



جمعية البنوك في الأردن
ASSOCIATION OF BANKS IN JORDAN

Annual Report

Thirty - Seven

2015



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Association of Banks in Jordan

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His Majesty King Abdullah II bin Al Hussein



His Royal Highness prince Hussein bin Abdullah

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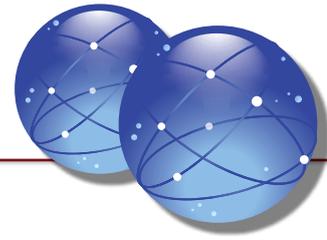


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Our Vision

To maintain our leadership as one of the most efficient association of banks in the region by providing services to member banks so as to uphold their capabilities and enable them to maximize their contribution towards achieving sustainable development in the Kingdom.



Our Mission

We seek to upgrade and advance the banking business by keeping the interests of member banks and achieving the highest levels of coordination between them and with the other partners. We aspire to develop the process of delivering and updating banking services as well as deepening the understanding of banking functions and norms besides pursuing unified systems and measures for this purpose.



Our Values

- **Collaboration:** We work with members in a team spirit for serving the society and the national economy
- **Development and modernism:** We seek to upgrade the methods of delivering the banking services in accordance with the best international practices.
- **Innovation and distinctiveness:** We inspire innovative ideas that serve the members and marks their services with quality and distinctiveness.
- **Integrity and transparency:** Transferring of knowledge and exchanging information in accordance with the highest degrees of integrity and transparency
- **Professionalism:** We practice our work with a high professionalism, comprehensive coverage and full vigilance to all what happens in the Jordanian, Arab and international banking environment.
- **Credibility:** We abide by accuracy and reliability and we verify our sources of information with high precision.
- **Continuity in training:** We endeavor to elevate the academic and practical levels as well as keeping up with all what is new in the banking and financial areas.

Board of Directors of the Association of Banks in Jordan

The Association's Board of Directors comprised the following dignitaries at the end of 2015:

- ❖ Mr. Musa Abdul-Aziz Shihadeh, Jordan Islamic Bank , Chairman
- ❖ Mr. Kamal Al-Bakri, Cairo Amman Bank , Vice Chairman
- ❖ H.E. Ms. Nadia Al-Saeed, Union Bank, Member
- ❖ Mr. Nemeh Sabbagh, Arab Bank, Member
- ❖ Mr. Ihab Saadi, The Housing Bank for Trade and Finance, Member
- ❖ Mr. Shaker Fakhoury, Bank of Jordan, Member
- ❖ Mr. Mohammad Musa, Jordan Ahli Bank, Member
- ❖ Ms. Simona Sabella Bishouty, ABC Bank, Member
- ❖ Mr. Ammar Al-Safadi, National Bank of Kuwait, Member
- ❖ H.E. Dr. Maher Al-Sheikh Hassan, the Central Bank of Jordan, Observer

Director General
Dr. Adli Kandah

Members

Membership in the Association is mandatory for all Jordanian banks and branches of non-Jordanian banks operating in Jordan. Membership in the Association at the end of 2015 comprised the following banks:

First: Jordanian banks

#	Member Name	Established in	Website
1	Arab Bank	1930	www.arabbank.com.jo
2	Jordan Ahli Bank	1956	www.ahli.com
3	Cairo Amman Bank	1960	www.cab.jo
4	Bank of Jordan	1960	www.bankofjordan.com
5	The Housing Bank for Trade & Finance	1974	www.hbtf.com
6	Jordan Kuwait Bank	1977	www.jordan-kuwait-bank.com
7	Arab Jordan Investment Bank	1978	www.ajib.com
8	Jordan Commercial Bank	1978	www.jgbank.com.jo
9	Jordan Islamic Bank	1978	www.jordanislamicbank.com
10	Investbank	1989	www.jifbank.com
11	Arab Banking (Corporation) Jordan	1989	www.arabbanking.com.jo
12	Bank Al-Etihad	1991	www.unionbankjo.com
13	Societe General _ Jordan	1993	www.sgbj.com.jo
14	Capital Bank	1996	www.capitalbank.jo
15	International Islamic Arab Bank	1997	www.iiabank.com.jo
16	Jordan Dubai Islamic Bank	2009	www.jdib.jo

Second: Non-Jordanian banks

#	Member Name	licensed in	Website
1	Egyptian Arab Land Bank	1951	www.aqaribank.jo
2	Rafidain Bank	1957	www.rafidain-bank.org
3	Citi Bank	1974	www.citibank.com/jordan
4	Standard Chartered	2002	www.standardchartered.com
5	Bank Audi	2004	www.audi.com.lb
6	National Bank of Kuwait	2004	www.nbk.com
7	BLOM Bank	2004	www.blom.com.lb
8	National Bank of Abu Dhabi	2009	www.nbad.com
9	Al Rajhi Bank	2011	www.alrajhibank.com.jo

Contents

Subject	Page
Chairman of Board of Directors' Foreword	21
Speech of the Director General	23
Chapter One: Prospects of Global and Regional Economy and Summary of International developments	25
1. Prospects of World Economy	27
2. Prospects of Regional Economy	30
Chapter Two: Economic Developments in Jordan in 2015	33
1. Productions, Prices, and Companies	35
2. Public Finance	36
3. Public Debt	36
4. External sector	37
5. Monetary and Banking Sector	38
Chapter Three: Development of the banking System in 2015	41
1. Developments of Monetary policy in 2015	43
2. Foreign Reserves	45
3. Assets/Liabilities of banks operating in Jordan	46
4. Assets and Liabilities in Foreign Currencies	48
5. Capital, Reserves and Provisions	49
6. Credit facilities Granted by Licensed Banks	49
A. Credit Cards	52
B. Personal Loans	58
C. Housing and real estate loans (for individuals)	61
D. Car loans	64
E. Syndicated Bank Loans	67
7. Deposits at Licensed Banks	67
8. Gender Distribution of Individual Clients in Banks Operating in Jordan	70
First: Distribution of individuals' deposit accounts according to gender	70
Second: Distribution of individual borrowers according to gender	72

Subject	Page
Third: Distribution of individual clients having credit cards according to gender	74
Chapter Four: Development in the Number of Banks and their Branches	79
1. Development of the Number of Branches	81
A. Branches opened in 2015	81
B. The number of Branches inside and Outside Jordan	83
C. Geographical Distribution of Branches inside Jordan	84
2. Development of the number of Offices	85
A. Offices opened during 2015	85
B. The number of offices inside and outside Jordan	85
C. Geographical distribution of offices inside Jordan	86
3. Development of the number of ATMs	88
A. The number of ATMs and their distribution in governorates	88
B. Kinds of ATM used	89
C. Operating systems used	89
D. Services Provided by the ATM	89
Chapter Five: Performance of Banks Listed in Amman Stock Exchange during 2015	93
1. Shares Price Index	95
2. Trading Volume	98
3. Non-Jordanian ownership of Jordanian banks' shares	100
Chapter Six: Clearing of Checks	103
1. Historical Overview of Check Clearing	105
2. Development in the of Checks' Clearance during 2015	106
Chapter Seven: The Structure of Interest Rates	109
1. The Development of Interest Rates on Deposits	111
2. Development of Interest Rates on Credit Facilities	113
3. Interest Rate Margin	116
4. Development of Interest Rates on Monetary Policy Tools	117
5. Interbank Lending Interest Rates (JODIBOR)	119

Subject	Page
Chapter Eight: Analysis of the Comparative Performance of Banks Operating in Jordan During 2015	125
First: Banks' Ranking According to Some Balance Sheet Items	127
A. Banks' Ranking According to the Total Assets	127
B. Banks' Ranking According to the direct Credit facilities - net	129
C. Banks' Ranking according to the Total Deposit	130
D. Banks' Ranking According to Shareholders' Equity	131
E. Banks' Ranking According to Capital	132
Second: Banks' Ranking According to some Items of Income Statement	133
A. Banks' Ranking According to Pre-Tax Profit	133
B. Banks' Ranking According to the After-Tax Net Profit	134
Third: Banks' Ranking According to most Important Profitability Indicators	135
A. Banks' Ranking According to the Average Return on Assets	135
B. Average Return on Equity in Banks Operating in Jordan	136
Fourth: Banks' ranking According to Bank Branching	137
A. Banks' Ranking According to the number of Branches inside Jordan	137
B. Banks' Ranking According to the Number of ATMs inside Jordan	138
Fifth: Human Resources of Banks Operating in Jordan	139
A. Banks' Ranking According to the Number of Employees	139
Sixth: Summary of the Most Important Financial Indicators of Banks Operating in Jordan	140
Chapter Nine: New Banking services	145
Chapter Ten: Human Resources in Banks Operating in Jordan	155
1. Number of Employees	157
2. Distribution of Bank Employees according to Academic Qualifications	157
3. Distribution of Bank Employees by Age Groups	158
4. Marital Status of Employees	159
5. Geographical Distribution of Bank Employees by Governorate	159
6. Training Courses	161
7. Resignations and Appointments	162

Subject	Page
Chapter Eleven: ABJ's Activities in 2015	165
A. Meetings of ABJ's committees	167
B. Other meetings	168
C. Seminars, lectures and training courses	170
D. Other news and activities	181
E. ABJ Publications in 2015	207
Chapter Twelve: Financial Statements of Association of Banks in Jordan for the year 2015	209

List of Tables

#	Name of table	Page
1	Real GDP Growth Rate	28
2	Consolidated Balance Sheet of Licensed Banks	47
3	Foreign Currency Assets of Licensed Banks	48
4	Foreign Currency Liabilities of Licensed Banks	48
5	Distribution of Credit Facilities according to Type	49
6	Distribution of Credit Facilities By Type of Currency	50
7	Distribution of Credit Facilities by Economic Sector	51
8	Credit Cards Extended by Banks During 2015	52
9	Personal Loans Extended by Banks During 2015	58
10	Terms and Characteristics of Personal Loans Extended During 2015	59
11	Housing and real estate loans that banks granted to individuals in 2015	61
12	Terms and characteristics of housing and real estate loans granted to individuals in 2015	62
13	Car Loans Extended During 2015	64
14	Terms and Characteristics of Car Loans Extended During 2015	65
15	Syndicated bank loans extended during 2015	67
16	Distribution of Deposits According to its Major Types	68
17	Distribution of Deposits According to Type of Currency	69
18	Development of Number of Banks and Branches in Jordan (2007 – 2015)	81
19	Opening of Branches During 2015	82
20	Number of Branches Inside and Outside Jordan at the End of 2015	83
21	Distribution of Branches Among Governorates at the End of 2015	84
22	Offices Opened During 2015	85
23	Number of Offices Inside and Outside Jordan at the End of 2015	86
24	Distribution of Offices Among Governorates at the End of 2015	87
25	Distribution of ATMs Among Governorates at the End of 2015	88
26	Services Provided by Banks' ATMs Until the End of 2015	90
27	Other Services Provided Through ATMs	91

#	Name of table	Page
28	Some Trading Indicators of Banks Listed at the Amman Stock Exchange During 2015	95
29	Development of the Share Price Index of Banks Listed on the Amman Stock Exchange (2007 – 2015)	96
30	Monthly Development of the Share Price Index of Banks Listed on the Amman Stock Exchange During 2015	97
31	Trading Volume of Banks' Shares Listed at the Amman Stock Exchange (2007 – 2015)	98
32	Monthly Trading Volume of Banks' Shares Listed at the Amman Stock Exchange During 2015	99
33	Non-Jordanian Ownership of Banks' Shares Listed at the Amman Stock Exchange (2007-2015)	100
34	Circulated and Returned Cheques Through the Electronic Clearing (2014 – 2015)	106
35	Weighted Average of Interest Rates on All Types of Deposits (2007-2015)	111
36	Monthly weighted Average of Interest Rates on All Types of Deposits in 2015	112
37	Weighted Average of Interest Rates on All Types of Credit Facilities (2007-2015)	114
38	Weighted Average of Interest Rates on All Types of Credit Facilities in 2015	115
39	Interest Rates on Monetary Policy Tools (2007 - 2015)	118
40	Interest Rates on Monetary Policy Tools during 2015	118
41	Average Inter-Bank Lending Interest Rates (JODIBOR – Declared Rates) (2006 – 2015)	119
42	Average Inter-Bank Lending Interest Rates (JODIBOR – Declared Rates) in 2015	120
43	Volume of Overnight Inter-Bank Activity During 2015	121
44	Total Assets of Banks Operating in Jordan at the end of 2014 and 2015	128
45	Direct credit facilities - net Extended By Banks Operating in Jordan at the end of 2014 and 2015	129
46	Total Deposits at Banks Operating in Jordan at the end of 2014 and 2015	130
47	Shareholders' Equity of Banks Operating in Jordan at the end of 2014 and 2015	131
48	Capital of Banks Operating in Jordan at the end of 2014 and 2015	132
49	Pre-Tax Profit of Banks Operating in Jordan at the end of 2014 and 2015	133
50	Net After-Tax Profit of Banks Operating in Jordan at the end of 2014 and 2015	134
51	Average Return on Assets for the Banks Operating in Jordan at the end of 2014 and 2015	135
52	Average Return on Shareholders' Equity for the Banks Operating in Jordan at the end of 2014 and 2015	136
53	The Number of Branches of Banks Operating in Jordan at the end of 2014 and 2015	137
54	The Number of ATMs of Banks Operating in Jordan at the end of 2014 and 2015	138
55	Number of Employees at Banks Operating in Jordan at the end of 2014 and 2015	139
56	New banking services introduced in 2015	147

#	Name of table	Page
57	Distribution of Bank Employees by Gender (2007 – 2015)	157
58	Distribution of Bank Employees by Education Level (2007 – 2015)	158
59	Distribution of Bank Employees By Age Group (2007 -2015)	158
60	Distribution of Bank Employees By Social Status (2007 -2015)	159
61	Geographical Distribution of Bank Employees by Governorate at the End of 2015	159
62	Distribution of Bank Employees by Governorate and Bank at the End of 2015	160
63	Number of Employees who attended training courses in 2015	161
64	Appointments and Resignations (2007 – 2015)	162

List of diagrams

#	Name of diagram	Page
1	Real GDP Growth Rate (%)	29
2	Real GDP Growth Rate for Regional Groups	29
3	Central Bank's Foreign Reserves	46
4	Distribution Of Credit Facilities according to Type as the End of 2015	50
5	Distribution of Credit Facilities By Type of Currency at the End of 2015	51
6	Distribution of Credit Facilities by Economic Sector at the End of 2015	52
7	Distribution of Deposits According to its Major Types as the end of 2015	68
8	Distribution of Deposits According to Type of Currency at the end of 2015	69
9	The total number of individuals' deposit accounts according to gender at the end of 2015	70
10	The distribution of individuals' deposit accounts according to gender at the end of 2015	71
11	The total value of individuals' deposit according to gender at the end of 2015	71
12	The distribution of the total value of individuals' deposits according to gender at the end of 2015	72
13	The total number of individual borrowers according to gender at the end of 2015	72
14	The distribution of individual borrowers according to gender at the end of 2015	73
15	The total value of individual loans according to gender at the end of 2015	73
16	The distribution of the total value of individuals' loans according to gender at the end of 2015	74
17	The total number of individual clients having credit cards according to gender at the end of 2015	74
18	The distribution of individual clients having credit cards according to gender at the end of 2015	75
19	The total value of individuals credit cards limits according to gender at the end of 2015	75
20	The distribution of the total value of individuals credit cards limits according to gender at the end of 2015	76
21	Annual Development of the Share Price Index (2007-2015)	96
22	Monthly Development of the Share Price Index During 2015	97
23	Annual Development of the Trading Volume (2007-2015)	98
24	Monthly Development of the Trading Volume during 2015	99
25	Share of Non-Jordanian Equity in the Ownership of Banks' shares (2007-2015)	100
26	Weighted Average of Interest Rates on All Types of Deposits (2007-2015)	112
27	Monthly Development of Interest Rates on All Types of Deposits during 2015	113

#	Name of diagram	Page
28	Weighted Average of Interest Rates on All Types of Credit Facilities (2007-2015)	114
29	Monthly Development of Interest Rates on All Types of Credit Facilities during 2015	115
30	Annual Development of Interest Rate Margin (2007-2015)	116
31	Monthly Development of Interest Rate Margin during 2015	117
32	Monthly Development of the Interbank Lending Rates (JODIBOR) during 2015	120
33	Development of the Number of Overnight Interbank Lending and Borrowing Transaction during 2015	122
34	Development of the Total Amount of Overnight Interbank Lending during 2015	122
35	Weighted Overnight Interbank Lending Rates "JODIBOR" (Declared and Actual) during 2015	123

Chairman of Board of Directors' Foreword

Dear members of the Association of Banks in Jordan,,

I am pleased to present to you the 37th annual report of the ABJ's activities, achievements of the year 2015, and the audited financial statements of the fiscal year that ended on Dec.31, 2016, along with the auditors' report addressed to your esteemed Association.

Dear members,

Available data indicate a slowdown in the Jordanian economy in 2015 as the growth rate reached to 2.4%, which is lower than the growth rate of the previous year.

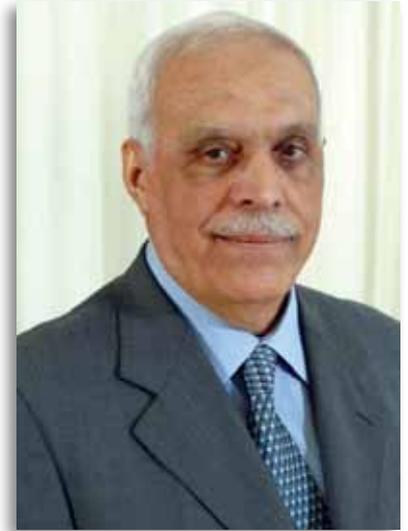
Macroeconomic indicators of the Jordanian economy recorded varying performance during 2015, as the inflation registered a negative growth, the unemployment rate rose, the domestic revenues fell by a percentage that exceeded the decline in government spending, which expanded the budget deficit and increased the public debt. Exports and imports witnessed a significant decrease during 2015, which reduce the trade balance deficit, while workers' remittances rose slightly, and the foreign currency reserves showed slight increase.

Jordan's banking sector maintained its stability and strength, and could even register tangible developments during 2015. Assets of licensed banks went up by 5% to reach the amount of JD 47.1 billion. The balance of credit facilities granted by banks registered an increase of 9.5%, reaching JD 21.1 billion by the end of 2015. The balance of overall deposits at banks went up by 7.7% to become JD 32.6 billion.

As for indicators of the financial strength of banks operating in Jordan, the capital adequacy ratio reached to 19.1% which is much higher than the minimum required by the Central Bank of Jordan's and Basel II standards. The ratio of non-performing loans to the overall loans regressed to 4.9% compared with 5.6% at the end of 2014. Finally, the liquidity ratio of banks operating in Jordan greatly surpassed the margin required by the CBJ: it reached 149% by the end of 2015.

Honorable members of the Association,

Allow me to extend my heartfelt thanks to all members of the ABJ for the efforts they exerted throughout the year to accomplish the goals of the association. I also extend my thanks and appreciation to the Governor of the Central Bank of Jordan and all employees and apparatus of member banks of the association for their constant cooperation with the association for the benefit of the banking sector in particular and Jordanian economy in general under the guidance of His Majesty King Abdullah II.



Musa Shihadeh
Chairman of the Board of Directors

Speech of the Director General

During 2015, the ABJ continued to carry on its mandate of discussing and following up the different issues that were submitted to it, especially those submitted by member banks. Specialized technical committees of the ABJ discussed in depth those issues and presented their comments and feedback to the concerned parties which showed a response characterized with a high degree of seriousness.

In the field of training and financial and banking education, the association organized a series of lectures, seminars and workshops during 2015 that dealt with different issues of concern to the banking sector. The association held 5 workshops and 9 training courses, organized the fourth CSR forum and held a seminar about financing the renewable energy projects.

As for studies, the association issued a number of publications, reports and studies that pertain to Jordan banking system. The association issued its 36th annual report for the year 2014 in both Arabic and English. In addition, it issued the directory of services, products and solutions offered by Islamic banks in Jordan. Furthermore, the association issued two booklets; the first about bank merger: concept, types, motives, impact and the experience of AJIB, HSBC merger, and the second about the comparative performance of banks operating in Jordan.

Finally, I extend my greatest gratitude and thanks to the chairman and members of the board of directors who never spared a breath to support the association with their enlightened ideas and distinguished experiences. I also thank all member banks for their fruitful cooperation with the association, in addition to all employees of the association for their efforts to develop and upgrade the ABJ's work.



Dr. Adli Kandah
Director General





Chapter One

Prospects of World and Regional Economies and Summary of International Developments



The chapter reviews the global economic environment and its forecasted trends, as well as the prospects of the MENA region's economy by discussing economic developments in oil exporting and oil importing countries.

1. Prospects of world economy

World economy's growth rate witnessed a slowdown in 2015, registering a rate of 3.1% compared with a growth rate of 3.4% in the year before, 2014. A slight improvement is forecasted for global economy in 2016, where a growth rate of 3.2% is expected. Further improvement is forecasted for 2017, where the growth rate is expected to reach 3.5%.

Despite of the improved growth rates of developed economies, like the Euro Zone and Japan in 2015, the slowdown in the global economy growth rate was due to the regressing economic growth rates in other developed countries whose economic growth rates went down to 1.9% in 2015, compared with 2.8% in 2014 and 2.3% in 2013. Emerging and developing economies also experienced regress in their growth rates to reach 4.0%, compared with 4.6% in 2014 and 4.9% in 2013.

Table (1)
Real GDP Growth Rate

	Actual								Projections	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
World	3.0	-0.1	5.4	4.2	3.5	3.3	3.4	3.1	3.2	3.5
Advanced Economies	0.2	3.4-	3.1	1.7	1.2	1.2	1.8	1.9	1.9	2.0
United States	-0.3	-2.8	2.5	1.6	2.2	1.5	2.4	2.4	2.4	2.5
Euro Area	0.5	4.5-	2.1	1.6	0.9-	0.3-	0.9	1.6	1.5	1.6
Japan	-1.0	-5.5	4.7	-0.5	1.7	1.4	0.0	0.5	0.5	-0.1
Other Advanced Economies	1.1	-2.0	4.5	3.0	1.9	2.3	2.8	1.9	2.0	2.3
Emerging Market and Developing Economies	5.8	3.0	7.4	6.3	5.3	4.9	4.6	4.0	4.1	4.6
Regional Groups										
Emerging and Developing Europe	3.1	-3.0	4.7	5.4	1.2	2.8	2.8	3.5	3.5	3.3
Commonwealth of Independent States	5.3	-6.4	4.6	4.8	3.5	2.1	1.1	-2.8	-1.1	1.3
Emerging and Developing Asia	7.2	7.5	9.6	7.8	6.9	6.9	6.8	6.6	6.4	6.3
Latin America and the Caribbean	3.9	1.2-	6.1	4.9	3.2	3.0	1.3	0.1-	0.5-	1.5
Middle East ,North Africa, Afghanistan ,and Pakistan	4.8	1.5	4.9	4.5	5.0	2.3	2.8	2.5	3.1	3.5
Middle East and North Africa	4.8	1.5	5.2	4.6	5.1	2.1	2.6	2.3	2.9	3.3

Source: IMF, WEO, April, 2016.

Chart (1)

Real GDP Growth Rate (%)

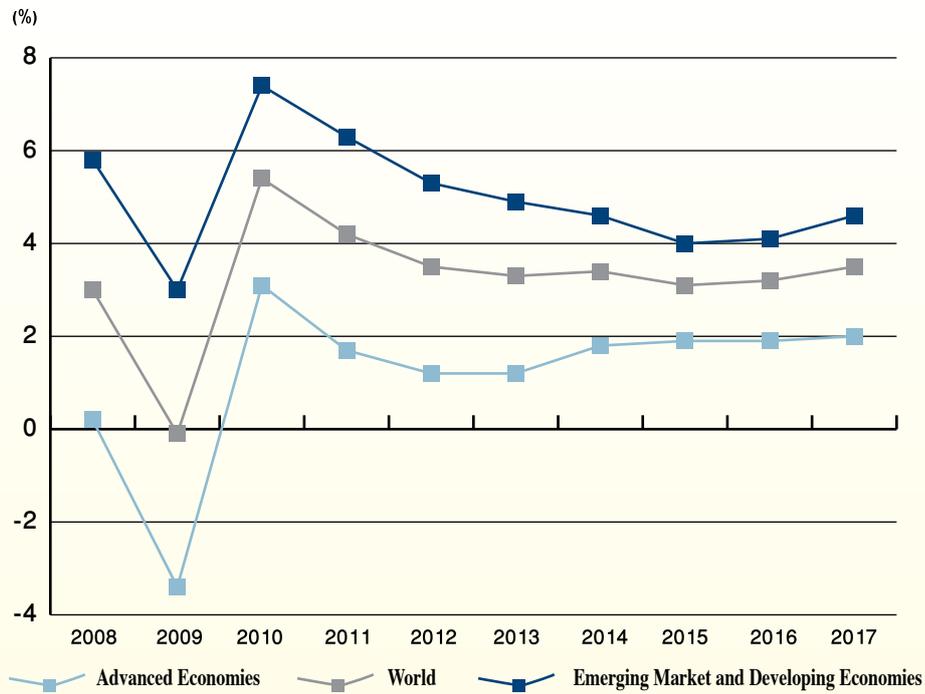
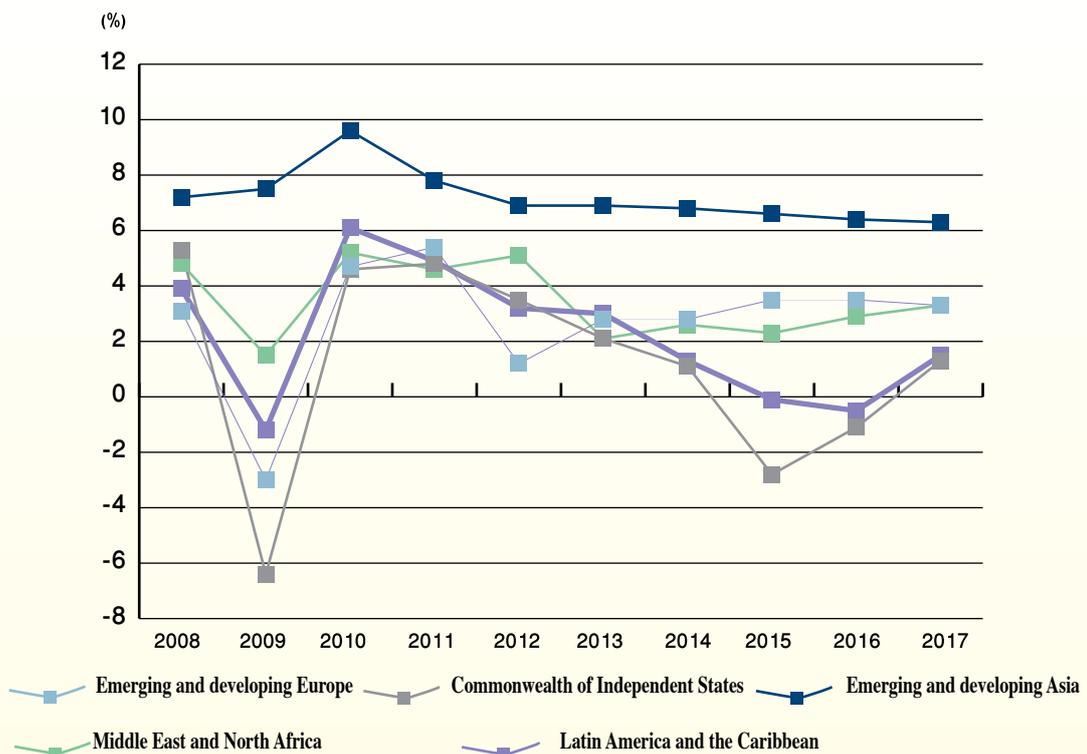


Chart (2)

Real GDP Growth Rate for Regional Groups



2. Prospects of regional economy

The fall down in oil prices and the raging conflicts in the region impose a great strain on the economic activity in the MENA region, especially amidst the continued instability in the international oil market. The economic growth rate of the MENA region went down to reach 2.3% in 2015, compared with a growth rate of 2.6% in 2014. Nevertheless, forecasts indicate an improvement in regional growth prospects, where growth rate could reach 2.9% in 2016 and 3.3% in 2017.

Oil exporting countries in the MENA region

In the first decade of the new millennium, oil-exporting countries in the Middle East and North Africa region enjoyed great foreign and financial surpluses and a quick economic expansion because of the hikes in oil prices. However, with the plunging oil prices since mid-2014, surpluses were transformed into deficit and a sluggish growth, which provoked fears of unemployment and financial risks. A number of oil exporting countries started to impose restrictions public finances by introducing big reforms into the energy prices, including raising fuel, water and electricity prices, in response to the fall down in oil prices. Public expenditures were notably reduced in many countries.

Despite forecasts of increased economic growth rates of oil exporting countries in 2016, short-term predictions indicate a weakness in oil revenues in the coming years because of the fall down in oil prices, which will greatly affect the governments' capacity to expenditure. Forecasts also indicate more severe slowdown in growth rates of oil exporting countries at the medium term because of the restraints of public finances policies, the low trust of the private sector and the weak liquidity in the banking system.

Oil importing countries of the MENA region

Ever since the start of political transitions in 2011, oil importing countries in the MENA region are still struggling to meet the popular demands of raising living standards, increasing job opportunities and improving doing business environment. Although the reforms, the recent ones in particular, have helped maintaining the macroeconomic stability, yet unemployment rates, especially among the young, are still high.

Economic activity of oil importing countries witnessed a recovery in 2015 as a result of a number of reasons, atop of which is the fall down in oil prices, setback in inflation rates, regress in financial burdens resulting from financial control measures and the improvement in the business environment. This had helped in facing the negative impact of the rising security risks and the repercussions of regional conflicts.

Economic prospects of oil importing countries face risks of developments carrying huge negative effects. The deterioration of security conditions, social tensions, reform fatigue or the increased spillover of regional conflicts might lead the process of policy implementation to go out of track, which weakens economic activity.



A nighttime photograph of a city skyline reflected in a body of water. The lights of the buildings and a flagpole are visible, creating a shimmering reflection on the dark water. The scene is framed by a large, curved red graphic element on the right side of the page.

Chapter Two

Economic

Developments in

Jordan in 2015



Indicators of the Jordanian economy recorded uneven performance during 2015, where economic growth rate was relatively lower than its level in the previous year, reflecting the slowdown experienced by the Jordanian economy. While the unemployment rate rose, the inflation rate registered a negative growth, indicating the decline in the price level in the kingdom. With regard to public finance, domestic revenues and foreign grants fell during 2015 by a percentage that exceeded the decline in government spending, which expanded the budget deficit and increased the public debt.

Regarding the external sector indicators, exports and imports witnessed a significant decrease during 2015, which reduce the trade balance deficit. While foreign direct investment in the kingdom declined, workers' remittances rose slightly.

As for monetary and banking indicators, foreign currency reserves showed slight increase, while the licensed banks' assets, credit facilities and deposits witnessed significant growth in 2015.

The most important economic, fiscal, monetary and banking indicators in Jordan during 2015 will be presented hereunder.

1. Production, Prices, and Companies

❖ **Gross Domestic Product (GDP):** Gross domestic product at constant prices amounted to JD 11.41 billion by the end of 2015, compared to JD 11.15 billion at the end of 2014. Therefore, growth rate in GDP reached 2.4% in 2015 in comparison with a growth rate of 3.1% in 2014. This reflects the economic slowdown experienced by Jordanian economy in 2015.

On a sector by sector basis, all economic sectors in Jordan grew during 2015, except the construction sector which fell by 1.3%. Mining and quarrying sector registered the highest growth rate of 11.0%, followed by electricity and water sector, which grew by 10.9%. The rest of the economic sectors in the Kingdom witnessed a positive growth rates that didn't exceed 6%.

The sector of financial services, insurance, real estate and business services, the manufacturing sector and telecommunications sector maintained their status as the most important pillars of GDP, as their contribution to GDP registered 20.2%, 16.5% and 14.5% in 2015 consecutively, which forms 51.2% of GDP.

- ❖ **Consumer Price Index:** Consumer price index during 2015 declined to the level of 116.4 point compared with 117.4 point in 2014. Therefore, inflation rate reached -0.9% by the end of 2015, compared to 2.9% in 2014.
- ❖ **Producers' Price Index:** producers' price index decreased by 8.2% during 2015, compared to an increase by 0.4% during 2014.
- ❖ **Unemployment:** The unemployment rate rose to 13.0% in 2015 compared with 11.9% in 2014 and 12.6% in 2013.

2. Public Finance

- ❖ **Domestic Revenues:** Domestic revenues of the government declined by 2% during 2015, to become JD 5.91 billion compared to JD 6.03 billion in 2014. The volume of foreign grants to the kingdom decreased significantly in 2015 by 28.3%, falling from JD 1236.5 million in 2014 to JD 886.3 million in 2015. Accordingly, the total value of domestic revenues and foreign grants declined by 6.5% in 2015 to become JD 6.80 billion compared with JD 7.27 billion in 2014.
- ❖ **Public Expenditures:** The total value of public expenditures declined by 1.6% in 2015, reaching JD 7.72 billion, compared to JD 7.85 billion in 2014. The decline in public expenditures was due to the decrease in the current expenditures by 1.3% and the decrease in capital expenditures by 3.4%.
- ❖ **Budget Deficit:** because the decline in domestic revenues and foreign grants (6.5%) exceeded the decline in government expenditure (1.6%), budget deficit expanded in 2015 by 58.8% to reach JD 926.5 million compared to a deficit of JD 583.5 million in 2014. Thus the ratio of budget deficit to GDP went up to 3.5% in 2015 compared to a deficit rate of 2.3% in 2014.

3. Public Debt

- ❖ **Net Domestic Public Debt:** The net domestic public debt of the central government rose from JD 12.52 billion in 2014 to JD 13.46 billion in 2015, which means a rise of 7.4%. Accordingly, the ratio of domestic public debt to GDP increased from 49.2% in 2014 to 50.5% in 2015.
- ❖ **External Public Debt:** The balance of external public debt rose from JD 8.03 billion in 2014 to JD 9.39 billion in 2015, which means a rise of 16.9%. Accordingly, the ratio of external public debt to GDP increased from 31.6% in 2014 to 35.3% in 2015.
- ❖ **Total Public Debt:** The balance of the total public debt increased in 2015 by 11.2% to reach JD 22.85 billion compared to JD 20.55 billion in 2014. Therefore, the ratio of total public debt to GDP rose from 80.8% in 2014 to 85.8% in 2015. It is observed here that the ratio of total public debt to GDP exceeds 60%, the maximum limit set by the Public Debt law and its administration.

The Public Debt Law and its Administration No. (26) for the year 2001 and its amended law No. (8) for the year 2008 stipulate in Article no. 21 that the net outstanding balance of internal public debt should not exceed in any time 40% of the gross domestic product in current prices. Article 22 thereof also stipulates that the net outstanding balance of external public debt should not exceed in any time 40% of the gross domestic product in current prices. Article 23 thereof stipulated that the total outstanding balance of public debt should not exceed in any time 60 of gross domestic product in current prices.

However, it worth mentioning here that the Cabinet decided to postpone the implementation of the amended Public Debt Law No. (8) for the year (2008) until further notice, in accordance to the decision published in the Official Gazette no. (5010) dated 17/1/2010.

4. External sector

- ❖ Domestic Exports: Domestic exports regressed by 7.1% in 2015 to amount JD 4.79 billion compared to JD 5.16 billion in 2014.
- ❖ Re-exports: The value of re-exports fell down by 3.4% during 2015 to reach JD 763 million, in comparison with JD 790 million in 2014.
- ❖ Total Exports: The volume of total exports (domestic exports + re-exports) regressed by 6.6% in 2015, to reach JD 5.56 billion, compared with JD 5.93 billion in 2014.
- ❖ Imports: Imports declined by 11.3% in 2015, reaching JD 14.44 billion compared to JD 16.28 billion in 2014.
- ❖ Trade Balance Deficit: The deficit in trade balance declined in 2015 by 14%, reaching JD 8.88 billion, in comparison with a deficit of JD 10.33 billion in 2014.
- ❖ Workers' Remittances: Workers' remittances rose by 1.5% in 2015, reaching JD 2.42 billion compared to JD 2.39 billion in 2014.
- ❖ Foreign Direct Investment: Foreign direct investment in Jordan witnessed a significant decrease in 2015 by 31.2%, reaching JD 981.2 million JD, compared to JD 1426.7 million JD in 2014.

5. Monetary and Banking Sector

- ❖ **Local Liquidity:** Local liquidity (M2) went up in 2015 by JD 2365 million, amounting to JD 31.6 billion, thus registering an increase of 8.1% of the level it reached in 2014.
- ❖ **Gross Official Reserves at the Central Bank:** The balance of gross official reserves at the Central Bank increased slightly by 0.5% at the end of 2015. The balance rose from USD 14.08 billion in 2014 to USD 14.15 billion at the end of 2015. This amount of reserves is enough to cover the kingdom's imports of goods and services for approximately 7.8 months.
- ❖ **Licensed Banks' Assets:** Licensed banks' assets registered by the end of 2015 an increase of 5%, reaching JD 47.133 billion, as compared to JD 44.868 billion at the end of 2014.
- ❖ **Credit Facilities:** The balance of Credit facilities granted by licensed banks rose at the end of 2015 by JD 1829 million (9.5%), reaching JD 21.103 billion compared to JD 19.274 billion in 2014.
- ❖ **Deposits:** The balance of total deposits at licensed banks increased at the end of 2015 by 7.7%, reaching JD 32.598 billion compared to JD 30.261 billion in 2014.
- ❖ **Share Price index weighted by Market Capitalization of Free Float Shares:** the share price index weighted by market capitalization of free float shares decreased by about 29.2 points at the end of 2015, reaching 2136 points. This meant a decline of 1.3% from its level at the end of 2014.

Free float are shares available for circulation by investors. They represent the total number of shares listed in the stock market, minus shares owned by each member of the board of directors and their relatives, parent companies, subsidiaries, or associate companies, and shareholders who own 5% or more of the company's capital, the government, public firms and the company itself owning the shares.





Chapter Three

Development of the banking System in 2015



Monetary and banking indicators continued to develop during 2015 in different fields. Those developments reflected the strength and soundness of Jordan's banking system and its ability to achieve constant growth throughout the years; it is an indicator of stability. This chapter will deal with the most important monetary and banking indicators along with the developments in such fields during 2015, including the developments of monetary policy and the developments witnessed by indicators such as foreign reserves, assets, facilities and deposits at banks operating in Jordan.

1. Developments of Monetary Policy in 2015

A) CBJ decisions relevant to interest rates on monetary policy instruments in 2015

The CBJ developed the monetary policy operational framework in 2015, as well as amending twice the interest rates on the main monetary policy instruments. The first was in February 2015 and the second was in July of the same year. The details of those decisions are hereunder.

- The CBJ develops the monetary policy operational framework

The CBJ decided on 2 Feb. 2015 to develop the monetary policy operational framework in a way that gives the central bank sufficient flexibility to run monetary instruments. The reason behind this decision was to enhance banks' ability to manage their liquidity with a greater efficiency that guarantees meeting their operational needs and providing the growing financing needs of the different sectors of national economy. The development included issuing deposit certificates at different due dates, continuing to accept banks' deposits at the CBJ at the terms specified for this purpose, in addition to adopting a main interest rate for the CBJ to become the reference rate of the banking system. The following was decided in light of the above:

- Adopting a main interest rate for the purposes of running monetary policy called CBJ Main Rate. The rate was determined at 2.75% in this amendment, which is now known as the repurchase agreements' interest rates for a week. The measure aims to give explicit signals on the trends and positions of monetary policy as regards the monetary and economic developments at the internal and external levels.
- Developing the instruments of running liquidity in a way that enables banks to run their liquidity efficiently and competently. This is done by the CBJ issuing time deposit certificates in Jordanian dinar, in specific volumes and at the time it sees fit, in order to attract part of liquidity available at banks for price auctions within a pricing extent determined by the CBJ in the declared conditions of this instrument.
- The CBJ will continue to accept liquidity that banks want to deposit, after subscription in the deposit certificates, in the overnight deposit window in Jordanian dinar, at their own initiative on the basis of the interest rate determined by the CBJ. The central bank will also continue to pump liquidity to banks at its own initiatives through auctions on repurchase agreements for one week or more at an interest rate that is determined according to the CBJ's main interest rate. The central bank will remain ready to conclude overnight repurchase agreements with banks at their own initiative.

- The CBJ amends interest rates on monetary policy instruments

The CBJ decided to amend the structure of interest rates on monetary policy instruments as of Tuesday, 3 Feb. 2015 to become as follows:

- Reducing rediscount interest rate from 4.25% to 4.00%.
- Reducing interest rate of overnight repurchase agreements from 4.00% to 3.75%.
- Reducing interest rate of one week or more repurchase agreements from 3.00% to 2.75%.
- Determining interest rate margin of deposit certificates with a range of 2.50% - 2.75%.
- Reducing the interest rate of overnight deposit window from 2.75% to 1.75%

- Reducing main interest rates on monetary policy instruments

The CBJ decided to reduce the interest rates on monetary policy instruments by 25 base points as of Thursday, 9 July 2015. Thus, the structure of the interest rates became as follows:

- Reducing CBJ main interest rate from 2.75% to 2.50%.
- Reducing interest rate on rediscount agreements from 4.00% to 3.75%.
- Reducing interest rate on overnight repurchase agreements from 3.75% to 3.50%.
- Reducing the interest rate on deposit window from 1.75% to 1.50%.
- Reducing interest rate margin of deposit certificates from a range of 2.50% - 2.75% to become 2.25% - 2.50%.

B) The main instructions and circulars of CBJ during 2015

The CBJ issued in 2015 instructions on the Institutional Governance of Islamic Banks # 61/2015 dated 12 May 2015. The CBJ further issued a number of circulars to licensed banks. Find below the most important of them:

- Circular regarding the CBJ's methodology in determining dealing with domestic systematically important banks (D-SIBs). Ref. # 23/2/6714 dated 1 June 2015.
- Circular on expropriating real estate against debts # 10/1/8446 dated 12 July 2015.
- Circular on granting credit facilities according to uncertified financial statements # 10/1/14233 dated 18 Nov. 2015.

- Circular on the World Bank's additional loan to support MSMEs # 23/2/11986 dated 30 Sep. 2015.
- Circular # 10/1/15171 dated 8 Dec. 2015 on classification of credit facilities and provision of impairment loans.
- Circular # 10/2/4/15996 dated 27 Dec. 2015 on dormant accounts.

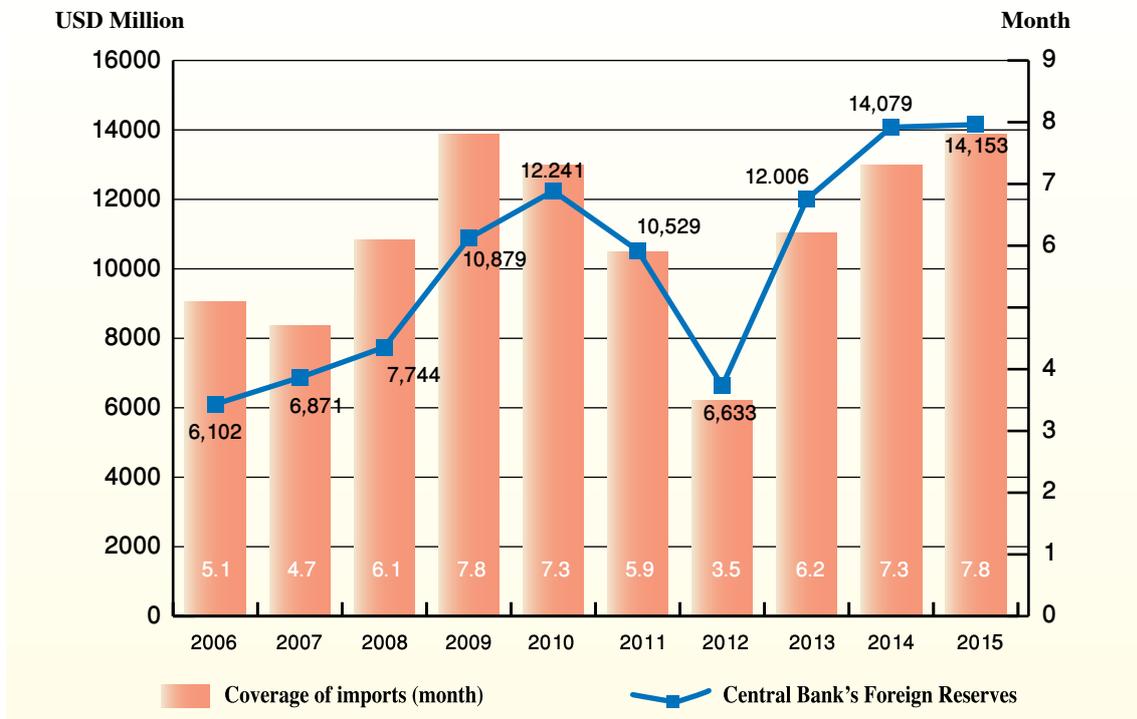
2. Foreign Reserves

Central Bank's reserves of foreign currencies rose slightly at the end of 2015 by USD 74.6 billion from the registered level at the end of 2014 to reach USD 14.15 billion. This equals a rise of 0.53%. This level of reserves is enough to cover the kingdom's imports of goods and services for almost 7.8 months.

Central bank of Jordan defines CBJ's reserves of foreign currencies as the ready cash, balances and deposits in convertible foreign currencies, and bonds and securities in foreign currencies, and cash, balances and deposits in non-convertible foreign currencies, subtracted from them the deposits of all licensed banks and non-residents in foreign currencies at the Central Bank. The CBJ's official reserves of foreign currencies' coverage of goods and services imports represent the CBJ's ready-to-use reserve divided by the monthly average value of imports in goods and services and subtracted from them the monthly average value of re-exports.

Chart (3)

Central Bank's Foreign Reserves



3. Assets/Liabilities of banks operating in Jordan

The balance of assets/liabilities of banks operating in Jordan registered at the end of 2015 an increase of 5%, reaching the amount of JD 47.13 billion, in comparison with JD 44.87 billion at the end of 2014.

A. Foreign Assets

The net foreign assets of licensed banks decreased at the end of 2015 by JD 46.6 million (1%) from their level at the end of 2014, to reach JD 4.68 billion, in comparison with JD 4.73 billion in 2014.

