

**capital**  
b a n k

As of June 2023

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 optimize risk management framework to create sustainable and profitable growth that maximises shareholders' value.



### Our People

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

# Our Values

## **We Put our Clients First**

Customer Experience

Our clients are at the heart of all we do. We make every decision and measure every outcome based on how well it serves our customers. We Listen to our customers and strive to create an experience catered to their individual and unique needs through offering dynamic and personalized treatment.

## **We Act with Integrity**

Integrity

We are honest, transparent and committed to do what is best for our partners. We openly collaborate in pursuit of the truth. When choosing between what is right and what is easy, we always choose what is right. Our ethical accountability is our corporate identity.

## **Our People Our Capital**

People

Our people are the cornerstone of everything we do. The strength of Capital Group lies in the strength of our people. We invest in our people to maximize their potential and excel as leaders. We care for each other; and we create a work environment that enables employees to have both pride & enthusiasm towards the impact they are creating.

## **We Embrace the Journey**

Resilience and Innovation

At Capital, we are resilient, and our strong foundation empowers us to approach everyday with curiosity, to seek out challenges by turning them into innovative opportunities that paves the way for constant growth. We adopt, adapt and act quickly.

## **We Think Big**

Ambition

We acknowledge that the path to success is a continuous learning journey. Our shared and common drive towards growth and achievement makes us vibrate at a higher frequency with contagious enthusiasm towards accomplishment. We focus on solutions, and we arrive everyday inspired to make the impact through our talent, passion and hard work.

## **We are All Owners at Capital**

Accountability

We take the responsibility for outcomes and are empowered to make the decisions that will lead to those outcomes. We use our critical thinking capabilities and learnings from the past to take initiatives that allow us to collaboratively reach excellence.

# Our Journey

- 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 Jordan and Iraq.
- Capital Bank embarks on an all-encompassing **transformation** Journey.

Establishment  
**1995**

Expansion  
**2005**

Diversification  
**2006**

Acquisition  
**2021**

Growth  
**2022**

Going Further  
**Today**

# A Regional Bank – With a Diversified Business Model (Q2, 2023)

Global Presence Across

**4 Markets**

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

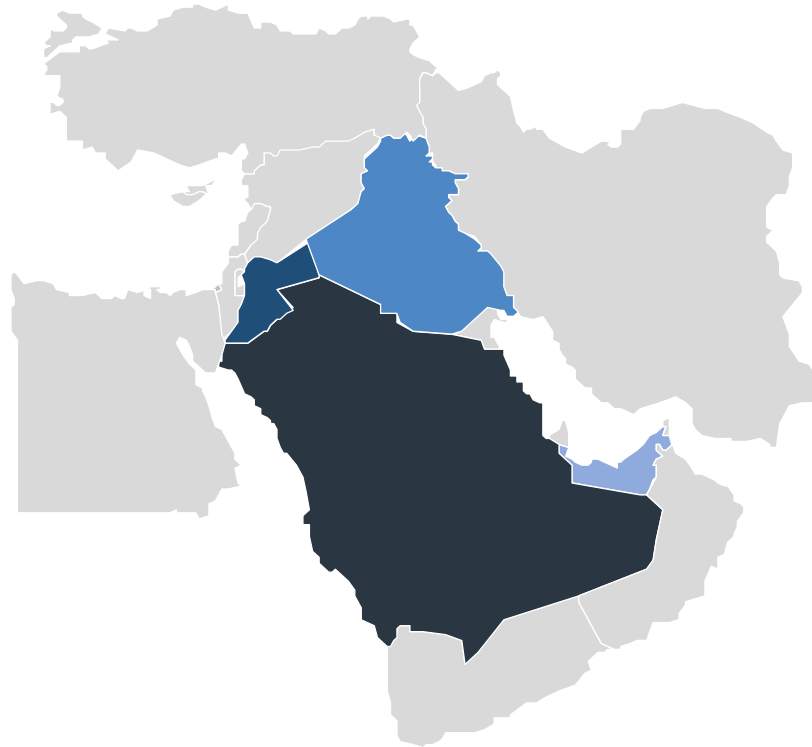
**2,317**

Employees  
Globally

**34** Branches in **Jordan**

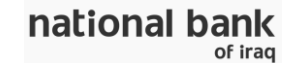
**25** Branches in **Iraq**

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



**Jordan**

Asset Contribution: **75%**.  
NOI Contribution: **52%**.



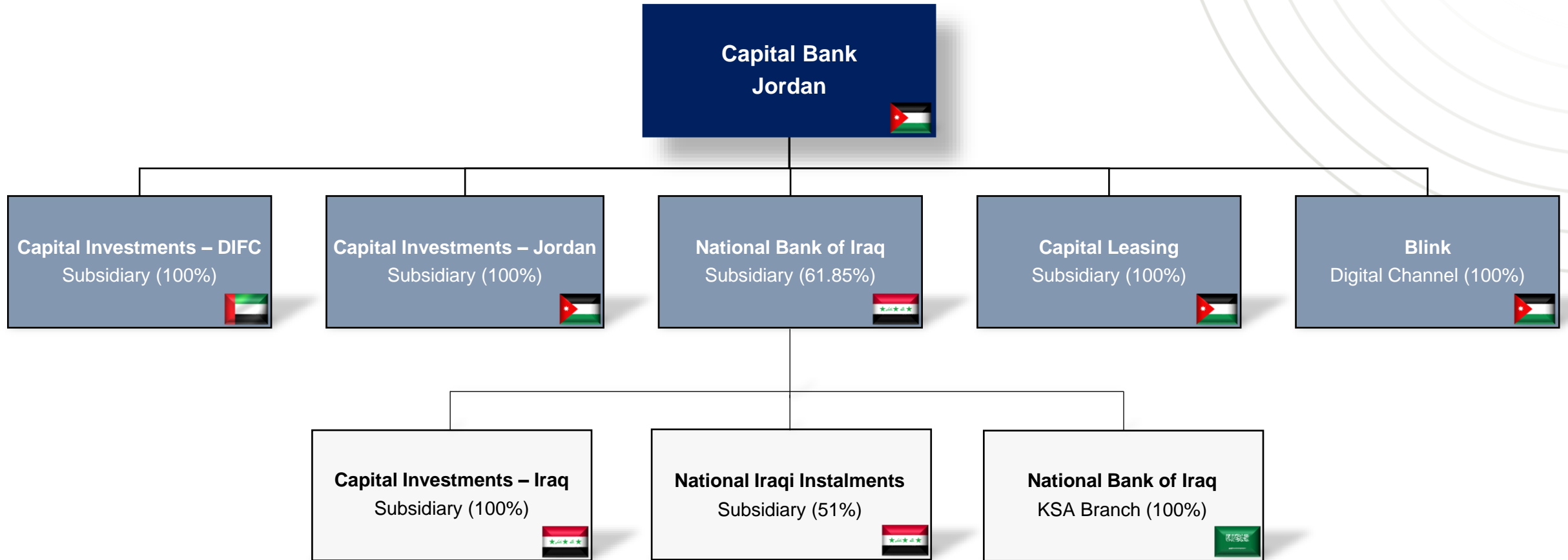
**Iraq**

Asset Contribution: **24%**.  
NOI Contribution: **44%**.



Asset Contribution: **1%**.  
NOI Contribution: **4%**.

# Structure of the Group





# Capital Bank Group – Snapshot June 2023

<b>3<sup>rd</sup> Largest</b> In the Jordanian market.	<b>USD 10.6b</b> Total Assets	<b>Sturdy Capital Base</b> Above CBJ requirement of 14.125%.	CAR at <b>14.82%</b>
<b>Market Heavyweight</b> Fastest growing bank since year 2020.	<b>USD 5.0b</b> Net Loans	<b>Solid Coverage Ratio</b> Including collaterals, the ratio will be 128.3%	<b>91%</b>
<b>Stable Credit Rating</b>	<b>b1<sup>1</sup></b> MOODY'S	<b>bb</b> CAPITAL intelligence	<b>Strategic Investor</b> Public Investment Fund since June 2022.
<b>Generating Superior Returns</b> through a <b>Robust Foundation.</b>	<b>17%</b> ROE	<b>\$ 945m</b> Equity	<b>USD 783m</b> Market Cap
<b>Sound</b> Cost to income ratio.	<b>40.5%</b> Efficiency Ratio	<b>Listed on Nasdaq Dubai's Market</b> Perpetual bond Tier 1.	<b>\$ 100 million</b>
<b>Sufficient Reserve</b> Of high quality liquid assets.	<b>LCR at 193%</b>	<b>Rising Trend</b> Dividends as a percentage of capital (2022).	<b>17%</b>
		<b>Strong</b> Credit Quality.	<b>4.99%</b> NPL

<sup>1</sup> As of end of 2022 – ranked with a **positive outlook**.

# Group Consolidated Financials

*In USD Mn*

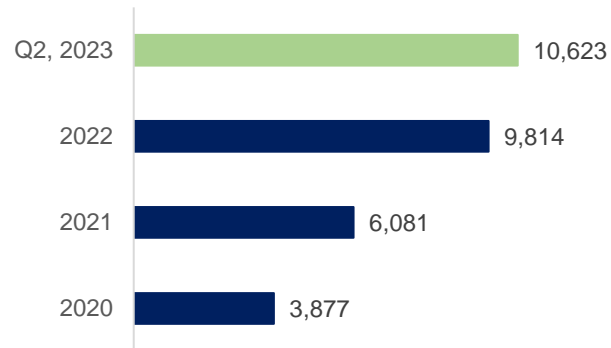
Income Statement Items	2021	2022	Q2 2022	Q2 2023
Net Interest Income	144	224	97	<b>121</b>
Gross Operating Income	194	297	130	<b>211</b>
<i>Total Operating Expenses</i>	<i>(102)</i>	<i>(156)</i>	<i>(63)</i>	<i><b>(86)</b></i>
Net Operating Income	92	141	67	<b>126</b>
<i>Provision</i>	<i>(28)</i>	<i>(40)</i>	<i>(8)</i>	<i><b>(35)</b></i>
Net Acquisition Impact	36	35	36	-
<i>Income Tax Expense</i>	<i>(14)</i>	<i>(9)</i>	<i>(10)</i>	<i><b>(20)</b></i>
Net Profit	86	128	85	<b>71</b>

