

The background of the slide features a series of concentric, light-colored circles that create a sense of depth and movement, centered around the main text.

Capital Bank Group

Corporate Presentation

Q1, 2022

capital
bank

AGENDA

- 01 GROUP CORPORATE PROFILE & FINANCIAL HIGHLIGHTS**
- 02 CORPORATE GOVERNANCE & RISK MANAGEMENT HIGHLIGHTS**
- 03 MACROECONOMIC DEVELOPMENTS & BANKING SECTOR HIGHLIGHTS
(JORDAN & IRAQ)**



Section 1
**Group Corporate Profile
& Financial Highlights**

capital
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OUR PURPOSE

“ **Better Banking** for Jordan & Iraq

Capital Bank Group aims to provide innovative, simplified, and holistic financial solutions through enhanced products & an elevated level of customer service and experience in the Jordanian and Iraqi markets.

OUR STRATEGIC PRIORITIES

Digital Convenience

To build our digital capabilities and introduce digital banking (NeoBank) which will put Capital Bank Group on the path of complete digital transformation to become a fully digitalized bank.

Geographical Expansion

To expand the regional footprint of the Group through establishing a full fledge presence in Saudi Arabia and in UAE – DIFC, thereby connecting the Group with two of the largest economies in the region and empowering NBI to become a major player in the Iraqi market.

Service Quality

To transform the Group's products and services offerings, through continuous innovation, into a holistic value proposition that meets the banking and investment needs of our clients and revolves around elevating their customer experience.

Organic Growth

To grow organically through executing and delivering on a well-defined plan that will enable the group to position itself as one of the top consumer banking groups and the number one gateway for institutions conducting business in Jordan and Iraq.

OUR VALUES



INNOVATION
in all we do



CUSTOMER
driven



HOLISTIC
financial solutions

CAPITAL BANK AT A GLANCE (Q1, 2022)

01

USD 665m
Equity

USD 8.42b
Assets

- 4th largest Jordanian bank in terms of consolidated asset size
- Highest balance sheet growth (YoY) among peers
- Holds a market share of 8.9% of Jordanian market deposits

02

USD 4.08b
Net Loans

81.1%
Coverage
Ratio

- 38.7% growth in loans over the past year
- Coverage ratio above the market average coverage level of 75.2%

03

51.7%
NOI Growth

19.7% ROE
(excluding One-
Offs)

- Fastest growing bank since the beginning of 2020
- ROE (including one – offs) is 40.7%
- One of the highest ROE (excluding one-offs) levels among peers

04

0.094 EPS*
(excluding One-Offs)

0.15 USD
Dividend**

- Stable dividend yield, return to shareholders
- EPS (including one – offs) is 0.272

05

14.3%
CAR

167.7%
LCR

- Solid capital base and strong solvency

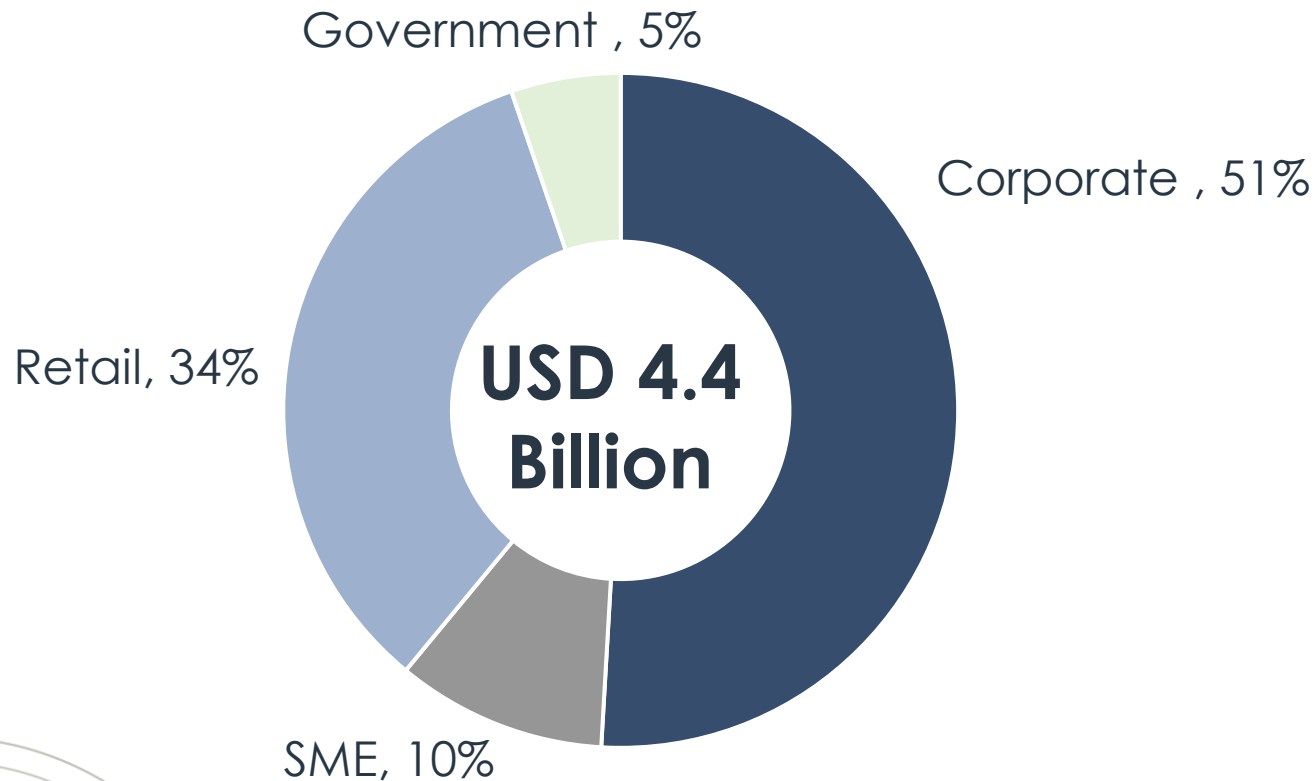
*Figures as of March 2022. NOI refers to year-on-year Net Operating Income growth.
JOD to USD rate 1.41*

**EPS is solely for the first Quarter of 2022.*

***Dividend figure is as of 2021.*

A REGIONAL BANK WITH A DIVERSIFIED BUSINESS

Gross Loan Breakdown by Type



Figures as of March 2022. NOI refers to Net Operating Income.

Subsidiary Contribution

capital
bank

Jordan

Asset Contribution: 86%

NOI Contribution: 64%

national bank
of iraq

Iraq

Asset Contribution: 13%

NOI Contribution: 29%

capital
investments

Jordan, Iraq, UAE

Assets Under Management:

