



بنك الاردن Bank of Jordan



Bank of Jordan Group - Q1 - 2024

Investor Presentation

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Executive Summary

Bank of Jordan at a Glance

Bank of Jordan group currently operates and has a strong network in the Middle East.

Balances as of Q1 - 2024.



ASSETS

~ \$ 4,269 Million



CUSTOMER DEPOSITS

~ \$ 3,121 Million



SHAREHOLDERS EQUITY

~ \$ 701 Million



BRANCHES

113 branches



NET PROFIT AFTER TAX

~ \$ 17.8 Million



CREDIT FACILITIES - NET

~ \$ 2,039 Million



SERVED BY

2,078 employees



ATMS

249 ATMs



BUSINESS DIVISIONS

Corporate & SME
Retail
Treasury
Investment Services
Financial Leasing



PRESENCE

Jordan
Palestine
Syria
Bahrain
Iraq

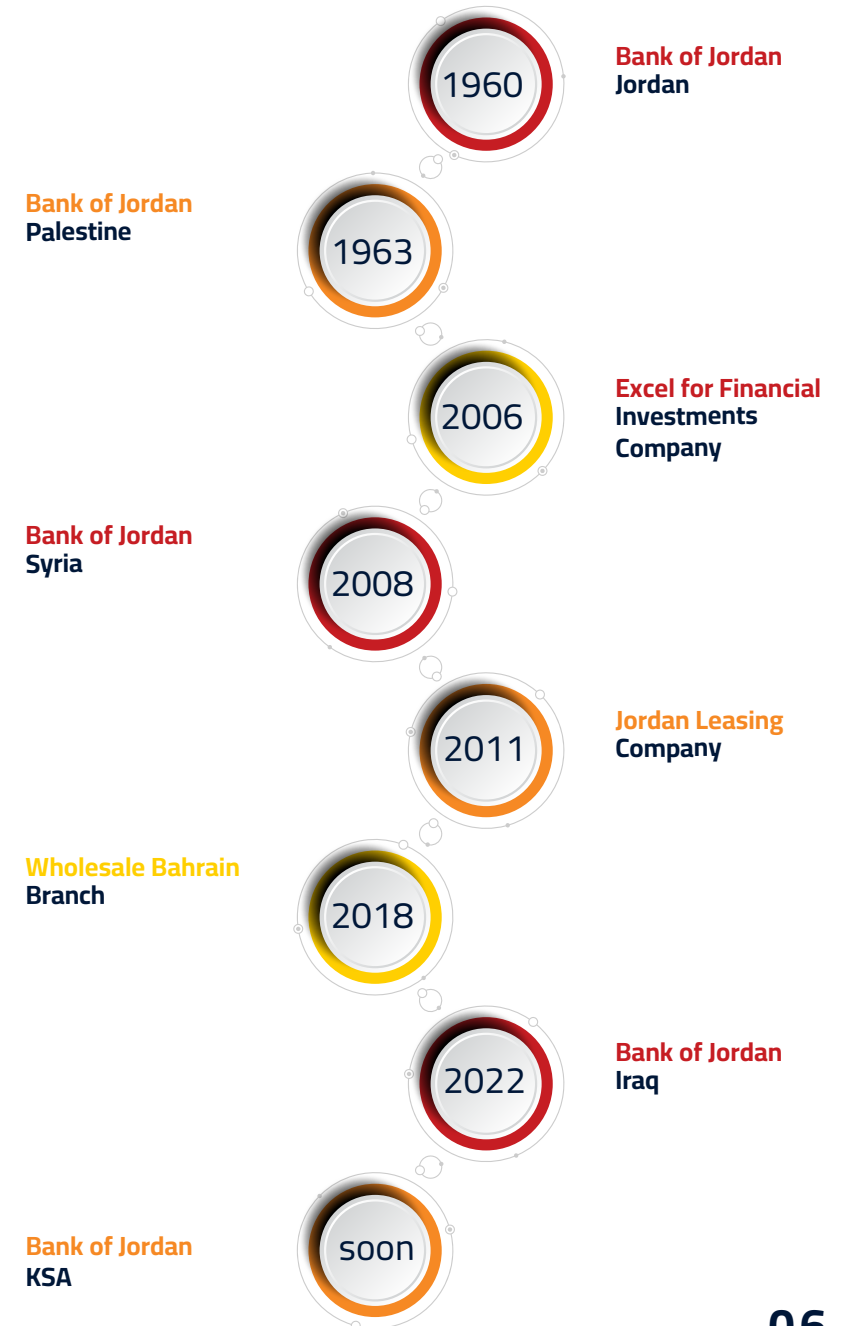


Bank of Jordan Footprint

Bank of Jordan Footprint

Bank of Jordan is one of the oldest commercial banking institutions and most pioneering financial institutions in Jordan, established on March 03, 1960. Today, Bank of Jordan stands as one of the region's leading banks, with shareholders' equity amounting to approximately USD 701 million as of 31/03/2024. The bank operates a wide-reaching distribution network that includes branches, offices, and ATMs strategically located throughout Jordan, Palestine, and Iraq. Moreover, Bank of Jordan offers a broad array of electronic and digital distribution channels, such as the BOJ Mobile application, the BOJ Business Banking digital services platform and a Contact Centre.

The bank delivers comprehensive banking products and services tailored to meet the diverse needs of individuals, small and medium-sized enterprises, and large corporations. Furthermore, it has played an active role in financing developmental projects for both national institutions and the private sector. The Bank of Jordan Group today includes branches in Jordan, Palestine, Bahrain, and Iraq, as well as the following subsidiaries: Bank of Jordan - Syria, Excel for Financial Investments Company, and Jordan Leasing Company. As part of our regional expansion plans, we are currently focused on identifying growth opportunities in rapidly developing regional economies. We are diligently preparing to launch operations in Riyadh, Saudi Arabia, with the aim of expanding our business network and enhancing our services in the region. This initiative aligns with our overarching goal of achieving sustainable success and promoting economic growth.



Expansion and Footprint



Bank of Jordan (Jordan) 82 Branches	(Jordan) 192 ATMs
Bank of Jordan (Palestine) 18 Branches	(Palestine) 44 ATMs
Bank of Jordan Subsidiary (Syria) 11 Branches	(Syria) 12 ATMs
Wholesale Bahrain Branch 1 Branch	(Bahrain) 0 ATMs
Bank of Jordan – Iraq (Baghdad Branch) 1 Branch	(Iraq) 1 ATMs

Board of Directors, Management & Shareholder Information

The Board, CEO, and Auditors Governance Structure

Chairman of the Board / Dedicated

Mr. Shaker Tawfiq Fakhouri

Vice Chairman

Mr. Walid Tawfiq Fakhouri

Members

Dr. Yanal Mawloud Zakaria

Representative of Al-Ekbal for General Investment.

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali

Representative of Al Tawfiq Investment House – Jordan

Mr. Haitham Mohammed Samih Barakat

Representative of Al Lu'lu'a Trading & Investment Co.

Mr. Husam Rashed Manna'

Representative of Al Yamama for General Investments Co. Cayman Islands

Mr. Walid Mohammad Al-Jamal

Representative of Al Pharaenah Int'l for Industrial Investments Co.