*In USD Bn*

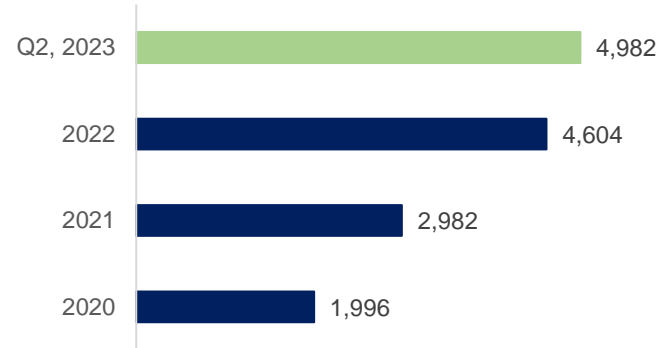
Balance Sheet Items	2021	2022	Q2 2023
Total Cash & Equivalents	1.0	1.4	<b>2.1</b>
Net Credit Facilities	3.0	4.6	<b>5.0</b>
Investment Portfolio	1.7	3.1	<b>2.8</b>
Total Assets	6.1	9.8	<b>10.6</b>
Customer Deposits	3.9	6.9	<b>7.7</b>
Cash Margins	0.3	0.6	<b>0.6</b>
Paid up Capital	0.3	0.4	<b>0.4</b>
Total Equity	0.6	0.9	<b>0.9</b>

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

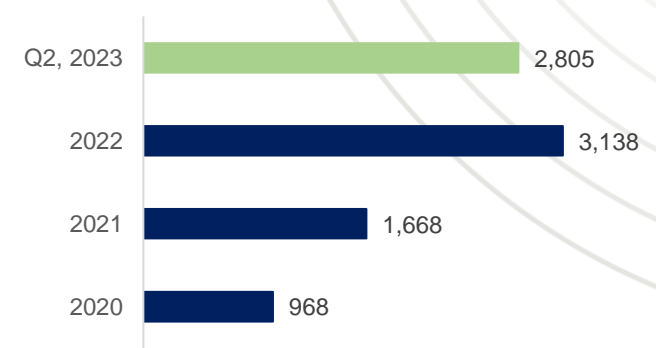
Total Assets  
(CAGR 50%)



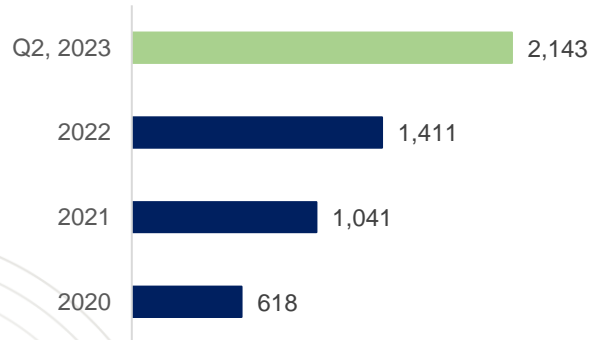
Net Loans  
(CAGR 44%)



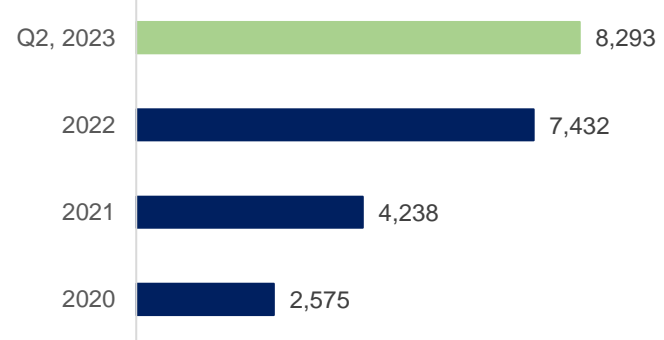
Investments Portfolio<sup>1</sup>  
(CAGR 53%)



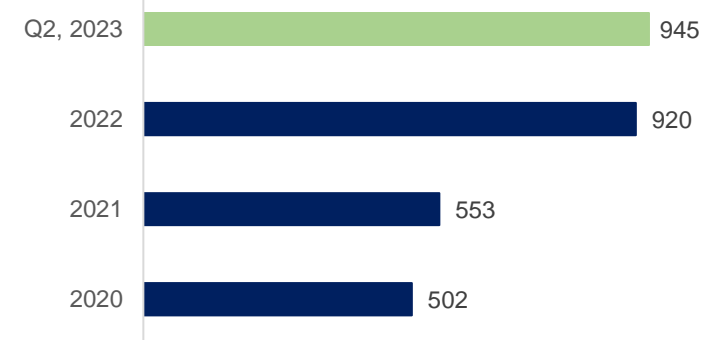
Cash & Balances  
(CAGR 64%)



Customer Deposits & Margins  
(CAGR 60%)



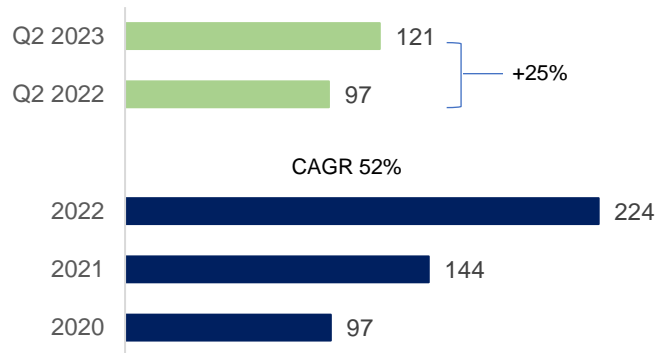
Total Shareholders' Equity  
(CAGR 29%)



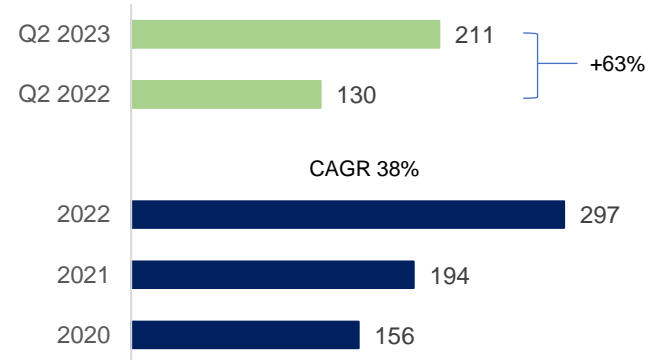
<sup>1</sup> Represents stock bonds and shares

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

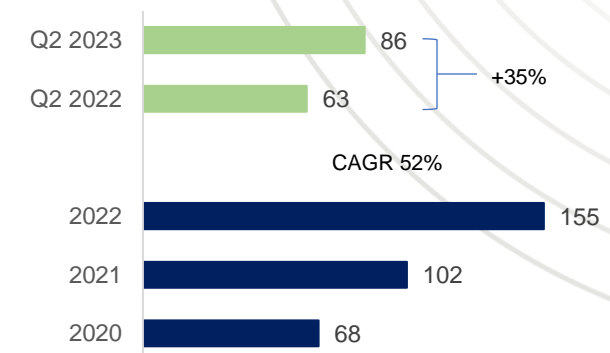
Net Interest Income



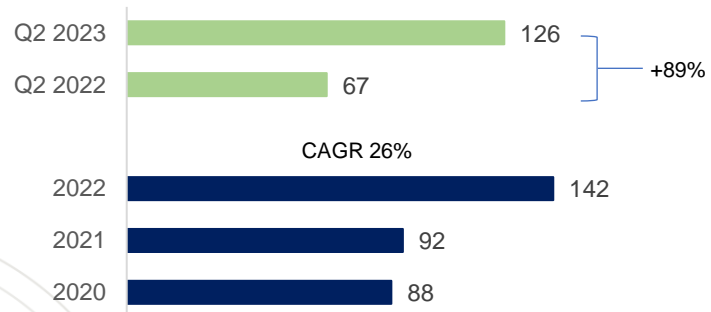
Gross Operating Income



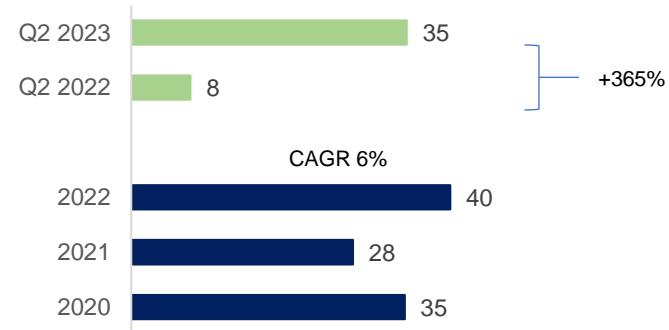
Total Operating Expenses



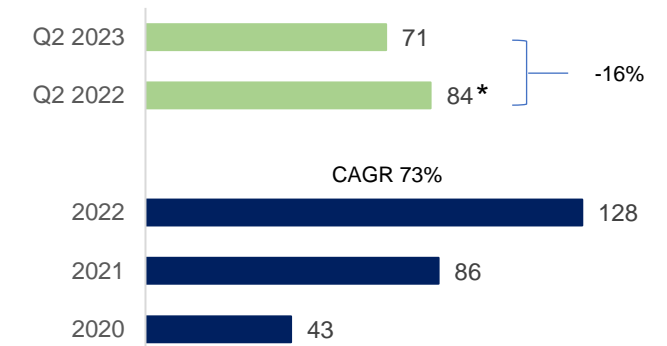
Net Operating Income



Provisions



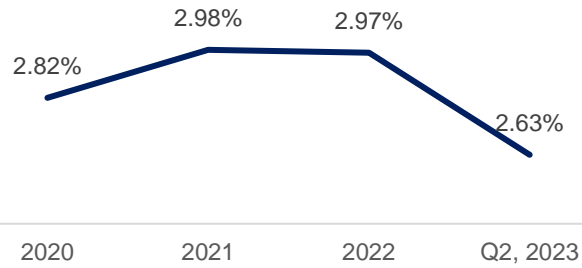
Net Income



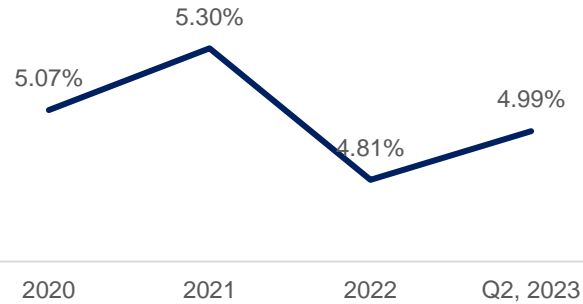
\* Includes one-off gain from acquisition of SGBJ

