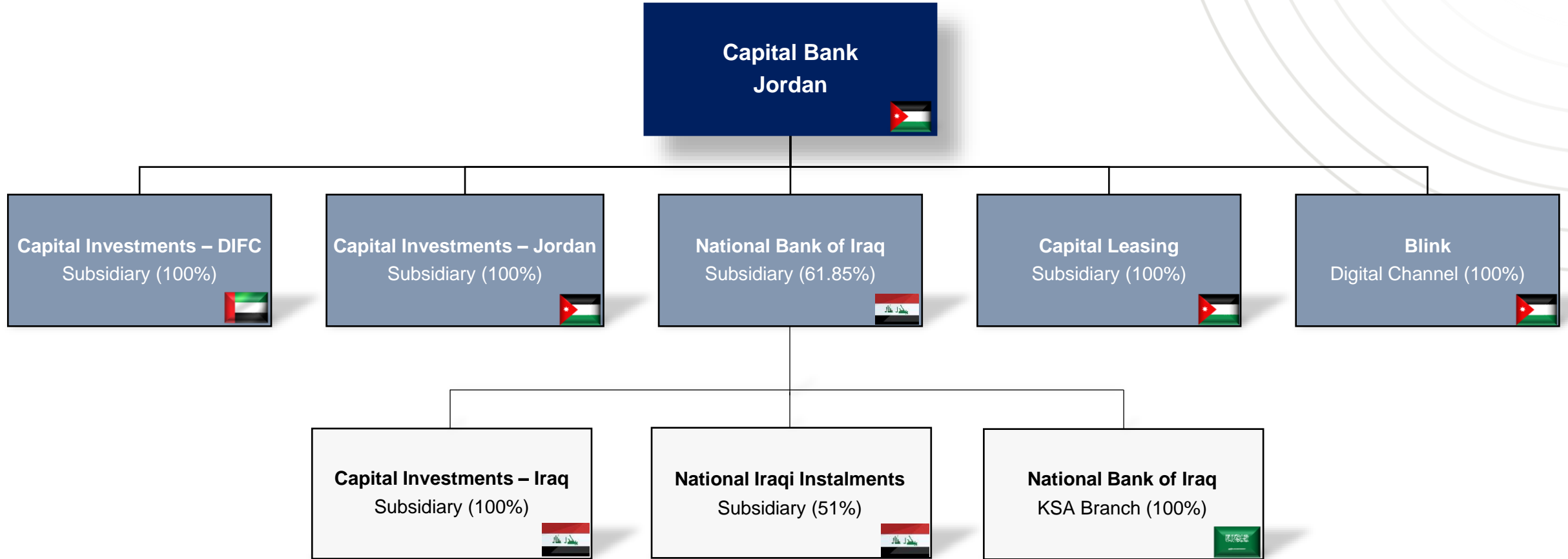
**33** Branches in **Jordan**

**31** Branches in **Iraq**

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



# Structure of the Group





# Capital Bank Group – Snapshot September 2024

<p><b>3<sup>rd</sup> Largest</b> In the Jordanian market.</p>	<p><b>USD 11.7b</b> Total Assets</p>	<p><b>Sturdy Capital Base</b> Above CBJ requirement of 14.375%.</p>	<p>CAR at <b>16.21%</b></p>
<p><b>Market Heavyweight</b> Fastest growing bank since year 2020.</p>	<p><b>USD 5.0b</b> Net Loans</p>	<p><b>Solid Coverage Ratio</b> Including collaterals, the ratio will be 118%</p>	<p><b>77.4%</b></p>
<p><b>Stable Credit Rating</b></p>	<p><b>b1</b> <b>bb</b> Positive Outlook MOODY'S </p>	<p><b>Strategic Investor</b> Public Investment Fund since June 2022.</p>	<p><b>USD 694m</b> Market Cap</p>
<p>Generating <b>Superior Returns</b> through a <b>Robust Foundation</b>.</p>	<p><b>\$ 1.1b</b> Equity</p>	<p><b>Listed on Nasdaq Dubai's Market</b> Perpetual Bond Tier 1.</p>	<p><b>\$ 100 million</b></p>
<p><b>Sound</b> Net Stable Funding Ratio.</p>	<p>NSFR at <b>138%</b></p>	<p><b>Dividends</b> As a percentage of capital (2023).</p>	<p><b>15%</b></p>
<p><b>Sufficient Reserve</b> Of high-quality liquid assets.</p>	<p>LCR at <b>253%</b></p>	<p>Driving <b>Strong Return on Equity</b> through <b>Strategic Excellence</b>.</p>	<p><b>21%</b> ROE</p>

# Group Consolidated Financials

*In USD Mn*

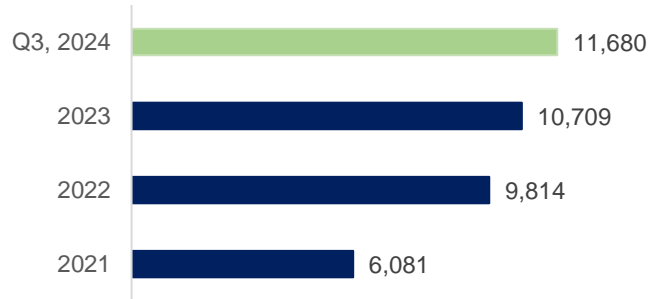
<b>Income Statement Items</b>	<b>2022</b>	<b>2023</b>	<b>Q3, 2023</b>	<b>Q3, 2024</b>
Net Interest Income	224	251	180	<b>225</b>
Gross Operating Income	297	489	345	<b>426</b>
<i>Total Operating Expenses</i>	<i>(151)</i>	<i>(190)</i>	<i>(128)</i>	<i><b>(165)</b></i>
Net Operating Income	146	299	217	<b>261</b>
<i>Provision</i>	<i>(44)</i>	<i>(119)</i>	<i>(68)</i>	<i><b>(83)</b></i>
Net Acquisition Impact	35	-	-	-
<i>Income Tax Expense</i>	<i>(9)</i>	<i>(29)</i>	<i>(33)</i>	<i><b>(23)</b></i>
Net Profit	128	150	116	<b>155</b>

*In USD Bn*

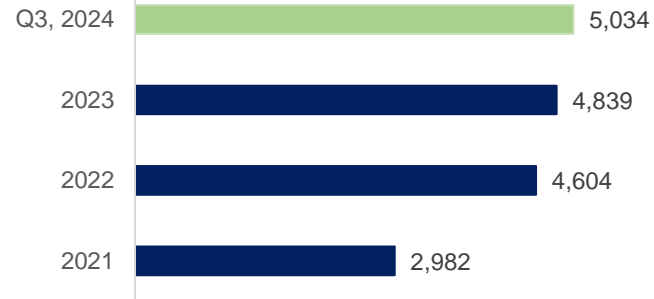
<b>Balance Sheet Items</b>	<b>2022</b>	<b>2023</b>	<b>Q3, 2024</b>
Total Cash & Equivalents	1.4	2.1	<b>2.5</b>
Net Credit Facilities	4.6	4.8	<b>5.0</b>
Investment Portfolio	3.1	3.1	<b>3.5</b>
Total Assets	9.8	10.7	<b>11.7</b>
Customer Deposits	6.9	7.7	<b>8.4</b>
Cash Margins	0.6	0.7	<b>1.0</b>
Paid up Capital	0.4	0.4	<b>0.4</b>
Total Equity	0.9	1.0	<b>1.1</b>