The decline registered in 2015 was resulted from the regression in all foreign assets items except the non-Resident Portfolio which increased by JD 50.7 million (7.9%). Cash in vaults (in foreign currencies) declined by JD 26.3 million (12.5%) to reach JD 184.2 million, balances with foreign banks decreased by JD 31.1 million (0.9%) to reach JD 3258.5 million, credit facilities to private sector (non-resident) declined by 1% to reach JD 477.1 million, and the other foreign assets declined by the amount of JD 35.1 million (32.7%) to reach JD 72.1 million.

B. Domestic Assets

The net domestic assets of licensed banks rose at the end of 2015 by the amount of JD 2311.7 million (5.8%) compared to their level at the end of 2014, thus reaching JD 42.45 billion at the end of 2015, in comparison with JD 40.14 billion at the end of 2014.

This rise in the domestic assets of banks in 2015 was the result of the increase in the claims on public sector by JD 499 million (4.5%) to reach JD 11.51 billion, and the increase in the claims on private sector (resident) by JD 851 million (4.8%) to reach JD 18.68 billion. Also, banks' reserves at the central bank increased by JD 503 million (7.3%) to reach JD 7.36 billion, and the other domestic assets increased by JD 582 million (16.1%) to reach JD 4.19 billion.

Table (2)

Consolidated Balance Sheet of Licensed Banks

JD Million	2014	2015	Change	Change percentage
Assets				
Foreign Assets	4731.1	4684.5	-46.6	-1.0%
Cash in Vaults (In Foreign Currencies)	210.5	184.2	-26.3	-12.5%
Balances with Foreign Banks	3289.6	3258.5	-31.1	-0.9%
(Portfolio (Non-Resident)	641.9	692.6	50.7	7.9%
Credit Facilities to Private Sector (Non-Resident)	481.9	477.1	-4.8	-1.0%
Other Foreign Assets	107.2	72.1	-35.1	-32.7%
Domestic Assets	40137.0	42448.7	2311.7	5.8%
Claims on Public Sector	11015.4	11514.1	498.7	4.5%
Claims on Private Sector (Resident)	17830.3	18681.3	851	4.8%
Claims on Financial Institutions	91.1	89.4	-1.7	-1.9%
Reserves	6858.2	7360.9	502.7	7.3%
Deposits with CBJ in Foreign Currencies	732.8	611.5	-121.3	-16.6%
Unclassified Assets	3609.2	4191.5	582.3	16.1%
Total of Assets	44868.1	47133.2	2265.1	5.0%
Liabilities				
Demand Deposits	7662.0	8451.7	789.7	10.3%
Public Non-Financial Institutions	65.2	96.1	30.9	47.4%
Municipalities and Village Councils	24.2	17.2	-7	-28.9%
Non-Banking Financial Institutions	87.1	97.6	10.5	12.1%
Social Security Corporation	66.5	77.0	10.5	15.8%
Private Sector (Resident)	7419.0	8163.8	744.8	10.0%
Time and Saving Deposits	17766.4	19215.1	1448.7	8.2%
Public Non-Financial Institutions	180.8	256.3	75.5	41.8%
Municipalities and Village Councils	29.1	37.3	8.2	28.2%
Non-Banking Financial Institutions	273.3	345.6	72.3	26.5%
Social Security Corporation	725.4	939.9	214.5	29.6%
Private Sector (Resident)	16557.8	17636.0	1078.2	6.5%
Foreign Liabilities	6738.3	6671.4	-66.9	-1.0%
Central Government Deposits	1380.0	1293.2	-86.8	-6.3%
Credit From CBJ	645.6	500.6	-145.0	-22.5%
Capital Accounts & Allowances	6773.7	7107.8	334.1	4.9%
Unclassified Liabilities	3902.1	3893.4	-8.7	-0.2%
Total of Liabilities	44868.1	47133.2	2265.1	5.0%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

4. Assets and Liabilities in Foreign Currencies

The assets of licensed banks in foreign currencies increased from JD 8.74 billion in 2014 to JD 8.89 billion in 2015, which makes an increase of 1.7% compared to the previous year's balance. This increase resulted mainly from the rise in credit facilities by JD 254 million (10.2%).

Table (3)

Foreign Currency Assets of Licensed Banks

JD Million	2014	2015	Change	Change percentage
Cash in Vaults	210.5	184.2	-26.3	-12.5%
Balances with CBJ	732.8	611.5	-121.3	-16.6%
Balances with Banks	3662.0	3721.4	59.4	1.6%
Portfolio	1399.2	1415.6	16.4	1.2%
Credit Facilities	2496.5	2750.5	254.0	10.2%
Other	243.6	211.6	-32.0	-13.1%
Foreign Currency Assets	8744.6	8894.8	150.2	1.7%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Liabilities of licensed banks in foreign currencies declined with the amount of JD 14.4 million to reach about JD 8.72 billion in 2015; this makes a decrease of 0.2% from the year before.

Table (4)

Foreign Currency Liabilities of Licensed Banks

JD Million	2014	2015	Change	Change percentage
Customers' Deposits	6247.9	6584.0	336.1	5.4%
Central Government	7.2	30.6	23.4	325.0%
Public Entities	16.6	18.1	1.5	9.0%
Non-Banking Financial Institutions	40.9	52.6	11.7	28.6%
Private Sector	6183.2	6482.7	299.5	4.8%
Cash Margins	383.0	356.5	-26.5	-6.9%
Deposits of Banks	1894.1	1582.1	-312.0	-16.5%
Other	210.1	198.1	-12.0	-5.7%
Foreign currency liabilities	8735.1	8720.7	-14.4	-0.2%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

5. Capital, Reserves and Provisions

Capital, reserves and provisions of banks operating in Jordan increased by 4.9% during 2015 to reach JD 7.11 billion compared to JD 6.77 billion at the end of 2014.

6. Credit facilities Granted by Licensed Banks

The outstanding balance of the total credit facilities granted by licensed banks increased from JD 19.27 billion in 2014 to JD 21.10 billion at the end of 2015. This represents an increase by JD 1829 million (9.5%) from its level at the end of 2014.

Credit facilities granted by banks operating in Jordan were mainly in the form of loans and advances, which represent approximately 65.4% of the total credit facilities. Islamic banks receivables represented 22.2%, while overdrafts stood at 10.5%, and discounted bills and bonds at about 1.2%. Credit cards represented only 0.6% of total credit facilities.

Table (5)
Distribution of Credit Facilities according to Type

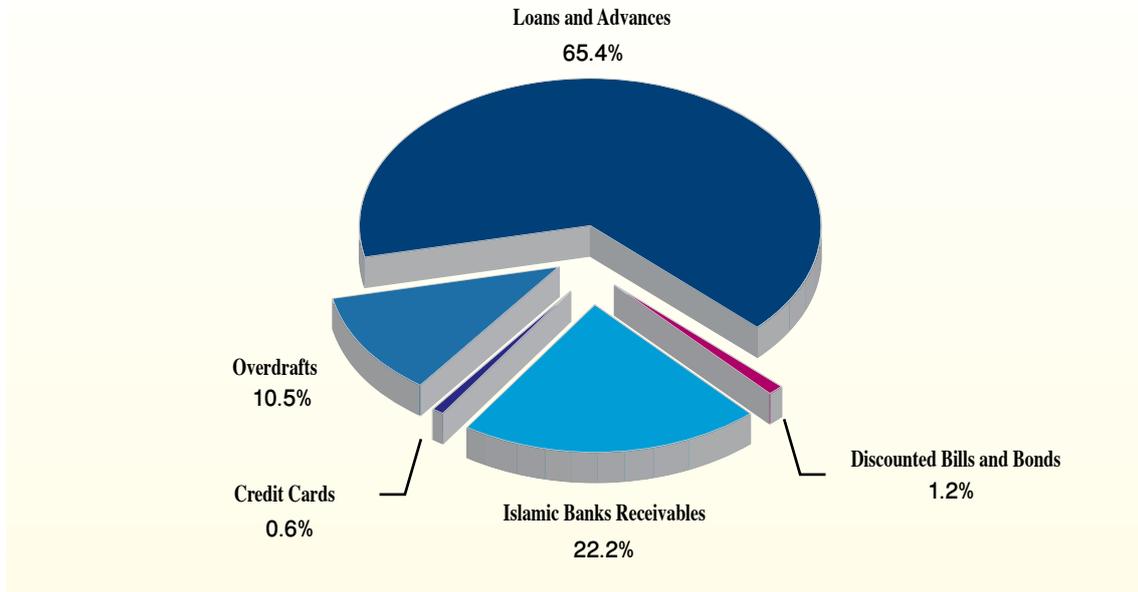
(JD Million)

Credit Facility Type	2014	2015	% of total Credit Facilities
Overdrafts	2228.4	2219.2	10.5%
Loans and Advances	12606.6	13802.8	65.4%
Discounted Bills & Bonds	240.7	256.4	1.2%
Islamic Banks Receivables	4067.8	4691.8	22.2%
Credit cards	131.0	133.3	0.6%
Total of credit facilities	19274.5	21103.5	100%

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (4)

Distribution Of Credit Facilities according to Type as the End of 2015



In what concerns the development of credit facilities according to the currency used, credit facilities in Jordanian dinar accounted for 86.6% of the total facilities at the end of 2015, compared to 86.7% at the end of 2014. Consequently, the relative importance of credit facilities in foreign currencies registered 14.3% of the total facilities of 2015.

Table (6)

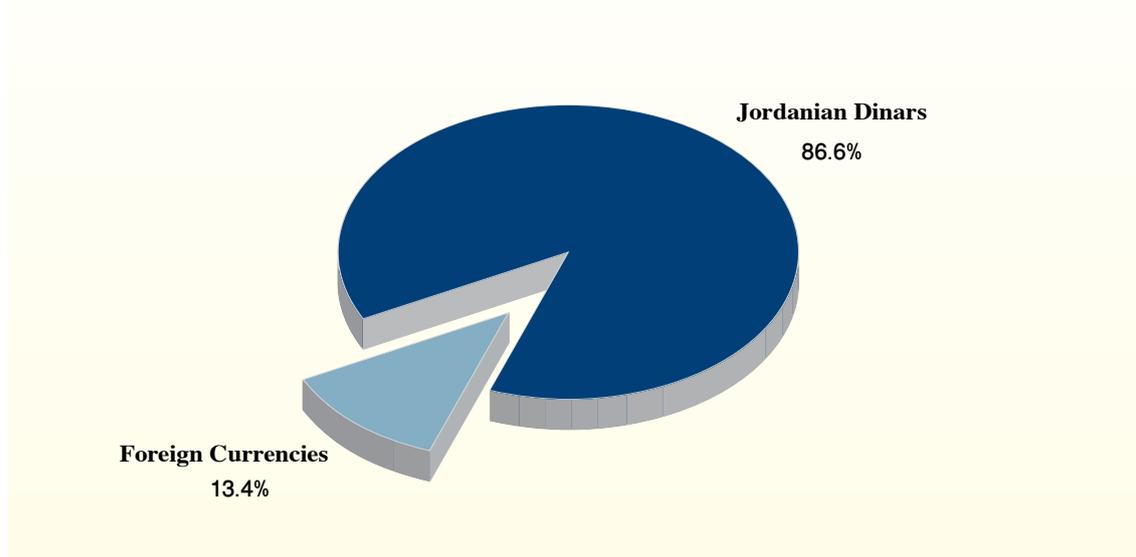
Distribution of Credit Facilities By Type of Currency

Credit Facilities	2014		2015	
	JD million	Relative Importance %	JD million	Relative Importance %
Jordanian dinars	16706.8	86.7%	18281.7	86.6%
foreign currencies	2567.7	13.3%	2821.8	13.4%
Total	19274.5	100.0%	21103.5	100.0%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

Chart (5)

Distribution of Credit Facilities By Type of Currency at the End of 2015



The distribution of credit facilities by to the kind of economic activity at the end of 2015 shows that the sectors of construction, general trade and public services and utilities account for 57.0% of the total facilities granted by banks operating in Jordan. The public services and utilities sector has received the largest share of the increase in credit facilities where the balance of credit facilities extended to this sector rose by JD 1062 million (48.9%).

Table (7)

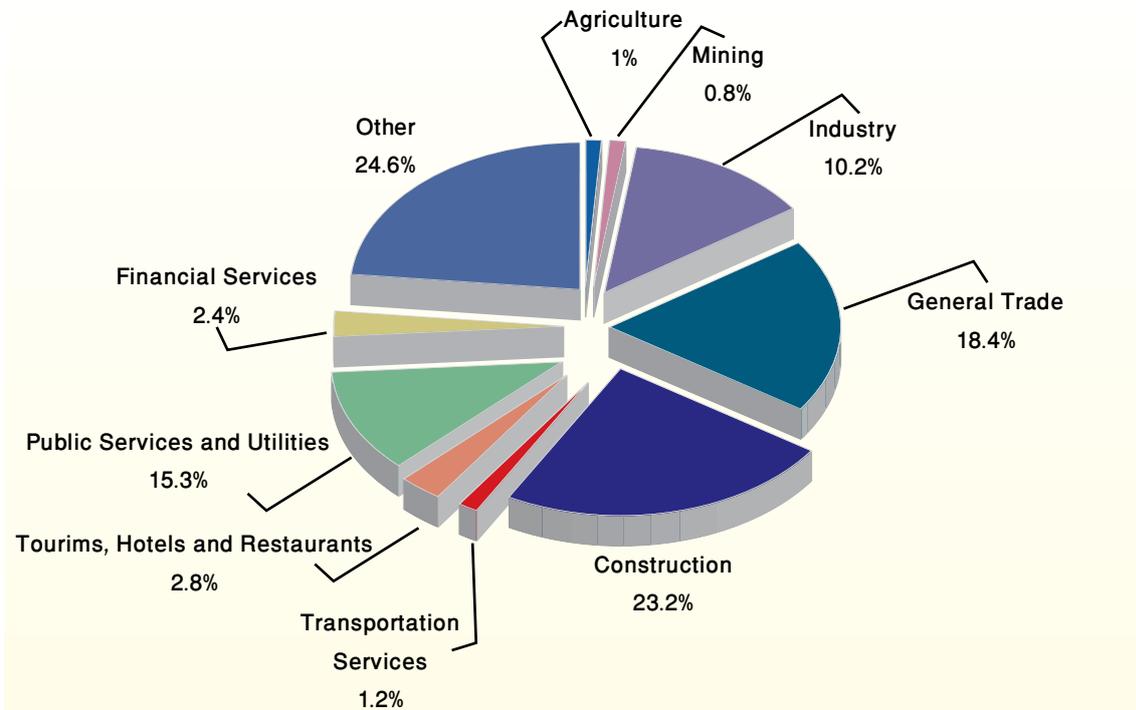
Distribution of Credit Facilities by Economic Sector

Sectors	2014		2015	
	JD million	Percentage %	JD million	Percentage %
Agriculture	243.4	1.3%	217.1	1.0%
Mining	196.1	1.0%	170.2	0.8%
Industry	2531.2	13.1%	2145.8	10.2%
General Trade	3683.8	19.1%	3883.8	18.4%
Construction	4552.8	23.6%	4904.5	23.2%
Transportation Services	292.7	1.5%	259.8	1.2%
Tourism, Hotels and Restaurants	571.5	3.0%	593.1	2.8%
Public Services and Utilities	2170.0	11.3%	3232.0	15.3%
Financial Services	539.5	2.8%	515.2	2.4%
Other	4493.5	23.3%	5182.0	24.6%
Total	19274.5	100.0%	21103.5	100.0%

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (6)

Distribution of Credit Facilities by Economic Sector at the End of 2015



A. Credit Cards

The number of credit cards granted by banks operating in Jordan during 2015 reached to 151 thousand cards. These cards consist of four main kinds: Visa Card, Master card, American Express and national Express. The following table provides some information about the market of credit cards issued by banks operating in Jordan during 2015.

Table (8)

Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Arab Bank	Visa Card	14993	0 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 50-300 Thousand
	Master Card	3193	JD50 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 50-300 Thousand
Jordan Ahli Bank	Visa Card	3465	Free for the first year	1.75%	4%	Unconditional	JD200	JD 50 Thousand
	Master Card	3291	Free for the first year	1.75%	4%	Unconditional	JD200	JD 50 Thousand

Continued Table (8): Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Cairo Amman Bank	Master Card	13000	Free for the first year, otherwise JD75-25 according to card type	1.75%	4% with a minimum of JD3	Conditional, with a minimum salary of JD150, or 100% cash margins	JD 500	10 times the salary for public sector 5 times the salary for private sector (approved) 2 times the salary for private sector (unapproved)
Bank of Jordan	Visa Card	5537	Free for Silver and Gold, JD 75 for Platinum ,and free for bank's packages customers	1.75%	4% with a minimum of JD4	Conditional, with some exceptions for some customers	JD250	Up to 5 times the salary for some customers
The Housing Bank for Trade & Finance	Visa Classic	23265	JD30	1.75%	4% with a minimum of JD2	Unconditional	JD250	JD 3000
	Visa Gold	1824	JD60	1.75%	4% with a minimum of JD2	Unconditional	JD750	JD 7000
	Visa Platinum	717	JD80	1.75%	4% with a minimum of JD2	Unconditional	JD1750	JD 15000
	Visa Signature	954	JD80	1.75%	4% with a minimum of JD2	Unconditional	JD1750	JD 15 thousand
	Visa Infinite	63	JD120	1.75%	4% with a minimum of JD2	Unconditional	JD3750	unlimited
	MasterCard Classic	25225	JD30	1.75%	4% with a minimum of JD2	Unconditional	JD250	JD 3000
	MasterCard Gold	2893	JD60	1.75%	4% with a minimum of JD2	Unconditional	JD750	JD 7000
	MasterCard Platinum	2385	JD80	1.75%	4% with a minimum of JD2	Unconditional	JD1750	JD 15 thousand
	MasterCard World Elite	179	JD120	1.75%	4% with a minimum of JD2	Unconditional	JD3750	unlimited

Continued Table (8): Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Jordan Kuwait Bank	Master Card	2989	JD15 – JD75	1.75% - 2.2%	4% with a minimum of JD4	Unconditional	JD250	times 5 - 2 the salary
	Visa Card	1823	JD15 – JD150	1.75% - 2.2%	4% with a minimum of JD4	Unconditional	JD250	times 5 - 2 the salary
	AMEX	78	JD67.5 – JD2840	-	4% with a minimum of JD4	Unconditional	For high income customers	For high income customers
Arab Jordan Investment Bank	Visa Credit	1462	JD0-JD100 according to card type	1.5%	4%	Conditional, unconditional with cash margins	JD300	Up to JD 100 thousand
	Visa Debit	4648	Free	-	-	-	-	Based on client's account balance
	MasterCard Credit	652	Free	1.5%	4%	Conditional, unconditional with cash margins	JD300	Up to JD 100 thousand
	MasterCard Debit	770	Free	-	-	-	-	Based on client's account balance
Jordan Commercial Bank	MasterCard	2124	JD25 – JD50	1.75%	4% with a minimum of JD4	Unconditional	JD250	Unspecified
Investbank	Signature	689	Free for Prime clients	1.75%	4%	Unconditional	For Prime clients according to account type	JD 100 thousand
	Gold	3508	JD120	1.75%	4%	Unconditional	JD400	JD 25 thousand
	Platinum	376	JD50	1.75%	4%	Unconditional	JD1500	JD 35 thousand
ABC Bank	Visa Card	1355	JD25 – JD75	1.75%	4%	Unconditional	JD 300	JD 15 thousand

Continued Table (8): Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Bank Al-Etihad	Visa Classic	3,700	Free	1.75%	4%	Conditional or cash margins	JD300	JD 5 thousand
	Visa Gold	528	JD35 for main card for JD15 supplementary card	1.75%	4%	Conditional cash or margins	JD300	JD 50 thousand
	Visa Platinum	1311	JD70 for main card for JD35 supplementary card	1.75%	4%	Conditional cash or margins	JD1500	JD 50 thousand
	Visa Business	210	JD25	1.50%	Cash is withdrawal allowed not	Previous relationship bank the with	According to the business cash flows	JD 50 thousand
Societe General - Jordan	Master card charge classic	8	JD35	1.75%	2% through bank's ATMS, through 4% other banks' ATMS	Conditional or cash margins	JD350 for private sector employees JD200 for public sector employees JD 500 for business owners	JD 55 thousand
	Master card charge titanium	45	JD50	1.75%				
	Master card charge platinum	6	JD250	1.75%				
	Master card charge USD	63	JD60	1.75%				
	Master card charge Euro	35	JD40	1.75%				
	Visa card charge classic	23	JD35	1.75%				
	Visa card charge gold	26	JD50	1.75%				
	Master card credit classic	790	JD35	1.75%				
	Master card credit titanium	45	JD50	1.75%				
	Co-branded Card (JRF) Master Card	0	JD35	1.75%				

Continued Table (8): Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Capital Bank	Visa Card	2948	JD25 for Gold JD50 for Platinum JD75 for Signature	1.75%	4%	Conditional or cash margins	JD500	JD 50 thousand
	Master Card	99	JD25 for Gold JD50 for Platinum JD75 for World	1.75%	4%	Conditional or cash margins	JD500	JD 50 thousand
Jordan Islamic Bank	MasterCard Gold	51	JD50	0	to According Class	Unconditional	According Card to limit	according to customer's credit worthiness
	MasterCard World	162	Free					JD 2000
	Visa Gold	466	JD50					JD 100
	Visa Silver	1362	JD25					
	Visa Local	903	JD15					
Islamic International Arab Bank	Visa installment	4964	JD25	0	JD4	Conditional	JD200	JD250- JD1000
	Internet Visa installment	304	JD10	0	-	Conditional	JD200	JD50-JD750
	Visa Gold	163	JD50	0	2%+1.96	Unconditional	JD1400	JD1001- JD50000
Jordan Dubai Islamic Bank	Visa Classic	90	JD25 for main card, JD15 for supplementary card	0	4%	Conditional or cash margins	JD300	JD 3 thousand
	Visa Gold	108	JD50 for main card, JD25 for supplementary card	0	4%	Conditional or cash margins	JD2500	JD 15 thousand
	Visa Signature	84	JD100 for main card, JD100 for supplementary card	0	4%	Conditional or cash margins	JD5000	JD 50 thousand
Al-Rajhi Bank	Visa Platinum	21	JD65	0	4	Conditional cash or margins	JD10000	25 JD thousand
	Visa Gold	16	JD50	0	4	Conditional cash or margins	JD2000	5 JD thousand
	Visa Classic	44	JD35	0	4	Conditional cash or margins	JD500	1000 JD
	Prepaid Visa Card	1068	JD10	0	0	Unconditional	Unspecified	JD 2000 monthly

Continued Table (8): Credit Cards Extended by Banks During 2015

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Egyptian Arab Land Bank	Visa Card	794	JD50 for Gold JD25 for Silver	1.75%	4% with a minimum of JD4	Conditional	JD300 for public sector JD400 for private sector JD 1000 for professionals and business owners	JD 50 thousand
Rafidain Bank	-	-	-	-	-	-	-	-
Citi Bank	-	-	-	-	-	-	-	-
Standard Chartered	Visa Classic	441	JD25	1.75%	4%	Conditional	JD500	times the 3 salary
	Visa Gold	52	JD50	1.75%	4%	Conditional	JD1000	times the 3 salary
	Visa Platinum	135	JD75	1.65%	4%	Conditional	JD2400	times the 4 salary
Bank Audi	Visa Card	4270	JD25-JD200 according to card type	1.75%	4%	Conditional, Unconditional, cash margins	A minimum of JD350 monthly	A maximum debt burden 55% of the salary
	Master Card	1784	JD25-JD100 according to card type	1.75%	4%	Conditional, Unconditional, cash margins	A minimum of JD350 monthly	A maximum debt burden 55% of the salary
National Bank of Kuwait	Visa Card	26	-	1.75%	4%	-	-	-
BLOM Bank	MasterCard Classic	473	Free	1.50%	4% with a minimum of JD4	Unconditional	JD350	JD500-JD999
	MasterCard Titanium	401	Free	1.75%	4% with a minimum of JD4	Unconditional	JD350	JD1000-JD6999
	MasterCard Platinum	89	JD 75	1.75%	4% with a minimum of JD4	Unconditional	JD350	JD7000 or higher
National Bank of Abu Dhabi	Visa Card	1286	JD35 for Silver JD65 for Gold Free for Infinite	1.75%	4% with a minimum of JD4	-	JD600	JD50 thousand

- Unavailable

B. Personal Loans

Banks operating in Jordan granted about 172 thousand personal loans during 2015, the value of which reached to JD 1.35 billion, at an interest rate that varied between 3.5% and 13.5% for commercial banks, and Murabaha rate ranged from 3.5% to 7.75% for Islamic banks. The commission on personal loans varied between zero and 1%, and with a settlement period reached to 8 years. Most banks required as a prior condition the transfer of salary to grant the personal loan.

Table (9)
Personal Loans Extended by Banks During 2015

Bank	Number of personal loans> applications submitted to Banks during 2015	Number of personal loans Extended by Banks during 2015	value of loans Extended by Banks during 2015 (JD)
Arab Bank	29,703	20,206	180,203,844
Jordan Ahli Bank	12,260	11,286	128,245,507
Cairo Amman Bank	35,982	30,804	124,853,000
Bank of Jordan	-	11,759	124,200,000
The Housing Bank for Trade & Finance	31,101	29,585	218,246,103
Jordan Kuwait Bank	5,845	4,620	36,500,000
Arab Jordan Investment Bank	2,143	1,831	33,623,779
Jordan Commercial Bank	12,313	6,346	77,600,000
Investbank	2,151	1,039	21,599,981
ABC Bank	10,759	9,808	54,601,472
Bank Al-Etihad	5,546	3,338	55,241,677
Societe General - Jordan	2,273	1,455	11,710,244
Capital Bank	1,894	1,097	15,698,228
Jordan Islamic Bank ⁽¹⁾	21,211	21,211	122,000,000
Islamic International Arab Bank ⁽¹⁾	7,932	7,108	28,197,115
Jordan Dubai Islamic Bank ⁽¹⁾	1,246	779	6,529,611
Al-Rajhi Bank ⁽¹⁾	6,983	4,533	38,730,104
Egyptian Arab Land Bank	889	741	6,154,655
Rafidain Bank	0	0	0
Citi Bank ⁽²⁾	28	28	248,889
Standard Chartered	797	659	11,609,230
Bank Audi	3,250	2,086	24,114,749
National Bank of Kuwait	51	30	555,932
BLOM Bank	3,644	1,907	22,000,000
National Bank of Abu Dhabi	172	171	5,990,633
Total	198,173	172,427	1,348,454,753

- Unavailable

(1) represents individuals' personal finances.

(2) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

Table (10): Terms and Characteristics of Personal Loans Extended During 2015

Bank	Salary transfer	required collaterals	maximum amount of loan *	Interest rate Murabaha (%)	Annual commission (%)	Payment period (year)
Arab Bank	Salary transfer or bank account	Salary transfer or relationship with the bank	JD 70 thousand	9%-10.25% Decreasing interest	1% for the first year	6 months to 8 years
Jordan Ahli Bank	Conditional	Salary transfer	JD 70 thousand	8.5%-11.5% Decreasing interest	1%	8 years
Cairo Amman Bank	Conditional	Salary transfer	JD 100 thousand	6 months JODIBOR + 4.75%	1% for the first year	8 years
Bank of Jordan	Conditional	-	JD 70 thousand	9%-12.49% Decreasing interest	1% for one time	8 years
The Housing Bank for Trade & Finance	With and without salary transfer	Salary transfer/ Real Estate/ cash margins/ guarantor	-	8.5%-9.5% Decreasing interest	1% for the first year	8 years
Jordan Kuwait Bank	Conditional	Salary transfer or guarantor for unapproved entities	JD 50 thousand (without guarantees) JD 100 thousand (with real estate guarantees)	10%-12% Decreasing interest	1% for the first year	8 years
Arab Jordan Investment Bank	With and without salary transfer	Salary transfer/ cash margins/ guarantor	JD 60 thousand	8.8% on average Decreasing interest	1% for the first year	8 years
Jordan Commercial Bank	Conditional	-	JD 77 thousand	9% Decreasing interest	1%	8 years
Investbank	Conditional	Salary transfer	JD 75 thousand	9.5%	1% for the first year	8 years
ABC Bank	Conditional/ Depends on the client's work	According to client's work including: salary transfer, deduction of salary, guarantor	JD 70 thousand	8%-9.5% Decreasing interest	1% for one time	5- 8 years
Bank Al-Etihad	Conditional	Salary transfer	JD 55 thousand	8.5%	1%	8 years

Continued Table (10): Terms and Characteristics of Personal Loans Extended During 2015

Bank	Salary transfer	required collaterals	maximum amount of loan *	Interest rate Murabaha (%)	Annual commission (%)	Payment period (year)
Societe General - Jordan	Conditional	Salary transfer/ guarantor/ tangible collateral/ cash margins	JD 35 thousand	(Decreasing interest) 8.75% for public sector 9.75% for private sector 8.75% for clients of Makaseb Account	0% for public sector 1% for private sector 0.5% for clients of Makaseb Account (for the first year)	8 years
Capital Bank	Conditional	Guarantor for unapproved companies, Checks for non employee	JD 70 thousand	8.5% decreasing interest	1%	8 years
Jordan Islamic Bank	Depends on the client's work status	Depends on the type and amount of financing	As the monthly installment doesn't exceed 50% of income	6% annually	-	Up to 7 years for Murabaha financing
Islamic International Arab Bank	Conditional	-	As the monthly installment doesn't exceed 50% of income	3.5%	JD 30 for one time	1-8 years
Jordan Dubai Islamic Bank	Conditional	Salary transfer	JD 50 thousand	6% - 7.75%	1% for one time	7 years
Al-Rajhi Bank	Conditional	-	JD 50 thousand	6.5% - 7.25%	0%	1-8 years
Egyptian Arab Land Bank	Salary transfer or deduction of salary	Guarantor/ Mortgages/ Cash margins	JD 75 thousand / JD 150 thousand with real estate guarantees	9.5%-13.5% decreasing and fixed interest	1%	8 years
Rafidain Bank	-	-	-	-	-	-
Citi Bank ⁽¹⁾	-	-	-	4.5%	-	4 years
Standard Chartered	Conditional	Salary transfer	JD 70 thousand	10.5% decreasing interest	1%	5 years
Bank Audi	Conditional	Salary transfer/ Guarantor/ Cash margins	JD 40 thousand	9.5% decreasing interest	1%	6 years
National Bank of Kuwait – Jordan	Conditional	Unspecified	JD 30 thousand	9% decreasing interest	1% for the first year	5 years
BLOM Bank	Conditional	Guarantor Real estate Car	JD 30 thousand	9% decreasing interest	1% for one time	1-8 years
National Bank of Abu Dhabi	Conditional and unconditional	Salary transfer	JD 50 thousand	8.5%-9.9% decreasing interest	1%	6 months to 6 years

- Unavailable

(1) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

C. Housing and real estate loans (for individuals)

Banks operating in Jordan granted 13314 housing and real estate loans for individuals in 2015. The total value of those loans amounted to JD 784.8 million. Many banks demanded salary transfer as a collateral in addition to mortgaging the real estate as the main collateral for loans. Most housing and real estate loans include life insurance, real estate insurance, or both. Interest rates on the loans ranged from 6% to 9.5% at commercial banks, while the Murabaha rate ranged between 5.8% and 7.88% at Islamic banks. The commission ranged from zero to 1%, while the term of settlement reached 30 years.

Table (11)

Housing and real estate loans that banks granted to individuals in 2015

Bank	No. of housing & real estate loan applications submitted to banks in 2015	No. of housing and real estate loans granted to individuals in 2015	Value of housing and real estate loans granted to individuals in 2015 (JD)
Arab Bank	2638	1109	68,138,359
Jordan Ahli Bank	1137	652	42,335,828
Cairo Amman Bank	1059	592	28,317,007
Bank of Jordan	-	484	32,630,000
The Housing Bank for Trade & Finance	2401	2353	120,890,620
Jordan Kuwait Bank	651	329	33,000,000
Arab Jordan Investment Bank	107	92	7,587,774
Jordan Commercial Bank	650	50	4,300,000
Investbank	433	132	15,117,035
ABC Bank	369	274	14,981,726
Bank Al-Etihad	1729	1058	85,276,091
Societe General - Jordan	375	240	23,842,016
Capital Bank	729	299	32,501,171
Jordan Islamic Bank ⁽¹⁾	1019	1019	31,800,000
Islamic International Arab Bank ⁽¹⁾	2892	2590	107,557,775
Jordan Dubai Islamic Bank ⁽¹⁾	1927	989	61,920,369
Al-Rajhi Bank ⁽¹⁾	1044	396	23,840,253
Egyptian Arab Land Bank	8	6	923,260
Rafidain Bank	0	0	0
Citi Bank ⁽²⁾	20	20	1,527,387
Standard Chartered	0	0	0
Bank Audi	387	188	18,238,565
National Bank of Kuwait – Jordan	32	14	1,008,349
BLOM Bank	1184	402	26,000,000
National Bank of Abu Dhabi	26	26	3,027,650
Total	20,817	13,314	784,761,235

- Unavailable

(1) Represents housing and real estate financing of individuals.

(2) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

Table (12): Terms and characteristics of housing and real estate loans granted to individuals in 2015

Bank	Salary transfer	Required collaterals	Does it include insurance (life (or real estate	Max. amount of loan	Interest rate / Morabaha rate %	Annual commission %	Repayment period in years
Arab Bank	Conditional and unconditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	6.75%-7.5%	1%	from 1 to 30 years
Jordan Ahli Bank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 250 thousand	6.5%	1%	years 25
Cairo Amman Bank	Depending on the case	Mortgage of real estate	yes	JD 1 million	6%-8%	1% for the first year	Up to 30 years
Bank of Jordan	Conditional	Mortgage of real estate and salary transfer	Life and real estate insurance	JD 250 thousand	6.75%-7% Decreasing	1% for one time	Up to 25 years
The Housing Bank for Trade & Finance	Unconditional	Mortgage of real estate	Life insurance up to JD 150 thousand	-	6.258.5%-	1% for one time	25 years including the grace period
Jordan Kuwait Bank	Conditional	Mortgage of real estate	Life insurance	-	6.7%-7.5% Decreasing	1% for the first year	years 30
Arab Jordan Investment Bank	Conditional and unconditional	Mortgage .1 of real estate Guarantors .2	Yes Life insurance	Unlimited	8% for real estate average of 6.64% for housing	1% for the first year	8 years for real estate Up to 25 years for housing
Jordan Commercial Bank	Conditional	Mortgage of real estate	yes	Unlimited	7.5%	0	30 years
Investbank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 1 million	7.25%	1% for the first year	Up to 30 years
ABC Bank	Unconditional	Mortgage of real estate	yes	JD 450 thousand	7.75%-9.50% Decreasing	1% for one time	Up to 25 years
Bank Al-Etihad	Unconditional	Mortgage of real estate	yes	JD 500 thousand	6.5%	1%	25 years
Societe General - Jordan	Unconditional	Mortgage of real estate / salary transfer / guarantor / cash collaterals	Life and real estate insurance	JD 350 thousand	6.5% fixed interest for the first year and variable thereafter	1% for the first year	Up to 30 years
Capital Bank	Conditional	Mortgage of real estate	Life and real estate insurance	JD 1.5 million	6.25% Decreasing	1%	Up to 30 years
Jordan Islamic Bank	Depending on the client's work	Mortgage of real estate	Mutual insurance fund	As the monthly installment doesn't exceed 50% of income	6.0% annually on average	-	Up to 7 years

Continued Table (12): Terms and characteristics of housing and real estate loans granted to individuals in 2015

Bank	Salary transfer	Required collaterals	Does it include insurance (life (or real estate	Max. amount of loan	Interest rate / Morabaha rate %	Annual commission %	Repayment period in years
Islamic International Arab Bank	Conditional for residents	-	yes	-	Starting 6.99% from decreasing	JD 30 for one time	Up to 25 years
Jordan Dubai Islamic Bank	Unconditional	- Mortgage of real estate for Morabaha financing - None for lease financing	yes	JD 350 thousand	5% or 7.758%-	1% for one time	25 years
Al-Rajhi Bank	Conditional	- Mortgage of real estate for Morabaha financing - None for lease financing	yes	JD 500 thousand	7.5% - 7.88% decreasing for leasing 5.8%-6.8% for Murabaha	0%	1 – 25 years for leasing 110- years for Murabaha
Egyptian Arab Land Bank	Unconditional	Mortgage of real estate, guarantors, salary transfer, deduction of salary	yes	JD 500 thousand	9% Decreasing	1%	20 years
Rafidain Bank	-	-	-	-	-	-	-
Citi Bank ⁽¹⁾	-	-	yes	-	3.75%	-	20 years
Standard Chartered	-	-	-	-	-	-	-
Bank Audi	Conditional/unconditional for business owners	Mortgage of real estate/ cash margins	yes	JD 200 thousand	7.75% Decreasing	1%	20 years
National Bank of Kuwait – Jordan	Conditional	Mortgage of real estate / life and fire insurance	-	JD 250 thousand	6.75% Decreasing	1% for the first year	Up to 20 years
BLOM Bank	Conditional	Mortgage of real estate	yes	JD 500 thousand	7.5% Decreasing	1% for one time	1- 25 years
National Bank of Abu Dhabi	Conditional and unconditional	Mortgage of real estate	Life and real estate insurance	JD 1 million	5.85%-6.85% Decreasing	1%	3- 25 years

Unavailable.

(1) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

D. Car loans

During 2015, banks operating in Jordan granted about 48.4 thousand loans to buy a car, whose value surpassed JD 542.8 million, so the average funding of car reached to JD 11203. The interest rate varied between 4.25% and 12.5% at commercial banks, while the Murabaha rate ranged between 3.5% and 6.5% at Islamic banks. The commission rate varied between zero and 1%, and the settlement period varied between 1 year and 8 years. Most banks required salary transfer and pledging the car.

Table (13)

Car Loans Extended During 2015

Bank	Number of car loans' submitted to banks during 2015	Number of accepted car loans applications during 2015	Total value of cars loans extended during 2015 (JD)
Arab Bank	399	192	3,167,772
Jordan Ahli Bank	47	29	633,010
Cairo Amman Bank	82	53	795,410
Bank of Jordan	–	485	8,360,000
The Housing Bank for Trade & Finance	742	649	9,772,000
Jordan Kuwait Bank	718	463	7,300,000
Arab Jordan Investment Bank	26	26	308,100
Jordan Commercial Bank	320	255	5,000,000
Investbank	30	12	326,400
ABC Bank	13	9	307,790
Bank Al-Etihad	1413	917	22,318,615
Societe General – Jordan	401	341	4,998,541
Capital Bank	1102	870	8,079,712
Jordan Islamic Bank ⁽¹⁾	24749	24749	285,100,000
Islamic International Arab Bank ⁽¹⁾	10028	8986	79,359,000
Jordan Dubai Islamic Bank ⁽¹⁾	3206	2428	27,389,618
Al-Rajhi Bank ⁽¹⁾	249	97	1,233,770
Egyptian Arab Land Bank	8	6	106,048
Rafidain Bank	0	0	0
Citi Bank ⁽²⁾	6	6	60,215
Standard Chartered	0	0	0
Bank Audi	1500	851	12,199,710
National Bank of Kuwait	1	1	28,566
BLOM Bank	18217	7028	66,000,000
National Bank of Abu Dhabi	0	0	0
Total	63,257	48,453	542,844,277

- Unavailable

(1) Represents cars' financing.

(2) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

Table (14): Terms and Characteristics of Car Loans Extended During 2015

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Payment period (year)
Arab Bank	Car pledge	80%-100% for new cars 65%-90% for used cars	5% for new cars 5.5% for used cars (fixed interest)	1% for the first year	1-6 years
Jordan Ahli Bank	Car pledge	With salary transfer: - New cars: 100% - Used car: 80%	11%	-	7 years
		Without salary transfer: - New cars: 80% - Used cars: 60%	12%	-	5 years
Cairo Amman Bank	1. Salary transfer 2. Assessment of the car value from an approved center. 3. Bidding price or preliminary contract. 4. Car pledge and insurance (comprehensive or liability insurance). 5. Promise not to cancel the insurance policy. 6. Disbursement of loan to the seller. 6. Life insurance.	75%-100%	1. fixed interest: 4.5%-5% 2. decreasing interest: 7.434%-8.434%	0	Up to 8 years
Bank of Jordan	Car pledge Salary transfer in some cases	Up to 100%	decreasing interest: 8.5%-10% fixed interest: 4.75%-5.5%	1% for one time	Up to 8 years
The Housing Bank for Trade & Finance	Car pledge + Comprehensive insurance	Up to 100% for transferred salaries, other clients 90% for new cars, and 80% for used cars	4.25% for transferred salaries and otherwise 4.75%	0	Up to 8 years
Jordan Kuwait Bank	Car pledge Salary transfer	100% for new cars 90% for used cars	decreasing interest: 10%-10.5% fixed interest: 5.5%-5.75%	1% for the first year	8 years
Arab Jordan Investment Bank	With and without salary transfer Cash margins In addition to car pledge	Up to 80%	7.26% on average decreasing interest	1% for the first year	Up to 8 years
Jordan Commercial Bank	Car pledge	Up to 100% for new cars Up to 80% for used cars	5% Fixed interest	0	8 years
Investbank	Car pledge	Up to 100% for new cars Up to 85% for used cars	9.5% for new cars 10.5% for used cars	1% for the first year	Up to 6 years

Continued Table (14): Terms and Characteristics of Car Loans Extended During 2015

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Payment period (year)
ABC Bank	Car pledge	70%-90% for new cars 50%-80% for used cars	9%-10.5% for new cars 9%-9.5% for used cars	1% for one time	5-7 years for new cars, 6 years for used cars
Bank Al-Etihad	Car pledge	100%	8.5% decreasing interest	1%	8 years
Societe General - Jordan	Car pledge + Comprehensive insurance + Salary transfer or cash margins in some cases	80% for used cars for new cars 90%	10% for used cars (decreasing interest) 8.999% for new cars (decreasing interest) 6.75% for credit systems Co. loans (fixed interest)	0	Up to 7 years
Capital Bank	Car pledge + Salary transfer or checks	50%-100% according to client's status	8.5% decreasing interest	1%	Up to 8 years
Jordan Islamic Bank	Salary transfer + guarantor + car pledge	80% - 100%	6% annually	-	Up to 5 years
Islamic International Arab Bank	-	100% for new cars for used cars 85%	3.5% and above	JD 30 for one time	1-8 years
Jordan Dubai Islamic Bank	Car pledge	Up to 100%	5.25%-6.5%	1% for one time	7 years
Al-Rajhi Bank	Salary transfer Car pledge	60%-90%	5%-6%	0	1-8 years
Egyptian Arab Land Bank	Car pledge Guarantor checks Comprehensive insurance	50%-90%	9%-12.5%	-	7 years
Rafidain Bank	-	-	-	-	-
Citi Bank ⁽¹⁾	-	85%	4.5%	-	4-5 years
Standard Chartered	-	-	-	-	-
Bank Audi	Car pledge Salary transfer (optional) or cash margins	90% for new cars 75% for used cars	5.75% fixed interest	0	5 years
National Bank of Kuwait	Car pledge Comprehensive insurance Life insurance	JD 50 thousand	9.5% for new cars 11% for used cars (decreasing interest)	1% for the first year	-
BLOM Bank	Car pledge	80% for used cars 85% for new cars	5.5% Fixed interest	1% for one time	1-7 years
National Bank of Abu Dhabi	-	-	-	-	-

- Unavailable

(1) The bank does not provide services to individuals. Those loans are exclusive to the bank's employees only.

E. Syndicated Bank Loans

Seven banks participated in the syndicated bank loans extended in 2015. These banks extended one syndicated loan of USD 90 million for the railway and road transport sector, in order to increase the transmission capacity of the natural gas pipeline and extending the pipeline of Egyptian's natural gas.

Table (15)

Syndicated bank loans extended during 2015

Bank	# of loans	Economic Sectors	Purpose of Loan	Volume of Participation	
				USD Million	(%)
Cairo Amman Bank	1			6	5%
The Housing Bank for Trade & Finance	1		- Increase the transmission capacity of the natural gas pipeline.	40	33.3%
Arab Jordan Investment Bank	1	railway and road transport sector	- Extending the pipeline of Egyptian's natural gas.	5	4.2%
Societe General - Jordan	1		5	4.2%	
Capital Bank	1		12	10%	
Bank Audi	1		17	14.2%	
National Bank of Abu Dhabi	1			5	4.2%

- Banks that have been listed in the table are only banks that participated in syndicated loans during 2015.

7. Deposits at Licensed Banks

The balance of total deposits at licensed banks rose by the end of 2015 to reach JD 32.6 billion, an increase amounting to JD 2.34 billion (7.7%) compared with the deposits' balance at the end of 2014.

This increase in the balance of total deposits during 2015 was due to the increase in the resident private sector's deposits by JD 2.09 billion (7.5%), and the increase in the public sector's deposits by JD 246 million (10%), compared to the levels they reached at the end of 2014.

As for the structural development of the main types of deposits (demand, savings, and time deposits), time deposits had the highest percentage among deposits and accounted for 55.4% of total deposits at the end of 2015, compared to 56.5% in 2014. Demand deposits and savings deposits accounted for 30.5% and 14.1% respectively at the end of 2015.