# Strong Financial Track Record – Ratios

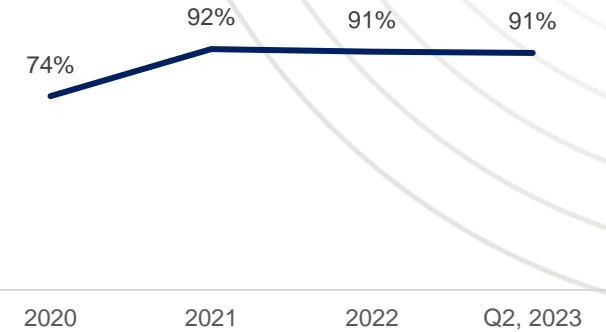
Net Interest Margin (Spread)



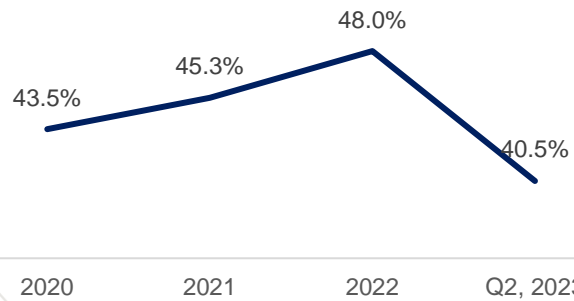
NPL Ratio



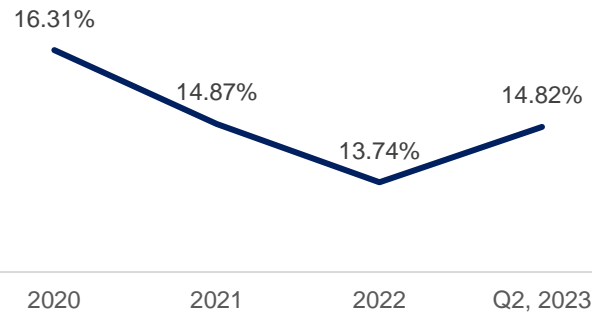
Provision Coverage Ratio<sup>1</sup>



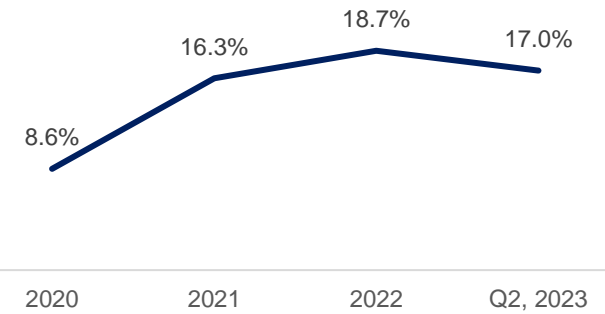
Efficiency Ratio<sup>2</sup>



Capital Adequacy Ratio



Return on Equity Ratio (Annualised)

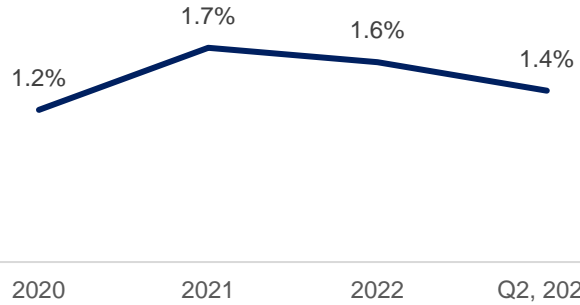


<sup>1</sup> Including collaterals, coverage ratio for 2022 is 131% and 128% for Q2 2023.

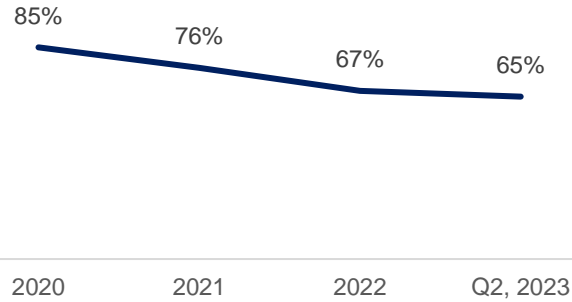
<sup>2</sup> Excluding one-offs and non-recurring items.

# Strong Financial Track Record – Ratios (annualised)

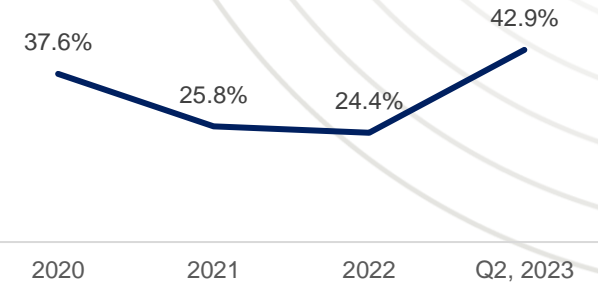
Return on Assets<sup>1</sup>



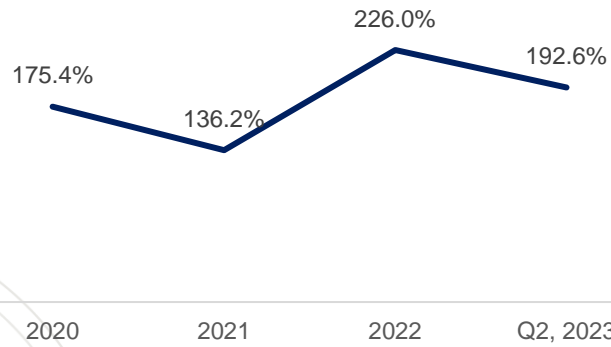
Loan to Deposit Ratio



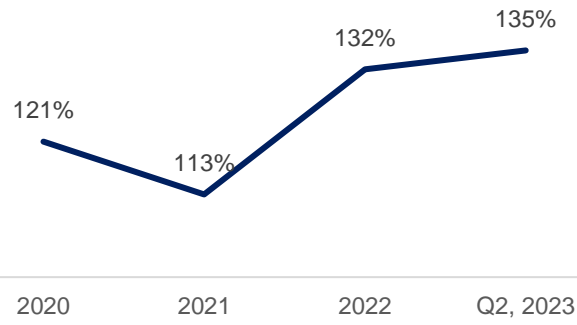
Non Interest Income / Total Revenue



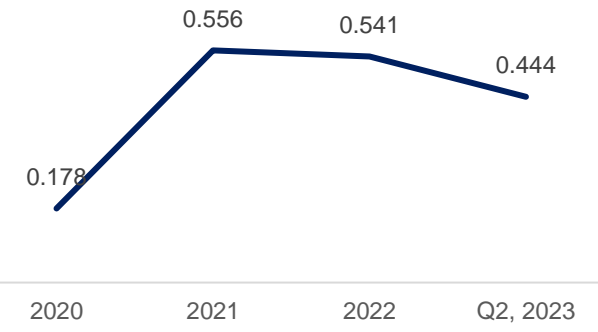
Liquidity Coverage Ratio



Net Stable Funding Ratio



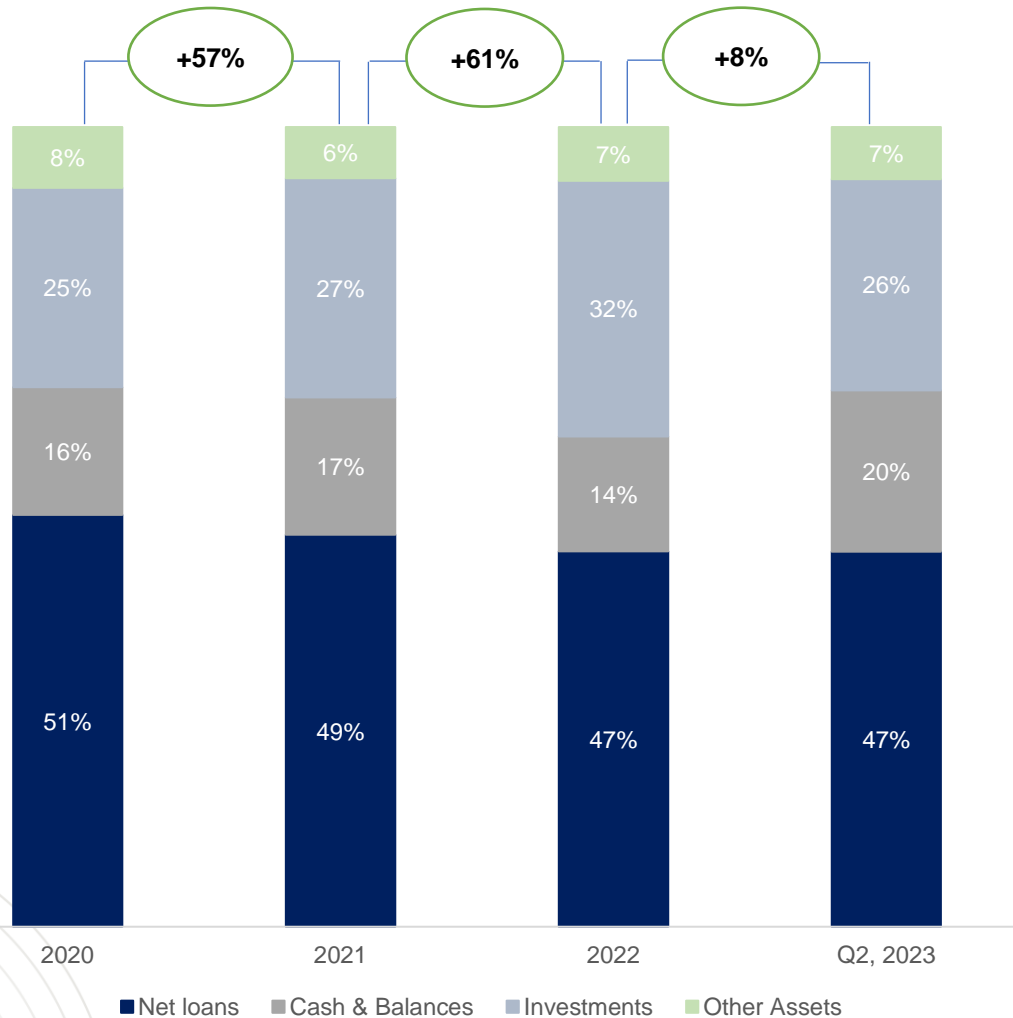
Earnings Per Share<sup>1\*</sup>



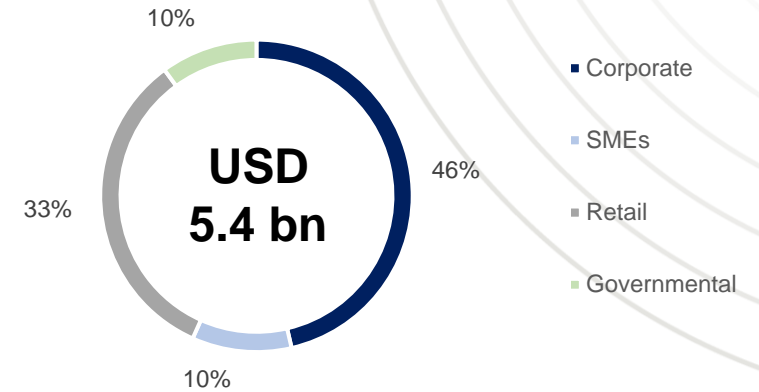
<sup>1</sup> 2021 and 2022 include one-off gain related to acquisitions.  
\* Q2 Annualised.