# Strong Financial Track Record – Balance Sheet (USD millions)

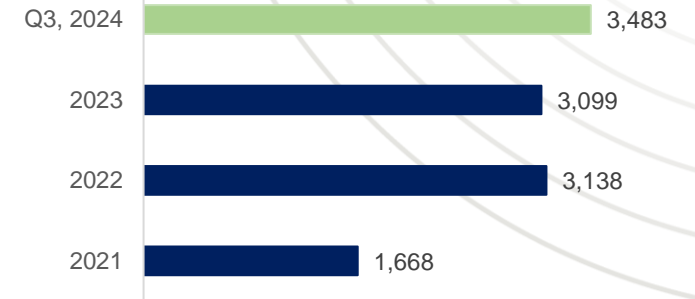
Total Assets  
CAGR 27%



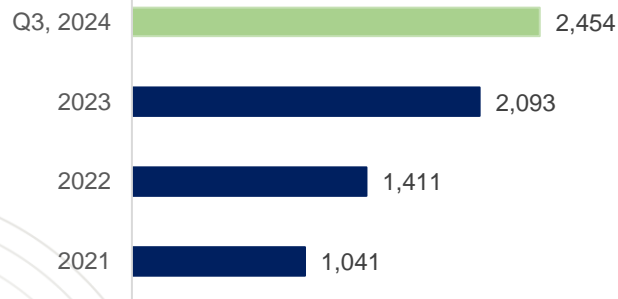
Net Loans  
CAGR 21%



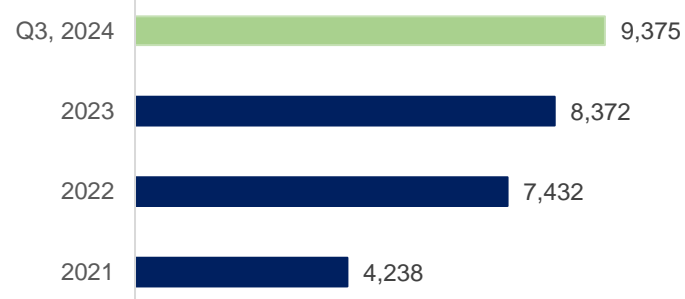
Investments Portfolio  
CAGR 31%



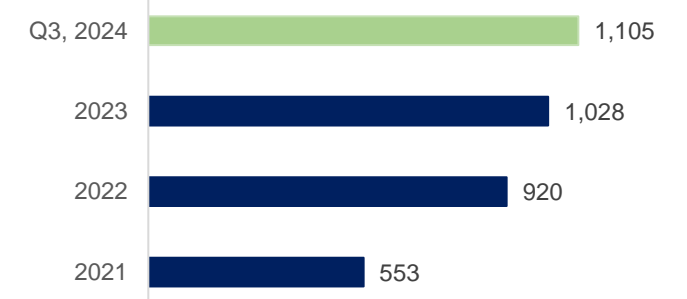
Cash & Balances  
CAGR 37%



Customer Deposits & Margins  
CAGR 33%

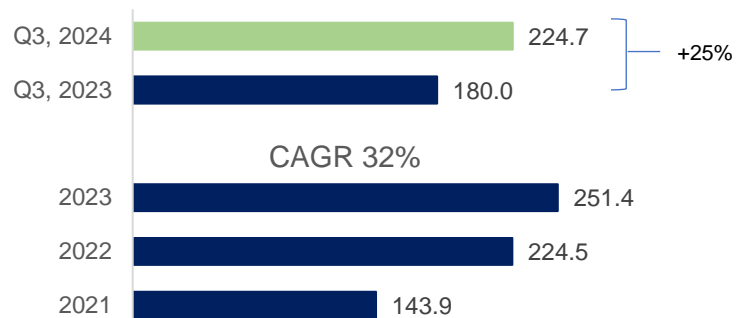


Total Shareholders' Equity  
CAGR 29%

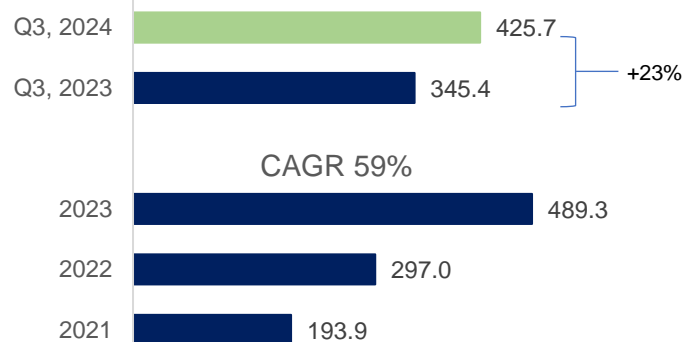


# Strong Financial Track Record – Income Statement (USD millions)

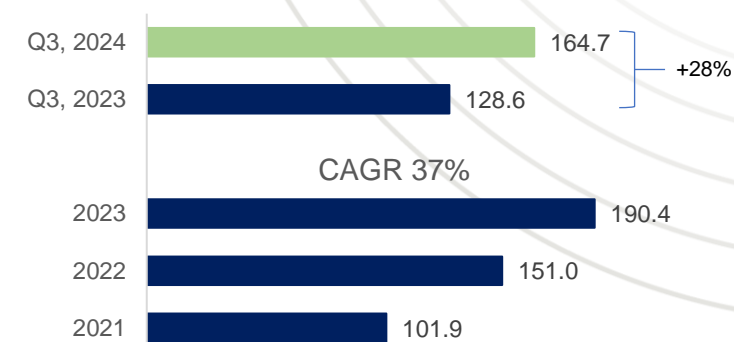
## Net Interest Income



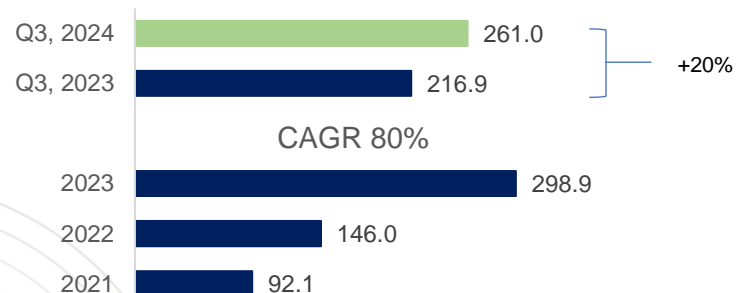
## Gross Operating Income



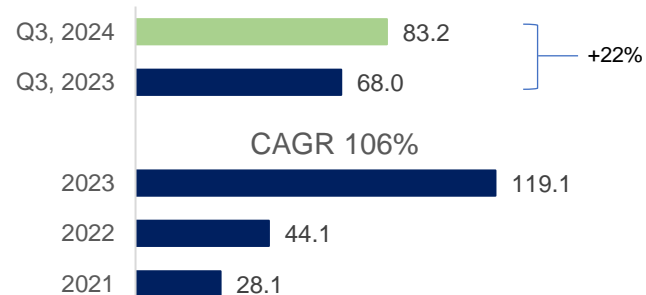
## Total Operating Expenses



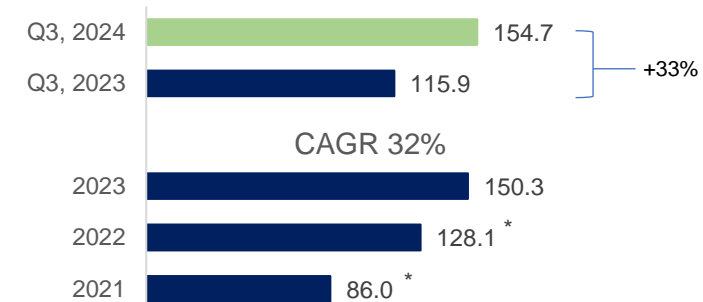
## Net Operating Income



## Provisions



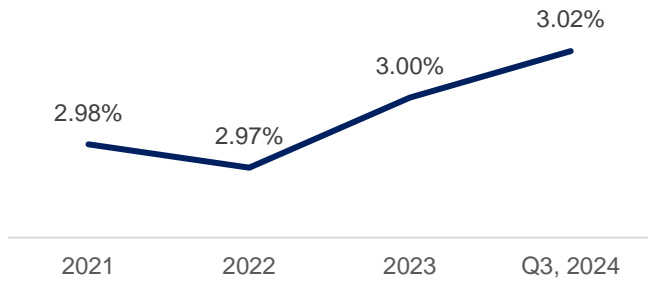
## Net Income



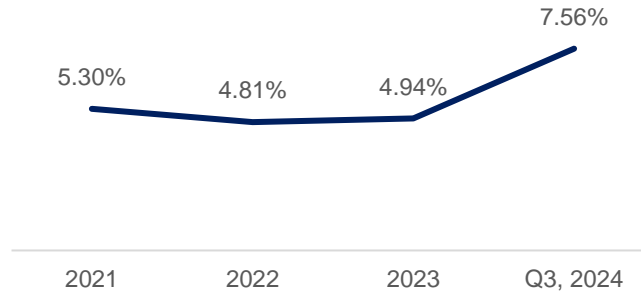
\* Includes one-off gain from acquisition of SGBJ in 2022 and Bank Audi in 2021.

# Strong Financial Track Record – Ratios

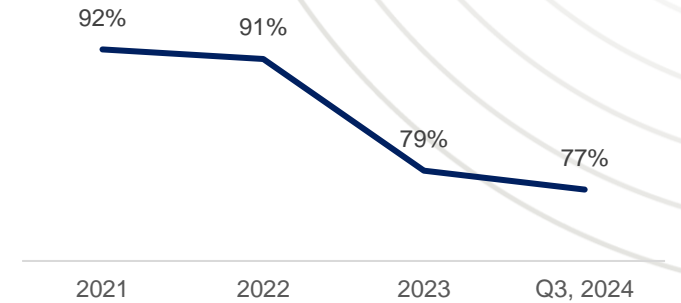
Net Interest Margin (Spread)



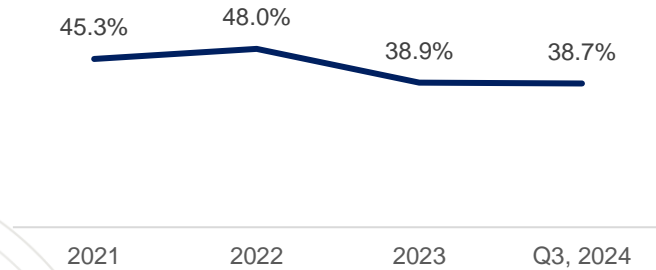
NPL Ratio



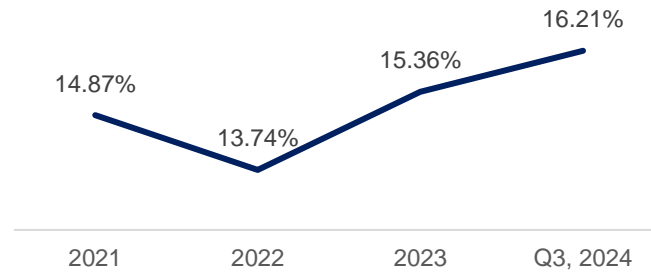
Provision Coverage Ratio<sup>1</sup>



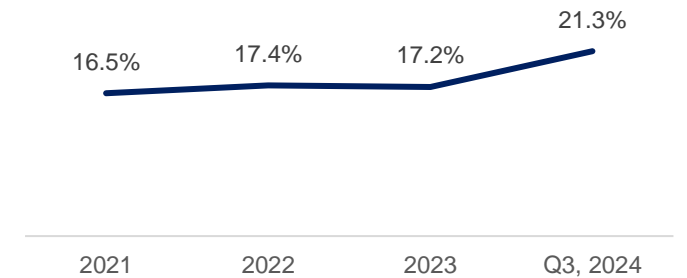
Efficiency Ratio<sup>2</sup>



Capital Adequacy Ratio



Return on Equity Ratio (Annualised)

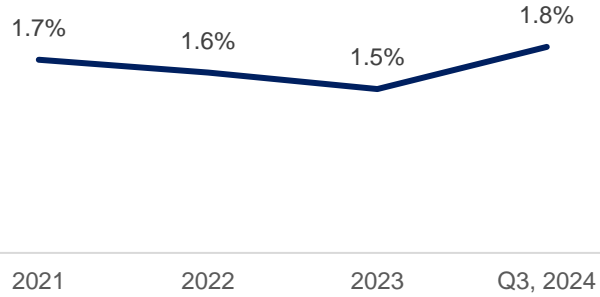


<sup>1</sup> Including collaterals, coverage ratio for 2022 is 131%, 126% for 2023 and 109% for Q3, 2024.

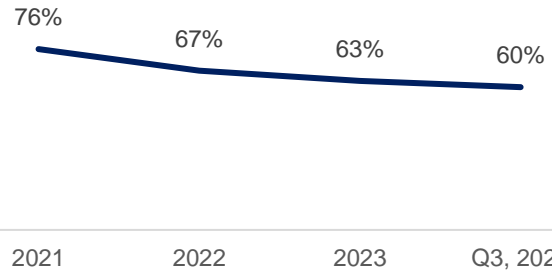
<sup>2</sup> Excluding one-offs and non-recurring items.

