



بنك الاردن Bank of Jordan



Bank of Jordan Group - Q2 - 2024

Investor Presentation

03. Executive Summary

05. BOJ Footprints

11. Strategic Focus

15. Value Proposition

19. Innovation and Agility

25. Sustainability Reports

28. Financial Performance: KPI

39. Subsidiaries and External Branches

41. Economic Overview

Table of Contents

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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 Q2 - 2024.



ASSETS

~ \$ 4,314 Million



CUSTOMER DEPOSITS

~ \$ 3.129 Million



SHAREHOLDERS EQUITY

~ \$ 713 Million



BRANCHES

113 branches



NET PROFIT AFTER TAX

~ \$ 31.4 Million



CREDIT FACILITIES - NET

~ \$ 1.997 Million



SERVED BY

2,078 employees



ATMS

250 ATMs



BUSINESS DIVISIONS

Corporate & SME
Retail
Treasury
Investment Services
Financial Leasing



PRESENCE

Jordan
Palestine
Syria
Bahrain
Iraq

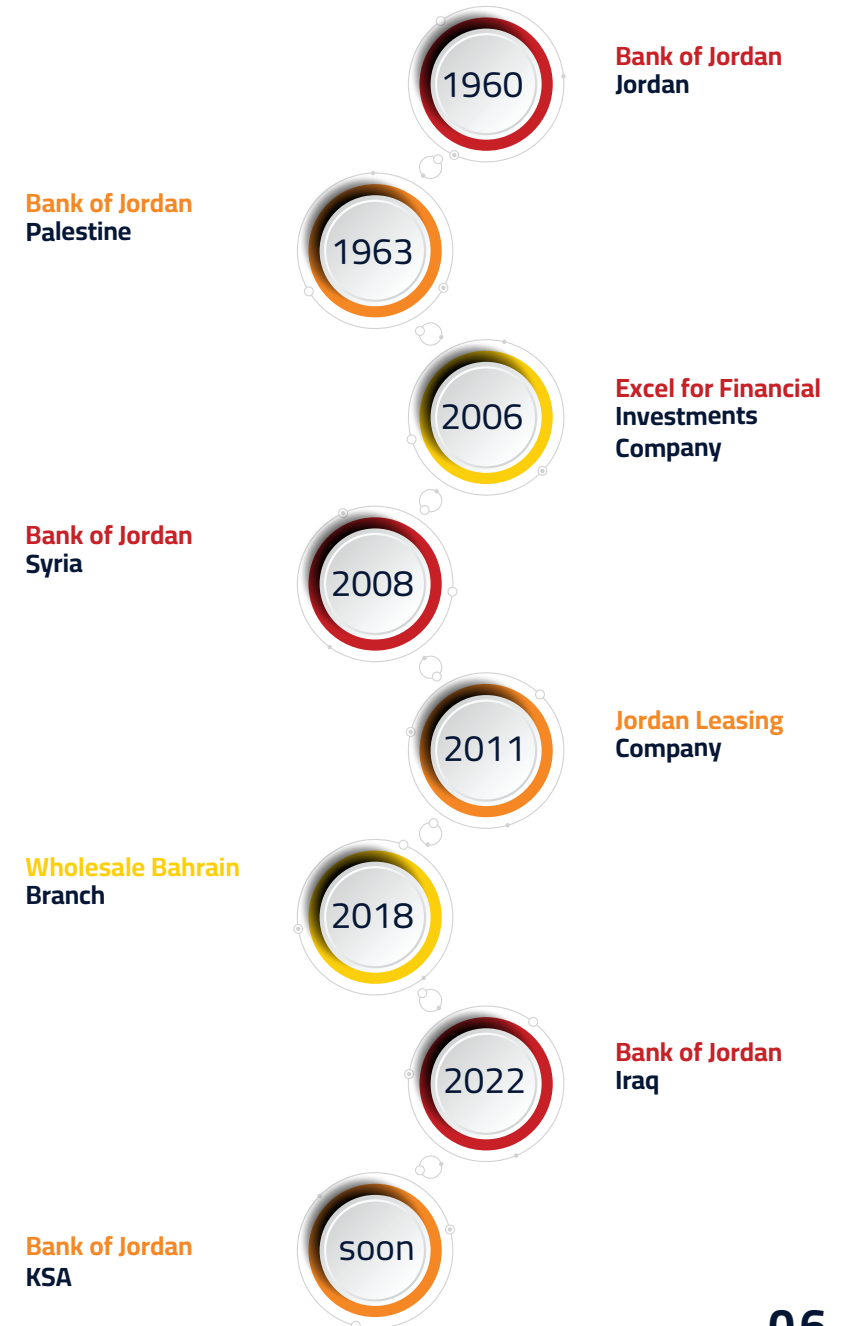
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Bank of Jordan Footprint

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) 193 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 Co. Cayman Islands.

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

Representative of Al Tawfiq Investment House – Jordan

Mr. Haitham Mohammed Samih Barakat

Representative of Al Loloua for General Investments Co. Cayman Islands.

