

capital
b a n k

As of December 2024

Investor Relations

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Section 1

Group Corporate Profile and Financial Highlights

capital
bank

Our Vision, Mission and Strategic Pillars

Vision



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

Mission



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

Strategic Pillars:



Operational Excellence

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



Customer Centricity

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



Sustainable Growth

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



Our People

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

Our Values

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 maximise 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

Expansion

- 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.

Acquisition

- 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.

Transformation

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

1995

2005

2006

2021

2022

2023

2024

Establishment

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

Diversification

- **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).

Growth

- 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

- Shifting gears with a refocused strategy to further enhance the core operations for sustainable growth targets.

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

Global Presence Across

4 Markets

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

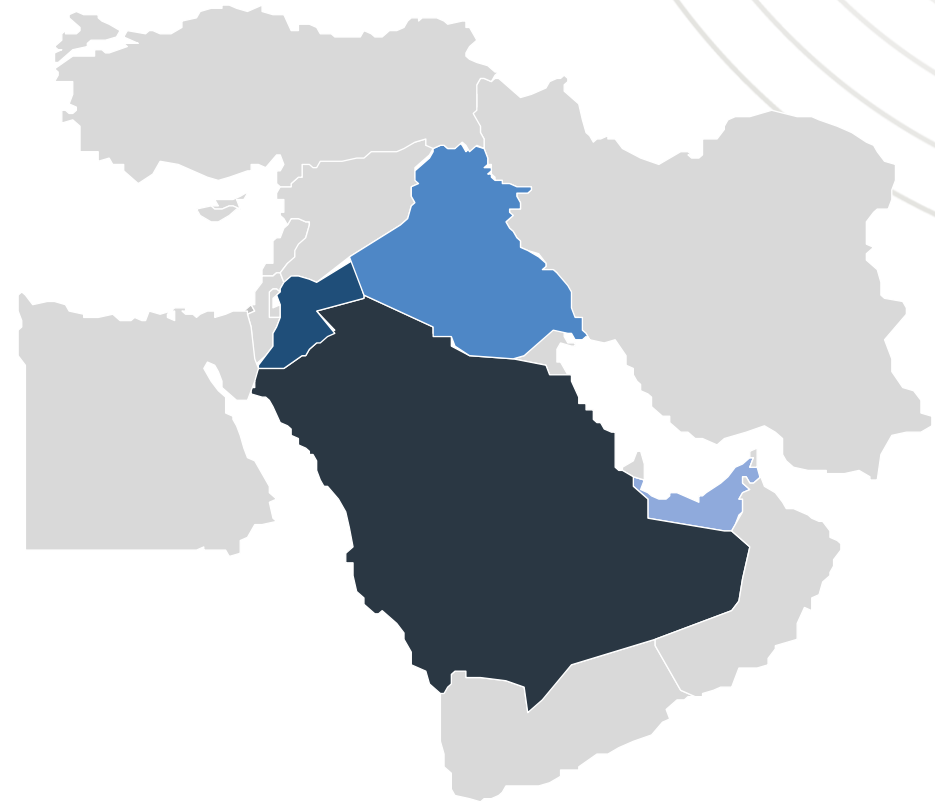
2.6K

Employees
Globally

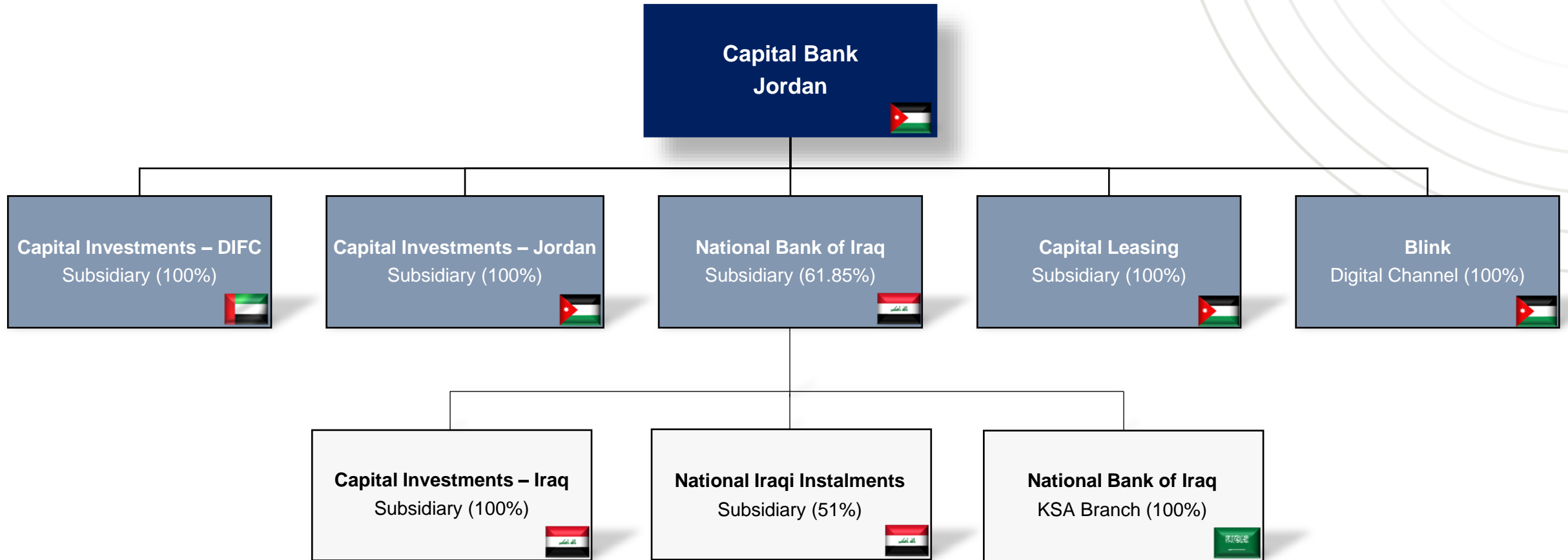
33 Branches in **Jordan**

32 Branches in **Iraq**

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



Structure of the Group



Capital Bank Group – Snapshot 2024

3rd Largest
In the Jordanian market.

USD 11.6b
Total Assets

Market Heavyweight
Fastest growing bank since year 2020.

USD 4.8b
Net Loans

Stable Credit Rating

b1 **bb**
Positive Outlook
MOODY'S **CI CAPITAL**
intelligence

Generating **Superior Returns**
through a **Robust Foundation**.

\$ 1.2b
Equity

Sound
Net Stable Funding Ratio.

NSFR at
141%

Sufficient Reserve
Of high-quality liquid assets.

LCR at
231%

Sturdy Capital Base
Above CBJ requirement of 14.375%.

CAR at
15.52%

Solid Coverage Ratio
Including collaterals, the ratio will be 110%

80.9%

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 (2024)*.

15%

Driving **Strong Return on Equity**
through **Strategic Excellence**.

23%
ROE

* Expected dividends for 2024 is 15% subject to required approvals

Group Consolidated Financials

In USD Mn

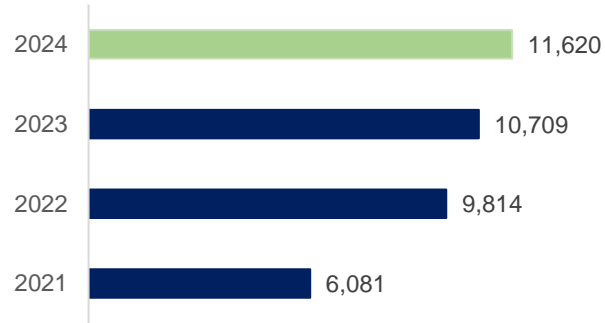
| Income Statement Items | 2022 | 2023 | 2024 |
|---------------------------------|--------------|--------------|---------------------|
| Net Interest Income | 224 | 251 | 296 |
| Gross Operating Income | 297 | 489 | 568 |
| <i>Total Operating Expenses</i> | <i>(151)</i> | <i>(190)</i> | <i>(219)</i> |
| Net Operating Income | 146 | 299 | 349 |
| <i>Provision</i> | <i>(44)</i> | <i>(119)</i> | <i>(87)</i> |
| Net Acquisition Impact | 35 | - | - |
| <i>Income Tax Expense</i> | <i>(9)</i> | <i>(29)</i> | <i>(36)</i> |
| Net Profit | 128 | 150 | 226 |

In USD Bn

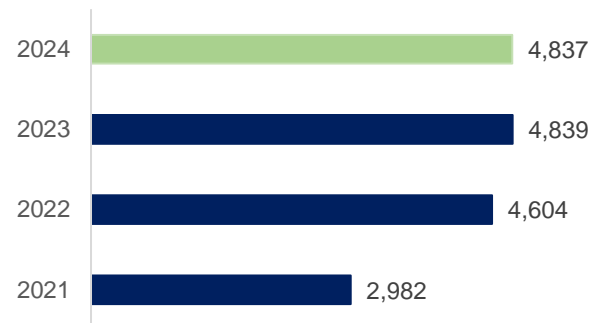
| Balance Sheet Items | 2022 | 2023 | 2024 |
|----------------------------|-------------|-------------|-------------|
| Total Cash & Equivalents | 1.4 | 2.1 | 2.6 |
| Net Credit Facilities | 4.6 | 4.8 | 4.8 |
| Investment Portfolio | 3.1 | 3.1 | 3.4 |
| Total Assets | 9.8 | 10.7 | 11.6 |
| Customer Deposits | 6.9 | 7.7 | 8.3 |
| Cash Margins | 0.6 | 0.7 | 0.9 |
| Paid up Capital | 0.4 | 0.4 | 0.4 |
| Total Equity | 0.9 | 1.0 | 1.2 |

Strong Financial Track Record – Balance Sheet (USD millions)