# Loan Portfolio Breakdown

Assets Breakdown

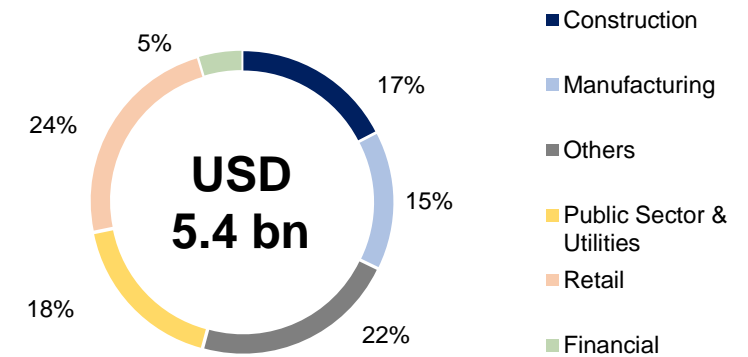


Gross Portfolio Breakdown



Total gross loan portfolio reached **USD 5.4 billion** as of 30.06.2023; of which 46% consisted of Corporate clients.

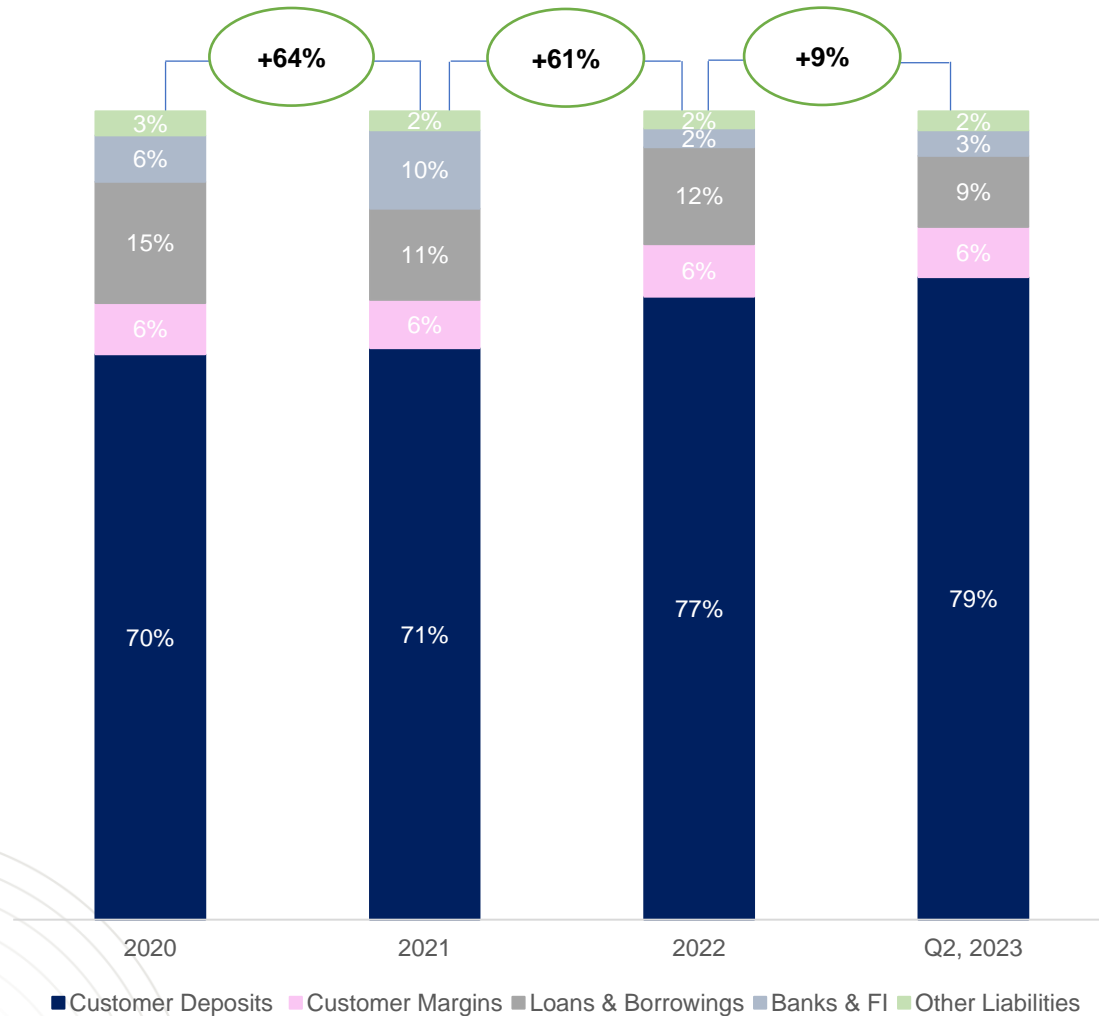
By Sector



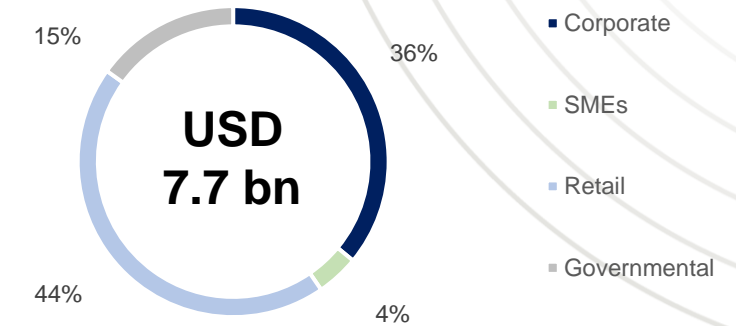
Well distributed amongst several diversified sectors.

# Deposits Breakdown

Liabilities Breakdown



Customer Deposits by Segment



As of end of Q2 2023, retail clients remained the highest constituent of total customer deposits at 44%.

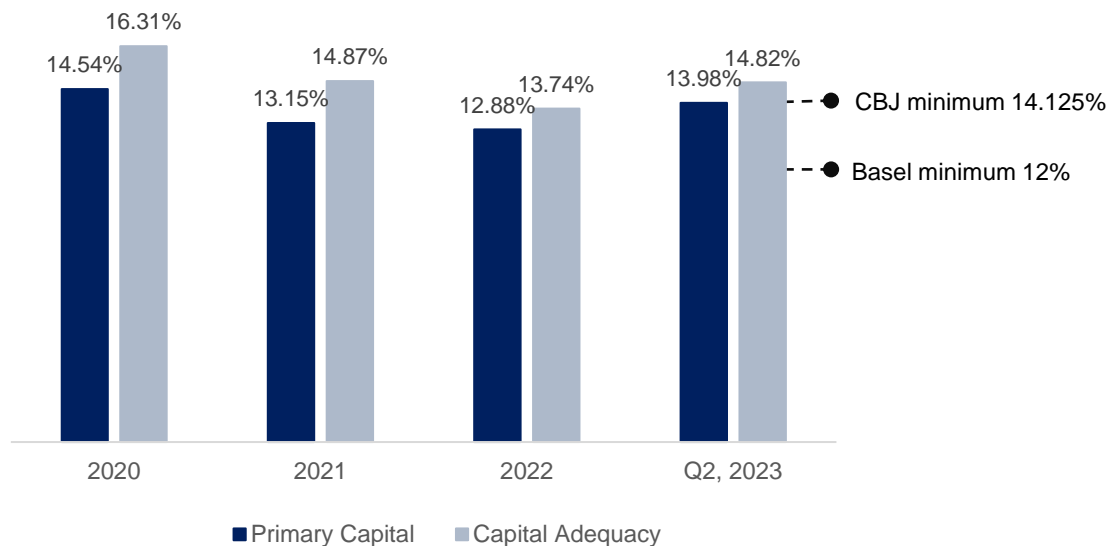
Customer Deposits by Type





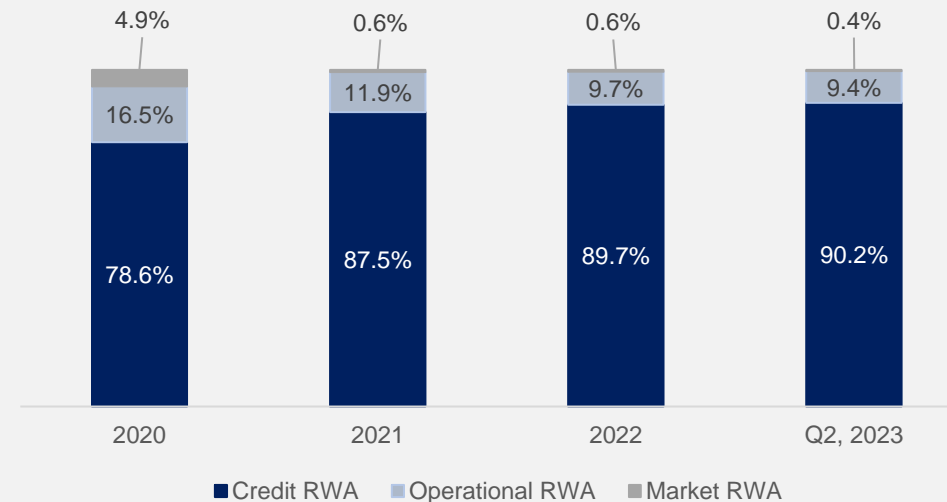
# Strong Capital Base

Capital Adequacy Walkthrough



By June 2023, **Capital Ratios** were **above** the minimum regulatory requirements; **CAR** ratio is at **14.82%** against Basel and Central Bank of Jordan's requirement of 12% and 14.125% respectively.