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

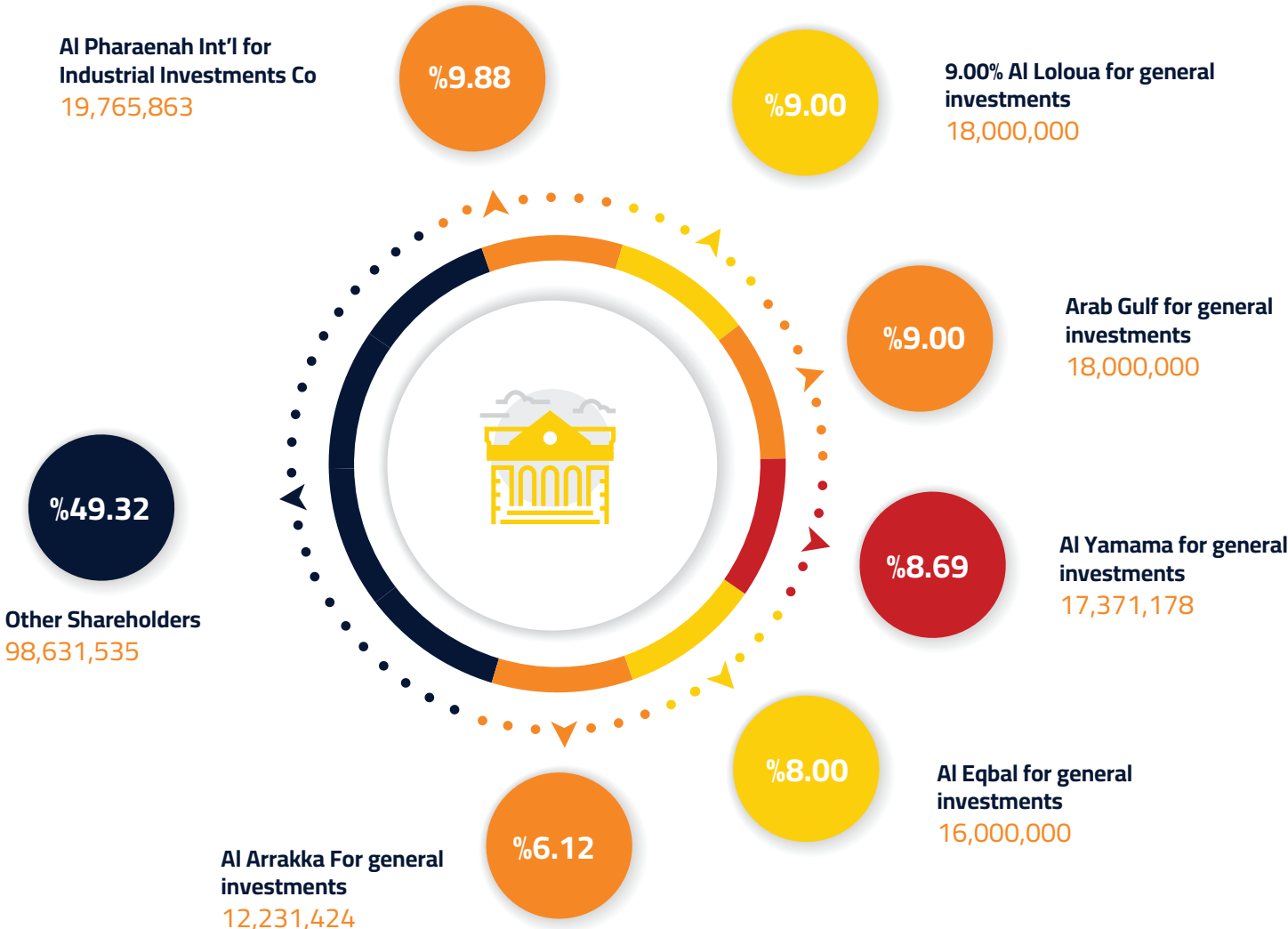
Deloitte & Touche (M.E.) - Jordan

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

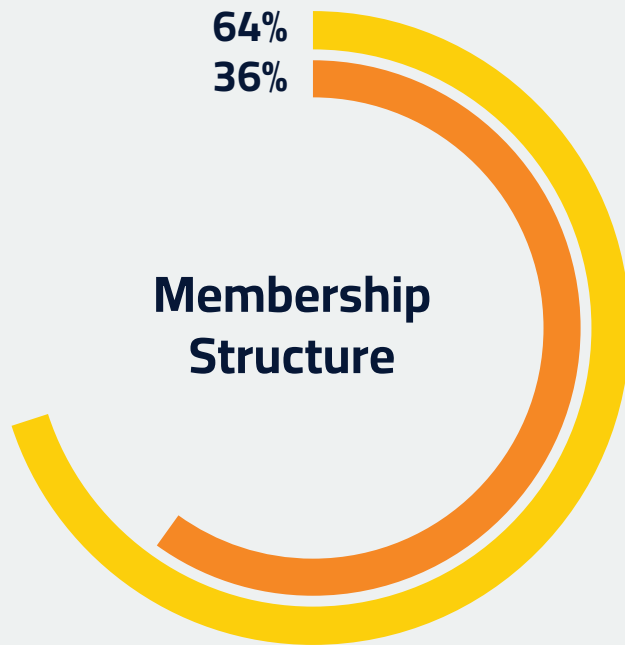
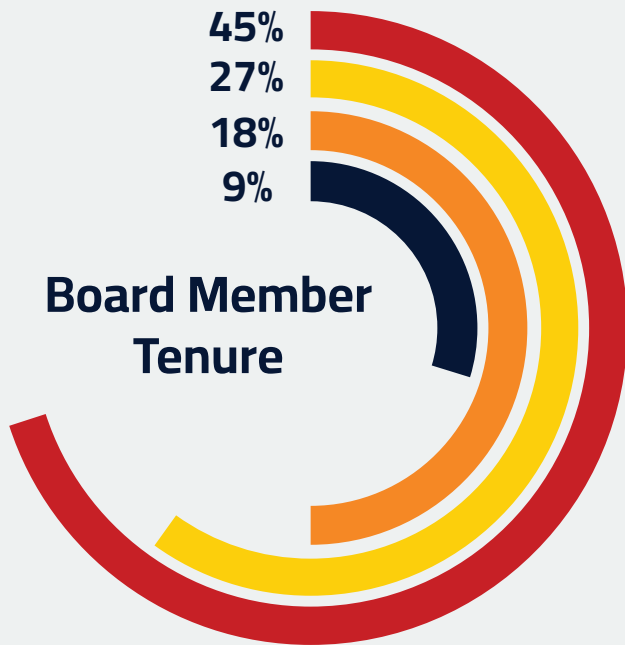
[Click here](#)

Board of Directors, Management & Shareholders information

Main Shareholders*



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.

