

26th Ordinary General Assembly Minutes of Meeting Thursday, March 24, 2022



In accordance with the provisions of Defense Law Number (13) for the year 1992 and the directives issued by His Excellency the Minister of Industry, Trade, and Supply on April 9, 2020, Capital Bank of Jordan, a public shareholding company, held its 26th ordinary general assembly meeting at 9:00 a.m. on March 24, 2022, using audiovisual and electronic communications. The meeting was chaired by the Chairman of the Board of Directors H.E. Bassem Al-Salem.

The chairman of the board welcomed the Companies Controller Dr. Wael Armouti, Capital Bank's shareholders, attendees, and the representative of the Central Bank of Jordan.

Before declaring the legality of the meeting, H.E. Bassem Al-Salem gave the floor to the Company's Controller.

The Companies Controller Dr. Wael Armouti started his speech by welcoming the Chairman of the Board of Directors H.E. Bassem Al-Salem, members of the board, members of the executive administration, and shareholders. He said: "It is my pleasure to attend the 26th Ordinary General Assembly. We are proud of Capital Bank and its economic achievements at the level of the Kingdom and the region. I wish you a prosperous meeting and I wish this company more progress and prosperity under the guidance of HM King Abdullah II Ibn Al-Hussein."

He asked the Chairman of the Board to present the items on the agenda as set in the invitation to the shareholders.

After the Chairman of the Board thanked the Companies Controller for his speech and announced the appointment of Ms. Orouba Qarain, secretary of the board of directors, as the clerk of the meeting and Capital Bank's work team as the observer of the vote collection mechanism. He asked Ms. Qarain to announce the percentage of the attendees according to the latest list of attendees.

Ms. Qarain announced that the shareholders attending the meeting were 132, holding 169,767,673 bank shares personally and by proxy, representing 81.38% of the bank's subscribed and paid-up capital amounting to JD/shares 200,000,000 and that all the 13 board members attended. She also announced that the bank's external auditors, PriceWaterhouse Coopers, attended and that the quorum for the ordinary General Assembly was legally met. She noted that the date of the General Assembly meeting was announced in two daily newspapers, on the bank's website, and on the website of the Companies Control Department as per the directives issued by the Minister of Industry, Trade, and Supply on April 9, 2020, and Defense Order Number 5 for the year 2020.

Based on this, H.E. the Chairman of the Board of Directors declared the meeting legal and that all decisions taken by the ordinary General Assembly are binding for all shareholders present and absent.

H.E. the Chairman of the Board then delivered his speech, which he began by welcoming the attendees and the shareholders to the annual meeting to discuss the most prominent developments and strategic developments for the bank.

H.E. the Chairman of the board indicated that Capital Bank was able, over the past two years, to achieve very positive results that affected the Bank's financial indicators, profitability, and financial strength as envisioned in its ambitious and calculated expansion vision that led to strengthening the bank's position in the banking market in both Jordan and Iraq. The growth extended to the effective acquisition of two banking institutions within 12 months in a calculated manner that placed the interest of shareholders and the added economic value at the forefront of priorities.

In order to achieve further expansion, the bank recently strengthened its capital base by issuing perpetual bonds for the first time in the Kingdom at a value of \$100 million. The issuance was very well received, demonstrating beyond the shadow of a doubt investor confidence in the creditworthiness of the institution and its ability to make further progress and growth of its market value.

Based on the bank's vision that aims to expand regionally in order to build on the economic opportunities inherent in the region and in an effort to enhance aspects of Arab economic integration, the bank has strengthened its presence in the region by establishing a branch of the National Bank of Iraq in the Kingdom of Saudi Arabia to benefit from the trade exchange between the two countries. This will enable the achievement of promising opportunities in light of the economic openness between the two countries and the economic prosperity that will result from it, as the bank seeks to have Jordan play an important role in it.

The Chairman of the Board of Directors also indicated that the bank launched the digital bank Blink this year, supported by the latest global financial technology in terms of infrastructure and technical expertise, and characterized by knowledge and creativity. The digital bank was supported with the independence and flexibility it needs, coupled with well-established governance frameworks that enable it to continue developing.