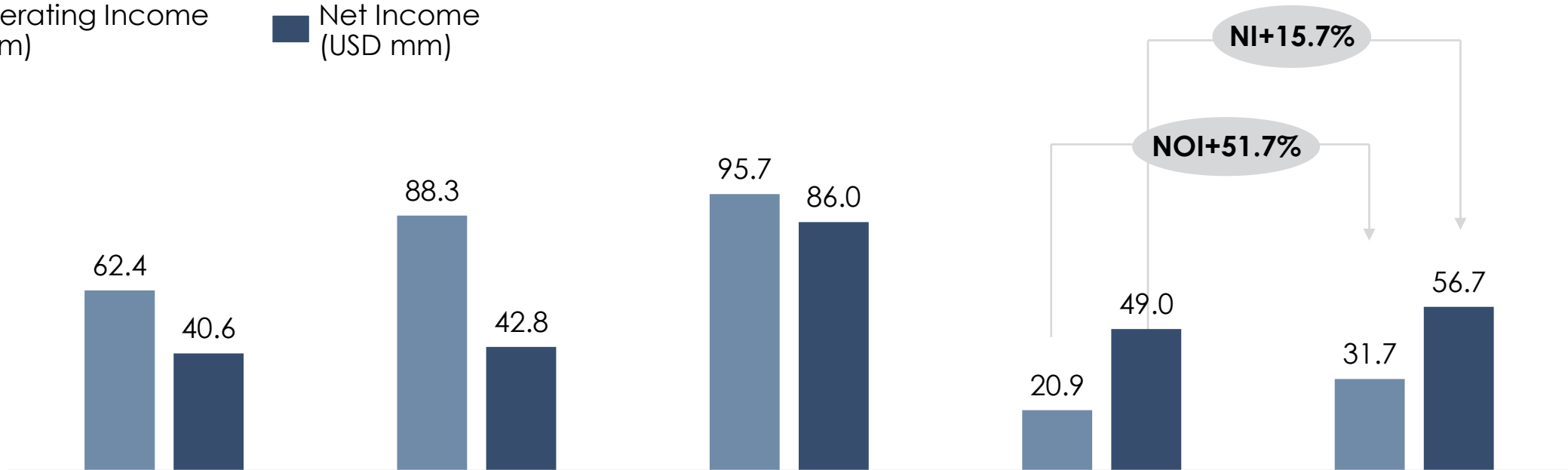
USD 550 million

NOI Contribution: 7%

SOLID INCOME GROWTH, RESILIENT REVENUE STREAM

Net Operating Income (USD mm)

Net Income (USD mm)



2019

2020

2021

Q1, 2021

Q1, 2022

ROE*

8.4%

8.6%

16.3%

15.7%

19.7%

Dividend %

10%

12%

15%

NA

NA

Dividend Payout Ratio

80%

92%

94%

NA

NA

EPS*

0.178

0.183

0.323

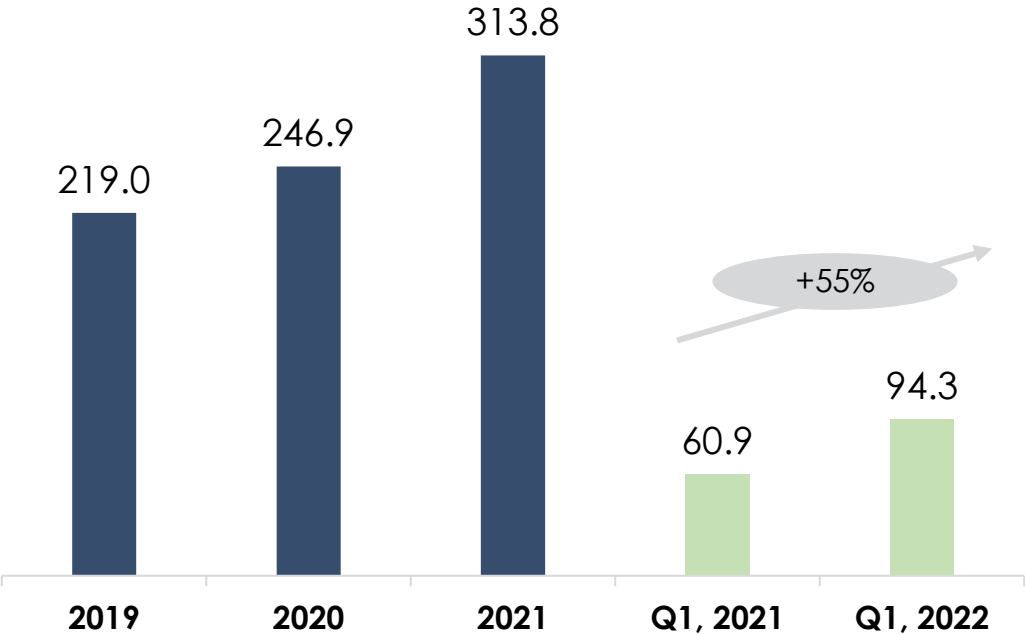
0.067

0.094

*ROE and EPS ratio in Q1, 2021 & Q1 2022 are excluding one-offs.

SUSTAINABLE REVENUE & COST CONTROL

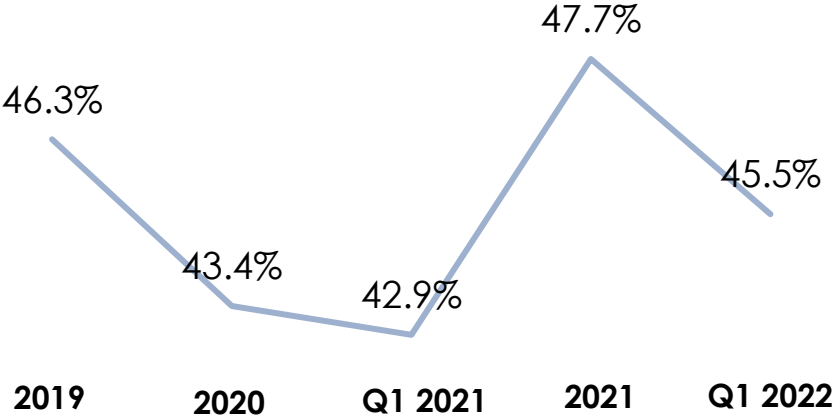
Total Revenue



Expense Breakdown

In Q1 2022, the operating staff costs comprise 50.7% of expenses, whereas depreciation came at 14.5% and rent & occupancy at 4.3%.