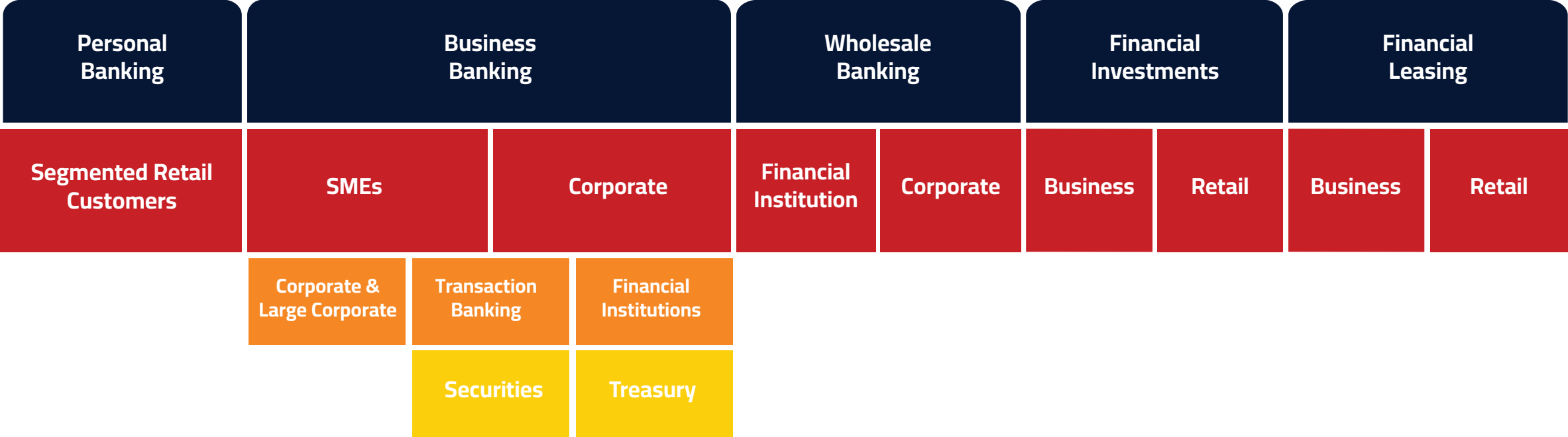


Value Proposition

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

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**Innovation
and Agility**

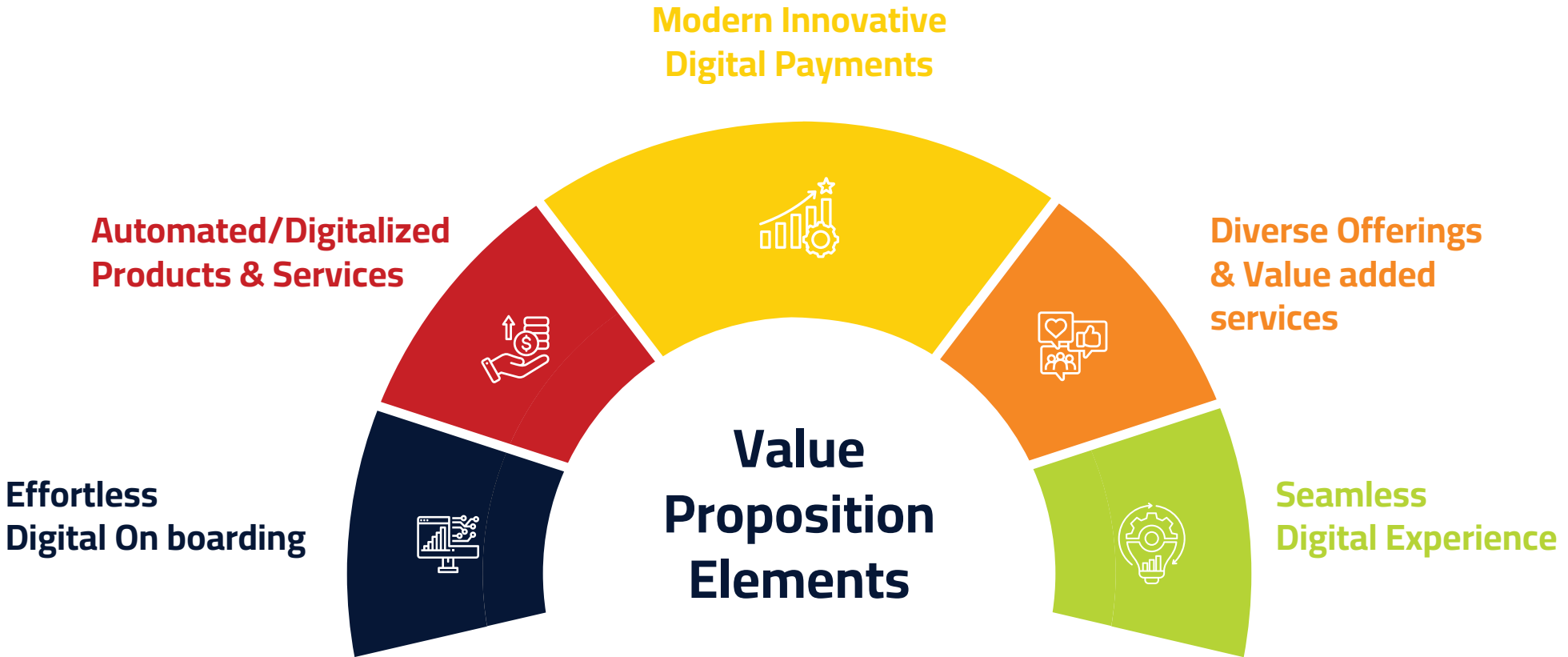
Digital Banking & E-Channels

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

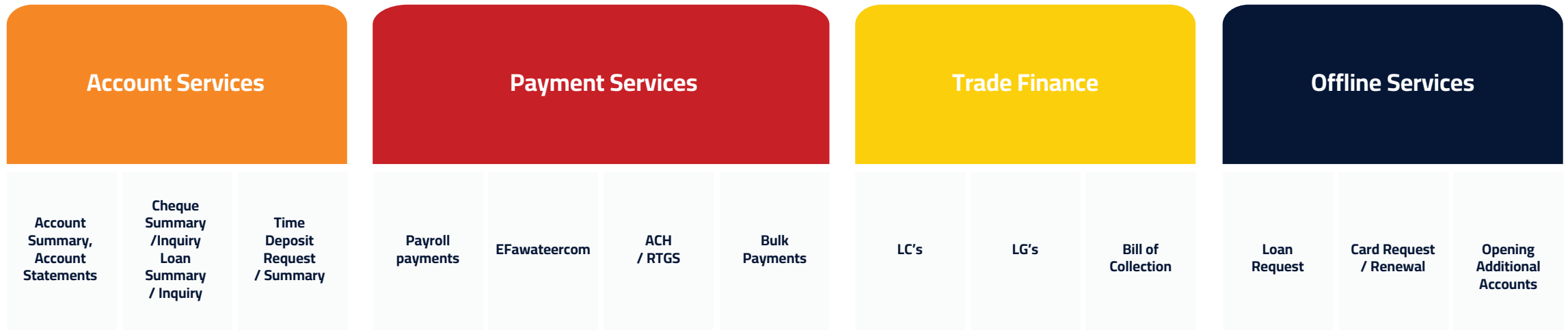
How is BOJ Creating Value for Customers?