Members

Mr. Walid Rafiq Anabtawi

Mr. Mohammad Sa-ed Ishaq Jarallah

Mr. Youssef Jan Chamoun

Mr. Emad Adeen Jihad Al-Mass

Chief Executive Officer

Mr. Saleh Rajab Hammad

Auditors

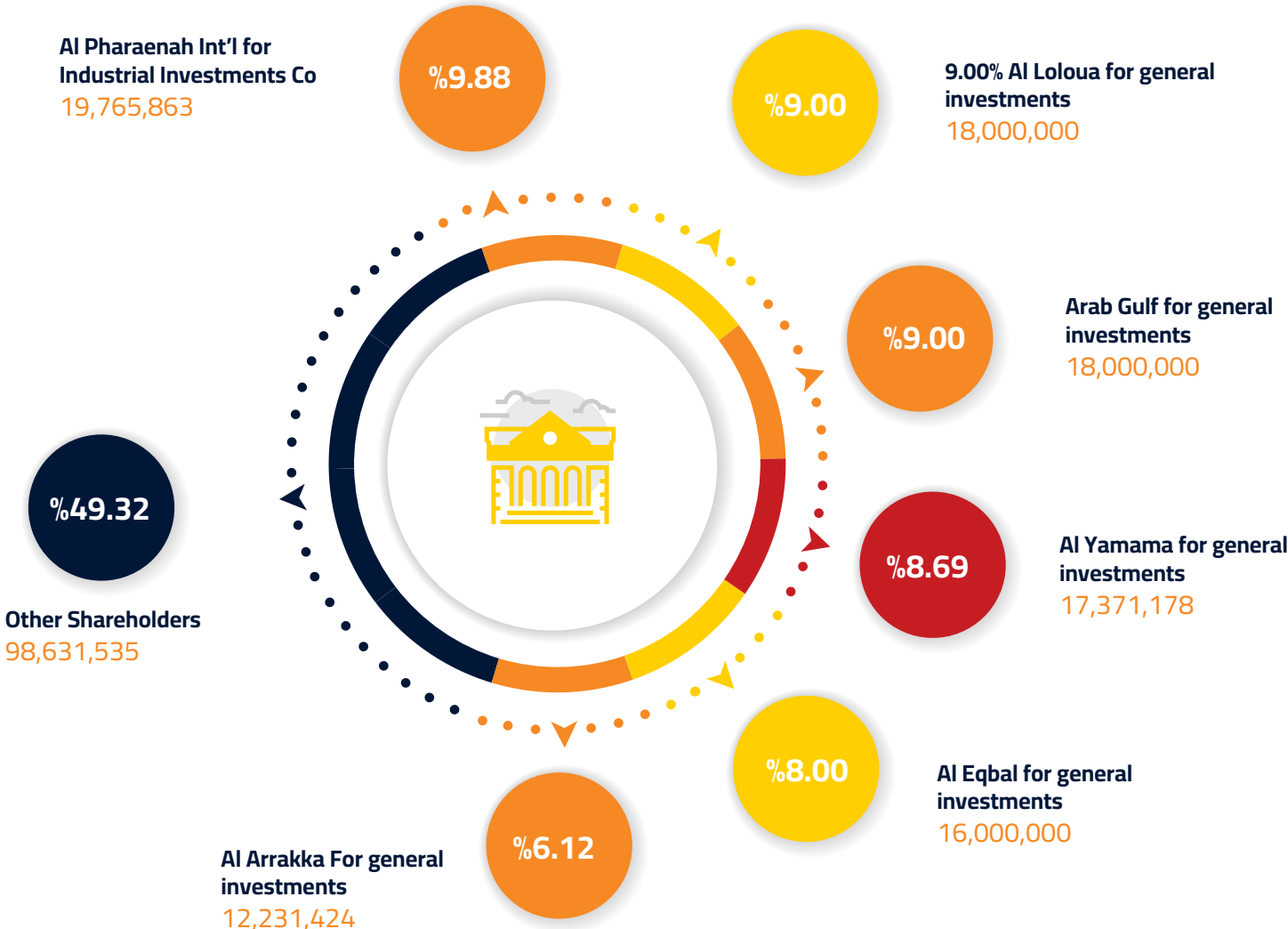
Deloitte & Touche (M.E.) - Jordan

For more information about
Bank of Jordan's approach to
corporate governance

[Click here](#)

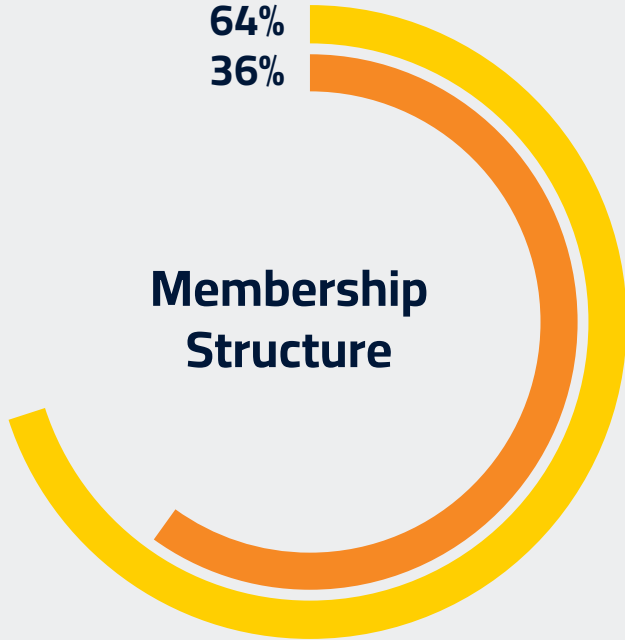
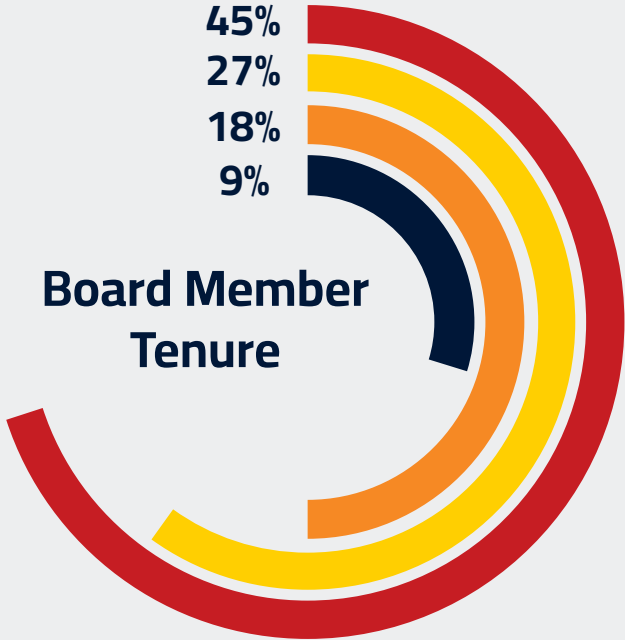
Board of Directors, Management & Shareholders information

Main Shareholders*



*As of 31/12/2023

Board Member Tenure & Membership Structure



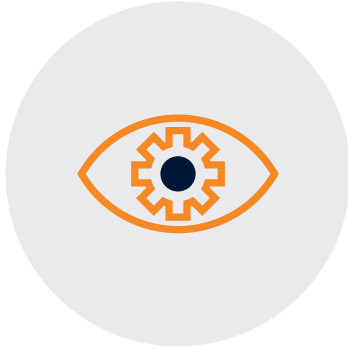
- 3-5 years
- 6-10 years
- 11-19 years
- Above 20 years

- Non - Independent
- Independent

The board consists of 11 members who are elected by the general assembly to a four-year term; 7 are non-independent and 4 are independent.



Strategic Focus



Our Vision

To be a pioneering bank that excels in providing products and services, offers comprehensive financial solutions and acquires an advanced position in the Arab region.



Our Mission

To build amicable relations with our customers, optimize the returns to shareholders and contribute to social advancement by providing comprehensive financial solutions through high quality and efficient service channels and modern business environment that comprise an excellent team of employees.

Strategic Direction

Overview 2024

Profitability, Growth, & Market Penetration

Focus on maximizing financial returns, market expansion, and incorporate a prudent approach to managing risk.

This is reflected in the emphasis on optimizing provision levels—allocating the right amount of financial reserves to guard against potential future loan losses. By carefully calibrating these provisions, the bank aims to maintain a balance between risk mitigation and capital utilization, ensuring that it can navigate economic fluctuations without compromising its growth trajectory or profitability objectives.

Data Driven Decision Making

Emphasizes the significance of leveraging data and advanced analytics to refine strategic decision-making, streamline operations, and tailor customer engagements.

This strategy is contingent on the maturity of data management within the organization, ranging from moderate to high. It is founded on robust data analytics capabilities, the integration of AI in processes, and the utilization of predictive analytics to anticipate market shifts and customer preferences. This strategy underscores the bank's commitment to becoming a more data-driven institution.

Strategic Direction

Overview 2024

Elevating Financial Well-being

Elevating the financial literacy of targeted customer segments, offering tailored educational content, personalized advisory services, and innovative product solutions catered for each segment's needs.

The strategy leverages the bank's digital platforms for enhanced customer engagement, with the objective of equipping customers with the knowledge to make informed financial decisions. Concurrently, it involves cultivating an internal culture of engagement, ensuring that employees are aligned with and are active participants in the bank's strategic goals.