Efficiency Ratio

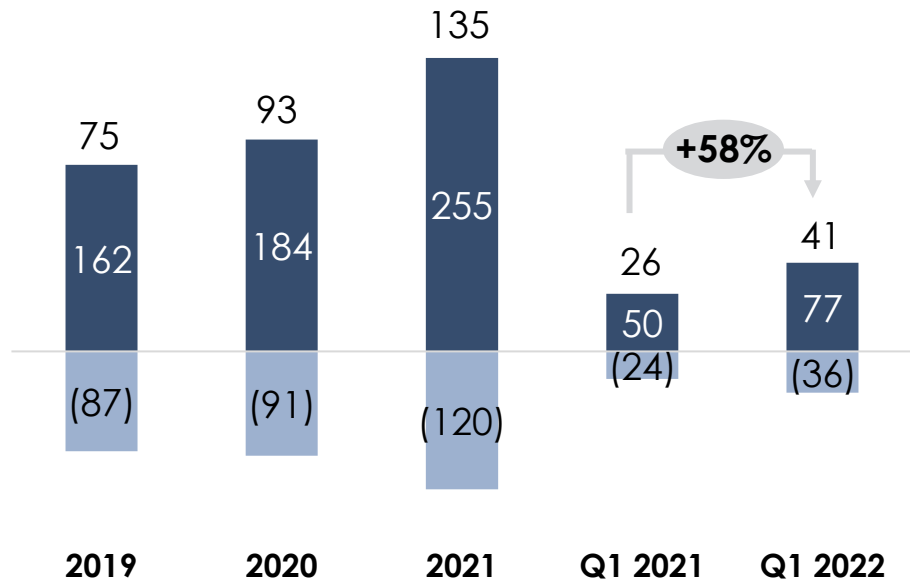


All values in USD million

GROWING NET INTEREST INCOME, STABLE NIM

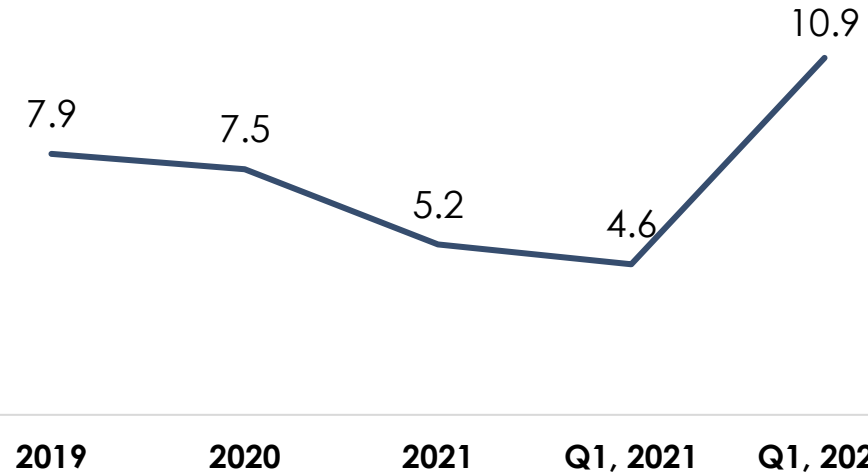
Net Interest Income

USD million

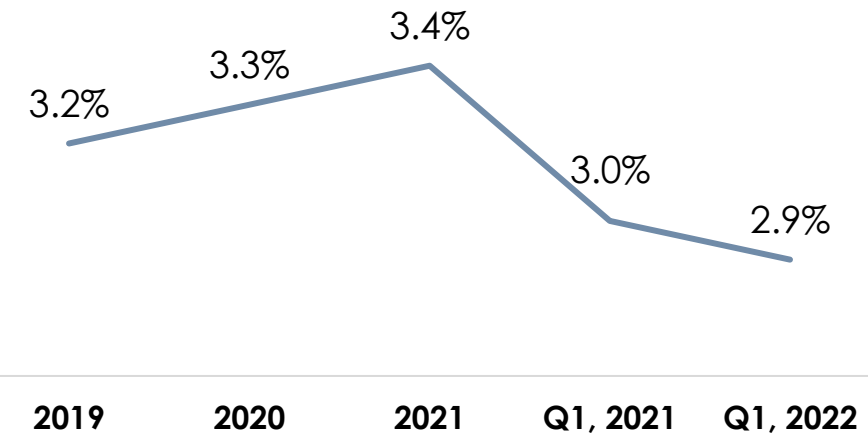


■ Interest Income
■ Interest Expense

Price – to – Earnings, *times*



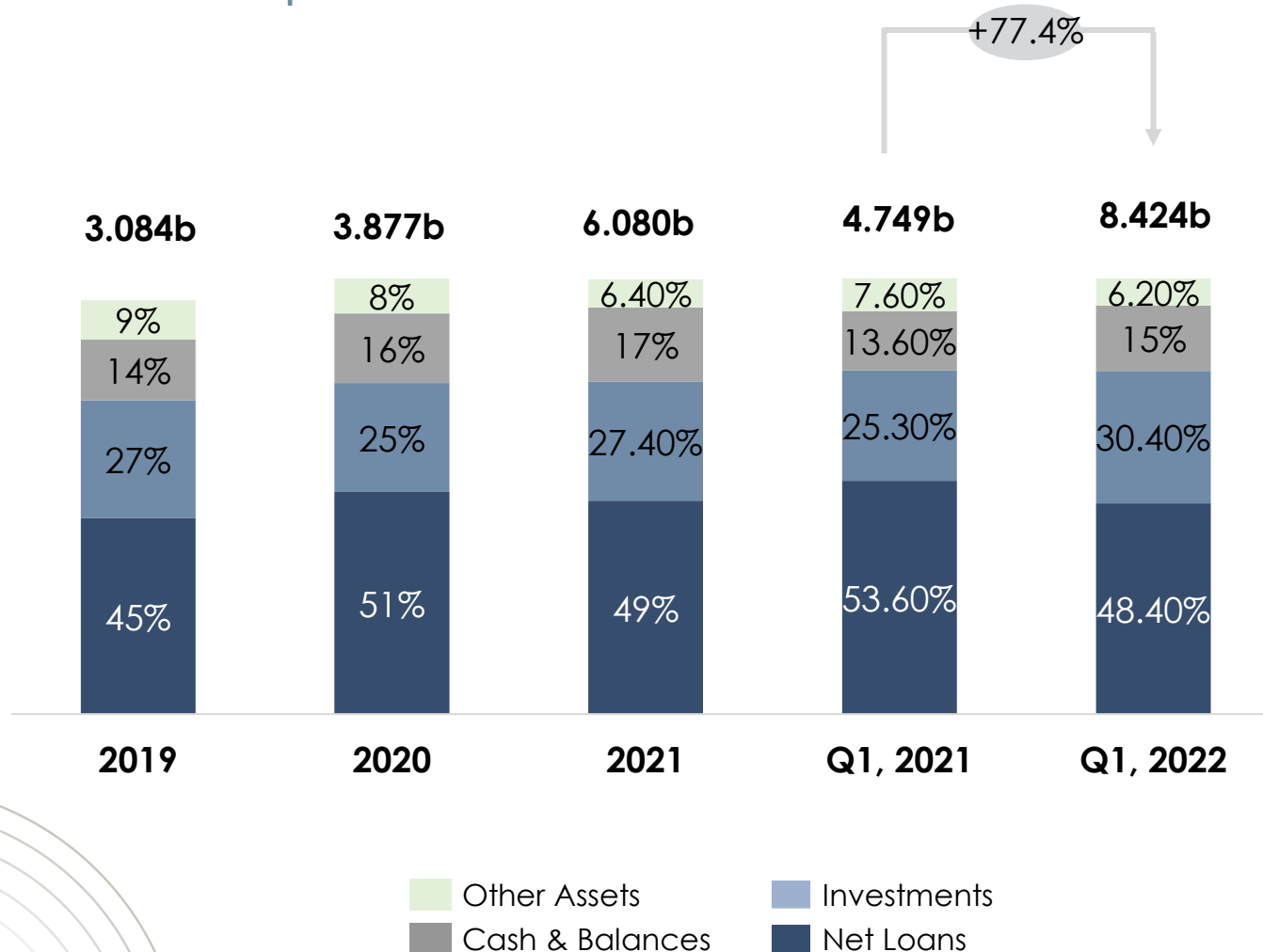
Net Interest Margin, %



All values in USD million
Central Bank of Jordan following US Federal Reserve policies (due to currency peg).