# Strong Financial Track Record – Ratios

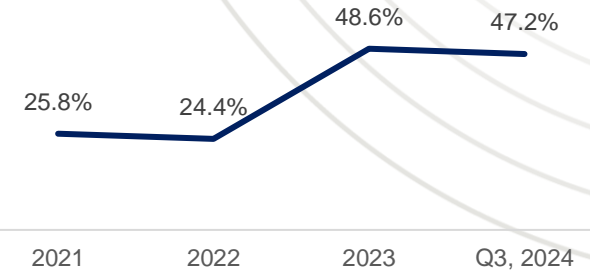
Return on Assets\*



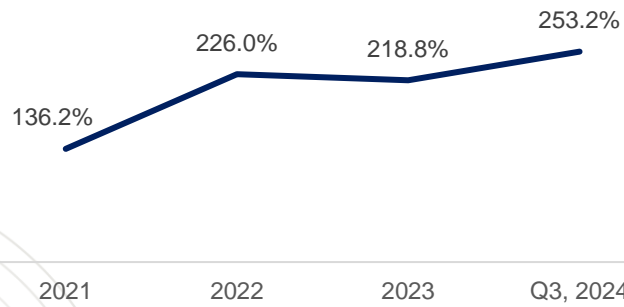
Loan to Deposit Ratio



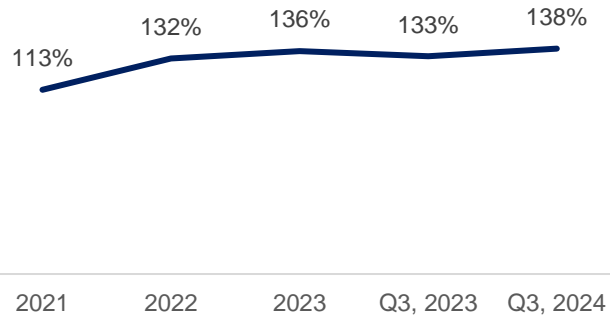
Non Interest Income / Gross Revenue



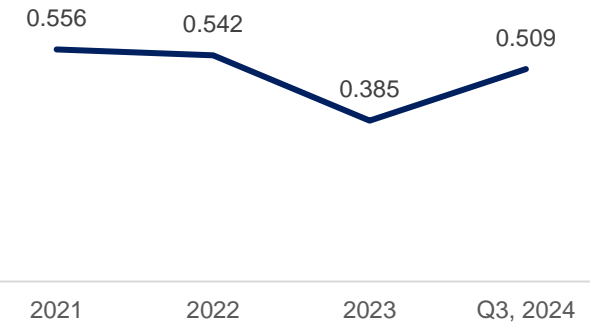
Liquidity Coverage Ratio



Net Stable Funding Ratio



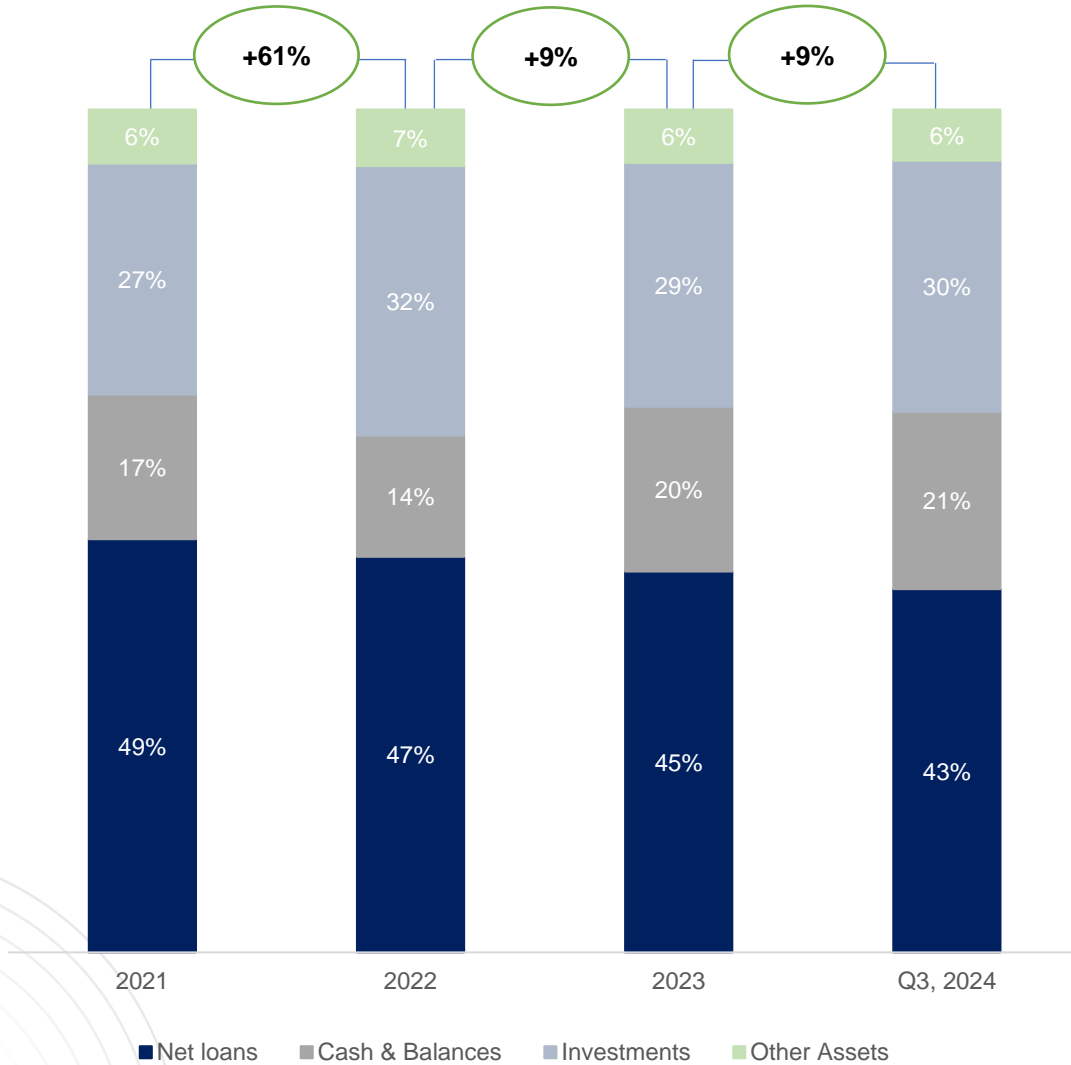
Earnings Per Share\*



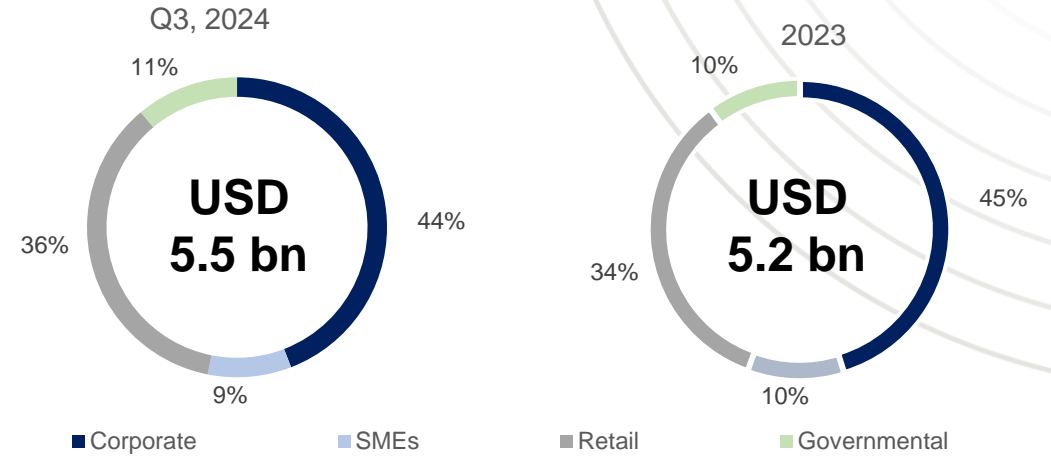
\* Annualised – 2021 and 2022 include one-off gain related to acquisitions.