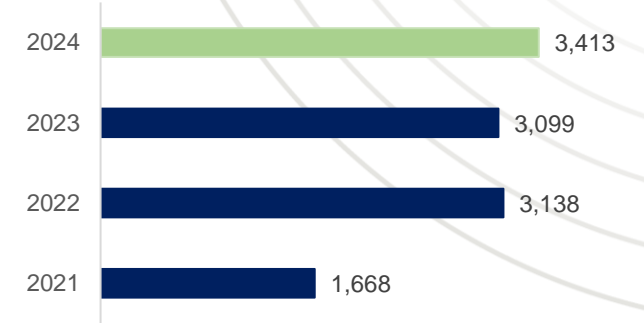
Total Assets
CAGR 24%



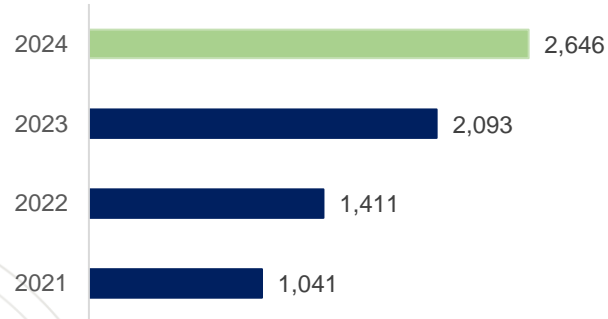
Net Loans
CAGR 17%



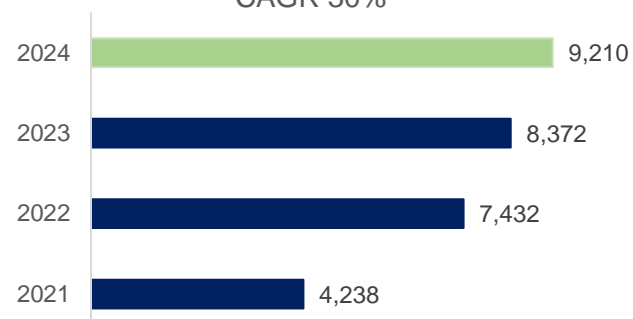
Investments Portfolio
CAGR 27%



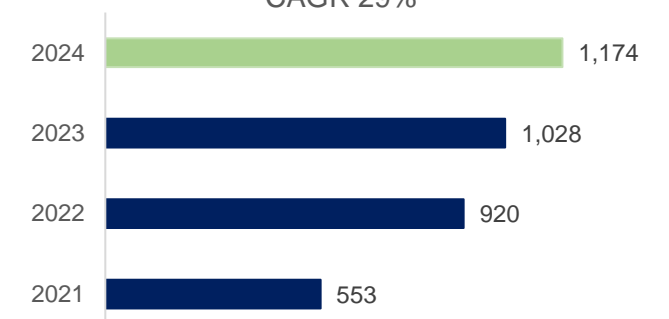
Cash & Balances
CAGR 36%



Customer Deposits & Margins
CAGR 30%

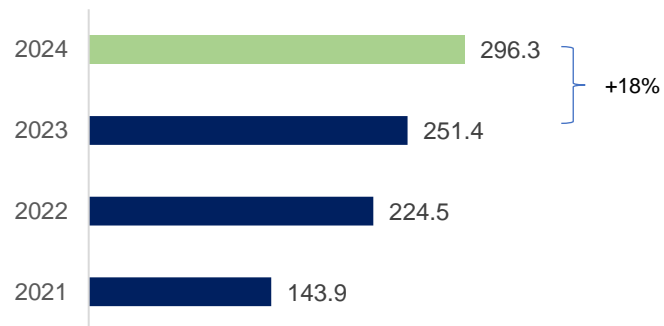


Total Shareholders' Equity
CAGR 29%

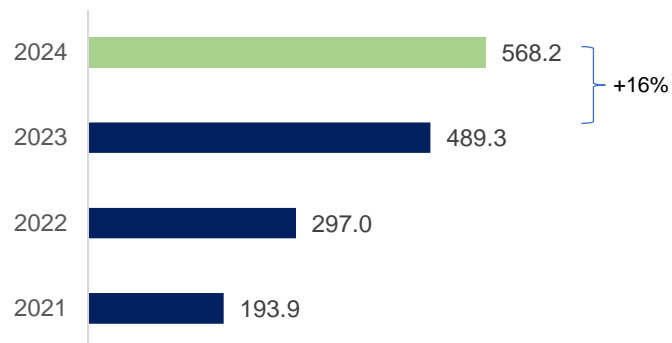


Strong Financial Track Record – Income Statement (USD millions)

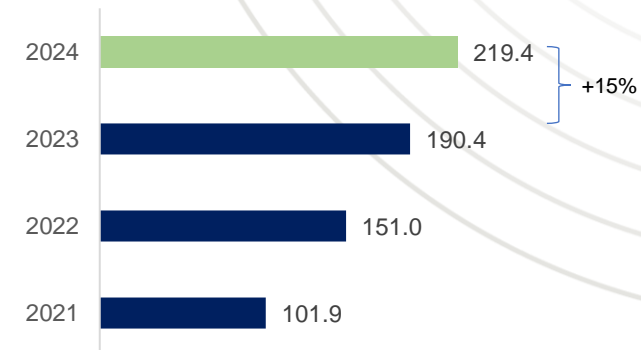
Net Interest Income
CAGR 27%



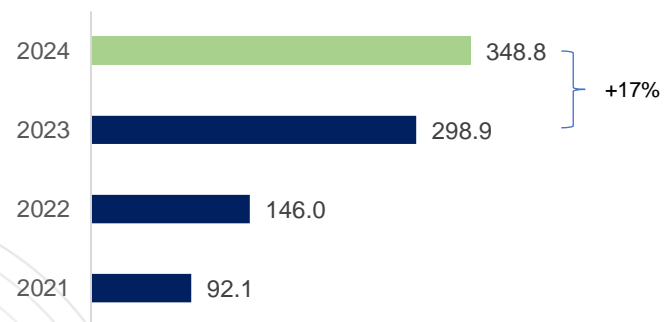
Gross Operating Income
CAGR 43%



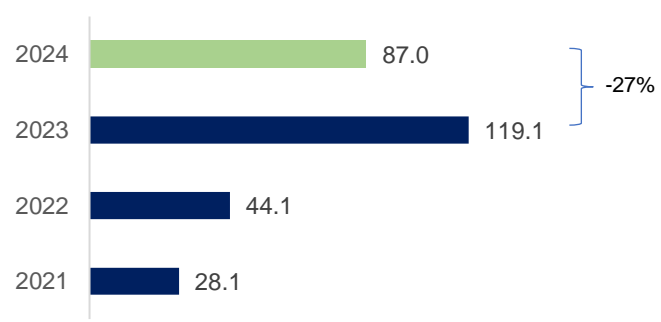
Total Operating Expenses
CAGR 29%



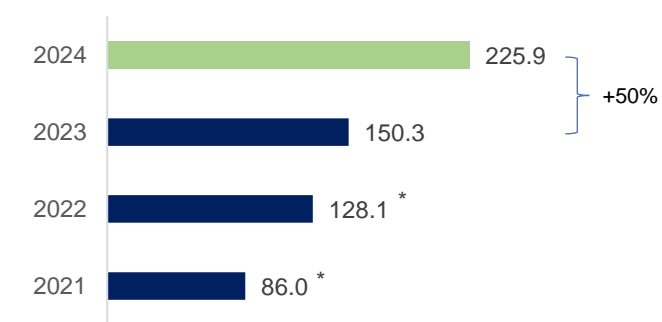
Net Operating Income
CAGR 56%



Provisions
CAGR 46%



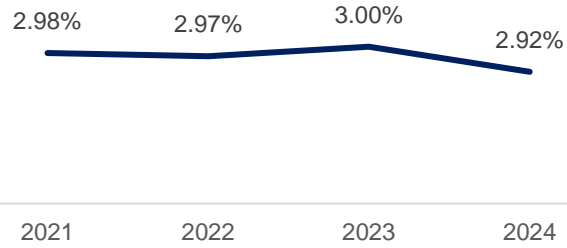
Net Income
CAGR 38%



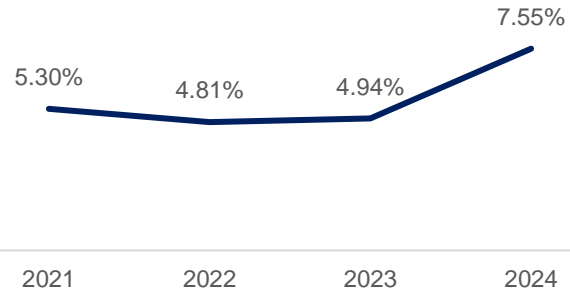
* Includes one-off gain from acquisition of SGBJ in 2022 and Bank Audi in 2021.

Strong Financial Track Record – Ratios

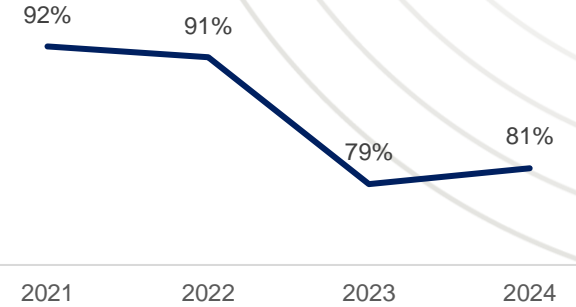
Net Interest Margin (Spread)



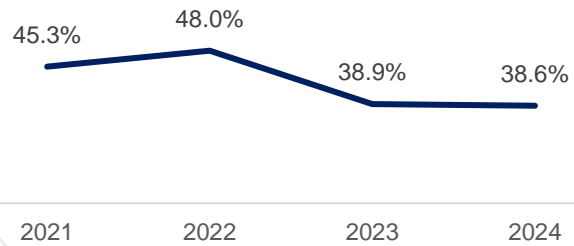
NPL Ratio



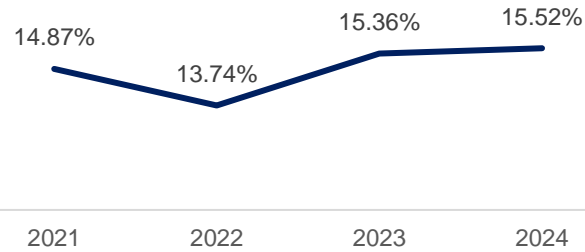
Provision Coverage Ratio¹



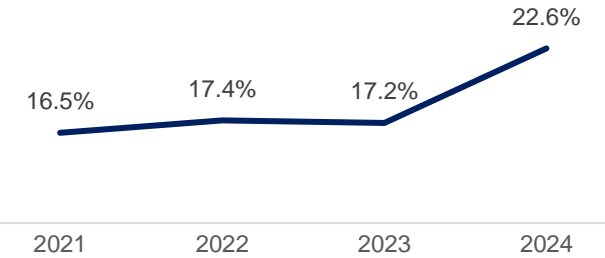
Efficiency Ratio²



Capital Adequacy Ratio



Return on Equity Ratio

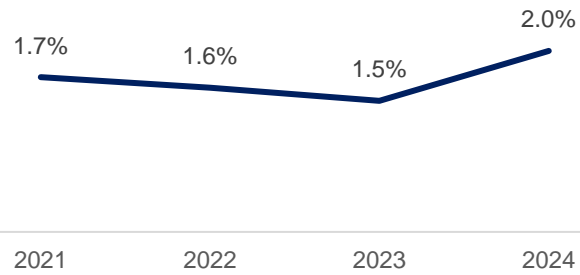


¹ Including collaterals, coverage ratio for 2022 is 131%, 126% for 2023 and 110% for 2024.

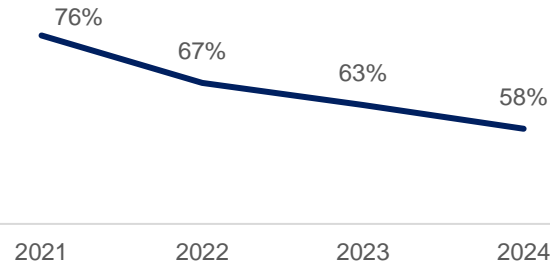
² Excluding one-offs and non-recurring items.