At the end of his speech, the chairman of the board of directors said he hoped that the next meeting would be in person, adding that the bank will continue its achievements. He wished everyone continued good health and wellness. He extended his sincere thanks to the Central Bank of Jordan, a great national economic institution that has been able to, over the years, strengthen the pillars of financial and monetary stability in the Kingdom, paving the way for economic success.

He then expressed hope for Jordan to remain strong and unassailable under the wise and prudent leadership of HM King Abdullah II Ibn Al-Hussein, with all loyal Jordanians behind him.

The Chairman of the Board then opened the floor to Chief Executive Officer Dawod Al-Ghoul to give his speech. Al-Ghoul presented the most important achievements of Capital Bank Group, as follows:

1. Finalizing Capital Bank Group's acquisition of all Bank Audi businesses and branches in Jordan and Iraq, and successfully merging it with the bank's operations.
2. Obtaining a banking license to open a branch for the National Bank of Iraq in the Kingdom of Saudi Arabia, setting a precedent for an Iraqi bank operating in the private sector.
3. Finalizing the work on the digital bank Blink and launching it in January 2022.
4. Presenting the binding offer for acquiring Société Générale-Jordan and proceeding with the acquisition process.
5. Completing the process of issuing the first permanent bonds to support the capital base and listing them on the NASDAQ Dubai Stock Exchange. This is the first issuance of loan bonds issued by a Jordanian bank on the international financial exchange in the region, and Dubai is the largest center for listing debt instruments denominated in US dollars in the Middle East.
6. The bank obtained the B1 classification with a stable future outlook from Moody's, one of the best assessments of all the banks in Jordan.
7. Expanding the group's retail client base by three times at the branches of Capital Bank Jordan and the National Bank of Iraq.
8. Increasing the volume of assets managed by Capital Invest by more than 54%, reaching \$427 million in 2021 compared with \$277 million in 2020.
9. Nearly doubling the number of clients trading in securities and the number of online accounts at Capital Invest.

Mr. Al-Ghoul then presented the most important financial indicators and profits as follows:

Total Assets

1. Capital Bank Group was able, during the past year, to increase the volume of its assets from JD2.7 billion at the end of 2020 to JD4.3 billion at the end of 2021, an increase of JD1.6 billion, of which JD523 million came as a result of the acquisition of Bank Audi's branches and businesses in Jordan and Iraq, with a growth rate of 57%.
2. The net credit facilities portfolio grew from JD1.4 billion in 2020 to JD2.1 billion in 2021, an increase of JD700 million, which is equivalent to a growth rate of 49%, of which JD237 million came as a result of the acquisition of Bank Audi's branches and businesses in Jordan and Iraq.

Clients Deposits

1. This growth was supported by an increase in the volume of client deposits from JD1.7 billion in 2020 to JD2.8 billion in 2021, achieving a growth rate of 65%, which is equivalent to JD1.1 billion, of which JD394 million is due to the acquisition of Bank Audi branches.
2. The net operating income of Capital Bank Group amounted to about JD73 million at the end of 2021, compared to JD63 million in 2020, with an increase of 16%, which is the equivalent of JD10 million, after excluding non-recurring items, including non-recurring profit and return resulting from the acquisition.

Net Income

1. The group was able to achieve a net income of about JD61 million in 2021 compared to JD30.3 million in 2020, an increase of 100%, including non-recurring profits resulting from the acquisition of Bank Audi branches.
2. The percentage of coverage of the provisions for non-performing facilities (after deducting suspended interest) increased to 93% by the end of 2021 compared to 74% for 2020.

Basic Shares

1. The basic share of profit (EPS) for the year attributable to the bank's shareholders reached JD0.394 in 2021, compared to JD0.130 in 2020. The return on equity amounted to 16.3%, which is considered the highest in the Jordanian banking sector.
2. The group's shareholder equity grew by 10%, reaching JD392 million at the end of 2021 compared to JD356 million

in 2020.

The Chairman of the Board thanked Mr. Al-Ghoul for his remarks and declared the commencement of the meeting.

Due to the fact that there were no inquiries addressed to the bank by shareholders who own less than 10% of shares, discussion of the items on the meeting's agenda shall begin as follows:

Item One: Reading the decisions of the previous ordinary General Assembly meeting held on April 15, 2021
Ms. Qarain read the decisions taken during the 25th General Assembly held on April 15, 2021.