BOJ Business Banking

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.

NIST CSF Provides a comprehensive framework for managing and mitigating cybersecurity risks.

NIST
CSF



GDPR to ensures the protection of personal data and privacy rights of customers.

EU
GDPR



COBIT provides guidelines and best practices to effectively manage IT operations and ensure alignment with the overall business goals of the Bank of Jordan.

COBIT



PCI
DSS



Annual certification process to ensure compliance with PCI DSS standard for payment card industry data security standard, to ensures secure handling of payment card data.

SWIFT
CSF



SWIFT CSF protects the integrity and security of financial messaging systems within the Bank of Jordan.

ISO
27001



ISO 27001 standards establish the requirements for and promote the continuous improvement of the information security management system within the Bank of Jordan.

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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.



CSR Spending till Q2 - 2024 (by activity) ~ 237 Thousand USD

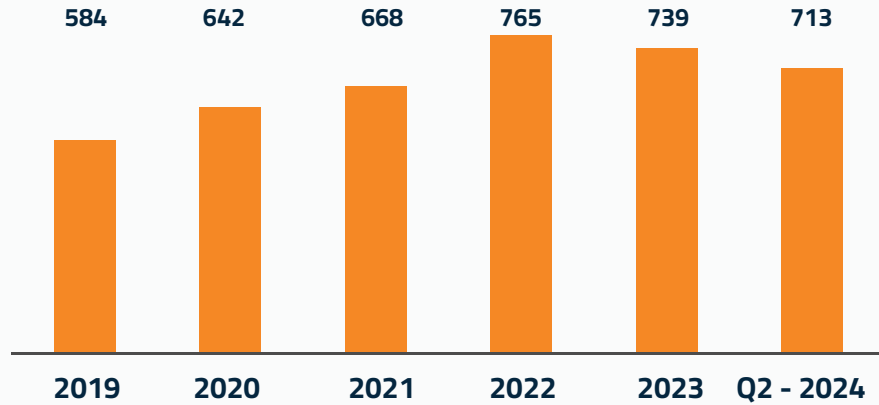


Financial Performance Key Performance Indicators

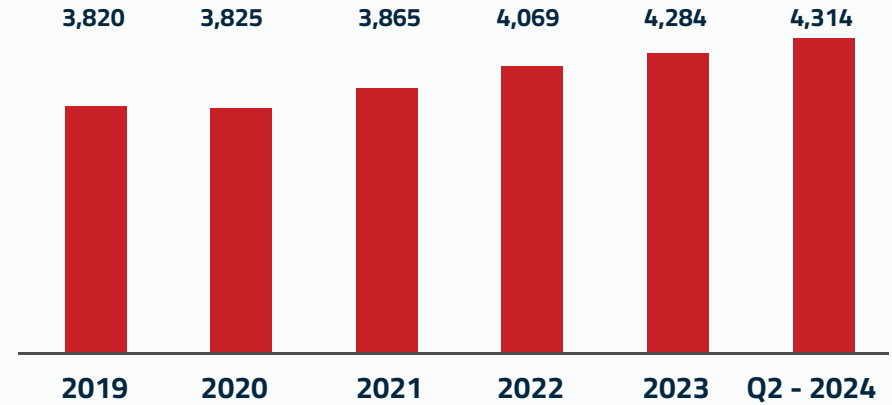
Financial Performance

Key Performance Indicators

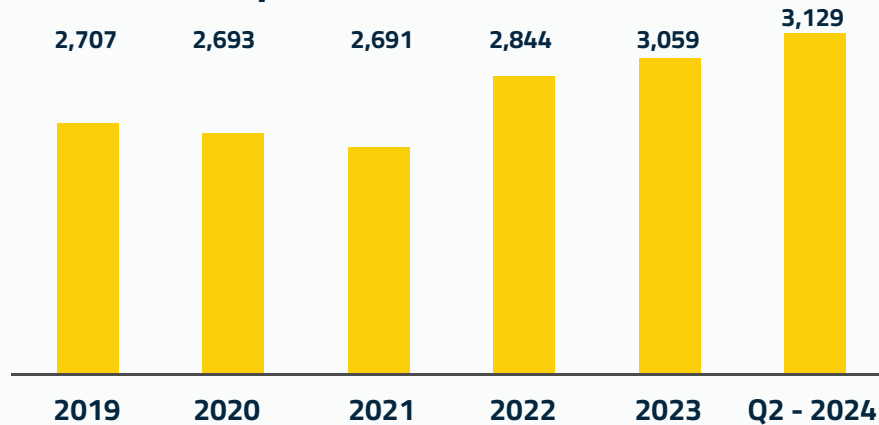
Equity Attributable to Shareholders (\$ Million)



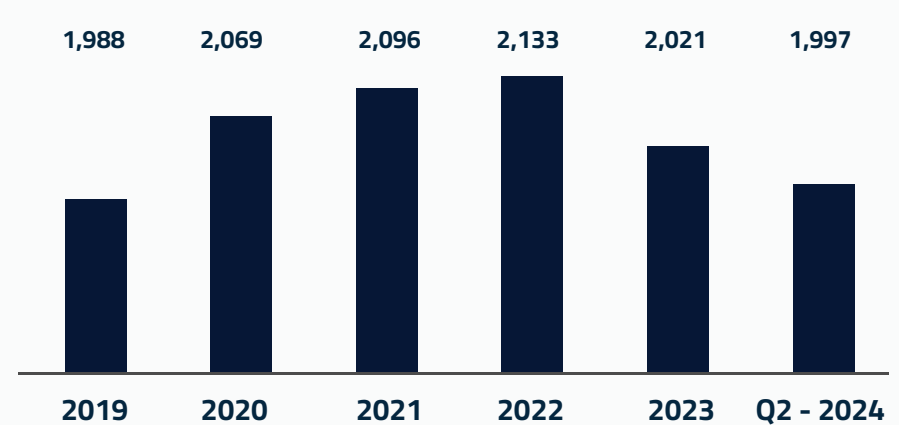
Total Assets (\$ Million)



Customer Deposits (\$ Million)