Strong Financial Track Record – Ratios

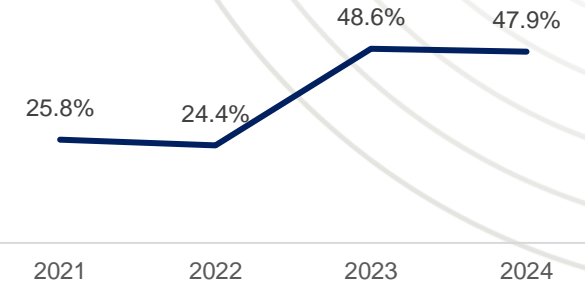
Return on Assets*



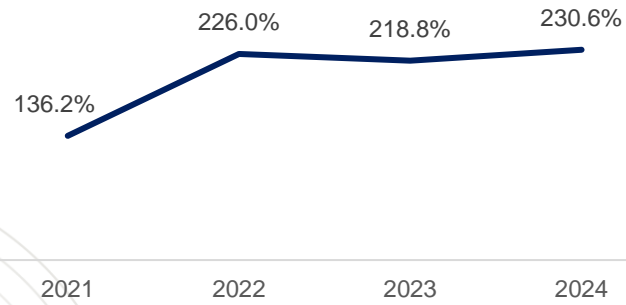
Loan to Deposit Ratio



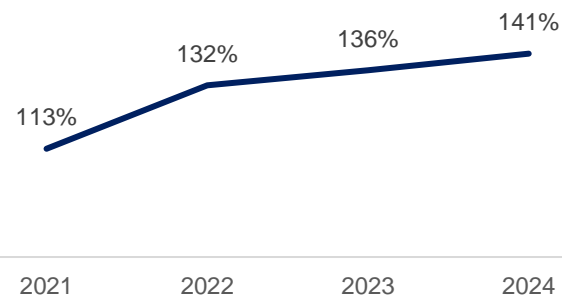
Non Interest Income / Gross Revenue



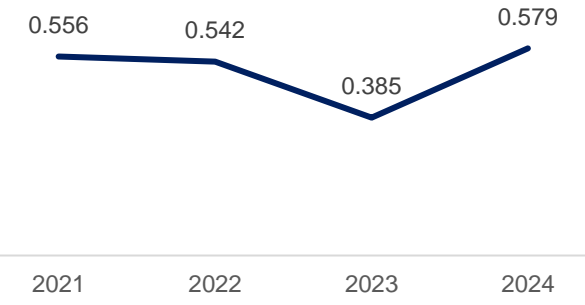
Liquidity Coverage Ratio



Net Stable Funding Ratio



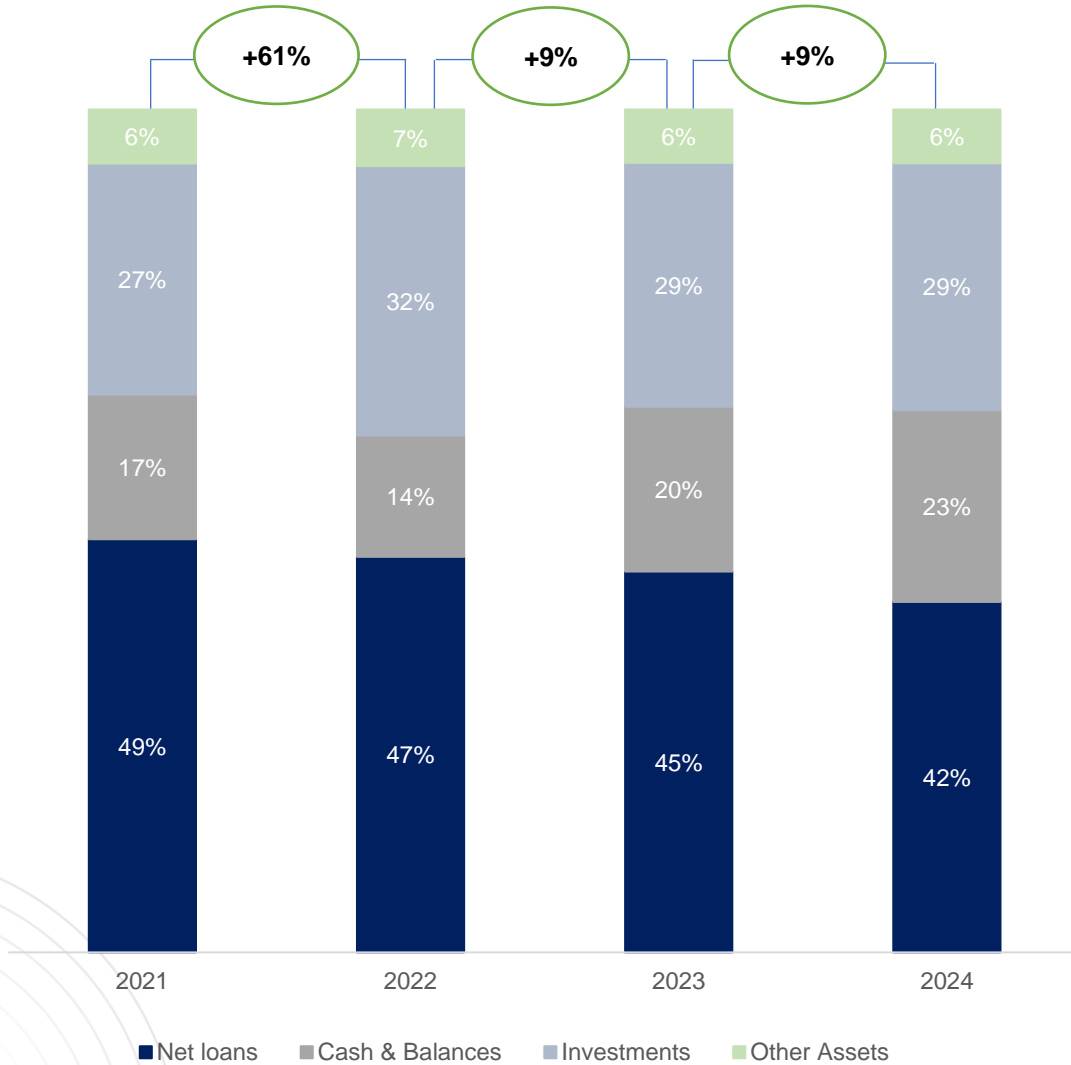
Earnings Per Share*



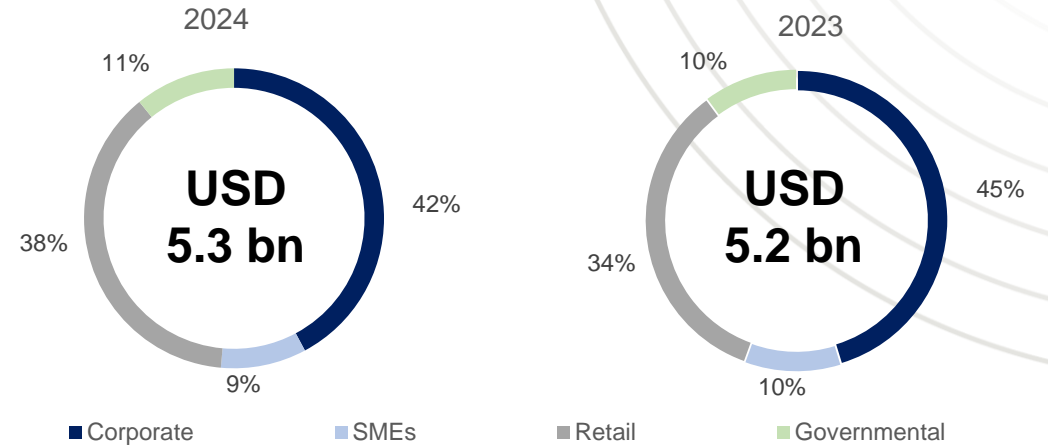
* 2021 and 2022 include one-off gain related to acquisitions.