DIVERSE & HEALTHY ASSET BASE

Asset Composition



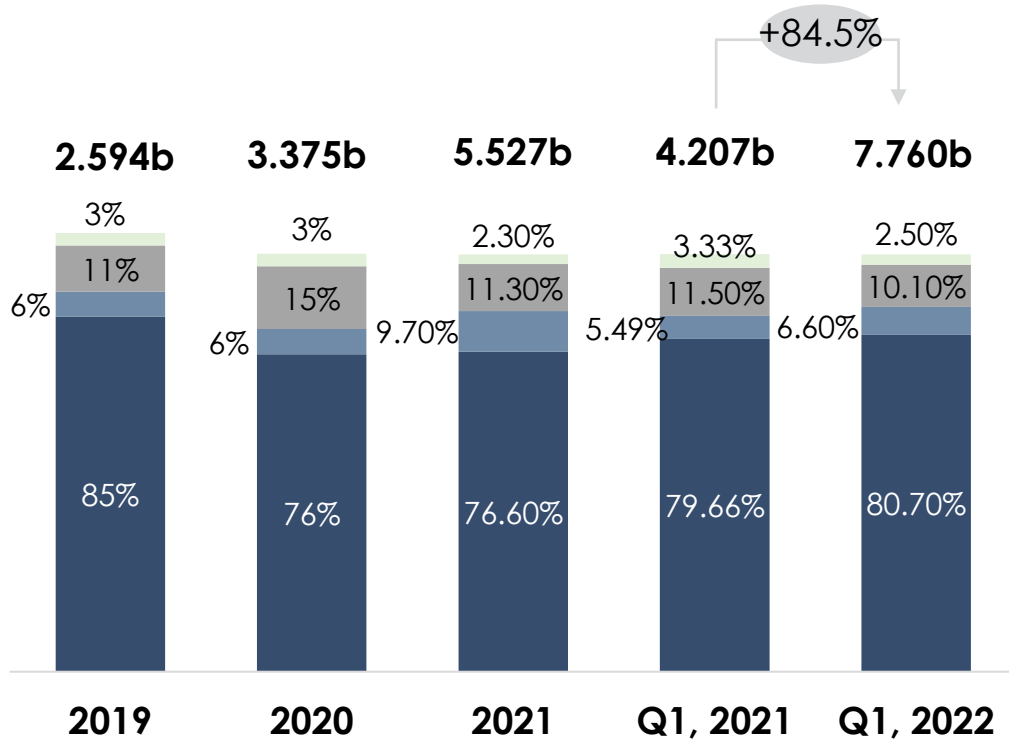
All values in USD billion

Highlights

- Investment portfolio of \$2.5b, with focus on liquid assets and government securities.
- Gross credit growing at a CAGR of 36.7% as of Q1, 2022; reached \$4.07b in Q1, 2022.
- Corporate/ SME clients, comprise 60.9% of portfolio as of Q1 2022.
- An NPL ratio of 5.7% with a coverage ratio of 81.1%, sufficiently stronger than the sector average of 75.2%.

STRONG DEPOSIT GROWTH & LIQUIDITY LEVELS

Liabilities Composition

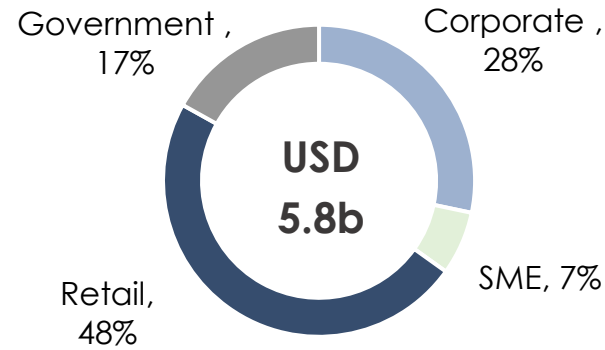


- Other liabilities
- Loans & Subordinated
- FI Deposits
- Customer Deposits & Margins

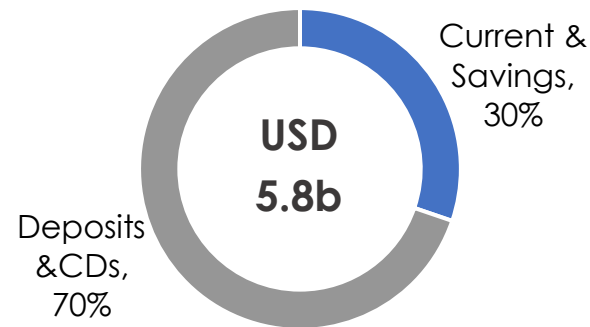
All values in USD billion

Deposits Q1, 2022

By Segment



By Type

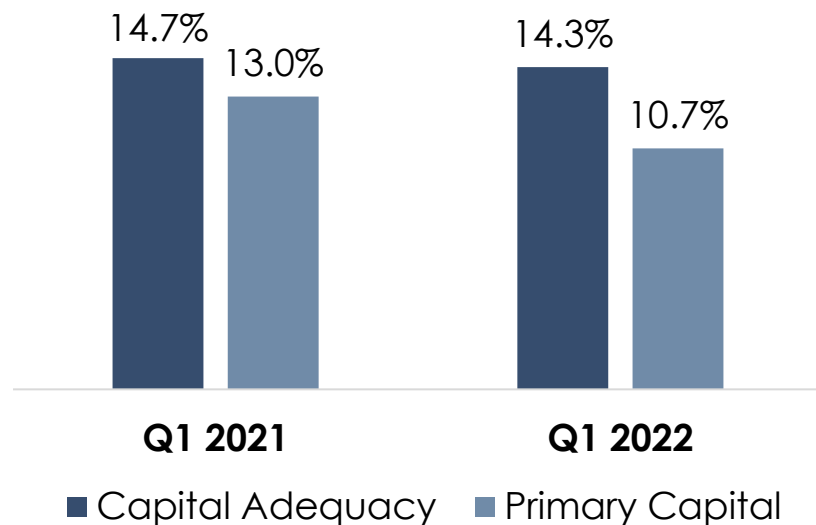


Highlights

- Deposit growth of 47% since 2021. Total deposits stand at 5.8b in Q1, 2022.
- Liquidity Coverage Ratio (LCR) at 167.7% in Q1 2022. Well above 100% regulatory minimum.
- Loan to deposit ratio stood at an 77% in Q1 2022.

COMFORTABLE CAPITAL BUFFERS

Capital Adequacy Walkthrough



Highlights, *USD thousands*

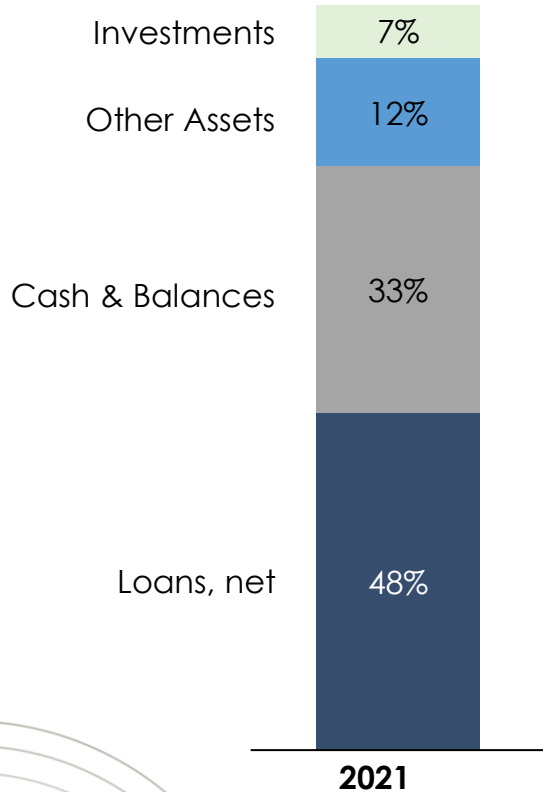
Consolidated	Q1 2021	Q1 2022
Total Primary Capital	408,330	566,193
Total Supplementary Capital	52,557	55,787
Net Supplementary Capital Tier 2	52,557	55,787
Total Regulatory Capital	460,888	621,980
Total RWAs	3,143,560	4,343,926

- CAR well above the 14% CBJ and 12% Basel minimum requirement.
- Risk Weighted Assets at USD 4.34b in Q1 2022.