Table (16)

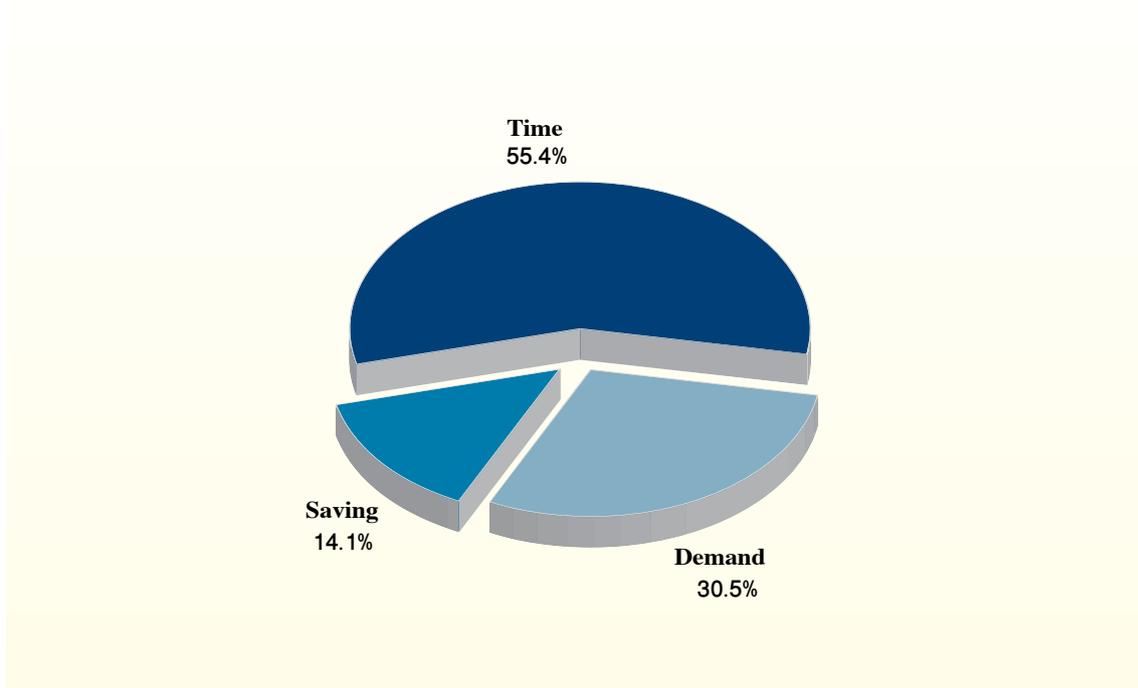
Distribution of Deposits According to its Major Types

Deposit Type	2014		2015		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Demand	8987.3	29.7%	9948.2	30.5%	10.7%
Saving	4188.7	13.8%	4586.6	14.1%	9.5%
Time	17085.0	56.5%	18063.7	55.4%	5.7%
Total Deposit	30261.0	100%	32598.5	100.0%	7.7%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (7)

Distribution of Deposits According to its Major Types as the end of 2015



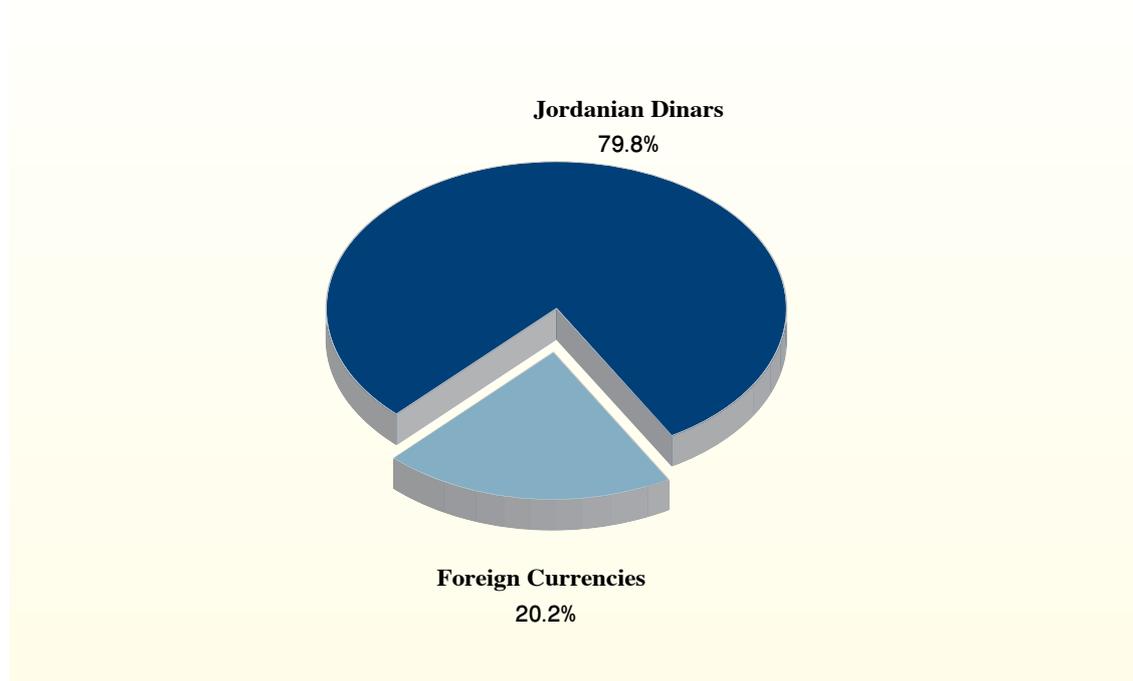
In light of the developments in deposits in terms of the currency types during 2015, the deposits in foreign currencies increased by JD 336 million or 8.3% of their value at the end of 2014. The deposits in Jordanian Dinar increased by JD 2.0 billion (5.4%) of what they registered at the end of 2014.

Table (17)
Distribution of Deposits According to Type of Currency

Deposits	2014		2015		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Jordanian dinars	24013.1	79.4%	26014.5	79.8%	8.3%
Foreign currencies	6247.9	20.6%	6584.0	20.2%	5.4%
Total Deposits	30261.0	100%	32598.5	100%	7.7%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (8)
Distribution of Deposits According to Type of Currency at the end of 2015



8. Gender Distribution of Individual Clients in Banks Operating in Jordan

The Association of Banks in Jordan sent in 2015 a questionnaire to its member banks that target data on levels of individuals' banking according to gender. In the following section we present the most important results.

First: Distribution of individuals' deposit accounts according to gender

Individuals' deposit accounts are classified in terms of type into three main types: demand deposits; savings accounts and time deposits. The total number of individuals' deposit accounts at banks operating in Jordan amounted to 3257065 depositors. Those are distributed as 2198220 male depositors and 1058845 female depositors; thus the percentage of male depositors amounts to 67.5% of total depositors in banks while the percentage of female depositors accounts for 32.5%.

Chart (9)

The total number of individuals' deposit accounts according to gender at the end of 2015

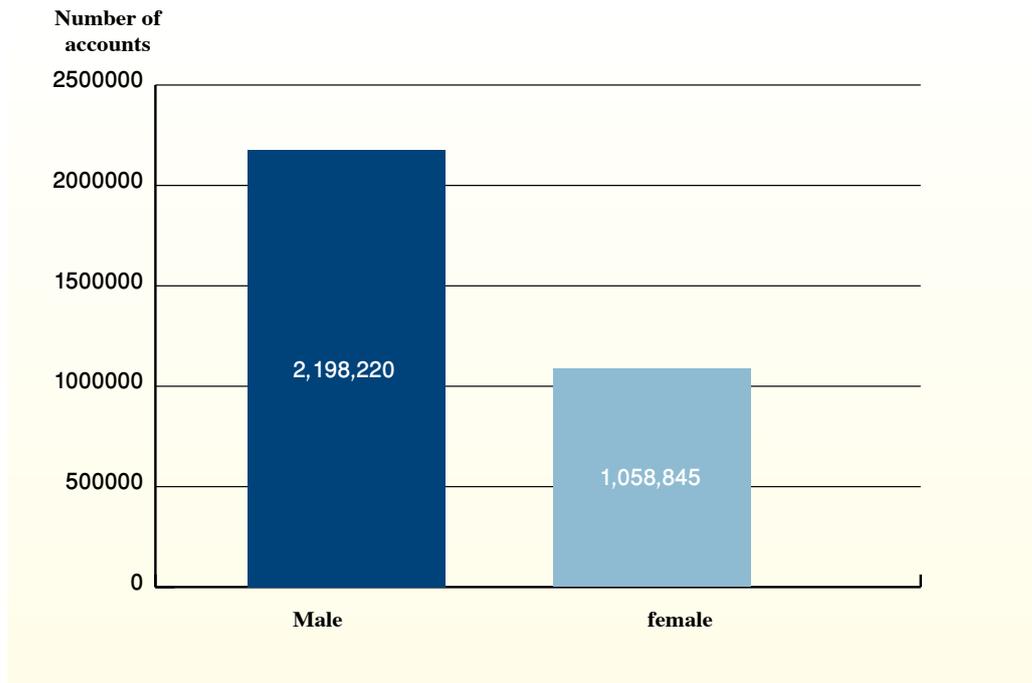
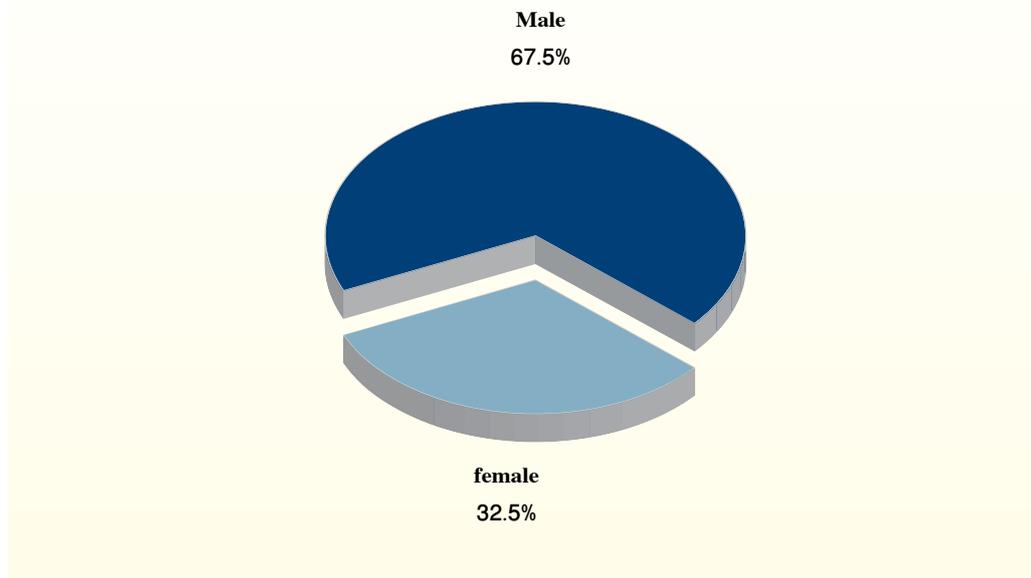


Chart (10)

The distribution of individuals' deposit accounts according to gender at the end of 2015



In terms of the total value of individuals' deposits at banks operating in Jordan, it amounted to JD 20.1 billion. Those are distributed as JD 14.65 billion for male depositors and JD 5.45 billion for female depositors; thus the percentage of male deposits has formed 72.9% of the total value of individuals' deposits at banks in Jordan, while female deposits accounted for 27.1%.

Chart (11)

The total value of individuals' deposit according to gender at the end of 2015

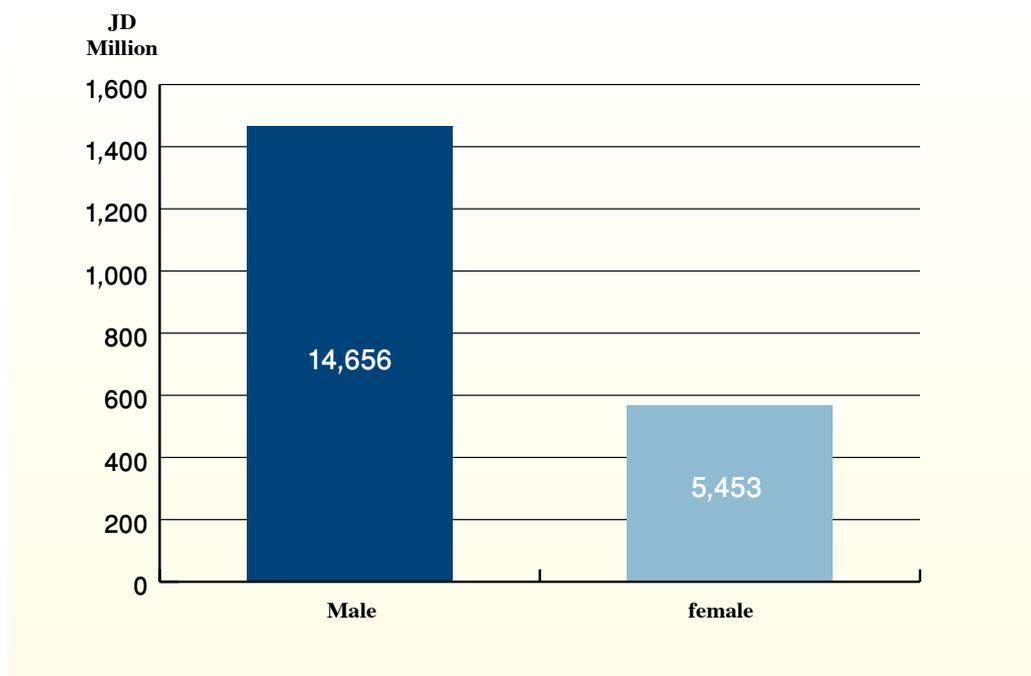
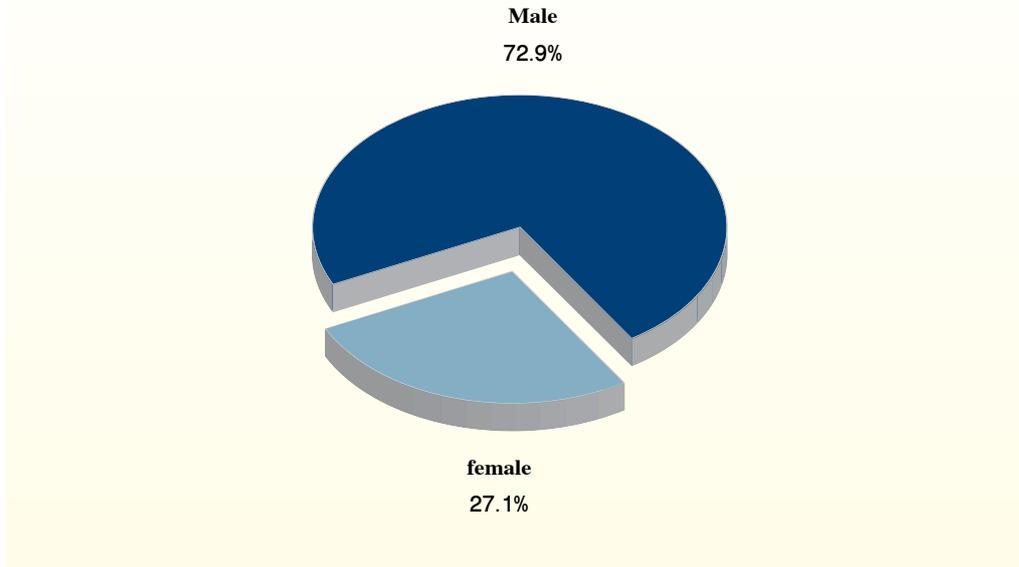


Chart (12)

The distribution of the total value of individuals' deposits according to gender at the end of 2015



Second: Distribution of individual borrowers according to gender

Credit facilities extended by banks operating in Jordan are classified into three main types: Overdraft, loans and advances, and discounted bills and bonds. The total outstanding number of individual borrowers from banks operating in Jordan amounts to 826362 borrowers, distributed as 668632 male borrowers and 157730 female borrowers. Therefore, the percentage of male borrowers reached 80.9% of total individual borrowers from banks in Jordan, while the percentage of female borrowers amounted to approximately 19.1%.

Chart (13)

The total number of individual borrowers according to gender at the end of 2015

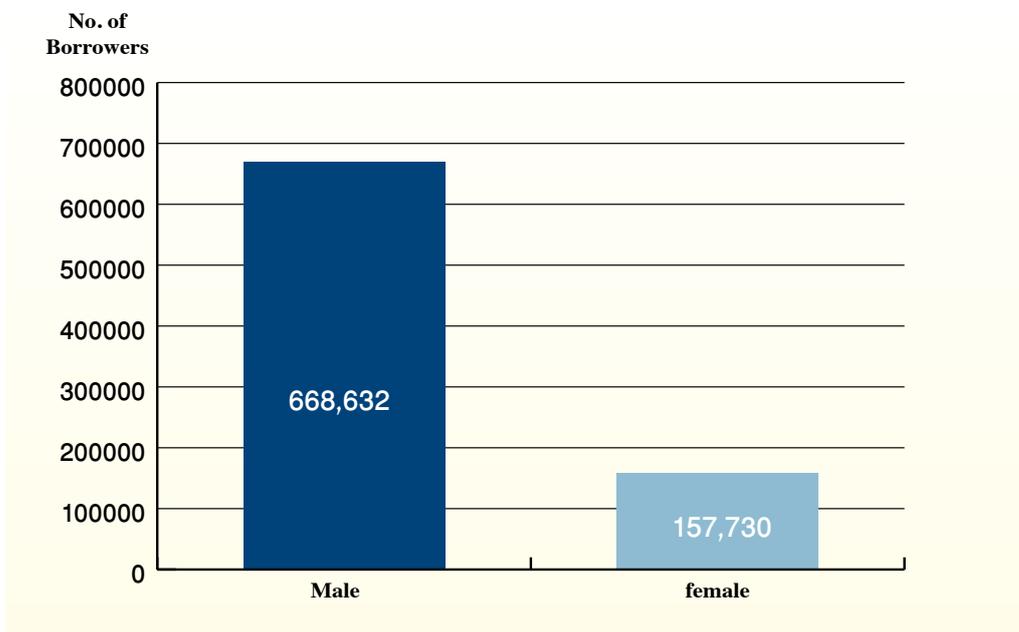
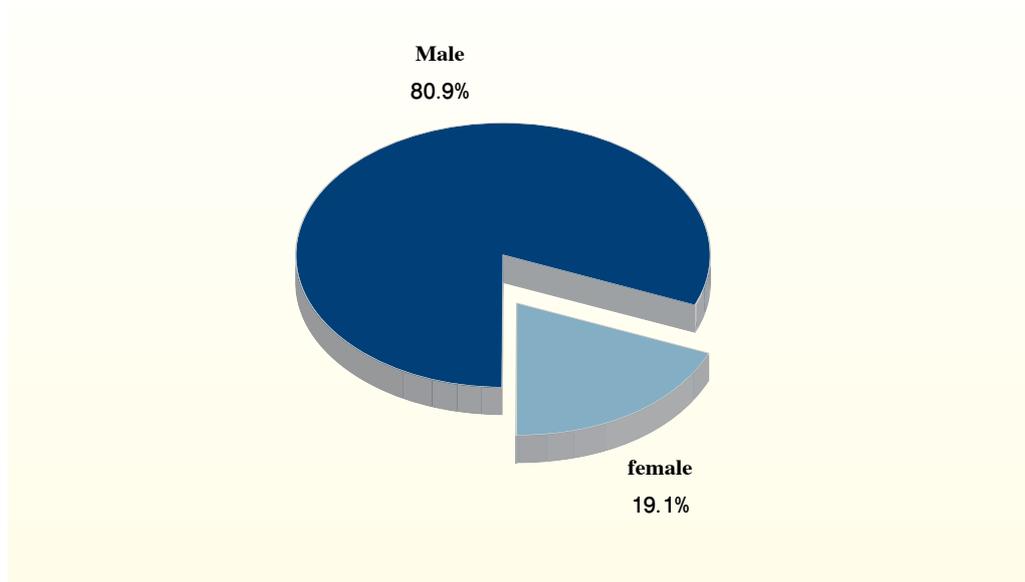


Chart (14)

The distribution of individual borrowers according to gender at the end of 2015



In terms of the total value of individuals' loans from banks operating in Jordan, it reached to JD 7.96 billion. Those are distributed as JD 6.66 billion loans for male and JD 1.30 billion loans for female; thus the percentage of male loans formed 83.7% of the total value of individuals' loans from banks in Jordan, while female loans accounted for 16.3%.

Chart (15)

The total value of individual loans according to gender at the end of 2015

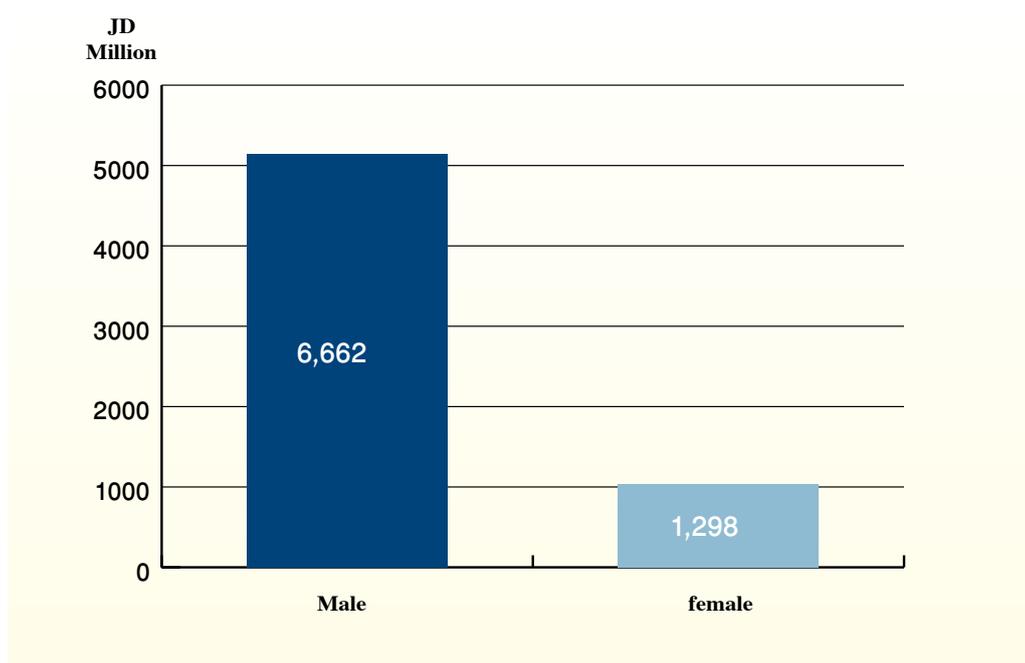
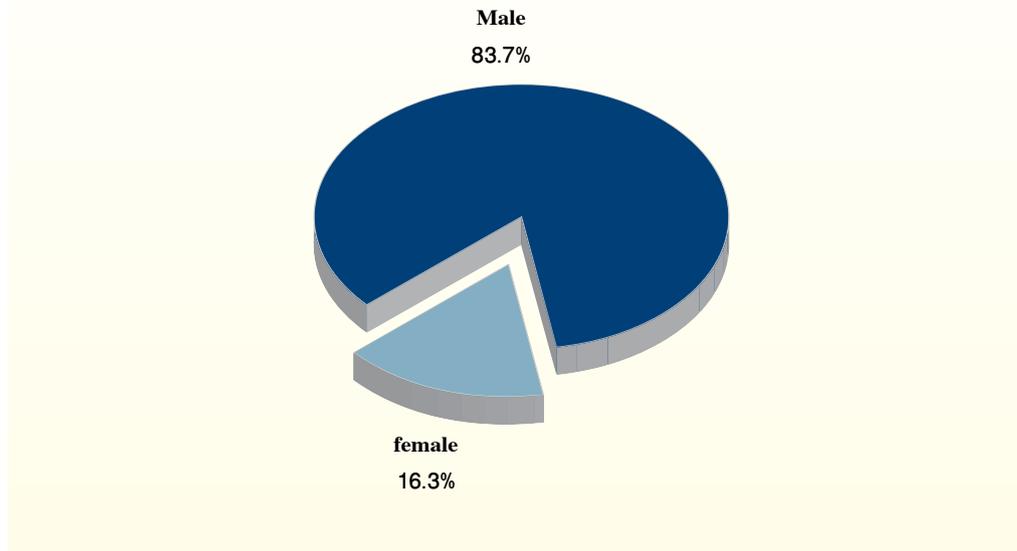


Chart (16)

The distribution of the total value of individuals' loans according to gender at the end of 2015



Third: Distribution of individual clients having credit cards according to gender

Banks operating in Jordan issues different types of credit cards for their clients, including the different categories of Visa Card, Master Card, and American Express. The total number of individual clients possessing credit cards from banks operating in Jordan reached 322638 clients, distributed as 252769 male clients (78.3%) and 69869 female clients (21.7%).

Chart (17)

The total number of individual clients having credit cards according to gender at the end of 2015

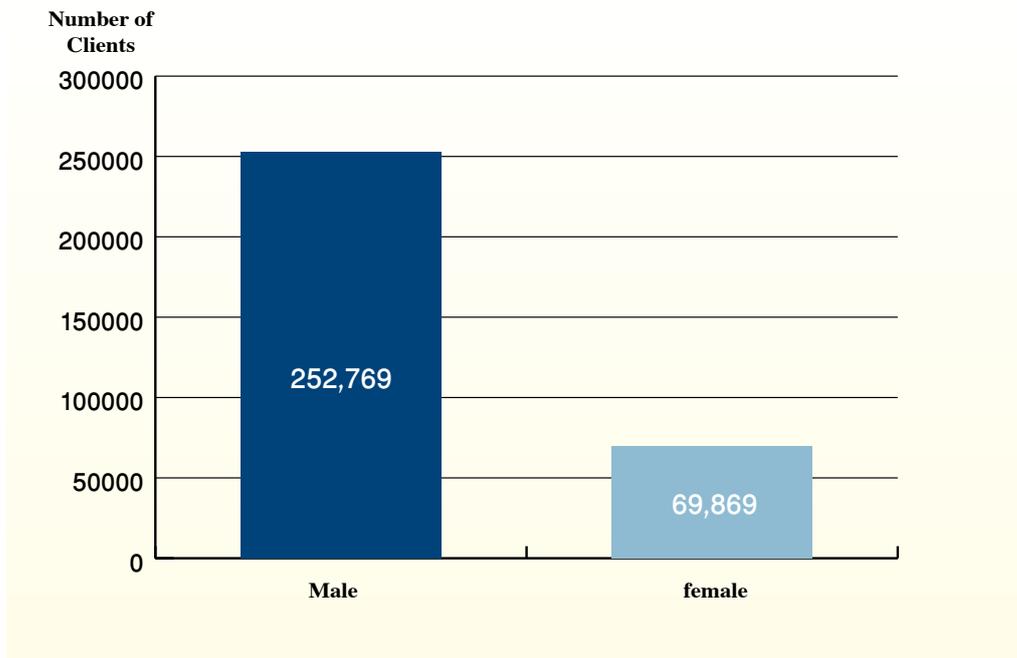
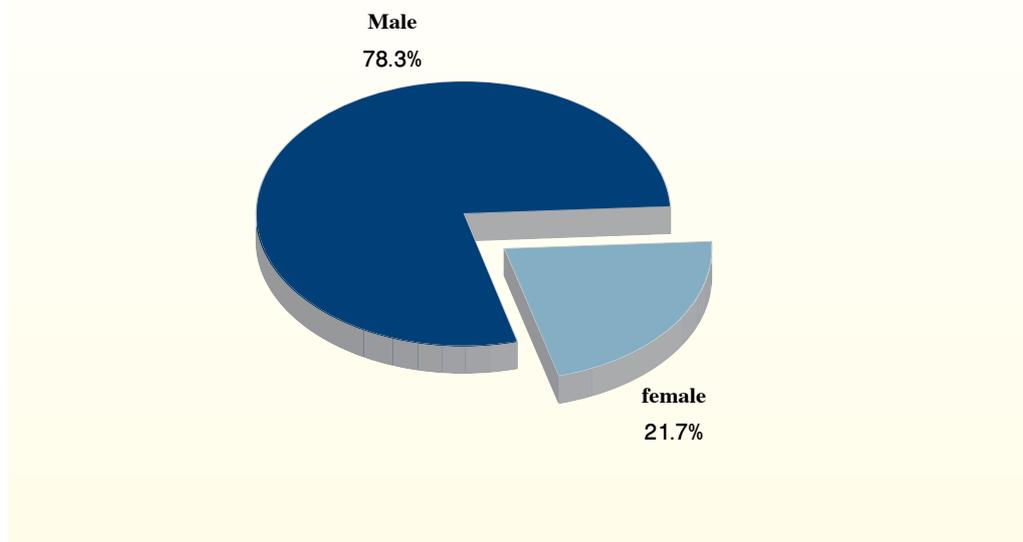


Chart (18)

The distribution of individual clients having credit cards according to gender at the end of 2015



In terms of the total value of individuals' credit cards limits granted by banks operating in Jordan, it reached to JD 618 million. Those are distributed as JD 514 million for male and JD 104 million for female; thus the percentage of credit cards limits granted to male formed 83.2% of the total value of individuals' credit cards limits, while female credit cards limits accounted for 16.8%.

Chart (19)

The total value of individuals credit cards limits according to gender at the end of 2015

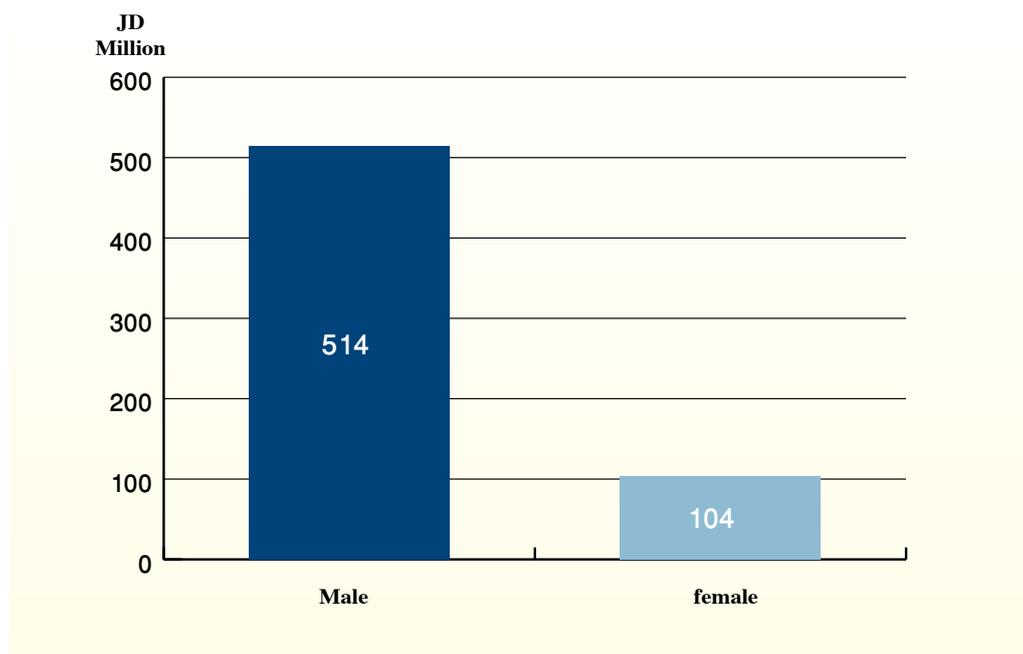
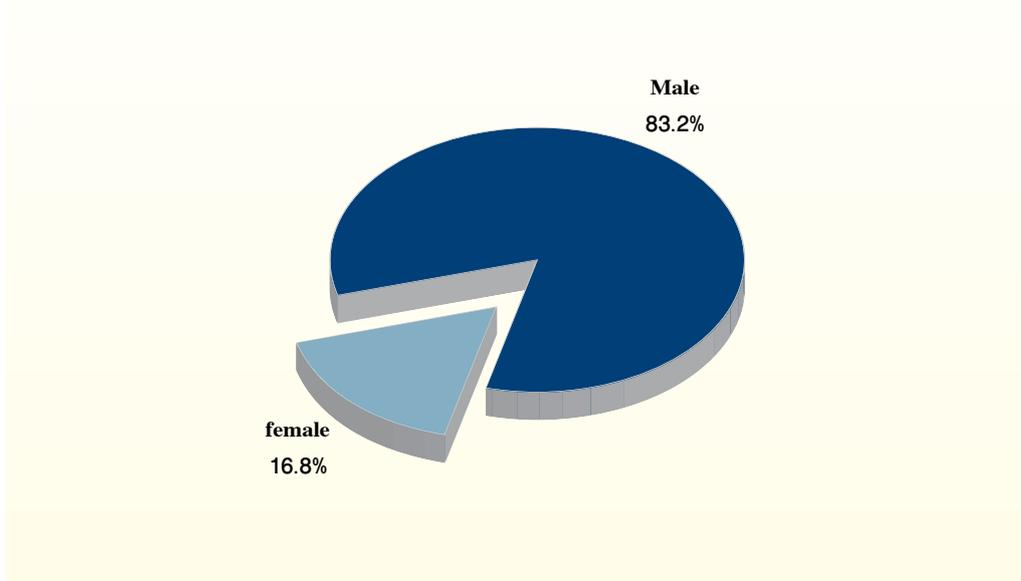


Chart (20)

The distribution of the total value of individuals credit cards limits according to gender at the end of 2015







Chapter Four

Development in the Number of Banks and their Branches



The number of banks operating in Jordan reached 25 banks at the end of 2015, 16 of which are Jordanian banks (3 of which are Islamic banks), 9 of them are foreign banks (of which one is an Islamic bank). The services of these banks cover most parts of the kingdom through a network of branches that consist of 786 branches and 83 offices. The banking density indicator (the population to the total number of branches of banks operating in the kingdom) reached about 12127 people for each branch by the end of 2015.

Table (18)

Development of Number of Banks and Branches in Jordan (2007 – 2015)

Year	Number of Jordanian Banks		Number of Foreign Banks		Total	Number of Branches
	Commercial Banks	Islamic Banks	Commercial Banks	Islamic Banks		
2007	13	2	8	0	23	559
2008	13	2	8	0	23	593
2009	13	2	8	0	23	619
2010	13	3	9	0	25	666
2011	13	3	9	1	26	702
2012	13	3	9	1	26	722
2013	13	3	9	1	26	742
2014	13	3	8	1	25	770
2015	13	3	8	1	25	786

1. Development of the Number of Branches

A. Branches opened in 2015

In an endeavor to keep in touch with their clients and facilitate the process of the client's getting the best banking services, the banks constantly try to increase the number of their branches to cover the whole kingdom. During 2015, new branches were opened by 12 banks; therefore, the number of new branches inside Jordan reached 20, whereas the number of branches opened outside Jordan during 2015 reached 10 Branches belonged to three banks.

Table (19)
Opening of Branches During 2015

Bank	in Jordan			Abroad		
	#	Branch>s Name	City	#	Branch>s Name	City
Arab Bank	1	Taj Mall branch	Amman	8	Betonia branch	Palestine
					Beit Jala branch	Palestine
					Down Town branch / Alexandria	Egypt
					Maadi branch	Egypt
					Loran branch	Egypt
					Obour branch	Egypt
					Sodic branch	Egypt
					Port Said branch	Egypt
Jordan Ahli Bank	1	Tabarbour branch	Amman	1	Jenin branch	Palestine
Cairo Amman Bank	4	Pavilion Mall branch	Amman	1	Bahrain branch	Bahrain / Al Manama
		Mafraq – Prince Hassan Bin Talal Street branch	Mafraq			
		Al-Rabieh branch	Amman			
		Abdoon branch	Amman			
Bank of Jordan	1	Sahab branch	Amman	0		
Investbank	1	Taj Mall branch	Amman	0		
Bank Al-Etihad	2	Amman complex center branch	Irbid	0		
		Mafraq branch	Mafraq			
Societe General - Jordan	1	Fuhais branch	Balqa	0		
Jordan Islamic Bank	3	Bani Kenana branch	Irbid	0		
		Shawna branch	Maan			
		AL Jeeza branch	Amman			
Islamic International Arab Bank	1	Izmir Mall branch	Amman	0		
Jordan Dubai Islamic Bank	3	Wasfi Al Tal Street branch	Amman	0		
		Istiklal Mall branch	Amman			
		Abu Nsair branch	Amman			
Al-Rajhi Bank	1	Jubeha branch	Amman	0		
Egyptian Arab Land Bank	1	Al Madina Al Munawarah branch	Amman	0		
Total	20			10		

* Banks listed in the table are only those which opened new branches in Jordan, during 2015.

B. the number of Branches inside and Outside Jordan

The number of branches of licensed banks operating all over Jordan reached 786 branches inside Jordan, whereas the number of branches outside Jordan reached 180 at the end of 2015.

Table (20)

Number of Branches Inside and Outside Jordan at the End of 2015

Bank	Number of Branches	
	In Jordan	Abroad
Arab Bank	75	116
Jordan Ahli Bank	56	6
Cairo Amman Bank	72	22
Bank of Jordan	70	14
The Housing Bank for Trade & Finance	113	14
Jordan Kuwait Bank	56	3
Arab Jordan Investment Bank	18	1
Jordan Commercial Bank	27	4
Investbank	11	0
ABC Bank	27	0
Bank Al-Etihad	38	0
Societe General - Jordan	17	0
Capital Bank	12	0
Jordan Islamic Bank	73	0
Islamic International Arab Bank	41	0
Jordan Dubai Islamic Bank	21	0
Al-Rajhi Bank	6	0
Egyptian Arab Land Bank	10	0
Rafidain Bank	2	0
Citi Bank	2	0
Standard Chartered Bank	6	0
Bank Audi	13	0
National Bank of Kuwait -Jordan	3	0
BLOM Bank	14	0
National Bank of Abu Dhabi	3	0
Total	786	180

C. Geographical Distribution of Branches inside Jordan

The 786 local branches of banks are spread to all governorates. The capital Amman has the largest share of the branches with a percentage of 62.3% of the total number of branches. Irbid Governorate follows Amman with 9.7% of the total number; Zarqa governorate accounts for 9% of the total branches. The rest, 19%, are distributed to the remaining 9 governorates.

Table (21): Distribution of Branches Among Governorates at the End of 2015

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleh	Mafraq	Total
Arab Bank	50	4	7	5	1	1	1	2	1	1	1	1	75
Jordan Ahli Bank	35	5	4	5	1	1	1	1	1	0	1	1	56
Cairo Amman Bank	36	10	6	6	2	3	2	1	1	1	1	3	72
Bank of Jordan	45	9	7	1	1	1	1	1	1	2	0	1	70
The Housing Bank for Trade & Finance	58	14	14	9	1	4	1	5	1	2	2	1	112+1*
Jordan Kuwait Bank	39	4	5	4	1	1	1	0	0	0	0	1	56
Arab Jordan Investment Bank	14	1	2	0	1	0	0	0	0	0	0	0	18
Jordan Commercial Bank	17	2	1	3	1	1	1	0	0	0	0	1	27
Investbank	8	1	1	0	1	0	0	0	0	0	0	0	11
ABC Bank	19	1	1	1	1	1	1	0	1	0	0	1	27
Bank Al-Etihad	29	3	2	1	1	0	1	0	0	0	0	1	38
Societe General - Jordan	11	1	1	1	1	1	1	0	0	0	0	0	17
Capital Bank	8	1	2	0	1	0	0	0	0	0	0	0	12
Jordan Islamic Bank	35	10	9	5	1	4	1	3	1	2	1	1	73
Islamic International Arab Bank	22	3	5	1	2	2	1	1	1	1	1	1	41
Jordan Dubai Islamic Bank	18	2	1	0	0	0	0	0	0	0	0	0	21
Al-Rajhi Bank	4	1	1	0	0	0	0	0	0	0	0	0	6
Egyptian Arab Land Bank	6	1	1	0	1	0	0	0	0	0	0	1	10
Rafidain Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Citi Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Standard Chartered Bank	4	1	0	0	1	0	0	0	0	0	0	0	6
Bank Audi	11	1	0	0	1	0	0	0	0	0	0	0	13
National Bank of Kuwait - Jordan	3	0	0	0	0	0	0	0	0	0	0	0	3
BLOM Bank	11	1	1	0	1	0	0	0	0	0	0	0	14
National Bank of Abu Dhabi	3	0	0	0	0	0	0	0	0	0	0	0	3
Total	490	76	71	42	21	20	13	14	8	9	7	14	786

* mobile branch

2. Development of the number of Offices

A. Offices opened during 2015

For the sake of extending their services to the largest number of customers in the kingdom, banks tend to open offices in commercial centers, malls, universities and many other places. Eight offices were opened inside Jordan by two banks during 2015.

Table (22)
Offices Opened During 2015

Bank	in Jordan		
	#	Office Name	City
The Housing Bank for Trade & Finance	2	Irbid Mall Office	Irbid
		Prince Rashid suburb Office	Amman
Jordan Islamic Bank	6	Sport City office	Amman
		Wadi Es-Seir office	Amman
		Samah Mall Office	Amman
		Bala'ama Office	Mafraq
		Al Husaineyeh office	Karak
		Madaba Office	Madaba
Total	8		

*Banks listed in the table are only those which opened new offices in Jordan during 2015.

B. The number of offices inside and outside Jordan

The number of offices of licensed banks amounted to 83 offices in different parts of the kingdom, in addition to 11 offices outside Jordan by the end of 2015.

Table (23)

Number of Offices Inside and Outside Jordan at the End of 2015

Bank	Number of Offices	
	In Jordan	Abroad
Arab Bank	0	4
Jordan Ahli Bank	1	1
Cairo Amman Bank	13	0
Bank of Jordan	11	1
The Housing Bank for Trade & Finance	13	3
Jordan Kuwait Bank	0	0
Arab Jordan Investment Bank	15	1
Jordan Commercial Bank	2	1
Investbank	0	0
ABC Bank	0	0
Bank Al-Etihad	1	0
Societe General - Jordan	0	0
Capital Bank	0	0
Jordan Islamic Bank	20	0
Islamic International Arab Bank	0	0
Jordan Dubai Islamic Bank	0	0
Al-Rajhi Bank	0	0
Egyptian Arab Land Bank	3	0
Rafidain Bank	0	0
Citi Bank	2	0
Standard Chartered Bank	0	0
Bank Audi	2	0
National Bank of Kuwait -Jordan	0	0
BLOM Bank	0	0
National Bank of Abu Dhabi	0	0
Total	83	11

C. Geographical distribution of offices inside Jordan

The 83 offices of Banks are spread in most governorates of Jordan; the capital, Amman, took possession of 38.6% of the total number of these offices, followed by Irbid Governorate with the percentage of 21.7%, and Aqaba Governorate with the percentage of 10.8%, The rest is distributed to the rest of the governorates.

Table (24)

Distribution of Offices Among Governorates at the End of 2015

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleh	Mafrag	Total
Arab Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Jordan Ahli Bank	0	1	0	0	0	0	0	0	0	0	0	0	1
Cairo Amman Bank	3	2	1	1	2	0	0	3	0	1	0	0	13
Bank of Jordan	0	5	1	2	2	0	0	0	0	0	0	1	11
The Housing Bank for Trade & Finance	6	4	0	0	1	0	0	1	0	0	0	1	13
Jordan Kuwait Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Arab Jordan Investment Bank	10	2	1	0	2	0	0	0	0	0	0	0	15
Jordan Commercial Bank	0	1	0	0	1	0	0	0	0	0	0	0	2
Investbank	0	0	0	0	0	0	0	0	0	0	0	0	0
ABC Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Al-Etihad	0	1	0	0	0	0	0	0	0	0	0	0	1
Societe General - Jordan	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Jordan Islamic Bank	6	2	3	1	1	2	1	0	1	0	1	2	20
Islamic International Arab Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Jordan Dubai Islamic Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Al-Rajhi Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Egyptian Arab Land Bank	3	0	0	0	0	0	0	0	0	0	0	0	3
Rafidain Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Standard Chartered Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Audi	2	0	0	0	0	0	0	0	0	0	0	0	2
National Bank of Kuwait -Jordan	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
National Bank of Abu Dhabi	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	32	18	6	4	9	2	1	4	1	1	1	4	83

3. Development of the number of ATMs

A. The number of ATMs and their distribution in governorates

In order to keep up with the developments in the financial services sector and to absorb the growing numbers of ATM users, banks always opt to increase the number of ATMs they have. By the end of 2015, the number of ATMs amounted to 1488, compared to 1434 ATMs at the end of 2014. These ATMs are spread in different numbers in all governorates. The capital Amman has the biggest share amounting to 65.9% of the total number of ATMs, followed by the Irbid governorate with the share of 10.6%, then the Zarqa governorate with the share of 6.5% of the total number of ATMs. The rest is distributed over the remaining governorates.

Table (25): Distribution of ATMs Among Governorates at the End of 2015

Banks	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafileh	Mafraq	Total	of which in the builds of banks branches
Arab Bank	115	10	9	3	3	1	4	2	1	1	1	1	151	87
Jordan Ahli Bank	70	7	4	8	4	1	2	1	1	0	1	1	100	61
Cairo Amman Bank	82	35	8	8	6	6	4	6	1	1	1	7	165	98
Bank of Jordan	79	10	8	5	5	1	2	1	1	2	0	4	118	78
The Housing Bank for Trade & Finance	119	30	20	5	7	8	4	11	1	3	3	3	214	133
Jordan Kuwait Bank	61	5	5	5	3	2	1	0	0	0	0	1	83	57
Arab Jordan Investment Bank	44	1	2	0	3	0	0	0	0	0	0	1	51	36
Jordan Commercial Bank	28	6	1	3	3	1	2	0	0	0	0	1	45	29
Investbank	23	1	2	0	2	0	0	0	0	0	0	0	28	11
ABC Bank	39	2	2	1	2	1	2	0	1	0	0	1	51	28
Bank Al-Etihad	45	6	2	2	2	0	1	0	0	0	0	1	59	41
Societe General - Jordan	11	1	1	1	1	1	1	0	0	0	0	0	17	-
Capital Bank	30	4	2	0	2	0	0	0	0	0	0	0	38	20
Jordan Islamic Bank	79	24	18	7	6	8	3	6	4	4	4	6	169	125
Islamic International Arab Bank	38	3	5	2	1	2	1	1	1	1	1	1	57	43
Jordan Dubai Islamic Bank	31	3	1	0	0	0	0	0	0	0	0	0	35	22
Al-Rajhi Bank	27	4	4	1	0	0	0	0	0	0	0	0	36	12
Egyptian Arab Land Bank	10	1	1	0	1	0	0	0	0	0	0	1	14	14
Rafidain Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Standard Chartered Bank	6	1	0	0	1	0	0	0	0	0	0	0	8	-
Bank Audi	22	2	0	0	1	0	0	0	0	0	0	0	25	15
National Bank of Kuwait -Jordan	6	0	0	0	0	0	0	0	0	0	0	0	6	3
BLOM Bank	11	1	1	0	1	0	0	0	0	0	0	0	14	-
National Bank of Abu Dhabi	4	0	0	0	0	0	0	0	0	0	0	0	4	4
Total	980	157	96	51	54	32	27	28	11	12	11	29	1488	917

- Not Available

B. Kinds of ATM used

Banks operating in Jordan use different kinds of ATMs. However, the most frequently used kind is the NCR machine. Diebold and Wincor machines are also used, among others.

C. Operating systems used

ATMs owned by banks operating in Jordan work with different operating systems. Nevertheless, most ATMs inside Jordan are operated with the Windows, Aprta, and others.

D. Services Provided by the ATM

ATMs owned by banks provide a large spectrum of banking services round the clock. They enable customers to withdraw cash in Jordanian dinar, inquiring about the balance, changing the PIN Code, in addition to other services that are available in most ATMs, the most important of which is having a brief account statement, applying for a check book, and other services detailed in the table below.