Assets Breakdown

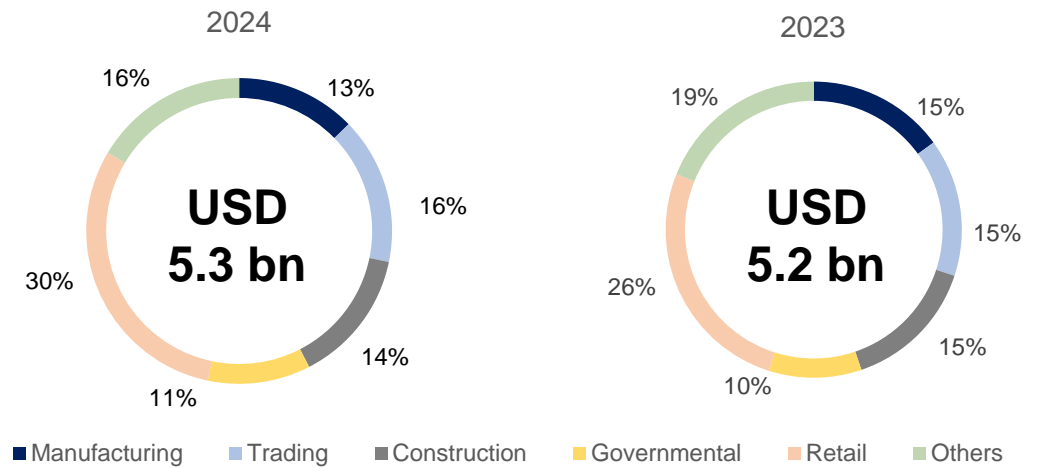
Assets Breakdown



Gross Portfolio Breakdown

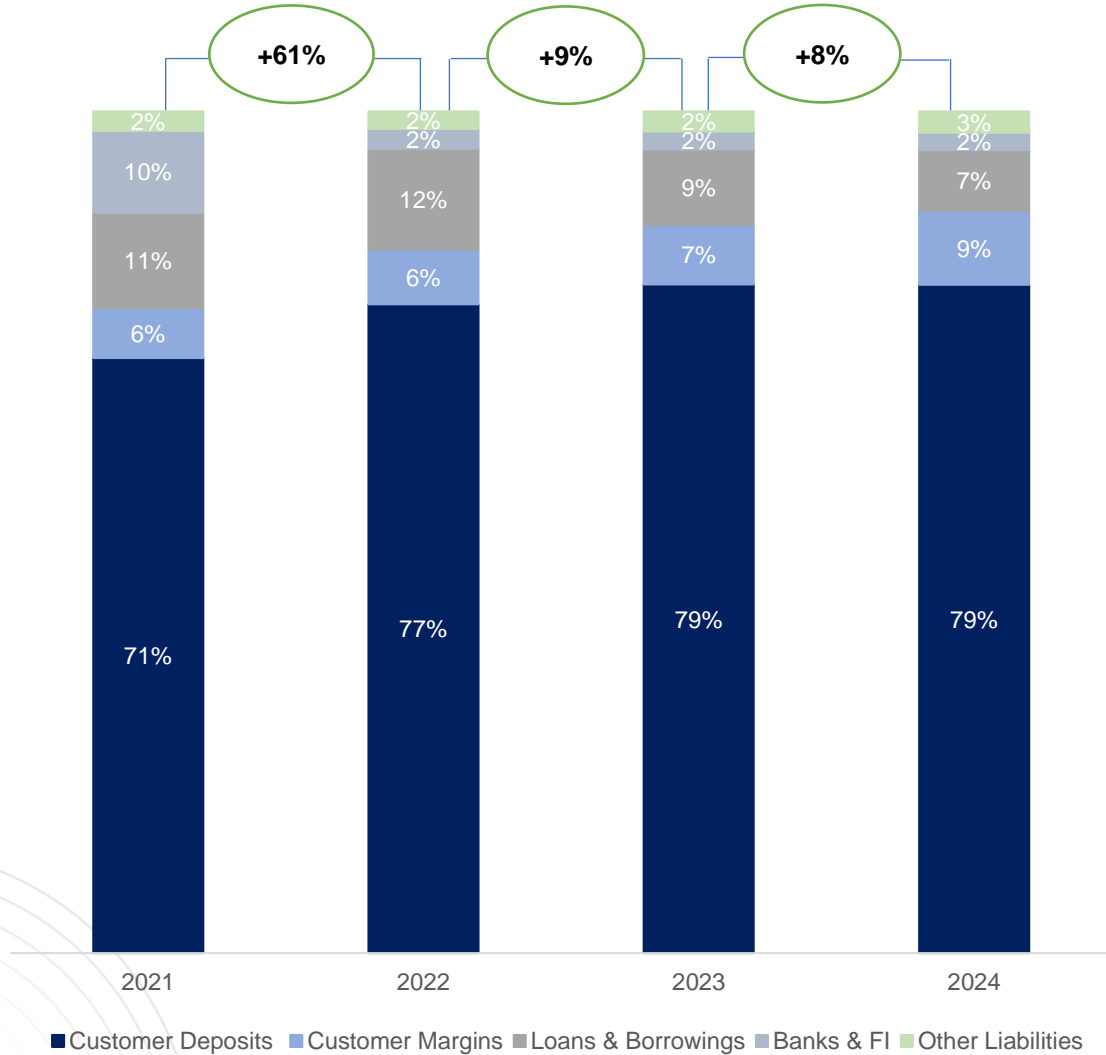


By Sector

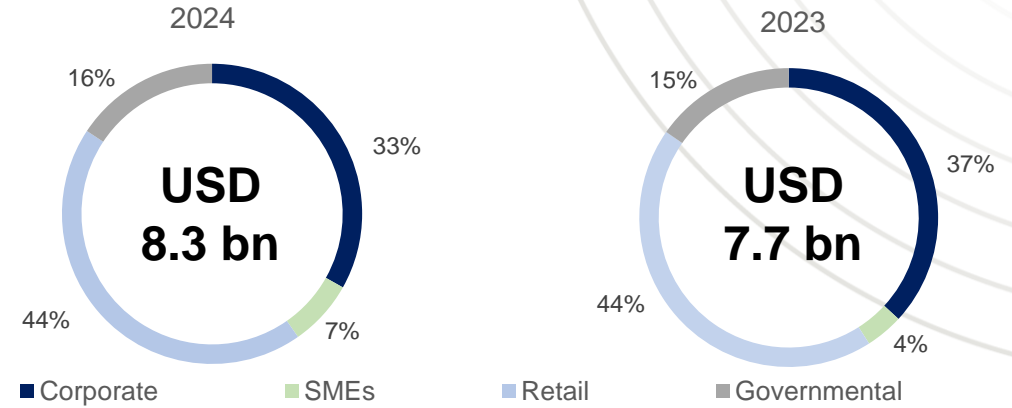


Liabilities Breakdown

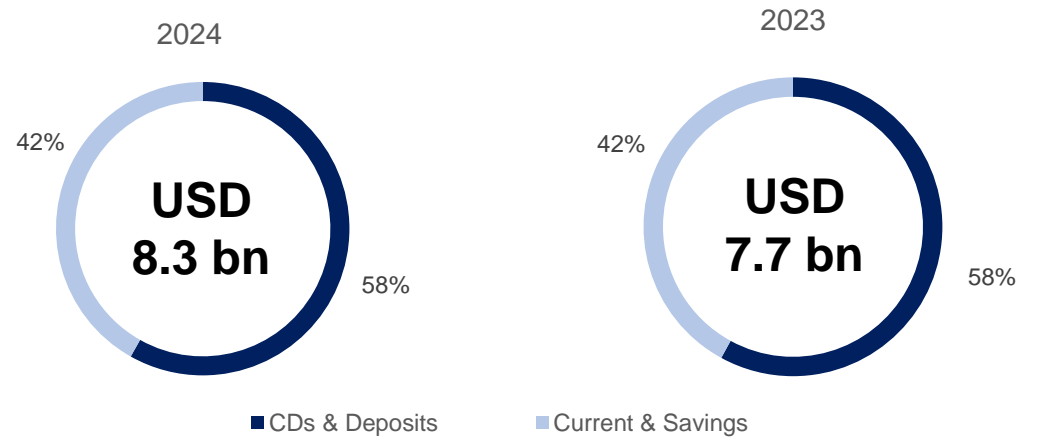
Liabilities Breakdown



Customer Deposits by Segment

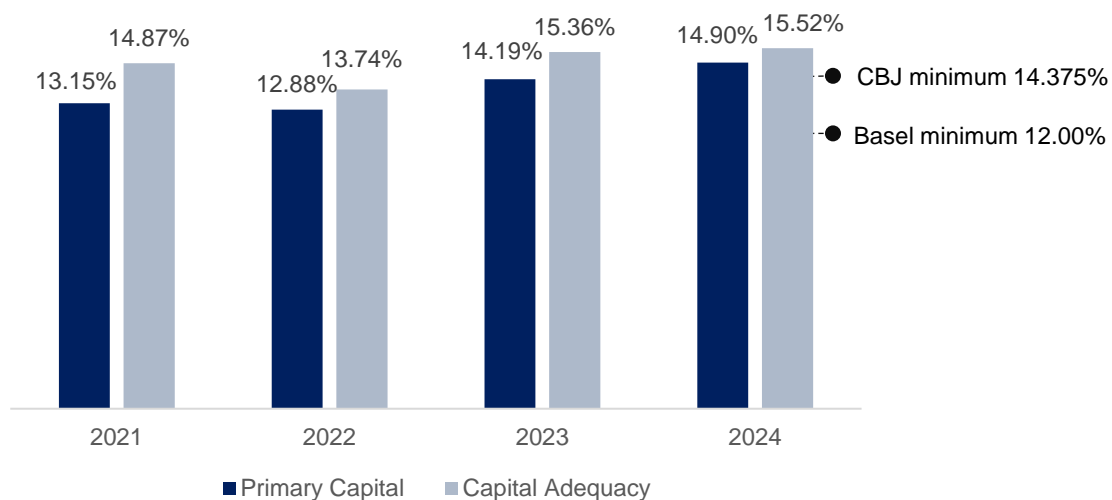


Customer Deposits by Type



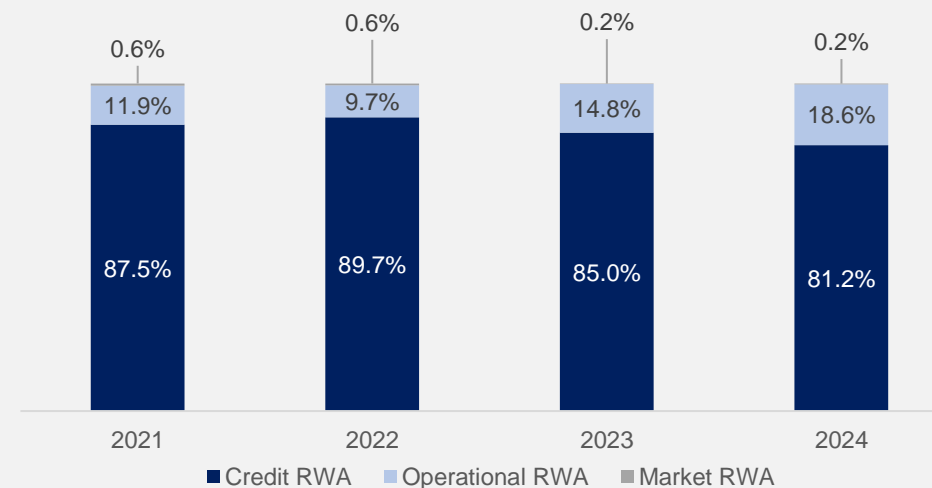
Strong Capital Base

Capital Adequacy Walkthrough



By December 2024, **Capital Ratios** were **above** the minimum regulatory requirements; **CAR** ratio is at **15.52%** against Basel and Central Bank of Jordan's requirement of 12% and 14.375% respectively.

RWA Movement



| Consolidated USD 000s | 2021 | 2022 | 2023 | 2024 |
|--------------------------|-----------|-----------|-----------|------------------|
| Tier 1 Capital | 442,396 | 723,724 | 780,815 | 903,256 |
| Tier 2 Capital | 57,816 | 48,502 | 64,127 | 37,422 |
| Total Regulatory Capital | 500,212 | 772,226 | 844,941 | 940,678 |
| Total RWAs | 3,363,273 | 5,619,691 | 5,502,598 | 6,061,936 |
| Capital Adequacy | 14.87% | 13.74% | 15.36% | 14.90% |

Market Share for Jordan Branches – November 2024









| Item | Banking Sector* | Growth** | Capital Bank Jordan* | Growth** | Market Share Dec 21 | Market Share Dec 22 | Market Share Dec 23 | Market Share Nov 24 |
|---------------------|-----------------|----------|----------------------|----------|---------------------|---------------------|---------------------|---------------------|
| Total Assets | 98,348 | 5.4% | 8,202 | 2.1% | 6.1% | 9.5% | 8.5% | 8.3% |
| Deposits | 65,528 | 6.2% | 5,783 | 6.7% | 5.6% | 9.8% | 8.9% | 8.9% |
| Loans | 49,403 | 4.9% | 3,507 | (5.6)% | 5.3% | 8.4% | 7.9% | 7.1% |

* In USD millions.