RWA Movement



Consolidated USD 000s	2020	2021	2022	Q2 2023
Tier 1 Capital	374,571	442,396	723,724	<b>799,116</b>
Tier 2 Capital	45,525	57,816	48,502	<b>47,634</b>
Total Regulatory Capital	420,096	500,212	772,226	<b>846,750</b>
Total RWAs	2,575,896	3,363,273	5,619,691	<b>5,714,524</b>
Capital Adequacy	16.31%	14.87%	13.74%	<b>14.82%</b>

# Peer Comparison – Q2, 2023



	Total Assets <sup>1</sup>	Net Loans <sup>1</sup>	Deposits <sup>1</sup>	Equity <sup>2</sup>	Net Profit <sup>2</sup>
<b>Arab Bank PLC</b>	39.5	16.6	27.1	5,696	366
<b>Housing Bank</b>	12.2	6.5	8.0	1,777	108
<b>Capital Bank</b>	10.6	5.0	7.7	945	71
<b>Bank al Etihad</b>	9.9	5.8	7.7	804	42
<b>Jordan Kuwait Bank</b>	6.6	3.0	4.4	978	18
<b>Cairo Amman Bank</b>	5.3	3.1	3.6	605	26
<b>Jordan Ahli Bank</b>	4.6	2.4	2.9	456	13
<b>Bank of Jordan</b>	4.1	2.0	2.9	750	32

<sup>1</sup> USD billions.

<sup>2</sup> USD millions.

# Market Share for Jordan Branches – Year 2022

Item	Banking Sector*	Growth**	Capital Bank Jordan*	Growth**	Market Share Dec 20	Market Share Dec 21	Market Share Dec 22
Total Assets	90,468	5.1%	8,557	63%	4.3%	6.1%	9.5%
Deposits	59,388	6.5%	5,807	85%	4.0%	5.6%	9.8%
Loans	45,968	8.5%	3,872	72%	3.9%	5.3%	8.4%

- Capital Bank continues to outperform the banking sector in Jordan with growth in assets reaching **63%** compared to end of 2021.
- While total assets market share has gone up from **4.3%** in 2020 to **9.5%** in 2022.

\* In USD billions.

\*\* Growth is measured against December 2021; Capital Banks's growth includes SGBJ acquisition.

# Capital Bank Stock

**Listed on:** Amman Stock Exchange (ASE). **Subscribed Shares:** 263,037,121

**Symbol:** CAPL.

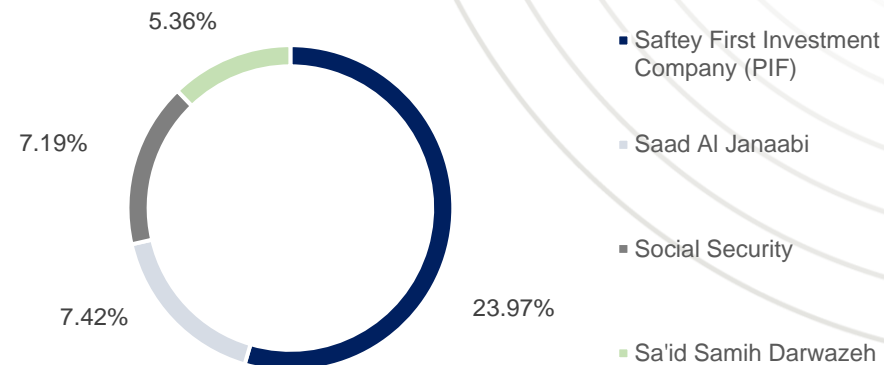
**Free Float:** 45.6%.

**ISIN:** JO1101711017.

**Share Turnover\*:** 6.35%.

Year	Opening Price	Closing Price	High Price	Low Price
Q2 2023	JOD 2.44	JOD 2.11	JOD 2.60	JOD 2.02
2022	JOD 2.03	JOD 2.44	JOD 3.10	JOD 2.00
2021	JOD 0.98	JOD 2.03	JOD 2.06	JOD 0.98
2020	JOD 1.00	JOD 0.98	JOD 1.03	JOD 0.79

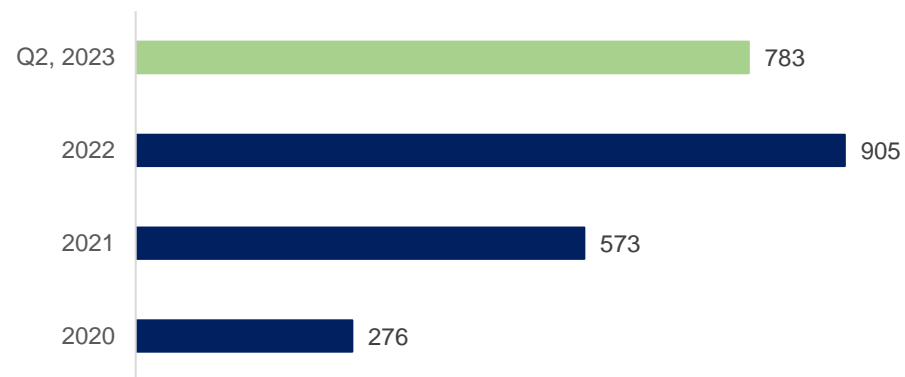
Major Investors with 5% Ownership or More (30.06.2023)



Capital Bank Share vs ASE 20 and Banking Index (Closing Price Q2, 2023)



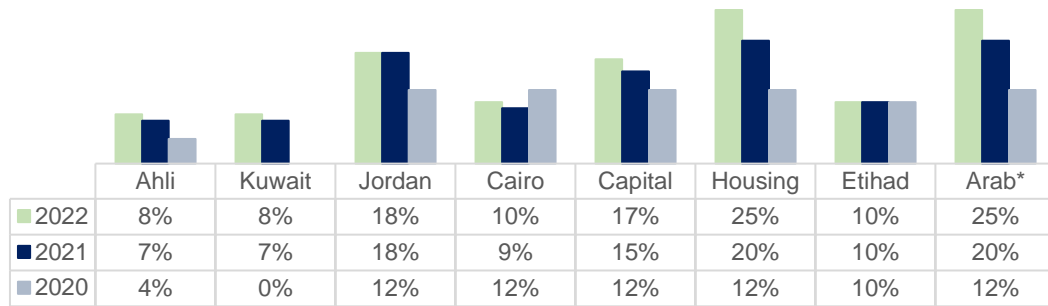
Market Cap in USD Millions



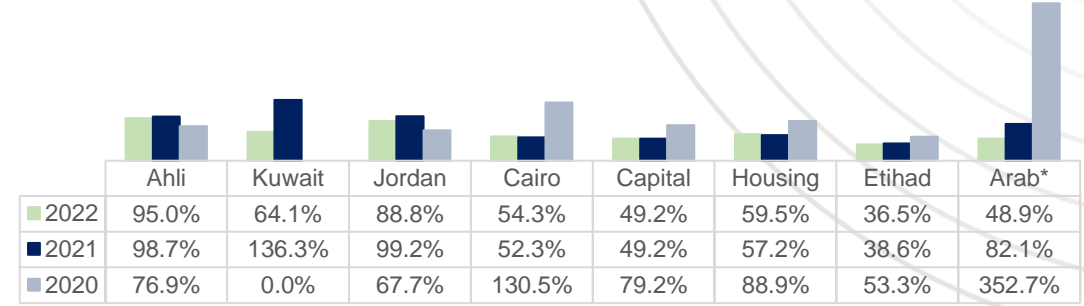
\* Volume of traded shares over the past 12 months divided by number of outstanding shares.

# Capital Bank Stock – Versus Peers

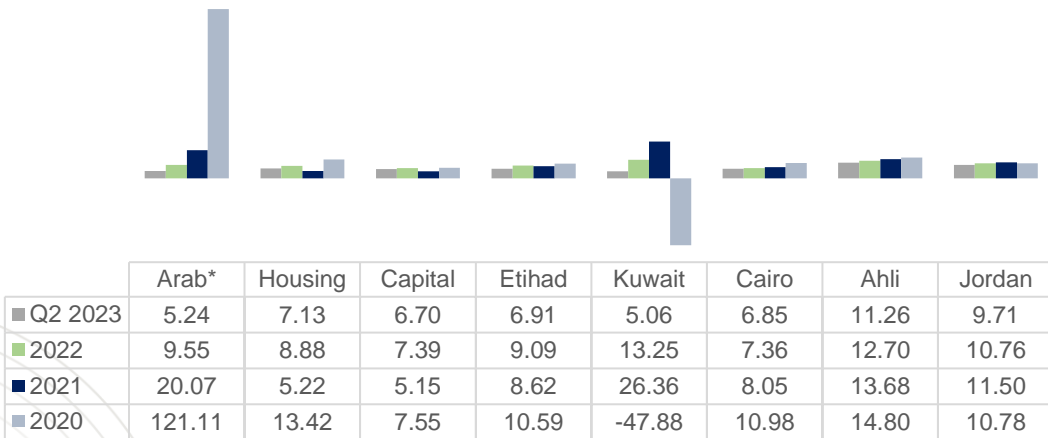
Dividends as a Percentage of Capital



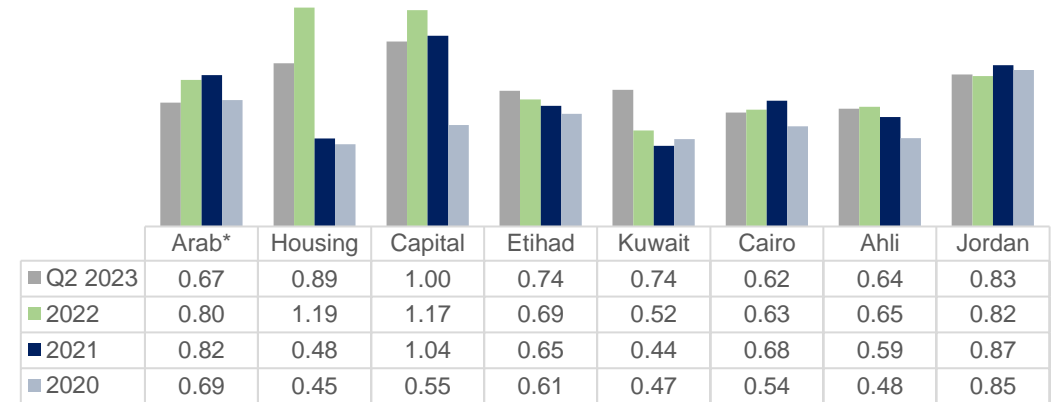
Dividend Payout Ratio



Price to Earnings Ratio



Price to Book Value



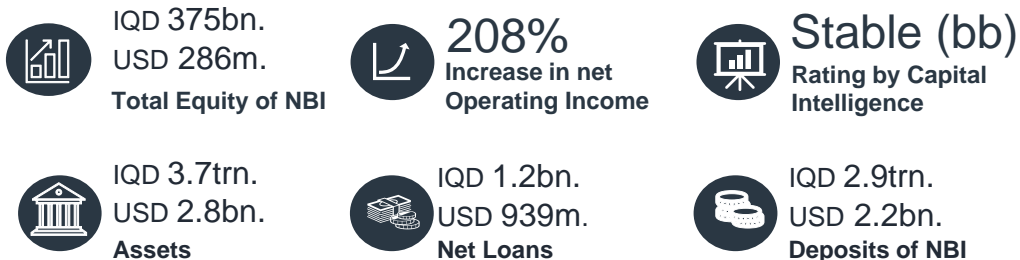
Source: Amman Stock Exchange for year ending 2022 and Q1 2023 where applicable.  
\* Arab Bank PLC