Table (26)

Services Provided by Banks' ATMs Until the End of 2015

Banks	Cash Withdrawal in Jordanian dinar	Cash withdrawal in foreign currencies	Direct cash deposit	cash deposit through envelope	Cheques deposit	Balance inquiry	Brief statement	Utility bills Paying	Cash transfer within the same bank	Paying credit cards	Cheque book request	Apply for loan	Statement inquiry	Change (PIN)	Eye print	Anti Skimming ⁽¹⁾
Arab Bank	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
Jordan Ahli Bank	✓	✓	✓			✓	✓		✓*			✓		✓	✓	
Cairo Amman Bank	✓	✓				✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Bank of Jordan	✓		✓			✓	✓	✓	✓			✓		✓	✓	
The Housing Bank for Trade & Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jordan Kuwait Bank	✓	✓	✓	✓		✓	✓		✓*			✓		✓	✓	
Arab Jordan Investment Bank	✓	✓	✓			✓	✓		✓		✓	✓		✓	✓	
Jordan Commercial Bank	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓	✓
Investbank	✓		✓			✓	✓		✓		✓	✓			✓	
ABC Bank	✓					✓	✓		✓					✓	✓	
Bank Al-Etihad	✓		✓			✓	✓		✓			✓		✓	✓	
Societe General - Jordan	✓					✓	✓							✓	✓	
Capital Bank	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
Jordan Islamic Bank	✓		✓			✓	✓	✓	✓			✓		✓	✓	
Islamic International Arab Bank	✓			✓	✓	✓	✓		✓			✓		✓	✓	
Jordan Dubai Islamic Bank	✓					✓	✓								✓	
Al-Rajhi Bank	✓					✓	✓		✓						✓	
Egyptian Arab Land Bank	✓					✓	✓		✓		✓	✓		✓	✓	
Rafidain Bank ⁽²⁾																
Citi Bank ⁽²⁾																
Standard Chartered Bank	✓			✓	✓	✓	✓				✓	✓		✓	✓	
Bank Audi	✓					✓	✓	✓	✓*						✓	
National Bank of Kuwait -Jordan	✓					✓	✓		✓						✓	
BLOM Bank	✓					✓		✓							✓	
National Bank of Abu Dhabi	✓			✓		✓	✓		✓			✓		✓	✓	

(1) An additional part placed on the card monitor to protect the date of the customer when using the ATM.

(2) Does not have ATMs

* Cash Transfer within accounts of the same customer

- Not necessarily that the ATMs in one bank provide the same services.

In addition to the afore-mentioned services, there are other services that banks provide through their ATMs as is shown in the table below.

Table (27)
Other Services Provided Through ATMs

Banks	Other Services Provided Through ATMs
Arab Bank	1. donations for specific parties.
	2. paying tuition fees through ATMs Zitouna University students' - immediate deposit
	3. paying installments of Development and Employment Fund
	4. Updating mobile number
Cairo Amman Bank	Incoming transfers through western union
The Housing Bank for Trade & Finance	1. Bills settlement through eFAWATEERcom services
	2. Apply for a Visa Credit Card
	3. Cash withdrawals from the bank's ATMs for other banks' clients.
	4. Balance Inquiry of other banks' clients through the bank's ATMs.
Jordan Kuwait Bank	Charge the Prepaid Visa Card
Capital Bank	1. Apply for electronic services
	2. Apply for a Vvisa Credit Card
	3. Multi language (Arabic + English)
Al-Rajhi Bank	Updating mobile number
Standard Chartered Bank	Change the PIN number for Debit Card

*Banks listed in the table are only those which provide other services through ATMs.





Chapter Five

Performance of Banks Listed in Amman Stock Exchange during 2015



The number of banks listed in Amman stock exchange reached 15 banks by the end of 2015, the closing stock prices of which ranged between one JD and JD 9.45. The number of bank shares traded in the stock exchange totaled 94.2 million shares, while the trading volume of these shares reached JD 262.6 million. The following table shows the most important trading indicators of the banks listed in Amman Stock Exchange during 2015.

Table (28)

Some Trading Indicators of Banks Listed at the Amman Stock Exchange During 2015

Banks	Symbol	Closing price (end of 2014)	High price during 2015	Low price during 2015	Closing price end of (2015)	Average Price 2015	Value traded (JD)	Shares traded
Arab Bank	ARBK	7.1	7.25	5.58	6.45	6.44	124,256,618	19,310,900
The Housing Bank for Trade & Finance	THBK	9.1	9.6	9.1	9.45	9.28	3,301,168	355,823
Capital Bank	EXFB	1.51	1.63	0.99	1.0	1.32	11,147,719	8,440,208
Jordan Ahli Bank	AHLI	1.32	1.39	1.14	1.25	1.24	13,179,334	10,623,499
Cairo Amman Bank	CABK	2.87	3.54	2.11	2.55	2.47	25,670,471	10,402,949
Bank of Jordan	BOJX	2.65	2.89	2.32	2.6	2.57	15,154,967	5,905,834
Arab Jordan Investment Bank	AJIB	2.05	2.21	1.7	1.91	2.02	3,849,976	1,906,735
Jordan Islamic Bank	JOIB	3.68	3.83	3.16	3.55	3.5	25,930,639	7,405,978
Bank Al-Etihad	UBSI	1.8	1.91	1.41	1.52	1.67	6,334,251	3,800,574
Arab Banking (Corporation) Jordan	ABCO	1.09	1.19	1.05	1.16	1.14	3,344,363	2,942,963
Jordan Commercial Bank	JCBK	1.16	1.17	1.03	1.17	1.1	3,778,127	3,450,720
Societe General - Jordan	SGBJ	1.07	1.25	0.99	1.01	1.12	294,293	263,256
Jordan Kuwait Bank	JOKB	4.29	4.4	3.43	4.1	3.85	6,348,698	1,649,905
Investbank	INVB	1.22	1.39	1.08	1.34	1.21	12,634,093	10,414,167
Jordan Dubai Islamic Bank	JDIB	0.95	1.17	0.89	1.07	1.01	7,351,057	7,303,251

Source: Amman Stock Exchange

1. Shares Price Index

The price index (weighted by market value) of shares of banks listed in Amman Stock Exchange went up by about 90.7 points (1.1%), reaching 8463.7 points at the end of 2015, while the price index of the stock exchange in general regressed slightly by 0.2% during 2015 reaching 4229.9 points at the end of 2015.

Table (29)

Development of the Share Price Index of Banks Listed on the Amman Stock Exchange (2007 – 2015)

year	The weighted shares prices index (points)	
	Banks	General
2007	13886.7	7519.3
2008	11380.1	6243.1
2009	9368.0	5520.1
2010	8848.3	5318.0
2011	7542.3	4648.4
2012	7297.4	4593.9
2013	8035.2	4336.7
2014	8373.0	4237.6
2015	8463.7	4229.9

Source: Amman Stock Exchange

Chart (21)

Annual Development of the Share Price Index (2007-2015)

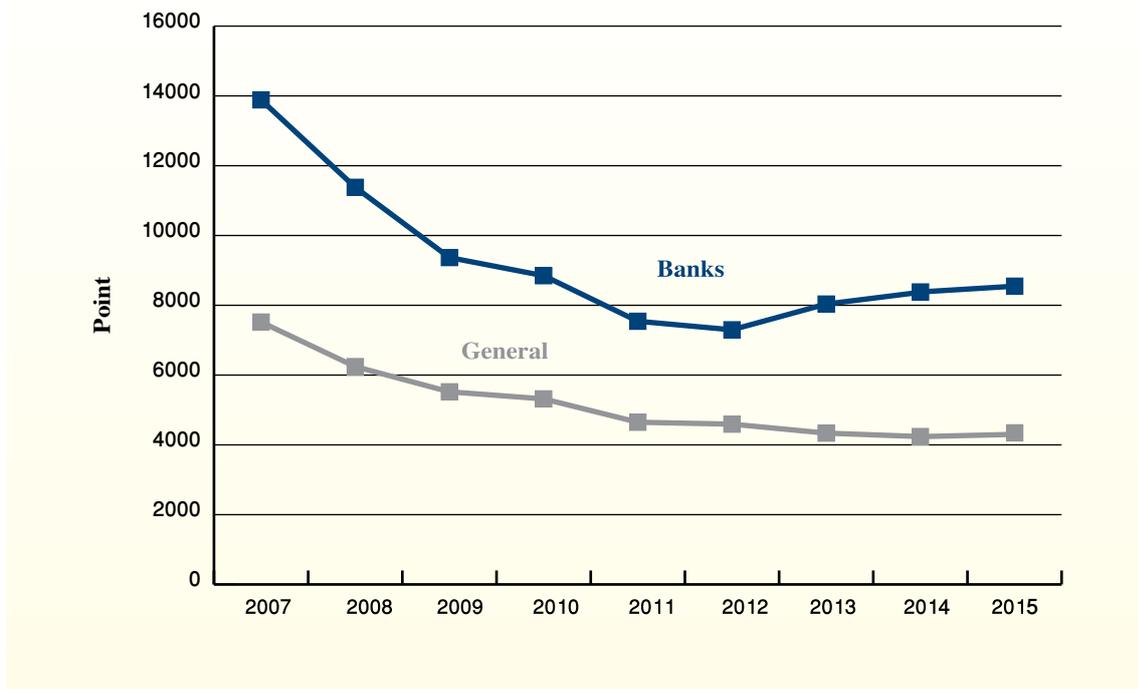


Table (30)

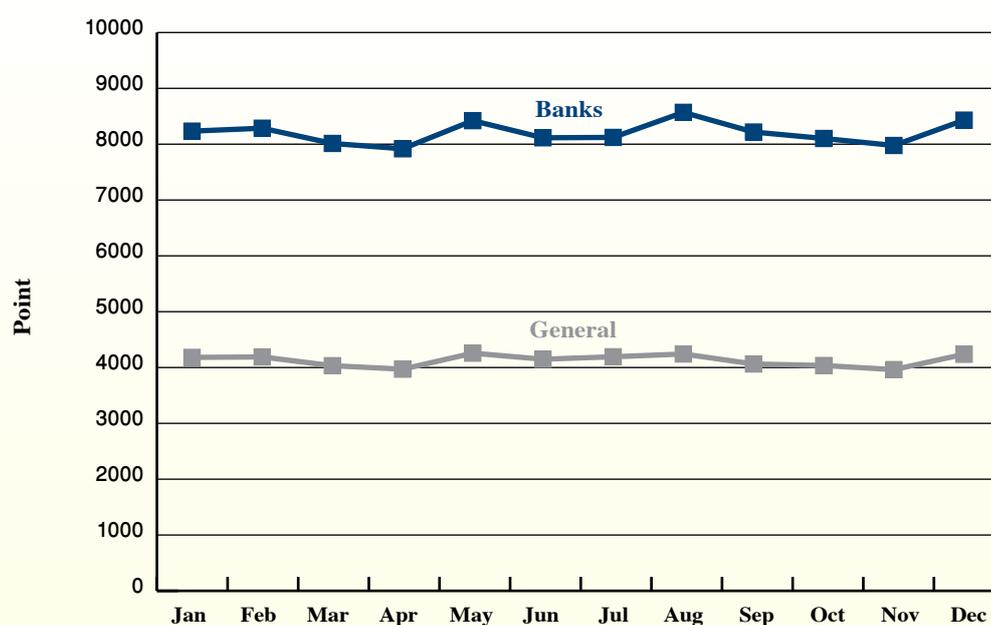
Monthly Development of the Share Price Index of Banks Listed on the Amman Stock Exchange During 2015

Month	The weighted shares prices index (points)	
	Banks	General
January	8264.8	4173.4
February	8317.7	4181.7
March	8042.4	4023.3
April	7945.8	3960.6
May	8454.5	4249.8
June	8144.5	4140.3
July	8151.5	4184.7
August	8604.6	4234.8
September	8248.6	4054.5
October	8132.1	4026.6
November	8005.6	3952.4
December	8463.7	4229.9

Source: Amman Stock Exchange

Chart (22)

Monthly Development of the Share Price Index During 2015



2. Trading Volume

The trading volume of Amman Stock Exchange declined from JD 462.8 million in 2014 to JD 262.6 million in 2015. While the trading volume of the banks' shares went up from JD 2.18 billion in 2014 to JD 2.51 billion in 2015.

Table (31)

Trading Volume of Banks' Shares Listed at the Amman Stock Exchange (2007 – 2015)

Year	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
2007	2,460.8	12,348.1	19.9
2008	2,983.9	20,318.1	14.7
2009	826.5	9,134.2	9.0
2010	514.8	6,088.6	8.5
2011	405.8	2,762.7	14.7
2012	303.6	1,931.9	15.7
2013	289.9	2,425.5	11.9
2014	462.8	2,185.5	21.2
2015	262.6	2,511.8	10.4

Source: Amman Stock Exchange

Chart (23)

Annual Development of the Trading Volume (2007-2015)

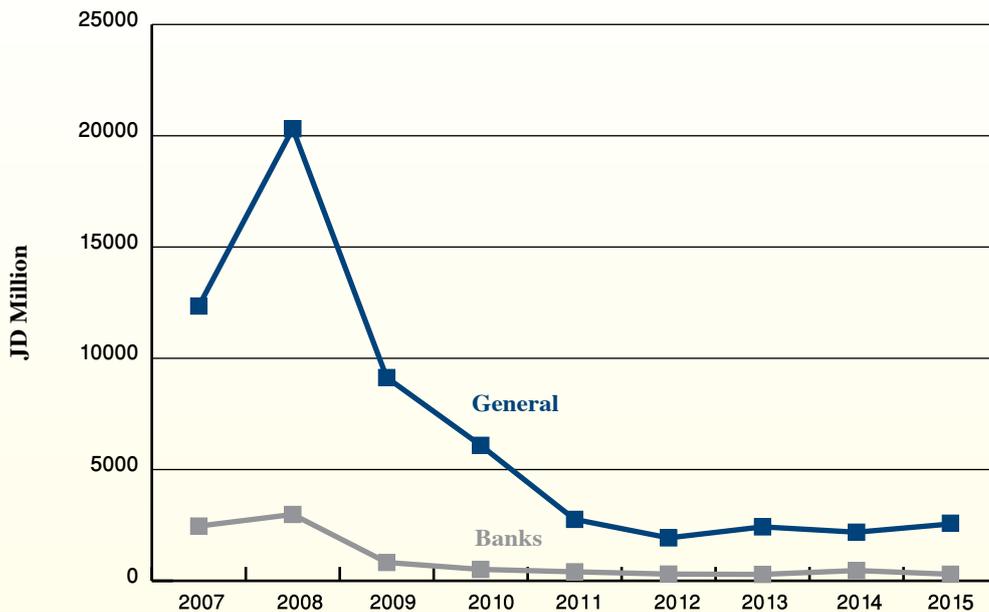


Table (32)

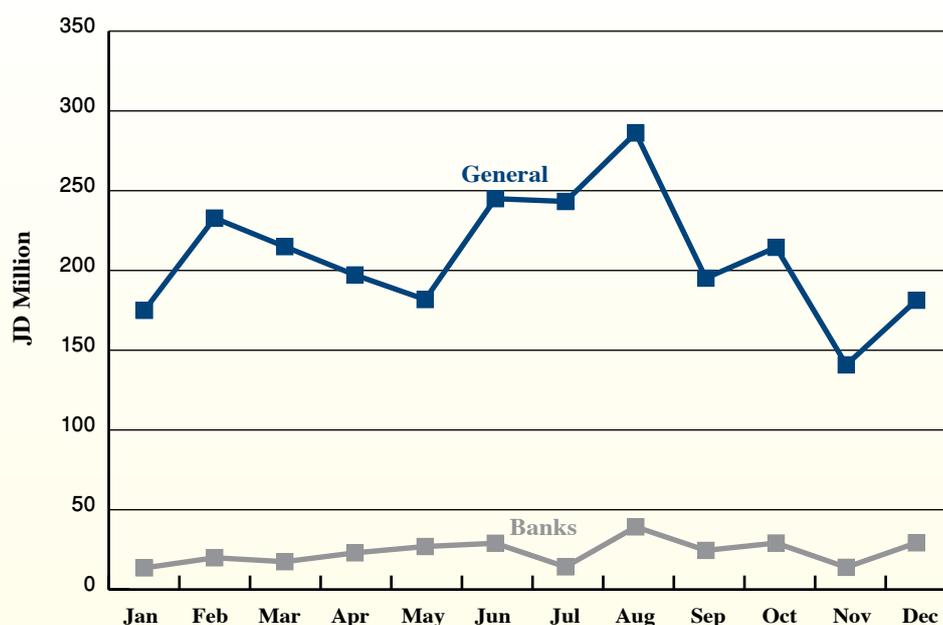
Monthly Trading Volume of Banks' Shares Listed at the Amman Stock Exchange During 2015

MONTH	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
January	12.003	174.984	6.9%
February	18.396	233.402	7.9%
March	15.927	215.320	7.4%
April	21.524	197.392	10.9%
May	25.528	181.841	14.0%
June	27.584	245.669	11.2%
July	12.650	243.890	5.2%
August	37.957	287.253	13.2%
September	23.062	195.358	11.8%
October	27.731	214.869	12.9%
November	12.354	140.495	8.8%
December	27.859	181.375	15.4%
Total	262.576	2,511.849	10.5%

Source: Amman Stock Exchange

Chart (24)

Monthly Development of the Trading Volume during 2015



3. Non-Jordanian ownership of Jordanian banks' shares

The non-Jordanian ownership of Jordanian banks' shares had evidently been stable during the recent years. This is due to the good financial indicators of Jordan's banking system, and the financial strength and soundness that the system enjoys, which made it a destination for investors from outside Jordan. The average of non-Jordanian ownership of shares of banks listed on Amman bourse during the period from 2007-2015 comes close to 59.25%; this percentage reached 60.2% in 2015.

Table (33)

Non-Jordanian Ownership of Banks' Shares Listed at the Amman Stock Exchange (2007-2015)

Year	The Contribution of Non-Jordanians %
2007	57.35
2008	58.84
2009	58.25
2010	57.90
2011	59.40
2012	60.00
2013	61.00
2014	60.30
2015	60.20

Source: Amman Stock Exchange

Chart (25)

Share of Non-Jordanian Equity in the Ownership of Banks' shares (2007-2015)





A nighttime photograph of a city skyline reflected in a body of water. The lights of the buildings are bright and colorful, creating a shimmering reflection on the dark water. A flagpole with a flag is visible on the left side of the image.

Chapter Six

Clearing of Checks



This chapter reviews the most important changes undergone by check clearance in the kingdom. It also reviews the development of checks presented for clearance and returned checks during 2015.

1. Historical Overview of Check Clearing

The central bank of Jordan provides licensed banks with the service of check clearing pursuant to its law no. 23 for the year 1971 and its amendments in Article 37 Paragraph B.

The system of check clearing passed through many stages. The beginning was done manually until July 1997, when the system of automatic clearing began work until July 2007. After that date, a quantitative step was taken with the initiation of the electronic clearing, when checks were collected by banks at the same day as of Nov. 4, 2007. Electronic clearing is defined as the process of exchanging data, including checks' information, images and symbols, electronically via the CBJ's Electronic Clearing Center, as well as defining the net balances resulting from this process at a specific time.

Checks are collected between banks at the same day as follows:

- ❖ Checks deposited by clients from 8:00 AM until 12:00 noon are collected at the same working day; the client is allowed to withdraw the value of the check the following working day.
- ❖ Checks deposited after 12:00 noon are collected at the session of the next working day.

The service of checks clearance is done through electronic clearance under a legal cover to operate them, which is the Central Bank of Jordan's Law, Electronic Transactions Law, and the Principles and Rules of Work and the Electronic Clearance ad hoc Instructions.

The goal behind the electronic clearance was to move out of the automatic clearance system and into the electronic clearance of checks, to stop circulation of paper checks for the purposes of clearance at the stage of their deposit at banks, and collecting checks at the same day for all governorates of the kingdom, in addition to increasing confidence in checks as an instrument of payment and limiting as much as possible the volume of returned checks.

This system of electronic clearance had benefits on two levels: the level of banks and that of clients. For banks, the benefits include being aware of the bank's financial position before hand, the optimal employment of monies available at banks, getting exact information and statistics on checks as well as a detailed and swift archiving system, minimizing the risks of moving paper checks from and into banks, the possibility of getting images and data on checks via the electronic clearance speedily and easily. The system works 24/24; therefore, there is plenty of time to dispatch checks whatever their number is.

As for clients, the check's collection is done at the same date in which it is deposited; it can be known whether the check is accepted or rejected at the same day. The check's amount is credited to the beneficiary's account at the same day if deposition was done before noon, or the next working day if the deposition is done after 12:00 noon. To this we can add the increased confidence in dealing with checks.

2. Development in the of Checks' Clearance during 2015

The checks presented dropped at the end of 2015 compared to the year before in terms of both the number and value. The number of checks presented for clearing dropped from 11116.4 thousand checks as at the end of 2014 to 10627.2 thousand checks at the end of 2015, In addition The value of checks presented for clearing dropped from JD 48380.3 million at the end of 2014 to JD 48063.3 million at the end of 2015.

Table (34)

Circulated and Returned Cheques Through the Electronic Clearing (2014 – 2015)

Description	2014	2015	Percentage Change %
Circulated Cheques			
Number (thousand)	11116.4	10627.2	-4.40%
Value(JD million)	48380.3	48063.3	-0.66%
Returned Cheques			
Number (thousand)	558.4	520.8	-6.73%
Value(JD million)	1708.2	1734.8	1.56%
The ratio to the number of Circulated Cheques (%)	5.02%	4.90%	-
The ratio to the value of Circulated Cheques (%)	3.53%	3.61%	-
Returned Cheques for insufficient balance			
Number (thousand)	337.9	315.6	-6.60%
Value(JD million)	981.2	952.1	-2.97%
The ratio to the number of Returned Cheques (%)	60.5%	60.6%	-
The ratio to the value of Returned Cheques (%)	57.4%	54.9%	-
Returned Cheques for another reasons			
Number (thousand)	220.6	205.2	-6.98%
Value(JD million)	727.1	782.7	7.65%
The ratio to the number of Returned Cheques (%)	39.5%	39.4%	-
The ratio to the value of Returned Cheques (%)	42.6%	45.1%	-

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

The number of returned checks fell at the end of 2015 compared to the year before by 6.73%, While value of returned checks grew at the end of 2015 compared to the year before by 1.56%.

The number of returned checks to the total number of checks presented for clearing at the end of 2015 stood at 4.9%, which include 60.6% returned for the reason of insufficient funds, and 39.4% returned for other reasons. The value of returned checks to the total value of checks presented for clearing stood at 3.61% at the end of 2015, which include 54.9% returned for the reason of insufficient funds, and 45.1% returned for other reasons.





Chapter Seven

The Structure of Interest Rates



This chapter depicts the developments in the weighted average of interest rates on all types of deposits and credit facilities, in addition to the development in the interest rate margin. It will also deal with the development of interest rates on the monetary policy tools, and the development of interbank lending rates (JODIBOR).

1. The Development of Interest Rates on Deposits

Interest rates on all types of deposits experienced the following changes during 2015:

- ❖ Demand Deposits: The weighted average of interest rates on demand deposits declined at the end of 2015 by 11 basis points compared to its level at the end of 2014 to reach 0.32%.
- ❖ Saving deposits: The weighted average of interest rates on saving deposits decreased by 17 basis points at the end of 2015 compared to the level it registered at the end of 2014 to reach 0.62%.
- ❖ Time deposits: The weighted average of interest rates on time deposits decreased at the end of 2015 by 105 basis points compared to its level at the end of 2014 to reach 3.06%.

Table (35)

Weighted Average of Interest Rates on All Types of Deposits (2007-2015)

Year	Demand %	Saving %	Time %
2007	0.94	1.10	5.56
2008	1.01	1.04	5.66
2009	0.67	0.84	4.23
2010	0.44	0.77	3.40
2011	0.43	0.70	3.46
2012	0.42	0.76	4.19
2013	0.38	0.87	4.97
2014	0.43	0.79	4.11
2015	0.32	0.62	3.06

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (26)

Weighted Average of Interest Rates on All Types of Deposits (2007-2015)

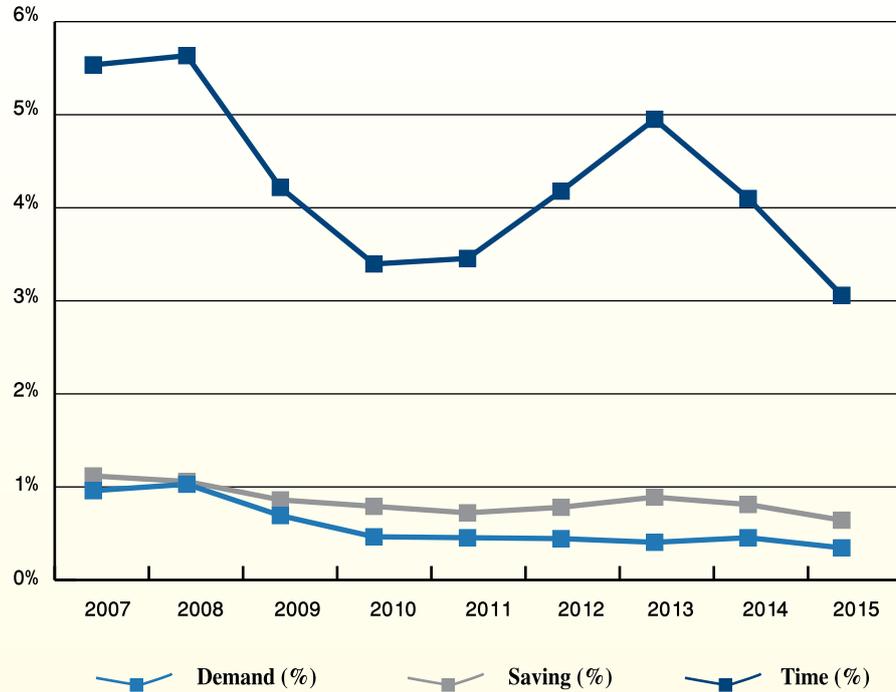


Table (36)

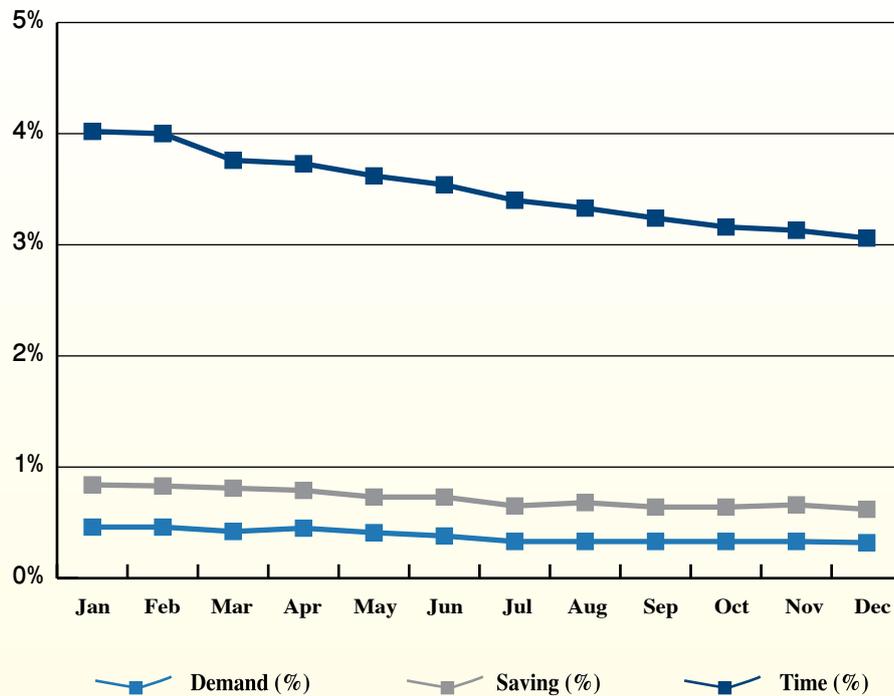
Monthly weighted Average of Interest Rates on All Types of Deposits in 2015

Month	Demand %	Saving %	Time %
January	0.49	0.90	5.00
February	0.52	0.85	4.87
March	0.49	0.85	4.84
April	0.52	0.92	4.73
May	0.54	0.83	4.71
June	0.60	0.81	4.60
July	0.56	0.81	4.44
August	0.55	0.82	4.33
September	0.52	0.84	4.28
October	0.43	0.82	4.18
November	0.42	0.82	4.14
December	0.43	0.79	4.11
Average	0.51	0.84	4.52
MAX	0.60	0.92	5.00
MIN	0.42	0.79	4.11

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (27)

Monthly Development of Interest Rates on All Types of Deposits during 2015



2. Development of Interest Rates on Credit Facilities

The Interest rates on the all types of facilities decreased at the end of 2015 compared to 2014 as follows:

- ❖ **Overdrafts:** The weighted average of interest rates on overdrafts decreased at the end of 2015 by 114 basis points from its level at the end of 2014 to become 8.01%.
- ❖ **Loans and Advances:** The weighted average of interest rates on loans and advances decreased at the end of 2015 by 60 basis points from its level at the end of 2014 to become 8.24%.
- ❖ **Discounted Bills and Bonds:** The weighted average of interest rates on discounted bills and bonds decreased at the end of 2015 by 125 basis points from its level at the end of 2014 to become 8.70%.
- ❖ **Prime Lending Rate:** The prime lending rate decreased at the end of 2015 by 35 basis points from the level it registered at the end of 2014 to reach 8.37%

Table (37)

Weighted Average of Interest Rates on All Types of Credit Facilities (2007-2015)

year	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
2007	9.83	8.86	9.45	8.15
2008	9.31	9.48	8.89	8.45
2009	9.03	9.07	9.17	8.34
2010	9.12	9.01	9.41	8.20
2011	8.80	8.67	9.34	8.22
2012	9.28	8.95	9.59	8.68
2013	9.20	9.03	10.13	8.85
2014	9.15	8.84	9.95	8.72
2015	8.01	8.24	8.70	8.37

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (28)

Weighted Average of Interest Rates on All Types of Credit Facilities (2007-2015)

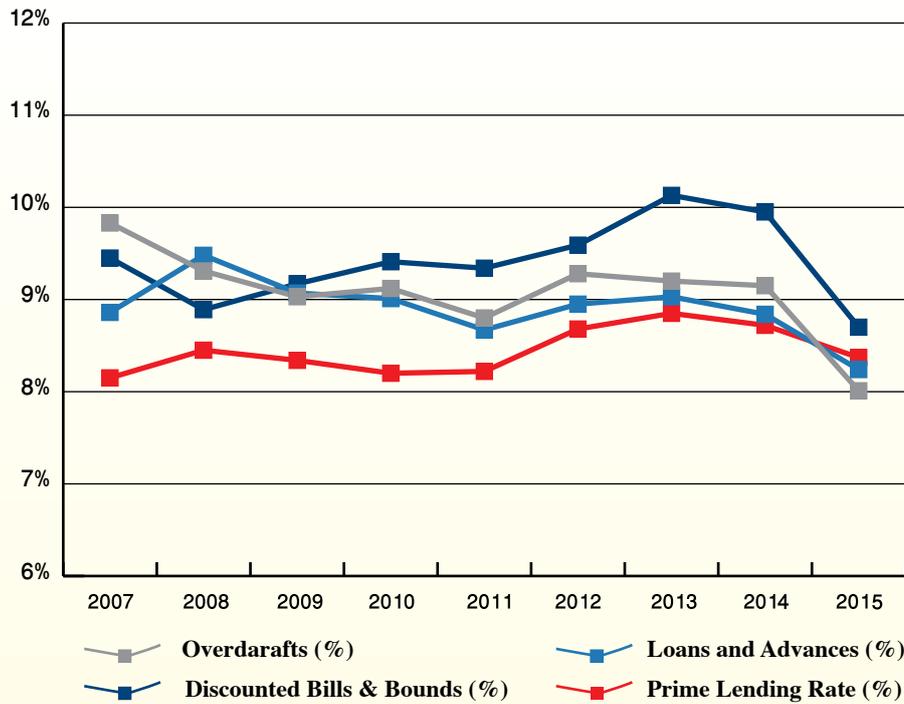


Table (38)

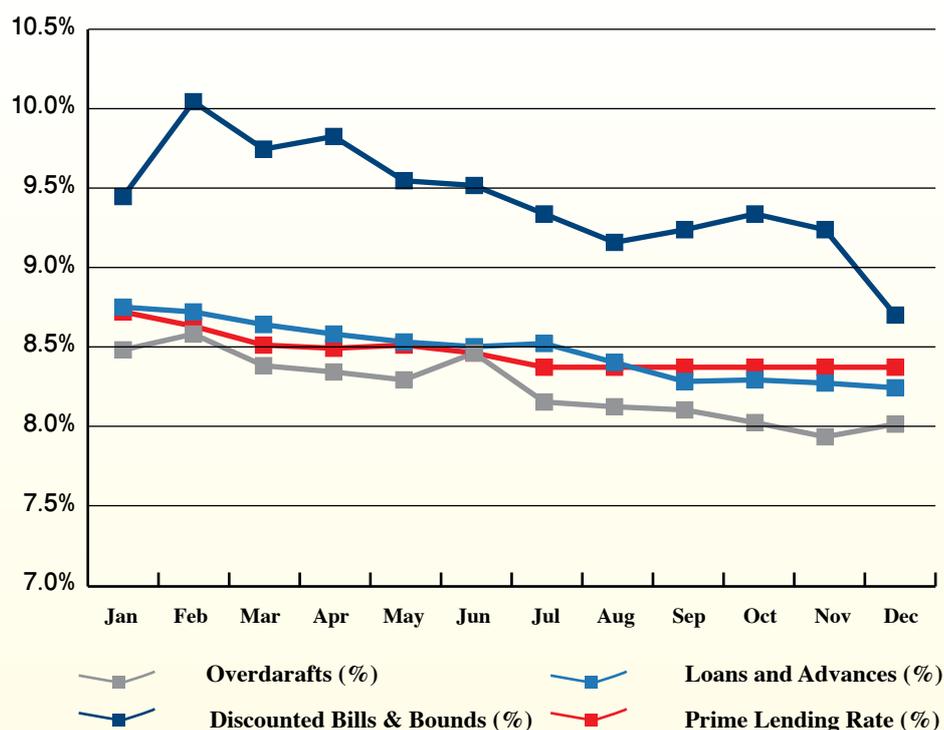
Weighted Average of Interest Rates on All Types of Credit Facilities in 2015

Month	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
January	8.48	8.75	9.45	8.72
February	8.58	8.72	10.05	8.63
March	8.38	8.64	9.75	8.51
April	8.34	8.58	9.83	8.49
May	8.29	8.53	9.55	8.51
June	8.46	8.50	9.52	8.46
July	8.15	8.52	9.34	8.37
August	8.12	8.40	9.16	8.37
September	8.10	8.28	9.24	8.37
October	8.02	8.29	9.34	8.37
November	7.93	8.27	9.24	8.37
December	8.01	8.24	8.70	8.37
Average	8.24	8.48	9.43	8.46
MAX	8.58	8.75	10.05	8.72
MIN	7.93	8.24	8.70	8.37

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Chart (29)

Monthly Development of Interest Rates on All Types of Credit Facilities during 2015



3. Interest Rate Margin

Interest rate margin is usually calculated as the difference between the weighted average of interest rates on loans and advances and the weighted average of interest rates on time deposits as they are the biggest and most important types of facilities and deposits.

The interest rate margin grew during 2015 by 45 basis points to reach 5.18% in comparison with a margin of 4.73% in 2014.

Chart (30)

Annual Development of Interest Rate Margin (2007-2015)

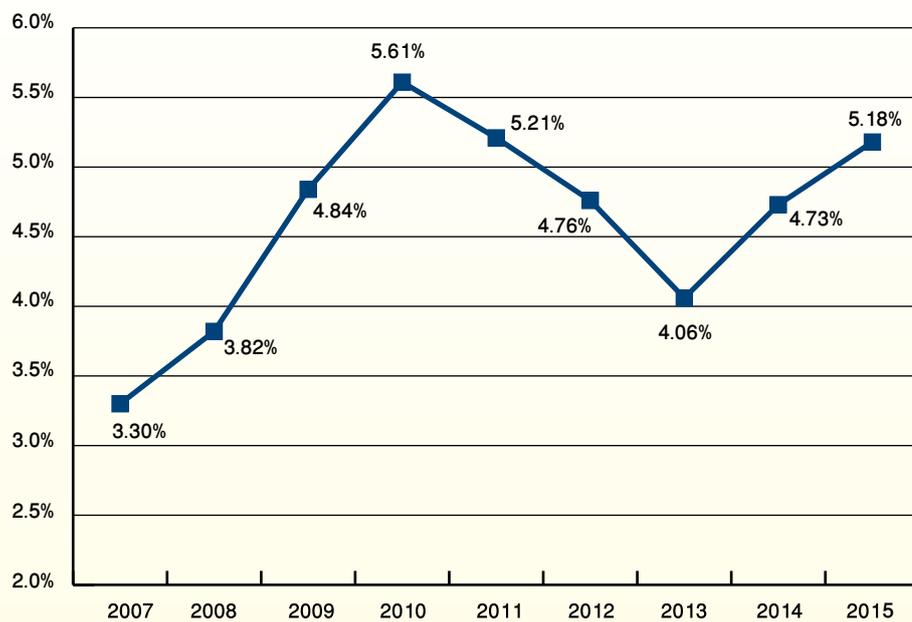
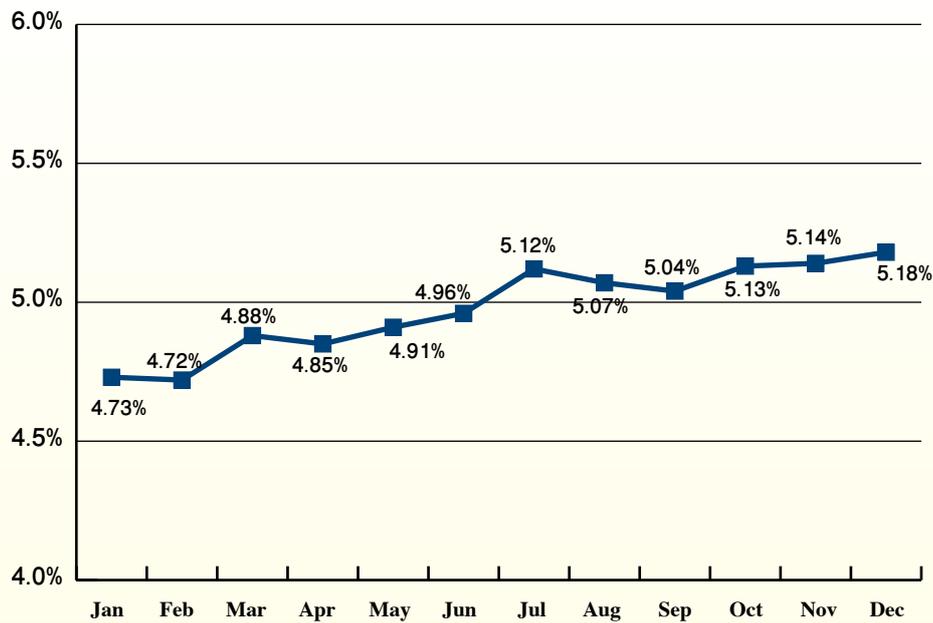


Chart (31)

Monthly Development of Interest Rate Margin during 2015



4. Development of Interest Rates on Monetary Policy Tools

The Central Bank of Jordan lowered interest rates on monetary policy tools two times in 2015 to become as follows:

- ❖ **Rediscount Rate:** It was lowered by 50 basis points to reach 3.75%, compared with 4.25% at the end of 2014.
- ❖ **Interest rate on Overnight Repurchase Agreements:** It was lowered by 50 basis points to become 3.50% instead of 4.00% at the end of 2014.
- ❖ **Interest rate on Overnight Window Deposit:** It was lowered two times during 2015 by 125 basis points to become 1.50% instead of 2.75% at the end of 2014.

Table (39)
Interest Rates on Monetary Policy Tools (2007 - 2015)

Year	Rediscount Rate %	Repurchase Agreements %	Certificates of Deposit		Deposit Window (One Night) %
			(3) Months %	(6) Months %	
2007	7.000	6.750	5.750	5.867	4.750
2008	6.250	6.000	5.641	5.936	4.000
2009	4.750	4.500	-	-	2.500
2010	4.250	4.000	-	-	2.000
2011	4.500	4.250	-	-	2.250
2012	5.000	4.750	-	-	4.000
2013	4.500	4.250	-	-	3.500
2014	4.25	4.00	-	-	2.75
2015	3.75	3.50	-	-	1.50

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Table (40)
Interest Rates on Monetary Policy Tools during 2015

Month	Rediscount Rate %	Repurchase Agreements %	Deposit Window (One % (Night)
January	4.25	4.00	2.75
February	4.00	3.75	1.75
March	4.00	3.75	1.75
April	4.00	3.75	1.75
May	4.00	3.75	1.75
June	4.00	3.75	1.75
July	3.75	3.50	1.50
August	3.75	3.50	1.50
September	3.75	3.50	1.50
October	3.75	3.50	1.50
November	3.75	3.50	1.50
December	3.75	3.50	1.50

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

5. Interbank Lending Interest Rates (JODIBOR)

Interbank lending rates (JODIBOR) during 2015 points out to the following:

- An decrease in the average overnight lending interest rates in 2015 compared to 2014 by 76 basis points, reaching 2.495%.
- An decrease in the average lending interest rates for one week in 2015 compared with 2014 by 67 basis points to become 3.120%.
- An decrease in the average lending interest rates for one month in 2015 compared with 2014 by 60 basis points to become 3.851%.
- An decrease in the average lending interest rates for three months during 2015 compared with its average in 2014 by 52 basis points to reach 4.516%.
- An decrease in the average lending interest rates for six months during 2015 compared with its average in 2014 by 44 points to reach 5.132%.
- An decrease in the average lending interest rates for one year during 2015 compared with its average in 2014 by 40 basis points to reach 5.640%.

Table (41)

Average Inter-Bank Lending Interest Rates (JODIBOR – Declared Rates) (2006 – 2015)

Year	O/N	One Week	One Month	Three Months	Six Months	One Year
2006	5.552	5.885	6.372	6.814	7.364	7.780
2007	5.904	6.219	6.492	6.756	7.005	7.411
2008	5.066	5.419	5.748	6.107	6.397	6.939
2009	3.438	3.797	4.363	4.916	5.459	6.176
2010	2.236	2.409	2.783	3.257	3.745	4.414
2011	2.668	3.073	3.435	3.840	4.235	4.871
2012	3.658	4.126	4.498	4.812	5.229	5.762
2013	4.131	4.581	5.046	5.574	6.076	6.660
2014	3.258	3.788	4.455	5.035	5.573	6.038
2015	2.495	3.120	3.851	4.516	5.132	5.640

Source: The declared rates in the JODIBOR daily bulletin issued by ABJ.

The table below shows the monthly developments on interbank average lending interest rates during 2015. It reveals that all maturities registered their highest rates during the first month of the year, and their lowest rates during the last quarter of the year.

Table (42)

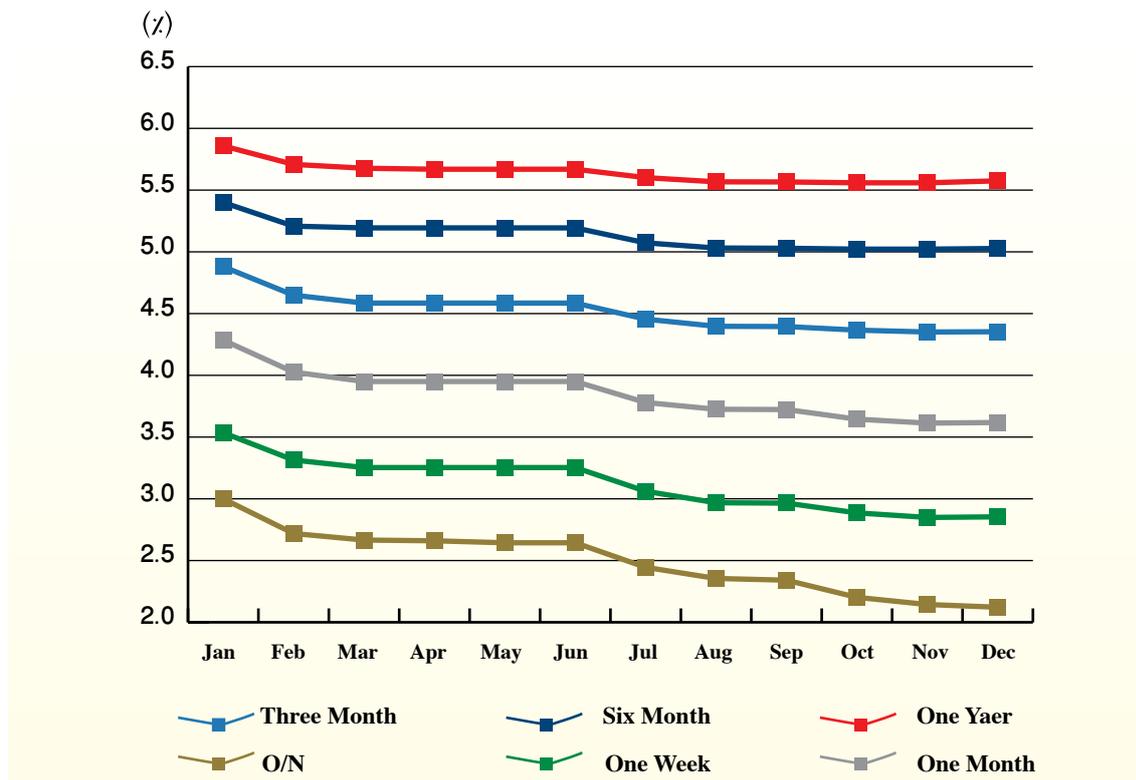
Average Inter-Bank Lending Interest Rates (JODIBOR – Declared Rates) in 2015

Month	O/N	One Week	One Month	Three Months	Six Months	One Year
January	3.000	3.535	4.285	4.880	5.400	5.858
February	2.719	3.314	4.026	4.649	5.208	5.708
March	2.666	3.253	3.950	4.585	5.194	5.677
April	2.660	3.253	3.950	4.585	5.194	5.669
May	2.644	3.253	3.950	4.585	5.194	5.669
June	2.644	3.253	3.950	4.585	5.194	5.669
July	2.445	3.061	3.780	4.455	5.073	5.601
August	2.355	2.968	3.725	4.397	5.031	5.567
September	2.341	2.965	3.723	4.395	5.029	5.566
October	2.202	2.886	3.645	4.366	5.022	5.559
November	2.144	2.849	3.613	4.351	5.022	5.559
December	2.122	2.854	3.618	4.353	5.027	5.575
Average	2.495	3.120	3.851	4.516	5.132	5.640
MAX	2.122	2.849	3.613	4.351	5.022	5.559
MIN	3.000	3.535	4.285	4.880	5.400	5.858

Source: The declared rates in the JODIBOR daily bulletin issued by the ABJ.

Chart (32)

Monthly Development of the Interbank Lending Rates (JODIBOR) during 2015



As for the volume of overnight interbank activity during 2015, it fluctuated in terms of the number of executed transactions as well as the total credit amount, in addition to the fluctuation in the pricing margin (the difference between the actual prices announced by the Central Bank less the declared price of the association – JODIBOR) which registered the lowest margin in May (0.032%), and the highest margin in October (0.401%).