** Growth is measured against December 2023.

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

Peer Comparison – Q3, 2024

| | Total Assets ¹ | Net Loans ¹ | Deposits ¹ | Equity ² | Net Profit ² | Efficiency Ratio | ROE |
|--|---------------------------|------------------------|-----------------------|---------------------|-------------------------|------------------|-------|
|  Arab Bank PLC | 41.7 | 17.1 | 28.5 | 6,392 | 614 | 33.3% | 13.7% |
|  Housing Bank | 13.0 | 6.6 | 8.5 | 1,949 | 168 | 41.8% | 11.7% |
|  Capital Bank | 11.7 | 5.0 | 8.4 | 1,105 | 155 | 38.7% | 21.3% |
|  Bank al Etihad | 11.3 | 6.2 | 8.6 | 954 | 54 | 49.3% | 8.5% |
|  Jordan Kuwait Bank | 8.1 | 2.8 | 5.9 | 1,196 | 209 | 21.5% | 28.3% |
|  Cairo Amman Bank | 5.5 | 3.2 | 3.7 | 653 | 11 | 62.0% | 2.3% |
|  Jordan Ahli Bank | 4.8 | 2.4 | 3.3 | 466 | 18 | 60.5% | 5.1% |
|  Bank of Jordan | 4.3 | 2.1 | 3.2 | 745 | 43 | 52.4% | 7.5% |

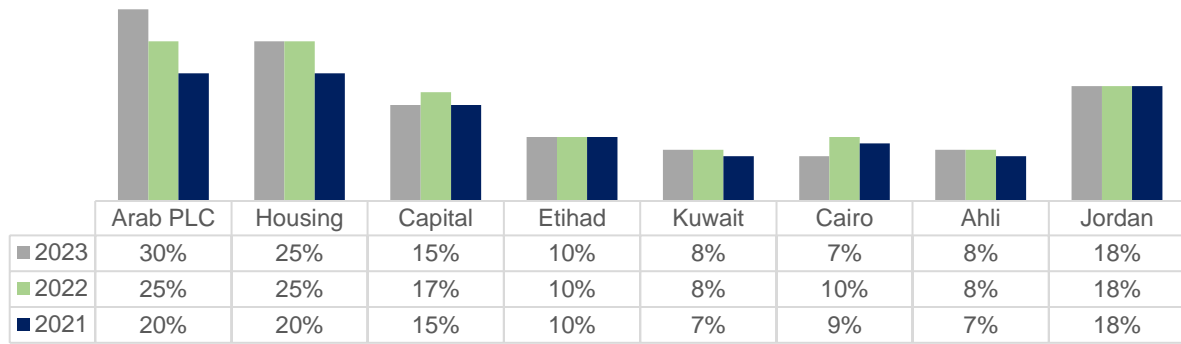
¹ USD billions.

² USD millions.

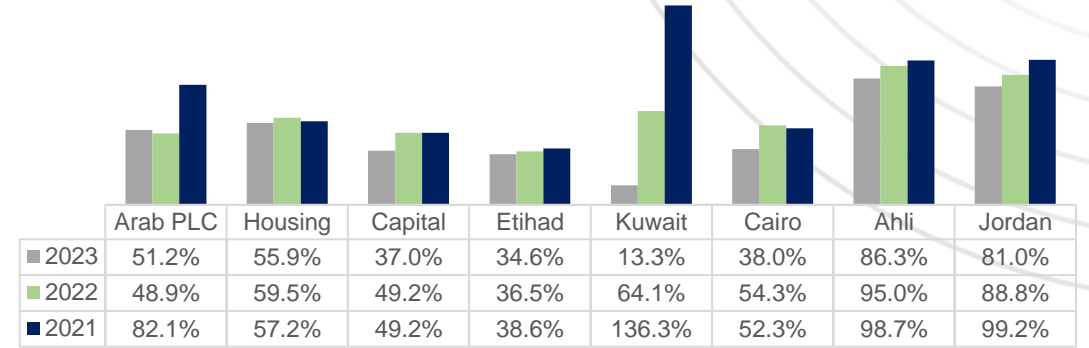
Source: Amman Stock Exchange

Capital Bank Stock – Versus Peers

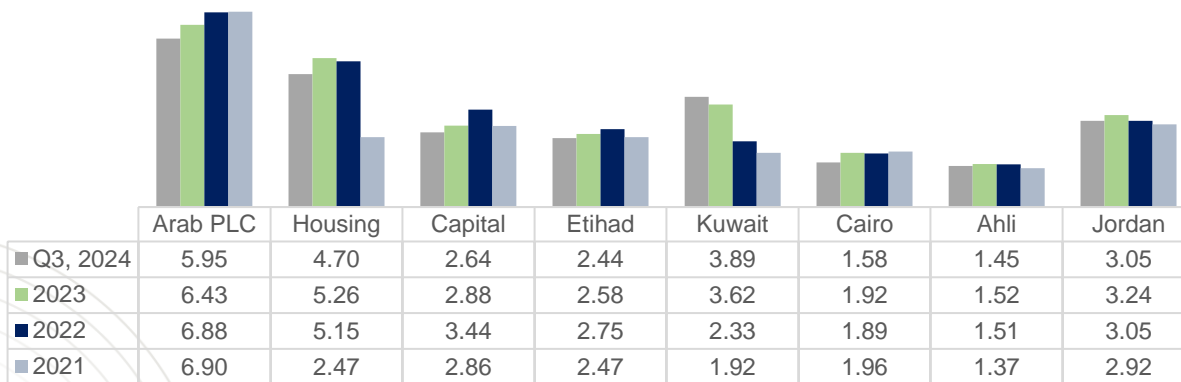
Dividend as a Percentage of Capital



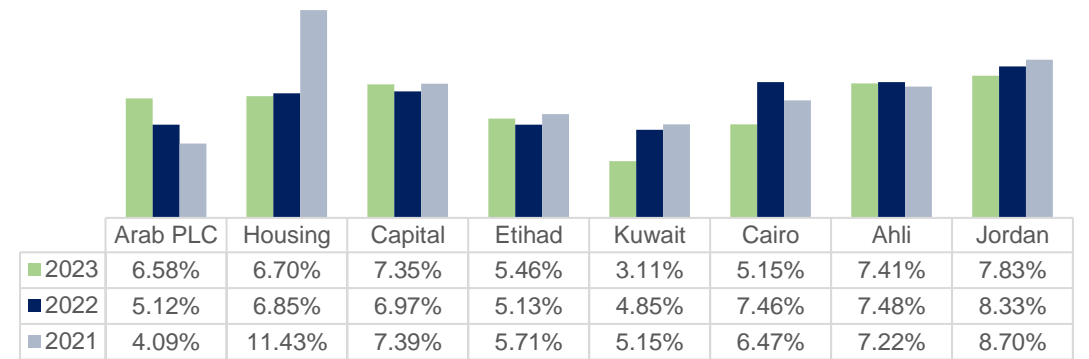
Dividend Payout Ratio



Stock Closing Price (in USD)



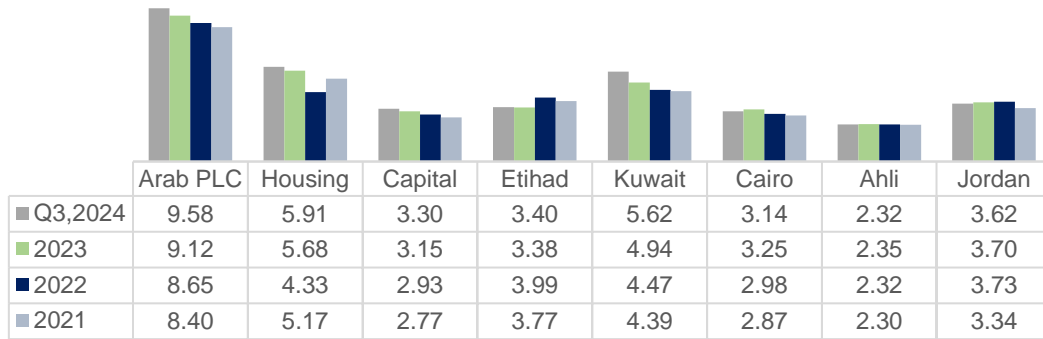
Dividend Yield



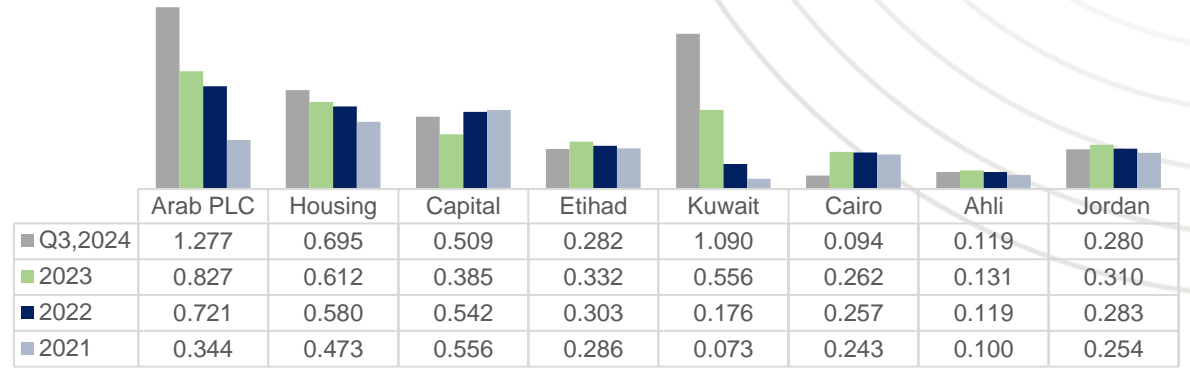
Source: Amman Stock Exchange.

Capital Bank Stock – Versus Peers

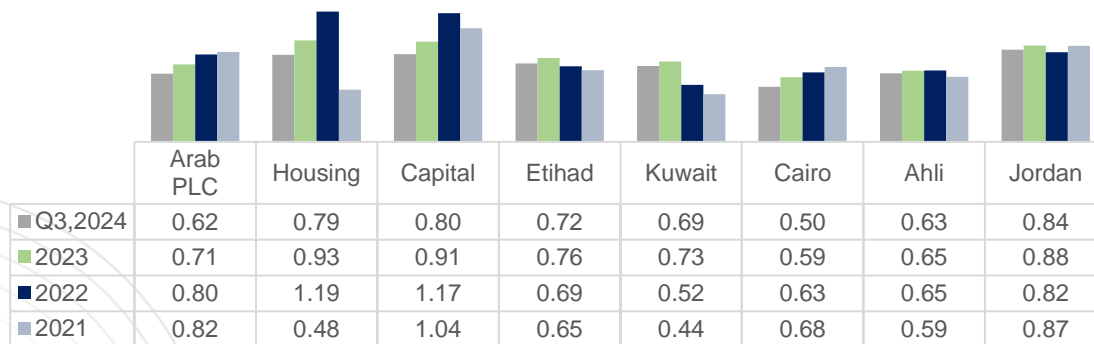
Book Value Per Share (in USD)



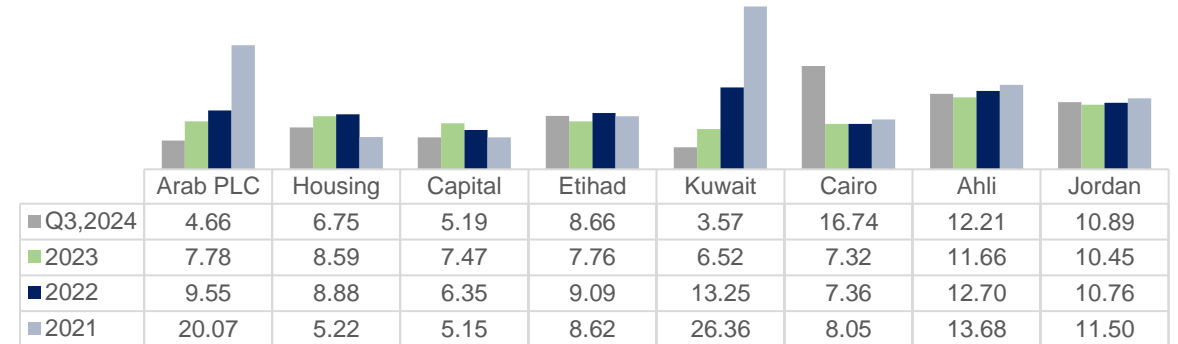
Earnings Per Share (in USD)*



Price to Book Value



Price to Earnings Ratio*



Source: Amman Stock Exchange.