# Assets Breakdown

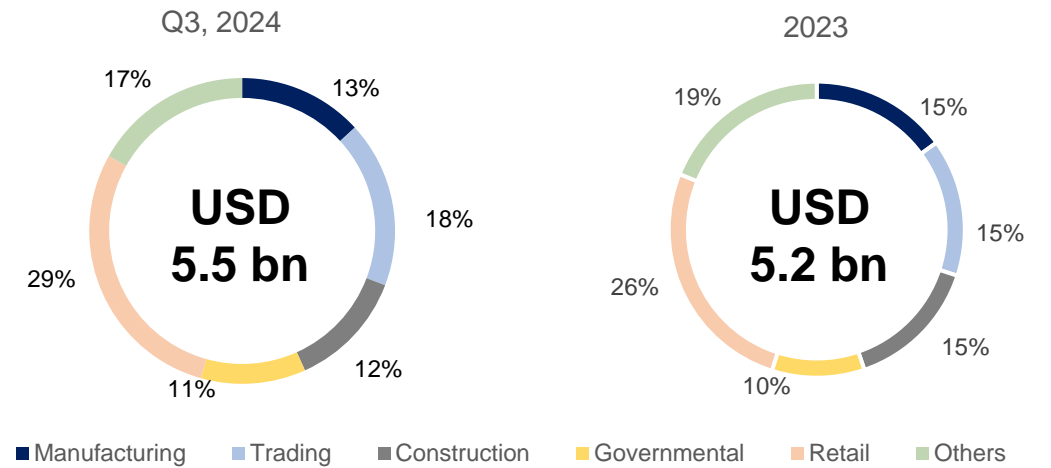
Assets Breakdown



Gross Portfolio Breakdown

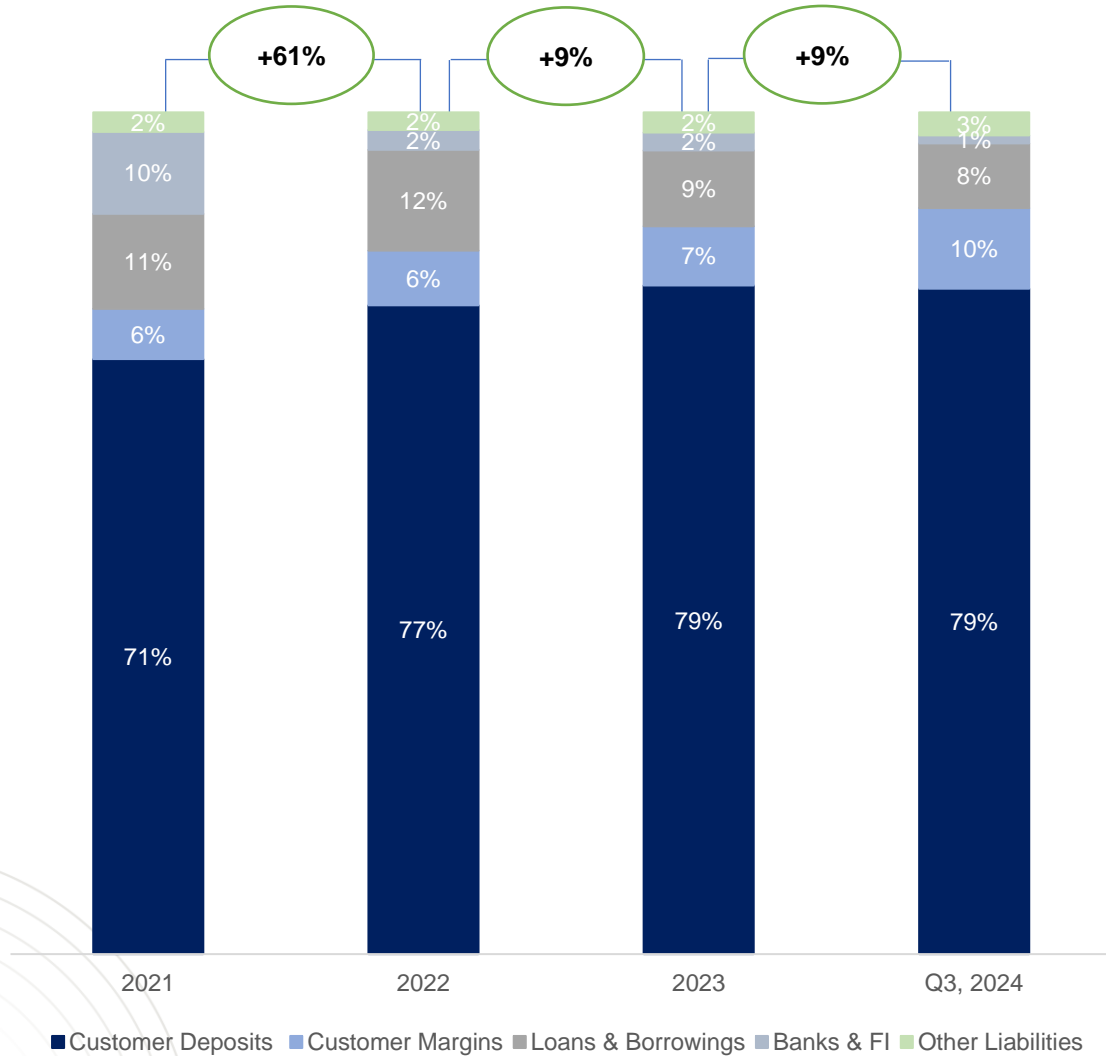


By Sector

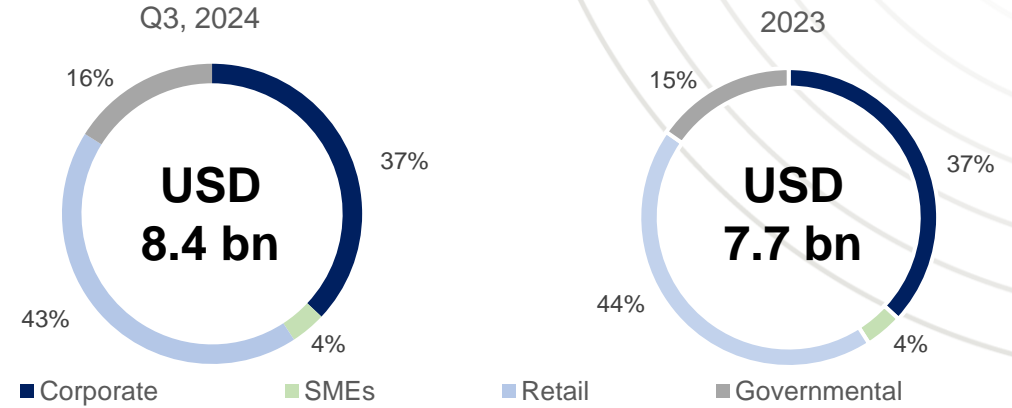


# Liabilities Breakdown

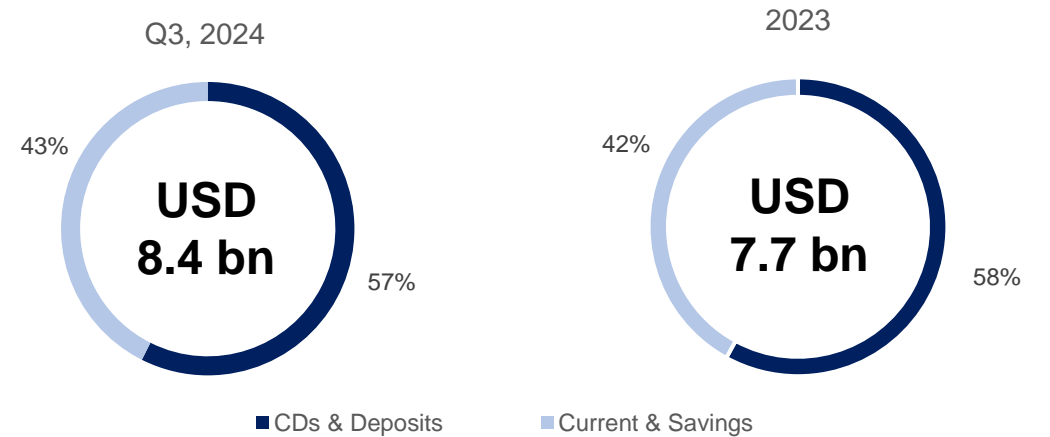
Liabilities Breakdown



Customer Deposits by Segment



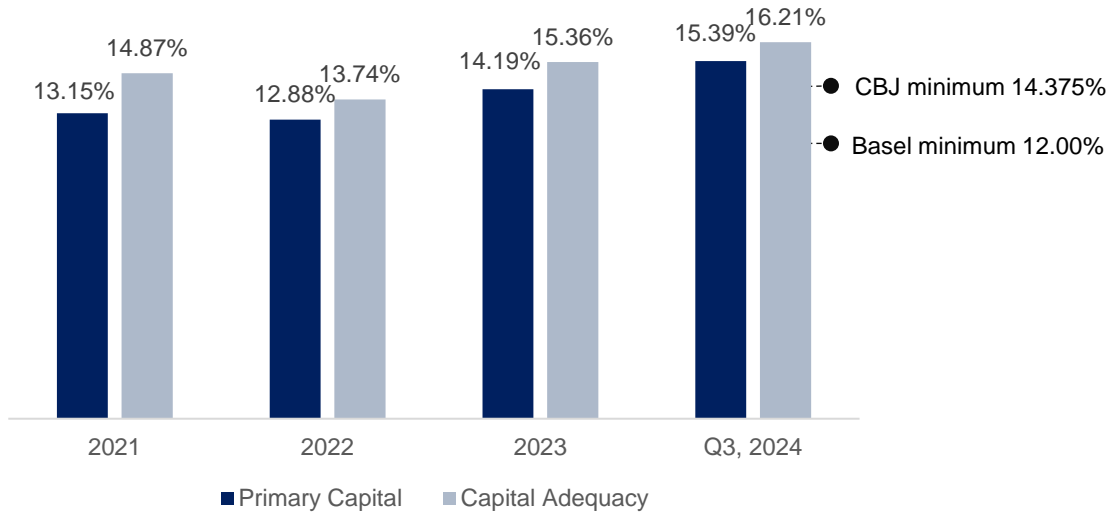
Customer Deposits by Type





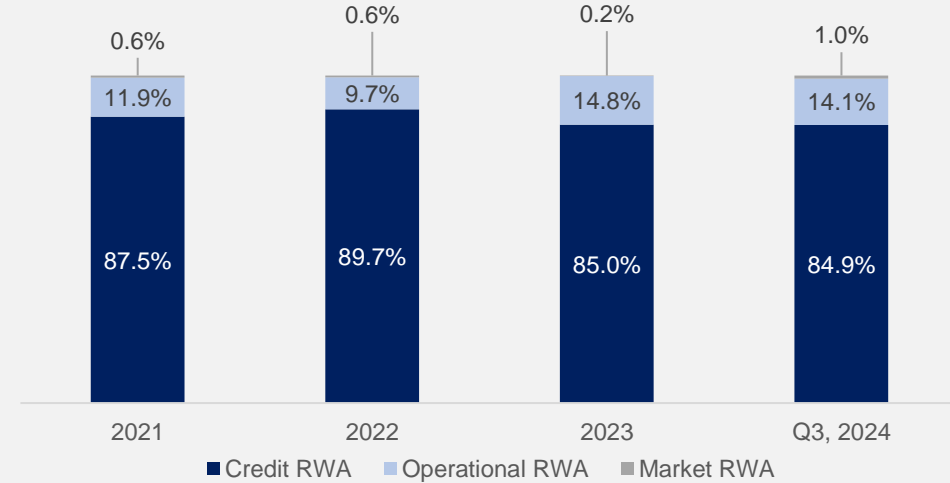
# Strong Capital Base

Capital Adequacy Walkthrough



By September 2024, **Capital Ratios** were **above** the minimum regulatory requirements; **CAR** ratio is at **16.21%** against Basel and Central Bank of Jordan's requirement of 12% and 14.375% respectively.

RWA Movement



Consolidated USD 000s	2021	2022	2023	Q3, 2024
Tier 1 Capital	442,396	723,724	780,815	<b>891,073</b>
Tier 2 Capital	57,816	48,502	64,127	<b>47,002</b>
Total Regulatory Capital	500,212	772,226	844,941	<b>938,076</b>
Total RWAs	3,363,273	5,619,691	5,502,598	<b>5,788,374</b>
Capital Adequacy	14.87%	13.74%	15.36%	<b>16.21%</b>

# Market Share for Jordan Branches – July 2024









Item	Banking Sector*	Growth**	Capital Bank Jordan*	Growth**	Market Share Dec 21	Market Share Dec 22	Market Share Dec 23	Market Share Jun 24
<b>Total Assets</b>	96,343	3.2%	8,093	1.5%	6.1%	9.5%	8.5%	8.4%
<b>Deposits</b>	64,519	4.6%	5,618	2.5%	5.6%	9.8%	8.9%	8.7%
<b>Loans</b>	48,766	3.6%	3,645	(1.9)%	5.3%	8.4%	7.9%	7.5%

\* In USD millions.

\*\* Growth is measured against December 2023.

Source: Association of Banks in Jordan – Monthly Banking Report (August 2024 Edition).

# Peer Comparison – Q2, 2024

	Total Assets <sup>1</sup>	Net Loans <sup>1</sup>	Deposits <sup>1</sup>	Equity <sup>2</sup>	Net Profit <sup>2</sup>	Efficiency Ratio	ROE
 Arab Bank PLC	40.4	17.0	27.6	6,141	366	34.7%	12.5%
 Housing Bank	12.7	6.6	8.3	1,869	113	41.5%	12.1%
 Capital Bank	11.5	5.0	8.2	1,050	99	38.1%	21.1%
 Bank al Etihad	11.0	6.1	8.4	938	35	49.5%	8.3%
 Jordan Kuwait Bank	7.9	2.8	5.7	1,134	128	33.2%	26.7%
 Cairo Amman Bank	5.6	3.2	3.6	656	7	59.4%	2.1%
 Jordan Ahli Bank	4.7	2.4	3.2	463	15	59.3%	6.4%
 Bank of Jordan	4.3	2.0	3.1	733	32	51.5%	8.5%

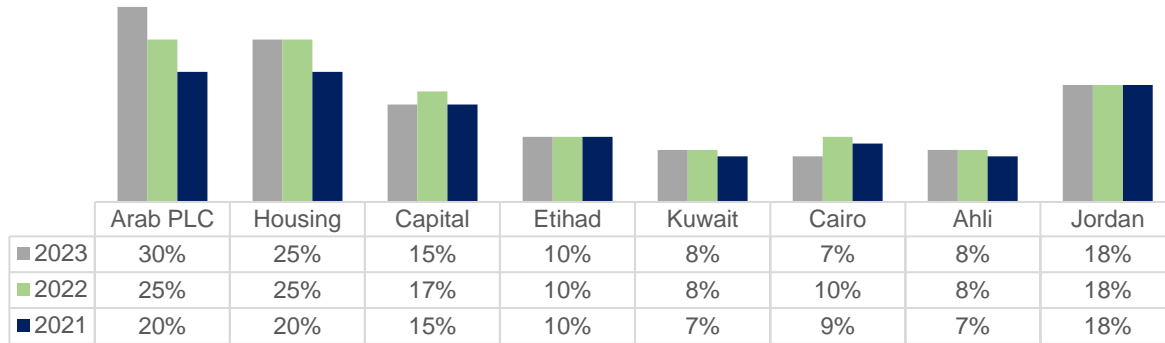
<sup>1</sup> USD billions.