Table (43)
Volume of Overnight Inter-Bank Activity During 2015

Month	# of Transactions	Total lent Amounts (JD million)	Inter – bank weighted lending rates (Declared price) *	Inter – bank weighted lending rates (Actual price) **	Price margin
January	279	2,114.60	3.000%	2.928%	-0.072%
February	276	2,350.80	2.719%	2.611%	-0.108%
March	422	3,099.70	2.666%	2.605%	-0.061%
April	344	3,018.60	2.660%	2.622%	-0.038%
May	236	2,025.40	2.644%	2.612%	-0.032%
June	344	2,723.00	2.644%	2.579%	-0.065%
July	177	1,486.10	2.445%	2.295%	-0.150%
August	194	1,474.40	2.355%	2.001%	-0.354%
September	61	635.80	2.341%	1.945%	-0.396%
October	50	450.70	2.202%	1.801%	-0.401%
November	141	1,231.20	2.144%	1.751%	-0.393%
December	343	3,117.30	2.122%	1.885%	-0.237%

* The monthly interbank weighted lending interest rate (declared rate) from the daily JODIBOR bulletins issued by ABJ.

** The monthly interbank weighted lending interest rate (actual price) from the daily interest rates bulletins on various dinar tools issued by the Central Bank of Jordan.

Chart (33)

Development of the Number of Overnight Interbank Lending and Borrowing Transaction during 2015

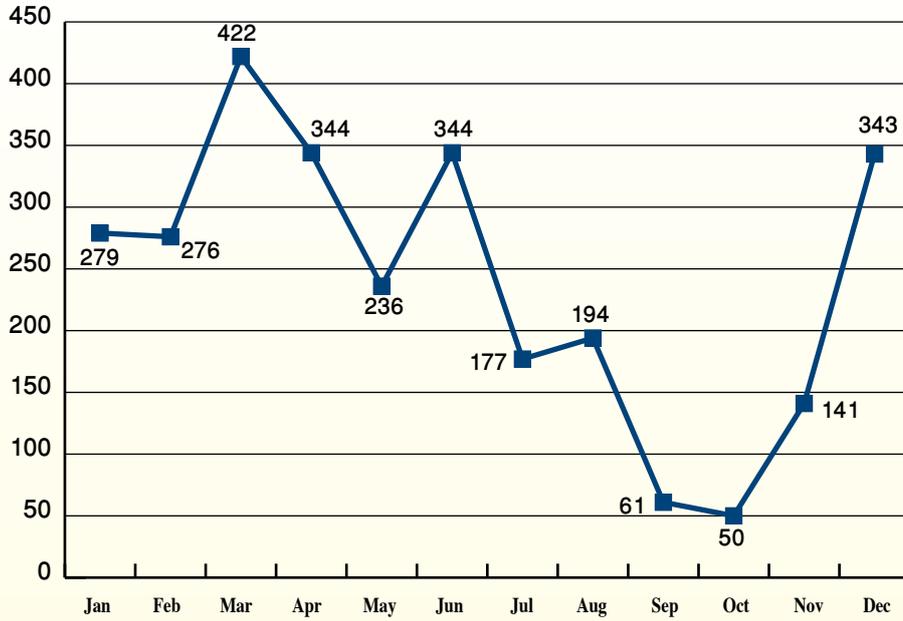


Chart (34)

Development of the Total Amount of Overnight Interbank Lending during 2015

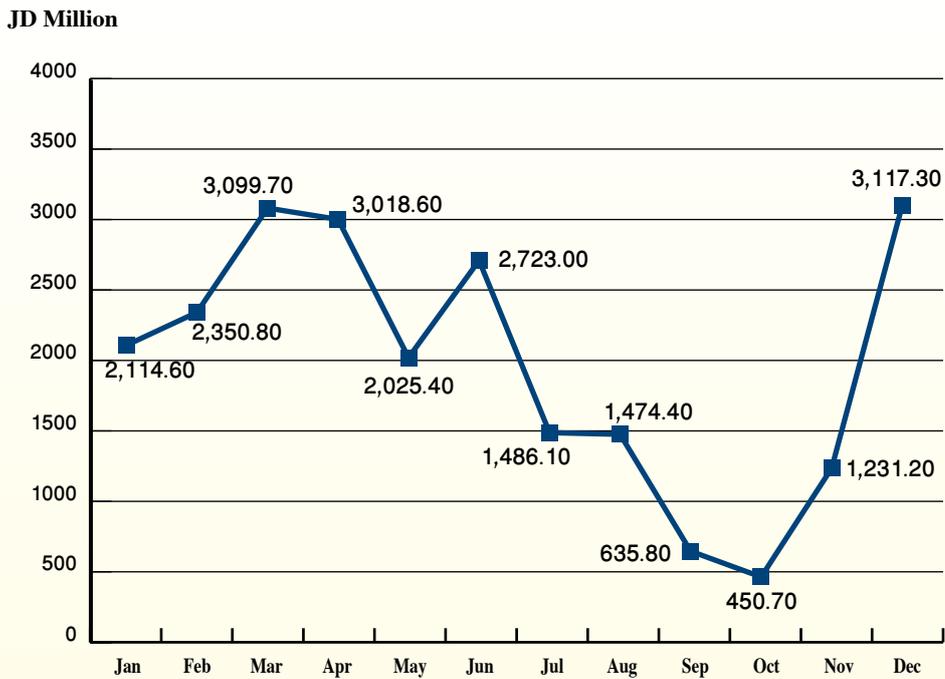
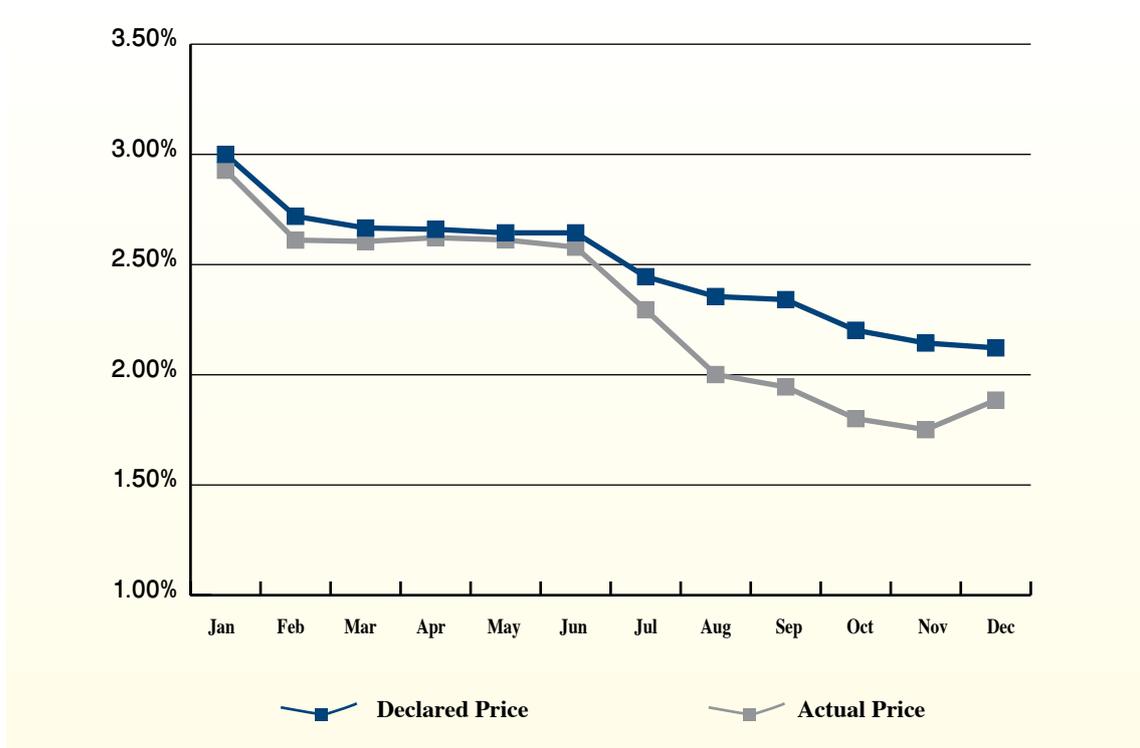


Chart (35)

Weighted Overnight Interbank Lending Rates “JODIBOR” (Declared and Actual) during 2015







Chapter Eight

Analysis of the

Comparative

Performance of Banks

Operating in Jordan

During 2015



This chapter contains a full summary of the overall developments experienced by banks operating in Jordan during 2015. The first part of the chapter handles the developments of the main items in the balance sheet in terms of total assets, credit facilities and deposits at the banks operating in Jordan, in addition to the shareholders' equity and capital. The second part contains the most important items of the income statement of banks operating in Jordan, which are the pretax profit and the net after-tax profit. The third part deals with the most important profitability measurements of banks operating in Jordan that link the balance sheet and the income statement, which are the average return on assets (ROA) and the average return on shareholders' equity (ROE) during 2015. The fourth part shows the indicators of banks' branching in Jordan, including the number of branches and that of ATMs. The fifth and final part reflects the development and distribution of the volume of human resources in the banks operating in Jordan at the end of 2015.

It is noteworthy here that the banks are ranked in a descending manner (from the highest bank to the lowest bank) according to each of the previous criteria, in addition to calculating the relative importance for each bank in relation to the total operating banks. We also took into consideration the division of banks into three main categories to include the Jordanian commercial banks, the Islamic banks and the foreign banks. It is also important to indicate that the data included in this chapter belong only to the branches of banks operating in Jordan and do not include outside branches. The following are the definitions of the most important concepts used in this chapter:

- ❖ **Total deposits at commercial banks:** includes banks and financial institutions deposits, Customers' deposits, and Margin accounts.
- ❖ **Return on Shareholders' Equity (ROE) in 2015:** net profit after tax in 2015 divided by the average shareholders' equity for the years 2014 and 2015.
- ❖ **Return on Assets (ROA) in 2015:** net profit after tax in 2015 divided by the average Assets for the years 2014 and 2015.
- ❖ **Total assets of Islamic banks:** include total assets only without the accounts managed on behalf of others.
- ❖ **Financial Investments of Islamic banks:** financial investments include all kinds of loans and finances granted by the bank, including deferred sale and other receivables (net), Ijara muntahia bittamleek Assets (net), finances or other financing investments (net), excluding accounts managed on behalf of others.
- ❖ **Total savings instruments of Islamic banks:** include banks and banking institutions accounts, clients' current and call accounts, cash margins, and the total joint investment accounts holders' equity, excluding accounts managed on behalf of others.

First: Banks' Ranking According to Some Balance Sheet Items

A. Banks' Ranking According to the Total Assets

The total assets of licensed banks operating in Jordan increased by 5.15% at the end of 2015, reaching to JD 45.2 billion, distributed as follows: JD 34.7 billion for Jordanian commercial banks (76.8% of the total assets of banks operating in Jordan); JD 6.8 billion for the Islamic banks (15.1% of total assets) and JD 3.7 billion for foreign banks (8.1% of total assets).

Table (44)

Total Assets of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking	Assets (JD million)	Ratio to Total Assets %	Ranking	Assets (JD million)	Ratio to Total Assets %	
		2015			2014			
Jordanian Commercial Banks	Arab Bank	1	8,806.00	19.48%	1	8,726.00	20.30%	0.92%
	The Housing Bank for Trade & Finance	2	6,841.91	15.14%	2	6,508.58	15.14%	5.12%
	Jordan Kuwait Bank	3	2,547.00	5.64%	3	2,369.00	5.51%	7.51%
	Bank Al-Etihad	4	2,392.87	5.29%	4	2,239.47	5.21%	6.85%
	Jordan Ahli Bank	5	2,270.00	5.02%	5	2,120.00	4.93%	7.08%
	Cairo Amman Bank	6	2,076.60	4.59%	6	1,885.43	4.39%	10.14%
	Bank of Jordan	7	1,872.70	4.14%	7	1,859.60	4.33%	0.70%
	Capital Bank	8	1,787.43	3.95%	8	1,825.47	4.25%	-2.08%
	Arab Jordan Investment Bank	9	1,657.10	3.67%	9	1,632.00	3.80%	1.54%
	Jordan Commercial Bank	10	1,405.15	3.11%	10	1,092.96	2.54%	28.56%
	Societe General - Jordan	11	1,210.77	2.68%	12	867.13	2.02%	39.63%
	ABC Bank	12	1,015.60	2.25%	11	1,082.71	2.52%	-6.20%
	Investbank	13	811.00	1.79%	13	779.00	1.81%	4.11%
Total Assets of Jordanian Commercial Banks			34,694.14	76.76%		32,987.35	76.75%	5.17%
Islamic Banks		Ranking	Assets (JD million)	Ratio to Total Assets %	Ranking	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
		2015			2014			
	Jordan Islamic Bank	1	3,799.00	8.41%	1	3,555.00	8.27%	6.86%
	Islamic International Arab Bank	2	1,808.58	4.00%	2	1,568.86	3.65%	15.28%
	Jordan Dubai Islamic Bank	3	780.00	1.73%	3	658.00	1.53%	18.54%
Al-Rajhi Bank *	4	442.33	0.98%	4	353.82	0.82%	25.02%	
Total Assets of Islamic Banks			6,829.92	15.11%		6,135.67	14.28%	11.31%
Foreign Commercial Banks		Ranking	Assets (JD million)	Ratio to Total Assets %	Ranking	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
		2015			2014			
	Bank Audi	1	898.00	1.99%	1	1,013.00	2.36%	-11.35%
	BLOM Bank	2	818.00	1.81%	2	812.00	1.89%	0.74%
	Standard Chartered Bank	3	442.53	0.98%	3	487.94	1.14%	-9.31%
	National Bank of Abu Dhabi	4	382.01	0.85%	6	339.08	0.79%	12.66%
	Egyptian Arab Land Bank	5	369.00	0.82%	4	399.00	0.93%	-7.52%
	National Bank of Kuwait - Jordan	6	320.30	0.71%	5	361.80	0.84%	-11.47%
	Citi Bank	7	309.15	0.68%	7	311.07	0.72%	-0.62%
Rafidain Bank	8	132.48	0.29%	8	133.42	0.31%	-0.71%	
Total Assets of Foreign Commercial Banks			3,671.47	8.12%		3,857.31	8.97%	-4.82%
Total Assets of Banks Operating in Jordan			45,195.52	100.0%		42,980.34	100.0%	5.15%

Source: Banks' financial data

* Foreign Bank

B. Banks' Ranking According to the direct credit facilities - net

The balance of direct credit facilities - net granted by the banks operating in Jordan increased by 10.5% at the end of 2015, reaching to JD 19.77 billion, distributed as follows: JD 14.03 billion were granted by Jordanian commercial banks (71% of the total credit facilities); JD 4.61 billion by Islamic banks (23.3% of total credit facilities) and JD 1.13 billion by foreign banks (5.7% of total credit facilities).

Table (45): Direct credit facilities - net Extended By Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	Ranking 2014	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	
Jordanian Commercial Banks	Arab Bank	1	2,664.00	13.48%	1	2,602.00	14.55%	2.38%
	The Housing Bank for Trade & Finance	2	2,652.22	13.42%	2	1,979.13	11.06%	34.01%
	Bank Al-Etihad	3	1,285.20	6.50%	3	1,226.87	6.86%	4.75%
	Jordan Kuwait Bank	4	1,147.00	5.80%	4	1,095.00	6.12%	4.75%
	Jordan Ahli Bank	5	1,043.00	5.28%	5	1,022.00	5.71%	2.05%
	Bank of Jordan	6	980.00	4.96%	6	974.40	5.45%	0.57%
	Cairo Amman Bank	7	908.16	4.59%	7	803.56	4.49%	13.02%
	Capital Bank	8	800.60	4.05%	8	690.61	3.86%	15.93%
	Arab Jordan Investment Bank	9	649.60	3.29%	9	615.20	3.44%	5.59%
	Jordan Commercial Bank	10	548.79	2.78%	10	485.33	2.71%	13.08%
	ABC Bank	11	503.29	2.55%	11	480.18	2.68%	4.81%
	Societe General - Jordan	12	431.59	2.18%	13	320.04	1.79%	34.86%
	Investbank	13	412.00	2.08%	12	414.00	2.31%	-0.48%
Total direct credit facilities - net extended by Jordanian Commercial Banks			14,025.47	70.96%		12,708.31	71.04%	10.36%
Islamic Banks	Jordan Islamic Bank	1	2,793.00	14.13%	1	2,390.00	13.36%	16.86%
	Islamic International Arab Bank	2	1,022.94	5.18%	2	888.64	4.97%	15.11%
	Jordan Dubai Islamic Bank	3	511.00	2.59%	3	451.00	2.52%	13.30%
	Al-Rajhi Bank *	4	281.22	1.42%	4	248.67	1.39%	13.09%
Total direct credit facilities - net extended by Islamic Banks			4,608.16	23.31%		3,978.31	22.24%	15.83%
Foreign Commercial Banks	BLOM Bank	1	359.00	1.82%	2	322.00	1.80%	11.49%
	Bank Audi	2	321.00	1.62%	1	365.00	2.04%	-12.05%
	Egyptian Arab Land Bank	3	141.00	0.71%	3	164.00	0.92%	-14.02%
	Standard Chartered Bank	4	139.13	0.70%	4	152.75	0.85%	-8.92%
	National Bank of Abu Dhabi	5	118.67	0.60%	5	112.04	0.63%	5.92%
	Citi Bank	6	27.09	0.14%	7	40.80	0.23%	-33.62%
	National Bank of Kuwait - Jordan	7	26.80	0.14%	6	45.50	0.25%	-41.10%
	Rafidain Bank	8	0.06	0.00%	8	0.146	0.00%	-59.03%
Total direct credit facilities - net extended by Foreign Commercial Banks			1,132.75	5.73%		1,202.24	6.72%	-5.78%
Total direct credit facilities - net extended by Banks Operating in Jordan			19,766.37	100.0%		17,888.37	100.0%	10.50%

Source: Banks' financial data

* Foreign Bank

C. Banks' Ranking according to the Total Deposit

The total deposit at the banks operating in Jordan increased by 5.3% at the end of 2015, reaching to JD 37.9 billion. These deposits are divided as follows: JD 29 billion at Jordanian commercial banks (76.5% of total deposit), JD 6 billion at Islamic banks (15.9% of total deposit), and JD 2.9 billion for foreign commercial banks (7.6% of total deposit).

Table (46): Total Deposits at Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Total Deposits (JD million)	Ratio to Total Deposits %	Ranking 2014	Total Deposits (JD million)	Ratio to Total Deposits %	
Jordanian Commercial Banks	Arab Bank	1	7,604.00	20.09%	1	7,598.00	21.13%	0.08%
	The Housing Bank for Trade & Finance	2	5,729.79	15.14%	2	5,426.60	15.09%	5.59%
	Jordan Kuwait Bank	3	2,056.00	5.43%	4	1,887.00	5.25%	8.96%
	Bank Al-Etihad	4	2,040.56	5.39%	3	1,917.76	5.33%	6.40%
	Jordan Ahli Bank	5	1,910.00	5.05%	5	1,758.00	4.89%	8.65%
	Cairo Amman Bank	6	1,647.59	4.35%	6	1,526.96	4.25%	7.90%
	Arab Jordan Investment Bank	7	1,437.70	3.80%	9	1,380.40	3.84%	4.15%
	Capital Bank	8	1,404.45	3.71%	7	1,420.09	3.95%	-1.10%
	Bank of Jordan	9	1,385.90	3.66%	8	1,400.10	3.89%	-1.01%
	Jordan Commercial Bank	10	1,235.08	3.26%	10	956.84	2.66%	29.08%
	Societe General - Jordan	11	1,046.50	2.76%	12	711.72	1.98%	47.04%
	ABC Bank	12	844.31	2.23%	11	919.37	2.56%	-8.17%
	Investbank	13	630.00	1.66%	13	614.00	1.71%	2.61%
Total Deposits at Jordanian Commercial Banks			28,971.87	76.53%		27,516.84	76.51%	5.29%
Islamic Banks	Jordan Islamic Bank	1	3,385.00	8.94%	1	3,181.00	8.84%	6.41%
	Islamic International Arab Bank	2	1,612.44	4.26%	2	1,391.41	3.87%	15.89%
	Jordan Dubai Islamic Bank	3	625.00	1.65%	3	501.00	1.39%	24.75%
	Al-Rajhi Bank *	4	383.46	1.01%	4	300.82	0.84%	27.47%
Total Deposits at Islamic Banks			6,005.90	15.87%		5,374.23	14.94%	11.75%
Foreign Commercial Banks	Bank Audi	1	764.00	2.02%	1	881.00	2.45%	-13.28%
	BLOM Bank	2	674.00	1.78%	2	683.00	1.90%	-1.32%
	Standard Chartered Bank	3	328.71	0.87%	3	363.43	1.01%	-9.55%
	National Bank of Abu Dhabi	4	319.17	0.84%	5	280.34	0.78%	13.85%
	Egyptian Arab Land Bank	5	266.00	0.70%	4	290.00	0.81%	-8.28%
	Citi Bank	6	235.53	0.62%	7	237.45	0.66%	-0.81%
	National Bank of Kuwait - Jordan	7	231.80	0.61%	6	276.80	0.77%	-16.26%
	Rafidain Bank	8	58.64	0.15%	8	61.37	0.17%	-4.44%
Total Deposits at Foreign Commercial Banks			2,877.85	7.60%		3,073.39	8.55%	-6.36%
Total Deposits at Banks Operating in Jordan			37,855.62	100.0%		35,964.45	100.0%	5.26%

Source: Banks' financial data

* Foreign Bank

D. Banks' Ranking According to Shareholders' Equity

Shareholders' Equity in the banks operating in Jordan increased by 3.9% at the end of 2015, reaching to JD 5.8 billion, These are distributed as follows: JD 4.52 billion in Jordanian commercial banks (78.6% of total shareholders' equity), JD 636 million in Islamic banks (11.1% of total shareholders' equity), and JD 597 million in foreign commercial banks (10.4% of total shareholders' equity).

Table (47): Shareholders' Equity of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Equity Rights (JD million)	Ratio to total Equity Rights %	Ranking 2014	Equity Rights (JD million)	Ratio to total Equity Rights %	
Jordanian Commercial Banks	Arab Bank	1	951.000	16.52%	1	936.000	16.90%	1.60%
	The Housing Bank for Trade & Finance	2	928.077	16.12%	2	906.186	16.36%	2.42%
	Jordan Kuwait Bank	3	427.000	7.42%	3	413.000	7.45%	3.39%
	Bank of Jordan	4	358.500	6.23%	4	333.800	6.03%	7.40%
	Jordan Ahli Bank	5	301.000	5.23%	5	298.000	5.38%	1.01%
	Bank Al-Etihad	6	290.099	5.04%	6	266.020	4.80%	9.05%
	Cairo Amman Bank	7	276.379	4.80%	7	258.534	4.67%	6.90%
	Capital Bank	8	251.780	4.37%	8	257.123	4.64%	-2.08%
	Arab Jordan Investment Bank	9	193.600	3.36%	9	190.900	3.45%	1.41%
	Investbank	10	144.000	2.50%	10	138.000	2.49%	4.35%
	ABC Bank	11	142.691	2.48%	11	137.278	2.48%	3.94%
	Jordan Commercial Bank	12	133.230	2.31%	13	114.540	2.07%	16.32%
	Societe General - Jordan	13	127.069	2.21%	12	121.041	2.18%	4.98%
Shareholders' Equity of Jordanian Commercial Banks			4,524.425	78.58%		4,370.423	78.89%	3.52%
Islamic Banks	Jordan Islamic Bank	1	311.000	5.40%	1	282.000	5.09%	10.28%
	Islamic International Arab Bank	2	139.868	2.43%	2	130.486	2.36%	7.19%
	Jordan Dubai Islamic Bank	3	134.000	2.33%	3	130.000	2.35%	3.08%
	Al-Rajhi Bank *	4	51.180	0.89%	4	47.751	0.86%	7.18%
	Shareholders' Equity of Islamic Banks			636.048	11.05%		590.237	10.65%
Foreign Commercial Banks	Bank Audi	1	100.000	1.74%	1	97.000	1.75%	3.09%
	National Bank of Kuwait - Jordan	2	83.800	1.46%	3	79.900	1.44%	4.88%
	Standard Chartered Bank	3	83.328	1.45%	2	87.948	1.59%	-5.25%
	BLOM Bank	4	82.000	1.42%	4	75.000	1.35%	9.33%
	Rafidain Bank	5	67.931	1.18%	5	66.315	1.20%	2.44%
	Citi Bank	6	64.385	1.12%	6	64.657	1.17%	-0.42%
	National Bank of Abu Dhabi	7	57.953	1.01%	8	53.921	0.97%	7.48%
	Egyptian Arab Land Bank	8	57.729	1.00%	7	54.578	0.99%	5.77%
Shareholders' Equity of Foreign Commercial Banks			597.126	10.37%		579.319	10.46%	3.07%
Shareholders' Equity of Banks Operating in Jordan			5,757.600	100.0%		5,539.979	100.0%	3.93%

Source: Banks' financial data
* Foreign Bank

E. Banks' Ranking According to Capital

The total capital of banks operating in Jordan increased by 4.75% at the end of 2015, reaching to JD 3.2 billion, distributed as follows: JD 2.4 billion at Jordanian commercial banks (74.5% of total capital), JD 400 million at Islamic banks (12.6% of total capital), and JD 411.4 million at foreign banks (12.9% of total capital).

Table (48): Capital of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Capital (JD million)	Ratio to Total Capital %	Ranking 2014	Capital (JD million)	Ratio to Total Capital %	
Jordanian Commercial Banks	Arab Bank	1	641.00	20.13%	1	570.00	18.75%	12.46%
	The Housing Bank for Trade & Finance	2	252.00	7.91%	2	252.00	8.29%	0.00%
	Capital Bank	3	200.00	6.28%	3	181.50	5.97%	10.19%
	Jordan Ahli Bank	4	175.00	5.50%	4	175.00	5.76%	0.00%
	Cairo Amman Bank	5	160.00	5.02%	7	125.00	4.11%	28.00%
	Bank of Jordan	6	155.10	4.87%	5	155.10	5.10%	0.00%
	Arab Jordan Investment Bank	7	150.00	4.71%	6	150.00	4.93%	0.00%
	Bank Al-Etihad	8	125.00	3.93%	8	110.00	3.62%	13.64%
	ABC Bank	9	110.00	3.45%	8	110.00	3.62%	0.00%
	Jordan Commercial Bank	10	105.00	3.30%	10	100.00	3.29%	5.00%
	Jordan Kuwait Bank	11	100.00	3.14%	10	100.00	3.29%	0.00%
	Investbank	11	100.00	3.14%	10	100.00	3.29%	0.00%
	Societe General - Jordan	11	100.00	3.14%	10	100.00	3.29%	0.00%
Capital of Jordanian Commercial Banks			2,373.10	74.52%		2,228.60	73.31%	6.48%
Islamic Banks	Jordan Islamic Bank	1	150.00	4.71%	1	150.00	4.93%	0.00%
	Islamic International Arab Bank	2	100.00	3.14%	2	100.00	3.29%	0.00%
	Jordan Dubai Islamic Bank	2	100.00	3.14%	2	100.00	3.29%	0.00%
	Al-Rajhi Bank *	4	50.00	1.57%	4	50.00	1.64%	0.00%
	Capital of Islamic Banks			400.00	12.56%		400.00	13.16%
Foreign Commercial Banks	Standard Chartered Bank	1	61.43	1.93%	1	61.43	2.02%	0.00%
	Egyptian Arab Land Bank	2	50.00	1.57%	2	50.00	1.64%	0.00%
	Rafidain Bank	2	50.00	1.57%	2	50.00	1.64%	0.00%
	Citi Bank	2	50.00	1.57%	2	50.00	1.64%	0.00%
	Bank Audi	2	50.00	1.57%	2	50.00	1.64%	0.00%
	National Bank of Kuwait - Jordan	2	50.00	1.57%	2	50.00	1.64%	0.00%
	BLOM Bank	2	50.00	1.57%	2	50.00	1.64%	0.00%
	National Bank of Abu Dhabi	2	50.00	1.57%	2	50.00	1.64%	0.00%
Capital of Foreign Commercial Banks			411.43	12.92%		411.43	13.53%	0.00%
Capital of Banks Operating in Jordan			3,184.53	100.0%		3,040.03	100.0%	4.75%

Source: Banks' financial data

* Foreign Bank

Second: Banks' Ranking According to some Items of Income Statement

A. Banks' Ranking According to Pre-Tax Profit

The total pre-tax profit of banks operating in Jordan increased by 4.7% at the end of 2015, reaching to JD 862.7 million, of which JD 681.6 million went to Jordanian commercial banks (79% of total pre-tax profit); JD 109.9 million for Islamic banks (12.7% of total pre-tax profit) and JD 71.2 million for foreign banks (8.3% of total pre-tax profit).

Table (49): Pre-Tax Profit of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	pretax profit (JD million)	of Total % pretax profit	Ranking 2014	pretax profit (JD million)	of Total % pretax profit	
Jordanian Commercial Banks	Arab Bank	1	168.000	19.47%	1	166.000	20.14%	1.20%
	The Housing Bank for Trade & Finance	2	155.287	18.00%	2	116.184	14.10%	33.66%
	Bank of Jordan	3	63.400	7.35%	3	60.700	7.36%	4.45%
	Cairo Amman Bank	4	55.818	6.47%	5	51.233	6.22%	8.95%
	Bank Al-Etiihad	5	47.045	5.45%	8	34.451	4.18%	36.55%
	Jordan Kuwait Bank	6	40.400	4.68%	6	47.700	5.79%	-15.30%
	Arab Jordan Investment Bank	7	30.000	3.48%	9	30.800	3.74%	-2.60%
	Jordan Ahli Bank	8	27.900	3.23%	7	42.300	5.13%	-34.04%
	ABC Bank	9	23.113	2.68%	10	18.271	2.22%	26.50%
	Jordan Commercial Bank	10	22.480	2.61%	13	12.160	1.48%	84.87%
	Investbank	11	17.800	2.06%	11	13.300	1.61%	33.83%
	Societe General - Jordan	12	15.349	1.78%	12	12.854	1.56%	19.41%
	Capital Bank	13	15.000	1.74%	4	53.534	6.50%	-71.98%
	Pre-Tax Profit of Jordanian Commercial Banks			681.59	79.01%		659.49	80.02%
Islamic Banks	Bank	Ranking 2015	pretax profit (JD million)	% of Total pretax profit	Ranking 2014	pretax profit (JD million)	% of Total pretax profit	Change percentage (%)
	Jordan Islamic Bank	1	75.000	8.69%	1	64.000	7.77%	17.19%
	Islamic International Arab Bank	2	25.010	2.90%	2	19.092	2.32%	31.00%
	Al-Rajhi Bank *	3	5.124	0.59%	4	2.584	0.31%	98.25%
	Jordan Dubai Islamic Bank	4	4.800	0.56%	3	2.700	0.33%	77.78%
Pre-Tax Profit of Islamic Banks			109.93	12.74%		88.38	10.72%	24.39%
Foreign Commercial Banks	Bank	Ranking 2015	pretax profit (JD million)	% of Total pretax profit	Ranking 2014	pretax profit (JD million)	% of Total pretax profit	Change percentage (%)
	Bank Audi	1	20.600	2.39%	1	19.400	2.35%	6.19%
	BLOM Bank	2	19.000	2.20%	3	17.000	2.06%	11.76%
	Citi Bank	3	6.749	0.78%	4	7.482	0.91%	-9.79%
	National Bank of Abu Dhabi	4	6.324	0.73%	8	2.070	0.25%	205.54%
	National Bank of Kuwait - Jordan	5	6.200	0.72%	5	6.400	0.78%	-3.13%
	Standard Chartered Bank	6	6.064	0.70%	2	18.936	2.30%	-67.98%
	Egyptian Arab Land Bank	7	4.100	0.48%	7	2.500	0.30%	64.00%
Rafidain Bank	8	2.152	0.25%	6	2.541	0.31%	-15.31%	
Pre-Tax Profit of Foreign Commercial Banks			71.19	8.25%		76.33	9.26%	-6.73%
Pre-Tax Profit of Banks Operating in Jordan			862.71	100.0%		824.19	100.0%	4.67%

Source: Banks' financial data

* Foreign Bank

B. Banks' Ranking According to the After-Tax Net Profit

The total after tax net profit of banks operating in Jordan decreased by 2.5% at the end of 2015, reaching to JD 583 million, of which JD 461.34 million went to Jordanian commercial banks (79.1% of the total net profit), JD 72.4 million went to Islamic banks (12.4% of the total net profit) and JD 49.3 million for foreign banks (8.5% of the total net profit).

Table (50): Net After-Tax Profit of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	Ranking 2014	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	
Jordanian Commercial Banks	Arab Bank	1	114.000	19.55%	1	118.000	19.74%	-3.39%
	The Housing Bank for Trade & Finance	2	110.175	18.90%	2	87.150	14.58%	26.42%
	Bank of Jordan	3	41.900	7.19%	3	45.100	7.54%	-7.10%
	Cairo Amman Bank	4	38.078	6.53%	5	35.872	6.00%	6.15%
	Bank Al-Etihad	5	31.735	5.44%	8	26.063	4.36%	21.76%
	Jordan Kuwait Bank	6	25.800	4.43%	6	34.000	5.69%	-24.12%
	Jordan Ahli Bank	7	20.700	3.55%	7	30.700	5.14%	-32.57%
	Arab Jordan Investment Bank	8	20.100	3.45%	9	21.900	3.66%	-8.22%
	ABC Bank	9	15.262	2.62%	10	12.889	2.16%	18.42%
	Jordan Commercial Bank	10	14.720	2.52%	13	8.930	1.49%	64.84%
	Investbank	11	12.300	2.11%	11	10.500	1.76%	17.14%
	Societe General - Jordan	12	9.967	1.71%	12	9.182	1.54%	8.55%
	Capital Bank	13	6.607	1.13%	4	41.561	6.95%	-84.10%
Net After-Tax Profit of Jordanian Commercial Banks			461.34	79.13%		481.85	80.60%	-4.25%
Islamic Banks	Jordan Islamic Bank	1	49.000	8.40%	1	45.000	7.53%	8.89%
	Islamic International Arab Bank	2	16.638	2.85%	2	13.364	2.24%	24.50%
	Al-Rajhi Bank *	3	3.429	0.59%	4	1.680	0.28%	104.04%
	Jordan Dubai Islamic Bank	4	3.300	0.57%	3	1.900	0.32%	73.68%
Net After-Tax Profit of Islamic Banks			72.37	12.41%		61.94	10.36%	16.83%
Foreign Commercial Banks	Bank Audi	1	14.000	2.40%	1	13.500	2.26%	3.70%
	BLOM Bank	2	13.000	2.23%	3	12.000	2.01%	8.33%
	Standard Chartered Bank	3	5.650	0.97%	2	12.054	2.02%	-53.12%
	Citi Bank	4	4.144	0.71%	4	5.211	0.87%	-20.46%
	National Bank of Abu Dhabi	5	4.032	0.69%	8	1.536	0.26%	162.53%
	National Bank of Kuwait - Jordan	6	3.900	0.67%	5	4.300	0.72%	-9.30%
	Egyptian Arab Land Bank	7	3.100	0.53%	6	3.600	0.60%	-13.89%
	Rafidain Bank	8	1.461	0.25%	7	1.859	0.31%	-21.42%
Net After-Tax Profit of Foreign Commercial Banks			49.29	8.45%		54.06	9.04%	-8.83%
Net After-Tax Profit of Banks Operating in Jordan			583.00	100.0%		597.85	100.0%	-2.48%

Source: Banks' financial data

* Foreign Bank

Third: Banks' Ranking According to most Important Profitability Indicators

A. Banks' Ranking According to the Average Return on Assets

The average return on the assets of all banks operating in Jordan increased from 1.27% at the end of 2014 to 1.28% at the end of 2015. The average for Jordanian commercial banks was 1.33%, 0.93% for Islamic banks and 1.38% for foreign commercial banks.

Table (51): Average Return on Assets for the Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015		2014		Increase (decrease) Compared with last year
		Ranking 2015	Average Return on Assets %	Ranking 2014	Average Return on Assets %	
Jordanian Commercial Banks	Bank of Jordan	1	2.24%	1	2.51%	-0.27%
	Cairo Amman Bank	2	2.00%	3	1.90%	0.10%
	The Housing Bank for Trade & Finance	3	1.65%	6	1.40%	0.25%
	Investbank	4	1.55%	8	1.36%	0.19%
	ABC Bank	5	1.45%	10	1.28%	0.17%
	Bank Al-Etihad	6	1.37%	11	1.26%	0.11%
	Arab Bank	7	1.30%	8	1.36%	-0.06%
	Arab Jordan Investment Bank	8	1.20%	4	1.63%	-0.43%
	Jordan Commercial Bank	9	1.18%	13	0.69%	0.49%
	Jordan Kuwait Bank	10	1.10%	6	1.40%	-0.30%
	Societe General - Jordan	11	0.96%	12	1.22%	-0.26%
	Jordan Ahli Bank	12	0.94%	5	1.49%	-0.55%
	Capital Bank	13	0.37%	2	2.43%	-2.06%
Average Return on Assets for Jordanian Commercial Banks			1.33%		1.53%	-0.20%
Islamic Banks	Bank	Ranking 2015	Average Return on Assets %	Ranking 2014	Average Return on Assets %	Increase (decrease) Compared with last year
	Jordan Islamic Bank	1	1.33%	1	1.32%	0.01%
	Islamic International Arab Bank	2	1.00%	2	1.00%	0.00%
	Al-Rajhi Bank *	3	0.91%	3	0.48%	0.43%
Jordan Dubai Islamic Bank	4	0.46%	4	0.32%	0.14%	
Average Return on Assets for Islamic Banks			0.93%		0.78%	0.15%
Foreign Commercial Banks	Bank	Ranking 2015	Average Return on Assets %	Ranking 2014	Average Return on Assets %	Increase (decrease) Compared with last year
	Rafidain Bank	1	1.98%	8	0.40%	1.58%
	BLOM Bank	2	1.60%	2	1.49%	0.11%
	National Bank of Kuwait - Jordan	3	1.50%	4	1.30%	0.20%
	Bank Audi	4	1.47%	3	1.43%	0.04%
	Citi Bank	5	1.34%	1	1.72%	-0.38%
	Standard Chartered Bank	6	1.21%	5	1.00%	0.21%
	National Bank of Abu Dhabi	7	1.10%	7	0.50%	0.60%
Egyptian Arab Land Bank	8	0.80%	6	0.80%	0.00%	
Average Return on Assets for Foreign Commercial Banks			1.38%		1.08%	0.30%
Average Return on Assets for the Banks Operating in Jordan			1.28%		1.27%	0.01%

Source: Banks' financial data

* Foreign Bank

B. Average Return on Equity in Banks Operating in Jordan

The average return on equity of all banks operating in Jordan decreased from 9.88% at the of 2014 to 9.17% at the end of 2015. The average reached 9.84% for Jordanian commercial banks, 9.47% for Islamic banks and 7.93% for foreign commercial banks.

Table (52): Average Return on Shareholders' Equity for the Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015		2014		Increase (decrease) Compared with last year
		Ranking 2015	Average Return on % Equity	Ranking 2014	Average Return % on Equity	
Jordanian Commercial Banks	Cairo Amman Bank	1	14.24%	2	14.00%	0.24%
	Arab Bank	2	12.12%	5	13.26%	-1.14%
	Bank of Jordan	3	12.10%	3	13.90%	-1.80%
	The Housing Bank for Trade & Finance	4	12.01%	9	9.70%	2.31%
	Jordan Commercial Bank	5	11.88%	13	6.30%	5.58%
	Bank Al-Etihad	6	11.41%	7	10.17%	1.24%
	ABC Bank	7	10.90%	8	9.85%	1.05%
	Arab Jordan Investment Bank	8	10.50%	4	13.52%	-3.02%
	Investbank	9	8.70%	12	7.73%	0.97%
	Societe General - Jordan	10	8.37%	11	7.89%	0.48%
	Jordan Ahli Bank	11	6.90%	6	10.73%	-3.83%
	Jordan Kuwait Bank	12	6.20%	10	8.55%	-2.35%
	Capital Bank	13	2.60%	1	16.97%	-14.37%
Average Return on Shareholders' Equity for Jordanian Commercial Banks			9.84%		10.97%	-1.13%
Islamic Banks	Jordan Islamic Bank	1	16.42%	1	16.79%	-0.37%
	Islamic International Arab Bank	2	12.00%	2	11.00%	1.00%
	Al-Rajhi Bank *	3	6.94%	3	3.58%	3.36%
	Jordan Dubai Islamic Bank	4	2.50%	4	1.48%	1.02%
Average Return on Shareholders' Equity for Islamic Banks			9.47%		8.21%	1.25%
Foreign Commercial Banks	BLOM Bank	1	16.60%	1	16.37%	0.23%
	Bank Audi	2	14.26%	2	14.40%	-0.14%
	National Bank of Abu Dhabi	3	7.20%	7	2.80%	4.40%
	Standard Chartered Bank	4	6.60%	3	14.00%	-7.40%
	Citi Bank	5	6.42%	4	8.05%	-1.63%
	Egyptian Arab Land Bank	6	5.49%	5	7.50%	-2.01%
	National Bank of Kuwait - Jordan	7	4.70%	6	5.60%	-0.90%
	Rafidain Bank	8	2.18%	7	2.80%	-0.62%
Average Return on Shareholders' Equity for Foreign Commercial Banks			7.93%		8.94%	-1.01%
Average Return on Shareholders' Equity for the Banks Operating in Jordan			9.17%		9.88%	-0.71%

Source: Banks' financial data

* Foreign Bank

Fourth: Banks' ranking According to Bank Branching

A. Banks' Ranking According to the number of Branches inside Jordan

The total number of bank branches inside Jordan increased from 770 branches at the end of 2014 to 786 branches at the end of 2015. These are distributed as follows: 592 branches of Jordanian commercial banks (75.32% of total number of branches), 141 branches of Islamic banks (constituting 17.94% of total branches) and 53 branches of foreign commercial banks (6.74% of total branches).

Table (53): The Number of Branches of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2014	Number of Branches In Jordan	Ratio to Total Number of Branches %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	113	14.38%	1	113	14.68%	0.00%
	Arab Bank	2	75	9.54%	2	74	9.61%	1.35%
	Cairo Amman Bank	3	72	9.16%	3	69	8.96%	4.35%
	Bank of Jordan	4	70	8.91%	3	69	8.96%	1.45%
	Jordan Kuwait Bank	5	56	7.12%	5	56	7.27%	0.00%
	Jordan Ahli Bank	5	56	7.12%	6	55	7.14%	1.82%
	Bank Al-Etihad	7	38	4.83%	7	37	4.81%	2.70%
	Jordan Commercial Bank	8	27	3.44%	8	28	3.64%	-3.57%
	ABC Bank	8	27	3.44%	9	27	3.51%	0.00%
	Arab Jordan Investment Bank	10	18	2.29%	10	20	2.60%	-10.00%
	Societe General - Jordan	11	17	2.16%	11	16	2.08%	6.25%
	Capital Bank	12	12	1.53%	12	12	1.56%	0.00%
	Investbank	13	11	1.40%	13	10	1.30%	10.00%
The Number of Branches of Jordanian Commercial Banks			592	75.32%		586	76.12%	1.02%
Islamic Banks	Jordan Islamic Bank	1	73	9.29%	1	70	9.09%	4.29%
	Islamic International Arab Bank	2	41	5.22%	2	40	5.19%	2.50%
	Jordan Dubai Islamic Bank	3	21	2.67%	3	16	2.08%	31.25%
	Al-Rajhi Bank *	4	6	0.76%	4	6	0.78%	0.00%
The Number of Branches of Islamic Banks			141	17.94%		132	17.14%	6.82%
Foreign Commercial Banks	BLOM Bank	1	14	1.78%	1	14	1.82%	0.00%
	Bank Audi	2	13	1.65%	2	13	1.69%	0.00%
	Egyptian Arab Land Bank	3	10	1.27%	3	9	1.17%	11.11%
	Standard Chartered Bank	4	6	0.76%	4	6	0.78%	0.00%
	National Bank of Kuwait - Jordan	5	3	0.38%	5	3	0.39%	0.00%
	National Bank of Abu Dhabi	5	3	0.38%	5	3	0.39%	0.00%
	Rafidain Bank	7	2	0.25%	7	2	0.26%	0.00%
Citi Bank	7	2	0.25%	7	2	0.26%	0.00%	
The Number of Branches of Foreign Commercial Banks			53	6.74%		52	6.76%	1.92%
The Number of Branches of Banks Operating in Jordan			786	100.0%		770	100.0%	2.08%

Source: Banks' financial data

* Foreign Bank

B. Banks' Ranking According to the Number of ATMs inside Jordan

The total number of ATMs at banks inside Jordan increased from 1434 machine at the end of 2014 to 1488 machine at the end of 2015. These are distributed as follows: 1120 machines belonging to Jordanian commercial banks (constituting 75.3% of the total number of ATMs), 297 machines belonging to Islamic banks (20% of total ATMs), and 71 ATMs belonging to foreign commercial banks (4.8% of the total number of ATMs).