* Earnings are annualised for Q3, 2024.

Capital Bank Stock

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

Symbol: CAPL.

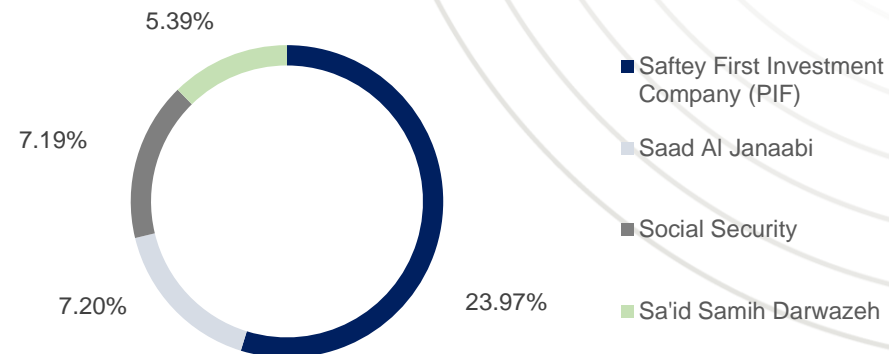
Free Float: 45.7%.

ISIN: JO1101711017.

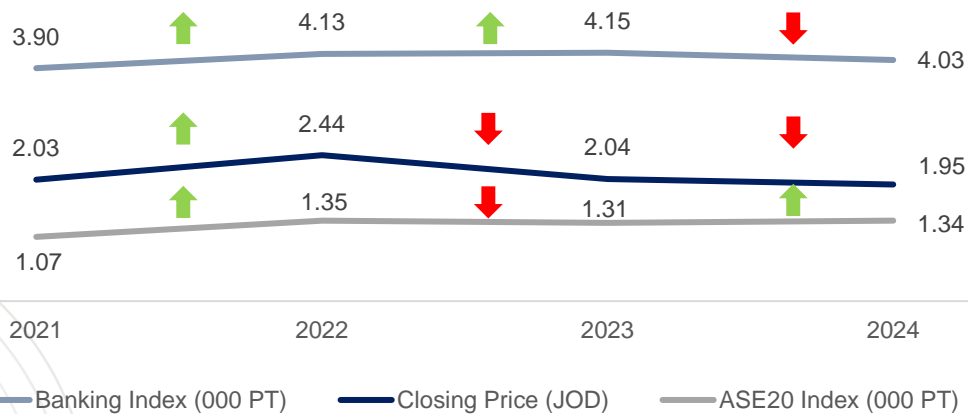
Share Turnover*: 3.99%.

| Year | Opening Price | Closing Price | High Price | Low Price |
|------|---------------|---------------|------------|-----------|
| 2024 | JOD 2.04 | JOD 1.95 | JOD 2.11 | JOD 1.80 |
| 2023 | JOD 2.44 | JOD 2.04 | JOD 2.60 | JOD 1.85 |
| 2022 | JOD 2.03 | JOD 2.44 | JOD 3.10 | JOD 2.00 |
| 2021 | JOD 0.98 | JOD 2.03 | JOD 2.06 | JOD 0.98 |

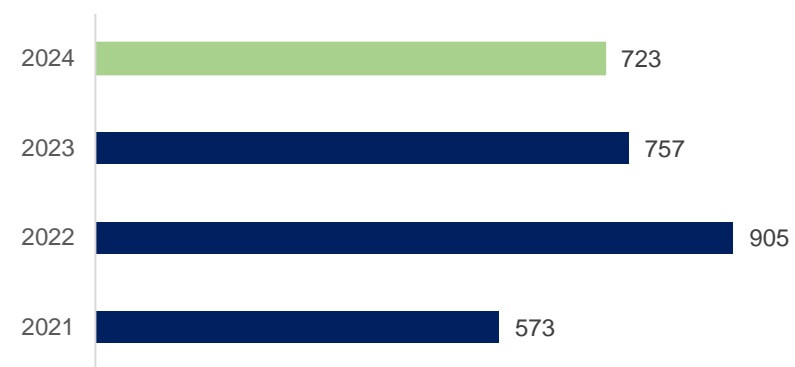
Major Investors with 5% Ownership or More (31.12.2024)



Capital Bank Share vs ASE20 and Banking Index (Closing Price Q4, 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.

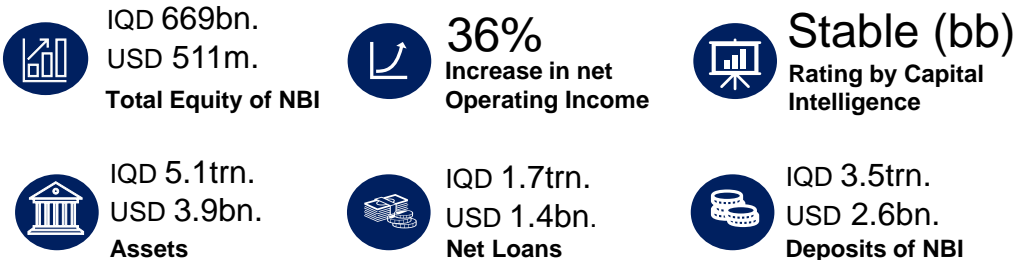


National Bank of Iraq – In Brief

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 – 2024



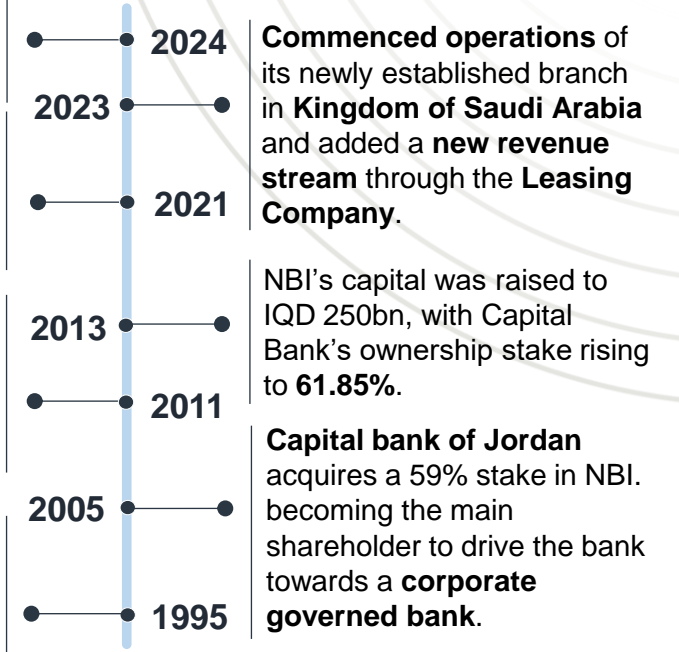
Timeline

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

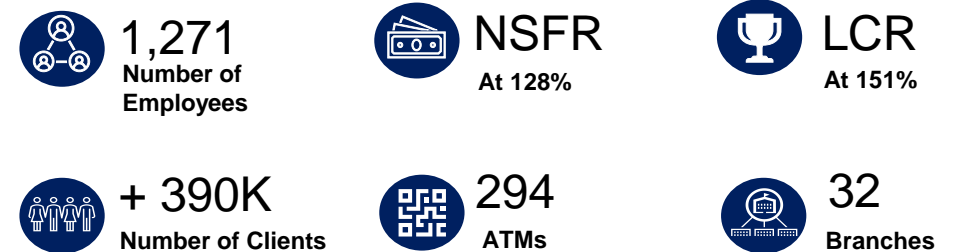
NBI acquired **Bank Audi's branches** in March 2021, further strengthening positioning in Iraqi market.

NBI's capital is raised to IQD 100bn, 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.



Key facts – 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 end of 2024



Assets Under Management

~USD 1.1bn

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



Number of Brokerage Accounts

~8.8K

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

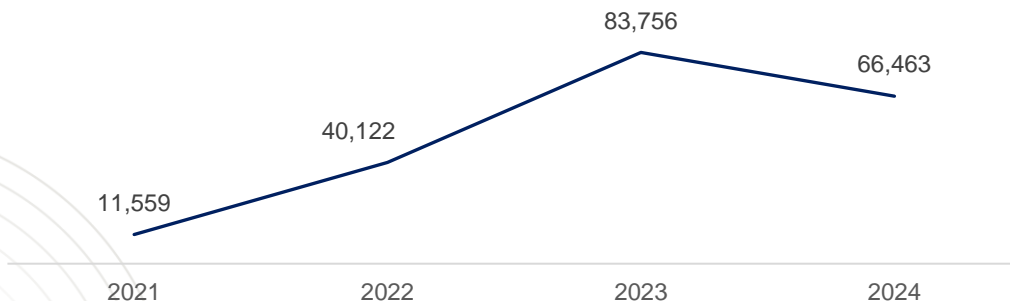
- Local, regional and international markets.
- Equities
- Treasuries and corporate bonds.
- Structured products.
- Precious metals.
- Equity research.
- Sector reports.
- Economic reports.
- Market reports.

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.).