NATIONAL BANK OF IRAQ, A SNAPSHOT

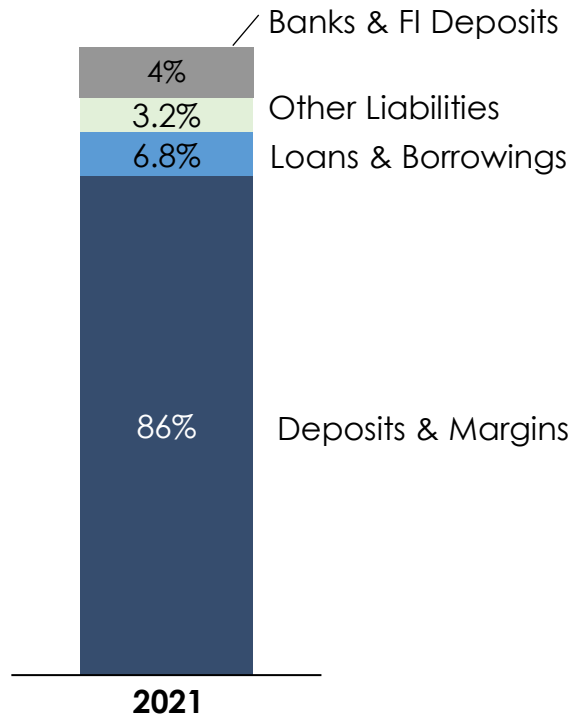
Assets

USD 1.236b



Liabilities

USD 1.024b



KEY P&L ITEMS

Q1, 2022 (USDmm)

Net Interest Income	16.9
Commission Income	6.5
Gross Operating Income	18
Operating Expenses, Staff	(2.4)
Operating Expenses, Other	(4.3)
Provisions & Non-Recurring	(2.8)
Net Income	5.0

SELECTED RATIOS

Q1, 2022

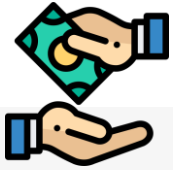
ROE	9.34%
Net Interest Margin	5.2%
Efficiency Ratio	46.1%
NPL Ratio / Coverage Ratio	2.6% / 79.3%
Capital Adequacy*	24.76%

*Capital Adequacy as per CBI

SOCIETE GENERALE, A SNAPSHOT

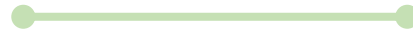
March 2022

Capital Bank of Jordan acquired 100% of SGBJ's shares.



Acquisition result

- 2.12b USD added in assets
- 19 branches to expand network
- 35k clients to increase customer base



Increase banking profitability through merger of SGBJ brokerage with Capital Investments



SGBJ leasing license will add a new revenue stream to the Group



Reduction of cost base, improvement of cost of funds, and the enhancement of the efficiency ratio

BLINK DIGITAL BANK - NEOBANK



February
2022

Capital Bank of Jordan announced the launch of digital bank Blink.



- Digital onboarding
- Bank account
- P2P transfers
- Virtual and physical debit card
- Instant virtual and physical credit card with limits between JOD 200 and JOD 1,000 and a grace period up to 60 days



First true digital bank in Jordan following global best practices



Reinforces the Group's digital transformation



Acquisition strategy targeting the age group 18 to 40 to expand the bank's footprint within new segments



Focusing on ecosystem banking with unsecured lending at the heart of value proposition

GROUP MEDIUM-TERM GUIDANCE (2022-25)

Metric/ KPI	Guidance (2022 - 2025)	Comments
Total Assets	CAGR >10%	<ul style="list-style-type: none">▪ Grow total assets to above USD 6.3b by the end of 2025
Cost to Income Ratio	<43%	<ul style="list-style-type: none">▪ Improve efficiency and implement further cost saving policies
ROE	>14%	<ul style="list-style-type: none">▪ Maintain double digit ROE starting 2021 onwards
Capital Adequacy	>14% (Consolidated Level)	<ul style="list-style-type: none">▪ Strong Capital base, maintained well above minimum requirements
Dividends	Payout Ratio of ~50% of net income	<ul style="list-style-type: none">▪ Target a stable payout ratio for shareholders

Capital Bank of Jordan – Credit Rating

Moody's as of Dec. 2021	Current	Outlook
LT Counterparty Risk Rating (Foreign)	Ba3	
LT Counterparty Risk Rating (Domestic)	Ba3	
ST Counterparty Risk Rating (Foreign)	NP	
ST Counterparty Risk Rating (Domestic)	NP	
LT Bank Deposits (Foreign)	B1	Stable
LT Bank Deposits (Domestic)	B1	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 March 2021	Current	Outlook
Financial Strength	bb	
Support Rating	3	Moderate
LT Currency (Foreign)	B+	Stable
ST Currency (Foreign)	B	Stable
Bank Stand Alone - BSR	b+	Stable



Section 2
**Corporate Governance
& Risk Management Highlights**

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WELL REPUTABLE 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 board of several prominent private and publicly listed companies, including the Association of Banks in Jordan and the Social Security Corporation.

Composition Stats

- All members are non-executive
- **6 out of 13** members are independent

Name	Appointment	Role	Experience
H.E. Bassem Khalil Al-Salem	2010	Chairman	Masters > 20 years experience
H.E. Said Samih Darwazah	2021	Vice Chairman	Masters >20 years experience
Social Security Corporation Represented by Shaden Darwish Al-Haji	2009	Member	Undergraduate >18 years experience
Hotaf Investment Company Represented by Mr. 'Mohamed Ali' Al-Husry	2009	Member	Masters >20 years experience
Investments & Integrated Industries Representing Omar Mohamed Shahrour	2009	Member	Masters >20 years experience
Al-Jadara Co. for Real Estate Investment Represented by Sultan Bin Mohammed Al-Seif	2009	Member	Undergraduate >10 years experience
Al-Khalil Co. for Investments Represented by Khalil Hatem Al-Salem	2009	Member	Undergraduate >12 years experience
Omar Akram Bitar	2015	Independent	Undergraduate >20 years experience
Reem Haitham Goussous	2015	Independent	Masters >20 years experience
Mohamad Hasan AlHaj Hasan	2017	Independent	Masters >12 years experience
Khalid Walid Nablisi	2017	Independent	Masters >20 years experience
Yousef Ali Alnsour	2021	Independent	Undergraduate >20 years experience
H.E. Abubaker Sideeq Khoury	2021	Independent	Undergraduate >25 years experience

HIGHLY EXPERIENCED MANAGEMENT TEAM

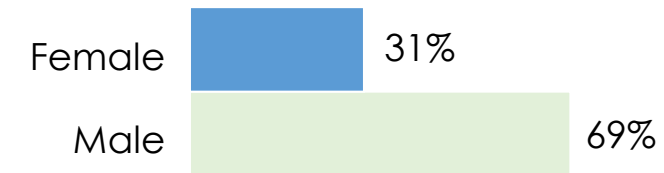


Mr. Dawod Al Ghouli
Group CEO

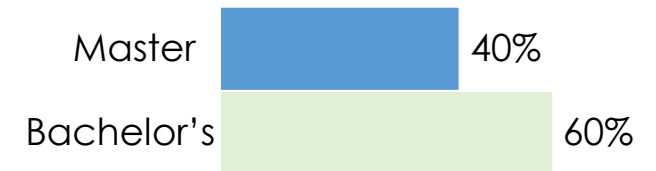
- Appointed in March 2020
- Over 26 years of extensive experience in financial and strategic planning, investments and financial restructuring.
- Served on the board of several reputable institutions across the MENA region
- Regional and global investment and financial institutions

Name	Position	Joining
Business		
Ayman Abu-Dhaim	CEO, National Bank of Iraq	2011
Marwan Haddad	Group Investments CEO	2021
Ali Abu Swai	Chief Treasury Officer	1997
Yasser Kleib	Chief Institutional Banking Officer	2004
Mohammad Othman	Chief Consumer Banking Officer	2020
Zein Malhas	CEO, Blink	2018
Control		
Samer Al-Aloul	Chief Banking Officer	2021
Izzidin Abu Salameh	Chief Operations Officer	2021
Falah Kokash	Chief Risk Officer	2012
Rafat Khalil	Chief Audit Executive	2007
Manar Aabidi	Chief Credit Officer	2018
Munis Haddadin	Chief Compliance Officer	2021
Support		
Manar Al Nsour	Chief Financial Officer	2001
Mohammed Mu'az	Chief Legal Counsel	2003
Touleen M. Barto	Chief Marketing and Corporate Communications Officer	2021
Haya Abuata	Chief Human Resources Officer	2011