<sup>2</sup> USD millions.

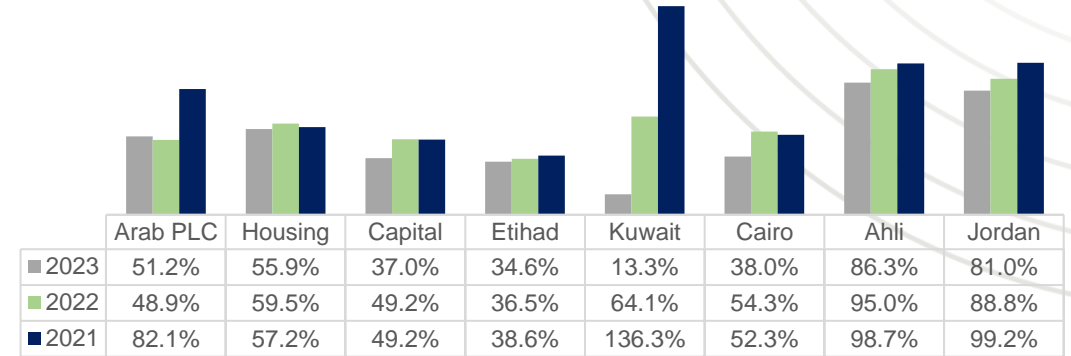
Source: Amman Stock Exchange

# Capital Bank Stock – Versus Peers

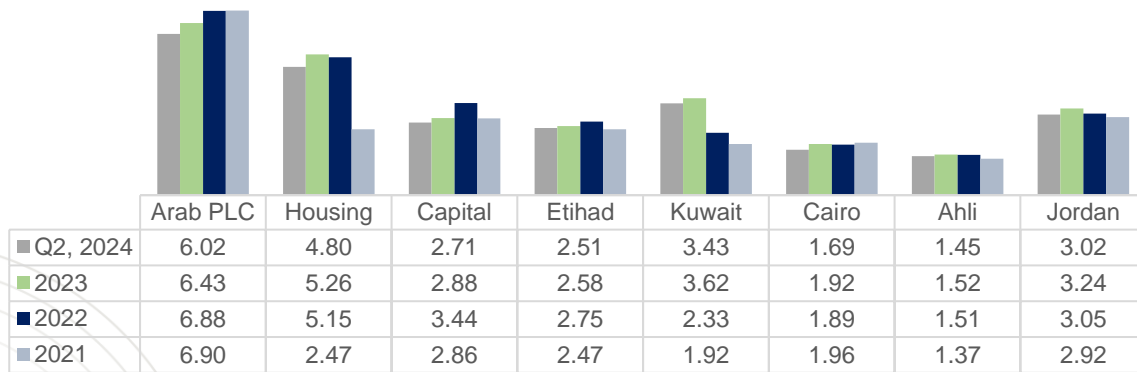
Dividend as a Percentage of Capital



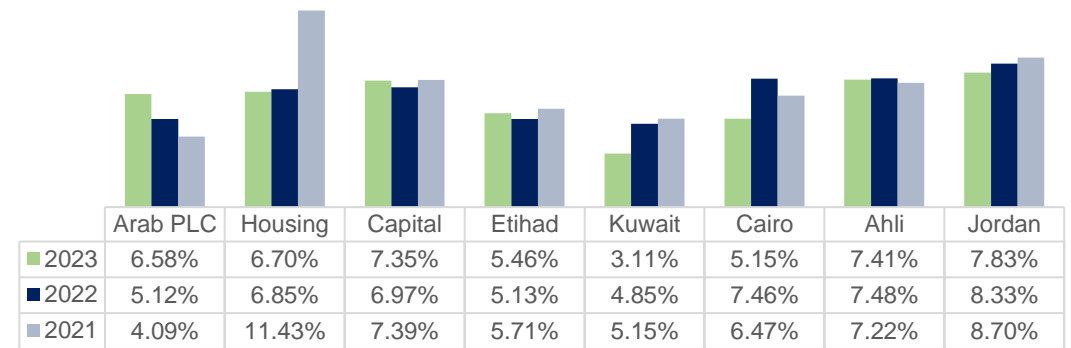
Dividend Payout Ratio



Stock Closing Price (in USD)



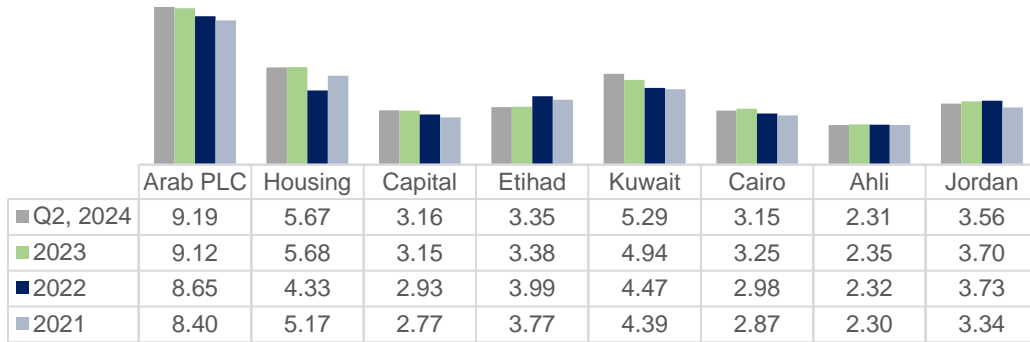
Dividend Yield



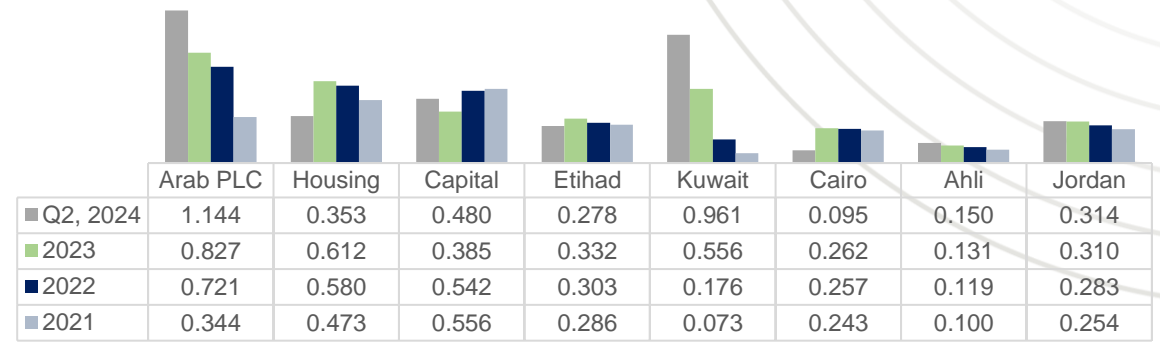
Source: Amman Stock Exchange.

# Capital Bank Stock – Versus Peers

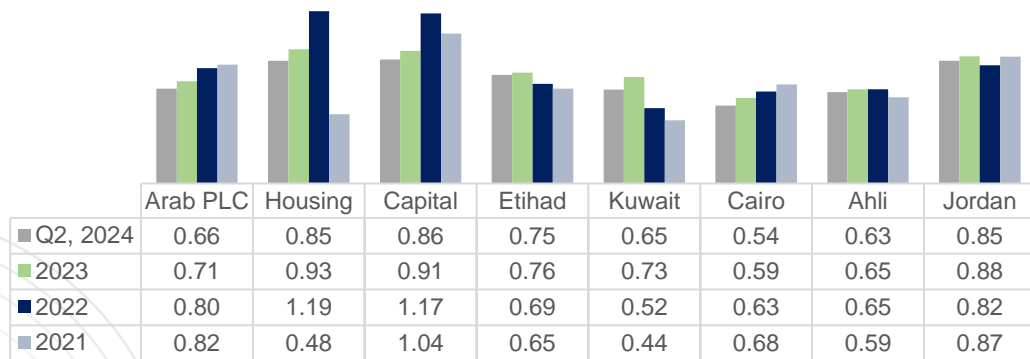
Book Value Per Share (in USD)



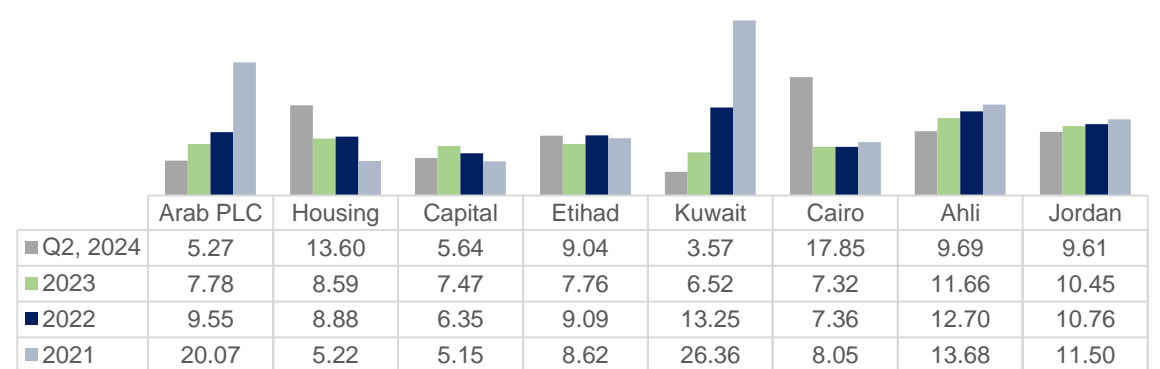
Earnings Per Share (in USD)\*



Price to Book Value



Price to Earnings Ratio\*



Source: Amman Stock Exchange.

\* Annualised for Q3, 2024.

# Capital Bank Stock

**Listed on:** Amman Stock Exchange (ASE). **Subscribed Shares:** 263,037,122

**Symbol:** CAPL.

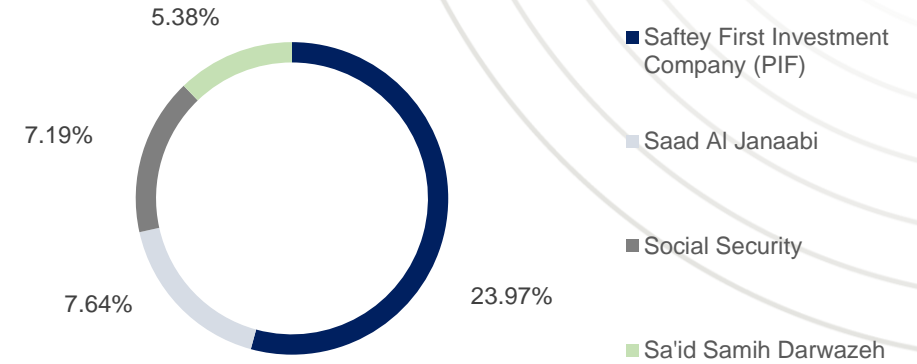
**Free Float:** 45.7%.