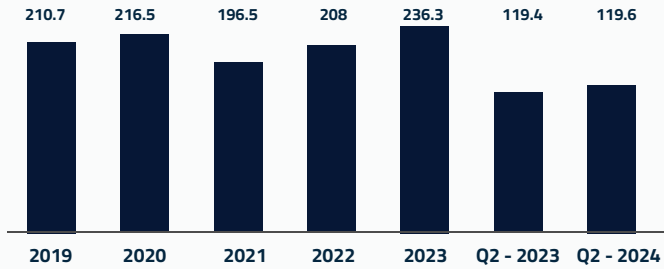
Credit Facilities - Net (\$ Million)



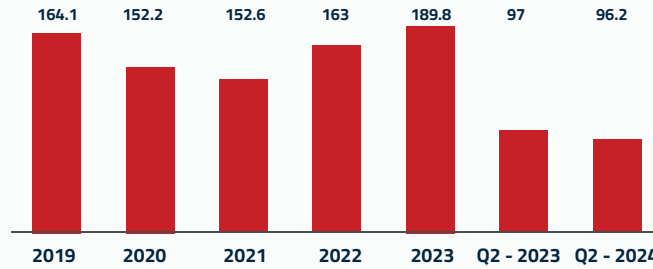
Financial Performance

Key Performance Indicators

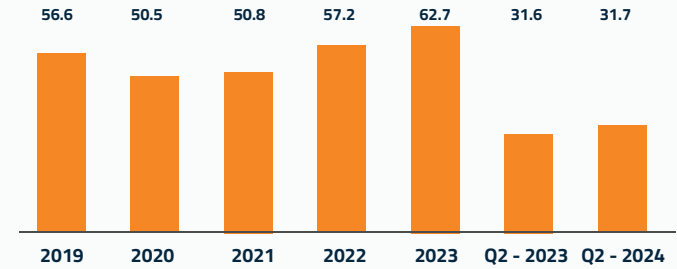
Total Income (\$ Million)



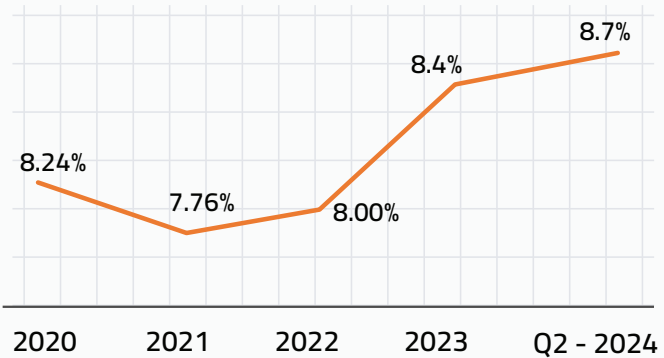
Net Interest Income (\$ Million)



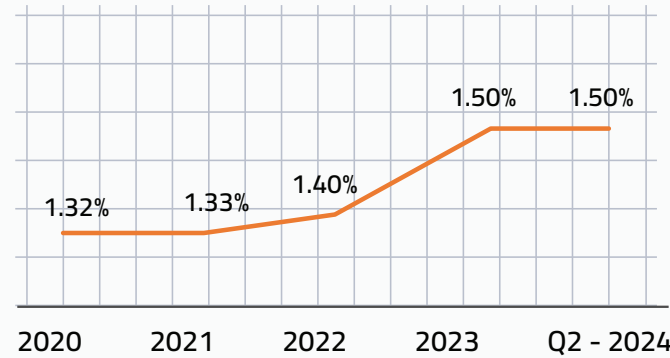
Net Profit (\$ Million)



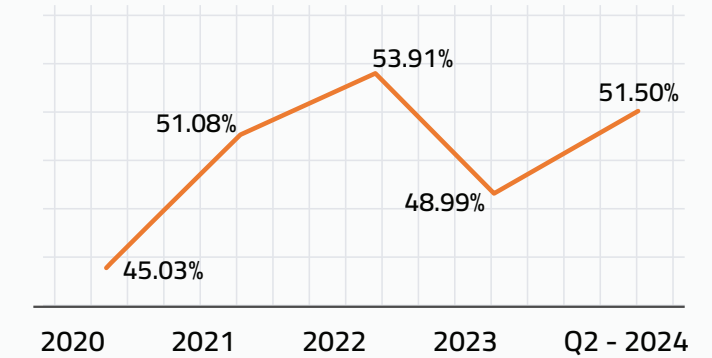
ROE



ROA



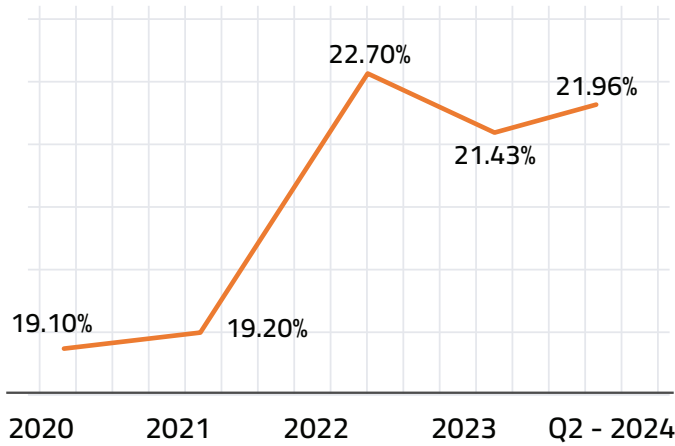
Cost / Income



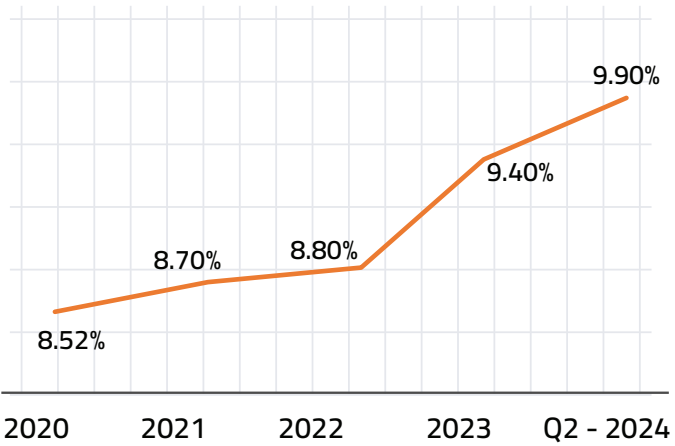
Financial Performance

Key Performance Indicators

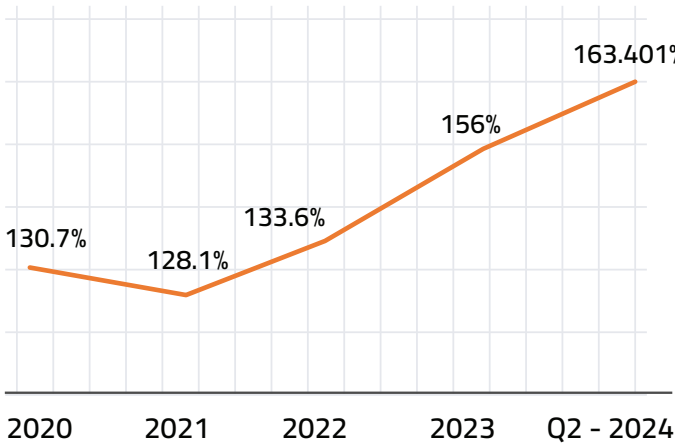
Capital Adequacy Ratio (CAR)