Item Two: Voting on the Board of Directors' Report about the bank's operations for the fiscal year 2021 and the plan for 2022 and ratifying them

The shareholders were provided an opportunity to vote on the second item of the agenda. Ms. Qarain announced the result of the vote that appeared on the screen with an approval percentage of 100%. Hence, the Board of Director's report on the bank's operations for the fiscal year 2021 and the future plan for 2022 were both ratified.

Item Three: Voting on the bank's auditor report for the year 2021

Ms. Qarain extended gratitude to PWC for its efforts during the fiscal year 2021. The shareholders were then given the opportunity to vote on the third item on the agenda. Ms. Qarain announced the result of the vote, which appeared on the screen with an approval percentage of 99.99%. Hence, the bank's auditors' report for the year 2021 was ratified.

Item Four: Voting on the bank's balance sheet and closing accounts for the fiscal year 2021 and ratifying them and approving the Board of Director's proposal to distribute cash dividends to shareholders at the rate of 15% of the bank's capital with a total of JD30 million

The shareholders were given the opportunity to vote on the fourth item on the agenda. Ms. Qarain announced the result of the vote, which appeared on the screen with an approval percentage of 99.97%. Hence, the bank's balance sheet and closing accounts for the fiscal year 2021 were ratified. The Board of Directors' proposal to distribute cash dividends to shareholders at the rate of 15% of the bank's capital with a total of JD30 million was also approved.

Item Five: Reciting a brief report on the work of the committees formed by the Board of Directors based on Article 6/E of the Shareholding Companies' Governance Instructions listed for the year 2017

Ms. Qarain read a brief on the activities and tasks of the Board Committees and requested shareholders to review the bank's annual report for more details.

Item Six: Absolving the members of the Board of Directors from liability for the fiscal year 2021 as stipulated in the law's provisions

The shareholders were given the opportunity to vote on the sixth item of the agenda. Ms. Qarain then announced the results of the vote, which appeared on the screen showing a 99.99% approval rate. Hence, it was decided to absolve the members of the Board of Directors from liability for the fiscal year 2021.

Item Seven: Endorse the appointment of Mr. Said Samih Darwazah as a member of the Board of Directors

The shareholders were given the opportunity to vote on the seventh item of the agenda. Ms. Qara'in then announced the results of the vote, which appeared on the screen showing a 99.99% approval rate. Hence, it was decided to endorse the appointment of Mr. Said Samih Darwazah as a member of the board.

Item Eight: Elect the bank's auditors for the fiscal year 2022 and authorize the Board of Directors to determine their fees

Ms. Qarain announced that the Board of Directors recommends the approval of the reelection of Messrs. PWC as external auditors to audit the bank's operations for the year 2022, hoping that the shareholders would authorize the Board of Directors to determine their fees. The shareholders were given the opportunity to vote on the eighth item of the agenda. Ms. Qarain then announced the result of the vote, which appeared on the screen showing 99.99% approval. Hence it was decided to elect Messrs. PWC Jordan as auditors for the fiscal year 2022 and to authorize the Board of Directors to determine their fees.

Ms. Qarain then announced the conclusion of the meeting as there were no other inquiries since there are no shareholders owning more than 10% of the bank.

At the conclusion of the meeting, H.E. the chairman of the Board of Directors thanked all Capital Bank's shareholders for their presence and their confidence in the bank and its management. He also thanked all the Regulator bodies, particularly the Companies' Controller, the Governor of the Central Bank of Jordan, and other government bodies for their role in supporting the economy and the efforts exerted at all levels. He also thanked LUMI company, which is specialized in holding general assembly meetings, for its efforts. He expressed hope that God would protect Jordan under the rule of HM King Abdullah II Ibn Al-Hussein.

The Company's Controller extended his gratitude to the Chairman of the Board and Capital Bank. He also thanked Chief Executive Officer Dawod Al-Ghoul, the board's secretary Ms. Qarain, and LUMI for managing the successful meeting. He wished everyone success under the leadership of HM King Abdullah II Ibn Al-Hussein.

The Chairman of the Board of Directors then thanked Companies Controller Dr. Wael Armouti and all the attendees, and the meeting was concluded.

Session Secretary: Orouba Qarain

H.E. Companies Controller: Dr. Wael Armouti

H.E. Chairman of the Board of Directors: Bassem Khalil Al-Salem