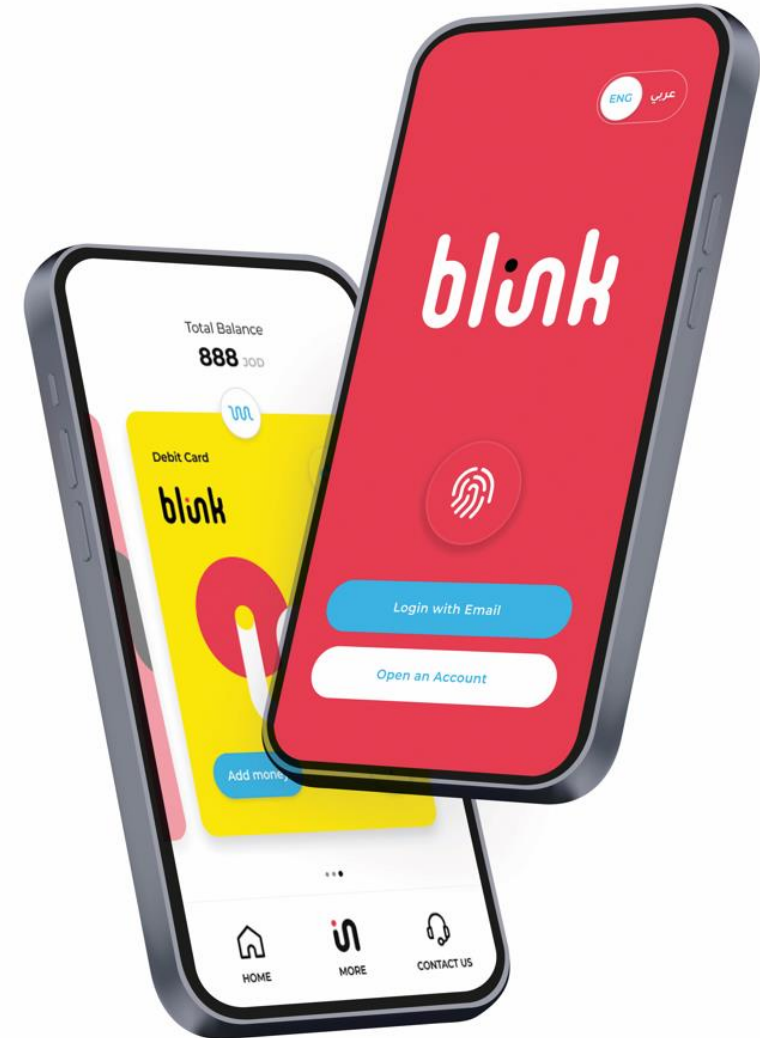
Portfolio Thrive



Capital Leasing's **portfolio** has increased nearly **sixfold (6x)** since its acquisition; with potential for further **growth** driven by the higher demand, and real-estate developers' preference 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 saw significant growth, reaching a 92% penetration rate by year-end, highlighting a strong shift toward digital banking. More clients now prefer online services over traditional methods for daily banking.
- Customers can link their bank accounts or instantly open investment accounts, fund trading accounts, and start trading in global and regional markets through digital channels.

Customer Centricity & Experience



- Digital services, including onboarding and e-KYC, have reduced manual work and enhanced the customer experience. Secure messaging via the mobile app also improves communication including the mobile app's agent chat.
- Capital Bank Digital now offers a 360-degree personal finance view, integrating external assets, liabilities, and full commitments.
- Conveniently, customers can seamlessly acquire financial products, obtain personal loans, and invest in term deposits at competitive rates through digital channels.

Enhanced Efficiency & Productivity



- Capital Bank enhanced its offerings by introducing 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



- In 2024, Capital Bank became Jordan's first bank to comply with the Open Banking, ensuring customer data security, innovation and customer data accessibility.
- Capital bank started to make tie ups with local and regional incubators and accelerators to provide customers with innovative solutions offered by startups and fintech leveraging a world-class open banking platform.

Innovation in Payments



- Capital Bank introduced credit card issuance within the app offering added convenience to customers. Additionally, card replacement and management are accessible directly through the digital app.
- Capital Bank's Easy Payment Plan (EPP) offers customers the option to pay for purchases in convenient monthly installments.
- The introduction of Smart POS by Capital Bank aimed to expand merchant network and encourage the uptake of non-cash transactions.

Increased Digital Adoption



- Growing customer logins and digital interactions reflect increased adoption and a positive experience. More customers rely on digital access for daily views, cash management, and transactions via e-Statements, supporting sustainability efforts like no-receipt printing at ATMs and POS.
- Corporate and SME clients fully embrace advanced digital services, with most cash management now handled online.

Group Guidance

Medium / Long Term Guidance – 2027



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 honoured 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 organisations such as:
 - Queen Rania Foundation
 - Injaz for Education & Entrepreneurship
 - Wasel for Education and Awareness
 - Elia Nuqul Foundation
 - Al Aman Fund
 - Jordan Basketball Federation
 - 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
 - Iwaa Center
- 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 under ‘Deer Malak’ Initiative.

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 Labour and Minister of Finance and was a member of the Jordanian Senate.
- Served on the boards of several prominent private and publicly listed companies, including the Association of Banks in Jordan and the Social Security Corporation.

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

Composition Stats

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

Highly Experienced Management Team



Mr. Tamer Ghazaleh
Chief Executive Officer

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

| Name | Position | Joined |
|------------------------|--|--------|
| Fraje Nersesian | Chief Strategy Officer | 2018 |
| Haya Abuata | Chief Human Resources Officer | 2020 |
| Labib Musallam | Chief Treasurer and Investment Officer | 2016 |
| Linda Tarazi | Group Chief Transformation Officer | 2022 |
| Manar Al Nsour | Group Chief Financial Officer | 2016 |
| Manar Aabidi | Group Chief Credit Officer | 2020 |
| Mohammed Mu'az | Group Chief Legal Counsel | 2003 |
| Munis Haddadin | Group Chief Risk Officer | 2021 |
| Nadeem Khitan | Chief Consumer Banking Officer | 2024 |
| Rami Stephan | Group Chief Audit Executive | 2024 |
| Shereen Nasr | Group Chief Compliance Officer | 2021 |
| Touleen Barto | Chief Marketing and Corporate Communications Officer | 2021 |
| Yasser Kleib | Chief Institutional Banking Officer | 2009 |
| Zein Malhas | CEO, Blink | 2019 |

SUBSIDIARIES

| | | |
|-------------------------|----------------------------------|------|
| Ayman Abu Dhaim | CEO, National Bank of Iraq | 2018 |
| Bashar Amad | CEO, Capital Investments | 2021 |
| Manar Ameen | General Manager, Capital Leasing | 2022 |
| Rola Abu Irshaid | SEO, Capital Investments – DIFC | 2024 |