NPL Ratio



Legal Liquidity Ratio



Consolidated Statement of Financial Position as of 30/06/2024

Assets	30/06/2024 USD	2023 USD
Cash and balances with central banks – Net	1,098,530,264	1,224,878,080
Balances with banks and financial institutions – Net	370,801,272	201,059,536
Deposits with banks and financial institutions -Net	1,607,298	631,804
Financial assets at fair value through profit or loss	500,585	494,777
Financial assets at fair value through other comprehensive income	337,058,107	337,021,810
Direct credit facilities at amortized cost - Net	1,996,994,377	2,020,974,722
Financial assets at amortized cost - Net	226,043,001	231,490,337
Property and equipment – Net	82,522,274	82,496,142
Intangible assets – Net	9,625,719	10,433,729
Deferred tax assets	33,459,086	33,106,399
Other assets	156,900,096	141,266,461
Total Assets	4,314,042,079	4,283,853,798

Liabilities and Owners' Equity

Liabilities:	30/06/2024 USD	2023 USD
Banks and financial institutions' deposits	67,999,055	100,640,928
Customers' deposits	3,129,346,111	3,059,315,560
Cash margins	230,374,048	197,848,460
Sundry provisions	7,349,814	10,080,666
Income tax provision	23,482,528	27,147,278
Deferred tax liabilities	203,616	665,279
Borrowed funds	46,718,118	51,129,120
Other liabilities	75,998,965	78,619,063
Total Liabilities	3,581,472,255	3,525,446,354

Owners' Equity

Bank's Shareholders Equity	30/06/2024 USD	2023 USD
Paid-up capital	282,087,447	282,087,447
Statutory reserve	164,913,731	164,920,549
Voluntary reserve	98,065	105,608
General banking risks reserve	5,785,643	5,785,643
Special reserve	8,250,695	8,250,695
Foreign currency translation differences	-13,531,735	-13,486,714
Fair value reserve	38,036,722	44,843,757
Retained earnings	195,809,395	246,610,863
Profit for the period after tax	31,404,518	0
Total Owner's Equity - Bank's Shareholders	712,854,481	739,117,849
Non-controlling interests	19,715,343	19,289,595
Total Owners' Equity	732,569,824	758,407,444
Total Liabilities and Owners' Equity	4,314,042,079	4,283,853,798

Consolidated Statement of Profit or Loss as of 30/06/2024

	For the Year Ended Jun. 30,	
	2024	2023
	USD	USD
Interest income	138,102,449	127,770,623
Less: Interest expense	41,924,495	30,819,451
Net Interest Income	96,177,953	96,951,172
Net Commissions income	17,721,381	16,323,283
Net Interest and Commissions Income	113,899,334	113,274,456
Foreign currencies income	2,909,169	3,441,560
Gain from financial assets at fair value through profit or loss	12,085	17,870
Cash dividends from financial assets at fair value through other comprehensive income	799,371	1,010,406
Profits from the sale of financial assets at fair value through other comprehensive income - debt Instruments	0	5,000
Other income	1,957,250	1,605,982
Total Income	119,577,209	119,355,274

Consolidated Statement of Profit or Loss as of 30/06/2024 Cont.