Driving A Performance-driven Culture For Targeting Segments

Establishing a performance-driven culture within the bank, emphasizing the importance of clear goals, recognition systems, and accountability.

It is designed to enhance employee engagement, ensure adherence to ethical practices, and cultivate a customer-focused innovation mindset. The goal is to create an environment where a Key Performance Indicator (KPI)-driven culture thrives, guiding continuous improvement and professional development across the organization.

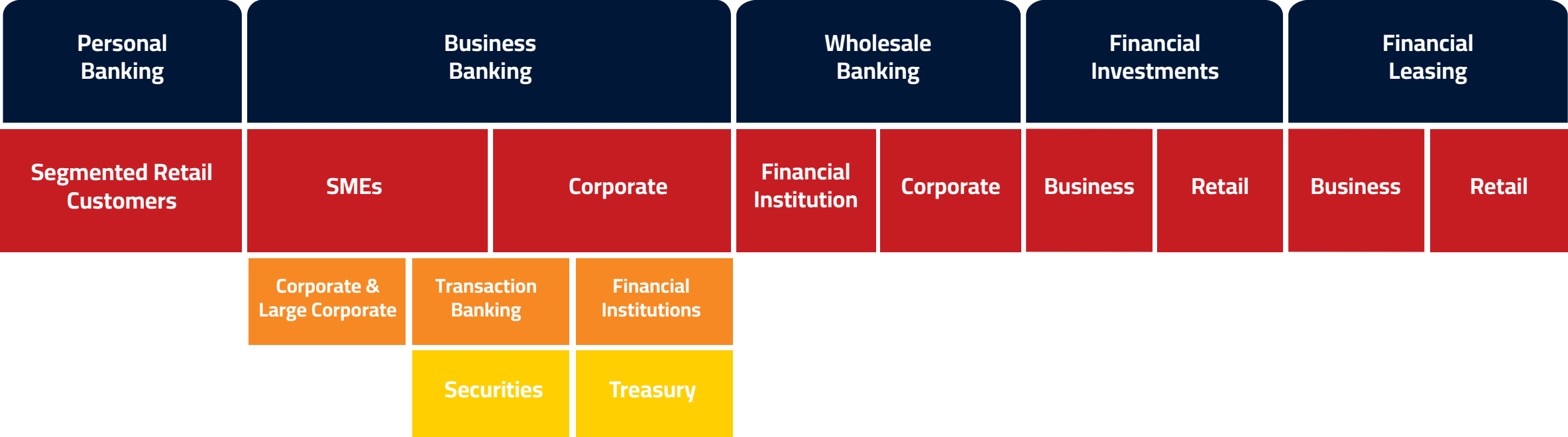


Value Proposition

Segmentation

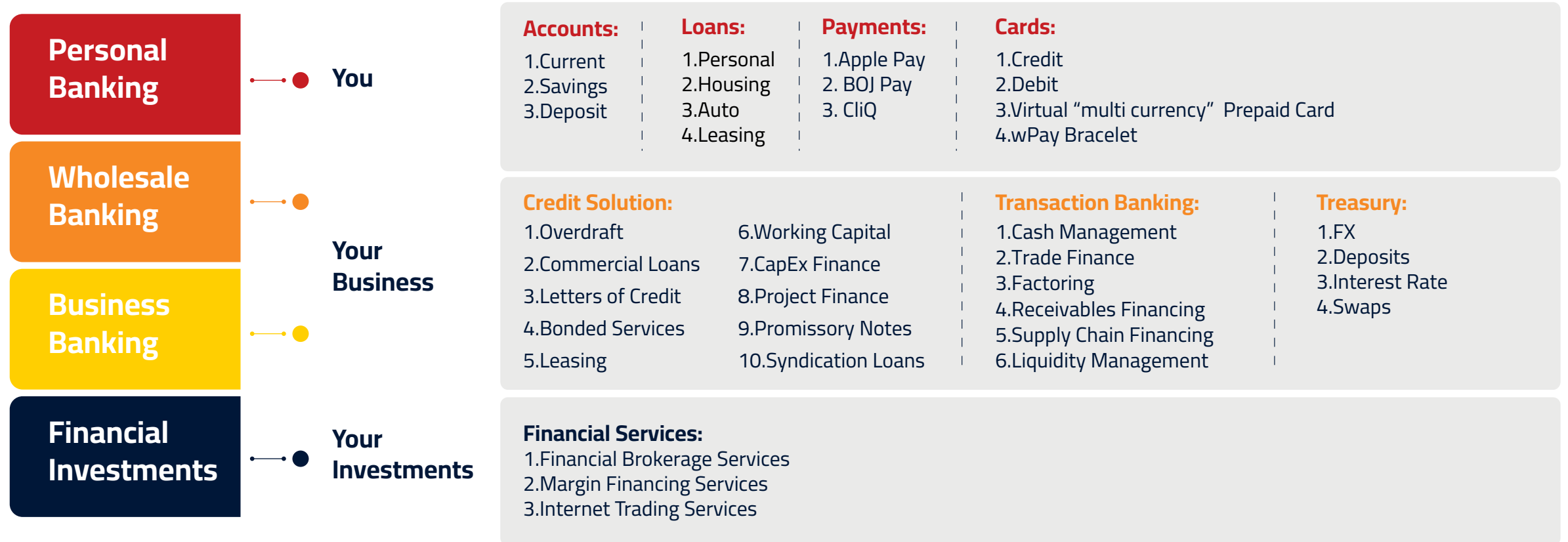
Strategic Segmentation Map

Bank of Jordan is committed to creating, communicating, and delivering its value proposition to its customers through meticulous customer segmentation, aiming to serve your personal, business, and investment needs. Our customer-centric approach is designed to fulfill our customers' requirements efficiently and effectively.



Value Proposition Elements

How BOJ is Creating Value to Customers?



Value Proposition Elements

How BOJ is Creating Value to Customers?

**Financial
Leasing**

● **Your Leasing
Financing**

Financial leasing options

1. Ijarah Ending with Ownership Transfer (Ijara Muntahia Bittamleek)
2. Operating lease
3. Selling then Leasing the Asset/ Asset liquidation

**Securities
Services**

● **For foreign
institutional
investors in
the Jordanian
market**

- Safekeeping
- Settlement
- Reporting
- Corporate actions
- Dividends collection and distribution
- Market updates and news

An abstract graphic consisting of overlapping organic shapes. A bright yellow shape is on the left, overlapping a dark red shape, which in turn overlaps a lighter red shape. The shapes are rounded and fluid, creating a sense of movement and depth.