Gender



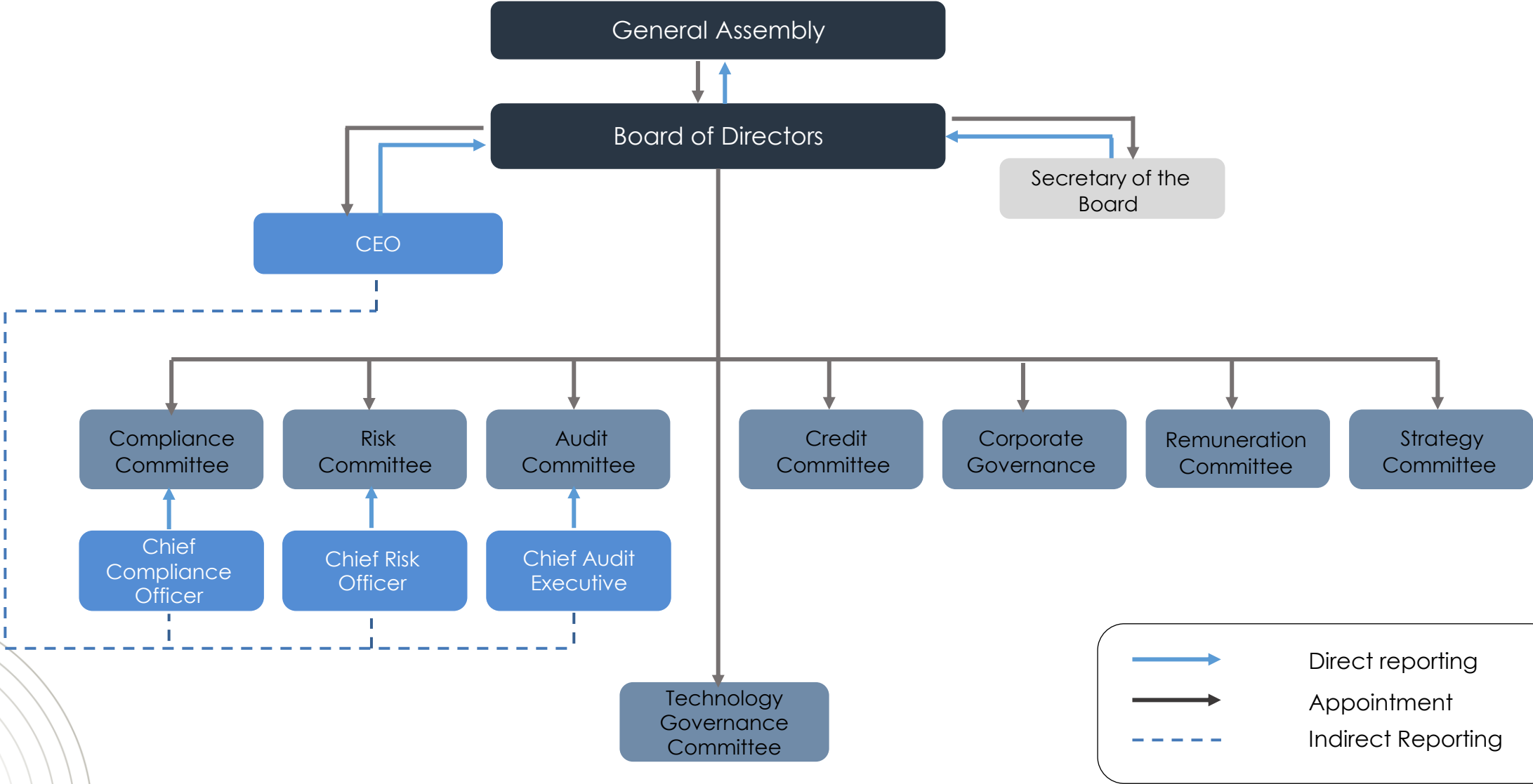
Education



Average Experience



SOLID GOVERNANCE & DECISION-MAKING



ESG AWARENESS & APPROACH



capital
b a n k

- Capital Bank implements a regular Environmental & Social (“E&S”) performance assessment through an E&S board-approved policy that is based on IFC standards.
- The bank has fully integrated the E&S procedures pertaining to categorization, assessment and monitoring into the credit approval system.
- Designated credit/front office staff members have received adequate E&S training through the IFC E-learning platform to enable them to report any E&S risk as part of their standard processing of transactions.
- According to Capital Bank’s E&S policy, Capital Bank categorizes its transactions based on exposure to E&S risk sectors, performs an analysis for relevant transactions to assess the identified risks, mitigates and manages risks associated to those transactions by identifying the problems and designing adequate solutions using IFC Standards.
- Capital Bank also monitors the E&S performance of clients through staff annual site visits and questionnaires.
- Capital Bank takes active measures to reduce its environment footprint, through implementing waste, paper and plastic recycling in partnership with local NGOs.

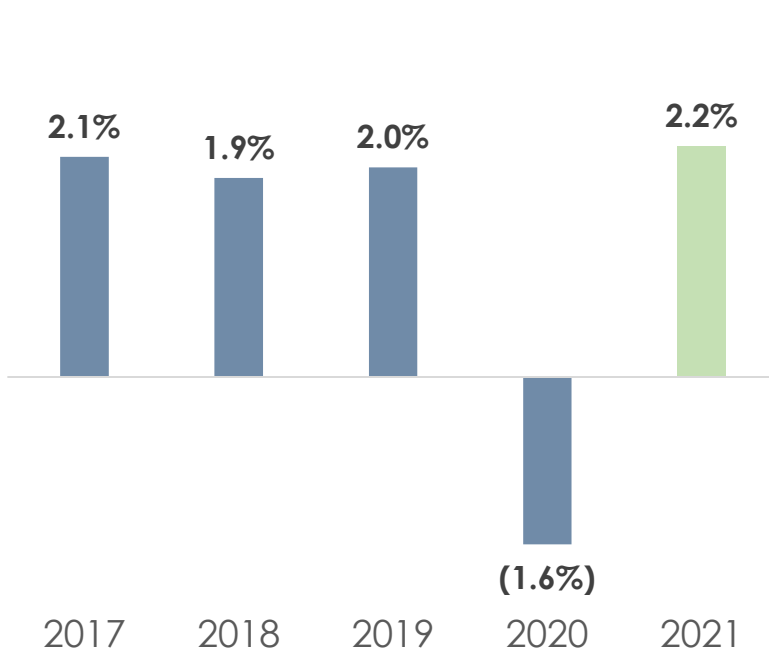


Section 3 | Part 1 (Jordan)
**Macroeconomic Developments
& the Banking Sector**

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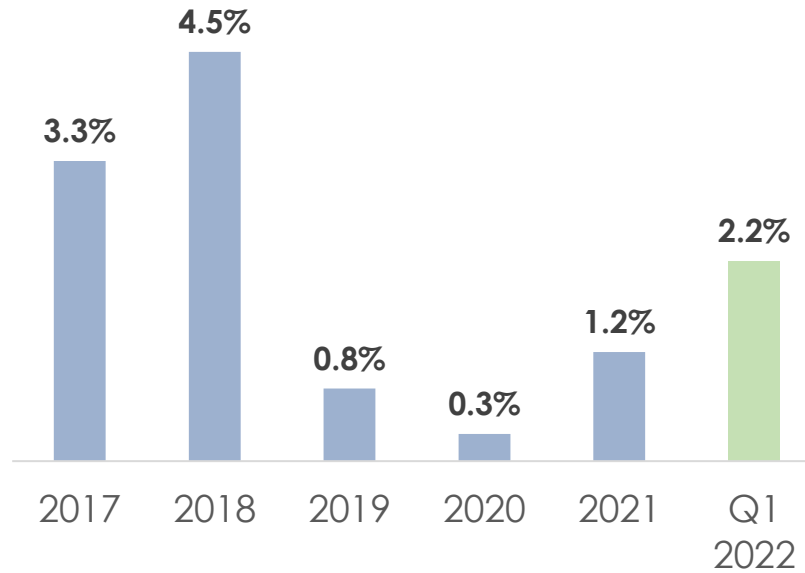
JORDANIAN ECONOMY