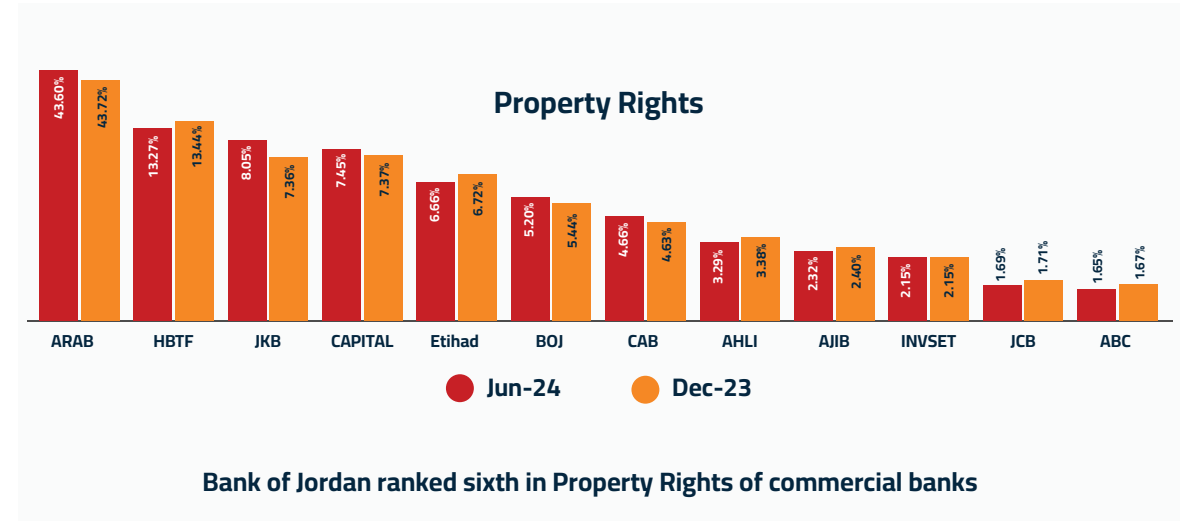
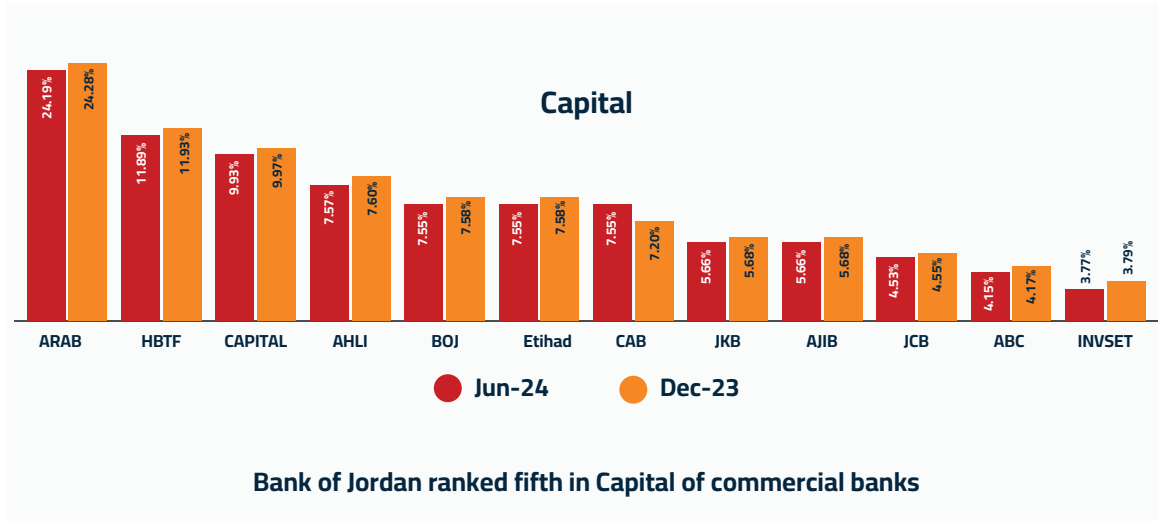
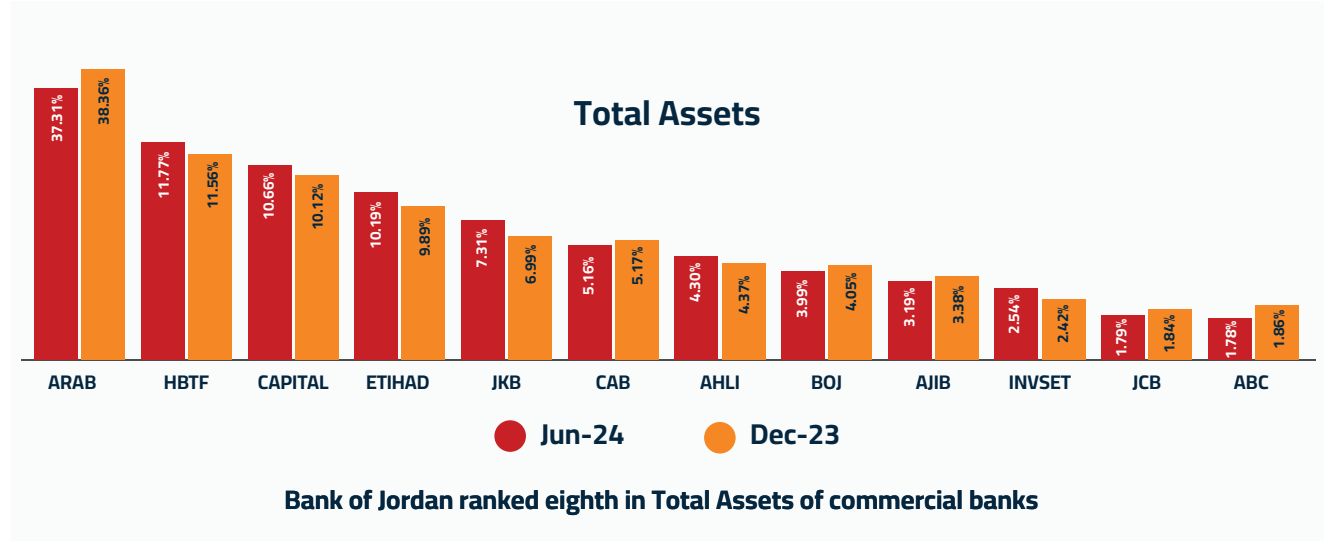
	2024	2023
Employees expenses	29,129,076	25,642,283
Depreciation and amortization	7,847,052	7,687,233
Other expenses	24,602,237	25,343,361
Expected credit loss	9,251,688	14,161,860
(Recovered from) assets foreclosed by the Bank impairment provision	-17,959	-35,944
Sundry provisions	592,546	643,477
Total Expenses	71,404,640	73,442,271
Profit for the Year Before Income Tax	48,172,568	45,913,003
Less: Income tax	16,422,674	14,328,996
Profit for the Year	31,749,894	31,584,007
Attributable to:		
Bank's Shareholders	31,404,518	31,083,962
Non-controlling Interests	345,377	500,045
Profit for the Year	31,749,894	31,584,007
	USD/Fills	USD/Fills
Earnings per share for the year attributable to the Banks' shareholders	0.157	0.155

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 15,000,000,000
Date of Establishment: 2008