**Innovation
and Agility**

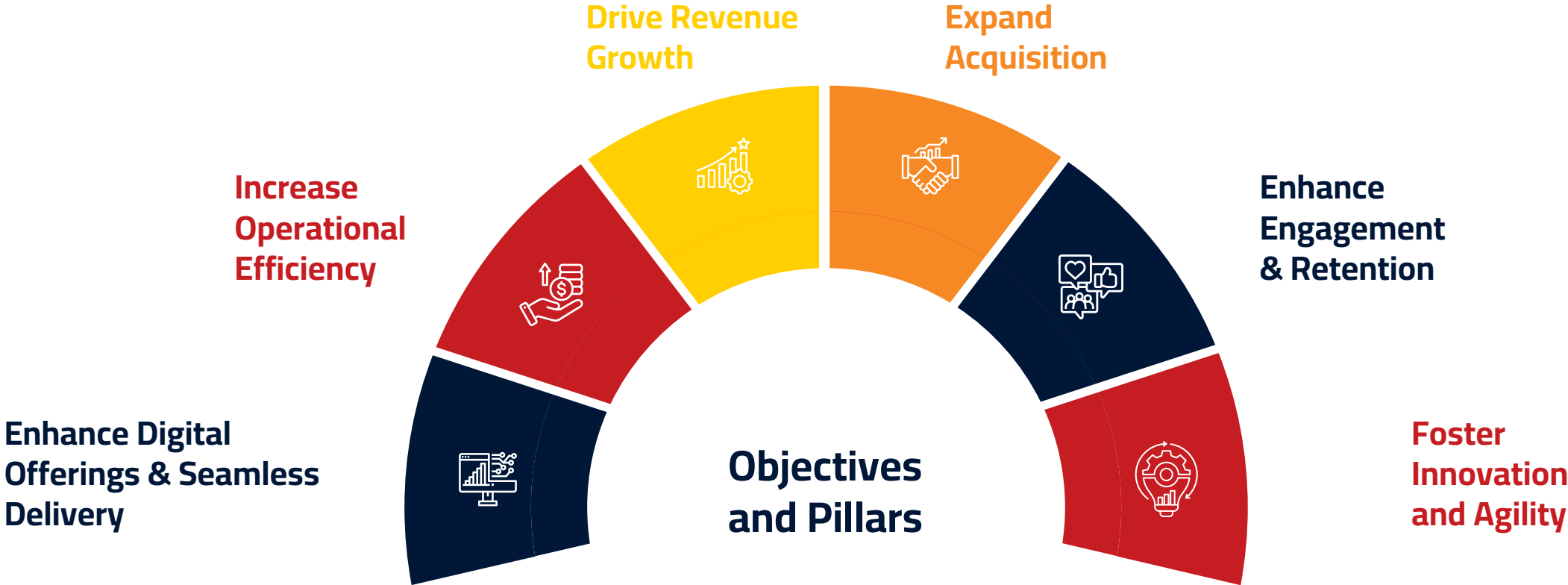
Digital Banking & E-Channels

Driven by the bank's progressive strategy, the Digital Banking and E-Channels department is overlooking digital functions which are core to the daily banking functions, and attend to the overall strategy of digital transformation. While continuously adapting to the latest customer needs and banking trends, the bank tends to utilize a customer-driven approach in order to enhance customer-facing channels.



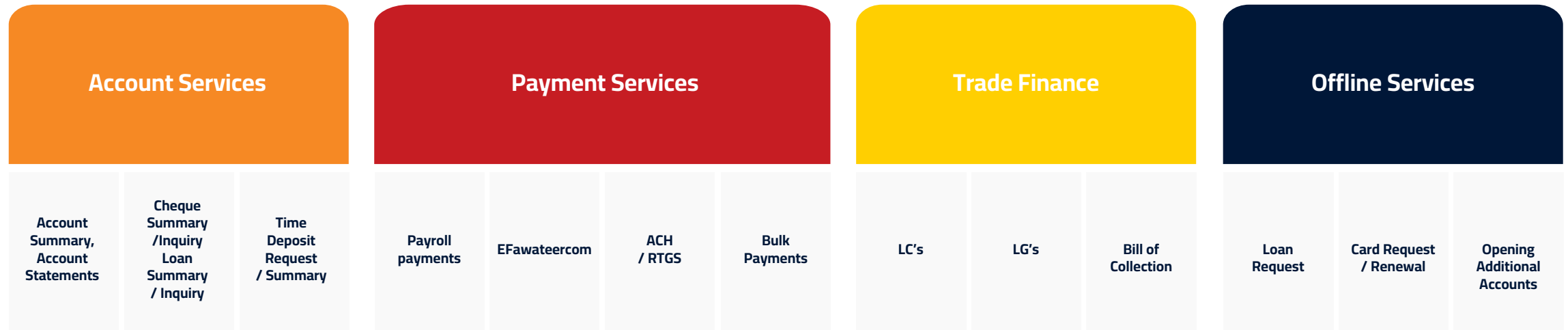
Value Proposition Elements

How is BOJ Creating Value for Customers?



BOJ Business Banking

Our groundbreaking online business banking platform, launched in August 2022, revolutionizes the way you manage your business. BoJ Business Banking digital corporate banking solutions, a credible and trusted platform designed to support your business efficiency. The platform introduces innovative and smart digital services, empowering you with faster, easier, and smoother control over your business operations. Experience secure and efficient payment management, streamlined banking processes and enhanced productivity. Our platform offers a wide range of functions, including but not limited to:



BOJ Information Security Program

The Bank of Jordan is committed to maintaining a strong cybersecurity posture and effectively managing cyber risks throughout its operations by adhering to internationally recognized standards and frameworks.





Sustainability Reports

2023

Highlights

We are marking a significant milestone in our journey towards fostering a sustainable future. We have dedicated substantial efforts to establishing a robust sustainability framework, anchored on four key pillars that shape our approach to integrating sustainability into the bank's operational processes.

Reinforcing Our Primary Governance Principles and Advancing Sustainable Finance



Board members maintained an attendance rate of approximately **95%** at board meetings.



100% of the Board of Directors are non-executive members.



Zero incidents of non-compliance with laws and regulations nor non-monetary penalties documented within the past 3 years.



BOJ has maintained the distribution of cash dividends of **18%** of the capital, amounting to JOD 36 million within the past 3 years.



11% increase in the percentage of environmentally friendly car loans.



13.3% increase in returns (total income).



14.5% of our total credit facilities portfolio is dedicated to financing small and medium enterprises.

Cultivating Amicable Relations with Our Customers



92.8% Overall customer satisfaction rate.



Successfully launched the **BOJ Business Banking Platform**.



87% of complaints have been resolved within five business days throughout 2023.



Project Completion of the **Middleware System**.



85% of our clients have been using digital channels within the past 3 years.



92% Relative importance of movements executed digitally from the total transactions executed



Zero data breaches have been recorded within the past 3 years



54 ATMs and **33** branches are equipped for individuals with mobility impairments.

2023

Highlights

Unwavering Commitment to Our Communities and Our Environment



Zero fines for non-compliance with environmental laws and regulations within the past 3 years.



Avoided carbon emissions amounting to **2,644 tons of CO2**, due to reliance on solar energy.



9000+ beneficiaries of our social initiatives and programs.

100% Total reliance on solar energy to meet our electrical energy needs in the last 3 years.



22.8% increase in donations and sponsorships provided by BOJ.



11% increase in spending on local suppliers.

Developing a Team of Exceptional Employees



99.5% of our total workforce are locals.



24.6% increase in the number of females in middle and senior management.



764 employees participated in the field training program on behavioural competencies, representing **53%** of the total workforce in 2023.



19.4% increase in the number of training hours provided to employees compared to 2022.



1000+ employees attended training on the Code of Professional Conduct.



21% decrease in the number of grievances.

Corporate Social Responsibility (CSR)

Rooted in our unwavering belief in the principles of social solidarity and understanding the ever-evolving societal needs, Bank of Jordan is deeply committed to executing impactful social responsibility initiatives. Over the years, we have fostered strategic partnerships with various charitable and civil society organizations, reflecting our dedication towards bolstering key societal pillars.