GDP Growth Rate, %



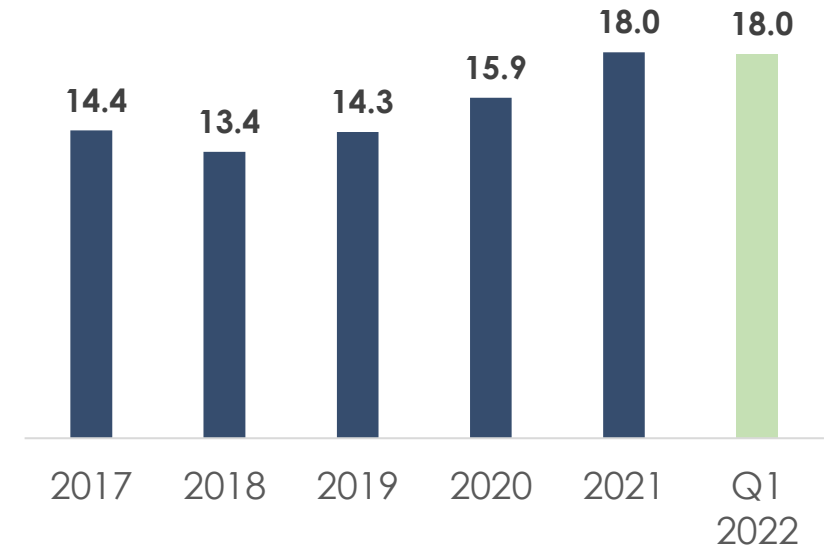
The Jordanian economy has recovered from the devastating effect of the COVID-19 pandemic.

Inflation, %



When comparing changes to consumer price index over all industries, the annual inflation rate in Jordan stood at 2.2% in March 2022, significantly higher than previous years that witnessed major decreases.

Foreign Currency Reserves* USD billion



Foreign currency reserves amounted to USD 18.0 billion as of Q1 2022.

JORDANIAN BANKING SECTOR (KEY FACTS)

Well regulated & Monitored



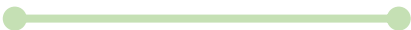
The Jordanian banking sector is regulated by the Central Bank of Jordan, the Amman Stock Exchange, and the Jordan Securities Commission

Sound Asset Quality



Minimum CAR requirement of 12%

High liquidity & strong solvency



Each Jordanian bank must maintain liquid assets in the minimum of 100% of its weighted liabilities

Strong profitability buffer



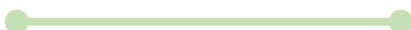
Banks enjoy comfortable liquidity with a sector wide liquidity ratio of 167.7%

Improved credit quality metrics



NPL coverage for the Jordanian banking sector is 75.2%, with NPL to loans amounting to 5.3%.

Excess capital



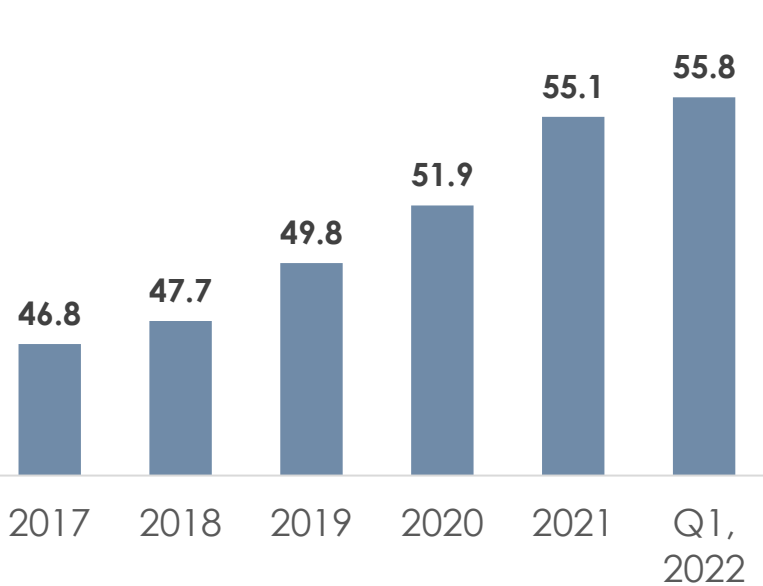
The banking sector enjoys a CAR of 18.3%, situated well above the CBJ minimum requirement

Source: Central Bank of Jordan
Numbers are as of Q1 2022.

JORDANIAN BANKING SECTOR (KEY FACTS, CONT'D)

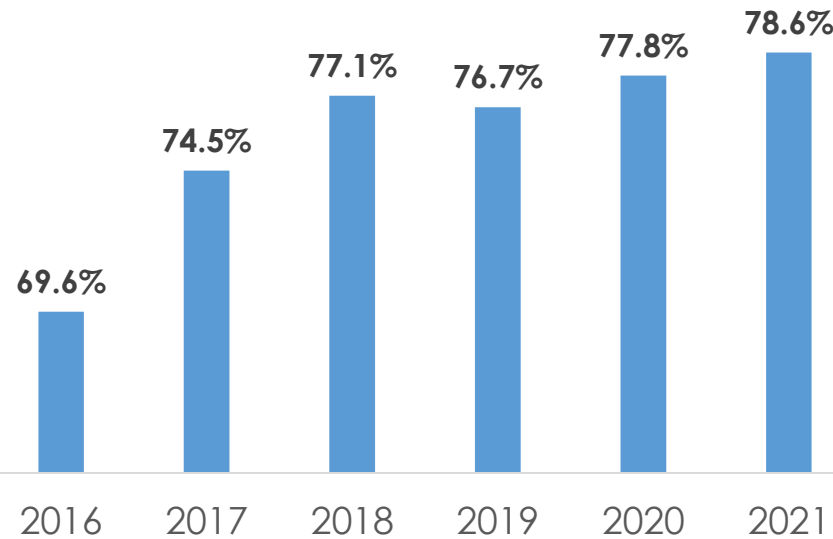
Total Deposits at Banks

USD billion



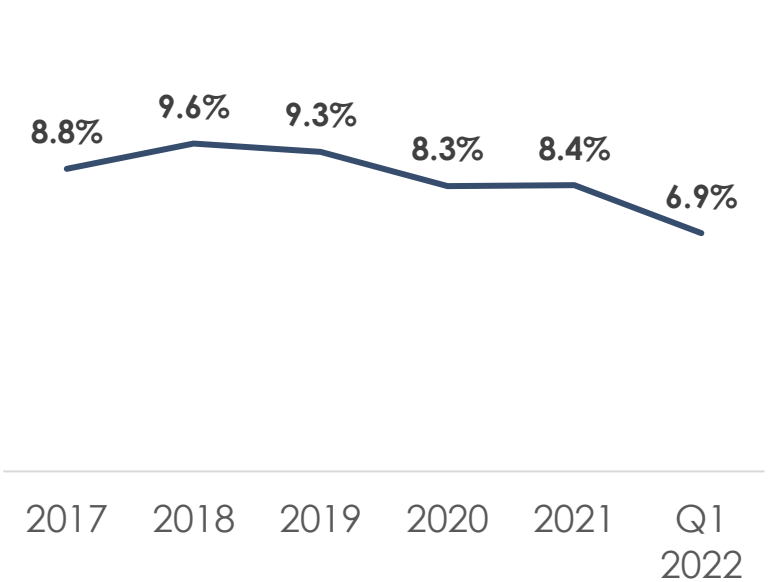
Total deposits at banks stood at JOD 39.56 billion in March 2022, witnessing a 1.3% increase from 2021 and a CAGR of 7.5% from 2020.