# 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 – Q2, 2023

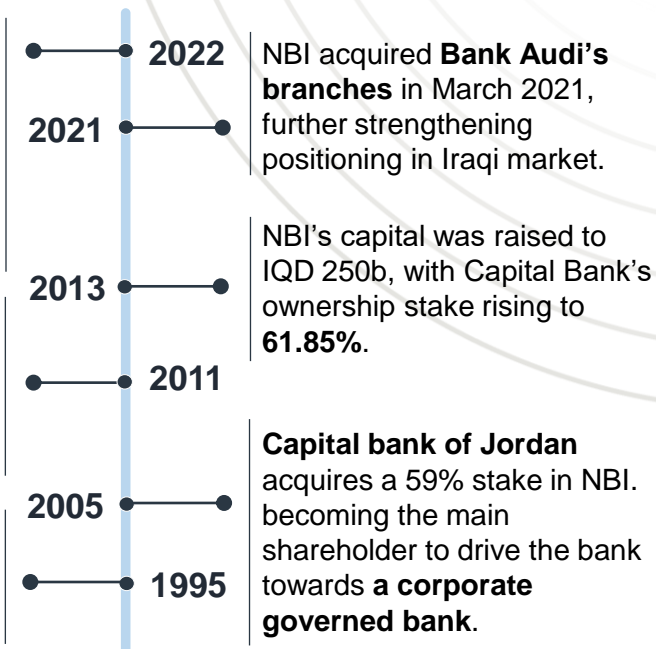


## Timeline

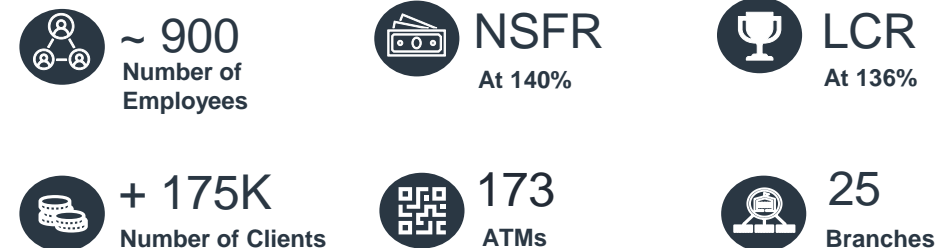
**Capital increased** to become IQD 270 billion. **Commenced operations** of its newly established branch in KSA and added a new revenue stream through the Leasing Company.

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

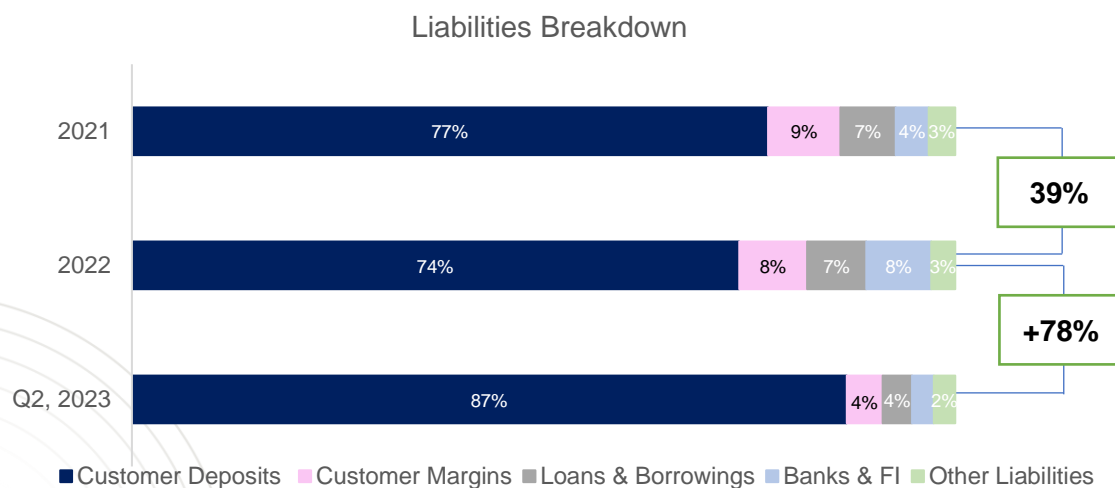
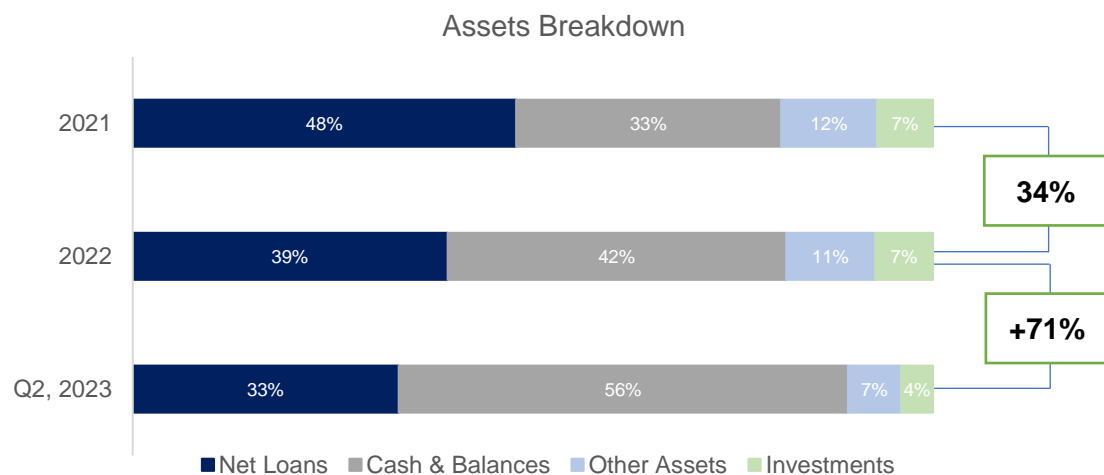
**National Bank of Iraq established** as a **publicly traded private bank** in Iraq with a capital of IQD 400m.



### Key facts – Q2, 2023



# National Bank of Iraq – A Snapshot



*In USD Mn*

Key Income Statement Items	2021	2022	Q2 2022	Q2 2023 <sup>1</sup>
Gross Operating Income	57	75	36	<b>89</b>
Total Operating Expenses	(32)	(40)	(17)	<b>(33)</b>
Net Operating Income	25	35	19	<b>56</b>
Provisions	(2)	(9)	(5)	<b>(11)</b>
One-off and Non Recurring Items <sup>2</sup>	-	(7)	-	-
Tax	(4)	(5)	(3)	<b>(9)</b>
Net Profit	19	14	11	<b>36</b>

Key Figures & Ratios	2021	2022	Q2 2023 <sup>1</sup>
Total Assets	1,236	1,656	<b>2,829</b>
Net Credit Facilities	592	651	<b>940</b>
Total Deposits	792	1,054	<b>2,208</b>
Capital Adequacy Ratio	24.5%	20.8%	<b>18.4%</b>
Net Interest Margin (Spread)	6.2%	5.9%	<b>6.1%</b>
Efficiency Ratio	56.1%	53.6%	<b>40.5%</b>
NPL Ratio	2.5%	2.6%	<b>1.3%</b>
Coverage Ratio	78.7%	88.5%	<b>168.3%</b>

<sup>1</sup> Exchange rate against dollar is at IQD 1310 versus IQD 1460 in the previous years.

<sup>2</sup> Includes one-time provisions in addition to KSA branch and leasing company establishment costs.

# Capital Investments – Unparalleled Scope of Services

## Locations and Track Record

Headquartered in Jordan, with a wide-reaching presence across the Middle East, Capital Investments has been shaping and elevating the MENA region's financial services sector since its establishment in 2006.

Capital Investments is a market leader in providing comprehensive investment banking services, from Asset Management and Brokerage to Corporate Financial Advisory, serving a diverse array of local, regional and international clientele, and high-net-worth individuals.

### Capital Markets Q2, 2023



Assets Under Management

> **USD 698m**

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



Number of Brokerage Accounts

> **8.3K**

## Value Presentation and Service Offering

### Advisory

- Mergers & Acquisitions.
- Equity capital markets.
- Debt capital markets.
- Project finance.
- Corporate and financial restructuring.
- Corporate valuation.
- Government Advisory.
- Public Private Partnerships (PPP).
- Financial and Strategic advisory.
- Capital structure advisory.
- Islamic financing.