Charitable Organizations & National Institutions
41%



Health
28.4%



Sports & Special Needs



CSR Pillars 2024

Education
12.7%



Environmental



Other
18%



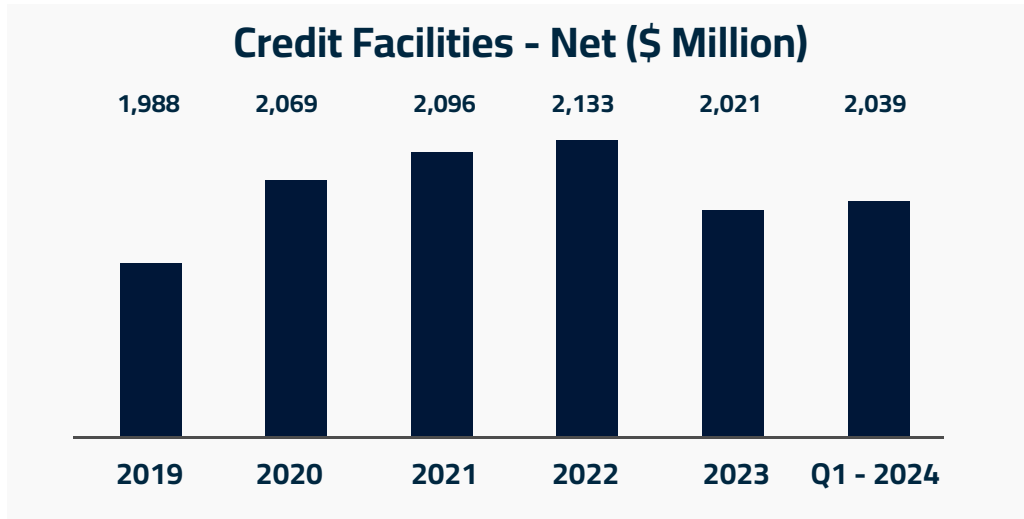
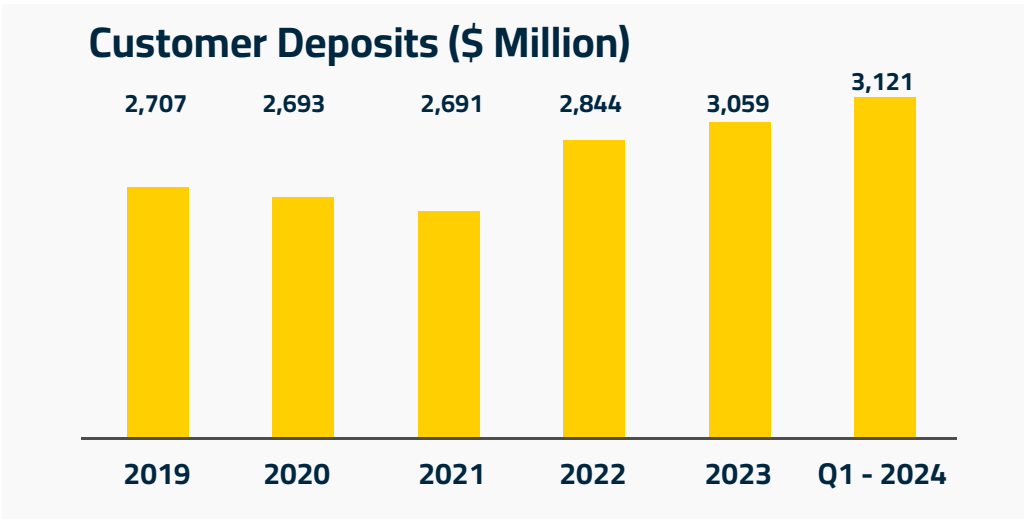
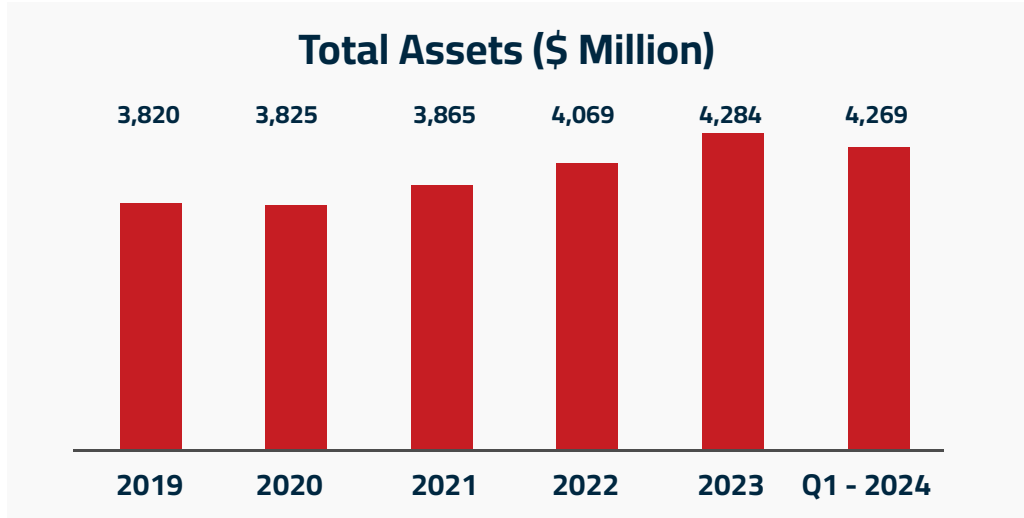
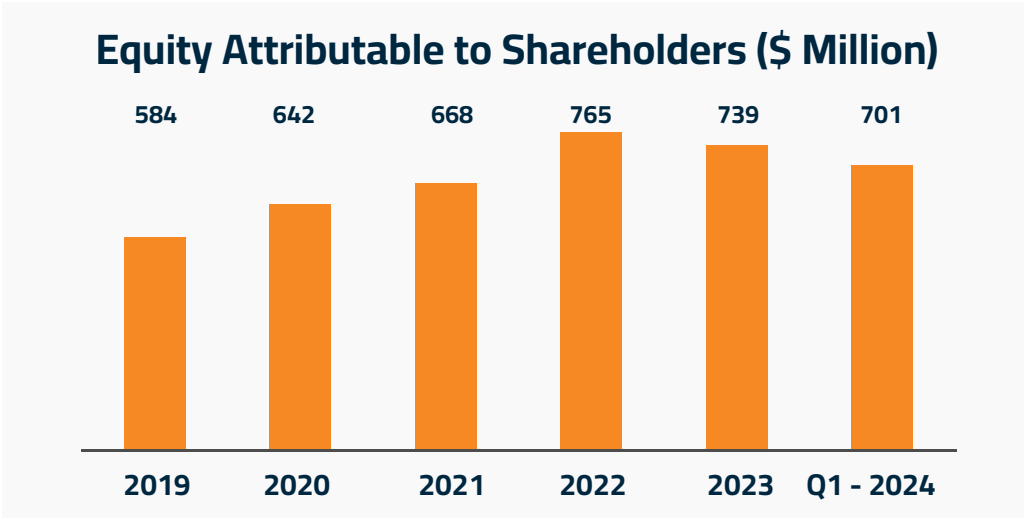
CSR Spending in Q1 - 2024 (by activity)
~ 157.0 Thousand USD