Table (54): The Number of ATMs of Banks Operating in Jordan at the end of 2014 and 2015

	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Number of ATMs	Ratio to Total Number of ATMs %	Ranking 2014	Number of ATMs	Ratio to Total Number of ATMs %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	214	14.38%	1	208	14.50%	2.88%
	Cairo Amman Bank	2	165	11.09%	2	189	13.18%	-12.70%
	Arab Bank	3	151	10.15%	3	146	10.18%	3.42%
	Bank of Jordan	4	118	7.93%	4	118	8.23%	0.00%
	Jordan Ahli Bank	5	100	6.72%	5	98	6.83%	2.04%
	Jordan Kuwait Bank	6	83	5.58%	6	79	5.51%	5.06%
	Bank Al-Etihad	7	59	3.97%	8	52	3.63%	13.46%
	ABC Bank	8	51	3.43%	7	53	3.70%	-3.77%
	Arab Jordan Investment Bank	8	51	3.43%	9	51	3.56%	0.00%
	Jordan Commercial Bank	10	45	3.02%	10	41	2.86%	9.76%
	Capital Bank	11	38	2.55%	11	30	2.09%	26.67%
	Investbank	12	28	1.88%	12	22	1.53%	27.27%
	Societe General - Jordan	13	17	1.14%	13	17	1.19%	0.00%
	The Number of ATMs of Jordanian Commercial Banks			1120	75.27%		1104	76.99%
Islamic Banks	Jordan Islamic Bank	1	169	11.36%	1	147	10.25%	14.97%
	Islamic International Arab Bank	2	57	3.83%	2	52	3.63%	9.62%
	Al-Rajhi Bank *	3	36	2.42%	3	32	2.23%	12.50%
	Jordan Dubai Islamic Bank	4	35	2.35%	4	30	2.09%	16.67%
	The Number of ATMs of Islamic Banks			297	19.96%		261	18.20%
Foreign Commercial Banks	Bank Audi	1	25	1.68%	1	23	1.60%	8.70%
	BLOM Bank	2	14	0.94%	2	14	0.98%	0.00%
	Egyptian Arab Land Bank	2	14	0.94%	3	13	0.91%	7.69%
	Standard Chartered Bank	4	8	0.54%	4	8	0.56%	0.00%
	National Bank of Kuwait - Jordan	5	6	0.40%	5	7	0.49%	-14.29%
	National Bank of Abu Dhabi	6	4	0.27%	6	4	0.28%	0.00%
	Rafidain Bank	7	0	0.00%	7	0	0.00%	-
	Citi Bank	7	0	0.00%	7	0	0.00%	-
The Number of ATMs of Foreign Commercial Banks			71	4.77%		69	4.81%	2.90%
The Number of ATMs of Banks Operating in Jordan			1488	100.00%		1434	100.00%	3.77%

Source: Banks' financial data

* Foreign Bank

Fifth: Human Resources of Banks Operating in Jordan

A. Banks' Ranking According to the Number of Employees

The total number of employees in all banks operating in Jordan increased from 19433 employees at the end of 2014 to 20095 employees at the end of 2015. Of the total, 15033 employees in Jordanian commercial banks (74.8% of the total number of employees), 3672 employees in Islamic banks (18.3% of the total number of employees), and 1390 employees in foreign commercial banks (6.9% of the total number of employees).

Table (55): Number of Employees at Banks Operating in Jordan at the end of 2014 and 2015

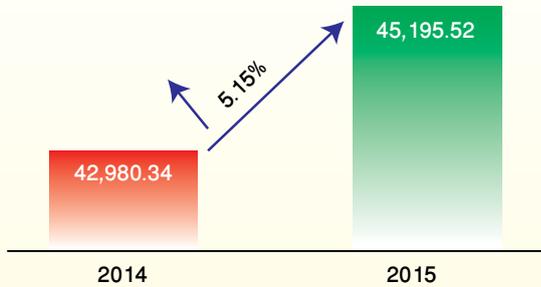
	Bank	2015			2014			Change percentage (%)
		Ranking 2015	Number Of Employees	Ratio to Total Employees %	Ranking 2014	Number Of Employees	Ratio to Total Employees %	
Jordanian Commercial Banks	Arab Bank	1	2934	14.60%	1	2826	14.54%	3.82%
	The Housing Bank for Trade & Finance	2	2363	11.76%	2	2260	11.63%	4.56%
	Cairo Amman Bank	3	1614	8.03%	3	1587	8.17%	1.70%
	Bank of Jordan	4	1489	7.41%	4	1508	7.76%	-1.26%
	Jordan Ahli Bank	5	1416	7.05%	5	1432	7.37%	-1.12%
	Jordan Kuwait Bank	6	1100	5.47%	6	1002	5.16%	9.78%
	Bank Al-Etihad	7	915	4.55%	7	848	4.36%	7.90%
	Arab Jordan Investment Bank	8	714	3.55%	9	746	3.84%	-4.29%
	Jordan Commercial Bank	9	695	3.46%	8	769	3.96%	-9.62%
	Capital Bank	10	575	2.86%	10	557	2.87%	3.23%
	ABC Bank	11	500	2.49%	11	489	2.52%	2.25%
	Investbank	12	461	2.29%	12	381	1.96%	21.00%
	Societe General - Jordan	13	257	1.28%	13	232	1.19%	10.78%
Number of Employees at Jordanian Commercial Banks			15033	74.81%		14637	75.32%	2.71%
Islamic Banks	Jordan Islamic Bank	1	2148	10.69%	1	2051	10.55%	4.73%
	Islamic International Arab Bank	2	852	4.24%	2	795	4.09%	7.17%
	Jordan Dubai Islamic Bank	3	424	2.11%	3	357	1.84%	18.77%
	Al-Rajhi Bank *	4	248	1.23%	4	147	0.76%	68.71%
Number of Employees at Islamic Banks			3672	18.27%		3350	17.24%	9.61%
Foreign Commercial Banks	BLOM Bank	1	382	1.90%	1	440	2.26%	-13.18%
	Egyptian Arab Land Bank	2	307	1.53%	2	298	1.53%	3.02%
	Bank Audi	3	269	1.34%	3	261	1.34%	3.07%
	Standard Chartered Bank	4	196	0.98%	4	220	1.13%	-10.91%
	National Bank of Kuwait - Jordan	5	98	0.49%	5	92	0.47%	6.52%
	Citi Bank	6	66	0.33%	6	58	0.30%	13.79%
	National Bank of Abu Dhabi	7	53	0.26%	7	55	0.28%	-3.64%
	Rafidain Bank	8	19	0.09%	8	22	0.11%	-13.64%
Number of Employees at Foreign Commercial Banks			1390	6.92%		1446	7.44%	-3.87%
Number of Employees at Banks Operating in Jordan			20095	100.00%		19433	100.00%	3.41%

Source: Banks' financial data

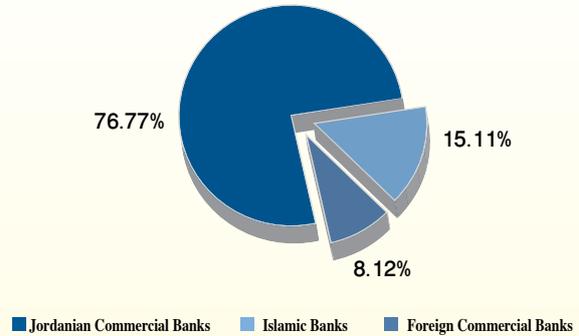
* Foreign Bank

Sixth: Summary of the Most Important Financial Indicators of Banks Operating in Jordan

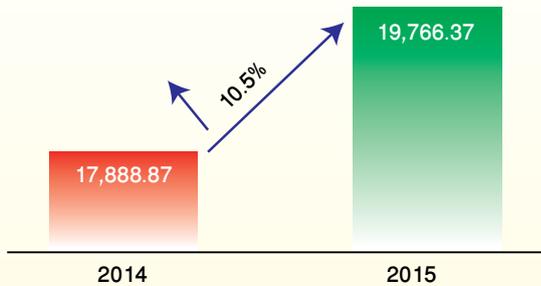
Total Assets of Banks Operating in Jordan (JD Million)



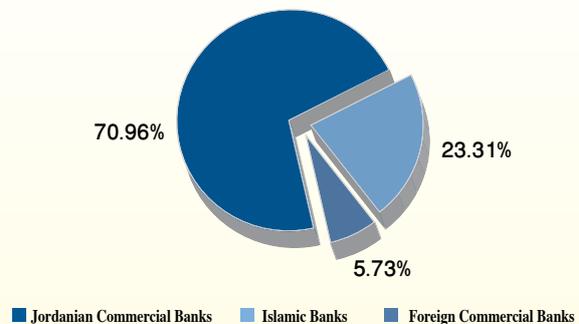
Distribution of Total Assets of Banks Operating in Jordan at the End of 2015



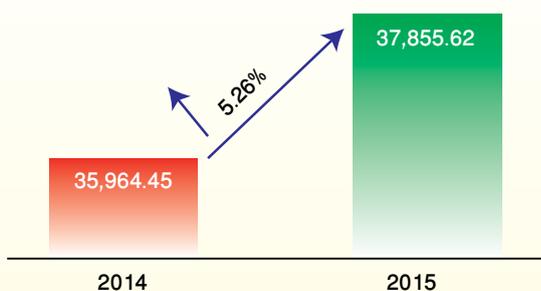
Total Direct Credit Facilities net Extended by Banks in Jordan (JD Million)



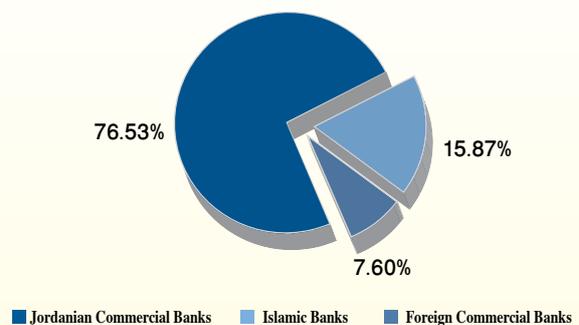
Distribution of Total Direct Credit Facilities Extended by Banks in Jordan at the End of 2015



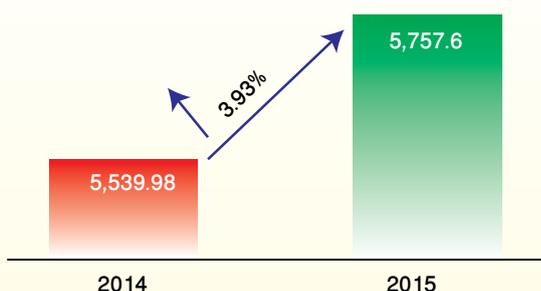
Total Deposits at Banks Operating in Jordan (JD Million)



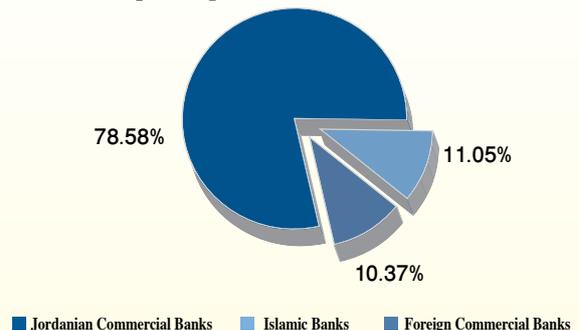
Distribution of Total Deposits at Banks Operating in Jordan at the End of 2015



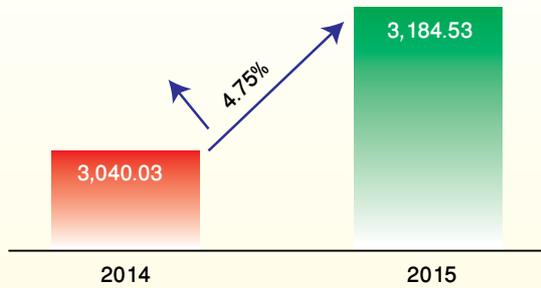
Total Shareholders' Equity of Banks Operating in Jordan (JD Million)



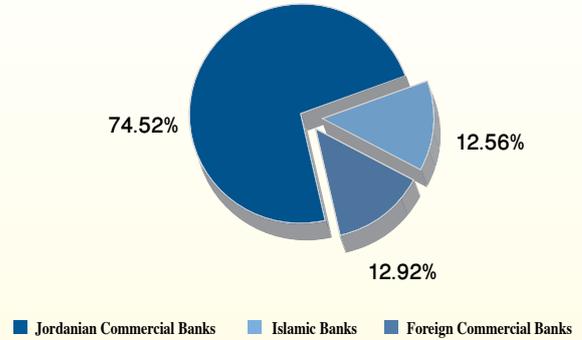
Distribution of Shareholders' Equity of Banks Operating in Jordan at the End of 2015



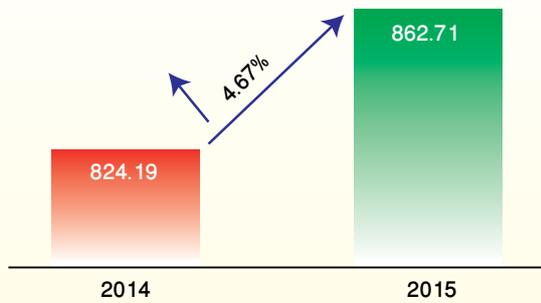
Total Capital of Banks Operating in Jordan (JD Million)



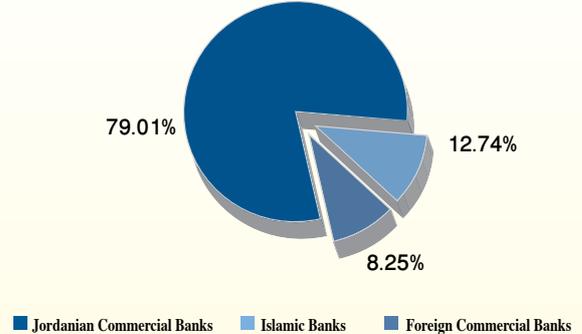
Distribution of Capital of Banks Operating in Jordan at the End of 2015



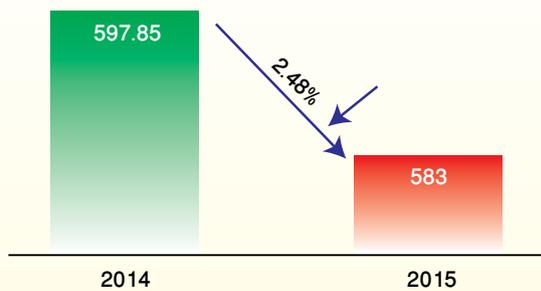
Total Pre-Tax Profit of Banks Operating in Jordan (JD Million)



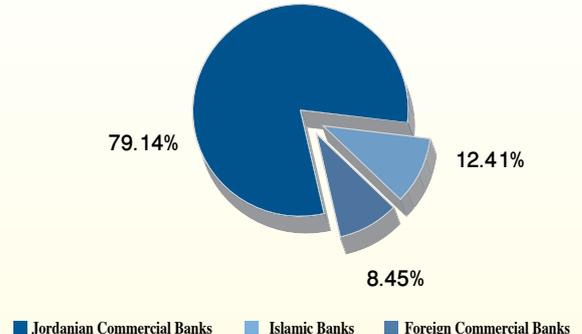
Distribution of Pre-Tax Profit of Banks Operating in Jordan at the End of 2015



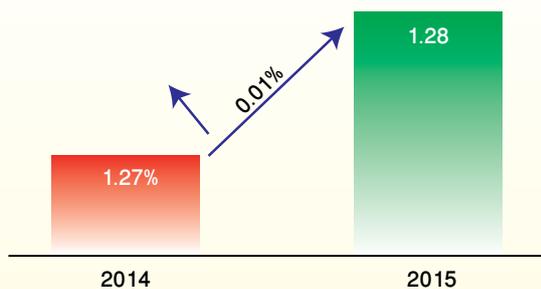
Total After Tax Profit of Banks Operating in Jordan (JD Million)



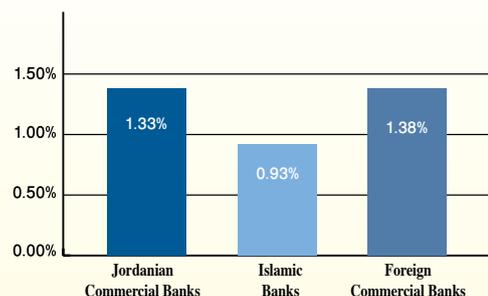
Distribution of After Tax Profit of Banks Operating in Jordan at the End of 2015



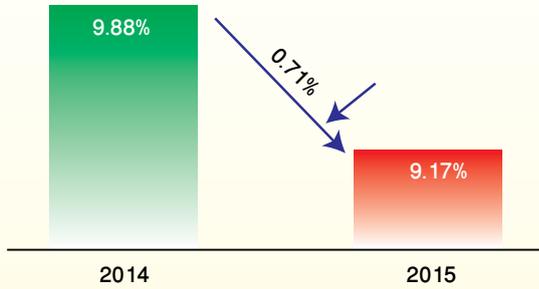
Return on Assets for Banks Operating in Jordan (%)



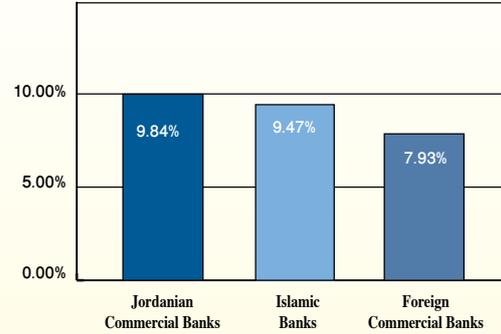
Distribution of Return on Assets for Banks Operating in Jordan at the End of 2015



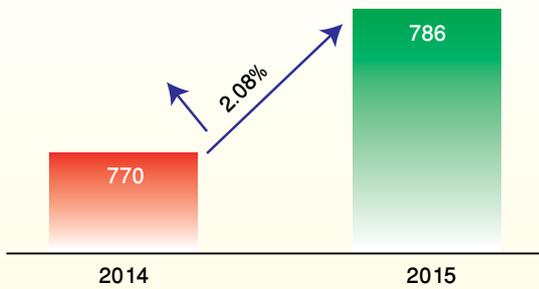
Return on shereholder's Equity for Banks Operating in Jordan (%)



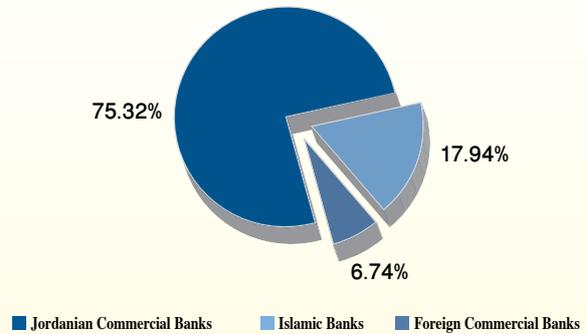
Distribution of Return on shereholder's Equity for Banks Operating in Jordan at the End of 2015



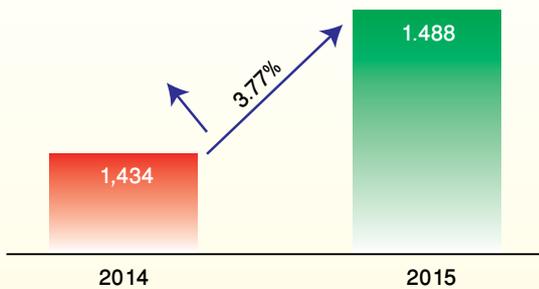
Total Number of Branches of Banks Operating in Jordan



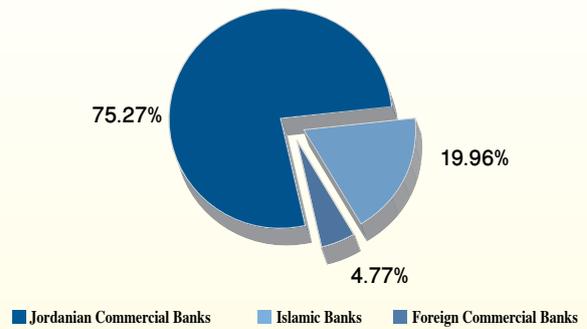
Distribution of Number of Branches of Banks Operating in Jordan at the End of 2015



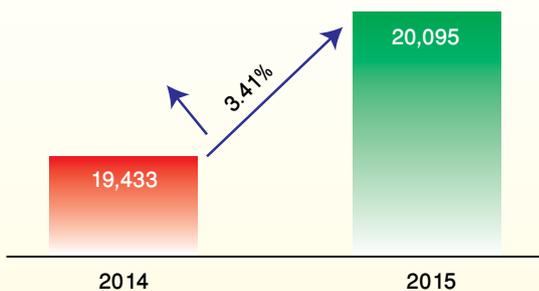
Total Number of ATMs of Banks Operating in Jordan



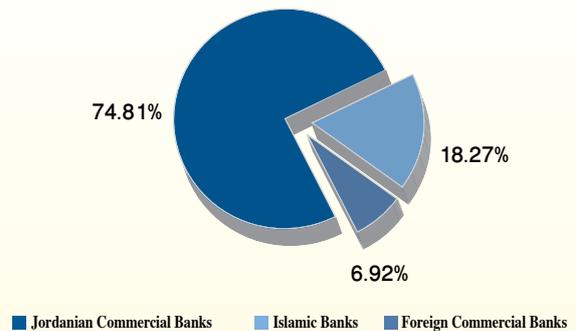
Distribution of Number of ATMs of Banks Operating in Jordan at the End of 2015



Total Number of Employees in Banks Operating in Jordan



Distribution of Number of Employees in Banks Operating in Jordan at the End of 2015







Chapter Nine

New Banking

Services

As part of their continuous strive to upgrade and develop their services to be in line with the newest in banking, banks in Jordan introduced a variety of new banking products in the services they provide. The following table is an illustration of the most outstanding new services banks introduced to their clients in 2015.

Table (56)

New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier
Arab Bank	Online shopping card issued promptly in branches	An online shopping card is immediately issued and delivered to the client in the same branch.	CompusPlus
	Arabi Net	Cash withdrawals available at the Arab Bank ATMs through the bank's internal ATM network without having to pass the transaction to the international networks working in those areas.	CompusPlus
	Control of credit cards' installments	Amending the percentage of monthly payment of credit card installments directly through the Arabi Online service without having to visit the branch.	Internally developed.
Jordan Ahli Bank	Exclusively for individuals' sector		
	Launching of Business Master Card, exclusive for SMEs' clients.	Master Card given to SMEs' clients with a specified and renewable credit ceiling. It helps enterprises to run their operational expenses of the business. It is not for personal use. It benefits of a number of advantages and discounts. The card has three different categories to give it to employees of some positions inside the enterprise.	Internally developed
	Launching of Ahli SME clients' program	A special program Jordan Ahli offers to its SMEs clients to reward them with good discounts from a network of businessmen to meet their different professional needs. It has also the advantage of adding up points when using credit cards to settle the business' different expenses.	Internally developed
	World Elite Master Card	Credit card with special advantages given to a specific category of clients. Insurance coverage of certified amounts had been added to holders of this card to use in travel. It has also the advantage of entering the VIP lounges in more than 700 airports around the world with the Priority Pass Card. It enjoys special discounts in many restaurants and touristic sites in the world.	Master Card Worldwide
	Nashmeyyat initiative	It strives to support women entrepreneurs and increase their contribution to economic growth. Its purpose is to help women-led businesses grow and expand, and to encourage them to hire qualified women and increase the percentage of women in labour market. These are some of the advantages of this initiative: - Providing courses specially designed to meet the needs of women entrepreneurs and professionals through the Ahli bank Academy Unit for SMEs.- Enabling Nashmeyyat to have commercial registration and participate in Arab and international conferences. - Promoting Nashmeyyat work in special columns and highlighting their success story through the bank's online magazine (Smart Company) that specializes in SMEs. - Providing consultations to Nashmeyyat clients in different fields to enhance their financial knowledge and management of their assets to make the optimal benefit of money in investments and improving financing chances.	Internally developed

Continued / Table (55): New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier	
Continued/ Jordan Ahli Bank	Nashmeyyat product to finance your purchases	The product is launched under the Nashmeyyat initiative. A renewable credit ceiling reaches 100 thousand dinars at a competitive interest rate to finance deferred purchases of SMEs totally or partially owned or run by women. There is a possibility of using 10% of the ceiling to issue My Business credit card as part of the credit approval of the debt ceiling while enjoying credit card advantages. Financing percentage reaches 90% of commercial bills value of deferred purchases. No collaterals are required.	Internally developed.	
	Motorcycles loan	A loan to finance purchase of motorcycles with a ceiling that could reach 40 thousand JDs. Settlement period of 48 months. Second-hand motorcycles are included. Term of financing is increased	Internally developed with Harley Davidson Co.	
	Special to SMEs sector			
	Nashmeyyat product	The product was launched in Sep. 2015 as a manifestation of the bank's faith in its corporate responsibility of empowering women and enhancing their entrepreneurial role. This is a renewable loan to finance purchases – a fixed and renewable credit ceiling given to SMEs clients that are totally or partially owned or run by women, to finance deferred purchases. Credit card to SMEs with the value of «My Business.» The product gives a choice of having an in advance approval of a card of 10% of the ceiling required for the business. Max limit of the product is 100 thousand JD. Minimum limit is 5 thousand. Low interest rate of 5.5% or 6.5%. It does not require collaterals for qualified clients. Possibility of providing a collateral or a bank if there is a condition to this effect. The financing can reach 90% of commercial bills of deferred purchases; and the settlement terms are flexible.		
	My Business Card for SMEs	The first of its kind in the local market. A specialized product that serves three levels in the business: higher management, middle management and employees. It meets SMEs needs. Our clients can pay with the card the business's expenses and benefit of discounts, points and other advantages available in this card. This is a credit card with a limited and renewable ceiling used by SMEs clients. The ceiling is given from the business's accounts and allows its holder to settle the whole used balance or a certain percentage of it with interest at the end of each month. Holders can benefit of advantages of Walaa program by collecting and transferring them to bonuses and discounts.		
	Loans financed by the Arab Fund and the World Bank	The 1 st World Bank loan: total value granted to us is 4 million JD. It is allocated to SMEs' sector at low interest rate. The loan was used in full. The Arab Fund loan. Total value 2.7 million JD, allocated to SMEs' sector at low interest rate. 1 st disbursement of 1.35 million JD was used in full. The second & last installment was disbursed & allocated to Nashmeyyat product to be lent at low interest rate. Arab International Bank loan. Amount: 2.305 million JD with the same conditions as the 1 st WB loan.		
	Facilities to CBJ advances. This includes renewable energy products; tourism advances products, agricultural advances products & industrial advances products.	These products give the bank the liberty to study the product relevant to the financed sector as meets its needs, provided that the facilities are in JOD. Financing is a discounted loan that reaches 5 years in tourism, industry and agriculture sectors, and 10 years for renewable energy loans. The goal behind not having restrictions is to encourage those sectors to serve local community. However, the bank makes sure that the loan is only used for its intended purpose. A grace period might amount to a year. The facilities for any one client should not exceed 5 million JD. It is stipulated that the loan should not exceed 5% of total facilities given to bank clients at the direct facilities portfolio. Loans are: - The renewable energy loan. Interest rate does not exceed 5%; it is not changeable for the whole contract term. A grace period of a year aiming at funding max. 90% (of all installations) to generate power from the solar, wind or any other form of energy), with fixed assets financing. Fixture, equipment and machines. Loan settlement period reaches 10 years. - Industrial loans. Interest rate no more than 5% that is not changeable for the whole contract term. A grace period of a year aiming at funding max. 90% of purchasing raw materials, spare parts, equipment or machines; financing changing or building new industrial units or expanding the existing ones, financing fixed assets, fixtures, production lines or expanding the factory or buying an industrial land. - Agricultural loans. Interest rate no more than 5% that is not changeable for the whole contract term. A grace period of a year aiming at funding different agricultural needs of clients; flexible settlement conditions that suit agriculture changing circumstances. - Tourism loan. Interest rate no more than 5% that is not changeable for the whole contract term. A grace period of a year aiming at funding rest houses, restaurants and resorts rest houses.		

Continued / Table (55): New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier
Cairo Amman Bank	Master Card	A shift from Visa Card to Master Card	Master Card, EMP, CAB
	Prepaid smart college cards	This product targets many universities like the Jordan University, Yarmouk University and Princess Sumayya University	Master Card, EMP, CAB
Bank of Jordan	The new BOJ website	The website launched to be appropriate to the new branding of the bank.	DOT.JO
	0% interest of installment sales program	One of Loyalty programs granted to BOJ credit card holders. Clients could pay for purchases on credit card at equal monthly installments for a specified period and at 0% interest rate.	EMP
	Keeping existing housing loans	A new program to re-price existing application for housing loans to keep bank clients.	Internally developed
	Finalizing SLA agreements	Following up service level with individuals' credit and loans' execution departments to expedite finalizing applications. This is a competitive advantage whether for existing or new clients.	Internally developed
	Mechanism to follow up deposits clients	Follow up clients who withdrew their deposits and propose suggestions to keep them.	Internally developed
	Checkbook requests	Amending instructions to give checkbooks to clients classified as individuals.	Internally developed
	Tracking potential clients' course	Starting to track expected clients by asking branches to provide us with the important remarks and inquiries of clients applying for products. Providing timely and necessary reports to develop products.	Internally developed
	Quality service booklet	Booklet targets new employers to spread the culture, standards, vision and goals of quality service.	Internally developed
	Customer satisfaction study of the bank, also compared with competing banks	BOJ contracted a third party to contact a sample of customers to assess their satisfaction with bank services according to targeted components.	Third part National Customer Service Management Co CMG
	Mystery client program	Aimed at assessing the clients' experience, ascertaining how close or far it is from BOJ's standards and criteria and how it compares with competing banks	Nielsen for Consultancies
The Housing Bank for Trade & Finance	Protecting my Family product launched as part of bank insurance product	It provides insurance coverage of clients against risks of natural & accident deaths. Additional insurance against risks of permanent total or partial disability resulting of an accident. The product is launched in cooperation with American Life Insurance Co (ALICO).	In cooperation with ALICO
	FawateerCom service through branches	It permits clients and others to review and pay bills of public services as well as prepaid services and donations to charities.	Madofoo3atcom (CBJ)
	Mobile payment	Clients can easily and safely receive and pay money to stores, individuals and government bodies, to and from their accounts instantly and by themselves around the clock through their mobile number or Alice.	Madofoo3atcom (CBJ)
	Eye print service	HBTF implemented eye print service that allows clients to do many transactions without having to present their ID or using ATC	Iris Guard Inc.

Continued / Table (55): New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier
The Housing Bank for Trade & Finance	Protecting my Family product launched as part of bank insurance product	It provides insurance coverage of clients against risks of natural & accident deaths. Additional insurance against risks of permanent total or partial disability resulting of an accident. The product is launched in cooperation with American Life Insurance Co (ALICO).	In cooperation with ALICO
	FawateerCom service through branches	It permits clients and others to review and pay bills of public services as well as prepaid services and donations to charities.	Madofoo3atcom (CBJ)
	Mobile payment	Clients can easily and safely receive and pay money to stores, individuals and government bodies, to and from their accounts instantly and by themselves around the clock through their mobile number or Alice.	Madofoo3atcom (CBJ)
	Eye print service	HBTF implemented eye print service that allows clients to do many transactions without having to present their ID or using ATC	Iris Guard Inc.
Jordan Kuwait Bank	Collecting bills through eFAWATEERcom	An efficient, central and comprehensive system that provides showing and collecting bills electronically. It is used at the following channels: - Tellers - Internet banking - Mobile banking	Access to Arabia
	Interactive Teller Machines (ITM)	An innovative interactive technology that permits clients to perform different transactions and get bank services through multi-functional ATMs. A central customer service clerk who has audio-visual interaction with the customer all the way, until the customer finishes the required transaction runs this.	NCR
	Direct call center	This offers non-stop services around the clock all over the year, even in holidays and severe weather conditions. Qualified clerks work in shifts to receive calls and answer inquiries on bank products by using a number of highly efficient modern systems. All phone calls are recorded and documented for retrieval and follow up.	Bayan Co for Administrative Consultations & SAP/ PIO Tec
Arab Jordan Investment bank	Paying bill through e-FawateerCom	It permits bank clients to pay their due bills through internet banking and by tellers in branches.	A2A E-FAWATEERCom
	Uploading companies' salaries through internet banking	A new service to companies that can now upload the salaries of their employees through their own internet banking.	ICSFS
	Upgrading credit cards	Visa Gold cards of clients were upgraded to Visa Platinum	EMP
Jordan Commercial Bank	Car loans	- Meets needs of all social segments - Competitive interest rates - Flexible settlement terms - 100% financing - New and second-hand cars	Car financing unit
Investbank	I bank application on smart phones	It allows clients to do their bank transactions anytime and anywhere through an easy and safe platform designed to android and iOS operated smart phones.	External supplier ACCU Solutions
	Salary account and salaries	It serves employees whose salaries are transferred by their employers to the bank. They have a variety of additional advantages and services that are easily and quickly done.	Internally developed
	Visa Electron card service	It enables clients to run their Visa Electron debit card through the iBank. A customer can control all his/her visa electron cards in his/ her account to change the daily ceiling of cash withdrawals and purchases ceiling through sales points without having to contact the bank.	Internally developed
	I cash through the iBank	It enables the customer to get an advance from his transferred salary without an interest. The whole amount of the advance will be settled once the salary is transferred. The service is done through iBank, internet banking and after getting automatic and instant approval.	Internally developed

Continued / Table (55) : New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier
ABC Bank	- Call center - IVR - Interactive Voice Response (Phone banking)	Self-service for clients. They can register and transact financial and non-financial movements on their accounts.	AFS company
Bank Al-Etihad	Loans for real estate under construction	Agreement with Issam Khateeb, AYL A and other real estate developers like Eagle Hills and Sarraj Group to give their customers a real estate under construction loan.	Bank al Etihad
	Paying for credit card purchases in installments (Easy Payment Plan)	It allows paying purchases done through Bank al Etihad credit cards in installments. This is valid at the sale points that the bank has agreements with at a zero% interest.	EMP
	Prepaid cards for Bank al Etihad clients and others	Cards that the client charge with a special balance to be used later without having to pay any monthly dues. This is the latest ways in electronic payments done through cards.	Visa & EMP
	VBV (Verified by Visa) service added to credit cards	It adds safety to clients registering in this service when they use it for online shopping	Visa & EMP
	Signature & infinite cards. (Instant register)	A service for top clients. It is the highest kind of Visa credit cards. It supplies clients with extra services that meet their needs and desires.	Visa & EMP
	Salary account. A new plan added to the savings fund	It allows the client to choose the plan that suits his/her aspirations and needs. It also launched the plan of transferring salaries to the right salary accounts.	Bank al Etihad
	Etihad Ultimate Rewards	It rewards the client for all his/her bank transactions and not only on the credit card movements.	Modym company
Capital Bank	Easy Payment Plan (EPP)	Clients with Visa credit card can buy all they need from partners in the program. Possibility of paying in installments over 12 months at a zero% interest.	EMP
	Capital Bank entertainer App	This application offers bank clients with an added value of having exclusive offers from a wide range of restaurants, hotels and resort, in addition to travel offers around the world. One of Loyalty programs that are a pioneer in banks.	The Entertainer™
	e-banking	It allows bank customers to run their accounts or inquire about them. Possibility of internal and external transfers and settling bills with e-FawateerCom, settling Visa credit card accounts and other services around the clock.	Access To Arabia
	Capital call center for customer service	We developed provided services to have the best and speediest way of serving customers.dit card accounts and ot range of restaurants, hotels and reso	CrysTelCall
	The new ATM system	Developing a nd updating the back-up system of services provided through the ATM network. It has the highest technical standards. It also provides different services like eFawateerCom.	MDSL – FIS
	Variety of services and products for SMEs> sector	<ul style="list-style-type: none"> - Government and private contracts Financing - Working capital, purchases and sales financing - Sales financing against depositing settlement checks - Housing financing program - Fixed assets financing 	

Continued / Table (55): New banking services introduced in 2015

Bank	Service name	Short description of service	Service supplier
Jordan Islamic Bank	Renewable energy Product	It finances renewable energy systems through Morabaha	FACT (Technology for Future Applications)
	Shifa product, at the cash price	It finances the costs of medications and surgeries.	FACT (Technology for Future Applications)
	Family card product	Prepaid card that the bank issues. It is a personal card for the judgment beneficiary of execution cases at Sharia courts. It allows holder to get the cash specified in the card balance through ATMs or sale points.	Internally developed
	ATM network expanded	The number of ATMs all over the kingdom reached 159 machines at the end of 2015.	Diebold, NCR, Wincor
	Producing and developing new services on electronic channels	Cash deposit service on the ATM. Paying bills on internet banking	Payment Systems Co, HPS
Islamic International Arab Bank	IVR service	An interactive phone service that keeps customers constantly in touch with their accounts, making many financial movements and inquiries. Customers enter the system through the Visa Debit and Visa Electron data without having to making a prerecording for the service.	CISCO
	Principal restricted investment agency	A formula in line with Islamic Sharia was developed to benefit of the advances granted by the CBJ to support industry, agriculture, tourism, renewable energy and IT sectors by providing financing at a low return.	Developed with the CBJ
	Installments of takaful insurance at the cash price	The bank puts into installments the amount of health insurance and total insurance on vehicles documents issued by Islamic insurance companies for 12 months and without profits.	Internally developed
Jordan Dubai Islamic Bank	Visa Signature cards	Visa Signature is especially designed for elite clients. It gives offers, discounts and exclusive advantages to its holders like the free entrance to VIP lounges in 500 airports around the world in addition to offers and discounts at various world shopping centers, etc.	Internally and externally developed
	Financing shares through Morabaha	Financing through Morabaha that gives clients the chance to buy shares in line with Sharia law at Amman Stock Exchange	Internally developed
	Deposit box service	The bank offers its clients this service to keep their invaluable assets in a safe and secret environment against annual renewal fees. Boxes come at 3 sizes.	Internally developed
	Investment deposit certificates	The first bank to launch investment deposit certificates in line with Islamic Sharia that permits investing money for different terms. It pays high returns each 3 months.	Internally developed
	Corporate savings account	An investment savings account based on exclusively Sharia stock market speculation. It is exclusive for corporations and institutions. Has many advantages in terms of distribution of profits.	Internally developed
Egyptian Arab Land Bank	Electronic account statement	Getting account statements electronically	Access 2 Arabia
	fawateerCom	Settling bills and subscriptions through the internet bank and mobile bank.	Access 2 Arabia
Blom Bank	fawateerCom	Service to pay bills	
National Bank of Abu Dhabi	fawateerCom	Clients can pay their bills via the bank	CBJ





A nighttime photograph of a city skyline reflected in a body of water. The lights of the buildings and a flagpole are visible, creating a shimmering reflection on the dark water. A large red curved graphic element is overlaid on the left side of the image.

Chapter Ten

Human Resources in Banks Operating in Jordan



This chapter reviews some selected indicators of human resources in the banks operating in Jordan, including the development of the number of employees according to gender (males and females); the distribution of employees of banks according to the educational qualifications; and the distribution of employees according to age groups, in addition to the distribution of employees according to the marital status; to the geographical area; and, finally, according to the number of employees enrolled in training courses and according to the bank. Resignations and appointments are also included.

1. Number of Employees

The number of employees in banks operating in Jordan increased in 2015 by 3.4% compared with 2014, thus reaching the number of 20095 employees of both genders.

Table (57)

Distribution of Bank Employees by Gender (2007 – 2015)

Year	Males	Relative Distribution %	Females	Relative Distribution %	Total	Change percentage (%)
2007	10160	67.44	4905	32.56	15065	6.4
2008	10611	66.83	5267	33.17	15878	5.4
2009	10406	65.90	5384	34.10	15790	-0.6
2010	10938	65.84	5675	34.16	16613	5.2
2011	11434	65.91	5913	34.09	17347	4.4
2012	11765	65.85	6101	34.15	17866	3.0
2013	12188	66.16	6235	33.84	18423	3.1
2014	12816	65.95	6617	34.05	19433	5.5
2015	13212	65.75	6883	34.25	20095	3.4

Source: Banks' data

As for the distribution of bank employees according to gender, the percentage of males dropped from 67.4% in 2007 to 65.8% at the end of 2015. As such, the percentage of females went up from 32.6% in 2007 to 34.3% at the end of 2015. These statistics indicate a continued rise in the percentage of participation by both genders in the Jordanian banking sector positioning it with the highest gendered sector among Jordanian economic sectors.

2. Distribution of Bank Employees according to Academic Qualifications

The educational level for banks' employees continued to improve as those holding doctorate, masters, bachelor and higher diploma degrees accounted for 76% of the total number of employees at the end of 2015 compared to 63% in the year 2007. The number of diploma holders declined reaching 11.9% at the end of 2015. In addition, The percentage of workers who hold Tawjihi certificates or less drop to 12.2% at the end of 2015.

Table (58)

Distribution of Bank Employees by Education Level (2007 – 2015)

year	Doctorate		Master		Bachelor and higher diploma		Diploma		Tawjihi		Without Tawjihi		Total
	#	%	#	%	#	%	#	%	#	%	#	%	
2007	26	0.2	834	5.5	8638	57.3	2844	18.9	1268	8.4	1455	9.7	15065
2008	32	0.2	904	5.7	9402	59.2	2761	17.4	1224	7.7	1555	9.8	15878
2009	33	0.2	938	5.9	9304	58.9	2803	17.8	1206	7.6	1506	9.5	15790
2010	38	0.2	1043	6.3	10125	60.9	2677	16.1	1113	6.7	1617	9.7	16613
2011	38	0.2	1103	6.3	10781	62.2	2607	15.0	1119	6.5	1699	9.8	17347
2012	36	0.2	1146	6.4	11372	63.7	2595	14.5	1059	5.9	1658	9.3	17866
2013	42	0.2	1189	6.5	12035	65.3	2535	13.8	1046	5.7	1576	8.6	18423
2014	47	0.2	1247	6.4	13035	67.1	2486	12.8	1037	5.3	1581	8.1	19433
2015	55	0.3	1263	6.3	13941	69.4	2383	11.9	911	4.5	1542	7.7	20095

Source: Banks' data

3. Distribution of Bank Employees by Age Groups

The percentage of employees aged less than 25 years decreased from 13% in 2014 to 12.2% in 2015, in addition the percentage of employees aged between 40 years and 59 years decreased from 25.2% in 2014 to 24.2% in 2015. whereas the percentage of those aged between 25 and 39 years of age increased from 61.4% in 2014 to 63.3% in 2015. in addition the percentage of those above 60 years of age and still employed remained unchanged at 0.4%.

Table (59)

Distribution of Bank Employees By Age Group (2007 -2015)

Year	Less than 25 years		25-39 years		40-59 years		More than 60 years		Total
	#	%	#	%	#	%	#	%	
2007	2541	16.9	8196	54.4	4251	28.2	77	0.5	15065
2008	2747	17.3	8944	56.3	4107	25.9	80	0.5	15878
2009	2277	14.4	9316	59.0	4089	25.9	108	0.7	15790
2010	2218	13.4	9956	59.9	4340	26.1	99	0.6	16613
2011	2431	14.0	10295	59.3	4534	26.1	87	0.5	17347
2012	2426	13.6	10687	59.8	4668	26.1	85	0.5	17866
2013	2232	12.1	11252	61.1	4856	26.4	83	0.5	18423
2014	2532	13.0	11930	61.4	4890	25.2	81	0.4	19433
2015	2453	12.2	12715	63.3	4854	24.2	73	0.4	20095

Source: Banks' data

4. Marital Status of Employees

The percentage of single employees to the total number of workers in banks went down to 38.1% in 2015 compared with 38.3% in 2014, whereas the percentage of married employees went up to 61.9% of the total employees, compared to 61.7% in 2014.

Table (60): Distribution of Bank Employees By Social Status (2007 -2015)

Year	Singles		Married		Total
	#	%	#	%	
2007	6364	42.2	8701	57.8	15065
2008	6762	42.6	9116	57.4	15878
2009	6174	39.1	9616	60.9	15790
2010	6703	40.3	9910	59.7	16613
2011	6708	38.7	10639	61.3	17347
2012	6788	38.0	11078	62.0	17866
2013	6901	37.5	11522	62.5	18423
2014	7434	38.3	11999	61.7	19433
2015	7661	38.1	12434	61.9	20095

Source: Banks' data

5. Geographical Distribution of Bank Employees by Governorate

The number of employees in banks in the governorate of the capital totaled 16870 male and female workers, or 84% percent of the total number of bank employees. The Irbid governorate accounted for 4.8% of the total number of banks workers followed by the Zarqa governorate which accounted for 3.7%. The Balqaa Governorate contributed with 1.6% of bank employees; Aqaba Governorate with 1.3%,Karak Governorate with 1.2%; while the remaining governorates contribution to bank workers did not exceed 1% for each.

Table (61): Geographical Distribution of Bank Employees by Governorate at the End of 2015

Governorate	Number Of Employees	Geographical distribution of employees (%)
Amman	16870	84.0%
Irbid	958	4.8%
Zarqa	734	3.7%
Balqa'	331	1.6%
Aqaba	264	1.3%
Al Karak	247	1.2%
Madaba	132	0.7%
Maan	140	0.7%
Jerash	103	0.5%
Ajloun	95	0.5%
Tafleh	76	0.4%
Mafraq	145	0.7%
Total	20095	100.0%

Source: Banks' data

* The concentration of workers for each governorate = number of bank employees in the governorate / (overall number of bank employees)* 100%

Table (62)

Distribution of Bank Employees by Governorate and Bank at the End of 2015

Banks	Amman	Irbid	Zarqa	Aqaba	Balqa	Karak	Madaba	Maan	Jerash	Ajloun	Tafileh	Mafraq
Arab Bank	2743	38	56	18	27	9	8	9	5	6	7	8
Jordan Ahli Bank	1190	55	39	22	41	16	11	13	10	0	10	9
Cairo Amman Bank	1221	107	68	31	53	32	16	20	14	15	9	28
Bank of Jordan	1284	76	48	16	15	8	9	6	10	7	0	10
The Housing Bank for Trade & Finance	1812	195	126	28	44	45	13	37	12	19	16	16
Jordan Kuwait Bank	955	36	44	13	28	8	9	0	0	0	0	7
Arab Jordan Investment Bank	669	14	18	13	0	0	0	0	0	0	0	0
Jordan Commercial Bank	589	35	13	12	21	9	8	0	0	0	0	8
Investbank	441	8	6	6	0	0	0	0	0	0	0	0
ABC Bank	449	7	7	6	6	7	6	0	6	0	0	6
Bank Al-Etihad	840	32	13	12	4	0	7	0	0	0	0	7
Societe General - Jordan	233	5	6	5	0	4	4	0	0	0	0	0
Capital Bank	546	7	14	8	0	0	0	0	0	0	0	0
Jordan Islamic Bank	1317	231	193	29	77	93	32	47	37	40	26	26
Islamic International Arab Bank	675	37	45	12	15	16	9	8	9	8	8	10
Jordan Dubai Islamic Bank	395	20	9	0	0	0	0	0	0	0	0	0
Al-Rajhi Bank	218	19	11	0	0	0	0	0	0	0	0	0
Egyptian Arab Land Bank	271	8	8	10	0	0	0	0	0	0	0	10
Rafidain Bank	19	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	66	0	0	0	0	0	0	0	0	0	0	0
Standard Chartered Bank	184	6	0	6	0	0	0	0	0	0	0	0
Bank Audi	255	9	0	5	0	0	0	0	0	0	0	0
National Bank of Kuwait - Jordan	98	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	347	13	10	12	0	0	0	0	0	0	0	0
National Bank of Abu Dhabi	53	0	0	0	0	0	0	0	0	0	0	0
Total	16870	958	734	264	331	247	132	140	103	95	76	145

Source: Banks' data

6. Training Courses

In order to improve the skills of bank employees and develop their capacities and efficiency, banks operating in Jordan organized in their training centers a number of training courses for the employees in which 41333 male and female employees took part in 2015. The number of participants in training courses held in local training centers reached 7429 male and female employees, while the numbers of employees participating in training courses held abroad amounted to 447 male and female employees.