Loans-to-Deposits



Standing at 78.6% as of 2021, a continuously surging loans-to-deposits ratio signals tightening liquidity at Jordanian banks.

Prime Lending Rate



The prime lending rate for banks stood at 6.9% as of March 2022.

JORDANIAN BANKING SECTOR HIGHLIGHTS



Sound Asset Quality

NPL Ratio

5.3%

NPL Coverage

75.2%

ROE

9.5%

CAR

18.3%



Sufficient Liquidity

Liquidity Ratio

167.7%

Loans-to-Deposits

78.6%



Strong Solvency

CBJ CAR Requirement

12%

Deposit Growth Rate

4.2%

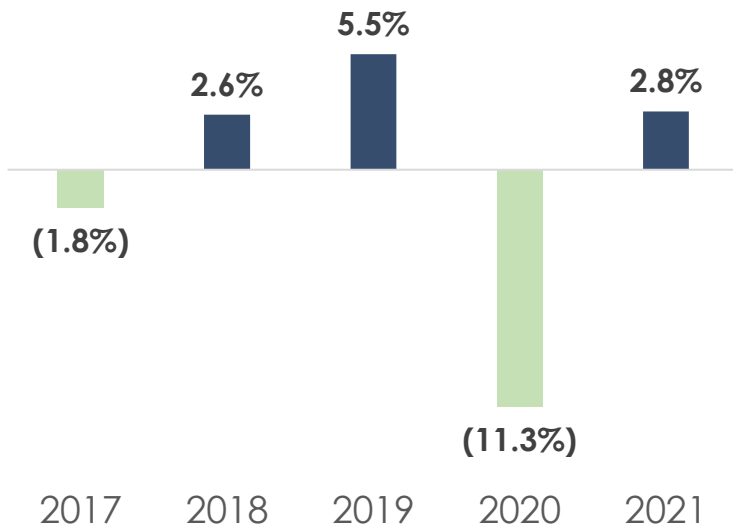


Section 3 | Part 2 (Iraq)
**Macroeconomic Developments
& the Banking Sector**

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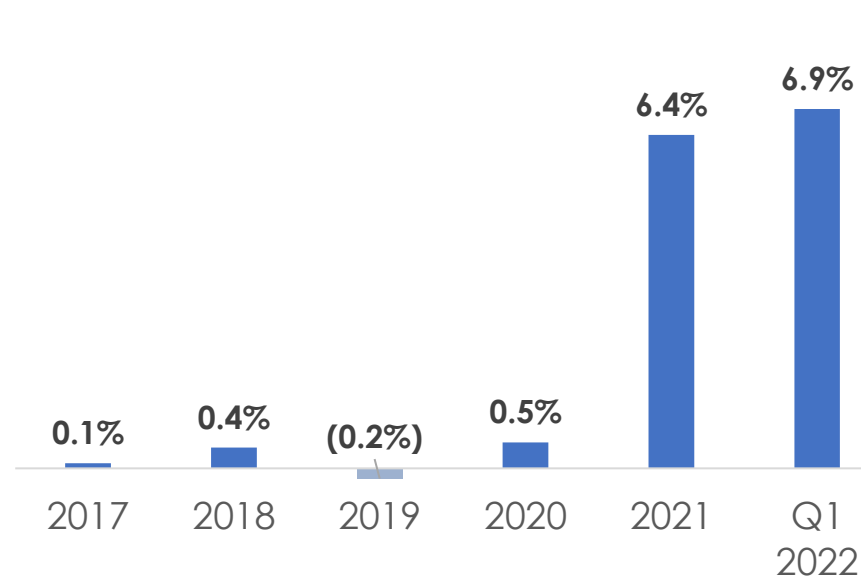
IRAQI ECONOMY

GDP Growth Rate, %



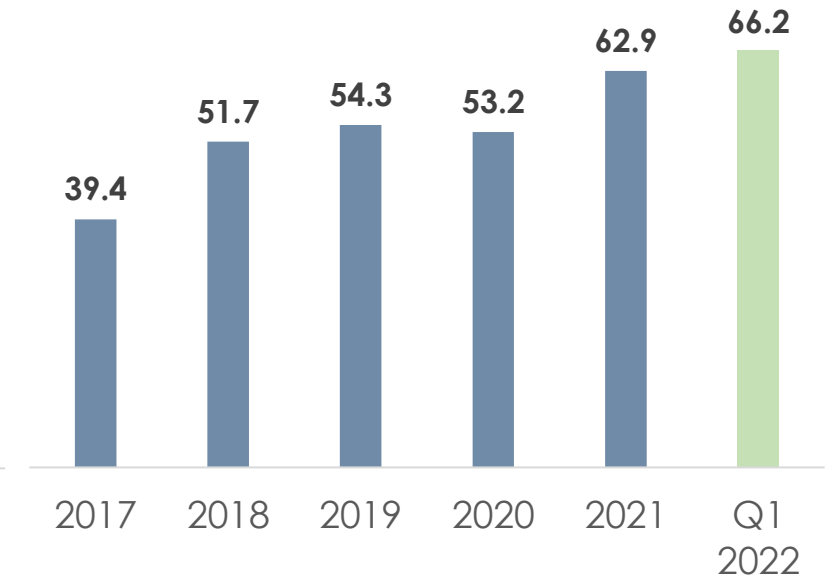
The Iraqi economy underwent a sharp decline in GDP in 2020 due to tourism and oil export declines, which came on the back of the COVID-19 pandemic. The economy has made a recovery 2021.

Inflation



Iraq's spike in poverty due to the COVID-19 pandemic put a heavy toll on its inflation number, which is expected to be reflected in 2021 and continued to 2022 in the wake of the exchange rate devaluation and proposed reduction in the public wage bill and pensions.

Foreign Currency Reserves USD million



Foreign currency reserves amounted to USD 66.2 million as of March 2022, up from USD 62.9 million in 2021.

IRAQI BANKING SECTOR (KEY FACTS)

Regulated sector



The Iraqi banking sector is regulated by the Central Bank of Iraq.

Enhanced confidence in banks



A deposits guarantee fund is improving confidence in banks

Dominated by state owned banks



The Iraqi banking sector is mostly controlled by Rasheed Bank and Rafidain Bank

Low percentage of banking clients



This comes as an opportunity to onboard new banking clients in the market



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Address | AMMAN

Boulevard
Amman 11194, Jordan
P.O.BOX 940982
Tel: +962 6 510 02 00
Email: info@capitalbank.jo

Address | DUBAI

Dubai International Financial Centre (DIFC),
Unit Office 2102, Level 21, Index Tower
Dubai, UAE
P.O.BOX 506936
Tel: +971 4 316 1900
Email: info@capitalinv.com

Address | BAGHDAD

Al Sa’doun Street (Near Al Ferdaws Circle)
Baghdad, Iraq
P.O.BOX 35106
Tel: +964 780 777 7444
Email: info@capitalinv.com



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