Financial Performance Key Performance Indicators

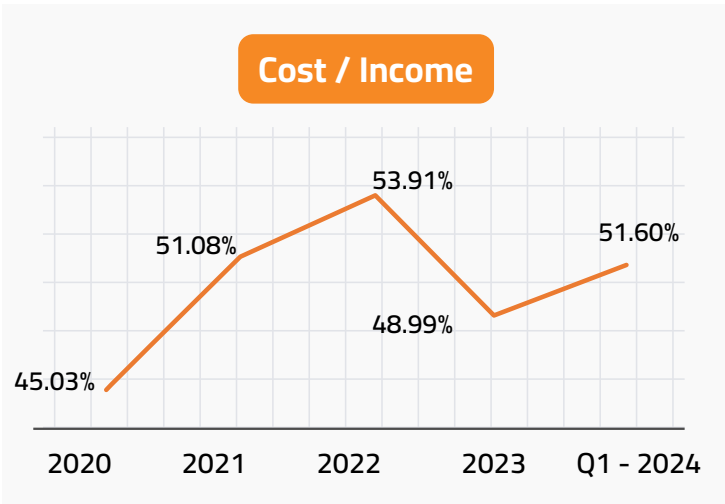
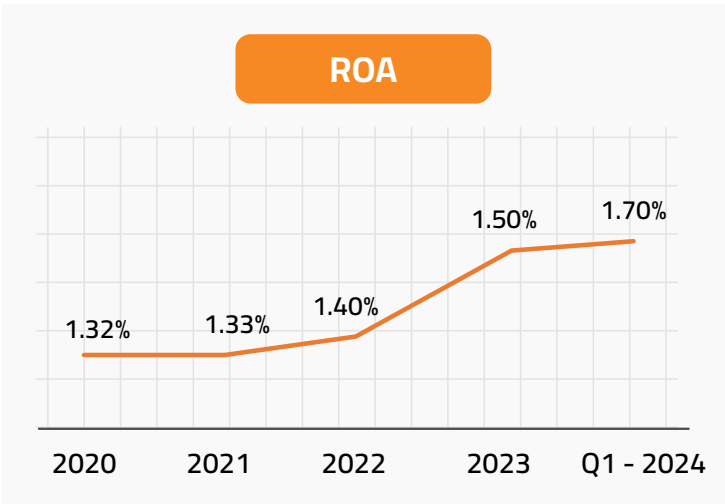
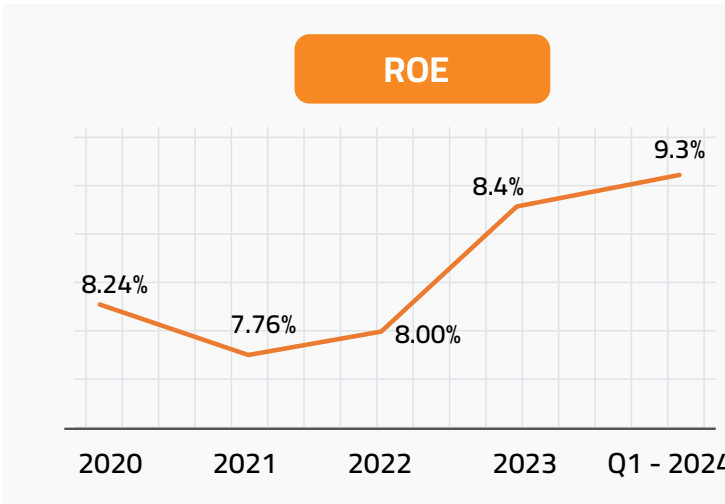
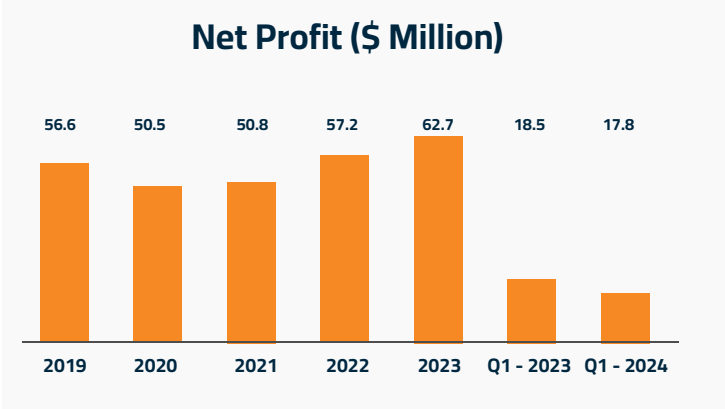
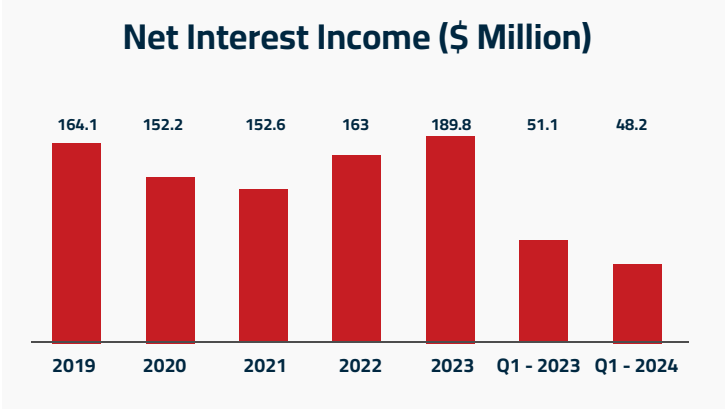
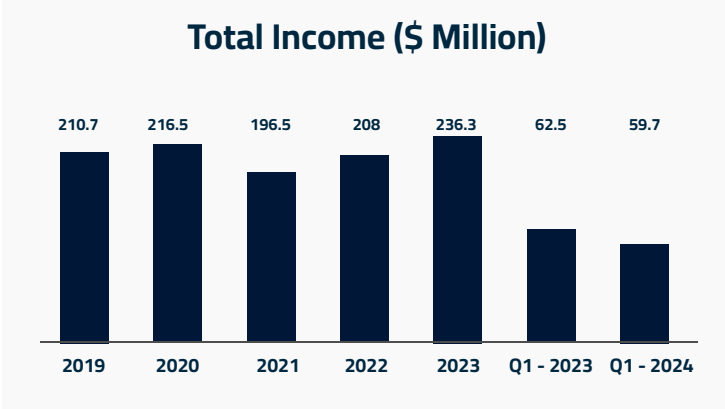
Financial Performance

Key Performance Indicators



Financial Performance

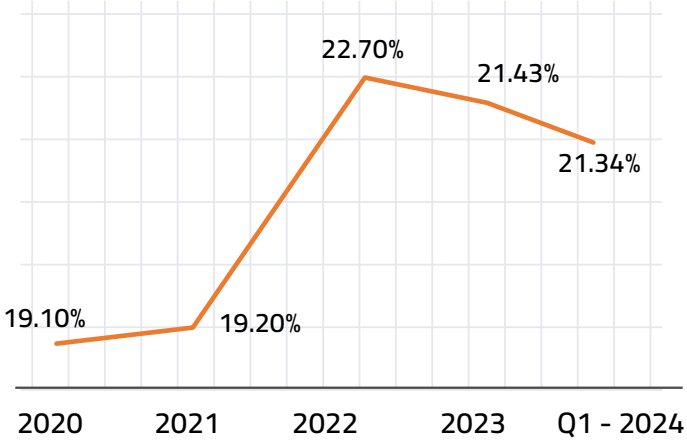
Key Performance Indicators



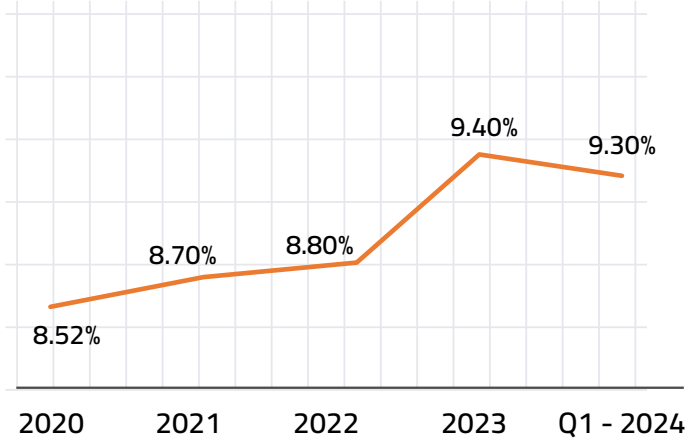
Financial Performance

Key Performance Indicators

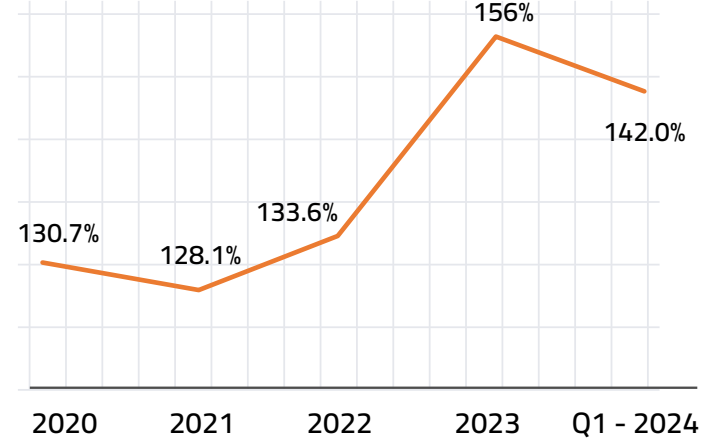
Capital Adequacy Ratio (CAR)



NPL Ratio



Legal Liquidity Ratio



Consolidated Statement of Financial Position as of 31/03/2024

Assets	31/03/2024 USD	31/03/2023 USD
Cash and balances with central banks – Net	1,062,472,721	1,224,878,080
Balances with banks and financial institutions – Net	290,406,137	201,059,536
Deposits with banks and financial institutions -Net	2,319,780	631,804
Financial assets at fair value through profit or loss	517,956	494,777
Financial assets at fair value through other comprehensive income	337,684,745	337,021,810
Direct credit facilities at amortized cost - Net	2,039,442,231	2,020,974,722
Financial assets at amortized cost - Net	263,664,598	231,490,337
Property and equipment – Net	80,271,508	82,496,142
Intangible assets – Net	10,121,504	10,433,729
Deferred tax assets	31,338,678	33,106,399
Other assets	150,503,030	141,266,461
Total Assets	4,268,742,887	4,283,853,798

Liabilities and Owners' Equity

Liabilities:	31/03/2024 USD	2023 USD
Banks and financial institutions' deposits	51,536,867	100,640,928
Customers' deposits	3,121,206,790	3,059,315,560
Cash margins	211,039,227	197,848,460
Sundry provisions	7,359,420	10,080,666
Income tax provision	28,569,045	27,147,278
Deferred tax liabilities	263,183	665,279
Borrowed funds	47,593,401	51,129,120
Other liabilities	80,428,100	78,619,063
Total Liabilities	3,547,996,034	3,525,446,354