### Asset Management

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

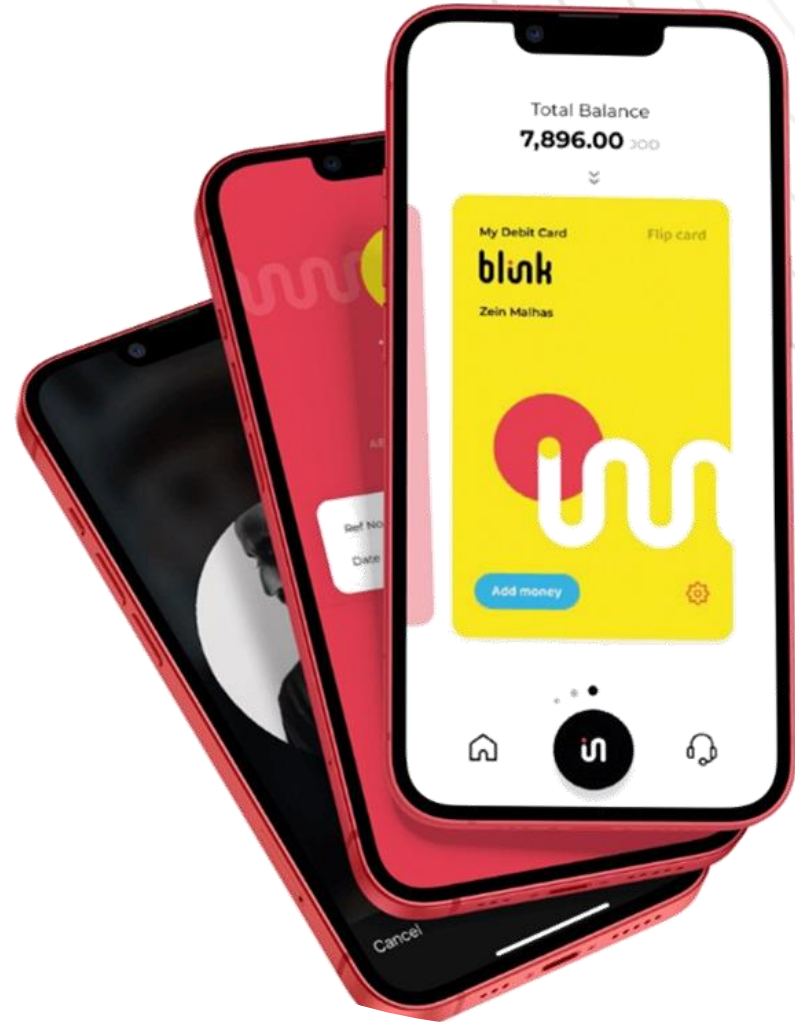
### Brokerage

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



# Blink – The All Digital Neobank

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



# Digital Transformation – To Drive Sustainable Growth

## Improved Self-Service Capabilities



- Capital Bank's digital channels have achieved a remarkable adoption rate with nearly 100% among Corporate and SME clients with approximately 91% of clients utilise the Bank's digital channels for their daily transactions. The recent digital onboarding services expedites the customer process, increasing customer satisfaction and digital adoption.

## Customer Centricity & Experience



- Capital Bank's mobile application and gamification campaigns enables centralised customer communication, delivering real-time updates across all channels and enhance engagement.
- The enhanced services provided allows clients to conveniently open term deposits; providing seamless access to investment opportunities.

## Enhanced Efficiency & Productivity



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

## Ecosystem and Partnerships



- Since 2022, seamless integration with Capital Investments enabled customers to link their bank accounts with their investment portfolios and integrated with the Jordan Government's digital service 'SANAD' – granting clients access to over 100 governmental services.
- Capital Bank enhanced Easy Payment Plan (EPP) service, providing customers with more convenient financial solutions.

## Innovation in Payments



- In 2023 Capital Bank launched Apple Pay, enabling customers to link any card 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



- Capital Bank's distribution of Point of Sale (POS) devices to numerous merchants resulted in a significant increase in card usage and contactless payments.
- The bank has observed a sustained growth in daily digital banking transactions along with a rising number of customer logins indicating a positive customer experience.

# Group Guidance

## Medium / Long Term Guidance – 2026



Total  
Assets

CAGR to be higher than 10%.



Cost to income  
Ratio

To be less than 40%.



Capital  
Adequacy

To exceed 14.5%.



Return on  
Equity Ratio

To surpass 14% on the consolidated level.



Dividends  
Pay-out Ratio

To range between 40% - 50% of net income.

# Capital Bank of Jordan – Credit Rating

MOODY'S

Moody's as of 21.11.2022	Current	Outlook
LT Counterparty Risk Rating (Foreign)	Ba3	
LT Counterparty Risk Rating (Domestic)	Ba3	
ST Counterparty Risk Rating (Foreign)	NP	
ST Counterparty Risk Rating (Domestic)	NP	
LT Bank Deposits (Foreign)	B1	Positive
LT Bank Deposits (Domestic)	B1	Positive
ST Bank Deposits (Foreign)	NP	
ST Bank Deposits (Domestic)	NP	
LT Counterparty Risk Assessment	Ba3(cr)	
ST Counterparty Risk Assessment	NP(cr)	
Baseline Credit Assessment	b1	
Adjusted Baseline Credit Assessment	b1	

CAPITAL  
Intelligence

Capital Intelligence as of 09.05.2023	Current	Outlook
Core Financial Strength	bb	
LT Currency (Foreign)	B+	Positive
ST Currency (Foreign)	B	Positive
Bank Standalone – BSR	b+	Stable

# ESG – Awareness and Approach

## ENVIRONMENTAL

## SOCIAL

## GOVERNANCE

- During the second quarter of 2023, Capital Bank published its first sustainability report in line with the standards and guidelines of Global Reporting Initiative (GRI) and the United Nations' Sustainable Development Goals 2030 (UNSDGs).
- The report outlines the Bank's approach to addressing the impact of its activities on the environment and society, highlighting the achievements and aspirations to sustainable development and growth. The report also highlights the Bank's approach to sustainability which revolves around **3** pillars – focused on **10** material topics as follows:

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

- a. Climate Change and Decarbonisation
- b. Environmental Management

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

- a. Workforce Development and Inclusion
- b. Local Communities
- c. Financial Inclusion & Literacy
- d. SME Growth
- e. Customer Experience and Satisfaction

**Pillar 3 – Governance:** Implementing Robust and Responsible Corporate Governance:

- a. Data Security
- b. Innovation and Digitisation
- c. Incorporation of ESG Factors in Credit Analysis

# ESG – Awareness and Approach

## ENVIRONMENTAL

## SOCIAL

## GOVERNANCE

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

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

# ESG – Awareness and Approach

ENVIRONMENTAL

SOCIAL

GOVERNANCE

In terms of governance the Bank integrated a social and environmental management system to assess ESG risks of the credit decision making process, some of which are as follows:

- Implementing a regular Environmental & Social ('E&S') performance assessment through an E&S board-approved policy that is based on IFC standards.
- E&S procedures have been fully integrated pertaining to categorisation, assessment and monitoring into the credit approval system.
- Conducting adequate E&S training to designated credit/front office staff members through the IFC E-learning platform to enable them to report any E&S risk as part of their standard processing of transactions.
- Categorising transactions based on exposure to E&S risk sectors as per Capital Bank's E&S policy, by performing an analysis for relevant transactions to assess the identified risks, mitigate and manage risks associated to these transactions by identifying the problems and designing adequate solutions using IFC Standards.
- Monitoring the E&S performance of clients through staff annual site visits and questionnaires.

Additionally, the Bank focused 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 whilst increasing operational efficiency. Furthermore, digital solutions has streamlined operations, enhanced transparency and strengthened risk management competence.



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

## Composition Stats

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

# Highly Experienced Management Team



**Mr. Samer Al-Aloul**

**Chief Executive Officer / Acting**

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

Name	Position	Joined
<b>BUSINESS</b>		
Nadim Abawat	Group Deputy CEO, International Business	2022
Linda Al Tarazi	Group Chief Transformation Officer	2022
Yasser Kleib	Group Chief Institutional Banking Officer	2009
Mohammad Othman	Group Chief Consumer Banking Officer	2020
Rami Al Khuffash	Group Chief Investment and Treasury Officer	2022
Ali Abu Swai	Group Chief Treasurer	2009
Ayman Abu Dhaim	CEO, National Bank of Iraq	2018
Omar Namoos	CEO Capital Investments – DIFC	2023
Bashar Amad	CEO Capital Investments	2021
Zein Malhas	CEO, Blink	2019
Manar Ameen	General Manager, Capital Leasing	2022
<b>CONTROL</b>		
Samer Al-Aloul	Acting CEO and Group Chief Banking Officer	2021
Rafat Khalil	Group Chief Audit Executive	2017
Rawan Said	Acting Group Chief Risk Officer	2023
Manar Aabidi	Group Chief Credit Officer	2020
Munis Haddadin	Group Chief Compliance Officer	2021
<b>SUPPORT</b>		
Izzidin Abu Salameh	Group Chief Operating Officer	2021
Manar Al Nsour	Group Chief Financial Officer	2016
Mohammed Mu'az	Group Chief Legal Counsel	2003
Yosif Saptis	Group Chief Human Resources Officer	2023
Touleen Barto	Group Chief Marketing and Corporate Communications Officer	2021