**ISIN:** JO1101711017.

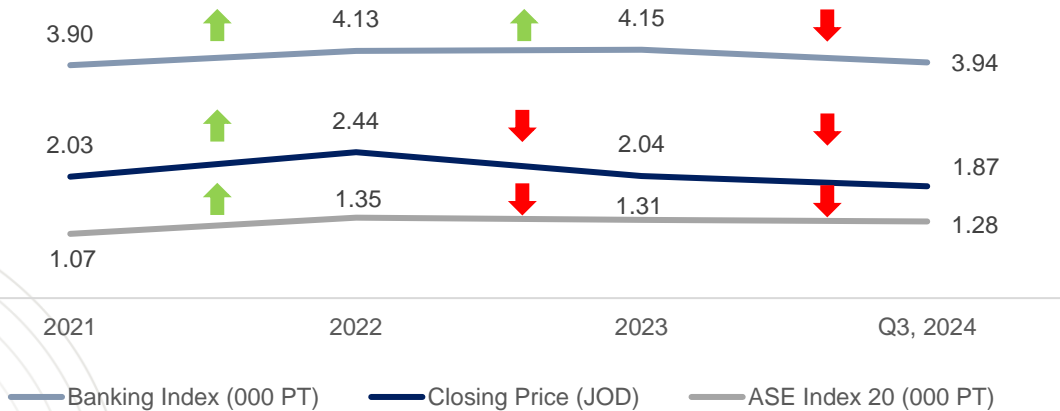
**Share Turnover\*:** 3.48%.

Year	Opening Price	Closing Price	High Price	Low Price
Q3, 2024	JOD 2.04	JOD 1.87	JOD 2.11	JOD 1.84
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

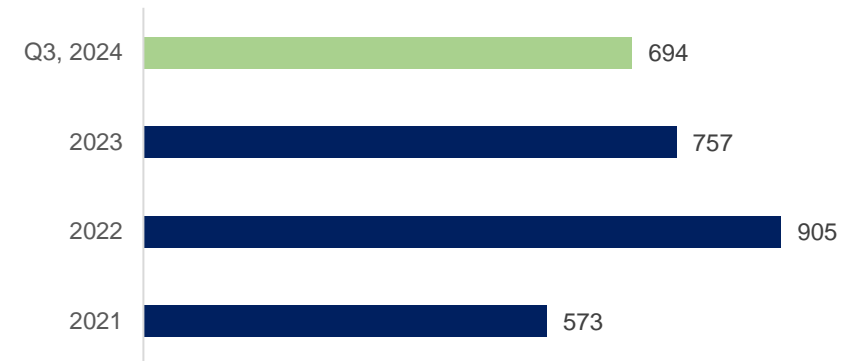
Major Investors with 5% Ownership or More (30.09.2024)



Capital Bank Share vs ASE20 and Banking Index (Closing Price Q3, 2024)



Market Cap in USD millions



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

# Enhancing Capital Base

## Market Maker of Perpetual Bonds in Jordan

In February 2022, Capital Bank Group bolstered its capital base with the issuance of a **Tier 1** perpetual bond for **USD 100m**. The bond is the first issuance of its kind for a Jordanian bank in the local market and the first by a Jordanian Company to be listed in the region's international financial market – **NASDAQ** Dubai. Coupon Rate of **7%**.



## Attracted a Strategic Investor As a Major Shareholder

In June 2022, a capital raise was completed through issuing shares to the Public Investment Fund (**PIF**) of Saudi Arabia – PIF is the world's **5th** largest sovereign wealth fund, with AUMs of approximately **USD 925m**.

- Public Investment Fund became a strategic investor with **23.9%** through the issuance of **63 million** new shares.
- Subscription was for approximately **USD 185m** through a private placement.

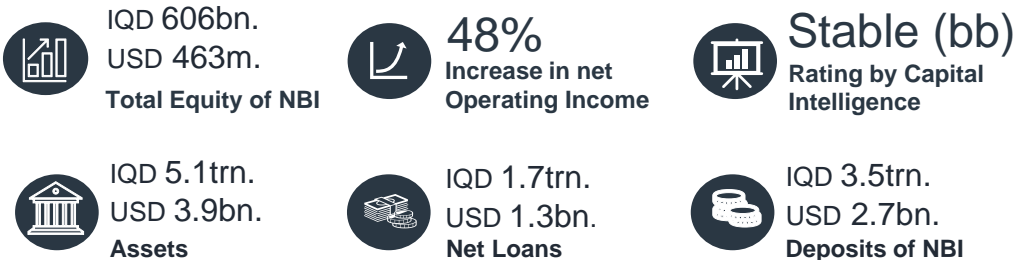


# National Bank of Iraq – In Brief

## 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 – Q3, 2024

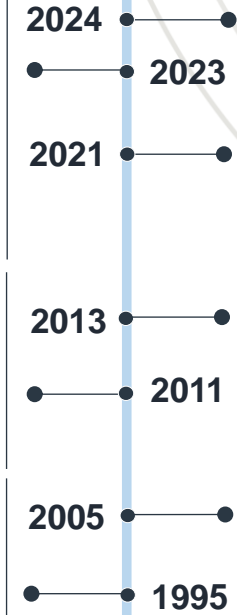


## Timeline

**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.



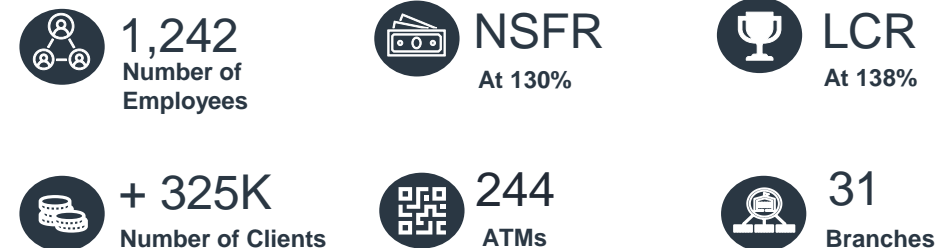
**Capital increased** to become **IQD 400 billion from IQD 300 billion** in 2023.

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 – Q3, 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 Q3, 2024



Assets Under Management

~ **USD 1.1bn**



Number of Brokerage Accounts

~ **8.6K**

**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

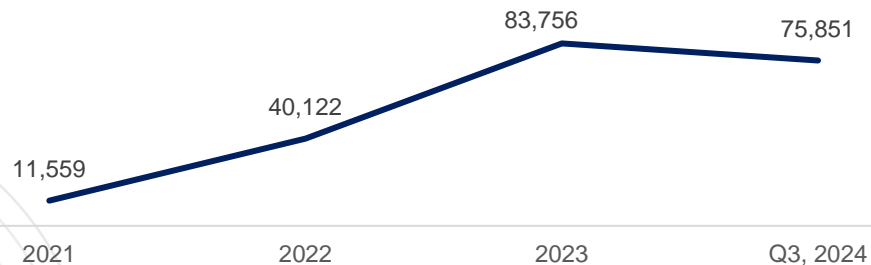
- Local, regional and international markets.
- Equities
- Treasuries and corporate bonds.
- Structured products.
- Precious metals.
- Equity research.
- Sector reports.
- Economic reports.
- Market reports.

# 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.).

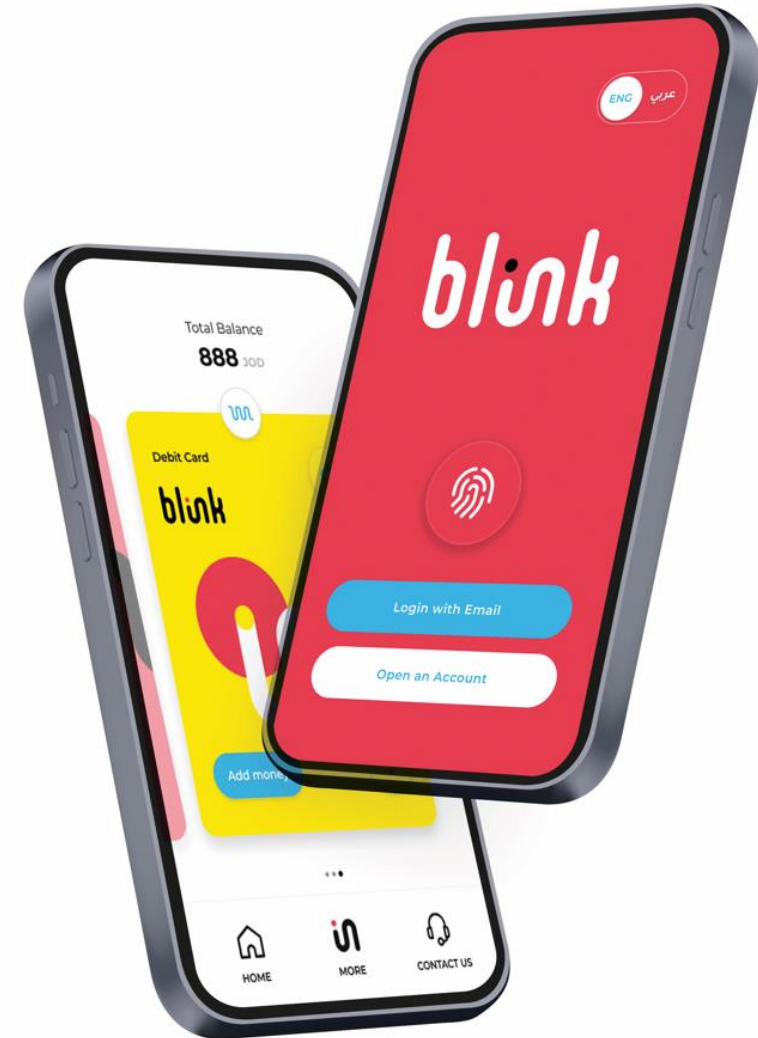
### Portfolio Thrive



Capital Leasing's **portfolio** has increased by more than **six times (6x)** 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

CAPITAL  
Intelligence

Moody's as of 14.05.2024	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)	Ba3	Stable
LT Bank Deposits (Domestic)	Ba3	Stable
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 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 Group – Awards and Recognitions



- **Best Digital Bank in Jordan**

Renowned for its extensive coverage of global banking and financial markets, Euromoney chose Capital Bank for this award based on rigorous criteria, including innovation, customer focus, technological advancement, excellence, and adaptability to the evolving digital banking landscape.

This prestigious recognition underscores Capital Bank's strong dedication to customer focus, innovation, and excellence in digital banking.



- **Best Implementation of Core Banking Services**

This accolade presented in the UK signifies a notable achievement, recognising Capital Bank's excellence and innovation in the banking sector.

In recent years, Capital Bank has successfully executed three major core banking projects, each making a significant impact on the bank's performance within remarkably short timeframes.