Owners' Equity

Bank's Shareholders Equity	31/03/2024 USD	2023 USD
Paid-up capital	282,087,447	282,087,447
Statutory reserve	164,920,549	164,920,549
Voluntary reserve	105,608	105,608
General banking risks reserve	5,785,643	5,785,643
Special reserve	8,250,695	8,250,695
Foreign currency translation differences	-13,575,733	-13,486,714
Fair value reserve	40,205,764	44,843,757
Retained earnings	195,835,030	246,610,863
Profit for the period after tax	17,684,134	0
Total Owner's Equity - Bank's Shareholders	701,299,137	739,117,849
Non-controlling interests	19,447,717	19,289,595
Total Owners' Equity	720,746,853	758,407,444
Total Liabilities and Owners' Equity	4,268,742,887	4,283,853,798

Consolidated Statement of Profit or Loss as of 31/03/2024

	For the Year Ended Mar. 31,	
	2024	2023
	USD	USD
Interest income	68,548,228	65,153,769
Less: Interest expense	20,342,955	14,102,973
Net Interest Income	48,205,274	51,050,795
Net Commissions income	8,799,546	8,566,877
Net Interest and Commissions Income	57,004,819	59,617,673
Foreign currencies income	1,482,999	1,802,687
Gain from financial assets at fair value through profit or loss	23,179	11,989
Cash dividends from financial assets at fair value through other comprehensive income	0	106,065
Other income	1,193,777	935,760
Total Income	59,704,774	62,474,173

Consolidated Statement of Profit or Loss as of 31/03/2024 Cont.

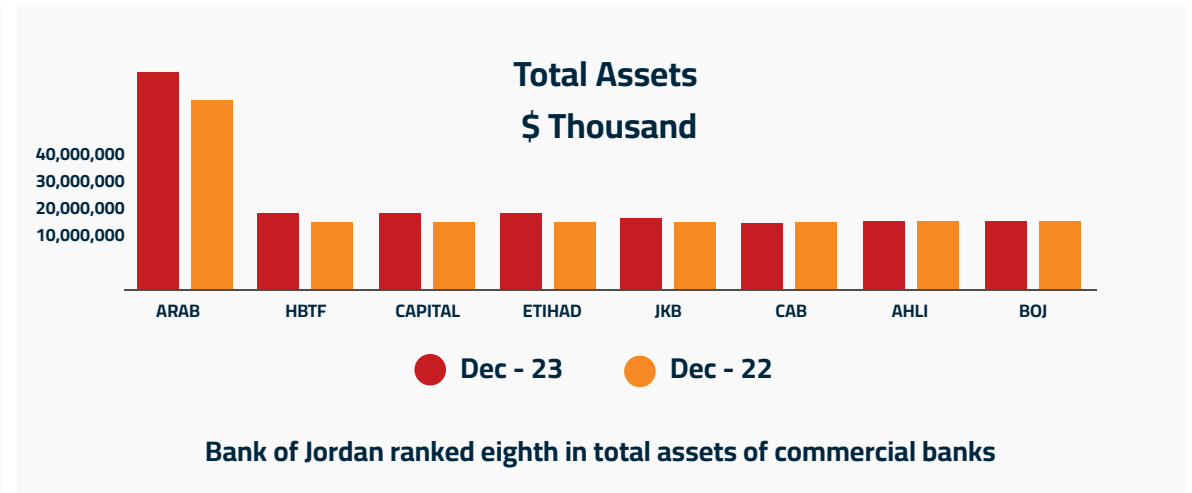
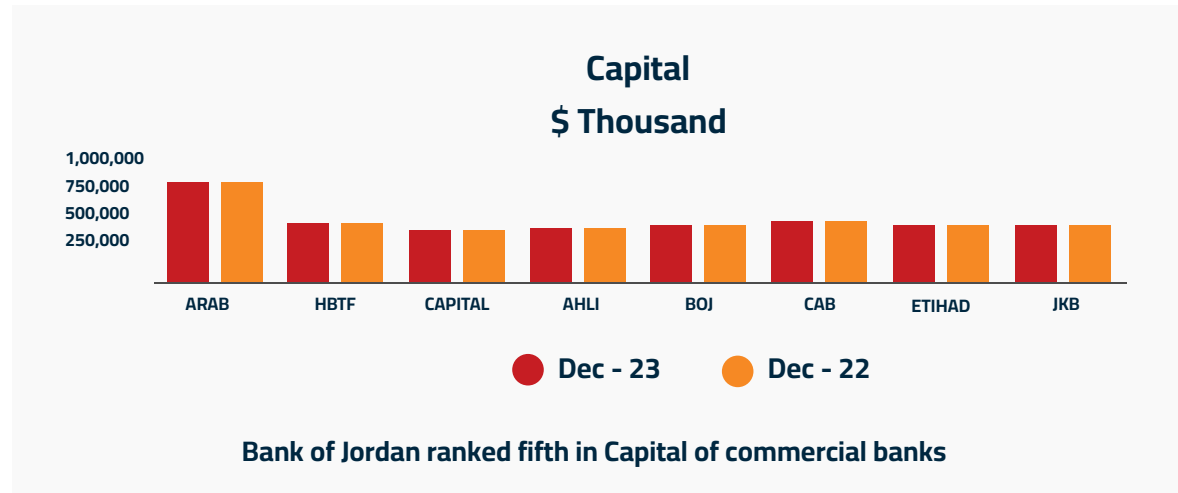
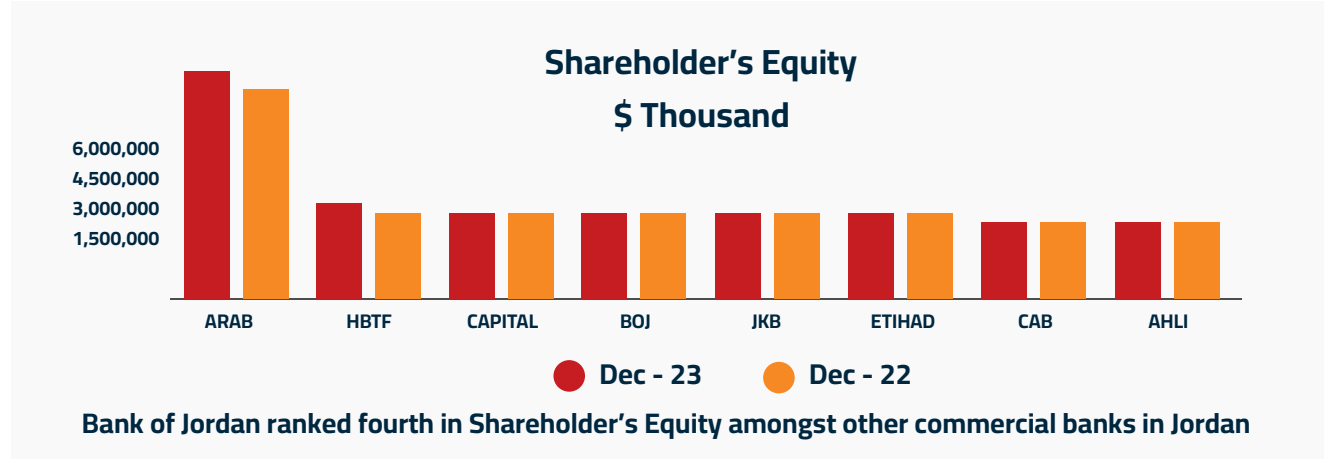
	2024	2023
Employee expenses	15,105,540	13,182,133
Depreciation and amortization	3,907,299	3,703,327
Other expenses	11,793,196	12,078,474
Expected credit loss	1,395,719	5,731,075
(Recovered from) assets foreclosed by the Bank impairment provision	-17,959	-35,944
Sundry provisions	409,719	444,910
Total Expenses	32,593,515	35,103,975
Profit for the Year Before Income Tax	27,111,260	27,370,199
Less: Income tax	9,267,214	8,870,829
Profit for the Year	17,844,045	18,499,370
Attributable to:		
Bank's Shareholders	17,684,134	18,122,505
Non-controlling Interests	159,911	376,865
Profit for the Year	17,844,045	18,499,370
	USD/Fills	USD/Fills
Earnings per share for the year attributable to the Banks' shareholders	0.089	0.090

Financial Performance

Competitive Position



Bank of Jordan is proud to announce that we were recently selected by Global Finance for the Best Sub-Custodian Bank in Jordan award