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

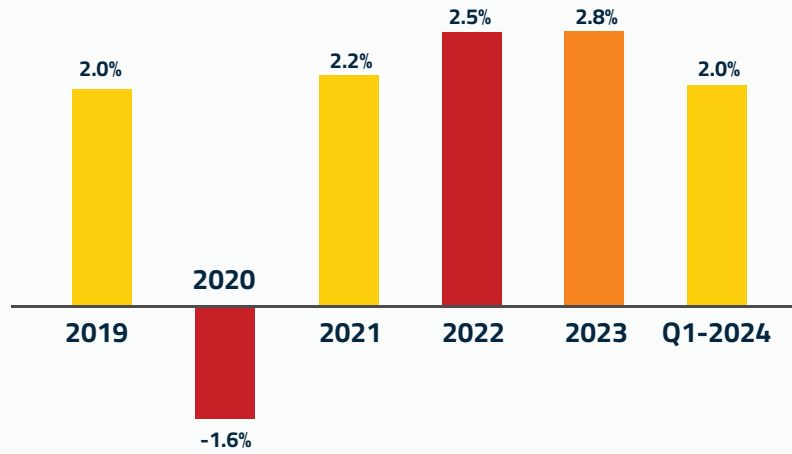


Economic Overview

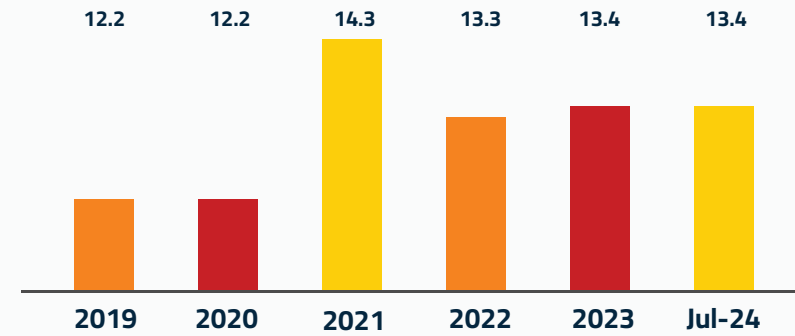
Economic Performance

Jordan

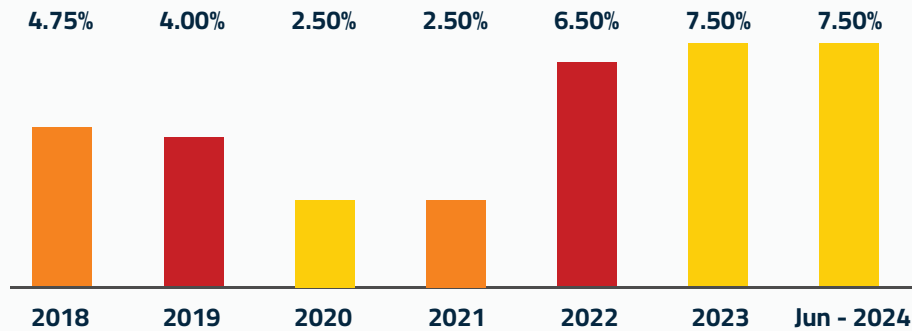
GDP Growth



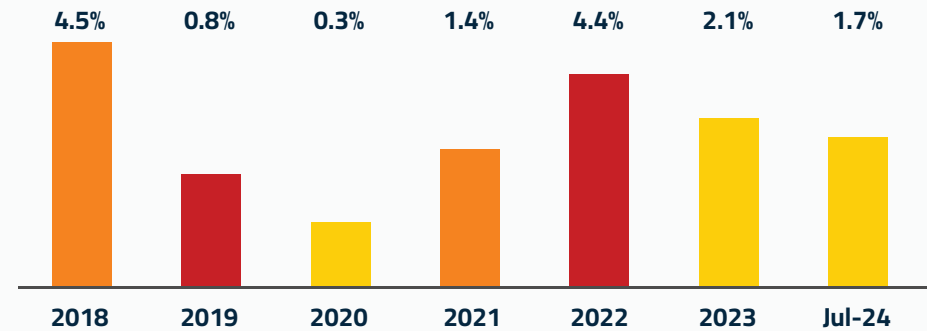
Central Bank of Jordan Foreign Reserves



Main CBJ Interest Rate



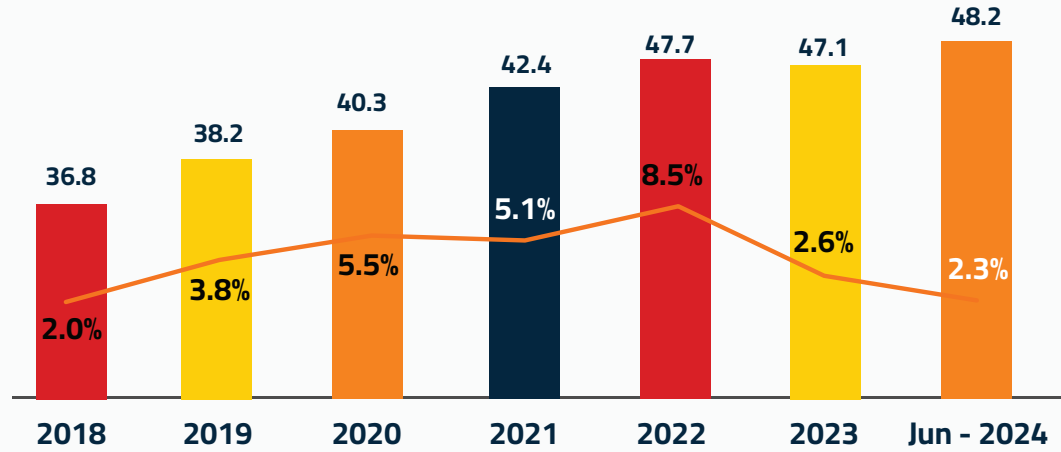
Inflation Rate



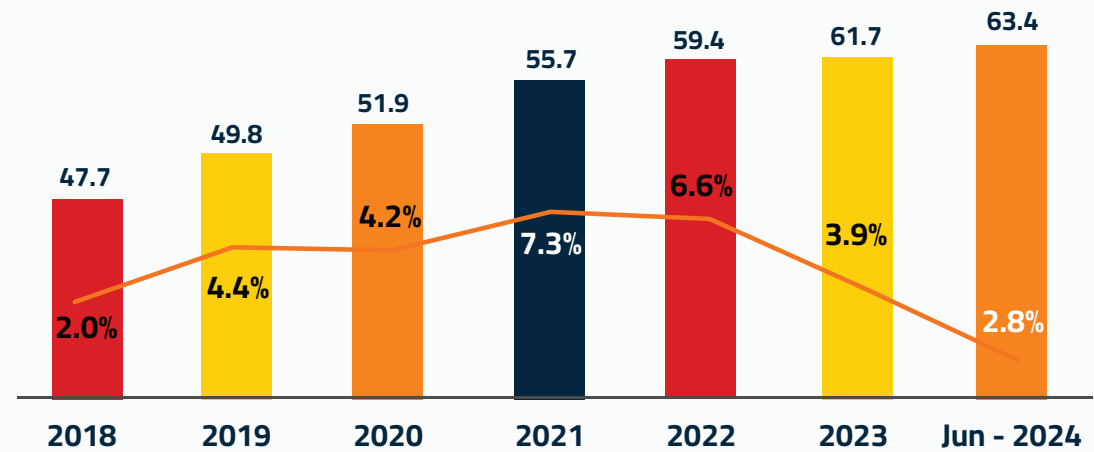
Financial and Banking Sector

Jordan

Credit Facilities USD Billion



Deposits USD Billion



Loan / Deposit