## Gender



67%



33%

## Education

Master

43%

Bachelor's

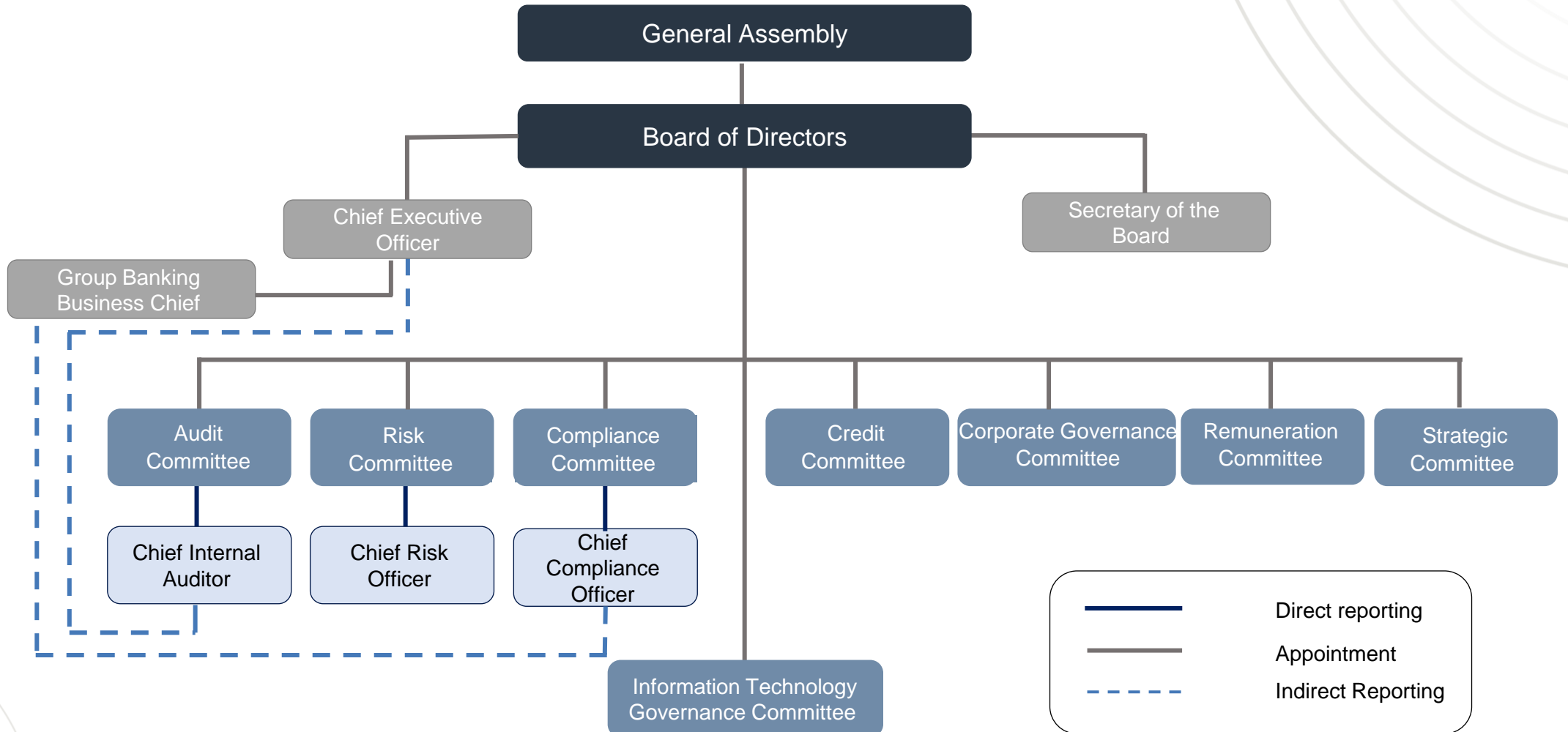
57%

## Average Experience



**26  
Years**

# Solid Governance and Decision Making





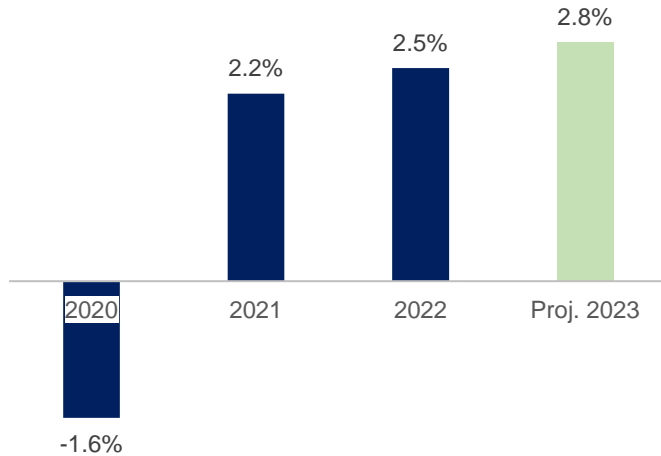
## Section 3

Macroeconomic Developments and Banking Sector Highlights

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bank

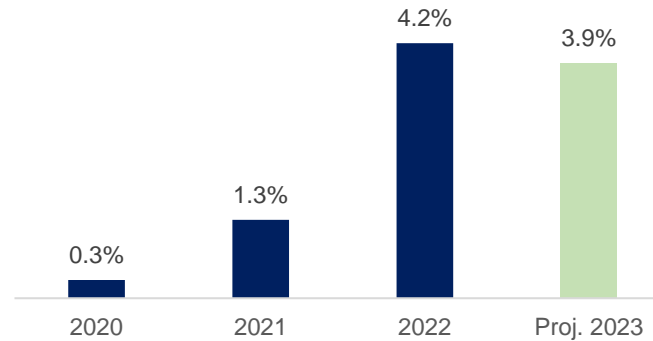
# Jordanian Economy Highlights

Real GDP Growth Rate



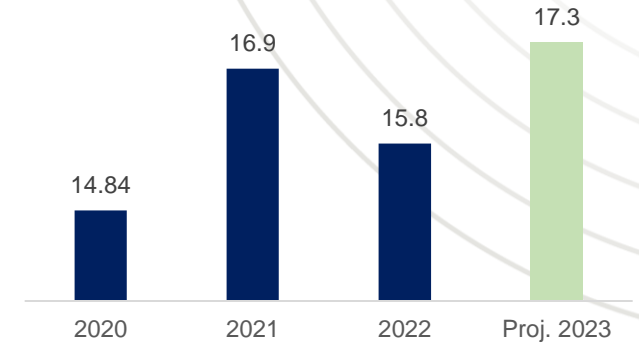
Jordan established a track record of fiscal reform implementation and prudence (backed by the IMF) which will likely contribute to a further narrowing of its fiscal deficit and a decline in government debt over the next few years.

Inflation Rate (CPI, Average Annual)



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

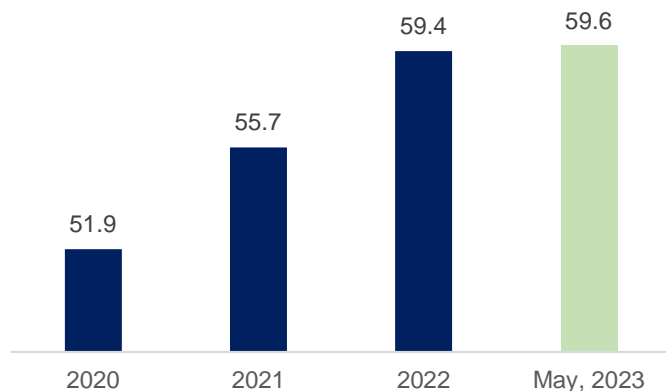
Foreign Currency Reserves (USD Bn)<sup>1</sup>



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

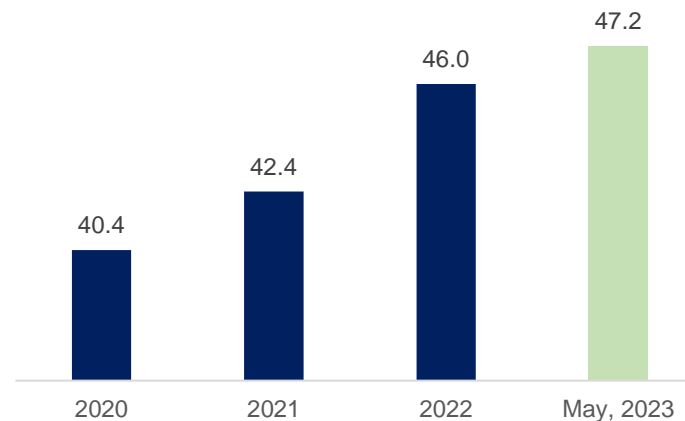
# Jordanian Banking Sector

Total Bank Deposits (USD Bn)



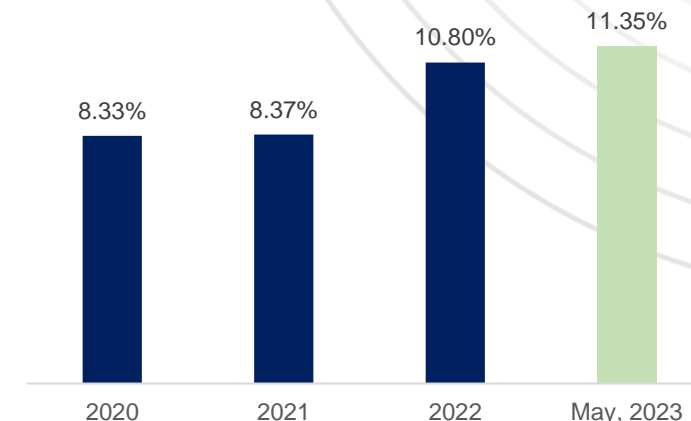
Standing at USD 59.6 billion as of May 2023, Total Bank Deposits witnessed an rising trend throughout the years.

Total Bank Loans (USD Bn)



At USD 47.2 billion, Banks' Total Loans similarly witnessed an increasing trend, with Loan to Deposit ratio reaching 79.2% in May 2023 compared to 77.4% by end of 2022.

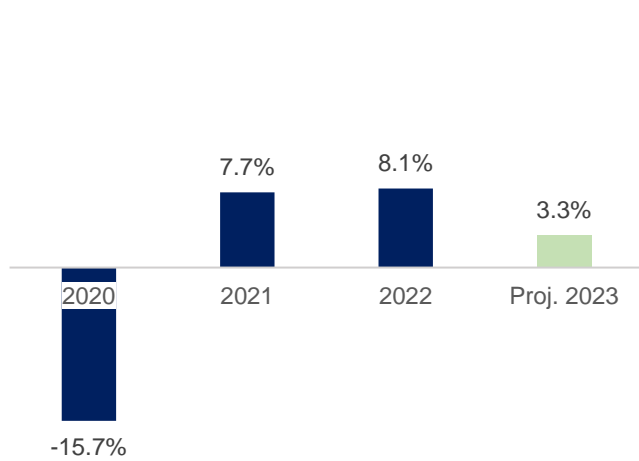
Prime Lending Rate



Given the several increases applied on interest rate since 2022, the Prime Lending Rate for banks stood at 11.35% as of May 2023.

# Iraqi Economy Highlights

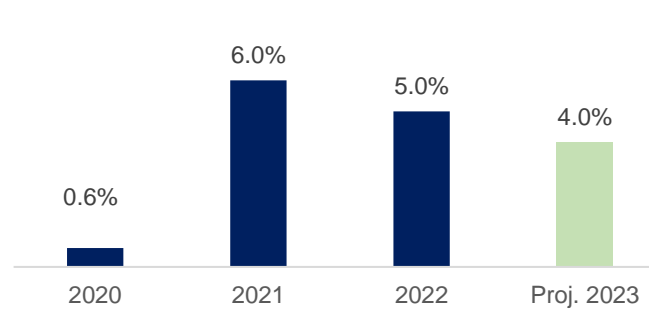
Real GDP (% Change)



Lower oil production coupled with the foreign exchange (FX) market volatility (due to high controls embedded for Anti-Money Laundering and Combating the Financing of Terrorism on FX sales) resulted in real GDP to contract.

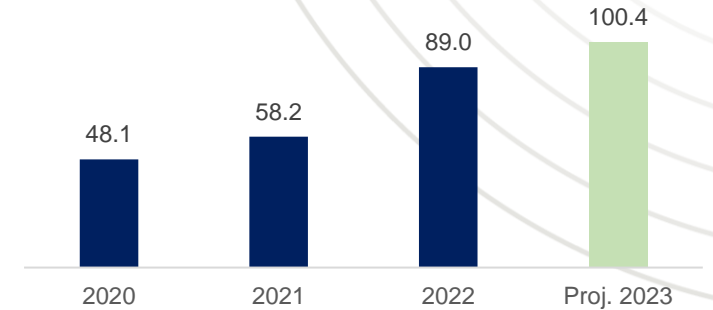
FX sales has adversely affected import dependent non-oil sectors the most, consequently real GDP is forecasted at a low of 3.3% for 2023.

Inflation Rate (CPI, Average Annual)



Inflation remained elevated until 2022 fueled by rising energy prices, demand pressures and high global commodity prices due to supply side disruptions. According to Moody's the rate is forecasted at 4% for year 2023.

Foreign Currency Reserves (USD Bn)



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

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