- **Most Active Issuing Bank.**

Capital Bank was honored with the 'Most Active Issuing Bank' Award at the Trade Facilitation Programme Awards, held during the 33rd European Bank for Reconstruction and Development (EBRD) Annual Meeting and Business Forum.

This award highlights Capital Bank's strategic approach and pivotal role in empowering businesses and promoting sustainable development globally.

# Capital Bank Group – Awards and Recognitions



- **Best Mobile Banking App**

Capital Bank was awarded by International Business Magazine – one of the best international news magazines for in-depth journal analysis of finance, economics, banking, technology. This award showcases Capital Bank’s commitment to innovation, customer centricity and excellence in digital banking.



- **Wealth Management – Segment Winners**

Capital Investments along with Codebase Technologies have been honored as Segment Winners for Wealth Management at the IBS Intelligence Digital Banking Awards 2024. This prestigious award follows their successful collaboration on the launch and ongoing development of Capital Investments’ first fully-digital onboarding platform for investment and brokerage customers in Jordan.



- **Best Investment Boutique Management Company and Best Client Service Investment Company**

Capital Investment was awarded by International Finance Awards with prestigious accolades to reward and recognise the contribution of financial companies, including pathbreaking initiatives in corporate social responsibility, corporate governance and activities that benefit the global finance community.



# Capital Bank Group – Awards and Recognitions



- **Best Bank for Cash Management in Jordan**

The Digital Banker Magazine commended Capital Bank for its leadership in providing innovative cash management solutions and its dedication to developing cutting-edge banking products and services. The magazine emphasised that the bank's offerings are meticulously designed to address the unique needs of its corporate clients, particularly in liquidity management, cash flow optimisation, and supporting international transactions.



- **Best Credit Card Offerings**

Capital Bank received the 'Best Credit Card Offerings' Award 2024 from International Finance Awards. This award showcases the inclusive offerings of the credit cards portfolio, catering to a variety of customer preferences.

# ESG – Awareness and Approach

## ENVIRONMENTAL

## SOCIAL

## GOVERNANCE

- During the second quarter of 2024, Capital Bank published its second 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 **12** material topics as follows:

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

- a. Climate Change and Decarbonisation
- b. Environmental Management
- c. Sustainable Lending and Investing

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

- a. Gender Equality and Workforce Development and Wellbeing
- b. Local Communities
- c. Financial Inclusion and 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
- d. Compliance and Ethical Conduct

# ESG – Awareness and Approach

## ENVIRONMENTAL

## SOCIAL

## GOVERNANCE

Driven by its firm belief in its pivotal role in positively impacting the local community and contributing to its development, Capital Bank of Jordan has established a robust corporate social responsibility strategy, defining its target audience and key pillars.

With a focus on financial literacy, entrepreneurship, women's empowerment, and environmental sustainability, Capital Bank of Jordan addresses key challenges facing Jordanians to foster growth and development as part of its commitment to sustainable performance. The bank has also launched various initiatives to enhance community well-being, including:

- Implementing environmental measures to reduce its carbon footprint in partnership with local NGOs, alongside the use of renewable energy in its buildings.
- Supporting educational initiatives to upskill youth and provide scholarships, such as the Employees' Educational Fund, and establishing long-term partnerships with NGOs and civil society organizations such as:
  - Queen Rania Foundation
  - Injaz for Education & Entrepreneurship
  - Wasel for Education and Awareness
  - Elia Nuqul Foundation
  - Al Aman Fund
  - Loyac Jordan for Youth Employability
  - 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\*
- SOS Jordan

Arising from the importance of financial literacy and in line with the directives of the Central Bank of Jordan, Capital Bank is actively promoting financial literacy among diverse audiences through various channels, including interactive sessions and social media platforms.

\* 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.
- Guarantco partial guarantee of a portfolio to grow the Bank's climate adaptation and mitigation deal for USD 125m.

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
<b>H.E. Bassem Khalil Al-Salem</b>	2010	Chairman	Undergraduate > 25 years experience
<b>H.E. Said Samih Darwazah</b>	2021	Vice Chairman	Masters >25 years experience
<b>Hitaf Investment Company</b> Represented by Mr. 'Mohammed Ali' Khaldoun Al-Husry	2009	Member	Masters >25 years experience
<b>The Safety First Investment Company - PIF</b> Represented by Mr. Muteb Mohammad Al-Shathri	2022	Member	Masters > 15 years experience
<b>The Safety First Investment Company - PIF</b> Represented by Ms. Lamyah Mohammed Alfozan	2022	Member	Masters > 15 years experience
<b>Social Security Corporation</b> Represented by Mr. Saleh Hamdallah Al-Shbikat	2009	Member	Masters >15 years experience
<b>Al-Jadara Company for Real Estate Investment</b> Represented by Mr. Sultan Mohammed El-Seif	2009	Member	Undergraduate >15 years experience
<b>Investments &amp; Integrated Industries Co.</b> Representing Mr. Omar M. I. Shahrour	2009	Member	Masters >25 years experience
<b>Al-Khalil Company for Investments</b> Represented by Mr. Khalil Hatem Al-Salem	2009	Member	Undergraduate >15 years experience
<b>H.E. Abubaker Seddiq Alkhoori</b>	2021	Independent	Undergraduate >20 years experience
<b>Mr. Khalid Walid Nabils</b>	2017	Independent	Masters >20 years experience
<b>Mr. Mohamad Hasan AlHaj Hasan</b>	2017	Independent	Masters >15 years experience
<b>Mr. Yousef A.Y. Ensour</b>	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
<b>BUSINESS</b>		
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 Namooos	CEO, Capital Investments – DIFC	2023
Bashar Amad	CEO, Capital Investments	2021
Zein Malhas	CEO, Blink	2019
Manar Ameen	General Manager, Capital Leasing	2022
<b>CONTROL</b>		
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
<b>SUPPORT</b>		
Linda Al Tarazi	Group Chief Operating 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



58%



42%

## Education

Bachelor's

47%

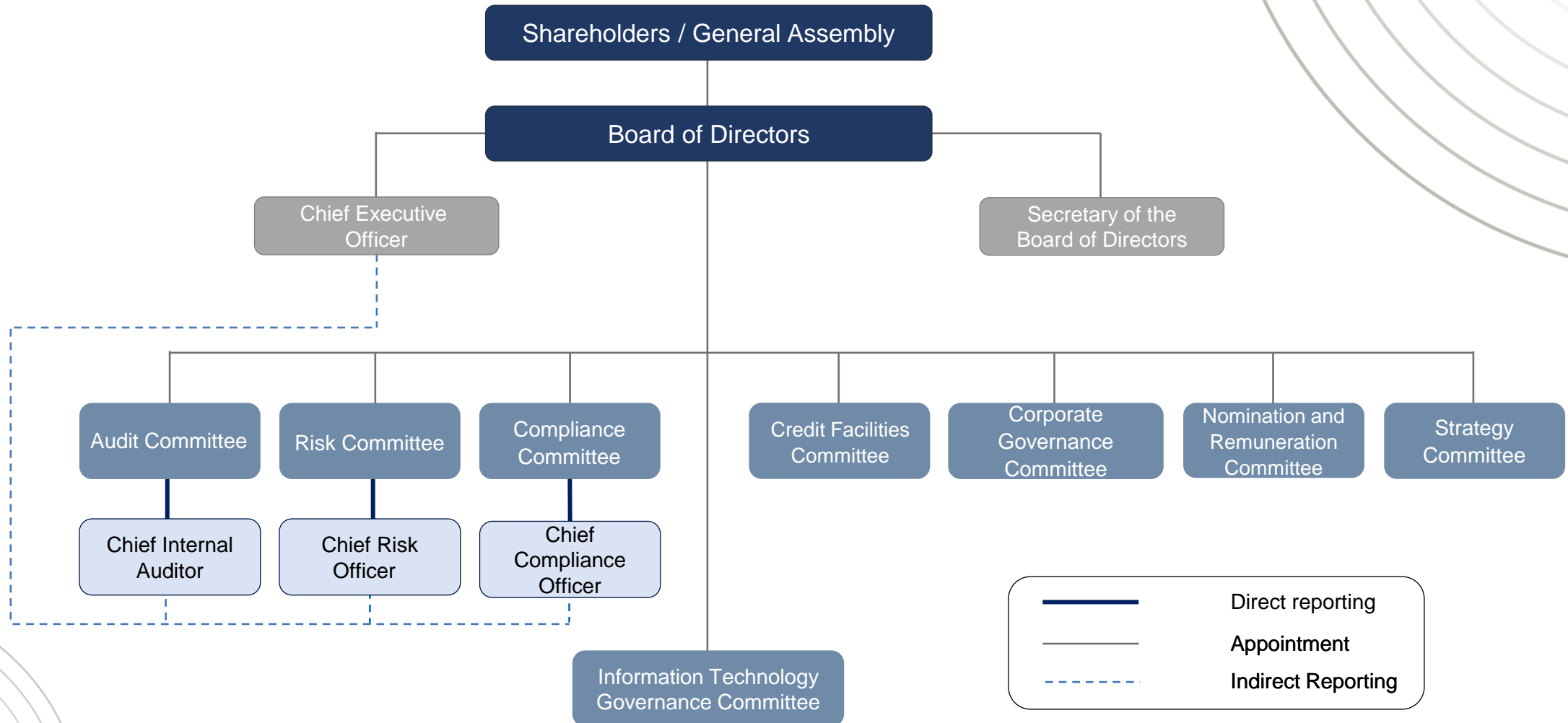
Master's

53%

## Average Experience

> **26**  
**Years**

# Solid Governance and Decision Making







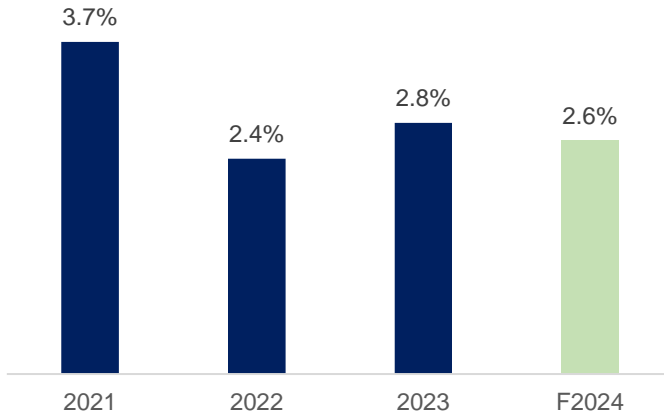
## Section 3

Macroeconomic Developments and Banking Sector Highlights

**capital**  
bank

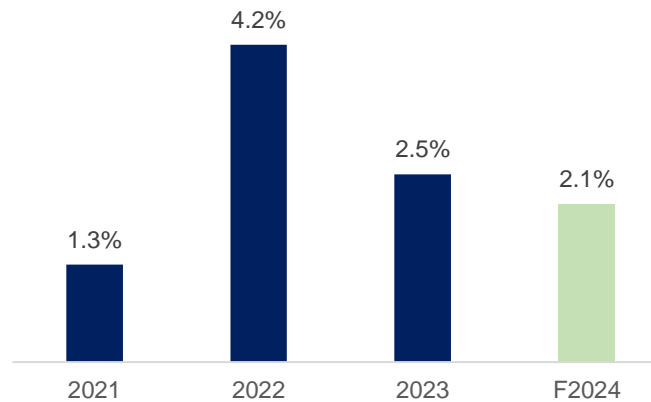
# Jordanian Economy Highlights

Real GDP Growth Rate



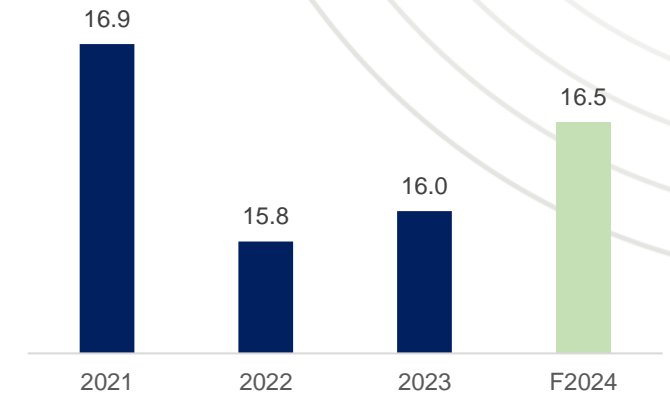
Jordan established a track record of fiscal reform implementation and prudence (backed by the IMF) which will likely contribute to a further narrowing of its fiscal deficit and a decline in government debt over the next few years.