Gender



53%



47%

Education

Bachelor's

53%

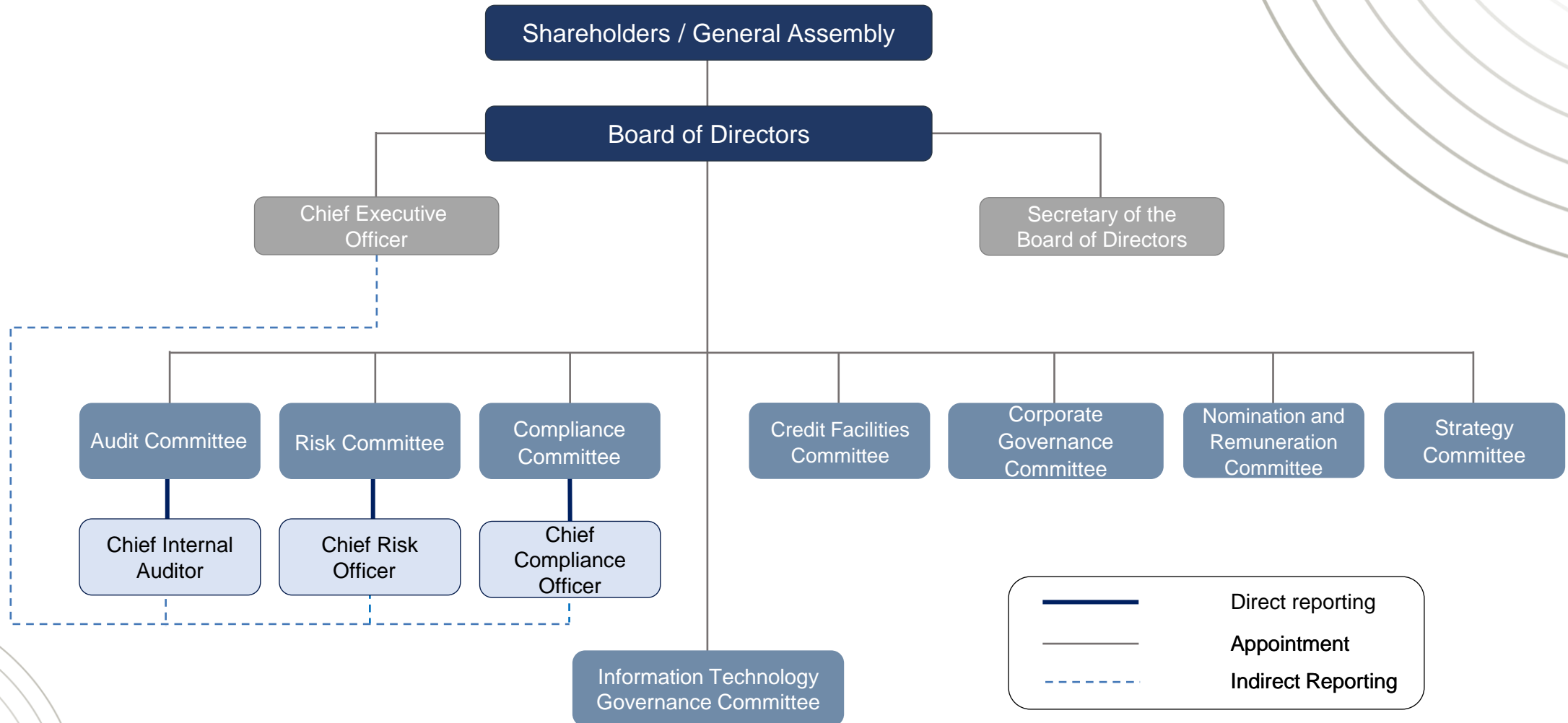
Master's

47%

Average Experience

> **24**
Years

Solid Governance and Decision Making





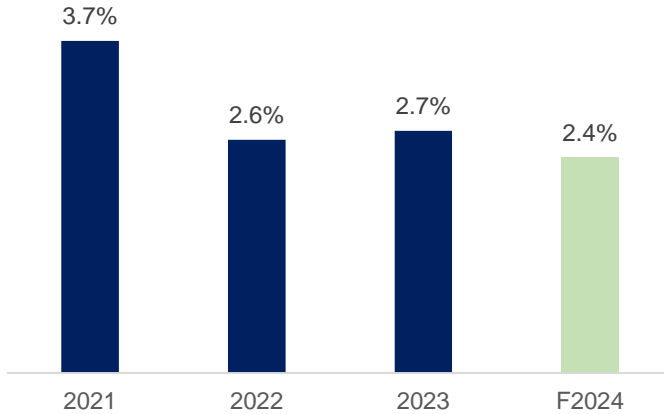
Section 3

Macroeconomic Developments and Banking Sector Highlights

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bank

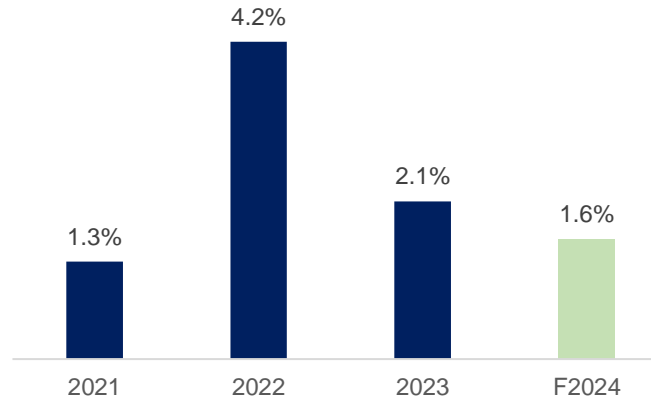
Jordanian Economy Highlights

Real GDP Growth Rate



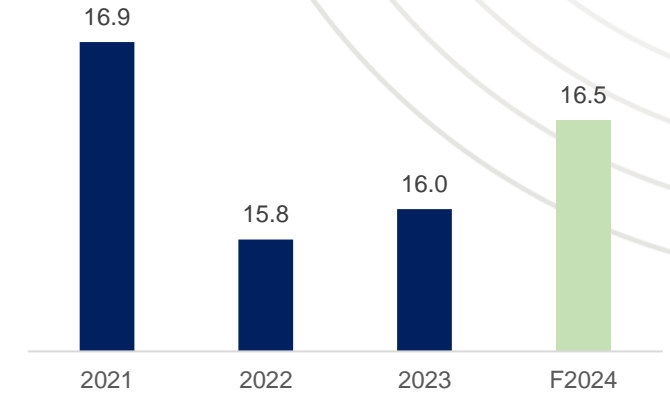
Jordan established a track record of fiscal reform implementation and prudence (backed by the IMF) which will likely contribute to a further narrowing of its fiscal deficit and a decline in government debt over the next few years.

Inflation Rate (CPI, Average Annual)



The annual inflation rate in Jordan is projected at 1.6% for 2024, primarily driven by price pressures in housing and utilities, particularly fuels and electricity.

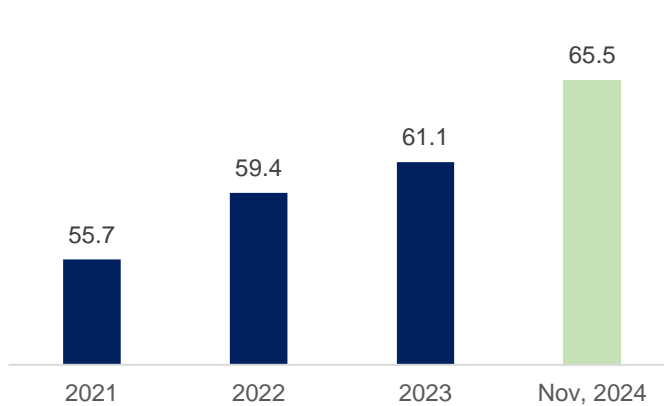
Foreign Currency Reserves (USD Bn)



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.

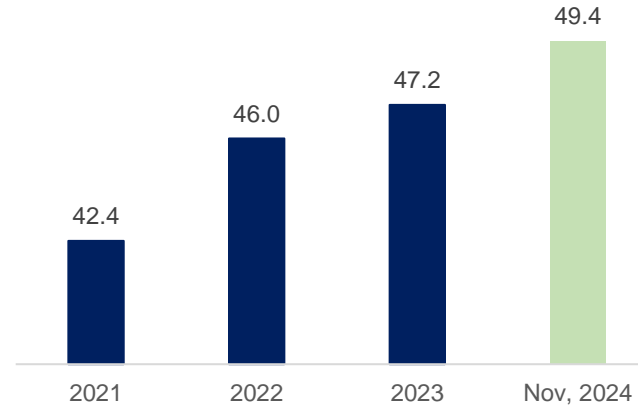
Jordanian Banking Sector

Total Bank Deposits (USD Bn)



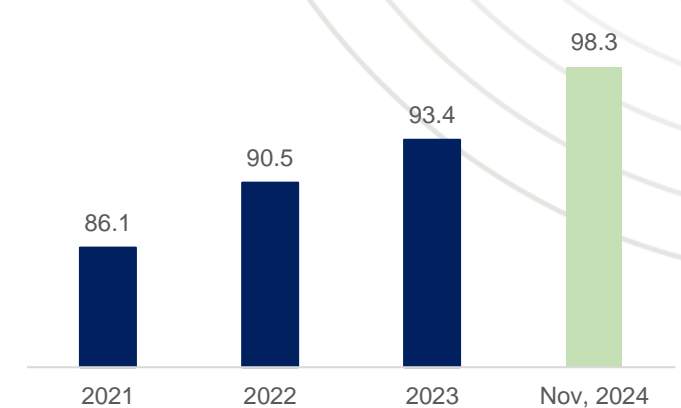
Standing at USD 65.5 billion as of November 2024, Total Bank Deposits witnessed a rising trend throughout the years.

Banks Total Loans (USD Bn)



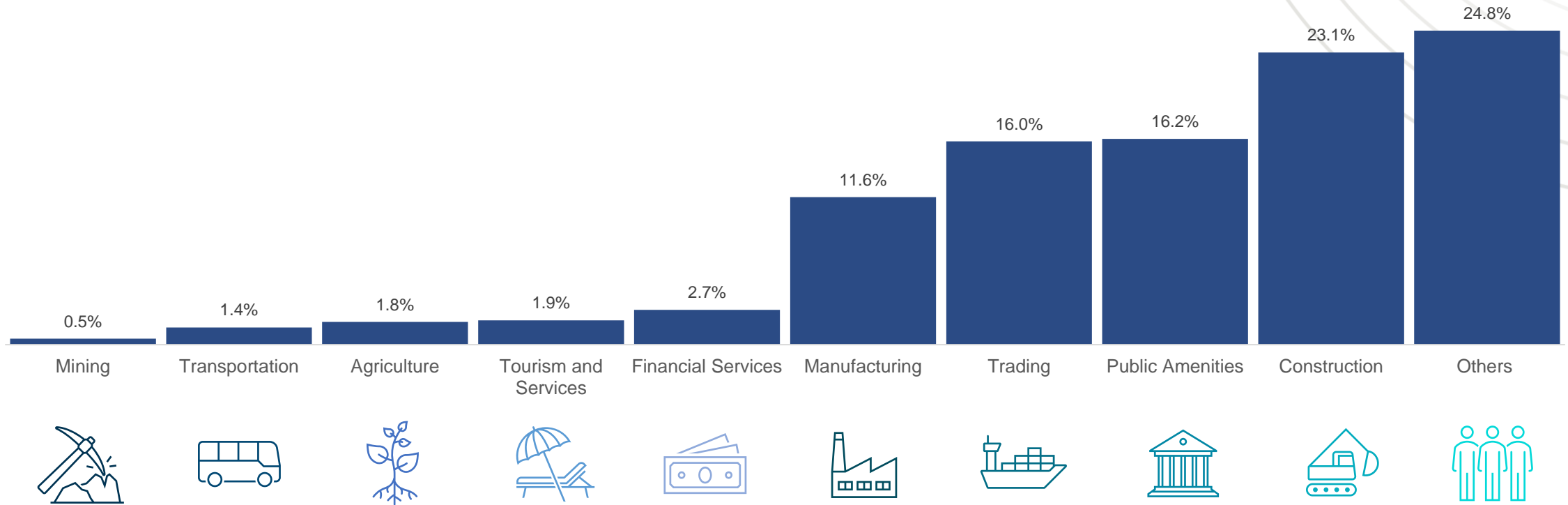
At USD 49 billion, Banks' Total Loans similarly witnessed an increasing trend since 2022, with Loan to Deposit ratio reaching 75.4% in November 2024 compared to 77.2% as of December 2023.

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 Q3, 2024.

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

Key Banking Indicators

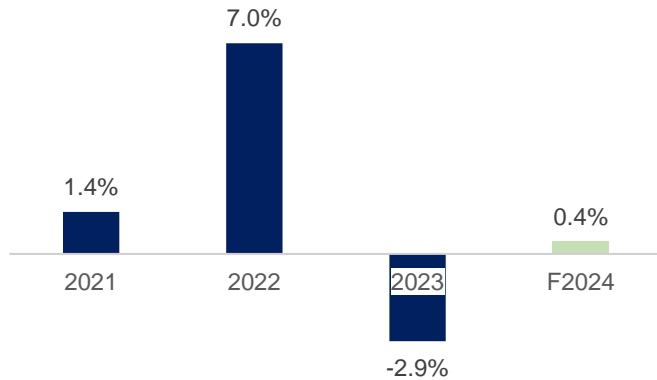
| Item | 2020 | 2021 | 2022 | 2023 | 2024* |
|--|-------|-------|-------|-------|-------|
| Non-Performing Loans Ratio | 5.50% | 5.30% | 4.80% | 4.94% | 5.60% |
| Coverage Ratio | 71.5% | 79.9% | 81.5% | 75.6% | 73.1% |
| Return on Equity (ROE) | 5.1% | 8.3% | 8.8% | 9.3% | 9.8% |
| Return on Assets (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.

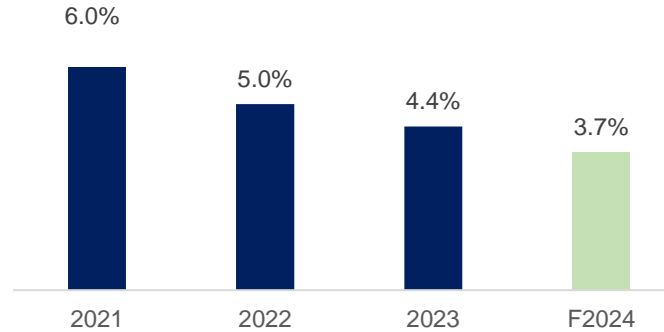
Source: Association of Banks in Jordan – Monthly Banking Bulletin (December 2024 Edition).

Iraqi Economy Highlights

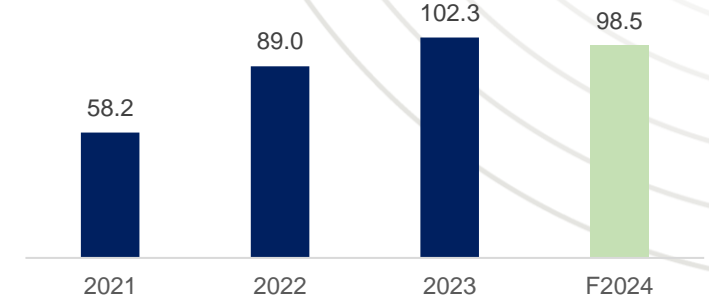
Real GDP (% Change)



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 3.7% 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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