Table (63)

Number of Employees who attended training courses in 2015

Bank	training centers of the banks		local training centers		training courses abroad	
	Males	Females	Males	Females	Males	Females
Arab Bank	8616 **	2922 **	783	154	17	7
Jordan Ahli Bank	1652	1061	219	96	16	12
Cairo Amman Bank	1525	1298	510	354	17	10
Bank of Jordan	4294	2877	50	25	5	3
The Housing Bank for Trade & Finance	1221	790	471	194	39	9
Jordan Kuwait Bank	1446	788	113	37	18	3
Arab Jordan Investment Bank	0	0	195	105	1	0
Jordan Commercial Bank	716	339	308	162	16	3
Investbank	24	7	75	44	20	4
ABC Bank	1511	828	233	69	4	2
Bank Al-Etihad	1204	980	292	501	22	13
Societe General - Jordan	850	491	168	59	18	6
Capital Bank	0	0	136	70	6	3
Jordan Islamic Bank	3634	106	816	4	60	0
Islamic International Arab Bank	643	188	208	45	23	1
Jordan Dubai Islamic Bank	278	109	124	94	0	0
Al-Rajhi Bank	0	0	189	55	1	0
Egyptian Arab Land Bank	78	48	83	59	6	2
Rafidain Bank	0	0	0	0	3	1
Citi Bank	44	22	5	1	0	0
Standard Chartered Bank	109	80	42	17	6	5
Bank Audi	108	90	43	21	17	4
National Bank of Kuwait - Jordan	0	0	16	10	3	1
BLOM Bank	221	78	98	41	2	0
National Bank of Abu Dhabi	26	31	19	16	18	20
Total	28200	13133	5196	2233	338	109

The above numbers may include duplication of the same employees who attended more than one course

** Including 5269 male and 1575 female participated in online training courses.

Source: Banks' data

7. Resignations and Appointments

Banks operating in Jordan appointed 3298 male and female employees during 2015, compared to 3014 in 2014. The number of those who quit for all kinds of reasons reached 2793 male and female employees in 2015 compared to 2301 workers during 2014.

The 2015 staff turnover (total resignations / total employees x 100%) increased to 13.9% at the end of 2015 compared to 11.8% in 2014.

Table (64)

Appointments and Resignations (2007 – 2015)

Year	Resignations*	Appointments	Staff Turnover Rate %
2007	2131	3168	14.15
2008	2200	2857	13.86
2009	2229	2026	14.12
2010	2240	3202	13.48
2011	1909	2774	11.00
2012	1975	2426	11.05
2013	2024	2706	10.99
2014	2301	3014	11.84
2015	2793	3298	13.90

* Resignations includes all those who quit working for all reasons, voluntarily or retirement

Source: Banks' data





Chapter Eleven

ABJ's Activities

in 2015



The Association of Banks in Jordan (ABJ) continued in 2015 its mandate to discuss and follow up the different issues that were brought to it, especially those of concern to the member banks. The issues enjoyed in-depth discussions and considerations by the ABJ's relevant technical committees, after which the Association submitted the remarks and feedback of its member banks thereon to concerned authorities. The authorities' response was highly serious, where a lot of remarks and proposals made by the ABJ in the name of its members were taken into consideration.

In the field of training, the ABJ held in 2015 a number of meetings, seminars, workshops, training courses and lectures that handled issues of concern to the banking system in Jordan.

As regards studies, the ABJ issued during 2015 a number of publications, reports and studies that relate to Jordanian banking system.

Hereunder are the most outstanding ABJ activities in 2015:

A. Meetings of ABJ's committees

ABJ's Legal Committee convenes to discuss the SSC's letter

The ABJ's legal committee held on 22 Dec. 2015 a meeting to discuss a letter addressed by the CBJ Governor Dr. Ziyad Fareez. The letter called for banks working in the kingdom to coordinate and consider Social Security Corporation's demand to come out with a means of cooperation to solve the issue of the pension salaries that the SSC pays unrightfully to pensioners and their heirs in case of death, and banks' refusal to return them to the SSC without the client's approval. The committee came up with a unified recommendation that it sent to the CBJ.

ABJ's Legal Committee discusses draft instructions of banking services to people with special needs

The ABJ's legal committee held on 23 Dec. 2015 a meeting to discuss "the draft instructions of banking services offered to people with special needs" that the CBJ sent earlier. The meeting aimed at coming up with unified remarks to be sent to the CBJ. However, it discussed remarks of member banks and formed a committee of banks to come up with approved-of remarks and send them to the central bank.

ABJ's Legal Committee discusses MoU to be concluded with the ISTD

The ABJ's legal committee discussed in a meeting held on 4 June 2015 the remarks of the CBJ's Legal Consultations Bureau on the Memorandum of Understanding to be signed between banks and the Income and Sales Tax Department (ISTD) on electronic attachments and detachments. CBJ representative and ISTD's advisors attended the meeting. The MoU aims at easing procedures of attachment and detachment on accounts of corporations and individuals indicted in income or sales tax lawsuits.

ABJ holds the first FATCA Consultative Committee

FATCA Consultative Committee held its first meeting attended by the ABJ's general director and representatives of member banks on Wednesday, 3 June 2015.

The ABJ's general director said that setting up a consultative committee for FATCA is an important development in the ABJ's work. It demonstrates the ABJ's keenness on following up developments in implementing FATCA by banks working in Jordan. The decision to create a consultative committee overlooking the implementation and developments in FATCA was taken by the ABJ's board of directors. Other purposes to create the committee include providing consultancy to member banks, answer any inquiries they might have in implementing the Act and exchanging expertise among the members.

The meeting discussed the most important developments in FATCA and the measures taken by banks in Jordan to comply by it. Committee members elected a mini-committee composed of 6 to 7 members to undertake all tasks of the Consultative Committee on FATCA.

B. Other meetings

Banks-insurance companies committee formed to discuss issues of mutual interest

ABJ's and JOIF's boards of directors held a meeting on 13 July 2015 to discuss issues of mutual interest. The two sides, the ABJ and the Jordan Insurance Federation (JOIF) formed a committee to discuss a range of issues of mutual interest and submit recommendations on them.

The meeting also discussed enhancing cooperation between ABJ and JOIF, in addition to banks' experience in dealing with the legal interest rate specified at 9%, loans insurance (houses, cars, businesses) at the full value market and not at the value of the loan, and abiding by the international terms of the insurance.

It also discussed cooperation in the training field and the JOIF's readiness to carry out joint programs with the ABJ on insurance issues, enhancing banking insurance, documentary credits insurance and respecting special conditions between the bank and its clients such as the condition on exemption. It highlighted the issue of not to ask insurance companies to accept reservations provided on shipping policies, and committing clients to ship in new ships.

Joint committee between ABJ, insurance companies to enhance bilateral cooperation

Chairman of ABJ's board of directors Marwan Awadh said the ABJ's meeting with the JOIF's board of directors is a positive step to be in touch with the other sectors that the ABJ affects and is affected with and to discuss issues of mutual interest.

Attendees decided to form a committee encompassing both parties. The ABJ's and JOIF's general directors are constant members with another two or three members nominated by the ABJ and similar members nominated by the JOIF. The purpose of this committee is to study proposed items and provide

joint recommendations submitted at the subsequent meetings of the board of directors for approval.

As regards items of enhancing cooperation between the two parties, cooperation in training and JOIF's intention to carry out joint training sessions and programs with the ABJ in various insurance issues, the boards of directors decided to sign a separate MoU to this effect.

The meeting also tackled the issue of handling the legal interest rate of 9%, loans insurance (houses or cars; properties or businesses) at the full market value and not at the value of the loan, insurance on documentary credits. It also highlighted the importance of providing insurance companies with all information relevant to DCs and insured goods, the quality of packaging of goods and endorsing certain companies for pre-shipping goods inspection and ascertaining that the goods' description is as agreed upon with clients.

The meeting further discussed abiding by the international terms of the insurance, especially the institute cargo policy. It called for an end to demands of their cancellation such as the ISM Code & ISPS Code, and the condition on the ship classification, and not designating specific insurance companies by banks to insure DCs, leaving it to the client to get the required insurance policy from his/her insurance company, and enhancing bancassurance.

Banks had suggested a number of proposals that included laying down joint working mechanisms by virtue of which insurance companies inform banks (which are first beneficiaries of the assigned insurance policy) in case of amendment or non-renewal of insurance policies. They also suggested that the Vehicles Licensing Department does not renew the licensing of any assigned car unless it is fully insured, taking into consideration that the insurance value is not less than the annual depreciation rate that is better specified by the JOIF.

Banks also proposed concluding an agreement between banks, insurance companies and Vehicles Licensing Department, pursuant to which banks are automatically provided with periodic information on cars assigned to banks that are not fully covered with insurance. In such an arrangement, banks are able to follow up with their clients to get full insurance to cover the remaining loan value in case the vehicle is subject to an accident not covered by the third party insurance. Banks currently get full insurance coverage for one year when they give the loan, although many clients do not renew the full coverage insurance when its term ends because it is expensive compared with the insurance against a third party. The meeting also discussed the government's intention to liberate rates of compulsory insurance.

Furthermore, attendees underlined compliance with CBJ's circular # 10/2/11462 dated 5 Oct. 2004 on marine security provisions for ships according to the terms of the International Convention for the Safety of Life in Sea and the International Ship and Port Facility Security (ISPS) Code. The provisions were issued by the board of directors of the Jordanian Marine Authority. The meeting insisted on adding the clause of ISPS code to issued DCs to safeguard the national interest and avoid delays affecting goods in ports as the ISPS Code enables marine authorities to prevent any ship from entering the port in case of non-compliance to the conditions of this Code.

The meeting called on banks to clarify their position in case their clients asked for the cancellation of

the afore-mentioned certificates (the ISPS and ISM Code certificates), accompanied by the No Objection certificate provided by the companies to approve the cancellation of the term on those certificates required for issued DCs. It should be understood that the Jordanian marine authorities require those two certificates for commercial ships and they might violating ships from entering ports according to article # 35 of the Jordanian marine Law and decision #1 of 2004.

Attendees called for coordination with JOIF to hold training courses for bank employees as regards technical issues of all types of insurance policies, enhancing cooperation between the two sectors and providing comprehensive services to clients by introducing a variety of bancassurance products that are prone to relate needs to the clients' income level. These products can be distributed and sold via banking channels that can access new and wide segments of clients, including insurance on risks of bad debts. They also demanded coordination between the two sectors to create qualified and efficient personnel capable of marketing bancassurance product.

The meeting also discussed means of increasing insurance culture in social and economic spheres, increasing the efficiency and promptness of approval procedures of the insurance companies, especially as regards life insurance on clients with housing loans. It called on the insurance companies to demand the safety code to carry goods and passengers in ships to reduce financial losses in case there is damage in the shipped cargo.

The meeting further discussed ways of reducing delays in insurance companies' delivering insurance policies of DCs to banks, as the delay period might reach 10 days, which might cause a loss in the shipped goods not covered by insurance.

C. Seminars, lectures and training courses

1) Workshops

The ABJ held the following workshops in 2015:

Workshop on out of court settlements in Jordan

The ABJ, in cooperation with the IFC, held a training program on Out of court settlements in Jordan. Specialists from the legal departments in banks attended the two-day workshop held at the ABJ's offices between 23 and 24 Nov. 2015.

The workshop aimed at informing participants with principles of the successful management of out of court settlements. The program of the workshop included an overview of the principles of out of court settlements, challenges and advantages relevant to the good implementation of those principles in Jordan, and a package of lectures, group exercises, case studies and role-playing activities.

Workshop on financial institutions' good governance

The ABJ and the Arab Egyptian Land Bank (AELB) organized a workshop on Good Governance in Financial Institutions. The member of board of directors of AELB/ head of internal revision committee

Mahmoud Asaad Abdel Latif and a number of specialists from banks in Jordan gave lectures in the workshop that was held on 4 Nov. 2015.

Workshop on Corporate Governance: the Path for integrity and transparency

The ABJ and the American Anti-Corruption Institute (AACI) organized a three-day workshop on Corporate Governance: the Path for integrity and transparency.

The workshop, held between 7 and 9 June 2015, aimed to highlight governance and compliance by rules and principles that companies should follow to have a better performance.

The workshop also aimed at enhancing the proper understanding of differences between governance and management, the critical and decisive role required from the board of directors in designing and implementing governance and responsibilities it is entrusted with, in addition to grasping the major differences between the efficient and inefficient implementation of governance.

The workshop further answered questions on how the efficient governance of businesses can play a critical role in enhancing integrity, transparency and preventing corruption.

Workshop on Enterprise Project management

The ABJ, in cooperation with the Make it Work organization for Consultations, organized a workshop on Enterprise Project management on 1 June 2015. The executive president of the organization, Jorge Vaz Girao, gave lectures to participants from banks working in Jordan.

Workshop on developing energy sector's project

The ABJ and the project of developing energy sector in Jordan, funded by the USAID, organized a workshop on the project. A number of higher management representatives from banks working in Jordan attended the workshop.

The ABJ general director Dr. Adli Kandah said Jordanian banks benefited of all programs in Jordan in cooperation with a number of government and private sector institutions and international funding institutions concerned with green energy projects.

Banks support investments of homes and businesses concerned with equipment that are energy efficient through their banking products and solutions, he added.

Kandah confirmed that banks welcome any new ideas that help to make loans more attractive to wider sectors in this field.

On its part, the expert of the project and a specialist in energy efficiency projects Thomas Dreessen said the energy services companies and consumers work to provide money to buy more efficient lighting, air-conditioning and ventilation equipment. However, their inability to get financing from banks is a hindrance.

Dreessen gave suggestions on financing energy efficiency projects, saying they are prone to facilitate the financing process as well as the borrowing process of customers. He mentioned in this concern increasing the period of settlement to decrease the value of monthly installments, increase the windows of borrowing and reduce or even cancel the need for additional collaterals.

It is worth mentioning that the project of developing the capacity of energy sector offers help to the government, the private sector and the different energy commissions to adopt projects for renewable energy and energy efficiency.

2) Training courses and programs

The ABJ organized in 2015 the following training courses and programs:

Training course on CBJ instructions on bad debts and debt rescheduling and restructuring

The ABJ organized a specialized training course on CBJ instructions as regards bad debts and ways of rescheduling and restructuring debts of banks.

HE Salem Khazaaleh lectured in the course that took place between 14 and 16 June 2015.

Course on instructions of dealing in a fair and transparent way with clients in Zarqa

The ABJ held a specialized training course on CBJ instructions of dealing in a fair and transparent way with customers. The course was held at the Zarqa Chamber of Industry on 16-18 March 2015.

HE Salem Khazaaleh gave lectures in the course attended by bankers and representatives of the commercial and industrial sectors. Khazaaleh discussed the importance of CBJ instructions, especially as they enhance values of treating customers in a fair and transparent way, and the importance of bank services and products having clear and explicit qualities and conditions that enable bank customers to understand the qualities, advantages and risks of products offered to them.

Training program on The Comprehensive Security Program for Bank Employees

The ABJ held on 7-9 June 2015 at its headquarters a specialized training program on The Comprehensive Security Program for Bank Employees. The ABJ advisor on combating financial and banking crimes was the lecturer in this course.

In the backdrop of this program is the interest of banks and financial institutions to improve the level of their banking security and fortify them against attempts to commit financial crimes from within. This concern is becoming increasingly greater as technological developments provided new tools at a comparatively low cost that facilitate committing such crimes against banks.

The program concentrated on the different components of banking security, financial crimes and fraud operations that target banks so that participants fully grasp those challenges and the new developments in fighting them.

The program's agenda included risk management of fraud in banks, fraud operations against banks' elderly customers, fraud and hacking of bank online services, fraud in ATMs and selling points equipment. It also included unveiling the forgery and counterfeit in banknotes, fraud and forgery of checks, passports, IDs and banking and official instruments, fraud of changing the bank account number of importers and forged invoices, and stealing bank customers.

Course on instructions of dealing in a fair and transparent way with clients

The ABJ held a course on CBJ instructions of dealing in a fair and transparent way with customers.

Former Minister of Industry and Trade and banking expert, HE Salem Khazaaleh, gave lectures in the course to a number of employees of banks in Jordan.

The course's agenda included issues of the rules, legal, regulatory and procedural aspects in the Central Bank of Jordan law # 23 of 1971 and its amendments, and Banks' law # 28 of 2000 and its amendments relevant to banks' operations in handling the relationship with customers.

Khazaaleh reviewed the legal, procedural and practical aspects provided for in the CBJ instructions; the orders, circulars and memos of the CBJ relevant to treating customers in a fair and transparent way that bank employees should abide by before executing any banking transaction, giving credits, signing, renewing, executing and terminating bank contracts.

The course included transparency and rules and conditions of retail portfolio; bank's duties after the client signs the contract; bank's duties in case the granted credit is given pursuant to a credit card, and the commission rate and fees. It further discussed dormant accounts; information and documents that a bank should provide the customer with; way of documentation; monitoring requirements that the bank should comply with vis-à-vis the CBJ as regards the instructions of dealing with customers in a fair and transparent way.

The agenda also explained the legal, contractual and monitoring consequences of non-compliance; the duties of banks and their employees; violations and penalties on breaching duties. The lecturer explained means and ways of dealing with CBJ's instructions, memos and orders.

The course aimed at deepening the participants' knowledge of CBJ's instructions, memos and orders relevant to Instructions to Dealing in a Fair and Transparent Way with Customers # 66/2012 and their amendments, the practical, procedural and legal aspects of them, especially those relevant to bank operations, granting bank credits, bank contracts, taking collaterals and their effect in protecting banks' rights.

It also extended participants' knowledge of the effects, consequences and risks resulting from

violating CBJ's instructions, memos and orders relevant to this issue. It also raised the efficiency of employees in banking operations, giving credits and managing bank contracts in terms of dealing with CBJ instructions, and incentivized participants to detect and identify the points that should be complied with in the different bank contracts, build a basis of reference points relevant to CBJ's instructions that the bank should periodically review. Furthermore, it deepened the participants' knowledge of drafting special terms in bank contracts to be in line with the CBJ's instructions and orders. In addition to that, the course gave participants the ability and knowledge necessary to those who work in corporate credits to assess the bank's position in light of the requirements mentioned in the CBJ's instructions, memos and orders.

Training course on negotiation skills in collecting, handling bad debts

The ABJ organized a training course on Negotiation skills in collecting and handling bad debts.

The course, which was carried out by Dr. Mohammad Othman, took place on 13-17 Sep. 2015 at the ABJ's building. Participants were employees in the credit departments of individuals and corporates, SMEs, monitoring and credit revision departments, collection departments, credit risk management, customer service and legal departments.

The course aimed at providing participants with the technical skills necessary to collect bad debts and ways of identifying bad debts and loans that could face problems or accounts that need maintenance. It also provided them of finding the right case-by-case solutions and handling.

The course was also designed to raise the efficiency of collectors by using methods and techniques that enable them to reach the appropriate settlement to collect debts. It also meant to make a link between the skills of a good negotiator and his/her ability to collect bad debts with efficiency and competence, and to inform participants of how to pre-plan to increase the competence of collecting troublesome debts.

Dr. Othman provided participants with skills to understand factors that enhance the success and competence of negotiators in collecting bad debts, as well as with the necessary ways to be followed to curb the bad debt phenomenon, whether through follow up and monitoring of debt before it goes badly or by getting early alarm signals of bad debt. He also equipped participants with ways and methods of calculating the non-performing debts allowance.

The course included lectures on the role of negotiations in collecting bad debts; the concept of negotiations; the types and forms of negotiations and the ability to collect bad debts through a planned process of negotiations. It also handled the good and successful planning of negotiations; preparing for negotiations as an important tool in collecting bad debts; factors that boosts successful negotiations to collect bad debts; methods of negotiations to collect bad debts; and, the key skills that the negotiator should have to collect bad debts.

The course also handled bad debts and loans; concepts linked to bad debts; monitoring, follow-up and revision; classification of bad debts and loans; methods of handling and settling bad debts; calculating non-performing debts allowance; and, suspension of interest and commission rates.

Course on CBJ Instructions on internal and external financial transfers

The ABJ organized a training course on CBJ Instructions on internal and external financial transfers, clients and inter-bank electronic transfers, and their risk management.

Specialists in executing and following up internal and external transfers, electronic operations, compliance, internal auditing and revision and legal departments participated in the course that took place on 16 Dec. 2015 at the ABJ headquarters.

The lecturer, HE Salem Khazaaleh, reviewed the rules and legal, regulatory and procedural aspects in CBJ Law # 23 of 1971 and its amendments, and Banks' law # 28 of 2000 and its amendments relevant to banks' operations in this field.

Khazaaleh reviewed and clarified the legal, procedural and practical aspects provided for in the CBJ instructions; the orders, circulars and memos of the CBJ relevant to local and external bank transfers and electronic transfer of money, whether it concerns clients or mutual inter-bank operations, that the bank and its employees should comply with in executing any of these transactions. This is especially true in the case of the CBJ regulations to facilitate money transfer among banks, the real time gross settlements (RTGS).

The lecturer also tackled the IBAN issue in money transfers and procedures of the immediate electronic implementation; instructions on electronic money transfer and instructions on banks' electronic implementation of their work. The agenda also included clarifications of principles of risk management of electronic banking; money laundering and terrorism combating; cases relevant to bank transfers and the types of local, external and electronic money transfers; monitoring guidelines in light of CBJ instructions in this regard; and the instructions on the contingency plan of continued work.

The course tackled the legal, contractual and monitoring consequences and the duties shouldered by banks and their employees; breaches and penalties thereon, as well as explanations of means and ways of dealing with the CBJ instructions, memos and orders.

Lecture on the importance of technical analysis

The ABJ organized with the Masaken Capital (Borsa Code) a lecture to educate on the importance of technical analysis in financial markets. Senior officers in the investment units, investment portfolios and risk managements at banks in Jordan attended the lecture that was held on Monday, 23 Feb. 2015 at the ABJ building.

Certified financial technician Mohannad Ereqat of Masaken Academy focused on the importance of technical analysis in managing investment portfolios of shares, currencies and metals to make profit and avoid risks. The lecture also included an introduction to technical analysis, definition of technical analysis and its elements, the inclusivity and resilience of technical analysis, and practical applications of the future of banking sector rates in Jordan.

Lecture on governance role in fighting corruption

The ABJ, in cooperation with Albatross Institution and AACI, organized a lecture on Corporate Governance: Path to integrity and transparency.

The lecture aimed at enabling mid and higher management and decision takers to develop their skills and knowledge relevant to prevention of corruption and fraud. Such knowledge and skills would contribute greatly to the success of the institution they run.

The lecture, introduced by the MENA technical Consultations Department of the AACI Mike Masood, handled the definition of fraud and corruption, the socio-economic cost of corruption; the extent of corruption in institutions; the role of members of board of directors, and the board's auditing committee and the executive management in preventing and detecting fraud and corruption. It also touched upon ways of preventing corruption in institutions, raising awareness of dangers of corruption, and the skills, knowledge and competence necessary for corruption and fraud detection and preventing.

The lecture described the dangers of corruption as being an enemy. It focused on the internal culture of institutions and their system of values. It further presented a model for the effective administrative management to prevent corruption, and discussed the impact of laws on preventing corruption.

Representatives of banks, corporations, public and private institutions, money laundering combat unit, anti-corruption commission and the Jordanian Transparency Center attended the lecture.

A session to introduce housing program

The ABJ, in cooperation with UN Habitat, organized on 2 March 2015 a session on the Jordan Affordable Housing Programme that the UN agency proposed with the Ministry of Public Works and Housing.

A number of representatives of banks working in Jordan attended the session held at the ABJ's headquarters, where they listened to the programme's concept and the advantages it offers in terms of good housing for the right price.

3) Seminars, forums and assemblies

The ABJ held the following seminars, forums and assemblies in 2015:

The ABJ organizes the 4th corporate responsibility forum

The ABJ organized the Fourth Corporate Responsibility Forum, on Sunday, 4 Oct. 2015.

Banks working in Jordan participated in the forum held under the sponsorship of CBJ Governor Dr. Ziyad Fareez.

The forum handled the latest developments in corporate responsibility at the local and global fronts, the corporate responsibility of commercial and Islamic banks working in Jordan, reports on corporate responsibility according to international standards and the experiences of a number of banks in Jordan, whether commercial or Islamic, and the experiences of strategic partners of banks.

Dr. Fareez said the concept of corporate responsibility has become an institutional cultural and approach for organizations and institutions, and one of the indicators of sustainable development they adopt.

The Jordanian banking system, he added, is doing a good job in terms of customer service, contribution to the development process and raising banking awareness.

CBJ Governor praised efforts of Jordanian banks to take part in various social and humanitarian initiatives, especially in light of the setback in the national economy performance. He mentioned in this regards the quality initiative of founding the Scholarships Fund of Martyr Pilot Muath Kassassbeh, calling however on banks to multiply their efforts and allocate more funding to social responsibility programs and initiatives, thus making social responsibility an integral part of the bank's strategy that reflects on its banking reputation and operation.

Fareez underlined the need to boost corporate responsibility efforts and focus on the priorities required by the stage through which Jordan passes because of regional turmoil and increased pressures of poverty and unemployment. In this way, he stressed, we can reach a genuine and true partnership and achieve the desired goals of partnership.

Fareez called for drawing a framework for social responsibility in the kingdom that could become an umbrella for all public and private companies and institutions that institutionalizes social work. Such a step would lead to more coordination in identifying priorities and key initiatives so that better results are achieved.

Vice chairman of ABJ's board of directors Moussa Shehadeh said the forum is an annual initiative of the ABJ considered as an event that highlights and boosts the roles that the social corporate responsibility of banks plays in Jordan, considers its achievements and approaches, exchanges experiences and expertise, and discusses ways of stimulating those roles.

The concept of corporate social responsibility, he went on to say, requires companies to strive to achieve their economic interests as well as the interests of their partners, being shareholders, consumers, workers, creditors or suppliers. It also requires respect of social values and customs that is reflected in the work's code of ethics, and compliance by legislations that govern their work.

Shihadeh stressed that social responsibility compels companies to go beyond concepts of contributions and charity to reach a more comprehensive level that reserves them a place in the active participation in various national development programs.

Corporate social responsibility is characterized by its voluntary nature, he pointed out, saying that companies practice it because of their sense of belonging and citizenship that is part of their moral and

ethical obligation to society.

Although companies in Jordan have gone a long way in practicing their social responsibility, yet, he added, their roles are below expectations. Therefore, he called on the private sector to be a true partner of the public sector in advancing social and development goals in light of the increasing burdens that the government suffers from.

Corporate social responsibility of banks has different facets, he pointed out. Banks disclose their financial results and annual statements; they offer a comprehensive variety of services, products and banking solutions and adopt the latest technological products in their field; they greatly comply with all legislative requirements and support national economy by contributing to the sustainable and comprehensive economic development. Banks also hired 20 thousand male and female employees and trained about 43 thousand employees in 2014, he added.

Shihadeh drew attention to key activities that banks performed as part of their corporate social responsibility in 2014. Activities include taking part in the CBJ's project of raising community awareness of financial culture that it has backed with 6 million JDs, donating rehabilitated old computers by Talal Abu Ghazaleh Group to charities and development centers in the less fortunate areas. Banks have an annual contribution to the Goodwill Campaign of Jordan Hashemite Fund for Human Development, Al Hussein Fund for Innovation and Excellence and Al Aman Fund for Orphans.

On his part, the ABJ general director Dr. Adli Kandah said in a working paper presented at the forum that the total amount of money that banks working in Jordan spent on social responsibility activities in 2014 reached 43.2 million JDs, with an increase of 8% compared with the year before, 2013, which registered an expenditure of 40 million JDs.

Kandah stressed that the concept of corporate social responsibility, in which banks believe, is a comprehensive one that embraces all economic, humanitarian and social sectors in the kingdom. Banks' contributions in social responsibility takes two forms, he said, one is the joint initiatives that banks launch collectively such as Martyr Pilot Muath Kassassbeh Scholarships Fund. The other form is individual initiatives, as banks in Jordan are reputed for the size and number of individual initiatives they take according to their own approaches in different fields.

Kandah said supporting cultural, social, economic and national institutions grasped 27.4% of total amounts expended on social responsibility initiatives in 2014. Support for environmental, tourism and religious fields accounted for 15.37%, education's share of support amounted to 4.37%, support to sports and health fields amounted to 3.2%, development and fighting poverty had 1.54% and cultural, artistic and professional fields had 1.26% of total social responsibility expenditure.

Banks also directed sums of money to initiatives relevant to women, children, social services and charities and persons with special needs.

Disclosure of social responsibility activities is a voluntary action of companies that could take the form of sustainability report or they can be included in their annual financial statements.

The high degree of transparency that banks in Jordan practice through the disclosure and periodic announcement of their financial results and annual work is the core of their social responsibility, he stressed. This helps to judge banks' commitment to different beneficiaries, whether they are shareholders, employees, treasury, local community or others, he explained.

Dr. Kandah pointed out that many banks in Jordan issued the sustainability report, which illustrates the bank or company's performance in the field of sustainable development and covers bank's contributions to economic, environmental and social fields.

ABJ holds a seminar on financing windows to renewable energy projects, efficiency

The ABJ organized in cooperation with the Ministry of Energy and Mineral Resources' (MEMR) Fund for Renewable Energy and Energy Efficiency a seminar on creating different financing windows for renewable energy projects and energy efficiency at the ABJ's headquarters on 19 Aug. 2015.

The seminar, which was attended by numerous bank representatives, aimed at informing banks with the Fund's goals and the strategic plan to achieve them. It also aimed at promoting banks' current products and the products to be offered soon, the innovative ideas of new products in this field and money, from the CBJ or international institutions, allocated for lending to renewable energy products in banks.

ABJ general director Dr. Adli Kandah highlighted the importance of the seminar, as the energy sector is a key component to different economic sectors. The energy bill, he added, is a great challenge and an opportunity for Jordan at the same time. The hikes in energy bill compelled the government to draw a strategy to diversify energy resources and look for renewable resources of energy like wind and solar energy.

Kandah pointed out the aspects of the banks' interest in the energy sector. The first reason is that banks enter into new big renewable energy projects concerned with producing wind and solar energy with tens of millions of dinars provided to those projects, and banks are ready to expand in this regard.

The second aspect is the banks' interest to create a company they themselves own to generate electric energy out of solar energy. They conducted feasibility studies that underlined the feasibility of such a project. However, banks faced the problem of choosing the right site for the plant, in addition to the limited capacity of the present electric grid.

He expressed hope that those two problems are dealt with promptly so that banks can go on in founding the company.

The third aspect of this interest is financing individuals and SMEs that want to establish companies to make use of solar water heaters.

He pointed out the CBJ's instructions to give mid-term grants to licensed banks # 54/2011 and their amendments. The CBJ also provides mid-term financing to licensed banks to relend economic sectors, including the solar energy, the wind energy sectors and energy efficiency projects within the instructions of to give mid-term grants to licensed banks, that include Islamic banks.

On his part, Renewable Energy and Energy Efficiency Fund's director Rasmi Hamzeh said the fund is considered the executive arm of MEMR. It works under an approved working plan of 2015-2018 that targets many sectors, including houses and hotels, government buildings and SMEs. It provides help to coordinate and support HM the King's initiative to heat schools and provide them with solar energy.

The fund, he said, is carrying out projects that target segments backed in their electricity consumption, which are houses all over the kingdom. The fund, he added, was able in no time to attract the attention and interest of donors to carry out strategic projects in cooperation and partnership with the fund.

The projects, he said, include the initiative on communities contributing to energy efficiency, in cooperation with the Jordan River Foundation. The initiative managed to install 2500 solar water heaters in various governorates of the kingdom. The number of solar water heaters is expected to reach 5000 heaters sold on the basis on the revolving loan through beneficiary organizations.

Hamza pointed out that the fund began to distribute 51 energy saving bulbs in the areas affected by the Syrian refugee influx. Ikea Company provided the bulbs. The fund is currently carrying out the project of installing solar cells on rooftops. The project's bid was announced last June. The capacity of this project, implemented in cooperation with Mercy Corps and local NGOs at the revolving loan basis, ranges between 600 and 700 k-wat.

The fund also develops programs and mechanisms to help target groups get the necessary fund to implement renewable energy projects and energy efficiency equipment from banks and donor institutions and programs, local and international.

Hamza added that the fund supports interest rates due on the fund's projects financed by banks, especially the energy efficiency program. In addition to that, the fund is due to launch a comprehensive national project to install solar water heaters for houses all over the kingdom. The fund, in cooperation with relevant parties, is currently preparing the tender's documents because the project is supposed to be carried out in cooperation with a number of financing institutions.

The fund also plans to install LED bulbs in houses in cooperation with electricity distribution companies in different regions of the kingdom, as a measure to make energy consumption more efficient, thus reducing the burden of the monthly electricity bills on citizens.

Hamza told participants that the fund also provides different financing programs in cooperation with international donor programs and institutions, and local institutions that include electricity distribution companies, micro-finance institutions and local CSOs. It also practices risk guarantees or credit in coordination with the different financial windows.

He stressed that the fund, as part of the financing programs it implements, takes part in supporting innovative and creative ideas, as well as participation in the working capital of technological start-ups that provide a creative added value to renewable energy and energy efficiency.

The fund's mandate also includes, he added, providing grants to projects relevant to the fund's goals.

It also pays for auditing costs of energy, costs of economic and financial feasibility studies of renewable energy projects and energy efficiency projects and the public campaigns to educate, train and raise awareness of renewable energy and energy efficiency.

The Renewable Energy and Energy Efficiency Fund was established by virtue of article 12 of the Renewable Energy and Energy Efficiency law # 13 of 2012. The bylaws of the fund # 49 of 2015 were issued according to the same law.

Forum to run talents of 2015

ThinkHR Company, in cooperation with the ABJ, organized the first forum to manage talents of 2015 under the title of Managing talents and the functional planning from theory to practice.

The forum, held at the Dead Sea shores on 5-7 Nov. 2015, discussed ways of implementing practical steps to run talents by detecting, selecting and attracting talents and means of laying down development plans for those talents.

As regards employees, the forum discussed the assessment of employees' performance, how to identify their potentials and competencies; bases of giving promotion, compensation and ways of keeping employees with the best performance and developing them as well as developing employees of mid-level performance.

The three-day forum handled ways of following up employees with the best performance so that they can best contribute to achieve the bank's mission and vision, in addition to means of acting decisively with employees of low performance.

D. Other news and activities

The CBJ Governor's annual event with bankers

The ABJ carried out on its annual tradition of bringing together the CBJ governor with bankers at the association's headquarters in Amman.

CBJ Governor Dr. Ziyad Fareez and chairpersons of boards of directors, executive presidents and general directors of banks working in Jordan attended the gathering.

The ABJ announced in this gathering the launching of a scholarship fund named after Martyr Pilot Muath Kassassbeh, in recognition of his sacrifice in defending the homeland and in appreciation of what the Jordanian armed forces and the Jordanian people do.

CBJ Governor Dr. Ziyad Fareez praised the ABJ initiative saying it is part of the banking sector's efforts to develop society and express its internal solidarity. He further expressed appreciation of the ABJ's role in advancing banking in Jordan, extending his thanks to the ABJ Chairman Bassem Khalil Al Salem for the efforts he exerted during his term as a chairman.

Fareez reviewed developments in the banking and financial fields in Jordan in 2014, saying that banks' performance was good despite the prevailing situation in the Middle East.

The total assets of banks, he said, grew by 4.9% to reach 44.4 billion JDs. Credit facilities granted by banks grew by 5% to reach 19.2 billion JDs, with a decrease of 6.2% in the ratio of non-performing facilities to total facilities, compared with 7% in the year before, 2013. Clients' deposits witnessed a growth of 9.7%, reaching 30.3 billion JDs; there is 6.2 billion JDs of them in foreign currency.

Fareez highlighted the unique example that the government and the private sector had been able to make in the past few years in terms of identifying challenges and finding ways of facing them. This was possible, he said, by adopting transparency and direct and tough talk, the matter that had a big impact on making the national economy overcome the difficulties imposed by regional and international negative developments.

The governor confirmed the recovery of Jordanian economy, saying there is a reinforced trust in its being a friendly environment for investments that stimulates economic growth.

Fareez stressed the improvement in economic indicators as the national economic reform program is approaching its end. This, he added, is an indication that the program achieved its goals, as public finances deficit decreased to 3.5% of GDP in 2014, compared with 8.3% of GDP the year before. NAPCO's losses decreased almost by 50%, the current account deficit improved because of the improvement in tourism income revenues and expatriates remittances, in addition to the increase in foreign investment flows. All of those factors made the foreign reserves reach comfortable levels that cover 7 months of imports of goods and services.

Fareez pointed out to a new national reform program due to be concluded with the IMF as an extension of the current program.

The governor went on to say that the monetary policy had been able during the past few years to achieve its goal of maintaining monetary stability. The CBJ, he added, reviewed the operational framework of monetary policy in two stages. The first was in 2012 to create instruments that pump liquidity in economy in anticipation of the economic burdens created by the large influx of Syrian refugees, the accelerating rise in imports bill and the great deficit in the budget and the current account, accompanied by scarcity in liquidity available for lending that targets different economic activities. Money pumped into the banking market to finance various economic activities amounted to 2.4 billion JDs. In the second stage that we embarked recently into, he went on to say, monetary stability would continue to be one of the key goals of monetary policy. Other goals include helping banks to use their available financial resources instead of them being stagnant and unused liquidity, especially by the private sector.

Assured by the constant positive developments in the various economic indicators, Fareez added, the CBJ reduced the main interest rates of monetary policy, twice in 2013 and twice in 2014 at the average of 125 base points.

However, banks' response to these measures was not as desired in terms of the granted credit facilities. This, he stressed, propelled the CBJ to develop instruments that help banks to boost their competence

to run their liquidity in a more efficient and capable way. The efficient management of liquidity would insure banks could meet their operational needs and provide the growing financing needs of the different economic sectors. The new framework of monetary policy provides the CBJ with sufficient resilience to manage monetary instruments in a way that achieves its goal of maintaining monetary stability, he stressed.

The monetary policy review, he pointed out, included adopting a main interest rate that becomes a reference rate for the purposes of running monetary policy. It is called the CBJ's main interest rate based on which the interest rates of other monetary policy instruments would be determined. Currently, this represents the interest rate of repurchase agreements for one week, which is 2.75%.

Such a measure, he said, aims at giving clear signals on the position and approaches of monetary policy as regards monetary and economic developments at the local and international levels and enhance inter-bank competition, in addition to developing instruments of running liquidity so that banks could run their liquidity with high efficiency and competence.

Fareez explained that the recent CBJ decision to reduce interest rates by a quarter-percentage point is based on the continuous and positive developments witnessed by the national economy. Indicators say that economy is registering comfortable levels of foreign currency reserves; there are forecasts of continued regression in current account deficit, continued regression of inflation rates, to create an environment that triggers economic growth to achieve desired and sustainable growth rates.

The governor stressed the CBJ would continue to monitor and follow up all economic developments in the national economy at the internal and external levels alike.

On his part, ABJ chairman of board of directors Bassem Khalil al Salem said this annual gathering indicates the ABJ's keenness of making a reunion of the banking family. In such reunions, he added, we exchange points of view, consider developments of national economy, anticipate developments and approaches in monetary policy and discuss the most important issues and challenges facing banks and economy in general.

Al Salem highly appreciated Jordanians' firm stand behind the Hashemite leadership to face the forces of terrorism and extremism that committed a heinous crime against the Martyr hero Muath Kassassbeh, who died defending Jordan's people, achievements and leadership.

Such an honourable stand, he added, requires us as banks to offer something in return, however small. Therefore, we established a scholarships' fund named after the hero Muath as a token of our gratitude to our armed forces and our responsible people.

Al Salem stressed that the relationship between the CBJ and licensed banks has always been the best example on the fruitful and constructive cooperation to achieve the higher national interests. Such a relationship resulted in a stronger and more efficient banking sector.

He also praised the participatory approach that the CBJ adopts, which gives banks the chance to express their opinion on all draft regulations, instructions and laws relevant to banking. He stressed that banks comply totally with all regulations and instructions in force.

A new ABJ board of directors elected, Marwan Awadh a chairman

The ABJ's general assembly conducted an uncontested election on Wednesday, 25 Feb. 2015 of a new board of directors for the next term.

The assembly also discussed the report of board of directors and approved the closing statements of 2014 and the budget and future plans of the current year.

The general assembly approved the proposal of ABJ's chairman of board of directors Bassem Khaleel Al Salem to extend the term of the board to four years instead of 3 years, and to mandate the new board to follow legislative procedures to amend the ABJ's bylaws.

The new board elected Marwan Awadh, the CEO of Jordan Ahli Bank, as a chairman of board of directors of the ABJ for the next three years, and Moosa Abdel Aziz Shehada, the vice chairman of board of directors and the CEO of Jordan Islamic Bank as the vice president.

The new chairman expressed thanks to the ex-chairman and ex-members of the previous term, underlining that the efforts of the board and its members resulted in important decisions taken in an exceptional stage that helped overcome challenges with competence.

The general assembly chose without contest the Arab Bank, Housing Bank, Jordan Ahli bank, Cairo-Amman Bank, Al Ittihad bank, Arab Banking Corporation, Jordan Islamic Bank, National Bank of Kuwait and the CBJ as board members.

ABJ board of directors approves the association's executive plan of 2015-2017

The ABJ board of directors approved in a session held on 11 May 2015 the association's executive plan of 2015-2017.

Chairman of board of directors Marwan Awadh praised the association's efforts to draw the plan, saying it reflects the expectations and aspirations of member banks and matches the goals specified in ABJ's bylaws issued pursuant to article 95 of Banks' Law.

Awadh illustrated the ABJ's plan targets three strategic components. The first is sponsoring the interests of member banks and assuming inter-bank coordination to achieve banks' common benefit and highlight the socio-economic role that Jordan's banking sector plays.

The second component is developing and upgrading means of performing banking services by developing the existing human resources in the sector, enhancing cooperation with other relevant parties to the banking system by taking part in conferences, seminars and workshops.

The third aims at boosting banking concepts and traditions by following unified regulations and procedures for this purpose. This is achieved by writing and publishing reports and periodic publications that raise banking awareness and build a wide banking culture, writing detailed and specialized studies and researches on issues of interest to the banking sector that help to enhance the work of banks.

ABJ's board of directors meets HRH Princess Basma

HRH Princess Basma Bint Talal held a meeting with the ABJ's board of directors, in the presence of a number of CEOs and general directors of banks.

ABJ's chairman Marwan Awadh highly appreciated Princess Basma's humanitarian initiatives, her blessed efforts to serve the poor and the needy all over the kingdom and her constant keenness to be in touch with banks working in Jordan.

The goodwill campaign that HRH launched in 1991, he said, has been able to maintain its continuity and exuberance for more than two decades. The campaign succeeded in achieving tangible results in terms of comprehensiveness, the extent of coverage and the level of support given to households, the matter that made the campaign an important pillar of, and a label for, charitable work in Jordan.

The campaign, he went on to say, went beyond the concepts of giving for consumption and adopted the concepts of productive support as it endorses the approach of encouraging poor households to start their own projects that guarantee them dignified lives.

Awadh reiterated that the ABJ takes great pride in the roles played by its member banks, which personify corporate social responsibility. It is proud with the way in which banks support the campaign, as it became with years a regular and institutionalized support.

This support, he stressed, stems of the citizenship duties of banks and their complete conviction of the campaign's important role in serving society. It reflects the deep faith that banking institutions have in the campaign's role and approach in facing the issue of poverty in Jordan in a creative and sustainable way.

Awadh expressed thanks to Princess Basma for staying in touch with the banking sector, and thanks to all member banks for their continued support for the Goodwill Campaign.

The ABJ offers 52 scholarships under the Martyr Kassassbeh Fund

The ABJ signed on Wednesday, 29 May 2015, a scholarship agreement with the Ministry of Higher Education and Scientific Research (MOHESR) that includes the ABJ member banks financing scholarships through the Martyr Pilot Muath Kassassbeh Scholarships Fund.

ABJ's chairman Marwan Awadh signed the agreement on behalf of the ABJ, and MOHESR under-secretary, Dr. Hani Dhmour, signed it on behalf of the MOHESR, in the presence of CEOs, executive managers, general directors in banks and directors of the ministry's departments.

Awadh called those present to watch a minute of silence in honour of the martyr of homeland and duty, the hero pilot Muath Kassassbeh and in remembrance of his great sacrifice for his religion, nation and homeland.

In his speech, Awadh said that HM King Abdullah II had the greatest influence in establishing the concept of social corporate responsibility. HM's constant concern is to improve the quality of life of each citizen. Those royal visions and initiatives set a good example for Jordanian public and private institutions. He quoted King Abdullah saying, "The responsibility of building a country and creating comprehensive development is not the responsibility of the leader alone. Rather, it is the duty of each individual; each citizen bears a share of this responsibility."

The ABJ Chairman stressed the private sector is playing an increasingly important role in comprehensive socio-economic development, thus becoming an active partner of the public sector in leading change, achieving the goals of sustainable development and improving the living conditions of Jordanians and society. The higher goal of all those endeavours, he added, is to build an exemplary country.

"Corporate social responsibility is a national obligation that needs concerted efforts and team work to consolidate it, ensure its sustainability and melt it into our social values," he confirmed.

Awadh pointed out that the social corporate responsibility of banks working in Jordan has become an institutional culture and approach based on the responsible performance, citizenship and social service. Banks in Jordan believe that their social responsibility is an investment in the present to ensure a better future for all Jordanians. This is the core of sustainable development, he said.

Awadh announced the establishment of Martyr Pilot Muath Kassassbeh Scholarship Fund (MPMKF) in appreciation of the sacrifice of our great hero and in commemoration of his name. This new social responsibility initiative adds to numerous previous initiatives that banks had in different economic fields and sectors.

The MPMKF targets giving one time 52 scholarships for each district in the kingdom. The scholarships target the bachelor degree in specific specializations. The initiative covers Tawjihi graduates of the school year 2015/2016 who got high marks but have no financial resource to continue their studies. In this case, he said, the ABJ and its member banks enhance the principle of equal opportunities for all Jordanian students in all governorates.

Banks are keen that this initiative is transparent and fair so that it benefits those deserving. Therefore, concise and transparent criteria were reached in cooperation with MOHESR, he said.

Awadh expressed hope that this initiative would set a good example for others so that similar initiatives are taken in other economic sectors.

On his part, MOHESR's general secretary said the agreement is an example in public-private partnership.

Dhmour called on all private sector institutions to cooperate and take such an initiative.

Naming this scholarship after martyr Kassassbeh reflects the true awareness of society and its institutions, especially as it concurs with celebrations of the 69th independence anniversary of Jordan.

This, he said, stirs enthusiasm and renews hope.

ABJ general director Adli Kandah said the agreement stipulates that a committee is formed to be headed by the MOHESR's secretary general, ABJ general director, Scholarships' director and head of internal scholarships at MOHESR.