Inflation Rate (CPI, Average Annual)



The annual inflation rate in Jordan is projected at 2.1% for 2024. The rate is mostly influenced by the pressure that comes from prices of housing and utilities, notably fuels and electricity.

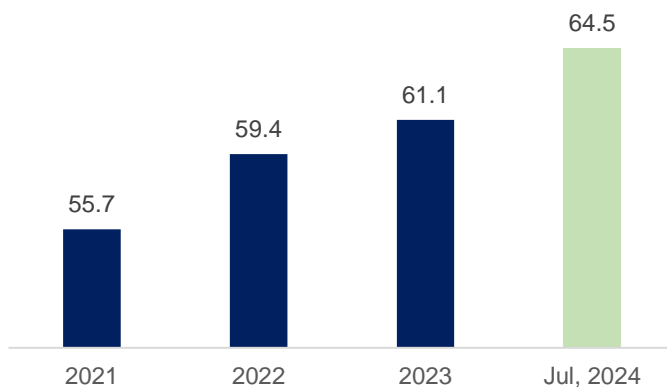
Foreign Currency Reserves (USD Bn)



Foreign Currency Reserves is expected to reach USD 16.5 billion in 2024 – an increase of almost 3% from year end of 2023 which amounted to USD 16.0 billion.

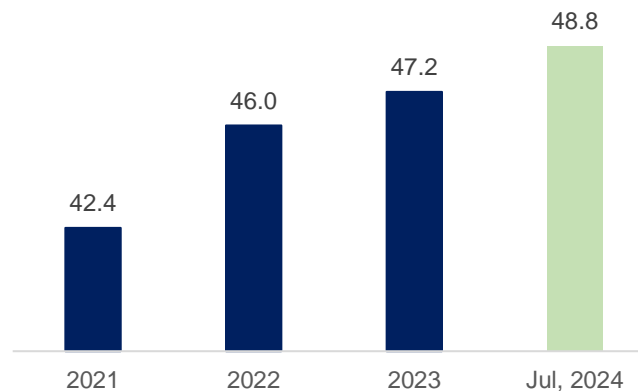
# Jordanian Banking Sector

Total Bank Deposits (USD Bn)



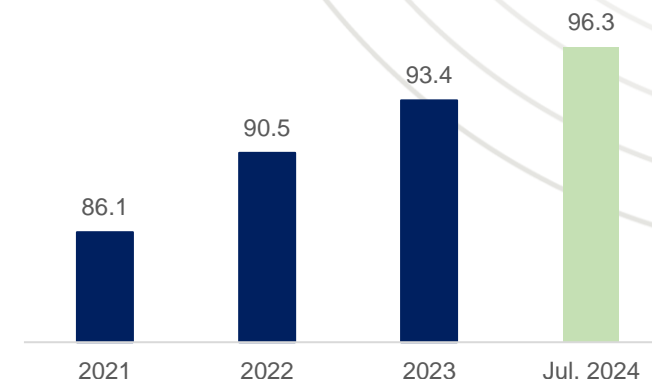
Standing at USD 64.5 billion as of July 2024, Total Bank Deposits witnessed a rising trend throughout the years.

Banks Total Loans (USD Bn)



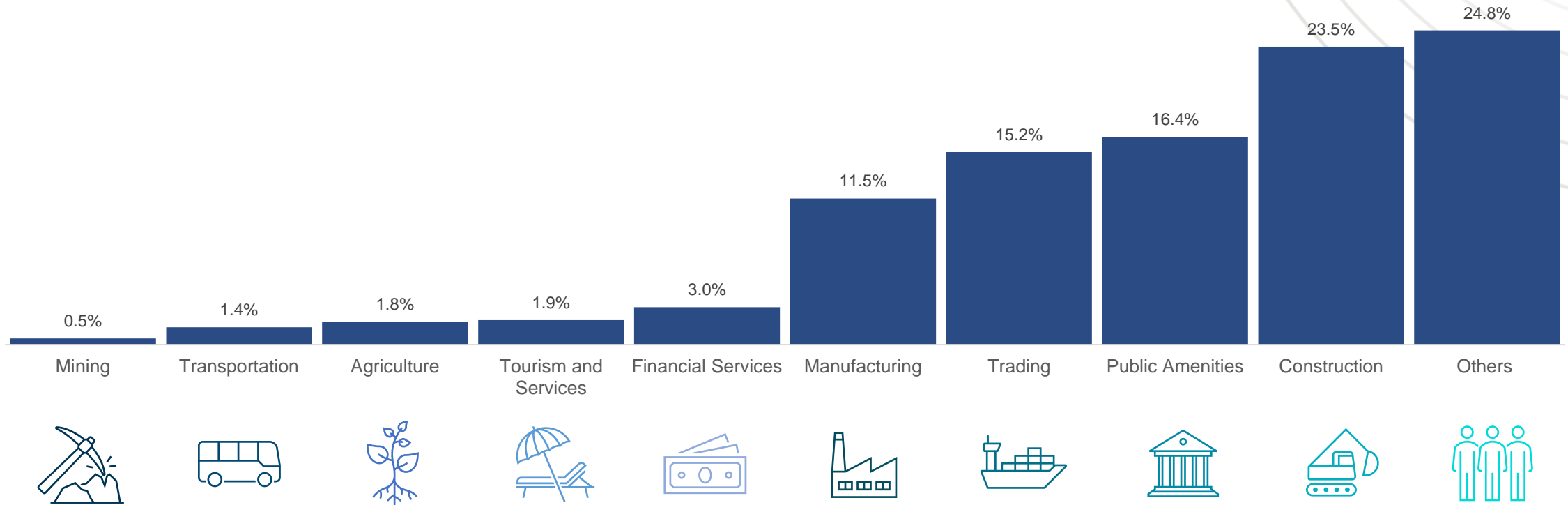
At USD 48.8 billion, Banks' Total Loans similarly witnessed an increasing trend since 2022, with Loan to Deposit ratio reaching 75.6% in July 2024 compared to 77.2% as of December 2023.

Total Assets (USD Bn)



With the simultaneous rise in both total bank deposits and loans, total assets have shown steady growth, aligning with these increases, as banks capitalise on enhanced liquidity and expanded credit facilities to strengthen their balance sheets and support further financial stability

# Facilities by Segment in The Jordanian Market



\* Data for H1, 2024.

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

# Key Banking Indicators

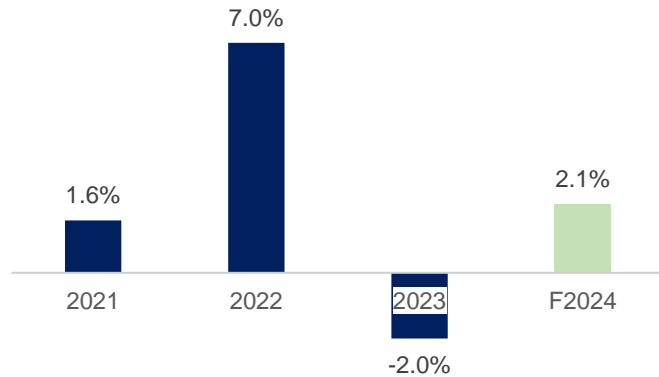
Item	2020	2021	2022	2023	2024*
Non-Performing Loans Ratio	5.50%	5.30%	4.80%	4.94%	5.60%
Coverage Ratio	71.5%	79.9%	81.5%	75.6%	73.1%
Return on Equity (ROE)	5.1%	8.3%	8.8%	9.3%	9.8%
Return on Assets (ROA)	0.6%	1.0%	1.0%	1.1%	1.2%
Overnight Window Rate	2.0%	2.0%	6.25%	7.25%	7.25%
Average Interest Rate on Term Deposits	3.7%	3.5%	4.6%	5.9%	6.2%

\* Data up to June 2024.

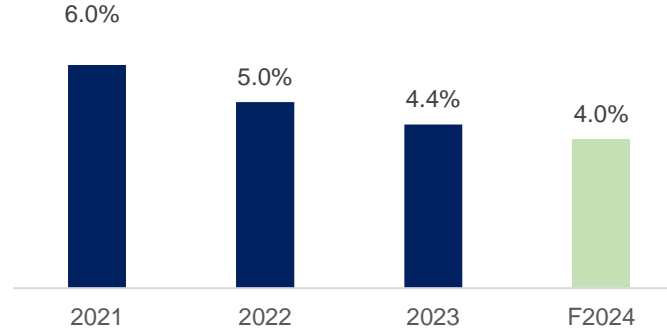
Source: Association of Banks in Jordan – Monthly Banking Bulletin (August 2024 Edition).

# Iraqi Economy Highlights

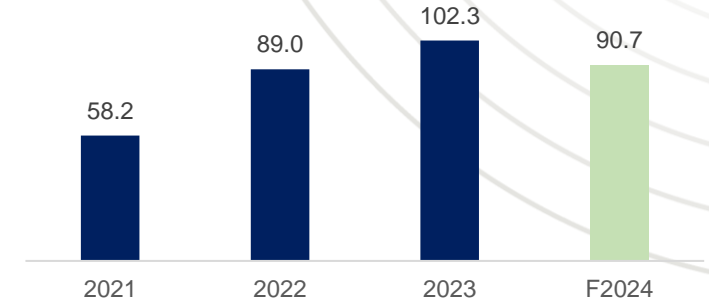
Real GDP (% Change)



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 at 4.4% for year 2023 and expected to drop to 4.0% 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 in oil production.

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