Bank of Jordan Credit Rating

Fitch Credit Rating

Ratings

Foreign Currency
Long-Term IDR **BB-**
Short-Term IDR **B**

Viability Rating **bb-**

Government Support Rating **b**

Outlooks

Long-Term Foreign-Currency IDR **Stable**
Sovereign Long-Term Foreign Currency IDR **Stable**
Sovereign Long-Term Local Currency IDR **Stable**

Sovereign Risk (Hashemite Kingdom of Jordan)

Long-Term Foreign-Currency IDR **BB-**
Long-Term Local-Currency IDR **BB-**
Country Ceiling **BB**



Subsidiaries and External Branches

Subsidiaries and External Branches

External Branches

Bank of Jordan – Palestine
Paid-up Capital: \$ 75,000,000
Date of Establishment: 1963

Bank of Jordan - Bahrain
Paid-up Capital: \$ 50,000,000
Date of Establishment: 2018

Bank of Jordan - Iraq
Paid-up Capital: \$ 83,500,000
Date of Establishment: 2022

Subsidiaries

Excel for Financial Investments Company
% Ownership: 100.0%
Paid-up Capital: \$ 4,936,530
Date of Establishment: 2006

Bank of Jordan - Syria
% Ownership: 49.0%
Paid-up Capital: SYP 10,000,000,000
Date of Establishment: 2008

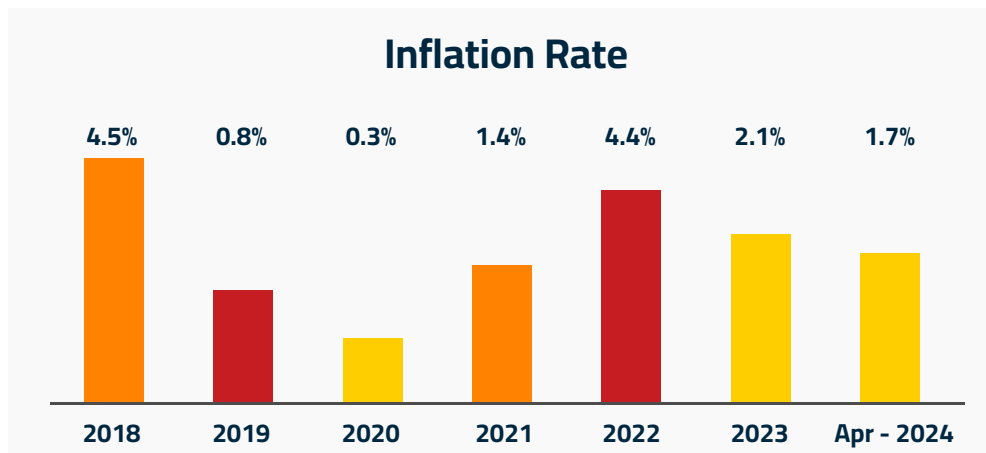
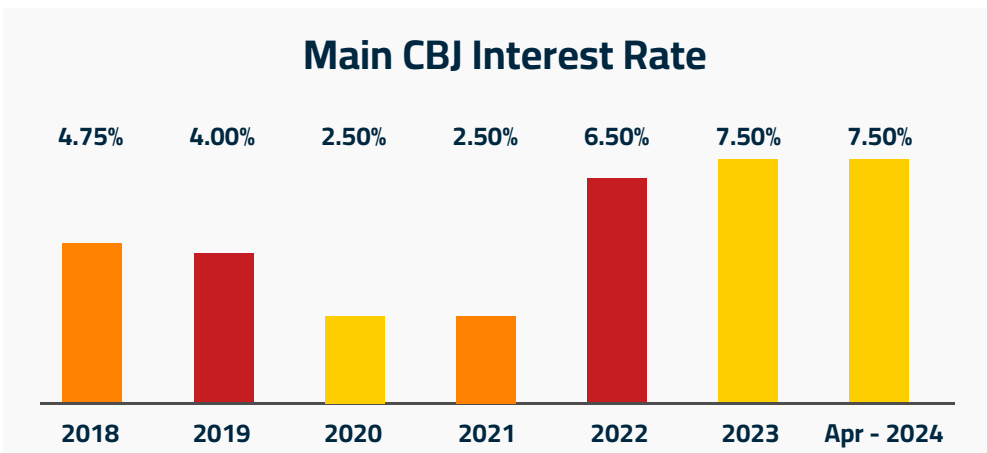
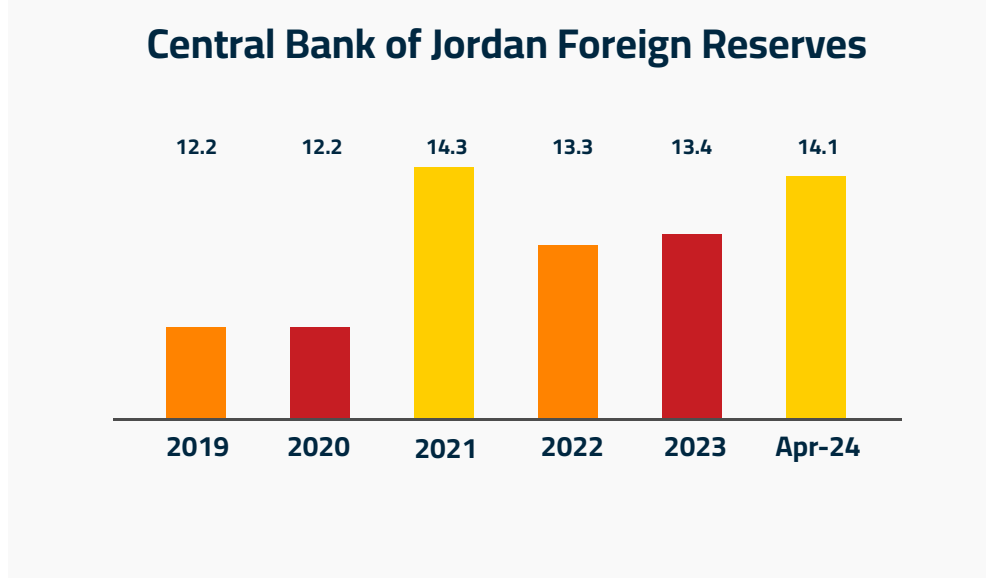
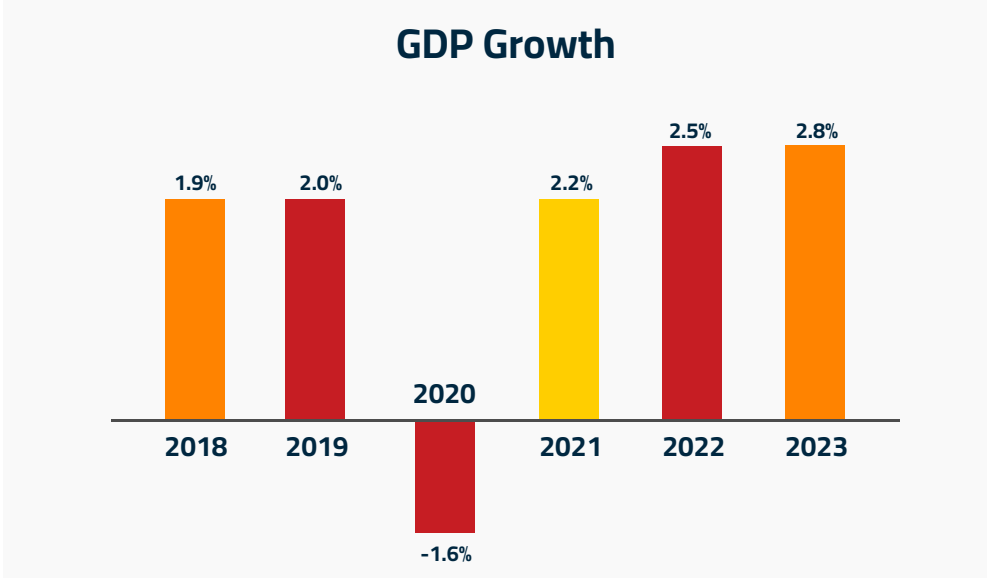
Jordan Leasing Company
% Ownership: 100.0%
Paid-up Capital: \$ 28,208,744
Date of Establishment: 2011



Economic Overview

Economic Performance

Jordan



Financial and Banking Sector

Jordan