The mandate of this committee is to study the issues arising during the period of implementation of agreement, he said.

The specializations that the scholarships cover are business administration, accounting and all economics, financial, finance and banking specializations.

Scholarships will be available to Jordanian students with a GPA of 80% and more in the summer session of Tawjihi, who are accepted to enroll at the ordinary program in a Jordanian public university, he added.

The procedure for submitting applications will be announced in different media outlets.

As regards scholarships in Jordan, Dhmour said the total annual scholarships reach 40 thousand; the private sector finances some of them.

In response to a question, Awadh said banks offer numerous scholarships at an annual basis, but this is done as an individual effort of each bank and as part of its social responsibility activities.

Banks, he said, annually allocate 8% of their overall profits to social responsibility activities; they also support a number of funds that offer annual scholarships to students who do not have the sufficient financial resources.

However, he continued to say, the Martyr Kassassbeh Scholarship Fund is the first collective endeavour that encompasses all banks.

The ABJ, JIJ sign an MoU

The ABJ and the Judicial Institute of Jordan (JIJ) signed an MoU to cooperate in the field of training by organizing specialized workshops in banking for judges to raise their competence in banking lawsuits from a banking technical view. This has contributed to accelerate taking decisions in all lawsuits involving banks.

The MoU was signed by ABJ chairman Marwan Awadh and JIJ president Dr. Bassam Talhouni.

The three-year MOU stipulates that the ABJ provide specialized local and international trainers and experts in banking, while the JIJ hosts and organizes training programs and workshops relevant to banking.

Talhouni said the MOU aims at raising awareness of the latest developments in banks lawsuits and litigation, describing the agreement as an example of cooperation between JIJ and local society institutions, especially the important and influential institutions like the ABJ.

The MOU, which is an initiative to serve the justice sector, is the first step that will be expanded to include the courts' employees, especially those working in the execution departments whose work intersects with that of banks in the kingdom.

On his part, ABJ Chairman Marwan Awadh said the conclusion of this memorandum is a preliminary step for a plan of the much-needed specialized judiciary in banking, as this would accelerate taking decisions in bank litigation. Such specialized judges, he stressed, help to reach just verdicts based on matter-of-fact information, a justice system that has concise understanding of the nature of bank transactions, so that the banking sector, and justice in general, are better served.

ABJ general director said the agreement is part of the ABJ's tripartite executive plan approved by the board of directors and greatly welcomed by all parties because it would play a role in serving national economy.

According to the memorandum, he added, the ABJ commits to provide local or international specialized trainers and experts in the field of banking, in addition to providing all logistics necessary for the training process.

JIJ's General Director Judge Dr. Thaer Adwan said the institute had gone a long way in the field of judicial training and orientation, which is part of a comprehensive vision that targets equipping judges with the necessary skills, knowledge and experiences to support specialized justice.

Dr. Adwan pointed out that the JIJ trained almost 600 judges in various fields as part of its continued training program.

Banks, ISTD sign agreements on electronic attachment, detachment

The Income and Sales Tax Department (ISTD) signed at the ABJ headquarters 25 agreements with banks working in Jordan that aim at facilitating procedures of attachment and detachment executed against the properties and deposits of individuals and corporates that are subject for tax seizure decisions.

ISTD General Director Iyad Qudhah, ABJ Chairman of board of directors Marwan Awadh and representatives of banks signed the said agreements.

Qudhah expressed his thanks to the ABJ for its efforts to make concluding these agreements easy by helping to reach a system acceptable to all parties. This, he added, contributes to facilitate and expedite the procedures of detachment and attachment on properties that used to take a long time.

He pointed out that the ISTD computerized its procedures because it is financially feasible on the one hand, and because it facilitates and simplifies the very procedures themselves. "Other agreements will

follow to achieve the same goal,” he said.

On his part, Awadh said the key objective of signing those agreements is to facilitate and develop procedures of fixing the sign of attachment and detachment on the properties and deposits of persons and corporates, bank clients against whom the ISTD has judgments of attachment.

The previous procedure, he explained, included ISTD sending letters of attachment to banks, which the latter process and enter into their bank software systems. In case there are accounts for the taxpayers, they will be attached and checks will be issued to the ISTD.

Such a process, he said, takes a tax clerk from one to days to finish, as it takes time to distribute letters of attachment on banks. It also takes time from banks to archive the letters and then enter them into the bank system, in addition to the problems of possible double attachment on the indicted client in case the client has accounts in more than one bank.

Awadh underlined the automation of attachments and detachments has a number of advantages and benefits, on top of which is saving time and effort on the part of ISTD and banks’ employees, and cost on the part of the two parties concerned. It reduces the costs of paper, post and correspondence, and it eliminates the possibility of double attachment by several banks in case the client has more than a bank account.

“The electronic execution of attachment and detachment is in line with the Kingdom’s approach to have an electronic government,” he stressed.

ABJ general director said conclusion of these agreements is in accordance with article 39 of Income Tax Law # 34 of 2014, which entitled the ISTD to ask the taxpayer to pay the tax or the amounts due to the department within 30 days of the date of serving notice. In case of default, money will be collected according to provisions of collecting state money.

The agreements are the first of their kind that the ABJ signs with government bodies within the framework of electronic government programs, he said, expecting more agreements to follow.

“Company Control Department and Social Security Corporation will follow in signing such agreements,” he said.

“Preparation for the agreements and drafting them took almost a year so that it covered all technical and legal aspects relevant to execution of attachment and detachment,” he indicated.

According to agreements, the ISTD can execute attachments or detachments electronically on the financial assets of individual and corporate taxpayers against whose moveable and immoveable properties attachment decisions were taken. This is done in cooperation with all managements of banks working in Jordan.

Agreements aim at activating the electronic linking program joining the ISTD and private sector institutions and at strengthening cooperation among them.

Agreements provide for the ISTD to supply and enable banks working in Jordan with an electronic system assigned to banks only, named “Electronic attachment system.” It deals with the accounts and deposits of clients against whom attachment is executed, and the owned shares that are not deposited at the Securities Depository Center through the name of individuals and corporates. The system also includes the national number of Jordanian individuals, the national number of facilities and the name, nationality and valid passport number or document number for non- Jordanians. The system enables Jordanian banks to enter requests to put the signs of attachment/ detachment electronically according to attachment or detachment decisions duly issued by ISTD.

Agreements also provides for banks to execute the attachment and detachment that correlates to the amount due to the ISTD and inform the latter thereof. In case there is no account or insufficient balance, banks will inform the tax department.

On its part, the ISTD will, within five working days of the bank’s response of putting the attachment sign, ask banks to issue and sign a check to the benefit of the ISTD with the value of the attached amount from the client’s account, in the name of ISTD general director/ in his capacity. The agreement also stipulates that each party will name a liaison officer to receive any remark that might come up at the system and provide the possible help to facilitate work procedures, follow up submitted requests at the system and address any errors that might arise.

According to procedures, the ISTD will issue and cancel passwords to system users in banks working in Jordan according to official correspondence between the parties via liaison officers. The ISTD will also train bank employees on ways of assigning the attachment and detachment signs on the system. It will further give banks the mandate to print out the necessary reports on all entries of attachment and detachment done against banks’ clients, provided that the work of system users is limited to assigning the attachment and detachment signs according to the attachment decisions issued by the ISTD.

ABJ, TAG sign MOU

The ABJ and Talal Abu Ghazaleh Organization (TAG) signed an MOU to mend and restore old computers and distribute them to the less fortunate areas in Jordan.

As an initiative of ABJ, the MOU targets making use of old computers that banks no longer need, so that TAG collects old and worn out computers, restores them to become reusable and distributes them to charities and development centers in the less fortunate areas in Jordan in coordination with ABJ’s member banks.

ABJ’s General Director Dr. Adli Kandah and TAG’s Executive Director of Professional Partnerships Salah Abu Osbeh signed the MOU.

Kandah said the MOU stems from the social corporate responsibility of banks working in Jordan. Banks donated their old computers and TAG will restore them for reuse.

The initiative is expected to have good results at the national level by contributing to reducing digital

illiteracy and increasing the number of people who own computers.

According to official figures, the percentage of Jordanian households that have personal computers does not exceed 36%.

On his part, Abu Osbeh said the initiative aims at changing the social culture in regards of IT and the transformation into the communities of knowledge.

TAG, he added, has until to date established 60 TAG Knowledge Centers in different regions of the kingdom.

The first stage of TAG's project was in 2010, when the organization restored and distributed 1500 computers to schools and CSOs.

Amman Out of Court settlement principles launched

The ABJ, in cooperation with the IFC, launched the Amman Principles for out of court settlement in a ceremony held in the ABJ's headquarters under the patronage of CBJ Governor Dr. Ziyad Fareez on 21 Oct. 2015.

The principles aim at assisting businesses that confront financial problems to continue doing business and improve their conditions. In this way, economic growth will be boosted.

The principles enjoyed great support and backing from the CBJ as they are compatible with the business environment in Jordan.

Dr. Fareez said implementing out of court settlement principles would contribute to shorten time needed to restore rights and the lengthy procedures of litigation and execution stages. He expressed hope that banks would activate this instrument because of its advantages for both creditors and debtors.

On his part, ABJ Chairman of Board of Directors Mousa Shehadah said the Amman Principles would reduce the cost and time required to settle financial problems facing debtors, increase recovery rates of debts for creditors and increase their confidence in recovering their money. Consequently, chances of getting credit increase and SMEs' growth is encouraged.

He described the problem of bad debts as one of the key problems facing banks in developed and developing countries alike as it affects banking institutions and other economic sectors of the country.

Banks, he added, handle the issue of bad debts either by liquidating debts in case there are no elements that keep the business going, or settling it if there are good elements for it to continue and address the disorder that it suffers from.

Shehadah praised the efforts that the IFC exerted to bring the Amman Principles to implementation after all parties approved their importance as an efficient framework to organize the relationship between debtors and creditors and ensure just settlements without referring to litigation, or taking legal actions

for forced execution on their properties.

IFC's resident representative and head of mission, Dr. Ahmad Attika, underlined the importance of having an efficient insolvency system that enhances a solid business environment that pushes forward economic growth.

He added that the insolvency systems protect businesses that are capable to continue their work despite the financial difficulties they face. Those insolvency systems, he reiterated, help to keep jobs and save the capital value for investment once again.

Attika said the implementation of this initiative is part of the IFC's strategy in Jordan that aims at pushing the economic growth forward by improving the business environment, curbing the regulatory burdens that prevent it and increasing the chance of access to financing.

ABJ general director said the Amman Principles is a new innovative document that contains rules to regulate creditor-debtor relationship by reaching just and acceptable settlements that enable debtors to settle their debts without the creditors having to resort to courts.

The out of court settlements, he added, give debtors who face difficulties in settling their debts the chance to continue working. They safeguard the workers' jobs and rights and reduce at the same time the burden on courts and execution departments.

Kandah pointed out that some banks in Jordan, in cooperation with the CBJ, settled their debts out of court and followed a settlement mechanism similar to that mentioned in the Amman Principles, which would be easy to implement because it provides a reference and a practical framework governed by clear guidelines to address bad debts. The principles, he pointed out, were unanimously approved by banks, the ABJ and the chambers of commerce and blessed by the CBJ and IFC.

It is a well-known fact that out of court settlements to restructure lagging businesses have higher returns to creditors compared with the customary litigation processes, since the former takes less time and costs less.

The Amman document includes a number of principles, such as the settlement is a privilege and not a right; good faith and keeping confidentiality; commitment of debtors; full disclosure on the part of the debtors during the period of keeping a status quo and the period of restructuring; and, it offers being in line with civil rights.

The ABJ hopes that the principles would enable businesses that can continue despite their financial difficulties to reach out of court settlement with creditors to arrange for a restructuring plan of their debts, their business and improving their conditions.

ABJ Chairman, general director take part in the UAB's conference

The ABJ took part in the conference of Union of Arab Banks (UAB) held in Cairo under the patronage of Egyptian Prime Minister Ibrahim Mahlab to discuss Financing for Development

Some 700 Arab figures, comprising ministers of finance, central bank governors and bank associations, attended the conference.

ABJ chairman Marwan Awadh took part in a working session that discussed banks' financing role in boosting and building economy of the future. Speakers at the session also included the Chairman of board of directors of Egyptian Ahli Bank and the MENA Projects Director at the World Bank Group, the chairman and general director of Iraqi Bank of Commerce, the managing director and CEO of Abu Dhabi Islamic Bank in Egypt and the general director of the Professional Group of Moroccan Banks.

Awadh said the financial system in any given country consists of two elements: the financial markets and the financial institutions. Financial system of any given economy plays the role of the intermediary that mobilizes and collects savings on the one hand and provides the financing necessary to different sectors on the other.

Without the financial system, he stressed, personal savings would remain fragmented and dispersed. Furthermore, financing seekers would not find sufficient and proper financing sources for them, he said.

Arab financial markets, he went on to say, did not reach the necessary stage of maturity. They are still characterized with the low or even non-existing pricing and operational efficiency, the absence of market makers and the unexpected price movements, in addition to the great risks facing investors in financial markets. These disadvantages made Arab financial markets less attractive to investors, and thus their liquidity went down. They also influenced their capacity and competence to play the role of the intermediary in economy compared with the financial institutions.

As regards financial institutions, Awadh said banks are the most important type of financial institutions in terms of size. Arab banks' assets are approximately the total Arab GDP. They even exceed the GDP of many Arab countries. They are capable of attracting savings. Deposits at Arab banks constitute almost two thirds of the total Arab GDP. They are also capable of financing economy, as bank loans constitute 60% of total Arab GDP.

Awadh underlined the depth of Arab economic sector, which is one of the most important pillars of financial systems. The overall Arab economy is based on banks, he said, adding that this is a burden and great responsibility to shoulder in the process of economic development, investment financing and creating job opportunities.

As regards the financing role of Arab banks, Awadh said banks are the most important source of funding for Arab governments, especially those suffering from budget deficit. Banks also provide all types of financing to the private sector, which seizes almost three quarters of bank financing in Arab countries.

The banking sector has many qualities that make it a force for development in the Arab countries, he stressed. "Arab banks have capital bases that range between 11% and 12% of their total assets, they enjoy high capital adequacy ratios that exceed 17% coupled with high quality of assets, as the non-performing debts ratio is within acceptable limits, 10%," he went on to say.

Arab banks, he said, have good performance in terms of profitability, efficiency and liquidity. This reflects the Arab banks' readiness to continue their role in serving Arab economies and enhance sustainable development, he added.

Awadh said the prospects of the funding role of banks in boosting future economy depends on a number of factors, atop of which is the security, political and social stability that enhances the political future of the region. This is the basic structure that attracts investments and triggers Arab economic environment, he added.

Other factors include completing the array of financial and economic reforms in the Arab countries, diversification of Arab economies and increasing their complementarity that will reflect on improving Arab business environment, stimulating and promoting growth engine sectors and mega projects that reflect positively on sustainable development.

In addition to that, Arab banks should comply by the requirements of local monitoring entities and the standards and guidelines issued by international entities like the Basel Committee.

The Arab conference discussed issues of mobilizing financial resources for development; facing challenges and the Arab strategic economic choice; and the influence of financial development on economic growth. The conference also shed light on economic reforms in Egypt, triggering Arab investments to back Egypt's development goals, especially enhancing SMEs financing that provide lasting job opportunities and are able to expand and spread.

Sessions in the conference discussed strategies of financial inclusion and their role in enhancing socio-economic development, means of stimulating investments and attracting capital to the Arab region, enhancing and controlling Arab development aids, and the economic and legislative reforms in Egypt and the prospects of sustainable development.

ABJ's general director submitted a working paper to the second session of the conference. The paper discussed the concept of financial inclusion or comprehensive financing which means providing financial services at reasonable costs to limited income or deprived segments of society.

Half of the world's adults and 74% of adult Jordanians do not have bank accounts or loan accounts, he said.

He drew attention to the fact that the concept of financial inclusion became important at the onset of the new millennium to become a common goal for many governments and central banks in the developing countries because of its important role in curbing poverty and reducing income disparities and increasing economic growth.

Kandah said the concept developed to have four dimensions. The first is the easy access to financing by all households and businesses; the second is available proper institutions guided by conscious regulatory and monitoring rules; the third is guarantee of financial and institutional sustainability of financial institutions; and finally, service providers' competition to provide alternatives to clients. Dr. Kandah referred to a World Bank report saying that financial institutions, which design financial services

allowing low-income people to save and transfer money, create instruments that help empower people and reduce the level of poverty.

He also pointed out that the Global Financial Development Report of 2014, titled Financial Inclusion, indicated that more than 50 countries had recently drew goals to improve financial inclusion. WB President announced in October 2014 an initiative to ensure access of all adults at the age of work to world financial services by 2020, with the help of technological innovations, like the electronic financial accounts, mobile electronic portfolios, with a special focus on low-income people, women, youth and urban people, and other vulnerable segments.

According to the report, he said, half of adults in the world, or 2.5 billion people, do not have bank accounts at any official financial institution because of lack of demand or because of restrictions like the cost, the long distances they have to travel and the required documents. In developing economies, he added, access to financing is the main obstacle facing 35% of small businesses, a veritable hindrance to their operations.

He drew attention to the fact that transformation into the electronic distribution of social benefits, humanitarian assistance or salary payments can push the financial inclusion forward and help the poor beef-up their savings, while achieving efficiency, transparency and saving in costs.

The general director pointed out that financial services are not at the fingertips of many people because the failure of the market and governments made the cost of services very high that prevent them to have, or because of regulatory and legal obstacles.

Kandah highlighted the importance of overcoming a number of key challenges like reviewing geographical distribution of bank branches that are usually concentrated in capitals and main cities. This makes it hard for individuals to get financial services. He also mentioned the weak banking awareness of individuals as one of the major obstacles to implement financial inclusion.

Kandah told attendees that the CBJ launched, in cooperation with the Ministry of Education, ABJ and others, an initiative to carry out an educational program on financial issues that introduces some curricula on financial education at some grades to increase youth awareness in basic financial and banking issues.

He stressed the importance of coordinating required documents of individuals to open bank accounts and get financing. However, he pointed out that too many documents required in compliance with international standards like the anti-money laundering and FATCA, hinder the pace of implementing financial inclusion.

Banks magazine interviews AJIB General Director/ CEO

The CEO/ General Director of Arab Jordan Investment Bank (AJIB) Hani Qadhi said in an interview with the Banks Magazine that the CBJ has always encouraged Jordanian banks to merge because of the numerous economic benefits mergers bring for all parties.

The benefits that AJIB had of its merger with HSBC include a rise in total assets to reach 1.75 billion

dinars and a growth of clients' deposits and collaterals to one billion and 50 million dinars by the end of 2014. The net credit facilities portfolio witnessed a growth from 377 million dinars in 2013 to almost 700 million dinars, and the securities portfolio increased to 610 million dinars at the end of 2014, he pointed out.

Qadhi explained that HSBC acquisition helped achieving many strategic benefits, the most important of which is the increase in market share, boosting the ability to provide wider banking services especially in the field of corporate banking and increasing the base of clients. In addition, acquisition of the corporate portfolio run by the HSBC branches in Jordan stimulated the AJIB to develop an array of state of art services that those companies are used to get from an international bank.

AJIB supported the policies and working procedures of the corporate department to maintain, if not upgrade, the level of rendered services through products directed to finance and facilitate the transactions of big corporations. Such measures expanded the base of corresponding banks that the corporations are dealing with. The bank had also introduced many products resulting from the merger the matter that gave AJIB's original clients wider and better choices than those they previously used to get.

Qadhi said the acquisition deal was effectuated pursuant to article 82 of the Banks Law. The article stipulates that, "A bank may, at the prior consent of the Central Bank of Jordan, purchase all or part of the assets of another bank and its rights or liabilities and obligations, including any bank facilities that the bank granted to its clients, or pledges it issued to beneficiaries and all its personal and in kind collaterals, without having to get the consent of any client, guarantor, pledger, beneficiary or any other person, and without having to abide by any assessment measures or others that any other legislation might provide for."

The ABJ holds a number of banking activities and events

The ABJ organized a series of activities that compliance monitors at banks attended.

The series included meetings, training courses and workshops. One of meetings discussed the forty recommendations issued by the Global Financial Taskforce for anti-money laundering and terrorism financing and relevant instructions. Banks discussed and reviewed their remarks and feedback on those recommendations and instructions before submitting them to the CBJ.

The CBJ had distributed instructions # 1 of 2014, Instructions to Carry out Obligations mentioned in UN Security Council's Resolution # 1267 of 1999 and 1989 of 2011, and other relevant resolutions, as well as instructions # 2 of 2014 to implement obligations mentioned in UNSC resolution # 1988 of 2011 and relevant resolutions. The circulars called for banks to give their feedback on the guidelines to comply by those instructions.

The ABJ held specialized training course on CBJ instructions on bad debts and debt restructuring, with the lecturer being Salem Khazaaleh. The ABJ held another specialized training course in Mafraq on CBJ instructions on bank transactions, with the lecturer being Salem Khazaaleh too.

The ABJ held at its headquarters a follow-up meeting to discuss the forty recommendations issued by the Global Financial Taskforce for anti-money laundering and terrorism financing and relevant instructions.

The ABJ launches the Guide to bank services and products of Islamic banks

The ABJ launched on 4 Oct. 2015 the Guide to Services, Bank Products and Solutions of Islamic Banks working in Jordan. The launch was on the sidelines of the Fourth Forum of Social Responsibility of Banks.

The ABJ Vice-Chairman Mousa Shehadah said launching of the guide that the ABJ prepared in cooperation with Islamic banks, is an important step to shed light on Islamic bank services, especially under the increased demand on them locally, regionally and at the international market.

The guide, he went on to say, is a response to the qualitative and quantitative developments in the bank services that Islamic banks in Jordan offer. It further adds to enhancing clients' knowledge of Islamic banks, whether clients are individual or corporate.

On his part, ABJ general director said the guide, which is the first of its kind in the kingdom and at the regional level, is an ABJ initiative to serve its members and those dealing with banks in general.

The guide, he added, follows the Comprehensive Guide of bank services, products and solutions provided by banks working in Jordan that the ABJ issued in 2012. The guide was a great success in highlighting those services.

The ABJ takes part in parliament's discussions of Money Exchange Draft Law

ABJ General Director Dr. Adli Kandah took part in the meetings of Lower House of Parliament's Economic and Investment Committee that discussed the draft law on money exchange.

The CBJ Governor also attended the meeting in addition to the head and members of Money Exchange Companies Association.

The committee's head, Dr. Khair Abu Seileek said the draft law aims at raising the working capital of exchange offices and opening the door to foreign exchange companies to enter the local market.

He pointed out that the law is biased against money exchangers and in favour of banks.

Dr. Fareez, on the other hand, said the objective of the money exchange law is to raise the level of this sector, reorganize and institutionalize it at strong and solid foundations. There is a plan to have a sector in which strong and organized companies work, and this can be done by raising the capital requirements of companies, he explained.

The draft law, he said, makes a distinction between two types of companies working in the sector. Some will be authorized to work in money exchange only, others financing only. The other type will be

authorized to do both: money exchange and financing according to a regulation that will be issued soon.

Policies and measures will be drawn to control the work of this sector, maintain its healthy practices, and raise its level, he added. As regards banks, the governor said there is a more complex draft law on banks than on money exchange, as monitoring on banks is greatly organized.

The parliamentary committee discussed 20 articles of the law during two meetings, where it amended, removed or approved some articles.

Discussions included the mandate of the governor, the CBJ and the CBJ's board of directors, the ABJ general director said. The committee shared a tendency to give most of the mandates mentioned in the draft law to the CBJ's board of directors. This suggestion enjoyed strong support, especially in what concerns granting licenses to money exchangers, registration and hiring non-Jordanians.

The ABJ takes part in forum on SMEs: Path to economic growth

Under the joint patronage of the CBJ and ABJ, the Union of Arab Banks (UAB) organized in Amman a forum on SMEs: Path to economic growth.

The forum took place during 26-27 Sep. 2015 with the participation of 250 leading banking and economic figures from Jordan, Palestine, Lebanon, Sudan, Bahrain, Saudi Arabia, Kuwait, UAE, Libya, Tunisia, Algeria and Iraq.

CBJ Governor Dr. Ziyad Fareez said in an opening speech that Jordan pins great hopes on SMEs and start-ups because of their role in achieving desired economic growth.

However, he went on to say, the lack of a concise and updated database on the financing activities of SMEs does not help to judge the situation of those businesses.

They do not suffer from financing problems, he insisted. What they need is technical assistance in training, production and marketing to pass the initial stages of founding and turn into big companies as is done in developed countries, especially in the industrial sector.

Fareez told participants that the CBJ provided almost one billion dinars for lending to MSMEs at competitive terms. Furthermore, he added, the government plans to create a fund that provide guarantees for the loans that start-ups take from banks. Start-ups has access problems to financing because they do not have a credit register that helps banks take the funding decision.

The governor stressed the importance of enhancing the investment environment to kick start Arab economies once again and to face challenges of regional security and political developments, and the economic and financial challenges currently facing the world.

On his part, ABJ Chairman Marwan Awadh said SMEs sector is the most important engines of economic growth because of its big share in the sustainable GDP. Those businesses constitute 80% of official sector's companies, contribute by 30% of GDP and hire 50% of labour force in the private sector.

The financial and regulatory factors, he pointed out, are the most important restrictions that hinder SMEs from entering the industry, constructions, transportation and tourism activities, especially the restrictions of capital requirements and the need for specialized skills. Such restrictions require us to draw and implement strategies that are apt to guarantee an increased contribution of those enterprises to economy, and consequently to combating poverty and low per capita income and reduce unemployment rates that Arab countries suffer from.

Awadh said the biggest challenge for those enterprises is access to financing, as more than half of them cannot get credit, which is the main source of funding for them. Figures show that bank loans for those companies constitute 9% only of total bank credits, with a total amount of \$ 50 billion.

The biggest obstacles to SMEs' access to financing are the incomplete reforms in collateral arrangements and the infrastructure of credit information in many Arab countries, he said. There are also gaps in the legal frames of executing contracts that increase the potential losses of banks in case of bad debts, the rise in non-performing debts in a number of Arab countries like Algeria, Yemen, Tunisia and Egypt, which might lead to toughening the credit policies of banks, he added.

Other obstacles include the weak and limited influence of specialized financial institutions established to give credits to SMEs, the weak competition in banking systems in some countries and the limited alternatives to SMEs' financing away from the banking sector, Awadh said.

In addition to those obstacles, there are non-financial obstacles that are relevant to the insufficient financial statements and credit registers of those businesses, he pointed out.

Awadh called for improving a friendly environment to facilitate SMEs' lending, while safeguarding financial stability. This can be done, he suggested, by introducing reforms that improve legal frames and financial infrastructures, developing products that are especially designed for those businesses, developing non-banking financing, especially leasing, and providing alternative and specialized terms to list those businesses in stock markets.

Other suggestions include providing a comprehensive and detailed database of SMEs that helps decision takers, policy makers and financial institutions to understand the needs of SMEs and take the necessary measures to support them.

On his part, the secretary general of UAB Wissam Fattouh said organizing such a forum on SMEs aims at launching Arab strategies at the national levels to trigger financing such enterprises and boost their role in socio-economic development at the Arab level.

In a session that discussed the Jordanian experience in financing MSMEs, the ABJ general director said the critical role that those businesses play in Jordanian economy and in development and hiring made the ABJ take a number of measures to finance this sector and improve its access to financing.

An ABJ study on the subject, he said, demonstrated that 60% of banks working in the kingdom have departments or units specialized in SMEs' funding, that 76% of banks in Jordan have qualified staff specialized in serving SMEs.

The study also showed that 95% of commercial banks in Jordan give overdraft facilities to SMEs and 38% of banks provide working capital financing.

Some 33% of banks provide revolving loans and documentary credits, he said, 29% of them provide short-term loans and 24% of them provide mid and long term loans to finance fixed assets, in addition to letters of guarantees and discounted bills.

75% of Islamic banks offer Morabaha financing to buy and import goods and raw materials and to finance fixed assets. They also offer Morabaha and leasing to finance real estate for SMEs.

Kandah mentioned that the average interest rate on facilities to SMEs ranges between 10% and 12%. He added that 88% of banks in Jordan believe that their products are compatible with the needs of SMEs, and that 60% of banks reject less than 10% of loan applications submitted by SMEs.

The study outcomes showed that the facilities portfolio of SMEs account for 13% of total facilities portfolio in 65% of banks. Some 58% of banks say there is a possibility to increase the credit portfolio of SMEs.

He pointed out that the most acceptable collaterals for banks to finance SMEs are the cash collaterals, real estates, securities and guarantors.

Kandah reviewed initiatives to increase financing of SMEs in Jordan. The most important initiative was that of the CBJ, the Ministry of Planning and International Cooperation and international and regional financing institutions, which aimed at mobilizing \$ 440 million in financing to SMEs at competitive interest rates, appropriate terms and with guarantees to granted loans.

The forum's final statement recommended the creation of concise and updated database on the economic situation and financing activity of MSMEs. It also highlighted technical assistance in the field of training, quality production and efficient marketing of MSMEs to ensure their success to go beyond the national boundaries.

The forum called for adopting strategies to raise the volume of financing enterprises for their increasing role in sustainable development, creating jobs and fighting unemployment.

The forum stressed developing investment friendly environment to facilitate SMEs borrowing from banking and financial institutions. It also recommended creating special units in banks and financial institutions, especially central banks, to follow up and finance the SMEs' needs in coordination with relevant parties.

The statement called for the creation of specialized funds to guarantee credit risks relevant to financing SMEs, accompanied by providing various types of incentives, tax and financial exemptions to MSMEs.

The statement also underlined enhancing financial inclusion for its role in supporting and developing MSMEs, through activating the chain of supply and demand to provide what those businesses require of services and products, and promotion of their own financial education.

It highlighted promoting entrepreneurial culture, boosting innovation and creativity, especially among women, young people and fresh graduates.

The final statement stressed exchange of expertise and successful experiences in developing start-ups and business incubators, coupled with media promotion of them at the local and regional levels.

It called for the adoption of Islamic banking products like Sukuk, taking precautions to avoid financing risks of those businesses and facilitate their entry into financial markets.

The ABJ takes part in the Arab Banking Summit at Budapest

The ABJ General Director Adli Kandah took part in the Arab International Banking Summit held in the Hungarian capital Budapest between 9-10 June 2015, under the theme of Financial Inclusion for social development and stability.

Dr. Kandah said in a paper he submitted on The most important measures and policies taken to improve SMEs' access to bank financing in the MENA that survey studies of the World Bank indicate that almost two thirds of companies established annually in the region are SMEs that help in employment and job creation. Yet, SMEs suffer from inability to access financing.

SMEs, he said, only receive 8.3% of total bank financing in the region. At the country level, SMEs receive 10% of total direct credit facilities that banks grant to various economic sectors in Jordan, 16.1% in Lebanon, 34.3% in morocco, and it drops to less than 1% in Qatar.

Kandah mentioned the most important institutional arrangements and restructuring programs of those sectors that MENA governments adopted in the past few years to improve SMEs' access to financing.

UAB publishes 2nd edition of The Banking Sector: Critical Role and Response to Challenges

The Union of Arab Banks (UAB) in Beirut published the 2nd edition of ABJ General Director Dr. Adli Kandah's book The Banking Sector: Critical Role and Response to Challenges 2006-2014.

UAB Secretary General Wissam Hassan Fattouh said in a foreword to the book that the UAB is honoured to usher into the Arab economic library a new book on a pioneering Arab banking experience that had a great impact in developing the structure of Jordanian monetary policy throughout a decade.

The book discusses the repercussions of local, regional and global economic developments on banking and financial sectors. It also deliberates on how the CBJ reacted to those developments in the said period with a wise monetary policy that was able to overcome challenges, maintain monetary stability, guarantee its soundness and raise its efficiency in containing regulatory pressures, protect the dinar's exchange rate and stimulate economic growth.

The book is a research that documents a decade of developments in the Jordanian banking sector:

measures taken to develop the sector and its pioneering role in serving national economy and boosting financial stability.

ABJ General Director takes part in a seminar on economy and Jordanian national security at the RJNDC

ABJ General Director Dr. Adli Kandah took part in the seminar on Economy and Jordanian national security that the Royal Jordanian National Defense College (RJNDC) organized on 17 Feb. 2015.

Speakers included economic expert Dr. Khaled Wazani, the CEO of Isnaad Consultations and Abdel Hakeem Shibli, the director of Economic Studies and Policies at the Ministry of Finance.

Dr. Kandah presented a working paper on the regional and international economic environment and international economic institutions and their impact of Jordanian economy. The paper said Jordanian external trade policy is based on economic openness on the world and the positive dealing with trade partners based on achieving common interest and equality.

Kandah pointed out that Jordan is in the forefront of regional countries in terms of economic openness despite its limited material and natural resources. It was able to enhance its economic and trade relations with Arab countries through the Greater Arab Free Trade Zone and a number of bilateral free trade agreements. It also entered the association agreement with the EU, a free trade agreement with the USA after ascending to the WTO, in addition to free trade agreements with AFTA and Singapore.

On his part, Dr. Khaled Wazani talked about the reciprocal relationship between economic development and the national security and defense. The most important component of economic development in Jordan is the higher political will to make economy and people's standard of living a priority. The government, with the prime minister and his ministerial team and civil servants, have to draw and implement comprehensive working plans and programs that aim to create economic opportunities and achieve prosperity that the country and its people deserve.

He added that the challenges that are facing Jordan require focusing efforts on governorates' development to ensure a more equitable distribution to development gains, and to create a competitive and attractive investment environment that attracts local, regional and foreign private sector to create sustainable economic growth and create job opportunities to Jordanians.

Dr. Abdel Hakeem Shibli addressed the economic problems facing national security.

He mentioned internal and external challenges such as the high budget deficit, the public debts, the poverty and unemployment rates that were aggravated by the regional political and security conditions and instability.

Debts, he added, are the biggest challenge facing the national economy. Unemployment rates, which are stagnant from 2008 to 2014 could pose strains on social coherence and political and security stability, which in turn affects the macroeconomic stability.

ABJ General Director lectures on Jordanian banking system in Yarmouk University

The ABJ General Director Adli Kandah delivered a lecture on Jordan's banking system at the Faculty of Economy and Administrative Sciences at Yarmouk University.

Deans of economy and pharmacology faculties, professors and students attended the lecture that reviewed the components of Jordan's financial system, including the financial institutions that are subject to the CBJ supervision, and the stock market represented by Amman Stock Market.

As regards the Jordanian banking system, Kandah said it comprises of 25 banks working in Jordan, there are 16 Jordanian commercial and Islamic banks and 9 non-Jordanian banks. Banks have 740 branches spread all over the kingdom.

The Jordanian banking system is characterized by its constant growth, its high capital levels and that it is open for investors from outside Jordan, he pointed out.

Non-Jordanian own almost 60% of shares in Jordanian banks, he went on to say.

Kandah gave a summary of the different bank services offered to individuals, big companies and SMEs, such as loans, deposits, money exchange, bank facilities and services of settling sales tax.

Banks in Jordan are the biggest pillar of national economy, he said. They provide 90% of financing sources in Jordan, in addition to being the biggest taxpaying sector, with a percentage of 35%.

Kandah told attendees that banks working in Jordan have been able to overcome the repercussions of the international financial crisis that increased the percentage on non-performing debts from 4.5% before the crisis to 8.5% after. Banks, he said, succeeded in decreasing this percentage gradually to reach 6%. Banks also succeeded in building allowances for this type of debts with a coverage percentage of 80%.

The general director also told attendees that the organizational structure of banks consists of an array of systems that help running financial and banking transactions such as the Deposits Guarantee Corporation, the Jordanian Loan Guarantee Corporation, the Jordan Mortgage Refinance Company, the general credit information in the CBJ and the National Council of Payments.

ABJ General Director stresses soundness of Jordanian banking system

In an interview with the London-based Al Hayat Arabic daily, the ABJ General Director stressed that Jordan banking system is strong, sound, and capable in general to endure risks and challenges facing it.

This conclusion, he went on to say, is true despite of the great impact of the world financial crisis on the Jordanian economy because of the world economic depression, and the rise in the non-performing debt ratio resulting from the faltering big companies that used to borrow extensively.

Yet, he explained, the increased ratio remained within safe boundaries set by international standards,

which is 10%.

Banks handled this issue by going through a debt rescheduling, the matter that reduced the bad debt ratio to total loans, thus becoming 6%. Banks also allocated sufficient allowances that amounted to 80% of total bad debts.

The banking system, he pointed out, constitutes 90% of the volume of financial sector. Thus, it is the main component of this sector, which puts great strain on it as the major financier of economy.

Banks' assets, he said, amount to 45 billion, deposits are 30.3 billion dinars and loans total 19.3 billion dinars. Therefore, he underlined, the position of the 25 Jordanian banks is sound, as none of them faces drastic problems.

Kandah highlighted the constant cooperation and excellent relationship between the ABJ and the CBJ, especially as the CBJ is an observer in the ABJ's board of directors.

The CBJ, he added, adopted unconventional policies to trigger the banking sector and stimulate economy, while the fiscal policies were somehow tight because of the public debt and the budget deficit, which limited the government's ability to start big projects to stimulate economy.

The fall down in international oil prices had a clear impact on economy as Jordan imports 98% of its needs of energy. Therefore, this setback had a positive impact because the cost of importing oil decreased for the Refinery and the National Electric Power companies; the oil import bill went down and affected positively the current account and the trade balance.

The fall down in oil prices also led to lower inflation rates that registered in the first month of this year minus 1.2%.

In answer to a question on the impact of the fall down in oil prices on the banking sector, Dr. Kandah said the goal of central banks is to maintain monetary stability and the low inflation rates, stimulate economy and raise the economic growth rates. Therefore, this setback encourages central banks to follow a facilitating monetary policy by encouraging banks to lower the interest rates, which would increase demand on credit facilities and thus stimulate economy. As regards challenges facing the banking sector, he said the biggest challenge is excess liquidity and ways of benefiting of it. The amount of the excess liquidity changes from one day to another because of the lending, the imports and exports activities. However, it ranges between 2.5 and 3 billion dinars.

ABJ General Director takes part in the Jordanian Expatriates Conference

The ABJ General Director Dr. Adli Kandah took part in the Jordanian Expatriates Conference, 2015, held under the patronage of HM King Abdullah II in King Hussein Palace of Conferences at the Dead Sea eastern shore.

The ABJ General Director presented a working paper on means of stimulating investments in Jordanian financial market. The paper reviewed the components of financial markets, the role of banks

in the financial system and economy in general, and developing Amman Stock Exchange.

The paper also discussed challenges facing investment in Amman Bourse and the need to offer some support tools, especially in terms of laws, regulations and instructions governing the work of this market.

The three-day conference discussed political and economic issues; Jordanians abroad: successes, challenges and solutions; and the role of Jordanian diplomatic missions.

The objective of the conference, held under the theme of Jordan pulls us together, is to enhance expatriate Jordanians' relationship with their home, understand the challenges they face, draw sustainable partnership mechanisms with them, strengthen their economic participation and improve the services provided to them.

ABJ General Director participates in the first conference of leasing companies association

The ABJ General Director participated in the first conference of the Jordanian Association of Leasing Companies that took place on 8-9 Sep. 2015 under the patronage of the Minister of Industry, Trade and Supply Maha Ali.

The conference discussed an array of issues including a historical view of leasing and its future, leasing in Jordan and the success it made, the continued growth in the leasing market in Jordan, the importance of asset management in making leasing a success, sources of financing and liquidity in leasing companies and the challenges of this aspect.

It also discussed the future prospects of the leasing of fleet, leasing for alternative energy projects and looking for opportunities in this sector, the Islamic Ijarah as a financing alternative, leasing to SMEs, and leasing as an engine for economic growth, risk management and credit rating in leasing, the Jordanian leasing law and the sales tax in leasing.

The conference also organized roundtable discussions on the leasers' view of leasing, the advantages of leasing for suppliers, and the practical implementation of accounting in leasing.

ABJ General Director participates in a workshop on Visa commercial products

The ABJ General Director took part in a workshop on the commercial products of Visa and the opportunities for credit cards sector that Visa International organized on 6 Sep. 2015.

The workshop discussed the commercial products of Visa International and Signature business cards in four main aspects. Those are the situation of Visa Card commercial products within the card issuers' portfolio, growth strategies followed by business cards sector, revision of the regional and international best practices and experiences in this field, and the support that Visa International gave to launch and run the life cycle of business cards.

The ABJ General Director said in an opening speech that the main beneficiary of such products and cards is the SMEs' sector.

The Visa International is an international electronic payments technologies company, he said. It provides consumers, companies, financial institutions and governments in more than 200 countries and sites with the e-payment services instead of paying in cash and checks. Visa Card works within the scope of 14800 financial institutions; it issued 2.1 billion cards and tens of millions of shops offering e-payment services to consumers, companies, banks and governments. It is qualified to run more than 47 thousand transactions per second.

He stressed the importance of SMEs in national economy because of their role in employment and development. Banks in Jordan, he added, adopted numerous measures to finance this sector and improve its access to funding.

ABJ General Director participates in a meeting of the steering committee of demographic opportunity policies

The ABJ General Director, member of the higher steering committee, took part in the 5th coordinating meeting of the national steering committee to discuss the implementation of the demographic opportunity policies.

The attendees decided to update the policies document of demographic opportunity – the third edition 2015, on condition that it is reviewed in light of the outcomes of the population census of 2015.

They also decided to update the national plan to monitor and follow up the progress made in making use of the demographic opportunity, and the actual, anticipated and targeted indicators of the demographic opportunity of 2014-2018, updating the updated demographic reflections 2015, the decision of population estimates for non-Jordanians living in Jordan.

ABJ General Director takes part in the Partnership Council meeting on energy

The ABJ general director took part in the first meeting of the Public-Private Partnership Council on the energy sector.

The meeting aimed at laying down a timetable for procedures that the center would take in this concern.

The prime minister had earlier approved the recommendation of the Minister of Energy and Mineral Resources to form a public-private partnership council in the field of energy that is composed of the different institutions and sectors, on condition that it promptly presents the outcomes of its work and its recommendations to the prime minister.

E. ABJ Publications in 2015

The ABJ published the following publications in 2015.

- **The annual report:** The association published its 36th annual report of 2014, which included developments of the banking sector in 2014 in terms of liquidity, assets, liabilities and the capital. The report further included an analysis of the comparative performance of banks in the kingdom, the new bank services, the number of bank branches in the kingdom and the developments in the human resources of banks. The report also shed light on prospects of world and regional economies, a summary of international and national economic developments and the most important ABJ activities of the year.
- **Guideline to services, products and solutions offered by Islamic banks in Jordan:** The ABJ published in 2015 the first edition of the Guideline to services, products and solutions offered by Islamic banks in Jordan, which is informative about the Islamic banking services, especially in light of the increasing demand on them locally and internationally. It also presented qualitative and quantitative developments in Islamic bank services in Jordan. The guide aimed at enhancing banking knowledge of Islamic bank clients, individuals and corporates. The first chapter was an introduction to the development of Islamic banks in Jordan from 2008-2013. The second chapter reviewed Islamic bank services offered to individuals, while the third reviewed Islamic bank services provided to corporates. The fourth chapter discusses the services of treasury and investment while the fifth chapter highlights the different electronic services provided by Islamic banks in Jordan.
- **ABJ Booklet Series:**
 - Booklet # 1. Bank Merger: Concept, types, motives, impact and the experience of AJIB, HSBC merger.
 - Booklet # 2: Comparative performance of banks in Jordan from 2013-2014.





Chapter Twelve

Financial Statements of Association of Banks in Jordan for the year 2015



Association of banks in Jordan
Statement Of Assets And Liabilities
at 31 December 2015

	2015 JD	2014 JD
<u>ASSETS</u>		
Non-Current Assets -	<u>1,378,200</u>	<u>1,411,667</u>
Property and equipment		
Current Assets-		
Accounts receivable and other current assets	23,817	15,501
Cash on hand and at banks	<u>2,431,375</u>	<u>2,018,340</u>
	<u>2,455,192</u>	<u>2,033,841</u>
Total Assets	<u>3,833,392</u>	<u>3,445,508</u>
<u>ACCUMULATED SURPLUS AND LIABILITIES</u>		
Accumulated Surplus -		
Accumulated surplus	<u>3,426,210</u>	<u>3,375,153</u>
<u>LIABILITIES</u>		
Non - Current Liabilities -		
End of service indemnity provision	<u>65,562</u>	<u>54,154</u>
Current Liabilities -		
Accrued Expenses	12,871	3,203
Other current liabilities	4,003	2,332
Moath AlKasasbeh's Fund Scholarship	314,099	-
Due to banks	<u>10,647</u>	<u>10,666</u>
	<u>341,620</u>	<u>16,201</u>
Total Accumulated Surplus and Liabilities	<u>3,833,392</u>	<u>3,445,508</u>

Association of banks in Jordan

Statement of Revenues and Expenses

For The Year Ended 31 December 2015

	2015 JD	2014 JD
Revenues-		
Membership fees	562,457	532,498
Banks magazine income	63,955	50,361
Workshops and seminars income	57,068	28,050
Interest income	83,890	94,237
Other income	<u>10,594</u>	<u>5,303</u>
Total Revenue	<u>777,964</u>	<u>710,449</u>
Expenses -		
Banks magazine expenses	(61,196)	(58,741)
Workshops and seminars expenses	(22,892)	(11,182)
Administrative expenses	<u>(642,819)</u>	<u>(593,874)</u>
Total Expenses	<u>(726,907)</u>	<u>(663,797)</u>
Net excess in revenues over expenses for the year	<u>51,057</u>	<u>46,652</u>

Association of banks in Jordan

Statement Of Cash Flow

For The year Ended 31 December 2015

	2015 JD	2014 JD
<u>OPERATING ACTIVITIES</u>		
Net excess in revenues over expenses for the year	51,057	46,652
Adjustments for:		
Depreciation	44,296	48,708
End of service indemnity provision	11,408	9,124
Interest income	(83,890)	(94,237)
Changes in working capital –		
Accounts receivable and other current assets	1,486	16,634
Accrued expenses	9,668	(2,315)
Other current liabilities	1,671	(2,780)
Net cash from operating activities	<u>35,696</u>	<u>21,786</u>
<u>INVESTING ACTIVITIES</u>		
Interest income received	74,088	94,237
Purchase of property and equipment	<u>(10,829)</u>	<u>(2,930)</u>
Net cash from investing activities	<u>63,259</u>	<u>91,307</u>
Net increase in cash and cash equivalents	98,955	113,093
Cash and cash equivalents at 1 January	<u>2,007,674</u>	<u>1,894,581</u>
Cash and cash equivalents at 31 December	<u>2,106,629</u>	<u>2,007,674</u>



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